“TITAN CEMENTARA KOSJERIC” A.D.

FINANCIAL STATEMENTS

FOR GROUP CONSOLIDATION REPORTING PURPOSES

FOR THE YEAR ENDED 31 DECEMBER 2008

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**GENERAL MANAGER**

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# AUDIT REPORT TO BOARD OF DIRECTORS OF TITAN CEMENTARA KOSJERIC A.D. KOSJERIC

We have audited the condensed financial statements for group consolidation reporting purposes of Titan Cementara Kosjeric a.d. Kosjeric ("the Company"), which comprise the balance sheet as at 31 December 2008, 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 prepared for the sole purpose of consolidation into the Titan Cement Company S.A. consolidated financial statements, which are prepared in accordance with IFRS..

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these condensed financial statements in accordance with International Financial Reporting Standards in all material respects. 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. Except as explained in the following paragraph, 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 auditors' 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 for 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.

The scope of our audit procedures was established based on the tolerable error set for group reporting purposes, amounting to €1,500,000.

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

ERNST & YOUNG

### *Opinion*

In our opinion, based on the assigned tolerable error, for the sole purpose of inclusion in the consolidation of Titan Cement Company S.A., the condensed financial statements referred to above gives a true and fair view of the financial position of the Company as of 31 December 2008 and of the results of its operations and its cash flows and changes in shareholders' equity for the year then ended in accordance with International Financial Reporting Standards.

This report is intended solely for the use of the Company and the ultimate Parent company and should not be used for any other purpose.

Belgrade, 4 February 2009

Ernst & Young

Ernst & Young Beograd d.o.o.

PREDUZEĆE ZA REVIZIJU ERNST & YOUNG BEOGRAD d.o.o.

(all amounts are stated in 000' RSD unless otherwise stated)

**Income Statement**

| | Notes | For 12 months period ended 31-Dec-08 | For 12 months period ended 31-Dec-07 |
|---|---|---|---|
| Sales | 3 | 4,359,736 | 3,251,418 |
| Cost of sales | 4 | (2,620,532) | (1,998,871) |
| **Gross profit** | | **1,739,204** | **1,252,547** |
| Other operating income | 5 | 125,226 | 72,360 |
| Selling expenses | 6 | (26,950) | (26,557) |
| Administrative expenses | 7 | (242,738) | (227,819) |
| Other operating expenses | 5 | (188,930) | (158,582) |
| **Operating profit** | | **1,405,812** | **911,949** |
| Finance income/(expenses), net | 8 | 451,813 | 103,292 |
| **Profit before tax** | | **1,857,625** | **1,015,241** |
| Income tax | 9 | 44,530 | (57,167) |
| **Profit for the period** | | **1,902,155** | **958,074** |

(all amounts are stated in 000' RSD unless otherwise stated)

**Balance sheet**

| | Notes | As at 31 December 2008 | As at 31 December 2007 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 10 | 2,233,879 | 2,293,259 |
| Construction in progress | 10 | 188,506 | 89,275 |
| Advances to suppliers for fixed assets | 10 | 35,907 | 24,213 |
| Intangible Assets | 11 | 47,943 | 43,772 |
| Investment in subsidiaries | 12 | 1,659,878 | 7,966 |
| Other non-current financial assets | | - | 998 |
| Deferred tax assets | 9 | 141,601 | - |
| | | **4,307,714** | **2,459,483** |
| **Current assets** | | | |
| Inventories | 13 | 804,203 | 774,775 |
| Trade receivables | 14 | 190,863 | 100,400 |
| Other receivables | 15 | 158,466 | 68,092 |
| Cash and cash equivalents | 16 | 308,645 | 2,273,004 |
| | | **1,462,177** | **3,216,271** |
| **Total assets** | | **5,769,891** | **5,675,754** |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | | |
| Ordinary shares | 17 | 2,505,209 | 2,505,209 |
| Reserves | | 166,474 | 166,474 |
| Retained earnings/(losses) | | 614,295 | 1,554,400 |
| Current period result | | 1,902,155 | 958,074 |
| | | **5,188,133** | **5,184,157** |
| **Non current liabilities** | | | |
| Other non current liabilities | 18 | 158,803 | 186,343 |
| **Current liabilities** | | | |
| Trade and other payables | 19 | 422,955 | 305,254 |
| **Total Liabilities** | | **581,758** | **491,597** |
| **Total equity and liabilities** | | **5,769,891** | **5,675,754** |

The financial statements on pages 3 to 24 were signed on its behalf by:

Miroslav Gligorijević
General Manager

Slavica Vukosavljević
Finance Director

(all amounts are stated in 000' RSD unless otherwise stated)

**Statement of Changes in Equity**

| | Ordinary shares | Reserves | Retained earnings | Current period result | Total |
|---|---|---|---|---|---|
| **Balance at 1 January 2007** | **2,505,209** | **166,474** | **1,017,235** | **567,007** | **4,255,925** |
| Transfer to retained earnings | - | - | 567,007 | (567,007) | - |
| Paid dividends | - | - | (29,842) | - | (29,842) |
| Current period result | - | - | - | 958,074 | 958,074 |
| **Balance at 31 December 2007** | **2,505,209** | **166,474** | **1,554,400** | **958,074** | **5,184,157** |
| Transfer to retained earnings | - | - | 958,074 | (958,074) | - |
| Paid dividends | - | - | (1,898,179) | - | (1,898,179) |
| Current period result | - | - | - | 1,902,155 | 1,902,155 |
| **Balance at 31 December 2008** | **2,505,209** | **166,474** | **614,295** | **1,902,155** | **5,188,133** |

(all amounts are stated in 000' RSD unless otherwise stated)

**Cash Flow Statement**

| | Notes | For 12 months period ended 31-Dec-08 | For 12 months period ended 31-Dec-07 |
|---|---|---|---|
| *Cash flows from operating activities* | | | |
| Profit after taxation | | 1,902,155 | 958,074 |
| Adjustments for: | | | |
| Tax | 9 | (44,530) | 57,167 |
| Depreciation expense | 10 | 286,451 | 285,783 |
| Interest income | 8 | (155,160) | (103,659) |
| (Gain) / Loss on sale of property, plant and equipment | | (28,982) | - |
| Loss on disposals of fixed assets | 10 | 1,235 | 1,209 |
| Effects of exchange rate changes | 8 | (296,653) | 367 |
| **Operating cash flows before working capital Changes** | | **1,664,516** | **1,198,941** |
| Changes: | | | |
| (Increase)/decrease in trade and other receivables | | (183,800) | (19,848) |
| (Increase)/decrease in inventory | | (26,464) | (113,444) |
| Increase/(decrease) in trade and other payables | | 90,160 | 96,528 |
| Decrease in other long term assets | | 998 | 9,249 |
| **Cash generated from operations** | | **1,545,410** | **1,171,426** |
| Tax paid | | (97,071) | (57,167) |
| **Net cash from operating activities** | | **1,448,339** | **1,114,259** |
| *Cash flows from investing activities* | | | |
| Acquisition of subsidiary | 12 | (1,651,912) | (7,966) |
| Purchase of property, plant and equipment | 10 | (331,043) | (194,012) |
| Purchase of intangible assets | 11 | (13,338) | (31,503) |
| Interest received | | 155,160 | 103,659 |
| Proceeds from sale of property, plant and equipment | | 29,960 | - |
| **Net cash used in investing activities** | | **(1,811,173)** | **(129,822)** |
| *Cash flows from financing activities* | | | |
| Dividends paid | | (1,898,178) | (27,434) |
| **Net cash from financing activities** | | **(1,898,178)** | **(27,434)** |
| Effects of exchange rate changes | | 296,653 | (367) |
| **Net increase/(decrease) in cash** | | **(1,964,359)** | **956,636** |
| **Cash at the beginning of period** | 16 | **2,273,004** | **1,316,368** |
| **Cash at the end of period** | 16 | **308,645** | **2,273,004** |

## 1. General information

Cementara "Kosjerić" a.d. (the Company) is a joint stock company, domiciled in Kosjerić, Republic of Serbia. The address of its registered office is as follows: Živojina Mišića bb, 31 260 Kosjerić

The Company was founded in 1975. 70% of the shares of the Company were acquired by Titan Group (the Group) domiciled in Greece, Athens and represented by Tithys Ltd, Cyprus. The purchase agreement was signed on 31 January 2002 with the Serbian Privatization Agency and followed by a transfer of control on 2 April 2002.

In December 2004, the Company's owner purchased additional 4.28% of remaining shares in ownership of employees for which it was entitled by the SPA. In November 2008 the owner purchased total state share package registered in the Privatization Register and increased its participation by 22.07%. After these actions have taken place, the Company's current ownership structure is as follows: Tithys Ltd. owns 96.35% of total shares and minority shareholders own 3.65% of total shares.

The principal activity of the Company is the production of cement. In addition, the Company provides cement transportation services, owns one hotel and two grocery stores.

The Company employed 379 people as at 31 December 2008.

## 2. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are in accordance with Titan Group accounting and reporting requirements and are set out below. Titan Group is preparing its financial statements in accordance with International Financial Reporting Standards.

### Basis of preparation

The financial statements have been prepared on a historical cost basis. The presentation currency is Dinar (RSD) being also the functional currency and all values are rounded to the nearest thousand (000 RSD) except when otherwise indicated.

The financial statements have been prepared in accordance to the Group accounting policies which are based on the International Financial Reporting Standards.

The purpose of the financial statements is to be used in connection and preparation of consolidated financial statements of Titan Cement Company S.A.

### Property, plant and equipment

Property plant and equipment are carried at cost, less accumulated depreciation and impairment in value if any. Land, except for quarry land, is shown at cost less impairment, if any.

Cost includes all costs directly attributable to bringing the assets to working condition for their intended use.

Depreciation is calculated on the straight-line method intended to write off the cost of each asset to their residual values over the estimated useful life.

**2. Accounting policies (cont.)**

**Property, plant and equipment (cont.)**

Depreciation rates are set as follows:

| | % |
|---|---|
| Quarry land | 1.57-4.37 |
| Buildings (including raw mill and electricity transmission and pipelines) | 2-5 |
| Marl crusher | 16.5 |
| Plant machinery | 10 |
| Rotary kiln | 7 |
| Vehicles | 15 |
| Furniture | 10-12.5 |

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company.

Repairs and renewals are charged directly to the income statement when the expenditure is incurred.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

At each reporting date the management assess whether there is any indication of impairment of property plant and equipment. If any such indication exists the management estimates the recoverable amount, which is determined as the higher of an asset's net selling price and its value in use. The carrying amount is reduced to the recoverable amount and the difference is recognized as an expense (impairment loss) in the Income Statement. An impairment loss recognized for an asset in prior years is reversed if there have been changes in the circumstances that led to the impairment.

**Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Appropriate allowance is made for damaged, obsolete and slow-moving items. Write-downs to net realizable value and inventory losses are expensed in the period in which they occur.

**Trade receivables**

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original term of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers and is recognized in the Income statement.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, cash at banks and short-term deposits with an original maturity of three months and less.

(all amounts are stated in 000' RSD unless otherwise stated)

## 2. Accounting policies (cont.)

### Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and if a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### Revenue recognition

Revenue, which excludes value added tax (V.A.T.) and discounts, represents the invoiced value of goods and services supplied and is recognized usually when significant risks and rewards and ownership of the goods are transferred to the buyer at the date on which the goods are shipped to customers.

### Taxation

Current income tax is calculated at the rate of 10% on taxable profit reported in tax returns.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet liability method. Deferred income taxes are provided for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

### Foreign currency transactions

The Company's functional currency is the RSD. Transactions denominated in a currency other than the RSD are recorded at the exchange rate ruling on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into RSD at the official exchange rate of the National Bank of Serbia at the balance sheet date. Foreign currency exchange differences arising from the translation of assets and liabilities and from the settlement of transactions are reflected in the income statement as foreign exchange gain/(loss).

At 31 December 2007, the official rate of exchange, as determined by the Central Bank of Serbia, was EURO 1=RSD 79.3 and as at 31 December 2008 EURO 1= RSD 88.60. Exchange restrictions and controls exist relating to converting the RSD into other currencies.

## 3. Sales

| | **For 12 months period ended 31-Dec-08** | **For 12 months period ended 31-Dec-07** |
|---|---|---|
| Sales revenue cement | 4,359,736 | 3,241,581 |
| Sales revenue clinker | - | 9,837 |
| **Total** | **4.359,736** | **3,251,418** |

(all amounts are stated in 000' RSD unless otherwise stated)

**4. Cost of sales**

| | For 12 months period ended 31-Dec-08 | For 12 months period ended 31-Dec-07 |
|---|---|---|
| **Variable** | | |
| Kiln fuel | 651,764 | 557,101 |
| Raw material | 213,605 | 200,965 |
| Clinker Purchased | 112,035 | |
| Electricity power | 206,351 | 171,237 |
| Fuel and oil | 51,860 | 41,025 |
| Refractory | 29,579 | 18,481 |
| Grinding media | 9,445 | 13,060 |
| Explosives | 7,148 | 8,648 |
| Concession fees | 6,859 | 7,353 |
| Other variable costs | 7,268 | 2,309 |
| **Total variable cost** | **1,295,914** | **1,020,179** |
| **Fixed** | | |
| Salaries | 350,212 | 326,223 |
| Maintenance spare parts | 64,512 | 69,659 |
| Third parties services | 37,051 | 36,812 |
| Lining | 5,013 | 599 |
| Insurance and taxes | 15,545 | 17,285 |
| Other fixed costs | 65,166 | 47,364 |
| **Total fixed cost** | **537,499** | **497,942** |
| **Packing** | | |
| Salaries | 46,631 | 25,443 |
| Bags | 75,554 | 72,085 |
| Pallets and folio | 39,277 | 35,208 |
| Electricity power | 2,196 | 1,187 |
| Fuel and oil | 2,073 | 1,342 |
| Maintenance spare parts | 8,086 | 8,978 |
| Third parties maintenance | 1,268 | 279 |
| Insurance | 760 | 67 |
| Other expenses | 9,732 | 4,920 |
| **Total packing cost** | **185,577** | **149,509** |
| **Inventory (Increase)/Decrease** | **58,287** | **(97,871)** |
| **Depreciation** | **200,835** | **225,854** |
| **Distribution Expenses** | | |
| Third parties services transportation | 319,122 | 193,500 |
| Custom and related expenses | 16,182 | 6,032 |
| Other | 289 | 129 |
| **Total distribution costs** | **335,593** | **199,661** |
| **Cost of Traded Goods** | **6,827** | **3,597** |
| **Total Cost of Sales** | **2,620,532** | **1,998,871** |

Cost of traded goods refers to the resale of white cement purchased from Titan Cement Company S.A. Third parties services- transportation relate to transportation services for goods sold.

(all amounts are stated in 000' RSD unless otherwise stated)

**5. Other operating income and expenses**

| | For 12 months period ended 30-Dec-08 | For 12 months period ended 31-Dec-07 |
|---|---|---|
| Income from hotel, restaurant and bakery | 32,578 | 33,109 |
| Revenue from sales of disposal material | 25,595 | 17,472 |
| Collection of the receivables for which provision was made | 1,773 | 4,014 |
| Revenue from other operating activities | 1,191 | 2,318 |
| Profit on sales of fixed assets | 28,982 | - |
| Other income | 35,107 | 15,447 |
| **Total other operating income** | **125,226** | **72,360** |
| Expenses from hotel, restaurant and bakery | 29,317 | 26,635 |
| Salaries | 36,500 | 28,822 |
| Depreciation | 69,667 | 52,483 |
| Impairment of accounts receivable | 23,462 | 2,512 |
| Retirement benefit obligation | - | 6,154 |
| Litigation provision | 1,280 | 6,132 |
| Other expenses | 28,704 | 35,844 |
| **Total other operating expenses** | **188,930** | **158,582** |

**6. Selling expenses**

| | For 12 months period ended 31-Dec-08 | For 12 months period ended 31-Dec-07 |
|---|---|---|
| Salaries | 19,851 | 16,169 |
| Rental Expenses | - | 2,520 |
| Traveling expenses & Car Expenses | 2,780 | 1,158 |
| Other | 3,426 | 5,711 |
| Depreciation | 893 | 999 |
| | **26,950** | **26,557** |

(all amounts are stated in 000' RSD unless otherwise stated)

## 7. Administrative expenses

| | For 12 months period ended 31-Dec-08 | For 12 months period ended 31-Dec-07 |
|---|---|---|
| Administrative and technical assistance fees – see Note 21 | 23,451 | 22,714 |
| Salaries | 93,672 | 64,262 |
| Donation to Municipality –see Note 20 | 37,024 | 55,367 |
| Donations | 11,901 | 10,316 |
| Communication | 4,584 | 2,958 |
| Consulting services | 5,371 | 3,227 |
| Legal and court fees | 8,858 | 11,398 |
| Representation | 4,300 | 3,570 |
| Car expenses | 6,135 | 3,808 |
| Business trip | 2,894 | 4,551 |
| Training and education | 4,309 | 11,710 |
| Other costs | 25,183 | 27,491 |
| Depreciation | 15,056 | 6,447 |
| | **242,738** | **227,819** |

Administrative and technical assistance fees relate to the contract signed on 15 December 2003 between Tithys Limited, Cyprus, and the Company for the period of five years starting on 2 April 2002. This contract is to be renewed for an additional 5 years period, unless one of the contracted parties notifies the other, in writing, for non renewal of the contract three months prior to its expiration. According to the contract Tithys Limited, Cyprus will provide to the Company administrative and general technical assistance (commercial, human resources, financial, training etc), as well as provide the Company with technical expertise of the Titan Group.

## 8. Finance income and expenses

| | For 12 months period ended 31-Dec-08 | For 12 months period ended 31-Dec-07 |
|---|---|---|
| Bank interest and related income | 155,160 | 103,659 |
| Foreign exchange gain | 344,392 | 20,541 |
| Foreign exchange loss | (47,739) | (20,908) |
| | **451,813** | **103,292** |

(all amounts are stated in 000' RSD unless otherwise stated)

## 9. Taxation

| | For 12 months period ended 31-Dec-08 | For 12 months period ended 31-Dec-07 |
|---|---|---|
| Current income tax expense | (97,071) | (57,167) |
| Deferred income tax revenue | 141,601 | - |
| | **44,530** | **(57,167)** |

Current income tax expense differs from theoretical amounts that would arise using the basic tax rate of 10% as follows:

| | For 12 months period ended 31-Dec-08 | For 12 months period ended 31- Dec-07 |
|---|---|---|
| **Accounting profit** | **1,857,625** | **1,015,241** |
| *Add back:* | | |
| Accounting depreciation | 286,451 | 285,783 |
| Provisions | 1,280 | 39,220 |
| Non business expenses | 6,339 | 20,395 |
| Penalties and capital loss | 4,897 | 397 |
| Write off of assets | 7,030 | 2,702 |
| Impact of transfer pricing | 1,912 | 1,574 |
| Other | 557 | |
| *Less:* | | |
| Depreciation for tax purposes | (224,672) | (221,969) |
| **Taxable profit** | **1,941,419** | **1,143,343** |
| **Tax at 10%** | **194,142** | **114,334** |
| 50% tax relief for investments in fixed assets | 97,071 | 57,167 |
| **Current income tax expense** | **(97,071)** | **57,167** |

Deferred income tax relates to the following:

| | *Income statement* | | *Balance sheet* | |
|---|---|---|---|---|
| | ***2008*** | ***2007*** | ***2008*** | ***2007*** |
| **Deferred tax assets** | | | | |
| Tax credits for investments in property, plant and equipment | 126,003 | - | 126,003 | - |
| Temporary differences between carrying amount of property, plant and equipment and their tax base | 15,598 | - | 15,598 | - |
| **Deferred tax assets, total** | | | **141,601** | **-** |
| **Deferred income tax income** | **141,601** | **-** | | |

(all amounts are stated in 000' RSD unless otherwise stated)

## 9. Taxation (cont.)

Recognized deferred tax assets based on tax credits for purchases of property, plant and equipment comprise of tax credits originated in 2003 and 2004 amounting to RSD 83,534 thousand and RSD 42,469 thousand, respectively. Tax credits can be carried forward for ten years period since year of purchase.

## 10. Property plant and equipment

| | Land | Quarry land | Buildings | Machinery and equipment | Vehicles | Sub total | Construction in progress | Advances for fixed assets | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| **At 1 January 2008** | **54,782** | **118,017** | **2,511,006** | **2,891,435** | **324,871** | **5,900,111** | **89,275** | **24,213** | **6,013,599** |
| Additions during the period | 39 | 14,420 | - | - | - | 14,459 | 305,615 | 10,969 | **331,043** |
| Transfer from construction in progress | - | - | 48,487 | 157,897 | - | 206,384 | (206,384) | - | **-** |
| Disposals | (976) | - | (57,019) | (102,349) | (14,072) | (174,426) | - | 725 | **(173,701)** |
| **At 31 December 2008** | **53,845** | **132,437** | **2,502,474** | **2,946,983** | **310,799** | **5,946,538** | **188,506** | **35,907** | **6,170,951** |
| **Accumulated depreciation/depletion** | | | | | | | | | |
| **At 1 January 2008** | **-** | **3,354** | **1,216,232** | **2,088,678** | **298,588** | **3,606,852** | **-** | **-** | **3,606,852** |
| Charge for the period | - | 3,868 | 124,893 | 141,658 | 6,865 | 277,284 | - | - | **277,284** |
| Disposals | - | - | (57,019) | (100,386) | (14,072) | (171,487) | - | - | **(171,477)** |
| **At 31 December 2008** | **-** | **7,222** | **1,284,106** | **2,129,950** | **291,381** | **3,712,659** | **-** | **-** | **3,712,659** |
| **Net book value** | | | | | | | | | |
| **At 31 December 2008** | **53,845** | **125,215** | **1,218,368** | **817,033** | **19,418** | **2,233,879** | **188,506** | **35,907** | **2,458,292** |
| **At 1 January 2008** | **54,782** | **114,663** | **1,294,774** | **802,757** | **26,283** | **2,293,259** | **89,275** | **24,213** | **2,406,747** |

(all amounts are stated in 000' RSD unless otherwise stated)

**10. Property plant and equipment (cont.)**

The table below shows age structure of given prepayments for the purchase of property plant and equipment.

**At 31 December 2008**

| | Past due but not impaired | | | |
|---|---|---|---|---|
| | Less than 3 months | 3 to 12 months | > 1 year | Total |
| Prepayments for property plant and equipment | 7,020 | 16,126 | 12,761 | 35,907 |

**At 31 December 2007**

| | Past due but not impaired | | | |
|---|---|---|---|---|
| | Less than 3 months | 3 to 12 months | > 1 year | Total |
| Prepayments for property plant and equipment | 16,891 | 4,300 | 3,022 | 24,213 |

**11. Intangible Assets**

| | **Computer Software** | **Total** |
|---|---|---|
| **Cost** | | |
| **At 1 January 2008** | **43,772** | **43,772** |
| Additions during the period | 13,338 | 13,338 |
| **At 31 December 2008** | **57,110** | **57,110** |
| **Accumulated amortization** | | |
| **At 1 January 2008** | **-** | **-** |
| Charge for the period | 9,167 | 9,167 |
| **At 31 December 2008** | **9,167** | **9,167** |
| **Net book value** | | |
| **At 31 December 2008** | **47,943** | **47,943** |
| **At 1 January 2008** | **43,772** | **43,772** |

Computer software is related to licenses for the SAP ERP Package that the Company applied from January 2008.

**12. Investment in subsidiaries**

| | **31-Dec-08** | **31-Dec-07** |
|---|---|---|
| TCK Montenegro d.o.o. Podgorica | 7,966 | 7,966 |
| Holtitan B.V. Netherland | 1,651,912 | - |
| **Total** | **1,659,878** | **-** |

The Company has 100% ownership in its subsidiaries, both limited liability companies. Subsidiary TCK Montenegro d.o.o. Podgorica is dealing with sales of cement in the Republic of Montenegro. Subsidiary Holtitan B.V. Nederland does not have operation but holds minority interest in company Titan Cement Netherland B.V.

(all amounts are stated in 000' RSD unless otherwise stated)

### 13. Inventories

| | 31-Dec-08 | 31-Dec-07 |
|---|---|---|
| Material and fuel | 272,843 | 194,390 |
| Spare parts and other inventory | 355,668 | 337,072 |
| Packing materials | 7,656 | 17,583 |
| Work in progress | 93,531 | 151,435 |
| Finished products | 73,793 | 74,176 |
| Goods for resale | 712 | 119 |
| | **804,203** | **774,775** |

Major portion of material and fuel as at 31 December 2008 amounting to RSD 113,710 thousand and RSD 65,911 thousand relates to petrol coke and crude oil, respectively.

### 14. Trade receivables

| | 31-Dec-08 | 31-Dec-07 |
|---|---|---|
| Trade receivables | 131,185 | 75,637 |
| Trade receivables from related parties (Note 20) | 78,292 | 31,469 |
| Provision for impaired receivables | (18,614) | (6,706) |
| | **190,863** | **100,400** |

Movements in the provision for impaired receivables was as follows:

| | Provision for impairment of trade receivables |
|---|---|
| At 1 January 2007 | **8,344** |
| Charge for the year | 2,512 |
| Unused amounts reversed | (4,014) |
| Utilized | (136) |
| **At 31 December 2007** | **6,706** |
| At 1 January 2008 | **6,706** |
| Charge for the year | 14,625 |
| Unused amounts reversed | (1,728) |
| Utilized | (989) |
| **At 31 December 2008** | **18,614** |

(all amounts are stated in 000' RSD unless otherwise stated)

**14. Trade receivables (cont.)**

As at 31 December, the aging analyses if trade receivables is as follows:

| **Year ended 31 December 2008** | | Past due but not impaired | | | | |
|---|---|---|---|---|---|---|
| Description | Total | < 30 days | 30-60 days | 60-90 days | 90-120 days | >120 days |
| Trade receivables | 112,571 | 52,501 | 32,422 | 24,384 | 2,370 | 894 |
| Trade receivables-related parties | 78,292 | 6,417 | 16,232 | 25,748 | 11,864 | 18,031 |
| **Total** | **190,863** | **58,918** | **48,654** | **50,132** | **14,234** | **18,925** |

| **Year ended 31 December 2007** | | Past due but not impaired | | | | |
|---|---|---|---|---|---|---|
| Trade receivables | 68,931 | 56,464 | 10,593 | 1,078 | 202 | 595 |
| Trade receivables-related parties | 31,469 | 11,270 | 14,236 | 2,653 | 441 | 2,868 |
| **Total** | **100,400** | **67,734** | **24,829** | **3,731** | **643** | **3,463** |

**15. Other receivables**

| | **31-Dec-08** | **31-Dec-07** |
|---|---|---|
| Advances to suppliers | 4,674 | 7,638 |
| Advances to related parties (Note 20) | 107,242 | - |
| Other receivables form related parties (Note 20) | 6,567 | - |
| Receivables from employees | 15,568 | 24,805 |
| Accrued expenses | 16,326 | 11,571 |
| Receivables for funds lent to firms | 1,517 | 1,562 |
| Receivables for rent | 214 | - |
| Receivables for sales of property, plant and equipment | 8,713 | - |
| VAT receivable | 8,425 | 19,634 |
| Other receivables from the State | 1,096 | 1,345 |
| Other receivables | 641 | 5,262 |
| **Other receivables, gross** | **170,983** | **71,817** |
| Provision for impairment of prepayments for inventory | (2,163) | (2,163) |
| Provision for impairment of receivables for funds lent to firms | (1,517) | (1,562) |
| Provision for receivables for sales of P,P&E and rent | (8,837) | - |
| **Other receivables, net** | **158,466** | **68,092** |

Major portion of receivables from employees amounting to RSD 14,288 thousand relate to borrowings for six months, given to employees in December 2008.

Advances to related parties amounting to RSD 107,242 thousand relate to advance payment made to "Stari Silo Company for the purpose of cement silo purchas

(all amounts are stated in 000' RSD unless otherwise stated)

**15. Other receivables (cont.)**

As at 31 December 2008, other receivables at nominal value of RSD 12,517 thousand (2007: RSD 3,725 thousand) were provided for impairment. Movements in the provision for impairment of these receivables were as follows:

| | Provision for impairment advances to suppliers | Provision for impairment of receivables for funds lent to firms | Provision for receivables for P,P & E and rent |
|---|---|---|---|
| **At 1 January 2007** | **2,163** | **1,566** | **-** |
| Charge for the year | - | - | - |
| Unused amounts reversed | - | - | - |
| Utilized | - | (4) | - |
| **At 31 December 2007** | **2,163** | **1,562** | **-** |
| **At 1 January 2008** | **2,163** | **1,562** | **-** |
| Charge for the year | - | - | 8,837 |
| Unused amounts reversed | - | (45) | - |
| Utilized | - | - | - |
| **At 31 December 2008** | **2,163** | **1,517** | **8,837** |

Aging analyses of the prepayments for inventory has as follows:

**As at 31 December 2008**

| | Past due but not impaired | | | |
|---|---|---|---|---|
| | Less than 3 months | 3 to 12 months | > 1 year | Total |
| Prepayments for inventory | 1,274 | 1,222 | 15 | 2,511 |

**As at 31 December 2007**

| | Less than 3 months | 3 to 12 months | > 1 year | Total |
|---|---|---|---|---|
| Prepayments for inventory | 3,231 | 1,079 | 1,166 | 5,475 |

(all amounts are stated in 000' RSD unless otherwise stated)

## 16. Cash and cash equivalents

| | 31-Dec-08 | 31-Dec-07 |
|---|---|---|
| Cash at bank | 10,140 | 30,545 |
| Cash at hand | 77 | 85 |
| Short-term bank deposits | 298,428 | 2,242,374 |
| | **308,645** | **2,273,004** |

Short-term bank deposits relate to time deposits up to three months both in local currency and EUR.

As at 31 December 2008 the deposits that are placed with National Bank of Greece amount to RSD 9,900 thousand and EUR 2,725 thousand, with Alpha Bank RSD 14,500 thousand, with EFG Bank EUR 6 thousand and with Societe Generale EUR 361 thousand.

Interest rates for short-term deposits placed with National Bank of Greece are 15.8% per annum for deposits in RSD and 7.31% per annum for Euro deposits. For RSD deposits placed with Alpha Bank interest rate is 15.89%. With EFG interest rate for time deposits in Euro is 2.34% per annum. Finally interest rate for the Euro deposits placed in Societe Generale is 4.29%.The interest accrued for the period is recorded as interest income in the Income Statement.

## 17. Ordinary shares

| | Number of shares | % of ownership | Value |
|---|---|---|---|
| Tithys Limited, Cyprus | 3,448,138 | 96,35 | 2,413,697 |
| Small shareholders | 130,732 | 3,65 | 91,512 |
| | **3,578,870** | **100%** | **2,505,209** |

In November 2008 Tithys Limited purchased state share package comprising of 789,769 shares registered in the Privatization Register, increasing its share from 74.28% to 96.35%.

As at 31 December 2008 and 31 December 2007 the registered share capital of the Company amounts to RSD 2,505,209 thousand comprising of 3,578,870 ordinary shares of RSD 700 each. All shares are fully paid.

## 18. Other non current liabilities

| | 31-Dec-08 | 31-Dec-07 |
|---|---|---|
| Non-current portion of liabilities for donation to Municipality | 72,926 | 87,068 |
| Retirement reward | 23,986 | 29,958 |
| Provision for legal cases | 1,768 | 3,982 |
| Provision for jubilee awards | 60,123 | 65,335 |
| | **158,803** | **186,343** |

(all amounts are stated in 000' RSD unless otherwise stated)

**18. Other non current liabilities (cont.)**

**Donation to Municipality**

In order to resolve disputes with Municipality Kosjeric and regulate manner of settlement of liabilities taken over by Sales and Purchase Agreement, as of 14 December 2005 the Company has entered two agreements with Municipality Kosjeric.

In accordance with the first Agreement the Company is obliged to pay amount of RSD 92,824 thousand less payment of 18,565 thousand till the year ended 2005 in the period of six years.

In accordance with the second Agreement, after the adoption from the Municipality of Kosjeric of the detailed regulation plan and until 2012, the Company was obliged to pay the Municipality the monetary equivalent of 3,500 tons of Cement at 61 Euros per ton plus the amount 50 thousand Euros per year. The detailed regulation plan was adopted in 2007 and the Company started settling liabilities to Municipality in this respect.

The balance of the long term portion of these liabilities as at 31 December 2008 was RSD 72,926 thousand and will be granted to Municipality as follows:

| | 31-Dec-08 | 31-Dec-07 |
|---|---|---|
| 1 to 2 years | 34,064 | 29,216 |
| 2 to 3 years | 31,535 | 26,702 |
| 3 to 4 years | 7,327 | 24,540 |
| 4 to 5 years | - | 6,610 |
| | **72,926** | **87,068** |

**Provisions for retirement reward**

The Company is obliged under the collective agreement to pay each employee: 1.5 average salary higher of the Company's average salary and employee's average salary plus 50% of average salary in Republic of Serbia as retirement reword if the calculated amount is not lower than the Company's obligation per Labor Law. In that case the Company is obliged to pay a minimum staff leaving indemnity equal to three average monthly gross salaries applicable in the country on the date of retirement. According to the evaluation of the certified actuary, the present value of the provision in this respects as of 31 December 2008 amounts to RSD 24,300 thousand out of which RSD 23,986 thousand represents long term portion. The principal actuarial assumptions used in calculation of provision are: discount rate – 11%, future salary increase – 4%.

Movements in the provision for retirement reword were as follows:

| | For 12months period ended 31-Dec-08 | For 12months period ended 31-Dec-07 |
|---|---|---|
| **As at 1 January** | **29,958** | **23,804** |
| Utilized during the year | (480) | - |
| Unused amounts reversed | (5.492) | - |
| Additional provision | - | 6,154 |
| **Closing balance** | **23.986** | **29,958** |

(all amounts are stated in 000' RSD unless otherwise stated)

**18. Other non current liabilities (cont.)**

**Provision for legal cases**

There are about 10 litigations against the Company. In most cases the Company is sued for claims for damages to crops and damage to property caused by explosions in quarries and damages caused by cement dust. In the opinion of the management, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2008.

| | For 12months period ended 31-Dec-08 | For 12months period ended 31-Dec-07 |
|---|---|---|
| **As at 1 January** | **3,982** | **14,495** |
| Utilized during the year | (2,415) | (15,623) |
| Unused amounts reversed | (1,079) | (1,022) |
| Additional provision | 1,280 | 6,132 |
| **Closing balance** | **1,768** | **3,982** |

**Provisions for Jubilee awards**

The Company is obliged under the collective agreement to pay each employee Jubilee awards when the employee completes 10, 15, 20, 25, 30, 35, and 40 years of continuous employment in the Company. The rewards are as follows: 1 average salary of the Company to the employee that completes the 10$^{th}$ and the15$^{th}$ year of continuous employment, 1.5 average salary of the Company to the employee that completes the 20$^{th}$ and the 25$^{th}$ year of continuous employment, 2 average salaries of the Company to the employee that completes the 30$^{th}$ and the35$^{th}$ year of continuous employment and 2.5 average salaries of the Company to the employee that completes the 40$^{th}$ year of continuous employment. According to the evaluation of the certified actuary, the present value of the provision as of 31 December 2008 amounts to RSD 63,791 thousands out of which RSD 60,123 thousand represents the long-term portion. The principal actuarial assumptions used in calculation of provision are: discount rate – 11%, future salary increase – 4%.

Movements in the provision for jubilee reword were as follows:

| | For 12months period ended 31-Dec-08 | For 12months period ended 31-Dec-07 |
|---|---|---|
| **As at 1 January** | **65,335** | **43,334** |
| Utilized during the year | - | - |
| Unused amounts reversed | (5,212) | - |
| Additional provision | - | 22,001 |
| **Closing balance** | **60,123** | **65,335** |

(all amounts are stated in 000' RSD unless otherwise stated)

## 19. Trade and other payables

| | 31-Dec-08 | 31-Dec-07 |
|---|---|---|
| Trade payables | 230,814 | 192,775 |
| Liabilities to Municipality | 60,192 | 32,470 |
| Advances received | 41,460 | 25,806 |
| Other taxes payable | 2,039 | 2,213 |
| Payables for salaries | 13,770 | 13,972 |
| Social and insurance contributions on salaries | 6,564 | 6,842 |
| Income tax payable | 44,668 | 21,061 |
| Payables to related parties (Note 21) | 11,005 | 1,448 |
| Dividend payable | 1,274 | 146 |
| Provision for rewords for Jubilee awards- current portion (Note 19) | 3,668 | 4,934 |
| Provision for retirement- current portion (Note 19) | 314 | - |
| Other payables | 7,187 | 3,547 |
| | **422,955** | **305,254** |

Portion of liabilities to Municipality amounting to RSD 20,550 thousand represents the amount of net sales price of bakery which the Company sold during 2008 and in accordance with the SPA is obliged to transfer to the Municipality. Remaining portion of liabilities amounting to RSD 39,642 thousand relates to current portion of long-term liabilities (Note 19).

The table below summarizes the maturity profile of the Company's current liabilities at 31 December 2008 based on the contracted terms.

| | Less than 3 months | 3 to 12 months | Total |
|---|---|---|---|
| **Year ended 31 December 2008** | | | |
| Trade payables | 216,392 | 14,422 | **230,814** |
| Other payables | 152,087 | 29,049 | **181,136** |
| Payables to related parties | 11,005 | - | **11,005** |
| **Total** | **379,499** | **43,471** | **422,955** |

| | Less than 3 months | 3 to 12 months | Total |
|---|---|---|---|
| **Year ended 31 December 2007** | | | |
| Trade payables | 192,775 | - | **192,775** |
| Other payables | 86,638 | 24,353 | **110,991** |
| Payables to related parties | 1,488 | - | **1,488** |
| **Total** | **280,901** | **24,353** | **305,254** |

### Concession fee

The Company is obliged by the Law to pay tax for usage of mineral resources based on consumption of limestone, marl, clay and limestone. Total outstanding liability, included in Trade Payables, as of 31 December 2008 amounted to RSD 7,151 thousand.

(all amounts are stated in 000' RSD unless otherwise stated)

**20. Related parties transactions**

| | **For 12months period ended 31-Dec-08** | **For 12months period ended 31-Dec-07** |
|---|---|---|
| **Sales of goods and services to related parties** | | |
| TCK Montenegro- Montenegro | 177,390 | 34,317 |
| Zlatna Panega-Bulgaria | - | 9,837 |
| Usje Cementarnica A.D. FYROM | - | 848 |
| Stari Silo Company doo | 1,080 | - |
| | **178,470** | **45,002** |

| | **For 12months period ended 31-Dec-08** | **For 12months period ended 31-Dec-07** |
|---|---|---|
| **Purchase of goods and services from related parties** | | |
| Usje Cementarnica A.D. FYROM | 58,724 | 356 |
| Zlatna Panega-Bulgaria | 2,405 | - |
| Titan Cement Company S.A., Athens | 5,147 | 1,803 |
| Tithys Ltd, Cyprus- see Note 6 | 23,451 | 22,714 |
| | **89,727** | **24,873** |

| | **31-Dec-08** | **31-Dec-07** |
|---|---|---|
| **Trade and other receivables** | | |
| TCK Montenegro- Montenegro | 78,266 | 31,469 |
| Stari Silo Company doo | 113,835 | - |
| | **192,101** | **31,469** |
| **Trade and other payables** | | |
| TITHYS Ltd, Cyprus | 5,922 | 1,488 |
| Usje Cementarnica A.D. FYROM | 5,083 | - |
| | **11,005** | **1,488** |

**21. Contingencies, financial and operating risks**

**Market risk**

The Serbian economy is at an early stage of market development and there is a considerable degree of uncertainty surrounding its future direction.

**Currency risk**

The Company operates in a developing economy with high rates of inflation and significant historic currency devaluation. There is a consequent risk of loss in value in respect of net monetary assets held in RSD.

(all amounts are stated in 000' RSD unless otherwise stated)

## 21. Contingencies, financial and operating risks (cont.)

### Credit risk

The extent of the Company's credit exposure is represented by the aggregate balance of trade and other receivables (as they appear on the balance sheet). The Company's accounts receivable are reasonably diversified among its customers.

### 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 maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, following shareholders' approval. No changes were made in the objectives, policies or processes during the years end 31 December 2008 and 31 December 2007.

The Company monitors its equity capital using earnings before interest, tax, depreciation and amortization (EBITDA) for the year.

| | **For 12months period ended 31-Dec-08** | **For 12months period ended 31-Dec-07** |
|---|---|---|
| **EBITDA** | **1,692,263** | **1,197,732** |

The Company is not subject to any externally imposed capital requirements. The structure and management of debt capital is determined at TITAN Group level.

### Taxation

The periods that remain open to review by the tax and customs authorities with respect to tax liabilities is for the last five years.

### Environmental matters

The enforcement of environmental regulation in Republic of Serbia is evolving and the enforcement posture of government authorities is continually being reconsidered. The Titan Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognized immediately. Potential liabilities which might arise as a result of changes in existing regulations, civil litigation or legislation cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

## 21. Contingencies, financial and operating risks (cont.)

### Operating environment of the Company

The economy of Serbia continues to display the characteristics of an emerging market. These characteristics include, but are not limited to, the existence of:

- currency controls;
- a low level of liquidity in the public and private debt and equity markets; and
- high inflation.

The prospects for future economic stability in Serbia are largely dependent upon the effectiveness of economic measures undertaken by the government, together with legal, regulatory, and political developments

(all amounts are stated in 000' RSD unless otherwise stated)

## A. INCOME STATEMENT 1/1-31/12/2008

| | |
|---|---|
| **a. Cost of Sales** | |
| **HYPERION** | **2,419,697** |
| add Depreciation cost of sales | 200,835 |
| **Financial statements** | **2,620,532** |

| | |
|---|---|
| **b. Other Operating Income** | |
| **HYPERION** | **82,688** |
| add Collection of receivables provision made | 1,773 |
| add Reversal of provision from past years | 11,783 |
| add Profit from sales of intangible, tangible and investment property assets | 28,982 |
| **Financial statements** | **125,226** |

Note: 11,783 is included in the amount of 35,107 RSD of Other Income in Note 5 in the Notes to the Financial Statements. In HYPERION reduced the cost of the relevant provision

| | |
|---|---|
| **c. Other Operating Expense** | |
| **HYPERION** | **111,199** |
| add Depreciation for Other Activities | 69,667 |
| add Collection of receivables provision made | 1,773 |
| add Reversal of provision from past years | 6,291 |
| **Financial statements** | **188,930** |

Note: In Hyperion the amounts 5,212 and 1,079 reversals of Provisions for other provisions and provisions for Litigation are reducing the respective provision costs

| | |
|---|---|
| **d. Selling Expenses** | |
| **HYPERION** | **26,057** |
| add Depreciation cost selling expenses | 893 |
| **Financial statements** | **26,950** |

| | |
|---|---|
| **e. Administration Expenses** | |
| **HYPERION** | **227,682** |
| add Depreciation cost administration expenses | 15,056 |
| **Financial statements** | **242,738** |

(all amounts are stated in 000' RSD unless otherwise stated)

**B. BALANCE SHEET 31/12/2008**

| | (000 RSD) |
|---|---|
| **a. Inventories** | |
| **HYPERION** | **806,782** |
| less (Prepayment for Inventory purchases) | (2,579) |
| **Financial statements** | **804,203** |
| | |
| **b. Trade Receivables** | |
| **HYPERION** | **202,112** |
| add Receivables from other activities | 2,951 |
| add Receivables from Stari Silo | 26 |
| add Receivables from scrap sales | 86 |
| add Receivables under court procedure related to trade debtors | 4,302 |
| minus Provision for impairment of receivables | (18,614) |
| **Financial statements** | **190,863** |
| | |
| **c. Sundry debtors, Other Prepayments and Short term loan receivables** | |
| **HYPERION** | **168,243** |
| add Prepayment for Inventory Purchases | 2,579 |
| add Court procedure for prepayments | 2,095 |
| add Court procedure for money lent to firms | 1,129 |
| minus Provision for impairment of prepayment for Inventory | (2,163) |
| minus Provision for impairment of receivables for funds lend to other firms | (1,517) |
| minus Provision for impairment of Fixed Asset Sales and rent | (8,837) |
| minus Receivables from other activities | (2,951) |
| minus Receivables from scrap sales | (86) |
| minus Receivables from Stari Silo | (26) |
| **Financial statements** | **158,466** |
| | |
| **d. Analysis of Court procedure in HYPERION** | |
| Receivables under court procedure related to trade debtors | 4,302 |
| Receivables under court procedure for prepayment of inventory purchases | 2,095 |
| Receivables under court procedure for money lent to firms | 1,129 |
| **Financial statements** | **7,526** |
| | |
| **e. Analysis of Provision for Bad Debts** | |
| Provision for impairment of receivables | 18,614 |
| Provision for impairment of Fixed Asset Sales and rent | 8,837 |
| Provision for impairment of prepayment for Inventory | 2,163 |
| Provision for impairment of receivables for funds lend to other firms | 1,517 |
| **Financial statements** | **31,131** |
| | |
| **f. Analysis of Trade Payables*** | |
| **HYPERION** | 241,649 |
| minus liabilities to related parties | (11,005) |
| plus sundry creditors for other activities | 170 |
| **Financial statements** | **230,814** |

Note: In financial statements is included in Note 20 Trade and other payables