TRINIDAD CEMENT LIMITED

AUDITED CONSOLIDATED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2006

CONSOLIDATED STATEMENT OF EARNINGS

TT$'000	AUDITED Twelve Months Jan-Dec 2006	AUDITED Twelve Months Jan-Dec 2005
REVENUE	**1,719,002**	**1,429,834**
OPERATING PROFIT - before cement claims	295,114	183,930
Cement claims - CCCL	(30,271)	-
OPERATING PROFIT - after cement claims	264,843	183,930
Finance costs - net	(104,355)	(97,131)
Profit before Taxation	160,488	86,799
Provision for Taxation	(8,721)	66,968
Profit after taxation	**151,767**	**153,767**
Attributable to:		
Shareholders of the Parent	145,665	160,326
Minority Interests	6,102	(6,559)
	151,767	**153,767**
Earnings per Share – basic and diluted, cents	**60**	**66**

CONSOLIDATED BALANCE SHEET

TT$'000	AUDITED 31.12.2006	AUDITED 31.12.2005
Non-Current Assets	2,451,357	2,165,924
Current Assets	778,614	782,226
Current Liabilities	(518,700)	(457,850)
Non-Current Liabilities	(1,443,777)	(1,351,182)
Total Net Assets	1,267,494	1,139,118
Share Capital	466,206	466,206
Reserves	692,775	565,635
Equity attributable to Parent	1,158,981	1,031,841
Minority Interests	108,513	107,277
Total Equity	1,267,494	1,139,118

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	AUDITED Year Ended 31.12.2006	AUDITED Year Ended 31.12.2005
Balance at beginning of period	1,031,841	939,374
Currency translation and other adjustments	(10,676)	(14,187)
Allocation to employees and sale of ESOP shares, net of dividend	1,785	4,350
Change in fair value of swap, net of tax	2,854	(3,073)
Profit attributable to shareholders	145,665	160,326
Dividends	(12,488)	(54,949)
Balance at end of period	1,158,981	1,031,841

CONSOLIDATED CASH FLOW STATEMENT

TT$'000	AUDITED Year Ended 31.12.2006	AUDITED Year Ended 31.12.2005
Profit before taxation	**160,488**	**86,799**
Adjustment for non-cash items	217,711	192,904
Changes in working capital	(45,374)	30,275
	332,825	309,978
Net Interest and taxation paid	(101,014)	(139,423)
Net cash generated by operating activities	231,811	170,555
Net cash used in investing activities	(379,044)	(304,336)
Net cash generated by financing activities	57,007	299,078
Increase/(decrease) in cash and short term funds	(90,226)	165,297
Cash and short term funds - beginning of period	120,813	(44,385)
Currency adjustment - opening balance	1,208	(99)
Cash and short term funds - end of period	**31,795**	**120,813**

DIRECTORS' STATEMENT

Group profit before tax for 2006 was $160.5 million, an improvement of 85% ($73.7M), over the prior year. However, Earnings Per Share (EPS) was 60 cents compared to the 66 cents of the prior year which included one-time 2005 tax credits of $67.5 million.

For the year 2006, the Group generated revenue of $1.7 billion which was the highest in its history. This represents an increase of $289.2 million (20%) over 2005, as the Group continues to benefit from buoyant demand in its Caribbean domestic and export markets, and from price adjustments. Cement sales volume for 2006 exceeded 2005 by 120.0K tonnes (6%), while concrete sales and packaging sales increased by 11.3 thousand cubic metres (4%) and 5.2 million sacks (5%) respectively.

Operating profit of $295.1 million was $111.2 million (60%) higher than the prior year. This was unfortunately impacted by the cement quality issue at Caribbean Cement Company Limited (CCCL) in February 2006 which resulted in a charge of $30.3 million for claims and an estimated total cost of $59.6 million. This improved performance was due to increased revenue and higher production compared with 2005 when two hurricanes interrupted production at CCCL. Trinidad Cement Limited (TCL) recorded a 28% increase in cement production over 2005, arising from the cement mill capacity expansion. Our Readymix subsidiary had an excellent year, with a strong return to profitability, compared with losses in 2005. The other subsidiaries have also recorded solid performances, except CCCL for the reason stated above.

Finance costs increased by $7.2 million over 2005 mainly due to loan funding of TCL's cement mill capacity expansion which came into production in 2006. Net cash generated from operating activities was $231.8 million, an increase of $61.3 million over 2005. The Group invested $381.0 million in property, plant and equipment for the period, mainly on the expansion and modernization programme at Caribbean Cement Company Limited and the Bagging Plant in Guyana.

OUTLOOK

The Group is optimistic about its prospects for 2007, as demand is expected to remain strong in both the Caribbean domestic and export markets. The Guyana Bagging Plant was commissioned in December and has had an immediate positive impact on our ability to service the Guyana and Suriname markets. The expansion and modernisation programme in Jamaica continues on schedule with commissioning of the new kiln expected in early 2008.

DIVIDEND

Given the continuing need to channel all internally generated funds to the Expansion and Modernization programme, your Board of Directors has approved a dividend of 6 cents per ordinary share, when compared to the 15 cents for 2005. This is to be paid on May 25, 2007 to shareholders on record at the close of business on May 11, 2007. The register of members will be closed from May 11 to 15, 2007 inclusive. The Annual Meeting of shareholders will be held on May 9, 2007.

Andy J. Bhajan
Group Chairman
March 16, 2007

Dr. Rollin Bertrand
Director/Group CEO
March 16, 2007

Notes:

1. **Accounting Policies**
   Accounting policies used in the preparation of these financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2006. The Group has adopted all the new and revised accounting standards and interpretations that are mandatory for annual accounting periods beginning on or after January 1, 2006 and which are relevant to the Group's operations. The adoption of these standards and interpretations did not have any material effect on the Group's financial position or results.

2. **Earnings Per Share**
   Earnings per Share (EPS) is calculated by dividing the net profit attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue for the period has been determined, by deducting from the total number of issued shares of 249.765M, the 5.087M (2005: 5.283M) shares that were held as unallocated shares by our ESOP.