

11. Property, plant and equipment (continued)

Disposal of assets

During 2012, the Group has received the amount of €28.6 mil. from the disposal of tangible assets with total net book value of €25.8 mil. Thus, the Group recognized the gain of €2.8 mil. on disposal of PPE in the consolidated income statement.

The Group's subsidiary in U.S.A. made the majority of the disposals and it received the amount of €27.0 mil. from the disposal of machinery and railcars. The net book value of these assets totaled €23.6 mil., so the gains on the disposals were €3.4 mil.

Impairment of property, plant and equipment:

Assets that have an indefinite useful life (land) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as an expense immediately in other expenses, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

During 2012, the Group has recorded a reversal of impairment amounted to €0.9 mil. mainly due to the reversal of machinery's impairment of the Company, as the reasons for such an impairment were changed.

The total cost of impairment of property, plant and equipment that the Group posted in 2011 was €14.9 mil. The amount of €13.8 mil. was due to the impairment in an investment of an aggregate mining site in USA and the amount of €1.1 mil. was due to the impairment of white cement production line and other machinery of the Company.

Pledge of assets

The assets of the Company have not been pledged. The assets of the Group have a pledge for the amount of €72.5 m (2011: €68.4 m). The pledge relates to the Group's joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey, as a security of its bank credit facilities for an amount up to €48.9 m (2011: €46.3 m) and is on the assets of this entity. As of 31.12.2012, utilization under these credit facilities amounted to €33.6m..

12. Investment property

Group's investment property does not include certain investment property of the Company, since it is leased to Group's subsidiaries and as a result in Group level, it is transferred to property, plant and equipment. Investment property is measured at fair values based on external, independent, certified valuator, member of the institute of the certified valuers and certified from the European Group of Valuers' Associations (TEGoVA).

(all amounts in Euro thousands)

	Group		Company	
	2012	2011	2012	2011
Opening balance	9.804	2.053	11.312	5.974
Additions	98	801	-	-
Net gain/(loss) from measurement at fair value	620	-199	-226	-199
Transfer from own-used property after revaluation	873	1.639	873	1.639
Transfer from/to property, plant and equipment	-2.849	5.510	-	3.898
Ending balance	8.546	9.804	11.959	11.312

	Group		Company	
	2012	2011	2012	2011
Rental income derived from investment property	119	78	55	72
Direct operating expenses (including repair and maintenance) generating rental income	-	-	-	-43
Direct operating expenses (including repair and maintenance) that did not generate rental income	-151	-133	-151	-118
Net profit/(loss) arising from investment properties carried at fair value	-32	-55	-96	-89

The estimation of the fair value of investment property that is located in urban areas, was made in accordance with the current market values of similar properties. The estimation of fair value for land located in rural areas as well as quarries, was made taking into consideration local valuations.