

**ALEXANDRIA DEVELOPMENT LIMITED**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

Ref: 1272158  
Sims: 53043

## **ALEXANDRIA DEVELOPMENT LIMITED**

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### **REPORT OF THE DIRECTORS**

The Directors present their report and the audited financial statements for the year ended 31st December 2007.

#### **INCORPORATION**

The Company is incorporated in Jersey, Channel Islands.

#### **ACTIVITIES**

The principal activity of the Company is investment holding.

#### **RESULTS AND DIVIDENDS**

The profit for the year amounted to € 3,751,964 (2006: € 1,395,210).

Dividends paid during the year amounted to € 4,075,810 (2006: nil).

#### **DIRECTORS**

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

Stamatis Douzinas

Michael Sigalas

Eric Meuriot

Michel Rose (resigned 6th May 2008)

Ulrich Glanauch (resigned 30th October 2007)

Dimitri Papalexopoulos

Guillaume Roux (appointed 30th October 2007 and resigned 6th May 2008)

Neil Curtis (appointed 23rd January 2008 and resigned 6th May 2008)

#### **AUDITORS**

Ernst & Young 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

7/7/08

## **ALEXANDRIA DEVELOPMENT LIMITED**

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### **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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ALEXANDRIA DEVELOPMENT LIMITED**

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 11. 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 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Jersey) Law 1991.

*Smith & Young LLP*

Jersey, Channel Islands

Date: *10 July 2008*

## ALEXANDRIA DEVELOPMENT LIMITED

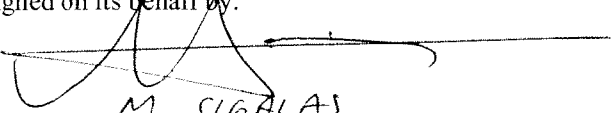
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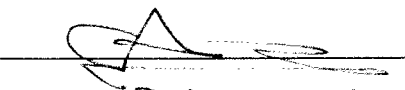
### BALANCE SHEET

AS AT 31ST DECEMBER 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	2	73,929,508	73,929,508
<b>Current assets</b>			
Debtors	3	20	1,385
Cash and cash equivalents	4	802,578	1,103,982
		802,598	1,105,367
<b>TOTAL ASSETS</b>		€ 74,732,106	€ 75,034,875
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	6	72,643,986	72,643,986
Retained earnings		2,041,782	2,365,628
<b>TOTAL SHAREHOLDERS' EQUITY</b>		74,685,768	75,009,614
<b>Current liabilities</b>			
Creditors	5	46,338	25,260
<b>TOTAL EQUITY AND LIABILITIES</b>		€ 74,732,106	€ 75,034,875

The financial statements were approved by the Board of Directors on the 7<sup>th</sup> day of July 2008 and were signed on its behalf by:

Director:   
M. SIGALAS

Director:   
S. BOUZINAS

*(The notes on pages 8 to 13 form part of these financial statements)*

## ALEXANDRIA DEVELOPMENT LIMITED

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### INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2007

	<u>2007</u>	<u>2006</u>
<b>INCOME:</b>		
Bank interest receivable	48,116	37,691
Dividends from related undertaking	3,901,610	1,392,057
	<hr/>	<hr/>
	3,949,726	1,429,748
<b>EXPENDITURE:</b>		
Loss on exchange	115,100	4,456
Audit fees	9,034	9,458
Audit fees over/under-accrued in prior years	-	( 1,169)
Accountancy fee	11,648	7,626
Safe custody fees	45,237	-
Mourant secretarial and administration fees	15,301	12,613
Annual filing fee	226	227
Exempt company fee	904	910
Bank interest and charges	312	417
	<hr/>	<hr/>
	197,762	34,538
<b>NET PROFIT FOR THE YEAR</b>	<hr/> <b>€ 3,751,964</b> <hr/>	<hr/> <b>€ 1,395,210</b> <hr/>

*(The notes on pages 8 to 13 form part of these financial statements)*

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**ALEXANDRIA DEVELOPMENT LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31ST DECEMBER 2007**

	Share Capital	Retained earnings	Total
Balance at 1st January 2006	72,643,986	970,418	73,614,404
Profit for the year	-	1,395,210	1,395,210
Balance at 31st December 2006	<u>€ 72,643,986</u>	<u>€ 2,365,628</u>	<u>€ 75,009,614</u>
Balance at 1st January 2007	72,643,986	2,365,628	75,009,614
Profit for the year	-	3,751,964	3,751,964
Dividends paid to related undertaking	-	( 4,075,810)	( 4,075,810)
Balance at 31st December 2007	<u>€ 72,643,986</u>	<u>€ 2,041,782</u>	<u>€ 74,685,768</u>

*(The notes on pages 8 to 13 form part of these financial statements)*

## ALEXANDRIA DEVELOPMENT LIMITED

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### CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2007

	<u>2007</u>	<u>2006</u>
<b>Cash flows from operating activities</b>		
Operating (loss)/profit for the year	3,751,964	1,395,210
Bank interest receivable	( 48,116)	-
Decrease/(Increase) in debtors	1,364	( 227)
Increase/(Decrease) in creditors	21,078	( 301,311)
<b>Net cash flow from operating activities</b>	<u>3,726,290</u>	<u>1,093,672</u>
<b>Cash flows from investing activities</b>		
Bank interest receivable	48,116	-
<b>Net cash flows used in investing activities</b>	<u>48,116</u>	<u>-</u>
<b>Equity dividends paid</b>	( 4,075,810)	
<b>Net (decrease)/Increase in cash and cash equivalents</b>	( 301,404)	1,093,672
<b>Cash and cash equivalents at beginning of year</b>	<u>1,103,982</u>	<u>10,310</u>
<b>Cash and cash equivalents at end of year</b>	<u>€ 802,578</u>	<u>€ 1,103,982</u>

*(The notes on pages 8 to 13 form part of these financial statements)*

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## **ALEXANDRIA DEVELOPMENT LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31ST DECEMBER 2007**

##### **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") 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.

##### **Scope of consolidation**

The Company has adopted the exemption available in International Accounting Standard (IAS) 27 and has not presented consolidated financial statements, as it is a wholly owned subsidiary of a parent, Lafarge Titan Egyptian Investments Limited ("LTEIL"). As a result, the financial statements contain information about Alexandria Development Limited as an individual company and do not contain consolidated financial statements as the parent company of its wholly owned subsidiary, Alexandria Portland Cement Company.

##### **Accounting for Investments in subsidiaries**

The investment in the Company's wholly owned subsidiary, Alexandria Portland Cement Company, is accounted for at cost less provision for impairment. Cost comprises the purchase price and all incidental expenses incurred in relation to the acquisition of the subsidiary.

##### **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.

## ALEXANDRIA DEVELOPMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

#### FOR THE YEAR ENDED 31ST DECEMBER 2007

#### 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 Company's functional currency and Presentational currency is Euro.

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 and expense

Dividend revenue and expense is recognised when the right to receive or pay 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

	<u>2007</u>	<u>2006</u>
Alexandria Portland Cement Company 10,614,137 ordinary shares of EGP 30 each	€ 73,929,508	€ 73,929,508
Percentage of shares held	88.45%	88.45%

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

#### 3. DEBTORS

	<u>2007</u>	<u>2006</u>
Loan receivable from LTEIL	20	20
Prepayment of fiscal fees	-	1,365
	€ 20	€ 1,385

The loan receivable from LTEIL is unsecured, interest free and has no specified repayment date.

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**ALEXANDRIA DEVELOPMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 2007**

<b>4. CASH AND CASH EQUIVALENTS</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Deposits with Citibank International Plc - Euro	1,167	1,445
Deposits with Citibank International Plc - US\$	801,411	1,102,537
	<u>€ 802,578</u>	<u>€ 1,103,982</u>
	<u><u>€ 802,578</u></u>	<u><u>€ 1,103,982</u></u>
<b>5. CREDITORS - DUE WITHIN ONE YEAR</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Loan payable to Blue Circle Industries Plc	6,649	7,261
Accrued expenses	39,689	17,999
	<u>€ 46,338</u>	<u>€ 25,260</u>
	<u><u>€ 46,338</u></u>	<u><u>€ 25,260</u></u>

The loan payable to Blue Circle Industries PLC is unsecured, interest free and has no specified repayment date.

<b>6. SHARE CAPITAL</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>AUTHORISED:</b>		
36,321,993 ordinary shares of €2.00 each.	<u>€ 72,643,986</u>	<u>€ 72,643,986</u>
	<u><u>€ 72,643,986</u></u>	<u><u>€ 72,643,986</u></u>
<b>ISSUED AND FULLY PAID:</b>		
36,321,993 ordinary shares of €2.00 each.	<u>€ 72,643,986</u>	<u>€ 72,643,986</u>
	<u><u>€ 72,643,986</u></u>	<u><u>€ 72,643,986</u></u>

**7. TAXATION**

Under Article 123A of the Income Tax (Jersey) law 1961, as amended, the company has obtained Jersey exempt company status for the year and is therefore exempt from Jersey income tax on non Jersey source income and bank interest (by concession). A £600 annual exempt company fee is payable by the company.

**ALEXANDRIA DEVELOPMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**8. CONTROLLING PARTY**

The company is wholly owned by LTEIL, incorporated in Jersey CI, which is in turn jointly owned and controlled by Financière Lafarge SA, incorporated in France and by Iapetos Limited, incorporated in Cyprus, each holding a 50% interest in LTEIL.

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.

## ALEXANDRIA DEVELOPMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

#### FOR THE YEAR ENDED 31ST DECEMBER 2007

#### 10. FINANCIAL RISK MANAGEMENT

##### a) Financial risk factors

The Company's activities exposed it to interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

##### i) Interest rate risk

Interest rate is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Interest income earned on cash at bank is susceptible to changes in market interest rates. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

##### ii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company functional currency. The Company's policy is not to enter into any currency hedging transactions. At year-end the Company's exposure to foreign risk is summarised below:

	<u>2007</u>		<u>2006</u>	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
Denominated in Euro	1,167	-	1,445	-
Denominated in US\$	801,411	-	1,102,537	-
Denominated in GBP		46,338		25,260
	<u>€ 802,578</u>	<u>€ 46,338</u>	<u>€ 1,103,982</u>	<u>€ 25,260</u>

##### iii) 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.

##### iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimizing such losses, such as maintaining sufficient cash and other highly liquid current assets.

The table below summarizes the maturity profile of the Company's financial liabilities as at the year end.

## ALEXANDRIA DEVELOPMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

#### FOR THE YEAR ENDED 31ST DECEMBER 2007

#### 10. FINANCIAL RISK MANAGEMENT

##### iv) Liquidity risk - (continued)

	<u>2007</u>					Total €
	On demand €	Less than 3 months €	6 to 12 months €	1 to 5 years €	> 5 years €	
Borrowings	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
Trade and other payables	-	46,338	-	-	-	46,338
		46,338				46,338
		46,338				46,338

	<u>2006</u>					Total €
	On demand €	Less than 3 months €	6 to 12 months €	1 to 5 years €	> 5 years €	
Borrowings	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
Trade and other payables	-	25,260	-	-	-	25,260
		25,260				25,260
		25,260				25,260

##### b) Fair value estimation

The fair values of financial assets and liabilities are not materially different from their carrying values at the balance sheet date.

	Carrying amount		Fair value	
	2007 €	2006 €	2007 €	2006 €
<b>Financial assets:</b>				
Receivables and prepayments	20	1,385	20	1,385
Cash and cash equivalents	802,578	1,103,982	802,578	1,103,982
<b>Financial liabilities</b>				
Trade and other payables	46,338	25,260	46,338	25,260

#### 11. SUBSEQUENT EVENTS

The parent company, Lafarge Titan Egyptian Investments Limited changed its name to Titan Egyptian Investments Limited on 14th May 2008.