



ALBACEM SA
Annual Financial Statements Based on International
Financial Reporting Standards
For the year ended 31 December 2005

These financial statement have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the Original Greek language financial statements, the Greek language financial statements will prevail over this document.

ALBACEM S.A
22A Halkidos Str. - 111 43 Athens

ALBACEM S.A.**Balance Sheet****As at 31 December**

<u>ASSETS</u>	Notes	2005	2004
Property, plant and equipment	4	134,994	134,994
Non-current assets		134,994	134,994
Receivables and prepayments	5	1,533	23,129
Cash and cash equivalents	6	38,354	91,351
Current assets		39,887	114,480
Total assets		174,881	249,474
<u>LIABILITIES</u>			
Trade and other payables	7	0	2,936
Current liabilities		0	2,936
Total liabilities (a)		0	2,936
Share capital	8	273,000	273,000
Other reserves	9	4,515	4,515
Retained earnings		-102,634	-30,977
Total equity (b)		174,881	246,538
TOTAL EQUITY AND LIABILITIES (a+b)		174,881	249,474

Income Statement

		As at 31 December	
	Notes	2005	2004
Turnover			
Cost of sales			
Gross profit		0	0
Administrative expenses		-72,522	-12,301
Earnings before interest and taxes	2	-72,522	-12,301
Finance (cost) / income	3	865	304
Profit before taxes		-71,657	-11,997
Less: taxes		0	0
Profit after taxes		-71,657	-11,997

Statement of Changes in Shareholders' Equity

	Notes	Ordinary shares	Fair value and other reserves	Retained earnings	Total
Year ended 31 December 2004					
Opening balance		273,000	4,515	-18,980	258,535
Net profit per income statement		0	0	-11,997	-11,997
Closing Balance at 31 December 2004		273,000	4,515	-30,977	246,538
Year ended 31 December 2005					
Opening balance		273,000	4,515	-30,977	246,538
Net profit per income statement		0	0	-71,657	-71,657
Closing Balance at 31 December 2005		273,000	4,515	-102,634	174,881

Cash Flow Statement

		Year ended 31 December		
notes	2005	2004		
Cash flows from operating activities				
	Cash generated from operations	10	-53,862	-22,245
	Interest received		945	3,519
	<i>Net cash generated from operating activities</i>		-52,917	-18,726
Cash flows from financing activities				
	Interest paid		-80	-1,619
	<i>Net cash flows from financing activities</i>		-80	-1,619
	Net increase/(decrease) in cash and cash equivalents		-52,997	-20,345
	Cash and cash equivalents at beginning of the period		91,351	111,696
	Cash and cash equivalents at end of the period	6	38,354	91,351

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1A. Accounting principles

General information

ALBACEM S.A. (“the company”) deals in cement trading. The company has a branch in ALBANIA and is a subsidiary of TITAN CEMENT CO. S.A., which is listed on the Athens Stock Exchange. The company remained dormant for the duration of the year.

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

ALBACEM S.A.

of IFRS is considered to be January 1st, 2003 (date of conversion to IFRS). The company has used its 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).

Reconciliation of accounts and descriptions of the consequences of conversion from Greek Accounting Standards to IFRS in net equity as well as in net income of the company are cited in note 16.

The financial statements have been compiled according to the principle of historical cost.

B. Tangible assets

Tangible assets are depicted at historical cost of acquisition.

The cost includes expenses directly related to the purchase of fixed assets as well as the cost of environmental restoration to the degree to that it has been recorded as a provision. Latter expenditures are recorded as increase in accounting value of tangible assets or as separate asset only in the case that it is possible to have additional financial benefits coming into the company and the cost can be reliably evaluated. Additional expenditures are depreciated in the shortest time period that arises between the beneficial life of the financial asset in question and the amount of time that intercedes until the next scheduled improvement of the asset.

C. Cash and cash equivalents

Cash and cash equivalents are depicted in the balance sheet at acquisition value. For the cash flow statement, cash equivalents and cash include: cash, time deposits, investments that can be liquidated in three months or less and over-withdrawals. Over-withdrawals are depicted in liabilities as short-term loan liabilities.

Provision for deferred income tax assets were reached entirely by using the taxed based asset or liability data and the corresponding amounts that appear in the financial statements.

D. Comparative data 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.

Notes to the financial statements

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2. Profit from operations

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

	2005	2004
Owned assets	134,994	134,994
	<u>134,994</u>	<u>134,994</u>

3. Finance (costs) / income

	2005	2004
Interest income	945	1,903
Exchange differences gains/(losses)	0	-1,161
Interest expense	-80	-438
Net financing (costs)/income	865	304

4. Property, plant and equipment

	Land	Total
Year ended 31 December 2004		
Opening balance	134,994	134,994
Closing balace at 31 December 2004	<u>134,994</u>	<u>134,994</u>
Year ended 31 December 2005		
Opening balance	134,994	134,994
Closing balance at 31 December 2005	<u>134,994</u>	<u>134,994</u>

The Company has no pledges on its owned assets.

5. Receivables and prepayments

	2005	2004
Other receivables	1,533	23,129
	<u>1,533</u>	<u>23,129</u>
	<u><u>1,533</u></u>	<u><u>23,129</u></u>

6. Cash and cash equivalents

	2005	2004
Short-term bank deposits	38,354	91,351
	<u>38,354</u>	<u>91,351</u>
	<u><u>38,354</u></u>	<u><u>91,351</u></u>

7. Trade and other payables

	2005	2004
Trade payables	0	2,936
	<u>0</u>	<u>2,936</u>
	<u>0</u>	<u>2,936</u>

8. Share capital

	Number of ordinary shares	Price of Share	Total
At 1 January 2004	21,000	13	273,000
At 31 December 2004	21,000	13	273,000
At 31 December 2005	<u>21,000</u>	<u>13</u>	<u>273,000</u>

All issued shares are fully paid.

9.Fair value and other reserves

	Legal reserve	Reserves under special laws	Total
Year ended 31 December 2004			
Opening balance	199	4,316	4,515
Closing Balance at 31 December 2004	199	4,316	4,515
Year ended 31 December 2005			
Opening balance	199	4,316	4,515
Closing Balance at 31 December 2005	199	4,316	4,515

10. Cash generated from operations

	2005	2004
Net Profit for the year as per income statements	-71,657	-11,997
Adjustments for:		
Interest income and net foreign exchange transaction gains	-865	-1,900
Changes in working capital:		
Decrease / (increase) in trade and other receivables	-2,936	1,669
(Decrease) / increase in trade and other payables	21,596	-10,017
Cash generated from operations	<u>-53,862</u>	<u>-22,245</u>

11. Contingencies and Commitments Contngencies

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 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.

12. 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
ALBACEM S.A CEMENT, READY-MIX & QUARRY WORKS

We have audited the attached balance sheet of ALBACEM S.A 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 1 to 19, 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 17 to 18 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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