

**TITHYS LIMITED**

REPORT AND FINANCIAL STATEMENTS  
31 December 2013

# TITHYS LIMITED

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## REPORT AND FINANCIAL STATEMENTS 31 December 2013

<b>CONTENTS</b>	<b>PAGE</b>
Board of Directors and other Officers	1
Report of the Board of Directors	2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 17

# TITHYS LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Arta Antoniou  
Spyroulla Papaeracleous  
Stelios Triantafyllides

**Company Secretary:**

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

# TITHYS LIMITED

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## 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, 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 €4,333,245 (2012: €17,293,834). On 31 December 2013 the total assets of the Company were €58,610,697 (2012: €58,550,097) and the net assets of the Company were €58,544,215 (2012: €58,542,970). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory. The Board of Directors expects that the Company's profitability will continue in future, and does not expect any significant changes in the activities of the Company for 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 €4,332,000 (2012: €17,235,425).

### **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



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36 Byron Avenue, P.O. Box 21656  
1511 Nicosia, Cyprus

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## **Independent Auditor's Report**

### **To the Members of Tithys Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Tithys 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 Tithys 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.

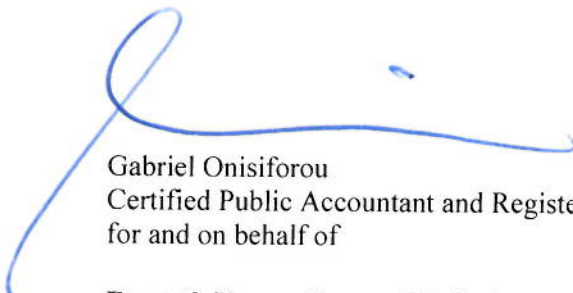
### **Report on Other Legal Requirements**

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

## TITHYS LIMITED

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### STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	Note	2013 €	2012 €
<b>Revenue</b>	5	<b>160,350</b>	140,600
Profit from investing activities	6	<b>4,277,628</b>	17,247,115
Administration expenses		<b>(93,879)</b>	(85,517)
<b>Operating profit</b>	7	<b>4,344,099</b>	17,302,198
Net finance costs	9	<b>(763)</b>	(1,103)
<b>Profit before tax</b>		<b>4,343,336</b>	17,301,095
Tax	10	<b>(10,091)</b>	(7,261)
<b>Net profit for the year</b>		<b>4,333,245</b>	17,293,834
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>4,333,245</b>	17,293,834

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


# TITHYS LIMITED

## STATEMENT OF FINANCIAL POSITION

31 December 2013

	Note	2013 €	2012 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	12	<u>58,238,068</u>	58,238,068
		<u>58,238,068</u>	58,238,068
<b>Current assets</b>			
Trade and other receivables	13	160,350	34,250
Refundable taxes	17	7,580	16,720
Cash at bank and in hand	14	<u>204,699</u>	261,059
		<u>372,629</u>	312,029
<b>Total assets</b>		<u><b>58,610,697</b></u>	<u>58,550,097</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	70,247	70,247
Share premium		56,701,715	56,701,715
Retained earnings		<u>1,772,253</u>	1,771,008
<b>Total equity</b>		<u><b>58,544,215</b></u>	<u>58,542,970</u>
<b>Current liabilities</b>			
Trade and other payables	16	<u>66,482</u>	7,127
		<u>66,482</u>	7,127
<b>Total equity and liabilities</b>		<u><b>58,610,697</b></u>	<u>58,550,097</u>

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

  
.....  
Arta Antoniou  
Director

  
.....  
Stelios Triantafyllides  
Director

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



## TITHYS LIMITED

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### STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

	Note	Share capital €	Share premium €	Retained earnings €	Total €
<b>Balance at 1 January 2012</b>		<b>70,247</b>	<b>56,701,715</b>	<b>1,712,599</b>	<b>58,484,561</b>
Net profit for the year		-	-	17,293,834	17,293,834
Dividends for the year 2012	11	-	-	(17,235,425)	(17,235,425)
<b>Balance at 31 December 2012/ 1 January 2013</b>		<b>70,247</b>	<b>56,701,715</b>	<b>1,771,008</b>	<b>58,542,970</b>
Net profit for the year		-	-	4,333,245	4,333,245
Dividends for the year 2013	11	-	-	(4,332,000)	(4,332,000)
<b>Balance at 31 December 2013</b>		<b>70,247</b>	<b>56,701,715</b>	<b>1,772,253</b>	<b>58,544,215</b>

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.

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

# TITHYS LIMITED

## STATEMENT OF CASH FLOWS

Year ended 31 December 2013

	Note	2013 €	2012 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>4,343,336</b>	17,301,095
Adjustments for:			
Dividend income	6	<b>(4,273,000)</b>	(17,235,425)
Interest income	6	<b>(4,628)</b>	(11,690)
Interest expense	9	-	113
		<u>65,708</u>	54,093
<b>Cash flows from operations before working capital changes</b>		<b>65,708</b>	54,093
Increase in trade and other receivables		<b>(126,100)</b>	(13,536)
Increase/(decrease) in trade and other payables		<b>355</b>	(791)
<b>Cash flows (used in)/from operations</b>		<b>(60,037)</b>	39,766
Tax paid		<b>(951)</b>	(7,360)
<b>Net cash flows (used in)/from operating activities</b>		<b>(60,988)</b>	32,406
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		<b>4,628</b>	11,690
Dividends received		<b>4,273,000</b>	17,235,425
<b>Net cash flows from investing activities</b>		<b>4,277,628</b>	17,247,115
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		-	(113)
Dividends paid		<b>(4,273,000)</b>	(17,235,425)
<b>Net cash flows used in financing activities</b>		<b>(4,273,000)</b>	(17,235,538)
<b>Net (decrease) /increase in cash and cash equivalents</b>		<b>(56,360)</b>	43,983
Cash and cash equivalents:			
At beginning of the year		<b>261,059</b>	217,076
<b>At end of the year</b>	14	<b>204,699</b>	261,059

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

# TITHYS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Tithys Limited was incorporated in Cyprus on 6 March 1998 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at 2-4 Arch. Makarios Avenue III, Capital Center, 9th Floor, CY-1505 Nicosia, Cyprus.

#### Principal activities

The principal activities of the Company, which are unchanged from last year, 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

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" 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.

#### 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.

#### Subsidiary companies

Subsidiaries include all companies that are controlled by the company. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise. Investments in subsidiaries are stated at cost less any impairment in value. The carrying values of investments in subsidiaries are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Impairment losses are recognised in the statement of comprehensive income.



# TITHYS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 2. Accounting policies (continued)

#### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenues earned by the Company are recognised on the following bases:

- **Rendering of services**

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided and the outcome can be reliably estimated.

- **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 the 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.

# TITHYS LIMITED

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## 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

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

#### Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation and other assets 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 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 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 exposure of credit risk as most of its receivables are with related parties.

##### 3.2 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 minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.



# TITHYS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 3. Financial risk management (continued)

#### 3.2 Liquidity risk (continued)

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	7,482	7,482
	<u>7,482</u>	<u>7,482</u>

#### 31 December 2012

	Carrying amounts €	3 months or less €
Trade and other payables	7,127	7,127
	<u>7,127</u>	<u>7,127</u>

#### 3.3 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 and Serbian Dinar. At statement of financial position date the Company held cash and cash equivalents denominated in US Dollar the equivalent of €15,145 (2012: €15,803) and in Serbian Dinar the equivalent of €10,269 (2012: 10,352). The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

#### 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.

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

- **Impairment of non-financial assets**

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

### 5. Revenue

	2013	2012
	€	€
Consultancy fee income (Note 19.1)	<u>160,350</u>	140,600
	<u>160,350</u>	<u>140,600</u>

### 6. Profit from investing activities

	2013	2012
	€	€
Bank interest income	4,628	11,690
Dividend income (Note 19.2)	<u>4,273,000</u>	<u>17,235,425</u>
	<u>4,277,628</u>	<u>17,247,115</u>

### 7. Operating profit

	2013	2012
	€	€
Operating profit is stated after charging the following items:		
Staff costs (Note 8)	73,906	65,041
Auditors' remuneration	<u>4,966</u>	<u>5,616</u>

### 8. Staff costs

	2013	2012
	€	€
Wages and salaries	<u>73,906</u>	<u>65,041</u>
	<u>73,906</u>	<u>65,041</u>

# TITHYS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 9. Finance costs

	2013 €	2012 €
Net foreign exchange transaction losses	763	1,216
Interest expense	-	(113)
	<u>763</u>	<u>1,103</u>

### 10. Tax

	2013 €	2012 €
Corporation tax - current year	9,140	5,507
Defence contribution - current year	951	1,754
<b>Charge for the year</b>	<u>10,091</u>	<u>7,261</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>4,343,336</u>	<u>17,301,095</u>
Tax calculated at the applicable tax rates	542,917	1,730,110
Tax effect of expenses not deductible for tax purposes	96	108
Tax effect of allowances and income not subject to tax	(534,704)	(1,724,711)
10% additional charge	831	-
Defence contribution current year	951	1,754
<b>Tax charge</b>	<u>10,091</u>	<u>7,261</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.

### 11. Dividends

	2013 €	2012 €
Interim dividend paid	<u>4,332,000</u>	<u>17,235,425</u>
	<u>4,332,000</u>	<u>17,235,425</u>

During the year 2013 the Board of Directors approved the payment of an interim dividend of €4,332,000 (2012: €17,235,425).

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 of Cyprus.



# TITHYS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 12. Investments in subsidiaries

	<b>2013</b>	2012
	€	€
Balance at 1 January	<u>58,238,068</u>	58,238,068
<b>Balance at 31 December</b>	<u><b>58,238,068</b></u>	<u>58,238,068</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<b>2013</b>	2012	<b>2013</b>	2012
			<b>Holding</b>	Holding	€	€
			<b>%</b>	%		
AEAS	Netherlands	Real estate	<b>100</b>	100	<u>58,238,068</u>	58,238,068
Netherlands BV					<u><b>58,238,068</b></u>	<u>58,238,068</u>

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

### 13. Trade and other receivables

	<b>2013</b>	2012
	€	€
Receivables from sub-subsidiaries(Note 19.3)	<u>160,350</u>	34,250
	<u><b>160,350</b></u>	<u>34,250</u>

### 14. Cash at bank and in hand

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

	<b>2013</b>	2012
	€	€
Cash at bank and in hand	<u>204,699</u>	261,059
	<u><b>204,699</b></u>	<u>261,059</u>

Cash at bank represents current and fixed deposit accounts denominated in Euro and USD and carry annual interest in the area of 2% and 4% per annum, respectively.

### 15. Share capital

	<b>2013</b>	<b>2013</b>	2012	2012
	<b>Number of shares</b>	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1,71 each	<u>42,000</u>	<u>71,820</u>	42,000	71,820
<b>Issued and fully paid</b>				
Balance at 1 January	<u>41,080</u>	<u>70,247</u>	41,080	70,247
<b>Balance at 31 December</b>	<u><b>41,080</b></u>	<u><b>70,247</b></u>	<u>41,080</u>	<u>70,247</u>

# TITHYS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 16. Trade and other payables

	2013	2012
	€	€
Accruals	768	-
Other creditors	6,714	7,127
Dividend payable (Note 19.4)	59,000	-
	<u>66,482</u>	<u>7,127</u>

### 17. Refundable taxes

	2013	2012
	€	€
Corporation tax	(3,173)	(12,313)
Special contribution for defence	(4,407)	(4,407)
	<u>(7,580)</u>	<u>(16,720)</u>

### 18. 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.

### 19. Related party transactions

The Company is owned 100% by Titan Cement Cyprus Limited which is in turn owned 88.5% by Aemos Cement Limited, both companies incorporated in Cyprus. 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:

#### 19.1 Sales of services (Note 5)

	<u>Nature of transactions</u>	2013	2012
		€	€
Sub-subsidiary undertaking	Consultancy fees	160,350	140,600
		<u>160,350</u>	<u>140,600</u>

#### 19.2 Dividend income (Note 6)

	<u>Nature of transactions</u>	2013	2012
		€	€
Subsidiary undertaking	Dividend	4,273,000	17,235,425
		<u>4,273,000</u>	<u>17,235,425</u>



# TITHYS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 19. Related party transactions (continued)

#### 19.3 Receivables from related parties (Note 13)

<u>Name</u>	<u>Nature of transactions</u>	2013 €	2012 €
Receivables from Sub-subsidiary undertaking	Consultancy services	<u>160,350</u>	34,250
		<u>160,350</u>	<u>34,250</u>

#### 19.4 Payables to parent Company (Note 16)

	2013 €	2012 €
Dividends payable	<u>59,000</u>	-
	<u>59,000</u>	<u>-</u>

### 20. Contingent liabilities

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

### 21. Commitments

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

### 22. 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**