
Titan Global Finance plc

**Annual Report and Financial Statements
for the year ended 31 December 2011**

Registered number: 06199510

Titan Global Finance plc
Annual Report and Financial Statements
for the year ended 31 December 2011

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Titan Global Finance plc

Company information

Directors:

G Kyratos
LH Wilt Jr
CR Field
KV Fittler

Secretary:

Rollits Company Secretaries Limited

Registered Auditors:

Ernst & Young LLP
PO Box 3
Lowgate House
Lowgate
Hull
HU1 1JJ

Registered office:

No. 12 Shed
King George Dock
Hull
HU9 5PR

Registered number:

06199510

Titan Global Finance plc

Directors' report

for the year ended 31 December 2011

The directors present their annual report and audited financial statements for the year ended 31 December 2011.

Principal activity

The principal activity of Titan Global Finance plc (the "Company") continues to be acting as an intermediate finance company for the Titan Group's (the "Group") operations by raising and providing funding to other Group companies.

Titan Group includes Titan Cement Company S.A. and its subsidiaries.

The Company is a public limited company, domiciled and incorporated in the United Kingdom. The registered office and principal place of business is No. 12 Shed, King George Dock, Hull, HU9 5PR, United Kingdom.

Business review

During the course of 2011, the Company continued to carry out its operations as the Group's funding vehicle, drawing on bank facilities and extending finance to Group companies, i.e. Titan Cement Company S.A. and its subsidiaries. At the same time, the Company has been extending finance to Group companies from funds sourced from the Company's own cash reserves or from funds sourced from Group subsidiaries with excess cash balances.

The Company borrows and extends finance at arm's length, charging an additional five basis points margin (or 5% mark-up) on all costs (interest rate margins on bank credit facilities, fixed interest rate bonds, commitment and utilization fees, upfront fees, arrangement fees, legal and audit expenses specific to particular credit facilities or bonds issued) so as to cover overhead costs and maintain the profitability commitment the Company has with HMRC through the Advance Thin Capitalisation Agreement (ATCA).

On 30 September 2011 the Company fully repaid all outstanding borrowings under the €800,000,000 Revolving Credit Facility dated 27 April 2007 by borrowing the same amounts under the €585,000,000 forward-start Revolving Credit Facility dated 5 January 2011. The repayment was done ahead of the €800,000,000 Revolving Credit Facility termination date of 27 April 2012, thereby proactively securing a further 4 year funds for the Company. By reducing the total committed amount of borrowings the Company significantly reduced the Group's financing costs via the reduction of commitment and other related fees due to banks.

In January 2011, a €50,000,000 non-utilized, bilateral revolving credit facility was cancelled by the Company and in June 2011, a €50,000,000 non-utilized, bilateral revolving credit facility was not renewed.

As at 31 December 2011 the Company had committed un-drawn bank facilities of approximately €111,074,000.

Titan Global Finance plc

Directors' report

for the year ended 31 December 2011

Business review (continued)

The board has assessed that the key performance indicators that are the most effective indicators of achieving Company objectives include:

Liquidity ratio (measured as the ratio of unutilised long term committed facilities and cash over short term debt).

The Company's key performance indicators during the year were as follows:

	2011	2010
Liquidity ratio	10	53

The liquidity ratio has decreased due to the lower committed amount of borrowings due to the forward-start Credit Facility and the termination of the two €50,000,000 bilateral rolling credit facilities, as described above. Given that short term debt is covered 10 times by available cash and unutilised committed facilities, the directors have determined that the ratio adequately covers liquidity risks.

The nature of the Company's business means that it is essential to have available external funds to be able to provide funding to relevant subsidiaries as required. External funding is guaranteed by Titan Cement Company S.A., the Company's immediate and ultimate parent company.

Principal risks and uncertainties and financial risk management

The principal risks of the Company are monitored by the directors.

The Company's operations expose it to a variety of financial risks, including credit risk, liquidity risk, foreign exchange risk and interest rate risk. Please see note 2 to the financial statements for further information.

Future developments

The Directors aim to maintain the management policies which have resulted in this year's stability and profits.

The Company's operations are aligned with the Group's strategic priorities with respect to optimisation of funding and cash management needs. As the Group's funding vehicle, the Company is reliant on its parent for support through the guarantees the latter provides to secure the Company's external financing. The Group will continue to focus on producing positive free cash flow and cost reduction so as to reduce net debt.

Going concern

In 2011 the company executed a €585,000,000 forward-start Revolving Credit facility that replaced its existing €800,000,000 Revolving Credit Facility with Banc of America Securities Limited as agent to 2015. Therefore the continued instability of the financial markets is not expected to significantly impact the Company in the next 12 months. Borrowings are guaranteed by Titan Cement Company S.A., the Company's parent.

The Board of Directors declare that Titan Cement Company S.A. and Group have adequate resources to ensure continued operations as a going concern for the foreseeable future.

The directors have a reasonable expectation that the Company has and shall continue to have adequate resources to continue being in an operational state for the foreseeable future of at least 12 months from the date of this report. Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Titan Global Finance plc

Directors' report

for the year ended 31 December 2011

Results and dividends

Total comprehensive income for the year amounted to €1,519,000 (2010: €211,000). The directors do not recommend the payment of a dividend for the year (2010: £nil).

Directors

The directors who served during the year and up to the date of signing this report were:

G Kyrtatos
LH Wilt Jr
CR Field
KV Fittler

Policy and practice on payment of creditors

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, providing that all terms and conditions have been complied with.

At 31 December 2011, the Company had an average of zero days of purchases outstanding in trade creditors (2010: 9 days).

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In the absence of any notice proposing to terminate their appointment, Ernst & Young LLP will be deemed to be reappointed for the next financial year. Ernst & Young LLP, have indicated their willingness to continue in office.

Titan Global Finance plc

Directors' report

for the year ended 31 December 2011

Corporate governance

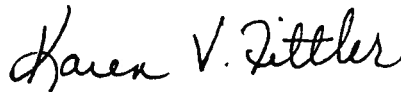
The Directors are responsible for internal control in the Company and for reviewing the effectiveness thereof. Procedures have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure, to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud.

The procedures enable the Company to comply with the regulatory obligations. For further details, refer to notes in the financial statements, particularly note 2 on Financial risk management. In addition, the parent company's Audit Committee meets regularly with the group's senior finance, risk, internal audit, legal and compliance management to consider the Company's financial reporting, the nature and scope of audit reviews and the effectiveness of the systems of internal control, compliance and risk management.

This report was approved by the board on 4 April 2012 and signed on its behalf by:



LH Wilt Jr
Director



KV Fittler
Director

Titan Global Finance plc

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under Company Law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the Company financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS's as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Titan Global Finance plc

Independent auditor's report to the members of Titan Global Finance Plc

We have audited the financial statements of Titan Global Finance Plc for the year ended 31 December 2011 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cashflows and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

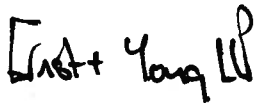
Titan Global Finance plc

Independent auditor's report to the members of Titan Global Finance Plc

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



*Alistair Denton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds*

Date: 04 April 2012

Notes:

1. The maintenance and integrity of the Titan Global Finance Plc and its parent company's web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Titan Global Finance plc

Registered no: 06199510

Statement of financial position

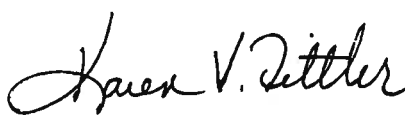
as at 31 December 2011

	Note	2011 €'000	2010 €'000
Assets			
Non-current assets			
Loans and other receivables	5	923,075	868,509
Current assets			
Loans and other receivables	5	167,590	6,584
Cash and cash equivalents	6	18,880	642
Current tax receivable		-	18
		186,470	7,244
Total assets		1,109,545	875,753
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares	7	3,287	3,287
Retained earnings	8	4,563	3,044
Total equity		7,850	6,331
Liabilities			
Non-current liabilities			
Loans and other payables	9	397,090	335,177
Borrowings	10	668,764	523,526
		1,065,854	858,703
Current liabilities			
Loans and other payables	9	35,416	10,719
Current tax liabilities		425	-
		35,841	10,719
Total liabilities		1,101,695	869,422
Total equity and liabilities		1,109,545	875,753

The notes on pages 13 to 29 are an integral part of these financial statements.

The financial statements on pages 9 to 29 were authorised for issue by the Board of Directors on
4 April 2012 and were signed on its behalf by:


LH Wilt Jr
Director


KV Fittler
Director

Titan Global Finance plc
Statement of comprehensive income
for the year ended 31 December 2011

	Note	2011 €'000	2010 €'000
Administrative expenses	11	(106)	(144)
Finance income	14	49,759	30,363
Finance costs	14	(47,599)	(29,934)
Finance income - net		2,160	429
Profit before income tax		2,054	285
Income tax expense	15	(535)	(74)
Total comprehensive income		1,519	211

All of the activities of the Company in 2011 and 2010 relate to continuing operations.

There are no items of other comprehensive income recorded directly in equity.

The notes on pages 13 to 29 are an integral part of these financial statements.

Titan Global Finance plc
Statement of changes in equity
for the year ended 31 December 2011

	Attributable to owners of the parent		
	Share capital €'000	Retained earnings €'000	Total equity €'000
Balance at 1 January 2010	3,287	2,833	6,120
Changes in equity 2010			
Total comprehensive income for the year	-	211	211
Balance at 31 December 2010	3,287	3,044	6,331
Changes in equity 2011			
Total comprehensive income for the year	-	1,519	1,519
Balance at 31 December 2011	3,287	4,563	7,850

The notes on pages 13 to 29 are an integral part of these financial statements.

Titan Global Finance plc

Statement of cashflows

for the year ended 31 December 2011

	Note	2011 €'000	2010 €'000
Cash flows from operating activities			
Cash used in operations	16	447	(1,218)
Income tax paid		(92)	(309)
Cash generated from/(used in) operating activities		355	(1,527)
Cash flows from investing activities			
Loans granted to related parties		(213,188)	(15,331)
Interest received		47,294	29,899
Cash (used in)/ generated from investing activities		(165,894)	14,568
Cash flows from financing activities			
Proceeds from loans from related parties		82,913	63,319
Interest paid		(44,374)	(29,699)
Proceeds from/(repayment) of borrowings		145,238	(46,050)
Proceeds from forward-start Revolving Credit Facility		438,084	-
Extinguishment of Revolving Credit Facility		(438,084)	-
Cash generated from/(used in) financing activities		183,777	(12,430)
Increase in cash and cash equivalents		18,238	611
Cash and cash equivalents at 1 January		642	31
Cash and cash equivalents at 31 December	6	18,880	642

The notes on pages 13 to 29 are an integral part of these financial statements.

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2011

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU) and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations on future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Going concern

In 2011 the Company executed a €585,000,000 forward-start Revolving Credit facility that replaced its existing €800,000,000 Revolving Credit Facility with Banc of America Securities Limited as agent to 2015. Therefore the continued instability of the financial markets is not expected to significantly impact the Company in the next 12 months. Borrowings are guaranteed by Titan Cement Company S.A., the Company's parent.

The Board of Directors declare that the Titan Cement Company S.A. and Group have adequate resources to ensure continued operations as a going concern for the foreseeable future.

The directors have a reasonable expectation that the Company has and shall continue to have adequate resources to continue being in an operational state for the foreseeable future of at least 12 months from the date of this report. Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Changes in accounting policy and disclosures

- a. New and amended standards adopted by the Company.
 - i. IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011.

The revised standard clarifies and simplifies the definition of a related party and also removes the requirement for government related entities to disclosed details of all transactions with the government and other government related entities.

The Company already had systems in place to capture this information and disclosed this information in both the current and the prior year financial statements.

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2011

1 Summary of significant accounting policies (continued)

Changes in accounting policy and disclosures (continued)

a. New and amended standards adopted by the Company (continued)

- ii IFRS 7 (amendment), 'Financial instruments', effective 1 January 2011. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.

The Company already had systems in place to capture this information and disclosed this information in both the current and the prior year financial statements.

b. New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted.

- i. IFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial instruments', recognition and measurement', IFRS 9 introduces new requirements for classifying and measuring financial assets and is not likely to materially affect the Company's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. However, the standard has not yet been endorsed by the EU.
- ii. IFRS 13, 'Fair value measurement', issued in May 2011. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other accounting standards within IFRSs or US GAAP. The standard is not applicable until 1 January 2013 but is available for early adoption. The company is yet to assess the full impact of IFRS 13.

Segment reporting

The operating segment is reported in a manner consistent with the internal reporting provided to the Titan Group. The Group is responsible for allocating resources and assessing the performance of the operating segment.

Functional and presentation currency

The Company's functional and presentational currency is the Euro. All financial information presented in Euros has been rounded to the nearest thousand.

Foreign currency

Foreign currency transactions are translated into Euros using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

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.

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2011

1 Summary of significant accounting policies (continued)

Financial assets

The Company classifies its financial assets in the following categories at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. At 31 December 2010 and 31 December 2011 the Company had only assets classified as loans and receivables held on its statement of financial position.

a. Loans and receivables

Loans and receivables are non-derivative financial assets (intra-group facilities and loans) with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'loans and other receivables' and 'cash and cash equivalents' in the statement of financial position.

i. Loans and other receivables

Loan and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loan receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within administrative expenses. When a trade receivable is un-collectable it is written off against the allowance account for loan receivables.

Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of comprehensive income.

ii. Cash and cash equivalents

Cash and cash equivalents comprise deposits (including time deposits) with banks and bank and cash balances.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2011

1 Summary of significant accounting policies (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less, if not they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Current and deferred income taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the United Kingdom. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period in the United Kingdom and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2011

1 Summary of significant accounting policies (continued)

Financial guarantee contracts

Financial guarantee contracts are initially recognised at fair value, under IAS 39, 'Financial Instruments: Recognition and measurement'. Subsequently the contract is valued in accordance with IAS 37, 'Provisions, contingent liabilities and contingent assets'.

Financial guarantee contracts are recognised in accordance with IAS 37 when the company has a present obligation 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. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of time value of money is material, provisions are discounted using a 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 recognised as a finance cost.

Interest recognition

Interest income and costs are recognised using the effective interest method. When loans or borrowings are impaired, the company reduces the carrying amount to its recoverable amount, being the estimate future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income or costs. Interest income and costs on impaired loans or borrowings are recognised using the original effective interest rate.

2 Financial risk management

The Company's operations expose it to a variety of financial risks that can be summarised under market risk (including credit risk, liquidity risk, interest rate risk and foreign exchange risk). The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company. The policies set by the board are implemented by the Company's management.

a. Market risk

The principal activity of the Company is to act as an intermediate finance company for the Group's operations by raising and providing funding to other Titan Group companies. Therefore credit risk, liquidity risk, interest rate risk and foreign exchange risk are inherent market risks.

i. Credit risk

Given that the Company is the Group's funding vehicle and its purpose is to raise external bank and non-bank financing and lend to Group companies to cover their borrowing needs, it is not exposed to major credit risk other than the potential inability of its intra-group counterparties to meet their obligations. All third party obligations are guaranteed by Titan Cement Company S.A. the immediate and ultimate parent. The cash balances are deposited with highly rated financial institutions in line with Group Treasury policies, as approved by the Board of Directors.

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2011

2 Financial risk management (continued)

ii. Liquidity risk

The Company retains sufficient cash and committed loans and facilities to ensure it has sufficient available funds to cover its operating needs. On 5 January 2011 the Company successfully launched a €585,000,000 forward-start Revolving Credit Facility that replaced its existing €800,000,000 Revolving Credit Facility, until 2015, effective 30 September 2011. As a consequence, the Company has sufficient access of up to four year's funds to operate and provide funding to other Group companies within those facilities. The Company matches the duration of assets and liabilities in order to avoid liquidity risk.

The company has entered into an indemnity deed alongside its parent company in support of a credit agreement held by another group entity. This instrument is considered a financial guarantee contract as defined by IAS39. The maximum potential out flow the directors feel the company is exposed to is €9,984,000. The directors consider it very improbable that the company will suffer any cash out flow as a result of this instrument and therefore it has not been recognised.

The table below analyses the Company's non-derivative financial liabilities (including unrecognised financial guarantee contracts) into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date:

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 year	Between 2 and 5 years	Over 5 years	Total
As at 31 December 2011	€'000	€'000	€'000	€'000	€'000	€'000
Borrowings	-	-	194,838	473,926	-	668,764
Loans and other payables	-	2,270	400,597	19,493	-	422,360
Accrued interest payable	-	39	58,137	53,181	-	111,357
Financial guarantee contracts	-	-	-	9,984	-	9,984
As at 31 December 2010						
Borrowings	-	-	326,456	197,070	-	523,526
Loans and other payables	1,000	2,960	-	335,177	-	339,137
Accrued interest payable	3	47	8,567	63,432	-	72,049
Financial guarantee contracts	-	-	-	-	-	-

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2011

2 Financial risk management (continued)

iii. *Interest rate*

The Company has floating and fixed interest bearing assets and liabilities, as it makes draw-downs, when deemed necessary, from the forward-start Revolving Credit Facility, and under the drawing of the July 2013 Eurobond and on-lends roughly the same amounts at the same or similar base interest rate plus a margin to cover borrowing needs of the parent or other Group subsidiaries. To that extent, the Company's exposure to floating interest rate risk is naturally mitigated and therefore very limited. The Company also on-lends the fixed interest bearing liabilities, at a fixed interest rate plus a margin, which covers the Company's exposure to interest rate risk.

However, interest-bearing assets, such as cash balances earning interest at a floating rate, create interest rate exposure, which nevertheless is very limited as the Company maintains low levels of excess cash and any rare increased cash balances are minimised to the extent possible. The Company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied. The directors will revisit the appropriateness of this policy should the Company's operating activities change in size or nature.

At 31 December 2011, if interest rates on loan receivables, payables and bank borrowings had been 0.1% higher or lower with all other variables held constant, pre-tax profit for the year would have been €48,000 (2010: €9,000) higher or lower, mainly as a result of higher or lower net interest income on floating rate instruments.

iv. *Foreign exchange risk*

Funding is denominated in the same currency as the currency of funding provided to Titan Group's subsidiaries. As a consequence the exposure to exchange rate risk is significantly offset.

In the normal course of business, the Company uses swaps to reduce its exposure to exchange rate risk. Swaps are included on the balance sheet at market value or fair value. Swaps are either liquidated with the same counterparty or held to the settlement date.

At 31 December 2011, the Company had no open derivative financial instruments and consequently, the fair values of derivative financial instruments were €nil (2010: €nil).

At 31 December 2011, if the Euro had strengthened/weakened by 1% against the US Dollar with all other variables held constant, pre tax profit for the year would have been €45,000 (2010: €20,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US Dollar-denominated loan receivables, payables, bank borrowings and operating expenses. Profit is more sensitive to movement in US Dollar exchange rates in 2011 than 2010 because USD denominated receivables and loans have on average increased during 2011 against 2010.

At 31 December 2011, if the Euro had strengthened/weakened by 1% against the Pound Sterling with all other variables held constant, pre tax profit for the year would have been €11,000 (2010: €1,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Pounds Sterling denominated loan receivables, payables and operating expenses.

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Notes to the financial statements for the year ended 31 December 2011

2 Financial risk management (continued)

b. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to the parent undertaking, benefits for other stakeholders and to maintain an optimal capital structure whilst reducing the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

3 Segment information

The Company has only one operating segment as described in the directors' report.

4 Financial instruments by category

	2011	2010
	€'000	€'000
Assets as per statement of financial position		
Loans and receivables		
Loans and other receivables accrued income	1,078,795	868,654
Cash and cash equivalents	18,880	642
Total	1,097,675	869,296
Liabilities as per statement of financial position		
Other financial liabilities at amortised cost		
Borrowings	668,764	523,526
Loans and other payables excluding statutory liabilities	421,590	338,677
Total	1,090,354	862,203

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Notes to the financial statements for the year ended 31 December 2011

5 Loans and other receivables

	2011 €'000	2010 €'000
Amounts falling due after more than one year:		
Receivables from related parties	923,075	868,509
<hr/>		
	2011 €'000	2010 €'000
Amounts falling due within one year:		
Receivables from related parties	155,720	145
Accrued income	11,870	6,439
	167,590	6,584

Receivables from related parties represent intergroup facilities and loans.

Amounts are drawn down from each facility for periods between 30 and 180 days, however each tranche is considered as part of one of the long-term revolving credit facilities which are repayable either partially or in full at the option of the Company or it may be renewed for another period. Accordingly, the amounts drawn down have been classified as payable between one and three years in accordance with the term of the facility. Amounts drawn down under floating rate facility/loan agreements are subject to interest rates which are 2.80% to 4.00% above the applicable 30, 60, 90 or 180 days LIBOR or EURIBOR rate. All amounts are guaranteed by Titan Cement Company S.A., the Company's parent company.

Credit risk with respect to loan receivables is limited due to the Company's customer base being related parties for whom there is no recent history of default. Due to this, management believe there is no credit risk provision required for doubtful receivables in both this and the prior year.

As of 31 December 2011, loans and other receivables of €nil (2010: €nil) were past due and not impaired.

The note above analyses the Company's financial assets into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Loan receivables are denominated in the following currencies:

	2011 €'000	2010 €'000
Euros	884,494	732,840
US Dollars	204,565	142,104
Pounds sterling	1,606	149
	1,090,665	875,093

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Notes to the financial statements for the year ended 31 December 2011

6 Cash and cash equivalents

	As at 1 January 2011 €'000	Cashflows €'000	As at 31 December 2011 €'000
Cash at bank and on hand	642	18,238	18,880

7 Ordinary shares

	2011 €'000	2010 €'000
Issued and fully paid		
2,500,000 ordinary shares of £1 each	3,287	3,287

8 Retained earnings

	€'000
At 1 January 2010	2,833
Total comprehensive income for the year	211
At 31 December 2010	3,044
At 1 January 2011	3,044
Total comprehensive income for the year	1,519
At 31 December 2011	4,563

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Notes to the financial statements for the year ended 31 December 2011

9 Loans and other payables

	2011 €'000	2010 €'000
Amounts owed after more than one year:		
Payables to related parties	397,090	335,177
Amounts owed within one year:		
Trade payables	-	13
Payables to related parties	24,500	3,500
Accrued expenses	10,916	7,206
	35,416	10,719

Amounts payable to related parties represent intra-Group facilities and loans.

Amounts are drawn down from each facility for periods between 30 and 180 days, however each tranche is considered as part of one of the long-term revolving credit facilities and is repayable either partially or in full at the option of the related party or it may be renewed for another period.

Accordingly, the amounts drawn down have been classified as payable between one and three years in accordance with the terms of the facility. Amounts drawn down under floating rate loan/facility agreements are subject to interest rates which are 2.70% to 3.00% above the applicable 30, 60, 90 or 180 days LIBOR or EURIBOR rate.

The note above analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances and the impact of discounting is not significant.

Loans and other payables are denominated in the following currencies:

	2011 €'000	2010 €'000
Euros	424,636	340,721
US Dollars	7,775	5,081
Pounds sterling	95	94
	432,506	345,896

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Notes to the financial statements for the year ended 31 December 2011

10 Borrowings

	2011	2010
	€'000	€'000
Amounts owed after more than one year:		
Bank borrowings	470,340	326,456
Listed guarantee notes (including prepayments)	198,424	197,070
	668,764	523,526

Bank borrowings

On 5 January 2011, the Company launched a €585,000,000 forward-start Revolving Credit Facility that replaced its existing €800,000,000 Revolving Credit Facility with Banc of America Securities Limited as agent, effective 30 September 2011. Bank borrowings represent amounts drawn down on the €585,000,000 multi-currency forward-start Revolving Credit Facility with Banc of America Securities Limited, HSBC Bank plc and BNP Paribas as arrangers and Banc of America Securities Limited as agent. The forward-start Revolving Credit Facility is committed for a fixed period and expires on 5 January 2015. These borrowings are guaranteed by Titan Cement Company S.A., the Company's parent.

Amounts are drawn down for periods between 30 and 180 days, however, each tranche is considered a part of the long-term revolving credit facility and is repayable either partially or in full at the option of the Company or it may be renewed for another period. Accordingly, the amounts drawn down have been classified as payable within four years.

Amounts drawn down from floating rate loan/facility agreements are subject to interest rates which are 3.00% above the applicable 30, 60, 90 or 180 days LIBOR or EURIBOR rate. The 3.00% margin is based on a credit ratings grid (by Standard and Poor's). The agreement contains a financial covenant on the Titan Group's consolidated net debt to consolidated EBITDA ratio. The Titan Group was in compliance with its covenants as at 31 December 2011.

The amount of un-drawn bank facilities at 31 December 2011 was €111,074,000 (2010: €573,543,000).

The note above analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the year end to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Bank borrowings are denominated in the following currencies:

	2011	2010
	€'000	€'000
Euros	278,015	191,050
US Dollars	192,325	135,406
	470,340	326,456

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Notes to the financial statements

for the year ended 31 December 2011

10 Borrowings (continued)

Listed guaranteed notes

On 30 July 2009 the Company issued €200,000,000 6.9% fixed rate guaranteed notes. The notes are guaranteed by Titan Cement Company S.A., the Company's parent, and are quoted on the Luxembourg stock exchange. The notes are redeemable at par on 30 July 2013 and interest is payable semi-annually.

The notes are recognised in the statement of financial position at amortised cost. The fair value of bank borrowings and listed guarantee notes is equal to their carrying amount.

11 Expenses by nature

	Note	2011 €'000	2010 €'000
Employee benefit expenses	13	39	59
Foreign exchange		(213)	(156)
Other expenses		280	241
Total administrative expenses		106	144

12 Auditor remuneration

The Company obtained the following service from the Company's auditor.

	2011 €'000	2010 €'000
Fees payable to company's auditor for the audit of company financial statements	37	44

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Notes to the financial statements for the year ended 31 December 2011

13 Employees and directors

During the current and previous financial year there were no employees other than directors.

	2011 €'000	2010 €'000
Directors		
Aggregate emoluments	39	59

The figures given above represent key management compensation (directors only). A number of directors are remunerated by other Group undertakings with no recharge to the company. The amount of remuneration paid to these directors in respect of their services to the company was €38,000 (2010: €38,000). Administration work is outsourced to a Titan Global Finance affiliate.

14 Finance income - net

	2011 €'000	2010 €'000
Finance income:		
Interest income on loans to related parties	41,760	28,385
Loan arrangement, commitment and utilisation fees	7,384	1,974
Interest income on cash and cash equivalents	615	4
Finance income	49,759	30,363
Finance costs:		
Interest payable on loans from related parties and borrowings	(41,436)	(26,208)
Loan arrangement, commitment and utilisation fees	(6,163)	(3,726)
Finance costs	(47,599)	(29,934)
Finance income - net	2,160	429

15 Income tax expense

	2011 €'000	2010 €'000
Current tax:		
UK corporation tax on profit for the period	544	80
Adjustment in respect of prior periods	(9)	(6)
Income tax expense	535	74

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Notes to the financial statements for the year ended 31 December 2011

15 Income tax expense (continued)

The tax on the company's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entity as follows:

	2011 €'000	2010 €'000
Profit before taxation	2,054	285
Profit before income tax multiplied by the weighted average rate of corporation tax in the UK of 26.5% (2010: 28%)	544	80
Tax effects of:		
Adjustments to income tax charge in respect of prior years	(9)	(6)
Income tax expense	535	74

Factors affecting current and future tax charges

During the year, as a result of the change in the UK main corporation tax rate from 26% to 25% that was substantively enacted on 5 July 2011 and that will be effective from 1 April 2012.

Further reductions to the UK corporation tax rate were announced in the March 2011 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 23% by 1 April 2014. The changes have not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

16 Cash used in operations

	Note	2011 €'000	2010 €'000
Profit before income tax		2,054	285
Adjustments for:			
Interest income	14	(49,759)	(30,363)
Interest expense	14	47,599	29,934
Changes in working capital:			
Loans and other receivables		81	(732)
Borrowings, loans and other payables		472	(342)
Cash used in operations		447	(1,218)

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2011

17 Related party transactions

The following transactions were carried out with related parties:

a. Purchase of services from related parties

	2011	2010
	€'000	€'000
Other related parties	39	59

Legal services totalling €39,000 (2010: €59,000) at normal market rates were incurred from Rollits Solicitors. A partner, CR Field, is also a director of this Company.

b. Key management compensation

Key management includes statutory directors only. The compensation paid or payable to key management for employee services is shown below:

	2011	2010
	€'000	€'000
Salaries and other term employee benefits	39	59

c. Loans receivable and payable to/from related parties

Year end balances arising from financing activities are as follows:

	2011	2010
	€'000	€'000
Receivables from related parties		
Parent undertaking	620,360	627,876
Fellow group undertakings	458,435	240,778
Payables to related parties		
Fellow group undertakings	421,590	338,677

Interest arising from financing activities were as follows:

	2011	2010
	€'000	€'000
Receivable from related parties		
Parent undertaking	27,688	18,903
Fellow group undertakings	14,072	9,482
Paid to related parties		
Fellow group undertakings	13,766	5,608

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Notes to the financial statements for the year ended 31 December 2011

17 Related party transactions (continued)

Arrangement fees, commitment fees and utilisation fees arising from financing activities were as follows:

	2011	2010
	€'000	€'000
Receivable from related parties		
Ultimate parent undertaking	4,717	1,046
Fellow group undertakings	2,652	928
Paid to related parties		
Fellow group undertakings	361	122

18 Parent undertakings and controlling party

The Company's immediate and ultimate parent undertaking and controlling party is Titan Cement Company S.A., a company incorporated in Greece.

The largest and smallest group in which the results of the Company are consolidated is that headed by Titan Cement Company S.A. The consolidated financial statements of this group may be obtained from Titan Cement Company S.A., 22A Halkidos Street, Athens, 111-43 Greece.