

Registered no: 06199510

**Titan Global Finance Plc**  
**Annual Report and Financial Statements**  
**for the year ended 31 December 2009**

# **Titan Global Finance Plc**

## **Annual Report and Financial Statements for the year ended 31 December 2009**

Company information .....	1
Directors' report.....	2-4
Statement of directors' responsibilities .....	5
Independent auditors' report.....	6-7
Statement of financial position .....	8
Statement of comprehensive income.....	9
Statement of changes in equity.....	10
Statement of cashflows.....	11
Notes to the financial statements.....	12-28

# Titan Global Finance Plc

## Company Information

<b>Directors:</b>	CR Field MCB Williamson (Deceased 20 March 2010) C Mazarakis (resigned 22 March 2010) T Papoui (resigned 22 March 2010) L H Wilt Jr (appointed 22 March 2010) K V Fittler (appointed 22 March 2010) E Voulgaridis (appointed 22 March 2010)
<b>Secretary:</b>	Rollits Company Secretaries Limited
<b>Registered Auditors:</b>	Ernst & Young LLP PO Box 3 Lowgate House Lowgate Hull HU1 1JJ
<b>Bankers:</b>	Bank of America PO Box 407 5 Canada Square London E14 5AQ
<b>Solicitors:</b>	Rollits Wilberforce Court High Street Hull HU1 1YJ
<b>Registered office:</b>	No 12 Shed King George Dock Hull HU9 5PR
<b>Registered number:</b>	06199510

# Titan Global Finance Plc

## Directors' report for the year ended 31 December 2009

The directors present their annual report and audited financial statements for the year ended 31 December 2009. These are the company's first financial statements prepared under International Financial Reporting Standards ('IFRS') as adopted by the European Union (IFRS as adopted by the EU) and the Companies Act 2006 applicable to companies reporting under IFRS. The transition to IFRS has had no impact on the financial performance, net assets, reserves or the cash flows as reported under UK GAAP for the year ended 31 December 2008, other than foreign currency translations.

### Principal activity and review of the business

The principal activity of the company continues to be acting as an intermediate finance company for the Titan Group's operations by raising and providing funding to other Titan Group companies.

The company is a limited company, domiciled and incorporated in the United Kingdom. The registered office and principal place of business is No 12 Shed, King George Dock, Hull.

On 30 July 2009 the company, a subsidiary of Titan Cement Company S.A., issued notes of 4-year tenure, with a nominal value of EUR 200m and an annual coupon of 6.90% which were guaranteed by Titan Cement Company S.A. The notes were submitted to trading on the regulated market of the Luxembourg Stock Exchange and the proceeds were used primarily for the refinancing of existing debt and also for other general corporate purposes of Titan Group. The issuance forms part of Titan Group's long-term financial strategy to diversify its funding sources.

The board has assessed that the key performance indicators that are the most effective indicators of achieving company objectives include:

Liquidity (measured as the ratio of unutilised long term committed facilities and cash over short term debt)

The company's key performance indicators during the year were as follows:

	2009	2008	Change %
Liquidity	3.34	5.62	(41%)

The nature of the company's business means that it is essential to have available external funds to be able to provide funding to relevant subsidiaries as required. External funding is guaranteed by Titan Cement S.A., the company's immediate and ultimate parent company.

### Functional currency

Following the adoption of IFRS and the issuance of listed debt in the year, the directors have assessed that the company's functional currency has changed to the Euro. This is also consistent with that of its parent company. As such the comparatives have been restated to Euros using appropriate exchange rates. This change in accounting policy resulted in a foreign currency translation loss of €225,000, which has been taken to the Statement of Changes in Equity.

### Principal risks and uncertainties

The principal risks of the company are monitored by the directors of Titan Global Finance Plc.

The company's operations expose it to a variety of financial risks, including credit risk, liquidity risk, foreign exchange risk and interest rate risk. Please see note 2 to the financial statements for further information.

# Titan Global Finance Plc

## Directors' report for the year ended 31 December 2009 (continued)

### Future developments

The directors aim to maintain the management policies which have resulted in this year's stability and profits. Management expect the global economic slowdown to be challenging, but believe the company is suitably equipped to trade through the downturn.

The company's operations are aligned with the Titan Group's strategic priorities with respect to optimisation of funding and cash management needs. As the Group's funding vehicle, the company is reliant on its parent for support through the guarantees the latter provides to secure the company's external financing. The Group will continue to focus on producing positive free cash flow and cost reduction so as to reduce net debt.

### Going Concern

2009 was a year marked by recession in the global economy, a result of the severe repercussions of the global financial crisis. The current economic slowdown and credit crunch, particularly in the U.S.A. and in Europe have resulted in rising credit spreads and fears of liquidity shortages. However, the company maintains a EUR 800m committed Revolving Credit Facility, as well as a recently issued EUR 200m Greek Eurobond which mature in 2012 and 2013 respectively. In addition, the company has available committed bilateral Revolving Credit Facilities totalling EUR 150m with maturities up to 2011. As a consequence, the company's management foresees no imminent threat in relation to the company's ability to continue in existence as a going concern since it retains sufficient cash and committed facilities to ensure it can cover its operating needs.

The company's operations are aligned with the Titan Group's strategic priorities with respect to expansion, investments and optimisation of funding and cash management needs. As the Group's funding vehicle, the company is reliant on its parent for support through the guarantees the latter provides to secure the company's external financing.

### Results and dividends

The total comprehensive income amounted to €2,326,000 (2008: profit of €582,000). The directors do not recommend the payment of a dividend for the year (2008: €nil).

### Directors

The directors who served during the year and up to the date of this report were:

CR Field  
MCB Williamson (Deceased 20 March 2010)  
C Mazarakis (resigned 22 March 2010)  
T Papoui (resigned 22 March 2010)  
L H Wilt Jr (appointed 22 March 2010)  
K V Fittler (appointed 22 March 2010)  
E Voulgaridis (appointed 22 March 2010)

### Policy and practice on payment of creditors

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, providing that all terms and conditions have been complied with.

At 31 December 2009, the company had an average of 11 days purchases outstanding in trade creditors (2008: 2 days).

# Titan Global Finance Plc

## Directors' report for the year ended 31 December 2009 (continued)

### Disclosure of information to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditor

In the absence of any notice proposing to terminate their appointment, Ernst & Young LLP will be deemed to be reappointed for the next financial year. Ernst & Young LLP have indicated their willingness to continue in office.

This report was approved by the board on June 11, 2010 and signed on its behalf by:



L H Wilt Jr  
Director



K V Fittler  
Director

# **Titan Global Finance Plc**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 Act 2006. 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.

# **Titan Global Finance Plc**

## **Independent auditor's report to the members of Titan Global Finance Plc**

We have audited the financial statements of Titan Global Finance plc for the year ended 31 December 2009 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cashflows and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## Titan Global Finance Plc

### Independent auditor's report to the members of Titan Global Finance Plc (continued)

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Alastair Nuttall*

*Alastair Nuttall (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Hull*

*Date: 15 July 2010*

#### Notes:

1. The maintenance and integrity of the Titan Global Finance plc and its parent company's web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Titan Global Finance Plc

## Statement of financial position as at 31 December 2009

Registered no: 06199510

	Note	31 December 2009 €'000	31 December 2008 €'000	1 January 2008 €'000
<b>Assets</b>				
<b>Non-current assets</b>				
Trade and other receivables	4	834,442	633,552	-
<b>Current assets</b>				
Trade and other receivables	4	24,123	79,388	323,579
Cash and cash equivalents	5	31	196	1,755
		<b>24,154</b>	<b>79,584</b>	<b>325,334</b>
<b>Total assets</b>		<b>858,596</b>	<b>713,136</b>	<b>325,334</b>
<b>Equity and liabilities</b>				
<b>Equity attributable to owners of the parent</b>				
Ordinary shares	6	3,287	3,287	1,843
Retained earnings	7	2,833	507	150
<b>Total equity</b>		<b>6,120</b>	<b>3,794</b>	<b>1,993</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Trade and other payables	8	124,674	112,135	-
Borrowings	9	569,576	555,184	322,931
		<b>694,250</b>	<b>667,319</b>	<b>322,931</b>
<b>Current liabilities</b>				
Trade and other payables	8	158,011	41,723	331
Current income tax liabilities		215	300	79
		<b>158,226</b>	<b>42,023</b>	<b>410</b>
<b>Total liabilities</b>		<b>852,476</b>	<b>709,342</b>	<b>323,341</b>
<b>Total equity and liabilities</b>		<b>858,596</b>	<b>713,136</b>	<b>325,334</b>

The notes on pages 12 to 28 are an integral part of the financial statements.

The financial statements on pages 8 to 28 were authorised for issue by the Board of Directors on 2010 and were signed on its behalf by:

*June 11,*  
  
L H Wilt Jr  
Director

  
K V Fittler  
Director

## Titan Global Finance Plc

### Statement of comprehensive income for the year ended 31 December 2009

	Note	2009 €'000	2008 €'000
Administrative expenses	10	(1,788)	(211)
Finance income	13	26,874	27,528
Finance costs	13	(21,855)	(26,196)
Finance income - net	13	5,019	1,332
<b>Profit before income tax</b>		<b>3,231</b>	<b>1,121</b>
Income tax expense	14	(905)	(539)
<b>Total comprehensive income</b>		<b>2,326</b>	<b>582</b>

All of the activities of the company in 2009 and 2008 relate to continuing operations.

The notes on pages 12 to 28 are an integral part of these financial statements.

As indicated in the summary of significant accounting policies on page 12, the company changed its functional currency from Pounds Sterling to Euros in 2009, this has had no effect on the statement of comprehensive income. Foreign currency translation losses resulting from this change of €225,000 have been taken to the Statement of Changes in Equity. These financial statements are therefore presented in Euros and comparative figures are restated in Euros using appropriate exchange rates.

## Titan Global Finance Plc

### Statement of changes in equity for the year ended 31 December 2009

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total equity
	€'000	€'000	€'000
<b>Balance at 1 January 2008</b>	1,843	150	1,993
<b>Changes in equity for 2008</b>			
Issue of share capital	1,444	-	1,444
Total comprehensive income for the year	-	582	582
Adjustment in respect of change in functional currency	-	(225)	(225)
<b>Balance at 31 December 2008</b>	3,287	507	3,794
<b>Changes in equity for 2009</b>			
Total comprehensive income for the year	-	2,326	2,326
<b>Balance at 31 December 2009</b>	3,287	2,833	6,120

The notes on pages 12 to 28 are an integral part of these financial statements.

# Titan Global Finance Plc

## Statement of cashflows for the year ended 31 December 2009

	Note	2009 €'000	2008 €'000
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	15	(3,405)	323,825
Income tax paid		(991)	(318)
Net cash (used in)/generated from operating activities		(4,396)	323,507
<b>Cash flows from investing activities</b>			
Net loans granted to related parties		(146,234)	(384,555)
Interest received		26,150	22,684
Net cash used in investing activities		(120,084)	(361,871)
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary share capital		-	1,444
Net proceeds from/(repayment of) loans from related parties		123,824	(172,574)
Interest paid		(17,161)	(24,318)
Net (repayment of)/proceeds from borrowings		(182,348)	232,253
Proceeds from issue of bonds		200,000	-
Net cash generated from financing activities		124,315	36,805
<b>Net decrease in cash and cash equivalents</b>		<b>(165)</b>	<b>(1,559)</b>
Cash and cash equivalents at 1 January		196	1,755
<b>Cash and cash equivalents at 31 December</b>	5	<b>31</b>	196

The notes on pages 12 to 28 are an integral part of these financial statements.