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Corporate Data

CARIBBEAN CEMENT COMPANY LIMITED (CARIB CEMENT)

Registered Office: Rockfort, Kingston
Postal Address: P.O. Box 448, Kingston
Tel: (876) 928 6231-5 Fax: (876) 928 7381
Email: info@caribcement.com

DIRECTORS

Brian Young, F.C.A. – Chairman
Rollin Bertrand, Ph.D.
Bevon Francis, B.Sc., M.B.A.
Hollis Hosein, F.C.C.A., C.A.
Derek Jones, LLB
Parris A. Lyew-Ayee, C.D., B.Sc., M. Eng.
Yusuff Omar, Dip. Mech.Eng.
Judith Robinson, F.C.C.A., Ph.D.
Paul Stockhausen, B.Eng.
Felipe Zambrano, B.A.

COMPANY SECRETARY

Shaun Lawson, LLB

SUBSIDIARY COMPANIES

Jamaica Gypsum & Quarries Limited, Harbour Head
Rockfort Mineral Bath Complex Limited, Rockfort
Caribbean Gypsum Company Limited, Rockfort

ATTORNEYS-AT-LAW

Dunn Cox, 48 Duke Street, Kingston
Patterson Mair Hamilton, 63-67 Knutsford Boulevard, Kingston 5
Michael Hylton & Associates, 11a Oxford Road, Kingston 5

AUDITORS

Ernst & Young, 8 Olivier Road, Kingston 8

BANKERS

Bank of Nova Scotia Jamaica Ltd.
Citibank, N.A.
National Commercial Bank Jamaica Ltd.
RBTT Bank Jamaica Ltd.

REGISTRAR & TRANSFER AGENT

Pan Caribbean Merchant Bank
60 Knutsford Boulevard
Kingston 5
Tel: (876) 929 5583

Board of Directors

Dr. Rollin Bertrand is the Chief Executive Officer of the TCL Group of Companies and serves as a Director on all TCL Group subsidiaries. Dr. Bertrand is a Director of the Trinidad & Tobago Stock Exchange, Trinidad Aggregate Products Limited (TAP) and Carib Ceramics Limited. In May 2003, he was appointed President of the Caribbean Association of Industry & Commerce (CAIC). He is Chairman of the Board of Trustees of the Caribbean Court of Justice (CCJ) Trust Fund and also chairs The Water & Sewerage Authority.
Dr. Bertrand obtained a B.Sc (Sp. Hons) Degree and PhD in Geology from the University of the West Indies, Mona, Jamaica as well as an Executive Masters Degree in Business Administration (EMBA) from the University of the West Indies, St. Augustine, Trinidad.

Mr. Paul Stockhausen was appointed to the Board of Directors of CCCL in August 1999. He is a Mechanical Engineer, holds a Bachelor of Engineering Degree from McGill University, Canada, and is a member of the Engineering Institute of Canada. He has served in several senior positions in the manufacturing industry including Chief Engineer and Director of Operations of Desnoes & Geddes Limited.
Mr. Stockhausen has served as a Director of the Board of the National Water Commission as well as Carib Engineering Limited. He currently provides engineering and project management services for several major corporations.

Mr. Parris Lyew-Ayee holds a BSc degree in Special Geology from the University of the West Indies, and a Master of Engineering degree in Mineral Engineering Management from the Pennsylvania State University. He serves as the Executive Director of the Jamaica Bauxite Institute. He is also a Director of several entities including the Engineering Board of Studies, University Council of Jamaica, the National Environment & Planning Agency, the Water Resources Authority, St. Ann Bauxite Mining Ltd. and NEM Insurance Company Ltd.
Mr. Lyew-Ayee's contribution to Jamaica's bauxite industry has been acknowledged by the Government of Jamaica, which conferred on him the Order of Distinction (OD) in 1988 and the Order of Distinction in the rank of Commander (CD) in 2007.

Mr. Brian Young is a Chartered Accountant and had been with Price Waterhouse for over thirty years before retiring as a senior partner in 1995. He is the Chairman of the Caribbean Cement Company Limited and serves on the Board of Directors of Trinidad Cement Limited and Neal & Massy Holdings Limited (both based in Trinidad). He is also on the Board of Directors of the following Jamaican companies: Neal & Massy Group Jamaica Limited, Cool Petroleum Limited, Trade Winds Limited and RBTT Bank (Jamaica) Limited.

Mr. Yusuff Omar is the Chairman of TCL Packaging Limited and TCL Ponsa Manufacturing Limited. He holds several directorships within the TCL Group of Companies (TCL and ACCL), and is a Director at the Trinidad Nitrogen Company Limited.
Mr. Omar, a qualified mechanical engineer, has over thirty years experience in the cement industry and has served as the 1st Vice President of the Association of Cement Producers for Latin America and the Caribbean (APCAC).

Mr. Derek Jones was appointed to the Board of Directors of CCCL in January, 2009. He is an Attorney-at-Law and has been a Partner at Myers, Fletcher & Gordon since 1976. Mr. Jones is a Solicitor of the United Kingdom, and Barrister and Solicitor of the High Courts of St. Kitts & Nevis, St. Lucia as well as St. Vincent & the Grenadines. Mr. Jones presently serves as the Honorary Consul for Sweden in Jamaica and is the Honorary Legal Advisor to the British High Commissioner to Jamaica. He is Chairman of the Cable & Wireless Jamaica Pension Fund, the Red Stripe Pension Fund and the Jamaica College Trust.
Mr. Jones is a Past President of the Jamaica Bar Association.

Dr. Judith Robinson was appointed to the CCCL Board of Directors in October 2003. She is a Fellow of the Association of Chartered Certified Accountants (ACCA)and the Institute of Chartered Accountants of Jamaica (ICAJ).She is a former Partner and Director of Price Waterhouse Kingston, Jamaica.Dr. Robinson has held several Board appointments and senior management positions in the private, public and not-for-profit sectors and is a director of the Jamaica Urban Transit Company Limited and the International University of the Caribbean.
Dr. Robinson holds a Ph.D. in Public Administration from New York University and works as a Management Consultant.

Mr. Hollis Hosein is the Group Finance Manager of the TCL Group of Companies. He is a Fellow of the Association of Chartered Certified Accountants (U.K.) and a member of the Institute of Chartered Accountants of Trinidad & Tobago.
Mr. Hosein possesses over twenty years of diverfied financial management systems experience as well as administration and general management experience with the TCL Group of Companies. He is a member of the Board of Directors of Readymix (West Indies) Limited and Arawak Cement Company Limited (Barbados).

Mr. Bevon Francis was appointed to the Board of Directors of CCCL in January 2009. He has served as a Senior Executive Manager in many leading Jamaican manufacturing companies.
Mr. Francis graduated from the University of the West Indies (St. Augustine Campus) with an honours degree in Electrical Engineering. He also received a Diploma in Management Studies from the University of the West Indies (Mona Campus), and a Master of Business Administration (Finance) Degree from the University of Manchester and the University of Wales. He sits on the Boards of The House of Issa, Issa Hotels and Resorts Ltd. (operators of the "Couples" chain of resorts), Issa Transport Group, Caribbean Basin Investors Ltd., and IGL Ltd. He is Executive Chairman of Peak Bottling Company Ltd.

Mr. Felipe Zambrano is the President of Cemex Caribe. He has substantial experience in the cement industry, having performed in several key positions including Director of Planning, Director of Logistics and Director of Concrete at Cemex in Mexico, and Director and General Manager of Cemex in Panama.
Mr. Zambrano graduated from Regionmontana University in Mexico with a Degree in Business Administration. He was later awarded his Master's Degree in General Management from the University of Pepperdine, California, E.E.U.U.
He is currently on a leave of absence from the Board of CCCL.

Board Sub-Committees

Audit Committee
Members: Dr. J. Robinson, *Chairperson*
Mr. Y. Omar

Finance Committee
Members: Mr. B. Young, *Chairman*
Dr. R. Bertrand
Mr. H. Hosein
Dr. J. Robinson

Expansion & Modernization Programme Committee (E & M)
Members: Dr. R. Bertrand, *Chairman*
Mr. B. Francis
Mr. H. Hosein
Mr. D. Jones
Mr. P. Lyew-Ayee
Mr. Y. Omar
Dr. J. Robinson
Mr. P. Stockhausen
Mr. B. Young

Corporate Governance

The Corporate Governance Committee was established by Trinidad Cement Limited on 4 March 2005. Caribbean Cement Company Limited is a subsidiary of Trinidad Cement Limited and several members of its Board of Directors, namely Messrs. Young and Omar, serve on the Trinidad Cement Limited Corporate Governance Committee.

The Corporate Governance Committee was established to provide guidance and assistance to the Subsidiary Board of Directors in respect of the following matters:

- Identifying individuals qualified to become members of the Company's Board of Directors and proposing such candidates for election by the Board to fill any casual vacancies or by shareholders at Annual or Special Meetings;

- Developing and recommending to the Board of Directors corporate governance guidelines addressing the following subjects:

  (i) Director qualification standards
  (ii) Director responsibilities
  (iii) Director access to management and, as necessary and appropriate, independent advisors
  (iv) Non-employee director compensation
  (v) Director orientation and continuing education
  (vi) Management succession

- Overseeing of the Company's financial policies and strategies

- Overseeing of the Company's risk management functions

- Recommending, as and when required, individuals to serve as committee members and chairmen.

- Considering and reporting to the Board on any issues relating to conflicts of interest of Board members.

- Developing a code of ethics and expectations for Board Members and officers.

- Recommending processes for annual evaluation of the performance of the Board and Board Committees and overseeing the annual evaluation exercise.

- Annually reviewing the adequacy of this charter and recommending any proposed changes to the Board for approval.

Objectives of the Board

Audit Committee

- To increase the credibility and objectivity of financial reports;
- To ensure that an effective system of internal controls is established and maintained by the Company;
- To help Directors meet their responsibilities, especially for accountability;
- To strengthen the role of the outside Directors by facilitating in-depth discussions between Directors on the Committee, management and external auditors;
- To provide better communication between Directors and external auditors.

Finance Committee

- To enhance the financial strength and shareholder value of CCCL by providing guidance and recommendations on issues which have a major financial impact on the Company.
- To enhance communication and understanding between CCCL's Management and the Board of Directors on financial matters.

Expansion & Modernization Programme Committee (E&M)

The E & M Committee is charged with oversight responsibility for the execution of the plant Expansion and Modernization Programme.

Notice of Annual General Meeting

NOTICE is hereby given that the **SIXTIETH ANNUAL GENERAL MEETING of CARIBBEAN CEMENT COMPANY LIMITED** will be held at The Knutsford Court Hotel on 21 May 2009 at 10:00 a.m. to transact the following business and to consider and, if thought fit, pass the following Resolutions:

1. AUDITED ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2008
To receive the audited accounts for the year ended 31 December 2008, together with the Directors' and Auditors' Reports circulated therewith and declare

THAT the Balance Sheet and Profit & Loss Account for the year ended 31 December 2008, together with the Reports of the Directors and Auditors now submitted to this meeting, be and are hereby adopted.

2. REMUNERATION OF THE AUDITORS
To fix the remuneration of the Auditors:

THAT the remuneration of the Auditors, Ernst & Young, who have signified their willingness to continue in office, be agreed with the Directors.

3. ELECTION OF DIRECTORS
In accordance with Article 96 of the Company's Articles of Association, the following Directors retire by rotation and, being eligible, offer themselves for re-election:

Hollis Hosein   Yusuff Omar   Judith Robinson

a) THAT the retiring Director, Hollis Hosein, be and is hereby re-elected.

b) THAT the retiring Director, Yusuff Omar, be and is hereby re-elected.

c) THAT the retiring Director, Judith Robinson, be and is hereby re-elected.

In accordance with Article 103 of the Company's Articles of Association the following Directors, having been appointed since the last Annual General Meeting, retire and being eligible, offer themselves for re-election;

Bevon Francis   Derek Jones

d) THAT the retiring Director, Bevon Francis, be and is hereby re-elected.

e) THAT the retiring Director, Derek Jones, be and is hereby re-elected.

PURSUANT to Article 100 (A) of the Company's Articles of Association, members qualified to attend and vote at the meeting who wish to nominate a person (other than a retiring Director who may be re-appointed at the meeting) to stand as a Director shall deposit such nomination, in writing, signed by the member at the Registered Office of the Company situated at Rockfort, Kingston addressed to "The Company Secretary, Caribbean Cement Company Limited" between 8:00 a.m. on 4 May 2009 and 4:00 p.m. on 13 May 2009. Each such nomination shall be accompanied by a notice in writing, signed by the person nominated, indicating his/her willingness to be elected.

4. REMUNERATION OF DIRECTORS
To fix the remuneration of the Directors:

THAT the amount shown in the Accounts of the Company for the year ended 31 December 2008, as remuneration of the Directors for their services as Directors be and is hereby approved.

5. TO TRANSACT ANY OTHER BUSINESS WHICH MAY PROPERLY BE TRANSACTED AT AN ANNUAL GENERAL MEETING.

NOTE:
A member may appoint a proxy to attend and vote on his/her behalf. The proxy appointed need not be a member of the Company.
An appropriate form of proxy accompanies this Notice.

The proxy form must be signed and deposited duly stamped at the Registered Office of the Company situated at Rockfort, Kingston addressed to "The Company Secretary, Caribbean Cement Company Limited" not less than forty-eight hours before the meeting.

BY ORDER OF THE BOARD

Shaun Lawson
Company Secretary
Rockfort, Kingston

The 20th day of April 2009

Directors' Report

The Directors submit this report and the audited Financial Statements for the year ended 31 December 2008.

FINANCIAL RESULTS

Results for the year are shown on pages 30 to 84 in the Financial Statements. These results reflect the operations and financial position of the Company and its subsidiaries, Jamaica Gypsum & Quarries Limited, Rockfort Mineral Bath Complex Limited and Caribbean Gypsum Company Limited.

HIGHLIGHTS OF THE YEAR ($ Million)

	2008	2007
Turnover		7,847.31
Net Profit		522.12
Total Net Assets		3,155.92
Profit Per Stock Unit		61 cents

AUDITORS

The retiring auditors, Ernst & Young, having signified their willingness to continue in office, will be deemed to be reappointed in accordance with the provisions of Article 155 of the Company's Articles of Association.

DIRECTORS

The Directors in office at 31 December 2008 are as follows:

Brian Young	Parris Lyew-Ayee
Rollin Bertrand	Yusuff Omar
Bevon Francis	Judith Robinson
Hollis Hosein	Paul Stockhausen
Derek Jones	Felipe Zambrano

The Directors due to retire by rotation in accordance with the provisions of Article 96 of the Articles of Association are Messrs. Hollis Hosein, Yusuff Omar and Dr. Judith Robinson who being eligible, offer themselves for re-election.

TEN LARGEST STOCKHOLDERS AS AT 31 DECEMBER 2008

TCL (Nevis) Limited	558,688,942
Trinidad Cement Limited	71,876,497
Scancem International (St. Lucia) Ltd.	42,187,482
Mayberry West Indies Limited	13,528,819
National Insurance Fund	11,090,961
Mayberry Managed Clients Account	6,555,270
Guardian Life Limited	5,217,498
Gleaner Company Superannuation	4,657,179
Trading A/C Pooled Equity Fund No. 1	4,440,836
National Housing Trust	4,318,904
TOTAL	722,562,388

DIRECTOR'S STOCKHOLDINGS AS AT 31 DECEMBER 2008.

Parris Lyew-Ayee	10,000

SENIOR MANAGERS' STOCKHOLDINGS AS AT 31 DECEMBER 2008.

Chester Adams	21,332
Dalmain Small	1,125
Adrian Spencer	3,750
Shaun Lawson	
TOTAL	26,207

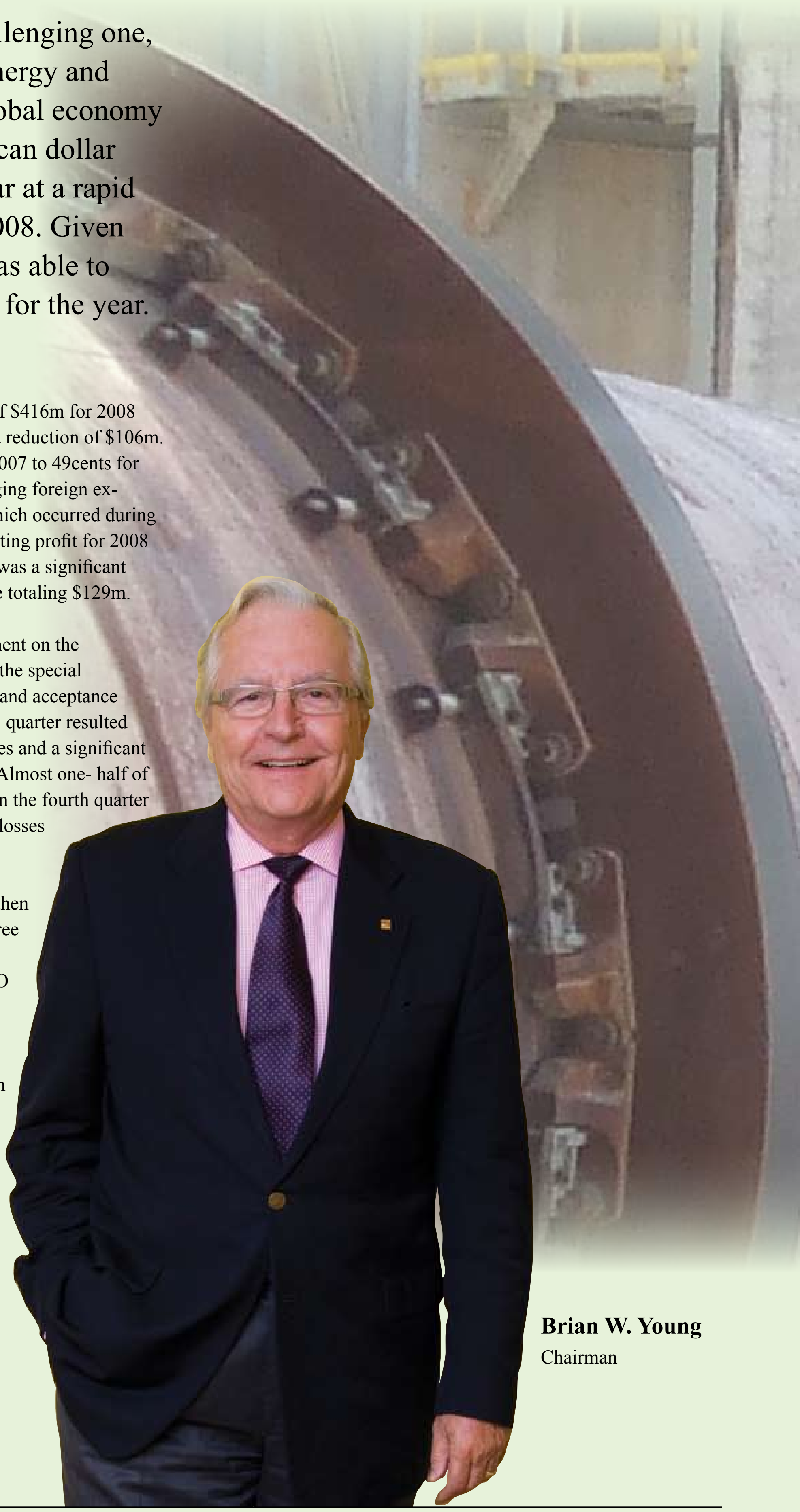
With the exception of Parris A. Lyew Ayee, no Director or any person/company connected to him/her has a stockholding interest in the Company.

The Directors wish to express thanks to the management and staff for their continued commitment and hard work and for the progress achieved in 2008.

On behalf of the Board of Directors, dated this 20th day of April 2009.

BRIAN YOUNG
Chairman

Statement from the Chairman



The year 2008 was a very challenging one, with significant volatility in energy and other production costs, the Global economy in steep decline and the Jamaican dollar devaluing against the US dollar at a rapid rate during the latter part of 2008. Given these conditions, the Group was able to record a credible performance for the year.

Performance Summary

The Group achieved a consolidated net profit of $416m for 2008 compared to $522m for the previous year, a net reduction of $106m. Earnings per share declined from 61cents for 2007 to 49cents for 2008. However, the 2008 results are after charging foreign exchange translation losses of $213m, most of which occurred during the last quarter of 2008. A comparison of operating profit for 2008 [$948m] with 2007 [$819m], shows that there was a significant improvement over the prior year's performance totaling $129m.

As previously reported in the Director's Statement on the summarized results for 2008 published earlier, the special circumstances surrounding the commissioning and acceptance into service of the new Kiln 5 during the fourth quarter resulted in the expected reduction in production expenses and a significant improvement in the profitability of the Group. Almost one- half of the net profit after tax for the year was earned in the fourth quarter despite the major foreign exchange translation losses sustained in that period.

During 2008 the Company continued to strengthen its management systems and maintained the three critical certifications: the Jamaica Bureau of Standards licences to use its standard mark; ISO 9001:2000 certification and the ISO 1401:2004 certification.

The Company also had to focus significantly on progressing the Expansion and Modernization Programme. In this respect, 2008 was a memorable year as it saw the main component of the Expansion and Modernization Programme, Kiln #5 production line, coming into service. This line was commissioned in

Brian W. Young
Chairman

the month of August and I am pleased to inform shareholders that the projected benefits of this production line have been achieved. As part of that performance, the Company has been able to achieve all of the operating parameters that were included in the loan agreement signed with the project financiers led by the International Finance Corporation (IFC).

The year began with fuel and commodity prices still high as the world economies were still adjusting to the impact of the credit crisis identified from the second half of 2007. By the fourth quarter, the situation had completely reversed itself with the precipitous decline in fuel and commodity prices as well as signs of recession in many global markets. At home, our local market was not immune; as, for the year, the total market declined to 840,000 tonnes, a reduction of 10% over 2007. However, the Company was able to increase market share to 86% from 84% in 2007. We also exported 58,000 tonnes of cement, clinker and pozzolan during 2008. Notwithstanding, the Company suffered from having idle productive capacity along with high finished goods inventories at the end of the year, which has put a strain on our working capital position.

Outlook for 2009

With the impact of the world's financial crisis still developing and with the expected worsening of the national macro-economic environment, the Group's main strategy for 2009 will be consolidation. This means that there will be significant focus on maximizing the Group's local sales while seeking out new markets to enable the growth of the Group's export operations.
In furtherance of this increased export initiative, CCCL's subsidiary Jamaica Gypsum & Quarries (JGQ) made its first export of a shipment of pozzolan in November 2008. Exports are expected to constitute at least 15% of total Group sales for 2009.

The Group will focus on aggressively streamlining operational costs, especially in light of the efficiencies expected when Cement Mill #5 project comes on line. In this respect, Cement Mill #5 project, which is proceeding in accordance with our projections, is expected to be in operation at the start of the third quarter.
There will also be a continued focus on the enhancement of the organization's human resources so that the organization can benefit even further from the state of the art technology that is now installed at our Rockfort plant.

While 2009 will hold many challenges for the organization, on behalf of the Board of Directors I would like to assure the shareholders that the Company is now poised to achieve world class efficiencies in all areas and in so doing, maintain its competitive edge.

Director Appointments

On July 31st 2008, Mr. Felipe Zabrano, a nominee of Cemex, was appointed to the Board of Directors in accordance with Article xxxxx of the Company's Articles of Association to fill the vacancy created by the resignation of Mr. Leopoldo Navarro. Mr. Zambrano is the president of Cemex, Caribe. In view of the announced intention by Cemex to dispose of its shareholding in our parent company, Trinidad Cement Company, and Caribbean Cement Company [CCCL] {held in name of Scancem Internatiional [St Lucia] Limited}, Mr. Zambrano has taken leave of absence from the Boards of both our parent company and CCCL.
His appointment will not be submitted for shareholder confirmation at the Annual Meeting.

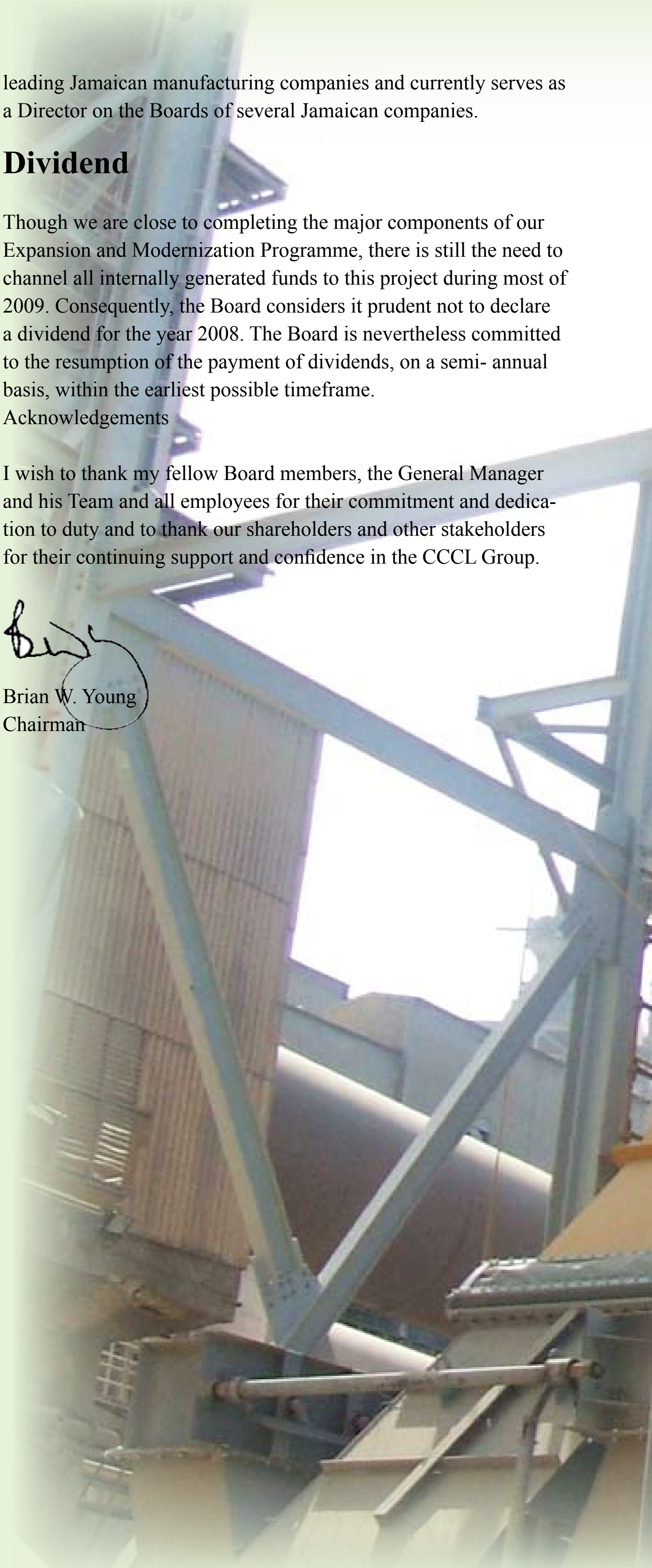
In January 2009 Mr. Derek Jones and Mr. Bevon Francis were appointed to the Board in accordance with Article 103 of the Company's Articles of Association, having been appointed since the last Annual General Meeting they will retire and offer themselves for re-election at this coming Annual General Meeting. Mr. Jones is an Attorney-at –Law and has served as a Director on various Boards of commercial, financial, civic, service and educational institutions. Mr. Bevon Francis is an Electrical Engineer and has served as a Senior Executive Manager in many leading Jamaican manufacturing companies and currently serves as a Director on the Boards of several Jamaican companies.

Dividend

Though we are close to completing the major components of our Expansion and Modernization Programme, there is still the need to channel all internally generated funds to this project during most of 2009. Consequently, the Board considers it prudent not to declare a dividend for the year 2008. The Board is nevertheless committed to the resumption of the payment of dividends, on a semi- annual basis, within the earliest possible timeframe.
Acknowledgements

I wish to thank my fellow Board members, the General Manager and his Team and all employees for their commitment and dedication to duty and to thank our shareholders and other stakeholders for their continuing support and confidence in the CCCL Group.

Brian W. Young
Chairman



Management Discussion & Analysis

Francis 'Tony' Haynes
General Manager

Caribbean Cement Company Ltd. recorded a consolidated profit of $416m, 49c earnings per share, in 2008. Operating profit actually grew by 16%year over year but a 14% devaluation in the Jamaican dollar led to translation losses of $213m, resulted in a 20% deterioration over the previous year's performance.
In a year of deteriorating macro-economic conditions, softening domestic markets and the continuing presence of dumped competitor products, 2008 was marked by the successful completion and start-up of our new pyro-processing line, Kiln5, with consequential improvements in environmental performance and cost reductions, and our re-entry into the export markets in a significant way.

FINANCIAL PERFORMANCE REVIEW

Operating Profit
Group Revenues grew by $1b with increases in income ensuing from both the cement and gypsum operations. Cement sales volumes actually fell by 8% but two price increases during the year led to the increased revenues. Gypsum sale volumes increased by 41% as Jamaican Gypsum and Quarries was able to win new customers in 2008.

There was strong upward pressure on costs for most of the year as the price of energy and other production inputs rose inexorably, until the collapse of the global financial markets in the third quarter of the year. This was followed by a rapid devaluation of the Jamaican dollar that kept inflation levels high throughout the period. In the fourth quarter however the company saw significant improvements in operational efficiencies with Kiln 5 coming into production, resulting in substantial reductions in the variable cost of production. Operating profit for 2008 grew to $949m (US$13.2m), an increase of $129m over the prior year's performance. Profit before other income actually grew by $374m or 82% to $831m (US$11.5m) as the 2007 operating profit included an exceptional gain of $167m on the disposal of plant, property and equipment.
Liquidity and Cash Position

Cash management continued to be challenging, especially with cost escalations associated with the Expansion and Modernization project and rising inventories with the slowdown in sales. Net cash from operating activities increased by 19% to $864m.
Inventories increased by $1.0b as clinker and cement stocks were significantly higher at the end of the year. Trade payables and accruals increased by $1.4b. This increase related primarily to amounts owing to contractors who worked on the Kiln 5 project. Most of this debt will be paid in 2009 by the parent company, Trinidad Cement Ltd.
Carib Cement invested $572m in the new plant. Funding from Trinidad Cement Ltd. amounted to $4.88b. The company maintained compliance with the covenants of its loan agreements in 2008

MARKET REVIEW

The domestic market contracted by 11% during the year, influenced by the collapse of the unregulated financial schemes, rising inflation, Hurricane Gustav and the general deterioration in macro-economic conditions. Carib Cement was able to maintain its market share despite aggressive competition from dumped products. The Government of Jamaica chose to extend the waiver on the Common External Tariff despite the depressed market conditions and did not implement the countervailing duties imposed on Chinese cement by the Antidumping and Subsidies Commission. This has led the company to once again seek legal redress.

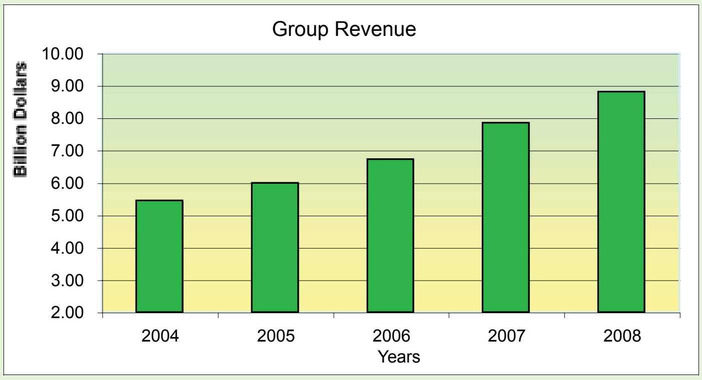
The total cement sales for the year were however 8% below 2007 sales as during the last quarter of the year the company exported 28,463 tonnes of cement, the highest since 1995.During this period the company also exported 15,878 tonnes of clinker and made its first ever export sale of 14,775 tonnes of pozzolan.

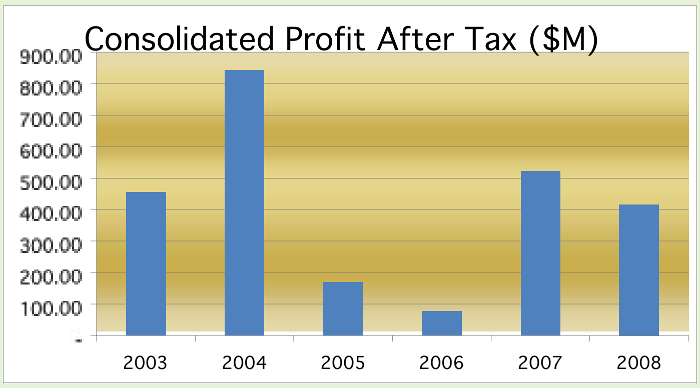
OPERATIONS REVIEW

Occupational Health, Safety and the Environment
Management continued to focus on the strategic objectives of "zero incidents, zero accidents and no harm to person or the environment". Neither Jamaica Gypsum Quarries nor Carib Cement suffered any lost time accidents, achieving the previously elusive goal of no accidents in a calendar year for the first time. At the end of the year, Carib Cement employees had worked 727 days and Jamaica Gypsum and Quarries had achieved 462 days without a lost time accident.

The environmental performance also improved significantly with the idling of the two old kilns and the start-up of Kiln 5. Dust fallouts have reduced considerably as did other trade effluents. The company also maintained its ISO 14000 environmental management system certification.


DANGER





Cement & Clinker Production

All cement sold during the year exceeded the ASTM standards. The company maintained its ISO 9001 quality management system certification and upheld its focus on continuous improvement. Cement production totaled 724,528 tonnes, 6% below the 2007 figure. Production was curtailed because of the soft market and for much of the year warehouses and silos were filled to capacity. Clinker production totaled 578,067 tonnes, an increase of 11% over the previous year. The new pyroprocessing line, Kiln 5, was started on August 8, 2008 and has met all expectations since start-up. Kiln 5 achieved the IFC Operating parameters in January 2009 and the kiln is delivering the environmental, energy and productivity benefits that were envisaged.

Kilns 3 and 4 have both been shut down, Kiln 3 permanently. Kiln 4 will be refurbished to improve its environmental and energy efficiencies. It is expected that the kiln will be restarted in 2011. The second element of our Expansion and Modernization program, the construction of a new vertical roller cement mill, Mill 5, has been proceeding apace. The installation is now far advanced and completion is targeted for June 2008.

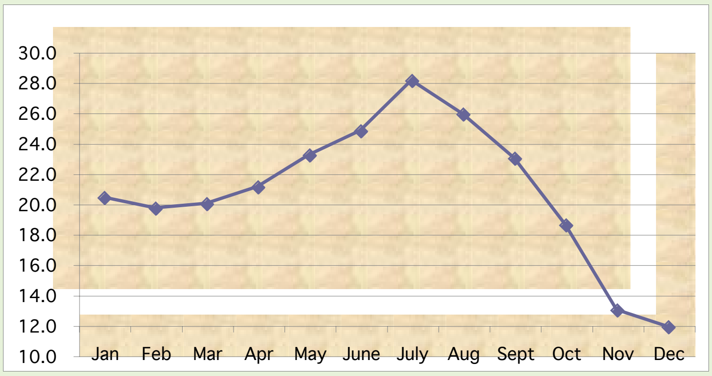
HUMAN RESOURCE MANAGEMENT

The national industrial relations landscape for 2008 was very challenging given the many different factors simultaneously impacting the environment. The year began with employees seeking to protect their standard of living through negotiations for adjustments to compensate for increased inflation and ended with employees and unions seeking to protect jobs through a combination of dialogue and protest over redundancies and termination arrangements. Internally, the industrial relations environment remained relatively calm throughout the year.

The company spent $29.5m on training and development, most of which was directed at the transfer of technology program. The successful start-up of the kiln and the excellence in operations and maintenance to date have validated the efforts towards preparing the organization for the new plant.

CORPORATE SOCIAL RESPONSIBILITY

Despite the financial challenges, Carib Cement was still able to maintain many of its community projects. The Company's commitment to Corporate Social Responsibility is one on which we places great importance. Carib Cement supported numerous individuals and institutions in need either financially or through donations of cement. We continued our support for the established

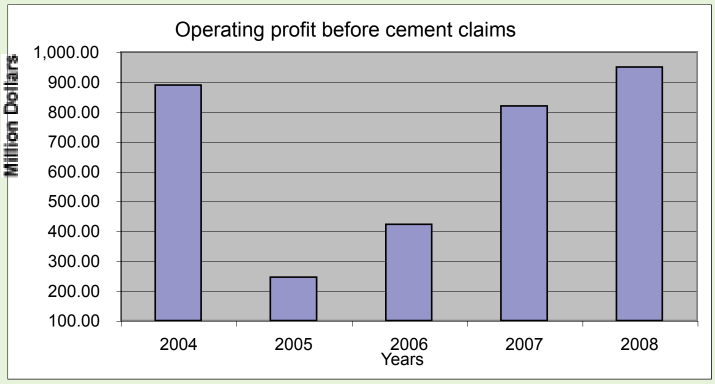


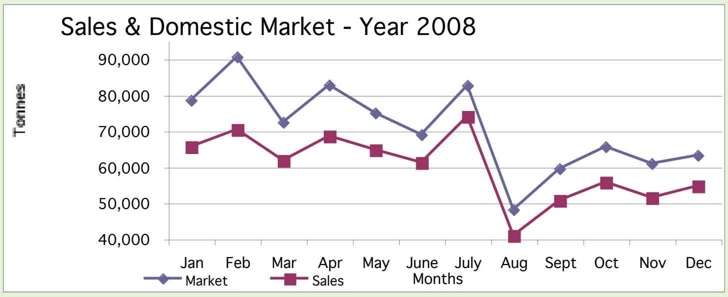
Community Back to School Programme, the MultiCare Foundation and Early Childhood Education in the Harbour View community.

The Company also launched its Plants for Life initiative in the Bull Bay community. Carib Cement with technical advice from RADA provided householders with farming implements and seedlings for backyard gardening projects. The goal was to assist in the socio-economic development of the community. Carib Cement is planning to replicate this project in other surrounding communities in 2009.

OUTLOOK 2009

Despite an unprecedented global response to this recession visibility remains poor and the future uncertain. Jamaica and the Caribbean are likely to continue to be impacted by the global economic turmoil, especially because of the region's close ties to





the U.S. economy. The reduced demand and collapse of bauxite prices, weaker foreign remittances and tourism inflows have dampened economic activity and placed considerable pressure on Jamaica's economy. A combination of high interest rates, exchange-rate pressures, and fiscal deterioration suggest a continuing economic recession, a situation that is unlikely to change in the next two years.

Construction activities, and therefore cement consumption, are directly linked to economic activity and in an environment of projected declines in real gross domestic product, the cement market is expected to contract further this year. We are however not despondent about the future. There is an opportunity to increase our domestic sales by winning greater market share. While we will continue to pursue the legal avenues available, we expect with the start-up of our new cement milling line in June to have the productive capacity and economies of scale to compete aggressively with the importers. We are also buoyed by our foray into the export markets in the last quarter of 2008 and expect exports to make up 15% of our sales this year. This will bring in much needed hard currency that will help to mitigate the continuing threat of devaluation.

Therefore, while recognizing the need for continued tight fiscal discipline and the careful husbandry of resources, we are nonetheless very positive about the future for Carib Cement. We remain focused on the successful start-up of Mill 5 in June and expanding our market base into the Caribbean and South and Central America.

F.L.A. Haynes
General Manager

Senior Management Team

Francis L.A. "Tony" Haynes is the General Manager. He has more than twenty-five years work experience, at varying levels of responsibility, in the manufacturing and energy industries in Trinidad, Guyana and the Eastern Caribbean. He also held the position of General Manager at Trinidad Cement Limited from 1998 to1999. He has developed an excellent track record for fostering high performing teams that exceed operational and financial targets. He is an electrical and electronic engineer and a graduate of the University College London, London University.

Anthony Haynes

Shaun Lawson is the Company Secretary and Manager of Legal and Corporate Services. As Company Secretary, she is responsible for administering the corporate functions of the Company and providing support services for the Board of Directors. She has over fourteen years experience in the legal profession and joined the Company in October 2006.

Shaun Lawson

Orville Hill is the Finance Manager. He is a Fellow of the Association of Chartered Certified Accountants and has been with the Company since 1999. He has held senior positions and contributed to the financial and strategic management of several major companies. He is a graduate of the University of Technology, Jamaica and a post graduate of the University of Wales and Manchester, Jamaica Business School.

Orville Hill

Jinda Maharaj, an engineer by profession, is the Operations Manager. He has been a member of the TCL Group for the past twenty years and has functioned at various executive positions at all three cement manufacturing plants. His professional interests have allowed him to be of service in Planning, Operations and Materials Management.

Jinda Maharaj

Godfrey Stultz is the Engineering Services Manager. He is a mechanical engineer and has worked with the Company for twenty years. He has worked in various positions in the Company including Engineer and Shift Manager for Operations. He is a graduate of City College, New York.

Godfrey Stultz

TCL Group's Manufacturing Development Manager is the Projects Director for both the kiln and mill expansion projects at Carib Cement and the fuel conversion project at Arawak Cement in Barbados. He is a mechanical engineer with an MBA and has extensive and varied experience in the management of projects and manufacturing operations in energy related industries.

Hayden Ferreira

Dalmain Small is the Human Resources Manager. He is responsible for the optimization of human capital, and has been employed to Caribbean Cement Company Limited since 1988. He is a graduate of the University of the West Indies, Mona.

Dalmain Small

Chester Adams is the Planning and Development Manager. He has held several senior positions within Caribbean Cement Company Limited throughout his tenure of eighteen years. He has significant experience in Quality, Production, and Project Management and has acquired extensive knowledge in the manufacturing of cement. He also played a vital role in the turnaround and revitalization of the Company in 2002. He studied chemistry and business administration and is a graduate of the University of the West Indies, Mona and a post graduate of the University of New Orleans.

Brett Johnson is the Manufacturing Manager. He is an electrical and electronic engineer and has been with the Company for fifteen years. He has held a number of positions in the Company including Senior Engineer and Electrical Engineer. He is a graduate of the University of the West Indies, Mona and a post graduate of City College, New York.

Raymond Mitchell is the Quality Manager. He is a mechanical engineer and joined the Company in 1995 as a Control Room Operator. He has also held positions as a team leader for the production shift crew and a Manufacturing System Specialist. He was a member of the task force team for the Manufacturing Excellence Transformation (MET) Programme where he played a vital role in improving the effectiveness and efficiency in the Company's operations. He is a graduate of the University of Technology, Jamaica and a post graduate of University of New Orleans.

Alice Hyde is the Marketing Manager. She has held several senior positions within the Sales & Marketing and Business Development Departments throughout her tenure of eighteen years. She has acquired extensive knowledge in the marketing of products in the Jamaican and other CARICOM markets. In 2006, she acted in the position of General Manager, International Business and Marketing at the TCL Group Corporate Office in Trinidad. She also played a vital role in the turnaround and revitalization of the Jamaica Gypsum & Quarries Limited. She is a graduate of the University of the West Indies and a post graduate of the University of Florida.

Adrian Spencer is the Materials Manager. He has over sixteen years experience in the cement and concrete industries, having held several positions within the TCL Group at Caribbean Cement Company, Jamaica Gypsum & Quarries Limited and Readymix (West Indies) Limited in Trinidad. His experience spans marketing, distribution, project management and procurement and inventory management. He is a graduate of the University of the West Indies, Mona and a post graduate of Pace University, New York.

Noel McKenzie is the Quarries Manager. He has managerial responsibility for all the quarries owned by the Company, in addition to the Jamaica Gypsum & Quarries Limited (JGQ). He has more than ten years experience in mining operations and was instrumental in the successes over the past five years of JGQ. He is a geology graduate of the University of the West Indies, Mona and a mining geology post graduate of Cambourne School of Mines, University of Exeter, UK.

Ken Wiltshire is the Project Manager for the Kiln # 5 Project. He is an engineer and has been employed to the TCL Group for fourteen years. His professional experience spans project, planning, maintenance and production management. He played a significant role in the successful environmental upgrades at the Trinidad Cement Limited and the turnaround to profitability of the Jamaica Gypsum & Quarries Limited. He is a graduate and post graduate of the University of the West Indies, St. Augustine.

Chester Adams   Brett Johnson   Raymond Mitchell   Alice Hyde   Adrian Spencer   Noel McKenzie   Ken Wiltshire

Subsidiary Companies

Jamaica Gypsum & Quarries (JGQ) Limited

Registered Office: Rockfort, Kingston
Postal Address: P.O. Box 11, Rockfort, Kingston 2
Tel: (876) 928-6102/6 / Fax: (876) 938-7010

Jamaica Gypsum & Quarries Limited, a wholly-owned subsidiary, was acquired from the National Investment Bank of Jamaica in 1990 as part of the Company's strategy to control its major sources of raw material. JGQ is one of the main producers of gypsum and anhydrite in the region and most of its products are exported to markets in South America and the Caribbean.

Rockfort Mineral Bath Complex Limited

Registered Office: Rockfort, Kingston
Postal Address: P.O. Box 208, Rockfort, Kingston 2
Tel: (876) 928-6231-5 / Fax: (876) 928-7381

In 1992, Rockfort Mineral Bath Complex Limited was incorporated, as a wholly-owned subsidiary of Caribbean Cement Company Limited (CCCL), to restore the historical site and operate the spa as one of the company's community outreach programmes. The site is a national monument under the aegis of the Jamaica National Heritage Trust. In the year 2000, the facilities were sublet to a third party as a part of CCCL's restructuring process aimed at focusing on its core business. The operations continued on this basis throughout the year 2005.

Caribbean Gypsum Company Limited

Registered Office: Rockfort, Kingston
Tel: (876) 928-6231-5 / Fax: (876) 928-7381

Caribbean Gypsum Company's major asset is its 167 acres of gypsum/anhydrite quarry lands, which considerably enhance the reserves of raw material available to the CCCL Group. There is no quarrying or trading at this time.

Board of Directors

- **Jamaica Gypsum & Quarries Limited and**
- **Rockfort Mineral Bath Complex Limited**

Brian Young, Chaiman
Rollin Bertrand
Bevon Francis
Hollis Hosein
Derek Jones
Paris Lyew-Ayee
Yusuff Omar
Judith Robinson
Paul Stockhausen

Senior Officers

F.L.A. Haynes, General Manager
Orville Hill, Finance Manager
Shaun Lawson, Company Secretary

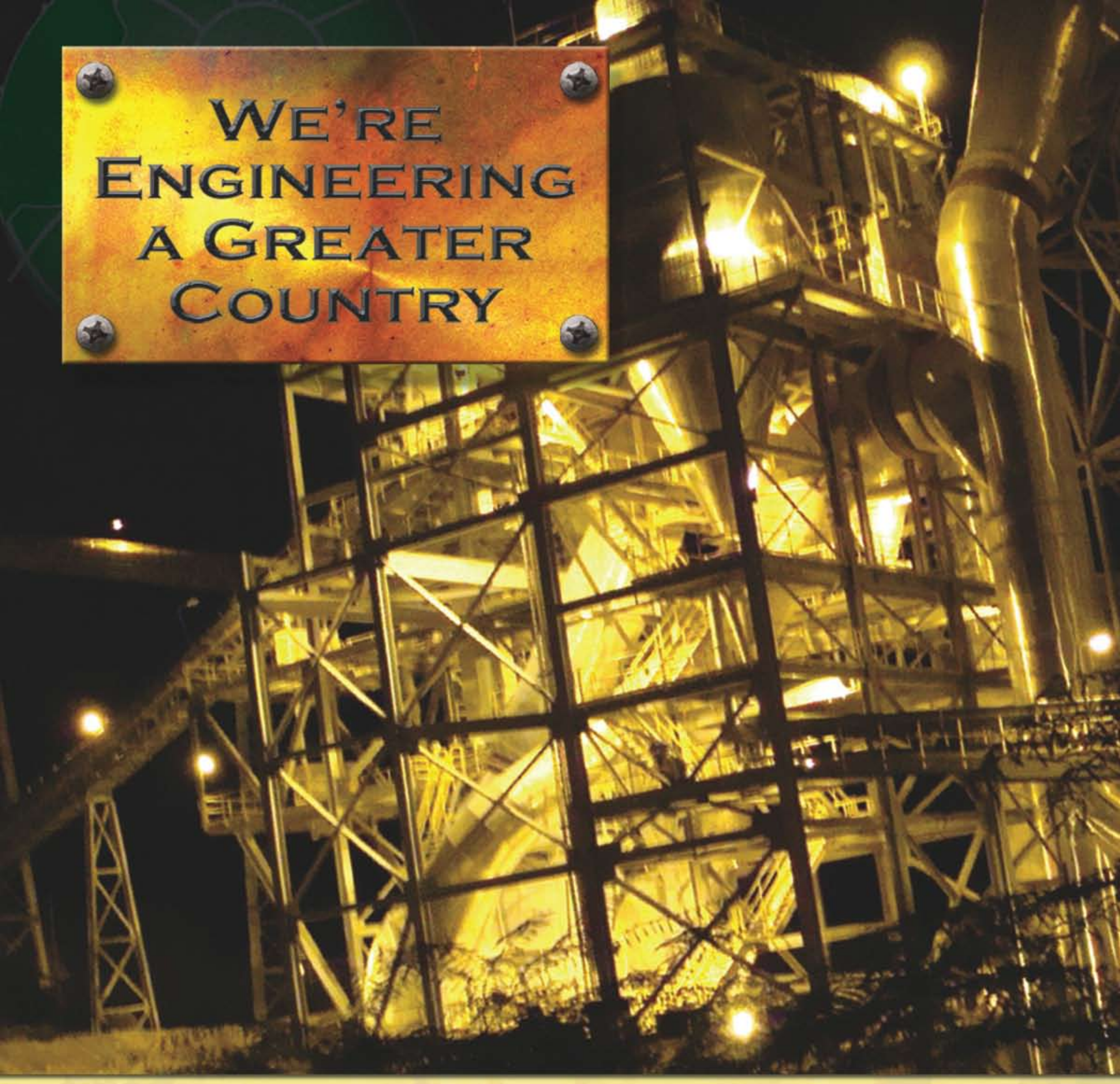
Caribbean Gypsum Limited

Board of Directors

Brian Young, Chairman
Rollin Bertrand
Yusuff Omar
Paul Stockhausen

Senior Officer

Shaun Lawson, Company Secretary


WE'RE
ENGINEERING
A GREATER
COUNTRY


KILN #5
COMPLETED

CEMENT MILL #5 UNDER CONSTRUCTION

The cement capacity upgrade is a key component (along with the recently completed Kiln 5) of the Caribbean Cement Company's Expansion and Modernization Program. The main objective of this project is to increase the current annual installed capacity from approximately one million tonnes to 1.8 million tonnes. This is being achieved with the installation of a 110 metric tonnes per hour

Vertical Roller Mill (Cement Mill No. 5) supplied by Loesche America Inc, which will complement the two existing horizontal ball mills in operation.

Construction works commence in April 2008 and the scheduled start-up of this mill is June 2009. This aspect of the Expansion Programme is approximately 82% complete and on schedule for the start-up date. Presently mechanical and electrical installation works are in progress with the mechanical works 66% complete and the electrical works 30% complete. A total of 255,000 man-hours have been expended to date on the Cement Mill No. 5 project without any lost time accidents, a record of which the Company is particularly proud.

ROCKFORT MIMERAL BATH RENOVATIONS UNDERWAY

The Rockfort Mineral Bath Complex

In 2008 the Company took the decision to assume direct control of the management and maintenance of the Rockfort Mineral Bath Complex (RBMC). The lessees who had been managing the property since 2000 had allowed the facility and the property to fall into disrepair and so we reclaimed the property in order to be able to effect repairs. We attempted to identify new lessees to manage the property but were unable to find a suitable candidate and thus our decision to operate the facility.

We established a full management structure to refurbish, market and operate the RMBC. The refurbishing exercise included:

- landscaping
- cleaning of offices and public pool facilities (bathrooms & changirooms)
- painting
- plumbing
- perimeter fence repair
- electrical works

The new General Manager Andrea Richards took up her post on April 6, 2009. The complex will be open to the public by mid April, 2009.

The RBMC consists of 11 private pools and one public pool. Located adjacent to the historic Rockfort Fort, it is one of the oldest public facilities in Kingston and operates under the authority of the Jamaica National Heritage Trust. Caribbean Cement Company is proud to play a part in the preservation of this aspect of Jamaica's history for the community of Rockfort, its environs and Jamaica.

'PLANTS FOR LIFE'

The Plants for Life Programme was officially launched on August 4, 2008 at the Bull Bay All Age School by the Hon. Minister of Agriculture. This programme is aimed at improving the socio-economic standard of participants and by extension, the community. It is also aimed at improving relations among stakeholders and encouraging self-sufficiency. The basis of the project is the cultivation of short term cash crops by householders.

Carib Cement and its subsidiary, Jamaica Gypsum & Quarries Limited, JGQ, provide the seedlings and farming implements and facilitate the technical advice and input from the Rural Agricultural Development Authority (RADA). To be able to supply seedlings to the community on a continuous basis, a nursery was established at the JGQ head office at Harbour Head, Kingston.

The first phase of the programme started with a modest number of 10 participants and quickly grew to 20. Householders grew tomatoes, sweet peppers and hot peppers. Some reaped as much as 25 pounds of tomatoes and 10 pounds of peppers. They were able to sell their excess produce for as much as $1400.

These householders are very anxious to continue their backyard agricultural projects. RADA has advised that they should follow-up with different crops such as cabbage, bashment sorrel and pak-choi. They have also advised that crop rotation will alleviate insect and soil problems.

RADA expressed satisfaction with this initiative and will continue working with householders for the sustainability of the Plants for Life Programme.

Carib Cement and JGQ will be encouraging more householders to participate and will replicate this model in other surrounding communities in the near future.

EMPLOYEE OF THE YEAR

Dr. Rollin Bertrand, Group CEO, presenting to Mrs. Sophia Lowe of the Health, Safety and Environment Department.

ACADEMIC ACHIEVER OF THE YEAR

Mr. Raymond Mitchell, Quality Manager, presenting to Ms. Frederica white of the Health, safety and Environment Department.

GENERAL MANAGER'S AWARDEES

Sophia Lowe - HSE Department; Carlton Boothe – Garage & Quarries; Glenroy Simpson – Kiln #5; Delores Stephenson – Materials; Patrick Williams – Quality; Yvonne Swaby – Finance; Michelle Needham – Sales & Marketing; Paulette Arboine – Human Resources; Wayne Phipps – Manufacturing; Christopher Bryan – Kiln #5; Michael Green – Engineering Services; Brenton Hinds – Information Technology; Eaton Green – Jamaica Gypsum & Quarries

MOST IMPROVED EMPLOYEE

Mr Noel McKenzie, Quarries Manager, presenting to Mr Devon Townsend of the Sales and Marketing Department.

SAFE WORKER OF THE YEAR

Mr Jinda Maharaj, Operations Manager, presenting to Mrs Darlene Graham of the Materials Department.

OUTSTANDING COMMUNITY INVOLVEMENT

Mr Orville Hill, Finance Manager, presenting to Mrs Cherril Brackenridge of the General Management Department.

SPORTS PERSONALITY OF THE YEAR

Dr. Judith Robinson, Director, presenting to Mr Devon Howell, Manager of the CCCL Football Team.

DEPARTMENT OF THE YEAR

Mr. Parris Lyew-Ayee, Director, presenting to Mr. Melville Howell and Ms Sophia Lowe of the Health, safety and Environment Department.

Ten Year Financial Summary

(In $'000 except for items *)	2008	2007	2006	2005	2004	Restated 2003	2002	Restated 2001	2000	1999
SALES	8,805,293	7,847,307	6,730,968	5,999,295	5,452,759	4,016,643	3,676,266	3,160,402	3,078,031	2,917,558
Profit/(Loss) before taxation	571,932	681,172	363,348	215,451	859,012	632,300	526,083	394,409	388,146	(788,147)
Cement Claims	-	(21,500)	(304,539)		-	- *	-	-	-	-
Taxation	(155,494)	(137,549)	18,357	(46,524)	(16,651)	(177,416)	(146,617)	(100,567)	(102,220)	257,952
Net Profit/(Loss)	416,438	522,123	77,166	168,927	842,361	454,884	379,466	293,842	285,926	(530,195)
*Net Profit/(Loss) per Share	0.49	0.61	0.09	0.20	0.99	0.53	0.45	0.35	0.34	(0.83)
Cash Distribution/ Dividend Proposed	-	-	-	-	59,580	59,580	42,557	42,557	-	-
*Cash Distribution/ Dividend per Share	-	-	-	-	0.07	0.07	0.05	0.05	-	-
EBITDA	1,153,105	996,134	277,438	393,708	1,044,382					
Shareholders Equity	3,458,584	3,155,921	2,747,573	2,784,182	2,771,121	2,102,115	1,820,586	1,664,238	1,526,460	1,398,265
*Share Holders' Equity Per Share	4.06	3.71	3.23	3.27	3.26	2.47	2.14	1.96	1.79	1.64
Capital Expenditure - Other		24,548	37,246	83,605	120,211	368,178	38,225	75,219	186,855	10,857
Capital Expenditure - CWIP	572,198	1,127,567	966,303	819,523	269,743	98,372	121,694	77,899	-	35,048
Total Capital Exp	572,198	1,152,115	1,003,549	903,128	389,954	466,550	159,919	153,118	186,855	45,905
Depreciation	318,307	312,196	273,467	262,190	269,380	217,488	191,034	175,932	180,506	195,475
Working Capital	8,052	453,813	50,968	(53,261)	118,665	(346,746)	(229,247)	(592,808)	(752,754)	(821,835)
Property Plant & Equip't Before Dep'n	7,901,716	7,333,573	6,214,072	5,222,734	4,319,606	3,979,743	3,655,789	3,498,180	3,343,802	3,199,414
Long Term debt	6,117	7,897	12,288	10,248	9,315	9,013	558	81,745	179,011	
270,782										
Total Third Party Debt	608,273	422,892	751,118	455,955	98,134					
Parent Company Debt	1,334,164	1,894,038	1,526,057	1,069,856	639,744					
Total Debt	1,942,437	2,316,930	2,277,175	1,525,811	737,878					
*Cement imported (tonnes)	46,062	25,988	119,032	-	-	-	12,311	-	95,236	116,915
*Clinker imported (tonnes)	75,931	73,599	77,520	101,434	41,192	Zero	53,564	39,852	-	-
Pozzalan Imported (tonnes)	-	-	-	114,812	35,319	4,200	-	2,487	-	-
*Production										
Cement	724,528	773,019	760,815	844,843	808,070	607,682	613,981	596,247	521,344	501,148
Clinker	578,067	519,598	604,174	542,114	605,814	600,980	532,140	511,598	528,134	463,962
*Cement Sold - tonnes										
Local	720,260	807,484	843,295	862,400	800,354	589,433	620,319	594,669	603,962	601,367
Export	28,463	5,964	-	2,762	3,501	16,058	4,912	4,815	-	227
TOTAL	748,723	813,448	843,295	865,162	803,855	605,491	625,231	599,484	603,962	601,594

ERNST & YOUNG
Chartered Accountants

8 Olivier Road,
Kingston 8
Jamaica

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Caribbean Cement Company Limited and its Subsidiaries

We have audited the accompanying financial statements of Caribbean Cement Company Limited and its Subsidiaries (the "Group") and Caribbean Cement Company Limited (the "Company") which comprise the consolidated and company balance sheets as at 31 December 2008, and the related consolidated and company statements of earnings, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 about whether the financial statements are free of 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 auditor's judgement, 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 in 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 financial statements give a true and fair view of the financial positions of the Group and the Company as at 31 December 2008, and of the Group's and the Company's financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Additional Requirements of the Jamaican Companies Act
We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act in the manner so required.

Ernst & Young
Chartered Accountants
Kingston, Jamaica

12 March 2009

A member firm of Ernst & Young Global Limited
Partners: Allison Peart, Linval Freeman

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheet
As at 31 December 2008
(Expressed in Jamaican Dollars)

	Notes	2008 $'000	2007 $'000
NET ASSETS			
Non-current assets			
Property, plant and equipment	12	5,085,261	4,829,303
Goodwill	13	17,489	17,489
Intangible assets	14	5,140	6,328
		5,107,890	4,853,120
Current assets			
Inventories	17	2,538,805	1,538,776
Receivables and prepayments	18	357,703	405,167
Due from related companies	19	516,341	26,014
Taxation recoverable		46,805	44,422
Cash and cash equivalents	20	19,249	180,371
		3,478,903	2,194,750
Current liabilities			
Bank overdraft	21	29,532	57,863
Payables and accruals	22	2,612,424	1,157,151
Due to related companies	23	231,367	168,778
Income tax payable		24,904	13
Short-term loans	25	565,974	348,738
Current portion of long-term loans	26	6,650	8,394
		3,470,851	1,740,937
Working capital		8,052	453,813
Non-current liabilities			
Due to related companies	23	1,102,797	1,725,260
Long-term loans	26	6,117	7,897
Deferred tax liability	8	548,444	417,855
		1,657,358	2,151,012
TOTAL NET ASSETS		3,458,584	3,155,921

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheet
As at 31 December 2008
(Expressed in Jamaican Dollars)

	Notes	2008 $'000	2007 $'000
STOCKHOLDERS' EQUITY			
Share capital	27	1,808,837	1,808,837
Reserves		1,575,771	1,159,333
		3,384,608	2,968,170
Deferred gain	7	73,976	187,751
GROUP EQUITY		3,458,584	3,155,921

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

On 12 March 2009, the Board of Directors authorized these financial statements for issue.

……………………………………Director……………………………………Director
Brian Young Dr. Rollin Bertrand

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Earnings
Year ended 31 December 2008
(Expressed in Jamaican Dollars)

	Notes	2008 $'000	2007 $'000
Revenue	3	8,805,293	7,847,307
Operating profit before cement claims	3	948,573	819,213
Cement claims	4	-	(21,500)
Operating profit	3	948,573	797,713
Interest income		10,503	4,756
Finance costs	6	(387,144)	(142,797)
Profit before taxation		571,932	659,672
Taxation charge	8	(155,494)	(137,549)
Profit after taxation	9	416,438	522,123
		Cents	Cents
Earnings per ordinary stock unit	10	49	61

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement Of Changes In Equity
Year ended 31 December 2008
(Expressed in Jamaican Dollars)

	Notes	Revaluation reserves $'000	Realized capital gain $'000	Accumulated (losses)profit $'000	Total reserves $'000	Share capital $'000	Total capital & reserves $'000
Balance as at 31 December 2006		52,654	1,059,481	(474,925)	637,210	1,808,837	2,446,047
Net profit for the year		-	-	522,123	522,123	-	522,123
Transfer of realized gain	7	-	113,775	(113,775)	-	-	-
Amortization for the year	28	(47,462)	47,462	-	-	-	-
Balance as at 31 December 2007		5,192	1,220,718	(66,577)	1,159,333	1,808,837	2,968,170
Net profit for the year		-	-	416,438	416,438	-	416,438
Transfer of realized gain	7	-	113,775	(113,775)	-	-	-
Amortization for the year	28	(5,192)	5,192	-	-	-	-
Balance as at 31 December 2008		-	1,339,685	236,086	1,575,771	1,808,837	3,384,608

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows
Year ended 31 December 2008
(Expressed in Jamaican Dollars)

	2008 $'000	2007 $'000
Cash flows from operating activities		
Profit before taxation	571,932	659,672
Adjustments for:		
Depreciation and amortization	318,307	312,196
Amortization of deferred gain	(113,775)	(113,775)
Loss (gain) on disposal of property, plant and equipment	218	(167,500)
Interest income	(10,503)	(4,756)
Interest expense	93,716	62,369
Unrealized foreign exchange losses	221,762	45,603
	1,081,657	793,809
(Increase) decrease in inventories	(1,000,029)	162,782
Decrease (increase) in receivables and prepayments	47,464	(86,474)
Increase in due from related companies	(490,327)	(24,337)
Increase in payables and accruals	1,299,746	261,247
Increase (decrease) in due to related companies	7,784	(332,187)
Cash generated from operations	946,295	774,840
Interest received	10,503	3,830
Interest paid	(90,511)	(52,521)
Taxation paid	(2,370)	(846)
Net cash generated from operating activities	863,917	725,303
Cash flows from investing activities		
Additions to property, plant and equipment	(572,198)	(1,152,115)
Intangible assets	(1,383)	(6,328)
Proceeds from disposal of property, plant and equipment	285	184,138
Net cash used in investing activities	(573,296)	(974,305)
Cash flows from financing activities		
Loans received	1,173,523	110,101
Repayment of loans	(974,472)	(356,112)
Related parties	(622,463)	690,961
Net cash (used in) provided by financing activities	(423,412)	444,950
(Decrease) increase in cash and cash equivalents	(132,791)	195,948
Net cash and cash equivalents - beginning of year	122,508	(73,440)
Net cash and cash equivalents – end of year	(10,283)	122,508
Represented by:		
Cash and short-term deposits	19,249	180,371
Bank overdraft	(29,532)	(57,863)
	(10,283)	122,508

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Balance Sheet
As at 31 December 2008
(Expressed in Jamaican Dollars)

	Notes	2008 $'000	2007 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	4,899,826	4,647,792
Investment in subsidiaries	15	89,310	89,310
Due from subsidiaries	16	90,862	154,537
		5,079,998	4,891,639
Current assets			
Inventories	17	2,500,812	1,482,302
Receivables and prepayments	18	330,670	384,512
Due from related companies	19	512,567	20,723
Taxation recoverable		46,805	44,422
Cash and cash equivalents	20	13,039	172,407
		3,403,893	2,104,366
Current liabilities			
Bank overdraft	21	29,532	56,471
Payables and accruals	22	2,547,145	1,125,514
Due to parent and related companies	23	231,367	168,778
Due to subsidiary	24	161,233	183,453
Short-term loans	25	476,231	165,285
Current portion of long-term loans	26	6,650	8,394
		3,452,158	1,707,895
Working capital (deficit) surplus		(48,265)	396,471
Non-current liabilities			
Due to parent and related companies	23	1,102,797	1,725,260
Long-term loans	26	6,117	7,897
Deferred tax liability	8	540,111	407,472
		1,649,025	2,140,629
TOTAL NET ASSETS		3,382,708	3,147,481

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Balance Sheet
As at 31 December 2008
(Expressed in Jamaican Dollars)

	Notes	2008 $'000	2007 $'000
STOCKHOLDERS' EQUITY			
Share capital	27	1,808,837	1,808,837
Reserves		1,499,895	1,150,893
		3,308,732	2,959,730
Deferred gain	7	73,976	187,751
COMPANY EQUITY		3,382,708	3,147,481

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

On 12 March 2009, the Board of Directors authorized these financial statements for issue.

……………………………………..Director……………………………………………………Director
Brian Young Dr. Rollin Bertrand

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Statement of Earnings
Year ended 31 December 2008
(Expressed in Jamaican Dollars)

	Notes	2008 $'000	2007 $'000
Revenue	3	8,642,729	7,721,003
Operating profit before cement claims	3	861,008	651,057
Cement claims	4	-	(21,500)
Operating profit	3	861,008	629,557
Interest income		7,257	3,830
Finance costs	6	(386,624)	(142,920)
Profit before taxation		481,641	490,467
Taxation charge	8	(132,639)	(85,360)
Profit after taxation	9	349,002	405,107

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Statement of Changes In Equity
Year ended 31 December 2008
(Expressed in Jamaican Dollars)

	Notes	Revaluation reserves $'000	Realized capital gain $'000	Accumulated (losses) profit $'000	Total reserves $'000	Total Share capital $'000	capital & reserves $'000
Balance as at 31 December 2006		52,654	1,059,476	(366,344)	745,786	1,808,837	2,554,623
Net profit for the year		-	-	405,107	405,107	-	405,107
Transfer to realized gain	7	-	113,775	(113,775)	-	-	-
Amortization for the year	28	(47,462)	47,462	-	-	-	-
Balance as at 31 December 2007		5,192	1,220,713	(75,012)	1,150,893	1,808,837	2,959,730
Net profit for the year		-	-	349,002	349,002	-	349,002
Transfer to realized gain	7	-	113,775	(113,775)	-	-	-
Amortization for the year	28	(5,192)	5,192	-	-	-	-
Balance as at 31 December 2008		**-**	1,339,680	160,215	1,499,895	1,808,837	3,308,732

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Statement of Cash Flows
Year ended 31 December 2008
(Expressed in Jamaican Dollars)

	2008 $'000	2007 $'000
Cash flows from operating activities		
Profit before taxation	481,641	490,467
Adjustments for:		
Depreciation and amortization	299,808	297,082
Amortization of deferred gain	(113,775)	(113,775)
Loss (gain) on disposal of property, plant and equipment	218	(153,831)
Interest income	(7,257)	(3,830)
Interest expense	93,356	62,492
Unrealized foreign exchange losses	224,142	45,603
	978,133	624,208
(Increase) decrease in inventories	(1,018,510)	180,910
Decrease (increase) in receivables and prepayments	53,842	(88,358)
Increase in due from related companies	(491,844)	(19,046)
Increase in payables and accruals	1,269,857	260,759
Decrease in due to parent and related companies	(20,183)	(339,097)
Cash generated from operations	771,295	619,376
Interest received	7,257	3,830
Interest paid	(90,511)	(53,954)
Taxation paid	(2,383)	(846)
Net cash generated from operating activities	685,658	568,406
Cash flows from investing activities		
Additions to property, plant and equipment	(552,345)	(1,122,579)
Proceeds from disposal of property, plant and equipment	285	160,167
Repayment by subsidiaries	63,675	154,786
Net cash used in investing activities	(488,385)	(807,626)
Cash flows from financing activities		
Loans received	1,173,523	110,101
Repayment of loans	(880,762)	(264,535)
Due to subsidiaries	-	(91,577)
Related parties	(622,463)	690,961
Net cash (used in) provided by financing activities	(329,702)	444,950
(Decrease) increase in cash and cash equivalents	(132,429)	205,729
Net cash and cash equivalents - beginning of year	115,936	(89,794)
Net cash and cash equivalents – end of year	(16,493)	115,936
Represented by:		
Cash and short-term deposits	13,039	172,407
Bank overdraft	(29,532)	(56,471)
	(16,493)	115,936

The accompanying notes form an integral part of these financial statements

1. Corporate information

Caribbean Cement Company Limited (the "Company") and its Subsidiaries are incorporated under the laws of Jamaica. The Company is a public company listed on the Jamaica Stock Exchange.

The Company is a 65.65% owned subsidiary of TCL (Nevis) Limited. TCL (Nevis) Limited is a wholly owned subsidiary of Trinidad Cement Limited (the "Ultimate Parent Company") which also owns 8.45% of the ordinary shares of the Company. The principal activities of Caribbean Cement Company Limited and its Subsidiaries (the "Group") are the manufacture and sale of cement, the mining and sale of gypsum, shale and pozzolan, and the management of port facilities.

The registered office of the Company is Rockfort, Kingston, Jamaica.

2. Significant accounting policies

The most significant policies are summarized below:

a) Basis of preparation

(i) Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Jamaican Companies Act.

(ii) Current year changes in accounting standards and interpretations
The Group has adopted all the new and revised accounting standards and interpretations to existing accounting standards that are mandatory for annual accounting periods beginning on or after 1 January 2008 and which are relevant to the Group's operations. The following revised accounting standard and interpretations were adopted:

- **IAS 39 (Amendment), Financial instruments: Recognition and measurement**
  An amendment to IAS 39 was issued in October 2008, which permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The Company did not exercise this option and as such IAS 39 (Amendment) had no impact on these financial statements.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(ii) Current year changes in accounting standards and interpretations (continued)

- **IFRIC 11, IFRS 2, Group and Treasury share transactions**
  This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity – settled scheme, even if the entity buys the instruments from another party, or the shareholders provide equity instrument needed; No rights to equity instruments were granted by the Company and as such this interpretation had no impact on the Company and as such this interpretation had no impact on these financial statements.

- **IFRIC 12, Service Concession Arrangements**
  This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. The Group did not operate a service concession and hence this interpretation had no impact on the Group.

(iii) Future changes in accounting standards and interpretations

Certain new standards and amendments to and interpretation of existing accounting standards have been published but which are not yet effective and the Group has not adopted early. Those which will be effective for accounting periods ending after 31 December 2008 are:

- **IAS 1 (Revised), Presentation of Financial Statements** (effective from annual periods beginning on or after 1 January 2009) requires the separation of owner and non-owner changes in equity, through the introduction of a statement of comprehensive income. These amendments will result in additional disclosures.
- **IAS 23 (Revised), Borrowing Costs** (effective from annual periods beginning on or after 1 January 2009) requires capitalization of borrowing costs that relate to a qualifying asset. The transitional provisions of the standard require prospective application from the effective date. The impact of this amendment has not yet been assessed by the Management of the Company.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(iii) Future changes in accounting standards and interpretations (continued)

- **IAS 27, Consolidated and Separate Financial Statements** (effective from annual periods beginning on or after 1 July 2009) has resulted from amendments to IFRS 3 and changes the accounting for acquisitions and disposals that do not result in a change of control and the attribution of profit or loss to non-controlling interest. Additional amendments have been made relating to the cost of a subsidiary in the separate financial statements of a parent on first-time adoption of IFRSs. This amendment is currently not applicable to the Group.

- **IAS 28 (Revised), Investment in Associates** (effective from annual periods beginning on or after 1 July 2009) has resulted from amendments to IFRS 3. This amendment is currently not applicable to the Company.

- **IAS 31 (Revised), Financial Reporting of Interests in Joint Ventures (**effective from annual periods beginning on or after 1 July 2009) requires disclosures when investments in jointly controlled entities are accounted for at fair value through profit or loss. This amendment is currently not applicable to the Group.

- **IAS 32 (Revised), Financial Instruments: Presentation** (effective from annual periods beginning on or after 1 January 2009) requires amendments regarding puttable financial instruments and obligations arising on liquidation, and requires entities to classify certain types of financial instruments as equity provided they have particular features and meet specific conditions. This amendment is currently not applicable to the Group.

- **IAS 39, Financial Instruments: Recognition and Measurement** (effective from annual periods beginning on or after 1 July 2009) was amended regarding hedging portions of risk, and clarifies the principles associated with designating a portion of cash flows or fair values of a financial instrument as a hedged item. This amendment is currently not applicable to the Company.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(iii) Future changes in accounting standards and interpretations (continued)

- **IFRS 1 (Revised), First-time Adoption and IAS 27, Consolidated and Separate Financial Statements** (effective from annual periods beginning on or after 1 January 2009) provides guidance on determining the cost of investments in subsidiaries, jointly controlled entities and associates in the financial statements of a parent entity that prepares separate financial statements. This amendment is currently not applicable to the Group.

- **IFRS 2 (Revised), Share-based Payment** (effective from annual periods beginning on or after 1 January 2009) requires amendments regarding vesting conditions and cancellations, and clarifies that vesting conditions are service conditions and performance conditions only, while other features of a share-based payment are not vesting conditions. This amendment is currently not applicable to the Company.

- **IFRS 3 (Revised), Business Combinations** (effective from annual periods beginning on or after 1 July 2009). The amendments were the result of a joint project with the US FASB, and certain fundamental changes and improvements were made to reinforce the existing standard and remedy problems that have emerged with its application. The impact of this amendment has not yet been assessed the Management of the Group.

- **IFRS 8, Operating Segments** (effective from annual periods beginning on or after 1 January 2009) will replace IAS 14 Segments Reporting and increases the level of disclosure required, as well as, replace the requirement to determine primary (business) and secondary (geographical) reporting segments for the Company and extends the scope to include entities that meet certain requirements. The impact of this standard has not yet been assessed by the Management of the Group.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(iii) Future changes in accounting standards and interpretations (continued)

- **IFRIC 13, Customer Loyalty Programmes** (effective from annual periods beginning on or after 1 January 2009) requires that award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. This interpretation is not applicable to the Group.

- **IFRIC 15, Agreements for the Construction of Real Estate** (effective from annual periods beginning on or after 1 January 2009) regarding when and how revenue and related expenses from the sale of real estate as construction progresses should be recognized, and addresses the divergence in accounting treatment arising from such arrangements. This interpretation is not applicable to the Group.

- **IFRIC 16, Hedges of a Net Investment in a Foreign Operation** (effective from annual periods beginning on or after 1 October 2008) provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment. It also provides guidance on where within the group the hedging instrument can be held in the hedge of a net investment, and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. This interpretation is not applicable to the Group.

- **IFRIC 17, Distributions of Non-cash Assets to Owners** (effective from annual periods beginning on or after 1 July 2009) provides guidance on how to account for such transactions. It also provides guidance on when to recognize a liability and how to measure it and the associated assets, and when to derecognize the asset and liability and the consequences of doing so. This interpretation is not applicable to the Group.

- **IFRIC 18, Transfers of Assets from Customers** (effective from annual periods beginning on or after 1 July 2009) provides guidance on when and how an entity should recognize items of property, plant and equipment received from their customers. This interpretation is not applicable to the Group.

(Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

In May 2008, the International Accounting Standards Board issued "Improvements to IFRSs", which is part of its annual improvements project, and a vehicle for making non-urgent but necessary amendments to various IFRSs. These amendments primarily become effective for annual periods beginning on or after 1 January 2009. Management has not yet assessed the impact of these changes.

The following shows the IFRSs and topics addressed by these amendments.

IFRS	**Subject of Amendment**
Part I	**Amendments that result in accounting changes for presentation, recognition and measurement purposes**
IFRS 5	Plan to sell the controlling interest in a subsidiary.
IAS 1	Current/non-current classification of derivatives.
IAS 16	Recoverable amount.
IAS 19	Curtailments and negative past service cost. Plan administration costs. Replacement of term "fall due". Guidance on contingent liabilities.
IAS 20	Government loans with a below-market interest rate.
IAS 23	Components of borrowing costs.
IAS 27	Measurement of subsidiary held for sale in separate financial statements.
IAS 28	Required disclosures when investments in associates are accounted for at fair value through profit or loss.
IAS 31	Required disclosures when investments in jointly controlled entities are accounted for at fair value through profit or loss.
IAS 29	Description of measurement basis in financial statements.
IAS 36	Disclosure of estimates used to determine recoverable amount.
IAS 38	Advertising and promotional activities. Unit of production method of amortization.
IAS 39	Reclassification of derivatives into or out of the classification at fair value through profit or loss. Designating and documenting hedges at the segment level. Applicable effective interest rate on cessation of fair value hedge accounting.
IAS 40	Property under construction or development for future use as investment property.
IAS 41	Discount rate for fair value calculations.
Part II	**Amendments that are terminology or editorial changes only**
IFRS 7	Presentation of finance costs.
IAS 8	Status of implementation guidance.
IAS 10	Dividends declared after the end of the reporting period.
IAS 18	Costs of originating a loan.
IAS 20	Consistency of terminology with other IFRSs.
IAS 29	Consistency of terminology with other IFRSs.
IAS 34	Earnings per share disclosures in interim financial statements.
IAS 40	Consistency of terminology with IAS 8. Investment property held under lease.
IAD 41	Examples of agricultural produce and products. Point-of-sale costs.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(iv) Basis of measurement

These financial statements have been prepared under the historical cost convention except for the measurement at deemed cost of certain property, plant and equipment. Deemed cost represents fair value at the date of transition to IFRS.

b) Basis of consolidation

The Group's financial statements present the results of operations and financial position of the Company and its Subsidiaries as follows:

Subsidiaries:	**Ownership Level**
Jamaica Gypsum and Quarries Limited	100%
Caribbean Gypsum Company Limited	100%
Rockfort Mineral Bath Complex Limited	100%

The financial statements for the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

Caribbean Gypsum Company Limited and Rockfort Mineral Bath Complex Limited had no trading activities during the year.

c) Interest bearing loans and borrowings

Borrowings are stated initially at cost, being the fair value of consideration received net of transaction cost associated with the borrowings. After initial recognition, borrowings are measured at amortized cost using the effective interest method; any difference between proceeds and the redemption value is recognized in the statement of earnings over the period of the borrowings.

d) Property, plant and equipment

Land and buildings, held for use in the production or supply of goods and services or for administrative purposes, and certain machinery and equipment are stated in the balance sheet at their deemed cost, being the fair value on the basis of their existing use at the date of the adoption of IFRS 1, less any subsequent accumulated depreciation and impairment losses. The values of these assets are subject to annual management reviews.

2. Significant accounting policies (continued)

d) Property, plant and equipment (continued)

Other property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of earnings as incurred. Land is not depreciated.

Depreciation is calculated on the straight-line method over the useful lives of the assets. Current annual rates of depreciation are:

Buildings	2.5% to 5%
Plant, machinery and equipment	3% to 33.3%
Office furniture and equipment	25% to 33.3%
Motor vehicles	20% to 33.3%

Leasehold land and improvements are amortized over the remaining term of the lease.

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

The useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

It is the Group's policy to capitalize interest on loans specific to capital projects during the period of construction. The interest rate is determined by using the weighted average cost of capital.

e) Inventories

Plant spares and raw materials are valued at the lower of weighted average cost and net realizable value. Work in progress and finished goods are valued at the lower of cost, including attributable production overheads, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion and estimated costs necessary to make the sale.

2. Significant accounting policies (continued)

f) Foreign currency translation

The Group's functional and presentation currency is Jamaican dollars. Monetary assets and liabilities denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the balance sheet date. Non-monetary assets and liabilities and transactions denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the date of the transaction. Exchange differences on foreign currency translations are recognized in the statement of earnings. Exchange rates are determined by the published weighted average rate at which commercial banks trade in foreign currencies.

g) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, short-term deposits, receivables, long-term loans, related company balances and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the Group's and the Company's financial instruments are discussed in Note 33.

h) Taxation

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

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

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

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

2. Significant accounting policies (continued)

i) Pension benefits

The Group has a defined contribution pension scheme for all permanent employees. The scheme is managed by an outside agency. The Group's liability is limited to its contributions which are accounted for on the accrual basis and charged to the statement of earnings in the period to which they relate.

j) Revenue recognition

Revenue is recognized 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 other sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from the sale of goods is recognized when the significant risk and rewards of ownership of goods have been passed to the buyers and the amounts of revenue can be measured reliably.

Rental and interest income are recognized as they accrue unless collectability is in doubt.

k) Receivables and payables

Trade receivables are carried at anticipated realizable value. A provision is made for doubtful receivables based on a review of outstanding amounts at the year end. Bad debts are written off when identified.

Liabilities for trade and other accounts payable, which are normally settled on 30 to 90 days terms, are recorded at amounts representing the fair value of the consideration to be paid in the future for goods and services received by the balance sheet date, whether or not billed.

l) Net cash and cash equivalents

For the purpose of the statement of cash flows, net cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of bank overdraft.

m) Earnings per stock unit

The earnings per stock unit is computed by dividing profit attributable to ordinary stockholders by the weighted average number of ordinary stock units in issue during the year.

2. Significant accounting policies (continued)

i) Pension benefits

The Group has a defined contribution pension scheme for all permanent employees. The scheme is managed by an outside agency. The Group's liability is limited to its contributions which are accounted for on the accrual basis and charged to the statement of earnings in the period to which they relate.

j) Revenue recognition

Revenue is recognized 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 other sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognized:

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Liabilities for trade and other accounts payable, which are normally settled on 30 to 90 days terms, are recorded at amounts representing the fair value of the consideration to be paid in the future for goods and services received by the balance sheet date, whether or not billed.

l) Net cash and cash equivalents

For the purpose of the statement of cash flows, net cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of bank overdraft.

m) Earnings per stock unit

The earnings per stock unit is computed by dividing profit attributable to ordinary stockholders by the weighted average number of ordinary stock units in issue during the year.

2. Significant accounting policies (continued)

o) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. The expense relating to any provision is charged to the statement of earnings net of any reimbursement.

p) Operating leases

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

q) Deferred expenditure

The costs of installed refractories, chains and grinding media are amortized over a period of six to twelve months to match the estimated period of their economic usefulness.

r) Impairment of 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of earnings in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the valuation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

2. Significant accounting policies (continued)

r) Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized 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 recognized. 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 loss been recognized for the asset in prior years. Such reversal is recognized in the statement of earnings unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

The following criteria are also applied in assessing impairment of goodwill:

- 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, to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount of the cash-generating unit to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December.

s) Investments

Equity investments in subsidiaries, classified as non-current, are stated at cost less impairment adjustments.

2. Significant accounting policies (continued)

t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other segments. The Directors are of the view that there are no material, business or geographic, segments into which the Group's business should be disclosed that would enhance the proper understanding of the Group's financial statements.

u) Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, they are carried at cost less accumulated amortization and any accumulated impairment losses.

Amortization of these assets is computed on the straight line method over a three year period.

3. Operating profit

Operating profit consists of the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Revenue	8,805,293	7,847,307	8,642,729	7,721,003
Raw materials and consumables	1,760,099	1,244,457	1,876,040	1,384,620
Fuels and electricity	1,796,094	1,617,989	1,796,094	1,611,948
Personnel remuneration and benefits (Note 5)	1,867,901	1,490,404	1,802,289	1,417,206
Repairs and maintenance	439,788	685,070	439,788	635,346
Operating lease	678,447	589,052	678,447	589,052
Depreciation and amortization	318,307	312,196	299,808	297,081
Marketing and selling expenses	318,025	303,702	318,025	303,702
Insurance	127,794	110,268	127,794	103,038
Training and staff development	136,696	102,312	136,696	102,312
Other operating expenses	702,061	690,702	607,214	678,590
Changes in inventories of finished goods and work in progress	(170,868)	244,604	(182,850)	265,556
Total expenses	7,974,344	7,390,756	7,899,345	7,388,451
Profit before other income	830,949	456,551	743,384	332,552
Other income	117,624	362,662	117,624	318,505
Operating profit before cement claims	948,573	819,213	861,008	651,057
Cement claims	-	21,500	-	21,500
Operating profit	948,573	797,713	861,008	629,557

Other income includes:				
Amortization of deferred gain (Note 7)	(113,775)	(113,775)	(113,775)	(113,775)
Loss (gain) on disposal of property, plant and equipment	218	(167,500)	218	(153,831)

3. Operating profit (continued)

Operating profit is arrived at after charging:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Audit fees				
Current year	11,965	9,350	10,595	8,225
Prior year	-	1,020	-	1,020
Directors' emoluments				
Fees	8,873	7,719	8,873	7,719
Management remuneration	-	-	-	-
Technical assistance fees and related charges	95,372	98,372	95,397	98,372

4. Cement claims

This represented provision for claims against the Company relating to cement that was inadvertently released to the market in February 2006.

5. Personnel remuneration and benefits

Personnel remuneration and benefits consist of the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Wages and salaries	1,471,357	1,158,473	1,417,188	1,093,632
Statutory contributions	120,049	95,024	115,034	91,499
Pension costs (Note 31)	52,455	43,633	52,455	42,439
Other personnel costs	224,040	193,274	217,612	189,636
	1,867,901	1,490,404	1,802,289	1,417,206

6. Finance costs

Finance costs consist of the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Interest expense	93,716	62,369	93,356	62,492
Loss on currency exchange	293,428	80,428	293,268	80,428
	387,144	142,797	386,624	142,920

7. Deferred gain

	Group and Company	
	2008	**2007**
	$'000	$'000
Balance at 1 January	187,751	301,526
Amortization for the year	(113,775)	(113,775)
Balance at 31 December	73,976	187,751

Deferred gain represents the profit from the sale of certain machinery and equipment in August 1999 which is being credited to the statement of earnings over the 10 year period of the original operating lease (Note 12).

The current and prior year amortization gains were transferred to capital reserve as realized capital gains.

8. Taxation

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Statement of earnings				
The taxation charge consists of:				
Deferred tax charge	(130,589)	(137,536)	(132,639)	(85,360)
Income tax charge	(24,905)	(13)	-	-
	(155,494)	(137,549)	(132,639)	(85,360)

8. Taxation (continued)

The taxation charge differs from the theoretical amount that would arise using the income tax rate as follows:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Profit before taxation	571,932	659,672	481,641	490,467
Taxed at 33.3%	(190,644)	(219,891)	(160,547)	(163,489)
Tax on non-assessable income	38,205	94,085	38,205	89,620
Tax on non-allowable expenses	(9,424)	(11,801)	(9,257)	(11,491)
Other	6,369	58	(1,040)	-
Effective tax charge	(155,494)	(137,549)	(132,639)	(85,360)

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Deferred tax liability				
Balance at beginning of year	(417,855)	(280,319)	(407,472)	(322,112)
Deferred tax charge for the year	(130,589)	(137,536)	(132,639)	(85,360)
Balance at end of year, net	(548,444)	(417,855)	(540,111)	(407,472)

Deferred tax asset (liability) comprises the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Deferred (liability) asset in Subsidiary, net	(8,333)	(10,383)	-	-
Deferred liability in Company, net	(540,111)	(407,472)	(540,111)	(407,472)
	(548,444)	(417,855)	(540,111)	(407,472)

8. Taxation (continued)

The significant components of deferred tax asset (liability) are as follows:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Deferred liability:				
Property, plant and equipment	(803,940)	(628,290)	(795,983)	(621,302)
Deferred asset:				
Tax losses	132,975	145,437	132,975	145,437
Unrealized exchange losses	74,714	15,201	74,714	15,201
Accrued vacation	38,175	26,295	38,175	25,811
Other	9,632	23,502	10,008	27,381
	255,496	210,435	255,872	213,830
	(548,444)	(417,855)	(540,111)	(407,472)

Subject to agreement with the Taxpayer Audit and Assessment Department, losses available for offset against future profits amount to approximately $398,926,000 (2007 - $436,313,000) for the Group and the Company.

9. Profit after taxation and accumulated losses

		2008	**2007**
		$'000	$'000
(i)	The net profit is dealt with in the financial statements as follows:		
	Company	349,002	405,107
	Subsidiaries	67,436	117,016
		416,438	522,123
(ii)	The accumulated profit (losses) are reflected in the financial statements as follows:		
	Company	160,215	(75,012)
	Subsidiaries	75,871	8,435
		236,086	(66,577)

10. Earnings per ordinary stock unit

	Group	
	2008	**2007**
	$'000	$'000
Profit attributable to stockholders	416,438	522,123
Number of stock units in issue (thousands)	851,138	851,138
Earnings per ordinary stock unit (cents)	49	61

11. Related party transactions

a) Transactions with Trinidad Cement Limited and its subsidiaries:

	Group		Company	
	2008	**2007**	**2008**	**2007**
Included in the statement of earnings:	$'000	$'000	$'000	$'000
(Income) expenses –				
Sale of gypsum and shale	(42,419)	(21,623)	-	-
Sale of cement	(120,949)	-	(120,949)	-
Sale of clinker	(85,590)	-	(85,590)	-
Sale of petcoke	(43,203)	-	(43,203)	-
Freight charges	4,637	-	4,637	-
Technical fee charges	54,885	51,781	54,885	51,781
Purchase of goods and materials	383,832	272,018	383,832	435,473
Interest charges on advances	22,322	7,289	22,322	7,289
Payments under operating lease (Note 12)	678,447	589,052	678,447	589,052

Included in balance sheet:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Short-term amounts (advanced) received net	(429,255)	5,052	(429,255)	5,052
Long-term amounts (advanced) received	(622,463)	914,387	(622,463)	914,387

Included in property, plant and equipment:				
Interest capitalized	43,759	62,103	43,759	62,103

11. Related party transactions (continued)

b) Transactions between the Company and its subsidiary, Jamaica Gypsum and Quarries Limited:

	Company	
	2008	**2007**
	$'000	$'000
Included in the Company statement of earnings:		
Expenses –		
Purchase of gypsum, shale and pozzolan	246,192	163,455
Rental and management fee	98,950	163,989
Interest charges on advance	633	-
Included in property, plant and equipment:		
Interest capitalized	27,032	22,935

c) Compensation of directors and key management personnel

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Short-term employee benefits	98,403	81,661	98,403	74,129
Directors' fees	8,873	7,719	8,873	7,719
	107,276	89,380	107,276	81,848

12. Property, plant and equipment

Property, plant and equipment consist of the following:

Group:

	Land and buildings $'000	Plant machinery, equipment and motor vehicles $'000	Office furniture and equipment $'000	Capital work in progress $'000	Total $'000
At cost					
1 January 2008	975,470	3,984,491	272,960	2,100,652	7,333,573
Additions	-	-	-	572,198	572,198
Disposals and adjustments	-	(3,729)	(326)	-	(4,055)
Transfers	24,049	1,968,198	5,265	(1,997,512)	-
31 December 2008	999,519	5,948,960	277,899	675,338	7,901,716
Accumulated depreciation					
1 January 2008	387,214	1,951,521	165,535	-	2,504,270
Charges during the year	38,119	263,023	14,595	-	315,737
Disposals and adjustments	5	(3,557)	-	-	(3,552)
31 December 2008	425,338	2,210,987	180,130	-	2,816,455
Net book value					
31 December 2008	574,181	3,737,973	97,769	675,338	5,085,261

12. Property, plant and equipment

Property, plant and equipment consist of the following:

Group:

	Land and buildings $'000	Plant machinery, equipment and motor vehicles $'000	Office furniture and equipment $'000	Capital work in progress $'000	Total $'000
At cost					
1 January 2007	981,005	3,810,123	245,719	1,177,225	6,214,072
Additions	877	18,303	5,368	1,127,567	1,152,115
Disposals and adjustments	(27,164)	(5,450)	-	-	(32,614)
Transfers	20,752	161,515	21,873	(204,140)	-
31 December 2007	975,470	3,984,491	272,960	2,100,652	7,333,573
Accumulated depreciation					
1 January 2007	367,017	1,698,115	142,918	-	2,208,050
Charges during the year	32,002	257,577	22,617	-	312,196
Disposals	(11,805)	(4,171)	-	-	(15,976)
31 December 2007	387,214	1,951,521	165,535	-	2,504,270
Net book value					
31 December 2007	588,256	2,032,970	107,425	2,100,652	4,829,303

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements
Year ended 31 December 2008
(Expressed in Jamaican Dollars)

12. Property, plant and equipment

Property, plant and equipment consist of the following:

Company:

	Land and buildings $'000	Plant machinery, equipment and motor vehicles $'000	Office furniture and equipment $'000	Capital work in progress $'000	Total $'000
At cost					
1 January 2008	860,825	3,814,840	271,826	2,061,140	7,008,631
Additions	-	-	-	552,345	552,345
Disposals and adjustments	-	(3,729)	(326)	-	(4,055)
Transfers	1,565	1,950,465	5,265	(1,957,295)	-
31 December 2008	862,390	5,761,576	276,765	656,190	7,556,921
Accumulated depreciation					
1 January 2008	354,459	1,842,547	163,833	-	2,360,839
Disposals and adjustments	5	(3,557)	-	-	(3,552)
Charges during the year	34,037	251,366	14,405	-	299,808
31 December 2008	388,501	2,090,356	178,238	-	2,657,095
Net book value					
31 December 2008	473,889	3,671,220	98,527	656,190	4,899,826

12. Property, plant and equipment

Property, plant and equipment consist of the following:

Company:

	Land and buildings $'000	**Plant machinery, equipment and motor vehicles** $'000	**Office furniture and equipment** $'000	**Capital work in progress** $'000	**Total** $'000
At cost					
1 January 2007	855,515	3,638,270	244,586	1,166,978	5,905,349
Additions	877	18,033	5,367	1,098,302	1,122,579
Disposals	(16,319)	(2,978)	-	-	(19,297)
Transfers	20,752	161,515	21,873	(204,140)	-
31 December 2007	860,825	3,814,840	271,826	2,061,140	7,008,631
Accumulated depreciation					
Balance as at 1 January 2007	336,890	1,598,612	141,216	-	2,076,718
Charges during the year	27,551	246,914	22,617	-	297,082
Disposals	(9,982)	(2,979)	-	-	(12,961)
31 December 2007	354,459	1,842,547	163,833	-	2,360,839
Net book value					
31 December 2007	506,366	1,972,293	107,993	2,061,140	4,647,792

12. Property, plant and equipment (continued)

a) In August 1999, the Company entered into a sale and operating leaseback transaction with a third party involving certain of its machinery and equipment having a net book value of $1,406,873,000. A gain of $1,139,232,000, representing the difference between the net fair value of the assets and the sale proceeds, was realized and is being amortised on a straight-line basis over ten years, the term of the resulting operating lease (Note 7). The lease was terminated in December 2003 and the related machinery and equipment sold by the lessor to TCL Services Limited, an affiliated company. A lease was established with TCL Services Limited under the same terms and conditions as the original lease, except that the Company could terminate the lease at any time.

In August 2004, the lease with TCL Services Limited was terminated and the machinery and equipment sold to Trinidad Cement Limited. A new lease was then established with Trinidad Cement Limited with similar terms and conditions to those that existed under the lease arrangements with TCL Services Limited, except that the repayment period was extended to 2014 (Note 30).

During the year Kiln 5 was completed and was commissioned on 1 December 2008. Certain units of the kiln are owned by TCL and the rest is owned by the Company. On 1 December 2008, the Company entered into a twenty year lease with TCL in respect of the units that TCL owns, which ends in 2028. (Note 30)

b) The amount of borrowing costs capitalized during the year amounted to $115,624,000 (2007 – $184,025,000).

13. Goodwill

Goodwill arises on consolidation and relates to the acquisition of Jamaica Gypsum and Quarries Limited.

14. Intangible assets

	The Group		
	Exploration Cost	**Dredging Cost**	**Total 2008**
	$'000	$'000	$'000
At cost			
Balance as at 1 January	2,521	3,807	6,328
Additions	-	1,382	1,382
Balance as at 31 December	2,521	5,189	7,710
Amortization			
Charges during the year	840	1,730	2,570
Balance as at 31 December	840	1,730	2,570
Net book value			
Balance as at 31 December	1,681	3,459	5,140
Balance as at 31 December	2,521	3,807	6,328

15. Investment in subsidiaries

Investment in subsidiaries consists of the following:

	Company 2008 $'000	Company 2007 $'000
At cost:		
Jamaica Gypsum and Quarries Limited 375,000,000 ordinary shares	79,000	79,000
Rockfort Mineral Bath Complex Limited 21,000,000 ordinary shares	6,310	20,010
Less: impairment provision	-	(13,700)
	6,310	6,310
Caribbean Gypsum Company Limited 1,000 ordinary shares	4,000	4,000
	89,310	89,310

An impairment provision was made for the investment in Rockfort Mineral Bath Complex Limited as a result of a reduction in its fair value because of negative cash flows arising from trading losses.

16. Due from subsidiaries

	Company 2008 $'000	Company 2007 $'000
Jamaica Gypsum and Quarries Limited	89,294	153,282
Caribbean Gypsum Company Limited	1,371	1,255
Rockfort Mineral Bath Complex Limited	197	-
	90,862	154,537

17. Inventories

Inventories consist of the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Plant spares	739,352	706,360	739,310	706,318
Consumables	622,392	306,157	622,392	306,157
Raw materials and work in progress	711,443	207,253	753,965	243,276
Finished goods	474,464	284,229	393,991	191,774
Goods in transit	26,031	64,495	26,031	64,495
	2,573,682	1,568,494	2,535,689	1,512,020
Provision for obsolescence	(34,877)	(29,718)	(34,877)	(29,718)
	2,538,805	1,538,776	2,500,812	1,482,302

18. Receivables and prepayments

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Trade receivables	198,237	193,029	173,103	175,352
Sundry receivables and prepayments	170,352	215,854	165,388	211,804
	368,589	408,883	338,491	387,156
Less: Impairment provision	(10,886)	(3,716)	(7,821)	(2,644)
	357,703	405,167	330,670	384,512

18. Receivables and prepayments (continued)

Changes in impairment provision

	Group Individually Impaired	Company Individually Impaired
	$'000	$'000
Balance as at 1 January 2007	1,072	-
Charge for the year	2,644	2,644
Balance as at 31 December 2007	3,716	2,644
Charge for the year 2008	7,170	5,177
Balance as at 31 December 2008	10,886	7,821

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

The Group

	Total	Neither past due nor impaired	< 30 days past due	30-60 days past due	61-90 days past due	> 90 days past due
	$'000	$'000	$'000	$'000	$'000	$'000
2008	198,237	107,298	61,336	18,717	3,380	7,506
2007	193,029	128,924	46,286	9,641	4,462	3,716

The Company

	Total	Neither past due nor impaired	< 30 days past due	30-60 days past due	61-90 days past due	>90 days past due
	$'000	$'000	$'000	$'000	$'000	$'000
2008	173,103	99,588	56,788	8,906	3,621	4,200
2007	175,352	118,842	45,675	5,064	2,178	3,593

19. Due from related companies

Due from related companies consists of the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Readymix (West Indies) Limited	-	1,762	-	1,762
Arawak Cement Company Limited	99,771	20,364	95,997	18,921
TCL Guyana Limited	29,666	40	29,666	40
Trinidad Cement Limited	386,904	3,848	386,904	-
	516,341	26,014	512,567	20,723

20. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Cash at bank and in hand	19,249	32,135	13,039	24,171
Short-term deposits	-	148,236	-	148,236
	19,249	180,371	13,039	172,407

21. Bank overdraft

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Bank overdraft	29,532	57,863	29,532	56,471

The bank overdraft facilities are unsecured.

22. Payables and accruals

Payables and accruals consist of the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Sundry payables and accruals	1,608,588	637,131	1,564,545	611,499
Trade payables	722,648	385,394	704,188	381,453
Statutory obligations	281,188	134,626	278,412	132,562
	2,612,424	1,157,151	2,547,145	1,125,514

23. Due to parent and related companies

The amounts due to parent and related companies consist of the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
TCL Ponsa Manufacturing Ltd	2,382	-	2,382	-
Trinidad Cement Limited	950,493	1,349,263	950,493	1,349,263
TCL (Nevis) Limited	-	234,168	-	234,168
TCL Packaging Limited	305,887	253,731	305,887	253,731
TCL Trading Limited	75,402	56,876	75,402	56,876
	1,334,164	1,894,038	1,334,164	1,894,038
Long-term	1,102,797	1,725,260	1,102,797	1,725,260
Short-term	231,367	168,778	231,367	168,778
	1,334,164	1,894,038	1,334,164	1,894,038

The long term amount comprises the following:

Trinidad Cement Limited	950,493	1,339,534
TCL Packaging Limited	116,505	170,697
TCL Nevis Limited	-	226,194
TCL Trading Limited	64,634	56,921
	1,131,632	1,793,346
Less current portion included in short-term	(28,835)	(68,086)
	1,102,797	1,725,260

23. Due to parent and related companies (continued)

These prior year loan amounts payable to parent and related companies represent advances made to the Company that were converted to long term loans.

Trinidad Cement Limited:

Loan #	Interest rate %	Currency 2008 TT$'000	Currency 2007 TT$' 000	Balance 2008 $'000	Balance 2007 $'000
1	7.5	-	18,867	-	209,521
2	8	-	15,746	-	174,861
3	7	-	18,395	-	204,279
4	8.75	-	49,729	-	552,247
5	8.75	-	17,886	-	198,626
13	8.20	74,873	-	950,493	-
		74,873	120,623	950,493	1,339,534

Loans # 1-5 which were originally scheduled for full repayments subsequent to the year end were settled during the year.

Loan # 13 was received during December 2008 and is repayable within 18 months

TCL Packaging Limited:

Loan #	Interest rate %	Currency 2008 $'000	Currency 2007 $'000	Balance 2008 $'000	Balance 2007 $'000
6	8.25	-	US$967	-	68,086
7	8	TT$9,240	TT$9,240	116,505	102,611
				116,505	170,697

Loan # 6 was received in 2005 and was fully repaid during the year.

Loan # 7 was received in 2006 and is repayable in four semi-annual installments commencing June 2009, this loan was renegotiated in 2008 with similar terms except repayment will commence in 2010.

23. Due to parent and related companies (continued)

TCL (Nevis) Limited:

Loan #	Interest rate	Currency		Balance	
	%	2008	2007	2008	2007
		TT$'000	TT$'000	$'000	$'000
8	7	-	5,146	-	57,142
9	8	-	3,207	-	35,614
10	8.75	-	12,016	-	133,438
		-	20,369	-	226,194

Loan # 8 was received during 2006, and was scheduled to be repaid over 5 years by equal quarterly installments commencing July 2008. However, it was repaid during the year.

Loan # 9 was received in 2006 and was to be repaid in four semi-annual installments commencing June 2009. However, it was repaid during the year.

Loan # 10 was repayable over 4 years by equal installments commencing March 2009. However, it was repaid during the year.

TCL Trading Limited:

Loan #	Interest rate	Currency		Balance	
	%	2008	2007	2008	2007
		TT$'000	TT$'000	$'000	$'000
11	8	3,448	3,448	43,746	38,087
12	7.5	1,696	1,696	20,888	18,834
		5,144	5,144	64,634	56,921

Loan # 11 was received in 2008 and is repayable in four semi-annual installments commencing June 2009.

Loan # 12 represents the conversion of short term advances to a long term loan. It is repayable in twelve equal quarterly installments commencing March 2009.

24. Due to subsidiary

Included in this amount are US dollar short term advances with a balance of US$1,120,000 (2007-US$2,610,000) borrowed by Jamaica Gypsum and Quarries Limited from RBTT Bank Jamaica Limited and loaned to the Company on similar terms and conditions as those received from the bank (Note 25), and trade amounts of $71,490 (2007 – nil) owing to Jamaica Gypsum and Quarries Limited.

25. Short-term loans

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Bank of Nova Scotia (Ja.) Ltd	250,000	-	250,000	-
RBTT Bank Jamaica Limited (see table below)	315,974	348,738	226,231	165,285
	565,974	348,738	476,231	165,285

The Bank of Nova Scotia loan in the amount of J$250,000,000 was secured in September 2008. The loan is repayable in four (4) quarterly installments, commencing January 2009, and bears an interest rate of 20.125%.

RBTT Bank Jamaica Limited

Loan #	**Interest rate %**	**Group Balance 2008 $'000**	**2007 $'000**	**Company Balance 2008 $'000**	**2007 $'000**
1	9.5	175,059	348,738	85,316	165,285
2	9.5	41,848	-	41,848	-
3	9.5	99,067	-	99,067	-
		315,974	348,738	226,231	165,285

RBTT loan #1 is denominated in US dollars with outstanding balances of US$2,184,000 (2007-US$4,958,000) for the Group and US$1,065,000 (2007-US$2,348,000) for the Company, respectively. The loan of US$1,064,000 (2007-US$2,348,000) is repayable by the Company in August 2009 and is secured by a letter of comfort issued by the Ultimate Parent Company; the amount of US$1,120,000 (2007-US$2,610,000) is repayable by Jamaica Gypsum and Quarries Limited (the Subsidiary) over twelve months, and is secured by letters of guarantee issued by the Company and the Subsidiary.

25. Short-term loans (continued)

RBTT loan #2, denominated in US dollars with outstanding balance of US$521,664, was obtained in February 2008, is repayable in monthly installments, and is to be fully repaid by the Company in March 2009.

RBTT loan #3, denominated in US dollars with outstanding balance of US$1,235,000, was obtained in September 2008, and is to be repaid within twelve months with monthly payments.

Loans #2 and #3 are also secured by the letter of comfort issued by the Ultimate Parent Company.

26. Long-term loans

Long-term loans are repayable as follows:

	Group and Company	
	2008	**2007**
	$'000	$'000
Amounts repayable within:		
One year	6,650	8,394
Two years	2,835	5,745
Three years	1,745	1,280
Four years	1,537	576
Five years	-	296
	12,767	16,291
Current portion	(6,650)	(8,394)
	6,117	7,897

These loans are:

	Interest rate percentage	**Repayable**	**Group and Company**	
			2008	**2007**
			$'000	$'000
RBTT Bank Jamaica Limited	21.75%	2009	2,656	5,488
Bank of Nova Scotia	19.50%	2009 - 2012	10,111	10,803
			12,767	16,291

The loans from RBTT Bank Jamaica Limited and Bank of Nova Scotia Jamaica Limited are repayable in equal monthly installments and are secured by a bill of sale over certain of the Company's motor vehicles.

27. Share capital

Share capital consists of the following:

	Number of units 2008 (000)	Number of units 2007 (000)	Group and Company 2008 $'000	Group and Company 2007 $'000
Authorized:				
Ordinary shares of no par value	1,350,000	1,350,000		
Issued and fully paid:				
Ordinary stock units of no par value	851,138	851,138	1,808,837	1,808,837

In 2006, the Company converted its existing shares to shares of no par or nominal value as required by the Jamaican Companies Act.

28. Revaluation reserve

	Group and Company 2008 $'000	Group and Company 2007 $'000
Balance at 1 January	5,192	52,654
Realized during the year	(5,192)	(47,462)
Balance at 31 December	-	5,192

In August 1999, the Company entered into a sale and operating leaseback transaction with a third party involving certain of its machinery and equipment. This transaction resulted in the realization of an existing revaluation reserve of approximately $474,618,000. This realized revaluation reserve was amortized on a straight line basis over ten years which is the term of the resulting original operating lease (Note 12).

29. Contingencies

There are several pending legal actions and other claims, estimated at $158,000,000 at the year end, in which the Group is involved. It is the opinion of the directors, based on the information provided by the Company's Attorneys, that liability, if any, arising out of these claims is not likely to be material. Accordingly, no provision has been made in these financial statements in respect of these matters.

30. Commitments

a) Operating leases

The Company has commitments of J$18,517,507,000 (US$230,844,000) under the operating leases with Trinidad Cement Limited, which are payable semi-annually in United States dollars (Note 12).

In the year ending 31 December:

	$'000
2009	1,682,630
2010	2,036,785
2011	1,950,943
2012-2028	12,847,149
	18,517,507

b) Capital commitment

The amount of $1,009,227,000 (US$12,832,000) (2007 – 1,395,539,000 (US$19,823,000)) as approved and contracted for as at 31 December 2008 in respect of the expansion and modernization programme and the replacement of property, plant and equipment damaged by hurricane.

c) Guarantees

The Company has provided guarantees in the form of letters of credit and indemnity to third parties in the amount of $385,120,000 (2007 - $144,634,000).

31. Pension plan

The Group participates in a defined contribution pension plan which is managed by an independent party, Life of Jamaica Limited. This plan is mandatory for all categories of permanent employees. Contributions are 10% of pensionable salary for both employee and employer. The amount of annual pension at any date shall be that pension which can be secured by the accumulated contribution plus interest to that date. The Group's contributions in the year amounted to $52,455,000 (2007 - $40,633,000).

32. Limestone reserves

The major raw material used in the cement manufacturing process is limestone. The limestone requirements of the Company are met from reserves in land leased from the Government of Jamaica. The lease term has 40 years remaining but exploitable reserves are expected to have a life of 170 years based on the current extraction rate. Deep reserves have a further exploitable life of approximately 128 years. These limestone reserves are not recorded in these financial statements.

33. Financial risk management objectives and policies

The Group's principal financial liabilities comprise bank loans and overdrafts, operating leases, trade payables and related party balances. The Group has various financial assets such as trade receivables, cash and short-term deposits and related party balances which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has no significant concentrations of credit risk. Cash and short-term deposits are placed with reputable financial institutions. The primary concentration of the Group's credit risk is with its trade receivables, which is mitigated by regular credit evaluation of its customers credit worthiness and credit limits. In addition, receivable balances are monitored on an ongoing basis to mitigate the Group's exposure to bad debts.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the balance sheet date, the Group's exposure to changes in interest rate relates primarily to bank overdraft which has a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The interest rate exposure of borrowings is as follows:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Total borrowings:				
At fixed rates	1,681,538	2,090,289	1,681,538	2,090,289
At floating rates	29,532	57,863	29,532	56,471
	1,711,070	2,148,152	1,711,070	2,146,760

33. Financial risk management objectives and policies (continued)

Interest rate risk (continued)

Weighted average effective interest rates:

	(%)	(%)	(%)	(%)
Bank overdraft	22	22	22	22
Bank borrowings (US$ loans)	9.5	8.5	9.5	8.5
Other bank borrowings	21	21	21	21
Related party loans	8	8	8	8

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

	Group & Company	
	Increase/decrease in basis points	Effect on profit before tax $'000
2008		
JMD	+100	(295)
JMD	-100	295
2007		
JMD	+100	(579)
JMD	-100	579

Foreign currency risk
Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures. Such exposure arises from purchases by the Group in currencies other than its functional currency. Approximately 60% of the Group's purchases are denominated in currencies other than its functional currency.

33. Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

The significant net foreign currency exposures as at year end, expressed in Jamaican dollars are as follows, asset/(liability):

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
United States dollars:				
Cash	6,230	173,897	2,203	165,977
Receivables	21,440	136,499	-	125,367
Related parties, net	-	(286,344)	-	(291,634)
Payables	(608,406)	(515,047)	(608,406)	(515,047)
Bank loans	(315,974)	(165,285)	(226,231)	(165,285)
	(896,710)	(656,280)	(832,434)	(680,622)
Trinidad and Tobago dollars:				
Related parties, net	(817,823)	(1,580,680)	(821,597)	(1,580,680)

The following table demonstrates the sensitivity to a reasonably possible change in the US$ exchange rate, with all other variables held constant, of the Group's and the Company's profit before tax.

	Change in US$ rate	Group effect on profit before tax	Company effect on profit before tax
		$'000	**$'000**
2008	+5%	(85,727)	(82,702)
	-5%	85,727	82,702
2007	+5%	(111,898)	(113,115)
	-5%	111,898	113,115

33. Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Group maintains a balance between continuity of funding and flexibility through the use of bank overdraft, bank loans and related party financing.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2008 based on contractual undiscounted payments.

	The Group					
As at 31 December 2008	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Interest bearing loans and borrowings	29,532	149,157	440,617	1,091,764	-	1,711,070
Due to related companies	-	40,108	191,259	-	-	231,367
Trade and other payables	-	2,349,060	263,364	-	-	2,612,424
	29,532	2,538,325	895,240	1,091,764	-	4,554,861

	The Group					
As at 31 December 2007	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Interest bearing loans and borrowings	57,863	49,796	307,336	1,733,157	-	2,148,152
Due to related companies	-	35,198	133,580	-	-	168,778
Trade and other payables	-	934,959	222,192	-	-	1,157,151
	57,863	1,019,953	663,108	1,733,157	-	3,474,081

33. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial liabilities at 31 December 2008 based on contractual undiscounted payments.

	The Company					
As at 31 December 2008	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Interest bearing loans and borrowings	29,532	119,242	453,382	1,108,914	-	1,711,070
Due to related companies	-	-	231,367	-	-	231,367
Trade and other payables	-	2,283,781	263,364	-	-	2,547,145
	29,532	2,403,023	948,113	1,108,914	-	4,489,582

	The Company					
As at 31 December 2007	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Interest bearing loans and borrowings	56,471	23,544	333,588	1,733,157	-	2,146,760
Due to related companies	-	35,198	133,580	-	-	168,778
Trade and other payables	-	862,150	263,364	-	-	1,125,514
	56,471	920,892	730,532	1,733,157	-	3,441,052

33. Financial risk management objectives and policies (continued)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years end 31 December 2008 and 31 December 2008.

Certain items of the plant and equipment under construction in the Expansion and Modernization Project were financed by and owned by the parent company, Trinidad Cement Limited. Caribbean Cement Company Limited has entered into a long term operating lease agreement, on arms' length terms, with the parent company for the use of these items. This new lease agreement will mitigate the Company's foreign exchange risk associated with the debt financing and take advantage of lower cost debt funding available to the parent company.

The Group monitors capital using the gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent.

	2008 $'000	**2007** $'000
Interest bearing loans and borrowings	1,711,070	2,148,152
Trade and other payables	2,612,424	1,157,151
Due to related companies	231,367	168,778
Less cash and short term deposits	(19,249)	(180,371)
Net debt	4,535,612	3,293,710
Equity	3,458,584	3,155,921
Capital and net debt	7,994,196	6,449,631
Gearing ratio	57%	51%

33. Financial risk management objectives and policies (continued)

Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models.

	The Group			
	Carrying amount		Fair values	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	19,249	180,371	19,249	180,371
Receivables and prepayments	357,703	405,167	357,703	405,167
Due from related companies	516,341	26,014	516,341	26,014
Financial liabilities				
Bank overdraft	29,532	57,863	29,532	57,863
Payables and accruals	2,612,424	1,157,151	2,612,424	1,157,151
Due to related companies	1,334,164	1,894,038	1,170,795	1,573,878
Short term loans	565,974	348,738	565,974	348,738
Long term loans	12,767	16,291	9,320	13,330

	The Company			
	Carrying amount		Fair values	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	13,039	172,407	13,039	172,407
Receivables and prepayments	330,670	384,512	330,670	384,512
Due from related companies	512,567	20,723	512,567	20,723
Financial liabilities				
Bank overdraft	29,532	56,471	29,532	56,471
Payables and accruals	2,547,146	1,125,514	2,547,146	1,125,514
Due to related companies	1,334,164	1,894,038	1,170,795	1,573,878
Short term loans	476,231	165,285	476,231	165,285
Long term loans	12,767	16,291	9,320	13,330

CARIBBEAN CEMENT COMPANY LIMITED

Form of Proxy 2009

Please affix **$100** postage stamp here

I/We____

(Name of Shareholder)

of ____

(Address)

being a member(s) of the above named Company, hereby appoint ______________________________

(Name of Proxy)

____or failing him/her

(Address)

____ of

(Name of Proxy)

____

(Address)

as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on day of 2009 and at any adjournment thereof.

Signed this day of 2009

____

(Signature)

Please indicate with an "X" in the spaces below how you wish your Proxy to vote on the resolutions listed below. Unless otherwise instructed, the Proxy will vote as he thinks fit.

RESOLUTION	For	Against
Resolution 1		
Resolution 2		
Resolution 3: (a)		
(b)		
(c)		
(d)		
Resolution 4:		

Note:

1. To be valid, this Form of Proxy must be lodged at the Registered Office of the Company not less than forty-eight hours before the meeting.

2. Any alteration in this Form of Proxy shall be initialed.

3. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, seniority being determined by the order in which the names stand on the register.

4. If the appointer is a Corporation, this Form of Proxy must be executed under its Common Seal.

5. Please affix a $100.00 postage stamp in the space provided above.

Postal address: CARIBBEAN CEMENT COMPANY LIMITED
P.O. Box 448 Kingston

Registered Office: Rockfort, Kingston