

KOCEM LIMITED

REPORT AND FINANCIAL STATEMENTS
31 December 2013

KOCEM LIMITED

REPORT AND FINANCIAL STATEMENTS 31 December 2013

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KOCEM LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Arta Antoniou
Spyroulla Papaeracleous

Company Secretary:

A.T.S. Services Limited
2-4 Arch. Makarios III Avenue
Capital Center, 9th Floor
CY-1505 Nicosia, Cyprus

Independent Auditors:

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

Registered office:

2-4 Arch. Makariou III Aven.
Capital Center, 9th floor
CY-1505 Nicosia
Cyprus

KOCEM 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 2013.

Principal activities

The principal activities of the Company, are those of an investment holding company, the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans and the provision of consultancy type of services to fellow group companies.

Review of current position, future developments and significant risks

The net profit for the Company for the year ended 31 December 2013 was €606,061 (2012: €4,627,384). On 31 December 2013 the total assets of the Company were €36,300,115 (2012: €35,540,345) and the net assets of the Company were €25,480,444 (2012: €24,874,383). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

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

Results

The Company's results for the year are set out on page 5.

Dividends

The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

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 2013 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 2013.

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.

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,



Arta Antoniou
Director

Nicosia, 28 April 2014



Ernst & Young Cyprus Limited
Nicosia Tower Centre
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1511 Nicosia, Cyprus

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Independent Auditor's Report

To the Members of Kocem Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kocem Ltd (the "Company"), which comprise the statement of financial position as at 31 December 2013, 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 about 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 Kocem Ltd as at 31 December 2013, 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 additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, 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, so far as appears from our examination of these books.
- 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 Laws of 2009 and 2013 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
28 April 2014

KOCEM LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	Note	2013 €	2012 €
Profit from investing activities	5	828,397	4,855,571
Administration and other expenses		(20,251)	(18,395)
Operating profit	6	808,146	4,837,176
Finance costs	7	(201,505)	(209,055)
Profit before tax		606,641	4,628,121
Tax	8	(580)	(737)
Net profit for the year		606,061	4,627,384
Other comprehensive income		-	-
Total comprehensive income for the year		606,061	4,627,384


The notes on pages 9 to 17 form an integral part of these financial statements.


KOCEM LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2013

	Note	2013 €	2012 €
ASSETS			
Non-current assets			
Investments in group companies	9	<u>35,394,983</u>	35,394,983
		<u>35,394,983</u>	<u>35,394,983</u>
Current assets			
Trade and other receivables	10	776,609	-
Cash at bank and in hand	11	<u>128,523</u>	145,362
		<u>905,132</u>	<u>145,362</u>
Total assets		<u>36,300,115</u>	<u>35,540,345</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	18,660	18,660
Share premium		17,048,406	17,048,406
Retained earnings		<u>8,413,378</u>	<u>7,807,317</u>
Total equity		<u>25,480,444</u>	<u>24,874,383</u>
Current liabilities			
Trade and other payables	14	7,188	6,014
Borrowings	13	<u>10,812,483</u>	<u>10,659,948</u>
		<u>10,819,671</u>	<u>10,665,962</u>
Total equity and liabilities		<u>36,300,115</u>	<u>35,540,345</u>

On 28 April 2014 the Board of Directors of Kocem Limited authorised these financial statements for issue.


.....
Spyroulla Papaeracleous
Director


.....
Arta Antoniou
Director

The notes on pages 9 to 17 form an integral part of these financial statements.

KOCEM LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

Note	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 1 January 2012	18,660	17,048,406	3,179,933	20,246,999
Net profit for the year	-	-	4,627,384	4,627,384
Balance at 31 December 2012/ 1 January 2013	18,660	17,048,406	7,807,317	24,874,383
Net profit for the year	-	-	606,061	606,061
Balance at 31 December 2013	18,660	17,048,406	8,413,378	25,480,444

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 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 17 form an integral part of these financial statements.

KOCEM LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2013

	Note	2013 €	2012 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		606,641	4,628,121
Adjustments for:			
Dividend income	5	(825,578)	(4,765,577)
Interest income	5	(2,819)	(4,915)
Interest expense	7	152,535	209,054
Cash flows (used in)/from operations before working capital changes		(69,221)	66,683
(Increase)/decrease in trade and other receivables		(776,609)	3,524
Increase/(decrease) in trade and other payables		1,174	(496)
Cash flows (used in)/from operations		(844,656)	69,711
Tax paid		(580)	(747)
Net cash flows (used in)/from operating activities		(845,236)	68,964
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,819	4,915
Dividends received		825,578	4,765,577
Net cash flows from investing activities		828,397	4,770,492
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		-	(4,540,945)
Interest paid		-	(209,054)
Net cash flows used in financing activities		-	(4,749,999)
Net (decrease) /increase in cash and cash equivalents		(16,839)	89,457
Cash and cash equivalents:			
At beginning of the year		145,362	55,905
At end of the year	11	128,523	145,362

The notes on pages 9 to 17 form an integral part of these financial statements.

KOCEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

1. Incorporation and principal activities

Country of incorporation

The Company was incorporated in Cyprus on 3 October 2007 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, are those of an investment holding company, the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans and the provision of consultancy type of services to fellow group companies.

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 2013. The adoption of these standards did not have a material effect on the Financial Statements.

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.

Investments in group companies

Investments in group companies are stated at cost less any impairment in value. The carrying values of the investments 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. The Company's ultimate parent, Titan Cement S.A. produces consolidated financial statements for public use that comply with IFRS. Consolidated financial statements can be obtained from Titan Cement S.A., 22A Halkidos Street, 11143 Athens, Greece.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

2. Accounting policies (continued)

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues of the Company are recognized on an accrual basis.

- **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 statement of comprehensive income.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

2. Accounting policies (continued)

Financial instruments (continued)

Cash and cash equivalents

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

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Impairment of assets

Assets, other than intangibles with indefinite useful life 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.

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 balance sheet date. The Company has no significant exposure of credit risk as most of its receivables are with related parties.

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. No maturity table disclosing the undiscounted cash flows of the underlying liabilities has been presented as all outstanding balances are due within 12 months and consequently their carrying amounts are representative of their contractual cash flows and the impact of discounting is not significant.

Despite the fact that as of 31 December 2013 current liabilities exceeded current assets by €9,914,539 (2012: €10,520,600), management believes that there is no liquidity risk arising from this fact since the current liabilities

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

comprise of amounts owed to fellow subsidiary and in any event the management of the treasury function is performed at the ultimate holding, Titan Cement S.A., group level.

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.

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 investments in group companies**

The Company periodically evaluates the recoverability of investments in group companies 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 other group companies may be impaired, the estimated recoverable amount of these investments would be compared to their carrying amounts to determine if a write-down is necessary.

KOCEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2013

5. Profit from investing activities

	2013	2012
	€	€
Interest income	2,819	4,916
Exchange profit	-	85,077
Dividend income (Note 16.3)	825,578	4,765,578
	<u>828,397</u>	<u>4,855,571</u>

6. Operating profit

	2013	2012
	€	€
Operating profit is stated after charging the following items:		
Auditors' remuneration	4,848	4,683

7. Finance costs

	2013	2012
	€	€
Net foreign exchange transaction losses	48,970	-
Interest expense (Note 13)	152,535	209,055
	<u>201,505</u>	<u>209,055</u>

8. Tax

8.1 Tax recognised in profit or loss

	2013	2012
	€	€
Defence contribution - current year	580	737
Charge for the year	<u>580</u>	<u>737</u>

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

	2013	2012
	€	€
Profit before tax	606,641	4,628,121
Tax calculated at the applicable tax rates	75,830	462,812
Tax effect of expenses not deductible for tax purposes	25,188	20,905
Tax effect of allowances and income not subject to tax	(103,550)	(485,557)
Tax effect of tax loss for the year	2,532	-
10% additional charge	-	1,840
Defence contribution current year	580	737
Tax charge	<u>580</u>	<u>737</u>

8.2 Tax recognised in other comprehensive income

	2013	2012
	€	€
Total income tax recognised in other comprehensive income	<u>-</u>	<u>-</u>

KOCEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

8. Tax (continue)

8.2 Tax recognised in other comprehensive income (continue)

The Company is subject to corporation tax on its taxable profits at the rate of 12,5% (2012: 10%). As at 31 December 2013 the Company had tax losses carried forward of €79,614 (2012: €67,054) which can be carried forward and be utilized against future taxable profits over a period of 5 years for each tax year concerned. No deferred tax asset was recognised in the statement of financial position on these losses.

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2012:15%). 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.

Due to tax losses sustained in the year, no tax liability arises on the Company.

9. Investments in group companies

	2013	2012
	€	€
Balance at 1 January	<u>35,394,983</u>	35,394,983
Balance at 31 December	<u>35,394,983</u>	<u>35,394,983</u>

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2013 Holding %	2012 Holding %	2013 €	2012 €
Alexandria Portland Cement Company S.A.E.	Egypt	Production of cement	4.825	4.825	<u>35,394,983</u>	35,394,983
					<u>35,394,983</u>	<u>35,394,983</u>

Alexandria Portland is a listed company in Cairo stock exchange. Alexandria Portland is a subsidiary of the Company's ultimate parent, Titan Cement SA. Certain group companies of Titan Cement SA own various percentage holdings in Alexandria Portland. Therefore it is the Group's policy to account for the sub-holdings in each group company's individual accounts at cost subjects to impairment. The Group carried out an impairment test of the investment's relevant GCU as a whole and concluded that its value in use is greater than its carrying amount in the financial statements.

10. Trade and other receivables

	2013	2012
	€	€
Dividends receivable (Note 16.1)	<u>776,609</u>	-
	<u>776,609</u>	<u>-</u>

On 11 April 2013 the Company received dividend from Alexandria Portland Cement Company in the amount of EGP7,442,006.40 (€825,578).

KOCEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

11. Cash at bank and in hand

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

	2013	2012
	€	€
Cash at bank and in hand	<u>128,523</u>	145,362
	<u>128,523</u>	<u>145,362</u>

Cash at bank represents current and fixed deposit accounts denominated in Euro and carry annual interest from 1.0% to 1.5%.

12. Share capital

	2013	2013	2012	2012
	Number of	€	Number of	€
	shares		shares	
Authorised				
Ordinary shares of €1 each	<u>19,000</u>	<u>19,000</u>	19,000	19,000
Issued and fully paid				
Balance at 1 January	<u>18,660</u>	<u>18,660</u>	18,660	18,660
Balance at 31 December	<u>18,660</u>	<u>18,660</u>	18,660	18,660

13. Borrowings

	2013	2012
	€	€
Balance at 1 January		
Repayments	10,659,948	15,200,893
Interest charge	-	(4,750,000)
	<u>152,535</u>	209,055
Balance at 31 December	<u>10,812,483</u>	10,659,948

	2013	2012
	€	€
Current borrowings		
Loans from related companies (Note 16.2)	<u>10,812,483</u>	10,659,948
	<u>10,812,483</u>	<u>10,659,948</u>

The loan is unsecured and bears an interest rate of Euribor 1 month plus 1,3 % per annum. As no repayment date was set, the loan is shown as current.

KOCEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2013

14. Trade and other payables

	2013	2012
	€	€
Accruals	769	-
Other creditors	6,419	6,014
	<u>7,188</u>	<u>6,014</u>

15. Cyprus economic environment

On 25 March 2013, the Eurogroup has reached an agreement with the Cypriot government on the key elements necessary for a future macroeconomic adjustment programme. The programme aims to address the exceptional economic challenges that Cyprus is facing and restore the viability of the financial sector, with the view of restoring sustainable growth and sound public finances over the coming years.

As part of the measures for restructuring the financial sector, there was a restructuring of two of the local banks. At 26 March 2013, the Company held bank assets domiciled in Cyprus but which were not affected by these events.

16. Related party transactions

The Company is controlled by Titan Egyptian Investments, incorporated in Jersey, which owns 100% of the Company's shares. The Company's ultimate controlling party is Titan Cement S.A., 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:

16.1 Receivables from related parties (Note 10)

Name	Nature of transactions	2013	2012
		€	€
Dividends receivable	Dividends	776,609	-
		<u>776,609</u>	<u>-</u>

16.2 Loans from related parties (Note 13)

	2013	2012
	€	€
Loan from related party	10,812,483	10,659,948
	<u>10,812,483</u>	<u>10,659,948</u>

16.3 Dividend income (Note 5)

	2013	2012
	€	€
Dividend income	825,578	4,765,578
	<u>825,578</u>	<u>4,765,578</u>

During the year 2013, the Company received dividends of €825,578 (2012: €4,765,578) from its investment.

17. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2013 and 31 December 2012.

KOCEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

18. Commitments

The Company had no capital or other commitments as at 31 December 2013 and 31 December 2012.

19. 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 3 and 4