BENI SUEF CEMENT COMPANY AND PARTNERS
"MISRIEEN TITAN FOR TRADE AND DISTRIBUTION"
(LIMITED PARTNERSHIP COMPANY)
(UNDER LIQUIDATION)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011
TOGETHER WITH AUDITOR'S REPORT

ERNST & YOUNG

Allied for Accounting & Auditing
Ragheb, Hamouda, Istanbouli, Tageldeen & El-Kilany
Ring Road, Zone #10A
Rama Tower
P.O. Box 20 Kattameya - Cairo - Egypt
Tel: +202 2726 0260
Fax: +202 2726 0100
www.ey.com/me

AUDITOR'S REPORT TO THE MANAGEMENT OF BENI SUEF CEMENT COMPANY AND PARTNERS "MISRIEEN TITAN FOR TRADE AND DISTRIBUTION" (LIMITED PARTNERSHIP COMPANY) (UNDER LIQUIDATION)

Report on the Financial Statements

We have audited the accompanying financial statements of **Beni Suef Cement Company and Partners "Misrieen Titan for Trade and Distribution" (Limited Partnership Company) (Under Liquidation)**, represented in the balance sheet as at 31 December 2011, as well as the related statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and applicable Egyptian laws. Management 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. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance that 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 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.

The scope of our audit procedures was established based on the tolerable error set for Titan Cement Company S A group reporting purposes amounting to Euro 400K. Had we been able to perform our audit based on the stand alone materiality level developed by us, other matters might have come to our attention indicating that adjustments might be necessary to the financial statements.

As the Company was not successful in obtaining new contracts, accordingly did not recognize any revenues during the last six years, therefore the partners meeting held on 16 November 2008 decided to liquidate the Company. On 25 November 2008 the Company was cancelled from the commercial registry.

As result of the matter referred to in the preceding paragraph, the Company's financial statement as of 31 December 2011 has been prepared on a break up basis.

ERNST & YOUNG

Opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements referred to above, give a true and fair view, in all material respects, of the financial position of **Beni Suef Cement Company and Partners "Misrieen Titan for Trade and Distribution" (Limited Partnership Company) (Under Liquidation)** as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records that comply with the laws and the Company's contract and the financial statements agree with the Company's records

This report is intended solely for the use of the Company and the ultimate Parent Company and should not be used for any other purpose.

Tageldee

Abdelmohsen A. Tageldeen

Certified Public Accountant (USA)

Fellow of the Egyptian Association of Accountants and Auditors

R.A.A. 15058

Allied for Accounting & Auditing
Ernst & Young Global

Cairo: 29 January 2012

Beni Suef Cement Company and Partners
"Misrieen Titan For Trade and Distribution"
(Limited Partnership Company) (Under Liquidation)

FINANCIAL POSITION
At 31 December 2011

	Note	**2011**	2010
		EGP	EGP
Current assets			
Prepayments and other receivables	(4)	**4,345**	4,345
Cash on hand and at bank	(5)	**47,454**	47,454
		51,799	51,799
Total assets		**51,799**	51,799
Equity and liabilities			
Equity			
Capital	(8)	**20,000**	20,000
Accumulated deficit		**(3,176,523)**	(3,176,390)
Losses for the year		-	(133)
Total equity		**(3,156,523)**	(3,156,523)
Current liabilities			
Provisions	(9)	**3,300**	3,300
Due to related party	(6)	**3,156,000**	3,156,000
Accrued expenses and other credit balances	(7)	**49,022**	49,022
Total current liabilities		**3,208,322**	3,208,322
Total equity and liabilities		**51,799**	51,799

Chief Executive Officer
Khaled Badawy

- The accompanying notes from (1) to (12) are an integral part of these financial statements.
- Auditor's report attached.

Beni Suef Cement Company and Partners
"Misrieen Titan For Trade and Distribution"
(Limited Partnership Company) (Under Liquidation)

INCOME STATEMENT
For The Year ended 31 December 2011

	Note	2011 EGP	2010 EGP
Administrative expenses			(133)
LOSSES FOR THE YEAR		-	(133)

- The accompanying notes from (1) to (12) are an integral part of these financial statements.

Beni Suef Cement Company and Partners
"Misrieen Titan For Trade and Distribution"
(Limited Partnership Company) (Under Liquidation)

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 December 2011

	Capital EGP	Accumulated deficit EGP	Losses EGP	Total EGP
Balance as of 1 January 2010	20,000	(2,755,674)	(420,716)	(3,156,390)
Transferred to accumulated deficit	-	(420,716)	420,716	-
Losses for the year	-	-	(133)	(133)
Balance as of 31 December 2010	**20,000**	**(3,176,390)**	**(133)**	**(3,156,523)**
Balance as of 1 January 2011	20,000	(3,176,390)	(133)	(3,156,523)
Transferred to accumulated deficit	-	(133)	133	-
Balance as of 31 December 2011	**20,000**	**(3,176,523)**	-	**(3,156,523)**

- The accompanying notes from (1) to (12) are an integral part of these financial statements.

Beni Suef Cement Company and Partners
"Misrieen Titan For Trade and Distribution"
(Limited Partnership Company) (Under Liquidation)

STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2011

	Note	2011 EGP	2010 EGP
Operating activities			
Losses for the year		-	(133)
Provision charged		-	(108,181)
Working Capital Changes		-	(108,314)
Change in prepayments and other receivables		-	(4,345)
Change in due to related party		-	125,345
Change in accrued expenses and other credit balances		-	(12,819)
Net cash flows (used in) operating activities		-	(133)
Net cash and cash equivalent during the year		-	(133)
Cash and cash equivalent - beginning of the year		**47,454**	47,587
Cash and cash equivalent - end of the year	(5)	**47,454**	47,454

- The accompanying notes from (1) to (12) are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2011

1 CORPORATE INFORMATION

Mohamed Mansour Hassan Company and Partners "Misrieen Titan for Trading and Distribution" was established on 8 July 1997 as a Limited Partnership Company.

The Company was registered in the commercial registry under No. 115794 on 11 September 1997.

According to the contract dated 16 December 2002, some of the old partners were replaced by new partners and the Company's name was changed to Beni Suef Cement Company and Partners "Misrieen Titan for Trading and Distribution" (Limited Partnership Company).

The purpose of the Company was trading and distribution of cement and practicing all services relating to that activity.

On 16 November 2008, the partners have decided to liquidate the Company and as of 25 November 2009 Company was cancelled from the commercial register.

2 FUNDUMENTAL ACCOUNTING CONCEPT

The Financial statements have been prepared on a break up basis.

3 SIGNIFICANT ACCOUNTING POLICIES

3-1 Basis of preparation
The financial statements are prepared in Egyptian pound in accordance with the International Financial Reporting Standards, the applicable laws and regulations, the historical cost basis and the going concern basis

3-2 Changes in accounting policies
The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2010, except for the adoption of new standards and interpretations as of 1 January 2011, noted below:

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to gains or losses. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.
The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests.

Improvements to IFRSs
In April 2009 the Board issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have impact any on the financial position or performance of the Company.

IAS 7 Statement of Cash Flows: Explicitly states that only expenditure that results in recognizing an asset can be classified as a cash flow from investing activities. This amendment will impact the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2010 upon cash settlement.

AS 36 Impairment of Assets: The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Group as the annual impairment test is performed before aggregation.

NOTES TO THE FINANCIAL STATEMENTS
At 31 Dec 2011

3-3 Accounting Judgments, Estimates and Assumptions
The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

3-4 Foreign currency translation
The financial statements are presented in Egyptian Pounds which is the Company's functional and presentation currency. Transactions in foreign currencies during the year are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to income statement.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3-5 Other debit balances
Other debit balances are stated at book value less any impairment losses.

3-6 Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of 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. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
At 31 Dec 2011

3-7 Related party transactions

Related party transactions performed by the Company within its normal business transactions are recorded based on the conditions set by the general manager.

3-8 Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3-9 Impairment of assets

- Impairment of non financial assets

The Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating unit's (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of income.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

A previously recognized impairment loss is reversed when there is a change in the recoverable amount of the asset to the extent of the previously recognized loss.

3-10 Cash and cash equivalent

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, short-term deposits with a remaining maturity of three months less restricted time deposits.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2011

4 PREPAYMENTS AND OTHER DEBIT BALANCES

	2011 EGP	2010 EGP
Tax authority	**4,000**	4,000
Other debit balances	**345**	345
	4,345	4,345

5 CASH ON HAND AND AT BANK

	2011 EGP	2010 EGP
Cash on hand	**47,454**	47,454
	47,454	47,454

6 DUE TO RELATED PARTY

The balance of due to related party amounting to EGP 3,156,000 as of 31 December 2011, (EGP 3,156,000 as of 31 December 2010) represents the balance due to Beni Suef Cement Company (one of the Company's partners).

7 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2011 EGP	2010 EGP
Other credit balances	**49,022**	49,022
	49,022	49,022

8 CAPITAL

The Company's capital amounts to EGP 20,000 distributed as follows:

	%	Value EGP
Beni Suef Cement Company (general partner)	50.00	10,000
East Cement Trade Limited Company (general partner)	49.00	9,800
Ms. Ephtyhia Spathis (limited partner)	1.00	200
	100.00	**20,000**

9 PROVISIONS

	2011 EGP	2010 EGP
Provision for expected claims	**3,300**	3,300
	3,300	3,300

10 TAX SITUATION

a. Corporate taxes

The Company's records were inspected till the year 2004 and the taxes due were paid

The Company's records for years 2005 / 2009 were inspected but we did not receive any claim yet

b. Salary taxes

The Company's records were inspected till the year 2008 and the taxes due were paid.

c. Stamp duty taxes

The Company's records were inspected till year 2006 and the taxes due were paid
No tax inspection took place for the years 2007, 2008, 2009, 2010 and 2011.

11 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) The Company's financial instruments are represented in financial assets and financial liabilities. The financial assets include cash on hand and at bank. The financial liabilities include due to related party and other credit balances.

The significant accounting policies applied for the recognition and measurement of the above - mentioned financial assets and liabilities and the related income and expenses are included in note (3) of the notes to the financial statements.

b) **Foreign currency risk**

The foreign currency risk is the risk that the value of the financial assets and liabilities and the related cash inflows and outflows in foreign currencies will fluctuate due to changes in foreign currency exchange rates. There are neither financial assets nor financial liabilities denominated in foreign currencies.

c) **Fair value for financial instruments**

According to the valuation principle used for valuing the Company's assets and liabilities included in note (2) to these financial statements, the carrying amounts of the financial assets and liabilities referred to above are not materially different from their fair values as of the balance sheet date.

12 CURRENT EVENTS

During this year, some substantial events took place in Egypt that impacted the economic environment which in turn could expose the Companies to various risks including sustainability of revenues, growth of business, fluctuations in foreign currencies exchange rates and valuation / impairment of assets.

These events do not have an impact on the financial statements for the year ended December 31, 2011, but may impact the financial statements of future periods. While it is difficult to quantify this effect at this point in time, the impact will become visible in the future financial statements. The significance of such an impact will depend on extent and length until which these events and its effect will end.