East Cement Trade Limited

Report and financial statements
31 December 2005

Contents

East Cement Trade Limited

Board of Directors and other officers

Board of Directors

Arta Antoniou
Spyroulla Papaeracleous
Stelios Triantafyllides
David Seroux
Stamatis Douzinas

Company Secretary

A.T.S. Services Limited
2-4 Arch. Makarios III Avenue
Capital Center, 9th floor
CY-1505 Nicosia
Cyprus

Registered office

2-4 Arch. Makarios III Avenue
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East Cement Trade Limited

Report of the Board of Directors

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2005.

Principal activities

2 The Company's principal activities, which are unchanged from last year, are those of an investment holding company, the trade in cement and the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans. During the year the Company had no income from cement activities.

Review of developments, position and performance of the Company's business

3 As at 31 December 2005 the Company had a loss for the year of €80,077 compared to loss for the year 2004 of €801,257. The decrease was mainly from a gain on sale of plant and equipment of €404,850 (2004: loss of €178,438) a finance income of €165,454 (2004: loss of €139,988). The Board of Directors of the Company does not expect any significant changes in the activities of the Company for the foreseeable future.

Principal risks and uncertainties

4 The Company's principal risks and uncertainties are stated in Note 3.

Results

5 The Company's results for the year are set out on page 6. The loss for the year is carried forward.

Share capital

6 There were no changes in the share capital of the Company.

Board of Directors

7 The members of the Board of Directors at 31 December 2005 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2005.

8 In accordance with the Company's Articles of Association all Directors will continue in office.

East Cement Trade Limited

Report of the Board of Directors (continued)

Board of Directors (continued)

9 There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the balance sheet date

10 There were no material events which occurred after the end of the financial year.

Branches

11 The Company did not operate through any branches during the year.

Auditors

12 The auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

Stelios Triantafyllides
Director

Nicosia
………. 2006

PricewaterhouseCoopers Limited
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Report of the auditors to the members of East Cement Trade Limited

Report on the financial statements

1 We have audited the financial statements of East Cement Trade Limited on pages 6 to 20, which comprise the balance sheet as at 31 December 2005 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 East Cement Trade Limited as of 31 December 2005 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 the Cyprus Companies Law, Cap. 113.

4 Without qualifying our opinion we draw attention to the fact that at 31 December 2005 and during the year 2005 the Company had balances and entered into transactions with related parties in the normal course of business. Related parties may enter into transactions which unrelated parties would not and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

Report on other legal requirements

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

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- 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.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 3 is consistent with the financial statements.

PricewaterhouseCoopers

PricewaterhouseCoopers Limited
Chartered Accountants

Nicosia, 13 February 2006

East Cement Trade Limited

Statement of operations
for the year ended 31 December 2005

	Note	2005	2004
		€	€
Other gains	5	24,801	6,530
Gain/(loss) on sale of plant & equipment	9	404,850	(178,438)
Administrative expenses		(499,216)	(488,708)
Amortisation of prepayment costs	12	(173,869)	-
Operating loss		(243,434)	(660,616)
Finance income/(costs)	6	165,454	(139,988)
Loss before tax		(77,980)	(800,604)
Tax	7	(2,097)	(653)
Loss for the year		(80,077)	(801,257)

The notes on pages 10 to 20 are an integral part of these financial statements.

East Cement Trade Limited

Balance sheet
at 31 December 2005

	Note	2005 €	2004 €
Assets			
Non-current assets			
Plant and equipment	9	-	333,520
Investments in subsidiary undertakings	10	508,355	508,355
Intangible assets	11	1,920,015	2,160,013
		2,428,370	3,001,888
Current assets			
Other receivables	12	218,955	378,300
Cash and cash equivalents	14	796,888	108,950
		1,015,843	487,250
Total assets		3,444,213	3,489,138
Equity and liabilities			
Capital and reserves			
Share capital	15	10,101	10,101
Share premium	15	6,606,693	6,606,693
Accumulated losses		(3,218,771)	(3,138,694)
		3,398,023	3,478,100
Current liabilities			
Other payables	15	46,190	10,385
Current tax liabilities		-	653
Total liabilities		46,190	11,038
Total equity and liabilities		3,444,213	3,489,138

On 13 February 2006 the Board of Directors of East Cement Trade Limited authorised these financial statements for issue.

Stelios Triantafyllides, Director

Arta Antoniou, Director

The notes on pages 10 to 20 are an integral part of these financial statements.

East Cement Trade Limited

Statement of changes in equity for the year ended 31 December 2005

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2004		5,077	1,588,204	(2,337,437)	(744,156)
Issue of shares at premium	14	5,024	5,018,489	-	5,023,513
Loss for the year		-	-	(801,257)	(801,257)
Balance at 31 December 2004/1 January 2005		10,101	6,606,693	(3,138,694)	3,478,100
Loss for the year		-	-	(80,077)	(80,077)
Balance at 31 December 2005		10,101	6,606,693	(3,218,771)	3,398,023

The notes on pages 10 to 20 are an integral part of these financial statements.

East Cement Trade Limited

Cash flow statement
for the year ended 31 December 2005

	Note	2005	2004
		€	€
Cash flows from operating activities			
Loss before tax		(77,980)	(800,604)
Adjustments for:			
Depreciation charge	9	-	75,726
Amortisation of intangible assets	11	239,988	120,000
Interest expense	6	37	475
Gain/(loss) on disposal of fixed asset		(404,850)	178,438
		(242,795)	(425,965)
Changes in working capital:			
Other receivables		159,345	(37,743)
Other payables		35,805	(630,886)
Cash used in operations		(47,645)	(1,094,594)
Tax paid		(2,750)	-
Net cash used in operating activities		(50,395)	(1,094,594)
Cash flows from investing activities			
Proceeds from disposal of fixed asset	9	738,370	1,043,488
Net cash from investing activities		738,370	1,043,488
Cash flows from financing activities			
Interest paid		(37)	(475)
Net cash used in financing activities		(37)	(475)
Net increase/(decrease) in cash and bank balances		687,938	(51,581)
Cash and bank balances at the beginning of the year		108,950	160,531
Net cash and bank balances at the end of the year	13	796,888	108,950

The notes on pages 10 to 20 are an integral of these financial statements.

Notes to the financial statements

1 General

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113. Its registered office is at 2-4 Arch. Makarios III Avenue, Capital Centre, 9th floor, CY-1065, Nicosia, Cyprus.

Principal activities

The Company's principal activities are those of an investment holding company, the trade in cement and the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans. During the year the Company had no income from cement activities.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements of East Cement Trade Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and the provisions of the Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Adoption of new and revised IFRS

In the current year the Company adopted all new and revised IFRS that are relevant to its operations and are effective for accounting periods beginning on 1 January 2005.

This adoption did not result in substantial changes to the Company's accounting policies.

2 Summary of significant accounting policies (continued)

Revenue recognition

Revenue earned by the Company is recognised on the following bases:

(a) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured and presented in Euro (€) for the following reasons:

- The majority of assets and liabilities and majority of transaction of the Company were, and in the future are expected to be, denominated, executed and settled in €.
- Due to the nature of the Company's business, key economic and operational decisions are based in €.
- The functional currency of the ultimate parent company, Titan Cement S.A. which significantly influences the Company's key economic and operational decisions is the €.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Tax

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2 Summary of significant accounting policies (continued)

Tax (continued)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax on investments in subsidiaries does not arise, as the profit on sale of securities is not taxable.

Plant and equipment

All plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of plant and equipment. Depreciation on plant and equipment is calculated using the straight-line method to allocate the cost of each asset or its revalued amount, over its estimated useful life. The annual depreciation rates are:

Vessels	15%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditure for repairs and maintenance of plant and equipment is charged to the income statement of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and these are included in the income statement. When revalued assets are sold, the amounts included in the fair value reserves are transferred to retained earnings.

Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2 Summary of significant accounting policies (continued)

Intangible assets

Intangible assets represent expenditure to acquire trademarks, know how and customer lists which is capitalised. Intangible assets are tested annually for impairment and carried at cost less accumulated amortisation, less any accumulated impairment losses. Intangible assets are amortised using the straight-line method over their useful lives which is estimated to be 15 years (2004: 20 years).

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any permanent diminution in value. Where there has been a permanent diminution in the value of an investment, its recognised as an expense when the diminution is identified.

Receivables from/payables to related parties

Receivables from/payables to related parties are stated at their transacted values as they are on demand. Management believes that their fair value is not materially different from their transacted value.

Consolidated financial statements

Consolidated financial statements, which would include the financial statements of the Company and its subsidiary undertakings, have not been prepared because the Company is a wholly owned subsidiary itself and it does not need to prepare consolidated financial statements as these will be prepared by its ultimate parent company Titan Cement S.A., a company incorporated in Greece. This exemption is permitted by International Accounting Standard IAS27 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" and the requirements of the Cyprus Companies Law, Cap. 113. Consolidated financial statements can be obtained from Titan Cement S.A., 22A Halkidos Street, 11143 Athens, Greece.

Share Capital

Ordinary shares are classified as equity.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Financial risk management

(a) Financial risk factors

The Company is exposed to currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

(i) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. At the year-end the Company had certain cash balances and prepayments denominated in US dollars. As at 31 December US denominated balances were €208,798 (2004: €315,555). The Company's policy is not to enter into any currency hedging transactions. The foreign exchange gains/ (losses) recognised in the income statement were €165,491 in 2006 and loss of €139,513 in 2004 (Note 6).

(b) Fair value estimation

The nominal value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

4 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of intangible assets

The Company tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amount of cash-generating units has been determined based on value-in-use calculations. These calculations require the use of estimates as disclosed in Note 11.

If the revised useful life at 31 December 2006 had been 10 years, the Company would need to reduce the carrying value of intangible assets by € 240,006. If the actual useful life had been higher than management's estimates, the Company would not be able to reverse any impairment losses that arose on intangible assets.

4 Critical accounting estimates and judgements (continued)

(a) Critical accounting estimates and assumptions (continued)

(ii) Income taxes

The Company operates in Cypriot tax jurisdiction. The Company must interpret and apply existing legislation to transactions with third parties and its own activities. Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In Management's opinion, the Company is in substantial compliance with the tax laws governing its operations. However the risk remains that the relevant authorities could take differing positions with regard to interpretative issues and the effect could be significant.

The Company met the tax filing in Cyprus. To the best of Management's knowledge, no breaches of tax law have occurred. Thus, the Company has not recorded any provision for potential impact of any such breaches as at 31 December 2005 or as at 31 December 2004.

5 Other gains

	2005	2004
	€	€
Interest income:		
Bank balances	**21,263**	6,530
Other income	**3,538**	-
	24,801	6,530

6 Finance income/(costs)

	2005	2004
	€	€
Interest expense:		
Overdue taxation	**(37)**	(475)
Net foreign exchange transaction gains/(losses) on financing activities	**165,491**	(139,513)
	165,454	(139,988)

East Cement Trade Limited

7 Tax

	2005	2004
	€	€
Current tax:		
Defence contribution	**2,097**	653

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2005	2004
	€	€
Loss before tax	**(77,980)**	(800,604)
Tax calculated at the applicable tax rates	**(7,798)**	(80,060)
Tax effect of expenses not deductible for tax purposes	**41,390**	33,571
Tax effect of allowances and income not subject to tax	**(17,603)**	(326)
Tax effect of tax losses brought forward	**-**	46,815
Tax effect of tax losses utilised	**(15,989)**	-
Defence contribution	**2,097**	653
	2,097	653

From the tax year commencing 1 January 2003 onwards the Company is subject to corporation tax on its taxable profits at the rate of 10%. For the years 2003 and 2004 any profits in excess of C£1.000.000 are subject to an additional corporation tax at the rate of 5%.

Under certain conditions interest may be subject to defence contribution at the rate of 10%. In such cases 50% of the same interest will be exempt from corporation tax thus having an effective tax burden of approximately 15%. In certain cases dividends received from abroad may be subject to defence contribution at the rate of 15%.

During 2005 the Company had no corporation tax due to utilisation of tax losses brought forward. At 31 December 2005 the Company had tax losses of C£592,712 (2004: C£684,941) carried forward which can be utilised against future taxable profits with no time limitation.

8 Expenses by nature

	2005	2004
	€	€
Depreciation	**-**	75,726
Impairment charge – intangible assets	**80,002**	-
Amortisation of intangible assets	**159,996**	120,000
Accounting and administrative expenses	**9,649**	6,338
Auditors remuneration	**7,018**	4,759
Legal fees	**2,606**	4,752
Sundry expenses	**39,134**	5,436
Ship management expenses	**200,811**	271,697
Amortisation of prepayment costs	**173,869**	-
Total administrative expenses, amortisation of prepayment costs and impairment charge	**673,085**	488,708

East Cement Trade Limited

9 Plant and equipment

	Vessel Total 2005 €
Cost	
At 1 January 2005	**504,845**
Disposals (1)	**(504,845)**
At 31 December 2005	**-**
Depreciation	
At 1 January 2005	**171,325**
Disposal	**(171,325)**
At 31 December 2005	**-**
Net book amount	
At 31 December 2005	**-**

	Vessel €	2004 Vessel under construction €	**Total** €
Cost			
At 1 January 2004	504,845	1,221,926	**1,726,771**
Disposals (2)	-	(1,221,926)	**(1,221,926)**
At 31 December 2004	504,845	-	**504,845**
Depreciation			
At 1 January 2004	95,599	-	**95,599**
Charge for year	75,726	-	**75,726**
At 31 December 2004	171,325	-	**171,325**
Net book amount			
At 31 December 2004	333,520	-	**333,520**

(1) The vessel which was maintained by the Company was used primarily for the activities of the Company's subsidiaries. The vessel was disposed off during the year 2005 at a gain of €404,850 – proceeds from disposal €728,840.

(2) During 2002 the Company acquired 100 per cent of the interest in a partnership, Medcement Trading Company whose primary business activity was that of cement trade. The total cost for the acquisition was €1,705,387. Following the acquisition of the 100 per cent interest in Medcement Trading Company (the partnership), the Company proceeded to dissolve the partnership and all the assets and liabilities of Medcement Trading Company were transferred to the Company. As a result, a vessel under construction of €1,221,926 was transferred to the Company. The vessel was disposed in 2004 at a loss of €178,438-proceeds from disposal €1,043,488.

10 Investments in subsidiary undertakings

	% shareholding	Country of incorporation	**2005** **€**	2004 €
Four M Titan Silo Company LLC	50	Egypt	**506,342**	506,342
Misrieen Titan Cement Distribution Company	49	Egypt	**2,013**	2,013
			508,355	508,355

The Company considers the above investments as investments in subsidiary undertakings, on the ground that has the power to govern their financial and operating policies.

11 Intangible assets

	2005 **€**	2004 €
Cost		
At 1 January	**2,400,013**	2,400,013
Amortisation		
At 1 January	**240,000**	120,000
Amortisation charge	**159,996**	120,000
Impairment charge	**80,002**	-
At 31 December	**479,998**	240,000
Net book amount		
At 31 December	**1,920,015**	2,160,013

In December 2002, the Company exchanged an indebtedness to it by a third party of €2,400,013 for certain intangible assets, principally:

(a) the trademark 'Al Misrieen Cement MCM' registered in the Trademarks and Industrial Property Department of the Ministry of Supplies and Internal Trade of Egypt.
(b) the right to use the business name 'Al Misrieen'; and
(c) the customer list of certain third party and knowhow of cement trading in Egypt.

As from 1 January 2003, the Company started amortising the intangible asset by €10,000 per month over a 20 year period. On 1 January 2005 the Company reassessed the useful life of the intangible assets from 20 to 15 years, the Company changed the useful life of the intangible assets to 15 years based on their current estimations for the use of the intangible assets. The impact of the change in useful life was an increase in the monthly amortisation change from €10,000 to €13,333 and an impairment charge of €80,002 to be recognised in the income statement of 2005.

12 Other receivables

	2005 €	2004 €
Receivables from related party (Note 16)	**-**	62,618
Prepayments (1)	**208,798**	315,682
Other receivables	**10,157**	-
	218,955	378,300

(1) Prepayment represents advances of US$425,000 in December 2002 under a commission agreement with Misrieen for utilisation of the "Al Misrieen" brand for the production of cement. The prepayment is for a period of 7 years and no return of funds will be made at the end of the 7 years period, even if no production of cement takes place. Based on these terms of the agreement, the Company decided to proceed with the amortisation of the prepayments, due to the fact that the production has not started yet. The amortisation for the year includes the amortisation for 2003, 2004 and 2005, being US$182,160 (€173,869). The prepayments will be amortised by US$5,060 per month.

13 Cash and cash equivalents

For the purposes of the cash flow statement cash and cash equivalents comprise the following:

	2005 €	2004 €
Cash at bank	**796,888**	108,950

14 Share capital and share premium

2005	Number of shares	Share capital £	Share capital €	Share premium €
At 1 January and 31 December 2005	5 836	5,836	10,101	6,606,693

2004	Number of shares	Share capital £	Share capital €	Share premium €
At 1 January 2004	2 925	2,925	5,077	1,588,204
Issue of shares at a premium (2)	2 911	2,911	5,024	5,018,489
At 31 December 2004	5 836	5,836	10,101	6,606,693

(1) The total authorised number of ordinary shares is 10 000 shares (2004: 10 000 shares) with a par value of C£1 per share. All issued shares are fully paid.

14 Share capital and share premium (continued)

(2) During 2004, the Company increased its authorized share capital from 3 000 to 10 000 shares of C£1 each and issued 2 911 ordinary shares of C£1 each at C£1,000 each. As a result share premium increased from €1,588,204 in 2003 to €6,606,693 in 2004 – movement in the year C£2,908,089 (€5,018,489).

15 Other payables

	2005	2004
	€	€
Payables to related parties (Note 16)	**34,624**	2,964
Other payables	**11,566**	7,421
	46,190	10,385

16 Related party transactions

As from 17 December 2002, the Company is controlled by Lafarge Titan Egyptian Investments Limited, which owns 100% of the Company's shares.

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and as such include all companies which are ultimately controlled by a common management.

The following transactions were carried out with related parties:

(a) Year-end balances arising from financing

	Nature of transactions	2005 €	2004 €
Receivables from related party:			
Subsidiary undertaking	Financing	**-**	62,618
Payables to related parties:			
Subsidiary undertaking	Financing	**34,481**	-
Fellow group companies	Financing	**143**	2,964
		34,624	2,964

17 Events after the balance sheet date

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

Report of the auditors on pages 4 and 5.

East Cement Trade Limited

Analysis of expenses
for the year ended 31 December 2005

	2005	2004
	€	€
Administrative expenses		
Depreciation	**-**	75,726
Amortisation of goodwill	**159,996**	120,000
Accounting and administrative expenses	**9,649**	6,338
Auditors remuneration	**6,416**	4,759
Auditors remuneration – prior year	**602**	-
Printing and stationery	**26**	111
Legal fees	**2,606**	4,752
Postages and telephones	**1,236**	1,108
Bank charges	**393**	793
Sundry expenses	**36,213**	1,788
Utilities expenses	**1,266**	1,636
Ship management expenses	**2,523**	96,133
Misc. ship expenses	**4,718**	17,749
Custom duties and taxes	**58,405**	-
Ship utilisation expenses	**21,700**	23,964
Ship insurance	**6,630**	11,162
Stay and birthing	**5,332**	55,691
Crew salaries and related benefits	**14,792**	60,285
VELP Compensation	**86,711**	-
Maintenance expenses	-	6,713
	419,214	488,708