FINTITAN S.R.L. SOCIETA’ UNIPERSONALE

REPORTING FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Quotaholder of
FINTITAN S.r.l. Società Unipersonale

We have audited the accompanying financial statements of FINTITAN S.r.l. Società Unipersonale, which comprise the balance sheet as at December 31, 2014, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of FINTITAN S.r.l. Società Unipersonale in accordance with the Titan Group accounting principles and policies, as detailed in the explanatory notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Titan Group accounting principles and policies, and for such internal control as management 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 the financial statements 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 management, 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 of FINTITAN S.r.l. Società Unipersonale for the year ended December 31, 2014 are prepared, in all material respects, in accordance with the Titan Group accounting principles and policies, as detailed in the explanatory notes to the financial statements.

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Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note1.1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared by FINTITAN S.r.l. Società Unipersonale for the sole purpose of consolidation into the Titan Cement Company S.A. group financial statements. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for FINTITAN S.r.l. Società Unipersonale and Titan Cement Company S.A. and should not be distributed to or used by parties other than FINTITAN S.r.l. Società Unipersonale or Titan Cement Company S.A..

Treviso-Italy

March 12, 2015

Reconta Ernst & Young SpA

Contents

Statement of Financial Position as at December 31, 2014

(all amounts in Euro thousands)	**Notes**	**December 31, 2014**	**December 31, 2013**
ASSETS			
Tangible assets	(3)	150	135
Intangible assets	(4)	10	6
Deferred tax assets	(5)	307	219
Total non-current assets		**467**	**360**
Inventories	(6)	673	688
Trade receivables	(7)	4,378	4,255
Other current assets	(8)	702	186
Cash and cash equivalents	(9)	920	99
Total current assets		**6,673**	**5,228**
Total assets		**7,140**	**5,588**
LIABILITIES AND EQUITY			
QUOTAHOLDER'S EQUITY			
Quota capital		2,553	2,552
Other reserves (IFRS Reserves)		-	(7)
Accumulated losses		1,150	-
Other reserves		-	-
Profit (loss) of the year		(1,158)	8
Total Quotaholder's Equity	(10)	**2,545**	**2,553**
LIABILITIES			
Retirement benefit obligation	(11)	107	85
Total non-current liabilities		**107**	**85**
Trade payables	(12)	4,377	2,823
Other current liabilities	(13)	106	127
Total current liabilities		**4,483**	**2,950**
Total liabilities		**4,590**	**3,035**

Total liabilities and equity	**7,140**	**5,588**

Income Statement for the year ended December 31, 2014

(all amounts in Euro thousands)	**Notes**	**2014**	**2013**	**2012**
Net Sales		8,729	8,378	11,063
Other Revenues		65	81	35
Total Revenues	(14)	**8,794**	**8,459**	**11,098**
Cost and expenses				
Cost of sales	(15)	(7,601)	(6,625)	(9,230)
General and administrative expenses	(16)	(658)	(345)	(325)
Selling expenses	(17)	(1,426)	(1,465)	(1,491)
Total costs and expenses		**(9,685)**	**(8,435)**	**(11,046)**
Operating Profit		**(891)**	**24**	**52**
Interest expenses, net	(18)	(3)	(4)	(2)
Not recurring expenses	(19)	(352)		
Income before taxes		**(1,246)**	**20**	**50**
Income taxes	(20)	88	(12)	-40
Profit (loss) for the year		**(1,158)**	**8**	**10**

Statement of changes in equity for the year ended December 31, 2014

(All amounts in Euro thousands)	**Quota capital**	**Accumulated losses**	**Other reserves**	**Result for the period**	**Total Equity**
Balances at December 31, 2012	**4,053**	**- 1,509**	**1**	**7**	**9,544**
Imputation of the profit of previous year		7		- 7	-
Accumulated losses coverage	- 1,501	1,501			-
Profit for the year ended December 31, 2013				8	8
Balances at December 31, 2013	**2,552**	**-**	**-**	**8**	**2,553**
Imputation of the profit of previous year			8	(8)	-
Capital increase	1,150				1,150
Losses for the year ended December 31, 2014				(1,158)	(1,158)
Balances at December 31, 2014	**3,702**	**-**	**8**	**(1,165)**	**2,545**

Cash Flow Statement for the year ended December 31, 2014

(All amounts in Euro thousands)	**2014**	**2013**
Net profit (loss) for the year	-1,158	8
Adjustment to reconcile net loss to net cash provided by operating activity:		
Amortization of intangible assets	7	5
Depreciation of tangible assets	12	63
Devaluation of intangible	114	
Provision for retirement benefit	23	17
Provision for inventory obsolescence	0	3
Deferred tax assets	-88	-
Changes in operating assets and liabilities:		
Inventories	15	-634
Trade receivables	-125	15
Other current assets	665	-5
Trade payables	170	547
Other current liabilities	183	-49
Cash flow from operating activities	**976**	**-30**
Purchases of fixed assets	-138	-77
Purchases of intangible assets	-9	-20
Cash flow from investing activities	**- 147**	**-94**
Share capital paid by shareholders	1,150	-
Cash flow from financing activities	**1,150**	**-**
Increase (decrease) in cash	**821**	**-123**
Cash and cash equivalents at beginning of the year	99	222

Cash and cash equivalents at the end of the year	**920**	**99**

Notes to Financial Statements for the year ended December 31, 2014

1. General information and summary of significant accounting policies

Fintitan S.r.l. Società Unipersonale (“Fintitan” or the “Company”) is a wholly owned subsidiary of Titan Cement Company S.A. and is engaged in the distribution of cement in the North of Italy. The Company is a limited liability company incorporated and domiciled in Italy.

The Company buys the cement from the Parent Company Titan Cement Company S.A. located in Greece.

Going concern concept

The Company obtained a loss of Euro 1,158 thousand for the year ended December 31, 2014 and experienced significant losses in the previous years. As a consequence, the Company's ability to continue as a going concern depend on the financial support of the parent company Titan Cement Company S.A..

Management is informed that Titan Cement Company S.A. understand that the going concern concept is only applicable to the “Company” as long as the Parent Company continues to financially support Fintitan. This support is a firm commitment of the Parent Company and consists of continuing to provide the Company with adequate funds to enable it to continue operations and covering the losses that might be reported in the statutory financial statements.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1.1 Basis of preparation

These special purposes financial statements have been prepared by Company's management for purposes of consolidation into the Titan Cement Company S.A. consolidated financial statements, in accordance with the Titan Group accounting principles and policies for consolidation. As a result, these special purposes financial statements are not a complete set of financial statements of Fintitan in accordance with International Financial Reporting Standards as adopted by Titan Cement Company S.A. and do not include all the information and disclosures required by International Financial Reporting Standards. The specified forms may, therefore, not be suitable for another purpose.

The only non adopted Titan Group accounting principle is IAS 19, as the Retirement benefits obligation ("TFR") is accounted under Italian GAAP. However the effect of such non compliance with the Titan Group accounting principles and policies for consolidation is estimated to be not significant.

The financial statement consists of balance sheet, income statement, statement of changes in equity and cash flow statement and a summary of significant accounting policies and other explanatory information.

These financial statements have been prepared under the historical cost convention basis and are expressed in Euro, rounded off to the thousand unless otherwise stated.

. Legal requirement allows the Company to finalize the statutory financial statements by the end of April 2015.

1.2 Changes in accounting policies

No changes in accounting policies adopted by the Titan Group, comprising group accounting principles and disclosures are applicable to these special purposes financial statements. So the principal accounting policies adopted in the preparation of these special purposes financial statements are consistent with those adopted in the previous year.

1.3 Tangible assets

Tangible assets are stated at historical cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Subsequent costs are depreciated over the remaining useful life of the related asset or to the date of the net major subsequent cost whichever is the sooner. Depreciation is calculated on the straight-line method to write off bring the assets to their residual values over their estimated useful lives as follows:

Machinery and equipment	12-15%
Office equipment and furniture	12-20%

Other assets	12-20-100%
Improvement on tangible assets owed by third parties	Over the rental period

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.
Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.
Interest costs on borrowings specifically used to finance the construction of property, plant and equipment are capitalised during the construction period.

1.4 Intangible assets

<u>*Computer software*</u>
Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. The cost of separately acquired software, which comprises its purchase price and any software for its intended use, is recognized as an intangible asset, when it concerns an identifiable and unique software product which will generate economic benefits beyond one year. Computer software costs recognized as intangible assets are amortized using the straight-line method over their useful lives (five years).

1.5 Impairment of long lived assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as an expense immediately, 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 determined by comparable transactions less costs to sell and value in use as determined by discounted cash flows. Assets are grouped at the lowest possible levels.

1.6 Leases – where the Company is the lessee

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of tangible assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Tangible assets acquired under finance leases are depreciated over the useful life of the asset or the lease term.

1.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.
Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realisable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

1.8 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all of the amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in other expenses in the income statement.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position. The components of cash and cash equivalents have a negligible risk of change in value.

1.10 Income taxes

Current income tax is calculated using the estimated taxable income along with the Italian tax law. The income tax charge consists of the current income tax calculated upon the results of the company, as it has been reformed in its taxation return applying the applicable tax rate.
Deferred income tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised only to the extent that is it probable that taxable profits and reversals of deferred tax liabilities will be available against which deductible temporary differences can be utilised. Deferred income taxation is determined using tax rates that have been enacted on the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also presented in equity.

1.11 Employee benefits

Termination benefits

The liability for termination indemnities relates to the Company's employees. In accordance with the Italian severance pay statutes, an employee benefit is accrued for service to date and is payable immediately upon separation. The termination indemnity liability is calculated in accordance with local civil and labour laws based on each employee's length of service, employment category and remuneration. The termination liability is adjusted annually according to cost of living index provided by the Italian Government. There is no vesting period or funding requirement associated with the liability. The liability recorded in the balance sheet is the amount that the employee would be entitled to if the employee separates immediately.

1.12 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.
The Company recognises a provision for onerous contracts when the benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the company becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Company are not provided in advance.
Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

1.13 Revenue recognition

Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer (usually upon delivery and customer acceptance) and the realization of the related receivable is reasonably assured.
Revenue arising from services is recognised on an accrual basis in accordance with the substance of the relevant agreements. Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

2. Significant accounting estimates and judgments

The preparation of the financial statements requires management to make estimations and judgments that affect the reported disclosures. On an ongoing basis, management evaluates its estimates, including those related to the estimated useful life of non financial assets, impairment of tangible and intangible assets. 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. These management's estimation and assumptions form the bases for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. 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.

2.1 Income taxes

Significant judgment is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

2.2 Useful lives of Tangible assets

In addition, management makes estimations in relation to useful lives of amortized assets.

2.3 Contingent liabilities

The existence of contingent liabilities requires from management making assumptions and estimates continuously related to the possibility that future events may or may not occur as well as the effects that those events may have on the activities of the Company.

3. Tangible assets

The net book value of the Tangible assets as of December 31, 2014 and 2013 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Furniture and fixtures	6	7
Machinery and equipment	14	13
Improvement on tangible assets owed by third parties	131	115
Total tangible assets	**151**	**135**

Movements of costs of Tangible assets for the year ended December 31, 2014 consisted of:

(Thousands of Euro)	**December 31, 2013**	**Additions**	**Reclassification**	**Disposals**	**December 31, 2014**
Furniture & fixtures	116	3	-	-	119
Machinery and equipment	1,936	6	-	-	1,942
Improvement on tangible assets owed by third parties	685	133	-	-685	133
Total	**2,736**	**142**	**-**	**-685**	**2,194**

Movements of accumulated depreciation of Tangible assets for the year ended December 31, 2014 consist of:

(Thousands of Euro)	**December 31, 2013**	**Depreciation**	**Reclassification**	**Disposals**	**December 31, 2014**
Furniture & fixtures	109	4	-	-	113
Machinery and equipment	1,923	5	-	-	1,928
Improvement on tangible assets owed by third parties	570	2	-570	-	2
Total	**2,602**	**11**	**-570**	**0**	**2,043**

4. Intangible assets

The net book value of the Intangible assets as of December 31, 2014 and 2013 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Software and Trademarks registered	10	6
Total intangible assets	**10**	**6**

The intangible assets include software costs, which are amortized over a 5 years period.

5. Deferred tax assets

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
IRES deferred tax assets	307	219
Total deferred tax assets	**307**	**219**

Deferred tax assets as at December 31, 2014 are related to the tax losses reported in the previous years and carried forward. Under Italian tax law, tax losses matured from the fiscal year 2006 can be used to offset future taxable profit without any time limit.
The amount booked as at December 31, 2014 will be recoverable within 3 years.

No income tax asset has been recognised on the tax loss reported in the year 2010 and 2011 and carried forward, amounting to Euro 2,950 thousand.

6. Inventories

Inventories as of December 31, 2014 and 2014 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Stock in hand	673	711

Provision	0	(23)
Total inventories	**673**	**688**

The decrease in inventories amount compared to prior year is mainly due to the lower quantities in stock as of December 31, 2014.

Provision for obsolescence was released as the company, in the new seat storage, changed the way of stocking cement: with the new method there are no delta in quantities.

7. Trade receivables

Trade receivables as of December 31, 2014 and 2013 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Trade receivables	4,264	4,415
Provision for doubtful account	(114)	(160)
Total trade receivables	**4,150**	**4,255**

Trade receivables are substantially in line compared to prior year, despite the decrease in net sales of cement.

Trade receivables include a credit from Cementi Crotone S.r.l. of Euro 34 thousand and a credit from Cementi Antea S.r.l. of Euro 12 thousand.
Cementi Crotone S.r.l. and Cementi Antea S.r.l. are Titan Group entities.

The provision for doubtful accounts amounts to Euro 114 thousand (Euro 160 last year). The provision is considered to be adequate to cover any potential risks for bad debts..

8. Other current assets

Other current assets as of December 31, 2014 and 2013 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**

Prepayments	7	119
VAT receivables	88	61
Other	607	6
Total other current assets	**702**	**186**

The line “other” is related for Euro 585 thousands to advances payed to the owner of the new buildings where the operational headquarter is located.

9. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2014 and 2013 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Cash	1	1
Bank accounts	919	98
Total cash and cash equivalents	**920**	**99**

There are no restrictions over the use of bank accounts. Bank accounts include money deposited with financial institution that can be withdrawn without notice.

10. Quotaholder’s equity

Following the resolutions of the Quotaholder’s meeting held, the net profit of Euro 7 thousand for the year ended December 31, 2013 has been accounted to legal reserve.

11. Retirement benefit obligations

The following table shows the change in the retirement benefit obligation (employees termination indemnities) for the year ended December 31, 2014 and 2013:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Termination indemnities at the beginning of the year	85	68

Provisions	22	17
Utilizations	-	-
Total retirement benefit obligation	**107**	**85**

The amount showed as retirement benefit obligation ("TFR" in Italy) was not calculated in accordance with IAS 19 requirements. The amount is defined according to the Italian law.

The table below states the number of employees at December 31, 2014 and 2013:

	December 31, 2014	**December 31, 2013**
Workers	4	4
Employees	3	3
General manager	2	1
Total number of employees	**9**	**8**

12. Trade payables

Trade payables as of December 31, 2014 and 2013 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Trade payables to third parties	301	130
Trade payables to Titan Cement Company S.A.	4,076	2,693
Total trade payables	**4,077**	**2,823**

Trade payables to Titan Cement Company S.A. (Parent Company) as of December 31, 2014 consisted of payables for purchases of cement. The increase in this item is related to the timing of purchases and payments.

13. Other current liabilities

Other current liabilities as of December 31, 2014 and 2013 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**

VAT Payables	-	-
Salaries and wages payable	65	55
Social security contributions payable	36	41
Current tax liabilities	-	-
Other	5	30
Total other current liabilities	**106**	**127**

Payables to social security institutions included chief executive officer's and employees' contributions due to social security institutions in relation to December wages, salaries and agents' commissions.

Salaries and wages payables included employee untaken vacation settled in the following year other than wages and salaries paid on January 2015.

14. Net sales

Net sales increased compared to the prior year (+4%). The increase was primarily due to the increase in quantities sold (162,786 tons in 2014 versus 149,075 tons in 2013) despite the decrease in the average selling price (53.78 Euro/tons in 2014 versus 56.34 Euro/tons in 2013).
The sales to the top ten customer accounts for almost 90% of Company's sales for the year 2014.

15. Cost of sales

The breakdown of the cost of sales for the years 2014 and 2013 can be detailed as follows:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Merchandise	7,482	7,169
Changes in inventory	14	(636)
Taxes and duty	88	70
Insurance	9	21
Disposal costs	0	1
Total Cost of sales	**7,601**	**6,625**

Cost of sales increased compared to prior year (+15%). The increase was primarily due to the increase in quantities purchased and in purchase price.

The direct costs attributable to the cost of sales are insurance, taxes and duty costs.

The "Merchandise" was bought entirely from Titan Cement Company S.A..Therefore the entire amount of merchandise is to be considered as a related party transaction.

16. General and administrative expenses

General and administrative expenses for the years 2014 and 2013 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Salaries	164	73
Legal and audit expenses	112	37
Other advice	52	33
General manager	0	59
Other expenses	206	43
Technical advice	0	27
Social security on salaries	52	22
Energy, gas & water	0	10
Insurance	12	7
Cleaning expenses	5	7
Phone and postal expenses	9	6
Petty consumable material	4	3
Provision for retirement benefit	24	5
Depreciation of tangible	4	3
Refectory costs	3	5
Amortization of intangible	7	5
Total General and administrative expenses	**658**	**345**

G&A (equal to Euro 658 thousand as at December 31, 2014) increased from last year (Euro 345 thousand) and are mainly referred to salaries (Euro 164 thousand versus Euro 73 thousand last year).

17. Selling expenses

Selling expenses for the years 2014 and 2013 consisted of:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**

Rental	926	851
Wages	131	132
Transportation	77	55
Maintenance	18	32
Energy, gas & water	44	45
Social security on wages	42	45
Depreciation of tangible assets	7	60
Insurance	20	20
Selling salaries	36	35
Fuel costs	15	28
General manager	0	59
Technical advice	54	26
Other expenses	17	16
Other rental	18	17
Provision for retirement benefit	0	12
Social security on selling salaries	0	11
Losses on receivables	0	-
Refectory costs	7	7
Phone and postal expenses	0	4
Petty consumable material	2	3
Trip costs	0	-
Legal advice	0	4
Other advice	0	3
Total Selling expenses	**1,426**	**1,465**

Selling expenses (equal to Euro 1,426 thousand as at December 31, 2014) are in line with the prior year (Euro 1,465 thousand) and are mainly referred to rentals (Euro 926 thousand versus Euro 851 thousand last year).

18. Interest expenses

Interest expenses net for the years 2014 and 2013 are in line and detailed as follows:

(Thousands of Euro)	**December 31, 2014**	**December 31, 2013**
Other	(3)	(4)
Total Interest expenses, net	**(4)**	**(4)**

19. Extraordinary expenses

Extraordinary expenses amount to Euro 352 thousands at the end of 2014 and are referred to charges occurred for the transfer to the new headquarter of the Company.

20. Income taxes

The income taxes are calculated on actual tax rate basis. Tax rates used to calculate IRES tax (corporate tax on income) and IRAP tax (regional tax on "added value") are 27.5% and 3.9% respectively.

For the years 2011 no income taxes were charged, as the Company reported income tax losses both for IRES and IRAP tax purposes.

The years since 2009 are open for examination by the Italian Tax Authorities.

21. Commitment and contingencies

No significant commitment to be highlighted.

22. Related parties

The following table provides details of the effects of transactions with related parties.

	Sales		**Purchases**		**Receivables**		**Payables**	
				Year ended December 31,				
(Thousands of Euro)	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Titan Cement Company S.A.	-	-	7,482	7,169	-	-	4,076	2,693
Cementi Antea S.r.l.	10	10	-	-	12	12	-	-
Cementi Crotone S.r.l.	0	23	-	-	34	228	-	-
Total	**10**	**33**	**7,482**	**7,169**	**46**	**240**	**4,076**	**2,693**

23. Events after the reporting period

No significant events to be highlighted have occurred after December 31, 2014.