TITAN EGYPTIAN INVESTMENTS LIMITED
(formerly known as LAFARGE TITAN EGYPTIAN INVESTMENTS LIMITED)
AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008

Ref: 1378400
Sims: 58922

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 31st December 2008.

INCORPORATION

The Company is incorporated in Jersey, Channel Islands.

On 6th May 2008 there was a transfer of shares between the existing shareholders. Financiére Lafarge SAS transferred 109,104,723 fully paid "A" shares of €1 to Iapetos Limited. Subsequent to this transfer, 100% of the issued share capital of the Company is held by Iapetos Limited.

The Company name, Lafarge Titan Egyptian Investments Limited was changed to Titan Egyptian Investments Limited on 7th May 2008.

ACTIVITIES

The principal activity of the Company is investment holding.

RESULTS AND DIVIDENDS

The profit for the year amounted to € 27,792,042 (2007: € 4,708,262).

Dividends paid during the year amounted to € 28,593,489 (2007: €nil).

DIRECTORS

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

Stamatis Douzinas	
Dimitri Papalexopoulos	
Michael Sigalas	
Michel Rose	(resigned 6th May 2008)
Eric Meuriot	(resigned 23rd January 2008)
Guillaume Roux	(resigned 6th May 2008)
Neil Curtis	(appointed 23rd January 2008 and resigned 6th May 2008)

AUDITORS

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

REGISTERED OFFICE

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

BY ORDER OF THE BOARD

N. Cameron

Authorised Signatory
Mourant & Co. Secretaries Limited

Date: 13/05/09

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards.

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

* select suitable accounting policies and then apply them consistently;
* make judgements and estimates that are reasonable and prudent;
* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

ERNST & YOUNG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITAN EGYPTIAN INVESTMENTS LIMITED (formerly known as LAFARGE TITAN EGYPTIAN INVESTMENTS LIMITED)

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Balance Sheet, the Income Statement, the Statement of Change in Shareholders' Equity, the Cash Flow Statement and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

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

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Ernst & Young LLP

Jersey, Channel Islands

Date: 18 May 2009

BALANCE SHEET

AS AT 31ST DECEMBER 2008

	Notes	2008	2007
ASSETS		€	€
Non-current assets			
Investments in subsidiaries	2	230,600,421	230,600,421
Current assets			
Cash and cash equivalents	3	23,853	834,521
TOTAL ASSETS		€ 230,624,274	€ 231,434,942
EQUITY AND LIABILITIES			
Share capital	5	218,209,446	218,209,446
Retained earnings		12,398,649	13,200,096
TOTAL SHAREHOLDERS' EQUITY		230,608,095	231,409,542
Current liabilities			
Trade and other payables	4	16,179	25,400
TOTAL EQUITY AND LIABILITIES		€ 230,624,274	€ 231,434,942

The financial statements were approved and authorised for issue by the Board of Directors on the 16 day of April 2009 and were signed on its behalf by:

Director:

Director:

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

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2008

	Note	2008	2007
		€	€
INCOME:			
Bank interest receivable		17,560	164,595
Profit on exchange		35,429	-
Reversal of provision for impairment loss - East Cement	2	581,315	-
Dividends from related undertaking		27,202,640	6,304,575
		27,836,944	6,469,170
EXPENDITURE:			
Loss on exchange		-	381,314
Audit fees		10,448	9,035
Accountancy fee		13,165	15,786
Mourant secretarial and administration fees		18,427	22,949
Annual filing fee		208	226
Exempt company fee		832	904
Bank interest and charges		1,822	1,569
Provision for impairment loss - East Cement	2	-	1,329,125
		44,902	1,760,908
NET PROFIT FOR THE YEAR		€ 27,792,042	€ 4,708,262

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2008

	Share Capital €	Retained earnings €	Total €
Balance at 1st January 2007	218,209,446	8,491,834	226,701,280
Profit for the year	-	4,708,262	4,708,262
Balance at 31st December 2007	€ 218,209,446	€ 13,200,096	€ 231,409,542
Balance at 1st January 2008	218,209,446	13,200,096	231,409,542
Profit for the year	-	27,792,042	27,792,042
Dividends paid to related undertaking	-	(28,593,489)	(28,593,489)
Balance at 31st December 2008	€ 218,209,446	€ 12,398,649	€ 230,608,095

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2008

	Note	2008	2007
		€	€
Cash flows from operating activities			
Operating profit for the year		27,792,042	4,708,262
Provision for impairment		-	1,329,125
Decrease in trade and other receivables		-	1,365
Bank interest receivable		(17,560)	(164,595)
Decrease in trade and other payables		(9,221)	(41,220)
Net cash flow from operating activities		27,765,261	5,832,937
Cash flows from investing activities			
Bank interest received		17,560	164,595
Purchase of financial assets		-	(7,760,261)
Net cash flows used in investing activities		17,560	(7,595,666)
Equity dividends paid		(28,593,489)	-
Net Decrease in cash and cash equivalents		(810,668)	(1,762,729)
Cash and cash equivalents at beginning of year		834,521	2,597,250
Cash and cash equivalents at end of year	3	€ 23,853	€ 834,521

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Use of estimates

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

Accounting for investments in subsidiaries

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

Cash and cash equivalents

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

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

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

Dividend income

Dividend income is recognised when it becomes declared and payable.

Interest income and expense

Interest income and expense are recognised in the income statement on an accrual basis.

Provisions

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

2. INVESTMENTS IN SUBSIDIARIES

	2008 €	2007 €
Beni Suef Cement Company 49,399,000 ordinary shares of €2 each	170,460,047	170,460,047
Alexandria Development Limited 36,321,993 ordinary shares of €2 each	60,140,374	60,140,374
East Cement Trade Limited (1,329,125 less 581,315) 5,836 ordinary shares of CYP£1 each	747,810	1,329,125
- Less provision for impairment	(747,810)	(1,329,125)
	€ 230,600,421	€ 230,600,421

An amount of €581,315 was received from East Cement Trade Limited and used to reduce the value of the investment held after reversing part of the impairment provision in 2007.

2. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	2008	2007
Beni Suef Cement Company		
Percentage of shares held	95%	95%

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

	2008	2007
Alexandria Development Limited		
Percentage of shares held	100%	100%
East Cement Trade Limited		
Percentage of shares held	100%	100%

East Cement Trade Limited is incorporated in Cyprus and its principal business activity is that of investment holding. The investment in East Cement Trade Limited was fully written down in June 2007 as the Directors consider the investment to be impaired.

3. CASH AND CASH EQUIVALENTS

	2008	2007
Deposits with Citibank International Plc	23,303	833,972
Deposits with HSBC Bank Plc	550	549
	€ 23,853	€ 834,521

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2008

4. TRADE AND OTHER PAYABLES

	2008	2007
Accrued expenses	16,176	25,397
Shareholders' loan	3	3
	€ 16,179	€ 25,400

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

5. SHARE CAPITAL

	2008	2007
AUTHORISED:		
218,209,446 ordinary shares of €1.00 each	€ 218,209,446	€ 218,209,446
ISSUED AND FULLY PAID:		
218,209,446 ordinary shares of €1.00 each	€ 218,209,446	€ 218,209,446

All ordinary shares carry equal rights on voting, dividends and winding up of the Company.

6. TAXATION

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

Effective 1 January 2009, Jersey's tax regime will change. The new regime will impose a general corporate income tax rate of 0%, 10% rate will apply to certain regulated financial services companies and 20% rate will apply to utilities and income from Jersey land (ie rents and development profits). Jersey registered companies will be treated as resident for tax purposes and will be subject to zero or ten percent standard income tax rate.

Since the Company is not a regulated financial service entity, the effect of the new tax regime is limited to the change of status from exempt to liable to Jersey income tax at 0%.

7. CONTROLLING PARTY

The Company is wholly owned by Iapetos Limited, incorporated in Cyprus. Prior to 6th May 2008, the Company was jointly owned and controlled by Financière Lafarge SA, incorporated in France and by Iapetos Limited, each holding a 50% interest.

Iapetos Limited is ultimately owned and controlled by Titan plc, incorporated in Greece.

8. RELATED PARTIES

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

10. FINANCIAL RISK MANAGEMENT

a) Financial risk factors

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

i) Market risk

Interest rate risk

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

Currency risk

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

	2008		2007	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
Denominated in US$	4,460	-	533,772	-
Denominated in GBP	-	16,176	-	25,397
Denominated in Egyptian Pounds	550	-	549	-
	€ 5,010	€ 16,176	€ 534,321	€ 25,397

Sensitivity analysis

As disclosed above, in the Directors' opinion, there is no significant net interest rate risk to the Company, nor is there any significant currency rate risk to the Company.

IFRS 7 requires disclosure of "a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date."

Whilst the financial instruments held by the Company are separately exposed to interest rate risk, currency risk and market price risk, the profit or loss and equity of the Company is not exposed to any significant net interest rate, net currency or market price risk.

The Company's subsidiaries may be exposed to interest rate risk, currency risk and market price risk which are ultimately monitored and managed by Titan plc and could impact the value of the Company's investments. As the Directors do not monitor the risks of the Titan group and its subsidiaries and there is no significant exposure at Company level, in the Directors' opinion, no sensitivity analysis is required to be disclosed.

9. FINANCIAL RISK MANAGEMENT

ii) Credit risk

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

iii) Liquidity risk

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

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

	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Total
2008	€	€	€	€	€	€
Trade and other payables	-	16,179	-	-	-	16,179

	On demand	Less than 3 months	6 to 12 months	1 to 5 years	> 5 years	Total
2007	€	€	€	€	€	€
Trade and other payables	-	25,400	-	-	-	25,400

b) Fair value estimation

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

	Carrying amount		Fair value	
	2008	2007	2008	2007
	€	€	€	€
Financial assets:				
Receivables and prepayments	-	-	-	-
Cash and cash equivalents	23,853	834,521	23,853	834,521
Financial liabilities				
Trade and other payables	16,179	25,400	16,179	25,400