

## Report of the auditors to the members of Rea Cement Limited

### Report on the financial statements

1 We have audited the financial statements of Rea Cement Limited on pages 5 to 15, which comprise the balance sheet as at 31 December 2004 and the statement of operations, statement of changes in equity and cash flow statement for the year then ended and the related notes. These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to the Company's members, as a body, in accordance with Section 156 of the Companies Law, Cap. 113. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

2 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 the Board of Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3 In our opinion, the financial statements give a true and fair view of the financial position of Rea Cement Limited as of 31 December 2004 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of Cyprus Companies Law, Cap. 113.

(3)

**Board Members:** Phidias K Pifides (Chief Executive Officer), Dinos N Papadopoulos, Tassos I Telefantides, Panikos N Tstailis, Christakis Santis, Stephos D Stephanides, Costas L Hadjicostantinou, George Foradaris, Costas M Nicolaidis, Angelos M Loizou, Vasilis Hadjivassiliou, Savvas C Michail, Costas L Mavrocordatos, Christos M Themistocleous, Panicos Kaouris, Nicos A Neophytou, George M Loizou, Androulla S Pittas, Andreas T Constantinides, Timothy D Osborne, Pantelis G Evangelou, Liakos M Theodorou, Stelios Constantinou, Tassos Procopiou, Theo Parperis, Constantinos Constantinou, Petros C Petrakis, Philippos C Soseilos, Evgenios C Evgeniou, Christos Tsolakis, Nicos A Theodoulou, Nikos T Nikolaidis, Cleo A Papadopoulou, Marios S Andreou, Nicos P Chimarides, Aram Tavitian, Constantinos Taliotis  
**Directors of Operations:** Adrian Ioannou, Stavros A Kattamis, Androulla Aristidou, Achilleas Chrysanthou, George Skapoullaros  
**Non-Executive Chairman:** Michael H Zampelas  
**Consultant:** Loizos Stakallis

**Report on other legal requirements**

4 Pursuant to the requirements of the Companies Law, Cap. 113, we report the following:

- (a) We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- (b) In our opinion, proper books of account have been kept by the Company.
- (c) The Company's financial statements are in agreement with the books of account.
- (d) In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- (e) In our opinion, the information given in the report of the Board of Directors on page 2 is consistent with the financial statements.

PricewaterhouseCoopers Limited  
Chartered Accountants

Nicosia, 17 February 2005

# REA CEMENT LIMITED

## Λογαριασμός Αποτελεσμάτων για το έτος που έληξε στις 31 Δεκεμβρίου 2004

	2004 ΕΥΡΩ	2003 ΕΥΡΩ
Πιστωτικά μερίσματα	28,122	7,555
Έξοδα διοίκησης	<u>-177,613</u>	<u>-308,678</u>
<b>Ζημιά εργασιών</b>	<b>-149,491</b>	<b>-301,123</b>
Χρηματ/κα έξοδα-καθαρά	<u>-90</u>	<u>75</u>
<b>Ζημιά προ φόρων</b>	<b>-149,581</b>	<b>-301,048</b>
Φόρος	<u>-3,262</u>	-
<b>Καθαρή Ζημιά</b>	<b><u>-152,843</u></b>	<b><u>-301,048</u></b>

# REA CEMENT LIMITED

## Ισολογισμός στις 31 Δεκεμβρίου 2004

	2004 ΕΥΡΩ	2003 ΕΥΡΩ
<b>Ενεργητικό</b>		
<b>Συμμετοχές</b>		
Επενδύσεις σε θυγατρικές εταιρίες	65,807,373	-
	<u>65,807,373</u>	<u>0</u>
<b>Κυκλοφορούν ενεργητικό</b>		
Χρεώστες και προπληρωμές	100,823	58,567,085
Ταμειακά διαθέσιμα και ισοδύναμα	200,293	1,190,856
	<u>301,116</u>	<u>59,757,941</u>
<b>Σύνολο ενεργητικού</b>	<u>66,108,489</u>	<u>59,757,941</u>
<b>Παθητικό</b>		
<b>Ίδια κεφάλαια</b>		
Μετοχικό κεφάλαιο	68,226	1,726
Αποθεματικό κεφάλαιο από την έκδοση μετοχών υπέρ το άρτιο	66,433,500	-
Συσσωρευμένες ζημιές	-455,645	-302,802
	<u>66,046,081</u>	<u>-301,076</u>
<b>Βραχυπρόθεσμες υποχρεώσεις</b>		
Πιστωτές και οφειλόμενα έξοδα	60,621	60,059,017
Τρέχουσες φορολογικές υποχρεώσεις	1,787	-
	<u>62,408</u>	<u>60,059,017</u>
<b>Σύνολο υποχρεώσεων</b>	<u>62,408</u>	<u>60,059,017</u>
<b>Σύνολο παθητικού</b>	<u>66,108,489</u>	<u>59,757,941</u>

## REA CEMENT LIMITED

### Κατάσταση Ταμειακής Ροής για το έτος που έληξε στις 31 Δεκεμβρίου 2004

	2004 ΕΥΡΩ	2003 ΕΥΡΩ
<b>Ροή μετρητών από εργασίες</b>		
Ζημιά προ φόρων	-149,581	-301,048
<b>Αλλαγές στο κεφάλαιο κίνησης:</b>		
Χρεώστες και προπληρωμές	58,466,262	96
Πιστωτές και οφειλόμενα έξοδα	<u>6,501,604</u>	<u>60,057,893</u>
<b>Μετρητά από εργασίες</b>	<b>64,818,285</b>	59,756,941
Φόροι που πληρώθηκαν	-1,475	-
<b>Καθαρά μετρητά από εργασίες</b>	<b>64,816,810</b>	
<b>Ροή μετρητών από επενδυτικές δραστηριότητες</b>		
	-	-58,566,085
Προκαταβολή για εξαγορά θυγατρικών		
Επενδύσεις σε θυγατρικές εταιρίες	<u>-65,807,373</u>	<u>-</u>
<b>Καθαρά μετρητά από επενδυτικές δραστηριότητες</b>	<b>-65,807,373</b>	-58,566,085
<b>Καθαρή μείωση στα μετρητά και αντίστοιχα μετρητών</b>	<b>-990,563</b>	1,190,856
Μετρητά και αντίστοιχα μετρητών στην αρχή του έτους	<u>1,190,856</u>	<u>-</u>
<b>Μετρητά και αντίστοιχα μετρητών στο τέλος του έτους</b>	<u><u>200,293</u></u>	<u><u>1,190,856</u></u>