

INTERCEMENT S.A.

Balance Sheet

As at 31 December

<u>ASSETS</u>	Notes	2005	2004
Receivables and prepayments	2a	784.81	668.13
Cash and cash equivalents	3	58,073.39	59,637.43
Current assets		58,858.20	60,305.56
Total assets		58,858.20	60,305.56
<u>LIABILITIES</u>			
Share capital	7	58,800.00	58,800.00
Other reserves	8	3,987.41	3,987.41
Retained earnings		-3,929.21	-2,481.85
Total equity (b)		58,858.20	60,305.56
TOTAL EQUITY AND LIABILITIES (a+b)		58,858.20	60,305.56

INTERCEMENT S.A.

Income Statement

	As at 31 December	
Notes	2005	2004
Other operating expenses	0.00	-39.00
Administrative expenses	-2,612.84	-2,244.60
Earnings before interest, taxes and depreciation	-2,612.84	-2,283.60
Earnings before interest and taxes	-2,612.84	-2,283.60
Finance (cost) / income	2	
Profit before taxes	-2,612.84	-2,283.60
Profit after taxes	-2,612.84	-2,283.60

INTERCEMENT S.A.

Statement of Changes in Shareholders' Equity

	Notes	Ordinary shares	Fair value and other reserves	Retained earnings	Total
Year ended 31 December 2004					
Opening balance		58,800.00	3,987.41	-1,333.12	61,454.29
Net profit per income statement				-1,148.73	-1,148.73
Closing Balance at 31 December 2004		58,800.00	3,987.41	-2,481.85	60,305.56
Year ended 31 December 2005					
Opening balance		58,800.00	3,987.41	-2,481.85	60,305.56
Net profit per income statement				-1,447.36	-1,447.36
Closing Balance at 31 December 2005		58,800.00	3,987.41	-3,929.21	58,858.20

INTERCEMENT S.A.

Cash Flow Statement

		Year ended 31 December	
	notes	2005	2004
Cash flows from operating activities			
Cash generated from operations	9	-2,729.52	-2,264.47
Interest received		1,165.48	1,137.87
<i>Net cash generated from operating activities</i>		<i>-1,564.04</i>	<i>-1,126.60</i>
Cash flows from financing activities			
Interest paid			-3.00
<i>Net cash flows from financing activities</i>		<i>0</i>	<i>-3.00</i>
Net increase/(decrease) in cash and cash equivalents and bank overdrafts			
		-1,564.04	-1,129.60
Cash and cash equivalents at beginning of the period		59,637.43	60,767.03
Cash and cash equivalents at end of the period	3	<i>58,073.39</i>	<i>59,637.43</i>

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

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1. Accounting Policies

General information

Intercement S.A. (“the Company”) is engaged in the trade and distribution of a range of construction materials. The Company has not started the activity yet.

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 17.02.2006.

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”).

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 10

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 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.

C 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 it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Notes to the annual financial statements for the year ended 31 December 2005

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.

No deferred tax is calculated, due to the fact that there is no temporary difference.

D Revenue recognition

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.

1B. Financial Risk Management

(1) Credit risk

The Company has no significant concentrations of credit risk.

Notes to the financial statements

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2. Finance (costs) / income

	2005	2004
Interest income	1,165.48	1,137.87
Interest expense		-3.00
Net financing (costs)/income	<u>1,165.48</u>	<u>1,134.87</u>

2a. Receivables and prepayments

	2005	2004
Other receivables	784.81	668.13
	<u>784.81</u>	<u>668.13</u>
	<u>784.81</u>	<u>668.13</u>

3. Cash and cash equivalents

	2005	2004
Cash at bank and in hand	346.91	421.06
Short-term bank deposits	57,726.48	59,216.37
	<u>58,073.39</u>	<u>59,637.43</u>
	<u>58,073.39</u>	<u>59,637.43</u>

4. Deferred tax

No deferred tax is calculated because there is no temporary differences

5. Retirement and termination benefit obligations

The company has no employees

6. Contingencies and Commitments:

Contingencies

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.

7. Share capital

	Number of ordinary shares	Ordinary Shares	Total
At 1 January 2004	2,000	58,800	58,800
At 31 December 2004	2,000	58,800	58,800
At 31 December 2005	2,000	58,800	58,800

All issued shares are fully paid.

8.Fair value and other reserves

	Legal reserve	Reserves under special laws	Total
Year ended 31 December 2004			
Opening balance	232.08	3,755.33	3,987.41
Closing Balance at 31 December 2004	232.08	3,755.33	3,987.41
Year ended 31 December 2005			
Opening balance	232.08	3,755.33	3,987.41
Closing Balance at 31 December 2005	232.08	3,755.33	3,987.41

9. Cash generated from operations

	2005	2004
Net Profit for the year as per income statements	-1,447.36	-1,148.73
Adjustments for:		
Interest income and net foreign exchange transaction gains	-1,165.48	-1,137.87
Interest expense and net foreign exchange transaction losses		3.00
Gains on financial instruments		
Tax discount due to one off payment		
Changes in working capital:		
Decrease / (increase) in trade and other receivables	-116.68	19.13
Cash generated from operations	<u><u>-2,729.52</u></u>	<u><u>-2,264.47</u></u>

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

Reconciliation of Balance Sheet at 31 December 2004

	<i>Greek GAAP</i>	<i>Effect of transition to IFRS</i>	<i>IFRS</i>
ASSETS			
Receivables and prepayments	668.13		668.13
Cash and cash equivalents	59,637.43		59,637.43
Total current assets	60,305.56		60,305.56
TOTAL ASSETS	60,305.56		60,305.56
SHAREHOLDERS' EQUITY			
Share capital	58,800.00		58,800.00
Fair value and other reserves	1,505.56		1,505.56
Share capital and reserves(b)	60,305.56	0.00	60,305.56
<i>Total equity and liabilities(a+b)</i>	60,305.56		60,305.56

**10 Reconciliation to International Financial Reporting Standards ("IFRS")
(continued)**

Reconciliation of Income Statement for the year ended 31 December 2004

	<i>Greek GAAP</i>	<i>Effect of transition to IFRS</i>	<i>IFRS</i>
Other operating income/ (expense)	0.00	39.00	-39.00
Administrative expenses	-2,244.60		-2,244.60
Earnings before interest, taxes and depreciation	-2,244.60	39.00	-2,283.60
Earnings before interest and taxes	-2,244.60	39.00	-2,283.60
Finance costs - net	1,134.87		1,134.87
Profit before taxes	-1,109.73	39.00	-1,148.73
Less: taxes	-39.00	-39.00	0.00
Profit after taxes	-1,148.73	0.00	-1,148.73

**10. 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	60,305.56
As restated to conform with the requirements of IFRS at 31 December 2004	<u>60,305.56</u>

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

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

As previously reported in Greek statutory financial statements at 31 December 2004	-1,148.73
As restated to conform with the requirements of IFRS at 31 December 2004	<u><u>-1,148.73</u></u>

11. 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.

AUDITOR'S REPORT

To the

REGULAR GENERAL ASSEMBLY

of the Shareholders of the Company

INTERCEMENT S.A. CEMENT-BUILDING MATERIALS AND QUARRIES

We have audited the attached balance sheet of INTERCEMENT S.A. CEMENT-BUILDING MATERIALS AND QUARRIES of December 31, 2005 and the relevant results statements, cash flow and variations in the shareholders' equity of the company for the fiscal year ending December 31, 2005. The responsibility for the constitution of financial statements that is cited on pages 5 to 16, lies with the board of directors of the Company. Our responsibility is limited to the formation and the expression of an opinion regarding the financial statements based on the audit conducted.

Our audit was conducted according to Greek Auditing Standards which are in accordance to International Auditing Standards. These standards demand that the design and execution of the audit be done in a manner that ensures reasonable certainty that the financial statements are free of essential inaccuracies and omissions. The audit includes the examination, on a random sample basis, of proof that supports the amounts and the information included in the financial statements. The audit also includes the evaluation of accounting principles that were followed, the estimations of the company's board of directors and in general the presentation of data in the financial statements as well as the agreement of the contents of the Director's Report that is cited on pages 2 to 4 with the financial statements. We believe that the audit conducted provides a sufficient basis for the formation of your opinion.

In our opinion, the aforementioned company and consolidated financial statements from every essential aspect reasonably present the financial position of the company on December 31, 2005 as well as the results of the projects and cash flow for the fiscal year ending on this date, according to International Financial Reporting Systems as has been adopted by the European Union and the Directors' Report agrees with the aforementioned financial statements..

Athens , 22 February 2006

THE AUDITORS

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