

ALEXANDRIA DEVELOPMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2014

ALEXANDRIA DEVELOPMENT LIMITED

REPORT AND FINANCIAL STATEMENTS 31 December 2014

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ALEXANDRIA DEVELOPMENT LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Gareth Essex-Cater
Khaled Abdel Gelil Badawy
Artemisia Antoniou
Spyroulla Ioannou Papaeracleous (Resigned on 29/07/2014)
Lyndsey Pinnington
Maroulla Georgiou (Appointed 29/07/2014)

Independent Auditors:

Ernst & Young Cyprus Limited
Certified Public Accountants & Registered Auditors
Jean Nouvel Tower
Stasinou 6
1511 Nicosia, Cyprus

Registered office:

13 Castle Street, St. Helier, Jersey, Channel Islands, JE4
5UT

ALEXANDRIA DEVELOPMENT 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 2014.

Principal activities

The principal activity of the Company is the holding of investments.

Change of Company name

The Company's registered office changed from 22 Grenville Street, St.Helier, Jersey, JE4 8PX to 13 Castle Street, St. Helier, Jersey, JE4 5UT with effect from 1st June 2013.

Review of current position, future developments and significant risks

The net profit of the Company amounted to €23,927,119 (2013: €14,345,623). On 31 December 2014 the total assets of the Company were €407,017,625 (2013: €383,104,255) and the net assets of the Company were €407,011,112 (2013: €383,083,993). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

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

Results

The Company's results for the year are set out on page 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 2014 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 2014, except as stated on page 1.

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.

By order of the Board of Directors,



Artemisia Antoniou
Director

Nicosia, 31 March 2015



Ernst & Young Cyprus Ltd
Jean Nouvel Tower
6 Stasinou Avenue
P.O.Box 21656
1511 Nicosia, Cyprus

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Independent Auditor's Report

To the Members of Alexandria Development Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Alexandria Development Limited (the "Company"), which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 Alexandria Development Limited as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body. 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.

A handwritten signature in blue ink, consisting of a large loop followed by a long horizontal stroke that tapers to the right.

Gabriel Onisiforou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
31 March 2015

ALEXANDRIA DEVELOPMENT LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	2014 €	2013 €
Profit from investing activities	5	20,502,432	15,386,706
Administration expenses		(38,896)	(47,868)
Operating profit	6	20,463,536	15,338,838
Finance costs	7	(3,463,583)	(993,215)
Net profit for the year		23,927,119	14,345,623
Other comprehensive income		-	-
Total comprehensive income for the year		23,927,119	14,345,623

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

ALEXANDRIA DEVELOPMENT LIMITED

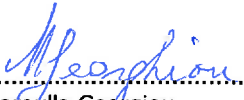
STATEMENT OF FINANCIAL POSITION

31 December 2014

	Note	2014 €	2013 €
ASSETS			
Non-current assets			
Investments in subsidiaries	8	368,455,306	368,455,306
Loans receivable	9	35,255,632	14,087,888
		<u>403,710,938</u>	<u>382,543,194</u>
Current assets			
Trade and other receivables	10	2,949	420
Loans receivable	9	2,838,919	33,654
Cash and cash equivalents	11	464,819	526,987
		<u>3,306,687</u>	<u>561,061</u>
Total assets		<u>407,017,625</u>	<u>383,104,255</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	367,169,784	367,169,784
Retained earnings		39,841,328	15,914,209
Total equity		<u>407,011,112</u>	<u>383,083,993</u>
Current liabilities			
Trade and other payables	13	6,513	20,262
		<u>6,513</u>	<u>20,262</u>
Total equity and liabilities		<u>407,017,625</u>	<u>383,104,255</u>

On 31 March 2015 the Board of Directors of Alexandria Development Limited authorised these financial statements for issue.


.....
Artemisia Antoniou
Director


.....
Maroulla Georgiou
Director

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

ALEXANDRIA DEVELOPMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2013	<u>367,169,784</u>	<u>1,568,586</u>	<u>368,738,370</u>
Comprehensive income			
Net profit for the year	-	<u>14,345,623</u>	<u>14,345,623</u>
Balance at 31 December 2013/ 1 January 2014	<u>367,169,784</u>	<u>15,914,209</u>	<u>383,083,993</u>
Comprehensive income			
Net profit for the year	-	<u>23,927,119</u>	<u>23,927,119</u>
Balance at 31 December 2014	<u>367,169,784</u>	<u>39,841,328</u>	<u>407,011,112</u>

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

ALEXANDRIA DEVELOPMENT LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2014

	Note	2014 €	2013 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		23,927,119	14,345,623
Adjustments for:			
Unrealised exchange (profit)		(3,564,675)	-
Dividend income	5	(17,235,378)	(15,061,838)
Interest income	5	(2,851,299)	(238,340)
Cash flows from/(used in) operations before working capital changes		275,767	(954,555)
Increase in trade and other receivables		(2,529)	(420)
(Decrease)/increase in trade and other payables		(13,749)	13,764
Cash flows from/(used in) operations		259,489	(941,211)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans granted		(17,769,974)	(14,087,888)
Interest received		212,939	204,686
Dividends received		17,235,378	15,061,838
Net cash flows (used in)/from investing activities		(321,657)	1,178,636
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net (decrease) /increase in cash and cash equivalents		(62,168)	237,425
Cash and cash equivalents:			
At beginning of the year		526,987	289,562
At end of the year	11	464,819	526,987

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

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. Incorporation and principal activities

Country of incorporation

The Company, Alexandria Development Limited (the "Company") was incorporated in Jersey, Channel Islands on 19 March 1998 as a private limited liability company. Its registered office is at 13 Castle Street, St. Helier, Jersey, Channel Islands, JE4 5UT.

Principal activities

The principal activity of the Company is the holding of investments.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2014. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. 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.

Consolidated Financial statements

These financial statements are 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.

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

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 income statement. An impairment loss recognised in prior periods is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. The reversal of an impairment loss is recognised in profit or loss.

Revenue recognition

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

- **Interest income**

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

- **Dividend income**

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

Finance costs

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

Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Profits arising in the Company for 2014 Year of Assessment are subject to Jersey Income Tax at the rate of 0% (2013: 0%).

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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 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.

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Financial assets

(1) Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents

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

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

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 non-financial 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 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. The maximum credit risk exposure at the balance sheet date equals the carrying amount of the receivable.

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 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.

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

31 December 2014

	Carrying amounts	3 months or less
	€	€
Trade and other payables	<u>6,513</u>	<u>6,513</u>
	<u>6,513</u>	<u>6,513</u>

31 December 2013

	Carrying amounts	3 months or less
	€	€
Trade and other payables	<u>20,262</u>	<u>20,262</u>
	<u>20,262</u>	<u>20,262</u>

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar (primarily bank accounts) and the EGP (primarily loans receivable). 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.

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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:

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

5. Profit from investing activities

	2014	2013
	€	€
Loan interest income (Note 9)	2,638,361	33,654
Bank interest income	212,939	204,686
Exchange profit and other	415,754	86,528
Dividend income (Note 14.2)	<u>17,235,378</u>	<u>15,061,838</u>
	<u>20,502,432</u>	<u>15,386,706</u>

6. Operating profit

	2014	2013
	€	€
Operating profit is stated after charging the following items:		
Directors' fees (Note 14.1)	3,450	19,740
Auditors' remuneration	<u>6,160</u>	<u>5,200</u>

7. Finance costs

	2014	2013
	€	€
Net foreign exchange transaction (gains)/losses	(3,464,314)	992,537
Sundry finance expenses	<u>731</u>	<u>678</u>
	<u>(3,463,583)</u>	<u>993,215</u>

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

8. Investments in subsidiaries

	2014	2013
	€	€
Balance at 1 January	<u>368,455,306</u>	368,455,306
Balance at 31 December	<u>368,455,306</u>	<u>368,455,306</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2014 Holding %	2013 Holding %	2014 €	2013 €
Alexandria Portland Cement Company	Egypt	Cement manufacturing	88.03	88.03	<u>368,455,306</u>	<u>368,455,306</u>
					<u>368,455,306</u>	<u>368,455,306</u>

During the year, the Company received a dividend of €17,235,378 (2013: €15,061,838) from Alexandria Portland Cement.

Alexandria Portland is a listed company in Cairo Stock exchange. Certain group companies of Titan Cement SA own various percentage holdings in Alexandria Portland, i.e. the effective holding of Titan Cement SA in Alexandria Holdings is approximately 82% (2013:83%). 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.

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

9. Loans receivable

	2014	2013
	€	€
Balance at 1 January	14,121,542	-
New loans granted	17,769,974	14,243,060
Interest charged	2,638,361	33,654
Foreign exchange difference	<u>3,564,674</u>	<u>(155,172)</u>
Balance at 31 December	<u>38,094,551</u>	<u>14,121,542</u>

On 31 July 2014, the Company entered into a Loan Agreement with Alexandria Portland Cement Company for an amount of EGP 170,000,000 bearing annual interest rate of Corridor plus 1.5% and repayable on 31 July 2018. The funds were transferred to the Borrower on 05 August 2014.

On 20 December 2013, the Company entered into a Loan Agreement with Alexandria Portland Cement Company for an amount of EGP 135,000,000 bearing annual interest rate of Corridor plus 1.5% and repayable on 20 December 2017. The whole amount was drawn on 23 December 2013.

	2014	2013
	€	€
Loans receivable	<u>38,094,551</u>	<u>14,121,542</u>
Less current portion	<u>(2,838,919)</u>	<u>(33,654)</u>
Non-current portion	<u>35,255,632</u>	<u>14,087,888</u>

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

9. Loans receivable (continued)

The fair value of receivable loans approximates to their carrying amounts as presented above.

10. Trade and other receivables

	2014	2013
	€	€
Prepayments	449	420
Other receivables	<u>2,500</u>	-
	<u>2,949</u>	<u>420</u>

11. Cash and cash equivalents

	2014	2013
	€	€

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

	2014	2013
	€	€
Cash at bank and in hand	<u>464,819</u>	<u>526,987</u>

Bank accounts represent accounts denominated in EUR, USD and EGP.

12. Share capital

	2014	2014	2013	2013
	Number of	€	Number of	€
	shares		shares	
Authorised				
Ordinary shares of €2 each	<u>183,584,892</u>	<u>367,169,784</u>	183,584,892	367,169,784
Issued and fully paid				
Balance at 1 January	<u>183,584,892</u>	<u>367,169,784</u>	183,584,892	367,169,784
Balance at 31 December	<u>183,584,892</u>	<u>367,169,784</u>	183,584,892	367,169,784

13. Trade and other payables

	2014	2013
	€	€
Other creditors	<u>6,513</u>	20,262
	<u>6,513</u>	<u>20,262</u>

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

14. Related party transactions

The Company is owned 83% by Titan Egyptian Investments Limited, incorporated in Jersey, Channel islands, which is in turn owned 100% by Iapetos Limited, incorporated in Cyprus.

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

For the purpose of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions and as such include all companies which are ultimately controlled by a common management.

The following transactions were carried out with related parties:

14.1 Directors' remuneration (Note 6)

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

	2014	2013
	€	€
Directors' fees	<u>3,450</u>	<u>19,740</u>
	<u>3,450</u>	<u>19,740</u>

14.2 Dividend income (Note 5)

	2014	2013
	€	€
Dividend income	<u>17,235,378</u>	<u>15,061,838</u>
	<u>17,235,378</u>	<u>15,061,838</u>

ALEXANDRIA DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

14. Related party transactions (continued)

14.3 Loans to associated undertakings (Note 9)

	2014	2013
	€	€
Balance at 1 January	14,121,542	-
New loans granted	17,769,974	14,243,060
Interest charged	2,638,361	33,654
Foreign exchange difference	<u>3,564,674</u>	<u>(155,172)</u>
Balance at 31 December	<u>38,094,551</u>	<u>14,121,542</u>

On 31 July 2014, the Company entered into a Loan Agreement with Alexandria Portland Cement Company for an amount of EGP 170,000,000 bearing annual interest rate of Corridor plus 1.5% and repayable on 31 July 2018. The funds were transferred to the Borrower on 05 August 2014.

On 20 December 2013, the Company entered into a Loan Agreement with Alexandria Portland Cement Company for an amount of EGP 135,000,000 bearing annual interest rate of Corridor plus 1.5% and repayable on 20 December 2017. The whole amount was drawn on 23 December 2013.

	2014	2013
	€	€
Loans receivable	<u>38,094,551</u>	<u>14,121,542</u>
Less current portion	<u>(2,838,919)</u>	<u>(33,654)</u>
Non-current portion	<u>35,255,632</u>	<u>14,087,888</u>

15. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014/2013.

16. Commitments

The Company had no capital or other commitments as at 31 December 2014/2013.

17. 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