

**CARIBBEAN CEMENT COMPANY LIMITED**

**EXPLANATORY NOTE TO THE SHAREHOLDERS OF THE COMPANY**

8<sup>th</sup> December 2009

Dear Shareholder,

You should have received, along with this Explanatory Note, a Notice of an Extraordinary General Meeting of shareholders of the Company. The Meeting will be held at 10:00 a.m. on Tuesday, 5<sup>th</sup> January 2010 at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 5, St. Andrew and it has been called to consider two important special resolutions.

As you know, the Company commenced an important expansion project in 2005 which is ongoing. In order to finance the project, the Company borrowed some US\$15 million from its parent company, Trinidad Cement Limited (TCL). These borrowings appear on the Company's balance sheet as both short-term and long-term loans. The Company is unlikely to be able to repay the loans made by TCL in the short to medium term. Furthermore, because they are denominated in US\$, the loans have the effect of creating a disproportionate foreign exchange risk for the Company - that is to say, if the Jamaican dollar were to devalue the Company's cost of servicing the loan from its Jamaican dollar revenue source would increase and the loan amount would translate into an even greater liability on the Company's balance sheet.

Recognizing the magnitude of that risk your Board, after due consideration, determined that the best approach would be for the TCL loans to be converted to equity. A conversion to ordinary shares would have had the effect of watering down your existing holding and accordingly, your board worked out an arrangement under which TCL will accept a special type of US\$ denominated redeemable preference shares which we are advised by our auditors will qualify for equity accounting treatment. The conversion of the Company's indebtedness to TCL into equity preference shares will act to stabilise and

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Shareholder,

December 8, 2009

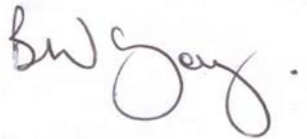
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improve the Company's balance sheet. The preference shares will not carry the right to a fixed dividend, however if the Company should declare a dividend on its ordinary stock units it will be obliged to declare a dividend on the preference shares that is at least equivalent. The preference shares will not carry a right to vote at general meetings of the Company, except in limited circumstances.

Your directors believe that the passage of the proposed resolutions is an important step in the interest of the Company and that failure to pass the proposed resolutions approving the conversion of US\$15 million of the Company's debt to TCL into equity preference shares will seriously jeopardize the future profitability of the Company. We trust that you will take the necessary steps to attend this important Extraordinary General Meeting or, if you are not able to, please fill out the enclosed proxy form and return it to the Company no later than 48 hours before the Extraordinary General Meeting.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Brian Young", with a period at the end.

Brian Young  
Chairman of the Board