TITAN CEMENT INTERNATIONAL S.A.

Balance Sheet

		As at 31 December	
ASSETS	**Notes**	**2005**	**2004**
Investments in subsidiaries	7	742.970	470.714
Available-for-sale financial assets	8	8.313	6.513
Non-current assets		**751.283**	**477.227**
Receivables and prepayments	9	1.420.595	937.924
Cash and cash equivalents	10	18.065	603.741
Current assets		**1.438.660**	**1.541.665**
Total assets		**2.189.943**	**2.018.892**

LIABILITIES

Retirement benefit obligations	13	8.631	0
Non-current liabilities		**8.631**	**0**
Trade and other payables	11	1.273.672	1.380.777
Current income tax liabilities		212.545	0
Current liabilities		**1.486.217**	**1.380.777**
Total liabilities (a)		**1.494.848**	**1.380.777**
Share capital	14	150.000	150.000
Other reserves	15	79.590	79.590
Retained earnings		465.505	408.525
Total equity (b)		**695.095**	**638.115**
TOTAL EQUITY AND LIABILITIES (a+b)		**2.189.943**	**2.018.892**

Income Statement

	Notes	As at 31 December 2005	2004
Turnover		9.883.258	11.322.269
Cost of sales		-9.465.092	-10.602.347
Gross profit		**418.166**	**719.922**
Other operating income (expenses)		166.813	60.725
Administrative expenses		-105.940	-107.681
Selling and marketing expenses		-10.849	-66.314
Earnings before interest and taxes	3	**468.190**	**606.652**
Income from participations		27.803	10.085
Finance (cost) / income	4	181.032	-112.095
Profit before taxes		**677.025**	**504.642**
Less: taxes	6	-212.545	113.875
Profit after taxes		**464.480**	**618.517**

Statement of Changes in Shareholders' Equity

	Notes	Ordinary shares	Fair value and other reserves	Retained earnings	Total
Year ended 31 December 2004					
Opening balance		150.000	58.090	39.260	247.350
Net profit per income statement		0	0	390.767	390.767
Capitalisation of reserves		0	21.500	-21.502	-2
Closing Balance at 31 Decenber 2004		150.000	79.590	408.525	638.115
Year ended 31 December 2005					
Opening balance		150.000	79.590	408.525	638.115
Net profit per income statement		0	0	464.480	464.480
Dividends paid to all equity holders		0	0	-407.500	-407.500
Closing Balance at 31 December 2005		150.000	79.590	465.505	695.095

Cash Flow Statement

	notes	Year ended 31 December 2005	2004
Cash flows from operating activities			
Cash generated from operations	16	-4.110	1.045.745
Interest received		6.318	5.405
Income taxes paid		74.888	-397.837
Net cash generated from operating activities		***77.096***	***653.313***
Cash flows from investing activities			
Proceeds from dividends		19.020	0
Disposal/(Acquisition) of subsidiaries		-272.256	-127.894
Decrease/(increase) in long term receivables		-1.800	-6.513
Net cash generated from investing activities		***-255.036***	***-134.407***
Cash flows from financing activities			
Interest paid		-236	-655
Dividend paid		-408.500	0
Net cash flows from financing activities		***-408.736***	***-655***
Net increase/(decrease) in cash and cash equivalends and bank overdrafts		-585.676	518.251
Cash and cash equivalents at beginning of the period		603.741	85.490
Cash and cash equivalents at end of the period	10	**18.065**	**603.741**

TITAN INTERNATIONAL TRADING CO. S.A.

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31/12/2005

1. Accounting principles

General information

TITAN INTERNATIONAL TRADING CO. S.A. ('henceforth "the company"), deals in the international trading of cement and is a subsidiary of TITAN CEMENT CO. S.A., which is listed on the Athens stock exchange.

Financial statements were approved by the board of directors on February 17, 2006.

Summary of significant accounting principles

The basic accounting principles adopted for the compilation of these financial statements are cited below:

A. Basis of compilation

The financial statements that have been compiled according to International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and interpretations that have been issued by the Interpretations Committee of International Financial Information Standards, as they have been adopted by the European Union as well as the IFRS that have been issued by the Council of International Accounting Standards.

All IFRS that have been issued by the Council of International Accounting Standards and are valid at the compilation of these financial statements have been adopted by the European Council through the procedure of ratification of the European Committee (EC), except for International Accounting Standard 39 (Financial Acknowledgment and Survey Tools). After the proposal of the Accounting Standardization Committee, the Council adopted Regulations 2086/2004 and 1864/2005 that demand the use of International Accounting Standard 39, except for specific clauses that concern the compensation of portfolio deposits, beginning on January 1st, 2005 for all companies listed in the stock exchange.

The present financial statements have been compiled according to IFRS as have been issued by the Council of International Accounting Standards and have been adopted by the European Union. The company is not influenced by the clauses that concern the compensation of portfolio deposits, as presented in International Accounting Standard 39.

IFRS 1, that is mentioned in the adoption of IFRS for the first time has been applied in the preparation of financial statements of the company since January 1st, 2004. IFRS 1, that is mentioned in the adoption of IFRS for the first time has been applied in the preparation of financial statements of the company since January 1st, 2004. The balance sheet of the company at the beginning of the application of IFRS is considered to be January 1st, 2003 (date of conversion to IFRS). The company has used it right to exclude itself according to IFRS 1 in order to apply the revised IAS 32 (Financial Means: Notification and Presentation) and the revised IAS 39 (Financial Means: Acknowledgement and Survey).

The reconciliation of accounts and the description of consequences of the conversion of Greek Accounting Standards to IFRS in the net equity as well as in the net income of the company is cited in note 18.
The financial statements have been compiled according to the principle of historical cost.

B. Investments

Shares in subsidiary companies are evaluated at acquisition cost and are free of depreciation. Other shares owned for commercial purposes are classified as available for sale in current assets-investments and are evaluated at current value. Profits or losses that arise from the evaluation are recorded directly at net position, except for the case where the transaction is already completed and they appear in the income statement. Other shares that are not owned for commercial purposes appear at acquisition cost exempt from any depreciation. Losses from depreciation are recorded in the income statement.

C. Receivables

Accounts receivable are acknowledges at their current value. When the company has objective indications that it will not collect the amounts owed to it, according to the limitations restrictions of each agreement, it formulates a provision for the write off of the receivable. The amount of the provision is recorded as expenditure in the Income Statement.

D. Cash and cash equivalents

Cash and cash equivalents appear in the balance sheet at acquisition value. For the cash flow statement, cash and cash equivalents include: cash, time deposits, investments that can be liquidated in three months or less.

E . Deferred tax assets

Provisions for deferred income tax assets were reached entirely by the method of calculation based on the balance sheet and taking into consideration the temporary differences that arise between the taxed based asset or liability data and the corresponding amounts that appear in the financial statements.

Deferred tax receivables are acknowledged to the degree that the future taxable profits may be used to settle temporary differences.
Deferred income tax is determined by the use of tax coefficients valid on the date of the compilation of the balance sheet and that are expected to be applied when the current asset that is related to the deferred income tax is implemented or when the related to the deferred tax liabilities are taken care of. The deferred tax is recorded in the income statement, unless it is related to accounts that directly influence the net equity in which case the deferred tax is also recorded in net equity.

F. Acknowledgement of income

Income includes the value of the sale of merchandise and services, excluded from value added tax (VAT), returns and discounts. The income from sales of goods is recorded when the risks and the benefits that stem from the ownership of the goods are transferred to the buyer (usually with the delivery and acceptance on his behalf) and the collection of the corresponding amount is almost certain.

Income that comes from services is acknowledged as accrued according to relative agreements.

Income from interest is recorded at determined time intervals, first taking into consideration the owed capital and the real interest rate valid until the end of the period, since there is a certainty that this income will be collected by the company.

Income from dividends is recorded in the income statement when the right to collect has been established.

G. Dividends

Dividends are recorded in the financial statements of the fiscal year in which the proposal for appropriation is made by the board of directors.

H. Comparative date and rounding-off

Certain comparative funds were reclassified in order to be comparable to the corresponding funds in the current fiscal year. Differences that appear between the amounts in the financial statements and the corresponding amounts in the notes are attributed to rounding off.

I. Significant accounting assessment and judgement of the board of directors

Assessments and judgements of the board of directors are re-examined constantly and are based on historical events and expectations of future events that are considered to be reasonable according to the current situation.

2. Finance risk management

A. Credit risks

The company faces no significant credit risk. Receivables from clients originate from a wide range of clients. The financial status of clients is monitored constantly by the company.

When considered necessary, additional insurance coverage is requested as collateral. A special computer program controls the amount of credit rendered as well as the credit limit of the accounts. For certain credit risks, provisions are made for losses from depreciation. At the end of the year, the board of directors presumed that there was no essential credit risk that could not be covered by some assurance or by some provision for doubtful receivables.
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B. Liquidity risks

Prudent management of liquidity is accomplished by the existence of the proper combination of cash liquidity and approved bank credit.

The company manages risks that can arise from the lack of sufficient liquidity by assuring that bank credit is always available for use.

Existing unused approved bank credit towards the company is sufficient in order to face any possible lack of funds.

C. Interest rate risks

The operating income and the cash flow of the company are not significantly influenced by the fluctuation in interest rates.

Exposure to the risk of interest rates for liabilities and investments are monitored on a budget basis.

Notes to the financial statements

Index to notes to the financial statements **Page**

3. Profit from operations

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

	2005	2004
Staff costs (Note 5)	99.130	94.896

4. Finance (costs) / income

	2005	2004
Interest income	6.336	3.622
Tax discount due to one off payment of tax	2.474	0
Interest expense	153.456	-121.744
Exchange differences gains/(losses)	-254	-435
Income from participations	19.020	6.462
Net financing (costs)/income	**181.032**	**-112.095**

5. Staff costs

	2005	2004
Wages and salaries	71.732	75.723
Social security costs	16.556	16.789
Pension costs - defined benefit plans	8.631	0
Other post employment benefits	2.211	2.384
Total	**99.130**	**94.896**
Average number of employees:		
Office staff	2	2
Total	**2**	**2**

6. Income tax expense

	2005		2004	
Current tax	212.545	31,39%	113.875	22,57%
Deferred tax (Note 12)	0	0,00%	0	0,00%
	212.545	**31,39%**	**113.875**	**22,57%**

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	677.025		504.642	
Tax calculated at the statutory tax rate of 32%	216.648	27,00%	176.624	35,00%
Income not subject to tax		0,00%		0,00%
Expenses not deductible for tax purposes		0,00%		0,00%
Other taxes	-4.103	-0,61%	-62.749	-12,43%
Effective tax charge	**212.545**	**31,39%**	**113.875**	**22,57%**

7. Investment in subsidiaries

	2005	2004
Opening carrying amount	470.714	470.714
Plus:Purchases	272.256	0
Closing carrying amount	742.970	470.714

7α.Analysis of investment in subsidiaries

2004

	Shares in subsidiaries	Number of shareholding in subsidiaries	Total number of shares	% held
ALBACEM SA	13	1	21.000	0,005%
INTERCEMENT SA	29	1	2.000	0,050%
INTERBETON SA	3.744	178	7.252.159	0,003%
INTERTITAN SA	198	6	125.402	0,048%
LAKMOS SA	30	1	2.000	0,050%
NAFTITAN S.A	73	2	2.000	0,100%
TITAN CEMENT ATLANTIC SA	466.627	957	523.700	0,183%
Total	**470.714**	**1.146**	**7.928.261**	

2005

	Shares in subsidiaries	Number of shareholding in subsidiaries	Total number of shares	% held
ALBACEM SA	13	1	21.000	0,005%
INTERCEMENT SA	29	1	2.000	0,050%
INTERBETON SA	276.000	23.324	7.275.305	0,320%
INTERTITAN SA	198	6	125.402	0,048%
LAKMOS SA	30	1	2.000	0,050%
NAFTITAN S.A	73	2	2.000	0,100%
TITAN CEMENT ATLANTIC SA	466.627	957	523.700	0,183%
Total	**742.970**	**24.292**	**7.951.407**	

8.Available for sale financial assets

	2005	2004
At beginning of year	**6.513**	**0**
Additions	**1.800**	**6.513**
At end of year	**8.313**	**6.513**

9. Receivables and prepayments

	2005	2004
Trade receivables	1.243.159	855.266
Other receivables	177.436	82.658
	1.420.595	**937.924**

10. Cash and cash equivalents

	2005	2004
Cash at bank and in hand	38	495
Short-term bank deposits	18.027	603.246
	18.065	**603.741**

11. Trade and other payables

	2005	2004
Trade payables	4.456	8.328
Other trade payables to related parties (Note 16)	1.254.911	1.090.574
Other payables	11.895	8.394
Other taxes	2.410	273.481
	1.273.672	**1.380.777**

12. Deferred tax

Deferred tax is not calculated for the years 2004 and 2005 because the company doesn't have temporary differences between the account and tax books.

13. 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	3.515
Interest cost	1.741
Actuarial loss / (gain)	3.375
	8.631

14. Share capital

	Number of ordinary shares	Price of Shares	Total
At 1 January 2004	50.000	3	150.000
At 31 December 2004	50.000	3	150.000
At 31 December 2005	50.000	3	150.000

All issued shares are fully paid.

15.Fair value and other reserves

	Legal reserve	Special reserve	Total
Year ended 31 December 2004			
Opening balance	52.845	5.245	58.090
Transfer to reserves from retained earnings	21.500	0	21.500
Closing Balance at 31 December 2004	74.345	5.245	79.590
Year ended 31 December 2005			
Opening balance	74.345	5.245	79.590
Closing Balance at 31 December 2005	74.345	5.245	79.590

16. Cash generated from operations

	2005	2004
Net Profit for the year as per income statements	677.025	504.642
Adjustments for:		
Interest income and net foreign exchange transaction gains	-150.907	-4.750
Dividend income	-19.020	-
Interest expense and net foreign exchange transaction losses	-	121.744
Decrease / (increase) in trade and other receivables	-404.103	938.478
(Decrease) / increase in trade and other payables	-107.105	-514.369
Cash generated from operations	**-4.110**	**1.045.745**

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		911.355	0
		911.355	0
ii) Purchases of goods and services			
Purchase of goods from Titan.S.A		8.553.737	10.602.347
Purchase of services from Titan.S.A		4.488	4.033
		8.558.225	10.606.380
iii) Year-end balances arising from purchases of goods and services			
Payables to Titan S.A	(Note 11)	1.254.911	849.553
Payables to sumbsidiaries	(Note 11)	0	241.021
		1.254.911	1.090.574

18. Contingencies and Commitments Contingencies

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 2001, 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.

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

Reconciliation of Balance Sheet at 31 December 2004

	Greek GAAP	***Effect of transition to IFRS***	***IFRS***
ASSETS			
Investments in subsidiaries	470.713		470.713
Non current receivables	6.513		6.513
Non-current assets	**477.226**		**477.226**
Receivables and prepayments	937.925		937.925
Cash and cash equivalents	603.741		603.741
Total current assets	**1.541.666**		**1.541.666**
TOTAL ASSETS	**2.018.892**		**2.018.892**
SHAREHOLDERS´EQUITY			
Trade and other payables	1.244.615		1.244.615
Current tax liabilities	136.161		136.161
Dividends for shareholders	407.500		407.500
	1.788.276	**-**	**1.788.276**
Total liabilities(a)	**1.788.276**	**-**	**1.788.276**
Share capital	150.000		150.000
Fair value and other reserves	80.616		80.616
Share capital and reserves(b)	**230.616**	**-**	**230.616**
Total equity and liabilities(a+b)	**2.018.892**		**2.018.892**

19. 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	11.322.269		11.322.269
Cost of sales	-10.602.348		-10.602.348
Gross profit	**719.921**		**719.921**
Other operating income/ (expense)	70.810		70.810
Administrative expenses	-107.682		-107.682
Selling and marketing expenses	-66.315		-66.315
Earnings before interest and taxes	**616.734**		**616.734**
Income from participations	9.651	-121.743	-112.092
Exceptional item	45.395	-45.395	0
Profit before taxes	**671.780**	**-167.138**	**504.642**
Less: taxes	-136.160	22.285	-113.875
Profit after taxes	**535.620**	**-144.853**	**390.767**

19. 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	**638.115**
As restated to conform with the requirements of IFRS at 31 December 2004	**638.115**

19. Reconciliation to International Financial Reporting Stantards "IFRS"(continued)

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

As previously reported in Greek statutoty financial statements at 31 December 2004	**535.620**
Adjusted for :	
Deferred tax charge	22.285
Reversal of income from participations and securities	-121.743
Extraordinary income/expenses	-45.395
As restarted to conform with the requirements of IFRS at 31 December 2004	**390.767**

20. 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 Titan International Trading S.A.

We have audited the accompanying financial statements of Titan International Trading S.A. (the "Company') set out on pages 1 to 17 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 18 to 20, 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.

PRICEWATERHOUSECOOPERS

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

SOEL Reg. No. 113

Athens, 17 February 2005
The Certified Auditor

Kyriacos Riris
SOEL Reg. No. 12111