CONSOLIDATED FINANCIAL STATEMENTS (INTERNATIONAL FINANCIAL REPORTING STANDARDS BASIS)

Titan America LLC and Subsidiaries
Year Ended December 31, 2011 and 2010

Ernst & Young LLP

ERNST & YOUNG

Titan America LLC and Subsidiaries

Consolidated Financial Statements
(International Financial Reporting Standards Basis)

Years Ended December 31, 2011 and 2010

Contents

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Report of Independent Auditors

To the Member of Titan America LLC

We have audited the accompanying consolidated statements of financial position of Titan America LLC as of December 31, 2011 and 2010, and the related consolidated statements of operations, comprehensive loss, changes in member's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Titan America LLC at December 31, 2011 and 2010, and the consolidated results of its operations, comprehensive loss, changes in member's equity and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for retirement benefit obligations as a result of the early adoption of the provisions of IAS 19(R): *Employee Benefits*.

Ernst & Young LLP

April 25, 2012

Titan America LLC and Subsidiaries

Consolidated Statements of Financial Position

		December 31	
		2011	**2010**
			As adjusted*
Noncurrent assets:			
Property, plant, equipment and mineral deposits, net	Note 7	**$ 798,092,088**	$ 880,443,296
Goodwill, net	Note 8	**221,866,942**	221,866,942
Identifiable intangible assets, net	Note 9	**39,323,579**	53,028,621
Deferred stripping, net	Note 10	**7,059,185**	7,102,509
Other assets	Note 12	**7,355,002**	6,473,572
Total noncurrent assets		**1,073,696,796**	1,168,914,940
Current assets:			
Inventories	Note 4	**86,749,817**	95,880,450
Trade receivables, net	Notes 2, 3	**53,589,274**	49,199,211
Prepaid expenses and other current assets	Note 6	**18,662,879**	17,658,043
Other receivables, net	Notes 2, 5	**3,638,716**	1,815,696
Related party receivables	Notes 2, 20	**807,522**	639,957
Income taxes receivable		**101,202**	57,038
Cash and cash equivalents	Note 2	**25,513,610**	13,610
Total current assets		**189,063,020**	165,264,005
Total assets		**$ 1,262,759,816**	$ 1,334,178,945

See accompanying notes.

* Certain amounts shown here do not correspond to the 2010 financial statements and reflect adjustments made as detailed in Note 1.

Titan America LLC and Subsidiaries

Consolidated Statements of Financial Position (continued)

		December 31 2011	2010 As adjusted*
Member's equity:			
Capital contributions		**$ 647,919,733**	$ 647,267,432
Retained earnings, before current period net loss		**119,278,823**	189,603,390
Current period net loss		**(108,073,157)**	(70,324,567)
Other comprehensive loss		**(1,528,943)**	(1,367,552)
Total member's equity		**657,596,456**	765,178,703
Noncurrent liabilities:			
Long-term debt, including obligations under capital leases, less current obligations	Notes 2, 15, 16	**422,114,028**	352,795,663
Deferred and other noncurrent income tax liabilities, net	Note 11	**62,472,213**	81,785,500
Retirement benefit obligations	Note 19	**12,819,184**	10,852,213
Derivative financial instrument	Note 17	**15,530,050**	12,711,800
Provisions, less current portion	Note 14	**6,267,691**	7,665,723
Deferred income, less current portion	Note 20	**2,620,336**	2,553,752
Total noncurrent liabilities		**521,823,502**	468,364,651
Current liabilities:			
Accounts payable	Note 2	**47,681,631**	37,922,973
Short-term borrowings	Notes 2, 15, 16	**1,523,936**	35,000,000
Accrued expenses	Note 13	**21,856,668**	17,734,071
Book overdraft		**6,351,141**	6,324,546
Current portion of deferred income		**1,614,287**	2,178,077
Current portion of long-term debt, including obligations under capital leases	Notes 2, 15, 16	**1,046,111**	1,116,248
Accounts payable, related parties	Notes 2, 20	**2,860,159**	215,745
Current portion of provisions	Note 14	**405,925**	143,931
Total current liabilities		**83,339,858**	100,635,591
Total liabilities		**605,163,360**	569,000,242
Total liabilities and member's equity		**$ 1,262,759,816**	$ 1,334,178,945

See accompanying notes.

* Certain amounts shown here do not correspond to the 2010 financial statements and reflect adjustments made as detailed in Note 1.

Titan America LLC and Subsidiaries

Consolidated Statements of Operations

		Year Ended December 31	
		2011	**2010**
			As adjusted*
Continuing operations:			
Net sales	Note 24	**$ 397,297,269**	$ 391,279,072
Freight revenues		**22,031,452**	17,478,454
Total sales		**419,328,721**	408,757,526
Cost of goods sold, excluding freight and distribution expenses	Note 25	**392,071,961**	385,588,194
Freight expense		**22,031,452**	17,478,454
Distribution expense	Note 26	**25,461,869**	22,309,974
Cost of goods sold		**439,565,282**	425,376,622
Gross loss		**(20,236,561)**	(16,619,096)
Selling expense	Note 27	**14,189,700**	14,065,880
General and administrative expense	Note 28	**49,819,540**	46,271,545
Other operating income	Note 29	**(566,526)**	(2,980,246)
Operating loss		**(83,679,275)**	(73,976,275)
Finance income	Note 31	**175,315**	152,733
Finance cost	Note 30	**(23,113,898)**	(20,873,924)
Foreign exchange gain/(loss)		**(8,718)**	58,716
Loss on early extinguishment of debt	Note 15	**(289,968)**	(10,294,761)
Impairment of property, plant, and equipment	Note 7	**(19,146,624)**	-
Loss before income taxes from continuing operations		**(126,063,168)**	(104,933,511)
Federal income tax benefit	Note 11	**(15,711,630)**	(34,477,248)
State income tax benefit	Note 11	**(2,644,986)**	(1,868,623)
Net loss from continuing operations		**(107,706,552)**	(68,587,640)
Discontinued operations:			
Loss from discontinued operations, net of tax	Note 23	**(366,605)**	(1,736,927)
Net loss		**$ (108,073,157)**	$ (70,324,567)

See accompanying notes

* Certain amounts shown here do not correspond to the 2010 financial statements and reflect adjustments made as detailed in Note 1.

Titan America LLC and Subsidiaries

Consolidated Statements of Comprehensive Loss

		Year Ended December 31	
		2011	**2010**
			As adjusted*
Net loss		**$ (108,073,157)**	$ (70,324,567)
Other comprehensive loss:			
Net movement on cash flow hedge	Note 17	**2,200,705**	(1,002,019)
Income tax effect		**(858,276)**	390,786
Net gain/(loss) on cash flow hedge		**1,342,429**	(611,233)
Actuarial losses on defined benefit plans	Note 19	**(2,465,280)**	(2,003)
Income tax effect		**961,460**	781
Net losses on defined benefit plans		**(1,503,820)**	(1,222)
Other comprehensive loss, net of tax		**(161,391)**	(612,455)
Total comprehensive loss, net of tax		**$ (108,234,548)**	$ (70,937,022)

See accompanying notes.

* Certain amounts shown here do not correspond to the 2010 financial statements and reflect adjustments made as detailed in Note 1.

Titan America LLC and Subsidiaries

Consolidated Statements of Changes in Member's Equity

		Capital Contributions	Retained Earnings	Other Comprehensive Income/(Loss)	Total Member's Equity
January 1, 2010 (as previously reported)		$ 646,654,781	$ 189,692,164	$ (804,945)	$ 835,542,000
Changes in accounting policies	Note 1		(88,773)	49,848	(38,925)
January 1, 2010 (as adjusted)*		$ 646,654,781	$ 189,603,391	$ (755,097)	$ 835,503,075
Net loss		-	(70,324,568)	-	(70,324,568)
Actuarial losses on defined benefit plans	Note 19	-	-	(1,222)	(1,222)
Cash flow hedge	Note 17	-	-	(611,233)	(611,233)
Stock compensation	Note 20	672,020	-	-	672,020
Stock compensation excess tax benefit		(59,369)			(59,369)
December 31, 2010 (as adjusted)*		$ 647,267,432	$ 119,278,823	$ (1,367,552)	$ 765,178,703
Net loss		**-**	**(108,073,157)**	**-**	**(108,073,157)**
Actuarial losses on defined benefit plans	Note 19	**-**	**-**	**(1,503,820)**	**(1,503,820)**
Cash flow hedge	Note 17	**-**	**-**	**1,342,429**	**1,342,429**
Stock compensation	Note 20	**752,574**	**-**	**-**	**752,574**
Stock compensation excess tax benefit		**(100,273)**			**(100,273)**
December 31, 2011		**$ 647,919,733**	**$ 11,205,666**	**$ (1,528,943)**	**$ 657,596,456**

See accompanying notes.

***** Certain amounts shown here do not correspond to the 2010 financial statements and reflect adjustments made as detailed in Note 1.

Titan America LLC and Subsidiaries

Consolidated Statements of Cash Flows

		Year Ended December 31	
		2011	**2010**
			As adjusted*
Cash flows from operating activities			
Loss before income taxes from continuing operations		**$ (126,063,168)**	$ (104,933,511)
Loss before income taxes from discontinued operations	Note 23	**(600,991)**	(2,847,422)
Loss before income taxes		**(126,664,159)**	(107,780,933)
Adjustments for:			
Depreciation, depletion and amortization	Notes 7,9,10	**77,236,979**	80,758,611
Impairment of property, plant, and equipment	Note 7	**19,146,624**	-
Deferred income	Note 20	**(497,206)**	1,482,261
Gain on disposal of assets, net	Note 7	**(7,701,137)**	(1,120,184)
Finance cost	Note 30	**23,113,898**	20,873,924
Finance income	Note 31	**(175,315)**	(152,733)
Foreign exchange (gain)/loss		**8,718**	(58,716)
Stock compensation expense	Note 20	**752,574**	672,020
Loss on extinguishment of debt	Note 15	**289,968**	10,294,761
Bad debt expense	Note 3	**2,064,078**	4,223,666
Change in net operating assets		**15,032,730**	4,650,069
Cash generated from operations before interest and income taxes		**2,607,752**	13,842,746
Income taxes (paid)/refunded		**(763,538)**	17,094,534
Net cash provided by operating activities		**1,844,214**	30,937,280
Cash flows from investing activities			
Purchases of property, plant and equipment	Note 7	**(9,331,654)**	(8,718,157)
Expenditures on deferred stripping	Note 10	**(890,928)**	(796,149)
Interest received		**178,484**	186,143
Proceeds from the sale of business, net of disposition costs	Note 23	**-**	43,081,860
Proceeds from the sale of assets, net of disposition costs	Note 7	**15,131,843**	2,657,531
Net cash provided by investing activities		**5,087,745**	36,411,228

See accompanying notes.

* Certain amounts shown here do not correspond to the 2010 financial statements and reflect adjustments made as detailed in Note 1.

Titan America LLC and Subsidiaries

Consolidated Statements of Cash Flows (continued)

		Year Ended December 31 2011	2010 As adjusted*
Cash flows from financing activities			
Borrowings from affiliated party	Note 20	**75,000,000**	44,000,000
Offering costs associated with borrowings	Note 15, 20	**(1,906,500)**	-
Increase/(decrease) in book overdraft		**26,595**	(4,294,860)
Principal payments on capital lease obligations	Note 16	**(1,030,235)**	(941,539)
Payments related to early retirement of debt	Note 15	**-**	(9,898,325)
Net payments under lines of credit	Note 15, 20	**(33,476,064)**	(10,359,551)
Interest paid		**(19,962,839)**	(18,903,850)
Principal payments on debt		**(82,916)**	(66,952,203)
Net cash used in financing activities		**18,568,041**	(67,350,328)
Net increase/(decrease) in cash and cash equivalents		**25,500,000**	(1,820)
Cash and cash equivalents at:			
Beginning of period		**13,610**	15,430
End of period		**$ 25,513,610**	$ 13,610
Changes in net operating assets			
Inventories		**$ 9,130,633**	$ 12,436,073
Trade receivables, net		**(6,454,141)**	1,205,232
Other receivables, net		**(98,020)**	2,552,140
Prepaid expenses and other current assets		**(1,004,836)**	2,414,138
Other assets		**(884,598)**	(1,007,331)
Accounts payable		**10,541,509**	(7,848,841)
Accrued expenses		**3,446,359**	(594,065)
Provisions - current		**261,993**	(3,413,137)
Provisions - non-current		**(1,615,194)**	569,656
Retirement benefit obligations		**(767,824)**	(229,727)
Operating related party activity		**2,476,849**	(1,434,069)
Change in net operating assets		**$ 15,032,730**	$ 4,650,069

Non-cash transactions: The principal non-cash investing and financing transactions are accrued purchases of property, plant, and equipment, capitalized interest, derivative movements, and write off of unamortized borrowing costs on early extinguishment of debt (see Notes 7, 15, and 17).

See accompanying notes.

* Certain amounts shown here do not correspond to the 2010 financial statements and reflect adjustments made as detailed in Note 1.

1. Organization, Nature of Business and Summary of Significant Accounting Policies

The consolidated financial statements for the years ended December 31, 2011 and 2010 were authorized for issue by the management of Titan America LLC on April 25, 2012.

Basis of Presentation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board ("IASB"), including International Accounting Standards and Interpretations issued by the International Financial Reporting Interpretations Committee of the IASB, collectively "IFRS."

Organization and Nature of Business

Titan America LLC (the "Company"), a Delaware limited liability company, is wholly-owned by Titan Atlantic Cement Industrial and Commercial S.A. ("Titan Atlantic"), which is wholly-owned by Titan Cement Company S.A. ("Titan Cement"), both of which are Greek corporations. The Company primarily operates in the manufacture, distribution, and sale of cement, cement substitutes (including processed fly ash), construction aggregates, ready-mixed concrete, and concrete blocks to resellers and construction contractors in the Eastern region of the United States. The Company's principal offices are located in Norfolk, Virginia.

The Company's significant operating subsidiaries include Roanoke Cement Company LLC ("RCC"), Titan Virginia Ready-Mix LLC, Mechanicsville Concrete LLC ("Mechanicsville Concrete"), S&W Ready Mix Concrete Company LLC ("S&W"), Tarmac America LLC ("Tarmac"), Separation Technologies LLC ("ST") and Essex Cement Company LLC ("Essex").

Related Party Activity

Related party activity is primarily comprised of an affiliated party loan, affiliated party borrowing facility, and cement purchases from Titan Cement and its operating subsidiaries. The affiliated party borrowing facility with Titan Global Finance, PLC ("TGF"), was established in August 2007. The affiliated party borrowing facility bears interest at variable rates and is further described in Note 15. In addition to the borrowing facility, the Company borrowed Euro 100,000,000 from TGF in 2009 at a fixed rate of 7.07% per annum (see Note 15).

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

In 2010 and 2011 the Company sold ash separators, spare parts, and technical and administrative support services to Separation Technologies Canada LTD ("STC") and Separation Technologies UK LTD ("STUK"), both wholly-owned indirect subsidiaries of Titan Cement (see Note 20).

A summary of the Company's significant accounting policies follows:

Limited Liability Company Operating Agreement, Personal Assets and Liabilities

In accordance with the operating agreement of the Company, the member, Titan Atlantic, is not liable for the debts, liabilities, contracts, or any other obligations of the Company solely by reason of being a member of the Company. In addition, the member is not required to lend any funds to the Company.

Principles of Consolidation

The consolidated financial statements include the accounts of Titan America LLC and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The principal estimates are related to provisions, retirement benefit obligations, goodwill, identifiable intangible assets, deferred and other noncurrent income taxes, and insurance accruals.

Provisions and retirement benefit obligations include estimates of discounted expected future cash outflows. The retirement benefit obligations include actuarial assumptions on medical costs increases and life expectancy, which could differ from actual experience.

In accordance with International Accounting Standard (IAS) No. 36, *Impairment of Assets*, the Company tests annually, as of December 31st, or upon occurrence if indicators of impairment are present, whether goodwill and identifiable intangible assets have suffered any impairment. The recoverable amounts of related cash generating units have been determined based on discounted cash flow calculations. These calculations require the use of estimates.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

The Company's calculation of deferred and other noncurrent income taxes includes transactions and estimates for which the ultimate tax determination is uncertain.

Insurance accruals include estimates of settlement for claims against the company based on loss development factors and estimates of incurred but not reported healthcare costs, which could differ from actual results.

Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Credit Risk

The Company has no significant concentrations of credit risk (see Note 22).

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in funding by keeping committed credit lines available, each of which is guaranteed by Titan Cement (see Note 15).

Borrowings Denominated in Foreign Currencies

The Company is exposed to foreign currency exchange rate risk associated with borrowings denominated in foreign currencies. The Company has entered into a foreign currency forward contract to manage its exposure to fluctuations in currency values (see Note 17).

Cash flow and Fair Value Interest Rate Risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are not directly impacted by changes in market interest rates. The Company's interest rate risk arises from short-term and long-term borrowings. 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. Borrowings denominated in foreign currencies expose the Company to foreign exchange risk. The Company's policy for long term borrowings will vary and is managed by Titan Cement's group treasury function.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

The following table demonstrates the sensitivity of the Company's loss before income tax from continuing operations (through the impact of the outstanding floating rate borrowings at the end of the period on profits) to reasonable changes in interest rates, with all other variables held constant:

Year Ended	Interest Rate Variation	Increase in Loss before income taxes from continuing operations	Interest Rate Variation	Decrease in Loss before income taxes from continuing operations
12/31/11	**1.0%**	**$ 2,958,739**	**(1.0)%**	**$ (2,958,739)**
12/31/10	1.0%	$ 2,543,500	(1.0)%	$ (2,543,500)

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. Cash equivalents consist of overnight repurchase agreements and a bank money market fund (investing primarily in obligations of U.S. banks, commercial paper, and other high quality, short-term obligations of U.S. companies and securities of the U.S. Government).

The Company excludes outstanding checks in excess of funds on deposit with a bank from the reported amounts of cash and cash equivalents. When applicable, this net liability is classified as a book overdraft in the accompanying consolidated balance sheets.

Borrowings

The Company recognizes borrowings initially at fair value, net of transaction costs. Transaction costs are amortized on an interest to maturity basis over the term of the borrowings. Amortization is included in finance cost in the accompanying consolidated statements of income.

Inventories

Inventories are stated at the lower of cost or market (estimated net realizable value). Cost is determined as follows:

- Finished goods and work in process – Purchase cost or average production cost for the most recent 12 month period.
- Spare parts and raw materials – Moving average or purchase cost method.
- Manufacturing supplies and other – Moving average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and direct selling expenses.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Trade Receivables

Trade receivables are recognized initially at fair value and subsequently at amortized cost, less a provision for impairment. An allowance for impairment of trade 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 related sale. The amount of the allowance is the difference between the carrying amount of the receivable and the estimated future cash flows. Changes to the allowance are recognized as cost of goods sold in the accompanying consolidated statements of operations.

Property, Plant, Equipment and Mineral Deposits

Property, plant, equipment, and mineral deposits are stated at historical cost, less accumulated depreciation and depletion.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Amortization expense on assets under capital leases is included with depreciation expense on Company owned assets. Mineral deposits are depleted using the units-of-production method on the basis of the relationship of quantities mined to total estimated recoverable quantities.

Expenditures incurred to replace or overhaul a component of an item of property, plant, and equipment are accounted for separately and, if the future economic benefits are probable and extend the useful life or increase capacity, the items are capitalized. Repair and maintenance expenditures are expensed as incurred.

The estimated useful lives (in years) for the major components of property, plant, and equipment are:

	Cement	Aggregates	Ready Mix	Block	Other
Land improvements	15-30	15	15	15	15
Building and improvements	25	25	25	25	25
Machinery and equipment	15-30	10-15	10-15	15-30	5-15
Mobile equipment	7-25	7-8	7	7	7
Marine equipment	20	20	n/a	n/a	n/a
Auto and truck	8	8	8	8	8
Furniture and fixtures	3-5	3-5	3-5	3-5	3-5

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. When assets are retired or sold, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the accompanying consolidated statements of operations.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Capitalized Interest

The Company has applied the provisions of IAS No. 23(R), *Borrowing Costs*, to capitalize interest costs for qualifying capital projects. The amount of capitalized interest is based on the Company's weighted average borrowing rate and the average outstanding capital spending for a project. The capitalized interest is recorded as part of the asset to which it relates and is depreciated over the estimated useful life of the asset.

Goodwill

Goodwill related to acquisitions before April 1, 2004 is stated at acquisition value less accumulated amortization and accumulated impairment losses, if any. In accordance with IFRS No. 3, "Business Combinations," the Company ceased amortization of existing goodwill on January 1, 2005. Goodwill related to acquisitions on or after April 1, 2004 is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to cash-generating units ("CGU"s) for the purpose of impairment testing. A CGU is an identified business unit of the Company. A business unit can include interdependent activities (e.g., cement, aggregates, and ready-mixed concrete), typically within a contiguous market territory. The impairment of goodwill assets associated with the CGU is tested at least annually through assessment of the amount recoverable from future projected operations.

Identifiable Intangible Assets

Identifiable intangible assets are stated at acquisition value less accumulated amortization and accumulated impairment losses, if any, and are amortized over their expected period of benefit on a straight line basis. The Company annually reviews the methods of amortization and estimated useful lives of its identifiable intangible assets. Amortization of identifiable intangible assets is included in cost of goods sold in the accompanying consolidated statements of operations. Acquired tradenames were recorded as indefinite-lived intangible assets, were measured at fair value at the date of acquisition, and are tested annually for impairment.

The estimated useful lives for the major components of identifiable intangible assets are:

	Years
Core Technology - Processed Fly Ash	10
Non-Compete Agreements	3-5
Customer Relationships	5-7
Trademarks	10
Tradenames	Indefinite

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Deferred Stripping

Costs associated with removing overburden from mineral deposits are deferred and amortized on the units-of-production method proportionate to the extraction of the related mineral deposits. Amortization of deferred stripping is included in costs of goods sold in the accompanying consolidated statements of operations.

Insurance

The Company maintains insurance to cover property, casualty, liability, and workers' compensation losses above certain retained limits. The Company provides accruals for estimates of the retained portion of probable settlement amounts, net of deposits held by insurance companies. This liability is included in accrued expenses in the accompanying consolidated statements of financial position.

Income Taxes

Titan America LLC is a nontaxable entity whose items of income, expense, gains, and losses are taxed to its member, Titan Atlantic. For financial reporting purposes, the Company reports is proportionate share of Titan Atlantic’s income tax expense and related income tax assets and liabilities as if the Company had filed separate Company income tax returns.

The Company accounts for income taxes using the liability method. Under the liability method, deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the financial statement reported amount of assets and liabilities and their tax bases. Deferred tax assets are recognized only when it is probable that they will be realized. Further, the Company recognizes a deferred tax asset arising from unused tax losses or tax credits only to the extent that the Company has sufficient future taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the Company. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws on the date of enactment.

The Company is subject to compliance reviews by the Internal Revenue Service (“IRS”) and other taxing authorities on various tax matters, including challenges to various positions the Company asserts. The Company believes it has adequately accrued for tax contingencies that have met both the probable and reasonably estimable criteria. These amounts are reflected in other noncurrent income tax liabilities in the accompanying consolidated statements of financial position.

Commitments, Contingencies, and Provisions

Liabilities for loss contingencies, including environmental remediation costs arising from claims, assessments, litigation, fines, and penalties, and other sources are recorded when it is probable

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change.

Provisions for environmental remediation costs are determined by forecasting future costs and discounting these costs using risk free rates for periods that approximate the expected timing of the obligation and are included in provisions in the accompanying consolidated statements of financial position.

Impairment of Long-Lived Assets

Property, plant, equipment, mineral deposits and other noncurrent assets, including goodwill, deferred stripping, and identifiable intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In addition, assets with indefinite lives, such as goodwill, are reviewed annually for impairment. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell or value in use. For purposes of assessing impairment, assets are grouped by business unit, which may include interdependent business activities (e.g., cement, aggregates, and ready-mixed concrete), typically within a contiguous market territory.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of operations on a straight-line basis over the period of the lease. Leases in which a significant portion of the risks and rewards of ownership are held by the Company are classified as capital leases.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Revenue Recognition

Revenue from product sales is recognized upon shipment to customers. Revenue for services is recognized when the service is provided. Provisions for discounts, returns, and other adjustments are provided for in the same period the related sales are recorded as a reduction of revenue. Deferred income represents payments received or receivables established prior to the delivery of products, services or rights.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Pension and Other Post-retirement Obligations

All of the Company's defined benefit pension plans and all but one of the Company's other postretirement benefit plans were previously frozen to new participants and credited service. One postretirement benefit plan exists for certain active and former employees of the Company. Under this plan, eligible retirees receive a benefit consisting primarily of assistance with medical insurance costs between the dates of early retirement and Medicare eligibility. The Company sponsors defined contribution retirement (currently suspended – see Note 19) and 401(k) savings plans which cover substantially all employees of the Company.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality U.S. corporate bonds that have terms to maturity approximating to the terms of the related pension liability. In 2011, the Company elected to early adopt the provisions of IAS 19R, *Employee Benefits* (see Early Adoption of Accounting Pronouncement below).

For defined contribution plans, the Company makes contributions in accordance with established plan provisions for both union and nonunion employees and has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are earned.

Early Adoption of Accounting Pronouncement- IAS 19R, *Employee Benefits*

During 2011, the Company elected to early adopt the provisions of IAS 19R, *Employee Benefits*. As a result of the early adoption, actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately as they occur within other comprehensive income. In addition, all past service costs are recognized in the consolidated statements of operations as they occur. Finally, under the new standard, the Company recognizes net interest cost (as a single item) within the consolidated statements of operations.

Previously, the Company recognized actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions immediately in the consolidated statement of operations. In addition, past service costs were amortized over the remaining estimated service lives of plan beneficiaries in the consolidated statement of operations. Finally, under the previously adopted provisions of IAS 19, *Employee Benefits*, interest cost on the defined benefit obligation was recognized as finance cost in the consolidated statement of operations while the expected return on plan assets was recognized as finance income based on the expected rate of return on investments over the entire life of the related benefit obligation.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Management believes the revised approach presents reliable information on the Company's financial position and better reflects its operating results by reducing the potential for significant period to period statement of operations volatility resulting from actuarial gains and losses.

Changes have been applied retrospectively in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, resulting in the adjustment of prior year financial information.

As a result of the accounting policy change, the following adjustments were made to the consolidated financial statements:

<u>As of January 1, 2010:</u>
Increase in retirement benefit obligations: $63,812
Decrease in deferred tax liability: $24,887
Decrease in retained earnings: $88,773
Decrease in accumulated other comprehensive loss: $49,848

<u>As of and for the year ended December 31, 2010:</u>
Increase in retirement benefit obligations: $38,320
Decrease in deferred tax liability: $14,945
Decrease in retained earnings: $72,001
Increase in accumulated other comprehensive income: $48,626
Decrease in cost of goods sold: $282,267
Decrease in finance cost: $524,524
Decrease in finance income: $779,295
Increase in deferred tax expense: $10,723
Increase in other comprehensive loss, net of tax: $1,222

Share-Based Payments

Titan Cement operates an equity-settled, share-based compensation plan. The Company recognizes the fair value of the employee service received in exchange for the grant of Titan Cement stock options as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, specified by the date of grant, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the statements of operations with a corresponding adjustment to equity.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements

The financial statements have been prepared with the same accounting policies of the prior financial year, except the following new standards and interpretations that had to be adopted as of January 1, 2011.

IFRIC 14, *Prepayments of a Minimum Funding Requirement (Amended)*

The amendment is effective for annual periods beginning on or after January 1, 2011. The purpose of this amendment was to permit entities to recognize as an asset some voluntary prepayments for minimum funding contributions. Earlier application is permitted and must be applied retrospectively. The adoption of this standard resulted in no impact on the financial position of the Company.

IFRS 3 Business Combinations, effective for annual periods beginning on or after July 1, 2010

The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation should be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value. The adoption of this standard resulted in no impact on the financial position of the Company.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2011. They have not been early adopted and the Company is currently assessing possible impacts in the financial statements from their adaptation.

IFRS 9, *Financial Instruments – Phase 1 financial assets, classification and measurement*

The new standard is effective for annual periods beginning on or after January 1, 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its consolidated financial position and results of operations.

2. Financial Instruments and Other Financial Assets and Liabilities

The following methods and assumptions were used to estimate the fair value of financial instruments:

Cash and Cash Equivalents, Trade Receivables, Related Party Receivables, Other Receivables, Accounts Payable, and Accounts Payable-Related Parties

At December 31, 2011 and 2010, the carrying amounts approximate fair value based on the short maturity of these instruments.

Long-term Debt

The fair values of the Company's long-term debt obligations (other than capital lease obligations) are based on discounted cash flows using a discount rate which management expects would be available to the Company at the statement of financial position date for instruments with comparable terms. The carrying amounts of short-term borrowings and capital lease obligations approximate their fair value.

Derivative financial instruments

The fair value of the Company's foreign exchange forward contract is determined by using level two measurements defined as inputs other than quoted prices that are observable for similar contracts in active markets.

3. Trade Receivables, Net

Trade receivables at December 31, 2011 and 2010, consist of the following:

	December 31	
	2011	**2010**
Trade receivables	**$ 62,395,033**	$ 56,998,907
Allowance for doubtful accounts	**(6,532,857)**	(5,912,696)
Allowance for service fees	**(1,004,085)**	(898,830)
Allowance for cash discounts and rebates	**(1,268,817)**	(988,170)
Total trade receivables, net	**$ 53,589,274**	$ 49,199,211

Trade receivables are non-interest bearing and normally settled within the terms of the contract. Bad debt expense is included in cost of goods sold in the accompanying consolidated statements of operations. For the years ended December 31, 2011 and 2010, the Company recognized $2,064,078 and $3,666,120 of bad debt expense from continuing operations, respectively.

4. Inventories

Inventories at December 31, 2011 and 2010, consist of the following:

	December 31	
	2011	**2010**
Work in process	**$ 25,564,303**	$ 30,041,631
Finished goods	**22,369,004**	22,839,150
Spare parts	**21,258,676**	21,872,950
Raw materials	**11,929,166**	16,141,357
Manufacturing supplies and other	**5,628,668**	4,985,362
Total inventories	**$ 86,749,817**	$ 95,880,450

5. Other Receivables, Net

Other receivables at December 31, 2011 and 2010, consist of the following:

	December 31	
	2011	**2010**
Witholding taxes on asset sale (see Note 7)	**$ 1,725,000**	$ -
Mineral tax refund	**516,534**	-
Deposits	**300,199**	360,323
Rebates and refunds due	**300,061**	365,071
Receivables, non-trade, net	**385,810**	609,142
Employee receivables	**175,861**	55,820
Other	**235,251**	425,340
Total other receivables, net	**$ 3,638,716**	$ 1,815,696

6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets at December 31, 2011 and 2010, consist of the following:

	December 31	
	2011	**2010**
Advance payment for inventory	**$ 14,000,000**	$ 14,000,000
Prepaid insurance	**1,795,048**	1,771,356
Prepaid overhead expenses (rent, software maintenance dues and subscriptions)	**1,335,765**	927,607
Prepaid licenses, permits and other taxes	**728,688**	742,907
Purchase deposit	**586,190**	-
Prepaid highway use tax	**138,209**	128,198
Other	**78,979**	87,975
Total prepaid expenses and other current assets	**$ 18,662,879**	$ 17,658,043

7. Property, Plant, Equipment, and Mineral Deposits, Net

Activity within property, plant, equipment, and mineral deposits for the year ended December 31, 2011 consists of the following:

	Balance at 1/1/11	Additions	Disposals	Other	Balance at 12/31/11
Historical Cost:					
Mineral reserves	$ 154,394,841	$ -	$ -	$ -	$ 154,394,841
Land	139,039,368	15,773	(7,476,844)	-	131,578,297
Land improvements	48,831,274	834,579	-	20,960	49,686,813
Building & improvements	107,570,969	68,370	-	(186,571)	107,452,768
Machinery & equipment	660,733,672	3,946,398	(388,358)	(1,145,002)	663,146,710
Mobile equipment	65,548,436	400,971	(539,534)	388,846	65,798,719
Marine equipment	8,835,120	-	-	717,437	9,552,557
Auto & truck	111,950,924	61,759	(4,092,386)	-	107,920,297
Furniture & fixtures	15,827,502	1,300,652	(21,935)	-	17,106,219
Construction and equipment installations in progress	55,717,569	1,570,302	(497,688)	(18,942,294) (1)	37,847,889
Total historical cost	$ 1,368,449,675	$ 8,198,804	$ (13,016,745)	$ (19,146,624)	$ 1,344,485,110
Accumulated depreciation:					
Mineral reserves	$ 27,942,734	$ 1,766,950	$ -	$ -	$ 29,709,684
Land improvements	17,975,029	3,013,224	-	196,959	21,185,212
Building & improvements	45,322,016	4,019,025	-	(207,241)	49,133,800
Machinery & equipment	270,888,955	33,498,599	(104,434)	(362,635)	303,920,485
Mobile equipment	41,473,205	5,193,197	(516,954)	133,103	46,282,551
Marine equipment	3,789,917	411,950	-	239,814	4,441,681
Auto & truck	69,359,166	13,077,115	(3,569,190)	-	78,867,091
Furniture & fixtures	11,255,357	1,617,624	(20,463)	-	12,852,518
Total accumulated depreciation	$ 488,006,379	$ 62,597,684	$ (4,211,041)	$ -	$ 546,393,022
Net book value:					
Mineral reserves	$ 126,452,107	$ (1,766,950)	$ -	$ -	$ 124,685,157
Land	139,039,368	15,773	(7,476,844)	-	131,578,297
Land improvements	30,856,245	(2,178,645)	-	(175,999)	28,501,601
Building & improvements	62,248,953	(3,950,655)	-	20,670	58,318,968
Machinery & equipment	389,844,717	(29,552,201)	(283,924)	(782,367)	359,226,225
Mobile equipment	24,075,231	(4,792,226)	(22,580)	255,743	19,516,168
Marine equipment	5,045,203	(411,950)	-	477,623	5,110,876
Auto & truck	42,591,758	(13,015,356)	(523,196)	-	29,053,206
Furniture & fixtures	4,572,145	(316,972)	(1,472)	-	4,253,701
Construction and equipment installations in progress	55,717,569	1,570,302	(497,688)	(18,942,294)	37,847,889
Other	-	-	-	-	-
Total net book value	$ 880,443,296	$ (54,398,880)	$ (8,805,704)	$ (19,146,624)	$ 798,092,088

(1) Includes $19,146,624 impairment charge as further described below.

7. Property, Plant, Equipment, and Mineral Deposits, Net (continued)

Activity within property, plant, equipment, and mineral deposits for the year ended December 31, 2010 consists of the following:

	Balance at 1/1/10	Additions	Disposals	Other		Balance at 12/31/10
Historical cost:						
Mineral reserves	$ 154,394,841	$ -	$ -	$ -		$ 154,394,841
Land	138,951,631	159,375	(71,638)	-		139,039,368
Land improvements	48,119,255	712,019	-	-		48,831,274
Building & improvements	107,551,096	19,873	-	-		107,570,969
Machinery & equipment	653,065,710	5,127,932	(104,345)	2,644,375	(1)	660,733,672
Mobile equipment	65,573,338	222,638	(247,540)	-		65,548,436
Marine equipment	8,835,120	-	-	-		8,835,120
Auto & truck	126,401,584	142,711	(14,593,371)	-		111,950,924
Furniture & fixtures	15,644,176	183,546	(220)	-		15,827,502
Construction and equipment installations in progress	50,965,815	5,046,314	(294,560)	-		55,717,569
Total historical cost	$ 1,369,502,566	$ 11,614,408	$ (15,311,674)	$ 2,644,375		$ 1,368,449,675
Accumulated depreciation:						
Mineral reserves	$ 26,192,510	$ 1,774,484	$ (24,260)	$ -		$ 27,942,734
Land improvements	14,821,406	3,153,623	-	-		17,975,029
Building & improvements	40,365,503	4,956,513	-	-		45,322,016
Machinery & equipment	236,630,499	34,284,119	(38,997)	13,334		270,888,955
Mobile equipment	36,011,011	5,551,821	(62,960)	(26,667)		41,473,205
Marine equipment	3,393,974	382,610	-	13,333		3,789,917
Auto & truck	68,563,891	14,424,582	(13,629,307)	-		69,359,166
Furniture & fixtures	9,585,560	1,670,017	(220)	-		11,255,357
Other	186,578	-	(186,578)	-		-
Total accumulated depreciation	$ 435,750,932	$ 66,197,769	$ (13,942,322)	$ -		$ 488,006,379
Net book value:						
Mineral reserves	$ 128,202,331	$ (1,774,484)	$ 24,260	$ -		$ 126,452,107
Land	138,951,631	159,375	(71,638)	-		139,039,368
Land improvements	33,297,849	(2,441,604)	-	-		30,856,245
Building & improvements	67,185,593	(4,936,640)	-	-		62,248,953
Machinery & equipment	416,435,211	(29,156,187)	(65,348)	2,631,041		389,844,717
Mobile equipment	29,562,327	(5,329,183)	(184,580)	26,667		24,075,231
Marine equipment	5,441,146	(382,610)	-	(13,333)		5,045,203
Auto & truck	57,837,693	(14,281,871)	(964,064)	-		42,591,758
Furniture & fixtures	6,058,616	(1,486,471)	-	-		4,572,145
Construction and equipment installations in progress	50,965,815	5,046,314	(294,560)	-		55,717,569
Other	(186,578)	-	186,578	-		-
Total net book value	$ 933,751,634	$ (54,583,361)	$ (1,369,352)	$ 2,644,375		$ 880,443,296

[(1)]Machinery and equipment spare parts reclassified from inventory.

7. Property, Plant, Equipment, and Mineral Deposits, Net (continued)

At December 31, 2011 and 2010, property, plant, and equipment under capital leases consisted of mobile equipment, autos, and trucks with a cost basis of $9,646,392 and accumulated depreciation of $3,126,732 and $2,700,554, respectively. For the years ended December 31, 2011 and 2010, depreciation of property, plant, and equipment under capital leases totaled $426,178 and $400,359, respectively.

The gross carrying amount of fully depreciated property, plant, and equipment as of December 31, 2011 and 2010 was $124,581,396 and $107,865,419, respectively.

At December 31, 2011 and 2010, the Company had accruals for capital projects totaling $1,139,180 and $2,272,032, respectively.

For the year ended December 31, 2010, the Company capitalized interest of $617,944, based on a weighted average borrowing rate that varies monthly. No interest was capitalized for the year ended December 31, 2011. The weighted average borrowing rate for the year ended December 31, 2010 was 3.69%.

Gain on Sale of Assets

In December 2011, the Company sold a parcel of surplus property adjacent to its Florida cement plant for $17,250,000. Net of transaction and other costs, the Company received $14,167,476 at closing with another $1,725,000 due following receipt of the Company’s exemption from IRS withholding required as a foreign land owner in the United States. The remaining proceeds receivable of $1,725,000 has been classified as other receivables in the accompanying consolidated statement of financial position. In addition, the Company has a contractual obligation with the buyer to remove certain materials stored on the parcel by December 2012. The expected cost associated with this obligation is $1,100,000 of which $750,000 was withheld from the closing proceeds. The remaining $350,000 has been recorded in accrued expenses in the accompanying consolidated statement of financial position. The book value of the parcel disposed was $7,394,540. Consequently, the Company recognized a gain on disposal of $8,147,936 in 2011. The gain recognized is included in cost of goods sold, excluding freight and distribution expense in the accompanying consolidated statements of operations.

In addition to the above, the Company completed other ordinary course asset retirements in 2011 which, in the aggregate, generated net proceeds of $964,367 and a recognized loss on sale of assets of $446,799. Substantially all of the loss recognized is included in cost of goods sold, excluding freight and distribution expense in the accompanying consolidated statements of operations.

In 2010, the Company completed ordinary course asset retirements which, in the aggregate, generated net proceeds of $2,657,531 and a recognized gain on sale of assets of $1,120,184. Substantially all of the gain recognized is included in cost of goods sold, excluding freight and distribution expense in the accompanying consolidated statement of comprehensive loss.

7. Property, Plant, Equipment, and Mineral Deposits, Net (continued)

Asset Impairment

In 2004, the Company entered in to an Aggregate Lease Agreement (the “Aggregate Lease”) with a third party (“Third Party”) for the purpose of investigating the feasibility of a construction aggregates grade quarry in Northwest Florida.

From 2005-2011, the company completed a review of the physical characteristics of the proposed mining site and undertook the necessary administrative procedures required to secure land-use, wetlands, and other permits from local, state and federal authorities. As of December 31, 2011, the Company lacks three permits that would be required to begin mining – the US Army Corps of Engineers (“USACOE”) Section 404 (Wetlands) permit; the Florida Department of Transportation (“FDOT”) Road construction permit; and the Levy County Excavation and Fill Permit.

While testing of the site ultimately determined the quality of the materials and yield to be less than originally projected, a plan for a smaller mining operation was developed and considered in 2011. That plan, however, required the following:

- a modification of the Aggregate Lease with the Third Party;
- a pay as you go approach to securing required mitigation property from the Third Party (vs. up-front purchase); and
- capital investment not significantly different from that required for a larger scale operation.

In light of the above, the Company approached the Third Party in 2011 with a proposal to participate in the risks and opportunities of bringing the mine on-line. These discussions failed and the Company delivered a termination notice pursuant to the Aggregate Lease to the Third Party in September 2011. Additional discussions followed and the parties ultimately agreed to amend the Aggregate Lease as follows (pertinent terms only) in January 2012:

(1) The Company will be granted a period of three years to sell or assign its interest in the Aggregate Lease to a non-affiliated third party acceptable to the Third Party;
(2) The Third Party will abate the minimum royalty requirements of the Aggregate Lease for 2012, 2013, and 2014, subject to reimbursement in the event the project is sold or joint ventured in accordance with the terms of the amendment;
(3) The Third Party will reimburse the Company’s costs of securing the USACOE Wetlands and other permits (estimated at $300,000), subject to reimbursement in the event the project is sold or joint ventured in accordance with the terms of the amendment;
(4) If by December 31st, 2014 the project is not sold or joint ventured, the Company will convey and assign all the permits and other rights to the Third Party at no additional cost.

The Company cannot predict the success of the marketing effort or sales value of the permits and engineering work completed to date. Using currently available information and under the existing Aggregate Lease, as amended, any joint venture opportunity will be subject to the market and execution risks identified above. In addition, the timing of any potential for positive cash flows is expected to be at least 5 years into the future

7. Property, Plant, Equipment, and Mineral Deposits, Net (continued)

but with significant capital requirements. For this reason, the Company has recognized an impairment charge in the amount of $19,146,624, representing the accumulated project costs incurred to date.

8. Goodwill, Net

Goodwill at December 31, 2011 and 2010 primarily results from the following acquisitions:

Acquisition	Activity	Geography	Year Acquired	Balance
Separation Technologies	Fly Ash	Eastern US	2002	**$ 15,259,141**
Summit/Metro/Miami Valley/Supermix	Ready-mixed concrete and concrete block	Western Florida	2006	**48,864,104**
S&W Ready Mix	Ready-mixed concrete	Carolinas	2007	**146,852,616**
Mechanicsville Concrete	Ready-mixed concrete	Central Virginia	2007	**8,200,653**
Other				**2,690,428**
Total goodwill				**$ 221,866,942**

Impairment testing of Goodwill

Goodwill acquired through business combinations has been allocated to the following cash generating units ("CGUs"):

	December 31 2011	December 31 2010
Mid Atlantic Business Unit	**$ 155,328,080**	$ 155,328,080
Florida Business Unit	**48,864,104**	48,864,104
Separation Technologies Business Unit	**15,259,141**	15,259,141
Essex Business Unit	**2,415,617**	2,415,617
Total goodwill	**$ 221,866,942**	$ 221,866,942

8. Goodwill, Net (continued)

Management tests goodwill annually at December 31 or more frequently if indications of impairment exist.

The recoverable amount of a CGU is determined based on the higher of its value-in-use and fair value less cost to sell. The value-in-use calculations use cash flow projections based on financial plans approved by management covering a five year period. The calculation of value-in-use for the Company's evaluated CGUs is most sensitive to the following assumptions:

- Sales volumes;
- Selling prices;
- Growth rate used to extrapolate cash flows beyond the specific projection period; and
- Discount rates

Sales volumes

Management estimates sales volumes utilizing independent industry forecasts taking into consideration its position in the market, relative to its competitors. Management expects construction spending in its key markets to remain constrained in 2012 with sales volumes beginning to recover during 2013. At December 31, 2011, the date of the most recent impairment test, the Company has assumed the following compound average annual growth rates in sales volumes for the period 2012-2016:

Florida - Cement	13.9%
Florida - Aggregates	17.6%
Florida - Readymix	13.0%
Florida - Block	24.9%
Mid-Atlantic - Cement	8.6%
Mid-Atlantic - Virginia Readymix	9.4%
Mid-Atlantic - Carolinas Readymix	10.4%
Separation Technologies - Processed Fly Ash	2.4%
Essex - Cement	10.5%

8. Goodwill, Net (continued)

Selling prices

Since 2006, selling prices have deteriorated in all markets reflecting the severe contraction in demand for building materials. For the period 2012-2016, management expects selling prices to improve as demand recovers. While management expects pricing to remain under pressure in 2012, it expects pricing power to improve as supply and demand imbalances are corrected in the 2013-2016 period. At December 31, 2011, the date of the most recent impairment test, the Company has assumed the following compound annual growth rates in external net realized selling prices for the period 2012-2016:

Florida - Cement	4.9%
Florida - Aggregates	2.0%
Florida - Readymix	6.6%
Florida - Block	5.8%
Mid-Atlantic - Cement	3.8%
Mid-Atlantic - Virginia Readymix	3.3%
Mid-Atlantic - Carolinas Readymix	3.4%
Separation Technologies - Processed Fly Ash	0.2%
Essex - Cement	4.2%

Growth rate estimates

Following the five year specific forecast period, management used a fading-growth-rate model in its value-in-use calculation. Under this approach, cash flows are assumed to increase at a higher rate following the specific projection period before settling into a long-term growth rate. Sales volume growth rates are based on published industry research and take into account demographic trends including population growth, household formation, and economic output (among other factors) in the states where the Company operates. In addition to demographic trends, long-term growth rates take into account cement/concrete intensity in construction which has historically varied from state to state based on building codes, availability of raw materials, and other factors. At December 31, 2011, the date of the most recent impairment test, growth rates have been estimated by management as follows:

	Year 6 Cash Flow Growth Rate	Fading Growth Rate Period	Long-term Growth Rate
Florida Business Unit	20.0%	4 years	4.0%
Mid-Atlantic Business Unit	8.0%	4 years	3.0%
Separation Technologies Business Unit	3.0%	N/A	3.0%
Essex Business Unit	7.0%	3 years	3.0%

8. Goodwill, Net (continued)

Discount rates

A pre-tax discount rate of 8.7% was used in the value in use calculations at December 31, 2011, the date of the most recent impairment test.

As of December 31, 2011 no goodwill impairments have been recorded.

9. Identifiable Intangible Assets, Net

Identifiable intangible assets are comprised principally of acquired customer relationships of Mechanicsville Concrete, Summit Ready Mix, Metro Redi Mix, and Miami Valley Concrete, core technology, patents, and trademarks of Separation Technologies, and acquired customer relationships and tradename of S&W Ready Mix.

Activity within net identifiable intangible assets for the years ended December 31, 2011 and 2010 consists of the following:

	Balance at 1/1/10	Additions/ Other	Balance at 12/31/10	Additions	Balance at 12/31/11
Historical cost:					
Core technology	$ 9,700,000	$ -	$ 9,700,000	**$ -**	**$ 9,700,000**
Customer relationships	87,941,006	-	87,941,006	**-**	**87,941,006**
Trademarks	400,000	-	400,000	**-**	**400,000**
Tradenames	13,980,000	-	13,980,000	**-**	**13,980,000**
Non-compete agreements	2,587,027	408,054	2,995,081	**-**	**2,995,081**
Total historical cost	$ 114,608,033	$ 408,054	$ 115,016,087	**$ -**	**$ 115,016,087**
Accumulated amortization:					
Core technology	$ 7,194,166	$ 970,000	$ 8,164,166	**$ 970,000**	**$ 9,134,166**
Customer relationships	39,105,266	12,248,715	51,353,981	**12,248,716**	**63,602,697**
Trademarks	296,666	40,000	336,666	**40,000**	**376,666**
Tradenames	-	-	-	**-**	**-**
Non-compete agreements	1,757,247	375,406	2,132,653	**446,326**	**2,578,979**
Total accumulated amortization	$ 48,353,345	$ 13,634,121	$ 61,987,466	**$ 13,705,042**	**$ 75,692,508**
Net book value:					
Core technology	$ 2,505,834	$ (970,000)	$ 1,535,834	**$ (970,000)**	**$ 565,834**
Customer relationships	48,835,740	(12,248,715)	36,587,025	**(12,248,716)**	**24,338,309**
Trademarks	103,334	(40,000)	63,334	**(40,000)**	**23,334**
Tradenames	13,980,000	-	13,980,000	**-**	**13,980,000**
Non-compete agreements	829,780	32,648	862,428	**(446,326)**	**416,102**
Total net book value	$ 66,254,688	$ (13,226,067)	$ 53,028,621	**$ (13,705,042)**	**$ 39,323,579**

At December 31, 2011, core technology (processed fly ash) and trademarks had estimated remaining economic useful lives of seven months, while customer relationships had estimated remaining economic useful lives of between one year and three years, and non-compete agreements had estimated remaining economic useful lives between six months and four years.

10. Deferred Stripping, Net

The activity within deferred stripping with respect to continuing operations for the years ended December 31, 2011 and 2010 consists of the following:

	Balance at January 1	Additions	Amortization	Balance at December 31
2011	**$ 7,102,509**	**$ 890,928**	**$ (934,252)**	**$ 7,059,185**
2010	$ 7,140,749	$ 779,510	$ (817,750)	$ 7,102,509

11. Income Taxes

The components of income tax expense (benefit) from continuing operations for the year ended December 31, 2011 consist of:

	Current	Deferred	Other	Total
U.S. Federal	**$ 636,025**	**$ (16,043,687)**	**$ (303,968)**	**$ (15,711,630)**
State	**83,347**	**(2,674,230)**	**(54,103)**	**(2,644,986)**
Total	**$ 719,372**	**$ (18,717,917)**	**$ (358,071)**	**$ (18,356,616)**

The adjusted (see Note 1) components of income tax expense (benefit) from continuing operations for the year ended December 31, 2010 consist of:

	Current	Deferred	Other	Total
U.S. Federal	$ (1,439)	$ (34,792,784)	$ 316,975	$ (34,477,248)
State	336,426	(2,261,441)	56,392	(1,868,623)
Total	$ 334,987	$ (37,054,225)	$ 373,367	$ (36,345,871)

11. Income Taxes (continued)

Income tax benefit differs from the amounts computed by applying the U.S. federal statutory income tax rate to income before income taxes for the years ended December 31, 2011 and 2010, as a result of the following:

	Year Ended December 31	
	2011	**2010**
		As adjusted (See Note 1)
Loss before income taxes from continuing operations	**$ (126,063,168)**	$ (104,933,511)
Loss before income taxes from discontinued operations	**(600,991)**	(2,847,422)
Loss before income taxes	**$ (126,664,159)**	$ (107,780,933)
Income tax benefit at applicable statutory U.S. Federal tax rate	**$ (44,332,456)**	$ (37,723,327)
Differences resulting from:		
State income taxes, net of federal tax effect	**(4,835,360)**	(3,724,837)
Mineral deposit depletion in excess of cost basis	**(1,276,795)**	(1,167,226)
Nondeductible expenses	**325,104**	297,181
Recognized tax benefit under stock option program	**283,964**	206,508
Provision for noncurrent income tax liabilities	**(358,070)**	373,367
Federal net operating loss carryforwards	**26,760,761**	-
Federal tax credit carryforwards	**-**	300,016
State net operating loss carryforwards	**4,911,634**	3,985,920
Other	**(69,784)**	(3,968)
Income tax benefit	**$ (18,591,002)**	$ (37,456,366)
Income tax benefit from continuing operations	**$ (18,356,616)**	$ (36,345,871)
Income tax benefit attributable to discontinued operations	**(234,386)**	(1,110,495)
Income tax benefit	**$ (18,591,002)**	$ (37,456,366)

11. Income Taxes (continued)

Net deferred tax liabilities consist of the following components as of December 31, 2011 and 2010:

	December 31 2011	2010 As adjusted (See Note 1)
Deferred tax assets:		
Provisions and accrued expenses, not deductible for tax until paid	**$ 8,409,512**	$ 7,915,524
Retirement benefit obligations, not deductible for tax until paid	**4,821,295**	4,102,740
Deferred income, resulting from revenue recognition differences	**1,651,503**	1,845,414
Identifiable intangible assets, principally due to differences in amortization methods	**13,462,797**	11,107,557
Accounts receivable valuation	**1,751,162**	1,377,086
Inventory valuation and costing	**2,049,718**	1,992,690
Net operating loss and charitable contribution carryforwards	**66,402,605**	60,492,517
Tax credit carryforwards	**5,933,413**	5,535,453
Other	**783,783**	1,526,312
Total deferred tax assets	**105,265,788**	95,895,293
Deferred tax liabilities:		
Plant and equipment, principally due to differences in depreciation methods	**102,381,729**	115,567,181
Mineral deposits, principally due to differences in depletion methods	**38,417,788**	39,106,899
Goodwill, principally due to differences in amortization methods	**23,255,788**	18,837,696
Deferred stripping costs, principally due to differences in amortization methods	**2,467,621**	2,412,094
Prepaid expenses, principally due to differences in amortization methods	**1,199,776**	1,113,556
Total deferred tax liabilities	**167,722,702**	177,037,426
Net deferred income tax liabilities	**$ 62,456,914**	$ 81,142,133

11. Income Taxes (continued)

The deferred tax amounts mentioned above have been classified on the accompanying consolidated balance sheets as of December 31, 2011 and 2010 as follows:

	December 31	
	2011	**2010**
		As adjusted (See Note 1)
Deferred tax liabilities, net	**$ 62,456,914**	$ 81,412,133
Other noncurrent income tax liabilities	**15,299**	373,367
Deferred and other noncurrent income tax liabilities, net	**$ 62,472,213**	$ 81,785,500

At December 31, 2011 the Company had charitable contribution carryforwards of $1,423,603 expiring in years 2012 through 2016. These expenses will be carried forward to future periods. The deferred tax asset has been reduced by $340,513 due to the likelihood of partial expiration prior to use. The 2011 tax net operating loss was $96,486,919. At December 31, 2011, the Company had net operating loss carryforwards of $249,288,824 expiring in the years 2029 through 2031. The Company limits the recognition of deferred tax assets for net operating loss carryforwards in circumstances where an entity has incurred tax losses for three or more consecutive years. In these circumstances, the deferred tax asset recognition is generally limited to an amount equivalent to the net deferred tax liabilities scheduled to be realized within the net operating loss carryforward period. Accordingly, the Company has reduced the deferred tax asset arising from the Company’s federal and state net operating loss carryforwards by $35,658,315.

At December 31, 2011, the Company had tax credit carryforwards in the amount of $6,233,429 of which $5,933,413 may be carried forward indefinitely. These credits may be used to offset future U.S. federal income taxes payable subject to certain IRS limitations. A reduction of $300,016 has been applied to certain tax credit carryforwards, due to the likelihood they will expire prior to use.

The Company is currently undergoing an IRS audit of the 2008 and 2009 tax years. All anticipated adjustments are to deferred tax and have been recorded in 2011.

12. Other Assets

Other assets at December 31, 2011 and 2010 consist of the following:

	December 31	
	2011	**2010**
Excess benefit plan assets (see Note 19)	**$ 5,122,000**	$ 4,978,000
Notes receivable - trade	**1,705,979**	996,635
Noncurrent portion of prepaid expenses	**344,537**	344,537
Deposits	**166,856**	138,801
Other	**15,630**	15,599
Total other assets	**$ 7,355,002**	$ 6,473,572

13. Accrued Expenses

Accrued expenses at December 31, 2011 and 2010 consist of the following:

	December 31	
	2011	**2010**
Insurance reserves	**$ 9,272,828**	$ 9,094,735
Interest payable	**5,191,965**	4,554,053
Employee compensation and benefits	**3,851,574**	1,642,105
Taxes payable, other than income taxes	**1,728,873**	1,299,623
Accrued royalties and dues	**590,328**	314,167
Professional fees	**513,546**	426,407
Accrued liabilities related to acquisitions	**303,832**	303,832
Other	**403,722**	99,149
Total accrued expenses	**$ 21,856,668**	$ 17,734,071

14. Provisions and Other Noncurrent Liabilities

Provisions

The activity within the Company's provision accounts for the year ended December 31, 2011 is summarized as follows:

Provision Description	Balance at 1/1/11	Charges (Credits) to Income Statement	Cash Receipts (Payments)	Balance at 12/31/11
Restoration obligations	$ 6,705,544	$ (1,205,453)	$ (63,042)	$ 5,437,049
Sales and use tax	402,651	(64,000)	-	338,651
Environmental	454,449	(27,270)	(1,764)	425,415
Restructuring	-	1,551,275	(1,184,688)	366,587
Other	247,010	156,703	(297,799)	105,914
Total	$ 7,809,654	$ 411,255	$ (1,547,293)	$ 6,673,616

Analysis of Provisions	December 31 2011	December 31 2010
Current portion of provisions	**$ 405,925**	$ 143,931
Noncurrent portion of provisions	**6,267,691**	7,665,723
Total	**$ 6,673,616**	$ 7,809,654

14. Provisions and Other Noncurrent Liabilities (continued)

Restoration: This provision represents the present value of the estimated costs to reclaim quarry sites and other similar post-closure obligations. It is expected that this amount will be used over the next 2 to 50 years. We estimate our ultimate restoration liability based upon detailed engineering calculations of the amount and timing of the future cash flows to perform the required work. We consider the estimated current cost of reclamation and apply inflation rates. The discount rate applied is based on the rates of treasury bonds with maturities similar to the estimated future cash flow.

Sales and use tax: This provision has been established to cover the expected settlement of sales and use tax audits in states where the Company conducts business. It is expected that $26,000 will be utilized in the next twelve months with the remaining amounts used over the next 2 to 5 years.

Environmental: This provision represents the estimated cost for current and former Company operating facilities for various environmental clean-up and monitoring obligations and the expected future clean-up of cement kiln dust stock piles. It is expected that $4,237 will be utilized in the next twelve months with the remaining amounts used over the next 2 to 34 years.

Restructuring: This provision represents the remaining estimated costs associated with a reduction in force program implemented in 2011. It is expected that the balance will be fully utilized in the next twelve months.

Other: These miscellaneous reserves are for various matters. It is expected that $9,100 will be used in the next twelve months with the remaining amounts used over the next 2 to 13 years.

During the years ended December 31, 2011 and 2010, the Company increased provisions by the net amounts of $217,163 and $223,968, respectively, for the passage of time and changes in applicable discount rates. This accretion of provisions is included in finance cost in the accompanying consolidated statements of operations.

15. Credit Facilities and Long-Term Debt

Bank Borrowing Facilities

At December 31, 2011 and 2010, the Company maintained borrowing facilities with banks as further described below:

	Borrowing Facilities at December 31, 2011			
Facility Description	**Borrowing Facility**	**Outstanding Borrowings**	**Undrawn Facility**	**Maturity Date**
Committed Revolving Credit Facility*	**$ 11,000,000**	**$ 1,523,936**	**$ 9,476,064**	3/31/12

* The full value of this borrowing facility is $50,000,000 but it was reduced by $39,000,000 for the letter of credit subfacility discussed below.

15. Credit Facilities and Long-Term Debt (continued)

	Borrowing Facilities at December 31, 2010			
Facility Description	**Borrowing Facility**	**Outstanding Borrowings**	**Undrawn Facility**	**Maturity Date**
Committed Revolving Credit Facility*	$ 22,000,000	$ -	$ 22,000,000	7/31/11
Uncommitted Revolving Credit Facility	35,000,000	35,000,000	-	N/A
Total	$ 57,000,000	$ 35,000,000	$ 22,000,000	

* The full amount of this borrowing facility was $64,000,000 but it was reduced by $42,000,000 for the letter of credit subfacility discussed below.

Each bank borrowing facility provides for loans at variable interest rates which are reset at daily, one-month, two-month, three-month, or six-month intervals depending on the facility and the type of draw made thereunder. In connection with each borrowing facility, the Company has agreed to certain covenants including restrictions on incurring certain liens on or disposing of certain existing assets without notification to the lender. Each of the borrowing facilities is guaranteed by Titan Cement.

Affiliated Party Borrowing Facility

At December 31, 2011 and 2010, the Company maintained an affiliated party borrowing facility further described below:

	Borrowing Facility at December 31, 2011			
Facility Description	**Borrowing Facility**	**Outstanding Borrowings**	**Undrawn Facility**	**Maturity Date**
Committed Revolving Credit Facility	**$ 465,000,000**	**$ 265,000,000**	**$ 200,000,000**	12/5/14

	Borrowing Facility at December 31, 2010			
Facility Description	**Borrowing Facility**	**Outstanding Borrowings**	**Undrawn Facility**	**Maturity Date**
Committed Revolving Credit Facility	$ 300,000,000	$ 190,000,000	$ 110,000,000	4/27/12

The affiliated party borrowing facility was amended, restated, and superseded in its entirety on January 5, 2011. The restated facility provides for loans at variable interest rates which are reset at one-month, two-month, three-month, or six-month intervals depending on the type of draw made thereunder. There are no covenants associated with this borrowing facility. Borrowing costs associated with the restated facility agreement totaled $1,906,500. Umamortized borrowing costs of $289,968 associated with the old facility were recognized in expense as a loss on extinguishment of debt upon execution of the new facility agreement.

15. Credit Facilities and Long-Term Debt (continued)

Letter of Credit and Performance Bond Facilities

The Company maintains a letter of credit facility with a bank, which is guaranteed by Titan Cement. No amounts were drawn against the letters of credit at December 31, 2011 and 2010. At December 31, 2011 and 2010, the bank had issued letters of credit on behalf of the Company totaling $38,712,768, and $41,101,515, respectively, as further described below:

	December 31	
	2011	**2010**
Facility Amount	**$ 39,000,000**	$ 42,000,000
Less letters of credit issued in support of:		
Variable rate industrial revenue bonds	**(29,687,726)**	(29,687,726)
Casualty, liability and workers' compensation insurance programs	**(8,672,042)**	(10,400,789)
Performance obligations	**(105,000)**	(105,000)
Other payment obligations	**(248,000)**	(908,000)
Available facility amount	**$ 287,232**	$ 898,485

In addition to the letter of credit facility described above, the Company maintains a performance bond facility with an insurance company, which is guaranteed by Titan Cement. No amounts were drawn against the performance bonds at December 31, 2011 and 2010. At December 31, 2011 and 2010, the insurance company had issued performance bonds on behalf of the Company totaling $10,059,519 and $7,455,520, respectively, as further described below:

	December 31	
	2011	**2010**
Facility Amount	**$ 40,000,000**	$ 40,000,000
Less performance bonds issued in support of:		
Supply obligations	**(4,790,083)**	(2,161,174)
Excavation and reclamation obligations	**(2,437,375)**	(2,467,965)
Surety bond	**(2,402,590)**	(2,402,590)
Other payment and performance obligations	**(429,471)**	(423,791)
Available facility amount	**$ 29,940,481**	$ 32,544,480

15. Credit Facilities and Long-Term Debt (continued)

Borrowings

Borrowings at December 31, 2011 consisted of the following:

	December 31, 2011	
	Carrying Amount	Fair Value
Unsecured loans under committed borrowing facility, bearing interest at variable interest rates (2.30% per annum at December 31, 2011)	$ 1,523,936	$ 1,523,936
Unsecured notes payable to affiliated party, under committed borrowing facility, bearing interest at variable interest rates (3.43% per annum at December 31, 2011), due on December 5, 2014.	265,000,000	265,000,000
Unsecured Euro denominated notes payable to affiliated party, bearing interest at 7.07%, due on July 26, 2013.	129,390,000	125,269,246
Industrial revenue bonds, bearing interest at variable rates (0.40% per annum at December 31, 2011), payable monthly, due on December 1, 2020.	7,350,000	7,350,000
Industrial revenue bonds, bearing interest at variable rates (0.20% per annum at December 31, 2011), payable monthly, due on April 26, 2034.	22,000,000	22,000,000
Capital lease obligations *(Note 16)*	2,158,974	2,158,974
Unsecured note payable	325,138	325,138
Subtotal	427,748,048	$ 423,627,294
Less amounts classified as short-term borrowings	(1,523,936)	
Less amounts classified as current portion of long-term debt, including obligations under capital leases	(1,046,111)	
Less unamortized borrowing costs	(3,063,973)	
Long-term debt, including obligations under capital leases, less current obligations	$ 422,114,028	

15. Credit Facilities and Long-Term Debt (continued)

Borrowings at December 31, 2010 consisted of the following:

	December 31, 2010	
	Carrying Amount	Fair Value
Unsecured loans under uncommitted borrowing facility, bearing interest at variable interest rates (2.30% per annum at December 31, 2010)	$ 35,000,000	$ 35,000,000
Unsecured notes payable to affiliated party, under committed borrowing facility, bearing interest at variable interest rates (1.61% per annum at December 31, 2010), due on April 27, 2012.	190,000,000	190,000,000
Unsecured Euro denominated notes payable to affiliated party, bearing interest at 7.07%, due on July 26, 2013.	133,620,000	129,945,450
Industrial revenue bonds, bearing interest at variable rates (0.50% per annum at December 31, 2010), payable monthly, due on December 1, 2020.	7,350,000	7,350,000
Industrial revenue bonds, bearing interest at variable rates (0.41% per annum at December 31, 2010), payable monthly, due on April 26, 2034.	22,000,000	22,000,000
Capital lease obligations *(Note 16)*	3,189,209	3,189,209
Unsecured note payable	408,054	408,054
Subtotal	391,567,263	$ 387,892,713
Less amounts classified as short-term borrowings	(35,000,000)	
Less amounts classified as current portion of long-term debt, including obligations under capital leases	(1,116,248)	
Less unamortized borrowing costs	(2,655,352)	
Long-term debt, including obligations under capital leases, less current obligations	$ 352,795,663	

15. Credit Facilities and Long-Term Debt (continued)

On July 1, 2010, the Company prepaid and retired $66,932,204 of unsecured notes payable to insurance companies. In conjunction with the prepayment of the notes, a make-whole payment in the amount of $9,668,697 was paid to the noteholders representing the difference between the present value of the remaining scheduled interest and principal payments due under the notes (as if no prepayment was made) and the face amount of the notes. Closing costs of $229,628 were paid to third parties to arrange and document the prepayment agreement. When combined with unamortized borrowing costs of $396,436 at the date of prepayment, the loss on extinguishment of the notes totaled $10,294,761.

The exposure of the Company's borrowings, including capital lease obligations, to interest rate changes and the periods in which the borrowings mature or re-price were as follows December 31, 2011 and 2010:

	December 31	
	2011	**2010**
Within 6 months	**$ 296,394,285**	$ 254,932,935
Between 6 months and 1 year	**525,763**	530,215
Between 1 and 5 years	**130,828,000**	135,950,017
Later years	**-**	154,096
Total	**$ 427,748,048**	$ 391,567,263

The weighted average effective interest rates of the Company's borrowings at December 31, 2011 and 2010 were as follows:

	December 31	
	2011	**2010**
Industrial revenue bonds	**0.25%**	0.43%
Capital lease obligations *(Note 16)*	**5.21%**	5.19%
Unsecured borrowings under affiliated party credit facility	**3.43%**	1.61%
Unsecured note payable to affiliated party	**7.07%**	7.07%
Unsecured borrowings under bank credit facility	**2.30%**	2.30%

15. Credit Facilities and Long-Term Debt (continued)

Maturity of borrowings (including capital lease obligations) at December 31, 2011 and 2010 were as follows:

	December 31	
	2011	**2010**
Within one year	**$ 2,570,047**	$ 36,116,248
Between one and two years	**130,462,570**	191,046,336
Between two and three years	**265,164,495**	134,692,571
Between three and four years	**200,936**	164,496
Between four and five years	**-**	197,612
Later years	**29,350,000**	29,350,000
Total	**$ 427,748,048**	$ 391,567,263

16. Capital Leases

At December 31, 2011 and 2010, the Company leased certain equipment under agreements classified as capital leases. The equipment and the related liabilities under the capital leases were recorded at the present value of the future payments due under the leases, using the weighted average discount rates disclosed in Note 15. Principal payments made under these leases for the years ended December 31, 2011 and 2010 totaled $1,030,235 and $941,539, respectively.

The following is a schedule of the future minimum lease payments under capital lease obligations together with the present value of the future minimum lease payments at December 31, 2011:

Within one year	**$ 1,095,935**
Between one and two years	**1,067,096**
Between two and three years	**120,856**
Between three and four years	**-**
Between four and five years	**-**
Later years	**-**
Total minimum lease payments	**2,283,887**
Less amount representing interest	**(124,913)**
Present value of minimum lease payments	**$ 2,158,974**

The fair value of capital lease obligations at December 31, 2011 and 2010 approximate book value.

16. Capital Leases (continued)

The Company did not enter into any new capital leases during the year ended December 31, 2011. During the year ended December 31, 2010, the Company entered into new capital leases in the principal amount of $265,992 with an average term of three years and a weighted average interest rate of 7.00%.

17. Hedging Activities and Derivatives

Cash Flow Hedge

Foreign Currency Risk

Upon execution of the Company's Euro 100,000,000 borrowing from TGF during 2009 (Euro Loan) (see Note 15), the Company entered into three forward foreign currency exchange contracts with third party financial institutions to hedge the foreign currency risk associated with the Euro denominated borrowing. Under the terms of those agreements, the Company has fixed the July 26, 2013 US Dollar to Euro exchange rate for the scheduled Euro 100,000,000 repayment at $1.46329 to €1.00. At the inception of the hedge relationship, the Company formally designated and documented the hedge as a cash flow hedge and the risk management objective and strategy for undertaking the hedge. Since the terms of the derivative financial instrument have been negotiated to match the terms of the Euro Loan, the hedge was assessed to be highly effective.

The derivative financial instrument was initially recognized at fair value on the effective date of the contract, and is being subsequently remeasured at fair value. As of December 31, 2011, the fair value of the derivative financial instrument was a liability of $15,530,050. As this derivative financial instrument has been designated as a cash flow hedge, any gains or losses arising from changes in fair value of the derivative are recognized in other comprehensive income/loss as a separate component of equity. Amounts recognized as other comprehensive income/loss are transferred to the statement of income to the extent that the hedged transaction affects profit or loss (i.e. upon remeasurement of the Euro Loan to U.S. dollars based on the current spot rate).

17. Hedging Activities and Derivatives (continued)

Activity within the Company's Euro denominated loan and related derivative financial instrument for the years ended December 31, 2011 and 2010 consist of the following:

	Derivative Financial Instrument	Euro Denominated Loan
Balance at 1/1/10	$ 542,400	$ 144,060,000
Amortization of forward points		727,381
Remeasurement of Euro loan and derivative financial instrument	12,169,400	(11,167,381)
Balance at 12/31/10	$ 12,711,800	$ 133,620,000
Amortization of forward points		**788,955**
Remeasurement of Euro loan and derivative financial instrument	**2,818,250**	**(5,018,955)**
Balance at 12/31/11	**$ 15,530,050**	**$ 129,390,000**

During the year, ended December 31, 2011 and 2010 the Company recorded the following amounts in other comprehensive income/(loss):

	December 31 2011	December 31 2010
Amounts charged to other comprehensive loss:		
Unrealized loss on derivative financial instrument	**$ (2,818,250)**	$ (12,169,400)
Less tax effect	**1,099,118**	4,746,066
Unrealized loss on derivative financial instrument, net of tax	**$ (1,719,132)**	$ (7,423,334)
Remeasurement of Euro loan to US Dollars	**$ 5,018,955**	$ 11,167,381
Less tax effect	**(1,957,394)**	(4,355,280)
Remeasurement of Euro loan to US Dollars, net of tax	**$ 3,061,561**	$ 6,812,101
Net movement on cash flow hedge	**$ 2,200,705**	$ (1,002,019)
Net tax effect	**(858,276)**	390,786
Other comprehensive income/(loss), net of tax	**$ 1,342,429**	$ (611,233)

18. Operating Lease Commitments

The Company leases certain facilities and equipment under operating lease agreements which expire at various dates through 2034. Future minimum lease payments for continuing operations under noncancellable operating leases as of December 31, 2011 are as follows:

Within one year	**$ 7,227,957**
Between one and two years	**6,523,010**
Between two and three years	**5,911,528**
Between three and four years	**5,071,797**
Between four and five years	**4,194,274**
Later years	**22,084,845**
Subtotal	**51,013,411**
Sublease Income	**(92,236)**
Total	**$ 50,921,175**

Total rent expense under noncancellable operating leases included in the accompanying consolidated statements of operations for the years ended December 31, 2011 and 2010 was $7,231,369 and $7,203,475, respectively. In addition to rent expense, certain of the Companies lease agreements contain provisions which require the payment of other fees (e.g., wharfage and dockage at import facilities) which are dependent, in part, on the volume of material passed through the leased facilities. In some cases these leases require minimum payments regardless of the actual quantities passed through the facilities. These fees amounted to $1,134,575 and $1,196,372 for the years ended December 31, 2011 and 2010, respectively.

It is reasonably certain that the Company will exercise the option to renew contained within two operating lease commitments. The lease between the Company and Tampa Port Authority ("Authority"), which expires in 2021, contains a lease extension option which allows the Company to extend the lease for three consecutive option periods of ten years each with the following provisions:

- The rent for each of the three option terms shall be adjusted at the commencement of the option term to the fair market rent for the premises.
- Once the adjusted rent for the commencement of the option term is determined, it will be the rent for the first twelve months of that option term.
- Rent will be increased by three percent at the beginning of each succeeding two months during the option term.

Under this lease, the Company is required to pay dockage and wharfage fees related to its use of the Authority's berths based on prescribed rates and tonnage. Additionally the Company is required to pay the Authority an annual tonnage guarantee which represents a charge calculated on the minimum tonnage that the Company is expected to import through the port.

18. Operating Lease Commitments (continued)

The lease between the Company and The Port Authority of New York and New Jersey, which expires in 2030, contains a lease extension option which allows the Company to extend the lease for two consecutive option periods of five years each. The rent for each of these two option periods shall be a minimum of three percent and a maximum of five percent higher than the rent prescribed during the final year of the initial lease term. Under the terms of the lease, the Company is required to pay an annual tonnage guarantee which represents a charge calculated on the minimum tonnage that the Company is expected to import through the port.

19. Retirement Benefit Obligations

Retirement benefit obligations at December 31, 2011 and 2010, consist of the following:

	December 31	
	2011	**2010**
Excess benefit plan benefits	**$ 5,122,000**	$ 4,978,000
Pension benefits	**5,660,068**	3,770,206
Other post-retirement benefits	**2,037,116**	2,104,007
Retirement benefit obligations	**$ 12,819,184**	$ 10,852,213

All of the Company's defined benefit pension plans and all but one of the Company's other postretirement benefit plans were previously frozen to new participants and credited service. One postretirement benefit plan exists for certain active and former employees of the Company. Under this plan, eligible retirees receive a benefit consisting primarily of assistance with medical insurance costs between the dates of early retirement and Medicare eligibility. At December 31, 2011, defined benefit pension plan assets are invested approximately 60% in equity investments and 40% in fixed income investments.

19. Retirement Benefit Obligations (continued)

Information relative to the Company's defined benefit pension and other postretirement benefit plans is presented below. Amounts reported below for these plans are as of the most recent measurement dates, December 31, 2011 and 2010.

	Pension Benefits		Other Post-retirement Benefits	
	2011	**2010**	**2011**	**2010** As adjusted (See Note 1)
Benefit obligations	**$ 15,214,407**	$ 13,508,006	**$ 2,037,117**	$ 2,104,007
Fair value of plan assets	**9,554,339**	9,737,800	**-**	-
Accrued cost, December 31	**$ 5,660,068**	$ 3,770,206	**$ 2,037,117**	$ 2,104,007

Changes in the present value of the defined benefit obligations for the years ended December 31, 2011 and 2010 are as follows:

	Pension Benefits		Other Post-retirement Benefits	
	2011	**2010**	**2011**	**2010**
Benefit obligation, January 1	**$ 13,508,006**	$ 13,179,016	**$ 2,104,007**	$ 2,325,580
Service cost	**-**	-	**4,390**	4,484
Interest cost	**716,963**	748,761	**100,378**	119,065
Benefits paid	**(855,913)**	(865,840)	**(148,978)**	(155,827)
Actuarial (gains)/loss	**1,845,351**	446,069	**(22,680)**	(189,295)
Benefit obligation, December 31	**$ 15,214,407**	$ 13,508,006	**$ 2,037,117**	$ 2,104,007
Discount rate used in computing ending obligations	4.25%	5.50%	4.25%	5.50%

For measurement purposes, at the end of the year included in the foregoing tables, the following rates of increase in the cost of covered health care benefits was assumed:

	Other Postretirement Benefits	
	2011	**2010**
Health care cost trend rate:		
2011	**N/A**	7.00%
2012	**6.00%**	6.00%
2013 and thereafter	**5.00%**	5.00%

19. Retirement Benefit Obligations (continued)

Changes in the fair value of plan assets for the years ended December 31, 2011 and 2010 are as follows:

	Pension Benefits		Other Post-retirement Benefits	
	2011	**2010**	**2011**	**2010**
Fair value of plan assets, January 1	**$ 9,737,800**	$ 9,234,349	**$ -**	$ -
Return on plan assets	**(133,104)**	779,295	**-**	-
Contributions	**805,556**	593,802	**148,978**	155,827
Benefits paid	**(855,913)**	(865,840)	**(148,978)**	(155,827)
Other	**-**	(3,806)	**-**	-
Fair value of plan assets, December 31	**$ 9,554,339**	$ 9,737,800	**$ -**	$ -

The Company expects to contribute $1,269,513, which is the minimum ERISA requirement, to its defined benefit pension plans in 2012. The Company's other post-retirement benefit plans are unfunded obligations and will be funded, consistent with past practice, on a pay-as-you go basis.

A reconciliation of the movements during the years ended December 31, 2011 and 2010 in the net pension and other postretirement benefit liabilities follows:

	Pension Benefits		Other Post-retirement Benefits	
	2011	**2010**	**2011**	**2010**
		As adjusted (See Note 1)		**As adjusted (See Note 1)**
Accrued cost, January 1	**$ 3,770,206**	$ 3,944,667	**$ 2,104,007**	$ 2,325,580
Expense recognized in statement of income	**207,458**	228,043	**104,768**	123,549
Amount recognized as other comprehensive loss/(income)	**2,487,960**	191,298	**(22,680)**	(189,295)
Contributions	**(805,556)**	(593,802)	**(148,978)**	(155,827)
Accrued cost, December 31	**$ 5,660,068**	$ 3,770,206	**$ 2,037,117**	$ 2,104,007

19. Retirement Benefit Obligations (continued)

The components of net periodic pension and other post-retirement benefit costs are as follows for the years ended December 31, 2011 and 2010:

	Pension Benefits		Other Post-retirement Benefits	
	2011	**2010**	**2011**	**2010**
		As adjusted (See Note 1)		**As adjusted (See Note 1)**
Service cost	**$ -**	$ -	**$ 4,390**	$ 4,484
Net interest cost	**207,458**	224,237	**100,378**	119,065
Other	**-**	3,806	**-**	-
Net periodic pension expense	**207,458**	228,043	**104,768**	123,549
Other comprehensive (income)/loss	**2,487,960**	191,298	**(22,680)**	(189,295)
Total comprehensive (income)/loss	**$ 2,695,418**	$ 419,341	**$ 82,088**	$ (65,746)

For the years ended December 31, 2011 and 2010, the Company recorded total comprehensive loss of $2,777,506 and $353,595, respectively, related to its pension and other post-retirement benefit plans. These amounts have been included in the accompanying consolidated statements of income and comprehensive loss as follows:

	December 31	
	2011	**2010**
		As adjusted (See Note 1)
Cost of goods sold	**$ 4,390**	$ 8,290
Finance cost	**307,836**	343,302
Net periodic expense	**312,226**	351,592
Other comprehensive loss	**2,465,280**	2,003
Total comprehensive loss	**$ 2,777,506**	$ 353,595

19. Retirement Benefit Obligations (continued)

The components of actuarial (gains)/losses included in other comprehensive loss for the years ended December 31, 2011 and 2010 are as follows:

	December 31 2011	December 31 2010 As adjusted (See Note 1)
Asset (gain)/loss	**$ 642,609**	$ (254,771)
Demographic gain	**(202,692)**	(474,418)
Assumption loss	**2,025,363**	731,192
Total actuarial loss	**$ 2,465,280**	$ 2,003

A one percentage point change in the assumed rate of increase in healthcare costs would have the following effects:

	Increase	Decrease
2011		
Effect on the aggregate current service cost and interest cost	**$ 6,714**	**$ (5,862)**
Effect on other post-retirement benefit obligation	**$ 154,462**	**$ (133,512)**
2010		
Effect on the aggregate current service cost and interest cost	$ 8,007	$ (7,017)
Effect on other post-retirement benefit obligation	$ 151,553	$ (132,288)

A one percentage point change in the assumed discount rate would have the following effects:

	Increase	Decrease
2011		
Effect on the aggregate current service cost and interest cost	**$ 57,248**	**$ 73,534**
Effect on pension and other post-retirement benefit obligation	**$ (1,653,524)**	**$ 1,973,467**
2010		
Effect on the aggregate current service cost and interest cost	$ 50,192	$ (64,706)
Effect on pension and other post-retirement benefit obligation	$ (1,402,452)	$ 1,660,327

19. Retirement Benefit Obligations (continued)

Defined Contribution Plans

The Company sponsors a defined contribution retirement and 401(k) savings plan which covers substantially all employees of the Company. Until February 15, 2009, the Company contributed an amount equal to 3.5% of each participant's eligible compensation up to the Social Security Integration Level and 7.0% of eligible compensation in excess of that level. Contributions for periods after February 15, 2009 have been temporarily suspended for all employees. In addition, the plan allows a voluntary employer after-tax contribution of up to 2.0% of eligible compensation for eligible employees. Voluntary employee contributions were $17,069 and $17,775 for the years ended December 31, 2011 and 2010, respectively.

The plan also provides for voluntary employee pre-tax contributions for eligible employees. The Company matches 50% of eligible employees' contributions up to 6% of the employee's eligible wages, subject to IRS limitations on maximum elective deferrals. Total costs charged against income for this element of the plan were $1,755,894 and $1,698,726, respectively, for the years ended December 31, 2011 and 2010.

Prior to October 1, 2011, S&W sponsored a separate defined contribution 401(k) savings plan which covered substantially all employees of S&W. The plan provided for voluntary employee pre-tax contributions for eligible employees. S&W matched employee contributions at a rate of 50% up to 5 % of the employee's total compensation. The total costs charged against income for this plan was $112,047 and $154,143, respectively, for the years ended December 31, 2011 and 2010. Effective October 1, 2011 eligible S&W employees became participants in the Titan America 401(k) savings plan.

Excess Benefit Plan

The Company sponsors an Excess Benefit Plan that is intended to constitute an unfunded plan of deferred compensation for a select group of highly compensated employees under the Employee Retirement Income Security Act of 1974 (ERISA). The Company has created an irrevocable trust to facilitate the payment of deferred compensation to participants under this plan.

Under this plan the participants are eligible to defer from 0% to 20% of eligible compensation for the applicable plan year. In 2010, the Company matching formula was variable, ranging from 0% to 100% of the corresponding employee deferral amount, based on established business targets. In 2011, the Company matching formula included both a fixed and variable component. The fixed matching component was 35% of the corresponding employee deferral amount. The variable matching component ranged from 0% to 35% of the corresponding employee deferral amount and was based on established business targets.

At December 31, 2011 and 2010, plan assets totaled $5,122,000 and $4,978,000, respectively, and are classified as other assets in the accompanying consolidated balance sheets (see Note 12). For the year ended December 31, 2011, total costs charged against income for this plan was $131,488. There were no Company costs for the plan for the year ended December 31, 2010.

20. Related Party Transactions

The components of related party balances at December 31, 2011 and 2010 are as follows:

	December 31 2011	December 31 2010
Current portion of related party receivables:		
Separation Technologies Canada, Ltd	**$ 27,332**	$ -
Separation Technologies UK, Ltd	**17,299**	213,378
Titan Cement, SA	**762,891**	426,579
	$ 807,522	$ 639,957
Non-current deferred income:		
Iapetos, Ltd	**$ 1,603,333**	$ 1,850,000
Current portion of deferred income:		
Iapetos, Ltd	**$ 246,667**	$ 246,667
Accounts payable, related parties:		
Titan Cement, SA	**$ 2,860,159**	$ 215,745
Accrued interest payable, related parties:		
Titan Global Finance, PLC	**$ 5,016,078**	$ 4,209,932
Variable rate non-current notes payable, related parties:		
Titan Global Finance, PLC	**$ 265,000,000**	$ 190,000,000
Fixed rate noncurrent note payable, related parties:		
Titan Global Finance, PLC	**$ 129,390,000**	$ 133,620,000
Unamortized offering costs on borrowings:		
Titan Global Finance, PLC	**$ 2,706,443**	$ 2,275,366

20. Related Party Transactions (continued)

The components of related party activity for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Sales - products and services for fly ash separation:		
Separation Technologies Canada, Ltd	**$ 415,187**	$ 805,158
Separation Technologies UK, Ltd	**224,082**	216,463
Iapetos, Ltd	**246,667**	246,667
	$ 885,936	$ 1,268,288
Cost of sales - purchased cement:		
Titan Cement, SA	**$ 2,432,768**	$ 12,715,744
General and administrative support services provided:		
Separation Technologies Canada, Ltd	**$ 119,053**	$ 52,574
Finance costs:		
Titan Global Finance, PLC	**$ 20,794,740**	$ 14,481,847

Key Management Compensation

Key management compensation expenses, which include all payroll-related expenses for vice-president level positions and higher, for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Salaries and related payroll taxes	**$ 5,386,550**	$ 4,754,650
Short-term employee benefits	**257,883**	255,795
Retirement plan contributions	**223,129**	103,040
Share-based payments	**586,567**	521,359
Termination benefits	**-**	34,031
Total key management compensation	**$ 6,454,129**	$ 5,668,875
Number of key management employees at December 31	**20**	20

20. Related Party Transactions (continued)

Restricted Stock Incentive Plan

On May 29, 2007 Titan Cement approved the introduction of a three-year Restricted Stock Incentive Plan for certain executives of Titan Cement and its subsidiaries, including the Company. Under this plan, participants are granted options, the exercise of which is subject to the financial results of Titan Cement and the performance of its ordinary share, relative to peer companies and stock market indices. The options granted each year have a maturity period of three years and can be exercised after the completion of the three year period at an exercise price equal to the nominal value of the common stock of Titan Cement Company S.A., currently €4.00 per share. Each option must be exercised within the year vested. If the deadline is exceeded then those particular options will irrevocably lapse. All vesting is conditional on the employee's continued employment throughout the vesting period. The number of options vested will be determined as follows:

- One-third of options granted vest based on the financial results of the Company during the three year vesting period.
- One-third of options granted vest based on Titan Cement's stock performance relative to three Athens Stock Exchange indices during the three year vesting period.
- One-third of options granted vest based on Titan Cement's stock performance relative to a group of predefined international cement producing companies during the three year period.

On June 3rd, 2010 the Board extended the program for another three-year period.

The fair value of the options granted under the Plan was determined using the Black Scholes valuation model for 2009 and 2008 and the Monte Carlo valuation model for 2011 and 2010. Key assumptions for each year's grants are as follows:

	2011	**2010**	**2009**	**2008**
Key assumptions at date of grant:				
Stock price	**€ 17.88**	€ 15.90	€ 20.60	€ 26.92
Exercise price at date of grant	**€ 4.00**	€ 4.00	€ 4.00	€ 4.00
Dividend yield	**2.74%**	2.68%	2.07%	2.07%
Volatility	**43.98%**	39.42%	36.71%	32.28%
Risk-free rate	**2.81%**	2.25%	3.65%	3.76%
Option life	**3 years**	3 years	3 years	3 years
Fair value price	**€ 6.86**	€ 5.36	€ 8.41	€ 9.79

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

20. Related Party Transactions (continued)

For the years ended December 31, 2011 and 2010, $752,574 and $672,020, respectively, related to this program has been recorded as general and administrative expense in the accompanying consolidated statement of comprehensive loss.

Information related to stock options granted under this plan to employees of the Company during the years ended December 31, 2011 and 2010 follows:

	2011	**2010**
Shares under option, January 1	**154,950**	132,750
Granted	**82,050**	81,600
Exercised	**(14,813)**	(11,074)
Expired/cancelled	**(62,137)**	(48,326)
Shares under option, December 31	**160,050**	154,950
Options exercisable, December 31	**-**	-

The stock price of Titan Cement common shares was €11.59 and €16.42 at December 31, 2011 and 2010, respectively.

21. Commitments and Contingencies

Litigation

Management is aware of certain asserted claims that have arisen in the ordinary course of business. Management believes that the Company and its subsidiaries have meritorious defenses against these claims but has a policy to provide for costs associated with settling or litigating such claims whenever such costs are determined to be probable and reasonably estimable.

Florida class action litigation

In October 2009, a class action lawsuit was filed in the United States District Court for the Southern District of Florida (the "District Court") alleging certain antitrust violations (including price fixing and market allocations) by cement and ready mix concrete companies in the State of Florida. Thereafter, several additional similar lawsuits were filed. The District Court ordered that the class actions be consolidated, and that the plaintiff law firms file a consolidated complaint for each of two alleged classes, direct purchasers and indirect purchasers. In January 2010, these two consolidated complaints were filed with the District Court naming as defendants all companies selling cement in Florida, including the Company's subsidiary, Tarmac America LLC. The defendants entered into a joint defense agreement and filed an answer and motion to dismiss in March 2010.

21. Commitments and Contingencies (continued)

In response to the District Court's comments made during the motion to dismiss, the plantiff's filed a revised complaint in July 2010; and the defendants filed a new motion to dismiss in August 2010. The District Court granted in part and denied in part the defendants' motion to dismiss, limiting the case to antitrust allegations against four companies' ready mix concrete operations since 2008 including those of the Company's subsidiary, Tarmac America LLC. Discovery, limited to ready-mix concrete operations, recommenced after the plaintiffs filed amended complaints in December 2010.

During 2011, the plaintiffs and defendants engaged in discovery, including corporate depositions and individual depositions, and both sides filed their economic expert reports. In September 2011 the plaintiffs filed their motions to certify their classes of plaintiffs. These motions were fully briefed and oral argument was held before the District Court in December 2011. In January 2012, the District Court denied Plaintiffs' motions to certify both a class of direct and a class of indirect concrete purchasers. Upon application of the parties, the Court ordered both the direct and the indirect purchasers' cases stayed to give the parties time to discuss settlement.

Both the indirect and direct plaintiffs settled and the parties negotiated the wording of the stipulations of dismissal. Defendants do not admit any liability or fault by entering into the settlements, and in fact wholly deny any such liability, and vigorously defended against the allegations in these lawsuits. The Judge signed the order dismissing the indirect plaintiffs' lawsuit on March 9, 2012, and signed the order dismissing the direct plaintiffs' lawsuit on March 13, 2012. The impact of the settlement was not material.

Florida antitrust civil investigative demand

In October 2010, an antitrust civil investigative demand was received from the Department of Legal Affairs, Office of the Attorney General, for the Southern District of Florida pursuant to the Florida Antitrust Act of 1980. The civil investigative demand was served to all defendants in the class action litigation described above. The purpose of the investigation was to determine whether there is, has been or may be a violation of sections 1 or 2 of the Sherman Antitrust Act. This includes possible contracts, combinations, or conspiracies in restraint of trade or monopolization, relating to the cement or concrete industry. Documentary material and other tangible evidence was to be made available by November 2010, at the Office of the Attorney General. Since then the Attorney General's office has agreed to several modifications, such as excluding cement and concrete block (due to the District Court's dismissing that portion of the associated class action lawsuit). The final period for data and documents requested is from the beginning of 2006 to November 2009.

21. Commitments and Contingencies (continued)

The Company has complied with the request for documents and has no reason to believe that any violations exist for Tarmac America LLC. To date, no further requests for information or other correspondence has been received from the Florida Office of the Attorney General.

Environmental remediation

The Company is subject to certain environmental regulations and normal business operations may cause conditions requiring remedial action. Management has provided for all known, probable and estimable costs related to such occurrences.

Purchase commitments

The Company has contracted to purchase raw materials and manufacturing supplies as part of its ongoing operations as follows:

Tarmac aggregates purchase commitment

In 2004, the Company entered into a supply agreement with a third party for the purchase of construction aggregates in Florida. Under the terms of the 2004 agreement, the Company was obligated to accept, take, and pay for at least ninety percent of the contracted volume - 2,160,000 tons per year for the period from 2005 through 2014. If annual purchases fell below 2,160,000 tons, the Company had the right to pay the supplier for the shortfall amount and accept delivery of the material in the twelve month period following such payment.

In 2008 and 2009, the supply agreement was amended to extend the original contract term, reduce the guaranteed volumes in 2008 and 2009, and introduce a minimum annual volume (500,000 tons) that, if not achieved, will result in a payment to the supplier at current market prices without the corresponding right to take delivery of the material at a future date.

Under the terms of the amended agreement, the Company must also prepay the supplier annually for any guaranteed volume shortfall (capped at 1,400,000 tons), representing the difference between the guaranteed volume and the actual volume purchased from the supplier in that year (excluding those volumes purchased using a previous year's prepayment). Payment for the guaranteed volume shortfall may be used to offset future purchases from the supplier. In addition, any difference between the annual guaranteed volume and the actual purchased volume extends the life of the agreement by adding the amount of that shortfall to the last year of the contract or, in the event that the carryover would cause the guaranteed volume in the last year of the contract to exceed 2,160,000 tons, to a new contract year. The term of the agreement may not extend beyond the year 2024 unless mutually agreed.

In 2010, the Company accepted delivery of 515,364 tons of construction aggregates from the supplier against an annual guaranteed commitment of 2,160,000 tons. As a result, at December 31, 2010, the Company was obligated to replenish the prepayment amount to 1,400,000 tons of construction aggregates at a cost of $10.00 per ton. This amount has been included in the accompanying consolidated statements of financial position as prepaid expenses and other

21. Commitments and Contingencies (continued)

current assets (see Note 6) at December 31, 2010. The corresponding payable of $4,136,273 has been included in accounts payable at December 31, 2010.

In 2011, the Company accepted delivery of 534,699 tons of construction aggregates from the supplier against an annual guaranteed commitment of 2,160,000 tons. As a result, at December 31, 2011, the Company was obligated to replenish the prepayment amount to 1,400,000 tons of construction aggregates at a cost of $10.00 per ton. This amount has been included in the accompanying consolidated statements of financial position as prepaid expenses and other current assets (see Note 6) at December 31, 2011. The corresponding payable of $5,636,099 has been included in accounts payable at December 31, 2011.

The remaining commitments as of December 31, 2011 and 2010, respectively, are as follows:

	12/31/2011		**12/31/2010 Restated***	
Year	**Guaranteed Volume (Tons)**	**Minimum Volume (Tons)**	**Guaranteed Volume (Tons)**	**Minimum Volume (Tons)**
2011	**N/A**	**N/A**	2,160,000	500,000
2012	**2,160,000**	**500,000**	2,160,000	500,000
2013	**2,160,000**	**500,000**	2,160,000	500,000
2014	**2,160,000**	**500,000**	2,160,000	500,000
2015	**2,160,000**	**500,000**	2,160,000	500,000
2016	**2,160,000**	**500,000**	804,637	500,000
2017	**269,968**	**269,968**		

* Certain amounts shown here do not correspond to the 2010 financial statements and reflect adjustments made.

Under the terms of the supply agreement, purchases are made at current market prices, subject to periodic adjustments. As of January 1, 2011, prices are approximately $10.00 per ton.

Supply commitments

The Company has contracted to supply and intends to fully comply with the following supply commitments:

ST separator package sales commitments

The Company committed to supply a customer up to six ash separator packages through 2018, including the separator unit and ancillary equipment, engineering review and commissioning service for a minimum price of $2,300,000 per separator package. The timing of the sale of separators and services is at the discretion of the customer. In 2010 one separator package was delivered and successfully commissioned.

21. Commitments and Contingencies (continued)

Virginia Ready-mix

The Company committed to supply approximately 40,000 cubic yards of concrete to a customer at an average sales price of $98 a cubic yard beginning in January 2012. It is estimated that delivery will be completed by May 2013.

22. Concentration of Credit Risk

Cash and Cash Equivalents

The Company maintains demand deposits with financial institutions, the balances of which from time-to-time exceed the federally insured amount.

Trade Receivables

The Company grants credit to its customers, most of who are in the construction business, resulting in a concentration of credit risk. However, management believes that trade receivables are well diversified with no single customer or group of customers comprising a significant portion of total trade receivables. Further, a significant portion of the trade receivables is collateralized by lien rights and payment bonds, thereby reducing potential credit risk to the Company. The Company estimates an allowance for doubtful accounts based on the creditworthiness of its customers, as well as general economic conditions. Consequently, any adverse change in these factors could affect the Company's estimate of its allowance for doubtful accounts.

23. Discontinued Operations

In 2010, the Company completed negotiations regarding the sale of its quarry operation located in Salem, Kentucky (Titan Cumberland Resources or "TCR"). TCR was a separate significant line of business of the Company. On April 2, 2010, TCR was sold for $43,081,860 in cash, plus the assumption of certain obligations.

The results of operations of TCR are reflected as discontinued operations in the consolidated statements of operations for all periods presented.

23. Discontinued Operations (continued)

The results of TCR for the years ended December 31, 2011 and 2010 are presented below:

	2011	2010
Net sales	$ -	$ 2,160,681
Freight revenues	-	2,918,501
Total sales	-	5,079,182
Cost of goods sold, excluding freight and distribution expenses	**600,991**	3,927,220
Freight expense	-	2,918,501
Distribution expense	-	770,860
Cost of goods sold	**600,991**	7,616,581
Gross loss	**(600,991)**	(2,537,399)
Selling expense	-	119,185
General and administrative expense	-	106,388
Other operating income	-	(26,903)
Operating loss	**(600,991)**	(2,736,069)
Finance income	-	32,931
Finance cost	-	(544)
Impairment loss recognized on the remeasurement to fair value less costs to sell	-	(143,740)
Loss before tax from discontinued operations	**(600,991)**	(2,847,422)
Income tax benefit	**(234,386)**	(1,110,495)
Loss from discontinued operations, net of tax	**$ (366,605)**	$ (1,736,927)

The net cash flows attributable to TCR (excluding disposal proceeds received in 2010) for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Net cash provided by (used by) operating activities	**$ (1,059,711)**	$ 484,935
Net cash provided by (used by) investing activities	-	16,292
Net cash used by financing activities	-	(39,603)
Net cash flows attributable to discontinued operations	**$ (1,059,711)**	$ 461,624

24. Sales

The components of sales from continuing operations for the year ended December 31, 2011 are as follows:

	Total Sales	Less Internal Sales	External Sales
Sales of cement	**$ 152,579,459**	**$ 40,542,682**	**$ 112,036,777**
Sales of construction aggregates	**55,076,763**	**24,269,451**	**30,807,312**
Sales of ready-mixed concrete	**207,925,881**	**26,914**	**207,898,967**
Sales of concrete block and related products	**18,492,911**	**-**	**18,492,911**
Sales of ash and related products	**30,605,508**	**3,680,745**	**26,924,763**
Transportation services	**6,346,029**	**5,209,490**	**1,136,539**
Net sales	**471,026,551**	**73,729,282**	**397,297,269**
Freight revenues	**43,304,809**	**21,273,357**	**22,031,452**
Total sales	**$ 514,331,360**	**$ 95,002,639**	**$ 419,328,721**

The components of sales from continuing operations for the year ended December 31, 2010 are as follows:

	Total Sales	Less Internal Sales	External Sales
Sales of cement	$ 152,005,494	$ 32,619,269	$ 119,386,225
Sales of construction aggregates	46,488,220	21,953,918	24,534,302
Sales of ready-mixed concrete	204,848,385	26,865	204,821,520
Sales of concrete block and related products	15,882,739	-	15,882,739
Sales of ash and related products	28,343,884	3,003,665	25,340,219
Transportation services	5,433,009	4,118,942	1,314,067
Net sales	453,001,731	61,722,659	391,279,072
Freight revenues	31,567,648	14,089,194	17,478,454
Total sales	$ 484,569,379	$ 75,811,853	$ 408,757,526

25. Cost of Goods Sold, excluding Freight and Distribution Expenses

The components of cost of goods sold, excluding freight and distribution expenses, from continuing operations for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010 As adjusted (See Note 1)
Material and other variable costs	**$ 144,908,374**	$ 145,850,380
Payroll and related expenses	**89,009,670**	85,805,624
Depreciation and depletion	**59,332,013**	62,851,628
Repairs and maintenance	**21,219,656**	18,325,630
Utilities	**18,813,759**	18,150,586
Amortization of identifiable intangible assets	**13,080,061**	13,634,121
Taxes other than income taxes	**9,834,573**	12,160,212
Inventory change	**8,256,760**	2,379,929
Rent and lease expense	**7,155,748**	6,486,725
Risk insurance	**2,448,024**	3,101,541
Travel, training, and other employee expense	**2,835,333**	2,959,782
Restructuring expense	**1,364,377**	-
Amortization of deferred stripping costs	**934,252**	817,750
Other	**12,879,361**	13,064,286
Total cost of goods sold, excluding freight and distribution expenses	**$ 392,071,961**	$ 385,588,194

26. Distribution Expense

The components of distribution expense from continuing operations for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Freight to distribution yards/terminals	**$ 16,967,312**	$ 14,816,403
Payroll and related expenses	**2,916,802**	2,421,997
Depreciation	**1,650,389**	1,773,474
Utilities	**333,495**	426,998
Repairs and maintenance	**536,676**	406,852
Other variable costs	**1,553,656**	995,148
Other fixed costs	**1,503,539**	1,469,102
Total distribution expense	**$ 25,461,869**	$ 22,309,974

27. Selling Expense

The components of selling expense from continuing operations for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Payroll and related expenses	**$ 9,661,476**	$ 9,581,535
Travel, entertainment, and other employee expense	**2,105,048**	2,198,481
Overhead (dues, advertising, professional fees, etc.)	**2,314,337**	2,156,060
Depreciation	**19,077**	24,876
Risk insurance and taxes other than income taxes	**89,762**	104,928
Total selling expense	**$ 14,189,700**	$ 14,065,880

28. General and Administrative Expense

The components of general and administrative expense from continuing operations for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Payroll and related expenses	**$ 30,916,159**	$ 28,671,928
Office costs	**5,690,592**	5,828,615
Travel, entertainment, and other employee expense	**4,377,897**	3,416,197
Professional fees	**3,841,074**	3,539,021
Depreciation	**1,596,207**	1,523,533
Amortization of identifiable intangible assets	**624,981**	636,759
Restructuring expense	**186,899**	-
Other	**2,585,731**	2,655,492
Total general and administrative expense	**$ 49,819,540**	$ 46,271,545

29. Other Operating Income, Net

The components of other operating income/(expense) from continuing operations for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Litigation provision reversal	**$ -**	$ 2,802,722
Rental income	**612,948**	207,394
Other	**(46,422)**	(29,870)
Total other operating income, net	**$ 566,526**	$ 2,980,246

30. Finance Cost

The components of finance cost from continuing operations for the years ended December 31, 2011 and 2010 are as follows:

	2011	**2010 As adjusted (See Note 1)**
Interest expense on borrowings	**$ 17,726,317**	$ 17,707,860
Line of credit commitment fees	**2,638,363**	1,222,008
Amortization of debt issuance costs	**1,207,912**	963,194
Amortization of forward points on cash flow hedge	**788,955**	727,381
Net interest costs on pension and OPEB benefits	**307,836**	343,302
Accretion expense/interest on provisions	**217,163**	223,968
Other	**227,352**	304,155
Capitalized interest	**-**	(617,944)
Total finance cost	**$ 23,113,898**	$ 20,873,924

31. Finance Income

The components of finance income from continuing operations for the years ended December 31, 2011 and 2010 are as follows:

	2011	**2010 As adjusted (See Note 1)**
Total finance income	**$ 175,315**	$ 152,733

32. Payroll and Related Expenses

The components of payroll and related expenses (also included in Notes 25 through 28) from continuing operations for the years ended December 31, 2011 and 2010 are as follows:

	2011	**2010** **As adjusted (See Note 1)**
Wages	**$ 47,210,242**	$ 45,693,025
Salaries	**50,946,658**	48,831,154
Payroll taxes and benefits	**31,569,582**	30,150,484
Outsourced and temporary labor	**1,864,172**	541,499
Other payroll expenses	**913,453**	1,264,922
Total payroll and related expenses	**$ 132,504,107**	$ 126,481,084

Number of persons employed by the Company at December 31, 2011 and 2010 (unaudited):

	2011	**2010**
Full time	**1,702**	1,795
Part time	**15**	19
Total	**1,717**	1,814
Salary	**630**	690
Hourly	**1,087**	1,124
Total	**1,717**	1,814

33. Subsequent Event

The affiliated party borrowing facility (Note 15) was amended on February 24, 2012 to replace the existing facility and to provide the company with a multicurrency committed credit facility in a total amount of up to $330,000,000 or its equivalent in Euros, for general corporate purposes.

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