QUARRIES OF TAGARADON COMMUNITY S.A.

Financial Statements at 31st of December 2005 according the requirements of I.F.R.S.

(1st January – 31st December 2005)

QUARRIES OF TAGARADON COMMUNITY S.A.
Company´s number in the register Of societies Anonymous 28110/62/B/92/331

Tagarades, Municipality of Thermi

QUARRIES OF TAGARADON COMMUNITY S.A.

Balance Sheet

		As at 31 December	
ASSETS	**Notes**	**2005**	**2004**
Property, plant and equipment	6	8.397,48	10.194,40
Intangible assets	7	-	7.529,16
Non-current assets		**8.397,48**	**17.723,56**
Receivables and prepayments	8	74.968,59	6.443,73
Cash and cash equivalents	9	243.425,19	290.851,64
Current assets		**318.393,78**	**297.295,37**
Total assets		**326.791,26**	**315.018,93**
Liabilities			
Retirement benefit obligations	12	5.734,48	7.885,38
Non-current liabilities		**5.734,48**	**7.885,38**
Trade and other payables	10	29.582,24	7.985,99
Current income tax liabilities		3.101,80	5.593,55
Current liabilities		**32.684,04**	**13.579,54**
Total liabilities (a)		**38.418,52**	**21.464,92**
Capital and reserves			
Share capital	14	249.782,50	249.782,50
Other reserves	15	22.256,70	22.256,70
Retained earnings		16.333,54	21.514,81
Share capital & reserves		**288.372,74**	**293.554,01**
Total equity (b)		**288.372,74**	**293.554,01**
TOTAL EQUITY AND LIABILITIES (a+b)		**326.791,26**	**315.018,93**

These financial statements have been approved for issue by the Board of Directors on 22/02/2006

QUARRIES OF TAGARADON COMMUNITY S.A.

Income Statement

	As at 31 December	
	2005	**2004**
Turnover	72.685,70	97.656,19
Cost of sales	-25.463,41	-16.867,32
Gross profit	**47.222,29**	**80.788,87**
Other operating income/ (expense)	28.260,90	28.593,18
Administrative expenses	-8.913,41	-13.480,54
Selling and marketing expenses	-28.628,24	-26.989,00
Earnings before interest, taxes and depreciation	**37.941,54**	**68.912,51**
Depreciation & amortization	-9.326,08	-12.820,00
Earnings before interest and taxes	**28.615,46**	**56.092,51**
Income from participations		
Finance costs - net	5.376,77	6.677,51
Profit before taxes	**33.992,23**	**62.770,02**
Less: taxes	-10.189,40	-32.176,12
Profit after taxes	**23.802,83**	**30.593,90**

QUARRIES OF TAGARADON COMMUNITY S.A.
Statement of Changes in Shareholders' Equity

	Ordinary shares	Other reserves	Retained earnings	Total
Year ended 31 December 2004				
Balance at 1 January 2004	249.782,50	20.726,70	-7.549,09	262.960,11
Dividends		1.530,00	-1.530,00	0,00
Net profit per income statement			30.593,90	30.593,90
Closing Balance	249.782,50	22.256,70	21.514,81	293.554,01
Year ended 31 December 2005				
Balance at 1 January 2005	249.782,50	22.256,70	21.514,81	293.554,01
Net profit per income			23.802,83	23.802,83
Dividends paid to all equity holders			-28.984,00	-28.984,00
Closing Balance	249.782,50	22.256,70	16.333,64	288.372,84

QUARRIES OF TAGARADON COMMUNITY S.A.

Cash Flow Statement

	Year ended 31 December	
	2005	**2004**
Cash flows from operating activities		
Cash generated from operations	-6.791,39	96.870,00
Income taxes paid	-17.026,83	-44.141,40
Net cash generated from operating activities	***-23.818,22***	***52.728,60***
Cash flows from investing activities		
Interest received	5.394,53	6.702,50
Net cash generated from investing activities	***5.394,53***	***6.702,50***
Cash flows from financing activities		
Interest paid	-17,76	-25,00
Dividend paid	-28.985,00	-30.690,00
Net cash flows from financing activities	-29.002,76	-30.715,00
Net increase/(decrease) in cash and cash equivalends and bank overdrafts	-47.426,45	28.716,11
Cash and cash equivalents at beginning of the period	290.851,64	262.135,53
Cash and cash equivalents at end of the period	***243.425,19***	***290.851,64***

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

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1. Accounting Policies

General information

QUARRIES OF TAGARADES S.A. is engaged in the production, trade and distribution of aggregates..

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 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 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 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. 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

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.

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 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.

J 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.

K 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.

L Dividends

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.

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.

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 6,7)	9.326,04	12.820,00
	9.326,04	12.820,00
Staff costs (Note 4)	27.898,64	26.989,00

3. Finance costs - Net

	2005	2004
Interest income	5.394,53	6.702,51
Interest expense	-17,76	-25,00
Net financing costs	**5.376,77**	**6.677,51**

4. Staff costs

	2005	2004
Wages & salaries	21.425,85	20.897,33
Social security costs	6.472,79	6.091,67
Total	**27.898,64**	**26.989,00**
Average number of employees:		
Office staff	1	1
Total	**1**	**1**

5. Income tax expense

	2005		2004	
Current tax	10.189,40	29,98%	32.176,12	51,26%
	10.189,40	**29,98%**	**32.176,12**	**51,26%**

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	33.992,23		62.770,02	
Tax calculated at the statutory tax rate of 32%	10.877,51		21.969,50	
		32,00%		35,00%
Income not subject to tax	-688,11	-2,02%	-	0,00%
Other taxes	-	0,00%	10.206,61	16,26%
Effective tax charge	**10.189,40**	**29,98%**	**32.176,11**	**51,26%**

8. Property, plant and equipment

	Buildings	Plant & equipment	Office furniture, fixtures and equipment	Total
Year ended 31 December 2004				
Opening net book amount	11.991,84	0,06	112,69	12.104,59
Depreciation charge of merged companies	-1.797,00	0,00	-113,00	-1.910,00
Closing net book amount	10.194,84	0,06	-0,31	10.194,59
At 31 December 2004				
Cost	25.669,84	169.783,98	5.407,69	200.861,51
Accumulated depreciation	15.475,00	169.783,92	5.408,00	190.666,92
Net book amount	10.194,84	0,06	-0,31	10.194,59
Year ended 31 December 2005				
Opening net book amount	10.194,84	0,06	-0,31	10.194,59
Depreciation charge (Note 2)	-1.796,88			-1.796,88
Closing net book amount	8.397,96	0,06	-0,31	8.397,71
At 31 December 2005				
Cost	25.669,84	169.783,98	5.407,69	200.861,51
Accumulated depreciation	17.272,48	169.783,92	5.407,63	192.464,03
Net book amount	8.397,36	0,06	0,06	8.397,48

The Company has no pledges on the owned assets.

9. Intangible assets

	Other intangible assets	Total
Year ended 31 December 2004		
Opening carrying amount	**18.440,97**	**18.440,97**
Depreciation charge	-10.911,81	-10.911,81
Closing carrying amount	**7.529,16**	**7.529,16**
At 31 December 2004		
Cost	109.118,12	109.118,12
Accumulated depreciation	-101.588,96	-101.588,96
Net Book Ammount	**7.529,16**	**7.529,16**
Year ended 31 December 2005		
Opening balance	7.529,16	7.529,16
Depreciation charge	-7.529,16	-7.529,16
Closing balance	**-**	**-**
Year ended 31 December 2005	-	
Cost	109.118,12	109.118,12
Accumulated depreciation	-109.118,12	-109.118,12
Closing carrying amount	**-**	**-**

8. Receivables and prepayments

	2005	2004
Trade receivables	69.317,12	5.398,64
Less: Provision for impairment of receivables	5.651,47	1.045,09
	74.968,59	**6.443,73**

8α. Receivables and prepayments_intercompany

	2005	2004
Trade receivables (Note 27)	69.243,72	5.398,64
	69.243,72	**5.398,64**

9. Cash and cash equivalents

	2005	2004
Cash at bank and in hand	174,37	205,63
Short-term bank deposits	243.250,82	290.646,01
	243.425,19	**290.851,64**

10. Trade and other payables

	2005	2004
Trade payables	24.941,20	5.900,00
Other payables	315,23	272,86
Social security	1.435,15	1.433,73
Other taxes	2.890,66	379,40
	29.582,24	**7.985,99**

10α. Trade and other payables-intercompany

	2005	2004
Trade payables (Note 27)	24.941,20	5.900,00
	24.941,20	**5.900,00**

11. Deferred income taxes

No deferred income taxes are calculated because there are no temporary differences .

12. Retirement and termination benefit obligations

Greece

In respect of the Greek entities within the Group, 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 2004. 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	669,35
Interest cost	199,70
Actuarial loss / (gain)	-3.019,95
	-2.150,90
Net periodic cost	**-2.150,90**
Amounts recognised in the income statement	**-2.150,90**
Present value of unfunded obligations and liability in balance sheet	**5.734,48**

Movement in the liability recognized in the balance sheet:

At beginning of year	7.885,38
Total expense - as shown above	-2.150,90
At end of year	**5.734,48**

13. Contingencies and Commitments
Contingencies

Fiscal years unaudited by the tax Authorities : 2005

14. Share capital

	Number of ordinary shares	Value of ordinary shares
At 1 January 2004	85.250,00	249.782,50
At 31 December 2004	85.250,00	249.782,50
At 31 December 2005	85.250,00	249.782,50

The total authorized number of ordinary shares is 85.250 (2004:85.250shares) with a par value of euro 2.93 per share (2005:euro 2.93 per share). All issued shares are fully paid.

15.Fair value and other reserves

	Legal reserve	Special reserve	Reserves under special laws	Total
Year ended 31 December 2004				
Balance at 1 January 2004	16.300,00	1.200,00	3.226,00	20.726,00
Transfer to reserves from retained earnings	1.530,00	0,00	0,00	1.530,00
Closing Balance	**17.830,00**	**1.200,00**	**3.226,00**	**22.256,00**
Year ended 31 December 2005				
Balance at 1 January 2005	17.830,00	1.200,00	3.226,00	22.256,00
Closing Balance at 31 December 2005	**17.830,00**	**1.200,00**	**3.226,00**	**22.256,00**

16. Cash generated from operations

	2005	2004
Net Profit for the year as per income statements	33.992,23	62.770,02
Depreciation (Note 7)	9.326,20	12.820,88
Provision for impairment of debtors charged to income statement	-2.151,00	-1.143,34
Interest income and net foreign exchange transaction gains	-5.394,53	-6.702,51
Interest expense and net foreign exchange transaction losses	17,76	25,00
Changes in working capital:		
Decrease / (increase) in trade and other receivables	-63.420,12	1.899,45
(Decrease) / increase in trade and other payables	20.838,07	27.200,50
Cash generated from operations	**-6.791,39**	**96.870,00**

17.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 subsidiaries		64.532,36	0,00
Sale of Services to subsidiaries		28.110,00	27.450,72
		92.642,36	**27.450,72**
ii) Purchases of goods and services			
Purchase of services from subsidiaries		29.142,93	23.636,06
iii) Year-end balances arising from purchases of goods and services			
Payables to sumbsidiaries	(Note 10a)	24.941,20	5.900,00
Receivables from subsidiaries	(Note 8a)	69.243,72	5.398,64

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

Reconciliation of Equity at 31 December 2004

	Greek GAAP	*Effect of transition to IFRS*	*IFRS*
Assets			
Non-current assets	10.194,36		10.194,36
Intangible assets	7.529,20		7.529,20
	17.723,56	**-**	**17.723,56**
Current assets			
Receivables and prepayments	18.136,30	-11.692,57	6.443,73
Cash and cash equivalents	290.851,64		290.851,64
	308.987,94	**-11.692,57**	**297.295,37**
Total assets	**326.711,50**	**-11.692,57**	**315.018,93**
Shareholders' Equity			
Retirement and termination benefit obligations	-	7.885,38	7.885,38
Non-current liabilities	**-**	**7.885,38**	**7.885,38**
Current liabilities			
Trade and other payables	7.606,59	379,40	7.985,99
Current tax liabilities	17.665,52	-12.071,97	5.593,55
Dividends for shareholders	28.985,00	-28.985,00	-
	54.257,11	**-40.677,57**	**13.579,54**
Total liabilities	**54.257,11**	**-32.792,19**	**21.464,92**
Capital and reserves	249.782,50	-	249.782,50
Share capital	22.256,70	-	22.256,70
Retained earnings	415,19	21.099,62	21.514,81
Equity attributable	**272.454,39**	**21.099,62**	**293.554,01**
Minority Interest	-	-	-
Total equity	**272.454,39**	**21.099,62**	**293.554,01**
Total equity and liabilities	**326.711,50**	**-11.692,57**	**315.018,93**

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

Reconciliation of Profit and Loss for the year ended 31 December 2004

	Greek GAAP	*Effect of transition to IFRS*	*IFRS*
Sales	97.656,19		97.656,19
Cost of sales	-29.688,20		-29.688,20
Gross profit	**67.967,99**		**67.967,99**
Other operating income	28.594,06		28.594,06
Administrative expenses	-13.480,54		-13.480,54
Distribution costs	-26.989,00		-26.989,00
Operating profit	**56.092,51**		**56.092,51**
Finance costs - net	6.677,51		6.677,51
Profit before tax	**62.770,02**		**62.770,02**
Income tax expense	-32.176,12		-32.176,12
Profit after tax	**30.593,90**		**30.593,90**
Extraordinary item			
Net profit	**30.593,90**		**30.593,90**

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

Reconciliation of Equity

As previously reported in Greek statutory financial statements at 31 December 2004	**272.454,39**
Recognition of additional provision relating to staff termination and post-retirement benefits	-7.885,38
Devident 2004	28.985,00
As restated to conform with the requirements of IFRS at 31 December	**293.554,01**

18. 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	30.593,90
As restarted to conform with the requirements of IRFS at 31 December 2004	**30.593,90**

REPORT OF THE AUDITORS (translated from the Greek original)

To the Shareholders of "Quarries of Tagarades Community S.A."

We have audited the accompanying financial statements of "Quarries of Tagarades Community S.A." (the "Company') set out on pages 1 to 30 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

Athens, 22 February 2005
The Certified Auditor

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

SOEL Reg. No. 113

Kyriacos Riris
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