

Balance Sheet

Numbers at Euro

		As at 31 December	
<u>ASSETS</u>	Notes	2005	2004
Property, plant and equipment	5	451.641,27	540.548,45
Non current receivables	6	9.335,18	8.895,38
Non-current assets		460.976,45	549.443,83
Inventories	7	1.028.357,55	1.643.275,13
Receivables and prepayments	8	1.413.016,32	1.197.422,58
Cash and cash equivalents	9	32.011,10	33.640,14
Current assets		2.473.384,97	2.874.337,85
Total assets		2.934.361,42	3.423.781,68
<u>LIABILITIES</u>			
Retirement benefit obligations	12	241.585,75	250.307,38
Non-current liabilities		241.585,75	250.307,38
Trade and other payables	11	476.339,90	384.175,84
Current income tax liabilities		98.782,15	210.895,48
Short - term borrowings	10	44,68	218.887,76
Dividends payable	17	862.840,00	953.900,00
Current liabilities		1.438.006,73	1.767.859,08
Total liabilities (a)		1.679.592,48	2.018.166,46
Share capital	14	129.000,00	129.000,00
Other reserves	15	473.767,30	473.767,30
Retained earnings		652.001,64	802.847,92
Total equity (b)		1.254.768,94	1.405.615,22
TOTAL EQUITY AND LIABILITIES (a+b)		2.934.361,42	3.423.781,68

The notes at pages 6 to 32 constitute integral part of these financial statements

Income Statement

Numbers at Euro

		As at 31 December	
	Notes	2005	2004
Turnover		4.273.404,81	3.759.711,95
Cost of sales		-2.709.950,75	-1.950.764,30
Gross profit		1.563.454,06	1.808.947,65
Other operating expenses		-15.749,28	46.101,59
Administrative expenses		-229.626,54	-203.081,66
Selling and marketing expenses		-68.445,75	-83.516,58
Earnings before interest, taxes and depreciation		1.249.632,49	1.568.451,00
Depreciation & amortization		-137.600,38	-167.845,17
Earnings before interest and taxes	1	1.112.032,11	1.400.605,83
Income from participations			
Finance (cost) / income	2	-2.126,19	-3.880,59
Profit before taxes		1.109.905,92	1.396.725,24
Less: taxes	4	-362.912,20	-480.488,93
Profit after taxes		746.993,72	916.236,31

The notes at pages 6 to 32 constitute integral part of these financial statements

Statement of Changes in Shareholders' Equity

Numbers at Euro

	Ordinary shares	Fair value and other reserves	Retained earnings	Total
Year ended 31 December 2004				
Opening balance	129.000,00	473.767,30	-95.322,24	507.445,06
Net profit per income statement	0,00	0,00	916.236,31	916.236,31
Tax penalties (previous fiscal years)	0,00	0,00	-18.066,15	-18.066,15
Closing Balance at 31 December 2004	129.000,00	473.767,30	802.847,92	1.405.615,22
Year ended 31 December 2005				
Opening balance	1.290.000,00	473.767,30	802.847,92	1.405.615,22
Net profit per income statement	0,00	0,00	746.993,72	746.993,72
Dividends	0,00	0,00	-897.840,00	-897.840,00
Closing Balance at 31 December 2005	1.290.000,00	473.767,30	652.001,64	1.254.768,94

The notes at pages 6 to 32 constitute integral part of these financial statements

Cash Flow Statement

Numbers at Euro

		Year ended 31 December	
notes	2005	2004	
Cash flows from operating activities			
Cash generated from operations	16 1.731.957,18	478.797,78	
Interest paid	-3.194,86	-5.876,92	
Income taxes paid	-475.025,12	-497.931,10	
<i>Net cash generated from operating activities</i>	<u>1.253.737,20</u>	<u>-25.010,24</u>	
Cash flows from investing activities			
Purchase of tangible and intangible assets	5 -48.693,20	-91.361,94	
Proceeds from sale of property, plant and equipment and intangible assets	16 0,00	2.700,00	
Interest received	1.068,67	1.996,33	
<i>Net cash generated from investing activities</i>	<u>-47.624,53</u>	<u>-86.665,61</u>	
Cash flows from financing activities			
Dividend paid	-988.900,00	-297.200,00	
Proceeds of borrowings	0,00	218.888,00	
Repayments of borrowings	-218.841,71	0,00	
<i>Net cash flows from financing activities</i>	<u>-1.207.741,71</u>	<u>-78.312,00</u>	
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	-1.629,04	-189.987,85	
Cash and cash equivalents at beginning of the period	33.640,14	223.627,99	
Cash and cash equivalents at end of the period	9 <u>32.011,10</u>	<u>33.640,14</u>	

The notes at pages 6 to 32 constitute integral part of these financial statements

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**Accounting Policies, Financial Risk Management and Critical
Accounting Estimates and Judgements**

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1. Accounting Policies

General information

The Anonymous company latomeia gournon S.A. is engaged in the production, and trade of all nature (inert) material products or quarry.

The Company is a member of TITAN GROUP (Titan Cement Company S.A. is listed on the Athens Stock Exchange).

The company's head office and registered address is "Dio Gremoi Anonpolis of Municipality Of Gouves Prefecture of Heraklion.

These financial statements have been approved for issue by the Board of Directors on 22 February 2006.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

A. Basis of preparation

These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), including International Reporting Standards ("IAS"), and the interpretations issued by the International Financial Reporting Interpretations Committee, that have been approved by the European Union, and IFRS that have been issued by the International Accounting Standards Board ("IASB").

All IFRS issued by the IASB, which apply to the preparation of these financial statements have been accepted by the European Council following an approval process undertaken by European Commission ("EC"), except for IAS 39 "Financial Instruments: Recognition and Measurement". Following this process and as a result of representations made by the Accounting Regulatory Committee of the European Council, the latter issued the Directives 2086/2004 and 1864/2005 that require the application of IAS 39 by all listed companies with effect from the 1st January 2005, except for specific sections that relate to hedging of deposit portfolios.

As the Company is not impacted by the sections that relate to hedging of deposit portfolios, as reflected in the IAS 39 approved by the EC, these financial statements have been prepared in compliance with IFRS that have been approved by the EC and IFRS that have been issued by the IASB.

IFRS 1 "First-time Adoption of International Financial Reporting Standards", has been applied in preparing the financial statements with effect from 1st January 2004. IAS 1 "Presentation of Financial Statements" requires the presentation of

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comparative information for at least the prior corresponding period to the current period being presented. Therefore the Company's first time adoption balance sheet under IFRS is that of the 1st January 2003 (date of first adoption of IFRS). The Company has taken the exemption available under IFRS 1 to only apply IAS 32 (revised) "Financial Instruments: Disclosure and Presentation" and IAS 39 (revised) "Financial Instruments: Recognition and Measurement" from 1 January 2005.

Reconciliations and descriptions of the effect of the transition from Greek GAAP to IFRS on the Company's equity and its net income are given in note 24

These financial statements have been prepared under the historical cost convention, with the exception of available for sale investments that are measured at fair value.

B. Property, plant and equipment

Property, plant and equipment is stated at historical cost less subsequent depreciation and impairment, except for land (excluding quarries), which is shown at cost less impairment.

Cost includes expenditure that is directly attributable to the acquisition of the items and any environmental rehabilitation costs to the extent that they have been recognised as a provision. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Subsequent costs are depreciated over the remaining useful life of the related asset or to the date of the net major subsequent cost whichever is the sooner.

Depreciation, with the exception of quarries, is calculated on the straight-line method to write off the assets to their residual values over their estimated useful lives as follows:

Buildings	Up to 50 years
Plant and machinery	Up to 40 years
Motor vehicles	5 to 15 years
Office equipment (incl. computer equipment and software) furniture and fittings	3 to 10 years
Minor value assets	Up to 2 years

Land on which quarries are located is depreciated on a depletion basis. This depletion is recorded as the material extraction process advances based on the unit-of-production method. Other land is not depreciated.

Where an item of plant and machinery comprises major components with different useful lives, the components are accounted for as separate items of plant and

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machinery.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. (Refer to note D– Impairment of assets)

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Interest costs on borrowings specifically used to finance the construction of property, plant and equipment are capitalised during the period incurred.

C. Intangible assets

(2) Other intangible assets

Patents, trademarks and licences are shown at historical cost. These intangible assets have a definite useful life, and their cost is amortised using the straight-line method over their useful lives, not exceeding 20 years.

D. Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to 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, as an expense immediately, 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 (cash-generating units).

E. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

F.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

G. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

H. Deferred tax

The company does not count the deferred tax because temporary differences does not exist

I. Employee benefits

(1) Pension and other retirement obligations

The Company has an obligation in respect of defined benefit plans in accordance with local requirements.

The liability in respect of defined benefit pension plans, is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated at periodic intervals not exceeding two years by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to income over the average remaining service lives of the related employees.

(2) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated, before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. Where the employee's

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employment is terminated at the normal retirement date, the entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans.

These obligations are valued every two years by independent qualified actuaries. As regards termination before the normal retirement date or voluntary redundancy, the Company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Any such benefits falling due more than 12 months after balance sheet date are discounted to present value.

J. Government grants relating to purchase of property, plant and equipment

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

K. Revenue recognition

Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts, and after eliminating sales within the Company. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer (usually upon delivery and customer acceptance) and the realization of the related receivable is reasonably assured.

Revenue arising from services is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

Dividends are recognised in the income statement when the right to receive payment is established.

Dividends are recorded in the financial statements when declared.

M. Comparative figures and rounding

Certain prior year amounts have been reclassified to conform to the current year presentation.

Differences between amounts presented in the financial statement and the corresponding amount in the note results from rounding differences.

N. Financial Risk Management

(1) Credit risk

The Company has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base. All Company companies monitor the financial position of their debtors on an ongoing basis.

Where considered appropriate, credit guarantee insurance cover is purchased. The granting of credit is controlled by application and account limits. Appropriate provision for impairment losses is made for specific credit risks and at the year-end management did not consider there to be any material credit risk exposure that was not already covered by credit guarantee insurance or a doubtful debt provision.

(2) Liquidity risk

Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and marketable securities and the ability to close out those positions as and when required by the business.

The Company manages liquidity risk by proper management of working capital and cash flows. This is done by monitoring forecast cash flows and ensuring that adequate banking facilities and reserve borrowing facilities are maintained. The Company has sufficient undrawn call/demand borrowing facilities that could be utilised to fund any potential shortfall in cash resources.

(3) Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. Exposure to interest rate risk on liabilities and investments is monitored on a proactive basis. In order to mitigate interest rate risk, the financing of the Company is structured on a pre-determined combination of fixed and floating interest rates. Interest rate derivatives may occasionally be used, if deemed necessary, to change the abovementioned combination.

It is the policy of the Company to continuously review interest rate trends and the tenure of financing needs. In this respect, decisions are made on an individual basis as to the term and fixed versus floating cost of a loan.

Consequently, all short term borrowings are entered into at floating rates. Medium and long-term facilities are normally entered into at fixed interest rates. This provides the Company the ability to avoid significant fluctuation in interest rate movements.

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Anonymous Company of Industrial Exploitation of Quarries and Mines Quarries of Gournes S.A.-LATOMEIA GOURNON S.A. as a member of TITAN Group follows the same accounting policies with the ones adopted in the preparation of the financial statements of the mother company TITAN S.A. which are published in the company's website www.titan.gr

1. Profit from operations

Numbers at Euro

The following items have been included in arriving at profit from operations:

	2005	2004
Owned assets	137.600,38	167.845,17
	<u>137.600,38</u>	<u>167.845,17</u>
(Profit) / loss on disposal of property, plant and equipment	0,00	2.700,00
Repairs and maintenance expenditure on property, plant and equipment	190.135,00	272.201,26
Costs of inventories recognized as an expense in Cost of Sales		
Maintenance stores	430.725,57	885.408,51
Finished goods	633.697,26	963.561,49
	<u>1.064.422,83</u>	<u>1.848.970,00</u>
Staff costs	901.041,64	1.143.037,31

2. Finance (costs) / income

Numbers at Euro

	2005	2004
Interest income	1.068,67	1.996,33
Interest expense	-3.194,86	-5.876,92
Net financing (costs)/income	-2.126,19	-3.880,59

3. Staff costs

Numbers at Euro

	2005	2004
Wages and salaries	664.347,03	846.494,18
Termination Benefits incurred	8.755,64	6.789,81
Social security costs	178.677,50	230.675,12
Pension costs - defined benefit plans	7.062,44	0,00
Other post employment benefits	42.199,03	59.078,20
Total	901.041,64	1.143.037,31
Salaried	24,00	27,00
Day labourer	2,00	3,00
Total	26,00	30,00

4. Income tax expense

Numbers at Euro

	2005		2004	
Current tax	362.912,20	32,70%	480.488,93	34,40%
	362.912,20	32,70%	480.488,93	34,40%

The tax on the profit before tax differs from the theoretical amount that would arise using the tax rate as follows:

	2.005		2.004	
Profit before tax	1.109.905,92		1.396.725,24	
Tax calculated at the statutory tax rate of 27%	355.169,89	27,00%	488.853,83	35,00%
Income not subject to tax	0,00	0,00%	-8.364,90	-0,60%
Other taxes	7.742,31	0,70%	0,00	0,00%
Effective tax charge	362.912,20	32,70%	480.488,93	34,40%

5. Property, plant and equipment

Numbers at Euro

	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Total
Year ended 31 December 2004					
Opening balance	14.852,89	589.470,37	8.886,42	3.822,00	617.031,68
Additions	21.449,34	31.515,00	30.550,00	7.847,60	91.361,94
Disposals (Note 22)	0,00	-23.686,91	0,00	-2.054,29	-25.741,20
Depreciation charge (Note 2)	-1.530,21	-127.399,19	-6.974,46	-6.200,11	-142.103,97
Closing balance	34.772,02	469.899,27	32.461,96	3.415,20	540.548,45
At 31 December 2004					
Cost	135.106,82	1.551.107,88	200.109,58	60.752,59	1.947.076,87
Accumulated depreciation	100.334,80	1.081.208,61	167.647,62	57.337,39	1.406.528,42
Net book amount	34.772,02	469.899,27	32.461,96	3.415,20	540.548,45
Year ended 31 December 2005					
Opening balance	34.772,02	469.899,27	32.461,96	3.415,20	540.548,45
Additions	0,00	39.655,00	0,00	9.038,20	48.693,20
Depreciation charge (Note 2)	-2.553,42	-121.127,33	-8.705,29	-5.214,34	-137.600,38
Closing balance	32.218,60	388.426,94	23.756,67	7.239,06	451.641,27
At 31 December 2005					
Cost	135.106,82	1.590.762,88	200.109,58	69.790,79	1.995.770,07
Accumulated depreciation	102.888,22	1.202.335,94	176.352,91	62.551,73	1.544.128,80
Net book amount	32.218,60	388.426,94	23.756,67	7.239,06	451.641,27

The Company has no pledges on its owned assets.

6. Non-current receivables

Numbers at Euro

	2005	2004
Guaranties to electricity authorities	7.926,34	7.926,34
Rental guaranties	1.408,84	969,04
	<u>9.335,18</u>	<u>8.895,38</u>

7. Inventories

Numbers at Euro

	2005	2004
Inventories		
Maintenance stores	58.708,36	37.210,89
Finished goods	968.935,33	1.602.632,59
Prepayments for inventory purchase	713,86	3.431,65
	<u>1.028.357,55</u>	<u>1.643.275,13</u>

8. Receivables and prepayments

Numbers at Euro

	2005	2004
Trade receivables	1.391.069,11	1.172.230,32
Less: Provision for impairment of receivables	-21.214,39	0,00
	<u>1.369.854,72</u>	<u>1.172.230,32</u>
Other trade receivables from related parties (Note 17)	46,37	46,37
Prepayments	19.285,45	3.943,51
Other receivables	23.829,78	21.202,38
	<u>1.413.016,32</u>	<u>1.197.422,58</u>

Provision for bad and doubtful debts

	2005	2004
Opening Balance	0,00	56.825,72
Additional provision for the period	21.214,39	0,00
Utilised during the year	0,00	56.825,72
Closing Balance	<u>21.214,39</u>	<u>56.825,72</u>

9. Cash and cash equivalents

Numbers at Euro

	2005	2004
Cash at bank and in hand	975,43	885,49
Short-term bank deposits	31.035,67	32.754,65
	<u>32.011,10</u>	<u>33.640,14</u>

10. Trade and other payables

Numbers at Euro

	2005	2004
Trade payables	92.016,52	82.265,53
Other trade payables to related parties (Note 17)	168.228,48	121.191,68
Other payables	44.484,29	22.254,37
Accrued expenses	0,00	0,00
Social security	41.219,88	49.653,29
Debtors down payments/advances	7.561,87	12.316,76
Other taxes	122.828,86	96.494,21
	<u>476.339,90</u>	<u>384.175,84</u>

11. Borrowings

Numbers at Euro

	2005	2004
Current		
Loans in local currency - (€)	44,68	218.887,76

The bank borrowings of the Company are unsecured. The fair values of the borrowings closely approximate their carrying amounts.

12. Retirement and termination benefit obligations

Numbers at Euro

Greece

. These retirement indemnities are unfunded and the liabilities arising from such obligations are actuarially valued by an independent firm of actuaries. The last actuarial valuation was undertaken in January 2006. The principal actuarial assumptions used were a discount rate of 4%, future salary increases of between 5 and 6% and future pension increases of 3% per annum

The amounts recognized in the income statement relating to defined benefit pension plans and other post retirement and termination benefits (defined benefit plans) are as follows:

	2005	2004
Current service cost	10.752,16	0
Interest cost	5.752,03	0
Past service cost	-9.441,75	0
Actuarial loss / (gain)	0,00	0
	7.062,44	0
Net periodic cost	7.062,44	0
Additional provision required/(provision not utilized)	0,00	0
Amounts recognised in the income statement	7.062,44	0
Total charge was allocated as follows:		
Other operating expenses		
Movement in the liability recognized in the Balance Sheet:		
At beginning of year	250.307,38	250307,38
Total expense - as shown above	7.062,44	0
Additional provision required/(provision not utilized)	0,00	0
Benefits paid during the year	15.784,07	0
At end of year	241.585,75	250.307,38

13. Contingencies

Numbers at Euro

	2005	2004
Contingent liabilities		
Other bank guarantees	<u>111.518,71</u>	<u>115.041,06</u>
	<u><u>111.518,71</u></u>	<u><u>115.041,06</u></u>

The company has possible commitments during the ordinary progress of works.

There are no litigation matters which have a material impact on the financial positions of the company.

The fiscal years unaudited by the tax authorities are 2003-2005.

14. Share capital

Numbers at Euro

	Number of ordinary shares	Ordinary Shares	
At 1 January 2004	43.000,00	129.000,00	-
At 31 December 2004	43.000,00	129.000,00	
At 31 December 2005	43.000,00	129.000,00	

15. Fair value and other reserves

Numbers at Euro

	Legal reserve	Reserves under special laws	Total
Year ended 31 December 2004			
Opening balance	90.483,57	383.283,73	473.767,30
Closing Balance at 31 December 2004	90.483,57	383.283,73	473.767,30
Year ended 31 December 2005			
Opening balance	90.483,57	383.283,73	473.767,30
Closing Balance at 31 December 2005	90.483,57	383.283,73	473.767,30

16. Cash generated from operations

Numbers at Euro

	<u>2005</u>	<u>2004</u>
Net Profit for the year as per income statements	1.109.905,92	1.396.725,24
Adjustments for:		
Depreciation (Note 5)	137.600,38	167.845,17
Profit/loss on sale of property, plant and equipment	0,00	-2.700,00
Provision for impairment of debtors charged to income statement (Note 8)	21.214,39	-39.523,32
Provision for retirement and termination benefit obligations	7.062,44	0,00
Interest income and net foreign exchange transaction gains	-1.068,67	-1.996,33
Interest expense and net foreign exchange transaction losses	3.194,86	5.876,92
Changes in working capital:		
Decrease / (increase) in inventories	614.917,58	-879.722,81
Decrease / (increase) in trade and other receivables	76.378,53	-34.446,50
(Decrease) / increase in trade and other payables	-237.248,11	-133.260,59
Cash generated from operations	<u>1.731.957,32</u>	<u>478.797,78</u>

In the cash flow statement, proceeds from the sale of property, plant and equipment comprise:

Net book amount at date of sale	0,00	0,00
Profit/(loss) on sale of property, plant and equipment	0,00	2.700,00
Proceeds from the sale of property, plant and equipment	<u>0,00</u>	<u>2.700,00</u>

17. Intercompany transactions

Numbers at Euro

The following is a summary of transactions that were carried out with related parties during the year:

	<u>2005</u>	<u>2004</u>
i) Purchases of goods and services		
Purchase of goods from Titan.S.A	10,00	22.000,00
Purchase of goods from subsidiaries	0,00	50,00
Purchase of services from subsidiaries	39.600,00	26.400,00
ii) Year-end balances arising from purchases of goods and services		
Payables to Titan S.A (Note 10)	32.500,14	32.488,34
Dividend to Titan S.A	473.186,00	556.935,27
Dividend to subsidiaries	389.654,00	396.964,73
Payables to subsidiaries (Note 10)	135.728,34	88.703,34
Receivables from subsidiaries (Note 8)	46,37	46,37

18. Reconciliation to International Financial Reporting Standards ("IFRS")

Reconciliation of Balance Sheet at 31 December 2004

Numbers at Euro

	<i>Greek GAAP</i>	<i>Effect of transition to IFRS</i>	<i>IFRS</i>
ASSETS			
Property, plant and equipment	540.548,45	0,00	540.548,45
Non current receivables	8.895,38	0,00	8.895,38
Non-current assets	549.443,83	0,00	549.443,83
Inventories	1.643.275,13	0,00	1.643.275,13
Receivables and prepayments	1.461.547,77	-264.125,19	1.197.422,58
Cash and cash equivalents	33.640,14	0,00	33.640,14
Total current assets	3.138.463,04	-264.125,19	2.874.337,85
TOTAL ASSETS	3.687.906,87	-264.125,19	3.423.781,68
SHAREHOLDERS' EQUITY			
Retirement and termination benefit obligations	154.932,46	95.374,92	250.307,38
NON- CURRENT LIABILITIES	154.932,46	95.374,92	250.307,38
Borrowings	218.887,76	0,00	218.887,76
Trade and other payables	384.175,84	0,00	384.175,84
Current tax liabilities	475.020,67	-264.125,19	210.895,48
Dividends for shareholders	1.851.740,00	0,00	1.851.740,00
Total liabilities(a)	3.084.756,73	-168.750,27	2.916.006,46
Share capital	129.000,00	0,00	129.000,00
Retained earnings	382,84	-95.374,92	-94.992,08
Fair value and other reserves	473.767,30	0,00	473.767,30
Share capital and reserves(b)	603.150,14	-95.374,92	507.775,22
Total equity and liabilities(a+b)	3.687.906,87	-264.125,19	3.423.781,68

18 Reconciliation to International Financial Reporting Standards ("IFRS") (continued)

Reconciliation of Income Statement for the year ended 31 December 2004

Numbers at Euro

	<i>Greek GAAP</i>	<i>Effect of transition to IFRS</i>	<i>IFRS</i>
Turnover	3.759.711,95	0,00	3.759.711,95
Cost of sales	-1.942.509,90	0,00	-1.942.509,90
Gross profit	1.817.202,05	0,00	1.817.202,05
Other operating income/ (expense)	46.101,59	0,00	46.101,59
Administrative expenses	-203.081,66	0,00	-203.081,66
Selling and marketing expenses	-83.516,58	0,00	-83.516,58
Earnings before interest, taxes and depreciation	1.576.705,40	0,00	1.576.705,40
Depreciation & amortization	-176.099,57	0,00	-176.099,57
Earnings before interest and taxes	1.400.605,83	0,00	1.400.605,83
Finance costs - net	-3.880,59	0,00	-3.880,59
Profit before taxes	1.396.725,24	0,00	1.396.725,24
Less: taxes	-480.488,93	0,00	-480.488,93
Profit after taxes	916.236,31	0,00	916.236,31

18. Reconciliation to International Financial Reporting Standards ("IFRS") (continued)

Amounts at Euro

Reconciliation of Equity between Greek statutory financial statements and IFRS

As previously reported in Greek statutory financial statements at 31 December 2004	603.150,14
Adjusted for:	
Recognition of additional provision relating to staff termination and post-retirement benefits	-95.374,92
As restated to conform with the requirements of IFRS at 31 December 2004	<u>507.775,22</u>

18. Reconciliation to International Financial Reporting Standards "IFRS"(continued)

Amounts at Euro

Reconciliation of Profit after tax between Greek statutory financial statements and IFRS

As previously reported in Greek statutory financial statements at 31 December 2004	916.236,31
As restated to conform with the requirements of IFRS at 31 December 2004	916.236,31

19. Post balance sheet events

There are no events after 31 December 2005 considered to be material to the financial position of both the Group and the Company.

REPORT OF THE AUDITORS (translated from the Greek original)

To the Shareholders of “Anonymous Company for Industrial Exploitation of Quarries and Mines – Latomeia Gournon S.A.”

We have audited the accompanying financial statements of “Anonymous Company for Industrial Exploitation of Quarries and Mines – Latomeia Gournon S.A.” (the “Company”) set out on pages 1 to 32 for the year ended 31 December 2005. 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 Greek Auditing Standards which conform 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, significant estimates made by management and the consistency of the information included in the Directors’ Report with the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2005, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the information included in the Directors’ Report is consistent with the financial statements.

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers S.A.
Certified Auditors and Accountants
268 Kifissias Avenue
152 32 Halandri

SOEL Reg. No. 113

Athens, 22 February 2005
The Certified Auditor

Kyriacos Riris
SOEL Reg. No. 12111