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TITAN CEMENT CYPRUS LIMITED
REPORT AND FINANCIAL STATEMENTS
31 December 2009

TITAN CEMENT CYPRUS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2009

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TITAN CEMENT CYPRUS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Arta Antoniou
Spyroulla Papaeracleous
Stelios Triantafyllides

Company Secretary:

A.T.S Services Limited
2-4 Arch. Makarios Avenue III
Capital Center, 9th Floor
CY-1065 Nicosia, Cyprus

Registered office:

2-4 Arch. Makarios III Avenue
Capital Center, 9th Floor
CY-1065 Nicosia
Cyprus

TITAN CEMENT CYPRUS LIMITED

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.

Review of current position, future developments and significant risks

As at 31 December 2009 the Company had a loss for the year of €11.025 compared to loss for the year 2008 of €15.396, which relates mainly to administration expenses. The continuation of the activities of the Company presumes that the shareholders of the Company will continue to provide financial support for the next 12 months from the date of this report. The Board of Directors of the Company does not expect any significant changes in the activities of the Company for the foreseeable future.

The Company's principal risks or uncertainties are stated in note 3.

Results

The Company's results for the year are set out on page 5. The net loss for the year is carried forward.

Share capital

During the year 2009 the Company increased its authorised share capital to 2,000 shares of €1,71 each and issued additional 839 ordinary shares at a nominal value of €1.71 per share. The additional shares were issued at a share premium of €98,29.

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.

Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of 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 Triantafyllides
Director

Nicosia, Cyprus, 8 April 2010



Independent Auditors' Report

To the Members of Titan Cement Cyprus Limited

Report on the Financial Statements

We have audited the financial statements of Titan Cement Cyprus Limited on pages 5 to 15, 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 Titan Cement Cyprus 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.

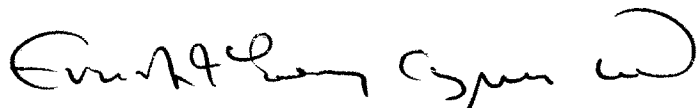
Report on Other Legal Requirements

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 Limited
Certified Public Accountants & Registered Auditors

Nicosia, 8 April 2010

TITAN CEMENT CYPRUS LIMITED

INCOME STATEMENT

Year ended 31 December 2009

	Note	2009 €	2008 €
Administration and other expenses	5	<u>(11,028)</u>	<u>(15,396)</u>
Operating loss	6	(11,028)	(15,396)
Net profit from investing activities	7	<u>3</u>	-
Loss before tax		(11,025)	(15,396)
Tax	8	-	-
Net loss for the year		<u>(11,025)</u>	<u>(15,396)</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

TITAN CEMENT CYPRUS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	2009			2008		
	Before tax €	Tax €	After tax €	Before tax €	Tax €	After tax €
Net loss for the year	(11,025)	-	(11,025)	(15,396)	-	(15,396)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	(11,025)		(11,025)	(15,396)		(15,396)

The notes on pages 10 to 15 form an integral part of these financial statements.

TITAN CEMENT CYPRUS LIMITED


STATEMENT OF FINANCIAL POSITION

31 December 2009

	Note	2009 €	2008 €
ASSETS			
Current assets			
Trade and other receivables	9	1,150	1,184
Cash and cash equivalents	10	<u>48,688</u>	<u>-</u>
		<u>49,838</u>	<u>1,184</u>
Total assets		<u>49,838</u>	<u>1,184</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	11	3,145	1,710
Share premium		82,465	-
Accumulated losses		<u>(40,949)</u>	<u>(29,924)</u>
Total equity		<u>44,661</u>	<u>(28,214)</u>
Current liabilities			
Trade and other payables	12	<u>5,177</u>	<u>29,398</u>
		<u>5,177</u>	<u>29,398</u>
Total equity and liabilities		<u>49,838</u>	<u>1,184</u>

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


Arta Antoniou
Director


Spyroulla Papaeracleous
Director

The notes on pages 10 to 15 form an integral part of these financial statements.

TITAN CEMENT CYPRUS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2009

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
Balance - 1 January 2008		<u>1,739</u>	-	<u>(14,557)</u>	<u>(12,818)</u>
Total comprehensive income for the year		-	-	(15,396)	(15,396)
Conversion of share capital from CYP to Euro	11	(29)	-	29	-
		<u>(29)</u>	-	<u>(15,367)</u>	<u>(15,396)</u>
At 31 December 2008/ 1 January 2009		<u>1,710</u>	-	<u>(29,924)</u>	<u>(28,214)</u>
Total comprehensive income for the year		-	-	(11,025)	(11,025)
Issue of share capital	11	1,435	82,465	-	83,900
		<u>1,435</u>	<u>82,465</u>	<u>(11,025)</u>	<u>72,875</u>
At 31 December 2009		<u>3,145</u>	<u>82,465</u>	<u>(40,949)</u>	<u>44,661</u>

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. For tax year 2007, there is no special defence contribution on deemed distributions.

The notes on pages 10 to 15 form an integral part of these financial statements.

TITAN CEMENT CYPRUS LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2009

	Note	2009 €	2008 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(11,025)	(15,396)
Adjustments for:			
Interest income	7	(3)	-
Cash flows used in operations before working capital changes		(11,028)	(15,396)
Decrease / (increase) in trade and other receivables		34	(1,184)
(Decrease) / increase in trade and other payables		(24,221)	16,580
Net cash flows used in operating activities		(35,215)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		3	-
Net cash flows from investing activities		3	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		83,900	-
Net cash flows from financing activities		83,900	-
Net increase in cash and cash equivalents		48,688	-
Cash and cash equivalents:			
At beginning of the year	10	-	-
At end of the year	10	48,688	-

The notes on pages 10 to 15 form an integral part of these financial statements.

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

1. Incorporation and principal activities

Country of incorporation

The Company Titan Cement Cyprus Limited was incorporated in Cyprus on 31 May 2006 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-1065 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are those of an investment holding company.

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.

Going concern basis

The Company incurred a loss of € 11,025 for the year ended 31 December 2009. The Company is dependent upon the continuing financial support of its parent company without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

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.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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 separates 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 statements.

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

2. Accounting policies (continued)

Revenue recognition (continued)

- **Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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 assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Cash and cash equivalents

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

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.

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

2. Accounting policies (continued)

Receivables from/payables to related parties

Receivables from/payables to related parties are stated at their transacted values as they are on demand. Management believes that their fair value is 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 liquidity 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 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
	€	€	€
Trade and other payables	<u>5,177</u>	<u>-</u>	<u>5,177</u>
	<u>5,177</u>	<u>-</u>	<u>5,177</u>

31 December 2008

	Carrying amounts	Contractual cash flows	3 months or less
	€	€	€
Trade and other payables	<u>29,398</u>	<u>21,316</u>	<u>8,082</u>
	<u>29,398</u>	<u>21,316</u>	<u>8,082</u>

3.2 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.

TITAN CEMENT CYPRUS LIMITED

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.

In Management's opinion, the Company is in substantial compliance with the tax laws governing its operations. However the risk remains that the relevant authorities could take differing positions with regard to interpretative issues and the effect could be significant. The Company met the tax filing in Cyprus. To the best of Management's knowledge, no breaches of tax law have occurred. Thus, the Company has not recorded any provision for potential impact of any such breaches as at 31 December 2009.

5. Administration and other expenses

	2009	2008
	€	€
Sundry operating expenses	<u>11,028</u>	<u>15,396</u>
	<u>11,028</u>	<u>15,396</u>

6. Operating loss

	2009	2008
	€	€
Operating loss is stated after charging the following items:		
Auditors' remuneration - current year	6,268	6,567
Auditors' remuneration - prior years	<u>-</u>	<u>(338)</u>

7. Profit from investing activities

	2009	2008
	€	€
Interest income	<u>3</u>	<u>-</u>
	<u>3</u>	<u>-</u>

8. Tax

The Company is subject to corporation tax on its taxable profits at the rate of 10%. As at 31 December 2009 the Company had tax losses carried forward of €37,901 (2008:€26,874) which can be carried forward and be utilized against future taxable profits with no time limitation.

No deferred tax asset has been recognised in the financial statements of the Company, in respect of the tax losses carried forward.

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

9. Trade and other receivables

	2009	2008
	€	€
Other receivables	<u>1,150</u>	<u>1,184</u>
	<u>1,150</u>	<u>1,184</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

10. Cash and cash equivalents

	2009	2008
	€	€
Cash at bank and in hand	<u>48,688</u>	<u>-</u>
	<u>48,688</u>	<u>-</u>

Cash at bank represents current and fixed deposit accounts denominated in Euro and carry annual interest from 1,0% to 1,5% respectively.

11. Share capital

	2009	2009	2008	2008
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1,71 each	<u>2,000</u>	<u>3,420</u>	<u>1,000</u>	<u>1,710</u>
Issued and fully paid				
On 1 January	1,000	1,710	1,000	1,739
Conversion of share capital from Cyp to Eur	-	-	-	(29)
Issue of shares	<u>839</u>	<u>1,435</u>	<u>-</u>	<u>-</u>
At 31 December	<u>1,839</u>	<u>3,145</u>	<u>1,000</u>	<u>1,710</u>

During the year 2009 the Company increased its authorised share capital to 2,000 shares of €1,71 each and issued additional 839 ordinary shares at a nominal value of €1,71 per share. The additional shares were issued at a share premium of €98,29.

12. Trade and other payables

	2009	2008
	€	€
Shareholders' current accounts - credit balances	-	21,316
Accruals	4,659	4,945
Other creditors	<u>518</u>	<u>3,137</u>
	<u>5,177</u>	<u>29,398</u>

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

13. Related party transactions

The Company is a subsidiary of Aemos Cement Limited, incorporated in Cyprus holding 100% of the Company's share capital. The Company's ultimate controlling party is Titan Cement S.A.

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party in making financial or operating decisions and as such include all companies which are ultimately controlled by a common management.

The following transactions were carried out with related parties:

13.1 Payables to related parties (Note 12)

Name	Nature of transactions	2009 €	2008 €
Shareholders (i)	Finance	-	21,316
		<u>-</u>	<u>21,316</u>

(i) Amounts represent advances of a financing nature which are on demand and carry no interest.

14. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2009.

15. Commitments

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

16. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent Auditors' Report pages 3 and 4