Consolidated Financial Statements

Titan America LLC and Subsidiaries
Years Ended December 31, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP

Building a better
working world

Titan America LLC and Subsidiaries

Consolidated Financial Statements
(International Financial Reporting Standards Basis)

Years Ended December 31, 2014 and 2013

Contents

Building a better
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Report of Independent Auditors

The Members
Titan America LLC

We have audited the accompanying consolidated financial statements of Titan America LLC and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2014 and 2013, and the related consolidated statements of operations and comprehensive loss, changes in member's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 and fair presentation 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 referred to above present fairly, in all material respects, the consolidated financial position of Titan America LLC and subsidiaries at December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for the years then ended in conformity with International Financial Reporting Standards.

Ernst & Young LLP

April 3, 2015

Titan America LLC and Subsidiaries

Consolidated Statements of Financial Position

		December 31	
		2014	**2013**
Assets			
Noncurrent assets:			
Property, plant, equipment, and mineral deposits, net	*Note 7*	**$ 661,191,438**	$ 671,849,184
Goodwill, net	*Note 8*	**221,561,698**	221,561,698
Identifiable intangible assets, net	*Note 9*	**15,327,183**	19,609,814
Deferred stripping, net	*Note 10*	**5,186,221**	5,781,684
Investment in associate	*Note 32*	**6,555,022**	–
Other assets	*Note 12*	**8,310,360**	7,111,593
Total noncurrent assets		**918,131,922**	925,913,973
Current assets:			
Inventories	*Note 4*	**97,145,707**	83,630,810
Trade receivables, net	*Notes 2, 3*	**9,702,537**	62,033,300
Prepaid expenses and other current assets	*Note 6*	**6,247,601**	4,516,966
Receivable due form special purpose entity	*Note 33*	**13,689,045**	–
Other receivables, net	*Notes 2, 5*	**4,016,329**	2,784,251
Derivative financial instruments	*Notes 2, 17*	**–**	2,159,420
Related-party receivables	*Notes 2, 20*	**1,157,701**	908,556
Income taxes receivable		**485,465**	467,582
Cash restricted	*Note 2*	**1,809,322**	–
Cash and cash equivalents	*Note 2*	**16,043,986**	15,878,733
Total current assets		**150,297,693**	172,379,618
Total assets		**$ 1,068,429,615**	$ 1,098,293,591

		December 31	
		2014	**2013**
Liabilities and members' equity			
Members equity:			
Capital contributions		**$ 648,689,592**	$ 648,677,733
Retained earnings, before current period net loss		**(143,630,233)**	(78,421,928)
Current period net loss		**(16,170,327)**	(65,348,463)
Accumulated other comprehensive loss		**(2,797,768)**	(1,189,801)
Total members' equity		**486,091,264**	503,717,541
Noncurrent liabilities:			
Long-term debt, including obligations under capital leases, less current obligation	*Notes 2, 15, 16*	**404,784,256**	431,014,975
Deferred and other noncurrent income tax liabilities, net	*Note 11*	**57,583,028**	62,064,352
Retirement benefit obligations	*Note 19*	**13,406,728**	10,877,362
Derivative financial instruments	*Notes 2, 17*	**2,960,434**	–
Provisions, less current portion	*Note 14*	**7,735,832**	5,465,357
Deferred income, less current portion		**1,548,346**	2,115,030
Other noncurrent liabilities		**192,283**	230,317
Total noncurrent liabilities		**488,210,907**	511,767,393
Current liabilities:			
Accounts payable	*Note 2*	**44,954,496**	52,248,826
Accrued expenses	*Note 13*	**30,284,422**	21,100,920
Book overdraft		**6,386,957**	5,126,888
Current portion of deferred income		**1,044,226**	584,251
Current portion of long-term debt, including obligations under capital leases	*Notes 2, 15, 16*	**7,640,643**	65,233
Accounts payable, related parties	*Notes 2, 20*	**2,607,059**	2,930,610
Current portion of provisions	*Note 14*	**1,209,641**	751,929
Total current liabilities		**94,127,444**	82,808,657
Total liabilities		**582,338,351**	594,576,050
Total liabilities and members equity		**$ 1,068,429,615**	$ 1,098,293,591

See accompanying notes.

Titan America LLC and Subsidiaries

Consolidated Statements of Operations

		Year Ended December 31	
		2014	**2013**
Net sales	*Note 23*	**$ 594,546,863**	$ 512,715,785
Freight revenues	*Note 23*	**29,246,299**	26,241,033
Total sales		**623,793,162**	538,956,818
Cost of goods sold, excluding freight, and distributions expenses	*Note 24*	**509,084,599**	461,217,319
Freight expenses		**29,246,299**	26,241,033
Distribution expense	*Note 25*	**28,533,629**	26,805,525
Cost of goods sold		**566,864,527**	514,263,877
Gross profit		**56,928,635**	24,692,941
Selling expense	*Note 26*	**14,596,146**	12,869,735
General and administrative expense	*Note 27*	**49,808,884**	43,089,240
Loss on sale of accounts receivable and related costs, net	*Note 33*	**3,678,968**	–
Other operating (income) expense	*Note 28*	**(6,106,242)**	202,597
Operating loss		**(5,049,121)**	(31,468,631)
Finance income		**220,532**	64,299
Finance cost	*Note 29*	**(32,735,280)**	(26,428,461)
Share of profit of an associate	*Note 32*	**1,373,289**	–
Loss on financial instrument	*Note 17*	**(3,413,446)**	–
Realized foreign exchange loss	*Note 17*	**(1,096,783)**	(322,645)
Unrealized foreign exchange gain (loss)	*Note 17*	**21,725,955**	(5,744,837)
Other non-operating income	*Note 31*	**1,284,665**	1,004,623
Loss on early extinguishment of debt	*Note 15*	**(1,876,422)**	–
Loss before income taxes		**(19,566,611)**	(62,895,652)
Federal income tax (benefit) expense	*Note 11*	**(2,812,481)**	3,375,823
State income tax benefit	*Note 11*	**(583,803)**	(923,012)
Net loss		**$ (16,170,327)**	$ (65,348,463)

See accompanying notes.

Titan America LLC and Subsidiaries

Consolidated Statements of Comprehensive Loss

		Year Ended December 31	
		2014	**2013**
Net loss		**$ (16,170,327)**	$ (65,348,463)
Other comprehensive (loss) income:			
Net movement on cash flow hedge	*Note 17*	**504,389**	302,280
Income tax effect		**–**	(314,601)
Net gain (loss) on cash flow hedge		**504,389**	(12,321)
Actuarial (loss) gain on defined benefit plans	*Note 19*	**(3,037,277)**	2,805,742
Income tax effect		**924,921**	(1,094,238)
Net (loss) gain on defined benefit plans		**(2,112,356)**	1,711,504
Other comprehensive (loss) income, net of tax		**(1,607,967)**	1,699,183
Total comprehensive loss, net of tax		**$ (17,778,294)**	$ (63,649,280)

See accompanying notes.

Titan America LLC and Subsidiaries

Consolidated Statements of Changes in Member's Equity

		Capital Contributions	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Member's Equity
January 1, 2013		$ 648,713,157	$ (78,421,928)	$ (2,888,984)	$ 567,402,245
Net loss		–	(65,348,463)	–	(65,348,463)
Actuarial gain on defined benefit plans	*Note 19*	–	–	1,711,504	1,711,504
Cash flow hedge	*Note 17*	–	–	(12,321)	(12,321)
Stock compensation	*Note 20*	275,733	–	–	275,733
Stock compensation excess tax benefit		(311,157)	–	–	(311,157)
December 31, 2013		648,677,733	(143,770,391)	(1,189,801)	503,717,541
Net loss		**–**	**(16,170,327)**	**–**	**(16,170,327)**
Actuarial gain on defined benefit plans	*Note 19*	**–**	**–**	**(2,112,356)**	**(2,112,356)**
Cash flow hedge	*Note 17*	**–**	**–**	**504,389**	**504,389**
Stock compensation	*Note 20*	**152,017**	**–**	**–**	**152,017**
Stock compensation excess tax benefit		**(140,158)**	**140,158**	**–**	**–**
December 31, 2014		**$ 648,689,592**	**$ (159,800,560)**	**$ (2,797,768)**	**$ 486,091,264**

See accompanying notes.

Titan America LLC and Subsidiaries

Consolidated Statements of Cash Flows

		Year Ended December 31 2014	2013
Operating activities			
Loss before income taxes		**$ (19,566,611)**	$ (62,895,652)
Adjustments for:			
Depreciation, depletion, and amortization	*Notes 7, 9, 10*	**61,640,251**	69,535,347
Impairment of property, plant, and equipment	*Note 7*	**418,261**	–
Deferred income		**(106,708)**	(534,830)
Loss (gain) on disposal of assets, net	*Note 7*	**1,846,050**	(2,185,129)
Gain on contribution of assets to associate	*Note 32*	**(6,538,114)**	–
Equity earnings in associate	*Note 32*	**(1,373,289)**	–
Finance cost	*Note 29*	**32,735,280**	26,428,461
Finance income		**(220,532)**	(64,299)
Loss on financial instruments	*Note 17*	**3,413,446**	–
Foreign exchange (gain) loss	*Note 17*	**(20,629,172)**	6,067,482
Stock compensation expense	*Note 20*	**152,017**	275,733
Loss on extinguishment of debt	*Note 15*	**1,876,422**	–
Bad debt expense	*Note 3*	**415,758**	806,137
Change in net operating assets		**16,444,750**	(2,481,034)
Other		**–**	(4,282)
Cash generated from operation before interest and income taxes		**70,507,809**	34,947,934
Income taxes (paid) refunded		**(178,002)**	1,107,597
Net cash provided by operating activities		**70,329,807**	36,055,531
Investing activities			
Purchase of property, plant, and equipment	*Note 7*	**(43,818,248)**	(15,343,900)
Expenditures on deferred stripping	*Note 10*	**(1,896,411)**	(612,486)
Interest received		**220,532**	64,299
Distributions from associate, net	*Note 32*	**1,749,000**	–
Proceeds from the sale of assets, net of disposition costs	*Note 7*	**818,201**	4,805,052
Net cash used by investing activities		**(42,926,926)**	(11,087,035)

Titan America LLC and Subsidiaries

Consolidated Statements of Cash Flows (continued)

		Year Ended December 31	
		2014	**2013**
Financing activities			
Borrowing from affiliated party	*Note 20*	**$ 27,201,083**	$ 17,000,000
Offering costs associated with borrowings	*Notes 15, 20*	**(7,783,657)**	(5,346,775)
Increase in book overdraft		**1,260,069**	2,000,048
Principal payments on capital lease obligations	*Note 16*	**(112,165)**	(31,018)
Settlement of derivative financial instrument	*Note 17*	**(3,153,195)**	(13,928,400)
Financial instrument collateral payments	*Note 17*	**(19,599,894)**	–
Net payments under lines of credit	*Note 15*	**–**	(2,377,329)
Interest paid		**(24,519,496)**	(21,751,127)
Other financing activities		**(433,937)**	–
Principal payments on debt		**(44,145)**	(41,169)
Net cash used in financing activities		**(27,185,337)**	(24,475,770)
Net increase in cash and cash equivalents		**217,544**	492,726
Net foreign exchange difference		**(52,291)**	–
Cash and cash equivalents:			
Beginning of year		**15,878,733**	15,386,007
End of year		**$ 16,043,986**	$ 15,878,733
Changes in net operating assets:			
Inventories		**$ (14,419,218)**	$ (579,698)
Trade receivables, net		**39,060,896**	(4,721,731)
Other receivables, net		**(2,067,016)**	(450,754)
Prepaid expenses and other current assets		**(1,730,635)**	2,377,576
Other assets		**(1,556,576)**	(70,614)
Accounts payable		**(7,797,757)**	2,912,789
Other operating activities		**(1,375,386)**	–
Accrued expenses		**5,235,951**	948,723
Provisions – current		**457,713**	360,588
Provisions – non-current		**2,128,168**	(4,492,171)
Other liabilities		**(230,317)**	(1,071,488)
Retirement benefit obligations		**(688,377)**	(163,010)
Operating related-party activity		**(572,696)**	2,468,756
Change in net operating assets		**$ 16,444,750**	$ (2,481,034)

Non-cash transactions: The principal non-cash investing and financing transactions are accrued purchases of property, plant, and equipment and derivative movements (see Notes 7 and 17).

See accompanying notes.

1. Organization, Nature of Business and Summary of Significant Accounting Policies

The consolidated financial statements for the years ended December 31, 2014 and 2013, were authorized for issue by the management of Titan America LLC on April 3, 2015.

Basis of Presentation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board (IASB), including International Accounting Standards and Interpretations issued by the International Financial Reporting Interpretations Committee of the IASB, collectively "IFRS."

Organization and Nature of Business

Titan America LLC (the Company), a Delaware, US limited liability company, is wholly-owned by Titan Atlantic Cement Industrial and Commercial S.A. (Titan Atlantic), which is wholly-owned by Titan Cement Company S.A. (Titan Cement), both of which are Greek corporations. The Company primarily operates in the manufacture, distribution, and sale of cement, cement substitutes (including processed fly ash), construction aggregates, ready-mixed concrete, and concrete blocks to resellers and construction contractors in the Eastern region of the United States. The Company's principal offices are located in Norfolk, Virginia.

The Company's significant operating subsidiaries include Roanoke Cement Company LLC (RCC), Titan Virginia Ready-Mix LLC, Mechanicsville Concrete LLC (Mechanicsville Concrete), S&W Ready Mix Concrete Company LLC (S&W), Titan Florida LLC (Florida), Separation Technologies LLC (ST) and Essex Cement Company LLC (Essex).

Related Party Activity

Related party activity is primarily comprised of an affiliated party loan, affiliated party borrowing facilities, and cement purchases from Titan Cement and its operating subsidiaries. The initial affiliated party borrowing facility with Titan Global Finance, PLC (TGF), was established in August 2007. A second affiliated party borrowing facility with TGF was established in June 2013. Both affiliated party borrowing facilities bear interest at variable rates and are further described in Note 15. In addition and as further described in Note 15, the Company has outstanding fixed rate borrowings from TGF in the amount of Euro 277,000,000.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

In 2013 and 2014 the Company sold spare parts and technical and administrative support services to Separation Technologies Canada LTD (STC) and Separation Technologies UK LTD (STUK), both wholly-owned indirect subsidiaries of Titan Cement (see Note 20).

A summary of the Company's significant accounting policies follows:

Limited Liability Company Operating Agreement, Assets and Liabilities

In accordance with the operating agreement of the Company, the member, Titan Atlantic, is not liable for the debts, liabilities, contracts, or any other obligations of the Company solely by reason of being a member of the Company. In addition, the member is not required to lend any funds to the Company.

Principles of Consolidation

The consolidated financial statements include the accounts of Titan America LLC and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Reclassification

The following prior year amounts have been reclassified to conform to the current year presentation.

- a $ 908,556 increase in both the 2013 related party asset and liability balances within the consolidated statement of financial position, and

- in the 2013 consolidated statement of operations, foreign exchange gains and losses have been classified as either realized or unrealized gains and losses.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The principal estimates are related to provisions, retirement benefit obligations, goodwill, identifiable intangible assets, deferred and other noncurrent income taxes, and insurance accruals.

Provisions and retirement benefit obligations include estimates of discounted expected future cash outflows. The retirement benefit obligations include actuarial assumptions on medical costs increases and life expectancy, which could differ from actual experience.

In accordance with International Accounting Standard (IAS) No. 36, *Impairment of Assets*, the Company tests annually, as of December 31, or upon occurrence if indicators of impairment are present, whether goodwill and identifiable intangible assets have suffered any impairment. The recoverable amounts of related cash generating units have been determined based on discounted cash flow calculations. These calculations require the use of estimates.

The Company's calculation of deferred and other noncurrent income taxes includes transactions and estimates for which the ultimate tax determination is uncertain.

Insurance accruals include estimates of settlement for claims against the company based on loss development factors and estimates of incurred but not reported healthcare costs, which could differ from actual results.

Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Credit Risk

The Company has no significant concentrations of credit risk (see Note 22).

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in funding by keeping committed credit lines available, each of which is guaranteed by Titan Cement (see Note 15).

Borrowings Denominated in Foreign Currencies

The Company is exposed to foreign currency exchange rate risk associated with borrowings denominated in foreign currencies. The Company has entered into foreign currency forward contracts to manage a portion of its exposure to fluctuations in currency values (see Note 17).

Cash flow and Fair Value Interest Rate Risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are not directly impacted by changes in market interest rates. The Company's interest rate risk arises from short-term and long-term borrowings. 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. Borrowings denominated in foreign currencies expose the Company to foreign exchange risk. The Company's policy for long term borrowings will vary and is managed by Titan Cement's group treasury function.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

The following table demonstrates the sensitivity of the Company's loss before income tax (through the impact of the outstanding floating rate borrowings at the end of the period on profits) to reasonable changes in interest rates, with all other variables held constant:

Year Ended	Interest Rate Variation	Increase in Loss Before Income Taxes	Interest Rate Variation	Decrease in Loss before income taxes
December 31, 2014	**1.0%**	**$ 827,830**	**(1.0)%**	**$ 827,830**
December 31, 2013	1.0%	$ 2,981,177	(1.0)%	$ 2,981,177

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. Cash equivalents consist of overnight repurchase agreements and a bank money market fund (investing primarily in obligations of U.S. banks, commercial paper, and other high quality, short-term obligations of U.S. companies and securities of the U.S. Government).

The Company excludes outstanding checks in excess of funds on deposit with a bank from the reported amounts of cash and cash equivalents. When applicable, this net liability is classified as a book overdraft in the accompanying consolidated balance sheets.

Borrowings

The Company recognizes borrowings initially at fair value, net of transaction costs. Transaction costs are amortized on an interest to maturity basis over the term of the borrowings. Amortization is included in finance cost in the accompanying consolidated statements of income.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Inventories

Inventories are stated at the lower of cost or market (estimated net realizable value). Cost is determined as follows:

- Finished goods and work in process – Purchase cost or average production cost for the most recent 12 month period.

- Spare parts and raw materials – Moving average or purchase cost method.

- Manufacturing supplies and other – Moving average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and direct selling expenses.

Trade Receivables

Trade receivables are recognized initially at fair value and subsequently at amortized cost, less a provision for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the related sale. The amount of the allowance is the difference between the carrying amount of the receivable and the estimated future cash flows. Changes to the allowance are recognized as cost of goods sold in the accompanying consolidated statements of operations.

In 2014, the Company entered into an accounts receivable securitization agreement to sell without recourse certain customer receivables. Under the agreement, the Company will continue to service such accounts. Sales of trade receivables to the purchaser are reflected as a reduction of receivables, net, in the accompanying consolidated balance sheets. The carrying value of accounts receivable transferred approximates its fair value. All related transactional costs, including purchase discounts and administrative expenses, are recognized within Loss on Sale of Accounts Receivables and Related Costs, Net, in the accompanying consolidated statements of operations.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Property, Plant, Equipment and Mineral Deposits

Property, plant, equipment, and mineral deposits are stated at historical cost, less accumulated depreciation and depletion.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Amortization expense on assets under capital leases is included with depreciation expense on Company owned assets. Mineral deposits are depleted using the units-of-production method on the basis of the relationship of quantities mined to total estimated recoverable quantities.

Expenditures incurred to replace or overhaul a component of an item of property, plant, and equipment are accounted for separately and, if the future economic benefits are probable and extend the useful life or increase capacity, the items are capitalized. Repair and maintenance expenditures are expensed as incurred.

The estimated useful lives (in years) for the major components of property, plant, and equipment are:

	Cement	**Aggregates**	**Ready Mix**	**Block**	**Other**
Land improvements	15–30	15	15	15	15
Building and improvements	25	25	25	25	25
Machinery and equipment	15–30	10–15	10–15	15–30	5–15
Mobile equipment	7–25	7 – 8	7	7	7
Marine equipment	20	20	N/A	N/A	N/A
Auto and truck	8	8	8	8	8
Furniture and fixtures	3–5	3–5	3–5	3–5	3–5

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. When assets are retired or sold, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the accompanying consolidated statements of operations.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Capitalized Interest

The Company has applied the provisions of IAS No. 23(R), Borrowing Costs, to capitalize interest costs for qualifying capital projects. The amount of capitalized interest is based on the Company's weighted average borrowing rate and the average outstanding capital spending for a project. The capitalized interest is recorded as part of the asset to which it relates and is depreciated over the estimated useful life of the asset.

Goodwill

Goodwill related to acquisitions before April 1, 2004 is stated at acquisition value less accumulated amortization and accumulated impairment losses, if any. In accordance with IFRS No. 3, "Business Combinations," the Company ceased amortization of existing goodwill on January 1, 2005. Goodwill related to acquisitions on or after April 1, 2004 is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. A CGU is an identified business unit of the Company. A business unit can include interdependent activities (e.g., cement, aggregates, and ready-mixed concrete), typically within a contiguous market territory. The impairment of goodwill assets associated with the CGU is tested at least annually through assessment of the amount recoverable from future projected operations.

Identifiable Intangible Assets

Identifiable intangible assets are stated at acquisition value less accumulated amortization and accumulated impairment losses, if any, and are amortized over their expected period of benefit on a straight line basis. The Company annually reviews the methods of amortization and estimated useful lives of its identifiable intangible assets. Amortization of identifiable intangible assets is included in cost of goods sold in the accompanying consolidated statements of operations. Acquired tradenames were recorded as indefinite-lived intangible assets, were measured at fair value at the date of acquisition, and are tested annually for impairment.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

The estimated useful lives for the major components of identifiable intangible assets are:

	Years
Core technology – Processed fly ash	10
Non-compete agreements	3–5
Customer Relationships	5–7
Trademarks	10
Tradenames	Indefinite

Deferred Stripping

Costs associated with removing overburden from mineral deposits are deferred and amortized on the units-of-production method proportionate to the extraction of the related mineral deposits. Amortization of deferred stripping is included in costs of goods sold in the accompanying consolidated statements of operations.

Investment in Associate

Associates are entities over which the Company has significant influence, holds between 20% and 50% of the voting rights, but does not individually or jointly control. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. Under the equity method, the Company's share of the post-acquisition profits or losses is recognized in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognize further losses, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amount previously recognized in other comprehensive income is reclassified to profit or loss where appropriate. Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

the fair value of the retained investment and proceeds from disposal is recognized in profit or loss. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to "share of profit (loss) of associates" in the income statement. Profit and losses resulting from upstream and downstream transactions between the Company and its associate are recognized in the Company's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company. The financial statements of the associates are prepared with the same reporting date as the Company's. In the Company's separate financial statements, the investment in associates is stated at cost less impairment, if any.

Insurance

The Company maintains insurance to cover property, casualty, liability, and workers' compensation losses above certain retained limits. The Company provides accruals for estimates of the retained portion of probable settlement amounts, net of deposits held by insurance companies. This liability is included in accrued expenses in the accompanying consolidated statements of financial position.

Income Taxes

Titan America LLC is a nontaxable entity whose items of income, expense, gains, and losses are taxed to its member, Titan Atlantic. For financial reporting purposes, the Company reports its proportionate share of Titan Atlantic's income tax expense and related income tax assets and liabilities as if the Company had filed separate Company income tax returns.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

The Company accounts for income taxes using the liability method. Under the liability method, deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the financial statement reported amount of assets and liabilities and their tax bases. Deferred tax assets are recognized only when it is probable that they will be realized. Further, the Company recognizes a deferred tax asset arising from unused tax losses or tax credits only to the extent that the Company has sufficient future taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the Company. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws on the date of enactment.

The Company is subject to compliance reviews by the Internal Revenue Service (IRS) and other taxing authorities on various tax matters, including challenges to various positions the Company asserts. The Company believes it has adequately accrued for tax contingencies that have met both the probable and reasonably estimable criteria. These amounts are reflected in other noncurrent income tax liabilities in the accompanying consolidated statements of financial position.

Commitments, Contingencies, and Provisions

Liabilities for loss contingencies, including environmental remediation costs arising from claims, assessments, litigation, fines, and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change.

Provisions for environmental remediation costs are determined by forecasting future costs and discounting these costs using risk free rates for periods that approximate the expected timing of the obligation and are included in provisions in the accompanying consolidated statements of financial position.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

Property, plant, equipment, mineral deposits and other noncurrent assets, including goodwill, deferred stripping, and identifiable intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In addition, assets with indefinite lives, such as goodwill, are reviewed annually for impairment. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell or value in use. For purposes of assessing impairment, assets are grouped by business unit, which may include interdependent business activities (e.g., cement, aggregates, and ready-mixed concrete), typically within a contiguous market territory.

Leases

Leases in which a significant portion of 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 statements of operations on a straight-line basis over the period of the lease. Leases in which a significant portion of the risks and rewards of ownership are held by the Company are classified as capital leases.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Revenue Recognition

Revenue from product sales is recognized upon shipment to customers. Revenue for services is recognized when the service is provided. Provisions for discounts, returns, and other adjustments are provided for in the same period the related sales are recorded as a reduction of revenue. Deferred income represents payments received or receivables established prior to the delivery of products, services or rights.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

Pension and Other Post-retirement Obligations

The Company's defined benefit pension plans and all but one of the Company's other postretirement benefit plans were previously frozen to new participants and credited service. One postretirement benefit plan exists for certain active and former employees of the Company. Under this plan, eligible retirees receive a benefit consisting primarily of assistance with medical insurance costs between the dates of early retirement and Medicare eligibility. The Company sponsors defined contribution retirement (currently suspended – see Note 19) and 401(k) savings plans which cover substantially all employees of the Company.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality U.S. corporate bonds that have terms to maturity approximating the terms of the related pension liability.

During 2011, the Company elected to early adopt the provisions of IAS 19R, *Employee Benefits*. As a result of the early adoption, actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately as they occur within other comprehensive income. In addition, all past service costs are recognized in the consolidated statements of operations as they occur. Finally, under the new standard, the Company recognizes net interest cost (as a single item) within the consolidated statements of operations.

For defined contribution plans, the Company makes contributions in accordance with established plan provisions for both union and nonunion employees and has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are earned.

Share-Based Payments

Titan Cement operates an equity-settled, share-based compensation plan. The Company recognizes the fair value of the employee service received in exchange for the grant of Titan Cement stock options as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted on the date of grant, excluding

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the statements of operations with a corresponding adjustment to equity.

Recently Issued Accounting Pronouncements

The financial statements have been prepared with the same accounting policies of the prior financial year. No new standards and interpretations had to be adopted as of January 1, 2014.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2014. They have not been early adopted and the Company is currently assessing possible impacts in the financial statements from their adoption.

IFRS 9, *Financial Instruments: Classification and Measurement*

This standard applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2014, but amendments have moved the mandatory effective date to January 1, 2018. The Company is currently assessing the impact of IFRS 9 and plans to adopt the standard on the required effective date.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods for services to a customer and provides a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is in the process of assessing the impact of IFRS 15 on the financial position or performance of the Company.

1. Organization, Nature of Business and Summary of Significant Accounting Policies (continued)

IAS 32, *Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32*

These amendments clarify the meaning of “currently has a legally enforceable right to set-off“. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous These amendments did not impact the Company’s financial position performance and became effective for annual periods beginning on or after January 1, 2014.

Subsequent Events

The Company has evaluated subsequent events through the date the financial statements were available to be issued, April 3, 2015.

2. Financial Instruments and Other Financial Assets and Liabilities

The following methods and assumptions were used to estimate the fair value of financial instruments:

Cash and Cash Equivalents, Trade Receivables, Related Party Receivables, Other Receivables, Accounts Payable, and Accounts Payable-Related Parties

At December 31, 2014 and 2013, the carrying amounts approximate fair value based on the short maturity of these instruments.

Restricted cash represents funds not available for general corporate purposes that secure specific operating and financing obligations expected to be settled within the next 12 months. The restricted cash balance as at December 31, 2014, was $1,809,322.

Long-term Debt

The fair values of the Company’s long-term debt obligations (other than capital lease obligations) are based on discounted cash flows using a discount rate which management expects would be available to the Company at the statement of financial position date for instruments with comparable terms. The carrying amounts of short-term borrowings and capital lease obligations approximate their fair value.

2. Financial Instruments and Other Financial Assets and Liabilities (continued)

Derivative financial instruments

The fair values of the Company's foreign exchange forward contracts are determined by using level two measurements defined as inputs other than quoted prices that are observable for similar contracts in active markets.

3. Trade Receivables, Net

Trade receivables at December 31, 2014 and 2013, consist of the following:

	December 31	
	2014	**2013**
Trade receivables	**$ 20,445,448**	$ 73,210,655
Allowance for doubtful accounts	**(6,466,651)**	(7,129,183)
Allowance for cash discounts and rebates	**(3,046,950)**	(2,801,565)
Allowance for service fees	**(1,229,310)**	(1,246,607)
Total trade receivables, net	**$ 9,702,537**	$ 62,033,300

Trade receivables are non-interest bearing and normally settled within the terms of the contract. Bad debt expense is included in cost of goods sold in the accompanying consolidated statements of operations. For the years ended December 31, 2014 and 2013, the Company recognized $415,758 and $806,137 of bad debt expense, respectively.

3. Trade Receivables, Net (continued)

The activity within allowance for doubtful accounts consisted of the following at December 31, 2014 and 2013:

	December 31	
	2014	**2013**
Balance at January 1	**$ (7,129,183)**	$ (7,288,268)
Charge for the year	**(415,758)**	(806,137)
Utilized	**1,078,290**	965,222
Balance at December 31	**$ (6,466,651)**	$ (7,129,183)

4. Inventories

Inventories at December 31, 2014 and 2013, consist of the following:

	December 31	
	2014	**2013**
Spare parts	**$ 26,447,893**	$ 22,614,473
Work in process	**21,349,970**	21,790,935
Finished goods	**25,157,326**	18,577,613
Raw materials	**15,903,625**	14,848,152
Manufacturing supplies and other	**8,286,893**	5,799,637
Total inventories	**$ 97,145,707**	$ 83,630,810

5. Other Receivables, Net

Other receivables at December 31, 2014 and 2013, consist of the following:

	December 31 2014	2013
Escrow receivable	**$ 750,000**	$ 750,000
Receivables, non-trade, net	**1,766,730**	596,192
Mineral tax refund	**–**	510,770
Deposits	**320,205**	341,233
Rebates and refunds due	**660,661**	285,924
Employee receivables	**23,697**	74,841
Other	**495,036**	225,291
Total other receivables, net	**$ 4,016,329**	$ 2,784,251

6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets at December 31, 2014 and 2013, consist of the following:

	December 31 2014	2013
Prepaid insurance	**$ 1,974,044**	$ 1,639,993
Prepaid licenses, permits and other taxes	**1,604,019**	1,270,780
Prepaid overhead expenses (rent, software maintenance dues and subscriptions)	**1,590,575**	1,164,623
Prepaid highway use tax	**132,564**	121,919
Purchase deposit	**–**	20,000
Other	**946,399**	299,651
Total prepaid expenses and other current assets	**$ 6,247,601**	$ 4,516,966

7. Property, Plant, Equipment, and Mineral Deposits, Net

Activity within property, plant, equipment, and mineral deposits for the year ended December 31, 2014, consists of the following:

	Balance at January 1, 2014	Additions	Disposals	Other	Balance at December 31, 2014
Historical Cost:					
Mineral reserves	$ 155,436,093	$ –	$ –	$ –	$ 155,436,093
Land	130,532,058	1,965,388	(804,169)	–	131,693,277
Land improvements	49,983,489	340,163	(366,589)	–	49,957,063
Building & improvements	107,558,250	259,422	(525,357)	–	107,292,315
Machinery & equipment	669,468,574	6,463,298	(8,326,488)	672,505[(1)]	668,277,889
Mobile equipment	54,283,098	4,688,807	(2,240,810)	–	56,731,095
Marine equipment	10,554,895	–	–	–	10,554,895
Auto & truck	105,013,768	6,864,513	(5,832,801)	–	106,045,480
Furniture & fixtures	17,391,681	670,798	(1,158,584)	–	16,903,895
Construction and equipment installations in progress	23,393,316	25,007,804	–	–	48,401,120
Impairment reserve	–	–	–	(418,261)	(418,261)
Total historical cost	$ 1,323,615,222	$ 46,260,193	$ (19,254,798)	$ 254,244	$ 1,350,874,861
Accumulated depreciation:					
Mineral reserves	$ 33,612,432	$ 3,013,825	$ –	$ –	$ 36,626,257
Land improvements	27,201,725	2,989,663	(132,380)	–	30,059,008
Building & improvements	57,058,443	4,034,189	(158,874)	–	60,933,758
Machinery & equipment	369,386,237	33,529,461	(7,790,366)	–	395,125,332
Mobile equipment	46,871,294	3,000,214	(2,040,065)	–	47,831,443
Marine equipment	5,341,636	473,101	–	–	5,814,737
Auto & truck	96,820,954	6,575,478	(5,670,109)	–	97,726,323
Furniture & fixtures	15,473,317	1,249,815	(1,156,567)	–	15,566,565
Total accumulated depreciation	$ 651,766,038	$ 54,865,746	$ 16,948,361)	$ –	$ 689,683,423
Net book value:					
Mineral reserves	$ 121,823,661	$ (3,013,825)	$ –	$ –	$ 118,809,836
Land	130,532,058	1,965,388	(804,169)	–	131,693,277
Land improvements	22,781,764	(2,649,500)	(234,209)	–	19,898,055
Building & improvements	50,499,807	(3,774,767)	(366,483)	–	46,358,557
Machinery & equipment	300,082,337	(27,066,163)	(536,122)	672,505	273,152,557
Mobile equipment	7,411,804	1,688,593	(200,745)	–	8,899,652
Marine equipment	5,213,259	(473,101)	–	–	4,740,158
Auto & truck	8,192,814	289,035	(162,692)	–	8,319,157
Furniture & fixtures	1,918,364	(579,017)	(2,017)	–	1,337,330
Construction and equipment installations in progress	23,393,316	25,007,804	–	–	48,401,120
Impairment reserve	–	–	–	(418,261)	(418,261)
Total net book value	$ 671,849,184	$ (8,605,553)	$ (2,306,437)	$ 254,244	$ 661,191,438

(1) Capitalization of spare parts inventory.

7. Property, Plant, Equipment, and Mineral Deposits, Net

Activity within property, plant, equipment, and mineral deposits for the year ended December 31, 2013 consists of the following:

	Balance at January 1, 2013	Additions	Disposals	Other	Balance at December 31, 2013
Historical Cost:					
Mineral reserves	$ 154,394,841	$ –	$ –	$ 1,041,252[(1)]	$ 155,436,093
Land	131,628,297	36,559	(1,327,439)	194,641[(1)]	130,532,058
Land improvements	49,990,838	46,931	(7,466)	(46,814)	49,983,489
Building & improvements	107,457,268	281,312	(190,946)	10,616	107,558,250
Machinery & equipment	665,281,466	4,066,211	(580,503)	701,400[(2)]	669,468,574
Mobile equipment	53,097,784	2,571,328	(1,386,014)	–	54,283,098
Marine equipment	9,552,557	1,002,338	–	–	10,554,895
Auto & truck	105,849,944	29,901	(866,077)	–	105,013,768
Furniture & fixtures	17,218,260	97,819	–	75,602	17,391,681
Construction and equipment installations in progress	16,933,897	7,358,180	(898,761)	–	23,393,316
Total historical cost	$ 1,311,405,152	$ 15,490,579	$ (5,257,206)	$ 1,976,697	$ 1,323,615,222
Accumulated depreciation:					
Mineral reserves	$ 31,641,637	$ 1,970,795	$ –	$ –	$ 33,612,432
Land improvements	24,210,585	3,009,756	(6,755)	(11,861)	27,201,725
Building & improvements	53,134,067	4,033,266	(84,023)	(24,867)	57,058,443
Machinery & equipment	336,721,454	33,187,298	(489,294)	(33,221)	369,386,237
Mobile equipment	44,857,442	3,320,427	(1,306,575)	–	46,871,294
Marine equipment	4,849,881	491,755	–	–	5,341,636
Auto & truck	88,451,801	9,119,789	(750,636)	–	96,820,954
Furniture & fixtures	14,197,590	1,210,060	–	65,667	15,473,317
Total accumulated depreciation	$ 598,064,457	$ 56,343,146	$ (2,637,283)	$ (4,282)	$ 651,766,038
Net book value:					
Mineral reserves	$ 122,753,204	$ (1,970,795)	$ –	$ 1,041,252	$ 121,823,661
Land	131,628,297	36,559	(1,327,439)	194,641	130,532,058
Land improvements	25,780,253	(2,962,825)	(711)	(34,953)	22,781,764
Building & improvements	54,323,201	(3,751,954)	(106,923)	35,483	50,499,807
Machinery & equipment	328,560,012	(29,121,087)	(91,209)	734,621	300,082,337
Mobile equipment	8,240,342	(749,099)	(79,439)	–	7,411,804
Marine equipment	4,702,676	510,583	–	–	5,213,259
Auto & truck	17,398,143	(9,089,888)	(115,441)	–	8,192,814
Furniture & fixtures	3,020,670	(1,112,241)	–	9,935	1,918,364
Construction and equipment installations in progress	16,933,897	7,358,180	(898,761)	–	23,393,316
Other	–	–	–	–	–
Total net book value	$ 713,340,695	$ (40,852,567)	$ (2,619,923)	$ 1,980,979	$ 671,849,184

[(1)]Mineral reserves and land acquired as settlement for trade receivables.
[(2)]Capitalization of spare parts inventory.

7. Property, Plant, Equipment, and Mineral Deposits, Net (continued)

At December 31, 2014 and 2013, property, plant, and equipment under capital leases consisted of mobile equipment, autos, and trucks with a cost basis of $1,989,658 and $316,605, respectively and accumulated depreciation of $88,065 and $179,211, respectively. For the years ended December 31, 2014 and 2013, depreciation of property, plant, and equipment under capital leases totaled $87,463 and $51,709, respectively.

The gross carrying amount of fully depreciated property, plant, and equipment as of December 31, 2014 and 2013 was $209,680,065 and $169,497,035, respectively.

At December 31, 2014 and 2013, the Company had accruals for capital projects totaling $693,520 and $190,616, respectively. For the years ended December 31, 2014 and 2013, the Company did not capitalize any interest.

Sale and Disposal of Assets

In 2014, the Company completed ordinary course of business asset retirements which, in the aggregate, generated net proceeds of $818,201 and recognized a loss on sale of assets of $1,846,050. Substantially all of the loss recognized is included in cost of goods sold, excluding freight and distribution expense in the accompanying consolidated statement of comprehensive loss.

In September 2013, the Company sold a parcel of surplus property adjacent to its Florida cement plant for $4,558,225. Net of transaction and other costs, the Company received $4,016,830 at closing with another $455,822 withheld in accordance with U.S. tax law applicable to foreign land owners in the United States and $36,599 withheld for local real estate taxes. At December 31, 2013, the remaining proceeds receivable of $455,822 has been classified as income taxes receivable in the accompanying consolidated statement of financial position. The book value of the parcel disposed was $1,327,439. Consequently, the Company recognized a gain on disposal of $3,181,812 in 2013. The gain recognized is included in cost of goods sold, excluding freight and distribution expense in the accompanying consolidated statements of operations.

In addition to the above, the Company completed other asset retirements in 2013 which, in the aggregate, generated net proceeds of $295,801 and a recognized loss on disposal of assets of $996,683. All of the loss recognized is included in cost of goods sold, excluding freight and distribution expense in the accompanying consolidated statements of operations.

7. Property, Plant, Equipment, and Mineral Deposits, Net (continued)

Impairment of Assets

In 1997, ST contracted with a utility company (the Utility) to process and beneficiate for resale fly ash generated by the Utility's coal fired electricity generation facility. After a competitive bidding process in 2014, ST was notified that the contract with the Utility would expire in early 2015 contingent upon the successful transition of the new ash processor. Thus, it was determined that certain Company-owned structures and site improvements located at the Utility would be abandoned on site at that time. Consequently, ST recognized in 2014 within cost of goods sold an impairment charge of $418,261, representing the net book value of these assets.

8. Goodwill, Net

Goodwill at December 31, 2014 and 2013, primarily results from the following acquisitions:

Acquisition	Activity	Geography	Year Acquired	2014 Balance	2013 Balance
Separation technologies	Fly Ash	Eastern U.S.	2002	**$ 15,259,141**	$ 15,259,141
Summit/Metro/Miami Valley/Supermix	Ready – mixed concrete and concrete block	Western Florida	2006	**48,558,860**	48,558,860
S&W Ready Mix	Ready-mixed concrete	Carolinas	2007	**146,852,616**	146,852,616
Mechanicsville Concrete	Ready – mixed concrete	Central Virginia	2007	**8,200,653**	8,200,653
Other				**2,690,428**	2,690,428
Total goodwill				**$ 221,561,698**	$ 221,561,698

8. Goodwill, Net (continued)

Impairment testing of Goodwill

Goodwill acquired through business combinations has been allocated to the following cash generating units (CGUs):

	December 31	
	2014	**2013**
Mid Atlantic Business Unit	**$ 155,328,080**	$ 155,328,080
Florida Business Unit	**48,558,860**	48,558,860
Separation Technologies Business Unit	**15,259,141**	15,259,141
Essex Business Unit	**2,415,617**	2,415,617
Total goodwill	**$ 221,561,698**	$ 221,561,698

Management tests goodwill annually at December 31 or more frequently if indications of impairment exist.

The recoverable amount of a CGU is determined based on the higher of its value-in-use and fair value less cost to sell. The value-in-use calculations use cash flow projections based on financial plans approved by management covering a five year period. The calculation of value-in-use for the Company's evaluated CGUs is most sensitive to the following assumptions:

- Sales volumes;
- Selling prices;
- Growth rate used to extrapolate cash flows beyond the specific projection period; and
- Discount rates

8. Goodwill, Net (continued)

Sales Volumes

Management estimates sales volumes utilizing independent industry forecasts taking into consideration its position in the market, relative to its competitors. Management expects construction spending and sales volumes in key markets to continue to recover during 2015. At December 31, 2014, the date of the most recent impairment test, the Company has assumed the following compound average annual growth rates in its sales volumes for the period 2015 – 2019:

Florida – Cement	6.4%
Florida – Aggregates	4.7
Florida – Readymix	13.6
Florida – Block	14.8
Mid-Atlantic – Cement	5.5
Mid-Atlantic – Virginia Readymix	10.2
Mid-Atlantic – Carolinas Readymix	9.3
Separation Technologies – Processed Fly Ash	1.5
Essex – Cement	4.9

Selling Prices

Selling prices in all markets improved during 2014 from 2013 levels as markets continue to recover from the severe contraction in demand for building materials that began in 2006. For the period 2015 – 2019, management expects selling prices to improve as supply and demand imbalances continue to be corrected. At December 31, 2014, the date of the most recent impairment test, the Company has assumed the following compound annual growth rates in external net realized selling prices for the period 2015 – 2019:

Florida – Cement	5.1%
Florida – Aggregates	5.0
Florida – Readymix	4.1
Florida – Block	4.9
Mid-Atlantic – Cement	3.7
Mid-Atlantic – Virginia Readymix	2.9
Mid-Atlantic – Carolinas Readymix	3.6
Separation Technologies – Processed Fly Ash	3.0
Essex – Cement	9.0

8. Goodwill, Net (continued)

Growth Rate Estimates

Following the five year specific forecast period, management used a fading-growth-rate model in the value-in-use calculations associated with the impairment tests performed over the Florida Business Unit. Under this approach, cash flows are assumed to increase at a higher rate following the specific projection period before settling into a long-term growth rate. Sales volume growth rates are based on published industry research and take into account demographic trends including population growth, household formation, and economic output (among other factors) in the states where the Company operates. In addition to demographic trends, long-term growth rates take into account cement/concrete intensity in construction which has historically varied from state to state based on building codes, availability of raw materials, and other factors. At December 31, 2014, the date of the most recent impairment test, growth rates have been estimated by management as follows:

	Year 6 Cash Flow Growth Rate	Fading Growth Rate Period	Long-term Growth Rate
Florida Business Unit	6.0%	2 years	4.0%
Mid-Atlantic Business Unit	3.0	N/A	3.0
Separation Technologies Business Unit	3.0	N/A	3.0
Essex Business Unit	3.0	N/A	3.0

Discount Rates

A pre-tax discount rate of 9.1% was used in the value in use calculations at December 31, 2014, the date of the most recent impairment test.

As of December 31, 2014 no goodwill impairments have been recorded.

9. Identifiable Intangible Assets, Net

Identifiable intangible assets are comprised principally of:

(1) acquired customer relationships of Mechanicsville Concrete;

(2) core technology, patents, and trademarks of Separation Technologies;

(3) acquired customer relationships and tradename of S&W Ready Mix; and

(4) acquired rights (contract rights) to market fly ash produced by a public utility in Florida.

9. Identifiable Intangible Assets, Net (continued)

Activity within net identifiable intangible assets for the years ended December 31, 2014 and 2013, consists of the following:

	Balance at January 1, 2013	Additions	Disposals of Fully Amortized Items	Balance at December 31, 2013	Additions	Disposals of Fully Amortized Items	Balance at December 31, 2014
Historical cost:							
Core technology	$ 9,700,000	**$ –**	$ –	$ 9,700,000	**$ –**	**$ –**	**$ 9,700,000**
Customer relationships	87,941,006	–	(26,240,000)	61,701,006	**–**	**–**	**61,701,006**
Trademarks	400,000	–	–	400,000	**–**	**–**	**400,000**
Tradenames	13,980,000	–	–	13,980,000	**–**	**–**	**13,980,000**
Contract rights	5,951,270	–	–	5,951,270	**–**	**–**	**5,951,270**
Non-compete agreements	3,165,081	–	(2,587,027)	578,054	**–**	**(170,000)**	**408,054**
Total historical cost	$121,137,357	–	$(28,827,027)	$ 92,310,330	**$ –**	**$ (170,000)**	**$ 92,140,330**
Accumulated amortization:							
Core technology	$ 9,700,000	**$ –**	$ –	$ 9,700,000	**$ –**	**$ –**	**$ 9,700,000**
Customer relationships	75,851,410	9,848,120	(26,240,000)	59,459,530	**2,241,476**	**–**	**61,701,006**
Trademarks	400,000	–	–	400,000	**–**	**–**	**400,000**
Contract rights	1,022,875	1,754,385	–	2,777,260	**1,904,405**	**–**	**4,681,665**
Non-compete agreements	2,777,476	173,277	(2,587,027)	363,726	**136,750**	**(170,000)**	**330,476**
Total accumulated amortization	$ 89,751,761	$ 11,775,782	$(28,827,027)	$ 72,700,516	**$ 4,282,631**	**$ (170,000)**	**$ 76,813,147**
Net book value:							
Core technology	$ –	$ –	$ –	$ –	**$ –**	**–**	**$ –**
Customer relationships	12,089,596	(9,848,120)	–	2,241,476	**(2,241,476)**	**–**	**–**
Trademarks	–	–	–	–	**–**	**–**	**–**
Tradenames	13,980,000	–	–	13,980,000	**–**	**–**	**13,980,000**
Contract rights	4,928,395	(1,754,385)	–	3,174,010	**(1,904,405)**	**–**	**1,269,605**
Non-compete agreements	387,605	(173,277)	–	214,328	**(136,750)**	**–**	**77,578**
Total net book value	$ 31,385,596	$(11,775,782)	$ –	$ 19,609,814	**$ (4,282,631)**	**$ –**	**$ 15,327,183**

At December 31, 2014, non-compete agreements had estimated remaining economic useful lives of one year, and contract rights had an estimated remaining economic useful life of three months.

10. Deferred Stripping, Net

The activity within deferred stripping for the years ended December 31, 2014 and 2013, consists of the following:

	Balance at January 1	Additions	Amortization	Balance at December 31
2014	**$ 5,781,684**	**$ 1,896,411**	**$ (2,491,874)**	**$ 5,186,221**
2013	$ 6,585,617	$ 612,486	$ (1,416,419)	$ 5,781,684

11. Income Taxes

The components of income tax expense (benefit) for the year ended December 31, 2014, consist of:

	Current	Deferred	Other	Total
U.S. Federal	**$ –**	**$ (2,723,158)**	**$ (89,323)**	**$ (2,812,481)**
State	**160,119**	**(737,421)**	**(6,501)**	**(583,803)**
Total	**$ 160,119**	**$ (3,460,579)**	**$ (95,824)**	**$ (3,396,284)**

The components of income tax expense (benefit) for the year ended December 31, 2013, consist of:

	Current	Deferred	Other	Total
U.S. Federal	$ –	$ 3,364,946	$ 10,877	$ 3,375,823
State	171,652	(1,097,326)	2,662	(923,012)
Total	$ 171,652	$ 2,267,620	$ 13,539	$ 2,452,811

Income tax expense (benefit) differs from the amounts computed by applying the U.S. federal statutory income tax rate to loss before income taxes for the years ended December 31, 2014 and 2013, as a result of the following:

	December 31	
	2014	**2013**
Loss before income taxes	**$ (19,566,611)**	$ (62,895,652)
Income tax benefit at applicable statutory U.S. Federal tax rate Differences resulting from:	**(6,848,219)**	(22,013,478)
State income taxes, net of federal tax effect	**(979,415)**	(2,450,989)
Mineral deposit depletion in excess of cost basis	**(2,580,648)**	(1,593,146)
Nondeductible expenses	**262,611**	280,364
Recognized tax (benefit) expense under stock option program	**(140,158)**	134,209
Provision for noncurrent income tax liabilities	**(95,824)**	13,539
Federal net operating loss carryforwards	**6,060,098**	25,030,637
State net operating loss carryforwards	**902,336**	2,843,963
Other	**22,935**	207,712
Income tax (benefit) expense	**$ (3,396,284)**	$ 2,452,811

11. Income Taxes (continued)

Net deferred tax liabilities consist of the following components as of December 31, 2014 and 2013:

	December 31	
	2014	**2013**
Deferred tax assets:		
Provisions and accrued expenses, not deductible for tax until paid	**$ 11,416,786**	$ 7,586,628
Retirement benefit obligations, not deductible for tax until paid	**5,574,666**	4,144,400
Deferred income, resulting from revenue recognition differences	**1,073,815**	1,052,720
Identifiable intangible assets, principally due to differences in amortization methods	**14,106,968**	15,806,807
Accounts receivable valuation	**3,714,971**	2,718,663
Inventory valuation and costing	**1,011,180**	1,395,977
Derivative financial instruments	**–**	397,275
Unrealized foreign exchange losses on debt obligations	**–**	2,289,936
Net operating loss and charitable contribution carryforwards	**57,936,889**	50,913,880
Tax credit carryforwards	**5,933,413**	5,933,413
Other	**578,654**	383,301
Total deferred tax assets	**101,347,342**	92,623,000
Deferred tax liabilities:		
Plant and equipment, principally due to differences in depreciation methods	**75,157,754**	82,433,974
Mineral deposits, principally due to differences in depletion methods	**35,786,836**	36,895,716
Goodwill, principally due to differences in amortization methods	**36,510,065**	32,091,972
Deferred stripping costs, principally due to differences in amortization methods	**1,687,285**	2,039,911
Prepaid expenses, principally due to differences in amortization methods	**1,333,613**	1,129,955
Investment in Ash Venture	**2,206,175**	–
Unrealized foreign exchange gains on debt obligations	**6,083,435**	–
Other	**165,207**	–
Total deferred tax liabilities	**158,930,370**	154,591,528
Net deferred income tax liabilities	**$ 57,583,028**	$ 61,968,528

11. Income Taxes (continued)

The deferred tax amounts mentioned above have been classified on the accompanying consolidated statements of financial position as of December 31, 2014 and 2013, as follows:

	December 31	
	2014	**2013**
Deferred tax liabilities, net	**$ 57,583,028**	$ 61,968,528
Other noncurrent income tax liabilities	**–**	95,824
Deferred and other noncurrent income tax liabilities, net	**$ 57,583,028**	$ 62,064,352

At December 31, 2014, the Company had charitable contribution carryforwards of $1,080,186 expiring in years 2015 through 2019. These expenses will be carried forward to future periods. The deferred tax asset has been reduced by $421,273 due to the likelihood of expiration prior to use. Additionally, at December 31, 2014, the Company had an interest expense carryforward of $37,470,650 which may be carried forward indefinitely. The 2014 tax net operating loss was $20,992,271. At December 31, 2014, the Company had net operating loss carryforwards of $367,221,999 expiring in the years 2029 through 2034. The Company limits the recognition of deferred tax assets for interest expense and net operating loss carryforwards in circumstances where it has a recent history of tax losses in more than one year. In these circumstances, the deferred tax asset recognition is generally limited to an amount equivalent to the net deferred tax liabilities scheduled to be realized within the net operating loss carryforward period. Accordingly, the Company has reduced the deferred tax asset arising from the Company's federal and state net operating loss carryforwards by $90,603,037 and from the interest expense carryforward by $14,613,553.

At December 31, 2014, the Company had tax credit carryforwards in the amount of $5,933,413 which may be carried forward indefinitely. These credits may be used to offset future U.S. federal income taxes payable subject to certain IRS limitations.

12. Other Assets

Other assets at December 31, 2014 and 2013, consist of the following:

	December 31	
	2014	**2013**
Excess benefit plan assets (see Note 19)	**$ 5,744,798**	$ 5,549,668
Special award plan	**322,700**	–
Noncurrent portion of prepaid expenses	**1,084,965**	706,587
Notes receivable – trade	**791,897**	645,430
Deposits	**338,007**	190,175
Other	**27,993**	19,733
Total other assets	**$ 8,310,360**	$ 7,111,593

13. Accrued Expenses

Accrued expenses at December 31, 2014 and 2013, consist of the following:

	December 31	
	2014	**2013**
Insurance reserves	**$ 8,941,182**	$ 9,155,855
Interest payable	**10,417,089**	6,160,211
Taxes payable, other than income taxes	**3,026,673**	2,433,935
Employee compensation and benefits	**5,212,790**	1,363,163
Accrued liabilities related to acquisitions	**81,617**	1,051,027
Accrued royalties and dues	**1,806,367**	425,035
Professional fees	**457,959**	323,500
Other	**340,745**	188,194
Total accrued expenses	**$ 30,284,422**	$ 21,100,920

14. Provisions and Other Noncurrent Liabilities

Provisions

The activity within the Company's provision accounts for the year ended December 31, 2014, is summarized as follows:

Provision Description	**Balance at January 1, 2014**	**Charges to Income Statement**	**Cash Payments**	**Balance at December 31, 2014**
Restoration obligations	$ 5,179,719	$ 1,738,142	$ (10,326)	$ 6,907,535
Sales and use tax	334,401	127,065	(8,532)	452,934
Environmental	6,604	–	–	6,604
Severance	614,826	2,732,950	(1,846,712)	1,501,064
Other	81,736	–	(4,400)	77,336
Total	$ 6,217,286	$ 4,598,157	$ (1,869,970)	$ 8,945,473

Analysis of Provisions	**December 31 2014**	**2013**
Current portion of provisions	**$ 1,209,641**	$ 751,929
Noncurrent portion of provisions	**7,735,832**	5,465,357
Total	**$ 8,945,473**	$ 6,217,286

Restoration: This provision represents the present value of the estimated costs to reclaim quarry sites and other similar post-closure obligations. It is expected that this amount will be used over the next 2 to 50 years. The Company estimates its ultimate restoration liability using detailed engineering calculations which takes into account the amount and timing of the future cash flows. Future cash flows are determined by applying inflation factors to the estimated current cost of reclamation. The present value of these future cash flows is determined by applying discount rates consistent with the time horizons of the expected future cash flow. Discount rates under IFRS are required to be at the risk free rate. Accordingly, the Company selects discount rates using U.S. treasury bonds with maturities similar to the duration of the obligation.

Sales and use tax: This provision has been established to cover the expected settlement of sales and use tax audits in states where the Company conducts business. It is expected that this amount will be utilized over the next 2 to 5 years.

14. Provisions and Other Noncurrent Liabilities (continued)

Environmental: This provision represents the estimated cost for current and former Company operating facilities for various environmental clean-up and monitoring obligations. It is expected that $6,604 will be utilized in the next twelve months.

Severance: This provision is for specific employee separation obligations. It is expected that $1,194,565 will be utilized in the next twelve months with the remaining amounts used over the next 2 years.

Other: These miscellaneous reserves are for various matters. It is expected that $8,472 will be used in the next twelve months with the remaining amounts used over the next 2 to 12 years.

During the years ended December 31, 2014 and 2013, the Company increased provisions by the net amounts of $142,307 and $103,469, respectively, for the passage of time and changes in applicable discount rates. This accretion of provisions is included in finance cost in the accompanying consolidated statements of operations.

15. Credit Facilities and Long-Term Debt

Bank Borrowing Facilities

At December 31, 2014 and 2013, the Company maintained a borrowing facility with a bank as further described below:

	Borrowing Facilities at December 31, 2014			
Facility Description	**Borrowing Facility**	**Outstanding Borrowings**	**Undrawn Facility**	**Maturity Date**
Uncommitted Revolving Credit Facility*	**$ 10,000,000**	**$ –**	**$ 10,000,000**	**August 31, 2015**

*The full value of this borrowing facility is $50,000,000 but it was reduced by $40,000,000 for the letter of credit sub-facility discussed below.

15. Credit Facilities and Long-Term Debt (continued)

Facility Description	Borrowing Facilities at December 31, 2013			
	Borrowing Facility	**Outstanding Borrowings**	**Undrawn Facility**	**Maturity Date**
Committed Revolving Credit Facility*	$ 10,000,000	$ –	$ 10,000,000	April 30, 2014

*The full amount of this borrowing facility was $50,000,000 but it was reduced by $40,000,000 for the letter of credit sub-facility discussed below.

The bank borrowing facility provides for loans at variable interest rates which are reset periodically depending on the term and type of draw made thereunder. In connection with the borrowing facility, the Company has agreed to certain covenants including restrictions on incurring certain liens on or disposing of certain existing assets without notification to the lender. The borrowing facility is guaranteed by Titan Cement.

Affiliated Party Borrowing Facility

At December 31, 2014 and 2013, the Company maintained affiliated party borrowing facilities further described below:

Facility Description	Borrowing Facilities at December 31, 2014			
	Borrowing Facility	**Outstanding Borrowings**	**Undrawn Facility**	**Maturity Date**
Multi-currency euro denominated committed revolving credit facility	**$ 330,000,000**	**$ 53,433,025**	**$ 276,566,975**	**January 5, 2018**

Facility Description	Borrowing Facilities at December 31, 2013			
	Borrowing Facility	**Outstanding Borrowings**	**Undrawn Facility**	**Maturity Date**
Multi-currency US dollar denominated committed revolving credit facility	$ 330,000,000	$ 268,767,714	$ 61,232,286	January 5, 2015
Single – currency euro – denominated committed revolving credit facility*	172,387,500	–	172,387,500	January 5, 2015

*€125,000,000 facility converted to US Dollars at year-end exchange rate of 1.3791.

15. Credit Facilities and Long-Term Debt (continued)

The multi-currency Euro denominated affiliated party borrowing facility provides the Company with a committed credit facility in a total amount of up to $330,000,000 or its equivalent in Euros. The facility provides for loans at variable interest rates which are reset periodically depending on the term and type of draw made thereunder. There are no covenants associated with these borrowing facilities.

In 2014, the € 125,000,000 facility was cancelled and the $330,000,000 multi-currency facility's maturity date was extended to January 5, 2018. Accordingly, the Company recognized a $1,876,422 loss on early extinguishment of debt for the write-off of the related unamortized borrowing costs.

Letter of Credit and Performance Bond Facilities

The Company maintains a letter of credit facility with a bank, which is guaranteed by Titan Cement. No amounts were drawn against the letters of credit at December 31, 2014 and 2013. At December 31, 2014 and 2013, the bank had issued letters of credit on behalf of the Company totaling $37,451,562, and $38,044,670, respectively, as further described below:

	December 31	
	2014	**2013**
Facility Amount	**$ 40,000,000**	$ 40,000,000
Less letters of credit issued in support of:		
Variable rate industrial revenue bonds	**(29,687,726)**	(29,687,726)
Casualty, liability and workers' compensation insurance programs	**(7,593,244)**	(7,683,944)
Performance obligations	**(100,000)**	(105,000)
Other payment obligations	**(70,592)**	(568,000)
Available facility amount	**$ 2,548,438**	$ 1,955,330

15. Credit Facilities and Long-Term Debt (continued)

In addition to the letter of credit facility described above, the Company maintains a performance bond facility with an insurance company, which is guaranteed by Titan Cement. No amounts were drawn against the performance bonds at December 31, 2014 and 2013. At December 31, 2014 and 2013, the insurance company had issued performance bonds on behalf of the Company totaling $17,758,684 and $16,424,863, respectively, as further described below:

	December 31	
	2014	**2013**
Facility Amount	**$ 40,000,000**	$ 40,000,000
Less performance bonds issued in support of:		
Supply obligations	**(9,262,181)**	(8,237,260)
Excavation and reclamation obligations	**(4,961,089)**	(4,958,689)
Surety bond	**(1,464,160)**	(1,454,160)
Other payment and performance obligations	**(2,071,254)**	(1,774,754)
Available facility amount	**$ 22,241,316**	$ 23,575,137

15. Credit Facilities and Long-Term Debt (continued)

Borrowings

Borrowings at December 31, 2014, consisted of the following:

	December 31, 2014	
	Carrying Amount	**Fair Value**
Unsecured Euro denominated loans with affiliated party, under committed borrowing facility, bearing interest at variable interest rates, due on January 5, 2018.	**$ 53,433,025**	**$ 53,433,025**
Unsecured Euro denominated notes payable to affiliated party, bearing interest at 9.49%, due on January 18, 2017.	**121,410,000**	**134,983,002**
Unsecured Euro denominated notes payable to affiliated party, bearing interest at 4.30%, due on July 10, 2019.	**214,895,700**	**208,187,105**
Industrial revenue bonds, bearing interest at variable rates (0.06% per annum at December 31, 2014), payable monthly, due on December 1, 2020*.	**7,350,000**	**7,350,000**
Industrial revenue bonds, bearing interest at variable rates (0.06% per annum at December 31, 2014), payable monthly, due on April 1, 2034.	**22,000,000**	**22,000,000**
Capital lease obligations *(Note 16)*	**1,873,275**	**1,873,275**
Unsecured note payable	**201,432**	**201,432**
Subtotal	**421,163,432**	**$ 428,027,839**
Less amounts classified as short-term borrowings	**–**	
Less amounts classified as current portion of long-term debt, including obligations under capital leases	**(7,640,643)**	
Less long-term portion of unamortized borrowing costs	**(8,738,533)**	
Long-term debt, including obligations under capital leases, less current obligations	**$ 404,784,256**	

*This facility reflects a stated repayment date of December 1, 2020. With the loss of the Company's ash processing contract with the Utility in 2014 (see Note 7 – PP&E/Impairment), the Company is required to repay the associated industrial revenue bonds within 90 days of removal of the Company's ash processing equipment from the Utility's location. Removal of the equipment is expected to occur in early 2015. Therefore, the Company has classified this obligation as short term debt.

15. Credit Facilities and Long-Term Debt (continued)

Borrowings at December 31, 2013, consisted of the following:

	December 31, 2013	
	Carrying Amount	**Fair Value**
Unsecured notes payable to affiliated party, under committed borrowing facility, bearing interest at variable interest rates (3.179% per annum at December 31, 2013), due on January 5, 2015.	$ 195,000,000	$ 195,000,000
Unsecured Euro denominated notes payable to affiliated party, under committed borrowing facility, bearing interest at variable interest rates (3.284% per annum at December 31, 2013), due on January 5, 2015.	73,767,714	73,767,714
Unsecured Euro denominated notes payable to affiliated party, bearing interest at 9.49%, due on January 18, 2017.	137,910,000	153,887,219
Industrial revenue bonds, bearing interest at variable rates (0.18% per annum at December 31, 2013), payable monthly, due on December 1, 2020.	7,350,000	7,350,000
Industrial revenue bonds, bearing interest at variable rates (0.10% per annum at December 31, 2013), payable monthly, due on April 1, 2034.	22,000,000	22,000,000
Capital lease obligations *(Note 16)*	46,395	46,395
Unsecured note payable	245,576	245,576
Subtotal	436,319,685	$ 452,296,904
Less amounts classified as short-term borrowings	–	
Less amounts classified as current portion of long-term debt, including obligations under capital leases	(65,233)	
Less long-term portion of unamortized borrowing costs	(5,239,477)	
Long-term debt, including obligations under capital leases, less current obligations	$ 431,014,975	

15. Credit Facilities and Long-Term Debt (continued)

The exposure of the Company's borrowings, including capital lease obligations, to interest rate changes and the periods in which the borrowings mature or re-price were as follows at December 31, 2014 and 2013:

	December 31	
	2014	**2013**
Within 6 months	**$ 29,524,788**	$ 298,153,210
Between 6 months and 1 year	**174,274**	34,425
Between 1 and 5 years	**390,981,515**	138,132,050
Later years	**482,855**	–
Total	**$ 421,163,432**	$ 436,319,685

The weighted average effective interest rates of the Company's borrowings at December 31, 2014 and 2013, were as follows:

	December 31	
	2014	**2013**
Industrial revenue bonds	**0.06%**	0.12%
Capital lease obligations *(Note 16)*	**3.61**	4.95
Unsecured borrowings under affiliated party credit facility	**3.58**	3.21
Unsecured note payable to affiliated party	**6.17**	9.49

Maturity of borrowings (including capital lease obligations) at December 31, 2014 and 2013, were as follows:

	December 31	
	2014	**2013**
Within one year	**$ 7,747,189**	$ 65,233
Between one and two years	**445,161**	268,840,357
Between two and three years	**121,685,808**	154,095
Between three and four years	**53,724,750**	137,910,000
Between four and five years	**215,105,605**	–
Later years	**22,454,919**	29,350,000
Total	**$ 421,163,432**	$ 436,319,685

16. Capital Leases

At December 31, 2014 and 2013, the Company leased certain equipment under agreements classified as capital leases. The equipment and the related liabilities under the capital leases were recorded at the present value of the future payments due under the leases, using the weighted average discount rates disclosed in Note 15. Principal payments made under these leases for the years ended December 31, 2014 and 2013, totaled $112,165 and $31,018, respectively.

The following is a schedule of the future minimum lease payments under capital lease obligations together with the present value of the future minimum lease payments at December 31, 2014:

Within one year	$ 363,405
Between one and two years	342,315
Between two and three years	342,315
Between three and four years	296,054
Between four and five years	231,287
Later years	514,050
Total minimum lease payments	2,089,426
Less amount representing interest	(216,151)
Present value of minimum lease payments	$ 1,873,275

The fair value of capital lease obligations at December 31, 2014 and 2013, approximate book value.

During the year ended December 31, 2014, the Company entered into two new capital leases in the principal amount of $1,939,046 with terms between four and six years and an average interest rate of 3.76%. During the year ended December 31, 2013, the Company entered into a new capital lease in the principal amount of $48,290 with a term of two years and an interest rate of 4.95%.

17. Hedging Activities and Derivatives

Cash Flow Hedge

Foreign Currency Risk

Upon execution of the Company's € 100,000,000 borrowing from TGF during 2009 (fixed rate Euro Loan), the Company entered into three forward foreign currency exchange contracts with third party financial institutions to hedge the foreign currency risk associated with the Euro denominated borrowing. Under the terms of those agreements, the Company fixed the July 26,

17. Hedging Activities and Derivatives (continued)

2013 US Dollar to Euro exchange rate for the scheduled Euro 100,000,000 repayment at $1.46329 to €1.00. In 2013, the hedging instrument was settled with a cash payment of $13,928,400 representing the difference between the contracted exchange rate and the spot rate prevailing at the date of settlement multiplied by the Euro 100,000,000 notional amount. The Company has not entered into new forward foreign currency exchange contracts related to the Euro 100,000,000 borrowing from TGF refinanced in 2013. As a result, the Company remains exposed to foreign currency exchange rate risk associated with the unhedged Euro 100,000,000 loan (see Note 15).

During March and April of 2012, upon execution of the Company's Euro 53,489,751 borrowing from TGF (variable rate Euro Loan) (see Note 15), the Company entered into four forward foreign exchange contracts with third party financial institutions to hedge the foreign currency risk associated with Euro 52,294,550 of the total borrowings. Under the terms of those agreements, the Company fixed the December 5, 2014 US Dollar to Euro exchange rate for the scheduled Euro 52,294,550 repayment at $1.33857 to €1.00. In 2014, the hedging instrument was settled with a cash payment of $3,153,195 representing the difference between the contracted exchange rate and the spot rate prevailing at the date of settlement multiplied by the Euro 52,294,550 notional amount. The cash payment of $3,153,195 was recorded as a loss on financial instrument.

At the inception of each hedge relationship, the Company formally designated and documented the hedge as a cash flow hedge and the risk management objective and strategy for undertaking the hedge. Since the terms of the derivative financial instruments have been negotiated to match the terms of the associated Euro Loan, each hedge was assessed to be highly effective.

These derivative financial instruments were initially recognized at fair value on the effective dates of the contracts, and were being subsequently remeasured at fair value. As these derivative financial instruments had been designated as cash flow hedges, any gains or losses arising from changes in fair value of the derivatives were recognized in other comprehensive income/loss as a separate component of equity. Amounts recognized as other comprehensive income/loss are transferred to the statement of income to the extent that the hedged transactions affect profit or loss (i.e., upon remeasurement of the Euro Loans to U.S. dollars based on the current spot rate).

17. Hedging Activities and Derivatives (continued)

Fair Value Hedge

Foreign Currency and Interest Rate Risk

Upon execution of the Company's € 177,000,000 borrowing from TGF (fixed rate Euro Loan) on July 10, 2014, the Company entered into two 5-year cross-currency interest rate swap agreements with third party financial institutions (with the Company, collectively the Counterparties or individually, a Counterparty) to hedge both the foreign currency and interest rate risks associated with the fixed rate Euro denominated borrowing. Under the terms of those agreements, the Counterparties fixed the July 10, 2019, US Dollar to Euro exchange rate for the scheduled Euro 177,000,000 repayment at $1.3379 to €1.00. In addition, the Company will receive Euro denominated fixed rate interest on € 177,000,000 and pay US dollar denominated variable rate interest on $236,808,300. Further, each Counterparty is required to post weekly cash collateral payments for the difference between 1.) accumulated mark-to-market losses on the derivative instruments and 2.) the net accumulated cash collateral posted provided that the difference is at least €1,000,000.

For the year ended December 31, 2014, the Company made $19,599,894 in collateral payments and recorded a loss on financial instrument of $260,251 in conjunction with these swap agreements.

At the inception of each hedge relationship, the Company formally designated and documented the hedge as a fair value hedge and the risk management objective and strategy for undertaking the hedge. Since the terms of the derivative financial instruments have been negotiated to match the terms of the associated Euro Loan, the hedge was assessed to be highly effective.

These derivative financial instruments were initially recognized at fair value on the effective dates of the contracts and are being subsequently remeasured at fair value. As these derivative financial instruments have been designated as fair value hedges, any gains or losses arising from changes in fair value of the derivatives are recognized in the consolidated statement of operations.

17. Hedging Activities and Derivatives (continued)

Foreign Exchange Gains and Losses

At December 31, 2014 and 2013, the Company had unrealized foreign currency exchange gains related to unhedged Euro denominated loan balances of $21,312,922 and losses of $5,732,953, respectively. The components of foreign exchange gain (loss), for the years ended December 31, 2014 and 2013, are as follows:

	December 31	
	2014	**2013**
Unrealized foreign exchange related to unhedged Euro debt	**$ 21,312,922**	$ (5,732,953)
Unrealized foreign exchange related to Euro denominated interest	**413,463**	(11,884)
Unrealized foreign exchange related to Euro denominated payables	**(430)**	–
Realized foreign exchange related to unhedged Euro debt	**(1,440,926)**	–
Realized foreign exchange related to Euro denominated interest	**87,200**	(252,635)
Realized foreign exchange related to foreign currency denominated payables	**256,943**	(70,010)
Total foreign exchange gain (loss)	**$ 20,629,172**	$ (6,067,482)

17. Hedging Activities and Derivatives (continued)

Activity within the Company's Euro denominated loans and related derivative financial instruments for the years ended December 31, 2014 and 2013, consist of the following:

	Derivative Financial Instruments	Euro Denominated Loans
Balance at January 1, 2013	$ 14,393,588	$ 202,514,377
Additional borrowing	–	–
Settlement of derivative financial instrument	(13,928,400)	–
Amortization of forward points	–	1,108,055
Unrealized foreign exchange loss	–	5,732,954
Remeasurement of Euro loan and derivative financial instrument	(2,624,608)	2,322,328
Balance at December 31, 2013	(2,159,420)	211,677,714
Settlement of derivative financial instrument	**(3,153,195)**	**–**
Collateral support payments	**(19,599,894)**	**–**
Borrowing	**–**	**222,249,684**
Amortization of forward points	**–**	**308,330**
Interest portion of financial instrument	**140,829**	**–**
Unrealized foreign exchange loss (gain)	**25,572,694**	**(41,833,194)**
Remeasurement of Euro loan and derivative financial instrument	**2,159,420**	**(2,663,809)**
Balance at December 31, 2014	**$ 2,960,434**	**$ 389,738,725**

17. Hedging Activities and Derivatives (continued)

During the years ended December 31, 2014 and 2013, the Company recorded the following amounts in other comprehensive income (loss):

	December 31 2014	2013
Amounts charged to other comprehensive loss:		
Unrealized (loss) income on derivative financial instruments	**$ (2,159,420)**	$ 2,624,608
Less tax effect	**–**	(1,023,597)
Unrealized (loss) income on derivative financial instruments, net of tax	**(2,159,420)**	1,601,011
Remeasurement of Euro loans to U.S. Dollars	**2,663,809**	(2,322,328)
Less tax effect	**–**	708,996
Remeasurement of Euro loans to U.S. Dollars, net of tax	**2,663,809**	(1,613,332)
Net movement on cash flow hedges	**504,389**	302,280
Net tax effect	**–**	(314,601)
Other comprehensive income (loss), net of tax	**$ 504,389**	$ (12,321)

18. Operating Lease Commitments

The Company leases certain facilities and equipment under operating lease agreements which expire at various dates through 2034. Future minimum lease payments under non-cancellable operating leases as of December 31, 2014, are as follows:

Within one year	$ 9,986,301
Between one and two years	8,382,733
Between two and three years	6,142,484
Between three and four years	5,193,352
Between four and five years	5,038,143
Later years	14,819,740
Total	$ 49,562,753

18. Operating Lease Commitments (continued)

Total rent expense under non-cancellable operating leases included in the accompanying consolidated statements of operations for the years ended December 31, 2014 and 2013, was $10,406,433 and $9,262,981, respectively. In addition to rent expense, certain of the Company's lease agreements contain provisions which require the payment of other fees (e.g., wharfage and dockage at import facilities) which are dependent, in part, on the volume of material passed through the leased facilities. In some cases these leases require minimum payments regardless of the actual quantities passed through the facilities. These fees amounted to $978,391 and $1,449,509 for the years ended December 31, 2014 and 2013, respectively.

It is reasonably certain that the Company will exercise the renewal options contained within two operating lease commitments. The lease between the Company and Tampa Port Authority (Authority), which expires in 2021, contains a lease extension option which allows the Company to extend the lease for three consecutive option periods of ten years each with the following provisions:

- The rent for each of the three option terms shall be adjusted at the commencement of the option term to the fair market rent for the premises.
- Once the adjusted rent for the commencement of the option term is determined, it will be the rent for the first twelve months of that option term.
- Rent will be increased by three percent at the beginning of each succeeding twelve months during the option term.

Under this lease, the Company is required to pay dockage and wharfage fees related to its use of the Authority's berths based on prescribed rates and tonnage. Additionally the Company is required to pay the Authority an annual tonnage guarantee which represents a charge calculated on the minimum tonnage that the Company is expected to import through the port.

The lease between the Company and The Port Authority of New York and New Jersey, which expires in 2030, contains a lease extension option which allows the Company to extend the lease for two consecutive option periods of five years each. The rent for each of these two option periods shall be a minimum of three percent and a maximum of five percent higher than the rent prescribed during the final year of the initial lease term. Under the terms of the lease, the Company is required to pay an annual tonnage guarantee which represents a charge calculated on the minimum tonnage that the Company is expected to import through the port.

19. Retirement Benefit Obligations

Retirement benefit obligations at December 31, 2014 and 2013, consist of the following:

	December 2014	December 2013
Excess benefit plan benefits	**$ 5,744,798**	$ 5,549,668
Pension benefits	**4,852,034**	2,831,535
Other post-retirement benefits	**2,809,896**	2,496,159
Retirement benefit obligations	**$ 13,406,728**	$ 10,877,362

All of the Company's defined benefit pension plans and all but one of the Company's other postretirement benefit plans were previously frozen to new participants and credited service. One postretirement benefit plan exists for certain active and former employees of the Company. Under this plan, eligible retirees receive a benefit consisting primarily of assistance with medical insurance costs between the dates of early retirement and Medicare eligibility. At December 31, 2014, defined benefit pension plan assets are invested approximately 56% in equity investments and 44% in fixed income investments. Information relative to the Company's defined benefit pension and other postretirement benefit plans is presented below. Amounts reported below for these plans are as of the most recent measurement dates, December 31, 2014 and 2013.

	Pension Benefits		Other Post-retirement Benefits	
	2014	**2013**	**2014**	**2013**
Benefit obligations	**$ 17,141,626**	$ 14,891,531	**$ 2,809,896**	$ 2,496,159
Fair value of plan assets	**12,289,592**	12,059,996	**–**	–
Accrued cost, December 31	**$ 4,852,034**	$ 2,831,535	**$ 2,809,896**	$ 2,496,159

19. Retirement Benefit Obligations (continued)

Changes in the present value of the defined benefit obligations for the years ended December 31, 2014 and 2013, are as follows:

	Pension Benefits		Other Post-retirement Benefits	
	2014	**2013**	**2014**	**2013**
Benefit obligation, January 1	**$ 14,891,531**	$ 16,623,189	**$ 2,496,159**	$ 2,523,076
Service cost	**–**	–	**6,583**	172,936
Interest cost	**622,539**	557,383	**98,221**	83,095
Benefits paid	**(938,134)**	(881,994)	**(142,722)**	(57,656)
Actuarial loss (gain)	**2,565,690**	(1,407,047)	**351,655**	(225,292)
Benefit obligation, December 31	**$ 17,141,626**	$ 14,891,531	**$ 2,809,896**	$ 2,496,159
Discount rate used in computing ending obligations	**3.75%**	4.25%	**3.75%**	4.25%

For measurement purposes, at the end of the year included in the foregoing tables, the following rates of increase in the cost of covered health care benefits was assumed:

	Other Post-retirement Benefits	
	2014	**2013**
Health care cost trend rate:		
2014	**N/A**	7.2% to 7.7%
2015	**6.8% to 7.3%**	6.8% to 7.3%
2016	**6.4% to 6.9%**	6.4% to 6.9%
2017	**6.0% to 6.5%**	6.0% to 6.5%
2018	**5.5% to 6.1%**	5.5% to 6.1%
2019	**5.0% to 5.7%**	5.0% to 5.7%
2020	**5.0% to 5.3%**	5.0% to 5.3%
2021 and thereafter	**5.0%**	5.0%

19. Retirement Benefit Obligations (continued)

Changes in the fair value of plan assets for the years ended December 31, 2014 and 2013, are as follows:

	Pension Benefits		Other Post-retirement Benefits	
	2014	**2013**	**2014**	**2013**
Fair value of plan assets, January 1	**$ 12,059,996**	$ 10,825,658	**$ –**	$ –
Return on plan assets	**388,878**	1,546,180	**–**	**–**
Contributions	**778,852**	570,152	**142,722**	57,656
Benefits paid	**(938,134)**	(881,994)	**(142,722)**	(57,656)
Fair value of plan assets, December 31	**$ 12,289,592**	$ 12,059,996	**$ –**	$ –

The Company expects to contribute $742,018 to its defined benefit pension plans in 2015. This is the minimum requirement under the Employee Retirement Income Security Act of 1974 (ERISA). The Company's other post-retirement benefit plans are unfunded obligations and will be funded, consistent with past practice, on a pay-as-you go basis.

The following are the estimated future benefit payments at December 31, 2014 and 2013:

	Pension Benefits		Other Post-retirement Benefits	
	2014	**2013**	**2014**	**2013**
Year 1	**$ 964,852**	$ 914,147	**$ 198,922**	$ 195,833
Year 2	**974,174**	922,324	**211,697**	204,530
Year 3	**1,003,098**	931,149	**207,630**	215,296
Year 4	**1,014,157**	961,401	**183,992**	209,547
Year 5	**1,045,863**	968,280	**178,552**	181,778
Years 6 – 10	**5,302,654**	5,021,717	**757,291**	748,673
Years 10+	**17,837,812**	15,238,266	**2,364,373**	1,862,121
	$ 28,142,610	$ 24,957,284	**$ 4,102,457**	$ 3,617,778

19. Retirement Benefit Obligations (continued)

A reconciliation of the movements during the years ended December 31, 2014 and 2013 in the net pension and other postretirement benefit liabilities follows:

	Pension Benefits		Other Post-retirement Benefits	
	2014	**2013**	**2014**	**2013**
Accrued cost, January 1	**$ 2,831,535**	$ 5,797,531	**$ 2,496,159**	$ 2,523,076
Expense recognized in statement of income	**113,729**	184,606	**104,804**	256,031
Amount recognized as other comprehensive loss (income)	**2,685,622**	(2,580,450)	**351,655**	(225,292)
Contributions	**(778,852)**	(570,152)	**(142,722)**	(57,656)
Accrued cost, December 31	**$ 4,852,034**	$ 2,831,535	**$ 2,809,896**	$ 2,496,159

The components of net periodic pension and other post-retirement benefit costs are as follows for the years ended December 31, 2014 and 2013:

	Pension Benefits		Other Post-retirement Benefits	
	2014	**2013**	**2014**	**2013**
Service cost	**$ –**	$ –	**$ 6,583**	$ 172,936
Net interest cost	**113,729**	184,606	**98,221**	83,095
Net periodic pension expense	**113,729**	184,606	**104,804**	256,031
Other comprehensive loss (income)	**2,685,622**	(2,580,450)	**351,655**	(225,292)
Total comprehensive loss (income)	**$ 2,799,351**	$ (2,395,844)	**$ 456,459**	$ 30,739

19. Retirement Benefit Obligations (continued)

For the year ended December 31, 2014, the Company recorded total comprehensive loss of $3,255,810 related to its pension and other post-retirement benefit plans. For the year ended December 31, 2013, the Company recorded total comprehensive gain of $2,365,105 related to its pension and other post-retirement benefit plans. These amounts have been included in the accompanying consolidated statements of operations and comprehensive loss (income) as follows:

	December 31	
	2014	**2013**
Cost of goods sold	**$ 6,583**	$ 172,936
Finance cost	**211,950**	267,701
Net periodic expense	**218,533**	440,637
Other comprehensive loss (gain)	**3,037,277**	(2,805,742)
Total comprehensive loss (gain)	**$ 3,255,810**	$ (2,365,105)

The components of actuarial losses (gains) included in other comprehensive loss for the years ended December 31, 2014 and 2013, are as follows:

	December 31	
	2014	**2013**
Asset loss (gain)	**$ 119,932**	$ (1,173,403)
Demographic loss (gain)	**208,117**	(307,339)
Assumption loss (gain)	**2,709,228**	(1,325,000)
Total actuarial loss (gain)	**$ 3,037,277**	$ (2,805,742)

A one percentage point change in the assumed rate of increase in healthcare costs would have the following effects:

	Increase	**Decrease**
2014		
Effect on the aggregate current service cost and interest cost	**$ 7,259**	**$ (6,286)**
Effect on other post-retirement benefit obligation	**$ 242,477**	**$ (204,384)**
2013		
Effect on the aggregate current service cost and interest cost	$ 6,169	$ (5,295)
Effect on other post-retirement benefit obligation	$ 174,301	$ (150,469)

19. Retirement Benefit Obligations (continued)

A one percentage point change in the assumed discount rate would have the following effects:

	Increase	Decrease
2014		
Effect on the aggregate current service cost and interest cost	**$ 83,378**	**$ (105,818)**
Effect on pension and other post-retirement benefit obligation	**$ (2,005,900)**	**$ 2,425,745**
2013		
Effect on the aggregate current service cost and interest cost	$ 96,121	$ (124,184)
Effect on pension and other post-retirement benefit obligation	$ (1,599,242)	$ 1,900,699

Defined Contribution Plans

The Company sponsors a defined contribution retirement and 401(k) savings plan which covers substantially all employees of the Company. Until February 15, 2009, the Company contributed an amount equal to 3.5% of each participant's eligible compensation up to the Social Security Integration Level and 7.0% of eligible compensation in excess of that level. Contributions for periods after February 15, 2009, have been temporarily suspended for all employees.

The plan also provides for voluntary employee pre-tax contributions for eligible employees. The Company matches 50% of eligible employees' contributions up to 6% of the employee's eligible wages, subject to IRS limitations on maximum elective deferrals. Total costs charged against income for this element of the plan were $2,234,882 and $2,007,876, respectively, for the years ended December 31, 2014 and 2013.

Excess Benefit Plan

The Company sponsors an Excess Benefit Plan that is intended to constitute an unfunded plan of deferred compensation for a select group of highly compensated employees under ERISA. The Company has created an irrevocable trust to facilitate the payment of deferred compensation to participants under this plan.

Under this plan the participants are eligible to defer from 0% to 20% of eligible compensation for the applicable plan year. In 2013, the Company suspended its matching amounts for all contributions.

19. Retirement Benefit Obligations (continued)

At December 31, 2014 and 2013, plan assets totaled $5,744,798 and $5,549,668, respectively, and are classified as other assets in the accompanying consolidated statements of financial position (see Note 12). There were no Company costs for the plan for the year ended December 31, 2014 or 2013.

20. Related Party Transactions

The components of related party balances at December 31, 2014 and 2013, are as follows:

	December 31 2014	December 31 2013
Related party receivables:		
Separation Technologies Canada, Ltd	**$ 170,356**	$ 20,609
Titan Global Finance Ltd	**98,720**	792
Titan Cement, SA	**888,625**	887,155
	$ 1,157,701	$ 908,556
Non-current deferred income:		
Iapetos, Ltd	**$ 863,333**	$ 1,110,000
Current portion of deferred income:		
Iapetos, Ltd	**246,667**	246,667
Accounts payable, related parties:		
Titan Cement, SA	**2,384,260**	2,707,811
Separation Technologies UK, Ltd	**222,799**	222,799
	$ 2,607,059	$ 2,930,610
Accrued interest payable, related parties:		
Titan Global Finance, PLC	**$ 10,214,566**	$ 6,143,781
Variable rate Euro denominated notes payable, related parties:		
Titan Global Finance, PLC	**$ 53,433,025**	$ 73,767,714
Variable rate US Dollar notes payable, related parties:		
Titan Global Finance, PLC	**$ –**	$ 195,000,000
Fixed rate Euro denominated note payable, related parties:		
Titan Global Finance, PLC	**$ 336,305,700**	$ 137,910,000
Unamortized offering costs on borrowings:		
Titan Global Finance, PLC	**$ 8,386,906**	$ 4,926,861

20. Related Party Transactions (continued)

The components of related party activity for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
Sales – products and services for fly ash separation:		
Separation Technologies Canada, Ltd	**$ 274,996**	$ 199,325
Separation Technologies UK, Ltd	**–**	56,538
Iapetos, Ltd	**246,667**	246,667
	$ 521,663	$ 502,530
Cost of sales – purchased cement:		
Titan Cement, SA	**$ 24,600,625**	$ 20,535,658
General and administrative support services provided:		
Separation Technologies Canada, Ltd	**$ –**	$ 33,507
Interest expense on borrowings:		
Titan Global Finance, PLC	**$ 24,422,573**	$ 20,385,437
Line of credit commitment fees:		
Titan Global Finance, PLC	**$ 4,183,831**	$ 1,787,772
Amortization of debt issuance costs:		
Titan Global Finance, PLC	**$ 2,373,506**	$ 1,795,646

20. Related Party Transactions (continued)

Key Management Compensation

Key management compensation expenses, which include all payroll-related expenses for vice-president level positions and higher, for the years ended December 31, 2014 and 2013, are as follows:

	2014	2013
Salaries and related payroll taxes	**$ 5,703,081**	$ 4,761,480
Short-term employee benefits	**396,144**	336,650
Retirement plan contributions	**118,092**	103,358
Long-term incentives, including share-based payments	**761,648**	621,830
Termination benefits	**465,000**	499,696
Other	**316,477**	36,741
Total key management compensation	**$ 7,760,442**	$ 6,359,755
Number of key management employees at December 31	**19**	17

Restricted Stock Incentive Plan

On May 29, 2007 Titan Cement approved the introduction of a three-year Restricted Stock Incentive Plan for certain executives of Titan Cement and its subsidiaries, including the Company. Under this plan, participants are granted options, the exercise of which is subject to the financial results of Titan Cement and the performance of its ordinary share, relative to peer companies and stock market indices. The options granted each year have a maturity period of three years and can be exercised after the completion of the three year period at an exercise price equal to the nominal value of the common stock of Titan Cement Company S.A., currently €4.00 per share. Each option must be exercised within the year vested. If the deadline is exceeded then those particular options will irrevocably lapse. All vesting is conditional on the employee's continued employment throughout the vesting period. The number of options vested will be determined as follows:

- One-third of options granted vest based on the financial results of the Company during the three year vesting period.
- One-third of options granted vest based on Titan Cement's stock performance relative to three Athens Stock Exchange indices during the three year vesting period.

20. Related Party Transactions (continued)

- One-third of options granted vest based on Titan Cement's stock performance relative to a group of predefined international cement producing companies during the three year period.

On June 3, 2010, the Board extended the program for another three-year period.

The fair value of the options granted under the Plan was determined using the Monte Carlo valuation model for 2010 through 2013. No grants were issued in 2013. Key assumptions for each year's grants are as follows:

	2014	**2012**	**2011**	**2010**
Key assumptions at date of grant:				
Stock price	**€25.32**	€14.72	€17.88	€15.90
Exercise price at date of grant	**€10.00**	€4.00	€4.00	€4.00
Dividend yield	**0.38%**	0.72%	2.74%	2.68%
Volatility	**47.20%**	37.40%	43.98%	39.42%
Risk-free rate	**0.08%**	0.32%	2.81%	2.25%
Option life	**3 years**	3 years	3 years	3 years
Fair value price	**€7.39**	€3.05	€6.86	€5.36

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

For the years ended December 31, 2014 and 2013, $152,017 and $275,733 respectively, related to this program has been recorded as general and administrative expense in the accompanying consolidated statement of comprehensive loss.

20. Related Party Transactions (continued)

Information related to stock options granted under this plan to employees of the Company during the years ended December 31, 2014 and 2013, follows:

	2014	2013
Shares under option, January 1	**$ 139,800**	$ 230,400
Granted	**34,000**	–
Exercised	**(36,906)**	(15,720)
Expired/cancelled	**(35,244)**	(74,880)
Shares under option, December 31	**101,650**	139,800
Options exercisable, December 31	**–**	–

The stock price of Titan Cement common shares was €19.17 and €19.80 at December 31, 2014 and 2013, respectively.

21. Commitments and Contingencies

Litigation

Management is aware of certain asserted claims that have arisen in the ordinary course of business. Management believes that the Company and its subsidiaries have meritorious defenses against these claims but has a policy to provide for costs associated with settling or litigating such claims whenever such costs are determined to be probable and reasonably estimable.

Pennsuco Silo Roof Collapse

The roof of a concrete silo collapsed at the Company's Pennsuco Cement Plant on August 17, 2012, resulting in the fatality of one employee. The Company's internal investigation has indicated that the collapse occurred due to a latent construction defect when the silo was built approximately 30 years prior by a contractor when the facility was owned by a company unrelated to Titan America and its Florida subsidiary, Titan Florida LLC (formerly Tarmac America LLC). However, the U.S. Department of Labor, Mine Safety and Health Administration (MSHA) issued an investigation report, finding that the accident was also due to management's failure to correct silo defects and correspondingly issued two Notices of Violation with penalties totaling $108,000. The Company has taken exception to the report in a letter to MSHA, arguing these latent construction and design defects were not detectable prior to the accident.

21. Commitments and Contingencies (continued)

In addition, the deceased's estate commenced an action against multiple parties who have performed construction and/or maintenance work on the silo in the past several years. The deceased's estate also amended their complaint in order to bring a direct action also against Titan Florida LLC as a defendant in a wrongful death claim, notwithstanding a Florida workers' compensation statute providing employer tort immunity except in certain very narrow exceptions. The estate's attorney is attempting to show that the circumstances fall within those exceptions through continuing discovery, however, it is premature to give an opinion as to the outcome with respect to any actions by the deceased's estate due to Titan Florida's defense rights relating to such tort immunity.

Environmental Remediation

The Company is subject to certain environmental regulations and normal business operations may cause conditions requiring remedial action. Management has provided for all known, probable and estimable costs related to such occurrences.

Purchase Commitments

The Company has contracted to purchase raw materials and manufacturing supplies as part of its ongoing operations as follows:

Titan Florida Aggregates Purchase Commitment

In 2004, the Company entered into a supply agreement with a third party for the purchase of construction aggregates in Florida. The supply agreement contained various provisions including minimum annual volume guarantees and, in certain circumstances, prepayment obligations.

Subsequent amendments modified the original agreement and a 2012 amendment replaced the annual volume guarantees with an overall purchase commitment of approximately 12.1 million tons over a 20 year term commencing November 1, 2012. Provisions of the amended agreement include a 0.5 million ton minimum annual volume and a maximum annual volume of no more than 2.4 million tons. In addition, the 2012 amendment eliminated all future prepayment obligations.

In 2013 and 2014, the Company accepted delivery of approximately 0.6 million tons and 0.9 million tons of construction aggregates from the supplier, respectively. The remaining commitment under the supply agreement is approximately 10.6 million tons at December 31, 2014.

21. Commitments and Contingencies (continued)

Under the terms of the supply agreement, purchases are made at current market prices, subject to periodic adjustments. As of January 1, 2015, prices, excluding taxes and fees, are approximately $11.50 per ton.

Supply Commitments

The Company does not currently have any significant contracted supply commitments.

22. Concentration of Credit Risk

Cash and Cash Equivalents

The Company maintains demand deposits with financial institutions, the balances of which from time-to-time exceed the federally insured amount.

Trade Receivables

The Company grants credit to its customers, most of whom are in the construction business, resulting in a concentration of credit risk. However, management believes that trade receivables are well diversified with no single customer or group of customers comprising a significant portion of total trade receivables. Further, a significant portion of the trade receivables is collateralized by lien rights and payment bonds, thereby reducing potential credit risk to the Company. The Company estimates an allowance for doubtful accounts based on the creditworthiness of its customers, as well as general economic conditions. Consequently, any adverse change in these factors could affect the Company's estimate of its allowance for doubtful accounts.

23. Sales

The components of sales for the year ended December 31, 2014, are as follows:

	Total Sales	Less Internal Sales	External Sales
Sales of cement	**$ 249,030,671**	**$ 46,960,058**	**$ 202,070,613**
Sales of construction aggregates	**90,700,113**	**40,053,134**	**50,646,979**
Sales of ready-mixed concrete	**276,476,302**	**476,596**	**275,999,706**
Sales of concrete block and related products	**32,105,845**	**662**	**32,105,183**
Sales of ash and related products	**38,179,601**	**5,074,763**	**33,104,838**
Transportation services	**5,991,380**	**5,371,836**	**619,544**
Net sales	**692,483,912**	**97,937,049**	**594,546,863**
Freight revenues	**53,109,183**	**23,862,884**	**29,246,299**
Total sales	**$ 745,593,095**	**$ 121,799,933**	**$ 623,793,162**

The components of sales for the year ended December 31, 2013, are as follows:

	Total Sales	Less Internal Sales	External Sales
Sales of cement	$ 209,973,976	$ 37,853,291	$ 172,120,685
Sales of construction aggregates	75,312,143	30,916,785	44,395,358
Sales of ready-mixed concrete	237,473,266	–	237,473,266
Sales of concrete block and related products	24,634,013	–	24,634,013
Sales of ash and related products	37,220,356	3,983,448	33,236,908
Transportation services	5,301,552	4,445,997	855,555
Net sales	589,915,306	77,199,521	512,715,785
Freight revenues	47,915,597	21,674,564	26,241,033
Total sales	$ 637,830,903	$ 98,874,085	$ 538,956,818

24. Cost of Goods Sold, excluding Freight and Distribution Expenses

The components of cost of goods sold, excluding freight and distribution expenses, for the years ended December 31, 2014 and 2013, are as follows:

	2014	2013
Material and other variable costs	**$ 214,375,920**	$ 186,336,744
Payroll and employee related expenses	**131,446,157**	113,647,051
Depreciation and depletion	**51,871,005**	53,313,744
Repairs and maintenance	**35,817,710**	31,253,880
Utilities	**24,947,085**	20,831,514
Amortization of identifiable intangible assets	**4,218,881**	11,690,782
Taxes other than income taxes	**10,597,925**	9,994,718
Rent and lease expense	**14,110,422**	10,180,110
Travel, training, and other employee expense	**2,070,052**	1,943,835
Risk insurance	**3,354,299**	3,080,557
Inventory change	**8,417,313**	9,667,677
Amortization of deferred stripping costs	**2,491,874**	1,416,419
Other	**5,365,956**	7,860,288
Total cost of goods sold, excluding freight and distribution expenses	**$ 509,084,599**	$ 461,217,319

25. Distribution Expense

The components of distribution expense for the years ended December 31, 2014 and 2013, are as follows:

	2014	2013
Freight to distribution yards/terminals	**$ 21,505,048**	$ 20,506,974
Payroll and employee related expenses	**2,737,077**	2,373,948
Depreciation	**1,378,031**	1,467,071
Repairs and maintenance	**392,220**	402,690
Utilities	**312,414**	258,025
Other variable costs	**1,129,732**	1,356,637
Other fixed costs	**1,079,107**	440,180
Total distribution expense	**$ 28,533,629**	$ 26,805,525

26. Selling Expense

The components of selling expense for the years ended December 31, 2014 and 2013, are as follows:

	2014	2013
Payroll and employee related expenses	**$ 9,956,370**	$ 8,739,978
Overhead (dues, advertising, professional fees, etc.)	**3,001,742**	2,541,520
Travel, entertainment, and other employee expense	**1,547,565**	1,459,088
Risk insurance and taxes other than income taxes	**90,469**	128,454
Depreciation	**–**	695
Total selling expense	**$ 14,596,146**	$ 12,869,735

27. General and Administrative Expense

The components of general and administrative expense for the years ended December 31, 2014 and 2013, are as follows:

	2014	2013
Payroll and employee related expenses	**$ 34,741,854**	$ 28,183,890
Office costs	**5,192,600**	5,093,909
Professional fees	**2,966,286**	3,674,046
Travel, entertainment, and auto expenses	**2,797,901**	2,273,350
Depreciation	**1,616,709**	1,474,867
Amortization of identifiable intangible assets	**63,750**	85,000
Other	**2,429,784**	2,304,178
Total general and administrative expense	**$ 49,808,884**	$ 43,089,240

28. Other Operating Income (Expense)

The components of other operating income (expense) for the years ended December 31, 2014 and 2013, are as follows:

	2014	2013
Rental income	**$ 204,938**	$ 223,903
Import terminal wharfage and tonnage fees	**(516,050)**	(846,002)
Gain on contribution of assets to associate	**6,538,114**	–
Other	**(120,760)**	419,502
Total other operating income (expense), net	**$ 6,106,242**	$ (202,597)

29. Finance Cost

The components of finance cost for the years ended December 31, 2014 and 2013, are as follows:

	2014	2013
Interest expense on borrowings	**$ 24,646,988**	$ 20,466,508
Line of credit commitment fees	**4,889,428**	2,440,941
Amortization of debt issuance costs	**2,408,179**	1,818,103
Amortization of forward points on cash flow hedge	**308,330**	1,108,055
Net interest costs on pension and OPEB benefits	**211,950**	267,701
Accretion expense/interest on provisions	**142,307**	103,469
Other	**128,098**	223,684
Total finance cost	**$ 32,735,280**	$ 26,428,461

30. Payroll and Related Expenses

The components of payroll and related expenses (also included in Notes 24 through 27) for the years ended December 31, 2014 and 2013, are as follows:

	2014	2013
Wages	**$ 58,141,059**	$ 52,824,161
Salaries	**54,095,317**	46,269,258
Payroll taxes and benefits	**34,794,323**	32,637,499
Outsourced and temporary labor	**25,839,130**	17,344,383
Other payroll expenses	**6,011,629**	3,869,566
Total payroll and related expenses	**$ 178,881,458**	$ 152,944,867

Number of persons employed by the Company at December 31, 2014 and 2013 (unaudited):

	2014	2013
Full time	**1,836**	1,699
Part time	**17**	20
Total	**1,853**	1,719
Salary	**618**	595
Hourly	**1,235**	1,124
Total	**1,853**	1,719

31. Other Non-operating Income (Expense)

Other non-operating income and expense pertains to the silo roof collapse at the Company's Pennsuco Cement Plant in August 2012, as described in Note 21. Expenses consist primarily of inventory losses, repair and maintenance of affected plant and equipment, and professional services including engineering and legal fees. The Company incurred $34,665 and $ 895,377 of other non-operating expenses in 2014 and 2013, respectively

As described in Note 1, the Company maintains insurance to cover property damage and business interruption costs above certain retained limits. In the case of the Pennsuco Cement Plant, the aggregate retained limit is $1,000,000 per occurrence. While some of the costs incurred in excess of the deductible are covered by the Company's insurance policy, it is too early to estimate the total amount and timing of the recovery proceeds.

31. Other Non-operating Income (Expense) (continued)

In 2014, the Company received $2,000,000 of insurance proceeds as an advance payment against claimed amounts. Of this amount, $1,250,000 is recorded within other non-operating income reflecting a recovery of the property damage related costs described above. The remaining $750,000 of proceeds is recorded within cost of goods sold as a recovery of costs incurred to avert business interruption.

In 2013, the Company received $2,500,000 of insurance proceeds as an advance payment against claimed amounts. Of this amount, $1,900,000 is recorded within other non-operating income reflecting a recovery of the property damage related costs described above. The remaining $600,000 of proceeds is recorded within cost of goods sold as a recovery of costs incurred to avert business interruption.

32. Investment in Associate

In December 2013, ST entered into an agreement with an unaffiliated third party to form a separate entity, Ash Venture LLC (Ash Venture or AV). The agreement and formation of Ash Venture was made in conjunction with the third party's separate contractual agreement with a Utility firm to manage ash byproducts generated from the Utility's coal-fired power plants. The initial ownership interests in Ash Venture are held solely by the third party, as majority member, at 67% and ST, as minority member, at 33%, collectively the "Members". As such, the Company's investment in the Ash Venture associate is being accounted for under the equity method of consolidation (see Note 1).

Ash Venture's primary operations are the beneficiation, marketing, and sales of fly ash generated by specified Utility plants. The products produced by AV are sold to third party concrete producers as well as certain ST affiliates – namely, Titan Virginia Ready-Mix, Mechanicsville Concrete, and S&W. To carry out the purpose of AV, the Members contributed certain assets to AV and the first day of commercial activity of AV was January 1, 2014.

Upon the January 2014 capital contribution to AV of cash, equipment, and certain identifiable intangible assets, the Company recognized a gain of $ 6,538,114 (see Note 28).

During 2014, the Company purchased $ 748,000 in ash products from AV, sold $ 207,996 in technical support fees and equipment to AV, and provided $ 1,662,665 in employee and administrative support services to AV. At December 31, 2014, the net amount owing the Company by AV was $ 133,428.

32. Investment in Associate (continued)

Below is detail of the Company's investment in the AV associate:

	2014
Beginning balance	$ –
Investment in associate	6,930,733
Share of profit in associate	1,373,289
Distributions from associate, net	(1,749,000)
Total investment in associate	$ 6,555,022

33. Loss on Sale of Accounts Receivables and Related Costs, Net

On June 30, 2014, the Company entered into an accounts receivable (AR) sale agreement with an unrelated third party (the Special Purpose Entity or SPE) whereby trade AR, originated by certain of the Company's operating subsidiaries (the Originators), is aggregated, sold to the Company, and on-sold by the Company to the SPE in exchange for cash and an interest bearing note receivable. Under the terms of the agreement, the sale of AR is made on a continuing, fair value, non-recourse basis (as to collectability) at a discount representing the time value of money and risk of collectability, among other factors. The SPE will, however, have recourse against the Company for any: 1) voluntary adjustments (e.g., quality allowances, etc.) of customer obligations by the Company or the Originators; 2) corrections of product quantity, pricing (including nominal short-pay auto tolerances), or other billing errors made by the Company or the Originators subsequent to the date of invoice; and 3) customer offsets against receivables sold to the SPE (e.g., back charges; volume rebates).

The Originators retained ownership of certain receivables at the inception of the program which include, for example, finance charges on delinquent receivables and named counterparty obligations. Further, the Company will continue to act as "Servicer" of the AR sold to the SPE. As Servicer, the Company will provide credit administration, billing, collections, cash application, and data reporting services. The SPE will pay an arm's length fee to the Company for this service.

Upon the June 30, 2014, execution of the receivables sales agreement, the Company sold $70,716,845 of account receivables for $55,600,000 in cash and a $14,056,093 note receivable. The Company recognized a loss of $2,088,145, representing both the initial $1,060,752 purchase discount as well as $1,027,393 in legal and arrangement fees.

The note receivable and miscellaneous receivables due from the SPE at December 31, 2014, is $13,689,045, net.

33. Loss on Sale of Accounts Receivables and Related Costs, Net (continued)

During 2014, the Company incurred the following net expense related to the sale of receivables:

	2014
Loss on sale of accounts receivable	$ 5,372,675
Professional fees	1,020,793
Liability management fee	360,914
Servicing fee	(2,555,713)
Accounting fees	(39,000)
Interest earned on notes receivable	(480,701)
Loss on sale of accounts receivable and related costs, net	$ 3,678,968

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