LAFARGE TITAN EGYPTIAN INVESTMENTS LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

Ref: 1378400
Sims: 58922

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 31st December 2006.

INCORPORATION

The Company is incorporated in Jersey, Channel Islands.

ACTIVITIES

The principal activity of the Company is investment holding.

RESULTS AND DIVIDENDS

The loss for the year amounted to € 283,756 (2005: € 5,228,082 profit)

The Directors do not recommend a dividend for the year.

DIRECTORS

The Directors who held office during the year and subsequently were:-

Jean-Charles Blatz	(resigned 28th April 2006)
Stamatis Douzinas	
Dimitri Papalexopoulos	
Michael Sigalas	
Michel Rose	
Samer Berekdar	(resigned 28th April 2006)
Eric Meuriot	(appointed 28th April 2006)
Ulrich Glaunach	(appointed 28th April 2006)

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office.

REGISTERED OFFICE

22 Grenville Street, St. Helier, Jersey, Channel Islands, JE4 8PX

BY ORDER OF THE BOARD

Authorised Signatory
Mourant & Co. Secretaries Limited
Secretary
Date:

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and generally accepted accounting principles.

Jersey Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors should:

* select suitable accounting policies and then apply them consistently;

* make judgements and estimates that are reasonable and prudent;

* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ERNST & YOUNG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAFARGE TITAN EGYPTIAN INVESTMENTS LIMITED

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Balance Sheet, the Income Statement, the Statement of Change in Shareholders' Equity, The Cash Flow Statement and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable Jersey law as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Ernst & Young LLP

Ernst & Young LLP
Jersey, Channel Islands
Date: 23 October 2007

BALANCE SHEET

AS AT 31ST DECEMBER 2006

	Notes	2006	2005
ASSETS			
Non-current assets			
Investments in subsidiaries	2	224,169,284	224,169,284
Current assets			
Debtors	3	1,365	301,906
Cash and cash equivalents	4	2,597,250	2,531,718
		2,598,615	2,833,624
TOTAL ASSETS		€ 226,767,900	€ 227,002,908
EQUITY AND LIABILITIES			
Share capital	6	218,209,446	218,209,446
Retained earnings		8,491,834	8,775,590
TOTAL SHAREHOLDERS' EQUITY		226,701,280	226,985,036
Current liabilities			
Creditors	5	66,620	17,872
TOTAL EQUITY AND LIABILITIES		€ 226,767,900	€ 227,002,908

The financial statements were approved and authorised for issue by the Board of Directors on the 16th day of OCTOBER 2007 and were signed on its behalf by:

"A" **Director:**

"B" DIRECTOR:

S. BOUZINAS

(The notes on pages 8 to 12 form part of these financial statements)

LAFARGE TITAN EGYPTIAN INVESTMENTS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006	2005
INCOME:		
Bank interest receivable	99,938	1,313,449
Profit on exchange	-	3,973,834
	99,938	5,287,283
EXPENDITURE:		
Loss on exchange	290,174	-
Audit fees invoiced by Parent	49,375	31,901
Consultancy fees	-	1,481
Audit fees	9,450	10,777
Audit fees under-accrued in prior years	6,211	3,712
Accountancy fee	11,319	3,808
Accountancy fees under-accrued in prior year	-	3,673
Mourant secretarial and administration fees	14,187	15,749
Mourant administration fees over-accrued in prior year	-	(15,771)
Annual filing fee	226	215
Exempt company fee	904	875
Bank interest and charges	1,848	2,781
	383,694	59,201
NET (LOSS)/PROFIT FOR THE YEAR	€ (283,756)	€ 5,228,082

(The notes on pages 8 to 12 form part of these financial statements)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2006

	Share Capital	Retained earnings	Total
Balance at 1st January 2005	218,209,446	3,547,508	221,756,954
Profit for the year	-	5,228,082	5,228,082
Balance at 31st December 2005	€ 218,209,446	€ 8,775,590	€ 226,985,036
Balance at 1st January 2006	218,209,446	8,775,590	226,985,036
Loss for the year	-	(283,756)	(283,756)
Balance at 31st December 2006	€ 218,209,446	€ 8,491,834	€ 226,701,280

(The notes on pages 8 to 12 form part of these financial statements)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2006

	Notes	2006	2005
Cash flows from operating activities			
Operating (loss)/profit for the year		(283,756)	5,228,082
Decrease/(Increase) in debtors		300,541	(52,981)
Increase/(Decrease) in creditors		48,748	(14,356)
Net cash flow from operating activities		65,533	5,160,745
Cash flows from investing activities			
Purchase of financial assets		-	(26,046,552)
Net cash flows used in investing activities		-	(26,046,552)
Net Increase/(Decrease) in cash and cash equivalents		65,533	(20,885,807)
Cash and cash equivalents at beginning of year		2,531,718	23,417,525
Cash and cash equivalents at end of year	4	€ 2,597,250	€ 2,531,718

(The notes on pages 8 to 12 form part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee. The more significant accounting policies used are set out below.

Use of estimates
The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the year. Actual results could differ from those estimates.

Accounting for Investments in subsidiaries
Under International Accounting Standard No 27 (Consolidated Financial Statements and Accounting for Investments in Subsidiaries) the Company is required to prepare consolidated financial statements unless each shareholder produces consolidated financial statements available for public use that comply with IFRS. The Company's financial statements contain information of Lafarge Titan Egyptian Investments Limited ("LTEIL") as an individual company and do not contain consolidated financial statements as parent of its 95% owned subsidiary company, Beni Suef Cement Company, nor its 100 % owned subsidiaries Alexandria Development Limited and East Cement Trade Limited, nor its 88.45% owned subsidiary Alexandria Portland Cement Company. The directors have not prepared consolidated financial statements, as each shareholder will account, for their interest in the Company's subsidiaries, directly in their own group financial statements which are publicly available and comply with IFRS. Consequently, the investments in subsidiary companies are accounted for at cost less impairment.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

a) Currency of domicile, functional currency and presentation currency;

The currency of domicile is GBP (pounds sterling). Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

b) Transactions and balances;

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Dividend Income

Dividend revenue is recognised when the right to receive such dividend is established.

Interest income and expense

Interest income and expense are recognised in the income statement for all debt instruments using the effective interest method.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

2. INVESTMENTS IN SUBSIDIARIES

	2006	2005
Beni Suef Cement Company 49,399,000 (2005: 49,349,000) ordinary shares of €2 each	170,460,047	170,460,047
Alexandria Development Limited 36,321,993 ordinary shares of €2 each	52,380,112	52,380,112
East Cement Trade Limited 5,836 ordinary shares of CYP£1 each	1,329,125	1,329,125
	€ 224,169,284	€ 224,169,284

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2006

2. INVESTMENTS IN SUBSIDIARIES (CONTINUED)	2006	2005
Beni Suef Cement Company		
Percentage of shares held	95%	95%

Beni Suef Cement Company is incorporated in Egypt and its principal business activity is that of cement manufacturing.

	2006	2005
Alexandria Development Limited		
Percentage of shares held	100%	100%

	2006	2005
East Cement Trade Limited		
Percentage of shares held	100%	100%

East Cement Trade Limited is incorporated in Cyprus and its principal business activity is that of investment holding.

3. DEBTORS	2006	2005
Loan receivable from ADL	-	300,776
Prepayment of Mourant & Co Limited management fees	248	
Prepayment of fiscal fees	1,117	1,130
	€ 1,365	€ 301,906

4. CASH AND CASH EQUIVALENTS	2006	2005
Deposits with Citibank International Plc	2,596,626	2,162,237
Deposits with HSBC Bank Plc	624	172,944
Current account deposits with Barclays Bank Plc	-	82,284
Deposits with Commercial International Bank (Egypt)	-	114,253
	€ 2,597,250	€ 2,531,718

5. CREDITORS - DUE WITHIN ONE YEAR

	2006	2005
Accrued expenses	66,617	17,869
Shareholders Loan	3	3
	€ 66,620	€ 17,872

The loan payable to the shareholders is unsecured, interest free and there is no specified repayment date.

6. SHARE CAPITAL

	2006	2005
AUTHORISED:		
218,209,446 ordinary shares of €1.00 each	€ 218,209,446	€ 218,209,446
ISSUED AND FULLY PAID:		
218,209,446 ordinary shares of €1.00 each	€ 218,209,446	€ 218,209,446

7. TAXATION

The Company has been granted exempt status for Jersey taxation purposes and therefore only suffers an annual exempt company fee of £ 600.

8. CONTROLLING PARTY

The Company is jointly owned by and controlled by Financière Lafarge SA, incorporated in France and by Iapetos Limited, incorporated in Cyprus, each holding a 50% interest in the Company.

Financière Lafarge SA is ultimately owned and controlled by Lafarge SA, incorporated in France. Iapetos Limited is ultimately owned and controlled by Titan plc, incorporated in Greece.

9. RELATED PARTIES

All identified related parties' transactions have been disclosed in the financial statements.

10. FINANCIAL INSTRUMENTS

Strategy in using financial instruments

Financial instruments at the balance sheet date comprise balances due from subsidiary company, debtors, cash and cash equivalents and accruals. As at the balance sheet date, the book values of these financial instruments approximated their fair values.

Foreign Exchange risk

The Company's exposure to foreign exchange risk is summarised below:

	2006		2005	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
Denominated in Euro	342,364	3	1,814	3
Denominated in US$	2,254,262	-	2,462,327	-
Denominated in GBP	-	66,617	-	17,869
Denominated in Egyptian Pounds	624	-	369,483	-
	€ 2,597,250	€ 66,620	€ 2,833,624	€ 17,872

Interest Rate Risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company has no significant interest bearing assets.

Credit Risk

The Company has no significant concentrations of credit risk. Financial assets which potentially subject the company to concentrations of credit risk consist principally of cash at bank and debtors. The company's cash is placed with quality financial institutions. Debtors represent amounts due from related parties which are unsecured and interest free.

10. POST BALANCE SHEET EVENTS

The investment in East Cement Trade Limited was fully written down in June 2007 as it was considered to be impaired.