ANNUAL REPORT 2005

TCL GROUP

ONE CARIBBEAN... ONE COMPANY

VISION STATEMENT

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

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

MISSION STATEMENT

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

TCL NOTICE OF ANNUAL MEETING

Notice is hereby given that the ANNUAL MEETING of TRINIDAD CEMENT LIMITED for the year ended 31st December 2005 will be held at the Training Room, TCL Compound, Southern Main Road, Claxton Bay, on 4th July 2006 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 2005, 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.

NOTE

Proxies

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

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

BY ORDER OF THE BOARD

ALAN NOBIE
Secretary

13th June 2006

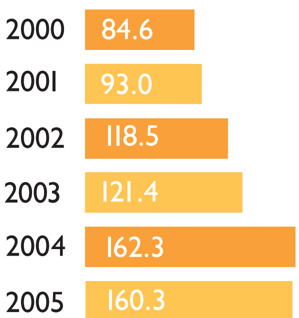
TEN YEAR CONSOLIDATED FINANCIAL SUMMARY

	UOM	1996	1997	1998	1999	2000
Group Third Party Revenue	TT$m	364.2	446.8	548.7	836.1	1,097.0
Operating Profit	TT$m	100.4	134.5	163.1	231.3	261.9
Group Profit before Taxation	TT$m	77.9	102.7	116.9	102.9	138.5
Group Profit attributable to Shareholders	TT$m	73.0	74.6	85.2	70.2	84.6
Foreign Exchange Earnings	TT $m	138.6	160.7	186.8	189.1	183.4
EPS	TT$	0.36	0.37	0.41	0.34	0.38
Ordinary Dividend per Share	TT$	0.12	0.15	0.16	0.12	0.16
Issued Share Capital - Ordinary	TT $m	200.0	200.0	267.7	267.7	466.2
Issued Share Capital - Preference	TT$m	13.8	-	-	-	-
Shareholders' Equity	TT$m	340.8	311.8	389.8	475.7	715.1
Group Equity	TT$m	390.6	359.4	435.9	729.9	943.1
Total Assets	TT $m	780.9	860.6	983.0	2,471.5	2,403.2
Net Assets per Share	TT$	1.95	1.80	2.08	3.48	3.78
Return on Shareholders' Equity	%	21.4	23.9	24.3	16.2	14.2
Share Price (Dec 31)	TT$	4.12	7.50	5.68	4.35	4.50
No. of Shares Outstanding (Dec 31)	'000	200,000	200,000	209,480	209,480	249,765
Market Capitalisation (Dec 31)	TT$	824,000	1,500,000	1,189,846	911,238	1,123,942
Long Term Debt	TT$m	274.3	268.7	327.0	1,240.1	917.7
Long Term Debt/Equity Ratio	%	70.2	84.0	81.8	220.7	113.8

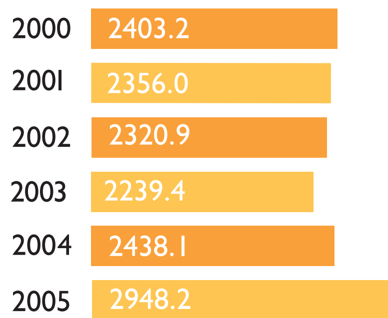
	UOM	2001	2002	2003	2004	2005
Group Third Party Revenue	TT$m	1,054.0	1,131.8	1,155.7	1,329.9	**1429.8**
Operating Profit	TT$m	228.3	246.7	264.0	304.1	**183.9**
Group Profit before Taxation	TT$m	139.8	160.3	173.2	199.3	**86.8**
Group Profit attributable to Shareholders	TT$m	93.0	118.5	121.4	162.3	**160.3**
Foreign Exchange Earnings	TT $m	176.3	176.2	184.0	192.8	**162.3**
EPS	TT$	0.37	0.49	0.50	0.67	**0.66**
Ordinary Dividend per Share	TT$	0.14	0.18	0.18	0.20	**0.15**
Issued Share Capital - Ordinary	TT $m	466.2	466.2	466.2	466.2	**466.2**
Issued Share Capital - Preference	TT$m	-	-	-	-	**-**
Shareholders' Equity	TT$m	699.0	765.3	804.4	939.4	**1,031.8**
Group Equity	TT$m	913.5	960.8	905.6	1,061.7	**1,139.1**
Total Assets	TT $m	2,356.0	2,320.9	2,239.4	2,438.1	**2,948.2**
Net Assets per Share	TT$	3.66	3.85	3.63	4.25	**4.56**
Return on Shareholders' Equity	%	13.2	16.2	15.5	18.6	**15.5**
Share Price (Dec 31)	TT$	3.65	5.70	6.00	8.05	**10.0**
No. of Shares Outstanding (Dec 31)	'000	249,765	249,765	249,765	249,765	**249,765**
Market Capitalisation (Dec 31)	TT$	911,642	1,423,660	1,498,590	2,010,608	**2,497,650**
Long Term Debt	TT$m	918.4	844.4	770.8	742.8	**1,114.5**
Long Term Debt/Equity Ratio	%	115.1	97.4	85.1	70.0	**97.8**

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

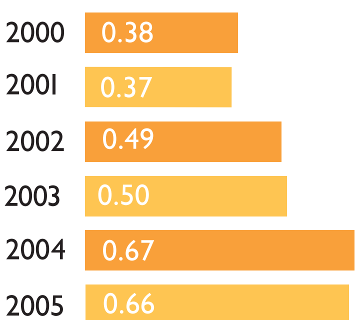
Profit attributable to Shareholders ($M)



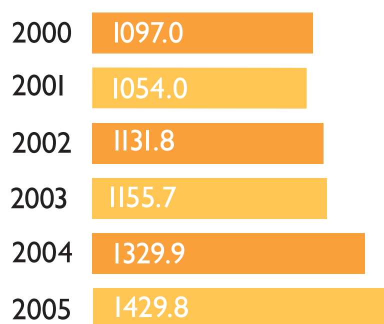
Total Assets ($M)



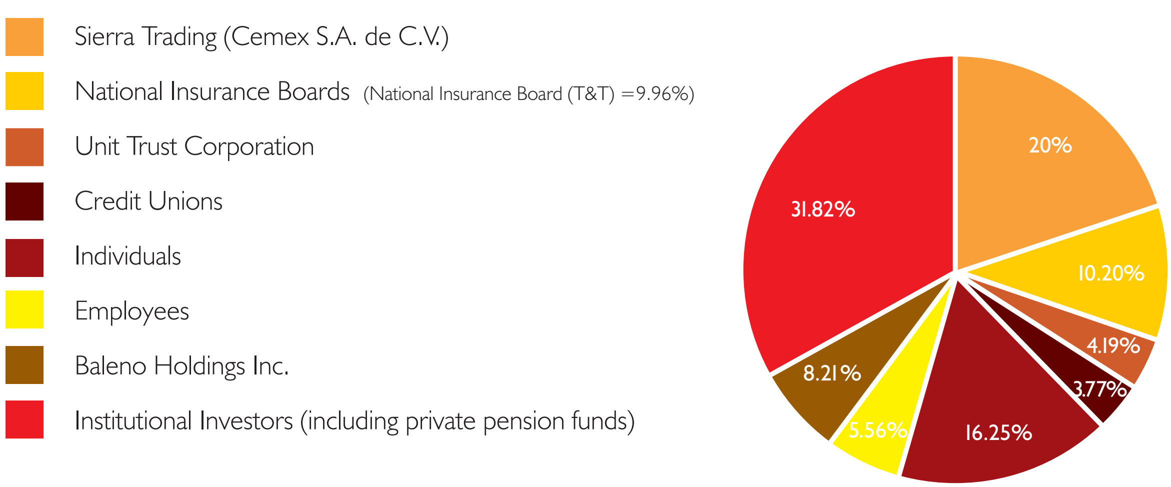
Earnings per Share ($)



Group Revenue (TT $M)



DISTRIBUTION OF SHAREHOLDING



GROUP PERFORMANCE HIGHLIGHTS

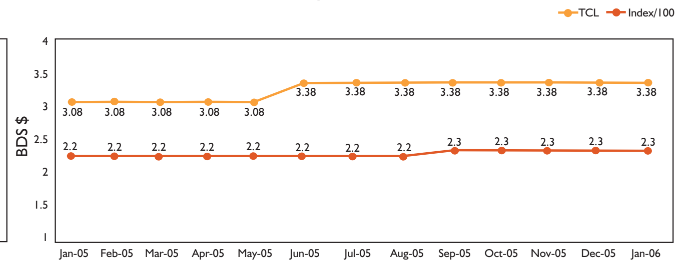
				2004	2005	% Change
INCOME STATEMENT						
Group Third Party Revenue $m				1,329.91	**1,429.8**	7.5
Group Profit attributable to Shareholders $m				162.3	**160.3**	(1.2)
Foreign exchange earnings $m				192.8	**162.3**	(15.8)
BALANCE SHEET						
Total Assets $m				2,438.1	**2,948.2**	21.0
Shareholders' Equity $m				939.4	**1,031.8**	9.8
Net Assets per Share $				4.25	**4.56**	7.3
Long Term Debt $m				742.8	**1,114.5**	(50.0)
Long Term Debt to Equity Ratio %				70.0	**97.8**	(54.3)
OPERATIONAL HIGHLIGHTS						
TCL	Cement production		'000 tonnes	768.5	**690.5**	(10.2)
	Cement sales	- Local	"	525.0	**565.3**	7.7
		- Export	"	244.8	**136.6**	(44.2)
		- Total	"	769.7	**701.9**	(8.8)
	Cement dumped in Trinidad		"	-	**-**	-
CCCL	Cement production		'000 tonnes	808.1	**844.8**	4.6
	Cement sales	- Local	"	800.4	**862.4**	7.8
		- Export	"	3.5	**2.8**	20.0
		- Total	"	803.9	**865.2**	7.6
	Cement dumped in Jamaica		"	62.0	**-**	100.0
ACCL	Cement production		'000 tonnes	322.3	**340.7**	5.7
	Cement sales	- Local	"	147.0	**165.2**	12.4
		- Export	"	174.6	**178.1**	2.0
		- Total	"	321.6	**343.3**	6.7
TPL	Paper sack production		millions	41.4	**40.6**	(1.9)
	Paper sack sales		"	38.7	**36.7**	(5.2)
TPM	Sling production		thousands	371.3	**393.2**	5.9
	Sling sales		"	385.5	**395.9**	2.6
	Sling bag production		"	20.4	**21.5**	(13.7)
	Sling bag sales		"	20.4	**23.2**	13.7
RML	Concrete sales - T&T		'000m3	256.2	**223.3**	(5.1)
PPCI	Concrete sales - BDS		"	21.2	**24.8**	(17.0)
ICP	Concrete sales - St. Maarten		"	-	**23.5**	100.0
JGQ	Gypsum sales		'000 tonnes	252.3	**316.6**	25.5

SHARE PERFORMANCE

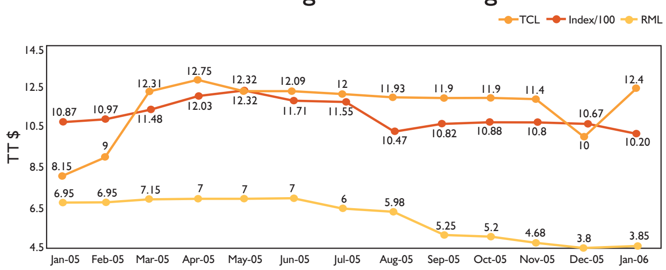
Trading Volumes (thousand shares)

		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	13mnth Total	13mnth %
T'dad	TCL	225	58	741	3,428	1,069	531	694	360	842	182	217	675	438	9,490	4.8
	RML	2	11	1	6	-	3	3	-	6	21	6	102	106	267	8.9
J'ca	TCL	-	200	200	200	-	-	-	150,000	-	-	-	6	-	150,606	
	CCCL	4,371	723	3,960	3,400	4,188	1,990	565	1,248	175	200	2,222	1,600	1,980	23,021	10.4
B'dos	TCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

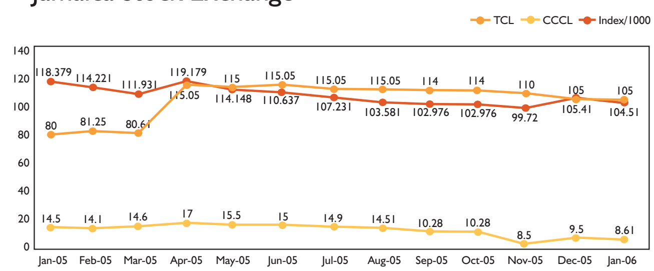
Barbados Stock Exchange



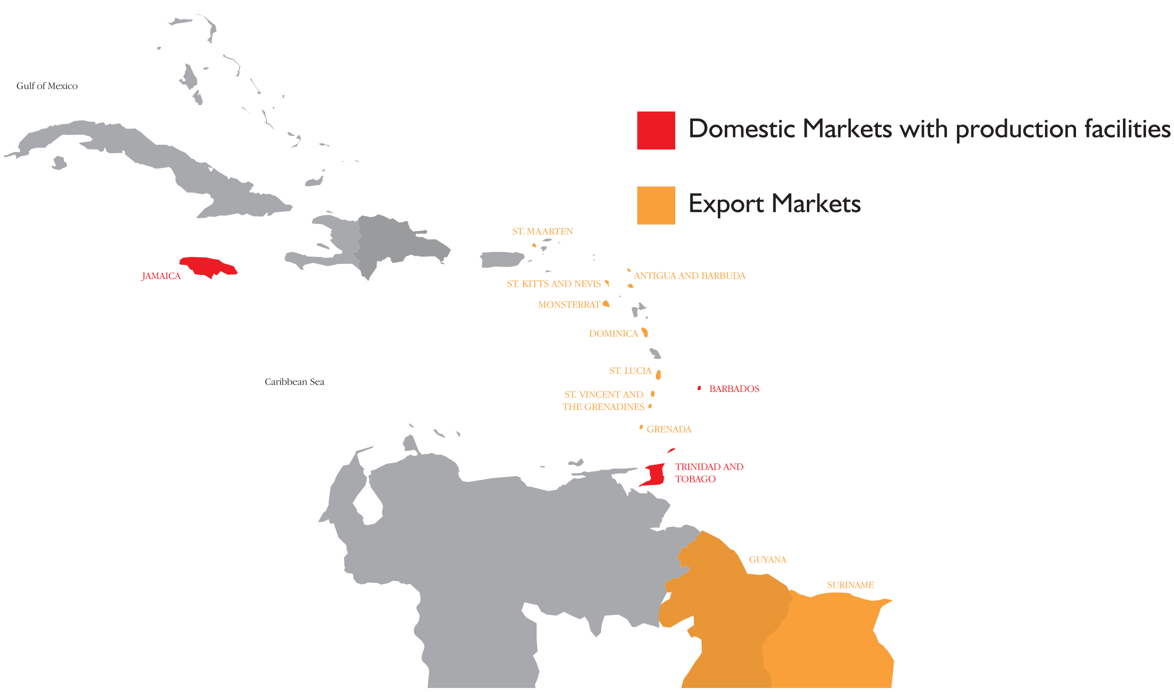
Trinidad and Tobago Stock Exchange



Jamaica Stock Exchange



GROUP DOMESTIC TERRITORIES AND EXPORT MARKETS



TCL GROUP - BOARD SUB-COMMITTEES

GOVERNANCE COMMITTEE

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

HUMAN RESOURCE COMMITTEE

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

TECHNICAL COMMITTEE

Members:	Mr. E. Williams	*Chairman*
	Dr. R. Bertrand	*Group CEO*
	Mr. K. Awong	
	Mr. H. Ferreira	*Group Manufacturing Development Manager*
	Mr. A.K. Goyal	*General Manager - TCL*
	Mr. Y. Omar	
	Mr. P. Stockhausen	*CCCL Director*

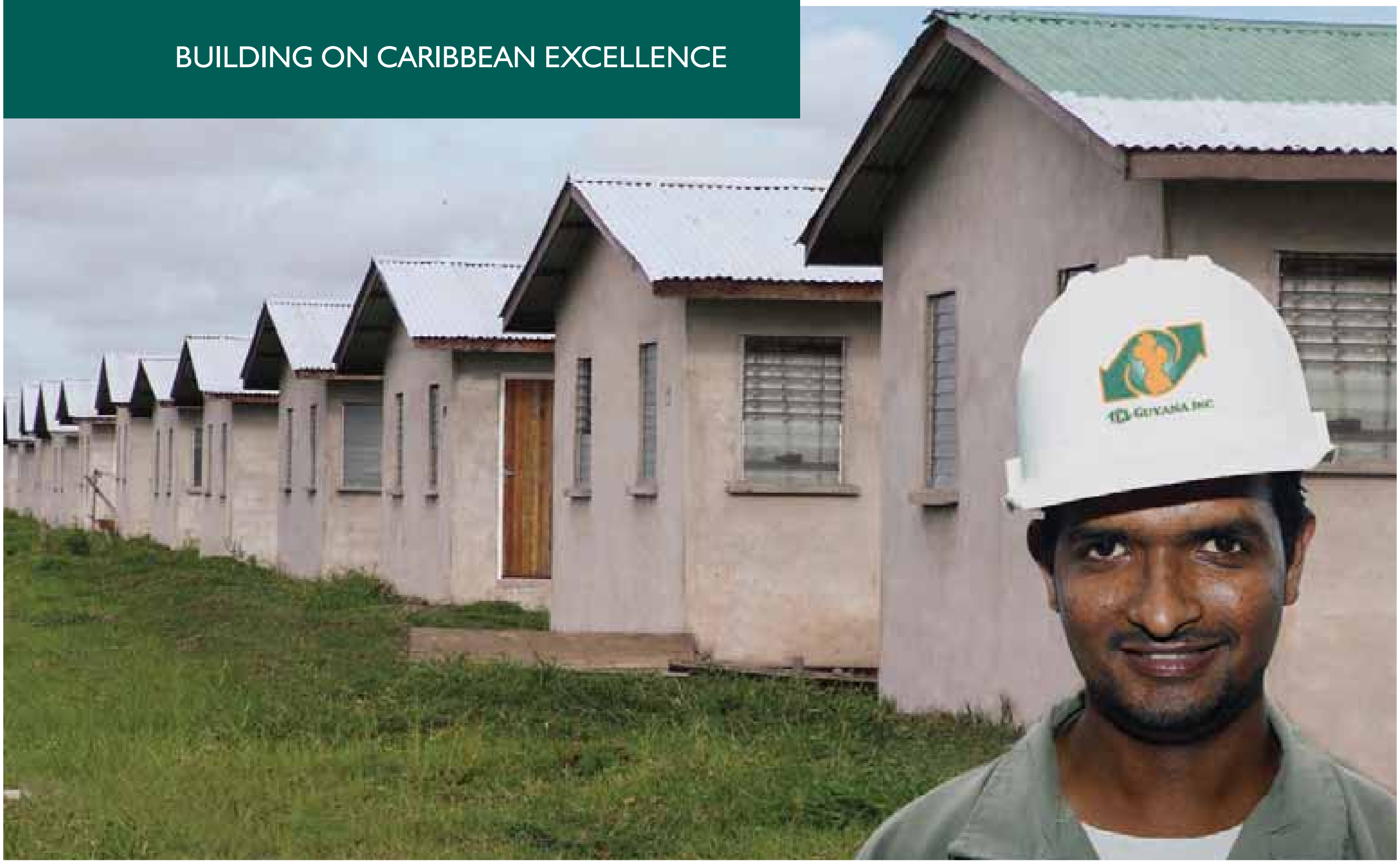
MARKETING COMMITTEE

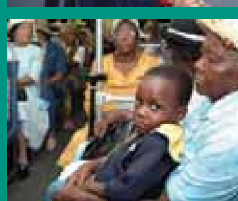
Members:	Mr. L. Navarro	*Chairman*
	Dr. R. Bertrand	*Group CEO*
	Mr. E. Williams	
	GM-International Business and Marketing	

TCL BOARD OPERATING COMMITTEE

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

BUILDING ON CARIBBEAN EXCELLENCE





As the TCL Group continues to build recognition as a valued contributor to the economic landscape of the region, we remain committed to the responsibility of good corporate citizenship.

Deeply entrenched in our corporate philosophy is community outreach, primarily in the areas of housing, sport, youth and education and culture development. In 2006, we proudly celebrate 25 years of partnership with the Skiffle Bunch Steel Orchestra. Our alliance with Habitat for Humanity, West Indies Under-19 Cricket and our UWI scholarship programme are but a few of the Group's community undertakings. We promote a corporate culture of respect and care and are proud of the foundations we have laid with the communities within which we operate.

BOARD OF DIRECTORS

from left to right

Andy J. Bhajan
Ernest Williams
Jeffrey McFarlane
Leopoldo Navarro
Eutrice Carrington
Keith Awong
Dr. Rollin Bertrand
Brian Young
Yusuff Omar

BOARD OF DIRECTORS

ANDY J. BHAJAN
Chairman, Trinidad Cement Limited

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

Mr. Bhajan is an Attorney at Law who operates his own law firm in Trinidad. He is an appointed Alderman at the San Fernando City Corporation and a member of the Law Association of Trinidad and Tobago.

DR. ROLLIN BERTRAND
Group Chief Executive Officer, Director, Trinidad Cement Limited

Dr. Bertrand is the Chief Executive Officer of the TCL Group. 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), Carib Ceramics Limited and the Trinidad and Tobago Stock Exchange.

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 Chairman of WASA.

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.

KEITH AWONG
Director, Trinidad Cement Limited

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.

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 and MSc in Economics. Her career in investments spans a period of fourteen 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 has 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.

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

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 (TCL, CCCL and Arawak) 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; Chairman, 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

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, Trade Winds Limited, RBTT Bank (Jamaica) Limited and has recently been appointed Chairman of Cool Petroleum Limited.

CORPORATE INFORMATION

BOARD OF DIRECTORS OF TRINIDAD CEMENT LIMITED
Mr. Andy J. Bhajan - *Chairman*
Mr. Keith Awong
Dr. Rollin Bertrand
Ms. Eutrice Carrington
Mr. Jeffrey McFarlane
Mr. Leopoldo Navarro
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: (868) 659-0787/88/0800
Fax: (868) 659-0818

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

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

STOCK EXCHANGES
ON WHICH THE COMPANY IS LISTED
Barbados Stock Exchange
1st Floor, Carlisle House
Hincks Street, Bridgetown
Barbados, W.I.

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

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

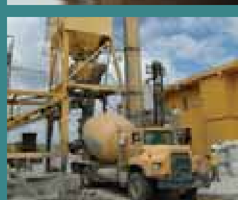
ATTORNEYS-AT-LAW
The Law Offices of Dr. Claude Denbow S.C.
13-15 St. Vincent Street, Port of Spain
Trinidad & Tobago, W.I.

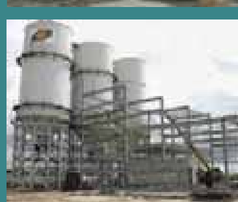
M.G. Daly and Partners
115A Abercromby Street
Port of Spain
Trinidad & Tobago, W.I.

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

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

BUILDING ON A STRONG FOUNDATION





Today, as a premier partner in regional development, we are constantly challenged to satisfy the demands of a buoyant market.

We continue to diversify and expand our core operations through plant modernisation, expansion and the development of strategic partnerships with recognised international companies, geared towards increasing output and improving efficiency and environmental safety performance.

As stakeholders ourselves, we are dedicated to ensuring pollution prevention, compliance with environmental legislation and resource conservation. We have established an Environmental Management System with the pledge to maintain health, safety and the environment as a priority in our decision-making.

GROUP EXECUTIVE COMMITTEE

from left to right

Earlington Barrett, *Group Energy Optimisation Manager*

Courtney McNish, *Group Human Resource Manager*

Manan Deo, *General Manager - Readymix (W.I.) Limited*

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

Satnarine Bachew, *General Manager - Arawak Cement Company Limited*

Hollis N. Hosein, *Group Finance Manager*

Arun K. Goyal, *General Manager - Trinidad Cement Limited*

F. L. Anthony Haynes, *General Manager - Caribbean Cement Company Limited*

Dr. Rollin Bertrand, *Group Chief Executive Officer*

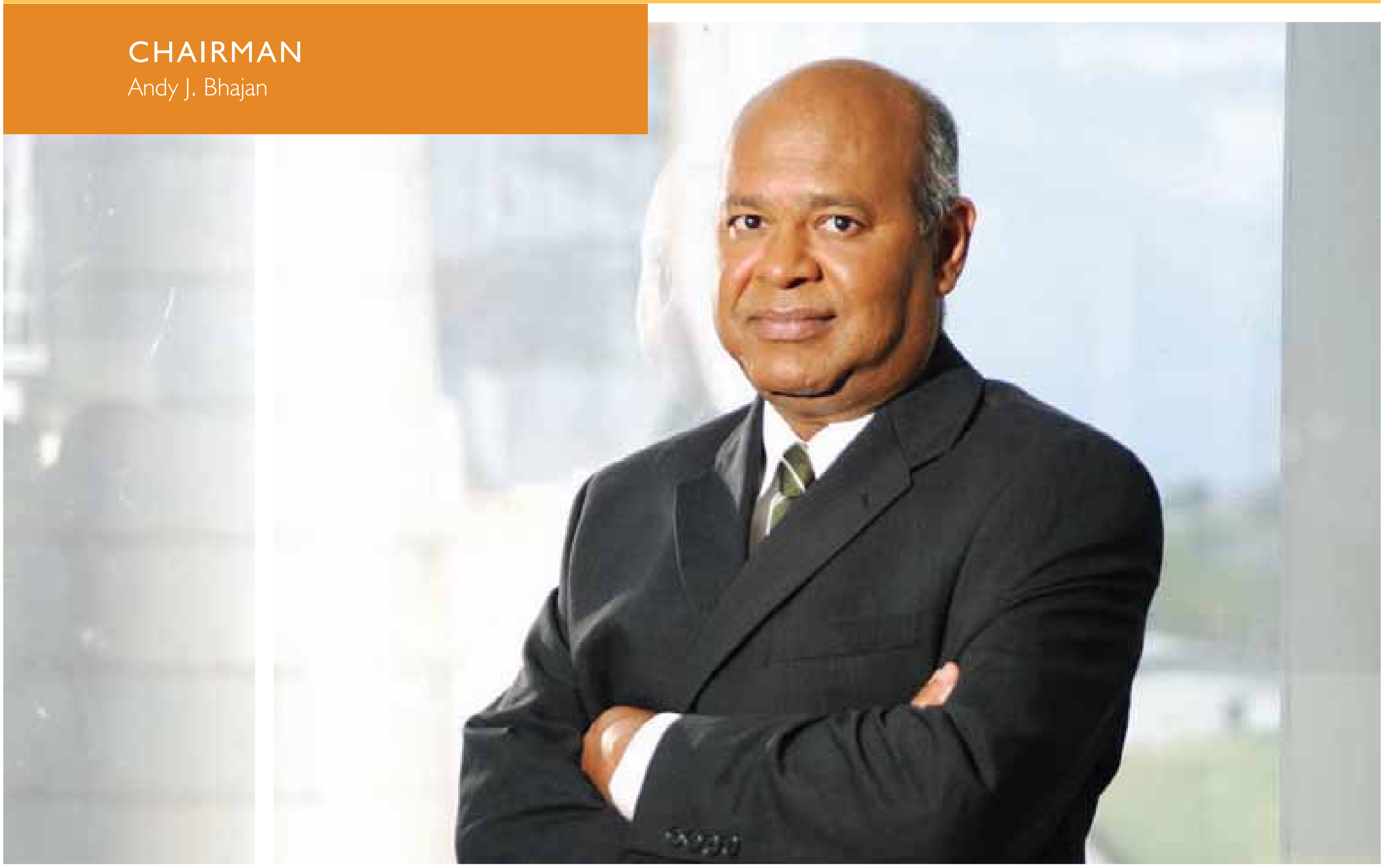
Hayden Ferreira, *Group Manufacturing Development Manager*

Derrick Isaac, *General Manager - TCL Packaging/TCL Ponsa Manufacturing Limited*

Trevor Ifill, *Ag. General Manager - International Business & Marketing*

CHAIRMAN

Andy J. Bhajan



OVERVIEW

The year 2005 has been one of transition for the TCL Group with the organisation moving towards a new scale of operations in the context of the ever-increasing regional market demand for cement.

In this regard, the capacity expansion programme at TCL and at CCCL progressed well during the course of the year. By year-end, TCL had commenced the commissioning of its Cement Mill 3 upgrade project, bringing its cement milling capacity to 1.2 million tonnes, well in excess of the domestic market requirements. On completion of the CCCL phase of the capacity expansion project in 2008, the clinker and cement production capacity of the Group will have increased significantly. More detail is provided on this matter in the Group CEO's Report and Management Discussion, which follows.

We have experienced a very challenging year for the Group. Two of our subsidiaries, Caribbean Cement Company Limited (CCCL) and Readymix (West Indies) Limited (RML), experienced serious declines in profitability, which negatively impacted Group performance.

In the case of RML, the Company incurred a loss of $25.9M, the first loss since the Company joined the TCL Group in 1996. The main contributors were bad debt provisions, raw material losses and impairment charges related to RML's subsidiary in St. Maarten, Island Concrete N.V. In addition, the prior year's financial statements of RML have been restated for expenses previously unrecorded. These expenses were identified following a thorough review of the Company's accounting records commissioned by the RML Board during the second quarter of 2005. The review has highlighted serious systemic weaknesses and Management has since implemented several policy and procedural changes in order to correct them. These matters have received focused attention from the RML Board and Audit Committee, as well as from the Parent Board and the Group Audit Committee, which are all very determined to strengthen the corporate governance systems within the Group.

At CCCL, performance was negatively impacted by a shortfall in clinker production caused by disruptions which resulted from the passage of hurricanes Dennis and Emily in the third quarter and Hurricane Wilma in the fourth quarter. Additionally, the company experienced increases in energy costs in the latter part of 2005 arising from hurricane damage to oil and gas facilities in the United States. Clinker production at CCCL was also affected by premature refractory failures at the kilns. As a result of these issues, CCCL's net profit after tax declined by 80% in spite of a 10% increase in revenue and a 6.5% increase in cement sales over the prior year. This poor performance in 2005 was compounded by a quality system failure in the first quarter of 2006, which resulted in nonconforming cement entering the market. A provision of $16.0 million has been made in the Group's first quarter financial statements in relation to potential customer claims. Note 28 to the financial statements recognises this issue as an event occurring subsequent to the relevant accounting year end, of which disclosure to shareholders is required.

The Market Situation

This issue has arisen against the backdrop of robust demand. There is currently very strong demand for cement in regional markets. At the same time, imported cement has become less available and more expensive because of equally strong global demand, high freight rates and shortages in developed markets such as the United States which have drawn supplies from Colombian and Venezuelan cement producers. As a consequence, more reliance has been placed upon the TCL Group as the domestic Caricom producer to keep the region adequately supplied. In this context, production shortfalls within the Group have resulted in shortages and tight supply situations in specific Caricom territories. Some territories have sought to facilitate extra-regional imports by suspending the Common External Tariff (CET), a move which, to date, has not had its desired effect in most cases because the global demand continues to exceed the global supply.

The Group is very mindful of its responsibility to the people of the region and has accordingly sought to fill the temporary supply gaps by importing clinker to take full advantage of spare cement milling capacity, as well as by importing cement where available both regionally and extra regionally. Over the medium and longer term the TCL Group is investing substantial sums in order to expand capacity to meet the increased regional demand.

GROUP FINANCIAL PERFORMANCE - THE BOARD'S FOCUS

Having outlined the major challenges, which faced the Group in 2005 and described the current market situation, the Group's financial performance can best be described as disappointing. Although Group revenue increased by 8%, Operating Profit declined by 40% and Earnings Per Share (EPS) remained flat at 66 cents (67 cents in 2004). The Group, however, benefited from deferred tax credits totalling $67.5 million arising from a reduction of the tax rate in Trinidad and Tobago and the recognition of a deferred tax asset at our Barbados subsidiary - Arawak Cement Company Limited (ACCL). It is therefore imperative that the issues at CCCL and RML be corrected with despatch. Accordingly, the Board and the respective sub committees at both the parent and subsidiary levels have been focusing attention on strengthening governance systems and reviewing internal policies and procedures for greater efficiency and effectiveness. Particular emphasis is being placed on revamping the monitoring and detection systems, which failed to highlight the issues which have come to light at our two subsidiaries during 2005 and early 2006. The Board Technical Committee and the Group Audit Committee are at the forefront of these initiatives. Already, we believe that the initiatives are bearing fruit and that the issues are now behind us. A programme of institutional strengthening entitled a "Matrix of Support" spanning the main functional areas has been developed and is being executed at CCCL. At RML, a revitalised leadership team has been charged with the responsibility of taking that company forward with Group support. In both cases, the benefits of these interventions are being seen. Your Board is committed to fully actualising the Group's motto - " Building Caribbean Excellence." In this regard, we are assured of the full commitment and support of the Group's Management led by the Group CEO, Dr. Rollin Bertrand. Together, we are committed to building a more robust organisation, capable of withstanding the challenges that will face us from time to time, fully able to compete successfully in a liberalised trade environment against fair competition, mindful of its responsibility to stakeholders and focused on continuously increasing shareholder value.

Board Changes

In October 2005, I rejoined the Group as Chairman after an absence of two and a half years, replacing David Dulal-Whiteway, who resigned following his appointment as the Managing Director of a major regional banking establishment. The Board wishes to extend our sincere appreciation to the former Chairman for his excellent service.

During the course of the year, Mr. Christopher de Caires of Barbados was appointed as a Director of TCL to fill a casual vacancy in accordance with clause 4.4.2 of Bye-Law No. 1. Unfortunately, Mr. de Caires found it impossible to continue in office because of his increasing commitments in Barbados, a primary one being his involvement with the 2007 ICC World Cup Cricket Planning Committee for that country. We thank Mr. de Caires for his brief period of service to the TCL Group and wish him success in his future endeavours.

Acknowledgements

The Group has passed through a very difficult year. This has been reflected in our disappointing financial performance. In the midst of this, the commitment and loyalty of my fellow Board members and the Management and Staff of the Group lead by our Group CEO, have been exemplary. I want to thank them for their continuing dedication to duty. I have no doubt that the future for the TCL Group remains very bright. We look forward to the continuing support of our many loyal shareholders.

Andy J. Bhajan

Andy J. Bhajan
GROUP CHAIRMAN

GROUP CHIEF EXECUTIVE OFFICER

Dr. Rollin Bertrand

1.0 FINANCIAL REVIEW AND ANALYSIS

Revenue

Group Revenue increased by $99.9m or 8% when compared with 2004. The growth was driven by increased sales volumes of 120,536 tonnes (8%) in our domestic markets of Trinidad and Tobago, Jamaica and Barbados, which registered percentage increases of 8%, 8% and 12% respectively. Revenue was also enhanced by price increases in the Trinidad and Tobago and Jamaican markets of 9.5% and 5% respectively. Unfortunately, due to production difficulties and the delayed start-up of Trinidad Cement Limited's (TCL) expanded cement grinding facility combined with buoyant domestic sales, export sales volume declined by 105,393 tonnes. Overall cement sales volume amounted to 1.91million tonnes compared with 1.89 million tonnes for the prior year. Having resolved a few post start-up problems, the expanded cement milling facility at TCL is now close to optimum production and is ready to improve supplies to our export markets.

Revenue from our pre-mixed concrete subsidiaries increased impressively by 21% or $31.9m from a combination of higher volumes and higher average prices. Cement sales volumes continue to be propelled by oil and gas revenues in the case of Trinidad and Tobago, Cricket World Cup construction spending in Barbados and tourism construction in St. Maarten.

Our packaging subsidiaries recorded third party revenue growth of an overall 20% mainly due to a 96% increase in sling sales to third parties.

Operating Profit

Operating profit declined by $120.3m or 40% when compared with the prior year. Against a background of significantly higher prices for oil and gas, there were sharp increases in the cost of kiln fuel, mainly coal and orimulsion, and electricity supplied to our subsidiaries in Jamaica and Barbados in particular. The other major factor impacting operating profits was lower clinker production, which declined by 108,887 tonnes or 7% from 2004. A major consequence of lower clinker production is higher unit cost of production due to the significant level of fixed costs carried by the Group. In Jamaica, severe weather conditions caused by the passage of three hurricanes resulted, in one instance, in our raw material quarries becoming inaccessible and unworkable rendering processing extremely slow and difficult. The plant was also shut down for a number of days as a safety precaution when the hurricanes approached. There was also serious damage to the Country's infrastructure. In Trinidad, unplanned stoppages from problems with the kiln 3 nose ring constrained clinker production. On the positive side, Arawak Cement Company Limited (ACCL) in Barbados achieved consistent operations and increased its clinker production by 14,735 tonnes or 5% over the prior year.

At our premixed concrete sub-group, significant charges for bad debt provisions, due to a change in criterion, asset impairment and stock write-downs, were recorded and thus contributed to the decline in the Group's operating profit.

Net Finance Cost

Net finance cost decreased by $7.7m compared with 2004 reflecting the savings from the debt refinancing undertaken in 2004. Some of those savings were partially offset by rising interest rates on our shorter term borrowings as well as higher currency exchange losses from our Jamaican subsidiaries.

Taxation

The taxation expense for the year benefited from two significant one-time deferred tax credits. One arose from the initial recognition in the books of ACCL of a deferred tax asset of $42 million representing substantial capital allowances available for set-off against future tax payments. The other deferred tax credit of $25.5m arises from the downward revision of the net deferred tax liabilities carried by our Trinidad based subsidiaries due to the reduction in the corporation tax rate from 30% to 25% announced in September 2005, since deferred tax assets and liabilities are to be measured at the tax rates that are expected to apply when the assets are realised or the liabilities are settled in the future.

Net Profit Attributable to Group Shareholders

Net Profit Attributable to Group Shareholders amounted to $160.3 million or Earnings Per Share of 66 cents compared with $162.3 million and EPS of 67 cents for 2004. Whilst Operating Profit was significantly lower than 2004, deferred tax credits served to bolster Net Profits.

Liquidity and Financial Position

Cash generated by operations amounted to $310.0 million compared with the $392.6 million of the prior year. After payment of taxes and net interest, the cash from operations amounted to $170.6 million compared with $251.1 million for 2004. The decline was due to the lower profits from operations.

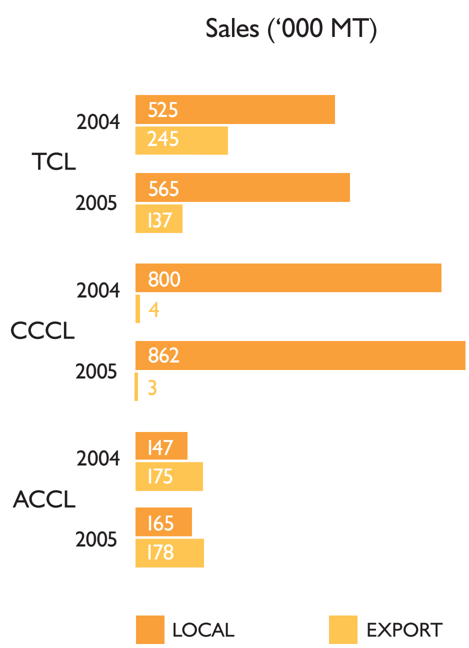
The Group invested $309.6 million in new property, plant and equipment of which $89.5 and $79.2 million were spent on the modernisation and expansion projects in Trinidad and Jamaica respectively, and $20.8 million on the Guyana bagging terminal project. Phase I of the project in Trinidad was completed by the fourth quarter of 2005 resulting in additional cement production capacity of 420,000 tonnes to 1.2 million tonnes per annum.

In order to fund the modernisation and expansion projects, the Group secured a loan package of US$105 million, of which US$61 million was drawn during the year to fix the related interest rates at the historically low levels, which prevailed. The remainder of funding will be drawn as the project in Jamaica progresses in 2006 and 2007. At December 31, 2005 the cash held from the project loan amounted to US$34.0 million. The Group also re-financed debt at ACCL with new debt of $103.8 million carrying lower interest rates.

Notwithstanding the increased debt level, the Group's Balance Sheet reflected a relatively secure position. Shareholders' Equity increased by $92.4 million to over $1.0 billion after paying dividends of $54.9 million during the year. At December 31, 2005 our Debt to Equity Ratio stood at 98% and Current Ratio at 171%.

The Current Asset Ratio at our Jamaican subsidiaries stood at 0.97 at December 31, 2005 reflecting the difficult year that this sub-group experienced. This was below the level of 1.2 required by the new loan agreements to provide project funding. However, the current liabilities of the sub-group included a substantial amount owed to other TCL Group companies, which is capable of being re-scheduled for longer-term settlement. Excluding intra-group payables and receivables the current asset ratio would have been 1.3 and thus this sub-group remains fully capable of meeting all its obligations to third parties as they fall due.

2.0 GROUP MARKETING



Export Sales

The year 2005 was a challenging year across the Group's export markets.

With respect to cement, while total Group domestic volume cement sales grew by 8% over the 2004 level, total Group export sales plummeted by 25%. Total Group sales of 1,91m tonnes for 2005 were 1% above the previous year's sales.

The export cement markets suffered mainly due to product availability issues at TCL throughout the year. The supply situation worsened during the fourth quarter when there was a significant delay in the commissioning of the plant's Cement Mill 3. There was also uncharacteristically high demand in the region as countries began building and/or rehabilitating cricket stadia in preparation to host Cricket World Cup matches. The demand situation was also attributed to increased election related spending in several countries and the post-hurricane restoration works in Grenada. The already tight situation was exacerbated by a general shortage of cement regionally and the dramatic rise in freight rates, which made procurement from extra-regional sources challenging. The Group's basic strategy was to source large shipments for Guyana from Brazil, Colombia and Venezuela, so that TCL and ACCL could focus on supplying the markets of the OECS and provide support to CCCL in the Jamaican market.

Packaging Material

During the year, the packaging companies continued to experience disappointments in their export markets, mainly due to reduced demand by major customers in the Dominican Republic and the Venezuelan Government's restrictions on imports into that country. Additionally, intra-Group exports were also hampered by the shortfall in CCCL's production. Overall, TPL sold a total of 36.7m sacks, which was 5% lower than the 2004 level, while TPM sold 417,888 slings/bags, which was 2% higher than the previous year.

Domestic Sales

On the other hand, the Group performed commendably in its local markets despite the afore-mentioned operational challenges. In Trinidad and Tobago, local cement sales were a record 565,312 MT benefiting from the start of several Government and private sector projects. This increased level of construction activity is expected to continue over the medium term, given the ongoing preparations for the Cricket World Cup. In Jamaica, Carib Cement achieved another record year with local sales of 862,400 MT representing 8% growth over the previous year. CCCL also experienced major success with the introduction, promotion and market acceptance of Carib Plus, blended cement. The first product of its kind in Jamaica, Carib Plus has now become the dominant brand. Carib Plus achieved 83% of the December volumes and 59% of the tonnage sold during the year. Despite this successful brand entry, overall local market sales were hampered as the year progressed due to hurricanes, unusually high rainfall, increases in taxation and some politically related disruptions. In Barbados, owing to a buoyant domestic market, ACCL sold 165,234 MT of cement, the highest ever local cement sales, recording 13% growth relative to the previous year. Residential construction, the Kensington re-development, Barbados Port Authority expansion, UWI Cave Hill, new Coast Guard Headquarters and a general expansion of hotels drove this high level of consumption.

Concrete Sales

The RML Group recorded sales of 272,752 cubic meters, which was 6% higher than the previous year, as demand grew in all of its markets. With respect to market share, in Trinidad, RML fell to 49% from 54%, however, the company still maintained leadership of the market. In Barbados, PPCI's market share improved from 16% to 18%, while in St. Martin/Maarten, Island Concrete grew from 26% in the previous year to 35%. In Trinidad and Tobago, RML continued to perform well in the hand mix segment, which targets small householders who would not ordinarily utilise premixed concrete. The company had entered this market sector in 2004 with the launch of the ECONOMIX brand. Furthermore, the performance of the newest addition to the Group, Island Concrete was commendable, with the company firmly establishing itself as the supplier of choice in St. Martin/Maarten. By year-end, Island Concrete had won the tender for the Government building project, the largest single project on the island and was also able to win business from three of the largest contractors on the island.

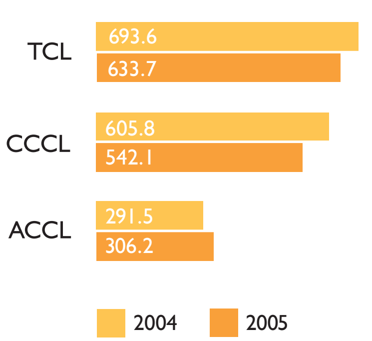
3.0 GROUP OPERATIONS

3.1 Health and Safety

The Group's safety record was marred in 2005 as three fatalities were recorded, two of which resulted from industrial accidents. In 2005, the Group noted 39 Lost Time Accidents (LTAs) comprising 19 permanent, 12 casuals and 8 contractors. This is compared to 34 LTA's in 2004 in which there was one fatality. A Group-wide review of HSE systems and procedures has commenced. Additionally, a programme aimed at stimulating behavioural shifts is being implemented. These two initiatives are expected to result in the embedding of a more safety conscious culture within the TCL Group.

3.2 Cement Operations

Clinker Production ('000 MT)



In 2005, the Group produced 1,481,998 MT of clinker and 1,876,060 MT of cement. These volumes represented shortfalls in clinker and cement production as TCL and CCCL experienced several operational challenges throughout the year. The major external factor affecting both results was that of hurricanes, three of which impacted the CCCL plant. In addition CCCL and TCL were challenged in operating their respective kilns for different reasons.

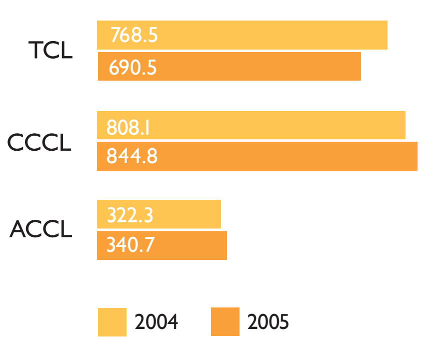
For the year, TCL's clinker production declined relative to the prior year as the 633,704 MT produced was 8.6% lower than the 2004 level. The production on both kilns was disappointing but the major problems were on Kiln 3 associated with refractory stops (including nose ring), pan conveyor issues and power failures. There was also an explosion on Kiln 3, which necessitated extensive repairs to the ESP. During this stop, the opportunity was taken to replace the pan conveyor to eliminate this as a frequent source of downtime. Replacement of the nose ring on the kiln should significantly improve its performance. That job is to be scheduled such that it would minimise any disruption in supply, given the current high cement demand levels. Kiln 4 demonstrated better performance and its major stop in 2005 was to change a deformed section of the shell.

At CCCL, clinker production fell from 605,820 MT in 2004 to 542,113 MT in 2005. The main causes of this shortfall were the weather related disruptions as well as the short refractory life on both kilns. The refractory problem was addressed by year-end, when it was determined that the practice of rapid switching of kiln fuels (coal to bunker C) was a major factor in the kilns' low refractory life. Kiln performance continues to be closely monitored.

ACCL performed very well with steady production of both clinker and cement combined with effective cost management. In 2005, the company established a new annual clinker production record with a total of 306,181 MT of clinker produced. This represented a 5%

increase over its 2004 performance and a 2% improvement over the previous highest production level of 300,000 MT achieved in 2003. A new daily clinker production record of 1,100 MT was also set.

Cement Production ('000 MT)



With respect to cement milling, the Group produced 1,876,060 tonnes of cement, which was 1% below the production level for the previous year.

At TCL, owing to the delay in commissioning the Cement Mill 3 upgrade, the company's total production of 690,521 MT was 9.7% below the previous year, severely impacting its export markets. The cumulative market shortfall was addressed by importation of 1,500 MT of cement from ACCL and increased production through compound operation of the new mill, in tandem with cement mills 1 and 2.

For most of the year, CCCL's cement mills were able to supply the market but there was a shortfall in the last quarter as extreme weather conditions led to the mills shutting down. CCCL was still able to produce a record 844,840 MT of cement in 2005, which was 5% over the corresponding period of 2004.

The performance of ACCL's cement mill was very consistent during the year. A new annual cement production record was also established in 2005 despite mill downtime associated with overhauls of the mill, the separator and motor, and a fire at its substation. A total of 340,732 MT of cement was produced representing a 5.7% increase over 2004 with a new monthly cement production record of 35,345 MT also being set.

3.3 Concrete Operations

The RML Group's ready mixed concrete plants performed well, achieving in excess of 90% throughout the year. However, with respect to its quarry operations, RML experienced some difficulties given the low availability of its CAT 245 excavator and dragline. Additionally, concrete sales/production in Trinidad and Tobago were hampered significantly by an aggregate shortage (due, in part, to excessive flooding of the quarry) and the cement shortage in the fourth quarter. RML's St. Maarten based subsidiary, Island Concrete, was also adversely impacted during the year by the unavailability of aggregate, resulting in the need to continuously switch the source of supply. This led to some instances of stock out at the plant.

3.4 Packaging Operations

During the year, these companies were challenged by a number of issues including rising raw material costs, equipment downtime and reduced employee productivity. In the first quarter of the year, a major overhaul was undertaken on two key pieces of equipment, the Tuber and the No. 2 Bottomer at TPL, with the assistance of technicians from DIPECO, TCL's joint venture partner. This resulted in improvements in the efficiencies of the equipment, however, some problems still continued during the year mainly because of the age of the equipment. During the year, TPL also tested a new 25kg cement sack at TCL and following its acceptance, 5,000 sacks were produced.

At TPM, the production of slings went relatively smoothly, although the Company felt the impact of rising oil prices and the consequential increase in the cost of raw materials from all sources. The Company's diversification into the manufacturing of jumbo bags was hampered primarily due to the inconsistent quality of raw material. Additionally, while some stability in quality was achieved during the fourth quarter, full production was hampered by the unavailability of machines to meet the demand as well as space constraints at the warehouse facilities. New machines were obtained for jumbo bag production in December and the planned warehouse expansion is expected in 2006.

3.5 Lime & Gypsum Operations

The ACCL Lime Division recorded its third year of profitability in 2005, with a profit of Bds$109K. Profitability was impacted by reduced sales and higher orimulsion costs, mitigated by the use of waste oil as an alternative fuel. The plant produced 12,361 MT of lime and sold 10,755 MT compared to respective levels of 13,967 MT and 12,863 MT for the previous year. The shortfall in sales was primarily due to reduced sales to a significant customer, which had plant problems during the year.

In 2005, JGQ produced 303,536 MT of gypsum, 117,778 MT of shale and 92,125 MT of pozzolan. The company also earned revenues from port operations and coal pier operations. Gypsum sales increased by 10% over the prior year. However, increased energy, explosives and lubricant costs, as well as failures on the crushing circuit, which resulted in reduced production, impacted profitability.

4.0 GROUP DEVELOPMENTAL ACTIVITIES

4.1 MET Programmes

The focus during 2005 was on ensuring the sustainability of the Manufacturing Excellence Transformation (MET) initiative that had been very successful in 2004. A Group Audit Programme for MET was formulated, in part, to address sustainability issues, as well as to benchmark system element performance across the cement plants. An extension of this was the introduction of a new position, Manufacturing System Specialist (MSS) in the cement companies. On a Group-wide basis, a special training and development programme was convened in Barbados during July, which, among other things, fine-tuned the audit protocol.

Two Group MET audits were held during April and November with teams comprising the three MSSs and a trained auditor from each cement plant. The regularity of focus has begun to have favourable impact. ACCL's management has responded with a level of commitment that has seen their overall score double from the first to second audit. This has also had a positive impact as well on the company's safety programme. CCCL has recently (since the second audit) re-assessed its declining performance and at year-end was in the process of defining a MET Revitalisation Plan. TCL is also in the process of strengthening its MET Programme.

4.2 ISO 14001 Implementation

TCL and CCCL completed the revision of the Level 1 Environmental Management System (EMS) Manual and the EMS Procedures so as to be in compliance with the newly revised ISO 14001 Standard. In addition, both companies completed the documentation of the required environmental operational controls. An environmental training programme for all employees and key contractor employees was developed, and is being implemented. ACCL has completed the development and documentation of the Level 1 EMS Manual and EMS Procedures. The completion of the documentation of the required environmental operational controls was, however, delayed due to the unavailability of key personnel in the last quarter of 2005.

While all the companies have fully implemented the 'Environmental Planning' elements, greater focus is being given to the elements relating to communication, controlling the environmental aspects of operations, reporting of non-conformances and taking corrective and preventive actions. A system of Key Performance Indicators (KPIs) has been incorporated into the monthly reports being submitted to Management and the Board Technical Committee (BTC).

A major feature of the ISO 14001 system is the development and implementation of specific environmental projects/programmes largely related to upgrade of plant, equipment and processes, which the company has identified to enable it to achieve its environmental objectives and targets and to comply with relevant legislation. Some of the key environmental projects completed across the Group in 2005 include the repair and refurbishment of existing dust collection and screening equipment and devices, repairs of leaks in bulk loading systems and the implementation of other mechanisms to manage effluent in accordance with international standards.

4.3 Projects

TCL's Cement Mill 3 Upgrade Project

At the start of 2005, engineering was complete, major equipment received on site and construction in progress with piling and the main (HP/GR) foundation completed. The main erection contract was awarded and much of the year was devoted to erection of steel, installation of equipment and completion of electrical and control systems. Several issues surfaced and resulted in schedule delay, with final commissioning and start-up moving from the third quarter to the fourth. There were some early construction issues and engineering deficiencies, and closer to commissioning, a few equipment deficiencies were identified. These have since been addressed. The cutover, which was scheduled for 14 days, ran into 21 days, thus creating shortages both in the local and export markets. At year's end, the mill was slowly being brought up to its full design production capacity of 150 mtph.

Guyana Cement Terminal Project

At the start of 2005, the project commenced site work with piling activity. Soon after the start of piling, it became clear that the sub-soil contained considerable buried material not fully identified by the geo-technical survey, which reduced the soil bearing capacity. The consequence of this new information was a re-design of both silo and warehouse foundation, the former to increase the number of piles and size of the pile cap, and the latter to change from a piled to a raft foundation. Both schedule and cost were adversely and significantly impacted. Piling was eventually completed after several contractor related and weather challenges, and this allowed silo, warehouse and other foundations to be completed and silo erection to progress significantly. At year's end, a contract award was made for a combination package of steel fabrication and erection, and mechanical and electrical installation (MEI). Steel fabrication work started and site erection was scheduled to begin towards the end of February 2006. All equipment is currently on site and therefore the stage is set for completion and commissioning in the third quarter of 2006.

A special feature of site activity over the last few months has been attention to safety, in direct response to the low level of awareness exhibited by the early contractors. A safety consultant from Trinidad was engaged to prepare Site Safety and Emergency Plans, and conduct both general safety training and training in the use of the plans. The increased awareness of site personnel has been evident. The operationalisation of TCL Guyana Incorporated has proceeded with the engagement of its first two employees, the Plant Manager and Plant Superintendent. They have been involved in recruitment for other positions and in administrative matters such as budget preparation, inspection of equipment and the identification of spare parts for purchase.

CCCL Kiln 5

Having made the investment decision at the end of 2004, steps were immediately taken to place orders with the major equipment supplier for the main equipment, which has a long lead-time. Basic engineering design for the project was also commissioned. While these activities were ongoing, the CCCL Project Organisation was established and a tender process undertaken to engage a local engineering consultant for the construction aspects of the project. The engineer has responsibility for site supervision and coordination of construction contractors' activities, along with reviews of the design output. The tender process led to a contract award for provision of local engineering services and kick-off project planning meetings.

Immediate attention was paid to schedule development and identification and evaluation of potential construction contractors in the various disciplines.

By year's end, the geo-technical survey was complete, site grading and benching substantially advanced and site offices constructed. The main equipment supplier has proven to be very organised and engineering and manufacture of the main equipment is on schedule. The engineering design is in progress. In-shop inspection of components of the Raw Mill and Kiln shell are also in progress. Purchase Orders are being released for other process equipment (fans, conveying systems etc.). Environmental approval from the National Environment & Planning Agency (NEPA) was received after a "town meeting" was held on November 3. Construction approval from the relevant local authority was being sought.

ACCL Packaging Plant

A decision was taken early in 2005 to proceed with the mechanisation of palletising of cement sacks. Contracts were awarded in May leading to the start of excavation for the building foundations. By year's end the project was completed and operational. A minor delay in commissioning was experienced due to the need to resolve related industrial relations issues. The system makes this aspect of ACCL's operations less affected by poor weather conditions.

Energy Optimisation

This strategic objective was begun in 2004 with the assignment of a Group Energy Optimisation Manager. The Group's challenge has been to translate good ideas into tangible results, as many of the initiatives require external and/or legislative support. Nevertheless, we continue to pursue opportunities for greater energy efficiency in our operations.

CCCL and ACCL continued to burn waste oil brought to its facilities by third parties. Quantities received are still low and as such, the lack of reliability in supply has not been problematic. Quality has periodically been of issue, however, as oil has been received with large quantities of water in it.

The proposal to establish tyre burning at CCCL was taken through the basic and detailed engineering stages, including the tendering and evaluating of equipment alternatives. This aspect of the project has been on hold, awaiting commercial elements related to tyre collection that will support an investment decision. A recent initiative has been with the Jamaican Ministries of Land and Environment, and Finance together with the National Solid Waste Management Authority, to plan the infrastructure requirements for tyre collection. The projects are at a similar stage in Barbados and Trinidad where meetings have been held with various Government agencies to generate action past the interest stage.

5.0 OUR FOCUS ON PEOPLE

Development

The major areas of training focus in the Group for 2005 targeted leadership and managerial development exposures with specific reference to the continuing Executive Development initiative, as well as functional managerial exposure within subsidiaries in the area of Human Resource Management. Subsidiaries also focused on training in Occupational Safety and Health, cement mill upgrade competency development, skills training at CCCL within the Artisan Training Programme, as well as related supervisory leadership and team building initiatives. Additionally, environmental awareness continues to be highlighted particularly within the TCL and CCCL environments. For 2006, the overall training and development focus will require resources to be directed in the areas of executive development, coaching, leadership development (the STAR Programme), cross posting, technical skill competency enhancements (plant upgrade), private study support initiatives and supervisory training with emphasis on floor level management of industrial relations.

Industrial Relations

Apart from TCL, the internal industrial relations climate in 2005 was generally good throughout the Group. There were no plant closures or significant retrenchments and there were no protracted work stoppages worthy of mention except a three-day wildcat strike at CCCL (its first in almost eight years). The year was particularly challenging for TCL, as related to the issue of Health and Safety and the deaths of two contractors' employees as well as a major plant explosion, all significantly affecting operations.

Highlights of negotiations within the Group include CCCL's settlement of bi-lateral negotiations with all major bargaining units, without reference to a third party. In November 2005, ACCL signed a three-year collective agreement with the Barbados Workers' Union (BWU) Senior and Junior Staff. Negotiations for a new three-year collective agreement for unionised workers at RML is due to begin within the first quarter of 2006. At Island Concrete, the first collective agreement was concluded with the company in 2005, while at TPM, the first collective agreement was signed.

Reward and Recognition

During the year, the Reward and Recognition (R&R) Programme also maintained its momentum across the Group. At the first Group Awards function celebrated in Barbados in April 2005, the following awards were made:

Group Employee of the Year
Hammond Jordan (ACCL)

Group Department of the Year
ACCL Lime Division; TCL Mayo

Most Improved Subsidiary
CCCL

Group Safe-Worker of the Year
Chandrasain Ramsingh (TCL)

Group Creativity & Innovations Award of the Year
Melajo Maintenance Team (RML)

Group Sports Personality of the Year
Shane Matthews (CCCL)

Group Academic Achiever of the Year
Kennedy Lord (TCL)

Group Outstanding Community Involvement of the Year
Kwame Cowie (RML)

The year saw a rise in the number of awards given in all subsidiaries as committees had various activities throughout the year to promote the programme. At TCL, there were 18 Instant Rewards, two Employee of the Quarter Awards and two Creativity and Innovation Awards. At CCCL, a total of 110 employees were recognised and rewarded for their performance during the year, while at ACCL, the Programme was re-launched with some creativity, in the format of an R&R Day themed "Cement R&R in the Minds of the Employees".

6.0 LEVERAGING TECHNOLOGY

Group Technology & Information

As the Group's operating environment becomes more volatile, our approach is being reshaped to realign ourselves with the business objectives. Accordingly, the technology team is optimising and realigning its infrastructure model to become an enabler of business strategies and value creation throughout the enterprise.

A critical building block of this infrastructural optimisation model is the building of a service-focused IT organisation with deep financial insight and a strong understanding of the drivers of business value and the effects that technology can have on them. As such, we are developing a technology team that is fluid, dynamic, networked and virtual, and we are culturing the disciplines and skill sets to support an agile organisation.

The second building block in the transformation to become a strategic business enabler is the delivery of standardised processes and systems at all entities within the enterprise. In this regard, we continue to aggressively pursue the implementation of our enterprise-wide resource planning systems. To date, the financial modules have been implemented at all Companies with common supporting procedures and documentation consistent with the design objectives of the software and with operational best practices. The Group has had challenges in the implementation of a specific module, which has resulted in a delay in the completion of the external audit.

Later this year, the human resource and payroll modules will be fully implemented and the implementation of the process-manufacturing module will commence. Delivery of these systems and common processes within the Group will go a long way towards ensuring that our information technology environment is optimised and stable.

7.0 INVESTOR & PUBLIC RELATIONS

7.1 Public Relations

The ongoing PR focus continues to be on further strengthening the Group's corporate image through the execution of programmes specifically designed to demonstrate our ongoing commitment to the region. In this regard, our sponsorship of the West Indies Under 19 Cricket Team and Tournament was renewed for a three-year period. We believe that an investment in youth cricket is very important if the West Indies' senior cricket team is to regain its ascendancy internationally in the future. Another area of focus for the Group's Public Relations programmes has been education. Across the region, TCL Group Companies have been contributing financially to schools and other educational institutions. In particular, scholarships have been provided to deserving students attending the University of the West Indies.

In the field of culture, the Group continues to sponsor the very well respected and popular steel band, the TCL Group Skiffle Bunch. Financial assistance is also provided to other cultural groups over a wide range of activities. In support of the regional housing thrust, the Group continued to partner with Habitat for Humanity in several Caricom territories to build homes for low-income citizens.

In Barbados, ACCL received a Pillar of Industry National Award from the Barbados Chamber of Commerce in recognition of its contribution to the Barbadian economy and the Company's Finance Manager, Rupert Greene was named Manager of the Year, a signature achievement.

7.2 Investor Relations

During 2005, the TCL share performed reasonably well on the three regional stock exchanges on which it is listed. In the face of generally 'soft' market conditions, the share price held relatively firm, reflecting investors' confidence in the Group's longer-term prospects and the generally good published financial results as at the half year. The 3rd quarter results were somewhat disappointing and the share price declined slightly from \$11.90 to \$10.00 on the Trinidad and Tobago Stock Exchange (TTSE). In spite of this decline, the TCL share price appreciated by 18% between January and December, compared with a marginal decline in the composite index. The P/E Ratio improved from 11.57 at the beginning of the year to 13.57, having peaked at over 17. TCL's market capitalisation increased from TT\$ 2.0 billion to TT\$2.4 billion over the 11-month period. On the Jamaica Stock Exchange (JSE), the TCL share price appreciated by 38% during 2005, compared with a 10% decline in the market index. The P/E ratio in December was 16.58. On the Barbados Stock Exchange (BSE), the share price appreciated by 58%, compared with a 6% increase in the market index.

The Group will in 2006 be pursuing listing on the Eastern Caribbean Securities Exchange and the Guyana Stock Exchange. This is consistent with our strong regional profile.

CONCLUSION

Outlook

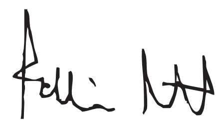
There has been a steady increase in regional cement demand over the last year. Strong growth in the construction sector reflecting investment in public and private sector housing projects, tourism projects, the construction of stadia for Cricket World Cup 2007, as well as Government infrastructure across the region. This strong regional demand coincides with a period of very tight hemispheric supply, shortages in various markets and consequent rising prices. The demand for concrete is also very strong. In the coming year, TPM will focus on jumbo bag production and sales, while TPL will continue to improve its productivity and assist in promoting the conversion of the cement markets to 25kg sacks

The TCL Group has been gearing up to supply this demand and has made great strides during 2005 with the completion of the Cement Mill Upgrade Project at TCL, successful completion of the financing arrangements for the Capacity Upgrade Project at CCCL in Jamaica and the progress made on the Cement Terminal Construction Project in Guyana. These projects are integral to the Group's thrust for greater competitiveness in a more liberalised environment. We recognise that during this period of capacity building, there will be a need for protection from unfair competition through an appropriate tariff regime, but the Group is actively being positioned to compete successfully in an environment of free and fair trade.

Acknowledgements

2005 has been a year in which the mettle of the TCL Group has been severely tested. The Group has been stretched to meet market demand with the withdrawal of traditional suppliers from Caricom markets. While expanding capacity to ensure adequacy of supply for the foreseeable future, systemic weaknesses have surfaced which point to the need for institutional strengthening.

Nevertheless, I am very confident that these issues will be overcome and that the organisation will be stronger for it. The TCL Group has demonstrated great resilience in the past and will continue to do so in the future. I want to express my sincere gratitude to the Board for their continuing support, counsel and guidance. I also want to thank my Management colleagues and the Group's employees for their loyalty and commitment. We all extend our appreciation to shareholders and to other stakeholders for their ongoing support and confidence.



Dr. Rollin Bertrand
GROUP CEO

TRINIDAD CEMENT LIMITED

from left to right

Harrinarine Dipnarine
Rodney Cowan
Keith Johnson
Gloria Jacobs
Fitzalbert Rawlins
Arun K. Goyal
Pascall Marcelin
Parasram Heerah
Ian Matthews
Keith Ramjitsingh

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 5.

REGISTERED OFFICE

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

COMPANY SECRETARY

Mr. Alan Nobie

PRINCIPAL OFFICERS

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

CARIBBEAN CEMENT COMPANY LIMITED

from left to right, back to front:

Godfrey Stultz
Brett Johnson
Orville Hill
Chester Adams
Adrian Spencer

F. L. Anthony Haynes
Jinda Maharaj
Ken Wiltshire
Noel McKenzie
Dalmain Small

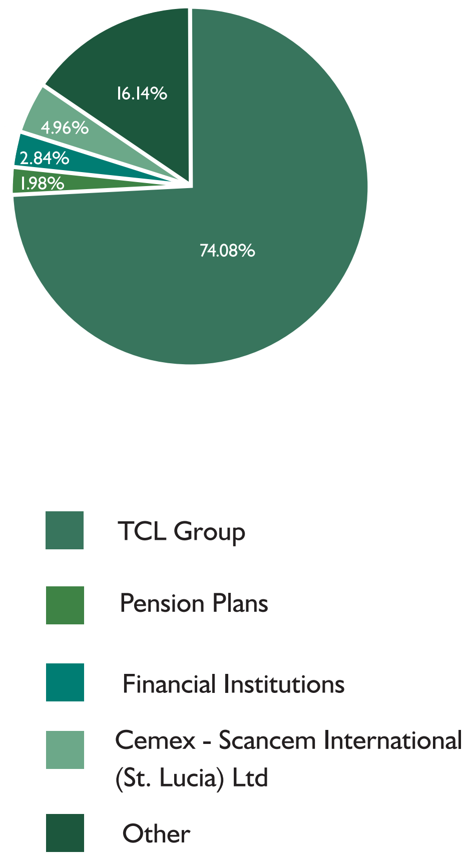
Cordia Constable
Alice Hyde

CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

Caribbean Cement Company Limited was incorporated in Jamaica in 1947 and commenced production in 1952. Its primary activity is the manufacture and sale of Ordinary Portland Cement and Carib Plus, blended 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:



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. Parris Lyew-Ayee
Mr. Leopoldo Navarro
Mr. Yusuff Omar
Dr. Judith Robinson
Mr. Paul Stockhausen
Mr. Ernest Williams

COMPANY SECRETARY

Mrs. Cordia Constable

PRINCIPAL OFFICERS

Mr. F.L. Anthony Haynes	*General Manager*
Mr. Chester Adams	*Project Manager - Cement Mill Upgrade*
Ms. Cordia Constable	*Company Secretary/Manager, Legal & Corporate Affairs*
Mr. Orville Hill	*Finance Manager*
Ms. Alice Hyde	*Marketing Manager*
Mr. Brett Johnson	*Manufacturing Manager*
Mr. Jinda Maharaj	*Technical Operations Manager*
Mr. Noel McKenzie	*Quarry Manager (Ag.)*
Mr. Dalmain Small	*Human Resource Manager*
Mr. Adrian Spencer	*Materials Manager*
Mr. Godfrey Stultz	*Engineering Services Manager*
Mr. Ken Wiltshire	*Project Manager - Kiln 5 Project*

ARAWAK CEMENT COMPANY LIMITED

from left to right:

Leslie Maxwell
Phillip Yeung
Rupert Greene
Sheryllyn Welch-Payne
Matthew Thornhill
Satnarine Bachew
Vishwanath Maharajh
Dawn Jemmott
Trevor Ifill
Dwight Sutherland

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

REGISTERED OFFICE

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

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Rupert Greene

PRINCIPAL OFFICERS

Mr. Satnarine Bachew	*General Manager*
Ms. Leslie Maxwell	*Planning & Development Manager*
Mr. Rupert Greene	*Finance Manager/Company Secretary*
Mr. Trevor Ifill	*Marketing Manager*
Ms. Dawn Jemmott	*Human Resource Manager*
Mr. Dwight Sutherland	*Engineering Services Manager*
Mrs. Sheryllyn Welch-Payne	*Materials Manager*
Mr. Matthew Thornhill	*Production Manager*
Mr. Phillip Yeung	*Operations Manager*
Mr. Vishwanath Maharajh	*Group Accountant (on assignment)*

READYMIX (W.I.) LIMITED

from left to right:

John Cardenas
Jacqueline Ryan-Brathwaite
Gerard Torres
Dale Cozier
Manan Deo
Ravi Maharaj
Hilary Lakhiram
Muriel Lancien

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

REGISTERED OFFICE

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

BOARD OF DIRECTORS

Mr. Ernest Williams	*Chairman*
Dr. Rollin Bertrand	
Mr. Lawford Dupres	
Mr. Arun K. Goyal	
Mr. Hollis N. Hosein	
Mr. Roger Manning	
Mr. Anton Ramcharan	

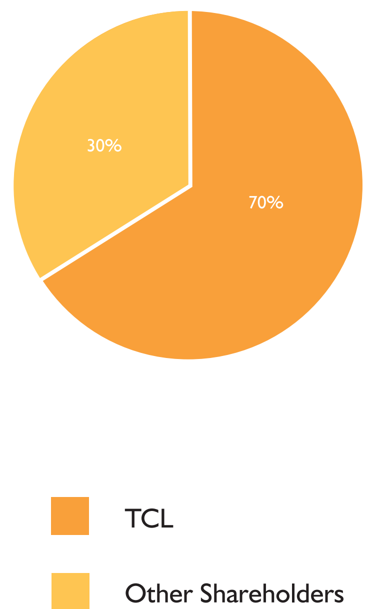
COMPANY SECRETARY

Mr. Ravi Maharaj

PRINCIPAL OFFICERS

Mr. Manan Deo	*General Manager*
Mr. Hilary Lakhiram	*Asst. General Manager*
Mr. Ravi Maharaj	*Corporate Services Manager/ Company Secretary*
Mr. Gerard Torres	*Marketing Manager*
Ms. Jacqueline Ryan-Brathwaite	*Human Resource Manager*
Mr. John Cardenas	*Plant Manager (PPCI)*
Mr. Dale Cozier	*Plant Manager (Island Concrete NV)*
Ms. Muriel Lancien	*Manager (Island Concrete SARL)*

The distribution of its shareholding is as follows:



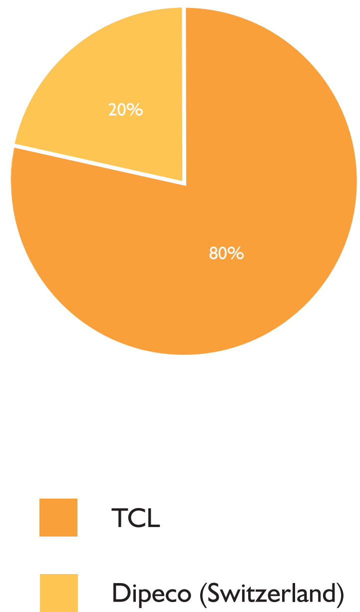
TCL PACKAGING LIMITED

from left to right:

Kaveer Seepersad
Sursatee Heeralal
Derrick Isaac
Betty Ann Noreiga-Pitt
Dexter East

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
Tel: (868) 659-2381-8
Fax: (868) 659-0950
e-mail: tplinfo@tclgroup.com

BOARD OF DIRECTORS

Mr. Yusuff Omar	*Chairman*
Mr. Ramez Ayoub	*Dipeco - Switzerland*
Dr. Rollin Bertrand	
Mr. Arun K. Goyal	

COMPANY SECRETARY

Mrs. Cheryl Gransaull

PRINCIPAL OFFICERS

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

TCL PONSA MANUFACTURING LIMITED

from left to right:

Stephen Ramcharan
Sursatee Heeralal
Derrick Isaac
Betty Ann Noreiga-Pitt

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.

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. Arun K. Goyal	

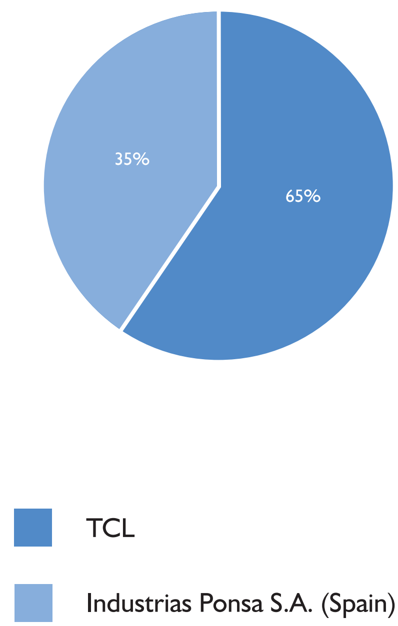
COMPANY SECRETARY

Mrs. Cheryl Gransaull

PRINCIPAL OFFICERS

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

The distribution of its shareholding is as follows:



TCL GUYANA INCORPORATED

from left to right:

Keith Johnson
Arun K. Goyal
Mark Bender
Parasram Heerah
Fitzalbert Rawlins

TCL Guyana Inc. was incorporated in the Republic of Guyana on 17th March, 2004. Its primary activity will be the packaging of bulk cement for sale on the Guyanese market (cement terminal facility). The plant is expected to be commissioned in the third quarter of 2006.

REGISTERED OFFICE

2-9 Lombard Street
GNIC Compound
Georgetown,
Guyana
Tel: 011 592 225 7520
Fax: 011 592 225 7347
e-mail: markb@tclgroup.com

BOARD OF DIRECTORS

Dr. Rollin Bertrand *Chairman*
Mr. Arun K. Goyal

COMPANY SECRETARY

Mr. Alan Nobie

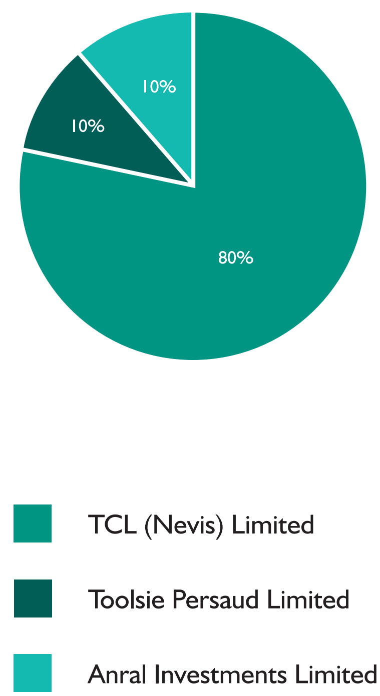
PRINCIPAL OFFICERS

Mr. Mark Bender *Plant Manager*
Mr. Tyrone Inshanally *Plant Superintendent*

TCL GROUP MANAGEMENT SUPPORT TEAM

Mr. Keith Johnson
Mr. Parasram Heerah
Mr. Fitzalbert Rawlins

The distribution of its shareholding is as follows:



TCL TRADING LIMITED

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

REGISTERED OFFICE

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

BOARD OF DIRECTORS

Mr. Yusuff Omar *Chairman*
Dr. Rollin Bertrand
Mr. Leopoldo Navarro

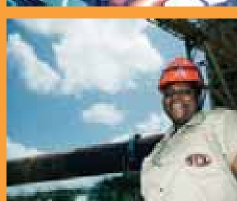
COMPANY SECRETARY (AG)

Mr. Alan Nobie

PRINCIPAL OFFICER

Ms. Christiana Annan *General Manager*

BUILDING A CULTURE OF RECOGNITION

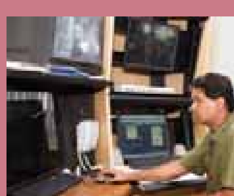


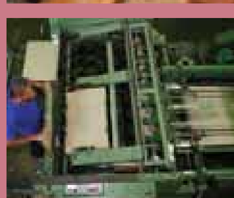
The Group maintains that our employees are the cornerstone of our success, and continues to build on the strong foundation laid with the launch, in 2003, of a new Reward and Recognition Programme.

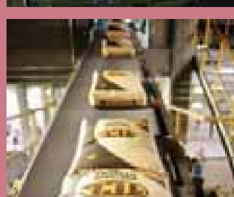
Strategically designed to promote a results-oriented culture, the programme is deliberately linked to the organisation's core objectives and rewards six categories: Outstanding Performance, Community Wellness, Team Spirit, Continuous Learning, Creativity and Innovation and Long Service.

We are proud to report an increase in the number of awards distributed in 2005, as the programme becomes more firmly entrenched in the corporate culture of the Group.

BUILDING PREMIER BRANDS







In 2005, the TCL Group again proved itself to be a cornerstone in the building of the Caribbean region.

With the expansion of the region's construction sector and the accompanying demand for delivery of a premier brand of cement, we remained committed to our core values of high quality and the satisfaction of our customers' requirements.

In this regard, the TCL Group continued to further improve its manufacturing systems, building on the excellence of its continuous qualification for ASTM and British Standards - international stamps of approval in recognition of quality.

As the leading cement producer and supplier in the English speaking Caribbean, the TCL Group remains an edifice of dependability as it works persistently to improve its products, and to help establish a stronger economy and a culture of growth and development within the region.

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)

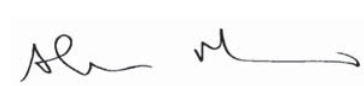
2. PARTICULARS OF MEETING:
   The Annual Meeting of the company to be held on 4th July 2006 at 4:30 p.m. at the Training Room, TCL Compound, Southern Main Road, Claxton Bay.

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
13th June 2006	Alan Nobie, Secretary	

DIRECTORS' REPORT

The directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended December 31, 2005.

FINANCIAL RESULTS	TT$'000
Turnover	1429.8
Net Earnings for the Year	160.3
Dividends Paid	54.9

TRINIDAD CEMENT LIMITED BOARD OF DIRECTORS. DIRECTORS' INTEREST *(Ordinary Shares of TCL)*

Name	Position	Holdings at 31-12-05
A. J. Bhajan	*Chairman*	Nil
K. Awong	*Director*	Nil
R. Bertrand	*Group CEO*	554,386
E. Carrington	*Director*	Nil
J. McFarlane	*Director*	Nil

Name	Position	Holdings at 31-12-05
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 five (5) cents per ordinary share. Together with the interim dividend of ten (10) cents paid in October 2005, the dividend for the year is fifteen (15) cents, compared to the dividend of twenty (20) cents paid for 2004.

The dividend will be paid on 21st July 2006 to shareholders on the Register of Ordinary Shareholders at the close of business on 7th July 2006. The register of members and transfer books will be closed from 7th July 2006 to 11th July 2006, inclusive.

SUBSTANTIAL INTERESTS

	No. of Ordinary Shares Held at 31-12-05	% of Issued Share Capital
Sierra Trading (Cemex S.A. de C.V.)	49,953,027	20.00
The National Insurance Board of Trinidad & Tobago	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. Andy J. Bhajan, 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, Mr. Yusuff Omar retires by rotation and being eligible, offers himself 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 shareholders of Trinidad Cement Limited

We have audited the consolidated balance sheet of Trinidad Cement Limited and its subsidiaries (the "Group") as at 31st December, 2005, and the consolidated statements of earnings, changes in equity and cash flows for the year then ended as set out on pages 2 to 32. 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 did not audit the financial statements of TCL Trading Limited, a wholly-owned subsidiary, which statements reflect 8.96% and 6.16% of consolidated revenues and profit before taxation for the year ended 31st December, 2005, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TCL Trading Limited, is based solely on the report of the other auditors.

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 and the report of other auditors provide a reasonable basis for our opinion.

As discussed in Note 26 to the financial statements, the Group was not in compliance with of one of its long term loan covenants at 31st December, 2005. This non-compliance constituted an 'event of default' which has the effect of making the outstanding loan balances payable on demand. Subsequent to the balance sheet date the Group secured waivers of this event of default from the respective lenders, where the lenders have agreed not to demand payment as a consequence of the non-compliance. In accordance with IAS 1 "Presentation of Financial Statements," if the Group breaches an undertaking under a long term loan agreement on or before the balance sheet date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed after the balance sheet date and before authorization of the financial statements for issue, not to demand payment as a consequence of the non-compliance.

The Group has maintained the non-current classification of the loans which is not in compliance with IAS 1. Had the Group reclassified the loan balances as current the effect on the financial statements at 31st December, 2005 would have been an increase in current liabilities of $756.1m and a decrease in non-current liabilities and net current assets of $756.1m. There is no impact on the Group's profit before tax, earnings per share and net assets.

In our opinion, based on our audit and the report of other auditors, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Group as at 31st December, 2005 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Port of Spain:
TRINIDAD,
26th May, 2006

CONSOLIDATED BALANCE SHEET
as at 31st December, 2005

Thousands of Trinidad and Tobago dollars	Notes	**2005**	2004
Non-current assets			
Property, plant and equipment	7	**1,655,109**	1,483,843
Investments	8	**50**	50
Intangible assets	9	**223,262**	225,184
Pension plan asset	10b)	**166,386**	146,991
Deferred tax asset	5d)	**121,117**	51,609
		2,165,924	1,907,677
Current assets			
Inventories	11	**396,610**	338,569
Receivables and prepayments	12	**139,323**	149,883
Cash investments	13	**214,701**	-
Cash at bank		**31,592**	41,911
		782,226	530,363
Current liabilities			
Bank advances	14	**125,480**	86,296
Payables and accruals	15	**265,270**	201,524
Current portion of medium and long term financing	16	**67,100**	105,212
		457,850	393,032
Net current assets		**324,376**	137,331
Non-current liabilities			
Medium and long term financing	16	**1,114,492**	742,847
Swap obligation	16	**4,170**	-
Post-retirement obligations	10b)	**6,729**	7,683
Deferred tax liability	5d)	**225,791**	232,763
		1,351,182	983,293
Total net assets		**1,139,118**	1,061,715
Equity attributable to the parent			
Stated capital	17	**466,206**	466,206
ESOP shares		**(36,111)**	(38,573)
Other reserves	17	**(113,315)**	(96,055)
Retained earnings		**715,061**	607,796
		1,031,841	939,374
Minority interests		**107,277**	122,341
Total equity		**1,139,118**	1,061,715

The notes on pages 6 to 32 form an integral part of these financial statements.

On 26th May, 2006 the Board of Directors of Trinidad Cement Limited authorised these financial statements for issue.

Andy J. Bhajan Director

Director

CONSOLIDATED STATEMENT OF EARNINGS
for the year ended 31st December, 2005

Thousands of Trinidad and Tobago dollars	Notes	2005	2004
Revenue	27	**1,429,834**	1,329,900
Operating profit	3	**183,930**	304,098
Finance costs - net	4	**(97,131)**	(104,750)
Profit before taxation		**86,799**	199,348
Taxation	5	**66,968**	(15,556)
Profit after taxation		**153,767**	183,792
Attributable to:			
Shareholders of the parent		**160,326**	162,271
Minority interests		**(6,559)**	21,521
		153,767	183,792
Earnings per share:			
Basic and diluted (cents)	6	**66**	67

The notes on pages 6 to 32 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st December, 2005

Thousands of Trinidad and Tobago dollars

	Notes	Equity attritutable to the Parent						
		Unallocated ESOP shares	Stated capital	Other reserves	Retained earnings	Total	Minority interests	Total equity
Year ended 31st December, 2005								
Balance at 1st January, 2005		(38,573)	466,206	(96,055)	607,796	939,374	122,341	1,061,715
Currency translation and other adjustments	17	-	-	(14,187)	-	(14,187)	(4,857)	(19,044)
Change in fair value of swap net of tax	17	-	-	(3,073)	-	(3,073)	-	(3,073)
Allocation to employees and sale of ESOP shares net of dividends	19	2,462	-	-	1,888	4,350	-	4,350
Profit/(losses) after tax		-	-	-	160,326	160,326	(6,559)	153,767
Dividends	18	-	-	-	(54,949)	(54,949)	(3,648)	(58,597)
Balance at 31st December, 2005		(36,111)	466,206	(113,315)	715,061	1,031,841	107,277	1,139,118
Year ended 31st December, 2004								
Balance at 1st January, 2004		(41,849)	466,206	(86,684)	466,761	804,434	101,168	905,602
Currency translation and other adjustments		-	-	(9,371)	4,889	(4,482)	(1,866)	(6,348)
Transfer of Negative Goodwill	9	-	-	-	18,061	18,061	-	18,061
Minority Interest in new subsidiary		-	-	-	-	-	4,473	4,473
Allocation to employees and sale of ESOP shares net of dividends	19	3,276	-	-	772	4,048	-	4,048
Profit after tax		-	-	-	162,271	162,271	21,521	183,792
Dividends	18	-	-	-	(44,958)	(44,958)	(2,955)	(47,913)
Balance at 31st December, 2004		(38,573)	466,206	(96,055)	607,796	939,374	122,341	1,061,715

The notes on pages 6 to 32 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31st December, 2005

Thousands of Trinidad and Tobago dollars	Notes	2005	2004
Cash from operations	21	**309,978**	392,647
Taxation paid		**(25,378)**	(1,816)
Interest expense paid net of interest income received		**(114,045)**	(139,774)
Net cash generated by operating activities		**170,555**	251,057
Investing activities			
Additions to property, plant and equipment	7	**(309,572)**	(171,970)
Acquisition of subsidiary	9	**-**	(12,884)
Proceeds from disposal of plant and equipment		**887**	4,137
Funding of ESOP		**4,349**	(5,939)
Net cash used in investing activities		**(304,336)**	(186,656)
Financing activities			
Proceeds from new loans		**387,140**	421,304
Proceeds from investments		**-**	2,876
Repayment of loans		**(29,465)**	(403,423)
Dividends paid	18	**(54,949)**	(44,958)
Minority interests net flows		**(3,648)**	1,130
Net cash generated by/(used in) financing activities		**299,078**	(23,071)
Increase in cash and cash equivalents		**165,297**	41,330
Cash and cash equivalents - beginning of year		**(44,385)**	(85,715)
Exchange rate adjustment - opening cash balance		**(99)**	-
Cash and cash equivalents - end of year		**120,813**	(44,385)
Represented by:			
Cash investments		**214,701**	-
Cash at bank		**31,592**	41,911
Bank advances		**(125,480)**	(86,296)
		120,813	(44,385)

The notes on pages 6 to 32 form an integral part of these financial statements.

Thousands of Trinidad and Tobago dollars

1. Incorporation and activities

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

2. Significant accounting policies

a) Basis of preparation

These consolidated financial statements are prepared under the historical cost convention in accordance with International Financial Reporting Standards, except as stated in Note 26.

The accounting policies adopted are consistent with those of the previous year except that the Group has adopted those new/revised standards effective for financial years beginning on or after 1st January, 2005.

The adoption of these standards did not result in any material change in accounting policies.

b) Basis of consolidation

These consolidated financial statements comprise the financial statements of Trinidad Cement Limited (the Parent) and its Subsidiaries as at 31st December. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies. Subsidiary undertakings, being those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights, are fully consolidated from the date of acquisition being the date on which the Group obtained control. All intercompany transactions and balances and unrealised surpluses and deficits on transactions between Group companies are eliminated. Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the statement of earnings and within equity in the consolidated balance sheet.

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

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 acquired in a business combination is initially measured at cost and reported in the balance sheet as an intangible asset. Following initial recognition goodwill is measured at cost less any accumulated impairment losses, and is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Thousands of Trinidad and Tobago dollars

2. **Significant accounting policies** (continued)

c) **Goodwill and negative goodwill** (continued)

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units), to which the goodwill relates. Where the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised.

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 at 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 fair value but the related land is stated at historical cost.

It is the Group's policy to capitalise interest on borrowings specific to capital projects during the period of construction. In 2005, the total capitalised interest was $6.3 million (2004-$3.3m). Repairs and renewals are expensed when the expenditure is incurred.

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 there is an impairment in value.

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 currency translation**

These consolidated financial statements are presented in thousands of Trinidad and Tobago dollars, which is the functional and presentation currency of the Parent. Transactions originating in foreign currencies are recorded in the functional 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 functional and presentation 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 within equity.

h) **Deferred expenditure**

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

i) **Segment information**

The Group's operating businesses are organized 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.

Thousands of Trinidad and Tobago dollars

2. **Significant accounting policies** (continued)

i) **Segment information** (continued)

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 and financial risks factors**

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 changes in the financial markets. Overall risk management measures are focused on minimising the potential adverse effects on the financial performance of the Group for changes in financial markets and to this end the Group may employ various hedging strategies. Where financial risks cannot be fully hedged the Group remains so exposed with respect to its financial performance and position.

k) **Derivative financial instruments and hedging**

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

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

Thousands of Trinidad and Tobago dollars

2. **Significant accounting policies** (continued)

l) Leases

Operating leases

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

Finance leases

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

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

m) Taxation

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

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

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

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

Thousands of Trinidad and Tobago dollars

2. **Significant accounting policies** (continued)

n) **Pension plans and post-retirement medical benefits**

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

o) **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.

p) **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.

q) **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 borrowings.

Thousands of Trinidad and Tobago dollars

2. **Significant accounting policies** (continued)

r) **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.

s) **Earnings per share**

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

t) **Cash and cash equivalents**

Cash and cash equivalents include all cash and bank balances/advances, cash investments and overdraft balances with maturities of less than three months from date of establishment.

u) **Equity compensation benefits**

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

v) **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.

w) **Impairment of assets**

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

Thousands of Trinidad and Tobago dollars

2. **Significant accounting policies** (continued)

x) **Significant accounting judgements and estimates**

In the process of applying the Group's accounting policies, management makes certain estimates and judgements concerning the future, the most significant of which is described below:

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimate of the value in use of the cash generating units to which goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of these cash flows. Further details are presented in Note 9.

	2005	2004
3. Operating profit		
Revenue	**1,429,834**	1,329,900
Less expenses:		
Personnel remuneration and benefits	**297,972**	275,861
Other operating expenses	**388,607**	276,629
Fuel and electricity	**262,778**	230,416
Raw materials and consumables	**177,791**	142,105
Depreciation	**113,732**	109,588
Impairment of goodwill	**2,458**	-
Changes in finished goods and work in progress	**8,356**	24,506
	178,140	270,795
Other income (see note below)	**5,790**	33,303
Operating profit	**183,930**	304,098
Personnel remuneration and benefits include:		
Salaries and wages	**265,277**	236,312
Other benefits	**27,398**	28,649
Statutory contributions	**14,611**	11,221
Pension costs - defined contribution plan	**4,140**	2,689
Termination benefits	**1,373**	1,971
Pension costs - defined benefit plans (Note 10a)	**(14,827)**	(4,981)
	297,972	275,861

The average number of permanent employees in 2005 was 1,206 (2004 - 1,193) whilst there were 333 (2004 - 173) part-time employees.

Thousands of Trinidad and Tobago dollars

3. **Operating profit** (continued)

Operating profit is stated after deducting directors' fees of:

	2005	2004
Directors' fees	**1,370**	1,568
Other income includes:		
Port rental	**-**	2,875
Delivery and trucking services	**3,297**	1,811
(Loss)/gain from disposal of property, plant and equipment	**(2,106)**	2,924
Miscellaneous income	**4,599**	25,693
	5,790	33,303

4. **Finance costs - net**

Interest expense	**119,019**	143,883
Interest income	**(1,100)**	(1,705)
Accretion in value of bond redemption options (Note 16)	**(24,142)**	(37,666)
	93,777	104,512
Foreign currency exchange loss	**3,354**	238
	97,131	104,750

5. **Taxation**

a) **Taxation charge**

Deferred taxation (Note 5c)		
Impact of tax rate change	**(25,476)**	-
Valuation adjustment	**(42,025)**	-
Reversal of other timing differences	**(6,962)**	(5,283)
	(74,463)	(5,283)
Current taxation	**7,495**	20,839
	(66,968)	15,556

Thousands of Trinidad and Tobago dollars

5. **Taxation** (continued)

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

	2005	2004
Profit before taxation	**86,799**	199,348
Tax calculated at 30% (2004-30%)	**26,040**	59,804
Net effect of other charges and disallowances	**2,503**	(5,685)
Impact of income not subject to tax	**(30,414)**	(15,257)
Tax not previously recognized	**(42,025)**	(23,753)
Business and green fund levies	**2,151**	1,061
Change in estimate of previously reported charges	**-**	(783)
Change in tax rate (see note below)	**(25,476)**	-
Effect of different tax rates outside Trinidad and Tobago	**253**	169
Effective taxation (credit)/charge	**(66,968)**	15,556

In 2005, the authorities in Trinidad and Tobago enacted a reduction in the rate of corporation tax from 30% to 25% effective from fiscal year 2006. Accordingly, the deferred tax balances of Trinidad and Tobago resident companies were recalculated using the lower 25%, being the rate at which the deferred tax balances are expected to be settled or realised. This has resulted in a deferred tax credit of $25.4 million in the statement of earnings of the Group.

Trinidad Cement Limited has tax losses of $207m (2004 - $79m) available for set off against future taxable profits.

Arawak Cement Company Limited is exempt from the payment of corporation tax of up to a total of $22.5m (2004 - $30.9m) for the period 2006 to 2007.

Caribbean Cement Company Limited and its subsidiaries have tax losses of $43.2m (2004 - $59.3m) available for set off against future taxable profits.

Readymix (West Indies) Limited and its subsidiaries have tax losses of $42.4m (2004 - $8.1m) 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.

Thousands of Trinidad and Tobago dollars

5. **Taxation** (continued)

c) **Movement in deferred tax net balance:**

	2005	2004
Net balance at 1st January	**(181,154)**	(188,440)
Arising on acquisition	**-**	1,399
Exchange rate and other adjustment	**2,017**	604
Impact of tax rate change	**25,476**	-
Valuation adjustment of deferred tax balances	**42,025**	-
Credit to earnings	**6,962**	5,283
Net balance at 31st December	**(104,674)**	(181,154)

d) **Deferred tax liability relates to:**

	2005	2004
Accelerated capital allowances for tax purpose	**(184,232)**	(189,062)
Pension assets	**(41,559)**	(43,701)
Balance at 31st December	**(225,791)**	(232,763)

Deferred tax asset relates to:

	2005	2004
Tax losses carry forward	**73,999**	45,568
Capital allowance carry forward	**42,541**	-
Provisions	**3,552**	6,041
Swap obligation	**1,025**	-
Balance at 31st December	**121,117**	51,609

In 2005, the Group recognised a net deferred tax asset of $42.5 million at Arawak Cement Company Limited representing capital allowances available to the company that are very likely to be utilised in the immediate years after September 2007 when the company's current exemption from the payment of corporation taxes will end. The recognition of the net deferred tax asset resulted in a corresponding deferred tax credit of $42.5m to the statement of earnings of the Group.

6. **Earnings per share**

	2005	2004
Net profit attributable to shareholders of the parent	**160,326**	162,271
Weighted average number of ordinary shares issued (thousands)	**244,412**	243,748
Earnings per share - basic and diluted (cents)	**66**	67

Thousands of Trinidad and Tobago dollars

6. **Earnings per share** (continued)

Effective December 2001, balances of the TCL Employee Share Ownership Plan relating to the unallocated shares held by the Plan have been consolidated with the financial statements of the Group. The average number of unallocated shares of 5.283m (2004: 5.643m) held by the Plan during the year is deducted in computing the weighted average number of ordinary shares in issue.

The Group has no dilutive potential ordinary shares in issue.

7. **Property, plant and equipment**

	Land and buildings	Plant, machinery and equipment and motor vehicles	Office furniture and equipment	Capital work in progress	Total
At 31st December, 2005					
Cost	434,716	1,675,873	72,383	310,594	2,493,566
Accumulated depreciation	(109,555)	(676,807)	(52,095)	-	(838,457)
Net book amount	325,161	999,066	20,288	310,594	1,655,109
Net book amount					
1st January, 2005	340,403	1,018,078	11,179	114,183	1,483,843
Exchange rate adjustment	(8,999)	(7,331)	(166)	(3,412)	(19,908)
Additions	5,106	84,448	15,585	204,433	309,572
Disposals and adjustments	(707)	719	(68)	(4,610)	(4,666)
Depreciation charge	(10,642)	(96,848)	(6,242)	-	(113,732)
31st December, 2005	325,161	999,066	20,288	310,594	1,655,109
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

The net carrying value of assets held under finance leases within property, plant and equipment amounted to $11.6m (2004: $7.9m) as at 31st December, 2005.

Thousands of Trinidad and Tobago dollars

		2005	2004
8.	**Investments**		
	Unquoted equity investments	**50**	50

9. Intangible assets

	Goodwill	Negative goodwill	Total
Year ended 31st December, 2005			
Opening net book amount	225,184	-	225,184
Other movement	536	-	536
Impairment charge	(2,458)	-	(2,458)
Closing net book amount	223,262	-	223,262
Cost	268,673	-	268,673
Accumulated amortisation and impairment	(45,411)	-	(45,411)
Net book amount	223,262	-	223,262
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

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.

Provision of impairment

During 2005, the Group made an impairment provision of $2.4 million against the goodwill related to the investment in Island Concrete N.V. The provision was determined by applying a discount rate of 9.2% per annum to the projected cash flows, over a five year period, based on the financial budget approved by the Board of Directors. This budget has taken into consideration the specific operating challenges facing the company in St. Maarten.

Thousands of Trinidad and Tobago dollars

9. **Intangible assets** (continued)

Provision of impairment (continued)

The following describes the key assumptions on which management has based its cash flows projections to undertake impairment testing of goodwill:

1. Cash flow beyond the 5 year period is extrapolated using a 1% growth rate.

2. Discount rate of 12.95% has been applied to the cash flows for the period after five years which takes into account the uncertainty in the Company's projections beyond 5 years.

10. **Pension plans and other post-retirement benefits**

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

		2005	2004
a)	**Amounts recognised in the statement of earnings in respect of pension costs**		
	Current service cost	**14,171**	12,090
	Interest cost	**23,747**	21,105
	Expected return on plan assets	**(50,690)**	(38,176)
	Amortised net gain	**(2,055)**	-
	Total, included in personnel remuneration and benefits (Note 3)	**(14,827)**	(4,981)
	Actual return on plan assets	**24,932**	146,105
b)	**Pension plan assets and liabilities and other post retirement obligations:**		
	Pension plan assets	**166,386**	146,991
	Pension plan liabilities and post retirement obligations:		
	Retiree's medical benefit obligations	**(6,615)**	(5,341)
	Termination benefits	**-**	(150)
	Pension plan liabilities	**(114)**	(2,192)
	Total post retirement obligations	**(6,729)**	(7,683)

Thousands of Trinidad and Tobago dollars

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

	2005	2004
c) Movement in pension plan assets/(liabilities)		
Balance at 1st January	**144,799**	134,071
Total credits for the year	**14,827**	4,981
Contributions paid	**6,646**	5,747
Balance at 31st December	**166,272**	144,799
Pension plan assets	**166,386**	146,991
Pension plan liabilities	**(114)**	(2,192)
Pension plan assets - net	**166,272**	144,799
The pension plan assets are derived as follows:		
Fair value of plan assets	**617,774**	590,575
Present value of funded obligations	**(376,173)**	(355,196)
	241,601	235,379
Unrecognised actuarial gain	**(75,215)**	(88,388)
Pension plan assets	**166,386**	146,991
The pension plan liabilities are derived as follows:		
Fair value of plan assets	**12,281**	12,933
Present value of funded obligations	**(12,045)**	(15,503)
	236	(2,570)
Unrecognised actuarial (gain)/loss	**(350)**	378
Pension plan liabilities	**(114)**	(2,192)

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.

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

Thousands of Trinidad and Tobago dollars

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

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

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 results revealed that the Trinidad Cement Limited section was in surplus by $99.1m but the TCL Packaging Limited and Readymix (West Indies) Limited sections were in deficit by $1.5m and $3.3m respectively.

The directors of Trinidad Cement Limited agreed in December 2005 to transfer an aggregate of $2.2 million of Pension Plan assets from the TCL section to the sections for TCL Packaging Limited and Readymix (West Indies) Limited in the amounts of $1.0 million and $1.2 million, respectively. This was to reduce the cash contributions payable by these subsidiaries up to 31st December, 2006. This transfer has resulted in a net charge to the Group of $0.56m in the statement of earnings.

After the transfer of the pension assets, the service contribution rates for TCL, TPL and RML over the year to 31st December, 2006 as a percentage of salaries will remain at 6%, 11.1% and 14.5% respectively.

Employees of Arawak Cement Company Limited are members of a defined benefit pension plan, which became effective in September 1994. The plan is established under an irrevocable trust and its assets are invested through an independently administered segregated fund policy. The triennial actuarial valuation was last carried out 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, 2005 for the sole purpose of preparing these financial statements.

Principal actuarial assumptions used are as follows:

	2005	2004
Discount rate	**7%-7.5%**	6%-6.5%
Expected return on plan assets	**7%-9%**	6%-8.5%
Rate of future salary increases	**6%-6.75%**	5%-5.5%
Rate of future pension increases	**2.5%-3%**	2%-2.5%
Medical expense inflation	**6.75%**	5.5%

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

Thousands of Trinidad and Tobago dollars

11. Inventories

	2005	2004
Plant spares	**150,702**	141,302
Raw materials and work in progress	**110,918**	93,075
Consumables	**98,525**	69,218
Finished goods	**36,465**	34,974
	396,610	338,569

12. Receivables and prepayments

	2005	2004
Trade receivables	**98,882**	99,955
Less: provision for doubtful debts	**(16,209)**	(6,461)
Trade receivables (net)	**82,673**	93,494
Sundry receivables and prepayments	**37,831**	40,737
Deferred expenditure	**10,776**	10,989
Taxation recoverable	**8,043**	4,663
	139,323	149,883

In 2005, the Group adopted a new criterion in estimating its provision for bad and doubtful debts. This has resulted in an additional provision of approximately $9.7m.

13. Cash investments

Cash investments represent cash held specifically for the financing of the Group's expansion and modernisation project and can only be used for that purpose. These investments are normally in the form of 30-day cash instruments bearing interest of 4.5%-6% per annum.

14. Bank advances

	2005	2004
Bankers' acceptances and other advances	**102,148**	61,450
Overdraft	**23,332**	24,846
	125,480	86,296

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 6.75% to 24% per annum. The 24% rate of interest relates to overdraft borrowings by the subsidiary in Jamaica.

Thousands of Trinidad and Tobago dollars

15. Payables and accruals

	2005	2004
Sundry payables and accruals	**170,284**	132,519
Trade payables	**86,550**	48,050
Statutory obligations - Jamaica Subsidiary	**4,412**	2,428
Taxation payable	**4,024**	18,527
	265,270	201,524

16. Medium and long term financing

Maturity of borrowings:		
One year	**67,100**	105,212
Two years	**173,354**	112,177
Three years	**257,956**	62,360
Four years	**70,065**	347,365
Five years and over	**613,117**	220,945
	1,181,592	848,059
Current portion	**(67,100)**	(105,212)
	1,114,492	742,847

Type of borrowings:

Bonds	**759,099**	744,234
Project financing	**367,852**	-
Term loans	**39,577**	90,071
Finance lease obligations	**15,064**	13,754
	1,181,592	848,059

Currency denomination of borrowings

US dollar	**72,709**	63,411
Local currencies	**1,108,883**	784,648
	1,181,592	848,059

Interest rate profile

Fixed rates	**1,153,078**	835,459
Floating rates	**28,514**	12,600
	1,181,592	848,059

The weighted average effective interest rate for medium and long term financing is:	**9.15%**	10.21%

Thousands of Trinidad and Tobago dollars

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

Bonds

Barbados$50m Bond

This bond, with current book value of TT$101.8m, is secured by a charge on the fixed and floating assets of Arawak Cement Company Limited, is repayable by 18 equal semi-annual instalments commencing in December 2007. The bond may be drawn in tranches at which time the rate of interest is fixed based on Government of Barbados Debenture or Treasury Notes plus 0.90%. The rates of interest for the drawn amounts are 7.4% on B$15.6m and 7.75% on B$18.0m.

TT$346.5m Bond

This bond, with current book value of TT$308.4m, is secured by a charge on the fixed and floating assets of the Group, is repayable by 20 equal semi-annual instalments of TT$17.3m ending in August 2014 and carries a fixed rate of interest of 6.87% per annum.

TT$247.6m Bond

This bond, with current book value of TT$225.6m, is secured by a charge on the fixed and floating assets of the Group. It carries a fixed effective rate of interest of 14.08% per annum payable semi-annually with principal repayable by one lumpsum amount of TT$185.2m in June 2009.

TT$127.4m Bond

This bond, with current book value of TT$123.3m, is secured by a charge on the fixed and floating assets of the Group. It carries a fixed effective rate of interest of 13.9% per annum payable semi-annually with principal repayable by one lumpsum amount of TT$96.8m in February 2008.

Project financing

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

TT$315.0m Project Bond

This bond, with current book value of TT$307.7m, is secured by a charge on certain fixed assets of the Group, is repayable by 18 equal semi-annual instalments of TT$17.5m commencing in March 2009 and carries a fixed rate of interest of 6.71% per annum.

Thousands of Trinidad and Tobago dollars

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

US$25m Project 'A' Loan

This loan, with current book value of TT$15.7m, is secured by a charge on certain fixed assets of the Group, is repayable by 18 equal semi-annual instalments of US$1.389m commencing in October 2008 and carries a floating rate of interest of 6-month Libor plus 225 basis points. At 31st December, 2005, only US$3.3m of the available US$25m loan was drawn down.

US$10m Project 'C' Loan

This loan, with current book value of TT$29.5m, is secured by a charge on certain fixed assets of the Group, is repayable by 2 instalments of US$5m each in April 2016 and in April 2017. It carries a floating rate of interest of 6-month Libor plus 100 basis points. In addition to interest, the lender is entitled to an additional annual margin capped at 600 basis points above Libor calculated on the excess Earnings before Interest, Taxes, Depreciation and Amortisation ('Ebitda') of Caribbean Cement Company Limited over US$27.7m from 2008 to the end of the loan. At 31st December, 2005, US$5.0m of the available US$10m loan was drawn down.

US$20m Project 'Parallel' Loan

This loan, with current book value of TT$14.9m, is secured by a charge on certain fixed assets of the Group, is repayable by 18 equal semi-annual instalments of TT$1.1m commencing in April 2008 and carries a floating rate of interest of 6-month Libor plus 225 basis points. At 31st December, 2005, only US$2.7m of the available US$20m loan was drawn down.

Interest Rate Swap

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

The swap instruments are carried at market values representing the present values of all future settlements under the swaps as determined by a specific formula based upon current market conditions. The carrying values, which will vary in response to changes in market conditions, are recorded as assets or liabilities with the resultant charge or credit recorded as a 'Hedging Reserve' directly in shareholders equity. At each balance sheet date, the swap instruments are marked to market and the change in value recorded in the Hedging Reserve. For each accounting period, an amount is transferred from the Hedging Reserve and charged or credited in the statement of earnings such that the overall interest expense on the related project loans is reflective of the fixed interest rates. As at 31st December, 2005, the swaps carried an aggregate value of a $4.1 million liability in the books of the Group.

Thousands of Trinidad and Tobago dollars

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

Finance leases

Included in total borrowings are the present values of finance leases amounting to $15.1m (2004 - $13.8m). The minimum lease payments under these finance leases are as follows:

	2005	2004
Due not more than one year	**4,379**	3,512
Due in years two to five	**11,822**	10,745
Due after year five	**1,843**	2,450
Total minimum lease payments	**18,044**	16,707
Less: Finance charges	**(2,980)**	(2,953)
Total net present value	**15,064**	13,754

17. **Stated capital and other reserves**

(a) **Stated capital**

Authorised

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

Issued and fully paid

249,765,136 (2004 - 249,765,136) ordinary shares of no par value	**466,206**	466,206

(b) **Other reserves**

	Asset revaluation reserve	**Currency translation account**	**Hedging reserve**	**Total other reserve**
Year ended 31st December, 2005				
Balance at 1st January, 2005	-	(96,055)	-	(96,055)
Currency translation and other adjustments	-	(14,187)	-	(14,187)
Change in fair value of swap obligation	-	-	(4,098)	(4,098)
Deferred taxation on swap obligation	-	-	1,025	1,025
Balance at 31st December, 2005	-	(110,242)	(3,073)	(113,315)
Year ended 31st December, 2004				
Balance at 1st January, 2004	4,889	(91,573)	-	(86,684)
Currency translation and other adjustments	-	(4,482)	-	(4,482)
Transferred to retained earnings	(4,889)	-	-	(4,889)
Balance at 31st December, 2004	-	(96,055)	-	(96,055)

Thousands of Trinidad and Tobago dollars

18. Dividends	2005	2004
Paid 2004 Final - 10 ¢ (2003 - 10¢)	**24,977**	24,977
Paid 2005 Interim - 12 ¢ (2004 - 8¢)	**29,972**	19,981
	54,949	44,958

19. Employee share ownership plan (ESOP)

Number of shares held - unallocated (thousands)	**5,283**	5,643
Number of shares held - allocated (thousands)	**3,435**	3,673
	8,718	9,316
Fair value of shares held - unallocated	**52,830**	45,426
Fair value of shares held - allocated	**34,350**	29,568
	87,180	74,994
Cost of unallocated ESOP shares	**36,111**	38,573
Charge to earnings for shares allocated to employees	**1,045**	698

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

Shares acquired by the ESOP are funded by parent company contributions. The shares so acquired with cost of $36.1m (2004:$38.6m) which remain unallocated to employees have been recognised in shareholders' equity under 'Unallocated ESOP Shares'. All dealings in the shares will be recognized directly in equity.

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

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.

Thousands of Trinidad and Tobago dollars

21. Cash from operations

	2005	2004
Profit before taxation	86,799	199,348
Adjustments to reconcile profit before taxation to net cash generated by operating activities:		
Depreciation	113,732	109,588
Impairment of goodwill	2,458	-
Net finance cost	93,777	142,178
Loss/(gain) on disposal of plant and equipment	2,106	(2,924)
Foreign exchange rate adjustment	964	238
Net pension benefit credit	(14,827)	(4,981)
Pension plan contribution	(6,647)	(5,746)
Other non-cash items	11,091	1,100
Changes in net current assets	289,453	438,801
Increase in inventories	(58,041)	(6,670)
Decrease/(increase) in receivables and prepayments	4,192	(26,691)
Increase/(decrease) in payables and accruals	74,374	(12,793)
	309,978	392,647

22. Operating lease commitments

	2005	2004
Operating lease commitments:		
Year 2005	-	1,368
Year 2006	790	790
	790	2,158

23. Capital commitments

The Group has approved capital commitments amounting to $95m (2004 - $12.6m).

Thousands of Trinidad and Tobago dollars

24. Subsidiary undertakings

The Group's subsidiaries are as follows:

	Country of incorporation	Ownership level	
		2005	2004
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%**	70%
Island Concrete SARL (see note 9)	St Martin	**70%**	70%
TCL Guyana Inc.	Guyana	**80%**	80%

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

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, 2005 is estimated to be $1,127.9m (2004: $708.4m) as compared to its carrying value of $1,114.5m (2004: $657.3m).

Credit risk

The Group has no significant concentration of credit risk.

Thousands of Trinidad and Tobago dollars

26. Non-compliance with IAS 1

As at 31st December, 2005 one of the Group's subsidiaries was in breach of a loan covenant requirement to maintain a minimum current ratio of 1.2 compared to actual achieved of 0.97. This breach constituted an event of default as at 31st December, 2005 in respect of which the relevant lenders have granted waivers after the balance sheet date allowing a current ratio below 1.2 for the period up to 31st December, 2007.

In accordance with IAS 1 "Presentation of Financial Statements", when an entity breaches an undertaking under a long term loan agreement on or before the balance sheet date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the balance sheet date and before authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. The Group has not re-classified the relevant loan balances from non-current to current because it considers this treatment to be misleading in view of the waivers received. Had the Group reclassified these facilities as current the impact on the financial statements would have been to increase current liabilities by $756.1m and decrease non-current liabilities and net current assets by $756.1m. There is no impact on the Group's profit before tax, earnings per share and net assets.

27. Financial information by segment

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

27.1. Business segment information

	Cement 2005	Cement 2004	Concrete 2005	Concrete 2004	Packaging 2005	Packaging 2004	GROUP 2005	GROUP 2004
REVENUE								
Total sales	**1,405,792**	1,369,668	**183,246**	152,750	**69,042**	64,600	**1,658,080**	1,587,018
Inter-segment sales	**(172,242)**	(203,371)	**-**	-	**(56,004)**	(53,747)	**(228,246)**	(257,118)
GROUP REVENUE	**1,233,550**	1,166,297	**183,246**	152,750	**13,038**	10,853	**1,429,834**	1,329,900
SEGMENT OPERATING PROFIT	**196,143**	252,212	**(28,320)**	7,393	**10,317**	11,190	**178,140**	270,795
Other income	**-**	-	**-**	-	**-**	-	**5,790**	33,303
GROUP OPERATING PROFIT	**-**	-	**-**	-	**-**	-	**183,930**	304,098

Thousands of Trinidad and Tobago dollars

27. Financial information by segment (continued)

27.1. Business segment information (continued)

	Cement 2005	Cement 2004	Concrete 2005	Concrete 2004	Packaging 2005	Packaging 2004	GROUP 2005	GROUP 2004
SEGMENT ASSETS	**2,740,545**	2,228,502	**148,136**	152,226	**59,469**	57,312	**2,948,150**	2,438,040
GROUP TOTAL ASSETS							**2,948,150**	2,438,040
SEGMENT LIABILITIES	**1,685,857**	1,268,844	**92,144**	88,925	**31,031**	18,556	**1,809,032**	1,376,325
GROUP TOTAL LIABILITIES							**1,809,032**	1,376,325
Expenditure on property, plant and equipment	**294,756**	155,004	**13,097**	15,508	**1,719**	1,458	**309,572**	171,970
Expenditure on equity investments	**-**	-	**-**	12,884	**-**	-	**-**	12,884
Depreciation	**99,414**	96,549	**12,115**	10,687	**2,203**	2,352	**113,732**	109,588
Impairment of goodwill	**-**	-	**2,458**	-	**-**	-	**2,458**	-

27.2. Geographical segment information

	REVENUE 2005	REVENUE 2004	TOTAL ASSETS 2005	TOTAL ASSETS 2004	ADDITIONS PP& E 2005	ADDITIONS PP& E 2004
TRINIDAD and TOBAGO	**490,648**	428,606	**1,806,140**	1,418,138	**177,164**	88,759
JAMAICA	**601,255**	558,790	**642,815**	586,958	**91,755**	40,049
BARBADOS	**175,639**	149,739	**415,541**	365,549	**20,107**	33,441
OTHER COUNTRIES	**162,292**	192,765	**83,654**	67,395	**20,546**	9,721
GROUP TOTAL	**1,429,834**	1,329,900	**2,948,150**	2,438,040	**309,572**	171,970

P.P & E - Property, plant and equipment

28. Subsequent event

Arising from a quantity of sub-standard cement, produced by our subsidiary in Jamaica and released to the market subsequent to the year end, the Group has received claims from customers who have used this cement in construction projects. The Group has estimated its liability arising from these claims to be approximately $16 million.