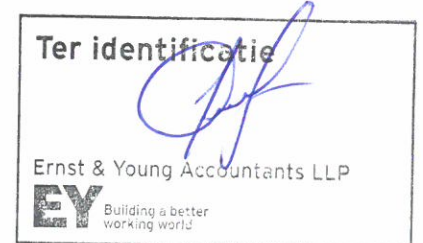


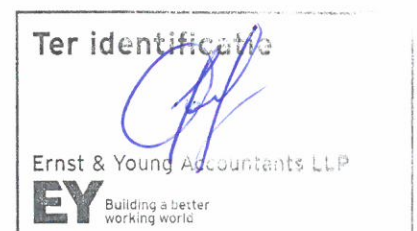
**Titan Cement Netherlands B.V.**  
**AMSTERDAM**

**Financial Statements 2013**



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# Titan Cement Netherlands B.V.

## 1.1 Directors' report

### General

Report of the directors of Titan Cement Netherlands B.V. for the financial year 2013.

### Overview of activities

The Company holds 94,84% of the shares in Cementarnica Usje AD - Skopje.

The main activities of the company are:

- to participate in, to establish and to administer and/or manage, to finance and to render services to companies, firms and enterprises;
- to invest in, acquire, possess, dispose of, encumber, rent, let, lease, lease out and dispose of in another way: personnel and real property participations and interests in other companies, firms and other enterprises; - to develop activities in the fields of commerce, finance and industry;
- to lend and/or borrow moneys, to provide guarantees and to commit itself with respect to the commitments of third parties;
- to acquire and/or exercise rights of intellectual and/or industrial ownership, to acquire and/or exploit (sub)licenses, patents, installations, techniques and/or permits;
- to do anything which is connected with the above mentioned provisions, all this in the broadest sense.

The Company has for a large part been financed by equity.

### Financial

The net asset value of the Company as at 31 December 2013 amounts to € 27,025,589 (2012: € 27,060,871).

The result for the year 2013 amounts to a profit of € 6,395,718 (2012: € 17,061,583 profit).

### Future developments

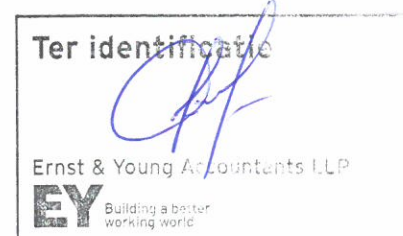
The management is of the opinion that the present level of activities will be maintained during the next financial year.

Amsterdam, 9 May 2014

The executive board:

  
Mj. P. Christodoulou

Vistra (Amsterdam) B.V.



**Titan Cement Netherlands B.V.**

**2.1 Balance sheet as at 31 December 2013**

(After result appropriation)

ASSETS		31 December 2013		31 December 2012	
		€	€	€	€
<b>Non current assets</b>	[1]				
Investment in subsidiary		26,984,552	26,984,552	26,984,552	26,984,552
<b>Current assets</b>	[2]				
Corporate income tax		13,027		13,027	
Other receivables		340	13,367	-	13,027
<i>Cash and cash equivalents</i>	[3]		55,879		81,437
<b>Total assets</b>			27,053,798		27,079,016

## Titan Cement Netherlands B.V.

<b>LIABILITIES</b>	31 December 2013		31 December 2012	
	€	€	€	€
<b>Shareholders' equity</b>				
[4] Issued share capital	20,010		20,010	
Share premium	26,212,242		26,212,242	
Retained earnings	793,337		828,619	
		27,025,589		27,060,871
<b>Current liabilities</b>				
[5] Creditors and accrued expenses	28,209		18,145	
		28,209		18,145
 <b>Total liabilities</b>		<b>27,053,798</b>		<b>27,079,016</b>

## Titan Cement Netherlands B.V.

### 2.2 Income statement 2013

		2013		2012	
		€	€	€	€
General expenses	[6]	46,022		43,274	
Total operating expenses			46,022		43,274
<b>Operating result</b>			-46,022		-43,274
Interest income and similar revenues	[7]	19,275		32,849	
<b>Sum of the financial income and costs</b>			19,275		32,849
<b>Result on ordinary activities</b>			-26,747		-10,425
Taxation	[8]		-		-
Share in result of subsidiary	[9]		6,422,465		17,072,008
<b>Result</b>			6,395,718		17,061,583

## 2.3 Notes to the financial statements

### GENERAL

#### Operations

The Company is a private company with limited liabilities incorporated on May 19, 2000, under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands.

The Company's shareholders are Balkcem Limited, Cyprus (86%) and Holtitan BV, the Netherlands (14%). At the top of the structure the company International Finance Corporation (USA) holds a stake of 11.49% and the company Titan Cement Company S.A. (Greece) holds a stake of 88.51%.

#### Changes in accounting policies

The accounting policies have not changed in 2013.

#### Consolidation

The Company has made use of the consolidation exemption of Article 408, Title 9, Book 2 of the Dutch Civil Code. In accordance with this article, the 2013 annual report of Titan Cement Company S.A. will be separately filed at the office of the Trade Register in Amsterdam.

#### Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

### PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

#### General

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Dutch Accounting Standards as issued by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred.

#### Foreign currencies

##### *Functional currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the respective company operates (the functional currency). The financial statements are presented in euros, which is the functional and presentation of the Company.

##### *Transactions, receivables and debts*

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.



## **2.3 Notes to the financial statements**

### **Financial fixed assets**

#### **Investment in subsidiary**

Investment in subsidiary is stated at cost price.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

#### **Shareholders' equity**

##### **Share premium**

The share premium concerns the amount from the issuing of shares insofar as this exceeds the nominal value of the shares (income above par).

##### **Current liabilities**

The current liabilities concern the liabilities with a duration shorter than one year. These liabilities are valued at face value unless stated otherwise.

## **PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

### **General**

Profit or loss is determined as the difference between the realisable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognised in the year in which they are realised.

### **Operating costs**

Costs are allocated to the reporting year to which they are related to. Profits are recognised in the year in which goods have been provided or services have been performed. Losses are cut in the year in which these are foreseeable.

### **Exchange differences**

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise, unless they are hedged.

### **Share in result of subsidiary**

The share in result of subsidiary considers dividend income which is recognized upon declaration.



## Titan Cement Netherlands B.V.

### 2.4 Notes to the balance sheet

#### ASSETS

##### 1. Non current assets

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
<b>Cost of the investment in subsidiary</b>		
Cementarnica USJE AD - Skopje	<u>26,984,552</u>	<u>26,984,552</u>

##### 2. Current assets

###### Taxes and premiums social insurance

Corporate income tax

<u>13,027</u>	<u>13,027</u>
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###### Other receivables

Dividend

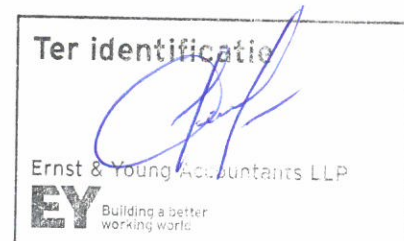
<u>340</u>	<u>-</u>
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##### 3. Cash and cash equivalents

BNP Paris, Amsterdam

ABN-AMRO bank, Amsterdam

4,567	7,843
<u>51,312</u>	<u>73,594</u>
<u>55,879</u>	<u>81,437</u>



## 2.4 Notes to the balance sheet

## LIABILITIES

## 4. SHAREHOLDERS' EQUITY

	<u>2013</u>	<u>2012</u>
	€	€
<b>Issued share capital</b>		
Value as of 31 December	<u>20,010</u>	<u>20,010</u>

The authorised share capital amounts to € 100,000 divided into ten thousand shares with a nominal value of € 10 each. As at 31 December 2013 two thousand and one shares have been issued and paid up for a total share capital of € 20,010.

<b>Share premium</b>		
Value as of 31 December	<u>26,212,242</u>	<u>26,212,242</u>
<b>Retained earnings</b>		
Value as of 1 January	828,619	871,877
Result for the year	6,395,718	17,061,583
Paid: interim dividend	-6,431,000	-17,104,841
Value as of 31 December	<u>793,337</u>	<u>828,619</u>

## 5. CURRENT LIABILITIES

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
<b>Creditors and accrued expenses</b>		
Creditors	22,159	4,260
Accrued expenses	6,050	13,885
	<u>28,209</u>	<u>18,145</u>

## 2.5 Notes to the income statement

	<u>2013</u>	<u>2012</u>
	€	€
<b>6. General expenses</b>		
Auditor's charges	12,100	9,553
Administrative charges	2,591	2,130
Consultancy charges	3,297	5,953
Management fees	25,439	22,674
Other general expenses	-	234
Bank charges	2,595	2,730
	<u>46,022</u>	<u>43,274</u>
<b>7. Realised exchange differences</b>		
Realised exchange differences	<u>19,275</u>	<u>32,849</u>
<b>8. Taxation</b>		
Corporate income tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>9. Share in result of subsidiary</b>		
Share in result of subsidiary company - dividend income	<u>6,422,465</u>	<u>17,072,008</u>


Taking into consideration that the results from participations are not taxed under the participation exemption, the company realise a fiscal loss of EUR 46,022. This loss qualifies as a so-called holding and financing loss and is only eligible for limited tax loss relief.

**10. Personnel**

The company had no employees during the year.

Amsterdam, 9 May 2014  
Titan Cement Netherlands B.V.

Mr. P. Christodoulou



Vistra (Amsterdam) B.V.

### **3. Other information**

#### **3.1 Profit appropriation according to the Articles of Association**

Pursuant to the company's Articles of Association, the result shall be at full disposal of the annual general meeting of shareholders. Distribution of profits may only be made to the extent that shareholders' equity exceeds the total of the issued and paid-up capital and legal reserves.

#### **3.2 Appropriation of result for the financial year 2012**

The annual report 2012 is adopted in the general meeting of shareholders held on 29 January 2014. The general meeting of shareholders has adopted the appropriation of result in accordance with the proposal being made to that end.

#### **3.3 Proposed appropriation of result for the financial year 2013**

During the year the company paid an interim dividend of EUR 6,431,000. The board of directors proposes to the annual general meeting of shareholders, to add the remainder of the result for the year to the "Retained earnings". This proposal is included in the financial statements.

#### **3.4 Subsequent events**

There are no events after balance sheet date which might have an impact on the financial statements.

#### **3.5 Independent auditor's report**

Reference is made to the independent auditor's report as included hereinafter.

