ONE CARIBBEAN... ONE COMPANY

THE **BOND** FOR FUTURE GROWTH AND STABILITY

ANNUAL REPORT 2008

ONE CARIBBEAN... ONE COMPANY

ANNUAL **REPORT** 2008

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.

THE **EXPERTISE** TO MANUFACTURE CONSISTENT QUALITY AT THE BEST PRICE.

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NOTICE OF **ANNUAL MEETING**

Notice is hereby given that the ANNUAL MEETING of TRINIDAD CEMENT LIMITED for the year ended 31st December 2008 will be held at the Training Room, TCL Compound, Southern Main Road, Claxton Bay, on 12th May 2009 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 2008, with the Report of the Auditors thereon.
2. To elect Directors.
3. To appoint Auditors and authorise the Directors to fix their remuneration for the ensuing year.
4. To transact any other business, which may be properly brought before the meeting.

NOTES

1. Record Date

The Directors have fixed 14th April 2009 as the record date for shareholders entitled to receive notice of the Annual Meeting. Formal notice of the Meeting will be sent to shareholders on the Register of Members as at the close of business on that date. A list of such shareholders will be available for examination by shareholders at the registered office of The Trinidad & Tobago Central Depository, 10th Floor, Nicholas Tower, 62-65 Independence Square, Port of Spain, during usual business hours and at the Annual Meeting.

2. Proxies

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

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

BY ORDER OF THE BOARD

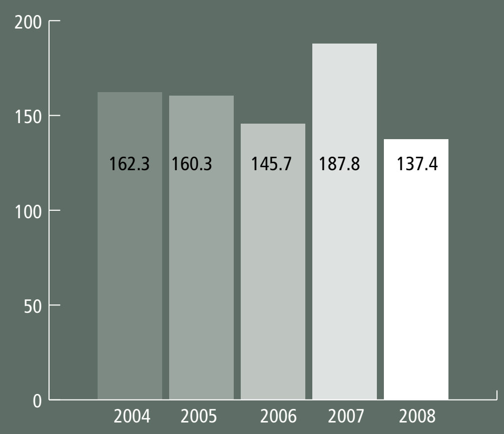
ALAN NOBIE
SECRETARY

9th April 2009

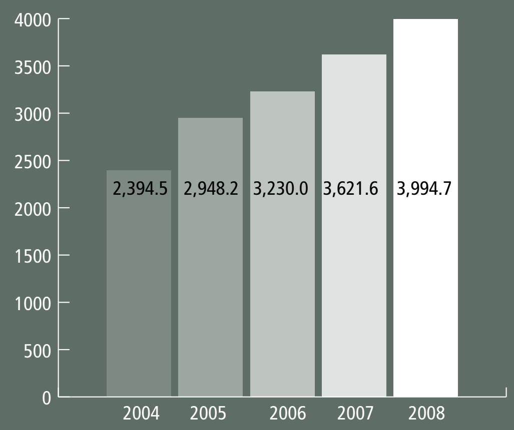
THE **SPIRIT OF INNOVATION** THAT KEEPS US AHEAD OF OUR COMPETITORS.

CONSOLIDATED FINANCIAL SUMMARY 2004-2008

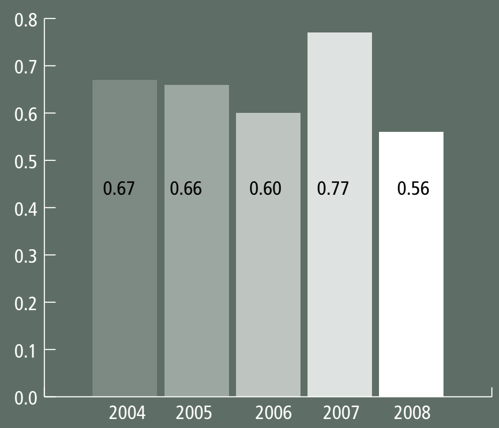
PROFIT ATTRIBUTABLE TO SHAREHOLDERS ($M)



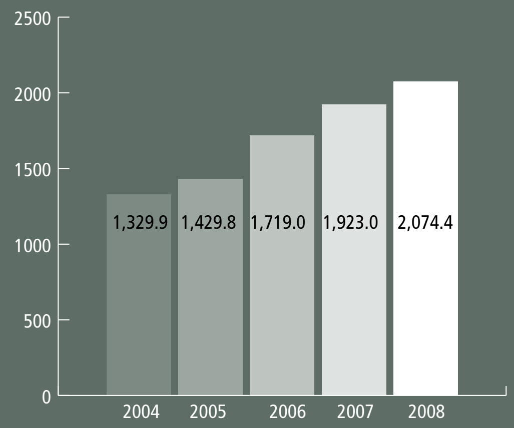
TOTAL ASSETS ($M)



EARNINGS PER SHARE ($M)



GROUP THIRD PARTY REVENUE ($M)



10 YEAR CONSOLIDATED FINANCIAL SUMMARY

	UOM	1999	2000	2001	2002	2003
Group Third Party Revenue	TT$m	836.1	1,097.0	1,054.0	1,131.8	1,155.7
Operating Profit	TT$m	231.3	261.9	228.3	246.7	264.0
Group Profit before Taxation	TT$m	102.9	138.5	139.8	160.3	173.2
Group Profit attributable to Shareholders	TT$m	70.2	84.6	93.0	118.5	121.4
Foreign Exchange Earnings	TT$m	189.1	183.4	176.3	176.2	184.0
Earnings per Share (EPS)	TT$m	0.34	0.38	0.37	0.49	0.50
Ordinary Dividend per Share	TT$m	0.12	0.16	0.14	0.18	0.18
Issued Share Capital – Ordinary	TT$m	267.7	466.2	466.2	466.2	466.2
Shareholders' Equity	TT$m	475.7	715.1	699.0	765.3	804.4
Group Equity	TT$m	729.9	943.1	913.5	960.8	905.6
Total Assets	TT$m	2,471.5	2,403.2	2,356.0	2,320.9	2,239.4
Net Assets per Share	TT$m	3.48	3.78	3.66	3.85	3.63
Return on Shareholders' Equity	%	16.2	14.2	13.2	16.2	15.5
Share Price (Dec 31)	TT$m	4.35	4.50	3.65	5.70	6.00
No. of Shares Outstanding (Dec 31)	'000	209,480	249,765	249,765	249,765	249,765
Market Capitalisation (Dec 31)	TT$m	911.2	1,123.9	911.6	1,423.7	1,498.6
Long Term Debt	TT$m	1,240.1	917.7	918.4	844.4	770.8
Long Term Debt/Equity Ratio	%	220.7	113.8	115.1	97.4	85.1

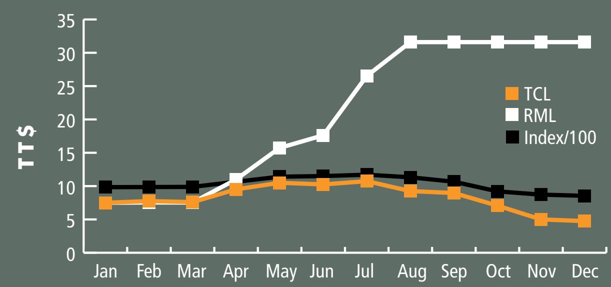
	UOM	2004	2005	2006	2007	2008
Group Third Party Revenue	TT$m	1,329.9	1,429.8	1,719.0	1,923.0	2,074.4
Operating Profit	TT$m	304.1	183.9	264.8	349.4	307.2
Group Profit before Taxation	TT$m	199.3	86.8	160.5	245.7	195.9
Group Profit attributable to Shareholders	TT$m	162.3	160.3	145.7	187.8	137.4
Foreign Exchange Earnings	TT$m	192.8	162.3	231.8	292.3	362.4
Earnings per Share (EPS)	TT$m	0.67	0.66	0.60	0.77	0.56
Ordinary Dividend per Share	TT$m	0.20	0.15	0.06	0.07	-
Issued Share Capital – Ordinary	TT$m	466.2	466.2	466.2	466.2	466.2
Shareholders' Equity	TT$m	939.4	1,031.8	1,159.0	1,313.7	1,372.2
Group Equity	TT$m	1,061.7	1,139.1	1,267.5	1,442.3	1,504.3
Total Assets	TT$m	2,394.5	2,948.2	3,230.0	3,621.6	3,994.7
Net Assets per Share	TT$m	4.25	4.56	5.07	5.77	6.02
Return on Shareholders' Equity	%	18.6	15.5	12.6	14.3	10.0
Share Price (Dec 31)	TT$m	8.05	10.00	7.01	7.35	4.00
No. of Shares Outstanding (Dec 31)	'000	249,765	249,765	249,765	249,765	249,765
Market Capitalisation (Dec 31)	TT$m	2,010.6	2,497.7	1,750.9	1,835.8	999.1
Long Term Debt	TT$m	742.8	1,114.5	1,183.6	1,308.3	1,352.2
Long Term Debt/Equity Ratio	%	70	97.8	93.4	90.7	89.9

Note: Issued shares increased by 40,284,699 in 2000 to 249,765,136 at present.

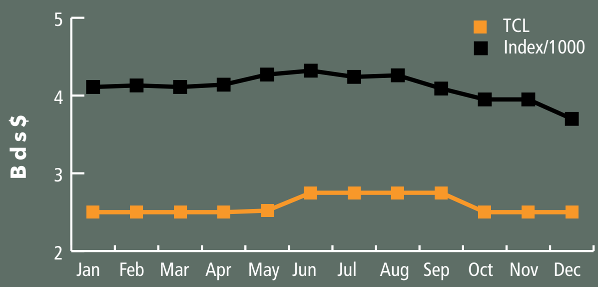
THE **PEOPLE** WHO HAVE DEDICATED THEMSELVES TO FUTURE SUCCESS.

SHARE PERFORMANCE

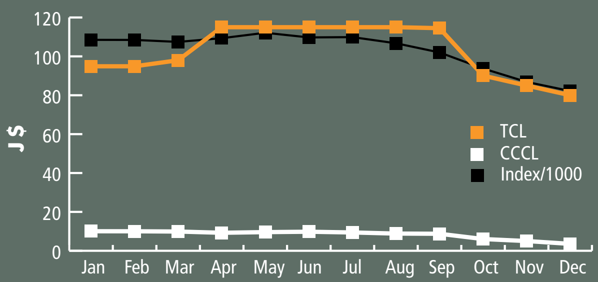
TTSE



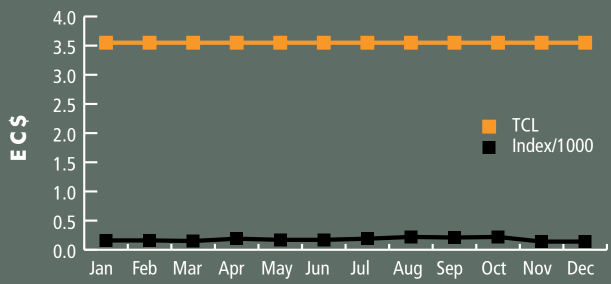
BSE



JSE



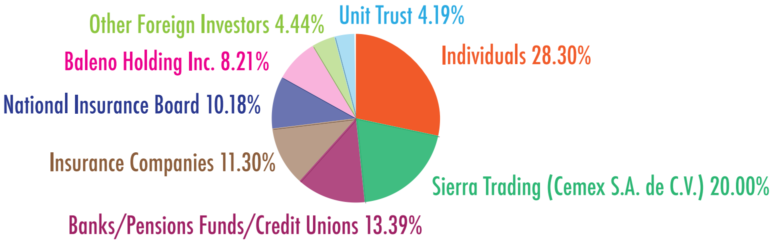
ECSE



TRADING VOLUMES

		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
TTSE	**TCL**	315,239	58,288	270,816	1,569,869	1,230,630	831,518	5,996,728	295,047	654,316	297,153	565,652	88,780	12,174,036
	RML	6,663	10,983	891	41,498	8,078	53,221	331,376	722,231	282,619	152,394	96,894	14,574	1,721,422
JSE	**TCL**	250	41	902	675	116,395	-	-	100,738	666,200	624,357	225,232	98,368	1,833,158
	CCCL	4,828	2,548	1,203	2,624	923,403	667,983	3,479,453	1,810,732	268,880	1,909,852	1,201,754	545,055	10,818,315
BSE	**TCL**	10,000	-	-	86,289	-	2,000	-	-	30,000	43,461	51,172	-	222,922
ECSE	**TCL**	-	-	3,000	290,485	-	201	-	-	-	-	-	-	293,686

DISTRIBUTION **OF SHAREHOLDING**



GROUP **PERFORMANCE HIGHLIGHTS**

			2007	2008	% Change
INCOME STATEMENT					
Group Third Party Revenue		$m	1,923.0	2,074.4	7.9
Group Profit attributable to Shareholders		$m	187.8	137.4	(26.8)
Foreign exchange earnings		$m	292.3	362.4	24.0
BALANCE SHEET					
Total Assets		$m	3,621.6	3,994.7	10.3
Shareholders' Equity		$m	1,313.7	1,372.2	4.4
Net Assets per Share		$	5.8	6.0	4.4
Long Term Debt		$m	1,308.3	1,352.2	3.4
Long Term Debt to Equity Ratio		%	90.7	89.9	(0.9)
OPERATIONAL HIGHLIGHTS					
TCL	Cement production	'000 tonnes	901.9	957.6	6.2
	Cement sales - Local	"	672.9	693.0	3.0
	Cement sales - Export	"	229.6	261.6	13.9
	Cement sales - Total	"	902.5	954.6	5.8
CCCL	Cement production	'000 tonnes	773.0	724.5	(6.3)
	Cement sales - Local	"	807.5	720.3	(10.8)
	Cement sales - Export	"	6.0	28.5	374.4
	Cement sales - Total	"	813.5	748.7	(8.0)
ACCL	Cement production	'000 tonnes	316.5	301.4	(4.8)
	Cement sales - Local	"	191.1	174.6	(8.6)
	Cement sales - Export	"	128.3	124.9	(2.7)
	Cement sales - Total	"	319.4	299.5	(6.2)
TPL	Paper sack production	millions	38.1	37.9	(0.6)
	Paper sack sales	"	34.8	34.0	(2.2)
TPM	Sling production	thousands	465.0	377.0	(18.9)
	Sling sales	"	350.2	341.6	(2.4)
	Jumbo bag sales	"	23.4	37.9	61.9
RML Group	Concrete sales – T&T, BDS, St.Maarten	'000m^3	284.3	252.0	(11.4)
JGQ	Gypsum sales	'000 tonnes	182.5	257.2	40.9

STEWARDSHIP THAT ENVISIONS PROFITABILITY BASED ON RESPONSIBILITY.

THE BOARD OF DIRECTORS

(left to right)

Dr. Aleem Mohammed
Director, Trinidad Cement Limited

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

Brian Young
Chairman, Caribbean Cement Company Limited; Director, Trinidad Cement Limited

Felipé Zambrano
Director, Trinidad Cement Limited; Director, Caribbean Cement Company Limited

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

Andy J. Bhajan
Chairman, Trinidad Cement Limited

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

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

Dr. Leonard Nurse
Director, Trinidad Cement Limited

Carlos Hee Houng
Director, Trinidad Cement Limited

BOARD SUB-COMMITTEES

GOVERNANCE COMMITTEE
A. J. Bhajan (Chairman)
Y. Omar
B. Young

AUDIT COMMITTEE
B. Young (Chairman)
E. Carrington
J. McFarlane

FINANCE COMMITTEE
E. Carrington (Chairman)
Dr. R. Bertrand (Group CEO)
H.N. Hosein (Group Finance Manager)
J. McFarlane
B. Young

HUMAN RESOURCE COMMITTEE
Y. Omar (Chairman)
Dr. R. Bertrand (Group CEO)
E. Carrington
J. McFarlane
E.N. Holmes (Group Human Resource Manager)

TCL BOARD OPERATING COMMITTEE
Y. Omar (Chairman)
Dr. R. Bertrand (Group CEO)
H.N. Hosein (Group Finance Manager)

INFORMATION ABOUT OUR **BOARD MEMBERS**

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

Dr. Rollin Bertrand is the Chief Executive Officer of the TCL Group. He is Chairman of the Board of Trustees of the Caribbean Court of Justice Trust Fund, Chairman of Trinidad Aggregate Products Limited and a Director of the Trinidad and Tobago Stock Exchange. He was formerly the General Manager of Arawak Cement Company Limited (1994 – 1998), President of the Association of Cement Producers for Latin America and the Caribbean, President of the Caribbean Association of Industry and Commerce (2003 – 2005) and Chairman of the Water and Sewerage Authority (2006 – 2008).
Dr. Bertrand obtained a BSc (Sp. Hons.1979) Degree and PhD in Geology (1984) from the University of the West Indies, Mona, Jamaica as well as an Executive Masters Degree in Business Administration (EMBA 1993) from the University of the West Indies, St. Augustine, Trinidad.

Eutrice Carrington is the Vice President, Asset Management at the Trinidad and Tobago Unit Trust Corporation, the leading indigenous mutual find service provider in Trinidad and Tobago and the Caribbean region. She holds a BSc honours degree in economics and a Master's of Science in economics. Her career in investments spans a period of seventeen years and during her tenure she has held positions of Manager, Investment Management Services, Portfolio Manager and Research and Security Analyst. Ms. Carrington also worked as a Policy Analyst II in the Ministry of the Economy and spent several years in the domestic banking sector. Ms. Carrington has served as secretary of the Economics Association of Trinidad and Tobago. She was a member of the Technical Committee appointed by the Cabinet of Trinidad and Tobago to assist in the formulation of Mutual Fund Legislation. Ms. Carrington is Alternate Director of UTC Cayman SPC Limited. She is President of UTC Fund Services inc, a wholly owned subsidiary of the Trinidad and Tobago Unit Trust Corporation, a Director of UTC Financial Services U.S.A. Inc., a wholly owned subsidiary of the Trinidad and Tobago Unit Trust Corporation and Treasurer of UTC Energy Investments Ltd. In addition, Ms. Carrington is Chairman and Director of Readymix (West Indies) Limited.

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

Jeffrey McFarlane is the Executive Director of the National Insurance Board of Trinidad and Tobago. He is currently a Director on the Board of the National Insurance Property Development Co. Ltd. (NIPDEC), the Home Mortgage Bank Limited and Chairman of Arawak Cement Company Limited. 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.

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

Dr. Leonard Nurse is a senior lecturer at the Centre for Resource Management and Environmental Studies at the University of the West Indies, Cave Hill Campus, Barbados. He graduated from McGill University with a PHD in Coastal Geomorphology, and currently holds directorships in Barbados National Oil Company, Barbados National Terminal Company Limited, National Petroleum Corporation and the Barbados Cane Industry Corporation.. Dr. Nurse is also a member of the International Association of Geomorphologists, Canadian Coastal and Engineering Science Association, Director of the Bellairs Research Institute of McGill University and an Associate Member of the Barbados Town and Country Planning Society. In 2000, Dr. Nurse was awarded the Certificate of Merit awarded by the Future Centre for outstanding work in support of preservation of natural reefs, and in 2001 he was awarded the Barbados Centennial Honours followed by the Governor-General's Award for the Environment. He was also awarded his country's second highest honour, the Companion of Honour of Barbados in 2007, for his internationally recognised research in climate change.

Yusuff Omar is a former Managing Director of Trinidad Cement Limited. He is currently the Chairman of TCL Packaging Limited and TCL Ponsa Manufacturing Limited. He also holds several directorships within the TCL Group (TCL, CCCL, TGI and ACCL) and is also Chairman of the TCL Board Operating Committee, and a Director at the Trinidad Nitrogen Company Limited. Mr. Omar, a qualified Mechanical Engineer, has over thirty-six 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.

Brian 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, RBC Financial (Caribbean) Limited, RBTT Merchant Bank Limited and Bermudez Group Limited (all based in Trinidad). He is also on the Board of Directors of the following Jamaican companies:- Neal and Massy Group Jamaica Limited, Cool Petroleum Limited, Jamaica Biscuit Company Limited, Trade Winds Limited, RBTT Bank (Jamaica) Limited and RBTT Securities Limited.

Felipé Zambrano is the President of Cemex Caribe. He has substantial experience in the cement industry, having performed in several key positions including Director of Planning, Director of Logistics and Director of Concrete at Cemex in Mexico and Director and General Manager of Cemex in Panama. Throughout his career, he has successfully developed concrete operations, participated in acquisitions and effectively transformed business operations. Mr. Zambrano graduated from Regionmontana University in Mexico with a Degree in Business Administration. He was later awarded his Master's Degree in General Management from the University of Pepperdine, California, E.E.U.U. Mr. Zambrano has also undertaken business programmes at Kellog University, E.E.U.U. such as Finances for Executives and Mergers & Acquisitions.

GROUP CHAIRMAN'S REVIEW

BY ANDY J. BHAJAN
CHAIRMAN

During 2008, the TCL Group like many other businesses, and indeed many countries, operated in a very difficult economic environment. The financial and economic crisis, which first emerged in the United States, rapidly spread to other developed countries and has now become global in its scope. This crisis has had a negative effect on the economies in the region in the second half of the year, with a declining demand for the Group's products being experienced in the last quarter.

A corollary effect of the crisis was significant volatility in energy and commodity prices with the unusually high prices of fuel, steel and other commodities, which prevailed in 2007 and early 2008, collapsing during the year.

Global cement majors were significantly affected by the fall in demand as construction activity slowed down, resulting in declining profitability and lower share prices.

FINANCIAL PERFORMANCE SUMMARY

The Group's financial performance, particularly during the second half of 2008, fell below expectation, reflecting the above-mentioned slowdown in the regional economy. There were declines in domestic cement sales volumes in the Jamaican and Barbadian markets of 10.7% and 8.6% respectively. This was mitigated by a sales volume increase of 3% for Trinidad & Tobago. The decline was 5% for the Group as a whole.

Notwithstanding the decline in sales volumes, Group revenue increased by $151.5 million which is 8% higher than for 2007 as price increases had to be implemented in various markets during the second quarter to partially offset the impact of rising costs. The Group was, however, also negatively impacted by significant foreign exchange losses in Jamaica, high energy costs in Barbados, and the need to provide for the non-receipt of a fuel rebate due to our Barbadian subsidiary. Consequently, Profit attributable to Group Shareholders decreased by 27% ($50.4 million) to $134.7 million, representing an Earnings per Share (EPS) of $0.56 (2007: $0.77).

The Balance Sheet remained strong with Total Net Assets increasing by 4% and Shareholders' Equity increasing by 4.4%. The Group's leveraging was consistent with the benchmarks agreed with our lenders with the Debt to Equity ratio at 93% (2007: 92%). A detailed review and analysis of the Group's 2008 financial and operational performance is provided in the Group CEO's Report and Management Discussion commencing on page 16.

CAPACITY EXPANSION AND MODERNISATION PROGRESS REPORT

Caribbean Cement Company Limited's (CCCL's) Kiln 5 was successfully commissioned in the third quarter of 2008 and this has already started to positively impact the Company's production costs. Cement Mill No. 5 is scheduled for completion by the end of June 2009. A more detailed report on the Group's capacity expansion and modernisation project is provided in the Group CEO's Report and Management Discussion.

MARKET DEFENCE STRATEGY

Legal Action at the Caribbean Court of Justice (CCJ)

The TCL Group has developed as a Pan-Caribbean enterprise, combining natural mineral resources with human and financial capital to generate wealth for the people of the region.

In order to adequately satisfy regional demand for the Group's products, production capacity has been significantly expanded utilising debt and internally generated funds. An orderly and predictable trading regime will provide the Group with a fertile environment for growth and development. Such an environment was contemplated by the Revised Treaty of Chaguaramas, which established the Caribbean Community, including the Caricom Single Market and Economy (CSME) in order to encourage investment in building regional manufacturing capability.

The Revised Treaty incorporates a Common External Tariff (CET) to be applied to imported goods in situations where there are regional production facilities adequately supplying Caricom market demands. In recent times, this trading regime has become unpredictable because of the absence of clarity in the application of the CET and its apparent waiver on arbitrary bases not prescribed by the Treaty.

The Caribbean Court of Justice (CCJ) was established under the Treaty to adjudicate on all matters relating to the CSME. The Group has accordingly found it necessary to file two actions before the CCJ, firstly against the Government of Guyana, and secondly against the Caribbean Community itself, in relation to CET waivers granted in 2008 on cement imported from extra-regional sources. The hearing of one of these matters has already been concluded and the Court has reserved judgement. The other matter will be fixed for hearing shortly.

SHAREHOLDERS' ISSUES

Share Price Performance

The year 2008 was one in which there were mixed fortunes in equity trading. The first quarter saw a rejuvenation of activity on the Trinidad and Tobago Stock Exchange (TTSE) with higher prices and a positive movement in the Composite Index. This was driven, principally, by the RBTT/RBC amalgamation and the commencement of five-day trading on the exchange. There was a general expectation that the sale proceeds received by local investors from the sale of their RBTT shares would have been channelled into other local stocks.

This upswing continued into the second quarter, being reflected in a surge in trading volumes and capital appreciation for many stocks. The upswing was not sustained and by the middle of the third quarter, the Composite Index started to decline as the market began to correct on the realisation that the anticipated cash inflows from the RBTT/RBC transaction were not materialising. This situation was compounded by developments in global equity markets, where the collapse of a number of major financial institutions and a rapidly evolving international financial crisis negatively impacted stock markets across the globe.

While there appeared to be limited direct exposure by local listed companies to the international crisis, investor confidence in the equity market was badly shaken resulting in a rapid decline of the Composite Index later in the year. The TTSE's Composite Index at year end 2008 closed at 842.93, some 139.1 points or 14.16% lower than at the beginning of the year. This represented a 33% market reversal since the Index had appreciated by an estimated 20% between January and June 2008, before sliding in the second half of the year.

TCL's share price also exhibited mixed fortunes for the year, starting at $7.35, peaking at $10.75 in July, and declining sharply to end the year at $4.00, a 46% decrease from the opening price and a 73% decline from the July peak. The volatile market and third quarter 2008 published results formed the context for the TCL share price movements during 2008.

WE TAKE GREAT **CARE** IN CHOOSING RAW MATERIALS FOR OUR PRODUCTS.

(BSE) and the Jamaica Stock Exchange (JSE) declined during 2008. The BSE Local Index declined by 11.90% and the Composite Index by 10.59%. The JSE Market Index declined by 25.76% and the All Jamaican Composite Index declined by 30.71%. TCL's share price on the BSE commenced the year at Bds$2.50 and increased by 10% to a high of Bds$2.75 in the third quarter, before declining to close the year at Bds$2.50. On the JSE, the TCL share price decreased by 15% from J$94.00 at the start of the year to J$80.00 at year-end, having peaked at J$115.00 in the second and third quarters. CCCL's share price on the JSE declined by 58% from J$9.50 in January 2008 to J$3.95 at year-end. On the Eastern Caribbean Securities Exchange, the TCL share price remained unchanged at EC$3.55 during the year. The Guyana Stock Exchange, which is still at a very early stage of development, has not been able to establish a mechanism to facilitate cross-border trading.

Readymix (W.I.) Limited (RML) was the stellar performer on the TTSE with its share price increasing by an astounding 350% from $7.01 to $31.60. RML was in fact, by far, the best performer on the TTSE.

Dividend Policy

As stated in previous Annual Reports and quarterly Directors' statements, the Company's dividend policy is being kept under continuous review.

In the context of the current environment of global economic and financial uncertainty, there is a need to maximise the utilisation of internally generated cash to complete, by mid 2009, CCCL's Cement Mill No. 5 Project, an integral element of the Group's Capacity Expansion project in Jamaica. Consequently, the Board considers it prudent not to declare a final dividend for the year ended December 31, 2008. The Board is nevertheless committed to the resumption of the payment of dividends, on a semi-annual basis, within the earliest possible timeframe.

CEMEX's Shareholding

The Company recently received notification that Santander Investment S.A. had been appointed as CEMEX's exclusive financial advisor to pursue the sale of their TCL stake (a 20% shareholding).

In order to examine all possible options and its implications for the Group, the Board engaged the services of a financial advisor, BroadSpan Securities LLC. of Florida, USA, to give advice on the following alternatives and how they might be funded:

- Whether the CEMEX shareholding should be purchased by TCL and cancelled.
- Whether TCL's Employee Share Ownership Plan (ESOP) should acquire the shares for the benefit of employees or for future divestment in order to spread the Company's shareholding regionally.
- Whether no action should be taken by the Company in relation to the possible sale other than to seek to influence CEMEX's choice for the purposes of "compatibility".

BroadSpan is also helping TCL to pursue the possible acquisition of key strategic operational assets in the region, which may be divested by certain major Cement companies.

The exploratory discussions between BroadSpan and Santander have been progressing at a reasonable pace and shareholders will be kept informed of any material developments on a timely basis. This might include shareholder approval of the proposed course of action.

BOARD CHANGES

In accordance with Clause 4.4.2 of By-Law No 1, Dr. Leonard Nurse was appointed to the Board in January 2009 filling a casual vacancy created by the resignation of Senator Darcy Boyce. His appointment is subject to confirmation at the Annual Meeting. Dr. Nurse, a Barbados national, is an Environmental Specialist and University lecturer who will bring a valuable competency and perspective to the Board's deliberations at a time when there is a strong Health, Safety and Environmental (HSE) thrust across the Group.

Mr. Felipé Zambrano, a nominee of CEMEX, was appointed on July 31, 2008 in accordance with Clause 4.4.2 of By-Law No 1, to fill the vacancy created by the resignation of Mr. Leopoldo Navarro. Mr. Zambrano is the President of CEMEX Caribe. In view of the announced intention by CEMEX to possibly dispose of its TCL shareholding, Mr. Zambrano has taken a leave of absence from the Boards of TCL and CCCL, where he is also a Director. His appointment will, therefore, not be submitted for shareholder confirmation at the Annual Meeting.

ACKNOWLEDGEMENTS

The TCL Group has had a challenging year, which is reflected in the decline in its profitability as a result of the unprecedented adverse economic circumstances being globally faced since mid 2008. Nevertheless, having invested in new plant and equipment with a production capacity of approximately 2.5 million tonnes of cement, and with our planned export marketing initiatives, we remain well positioned for the future. Accordingly, I am very confident about our prospects.

I want to sincerely thank my fellow Board members, the Group CEO, his team and all employees for their commitment and dedication to duty. I also want to thank our shareholders and other stakeholders for their continuing support and confidence in the TCL Group.

Andy J. Bhajan

Andy J. Bhajan
Group Chairman

MANAGEMENT WITH AN EYE ON PROFITS AND A HEART FOR PEOPLE.

THE GROUP EXECUTIVE COMMITTEE
(left to right)

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

Hayden Ferreira
Projects Director

Arun K. Goyal
Group Manufacturing Development Manager

Egwin Daniel
General Manager, International Business and Marketing

Satnarine Bachew
General Manager, Trinidad Cement Limited

Alan Nobie
Manager, Investor Relations and Corporate Communications/Company Secretary

Dr. Rollin Bertrand
Group Chief Executive Officer

Hollis N. Hosein
Group Finance Manager

Derrick Isaac
General Manager, TCL Packaging Limited & TCL Ponsa Manufacturing Limited

Manan Deo
General Manager, Readymix (West Indies) Limited

Rupert Greene
General Manager (Ag.), Arawak Cement Company Limited

Errol N. Holmes
Group Human Resources Manager

INFORMATION ABOUT OUR **GROUP EXECUTIVE COMMITTEE**

Dr. Rollin Bertrand (see information on page 9)

Satnarine Bachew has been with the TCL Group for the past 17 years, and has held various positions such as Quarry Foreman, Process Engineer, Quarry Manager, Production Manager and Marketing Manager (all at TCL) as well as Operations Manager and General Manager at Arawak Cement Co. Ltd., Barbados. He holds a Bachelor of Science Degree in Geology and Mathematics from The University of the West Indies, Jamaica and is also a graduate of the Master's programmes at Dalhouse University, Nova Scotia, Canada and the University of the West Indies, Trinidad.

Egwin Daniel has extensive International Marketing and Financial experience having worked in these fields in Canada, USA and throughout the Caribbean over the past 17 years, the last seven of which were spent abroad in the French and Spanish Caribbean working in the private sector providing Senior Management expertise in the International Money Markets and Distribution. He holds an MBA from the University of Concordia, Canada and a BSc from Mc Gill University, Canada. Currently he is finalising requisites for membership in the USA National Association of Securities Dealers (NASD) and the USA National Futures Association (NFA).

Manan Deo holds an Executive MBA (Distinction) with an emphasis on International Marketing. He joined the TCL Group as Marketing Manager of TCL Packaging Limited in 1995 and was appointed the General Manager of both TCL Packaging Limited and TCL Ponsa Manufacturing Limited in October 1997. His most recent appointment at the TCL Group is that of General Manager – Readymix (W.I.) Limited which took effect in 2005. Mr. Deo, who is fluent in Spanish, has 15 years combined experience in Developmental Banking and the Small and Medium Enterprise Sector.

Hayden Ferreira is currently Projects Director for both the kiln and mill expansion projects at Carib Cement, and the fuel conversion project at Arawak Cement in Barbados. He holds a B.Sc. in Mechanical Engineering and a Masters in Business Administration, and has had extensive and varied experience of successful management of manufacturing operations in energy related industries. Within this, he has held senior management responsibility for developing and integrating the major discipline areas (including safety and risk management) in modern process plants, and has had significant project management experience in both developing new facilities and improving existing ones. Mr. Ferreira has served as a Director and President of Venture Credit Union for several years, and has held other company directorships. He is also a lecturer in Production and Operations Management (Executive and International MBA) at the Arthur Lok Jack Graduate School of Business, and has published several papers on aspects of plant and operations management.

Arun K. Goyal has been with the TCL Group since January 1, 1980 and has extensive experience in cement manufacturing having served in the capacity of Senior Process Engineer, Assistant Operations Manager (Planning & Development), A.O.M (Maintenance) and Operations Manager at Trinidad Cement Limited and General Manager at Caribbean Cement Company in Jamaica. Mr. Goyal has also worked in the Bauxite Industry in Guyana for over three years as a Process Engineer. He holds a Bachelor of Technology Degree in Chemical Plant Engineering from Osmania University, Hyderabad, India and is 'Fellow' of the Association of Professional Engineers of Trinidad & Tobago. Mr. Goyal serves on the Boards of Arawak Cement Company Limited, Readymix (W.I.) Ltd., TCL Packaging Limited, TCL Ponsa Manufacturing Limited, TCL Guyana Inc. and Asociation De Productores De Cemento Del area Del Caribe (APCAC).

Rupert Greene assumed the position of General Manager (Ag.) of Arawak Cement Company Limited on June 09, 2008. He has been a part of the Arawak family since April 1995, when he joined the company as an Accountant. Mr. Greene was then promoted to the position of Finance Manager in July 1997, a position he has held for the past eleven (11) years. He has several years of accounting experience, having held various senior positions before joining Arawak Cement Company Limited. Mr. Greene graduated with honors from the University of the West Indies with a Bachelors Degree in Accounting.

F. L. Anthony Haynes held the post of General Manager at Trinidad Cement Limited, Claxton Bay, during the period 1998 to 1999. Mr. Haynes possesses extensive experience in the manufacturing and energy industries. He holds a BSc in Electrical and Electronic engineering from London University, England, and was a National Scholarship winner in 1972.

Errol N. Holmes has over 28 years experience in various disciplines within the Human Resource Management profession and has worked in both the Jamaican public and private sectors with specific responsibility for directing the human resource process. Errol is a Fulbright Scholar and holds undergraduate and postgraduate degrees in education, industrial relations and labour law and educational policy development from the Northern Caribbean University, the University of Technology and Loyola University of Chicago. His Board appointments include Northern Caribbean University, the Advisory Board of the School of Hospitality at the University of Technology, the Advisory Board of the University College of the Caribbean and the Fulbright Scholarship Selection Panel, Office of Public Affairs, US Embassy, Jamaica. He also operates as a Consultant for several organisations and lectures in Human Resource and Management programmes at the University of the West Indies (Mona Campus), University College of the Caribbean and the Florida International University.

Hollis N. Hosein possesses diverse experience in the areas of Financial Management Systems, Administration and General Management. He has been integrally involved in all aspects of Trinidad Cement Limited's development from divestment of Government's shareholding to the current status of the TCL Group. Mr. Hosein is also a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT). He currently serves on the Subsidiary Boards of Arawak Cement Company Limited, Caribbean Cement Company Limited and Readymix (West Indies) Limited and is also a member of the TCL Group's Board Finance Committee.

Derrick Isaac has been with the Group for over 10 years and has held managerial positions at Caribbean Cement Company Limited, Jamaica and Trinidad Cement Limited, Trinidad. He is a Fellow of the Chartered Association of Certified Accountants (FCCA) and a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT). He holds a Masters of Business Administration from the University of New Orleans, and is also an Associate Member of the Association of Certified Fraud Examiners (ACFE).

Alan Nobie, Manager, Investor Relations and Corporate Communications at the TCL Group, is also the Company Secretary of TCL. He has been with the TCL Group since 1990. He is a fellow member of the Chartered Association of Certified Accountants (FCCA), the Institute of Chartered Accountants of Trinidad and Tobago (ICATT), and the Institute of Management (UK). Mr. Nobie obtained a B.Sc. in Management Studies as well as an Executive Masters Degree in Business Administration (EMBA) from the University of the West Indies. Mr. Nobie is a former Vice-President of Trade and Trade Related Matters of the South Trinidad Chamber of Industry and Commerce.

GROUP CEO'S REPORT & MANAGEMENT DISCUSSION

BY DR. ROLLIN BERTRAND
GROUP CHIEF EXECUTIVE OFFICER

1.0 HEALTH SAFETY AND THE ENVIRONMENT (HSE)

1.1 Occupational Safety and Health (OSH) Management

In 2008, there continued to be a Group-wide reduction in Loss Time Accidents (LTAs) and no company within the TCL Group received any notification of breach of Occupational Safety and Health legislation from any regulatory body. In total, there were thirteen (13) LTAs, (with none at TCL, TPM and CCCL), a significant reduction of 46% below the previous year's accidents.

During the year, the cement companies commenced reporting on a suite of Leading OSH Performance Indicators (a Performance Scorecard). Overall, the indicators reflected a high degree of compliance with companies' schedules for implementation of statutory inspections, in-plant inspections, and management and worker related safety programmes.

In an ongoing effort to develop and implement a culture of safety, the Group introduced a programme from Behavioural Science Technology Inc. (BST) of California, USA, which included:

(a) the completion of the Organisational Culture Diagnostic Instrument (OCDI) group-wide, which examined ten (10) organisational factors in the workplace;

(b) focus groups and a Group Executive safety planning meeting with BST Consultants; and

(c) roll-out of the Behaviour Accident Prevention Programme (BAPP) at ACCL, TPL, TPM and RML (Trinidad and Tobago).

All companies held events to observe the ILO World Day for Safety and Health at Work in April 2008. HSE Week/Day was also held by TCL and CCCL and the Group's 6th HSE Forum was held in October 2008 in Trinidad.

1.2 Environmental Management

During 2008, no company in the TCL Group received any Notice of Violation of environmental requirements from their respective national environmental regulatory body.

The Group also began the formal accounting for carbon dioxide emissions from the cement companies in August 2008, as part of its ongoing programme to align with the guidelines of the World Business Council for Sustainable Development (WBCSD) Cement Sustainability Initiative. Notably, CCCL achieved the lowest carbon footprint mainly due to use of a higher proportion of pozzolan in its cement production process.

The three cement companies also maintained their ISO 14001 Environmental Management System certification, after successfully concluding the associated audits. Additionally, by year-end, Readymix (W.I.) Limited (RML) had made significant progress in the development of its ISO 14001 system. RML's Melajo quarry and concrete plant in Tobago also received their respective Water Pollution Rules Registration Certificate from the Environmental Management Agency.

Companies in the Group continued the tradition of holding events (seminars, collaborating with external stakeholders, tree planting etc.) to observe "World Environment Day" on June 5.

2.0 FINANCIAL REVIEW AND ANALYSIS

Revenue

Group third party revenue of $2.1 billion increased by 7.9% or $151 million, compared to the $1.9 billion in 2007. The global economic slowdown led to a decline of 5% in total domestic cement sales volume, especially in Jamaica (10.7%) and Barbados (8.6%), mitigated by an increase of 3% in sales volumes in Trinidad and Tobago. Market share in Jamaica fell to 83% from 92% as the Government extended the Common External Tariff (CET) waiver. Cement exports for the Group increased by 27% as capacity and efficiency improvements were brought on stream, but these were restricted by the waiver of CET in some CARICOM territories. Concrete volumes also decreased by 11.3% due to the global economic slowdown.

Operating Profit

Operating profit of $328.3million, before the provision for fuel rebate, decreased by 6% ($21.1 million) largely due to onetime gains from insurance claims and disposals of fixed assets amounting to $20.5 million in 2007. Higher energy, labour and related costs in 2008 were recovered through revenue increases.

In 2007, a rebate of US$3.4 million on fuel costs was granted to the Barbados subsidiary, Arawak Cement Company Limited (ACCL) by a foreign Government, but the rebate has not yet been disbursed as was agreed. Management is actively pursuing this receivable and expects collection but has made a full provision in compliance with the Group's bad and doubtful debt policy.

The Group expensed $5.4 million in goodwill that was previously recognised on the acquisition of a subsidiary in St. Maarten.

Net Finance Costs

Net finance costs of $111.3 million increased by 7.4% ($7.6 million), as exchange losses mainly due to the depreciation of the Jamaican dollar increased by $14.1 million, eliminating the $6.5m reduction in net finance costs.

Taxation

Taxation charge of $39.6 million increased by 15.4% ($5.3 million), although profit before taxation decreased by 21.3% ($49.8 million). The effective rate of taxation in 2008 was 20.2% compared to 14% in 2007, as income subject to taxation increased by $17 million, while income not subject to taxation decreased by $34 million.

Net Profit Attributable to Group Shareholders

Profit after taxation of $156.3 million decreased by 16.1% ($55.1 million) from $211.4 million in 2007.

Profit attributable to Group shareholders of $137.4 million decreased by 27% ($50.4 million), and the share attributable to minority interests increased from 12.6% in 2007 to 13.8% in 2008. Consequently, Earnings per Share (EPS) in 2008 was $0.56 compared to $0.77 in 2007, a decrease of 27% or $0.21.

Liquidity and Financial Position

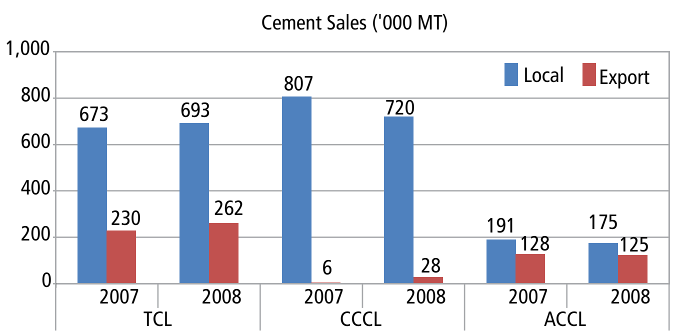
The Group generated $422.3 million in cash from operations (2007: $462.7 million) and utilised $7.7million in working capital management (2007: $29 million). Taxation paid increased by 36% to $24.4 million, but payments for interest decreased by 19% to $81.1 million.

The Group invested $558.4 million in property, plant and equipment, of which $420 million was related to the Expansion and Modernisation Project in Jamaica.

The Group increased long term borrowing by $49.3 million (2007: $138.2 million) and short term advances by $57 million (2007: reduction of $29.4 million) and reduced cash and cash equivalents by $169 million (2007: $32.2 million). A major contributing factor was the significant escalation in cost of the Expansion and Modernisation Project.

The Group complied with the requirements of its loan agreements in 2008.

3.0 GROUP MARKETING



The TCL Group continued to dominate regional cement sales in 2008 despite a general market contraction in particular, in its home markets of Jamaica and Barbados. Global economic issues caused a marked softening of markets during the latter half of the year, which was particularly challenging for Caribbean Cement Company Limited (CCCL) and Arawak

THE **CONSISTENCY OF QUALITY** THAT COMES WITH EXPERIENCE.

Cement Company Limited (ACCL), as both plants experienced significant operational downtime due to full silos during the year. Notably in spite of CCCL's ability to supply the Jamaican market, the Government elected to extend the waiver on the (CET), thus allowing cement traders to import cement duty free. This matter, which relates to a broader decision in November 2008 to remove the CET from seven (7) Caricom countries, is currently being addressed at the Caribbean Court of Justice (CCJ).

Sales by the packaging companies, TCL Packaging Limited, (TPL), and TCL Ponsa Manufacturing Limited (TPM) as with the cement trade, also declined in both local and export markets. Total slings and paper sacks sales volumes fell by 2.4% and 2.2% respectively when compared to the prior year. Jumbo sack sales increased by 66%. This performance was mainly due to shortfalls in traditional export markets and the non-materialisation of sales to the Dominican Republic and Haiti.

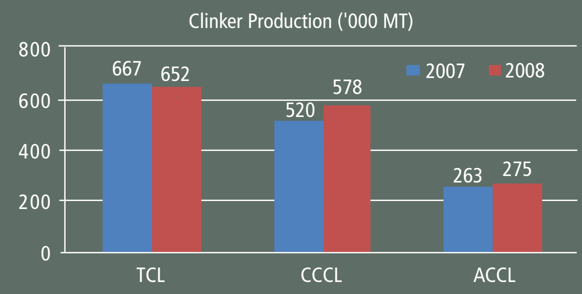
Volumes were reasonably healthy for the RML Group during the first half of the year, however, during the second half, there were several adverse developments including the global financial crisis, the contraction of credit facilities to consumers and contactors together with other localised issues. These factors resulted in the RML Group experiencing an 11% decline in sales compared to the 284,266 m^3 sold in 2007. Despite this, Readymix retained its market leadership position in Trinidad and Tobago, in a field of fifteen (15) competitors, while both PPCI's and ICNV's market share fell in Barbados and St. Maarten respectively.

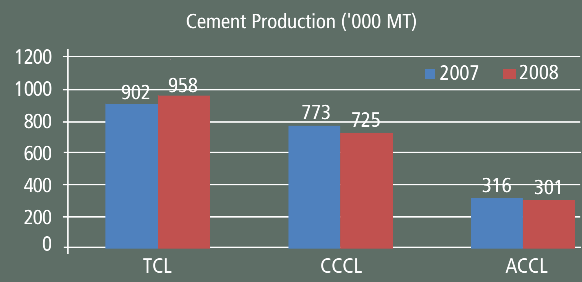
During 2008, the ACCL Lime Division sold 5,051 tonnes of quicklime and 3,847 tonnes of hydrated lime. Quicklime sales declined 4.3% from the prior year. The Division's primary customer for this product suffered from declining demand through the impact of the global economic downturn, however, the company instituted a price increase and engaged additional customers. Sale of hydrated lime increased by 24%. The Division made its highest profit since acquisition.

The Group's other strategic business, Jamaica Gypsum and Quarries (JGQ) achieved sales of 257,208 tonnes, an increase of 41%, compared to 2007 sales.

4.0 GROUP OPERATIONS

4.1 Cement Operations





Clinker Production is the Key Profit Driver of the Group. Despite some operational challenges, the Group manufactured 1,504,657 tonnes of clinker, an improvement of 4% over the prior year's production. The Group also imported 251,771 tonnes of clinker for use during the year. Some of the key problems were related to the three-month delay in start up of Kiln 5 at CCCL, refractory failures at the nose ring on TCL's Kiln 3 and challenges with the new burner for Petcoke at ACCL resulting in unscheduled refractory failures at kiln.

Group cement production in 2008 was 1,983,604 tonnes, just 7,753 tonnes below the prior year production of 1,991,357 tonnes. Additionally, 52,595 tonnes of cement had to be imported in order to supplement lower clinker output at ACCL, operational challenges at TCL's cement mill and mechanical issues at CCCL.

Notably, 2008 saw the commissioning of Kiln 5 at CCCL, which took feed on August 8, 2008 and was fully commissioned as at November 30, 2008. The kiln met all of its design parameters and achieved its highest monthly production of 70,114 MT in December 2008. Kiln 3 was retired from service in July 2008 and Kiln 4 was mothballed in August 2008. CCCL is planning to restart Kiln 4 by 2011.

4.2 Concrete Operations

Concrete batching operations within the RML Group performed well during the year achieving availabilities in excess of 90%, while the mobile fleet also performed marginally better than in 2007 and there were no major instances of plant downtime. In Trinidad, production of aggregates for 2008 surpassed the prior year's output by 6% thus enabling the Melajo quarry to supply all aggregates required by the concrete plants. During the year, there were several initiatives at the Melajo quarry to improve operational efficiency and the quality of aggregate. These included the successful commissioning of the #2 Linatex tower, the implementation of a "closed-loop" water system and the installation of the new Symons Cone Crusher (commissioned in early 2009). All of these achievements bore fruit as the quarry won the RML Group Department of the Year award for 2008.

4.3 Packaging Operations

During 2008, TPL had an excellent year due to improvements in productivity, cost control measures and better-than-budgeted paper prices. TPM, however, fell short due to soft markets despite further diversification of its product mix.

At TPL, production for the year was lower than 2007's output by 0.6%. The productivity attained, however, was 30% lower than the Dipeco benchmark of 90k (sacks/employee/month). On the other hand, conversion costs were 50% higher than the benchmark of US$50 per 1000 sacks, mainly due to the impact of increased personnel costs and operational expenses associated with mechanical problems and refurbishment works on the tuber and bottomer machines.

At TPM, the total slings produced during the year were 18.9% lower than the prior year, as the plant experienced problems with two of its sewing machines. These problems were subsequently resolved. Additionally, challenges were experienced due to the inconsistency in the quality of the raw material input, which were also subsequently resolved.

4.4 Lime & Gypsum Operations

Operationally, 2008 was a good year for the ACCL Lime Division, Barbados, as the Division produced 9,054 MT of quicklime. 4,430 MT of hydrated lime were also produced, an increase of 45% from the prior year's output.

At JGQ, plant performance and output fell slightly behind 2007 by 4.7% due to mechanical downtime in the mobile fleet, as well as a reduction in the demand for gypsum. Production was accordingly reduced in order to bring down inventory levels.

5.0 GROUP DEVELOPMENTAL ACTIVITIES

In 2008, the Group's manufacturing development strategies focused on its Expansion and Modernisation Programme, as well as operational optimisation and reliability improvement initiatives, such as the Manufacturing Excellence Transformation (MET) and Energy Optimisation programmes.

5.1 Expansion & Modernisation Programme

• CCCL's Kiln 5 Project

The year witnessed the completion of construction, and successful commissioning and startup of the plant. Over the initial operating period, both raw mill and kiln have performed reliably and manufactured product of acceptable quality. By year's end, the contractual performance tests were accomplished and the facility placed in normal operation.

A definite success on the project was the safety performance. The project closed at five LTAs over a consumption of 2.3 million man-hours. None of the LTAs caused permanent disability. The security effort paralleled this as well with low levels of minor breaches. The excellent results are attributable to good safety and security systems (both for the project staff and the contractors), selection of contractors with a genuine bias for safety considerations, and an uncompromising approach to safety and security on site. Infringements of safety or security rules were treated swiftly and transparently.

Regarding its cost, the project continued to suffer the adverse knock-on effects of rising oil and other commodity prices. Though in earlier periods the impact was on direct purchases, during 2008, the effects were felt through contract adjustments for steel, fuel and labour costs. These factors resulted in the final capital costs escalating to US$126 million from an initial budget of US$85 million at the onset of the project in 2005.

The commissioning of equipment began in May and proceeded as equipment became available from the construction effort. A team of FLS startup personnel, including their Commissioning Manager supported the CCCL Commissioning Team in this process. On July 11, the raw mill was started for its "initial run", a procedure that required several short runs, each followed by inspection and bolt tightening. The mill ran well producing raw meal, and affected only by raw material quality issues, which extended the run period from the planned eight

CUSTOM-MADE **PACKAGING:** FUNCTIONAL AND ATTRACTIVE.

to seventeen days. The final instrumentation group-testing was achieved over the next several days leading to kiln "flame on" at August 5, and first clinker production on August 8. The plant was officially handed over by the Original Equipment Manufacturer (OEM) at the end of November 2008.

• CCCL's Cement Mill No. 5 Project

CCCL's Cement Mill No. 5 Project advanced from 42% at the start of the year to approximately 65% completion at the end of the year with planned completion by the end of the second quarter 2009.

The commodity cost effects discussed under Kiln 5 had the potential to signicantly impact the Cement Mill No. 5 project and consequently an early review of civil and structural steel designs was undertaken with the objective of reducing costs. As a result, the construction phase (the civil contract) was delayed but was eventually completed successfully. Steel fabrication also progressed well at a Florida shop and was delivered on schedule. Mechanical installation began on October 14, but there were significant challenges with the pace and ramp up capabilities demonstrated by the main contractor. The contractor has since resolved most of these issues and has been working on the basis of an agreed recovery plan.

In relation to Health, Safety, Security and the Environment (HSSE), the project has benefited from the successful systems and practices of the Kiln 5 Project. Thus far, the project has not had any LTAs over the 135,292 man-hours worked. There have also been no breaches in Security, though the location of the site within the plant has added a unique complexity and ongoing challenge.

5.2 Manufacturing Excellence Transformation (MET)

During the year, the MET program continued to be used across the three cement companies as a management tool to measure key performance indicators and benchmarking with the best practices in the industry. Two audits were conducted during the year, with the highest MET raw scores being achieved by TCL and CCCL in May and November respectively. There was also training on the effective use of MET systems and tools, in particular problem solving tools, while work on integration of the MET system with the Group's Environmental Management Systems (EMS) and Quality Management Systems (QMS) commenced during the year. Work on CCCL's MET policy manual and MET Hand Book also started during 2008.

It was recognised, that while the concepts associated with Manufacturing Excellence are well embedded at the Group's cement subsidiaries, there remains a need to emphasise the importance and value of a systematic multi-dimensional approach to building operational excellence and continuous improvements. The management of behavioural change continued to be the focus of the Group's leadership, who acknowledged that in order to realise the full benefits of the MET system and processes, a culture and passion for excellence must be encouraged.

5.3 Energy Optimisation

Ongoing efforts at energy optimisation within the Group focused upon research on international practices and the promotion of waste-derived fuels (WDF) to respective local governmental agencies in Trinidad and Tobago, Barbados and Jamaica.

Financial analyses of various scenarios were conducted at TCL for the usage of WDF based on feasible capture rates for specific waste materials. These scenarios included (a) use of tyres only and (b) use of tyres and polyethylene terephthalate (PET). TCL's programme of action was developed, with the highest priority being the application by TCL for a Certificate of Environmental Clearance (CEC) for use of WDF, and visits to cement plants that burn tyres and PET. TCL also advanced its case for waste burning in cement kilns through communication with the Ministry of Local Government, Ministry of Housing, Planning and the Environment, and the Trinidad and Tobago Manufacturers' Association (TTMA) via its Recycling Committee.

CAPACITY EXPANSION AND MODERNISATION

CCCL'S **KILN 5** PROJECT


Plant Under Construction


Kiln 5 Burner

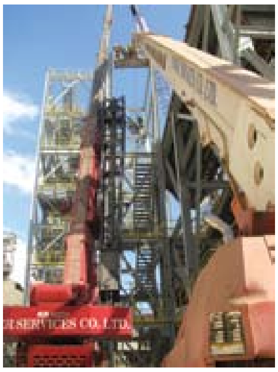

Construction of Feed Bins


Duct Installation

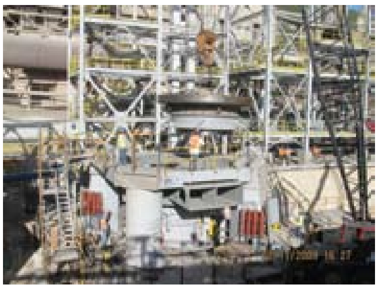

Raw Mill Under Construction


Completed Kiln 5

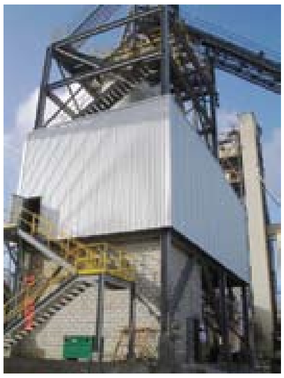
CCCL'S **MILL 5** PROJECT


Erection of Feed Tower


Bag House Second Hopper Being Installed


Mill Table Being Installed

ACCL'S **PETCOKE** PROJECT


Petcoke Building


The New Mill


Preparation for Petcoke Storage in an Environmentally Friendly Manner

SAFETY COMES FIRST IN ALL OUR OPERATIONS.

During the year, members of ACCL's management team, Group officials and the Group HSE Manager met with the Barbadian Minister with responsibility for Energy to present supporting information on the widespread practice and acceptability of the use of WDF in cement kilns. The Minister proposed that ACCL expand the intended scope from only WDF use to the development of a full waste-to-energy plant at ACCL, co-generation of electricity, and establishment of a desalination plant. Subsequently, a proposal for a feasibility study on the desalination plant and waste to energy plant was obtained. Research was also conducted on the estimated quantities of used tyres, used oils and PET bottles that could be collected by ACCL. Notably, the company had already submitted an Environmental Impact Statement to the Ministry of Health during 2007 with respect to the use of WDF in its kiln.

Initiatives were also undertaken at Carib Cement, Jamaica to examine the feasibility of the use of tyres and other types of WDF available in Jamaica.

6.0 A FOCUS ON PEOPLE

The Group Human Resources department addressed the strategic issues of the STAR Programme and Executive Coaching. The third group of STAR participants completed their final leg of the programme during the period July 7-11, 2008 in Trinidad. The Group had the opportunity to gain a better understanding of the technical issues that are managed by various Corporate Departments as the Group's Chief Executive Officer and other executives were the internal facilitators for the week. Another group of "Stars" will be selected in 2009 for the fourth programme under this initiative.

The Group also continued to recognise outstanding employees through its Reward and Recognition Programme. With respect to the Instant Awards category, there were sixty-seven (67) individual awards and eight (8) team awards presented during the year.

A total of 4,981 man-days of training for all subsidiaries, an average of 4.53 man-days per employee, was completed as part of its human capital development in 2008.

In general, the Group's industrial relations landscape for 2008 ranged from being stable to moderately challenging given the many different factors which simultaneously impacted the environment. Collective agreements were concluded during the year at ICNV for hourly and monthly paid workers for 2009-2010, as well as at TCL for the senior staff and EPA bargaining units for the respective periods of 2006 to 2008 and 2004 to 2006.

7.0 PUBLIC RELATIONS

Long reputed as a leader in Corporate Social Responsibility (CSR), the TCL Group remained in the vanguard of socioeconomic assistance through its core investments in the environment, sport, culture, housing, and youth and education.

The latter remained at the forefront of the Group's social purpose with numerous contributions to the University of the West Indies and several other academic and youth related causes including CCCL's support to early childhood education in Jamaica.

In Barbados, ACCL's philanthropic efforts in the host community continued through sponsorship of the St. Lucy District Hospital Senior Citizens' Annual Sports Day for the third consecutive year.

The Group's concentration on environmental preservation continued with TCL's launch of "From Grey to Green", a project aimed at changing the landscape of TCL and its immediate environs and fostering an environmental culture among its employees. In the same vein, TGI donated bins to several communities in Guyana to facilitate garbage disposal.

RML spearheaded the Group's Concrete Cricket Pitch Promotion, which provides concrete cricket pitches in communities across Trinidad & Tobago. This is a natural extension to the Group's support for regional youth cricket and another clear demonstration of its passion for a game with which it shares the aim of Caribbean unity. The intention is to eventually extend the promotion throughout the region.

In the realm of culture, the TCL Group sponsored steel band, the TCL Group Skiffle Bunch, in association with Carib Cement hosted a successful benefit concert for the restoration of the Ward Theatre in Jamaica. Additionally, the band facilitated a pan programme at its pan theatre in San Fernando, to teach the art of steel pan playing to over one hundred and fifty youngsters. The programme was a tremendous success and the graduation ceremony saw debut performances by its young participants.

Housing continues to be one of the major socio economic challenges of regional governments and being well poised to contribute in this area, the TCL Group continued its alliance with Habitat for Humanity to build homes for low income families across the region. A major accomplishment of this partnership in 2008 was the completion of the "TCL Group Village" at Morne Diablo, Trinidad, which has become home to thirty five persons, most of whom are children.

This portfolio of CSR programmes along with corporate advertising, which highlighted Expansion and Modernisation developments and benefits across the Group, worked in tandem to maintain a strong image for the TCL Group throughout year 2008.

8.0 LEVERAGING TECHNOLOGY & INFORMATION

The Group's focus in relation to information technology has been on building a secure and robust high availability platform. The year 2008 was a pivotal one for the Group from the perspectives of implementation of core systems, high availability and enhancing information security. The multiple legacy sales systems across the Group were all replaced with the Oracle Order Management and Finished Goods Inventory Management Modules to provide one common sales platform. Concurrent with this implementation, high availability information architecture for the Oracle E-Business Suite, (the common business application for the Group), was implemented along with several information security appliances to better secure the Group's information assets. The rollout of mass collaboration tools and software also commenced during the year. The focus for 2009 will be the continuing rollout of the collaboration tools, the high availability architecture as well as the upgrade of the supply chain and maintenance management systems.

9.0 EXECUTIVE CHANGES

During the year, there were three (3) key executive changes, with the retirement of Messrs. Earlington Barrett, General Manager, ACCL, Courtney McNish, Group Human Resources Manager, and Arun Goyal, Group Manufacturing Development Manager.

Mr. Rupert Greene was appointed as Acting General Manager – ACCL and the Group Human Resources Manager position was subsequently filled in early 2009 with the appointment of Mr. Errol Holmes. The services of Mr. Arun Goyal were retained until the completion of the Capacity Expansion project.

10.0 LOOKING AHEAD

The TCL Group is confident about its prospects for the future. Even in the face of unprecedented global economic and financial uncertainty, the Group's investments over the past two years in new plant and equipment in Trinidad, Barbados, Guyana and Jamaica will result in significantly enhanced operational efficiencies. The successful completion of CCCL's Cement Mill No. 5 project, scheduled for the end of the second quarter 2009, will further improve the Group's production capacity and efficiency. In tandem with this, our marketing initiatives which include an increased export thrust and the expansion of our product range, will position the Group to weather the economic storms and ready us for the upturn.

ACKNOWLEDGEMENTS

In conclusion, I wish to extend my sincere appreciation to our shareholders and other stakeholders for their continuing confidence and support. I also wish to thank all of the committed, hard working and loyal employees of the TCL Group without whose efforts and talents, success would not be possible. Finally, I want to thank the Group Chairman and members of the Board for their wise counsel and ongoing support.

Dr. Rollin Bertrand
Group Chief Executive Officer

Ingrid McKenzie - Laboratory Technician in the Quality Department of CCCL Receives the Employee of the Year Award from Brian Young – Chairman, CCCL.

January/February

The year commenced well with Carib Cement maintaining the status of its Environmental Management Systems IS0 14001:2004 Certification, after successfully concluding the necessary audit.

The stars of Carib Cement shone as the company hosted its annual awards dinner in late January. Employees swapped their hard hats, uniforms and overalls for elegant suits and gowns. Long service employees as well as retirees were recognised and awards were presented to high performers in various categories, including the Sports Personality of the Year, Outstanding Community Involvement, Department of the Year and Employee of the Year.

David Rajkumar Proudly Displays his Employee of the Year Award.

March/April

Innovation, teamwork and dedication were celebrated at the TCL Group's 4th Annual Group Awards Ceremony in April. As employees were being awarded for outstanding and loyal service, Mr. Andy Bhajan, Chairman of the TCL Group, encouraged guests to use the night as a time "to enjoy some of our achievements, to reflect on the past, and to dream of where the way forward might take us." This message was underscored by the Group's CEO, Dr. Rollin Bertrand, who also inspired employees to work towards TCL – True Caribbean Leadership.

Also in April, Carib Cement hosted plant tours for shareholders and investors. The purpose of these tours was to give a firsthand view of the progress of the Kiln 5 project.

Re-planting of Mangrove Trees at Harbour Head, Kingston on World Environment Day by Employees of Jamaica Gypsum & Quarries.

May/June

Arawak Cement Company Limited, Barbados warmly welcomed TCL Group employees from across the region for the Group's 2008 Sports & Family Day. It was a weekend filled with camaraderie, fun and excitement that emphasised the Group's tagline: "One Caribbean…One Company."

TCL Guyana Inc. (TGI) launched a series of exhibitions and demonstrations dubbed "Cement Tent" in May 2008 and continued throughout the year at various regions in Guyana. The "Cement Tent" is geared towards educating builders and home owners about the quality of TGI cement as well as best practices in the use of cement.

World Environment Day 2008 was observed by all subsidiaries across the Group.

Trinidad Cement Limited's second of two ISO 14001:2004 audits was successfully concluded, meaning that the company's ISO 14001:2004 Certification was maintained.

July/ August

August 2008 marked a historic achievement for CCCL and the TCL Group when, after a two-year construction period, and over 2 ¼ million man hours, the new state-of-the-art Kiln 5 (Pre Calciner, Dry Process Kiln) was lit. Clinker production was recorded three days later and by the end of August, 17,477 tonnes of clinker had been produced, all of good quality. Kiln 5 has a capacity of 924,000 tonnes of clinker per year, increasing the company's clinker manufacturing capacity to 1.3 million, the highest within the Group.

The July-August period also saw the TCL Group West Indies Under 19 Cricket Challenge. This marked the sixth year of sponsorship and the Group is truly gratified that it is contributing to this vital developmental stage in the glorious game of cricket that so unites our Caribbean people. In 2008, the tournament was held in Barbados. Host Barbados captured its first Three-Day championship in nine years, while Trinidad and Tobago copped the Limited Overs competition.

In the operational sphere, RML achieved its highest monthly production of aggregates in August 2008 – 40,099m^3.

Also in August, Arawak Cement maintained its Environmental Management Systems ISO 14001:2004 Certification, after successfully concluding its audit.

Growing Operations at Carib Cement, Jamaica.
Inset: Flame On! Kiln 5 is Officially Lit.

September/October

Customers are essential in ensuring the success of any company and in keeping with this premise, RML hosted its Annual Customer Appreciation Function in September, which provided clients with the opportunity to socialise with RML representatives in a relaxed and entertaining environment.

Trinidad Cement Limited closed the month of October with profits exceeding the $100 million mark for the second year in a row.

TCL's Premium Portland Pozzolan Cement.

November/December

The year ended on a good note with TCL attaining the highest production of cement ever – 957,648 tonnes and a new monthly production record of clinker – 66,000 tonnes.

The Arawak Cement Barbados Preparation Series was launched in December and took the form of three-day and 20/20 matches. This event on the Barbadian cricket calendar has been sponsored by Arawak for the past six years and plays an integral role in developing young cricketers to represent the country regionally.

In December, the TCL Group, in alliance with Habitat for Humanity handed over the keys to five new homes at the "TCL Group Village", Morne Diablo, Trinidad.

Arawak Cement's Lime Division closed 2008 with its highest profit since acquisition.

Clinker Housing Shed at TCL, Claxton Bay.

TRINIDAD CEMENT LIMITED

Principal Officers: (left to right)

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

TCL PONSA MANUFACTURING LTD.

Principal Officers: (left to right)

Derrick Isaac	-	General Manager
Betty Ann Noreiga	-	Marketing Manager
Stephen Ramcharan	-	Technical Coordinator
Sursatee Heeralal	-	Marketing & Logistics Officer

TCL PACKAGING LIMITED

Principal Officers: (left to right)

Derrick Isaac	-	General Manager
Hilary Lakhiram	-	Operations Manager
Betty Ann Noreiga	-	Marketing Manager
Kaveer Seepersad	-	Senior Plant Coordinator
Sursatee Heeralal	-	Marketing & Logistics Officer

READYMIX (WEST INDIES) LIMITED

Principal Officers: (left to right)

Gerard Torres	-	Marketing Manager
Muriel Lancien	-	Manager (Island Concrete SARL)
John Cardenas	-	Special Projects Manager
Gordon Richards	-	Quarry Manager
Learie Hinds	-	Human Resources Manager
Isha Reuben-Theodore	-	Finance Manager/Company Secretary
Manan Deo	-	General Manager
Austin Rodriguez	-	Technical Manager
Richard Dash	-	Materials Manager
Dexter East	-	Operations Manager
Jaris Liburd	-	Plant Manager (Island Concrete NV)
Malcolm Smith	-	Plant Manager (PPCI)

ARAWAK CEMENT COMPANY LIMITED

Principal Officers: (left to right)

Charmaine Reece	-	Finance Manager (Ag)
Phillip Yeung	-	Operations Manager
Dawn Jemmott-Lowe	-	Human Resources Manager
Rupert Greene	-	General Manager (Ag)
Sheryllyn Welch-Payne	-	Materials Manager
Dwight Sutherland	-	Engineering Services Manager
Leslie Maxwell	-	Planning and Development Manager
Matthew Thornhill	-	Production Manager

TCL TRADING LIMITED

Principal Officers: (left to right)
Aneil Mahadeo – General Manager
Sabrina Browne – Administrative Officer

TCL GUYANA INCORPORATED

Principal Officers: (left to right)

Rosco Greene	-	Marketing Representative
Mark Bender	-	Plant Manager
Brian Peters	-	Accountant

CARIBBEAN CEMENT COMPANY LIMITED

Principal Officers: (left to right)

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

CORPORATE INFORMATION

Board of Directors of Trinidad Cement Limited
Mr. Andy J. Bhajan (Chairman)
Dr. Rollin Bertrand
Ms. Eutrice Carrington
Mr. Carlos Hee Houng
Mr. Jeffrey McFarlane
Dr. Aleem Mohammed
Dr. Leonard Nurse
Mr. Yusuff Omar
Mr. Brian Young
Mr. Felipé Zambrano

Company Secretary
Mr. Alan Nobie

Group Chief Executive Officer
Dr. Rollin Bertrand

Registered Office
Trinidad Cement Limited
Southern Main Road, Claxton Bay
Trinidad & Tobago, W.I.
Phone: 659-0787/88/0800
Fax: 659-0818
Website: www.tclgroup.com

Bankers (Local)
Republic Bank Limited
High Street, San Fernando
Trinidad & Tobago, W.I.

Bankers (Foreign)
CITIBANK N.A.
111 Wall Street
New York, NY 10043
U.S.A.

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

Registrar & Transfer Agent
Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Tower
63-65 Independence Square
Port of Spain

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

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

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

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

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

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

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

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

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

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

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

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

THE BEST QUALITY ON TIME FOR **BUILDING SITES** IN 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 May 12th 2009 at 4:30 p.m. at the Training Room, TCL Compound, Southern Main Road, Claxton Bay.

3. SOLICITATION:

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

4. ANY DIRECTOR'S STATEMENT SUBMITTED PURSUANT TO SECTION 76(2):

No statement has been received from any Director pursuant to Section 76(2) of The Companies Act, 1995.

5. ANY AUDITOR'S STATEMENT SUBMITTED PURSUANT TO SECTION 171(1):

No statement has been received from the Auditors of the Company pursuant to Section 171(1) of The Companies Act, 1995.

6. ANY SHAREHOLDER'S PROPOSAL AND/OR STATEMENT SUBMITTED PURSUANT TO SECTION 116(A) AND 117(2):

No proposal has been received from any Shareholder pursuant to Sections 116(a) and 117(a) of The Companies Act, 1995.

DATE	NAME AND TITLE	SIGNATURE
9th April 2009	Alan Nobie, Secretary	

DIRECTORS' REPORT

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended December 31, 2008.

Financial Results	**TT$'000**
Turnover	2,074,428
Net Earnings for the Year	137,388
Dividends Paid	NIL

Trinidad Cement Limited Board of Directors
Directors' Interest (Ordinary Shares of TCL)

Name	Position	Holdings at 31-12-08
A. J. Bhajan	Chairman	Nil
R. Bertrand	Group CEO	655,097
E. Carrington	Director	Nil
J. McFarlane	Director	1,500
A. Mohammed	Director	Nil
L. Nurse	Director	Nil
Y. Omar	Director	340,000
B. Young	Director	Nil
F. Zambrano	Director	Nil

Dividends
In the context of the current regional and global economic and financial uncertainty, there is a need to maximise the utilisation of internally generated cash to complete, by mid 2009, CCCL's Cement Mill No. 5 project, an integral element of the Group's Capacity Expansion Project in Jamaica. The Board accordingly has taken the decision not to declare a final dividend for the year ended December 31, 2008.

Substantial Interests

	No. of Ordinary Shares Held at 31-12-08	% of Issued Share Capital
Sierra Trading (Cemex S.A. de C.V.)	49,953,027	20.00
The National Insurance Board	25,418,851	10.18
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, Dr. Leonard Nurse having been appointed by the Board to fill a casual vacancy, is subject to re-election at the Annual Meeting for a period up to the conclusion of the third Annual Meeting following.

- In accordance with Clause 4.6.1 of By Law No. 1, Messrs. Andy J. Bhajan and Yusuff Omar retire by rotation and being eligible, offer themselves for re-election for a period up to the conclusion of the third Annual Meeting following.

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

BY ORDER OF THE BOARD

ALAN NOBIE
SECRETARY

ONE CARIBBEAN...
ONE COMPANY

INDEPENDENT **AUDITORS' REPORT**

TO THE SHAREHOLDERS OF TRINIDAD CEMENT LIMITED

We have audited the accompanying consolidated financial statements of Trinidad Cement Limited and its subsidiaries ("the Group") which comprise the consolidated balance sheet as at 31st December, 2008 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. We did not audit the financial statements of TCL Trading Limited, a wholly owned subsidiary and TCL Guyana Incorporated, an 80% owned subsidiary. These subsidiaries account for 14.88% and 7.79% of consolidated revenues and profit before tax for the year ended 31st December, 2008, respectively. Those statements were audited by KPMG and Jack A. Alli, Sons and Company whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TCL Trading Limited and TCL Guyana Incorporated, is based solely on the report of the other auditors.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31st December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst + Young

Port of Spain
TRINIDAD:
12th March, 2009

CONSOLIDATED BALANCE SHEET

(As at 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2008 $	2007 $
Non-current assets			
Property, plant and equipment	7	**2,534,510**	2,187,429
Goodwill	8	**215,831**	221,236
Pension plan asset	9 (b)	**216,821**	202,558
Deferred tax asset	5 (d)	**194,285**	137,494
		3,161,447	2,748,717
Current assets			
Inventories	10	**581,843**	491,887
Receivables and prepayments	11	**216,200**	204,395
Short-term deposits	12	**7,516**	129,175
Cash at bank		**27,727**	47,419
		833,286	872,876
Current liabilities			
Bank overdraft and advances	13	**214,500**	144,713
Payables and accruals	14	**460,759**	359,889
Current portion of borrowings	15	**92,639**	87,271
		767,898	591,873
Net current assets		**65,388**	281,003
Non-current liabilities			
Borrowings	15	**1,352,183**	1,308,252
Swap obligation	15	**42,684**	12,673
Post-retirement obligations	9 (b)	**12,376**	10,494
Deferred tax liability	5 (d)	**315,314**	256,047
		1,722,557	1,587,466
Total net assets		**1,504,278**	1,442,254
Equity attributable to the parent			
Stated capital	16 (a)	**466,206**	466,206
Unallocated ESOP shares	18	**(30,421)**	(31,554)
Other reserves	16 (b)	**(205,652)**	(142,427)
Retained earnings		**1,142,020**	1,021,510
		1,372,153	1,313,735
Minority interests		**132,125**	128,519
Total equity		**1,504,278**	1,442,254

On 12th March, 2009 the Board of Directors of Trinidad Cement Limited authorised these financial statements for issue and were signed on their behalf by:

Andy J. Bhajan Director

Director

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

CONSOLIDATED STATEMENT OF INCOME

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2008 $	2007 $
Revenue	24.1	2,074,428	1,922,957
Operating profit before provision for fuel rebate	3	328,259	349,392
Provision for fuel rebate receivable	3	(21,072)	–
Operating profit after provision for fuel rebate		307,187	349,392
Finance costs	4	(111,295)	(103,666)
Profit before taxation		195,892	245,726
Taxation	5	(39,573)	(34,283)
Profit after taxation		156,319	211,443
Attributable to:			
Shareholders of the parent		137,388	187,795
Minority interests		18,931	23,648
		156,319	211,443
Earnings per share:			
Basic and diluted (cents)	6	56	77

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

		Equity attributable to the Parent						
	Notes	Stated capital $	Unallocated ESOP shares $	Other reserves $	Retained earnings $	Total $	Minority interests $	Total equity $
Year ended 31st December, 2008								
Balance at 1st January, 2008		**466,206**	**(31,554)**	**(142,427)**	**1,021,510**	**1,313,735**	**128,519**	**1,442,254**
Currency translation and other adjustments	16	–	–	(41,142)	–	(41,142)	(13,576)	(54,718)
Change in fair value of swap (net of tax)	16	–	–	(22,083)	–	(22,083)	–	(22,083)
Total income and expense for the year recognised directly in equity		–	–	(63,225)	–	(63,225)	(13,576)	(76,801)
Profit after taxation		–	–	–	137,388	137,388	18,931	156,319
Total income and expense for the year		–	–	(63,225)	137,388	74,163	5,355	79,518
Allocation to employees and sale of ESOP shares net of dividends	18	–	1,133	–	606	1,739	–	1,739
Dividends	17	–	–	–	(17,484)	(17,484)	(1,749)	(19,233)
Balance at 31st December, 2008		**466,206**	**(30,421)**	**(205,652)**	**1,142,020**	**1,372,153**	**132,125**	**1,504,278**
Year ended 31st December, 2007								
Balance at 1st January, 2007		466,206	(34,770)	(121,137)	848,682	1,158,981	108,513	1,267,494
Currency translation and other adjustments	16	–	–	(12,043)	–	(12,043)	(2,802)	(14,845)
Change in fair value of swap (net of tax)	16	–	–	(9,247)	–	(9,247)	–	(9,247)
Total income and expense for the year recognised directly in equity		–	–	(21,290)	–	(21,290)	(2,802)	(24,092)
Profit after taxation		–	–	–	187,795	187,795	23,648	211,443
Total income and expense for the year		–	–	(21,290)	187,795	166,505	20,846	187,351
Allocation to employees and sale of ESOP shares net of dividends	18	–	3,216	–	19	3,235	–	3,235
Dividends	17	–	–	–	(14,986)	(14,986)	(840)	(15,826)
Balance at 31st December, 2007		466,206	(31,554)	(142,427)	1,021,510	1,313,735	128,519	1,442,254

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2008 $	2007 $
Cash from operations	20	414,585	433,689
Pension contributions paid	9 (c)	(9,372)	(7,451)
Post-retirement benefits paid	9 (d)	(404)	(425)
Taxation paid		(24,469)	(17,985)
Net interest paid		(81,120)	(99,592)
Net cash generated by operating activities		299,220	308,236
Investing activities			
Additions to property, plant and equipment	7	(558,415)	(449,013)
Proceeds from disposal of property, plant and equipment		3,134	16,577
Acquisition of additional equity in subsidiary	8	–	(993)
Net cash used in investing activities		(555,281)	(433,429)
Financing activities			
Proceeds from new borrowings		235,500	202,220
Repayment of borrowings		(186,200)	(63,988)
Proceeds/(repayments) of short-term advances (net)		56,963	(29,367)
Dividends paid to equity holders of the parent	17	(17,484)	(14,986)
Dividends paid to minority interests		(1,749)	(840)
Net cash generated by financing activities		87,030	93,039
Decrease in cash and cash equivalents		(169,031)	(32,154)
Cash and cash equivalents - beginning of year		139,354	168,635
Exchange rate adjustment		14,855	2,873
Cash and cash equivalents - end of year		(14,822)	139,354
Represented by:			
Short-term deposits	12	7,516	129,175
Cash at bank		27,727	47,419
Bank overdrafts	13	(50,065)	(37,240)
		(14,822)	139,354

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

1. Incorporation and activities

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

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

2. Significant accounting policies

a) Basis of preparation

The consolidated financial statements of the Group are prepared under the historical cost convention.

(i) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new and amended IFRS and IFRIC (International Financial Reporting Interpretations Committee) interpretations as of 1st January, 2008:

IFRIC 11 – IFRS 2 Group and Treasury Share Transactions
IFRIC 12 – Service Concession Arrangements
IFRIC 14 – IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction.

Adoption of these Standards and Interpretations did not have any effect on the financial performance or position of the Group.

The Group has not adopted early the following new and revised IFRSs and IFRIC Interpretations that have been issued but are not yet effective or not relevant to the Group (continued):

IFRS 8 Operating Segments (effective 1st January, 2009) requires disclosure of information about the Group's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group.

IAS 23 Borrowing Costs was amended (effective 1st January, 2009) and requires capitalisation of borrowing costs that relate to a qualifying asset. The transitional provisions of the standard require prospective application from the effective date.

IAS 32 Financial Instruments: Presentation was amended (effective 1st July, 2009) regarding Puttable Financial Instruments and Obligations Arising on Liquidation, and requires entities to classify certain types of financial instruments as equity provided they have particular features and meet specific conditions.

IAS 39 Financial Instruments: Recognition and Measurement was amended (effective 1st July, 2009) regarding Hedging portions of risk, and clarifies the principles associated with designating a portion of cash flows or fair values of a financial instrument as a hedged item.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(ii) Changes in accounting policy and disclosures (continued)

The Group has not adopted early the following new and revised IFRSs and IFRIC Interpretations that have been issued but are not yet effective or not relevant to the Group (continued):

IFRS 2 Share-based Payment was amended (effective 1st January, 2009) regarding Vesting Conditions and cancellations, and clarifies that vesting conditions are service conditions and performance conditions only, while other features of a share-based payment are not vesting conditions.

IFRS 3 Business Combinations was amended (effective 1st July, 2009). The amendments were the result of a joint project with the US FASB, and certain fundamental changes and improvements were made to reinforce the existing standard and remedy problems that have emerged with its application.

IFRS 1 First-time Adoption and IAS 27 Consolidated and Separate Financial Statements was amended (effective 1st January, 2009) and provides guidance on determining the cost of investments in subsidiaries, jointly controlled entities and associates in the financial statements of a parent entity that prepares separate financial statements.

IAS 1 Presentation of Financial Statements was revised (effective 1st January, 2009) and separates owner and non-owner changes in equity, through the introduction of a Statement of Comprehensive Income.

IFRIC 13 Customer Loyalty Programmes (effective 1st July, 2008) requires that award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. Banks often grant customers award credits (or points) as part of their credit card programme, which may be redeemed for free or discounted goods. Such banks would need to consider whether their customer loyalty programme falls under the scope of the IFRIC.

IFRIC 15 Agreements for the Construction of Real Estate (effective 1st January, 2009) regarding when and how revenue and related expenses from the sale of real estate as construction progresses should be recognised, and addresses the divergence in accounting treatment arising from such arrangements.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective 1st October, 2008) provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment. It also provides guidance on where within the group the hedging instrument can be held in the hedge of a net investment, and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment.

IFRIC 17 Distributions of Non-cash Assets to Owners (effective 1st July, 2009) provides guidance on how to account for such transactions. It also provides guidance on when to recognise a liability and how to measure it and the associated assets, and when to derecognise the asset and liability and the consequences of doing so.

IFRIC 18 Transfers of Assets from Customers (effective 1st July, 2009) provides guidance on when and how an entity should recognise items of property, plant and equipment received from their customers.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(ii) Changes in accounting policy and disclosures (continued)

The Group has not adopted early the following new and revised IFRSs and IFRIC Interpretations that have been issued but are not yet effective or not relevant to the Group (continued):

In May 2008 the International Accounting Standards Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. These amendments primarily became effective for annual periods beginning on or after 1st January, 2009. These have not been adopted early by the Group or are not applicable to the activities of the Group:

IAS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet.

IAS 16 Property, Plant and Equipment:
- Replace the term "net selling price" with "fair value less costs to sell".
- Items of Property, Plant and Equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.

IAS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39.

IAS 28 Investment in Associates: If an associate is accounted for at fair value in accordance with IAS 39, only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loan applies.

IAS 31 Interest in Joint Ventures: If a joint venture is accounted for at fair value, in accordance with IAS 39, only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply.

IAS 36 Impairment of Assets: When discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'.

IAS 38 Intangible Assets: Expenditure on advertising and promotional activities is recognised as an expense when the Group either has the right to access the goods or has received the service.

IFRS 7 Financial Instruments: Disclosures: Removal of the reference to 'total interest income' as a component of finance costs.

IAS 8 Accounting Policies, Change in Accounting Estimates and Errors: Clarification that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

IAS 10 Events after the Reporting Date: Clarification that dividends declared after the end of the reporting period are not obligations.

IAS 18 Revenue: Replacement of the term 'direct costs' with 'transaction costs' as defined in IAS 39.

IAS 19 Employee Benefits: Revision to the definition of 'past service costs', 'return on plan assets' and 'short-term' and 'other long-term' employee benefits. Amendments to plans that result in a reduction in benefits related to future services are accounted for as a curtailment. Reference to the recognition of contingent liabilities deleted to ensure consistency with IAS 37.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(ii) Changes in accounting policy and disclosures (continued)

The Group has not adopted early the following new and revised IFRSs and IFRIC Interpretations that have been issued but are not yet effective or not relevant to the Group (continued):

IAS 20 Accounting for Government Grants and Disclosures of Government Assistance: Loans granted in the future with no or low interest rates will not be exempt from the requirement to impute interest. The difference between the amount received and the discounted amount is accounted for as government grant.

IAS 27 Consolidated and Separate Financial Statements: When a Parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

IAS 29 Financial Reporting in Hyperinflationary Economies: Reference to the exception to measure assets and liabilities at historical costs revised, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list.

IAS 34 Interim Financial Reporting: Earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.

IAS 39 Financial Instruments: Recognition and Measurement: Changes in circumstances relating to derivatives are not reclassifications and therefore may be either removed from, or included in, 'fair value through profit or loss' classification after initial recognition. Reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge removed. The use of the revised effective interest rate when re-measuring a debt instrument on the cessation of fair value hedge accounting is required.

IAS 40 Investment Property: Revision of the scope such that property under construction or development for future use as an investment property is classified as an investment property. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as a fair value can be determined or construction is complete. Also, revision of the conditions for a voluntary change in accounting policy to be consistent with IAS 8 and clarified that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.

IAS 41 Agriculture: Removed the reference to the use of a pre-tax discount rate to determine fair value. Removed the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Also, replaced the term 'point-of-sale costs' with 'costs to sell'.

b) Basis of consolidation

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

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the statement of income and within equity in the consolidated balance sheet.

2. Significant accounting policies (continued)

c) Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting dates. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key judgements, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed 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 given in note 8.

Deferred tax assets

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

Pension and post-retirement benefits

The cost of defined benefit pension plans and other post retirement benefits is determined using actuarial valuations. The actuarial valuation involves making judgements and assumptions in determining discount rates, expected rates of return on assets, future salary increases and future pension increases. Due to the long-term nature of these plans, such assumptions are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

Property, plant and equipment

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

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

d) Business combinations and goodwill

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

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

2. Significant accounting policies (continued)

d) Business combinations and goodwill (continued)

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

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repairs and maintenance are recognised in the statement of income.

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

Current rates of depreciation are:

Buildings	-	2%–4%
Plant, machinery and equipment	-	3%–25%
Motor vehicles	-	10%–25%
Office furniture and equipment	-	10%–33%

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of asset) is included in the statement of income in the year the asset is derecognised.

2. Significant accounting policies (continued)

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

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

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

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

h) Deferred expenditure

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

i) Segment information

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

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

j) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances including advances/overdrafts, short-term deposits, accounts receivables, accounts payables, and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2. Significant accounting policies (continued)

k) Derivative financial instruments and hedging

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

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

l) Leases

Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of income 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

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

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

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

n) Pension plans and post-retirement medical benefits

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

2. Significant accounting policies (continued)

n) Pension plans and post-retirement medical benefits (continued)

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 income so as to spread the regular cost over the service lives of employees in accordance with the advice of independent professional actuaries who carry out a full valuation of the plans every three years.

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

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

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

o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes. The following specific recognition criteria must be met before revenue is recognised:

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest and investment income

Interest and investment income are recognised as they accrue unless collectability is in doubt.

p) Trade and other receivables

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

q) Trade and other payables

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

r) Interest bearing loans and borrowings

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

2. Significant accounting policies (continued)

s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

t) 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.

u) Earnings per share

Earnings per share is computed by dividing net profit attributable to the shareholders of the Parent for the year by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares in issue for the assumed conversion of potential dilutive ordinary shares into issued ordinary shares. The Group has no dilutive potential ordinary shares in issue.

v) Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits readily convertible to cash. For the purpose of the cash flow statement, cash and cash equivalents include all cash and bank balances, short-term deposits, and overdraft balances with maturities of less than three months from date of establishment.

w) 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 statement of income of the Parent Company. The cost of the unallocated shares of the Parent Company is recognised as a separate component within equity.

x) Impairment of assets

Non-financial assets

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

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

2. Significant accounting policies (continued)

x) Impairment of assets (continued)

Non-financial assets (continued)

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

Financial assets

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

3. Operating profit

	2008 $	2007 $
Revenue	**2,074,428**	1,922,957
Less expenses:		
Personnel remuneration and benefits	**434,924**	388,447
Raw materials and consumables	**419,425**	327,722
Fuel and electricity	**338,251**	306,770
Operating expenses	**249,921**	227,675
Repairs and maintenance	**118,086**	137,202
Depreciation	**133,813**	133,633
Equipment hire and haulage	**104,871**	85,276
Changes in finished goods and work in progress	**(40,113)**	3,987
	315,250	312,245
Other income (see note below)	**13,009**	37,147
Operating profit before provision for fuel rebate	**328,259**	349,392
Personnel remuneration and benefits include:		
Salaries and wages	**367,270**	342,033
Other benefits	**46,662**	34,277
Statutory contributions	**20,190**	15,822
Pension costs – defined contribution plan	**4,506**	3,746
Termination benefits	**1,535**	1,748
Net pension income – defined benefit plans (Note 9a)	**(5,239)**	(9,179)
	434,924	388,447

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

3. Operating profit (continued)

	2008 $	2007 $
Operating profit is stated after deducting directors' fees of:		
Directors' fees	2,001	2,225
Other income includes:		
(Loss)/gain from disposal of property, plant and equipment	(184)	12,933
Delivery and trucking services	10,053	11,474
Net insurance claim recoveries	–	7,560
Miscellaneous income	3,140	5,180
	13,009	37,147

In 2008, a full provision was made for the 2007 rebate on fuel costs of US$3.4 million claimed from a former supplier in Venezuela. Whilst management is actively continuing its efforts to collect the said rebate, a full provision has been established in compliance with the Group's policy on bad and doubtful debts.

4. Finance costs

	2008 $	2007 $
Interest expense	104,508	121,796
Interest income	(1,490)	(3,210)
Accretion in value of bond redemption options	(15,163)	(24,200)
	87,855	94,386
Foreign currency exchange loss	23,440	9,280
	111,295	103,666

5. Taxation

a) Taxation charge

	2008	2007
Deferred taxation (Note 5c)	15,029	15,249
Current taxation	24,544	19,034
	39,573	34,283

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

5. Taxation (continued)

b) Reconciliation of applicable tax charge to effective tax charge

	2008 $	2007 $
Profit before taxation	195,892	245,726
Tax calculated at 25%	48,973	61,432
Net effect of other charges and disallowances	20,076	(3,664)
Impact of income not subject to tax	(36,256)	(30,203)
Business and green fund levies	3,558	2,301
Effect of different tax rates outside Trinidad and Tobago	3,222	4,417
Taxation charge	39,573	34,283

Trinidad Cement Limited has tax losses of $470 million (2007: $278 million) available for set off against future taxable profits.

Caribbean Cement Company Limited and its subsidiaries have tax losses of $31.4 million (2007: $39.3 million) available for set off against future taxable profits.

Readymix (West Indies) Limited and its subsidiaries have tax losses of $35.1 million (2007: $30.0 million) available for set off against future taxable profits.

c) Movement in deferred tax net balance:

	2008 $	2007 $
Net balance at 1st January	(118,553)	(108,145)
Exchange rate and other adjustment	5,208	1,637
Credit to hedging reserve	7,345	3,204
Charge to earnings	(15,029)	(15,249)
Net balance at 31st December	(121,029)	(118,553)

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

	2008 $	2007 $
Deferred tax liability:		
Property, plant and equipment	(259,711)	(205,740)
Pension plan assets	(55,603)	(50,307)
Balance at 31st December	(315,314)	(256,047)
Deferred tax asset:		
Tax losses carry forward	117,965	84,448
Capital allowances carry forward	42,537	42,820
Others	23,239	7,064
Swap obligation	10,544	3,162
Balance at 31st December	194,285	137,494
Net deferred tax liability	(121,029)	(118,553)

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

6. Earnings per share

	2008 $	2007 $
Net profit attributable to shareholders of the Parent	**137,388**	187,795
Weighted average number of ordinary shares issued (thousands)	**245,245**	245,050
Earnings per share – basic and diluted (cents)	**56**	77

Effective December 2001, balances of the TCL Employee Share Ownership Plan relating to the unallocated shares held by the Plan have been consolidated with the financial statements of the Group. The weighted average number of unallocated shares of 4.52 million (2007: 4.715 million) held by the Plan during the year is deducted in computing the weighted average number of ordinary shares in issue. The Group has no dilutive potential ordinary shares in issue.

7. Property, plant and equipment

	Land and buildings $	Plant machinery, equipment and motor vehicles $	Office furniture and equipment $	Capital work in progress $	Total $
At 31st December, 2008					
Cost	445,800	2,950,597	116,372	173,436	3,686,205
Accumulated depreciation	(134,546)	(941,800)	(75,349)	–	(1,151,695)
Net book amount	311,254	2,008,797	41,023	173,436	2,534,510
Net book amount					
1st January, 2008	323,684	1,179,355	31,755	652,635	2,187,429
Exchange rate adjustments	(21,505)	(31,277)	(1,133)	(20,288)	(74,203)
Additions	19,675	202,692	19,965	316,083	558,415
Disposals and adjustments	2,714	768,625	337	(774,994)	(3,318)
Depreciation charge	(13,314)	(110,598)	(9,901)	–	(133,813)
31st December, 2008	311,254	2,008,797	41,023	173,436	2,534,510
At 31st December, 2007					
Cost	452,209	2,037,771	99,862	652,635	3,242,477
Accumulated depreciation	(128,525)	(858,416)	(68,107)	–	(1,055,048)
Net book amount	323,684	1,179,355	31,755	652,635	2,187,429
Net book amount					
1st January, 2007	314,570	1,208,681	30,631	344,934	1,898,816
Exchange rate adjustments	(7,686)	(7,828)	(447)	(7,162)	(23,123)
Additions	25,789	82,926	7,107	333,191	449,013
Disposals and adjustments	4,495	6,019	4,170	(18,328)	(3,644)
Depreciation charge	(13,484)	(110,443)	(9,706)	–	(133,633)
31st December, 2007	323,684	1,179,355	31,755	652,635	2,187,429

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

7. Property, plant and equipment (continued)

The net carrying value of assets held under finance leases within property, plant and equipment amounted to $12.8 million (2007: $17.7 million) as at 31st December, 2008.

In 2008, the total borrowing costs capitalised was $52.6 million (2007: $50.3 million).

8. Goodwill

	2008 $	2007 $
Cost	**269,147**	269,147
Accumulated impairment	**(53,316)**	(47,911)
Net book amount	**215,831**	221,236
Net book amount		
1st January	**221,236**	223,262
Goodwill arising from additional shares in acquisition of minority interests	–	474
Impairment charge	**(5,405)**	(2,500)
	215,831	221,236

Based on the results of an impairment test in 2008, an impairment charge of $5.4 million (2007: $2.5 million) was recorded against goodwill arising from the acquisition of a subsidiary of Readymix (West Indies) Limited, as a result of continuing operational challenges being experienced by the entity.

Effective 1st August, 2007, the Parent Company acquired an additional 132,483 shares in Readymix (West Indies) Limited at a cost of $0.993 million. This increased its shareholding to 71% and resulted in the recognition of goodwill amounting to $0.474 million derived as follows:

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

Impairment testing of goodwill

Goodwill was acquired through business combinations with Caribbean Cement Company Limited and subsidiaries of Readymix (West Indies) Limited. The recoverable amount of business units has been determined using cash flow projections approved by the Board of Directors and applying sensitivity analysis to the data.

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

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

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

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8. Goodwill (continued)

Impairment testing of goodwill (continued)

The following highlights the goodwill and impairment information for each cash-generating unit:

	Caribbean Cement Company Limited	Subsidiaries of Readymix (West Indies) Limited
Carrying amount of goodwill	$214 million	$1.8 million
Basis for recoverable amount	Value in use	Value in use
Discount rate	15.7%	11.75% - 12%
Cash flow projection term	5 years	5 years
Growth rate (extrapolation period)	1.5%	1%

9. Pension plans and other post-retirement benefits

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

	2008 $	2007 $
a) Amounts recognised in the statement of income in respect of pension costs/(income)		
Current service cost	22,853	16,545
Interest cost	38,969	34,811
Expected return on plan assets	(67,082)	(60,551)
Amortised net loss	21	16
Total, included in personnel remuneration and benefits (Note 3)	(5,239)	(9,179)
Actual return on plan assets	6,386	68,150
b) Pension plan assets and liabilities and other post retirement obligations:		
Pension plan assets	216,821	202,558
Pension plan liabilities and post retirement obligations:		
Retiree's medical benefit obligations	(12,376)	(10,146)
Pension plan liabilities	–	(348)
Total plan liabilities and post retirement obligations	(12,376)	(10,494)
c) Movement in pension plan assets/(liabilities)		
Balance at 1st January	202,210	185,580
Net pension income for the year	5,239	9,179
Contributions paid	9,372	7,451
Balance at 31st December	216,821	202,210
Pension plan assets	216,821	202,558
Pension plan liabilities	–	(348)
Pension plan assets - net	216,821	202,210

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

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

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

	2008 $	2007 $
Net pension plan asset		
Defined benefit obligation	(534,627)	(454,549)
Fair value of plan assets	673,640	677,462
Surplus	139,013	222,913
Unrecognised actuarial loss/(gain)	77,808	(20,703)
Net pension plan asset	216,821	202,210
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at 1st January	(454,549)	(407,527)
Interest cost	(38,969)	(34,811)
Current service cost	(20,274)	(17,601)
Actuarial loss	(29,623)	(9,124)
Benefits paid	16,471	17,851
Employer and employees' contribution	(5,216)	(4,426)
Expense allowance	1,374	1,179
Past service cost	(4,027)	–
Exchange differences	186	(90)
Defined benefit obligation at 31st December	(534,627)	(454,549)
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at 1st January	677,462	615,131
Expected return	67,082	60,551
Actuarial loss	(68,097)	8,343
Benefits paid	(16,471)	(17,851)
Employer and employees' contribution	15,599	12,365
Expense allowance	(1,374)	(1,179)
Exchange differences	(561)	102
Fair value of plan assets at 31st December	673,640	677,462

The Group expects to contribute $10.3 million to its defined benefit plan in 2009.

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

	2008	2007
Equities	42%	48%
Debt securities	44%	40%
Property	0%	1%
Other	14%	11%

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

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

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

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

	2008 $	2007 $	2006 $	2005 $
Defined benefit obligation	(534,627)	(454,549)	(407,527)	(388,218)
Fair value of plan assets	673,640	677,462	615,131	630,055
Surplus	139,013	222,913	207,604	241,837
Experience adjustments on plan liabilities	(29,623)	(9,124)	16,508	13,857
Experience adjustments on plan assets	(68,097)	8,343	(68,895)	(24,022)

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

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

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

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

A roll-forward valuation in accordance with IAS 19 "Employee Benefits", using assumptions indicated below, was done as at 31st December, 2008 for the sole purpose of preparing these financial statements.

Principal actuarial assumptions used are as follows:

	2008	2007
Discount rate	8.00% - 8.75%	8.00% - 8.75%
Expected return on plan assets	8.00% - 10.00%	8.00% -10.00%
Rate of future salary increases	7.00% - 7.75%	7.00% - 7.75%
Rate of future pension increases	3.50% - 4.00%	3.50% - 4.00%

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

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

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

d) Other post-retirement benefits	2008 $	2007 $
The retirees' medical benefit liabilities are derived as follows:		
Defined benefit obligation	20,991	16,209
Unrecognised loss	(8,615)	(6,063)
Defined benefit obligation	12,376	10,146
Movement in the retirees' medical benefit liabilities:		
Opening balance	10,146	8,197
Total expense for the year	2,634	2,374
Benefits paid	(404)	(425)
Retirees' medical benefit liabilities	12,376	10,146
Changes in the present value of the benefit obligation are as follows:		
Defined benefit obligation at January 1	(16,209)	(15,009)
Benefit improvement	(4,070)	–
Interest cost	(1,341)	(1,230)
Current service cost	(834)	(638)
Actuarial loss	1,059	243
Benefits paid	404	425
Defined benefit obligation at December 31	(20,991)	(16,209)

Expected benefits to be paid in 2009 amounts to $0.542 million.

Principal actuarial assumptions as at 31st December were:

	2008	2007
Discount rate	8.75%	8.75%
Medical expense inflation	7.75%	7.75%

10. Inventories

	2008 $	2007 $
Plant spares	168,541	186,385
Raw materials and work in progress	173,462	140,581
Consumables	147,769	103,390
Finished goods	92,071	61,531
	581,843	491,887

Inventories are shown as net of provision of $7.7 million (2007: $5.1 million).

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11. Receivables and prepayments

	2008 $	2007 $
Trade receivables	160,707	136,349
Less: provision for doubtful debts	(20,358)	(20,702)
Trade receivables (net)	140,349	115,647
Sundry receivables and prepayments	60,144	64,201
Deferred expenditure	8,131	14,656
Taxation recoverable	7,576	9,891
	216,200	204,395

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

			Past due but not impaired		
	Total $	Neither past due nor impaired $	1-90 days $	91-180days $	Over 180 days $
2008	140,349	65,361	54,084	7,841	13,063
2007	115,647	55,985	43,306	6,354	10,002

As at 31st December, an impairment provision of $20.4 million (2007: $20.7 million) was made for trade receivables assessed to be doubtful. Movements in the provision for impairment of receivables were as follows:

	2008 $	2007 $
At 1st January	20,702	17,412
Charge for the year	4,032	3,290
Unused amounts reversed	(4,376)	–
As at 31st December	20,358	20,702

12. Short-term deposits

This represents cash held for the financing of the Group's operation, expansion and modernisation projects. These deposits are normally in the form of cash instruments or bank balances which are readily convertible into cash. These instruments consist of TT$ and US$ denominated call deposits, money market funds and bank accounts which bear interest at rates ranging from 2% to 4.86% per annum.

13. Bank overdraft and advances

	2008 $	2007 $
Bankers' acceptances and other advances	164,435	107,473
Bank overdrafts	50,065	37,240
	214,500	144,713

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

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14. Payables and accruals

	2008 $	2007 $
Sundry payables and accruals	276,395	226,673
Trade payables	157,863	114,500
Statutory obligations – Jamaica Subsidiary	22,150	12,126
Taxation payable	4,351	6,590
	460,759	359,889

15. Borrowings

	2008 $	2007 $
Maturity of borrowings:		
One year	92,639	87,271
Two years	308,288	428,737
Three years	150,347	124,649
Four years	149,248	126,553
Five years and over	744,300	628,314
	1,444,822	1,395,524
Current portion	(92,639)	(87,271)
Non-current portion	1,352,183	1,308,252
Type of borrowings:		
Bonds	631,613	701,498
Project financing	634,904	650,515
Term loans	169,561	30,229
Finance lease obligations	8,744	13,282
	1,444,822	1,395,524
Currency denomination of borrowings:		
US dollar	480,608	353,437
Local currencies	964,214	1,042,087
	1,444,822	1,395,524
Interest rate profile:		
Fixed rates	1,127,930	1,370,842
Floating rates	316,892	24,682
	1,444,822	1,395,524
The weighted average effective interest rate for medium and long-term financing is:	8.2%	8.4%

15. Borrowings (continued)

a. Bonds

(i) Barbados $50 million Bond

This bond, with current book value of TT$139.3 million (2007: TT$153.1 million), is secured by a charge on the fixed and floating assets of Arawak Cement Company Limited and is repayable by 18 equal semi-annual instalments which commenced in March 2008. The rates of interest are fixed in the range 7.4% to 9.45% for four tranches.

(ii) TT$346.5 million Bond

This bond, with current book value of TT$206.2 million (2007: TT$240.4 million), is secured by a charge on the fixed and floating assets of the Group and is repayable by 20 equal semi-annual installments of TT$17.3 million ending in August 2014 and carries a fixed rate of interest of 6.87% per annum.

(iii) TT$247.6 million Bond

This bond, with current book value of TT$192.3 million (2007: TT$205.1 million), is secured by a charge on the fixed and floating assets of the Group. It carries a fixed effective rate of interest of 14.08% per annum payable semi-annually with principal repayable by one lumpsum amount of TT$185.2 million in June 2009. The Group issued a new 10-year TT$187.0 million bond in January 2009 at a fixed rate of 8.95%, the proceeds of which were placed in an escrow account until June 2009 when they will be used to retire the existing bond.

(iv) TT$100 million Bond

In February 2008, the principal balance on the previous TT$127.4 million bond was repaid by a lump sum amount of TT$96.8 million under a refinancing agreement with a financial institution. The new bond, with current book value of TT$93.7 million, is secured by a charge on the fixed and floating assets of the Group. It carries a fixed interest rate of 8.5% per annum and is to be repaid by twenty equal semi-annual principal repayments which commenced August 2008.

b. Project financing

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

(i) TT$315 million Project Bond

This bond, with current book value of TT$310.6 million (2007: TT$309.7 million), is secured by a charge on certain fixed assets of the Group and is repayable by 24 equal semi-annual installments of TT$13.1 million commencing in March 2010 and carries a fixed rate of interest of 9.1% per annum.

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

This loan, with current book value of TT$145.3 million (2007: TT$154.2 million), is secured by a charge on certain fixed assets of the Group and is repayable by 18 equal semi-annual installments of US$1.389 million which commenced in October 2008 and carries a floating rate of interest of 6-month Libor plus 225 basis points.

15. Borrowings (continued)

b. Project financing (continued)

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

This loan, with current book value of TT$61.4 million (2007: TT$61.6 million), is secured by a charge on certain fixed assets of the Group and is repayable by 2 installments of US$5 million each in April 2016 and in April 2017. It carries a floating rate of interest of 6-month Libor plus 100 basis points.

In addition to interest, the lender is entitled to an additional annual margin to be paid from April 2009 to the end of the loan capped at 800 basis points above Libor calculated on the excess Earnings before Interest, Taxes, Depreciation and Amortisation ('Ebitda') of Caribbean Cement Company Limited over US$20.0 million.

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

This loan, with current book value of TT$117.5 million (2007: TT$125 million), is secured by a charge on certain fixed assets of the Group and is repayable by 24 equal semi-annual installments of TT$5.0 million commencing in April 2010 and carries a floating rate of interest of 6-month Libor plus 275 basis points.

Interest rate swap

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

The swap instruments are carried at market values representing the present values of all future settlements under the swaps as determined by a specific formula based upon current market conditions. The carrying values, which will vary in response to changes in market conditions, are recorded as assets or liabilities with the resultant charge or credit recorded as a 'Hedging Reserve' directly in shareholders equity. At each balance sheet date, the swap instruments are marked to market and the change in value recorded in the Hedging Reserve. For each accounting period, an amount is transferred from the Hedging Reserve and charged or credited in the statement of income such that the overall interest expense on the related project loans is reflective of the fixed interest rates. As at December 31st, 2008, the swaps carried an aggregate value of a $42.7 million (2007: $12.7 million) liability in the books of the Group.

c. Term loans

(i) US$25 million Commercial Paper

The loan obtained in December 2008 with current book value of TT$156.3 million, is unsecured and carries a fixed rate of interest of 7.25% per annum. It is repayable by one bullet payment in June 2010.

(ii) TT$18.5 million loan

A ten (10) year loan with an outstanding balance of $10.0 million (2007: $12.1 million), taken by Readymix (West Indies) Limited carrying rates of interest of 6%, fixed for the first five years and variable over the remaining five years. The security for this loan is a first charge on the fixed and floating assets of that company.

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15. Borrowings (continued)

c. Term loans (continued)

(iii) Other term loans

- Medium-term loans, with aggregate outstanding balance of $1.9 million (2007: $3.04 million), taken by Pre-mix & Precast Concrete Incorporated, carrying variable rate of interest in the range 7% to 9.7%, and secured by a charge over the fixed and floating assets of the company and a guarantee from Readymix (West Indies) Limited.

- A loan, with outstanding balance of $0.4 million (2007: $1.1 million), taken by Island Concrete Products N.V. carries interest at 8.5% and is secured by a charge over the fixed and floating assets of the company and by a guarantee from Readymix (West Indies) Limited.

- Loans obtained by the Jamaica subsidiary from RBTT Bank Jamaica Limited and Bank of Nova Scotia Jamaica Limited with current book value of TT$1 million (2007: TT$1.5 million) are repayable in equal monthly installments and are secured by a bill of sale over certain of the subsidiary's motor vehicles.

- A bank loan obtained in 2007 amounting to $12.6 million represents an unsecured advance repayable by January 2009 and carried a rate of interest of six-month Libor plus 200 basis points. This was refinanced during the year through the proceeds of short-term advances.

d. Finance leases

Included in total borrowings are finance leases amounting to $8.7 million (2007: $13.3 million). The minimum lease payments under these finance leases are as follows:

	2008 $	2007 $
Due not more than one year	4,988	5,377
Due in years two to five	4,641	9,469
Total minimum lease payments	9,629	14,846
Less: Finance charges	(885)	(1,564)
Total net present value	8,744	13,282

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

16. Stated capital and other reserves

	2008 $	2007 $
(a) Stated capital		
Authorised		
An unlimited number of ordinary and preference shares of no par value		
Issued and fully paid		
249,765,136 (2007: 249,765,136) ordinary shares of no par value	**466,206**	466,206

(b) Other reserves

	Currency translation account $	Hedging reserve $	Total other reserve $
Year ended 31st December, 2008			
Balance at 1st January, 2008	**(132,961)**	**(9,466)**	**(142,427)**
Currency translation and other adjustments	(41,142)	–	(41,142)
Change in fair value of swap obligation	–	(29,547)	(29,547)
Net gain on swap transferred to statement of income	–	119	119
Deferred taxation on swap obligation	–	7,345	7,345
Balance at 31st December, 2008	**(174,103)**	**(31,549)**	**(205,652)**
Year ended 31st December, 2007			
Balance at 1st January, 2007	(120,918)	(219)	(121,137)
Currency translation and other adjustments	(12,043)	–	(12,043)
Change in fair value of swap obligation	–	(11,801)	(11,801)
Net gain on swap transferred to statement of income	–	(650)	(650)
Deferred taxation on swap obligation	–	3,204	3,204
Balance at 31st December, 2007	(132,961)	(9,466)	(142,427)

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	2008 $	2007 $
17. Dividends		
Paid 2007 Final - 7 ¢ (2006 - 6¢)	17,484	14,986

18. Employee share ownership plan (ESOP)

	2008 $	2007 $
Employee share ownership plan		
Number of shares held - unallocated (thousands)	4,451	4,617
Number of shares held - allocated (thousands)	4,032	3,866
	8,483	8,483
Fair value of shares held - unallocated	17,804	33,935
Fair value of shares held - allocated	16,128	28,415
	33,932	62,350
Cost of unallocated ESOP shares	30,421	31,554
Charge to earnings for shares allocated to employees	606	999

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 $30.4 million (2007:$31.6 million) which remain unallocated to employees have been recognised in shareholders' equity under 'Unallocated ESOP Shares'. All dealings in the shares will be recognised directly in equity. The fair value of shares was derived from the closing market price prevailing on the Trinidad and Tobago Stock Exchange at year end.

19. Capital commitments and contingent liabilities

Capital commitments

The Group has approved capital commitments amounting to $191.1 million (2007: $301 million) mainly relating to the expansion and modernisation Project.

Contingent liabilities

There are contingent liabilities amounting to $38.4 million (2007: $13.4 million) for various claims, bank guarantees, and bonds against the Group. There are several pending legal actions and other claims in which the Group is involved. It is the opinion of the directors, based on the information provided by the Group's attorneys at law, that if any liability should arise out of these claims it is not likely to be material. Accordingly, no provision has been made in these financial statements in respect of these matters.

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

20. Cash from operations

	2008 $	2007 $
Profit before taxation	**195,892**	245,726
Adjustments to reconcile profit before taxation to net cash generated by operating activities:		
Depreciation	**133,813**	133,633
Interest expense net of interest income	**103,018**	118,586
ESOP share allocation and sale of shares net of dividends	**1,739**	3,235
Impairment of goodwill	**5,405**	2,500
Other post-retirement benefit expense	**2,634**	2,374
Pension plan credit	**(5,239)**	(9,179)
Loss/(gain) on disposal of property, plant and equipment	**184**	(12,933)
Other non-cash items	**(15,163)**	(21,219)
	422,283	462,723
Changes in net current assets		
Increase in inventories	**(89,956)**	(69,402)
Increase in receivables and prepayments	**(14,089)**	(29,909)
Increase in payables and accruals	**96,347**	70,277
	414,585	433,689

21. Fair value

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

	Carrying amount 2008 $	Fair value 2008 $	Difference $	Carrying amount 2007 $	Fair value 2007 $	Difference $
Financial assets:						
Cash at bank	27,727	27,727	–	47,419	47,419	–
Receivables and prepayments	216,200	216,200	–	204,395	204,395	–
Short-term deposits	7,516	7,516	–	129,175	129,175	–
Financial liabilities:						
Bank overdrafts and bank advances	214,500	214,500	–	144,713	144,713	–
Borrowings	1,444,822	1,384,399	60,423	1,395,524	1,393,131	2,393
Payables and accruals	460,759	460,759	–	359,889	359,889	–

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

22. Subsidiary undertakings

The Group's subsidiaries are as follows:

	Country of incorporation	Ownership level 2008	2007
Readymix (West Indies) Limited	Trinidad and Tobago	**71%**	71%
TCL Packaging Limited	Trinidad and Tobago	**80%**	80%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	**65%**	65%
TCL Leasing Limited	Trinidad and Tobago	**100%**	100%
Caribbean Cement Company Limited	Jamaica	**74%**	74%
Jamaica Gypsum and Quarries Limited	Jamaica	**74%**	74%
Rockfort Mineral Bath Complex Limited	Jamaica	**74%**	74%
Caribbean Gypsum Company Limited	Jamaica	**74%**	74%
Arawak Cement Company Limited	Barbados	**100%**	100%
Premix & Precast Concrete Incorporated	Barbados	**43%**	43%
TCL Trading Limited	Anguilla	**100%**	100%
TCL Service Limited	Nevis	**100%**	100%
TCL (Nevis) Limited	Nevis	**100%**	100%
Island Concrete N.V.	St. Maarten	**71%**	71%
Island Concrete SARL	St. Martin	**71%**	71%
TCL Guyana Inc.	Guyana	**80%**	80%

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

Key management compensation of the Group

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

	2008 $	2007 $
Short-term employment benefits	**23,058**	14,624
Pension plan and post retirement benefits	**515**	456

23. Financial risk management

Introduction

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

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Group in compliance with the policies approved by the Board of Directors.

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

23. Financial risk management (continued)

Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one customer, or group of customers, and to geographical and industry segments. Such risks are monitored on an ongoing basis, and limits on the levels of credit risk that the Group can engage in are approved by the Board of Directors.

Exposure to credit risk is further managed through regular analysis of the ability of debtors and borrowers to settle outstanding balances, meet capital and interest repayment obligations and by changing these lending limits when appropriate. The Group does not hold collateral as security.

The following table shows the maximum exposure to credit risk for the components of the balance sheet:

	Gross maximum exposure 2008 $	Gross maximum exposure 2007 $
Receivables and prepayments	**216,200**	204,395
Cash and short-term deposits	**35,243**	176,594
Credit risk exposure	**251,443**	380,989

Credit Risk related to receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. At 31st December, 2008, the Group had twenty-two customers (2007: thirteen customers) that owed the Group more than $2 million each and accounted for 49% of all trade receivables owing.

Credit risk related to cash and short-term deposits

Credit risks from balances with banks and financial institutions are managed in accordance with Group policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

Liquidity risk

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

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

23. Financial risk management (continued)

Liquidity risk (continued)

The table below summaries the maturity profile of the Group's financial liabilities at 31st December:

2008	On Demand $	1 year $	2 to 4 years $	> 4 years $	Total $
Bank overdraft and advances	214,500	–	–	–	214,500
Borrowings	–	92,639	607,883	744,300	1,444,822
Payables and accruals	–	460,759	–	–	460,759
	214,500	553,398	607,883	744,300	2,120,081

2007	On Demand $	1 year $	2 to 4 years $	> 4 years $	Total $
Bank overdraft and advances	144,713	–	–	–	144,713
Borrowings	–	87,271	679,939	628,314	1,395,524
Payables and accruals	–	359,889	–	–	359,889
	144,713	447,160	679,939	628,314	1,900,126

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy financial position in order to support its business activities and maximise shareholder value. The Group is required to comply with several financial ratios and other quantitative targets in accordance with certain loan agreement. Important amongst these targets are a Current Ratio of not less than 1.0 and a Debt to EBITDA (Earnings before Interest Tax, Depreciation and Amortisation) of not more than 3. Refer to note 25 for details concerning compliance with financial ratios.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses. Risk management in this area is active to the extent that hedging strategies are available and cost effective.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity:

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

23. Financial risk management (continued)

Foreign currency risk (continued)

	Increase/decrease in US/Euro rate	Effect on profit before tax $	Effect on equity $
2008			
US dollar	+1%	(6,782)	(5,087)
	-1%	6,782	5,087
Euro	+5%	(300)	(225)
	-5%	300	225
2007			
US dollar	+1%	(3,009)	(2,256)
	-1%	3,009	2,256
Euro	+5%	(135)	(101)
	-5%	135	101

The effect on profit is shown net of US dollar financial assets (2008 - $77.4 million, 2007 - $209 million), and liabilities (2008 - $755.7 million, 2007 - $509.8 million) and EURO net financial liabilities (2008 - $6 million, 2007 - $2.7 million).

The aggregate value of financial assets and liabilities by reporting currency are as follows:

2008	TTD $	USD $	JMD $	BDS $	Other $	Total $
ASSETS						
Cash and short-term deposits	9,198	23,018	1,026	191	1,810	35,243
Receivables and prepayments	106,714	54,409	30,580	14,151	10,346	216,200
	115,912	77,427	31,606	14,342	12,156	251,443
LIABILITIES						
Bank overdraft and advances	84,865	74,285	22,019	33,212	119	214,500
Borrowings	820,076	480,608	1,006	142,768	364	1,444,822
Payables and accruals	60,672	200,780	159,823	27,097	12,387	460,759
	965,613	755,673	182,848	203,077	12,870	2,120,081

2007	TTD $	USD $	JMD $	BDS $	Other $	Total $
ASSETS						
Cash and short-term deposits	39,582	134,521	264	155	2,072	176,594
Receivables and prepayments	71,299	74,434	28,201	21,672	8,789	204,395
	110,881	208,955	28,465	21,827	10,861	380,989
LIABILITIES						
Bank overdraft and advances	53,100	39,454	21,417	30,742	–	144,713
Borrowings	881,133	353,437	1,467	159,487	–	1,395,524
Payables and accruals	142,843	116,915	57,838	27,227	15,066	359,889
	1,077,076	509,806	80,722	217,456	15,066	1,900,126

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

23. Financial risk management (continued)

Interest rate risk

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

The interest rate exposure of borrowings is as follows:

Total borrowings:

	2008 $	2007 $
At fixed rate	**1,127,930**	1,370,842
At floating rates	**531,392**	169,395

Interest rate risk table

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

	Increase/decrease in basis points	Effect on profit before tax $
2008	+100	(5,314)
	-100	5,314
2007	+100	(1,694)
	-100	1,694

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

24. Financial information by segment

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

24.1. Business segment information

	Cement 2008 $	Cement 2007 $	Concrete 2008 $	Concrete 2007 $	Packaging 2008 $	Packaging 2007 $	GROUP 2008 $	GROUP 2007 $
Revenue								
Total sales	2,093,256	1,890,651	301,022	295,284	94,713	80,363	2,488,991	2,266,298
Inter-segment sales	(337,436)	(275,571)	–	–	(77,127)	(67,770)	(414,563)	(343,341)
Group revenue	1,755,820	1,615,080	301,022	295,284	17,586	12,593	2,074,428	1,922,957
Segment operating profit	226,653	242,109	53,245	55,350	14,280	14,786	294,178	312,245
Other income	–	–	–	–	–	–	13,009	37,147
Group operating profit	–	–	–	–	–	–	307,187	349,392
Segment assets	3,747,760	3,397,883	172,899	158,027	74,074	65,683	3,994,733	3,621,593
Segment liabilities	2,385,331	2,067,867	64,688	79,122	40,436	32,350	2,490,455	2,179,339
Expenditure on property, plant and equipment	548,060	444,276	8,991	4,219	1,364	518	558,415	449,013
Depreciation	120,175	119,534	10,994	11,507	2,644	2,592	133,813	133,633
Impairment of goodwill	–	–	5,405	2,500	–	–	5,405	2,500

(For the year ended 31st December, 2008 • Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

24. Financial information by segment (continued)

24.2. Geographical segment information

	Revenue 2008 $	Revenue 2007 $	Total assets 2008 $	Total assets 2007 $	Additions property plant and equipment 2008 $	Additions property plant and equipment 2007 $
Trinidad and Tobago	773,008	708,168	2,592,338	2,172,980	486,816	252,090
Jamaica	732,583	721,528	757,062	769,137	49,841	106,226
Barbados	206,484	201,000	524,144	544,204	21,592	82,616
Other countries	362,353	292,261	121,189	135,272	166	8,081
Group total	2,074,428	1,922,957	3,994,733	3,621,593	558,415	449,013

25. Compliance with loan covenants

In October and November, 2008, the Lenders, Republic Finance & Merchant Bank Limited and International Finance Corporation respectively, confirmed their consent to the waiver of certain loan covenants, including those relating to short-term borrowings and current ratio limits, and to the relaxation of such covenants in 2009. This revision was obtained in anticipation of the financial flexibility required by the Group in order to ensure the continuity of funding for the Expansion and Modernisation Project which had experienced significant escalation in cost to complete.

At 31st December, 2008 a covenant which limits the total borrowings at Caribbean Cement Company Limited Group to US$7.5 million was exceeded by US$80,000. In accordance with the loan agreements the borrower has a period of 30 days after the date the borrower becomes aware of the non-compliance to remedy the situation before it is considered to be an event of default. This position was remedied within the 30 day grace period allowed by the relevant loan agreements and accordingly was not considered an event of default. The TCL Group was in compliance with the requirements of the loan agreements as at 31st December, 2008.

26. Subsequent events

Claim for Lost Profits against the Government of Guyana

The Group commenced legal proceedings in the Caribbean Court of Justice ('CCJ') against the Government of Guyana ('GOG') for unlawful failure and / or refusal to apply the common external tariff of cement as approved by CARICOM. In the substantive proceeding the Group is seeking declarations that the GOG's conduct was illegal and subsequent orders from the CCJ to compel the GOG to bring its regime for the imports of extra-regional cement into conformity with the Revised Treaty of Chaguaramas. The Group is claiming damages in the sum of US$2.1 million for lost profits for the period January to December 2007. Additional claims are expected to be lodged until the GOG applies the common external tariff on cement or obtains a CARICOM-approved waiver.

During 2008, the CCJ heard various submissions of the claim and on 15th January, 2009 granted the Group permission to commence the substantive claim against the GOG. The substantive claim was filed on 19th January, 2009.

Compliance with loan covenants

At the end of February 2009, Caribbean Cement Company Limited had exceeded its borrowing limit of US$7.5 million by US$0.88 million as established in the loan agreement. This non-compliance was subsequently remedied within the 30 day grace period as stipulated in the loan agreement and therefore was not considered an event of default.

PROXY FORM

ONE CARIBBEAN... ONE COMPANY

To: The General Manager
Trinidad and Tobago Central Depository Limited
10th Floor Nicholas Tower
63-65 Independence Square
Port of Spain
Trinidad & Tobago, W.I.

BLOCK CAPITALS PLEASE

I/We ____
NAME(S) OF SHAREHOLDER(S)

of ____
ADDRESS

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

Mr./Mrs.____
NAME OF PROXY

of ____
ADDRESS

to be my/our Proxy to vote for me/us on my/our behalf at the Annual Meeting of the company to be held at 4:30 p.m. on the 12th May 2009 and any adjournment thereof.

______________________ ______________
Signature of Shareholder(s) **Date**

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

RESOLUTIONS	**FOR**	**AGAINST**
ORDINARY BUSINESS		
1. Be it resolved that the Financial Statements for the year ended 31st December 2008 and the Reports of the Directors and Auditors thereon be adopted.		
2. Election of Directors		
(i) Be it resolved that Dr. Leonard Nurse, who was appointed by the Board to fill a casual vacancy, be elected a director of the company in accordance with Clause 4.4.2 of By Law No. 1, until the conclusion of the third Annual Meeting following.		
(ii) Be it resolved that Mr. Andy J. Bhajan, who retires by rotation and being eligible, be re-elected a director of the company in accordance with Clause 4.6.1 of By-Law No. 1, until the conclusion of the third Annual Meeting following.		
(iii) Be it resolved that Mr. Yusuff Omar, who retires by rotation and being eligible, be re-elected a director of the company in accordance with Clause 4.6.1 of By-Law No. 1, until the conclusion of the third Annual Meeting following.		
3. Be it resolved that Ernst & Young be appointed as the Auditors for the year 2009 and that the Board be authorised to fix their remuneration.		

NOTES:

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

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

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

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

5. Any alterations made on this form should be initialled.

FOR OFFICIAL USE ONLY

Folio Number

Number of Shares