

## 11. Property, plant and equipment (continued)

### Disposal of assets

#### Group

During 2015, the Group received €1.1 mil. (2014: €0.2 mil.) from the disposal of tangible assets with total net book value of €3.2 mil. (2014: €1.8 mil.). Thus, the Group recognized €2.2 mil. losses (2014: €1.5 mil. losses) on disposal of PPE in the consolidated income statement (note 4).

#### Company

During 2015, the Company received €356 thousand (2014: €183 thousand) from the disposal of tangible assets with total net book value of €55 thousand (2014: €231 thousand). Thus, the Company recognized €124 thousand gains (2014: €48 thousand losses) on disposal of PPE in the income statement (note 4).

### Impairment of property, plant and equipment:

The Group's subsidiary, Titan America LLC, decided to suspend development activities at the site of a proposed cement plant in Eastern North Carolina, USA (the "Castle Hayne" project). In reaching the decision to suspend development activities, the Company took into consideration a number of factors including:

- The evolution of supply and demand balances in the specific regional market to be served by the proposed plant;
- The relatively high cost of constructing and operating a new cement plant in the US environment (which have increased substantially in the past few years); and
- The increased risk profile of the coastal project in the context of excess low-cost global production capacity, low ocean freight rates, and a strengthening US Dollar.

As a result of its decision to suspend development activities at the Castle Hayne site, the Company recorded an impairment provision of €12.4 mil. to bring the asset to its recoverable amount of €1.0 mil. within the December 31, 2015 financial statements. The fair value was obtained through an independent valuator and represents a level 3 in the valuation hierarchy.

### Pledge of assets

The assets of the Group and the Company have not been pledged.

## 12. Investment property

The Group's investment property does not include certain investment properties of the Company, which are leased to Group subsidiaries, and as a result, are included in property, plant and equipment in the Group statement of financial position. Investment property is measured at fair value by external, independent, certified valuers, members of the institute of the certified valuers and certified from the European Group of Valuers' Associations (TEGoVA) & RCIS (Royal Institution of Chartered Surveyors).

(all amounts in Euro thousands)

	Group		Company	
	2015	2014	2015	2014
<b>Opening balance</b>	<b>9,267</b>	<b>13,220</b>	<b>9,908</b>	<b>13,973</b>
Additions	31	61	-	-
Disposals	-161	-	-161	-
Net (loss)/gain from measurement at fair value (note 4)	-300	125	-286	79
Transfer from own-used property after revaluation	-	65	-	-
Transfer to property, plant and equipment (note 11)	-	-4,206	-	-4,144
Transfer from inventories (note 19)	715	-	-	-
Exchange differences	-4	2	-	-
<b>Ending balance</b>	<b>9,548</b>	<b>9,267</b>	<b>9,461</b>	<b>9,908</b>

	Group		Company	
	2015	2014	2015	2014
Rental income derived from investment property	212	200	57	52
Direct operating expenses (including repair and maintenance) that did not generate rental income	-24	-8	-	-8
<b>Net profit arising from investment properties carried at fair value</b>	<b>188</b>	<b>192</b>	<b>57</b>	<b>44</b>

The fair value measurement of the investment property of the Company has been mainly conducted in accordance with the comparative method or the current market values of similar properties. The main factors that were taken into consideration, are the property location, the surface area, the local urban planning, the bordering road networks, the regional infrastructure, the property maintenance status and merchantability, the technical construction standards in the case of buildings and the impact of environmental issues if any.