East Cement Trade Limited

31 December 2007

East Cement Trade Limited

Report and financial statements
31 December 2007

Contents

East Cement Trade Limited

Board of Directors and other officers

Board of Directors

Arta Antoniou
Spyroulla Papaeracleous
Stelios Triantafyllides
Stamatis Douzinas
Eric Meuriot

Company Secretary

A.T.S. Services Limited
2-4 Arch. Makarios III Avenue
Capital Center, 9th floor
CY-1505 Nicosia
Cyprus

Registered office

2-4 Arch. Makarios III Avenue
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Cyprus

East Cement Trade Limited

Report of the Board of Directors

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2007.

Principal activities

2 The Company's principal activities, which are unchanged from last year, are those of an investment holding company, the trade in cement and the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans. During the year the Company had no income from cement activities.

Review of developments, position and performance of the Company's business

3 As at 31 December 2007 the Company had a loss for the year of €121,068 compared to loss for the year 2006 of €2,548,064. The decrease in loss was mainly from the impairment losses of €2,266,361 in 2006 (Notes 9 and 10).

Principal risks and uncertainties

4 The Company's principal risks and uncertainties are stated in Note 3.

Results

5 The Company's results for the year are set out on page 6. The loss for the year is carried forward.

Share capital

6 There were no changes in the share capital of the Company.

Board of Directors

7 The members of the Board of Directors at 31 December 2007 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2007.

4 In accordance with the Company's Articles of Association all Directors will continue in office.

Report of the Board of Directors (continued)

Board of Directors (continued)

9 There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the balance sheet date

10 There were no material events which occurred after the end of the financial year.

Branches

11 The Company did not operate through any branches during the year.

Auditors

12 The auditors of the Company, Messrs Ernst & Young have signified their willingness to continue in office. A resolution for reappointing them and authorising the Directors to set their remuneration will be proposed at the Annual General Meeting of the Company.

By Order of the Board

Stelios Triantafyllides
Director

Nicosia

28 February 2008

ERNST & YOUNG

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Independent Auditors' Report

To the Members of East Cement Trade Limited

Report on the Financial Statements

We have audited the financial statements of East Cement Trade Limited (the "Company") on pages 6 to 21, which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of East Cement Trade Limited as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap 113.

Report on Other Legal Requirements

Pursuant to the requirements of the Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 3 is consistent with the financial statements.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 156 of the Companies Law, Cap.113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Ernst & Young
Chartered Accountants

Nicosia
28 February 2008

East Cement Trade Limited

Income Statement
for the year ended 31 December 2007

	Note	2007	2006
		€	€
Other Income	5	**35,540**	36,521
Amortisation of commission prepayment	11	**(58,255)**	(58,255)
Administrative expenses-net		**(21,029)**	(165,832)
Impairment losses	9,10	**-**	(2,266,361)
Operating loss		**(43,744)**	(2,453,927)
Finance costs	6	**(73,770)**	(90,499)
Loss before tax		**(117,514)**	(2,544,426)
Tax	7	**(3,554)**	(3,638)
Loss for the year		**(121,068)**	(2,548,064)

The notes on pages 10 to 21 are an integral part of these financial statements.

East Cement Trade Limited

Balance sheet
at 31 December 2007

	Note	2007 €	2006 €
Assets			
Non-current assets			
Investments in associates	9	**2,013**	2,013
Intangible assets	10	**-**	-
		2,013	2,013
Current assets			
Trade and other receivables	11	**82,487**	140,909
Cash and cash equivalents	12	**652,752**	715,260
		735,239	856,169
Total assets		**737,252**	858,182
Equity and liabilities			
Capital and reserves			
Share capital	13	**10,101**	10,101
Share premium	13	**6,606,693**	6,606,693
Accumulated losses		**(5,887,903)**	(5,766,835)
		728,891	849,959
Current liabilities			
Other payables	14	**8,361**	8,223
Total liabilities		**8,361**	8,223
Total equity and liabilities		**737,252**	858,182

On 28 February 2008 the Board of Directors of East Cement Trade Limited authorised these financial statements for issue.

Stelios Triantafyllides, Director

Arta Antoniou, Director

The notes on pages 10 to 21 are an integral part of these financial statements.

East Cement Trade Limited

Statement of changes in equity for the year ended 31 December 2007

	Share capital €	Share Premium (1) €	Accumulated Losses (2) €	Total €
Balance at 1 January 2006	10,101	6,606,693	(3,218,771)	3,398,023
Loss for the year	-	-	(2,548,064)	(2,548,064)
Balance at 31 December 2006/1 January 2007	10,101	6,606,693	(5,766,835)	849,959
Loss for the year	-	-	(121,068)	(121,068)
Balance at 31 December 2007	10,101	6,606,693	(5,887,903)	728,891

(1) The share premium is not distributable by way of dividend. It can be used mainly for the issue of bonus shares to the shareholders.

(2) There is no withholding tax on payments of dividends by the Company to non-resident shareholders or shareholders that are companies resident in Cyprus. Payments of dividends to shareholders that are physical persons resident in Cyprus are subject to a 15% withholding tax.
As from 1 January 2003, companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount of dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profit refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders. For the tax year 2005, there is no special contribution for the defence on deemed dividend distribution.

The notes on pages 10 to 21 are an integral part of these financial statements.

East Cement Trade Limited

Cash flow statement
for the year ended 31 December 2007

	Note	2007	2006
		€	€
Cash flows from operating activities			
Loss before tax		**(117,514)**	(2,544,426)
Adjustments for:			
Amortisation of intangible assets	10	**-**	159,996
Impairment loss		**-**	2,266,361
		(117,514)	(118,069)
Changes in working capital:			
Other receivables		**58,422**	78,046
Other payables		**138**	(37,967)
Cash used in operations		**(58,954)**	(77,990)
Tax paid		**(3,554)**	(3,638)
Net cash used in operating activities		**(62,508)**	(81,628)
Net decrease in cash and bank balances		**(62,508)**	(81,628)
Cash and bank balances at the beginning of the year		**715,260**	796,888
Net cash and bank balances at the end of the year	12	**652,752**	715,260

The notes on pages 10 to 21 are an integral of these financial statements.

East Cement Trade Limited

Notes to the financial statements

1 General Information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113. Its registered office is at 2-4 Arch. Makarios III Avenue, Capital Centre, 9th floor, CY-1065, Nicosia, Cyprus.

Principal activities

The Company's principal activities are those of an investment holding company, the trade in cement and the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans. During the year the Company had no income from cement activities.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113.

New Standards

As from 1 January 2007, the Company has adopted the following new and amended IFRS and IFRIC Interpretations:

IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures

IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies
IFRIC 8, Scope of IFRS 2
IFRIC 9, Reassessment of Embedded Derivatives
IFRIC 10, Interim Financial Reporting and Impairment

Adoption of the above did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures. The principal effects of these changes are as follows:

2 Summary of significant accounting policies (continued)

Basis of preparation (continued)

IFRS 7 'Financial Instruments: Disclosures' and a complementary amendment to IAS 1, 'Presentation of Financial Statements – Capital Disclosures'
IFRS 7 requires additional disclosure of qualitative and quantitative information regarding exposure to risks arising from financial instruments. In particular, it specifies minimum disclosures about credit risk, liquidity risk and market risk. IFRS 7 replaces IAS 30 'Disclosures in the Financial Statements of Banks and Similar Financial Institutions' and the disclosure requirements in IAS 32 'Financial Instruments: Disclosure and Presentation'.
The amendment to IAS 1 introduces disclosures relating to the level of the Group's capital and the Group's objectives, policies and processes for managing capital.
The new disclosures are included throughout the financial statements. Comparative information has been revised where needed.

Standards, interpretations and amendments to published standards that are not yet effective:

Up to the date of approval of the financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Group has not early adopted, as follows:

Issued by the IASB and adopted by the EU

IFRS 8, Operating Segments
IFRIC 11, IFRS 2-Group and Treasury Share Transactions

Issued by the IASB but not yet adopted by the EU

Amendment to IAS 23, Borrowing Costs
IFRIC 12, Service Concession Arrangements
IFRIC 13, Customer Loyalty Programmes

IFRIC14, IAS19- Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to IAS 1 Presentation of Financial Statements

The above are expected to have no impact on the Company's financial statements, other than certain changes to the presentation of its financial statements, as required by the Amendments to IAS1 that are applicable in 2009.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised

2 Summary of significant accounting policies (continued)

Basis of preparation (continued)

(a) Interest income

Interest income is recognised as the interest accrues (taking into account the effective yield on the asset).

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured and presented in Euro (€) for the following reasons:

- The majority of assets and liabilities and majority of transaction of the Company were, and in the future are expected to be, denominated, executed and settled in €.
- Due to the nature of the Company's business, key economic and operational decisions are based in €.
- The functional currency of the ultimate parent company, Titan Cement S.A. which significantly influences the Company's key economic and operational decisions is the €.

(2) 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.

Tax

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 Summary of significant accounting policies (continued)

Tax (continued)

Deferred tax on investments in subsidiaries does not arise, as the profit on sale of securities is not taxable.

Intangible assets

Intangible assets represent expenditure to acquire trademarks, know how and customer lists which is capitalised. Intangible assets are tested annually for impairment and carried at cost less accumulated amortisation, less any accumulated impairment losses. Intangible assets are amortised using the straight-line method over their useful lives which is estimated to be 15 years.

Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Investments in associates

Investments in associates are stated at cost less any impairment in value. The carrying values of investments in associates are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment losses are recognised in the income statement. The investment in associates are not accounted for using the equity method as the Company's parent, Titan Cement SA and Lafarge SA produce consolidated financial statements for public use that comply with IFRSs.

Consolidated financial statements can be obtained from Titan Cement S.A., 22A Halkidos Street, 11143 Athens, Greece.

2 Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Share Capital

The share capital is recognised at its nominal value. The difference between the fair value received by the Company and the nominal value of the issued share capital is transferred to the share premium reserve.

Cash and cash equivalents

Cash and short term deposits in the balance sheet comprise cash at banks and at hand and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Comparatives

Where necessary, comparative figures are adjusted to conform with changes in presentation in the current year.

3 Financial risk management

(a) Financial risk factors

The Company is exposed to currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3 Financial risk management (continued)

(a) Financial risk factors (continued)

(i) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. At the year-end the Company had certain cash balances and prepayments denominated in US dollars. As at 31 December US denominated balances were US$960,919 (2006: US$941,999). The Company's policy is not to enter into any currency hedging transactions. The foreign exchange losses recognised in the income statement were €73,770 in 2007 and loss of €90,499 in 2006 (Note 6).

(ii) 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 minimising such losses such as maintaining sufficient cash and other highly liquid current assets.

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

			2007			
	On demand	**Less than 3 months**	**6 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Borrowings	-	-	-	-	-	-
Other non current liabilities	-	-	-	-	-	-
Trade and other payables	-	**8,361**	-	-	-	**8,361**
	-	**8,361**	-	-	-	**8,361**

			2006			
	On demand	Less than 3 months	6 to 12 months	1 to 5 years	> 5 years	Total
	€	€	€	€	€	€
Borrowings	-	-	-	-	-	-
Other non current liabilities	-	-	-	-	-	-
Trade and other payables	-	8,223	-	-	-	8,223
	-	8,223	-	-	-	8,223

3 Financial risk management (continued)

(b) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder wealth.

To meet its objectives the Company monitors economic conditions and finances its business by internally generated funds, adjusting dividend payments and return of capital to its shareholder accordingly or issue new shares. In the event of temporary financing needs, the Company is financed by its shareholder and fellow Group Companies.

This policy ensures an optimal capital structure with reduced cost of capital. For the purposes of calculating the cost of capital, capital is considered to be the weighted sum of the Company's equity and debt.

No changes were made in the objectives, policies and processes during the years ended 31 December 2007 and 31 December 2006.

(c) 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
	€	€	**€**	€
Financial assets				
Receivables and prepayments	**82,487**	140,909	**82,487**	140,909
Cash and cash equivalents	**652,752**	715,260	**652,752**	715,260
Financial liabilities				
Trade and other payables	**8,361**	8,223	**8,361**	8,223

4 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4 Critical accounting estimates and judgements (continued)

(a) Critical accounting estimates and assumptions (continued)

(i) Estimated impairment of intangible assets

The Company tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amount of cash-generating units has been determined based on value-in-use calculations.

(ii) Impairment of non-financial assets

The Company periodically evaluates the recoverability of non-financial assets such as investments in subsidiaries and associates, whenever indicators of impairment are present. Indicators of impairment include such items as declines in market values, revenues, earnings, cash flows or net asset value which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that non-financial assets may be impaired, the estimated future discounted cash flows associated with these assets would be compared to their carrying amounts to determine if a write-down to the income statement is necessary.

(iii) Income taxes

The Company operates in the Cypriot tax jurisdiction. The Company must interpret and apply existing legislation to transactions from its activities with third parties and related parties. Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In Management's opinion, the Company is in substantial compliance with the tax laws governing its operations. However the risk remains that the relevant authorities could take differing positions with regard to interpretative issues and the effect could be significant.

The Company met the tax filing in Cyprus. To the best of Management's knowledge, no breaches of tax law have occurred. Thus, the Company has not recorded any provision for potential impact of any such breaches as at 31 December 2007 or as at 31 December 2006.

5 Other income

	2007	2006
	€	€
Interest income:		
Bank balances	**35,540**	36,378
Other income	-	143
	35,540	36,521

6 Finance costs-net

	2007	2006
	€	€
Net foreign exchange transaction losses	**(73,770)**	(90,499)
	(73,770)	(90,499)

7 Tax

	2007	2006
	€	€
Current tax:		
Defence contribution	**3,554**	3,638

The Company is subject to corporation tax on its taxable profits at the rate of 10%. As at 31 December 2007 the Company has no liability for income tax due to tax losses suffered. At 31 December 2007 the Company had tax losses carried forward of CY£587,415 (2006: CY£585,516) which can be carried forward and be utilized against future taxable profits with no time limitation.

No deferred tax asset has been recognised in the financial statements of the Company, in respect of the tax losses carried forward.

Under certain conditions interest may be subject to defence contribution at the rate of 10%. In such cases 50% of the same interest will be exempt from corporation tax thus having an effective tax burden of approximately 15%. In certain cases dividends received from abroad may be subject to defence contribution at the rate of 15%.

8 Expenses by nature

	2007	2006
	€	€
Amortisation of intangible assets	-	159,996
Accounting and administrative expenses	**11,747**	9,129
Auditors remuneration	**6,289**	7,900
Legal fees	**2,607**	3,276
Sundry expenses	**386**	1,157
Ship management expenses	-	(15,626)
Amortisation of prepayment costs	-	58,255
Impairment charge	-	2,266,361
Total administrative expenses, amortisation of prepayment costs and impairment charge	**21,029**	2,490,448

9 Investments in an associates

	%	Country of incorporation	Activities	2007 €	2006 €
Four M Titan Silo Company LLC-at cost	50	Egypt	Cement distribution center	**506,342**	506,342
Misreen Titan Cement Distribution Company-at cost	49	Egypt	Cement distribution center	**2,013**	2,013
				508,355	508,355
Impairment loss				**(506.342)**	(506.342)
				2,013	2,013

During the year 2006, the Directors of the Company have reduced the value of the investment in Four M Titan Silo Company LLC to NIL, as the associate is at a net liability position with no expectations of recovery. Investment in associates are not accounted for using the equity method as the Company's parent, Titan Cement SA and Lafarge SA produce consolidated financial statements for public use that comply with IFRSs.

10 Intangible assets

	2007 €	2006 €
Cost		
At 1 January	-	2,400,013
Amortisation and impairment		
At 1 January	-	479,998
Amortisation charge	-	159,996
Impairment charge	-	1,760,019
At 31 December	-	2,400,013
Net book amount		
At 31 December	-	-

In December 2002, the Company exchanged an indebtedness to it by a third party of €2,400,013 for certain intangible assets, principally:

(a) the trademark 'Al Misrieen Cement MCM' registered in the Trademarks and Industrial Property Department of the Ministry of Supplies and Internal Trade of Egypt.
(b) the right to use the business name 'Al Misrieen'; and
(c) the customer list of certain third party and knowhow of cement trading in Egypt.

As from 1 January 2003, the Company started amortising the intangible asset by €10,000 per month over a 20 year period. As from 1 January 2005, the Company changed the useful life of the intangible assets to 15 years based on their current estimations for the use of the intangible assets. During the year 2006, an impairment review of the intangible was held and its value was reduced to €NIL.

East Cement Trade Limited

11 Trade and other receivables

	2007 €	2006 €
Prepayments (1)	**82,487**	138,302
Other receivables	**-**	2,607
	82,487	140,909

(1) Prepayment represents advances of US$425,000 in December 2002 under a commission agreement with Misrieen for utilisation of the "Al Misrieen" brand for the production of cement. The prepayment is for a period of 7 years and no return of funds will be made at the end of the 7 years period, even if no production of cement takes place. Based on these terms of the agreement, the Company decided to proceed with the amortisation of the prepayments, due to the fact that the production has not started yet. The prepayments are amortised by US$5,060 per month.

12 Cash and cash equivalents

For the purposes of the cash flow statement cash and cash equivalents comprise the following:

	2007 €	2006 €
Cash at bank	**652,752**	715,260

13 Share capital and share premium

Issued and fully paid:

	2007			
	Number of shares	Share capital C£	Share capital €	Share premium €
At 1 January and 31 December 2007	5 836	5,836	10,101	6,606,693

	2006			
	Number of shares	Share capital C£	Share capital €	Share premium €
At 1 January and 31 December 2006	5 836	5,836	10,101	6,606,693

(1) The total authorised number of ordinary shares is 10 000 with a par value of C£1 per share. All issued shares are fully paid.

The share capital of the Company will be converted from Cyprus pounds (C£) to Euro during 2008, due to the abolishment of the Cyprus pound.

East Cement Trade Limited

14 Other payables

	2007	2006
	€	€
Other payables	**8,361**	8,223
	8,361	8,223

15 Commitments and Contingencies

There were no significant commitments and contingent liabilities at the balance sheet date.

16 Events after the balance sheet date

There were no material events which occurred after the end of the financial year.