

**TITAN EGYPTIAN INVESTMENTS
LIMITED**

REPORT AND FINANCIAL STATEMENTS
31 December 2012

TITAN EGYPTIAN INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 31 December 2012

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TITAN EGYPTIAN INVESTMENTS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Spyroulla Papaeracleous
Artemisia Antoniou
Chris Ruark
Gareth Essex-Cater

Independent Auditors:

Ernst & Young Cyprus Limited
Certified Public Accountants & Registered Auditors
36 Byron Avenue
1511 Nicosia, Cyprus

Registered office:

22 Grenville Street, St. Helier, Jersey, Channel Islands,
JE4 8PX

TITAN EGYPTIAN INVESTMENTS 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 and the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans.

Review of current position, future developments and significant risks

The net profit for the Company for the year ended 31 December 2012 was €78,397,065 (2011: €42,859,490). On 31 December 2012 the total assets of the Company were €505,252,555 (2011: €573,241,156) and the net assets of the Company were €505,246,055 (2011: net assets €426,848,990). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Results

The Company's results for the year are set out on page 6.

Dividends

The Board of Directors does not recommend the payment of dividend and the net profit for the year is retained. During the year 2011 the Board of Directors approved the payment of an interim dividend of €43,300,000.

Share capital

There were no changes in the share capital of the Company during the year under review.

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

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

TITAN EGYPTIAN INVESTMENTS LIMITED

REPORT OF THE BOARD OF DIRECTORS

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,



Artemisia Antoniou
Director

Nicosia, Cyprus, 26 March 2013

Independent Auditor's Report

To the Members of Titan Egyptian Investments Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Titan Egyptian Investments 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

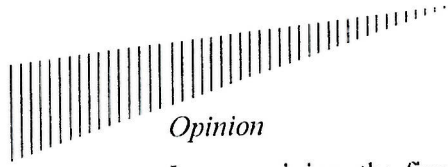
The Company's Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial 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 Titan Egyptian Investments 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.

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
26 March 2013

TITAN EGYPTIAN INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2012

	Note	2012 €	2011 €
Profit from investing activities	5	81,121,466	44,926,978
Administration expenses		<u>(34,965)</u>	<u>(82,735)</u>
Operating profit	6	81,086,501	44,844,243
Finance costs	7	<u>(2,689,436)</u>	<u>(1,984,753)</u>
Net profit for the year		78,397,065	42,859,490
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>78,397,065</u>	<u>42,859,490</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

TITAN EGYPTIAN INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2012

	Note	2012 €	2011 €
ASSETS			
Non-current assets			
Investments in subsidiaries	8	322,305,423	326,255,423
Loans receivable	9	<u>67,982,704</u>	<u>72,982,704</u>
		<u>390,288,127</u>	<u>399,238,127</u>
Current assets			
Trade and other receivables	10	6	24,059
Loans receivable	9	30,757,729	710,462
Cash and cash equivalents	11	<u>84,206,693</u>	<u>173,268,508</u>
		<u>114,964,428</u>	<u>174,003,029</u>
Total assets		<u>505,252,555</u>	<u>573,241,156</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	223,119,446	223,119,446
Retained earnings		<u>282,126,609</u>	<u>203,729,544</u>
Total equity		<u>505,246,055</u>	<u>426,848,990</u>
Non-current liabilities			
Borrowings	13	-	146,380,665
		-	<u>146,380,665</u>
Current liabilities			
Trade and other payables	14	<u>6,500</u>	11,501
Total liabilities		<u>6,500</u>	<u>146,392,166</u>
Total equity and liabilities		<u>505,252,555</u>	<u>573,241,156</u>

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

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 Artemisia Antoniou
 Director

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 Spyroulla Papaeracleous
 Director

The notes on pages 10 to 18 form an integral part of these financial statements.

TITAN EGYPTIAN INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2012

	Note	Share capital €	Retained earnings €	Total €
Balance at 1 January 2011		<u>223,119,446</u>	<u>204,170,054</u>	<u>427,289,500</u>
Net profit for the year		-	42,859,490	42,859,490
Dividends		-	(43,300,000)	(43,300,000)
Balance at 31 December 2011/ 1 January 2012		<u>223,119,446</u>	<u>203,729,544</u>	<u>426,848,990</u>
Net profit for the year		-	78,397,065	78,397,065
Balance at 31 December 2012		<u>223,119,446</u>	<u>282,126,609</u>	<u>505,246,055</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

TITAN EGYPTIAN INVESTMENTS LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2012

	Note	2012 €	2011 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		78,397,065	42,859,490
Adjustments for:			
Unrealised exchange (profit) /loss		(842)	169
Impairment charge - investments in subsidiaries	8	-	2,150,000
Dividend income	5	(75,955,836)	(37,963,872)
Interest income	5	(5,165,105)	(372,900)
Interest expense	7	2,686,007	1,982,064
Cash flows (used in)/from operations before working capital changes		(38,711)	8,654,951
Decrease/(increase) in trade and other receivables		24,053	(24,059)
Decrease in trade and other payables		(5,001)	(168,262)
Cash flows (used in)/from operations		(19,659)	8,462,630
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans granted		(28,000,000)	-
Loans repayments received		7,916,898	25,023,657
Interest received		200,940	372,900
Dividends received		75,955,836	37,963,872
Return of capital from subsidiaries		3,950,000	-
Net cash flows from investing activities		60,023,674	63,360,429
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(149,066,672)	-
Proceeds from borrowings		-	146,380,665
Unrealised exchange profit /(loss)		842	(169)
Interest paid		-	(1,982,064)
Dividends paid		-	(43,300,000)
Net cash flows (used in)/from financing activities		(149,065,830)	101,098,432
Net (decrease) /increase in cash and cash equivalents		(89,061,815)	172,921,491
Cash and cash equivalents:			
At beginning of the year		173,268,508	347,017
At end of the year	11	84,206,693	173,268,508

The notes on pages 10 to 18 form an integral part of these financial statements.

TITAN EGYPTIAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

1. Incorporation and principal activities

Country of incorporation

The Company Titan Egyptian Investments Limited (the "Company") was incorporated in Jersey, Channel Islands on 20 December 1999. Its registered office is at 22 Grenville Street, St. Helier, Jersey, Channel Islands, JE4 8PX.

Principal activities

The principal activities of the Company, which are unchanged from last year, are those of an investment holding company and the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans.

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). 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.

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 undertakings 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 Separate Financial Statements". Consolidated financial statements can be obtained from Titan Cement S.A., 22A Halkidos Street, 11143 Athens, Greece.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2012. This adoption did not have a material effect on the accounting policies of the Company.

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.

Subsidiary companies

Subsidiaries include all companies that are controlled by the company. Control is presumed to exist when the parent

TITAN EGYPTIAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

2. Accounting policies (continued)

Subsidiary companies (continued)

owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise.

Investments in subsidiaries and other group companies 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 statement of comprehensive income.

Revenue recognition

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

- **Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

- **Dividend income**

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

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

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

Profits arising in the Company for the 2012 Year of Assessment will be subject to Jersey Income Tax at the rate of 0% (2011: 0%).

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

TITAN EGYPTIAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and short term deposits in the balance sheet 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.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency 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.

TITAN EGYPTIAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2012

3. Financial risk management (continued)

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 €	Between 1-5 years €
Trade and other payables	<u>6,500</u>	<u>6,500</u>	-
	<u>6,500</u>	<u>6,500</u>	-

31 December 2011

	Carrying amounts €	3 months or less €	Between 1-5 years €
Trade and other payables	11,501	11,501	-
Loans from related companies	<u>146,380,665</u>	-	<u>146,380,665</u>
	<u>146,392,166</u>	<u>11,501</u>	<u>146,380,665</u>

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 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 except as disclosed in note 9 and 13.

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:

TITAN EGYPTIAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

4. Critical accounting estimates and judgments (continued)

• Impairment of investments in subsidiaries

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future undiscounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Profit from investing activities

	2012	2011
	€	€
Loan interest income (Note 15)	4,964,165	6,575,538
Bank interest income	200,940	372,900
Exchange profit	525	14,668
Dividend income	75,955,836	37,963,872
	<u>81,121,466</u>	<u>44,926,978</u>

6. Operating profit

	2012	2011
	€	€
Operating profit is stated after charging the following items:		
Directors' fees	9,930	5,461
Auditors' remuneration - current year	6,000	6,887
Auditors' remuneration - prior years	(2,111)	1,791

7. Finance costs

	2012	2011
	€	€
Net foreign exchange transaction losses	1,368	949
Interest expense (Note 13)	2,686,007	1,982,064
Bank interest	75	-
Sundry finance expenses	1,986	1,740
	<u>2,689,436</u>	<u>1,984,753</u>

TITAN EGYPTIAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

8. Investments in subsidiaries

	2012	2011
	€	€
Balance at 1 January	326,255,423	328,405,423
Reduction	(3,950,000)	(2,150,000)
Balance at 31 December	<u>322,305,423</u>	<u>326,255,423</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2012 Holding %	2011 Holding %	2012 €	2011 €
Beni Suef Cement Company	Egypt	Cement manufacturing	0.001	0.001	34	34
Alexandria Development Limited	Jersey	Investment holding	83	83	293,368,323	293,368,323
East Cement Trade Ltd	Cyprus	Investment holding	100	100	12,617,810	16,567,810
Less provision for impairment					(747,810)	(747,810)
Kocem Limited	Cyprus	Investment holding	100	100	17,067,066	17,067,066
					<u>322,305,423</u>	<u>326,255,423</u>

During the year, East Cement Trade Limited reduced its share premium by €3,950,000 (2011: €2,950,000).

Alexandria Development Ltd holds 88.03% in Alexandria Portland which is a listed Company in Cairo stock exchange. The Group carried out an impairment test of the investments relevant CGU as a whole and concluded that its value in use is greater than its carrying amount in the financial statements.

During the year, the Company received dividend income of €75,955,836 (2011: €37,963,872 (Note 15.4)) from its subsidiaries.

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

TITAN EGYPTIAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

9. Loans receivable

	2012	2011
	€	€
Loans to related companies (Note 15)	<u>98,740,433</u>	73,693,166
Less current portion	<u>98,740,433</u>	73,693,166
Non-current portion	<u>(30,757,729)</u>	(710,462)
	<u>67,982,704</u>	<u>72,982,704</u>
The loans are repayable as follows:		
Within one year	<u>30,757,729</u>	710,462
Between one and five years	<u>67,982,704</u>	72,982,704
	<u>98,740,433</u>	<u>73,693,166</u>

10. Trade and other receivables

	2012	2011
	€	€
Deposits and prepayments	-	408
Accrued income	-	23,651
Dividends receivable	<u>6</u>	-
	<u>6</u>	<u>24,059</u>

11. Cash and cash equivalents

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

	2012	2011
	€	€
Cash at bank and in hand	<u>84,206,693</u>	173,268,508
	<u>84,206,693</u>	<u>173,268,508</u>

Cash at bank represents current and fixed deposit accounts denominated in Euro and carry annual interest from 1,0% to 1,5% respectively.

12. Share capital

	2012	2012	2011	2011
	Number of shares	€	Number of shares	€
Authorised				
Class "A" Ordinary shares of €1.00 each	<u>111,854,723</u>	<u>111,854,723</u>	111,854,723	111,854,723
Class "B" Ordinary shares of €1.00 each	<u>111,854,723</u>	<u>111,854,723</u>	111,854,723	111,854,723
	<u>223,709,446</u>	<u>223,709,446</u>	<u>223,709,446</u>	<u>223,709,446</u>
Issued and fully paid				
Class "A" Ordinary shares of €1.00 each	<u>111,559,723</u>	<u>111,559,723</u>	111,559,723	111,559,723
Class "B" Ordinary shares of €1.00 each	<u>111,559,723</u>	<u>111,559,723</u>	111,559,723	111,559,723
Balance at 31 December	<u>223,119,446</u>	<u>223,119,446</u>	<u>223,119,446</u>	<u>223,119,446</u>

TITAN EGYPTIAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

13. Borrowings

	2012	2011
	€	€
Non current borrowings		
Related company - principal	-	146,360,000
Related company - interest	-	20,665
	<u>-</u>	<u>146,380,665</u>

On 23 September 2011, the Company entered into a new loan facility of €150,000,000 with Titan Global Finance Plc. The total principal utilised from the loan was €146,360,000. The loan capital and loan interest were fully paid during the year 2012. The loan was unsecured with an interest rate of Euribor plus 4% per annum and was repayable by 23 August 2015. The interest expense for the year was €2,686,007 (2011: €1,982,064).

14. Trade and other payables

	2012	2011
	€	€
Accruals	-	5,412
Other creditors	6,500	6,089
	<u>6,500</u>	<u>11,501</u>

15. Related party transactions

The Company is wholly owned by Iapetos Limited, incorporated in Cyprus. Iapetos Limited is ultimately owned and controlled by Titan Cement SA, incorporated in Greece.

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.

The following transactions were carried out with related parties:

15.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2012	2011
	€	€
Directors' fees	9,930	5,461
	<u>9,930</u>	<u>5,461</u>

TITAN EGYPTIAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

15. Related party transactions (continued)

15.2 Loans to related parties

	2012	2011
	€	€
Related party - principal	95,982,704	72,982,704
Related party - interest	2,757,729	710,462
	<u>98,740,433</u>	<u>73,693,166</u>

On 30 June 2011, the Company entered into a loan facility of €97,982,704 with Alexandria Portland Cement Company. The total principal amount utilised from the loan was €97,982,704. During 2012 amounts repaid were €5,000,000 (2011: €25,000,000). The loan is unsecured, bears an interest rate of 6 month Euribor plus 5.15% per annum and is repayable by 30 June 2015. The interest income for the year was €4,592,635 (2011: €6,575,538), out of which €2,653,864 was repaid (2011: €6,599,195).

On 23 July 2012, the Company entered into a new loan facility of €50,000,000 with Titan Global Finance Plc. The total principal amount utilised from the loan was €28,000,000. The loan is unsecured, bears an interest rate 3 month Euribor plus 3,05% per annum and repayable on demand. The interest income for the year was €371,530, out of which €263,034 was repaid.

15.3 Loans due to related parties (Note 13)

	2012	2011
	€	€
Loans due to related company	-	146,380,665
	<u>-</u>	<u>146,380,665</u>

15.4 Dividend income (Note 6)

	2012	2011
	€	€
Dividend income	75,955,837	37,963,872
	<u>75,955,837</u>	<u>37,963,872</u>

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.

18. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 4 and 5