

ALVACIM LIMITED

REPORT AND FINANCIAL STATEMENTS
31 December 2012

ALVACIM LIMITED

REPORT AND FINANCIAL STATEMENTS 31 December 2012

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ALVACIM LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Arta Antoniou
Spyroulla Papaeracleous
Stelios Traintafillides

Company Secretary:

A.T.S. Services Limited
2-4 Arch. Makarios III Avenue
Capital Center, 9th floor
CY-1065 Nicosia, Cyprus

Independent Auditors:

Ernst & Young Cyprus Limited
Certified Public Accountants & Registered Auditors
Nicosia

Registered office:

2-4 Arch. Makarios III Avenue
Capital Center, 9th floor
CY-1065 Nicosia
Cyprus

ALVACIM LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2012.

Principal activities

The principal activities of the Company, which are unchanged from last year, are those of an investment holding company.

Review of current position, future developments and significant risks

As at 31 December 2012 the Company had a profit for the year of €1,524,806 compared to the profit of €1,215,567 in 2011.

The Company's principal risks or uncertainties are stated in note 3.

Results and Dividends

The Company's results for the year are set out on page 5. The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital

Authorised capital

On 22 June 2012 the authorised share capital of the Company was increased from 60,000 shares of €1.71 each to 70,000 shares of €1.71 each.

Issued capital

On 22 June 2012, the Company increased its issued share capital from 55,754 shares of €1.71 each to 64,354 shares of €1.71 each. The new shares were issued at a premium of €998.29 per share.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2012 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2012.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 18 to the financial statements.

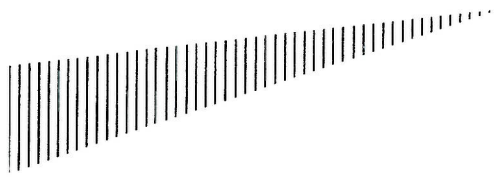
Independent Auditors

The Independent Auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Stelios Triantafyllides
Director

Nicosia, Cyprus, 26 March 2013



Independent auditor's report

To the Members of Alvacim Limited

Report on the financial statements

We have audited the accompanying financial statements of Alvacim Limited (the "Company"), which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

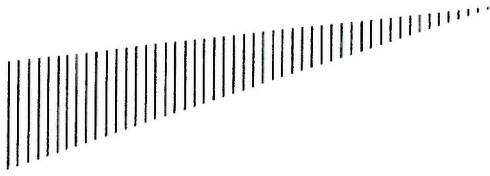
The Company's Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Alvacim Limited as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal Requirements

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



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

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
26 March 2013

ALVACIM LIMITED

STATEMENT OF COMPREHENSIVE INCOME Year ended 31 December 2012

	Note	2012 €	2011 €
Net profit from investing activities	5	1,524,278	1,540,264
Administration expenses		(172,335)	(176,456)
Profit before tax		1,351,943	1,363,808
Tax	8	172,863	(148,241)
Net profit for the year		1,524,806	1,215,567
Other comprehensive income		-	-
Total comprehensive income for the year		1,524,806	1,215,567

The notes on pages 9 to 18 form an integral part of these financial statements.

ALVACIM LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2012

	Note	2012 €	2011 €
ASSETS			
Non-current assets			
Investments in subsidiaries	9	51,000,000	37,800,000
Loans receivable	10	<u>-</u>	<u>50,400,000</u>
		<u>51,000,000</u>	<u>88,200,000</u>
Current assets			
Trade and other receivables	11	-	506,350
Loans receivable	10	51,579,811	4,220,887
Cash and cash equivalents	12	<u>118,377</u>	<u>26,466</u>
		<u>51,698,188</u>	<u>4,753,703</u>
Total assets		<u>102,698,188</u>	<u>92,953,703</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	110,045	95,339
Share premium		97,020,545	88,435,251
Retained earnings		<u>5,411,948</u>	<u>3,887,142</u>
Total equity		<u>102,542,538</u>	<u>92,417,732</u>
Current liabilities			
Trade and other payables	14	8,902	213,672
Current tax liabilities		<u>146,748</u>	<u>322,299</u>
		<u>155,650</u>	<u>535,971</u>
Total equity and liabilities		<u>102,698,188</u>	<u>92,953,703</u>

On 26 March 2013 the Board of Directors of Alvacim Limited authorised these financial statements for issue.

.....
Stelios Triantafyllides
Director

.....
Arta Antoniou
Director

The notes on pages 9 to 18 form an integral part of these financial statements.

ALVACIM LIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 31 December 2012

	Note	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 1 January 2011		95,339	88,435,251	2,671,575	91,202,165
Net profit for the year		-	-	1,215,567	1,215,567
Balance at 31 December 2011/ 1 January 2012		95,339	88,435,251	3,887,142	92,417,732
Net profit for the year		-	-	1,524,806	1,524,806
Issue of share capital	13	14,706	8,585,294	-	8,600,000
Balance at 31 December 2012		110,045	97,020,545	5,411,948	102,542,538

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (up to 31 August 2011 the rate was 15% and was increased to 17% for the period thereafter to 31 December 2011) will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 18 form an integral part of these financial statements.

ALVACIM LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2012

	2012	2011
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,351,943	1,363,808
Adjustments for:		
Interest income	5 <u>(1,518,333)</u>	(1,538,631)
Cash flows used in operations before working capital changes	(166,390)	(174,823)
Decrease/(increase) in trade and other receivables	506,350	(50)
(Decrease)/increase in trade and other payables	<u>(204,770)</u>	204,122
Cash flows from operations	135,190	29,249
Tax paid	<u>(2,688)</u>	(31,158)
Net cash flows from/(used in) operating activities	<u>132,502</u>	<u>(1,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments in subsidiaries	9 (13,200,000)	-
Loans granted	(1,518,333)	(1,538,631)
Loans repayments received	4,559,409	-
Interest received	<u>1,518,333</u>	1,538,631
Net cash flows used in investing activities	<u>(8,640,591)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	<u>8,600,000</u>	-
Net cash flows from financing activities	<u>8,600,000</u>	<u>-</u>
Net increase /(decrease) in cash and cash equivalents	91,911	(1,909)
Cash and cash equivalents:		
At beginning of the year	<u>26,466</u>	28,375
At end of the year	12 <u><u>118,377</u></u>	<u><u>26,466</u></u>

The notes on pages 9 to 18 form an integral part of these financial statements.

ALVACIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

1. Incorporation and principal activities

Country of incorporation

The Company Alvacim Limited was incorporated in Cyprus on 5 May 2006 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at 2-4 Arch. Makarios III Avenue, Capital Center, 9th floor, CY-1065 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are those of an investment holding company.

2. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted all the new and amended IFRS and IFRIC interpretations that are effective as of 1 January 2012. The adoption did not have a material effect on the accounting policies of the Group.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Consolidated financial statements

These financial statements are the separate parent financial statements of the Company. Consolidated financial statements, which would include the financial statements of the Company and its subsidiary undertaking have not been prepared because the Company is a wholly owned subsidiary itself and it does not need to prepare consolidated financial statements as IFRS consolidated financial statements are prepared by its ultimate parent company Titan Cement S.A., a company incorporated in Greece. This exemption is permitted by International Accounting Standard IAS27 "Consolidated and Parent Financial Statements" and by the Cyprus Companies Law, Cap. 113. Consolidated financial statements can be obtained from Titan Cement S.A., 22A Halkidos Street, 11143 Athens, Greece.

ALVACIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

2. Accounting policies (continued)

Subsidiary companies

Subsidiaries include all companies that are controlled by the company. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise.

Investments in subsidiaries are stated at cost less any impairment in value. The carrying values of investments in subsidiaries are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Impairment losses are recognised in the income statement.

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

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

Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

ALVACIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

2. Accounting policies (continued)

Deferred income

Deferred income represents income receipts which relate to future periods.

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand. Cash and short term deposits in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less.

Impairment of assets

Assets, other than intangibles with indefinite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

ALVACIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with recognised financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2012

	Carrying amounts	3 months or less
	€	€
Trade and other payables	8,902	8,902
	<u>8,902</u>	<u>8,902</u>

31 December 2011

	Carrying amounts	3 months or less
	€	€
Trade and other payables	13,672	13,672
	<u>13,672</u>	<u>13,672</u>

3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

ALVACIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Impairment of non-financial assets**

The Company periodically evaluates the recoverability of non-financial assets such as investments in subsidiaries, whenever indicators of impairment are present. Indicators of impairment include such items as declines in market values, revenues, earnings, cash flows or net asset value which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that non-financial assets may be impaired, the estimated future discounted cash flows associated with these assets would be compared to their carrying amounts to determine if a write-down to the income statement is necessary.

5. Net profit from investing activities

	2012	2011
	€	€
Interest income loan (Note 15.1)	1,518,333	1,538,632
Interest income bank	<u>5,945</u>	<u>1,632</u>
	<u>1,524,278</u>	<u>1,540,264</u>

6. Operating profit

	2012	2011
	€	€
Operating profit is stated after charging the following items:		
Staff costs (Note 7)	150,000	150,000
Directors' fees	-	-
Auditors' remuneration	<u>6,551</u>	<u>6,440</u>

7. Staff costs

	2012	2011
	€	€
Wages and salaries	<u>150,000</u>	<u>150,000</u>
	<u>150,000</u>	<u>150,000</u>

ALVACIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

8. Tax

	2012	2011
	€	€
Corporation tax - current year	-	148,039
Corporation tax - prior years	(329,752)	-
Overseas tax	155,997	-
Defence contribution - current year	892	202
Credit/charge for the year	(172,863)	148,241

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2012	2011
	€	€
Profit before tax	1,351,943	1,363,808
Tax calculated at the applicable tax rates	135,194	136,381
Tax effect of allowances and income not subject to tax	(595)	(163)
10% additional charge	13,340	11,821
Defence contribution current year	892	202
Prior year tax - (1)	(321,694)	-
Tax charge	(172,863)	148,241

The corporation tax rate is 10%.

Under certain conditions interest income may be subject to defence contribution at the rate of 15% (10% to 30 August 2011). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (up to 31 August 2011 the rate was 15% and was increased to 17% for the period thereafter to 31 December 2011).

(1) The amount represents reversal of corporation tax for the years 2009 to 2011, due to receipt of withholding tax certificates and submission to the tax authorities.

ALVACIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

9. Investments in subsidiaries

	2012	2011
	€	€
Balance at 1 January	37,800,000	37,800,000
Additions	13,200,000	-
Balance at 31 December	51,000,000	37,800,000

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2012	2011	2012	2011
			Holding	Holding	€	€
			%	%		
Antea Cement Sh. A	Albania	Cement production	60	60	51,000,000	37,800,000
					51,000,000	37,800,000

On 28 June 2012 Antea Cement Ltd increased its share capital and the Company paid €13,200,000.

In the opinion of the directors and management, the carrying amount of the investment in subsidiary is lower than its recoverable amount.

10. Loans receivable

	2012	2011
	€	€
Loans receivable (Note 15.3)	51,579,811	54,620,887
Less current portion	(51,579,811)	(4,220,887)
Non-current portion	-	50,400,000

The loan bears an interest of 3 month Euribor plus 1,5% per annum and is repayable on 29 December 2013. The interest for the year charged to Income Statement was €1,518,333 (2011: €1,538,632).

The exposure of the Company to credit risk is reported in note 3.

The fair value of receivable loans approximates to their carrying amounts as presented above.

11. Trade and other receivables

	2012	2011
	€	€
Receivables from related companies (Note 15.2)	-	504,050
Other receivables	-	2,300
	-	506,350

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3.

ALVACIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

12. Cash and cash equivalents

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

	2012	2011
	€	€
Cash at bank and in hand	<u>118,377</u>	26,466
	<u>118,377</u>	<u>26,466</u>

13. Share capital

	2012	2012	2011	2011
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1.71 each	60,000	102,600	60,000	102,600
Issue of shares	<u>10,000</u>	<u>17,100</u>	-	-
	<u>70,000</u>	<u>119,700</u>	<u>60,000</u>	<u>102,600</u>
Issued and fully paid				
Balance at 1 January	55,754	95,339	55,754	95,339
Issue of shares	<u>8,600</u>	<u>14,706</u>	-	-
Balance at 31 December	<u>64,354</u>	<u>110,045</u>	<u>55,754</u>	<u>95,339</u>

Authorised capital

On 22 June 2012 the authorised share capital of the Company was increased from 60,000 shares of €1.71 each to 70,000 shares of €1.71 each.

Issued capital

On 22 June 2012, the Company increased its issued share capital from 55,754 shares of €1.71 each to 64,354 shares of €1.71 each. The new shares were issued at a premium of €998.29 per share.

14. Trade and other payables

	2012	2011
	€	€
Shareholders' current accounts - credit balances (Note 15.4)	-	200,000
Accruals	-	5,582
Other creditors	<u>8,902</u>	8,090
	<u>8,902</u>	<u>213,672</u>

15. Related party transactions

The Company is controlled by Aemos Cement Limited, incorporated in Cyprus, which owns 100% of the Company's shares. The Company's ultimate controlling party is Titan Cement S.A.

For the purpose of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions and as such include all companies which are ultimately controlled by a common management.

ALVACIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

15. Related party transactions (continued)

The following transactions were carried out with related parties:

15.1 Interest income (Note 5)

		2012	2011
	<u>Nature of transactions</u>	€	€
Loan to subsidiary - interest income	Finance	<u>1,518,333</u>	<u>1,538,632</u>
		<u>1,518,333</u>	<u>1,538,632</u>

15.2 Receivables from related parties (Note 11)

		2012	2011
<u>Name</u>	<u>Nature of transactions</u>	€	€
Receivable from subsidiary	Finance-Front fee	<u>-</u>	<u>504,000</u>
		<u>-</u>	<u>504,000</u>

15.3 Loans to related parties (Note 10)

		2012	2011
		€	€
Loan to subsidiary undertaking		<u>51,579,811</u>	<u>54,620,887</u>
		<u>51,579,811</u>	<u>54,620,887</u>

15.4 Shareholders' current accounts - credit balances (Note 14)

		2012	2011
		€	€
Payable to shareholder		<u>-</u>	<u>200,000</u>
		<u>-</u>	<u>200,000</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

16. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2012/2011.

17. Commitments

The Company had no capital or other commitments as at 31 December 2012/2011.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

18. Events after the reporting period

Cyprus and the Eurogroup reached an agreement on 25 March 2013 on a package of measures intended to restore the viability of the financial sector and sound public finances over the coming years.

As part of the measures for restructuring the financial sector, there will be a restructuring of two of the local banks. All insured depositors (those with deposits less than €100,000) in all banks will be fully protected in accordance with the relevant EU directive.

In addition, the Cypriot authorities will introduce administrative measures, appropriate in view of the present unique and exceptional situation of Cyprus' financial sector and to allow for a swift reopening of the banks as soon as possible. These administrative measures may include restrictions on cash withdrawals, compulsory renewal of maturing deposits and restrictions on capital movements. These measures will be temporary, proportionate and non discriminatory, and subject to strict monitoring in terms of scope and duration in line with the EU Treaty.

As of 31 December 2012 and the date of the approval of these financial statements, the Company holds bank assets domiciled in Cyprus but which are not affected by the above events, other than the temporary administrative measures described above.

Independent auditor's report on pages 3 and 4