

## INDEPENDENT AUDITOR'S REPORT

To the Quotaholder of  
FINTITAN S.r.l. Società Unipersonale

We have audited the accompanying financial statements of FINTITAN S.r.l. Società Unipersonale, which comprise the balance sheet as at December 31, 2010, 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 information. The financial statements have been prepared by management of FINTITAN S.r.l. Società Unipersonale in accordance with the Titan Group accounting principles and policies, as detailed in the explanatory notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these financial statements in accordance with the Titan Group accounting principles and policies for consolidation, and for such internal control as management 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 about 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 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 management, 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 of FINTITAN S.r.l. Società Unipersonale for the year ended December 31, 2010 are prepared, in all material respects, in accordance with the Titan Group accounting principles and policies, as detailed in the explanatory notes to the financial statements.

*Basis of Accounting and Restriction on Distribution and Use*

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared by FINTITAN S.r.l. Società Unipersonale for the sole purpose of consolidation into the Titan Cement Company S.A. group financial statements. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for FINTITAN S.r.l. Società Unipersonale and Titan Cement Company S.A. and should not be distributed to or used by parties other than FINTITAN S.r.l. Società Unipersonale or Titan Cement Company S.A..

Treviso-Italy  
February 3, 2011

*Reconta Ernst & Young S.p.A.*

**Statement of Financial Position as at December 31, 2010**

<i>(all amounts in Euro thousands)</i>	Notes	2010	2009
<b>ASSETS</b>			
Tangible assets	(3)	187	179
Intangible assets	(4)	2	4
Deferred tax assets	(5)	240	240
<b>Total non-current assets</b>		<b>429</b>	<b>423</b>
Inventories	(6)	446	1,036
Trade receivables	(7)	3,171	4,666
Other current assets	(8)	346	331
Cash and cash equivalents	(9)	273	375
<b>Total current assets</b>		<b>4,236</b>	<b>6,408</b>
<b>Total assets</b>		<b>4,665</b>	<b>6,831</b>

**LIABILITIES AND EQUITY**

**QUOTAHOLDER'S EQUITY**

Quota capital		1,491	770
Contribution for loss coverage		1,279	--
Other reserves (IFRS Reserves)	(7)	(4)	(4)
Accumulated losses		(311)	--
Loss of the year		(1,503)	(312)
<b>Total quotaholder's equity</b>	(10)	<b>949</b>	<b>454</b>

**LIABILITIES**

Retirement benefit obligation	(11)	56	50
<b>Total non-current liabilities</b>		<b>56</b>	<b>50</b>
Trade payables	(12)	3,573	6,114
Other current liabilities	(13)	87	213
<b>Total current liabilities</b>		<b>3,660</b>	<b>6,327</b>
<b>Total liabilities</b>		<b>3,716</b>	<b>6,377</b>
<b>Total liabilities and equity</b>		<b>4,665</b>	<b>6,831</b>

**Income Statement for the year ended 31 December**

<i>(all amounts in Euro thousands)</i>	Notes	2010	2009
<b>Net sales</b>	(14)	<b>8,831</b>	<b>13,671</b>
<b>Cost and expenses</b>			
Cost of sales	(15)	(8,563)	(11,651)
General and administrative expenses	(16)	(248)	(237)
Selling expenses	(17)	(1,517)	(2,193)
Non recurring (expense) / income, net	(18)	(1)	(7)
<b>Total costs and expenses</b>		<b>(10,329)</b>	<b>(14,088)</b>
<b>Operating Profit</b>		<b>(1,498)</b>	<b>(417)</b>
Interest expenses, net		(5)	(4)
<b>Income before taxes</b>		<b>(1,503)</b>	<b>(421)</b>
Income taxes	(19)	-	109
<b>Loss for the year</b>		<b>(1,503)</b>	<b>(312)</b>

**Statement of changes in equity**

<i>(all amounts in Euro thousands)</i>	<b>Quota capital</b>	<b>Contribution for loss coverage</b>	<b>Accumulated losses</b>	<b>Other reserves (IFRS Reserve)</b>	<b>Result for the year</b>	<b>Total Equity</b>
<b>Balances at December 31, 2009</b>	<b>770</b>	<b>--</b>	<b>--</b>	<b>(4)</b>	<b>(312)</b>	<b>454</b>
Imputation of the loss of previous year			(312)		312	-
Other reserves (IFRS Reserve)			1	(3)		(2)
Capital increase (after quotaholder's meeting December 2010)	2,000					2,000
Capital decrease for loss coverage (after quotaholder's meeting December 2010)	(1,279)	1,279				
Loss for the year 2010					(1,503)	(1,503)
<b>Balances at December 31, 2010</b>	<b>1,491</b>	<b>1,279</b>	<b>(311)</b>	<b>(7)</b>	<b>(1,503)</b>	<b>949</b>

**Cash Flow Statement for the year ended 31 December**

<i>(All amounts in Euro thousand)</i>	2010	2009
<b>Cash flow from operating activities</b>		
Loss for the year	(1,503)	(312)
<i>Adjustment to reconcile net loss to net cash provided by operating activity</i>		
Amortization of intangible assets	2	4
Depreciation of tangible assets	54	51
Provision for retirement benefit	6	13
Provision for inventory obsolescence	46	--
<i>Changes in operating assets and liabilities:</i>		
Inventories	544	(131)
Deferred tax assets	-	(109)
Trade receivables	1,495	448
Other current assets	(15)	259
Receivables for current taxes	-	108
Trade payables	(2,540)	(1,334)
Other current liabilities	(126)	112
<b>Cash flow from operating activities</b>	<b>(2,036)</b>	<b>(889)</b>
Purchases of fixed assets	(62)	(32)
Purchases of intangible assets	--	(4)
IFRS Reserve	(4)	(4)
<b>Cash flow from investing activities</b>	<b>(66)</b>	<b>(39)</b>
Capital contribution paid in by the quotaholder	2,000	1,000
<b>Cash flow from financing activities</b>	<b>2,000</b>	<b>1,000</b>
<b>Increase (decrease) in cash</b>	<b>(102)</b>	<b>71</b>
Cash and cash equivalents at beginning of the year	375	304
<b>Cash and cash equivalents at the end of the year</b>	<b>273</b>	<b>375</b>