BENI SUEF CEMENT COMPANY AND PARTNERS
"MISRIEEN TITAN FOR TRADE AND DISTRIBUTION"
(LIMITED PARTNERSHIP COMPANY)
(LIQUIDATED)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
TOGETHER WITH AUDITOR'S REPORT

Ernst & Young

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Beni Suef Cement Company and Partners "Misrieen Titan for Trade and Distribution" (Limited Partnership Company) (Liquidated)**, represented in the financial position as at 31 December 2012, as well as the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. Management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, of the financial position of **Beni Suef Cement Company and Partners "Misrieen Titan for Trade and Distribution" (Limited Partnership Company) (Liquidated)** as of 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter:

Without qualifying our conclusion, we draw attention to note number (2) to the financial statements that the Company's partners decided in their meeting held on 16 November 2008 to liquidate the Company. On 25 November 2008 the Company was cancelled from the commercial register.

As result of the matter referred to in the preceding paragraph, the Company's financial statement as of 31 December 2012 has been prepared on a break up basis.

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

Amr Mohamed El Shaabini
Fellow of the Egyptian Association of Accountants and Auditors
Fellow of the Egyptian Tax Association
R.A.A. 9365

Cairo: 29 January 2013

FINANCIAL POSITION
At 31 December 2012

	Note	2012 EGP	2011 EGP
Current assets			
Prepayments and other receivables	(4)	-	4,345
Cash on hand	(5)	-	47,454
		-	51,799
Total assets		-	51,799
Equity and liabilities			
Equity			
Capital		-	20,000
Accumulated deficit		-	(3,176,523)
Total equity		-	(3,156,523)
Current liabilities			
Provisions	(6)	-	3,300
Due to related party		-	3,156,000
Accrued expenses and other credit balances	(7)	-	49,022
Total current liabilities		-	3,208,322
Total equity and liabilities		-	51,799

Chief Executive Officer
Khaled Badawy

- The accompanying notes from (1) to (7) are an integral part of these financial statements.
- Auditor's report attached

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2012

	2012 **EGP**	2011 EGP
Profits for the year	-	-
Add:		
Other Comprehensive income	-	-
Total Comprehensive income	-	-

- The accompanying notes from (1) to (7) are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 December 2012

	Capital	Accumulated deficit	Losses for the year	Total
	EGP	EGP	EGP	EGP
Balance as of 1 January 2011	20,000	(3,176,390)	(133)	(3,156,523)
Transferred to accumulated deficit	-	(133)	133	-
Balance as of 31 December 2011	**20,000**	**(3,176,523)**	-	**(3,156,523)**
Balance as of 1 January 2012	20,000	(3,176,523)	-	(3,156,523)
Transferred to due to related parties	(20,000)	3,176,523	-	3,156,523
Balance as of 31 December 2012	-	-	-	-

- The accompanying notes from (1) to (7) are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2012

	Note	**2012 EGP**	2011 EGP
Operating activities			
Profit for the year		-	-
Working Capital Changes		-	-
Change in prepayments and other receivables		**4,345**	-
Change in due to related parties		**523**	
Change in accrued expenses and other credit balances		**(49,022)**	-
		(44,154)	
Provision used		**(3,300)**	
Net cash flows (used in) operating activities		**(47,454)**	-
		-	-
Net cash and cash equivalent during the year		**(47,454)**	-
Cash and cash equivalent - beginning of the year		**47,454**	47,454
Cash and cash equivalent - end of the year	(5)	-	47,454

- The accompanying notes from (1) to (7) are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2012

1 CORPORATE INFORMATION

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

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

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

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

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

2 FUNDUMENTAL ACCOUNTING CONCEPT

The financial statements have been prepared on a break up basis since the Company liquidated its assets and liabilities based on the resolution of the partners meeting held in 16 November 2008 (note 1).

3 SIGNIFICANT ACCOUNTING POLICIES

3-1 Basis of preparation
The accounting policies adopted are consistent with those used in the previous year. The financial statement is prepared using the historical cost basis.

3-2 Accounting Judgments, Estimates and Assumptions
The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

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

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

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2012

3 SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3-3 Foreign currency translation

The financial statements are presented in Egyptian Pounds which is the Company's functional and presentation currency. Transactions in foreign currencies during the year are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3-4 Other debit balances

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

3-5 Provisions

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

3-6 Related party transactions

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

3-7 Accounts payable and accruals

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

3-8 Impairment of assets

- Impairment of non financial assets

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

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

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

3-9 Cash and cash equivalent

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

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

4 PREPAYMENTS AND OTHER DEBIT BALANCES

	2012 EGP	2011 EGP
Tax authority	-	4,000
Other debit balances	-	345
	-	4,345

CASH ON HAND

	2012 EGP	2011 EGP
Cash on hand	-	47,454
	-	47,454

6 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2012 EGP	2011 EGP
Other credit balances	-	49,022
	-	49,022

7 PROVISIONS

	2012 EGP	2011 EGP
Provision for expected claims	-	3,300
	-	3,300