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UK Establishment
registered number
FC020152

PIONEER INTERNATIONAL OVERSEAS CORPORATION

Financial Statements

in respect of the financial year ended

31 December 2010



PIONEER INTERNATIONAL OVERSEAS CORPORATION
Current directors and officers

Directors

E A Gretton
S Pirinccioğlu
D J Clarke

Secretary

R T V Tyson

Registered office

Craigmuir Chambers
P O Box 71
Road Town
Tortola
British Virgin Islands

BVI registered number. 708853

UK Establishment office

Hanson House
14 Castle Hill
Maidenhead
SL6 4JJ

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PIONEER INTERNATIONAL OVERSEAS CORPORATION
Profit and Loss Account
for the year ended 31 December 2010

UK Establishment
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	Note	2010 US\$	2009 US\$
Administrative (expenses)/income		(162,183)	450,697
Exceptional items	3	<u>(55,391)</u>	<u>(32,832)</u>
Operating (loss)/profit	2	(217,574)	417,865
Interest receivable and similar income	4	575,216	6,447,507
Profit on ordinary activities before taxation		<u>357,642</u>	<u>6,865,372</u>
Taxation on profit on ordinary activities	5	-	-
Profit for the financial year	11	<u>357,642</u>	<u>6,865,372</u>

All of the Company's results for the year arise from its continuing activities

There were no other gains or losses recognised in respect of the current or previous years other than those reported above

There are no material differences between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost profit

PIONEER INTERNATIONAL OVERSEAS CORPORATION
Balance Sheet
as at 31 December 2010

UK Establishment
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	Note	2010 US\$	2009 US\$
Fixed assets			
Investments	6	<u>2,111,388,266</u>	<u>2,111,443,657</u>
Current assets			
Debtors	7	172,114,063	171,721,493
Creditors: amounts falling due within one year	8	(2,112,113,440)	(2,112,133,903)
Net current liabilities		<u>(1,939,999,377)</u>	<u>(1,940,412,410)</u>
Net assets		<u>171,388,889</u>	<u>171,031,247</u>
Capital and reserves			
Called up share capital	9	1,540	1,540
Share premium	10	143,998,560	143,998,560
Profit and loss account	11	27,388,789	27,031,147
Equity shareholders' funds	12	<u>171,388,889</u>	<u>171,031,247</u>

The unaudited financial statements in pages 2 to 7 were approved
by the Board of Directors and signed on its behalf by



D J Clarke
Director

23 November 2011

PIONEER INTERNATIONAL OVERSEAS CORPORATION
Notes to the Financial Statements
for the year ended 31 December 2010

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1 Accounting policies

Basis of preparation

The company was incorporated 16 February 1996 in the British Virgin Islands. It is tax resident in Great Britain and was registered as a UK Establishment on 25 February 1997.

The company is not required to prepare audited accounts under British Virgin Island law. The unaudited financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards and section 396 of the Companies Act 2006 applicable to overseas companies. The Company has taken advantage of the modifications and exemptions from disclosure that are set out in the Overseas Companies Regulations 2009.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation of fixed assets (and similar fair value adjustments), or gains on disposal of fixed assets only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made when, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled into replacement assets and charged to tax only when the replacement assets are sold.

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Interest income

Revenue is recognised and interest accrues using the effective interest method.

Cash flow

In accordance with FRS 1 (revised), the Company has not prepared a cash flow statement as it is a wholly owned subsidiary undertaking within the HeidelbergCement AG group.

Fixed asset investments

Investments are stated at cost less provision for impairment.

Group financial statements

No consolidated group financial statements have been prepared because at 31 December 2010, the Company was a wholly owned subsidiary undertaking of HeidelbergCement AG (incorporated in Germany) and thus satisfies the conditions for exemption under section 400 of the Companies Act 2006. These financial statements contain information about the Company as an individual undertaking, and not its group.

PIONEER INTERNATIONAL OVERSEAS CORPORATION
Notes to the Financial Statements
for the year ended 31 December 2010

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2 Operating (loss)/profit	2010	2009
	US\$	US\$
This is stated after charging/(crediting)		
Foreign exchange loss/(gain)	162,183	(450,697)
3 Exceptional items	2010	2009
	US\$	US\$
Impairment of fixed asset investments	55,391	32,832
4 Interest receivable and similar income	2010	2009
	US\$	US\$
Interest receivable from group undertakings	575,216	6,447,507
5 Taxation		
a) Tax on profit on ordinary activities	2010	2009
	US\$	US\$
Current tax		
UK corporation tax on profit of the year	-	-
Adjustments in respect of previous periods	-	-
Tax charge on profit on ordinary activities	-	-
b) Factors affecting tax charge for year	2010	2009
	US\$	US\$
Profit for the financial year	357,642	6,865,372
Standard rate of corporation tax in the UK	28.0%	28.0%
	US\$	US\$
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	100,140	1,922,304
Effects of		
Non taxable impairment	15,509	9,193
Imputed interest	(19,614,929)	(17,868,028)
Group relief claimed for nil charge	19,499,280	15,936,531
Current tax charge for the year	-	-

The Company is a UK tax resident

c) Factors that may affect future UK tax changes

Announcements were made to changes in the tax rates that will have an effect on future tax charges of the company. From 1 April 2011, the rate of corporation tax was reduced from 28% to 26%, and from 1 April 2012, the rate will reduce from 26% to 25%. However, as at the balance sheet date, the corporation tax change that had been substantively enacted was a reduction, from 1 April 2011, in the rate from 28% to 27%.

Further annual reductions of 1% from 1 April 2013 to reduce the rate to 23% have been announced but not substantively enacted.

PIONEER INTERNATIONAL OVERSEAS CORPORATION
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6 Investments

Investments in subsidiary undertakings	Cost US\$	Provision for impairment US\$	Net Book Value US\$
At 1 January 2010	2,111,535,000	(91,343)	2,111,443,657
Impairment provided in year	-	(55,391)	(55,391)
At 31 December 2010	<u>2,111,535,000</u>	<u>(146,734)</u>	<u>2,111,388,266</u>

The investment in which the Company directly held more than 20% of the normal value of any class of share capital was as follows

Company	Country of registration	Shares held Class	Principal activity	Proportion of shares held
Anche Holdings Inc	Panama	Ordinary	Group finance Company	100%

7 Debtors

	2010 US\$	2009 US\$
Due within one year		
Amounts owed by group undertakings	<u>172,114,063</u>	<u>171,721,493</u>

Amounts owed by group undertakings includes a loan of US\$166,948,451 (2009 US\$166,373,235) which accrues interest at a rate of 0.3028% (2009 0.2487%), is unsecured and repayable on demand. The remaining balance is unsecured, interest free and repayable on demand.

8 Creditors amounts falling due within one year

	2010 US\$	2009 US\$
Amounts owed to group undertakings	<u>2,112,113,440</u>	<u>2,112,133,903</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9 Share capital

	2010 No	2009 No	2010 US\$	2009 US\$
Allotted, called up and fully paid				
Ordinary shares of US\$1	1,540	1,540	<u>1,540</u>	<u>1,540</u>

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10 Share premium	2010	2009
	US\$	US\$
At 1 January and 31 December	<u>143,998,560</u>	<u>143,998,560</u>
11 Profit and loss account	2010	2009
	US\$	US\$
At 1 January	27,031,147	20,165,775
Profit for the financial year	<u>357,642</u>	<u>6,865,372</u>
At 31 December	<u>27,388,789</u>	<u>27,031,147</u>
12 Reconciliation of movement in shareholders' funds	2010	2009
	US\$	US\$
At 1 January	165,707,235	158,841,863
Profit for the financial year	<u>357,642</u>	<u>6,865,372</u>
At 31 December	<u>166,064,877</u>	<u>165,707,235</u>

13 Related party transactions

The Company has taken advantage of the exemption available to it in FRS 8 "Related Party Transactions" not to disclose transactions with wholly owned subsidiaries in the group headed by HeidelbergCement AG

14 Parent undertakings

The immediate parent undertaking is Pioneer Overseas Investments Limited, a company incorporated in Guernsey. The Company's ultimate parent undertaking is HeidelbergCement AG, a company registered in Germany. The largest and smallest group in which the results of the Company are consolidated is that headed by HeidelbergCement AG. Copies of the consolidated financial statements of HeidelbergCement AG may be obtained from Berliner Strasse 6, D-69120 Heidelberg, Germany.