ANNUAL REPORT 2004

TCL GROUP

ONE CARIBBEAN... ONE COMPANY

Contents

About the Report

The cover design purposefully extends throughout the report as a subliminal reminder of a company that is on a continuous growth path. The golden spiraling effect not only portrays the ever-increasing advancement of the company but also symbolizes and pays tribute to its 50th anniversary... taking us from the beginning on a journey filled with limitless opportunities to an infinite place and time. The theme also aptly reflects the dynamism and vibrancy of a company and its people that are constantly developing and advancing towards excellence in all facets of its operations.

TCL Group 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.

Group Domestic Territories & Export Markets

TCL Notice of Annual Meeting

Notice is hereby given that the ANNUAL MEETING of TRINIDAD CEMENT LIMITED for the year ended 31st December 2004 will be held at the Training Room, TCL Compound, Southern Main Road, Claxton Bay, Trinidad and Tobago, on 6th April 2005 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 2004, 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 Thursday 10th March 2005 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 company's Registered Office 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 corporate member appoints a proxy, the form of proxy should be executed under seal or signed by some officer or attorney duly authorized.

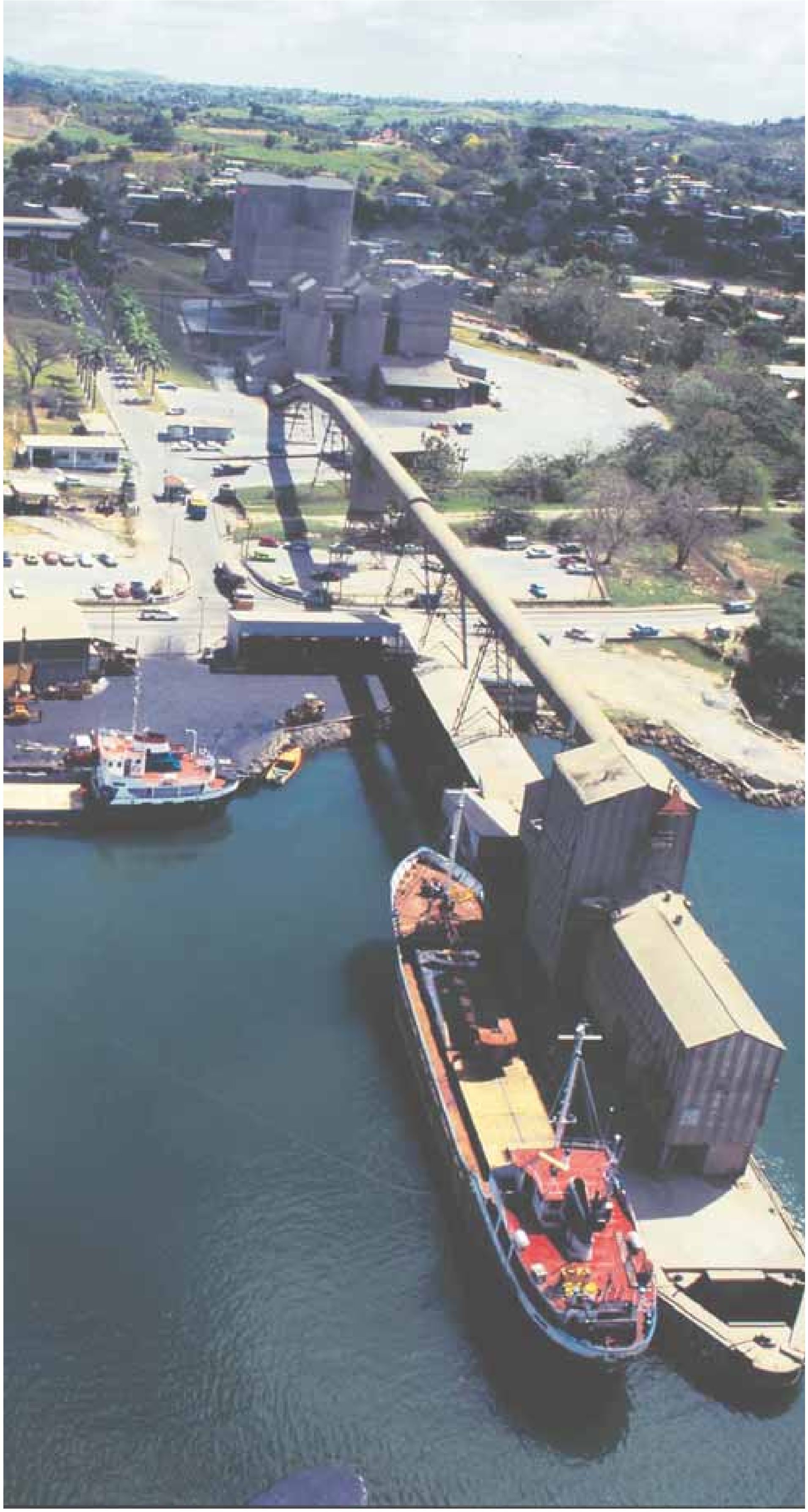
   To be valid, the Proxy Form must be completed and deposited at the registered office of the Company not less than forty eight (48) hours before the time fixed for holding the Meeting.

By Order of the Board

Alan Nobie
Secretary

1st March 2005

PERFORMANCE



The Beginning

The Bill for the establishment of a cement industry in Trinidad was approved in the Legislative Council on November 16, 1951. Negotiations had been protracted for almost two years and were at the point of failure when finally the Bill went through the legislature.

Early Days

Initial efforts to put together a scheme were made from 1946 by amongst others, Mr. Ash of Ash & Watson, a building contractor in Port of Spain at the time. Mr. Ash had secured some land at Mayo, North East of San Fernando, where road stone of ancient calcareous coral rock was extracted from small quarries.

Mr. Ash offered to sell a block of six hundred acres to the Colonial Development Corporation (CDC) of Britain, who took up the challenge and acquired an option to purchase this land in 1948, if limestone could be found in the necessary quality and quantity.

CDC went into partnership with Rugby Portland Cement (RPC), to this day still a major cement company in the UK and engaged an engineering firm, Parry & Elmquist, as consultants. Parry & Elmquist (P&E) were given the task to propose a complete scheme for the establishment of a cement plant in Trinidad.

Niels Frandsen's Story

Serious work commenced when one of the young engineers (the writer) from P&E arrived in Trinidad on October 24, 1948. I had just landed at Piarco Airport and stood on the tarmac outside the Panam Guest House that Sunday evening looking at and listening to a party revelling in a nearby hangar belonging to the Light Airplane Club. That was my first impression of steel drums, jump-up and the great humour of Trinidad.

My assignment was daunting. First of all to locate and prove a deposit of calcareous material possibly

limestone of at least ten million tons and then to search for a site for the factory and define methods of transportation of raw materials and finished cement. In addition, arrangements for supply of fuel and electricity and water had to be foreseen and the availability and cost of labour of all classes were of paramount importance to the study. Last but not least, to ensure that all titles to land be acquired and right and permission to quarry and transportation were legally secured.

Mayo Limestone

From the beginning, the deposits at Mayo appeared to be the most promising and I studied very carefully the CDC acquired options on six hundred acres of land including the mineral rights, surface rights etc. with CDC and their lawyer, Mr. Sellier in Port of Spain. As we could not find any "snags" I set out to engage a drilling contractor, an American, Mr. Stringer, who lived in Maraval close to the old golf course. Mr. Stringer proved invaluable with his long experience in core drilling and he mobilised a drilling rig and went to work very promptly. Then the difficulties began. We needed representative cores to prove the ore body but the formation was so fragmented that the core recovery was sometimes below fifty percent. However, the broken cores were washed up with the drill water and subsequently recovered and dewatered. We "cooked"

QUALITY

the samples in oil drums over primus stoves to the amusement of the local farmers. Samples were finally sent to the UK for chemical analyses, which took considerable time, but we (the sample boy and I) also determined by titration the calcareous contents in my primitive laboratory at the site.

Approximately ten holes of one hundred and eighty feet were bored into the Ash option, countless samples were collected and analysed before we were satisfied that there was a sound basis for production of cement clinker.

The result of the investigation was positive, the limestone was there in quantity and quality. It took four months. The question then arose - where to place the factory.

The Factory Site

The market for cement would probably concentrate around Port of Spain to the North and San Fernando and the oil fields in the South. A location near the Eastern Main Road could be satisfactory and drawing a line from Mayo in a westerly direction would point to the coast at Claxton Bay. There was a small village but also a wide stretch of small hills with cedar-trees. A search in the deeds office revealed that the land belonged to Mr. J.B. Fernandes, famous for his VAT 19 rum. At our first meeting Mr. Fernandes looked at the young man in front of him with an ironic smile. What did I want the land for? After my reply and at later meetings he told me his price. It was not prohibitive but after some haggling it was agreed. He said that if we found "gold" he would want part of that.

The Jetty

The Claxton Bay site was also very close to the sea and I suggested that the scheme should incorporate a jetty and some dredging to provide for an export facility.

The Transport

How to move the quarried and perhaps crushed

limestone from Mayo to Claxton Bay? The roads from Mayo were narrow and winding and the traffic with sugar cane on ox-drawn carts was heavy in the cane cutting season. Road transport of stone by truck would be impossible. The advice from P & E was to base my scheme on a ten km long aerial ropeway. Therefore, I had to survey a straight line from Mayo to the factory site across numerous small plots and gardens. It was unthinkable to obtain options from at least fifty small farmers to purchase the rights to run a ropeway over each property. I therefore used the existing legislation for oil pipelines and hired a gang of cane cutters led by a tough ganger all armed with cutlasses. We went through the line, cut a path through the bush and paid compensation for paw paw trees and banana plants, which had to be sacrificed as we went along.

Water

Another important raw "material" was water. I did not believe that we could bore wells and obtain a reliable source at the factory, but available geological maps indicated a formation of sand — "the Sum Sum Sands" North of Claxton Bay. The water rights appeared to belong to TDC Palo Seco, from whom permission to investigate was obtained. My assumption was later confirmed and a water line was laid along the railway line to Claxton Bay.

SERVICE

Cost Estimates

After four months work, it was clear that the basis was in place. The final and financial analyses were now to estimate the costs of one tonne of cement and ascertain the competitiveness of the scheme.

The consumption of cement in Trinidad and Tobago at the time was estimated at fifty thousand tonnes per year excluding the special cement imported for the oil fields. It was therefore with some optimism that it was decided to go for a kiln with one hundred thousand capacity — only few could foresee the later development and economic growth in the oil industry. Some people voiced the opinion that the sleepy islands in the West Indies would hardly increase their economic activities in a near future (if ever).

At the end of March, several estimates were made and discussions took place between RPC, CDC and Parry Elmquist and me. In the end it was assumed that eighty thousand tonnes could be sold in Trinidad and in the immediate export markets. The capital investment required would be one million, three hundred thousand pound sterling (six million, one hundred thousand Trinidad and Tobago dollars). The price of cement in Port of Spain would be one hundred and twenty seven shillings including capital costs, head office expenses, etc. and assuming a reasonable profit to cover commercial risks. Also Trinidad would save the cost of import of cement when local production was available, so it all looked very promising.

Conclusion

Both Mr. Elmquist of P&E and Mr. Halford Reddish (RPS) came to visit in my office and laboratory in the cocoa shed at Mayo. We discussed this major project at great length and the cement industry in Trinidad was born then and there. This took place mid 1949.

Then followed the difficult negotiation between CDC, RPC and the government in Port of Spain. It was the question of the status of TCL as a pioneer industry, including ten years tax holiday, etc. The negotiations ended without agreement and the project was shelved for some time.

I was of course very disappointed and gave up my position with P&E to return to Denmark and joined the construction industry.

Implementation

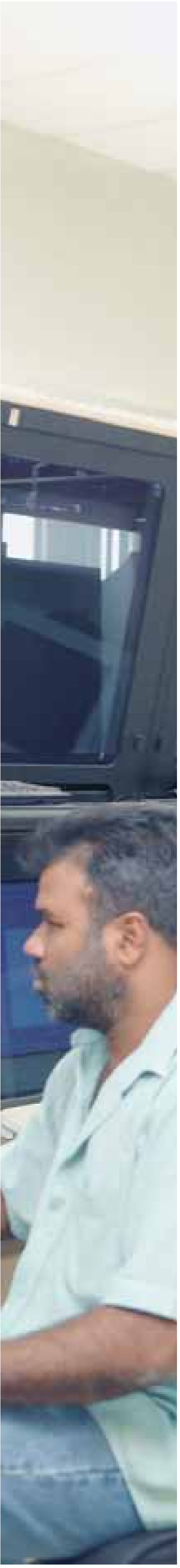
The next chapter began after negotiations had resumed resulting in the legislation, which was passed on November 16, 1951 as published in the Trinidad Guardian the following day.

P&E proceeded with the detailed design, selection of major equipment and planning and scheduling of the implementation. The major cement making plant was to be supplied by F.L. Smidth & Co. of Denmark and a multitude of suppliers were selected.

A major item would be the construction work and I was invited to tender in joint venture with a London—based contractor, J.C. Kier & Co. We were awarded the contract and I returned to Trinidad to commence the construction work under the name of "N. Frandsen and Partners".

We set out to work on January 2, 1953 with four Danish construction foremen and one engineer. We spread out with a large local workforce to Mayo, along the rope way and at Claxton Bay.

TECHNOLOGY



The project had attracted considerable attention for the unusual speed of the construction and the quality of the work.

The main contract was completed in eleven months and on November 9, a celebration was held on the roof of the seven storey packing plant with a toast in rum to the successful future of the cement works. The workers had a rum party with steel pan etc in the cellar which lasted the whole night.

The Lighting of the Kiln

Sundry work was added to the contract and completed in the course of 1954. The main event, however, was the lighting of the kiln which took place on June 22. It went as planned, celebrated by a large party of dignitaries on the burners' platform.

The journey which started October 24,1948 had reached its successful end...the cement factory was now in production.

Published with the kind permission of Niels Frandsen

The TCL story continues with an account of some of the strategies taken to arrive at the company's present position as one of the region's most respected companies, one of the most vibrant performers on the Trinidad and Tobago Stock Exchange, and the country's first-ever "Company of the Year" in the Express Newspaper's inaugural competition..........

"From Subsidies to Success"

The initial production capacity was one hundred and thirty thousand tonnes per year, which was increased to one hundred and eighty thousand tonnes per year in 1958 and subsequently increased in 1968 to two hundred and fifty thousand tonnes per year.

As part of its naturalization policy, the Company was purchased by the Government of Trinidad and Tobago in 1976.

A major plant expansion was undertaken in 1984 which increased the annual production capacity by three

hundred thousand tonnes, thereby increasing the total annual production capacity of the plant to five hundred and fifty thousand tonnes.

The salient feature of the Company's financial history from the period of Government acquisition up to 1987 was the accumulation of significant trading losses.

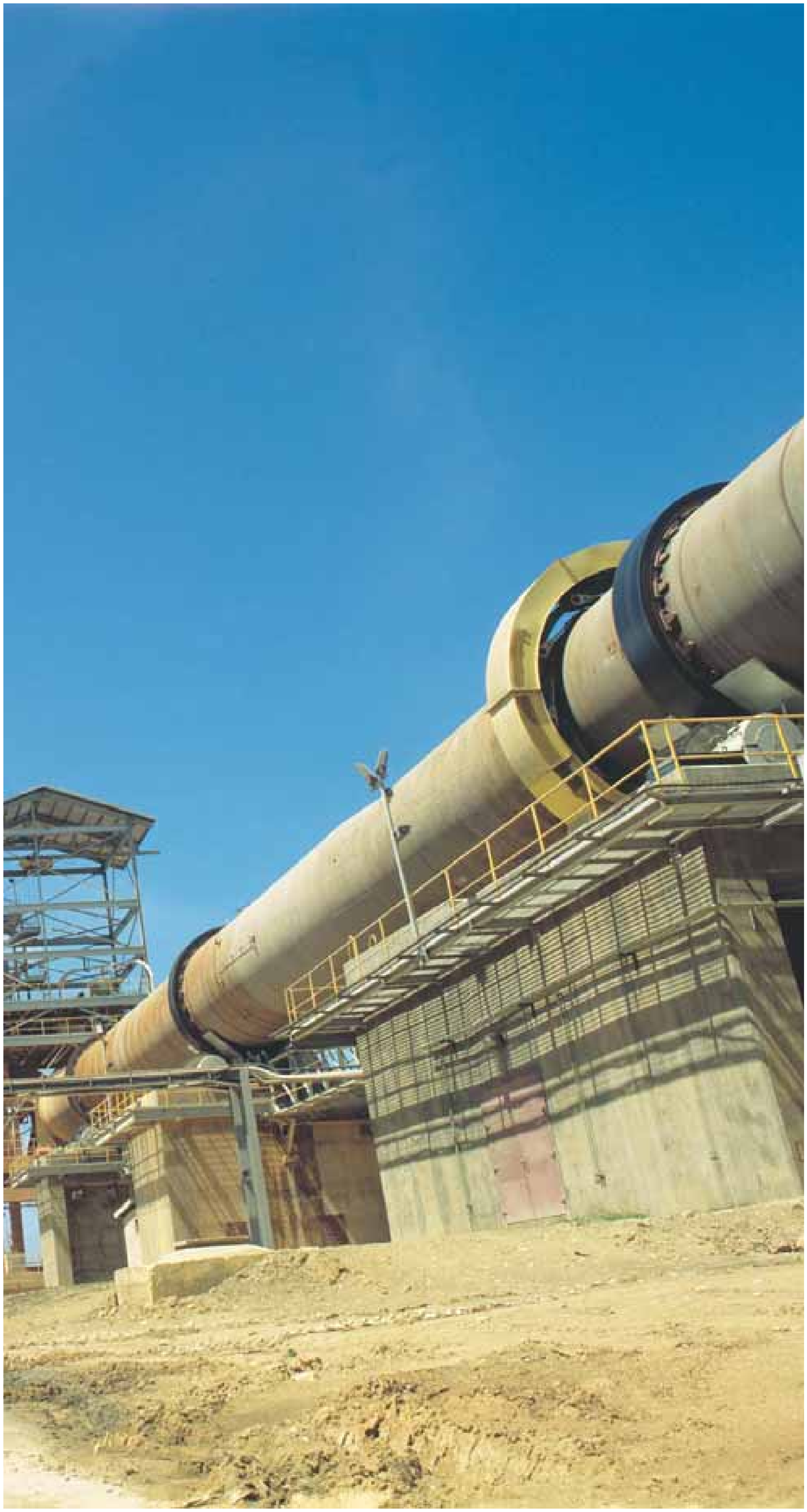
The Government's approach until 1984 was one of providing ever increasing subsidies to meet the cash needs of the Company, while maintaining relatively low cement prices which did not cover the cost of production.

Over the period 1976 to 1983, subsidies exceeded two hundred and fifty four million dollars. Despite these subsidies, the Company continued to incur significant losses.

Consequently, at the end of 1987, the Company showed an accumulated loss of ninety one million, two hundred thousand dollars and had accumulated a net indebtedness of one hundred and thirty seven million dollars to the Government.

In 1984, the Government adopted a policy to discontinue subsidies. Despite this policy, the Company continued to incur trading losses. With the advent of a new Government in 1986, which was faced with the

PROGRESSION



harsh economic realities arising from a sharp decline in oil revenues, (the mainstay of the national economy), a policy of divestment of loss-making state enterprises was approved for implementation. Trinidad Cement Limited was earmarked as one of the first such enterprises to be divested.

The divesting of Government's one hundred percent shareholding was conducted in two phases, both of which were resounding successes.

Phase one was conducted over the period January 16-23, 1989 and involved a private (employees) and public Offer for Sale of twelve million ordinary shares of one dollar each at a price of seventy-five cents per share. A further public Offer for Sale of twenty one million ordinary shares of one dollar each was made from January 23-27, 1990. Divestment phase two was designed to place controlling interest in the hands of the private sector, and had been termed the "final steps of Independence" by former Managing Director, Richard Jackman, at the sod-turning ceremony to mark the start of construction of the TCL Packaging Limited on September 11, 1989.

Both share offers were highly over-subscribed. In fact, applications were received for almost sixty-two million shares in response to the combined offer of thirty-three million shares in both phases. At the end of the second phase of the Divestment, the Government's shareholding was effectively reduced to twenty-nine point one percent of the common equity. The remaining seventy point nine percent of the common equity was owned by the private sector.

So it was in 1990 that Trinidad Cement Limited effectively made the transition from being a state enterprise to a private enterprise, with its shares publicly listed and traded on the Trinidad and Tobago Stock Exchange.

Concurrent with the divestment plans a number of other major initiatives were developed in order to attain financial viability of the company. These initiatives could be divided into four (4) broad categories, namely

I. ***Financial restructuring which comprised the following elements:***

- Rationalisation of the Company's Capital Structure through the conversion of Government's loans and advances into equity.
- Reduction of the Issued Share Capital from ninety seven million, nine hundred thousand ordinary shares to fifty million ordinary stock units of one dollar each.
- Accumulated losses were written off against Share Capital.

II. ***Improvement in the Efficiency of Manufacturing operations:***

- Upgrade of plant and equipment.
- Removal of bottlenecks in the operations.

III. ***An aggressive marketing programme including re-entry into the export market segment after an absence of more than ten (10) years.***

IV. ***Creating an environment for maximising the productive capability of the Company's employees.***

- A Formal Performance Appraisal and Potential Assessment System was introduced for all levels of employees throughout the organisation.

- Reward systems including profit sharing plans were introduced and were based on individual performance and productivity.
- Strategies were implemented to change the culture of the organisation to one on which key values such as result orientation, a bias for action and an explicit belief in and recognition of the importance of economic growth and profits were predominant.
- A manpower rationalisation programme was implemented in order to bring manpower levels in line with industry norms.

The resounding success of the several initiatives undertaken at TCL is reflected in the exceptional results, which have been produced. The major achievements are outlined below:

- In 1988 the company attained the landmark of profitable trading for the first time since the takeover by the Government. The Company's profitability grew from a net profit of eight million five hundred thousand in 1988 to nineteen million seven hundred thousand in 1990, a growth of one hundred and thirty two percent within two years.

- After withdrawal from the export market in 1975, TCL re-entered this market in 1986 and generated foreign exchange earnings of one million five hundred thousand dollars. At the end of 1990, foreign exchange earnings from export sales had multiplied thirty-five times, reaching fifty-two million five hundred thousand dollars.

- In 1988, the Company captured the Prime Minister's Export Award.

- In 1990, TCL received the inaugural "Company of the Year" award in a national competition sponsored by the Express Newspapers Limited.

- TCL also received one of the Prime Minister's Special Export Awards for the State Sector in 1990.

- Shareholders in TCL benefited from capital growth of approximately three hundred percent within one year as shares bought in January 1990 at eighty-five cents were trading on the stock exchange in December 1990 at three dollars and fifty cents having peaked just over four dollars. This achievement is unparalleled in the history of the Stock Exchange as no other Company has ever experienced such growth within a one year period.

Adapted from TCL's 1990 Annual Report

Looking Towards the Future

Looking back on the last fifty years, it is evident that the changes witnessed by the global cement industry would forever alter the course of doing business in the way we knew it. Fifty years have seen technological upgrades to improve the production efficiency and quality of cement, alternative fuels that would promote sustainable industrial development, industry consolidation, and the emergence of a rules-based trading environment even while liberalization remains the prevailing trend in world trade.

Responsiveness to Unfair Trading

The Caribbean Cement industry has been affected by trade liberalization in the form of unfairly traded cement originating out of countries such as China, Thailand, Indonesia, Egypt and Argentina. In an effort to protect its indigenous industry, antidumping actions have been successfully filed against the importers and producers of the dumped cement, with the appropriate tariffs being implemented in two domestic markets. In this regard the TCL Group has developed a strong knowledge base in the area of international trade legislation and regulations facilitating a ready responsiveness to any instances of unfair trading which might arise in the future.

Modernisation and Capacity Upgrade Programme

As the Group positions itself to face the next fifty years, it has begun to implement a programme of modernisation and capacity expansion which would ensure the maintenance of its competitive advantage through its pricing policy and through the reliable supply of quality products to customers. The modernisation programme would strengthen the Group's position in the regional market as the preferred supplier, a position which equips it to successfully face the entry of competitive product at fairly traded prices, in an environment of lower tariffs.

In order to stop continuous instances of injurious trading, the Government of Trinidad & Tobago has agreed to implement a temporary protective tariff on cement imports. In the case of Jamaica, following a safeguard investigation in 2004, the Government there decided to implement a tariff of forty percent on all cement imports into Jamaica. These protective measures are intended to allow the regional cement industry to complete its modernisation and capacity upgrade programme without having to routinely fight anti-dumping cases against unfairly traded product entering the marketplace. A major benefit of the capacity expansion programme will be a lower cost of production and the strengthening of the Group's ability to compete with the new regional plants that are being established in Colombia, Cuba and the Dominican Republic. New regional capacity is expected to amount to almost six million tonnes by the year 2008, excluding the upgrades that will be undertaken by the TCL Group.

Customer Relationship Programmes

As an integral part of the process of retooling for the new trade environment, the TCL Group has taken several initiatives to ensure its market sustainability in the larger FTAA environment that is taking shape. The Group's expansion programme will be accompanied by the establishment of cement terminals in Guyana and other regional markets, a move that will further strengthen the reliability of supply to valued customers. The improvement of the Group's service offerings to its customers is also essential to its success in the future. As prices become more competitive with the elimination of tariffs, differentiation will be based on a unique combination of competencies, relationships and assets to provide the customer with superior service. Hence the implementation of Customer Relationship Management (CRM) programmes and initiatives aimed at customer care and delight. This programme will entail the upgrade of our internal talent, the recruitment of brand managers and improvement of our technical services unit which will be equipped to handle queries and offer technical assistance to our customers. This effort will be supported by a state of the art Competitive Intelligence System, a user-friendly system designed in-house and geared to equip the Group's employees to effectively meet the needs of customers through the ongoing exchange of information.

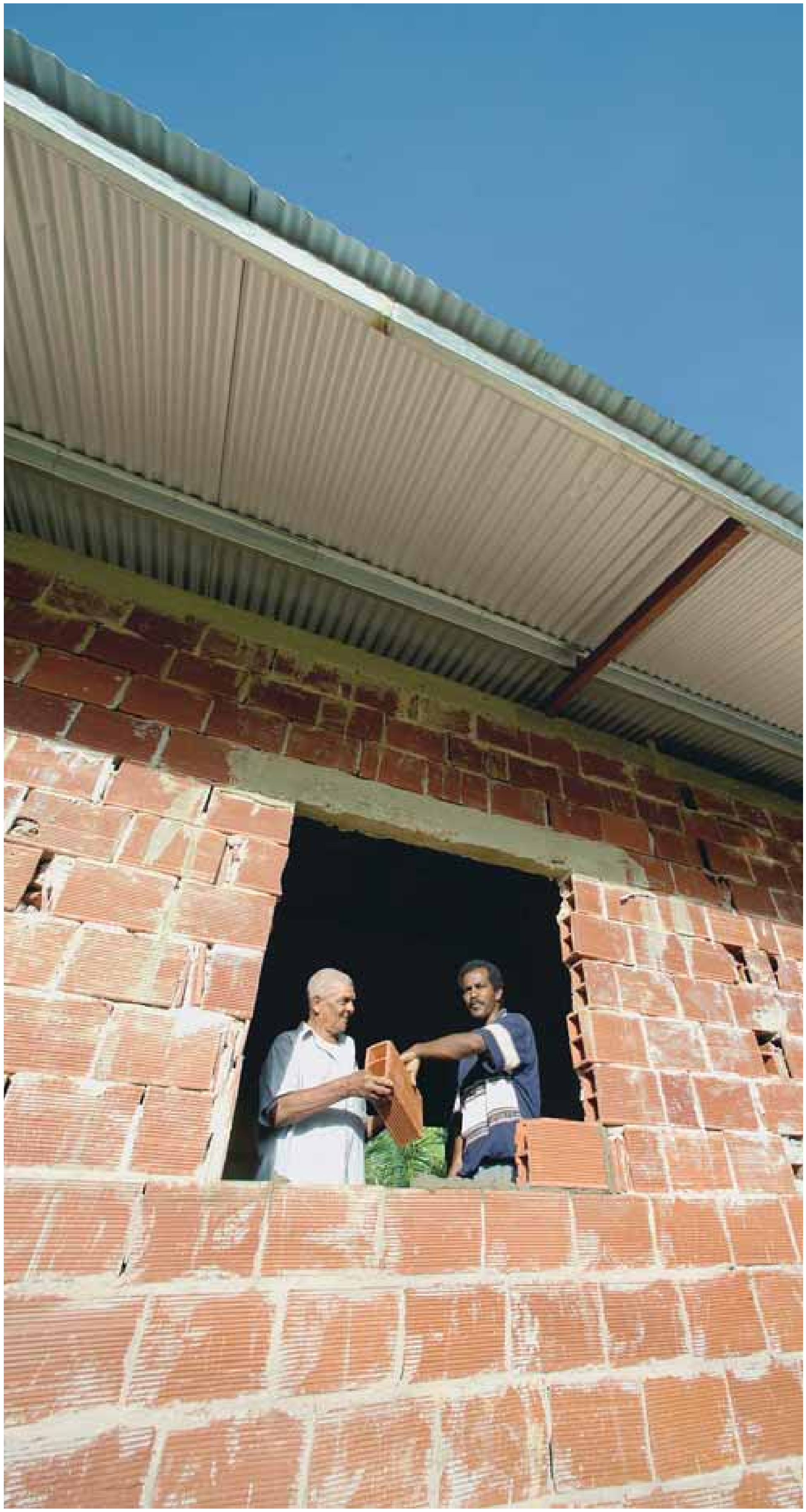
The Group also intends to explore alternative uses for cement and the introduction of different types and sizes of cement sacks to the market. During the month of February 2005, Caribbean Cement Company Limited (CCCL) launched its new product "Carib Cement Plus", a Portland Pozzolan cement which will offer significant benefits to its users due to its distinctive qualities. In the near future, similar products will be introduced by the other cement Companies within the Group.

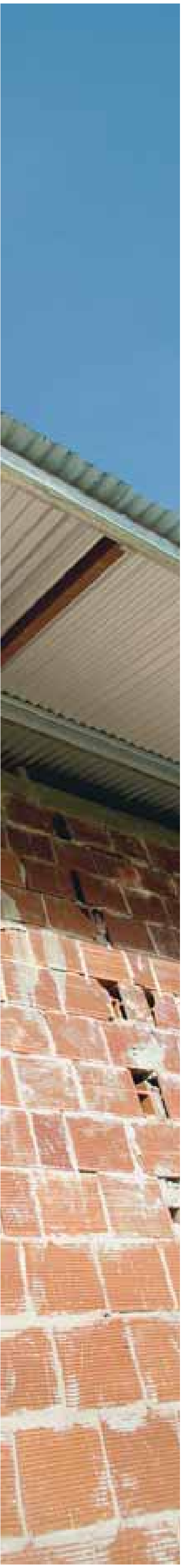
As Caribbean economies develop, there will be a growing segment of the market focused upon non-traditional uses of cement. The TCL Group is actively encouraging the growth of this segment. The construction of concrete roads which are both durable and cost-effective on a life-cycle basis is one example which has the potential to generate a significant increase in cement demand. In this regard, seminars and or presentations will be made to relevant decision-makers throughout the region. Another innovation being pursued is in the area of packaging sizes. The introduction of cement packaged in smaller bags will be attractive to customers involved in do-it-yourself projects and facilitate entry of the product on the shelves of supermarkets, thereby increasing its reach beyond the industrial domain.

Conclusion

The initiatives being undertaken will equip the TCL Group to successfully forge ahead in the future, as a confident regional force *Building Caribbean Excellence*.

RELATIONSHIPS





Reaching Out

The TCL Group treasures the many relationships it has built over the years through several initiatives geared towards the socio economic well being of communities and disadvantaged sectors in the Caribbean.

The Group has had a long history of supporting economic development, while improving the quality of life of its workforce and their families as well as of the regional community and society at large.

In its relentless efforts to transform lives, in 2004 the TCL Group joined Habitat for Humanity to build houses for deserving families across the region. Through this, the Group was able to make a difference in the lives of thirty-five families in the last quarter of 2004 and pledges to increase this number by the end of 2005.

The TCL Group is also proud to have continued to play a leadership role in building West Indian cricket. Its commitment to this great institution is reflected through sponsorship of the West Indies Under 19 cricket tournament, which provides a forum for the region's younger talents to shine.

In 2004, the Group continued to invest in education-focused activities and provided scholarships and bursaries to UWI students as well as financial assistance and computer equipment to learning institutions throughout the Caribbean.

In the cultural sphere, the Group's long relationship with the TCL Group Skiffle Bunch Steel Orchestra was maintained and a scholarship was awarded to the newly established Music Literacy Trust Fund, which encourages excellence in music through the development of young and talented musicians.

These are just some of the ways in which the TCL Group positively impacts lives across the region.

RECOGNITION

Richard Ellis - winner of the Group Chairman's Award

Reward and Recognition

The new Reward and Recognition programme, which was implemented in the last quarter of 2003, became fully entrenched across the TCL Group in 2004. Rooted in a clearly articulated management philosophy, the programme is deliberately linked to the organisation's strategic direction.

It is aimed at bringing structure and transparency to a culture of recognition while encouraging innovation and creativity, promoting teamwork and shifting the Group's compensation culture from one of entitlement to one of reward for performance.

With a workforce predominated by high achievers, each year several employees are considered for various awards and ultimately the prestigious Group Chairman's Award which recognizes the most outstanding performance across the Group.

At TCL's 50th Anniversary Gala in Trinidad on June 26, 2004, Carib Cement's Richard Ellis *(photo on facing page)* was adjudged winner of the Group Chairman's Award for 2003 from among four other nominees.

Richard, a Charge Hand in the Engineering Services Department is also a Safety Monitor and serves on the Carib Cement Credit Union Board. He is responsible for the maintenance of compressors and under his surveillance there was no failure of major equipment due to compressor malfunction in 2003. Richard also trains other employees in the servicing and maintenance of Sullair Rotary compressors. Owing to his enthusiasm and responsiveness, he has been drafted in all kiln shutdowns and often assists in building maintenance.

Richard is also concerned with conservation and cost cutting and regularly monitors the plant water usage reports. His diligence and participation in the water reduction initiative started in 2002 and has resulted in an average sixty percent reduction in the company's monthly water bill.

Richard is good-humoured but assertive. He is meticulous and always ensures that targets and deadlines are met. Despite the many challenges, he gets the job done!

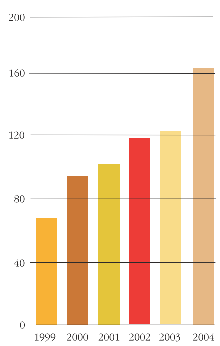
The Group Chairman's Awardee for 2004 will be announced at the TCL Group/Arawak Cement Company Awards function carded for April 23, 2005 at Sherbourne Centre in Barbados.

Ten Year Consolidated Financial Summary

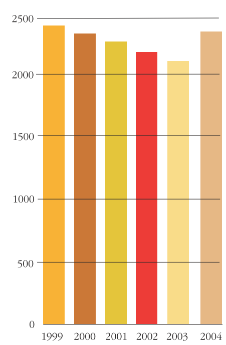
	UOM	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Group Third Party Revenue	TT$m	280.9	364.2	446.8	548.7	836.1	1,097.0	1,054.0	1,131.8	1,155.7	1,329.9
Operating Profit	TT$m	82.5	100.4	134.5	163.1	231.3	261.9	228.3	246.7	264.0	304.1
Group Profit before Taxation	TT$m	71.5	77.9	102.7	116.9	102.9	138.5	139.8	160.3	173.2	199.3
Group Profit attributable to Shareholder	TT$m	68.2	73.0	74.6	85.2	70.2	84.6	93.0	118.5	121.4	162.3
Foreign Exchange Earnings	TT $m	102.7	138.6	160.7	186.8	189.1	183.4	176.3	176.2	184.0	192.8
Earnings Per Share (EPS)	TT$	0.33	0.36	0.37	0.41	0.34	0.38	0.37	0.49	0.50	0.67
Ordinary Dividend per Share	TT$	0.12	0.12	0.15	0.16	0.12	0.16	0.14	0.18	0.18	0.20
Issued Share Capital - Ordinary	TT $m	200.0	200.0	200.0	267.7	267.7	466.2	466.2	466.2	466.2	466.2
Issued Share Capital - Preference	TT$m	27.6	13.8	–	–	–	–	–	–	–	–
Shareholders' Equity	TT$m	300.3	340.8	311.8	389.8	475.7	715.1	699.0	765.3	804.4	939.4
Group Equity	TT$m	350.0	390.6	359.4	435.9	729.9	943.1	913.5	960.8	905.6	1,061.7
Total Assets	TT $m	677.5	780.9	860.6	983.0	2,471.5	2,403.2	2,356.0	2,320.9	2,239.4	2,394.5
Net Assets per Share	TT$	1.75	1.95	1.80	2.08	3.48	3.78	3.66	3.85	3.63	4.25
Return on Shareholders' Equity	%	22.7	21.4	23.9	24.3	16.2	14.2	13.2	16.2	15.5	18.6
Share Price (Dec 31)	TT$	4.91	4.12	7.50	5.68	4.35	4.50	3.65	5.70	6.00	8.05
No. of Shares Outstanding (Dec 31)	'000	200,000	200,000	200,000	209,480	209,480	249,765	249,765	249,765	249,765	249,765
Market Capitalisation (Dec 31)	TT$	982,000	824,000	1,500,000	1,189,846	911,238	1,123,942	911,642	1,423,660	1,498,590	2,010,608
Long Term Debt	TT$m	259.2	274.3	268.7	327.0	1240.1	917.7	918.4	844.4	770.8	742.8
Long Term Debt/Equity Ratio	%	74.0	70.2	84.0	81.8	220.7	113.8	115.1	97.4	85.1	70.0

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

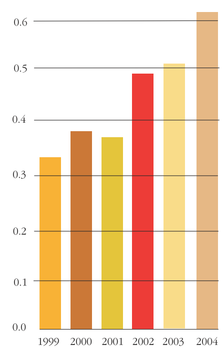
Profit Attributable to Shareholders ($M)



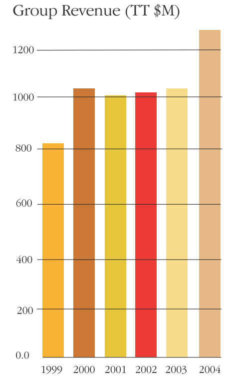
Total Assets ($M)



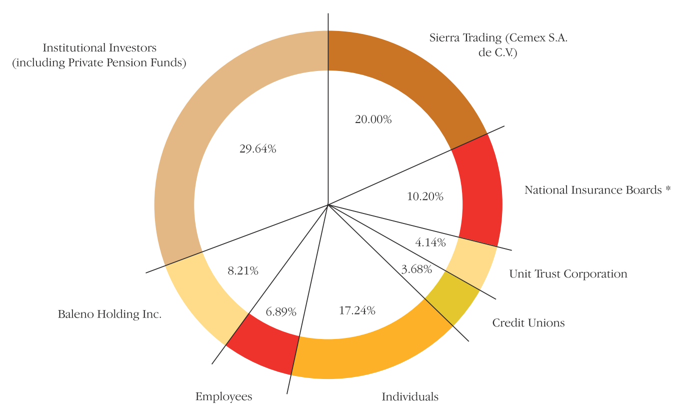
Earnings per share ($)



Group Revenue (TT $M)



Distribution of Shareholdings



* National Insurance Board (T&T) = 9.96%

Group Performance Highlights

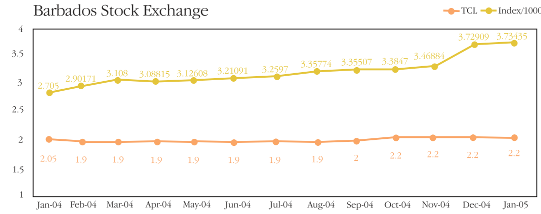
			2003	2004	% Change
Income Statement					
Group Third Party Revenue $m			1,155.7	1,329.9	15.4
Group Profit attributable to Shareholders $m			121.4	162.3	33.7
Foreign exchange earnings $m			184.0	192.8	5.0
Balance Sheet					
Total Assets $m			2,239.4	2,394.5	6.7
Shareholders' Equity $m			804.4	939.4	16.8
Net Assets per Share $			3.63	4.25	17.08
Long Term Debt $m			770.8	742.8	3.3
Long Term Debt to Equity Ratio %			85.1	70.0	17.7
Operational Highlights					
TCL	Cement production	'000 tonnes	764.6	768.5	0.5
	Cement sales - Local	"	509.7	525.0	3.0
	- Export	"	257.6	244.8	(5.0)
	- Total	"	767.3	769.7	0.3
	Cement dumped in Trinidad	"	–	–	–
CCCL	Cement production	'000 tonnes	607.7	808.1	33.0
	Cement sales - Local	"	589.3	800.4	35.8
	- Export	"	16.1	3.5	(78.2)
	- Total	"	605.4	803.9	32.8
	Cement dumped in Jamaica	"	*175.3*	*62.0*	*(64.6)*
ACCL	Cement production	'000 tonnes	325.1	322.3	(0.9)
	Cement sales - Local	"	134.0	147.0	9.7
	- Export	"	190.5	174.6	(8.3)
	- Total	"	324.5	321.6	(0.9)
TPL	Paper sack production	millions	37.8	41.4	8.7
	Paper sack sales	"	36.4	38.7	6.3
TPM	Sling production	thousands	453.9	371.3	(18.2)
	Sling sales	"	447.6	385.5	(13.9)
	Sling bag production	"	47.2	42.4	(10.2)
	Sling bag sales	"	43.3	20.4	(52.9)
RML	Concrete sales - T&T	'000m3	221.6	235.0	6.1
PPCI	Concrete sales - BDS	"	19.8	21.2	7.0
JGQ	Gypsum sales	'000 tonnes	202.2	252.3	24.8

Share Performance

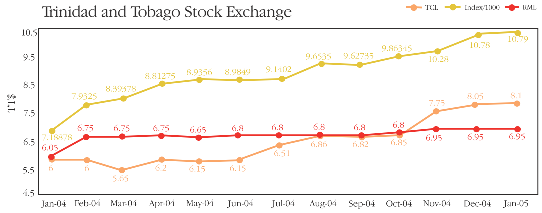
TRADING VOLUMES (thousand shares)

		Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05
T'dad	TCL	640	2,506	1,095	708	1,042	255	2,237	362	183	532	21,301	602	156
	RML	1	4	6	7	14	6	24	15	1	2	1	4	1
J'ca	TCL	-	8	-	-	-	296	534	40	0	-	-	412	-
	CCCL	2,429	788	7,373	5,261	4.024	2,966	2,911	4,486	3,138	13,941	2,141	4,958	2,954
B'ds	TCL	96	5	-	-	-	-	-	-	4	7	-	-	-

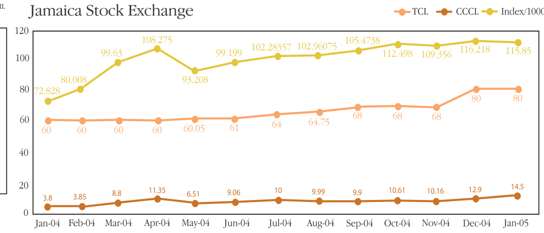
Barbados Stock Exchange



Trinidad and Tobago Stock Exchange



Jamaica Stock Exchange



TCL Group - Board Sub-Committees

Governance Committee

Members: Mr. D. Dulal-Whiteway - *Chairman*
Mr. Y. Omar
Mr. E. Williams
Mr. B. Young

Audit Committee

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

Finance Committee

Members: Mr. D. Dulal-Whiteway - *Chairman*
Dr. R. Bertrand - *Group CEO*
Ms. E. Carrington
Mr. H.N. Hosein - *Group FM*
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 HRM*
Mr. E. Williams

Technical Committee

Members: Mr. E. Williams - *Chairman*
Dr. R. Bertrand - *Group CEO*
Mr. K. Awong
Mr. H. Ferreira - *Group MDM*
Mr. A.K. Goyal - *GM-TCL*
Mr. Y. Omar

Marketing Committee

Members: Mr. L. Navarro - *Chairman*
Dr. R. Bertrand - *Group CEO*
Mr. K. Mahabir - *GM-IBM*
Mr. E. Williams

TCL Board Operating Committee

Members: Mr. Y. Omar - *Chairman*
Dr. R. Bertrand - *Group CEO*
Mr. H.N. Hosein - *Group FM*
Mr. E. Williams

Objectives of the Board Sub-Committees

Governance Committee Chapter

The Governance Committee has been established by the Board to provide guidance and assistance in respect of the following matters:

- Identifying individuals qualified to become members of the company's Board of Directors and proposing such candidates for election by the Board to fill any casual vacancies or by shareholders at Annual or Special Meetings.
- Developing and recommending to the Board of Directors, corporate governance guidelines addressing the following subjects:

  (i) Director qualification standards
  (ii) Director responsibilities
  (iii) Director access to management and, as necessary and appropriate, independent advisors
  (iv) Non-employee director compensation
  (v) Director orientation and continuing education
  (vi) Management succession

- Overseeing of the company's financial policies and strategies.
- Overseeing of the company's risk management functions.
- Recommending, as and when required, individuals to serve as committee members and chairmen.
- Considering and reporting to the Board on any issues relating to conflicts of interest of Board Members.
- Developing a code of ethics and expectations for Board Members and Officers.
- Recommending processes for annual evaluation of the performance of the Board and Board Committees and overseeing the annual evaluations.
- Annually reviewing the adequacy of this charter and recommending any proposed changes to the Board for approval.

Audit Committee

- To increase the credibility and objectivity of financial reports;
- To ensure that an effective system of internal

controls is established and maintained by the Group;
- To help Directors meet their responsibilities, especially for accountability;
- To strengthen the role of the outside Directors by facilitating in-depth discussions between Directors on the committee, management and external auditors;
- To provide better communication between Directors and external auditors.

Finance Committee

- To enhance the financial strength and shareholder value of the TCL Group by providing guidance and recommendations on issues which have a major financial impact on the Group;
- To enhance communication and understanding between TCL Group's management and the Board of Directors on financial matters.

Human Resource Committee (HRC)

- The HRC is responsible for developing and/or reviewing and recommending to the Board, the policies and goals relevant to executive compensation and development. Policies relating to executive compensation are developed with a focus on talent acquisition and retention in order to meet the strategic objectives of the Group. The design of such policies and selection of specific plans are based on the following criteria:
    - Entrenchment of a culture of payment for performance.
    - Judicious mix of short-term and long-term components in order to enhance shareholder value.
    - Congruence between reward and element of risk in compensation plan.
    - Marketplace competitiveness in terms of industry and country benchmarks.

Policies relating to executive development must satisfy the primary objective of ensuring that executives can attain their full potential thereby optimizing their contribution towards the success of the Group. Such policies shall also facilitate long range planning for effective succession and continuity at the senior levels of the organisation.

Board Technical Committee (BTC)

The BTC is responsible for ensuring that:

- The Board of Directors is kept fully apprised of the operational performance of the various companies and of the key operational issues facing them or likely to face them in the future.
- Adequate raw material reserves are available and that they are exploited in an efficient and environmentally acceptable manner.
- Operating efficiencies, in line with international benchmarks, are achieved.
- A capital expenditure/fixed assets replacement programme, to achieve long-term plant availabilities, is maintained.
- Capital projects are executed within budget and on time while observing all company policies relating thereto.
- The appropriate technology is employed and that the plants keep abreast of emerging technologies and practices.
- Staffing practices, including training and development, to meet short and long-term needs are in place.

Marketing Committee

- To review trends and developments in the marketplace and ensure that the Group is responsive to them.
- To review the development of proactive marketing strategies by Management and ensure their effective execution.
- To ensure the continuing development of the Group's marketing professionals through relevant exposure and training.
- To ensure that the Group retains a customer focus so that product development and packaging initiatives are closely aligned with the market's requirements.

TCL Board Operating Committee (BOC)

The BOC is charged with oversight responsibility for cement manufacture and sales, as well as ancillary activities at TCL's principal locations at Claxton Bay and Mayo in South Trinidad.


Keith Awong
Dr. Rollin Bertrand
Eutrice Carrington
David J. Dulal-Whiteway
Jeffrey McFarlane
Leopoldo Nav ro
Yusuff Omar
Ernest Williams
Brian Young

Board of Directors

Keith Awong
Director, Trinidad Cement Limited

Mr. Keith Awong was appointed to the TCL Board of Directors in June 2004.

He has held senior positions in the Trinidad and Tobago petroleum sector for over forty years. He was the first CEO of the Trinidad and Tobago state-owned petroleum company, PETROTRIN, from its formation in 1993 up to his retirement in August 1997. Prior to that, he held senior positions with TRINTOC, one of the predecessor companies to PETROTRIN. He is a graduate Chemical Engineer (UWI 1973) and also had experience as a Maintenance Engineer at Shell Trinidad's Point Fortin Refinery.

Mr. Awong is Chairman of the National Gas Company of Trinidad and Tobago Limited, Phoenix Park Gas Processors Limited, National Energy Corporation and NGC LNG Limited, and a Director of Atlantic Holdings LLC and Neal & Massy Energy Limited.

Dr. Rollin Bertrand
Group Chief Executive Officer; Director, Trinidad Cement Limited and all TCL Group Subsidiaries

Dr. Bertrand is the Chief Executive Officer of the TCL Group of Companies. He was formerly the General Manager of Arawak Cement Company Limited (1994 - September 1998) and the President of the Association of Cement Producers for Latin America and the Caribbean (APCAC). Dr. Bertrand is a Director of Trinidad Aggregate Products Limited (TAP) and Carib Ceramics Limited.

In May 2003, he was appointed President of the Caribbean Association of Industry and Commerce (CAIC). He is Chairman of the Board of Trustees of the Caribbean Court of Justice (CCJ) Trust Fund and also holds the position of Deputy Chairman of the Trinidad & Tobago Stock Exchange.

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
Director, Trinidad Cement Limited

Ms. Carrington is the Vice President, Asset Management at the Trinidad and Tobago Unit Trust Corporation. She holds a BSc honours degree in economics and a Master's of Science in economics. Her career in investments spans a period of thirteen years and during her tenure she has held positions of Manager, Investment Managements Services, Portfolio Manager and Research and Security Analyst. Ms. Carrington also worked as a Policy Analyst II in the Ministry of the Economy and she 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 Vice President and Treasurer of the Chaconia Income and Growth Fund Inc. She is Vice President of Chaconia Fund Services Inc., and Chairman of the Board of Chaconia Financial Services Inc., both wholly owned subsidiaries of the UTC.

David J. Dulal-Whiteway
Chairman, Trinidad Cement Limited

Mr. David Dulal-Whiteway is the Deputy Managing Director of Republic Bank Limited. Mr. Dulal-Whiteway holds a Bachelor of Science Degree in Management Studies from The University of the West Indies, a Master of Business Administration (MBA) from the University of Western Ontario and is a member of the Certified General Accountants (CGA) of Canada. He was appointed Chairman of the Trinidad Cement Limited Board in May 2003 and is also Chairman of the Foundation for the Enhancement & Enrichment of Life (FEEL).

Board of Directors

Jeffrey McFarlane
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.

Leopoldo Navarro
Director, Trinidad Cement Limited and Caribbean Cement Company 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. He served as President of APCAC during the period 2000 to 2001.

Yusuff Omar
Chairman, TCL Packaging Limited and TCL Ponsa Manufacturing Limited; Director, Trinidad Cement Limited and Arawak Cement Company Limited

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 of Companies (TCL, CCCL and ACCL) and is also a Director at the Trinidad Nitrogen Company Limited. Mr. Omar, a qualified Mechanical Engineer, has over thirty 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.

Ernest Williams
Chairman, Readymix (West Indies) Limited, Arawak Cement Company Limited; Director, Trinidad Cement Limited and Caribbean Cement Company Limited

Mr. Williams is the former General Manager, National Agro Chemicals Limited. He held various managerial positions at National Petroleum since November 1989 including Divisional Manager - Operations, Divisional Manager - Engineering and Information Systems and Chief Engineer. He was appointed to the Board of Directors of Readymix (West Indies) Limited in November 1998 and subsequently, in January 2003 was appointed Chairman. He was also appointed Chairman of Arawak Cement Company Limited in June 2004.

Brian Young
Director, Trinidad Cement Limited; Chairman, Caribbean Cement Company 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 (based in Jamaica) and serves on the Board of Directors of Neal and Massy Holdings Limited, RBTT Holdings Limited, RBTT Merchant Bank Limited (all based in Trinidad). He is also on the Board of Directors of the following Jamaican companies:- Neal and Massy Group Jamaica Limited, Tankweld Limited, Trade Winds Limited and RBTT Bank (Jamaica) Limited.

Corporate Information

Board of Directors of Trinidad Cement Limited

Mr. David Dulal-Whiteway - *Chairman*
Mr. Keith Awong
Dr. Rollin Bertrand
Ms. Eutrice Carrington
Mr. Jeffrey McFarlane
Mr. Leopoldo Navarro (*Cemex)*
Mr. Yusuff Omar
Mr. Ernest Williams
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: 659-0787/88/0800
Fax: 659-0818
Email: tclinfo@tclgroup.com
Website: 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 Cement Limited
Southern Main Road, Claxton Bay
Trinidad & Tobago, W.I.

Sub-Registrars

First Caribbean International Trust & Merchant Bank
(Barbados) Limited
Broad Street
Bridgetown, Barbados, W.I.

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

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
1st Floor, #1 Ajax Street
Wrightson Road, Port of Spain
Trinidad & Tobago, W.I.

Attorneys-At-Law

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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.

A.J. Bhajan & Co
9 Independence Avenue
San Fernando
Trinidad & Tobago, W.I.

Group Executive Committee

Satnarine Bachew, *General Manager - Arawak Cement Co. Ltd*

Earl Barrett, *Group Energy Optimization Manager*

Rollin Bertrand, *Group Chief Executive Officer*

Lucien Delpesh, *General Manager - RML*

Manan Deo, *General Manager - TPL/TPM*

Hayden Ferreria, *Group Manufacturing Development Manager*

Group Executive Committee

Arun Goyal, *General Manager - TCL*

Anthony Haynes, *General Manager - CCCL*

Hollis N. Hosein, *Group Finance Manager*

Kelvin Mahabir, *General Manager - International Business & Marketing*

Courtney McNish, *Group Human Resource Manager*

Alan Nobie, *Manager, Investor Relations & Corporate Communications*


David J. Dulal-Whiteway

Introduction

In 2004 the TCL Group achieved profits before tax of $199.3 million, which was 15% higher than that for the corresponding period in 2003. Profit attributable to shareholders was $162.3 million which was 34% higher than the $121.4 million earned in 2003, representing Earnings Per Share of 67 cents, an increase of 17 cents or 34% over that of the previous year.

Given the results summarised above, the year can be regarded as a good year for the TCL Group in spite of the many challenges faced. The detailed analysis of performance is provided in the Group CEO's Report and Management Discussion, but suffice it to say that, in a milestone year, the Group has delivered a creditable performance and can look towards the future with confidence.

On the 22nd of June 1954, Trinidad Cement Limited's factory at Claxton Bay commenced production. The 50th Anniversary of that event was commemorated in June 2004 and it is therefore timely to reflect on the Group's accomplishments over the decades.

In this Annual Report for 2004, the opportunity has been taken to provide our shareholders with a fascinating historical account of TCL's origins, written by one of the Consulting Engineers on the project, Mr. Niels Frandsen (see pages 5-11). Also reproduced on pages 11-14 is a story which had previously been printed in our 1990 Annual Report, which details the company's successful transition through a period of State ownership into commercial viability and listing on the Trinidad and Tobago Stock Exchange. To complete this snapshot of the TCL story, past, present and future, (or historical, transitional and futuristic), the article entitled "Looking Towards the Future" on page 14 outlines how the TCL Group is positioning itself for success in a world of global trading blocs and trade liberalization. It provides the basis for our confidence about our future prospects as an enduring West Indian institution.

Our Strategy Execution

Our strategic focus as a Group is on greater competitiveness by cost effectively providing our customers with high quality products and ancillary services. We believe that this is the best way to secure and enhance shareholder value and it must be achieved by creating an environment in which we can attract, retain and inspire talented employees at all levels.

Cement will continue to be our core business with vertical linkages into the pre-mixed concrete, construction, packaging and other closely related industries.

The approach being taken is to strengthen the cement sector of our operations through capacity expansion and plant optimisation, to establish cement terminals regionally, to geographically diversify our concrete operations (Readymix (West Indies) Limited now operates in Barbados and St. Maarten in addition to Trinidad and Tobago), to introduce new products such as Carib Cement Plus in Jamaica and Jumbo Bags at our packaging subsidiary, TCL Ponsa Manufacturing Limited, and to refocus our paper sack subsidiary, TCL Packaging Limited. In addition, opportunities which may arise in closely related industries.

During 2004, significant progress was made towards the expansion of the TCL Group's regional cement and clinker production capability in the face of buoyant market conditions. The three major projects initiated were:

(i) The commencement of construction of a cement terminal in Guyana to be operated by TCL Guyana Incorporated. This terminal will improve the reliability of supply to the Group's largest export market. This project is scheduled for completion by mid-2005.

(ii) The commencement of the cement mill upgrade at Trinidad Cement Limited in Claxton Bay. This project, when completed by mid year

2005, will increase TCL's cement manufacturing capacity from 0.8 million tonnes to 1.2 million tonnes per annum and facilitate a wider product range. It will also result in greater efficiency of operations. Subsequently, in a later phase, TCL's clinker manufacturing capability will be expanded.

(iii) The decision, in principle, has been taken to expand clinker manufacturing capacity at Caribbean Cement Company Limited in Jamaica by the construction of a new state of the art kiln, adding 627 thousand tonnes per annum. The plant is expected to be commissioned in early 2008.

The thrust of this major expansion plan is to satisfy a regional market that continues to be very buoyant as construction activity remains very strong. This heightened demand has been further stimulated by rebuilding after natural disasters such as the hurricanes which affected Grenada and, to a lesser extent, Jamaica, and the floods impacting Guyana. The increase in cement demand regionally is occurring at a time when there is a hemispheric shortage of cement, with various regions in the United States being severely affected. Although additional regional production capacity is expected to come on stream in late 2005 with most of it from the Dominican Republic, the TCL Group is positioning itself to keep its regional markets fully supplied and to take advantage of any opportunities for additional exports. A corollary of the capacity expansion is a lower cost of production per tonne of cement, leading to greater competitiveness.

Unfair Trade Practices

The commitment of the TCL Group towards our regional markets has been backed up by a vigorous campaign against unfair trading practices which has generally been effective. The Group has been able to secure favourable rulings from the antidumping authorities in Trinidad and Tobago and Jamaica which have stymied the tide of imports of dumped cement. In the case of Jamaica, the imposition of a 40% bound rate in 2004 (to be imposed on all extra Caricom cement imports) for a four year period, will give Caribbean Cement Company Limited the opportunity to execute its capacity expansion programme (with a concomitant lowering of its cost structure), without having to battle against unfairly traded product in its domestic market. Thereafter, it would be better positioned to face the winds of competition in an FTAA environment. Our Group's campaign against unfair trading, which commenced in 2000, has developed within our ranks considerable management expertise in negotiating successfully through the complex emerging rules-based trade environment of the WTO. We therefore remain confident of our ability to stand strong and to prosper in that environment.

Corporate Governance

The Board of TCL functioning as a Parent Board carries out its responsibility for oversight, policy formulation and monitoring of performance of the Group. Sub Committees of the Board, comprised of non-executive Directors and members of management, have responsibility for defined functional areas. The composition of these committees, together with their objectives, is detailed on pages 22-23. The Chairman of each committee is a non-executive Parent Board Director. The Board composition of each subsidiary is detailed as part of the individual company profiles in a later section of this Annual Report.

Board Changes

On 30th May 2004, Mr. Walton F. James retired as a Director after 14 years of dedicated service to the TCL Group. On 30th June 2004, Mr. Keith Awong was appointed to fill the casual vacancy created by James's retirement. He is subject to re-election at the Annual Meeting in accordance with Clause 4.4.2 of By-Law No 1. The Board wishes to thank Mr. James for his sterling service and contribution to the Group over many years and to wish him all the best in his retirement.

Mr. Jaime Elizondo, a Cemex nominee, resigned from the TCL Board on 3rd December 2004, consequent upon his promotion to the position of President of

Cemex, Mexico. With the expiration of the Strategic Alliance Agreement in July 2004, Cemex no longer has an entitlement to appoint two Directors to the Board of TCL. Mr. Leopoldo Navarro continues as the Cemex nominee on the Board.

The Board wishes to publicly thank Mr. Elizondo for his valuable service as a Director of TCL and to wish him success in his new position.

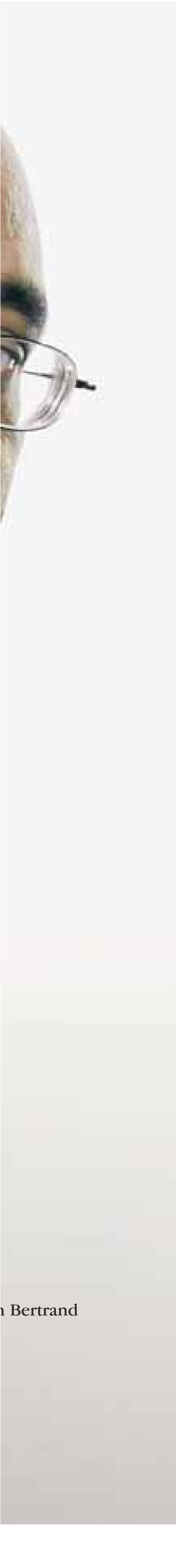
Acknowledgements

From the perspective of the Parent Board, I am gratified that in 2004 the Group begun to reap the fruits of the successful execution of carefully cultivated strategic plans. We are, nevertheless, mindful of the fact that this is a never-ending journey and that our focus must be on the quality of the process as well as on our intended destination.

In this regard, I wish to thank the Group CEO, the management teams and the employees of the TCL Group for their commitment, loyalty and productivity. I also want to thank my fellow Directors for their single-mindedness of purpose and for the wisdom and maturity which they bring to our deliberations. Finally I want to thank our shareholders and other stakeholders for their continuing confidence.

David Dulal-Whiteway
Chairman


Dr. Rollin Bertrand



Bertrand

1.0 Financial Review and Analysis

1.1 Revenue

Group revenue for 2004 was the highest ever at $1.33 billion compared to $1.15 billion in 2003, an increase of 15%. In terms of cement volume, sales set a new record of 1.895 million tonnes surpassing the 1.697 million tonnes in 2003 by 12%. Cement sales accounted for 87.7% of total revenue and Concrete and Packaging operations accounting for 12.3%, relatively unchanged from 2003.

Caribbean Cement Company Limited (CCCL) was the main contributor to the increase in cement sales, increasing its market share to 93% from 77% in the prior year in a Jamaican market which grew by 13%. Total sales volume by CCCL was a record 803.9 thousand tonnes compared to 605.4 thousand tonnes in 2003. Significantly, the Jamaican Parliament enacted legislation in December 2004 to increase the Common External Tariff on cement to 40% in order to create fair trading conditions and prevent future 'dumping' of cement in the Jamaican market.

Trinidad Cement Limited (TCL) also set a new sales record of 769.7 thousand tonnes of cement for 2004. Strong demand from the housing and commercial building sectors, in particular, contributed to the higher sales volume. In Barbados, Arawak Cement Company Limited (ACCL) recorded a 10% increase in domestic sales volume but lower export sales resulted in a net decline of 1% in overall cement sales. The concrete segment saw the proliferation of new entrants into the Trinidad and Tobago market although Readymix (West Indies) Limited maintained its market share leadership, delivering 256.2 thousand cubic meters of concrete in 2004, an increase of 16% over 2003. In Barbados, Premix and Precast Concrete Inc. exceeded the concrete sales volume achieved for 2003 by 7% whilst the new subsidiaries in St. Maarten recorded a sales volume of 12.5 thousand cubic meters. In the packaging sector, TCL Packaging Limited's (TPL) overall sales increased by 9% (mainly to Group companies) although the export sales target was not realised. The other subsidiary in the sector, TCL Ponsa Manufacturing Limited recorded a 5% lower revenue when compared to 2003 as the export sales target was not achieved.

1.2 Operating Profit

Group Operating Profit was $304.1 million, an increase of $40.1 million (15%) over 2003 driven by the increased cement sales volume. The increase in operating profit was achieved, despite higher operating costs for personnel remuneration and benefits, partly due to renegotiated collective agreements across the Group, and higher fuel and electricity costs, in part due to higher world energy prices. Higher production volume is the other major factor which contributed to the higher expenses indicated earlier.

Overall, the Group increased its cement production by 201,455 tonnes (or 12%) and its clinker production by 46,057 tonnes (or 3%). TCL's clinker production was 693,626 tonnes which was 50,067 tonnes (8%) higher than 2003. CCCL recorded cement production of 808,073 tonnes, an increase of 200,391 tonnes (33%) higher than 2003. ACCL had some unplanned plant stoppages which resulted in lower cement and clinker production of 1% and 3% respectively and consequential increased operating costs. The Readymix sub-group experienced challenges with equipment breakdown, mining yields and accelerated depreciation during 2004. It therefore did not achieve its operating profit target. For TPL, production of sacks in 2004 was 41.1 million units, which was better than the prior year by 3.3M or 9%. Other income increased by $13.5 million due to one-off items impacting the Group.

1.3 Finance Costs - Net

The Group refinanced approximately 43% of it's long-term debt in August 2004 at an effective rate that is approximately 50% lower than the previous rate. Notwithstanding this, net finance costs were $104.7 million, an increase of $14.0 million (15%) from 2003. This was due to the disposal of our fixed income securities at the end of 2003, with the consequential reduction in future interest income. This was compensated for by the elimination of significant lease payments in 'Other operating expenses'. The Group's weighted cost of capital was reduced by 18% as a result of this refinancing.

1.4 Taxation

Taxation for 2004 was $20.5 million lower than 2003 mainly due to a deferred tax credit of $23.8m for accumulated tax losses at Jamaica Gypsum and Quarries Limited (JGQ), a subsidiary of CCCL, being recognized as a deferred tax asset in accordance with International Financial Reporting Standards and which arose from the restructuring of operations at JGQ.

1.5 Profit after Tax

As a result of improved sales performance, interest cost savings from debt refinancing and the tax benefits from restructuring, the profit attributable to shareholders for 2004 was $162.3 million, an increase of $40.8million or 34% over 2003.

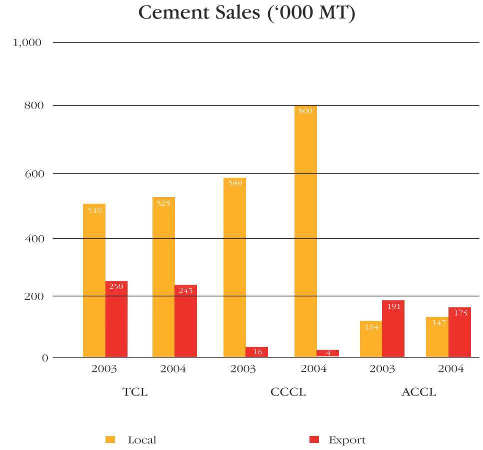
1.6 Liquidity and Financial Position

Cash from operations was $392.6 million, a significant increase of $123.0 million compared with 2003. This increase was generated from increased sales and lower cash utilized for working capital. Moreover, the Group's cash generated by operating activities was $251.0 million compared to $141.3 million in 2003, an increase of $109.6 million. A significant amount of this internally generated cash was utilized to fund capital expenditure. The Group invested $172.0 million in property, plant and equipment during 2004, including that for capacity upgrade and modernization projects at TCL of $51.8m and for establishing a bagging plant terminal in Guyana ($9.7 million to date). The RML sub-group also spent $12.9 million to acquire two subsidiaries in St. Maarten. Loan proceeds and repayment both include the refinancing of a $346.5 million obligation at a significantly reduced rate. Over the year, the Group's cash position improved by $41.3 million.

For 2004, Shareholders' Equity has increased by $135.0m with the Long Term Debt to Equity Ratio improving to 70% compared with 85% at the prior year-end. The Current Ratio remains relatively unchanged at 135% compared with 133% at the end of 2003.

2.0 Group Marketing

Cement Sales ('000 MT)



In 2004, total Group domestic volume cement sales grew by 19% over the 2003 level, while export sales were lower by 9%. Total Group sales of 1,895,285 tonnes for 2004 were 12% above the previous year's volume.

During the period, the construction sectors in the domestic markets of Trinidad and Tobago, Jamaica and Barbados continued to expand over previous years.

In Jamaica, the local cement market grew by 13% over 2003, with CCCL's volume sales improving by 36% for the period. Growth in the Trinidad and Tobago market slowed in 2004 to 3% after the 14% growth recorded in 2003. In Barbados, the market grew by 10%, largely driven by increased residential construction.

Throughout 2004, CCCL pursued several measures in the legislative arena to defend its domestic market from unfairly traded imports. Those measures included the submission of a successful safeguard complaint and lobby efforts to have the safeguard measures and bound rates implemented. The company was successful in its safeguard case, while a bound rate of 40% on cement imports was passed in the Jamaican parliament in December 2004.

The general buoyancy experienced in the export markets in 2004, along with changed demand patterns, created some challenges in maintaining the Group's traditional level of service and consistency of supply. Generally, there was increased Government spending in the region as a prelude to elections in several countries and also as infrastructural development commenced in preparation for the Cricket World Cup tournament in 2007. Guyana's capital development programme was also initiated. Further, the region experienced uncharacteristic inclement weather during the first half of the year causing demand to cluster from around mid-year. This resulted in the Group having to outsource 15,417 tonnes of cement during the year.

In addition, on the supply side, the challenges to efficiently service the Group's export markets were further exacerbated by several unplanned production stops, inclement weather and a marked reduction in shipping fleet availability in the region as many vessels were unable to meet ISPS1 and ISM2 certification standards. Sourcing of supplies from South American plants to assist in filling the demand void was also limited as those plants were also struggling to satisfy their usual commitments.

The Common External Tariff (CET) was temporarily waived in several Caricom countries during 2004 to be reviewed when the Group's production capability more adequately services the region's growing demand. The planned additional capacity to come on-stream at the Trinidad plant in mid 2005 is anticipated to achieve this.

During the year, the packaging companies also experienced challenges in their export markets, but mainly due to lower than anticipated sales in the Dominican Republic. In 2004, TPM shifted its focus from the production and sale of slings only, to the production of jumbo bags at its Point Lisas plant. This move will serve to provide the company with greater flexibility to expand into various markets in order to meet the challenges of dynamic customer requirements. The South American market (the major customer base for the packaging segment) also recorded purchases significantly below the 2003 level largely due to political turmoil, lack of foreign exchange, and the imposition of duties on packaging imports into Venezuela and Colombia. However, by the end of the year, there were indications that the Venezuelan government will issue a waiver in 2005 on foreign exchange controls and allow its cement producers to purchase packaging materials from outside of that country.

In 2004, the RML Group, which now spans Trinidad, Tobago, Barbados and the recently added St. Martin/Maarten market, performed relatively well in terms of volume sales, considering the high level of competition in the domestic markets. In Trinidad, RML held its market share to 54%, but in Tobago, market share fell to 31% compared to 38% in 2003. In Barbados, PPCI's market share improved to 16% in 2004 from 12% in the previous year and in St. Martin/Maarten, market share improved from 20% in 2003 to 26% in 2004. Additionally, despite the increase in home construction in both Barbados and Trinidad & Tobago, a very competitive market resulted in lower than anticipated sales, which eroded the benefits of the St. Martin / St. Maarten acquisitions.

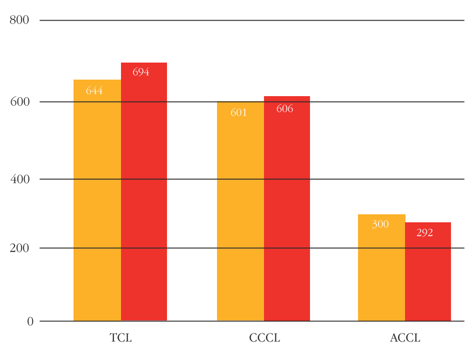
3.0 Group Operations

3.1 Health, Safety and Environment (HSE)

In response to a mandate from the Board of Directors to improve Safety performance across the Group, approval was given for the incorporation of a corporate responsibility for Occupational Health and Safety. The responsibility resides in the position of the Group Manufacturing Development Manager, supported by the Group Environmental Engineer, whose role has been expanded. A Forum of Safety Officers and Senior Operations Managers now constitutes the direction-setting body for HSE. The inaugural meeting of the HSE Forum was held in October 2004 and included visits to several manufacturing facilities in Trinidad to glean additional desirable elements for the Group's new direction.

3.2 Cement Operations

Clinker Production ('000 MT)

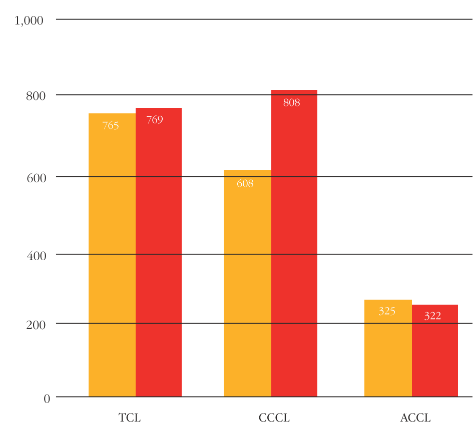


In 2004, the Group produced 1,590,885 tonnes of clinker, which was 46,057 tonnes or 3% above its performance in 2003. Although, Hurricane Ivan was responsible for a loss of 35,000 tonnes in annual clinker production across the Group, record production was still achieved at TCL and CCCL with respective volumes of 693,626 tonnes and 605,814 tonnes, while ACCL produced 291,445 tonnes.

Apart from the poor weather conditions experienced in 2004, the budgeted levels of clinker production (the key profit driver of the Group) were not achieved mainly due to refractory related issues across the Group, although ACCL's main challenge was failures on the hot gas fans. As a result of the shortfall, CCCL imported 41,192 tonnes of clinker during the year, while TCL imported 12,486 tonnes of clinker.

Cement milling capability was also an area of concern during the last year, as markets expanded and demand increased. At CCCL, the response to the concern was a risk analysis completed early in the year and which informed on specific actions for mitigation. This proved to be of significant value, contributing to a record cement production for the year, exceeding budget by over 10%. Cement production at CCCL in 2004 represents the all time record for cement production for the TCL Group. At ACCL, the experience was somewhat different as reliability issues prompted a review of preventative maintenance practices, and a major overhaul effort, due for execution early in 2005. During the year, TCL struggled with its reality of aged equipment as it sought to quickly execute its cement mill upgrade project, which

Cement Production ('000 MT)



provides for significant capacity expansion in addition to relief from the less reliable equipment, from which benefits are expected around mid-year 2005. Even with this limitation, the company achieved record cement production levels for 2004. Overall, the Group produced 1,898,815 tonnes of cement, which was 12% above production for the previous year.

Cement Sustainability Initiative (CSI)

The TCL Group subscribes to the Cement Sustainability Initiative - a programme of corporate social responsibility developed by business leaders of a group of major cement companies. The objective of the initiative is to help the cement industry to address the challenges of sustainable development. Some of the projects identified for companies to move towards sustainable development, focus attention on issues such as:

- Climate protection
- Fuels and raw materials
- Employee health and safety
- Emissions reduction
- Local impacts
- Internal business processes

It is in this context, that our plant efficiency optimisation programmes are being undertaken utilising the following strategies:

- Productivity improvement
- Refractory life improvement
- Raw material cost reduction
- Power cost reduction
- Waste burning
- Production of blended cements
- Manpower optimisation
- Finance cost reduction

Many of these initiatives are already in train and will increasingly bear fruit in more cost effective production and enhanced profitability.

3.3 Concrete Operations

RML embarked on a fairly ambitious capital development programme in 2004, which stretched the resources of the organization to a maximum. The Water Clarifier project was commissioned in March 2004. Island Concrete was acquired during the year and more than surpassed expectations in terms of profit contribution to the Group. The company also entered the Hand Mix segment in Trinidad and Tobago, with the launch of the ECONOMIX brand, which garnered moderate success in its first year.

The competitive challenges experienced in the Barbados and Trinidad & Tobago markets overshadowed an excellent start by the business in St. Maarten/St. Martin which generated profit after taxes of $1.3 million in six months and accounted for 31% of the RML Group's gross profit in 2004 — surpassing the objective of twenty percent (20%). Overall, the RML Group produced and sold 256,191 cubic metres of concrete, which was 6% above the sales volume for the previous year.

The major feature of RML's Environmental Programme during the year was the introduction of the Water Clarifier System at Melajo in March. In 2004, RML received the Award for Excellence in Environmental Management from Republic Bank Limited.

3.4 Packaging Operations

TPL produced 9% more sacks in 2004 than the previous year moving from 37.8 million to 41.1 million sacks in 2004, although plant operations were challenged by machine availability and efficiency. TPM produced 373,000 slings in 2004, 16% less than that produced for 2003 as the company partially diversified its operations in the third quarter of the year, by introducing a production line for the manufacturing of jumbo bags. The jumbo bags produced are used for a variety of applications, particularly in the transport and disposal of fertilizer, non-toxic chemicals, and industrial waste. This business has taken off slowly but is anticipated to improve as employees' learning curve is shortened and greater automation is achieved.

In 2004, TPL's Board established a Task Force, under the Chairmanship of the Group Manufacturing Development Manager, to look into TPL's current and future sustainability. The Task Force has been looking at short and long-term strategies for the company, and has initiated various actions on the basis of these strategies. The company also took a decision, in the light of the success of the Manufacturing Excellence Transformation (MET) programme at the cement companies, to implement a MET-type programme at TPL commencing first quarter of 2005.

3.5 Lime & Gypsum Operations

The Lime Division recorded its second year of profitability in 2004, even as total lime sales for 2004 fell by 11%, from 14,553 tonnes in 2003 to 13,080 tonnes. The focus for the year was maintaining maximum use of ACCL limestone and improving the uptime on the kiln with modification to the beam cooling system. With Orimulsion in use on the kiln and using power from ACCL, the Lime Division attained a cost structure that allowed for profitability. The Division's overall performance improved over the previous year, as revenues increased by 6.5% and cost of production was reduced by 6.7%.

The performance of Jamaica Gypsum and Quarries also improved, as the company produced 293,352 tonnes and sold 286,829 tonnes, respective increases of 42% and 19% over 2003. JGQ's profitability was also significantly improved as the company was restructured to handle CCCL's port operations and a port operator was appointed to encourage third party use of the port. It is clear that the work of the JGQ Oversight Committee in focusing management, restructuring the company and embarking on a revitalization plan aimed at improving efficiencies, replacing old equipment and improving management practices has succeeded.

4.0 Group Development Activities

4.1 MET Programmes

Using the levels of the demonstrated best daily production performance as compared to the start of the programme, the estimated improvement potential at CCCL, TCL and ACCL were approximately 30%, 12% and 5%. TCL's estimated improvement potential while lower than CCCL's, reflects a more mature production system at the start of the programme. The differing experiences and results of the MET programme across the three cement plants reflect not only the differences in maturity of the production systems, but also of the challenges of local variation in work culture. Apart from the significant production benefit already gained, the programme has provided a base for common approaches to setting goals and problem solving. The coming year will be key to ensuring that the Group maintains momentum and continues to build on the platform of best practices it has established. An important feature of the year will therefore be a programme of regular MET audits.

4.2 ISO 14001 Implementation

A major effort of Group Environmental over the year has been the upgrade of environmental systems leading to the implementation of ISO 14001. At year end, both TCL and CCCL completed all major Level One and Two procedures, while ACCL is seeking to complete drafting of its procedures. A new target of third quarter 2005 has been set for the registration audit. Routine environmental monitoring became a feature of activities at TCL (wastewater and sound) and CCCL (wastewater and ESP performance), with ACCL just completing a comprehensive environmental assessment by CARIRI prior to start of its monitoring regime. Personnel training was also a significant feature of the year's activities and included employee awareness, Manager and Senior Staff training at CCCL, and the training of ten (10) persons Group-wide in ISO 14001 Internal Auditing.

Although RML has not begun its formal preparation for ISO 14001, it has prepared a monitoring program as part of its application for a Certificate of Environmental Clearance (CEC). The company received its CEC from the EMA, having completed an EIA in 2003 and has also applied for a Mining Licence. RML also commissioned a water clarifier system that precludes contamination of watercourses and sets it apart from all other quarries in its demonstrative environmental perspective.

4.3 Projects

- *TCL's Cement Mill Upgrade Project*
  The cement mill aspect of TCL's overall upgrade programme was significantly advanced during the year. Engineering was completed, major equipment items received on site, and construction started. Piling and foundations have been completed and the main erection contract was awarded just prior to year end. The project is currently on schedule for completion by mid-2005 and is geared to increase annual milling capacity from 800,000 tonnes to approximately 1.2 million tonnes.

- *Guyana Cement Terminal Project*
  Detailed engineering continued from 2003 and progressed to a point where it is now substantially complete. In 2004, Construction Management services were arranged through Vikab Engineering (a Trinidadian firm with considerable experience in the Guyanese construction industry). Major milestones achieved on the project during the year included the award of contracts for major equipment — packer (Haver), palletizer (Beumer) and silos (Guyana National Industrial Company Inc. (GNIC); the sod-turning ceremony held on 28th July 2004 and the start of civil works activity on site by BK International (the piling and excavation contractor). GNIC and BK International are companies registered in Guyana. Although initially projected for completion by the end of 2004, the project's schedule has been revised to a mid-2005 completion date. The objective of the project remains the strengthening of TCL's competitive position in the marketplace, through improvement of the quality of service and reliability of supply to the Guyanese customers while deepening the local value added in that country.

- *CCCL Plant Modernisation Project*
  CCCL's capacity expansion was advanced with completion of preliminary engineering, which allowed alternative capacity options to be evaluated. Tenders were sought for the major pieces of hardware (pyroprocessing, cooling, and vertical raw milling), and in September technology approval was given to F. L. Smidth as the preferred supplier of equipment. The conceptual project approach, addressing the engineering, procurement and construction issues, the transfer and technology issues and managing the various stakeholder relations has also been approved and IFC selected as the preferred lead financier for the project. The scope of the project includes the installation of a new state-of-the-art kiln line (Kiln 5) with capacity of 2,800 MT per day, retention of the Kiln 4 train in operation with minor modifications and the retiring of Kiln 3, resulting in an overall increase in annual kiln output from 600,000 tonnes to 1.2 million tonnes by 2008.

- *Energy Optimisation*
  This strategic objective received a boost in February with the assignment of a Group Energy Optimisation Manager, with specific responsibility for the waste derived fuel program. Initial focus has been on communication to Governmental stakeholders and NGOs in Jamaica, Barbados and Trinidad & Tobago in order to win support for necessary legislative changes. The following areas are actively under investigation: Waste Oil Burning (ACCL and CCCL), Tyre Burning (CCCL and TCL), Wind Energy (CCCL and ACCL) and Energy Optimisation (the three cement companies have established energy optimisation programmes with specific goals and plans).

4.4 Quality

In 2004, the ISO 9001.2000 Quality Systems instituted at TCL, TPL, TPM and RML all remained robust. At TCL, the overall quality of cement produced during the year 2004 met all chemical and physical requirements for the ASTM and BS Standards, while the Class 'G' Oilwell cement met all the requirements of the API Spec 10A. For TPM, the issue of quality was of concern only in the newly introduced area of jumbo bags. These issues were deemed to be short-term, as the company's experience with this new product line will improve in the coming year. RML, the first premixed company in the Anglophone Caribbean to obtain ISO certification, worked to improve quality systems at PPCI and Island Concrete during the year and intends to initiate a Readymix Group Quality Programme in 2005. At CCCL, all cement dispatched complied with Jamaica's JBS32 performance standards. The company will be seeking ISO 9000 certification in 2005 and has already completed documentation in regard to the Level 1 Quality Management System.

5.0 Our Focus on People

The TCL Group operates with the fundamental realization that people are really our only true competitive resource. Although the cement business is a capital intensive industry, we recognise that it is the quality and commitment of our people that will determine the level of success that we enjoy. Accordingly, under the purview of the Group Human Resources Committee, a strategic focus has been given to the Human Resources function to ensure the development of our human capital consistent with our overall strategy. In this context, focused attention has been given to the following initiatives:

- Reward and recognition of employees
- Training at all levels
- Employee retention strategies
- Executive development
- Succession planning for key positions
- Industrial relations based upon partnering relationships
- The broadening of skills through cross-postings
- The installation of a modern database Human Resource Information System (HRIS)
- Modern compensation systems linked to productivity.

The focus of all of these initiatives is the development of a competent, well-trained, motivated and committed TCL Group employee who can operate successfully in a dynamic and increasingly competitive environment.

In this regard, the MET programme concluded at the three cement companies in 2004 has yielded real benefits for the Group. The programme provided new tools and approaches to manufacturing, which resulted in the aforementioned increases in clinker production and a corresponding reduction in manufacturing cost.

Overall, the industrial relations climate across the Group was less stable in 2004 than in the previous year. The internal industrial relations issues at CCCL were far less contentious than either of the two other major jurisdictions and the level of co-operation between Managers and the Union was at its highest level, particularly after Hurricane Ivan. There were no major internal issues at RML for the year. There was a general improvement in relationships between the company and respective Unions during the last quarter of 2004, which has now helped to stabilize the industrial relations environment.

The year in review was a tremendously challenging one for industrial relations at TCL as it coincided with the collective bargaining process for all bargaining units. Although there were three work stoppages in 2004, by the end of the year, all major collective agreements except the Estate Police Association were concluded. At ACCL, two three-year agreements with the Barbados Workers' Union and the National Union of Public Workers were concluded, a first in the history of the company. While at CCCL, the Collective Agreement with the NWU expired in 2004 and new discussions commenced in the third quarter of 2004.

Permanent manpower levels increased by 1% over 2003, mainly as a result of the addition of the Island Concrete workforce (18 persons).

The Group completed a total of 4,031 man-days of training for all Subsidiaries and the Corporate Office. This represents an increase of 47% compared to the delivered man-days of training in 2003. The major areas of training focus in the Group for 2004 included Executive and Leadership Development exposures, Supervisory Training, Team Building, ISO 1400, Environmental Awareness, Customer Relations, Technical Development workshops and Port Security (ISPS). Additionally, the MET entrenchment initiative, particularly at CCCL was initiated in an attempt to institutionalise the MET process and methodologies in that company.

6.0 Leveraging Technology

Underpinning our Group's strategic thrust into the future is a heavy investment in technology. The capacity expansion projects already referred to, will utilise the most up-to-date technology resulting in greater levels of efficiency and lower operational costs per tonne of cement and clinker produced. Beyond that, however, technology is being used across the full range of the Group's operations. In 2004, we commenced the implementation of an Enterprise Resource Planning (ERP) System built upon an Oracle platform. This system will significantly improve the Group's capabilities across the major functional areas of its operations. The MET programme has provided employees with a system of Key Performance Indicators (KPI) which can be tracked to facilitate early corrective action if necessary. The ERP will allow the relevant data to be generated and distributed seamlessly for routine monitoring and intervention.

- Finance - The new system will result in the preparation of earlier financial reports and will improve management's ability to track performance and to make tactical and operational decisions proactively.

- Operations - The system will give management acces to real time data and facilitate more efficient production and maintenance practices. This will result in optimal production levels and reduced costs being achieved.

- Human Resource Management - The Human Resources Information System (HRIS) will allow for the full potential of the Group's human capital to be realized.

- Marketing - In tandem with the implementation of the ERP system, a Competitive Intelligence System capability has been developed in-house, which will increase the ability of the Group's marketing professionals to be more responsive to customers' needs.

- Communications - Seamless communication across the Caribbean is now possible throughout the Group, using the Group's Wide Area Network. Data, Voice and Video streams are routinely transmitted across subsidiaries, facilitating multi-disciplinary meetings, thereby reducing the level of airline travel required within the Group. Enhancement of these communication systems is an ongoing process.

In 2005, implementation of the Finance, Human Resource, Sales and Production Modules of the ERP will be completed and the systems commissioned.

7.0 Investor & Public Relations

During 2004, TCL benefited from buoyant stock markets, particularly in Trinidad and Tobago and Jamaica, and by quarterly published EPS results that were favourably received by investors. As a consequence, the TCL share price, which commenced 2004 at $6.00, ended the year at $8.05 with continuing strong demand for the share. (In Jamaica, on the JSE, the price moved from an opening price of J$61.00 to a closing price of J$80.00. In Barbados, on the BSE, it moved from Bds$1.80 at the start of 2004, to Bds$2.20 by year-end). The share price increase on the TTSE represents an increase in shareholder value of $ 512.0 million during 2004. CCCL's share price on the JSE appreciated from J$3.50 in January 2004 to J$12.90 on December 31. RML's share price on the TTSE moved from $6.05 in January to $6.95 by the end of the year.

One major event of interest to investors was the purchase in the last quarter of 2004 by a Belizean Company, Baleno Holding Inc., of 20.5 million TCL shares from a group of local investors. Baleno is controlled by a Swiss shareholder, Quadris AG and the purchase, represents 8.2% of TCL's shareholding.

During the year, corporate advertising continued to feature unifying elements of the Caribbean and sought to reinforce the Group's regional positioning.

Due recognition was paid to TCL's 50th anniversary. This significant milestone in the company's history was celebrated and communicated through an interfaith service, awards ceremony, newspaper supplement and a special issue of the Group's newsletter.

In 2004, the Group continued to fulfil its corporate social responsibility, demonstrated by the execution of new and existing programmes, which created social harmony between the Group and individual and interlocking public segments. The Group supported the Regional Under 19 Cricket tournament, Skiffle Bunch Steel Orchestra, hurricane victims in Grenada, education via UWI scholarships and bursaries and two new bursaries for the disabled. Also of major significance, was the newly introduced and well aligned alliance with Habitat for Humanity to improve living conditions for Caribbean people.

Conclusion

Although the Group experienced uncharacteristic challenges in its export markets during the year, its underlying strategy continued to be the optimisation and expansion of its core businesses and closely related activities. To that end, numerous activities and significant engineering work were conducted on capacity expansion and cost reduction initiatives geared to ensure the Group's ability to meet market growth in the short-term and expand into new markets in the medium to longer term.

With a rapidly evolving new trade order and in particular, the imminent formation of the Caricom Single Market and Economy (CSME) in 2005 and official commencement of the Free Trade Agreement of the Americas (FTAA) in the near future, the TCL Group is well poised to realize its vision of continued growth as a powerful Caribbean organization, driven by productivity and efficiency increases in its existing operations and planned regional expansion.

Acknowledgements

Our 2004 financial results are indicative of the determination of the Group's strategic planners to guide our organization to its success horizons.

Previously hampered by a stagnant and sometimes declining share value, our recent achievements are not only financially rewarding but are significant in the process of regaining stakeholder confidence.

We continue to expect challenges ahead but wish to assure our many vested partners that the global, regional and internal hurdles that confront us will be overcome with the discipline and grit that are integral to conquest.

My sincerest gratitude to our shareholders, board of directors, management teams, past and present employees and all other stakeholders for your ongoing support. Our success today is attributed to your encouragement, guidance, loyalty and confidence, without which we could not have achieved such a remarkable performance.

I would also like to specially recognize Niels Frandsen who formerly worked with Parry and Elmquist, the engineering firm, which proposed the scheme for the establishment of a cement plant in Trinidad. I wish to thank him for his very enlightening and interesting account of TCL's early days which we have shared with you on pages 5 - 11 of this annual report.

Dr. Rollin Bertrand
Group CEO


Niels Frandsen


Rodney Cowan


Harrinarine Dipnarine


Arun Goyal


Parasram Heerah


Gloria Jacobs

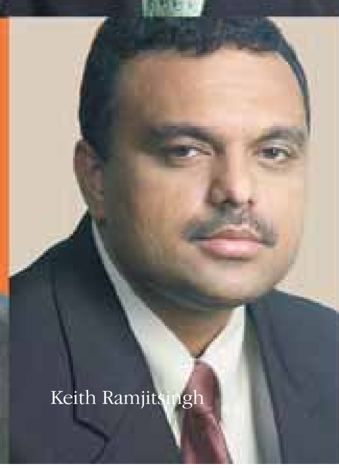

Keith Johnson


Jinda Maharaj


Pascall Marcelin


Ian Matthews


Fitzalbert Rawlins


Keith Ramjitsingh

Trinidad Cement Limited

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, as well as Class G High Sulphate Resisting (HSR) Well Cement. The distribution of its shareholding is detailed in the pie chart on page 20.

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Company Secretary

Mr. Alan Nobie

Principal Officers

Mr. Arun Goyal	-	*General Manager*
Mr. Rodney Cowan	-	*Marketing Manager*
Mr. Harrinarine Dipnarine	-	*Engineering Services Manager*
Mr. Parasram Heerah	-	*Finance Manager*
Ms. Gloria Jacobs	-	*Production Manager*
Mr. Keith Johnson	-	*Human Resources Manager*
Mr. Jinda Maharaj	-	*Project Manager*
Mr. Pascall Marcelin	-	*Materials Manager*
Mr. Ian Matthews	-	*Planning & Development Manager*
Mr. Keith Ramjitsingh	-	*Quarry Manager*
Mr. Fitzalbert Rawlins	-	*Operations Manager*


Chester Adams


Maxwell Brooks


Cordia Constable


Orville Hill

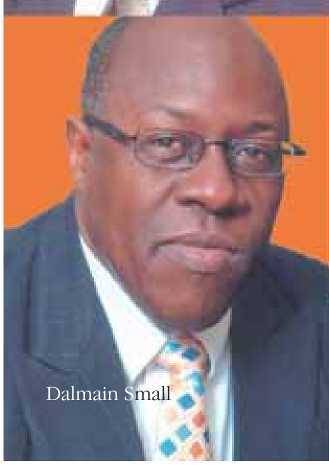

Anthony Haynes


Alice Hyde


Derrick Issac


Paul Lue Lim


John Mendes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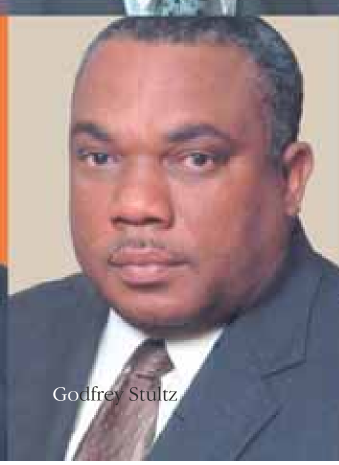
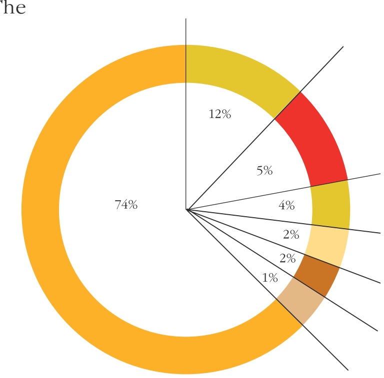

Godfrey Stultz


Ken Wiltshire

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. 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 Caribbean Cement Company Limited. Rockfort Mineral Bath Complex Limited, another subsidiary, maintains a leasehold interest in a mineral spa. The distribution of its shareholding is as follows:



- TCL Group
- Other
- Cemex - Scancem International (St. Lucia) Ltd
- Financial Institutions
- Pension Plans
- Corporate Bodies
- Government

Registered Office

Rockfort, Kingston,
Jamaica, W.I.
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. Leopoldo Navarro
Mr. Yusuff Omar
Dr. Judith Robinson
Mr. Paul Stockhausen
Mr. Ernest Williams

Company Secretary

Ms. Cordia Constable

Principal Officers

Mr. F.L. Anthony Haynes - *General Manager*
Mr. Chester Adams - *Manufacturing Manager*
Mr. Maxwell Brooks - *Quarry Manager*
Ms. Cordia Constable - *Company Secretary/ Manager, Legal & Corporate Affairs*
Mr. Orville Hill - *Finance Manager*
Ms Alice Hyde - *Marketing Manager*
Mr. Derrick Isaac - *Materials Manager*
Mr. Paul Lue Lim - *Technical Operations Manager*
Mr. John Mendes - *Quality Manager*
Mr. Dalmain Small - *Human Resource Manager*
Mr. Godfrey Stultz - *Engineering Services Manager*
Mr. Ken Wiltshire - *Planning & Development Manager*


Satnarine Bachew
David Gooding
Rupert Greene
Trevor Ifill
Dawn Jemmott
Leslie Maxwell
Dwight Sutherland
Matthew Thornhill
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, W.I.
Tel: (246) 439-9880
Fax: (246) 439-7976
e-mail: acclinfo@tclgroup.com

Board of Directors

Mr. Ernest Williams - *Chairman*
Dr. Rollin Bertrand
Mr. Arun Goyal
Mr. Hollis N. Hosein
Mr. Frank McConney
Mr. Joseph Nunes
Mr. Yusuff Omar

Company Secretary

Mr. Rupert Greene

Principal Officers

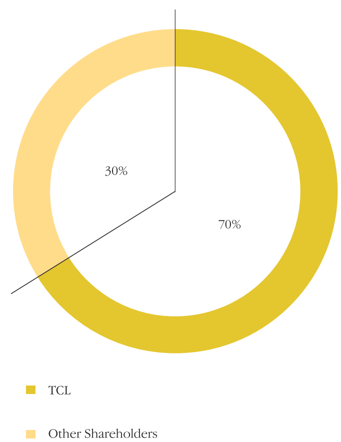
Mr. Satnarine Bachew	-	*General Manager*
Mr. David Gooding	-	*Planning & Development Manager*
Mr. Rupert Greene	-	*Finance Manager/Company Secretary*
Mr. Trevor Ifill	-	*Marketing Manager*
Ms. Dawn Jemmott	-	*Human Resources Manager*
Ms. Leslie Maxwell	-	*Engineering Services Manager*
Mr. Dwight Sutherland	-	*Materials Manager*
Mr. Matthew Thornhill	-	*Ag. Production Manager*
Mr. Phillip Yeung	-	*Operations Manager*


John Cardenas
Franklyn David
Lucien Delpesh
Michael Douglas
Hilary Lakhiram
Murielle Lancien
Anton Mohammed
Jacqueline Ryan-Brathwaite
Adrian Spencer

Readymix (W.I.) Limited

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.

The distribution of its shareholding is as follows:



Registered Office

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

Board of Directors

Mr. Ernest Williams - *Chairman*
Dr. Rollin Bertrand
Mr. Lawford Dupres
Mr. Arun K. Goyal
Mr. Hollis N. Hosein
Mr. Frank Look Kin
Mr. Roger Manning

Company Secretary

Mr. Anton Mohammed

Principal Officers

Mr. Lucien Delpesh	-	*General Manager*
Mr. John Cardenas	-	*Plant Manager (PPCI)*
Mr. Franklyn David	-	*General Manager (Island Concrete NV)*
Mr. Michael Douglas	-	*Operations Manager*
Mr. Hilary Lakhiram	-	*Ag. Asst. General Manager*
Ms. Murielle Lancien	-	*Manager (Island Concrete SARL)*
Mr. Anton Mohammed	-	*Ag. Corporate Services Manager/Company Secretary*
Ms. Jacqueline Ryan-Brathwaite	-	*Human Resources Manager*
Mr. Adrian Spencer	-	*Marketing Manager*

Manan Deo

Dexter East

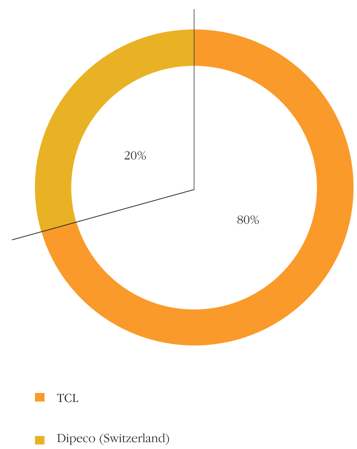
Sursatee Heeralal

Betty Ann Noreiga-Pitt

Kaveer Seepersad

TCL Packaging Limited

TCL Packaging Limited was incorporated in Trinidad in 1989 and commenced operations in 1991. Its primary activity is the manufacture and sale of papersacks. The distribution of its shareholding is as follows:



Registered Office

Southern Main Road,
Claxton Bay, Trinidad, W.I.
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. Lucien Delpesh
Mr. Arun Goyal

Company Secretary

Ms. Cheryl Gransaull

Principal Officers

Mr. Manan Deo	-	*General Manager*
Mr. Dexter East	-	*Operations Manager*
Ms. Sursatee Heeralal	-	*Marketing Assistant/Logistics Officer*
Ms. Betty Ann Noreiga-Pitt	-	*Marketing Manager*
Mr. Kaveer Seepersad	-	*Senior Plant Coordinator*

Manan Deo

Sursatee Heeralal

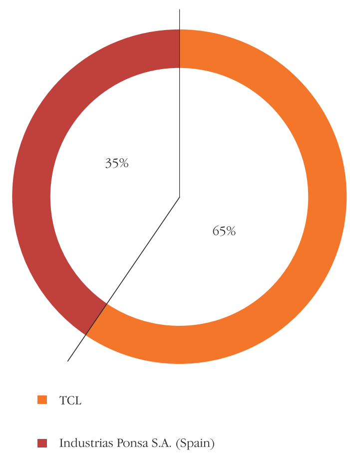
Betty Ann Noreiga-Pitt

Stephen Ramcharan

TCL Ponsa Manufacturing Limited

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:



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. Salvador Cors *(Industrias Ponsa - Spain)*
Mr. Lucien Delpesh
Mr. Arun Goyal

Company Secretary

Ms. Cheryl Gransaull

Principal Officers

Mr. Manan Deo - *General Manager*
Ms. Sursatee Heeralal - *Marketing Assistant/Logistics Officer*
Ms. Betty Ann Noreiga-Pitt - *Marketing Manager*
Mr. Stephen Ramcharan - *Technical Coordinator*

TCL Trading Limited

TCL Trading Limited was incorporated in Anguilla, W.I. on the 12th of 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 two of the cement companies, Trinidad Cement Limited and Arawak Cement.

Registered Office

Box 885,
Fair Play Complex,
The Valley,
Anguilla, W.I.
Tel: 264-497-3593
Fax: 264-497-8501
e-mail: ttlinfo@tclgroup.com

Board of Directors

Mr. Yusuff Omar - *Chairman*
Dr. Rollin Bertrand
Mr. Kelvin Mahabir
Mr. Leopoldo Navarro *(Cemex)*

Company Secretary

Mr. Kelvin Mahabir

Principal Officers

Ms. Christiana Annan - *General Manager*
Mr. Muphyr Webster - *Administrative Assistant*


Christiana Annan Muphyr Webster

Management Proxy Circular

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 6th April 2005 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
1st March 2005	Alan Nobie, Secretary	

Directors' Report

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended December 31, 2004.

Financial Results	**TT$'000**
Turnover	1,329.9
Net Earnings for the Year	162.3
Dividends Paid	44.9

Trinidad Cement Limited Board of Directors

Directors' Interest *(Ordinary Shares of TCL)*

Name	**Position**	**Holdings at 31-12-04**
D. Dulal-Whiteway	*Chairman*	1,000
K. Awong	*Director*	Nil
R. Bertrand	*Group CEO*	530,555
E. Carrington	*Director*	Nil
J. McFarlane	*Director*	Nil
L. Navarro	*Director*	Nil
Y. Omar	*Director*	340,000
E. Williams	*Director*	7,875
B. Young	*Director*	Nil

Dividends

Based on the results for the year, the Board has approved a final dividend of twelve (12) cents per ordinary share. Together with the interim dividend of eight (8) cents paid in October 2004, the dividend for the year is twenty (20) cents, compared to the dividend of eighteen (18) cents paid for 2003.

The dividend will be paid on 6th May, 2005 to shareholders on the Register of Ordinary Shareholders at the close of business on 22nd April, 2005. The register of members and transfer books will be closed from 25th April, 2005 to 27th April 2005, inclusive.

Substantial Interests

	No. of Ordinary Shares Held at 31-12-04	**% of Issued Share Capital**
Sierra Trading *(Cemex S.A. de C.V.)*	49,953,027	20.00
The National Insurance Board	24,887,044	9.96
Baleno Holdings 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, Mr. Keith Awong, having been appointed by the Board to fill a casual vacancy, is 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, Messrs Ernest Williams, Brian Young and Rollin Bertrand retire by rotation and being eligible, offer themselves for re-election.

Auditors

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

BY ORDER OF THE BOARD

Alan Nobie
Secretary

Auditors' Report

To the members of Trinidad Cement Limited

We have audited the consolidated balance sheet of Trinidad Cement Limited and its subsidiaries (the "Group") as at 31st December, 2004, and the consolidated statements of earnings, changes in equity and cash flows for the year then ended as set out on pages 2 to 29. These financial statements are the responsibility of the Group's management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as at 31st December, 2004 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Port of Spain:
TRINIDAD,
25th February, 2005

Consolidated Balance Sheet

Thousands of Trinidad and Tobago dollars	Notes	31 December 2004	2003
Non-current Assets			
Property, plant and equipment	7	1,483,843	1,417,659
Investments	8	50	50
Intangible assets	9	225,184	197,296
Pension plan asset	10b	146,991	135,891
Deferred tax asset	5c	8,100	-
		1,864,168	**1,750,896**
Current Assets			
Inventories	11	338,569	331,386
Receivables and prepayments	12	149,883	121,937
Cash at bank		41,911	35,212
		530,363	**488,535**
Current Liabilities			
Bank advances	13	86,296	120,927
Payables and accruals	14	201,524	186,025
Current portion of medium and long term financing	15	105,212	61,498
		393,032	**368,450**
Net Current Assets		**137,331**	**120,085**
Non-current Liabilities			
Medium and long term financing	15	742,847	770,777
Post-retirement obligations	10c	7,683	6,162
Deferred tax liability	5c	189,254	188,440
		939,784	**965,379**
Total Net Assets		**1,061,715**	**905,602**
Shareholders' Equity			
Stated capital	16	466,206	466,206
Reserves		473,168	338,228
		939,374	**804,434**
Minority Interest		122,341	101,168
Group Equity		**1,061,715**	**905,602**

The notes on pages 6 to 29 form an integral part of these financial statements.

On 25th February, 2005 the Board of Directors of Trinidad Cement Limited authorised these financial statements for issue.

Director Director

Consolidated Statement of Earnings

Thousands of Trinidad and Tobago dollars	Notes	Year Ended 31 December 2004	2003
Revenue	26	1,329,900	1,155,671
Operating Profit	3	304,098	263,956
Finance Costs - Net	4	(104,750)	(90,709)
Profit Before Taxation		199,348	173,247
Taxation	5	(15,556)	(36,061)
Profit After Taxation		183,792	137,186
Minority Interest		(21,521)	(15,745)
Profit Attributable To Shareholders		162,271	121,441
Earnings Per Share - Basic and Diluted (cents)	6	67	50

The notes on pages 6 to 29 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Thousands of Trinidad and Tobago dollars	Notes	Unallocated ESOP Shares	Stated Capital	Revaluation Reserve	Currency Translation Account	Retained Earnings	Shareholders' Equity
Year ended 31st December, 2004							
Balance at 1st January, 2004		**(41,849)**	**466,206**	**4,889**	**(91,573)**	**466,761**	**804,434**
Currency translation and other adjustments		-	-	(4,889)	(4,482)	4,889	(4,482)
Transfer of Negative Goodwill	9	-	-	-	-	18,061	18,061
Allocation to employees and sale of ESOP shares net of dividends	19	3,276	-	-	-	772	4,048
Profit attributable to shareholders		-	-	-	-	162,271	162,271
Dividends	18	-	-	-	-	(44,958)	(44,958)
Balance at 31st December, 2004		**(38,573)**	**466,206**	**-**	**(96,055)**	**607,796**	**939,374**
Year ended 31st December, 2003							
Balance at 1 January, 2003		**(42,932)**	**466,206**	**4,889**	**(53,366)**	**390,532**	**765,329**
Currency translation and other adjustments		-	-	-	(38,207)	-	(38,207)
Allocation of ESOP shares to employees	19	1,083	-	-	-	(254)	829
Profit attributable to shareholders		-	-	-	-	121,441	121,441
Dividends	18	-	-	-	-	(44,958)	(44,958)
Balance at 31st December, 2003		**(41,849)**	**466,206**	**4,889**	**(91,573)**	**466,761**	**804,434**

The notes on pages 6 to 29 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Thousands of Trinidad and Tobago dollars	Notes	Year Ended 31 December 2004	2003
Cash from operations	21	392,647	269,588
Taxation paid		(1,816)	(20,985)
Interest expense paid net of interest income received		(139,774)	(107,117)
Net cash generated by operating activities		**251,057**	**141,486**
Investing activities			
Additions to property, plant and equipment	7, 17	(171,970)	(481,495)
Acquisition of subsidiary	9	(12,884)	–
Proceeds from disposal of plant and equipment		4,137	71
Funding of ESOP		(5,939)	(5,939)
Net cash used in investing activities		**(186,656)**	**(487,363)**
Financing activities			
Proceeds from new loans		421,304	8,552
Proceeds from investments		2,876	385,421
Repayment of loans		(403,423)	(78,610)
Dividends paid		(44,958)	(44,958)
Minority interest net flows		1,130	(2,785)
Net cash (used in)/generated by financing activities		**(23,071)**	**267,620**
Increase/(decrease) in cash and cash equivalents		41,330	(78,257)
Cash and cash equivalents - beginning of year		(85,715)	(5,202)
Exchange rate adjustment - opening cash balance		–	(2,256)
Cash and cash equivalents - end of year		**(44,385)**	**(85,715)**
Represented by:			
Cash at bank		41,911	35,212
Bank advances		(86,296)	(120,927)
		(44,385)	**(85,715)**

The notes on pages 6 to 29 form an integral part of these financial statements.

31 December 2004

Thousands of Trinidad and Tobago dollars

1 Incorporation and activities

The parent company is incorporated in the Republic of Trinidad and Tobago. The Group 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 parent company is Southern Main Road, Claxton Bay, Trinidad.

2 Significant accounting policies

a Basis of preparation

These financial statements are prepared under the historical cost convention, in accordance with International Financial Reporting Standards (IFRS).

The Group early adopted IFRS 3 "Business Combinations" in 2004. IFRS also requires the simultaneous adoption of the revised International Accounting Standards (IAS) 36 "Impairment of Assets" and IAS 38 "Intangible Assets". IFRS 3 requires prospective application after 30th March, 2004.

The early adoption of IFRS 3 resulted in a change in the accounting policy for goodwill, until 31st December, 2003:

- Goodwill was amortised on a straight line basis over a period ranging between fifteen (15) years and thirty (30) years; and
- Goodwill was assessed for an indication of impairment at each balance sheet date; and
- Negative goodwill was amortised over a period not exceeding fifteen (15) years.

In accordance with the provisions of IFRS 3:

- The Group ceased the amortisation of goodwill from 1st January, 2004; and
- From the year ended 31st December, 2004 onwards, goodwill is reviewed annually for impairment, as well as when there are indications of impairment; and
- The balance of negative goodwill was transferred directly to retained earnings.

b Basis of consolidation

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. All intercompany transactions and balances and unrealised surpluses and deficits on transactions between Group companies are eliminated. Separate disclosure is made of minority interest.

All assets and liabilities of the subsidiaries at the date of acquisition are stated at fair value.

2 Significant accounting policies *(continued)*

c Goodwill and negative goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the assets, liabilities and contingent liabilities of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisition is reported in the balance sheet as an intangible asset. At least annually, the asset is reviewed for impairment.

Where the cost of acquisition is less than the fair value of the Group's share of the assets, liabilities and contingent liabilities of the acquired subsidiary a the date of acquisition, the difference is negative goodwill which is written off immediately to the statement of earnings.

d Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. (See Note 7)

Depreciation is provided on the straight line 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.

Current rates of depreciation are:

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Leasehold land and improvements are amortised over the remaining term of the lease. 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 a fair value but the related land is stated at historical cost.

It is the Group's policy to capitalise interest on loans specific to capital projects during the period of construction. In 2004, the total capitalised interest was $1.4m (2003-nil). Repairs and renewals are expensed when the expenditure is incurred.

31 December 2004

Thousands of Trinidad and Tobago dollars

2 Significant accounting policies *(continued)*

e Investments

Unquoted equity investments, classified as long term, are stated at cost and provision is only made where, in the opinion of the directors, there is an impairment in value.

Fixed income held to maturity securities are carried at amortised cost using the effective interest rate method.

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.

g Foreign currencies

Transactions originating in foreign currencies are recorded in the reporting currencies of Group companies at the rates of exchange ruling at the dates of the transactions. Assets and liabilities in foreign currencies are translated at rates ruling at the balance sheet date. Differences arising therefrom are reflected in the current year's results.

Income statements of foreign entities are translated into the Group's reporting currency, Trinidad and Tobago dollars, at average exchange rates for the year and the balance sheets are translated at the year end exchange rates.

Exchange differences arising from the translation of the net investment in foreign subsidiaries at the balance sheet date are taken to the currency translation account in shareholders' equity in accordance with International Accounting Standard 21.

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.

2 Significant accounting policies *(continued)*

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, investments, receivables, trade creditors and borrowings and are stated at their approximate fair values determined in accordance with the policy statements disclosed.

Financial risk factors

The Group's 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 the unpredictability of financial markets. Overall risk management measures are focused on minimising the potential adverse effects on the financial performance of the Group from changes in financial markets and to the extent that hedging strategies are available and cost effective, they are utilised. Where financial risks cannot be fully hedged the Group remains so exposed with respect to its financial performance and position.

k 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.

2 Significant accounting policies *(continued)*

k Leases *(continued)*

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.

l Taxation

The Group recognises deferred taxation principally arising from differences between the book value and the tax base of assets and liabilities. Additionally, deferred taxation credits arising from available tax losses, which are reasonably expected to be utilised in the future are recognised. The resulting deferred tax asset or liability is accounted for using the liability method at the current corporation tax rate.

m 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 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 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 actuaries.

2 Significant accounting policies *(continued)*

n Revenue

Revenue, net of value added tax and discounts, 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.

o Trade receivables

Trade 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.

p Borrowings

Borrowings are recognised initially as the proceeds received net of transaction cost. 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 bonds.

q 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.

r Earnings per share

Earnings per share is computed by dividing net profit for the year by the weighted average number of ordinary shares in issue during the year.

s Cash and cash equivalents

Cash and cash equivalents include all cash and overdraft balances with maturities of less than three months from date of establishment.

t 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 costs incurred in administering the Plan and interest on a parent company guaranteed loan are recorded in the earnings statement of the parent company.

31 December 2004

Thousands of Trinidad and Tobago dollars

2 Significant accounting policies *(continued)*

u Use of estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3 Operating profit

	2004	2003
Revenue	1,329,900	1,155,671
Less expenses:		
Personnel remuneration and benefits	275,861	237,456
Other operating expenses	276,629	303,344
Fuel and electricity	230,416	198,078
Raw materials and consumables	142,105	135,594
Depreciation	109,588	79,784
Amortisation of goodwill - net	–	5,388
Changes in finished goods and work in progress	24,506	(48,174)
	270,795	244,201
Other income (see note below)	33,303	19,755
Operating profit	**304,098**	**263,956**
Personnel remuneration and benefits include:		
Salaries and wages	236,312	200,468
Other benefits	28,649	29,016
Statutory contributions	11,221	10,713
Pension costs - defined contribution plan	2,689	2,626
Termination benefits	1,971	110
Pension costs - defined benefit plans (Note 10a)	(4,981)	(5,477)
	275,861	**237,456**

The average number of permanent employees in 2004 was 1,193 (2003 - 1,112) whilst there were 173 (2003 - 234) part-time employees.

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Thousands of Trinidad and Tobago dollars

3 Operating profit *(continued)*

Operating profit is stated after deducting Directors' fees of:

	2004	2003
Directors' fees	1,568	1,100
Other income includes:		
Amortisation of gain from sale and leaseback of plant (Note 17)	–	11,851
Port rental	2,875	1,848
Delivery and trucking services	1,811	1,112
Gain/(loss) from disposal of property, plant and equipment	2,924	(683)
Miscellaneous income	25,693	5,627
	33,303	**19,755**

4 Finance costs - net

Interest expense	143,883	168,255
Interest income	(1,705)	(48,458)
Accretion in value of bond redemption options (Note 15)	(37,666)	(40,814)
	104,512	78,983
Foreign currency exchange loss	238	11,726
	104,750	**90,709**

5 Taxation

a Taxation charge

Deferred taxation from tax liability (Note 5c)	(5,283)	19,571
Current taxation	20,839	16,490
	15,556	**36,061**

b Reconciliation of applicable tax charge to effective tax charge

Profit before taxation	**199,348**	**173,247**
Tax calculated at 30% (2003-30%)	59,804	51,974
Net effect of other charges and allowances	(5,685)	11,796
Impact of income not subject to tax	(15,257)	(29,945)
Tax losses not previously recognised (see note below)	(23,753)	–
Business and green fund levies	1,061	–
Change in estimate of previously reported charges	(783)	–
Effect of different tax rates outside Trinidad and Tobago	169	2,236
Effective taxation charge	**15,556**	**36,061**

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Thousands of Trinidad and Tobago dollars

5 Taxation *(continued)*

b Reconciliation of applicable tax charge to effective tax charge *(continued)*

Tax losses available for set off against future taxable profits at a subsidiary, Jamaica Gypsum and Quarries Limited, have now been recognised as a deferred tax asset as a result of the restructuring of the company's operations which are projected to utilise the tax losses against taxable profits over the next five years.

Arawak Cement Company Limited is exempt from the payment of corporation tax of up to a total of $30.9m (2003 - $37.0m) for the period 2005 to 2007.

Caribbean Cement Company Limited and its subsidiaries have tax losses of $59.3m (2003 - $92.5m) available for set off against future taxable profits.

Readymix (West Indies) Limited and its subsidiaries have tax losses of $8.1m (2003 - $1.1m) available for set off against future taxable profits. Of the tax losses available, $1.6m has not been recognised in these financial statements on the basis that the RML Group would not generate sufficient taxable profits before the tax losses expire.

c Deferred tax liability

	Accelerated Tax Depreciation	Tax Losses and Provisions	Total
Year ended 31st December, 2004			
Balance at 1st January	163,315	25,125	188,440
Exchange rate adjustment	(795)	191	(604)
Arising from acquisition	258	(1,657)	(1,399)
Charge/(credit) to earnings	26,476	(31,759)	(5,283)
Balance at 31st December, 2004	**189,254**	**(8,100)**	**181,154**
Year ended 31st December, 2003			
Balance at 1st January, 2003	176,682	(2,826)	173,856
Exchange rate adjustment	(10,417)	5,430	(4,987)
(Credit)/charge to earnings	(2,950)	22,521	19,571
Balance at 31st December, 2003	**163,315**	**25,125**	**188,440**

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Thousands of Trinidad and Tobago dollars	2004	2003

6 Earnings per share

	2004	2003
Net profit attributable to shareholders	162,271	121,441
Weighted average number of ordinary shares issued (thousands)	243,748	243,563
Earnings per share - basic and diluted (cents)	**67**	**50**

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. In accordance with best practice, the average number of unallocated shares of 6.017m (2003: 6.202m) 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.

31 December 2004

Thousands of Trinidad and Tobago dollars

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, 2004					
Cost	442,133	1,605,721	57,545	114,183	2,219,582
Accumulated depreciation	(101,730)	(587,643)	(46,366)	-	(735,739)
Net book amount	**340,403**	**1,018,078**	**11,179**	**114,183**	**1,483,843**
Net book amount					
1st January, 2004	345,053	1,024,962	13,417	34,227	1,417,659
Exchange rate adjustment	(3,219)	(2,529)	(74)	(273)	(6,095)
Additions	5,033	66,234	3,794	96,909	171,970
Additions from acquisition	3,572	7,219	319	-	11,110
Disposals and adjustments	952	14,578	(63)	(16,680)	(1,213)
Depreciation charge	(10,988)	(92,386)	(6,214)	-	(109,588)
31st December, 2004	**340,403**	**1,018,078**	**11,179**	**114,183**	**1,483,843**
At 31st December, 2003					
Cost	440,454	1,534,090	56,399	34,227	2,065,170
Accumulated depreciation	(95,401)	(509,128)	(42,982)	-	(647,511)
Net book amount	**345,053**	**1,024,962**	**13,417**	**34,227**	**1,417,659**
Net book amount					
1st January, 2003	395,055	737,482	18,428	16,051	1,167,016
Exchange rate adjustment	(41,605)	(31,112)	(1,168)	(1,480)	(75,365)
Additions	1,901	457,099	2,797	19,698	481,495
Disposals and adjustments	119	(75,845)	65	(42)	(75,703)
Depreciation charge	(10,417)	(62,662)	(6,705)	-	(79,784)
31st December, 2003	**345,053**	**1,024,962**	**13,417**	**34,227**	**1,417,659**

Thousands of Trinidad and Tobago dollars	2004	2003

8 Investments

	2004	2003
Unquoted equity investments	50	50

9 Intangible assets

	Goodwill	Negative Goodwill	Total
Year ended 31st December, 2004			
Opening net book amount	215,357	(18,061)	197,296
Transfer to retained earnings	–	18,061	18,061
Goodwill from acquired subsidiaries	9,827	–	9,827
Closing net book amount	**225,184**	**–**	**225,184**
Cost	268,137	–	268,137
Accumulated amortisation	(42,953)	–	(42,953)
Net book amount	**225,184**	**–**	**225,184**
Year ended 31st December, 2003			
Opening net book amount	224,356	(21,672)	202,684
Amortisation for the year	(8,999)	3,611	(5,388)
Closing net book amount	**215,357**	**(18,061)**	**197,296**
Cost	258,310	(54,171)	204,139
Accumulated amortisation	(42,953)	36,110	(6,843)
Net book amount	**215,357**	**(18,061)**	**197,296**

With effect from 1st January, 2004, the Group adopted International Financial Reporting Standard (IFRS) 3. As required by IFRS 3, the amortisation of goodwill ceased and the balance of negative goodwill of $18.1m was transferred to retained earnings. This change was applied prospectively and therefore no adjustment of the prior period comparatives is required.

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Thousands of Trinidad and Tobago dollars

9 Intangible assets *(continued)*

Effective 1st July, 2004, Readymix (West Indies) Limited acquired 100% equity interest in two related companies, Island Concrete N.V. ("IC N.V.") and Island Concrete SARL ("IC SARL") located in St. Maarten, which are both engaged in the pre-mixed concrete business. Consideration was in the form of a cash payment of $15.6m for net tangible assets of $5.8m and goodwill of $9.8m. The net cash outlay for the investment amounted to $12.9m after deducting the cash of $2.7m held by the acquirees at the date of acquisition. The components of net tangible assets acquired are as follows:

	IC N.V. 2004	IC SARL 2004
Property, plant and equipment	9,261	1,849
Deferred tax asset	1,657	–
Inventories	510	–
Receivables	1,223	512
Cash	2,665	70
Payables and accruals	(7,768)	(170)
Medium term loans	(2,856)	(921)
Deferred tax liability	–	(240)
Net tangible assets	4,692	1,100
Cash consideration	(14,519)	(1,100)
Goodwill	**(9,827)**	**–**

The goodwill of $9.8m represents the excess of the purchase price over the fair value of the net tangible assets acquired. Included in the $9.8m of goodwill recognised above are certain intangible assets that cannot be individually separated and reliably measured from the acquiree due to their nature. Such assets include an established customer base that is available to the acquirees.

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Thousands of Trinidad and Tobago dollars

10 Pension plans and other post-retirement benefits

The numbers below are extracted from information supplied by independent actuaries.

a Amounts recognised in the statement of earnings in respect of pension costs

	2004	2003
Current service cost	12,090	8,959
Interest cost	21,105	19,828
Expected return on plan assets	(38,176)	(34,264)
Total, included in personnel remuneration and benefits (Note 3)	**(4,981)**	**(5,477)**
Actual return on plan assets	**146,105**	**105,708**

b Pension plan assets

The Trinidad Cement Limited Employees' Pension Fund Plan is sectionalised for funding purposes into three segments to provide retirement pensions to the retirees of Trinidad Cement Limited, TCL Packaging Limited and Readymix (West Indies) Limited. The segment relating to Trinidad Cement Limited has a funding surplus whilst the other two segments have funding deficits, shown in section c). The pension plan covering the employees of Arawak Cement Company Limited also has a funding surplus and is included in pension plan assets as follows:

The pension plan assets are derived as follows:

	2004	2003
Fair value of plan assets	590,575	446,139
Present value of funded obligations	(355,196)	(317,957)
	235,379	128,182
Unrecognised actuarial (gain)/loss	(88,388)	7,709
Pension plan assets	**146,991**	**135,891**

Movement in the pension plan assets

	2004	2003
Balance at 1st January	135,891	125,332
Balance at 1st January - pension plan liability	–	(411)
Total credits for the year	6,602	6,366
Contributions paid	4,498	4,604
Balance at 31st December	**146,991**	**135,891**

Thousands of Trinidad and Tobago dollars	2004	2003

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

c Pension plan obligations and other post-retirement liabilities

	2004	2003
Pension plan obligations	2,192	1,820
Termination benefit obligations	150	126
Retirees' medical benefit liabilities	5,341	4,216
	7,683	**6,162**

The pension plan obligations are derived as follows:

	2004	2003
Fair value of plan assets	12,933	8,902
Present value of funded obligations	(15,503)	(11,878)
	(2,570)	(2,976)
Unrecognised actuarial loss	378	1,156
Pension plan obligations	**(2,192)**	**(1,820)**

Movement in the pension plan obligations

	2004	2003
Balance at 1st January	(1,820)	(2,636)
Balance at 1st January - transferred to pension plan asset	–	411
Total expense for the year	(1,620)	(888)
Contributions paid	1,248	1,293
Pension plan obligations	**(2,192)**	**(1,820)**

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 actuary. The last such valuation was carried out as at 31st December, 2003 and the preliminary results revealed that the Trinidad Cement Limited section was in surplus by $100.2m but the TCL Packaging Limited and Readymix (West Indies) Limited sections were in deficit by $2.1m and $3.3m respectively. The recommended future service contribution rates as a percentage of salaries were 6%, 26.5% and 19.8% respectively. A roll-forward valuation, using assumptions indicated below, was done as at 31st December, 2004 for the sole purpose of preparing these financial statements.

31 December 2004

Thousands of Trinidad and Tobago dollars

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

c Pension plan obligations and other post-retirement liabilities *(continued)*

Principal actuarial assumptions used for Trinidad Cement Limited Employees' Pension Fund Plan:

	2004	2003
Discount rate	6.5%	8.0%
Expected return on plan assets	8.5%	8.5%
Rate of future salary increases	5.5%	5.5%
Rate of future pension increases	2.0%	2.0%

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 carried out at September 2000 and established an unfunded liability in respect of past service cost of $2.2m. The actuary has recommended that the company and employees fund this liability and future service benefits at 7% of members' earnings. A roll-forward valuation, using assumptions indicated below, was done as at 31st December, 2004 for the sole purpose of preparing these financial statements.

Principal actuarial assumptions used for Arawak Cement Company Limited Pension Plan:

Discount rate	6.0%	6.5%
Expected return on plan assets	6.0%	6.5%
Rate of future salary increases	5.0%	5.5%
Rate of future pension increases	2.0%	NIL
Future changes in national insurance ceiling	2.5%	NIL

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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Thousands of Trinidad and Tobago dollars	2004	2003
11 Inventories		
Plant spares	141,302	118,679
Raw materials and work in progress	93,075	122,173
Consumables	69,218	57,858
Finished goods	34,974	32,676
	338,569	**331,386**
12 Receivables and prepayments		
Trade receivables	99,955	82,967
Less: provision for doubtful debts	(6,461)	(4,678)
Trade receivables (net)	93,494	78,289
Sundry receivables and prepayments	40,737	31,617
Deferred expenditure	10,989	6,899
Taxation recoverable	4,663	5,132
	149,883	**121,937**
13 Bank advances		
Bankers' acceptances and other advances	61,450	21,875
Overdraft	24,846	99,052
	86,296	**120,927**

Bank advances of $14.5m are secured by certain fixed assets of the Group, all remaining 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 3.7% to 22% per annum. The 22% rate of interest relates to overdraft borrowings by the subsidiary in Jamaica.

	2004	2003
14 Payables and accruals		
Sundry payables and accruals	132,519	127,139
Trade payables	48,050	53,508
Statutory obligations - Jamaica Subsidiary	2,428	4,921
Taxation payable	18,527	457
	201,524	**186,025**

Thousands of Trinidad and Tobago dollars	2004	2003
15 Medium and long term financing		
Maturity of borrowings:		
One year	105,212	61,498
Two years	112,177	96,527
Three years	62,360	61,695
Four years	347,365	58,011
Five years and over	220,945	554,544
	848,059	832,275
Current portion	(105,212)	(61,498)
	742,847	**770,777**
Type of borrowings:		
Bonds	744,234	790,737
Bank term loans	90,071	34,526
Finance lease obligations	13,754	7,012
	848,059	**832,275**
Currency denomination of borrowings		
US dollar	63,411	385,938
Local currencies	784,648	446,337
	848,059	**832,275**
Interest rate profile		
Fixed rates	835,459	807,436
Floating rates	12,600	24,839
	848,059	**832,275**
The weighted average effective interest rate for medium and long term financing is:	10.21%	12.46%

The bonds with present value of $401.8m carry options to redeem the principal amounts at discounted values prior to their maturity dates. The difference between the bond proceeds and their discounted value is recognised in the statement of earnings over the period of the borrowings. For the year 2004, an amount of $37.6m (2003 - $40.8m) was credited to finance costs (Note 4).

Borrowings amounting to $63.4m (2003 - $385.9m) are denominated in United States dollars. All other borrowings are denominated in local currencies.

Borrowings amounting to $759.0m (2003 - $790.7m) are secured by charges on the fixed and floating assets of the Group. The remaining loans are unsecured.

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Thousands of Trinidad and Tobago dollars

15 Medium and long term financing *(continued)*

Included in total borrowings are the present values of finance leases amounting to $13.8m (2003 - $7m). The minimum lease payments under these finance leases are as follows:

	2004	2003
Due not more than one year	3,512	1,161
Due in years two to five	10,745	4,647
Due after year five	2,450	3,611
Total minimum lease payments	16,707	9,419
Less: Finance charges	(2,953)	(2,407)
Total net present value	**13,754**	**7,012**

16 Stated capital

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

	2004	2003
Issued and fully paid		
249,765,136 (2003 - 249,765,136) ordinary shares of no par value	466,206	466,206

17 Deferred income

	2004	2003
Balance at 1st January	–	93,897
Exchange rate adjustment	–	(14,866)
Credit to other income (Note 3)	–	(11,851)
Set-off against purchase price of plant and equipment	–	(67,180)
Balance at 31st December	–	–

In August 1999, Caribbean Cement Company Limited entered into a sale and leaseback transaction with a third party involving certain of its plant and equipment. A gain, representing the difference between the net value of the assets and the sale proceeds, was realised and was being recognised on a straight line basis over ten years which was the term of the related operating lease.

In December 2003, the Group re-acquired the plant and equipment and as a consequence the unamortised portion of the gain at the date of acquisition was credited against the purchase price in Property, Plant and Equipment.

Thousands of Trinidad and Tobago dollars	2004	2003
18 Dividends		
Paid 2003 Final - 10¢ (2002 - 10¢)	24,977	24,977
Paid 2004 Interim - 8¢ (2003 - 8¢)	19,981	19,981
	44,958	**44,958**
19 Employee share ownership plan (ESOP)		
Number of shares held - unallocated (thousands)	5,643	6,123
Number of shares held - allocated (thousands)	3,673	3,352
	9,316	**9,475**
Fair value of shares held - unallocated	45,426	36,738
Fair value of shares held - allocated	29,568	20,112
	74,994	**56,850**
Cost of unallocated ESOP shares	**38,573**	**41,849**
Charge to earnings for shares allocated to employees	**698**	**829**

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, cash advances by the parent and by a third party financial institution loan to the ESOP that is guaranteed by the parent. The cost of the shares so acquired $38.6m (2003:$41.8m) which remain unallocated to employees have been recognised in shareholders' equity under 'Unallocated ESOP Shares' since 31st December, 2001. All future dealings in the shares will be credited against this account at fair value. The outstanding loan balance of $5.9m at 31st December, 2003 was fully repaid to the financial institution.

The fair value of shares was derived from the closing market price prevailing on the Trinidad and Tobago Stock Exchange at year end.

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Thousands of Trinidad and Tobago dollars

20 Contingent liabilities

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.

21 Cash from operations

	2004	2003
Profit before taxation	199,348	173,247
Adjustments to reconcile profit before taxation to net cash generated by operating activities:		
Depreciation	109,588	79,784
Amortisation of goodwill - net	–	5,388
Net finance cost	142,178	119,797
(Gain)/loss on disposal of plant and equipment	(2,924)	683
Foreign exchange rate adjustment	238	11,726
Net pension benefit credit	(4,981)	(5,477)
Pension plan contribution	(5,746)	(5,897)
Other non-cash credits/(charges)	1,100	(18,254)
	438,801	360,997
Changes in net current assets		
Increase in inventories	(6,670)	(49,528)
Increase in receivables and prepayments	(26,691)	(17,380)
Decrease in payables and accruals	(12,793)	(24,501)
	392,647	**269,588**

22 Operating lease commitments

Operating lease commitments:

	2004	2003
Year 2004	–	1,741
Year 2005	1,368	1,368
After 2005	790	790
	2,158	**3,899**

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Thousands of Trinidad and Tobago dollars

23 Capital commitments

The Group has approved capital commitments amounting to $12.6m (2003 - $1.9m).

24 Subsidiary undertakings

The Group's subsidiaries are as follows:

	Country of Incorporation	Ownership Level 2004	2003
Readymix (West Indies) Limited	Trinidad and Tobago	70%	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	42%	42%
TCL Trading Limited	Anguilla	100%	100%
TCL Service Limited	Nevis	100%	100%
TCL (Nevis) Limited	Nevis	100%	100%
Island Concrete N.V. (see note 9)	St. Maarten	70%	-
Island Concrete SARL (see note 9)	St. Martin	70%	-
TCL Guyana Inc.	Guyana	80%	-

In 2004, the Group established a company in Guyana that has not yet commenced trading.

25 Financial instruments

Fair value

The fair values of cash and bank balances, receivables, payables, current portion of financing and other liabilities approximate their carrying amounts due to the short term nature of these instruments.

The fair value approximates the carrying amounts for non-current investments.

The fair value of the long term portion of the fixed rate bond financing as at 31st December, 2004 is estimated to be $708.4m (2003: $837.3m) as compared to its carrying value of $657.3m (2003: $770.7 m).

Credit risk

The Group has no significant concentration of credit risk.

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Thousands of Trinidad and Tobago dollars	Cement 2004	Cement 2003	Concrete 2004	Concrete 2003	Packaging 2004	Packaging 2003	Group 2004	Group 2003

26 Financial Information By Segment

26.1 Business Segment Information

	Cement 2004	Cement 2003	Concrete 2004	Concrete 2003	Packaging 2004	Packaging 2003	Group 2004	Group 2003
REVENUE								
Total Sales	1,369,668	1,219,949	152,750	138,257	64,600	60,806	1,587,018	1,419,012
Inter-segment Sales	(203,371)	(212,872)	–	–	(53,747)	(50,469)	(257,118)	(263,341)
GROUP REVENUE	**1,166,297**	**1,007,077**	**152,750**	**138,257**	**10,853**	**10,337**	**1,329,900**	**1,155,671**
SEGMENT OPERATING PROFIT	252,212	223,823	7,393	9,692	11,190	10,686	270,795	244,201
Other income	–	–	–	–	–	–	33,303	19,755
GROUP OPERATING PROFIT							**304,098**	**263,956**
SEGMENT ASSETS	2,184,993	2,072,826	152,226	110,797	57,312	55,808	2,394,531	2,239,431
GROUP TOTAL ASSETS							**2,394,531**	**2,239,431**
SEGMENT LIABILITIES	1,225,335	1,254,514	88,925	55,738	18,556	23,577	1,332,816	1,333,829
GROUP TOTAL LIABILITIES							**1,332,816**	**1,333,829**
Expenditure on Property, Plant and Equipment	155,004	464,164	15,508	11,950	1,458	5,381	171,970	481,495
Expenditure on Equity Investments	–	–	12,884	–	–	–	12,884	–
Depreciation	96,549	70,141	10,687	7,472	2,352	2,171	109,588	79,784

31 December 2004

Thousands of Trinidad and Tobago dollars	Group Revenue 2004	Group Revenue 2003	Total Assets 2004	Total Assets 2003	Additions PP& E 2004	Additions PP& E 2003

26 Financial Information By Segment *(continued)*

26.2 Geographical Segment Information

	Group Revenue 2004	Group Revenue 2003	Total Assets 2004	Total Assets 2003	Additions PP& E 2004	Additions PP& E 2003
TRINIDAD and TOBAGO	428,606	417,358	1,394,611	1,003,251	88,759	37,934
JAMAICA	558,790	420,773	566,976	534,800	40,049	49,732
BARBADOS	149,739	133,556	365,549	337,867	33,441	30,023
OTHER COUNTRIES	192,765	183,984	67,395	363,513*	9,721	363,806
GROUP TOTAL	**1,329,900**	**1,155,671**	**2,394,531**	**2,239,431**	**171,970**	**481,495**

PP & E - Property, plant and equipment

* Total assets held in "Other countries" were impacted by the addition of plant assets of $363.8m and the disposal of fixed income securities of $385.4m.

Notes

Proxy Form

To: The Secretary
Trinidad Cement Limited
Southern Main Road
Claxton Bay
Trinidad & Tobago, W.I.

BLOCK CAPITALS PLEASE

I/We____

NAME(S) OF SHAREHOLDER(S)

of____

ADDRESS

being a Member/Members of the above named Company, hereby appoint the Chairman of the meeting or failing him,

Mr./Mrs.____

NAME OF PROXY

of____

ADDRESS

to be my/our Proxy to vote for me/us on my/our behalf at the Annual Meeting of the company to be held at 4:30 p.m. on the 6th April 2005 and any adjournment thereof.

____________________________ ____________

Signature of Shareholder(s) **Date**

PLEASE INDICATE WITH AN "X" IN THE SPACES BELOW HOW YOU WISH YOUR VOTES TO BE CAST.

RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS		
1 Election of Directors		
i Be it resolved that Mr. Keith Awong, who was appointed by the Board to fill a casual vacancy, be elected a director of the company in accordance with Clause 4.4.2 of the By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
ii Be it resolved that Mr. Ernest Williams be elected as a director of the company in accordance with Clause 4.6.1 of By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
iii Be it resolved that Mr. Brian Young be elected as a director of the company in accordance with Clause 4.6.1 of By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
iv Be it resolved that Dr. Rollin Bertrand be elected as a director of the company in accordance with Clause 4.6.1 of By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
2 Be it resolved that the Financial Statements for the year ended 31st December 2004 and the Reports of the Directors and Auditors thereon be adopted.	☐	☐
3 Be it resolved that Ernst & Young be appointed as the Auditors for the year 2005 and that the Board be authorised to fix their remuneration.	☐	☐

NOTES:

1 A member may appoint a proxy of his own choice. If such appointment is made, delete the words "the Chairman of the meeting" and insert the name of the person appointed proxy in the space provided.

2 Where a corporate member appoints a proxy, the form of proxy should be executed under seal or signed by some officer or attorney duly authorized.

3 If the form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.

4 To be valid this form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.

5 Any alterations made on this form should be initialled.

FOR OFFICIAL USE ONLY

Folio Number	Number of Shares

31 December 2004

Thousands of Trinidad and Tobago dollars

1 Incorporation and activities

The parent company is incorporated in the Republic of Trinidad and Tobago. The Group 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 parent company is Southern Main Road, Claxton Bay, Trinidad.

2 Significant accounting policies

a Basis of preparation

These financial statements are prepared under the historical cost convention, in accordance with International Financial Reporting Standards (IFRS).

The Group early adopted IFRS 3 "Business Combinations" in 2004. IFRS also requires the simultaneous adoption of the revised International Accounting Standards (IAS) 36 "Impairment of Assets" and IAS 38 "Intangible Assets". IFRS 3 requires prospective application after 30th March, 2004.

The early adoption of IFRS 3 resulted in a change in the accounting policy for goodwill, until 31st December, 2003:

- Goodwill was amortised on a straight line basis over a period ranging between fifteen (15) years and thirty (30) years; and
- Goodwill was assessed for an indication of impairment at each balance sheet date; and
- Negative goodwill was amortised over a period not exceeding fifteen (15) years.

In accordance with the provisions of IFRS 3:

- The Group ceased the amortisation of goodwill from 1st January, 2004; and
- From the year ended 31st December, 2004 onwards, goodwill is reviewed annually for impairment, as well as when there are indications of impairment; and
- The balance of negative goodwill was transferred directly to retained earnings.

b Basis of consolidation

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. All intercompany transactions and balances and unrealised surpluses and deficits on transactions between Group companies are eliminated. Separate disclosure is made of minority interest.

All assets and liabilities of the subsidiaries at the date of acquisition are stated at fair value.

2 Significant accounting policies *(continued)*

c Goodwill and negative goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the assets, liabilities and contingent liabilities of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisition is reported in the balance sheet as an intangible asset. At least annually, the asset is reviewed for impairment.

Where the cost of acquisition is less than the fair value of the Group's share of the assets, liabilities and contingent liabilities of the acquired subsidiary a the date of acquisition, the difference is negative goodwill which is written off immediately to the statement of earnings.

d Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. (See Note 7)

Depreciation is provided on the straight line 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.

Current rates of depreciation are:

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Leasehold land and improvements are amortised over the remaining term of the lease. 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 a fair value but the related land is stated at historical cost.

It is the Group's policy to capitalise interest on loans specific to capital projects during the period of construction. In 2004, the total capitalised interest was $1.4m (2003-nil). Repairs and renewals are expensed when the expenditure is incurred.

2 Significant accounting policies *(continued)*

e Investments

Unquoted equity investments, classified as long term, are stated at cost and provision is only made where, in the opinion of the directors, there is an impairment in value.

Fixed income held to maturity securities are carried at amortised cost using the effective interest rate method.

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.

g Foreign currencies

Transactions originating in foreign currencies are recorded in the reporting currencies of Group companies at the rates of exchange ruling at the dates of the transactions. Assets and liabilities in foreign currencies are translated at rates ruling at the balance sheet date. Differences arising therefrom are reflected in the current year's results.

Income statements of foreign entities are translated into the Group's reporting currency, Trinidad and Tobago dollars, at average exchange rates for the year and the balance sheets are translated at the year end exchange rates.

Exchange differences arising from the translation of the net investment in foreign subsidiaries at the balance sheet date are taken to the currency translation account in shareholders' equity in accordance with International Accounting Standard 21.

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.

31 December 2004

Thousands of Trinidad and Tobago dollars

2 Significant accounting policies *(continued)*

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, investments, receivables, trade creditors and borrowings and are stated at their approximate fair values determined in accordance with the policy statements disclosed.

Financial risk factors

The Group's 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 the unpredictability of financial markets. Overall risk management measures are focused on minimising the potential adverse effects on the financial performance of the Group from changes in financial markets and to the extent that hedging strategies are available and cost effective, they are utilised. Where financial risks cannot be fully hedged the Group remains so exposed with respect to its financial performance and position.

k 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.

2 Significant accounting policies *(continued)*

k Leases *(continued)*

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.

l Taxation

The Group recognises deferred taxation principally arising from differences between the book value and the tax base of assets and liabilities. Additionally, deferred taxation credits arising from available tax losses, which are reasonably expected to be utilised in the future are recognised. The resulting deferred tax asset or liability is accounted for using the liability method at the current corporation tax rate.

m 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 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 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 actuaries.

2 Significant accounting policies *(continued)*

n Revenue

Revenue, net of value added tax and discounts, 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.

o Trade receivables

Trade 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.

p Borrowings

Borrowings are recognised initially as the proceeds received net of transaction cost. 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 bonds.

q 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.

r Earnings per share

Earnings per share is computed by dividing net profit for the year by the weighted average number of ordinary shares in issue during the year.

s Cash and cash equivalents

Cash and cash equivalents include all cash and overdraft balances with maturities of less than three months from date of establishment.

t 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 costs incurred in administering the Plan and interest on a parent company guaranteed loan are recorded in the earnings statement of the parent company.

31 December 2004

Thousands of Trinidad and Tobago dollars

2 Significant accounting policies *(continued)*

u Use of estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3 Operating profit

	2004	2003
Revenue	1,329,900	1,155,671
Less expenses:		
Personnel remuneration and benefits	275,861	237,456
Other operating expenses	276,629	303,344
Fuel and electricity	230,416	198,078
Raw materials and consumables	142,105	135,594
Depreciation	109,588	79,784
Amortisation of goodwill - net	–	5,388
Changes in finished goods and work in progress	24,506	(48,174)
	270,795	244,201
Other income (see note below)	33,303	19,755
Operating profit	**304,098**	**263,956**
Personnel remuneration and benefits include:		
Salaries and wages	236,312	200,468
Other benefits	28,649	29,016
Statutory contributions	11,221	10,713
Pension costs - defined contribution plan	2,689	2,626
Termination benefits	1,971	110
Pension costs - defined benefit plans (Note 10a)	(4,981)	(5,477)
	275,861	**237,456**

The average number of permanent employees in 2004 was 1,193 (2003 - 1,112) whilst there were 173 (2003 - 234) part-time employees.

31 December 2004

Thousands of Trinidad and Tobago dollars

3 Operating profit *(continued)*

Operating profit is stated after deducting Directors' fees of:

	2004	2003
Directors' fees	1,568	1,100
Other income includes:		
Amortisation of gain from sale and leaseback of plant (Note 17)	–	11,851
Port rental	2,875	1,848
Delivery and trucking services	1,811	1,112
Gain/(loss) from disposal of property, plant and equipment	2,924	(683)
Miscellaneous income	25,693	5,627
	33,303	**19,755**

4 Finance costs - net

	2004	2003
Interest expense	143,883	168,255
Interest income	(1,705)	(48,458)
Accretion in value of bond redemption options (Note 15)	(37,666)	(40,814)
	104,512	78,983
Foreign currency exchange loss	238	11,726
	104,750	**90,709**

5 Taxation

a Taxation charge

	2004	2003
Deferred taxation from tax liability (Note 5c)	(5,283)	19,571
Current taxation	20,839	16,490
	15,556	**36,061**

b Reconciliation of applicable tax charge to effective tax charge

	2004	2003
Profit before taxation	**199,348**	**173,247**
Tax calculated at 30% (2003-30%)	59,804	51,974
Net effect of other charges and allowances	(5,685)	11,796
Impact of income not subject to tax	(15,257)	(29,945)
Tax losses not previously recognised (see note below)	(23,753)	–
Business and green fund levies	1,061	–
Change in estimate of previously reported charges	(783)	–
Effect of different tax rates outside Trinidad and Tobago	169	2,236
Effective taxation charge	**15,556**	**36,061**

31 December 2004

Thousands of Trinidad and Tobago dollars

5 Taxation *(continued)*

b Reconciliation of applicable tax charge to effective tax charge *(continued)*

Tax losses available for set off against future taxable profits at a subsidiary, Jamaica Gypsum and Quarries Limited, have now been recognised as a deferred tax asset as a result of the restructuring of the company's operations which are projected to utilise the tax losses against taxable profits over the next five years.

Arawak Cement Company Limited is exempt from the payment of corporation tax of up to a total of $30.9m (2003 - $37.0m) for the period 2005 to 2007.

Caribbean Cement Company Limited and its subsidiaries have tax losses of $59.3m (2003 - $92.5m) available for set off against future taxable profits.

Readymix (West Indies) Limited and its subsidiaries have tax losses of $8.1m (2003 - $1.1m) available for set off against future taxable profits. Of the tax losses available, $1.6m has not been recognised in these financial statements on the basis that the RML Group would not generate sufficient taxable profits before the tax losses expire.

c Deferred tax liability

	Accelerated Tax Depreciation	Tax Losses and Provisions	Total
Year ended 31st December, 2004			
Balance at 1st January	163,315	25,125	188,440
Exchange rate adjustment	(795)	191	(604)
Arising from acquisition	258	(1,657)	(1,399)
Charge/(credit) to earnings	26,476	(31,759)	(5,283)
Balance at 31st December, 2004	**189,254**	**(8,100)**	**181,154**
Year ended 31st December, 2003			
Balance at 1st January, 2003	176,682	(2,826)	173,856
Exchange rate adjustment	(10,417)	5,430	(4,987)
(Credit)/charge to earnings	(2,950)	22,521	19,571
Balance at 31st December, 2003	**163,315**	**25,125**	**188,440**

Thousands of Trinidad and Tobago dollars | 2004 | 2003

6 Earnings per share

	2004	2003
Net profit attributable to shareholders	162,271	121,441
Weighted average number of ordinary shares issued (thousands)	243,748	243,563
Earnings per share - basic and diluted (cents)	**67**	**50**

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. In accordance with best practice, the average number of unallocated shares of 6.017m (2003: 6.202m) 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.

31 December 2004

Thousands of Trinidad and Tobago dollars

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, 2004					
Cost	442,133	1,605,721	57,545	114,183	2,219,582
Accumulated depreciation	(101,730)	(587,643)	(46,366)	-	(735,739)
Net book amount	**340,403**	**1,018,078**	**11,179**	**114,183**	**1,483,843**
Net book amount					
1st January, 2004	345,053	1,024,962	13,417	34,227	1,417,659
Exchange rate adjustment	(3,219)	(2,529)	(74)	(273)	(6,095)
Additions	5,033	66,234	3,794	96,909	171,970
Additions from acquisition	3,572	7,219	319	-	11,110
Disposals and adjustments	952	14,578	(63)	(16,680)	(1,213)
Depreciation charge	(10,988)	(92,386)	(6,214)	-	(109,588)
31st December, 2004	**340,403**	**1,018,078**	**11,179**	**114,183**	**1,483,843**
At 31st December, 2003					
Cost	440,454	1,534,090	56,399	34,227	2,065,170
Accumulated depreciation	(95,401)	(509,128)	(42,982)	-	(647,511)
Net book amount	**345,053**	**1,024,962**	**13,417**	**34,227**	**1,417,659**
Net book amount					
1st January, 2003	395,055	737,482	18,428	16,051	1,167,016
Exchange rate adjustment	(41,605)	(31,112)	(1,168)	(1,480)	(75,365)
Additions	1,901	457,099	2,797	19,698	481,495
Disposals and adjustments	119	(75,845)	65	(42)	(75,703)
Depreciation charge	(10,417)	(62,662)	(6,705)	-	(79,784)
31st December, 2003	**345,053**	**1,024,962**	**13,417**	**34,227**	**1,417,659**

31 December 2004

Thousands of Trinidad and Tobago dollars	2004	2003
8 Investments		
Unquoted equity investments	50	50

9 Intangible assets

	Goodwill	Negative Goodwill	Total
Year ended 31st December, 2004			
Opening net book amount	215,357	(18,061)	197,296
Transfer to retained earnings	–	18,061	18,061
Goodwill from acquired subsidiaries	9,827	–	9,827
Closing net book amount	**225,184**	**–**	**225,184**
Cost	268,137	–	268,137
Accumulated amortisation	(42,953)	–	(42,953)
Net book amount	**225,184**	**–**	**225,184**
Year ended 31st December, 2003			
Opening net book amount	224,356	(21,672)	202,684
Amortisation for the year	(8,999)	3,611	(5,388)
Closing net book amount	**215,357**	**(18,061)**	**197,296**
Cost	258,310	(54,171)	204,139
Accumulated amortisation	(42,953)	36,110	(6,843)
Net book amount	**215,357**	**(18,061)**	**197,296**

With effect from 1st January, 2004, the Group adopted International Financial Reporting Standard (IFRS) 3. As required by IFRS 3, the amortisation of goodwill ceased and the balance of negative goodwill of $18.1m was transferred to retained earnings. This change was applied prospectively and therefore no adjustment of the prior period comparatives is required.

31 December 2004

Thousands of Trinidad and Tobago dollars

9 Intangible assets *(continued)*

Effective 1st July, 2004, Readymix (West Indies) Limited acquired 100% equity interest in two related companies, Island Concrete N.V. ("IC N.V.") and Island Concrete SARL ("IC SARL") located in St. Maarten, which are both engaged in the pre-mixed concrete business. Consideration was in the form of a cash payment of $15.6m for net tangible assets of $5.8m and goodwill of $9.8m. The net cash outlay for the investment amounted to $12.9m after deducting the cash of $2.7m held by the acquirees at the date of acquisition. The components of net tangible assets acquired are as follows:

	IC N.V. 2004	IC SARL 2004
Property, plant and equipment	9,261	1,849
Deferred tax asset	1,657	–
Inventories	510	–
Receivables	1,223	512
Cash	2,665	70
Payables and accruals	(7,768)	(170)
Medium term loans	(2,856)	(921)
Deferred tax liability	–	(240)
Net tangible assets	4,692	1,100
Cash consideration	(14,519)	(1,100)
Goodwill	**(9,827)**	**–**

The goodwill of $9.8m represents the excess of the purchase price over the fair value of the net tangible assets acquired. Included in the $9.8m of goodwill recognised above are certain intangible assets that cannot be individually separated and reliably measured from the acquiree due to their nature. Such assets include an established customer base that is available to the acquirees.

31 December 2004

Thousands of Trinidad and Tobago dollars

10 Pension plans and other post-retirement benefits

The numbers below are extracted from information supplied by independent actuaries.

a Amounts recognised in the statement of earnings in respect of pension costs

	2004	2003
Current service cost	12,090	8,959
Interest cost	21,105	19,828
Expected return on plan assets	(38,176)	(34,264)
Total, included in personnel remuneration and benefits (Note 3)	**(4,981)**	**(5,477)**
Actual return on plan assets	**146,105**	**105,708**

b Pension plan assets

The Trinidad Cement Limited Employees' Pension Fund Plan is sectionalised for funding purposes into three segments to provide retirement pensions to the retirees of Trinidad Cement Limited, TCL Packaging Limited and Readymix (West Indies) Limited. The segment relating to Trinidad Cement Limited has a funding surplus whilst the other two segments have funding deficits, shown in section c). The pension plan covering the employees of Arawak Cement Company Limited also has a funding surplus and is included in pension plan assets as follows:

The pension plan assets are derived as follows:

	2004	2003
Fair value of plan assets	590,575	446,139
Present value of funded obligations	(355,196)	(317,957)
	235,379	128,182
Unrecognised actuarial (gain)/loss	(88,388)	7,709
Pension plan assets	**146,991**	**135,891**

Movement in the pension plan assets

	2004	2003
Balance at 1st January	135,891	125,332
Balance at 1st January - pension plan liability	–	(411)
Total credits for the year	6,602	6,366
Contributions paid	4,498	4,604
Balance at 31st December	**146,991**	**135,891**

Thousands of Trinidad and Tobago dollars	2004	2003

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

c Pension plan obligations and other post-retirement liabilities

	2004	2003
Pension plan obligations	2,192	1,820
Termination benefit obligations	150	126
Retirees' medical benefit liabilities	5,341	4,216
	7,683	**6,162**

The pension plan obligations are derived as follows:

	2004	2003
Fair value of plan assets	12,933	8,902
Present value of funded obligations	(15,503)	(11,878)
	(2,570)	(2,976)
Unrecognised actuarial loss	378	1,156
Pension plan obligations	**(2,192)**	**(1,820)**

Movement in the pension plan obligations

	2004	2003
Balance at 1st January	(1,820)	(2,636)
Balance at 1st January - transferred to pension plan asset	–	411
Total expense for the year	(1,620)	(888)
Contributions paid	1,248	1,293
Pension plan obligations	**(2,192)**	**(1,820)**

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 actuary. The last such valuation was carried out as at 31st December, 2003 and the preliminary results revealed that the Trinidad Cement Limited section was in surplus by $100.2m but the TCL Packaging Limited and Readymix (West Indies) Limited sections were in deficit by $2.1m and $3.3m respectively. The recommended future service contribution rates as a percentage of salaries were 6%, 26.5% and 19.8% respectively. A roll-forward valuation, using assumptions indicated below, was done as at 31st December, 2004 for the sole purpose of preparing these financial statements.

31 December 2004

Thousands of Trinidad and Tobago dollars

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

c Pension plan obligations and other post-retirement liabilities *(continued)*

Principal actuarial assumptions used for Trinidad Cement Limited Employees' Pension Fund Plan:

	2004	2003
Discount rate	6.5%	8.0%
Expected return on plan assets	8.5%	8.5%
Rate of future salary increases	5.5%	5.5%
Rate of future pension increases	2.0%	2.0%

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 carried out at September 2000 and established an unfunded liability in respect of past service cost of $2.2m. The actuary has recommended that the company and employees fund this liability and future service benefits at 7% of members' earnings. A roll-forward valuation, using assumptions indicated below, was done as at 31st December, 2004 for the sole purpose of preparing these financial statements.

Principal actuarial assumptions used for Arawak Cement Company Limited Pension Plan:

Discount rate	6.0%	6.5%
Expected return on plan assets	6.0%	6.5%
Rate of future salary increases	5.0%	5.5%
Rate of future pension increases	2.0%	NIL
Future changes in national insurance ceiling	2.5%	NIL

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

31 December 2004

Thousands of Trinidad and Tobago dollars	2004	2003
11 Inventories		
Plant spares	141,302	118,679
Raw materials and work in progress	93,075	122,173
Consumables	69,218	57,858
Finished goods	34,974	32,676
	338,569	**331,386**
12 Receivables and prepayments		
Trade receivables	99,955	82,967
Less: provision for doubtful debts	(6,461)	(4,678)
Trade receivables (net)	93,494	78,289
Sundry receivables and prepayments	40,737	31,617
Deferred expenditure	10,989	6,899
Taxation recoverable	4,663	5,132
	149,883	**121,937**
13 Bank advances		
Bankers' acceptances and other advances	61,450	21,875
Overdraft	24,846	99,052
	86,296	**120,927**

Bank advances of $14.5m are secured by certain fixed assets of the Group, all remaining 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 3.7% to 22% per annum. The 22% rate of interest relates to overdraft borrowings by the subsidiary in Jamaica.

	2004	2003
14 Payables and accruals		
Sundry payables and accruals	132,519	127,139
Trade payables	48,050	53,508
Statutory obligations - Jamaica Subsidiary	2,428	4,921
Taxation payable	18,527	457
	201,524	**186,025**

Thousands of Trinidad and Tobago dollars	2004	2003
15 Medium and long term financing		
Maturity of borrowings:		
One year	105,212	61,498
Two years	112,177	96,527
Three years	62,360	61,695
Four years	347,365	58,011
Five years and over	220,945	554,544
	848,059	832,275
Current portion	(105,212)	(61,498)
	742,847	**770,777**
Type of borrowings:		
Bonds	744,234	790,737
Bank term loans	90,071	34,526
Finance lease obligations	13,754	7,012
	848,059	**832,275**
Currency denomination of borrowings		
US dollar	63,411	385,938
Local currencies	784,648	446,337
	848,059	**832,275**
Interest rate profile		
Fixed rates	835,459	807,436
Floating rates	12,600	24,839
	848,059	**832,275**
The weighted average effective interest rate for medium and long term financing is:	10.21%	12.46%

The bonds with present value of $401.8m carry options to redeem the principal amounts at discounted values prior to their maturity dates. The difference between the bond proceeds and their discounted value is recognised in the statement of earnings over the period of the borrowings. For the year 2004, an amount of $37.6m (2003 - $40.8m) was credited to finance costs (Note 4).

Borrowings amounting to $63.4m (2003 - $385.9m) are denominated in United States dollars. All other borrowings are denominated in local currencies.

Borrowings amounting to $759.0m (2003 - $790.7m) are secured by charges on the fixed and floating assets of the Group. The remaining loans are unsecured.

31 December 2004

Thousands of Trinidad and Tobago dollars

15 Medium and long term financing *(continued)*

Included in total borrowings are the present values of finance leases amounting to $13.8m (2003 - $7m). The minimum lease payments under these finance leases are as follows:

	2004	2003
Due not more than one year	3,512	1,161
Due in years two to five	10,745	4,647
Due after year five	2,450	3,611
Total minimum lease payments	16,707	9,419
Less: Finance charges	(2,953)	(2,407)
Total net present value	**13,754**	**7,012**

16 Stated capital

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

Issued and fully paid		
249,765,136 (2003 - 249,765,136) ordinary shares of no par value	**466,206**	**466,206**

17 Deferred income

Balance at 1st January	–	93,897
Exchange rate adjustment	–	(14,866)
Credit to other income (Note 3)	–	(11,851)
Set-off against purchase price of plant and equipment	–	(67,180)
Balance at 31st December	–	–

In August 1999, Caribbean Cement Company Limited entered into a sale and leaseback transaction with a third party involving certain of its plant and equipment. A gain, representing the difference between the net value of the assets and the sale proceeds, was realised and was being recognised on a straight line basis over ten years which was the term of the related operating lease.

In December 2003, the Group re-acquired the plant and equipment and as a consequence the unamortised portion of the gain at the date of acquisition was credited against the purchase price in Property, Plant and Equipment.

31 December 2004

Thousands of Trinidad and Tobago dollars	2004	2003

18 Dividends

	2004	2003
Paid 2003 Final - 10¢ (2002 - 10¢)	24,977	24,977
Paid 2004 Interim - 8¢ (2003 - 8¢)	19,981	19,981
	44,958	**44,958**

19 Employee share ownership plan (ESOP)

	2004	2003
Number of shares held - unallocated (thousands)	5,643	6,123
Number of shares held - allocated (thousands)	3,673	3,352
	9,316	**9,475**
Fair value of shares held - unallocated	45,426	36,738
Fair value of shares held - allocated	29,568	20,112
	74,994	**56,850**
Cost of unallocated ESOP shares	**38,573**	**41,849**
Charge to earnings for shares allocated to employees	698	829

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, cash advances by the parent and by a third party financial institution loan to the ESOP that is guaranteed by the parent. The cost of the shares so acquired $38.6m (2003:$41.8m) which remain unallocated to employees have been recognised in shareholders' equity under 'Unallocated ESOP Shares' since 31st December, 2001. All future dealings in the shares will be credited against this account at fair value. The outstanding loan balance of $5.9m at 31st December, 2003 was fully repaid to the financial institution.

The fair value of shares was derived from the closing market price prevailing on the Trinidad and Tobago Stock Exchange at year end.

31 December 2004

Thousands of Trinidad and Tobago dollars

20 Contingent liabilities

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.

21 Cash from operations

	2004	2003
Profit before taxation	199,348	173,247
Adjustments to reconcile profit before taxation to net cash generated by operating activities:		
Depreciation	109,588	79,784
Amortisation of goodwill - net	–	5,388
Net finance cost	142,178	119,797
(Gain)/loss on disposal of plant and equipment	(2,924)	683
Foreign exchange rate adjustment	238	11,726
Net pension benefit credit	(4,981)	(5,477)
Pension plan contribution	(5,746)	(5,897)
Other non-cash credits/(charges)	1,100	(18,254)
	438,801	360,997
Changes in net current assets		
Increase in inventories	(6,670)	(49,528)
Increase in receivables and prepayments	(26,691)	(17,380)
Decrease in payables and accruals	(12,793)	(24,501)
	392,647	**269,588**

22 Operating lease commitments

Operating lease commitments:

	2004	2003
Year 2004	–	1,741
Year 2005	1,368	1,368
After 2005	790	790
	2,158	**3,899**

31 December 2004

Thousands of Trinidad and Tobago dollars

23 Capital commitments

The Group has approved capital commitments amounting to $12.6m (2003 - $1.9m).

24 Subsidiary undertakings

The Group's subsidiaries are as follows:

	Country of Incorporation	Ownership Level 2004	2003
Readymix (West Indies) Limited	Trinidad and Tobago	70%	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	42%	42%
TCL Trading Limited	Anguilla	100%	100%
TCL Service Limited	Nevis	100%	100%
TCL (Nevis) Limited	Nevis	100%	100%
Island Concrete N.V. (see note 9)	St. Maarten	70%	-
Island Concrete SARL (see note 9)	St. Martin	70%	-
TCL Guyana Inc.	Guyana	80%	-

In 2004, the Group established a company in Guyana that has not yet commenced trading.

25 Financial instruments

Fair value

The fair values of cash and bank balances, receivables, payables, current portion of financing and other liabilities approximate their carrying amounts due to the short term nature of these instruments.

The fair value approximates the carrying amounts for non-current investments.

The fair value of the long term portion of the fixed rate bond financing as at 31st December, 2004 is estimated to be $708.4m (2003: $837.3m) as compared to its carrying value of $657.3m (2003: $770.7 m).

Credit risk

The Group has no significant concentration of credit risk.

Thousands of Trinidad and Tobago dollars	Cement 2004	Cement 2003	Concrete 2004	Concrete 2003	Packaging 2004	Packaging 2003	Group 2004	Group 2003

26 Financial Information By Segment

26.1 Business Segment Information

	Cement 2004	Cement 2003	Concrete 2004	Concrete 2003	Packaging 2004	Packaging 2003	Group 2004	Group 2003
REVENUE								
Total Sales	1,369,668	1,219,949	152,750	138,257	64,600	60,806	1,587,018	1,419,012
Inter-segment Sales	(203,371)	(212,872)	–	–	(53,747)	(50,469)	(257,118)	(263,341)
GROUP REVENUE	**1,166,297**	**1,007,077**	**152,750**	**138,257**	**10,853**	**10,337**	**1,329,900**	**1,155,671**
SEGMENT OPERATING PROFIT	252,212	223,823	7,393	9,692	11,190	10,686	270,795	244,201
Other income	–	–	–	–	–	–	33,303	19,755
GROUP OPERATING PROFIT							**304,098**	**263,956**
SEGMENT ASSETS	2,184,993	2,072,826	152,226	110,797	57,312	55,808	2,394,531	2,239,431
GROUP TOTAL ASSETS							**2,394,531**	**2,239,431**
SEGMENT LIABILITIES	1,225,335	1,254,514	88,925	55,738	18,556	23,577	1,332,816	1,333,829
GROUP TOTAL LIABILITIES							**1,332,816**	**1,333,829**
Expenditure on Property, Plant and Equipment	155,004	464,164	15,508	11,950	1,458	5,381	171,970	481,495
Expenditure on Equity Investments	–	–	12,884	–	–	–	12,884	–
Depreciation	96,549	70,141	10,687	7,472	2,352	2,171	109,588	79,784

Thousands of Trinidad and Tobago dollars	Group Revenue 2004	Group Revenue 2003	Total Assets 2004	Total Assets 2003	Additions PP& E 2004	Additions PP& E 2003

26 Financial Information By Segment *(continued)*

26.2 Geographical Segment Information

	Group Revenue 2004	Group Revenue 2003	Total Assets 2004	Total Assets 2003	Additions PP& E 2004	Additions PP& E 2003
TRINIDAD and TOBAGO	428,606	417,358	1,394,611	1,003,251	88,759	37,934
JAMAICA	558,790	420,773	566,976	534,800	40,049	49,732
BARBADOS	149,739	133,556	365,549	337,867	33,441	30,023
OTHER COUNTRIES	192,765	183,984	67,395	363,513*	9,721	363,806
GROUP TOTAL	**1,329,900**	**1,155,671**	**2,394,531**	**2,239,431**	**171,970**	**481,495**

PP & E - Property, plant and equipment

* Total assets held in "Other countries" were impacted by the addition of plant assets of $363.8m and the disposal of fixed income securities of $385.4m.

Notes

Proxy Form

To: The Secretary
Trinidad Cement Limited
Southern Main Road
Claxton Bay
Trinidad & Tobago, W.I.

BLOCK CAPITALS PLEASE

I/We____

NAME(S) OF SHAREHOLDER(S)

of____

ADDRESS

being a Member/Members of the above named Company, hereby appoint the Chairman of the meeting or failing him,

Mr./Mrs.____

NAME OF PROXY

of____

ADDRESS

to be my/our Proxy to vote for me/us on my/our behalf at the Annual Meeting of the company to be held at 4:30 p.m. on the 6th April 2005 and any adjournment thereof.

________________________ ____________

Signature of Shareholder(s) **Date**

PLEASE INDICATE WITH AN "X" IN THE SPACES BELOW HOW YOU WISH YOUR VOTES TO BE CAST.

RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS		
1 Election of Directors		
i Be it resolved that Mr. Keith Awong, who was appointed by the Board to fill a casual vacancy, be elected a director of the company in accordance with Clause 4.4.2 of the By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
ii Be it resolved that Mr. Ernest Williams be elected as a director of the company in accordance with Clause 4.6.1 of By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
iii Be it resolved that Mr. Brian Young be elected as a director of the company in accordance with Clause 4.6.1 of By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
iv Be it resolved that Dr. Rollin Bertrand be elected as a director of the company in accordance with Clause 4.6.1 of By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
2 Be it resolved that the Financial Statements for the year ended 31st December 2004 and the Reports of the Directors and Auditors thereon be adopted.	☐	☐
3 Be it resolved that Ernst & Young be appointed as the Auditors for the year 2005 and that the Board be authorised to fix their remuneration.	☐	☐

NOTES:

1 A member may appoint a proxy of his own choice. If such appointment is made, delete the words "the Chairman of the meeting" and insert the name of the person appointed proxy in the space provided.

2 Where a corporate member appoints a proxy, the form of proxy should be executed under seal or signed by some officer or attorney duly authorized.

3 If the form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.

4 To be valid this form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.

5 Any alterations made on this form should be initialled.

FOR OFFICIAL USE ONLY

Folio Number	Number of Shares