INTERBETON CONSTRUCTION MATERIALS SA
Annual Financial Statements Based on International Financial Reporting Standards
For the year ended 31 December 2005

These financial statement have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the Original Greek language financial statements, the Greek language financial statements will prevail over this document.

Interbeton Construction materials S.A.
Company's No 2927/01/B/86/2926 in the register of Societes Anonymes
22A Halkidos Str. - 111 43 Athens

Balance Sheet

		As at 31 December	
ASSETS	**Notes**	**2005**	**2004**
Property, plant and equipment	6	42,892,402	34,500,257
Intangible assets	7	8,171,230	5,226,247
Investments in subsidiaries	8	2,778,394	4,259,850
Non current receivables	10	184,788	176,206
Non-current assets		**54,026,814**	**44,162,561**
Inventories	11	3,237,834	3,293,791
Receivables and prepayments	12	61,092,946	47,982,394
Available-for-sale financial assets	9	587	587
Cash and cash equivalents	13	242,957	288,697
Current assets		**64,574,325**	**51,565,468**
Total assets		**118,601,139**	**95,728,029**

LIABILITIES			
Deferred tax	16	1,964,997	1,723,591
Retirement benefit obligations	17	6,502,138	7,585,314
Other non-current liabilities	18	391,070	245,043
Non-current liabilities		**8,858,205**	**9,553,948**
Trade and other payables	14	27,955,534	20,087,986
Current income tax liabilities		3,707,694	2,442,118
Short - term borrowings	15	10,490,284	0
Dividends payable	24	5,722,456	12,272,757
Current liabilities		**47,875,967**	**34,802,861**
Total liabilities (a)		**56,734,172**	**44,356,809**
Share capital	20	26,826,739	26,748,737
Other reserves	21	26,947,051	26,228,146
Retained earnings		8,093,177	-1,605,663
Total equity (b)		**61,866,967**	**51,371,220**
TOTAL EQUITY AND LIABILITIES (a+b)		**118,601,139**	**95,728,029**

These financial statement have been approved for issue by the board of directors on 22 February,2006

The notes in pages 5-32 are obligatory of these financial statement

Income Statement

	Notes	As at 31 December 2005	2004
Turnover		143,774,638	140,368,616
Cost of sales		-114,739,026	-107,237,913
Gross profit		**29,035,612**	**33,130,703**
Other operating expenses		-1,439,982	-2,362,294
Administrative expenses		-6,880,835	-6,321,472
Selling and marketing expenses		-3,333,900	-2,221,504
Earnings before interest, taxes and depreciation		**17,380,894**	**22,225,433**
Depreciation & amortization		-3,043,375	-2,897,632
Earnings before interest and taxes	2	**14,337,520**	**19,327,801**
Income from participations		428,637	456,965
Finance (cost) / income	3	-17,227	184,904
Profit before taxes		**14,748,929**	**19,969,670**
Less: taxes	5	-3,949,100	-5,111,122
Profit after taxes		**10,799,828**	**14,858,548**

The notes in pages 5-32 are obligatory of these financial statement

Statement of Changes in Shareholders' Equity

	Notes	Ordinary shares	Share Premium	Fair value and other reserves	Retained earnings	Total
Year ended 31 December 2004						
Opening balance		**23,367,110**	**2,308,961**	**13,140,993**	**-459,846**	**38,357,217**
Dividends		0	0	0	-12,272,757	-12,272,757
Net profit per income statement		0	0	0	14,858,549	14,858,549
Increase/(decrease) in share capital	20	1,072,664	0	0	-2	1,072,662
Transfer to reserves	21	0	0	14,300,147	-14,300,147	0
Capitalisation of reserves		2	0	0	0	2
Trensfer to retained earnings from reserve		0	0	-3,674,087	3,674,087	0
Other (balance of merged companies)		0	0	2,461,094	6,894,454	9,355,548
Closing Balance at 31 Decenber 2004		**24,439,776**	**2,308,961**	**26,228,147**	**-1,605,664**	**51,371,220**
Year ended 31 December 2005						
Opening balance		**24,439,776**	**2,308,961**	**26,228,147**	**-1,605,664**	**51,371,220**
Net profit per income statement		0	0	0	10,799,828	10,799,828
Increase/(decrease) in share capital	20	78,002	0	0	0	78,002
Transfer to reserves	21	0	0	578,201	-578,201	0
Other (balance of merged companies)		0	0	140,703	-522,787	-382,084
Closing Balance at 31 December 2005		**24,517,778**	**2,308,961**	**26,947,051**	**8,093,177**	**61,866,967**

The notes in pages 5-32 are obligatory of these financial statement

Cash Flow Statement

	notes	Year ended 31 December 2005	2004
Cash flows from operating activities			
Cash generated from operations	22	10,184,021	26,139,188
Interest received		35,904	193,975
Income taxes paid		-2,358,902	-5,637,236
Net cash generated from operating activities		***7,861,023***	***20,695,927***
Cash flows from investing activities			
purchase of tangible and intangible assets	6 , 7	-10,897,641	-9,457,234
Proceeds from sale of property, plant and equipment and intangible assets	22	790,946	1,644,197
Proceeds from dividends		428,637	456,965
Disposal/(Acquisition) of subsidiaries		-2,029,527	-4,204,318
Decrease/(increase) in long term receivables		-3,650	-58,584
Net cash generated from investing activities		***-11,711,235***	***-11,618,974***
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	20	78,002	1,072,662
Interest paid		-136,347	-9,070
Dividend paid		-6,550,301	-9,997,851
Proceeds of borrowings		10,490,284	0
Repayments of borrowings		-865,871	-3,860
Net cash flows from financing activities		***3,015,766***	***-8,938,119***
Net increase/(decrease) in cash and cash equivalends and bank overdrafts		-834,446	138,834
Cash and cash equivalents at beginning of the period	13	288,697	105,336
Cash and cash equivalents of merged companies		788,706	44,527
Cash and cash equivalents at end of the period	13	**242,957**	**288,697**

The notes in pages 5-32 are obligatory of these financial statement

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

1A Index to accounting policies

1B Index to financial risk management

1. Accounting Policies

General information

Interbeton S.A. ("the Company") is engaged in the production, trade and distribution of a range of construction materials, such as aggregates and ready mix. The Company operates all over Greece.

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

These financial statements have been approved for issue by the Board of Directors on…………, 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 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 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

(1) Goodwill

Goodwill arises from the merged companies (on the basis of Law 2166/1993) and refers to the difference between share capital of the merged company and the investment value stands in our books. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(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 Investments

Equity investments in subsidiaries are measured at cost less impairment. Trading investments are classified as available-for-sale current assets and are measured at fair value, with fair value gains and losses recognised in equity unless realised, in which case these are recognised in the income statement. Non-trading investments are carried at cost less impairment. Impairment losses are recognised in the income statement.

F Leases – where a Company entity is the lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.
The Company only has operating leases.

G 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.

H 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. 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.

I 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.

J Borrowings

Borrowings are recognised at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

K Deferred tax

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred taxation is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

L 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 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.

(3) Bonus plans

A liability for employee benefits in the form of bonus plans is recognised in other provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or
- past practice has created a valid expectation by employees that they will receive a bonus/ profit sharing and the amount can be determined before the time of issuing the financial statements.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

M 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.

N 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.

O Dividends

Dividends are recorded in the financial statements when declared.

P 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.

1B. 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.

Notes to the financial statements

Index to notes to the financial statements

2. Profit from operations

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

	2005	2004
Depreciation on property, plant and equipment (Note 8)		
Owned assets	3,043,375	2,961,162
	3,043,375	2,961,162
Amortisation of government grants received	-86,010	-63,530
	2,957,365	2,897,632
(Profit) / loss on disposal of property, plant and equipment	-178,413	-1,432,052
Repairs and maintenance expenditure on property, plant and equipment	4,017,615	3,680,789
Costs of inventories recognized as an expense in Cost of Sales		
Raw materials	60,723,937	54,562,752
Maintenance stores	848,675	1,627,066
Finished goods	321,389	-450,837
	61,894,001	55,738,980
Trade receivables - impairment charge for bad and doubtful debts	104,158	0
Staff costs (Note 4)	17,119,321	14,990,015

3. Finance (costs) / income

	2005	2004
Interest income	35,904	193,975
Tax discount due to one off payment of tax	83,216	0
Interest expense	-138,908	-40,690
Net gains on financial instruments	2,560	31,619
Net financing (costs)/income	**-17,227**	**184,904**

4. Staff costs

	2005	2004
Wages and salaries	12,985,088	11,705,009
Termination Benefits incurred	3,863	385,363
Restructuring Costs Incurred	0	0
Social security costs	3,343,109	2,899,642
Pension costs - defined benefit plans	307,472	0
Other post employment benefits	479,788	0
Total	**17,119,321**	**14,990,015**
Average number of employees:	480	404
Office staff	463	392
Labourers	17	12
Total	**480**	**404**

5. Income tax expense

	2005		2004	
Current tax	3,707,694	25.14%	5,361,068	26.85%
Deferred tax (Note 16)	241,406	1.64%	-249,946	-1.25%
	3,949,100	**26.78%**	**5,111,122**	**25.59%**

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

	2005		2004	
Profit before tax	14,748,929		19,969,670	
Tax calculated at the statutory tax rate of 27%	3,982,211	27.00%	6,024,857	30.17%
Income not subject to tax	-224,939	-1.53%	-915,247	-4.58%
Expenses not deductible for tax purposes	173,128	1.17%	0	0.00%
Other taxes	18,701	0.13%	1,513	0.01%
Effective tax charge	**3,949,100**	**26.78%**	**5,111,123**	**25.59%**

6. Property, plant and equipment

	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Year ended 31 December 2004								
Opening balance	934,054	3,920,999	4,964,938	9,673,249	7,214,067	686,301	128,157	27,521,765
Balance of merged companies	0	37,210	523,543	3,735,614	48,987	213,162		4,558,516
Additions	0	494,478	303,228	905,447	3,125,673	446,538	2,248,777	7,524,140
Disposals (Note 22)	0	0	0	-96,616	-115,311	-217	0	-212,145
Reclassification of assets to other categories	-43,316	43,316	0	0	0	0	0	0
Depreciation charge (Note 2)	-37,243	0	-420,911	-1,144,609	-1,116,390	-242,009	0	-2,961,162
Depreciation charge of merged companies	0	0	-207,618	-1,482,588	-46,019	-194,632	0	-1,930,857
Closing balace	853,495	4,496,003	5,163,179	11,590,497	9,111,007	909,142	2,376,934	34,500,257
At 31 December 2004								
Cost	1,414,348	4,496,003	8,500,022	19,273,466	16,125,881	3,033,780	2,376,934	55,220,432
Accumulated depreciation	560,853	0	3,336,842	7,682,969	7,014,874	2,124,637	0	20,720,175
Net book amount	853,495	4,496,003	5,163,179	11,590,497	9,111,007	909,142	2,376,934	34,500,257
Year ended 31 December 2005								
Opening balance	853,495	4,496,003	5,163,179	11,590,497	9,111,007	909,142	2,376,934	34,500,257
Balance of merged companies		199,703	335,138	604,103	198,844	64,832	138,928	1,541,549
Additions	0	33,070	709,181	3,041,195	3,557,175	516,679	2,976,341	10,833,642
Disposals (Note 22)	0	-104,441	-725	-18,957	-488,255	-153	0	-612,531
Depreciation charge (Note 2)	-27,092	0	-406,999	-1,126,395	-1,222,108	-260,781	0	-3,043,375
Depreciation charge of merged companies			-12,479	-170,364	-108,820	-35,477		-327,140
Closing balance	826,403	4,624,336	5,787,296	13,920,079	11,047,844	1,194,242	5,492,203	42,892,402
At 31 December 2005								
Cost	1,414,348	4,624,336	9,543,354	22,814,683	18,703,980	3,449,853	5,492,203	66,042,757
Accumulated depreciation	587,945	0	3,756,059	8,894,604	7,656,136	2,255,611	0	23,150,355
Net book amount	826,403	4,624,336	5,787,296	13,920,079	11,047,843	1,194,242	5,492,203	42,892,401

The Company has no pledges on its owned assets.

7. Intangible assets

	Goodwill	Other intangible assets	Total
Year ended 31 December 2004			
Opening carrying amount	**2,273,712**	**0**	**2,273,712**
Additions	2,952,535	0	2,952,535
Closing carrying amount	**5,226,247**	**0**	**5,226,247**
Year ended 31 December 2005			
Opening carrying amount	**5,226,247**	**0**	**5,226,247**
Subsidiaries acquired	2,880,984	63,999	2,944,983
Closing carrying amount	**8,107,231**	**63,999**	**8,171,230**

Impairment testing of goodwill that has an indefinite life

The recoverable amount of the goodwill is determined based on value-in-use calculation. This calculation uses cash flow projections based on financial budgets approved by management, covering a three-year period.
The following describes the main assumptions on which management has based its cash flow projections.
Budgeted gross margins are calculated on the average gross margin achieved in the year immediately before the budgeted one, increased by the expected efficiency improvement.

Discount rate	10%-12%
Sales growth	6%-12%
Gross margin	40%-50%
Perpetuity growth	3%

8. Investment in subsidiaries

	2005	2004
Opening carrying amount	4,259,850	4,263,819
Plus:Purchases	1,951,528	3,329,417
Minus: Disposals or merged companies	-3,432,984	-3,333,385
Closing carrying amount	2,778,394	4,259,850

During the year 2005 the Company PAULEDES BROS SA has been aquired for the sum of 1.716,834 EURO

Capital increase has been effected SIGMA BETON for the sum of 178.200 EUROand BETOKAT SA for the sum of 56.494 EURO.

The company BETOKAT SA has been merged at 2/7/2005 and the Company PAULIDES BROS SA at 28/12/2005 in accordance with the provisions of law 2166/93.

The company does not prepare consolidated financial statemtents as an individual company as the company's financials are included in the consolidated financials of TITAN CEMENT S.A.

Analysis of investment in subsidiaries 2004	**Shares in subsidiaries**	**Number of shareholding in subsidiaries**	**Total number of shares**	**% held**
GOURNES QUARRIES SA	927,133	19,380	43,000	45.07%
TAGARADES QUARRIES SA	199,968	68,139	85,250	79.93%
LEESEM SA	528,000	176,000	195,000	90.26%
TITAN CEMENT INTERNASIONAL SA	300	100	50,000	0.20%
KORINTHOS QUARRIES SA	597,000	1,990	2,000	99.50%
SIGMA BETON S.A	347,793	6,930	7,000	99.00%
BETOKAT SA	1,659,656	2,000	2,000	100.00%
Total	**4,259,850**	**274,539**	**384,250**	

Analysis of investment in subsidiaries 2005	**Shares in subsidiaries**	**Number of shareholding in subsidiaries**	**Total number of shares**	**% held**
GOURNES QUARRIES SA	927,133	19,380	43,000	45.07%
TAGARADES QUARRIES SA	199,968	68,139	85,250	79.93%
LEESEM SA	528,000	176,000	195,000	90.26%
TITAN CEMENT INTERNASIONAL SA	300	100	50,000	0.20%
KORINTHOS QUARRIES SA	597,000	1,990	2,000	99.50%
SIGMA BETON S.A	525,993	6,930	7,000	99.00%
Total	**2,778,394**	**272,539**	**382,250**	

9.Available for sale financial assets

	2005	2004
At beginning of year	**587**	**587**
At end of year	**587**	**587**

All available for sale investments comprise of unlisted securities

10. Non-current receivables

	2005	2004
Guaranties to elecricity authorities	172,072	162,486
Rental guaranties	12,715	13720.00
	184,787	**176,206**

11. Inventories

	2005	2004
Inventories		
Raw materials	1,054,177	873,325
Maintenance stores	144,111	110,125
Finished goods	2,031,394	2,293,932
Prepayments for inventory purchase	8,152	16,409
	3,237,834	**3,293,791**

The Company has not pledged its inventories as collateral.

12. Receivables and prepayments

	2005	2004
Trade receivables	57,246,842	43,292,027
Less: Provision for impairment of receivables	-1,783,685	-23,073
	55,463,157	43,268,954
Other trade receivables from related parties (Note 23)	563,250	1,958,580
Prepayments	3,558,066	190,567
Other receivables	1,508,474	2,564,292
	61,092,947	**47,982,393**

The Booκ value of the receivables is almost the same with the fair value

Provision for bad and doubtful debts	**2005**	**2004**
Opening Balance	**23,073**	**244,109**
Additional provision for the period	1,864,770	1,394
Utilised during the year	-104,158	-222,430
Closing Balance	**1,783,685**	**23,073**

13. Cash and cash equivalents

	2005	2004
Cash at bank and in hand	242,957	213,283
Short-term bank deposits	0	75,413
	242,957	**288,697**

Short-term bank deposits comprise of time deposits.

Short-term bank deposits comprise of time deposits. The effective interest rates are based on Euribor rates, are negotiated on a case basis and have an average maturity period of 7 days.

14. Trade and other payables

	2005	2004
Trade payables	11,027,747	11,034,316
Other trade payables to related parties (Note 23)	11,169,401	1,198,150
Other payables	2,008,402	1,542,578
Accrued expenses	229,688	0
Social security	1,060,430	912,130
Debtors down payments/advances	907,677	2,954,053
Other taxes	1,552,189	2,446,759
	27,955,534	**20,087,986**

15. Borrowings

	2005	2004
Current		
Loans in local currency - (€)	10,490,284	0

The company has a new bank borrowing/ loan in the 2005 which has not a definite maturity date. The pay off date of the borrowing will be determined between the company and the bank.

The interest rate, which affected the financial results, is 3,15%.

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

16. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a principal tax rate of 29% .
The movement on the deferred income tax account is as follows:

	2005	2004
At beginning of year	**1,723,591**	**1,366,609**
Income statement charge (Note 5)	241,406	-249,946
Other	0	606,927
At end of year	**1,964,997**	**1,723,591**

Analysis of deferred tax liabilities		
Non current assets		
Property,plant & equipment	2,400,040	1,904,513
Non current receivables	0	2,289
Non current liabilities		
Other non current liabilities	0	153,340
Total deferred tax liabilities	**2,400,040**	**2,060,142**
Analysis of deferred tax assets		
Non current assets		
Intangible assets	0	-264,353
Current assets		
Receivables and prepayments	-386,814	-7,383
Non current liabilities		
Other non current liabilities	-48,228	-64,814
Total deferred tax assets	**-435,043**	**-336,551**
Deferred tax liability	**1,964,997**	**1,723,591**

16. Deferred tax (continued)

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same tax jurisdiction) during the year is as follows:

	1 January 2005	Charged/ (Credited) to net profit	Charged/ (Credited) to Equity	31 December 2005
Analysis of deferred tax liabilities				
Non current assets				
Property,plant & equipment	1,904,513	495,527	0	2,400,040
Non current receivables	2,289	-2,289	0	0
Non current liabilities				
Other non current liabilities	153,340	-153,340	0	0
Total deferred tax liabilities	**2,060,142**	**339,898**	**0**	**2,400,040**
Analysis of deferred tax assets				
Non current assets				
Intangible assets	-264,353	264,353	0	0
Current assets				
Receivables and prepayments	-7,383	-379,431	0	0
				0
Non current liabilities				
Other non current liabilities	-64,814	16,586	0	-48,228
Total deferred tax liabilities	**-336,550**	**-98,493**	**0**	**-435,043**
Deferred tax liability	**1,723,592**	**241,405**	**0**	**1,964,997**

16. Deferred tax (continued)

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same tax jurisdiction) during the year is as follows:

	1 January 2004	Charged/ (Credited) to net profit	Charged/ (Credited) to Equity	31 December 2004
Analysis of deferred tax liabilities				
Non current receivables				
Property,plant & equipment	2,282,225	-377,712	0	1,904,513
Non current receivables	2,289	0	0	2,289
Non current liabilities				
Other non current liabilities	0	153,340	0	153,340
Total deferred tax liabilities	**2,399,057**	**-338,916**	**0**	**2,060,141**
Analysis of deferred tax assets				
Non current assets				
Intangible assets	-232,083	-32,270	0	-264,353
Current assets				
Receivables and prepayments	-85,438	78,055	0	-7,383
Non current liabilities				
Other non current liabilities	-108,000	43,186	0	-64,814
Total deferred tax liabilities	**-425,521**	**88,970**	**0**	**-336,550**
Deferred tax liability	**1,973,536**	**-249,946**	**0**	**1,723,591**

17. Retirement and termination benefit obligations

Greece

Greek labor legislation requires that the payment of retirement and termination indemnities be based on the number of years of service to the Company by the employees and their final remuneration. The Group grants retirement indemnities which exceed the legal requirements. 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
Current service cost	369,712
Interest cost	187,791
Actuarial loss / (gain)	-250,031
	307,472
Net periodic cost	**307,472**
Additional provision required/(provision not utilized)	-689,692
Amounts recognised in the income statement	**-382,220**
Total charge was allocated to administrative end other operating expenses	
Present value of defined Benefits obligation	3,861,624
Unrecognized actuarial (gain) or Loss	2,640,514
Defined Benefit Liability	**6,502,138**

Movement in the liability recognized in the Balance Sheet:

At beginning of year	7,585,314
Total expense - as shown above	307,472
Additional provision required/(provision not utilized)	-689,692
Benefits paid during the year	-700,956
At end of year	**6,502,138**

18. Other-non current liabilities

	2005	**2004**
Government grants	391,070	245,043
	391,070	**245,043**

Analysis of Government grants:

	2005	**2004**
At beginning of year	**245,043**	**307,245**
Balance of merged companies	232,037	1,328
Depreciation	-86,010	-63,530
At end of year	**391,070**	**245,043**

Government grants are recognised at fair value when there is a certainty that the grant will be received and also when the Company complies with the terms and conditions of the grant.

Government grants received in respect of expenses are reflected in the income statement when the related expense is incurred so that the expense is matched to the income received.

Government grants relating to capital expenses are reflected as long term liabilities and are amortised on a straight line basis that reflects the estimated usefull life of the asset for which the grant was received.

19. Contingencies and Commitment
Contingencies

	2005	**2004**
Contingent liabilities		
Guarantees to third parties on behalf of subsidiaries	500,000	500,000
Other bank guarantees	1,069,806	887,759
Other guarantees	1,138,177	1,164,789
	2,707,983	**2,552,548**

The Company doesn't not have any future liabilities that are due to the the usual nature of business. There are no outstanding court decisions that affect serisously the financial position of the company. The periods 2000, 2001, 2002, 2002, 2003, 2004, 2005 remain open to review by the tax authorities and therefore those periods have no yet been finalized.

During the tax audit, the tax authorities may have different approaches to certain issues and assess additional tax liabilities which the management of the company might oppose in front of the Greek Jurisdiction, therefore the Company has not made any provisions for the tax periods that remain open.

20. Share capital

	Number of ordinary shares	Ordinary Shares	Share premium	Total
At 1 January 2004	**6,933,861**	**23,367,112**	**2,308,961**	**25,676,072**
Issue of shares - share option scheme	318,298	1,072,664		1,072,664
At 31 December 2004	**7,252,159**	**24,439,776**	**2,308,961**	**26,748,737**
Capitalization of reserves	23,146	78,002		78,002
At 31 December 2005	**7,275,305**	**24,517,778**	**2,308,961**	**26,826,739**

All issued shares are fully paid.

21.Fair value and other reserves

	Legal reserve	Special reserve	Contigency reserve	Reserves under special laws	Total
Year ended 31 December 2004					
Opening balance	**2,604,938**	**230**	**5,388,990**	**5,146,834**	**13,140,993**
Transfer to reserves from retained earnings	858,154	0	8,800,000	4,641,993	14,300,147
Transfer to retained earnings from reserve	0	0	-3,674,087	0	-3,674,087
Other (Balance of merged companies)	600,000	39,329	33,435	1,788,330	2,461,094
Closing Balance at 31 December 2004	**4,063,092**	**39,559**	**10,548,339**	**11,577,156**	**26,228,146**
Year ended 31 December 2005					
Opening balance	**4,063,092**	**39,559**	**10,548,339**	**11,577,156**	**26,228,146**
Transfer to reserves from retained earnings	578,201	0	0	0	578,201
Other (Balance of merged companies)	6,126	0	0	134,579	140,705
Closing Balance at 31 December 2005	**4,647,419**	**39,559**	**10,548,339**	**11,711,735**	**26,947,051**

Based on existing Greek tax law, these reserves are exempt from income tax, provided that they are not distributed to shareholders. The Company does not intend to distribute these reserves and has thus not provided for the tax liability that would arise in the event that these reserves were to be distributed. Any distribution from these reserves can only occur following the approval of shareholders in a general meeting and once the applicable taxation is paid by the Company.

Included in the tax exempt reserves are reserves that have been created by the company following the application of paragraph 2 of L.3220/2004. Recently, the European Commission issued the derivative 2006/C20/05, according to which, the tax exempt reserves have the form of a government subsidy. Upon this matter the European Commission has requested the Greek Government to comment. If the European Commission finally concludes that the tax exempt reserves are a form of government subsidy then the affected companies will be required

22. Cash generated from operations

	2005	2004
Net Profit for the year as per income statements	10,799,828	14,858,548
Adjustments for:		
Tax (Note 5)	3,949,100	5,111,122
Depreciation (Note 6)	3,043,375	2,961,687
Amortization of government grants received(Note 18)	-86,010	-63,530
Profit on sale of property, plant and equipment	-178,413	-1,432,052
Provision for impairment of debtors charged to income statement (Note 12)	1,864,770	1,394
Provision for retirement and termination benefit obligations	-382,220	4,174,934
Interest income and net foreign exchange transaction gains	-35,904	-193,975
Dividend income	-428,636	-456,965
Interest expense and net foreign exchange transaction losses	138,908	40,690
Gains on financial instruments	-2,560	-31,619
Tax discount due to one off payment	-83,216	-
Changes in working capital:		
Decrease / (increase) in inventories	109,695	-116,441
Decrease / (increase) in trade and other receivables	-13,628,775	1,178,846
(Decrease) / increase in trade and other payables	5,104,078	106,549
Cash generated from operations	**10,184,021**	**26,139,188**

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

Net book amount at date of sale (Note 6)	612,531	212,145
Profit on sale of property, plant and equipment	178,413	1,432,052
Proceeds from the sale of property, plant and equipment	**790,944**	**1,644,197**

23.Intercompany transactions

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

		2005	2004
i) Sales of goods and services			
Sale of goods to Titan S.A		8,036,016	9,045,041
Sale of goods to subsidiaries		0	0
Sale of services to Titan S.A		5,300	46,021
Sale of Services to subsidiaries		63,678	50,036
		8,104,994	9,141,097
ii) Purchases of goods and services			
Purchase of goods from Titan.S.A		43,552,336	34,320,029
Purchase of goods from subsidiaries		64,591	0
Purchase of services from Titan.S.A		246,582	216,436
Purchase of services from subsidiaries		28,110	32,834
		43,891,619	34,569,299
iii) Year-end balances arising from purchases of goods and services			
Payables to Titan S.A	(Note 14)	11,098,731	1,196,124
Dividend to Titan S.A		5,722,456	12,272,757
Payables to sumbsidiaries	(Note 14)	70,670	2,026
Receivables from Titan S.A	(Note 12)	0	808,692
Receivables from subsidiaries	(Note 12)	563,250	1,149,888
iv) Key management compensation			
Salaries and other short-term employee benefits		1,780,070	1,472,268

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

Reconciliation of Balance Sheet at 31 December 2004

	Greek GAAP	*Effect of transition to IFRS*	*IFRS*
ASSETS			
Property, plant and equipment	27,298,777	7,201,481	34,500,258
Intangible assets	826,530	4,399,717	5,226,247
Investments in subsidiaries	4,259,850	-	4,259,850
Non current receivables	176,207	-1	176,206
Non-current assets	**32,561,364**	**11,601,197**	**44,162,561**
Inventories	3,293,791	-	3,293,791
Receivables and prepayments	50,918,465	-2,935,485	47,982,980
Cash and cash equivalents	288,697	-	288,697
Total current assets	**54,500,953**	**-2,935,485**	**51,565,468**
TOTAL ASSETS	**87,062,317**	**8,665,712**	**95,728,029**
SHAREHOLDERS´EQUITY			
Deferred tax liabilities	-	1,723,591	1,723,591
Retirement and termination benefit obligations	853,904	6,731,410	7,585,314
Other non current liabilities	-	245,043	245,043
NON- CURRENT LIABILITIES	**853,904**	**8,700,044**	**9,553,948**
Borrowings	1,357	-	1,357
Trade and other payables	17,639,871	2,446,758	20,086,629
Current tax liabilities	7,807,827	-5,365,709	2,442,118
Dividends for shareholders	12,272,757	-	12,272,757
	37,721,812	**-2,918,951**	**34,802,861**
Total liabilities(a)	**38,575,716**	**5,781,093**	**44,356,809**
Share capital	26,748,737		26,748,737
Fair value and other reserves	21,737,864	2,884,619	24,622,483
Share capital and reserves(b)	**48,486,601**	**2,884,619**	**51,371,220**
Total equity and liabilities(a+b)	**87,062,317**	**8,665,712**	**95,728,029**

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

Reconciliation of Income Statement for the year ended 31 December 2004

	Greek GAAP	*Effect of transition to IFRS*	*IFRS*
Turnover	140,368,616		140,368,616
Cost of sales	-107,237,913		107,237,913
Gross profit	**33,130,703**	**0**	**33,130,703**
Other operating income/ (expense)	-50,025	-2,312,269	-2,362,294
Administrative expenses	-6,321,472	0	-6,321,472
Selling and marketing expenses	-2,221,504	0	-2,221,504
Earnings before interest, taxes and depreciation	**24,537,702**	**-2,312,269**	**22,225,433**
Depreciation & amortization	-4,422,800	1,525,168	-2,897,632
Earnings before interest and taxes	**20,114,902**	**-787,101**	**19,327,801**
Income from participations	456,965	0	456,965
Finance costs - net	184,904	0	184,904
Exceptional item	1,765,860	-1,765,860	0
Profit before taxes	**22,522,631**	**-2,552,961**	**19,969,670**
Less: taxes	-5,361,067	249,945	-5,111,122
Profit after taxes	**17,161,564**	**-2,303,016**	**14,858,548**

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

Reconciliation of Equity between Greek statutory financial statements and IFRS

As previously reported in Greek statutory financial statements at 31 December 2004	**48,486,601**
Adjusted for:	
Recognition of deferred tax liabilities	-1,723,591
Change in economic useful lives of property, plant and equipment and restatement to historical cost basis	7,192,011
Recognition of additional provision relating to staff termination and post-retirement benefits	-6,731,411
Provision for impairment of receivables	-16,534
Reclassification of amounts relating to takeovers / restructuring, previously recognized under Law 2166 (from reserves to goodwill)	5,093,826
Revision to amortization of government grants based on IFRS revised economic useful lives of appropriate assets and reclassification of government grants from equity to deferred income (non-current liabilities)	-245,043
Amortization	-208,466
Derecognition of intangible assets (previously recognized under Greek GAAP)	-476,173
As restated to conform with the requirements of IFRS at 31 December 2004	**51,371,220**

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

As previously reported in Greek statutoty financial statements at 31 December 2004	**17,161,564**
Adjusted for :	
Depreciation	1,150,556
Deferred tax	249,945
Reversal/recognition of additional provision relating to staff termination and post-retirement benefits	-3,789,500
Reversal of goodwill amortization.	86,503
Change in government grants	63,530
Intangible assets	42,181
Additional provisions fore the impairment to trade debtors	-106,231
As restarted to conform with the requirements of IFRS at 31 December 2004	**14,858,548**

25. Post balance sheet events

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

REPORT OF THE AUDITORS (translated from the Greek original)

To the Shareholders of Interbeton Construction Materials S.A.

We have audited the accompanying financial statements of Interbeton Construction Materials 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, which is presented on pages 33 to 37, 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 of the results of their operations, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted for use by the European Union and the information included with the Directors' Report is consistent with the financial statements.

Without qualifying our opinion we draw attention to Note 19 of the financial statements that states that the Company has not been audited by the taxation authorities for the years 2000 to 2005.

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