

Report of the auditors to the members of Rea Cement Limited

Report on the financial statements

1 We have audited the financial statements of Rea Cement Limited on pages 6 to 17, which comprise the balance sheet as at 31 December 2005 and the statement of operations, statement of changes in equity and cash flow statement for the year then ended and the related notes. These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to the Company's members, as a body, in accordance with Section 156 of the Companies Law, Cap. 113. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

2 We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3 In our opinion, the financial statements give a true and fair view of the financial position of Rea Cement Limited as of 31 December 2005 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of Cyprus Companies Law, Cap. 113.

(4)

Board Members: Phidias K Piliotis (CEO), Dinos N Papadopoulos (Deputy CEO), Tassos I Tzioussides, Panikos N Tsakalis, Christos Sarritis, Stephan D Stephanides, Costas L Hadjioussantimis, George Fartzaris, Constantinos M Nicosides, Angelos M Louizou, Vasilis Hadjivassiliou, Savvas C Michail, Costas L Mastrogiannidis, Christos M Themistoclous, Petros Kauris, Nikos A Neophytou, George M Louizou, Andreoula S Pirtak, Andreas T Constantineides, Timothy D Osborne, Pantelis G Evangelou, Liakos M Theodorou, Stelios Constantinou, Iakovos Pitsapoulos, Theo Pateris, Constantinos Constantinou, Petros G Patsalos, Philippos C Savellos, Evgenios C Evgenios, Christos Tsoukinis, Nicola A Theodorou, Nicos T Nikolaidis, Ugo A Papadopoulos, Marios S Andreou, Nicos P Chimarides, Afani Tavrian, Constantinos Tzioussides, Stavros A Kattanas


Directors of Operations: Adrian Ioannides, Androulla Arziadou, Achilleas Christodou, George Skapoularou, Bambois A Chamliambouca, Chris Odysseou, Demetris V Psalris, Constantinos I Kapsalis

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

Report on other legal requirements

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

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 3 is consistent with the financial statements.


PricewaterhouseCoopers Limited
Chartered Accountants

Nicosia, 13 February 2006

REA CEMENT LIMITED

Λογαριασμός Αποτελεσμάτων για το έτος που έληξε στις 31 Δεκεμβρίου 2005

	2005 ΕΥΡΩ	2004 ΕΥΡΩ
Πιστωτικά μερίσματα	5.453	28.122
Έξοδα διοικητικής λειτουργίας	<u>-17.050</u>	<u>-177.613</u>
Ζημία εργασιών	-11.597	-149.491
Χρηματ/κα έξοδα-καθαρά	<u>-216</u>	<u>-90</u>
Ζημία προ φόρων	-11.813	-149.581
Φόρος	<u>-727</u>	<u>-3.262</u>
Καθαρή Ζημία	<u>-12.540</u>	<u>-152.843</u>

REA CEMENT LIMITED

Ισολογισμός στις 31 Δεκεμβρίου 2005

	2005 ΕΥΡΩ	2004 ΕΥΡΩ
Ενεργητικό		
Συμμετοχές		
Επενδύσεις σε θυγατρικές εταιρίες	65.807.373	65.807.373
	65.807.373	65.807.373
Κυκλοφορούν ενεργητικό		
Χρεώστες και προπληρωμές	976	100.823
Απαίτηση επιστροφής φόρου	1.492	-
Ταμειακά διαθέσιμα και ισοδύναμα	286.736	200.293
	289.204	301.116
Σύνολο ενεργητικού	66.096.577	66.108.489
Παθητικό		
Ίδια κεφάλαια		
Μετοχικό κεφάλαιο	68.226	68.226
Αποθεματικό κεφάλαιο από την έκδοση μετοχών υπέρ το άρτιο	66.433.500	66.433.500
Συσσωρευμένες ζημιές	-468.185	-455.645
	66.033.541	66.046.081
Βραχυπρόθεσμες υποχρεώσεις		
Πιστωτές και οφειλόμενα έξοδα	62.854	60.621
Τρέχουσες φορολογικές υποχρεώσεις	182	1.787
	63.036	62.408
Σύνολο παθητικού	66.096.577	66.108.489

REA CEMENT LIMITED

Κατάσταση Ταμειακής Ροής για το έτος που έληξε στις 31 Δεκεμβρίου 2005

	2005 ΕΥΡΩ	2004 ΕΥΡΩ
Ροή μετρητών από εργασίες		
Ζημιά προ φόρων	-11.813	-149.581
Αλλαγές στο κεφάλαιο κίνησης:		
Χρεώστες και προπληρωμές	99.847	58.466.262
Πιστωτές και οφειλόμενα έξοδα	<u>2.233</u>	<u>6.501.604</u>
Μετρητά από εργασίες	90.267	64.818.285
Φόροι που πληρώθηκαν	-3.824	-1.475
Καθαρά μετρητά από εργασίες	86.443	64.816.810
Ροή μετρητών από επενδυτικές δραστηριότητες		
Επενδύσεις σε θυγατρικές εταιρίες	<u>-</u>	<u>-65.807.373</u>
Καθαρά μετρητά από επενδυτικές δραστηριότητες	-	-65.807.373
Καθαρή μείωση στα μετρητά και αντίστοιχα μετρητών	86.443	-990.563
Μετρητά και αντίστοιχα μετρητών στην αρχή του έτους	<u>200.293</u>	<u>1.190.856</u>
Μετρητά και αντίστοιχα μετρητών στο τέλος του έτους	<u>286.736</u>	<u>200.293</u>

REA CEMENT LIMITED

Κατάσταση Μεταβολής Ιδίων Κεφαλαίων για το έτος που έληξε στις 31 Δεκεμβρίου 2005

	Κοινές μετοχές	Αποθεματικό υπέρ το άρτιο	Υπόλοιπο κερδών/ζη- μιών εις νέον	Σύνολο
Υπόλοιπο 1 Ιανουαρίου 2004	1.726	-	-302.802	-301.076
Έκδοση μετοχών υπέρ το άρτιο	66.500	66.433.500	-	66.500.000
Ζημια το 2004	-	-	-152.843	-152.843
Υπόλοιπο 31 Δεκεμβρίου 2004	68.226	66.433.500	-455.645	66.046.081
Υπόλοιπο 1 Ιανουαρίου 2005	68.226	66.433.500	-455.645	66.046.081
Ζημια για το 2005	-	-	-12.540	-12.540
Υπόλοιπο 31 Δεκεμβρίου 2005	68.226	66.433.500	-468.185	66.033.541