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**KOCEM LIMITED**

REPORT AND FINANCIAL STATEMENTS  
31 December 2011

# KOCEM LIMITED

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## REPORT AND FINANCIAL STATEMENTS

31 December 2011

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# KOCEM LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Arta Antoniou  
Spyroulla Papaeracleous

**Company Secretary:**

A.T.S. Services Limited  
2-4 Arch. Makarios III Avenue  
Capital Center, 9th Floor  
CY-1505 Nicosia, Cyprus

**Independent Auditors:**

Ernst & Young Cyprus Limited  
Certified Public Accountants & Registered Auditors  
36 Byron Avenue  
1511 Nicosia, Cyprus

**Registered office:**

2-4 Arch. Makarios III Avenue  
Capital Center, 9th Floor  
CY-1505 Nicosia  
Cyprus

## 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 2011.

### **Principal activities**

The principal activities of the Company, are those of an investment holding company, the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans and the provision of consultancy type of services to fellow group companies.

### **Review of current position, future developments and significant risks**

The net profit for the Company for the year ended 31 December 2011 was €2,102,871 (2010: €1,094,630). On 31 December 2011 the total assets of the Company were €35,454,413 (2010: €35,547,013) and the net assets of the Company were €20,246,999 (2010: €18,144,128). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

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.

### **Dividends**

The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

### **Share capital**

There were no changes in the share capital of the Company during the year under review.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2011 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2011.

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,



Arta Antoniou  
Director

Nicosia, Cyprus, 30 April 2012

## Independent auditor's report

### To the Members of Kocem Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Kocem Limited (the "Company"), which comprise the statement of financial position as at 31 December 2011, 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 Kocem Limited as at 31 December 2011, 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.

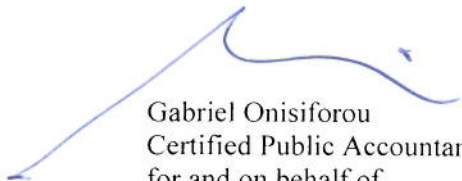
**Report on Other Legal Requirements**

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, 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 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 Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 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.



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

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

Nicosia  
30 April 2012

# KOCEM LIMITED

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## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2011

	Note	2011 €	2010 €
Profit from investing activities	5	2,529,599	1,360,902
Administration and other expenses		<u>(17,061)</u>	<u>(17,016)</u>
<b>Operating profit</b>	6	<b>2,512,538</b>	1,343,886
Finance costs	7	<u>(409,068)</u>	<u>(247,308)</u>
<b>Profit before tax</b>		<b>2,103,470</b>	1,096,578
Tax	8	<u>(599)</u>	<u>(1,948)</u>
<b>Net profit for the year</b>		<b>2,102,871</b>	1,094,630
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>2,102,871</b></u>	<u>1,094,630</u>

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

# KOCEM LIMITED

## STATEMENT OF FINANCIAL POSITION

31 December 2011

	Note	2011 €	2010 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	9	<u>35,394,983</u>	<u>35,394,983</u>
		<b>35,394,983</b>	<b>35,394,983</b>
<b>Current assets</b>			
Trade and other receivables	10	<u>3,525</u>	<u>3,450</u>
Cash at bank and in hand	11	<u>55,905</u>	<u>148,580</u>
		<b>59,430</b>	<b>152,030</b>
<b>Total assets</b>		<u><b>35,454,413</b></u>	<u><b>35,547,013</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	<u>18,660</u>	<u>18,660</u>
Share premium		<u>17,048,406</u>	<u>17,048,406</u>
Retained earnings		<u>3,179,933</u>	<u>1,077,062</u>
<b>Total equity</b>		<u><b>20,246,999</b></u>	<u><b>18,144,128</b></u>
<b>Current liabilities</b>			
Trade and other payables	14	<u>6,510</u>	<u>5,577</u>
Borrowings	13	<u>15,200,893</u>	<u>17,397,308</u>
Current tax liabilities	15	<u>11</u>	<u>-</u>
		<b>15,207,414</b>	<b>17,402,885</b>
<b>Total equity and liabilities</b>		<u><b>35,454,413</b></u>	<u><b>35,547,013</b></u>

On 30 April 2012 the Board of Directors of Kocem Limited authorised these financial statements for issue.

  
Spyroulla Papaeracleous  
Director

  
Arta Antoniou  
Director

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



# KOCEM LIMITED

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2011

	Note	Share capital €	Share premium €	Retained earnings €	Total €
<b>Balance at 1 January 2010</b>		<b>1,660</b>	<b>65,406</b>	<b>(17,568)</b>	<b>49,498</b>
Net profit for the year		-	-	1,094,630	1,094,630
Issue of share capital	12	17,000	16,983,000	-	17,000,000
<b>Balance at 31 December 2010/01 January 2011</b>		<b>18,660</b>	<b>17,048,406</b>	<b>1,077,062</b>	<b>18,144,128</b>
Net profit for the year		-	-	2,102,871	2,102,871
<b>Balance at 31 December 2011</b>		<b>18,660</b>	<b>17,048,406</b>	<b>3,179,933</b>	<b>20,246,999</b>

Share premium is not available for distribution.

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 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (in 2011 the rate was 15% up to 31 August 2011 and 17% thereafter) will be payable on such deemed dividends distribution. Profits and to the extent that these are attributable to shareholders, who are not tax resident of Cyprus and own shares in the Company either direct and/or indirectly at the end of two years from the end of the tax year to which the profits relate are exempted. 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.

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

# KOCEM LIMITED

## STATEMENT OF CASH FLOWS

Year ended 31 December 2011

	Note	2011 €	2010 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>2,103,470</b>	1,096,578
Adjustments for:			
Dividend income	5	(2,523,970)	(1,332,725)
Interest income	5	(5,629)	(19,478)
Interest expense	7	<u>403,617</u>	<u>247,308</u>
<b>Cash flows used in operations before working capital changes</b>		<b>(22,512)</b>	(8,317)
Increase in trade and other receivables		(75)	-
Increase in trade and other payables		<u>933</u>	<u>5,059</u>
<b>Cash flows used in operations</b>		<b>(21,654)</b>	(3,258)
Tax paid		<u>(588)</u>	<u>(1,948)</u>
<b>Net cash flows used in operating activities</b>		<b>(22,242)</b>	(5,206)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of investments in subsidiaries	9	-	(35,394,983)
Interest received		5,629	19,478
Dividends received		<u>2,523,970</u>	<u>1,332,725</u>
<b>Net cash flows from / (used in) investing activities</b>		<b>2,529,599</b>	(34,042,780)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		-	17,000
Proceeds from share premium		-	16,983,000
Repayments of borrowings		(2,196,415)	-
Proceeds from borrowings		-	17,397,308
Interest paid		<u>(403,617)</u>	<u>(247,308)</u>
<b>Net cash flows (used in) / from financing activities</b>		<b>(2,600,032)</b>	34,150,000
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(92,675)</b>	102,014
Cash and cash equivalents:			
At beginning of the year		<u>148,580</u>	<u>46,566</u>
<b>At end of the year</b>	11	<b><u>55,905</u></b>	<b><u>148,580</u></b>

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Kocem Limited (the "Company") was incorporated in Cyprus on 3 October 2007 as a private 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-1505 Nicosia, Cyprus.

#### Principal activities

The principal activities of the Company, are those of an investment holding company, the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans and the provision of consultancy type of services to fellow group companies.

### 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 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 2011.

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 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 IFRS consolidated financial statements are 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 Financial Statements and Accounting for Investments in Subsidiaries" 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.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 2. Accounting policies (continued)

#### Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

#### Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues of the Company are recognized on an accrual basis.

#### • Dividend income

Dividend income is recognised when the right to receive payment is established.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 2. Accounting policies (continued)

#### Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short terms deposits with original maturity of three months or less.

#### Share capital

Ordinary shares are classified as equity.

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency 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 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Company has no significant exposure of credit risk as most of its receivables are with related parties.

#### 3.3 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. No maturity table disclosing the undiscounted cash flows of the underlying liabilities has been presented as all outstanding balances are due within 12 months and consequently their carrying amounts are representative of their contractual cash flows and the impact of discounting is not significant.

Despite the fact that as of 31 December 2011 current liabilities exceeded current assets by €15.147.984, management believes that there is no liquidity risk arising from this fact since the current liabilities comprise of amounts owed to fellow subsidiary and in any event the management of the treasury function is performed at the ultimate holding, Titan Cement S.A., group level.



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 3. Financial risk management (continued)

#### 3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

#### 3.5 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 judgments

Estimates and judgments 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 investments in other group subsidiaries**

The Company periodically evaluates the recoverability of investments in other group subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in other group subsidiaries may be impaired, the estimated future undiscounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.



# KOCEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 5. Profit from investing activities

	2011	2010
	€	€
Interest income	5,629	19,478
Exchange profit	-	8,699
Dividend income (Note 16)	2,523,970	1,332,725
	<u>2,529,599</u>	<u>1,360,902</u>

### 6. Operating profit

	2011	2010
	€	€
Operating profit is stated after charging the following items:		
Directors' fees	-	-
Auditors' remuneration	4,600	5,290

### 7. Finance costs

	2011	2010
	€	€
Net foreign exchange transaction losses	5,451	-
Interest expense (Note 13)	403,617	247,308
	<u>409,068</u>	<u>247,308</u>

### 8. Tax

#### 8.1 Tax recognised in profit or loss

	2011	2010
	€	€
Defence contribution - current year	599	1,948
<b>Charge for the year</b>	<u>599</u>	<u>1,948</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:

	2011	2010
	€	€
Profit before tax	2,103,470	1,096,578
Tax calculated at the applicable tax rates	210,347	109,658
Tax effect of expenses not deductible for tax purposes	40,907	-
Tax effect of allowances and income not subject to tax	(252,960)	(136,090)
Tax effect of tax loss for the year	1,706	26,432
Defence contribution current year	599	1,948
<b>Tax charge</b>	<u>599</u>	<u>1,948</u>

#### 8.2 Tax recognised in other comprehensive income

	2011	2010
	€	€
<b>Total income tax recognised in other comprehensive income</b>	<u>-</u>	<u>-</u>

# KOCEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

The Company is subject to corporation tax on its taxable profits at the rate of 10%. As at 31 December 2011 the Company had tax losses carried forward of €48.656 (2010: €31.597) which can be carried forward and be utilized against future taxable profits with no time limitation. No deferred tax asset was recognised in the statement of financial position on these losses.

Under certain conditions interest income may be subject to defence contribution at the rate of 15% (10% to 30 August 2011). 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 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (in 2011 the rate was 15% up to 30 August 2011 and 17% thereafter).

Due to tax losses sustained in the year, no tax liability arises on the Company.

### 9. Investments in subsidiaries

	<b>2011</b>	2010
	€	€
Balance at 01 January	<b>35,394,983</b>	-
Additions	-	35,394,983
<b>Balance at 31 December</b>	<b><u>35,394,983</u></b>	<u>35,394,983</u>

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2011 Holding %	2010 Holding %	2011 €	2010 €
Alexandria Portland Cement Company S.A.E.	Egypt	Production of cement	<b>4.825</b>	4.825	<b><u>35,394,983</u></b>	<u>35,394,983</u>
					<b><u>35,394,983</u></b>	<u>35,394,983</u>

Alexandria Portland Cement Co, a company incorporated in Egypt was wholly acquired during 2008 by the Titan Group. The Company acquired 4,825% for a total consideration of €18.399.000. During 2010, Alexandria Portland Cement Co increased its share capital and the Company contributed an additional amount of €16.995.983 maintaining its shareholding at 4,825%.

Alexandria Portland is a listed company in Cairo stock exchange. Alexandria Portland is a subsidiary of the Company's ultimate parent, Titan Cement SA. Certain group companies of Titan Cement SA own various percentage holdings in Alexandria Portland. Therefore it is the Group's policy to account for the sub-holdings in each group company's individual accounts at cost subject to impairment. The Group carried out an impairment test of the investment's relevant GCU as a whole and concluded that it's value in use is greater than it's carrying amount in the financial statements. At 31 December 2011, the market value of the shares that the Company has in Alexandria Portland amounts to €19.588.807.

### 10. Trade and other receivables

	<b>2011</b>	2010
	€	€
Deposits and prepayments	<b>3,450</b>	3,450
Accrued income	<b>75</b>	-
	<b><u>3,525</u></b>	<u>3,450</u>

# KOCEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 11. Cash at bank and in hand

2011	2010
€	€

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2011	2010
	€	€
Cash at bank and in hand	<u>55,905</u>	148,580
	<u>55,905</u>	<u>148,580</u>

Cash at bank represents current and fixed deposit accounts denominated in Euro and carry annual interest from 1.0% to 1.5%.

### 12. Share capital

	2011	2011	2010	2010
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1 each	<u>19,000</u>	<u>19,000</u>	19,000	19,000
<b>Issued and fully paid</b>				
Balance at 01 January	18,660	18,660	1,660	1,660
Issue of shares	-	-	17,000	17,000
<b>Balance at 31 December</b>	<u>18,660</u>	<u>18,660</u>	<u>18,660</u>	<u>18,660</u>

During 2010, the Company issued additional 17,000 ordinary shares at a premium of €999 each.

### 13. Borrowings

2011	2010
€	€

#### Current borrowings

Loans from related companies (Note 16)	<u>15,200,893</u>	17,397,308
	<u>15,200,893</u>	<u>17,397,308</u>

On 14 April 2010, the Board of directors of the Company resolved to receive a loan facility of €25,000,000 (out of which €10.035.000 was repaid) from Iapetos Limited. The loan is unsecured and bears an interest rate of Euribor 1 month plus 1,3 % per annum. The total interest for the year was €403.617 (2010: €247.308) (out of which €415.032 was repaid). As no repayment date was set, the loan is shown as current.

# KOCEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 14. Trade and other payables

	2011	2010
	€	€
Accruals	3,853	3,679
Other creditors	2,657	1,898
	<u>6,510</u>	<u>5,577</u>

### 15. Current tax liabilities

	2011	2010
	€	€
Special contribution for defence	11	-
	<u>11</u>	<u>-</u>

### 16. Related party transactions

The Company is controlled by Titan Egyptian Investments, incorporated in Jersey, which owns 100% of the Company's shares. The Company's ultimate controlling party is Titan Cement S.A., in Greece.

The following transactions were carried out with related parties:

#### 16.1 Loans from related undertakings (Note 13)

	2011	2010
	€	€
Loan from related companies (under common control)	15,200,893	17,397,308
	<u>15,200,893</u>	<u>17,397,308</u>

#### 16.2 Dividend income

	2011	2010
	€	€
Dividend income	2,523,970	1,332,725
	<u>2,523,970</u>	<u>1,332,725</u>

During the year 2011, the Company received dividends of €2.523.970 (2010: €1.332.725) from its subsidiary.

### 17. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2011/2010.

### 18. Commitments

The Company had no capital or other commitments as at 31 December 2011/2010.

### 19. 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**