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AEMOS CEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2009

AEMOS CEMENT LIMITED

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31 December 2009

CONTENTS

CONTENTS	PAGE
Board of Directors and other Officers	1
Report of the Board of Directors	2
Independent auditors' report	3 - 4
Income statement	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 21

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Arta Antoniou Spyroulla Papaeracleous Stelios Triantafillides
Company Secretary:	A.T.S. Services Limited 2-4 Arch. Makarios III Avenue Capital Center, 9th Floor CY-1505 Nicosia, Cyprus
Registered office:	2-4 Arch. Makarios III Avenue Capital Center, 9th Floor CY-1505 Nicosia Cyprus

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2009.

Principal activities
The principal activities of the Company, which are unchanged from last year, are those of an investment holding company and the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans.

Review of current position, future developments and significant risks
The Company made a profit for the year 2009 of €78,452,976 compared to the profit of €186,547,580 made in 2008. The decrease was due to lower dividend income in 2009 €76,929,708 (2008:€184,285,497). The net assets of the Company as at 31 December 2009 were €441,503,663 compared to €363,050,687 in 2008. The Board of Directors does not expect any significant changes in the activities of the Company in the foreseeable future.

The Company's principal risks and uncertainties are presented in note 3.

Results and Dividends
The Company's results for the year are set out on page 5. The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital
There were no changes in the share capital of he Company during the year.

Board of Directors
The members of the Company's the Board of Directors as at 31 December 2009 and at the date of this report are presented on page 1. All of them were members of the Board throughout the year ended 31 December 2009.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

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

Post statement of financial position events
Any significant events that occurred after the end of the year are described in note 21 to the financial statements.

Independent Auditors
The independent auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Stelios Triantafillides
Director

Nicosia, Cyprus, 8 April 2010

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Independent Auditors' Report

To the Members of Aemos Cement Limited

Report on the Financial Statements

We have audited the financial statements of Aemos Cement Limited on pages 5 to 21, which comprise the statement of financial position as at 31 December 2009 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Aemos Cement Limited as of 31 December 2009 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal Requirements

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

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

Other Matter

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

Ernst & Young Cyprus Ltd

Ernst & Young Cyprus Limited
Certified Public Accountants & Registered Auditors

Nicosia, 8 April 2010

INCOME STATEMENT
Year ended 31 December 2009

	Note	2009 €	2008 €
Revenue	5	**76,929,708**	184,285,497
Other income	6	**252,147**	-
Administration expenses		**(583,832)**	(563,422)
Operating profit	7	**76,598,023**	183,722,075
Net finance income	8	**3,778,361**	3,798,702
Net loss from investing activities	9	**(1,550,000)**	(519,856)
Profit before tax		**78,826,384**	187,000,921
Tax	10	**(373,408)**	(453,341)
Net profit for the year		**78,452,976**	186,547,580

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

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2009

	2009			2008		
	Before tax	Tax	After tax	Before tax	Tax	After tax
	€	**€**	**€**	€	€	€
Net profit for the year	**78.452.976**	**-**	**78,452,976**	186.547.580	-	186,547,580
Other comprehensive income	**-**	**-**	**-**	-	-	-
Total comprehensive income for the year	**78,452,976**		**78,452,976**	186,547,580		186,547,580

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

STATEMENT OF FINANCIAL POSITION
31 December 2009

	Note	2009 €	2008 €
ASSETS			
Non-current assets			
Investments in subsidiaries	11	**238,268,583**	236,853,028
Loans receivables	17	**82,470,000**	125,644,532
		320,738,583	362,497,560
Current assets			
Trade and other receivables	12	**122,791,449**	56,522
Refundable taxes		**34,580**	-
Cash at bank and in hand	14	**202,978**	3,741,924
		123,029,007	3,798,446
Total assets		**443,767,590**	366,296,006
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	15	**114,729**	114,729
Share premium		**113,054,397**	113,054,397
Other reserves		**90,984**	90,984
Retained earnings		**328,243,553**	249,790,577
Total equity		**441,503,663**	363,050,687
Non-current liabilities			
Trade and other payables	16	**1,070,000**	2,140,000
		1,070,000	2,140,000
Current liabilities			
Trade and other payables	16	**1,191,071**	1,084,347
Current tax liabilities		**2,856**	20,972
		1,193,927	1,105,319
Total liabilities		**2,263,927**	3,245,319
Total equity and liabilities		**443,767,590**	366,296,006

On 8 April 2010 the Board of Directors of Aemos Cement Limited authorised these financial statements for issue.

Stelios Triantafillides
Director

Arta Antoniou
Director

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

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2009

	Share capital €	Share premium €	Translation reserve €	Retained earnings €	Total €
Balance - 1 January 2008	**114,827**	**113,054,397**	**90,984**	**63,242,899**	**176,503,107**
Total comprehensive income for the year	-	-	-	186,547,580	186,547,580
Coversion of share capital from Cyprus pounds to Euro	(98)	-	-	98	-
At 31 December 2008/ 1 January 2009	**114,729**	**113,054,397**	**90,984**	**249,790,577**	**363,050,687**
Total comprehensive income for the year	-	-	-	78,452,976	78,452,976
At 31 December 2009	**114,729**	**113,054,397**	**90,984**	**328,243,553**	**441,503,663**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 15% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

Translation reserve is explained in Note 18 to the financial statements.

STATEMENT OF CASH FLOWS
Year ended 31 December 2009

	Note	2009 €	2008 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**78,826,384**	187,000,921
Adjustments for:			
Unrealised exchange (profit)/ loss		-	3,131
Loss from the sale of financial assets at fair value through profit or loss		-	519,856
Impairment charge - investments in subsidiaries	11	**1,550,000**	-
Dividend income	5	**(76,929,708)**	(184,285,497)
Interest income	8	-	(1,164,974)
Interest expense	8	**(433)**	-
Loan interest income		**(3,647,728)**	(2,636,859)
Cash flows used in operations before working capital changes		**(201,485)**	(563,422)
Decrease / (increase) in trade and other receivables		**2,891,357**	(116,426,447)
Decrease in financial assets at fair value through profit or loss		-	1,778,946
Decrease in trade and other payables		**(963,276)**	(1,065,539)
Cash flows from / (used in) operations		**1,726,596**	(116,276,462)
Dividends received		**76,929,708**	184,285,497
Tax paid		**(407,856)**	(439,136)
Net cash flows from operating activities		**78,248,448**	67,569,899
CASH FLOWS FROM INVESTING ACTIVITIES			
Share premium reduction in subsidiaries		**2,474,073**	-
Payment for purchase of investments in subsidiaries	11	**(5,439,628)**	(77,801,303)
Loans granted		**(82,470,000)**	-
Interest received		-	1,164,974
Loan interest income		**3,647,728**	2,636,859
Net cash flows used in investing activities		**(81,787,827)**	(73,999,470)
CASH FLOWS FROM FINANCING ACTIVITIES			
Unrealised exchange profit / (loss)		-	(3,131)
Interest paid		**433**	-
Net cash flows from / (used in) financing activities		**433**	(3,131)
Net decrease in cash and cash equivalents		**(3,538,946)**	(6,432,702)
Cash and cash equivalents:			
At beginning of the year	14	**3,741,924**	10,174,626
At end of the year	14	**202,978**	3,741,924

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

1. Incorporation and principal activities

Country of incorporation

The Company Aemos Cement Limited was incorporated in Cyprus on 9 March 1998 as a limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at 2-4 Arch. Makarios III Avenue, Capital Center, 9th Floor, CY-1505 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are those of an investment holding company and the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans.

2. Accounting policies

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

Basis of preparation

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

These financial statements are the separate parent financial statements of the Company. Consolidated financial statements, which would include the financial statements of the Company and its subsidiary undertakings have not been prepared because the Company is a wholly owned subsidiary itself and it does not need to prepare consolidated financial statements as these were prepared by its ultimate parent company Titan Cement S.A., a company incorporated in Greece. This exemption is permitted by International Accounting Standard IAS27 "Consolidated and Separate Financial Statements" and by the Cyprus Companies Law, Cap. 113. Consolidated financial statements can be obtained from Titan Cement S.A., 22A Halkidos Street, 11143 Athens, Greece.

Adoption of new and revised IFRSs

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2009:

IAS 1 Presentation of Financial Statements effective 1 January 2009.

The revised standard seperates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Company has elected to present two separate statements.

Subsidiary companies

Subsidiaries include all companies that are controlled by the company. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise.

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

2. Accounting policies (continued)

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

  Dividend income is recognised when the right to receive payment is established.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements 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.

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

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the statement of financial position date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

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

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

Investments

The Company classifies its investments in equity and debt securities in the following categories: financial assets at fair value through profit or loss, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments at initial recognition and re-evaluates this designation at every statement of financial position date.

2. Accounting policies (continued)

Financial instruments (continued)

Investments (continued)

- Financial assets at fair value through profit or loss

  This category has two sub-categories: financial assets held at fair value through profit and loss and those designated at fair value through profit or loss at inception. A financial asset is classified in the held at fair value through profit and loss category if acquired principally for the purpose of generating a profit from short-term fluctuations in price. Assets in this category are classified as current assets if they are either held at fair value through profit and loss or are expected to be realised within twelve months from the statement of financial position date.

- Held-to-maturity investments

  Investments with fixed or determinable payments and fixed maturity that the management has the positive intent and ability to hold to maturity, other than loans and receivables originated by the Company, are classified as held-to-maturity investments. Such investments are included in non-current assets, except for maturities within twelve months from the statement of financial position date, which are classified as current assets.

- Available-for-sale financial assets

  Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

- Loans and receivables

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets.

Regular way purchases and sales of investments are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the income statement.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

2. Accounting policies (continued)

Financial instruments (continued)

Investments (continued)

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Receivables from related parties

Receivables from related parties are stated at their transacted values as they are on demand. Management believes that their fair values are not materially different from their transacted values.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

3.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

3. Financial risk management (continued)

3.3 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

3.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2009	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years
	€	€	€	€	€
Other non current liabilities	1,070,000	-	-	-	1,070,000
Trade and other payables	1,191,071	112,244	8,827	1,070,000	-
	2,261,071	112,244	8,827	1,070,000	1,070,000

31 December 2008	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years
	€	€	€	€	€
Other non current liabilities	2,140,000	-	-	-	2,140,000
Trade and other payables	1,084,347	619	13,728	1,070,000	-
	3,224,347	619	13,728	1,070,000	2,140,000

3.5 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 recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the . The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.6 Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the statement of financial position date.

4. Critical accounting estimates and judgements

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

4. Critical accounting estimates and judgements (continued)

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

- **Income taxes**

  Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Impairment of non-financial assets**

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

5. Revenue

	2009	2008
	€	€
Dividend income	**76,929,708**	184,285,497
	76,929,708	184,285,497

6. Other income

	2009	2008
	€	€
Other income	**252,147**	-
	252,147	-

The amount of €252.147 represents amounts wrtitten off with related parties.

7. Operating profit

	2009	2008
	€	€
Operating profit is stated after charging the following items:		
Auditors' remuneration - current year	**7,590**	8,052
Auditors' remuneration - prior years	**-**	(338)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

8. Finance income

	2009	2008
	€	€
Loan interest income (Note16)	**3,647,728**	2,636,859
Bank interest income	**53,322**	1,164,974
Loan interest commitment fee	**70,764**	-
Finance income	**3,771,814**	3,801,833
Net foreign exchange transaction losses	**6,980**	(3,131)
Interest expense	**(433)**	-
Finance costs	**6,547**	(3,131)
Net finance income	**3,778,361**	3,798,702

9. Loss from investing activities

	2009	2008
	€	€
Profit from sale of financial assets at fair value through profit and loss	**-**	113,425
Fair value losses on financial assets at fair value through profit and loss	**-**	(633,281)
Impairment charge - investments in subsidiaries (Note 11)	**(1,550,000)**	-
	(1,550,000)	(519,856)

10. Tax

	2009	2008
	€	€
Corporation tax - current year	**369,337**	315,654
Corporation tax - prior years	**(308)**	-
Overseas tax	**-**	11,980
Defence contribution - current year	**4,379**	125,707
Charge for the year	**373,408**	453,341

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2009	2008
	€	€
Profit before tax	**78,826,384**	187,000,921
Tax calculated at the applicable tax rates	**7,882,638**	18,700,092
Tax effect of expenses not deductible for tax purposes	**210,140**	-
Tax effect of allowances and income not subject to tax	**(7,723,441)**	(18,384,438)
Defence contribution current year	**4,379**	125,707
Prior year tax	**(308)**	-
Overseas tax in excess of credit claim used during the year	**-**	11,980
Tax charge	**373,408**	453,341

The corporation tax rate is 10%.

Under certain conditions interest income may be subject to defence contribution at the rate of 10%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 15%.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

11. Investments in subsidiaries

	2009	2008
	€	€
On 1 January	**236,853,028**	157,600,098
Additions	**2,965,555**	79,252,930
Impairment charge (10)	**(1,550,000)**	-
At 31 December	**238,268,583**	236,853,028

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	**2009** Holding %	2008 Holding %	**2009 €**	2008 €
Tithys Limited (1)	Cyprus	Holding Company	100	100	**56,773,830**	55,123,830
Balkcem Limited	Cyprus	Holding Company	100	100	**27,033,905**	27,033,905
Rea Cement Limited (2)	Cyprus	Holding Company	100	100	**65,501,726**	66,501,726
Alvacim Limited (3)	Cyprus	Holding Company	100	100	**87,967,619**	85,987,619
Feronia Limited (4)	Cyprus	Holding Company			**256,900**	205,200
Titan Cement Cyprus Ltd (5)	Cyprus	Holding Company			**85,639**	1,739
Kocem Limited (6)	Cyprus	Holding Company			**67,066**	1,000
Themis Holdings Limited (7)	Cyprus	Holding Company			**523,336**	1,997,409
Star Silo Co Doo	Belgrade	Dormant Company			**600**	600
Dancem ApS (8)	Denmark	Holding Company	100	100	**57,962**	-
Cementi Crotone SRL (9)	Italy	Import & Distribution of cement	100	-	**-**	-
					238,268,583	236,853,028

(1) During 2009 the investment in Tithys Limited was increased by €1,650,000 due to the issuance of additional shares.

(2) During 2009 the investment in Rea Cement Limited was decreased by €1,000,000 due to a share premium reduction by Rea Cement Limited.

(3) During 2009 the investment in Alvacim Limited Limited was increased by €1,980,000 due to the issuance of additional shares.

(4) During 2009 the investment in Feronia Holdings Limited was increased by €51,700 due to the issuance of additional shares.

(5) During 2009 the investment in Titan Cement Cyprus Limited was increased by €83,900 due to the issuance of additional shares.

(6) During 2009 the investment in Kocem Limited was increased by €66,066 due to the issuance of additional shares.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

(7) During 2009 the investment in Themis Holdings Limited was decreased by €1,474,073 due to a share premium reduction by Themis Holdings Limited.

(8) During 2009, the Company acquired Dancem Aps, incorporated in Denmark and subscribed for 100% of its shareholding at a cost of €57,961.

(9) During the year, the Company acquired 100% of the share capital of Cementi Crotone SRL, incorporated in Italy for €1,550,000. A full impairment was made as at 31 December 2009.

12. Trade and other receivables

	2009	2008
	€	€
Receivables from own subsidiaries (Note 17)	**3,005**	35,674
Receivables from related companies (Note 17)	**122,786,144**	-
Other receivables	**2,300**	20,848
	122,791,449	56,522

13. Financial assets at fair value through profit or loss

	2009	2008
	€	€
On 1 January	-	2,298,802
Disposals	-	(1,778,946)
Change in fair value	-	(519,856)
At 31 December	-	-

14. Cash and cash equivalent

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2009	2008
	€	€
Cash at bank and in hand	**202,978**	3,741,924
	202,978	3,741,924

Cash at bank represents current and fixed deposit accounts denominated in Euro and carry interest in the rate of 5% per annum.

15. Share capital

	2009 Number of shares	**2009 €**	2008 Number of shares	2008 €
Authorised				
Ordinary shares of €1,71 each	**70,000**	**118,332**	70,000	118,332
Issued and fully paid				
On 1 January	**67,093**	**114,729**	67,093	114,827
Conversion of share capital from Cyp to Euro	-	-	-	(98)
At 31 December	**67,093**	**114,729**	67,093	114,729

16. Trade and other payables

	2009	2008
	€	€
Accruals	**5,636**	6,440
Other creditors	**2,143,190**	3,215,909
Payables to own subsidiaries (Note 17)	**54,284**	-
Payables to related companies (Note 17)	**57,961**	-
	2,261,071	3,222,349

Other creditors include a provision for additional consideration for acquiring the investment in Balkcem Limited in the amount of €2.140.000 (see note 18) (€3.210.000 in 2008), of which €1.070.000 is due after one year.

17. Related party transactions

The Company is controlled by Titan Cement S.A., incorporated in Greece, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

17.1 Loans due from related parties (Note 12)

	2009	2008
	€	€
Balance brought forward	**125,644,532**	10,694,939
Loan given	**97,970,000**	174,200,000
Loan repayment	**(22,006,116)**	(61,887,260)
Interest charge	**3,647,728**	2,636,853
Balance carried forward	**205,256,144**	125,644,532
Due within one year	**122,786,144**	-
Due after one year	**82,470,000**	125,644,532
Total	**205,256,144**	125,644,532

(1) On 22 April 2008 the Company granted a loan facility of €20,000,000 to Titan Global Finance Plc which was repaid in full during 2009. The loan was unsecured, bear an interest rate of Euribor plus 0,25 % per annum. The interest income for the year was €9,305 (2008: €506,924).

(2) On 20 June 2008 the Company granted a loan facility of €38,500,000 to Titan Global Finance Plc. The loan is unsecured, bears an interest rate of Euribor plus 1,3 % per annum and has to be repaid by 20 June 2010. The interest income for the year was €909,833 (2008: €951.047)

(3) On 12 November 2008 the Company granted a loan facility of €64,000,000 to Titan Global Finance Plc. The loan is unsecured, bears an interest rate of Euribor plus 1,3 % per annum and has to be repaid by 12 November 2010. The interest income for the year was €1,530,431 (2008: €286,334)

(4) On 22 December 2008 the Company granted a loan facility of €25,000,000 (out of which €5,000,000 was repaid) to Titan Global Finance Plc. The loan is unsecured, bears an interest rate of Euribor plus 1,3 % per annum and has to be repaid by 22 December 2010. The interest income for the year was €507,624 (2008:€4,611)

(5) On 24 March 2009 the Company granted a loan facility of €61,500,000 to Titan Global Finance Plc (out of which €12,200,000 has been repaid). The loan is unsecured, bears an interest rate of Euribor plus 1,3 % per annum and has to be repaid by 23 March 2012. The interest income for the year was €685,158.

(6) On 29 June 2009 the Company granted a loan facility of €10,000,000 to Titan Global Finance Plc. The loan is unsecured, bears an interest rate of Euribor plus 1,3 % per annum and has to be repaid by 29 June 2012. The

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

17. Related party transactions (continued)
interest income for the year was €4,145.

(7) On 22 December 2009 the Company granted a loan facility of €20.000.000 to Titan Global Finance Plc. The amounts drawn were €12.470.000. The loan is unsecured, bears an interest rate of Euribor plus 1,30 % per annum and has to be repaid by 22 December 2011. The interest income for the year was €1.232.

17.2 Payables to related parties (Note 16)

Name	Nature of transactions	2009 €	2008 €
Payables to related party	Investing	**57,961**	-
Payables to related party	Finance	**54,284**	-
		112,245	-

17.3 Receivables from related companies

	Nature of transactions	2009 €	2008 €
Receivable from related company	Trading	**3,005**	-
Receivable from own subsidiary	Finance	**-**	35,674
		3,005	35,674

18. Exchange difference translation reserve

Following the adoption of the Euro (€) across the participant member countries of the European Union as from 1 January 2002, the Greek Drachma no longer reflected the economic substance of the underlying events and circumstances relevant to the Company. As a result, the Company changed its reporting currency from Greek Drachmas (GRD) to Euro (€). Comparative figures in respect of monetary assets and liabilities and profit and loss items were restated from GRD to € at the exchange rate prevailing as at 31 December 2001, GRD 340,75/€.

Non-monetary assets and liabilities which represent investments in subsidiary undertakings and share capital were restated from Greek Drachmas (GRD) to Euro (€) at historic rates. The translation difference arising was credited to exchange difference translation reserve, in shareholders' equity and will be transferred to retained earnings upon the disposal of the investments.

19. Contingent liabilities

During 2004, the Company acquired the 49% of the issued share capital of Balkcem Limited from Holcim Auslandbeteiligungs GmbH (Note 11). The purchase agreement provided an additional price complement not to exceed €7,500,000 in seven annual payments, upon the condition that the yearly earnings before interest and tax, discounted back to 2003, of the Balkcem subsidiary, AD Cementarnica, does not fall below €15,870,000. The price complement for 2004, 2005, 2006, 2007 and 2008 of €1,070,000 for each year, were paid in 2005, 2006, 2007, 2008 and 2009 respectively, as the above condition was met. As the yearly earnings before interest and tax for the next four years discounted back to 2003 of the Balkcem subsidiary, AD Cementarnica are not expected to fall below €15.870.000, the additional price component for the years 2009 to 2010 totaling €2,140,000 was provided at the reporting date (Note 16).

20. Commitments

The Company had no capital or other commitments as at 31 December 2009.

21. Post statement of financial position events

During 2010 the following events took place:

(1) The Company acquired the 48.994% of the share capital of Themis Holdings Limited from HAB at nominal value for € 502,691.

(2) The Company acquired 51% of Terret Enterprises Limited for an amount of €3,825.

(3) Terret Enterprises Limited has acquired 100% of the shares of Sharr Beteiligungs Gmbh for €4,747,811.

There were no other material post statement of financial position events, which have a bearing on the understanding of the financial statements.

Independent Auditors' Report pages 3 and 4