

ACQUISITION OF KOSJERIC CEMENT COMPANY

Date : 30-01-2002

On 30/1/2002, TITAN Group and the Serbian Privatization Agency signed an agreement for the transfer of 70% of the share capital of the KOSJERIC Cement Company.

The acquisition cost amounts to \$35.5 million. The production capacity of the KOSJERIC cement plant is 600.000 tons. The company has net cash of about \$ 6 million in local currency, which is expected to have substantially increased by closing, in about 3 months.

The Agreement with the Serbian Government includes a mandatory investment program of \$ 28.5 million, which will increase the factory's production capacity to more than 800.000 tons.

For the process of privatization of the Serbian cement industry, TITAN Group was advised by GLOBAL FINANCE.

This acquisition falls within the framework of the Group's strategy to expand internationally and reinforces TITAN's position in South-Eastern Europe.