

Auditor's Report

To: The Partners of Beni Suef Cement Company & Co. "Misrieen Titan for Trading and Distribution Company" (A Limited Partnership)
Giza - Egypt

We have audited the accompanying balance sheet of Beni Suef Cement Company & Co. "Misrieen Titan for Trading and Distribution Company", (A Limited Partnership) as of December 31, 2004 and the related statements of income, changes in partners' equity, and cash flows for the Year then ended. These financial statements are the responsibility of the Company's management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We have obtained all the information we deemed necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements, referred to above, present fairly in all material respects the financial position of the Company as of December 31, 2004 and of the results of its operations and its cash flows for the Year then ended in accordance with International Financial Reporting Standards.

Without qualifying our opinion, we draw attention to Note 12 in the financial statements. While the financial statements have been prepared assuming that the Company will continue as a going concern, the Company is not engaged in any contract currently and no contracts are currently anticipated. The ultimate outcome of these matters cannot presently be determined and their effect on these financial statements is uncertain.

Tarek Farid Mansour
R.A.A. 7384
Mansour & Co. PricewaterhouseCoopers

January 13, 2005
Cairo

BENI SUEF CEMENT COMPANY & CO.
"MISRIEEN TITAN FOR TRADING AND DISTRIBUTION COMPANY"
(A LIMITED PARTNERSHIP)

Statement of Income - For the Year Ended December 31, 2004

(all amounts in Egyptian Pounds)

	<u>2004</u>	<u>2003</u>
General and administrative expenses	<u>(274,427)</u>	<u>(366,154)</u>
Net loss for the year	<u><u>(274,427)</u></u>	<u><u>(366,154)</u></u>

BENI SUEF COMPANY CEMENT & CO.
"MISRIEEN TITAN FOR TRADING AND DISTRIBUTION COMPANY"
(A LIMITED PARTNERSHIP)

Balance Sheet - At December 31, 2004

(all amounts in Egyptian Pounds)

	<u>2004</u>	<u>2003</u>
<u>Non-current Assets</u>		
Property and equipment, net	18,027	23,904
Total Non-current Assets	<u>18,027</u>	<u>23,904</u>
<u>Current Assets</u>		
Other debit balances	292,932	294,708
Cash and bank balances	56,622	28,498
Total Current Assets	<u>349,554</u>	<u>323,206</u>
<u>Current Liabilities</u>		
Accrued liabilities and other credit balances	80,227	93,949
Due to related parties	699,308	390,688
Total Current Liabilities	<u>779,535</u>	<u>484,637</u>
Working Capital (Deficit)	<u>(429,981)</u>	<u>(161,431)</u>
Total Invested Funds	<u>(411,954)</u>	<u>(137,527)</u>
<u>Represented in</u>		
<u>Partners' Equity (Net Capital Deficiency)</u>		
Partners' capital	20,000	20,000
Accumulated loss	(431,954)	(157,527)
Net Capital Deficiency	<u>(411,954)</u>	<u>(137,527)</u>

Authorized on behalf of the Management:

Ιανουαρίου 10, 2005
Auditor's report attached

BENI SUEF CEMENT COMPANY & CO.
"MISRIEEN TITAN FOR TRADING AND DISTRIBUTION COMPANY"
(A LIMITED PARTNERSHIP)

Statement of Cash Flows - For the Year Ended December 31, 2004

(All amounts in Egyptian Pounds)

	<u>2004</u>	<u>2003</u>
<u>Cash flows from operating activities</u>		
Net loss for the year	<u>(274,427)</u>	<u>(366,154)</u>
<u>Adjustments for:</u>		
Depreciation	9,226	21,023
	<u>(265,201)</u>	<u>(345,131)</u>
Changes in working capital		
Decrease in other debit balances	1,776	4,258
Decrease in accrued liabilities and other credit balances	(13,722)	(40,010)
Increase in due to related parties	308,620	390,688
Net cash from operations	31,473	9,805
<u>Cash flows from investing activities</u>		
Purchase of property and equipment	(3,349)	(3,419)
Net cash (used in) investing activities	<u>(3,349)</u>	<u>(3,419)</u>
Net increase in cash and cash equivalents	28,124	6,386
Cash and cash equivalents at the beginning of the year	28,498	22,112
Cash and cash equivalents at end of the year	<u>56,622</u>	<u>28,498</u>