# MALCEM CONSTRUCTION MATERIALS LIMITED

Annual Report and Financial Statements
31 December 2009

Company Registration Number: C 43027

# Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2009.

**Principal activities**

The company's principal activities are that of owning, managing and administering any kind of property including investments.

**Review of the business**

During 2009, the company acquired a 100% holding in Cement Production and Export (FZC), a company registered in the official register of the free zone, in Libya. This company is still in its initial stages of development and to date has not generated any income. The directors expect that this investment will commence generating income in the near future.

**Results and dividends**

The statement of comprehensive income is set out on page 6. The directors do not recommend the payment of a dividend.

**Directors**

The directors of the company who held office during the year were:

Antonakos Dimitrios (Chairman) – appointed on 29 January 2009
Natsis Efstathios (Managing Director) – appointed on 29 January 2009
Aligizakis Alexandros – appointed on 29 January 2009
Iliadis Konstantinos – appointed on 29 January 2009
Stylianos Minas – appointed on 29 January 2009
Kurt Asamer – resigned on 29 January 2009
Andreas Asamer – resigned on 29 January 2009

The company's Articles of Association do not require any directors to retire.

**Auditors**

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Natsis Efstathios
Director

Iladis Konstantinos
Director

Registered office
33, Saint Barbara Bastion
Valletta, VLT 1961
Malta

12 March 2010

## Statement of directors' responsibilities

The directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU as modified by Article 174 of the Companies Act 1995;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act, 1995. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Independent auditor's report

To the Shareholders of Malcem Construction Materials Limited

**Report on the Financial Statements**

We have audited the financial statements of Malcem Construction Materials Limited on pages 5 to 19 which comprise the statement of financial position as at 31 December 2009 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

*Directors' Responsibility for the Financial Statements*
The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU as modified by Article 174 of the Maltese Companies Act, 1995 and the requirements of the said Act, 1995. As described in the statement of directors' responsibilities on page 2, this responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*
In our opinion the financial statements
- give a true and fair view of the financial position of the company as at 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as adopted by the EU as modified by Article 174 of the Companies Act, 1995; and
- have been properly prepared in accordance with the requirements of the said Act, 1995.

## **Independent auditor's report** - continued

**Report on Other Legal and Regulatory Requirements**

We also have responsibilities under the Maltese Companies Act, 1995 to report to you if, in our opinion:

- The information given in the directors' report is not consistent with the financial statements.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

PRICEWATERHOUSECOOPERS
167 Merchants Street
Valletta
Malta

Joseph Camilleri
Partner

12 March 2010

## Statement of financial position

| | Notes | As at 31 December 2009 € | 2008 € |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investment in subsidiary | 4 | **500,000** | - |
| Total non-current assets | | **500,000** | - |
| **Current assets** | | | |
| Cash and cash equivalents | 5 | **2,550** | 3,581 |
| Total current assets | | **2,550** | 3,581 |
| **Total assets** | | **502,550** | 3,581 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | | |
| Share capital | 6 | **10,000** | 10,000 |
| Capital reserve | 7 | **500,000** | - |
| Accumulated loss | | **(44,776)** | (12,444) |
| Total equity | | **465,224** | (2,444) |
| **Current liabilities** | | | |
| Payables | 8 | **37,326** | 6,025 |
| Total liabilities | | **37,326** | 6,025 |
| **Total equity and liabilities** | | **502,550** | 3,581 |

The notes on pages 9 to 19 are an integral part of these financial statements.

The financial statements on pages 5 to 19 were authorised for issue by the board on 12 March 2010 and were signed on its behalf by:

Natsis Efstathios
Director

Iliadis Konstantinos
Director

## Statement of comprehensive income

| | Notes | **Year ended 31 December 2009 €** | Period from 6 December 2007 to 31 December 2008 € |
|---|---|---|---|
| Administrative expenses | 9 | **(32,239)** | (12,470) |
| **Operating loss** | | **(32,239)** | (12,470) |
| Finance income | 10 | **4** | 26 |
| Finance costs | 11 | **(97)** | - |
| **Loss for the year/period – total comprehensive income** | | **(32,332)** | (12,444) |

The notes on pages 9 to 19 are an integral part of these financial statements.

## Statement of changes in equity

| | Notes | Share capital € | Capital reserve € | Accumulated losses € | Total € |
|---|---|---|---|---|---|
| Loss for the financial period - total comprehensive expense for 2008 | | - | - | (12,444) | (12,444) |
| Issue of share capital | 6 | 10,000 | - | - | 10,000 |
| Balance at 31 December 2008 | | 10,000 | - | (12,444) | (2,444) |
| Capital contribution | 7 | - | 500,000 | - | 500,000 |
| Loss for the financial year - total comprehensive expense for 2009 | | - | - | (32,332) | (32,332) |
| **Balance at 31 December 2009** | | 10,000 | 500,000 | (44,776) | 465,224 |

The notes on pages 9 to 19 are an integral part of these financial statements.

## Statement of cash flows

| | Notes | Year ended 31 December 2009 € | Period from 6 December 2007 to 31 December 2008 € |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash used in operations | 13 | **(938)** | (6,445) |
| Interest received | | **4** | 26 |
| Interest paid | | **(97)** | - |
| Net cash used in operating activities | | **(1,031)** | (6,419) |
| **Cash flows from financing activities** | | | |
| Issue of share capital | 6 | **-** | 10,000 |
| Net cash generated from financing activities | | **-** | 10,000 |
| **Net movement in cash and cash equivalents** | | **(1,031)** | 3,581 |
| **Cash and cash equivalents at beginning of year/period** | | **3,581** | - |
| **Cash and cash equivalents at end of year/period** | 5 | **2,550** | 3,581 |

The notes on pages 9 to 19 are an integral part of these financial statements.

# Notes to the financial statements

## 1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the year and period presented, unless otherwise stated.

### 1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU as modified by Article 174 of the Maltese Companies Act, 1995 and the requirements of the Companies Act, 1995. Terna Overseas Limited (note 16) prepared consolidated financial statements in a manner equivalent to that required by the Maltese companies Act, 1995 and these will be delivered to the Registrar of companies in Malta. Accordingly, Malcem Construction Limited is exempt from the preparation of consolidated financial statements by virtue of Article 174 of the Companies Act 1995. The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the company's accounting policies (see Note 3 – Critical accounting estimates and judgements).

*Standards, interpretations and amendments to published standards effective in 2009*

In 2009, the company adopted new standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on 1 January 2009. The adoption of these revisions to the requirements of IFRS as adopted by the EU did not result in substantial changes to the company's accounting policies. IAS 1 (Revised), Presentation of Financial Statements, is effective for periods beginning on or after 1 January 2009, but does not have any impact on the classification and measurement of the company's elements of the financial statements. This standard requires 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. In accordance with the transition provisions of these standards, comparative information has been re-presented.

*Standards, interpretations and amendments to published standards that are not yet effective*

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the company's accounting periods beginning after 1 January 2009. The company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the company's directors are of the opinion that there are no requirements that will have a possible significant impact on the company's financial statements in the period of initial application.

### 1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The euro is the company's functional and presentation currency.

**1. Summary of significant accounting policies** - continued

**1.2 Foreign currency translation** - continued

(b) Transactions and balances

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

All foreign exchange gains and losses are presented in the income statement within 'other income/(expense)'.

**1.3 Investments in subsidiaries**

Investments in subsidiaries are accounted for by the cost method of accounting.

Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the impairment is identified.

The results of the subsidiaries are reflected in these financial statements only to the extent of dividends receivable.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

**1.4 Financial assets**

**1.4.1 Classification**

The company classifies its financial assets in the loans and receivables category. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the asset. They are included in current assets, except for maturities greater than 12 months after the reporting period. These are classified as non-current assets. The company's loans and receivables comprise cash and cash equivalents in the statement of financial position (note 1.5).

**1. Summary of significant accounting policies** – continued

**1.4 Financial assets** - continued

**1.4.2 Recognition and measurement**

The company recognises a financial instrument in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Loans and receivables are initially recognised at fair value plus transaction costs. All regular way transactions in assets classified in the loans and receivables category are accounted for using settlement date accounting, i.e. on the date an asset is delivered to or by the entity. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership or has not retained control of the financial asset.

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

**1.5 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks.

**1.6 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**1.7 Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**1.8 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**1. Summary of significant accounting policies** – continued

### 1.9 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 1.10 Revenue recognition

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met as described below.

*(a) Interest income*

Interest income is recognised for all interest-bearing instruments using the effective interest method.

*(b) Dividend income*

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

### 1.11 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

## 2. Financial risk management

### 2.1 Financial risk factors

The company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, price risk and fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The company's overall risk management, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The parent company's board of directors provides principles for overall group risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity.

The company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial period.

*(a) Market risk*

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency.

The company is not exposed to foreign exchange risk, as all its assets and liabilities are denominated in euro.

(ii) Price risk

Market price risk arises from uncertainty about future prices of financial instruments held by the company. The company was not exposed to market price risk at the financial year end in view of the nature of the financial instruments held.

(iii) Cash flow and fair value interest rate risk

As the company has no significant interest-bearing assets, its income and operating cash flows are substantially independent of change in market interest rates. Financial instruments issued at variable rates, comprising cash and cash equivalents (refer to note 5), expose the company to cash flow interest rate risk. Management monitors the level of floating rate bank balances as a measure of cash flow risk taken on. The company does not hold any financial instruments issued at fixed rates, and accordingly it is not exposed to fair value interest rate risk.

Based on the above, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonable possible at the balance sheet date to be immaterial.

## 2. Financial risk management - continued

### 2.1 Financial risk factors – continued

*(b) Credit risk*

Credit risk arises from cash and cash equivalents. The company's exposures to credit risk as at the end of the reporting periods are analysed as follows:

| | **2009** | 2008 |
|---|---|---|
| | **€** | € |
| Cash and cash equivalents | **2,550** | 3,581 |

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above to their carrying amount is disclosed in the respective notes to the financial statements. The company does not hold any collateral as security in this respect.

With regards to its cash and cash equivalents since the entire balance was held with two financial institutions, credit risk with regards to these counterparties are limited since both institutions are deemed to be of high quality standing or rating.

*(c) Liquidity risk*

The company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise payables (Note 8). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the company's obligations.

### 2.2 Capital risk management

The company's objectives when managing capital are to safeguard the respective company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may issue new shares or capitalise contributions received from its shareholders.

### 2.3 Fair values of financial instruments

At 31 December 2009 and 2008, the carrying amounts of cash and cash equivalents and payables reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

## 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

## 4. Investment in subsidiary

| | **2009** |
|---|---|
| | **€** |
| **Year ended 31 December 2009** | |
| Additions | 500,000 |
| Closing net book amount | 500,000 |
| **At 31 December 2009** | |
| Closing cost and net book amount | 500,000 |

The subsidiary at 31 December 2009 is shown below:

| | **Registered office** | **Class of shares held** | **Percentage of shares held %** |
|---|---|---|---|
| Cement Production and Export Free Zone Company | Free Trade Zone Misurata Libya | Ordinary shares | 100 |

The acquisition of this investment was funded by its immediate parent company (note 15), during 2009 and attained to a shareholders' loan account. By way of an agreement entered into by both parties, this loan amount was assigned and transferred upon allotment of this same amount to the undistributable capital reserve (note 7).

## 5. Cash and cash equivalents

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

| | **2009** | 2008 |
|---|---|---|
| | **€** | € |
| Cash at bank | **2,550** | 3,581 |

These deposits are held at call and earn interest at market-based floating rates of interest.

## 6. Share capital

| | 2009 € | 2008 € |
|---|---|---|
| Authorised | | |
| 10,000 (2008: 10,000) ordinary shares of €1 each | **10,000** | 10,000 |
| Issued and fully paid | | |
| 10,000 ordinary shares of €1 each | **-** | 10,000 |
| 7,500 ordinary 'A' shares of €1 each | **7,500** | - |
| 2,500 ordinary 'B' shares of €1 each | **2,500** | - |
| | **10,000** | 10,000 |

Class 'A' shareholders have the right to appoint and remove four directors, two of which will be the Chairman and Managing director whilst class 'B' shareholders have the right to appoint and remove one director.

## 7. Capital reserve

| | 2009 € | 2008 € |
|---|---|---|
| Additions | **500,000** | - |
| At end of year | **500,000** | - |

During 2009, the shareholders effected a contribution in the form of an investment in the Cement Production and Export Free Zone Company (note 4).

## 8. Payables

| | 2009 € | 2008 € |
|---|---|---|
| Amount due to a related party | **1,000** | - |
| Amounts due to third party | **2,114** | - |
| Accruals | **34,212** | 6,025 |
| | **37,326** | 6,025 |

The amount due to a related party is unsecured and interest free and repayable on demand. Included within the amount due to third parties is a balance of €2,114 which is unsecured, subject to a minimal interest rate and repayable on demand (note 11).

## 9. Expenses by nature

| | **Year ended 31 December 2009 €** | Period from 6 December 2007 to 31 December 2008 € |
|---|---|---|
| Professional fees and similar service charges | **32,044** | 12,170 |
| Other expenses | **195** | 300 |
| Total administrative expenses | **32,239** | 12,470 |

Auditor's fees

Fees charged by the auditor for services rendered during the financial periods ended 31 December 2009 and 2008 relate to the following:

| | **Year ended 31 December 2009 €** | Period from 6 December 2007 to 31 December 2008 € |
|---|---|---|
| Annual statutory audit | **5,310** | 3,500 |
| Other non-audit services | **8,196** | 7,273 |
| | **13,506** | 10,773 |

## 10. Finance income

| | **Year ended 31 December 2009 €** | Period from 6 December 2007 to 31 December 2008 € |
|---|---|---|
| Bank interest income | **4** | 26 |

## 11. Finance costs

| | Year ended 31 December 2009 € | Period from 6 December 2007 to 31 December 2008 € |
|---|---|---|
| Interest payable on amount due from a third party | **97** | - |

## 12. Tax expense

| | Year ended 31 December 2009 € | Period from 6 December 2007 to 31 December 2008 € |
|---|---|---|
| Current tax expense | **-** | - |

The tax on the company's loss before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

| | Year ended 31 December 2009 € | Period from 6 December 2007 to 31 December 2008 € |
|---|---|---|
| Loss before tax | **(32,332)** | (12,444) |
| Tax on loss at 35% | **(11,316)** | (4,355) |
| Tax effect of: | | |
| Disallowed expenses | **11,316** | 4,355 |
| Tax charge in the accounts | **-** | - |

## 13. Cash used in operations

Reconciliation of operating loss to cash used in operations:

| | Year ended 31 December 2009 € | Period from 6 December 2007 to 31 December 2008 € |
|---|---|---|
| Operating loss | **(32,239)** | (12,470) |
| Adjustments for: | | |
| Payables | **31,301** | 6,025 |
| Cash used in operations | **(938)** | (6,445) |

## 14. Related party transactions

As at 31 December 2008, the ultimate parent company of Malcem Construction Materials Limited was Asamer Familienholding GmbH (refer to Note 15). The directors consider the company to have a related party relationship with its ultimate parent company and other group entities.

Following a change in shareholders, in 2009, Malcem Construction Materials Limited's immediate parent company is Terna Overseas Limited (Note 15). The directors consider the company to have a related party relationship with its ultimate parent company and other group entities.

Related parties also comprise the company's key management who have the ability to control or exercise a significant influence in financial and operating decisions.

Amounts due to related parties are disclosed in note 8.

## 15. Statutory information

Malcem Construction Materials Limited is a limited liability company and is incorporated in Malta.

The immediate parent company of Malcem Construction Materials Limited, as at 31 December 2009 is Terna Overseas Limited, a company registered in Cyprus, with its registered address Elenion Building, 3rd-4th Floor, 5 Thenistocles Dervis Street, Nicosia.

The ultimate parent company is GEK Terna SA, with its registered address at 85, Mesogeion Street, Athens 11526.

The financial statements of Malcem Construction Materials Limited and of its subsidiary are included in the consolidated financial statements prepared in accordance with IFRSs as adopted by the EU by GEK Terna SA which can be viewed on the company's website, www.terna.gr.