ONE CARIBBEAN... ONE COMPANY

Investing in Caribbean Civilisation

Annual Report 2009

ONE CARIBBEAN...
ONE COMPANY

Southern Main Road, Claxton Bay, Trinidad & Tobago
www.tclgroup.com

TCL GROUP VISION & MISSION STATEMENTS

VISION

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

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.

CONTENTS

INVESTING IN CARIBBEAN CIVILISATION

Cement is an indispensable raw material for human civilisation. Living, working, leisure, transportation: we cannot imagine these without cement and its application to concrete. Cement is the foundation of modern civilisation. We cannot live without relying on cement in one way or another.

In the Caribbean, cement's qualities of security, functionality, aesthetics and comfort have long been part of our civilisation and culture. Builders in the region cherish it for its carrying capacity and architectural design flexibility. Its durability and longevity make it the right choice for all domestic, public and security applications, contributing to our well-being and to our peace of mind.

Your investment in cement is an investment in human civilisation, and your investment in the TCL Group is an investment in Caribbean civilisation.

Photo of tenor pan courtesy NALIS

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. Luis Miguel Cantú Pinto
Mr. Yusuff Omar
Mr. Brian Young

Company Secretary
Mr. Alan Nobie

Group Chief Executive Officer
Dr. Rollin Bertrand

Registered Office
Trinidad Cement Limited
Southern Main Road, Claxton Bay,
Trinidad & Tobago, W.I.
Phone: (868) 659-0787/88/0800
Fax: (868) 659-0818
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,
Trinidad & Tobago, W.I.

Sub-Registrars
Barbados Central Securities Depository Inc.
8th Avenue, Belleville,
St. Michael, Barbados, W.I.

Jamaica Central Securities Depository
40 Harbour Street,
Kingston, 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
8th Avenue, Belleville,
St. Michael,
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.

NOTICE OF ANNUAL MEETING

Notice is hereby given that the ANNUAL MEETING of TRINIDAD CEMENT LIMITED for the year ended 31st December 2009 will be held at the Training Room, TCL Compound, Southern Main Road, Claxton Bay, on 2nd June 2010 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 2009, 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 26th April 2010 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, 63-65 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, 63-65 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

12th April 2010

INVESTING IN CARIBBEAN MOBILITY

Airports and runways, docks and jetties, bridges, tunnels, roadways and overpasses and pedestrian walkways: all these are made when cement and aggregates are combined to form concrete. These structures help us to connect and to communicate, to transport people and goods, and to grow and prosper.

As the sophistication of transport in the Caribbean grows, so does the demand for high quality cement. The TCL Group is committed to delivering only the very best products, anywhere, anytime.

10-YEAR FINANCIAL REVIEW

	UOM	2000	2001	2002	2003	2004
Group Third Party Revenue	TT$m	1,097.0	1,054.0	1,131.8	1,155.7	1,329.9
Operating Profit	TT$m	261.9	228.3	246.7	264.0	304.1
Group Profit before Taxation	TT$m	138.5	139.8	160.3	173.2	199.3
Group Profit attributable to Shareholders	TT$m	84.6	93.0	118.5	121.4	162.3
Foreign Exchange Earnings	TT $m	183.4	176.3	176.2	184.0	192.8
Earnings per Share (EPS)	TT$	0.38	0.37	0.49	0.50	0.67
Ordinary Dividend per Share	TT$	0.16	0.14	0.18	0.18	0.20
Issued Share Capital – Ordinary	TT $m	466.2	466.2	466.2	466.2	466.2
Shareholders' Equity	TT$m	715.1	699.0	765.3	804.4	939.4
Group Equity	TT$m	943.1	913.5	960.8	905.6	1,061.7
Total Assets	TT $m	2,403.2	2,356.0	2,320.9	2,239.4	2,394.5
Net Assets per Share	TT$	3.78	3.66	3.85	3.63	4.25
Return on Shareholders' Equity	%	14.2	13.2	16.2	15.5	18.6
Share Price (Dec 31)	TT$	4.50	3.65	5.70	6.00	8.05
No. of Shares Outstanding (Dec 31)	'000	249,765	249,765	249,765	249,765	249,765
Market Capitalisation (Dec 31)	TT$m	1,123.9	911.6	1,423.7	1,498.6	2,010.6
Long Term Debt	TT$m	917.7	918.4	844.4	770.8	742.8
Long Term Debt/Equity Ratio	%	113.8	115.1	97.4	85.1	70

	UOM	2005	2006	2007	2008	2009
Group Third Party Revenue	TT$m	1,429.8	1,719.0	1,923.0	2,074.4	1,755.8
Operating Profit	TT$m	183.9	264.8	349.4	307.2	248.1
Group Profit before Taxation	TT$m	86.8	160.5	245.7	195.9	84.0
Group Profit attributable to Shareholders	TT$m	160.3	145.7	187.8	137.4	95.8
Foreign Exchange Earnings	TT $m	162.3	231.8	292.3	362.4	327.7
Earnings per Share (EPS)	TT$	0.66	0.60	0.77	0.56	0.39
Ordinary Dividend per Share	TT$	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	1,031.8	1,159.0	1,313.7	1,372.2	1,459.7
Group Equity	TT$m	1,139.1	1,267.5	1,442.3	1,504.3	1,579.3
Total Assets	TT $m	2,948.2	3,230.0	3,621.6	3,994.7	4,034.4
Net Assets per Share	TT$	4.56	5.07	5.77	6.02	6.32
Return on Shareholders' Equity	%	15.5	12.6	14.3	10.0	6.6
Share Price (Dec 31)	TT$	10.00	7.01	7.35	4.00	3.85
No. of Shares Outstanding (Dec 31)	'000	249,765	249,765	249,765	249,765	249,765
Market Capitalisation (Dec 31)	TT$m	2,497.7	1,750.9	1,835.8	999.1	961.6
Long Term Debt	TT$m	1,114.5	1,183.6	1,308.3	1,352.2	1,235.5
Long Term Debt/Equity Ratio	%	97.8	93.4	90.7	89.9	78.2

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

INVESTING IN CARIBBEAN COMMUNITIES

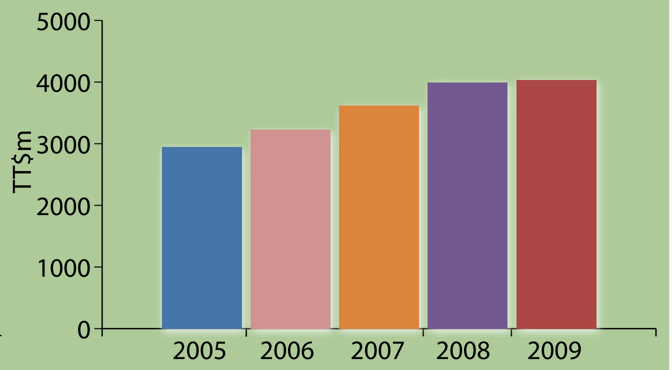
The foundation of our communities lies in cement - the raw material that builds our homes, schools, sidewalks, playgrounds and concrete cricket pitches, places of worship, bus stops and even swimming pools. Cement makes built infrastructure safer and more durable and helps in building community spirit and improving communal living.

Beyond the provision of top-quality cement, the TCL Group also invests directly into the many Caribbean communities.

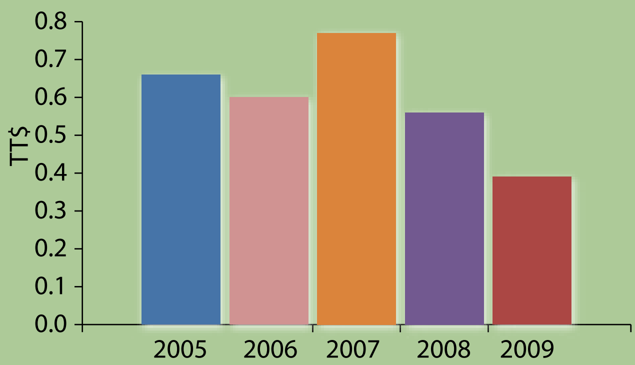
Ranging from the sponsorship of educational scholarships and cultural programmes, to supporting homes for low–income families, from developing cricket, the sport of our Caribbean people to numerous environmental initiatives, the TCL Group seeks to strengthen the fabric of communities across the region through direct investment and involvement.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS 2005-2009 ($M)

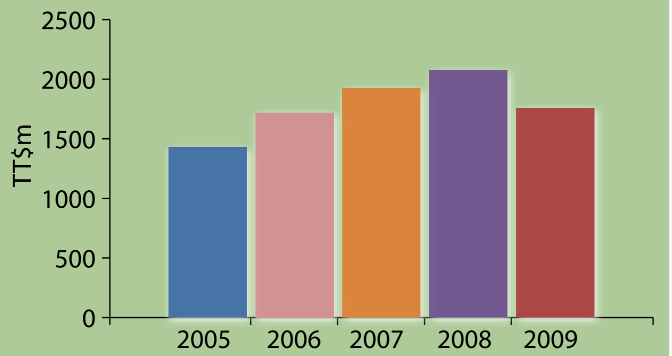
TOTAL ASSETS 2005-2009 ($M)



EARNINGS PER SHARE 2005-2009 ($)

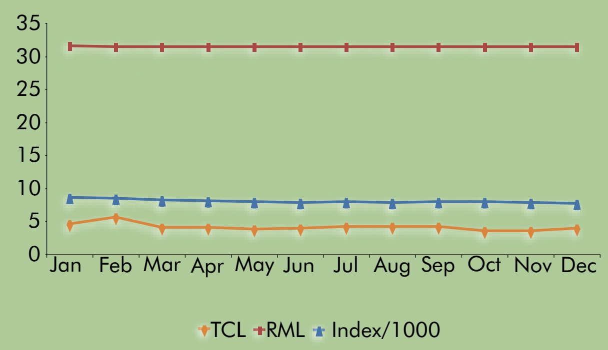


GROUP THIRD PARTY REVENUE 2005-2009 ($M)

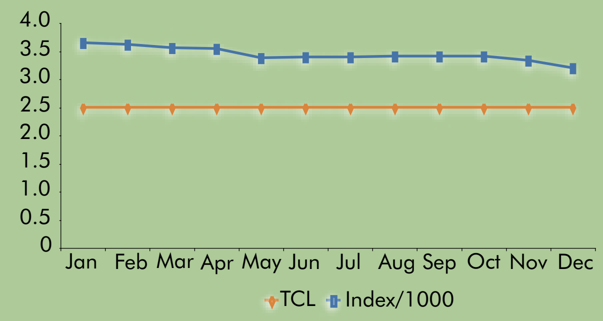


SHARE & PERFORMANCE HIGHLIGHTS

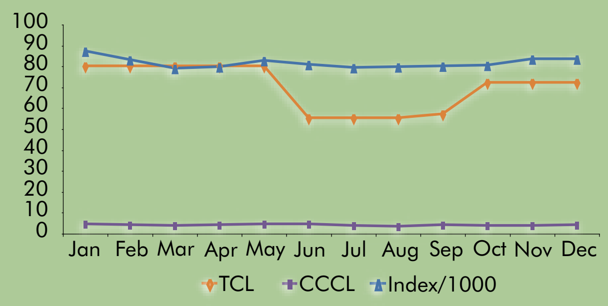
TTSE



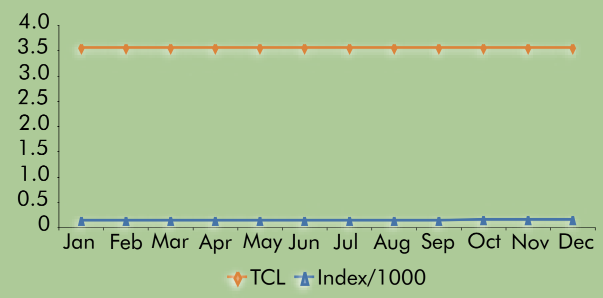
BSE



JSE



ECSE

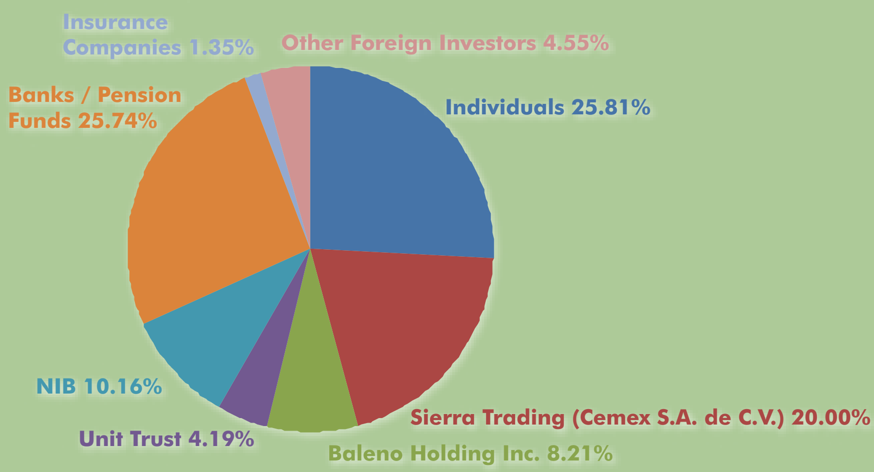


TRADING VOLUMES

		Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09
T'dad	**TCL**	54,101	448,611	205,080	157,703	489,208	754,798	1,074,645
	RML	51,790	1,202	—	—	—	—	—
J'ca	**TCL**	—	—	—	—	—	300,100	—
	CCCL	189,619	345,386	909,776	182,120	595,211	1,420,917	2,220,016
BSE	**TCL**	—	—	—	—	—	—	—
ECSE	**TCL**	2,228	—	—	—	—	—	—

		Aug 09	Sept 09	Oct 09	Nov 09	Dec 09	TOTAL
T'dad	**TCL**	175,681	136,618	132,013	115,743	396,082	4,140,283
	RML	—	—	—	—	—	52,992
J'ca	**TCL**	—	100	100	—	—	300,300
	CCCL	1,699,847	616,294	465,488	326,529	412,399	9,383,602
BSE	**TCL**	—	62,563	—	—	—	62,563
ECSE	**TCL**	—	—	—	—	—	2,228

DISTRIBUTION OF SHAREHOLDING

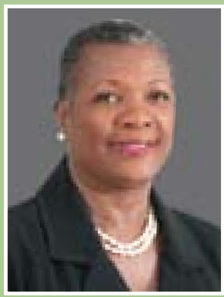


GROUP PERFORMANCE HIGHLIGHTS

			2008	2009	% Change
Income Statement					
Group Third Party Revenue		$m	2,074.4	1,755.8	(15.4)
Group Profit attributable to Shareholders		$m	137.4	95.8	(30.3)
Foreign exchange earnings		$m	362.4	327.7	(9.6)
Balance Sheet					
Total Assets		$m	3,994.7	4,034.4	1.0
Shareholders' Equity		$m	1,372.2	1,459.7	6.4
Net Assets per Share		$	6.0	6.3	5.4
Long Term Debt		$m	1,352.2	1,235.5	8.6
Long Term Debt to Equity Ratio		%	89.9	78.2	13.0
Operational Highlights					
TCL	Cement production	'000 tonnes	957.6	869.9	(9.2)
	Cement sales - Local	"	693.0	634.2	(8.5)
	Cement sales - Export	"	261.6	233.3	(10.8)
	Cement sales - Total	"	954.6	867.5	(9.1)
CCCL	Cement production	'000 tonnes	724.5	736.6	1.7
	Cement sales - Local	"	720.3	652.6	(9.4)
	Cement sales - Export	"	28.5	88.9	211.9
	Cement sales - Total	"	748.8	741.5	(1.0)
ACCL	Cement production	'000 tonnes	301.4	256.0	(15.1)
	Cement sales - Local	"	174.6	139.1	(20.3)
	Cement sales - Export	"	124.9	111.9	(10.4)
	Cement sales - Total	"	299.5	251.0	(16.2)
TPL	Paper sack production	millions	37.9	26.5	(30.1)
	Paper sack sales	"	34.0	30.6	(10.0)
TPM	Sling production	thousands	377.0	210.5	(44.2)
	Sling sales	"	341.6	277.3	(18.8)
	Jumbo bag sales	"	37.9	53.2	40.4
RML Group	Concrete sales – T&T, BDS, St.Maarten	'000m3	252.0	173.5	(31.2)
JGQ	Gypsum sales	'000 tonnes	257.2	172.5	(32.9)

BOARD OF DIRECTORS





L – R:

Andy J. Bhajan

Chairman, Trinidad Cement 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.

Eutrice Carrington

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

Carlos Hee Houng

Director, Trinidad Cement Limited

Jeffrey McFarlane

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




L – R:

Dr. Aleem Mohammed

Director, Trinidad Cement Limited

Dr. Leonard Nurse

Director, Trinidad Cement Limited

Yusuff Omar

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

Brian Young

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

Luis Miguel Cantú Pinto

Director, Trinidad Cement Limited

INFORMATION ABOUT OUR BOARD

Andy J. Bhajan Chairman, Trinidad Cement Limited.

Mr. Andy J. Bhajan was first appointed a Director of TCL in 1987. He was subsequently appointed Group Chairman in October 1995 and served in that capacity until he retired in March 2003, having served for a total of 16 years. He was re-appointed a Director and Group Chairman of the TCL Board of Directors in October 2005 and continues to serve in that capacity. Mr. Bhajan is an Attorney At Law with considerable experience in business and in law and conducts a private practice.

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.

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

Ms. Carrington is the Chief Financial Officer, Financial Services at the Trinidad and Tobago Unit Trust Corporation, the leading indigenous mutual fund service provider in Trinidad and Tobago and the Caribbean region. She holds a B.Sc. honours degree in economics and a Master's of Science in Economics. Her career in investments spans a period of eighteen 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 Director, Trinidad Cement Limited.

Mr. 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 outstanding contribution to national development.

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

Mr. Jeffrey McFarlane is a former Executive Director of the National Insurance Board of Trinidad and Tobago. He is currently a Director on the Boards of the National Insurance Property Development Co. Limited (NIPDEC), the Home Mortgage Bank, Trinidad Cement Limited and Arawak Cement Company Limited. He graduated from the University of the West Indies in 1974 with a Bachelor of Laws degree - Upper Second Class Honors and in 1980 completed the 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 Director, Trinidad Cement Limited.

Dr. Aleem Mohammed was appointed to the TCL Board of Directors in July 2007. He is the Chairman of S.M. Jaleel & Company Limited. Dr. Mohammed graduated as a medical doctor 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 Director of 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 Director, Trinidad Cement Limited.

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 the 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, Cematics Solutions Inc, and Barbados Cave Industry. Dr. Nurse is also a member of the International Association of Geomorphologists, Canadian Coastal and Engineering Science Association, a Program Associate of the Island Resources Foundation, 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 the Companion of Honour of Barbados in 2007.

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

A former Managing Director of Trinidad Cement Limited, Yusuff Omar is currently the Chairman of TCL Packaging Limited and TCL Ponsa Manufacturing Limited. He also holds several directorships within the TCL Group of Companies (TCL, TGI and ACCL) and is a member 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).

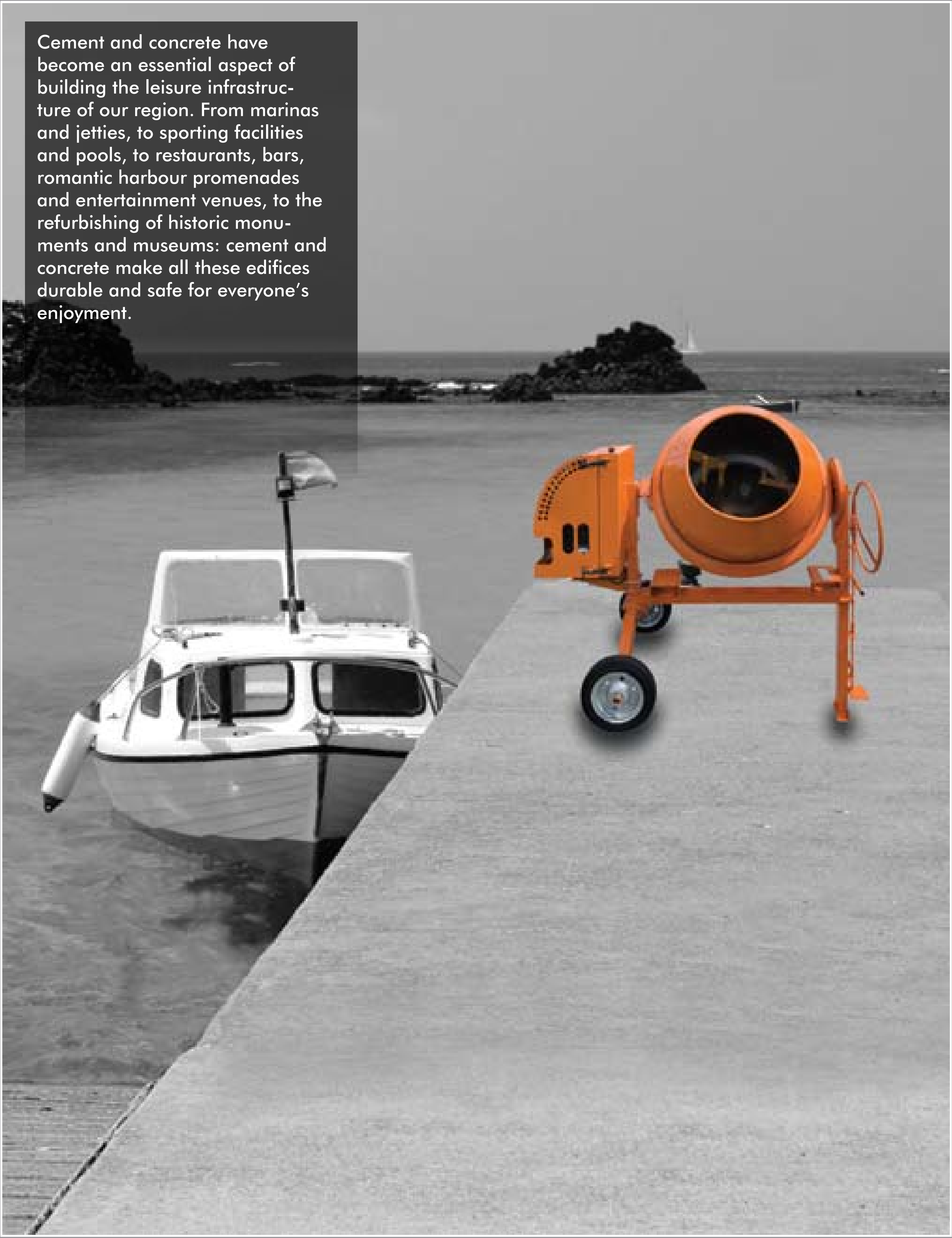
Prior to joining TCL, Mr. Omar worked for eleven years at Shell Trinidad Limited progressing from the position of Technical Assistant to that of Production/ Operations Engineer in the Petroleum Engineering Department.

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

Mr. Young is a Chartered Accountant and had been with Price Waterhouse for over thirty years before retiring as a senior partner in 1995. Since then, he has served as Interim Executive Chairman of the National Water Commission (Jamaica). He is currently Chairman of the Caribbean Cement Company Limited (based in Jamaica) and serves on the Board of Directors of the Neal and Massy Holdings 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.

Luis Miguel Cantú Pinto Mr. Pinto is a nominee of Sierra Trading (Cemex), and joined the Board in April 2010.

Cement and concrete have become an essential aspect of building the leisure infrastructure of our region. From marinas and jetties, to sporting facilities and pools, to restaurants, bars, romantic harbour promenades and entertainment venues, to the refurbishing of historic monuments and museums: cement and concrete make all these edifices durable and safe for everyone's enjoyment.



TCL GROUP – BOARD SUB-COMMITTEES

GOVERNANCE COMMITTEE

Members: Mr. A. J. Bhajan (Chairman)
Mr. Y. Omar
Mr. B. Young

AUDIT COMMITTEE

Members: Mr. B. Young (Chairman)
Ms. E. Carrington
Mr. J. McFarlane

FINANCE COMMITTEE

Members: Ms. E. Carrington (Chairman)
Dr. R. Bertrand (Group CEO)
Mr. L. Parmasar (Group Finance Manager)
Mr. J. McFarlane
Mr. B. Young

HUMAN RESOURCE COMMITTEE

Members: Mr. Y. Omar (Chairman)
Dr. R. Bertrand (Group CEO)
Mr. D. Caesar (Group Human Resource Manager)
Ms. E. Carrington
Mr. J. McFarlane

BOARD MARKETING COMMITTEE

Members: Mr. C. Hee Houng (Chairman)
Dr. R. Bertrand (Group CEO)
Mr. E. Daniel (General Manager – International Business & Marketing)

TCL BOARD OPERATING COMMITTEE

Members: Mr. Y. Omar (Chairman)
Dr. R. Bertrand (Group CEO)
Mr. H.N. Hosein

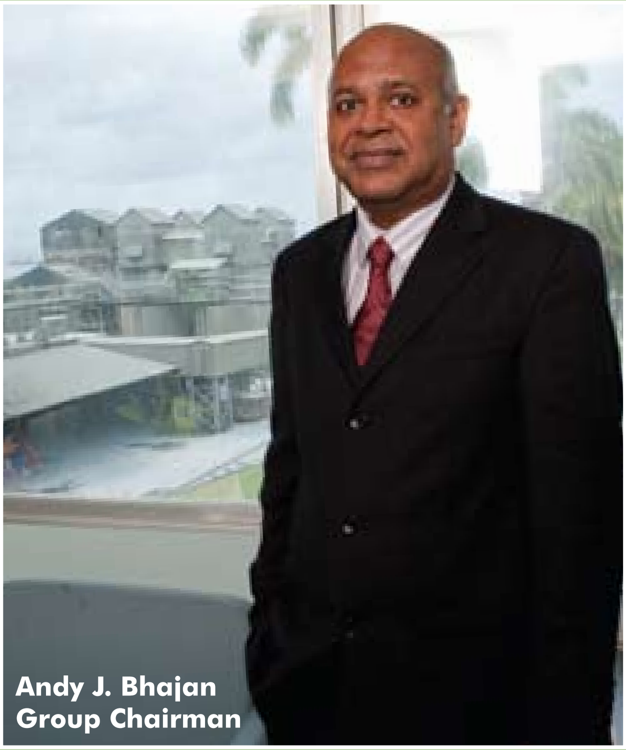
The economic environment in 2009 was a very difficult one for most business enterprises and the TCL Group was no exception. The financial crisis, which originated in the United States, severely affected countries across the globe, resulting in negative growth, plunging interest rates, low inflation, high unemployment, and record budget deficits. In many economies, the discretionary income of individuals shrank with a consequential reduction in consumer expenditure. Governments had to adopt an expansionary fiscal stance, utilising various stimulus packages in an effort to boost liquidity and spur demand in their domestic economies. The precipitous decline in global economic activity appears to have halted and some developed countries, including the United States, are showing signs of recovery.

Regionally, most Caricom countries suffered negative growth in their Gross Domestic Product (GDP). In the case of Trinidad and Tobago, there was an estimated decline of 3% in real GDP, with a fiscal deficit of 5.3% of GDP, the first such deficit in seven years. In Jamaica, the severe decline in the Bauxite sector and reduction in the inflows of remittances led to the Government having to negotiate a standby facility with the International Monetary Fund (IMF), valued at US$1.27 billion dollars to provide balance of payments support and facilitate economic recovery. GDP decline in 2009 was estimated at 3.6%.

In Barbados, economic activity for the first nine months of the year declined by 6.4%, the first nine-month contraction since 2002. Most of the country's productive sectors experienced decline with the tourism sector being very seriously affected. Visitor arrivals from many of the traditional markets fell sharply as a result of recessionary conditions in those countries.

Guyana was one of the few Caricom countries experiencing growth in GDP in 2009, estimated at 2%. The production of the sugar, rice, diamond, bauxite, and fisheries sectors decreased while that of the gold and forestry sectors increased. As at the end of the third quarter of 2009, the Balance of Payments surplus of US$ 206.1 million was significantly higher than the US$ 30.9 million for the corresponding period in 2008. The economies of the OECS territories also experienced contraction in GDP with Antigua, St. Lucia, St. Vincent, and Grenada having declines ranging from 1.1% to 6.5%. Many of these countries have had to approach the IMF for standby support.

The crisis really hit home in the Caribbean with the collapse of the Stanford Group, based in Antigua, and the CL Financial/CLICO Group, headquartered in Trinidad and Tobago, but operating throughout the region. These two landmark events severely impacted investor confidence as regional Governments had to intervene to avoid widespread systemic failure. In Trinidad and Tobago, the Government's initial funding injection for the CLICO financial debacle was TT$1.3 billion, with an overall commitment of TT$5.4 billion. The adverse impact on the GDP in 2009 was estimated at 6%.



Andy J. Bhajan
Group Chairman

As a consequence of the difficult global economic and financial environment, the performance of international cement companies has been severely weakened. Comparing 2009 with 2008, the 'cement majors' have reported revenue declines ranging from 13.3% to 28%, based upon sales volume reductions of between 8% and 14%. Profitability fell within a range of 17.5% to 50% and the Earnings per Share in the case of the largest of the companies declined by 61% with double-digit percentage reductions for other top Global Cement Companies.

OUTLOOK

There are signs that the recovery that has started in the developed countries will, in the not too distant future, be experienced in the Caribbean region. Growth poles for cement demand are already emerging in Brazil, Panama, Haiti and Chile, based upon large-scale physical developmental projects as well as rebuilding efforts following tragic natural disasters. The Group has sharpened its export thrust and is well positioned to supply a portion of the incremental cement demand that will emerge over the medium-term.

THE TCL GROUP'S FINANCIAL PERFORMANCE

The Group's financial performance was adversely affected by the global financial and economic crisis and the resulting slowdown of regional economies. Domestic sales volumes declined by 10.2% — Barbados 20.3%, Jamaica 9.4% and Trinidad and Tobago 8.5%. Export sales volumes declined by 6.2%.

Group revenues decreased by $318.6 million, which was 15.4% lower than in 2008. Operating expenses increased as interest and depreciation from the new kiln in Jamaica was charged to income for the financial year. Additionally, a loss of $10.2 million was recorded for the collapse of a new material bin in Jamaica. Consequently, profit attributable to Group shareholders decreased by 30.3% ($41.6 million) to $95.8 million, representing an Earnings per Share (EPS) of $0.39 (2008: $0.56).

Total net assets grew by 4.9% ($75.0 million). However, there was a working capital deficit of $54.1 million as increases in long-term assets were funded by short-term borrowings. The Group will pursue the refinancing of short-term debt to longer-term debt in 2010. A detailed review and analysis of the Group's 2009 financial and operational performance is provided in the Group CEO's Report and Management Discussion commencing on page 23.

CAPACITY EXPANSION AND MODERNISATION PROGRAMME

The second phase of CCCL's expansion and modernisation programme, the construction of Cement Mill 5, was completed during 2009. The Company is therefore well positioned, with a new Kiln (Kiln 5) and mill, to supply all of Jamaica's requirements as well as to export regionally. A more detailed report on this project is provided in the Group CEO's Report and Management Discussion.

TRADE MATTERS - CCJ Rulings

As has been previously communicated, the TCL Group sought redress through the Caribbean Court of Justice (CCJ) for waivers of the Common External Tariff (CET) on cement imported from extra-regional sources granted in an apparently arbitrary manner. Specifically, action was filed in relation to CET waivers by the Caribbean Community and by the Government of Guyana, which were inconsistent with the provisions of the Treaty of Chaguaramas. The CCJ has been established under the treaty to adjudicate on all matters relating to the Caricom Single Market and Economy (CSME).

The CCJ rulings, while not granting all of the relief being sought by the Group, have provided much clarity in respect of the regional trading environment. In the Caribbean Community matter, the Court has provided detailed guidelines regarding the procedures to be followed for the grant of CET waivers. This is of great importance to the future economic development of the region. Quoting directly from the judgment:

'TCL acted properly in bringing this action. TCL had earlier requested the Secretary-General to seek from the Court an Advisory Opinion on some of the matters discussed in this judgment. The Court considers that it was important not just to TCL but to the entire private sector in the region that the Court should pronounce on many of these issues that are relevant to suspensions of the CET.'

In the matter against the Government of Guyana, the Court ruled that Guyana was in breach of the treaty and ordered that the CET be re-implemented within a specified time-frame. Although not complying with the judgment in respect of the time-frame for re-implementation, Guyana has since re-instated the CET on extra-regional imports of cement.

SHAREHOLDERS' ISSUES

Stock Market Performance Review

Equity markets across the region reflected the weakened investor confidence in stock price performance as well as reduced trading volumes. The TTSE's Composite Index at year end 2009 closed at 765.28, some 77.7 points or 9.22% lower than at the beginning of the year, while the All T&T Index closed at 1,099.16, a decline of 55.59 points or 4.81%.

TCL's share price exhibited mixed fortunes for the year, starting at $4.00, peaking at $5.55 in February, and declining to $3.85 at year end, a 3.75% decrease from the opening price and a 30.63% decline from the February peak. It has since declined further with the price at March 31, 2010 being $3.51. The volatile market and third quarter 2009 published results, which did not meet investor expectations formed the context for the TCL share price movements during 2009. During 2009, a total of 4,140,283 TCL shares were traded on the TTSE compared to 2008's 12,250,036 shares, indicating a 66.2% decrease in trade volumes.

Regionally, the BSE Local Index declined by 11.88% and the Composite Index by 14.54%, while the JSE Market Index increased by 3.95% and the All Jamaican Composite Index declined by 4.05%. TCL's share price on the BSE commenced the year at Bds$2.50 and moved to Bds$2.49 at the end of the third quarter, maintaining that price to year end. Shares were only traded during the month of September generating a total of 62,563 shares traded for 2009 compared to 185,415 shares traded during 2008, representing a decrease of 66.3%.

On the JSE, the TCL share price fell from J$80.00 at the start of the year to J$55.25 at the end of the second quarter representing a 30.94% decrease, then rose 30.34% during the fourth quarter to a price of J$72.00. Total TCL shares traded during 2009 was 300,300 while during 2008, trades were 83.6% higher at 1,833,258 shares. CCCL's share price on the JSE increased by 1.27% from J$3.95 in January 2009 to J$4.00 at year end. There were 16.7% more CCCL shares traded in 2008 (11,266,852) than in 2009 (9,383,602).

On the Eastern Caribbean Securities Exchange, the TCL share price remained unchanged at $3.55 during the year while the total trade volume decreased 99.2% from 294,054 in 2008 to 2,228 in 2009.

The Guyana Stock Exchange, which is still at a very early stage of development, has not yet been able to establish a mechanism to facilitate cross-border trading.

RML started the year at $31.60 falling to $31.45 in January followed by a further decline to $31.35 in February. This price was sustained throughout the year. RML shares were only traded during the months of January and February in 2009 totalling 52,992 compared to 2,185,712 shares traded in 2008.

DIVIDENDS

Over the last three years, the Group has invested heavily in its Expansion and Modernisation programme, utilising a combination of external loans and internally generated funds. As a consequence of the need to maximise the use of internally generated cash to complete the expansion project, no dividend was paid for 2008.

The major components of the Expansion and Modernisation project have now been completed and as such, the heavy burden of capital expenditure on the Group's cash resources will no longer arise. The Board accordingly is committed to the resumption of dividend payments on a semi-annual basis within the earliest possible timeframe. However, in view of the current difficult environment and working capital position, the Board does not consider it prudent to approve a dividend for the year 2009.

CEMEX's Shareholding

Shareholders had been notified that CEMEX planned to dispose of its TCL shareholding as part of a debt restructuring programme and were also informed about the action being taken by the TCL Board to protect their interests.

TCL has recently received formal notification from CEMEX through its subsidiary company, Sierra Trading, that it wishes to maintain its 20% shareholding in Trinidad Cement Limited.

Consequent upon the retention of their shareholding, Sierra Trading has also expressed the desire to resume its representation on the TCL Board. This matter has been addressed by the Board, which has agreed that Mr. Luis Miguel Cantú Pinto be appointed a Director to fill a casual vacancy in accordance with Clause 4.4.2 of the Company's By-Laws effective April 30, 2010. The appointment is being submitted for shareholder confirmation at the upcoming TCL Annual Meeting, scheduled for June 2, 2010.

Appointment of Auditors

It has been the TCL Group's policy that external audit services be tendered every five years in accordance with good governance practices. Ernst & Young was first appointed as auditors for the year 2003. For the 2008 and 2009 audits, the Board accepted the recommendations of the Board Audit Committee that the tender process should be deferred given the Group's focus on completing the Expansion and Modernisation programme. For the year 2010, the Group has reverted to its policy of periodic invitation of tenders. Following a very thorough tender evaluation process, the Board recommends Ernst & Young for appointment as external auditors for 2010 in the first instance, subject to annual shareholder approval.

ACKNOWLEDGMENTS

The year 2009 has been a very challenging one internationally, regionally and locally. In the midst of a turbulent and unpredictable economic environment, the Group has been able to limit the adverse financial impact of declining demand while positioning itself for the impending recovery. We have every confidence in our prospects for the future.

I wish to thank my fellow Directors, the Group CEO and his team and all employees for their steadfastness and commitment in navigating the Group through the difficult economic circumstances of the past year. I also extend my appreciation to our Shareholders and other Stakeholders for their continuing support.

Andy J. Bhajan

Andy J. Bhajan
Group Chairman

Cement is an integral part of the infrastructure that supports our work environments. When used in the construction of Caribbean work environments, cement creates a level of stability, comfort and safety that is conducive to high levels of morale and productivity.

Whether in an office or in a factory environment, at a university or in a government building: Caribbean people enjoy studying and working in buildings that are heat and noise insulated, and protected from the often harsh weather conditions outside. Plant and machinery are usually housed in concrete structures, as are libraries, archives, hospitals and many more places where we earn our living and contribute to society. Cement remains the binding agent in the construction of all these buildings that add such value to our lives.

Investors in the region look for that extra added value that only cement and concrete could give to the asset base of their chosen entity. That is why an investment in the TCL Group is such an excellent long-term proposition.

GROUP EXECUTIVE COMMITTEE

L–R:

Dr. Rollin Bertrand

Group Chief Executive Officer

F. L. Anthony Haynes

General Manager, Caribbean Cement Company Limited

Hayden Ferreira

Group Manufacturing and 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

Derrick Isaac

General Manager, TCL Packaging Limited & TCL Ponsa Manufacturing Limited

Manan Deo

General Manager, Readymix (West Indies) Limited

Rupert Greene

General Manager (Designate), Arawak Cement Company Limited

David Caesar

Group Human Resource Manager

Lincoln Parmasar

Group Finance Manager

Jinda Maharaj

General Manager, Arawak Cement Company Limited

INFORMATION ABOUT THE GROUP EXECUTIVE COMMITTEE

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 Limited, Readymix (West Indies) Limited, TCL Trading Limited, TCL Guyana Incorporated, TCL Leasing Limited, TCL Service Limited, TCL (Nevis) Limited.

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.

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.

Hayden Ferreira is currently Group Manufacturing and Development Manager. 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.

Egwin Daniel has extensive International Marketing and Financial experience having worked in these fields in Canada, USA and throughout the Caribbean for 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).

Satnarine Bachew has been with the TCL Group for the past 18 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.

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.

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).

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.

Rupert Greene is the General Manager (Designate) at Arawak Cement Company Limited. 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 held for 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.

David Caesar joined the TCL Group on March 01, 2010 in the position of Group Human Resource Manager. He possesses over fourteen (14) years' experience in the Human Resource field, enabling him to bring a wealth of knowledge and expertise to the Group, particularly in the areas of organisational change, cultural transformation and performance management.

Mr. Caesar holds a M.Sc. in Organisational Development from the American University – Washington DC, Post Graduate Diploma in Business Management from the Herriot – Watt University – Scotland and a B.Sc. in Mathematics and Economics from the University of the West Indies.

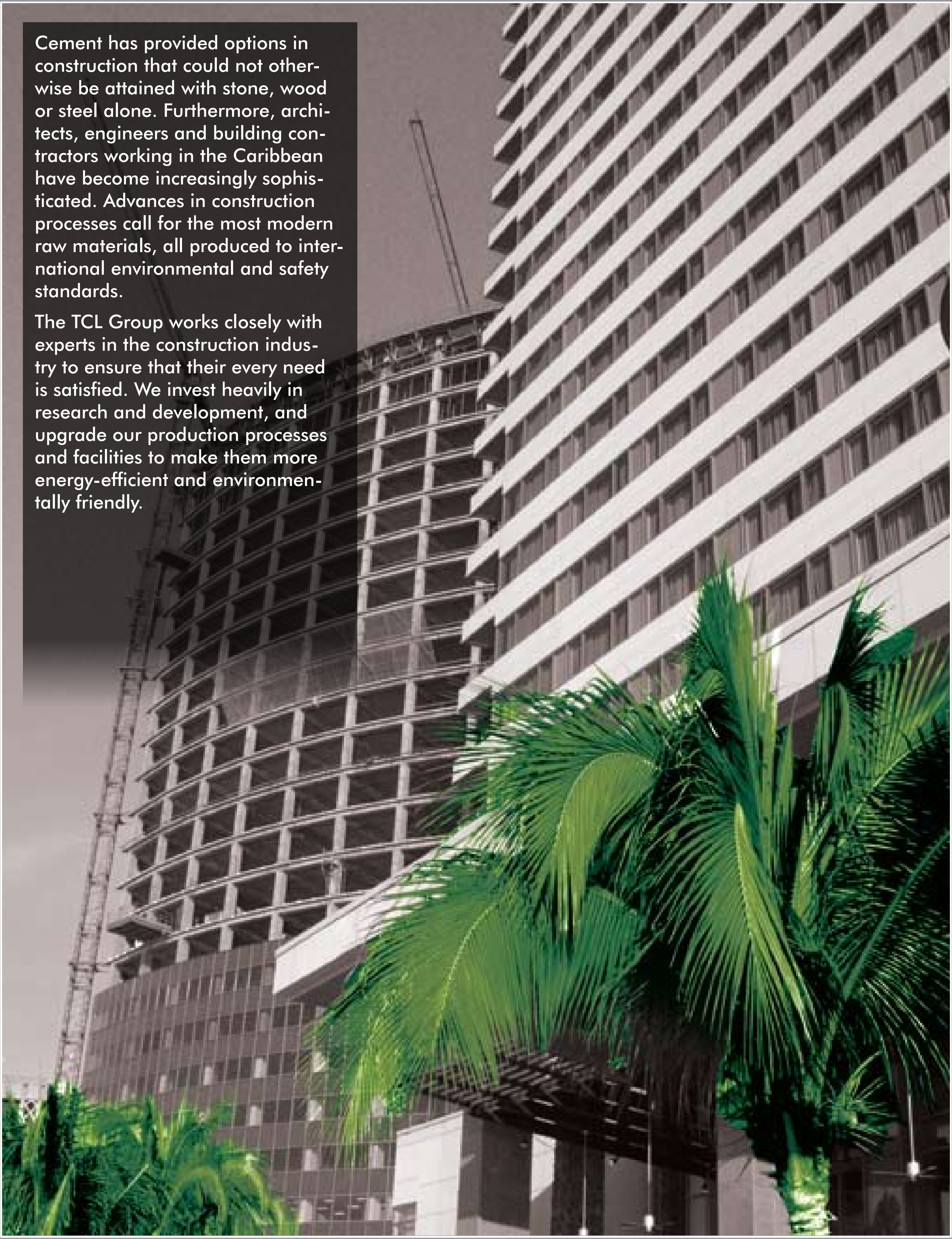
Lincoln Parmasar assumed the position of Group Finance Manager from August 1, 2009. He has been with the TCL Group since April 1995, holding a number of senior positions. Mr. Parmasar has many years of experience in the field of accounting, having previously worked at a public auditing firm and in the energy sector. 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), as well as a graduate (Upper Second Class Honours) of the University of the West Indies with a Bachelor's Degree in Accounting.

Jinda Maharaj, General Manager, Arawak Cement Company Limited.

Jinda Maharaj was appointed General Manager of Arawak Cement Company Limited on August 01, 2009. He possesses a wealth of knowledge and experience, having been with the TCL Group for the past 20 years. He has held various positions throughout the Group, including Engineering Services Manager, Materials Manager, Production Manager, Operations Manager (all at Trinidad Cement Ltd.) as well as Operations Manager at Arawak Cement Co. Ltd and more recently, Operations Manager at Caribbean Cement Co. Ltd.

Mr. Maharaj holds a Bachelor of Science Degree in Mechanical Engineering and a Master of Science Degree in Production Engineering and Management, both from The University of the West Indies, St. Augustine.

INVESTING IN CARIBBEAN BUILDING CULTURE



Cement has provided options in construction that could not otherwise be attained with stone, wood or steel alone. Furthermore, architects, engineers and building contractors working in the Caribbean have become increasingly sophisticated. Advances in construction processes call for the most modern raw materials, all produced to international environmental and safety standards.

The TCL Group works closely with experts in the construction industry to ensure that their every need is satisfied. We invest heavily in research and development, and upgrade our production processes and facilities to make them more energy-efficient and environmentally friendly.

1.0 HEALTH, SAFETY AND THE ENVIRONMENT (HSE)

1.1 Occupational Safety and Health (OSH) Management

In 2009, Occupational Safety and Health (OSH) performance across the Group's companies was tracked through the systems of both proactive (leading) and reactive (lagging) OSH indicators. Overall, the companies demonstrated a high level of compliance with the OSH systems for the proactive indicators (OSH Performance Scorecard) in areas such as: safety committee meetings, safety toolbox talks, management plant safety walks, training, inspections of machine guards and emergency and other equipment, statutory inspections of equipment, and improvements to physical facilities and amenities.

There were sixteen (16) Lost Time Accidents (LTAs) as compared with thirteen (13) LTAs in 2008; these occurred mainly at the cement and concrete plants. No LTAs were recorded at TPL, TPM or TGI, and no company within the TCL Group received Occupational Safety and Health citation from any regulatory body, for breach of OSH laws.

In keeping with the effort to develop and implement a culture of safety, the Behavioural Accident Prevention Programme (BAPP) from Behavioural Science Technology Inc. (BST) of California, USA, was implemented at ACCL, RML, TPL and TPM. This was completed in September 2009 and included training of several persons in roles as Specialists, Facilitators, Observers, Leadership and Steering Committee members. System implementation is also fully underway, with data on observations tracked and analysed for safety improvements.

The Group HSE Forum was held in Trinidad in November 2009 as the principal face-to-face meeting for discussions on Group-wide HSE systems improvement. A core group of over 30 participants from all the companies in the TCL Group participated. Additionally, for HSE promotion, companies held events to observe the ILO's World Day for Safety and Health at Work in April 2009.

1.2 Environmental Management

The three cement companies maintained their ISO 14001 Environmental Management System certification. In addition, both TGI and RML began implementation of their ISO 14001 EMS. TGI also successfully concluded its Compliance Audit.

Guided by the World Business Council on Sustainable Development (WBCSD) Cement Sustainability Initiative, the Group has focused on reducing its "carbon footprint",

Dr. Rollin Bertrand
Group Chief Executive Officer

with a target of 0.8 tonne CO2 emissions per tonne of cement. The year ended with much progress on this front with CCCL and TCL achieving the target (based on overall annual average); ACCL was slightly higher than the benchmark. The improvement was driven primarily by the full year of operation of CCCL's kiln 5, and the overall increase in pozzolan proportion in the production of cement at all plants.

In the ongoing thrust to optimise energy and electricity consumption, preliminary investigation into the feasibility of waste heat recovery at ACCL and CCCL for power generation was conducted in 2009.

Companies in the Group continued the tradition of holding events (seminars, collaboration 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 decreased by 15.4 % ($318.6 million), from $2.1 billion in 2008 to $1.8 billion in 2009.

The global economic slowdown impacted all our markets and business segments, with local cement sales volume declining by 20.3% in Barbados, 9.4% in Jamaica and 8.5% in Trinidad and Tobago. Cement sales volumes in our export markets, which decreased by 6.2%, were adversely affected by the waiver of the Common External Tariff in Guyana. Premixed concrete sales volumes also decreased by 31.2% as industrial and commercial construction in the Trinidad and Tobago market recorded a steep decline in 2009. The packaging sector was similarly affected with sack and sling sales volumes declining by 10.0% and 18.8% respectively.

Operating Profit

Operating profit of $248.1 million before the provision for fuel rebate decreased by 24.4% ($80.2 million). This reflects a margin of 14.1% compared with 15.8% for 2008. This is due in part to rising fixed costs set against declining revenue and a charge of $10.2 million arising from the collapse of a material bin in Jamaica. An insurance claim is being pursued with the underwriters.

Net Finance Costs

Net Finance costs of $164.1 million increased by 47.4% ($52.8 million). Interest charges relating to CCCL's kiln 5 in Jamaica were charged to income as the kiln was brought into commercial operations in December 2008.

Taxation

There was an overall taxation credit of $10.2 million compared to a charge of $39.6 million for the previous year. This arose from losses at the Group's operations in Jamaica and Guyana and tax expenses related to expenditure on the Expansion and Modernisation Project.

Net Profit Attributable to Group Shareholders

Profit after taxation of $94.3 million decreased by 39.7% ($62.1 million) from $156.3 million in 2008. Profit attributable to Group shareholders of $95.8 million decreased by 30.3% ($41.6 million), as the share attributable to minority interests decreased from $18.9 million in 2008 to negative $1.5 million in 2009. Consequently, Earnings per Share [EPS] in 2009 was $0.39 compared to $0.56 in 2008, a decrease of 30.4% or $0.17.

Liquidity and Financial Position

The Group generated $394.7million in cash from operations [2008:$422.3 million] and utilised $12.6 million in working capital management [2008:$7.7 million]. Taxation paid decreased by 37.7% to $15.2 million, but payments of interest increased by 57.6% to $127.8 million.

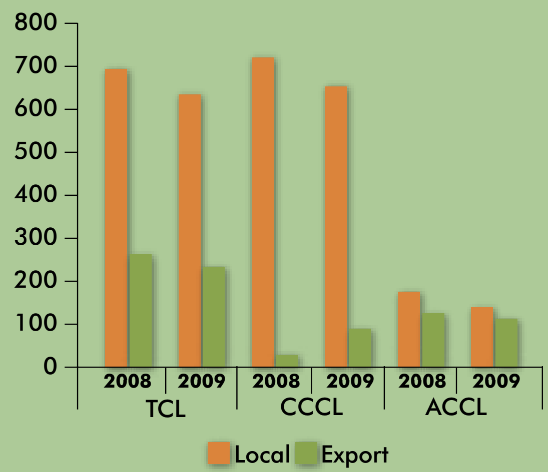
The Group invested $241.8 million in property, plant and equipment, of which $148.3 million was related to the Expansion and Modernisation Project in Jamaica.

The Group increased short-term borrowing by $87.4 million [2008: $56.9 million] but overall long-term borrowings decreased by $85.9 million. Increases in short-term borrowings were used to fund the completion of the Expansion and Modernisation Project. The Group will be pursuing the conversion of short-term to long-term debt in 2010 in order to strengthen its working capital position.

The Group obtained relaxation of certain covenants in December 2009 and maintained compliance with the new requirements of its loan agreements.

3.0 GROUP MARKETING

Cement Sales



Overall, the Group's local cement sales volume fell by 10.2% to 1.43 million tonnes, compared to 1.59 million in 2008, while its export sales volume fell by 6.2% to 434,054 tonnes, from 462,666 tonnes. 2008 included third party purchases of 47,740 tonnes (due to CCCL's kiln 5 having not yet been commissioned until the latter part of 2008). Regionally, cement sales were adversely affected by the delay/cancellation of major construction projects, as a result of falling demand, credit restrictions, lack of proper financing and constricted household incomes. Sales were further hampered by unfair market competition in both Jamaica and Guyana, as cement continued to enter these territories without the application of the 15% Common External Tariff (CET) and, in terms of the former, at less than fair market value. Nonetheless, the Group aggressively explored and entered new export markets, which facilitated a growth in exports from CCCL's plant in Jamaica, and minimised the extent of decline in exports from the Group's other manufacturing plants.

Over 2009, both packaging companies experienced declines in sales compared to 2008. These declines were largely attributed to a reduction in demand from Group companies, as a result of soft markets throughout the region. TCL Ponsa Manufacturing experienced a 12.9% decline in overall sales. TCL Packaging Limited sold 30.6 million sacks in 2009, which was 10.0% lower than prior year's sales of 34.0 million. There was a reduction in demand from within the Group when Jamaica and Guyana were impacted by the competition from imported cement, while ACCL sold more bulk cement as compared to bagged cement.

The overall market for concrete in 2009 is estimated to have fallen by 22%. The RML Group suffered tremendously in 2009 with the halt in Government spending and the slowdown in major projects, where sales were 31.2% lower than 2008. Readymix, however, continued to dominate the local market holding on to the majority market share of 27% while PPCI retained a market share of 12% in Barbados. The Barbados construction industry was severely affected by a worse than expected decline in economic activity as the recession deepened. This cautioned investors and contractors alike in the face of economic uncertainty. There was also a reduced demand for residential mortgages due to increased unemployment. In St. Maarten/St. Martin, ICNV and SARL experienced poor sales during the year as a result of several factors, including the withdrawal of investors from projects, the non-issuance of building permits and the reluctance of banks to provide credit to homebuilders. By the end of November the Board gave approval for a temporary shutdown of operations.

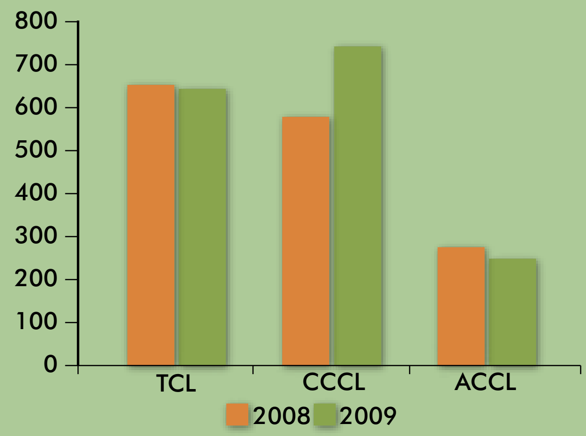
In 2009, sales of hydrated and quick lime were significantly lower than in 2008. The main customer for Quick Lime from Trinidad, curtailed operations in late 2008, and only resumed partial operations during mid 2009. As a result, their demand fell drastically. Additionally, that company entered into a long-term arrangement with a Guatemalan supplier, and elected to take only spot shipments for quick lime from ACCL. Towards the end of 2009, however, they were returning to normal operations, and ACCL was able to secure orders for 2,000 tonnes of hydrated lime from them and 3,600 tonnes from another of its main customers. This suggests that sales would improve for 2010, but would not be sufficient to keep the plant running for the entire year.

The Group's other strategic business, Jamaica Gypsum and Quarries (JGQ), had sales totalling 172,487 tonnes in 2009 compared to the achieved sales of 257,208 tonnes in 2008.

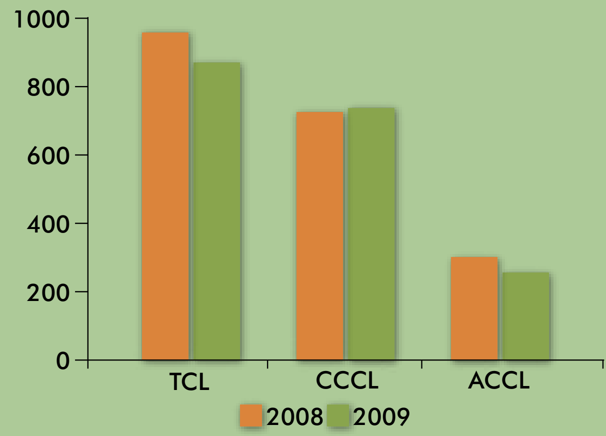
In 2009, the Group's strategy of a co-ordinated and judicious expansion of its business domain in the region began to bear fruit in the latter half of the year with exports into the new markets of Haiti, Brazil, Cayman Islands and Bahamas.

4.0 GROUP OPERATIONS

Clinker Production



Cement Production



4.1 Cement Operations

Clinker Production is the Key Profit Driver of the Group. Despite some operational challenges, the Group manufactured 1,633,649 tonnes of clinker, an improvement of 8.6% over the prior year's production. There were no third party clinker imports for 2009. This was a direct result of the increase in clinker produced by CCCL, which achieved the highest clinker production in the history of the TCL Group, as it gradually ramped up its new production capability.

Group cement production in 2009 was 1,862,442 tonnes, 6.1% lower than production of 1,983,604 tonnes in 2008. Generally, this was a reflection of market demand, with many instances of full silos limiting cement production at all sites. No cement was imported during 2009.

CCCL's Cement Mill No. 5 was put into operation in November 2009, and all cement dispatched during the year exceeded quality targets.

4.2 Concrete Operations

The RML Group produced 173,529 m3 of concrete in 2009, which was 31.1% lower than production for 2008. Total production of aggregates for 2009 was 272,581 m3 compared to 415,937 m3 produced in 2008, representing a decline of 34.5%. The overall mechanical plant availability was 81.4% against a target of 85%. Almost the entire mobile fleet was removed from operation by the end of the first quarter of 2009. An exercise for the refurbishment of all mobile equipment was commenced in May, with a view of having a minimum of 7 of the 10 pieces of equipment back in service by December. In December, mobile fleet availability reached 62% with an overall availability for the year of 36%.

Plant performance at PPCI for the year was in excess of 99.5% availability. Maintenance continues to be a prime focus at the plant. Certain parts of the framework of the plant have corroded severely and their replacement and repair were of major priority during the first quarter of 2010. There was adequate availability of pumps and trucks to service the jobs booked for the year.

4.3 Packaging Operations

TPL's production for the year was lower than 2008's output by 31.2%. Productivity was low at 46k (sacks/employee/month) compared to the Dipeco benchmark of 90k (sacks/employee/month). This was as a result of the reduction in the number of operating shifts, in addition to major repairs to machinery. On the other hand, conversion costs were 80% higher than the benchmark of US$50 per 1,000 sacks, mainly due to the impact of increased personnel costs and operational expenses, as well as lower production levels due to the shift changes.

At TPM, the total number of slings produced during the year was 44.2% lower than the prior year, as there was a slowdown in production by employees during the period March to June, as a result of ongoing negotiations for a new collective agreement. Monthly production in those months therefore fell considerably.

4.4 Lime & Gypsum Operations

In 2009, ACCL's Lime Division was severely impacted by the plant shutdown of its largest customer. Output of Quick Lime was 2,723MT and 1,647MT of Hydrated Lime was produced for 2009, representing a total decline of 68% from 2008. This decline came largely as a result of high product inventory and the opportunity was taken to conduct repairs, including kiln re-bricking, during the 2nd and 3rd quarters. Going forward, this division will continue to maintain inventory levels, maximise the use of waste oil and keep its operating costs at a minimum.

Total gypsum/anhydrite production at JGQ for 2009 amounted to 156,877 tonnes. Plant performance and output fell 34.1% compared to 2008, which can be attributed to depressed demand for the product in the market and mechanical downtime on the mobile fleet.

5.0 GROUP DEVELOPMENTAL ACTIVITIES

In 2009, 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

The Group's manufacturing development strategy continued its focus on the cement mill phase of the Expansion and Modernisation Programme at Caribbean Cement Ltd in Jamaica.

- **CCCL's Kiln 5 Project**

  In January of 2009, the plant satisfied the final IFC target of 142,800 tonnes over a 60-day period. In February, confirmation was received from the IFC that Kiln 5 had satisfied all five (5) of their operating requirements established in the loan agreement. Since then the kiln has surpassed our expectations of a first year's operations, and recently produced a record production of 85,963 tonnes in a single month. The project cost closed at a level just under the US$126 million that was the most recent budget estimate.

- **CCCL's Cement Mill No. 5 Project**

  After the distracting effect of the main contractor's labour issues in late 2008, the construction and equipment installation activity settled down in January and generally progressed well to completion at end of June 2009.

  Commissioning activities proceeded as planned from mid-June. At the commencement of loading the feed bins for initial production, one of the material bins collapsed on July 16. An investigation was immediately initiated while a temporary repair plan was implemented. The Phase 1 stage of the repair plan saw a limited restart in August. Restoration work (Phase 2) on the plan began in October, and was completed on schedule for a full functional restart in November 2009.

  A very gratifying aspect of the project was the safety effort and performance, resulting in a perfect record of 543,518 man-hours worked without a single LTA. The project benefitted from the successful systems and practices of the Kiln 5 Project, though several adjustments were required particularly to deal with the much tighter work environment. From the inception of construction, security was of concern given the site's unique location in the middle of the operating plant. This was addressed with a special controlled access that included entrance, fenced pathway, and security-managed road crossing. This and other security systems worked well and limited the issues to minor ones.

  The project cost closed on budget at US$34 million.

5.2 Manufacturing Excellence Transformation (MET)

The MET programme continued to be used across the three cement companies as a management tool to measure key performance indicators. Two Group audits were conducted during the year with improvement demonstrated by TCL, while the others held earlier performance.

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.

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 CCCL, 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 STAR Programme and Executive Coaching continued throughout 2009. The fourth group of STAR participants was chosen towards the end of 2009, and eighteen (18) candidates have been identified across the Group. The two (2) year programme, the first leg of which commenced in 2010, is expected to cover six (6) modules. The STARS will have 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 are the internal facilitators throughout the period.

The Group also continued to recognise outstanding employees through its Reward and Recognition Programme. In respect to the Instant Awards category, there were seventy-nine (79) individual awards and one (1) team award presented during the year.

A total of 4,135.23 man-days of training for all subsidiaries in 2009 as compared to 4,981 in 2008 was completed as part of the Group's human capital development. This represents a decrease of 16.98% in total man-days of training when compared to 2008. Total man-days delivered averaged 3.78 per employee.

The industrial relations climate throughout the Group for 2009 continued to range from being stable to moderately challenging with few work disruptions. Negotiations with the various bargaining units throughout the Group continued.

7.0 PUBLIC RELATIONS

Notwithstanding a constrained budget, the Group's Corporate Social Responsibility (CSR) thrust continued successfully throughout 2009 via core investments in sport, culture, youth and education, housing and the environment.

In July/August, the TCL Group W.I. U-19 Cricket Challenge was played in Jamaica…the home of Carib Cement. The tournament achieved favourable results, and so too did the Group's sponsorship of the West Indies U-19 Team that subsequently competed in the WICB's President's Cup and the ICC U-19 World Cup. The TCL Group is pleased to have supported our fine young players, who placed third (3rd) in the latter competition. Their success brought much pride to our company and the Caribbean region as well as guarantees the future of West Indian cricket.

In further support for this great game that is the passion of our people, the Readymix (RML) led initiative of providing concrete cricket pitches to communities and schools across Trinidad and Tobago was adopted by Arawak Cement in Barbados, where, in conjunction with RML's subsidiary Premix and Precast Concrete, the Alexandra Secondary School in the parish of St. Peter became the proud beneficiary of a concrete pitch. Locally, the communities of Biche and Arima officially welcomed concrete cricket pitches from the Group.

In the realm of culture, the TCL Group Skiffle Bunch hosted a pan programme for the second consecutive year to teach the art of steel pan playing to youngsters. Participants were exposed to the art of the instrument, history, basic literacy, pan technology and care and maintenance.

Our ongoing focus on the development of youth through education continued with sponsorship of scholarships to undergraduate students of the University of the West Indies. Six (6) students of the Faculties of Engineering and Social Sciences were awarded scholarships based on their academic performance, extracurricular involvement, financial need and CARICOM nationality.

Housing represents a natural alignment for us and in 2009, TCL Guyana Inc (TGI) announced a special discount on cement for first-time home builders who qualify for funding under the government's new initiative of stimulating the Guyanese economy through the construction of houses. The Group's association with Habitat for Humanity remained a high priority and this impetus will be prolonged in 2010 as together with Habitat we will continue to build lives and communities and safeguard Caribbean dreams.

Our cement plants – TCL, ACCL and CCCL each persisted in their efforts to reduce the impact of operations on the environment. CCCL, through the completion of its expansion and modernisation programme, capitalised on the environmental benefits of its new state-of-the-art plant. TCL also demonstrated its support of the 2009 United Nations Climate Change Conference by attaining over five hundred (500) signatures on its "Seal the Deal" cloth banner, which accompanied Trinidad and Tobago's contingent to the conference in Copenhagen.

This combination of CSR alongside other PR and marketing initiatives helped the Group to remain at the forefront of people's minds during the year, particularly as we faced increased competition from imported cement. At all times, we sought to maintain our reputation as the region's leading producer and marketer of cement by promoting our ability to reliably supply 100% of the region's demand.

8.0 LEVERAGING TECHNOLOGY & INFORMATION

During the past year, the Group substantially concluded a major upgrade of some mission critical legacy systems and replaced them with modules in the integrated Oracle E-Business Suite System. We also continued to pursue the path of early technology implementers. This, combined with our maximum availability architecture serves the Group well in all our territories.

In 2010, renewed focus will be placed on process realignment combined with the e-business integration of many externally faced systems into our core business systems.

9.0 EXECUTIVE CHANGES

During the year, Messrs. Arun K. Goyal and Hollis N. Hosein retired from the Group, however, they continue to serve on subsidiary Boards. Mr. Lincoln Parmasar has been appointed successor to Mr. Hosein and Mr. David Caesar has joined as Group Human Resource Manager.

Mr. Jinda Maharaj, formerly Operations Manager at CCCL was appointed General Manager of ACCL for one (1) year from July 2009 and Mr. Rupert Greene was appointed General Manager Designate. Mr. Ken Wiltshire was appointed Operations Manager at CCCL upon Mr. Maharaj's re-assignment to ACCL.

10.0 LOOKING AHEAD

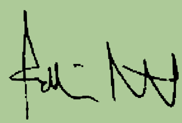
The TCL Group is now well poised to supply the entire CARICOM market, and has established new niches in non-CARICOM markets.

The Group will vigorously pursue its defence for the proper and uniformed application of the CET by all member countries in CARICOM and the application of the World Trade Organisation (WTO) procedures against unfair trading/anti-dumping from non-regional producers' exports into the region.

The continued export thrust and the expansion of our product range and services will ably position us for the expected gradual upturn in 2010. Already, the Group is concretising plans to have a meaningful participation in the imminent reconstruction of Port-au-Prince, Haiti.

11.0 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

TCL SUBSIDIARIES - PRINCIPAL OFFICERS

TRINIDAD CEMENT LTD.

Company Overview

Trinidad Cement Limited (TCL) was incorporated in Trinidad in 1951 and commenced production in 1954. Its primary activity is the manufacture and sale of TCL Premium Portland Pozzolan Cement, Ordinary Portland Cement as well as Class G, High Sulphate Resisting (HSR) and Oilwell Cement.

TRINIDAD CEMENT LIMITED

Principal Officers (L-R)

Mr. Satnarine Bachew	-	General Manager
Mr. Fitzalbert Rawlins	-	Operations Manager
Mr. Parasram Heerah	-	Finance Manager
Mr. Keith Johnson	-	Human Resource Manager
Mr. Harrinarine Dipnarine	-	Engineering Services Manager
Mrs. Gloria Jacobs	-	Quarry Manager
Mr. Ian Matthews	-	Planning & Development Manager
Ms. Lisel Cozier	-	Materials Manager (designate)
Mr. Rodney Cowan	-	Marketing Manager
Mr. Keith Ramjitsingh	-	Production Manager
Mr. Amarchandra Maharaj	-	Health, Safety & Environment Manager

Company Secretary
Mr. Alan Nobie

Registered Office:
Southern Main Road
Claxton Bay, Trinidad
Tel: (868) 659 2381-8
Fax: (868) 659 2540
website: www.tcl.co.tt

CARIBBEAN CEMENT COMPANY LTD.

Company Overview

Caribbean Cement Company Limited (CCCL) was incorporated in Jamaica in 1947 and commenced production in 1952. Its primary activity is the manufacture and sale of Ordinary Portland Cement and Portland-Pozzolan Cement. In 2008, CCCL commissioned a new Pre Calciner, Dry Process Kiln (Kiln 5), increasing the company's clinker manufacturing capacity to 1.3 million (the highest within the Group) and is now actively engaging in export sales of cement. One of CCCL's subsidiaries, Jamaica Gypsum & Quarries Limited (JGQ) is involved in the mining and sale of gypsum and anhydrite. The major assets of another subsidiary, Caribbean Gypsum Company Limited are its gypsum/anhydrite quarry lands, which enhance the reserve of raw material available to CCCL. Rockfort Mineral Bath Complex Limited is also a subsidiary of CCCL. It maintains a leasehold interest in a mineral spa.

Principal Officers (L-R)

Mr. F.L. Anthony Haynes - General Manager
Mr. Chester Adams - Planning & Development Manager
Ms. Shaun Lawson - Company Secretary/Manager, Legal & Corporate Services
Mr. Orville Hill - Finance Manager
Ms. Alice Hyde - Marketing Manager
Mr. Brett Johnson - Manufacturing Manager
Mr. Noel McKenzie - Quarry Manager
Mr. Raymond Mitchell - Quality Manager
Mr. Dalmain Small - Human Resource Manager
Mr. Adrian Spencer - Materials Manager
Mr. Godfrey Stultz - Project Manager
Mr. Ken Wiltshire - Operations Manager

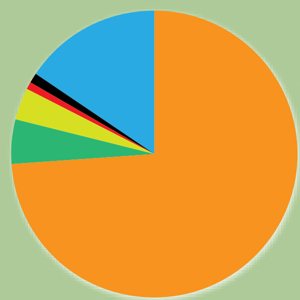
Company Secretary

Ms. Shaun Lawson

Board of Directors

Mr. Brian Young (Chairman)
Dr. Rollin Bertrand
Mr. Bevon Francis
Mr. Hollis N. Hosein
Mr. Derek Jones
Mr. Parris Lyew-Ayee
Dr. Judith Robinson
Mr. Paul Stockhausen

The distribution of its shareholding is as follows:



TCL Group	74.08
Cemex - Scancem International (St. Lucia) Ltd	4.96
Financial Institutions	3.46
Pension Plans	1.00
Government	1.19
Other	15.31

Registered Office:
Rockfort, Kingston
Jamaica
Tel: (876) 928-6231-5
Fax: (876) 928-7381
Website: www.caribcement.com

ARAWAK CEMENT COMPANY LTD.

Principal Officers (L-R)

Mr. Jinda Maharaj - General Manager
Mr. Rupert Greene - General Manager (Designate)
Ms. Leslie Maxwell - Planning & Development Manager
Ms. Charmaine Reece - Finance Manager/Company Secretary
Ms. Dawn Jemmott-Lowe - Human Resource Manager
Mr. Dwight Sutherland - Engineering Services Manager
Mrs. Sheryllyn Welch-Payne - Materials Manager
Mr. Matthew Thornhill - Production Manager
Mr. Phillip Yeung - Operations Manager

Company Secretary
Ms. Charmaine Reece

Board of Directors
Mr. Jeffrey McFarlane - Chairman
Dr. Rollin Bertrand
Mr. Satnarine Bachew
Mr. Arun K. Goyal
Mr. Hollis N. Hosein
Mr. Frank McConney
Mr. Joseph Nunes
Mr. Yusuff Omar

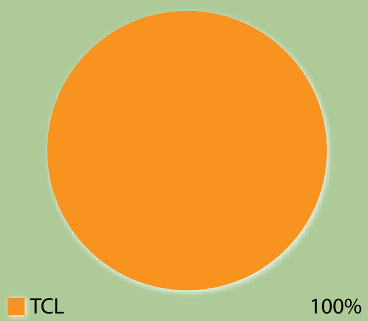
Registered Office:
Checker Hall
St. Lucy, Barbados
Tel: (246) 439-9880
Fax: (246) 439-7976
Website: www.arawakcement.com.bb

Company Overview

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

In December 1997, the TCL Group purchased a lime plant adjacent to the Arawak cement plant. Its principal products are hydrated & quick lime. Large quantities of quick lime are consumed in the steel industry, whereas hydrated lime is the largest tonnage chemical used in the treatment of potable and industrial water supplies. Lime has many other uses in the Agricultural, Glass, Dairy Products and Chemical industries.

The distribution of its shareholding is as follows:



READYMIX (WEST INDIES) LTD.

Company Overview

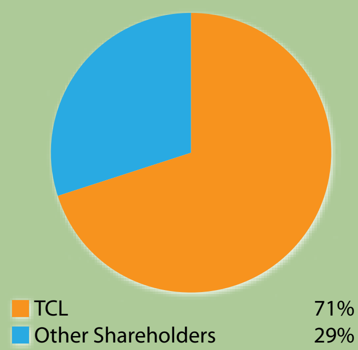
Readymix (West Indies) Limited (RML) was incorporated in Trinidad in 1961. Its primary activity is the manufacture and sale of premixed concrete. In 1996, TCL acquired majority ownership of the Company. In 2002, RML acquired 60% shareholding in Premix and Precast Concrete Inc. in Barbados, and in 2004, 100% of Island Concrete N.V. in St. Maarten and Island Concrete SARL in St. Martin. RML operates seven concrete plants in Trinidad and Tobago and is the premier supplier of readymixed concrete in this market.

RML also operates its own quarries at Valencia, which supply all of the company's aggregate requirements. The company operates in the following areas: Guanapo (Head Office, Central Dispatch, Concrete Batching Plant, Laboratory), Melajo, Valencia (Quarry and Wash Plant) and has Concrete Batching Plants in Laventille, Point Lisas, Harmony Hall and Studley Park.

Principal Officers (L-R)

Mr. Manan Deo	-	General Manager
Mr. Gerard Torres	-	Marketing Manager
Ms. Muriel Lancien	-	Marketing Manager (Island Concrete NV)
Mr. John Cardenas	-	Plant Manager (PPCI)
Mr. Learie Hinds	-	Human Resource Manager
Ms. Isha Reuben-Theodore	-	Corporate Services Manager/ Company Secretary
Mr. Richard Dash	-	Materials Manager
Mr. Dexter East	-	Operations Manager
Mr. Jaris Liburd	-	Plant Manager (Island Concrete NV)

The distribution of its shareholding is as follows:



Company Secretary
Ms. Isha Reuben-Theodore

Board of Directors
Ms. Eutrice Carrington – Chairman
Dr. Rollin Bertrand
Mr. Satnarine Bachew
Mr. Lawford Dupres
Mr. Arun K. Goyal
Mr. Hollis N. Hosein
Mr. Anton Ramcharan
Mr. Wayne Manning

Registered Office:
Tumpuna Road
Guanapo, Trinidad
Tel: (868) 643-2429/2430
Fax: (868) 643-3209
Website: www.readymix.co.tt

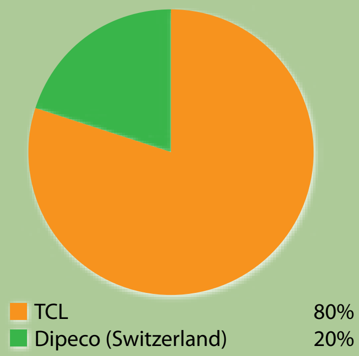
TCL PACKAGING LTD.

Company Overview

TCL Packaging Limited (TPL) was incorporated in Trinidad in 1989 and commenced operations in 1991. Its primary activity is the manufacture and sale of papersacks.

TCL PACKAGING LIMITED

The distribution of its shareholding is as follows:



Principal Officers (L-R)

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

Company Secretary

Mrs. Cheryl Gransaull

Board of Directors

Mr. Yusuff Omar - Chairman
Mr. Clemens Stockreiter (Dipeco Switzerland)
Dr. Rollin Bertrand
Mr. Satnarine Bachew
Mr. Arun K. Goyal
Mr. Hollis N. Hosein

Registered Office:
Southern Main Road
Claxton Bay, Trinidad
Tel: (868) 659-2381-8
Fax: (868) 659-0950

TCL PONSA MANUFACTURING LTD.

Principal Officers (L-R)

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

Company Secretary

Mrs. Cheryl Gransaull

Board of Directors

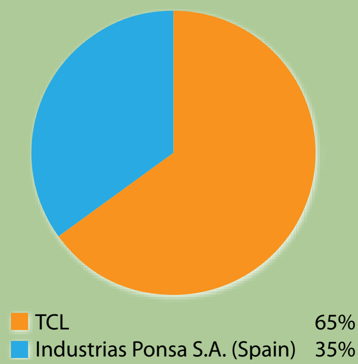
Mr. Yusuff Omar - Chairman
Dr. Rollin Bertrand
Mr. Juan Ponsa (Industrias Ponsa - Spain)
Mr. José Sala Pinto (Industrias Ponsa - Spain)
Mr. Satnarine Bachew
Mr. Arun K. Goyal
Mr. Hollis N. Hosein

Company Overview

TCL – PONSA MANUFACTURING LIMITED

TCL Ponsa Manufacturing Limited (TPM) was incorporated in Trinidad in 1995. Its primary activity is the manufacture and sale of single use slings. It is also involved in the sale of jumbo bags, reusable slings, safety harnesses and polypropylene sacks, as well as webbing for use in the furniture industry.

The distribution of its shareholding is as follows:



Registered Office:
#6 Freezone, Point Lisas
Industrial Estate
Point Lisas, Trinidad, W.I.
Tel: (868) 636-9627
Fax: (868) 679-4120

TCL GUYANA INCORPORATED

Principal Officers (L-R)

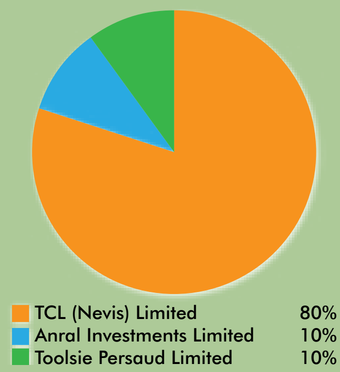
Mr. Mark Bender	-	Plant Manager
Mr. Karamchand Khudu	-	Plant Superintendent
Mr. Roscoe Greene	-	Marketing Representative

Company Secretary
Mr. Alan Nobie

Board of Directors
Mr. Yusuff Omar (Chairman)
Dr. Rollin Bertrand
Mr. Satnarine Bachew
Mr. Arun K. Goyal
Mr. Hollis N. Hosein
Mr. David Persaud

Company Overview: TCL Guyana Inc. (TGI) was incorporated in 2004 and is involved in the packaging of bulk cement for sale on the Guyanese market. Its operations directly and tangibly benefit the Guyanese people and economy with the creation of jobs, transfer of technology, net savings on foreign exchange outflow, provision of a reliable cement supply to facilitate infra-structural developments, the potential for more competitive cement pricing and the potential for downstream investments.

The distribution of its shareholding is as follows:



Registered Office:
2-9 Lombard Street
GNIC Compound
Georgetown
Guyana
Tel: 011 (592) 225 - 7520
Fax: 011 (592) 225 - 7347

TCL TRADING LTD.

Principal Officer
Mr. Aneil Mahadeo – General Manager

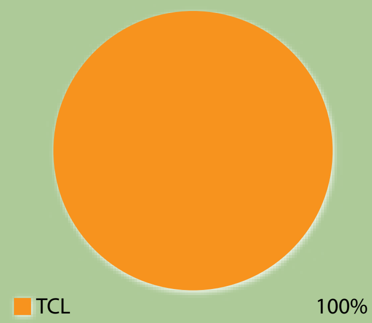
Company Secretary
Mr. Egwin Daniel

Board of Directors
Mr. Yusuff Omar (Chairman)
Dr. Rollin Bertrand

Company Overview

TCL Trading Limited (TTL), a wholly owned subsidiary within the TCL Group, was incorporated in Anguilla in 1997. Its primary activity is trading in cement and related products. TTL is engaged in the marketing and sale of cement to the Group's export markets.

The distribution of its shareholding is as follows:



Registered Office:
Box 885
Fair Play Complex
The Valley
Anguilla
Tel: (264) 497-3593
Fax: (264) 497-8501

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 June 2nd 2010 at 4:30 p.m. at the Training Room, TCL Compound, Southern Main Road, Claxton Bay, Trinidad.

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
12th April 2010	Alan Nobie, Secretary	

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended December 31, 2009.

Financial Results	**TT$'000**
Turnover	1,755,837
Net Earnings for the Year	95,820
Dividends Paid	NIL

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

Name	**Position**	**Holdings at 31-12-09**
A. J. Bhajan	Chairman	Nil
R. Bertrand	Group CEO	656,650
E. Carrington	Director	Nil
C. Hee Houng	Director	1,500
J. McFarlane	Director	Nil
A. Mohammed	Director	Nil
L. Pinto	Director	Nil
Y. Omar	Director	340,000
L. Nurse	Director	Nil
B. Young	Director	Nil

Dividends

In the context of the current regional and global economic and financial uncertainty, and given the need to maximise the utilisation of internally generated cash for the completion of the Group's capacity expansion project in Jamaica, the Board has taken the decision not to declare a final dividend for the year ended 31st December, 2009.

Substantial Interests

	No. of Ordinary Shares Held at 31-12-09	**% of Issued Share Capital**
Sierra Trading (Cemex S.A. de C.V.)	49,953,027	20.00
The National Insurance Board	25,367,032	10.16
Baleno Holding Inc	20,500,000	8.21

(A substantial interest means a beneficial holding of 5% or more of the issued share capital of the Company).

Service Contracts & Directors

No service contracts exist nor have been entered into by the Company and any of its Directors.

Directors

- In accordance with Clause 4.4.2 of By-Law No. 1, Mr. Luis Miguel Cantú Pinto, a nominee of Sierra Trading (Cemex) having been appointed by the Board to fill a casual vacancy is subject to election at the Annual Meeting for a period up to the conclusion of the third Annual Meeting following.
- In accordance with Clause 4.6.1 of By Law No. 1, Mr. Jeffrey McFarlane and Ms. Eutrice Carrington, who retire by rotation and being eligible, be re-elected a director of the company in accordance with Clause 4.6.1 of the By-Law No. 1 until the conclusion of the third Annual Meeting following.

Auditors

The Group's policy is that the provision of external audit services be tendered every five years in accordance with good governance practices. Having duly completed the tender exercise the Board recommends to shareholders that Ernst & Young be appointed as the auditors at the Annual Meeting.

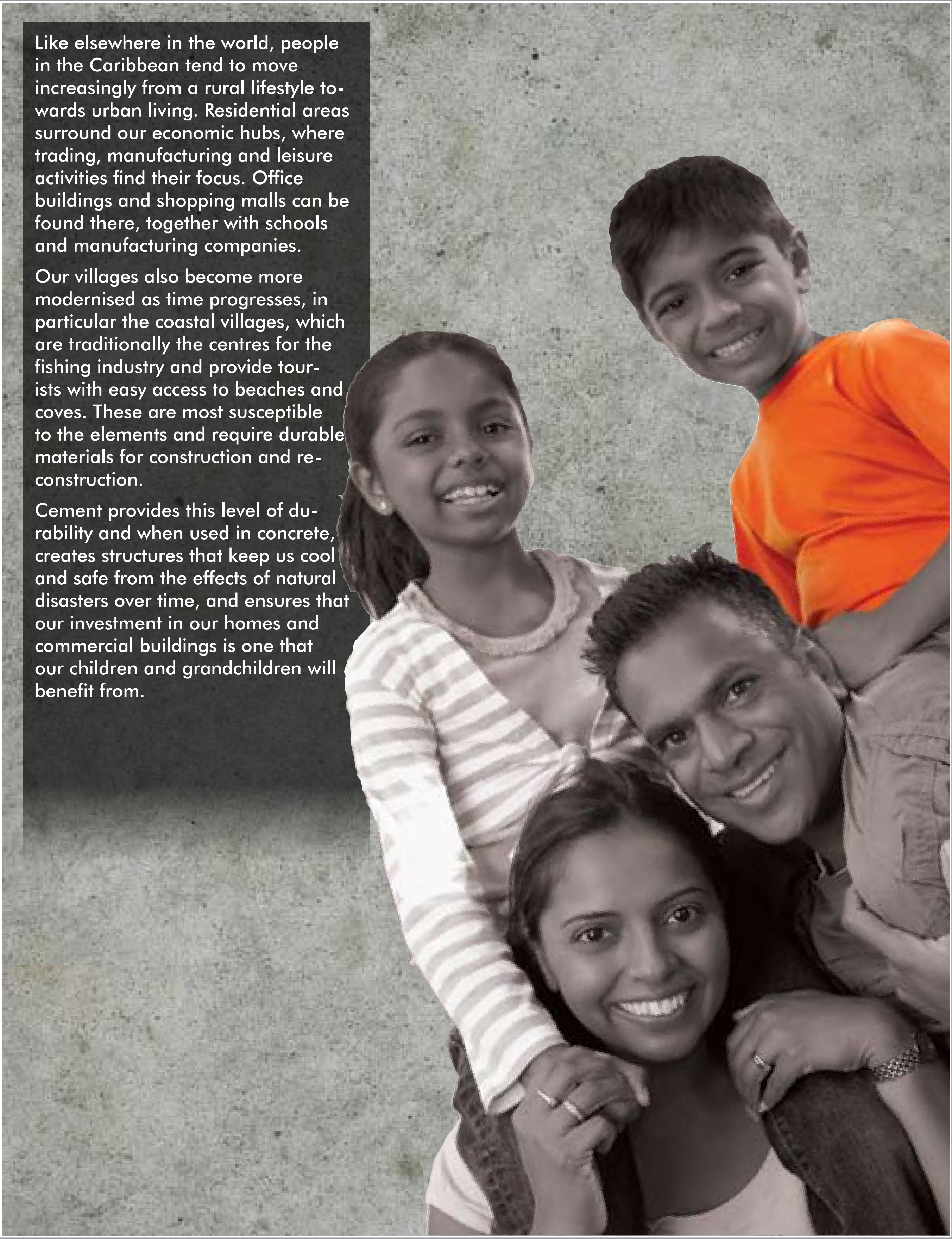
BY ORDER OF THE BOARD

ALAN NOBIE
Secretary

Like elsewhere in the world, people in the Caribbean tend to move increasingly from a rural lifestyle towards urban living. Residential areas surround our economic hubs, where trading, manufacturing and leisure activities find their focus. Office buildings and shopping malls can be found there, together with schools and manufacturing companies.

Our villages also become more modernised as time progresses, in particular the coastal villages, which are traditionally the centres for the fishing industry and provide tourists with easy access to beaches and coves. These are most susceptible to the elements and require durable materials for construction and reconstruction.

Cement provides this level of durability and when used in concrete, creates structures that keep us cool and safe from the effects of natural disasters over time, and ensures that our investment in our homes and commercial buildings is one that our children and grandchildren will benefit from.



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 statement of financial position as at 31st December, 2009 and the consolidated statement of income, consolidated statement of comprehensive 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 15.38% of consolidated revenues for the year ended 31st December, 2009 and 2.54% of consolidated gross assets at year end. Those statements were audited by KPMG and Jack A. Alli, Sons and Company, respectively, 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 2009, 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:
1st March, 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December, 2009 (expressed in Thousands of Trinidad and Tobago dollars, except where otherwise stated)

	Notes	2009 $	2008 $
Non-current assets			
Property, plant and equipment	7	**2,569,808**	2,534,510
Goodwill	8	**215,831**	215,831
Pension plan asset	9 (b)	**223,891**	216,821
Deferred tax asset	5 (d)	**243,299**	194,285
		3,252,829	3,161,447
Current assets			
Inventories	10	**567,681**	581,843
Receivables and prepayments	11	**193,170**	216,200
Short-term deposits	12	**364**	7,516
Cash at bank		**20,332**	27,727
		781,547	833,286
Current liabilities			
Bank overdraft and advances	13	**293,267**	214,500
Payables and accruals	14	**418,915**	460,759
Current portion of borrowings	15	**123,486**	92,639
		835,668	767,898
Net current (liabilities)/assets		**(54,121)**	65,388
Non-current liabilities			
Borrowings	15	**1,235,466**	1,352,183
Swap obligation	15	**28,226**	42,684
Post-retirement obligations	9 (b)	**16,166**	12,376
Deferred tax liability	5 (d)	**339,563**	315,314
		1,619,421	1,722,557
Total net assets		**1,579,287**	1,504,278
Equity attributable to the parent			
Stated capital	16 (a)	**466,206**	466,206
Unallocated ESOP shares	18	**(29,345)**	(30,421)
Other reserves	16 (b)	**(215,947)**	(205,652)
Retained earnings		**1,238,825**	1,142,020
		1,459,739	1,372,153
Minority interests		**119,548**	132,125
Total equity		**1,579,287**	1,504,278

On 1st March, 2010 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, 2009

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2009 $	2008 $
Revenue	24.1	**1,755,837**	2,074,428
Operating profit before provision for fuel rebate	3	**248,102**	328,259
Provision for fuel rebate receivable	3	–	(21,072)
Operating profit after provision for fuel rebate		**248,102**	307,187
Finance costs	4	**(164,060)**	(111,295)
Profit before taxation		**84,042**	195,892
Taxation	5	**10,239**	(39,573)
Profit after taxation		**94,281**	156,319
Attributable to:			
Shareholders of the parent		**95,820**	137,388
Minority interests		**(1,539)**	18,931
		94,281	156,319
Earnings per share:			
Basic and diluted (cents)	6	**39**	56

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2009
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2009 $	2008 $
Profit for the year		**94,281**	156,319
Other comprehensive income			
Net movement on cash flow hedge (interest rate swap)	16 (b)	**16,863**	(29,428)
Income tax effect	16 (b)	**(4,213)**	7,345
		12,650	(22,083)
Exchange differences on translation of foreign operations		**(32,134)**	(54,718)
Other comprehensive income for the year, net of tax		**(19,484)**	(76,801)
Total comprehensive income for the year, net of tax		**74,797**	79,518
Attributable to:			
Shareholders of the parent		**85,525**	74,163
Minority interests		**(10,728)**	5,355
		74,797	79,518

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2009

(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, 2009								
Balance at 1st January, 2009		**466,206**	**(30,421)**	**(205,652)**	**1,142,020**	**1,372,153**	**132,125**	**1,504,278**
Other comprehensive income	16	–	–	(10,295)	–	(10,295)	(9,189)	(19,484)
Profit after taxation		–	–	–	95,820	95,820	(1,539)	94,281
Total comprehensive income		–	–	(10,295)	95,820	85,525	(10,728)	74,797
Allocation to employees and sale of ESOP shares net of dividends	18	–	1,076	–	(163)	913	–	913
Dividends (paid)/ forfeited	17	–	–	–	1,148	1,148	(1,849)	(701)
Balance at 31st December, 2009		**466,206**	**(29,345)**	**(215,947)**	**1,238,825**	**1,459,739**	**119,548**	**1,579,287**
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
Other comprehensive income	16	–	–	(63,225)	–	(63,225)	(13,576)	(76,801)
Profit after taxation		–	–	–	137,388	137,388	18,931	156,319
Total comprehensive income		–	–	(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 paid	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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December, 2009
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2009 $	2008 $
Cash from operations	20	**382,090**	414,585
Pension contributions paid	9 (c)	**(10,573)**	(9,372)
Post-retirement benefits paid	9 (d)	**(671)**	(404)
Taxation paid		**(15,247)**	(24,469)
Net interest paid		**(127,821)**	(81,120)
Net cash generated by operating activities		**227,778**	299,220
Investing activities			
Additions to property, plant and equipment	7	**(241,806)**	(558,415)
Proceeds from disposal of property, plant and equipment		**318**	3,134
Net cash used in investing activities		**(241,488)**	(555,281)
Financing activities			
Proceeds from new borrowings		**—**	235,500
Repayment of borrowings		**(85,870)**	(186,200)
Proceeds of short-term advances		**87,440**	56,963
Dividends forfeited/(paid) to equity holders of the parent	17	**1,148**	(17,484)
Dividends paid to minority interests		**(1,849)**	(1,749)
Net cash generated by financing activities		**869**	87,030
Decrease in cash and cash equivalents		**(12,841)**	(169,031)
Cash and cash equivalents - beginning of year		**(14,822)**	139,354
Exchange rate adjustment		**6,967**	14,855
Cash and cash equivalents - end of year		**(20,696)**	(14,822)
Represented by:			
Short-term deposits	12	**364**	7,516
Cash at bank		**20,332**	27,727
Bank overdrafts	13	**(41,392)**	(50,065)
		(20,696)	(14,822)

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, 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, except for derivative financial instruments that has been measured at fair value.

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).

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, 2009:

- IFRS 2 Share-based Payment: Vesting Conditions and Cancellations effective 1st January, 2009
- IFRS 7 Financial Instruments: Disclosures effective 1st January, 2009
- IFRS 8 Operating Segments effective 1st January, 2009
- IAS 1 Presentation of Financial Statements effective 1st January, 2009
- IAS 23 Borrowing Costs (Revised) effective 1st January, 2009
- IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments: Presentation and Obligations Arising on Liquidation effective 1st January, 2009
- IFRIC 13 Customer Loyalty Programmes effective 1st July, 2008
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation effective1st October, 2008
- Improvements to IFRSs (May 2008)

Adoption of these Standards and Interpretations did not have any effect on the financial performance or position of the Group. However, the following standards have impacted the presentation and disclosure in the financial statements and are described below:

IFRS 7 Financial Instruments: Disclosures
The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

IFRS 8: Operating Segments
IFRS 8 replaced IAS 14 Segment Reporting upon its effective date. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. IFRS 8 disclosures are shown in Note 24, including the related revised comparative information.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

IAS 1: Presentation of Financial Statements
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement or in two linked statements. The Group has elected to present two statements.

IAS 23: Borrowing Costs
The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. This is consistent with the Group's policy and this did not impact the Group.

The Group has not adopted early the following new and revised IFRS's and IFRIC interpretations that have been issued but are not yet effective or not relevant to the Group's operations:

IFRS 2 Share-based Payment: Group Cash settled Share-based Payment Transactions (effective 1 January 2010). Clarifies the definition of vesting conditions and prescribes the treatment for an award that is cancelled and provides guidance on the scope and the accounting for group cash-settled share based payment transactions.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) (effective 1st July, 2009) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or a loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective 1st July, 2009). The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations.

IFRIC 9 Remeasurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement (effective for period ending on or after 30th June, 2009). This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly changes the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit and loss.

IFRIC 17 Distributions of Non-cash Assets to Owners (effective from 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 from 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)

Changes in accounting policy and disclosures (continued)

Improvements to IFRSs

In May 2008 and April 2009 the International Accounting Standards Board issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group or are not applicable to the activities of the Group:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.

IFRS 8 Operating Segment Information: Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.

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 statement of financial position.

IAS 7 Statement of Cash Flows: Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities.

IAS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell".

IAS 18 Revenue: The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:

- Has primary responsibility for providing the goods and service
- Has inventory risk
- Has discretion in establishing prices
- Bears the credit risk

IAS 20 Accounting for Government Grants and Disclosures of Government Assistance: Loans granted with no or low interest will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates.

IAS 23 Borrowing Costs: The definition of 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 36 Impairment of Assets: When discounted cash flows are used to estimate "fair value less costs 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". The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.

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. The reference to there being rarely, if ever, persuasive evidence to support an amortisation method of intangible asset other than a straight-line method has been removed.

Other amendments resulting from improvements to IFRSs to the following standards that are not applicable to the Group and/or did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 2 Share-based Payment
- IFRS 7 Financial Instruments: Disclosures
- IAS 8 Accounting Policies, Change in Accounting Estimates and Error
- IAS 10 Events after the Reporting Period
- IAS 19 Employee Benefits
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 31 Interest in Joint Ventures
- IAS 34 Interim Financial Reporting

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

Improvements to IFRSs (continued)

- IAS 39 Financial Instruments: Recognition and Measurement
- IAS 40 Investment Properties
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 16 Hedge of a Net Investment in a Foreign Operation

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 statements of income and comprehensive income as well as within equity in the consolidated statement of financial position.

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 statement of financial position 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.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the existence of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Significant accounting judgments, estimates and assumptions (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Property, plant and equipment (continued)

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.

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

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.

Foreign currency transactions

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 reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. 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 reporting date financial and their statement of income are translated at the weighted average exchange rates for the year. The exchange differences arising on re-translation are recognised in other comprehensive income.

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 statement of financial position 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 other comprehensive income 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 reporting 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 statement of financial position 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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:

Sale 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits readily convertible to cash. For the purpose of the statement of cash flows, 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 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.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

3. OPERATING PROFIT

	2009 $	2008 $
Revenue	**1,755,837**	2,074,428
Less expenses:		
Personnel remuneration and benefits	**423,779**	434,924
Raw materials and consumables	**200,623**	419,425
Fuel and electricity	**311,600**	338,251
Operating expenses	**205,731**	249,921
Repairs and maintenance	**101,258**	118,086
Depreciation	**151,649**	133,813
Equipment hire and haulage	**147,149**	104,871
Changes in finished goods and work in progress	**(31,109)**	(40,113)
	245,157	315,250
Other income (See Note below)	**2,945**	13,009
Operating profit before provision for fuel rebate	**248,102**	328,259
Personnel remuneration and benefits include:		
Salaries and wages	**353,698**	367,270
Other benefits	**42,480**	46,662
Statutory contributions	**18,457**	20,190
Pension costs – defined contribution plan	**4,690**	4,506
Termination benefits	**951**	1,535
Net pension expense/(income) – defined benefit plans (Note 9 a))	**3,503**	(5,239)
	423,779	434,924
Operating profit is stated after deducting directors' fees of:		
Directors' fees	**2,368**	2,001
Other income includes:		
Loss from disposal of property, plant and equipment	**(10,867)**	(184)
Delivery and trucking services	**8,395**	10,053
Miscellaneous income	**5,417**	3,140
	2,945	13,009

The loss on disposal of property plant and equipment includes a charge of $10.2 million for the damages sustained when a raw material bin collapsed. The Group is pursuing an insurance claim which has not yet been accepted by the underwriters and as such the recovery was not recognised in the financial statements at the reporting date.

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.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

4. FINANCE COSTS

	2009 $	2008 $
Interest expense	**151,736**	104,508
Interest income	**(5,557)**	(1,490)
Accretion in value of bond redemption options	**(6,961)**	(15,163)
	139,218	87,855
Foreign currency exchange loss	**24,842**	23,440
	164,060	111,295

5. TAXATION

		2009 $	2008 $
a)	**Taxation (credit)/charge**		
	Deferred taxation (Note 5 c))	**(24,405)**	15,029
	Current taxation	**14,166**	24,544
		(10,239)	39,573
b)	**Reconciliation of applicable tax charge to effective tax charge**		
	Profit before taxation	**84,042**	195,892
	Tax calculated at 25%	**21,011**	48,973
	Net effect of other charges and disallowances	**10,871**	20,076
	Impact of income not subject to tax	**(41,924)**	(36,256)
	Business and green fund levies	**2,524**	3,558
	Effect of different tax rates outside Trinidad and Tobago	**(2,721)**	3,222
	Taxation (credit)/charge	**(10,239)**	39,573

Trinidad Cement Limited has tax losses of $615 million (2008: $470 million) available for set off against future taxable profits.

Caribbean Cement Company Limited and its subsidiaries have tax losses of $69.2 million (2008: $31.4 million) available for set off against future taxable profits.

Readymix (West Indies) Limited and its subsidiaries have tax losses of $36 million (2008: $35.1 million) available for set off against future taxable profits.

These losses are subject to approval of the respective tax authorities.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

5. TAXATION (CONTINUED)

		2009 $	2008 $
c)	**Movement in deferred tax net balance:**		
	Net balance at 1st January	**(121,029)**	(118,553)
	Exchange rate and other adjustment	**4,573**	5,208
	Credit to hedging reserve	**(4,213)**	7,345
	Credit/(charge) to earnings	**24,405**	(15,029)
	Net balance at 31st December (Note 5 d))	**(96,264)**	(121,029)
d)	**Components of the deferred tax asset/(liability) are as follows:**		
	Deferred tax liability:		
	Property, plant and equipment	**(281,728)**	(259,711)
	Pension plan assets	**(57,835)**	(55,603)
	Balance at 31st December	**(339,563)**	(315,314)
	Deferred tax asset:		
	Tax losses carry forward	**180,785**	117,965
	Capital allowances carry forward	**42,459**	42,537
	Others	**13,724**	23,239
	Swap obligation	**6,331**	10,544
	Balance at 31st December	**243,299**	194,285
	Net deferred tax liability	**(96,264)**	(121,029)

6. EARNINGS PER SHARE

	2009 $	2008 $
Net profit attributable to shareholders of the Parent	**95,820**	137,388
Weighted average number of ordinary shares issued (thousands)	**245,327**	245,245
Earnings per share – basic and diluted (cents)	**39**	56

The 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 4.438 million (2008: 4.520 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.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings $	Plant, machinery and equipment and motor vehicles $	Office furniture and equipment $	Capital work in progress $	Total $
At 31st December, 2009					
Cost	443,213	2,979,423	102,765	299,761	3,825,162
Accumulated depreciation	(141,980)	(1,051,333)	(62,041)	–	(1,255,354)
Net book amount	301,233	1,928,090	40,724	299,761	2,569,808
Net book amount					
1st January, 2009	311,254	2,008,797	41,023	173,436	2,534,510
Exchange rate adjustments	(13,210)	(24,064)	(713)	(5,687)	(43,674)
Additions	16,299	66,103	10,699	148,705	241,806
Disposals and adjustments	(1,060)	4,154	2,414	(16,693)	(11,185)
Depreciation charge	(12,050)	(126,900)	(12,699)	–	(151,649)
31st December, 2009	301,233	1,928,090	40,724	299,761	2,569,808
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

The net carrying value of assets held under finance leases within property, plant and equipment amounted to $8.3 million (2008: $12.8 million) as at 31st December, 2009.

In 2009, the total borrowing costs capitalised was $21.9 million (2008: $52.6 million).

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

8. GOODWILL

	2009 $	2008 $
Cost	**269,147**	269,147
Accumulated impairment	**(53,316)**	(53,316)
Net book amount	**215,831**	215,831
Net book amount		
1st January	**215,831**	221,236
Impairment charge	**–**	(5,405)
	215,831	215,831

Based on the results of impairment tests in 2009, no further impairment charge is required. However an impairment charge of $5.4 million was recorded against goodwill for 2008 arising from the acquisition of a subsidiary of Readymix (West Indies) Limited, as a result of continuing operational challenges being experienced by the entity.

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.

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	14.6%	12%
Cash flow projection term	5 years	5 years
Growth rate (extrapolation period)	2.5%	1%

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

9. PENSION PLANS AND OTHER POST-RETIREMENT BENEFITS

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

		2009 $	2008 $
a)	**Amounts recognised in the statement of income in respect of pension costs/(income)**		
	Current service cost	**23,173**	22,853
	Interest cost	**45,519**	38,969
	Expected return on plan assets	**(65,922)**	(67,082)
	Amortised net loss	**733**	21
	Total, included in personnel remuneration and benefits (Note 3)	**3,503**	(5,239)
	Actual return on plan assets	**36,235**	6,386
b)	**Pension plan assets and liabilities and other post retirement obligations:**		
	Pension plan assets	**223,891**	216,821
	Pension plan liabilities and post retirement obligations:		
	Retiree's medical benefit obligations	**(15,126)**	(12,376)
	Service benefit obligations	**(1,040)**	–
	Total plan liabilities and post retirement obligations	**(16,166)**	(12,376)

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

9. PENSION PLANS AND OTHER POST-RETIREMENT BENEFITS (CONTINUED)

	2009 $	2008 $
c) Movement in pension plan assets		
Balance at 1st January	**216,821**	202,210
Net pension (expense)/income for the year	**(3,503)**	5,239
Contributions paid	**10,573**	9,372
Balance at 31st December	**223,891**	216,821
Net pension plan asset		
Defined benefit obligation	**(578,712)**	(534,627)
Fair value of plan assets	**709,594**	673,640
Surplus	**130,882**	139,013
Unrecognised actuarial loss	**93,009**	77,808
Net pension plan asset	**223,891**	216,821
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at 1st January	**(534,627)**	(454,549)
Interest cost	**(45,519)**	(38,969)
Current service cost	**(23,173)**	(20,274)
Actuarial loss	**8,917**	(29,623)
Benefits paid	**21,902**	16,471
Employer and employees' contribution	**(6,156)**	(5,216)
Expense allowance	**1,629**	1,374
Past service cost	**(481)**	(4,027)
Exchange differences	**(1,204)**	186
Defined benefit obligation at 31st December	**(578,712)**	(534,627)
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at 1st January	**673,640**	677,462
Expected return	**65,922**	67,082
Actuarial loss	**(25,182)**	(68,097)
Benefits paid	**(21,902)**	(16,471)
Employer and employees' contribution	**18,191**	15,599
Expense allowance	**(1,629)**	(1,374)
Exchange differences	**554**	(561)
Fair value of plan assets at 31st December	**709,594**	673,640

The Group expects to contribute $11.2 million to its defined benefit plan in 2010.

(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 (continued)

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

Equities	35%	42%
Debt securities	49%	44%
Property	0%	0%
Other	16%	14%

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

	2009	2008	2007	2006	2005
	$	$	$	$	$
Defined benefit obligation	(578,712)	(534,627)	(454,549)	(407,527)	(388,218)
Fair value of plan assets	709,594	673,640	677,462	615,131	630,055
Surplus	130,882	139,013	222,913	207,604	241,837
Experience adjustments					
on plan liabilities	8,917	(29,623)	(9,124)	16,508	13,857
Experience adjustments					
on plan assets	(25,182)	(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. Employees of TCL Ponsa Manufacturing Limited are paid directly by the company, an end of service lump sum payment.

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, 2009 for the sole purpose of preparing these financial statements.

(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 (continued)

Principal actuarial assumptions used are as follows:

	2009	2008
Discount rate	7.00% - 7.50%	8.00% - 8.75%
Expected return on plan assets	7.00% - 8.50%	8.00% - 10.00%
Rate of future salary increases	6.00% - 6.25%	7.00% - 7.75%
Rate of future pension increases	2.00% - 3.00%	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.

d) Other post-retirement benefits

	2009 $	2008 $
The retirees' medical/ termination benefit liabilities are derived as follows:		
Defined benefit obligation	**26,680**	20,991
Unrecognised loss	**(10,514)**	(8,615)
Defined benefit obligation	**16,166**	12,376
Movement in the retirees' medical/termination benefit liabilities:		
Opening balance	**12,376**	10,146
Total expense for the year	**4,461**	2,634
Benefits paid	**(671)**	(404)
Retirees' medical/termination benefit liabilities	**16,166**	12,376
Changes in the present value of the benefit obligation are as follows:		
Defined benefit obligation at 1st January	**(20,991)**	(16,209)
Benefit improvement	**–**	(4,070)
Interest cost	**(1,988)**	(1,341)
Current service cost	**(2,034)**	(834)
Actuarial loss	**(2,338)**	1,059
Benefits paid	**671**	404
Defined benefit obligation at 31st December	**(26,680)**	(20,991)

Expected benefits to be paid in 2010 will amount to $0.710 million.

Principal actuarial assumptions as at 31st December were:		
Discount rate	**7.50%**	8.75%
Medical expense inflation	**6.25%**	7.75%
Rate of future salary increases	**6.00%**	–

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

10. INVENTORIES

	2009 $	2008 $
Plant spares	**178,880**	168,541
Raw materials and work in progress	**203,036**	173,462
Consumables	**109,367**	147,769
Finished goods	**76,398**	92,071
	567,681	581,843

Inventories are shown as net of provision of $2.3 million (2008: $7.7 million).

11. RECEIVABLES AND PREPAYMENTS

	2009 $	2008 $
Trade receivables	**150,959**	160,707
Less: provision for doubtful debts	**(23,310)**	(20,358)
Trade receivables (net)	**127,649**	140,349
Sundry receivables and prepayments	**48,696**	60,144
Deferred expenditure	**8,112**	8,131
Taxation recoverable	**8,713**	7,576
	193,170	216,200

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 $**	**91-180 days $**	**Over 180 days $**
2009	127,649	45,534	41,388	17,666	23,061
2008	140,349	65,361	54,084	7,841	13,063

As at 31st December, the impairment provision for trade receivables assessed to be doubtful was $23.3 million (2008: $20.4 million). Movements in the provision for impaired receivables were as follows:

	2009 $	2008 $
At 1st January	**20,358**	20,702
Charge for the year	**4,966**	4,032
Unused amounts reversed	**(2,014)**	(4,376)
As at 31st December	**23,310**	20,358

12. SHORT-TERM DEPOSITS

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 5% per annum.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

13. BANK OVERDRAFT AND ADVANCES

	2009 $	2008 $
Bankers' acceptances and other advances	251,875	164,435
Bank overdrafts	41,392	50,065
	293,267	214,500

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% to 22% per annum. The 22% rate of interest relates to short-term borrowings by the subsidiary in Jamaica.

14. PAYABLES AND ACCRUALS

	2009 $	2008 $
Sundry payables and accruals	278,593	276,395
Trade payables	122,698	157,863
Statutory obligations – Jamaica Subsidiary	13,217	22,150
Taxation payable	4,407	4,351
	418,915	460,759

15. BORROWINGS

Maturity of borrowings:		
One year	123,486	92,639
Two years	297,799	308,288
Three years	137,867	150,347
Four years	137,864	149,248
Five years and over	661,936	744,300
	1,358,952	1,444,822
Current portion	(123,486)	(92,639)
Non-current portion	1,235,466	1,352,183

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

15. BORROWINGS (CONTINUED)

	2009 $	2008 $
Type of borrowings:		
Bonds	**564,457**	631,613
Project financing	**621,274**	634,904
Term loans	**167,373**	169,561
Finance lease obligations	**5,848**	8,744
	1,358,952	1,444,822
Currency denomination of borrowings		
US dollar	**468,597**	480,608
Local currencies	**890,355**	964,214
	1,358,952	1,444,822
Interest rate profile		
Fixed rates	**1,350,800**	1,434,832
Floating rates	**8,152**	9,990
	1,358,952	1,444,822
The weighted average effective interest rate for medium and long-term financing is:	**8.00%**	8.20%

a. Bonds

(i) Barbados $50 million Bond

This bond, with current book value of TT$124.7 million (2008: TT$139.3 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 installments which commenced in March 2008. The rates of interest are fixed in the range 7.4% to 9.45% for the four tranches.

(ii) TT$346.5 million Bond

This bond, with current book value of TT$172.1 million (2008: TT$206.2 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.

15. BORROWINGS (CONTINUED)

a. Bonds (continued)

(iii) TT$187 million Bond

This bond, with current book value of TT$183.8 million (2008: NIL) was issued in January 2009 and is secured by a charge on certain fixed assets of the Group. It carries a fixed rate of interest of 8.95% per annum and is to be repaid by nineteen semi-annual installments commencing February 2010. In June 2009, the Group exercised the prepayment option on the previous existing (year ended 31st December, 2008) TT$247.6 million bond which was issued in June 1999 at a fixed interest rate of 16.25% per annum.

(iv) TT$100 million Bond

This bond, with current book value of TT$83.9 million (2008: 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 ending in February 2018.

b. Project financing

The Group 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 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 (2008: TT$310.6 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 September 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$129.9 million (2008: TT$145.3million), 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.

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

This loan, with current book value of TT$62.2 million (2008: TT$61.4 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$118.6 million (2008: TT$117.5 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 will extend up to April 2017.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

15. BORROWINGS (CONTINUED)

b. Project financing (continued)

Interest rate swap (continued)

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 statement of financial position 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 31st December, 2009, the swaps carried an aggregate value of a $28.2 million (2008: $42.7 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$157.9 million (2008: 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 December 2011.

(ii) TT$18.5 million loan

A ten (10) year loan with an outstanding balance of $8.1 million (2008: $10.0 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.

(iii) Other term loans

- Medium term loans, with aggregate outstanding balance of $1.0 million (2008: $1.9 million), taken by Premix & Precast Concrete Incorporated, carrying fixed rate of interest of 9.7%, and secured by a charge over the fixed and floating assets of the company and 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$0.4 million (2008: TT$1 million) are repayable in equal monthly installments and are secured by a bill of sale over certain of the subsidiary's motor vehicles.

d. Finance leases

Included in total borrowings are finance leases amounting to $5.8 million (2008: $8.7 million). The minimum lease payments under these finance leases are as follows:

	2009 $	**2008 $**
Due not more than one year	**2,978**	4,988
Due in years two to five	**3,504**	4,641
Total minimum lease payments	**6,482**	9,629
Less: Finance charges	**(634)**	(885)
Total net present value	**5,848**	8,744

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

16. STATED CAPITAL AND OTHER RESERVES

	2009 $	2008 $
(a) Stated capital		
Authorised		
An unlimited number of ordinary and preference shares of no par value		
Issued and fully paid		
249,765,136 (2008: 249,765,136) ordinary shares of no par value	**466,206**	466,206

(b) Other reserves

	Foreign currency translation account $	Hedging reserve $	Total other reserve $
Year ended 31st December, 2009			
Balance at 1st January, 2009	(174,103)	(31,549)	(205,652)
Other comprehensive income:			
Currency translation and other adjustments	(22,945)	–	(22,945)
Change in fair value of swap obligation	–	14,458	14,458
Net charge on swap transferred to statement of income	–	2,405	2,405
Deferred taxation on swap obligation	–	(4,213)	(4,213)
Total other comprehensive income	(22,945)	12,650	(10,295)
Balance at 31st December, 2009	(197,048)	(18,899)	(215,947)
Year ended 31st December, 2008			
Balance at 1st January, 2008	(132,961)	(9,466)	(142,427)
Other comprehensive income:			
Currency translation and other adjustments	(41,142)	–	(41,142)
Change in fair value of swap obligation	–	(29,547)	(29,547)
Net charge on swap transferred to statement of income	–	119	119
Deferred taxation on swap obligation	–	7,345	7,345
Total other comprehensive income	(41,142)	(22,083)	(63,225)
Balance at 31st December, 2008	(174,103)	(31,549)	(205,652)

Nature and purpose of reserves

Foreign currency translation account
This reserve records exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Hedging reserve
This account records the effective portion of the cashflow hedge relating to future periods.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

17. DIVIDENDS

	2009 $	2008 $
Paid 2008 Final - 0¢ (2007 - 7¢)	–	17,484

During the year, the Parent Company wrote back an amount of $1.1 million to retained earnings in respect of prior years' dividend declarations which have been forfeited.

18. EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

Employee share ownership plan

	2009	2008
Number of shares held - unallocated (thousands)	**4,294**	4,451
Number of shares held - allocated (thousands)	**4,189**	4,032
	8,483	8,483
Fair value of shares held - unallocated	**16,531**	17,804
Fair value of shares held - allocated	**16,129**	16,128
	32,660	33,932
Cost of unallocated ESOP shares	**29,345**	30,421
Charge to earnings for shares allocated to employees	**664**	606

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 Group contributions. The shares so acquired of $29.4 million (2008: $30.4 million) which remain unallocated to employees have been recognised in shareholders' equity under 'Unallocated ESOP Shares'. All dealings in these 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.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

19. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

The Group has approved capital commitments of $2.5 million as at December 2009 (2008: $191.1 million). These commitments relate mainly to the expansion and modernisation Project.

Contingent liabilities

There are contingent liabilities amounting to $3.6 million (2008: $38.4 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.

20. CASH FROM OPERATIONS

	2009 $	2008 $
Profit before taxation	**84,042**	195,892
Adjustments to reconcile profit before taxation to net cash generated by operating activities:		
Depreciation	**151,649**	133,813
Interest expense net of interest income	**146,179**	103,018
ESOP share allocation and sale of shares net of dividends	**913**	1,739
Impairment of goodwill	**—**	5,405
Other post-retirement benefit expense	**4,461**	2,634
Pension plan expense/(credit)	**3,503**	(5,239)
Loss on disposal of property, plant and equipment	**10,867**	184
Other non-cash items	**(6,961)**	(15,163)
	394,653	422,283
Changes in net current assets		
Decrease/(increase) in inventories	**14,162**	(89,956)
Decrease/(increase) in receivables and prepayments	**24,167**	(14,089)
(Decrease)/increase in payables and accruals	**(50,892)**	96,347
	382,090	414,585

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

21. FAIR VALUE

The fair values of cash and bank balances, short-term deposits, receivables, payables and short-term borrowings approximate their carrying amounts due to the short-term nature of these instruments. The fair values of these instruments and long-term borrowings are presented below:

	Carrying amount 2009 $	Fair value 2009 $	Difference $	Carrying amount 2008 $	Fair value 2008 $	Difference $
Financial assets:						
Cash at bank	20,332	20,332	–	27,727	27,727	–
Receivables and prepayments	193,170	193,170	–	216,200	216,200	–
Short-term deposits	364	364	–	7,516	7,516	–
Financial liabilities:						
Bank overdrafts and bank advances	293,267	293,267	–	214,500	214,500	–
Borrowings	1,358,952	1,409,994	(51,042)	1,444,822	1,384,399	60,423
Payables and accruals	418,915	418,915	–	460,759	460,759	–

22. SUBSIDIARY UNDERTAKINGS

The Group's subsidiaries are as follows:

	Country of incorporation	Ownership level 2009	Ownership level 2008
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%

22. SUBSIDIARY UNDERTAKINGS (CONTINUED)

The Group's effective interest in Premix & Precast Concrete Incorporated is 43% but this company has been treated as a consolidated subsidiary since the Group effectively has control 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.

	2009 $	**2008 $**
Short-term employment benefits	**22,170**	23,058
Pension plan and post retirement benefits	**520**	515

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 and 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.

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.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

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 statement of financial position 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 financial institutions to settle outstanding balances, meet capital and interest repayment obligations and by changing these lending limits when appropriate. The Group does not generally hold collateral as security.

The following table shows the maximum exposure to credit risk for the components of the statement of financial position:

	Gross maximum exposure 2009 $	Gross maximum exposure 2008 $
Receivables net of prepayments	**185,058**	208,069
Cash and short-term deposits	**20,696**	35,243
Credit risk exposure	**205,754**	243,312

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, 2009, the Group had sixteen customers (2008: twenty-two customers) that owed the Group more than $2 million each and which accounted for 45% 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 short-term borrowing limits.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

2009	On demand $	1 year $	2 to 5 years $	> 5 years $	Total $
Bank overdraft and advances	296,219	–	–	–	296,219
Borrowings	–	242,356	1,027,202	666,215	1,935,773
Payables and accruals	–	386,463	–	–	386,463
	296,219	628,819	1,027,202	666,215	2,618,455
2008					
Bank overdraft and advances	216,963	–	–	–	216,963
Borrowings	–	216,048	1,052,590	857,885	2,126,523
Payables and accruals	–	437,299	–	–	437,299
	216,963	653,347	1,052,590	857,885	2,780,785

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 0.9 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.

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk (continued)

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:

	Increase/decrease in US/Euro rate	Effect on profit before tax $	Effect on equity $
2009			
US dollar	+1%	(6,230)	(4,673)
	-1%	6,230	4,673
Euro	+5%	(218)	(164)
	-5%	218	164
2008			
US dollar	+1%	(6,782)	(5,087)
	-1%	6,782	5,087
Euro	+5%	(300)	(225)
	-5%	300	225

The effect on profit is shown net of US dollar financial assets (2009: $67.2 million, 2008: $77.4 million), and liabilities (2009: $690.2 million, 2008: $798.4 million) and EURO net financial liabilities (2009: $4.4 million, 2008: $6 million).

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

2009	TTD $	USD $	JMD $	BDS $	Other $	Total $
ASSETS						
Cash and short-term deposits	3,913	10,949	3,614	162	2,058	20,696
Receivables and prepayments	85,273	56,219	17,015	22,799	11,864	193,170
	89,186	67,168	20,629	22,961	13,922	213,866
LIABILITIES						
Bank overdraft and advances	85,816	123,478	49,840	34,133	–	293,267
Borrowings and swap obligation	764,072	496,822	433	125,851	–	1,387,178
Payables and accruals	160,245	69,862	144,285	33,638	10,885	418,915
	1,010,133	690,162	194,558	193,622	10,855	2,099,360
Net Liabilities	920,947	622,994	173,929	170,661	(3,037)	1,885,494

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 and swap obligation	820,076	523,292	1,006	142,768	364	1,487,506
Payables and accruals	60,672	200,780	159,823	27,097	12,387	460,759
	965,613	798,357	182,848	203,077	12,870	2,162,765
Net Liabilities	849,701	720,930	151,242	188,735	714	1,911,322

(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 centers on the risk that debt service cash outflow will increase due to changes in market interest rates. At the statement of financial position date, the Group's exposure to changes in interest rate relates primarily to bank overdraft and one loan which has a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed, variable rate debt and financial derivatives.

The interest rate exposure of borrowings is as follows:

Total borrowings:

	2009 $	2008 $
At fixed rate	**1,350,800**	1,434,832
At floating rates	**301,419**	224,490

Interest rate risk table

The following table shows the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax:

	Increase/ decrease in basis points	Effect on profit before tax $
2009	+100	(3,014)
	-100	3,014
2008	+100	(2,245)
	-100	2,245

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

24. FINANCIAL INFORMATION BY SEGMENT

The Group is organised and managed on the basis of the main product lines provided which are cement, concrete and packaging. Management records and monitors the operating results of each of the business units separately for the purpose of making decisions about resource allocations and performance assessment. Transfer pricing between operating segments is on an arm's length basis.

24.1 Operating segment information

2009	Cement $	Concrete $	Packaging $	Consolidating adjustments $	Total $
Revenue					
Total	1,842,287	210,850	82,838	–	2,135,975
Inter-segment	(311,072)	–	(69,066)	–	(380,138)
Third party	1,531,215	210,850	13,772	–	1,755,837
Depreciation	144,635	9,798	2,581	(5,365)	151,649
Profit before tax	55,265	15,630	6,459	6,688	84,042
Segment assets	4,445,176	176,078	95,778	(682,656)	4,034,376
Segment liabilities	2,810,720	68,065	30,253	(453,949)	2,455,089
Capital expenditure	233,159	7,561	1,086	–	241,806

2008	Cement $	Concrete $	Packaging $	Consolidating adjustments $	Total $
Revenue					
Total	2,093,256	301,022	94,713	–	2,488,991
Inter-segment	(337,436)	–	(77,127)	–	(414,563)
Third party	1,755,820	301,022	17,586	–	2,074,428
Depreciation	125,722	10,876	2,644	(5,429)	133,813
Profit before tax	127,138	50,193	14,530	4,031	195,892
Segment assets	4,336,674	175,228	111,468	(628,637)	3,994,733
Segment liabilities	2,768,644	74,564	45,380	(398,133)	2,490,455
Capital expenditure	548,060	8,991	1,364	–	558,415

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

24. FINANCIAL INFORMATION BY SEGMENT (CONTINUED)

24.2. Geographical segment information

	Revenue 2009 $	Revenue 2008 $	Non-current assets 2009 $	Non-current assets 2008 $	Additions property plant and equipment 2009 $	Additions property plant and equipment 2008 $
Trinidad and Tobago	696,034	773,008	2,278,456	2,204,239	143,658	486,816
Jamaica	550,341	732,583	530,323	523,290	69,119	49,841
Barbados	180,373	206,484	389,498	378,509	28,817	21,592
Other countries	329,089	362,353	54,552	55,409	212	166
Group total	1,755,837	2,074,428	3,252,829	3,161,447	241,806	558,415

The revenue information above represents third party revenue based on the location of the customers' operations.

25. COMPLIANCE WITH LOAN COVENANTS

In December 2009, the Lenders, Republic Finance & Merchant Bank Limited and International Finance Corporation respectively consented to the relaxation of certain loan covenants, including those relating to short-term borrowings and current ratio limits over a period extending into 2010. The TCL Group was in compliance with the revised covenants as at 31st December 2009.

26. SUBSEQUENT EVENTS

Preference shares

In January 2010 at an Extra Ordinary General meeting, the shareholders of Caribbean Cement Company Limited approved a resolution for the issue of US$15 million in redeemable preference shares to Trinidad Cement Limited. The investment in the preference shares of Caribbean Cement Company Limited was funded by the conversion of US$15 million in outstanding receivables. This transaction was executed to reduce the significant foreign currency risk at Caribbean Cement Company Limited.

Sale of Island Concrete

The board of directors of Readymix West Indies Limited are considering an offer for the purchase of its subsidiaries, Island Concrete N.V and Island Concrete SARL for the sum of US$1.6 million.

NOTES

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PROXY FORM

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 2nd June 2010 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.

PROXY FORM (CONTINUED)

RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS 1. Be it resolved that the Financial Statements for the year ended 31st December 2009 and the Reports of the Directors and Auditors thereon be adopted	☐	☐
2. <u>Election of Directors</u> (i) Be it resolved that Mr. Luis Miguel Cantú Pinto, a nominee of Sierra Trading (Cemex), having been appointed by the Board to fill a casual vacancy is subject to election at the Annual Meeting in accordance with Clause 4.4.2 of the By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
(ii) Be it resolved that Mr. Jeffrey McFarlane who retires by rotation and being eligible, be re-elected a director of the company in accordance with Clause 4.6.1 of the By-Law No. 1 until the conclusion of the third Annual Meeting following.	☐	☐
(iii) Be it resolved that Ms. Eutrice Carrington who retires by rotation and being eligible, be re-elected a director of the company in accordance with Clause 4.6.1 of the 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 2010 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 authorised.
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 ____________________