TITAN CEMENT ATLANTIC S.A.

Balance Sheet

		As at 31 December	
ASSETS	**Notes**	**2005**	**2004**
Investments in subsidiaries	5	249.601.830	249.601.830
Non-current assets		**249.601.830**	**249.601.830**
Inventories	6		
Receivables and prepayments	7	775.001	6.117.217
Cash and cash equivalents		57.296	3.230.451
Current assets		**832.297**	**9.347.668**
Total assets		**250.434.127**	**258.949.498**
LIABILITIES			
Trade and other payables	8	0	408
Current income tax liabilities		0	1.461.236
Dividends payable	11	3.147.647	0
Current liabilities		**3.147.647**	**1.461.644**
Total liabilities (a)		**3.147.647**	**1.461.644**
Share capital	9	244.943.818	244.943.818
Other reserves	10	2.286.900	2.286.900
Retained earnings		55.762	10.257.136
Total equity (b)		**247.286.480**	**257.487.854**
TOTAL EQUITY AND LIABILITIES (a+b)		**250.434.127**	**258.949.498**

Income Statement

	Notes	As at 31 December 2005	2004
Other operating expenses		40.393	105.802
Administrative expenses		-27.925	-42.132
Earnings before interest and taxes		**12.468**	**63.670**
Income from participations		0	8.333.010
Finance (cost) / income	3	24.493	951.447
Profit before taxation		**36.961**	**9.348.127**
Less: taxes	4	0	-335.012
Profit after taxes		**36.961**	**9.013.115**

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		35.576.980	170.366.837	1.564.073	1.244.021	208.751.911
Net profit per income statement		0	0	0	9.013.115	9.013.115
Increase/(decrease) in share capital	20	2.862.600	36.137.401	0	0	39.000.001
Transfer to reserves	21	0	0	722.827	0	722.827
Closing Balance at 31 Decenber 2004		38.439.580	206.504.238	2.286.900	10.257.136	257.487.854
Year ended 31 December 2005						
Opening balance		38.439.580	206.504.238	2.286.900	10.257.136	257.487.854
Net profit per income statement		0	0	0	36.961	36.961
Dividends paid to all equity holders		0	0	0	-10.238.335	-10.238.335
Closing Balance at 31 December 2005		38.439.580	206.504.238	2.286.900	55.762	247.286.480

Cash Flow Statement

	notes	Year ended 31 December 2005	2004
Cash flows from operating activities			
Cash generated from operations	22	12.536	6.586.876
Interest received		24.493	16.622
Income taxes paid		-1.461.236	-1.961.320
Net cash generated from operating activities		***-1.424.207***	***4.642.178***
Cash flows from investing activities			
Proceeds from dividends		0	8.333.010
Disposal/(Acquisition) of subsidiaries		0	-39.000.000
Net cash generated from investing activities		***0***	***-30.666.990***
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		0	39.000.000
Dividend paid		-1.748.948	-8.841.274
Net cash flows from financing activities		***-1.748.948***	***30.158.726***
Net increase/(decrease) in cash and cash equivalents		-3.173.155	4.134.062
Cash and cash equivalents at beginning of the period		3.230.451	31.362
Effects of exchange rate changes		0	-934.973
Cash and cash equivalents at end of the period	7	**57.296**	**3.230.451**

1. Accounting principles

General information

TITAN ATLANTIC CEMENT INDUSTRIAL AND COMMERCIAL S.A. ("the company"), deals in the U.S.A. through our 100% share in the TITAN AMERICA LLC company, owner of 2 quarry product units, 10 limestone production units as well as 7 new units for the production and processing of flying ash 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 20, 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).

During the adoption of IFRS, the company did not find any consequences from the conversion from Greek Accounting standards to IFRS either in the net equity or in the net income of the company.

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. 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.

For the fiscal years 2004 and 2005, no deferred tax was calculated because the company had no temporary differences between the accounting and tax records.

F. Acknowledgement of income

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.

J. Significant accounting assessments and acknowledgements

The company continues to make estimations and acknowledgements in relation to the development of future events. The estimations and acknowledgements that contain significant risk of inflicting essential adjustments to accounting values of fixed assets and liabilities within the next 12 months are the following:

Company assessment is necessary for the determination of the provision for income tax. There are many transactions and calculations for which the final determination of tax is uncertain. If the final tax is different from that originally acknowledged, the difference will influence income tax and the provision for deferred tax of the period.

K. Determinative assessments by the board of directors for the application of accounting principles

There are no areas where the assessments of the board of directors regarding accounting principles need to be used.

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.

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

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3. Finance (costs) / income

	2005	2004
Interest income	24.493	16.622
Exchange differences gains/(losses)	0	934.973
Interest expense	0	-148
Net financing (costs)/income	**24.493**	**951.447**

4. Income tax expense

	2005		2004	
Current tax	0	0,00%	1.391.734	14,89%
Deferred tax (Note 16)	0	0,00%	-1.056.722	-11,30%
	0	**0,00%**	**335.012**	**3,58%**

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	36.961		9.348.127	
Tax calculated at the statutory tax rate of 32%	11.827	32,00%	3.271.844	35,00%
Income not subject to tax	-11.827	-32,00%	-2.936.832	-31,42%
Effective tax charge	**0**	**0,00%**	**335.012**	**3,58%**

5. Investment in subsidiaries

	2005	2004
Opening carrying amount	249.601.830	233.270.333
Plus:Purchases	0	16.331.497
Closing carrying amount	249.601.830	249.601.830

5α.Analysis of investment in subsidiaries

2004

	Shares in subsidiaries	% held
TITAN AMERICA LLC	249.601.830	100,00%
Total	**249.601.830**	

2005

	Shares in subsidiaries	% held
TITAN AMERICA LLC	249.601.830	100,00%
Total	**249.601.830**	

6. Receivables and prepayments

	2005	2004
Other trade receivables from related parties (Note 23)	0	5.341.740
Other receivables	775.001	775.477
	775.001	**6.117.217**

7. Cash and cash equivalents

	2005	2004
Cash in hand	296	0
Short-term bank deposits	57.000	3.230.451
	57.296	**3.230.451**

8. Trade and other payables

	2005	2004
Trade payables	0	408
	0	**408**

9. Share capital

	Ordinary Shares	Share premium	Total
At 1 January 2004	35.576.980	170.366.838	205.943.818
Increase share capital	2.862.600	36.137.400	39.000.000
At 31 December 2004	38.439.580	206.504.238	244.943.818
At 31 December 2005	38.439.580	206.504.238	244.943.818

All issued shares are fully paid.

10.Fair value and other reserves

	Legal reserve	Total
Year ended 31 December 2004		
Opening balance	1.564.073	1.564.073
Transfer to reserves from retained earnings	722.827	722.827
Closing Balance at 31 December 2004	2.286.900	2.286.900
Year ended 31 December 2005		
Opening balance	2.286.900	2.286.900
Closing Balance at 31 December 2005	2.286.900	2.286.900

11.Intercompany transactions

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

		2005	2004
iii) Year-end balances arising from purchases of goods and services			
Dividend to Titan S.A		3.147.647	0
Receivables from Titan S.A	(Note 12)	0	5.341.740

12. Post balance sheet events

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

13.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.

REPORT OF THE AUDITORS (translated from the Greek original)

To the Shareholders of Titan Atlantic Cement Industrial & Commercial S.A.

We have audited the accompanying financial statements of Titan Atlantic Cement Industrial & Commercial S.A. (the "Company') set out on pages 1 to 13 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 14 to 15, 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.

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PricewaterhouseCoopers S.A.
Certified Auditors and Accountants
268 Kifissias Avenue
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Athens, 20 February 2005
The Certified Auditor

Kyriacos Riris
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