

TITAN CEMENT CYPRUS LIMITED

REPORT AND FINANCIAL STATEMENTS
31 December 2013

TITAN CEMENT CYPRUS LIMITED

REPORT AND FINANCIAL STATEMENTS 31 December 2013

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TITAN CEMENT CYPRUS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Arta Antoniou
Spyroulla Papaeracleous
Stelios Triantafyllides
Iosif Nina
Spyrou Eftychiou

Company Secretary:

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

TITAN CEMENT CYPRUS 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, which are unchanged from last year, are those of an investment holding company.

Review of current position, future developments and significant risks

The Company made a profit for the year 2013 of €13,632,170 compared to the profit of €25,240,339 made in 2012. The decrease was mainly due to the reduced dividends received from its subsidiaries in the amount of €13,649,000 (2012: €25,120,266). The net assets of the Company as at 31 December 2013 were €143,153,578 compared to €143,190,408 in 2012. The Board of Directors does not expect any significant changes in the activities of the Company in the foreseeable future.

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

During the year 2013 the Board of Directors approved the payment of an interim dividend of €13,669,000 (2012: €25,120,266).

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,

Stelios Triantafyllides
Director

Nicosia, 28 April 2014



Ernst & Young Cyprus Limited
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1511 Nicosia, Cyprus

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Independent Auditor's Report

To the Members of Titan Cement Cyprus Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Titan Cement Cyprus 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 Titan Cement Cyprus 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

TITAN CEMENT CYPRUS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	Note	2013 €	2012 €
Other income	5	13,649,000	25,120,266
Profit from investing activities	6	2,784	190,083
Administration and other expenses	7	(19,040)	(41,498)
Profit before tax		13,632,744	25,268,851
Tax	9	(574)	(28,512)
Net profit for the year		13,632,170	25,240,339
Other comprehensive income		-	-
Total comprehensive income for the year		13,632,170	25,240,339

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


TITAN CEMENT CYPRUS LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2013

	Note	2013 €	2012 €
ASSETS			
Investments in subsidiaries	11	<u>143,050,831</u>	143,050,831
		<u>143,050,831</u>	143,050,831
Current assets			
Trade and other receivables	12	381,000	-
Cash and cash equivalents	13	<u>129,846</u>	144,685
		<u>510,846</u>	144,685
Total assets		<u>143,561,677</u>	<u>143,195,516</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	263,150	263,150
Share premium		142,872,691	142,872,691
Retained earnings		<u>17,737</u>	54,567
Total equity		<u>143,153,578</u>	<u>143,190,408</u>
Current liabilities			
Trade and other payables	15	<u>408,099</u>	5,108
		<u>408,099</u>	5,108
Total equity and liabilities		<u>143,561,677</u>	<u>143,195,516</u>

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


.....
Arta Antoniou
Director


.....
Spyroulla Papaeracleous
Director

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

TITAN CEMENT CYPRUS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

	Note	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 1 January 2012		3,145	82,465	(65,506)	20,104
Net profit for the year		-	-	25,240,339	25,240,339
Transactions with owners					
Issue of share capital	14	260,005	151,789,995	-	152,050,000
Reduction of share capital		-	(8,999,769)	-	(8,999,769)
Dividends	10	-	-	(25,120,266)	(25,120,266)
Balance at 31 December 2012/ 1 January 2013		263,150	142,872,691	54,567	143,190,408
Comprehensive income					
Net profit for the year		-	-	13,632,170	13,632,170
Transactions with owners					
Dividends	10	-	-	(13,669,000)	(13,669,000)
Balance at 31 December 2013		263,150	142,872,691	17,737	143,153,578

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 18 form an integral part of these financial statements.

TITAN CEMENT CYPRUS LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2013

	2013	2012
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,632,744	25,268,851
Adjustments for:		
Dividend income	5 (13,649,000)	(25,120,266)
Interest income	6 (2,784)	(190,083)
	<u>(19,040)</u>	(41,498)
Cash flows used in operations before working capital changes		
(Increase)/decrease in trade and other receivables	(381,000)	1,183
Increase/(decrease) in trade and other payables	402,991	(538)
Cash flows from/(used in) operations	2,951	(40,853)
Tax paid	(574)	(28,517)
Net cash flows from/(used in) operating activities	<u>2,377</u>	(69,370)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments in subsidiaries	11 -	(143,050,831)
Interest received	2,784	190,083
Dividends received	13,649,000	25,120,266
Net cash flows from/(used in) investing activities	<u>13,651,784</u>	(117,740,482)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	152,050,000
Reduction of share capital	-	(8,999,769)
Dividends paid	(13,669,000)	(25,120,266)
Net cash flows (used in)/from financing activities	<u>(13,669,000)</u>	117,929,965
Net (decrease) /increase in cash and cash equivalents	(14,839)	120,113
Cash and cash equivalents:		
At beginning of the year	<u>144,685</u>	24,572
At end of the year	13 <u><u>129,846</u></u>	<u>144,685</u>

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

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

1. Incorporation and principal activities

Country of incorporation

The Company Titan Cement Cyprus Limited was incorporated in Cyprus on 31 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 of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

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.

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 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.

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

2. Accounting policies (continued)

Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

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.

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.

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

2. Accounting policies (continued)

Dividends

Interim dividends are recognised in equity in the year in which they are paid. 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.

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 an original maturity of three months or less.

Impairment of non-financial assets

Assets, other than intangibles with an 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.

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.

Receivables from/payables to related parties

Receivables from/payables to related parties are stated at their transacted values as they are on demand. Management believes that their fair value is not materially different from their transacted values.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors

The Company is exposed to 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: interest rate risk

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.

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

3. Financial risk management (continued)

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 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 high credit quality 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 2013

	Carrying amounts €	3 months or less €
Trade and other payables	7,099	7,099
	7,099	7,099

31 December 2012

	Carrying amounts €	3 months or less €
Trade and other payables	5,108	5,108
	5,108	5,108

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.

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.

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

4. Critical accounting estimates and judgments (continued)

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 judgement 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.

In management's opinion, the Company is in substantial compliance with the tax laws governing its operations. However the risk remains that the relevant authorities could take differing positions with regard to interpretative issues and the effect could be significant. The Company met the tax filing in Cyprus. To the best of Management's knowledge, no breaches of tax law have occurred. Thus, the Company has not recorded any provision for potential impact of any such breaches as at 31 December 2013.

- **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 recoverable amounts associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down is necessary.

5. Other income

	2013	2012
	€	€
Dividend income (Note 17.1)	<u>13,649,000</u>	25,120,266
	<u>13,649,000</u>	<u>25,120,266</u>

6. Profit from investing activities

	2013	2012
	€	€
Bank interest income	<u>2,784</u>	190,083
	<u>2,784</u>	<u>190,083</u>

7. Administration and other expenses

	2013	2012
	€	€
Sundry operating expenses	<u>19,040</u>	41,498
	<u>19,040</u>	<u>41,498</u>

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

8. Operating profit

	2013	2012
	€	€
Operating profit is stated after charging the following items:		
Auditors' remuneration	<u>4,966</u>	<u>3,744</u>

9. Tax

9.1 Tax recognised in profit or loss

	2013	2012
	€	€
Defence contribution - current year	<u>574</u>	28,512
Charge for the year	<u>574</u>	<u>28,512</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	<u>13,632,744</u>	<u>25,268,851</u>
Tax calculated at the applicable tax rates	1,704,093	2,526,885
Tax effect of expenses not deductible for tax purposes	-	2,403
Tax effect of allowances and income not subject to tax	(1,706,473)	(2,531,035)
Tax effect of tax loss for the year	2,380	-
10% additional charge	-	1,747
Defence contribution current year	<u>574</u>	<u>28,512</u>
Tax charge	<u>574</u>	<u>28,512</u>

The corporation tax rate is 12,5% (2012: 10%).

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.

As at 31 December 2013, the balance of tax losses amounts to €30,067 (2012: €43,891) which is available for offset against future taxable profits for a period of 5 years from each of the tax year a loss was incurred. No deferred tax asset was recognised in the balance sheet in respect of these losses.

10. Dividends

	2013	2012
	€	€
Interim dividend paid	<u>13,669,000</u>	25,120,266
	<u>13,669,000</u>	<u>25,120,266</u>

During the year 2013 the Board of Directors approved the payment of an interim dividend of €13,669,000 (2012: €25,120,266).

Dividends are subject to a deduction of special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter for individual shareholders that are residents in Cyprus.

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

11. Investments in subsidiaries

	2013 €	2012 €
Balance at 1 January	143,050,831	-
Additions	-	143,050,831
Balance at 31 December	143,050,831	143,050,831

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2013 Holding %	2012 Holding %	2013 €	2012 €
Tithys Limited (1)	Cyprus	Holding Company	100	100	58,500,000	58,500,000
Balkcem Limited (2) (3)	Cyprus	Holding Company	100	100	27,000,231	27,000,231
Terret Enterprises Limited (4)	Cyprus	Holding Company	100	100	57,550,000	57,550,000
Stari Silo Company DOO (5)	Belgrade	Dormant Company	100	100	600	600
					143,050,831	143,050,831

(1) On 10 March 2012 the Company acquired 100% of Tithys Limited from Aemos Cement Limited for a consideration of €58,500,000.

(2) On 10 March 2012 the Company acquired 100% of Balkcem Limited from Aemos Cement Limited for a consideration of €36,000,000.

(3) On 15 May 2012 the Balkcem Limited reduced its share premium by €8,999,769.

(4) On 10 April 2012 the Company acquired 100% of Terret Enterprises Ltd from Aemos Cement Cyprus for a consideration of €57,550,000.

(5) On 24 May 2012 the Company acquired 100% of Stari Silo Co Doo from Aemos Cement Cyprus Limited for a consideration of €600.

12. Trade and other receivables

	2013 €	2012 €
Dividends receivable (Note 17.2)	381,000	-
	381,000	-

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

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

13. Cash and cash equivalents

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>129,846</u>	<u>144,685</u>
	<u>129,846</u>	<u>144,685</u>

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

14. Share capital

	2013	2013	2012	2012
	Number of	€	Number of	€
	shares		shares	
Authorised				
Ordinary shares of €1,71 each	<u>155,000</u>	<u>265,050</u>	<u>155,000</u>	<u>265,050</u>
Issued and fully paid				
Balance at 1 January	153,889	263,150	1,839	3,145
Issue of shares	-	-	<u>152,050</u>	<u>260,005</u>
Balance at 31 December	<u>153,889</u>	<u>263,150</u>	<u>153,889</u>	<u>263,150</u>

Authorised capital

On 15 March 2012, the authorised share capital of the Company was increased to 155,000 ordinary shares of €1.71 each.

Issued capital

On 15 March 2012, the Company issued 152,050 ordinary shares of €1.71 each at premium €998.29 per shares.

On 15 May 2012, the Company resolved to reduce its share premium by €8,999,769 by submitting a court order and after an unanimous written resolution of the sole Shareholder of the Company.

15. Trade and other payables

	2013	2012
	€	€
Accruals	768	-
Other creditors	6,331	5,108
Dividend payable (Note 17.3)	<u>401,000</u>	-
	<u>408,099</u>	<u>5,108</u>

TITAN CEMENT CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

16. 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.

17. Related party transactions

The Company is a subsidiary of Aemos Cement Limited, incorporated in Cyprus holding 88.5% of the Company's share capital. 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.

17.1 Dividend income (Note 5)

	2013	2012
	€	€
Dividend income	<u>13,649,000</u>	25,120,266
	<u>13,649,000</u>	<u>25,120,266</u>

During the year the Company received dividend income from Terret Enterprises Limited in the amount of €2,475,000, from Tithys Limited in the amount of €4,332,000 and from Balkcem Limited in the amount of €6,842,000 (2012: €25,120,266 from Balkcem Limited). An amount of €381,000 is receivable as at 31 December 2013.

17.2 Receivables from related parties (Note 12)

<u>Name</u>	<u>Nature of transactions</u>	2013	2012
		€	€
Receivable from subsidiaries	Dividends	<u>381,000</u>	-
		<u>381,000</u>	-

On 10 December 2013 Tithys Ltd declared an interim dividend of €4,332,000 out of which €59,000 is still receivable.

On 10 December 2013 Balkcem Ltd declared an interim dividend of €6,842,000 out of which €322,000 is still receivable.

17.3 Payables to related parties (Note 16)

<u>Name</u>	<u>Nature of transactions</u>	2013	2012
		€	€
Payable to shareholders	Dividends	<u>401,000</u>	-
		<u>401,000</u>	-

On 10 December 2013 the Company declared an interim dividend of €13,669,000 out of which €401,000 is still payable.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

18. Contingent liabilities

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

19. Commitments

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

20. 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