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**ALVACIM LIMITED**

REPORT AND FINANCIAL STATEMENTS  
31 December 2010

# ALVACIM LIMITED

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## REPORT AND FINANCIAL STATEMENTS 31 December 2010

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# **ALVACIM LIMITED**

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## **BOARD OF DIRECTORS AND OTHER OFFICERS**

**Board of Directors:**

Arta Antoniou  
Spyroulla Papaeracleous  
Stelios Traintafillides

**Company Secretary:**

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

**Registered office:**

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

# ALVACIM LIMITED

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## 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 2010.

### **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 2010 the Company had a profit for the year of €1,196,666 compared to the profit of €1,400,717 in 2009. The decrease in profit was mainly due to a decrease in the Company's interest income from €1,559,523 in 2009 to €1,335,370 in 2010.

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

### **Results and Dividends**

The Company's results for the year are set out on page 5. The Board of Directors approved the payment of a dividend as detailed below and the remaining net profit for the year is retained.

### **Dividends**

During the year, the Company declared and paid an interim dividend of €343,000 for the year 2008 (2009: €120,620 for the year 2007).

### **Share capital**

During the year, the Company issued 563 shares of nominal value €1,71 each at a premium of €998,29 per share.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2010 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 2010.

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, 21 April 2011

## **Independent Auditor's Report**

### **To the Members of Alvacim Limited**

#### **Report on the Financial Statements**

We have audited the financial statements of Alvacim Limited (the "Company") on pages 5 to 16 which comprise the statement of financial position as at 31 December 2010, and the 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 information.

#### *Board of Directors' Responsibility for the Financial Statements*

The Company's Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's 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 of financial statements that give a true and fair view 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 Alvacim Limited as at 31 December 2010, 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 European Union and the requirements of the Cyprus Companies Law, Cap. 113.

### **Report on Other Legal and Regulatory Requirements**

Pursuant to the requirements of the Law of 2009 on Statutory Audits of Annual and Consolidated Accounts, 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 Cyprus 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 34 of the Law of 2009 on Statutory Audits of Annual and Consolidated Accounts 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.

A handwritten signature in black ink, appearing to read 'Gabriel Onisiforou'.

Gabriel Onisiforou  
Certified Public Accountant and Registered Auditor  
for and on behalf of

**Ernst & Young Cyprus Limited**  
Certified Public Accountants and Registered Auditors

Nicosia  
21 April 2011

## ALVACIM LIMITED

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### STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	Note	2010 €	2009 €
<b>Revenue</b>	5	<b>252.000</b>	252.000
Net profit from investing activities	6	<b>1.335.370</b>	1.632.855
Administration expenses		<b>(245.151)</b>	(326.477)
<b>Operating profit</b>	7	<b>1.342.219</b>	1.558.378
<b>Profit before tax</b>		<b>1.342.219</b>	1.558.378
Tax	9	<b>(145.553)</b>	(157.661)
<b>Net profit for the year</b>		<b>1.196.666</b>	1.400.717
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>1.196.666</b>	1.400.717

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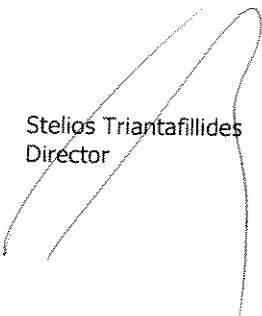
The notes on pages 9 to 16 form an integral part of these financial statements.


# ALVACIM LIMITED

## STATEMENT OF FINANCIAL POSITION 31 December 2010

	Note	2010 €	2009 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	11	<b>37.800.000</b>	37.800.000
Loans receivable	12	<b>50.400.000</b>	<u>51.748.025</u>
		<b>88.200.000</b>	<u>89.548.025</u>
<b>Current assets</b>			
Trade and other receivables	13	<b>506.300</b>	506.300
Loan receivables	12	<b>2.682.256</b>	-
Cash and cash equivalents		<b>28.375</b>	<u>71.461</u>
		<b>3.216.931</b>	<u>577.761</u>
<b>Total assets</b>		<b>91.416.931</b>	<u>90.125.786</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	<b>95.339</b>	94.377
Share premium		<b>88.435.251</b>	87.873.213
Retained earnings		<b>2.671.575</b>	<u>1.817.909</u>
<b>Total equity</b>		<b>91.202.165</b>	<u>89.785.499</u>
<b>Current liabilities</b>			
Trade and other payables	15	<b>9.550</b>	7.710
Deferred income	16	-	252.000
Current tax liabilities		<b>205.216</b>	<u>80.577</u>
		<b>214.766</b>	<u>340.287</u>
<b>Total liabilities</b>		<b>214.766</b>	<u>340.287</u>
<b>Total equity and liabilities</b>		<b>91.416.931</b>	<u>90.125.786</u>

On 21 April 2011 the Board of Directors of Alvacim Limited authorised these financial statements for issue.

  
Stelios Triantafyllides  
Director

  
Arta Antoniou  
Director

The notes on pages 9 to 16 form an integral part of these financial statements.



# ALVACIM LIMITED

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2010

Note	Share capital €	Share premium €	Retained earnings €	Total €	
<b>Balance - 1 January 2009</b>	<b>90.991</b>	<b>85.896.599</b>	<b>537.812</b>	<b>86.525.402</b>	
<b>Comprehensive income</b>					
Net profit for the year	-	-	1.400.717	1.400.717	
Other comprehensive income for the year	-	-	-	-	
Total comprehensive income for the year	-	-	1.400.717	1.400.717	
<b>Transactions with owners</b>					
Issue of share capital	14	3.386	1.976.614	-	1.980.000
Dividends for the year 2007	10	-	-	(120.620)	(120.620)
Total transactions with owners		3.386	1.976.614	(120.620)	1.859.380
<b>Balance at 31 December 2009/ 1 January 2010</b>	<b>94.377</b>	<b>87.873.213</b>	<b>1.817.909</b>	<b>89.785.499</b>	
<b>Comprehensive income</b>					
Net profit for the year	-	-	1.196.666	1.196.666	
Other comprehensive income for the year	-	-	-	-	
Total comprehensive income for the year	-	-	1.196.666	1.196.666	
<b>Transactions with owners</b>					
Issue of share capital	14	962	562.038	-	563.000
Dividends for the year 2008	10	-	-	(343.000)	(343.000)
Total transactions with owners		962	562.038	(343.000)	220.000
<b>Balance at 31 December 2010</b>	<b>95.339</b>	<b>88.435.251</b>	<b>2.671.575</b>	<b>91.202.165</b>	

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 the year 2008, there is no special defence contribution on deemed distribution.

The notes on pages 9 to 16 form an integral part of these financial statements.

# ALVACIM LIMITED

## STATEMENT OF CASH FLOWS

Year ended 31 December 2010

	Note	2010 €	2009 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>1.342.219</b>	1.558.378
Adjustments for:			
Interest income	6	(1.335.370)	(1.559.523)
Loan interest commitment fee		-	(73.332)
<b>Cash flows from / (used in) operations before working capital changes</b>		<b>6.849</b>	(74.477)
Increase in trade and other receivables		-	(503.110)
Increase / (decrease) in trade and other payables		<b>1.840</b>	(6.674)
(Decrease)/increase in deferred income		<b>(252.000)</b>	252.000
<b>Cash flows used in operations</b>		<b>(243.311)</b>	(332.261)
Tax paid		<b>(20.914)</b>	(189.292)
<b>Net cash flows used in operating activities</b>		<b>(264.225)</b>	(521.553)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans granted		<b>(1.334.231)</b>	(3.586.139)
Interest received		<b>1.335.370</b>	1.559.523
Loan interest commitment fee		-	73.332
<b>Net cash flows from / (used in) investing activities</b>		<b>1.139</b>	(1.953.284)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		<b>962</b>	1.980.000
Proceeds from issue of share premium		<b>562.038</b>	-
Dividends paid		<b>(343.000)</b>	(120.620)
<b>Net cash flows from financing activities</b>		<b>220.000</b>	1.859.380
<b>Net decrease in cash and cash equivalents</b>		<b>(43.086)</b>	(615.457)
Cash and cash equivalents:			
At beginning of the year		<b>71.461</b>	686.918
<b>At end of the year</b>		<b>28.375</b>	71.461

The notes on pages 9 to 16 form an integral part of these financial statements.

# ALVACIM LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Alvacim Limited was incorporated in Cyprus on 5 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.

#### Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

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 all the new and amended IFRS and IFRIC interpretations that are effective as of 1 January 2010. The adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

#### Consolidated financial statements

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 undertaking 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 Parent 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.

# ALVACIM LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 2. Accounting policies (continued)

#### 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.

#### Revenue recognition

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 statement of comprehensive income.

#### 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 reporting 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.

#### Deferred income

Deferred income represents income receipts which relate to future periods.

# ALVACIM LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 2. Accounting policies (continued)

#### Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

#### Cash and cash equivalents

For the purposes of the statement cash flows and cash and cash equivalents comprise cash at bank and in hand. Cash and short term deposits in the statement of financial position comprise cash at banks and at 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.

### 3. Financial risk management

#### **Financial risk factors**

The Company is exposed to interest rate risk, 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 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.

#### **3.2 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.

# ALVACIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 3. Financial risk management (continued)

#### 3.2 Liquidity risk (continued)

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 2010

	Carrying amounts	3 months or less
	€	€
Trade and other payables	9,550	9,550
	<u>9,550</u>	<u>9,550</u>

31 December 2009

	Carrying amounts	3 months or less
	€	€
Trade and other payables	7,710	7,710
	<u>7,710</u>	<u>7,710</u>

#### 3.3 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 reporting 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.

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.

# ALVACIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 5. Revenue

	2010	2009
	€	€
Front fee income	<u>252.000</u>	<u>252.000</u>
	<u>252.000</u>	<u>252.000</u>

### 6. Profit from investing activities

	2010	2009
	€	€
Interest income loan	<u>1.334.232</u>	<u>1.553.430</u>
Interest income bank	<u>1.138</u>	<u>6.093</u>
Loan interest commitment fee	<u>-</u>	<u>73.332</u>
	<u>1.335.370</u>	<u>1.632.855</u>

### 7. Operating profit

	2010	2009
	€	€
Operating profit is stated after charging the following items:		
Directors' fees	-	-
Staff costs (Note 8)	<u>219.790</u>	<u>303.091</u>
Auditors' remuneration	<u>7.360</u>	<u>7.245</u>

### 8. Staff costs

	2010	2009
	€	€
Wages and salaries	<u>219.790</u>	<u>303.091</u>
	<u>219.790</u>	<u>303.091</u>

### 9. Tax

#### 9.1 Tax recognised in profit or loss

	2010	2009
	€	€
Corporation tax - current year	<u>145.439</u>	<u>146.359</u>
Overseas tax	-	10.693
Defence contribution - current year	<u>114</u>	<u>609</u>
Charge for the year	<u>145.553</u>	<u>157.661</u>

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

	2010	2009
	€	€
Profit before tax	<u>1.342.219</u>	<u>1.558.378</u>
Tax calculated at the applicable tax rates	<u>134.222</u>	<u>155.838</u>
Tax effect of allowances and income not subject to tax	<u>(114)</u>	<u>(793)</u>
Tax effect of tax losses brought forward	-	(8.686)
10% additional charge	<u>11.331</u>	-
Defence contribution current year	<u>114</u>	<u>609</u>
Overseas tax in excess of credit claim used during the year	-	10.693
Tax charge	<u>145.553</u>	<u>157.661</u>

# ALVACIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 9.2 Tax recognised in other comprehensive income

	2010	2009
	€	€
<b>Total income tax recognised in other comprehensive income</b>	<u>-</u>	<u>-</u>

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%.

### 10. Dividends

	2010	2009
	€	€
Interim dividend paid	<u>343.000</u>	<u>120.620</u>
	<u>343.000</u>	<u>120.620</u>

During the year, the Company declared and paid an interim dividend of €343.000 for the year 2008 (2009: €120.620 for the year 2007).

### 11. Investments in subsidiaries

	2010	2009
	€	€
On 1 January	<u>37.800.000</u>	<u>37.800.000</u>
<b>Balance at 31 December</b>	<u>37.800.000</u>	<u>37.800.000</u>

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2010	2009	2010	2009
			Holding %	Holding %	€	€
Antea Cement Sh. A	Albania	Cement production	60	60	<u>37.800.000</u>	<u>37.800.000</u>
					<u>37.800.000</u>	<u>37.800.000</u>

### 12. Non-current loans receivable

	2010	2009
	€	€
Loans receivable	<u>53.082.256</u>	<u>51.748.025</u>
Less current portion	<u>53.082.256</u>	<u>51.748.025</u>
Non-current portion	<u>(2.682.256)</u>	<u>-</u>
	<u>50.400.000</u>	<u>51.748.025</u>

During the year, the Company granted additional €1.308.853 (2009: €22.211.059) to its subsidiary. The loan bears an interest of 3 month Euribor plus 1,5% per annum and is repayable on 29 December 2013. The interest for the year charged to Income Statement was €1.334.232 (2009: €1.448.184).

The fair value of receivable loans approximates to their carrying amounts as presented above.



# ALVACIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 13. Trade and other receivables

	2010	2009
	€	€
Receivables from related companies (Note 17)	504.000	504.000
Other receivables	2.300	2.300
	<u>506.300</u>	<u>506.300</u>

### 14. Share capital

	2010	2010	2009	2009
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1,71 each	<u>60.000</u>	<u>102.600</u>	60.000	102.600
<b>Issued and fully paid</b>				
On 1 January	55.191	94.377	53.211	90.991
Issue of shares	563	962	1.980	3.386
<b>Balance at 31 December</b>	<u>55.754</u>	<u>95.339</u>	<u>55.191</u>	<u>94.377</u>

During the year, the Company issued 563 shares of €1,71 at a premium of €998,29 per share.

### 15. Trade and other payables

	2010	2009
	€	€
Accruals	5.640	5.640
Other creditors	3.910	2.070
	<u>9.550</u>	<u>7.710</u>

### 16. Deferred income

	2010	2009
	€	€
Other deferred income- front fee	-	252.000
	<u>-</u>	<u>252.000</u>

### 17. Related party transactions

The Company is controlled by Aemos Cement Limited, incorporated in Cyprus, which owns 100% of the Company's shares. The Company's ultimate controlling party is Titan Cement S.A.

The following transactions were carried out with related parties:

#### 17.1 Interest income

	<u>Nature of transactions</u>	2010	2009
		€	€
Loan interest income	Finance	1.334.230	1.553.430
Loan commitment fee income	Finance	-	73.332
		<u>1.334.230</u>	<u>1.626.762</u>

# ALVACIM LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 17. Related party transactions (continued)

#### 17.2 Receivables from related parties (Note 13)

<u>Name</u>	<u>Nature of transactions</u>	2010 €	2009 €
Receivable from subsidiary	Finance-Front fee	<u>504.000</u>	<u>504.000</u>
		<u>504.000</u>	<u>504.000</u>

#### 17.3 Loans to related parties (Note 12)

	2010 €	2009 €
Loan to subsidiary undertaking	<u>53.082.256</u>	<u>51.748.025</u>
	<u>53.082.256</u>	<u>51.748.025</u>

### 18. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2010/ 2009.

### 19. Commitments

The Company had no capital or other commitments as at 31 December 2010/ 2009.

### 20. 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 Auditor's report on pages 3 and 4**