

FINTITAN S.R.L. SOCIETA' UNIPERSONALE

REPORTING FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

INDEPENDENT AUDITORS' 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, 2011, 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 and fair presentation of these financial statements in accordance with the Titan Group accounting principles and policies, 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.

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 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, 2011 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 Note1 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 27, 2012

Reconta Ernst & Young S.p.A.

DK 27.02.2012

Statement of Financial Position as at December 31, 2011

<i>(all amounts in Euro thousands)</i>	Notes	December 31, 2011	December 31, 2010
ASSETS			
Tangible assets	(3)	149	187
Intangible assets	(4)	1	2
Deferred tax assets	(5)	239	240
Total non-current assets		389	429
Inventories	(6)	182	446
Trade receivables	(7)	5,001	3,171
Other current assets	(8)	249	346
Cash and cash equivalents	(9)	303	273
Total current assets		5,735	4,236
Total assets		6,124	4,665
LIABILITIES AND EQUITY			
QUOTAHOLDER'S EQUITY			
Quota capital		4,053	1,491
Contribution for loss coverage		-	1,279
Other reserves (IFRS Reserves)		(14)	(7)
Accumulated losses		-	(311)
Other reserves		1	-
Loss of the year		(1,506)	(1,503)
Total Quotaholder's Equity	(10)	2,534	949
LIABILITIES			
Retirement benefit obligation	(11)	60	56
Total non-current liabilities		60	56
Trade payables	(12)	3,272	3,573
Other current liabilities	(13)	258	87
Total current liabilities		3,530	3,660
Total liabilities		3,590	3,716
Total liabilities and equity		6,124	4,665

8 ΔΚ 27.02.2017

Fintitan S.r.l. Società Unipersonale
Reporting Financial Statements for the year ended December 31, 2011

Income Statement for the year ended December 31, 2011

<i>(all amounts in Euro thousands)</i>	Notes	2011	2010
Net Sales	(14)	11,284	8,831
Cost and expenses			
Cost of sales	(15)	(11,015)	(8,563)
General and administrative expenses	(16)	(280)	(248)
Selling expenses	(17)	(1,461)	(1,517)
Not recurring (expense) / income, net	(18)	-	(1)
Total costs and expenses		(12,756)	(10,329)
Operating Profit		(1,472)	(1,498)
Interest expenses, net	(19)	(34)	(5)
Income before taxes		(1,506)	(1,503)
Income taxes	(20)	-	-
Loss for the year		(1,506)	(1,503)

8 ΔΚ 27.02.2012

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Statement of changes in equity for the year ended December 31, 2011

	Quota capital	Contribution for loss coverage	Accumulated losses	Other reserves	Other reserves (IFRS Reserve)	Result for the period	Total Equity
<i>(Thousands of Euro)</i>							
Balances at December 31, 2010	1,491	1,279	(311)		(7)	(1,503)	949
Imputation of the loss of previous year			(1,503)			1,503	-
Accumulated losses coverage	(538)	(1,279)	1,814	3			-
Capital increase (after quotaholder's meeting March 14, 2011)	2,000						2,000
Capital increase (after quotaholder's meeting September 9, 2011)	1,100						1,100
Other reserves (IFRS Reserve)				(2)	(7)		(9)
Loss for the year ended December 31, 2011						(1,506)	(1,506)
Balances at December 31, 2011	4,053	-	-	1	(14)	(1,506)	2,534

8 ΔK 27.02.2012

Fintitan S.r.l. Società Unipersonale
Reporting Financial Statements for the year ended December 31, 2011

Cash Flow Statement for the year ended December 31, 2011

<i>(Thousands of Euro)</i>	2011	2010
Loss for the year	(1,506)	(1,503)
Adjustment to reconcile net loss to net cash provided by operating activity:		
Amortization of intangible assets	3	2
Depreciation of tangible assets	46	54
Provision for retirement benefit	5	6
Provision for inventory obsolescence	(44)	46
Changes in operating assets and liabilities:		
Inventories	308	544
Trade receivables	(1,830)	1,495
Other current assets	97	(15)
Trade payables	(301)	(2,540)
Other current liabilities	171	(126)
Cash flow from operating activities	(3,051)	(2,037)
IFRS Reserve	(9)	(3)
Purchases of fixed assets	(8)	(62)
Purchases of intangible assets	(2)	-
Cash flow from investing activities	(19)	(65)
Share capital paid by shareholders	3,100	2,000
Cash flow from financing activities	3,100	2,000
Increase (decrease) in cash	30	(102)
Cash and cash equivalents at beginning of the year	273	375
Cash and cash equivalents at the end of the year	303	273