



TITAN

CEMENTARA KOSJERIĆ

**“TITAN CEMENTARA KOSJERIC” DOO
FINANCIAL STATEMENTS
FOR THE GROUP CONSOLIDATION PURPOSES
FOR THE YEAR ENDED 31 DECEMBER 2009**

**TITAN CEMENTARA KOSJERIC DOO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES**

CONTENTS	Pages
Audit report	1
Financial statements	3-6
Notes to the financial statements	7-26
Appendix	27

GENERAL DIRECTOR

Mr Miroslav Gligorijević

Registered office

Titan Cementara Kosjeric doo
Zivojina Misica bb
31260 Kosjeric
Republic of Serbia

Auditor

Ernst & Young d.o.o. Beograd
Bulevar Mihajla Pupina 115d
11 000 Beograd
Republic of Serbia

AUDIT REPORT TO BOARD OF DIRECTORS OF TITAN CEMENTARA KOSJERIC D.O.O. KOSJERIC

We have audited the condensed financial statements for group consolidation reporting purposes of Titan Cementara Kosjeri? d.o.o. Kosjeri? ("the Company"), which comprise the balance sheet as at 31 December 2009, 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 €2,200,000.

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, 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 2009 and of the results of its operations and its cash flows and changes in 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, 27 January 2010



Ernst & Young Beograd d.o.o.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

Income Statement

	Notes	For 12 months period ended 31-Dec-09	For 12 months period ended 31-Dec-08
Sales	3	4,212,794	4,359,736
Cost of sales	4	(1,979,595)	(2,620,532)
Gross profit		2,233,199	1,739,204
Other operating income	5	105,148	125,226
Selling expenses	6	(26,197)	(26,950)
Administrative expenses	7	(271,735)	(242,738)
Other operating expenses	5	(96,046)	(188,930)
Profit from operating activities		1,944,369	1,405,812
Finance income/(expenses), net	8	70,356	451,813
Profit before taxation		2,014,725	1,857,625
Taxation	9	(191,788)	44,106
Profit for the year		1,822,937	1,901,731

TITAN CEMENTARA KOSJERIC DOO
NOTES TO FINANCIAL STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2009
PREPARED FOR GROUP CONSOLIDATION PURPOSES

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

Balance sheet

		As at 31 December 2009	As at 31 December 2008
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	10	2,336,850	2,233,879
Construction in progress	10	149,127	188,506
Intangible Assets	11	36,521	47,943
Investment in subsidiary	12	1,659,878	1,659,878
Deferred tax assets	9	51,762	141,388
		<u>4,234,138</u>	<u>4,271,594</u>
Current assets			
Inventories	13	546,903	804,203
Trade receivables	14	87,047	190,863
Advances to suppliers for fixed assets	15	120,165	143,149
Other receivables	15	76,066	51,224
Cash and cash equivalents	16	134,956	308,645
		<u>965,137</u>	<u>1,498,084</u>
Total assets		<u><u>5,199,275</u></u>	<u><u>5,769,678</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Shares	17	2,505,209	2,505,209
Reserves		166,474	166,474
Retained earnings/(losses)		306,026	614,295
Current period result		1,822,937	1,901,731
		<u>4,800,646</u>	<u>5,187,709</u>
Non current liabilities			
Other non current liabilities	18	123,484	158,803
Current liabilities			
Trade and other payables	19	275,145	423,166
Total Liabilities		<u>398,629</u>	<u>581,969</u>
Total equity and liabilities		<u><u>5,199,275</u></u>	<u><u>5,769,678</u></u>

The financial statements on pages 3 to 26 were signed on its behalf by:

Mr Miroslav Gligorijević

 General Director



Slavica Vukosavljević

 Finance Director

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

Statement of Changes in Equity

	Ordinary shares	Reserve	Retained earnings	Current period result	Total
Balance at 1 January 2008	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	-	-	-	1,901,731	1,901,731
Transfer from Retained earnings	-	-	-	-	-
Balance at 31 December 2008	2,505,209	166,474	614,295	1,901,731	5,187,709
Transfer to retained earnings	-	-	1,901,731	(1,901,731)	-
Paid dividends	-	-	(2,210,000)	-	(2,210,000)
Current period result	-	-	-	1,822,937	1,822,937
Balance at 31 December 2009	2,505,209	166,474	306,026	1,822,937	4,800,646

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

Cash Flow Statement

		For 12 months period ended 31-Dec-09	For 12 months period ended 31-Dec-08
	Notes		
<i>Cash flows from operating activities</i>			
Profit after taxation		1,822,937	1,901,731
Adjustments for:			
Tax	9	191,788	(44,106)
Depreciation expense	10	196,575	286,451
Interest income	8	(37,144)	(155,160)
(Gain) / Loss on sale of property, plant and equipment		(34,095)	(28,982)
Loss on disposals of fixed assets	10	1,965	1,235
Effects of exchange rate changes	8	(33,212)	(296,653)
Operating cash flows before working capital Changes		2,108,814	1,664,516
Changes:			
(Increase)/decrease in trade and other Receivables		101,958	(183,800)
(Increase)/decrease in inventory		257,300	(26,464)
Increase/(decrease) in trade and other payables		(183,340)	90,371
Decrease in other long term assets		-	998
Cash generated from operations		2,284,732	1,545,621
Interest paid	8	(102,162)	(97,282)
Tax paid		(102,162)	(97,282)
Net cash from operating activities		2,182,570	1,448,339
<i>Cash flows from investing activities</i>			
Acquisition of subsidiary	12	-	(1,651,912)
Purchase of property, plant and equipment	10	(257,001)	(331,043)
Purchase of intangible assets	11	-	(13,338)
Interest received		37,144	155,160
Proceeds from sale of property, plant and Equipment		40,386	29,960
Net cash used in investing activities		(179,471)	(1,811,173)
<i>Cash flows from financing activities</i>			
Proceeds from borrowings			
Repayment of borrowings			
Dividends paid		(2,210,000)	(1,898,178)
Net cash from financing activities		(2,210,000)	(1,898,178)
Effects of exchange rate changes		33,212	296,653
Net increase/(decrease) in cash		(173,689)	(1,964,359)
Cash at the beginning of period	16	308,645	2,273,004
Cash at the end of period	16	134,956	308,645

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

1 General information

Titan Cementara Kosjeric d.o.o. (the Company) is a limited liability company, domiciled in Kosjeric, Republic of Serbia. The address of its registered office is as follows: Zivojina Misica bb, 31 260 Kosjeric

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%. Finally in April 2009, Tithys Limited bought the remaining shares from minority shareholders, and became owner of 100% of the Company's shares.

Until November 2009, the Company was operating as a joint stock company. In November 2009 the Company changed its legal form from Joint Stock Company to Limited Liability Company, and, consequently, delisted from Belgrade Stock Exchange. Subsequently, ownership was transferred from Tithys Ltd, Cyprus to AEAS Ltd, Netherland.

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 369 people as at 31 December 2009.

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 according to the 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 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.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

2 Accounting policies (continued)

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 the circumstances that led to the impairment.

Investments in subsidiaries

Investments in subsidiaries are accounted 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.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

2. Accounting policies (continued)

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 2009, the official rate of exchange, as determined by the Central Bank of Serbia, was EURO 1=RSD 95,8888 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-09	For 12 months period ended 31-Dec-08
Sales revenue cement	4,211,315	4,359,736
Sales revenue clinker	1,479	-
Total	4,212,794	4,359,736

Revenue of RSD 1,479 thousand is coming from the sale of 539,96 tons of clinker to the Company's related party Cementarnica Usje.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

4 Cost of sales

	For 12 months period ended 31-Dec-09	For 12 months period ended 31-Dec-08
Variable		
Kiln fuel	377,794	651,764
Raw material	92,940	213,605
Clinker Purchased	-	112,035
Electricity power	168,602	206,351
Fuel and oil	41,038	51,860
Refractory	18,661	29,579
Grinding media	9,243	9,445
Explosives	7,769	7,148
Concession fees	6,421	6,859
Other variable costs	1,490	7,268
Total variable cost	723,958	1,295,914
Fixed		
Salaries	372,245	350,212
Maintenance spare parts	51,516	64,512
Third parties services	35,181	37,051
Lining	20,836	5,013
Insurance and taxes	23,968	15,545
Other fixed costs	55,361	65,166
Total fixed cost	559,107	537,499
Packing		
Salaries	50,052	46,631
Bags	54,361	75,554
Pallets and folio	30,006	39,277
Electricity power	2,436	2,196
Fuel and oil	1,350	2,073
Maintenance spare parts	7,423	8,086
Third parties maintenance	1,631	1,268
Insurance	771	760
Other expenses	8,350	9,732
Total packing cost	156,380	185,577
Inventory (Increase)/Decrease	71,907	58,287
Depreciation	167,334	200,835
Distribution Expenses		
Third parties services transportation	286,690	319,122
Custom and related expenses	3,679	16,182
Other	69	289
Total distribution costs	290,438	335,593
Cost of Trading Goods	10,471	6,827
Total Cost of Sales	1,979,595	2,620,532

Cost of trading 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.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

5 Other operating income and expenses

	For 12 months period ended 30-Dec-09	For 12 months period ended 31-Dec-08
Income from hotel, restaurant and bakery	14,474	32,578
Revenue from sales of material	21,584	25,595
Collection of the receivables for which provision was made	10,203	1,773
Revenue from other operating activities	851	1,191
Profit on sales of fixed assets	34,095	28,982
Other income	23,941	35,107
Total other operating income	105,148	125,226
Expenses from hotel, restaurant and bakery	13,465	29,317
Salaries	28,742	36,500
Depreciation	11,887	69,667
Impairment of accounts receivable	12,473	23,462
Provision for rehabilitation of quarries	5,305	-
Litigation provision	-	1,280
Other expenses	24,174	28,704
Total other operating expenses	96,046	188,930

6 Selling expenses

	For 12 months period ended 31-Dec-09	For 12 months period ended 31-Dec-08
Salaries	20,383	19,851
Rental Expenses	-	-
Traveling expenses & Car Expenses	2,494	2,780
Other	2,543	3,426
Depreciation	777	893
	26,197	26,950

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

7 Administrative expenses

	For 12 months period ended 31-Dec-09	For 12 months period ended 31-Dec-08
Administrative and technical assistance fees – see Note 20	14,299	23,451
Salaries	100,776	93,672
Donation to Municipality –see Note 18	56,604	37,024
Donations	10,141	11,901
Communication	6,192	4,584
Consulting services	4,929	5,371
Legal and court fees	5,288	8,858
Representation	5,276	4,300
Car expenses	7,507	6,135
Business trip	4,319	2,894
Training and education	1,772	4,309
Other costs	38,055	25,183
Depreciation	16,577	15,056
	<u>271,735</u>	<u>242,738</u>

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-09	For 12 months period ended 31-Dec-08
Bank interest and related income	37,144	155,160
Foreign exchange gain	67,690	344,392
Foreign exchange loss	(34,478)	(47,739)
	<u>70,356</u>	<u>451,813</u>

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

9 Taxation

	For 12 months period ended 31-Dec-09	For 12 months period ended 31-Dec-08
Current Income Tax	102,162	97,282
Deferred income tax expense / (income)	89,626	(141,388)
	<u>191,788</u>	<u>(44,106)</u>

The tax on the Company's profit before tax differs from theoretical amounts that would arise using the basic tax rate of 10% as follows:

	For 12 months period ended 31 Dec 2009	For 12 months period ended 31 Dec 2008
Accounting profit for the 12 months period ended 31 December	<u>2,014,725</u>	<u>1,857,625</u>
<i>Add back:</i>		
Accounting depreciation	196,575	286,451
Provisions	4,632	9,992
Non business expenses	8,600	6,339
Penalties and capital loss	45,025	262
Write off of assets	6,648	7,199
Impact of transfer pricing	10,813	1,912
Other	-	557
<i>Less:</i>		
Depreciation for tax purposes	(243,788)	(224,672)
Tax basis	<u>2,043,230</u>	<u>1,945,665</u>
Tax at 10%	<u>204,323</u>	<u>194,566</u>
50% tax relief for investments in fixed assets	<u>102,161</u>	<u>97,282</u>
Current income tax	<u>102,162</u>	<u>97,282</u>

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

9. Taxation (continued)

Deferred income tax relates to the following:

	<i>Income statement</i>		<i>Balance sheet</i>	
	<i>Jan-Dec 2009</i>	<i>Jan-Dec 2008</i>	<i>31 December 2009</i>	<i>31 December 2008</i>
Deferred tax assets				
Tax credits for investments in property, plant and equipment	77,963	(125,790)	47,827	125,790
Temporary differences between carrying amount of property, plant and equipment and their tax base	11,663	(15,598)	3,935	15,598
Deferred tax assets, total			51,762	141,388
Deferred income tax expense/(income)	89,626	(141,388)		

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 5,358 thousand and RSD 42,469 thousand, respectively. Tax credits can be carried forward for ten years period since year of purchase.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

10. Property plant and equipment

	Land	Mineral Reserves	Buildings	Machinery and equipment	Vehicles	Sub total	Construction in progress	Total
Cost								
At 31 December 2008	53,845	132,437	2,502,474	2,946,983	310,799	5,946,538	188,506	6,135,044
Additions during the period	986	-	-	-	-	986	256,015	257,001
Reclassification from/to another category			21,103	261,104	13,187	295,394	(295,394)	-
Sales / write off during period	(4,528)	-	(186,674)	(81,527)	(31,434)	(304,163)	-	(304,163)
At 31 December 2009	50,303	132,437	2,336,903	3,126,560	292,552	5,938,755	149,127	6,087,882
Accumulated depreciation/depletion								
At 31 December 2008	-	7,222	1,284,106	2,129,950	291,381	3,712,659	-	3,712,659
Charge for the period	-	4,004	64,906	110,486	5,757	185,153	-	185,153
Sales/ write off during period	-	-	(185,774)	(78,731)	(31,402)	(295,907)	-	(295,907)
At 31 December 2009	-	11,226	1,163,238	2,161,705	265,736	3,601,905	-	3,601,905
Net book value								
At 31 December 2009	50,303	121,211	1,173,665	964,855	26,816	2,336,850	149,127	2,485,977
At 31 December 2008	53,845	125,215	1,218,368	817,033	19,418	2,233,879	188,506	2,422,385

Construction in progress includes strategic spare parts amounting to RSD 94,571 thousand.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

11 Intangible Assets

	Computer Software	Total
Cost		
At 31 December 2008	57,110	57,110
Additions during the period		
At 31 December 2009	57,110	57,110
Accumulated amortization		
At 31 December 2008	9,167	9,167
Charge for the period	11,422	11,422
At 31 December 2009	20,589	20,589
Net book value		
At 31 December 2009	36,521	36,521
At 31 December 2008	47,943	47,943

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

12 Investment in subsidiary

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.

Subsidiary	31 Dec 2009	31 Dec 2008
TCK Montenegro	7,966	7,966
Holtitan B.V. Nederland	1,651,912	1,651,912
Total	1,659,878	1,659,878

13 Inventories

	As at 31 December 2009	As at 31 December 2008
Material and fuel	161,717	272,843
Spare parts and other inventory	282,529	355,668
Packing materials	6,905	7,656
Work in progress	63,898	93,531
Finished products	31,519	73,793
Goods for resale	335	712
	546,903	804,203

Major portion of material and fuel as at 31 December 2009 amounting to RSD 88,315 thousand and RSD 20,363 thousand relates to petrol coke and crude oil, respectively.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

14 Trade receivables

	As at 31 December 2009	As at 31 December 2008
Trade receivables	50,937	131,185
Trade receivables from related parties (Note 20)	63,037	78,292
Provision for impairment of receivables	(26,927)	(18,614)
	<u>87,047</u>	<u>190,863</u>

Movements in the provision for impairment of receivables were as follows:

	Provision for impairment of other receivables
At 1 January 2008	6,706
Charge for the year	14,625
Unused amounts reversed	(1,728)
Utilised	(989)
At 31 December 2008	<u>18,614</u>
At 1 January 2009	18,614
Charge for the year	12,255
Unused amounts reversed	(1,422)
Utilised during the year	(2,520)
At 31 December 2009	<u>26,927</u>

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

Year ended 31 December 2009		Past due but not impaired				
Description	Total	< 30 days	30-60 days	60-90 days	90-120 days	>120 days
Trade receivables	24,010	16,858	3,149	-	7	3,996
Trade receivables-related parties	63,037	36,927	26,084	-	-	26
Total	<u>87,047</u>	<u>53,785</u>	<u>29,233</u>	<u>-</u>	<u>7</u>	<u>4,022</u>
Year ended 31 December 2008		Past due but not impaired				
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	<u>190,863</u>	<u>58,918</u>	<u>48,654</u>	<u>50,132</u>	<u>14,234</u>	<u>18,925</u>

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

15. Other receivables	As at 31 December	As at 31 December
	2009	2008
Advances to suppliers for current assets	6,950	4,674
Advances to suppliers for non-current assets	12,923	35.907
Advances to related parties (Note 20)	107,242	107.242
Other receivables form related parties (Note 20)	8,521	6.567
Receivables from employees	13,039	15.568
Accrued expenses	11,983	16.326
Receivables for funds lent to firms	1,517	1.517
Receivables for rent	242	214
Receivables for sales of property, plant and equipment	35,038	8.713
VAT receivable	1,385	8.425
Other receivables from the State	604	1.096
Other receivables	741	641
Other receivables, gross	200,185	206.890
Provision for advances to suppliers	(2,095)	(2.163)
Provision for receivables for funds lent to firms	(1,517)	(1.517)
Provision for receivables for sales of P,P&E and rent	(312)	(8.837)
Provision for receivables for employees	(30)	-
Other receivables, net	196,231	194.373

Receivables for employees in amount of RSD 12,697 thousand relate to borrowings for six months, given to employees in December 2009.

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 purchase.

As at 31 December 2009, other receivables at nominal value of RSD 3,954 thousand (2008: RSD 12,517 thousand) were provided for impairment. Movements in the provision for impairment of these receivables were as follows:

	Provision for impairment of prepayments for inventory	Provision for impairment of receivables for funds lent to firms	Provision for receivables for Fixed Assets Sales and rent	Provision for receivables for employee
At 1 January 2008	2,163	1,562	-	-
Charge for the year	-	-	8,837	-
Unused amounts reversed	-	(45)	-	-
Utilised	-	-	-	-
At 31 December 2008	2,163	1,517	8,837	-
At 1 January 2009	2,163	1,517	8,837	-
Charge for the year	-	-	188	30
Unused amounts reversed	(68)	-	(8,713)	-
Utilised	-	-	-	-
At 31 December 2009	2,095	1,517	312	30

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

15. Other receivables (continued)

As at 31 December, the aging analyses of the prepayments for inventory has as follows:

Year ended 31 December 2009

	Past due but not impaired			Total
	Less than 3 months	3 to 12 months	> 1 year	
Prepayments for inventory	2,188	1,631	1,036	4,855

Year ended 31 December 2008

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

16 Cash and cash equivalents

	As at 31 December 2009	As at 31 December 2008
Cash at bank	10,493	10,140
Cash at hand	-	77
Other short-term bank deposits	124,463	298,428
	134,956	308,645

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

As at 31 December 2009 the deposits that are placed with National Bank of Greece are RSD 6,810 thousand and EUR 875 thousand, with Alpha Bank RSD 3,723 thousand and EUR 307 thousand, with EFG Bank EUR 6 thousand. Interest rates for short-term deposits placed with National Bank of Greece are 8.6% per annum for deposits in RSD and 3.76% per annum for Euro deposits. For RSD deposits placed with Alpha Bank interest rate is 6.77% and 3.95% per annum for Euro deposits. The interest accrued for the period is recorded as interest income in the Income Statement.

17 Stakes in limited liability company

In November, 2009 The Company has changed its legal form from Joint Stock Company to Limited Liability Company. After that, ownership was transferred from Tithys Ltd, Cyprus to AEAS Ltd, Netherland.

As at 31 December 2009 the registered stake capital of the Company amounts to RSD 2.505.209 thousand.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

18 Other non current liabilities

	As at 31 December 2009	As at 31 December 2008
Non current portion of liabilities for donation to Municipality	47,453	72,926
Retirement reward	23,269	23,986
Provision for legal cases	993	1,768
Provision for jubilee awards	46,464	60,123
Provision for rehabilitation of quarries	5,305	-
	123,484	158,803

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 was 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 as at 31 December 2009 was RSD 47,453 thousand and will be granted to Municipality as follows:

	As at 31 December 2009	As at 31 December 2008
1 to 2 years	37,521	34,064
2 to 3 years	9,932	31,535
3 to 4 years	-	7,327
	47,453	72,926

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

18. Other non-current liabilities (continued)

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 reward 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 on 31 December 2009 is RSD 28,071 thousand out of which RSD 23,269 thousand represents long-term portion. The principal actuarial assumptions used in calculation of provision are: discount rate – 11%, future salary increase – 9%.

Movements in the provision for retirement reward were as follows:

	For 12months period ended 31-Dec-09	For 12months period ended 31-Dec-08
As at 1 January	23,986	29,958
Utilized during the year	(717)	(480)
Unused amounts reversed	-	(5,492)
Additional provision	-	-
Closing balance	<u>23,269</u>	<u>23,986</u>

Provision for legal cases

There are about 10 ongoing pieces of litigation 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. There are also litigation brought against the Company by employees and suppliers. 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 2009.

	For 12months period ended 31-Dec-09	For 12months period ended 31-Dec-08
As at 1 January	1,768	3,982
Utilized during the year	(775)	(2,415)
Unused amounts reversed	-	(1,079)
Additional provision	-	1,280
Closing balance	<u>993</u>	<u>1,768</u>

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

18. Other non-current liabilities (continued)

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 have as follow: 1 average salary of the Company to the employee that completes the 10th and the 15th year of continuous employment, 1.5 average salary of the Company to the employee that completes the 20th and the 25th year of continuous employment, 2 average salaries of the Company to the employee that completes the 30th and the 35th year of continuous employment and 2.5 average salaries of the Company to the employee that completes the 40th of continuous employment. According to the evaluation of the certified actuary, the present value of the provision on 31 December 2009 is RSD 52,055 thousands out of which RSD 46,464 thousand represents the long-term portion. The principal actuarial assumptions used in calculation of provision are: discount rate – 11%, future salary increase – 9%.

	For 12months period ended 31-Dec-09	For 12months period ended 31-Dec-08
As at 1 January	60,123	65,335
Utilized during the year	(5,591)	-
Unused amounts reversed	(8,068)	(5,212)
Additional provision	-	-
Closing balance	46,464	60,123

Provisions for Rehabilitation for quarries

	For 12-months period ended 31-Dec-09	For 12-months period ended 31-Dec-08
As at 1 January	-	-
Utilized during the year	-	-
Unused amounts reversed	-	-
Additional provision	5,305	-
Closing balance	5,305	-

The Company is obliged by the Law, to perform rehabilitation of limestone and marl quarries after their finished exploitation. According to the Study prepared by the experts in this area, and which contains dynamics and evaluation of involved expenses, calculation of the present value of the provision, is made using the discounting rate of 7%. Final value of the provision on 31 December 2009, in the amount of RSD 5,305 thousand is in proportion with the so far discovered surface on the quarries.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

19 Trade and other payables

	As at 31 December 2009	As at 31 December 2008
Trade payables	134,219	230,814
Liabilities for donation to Municipality- (See Note 18)	75,568	60,192
Advances received	17,480	41,460
Other taxes payable	2,402	2,039
Payables for salaries	13,800	13,770
Social, insurance contributions on salaries	6,632	6,564
Income tax payable	12,986	44,880
Payables to related parties (Note 21)	-	11,005
Dividend payable	339	1,274
Provision for rewards for Jubilee awards- current portion (Note 19)	5,591	3,668
Provision for retirement- current portion (Note 19)	4,803	314
Other payables	1,325	7,186
	275,145	423,166

Portion of liabilities to Municipality amounting to RSD 35,013 thousand represents the remaining amount of net sales price of hotel and restaurants which the Company sold during 2009 and in accordance with the SPA is obliged to transfer the proceeds to the Municipality. Remaining portion of liabilities amounting to RSD 40,555 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 2009 based on contractual payments.

	Less than 3 months	3 to 12 months	More than 1 year	Total
Year ended 31 December 2009				
Trade payables	117,429	15,418	1,372	134,219
Other payables	75,057	65,869	-	140,926
Payables to related parties	-	-	-	-
Total	192,486	81,287	1,372	275,145
Year ended 31 December 2008				
Trade payables	216,392	14,422	-	230,814
Other payables	152,087	29,260	-	181,347
Payables to related parties	11,005	-	-	11,005
Total	379,484	43,682	-	423,166

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 for correction which are the basic ores for production of cement. Total outstanding liability, included in Trade Payables, as of 31 December 2009 amounted in RSD 1,974 thousand.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

20 Related parties transactions

	For 12months period ended 31-Dec-09	For 12months period ended 31-Dec-08
Sales and services provided to related parties		
TCK Montenegro- Montenegro	414,796	177,390
Usje Cementarnica A.D. FYROM	1,479	-
Stari Silo Company doo	331	1,080
	416,606	178,470

	As at 31 December 2009	As at 31 December 2008
Purchase of goods and services from related parties		
Usje Cementarnica A.D. FYROM	-	58,724
Zlatna Panega-Bulgaria	1,052	2,405
Titan Cement Company S.A., Athens	7,084	5,147
Tithys Ltd, Cyprus- see Note 7	14,299	23,451
	22,435	89,727

	As at 31 December 2009	As at 31 December 2008
Trade and other receivables		
TCK Montenegro- Montenegro	62,983	78,266
Stari Silo Company doo	115,816	113,835
	178,799	192,101

	As at 31 December 2009	As at 31 December 2008
Trade and other payables		
TITHYS Ltd, Cyprus	-	5,922
Usje Cementarnica A.D. FYROM	-	5,083
	-	11,005

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

21. Financial risk management objectives and policies

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. Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

Currency risk

Foreign currency risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Depreciation of the local currency, which started at the end on the year, continued after the balance sheet date. As of 31 December 2009 the Company's assets and liabilities denominated in EUR are at similar level, and, as a result, the Company considers that is not exposed to foreign currency risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily in respect of trade receivables) and from its financing activities (deposits with banks, foreign exchange transactions and other financial instruments).

Credit risk related to receivables - The Company has no significant concentrations of credit risk. It has determined policies to ensure that wholesale of products are made to the customers with an appropriate credit history. Furthermore, receivables are often secured by solo bills or bank guarantees. Trade receivables as of 31 December 2009 are diversified. The maximum exposure of credit risk at the financial statement date is the carrying value of receivables stated in Note 14.

Credit risk related to cash and deposits - credit risk from balances with banks is managed in a way that surplus funds are made only with approved counterparties. Cash is placed with different banks in order to manage the risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding. The Company is not exposed to any liquidity risk.

Maturity profile of the Company's liabilities is disclosed in Note 19.

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 maximise 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 2009 and 31 December 2008.

TITAN CEMENTARA KOSJERIC DOO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
PREPARED FOR THE GROUP CONSOLIDATION PURPOSES

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

21. Financial risk management objectives and policies (continued)

Capital management

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

	For 12months period ended 31-Dec-09	For 12months period ended 31-Dec-08
EBITDA	2,140,944	1,692,263

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

22. Potential liabilities and operational risks

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. The taxation system in the Republic of Serbia is undergoing continual revision and amendment. However, there are still different interpretations of the fiscal legislations. The tax authorities may have different approaches to certain issues in different circumstances, and assess additional tax liabilities, together with additional payment interest and penalties. Tax periods remain open for five years in Serbia. The Company's management considers the tax liabilities presented in these financial statements are fairly stated.

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.

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.

ANNEX
RECONCILIATION AUDIT REPORT AND HYPERION

A. INCOME STATEMENT 1/1-31/12/2009

(000 RSD)

a. Cost of Sales	
HYPERION	1,812,261
add Depreciation cost of sales	167,334
Audit report	1,979,595

b. Other Operating Income	
HYPERION	52,782
add Collection of receivables provision made	10,203
add Reversal of provision from past years	8,068
add Profit from sales of intangible, tangible and investment property assets	34,095
Audit Report	105,148

Note: 8,068 is included in the amount of 24,008 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	65,888
add Depreciation	11,887
add Collection of receivables provision made	10,203
add Reversal of provision from past years	8,068
Audit Report	96,046

Note: In Hyperion the amounts 8,068 and 10,203 reversals of Provisions for other provisions and provisions for Bad & Doubtful Debts are reducing the respective provision costs

d. Selling Expenses	
HYPERION	25,420
add Depreciation cost selling expenses	777
Audit Report	26,197

e. Administration Expenses	
HYPERION	255,158
add Depreciation cost administration expenses	16,577
Audit Report	271,735

RECONCILIATION AUDIT REPORT AND HYPERION
B. BALANCE SHEET 31/12/2009

(000 RSD)

a. Inventories

HYPERION	551,758
less (Prepayment for Inventory purchases)	-4,855
Audit Report	546,903

b. Trade Receivables

HYPERION	103,539
add Receivables from other activities	1,188
add Receivables from Stari Silo	54
add Receivables under court procedure related to trade debtors	9,193
minus Provision for impairment of receivables	-26,927
Audit Report	87,047

c. Sundry debtors, Creditors down payments-advances for CAPEX, Other Prepayments and Short term loan receivables

HYPERION	193,349
add Prepayment for Inventory Purchases	4,855
add Court procedure for prepayments	2,095
add Court procedure for money lent to firms	1,128
add Court procedure for bakery	
minus Provision for impairment of prepayment for Inventory	-2,095
minus Provision for impairment of receivables for funds lend to other firms	-1,517
minus Provision for impairment of Fixed Asset Sales and rent	-312
minus Provision for receivables from employees	-30
minus Receivables from other activities	-1,188
minus Receivables from Stari Silo	-54
Audit Report	196,231

d. Analysis of Court procedure in HYPERION

Receivables under court procedure related to trade debtors	9,193
Receivables under court procedure related to bakery	0
Receivables under court procedure for prepayment of inventory purchases	2,095
Receivables under court procedure for money lent to firms	1,128
HYPERION	12,416

e. Analysis of Provision for Bad Debts

Provision for impairment of receivables	26,927
Provision for impairment of Fixed Asset Sales and rent	312
Provision for impairment of prepayment for Inventory	2,095
Provision for impairment of receivables for funds lend to other firms	1,517
Provision for receivables from employees	30
HYPERION	30,881

f. Analysis of Trade Payables*

HYPERION	134,042
minus liabilities to related parties	0
plus sundry creditors creditors for other activities	177
Audit Report	134,219

Note: In audit report is included in Note 19 Trade and other payables