TRINIDAD CEMENT LIMITED

CONSOLIDATED FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2005

CONSOLIDATED STATEMENT OF EARNINGS

TT$'000	AUDITED Year Ended 31.12.2005	AUDITED Year Ended 31.12.2004
REVENUE	**1,429,834**	**1,329,900**
OPERATING PROFIT	**183,930**	**304,098**
Finance costs – net	(97,131)	(104,750)
Profit before taxation	**86,799**	**199,348**
Provision for taxation	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	**66**	**67**
Dividends per Ordinary Share, cents	**15**	**20**

DIRECTORS' STATEMENT

Group revenue increased by $100 million or 8%, driven by increased demand in all markets. Sales volume was 1.91 million tonnes, surpassing last year's record of 1.90 million tonnes. Domestic sales at all three cement plants exceeded the prior year with total domestic sales being 120.5k tonnes (8%) higher than in 2004.

Operating profit declined mainly as a result of a shortfall in clinker production, costly interruptions caused by the passage of hurricanes in Jamaica in the second and third quarters and increased input costs, such as fuel, electricity, spares and labour. Our Readymix subsidiary concluded the independent internal review started in the second quarter of 2005, which resulted in a net loss of $25.2 million to the company. Management has since implemented several policy and procedural changes in order to correct serious weaknesses identified during the review.

The Group has benefited from deferred tax credits totaling $67.5 million arising from reduction of the tax rate in Trinidad and Tobago and recognition of a deferred tax asset at our Barbados subsidiary – Arawak Cement Company Limited. Total net assets were $1,139.1 million at year end representing growth of $77.4 million from the prior year.

Phase one of the capacity upgrade project at Trinidad Cement Limited has been successfully completed, increasing the company's cement production capacity from 780 thousand tonnes to 1.2 million tonnes annually. At Caribbean Cement Company Limited the expansion and modernization program continues to be on schedule for completion in early 2008. The Guyana Bagging Plant project is due to be completed by July 2006. These expansion programmes will enable the Group to address the projected growth in domestic and export markets.

OUTLOOK

Given the strong Global demand for cement, which is expected to continue in the foreseeable future, the outlook for the Group remains positive.

Your Board of Directors has approved a final dividend of 5 cents per ordinary share to be paid on July 21, 2006 to shareholders on record at the close of business on July 7, 2006. The register of members will be closed from July 7 to 11, 2006 inclusive. Together with the interim dividend of ten (10) cents paid in October 2005, the total dividend will be 15 cents compared with 20 cents for 2004.

The Annual Meeting of shareholders will be held on July 4, 2006.

Andy J. Bhajan

Andy J. Bhajan
Group Chairman
May 26, 2006

Dr. Rollin Bertrand
Director/Group CEO
May 26, 2006

CONSOLIDATED BALANCE SHEET

TT$'000	AUDITED Year Ended 31.12.2005	AUDITED Year Ended 31.12.2004
Non-Current Assets	2,165,924	1,907,677
Current Assets	782,226	530,363
Current Liabilities	(457,850)	(393,032)
Non-Current Liabilities	(1,351,182)	(983,293)
Total Net Assets	**1,139,118**	**1,061,715**
Share Capital	466,206	466,206
Reserves	565,635	473,168
Equity attributable to Parent	**1,031,841**	**939,374**
Minority Interests	107,277	122,341
Total Equity	**1,139,118**	**1,061,715**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	AUDITED Year Ended 31.12.2005	AUDITED Year Ended 31.12.2004
Balance at beginning of period	**939,374**	**804,434**
Transfer of Negative Goodwill	–	18,061
Currency translation and other adjustments	(14,186)	(4,482)
Allocation to employees and sale of ESOP shares net of dividends	4,349	4,048
Change in fair value of swap net of tax	(3,073)	–
Profit attributable to shareholders	160,326	162,271
Dividends	(54,949)	(44,958)
Balance at end of period	**1,031,841**	**939,374**

CONSOLIDATED CASH FLOW STATEMENT

TT$'000	AUDITED Year Ended 31.12.2005	AUDITED Year Ended 31.12.2004
Profit before taxation	86,799	199,348
Adjustment for non-cash items	202,652	239,453
Changes in working capital	20,527	(46,154)
	309,978	392,647
Net Interest and taxation paid	(139,423)	(141,590)
Net cash generated by operating activities	170,555	251,057
Net cash used in investing activities	(304,336)	(186,656)
Net cash generated by/(used in) financing activities	299,078	(23,071)
Increase in cash and short term funds	165,297	41,330
Cash and short term funds – beginning of period	(44,385)	(85,715)
Currency adjustment – opening balance	(99)	–
Cash and short term funds – end of period	**120,813**	**(44,385)**

Notes:

1. **Accounting Policies**
   Accounting policies used in the preparation of these financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2005.
2. **Earnings Per Share**
   Earnings per share (EPS) for 2005 is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding (244,412M) during the period. The weighted average number of ordinary shares in issue for the year has been determined, in accordance with best practice, by deducting from the total number of issued shares of 249.765M, the 5.353M (2004: 5.643M) shares that were held as unallocated shares by our ESOP.
3. **Loans**
   The Group has maintained the non-current classification of loans amounting to $756.1M, a treatment which our external auditors disagreed with on the basis that notwithstanding waivers received after the balance sheet date in respect of non-compliance with a current radio covenant, (actual 0.97 versus limit of 1.2), at our subsidiary, Caribbean Cement Company Limited, the loans were capable of being called at the balance sheet date and therefore should be classified in current liabilities, a view the Group considers to be misleading. This is not in compliance with International Accounting Standard 1. There is no impact on the Group's profit before tax, EPS, and net assets.