

Titan Cement Netherlands B.V.

Amsterdam

financial statements for the year 2007

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DIRECTORS' REPORT

Report of the directors of Titan Cement Netherlands B.V. for the financial year 2007. During the year 2007 the company acquired a 94,84% participation in Cementarnica "Usje" AD, in the republic of Macedonia.

Overview of activities

The Company, formerly known as Maplewood B.V., was incorporated on 19th of May, 2000. On 6 December 2006 the Company changed its name into Titan Cement Netherlands B.V.

The main activities of the Company are:

- to participate in, to establish and to administer and/or manage, to finance and to render services to companies, firms and enterprises;
- to invest in, acquire, possess, dispose of, encumber, rent, let, lease, lease out and dispose of in another way: personnel and real property participations and interests in other companies, firms and other enterprises;
- to develop activities in the fields of commerce, finance and industry;
- to lend and/or borrow moneys, to provide guarantees and to commit itself with respect to the commitments of third parties;
- to acquire and/or exercise rights of intellectual and/or industrial ownership, to acquire and/or exploit (sub)licenses, patents, installations, techniques and/or permits.
- to do anything which is connected with the above mentioned provisions, all this in the broadest sense.

Accounts

During the period 1 January 2007 up to and including 31 December 2007 the Company has realised a profit of EUR 43,766,990.

Personnel

The Company had no employees during the year.

Future developments

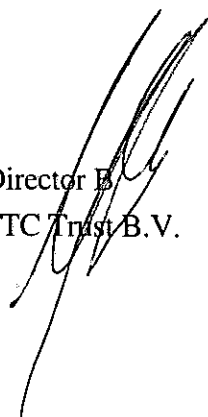
It is the company's intention to extend its activities during 2008.

Schiphol, 18 March 2008

The board of directors


Director A

Mr P. Christodoulou


Director B
FTC Trust B.V.

BALANCE SHEET AS PER 31 DECEMBER 2007

(Before proposed appropriation of results)

		<u>31-12-2007</u>	<u>31-12-2006</u>
		EUR	EUR
ASSETS			
<u>Financial fixed assets</u>			
Participations	4	26,984,552	-
		<u>26,984,552</u>	<u>-</u>
<u>Current assets</u>			
Prepayments	5	9,930,000	-
Cash at banks	6	2,922,730	402
		<u>12,852,730</u>	<u>402</u>
TOTAL ASSETS		<u><u>39,837,282</u></u>	<u><u>402</u></u>
LIABILITIES			
<u>Capital and reserves</u>			
Issued and paid-up share capital	7	20,010	20,000
Share premium		26,985,242	700
Retained earnings		-26,931	-20,152
Dividend paid		-31,000,000	0
Result for the year		43,766,990	-6,779
		<u>39,745,311</u>	<u>-6,231</u>
<u>Short-term liabilities</u>			
Tax liability	8	74,356	0
Other liabilities	8	17,615	6,633
		<u>91,971</u>	<u>6,633</u>
TOTAL LIABILITIES		<u><u>39,837,282</u></u>	<u><u>402</u></u>

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PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR 2007

	<u>2007</u>	<u>2006</u>
	EUR	EUR
<u>General expenses</u>		
Consultancy fee	15,732	-
Audit costs	11,000	-
Administration costs	6,940	-
Management fee	25,253	5,301
Notary fee	939	-
Bank charges	388	2
Other costs	471	1,476
	<u>60,723</u>	<u>6,779</u>
<u>Operating result</u>	<u>-60,723</u>	<u>-6,779</u>
<u>Financial result</u>		
Interest income	360,454	-
Interest costs	-	-
Exchange results	-106,975	-
	<u>253,479</u>	<u>-</u>
<u>Dividend received</u>	43,648,590	
<u>Result for the financial year before taxation</u>	<u>43,841,346</u>	<u>-6,779</u>
Corporation tax	74,356	-
<u>Result for the financial year after taxation</u>	<u>43,766,990</u>	<u>-6,779</u>

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NOTES TO THE FINANCIAL STATEMENTS

1. General

The Company is a private company with limited liabilities incorporated on May 19, 2000, under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands. The Company is 100% directly owned by Balkcem Ltd., Cyprus. The ultimate parent company of the Company is Titan Cement Company S.A., Greece.

2. Basis of presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in The Netherlands and are in compliance with the provisions of the Dutch Civil Code, Book 2, Title 9.

3. Summary of significant accounting policies

a. General

The financial statements are based on historical costs. Unless indicated otherwise, assets and liabilities are shown at face value. Income and expenses are recorded in the period in which they originate, based on estimates if applicable. All amounts are presented in Euro's.

b. Foreign currencies

Assets and liabilities expressed in foreign currencies are converted at the exchange rates ruling at balance sheet date. Transactions in foreign currencies are converted into Euro's at the rates ruling at transaction date.

c. Participations

Participations in subsidiaries are valued at cost, taking into account any permanent impairment in value.

d. Other assets and liabilities

Other assets and liabilities are stated at face value.

e. Consolidation

The Company has made use of the consolidation exemption of Article 408, Title 9, Book 2 of the Dutch Civil Code. Under this Article consolidated financial statements do not need to be prepared by a company as the Company may file the financial statements of its ultimate parent company, in which it and its investments in group companies are included on consolidation basis. In accordance with this article, the December 31, 2007 annual report of Titan Cement Company S.A. will be separately filed at the office of the Commercial Registry in Amsterdam.

NOTES (continued 1)

4. Participations

This refers to a 94,84% participation in Cementarnica "Usje" AD, in the republic of Macedonia, contributed in kind by the sole shareholder on January 15, 2007 against issuance of 1 share. The participation is valued at historical cost price, the net asset value as per 31 December, 2007 is MKD 3,877,985K (EUR 63,364K).

5. Prepayments

This refers to a prepayment to Star International Ltd.

6. Cash at banks and in hand

The current accounts are at free disposal of the company.

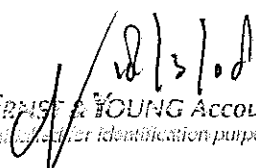
7. Capital and reserves

Share capital

The company's authorised share capital amounts to € 100,000, divided into ten thousand shares with a nominal value of € 10. € 20,010 have been issued and paid in for, divided into two thousand and one shares. During the year the Company issued one share to its sole shareholder against a contribution in kind of 534,667 shares (94.84%) of the total authorized, issued and fully paid capital of Cementarnica "Usje" AD, organized under the laws of the Republic of Macedonia.

Share premium

The Company increased the share premium on 29 November, 2006 with EUR 700.00 by conversion of the shareholders debt. Increase of the share premium in 2007 relates to the difference between the nominal value of the share issued in 2007 in the amount of EUR 10 and the value of the shares of Cementarnica "Usje" AD contributed in kind in the amount of EUR 26,984,552.


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NOTES (continued 2)

Retained earnings

	2007	2006
	€	€
Opening balance	-20,152	-19,979
Appropriation of last year's result	-6,779	-173
Closing balance	<u>-26,931</u>	<u>-20,152</u>

8. Other liabilities

The other liabilities and accrued expenses are comprised as follows:

	31-12-2007	31-12-2006
	€	€
Creditors	6,615	6,633
Corporate income tax	74,356	-
Accrued expenses	11,000	-
	<u>91,971</u>	<u>6,633</u>

9. Staff members and employment costs

During the year, the Company employed no personnel other than its directors and, hence, incurred no wages, salaries or related social security charges.

10. Directors

The Company has two directors, of which one received remuneration for activities in this capacity during the year.

Schiphol, 18 March 2007

The board of directors:

Director A 
Mr P. Christodoulou

Director B 
FTC Trust B.V.

 18/03/07
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SUPPLEMENTARY INFORMATION

1. STATUTORY PROVISION REGARDING APPROPRIATION OF RESULT

Pursuant to the company's Articles of Association, the result shall be at full disposal of the annual general meeting of shareholders. Distribution of profits may only be made to the extent that shareholders' equity exceeds the total of the issued and paid-up capital and legal reserves.

2. APPROPRIATION OF RESULT

During the year the Company paid an interim dividend of EURO 31 million. The board of directors proposes to the annual general meeting of shareholders, to add the remainder of the result for the year to the "Retained earnings".

3. POST BALANCE SHEET DATE EVENTS

There are no important events after balance sheet date to report.

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements for the year ended December 31, 2007 of Titan Cement Netherlands B.V., Amsterdam, which comprise the balance sheet as at December 31, 2007, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the directors' report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires 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 management, 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

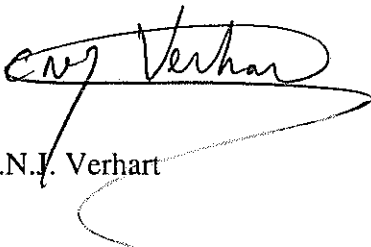
In our opinion, the financial statements give a true and fair view of the financial position of Titan Cement Netherlands B.V. as at December 31, 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the directors' report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, March 18, 2008

for Ernst & Young Accountants


C.N.J. Verhart