TCL GROUP

ONE CARIBBEAN... ONE COMPANY

annual report 2007

As we grow our business
and expand our horizons,
we stand on the strength of our integrity.
Our success depends on this as we forge
new pathways to a better future.
And this success benefits us all,
employees and shareholders alike.
The stronger our foundations,
the higher we rise.

growth strength integrity

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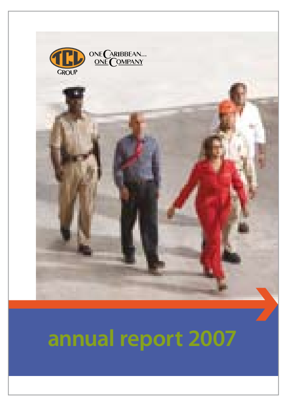


FORWARD THINKING

The direction is Forward. That is where the future lies. That is where we forge new pathways as we grow our business and expand our horizons. For our Group and all our employees and shareholders, our movement, our growth is taking us forward to success. The stronger our foundation, the higher we will rise.

TCL Group Statements

Vision Statement

We are a World Class Group of Companies, committed to leadership in the regional business community and progressive partnering with all our stakeholders through:

- A focus on customer satisfaction with quality products and services;
- Superior financial performance and rate of return to our shareholders;
- Growth through diversification and expansion in our core competency and through nurturing strategic alliances;
- The continuous empowerment of our family of employees participating in a network of mutual support.

Mission Statement

To be a World Class Group of Companies providing quality products and services to our customers and generating a superior rate of return to our shareholders through the optimisation of our human, technological and natural resources.

Notice of Annual Meeting

Notice is hereby given that the ANNUAL MEETING of TRINIDAD CEMENT LIMITED for the year ended 31st December 2007 will be held at the Training Room, TCL Compound, Southern Main Road, Claxton Bay, on 17th June 2008 at 4:30 p.m. for the transaction of the following business:

ORDINARY BUSINESS

1. To receive and consider the Report of the Directors and the Audited Financial Statements for the financial year ended 31st December 2007, with the Report of the Auditors thereon.
2. To elect Directors.
3. To appoint Auditors and authorise the Directors to fix their remuneration for the ensuing year.
4. To transact any other business which may be properly brought before the meeting.

NOTES

1. Record Date

The Directors have fixed 17th May 2008 as the record date for shareholders entitled to receive notice of the Annual Meeting. Formal notice of the Meeting will be sent to shareholders on the Register of Members as at the close of business on that date. A list of such shareholders will be available for examination by shareholders at the registered office of The Trinidad & Tobago Central Depository, 10th Floor, Nicholas Tower, 62-65 Independence Square, Port of Spain, during usual business hours and at the Annual Meeting.

2. Proxies

Members of the Company entitled to attend and vote at the Meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not also be a member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or signed by some officer or attorney duly authorised.

To be valid, the Proxy Form must be completed and deposited at the registered office of The Trinidad & Tobago Central Depository, 10th Floor, Nicholas Tower, 62-65 Independence Square, Port of Spain, not less than 48 hours before the time fixed for holding the Meeting.

By Order of the Board

Alan Nobie, *Secretary*

9th May, 2008

Ten Year Consolidated Financial Summary

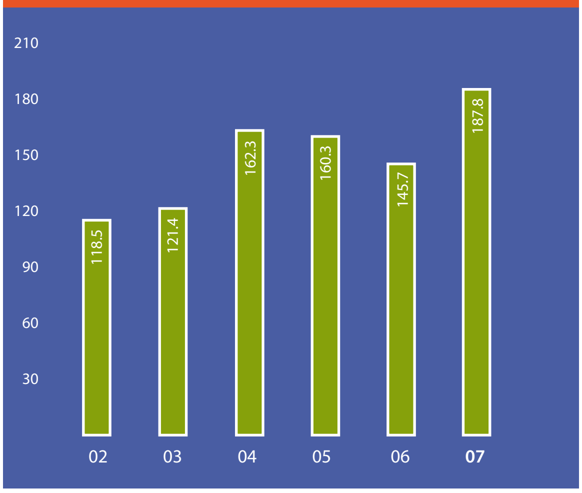
	UOM	1998	1999	2000	2001	2002
Group Third Party Revenue	TT$m	548.7	836.1	1,097.0	1,054.0	1,131.8
Operating Profit	TT$m	163.1	231.3	261.9	228.3	246.7
Group Profit Before Taxation	TT$m	116.9	102.9	138.5	139.8	160.3
Group Profit Attributable to Shareholders	TT$m	85.2	70.2	84.6	93.0	118.5
Foreign Exchange Earnings	TT $m	186.8	189.1	183.4	176.3	176.2
EPS	TT$	0.41	0.34	0.38	0.37	0.49
Ordinary Dividend per Share	TT$	0.16	0.12	0.16	0.14	0.18
Issued Share Capital - Ordinary	TT $m	267.7	267.7	466.2	466.2	466.2
Shareholders' Equity	TT$m	389.8	475.7	715.1	699.0	765.3
Group Equity	TT$m	435.9	729.9	943.1	913.5	960.8
Total Assets	TT $m	983.0	2,471.5	2,403.2	2,356.0	2,320.9
Net Assets per Share	TT$	2.08	3.48	3.78	3.66	3.85
Return on Shareholders' Equity	%	24.3	16.2	14.2	13.2	16.2
Share Price (Dec 31)	TT$	5.68	4.35	4.50	3.65	5.70
Market Capitalisation (Dec 31)	TT$	1,189,846	911,238	1,123,942	911,642	1,423,660
Long Term Debt	TT$m	327.0	1,240.1	917.7	918.4	844.4
Long Term Debt/Equity Ratio	%	81.8	220.7	113.8	115.1	97.4

	UOM	2003	2004	2005	2006	2007
Group Third Party Revenue	TT$m	1,155.7	1,329.9	1429.8	1719.0	**1923.0**
Operating Profit	TT$m	264.0	304.1	183.9	264.8	**349.4**
Group Profit Before Taxation	TT$m	173.2	199.3	86.8	160.5	**245.7**
Group Profit Attributable to Shareholders	TT$m	121.4	162.3	160.3	145.7	**187.8**
Foreign Exchange Earnings	TT $m	184.0	192.8	162.3	231.8	**292.3**
EPS	TT$	0.50	0.67	0.66	0.60	**0.77**
Ordinary Dividend per Share	TT$	0.18	0.20	0.15	0.06	**0.07**
Issued Share Capital - Ordinary	TT $m	466.2	466.2	466.2	466.2	**466.2**
Shareholders' Equity	TT$m	804.4	939.4	1,031.8	1,159.0	**1,313.7**
Group Equity	TT$m	905.6	1,061.7	1,139.1	1,267.5	**1,442.3**
Total Assets	TT $m	2,239.4	2,438.1	2,948.2	3,230.0	**3,621.6**
Net Assets per Share	TT$	3.63	4.25	4.56	5.07	**5.70**
Return on Shareholders' Equity	%	15.5	18.6	15.5	12.6	**17.0**
Share Price (Dec 31)	TT$	6.00	8.05	10.0	7.01	**7.35**
Market Capitalisation (Dec 31)	TT$	1,498,590	2,010,608	2,497,650	1,750,854	**1,835,773**
Long Term Debt	TT$m	770.8	742.8	1,114.5	1,183.6	**1,308.3**
Long Term Debt/Equity Ratio	%	85.1	70.0	97.8	93.4	**90.7**

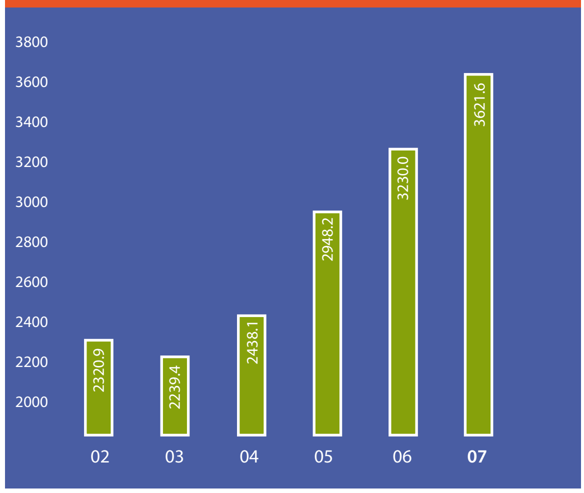
Note: Issued shares increased by 9,480,437 in 1998 and 40,284,699 in 2000 to 249,765,136 at present.

Consolidated Financial Summary 2002-2007

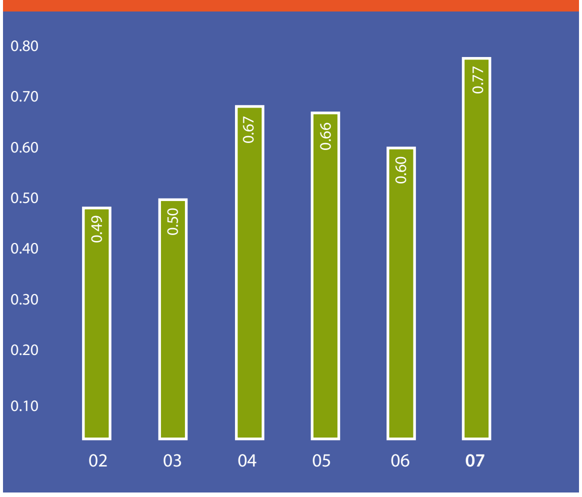
Profit Attributable to Shareholders ($M)



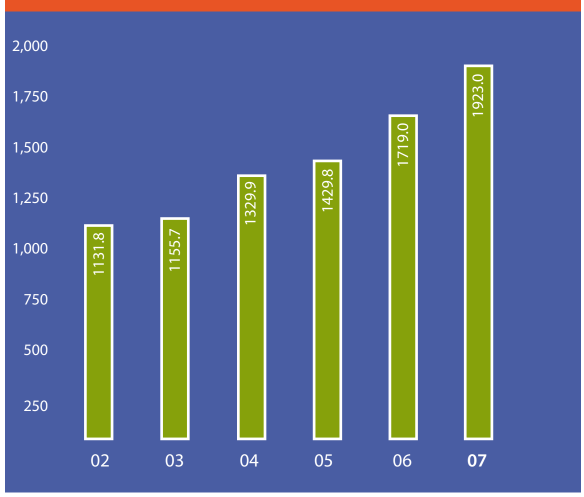
Total Assets ($M)



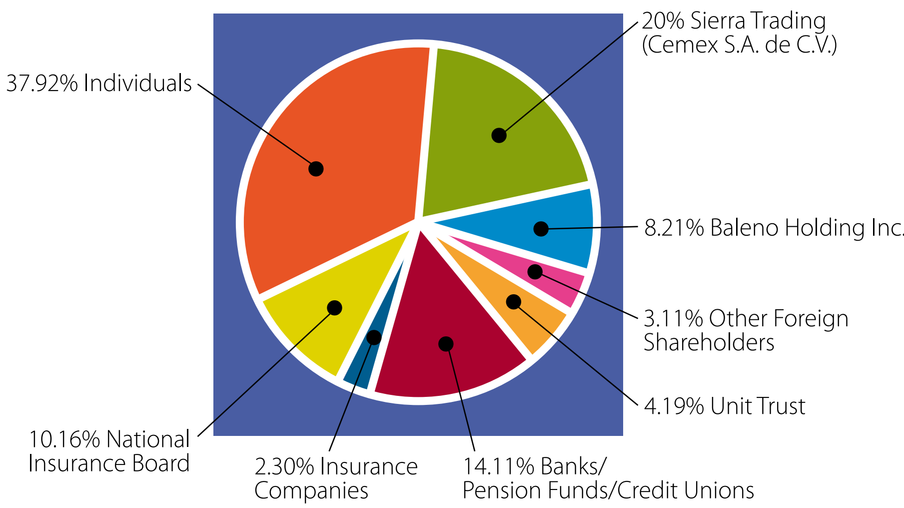
Earnings per Share ($)



Group Third Party Revenue (TT $M)



Distribution of Shareholding



Group Performance Highlights

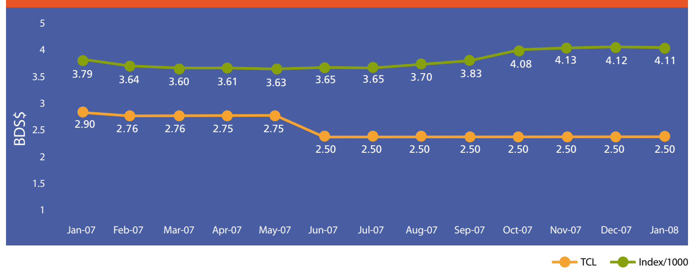
				2006	2007	% Change
INCOME STATEMENT						
Group Third Party Revenue $m				1,719.0	**1,923.0**	11.9
Group Profit Attributable to Shareholders $m				145.7	**187.8**	28.9
Foreign Exchange Earnings $m				231.8	**292.3**	26.1
BALANCE SHEET						
Total Assets $m				3,230.0	**3,621.6**	12.1
Shareholders' Equity $m				1,159.0	**1,313.7**	13.3
Net Assets per Share $				5.07	**5.70**	12.4
Long Term Debt $m				1,183.6	**1,308.3**	10.5
Long Term Debt to Equity Ratio %				93.4	**90.7**	2.9
OPERATIONAL HIGHLIGHTS						
TCL	Cement Production		'000 tonnes	883.7	**901.9**	2.1
	Cement Sales	- Local	"	619.7	**672.9**	8.6
		- Export	"	263.0	**229.6**	-12.7
		- Total	"	882.7	**902.5**	2.2
CCCL	Cement Production		'000 tonnes	760.8	**773.0**	1.6
	Cement Sales	- Local	"	843.3	**807.5**	-4.2
		- Export	"	0	**6.0**	100.0
		- Total	"	843.3	**813.5**	-3.5
ACCL	Cement Production		'000 tonnes	337.8	**316.5**	-6.3
	Cement Sales	- Local	"	201.2	**191.1**	-5.0
		- Export	"	103.2	**128.3**	24.3
		- Total	"	304.4	**319.4**	4.9
TPL	Paper Sack Production		millions	39.5	**38.1**	-3.5
	Paper Sack Sales		"	42.0	**34.8**	-17.1
TPM	Sling Production		thousands	484.4	**465.0**	-4.0
	Sling Sales		"	552.5	**350.2**	-36.6
	Jumbo Bag Production		"	40.0	**-**	-100.0
	Jumbo Bag Sales		"	28.4	**23.4**	-17.6
RML Group	Concrete Sales - T&T, BDS, St. Maarten		'000m^3	282.8	**284.3**	0.5
JGQ	Gypsum Sales		'000 tonnes	225.6	**182.5**	-19.1

Share Performance

Trading Volumes (thousand shares)

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	13 mnth Total	13 mnt %
T'dad TCL	2,573	173	498	708	361	667	164	463	2,087	283	560	153	315	9,005	4.5
RML	-	-	1	1	46	2	5	151	25	15	40	504	7	797	26.6
J'ca TCL	99	148	77	-	47	85	150	2	2	22	150	75	41	898	
CCCL	1,073	1,208	1,178	822	1,208	2,470	2,230	5,569	2,659	1,632	13,775	1,861	2,548	38,233	17.3
B'dos TCL	-	-	-	1	-	3	-	-	9	14	-	-	-	27	

Barbados Stock Exchange



Trinidad and Tobago Stock Exchange

Jamaica Stock Exchange

Group Domestic Territories and Export Markets

Corporate Governance

TCL Group - Board Sub-Committees

GOVERNANCE COMMITTEE

Members: Mr. A. J. Bhajan, *Chairman*
Mr. Y. Omar
Mr. B. Young

AUDIT COMMITTEE

Members: Mr. B. Young, *Chairman*
Ms. E. Carrington
Mr. J. McFarlane

FINANCE COMMITTEE

Members: Ms. E. Carrington, *Chairman*
Dr. R. Bertrand, *Group CEO*
Mr. H. N. Hosein, *Group Finance Manager*
Mr. J. McFarlane
Mr. B. Young

HUMAN RESOURCE COMMITTEE

Members: Mr. Y. Omar, *Chairman*
Dr. R. Bertrand, *Group CEO*
Ms. E. Carrington
Mr. J. McFarlane
Mr. C. McNish, *Group Human Resource Manager*

MARKETING COMMITTEE

Members: Mr. L. Navarro, *Chairman*
Dr. R. Bertrand, *Group CEO*
Mr. E. Daniel, *General Manager - International Business & Marketing*

TCL BOARD OPERATING COMMITTEE

Members: Mr. Y. Omar, *Chairman*
Dr. R. Bertrand, *Group CEO*
Mr. H.N. Hosein, *Group Finance Manager*

Board of Directors









from left to right and top to bottom

Andy J. Bhajan, *Chairman*
Dr. Rollin Bertrand, *Group Chief Executive Officer*
Eutrice Carrington
Carlos Hee Houng
Jeffrey McFarlane
Aleem Mohammed
Leopoldo Navarro
Yusuff Omar
Brian Young

Board of Directors

ANDY J. BHAJAN

Chairman, Trinidad Cement Limited

Mr. Andy J. Bhajan was first appointed a Director of TCL in 1987. He was first appointed Chairman in October 1995 and served in that capacity until he retired in March 2003, having served for 16 years. He was re-appointed a Director and Chairman of the TCL Board of Directors in October 2005.

Mr. Bhajan is an Attorney at Law in private practice.

DR. ROLLIN BERTRAND

Group Chief Executive Officer, Director, Trinidad Cement Limited; Caribbean Cement Company Limited; Arawak Cement Company Limited; TCL Packaging Limited; TCL Ponsa Manufacturing; Readymix (West Indies) Limited; TCL Trading Limited; TCL Guyana Incorporated; TCL Leasing Limited; TCL Service Limited; TCL (Nevis) Limited.

Dr. Bertrand is the Chief Executive Officer of the TCL Group. He is also currently the Chairman of the Caribbean Court of Justice Trust Fund, Chairman of the Water and Sewerage Authority, Chairman of Trinidad Aggregate Products Limited and a Director of the Trinidad & Tobago Stock Exchange.

He is a former General Manager of Arawak Cement Company Limited (1994-1998), former President of the Association of Cement Producers for Latin America and the Caribbean (APCAC) 1998-1999 and former President of the Caribbean Association of Industry and Commerce (CAIC) 2003-2005.

Dr. Bertrand obtained a BSc (Sp. Hons.) Degree and PhD in Geology from the University of the West Indies, Mona, Jamaica as well as an Executive Masters Degree in Business Administration (EMBA) from the University of the West Indies, St. Augustine, Trinidad.

EUTRICE CARRINGTON

Chairman, Readymix (West Indies) Limited; Director, Trinidad Cement Limited

Ms. Carrington is the Vice President, Asset Management at the Trinidad and Tobago Unit Trust Corporation, the leading indigenous mutual fund service provider in Trinidad and Tobago and the Caribbean region. She holds a BSc honours degree in Economics and a Master's of Science in Economics. Her career in investments spans a period of sixteen years and during her tenure she has held positions of Manager, Investment Management Services, Portfolio Manager and Research and Security Analyst. Ms. Carrington also worked as a Policy Analyst II in the Ministry of the Economy and spent several years in the domestic banking sector.

Ms. Carrington has served as secretary of the Economics Association of Trinidad and Tobago. She was a member of the Technical Committee appointed by the Cabinet of Trinidad and Tobago to assist in the formulation of Mutual Fund Legislation.

Ms. Carrington is Chairman and Director of UTC Mutual Fund SPC Limited. She is Treasurer of the Chaconia Income and Growth Fund Inc and a Director of Chaconia Financial Service Inc., a wholly owned subsidiary of the Trinidad and Tobago Unit Trust Corporation. In addition, Ms. Carrington is Chairman of Readymix (West Indies) Limited and Treasurer of the UTC Energy Investments Ltd.

CARLOS HEE HOUNG

Director, Trinidad Cement Limited

Mr. Carlos Hee Houng is a Chemical Engineer with forty two years experience in the energy sector. He is regarded as one of the pioneers in the development of the gas-based industries in Trinidad and Tobago. He was a member of the Government of Trinidad and Tobago (GOTT) team responsible for the acquisition and expansion of Trinidad Cement Limited in 1975-1976. Mr. Hee Houng is also involved in sports, culture and community work and was honoured by the UWI Faculty of Engineering at its 25th anniversary for outstanding contribution to national development.

JEFFREY MCFARLANE

Chairman, Arawak Cement Company Limited; Director, Trinidad Cement Limited

Mr. Jeffrey McFarlane is the Executive Director of the National Insurance Board of Trinidad and Tobago. He graduated from the University of the West Indies with a Bachelor of Law - Upper Second Class Honors and in 1980 completed his MSc Social Policy and Planning in Developing Countries from the University of London. He possesses a wealth of knowledge gleaned from executive local and international training programmes and Seminars in the areas of inter alia, Social Security Legislation and Operations, Executive Management Development, Information Systems and Human Resource Training.

ALEEM MOHAMMED

Director, Trinidad Cement Limited

Dr. Aleem Mohammed was appointed to the TCL Board of Directors in July 2007. He is the Chairman of S.M. Jaleel & Company Limited and a former Medical Practitioner. Dr. Mohammed graduated from the University of the West Indies in 1977 and was awarded an Honorary Degree of Doctors of Laws (LLD) in 2003. In 2005, he was also the recipient of the Chaconia Gold Medal for Business Enterprise. Dr. Mohammed is also Chairman of SMJ Beverages (Barbados, St. Lucia, UK, USA and Canada) and Director of Jamaica Beverages Limited, Guyana Beverages Limited, Guardian Holdings Limited, Arthur Lok Jack Graduate School of Business and National Energy Skills Centre.

LEOPOLDO NAVARRO

Director, Trinidad Cement Limited, Caribbean Cement Company Limited, TCL Trading Limited

Mr. Leopoldo Navarro is the Trading Vice President of Cemex in the South American Region. He holds a Civil Engineering degree from the University of Nebraska in the USA and a Masters Degree in Business Administration from Ipade, Mexico.

Mr. Navarro is a Cemex-appointed Director of Trinidad Cement Limited since March 1998. He also serves on the Boards of Directors of Caribbean Cement Company Limited, S.C.A. in Guadeloupe and Martinique, National Cement in Cayman and Bermuda Cement in Bermuda, and is currently the Vice President of FICEM. He served as President of The Association of Cement Producers of the Caribbean (APCAC) during the period 2000 to 2001.

YUSUFF OMAR

Chairman, TCL Packaging Limited and TCL Ponsa Manufacturing Limited; Director, Trinidad Cement Limited, Caribbean Cement Company Limited, TCL Guyana Inc., Arawak Cement Company Limited; Member of TCL Board Operating Committee

A former Managing Director of Trinidad Cement Limited, Yusuff Omar is currently the Chairman of TCL Packaging Limited and TCL Ponsa Manufacturing Limited. He also holds several directorships within the TCL Group (TCL, CCCL, TGI and ACCL) and is also Chairman of the TCL Board Operating Committee, and a Director at the Trinidad Nitrogen Company Limited. Mr. Omar, a qualified Mechanical Engineer, has over thirty five years' experience in the cement industry and has served as the 1st Vice President of the Association of Cement Producers for Latin America and the Caribbean (APCAC).

Prior to joining TCL, Mr. Omar worked for eleven years at Shell Trinidad Limited progressing from the position of Technical Assistant to that of Production/Operations Engineer in the Petroleum Engineering Department.

Board of Directors

BRIAN YOUNG

Chairman, Caribbean Cement Company Limited; Director, Trinidad Cement Limited.

Mr. Young is a Chartered Accountant and had been with Price Waterhouse for over thirty years before retiring as a senior partner in 1995. Since then, he has served as Interim Executive Chairman of the National Water Commission (Jamaica). He is currently Chairman of the Caribbean Cement Company Limited and serves on the Board of Directors of the Neal and Massy Holdings Limited, RBTT Holdings Limited, RBTT Merchant Bank Limited and Bermudez Group Limited (all based in Trinidad). He is also on the Board of Directors of the following Jamaican companies:- Neal and Massy Group Jamaica Limited, Cool Petroleum Limited, Jamaica Biscuit Company Limited, Trade Winds Limited, RBTT Bank (Jamaica) Limited and RBTT Securities Limited.

Corporate Information

BOARD OF DIRECTORS OF TRINIDAD CEMENT LTD
Mr. Andy J. Bhajan, *Chairman*
Dr. Rollin Bertrand
Ms. Eutrice Carrington
Mr. Carlos Hee Houng
Mr. Jeffrey McFarlane
Dr. Aleem Mohammed
Mr. Leopoldo Navarro
Mr. Yusuff Omar
Mr. Brian Young

COMPANY SECRETARY
Mr. Alan Nobie

GROUP CHIEF EXECUTIVE OFFICER
Dr. Rollin Bertrand

REGISTERED OFFICE
Trinidad Cement Limited
Southern Main Road, Claxton Bay,
Trinidad & Tobago, W.I.
Phone: (868) 659-0787/88/0800
Fax: (868) 659-0818
Web: www.tclgroup.com

BANKERS - LOCAL
Republic Bank Limited
High Street, San Fernando,
Trinidad & Tobago, W.I.

BANKERS - FOREIGN
CITIBANK N.A.
111 Wall Street,
New York, NY 10043
U.S.A.

AUDITORS
Ernst & Young
5/7 Sweet Briar Road, St. Clair,
Trinidad & Tobago, W.I.

REGISTRAR & TRANSFER AGENT
Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Tower,
63-65 Independence Square, Port of Spain,
Trinidad & Tobago, W.I.

SUB-REGISTRARS
FirstCaribbean International Trust & Merchant Bank
(Barbados) Limited
Broad Street, Bridgetown, Barbados, W.I.

FirstCaribbean International Trust & Merchant Bank
(Jamaica) Limited
23-27 Knutsford Boulevard, Kingston 5, Jamaica, W.I.

Eastern Caribbean Central Securities Registry Limited
Bird Rock, Basseterre, St. Kitts, W.I.

Trust Company (Guyana) Limited
230 Camp & South Streets,
Georgetown, Guyana, South America

STOCK EXCHANGES *on which the Company is listed*
Barbados Stock Exchange
1st Floor, Carlisle House, Hincks Street,
Bridgetown, Barbados, W.I.

Jamaica Stock Exchange
40 Harbour Street, Kingston, Jamaica, W.I.

Trinidad & Tobago Stock Exchange
10th Floor, Nicholas Tower, 63-65 Independence Square,
Port of Spain, Trinidad & Tobago, W.I.

Eastern Caribbean Securities Exchange
Bird Rock, Basseterre, St. Kitts, W.I.

Guyana Stock Exchange
Hand in Hand Building, 1 Avenue of the Republic,
Georgetown, Guyana, South America

ATTORNEYS-AT-LAW
The Law Offices of Dr. Claude Denbow S.C.
13-15 St. Vincent Street, Port of Spain,
Trinidad & Tobago, W.I.

M.G. Daly and Partners
115A Abercromby Street, Port of Spain,
Trinidad & Tobago, W.I.

Girwar & Deonarine
Harris Court, 17-19 Court Street, San Fernando
Trinidad & Tobago, W.I.

Group Executive Committee

from left to right and top to bottom

Dr. Rollin Bertrand, *Group Chief Executive Officer*
Satnarine Bachew, *General Manager - Trinidad Cement Limited*
Earlington Barrett, *General Manager - Arawak Cement Company Limited*
Egwin Daniel, *General Manager - International Business & Marketing*
Manan Deo, *General Manager - Readymix (W.I.) Limited*
Hayden Ferreira, *Projects Director*
Arun K. Goyal, *Group Manufacturing Development Manager*
F. L. Anthony Haynes, *General Manager - Caribbean Cement Company Limited*
Hollis N. Hosein, *Group Finance Manager*
Derrick Isaac, *General Manager - TCL Packaging/TCL Ponsa Manufacturing Limited*
Courtney McNish, *Group Human Resource Manager*
Alan Nobie, *Manager - Investor Relations & Corporate Communications*






expansion

The TCL Group's Expansion and Modernisation Programme which began in 2004 continues to progress efficiently on a phased basis. The first phase, the Mill #3 upgrade (expansion of the TCL Claxton Bay facility) was successfully completed at the end of 2005 and has taken that facility's cement-milling capability to 1.2 million tonnes, which is twice the local demand in Trinidad and Tobago. In Guyana, the cement terminal operated by TCL Guyana Inc. (TGI) commenced commercial operations in January 2007.

A major component of the TCL Group Expansion and Modernisation Project is at its Jamaica operation, Caribbean Cement Company Limited, where that plant's clinker and cement manufacturing facilities are being significantly upgraded. Jamaica is the Group's biggest market, with demand now approximately one million tonnes per year. This expansion and modernisation project includes the upgrading of Kiln #5, Mill #5 and other upstream and downstream upgrades due for completion in 2008 at an estimated total cost of 133 million US dollars.

For a seamless commissioning process of the new 2800 metric tonne per day In-line Calciner Preheater Kiln (Kiln #5), a team was established comprising personnel from all areas of the Company. Further, the E&M Peer Review Team worked together to solve technical issues affecting the project as well as issues impacting on the schedule for timely start-up. The Kiln upgrade included civil works, refractory installation, structural steel works, electrical and instrumentation installations, equipment erection works and synergised HSE processes.

Expansion and Modernisation plans for Cement Mill #5 have also progressed successfully and detailed mechanical engineering as well as demolition works have been completed while civil/sub-structure works and steel fabrication works are on going.

Another key component of the Expansion and Modernisation Progarmme is the Integration Plan. As part of this plan, employees participated in several training programmes to facilitate efficient operation of the upgraded facilities and managing of the systems.

The TCL Group remains on course in its strategic intent through its core strategies as follows:

- Expansion and growth of its core business and closely related activities
- Co-ordinated extension of our business domain into the Spanish and French speaking territories in the region
- Structured development of the core competency requirements for existing and new businesses and
- Harnessing Information Technology as an enabler for organisational transformation.

Concomitant with the Group's production expansion thrust, the distribution network for more effective and efficient market coverage and service will also be enhanced with the establishment of additional cement terminals and depots in certain selected territories.

protection

The TCL Group is fully committed to protecting the safety and health of all employees and persons at work as well as of other persons who may be affected by operations at facilities of the TCL Group. The primary Occupational Safety and Health (OSH) objective is "zero accidents, zero incidents with no harm to persons" and towards this goal, the Group upholds the following essential principles:

- Work-related accidents, incidents and ill-health are preventable;
- Hazard identification and risk assessment and control constitute the foundation of effective OSH management;
- Sound OSH performance is a shared responsibility among all and is critical to building a positive safety and health culture.

The Group has implemented its three-pronged approach to OSH management consisting of key strategies aimed at inculcating a Group-wide positive safety culture, establishing and implementing robust world-class OSH management systems, and risk management. This approach has resulted in significant improvement in OSH performance Group-wide in 2007 as compared to the previous year, with a 45% reduction in the number of lost time accidents.

Sustainable development, a key objective of the Cement Sustainability Initiative* (CSI), is the fundamental overarching principle, which guides the TCL Group's environmental strategies. Towards this objective and the Group-defined goals of pollution prevention, compliance with legal environmental requirements and continual improvement, the member companies have proactively implemented internally developed programmes in the areas of: climate protection, fuels and raw materials, employee health and safety, emissions reduction, partnerships with local communities, and internal business processes.

In particular, the Group's cement companies' climate change mitigation strategies are primarily geared towards reducing carbon dioxide emissions through production of blended cements, use of waste-derived fuels and optimisation of energy use. Further, the three cement companies in the Group have implemented documented and auditable Environmental Management Systems (EMS), and have maintained their EMS certification to the International Standard ISO 14001. The Environmental Management Systems include environmental education, beautification and protection projects.

In the years ahead, the Group will fully integrate these sustainable development programmes with its existing management, monitoring and reporting systems, and identify new projects for continual improvement.

*The Cement Sustainability Initiative (CSI) formed in 1999 is a global effort by 18 major cement producers to work with the World Business Council for Sustainable Development (WBCSD) to identify and facilitate actions that the cement industry can take to accelerate the move toward sustainable development.

performance

Empowering and developing our human capital is vital to improving our business. Over the past two years our focus on improving the value of our people has involved the continous implementation of enhanced Human Resource processes. In 2007, our recently established 360˚ feedback method continued to be instrumental in facilitating better performance management and assessment. Further, it is now closely aligned with our Training and Development initiatives, our Reward and Recognition programme and our Succession plans.

As part of aligning our Performance Management system with our Reward and Recognition initiative, top performers have been rewarded in areas such as Innovation, Team Spirit and Performance. These rewards include our "Golden Helmet Safety Award" for the best Safety worker or team.

Skill gaps that were revealed have also been addressed by selecting relevant Training & Development programs to improve weak areas of performance and also to strengthen those areas where employees have reportedly done well. These programmes not only benefit individual employees but also entrench our overall corporate strength. For example, our Leading Employees Accelerating Development (L.E.A.D) seminars, which were held approximately every quarter for all Senior Staff and Graduate Trainees have contributed to supporting internal leadership philosophies and to maintaining our leading position in the regional business community.

As part of our HR thrust, our Retention plans have also been tied to our Performance Management system. These plans facilitate the identification of valuable employees termed "high-performers" whom we seek to retain and further develop. These employees have benefited from our STAR programmme, which was designed as part of our Career and Succession plans to secure the successful evolution of our corporate lineage. Through training and mentorship, our potential young/senior professionals have been equipped with the necessary skills to eventually fill Senior Management positions within the Group.

At this point, the strategy of ensuring a deeper integration of desired behaviours founded on the core values of Leadership, Innovation, Initiative, Ownership, Results Orientation and Relationship Management, is the way forward. We believe that through this holistic approach, our employees are justly recognised and rewarded for their positive contributions and they are empowered to grow and advance not only on the job, but also in their personal lives. In turn, they help us to continue to provide value for our customers and returns for our shareholders.

commitment

BUILDING LEADERSHIP

As part of our commitment to building excellence in the Caribbean and to nurturing the development of potential leaders, the TCL Group has partnered with the University of the West Indies for almost a decade, to contribute to the development of students across the region. Annually, we award six scholarships to new and continuing students in the Engineering and Business Faculties at UWI.

In 2007, the Group awarded three Continuing scholarships to the amount of $10,000 each to three students upon successful completion of their first year examinations and two New scholarships also valued at $10,000 each were given to students pursuing year II of studies in Mechanical and Electrical and Computer Engineering.

The TCL Group Scholarship established in memory of Dr. Gordon Draper was also awarded to a student entering Final Year in Management Studies.

The TCL Group takes pride in its relationship with the University of the West Indies as it demonstrates our drive to contribute to expanding the knowledge resource and leadership potential of the Caribbean.

SUPPORTING COMMUNITIES

Our alliance with the organisation Habitat for Humanity continues towards eradicating substandard housing as well as developing lives across the region. In 2007, the Group donated cement to Habitat for Humanity projects in Guyana, Jamaica and Suriname and for the construction of ten houses at Morne Diablo, Trinidad, which will be aptly called the "TCL Group/Habitat Village".

This outreach effort illustrates our commitment to supporting and improving the lives of so many. We are pleased to be making a difference in the Caribbean community.

CULTURAL CONNECTIONS

The TCL Group's sponsorship of the steel orchestra Skiffle Bunch continues to evolve to great success.

As one of the local "pan sides" with a solid record of national titles and awards, TCL Group Skiffle Bunch has earned a reputation for high quality, evocative musical renditions and compositions. We are proud to call Skiffle Bunch "our side".

DEVELOPING YOUTH THROUGH SPORT

Our very inclusive social purpose also extends to support for West Indies cricket through sponsorship of the West Indies Under 19 tournament and team. Now in our sixth year of sponsorship, we are truly gratified that we are contributing to this vital developmental stage in the glorious game of cricket that so unites our Caribbean people. We feel a strong sense of fulfillment in knowing that we are making a meaningful contribution and that so many of our region's youth have benefitted and will continue to gain from our investment.

Chairman's Review

CHAIRMAN
Andy J. Bhajan

FINANCIAL PERFORMANCE SUMMARY

The TCL Group's performance in 2007 was the best ever in its history. Group Revenue of $1.9 billion increased by $204.0 million or 12% over the 2006 revenue, reflecting strong market conditions. Profit before taxation increased by $85.2 million or 53% to $245.7 million and Net Profit Attributable to Group Shareholders was $187.8 million, an increase of 29%. Earnings per Share (EPS) of 77 cents increased by 28%.

The Balance Sheet reflected a continuing improvement in the Group's financial position with a 14% growth in Total Net Assets, and a 32% improvement in net cash generated by operating activities. The Group's leveraging was consistent with the benchmarks established by our lenders with Long Term Debt to Group Equity at 91% and Debt to Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) improving from 3.7 at December 31, 2006 to 3.2 at December 31, 2007. A detailed review and analysis of the Group's 2007 financial and operational performance is provided in the Group CEO's Report and Management Discussion commencing on page 29.

EXPANSION PROGRAMME PROGRESS REPORT

Significant progress was made with the implementation of our capacity expansion programme during the year. The Cement terminal in Guyana commenced commercial operations in January. The plant has a rated packing capacity of 60 tonnes per hour and a combined silo/warehouse storage capacity of 8,000 tonnes. Cement sales were affected by the presence of competitive cement in the market as a result of the continuing waiver of the Common External Tariff (CET) by the Government of Guyana. The Group contends that this waiver is contrary to the provisions of the Caricom Single Market (CSM) and is challenging it before the Caribbean Court of Justice (CCJ).

At the Arawak Cement Company Limited, (ACCL), in Barbados our Pet Coke project was completed successfully, transitioning the Company from Orimulsion, which was the main fuel utilised since the kiln was reactivated in 1997 until the cessation of supply in 2006 by BITOR, the Venezuelan supplier. The use of pet coke will result in more cost effective cement production in Barbados compared with production using fuel oil. Pet coke is commonly used as a fuel source in the cement industry.

In Jamaica, work continued apace on the construction of a new, state-of-the-art kiln. The Kiln 5 project will significantly expand Caribbean Cement Company Limited's (CCCL), clinker production capacity, enhance the Company's environmental performance, generate operating efficiencies and make the Company more competitive. It is expected to be completed by mid 2008. A second phase of the expansion in Jamaica, the construction of a modern cement mill, will help the Company to better service the needs of the Jamaican market and commence exports. This project is scheduled for completion by the end of 2008. On completion of these projects, the TCL Group would have significantly increased its clinker and cement production capacity in an environment of strong demand.

SHAREHOLDER ISSUES

SHARE PRICE PERFORMANCE

The year 2007 has been described as a year in which the Trinidad and Tobago Stock Market experienced quite a bit of volatility, with share prices trending downwards in the first six months, but showing signs of recovery from July. Institutional investors have not yet returned to the market as buyers, notwithstanding the amendments made to the regulations governing the operations of pension funds.

The TTSE's Composite Index at year end 2007 closed at 982.0321, (some 12.8652 points or 1.33% higher than at the beginning of the year), while the All T&T Index declined marginally by 0.42% or 5.0387 points to end the year at 1200.6873. The year was also characterised by a general election in Trinidad and Tobago, relatively high levels of inflation, and Merger and Acquisition activities involving TTSE listed Companies.

TCL's share price also exhibited mixed fortunes for the year, starting at $7.01, peaking at $8.00 in January/ February and again in September, and ending the year at $7.35, a 5% increase over the opening price. The volatile market and the publication of our relatively strong quarterly results formed the context for the TCL share price movements during 2007.

Interestingly, though, the market continued to appear generally unresponsive either to economic fundamentals or to strong corporate performance. Some of the "blue chip" public companies have seen their share prices stagnate or even decline in the face of strong published financial results.

Regionally, the indices for both the Barbados Stock Exchange (BSE) and the Jamaica Stock Exchange (JSE) advanced during 2007. The BSE Local Index advanced by 12% and the Cross-Listed Index by 4%. The JSE Market Index advanced by 6.75%. TCL's share price on the BSE declined by 9% from Bds$2.76 in January 2007 to Bds$2.50 in December 2007. While on the JSE, the TCL share price increased by 11% from J$84.50 at the start of the year to J$94.00 at year-end. CCCL's share price on the JSE appreciated marginally by 1% from J$9.64 in January 2007 to J$9.75 at year-end. On the Eastern Caribbean Securities Exchange, the TCL share price appreciated by 32% from EC$2.69 to $3.55 during the year. The Guyana Stock Exchange, which is still at a very early stage of development, has not been able to establish a mechanism to facilitate cross-border trading.

Readymix (West Indies) Limited (RML), was the stellar performer in the Group with its share price increasing by 66% on the TTSE from $4.22 to $7.01. In fact, RML was the second best performer on the TTSE.

The share price performance of the three TCL Group listed Companies is represented in the chart on page 9.

DIVIDEND POLICY

In last year's Annual Report, as well as in our year-end and half-year published summary financial statements, we have indicated that our dividend policy had to be kept under continuous scrutiny because of the stringent terms and conditions of the external loans associated with the Group's capacity expansion and modernisation programmes.Accordingly, no interim dividends were paid for 2006 and 2007 and reduced final dividends were paid for 2006.For 2007 your Board has approved a dividend of 7 cents per share, which is marginally above the 6 cents final dividend paid for 2006.

Chairman's Review

BOARD CHANGES

During 2007, Messrs. Keith Awong and Ernest Williams resigned from the Board. The casual vacancies created by their departures were filled by the appointment of Dr. Aleem Mohammed on 29th June 2007 and Mr. Carlos Hee Houng on 5th October 2007.These appointments were effected in accordance with Clause 4.4.2 of By-Law No.1 and are subject to confirmation at the upcoming Annual Meeting.

Mr. Darcy Boyce, who joined the Board on 29th September, 2006 resigned effective 20th January, 2008 consequent upon his appointment as a Senator and Minister of State in the Government of Barbados. Steps will be taken to fill this vacancy in due course. On behalf of shareholders, we would like to thank Messrs. Awong, Williams, and Boyce for their dedicated service to the TCL Group and to wish them success in their future endeavours. We also warmly congratulate Senator Boyce on his Ministerial appointment.

A SENSE OF PURPOSE

The TCL Group has always demonstrated a strong commitment towards regional development . The three cement Companies which form the nucleus of the Group - Trinidad Cement Limited, Caribbean Cement Company Limited and Arawak Cement Company Limited played significant roles during the past decades in the development of their respective countries- Trinidad and Tobago, Jamaica and Barbados.

This commitment towards the development of the region has not been lost. It is continuously being demonstrated in our many philanthropic initiatives across many spheres. Whether it is Youth and Education, Sport, Culture or other worthwhile social causes such as making a contribution towards the provision of low-income housing, through our partnership with Habitat for Humanity, the TCL Group continues to play a significant role.

It is in this context that we were very gratified with the recent recognition given to our Group CEO, Dr. Rollin Bertrand, by the American Foundation of the University of the West Indies (AFUWI). The luminary award was presented in recognition of Dr. Bertrand's outstanding contribution to the Caribbean region. The Board congratulates our Group CEO on the receipt of this award and shares his passion for regional development. As a good corporate citizen whose operations span the region, from Jamaica in the north to Guyana and Suriname in the south, we take our responsibility to the people of the Caribbean very seriously. Our stakeholders have the right to expect nothing less from us.

ACKNOWLEDGMENTS

The Group's performance for 2007 is a creditable one in spite of the many challenges faced and successfully overcome. I wish to thank my fellow Board members for their unstinting support, wise counsel and single-mindedness of purpose. I also wish to thank the Group CEO, the Management Teams and the employees of the TCL Group for their commitment, loyalty and productivity. Finally, I want to thank our shareholders and other stakeholders for their continuing confidence in the TCL Group, a successful Caribbean institution.

Andy J. Bhajan

Andy J. Bhajan
Group Chairman

Group Chief Executive Officer's Report and Management Discussion

GROUP CEO
Dr. Rollin Bertrand

1.0 HEALTH, SAFETY AND THE ENVIRONMENT (HSE)

In 2007, the Group maintained its Group Occupational Safety and Health (OSH) Policy and its three-pronged approach to OSH management, incorporating safety systems, organisational culture improvement and risk management. The OSH Management Systems were strengthened with new initiatives, such as, focused safety re-orientation sessions (referred to as "Safety Detention"), inclusion of an HSE module in the Manufacturing Excellence Transformation programme to re-emphasise HSE's intrinsic part in the manufacturing process and the conducting of a Group-wide Organisational Culture Diagnostic Survey. The latter served to ascertain the 'health' of the organisation's safety culture and inform the development and implementation of behaviour-based safety improvement programmes.

The Group registered a significant improvement in accident statistics in 2007 (23 Lost Time Accidents (LTAs)) as compared with 2006 (42 LTAs) - a 45% reduction with one critical injury recorded. In 2007, benchmark limits for LTA occurrences and Safety Detentions formed an integral part of our Management Performance Contracts and Systems to further ensure the Group's zero tolerance approach to the HSE factor. In addition, no OSH citations or notices of breaches were received by any member company from regulatory agencies.

The Group's three (3) cement plants all successfully completed the surveillance audit of their respective ISO 14001 Environmental Management System and maintained their Certification status. Each company implemented key environmental projects aimed at pollution prevention, such as, the upgrade of the Kiln 3 Electrostatic Precipitator at TCL, investigation into sources of pollutants in plant effluent at CCCL and upgrade of major dust collectors at ACCL. No Notices of Environmental Violations were received by any company in the Group. The Group continued to join the international community in hosting events to observe the ILO World Day for Safety and Health at Work and World Environment Day on 28th April and 5th June 2008, respectively.

In keeping with the Group's commitment to sustainable development and the principles of the Cement Sustainability Initiative, the cement companies voluntarily embarked on climate change mitigation strategies primarily geared towards reducing carbon

Group Chief Executive Officer's Report and Management Discussion

dioxide emissions, through use of waste-derived fuels and production of blended cements. For the latter programme, CCCL embarked on seeking registration of its blended cement (Carib Cement Plus) project under the United Nations – Clean Development Mechanism, so as to enable trading in the Certified Emission Reductions ("carbon credits").

2.0 FINANCIAL REVIEW AND ANALYSIS

REVENUE

Group revenue increased by $204.0 million or 12% to $1.9 billion compared to 2006. That growth was driven by buoyant market conditions in the region generally. Cement sales volume in the Trinidad and Tobago market increased by 9% to 672,930 metric tonnes due to continued buoyant commercial and residential construction. In Barbados, cement sales volume declined however by 5% to 191,066 metric tonnes, following exceptional sales in 2006 due in part to Cricket World Cup related construction activities. In Jamaica, although the overall market is estimated to have increased by 7%, our cement sales volumes declined by 4% to 807,484 metric tonnes due to heightened competition.

The Group's export cement sales volume decreased marginally by 1% to 363,795 metric tonnes. Revenue from our pre-mixed concrete businesses increased notably by $37.1 million mainly due to price adjustments as volumes increased by 1%. Revenue from our packaging businesses declined by $8.7 million primarily due to a reduction in sales volumes to specific customers.

OPERATING PROFIT

Operating profit before the charge for cement claims of $2.0 million increased by $56.3 million or 19% over the previous year. Operating margins continued to be pressured by high energy prices and higher wage rates as reflected in increases of 1% and 18% in the costs for 'fuel and electricity' and 'personnel remuneration and benefits' respectively, measured against a 7% lower clinker production. Personnel remuneration and benefits cost was also negatively impacted by retroactive payments following rate settlements during 2007. The Group produced 1,991,357 metric tonnes of cement in 2007 and 1,448,869 metric tonnes of clinker which were supplemented by 238,552 metric tonnes of imported clinker. However, utilisation of imported cement declined from 119,306 in 2006 to 25,995 metric tonnes in 2007. The Group commenced shipping operations with two (2) time chartered vessels and the cost of this new activity was reflected in the increased expense for equipment hire and haulage which was also further negatively impacted by rising rates for equipment hire, especially in Trinidad. Repairs and Maintenance expenses increased by $27.5 million due mainly to rising costs of spares and contractor services. Depreciation expenses reflected an increase of $17.2 million following credit adjustments that were made in 2006 for retroactive reduction in the rates of depreciation, based on a comprehensive rate review required by International Accounting Standards No 16.

Other Income increased by $18.6 million largely due to insurance recovery for hurricane Dean's damages and compensation for damages to our pier, both in Jamaica.

NET FINANCE COST

Net finance cost declined marginally with the increased credit from bond redemption option being offset by higher foreign exchange losses due principally to the depreciation of the Jamaican dollar over the year.

TAXATION

Profit before taxation increased by $85.2 million or 53% to $245.7 million. The tax charge for 2007 increased by $25.6 million, reflecting an effective rate of 14%, compared with 2006 where the charge was $8.7 million, an effective rate of 5% resulting from a deferred tax credit at Caribbean Cement Company Limited. For 2007, the charge reverted to a normalised level.

NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS

Net profit after taxation was $211.4 million, an increase of 39% over 2006.

Net Profit Attributable to Group Shareholders amounted to $187.8 million compared with $145.7 million for 2006. This translates to Earnings Per Share (EPS) of 77 cents compared with 60 cents for 2006, an increase of 28%.

LIQUIDITY AND FINANCIAL POSITION

Cash from operations, before changes in working capital, amounted to $462.7 million, an increase of $80.4 million over the prior year. After accounting for changes in working capital and payment of interest and taxation, net cash generated by operating activities amounted to $308.2 million compared with the prior year's total of $233.6 million, an improvement of $74.6 million.

The Group invested $449.0 million in property, plant and equipment. Expenditure on the Expansion and Modernisation Project in Jamaica at Caribbean Cement Company Limited amounted to $324.4 million, whilst the Pet Coke project and new limestone quarry at Arawak Cement Company Limited were $31.7 million and $19.9 million respectively. An additional $8.1 million was spent on the new cement terminal in Guyana. The proceeds from disposal of property, plant and equipment of $16.6 million represent compensation received from owners of a ship, which collided with and damaged our pier in Jamaica.

The Group drew down an additional $202.2 million from existing loan funding for the Expansion and Modernisation Project and the new limestone quarry and Pet Coke projects. Repayment of long and medium term loans amounted to $64.0 million.

The balance sheet at December 31, 2007 reflected continued improvement in our financial position. Shareholders' equity increased by $154.8 million over the year, after paying dividends of $15.0 million whilst Long Term Debt to Group Equity stood at 91%. Debt to EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) was 3.2, improving from the 3.7 at December 31, 2006.

3.0 OUR FOCUS ON PEOPLE

The Group continues to recognise its Caribbean family of employees as its most valuable resource. To this end, a comprehensive Human Capital Development Programme encompassing all levels of employees is meticulously structured and administered each year.

In 2007, a total of 5,533 man-days of training were achieved, with employees attending seminars either in-house, within the region or internationally. Such seminars span the ranges of technical, administrative, managerial and executive development including the embedding of a culture of health, safety and environment best practices throughout the Group.

Supportive Group-wide human resource initiatives continued to foster the harmonious and employee-empowering culture within the Group. Some of those initiatives were our Reward and Recognition Programme, Partnership Forum with representative Trade Unions, Non-Crisis Meetings, Tri-partite Committee and formal dissemination of Subsidiaries' direction and performance by the respective Management Teams.

Those initiatives served to enhance the Group's communication process in its effort to further strengthen employees' health, safety and wellness, promptly deal with employee-related issues and consequentially motivate increased employee productivity, all in a stable industrial environment.

In particular, our Reward and Recognition Programmes were administered at both Subsidiary and Group levels to recognise and promote not only Caribbean Excellence among our employees but to also develop well-rounded individuals conscientious of the environment and communities in which the Group operates.

The categories of awards clearly demonstrate those aims as follows:

- Employee of the year
- Department of the year

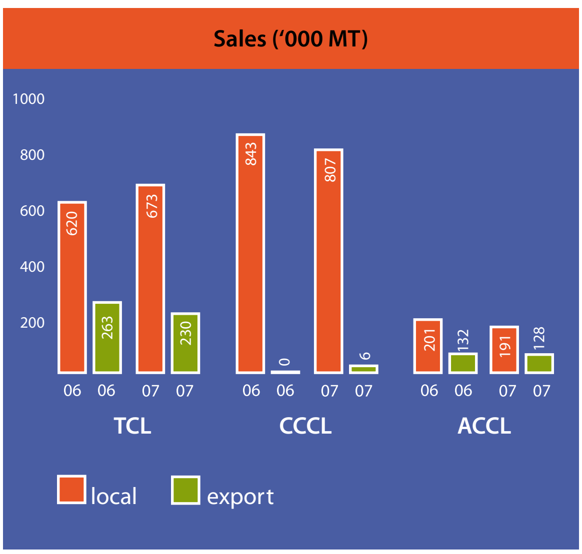
Group Chief Executive Officer's Report and Management Discussion

- Safe-worker of the year
- Creativity and Innovation Awards of the year
- Sports Personality of the year
- Academic Achiever of the year
- Most Improved Employee
- Outstanding Community Involvement of the year

With respect to industrial relations and collective bargaining contracts, the Group's healthy industrial relations practices were pivotal in settling all but one of the ten (10) collective bargaining agreements, which came up for negotiation in 2007.

Independent Employee Satisfaction Surveys (executed on a cycle basis) were conducted at CCCL and TCL respectively during 2007. Both companies attained laudable ratings in almost all employment areas surveyed.

4.0 GROUP MARKETING



In 2007, the cement industry was characterised by a scarce global supply along with increased production and freight costs as oil prices rose to record levels. The TCL Group sold a total of 2,035,309 tonnes of cement in its local and export markets, a marginal increase over its 2006 sales. Despite this superior sales performance, most export markets had to be supplemented by third party supplies arranged by the Group, as demand continued to rise.

The Group's greatest challenge, however, arose in the Guyana market. TCL Guyana Inc (TGI) had a disappointing first year of operations, mainly due to the Guyanese government's refusal to re-instate the Common External Tariff (CET) on cement, since TGI was in full production and capable of servicing the entire market. The importation of large volumes of competitive cement continued. By year-end though, the company started to regain market share, with a total output of 63,564 tonnes of packed cement. By the end of the first quarter of 2008, TGI regained 50% of the market.

In Trinidad and Tobago, TCL successfully launched a new brand of cement (TCL Premium) in January 2007, with 70% of the local market converting to this product by year end. Several community seminars were held throughout the country to highlight the qualities of TCL Premium cement and provide technical support. Local sales increased by 9% over the previous year to 672,930 tonnes, mainly due to buoyant activities in the construction sector, and in particular Government's infrastructure improvement programme. The increased demand enabled TCL to achieve record-breaking sales of 902,497 tonnes in the local market.

During the year, CCCL in Jamaica experienced vibrant competition, hurricane disruptions, heavy rainfall and a prolonged general election campaign. Cement sales for 2007 totalled 813,448 tonnes, which included 5,964 tonnes of export sales. These sales also included 25,996 tonnes of imported cement that was brought in during the last quarter of the year after the importers ran out of product in September. Carib Cement's brand equity remained strong and market share improved to 84%, even though domestic sales volumes were 4% below 2006.

ACCL in Barbados experienced a challenging year in 2007, which saw total sales declining by 4% from the previous year to 319,364 tonnes. Local sales were 191,114 tonnes, while export sales were 128,250 tonnes, representing declines of 5% and 20% respectively. This sales under-performance was as a direct consequence of the company's reduced clinker / cement production output largely due to the unplanned stops and fuel conversion initial teething issues.

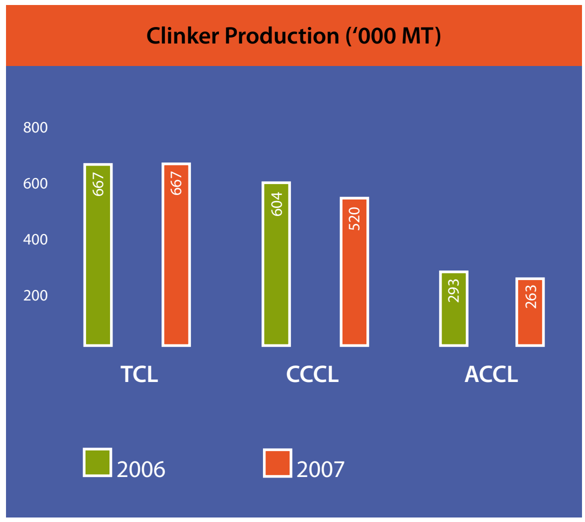
In 2007, TCL Packaging Ltd (TPL) sold a total of 37 million sacks and bags, 19% lower than the previous year's sales of 44 million. The company was negatively impacted as sales to the Group's cement companies and third parties fell, and there was a general conversion of sales from bagged cement to bulk. During the year, TCL Ponsa Manufacturing's (TPM) sales declined to 350,156 slings and 22,469 jumbo bags, as sales to Cuba, the Dominican Republic and Haiti did not materialise as anticipated.

The Readymix Group recorded sales of 284,266 m3 of concrete in 2007, which was nominally higher than the 282,847 m3 sold in the previous year. Readymix (West Indies) Limited (RML) in Trinidad and Tobago sold 232,052 m3 concrete, representing a market share of 35% as compared to its 2006 market share of 40%. The company experienced challenges in customer service, on-time delivery and market share mainly due to unavailability of trucks, equipment breakdowns and weather conditions, particularly during the latter half of the year. Premix Precast Concrete Inc. (PPCI) in Barbados, experienced reduced sales of 26,236 m3, largely due to the general slowdown in the construction sector when compared to 2006, which had been buoyed by the Cricket World Cup 2006. On average, PPCI achieved a slightly improved market share of 15% even as the overall market for premixed concrete fell by 9.6%. In St. Maarten/St. Martin, Island Concrete NV (ICNV) recorded sales for 2007 were 25,980 m3, a 21% increase over the prior year, representing a 20% market share.

During the year, lime sales were challenged when Arcelor Mittal Steel, the main customer for quick lime, curtailed purchases for an extended period. Total lime sales decreased by 10% from the previous year to 8,455 tonnes, also due in part to a reduction in the local demand for hydrated lime. Likewise, gypsum sales also declined by 19% from its 2006 sales levels to 182,499 tonnes in 2007.

5.0 GROUP OPERATIONS

5.1 CEMENT SEGMENT OPERATIONS



Clinker Production is the Key Profit Driver of the Group. In 2007, the Group produced 1,448,869 tonnes of clinker, which was 114,437 tonnes or 7.7% below its 2006 output. This reduction in the Group's clinker production was mainly due to unscheduled stoppages for refractory repairs at CCCL and a delay in the petcoke fuel conversion project at ACCL, which significantly impacted on its kiln performance as the company recorded its lowest clinker production in four years. These factors resulted in the importation of 238,552 tonnes of clinker and 25,995 tonnes of cement in order to ensure stability of supply to the market.

With respect to cement production for 2007, the Group attained 1,991,357 tonnes, which was slightly higher than the previous year. TCL broke record for another consecutive year with 901,873 tonnes of cement, which was a direct result of the improved performance of its Cement Mill #3. While CCCL's production of 773,019 tonnes of cement also exceeded its prior year's performance, it was restricted in part to an over-supplied market during the first quarter and

Group Chief Executive Officer's Report and Management Discussion

related disruptions during the hurricane period. ACCL's production of 316,465 tonnes of cement fell by 6.3% from its 2006 performance mainly due to the deficit in clinker production.

It must be noted that the robust nature of CCCL's improved Quality Management System was confirmed during 2007 by the attainment of ISO9000:2000 accreditation in September and the Bureau of Standards, Jamaica (BSJ) Plant certification in October. With this in place, the previously required dual testing regime with BSJ was suspended.

After the successful commissioning of the Group's first cement terminal in Guyana, TCL Guyana Inc (TGI) commenced commercial production in January 2007. The plant's output for its first year of operation fell below expectation, largely due to market issues highlighted previously.

5.2 CONCRETE SEGMENT OPERATIONS

In 2007, total aggregate production was 391,642 m3. Pitrun production of 665,149 m3 marked the highest annual pitrun production ever recorded at Readymix (WI) Limited. This surpassed the previous highest of 601,605 m3 produced in 2006, by 11%.

All batch plants within the RML Group, i.e. Trinidad and Tobago, Barbados and St. Maarten achieved availabilities in excess of 90%. None of the companies experienced any major stock-outs during the year, and in particular, ICNV managed their inventory quite well, considering that all inputs for concrete are imported into the island.

5.3 PACKAGING SEGMENT OPERATIONS

During the year, TPL produced 41.5 million sacks, which was 6% lower than its production in 2006. The plant's operations were adversely affected by union negotiations, a general reduction in worker productivity during March and April and by severe problems on the Tuber machine during the last quarter. The latter issue resulted in an increase in waste and the tuber's inability to consistently achieve its rated run speed. At TPM, the equipment performed satisfactorily during 2007, although there were problems experienced on one of its machines. The plant produced 464,968 slings, which was 16% lower than its production of 553,071 slings in 2006. Diversification into the manufacturing of Jumbo bags especially for the Group was hampered, primarily due to quality issues with improperly treated ultraviolet (UV) raw material. Additionally, TPM was re-certified to the ISO9000:2000 Quality Management System and was issued with a new three (3) year certificate from the Trinidad and Tobago Bureau of Standards in January 2007.

5.4 LIME, GYPSUM & POZZOLAN

The ACCL Lime Division was challenged during 2007, mainly due to increased fuel costs, as there was a decrease in the availability of used oil and the plant's limitation in the use of petcoke in its firing process. Plant performance improved over the previous year, however, with production of 6,626 and 2,337 tonnes of quick lime and hydrated lime, which represented increases of 9% and 25 % respectively.

Jamaica Gypsum & Quarries Limited reported a decline in production when compared with the previous year. However, the port operations continued to do brisk third party business by facilitating exports of aggregate and other products. Gypsum/anhydrite produced during the year was 227,745 tonnes (39% lower than the 2006 production). Pozzolan production was also reduced, directly influenced by CCCL's demand.

6.0 GROUP DEVELOPMENTAL ACTIVITIES

The Group's manufacturing strategy continues to be focused on short-term consolidation of existing capacity and planning for the medium term growth, with a consequential lowering of unit production costs. As a general theme, the short-term strategies are centered on the optimisation of existing production through operational enhancement and reliability improvement programmes, such as the Manufacturing Excellence Transformation (MET) programme. The longer-term projects are being scheduled and managed in a manner that satisfies the market demand requirements, mindful always of the financial and human resource constraints.

6.1 MANUFACTURING EXCELLENCE TRANSFORMATION (MET)

A strategic review and planning session for all key personnel and management took place during the first quarter of 2007. The MET techniques, audit process and methodology were reviewed. All recommendations have been fully implemented across the Group. Two (2) Group MET Audits were performed during 2007; the Group's average score in May 2007 was 80% and by the November audit, the Group's average score had increased to 82%. By year end, all plants were evaluated as being at the same point in their mastery of the practice and use of the tools and techniques. HSE Excellence was also included in both Group MET audits during the year and it now forms an integral part of the audit process. In 2007, the TCL Group's MET Performance and Methodology were shared with regional cement producers and suppliers in Guatemala as an industry best practice in manufacturing excellence.

6.2 ENERGY OPTIMISATION

All three (3) cement manufacturing subsidiaries were engaged in efforts to promote waste-derived fuels to their local governmental agencies. By year end, ACCL had submitted a revised Environmental Impact Statement to the Solid Waste Management Project Unit in the Ministry of Health for the use of tyre-derived fuel in its cement kiln.

6.3 MAJOR PROJECTS

- ACCL's Petcoke Conversion: As highlighted in last year's report, Petcoke has been identified as the most economical and immediately available alternative for kiln firing at Arawak after the curtailment of its Orimulsion supply from Venezuela. Despite a delay in the project's completion, the petcoke fuel / firing system was successfully commissioned by the end of 2007. The change-over took place with normal start-up challenges and the kiln has been ramped up to design production capacity.

Arawak Cement's Energy Optimisation Project

Group Chief Executive Officer's Report and Management Discussion

- CCCL's Kiln 5 Project: Just as 2006 was defined in terms of preparation of engineering and civil foundations for the Kiln 5 Project, the year 2007 featured significant advancement of structural steel and equipment installation. The project progressed well during the period from approximately 65% to full completion of foundations, from zero to 74% completion of the steel and equipment erection scope. Construction completion is targeted for June 2008 with plant start-up shortly thereafter.

A definite success on the project to date has been the safety performance. By the end of 2007, a total of 1,654,896 man-hours had been worked with only two (2) minor LTAs being recorded, both in the storage area away from the main construction site. In September, CCCL celebrated the achievement of "1,000,000 safe man-hours" on the project (actually achieved in April), and in December, the erection contractor (Schrader Camargo) celebrated 400,000 man-hours without a LTA. The continuing excellent results are attributable to good safety and security systems, selection of contractors with a genuine bias for safety considerations, and an uncompromising approach to safety and security on site.

Clockwise: Carib Cement's Expansion and Modernisation Programme – Kiln section; Vertical Raw Mill; Looking east of the site from the Clinker Cooler end

Carib Cement's Expansion and Modernisation Programme – Raw Material Conveyor Belt

- CCCL's Cement Capacity Upgrade (CCU) Project: With the decision taken in 2006 to defer the construction phase of this project by twelve months (to January 2008), in-house project work continued in 2007 including the completion of detailed engineering, procurement of equipment and preparation of construction tender packages. By year end, the site was being prepared for start of civil construction.

  The project is LTA free in the 32,905 man-hours consumed to date and is expected to benefit from the successful systems and practices of the Kiln 5 Project. This project, however, cannot be totally isolated from the normal operations. A higher level of coordination with plant personnel will therefore be required as construction progresses.

7.0 LEVERAGING TECHNOLOGY

In 2007, the Group continued its technology upgrade programmes in its operational, administrative and communication processes in order to enhance its decision-making process and proliferate the availability of information seamlessly throughout its regional subsidiaries.

E-mail and active directory upgrade projects were completed during the first quarter of 2007 with all users in the TCL Group moving to a unified domain that brought with it enhanced security and integration. In July, the organisation also became the first Group of companies in the Caribbean, Latin America and Canada to implement Microsoft Exchange 2007. The technology drive continued with the implementation of Microsoft Office SharePoint Services (MOSS) 2007 to enable the Group-wide sharing of ideas, collaboration on documents and simultaneous participation in discussions and meetings.

Voice, video and data conferencing capabilities also facilitated the timeliness of decision-making in the changing operating environments, with the Group's introduction of Microsoft Office Communication Server as its new system.

During 2007, preparation for the implementation of a new Human Resource Management System was substantially completed. Full implementation will be concluded in 2008.

8.0 PUBLIC RELATIONS

Regarded as a leader in Corporate Social Responsibility (CSR) in the region, the Group's CSR programmes continued with favourable results. These included West Indies Under 19 Cricket, for which immense support was received from Carib Cement, Arawak Cement and TCL Guyana Inc; UWI scholarships; support for Global Young Leaders; TCL Group Skiffle Bunch and to a lesser extent Habitat for Humanity, which was not as active in 2007. Favourably, both recurring and new programmes performed well and the Group was recognised for its strong corporate conscience, which redounded to image appreciation.

Rejuvenation of the Group's image commenced through the ongoing highlight of expansion and modernisation developments, which reinforced shareholder value and kept supply solutions at the forefront of people's minds.

9.0 OUTLOOK FOR 2008

Year 2008 will be marked by the commissioning of Kiln #5 and Mill #5 at CCCL, thereby completing the third major segment of the Group's Expansion and Modernisation (E&M) thrust which commenced with the upgrade of Cement Mill #3 at TCL in 2005 and subsequently, the successful commissioning of TCL Guyana Inc. in 2007. The successful implementation of the already commenced Technology Transfer Plan at CCCL will be key in 2008 to ensure the entire workforce at CCCL is ready for the new technological challenges associated with Kiln/Mill #5. Cash generation will continue to be critical as the Group completes the funding of the E&M Project in Jamaica.

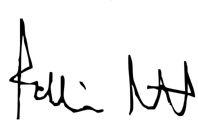
The Group's operations will no doubt rebound from the underachieved clinker production at CCCL and ACCL in 2007. The simultaneous retirement of Kiln #3 and the temporary decommissioning of Kiln #4 at CCCL along with ACCL running its kiln at design production capacity on petcoke will keep the Group's Clinker production on track for adequately servicing our markets.

It is expected that regional markets will continue to be buoyant. The Group will continue to closely monitor the impact of rising energy and conversion costs and will take steps to recoup these cost increases through moderate price adjustments, while continuing to pursue improvements in operating efficiencies.

ACKNOWLEDGMENTS

In closing, I sincerely wish to thank all employees of the TCL Group for their dedication and contribution towards our successes in 2007. The team effort was essential in moving the Group to new levels of performance in spite of the challenges.

I must also extend my appreciation to all customers, shareholders and stakeholders for their loyal and continued support. Finally, I wish to thank the Group Chairman and the members of the Board for their continuing support, guidance and advice.



Dr. Rollin Bertrand
Group Chief Executive Officer

Carib Cement's Expansion and Modernisation Programme – Preheater Tower and Stack

Trinidad Cement Limited

from left to right and top to bottom

Satnarine Bachew, Rodney Cowan, Harrinarine Dipnarine, Parasram Heerah,
Gloria Jacobs, Keith Johnson, Amarchandra Maharaj,
Pascall Marcelin, Ian Matthews, Keith Ramjitsingh, Fitzalbert Rawlins,

Trinidad Cement Limited was incorporated in Trinidad in 1951 and commenced production in 1954. Its primary activity is the manufacture and sale of Ordinary Portland Cement, TCL Premium Cement and Class G High Sulphate Resisting (HSR) Well Cement. The distribution of its shareholding is detailed in the pie chart on page 7.

Registered Office

Southern Main Road
Claxton Bay, Trinidad
Tel: (868) 659 2381-8
Fax: (868) 659 2540
e-mail: tclinfo@tclgroup.com

Company Secretary

Mr. Alan Nobie

Principal Officers

Mr. Satnarine Bachew, *General Manager*
Mr. Rodney Cowan, *Marketing Manager*
Mr. Harrinarine Dipnarine, *Engineering Services Manager*
Mr. Parasram Heerah, *Finance Manager*
Mrs. Gloria Jacobs, *Planning & Development Manager*
Mr. Keith Johnson, *Human Resource Manager*
Mr. Amarchandra Maharaj, *Health, Safety & Environment Manager*
Mr. Pascall Marcelin, *Materials Manager*
Mr. Ian Matthews, *Production Manager*
Mr. Keith Ramjitsingh, *Quarry Manager*
Mr. Fitzalbert Rawlins, *Operations Manager*

Caribbean Cement Company Limited

from left to right and top to bottom

F.L. Anthony Haynes, Chester Adams, Hayden Ferreira,
Orville Hill, Alice Hyde, Brett Johnson, Shaun Lawson-Laing,
Jinda Maharaj, Noel McKenzie, Raymond Mitchell,
Dalmain Small, Adrian Spencer, Godfrey Stultz, Ken Wiltshire

CARIB CEMENT

CARIBBEAN CEMENT COMPANY LIMITED

Caribbean Cement Company Limited was incorporated in Jamaica in 1947 and commenced production in 1952. Its primary activity is the manufacture and sale of Ordinary Portland Cement and Portland-Pozzolan Cement. Its subsidiary, Jamaica Gypsum & Quarries Limited is involved in the mining and sale of gypsum and anhydrite while another subsidiary Caribbean Gypsum Company Limited's major assets are its gypsum/anhydrite quarry lands, which enhance the reserve of raw material available to CCCL. Rockfort Mineral Bath Complex Limited another subsidiary maintains a leasehold interest in a mineral spa.

Registered Office
Rockfort, Kingston, Jamaica
Tel: (876) 928-6231-5
Fax: (876) 928-7381
e-mail: info@caribcement.com

Board of Directors
Mr. Brian Young, *Chairman*
Dr. Rollin Bertrand
Mr. Hollis N. Hosein
Mr. Parris Lyew-Ayee
Mr. Leopoldo Navarro
Mr. Yusuff Omar
Dr. Judith Robinson
Mr. Paul Stockhausen

Company Secretary
Ms. Shaun Lawson-Laing

Principal Officers
Mr. F. L. Anthony Haynes, *General Manager*
Mr. Chester Adams, *Project Manager - Cement Mill Upgrade /General Projects*
Mr. Hayden Ferreira, *Projects Director - Expansion and Modernisation*
Mr. Orville Hill, *Finance Manager*
Ms. Alice Hyde, *Marketing Manager*
Mr. Brett Johnson, *Manufacturing Manager*
Ms. Shaun Lawson-Laing, *Company Secretary/Manager, Legal & Corporate Affairs*
Mr. Jinda Maharaj, *Technical Operations Manager*
Mr. Noel McKenzie, *Quarry Manager*
Mr. Raymond Mitchell, *Quality Manager*
Mr. Dalmain Small, *Human Resource Manager*
Mr. Adrian Spencer, *Materials Manager*
Mr. Godfrey Stultz, *Engineering Services Manager*
Mr. Ken Wiltshire, *Project Manager – Kiln 5 Project*

The distribution of its shareholding is as follows:

- TCL 74.08%
- Other Shareholders 15.31%
- Cemex - Scancem International (St. Lucia) Limited 4.96%
- Financial Institutions 3.46%
- Government 1.19%
- Pension Plans 1.00%

Arawak Cement Company Limited

from left to right and top to bottom

Earlington Barrett, Gabrielle Ache, Rupert Greene,
Dawn Jemmott-Lowe, Leslie Maxwell, Dwight Sutherland,
Matthew Thornhill, Sheryllyn Welch-Payne, Phillip Yeung,

ARAWAK CEMENT COMPANY LIMITED

Arawak Cement Company Limited was incorporated in Barbados in 1981 and was wholly acquired by TCL in 1994. Its primary activity is the manufacture and sale of Ordinary Portland Cement and Lime.

Registered Office

Checker Hall
St. Lucy, Barbados
Tel: (246) 439-9880
Fax: (246) 439-7976
e-mail: arawak@arawakcement.com.bb

Board of Directors

Mr. Jeffrey McFarlane, *Chairman*
Dr. Rollin Bertrand
Mr. Arun K. Goyal
Mr. Hollis N. Hosein
Mr. Frank McConney
Mr. Joseph Nunes
Mr. Yusuff Omar

Company Secretary

Mr. Rupert Greene

Principal Officers

Mr. Earlington Barrett, *General Manager*
Ms. Gabrielle Ache, *Marketing Manager*
Mr. Rupert Greene, *Finance Manager/Company Secretary*
Ms. Dawn Jemmott-Lowe, *Human Resource Manager*
Ms. Leslie Maxwell, *Planning & Development Manager*
Mr. Dwight Sutherland, *Engineering Services Manager*
Mr. Matthew Thornhill, *Production Manager*
Mrs. Sheryllyn Welch-Payne, *Materials Manager*
Mr. Phillip Yeung, *Operations Manager*

Readymix (West Indies) Limited

from left to right and top to bottom

Manan Deo, Richard Dash, John Cardenas,
Dexter East, Learie Hinds, Muriel Lancien,
Jaris Liburd, Isha Reuben-Theodore, Gerard Torres

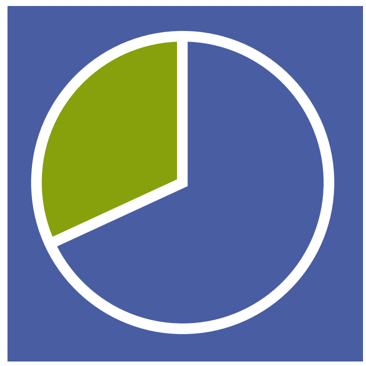
Readymix (West Indies) Limited was incorporated in Trinidad in 1961. Its primary activity is the manufacture and sale of premixed concrete. In 1996, Trinidad Cement Limited acquired majority ownership of the Company. RML acquired a 60% shareholding in Premix and Precast Concrete Inc. in Barbados in 2002. In 2004, RML acquired 100% of the equity in Island Concrete NV in St. Maarten and Island Concrete SARL in St. Martin.

Registered Office
Tumpuna Road
Guanapo, Trinidad
Tel: (868) 643-2429/2430
Fax: (868) 643-3209
e-mail: rmlinfo@tclgroup.com

Board of Directors
Ms. Eutrice Carrington, *Chairman*
Dr. Rollin Bertrand
Mr. Lawford Dupres
Mr. Arun K. Goyal
Mr. Hollis N. Hosein
Mr. Anton Ramcharan
Mr. Wayne Manning

Company Secretary
Ms. Isha Reuben-Theodore

Principal Officers
Mr. Manan Deo, *General Manager*
Mr. John Cardenas, *Plant Manager (PPCI)*
Mr. Richard Dash, *Materials Manager*
Mr. Dexter East, *Operations Manager*
Ms. Learie Hinds, *Human Resource Manager*
Ms. Muriel Lancien, *Manager (Island Concrete SARL)*
Mr. Jaris Liburd, *Plant Manager (Island Concrete NV)*
Ms. Isha Reuben-Theodore, *Corporate Services Manager*
Mr. Gerard Torres, *Marketing Manager*



The distribution of its shareholding is as follows:

TCL 71%

Other Shareholders 29%

TCL Packaging Limited

from left to right and top to bottom

Derrick Isaac, Sursatee Heeralal, Hilary Lakhiram,
Betty Ann Noreiga-Pitt, Kaveer Seepersad,

TCL Packaging Limited was incorporated in Trinidad in 1989 and commenced operations in 1991. Its primary activity is the manufacture and sale of papersacks.

Registered Office

Southern Main Road
Claxton Bay, Trinidad
Tel: (868) 659-2381-8
Fax: (868) 659-0950
e-mail: tplinfo@tclgroup.com

Board of Directors

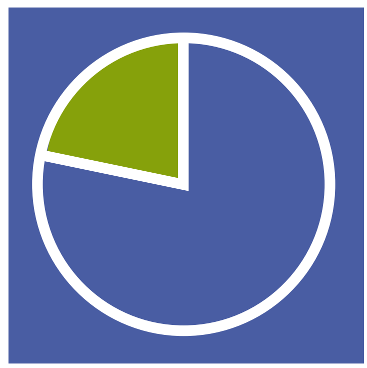
Mr. Yusuff Omar, *Chairman*
Mr. Ramez Ayoub (Dipeco – Switzerland)
Dr. Rollin Bertrand
Mr. Arun K. Goyal

Company Secretary

Mrs. Cheryl Gransaull

Principal Officers

Mr. Derrick Isaac, *General Manager*
Ms. Sursatee Heeralal, *Marketing & Logistics Officer*
Mr. Hilary Lakhiram, *Operations Manager*
Ms. Betty Ann Noreiga-Pitt, *Marketing Manager*
Mr. Kaveer Seepersad, *Senior Plant Coordinator*



The distribution of its shareholding is as follows:

TCL 80%

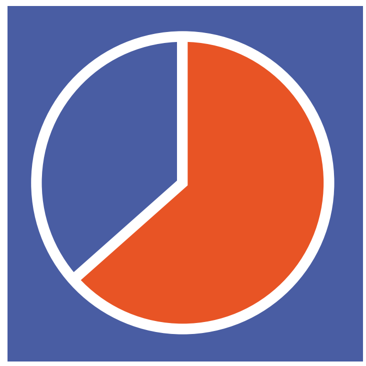
Dipeco (Switzerland) 20%

TCL Ponsa Manufacturing Limited

from left to right and top to bottom

Derrick Isaac, Sursatee Heeralal,
Betty Ann Noreiga-Pitt, Stephen Ramcharan,

TCL Ponsa Manufacturing Limited was incorporated in Trinidad in 1995. Its primary activity is the manufacture and sale of single use slings. It is also involved in the sale of jumbo bags, reusable slings, safety harnesses and polypropylene sacks, as well as webbing for use in the furniture industry.



The distribution of its shareholding is as follows:

- TCL 65%
- Industrias Ponsa S.A. (Spain) 35%

Registered Office

#6 Freezone, Point Lisas Industrial Estate,
Point Lisas, Trinidad, W.I.
Tel: (868) 636-9627
Fax: (868) 679-4120
e-mail: tpminfo@tclgroup.com

Board of Directors

Mr. Yusuff Omar, *Chairman*
Dr. Rollin Bertrand
Mr. Juan Ponsa (Industrias Ponsa - Spain)
Mr. José Sala Pinto (Industrias Ponsa - Spain)
Mr. Arun K. Goyal

Company Secretary

Mrs. Cheryl Gransaull

Principal Officers

Mr. Derrick Isaac, *General Manager*
Ms. Sursatee Heeralal, *Marketing & Logistics Officer*
Ms. Betty Ann Noreiga-Pitt, *Marketing Manager*
Mr. Stephen Ramcharan, *Technical Coordinator*

TCL Guyana Inc.

from left to right

Mark Bender, Tyrone Inshanally

TCL Guyana Inc. was incorporated in the Republic of Guyana on 17th March, 2004. Its primary activity is the packaging of bulk cement for sale on the Guyanese market (cement terminal facility).

Registered Office
2-9 Lombard Street
GNIC Compound
Georgetown
Guyana
Tel: (592) 225 7520
Fax: (592) 225 7347
e-mail: markb@tclgroup.com

Board of Directors
Mr. Yusuff Omar, *Chairman*
Dr. Rollin Bertrand
Mr. Arun K. Goyal
Mr. Hollis N. Hosein
Mr. Courtney McNish
Mr. David Persaud

Company Secretary
Mr. Alan Nobie

Principal Officers
Mr. Mark Bender, *Plant Manager*
Mr. Tyrone Inshanally, *Plant Superintendent*
Mr. Brian Peters, *Accountant*

The distribution of its shareholding is as follows:

TCL (Nevis) Limited 80%

Anral Investments Limited 10%

Toolsie Persaud Limited 10%

TCL Trading Limited

Aneil Mahadeo

TCL Trading was incorporated in Anguilla, W.I. on 12th December, 1997 and commenced business in April 1998. Its primary activity is trading in cement and related products and it functions as a marketing support unit for the two cement companies, Trinidad Cement Limited and Arawak Cement Company Limited.

Registered Office
Box 885
Fair Play Complex
The Valley
Anguilla
Tel: (264) 497-3593
Fax: (264) 497-8501
e-mail: ttlinfo@tclgroup.com

Board of Directors
Mr. Yusuff Omar, *Chairman*
Dr. Rollin Bertrand
Mr. Leopoldo Navarro

Company Secretary
Mr. Egwin Daniel

Principal Officer
Mr. Aneil Mahadeo, *General Manager*

REPUBLIC OF TRINIDAD AND TOBAGO
The Companies Act, 1995
(Section 144)

1. **Name of Company:**
   TRINIDAD CEMENT LIMITED Company No: T-51(C)

2. **Particulars of Meeting:**
   The Annual Meeting of the company to be held on 17th June, 2008 at 4:30 p.m. at the Training Room, TCL Compound, Southern Main Road, Claxton Bay.

3. **Solicitation:**
   It is intended to vote the Proxy solicited hereby unless the Shareholder directs otherwise in favour of all resolutions specified therein.

4. **Any Director's Statement Submitted Pursuant to Section 76(2):**
   No statement has been received from any Director pursuant to Section 76(2) of The Companies Act, 1995.

5. **Any Auditor's Statement Submitted Pursuant to Section 171(1):**
   No statement has been received from the Auditors of the company pursuant to Section 171(1) of The Companies Act, 1995.

6. **Any Shareholder's Proposal and/or Statement Submitted Pursuant to Section 116(a) and 117(2):**
   No proposal has been received from any Shareholder pursuant to Sections 116(a) and 117(a) of The Companies Act, 1995.

Date	Name and Title	Signature
9th May, 2008	Alan Nobie, *Secretary*	Alan Nobie

Directors' Report

The directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended 31st December, 2007.

Financial Results	TT$'000
Turnover	1,922,957
Net Earnings for the Year	187,795
Dividends Paid (2006 Final)	14,986

Trinidad Cement Limited Board of Directors. Directors' Interest *(Ordinary Shares of TCL)* - Holdings at 31-12-07;

Name	Position	No. of Shares Held	Name	Position	No. of Shares Held
A. J. Bhajan	*Chairman*	Nil	A. Mohammed	Director	Nil
R. Bertrand	*Group CEO*	601,467	L. Navarro	Director	Nil
E. Carrington	*Director*	Nil	Y. Omar	Director	340,000
Carlos Hee Houng	Director	1,500	B. Young	Director	Nil
J. McFarlane	*Director*	Nil			

Dividends

Based on the results for the year, the Board has approved a final dividend of seven (7) cents per ordinary share. No interim dividend was paid. The dividend for the year is seven (7) cents, compared to the dividend of six (6) cents paid for 2006.

The dividend will be paid on 20th June, 2008 to shareholders on the Register of Ordinary Shareholders at the close of business on 6th June, 2008.

Substantial Interests

	No. of Ordinary Shares Held at 31-12-07	% of Issued Share Capital
Sierra Trading (Cemex S.A. de C.V.)	49,953,027	20.0
The National Insurance Board	25,367,032	10.16
Baleno Holding Inc	20,500,000	8.21

(A substantial interest means a beneficial holding of 5% or more of the issued share capital of the Company).

Service Contracts & Directors

No service contracts exist nor have been entered into by the Company and any of its Directors.

Directors

- In accordance with Clause 4.4.2 of By Law No. 1, Dr. Aleem Mohammed and Mr. Carlos Hee Houng having been appointed by the Board to fill a casual vacancies, are subject to re-election at the Annual Meeting for a period up to the conclusion of the third Annual Meeting following.

- In accordance with Clause 4.6.1 of By Law No. 1, Dr. Rollin Bertrand and Messr. Brian Young retire by rotation and being eligible, offer themselves for re-election for a period up to the conclusion of the third Annual Meeting following.

Auditors

The Auditors, Ernst & Young, retire and, being eligible, offer themselves for re-election.

By Order of the Board
Alan Nobie, *Secretary*

Independent Auditors' Report

To the Shareholders of Trinidad Cement Limited

We have audited the accompanying consolidated financial statements of Trinidad Cement Limited and its subsidiaries ("the Group") which comprise the consolidated balance sheet as at 31st December, 2007 and the consolidated statement of earnings, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. We did not audit the financial statements of TCL Trading Limited, a wholly owned subsidiary and TCL Guyana Incorporated, an 80% owned subsidiary. These subsidiaries account for 14% and 2.2% of consolidated revenues and profit before tax for the year ended 31st December, 2007, respectively. Those statements were audited by KPMG and Jack A. Alli, Sons and Company whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TCL Trading Limited and TCL Guyana Incorporated, is based solely on the report of the other auditors.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31st December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst + Young

Port of Spain
TRINIDAD:
30th April, 2008

Consolidated Balance Sheet

as at 31st December, 2007

Expressed in Thousands of Trinidad and Tobago dollars

	Notes	2007	2006
Non-current assets			
Property, plant and equipment	7	**2,187,429**	1,898,816
Goodwill	8	**221,236**	223,262
Pension plan asset	9 (b)	**202,558**	185,921
Deferred tax asset	5 (d)	**137,494**	143,308
		2,748,717	2,451,307
Current assets			
Inventories	10	**491,887**	422,485
Receivables and prepayments	11	**204,395**	172,868
Short term deposits	12	**129,175**	155,581
Cash at bank		**47,419**	27,730
		872,876	778,664
Current liabilities			
Bank overdraft and advances	13	**144,713**	151,516
Payables and accruals	14	**359,889**	296,838
Current portion of medium and long term financing	15	**87,271**	70,346
		591,873	518,700
Net current assets		**281,003**	259,964
Non-current liabilities			
Medium and long term financing	15	**1,308,252**	1,183,620
Swap obligation	15	**12,673**	166
Post-retirement obligations	9 (b)	**10,494**	8,538
Deferred tax liability	5 (d)	**256,047**	251,453
		1,587,466	1,443,777
Total net assets		**1,442,254**	1,267,494

The accompanying notes form an integral part of these financial statements.

Consolidated Balance Sheet

as at 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

Continued	Notes	2007	2006
Equity attributable to the parent			
Stated capital	16 (a)	466,206	466,206
Unallocated ESOP shares	18	(31,554)	(34,770)
Other reserves	16 (b)	(142,427)	(121,137)
Retained earnings		1,021,510	848,682
		1,313,735	1,158,981
Minority interests		128,519	108,513
Total equity		1,442,254	1,267,494

The accompanying notes form an integral part of these financial statements.

On 30th April, 2008 the Board of Directors of Trinidad Cement Limited authorised these financial statements for issue.

Andy J. Bhajan
Director

Director

Consolidated Statement of Earnings

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

	Notes	2007	2006
Revenue	24.1	**1,922,957**	1,719,002
Operating profit before cement claims	3	**351,374**	295,114
Cement claims	3	**(1,982)**	(30,271)
Operating profit after cement claims		**349,392**	264,843
Finance costs	4	**(103,666)**	(104,355)
Profit before taxation		**245,726**	160,488
Taxation	5	**(34,283)**	(8,721)
Profit after taxation		**211,443**	151,767
Attributable to:			
Shareholders of the Parent		**187,795**	145,665
Minority interests		**23,648**	6,102
		211,443	151,767
Earnings per share:			
Basic and diluted (cents)	6	**77**	60

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

	Notes	Stated capital	Unallocated ESOP shares	Other reserves	Retained earnings	Total	Minority interests	Total equity
		Equity attributable to the Parent						
Year ended 31st December, 2007								
Balance at 1st January, 2007		466,206	(34,770)	(121,137)	848,682	1,158,981	108,513	1,267,494
Currency translation and other adjustments	16	–	–	(12,043)	–	(12,043)	(2,802)	(14,845)
Change in fair value of swap (net of tax)	16	–	–	(9,247)	–	(9,247)	–	(9,247)
Total income and expense for the year recognised directly in equity		–	–	(21,290)	–	(21,290)	(2,802)	(24,092)
Profit after taxation		–	–	–	187,795	187,795	23,648	211,443
Total income and expense for the year		–	–	(21,290)	187,795	166,505	20,846	187,351
Allocation to employees and sale of ESOP shares net of dividends	18	–	3,216	–	19	3,235	–	3,235
Dividends	17	–	–	–	(14,986)	(14,986)	(840)	(15,826)
Balance at 31st December, 2007		466,206	(31,554)	(142,427)	1,021,510	1,313,735	128,519	1,442,254
Year ended 31st December, 2006								
Balance at 1st January, 2006		466,206	(36,111)	(113,315)	715,061	1,031,841	107,277	1,139,118
Currency translation and other adjustments	16	–	–	(10,676)	–	(10,676)	(4,051)	(14,727)
Change in fair value of swap (net of tax)	16	–	–	2,854	–	2,854	–	2,854
Total income and expense for the year recognised directly in equity		–	–	(7,822)	–	(7,822)	(4,051)	(11,873)
Profit after taxation		–	–	–	145,665	145,665	6,102	151,767
Total income and expense for the year		–	–	(7,822)	145,665	137,843	2,051	139,894
Allocation to employees and sale of ESOP shares net of dividends	18	–	1,341	–	444	1,785	–	1,785
Dividends	17	–	–	–	(12,488)	(12,488)	(815)	(13,303)
Balance at 31st December, 2006		466,206	(34,770)	(121,137)	848,682	1,158,981	108,513	1,267,494

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

	Notes	2007	2006
Cash from operations	20	433,689	336,917
Pension contribution paid		(7,451)	(7,464)
Post-retirement benefit paid		(425)	(333)
Taxation paid		(17,985)	(5,426)
Net interest paid		(99,592)	(90,098)
Net cash generated by operating activities		308,236	233,596
Investing activities			
Additions to property, plant and equipment	7	(449,013)	(381,742)
Proceeds from disposal of property, plant and equipment		16,577	913
Acquisition of additional equity in subsidiary	8	(993)	–
Net cash used in investing activities		(433,429)	(380,829)
Financing activities			
Proceeds from new loans		202,220	128,878
Repayment of loans		(63,988)	(58,568)
Dividends paid to equity holders of the Parent	17	(14,986)	(12,488)
Dividends paid to minority interests		(840)	(815)
Net cash generated by financing activities		122,406	57,007
Decrease in cash and cash equivalents		(2,787)	(90,226)
Cash and cash equivalents - beginning of year		31,795	120,813
Exchange rate adjustment - opening cash balance		2,873	1,208
Cash and cash equivalents - end of year		31,881	31,795
Represented by:			
Short term deposits (note 12)		129,175	155,581
Cash at bank		47,419	27,730
Bank overdraft and advances (note 13)		(144,713)	(151,516)
		31,881	31,795

The accompanying notes form an integral part of these financial statements.

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

1. Incorporation and activities

Trinidad Cement Limited (the "Company") is a limited liability company incorporated and resident in the Republic of Trinidad and Tobago and its shares are publicly traded on Trinidad and Tobago Stock Exchange (TTSE), Jamaica Stock Exchange (JSE), Barbados Stock Exchange (BSE), Eastern Caribbean Securities Exchange (ECSE) and the Guyana Association of Securities Companies and Intermediaries Inc. (GASCI). The Group (Trinidad Cement Limited and Consolidated Subsidiaries) is involved in the manufacture and sale of cement and lime, premixed concrete, packaging materials and the winning and sale of sand, gravel and gypsum. The registered office of the Company is Southern Main Road, Claxton Bay, Trinidad.

A listing of the Group's subsidiary companies is detailed in note 22.

2. Significant accounting policies

a) Basis of preparation

These consolidated financial statements are prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRS). The accounting policies adopted are consistent with those of the prior year except that the Group has adopted the following new and amended IFRS and IFRIC (International Financial Interpretation Committee) interpretations during the year. Adoption of these revised standards and interpretations did not affect the financial performance or position of the Group.

These new and amended IFRS and IFRIC interpretations did however give rise to additional disclosures, including in some cases, revisions to accounting policies:

IFRS 7	Financial instruments: disclosures
IAS 1	Amendment - presentation of financial statements
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of embedded derivatives
IFRIC 10	Interim financial reporting and impairment

The Group has not adopted early the following new and revised IFRS's and IFRIC interpretations that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January, 2008 or later periods:

- IFRIC 14, IAS 19 (effective 1 January, 2008) – The IFRIC provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. The expected impact of the IFRIC is still being assessed by management.

- IFRS 8 Operating segments (effective 1 January, 2009) - This standard replaces the existing IAS 14: "Segment Reporting" and aligns with the requirements of the US Standard SFAS 131: "Disclosures about segments of an enterprise and related information", and requires a "management approach" for segment reporting. The expected impact of the new standard is still being assessed by management.

Notes to the Consolidated Financial Statements

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

2. Significant accounting policies *(continued)*

a) Basis of preparation *(continued)*

- IAS 23 amendment (effective 1 January 2009) – This standard has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. The option of immediately expensing these borrowing costs will be removed. This is not expected to impact the Group, as the existing policy practice of the Group is to capitalise all such borrowing costs relating to qualifying assets.

b) Basis of consolidation

These consolidated financial statements comprise the financial statements of Trinidad Cement Limited (the Parent) and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies. Subsidiary undertakings, being those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights, are fully consolidated from the date of acquisition being the date on which the Group obtained control. All intercompany transactions, balances, and unrealised surpluses and deficits on transactions between Group companies are eliminated.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the statement of earnings and within equity in the consolidated balance sheet. All assets and liabilities of the subsidiaries are stated at fair value at the date of acquisition.

c) Significant accounting judgments, estimates and assumptions

In the process of applying the Group's accounting policies, management makes certain judgments, estimates and assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. The most significant of these are described below:

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimate of the value in use of the cash generating units to which goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of these cash flows.

Deferred tax assets

In recognising a deferred tax asset for unused tax losses, management uses judgment to determine the probability that future taxable profits will be available to facilitate utilisation of these unused tax losses.

2. Significant accounting policies *(continued)*

c) Significant accounting judgments, estimates and assumptions *(continued)*

Pension and post-retirement benefits
The cost of defined benefit pension plans and other post retirement benefits is determined using actuarial valuations. The Group's independent actuaries use judgment and assumptions in determining discount rates, expected rates of return on assets, future salary increases and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

Property, plant and equipment
Management exercises judgment in determining whether costs incurred can accrue significant future economic benefits to the Group to enable the value to be treated as a capital expense.

Further judgment is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation determined thereon.

d) Business combinations and goodwill

Business combinations are accounted for using the purchase accounting method. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units for the purpose of impairment testing. From the acquisition date goodwill is allocated to these cash generating units or groups of cash generating units which benefit from the synergies of the combination.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at December 31.

Notes to the Consolidated Financial Statements

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

2. Significant accounting policies *(continued)*

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided on the straight line or reducing balance basis at rates estimated to write-off the assets over their expected useful lives. The estimated useful lives of assets are reviewed periodically, taking account of commercial and technological obsolescence as well as normal wear and tear, and the depreciation rates are adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Current rates of depreciation are:

Buildings	2%	-	4%
Plant, machinery and equipment	3%	-	25%
Motor vehicles	10%	-	20%
Office furniture and equipment	10%	-	25%

Leasehold land and improvements are amortised over the remaining term of the lease. Freehold land and capital work-in-progress are not depreciated. The limestone reserves contained in the leasehold land at a subsidiary is valued at fair market value determined at the date of acquisition of the subsidiary. A depletion charge is recognised based on units of production from those reserves.

All other limestone reserves which are contained in lands owned by the Group are not carried at fair value but the related land is stated at historical cost.

It is the Group's policy to capitalise borrowing costs specific to capital projects during the period of construction.

f) Inventories

Plant spares, raw materials and consumables are valued at the lower of weighted average cost and net realisable value. Net realisable value is arrived at after review by technical personnel.

Work in progress and finished goods are valued at the lower of cost, including attributable production overheads, and net realisable value. Net realisable value is the estimate of the selling price less the costs of completion and direct selling expenses.

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

2. Significant accounting policies *(continued)*

g) Foreign currency translation

Foreign currency transactions
The consolidated financial statements are presented in Trinidad and Tobago dollars (expressed in thousands), which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at the rate of exchange ruling at the balance sheet date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions are recognised in the statement of earnings.

Foreign entities
On consolidation, assets and liabilities of foreign entities are translated into Trinidad and Tobago dollars at the rate of exchange ruling at the balance sheet date and the statement of earnings are translated at the weighted average exchange rates for the year. The exchange differences arising on re-translation are taken directly to reserves.

h) Deferred expenditure

The cost of installed refractories, chains and grinding media is amortised over a period of six to twelve months to match the estimated period of their economic usefulness.

i) Segment information

The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices. Revenues are attributable to geographic areas based on the location of the assets producing the revenues.

j) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, short term deposits, investments, receivables, trade creditors, and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Notes to the Consolidated Financial Statements

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

2. Significant accounting policies *(continued)*

k) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as interest rate swaps to hedge its risk associated with interest rate fluctuations. Such derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets or liabilities. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the earnings statement.

The Group has entered into a cashflow hedge relationship to hedge its exposure to variability in cashflows arising from a portion of floating rate debt. Gains or losses on derivatives that meet the strict criteria for hedge accounting are taken to equity from where amounts are transferred to the earnings statement to offset fluctuations in revenue or expense from the underlying hedged item as it is recognised.

l) Leases

Operating leases
Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of earnings on a straight-line basis over the period of the lease.

Finance leases
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

m) Taxation

The taxation charge for the current year is based on the results for the year as adjusted for items, which are non-assessable or disallowed. The taxation charge is calculated using the tax rate in effect at the balance sheet date.

A deferred tax charge is provided, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that future taxable profit will be available against which these deductible temporary differences and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

2. Significant accounting policies *(continued)*

m) Taxation *(continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

n) Pension plans and post-retirement medical benefits

Defined benefit pension plans are generally funded by payments from employees and by the relevant Group companies, taking into account the recommendations of independent professional actuaries.

For defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the annual cost of providing pensions is charged to the statement of earnings so as to spread the regular cost over the service lives of employees in accordance with the advice of independent professional actuaries who carry out a full valuation of the plans every three years.

The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturities approximating the terms of the related liabilities. All actuarial gains and losses to be recognised are spread forward over the average remaining service lives of employees.

Defined contribution plans are accounted for on the accrual basis, as the Group's liabilities are limited to its contributions.

Certain subsidiaries provide post-retirement healthcare benefits to their retirees. The expected costs of these benefits are measured and recognised in a manner similar to that for defined benefit pension plans. Valuation of these obligations is carried out by independent professional actuaries using an accounting methodology similar to that for the defined benefit pension plans.

o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is presented, net of applicable taxes, returns and discounts, and is recognised upon delivery of products or performance of services and customer acceptance. Interest and investment income are recognised as they accrue unless collectibility is in doubt.

p) Trade and other receivables

Trade and other receivables are carried at anticipated realisable value. Provision is made for specific doubtful receivables based on a review of all outstanding amounts at the year-end.

Notes to the Consolidated Financial Statements

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

2. Significant accounting policies *(continued)*

q) Trade and other payables

Liabilities for trade and other payables, which are normally settled on 30-90 day terms are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received or not billed to the Group.

r) Borrowings

Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. In subsequent periods, borrowings are stated at amortised cost using the effective interest method, any differences between proceeds and the redemption value is recognised in the statement of earnings over the period of the borrowings.

s) Provisions

Provisions are recorded when the Group has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

t) Earnings per share

Earnings per share are computed by dividing net profit for the year attributable to shareholders of the Parent, by the weighted average number of ordinary shares in issue during the year.

u) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include all cash and bank balances/ advances, short term deposits, and overdraft balances with maturities of less than three months from date of establishment.

v) Equity compensation benefits

The Group accounts for profit sharing entitlements which are settled in the shares of the Parent company through an Employee Share Ownership Plan (ESOP) as an expense determined at market value. The cost incurred in administering the Plan is recorded in the earnings statement of the Parent company. The cost of the unallocated shares of the Parent company is recognised as a separate component within equity.

2. Significant accounting policies *(continued)*

w) Impairment of assets

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognised in the statement of earnings in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment been recognised for the asset in prior years. Such reversal is treated as a revaluation increase. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amounts.

Financial assets

The carrying value of all financial assets not carried at fair value through the income statement is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The identification of impairment and the determination of recoverable amounts is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

Notes to the Consolidated Financial Statements

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

	2007	2006
3. Operating profit		
Revenue	1,922,957	1,719,002
Less expenses:		
Personnel remuneration and benefits	388,447	330,296
Raw materials and consumables	327,722	347,063
Fuel and electricity	304,788	300,497
Operating expenses	227,675	235,860
Repairs and maintenance	137,202	109,717
Depreciation	133,633	116,370
Equipment hire and haulage	85,276	46,545
Changes in finished goods and work in progress	3,987	(43,942)
	314,227	276,596
Other income (see note below)	37,147	18,518
Operating profit	351,374	295,114
Personnel remuneration and benefits include:		
Salaries and wages	342,033	283,129
Other benefits	34,277	40,984
Statutory contributions	15,822	14,342
Pension costs – defined contribution plan	3,746	3,805
Termination benefits	1,748	(120)
Net pension income – defined benefit plans (Note 9a)	(9,179)	(11,844)
	388,447	330,296
Operating profit is stated after deducting directors' fees of:		
Directors' fees	2,225	1,971
Other income includes:		
Gain/(loss) from disposal of property, plant and equipment	12,933	(32)
Delivery and trucking services	11,474	12,608
Net insurance claim recoveries	7,560	–
Port rental	–	793
Miscellaneous income	5,180	5,149
	37,147	18,518

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

3. Operating profit *(continued)*

During February 2006, a quantity of non-conforming cement was released to the market by a subsidiary company in Jamaica. The Group has received claims for damages from customers who used this cement in construction projects and has made an additional provision of $1.9 million (2006: $30.3 million) to settle these claims.

4. Finance costs

	2007	2006
Interest expense	121,796	121,502
Interest income	(3,210)	(1,770)
Accretion in value of bond redemption options	(24,200)	(20,867)
	94,386	98,865
Foreign currency exchange loss	9,280	5,490
	103,666	104,355

5. Taxation

a) Taxation charge

	2007	2006
Deferred taxation (Note 5c)	15,249	3,626
Current taxation	19,034	5,095
	34,283	8,721

b) Reconciliation of applicable tax charge to effective tax charge

	2007	2006
Profit before taxation	245,726	160,488
Tax calculated at 25%	61,432	40,122
Net effect of other charges and disallowances	(3,664)	(1,731)
Impact of income not subject to tax	(30,203)	(30,629)
Business and green fund levies	2,301	1,643
Effect of different tax rates outside Trinidad and Tobago	4,417	(684)
Taxation charge	34,283	8,721

Notes to the Consolidated Financial Statements

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

5. Taxation *(continued)*

b) Reconciliation of applicable tax charge to effective tax charge

Trinidad Cement Limited has tax losses of $278 million (2006: $275 million) available for set off against future taxable profits.

Caribbean Cement Company Limited and its subsidiaries have tax losses of $39.3 million (2006: $60.4 million) available for set off against future taxable profits.

Readymix (West Indies) Limited and its subsidiaries have tax losses of $30.0 million (2006: $32.4 million) available for set off against future taxable profits.

c) Movement in deferred tax net balance:

	2007	2006
Net balance at 1st January	(108,145)	(104,674)
Exchange rate and other adjustment	1,637	1,106
Credit/(charge) to hedging reserve	3,204	(951)
Charge to earnings	(15,249)	(3,626)
Net balance at 31st December	(118,553)	(108,145)

d) Components of the deferred tax asset/(liability) are as follows:

	2007	2006
Deferred tax liability:		
Property, plant and equipment	(205,740)	(193,589)
Pension plan assets	(50,307)	(46,285)
Others	–	(11,579)
Balance at 31st December	(256,047)	(251,453)
Deferred tax asset:		
Tax losses carry forward	84,448	100,588
Capital allowance carry forward	42,820	42,678
Others	7,064	–
Swap obligation	3,162	42
Balance at 31st December	137,494	143,308
Net deferred tax liability	(118,553)	(108,145)

Notes to the Consolidated Financial Statements

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

6. Earnings per share

	2007	2006
Net profit attributable to shareholders of the Parent	**187,795**	145,665
Weighted average number of ordinary shares issued (thousands)	**245,050**	244,574
Earnings per share – basic and diluted (cents)	**77**	60

Effective December 2001, balances of the TCL Employee Share Ownership Plan relating to the unallocated shares held by the Plan have been consolidated with the financial statements of the Group. The weighted average number of unallocated shares of 4.715 million (2006: 5.191 million) held by the Plan during the year is deducted in computing the weighted average number of ordinary shares in issue. The Group has no dilutive potential ordinary shares in issue.

7. Property, plant and equipment

	Land and buildings	Plant, machinery and equipment and motor vehicles	Office furniture and equipment	Capital work in progress	Total
At 31st December, 2007					
Cost	452,209	2,037,771	99,862	652,635	3,242,477
Accumulated depreciation	(128,525)	(858,416)	(68,107)	–	(1,055,048)
Net book amount	323,684	1,179,355	31,755	652,635	2,187,429
Movement in net book amount					
1st January, 2007	314,570	1,208,681	30,631	344,934	1,898,816
Exchange rate adjustments	(7,686)	(7,828)	(447)	(7,162)	(23,123)
Additions	25,789	82,926	7,107	333,191	449,013
Disposals and adjustments	4,495	6,019	4,170	(18,328)	(3,644)
Depreciation charge	(13,484)	(110,443)	(9,706)	–	(133,633)
31st December, 2007	323,684	1,179,355	31,755	652,635	2,187,429

Notes to the Consolidated Financial Statements

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

7. Property, plant and equipment *(continued)*

	Land and buildings	**Plant, machinery and equipment and motor vehicles**	**Office furniture and equipment**	**Capital work in progress**	**Total**
At 31st December, 2006					
Cost	433,090	1,976,084	89,723	344,934	2,843,831
Accumulated depreciation	(118,520)	(767,403)	(59,092)	–	(945,015)
Net book amount	314,570	1,208,681	30,631	344,934	1,898,816
Movement in net book amount					
1st January, 2006	325,161	999,066	20,288	310,594	1,655,109
Exchange rate adjustments	(7,211)	(7,482)	(439)	(5,588)	(20,720)
Additions	7,634	315,817	18,363	39,928	381,742
Disposals and adjustments	–	(945)	–	–	(945)
Depreciation charge	(11,014)	(97,775)	(7,581)	–	(116,370)
31st December, 2006	314,570	1,208,681	30,631	344,934	1,898,816

The net carrying value of assets held under finance leases within property, plant and equipment amounted to $17.7 million (2006: $20 million) as at 31st December, 2007.

In 2007, the total borrowing cost capitalised was $50.3 million (2006: $26.8 million).

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

8. Goodwill

	2007	2006
Cost	**269,147**	268,673
Accumulated impairment	**(47,911)**	(45,411)
Net book amount	**221,236**	223,262

Net book amount

	2007	2006
1st January, 2007	**223,262**	223,262
Goodwill arising from additional shares in acquisition of minority interests	**474**	–
Impairment charge	**(2,500)**	–
	221,236	223,262

Based on the results of an impairment test in 2007, an impairment charge of $2.5 million was recorded against goodwill arising from the acquisition of a subsidiary of Readymix (West Indies) Limited, as a result of continuing operational challenges being experienced by the entity.

Effective 1st August 2007, the Company acquired an additional 132,483 shares in Readymix (West Indies) Limited at a cost of $993. This increased its shareholding to 71% (2006: 70%) and resulted in the recognition of goodwill amounting to $474 derived as follows:

Consideration paid	993
Share of net assets acquired	(519)
Goodwill arising	474

Impairment testing of goodwill

Goodwill was acquired through business combinations with Caribbean Cement Company Limited and subsidiaries of Readymix (West Indies) Limited. The recoverable amount of business units has been determined based on value in use calculations using cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period.

The pre-tax discount rate applied to the cash flow projections for Caribbean Cement Company Limited is 18.4%. The pre-tax discount rates applied to the cash flow projections for Premix and Precast Concrete Incorporated and Island Concrete N.V./Island Concrete SARL, subsidiaries of Readymix (West Indies) Limited, are 10.00% and 11.75% respectively.

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8. Goodwill *(continued)*

Impairment testing of goodwill *(continued)*

The recoverable amount of the cash generating units was determined using value in use calculations. The calculation of value in use is most sensitive to assumptions regarding market share and gross margins:

Market share - It is assumed that the respective business units will at least maintain their current levels of market share over the projection period.

Gross margins - It is assumed that the business units will be able to at least maintain their current gross margins over the projection period with the ability to adjust selling prices to compensate for increasing price of inputs which are reliably supplied.

9. Pension plans and other post-retirement benefits

	2007	2006
The numbers below are extracted from information supplied by independent actuaries.		
a) Amounts recognised in the statement of earnings in respect of pension costs/(income)		
Current service cost	**16,545**	15,084
Interest cost	**34,811**	29,520
Expected return on plan assets	**(60,551)**	(56,030)
Amortised net loss/(gain)	**16**	(418)
Total, included in personnel remuneration and benefits (Note 3)	**(9,179)**	(11,844)
Actual return on plan assets	**68,150**	13,719
b) Pension plan assets and liabilities and other post retirement obligations:		
Pension plan assets	**202,558**	185,921
Pension plan liabilities and post retirement obligations:		
Retiree's medical benefit obligations	**(10,146)**	(8,197)
Pension plan liabilities	**(348)**	(341)
Total post retirement obligations	**(10,494)**	(8,538)

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9. Pension plans and other post-retirement benefits *(continued)*

c) Movement in pension plan assets/(liabilities)

	2007	2006
Balance at 1st January	185,580	166,272
Net pension income for the year	9,179	11,844
Contributions paid	7,451	7,464
Balance at 31st December	202,210	185,580
Pension plan assets	202,558	185,921
Pension plan liabilities	(348)	(341)
Pension plan assets - net	202,210	185,580
Net pension plan asset		
Defined benefit obligation	(454,549)	(407,527)
Fair value of plan assets	677,462	615,131
Surplus	222,913	207,604
Unrecognised actuarial gain	(20,703)	(22,024)
Net pension plan asset	202,210	185,580

Changes in the present value of the defined benefit obligation are as follows:

	2007	2006
Defined benefit obligation at January 1	(407,527)	(388,218)
Interest cost	(34,811)	(29,523)
Current service cost	(17,601)	(15,991)
Actuarial loss	(9,124)	16,508
Benefits paid	17,851	13,453
Employer and employees' contribution	(4,426)	(4,012)
Expense allowance	1,179	1,071
Past service cost	–	(735)
Exchange differences	(90)	(80)
Defined benefit obligation at December 31	(454,549)	(407,527)

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9. Pension plans and other post-retirement benefits *(continued)*

c) Movement in pension plan assets/(liabilities) *(continued)*

	2007	2006
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at January 1	**615,131**	630,055
Expected return	**60,551**	56,006
Actuarial loss	**8,343**	(68,895)
Benefits paid	**(17,851)**	(13,340)
Employer and employees' contribution	**12,365**	12,287
Expense allowance	**(1,179)**	(1,071)
Exchange difference	**102**	89
Fair value of plan assets at December 31	**677,462**	615,131

The Group expects to contribute $7.1 million to its defined benefit plan in 2008.

Major categories of plan assets as a percentage of fair value:

	2007	2006
Equities	**48%**	45%
Debt	**40%**	39%
Property	**1%**	1%
Other	**11%**	15%

Experience history for the current and previous two periods are as follows:

	2007	2006	2005
Defined benefit obligation	**(454,549)**	(407,527)	(388,218)
Fair value of plan assets	**677,462**	615,131	630,055
Surplus	**222,913**	207,604	241,837
Experience adjustments on plan liabilities	**(9,124)**	16,508	13,857
Experience adjustments on plan assets	**8,343**	(68,895)	(24,022)

The Trinidad Cement Limited Employees' Pension Fund Plan, a defined benefit plan, is sectionalised for funding purposes into three segments to provide retirement pensions to the retirees of Trinidad Cement Limited ("TCL"), TCL Packaging Limited ("TPL") and Readymix (West Indies) Limited ("RML"). Another pension plan, resident in Barbados, covers the employees of Arawak Cement Company Limited and Premix and Precast Concrete Incorporated.

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9. Pension plans and other post-retirement benefits *(continued)*

c) Movement in pension plan assets/(liabilities) *(continued)*

The Parent company's employees and employees of TCL Packaging Limited and Readymix (West Indies) Limited are members of the Trinidad Cement Limited Employees' Pension Fund Plan. This is a defined benefit Pension Plan which provides pensions related to employees' length of service and basic earnings at retirement. The Plan's financial funding position is assessed by means of triennial actuarial valuations carried out by an independent professional actuary. The last such valuation was carried out as at 31st December, 2006 and the results revealed that the Trinidad Cement Limited section was in surplus by $212.7 million but the TCL Packaging Limited and Readymix (West Indies) Limited sections were in deficit by $1.1 million and $0.7 million respectively.

The service contribution rates for TCL, TPL and RML as a percentage of salaries will remain at 5.7%, 23.5% and 15.7% respectively.

Employees of Arawak Cement Company Limited are members of a defined benefit pension plan, which became effective in September 1994. The plan is established under an irrevocable trust and its assets are invested through an independently administered segregated fund policy. The triennial actuarial valuation was last carried out as at January 2007 and showed a funding surplus of $10.0 million. The actuary has recommended that the company and employees fund the plan and future service benefits at 7% of members' earnings.

A roll-forward valuation in accordance with IAS 19 "Employee Benefits", using assumptions indicated below, was done as at 31st December, 2007 for the sole purpose of preparing these financial statements.

Principal actuarial assumptions used are as follows:

	2007	2006
Discount rate	**8.00% - 8.75%**	8.00% - 8.75%
Expected return on plan assets	**8.00% - 10.00%**	8.00% -10.00%
Rate of future salary increases	**7.00% - 7.75%**	7.00% - 7.75%
Rate of future pension increases	**3.50% - 4.00%**	3.50% - 4.00%

Caribbean Cement Company Limited operates a defined contribution Pension Plan for all permanent employees. This plan is managed by an independent party.

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9. Pension plans and other post-retirement benefits *(continued)*

d) Other post-retirement benefits

	2007	2006
The retirees' medical benefit liabilities are derived as follows:		
Defined benefit obligation	16,209	15,009
Unrecognised loss	(6,063)	(6,812)
Defined benefit obligation	10,146	8,197
Movement in the retirees' medical benefit liabilities:		
Opening balance	8,197	6,615
Total expense for the year	2,374	1,915
Contributions paid	(425)	(333)
Retirees' medical benefit liabilities	10,146	8,197
Changes in the present value of the benefit obligation are as follows:		
Defined benefit obligation at January 1	(15,009)	(12,706)
Interest cost	(1,230)	(972)
Current service cost	(638)	(623)
Actuarial loss	243	(1,041)
Benefits paid	425	333
Defined benefit obligation at December 31	(16,209)	(15,009)

Expected benefits to be paid in 2008 amount to $500.

Principal actuarial assumptions as at December 31 were:

	2007	2006
Discount rate	8.75%	8.75%
Medical expense inflation	7.75%	7.75%

10. Inventories

	2007	2006
Plant spares	186,385	162,938
Raw materials and work in progress	140,581	119,688
Consumables	103,390	80,926
Finished goods	61,531	58,933
	491,887	422,485

Inventories are shown as net of provision of $5.1 million (2006: $13.6 million).

Expressed in Thousands of Trinidad and Tobago dollars

11. Receivables and prepayments

	2007	2006
Trade receivables	**136,349**	133,562
Less: provision for doubtful debts	**(20,702)**	(17,412)
Trade receivables (net)	**115,647**	116,150
Sundry receivables and prepayments	**64,201**	35,421
Deferred expenditure	**14,656**	13,024
Taxation recoverable	**9,891**	8,273
	204,395	172,868

As at 31st December, the aging analysis of trade receivables is as follows:

			Past due but not impaired		
	Total	Neither past due nor impaired	1-90 days	91-180 days	Over 180 days
2007	**115,647**	**55,985**	**43,306**	**6,354**	**10,002**
2006	116,150	55,989	46,793	7,278	6,090

As at 31st December, an impairment provision of $20.7 million (2006: $17.4 million) was made for trade receivables assessed to be doubtful. Movements in the provision for impairment of receivables were as follows:

	2007	2006
At 1st January	**17,412**	16,209
Charge for the year	**3,290**	1,203
As at 31st December	**20,702**	17,412

12. Short term deposits

This represents cash held for the financing of the Group's operation, expansion and modernisation projects. These deposits are normally in the form of cash instruments or bank balances which are readily convertible into cash. These instruments consist of TT$ and US$ denominated call deposits, money market funds and bank accounts which bear interest at rates ranging from 2% to 5.5% per annum.

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13. Bank overdraft and advances

	2007	2006
Bankers' acceptances and other advances	107,473	136,840
Overdraft	37,240	14,676
	144,713	151,516

Bank advances of $14.5 million are secured by certain fixed assets of the Group, all other advances are unsecured. The advances are denominated in Trinidad and Tobago dollars, Jamaican dollars, Barbados dollars and United States dollars with rates of interest in the range of 6.8% to 22% per annum. The 22% rate of interest relates to overdraft borrowings by the subsidiary in Jamaica.

14. Payables and accruals

	2007	2006
Sundry payables and accruals	226,673	200,043
Trade payables	114,500	85,629
Statutory obligations – Jamaica Subsidiary	12,126	7,243
Taxation payable	6,590	3,923
	359,889	296,838

15. Medium and long term financing

Maturity of borrowings:		
One year	87,271	70,346
Two years	428,737	184,327
Three years	124,649	295,257
Four years	126,553	101,218
Five years and over	628,314	602,818
	1,395,524	1,253,966
Current portion	(87,271)	(70,346)
	1,308,252	1,183,620

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15. Medium and long term financing *(continued)*

	2007	2006
Type of borrowings:		
Bonds	701,498	706,782
Project financing	650,515	495,687
Term loans	30,229	36,324
Finance lease obligations	13,282	15,173
	1,395,524	1,253,966
Currency denomination of borrowings		
US dollar	353,437	199,576
Local currencies	1,042,087	1,054,390
	1,395,524	1,253,966
Interest rate profile		
Fixed rates	1,370,842	1,226,142
Floating rates	24,682	27,824
	1,395,524	1,253,966
The weighted average effective interest rate for medium and long term financing is:	8.4%	8.9%

Bonds

Barbados $50 million Bond

This bond, with current book value of TT$153.1 million, is secured by a charge on the fixed and floating assets of Arawak Cement Company Limited and is repayable by 18 equal semi-annual instalments commencing in March 2008. The rates of interest are fixed in the range 7.4% to 9.45% for four tranches.

TT$346.5 million Bond

This bond, with current book value of TT$240.4 million, is secured by a charge on the fixed and floating assets of the Group and is repayable by 20 equal semi-annual instalments of TT$17.3 million ending in August 2014 and carries a fixed rate of interest of 6.87% per annum.

15. Medium and long term financing *(continued)*

TT$247.6 million Bond

This bond, with current book value of TT$205.1 million, is secured by a charge on the fixed and floating assets of the Group. It carries a fixed effective rate of interest of 14.08% per annum payable semi-annually with principal repayable by one lumpsum amount of TT$185.2 million in June 2009.

TT$127.4 million Bond

This bond, with current book value of TT$102.9 million, is secured by a charge on the fixed and floating assets of the Group. It carries a fixed effective rate of interest of 13.9% per annum. The principal was repaid by a lump sum amount of $96.8 million in February 2008 under a refinancing agreement with a financial institution. Under this refinancing agreement, a new bond was issued for an amount of TT$100 million and is secured by a charge on the assets of the Company. It carries an interest rate of 8.5% per annum for ten years and is to be repaid with twenty equal semi-annual principal repayments commencing August 2008.

Project financing

The Group has secured a loan package amounting to US$105 million for funding of the expansion and modernisation capital projects at Trinidad Cement Limited and at Caribbean Cement Company Limited. The loans are secured by a first charge on the specific plants to be constructed and a second ranking charge on the other fixed and floating assets of the Group in addition to the maintenance of several financial ratios and covenants. The components of the funding package are:

(i) TT$315 million Project Bond

This bond, with current book value of TT$309.7 million, is secured by a charge on certain fixed assets of the Group and is repayable by 18 equal semi-annual installments of TT$17.5 million commencing in March 2009 and carries a fixed rate of interest of 6.71% per annum.

(ii) US$25 million Project 'A' Loan

This loan, with current book value of TT$154.2 million, is secured by a charge on certain fixed assets of the Group and is repayable by 18 equal semi-annual installments of US$1.389 million commencing in October 2008 and carries a floating rate of interest of 6-month Libor plus 225 basis points.

(iii) US$10 million Project 'C' Loan

This loan, with current book value of TT$61.6 million, is secured by a charge on certain fixed assets of the Group and is repayable by 2 installments of US$5 million each in April 2016 and in April 2017. It carries a floating rate of interest of 6-month Libor plus 100 basis points.

15. Medium and long term financing *(continued)*

(iii) US$10 million Project 'C' Loan *(continued)*

In addition to interest, the lender is entitled to an additional annual margin capped at 600 basis points above Libor calculated on the excess Earnings before Interest, Taxes, Depreciation and Amortisation ('Ebitda') of Caribbean Cement Company Limited over US$27.7 million from 2008 to the end of the loan.

(iv) US$20 million Project 'Parallel' Loan

This loan, with current book value of TT$125.0 million, is secured by a charge on certain fixed assets of the Group and is repayable by 18 equal semi-annual installments of TT$1.1 million commencing in October 2008 and carries a floating rate of interest of 6-month Libor plus 225 basis points.

TT$18.5 million loan

This loan, with current book value of $12.1 million, is secured by a charge on certain fixed assets of the Group and is repayable in 40 quarterly installments of $693 for the first five years and $518 for the remaining five years. This also carries rates of interest of 6%, fixed for the first five years and variable over the remaining five years

Interest rate swap

In order to hedge against the floating interest rate risk of the 'Project' US$ loans, the Group has entered into interest rate swap agreements for the full value and period of the loans. Under the swap agreements, the Group agreed to pay or receive from a counter party, at semi-annual intervals, the difference between the fixed and variable interest amounts, the effect of which is to effectively fix the rates of interest on the loans as follows: US$25 million Project 'A' Loan – 7.308%; US$10 million Project 'C' Loan – 6.11%; US$20 million Project 'Parallel' Loan – 7.36%. The hedge relationship and resulting cash-flows are expected to arise over the full period of the loans.

The swap instruments are carried at market values representing the present values of all future settlements under the swaps as determined by a specific formula based upon current market conditions. The carrying values, which will vary in response to changes in market conditions, are recorded as assets or liabilities with the resultant charge or credit recorded as a 'Hedging Reserve' directly in shareholders equity. At each balance sheet date, the swap instruments are marked to market and the change in value recorded in the Hedging Reserve. For each accounting period, an amount is transferred from the Hedging Reserve and charged or credited in the statement of earnings such that the overall interest expense on the related project loans is reflective of the fixed interest rates. As at December 31st, 2007, the swaps carried an aggregate value of a $12.7 million (2006: $0.166 million) liability in the books of the Group.

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15. Medium and long term financing *(continued)*

Bank loan

The Bank loan amounting to $12.6 million represents an unsecured advance which is repayable by January 2009 and carries a rate of interest of six-month Libor plus 200 basis points, currently 6.81% per annum (2006: 7.78%).

Finance leases

Included in total borrowings are finance leases amounting to $13.3 million (2006: $15.1 million). The minimum lease payments under these finance leases are as follows:

	2007	2006
Due not more than one year	5,377	5,370
Due in years two to five	9,469	11,775
Due after year five	–	324
Total minimum lease payments	14,846	17,469
Less: Finance charges	(1,564)	(2,296)
Total net present value	13,282	15,173

16. Stated capital and other reserves

(a) Stated capital

Authorised

An unlimited number of ordinary and preference shares of no par value

Issued and fully paid

	2007	2006
249,765,136 (2005 – 249,765,136) ordinary shares of no par value	466,206	466,206

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16. Stated capital and other reserves *(continued)*

(b) Other reserves

	Currency translation account	Hedging reserve	Total other reserve
Year ended 31st December, 2007			
Balance at 1st January, 2007	**(120,918)**	**(219)**	**(121,137)**
Currency translation and other adjustments	(12,043)	–	(12,043)
Change in fair value of swap obligation	–	(11,801)	(11,801)
Net gain on swap transferred to statement of earnings	–	(650)	(650)
Deferred taxation on swap obligation	–	3,204	3,204
Balance at 31st December, 2007	**(132,961)**	**(9,466)**	**(142,427)**
Year ended 31st December, 2006			
Balance at 1st January, 2006	(110,242)	(3,073)	(113,315)
Currency translation and other adjustments	(10,676)	–	(10,676)
Change in fair value of swap obligation	–	3,843	3,843
Net gain on swap transferred to statement of earnings	–	(38)	(38)
Deferred taxation on swap obligation	–	(951)	(951)
Balance at 31st December, 2006	(120,918)	(219)	(121,137)

17. Dividends

	2007	2006
Paid 2006 Final - 6 ¢ (2005 - 5¢)	**14,986**	12,488

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18. Employee share ownership plan (ESOP)

	2007	2006
Employee share ownership plan		
Number of shares held - unallocated (thousands)	4,617	5,087
Number of shares held - allocated (thousands)	3,866	3,631
	8,483	8,718
Fair value of shares held - unallocated	33,935	35,660
Fair value of shares held - allocated	28,415	24,453
	62,350	60,113
Cost of unallocated ESOP shares	31,554	34,770
Charge to earnings for shares allocated to employees	999	600

The parent company operates an Employee Share Ownership Plan (ESOP) to give effect to a contractual obligation to pay profit sharing bonuses to employees via shares of the Parent company based on a set formula. Employees may acquire additional company shares to be held in trust by the Trustees but the costs of such purchases are for the employee's account. All employees of the Parent company and certain subsidiaries are eligible to participate in the Plan which is directed, including the voting of shares, by a Management Committee comprising management of the Parent company and the general membership. Independent Trustees are engaged to hold in trust all shares in the Plan as well as to carry out the necessary administrative functions.

Shares acquired by the ESOP are funded by parent company contributions. The shares so acquired with cost of $31.6 million (2006:$34.8 million) which remain unallocated to employees have been recognised in shareholders' equity under 'Unallocated ESOP Shares'. All dealings in the shares will be recognised directly in equity. The fair value of shares was derived from the closing market price prevailing on the Trinidad and Tobago Stock Exchange at year end.

19. Contingent liabilities

There are contingent liabilities amounting to $13.4 million (2006: $32.8 million) for various claims, bank guarantees, and bonds against the Group. There are several pending legal actions and other claims in which the Group is involved. It is the opinion of the directors, based on the information provided by the Group's attorneys at law, that if any liability should arise out of these claims it is not likely to be material. Accordingly, no provision has been made in these financial statements in respect of these matters.

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20. Cash from operations

	2007	2006
Profit before taxation	245,726	160,488
Adjustments to reconcile profit before taxation to net cash generated by operating activities:		
Depreciation	133,633	116,370
Interest expense net of interest income	94,386	98,865
ESOP share allocation and sale of shares net of dividends	3,235	1,785
Impairment of goodwill	2,500	–
Other post-retirement benefit expense	2,374	1,915
Pension plan credit	(9,179)	(11,844)
(Gain)/loss on disposal of property, plant and equipment	(12,933)	32
Other non-cash items	2,981	14,680
	462,723	382,291
Changes in net current assets		
Increase in inventories	(69,402)	(25,875)
Increase in receivables and prepayments	(29,909)	(33,265)
Increase in payables and accruals	70,277	13,766
	433,689	336,917

21. Capital commitments

The Group has approved capital commitments amounting to $301 million (2006: $296.7 million) mainly relating to the expansion and modernisation Project.

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22. Subsidiary undertakings

The Group's subsidiaries are as follows:

	Country of incorporation	Ownership level 2007	2006
Readymix (West Indies) Limited	Trinidad and Tobago	71%	70%
TCL Packaging Limited	Trinidad and Tobago	80%	80%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	65%	65%
TCL Leasing Limited	Trinidad and Tobago	100%	100%
Caribbean Cement Company Limited	Jamaica	74%	74%
Jamaica Gypsum and Quarries Limited	Jamaica	74%	74%
Rockfort Mineral Bath Complex Limited	Jamaica	74%	74%
Caribbean Gypsum Company Limited	Jamaica	74%	74%
Arawak Cement Company Limited	Barbados	100%	100%
Premix & Precast Concrete Incorporated	Barbados	43%	42%
TCL Trading Limited	Anguilla	100%	100%
TCL Service Limited	Nevis	100%	100%
TCL (Nevis) Limited	Nevis	100%	100%
Island Concrete N.V.	St. Maarten	71%	70%
Island Concrete SARL	St. Martin	71%	70%
TCL Guyana Inc.	Guyana	80%	80%

As noted above, the Group's effective interest in Premix & Precast Concrete Incorporated is 43% (2006: 42%). This company has been treated as a consolidated subsidiary, as the Group effectively has the power to govern the financial and operating policies of the company.

Key management compensation of the Group

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

	2007	2006
Short-term employment benefits	14,624	10,607
Pension plan and post retirement benefits	456	409

23. Financial instruments and financial risk management disclosures

Financial risk management

The Group activities expose it to a variety of financial risks, including the effects of changes in debt and equity prices, interest rates, market liquidity conditions, and foreign currency exchange rates which are accentuated by the Group's substantial foreign operations, the earnings of which are denominated in foreign currencies. Accordingly, the Group's financial performance and position are subject to changes in the financial markets. Overall risk management measures are focused on minimising the potential adverse effects on the financial performance of the Group of changes in financial markets and to this end the Group may employ various hedging strategies. Where financial risks cannot be fully hedged, the Group remains so exposed with respect to its financial performance and position.

Foreign exchange risk

The Group operates regionally and is subject to foreign exchange risk. Risk management in this area is active to the extent that hedging strategies are available and cost effective.

Credit risk

The Group has no significant concentration of credit risk. It is the Group's policy that all customers who wish to trade on credit terms are subject to creditworthiness review procedures.

Liquidity risk

The Group monitors its risk to a shortage of funds by considering planned and probable expenditures against projected cash inflows from operations, from the settlement of financial assets such as accounts receivables and from approved bank credit facilities. The Group's objective is to fund its operations and activities within borrowing and preset financial ratio limits that include 'current ratio' and 'scheduled expenditure to cash from operations' metrics.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy financial position in order to support its business activities and maximise shareholder value. The Group has established several financial ratios and other quantitative targets to guide the management of its capital structure. Important amongst these targets are a Current ratio of not less than 1.25 and a Debt to EBITDA (Earnings before Interest Tax, Depreciation and Amortisation) of not more than 3.

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23. Financial instruments and financial risk management disclosures *(continued)*

Capital management *(continued)*

a) Fair value

The fair values of cash and bank balances, short term deposits, receivables, payables and current portion of financing approximate their carrying amounts due to the short term nature of these instruments. The fair value of the long term fixed rate borrowings and other short term financial instruments is presented below:

	Carrying amount		Fair value	
	2007	2006	**2007**	2006
Financial assets:				
Cash at bank	**47,419**	27,730	**47,419**	27,730
Short term deposits	**129,175**	155,581	**129,175**	155,581
Receivables and prepayments	**204,395**	172,818	**204,395**	172,818
Financial liabilities:				
Bank overdraft and bank advances	**144,713**	151,516	**144,713**	151,516
Interest – bearing loans and borrowings:				
Floating rate borrowings	**24,682**	27,824	**24,682**	27,824
Fixed rate borrowings	**1,370,842**	1,226,142	**1,368,449**	1,236,353
Payables and accruals	**359,889**	296,838	**359,889**	296,838

b) Foreign exchange risk

	Increase/decrease in US/Euro rate	Effect on profit before tax $	Effect on equity $
2007			
US dollar	**+1%**	**(4,225)**	**(9,458)**
	-1%	**4,225**	**9,373**
Euro	**+5%**	**(558)**	**(338)**
	-5%	**558**	**338**
2006			
US dollar	+1%	(3,075)	(8,373)
	-1%	3,075	8,389
Euro	+5%	(162)	(89)
	-5%	162	89

for the year ended 31st December, 2007
Expressed in Thousands of Trinidad and Tobago dollars

23. Financial instruments and financial risk management disclosures *(continued)*

Capital management *(continued)*

c) Interest rate risk

Interest rate risk for the Group centres on the risk that debt service cash outflow will increase due to changes in market interest rates. At the balance sheet date, the Group's exposure to changes in interest rate relates primarily to bank overdraft and some loans which have a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt. The interest rate exposure of borrowings is as follows:

Total borrowings:

	2007	2006
At fixed rate	**1,423,821**	1,306,131
At floating rates	**116,416**	99,351

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/decrease in basis points	**Effect on profit before tax**
2007	**+100**	**(1,069)**
	-100	**1,069**
2006	+100	(817)
	-100	817

24. Financial information by segment

The Group's primary reporting segment is determined to be business segments. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of products and services provided.

Notes to the Consolidated Financial Statements

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24. Financial information by segment *(continued)*

24.1. Business segment information

	Cement 2007	Cement 2006	**Concrete 2007**	Concrete 2006	**Packaging 2007**	Packaging 2006	**GROUP 2007**	GROUP 2006
Revenue								
Total sales	1,890,651	1,694,387	295,284	258,207	80,363	82,500	2,266,298	2,035,094
Inter-segment sales	(275,571)	(254,927)	–	–	(67,770)	(61,165)	(343,341)	(316,092)
Group revenue	1,615,080	1,439,460	295,284	258,207	12,593	21,335	1,922,957	1,719,002
Segment operating profit	242,109	203,164	55,350	32,437	14,786	10,724	312,245	246,325
Other income	–	–	–	–	–	–	37,147	18,518
Group operating profit	–	–	–	–	–	–	349,392	264,843
Segment assets	3,397,883	3,023,890	158,027	146,774	65,683	59,307	3,621,593	3,229,971
Segment liabilities	2,067,867	1,839,901	79,122	86,645	32,350	35,931	2,179,339	1,962,477
Expenditure on property, plant and equipment	444,276	374,712	4,219	5,316	518	1,714	449,013	381,742
Depreciation	119,534	108,314	11,507	7,917	2,592	139	133,633	116,370
Impairment of goodwill	–	–	2,500	–	–	–	2,500	–

24.2. Geographical segment information

	Revenue 2007	Revenue 2006	**Total assets 2007**	Total assets 2006	**Additions PP& E 2007**	Additions PP& E 2006
Trinidad and Tobago	**708,168**	608,706	**2,172,980**	1,954,320	**252,090**	230,660
Jamaica	**721,528**	665,676	**769,137**	729,172	**106,226**	99,752
Barbados	**201,000**	212,849	**544,204**	441,311	**82,616**	27,064
Other Countries	**292,261**	231,771	**135,272**	105,168	**8,081**	24,266
Group total	**1,922,957**	1,719,002	**3,621,593**	3,229,971	**449,013**	381,742