TITAN

www.titan.gr

ANNUAL REPORT & FINANCIAL RESULTS 2008

Highlights

page 12

For the TITAN Group overall, 2008 marked the 57th consecutive year of profitability and the 106th year of industry experience, consistently aiming to combine operational excellence with respect for people, society and the environment.

Expansion of operations in Egypt

page 18

In 2008 TITAN doubled the size of its operations in Egypt by acquiring Lafarge's share in Lafarge-Titan Egyptian Investment, a 50/50 joint venture. The company, renamed TITAN Cement Egypt, owns two cement plants, Beni Suef Cement Co. and Alexandria Portland Cement Co., both located near heavily populated areas: Cairo and Alexandria.

CSR and Sustainability Review

page 26

For TITAN Corporate Social Responsibility is a step beyond compliance; it is a conscious and voluntary pledge to do better. It is not only a matter of ethics or even social responsibility, but also good business practice that creates value.

Corporate Governance

page 42

TITAN Cement Company S.A. has put in place and implements corporate governance rules, which reflect international best practices and go beyond the requirements laid down by law.
Management is firmly committed to the continuing integration of new rules and practices into Company operations, which promote transparency, responsibility, reliability, sustainable development and corporate social responsibility in every aspect and field of activity of the Group and its entire web of relationships with shareholders, employees, customers, suppliers, contractors and the society.

2008
Annual Report and Financial Results

Hydroseeding is a planting process that utilizes a slurry of seed and mulch. The slurry is transported in a tank and sprayed over prepared ground in a uniform layer.

TITAN has been using hydroseeding for over 10 years, respecting local Greek flora, in areas where quick germination to inhibit soil erosion is required, such as in old quarries and fire stricken areas.

For more information please refer to CSR and SD Report p. 27

TITAN is committed to reforesting efforts and has contributed its know-how in hydroseeding in Ancient Olympia

Contents

Introduction

TITAN at a Glance 4
To our Shareholders 6
Group Overview 2008 10
Highlights 12

Strategy

Enhancing Sustainable Growth 17
Expansion of operations in Egypt 18
Last stage of modernization at Thessaloniki plant 19
Building our Ready-Mix Concrete Network in Bulgaria 20
Building a new cement plant in Albania 21

Business Activities Results

Financial Review 22
Review of Business Activities 25
CSR and Sustainability Review 26
Regional Overviews 28

Corporate Governance and Risk Management

Board of Directors, Committees and Internal Audit 38
Shareholder Information and Services 46
2009 Financial Calendar 46
Stock Option Plans 47
Risks and Uncertainties 48

Annual Financial Report

Report of the Board of Directors 53
Report of the Auditors 61
Financial Statements 62
Summary Financial Results 112

TITAN

OVERVIEW

- *More than € 2.8 billion invested in expansion and modernization since 2000*
- *Business presence in four major regions, 12 countries – 60% of Turnover outside Greece and Western Europe*
- *Successful vertical integration – Non-cement products representing 35% of Turnover*
- *Cost-conscious corporate culture*
- *CSR focus – First Company in Greece to sign the United Nations Global Compact*
- *Acquisition of the remaining 50% of the joint venture in Egypt and of a 50% share in Adocim Cimento, Turkey in 2008*
- *One new cement plant (Albania) and one new cement production line (Egypt) under construction*
- *A growing employer – Nearly four fold manpower increase since 1992*

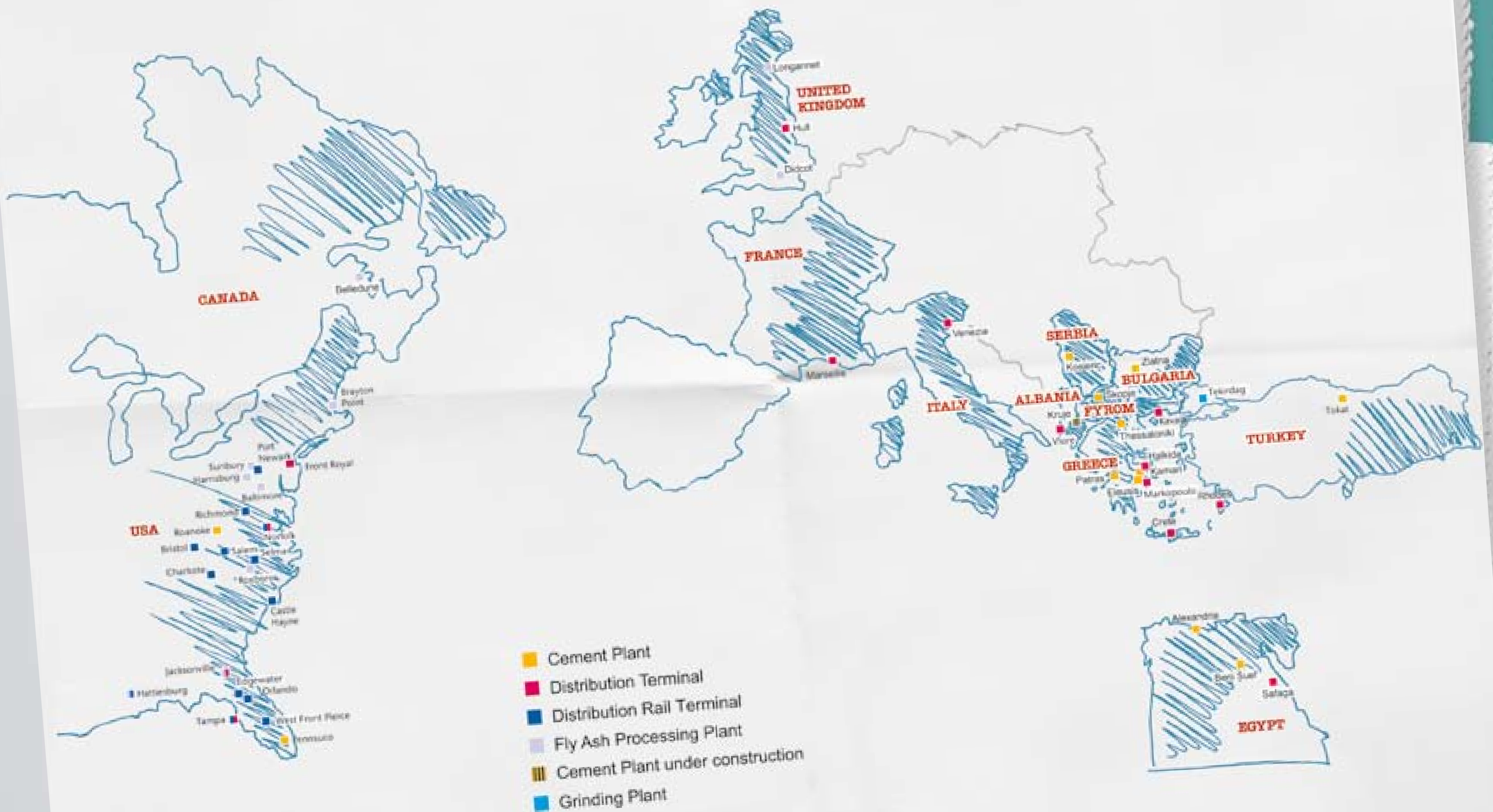
KEY FINANCIALS 2004-2008

(thousand €)	2008	2007	2006	2005	2004
TOTAL ASSETS	3,194,090	2,325,864	1,976,612	1,802,864	1,533,767
INVESTED CAPITAL	2,509,873	1,741,587	1,407,247	1,317,409	1,065,223
SHAREHOLDERS' EQUITY [1]	1,396,056	1,172,827	1,080,189	922,988	650,519
TURNOVER	1,578,458	1,496,915	1,568,109	1,341,727	1,142,474
EBITDA	380,052	427,926	480,671	389,173	318,472
EARNINGS BEFORE TAX AND MINORITY INTEREST	210,016	300,346	380,823	293,068	242,605
EARNINGS AFTER TAX AND MINORITY INTEREST	208,224	239,739	259,185	210,128	176,951
BASIC EARNINGS PER SHARE	2.53	2.85	3.07	2.50	2.11
NET DIVIDEND	35,510	63,399	63,338	50,598	43,747
DIVIDEND PER SHARE	0.42	0.75	0.75	0.60	0.52
NUMBER OF SHARES AS OF DECEMBER 31st	84,546,774	84,532,574	84,485,204	84,330,124	84,129,224
INTEREST COVERAGE RATIO	4.87	9.52	14.71	11.40	12.66
NET DEBT TO EBITDA RATIO	2.93	1.34	0.68	1.01	1.30
RETURN ON INVESTED CAPITAL [2]	9.9%	15.5%	19.3%	17.9%	17.4%

[1] Shareholders' equity has been restated for 2005 due to a change in the accounting treatment of dividends payable to shareholders, as required by IFRS.
[2] Net Profit after taxes and before Minority interest divided by Average Invested Capital.

KEY NON-FINANCIALS 2005 - 2008

	2008	2007	2006	2005
DIRECT EMPLOYMENT	6,504	6,034	5,891	5,681
TRAINING MANHOURS PER EMPLOYEE	23.5	29	18	15
EMPLOYEE LOST TIME INCIDENT FREQUENCY RATE	3.42	3.15	4.75	5.87
DIRECT CO_2 EMISSIONS (kg/t of product)	685	689	690	698
ENVIRONMENTAL INVESTMENTS (m. €)	26.6	30.8	36.8	17.9



In 2008, TITAN produced across all its sites:

- **17.2 million tonnes** of cement and cementitious materials
- **5.4 million m^3** of ready mix concrete
- **18.6 million tonnes** of aggregates

TITAN has more than **6,500 employees** worldwide

TITAN owns and operates:

- **12 cement plants** in Greece, USA, Bulgaria, FYROM, Serbia, Egypt and Turkey
- **141 ready mix concrete facilities**
- **47 quarries***
- **9 concrete block plants**
- **8 fly-ash processing units**
- **1 dry mortar plant**
- **Cement distribution terminals** in Greece, USA, Italy, France, UK, Albania and Egypt
- Its own **road and sea distribution fleets**

** Includes quarries for aggregates and cement production*

To Our Shareholders

The world changed in 2008. The outbreak of an unprecedented crisis in the global credit system and in the global economy has triggered the change of an era.

After several years of growing demand for building materials, short and medium term expectations have been revised sharply downwards. For the Titan Group, 2008 was a year of declining financial performance, adaptation to the new facts and a redefinition of priorities.

During the year, continuing fall in demand for building materials in the USA, reduced cement consumption in Greece and skyrocketing prices of solid fuels resulted in considerable pressure on the Group's profitability. This pressure was only partly mitigated by the positive contribution of the acquisitions in Egypt and Turkey and by the increased cement consumption in South Eastern Europe and Egypt.

In the USA, the housing market continued to decline in 2008, which further reduced demand for building materials. Property prices fell sharply reflecting the oversupply of homes on the market. New housing starts were further reduced, causing dramatic declines in sales volumes. According to the Portland Cement Association, cement consumption in the USA fell in 2008 by 15% compared to 2007. Florida, which represents more than half of the Group's US operations, was particularly hard hit. Consumption there fell by 26% in 2008, following the 29% drop of 2007. Overall, the Group's turnover in the USA was reduced by 18% compared to 2007 and EBITDA dropped by 60% to €43 million.

Demand for building materials in Greece declined for the second year in a row, mainly due to a slowing housing market. Cement consumption fell by an estimated 7%, compared to 2007. Despite the market downturn, the Group continued its long-term strategy of vertical integration and acquired companies active in the ready-mix concrete and aggregates businesses.

As a result, the Group's turnover in Greece and Western Europe showed a slight increase. The sharp spike in energy costs during the year affected operating profitability, which ended the year at €168 million, lower by 13% compared to the previous year.

In South Eastern Europe, strong demand in Bulgaria and Serbia, combined with the contribution made by the increased production capacity in Bulgaria led to a 37% increase in turnover and a 8.5% increase in operating profits to €105 million. The Group's position in the region will be further strengthened in early 2010, when the new cement plant under construction in Albania begins operations, adding 1.5 million tonnes of cement to the Group's capacity.

In our Eastern Mediterranean region, results surged ahead on the back of growing demand in Egypt and significant acquisitions in Egypt and Turkey. Turnover in the region rose by 173% and EBITDA by 105%, reaching €64 million. At the same time, the expansion of the Beni Suef plant by 1.5 million tonnes is progressing on schedule and the launch of the new production line is expected in the last quarter of 2009. This addition will increase the Group's capacity in the dynamic Egyptian market by more than 40%.

Overall, Group turnover increased by 5% to €1,578 million and Group EBITDA declined by 11% to €380 million. Net profit, after minority interests and provision for taxes, was lower by 13% at €208 million. The Board of Directors is recommending the distribution of the minimum statutorily required dividend of €0.42 per share issued, compared to €0.75 in 2007. This recommendation reflects the importance of preserving liquidity in order to face the challenges of 2009.

In 2008, the Group invested €587 million with a view to expanding its operations and continuously improving its installations. The most important investments were: the buyout of our partner's 50% stake in the joint venture in Egypt, the expansion into Turkey through the acquisition of a 50% share in Adocim Cimento, the purchase of an additional 22% stake in our existing subsidiary in Serbia, the construction of a greenfield plant in Albania and of a 2nd production line in one of our plants in Egypt, the acquisition of smaller ready-mix and aggregates companies in Greece, as well as a number

of other investments aimed at improving environmental sustainability and reducing our carbon footprint, through the use of best available technologies and increased consumption of waste materials and alternative fuels.

As a result of this extensive investment program, the Group's net debt increased from €569 million to €1,114 million.

Following several years of positive absolute and relative performance, and after reaching a record high in the first half of 2007, the share price of TITAN Cement SA fell in 2008 by 55% closing the year at €13.90. This performance compares favourably to that of the Athens Stock Exchange index during 2008 (-65.5%) and is comparable to the performance of our peers in the building materials sector internationally. During 2008, TITAN continued the share buyback program approved by the General Assembly. In total 2,107,429 shares, representing 2.49% of the share capital, were purchased during the year, bringing the share capital held by the Company at the end of 2008 to 3.78% of the total.

The outlook for 2009 is clouded by the ongoing crisis in the global credit system and its impact on the economy. A deep recession or, at the very least, a significant deceleration of growth has taken hold in most countries. The global economy as a whole is expected to contract for the first time since the second World War.

Demand for our products is impacted significantly. In the USA, the Portland Cement Association is forecasting a further reduction of 17% in cement consumption during 2009. In Greece, the decline in demand for building materials is expected to accelerate, driven by the drop of the housing market. A sharp contraction is predicted in South Eastern European markets. In contrast, demand is expected to continue to rise in Egypt, easing the placement in the market of additional volumes after the anticipated launch of the 2nd production line in Beni Suef.

If solid fuel prices remain at levels well below last year's throughout 2009, this should progressively contribute to a reduction in production costs, thus somewhat reducing the pressure on profitability.

Beni Suef plant, Egypt

Our priorities for 2009 focus on generating positive cash flow for the reduction of debt, reducing production and operating costs and restricting new capital expenditures. At the same time, the Group continues to invest in the completion of two new production facilities in Albania and Egypt, the operation of which will have a positive effect on results starting in 2010.

Although the world may have changed in 2008, giving rise to new challenges, we believe that the fundamentals on which Titan has built its business, namely a focused strategy on building materials and a values-driven approach to doing business, remain firmly in place.

The Group is committed to the four axes of its strategy: the geographic diversification of the core cement business, the continuous improvement of our competitiveness, the vertical integration into related building materials, and the focus on human resources and Corporate Social Responsibility. No matter how deep the crisis ends up being, demand for housing and infrastructure to better people's lives will eventually recover and, with it, demand for high-quality, cost-effective building materials.

The crisis has, if nothing else, strengthened our belief that operating according to our values, principles and standards is good business practice. Open communication with our shareholders and key stakeholders on the most significant, material and relevant issues to our business has become even more important than before.

At TITAN we have a long-standing commitment to corporate responsibility, aligning the implementation of our strategic objectives with our corporate values and international standards and best practices, as particularly defined by U.N. Global Compact and the World Business Council for Sustainable Development. As reported in 2007, a wide-range independent assessment process, aiming to support our endeavours for continuous improvement, led to an A+ assurance level, according to GRI (G3, 2006).

In 2008 we continued to review our management systems, policies and practices.

In Greece, we launched a new, innovative effort, organising the 1st Multi-Stakeholders' Forum, engaging in a proactive process of dialogue with key stakeholders and enhancing transparency, trust and even consensus building on important issues. The outcome of this process encourages us to continue to pursue the reduction of our social and environmental "footprint", while at the same time, "doing more good".

Our commitment to live up to our values is also visible in the construction of our new cement plant in Albania in line with a detailed Environmental and Social Impact Assessment Study targeted to minimize the potential impact and maximize benefits and perspectives for sustainable development.

In the context of the Cement Sustainability Initiative, we are participating in a proactive effort to propose a global "sectoral" approach to facing the challenges posed by the prospect of global warming. At the same time we are continuing our focus on reducing our carbon footprint.

These and other actions and initiatives are highlighted in this report, as well as the related CSR report for 2008. Although the Report to Shareholders and the Corporate Social Responsibility Report are presented as two separate reports, they should be viewed as an integrated whole.

I would like to take this opportunity, on behalf of all our shareholders, to thank all the employees who are part of the TITAN family for their efforts and their commitment. Their engagement and dedication allow us to face the current challenges with optimism and confidence.

Dimitri Papalexopoulos
Managing Director

Kamari plant, Greece

"A driving force
for improvement
is to attain harmony
between prosperity,
employment
and business development"

TITAN

Group Overview 2008

TITAN is a broad-based international cement group, with its headquarters in Athens, Greece.

Since the 1990s, TITAN has pursued a twin expansion strategy of geographical diversification and vertical integration, always considering cement as its core business. Throughout its history TITAN has aimed to combine operational excellence with respect for people, society and the environment.

Today, the Group has operations in Greece and Western Europe, the USA, South Eastern Europe and the Eastern Mediterranean, producing cement, ready-mix concrete, concrete blocks, dry-mix mortars, fly-ash and aggregates.

In 2008, 60% of Group Turnover was generated outside of Greece and Western Europe and 35% by building materials other than cement.

Greece and Western Europe

Business

- Four cement plants, generating over 6 million tonnes
- Thirty two ready mix concrete facilities with a total production of 2.3 million m^3
- Quarrying 11.8 million tonnes of aggregates
- Three cement import and distribution terminals

Financial

Turnover: € 633.0m
EBITDA: € 168.5m

Market

- Pursuing vertical integration and geographical reach through acquisition of ready mix concrete plants and quarries in Greece
- Deceleration of the housing market
- Cement demand from infrastructure works only partially offsets decline in private construction

United States of America

Business

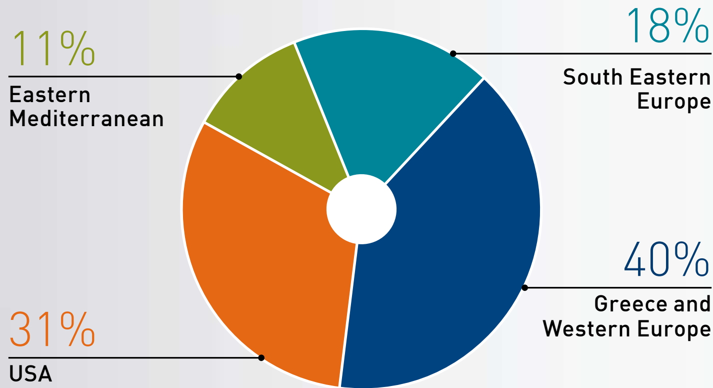
- Two cement plants, with a total production capacity of 3.1 million tonnes per year
- Three import and distribution terminals
- Ninety six ready mix concrete facilities with a total production output of nearly 3 million m^3 in 2008
- Quarrying nearly 7 million tonnes of aggregates in 2008 (pending Lake Belt litigation in the USA)

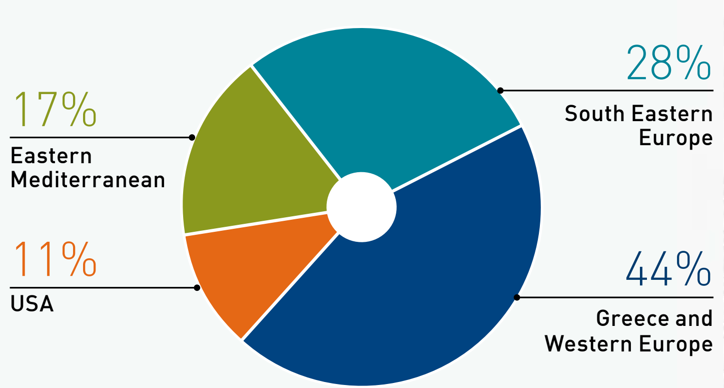
Financial

Turnover: € 483.9m
EBITDA: € 42.8m

Market

- Deepening of the housing market crisis, especially in Florida
- Demand for building materials declines across all sectors and product lines
- Demographic trends remain strong





South Eastern Europe

Eastern Mediterranean

Business

- Operations in Bulgaria, Former Yugoslav Republic of Macedonia, Serbia and Albania
- Three cement plants with combined production capacity over 3.1 million tonnes per year
- New cement plant under construction in Albania with production capacity 1.5 million tonnes
- Five ready mix concrete facilities in Bulgaria, one in the Former Yugoslav Republic of Macedonia and two cement terminals in Albania

Financial

Turnover: € 287.3m
EBITDA: € 105.3m

Market

- Enhanced performance of the region in 2008
- Construction of greenfield cement plant in Albania, with annual production capacity 1.5 million tonnes, expected completion early 2010
- Expansion of Group's operations in Albania through imports in anticipation of operation of the new plant

Business

- Two cement plants in Egypt (acquisition of Lafarge's 50% stake) with combined capacity 3.4 million tonnes
- Construction of new line to increase production by 1.5 million tonnes in Egypt (last quarter 2009)
- One cement and one grinding plant in Turkey (50 – 50) joint venture in Adocim Cimento

Financial

Turnover: € 174.2m
EBITDA: € 63.6m

Market

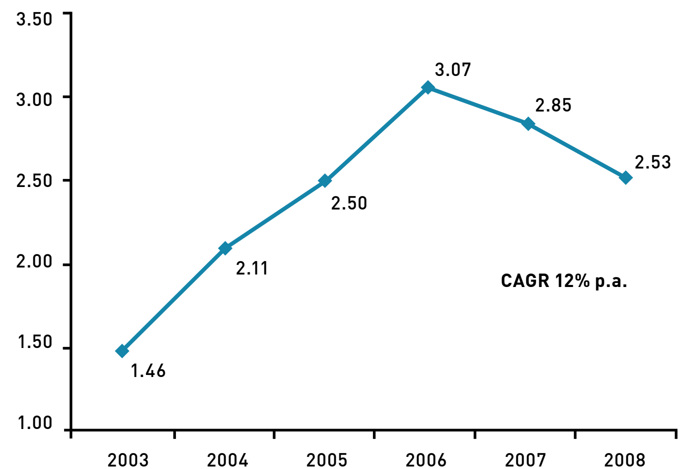
- Operating performance in Eastern Mediterranean more than doubles in 2008
- Strong underlying market conditions in Egypt
- Market challenges in Turkey

Highlights

Financial

In 2008, the progressively worsening economic climate affected our financial performance. In our mature markets, we faced an increasingly difficult business climate, more pronounced in the USA by the deepening of the housing crisis and the economic recession, but also evident in Greece with the slowdown of construction activity and surge of energy costs. On the other hand, our emerging markets regions in South Eastern Europe and the Eastern Mediterranean posted significant performance improvements. For the TITAN Group overall, 2008 marked the 57th consecutive year of profitability and the 106th year of industry experience, consistently aiming to combine operational excellence with respect for people, society and the environment.

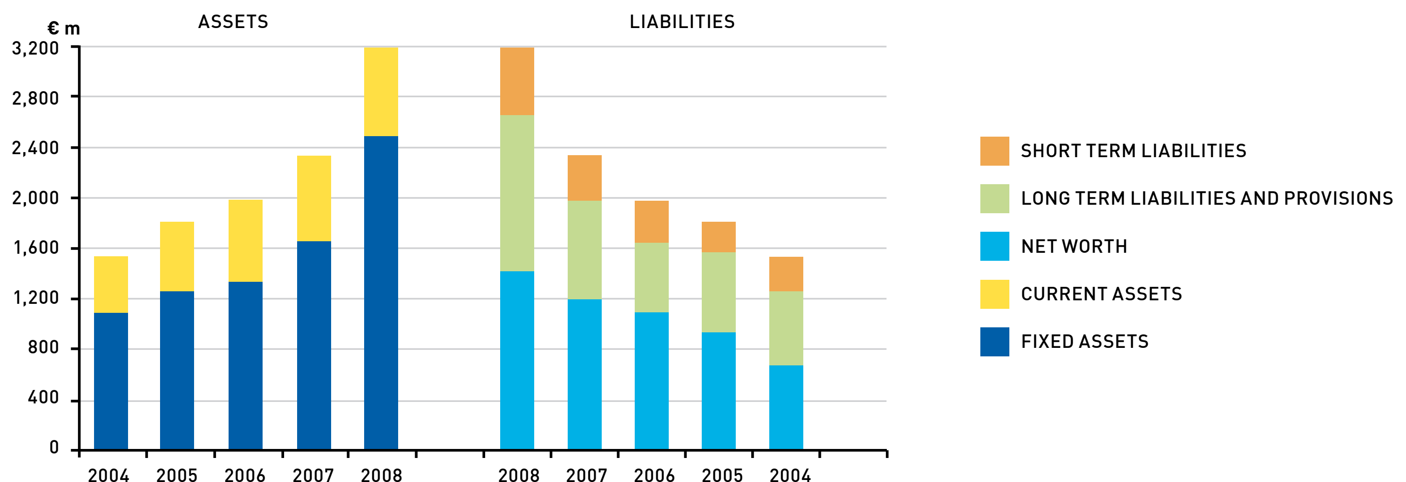
Despite the deepening crisis and the inevitable impact of the economic cycle on the demand for construction materials, we remained focused on implementing our long term strategy. To this end, in 2008 we followed an ambitious investment program, investing €587 million in acquisitions and expansion of activities.



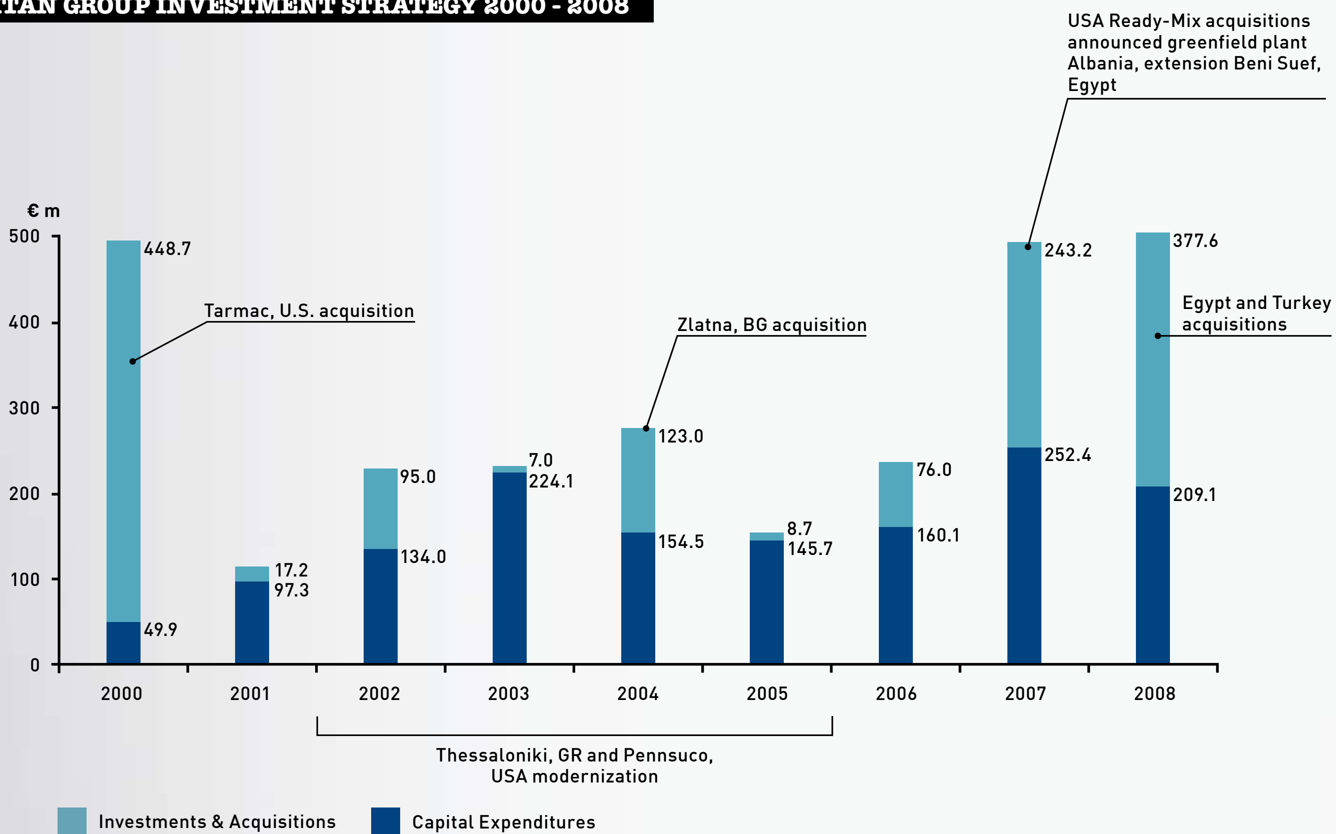
Acquisitions

During the year we made a number of investments and related announcements for acquisitions in our core cement business and associated sectors, as well as set up plans for future activities.
Highlights include the acquisitions of:

- The remaining 50% share of the joint venture in Egypt to which the Egyptian companies Beni Suef Cement Company and Alexandria Portland Cement Company belong. The two plants have an annual production capacity of 3.3 million tonnes.
- A 50% share in company Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey. The company's production capacity is 1.5 million tonnes annually.
- Domiki Beton SA, a ready-mix concrete and aggregates company, Vachos Quarries SA and Thisvi Quarries SA, both aggregates companies in Greece, by our subsidiary Interbeton Construction Materials SA.
- The minority stake of 22.1% in the Group subsidiary Titan Cementara Kosjeric A.D. Following the acquisition's completion, the Group holds 96.3% in the company.



TITAN GROUP INVESTMENT STRATEGY 2000 - 2008



Expansions

The construction of two important projects was continued in 2008. These projects aim to further increase the Group's production capacity in countries with positive demographic trends and development potential.

The first project relates to the construction of a new plant (of a capacity of 1.5 million cement tonnes per annum) in Kruje, Albania, expected to start operations in the beginning of 2010. The total investment by the end of 2008 was €77 million.

The second project relates to the construction of a new production line in our Beni Suef plant in Egypt (also with a capacity of 1.5 million cement tonnes) which is expected to be completed in the last quarter of 2009. The total investment by the end of 2008 was €76 million.

Separation Technologies, our subsidiary which is acting in the installation and operation of fly-ash processing units, in 2008 continued to expand with the launch of new plants in North America and the United Kingdom.

Besides acquisitions made and organic growth, expansion of activities, investment in upgrading our assets and developing new products was strong in 2008, in line with our strategic commitment to continuously improve productivity.

Furthermore, in 2008 we continued our investments for the reduction of carbon dioxide emissions through the use of the best available technologies and increased consumption of alternative fuels. These investments amount to €27 million.

CSR Developments

- 1st National Stakeholders' Forum in Greece (Athens, Kamari Plant, Oct. 2008)
- 1st independent evaluation in accordance with international standards (see results and suggestions for improvement, Annual Report 2007 and www.titan-cement.com)
- 1st CSR & SD Report in Greece with independent evaluation and assurance at GRI (G3) Application Level A+
- Top position in Accountability Rating 2008 for Greece
- Separation Technologies, a TITAN subsidiary awarded by USA State for reduction of CO_2 emissions and development of "Green Products"

TITAN

Turnover: **€1,578 m**

EBITDA: **€380 m**

Net Profit: **€208 m**

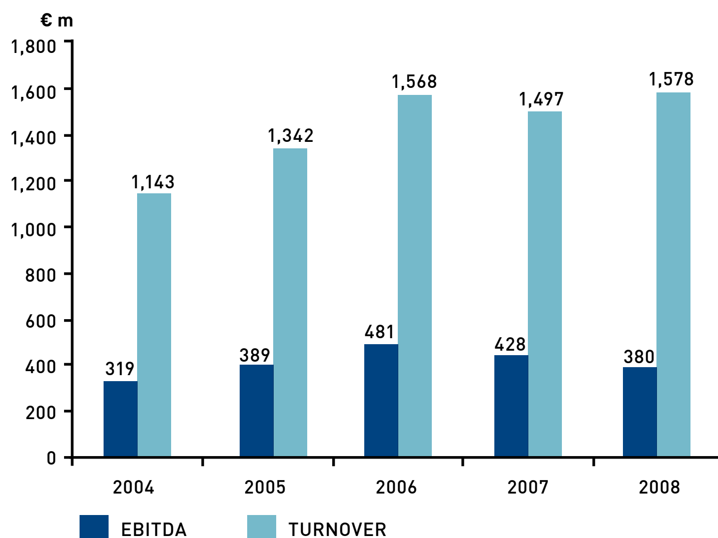
Investments: **€587 m**

Environmental Investments: **€27 m**

More than
6,500 employees

Highlights

TITAN GROUP PERFORMANCE HIGHLIGHTS 2004-2008

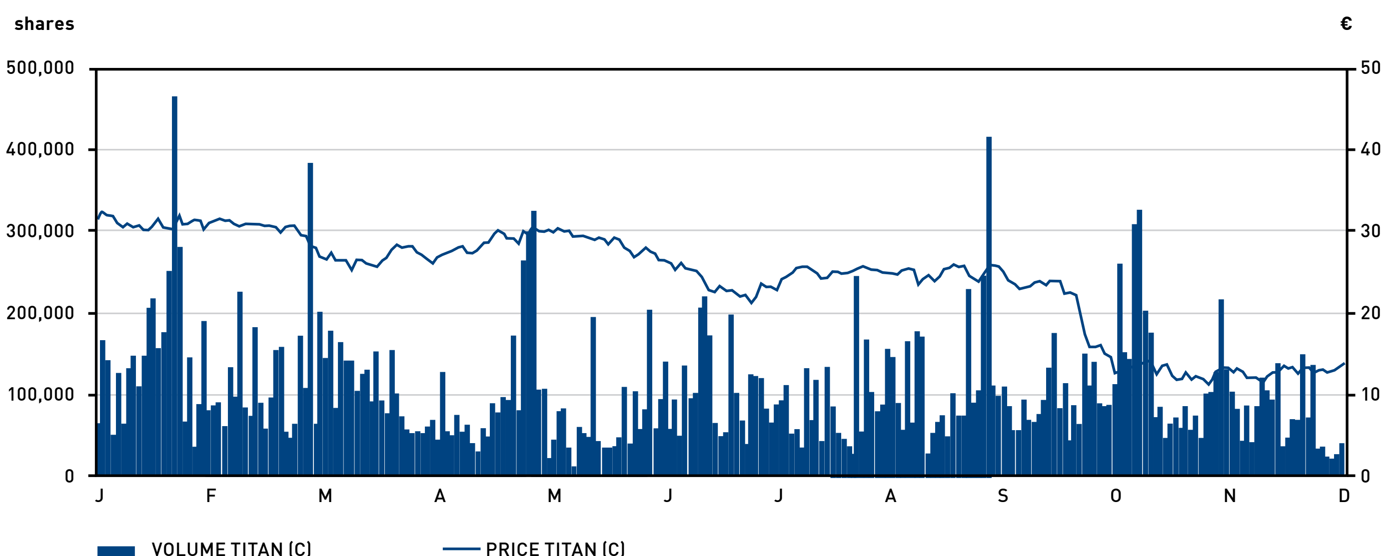


SUMMARY OF KEY PERFORMANCE INDICATORS

- ROIC: 9.9% (2007: 15.5%)
  ROIC = Net Profit After Taxes (before minorities) / Average Invested Capital
- Leverage: 2.93 (2007: 1.34)
  Leverage: Net Debt / EBITDA
- Earnings Per Share: €2.53 (2007: €2.85)
- Dividend Per Share: €0.42 (2007: €0.75)
- Stock performance (TITK): -55.4% yoy
  -1.3% p.a. (2003-2008), +12.3% p.a. (1993-2008)
- Historical Beta: 0.84

For further information please refer to p.22-24

2008 DAILY VOLUME OF TRANSACTIONS AND PRICE OF TITAN COMMON SHARES

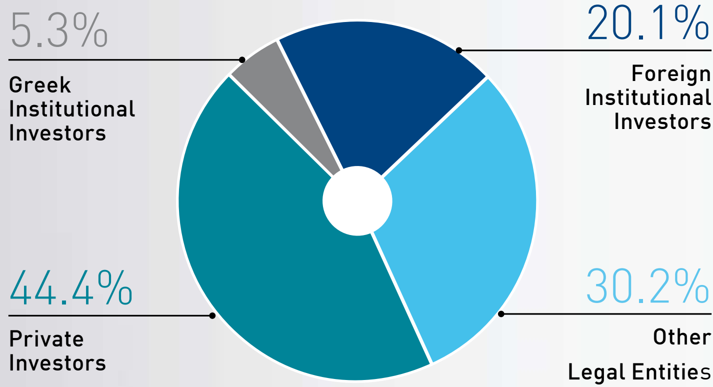


SOURCE: Reuters

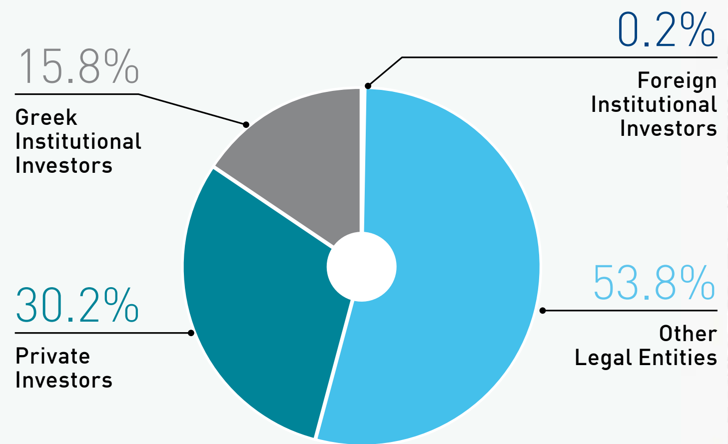
2008 DAILY VOLUME OF TRANSACTIONS AND PRICE OF TITAN PREFERENCE SHARES

SOURCE: Reuters

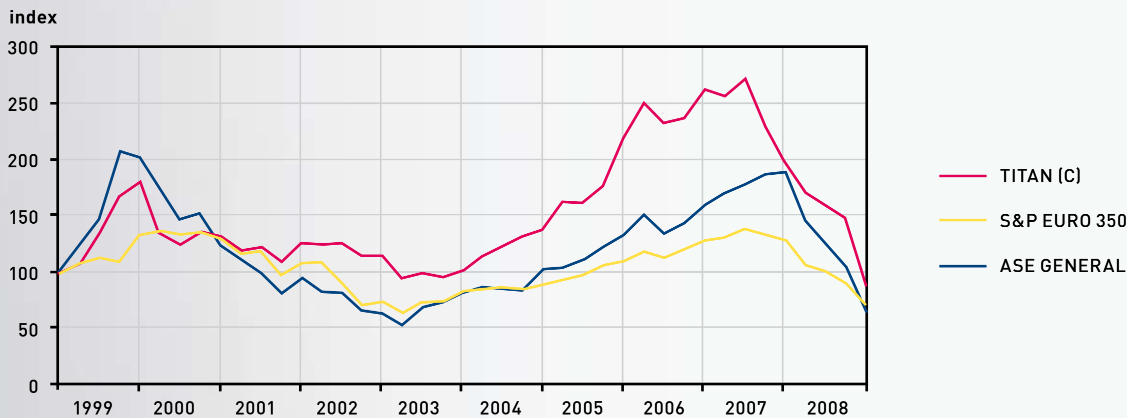
TITAN COMMON SHARES AS AT 31.12.2008



TITAN PREFERENCE SHARES AS AT 31.12.2008

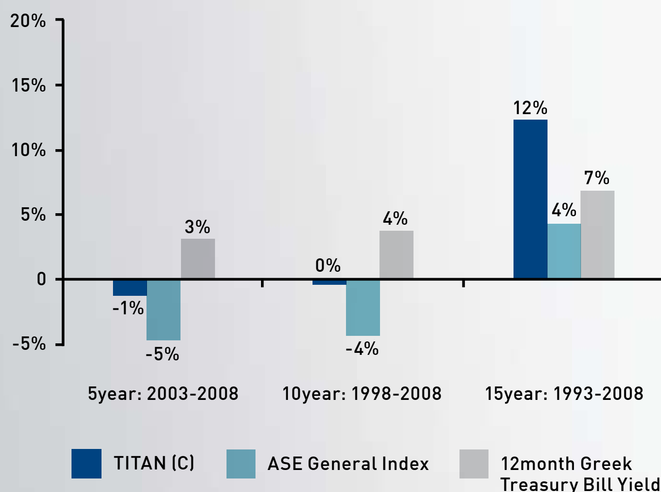


Share price performance of TITAN Common shares vs. the S&P Euro 350 index and the ASE General index (31.12.1998 = 100)



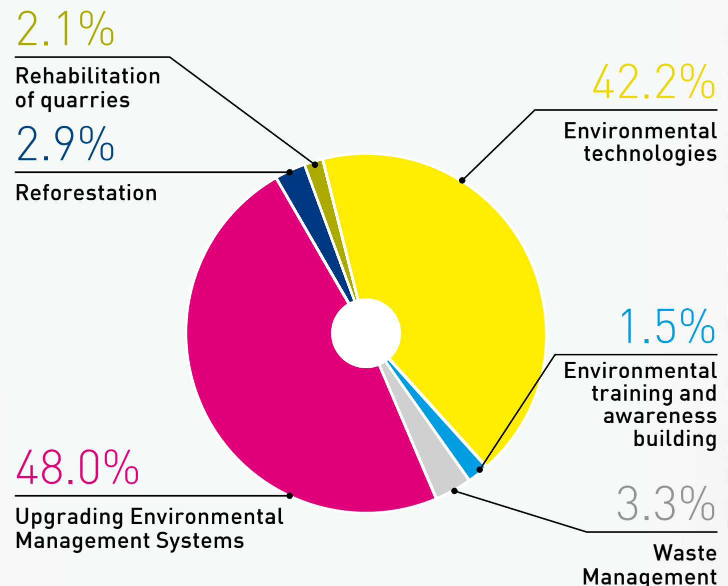
SOURCE: Reuters

AVERAGE ANNUAL COMPOUND RETURN ON TITAN COMMON SHARES *



** Dividend reinvestment included*

2008 TITAN GROUP ENVIRONMENTAL INVESTMENTS



In 2008 our cement plant in Roanoke received the Virginia Governor's Award for Environmental Excellence for Land Conservation and was awarded an Energy Star by the US Environmental Protection Agency and the Department of Energy for its energy-saving record.

The reduction, reuse and recycling of raw materials, energy and waste are core elements in TITAN's environmental policy.

For more information please refer to CSR and SD Report p. 40

Roanoke plant, Virginia, USA

Enhancing Sustainable Growth

Our Values which underpin our Corporate Strategy, have served us well throughout 100 years of sometimes turbulent history. We use them actively to drive all our activities and operations across 12 countries in Europe, the Eastern Mediterranean and North America.
They remain as relevant today, as they ever were.

- **Integrity**
- **Continuous Improvement**
- **Commitment to Results**
- **Value to the Customer**
- **Know-how**
- **Corporate Social Responsibility**

These values are the cornerstone of our four-tier Corporate Strategy of:

- **Geographic Diversification**
- **Continuous Competitiveness Improvement**
- **Vertical Integration**
- **Focus on Human Capital and CSR**

By committing us to the long term, our strategy leads us to constantly invest in our physical, technological and human assets to achieve and enhance sustainable growth and ensures that we mitigate the risk of downturn in particular segments and local markets.

Corporate values and strategy focus us on achieving our Governing Objective **to grow as a multi-regional, vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with respect for people, society and the environment.**

Furthermore, the Code of Conduct defines our responsibilities towards all groups which are affected directly or indirectly by our business activities, such as shareholders, customers, employees, business associates and society at large.

For more information please refer to CSR and SD Report p. 11

The examples that follow show our strategy in action.

TITAN

Our Strategy in action

Expansion of operations in Egypt

Gaining and increasing a presence in a number of markets gives the opportunity of sales growth and diversifies risk across multiple regional markets.

In 2008 TITAN doubled the size of its operations in Egypt by acquiring Lafarge's share in Lafarge-Titan Egyptian Investment, a 50/50 joint venture. The company, renamed TITAN Cement Egypt, owns two cement plants, Beni Suef Cement Co. and Alexandria Portland Cement Co., both located near heavily populated areas: Cairo and Alexandria. The two plants' combined annual cement production capacity is approximately 3.3 million tonnes.

The new organizational structure of our operations has come at a time when TITAN Cement Egypt is called upon to cope with increasing domestic demand, driven by the robust growth of the construction sector, as well as with intense competition, as new capacities rapidly come on stream.

In 2008 investment in the construction of the second production line at the Beni Suef Cement Plant progressed according to plan. The new line is designed according to best available technologies in cement manufacturing and will result in improved environmental performance and reduced thermal and electrical energy consumption (vertical raw mill, bag filter, calciner, cooler). With the new line, which will commence operation in the last quarter of 2009, TITAN Cement Egypt's annual production capacity will reach nearly 5 million tonnes, marking an almost 50% increase of our presence in this growing, emerging market.

The Egyptian cement market has been growing steadily over the last few years. In 2008 cement consumption is estimated to have reached about 38.7 million tonnes. Strong demand for cement is largely fuelled by the strong liquidity from the Gulf States despite the current financial crisis. The Egyptian government's recent announcement that it will invest EGP30 billion (approx. €4 billion) for infrastructure and construction projects further underpins a strong future outlook.

For further information please refer to p.36

Last stage of modernization at Thessaloniki plant

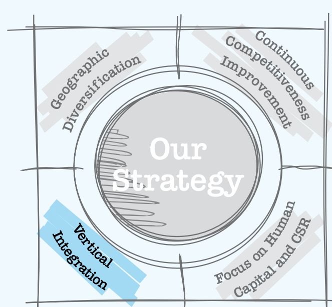
In order to increase productivity and profitability, we at TITAN continually invest in modernization and the introduction of new technologies to reduce the consumption of costly and environmentally scarce resources. Since maintaining the highest levels of competitiveness is critical to retaining a successful position in cyclical markets such as the building materials sector, continuous efforts to improve our efficiency are an integral part of TITAN's development strategy.

Our plant in Thessaloniki, Greece was upgraded in August 2003 with a new kiln line of clinker annual production capacity of 1.5 million tonnes. The company proceeded the following year with the installation of a new vertical cement grinding mill, fitted to the highest technological standards. On the back of improved operational know-how and successful results in terms of delivering products of superior quality and reducing our environmental impact by decreasing electricity consumption, we decided to install a twin vertical mill. The operation of the second mill in spring 2007 completed the full modernization of the Thessaloniki plant in all phases of production.

The simultaneous operation of the two new vertical cement grinding mills yielded superior results in terms of reduced energy consumption and increased production capacity, which became more apparent in 2008, the first year of full operation. Furthermore, the installation of state-of-the-art bag filters has resulted in a more efficient and environmentally friendly operation overall. We now have the flexibility to rapidly switch production between different types of cement, while guaranteeing the quality of our products. This has substantially speeded up our ability to respond to market needs, enhancing our competitiveness and ensuring consistent satisfaction of our customers.

Building our Ready Mix Concrete Network in Bulgaria

Seeking to benefit from as many aspects of the cement value chain as possible, TITAN is moving into related building materials sectors including ready mix concrete, concrete blocks, aggregates, dry mortars and fly-ash. Doing so gives better access to new margins in areas where our financial strength, our sector knowledge and expertise give us an advantage. This enables us to spread the risk of being a single-product business, as well as to compete successfully with local and global players. We are actively building vertical integration as a major element of corporate strategy in our largest markets: Greece and the USA. Recently, we also expanded our vertical integration strategy to South Eastern Europe, with a particular focus on Bulgaria.



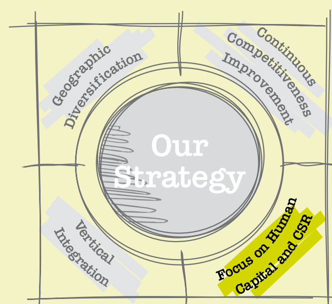
In 2008, on the back of growing demand for building materials in Bulgaria, our Zlatna Panega plant, took a series of actions towards further vertical integration and the enhancement of production capacity of our existing ready mix concrete production units. In this context, one of the ready mix plants located near the capital, Sofia, was upgraded with the installation of new mixing equipment and a new ready mix concrete production unit which commenced operations in Veliko Tarnovo in November 2008. At the same time, the Group is actively considering the expansion of its ready mix plants network in different parts of the country, aiming at building a competitive advantage in the sector and serving increasing needs for infrastructure work, commercial projects and residential construction.

Despite the temporary shutdown of one of Sofia's units for equipment upgrade during the summer season and the November start-up of the new, fifth ready mix plant at Veliko Tarnovo, Zlatna Panega Beton, our ready mix business in Bulgaria registered solid turnover and volume growth in 2008.

For further information please refer to p.34

Building a new cement plant in Albania

The construction of the new cement production plant in Albania is one of the most challenging projects undertaken by TITAN Group during the last decades. As reported in 2007, this project attracted the interest of the International Finance Corporation (IFC), the development branch of the World Bank, and of the European Bank for Reconstruction and Development (EBRD). In November 2008 the two Banks joined forces with TITAN Group and signed a contract for their participation with both equity and debt financing in ANTEA Cement SA, the Group's subsidiary in Albania. Construction of the new plant is guided by principles reflecting TITAN's values and new management systems are being developed to ensure the profitability and sustainability of ANTEA.



Based on the results of the environmental and social impact assessment (for further information please refer to: www.antea-cement.com), construction of the new plant began in May 2008, along with the introduction of an environmental and social action plan consisting of the following elements:

- An integrated Environmental Management System in accordance with the ISO 14000 series of standards
- An integrated Social Responsibility Management System in accordance with the SA8000 standard.
- An integrated Occupational Health and Safety Management System for the construction of the new plant and road safety.

Additionally, a three-year social community plan was introduced to examine all claims raised by local stakeholders, identify opportunities and explore new perspectives for sustainable development.

Proactive stakeholder engagement was achieved through concerted communication efforts, including a new website dedicated to the ANTEA project, communication offices in the neighbouring villages, a local liaison committee comprising representatives of all interested parties, and a Group steering committee appointed by TITAN to coordinate and monitor performance at all levels.

For more information please refer to CSR and SD Report p.12

TITAN

Financial Review 2008

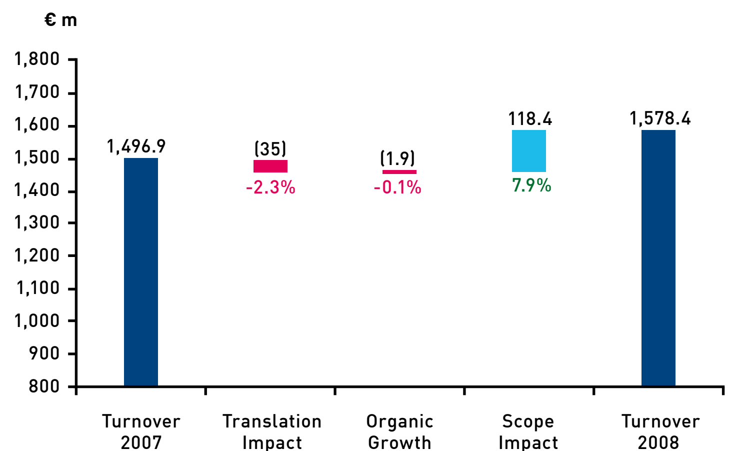
Group Financial Results

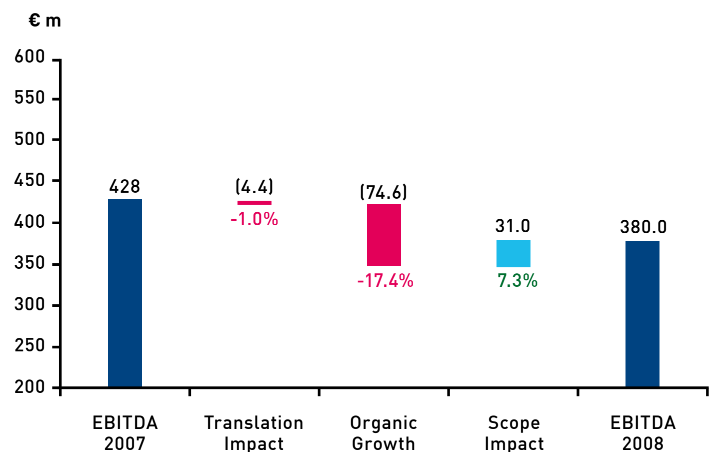
During 2008, Group turnover increased by 5%, bringing full year turnover to €1,578m. At constant exchange rates, turnover increased by 8%. EBITDA reached €380m, which represents a decline of 11% (or 10% excluding the impact of foreign currency translation). Excluding the impact of translation and of acquisitions, full year turnover was flat, while EBITDA declined by 17%. As a result, Group net profit after taxes and minority interests decreased by 13%, reaching €208m. It should be noted that the reported income tax for the year was close to zero due to extraordinary positive items. Annual earnings per share stood at €2.53 compared to €2.85 in 2007.

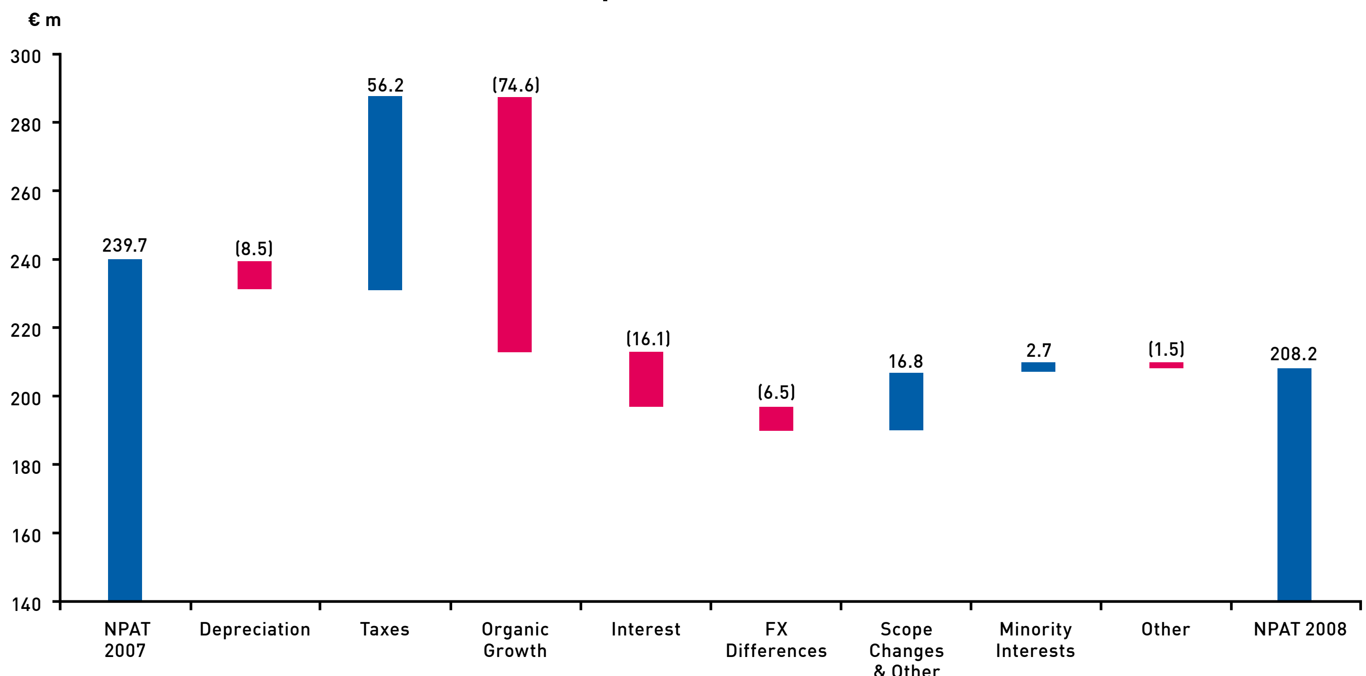
The most significant impacts on the Group balance sheet relate to acquisitions made in Egypt and Turkey and CAPEX, mainly for the new plant in Albania and the new production line in Egypt, which resulted in a net debt increase by €545m since the beginning of 2008. The Group invested €587m during the year, of which €378m was in acquisitions, which resulted in consolidated net debt of €1,114m at the end of December. At the same time, financing costs increased by 51%, reaching €52m.

Furthermore, we made investments of €27 million in environmentally friendly technologies, environmental management, waste management, rehabilitation of quarries and training.

On the basis of its share buy-back program, TITAN has purchased 2,107,429 shares during the year, representing 2.49% of the Share Capital, at the total price of €56.4 million.







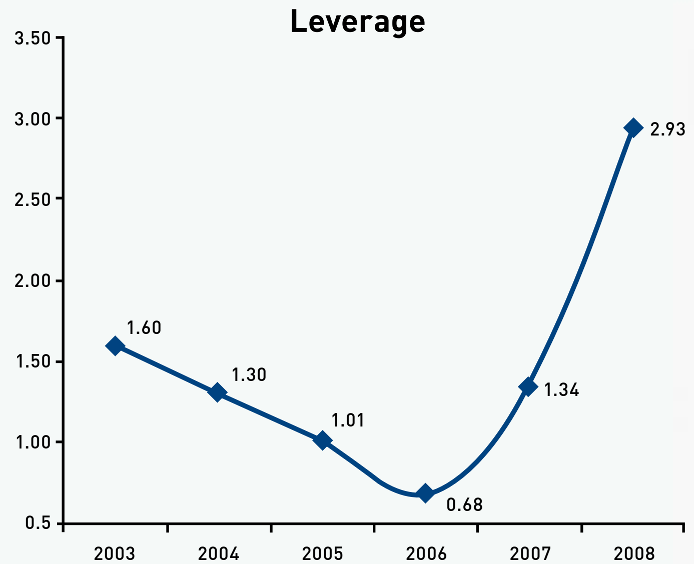
In response to the global financial crisis, management is emphasising cash-flow generation and de-leveraging, coupled with cost reduction and control of capital expenditure. The Group's liquidity has improved significantly in the last quarter of the year and following the amendment of some of the financial covenants on the major borrowing facilities during the second half of 2008, the Group has ample headroom under all its covenants.

Despite the market downturn, TITAN launched an ambitious investment programme aimed at the long-term opportunities that will be available when the global financial crisis recedes. These investments led to an increase in leverage from 1.34 to 2.93 and, naturally, reduced return on invested capital for the year to almost 10%. Returns on these investments are expected over the coming years.

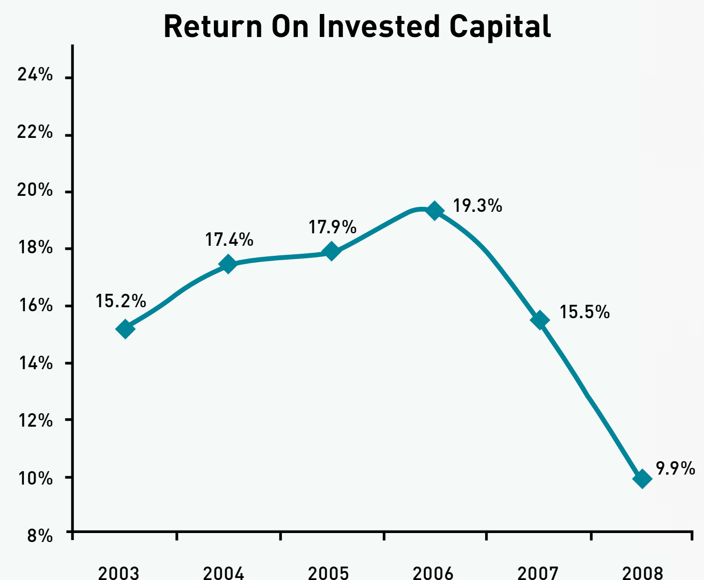
The Group continues to deliver strong growth year on year, with a solid business profile based on geographic diversification and good historical profitability. For the period 2003 - 2008, Earnings Per Share grew at the rate of 12% per annum. TITAN's stock price closed the year at €13.90. Despite market performance in 2008, the stock has delivered solid growth for long term investors of 12% per annum over the last 15 years.

For more information please refer to p.12-15

Aggregates business, USA



Leverage: Net Debt to EBITDA ratio



Return on Invested Capital: Net Profit after Taxes and before Minorities divided by Average Invested Capital

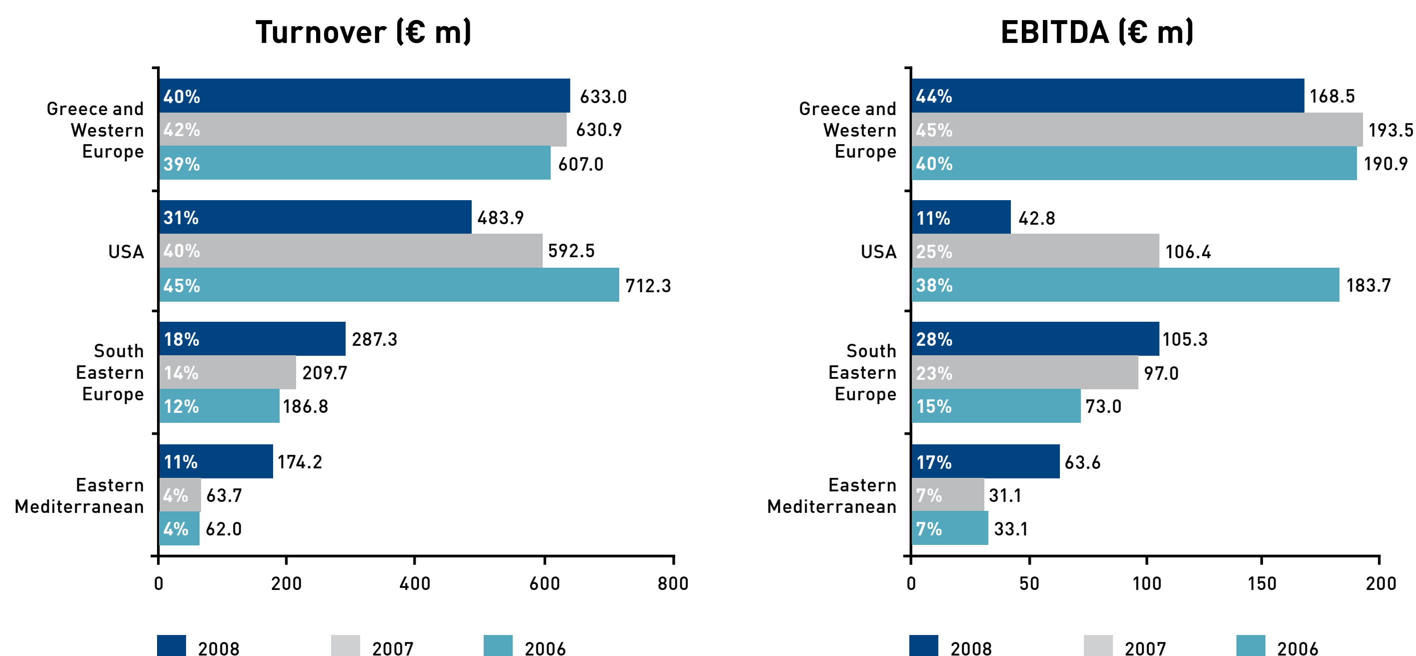
Parent Company Financial Results

In 2008, the Company achieved sales of €549 million, an increase of 2.4% compared to 2007. Operating profits (EBITDA) were reduced by 13%, reaching €148 million, reflecting a reduction in domestic sales, increased costs and lower margins mainly due to the high prices of solid fuels. Net profits were reduced by 10.8%, down to €106 million.

Significant Post - Balance Sheet Events

On January 30th 2009, the District Court of the Southern District of Florida, USA, overturned the decision issued by the USA Circuit Court of Appeals in May 2008 and vacated all the mining permits for the quarries in the Lake Belt area of Miami-Dade County. This ruling related to nine permits granted by the USA Army Corps of Engineers to various companies, including TITAN's Tarmac America. The Company and the other mining permittees have appealed the order.

TURNOVER AND EBITDA BY REGION 2006-2008



EXCHANGE RATES FOR THE TRANSLATION OF MAIN CURRENCIES

Foreign Currency per Euro	Year end rate			Average rate		
	2008	2007	Movement +/- (%)	2008	2007	Movement +/- (%)
USA Dollar (USD)	1.3917	1.4721	5.5%	1.4726	1.3797	-6.7%
Japanese Yen (JPY)	126.14	164.93	23.5%	151.53	162.11	6.5%
British Pound (GBP)	0.9525	0.7333	-29.9%	0.8026	0.6873	-16.8%
Canadian Dollar (CAD)	1.6998	1.4449	-17.6%	1.5656	1.4663	-6.8%
Egyptian Pound (EGP)	7.6752	8.1223	5.5%	8.0131	7.7728	-3.1%
Bulgarian Leva (BGN)	1.9558	1.9558	0.0%	1.9558	1.9558	0.0%
Macedonian Dinar (MKD)	61.4123	61.2016	-0.3%	61.2800	61.1900	-0.1%
Yugoslav Dinar (RSD)	88.6010	79.2362	-11.8%	81.9100	80.0900	-2.3%
Turkish Lira (TRY)	2.1488	1.7170	-25.1%	1.9138	1.7800	-7.5%

Note: All Balance Sheet accounts are calculated at year end rates.
All Profit and Loss accounts are calculated at average rates.

Review of Business Activities

CEMENT

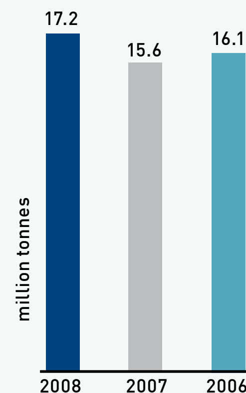
Cement is a substance with the ability to harden upon contact with water (hydration reaction). It is made by grinding clinker, gypsum and/or other cementitious materials to a fine powder. The fine powder consists of hydraulic calcium silicates and aluminates that when mixed with mineral aggregates (like sand, gravel or crushed stone) and water acts as the binding agent to form concrete.

TITAN produces Portland cement, masonry cement and other cementitious materials, such as processed fly-ash, while through extensive R&D is able to offer various types of blended cements for specific applications.

Performance 2008

In 2008 Group sales of cement and cementitious materials, like processed fly-ash, increased by 10% to 17.2 million tonnes. Growth is primarily due to the first time inclusion of the operations in Turkey following the acquisition of a 50% equity stake in Adocim Cimento, the increase of cement deliveries in the region of South Eastern Europe and in demand and sales growth in Egypt.

Sales of cement*



** joint-venture sales and cementitious materials included*

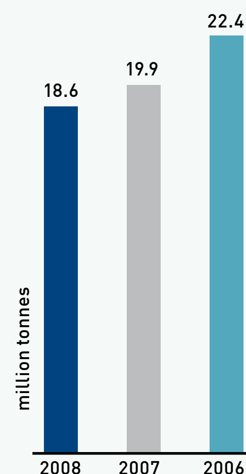
AGGREGATES

Aggregates include crushed stone, gravel and sand. Aggregates differ in their physical, mechanical and chemical properties, granularity and hardness. The main use of aggregates is the manufacture of concrete or concrete products, like building blocks. Other applications include the construction of roads, railway tracks etc.

Performance 2008

Sales of aggregates posted a 7% decline compared to the previous year reaching 18.6 million tonnes. The decrease reflects to a great extent the deteriorating conditions in residential construction in the USA and the slow-down of the market in Greece.

Sales of aggregates



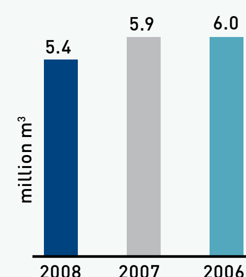
READY MIX

Concrete is produced by mixing cement, water, and aggregates. One cubic meter of concrete mixture contains approximately 300 kg of cement, 150 liters of water and 2 tonnes of aggregates. Depending on the formula selected, the concrete produced has different properties aimed to address our customers' diverse needs.

Performance 2008

Sales volumes of concrete declined by 8% compared to the previous year, reaching 5.4 million cubic meters. This decrease of volumes, similar to the levels posted by aggregates sales, reflects the weak market conditions for construction in the USA and the downturn of Greece.

Sales of ready mix



CSR and Sustainability Review

Embedding corporate social responsibility and sustainable development in TITAN Group's decision-making and daily operations is a constant endeavour supported and encouraged by our engagement with employees and other key stakeholders.

For TITAN CSR is a step beyond compliance; it is a conscious and voluntary pledge to do better. It is not only a matter of ethics or even social responsibility, but also good business practice that creates value.

2008 was marked by dramatic changes for society and business. Focus on responsible corporate practices has become even more important and transparency, integrity and application of sustainability principles prevail in the social agenda. TITAN has continued the implementation of its strategy focused on "branching out and adding value" within the sphere of its influence and particularly its own operations, employees and business partners, shareholders, customers and local communities.

For the TITAN Group two issues are the top priorities, safety at work and climate change.

- 2008 was not a good year for our safety performance. With deep regret we recorded the occurence of five fatalities (three contractors' employees, one direct employee and one third party involved in a traffic accident). Our efforts to increase awareness, upgrade management systems in accident prevention, change attitudes and establish a strong safety culture are continuously enhanced, coordinated by the Group Health and Safety Committee with the support of top experts. Despite last year's setback we are still targeting our safety performance to be among Cement Sustainability Initiative's (CSI) top quartile by the end of 2010.
- 2008 has also marked the fifth anniversary of TITAN's endorsement of and commitment to the WBCSD/CSI. An overview of our progress during these years according to the Agenda for Action agreed among core members indicates that the TITAN Group has met most of its environmental targets set in 2006 with significant reductions in CO_2 (14.8%) and other air emissions (dust, NO_x and SO_x), constantly improving its performance and incorporating new management tools. For TITAN last year was also rich in other sustainability and environmental activities and achievements. These include reforestation and quarry reclamation projects, continuous efforts to develop eco-friendly products, to improve our energy and natural resources conservation record, to actively support biodiversity etc. –in general to mitigate impacts of our environmental footprint.

At the same time, new initiatives were undertaken to further improve relations and constructively engage in dialogue with our people, our investors, our customers, suppliers, with communities and other key stakeholders.

Stakeholders Forum, Kamari plant, Greece

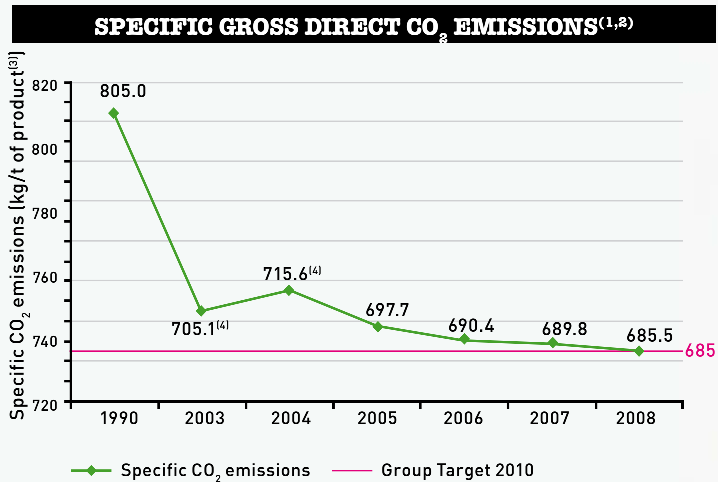
- In Greece, we organized the 1st Stakeholders' Forum. Representatives of different stakeholder groups were invited to participate in an overall review and discussion of our strategy, priorities and practices. The Forum's conclusions and recommendations covered all aspects of our policy and practices including human resources development, safety at work, environmental protection and sustainable development, local communities, transparency and accountability, communication and sharing best practices. TITAN is placing particular emphasis on utilizing the Forum's outcome as a valuable guide, a "compass" for its future plans and actions.
- In Albania, the construction of a new cement plant goes hand-in-hand with the application of TITAN Group standards in safety, environmental protection, community relations and supply chain management.
- Being among the first 500 companies worldwide that signed the U.N. Global Compact, the TITAN Group has always encouraged the dissemination and adoption of the ten Global Compact principles, related to human rights, labor rights, environmental stewardship, transparency and corruption. In 2008 the TITAN Group was instrumental in the establishment and development of national Global Compact Networks in Greece and in FYROM.
- Engaging with our suppliers was another step-forward made last year with respect to practicing our values and meeting our voluntary commitments. In cooperation with Volkswagen, Hewlett Packard and L'Oreal we launched a new electronic Guide for Responsible Supply Chain Management. This has been the main outcome of a two-year collaboration involving more than 30 European and multinational companies and stakeholders' representatives. The Guide is linked to our new website and offers information, training courses and self-assessment tools for all interested parties.
- The independent assessment and verification process introduced in Greece, in 2007, was expanded to our South Eastern European operations last year, supporting our continuous improvement efforts.

During 2008 we continued and intensified our endeavours in two other key CSR areas:

- Facilitating the use of Employee Direct Communication Line through advanced intranet applications
- Implementing long-term community development and partnership programs as well as our action plan for the restoration of fire-stricken areas

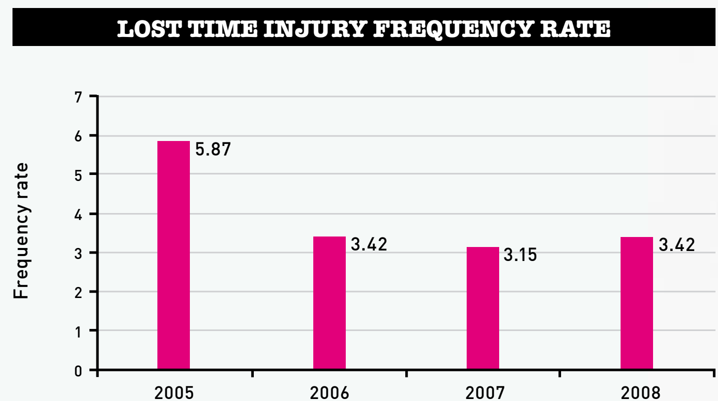
For more information please refer to CSR and SD Report

SPECIFIC GROSS DIRECT CO_2 EMISSIONS[1,2]



[1] *Calculation of specific emissions based on the equity held by TITAN Group in year 2006.*
[2] *CO_2 emissions do not include emissions related to vehicles and mobile equipment.*
[3] *Product equals cementitious product as defined by WBCSD/CSI.*
[4] *Recalculated on cementitious product base according to WBCSD/CSI.*

LOST TIME INJURY FREQUENCY RATE



Thessaloniki plant, Greece

Greece and Western Europe

Overview of the market

Economic activity in Greece decelerated in 2008, especially in the second half of the year, due mainly to the weakening of domestic demand. Real growth rate reached 2.9% in 2008 compared to 4.0% in 2007. Following the rise in fuel and commodities prices to record levels, inflationary pressures accelerated and the average annual inflation rate reached 4.2%.

In contrast to the surge seen over the last five years, a contraction of construction activity, especially in the housing sector, led Gross Fixed Capital Formation to fall by 0.5%.

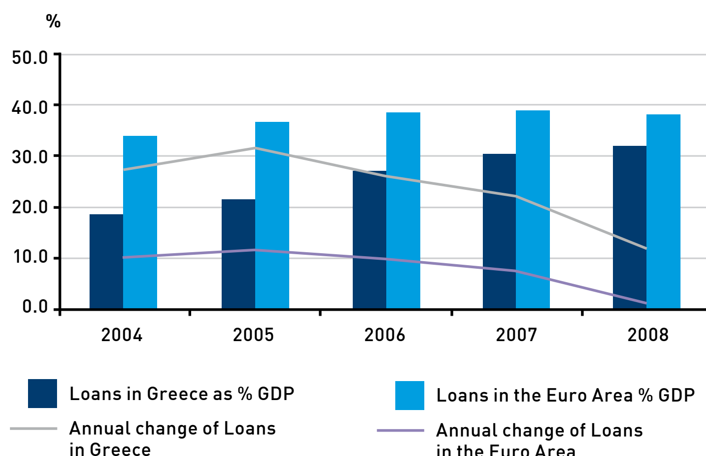
Building activity was negatively affected by a combination of the reduced volume of housing permits issued (-17% in 2008, compared to 2007), the excess housing inventory, and constraints of bank financing.

In 2008, housing credit expansion continued to slide. Growth rate of housing loans was 12% in 2008, compared to 21% the year before. Despite credit expansion, housing loans in Greece still remain lower as a percentage of GDP (31.8%), than the respective figures in the Euro area (38.1%).

In 2008, the Group's turnover in Greece and Western Europe showed a marginal increase of 0.3% compared to 2007, reaching €633 million. The unprecedented increase in the price of solid and liquid fuels affected operating profitability, EBITDA, which declined to €168 million, a 13% reduction compared to 2007.

MORTGAGES IN GREECE AND THE EURO AREA

Annual changes in outstanding balances and loans as a percentage of GDP



SOURCE: European Central Bank, Bank of Greece, European Commission.

Cement

In 2008, cement consumption in Greece is estimated to have decreased by 7-8%, following a 5% reduction in 2007 as compared to 2006. The annual decrease of 2008 started with a small decline in the beginning of the year, culminating in a significant drop in the last quarter. This trend looks set to continue as a result of the economic crisis that erupted in the early autumn of 2008.

The fall in cement consumption in the past year is mainly due to a large decline in private consumption (residential construction), where numbers of finished and unsold houses on the market is high.

At the same time, energy costs surged. Prices of solid fuels reached unprecedented levels until the autumn of 2008, when they began to de-escalate. The cost of electricity marked a 10% increase in the second half of the year, on top of an equal increase in 2007. As a result, over a period of 7 months electricity tariffs increased by 21%.

Investments in fixed equipment, in our cement plants, focused on environmental issues (reduction of CO_2 emissions), health and safety at work, and the use of alternative fuels.

GREECE

	2008*
GDP (real growth rate)	2.9%
Population (millions)	11.2
Cement Production (million tonnes)	14.0
Cement Consumption (million tonnes)	10.1

** Estimates*
Sources: Bank of Greece, European Commission, Company estimates

Cement exports

Cement export volumes increased during the year, mainly due to the slowdown of the domestic market.

Exports to the USA were reduced further compared to the previous year, because of the continued decline of the housing market and the significant increase in freight rates.

However, the lost export volumes to the USA were almost entirely replaced by exports to West African destinations.

Exports to the Group's terminals in Europe were stable, while cement exports to Albania increased significantly in view of the Group's new cement plant coming on stream in early 2010.

Ready-mix concrete

The slowdown in construction affected the course of our company's Concrete Division, reducing sales by approximately 5-6%.

In 2008, a series of activities was undertaken for the restructuring of our productive capacity. Through new investments (Domiki Beton in Crete) and the consolidation of activities (including the closure of three concrete production units in northern Greece) we optimized our operations.

In 2008, INTERBETON launched a series of new products (such as INTERFILL, INTERPUMP and GAIAFILL), to meet specific customer needs, designed by the Company's research team.

Port of Elefsina plant, Greece

Aggregates

Sales of aggregates from the Group's quarries increased by 3% compared to the previous year. This increase was supported by the quarries of Domiki Beton SA and LATEEM SA, which were acquired in 2007.

During the year an increasing number of the Group's quarries progressed on the process of certification according to ISO 18001 for health and safety and according to ISO 14001 for environmental management.

In 2008, the Group expanded further by acquiring 100% of the quarries of Thisvi and Vachou and the remaining 49% of LATEEM SA.

In the same year, the quarries of Vachou and Leros began the process for the installation of new aggregates production units.

Dry Mortars

Despite the crisis in construction, sales volumes of our subsidiary for dry mortars, INTERMIX, showed only a slight decline compared to 2007, expanding its presence in new markets.

The past year also saw the beginning of investments for the construction of a second dry mortar INTERMIX production unit in Thessaloniki.

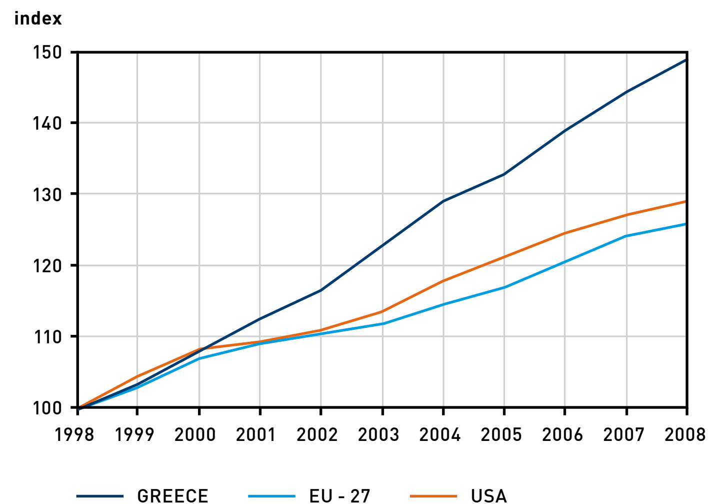
Porcelain

In the retail sector, IONIA, our porcelain business, maintained 2008 turnover at the same level as 2007. The growth trend of the first half of the year was offset by the decline of the market due to the economic crisis in the last quarter.

In the professional sector, following a restructuring plan, in December 2008 the company signed a distribution agreement with Yalco, regarding the professional porcelain product line, effective as of February 2009.

As a result, IONIA is able to focus on the growth and development of its retail operations, while at the same time capitalising on the opportunities provided by the strong sales network of its distributor, Yalco, both in Greece and abroad.

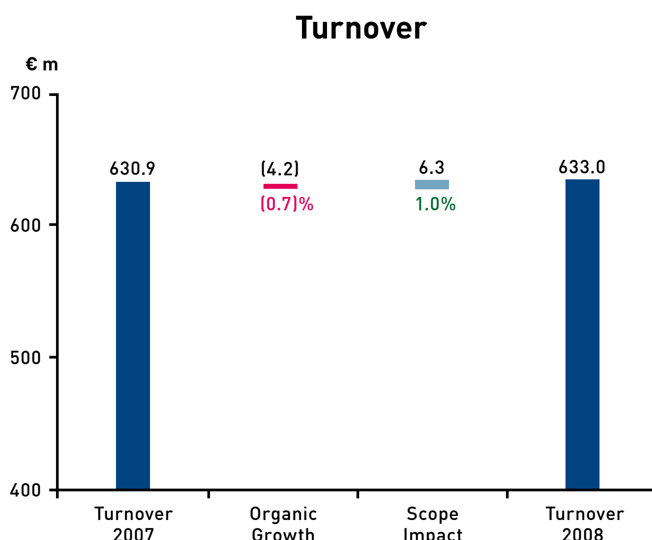
CHANGES IN GDP IN GREECE, THE EUROPEAN UNION AND THE U.S.A.
(constant 2000 prices,1998 =100)



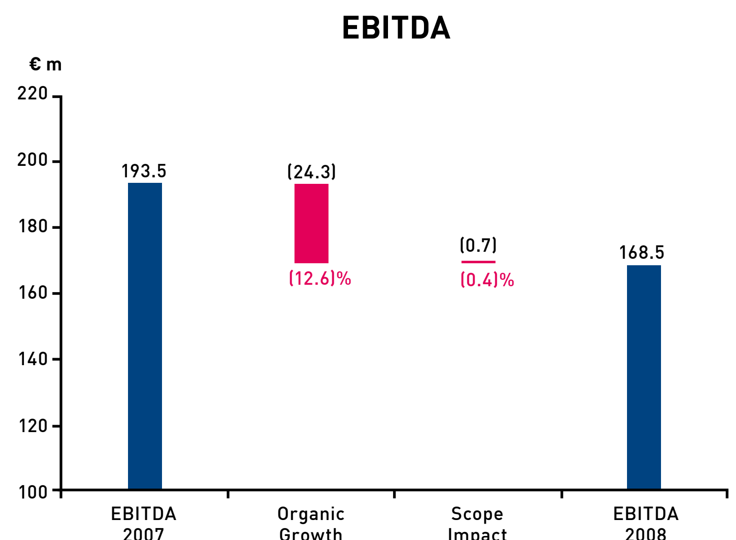
SOURCE: European Commission, Autumn 2008.

2008 FINANCIAL RESULTS - GREECE AND WESTERN EUROPE

Turnover



EBITDA



Drepano plant, Patra, Greece

USA

Overview of the market

In 2008, as measured by real GDP growth, the USA economy expanded at an estimated annual rate of 1.1%. The economic downturn accelerated as the year progressed with 2008's fourth quarter GDP contracting by 6.3% on an annualized basis. This primarily reflects the continued dramatic decline in residential fixed investment, a rapid deceleration in personal consumption expenditures, and a slow down in the rate of growth of state and local government expenditures. On the other hand, increased federal government expenditures and improved export conditions provided some support to the economy.

The employment picture also deteriorated in 2008 and by year-end, unemployment stood at 7.2% (compared to 4.9% at December 31, 2007) with more than half of the job losses occurring in the last quarter of the year.

Headline inflation, stoked by higher energy and food prices, increased to 3.8% in 2008, but "core" inflation (excluding energy and food) remained low at 1.9%. The low level of core inflation has allowed the Federal Reserve Board to take aggressive policy actions in an attempt to place a floor under the ailing economy.

In 2008 residential construction spending declined by an estimated 27% year on year, with housing starts deteriorating to the lowest level in more than fifty years. In addition to the ongoing difficulties faced by the housing sector, tighter credit conditions and declining business sentiment led to a substantial downturn of the non-residential sector. Combined, USA construction spending declined 5.5% - to $1.07 trillion during the year.

In the wake of the decline in construction activity, cement consumption for the year fell by more than 15% to an estimated level of 96.5 million tonnes. Imports, were reduced to 12% of USA demand, standing at 11.5 million tonnes in 2008, while cement capacity utilization is estimated to have fallen to approximately 70% in 2008. For the full year, average selling prices of cement across the USA were broadly stayble. Many markets, however, were under increasing pricing pressure by year-end.

According to USA Geological Survey estimates, in 2008 the value of total cement production was about $9.4 billion and the value of total sales (including imported cement) about $10.6 billion.

USA Operations

The ongoing housing market crisis had an intense negative impact on demand, and sales volume across all lines of our products were strongly impacted.

Reflecting the difficult trading environment, TITAN America's results came under significant pressure in 2008 with turnover and operating EBITDA slipping by approximately 18% and 60% respectively, compared to 2007. The disappointing outcome in 2008 resulted primarily from the deterioration in market demand and the impact on margins from higher energy, raw material, and transportation costs.

Florida

According to the USA Geological Survey, cement consumption in Florida declined to 6.2 million tonnes in 2008 from 8.2 million tonnes in 2007 and 12.2 million tonnes in 2006, a two year decline of approximately 50%. Lower cement volumes, when combined with higher energy and raw material costs and a higher degree of reliance on sales to industry participants at lower margins, weighed on cement profitability.

As in the case of cement, ready-mix concrete and concrete block demand in Florida came under pressure for the second consecutive year. Higher input costs and reduced volumes resulted in a difficult trading environment. On the other hand, aggregates profitability rebounded, having benefited from a mid-year lifting of the ban on mining in the Lake Belt mining moratorium (see below).

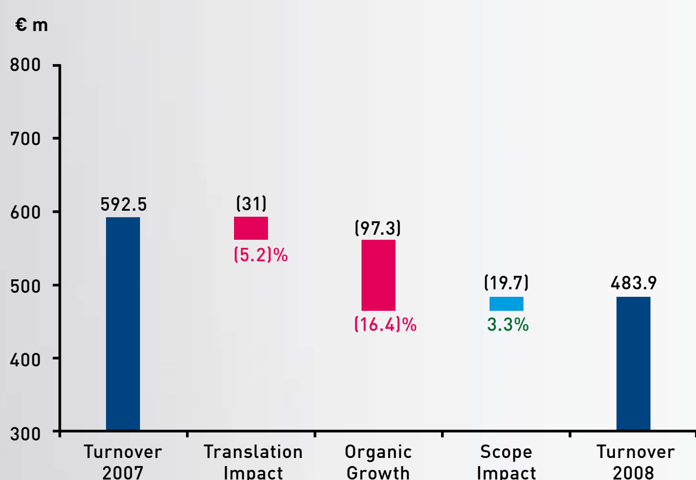
In May 2008, the U.S. Court of Appeals for the 11th Circuit reversed a lower Court's May 2006 decision and the ruling invalidating mining permits issued under Florida's Lake Belt plan - including the permit issued to our Pennsuco quarry, issued in July 2007. As part of its ruling, the Court of Appeals remanded the case for rehearing by the lower Court. On January 30, 2009, the lower Court entered a Final Judgment, setting aside all of the 2002 Lake Belt permits. The Company and the other mining permittees have appealed the January 30, 2009 order on the basis that the lower Court's analysis remains flawed and fails to grant the appropriate level of deference to the USA Army Corps of Engineers (the "Corps") in its role as the permitting agency. Following the earlier lower Court ruling, the Corps undertook to prepare a Supplemental Environmental Impact Statement ("SEIS") to further study and document the effect of mining on the environment, which is expected. The SEIS is expected to be completed in 2009.

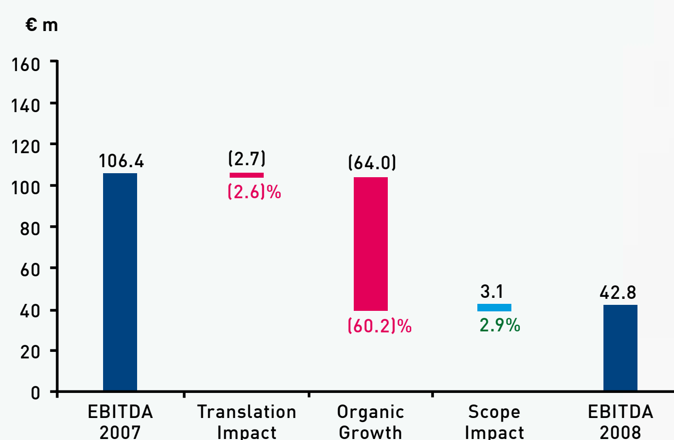
USA

	2008*
GDP (real growth rate)	1.1%
Population (millions)	305.5
Cement Production (million tonnes)	87.7
Cement Consumption (million tonnes)	96.5

** Estimates*
Sources: USA Bureau of Economic Analysis, USA Geological Survey, USA Census Bureau, PCA

2008 FINANCIAL RESULTS - USA





Mid-Atlantic

As in Florida, cement demand waned in the Mid-Atlantic region in 2008. According to the USA Geological Survey, cement consumption in Virginia and North Carolina declined by more than 15% and 22%, respectively when compared to 2007. Output at the Company's Roanoke Cement plant held up better having benefited from established trading relationships and vertical integration through its Virginia Readymix and S&W Readymix franchises plants. As in Florida, the ready-mix business was challenged by lower market demand and higher input costs.

New York / New Jersey

In Metro New York, the Essex cement import terminal struggled having a challenging year with lower demand and high ocean freight rates, which persisted through the majority of the year before collapsing in the fourth quarter. The high in-bound freight costs had a substantial negative effect on Essex's margins and volumes.

Separation Technologies

Total sales of processed fly-ash, ProAsh, and related materials remained stable year-over-year, in spite of the slow-down in demand for cement and other building materials. However, profitability was constrained by a variety of factors including competitive activity and quality of the unprocessed feed ash at some of the locations.

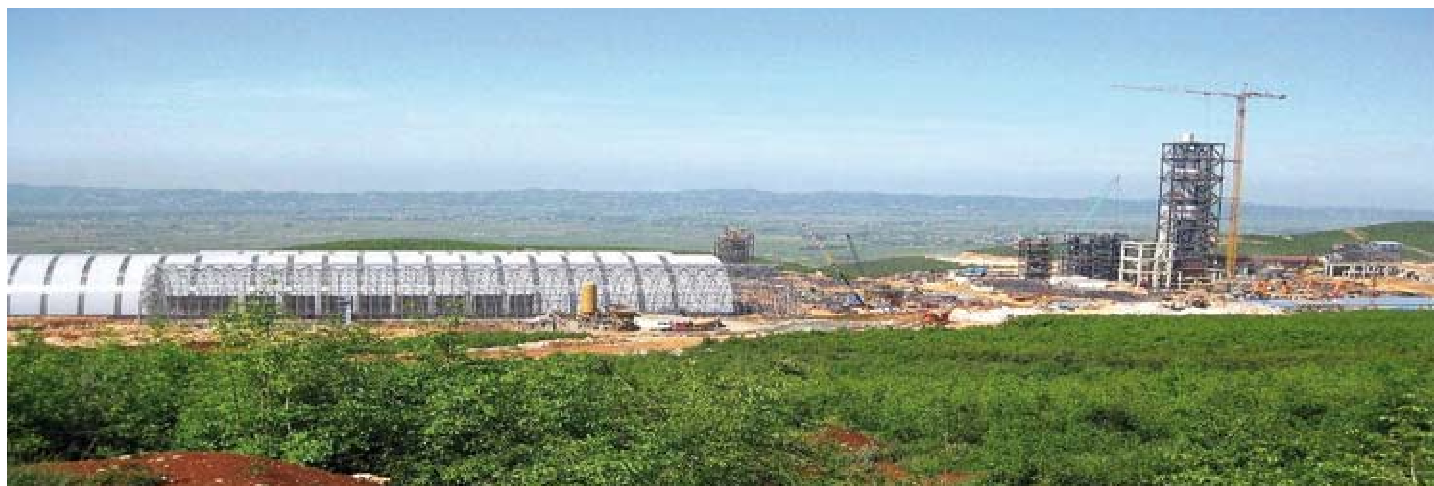
During 2008, Separation Technologies commissioned a new separator site in Florida but start-up difficulties, since resolved, limited its ability to favorably contribute to profitability. Continued emphasis of green building materials and cost structure emphasis within the ready-mix concrete sector is expected to benefit Separation Technologies' results in 2009 and beyond.

South Eastern Europe

Overview of the market

Our region of South Eastern Europe posted significant growth in 2008. On the back of strong demand mainly in the markets of Bulgaria and Serbia and increased production output from our plant in Zlatna Panega. Turnover showed double digit growth of 37% reaching € 287.3 million, while operating profitability EBITDA increased by 8.5% to € 105.3 million.

Furthermore, the Group is expanding its operating presence in Albania through imported cement, in preparation for the operation of the new cement plant in Boka e Kuqe in early 2010. The addition of the new plant, will increase our capacity and exposure in this emerging region by nearly 50%.



Greenfield cement plant under construction in Boka e Kuqe, Albania

BULGARIA

During 2008, Bulgaria posted strong economic growth recording GDP increase of 6% while maintaining its political stability. Inflation is estimated to have reached about 12.5%, following the global trend of increases in fuel, energy, food and commodities prices.

The cement market continued to grow at an impressive rate and exceeded 2007 levels by about 14%, reaching 4.8 million tonnes. This performance was driven mainly by foreign direct investment, which resulted in tourism and resort construction as well as in a residential and administrative building boom.

TITAN's plant at Zlatna Panega had a record year in cement production and sales. Profitability posted strong double digit growth compared to 2007, due to higher sales volumes and better pricing driven by robust demand for building materials.

Our ready-mix concrete division made a higher positive contribution as well, due to increased sales volumes through the execution of large-scale industrial projects.

Finally, the draft national allocation plan for CO_2 emission rights for the period 2008 – 2012 is unlikely to have a significant impact on our production levels.

SERBIA

During 2008, the Serbian economy registered a relatively high growth rate in line with the previous few years. However, this has not mitigated the major risk for macro-economic stability: the increase of the foreign trade deficit. GDP growth is estimated to have reached 6.1%, mainly driven by services, but also by strong performance in agriculture and industry. After a number of years with high inflation, in 2008 inflation was finally reduced to 6.8%.

Throughout the year the upward trend in demand for building materials in Serbia was maintened, thanks to the strength of the construction sector. Increase of cement consumption at a national level is estimated to have reached about 8%, close to 2.7 million tonnes of cement in total. This market growth, supported by increased exports made from our Kosjeric plant to neighbouring Montenegro, resulted in a significant enhancement of profitability. In 2008 TITAN Cementara Kosjeric achieved record highs in both production and sales performance.

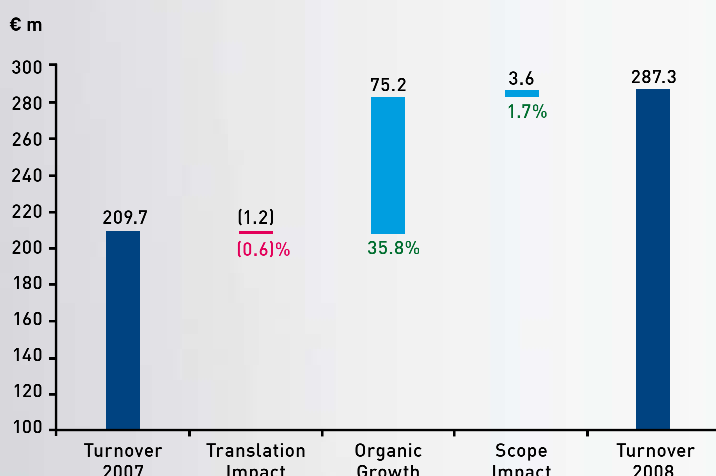
SOUTHEASTERN EUROPE

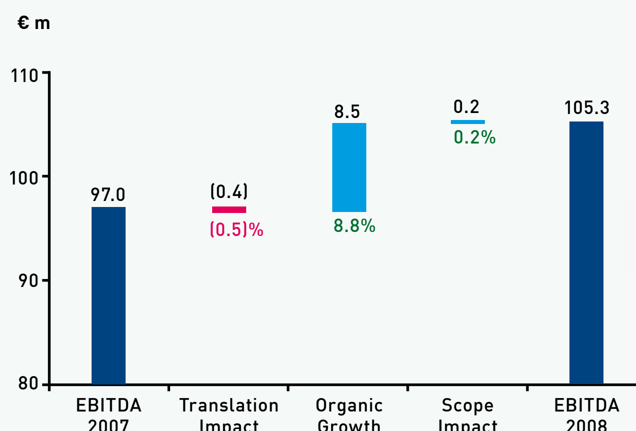
2008*	BULGARIA	SERBIA	FYROM	ALBANIA
GDP (real growth rate)	6.0%	6.1%	5.3%	6.0%
Population (millions)	7.6	7.4	2.1	3.1
Inflation	12.5%	6.8%	8.3%	3.4%
Cement Consumption (million tonnes)	4.8	2.7	0.7	1.9

** Estimates*
Sources: Local State Authorities, IMF, Company estimates

Cementarnica USJE, FYROM

2008 FINANCIAL RESULTS – SOUTH EASTERN EUROPE





FYROM

The Former Yugoslav Republic of Macedonia (FYROM) successfully maintained economic stability during 2008, achieving GDP growth of 5.3%. Inflation increased significantly, reaching 8.3%, largely due to the global spikes in fuel and commodities prices, while unemployment remained at high levels, reaching 33.8%. Public and private sector investments were maintained at the same levels as previous years.

Cement consumption exceeded 2007 levels by about 4%, driven mainly by milder weather, especially in the last quarter of the year. The resolution of the construction industry's licensing issues in late 2007 acted as a further stimulus to commercial and industrial construction in the capital, Skopje. Nevertheless, domestic sales of our cement plant USJE, declined year on year, as imports of bagged cement from Bulgaria and mainly from Albania more than doubled compared to 2007. Cement and clinker exports also declined overall compared to last year.

The substantial loss of domestic sales to imports, together with the sharp rise in fuel, energy and other costs, led to a decline of profitability in 2008, despite better pricing and operational improvements in USJE.

ALBANIA

Albania has enjoyed a steady growth of GDP over the last few years, posting a 6% increase in 2008.

During the year TITAN expanded its operations in the country with increased volumes of cement imported from Greece and the acquisition of a cement distribution terminal in the capital of Tirana, made in anticipation of the operation of the new cement plant in early 2010. Works for the establishment of a greenfield cement plant of a 1.5 million tonnes annual capacity in the area of Boka e Kuqe, close to Tirana are progressing according to schedule. Cumulative spending stood at €77m at the end of the year, out of a €170 million total investment. In November 2008, the International Finance Corporation, IFC and the European Bank for Reconstruction and Development, EBRD acquired a 20% stake each at the plant and committed to debt facilities.

Positive factors for the development of demand for building materials are, strong demand for private construction and high public infrastructure needs. However, the Albanian economy is heavily dependant on its neighbours and, in the context of general economic crisis, relatively vulnerable.

Eastern Mediterranean

Overview of the market

The Eastern Mediterranean was our fastest growing region in 2008, due to the full consolidation of our operations in Egypt at the beginning of May, following the acquisition of the remaining 50% of our joint venture with Lafarge and the proportional consolidation of our 50/50 joint venture with Adocim in Turkey in April. Turnover increased to €174.2 million, while EBITDA more than doubled, increasing by 105% and reaching €64 million, mainly due to scope expansion, but also on the back of better pricing and buoyant demand for building materials in Egypt.

In Egypt, the expansion of the Beni Suef plant by 1.5 million tonnes, which was announced in 2007, is progressing on schedule. Our Egyptian subsidiary is gearing up for the launch of the new production line in the last quarter of 2009. This addition will increase our capacity in this emerging country by more than 40%.

Alexandria plant, Egypt

EGYPT

In 2008 the Egyptian economy grew at a healthy real GDP rate of 7.2%. Inflation reached 18%, while official unemployment reached 8.4% as a percentage of the total labour force. However, the latest figures indicate that inflation is steadily decreasing due to weakening demand and falling international commodity prices.

The Egyptian cement market has been growing steadily over the last few years, reaching 38.7 million tonnes in 2008, 12.4% higher than 2007. Strong demand for cement is driven by the robust growth of the construction sector. Liquidity, largely fuelled by the Gulf States, has kept growth robust and is expected to cushion any shocks to the Egyptian economy from the current economic crisis. The Egyptian government's recent announcement that it will invest EGP30 billion (approx. €4 billion) for infrastructure and construction projects further corroborates a strong future outlook.

During the year, TITAN's operations in Egypt grew both organically and by acquisition. In May 2008, TITAN acquired Lafarge's share in Lafarge Titan Egyptian Investment, a 50/50 joint venture with ownership of two cement plants, Beni Suef Cement Co. and Alexandria Portland Cement Co., with combined cement production capacity of approximately 3.3 million tonnes annually.

The new organisational structure and the full alignment of our Egyptian operations with the Group's operational policy and procedures have led to high performance of both plants and strong sales achievements. Enhanced production performance enabled TITAN Cement Egypt (TCE) to cope with the increasing demand in the domestic market.

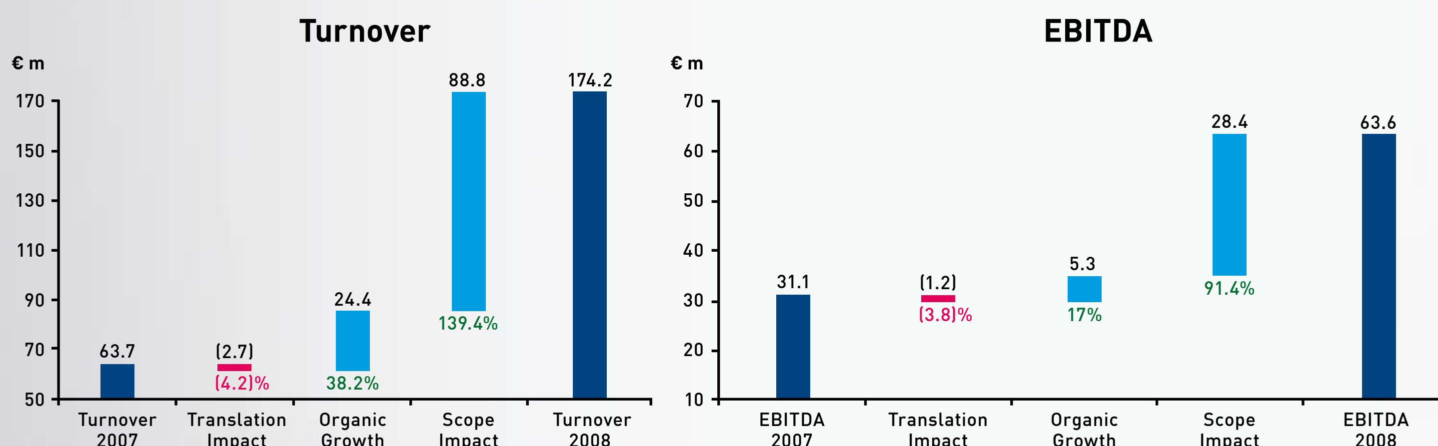
Cement prices increased compared to 2007, but only partially covered higher energy prices and royalty increases, a fact which led to an erosion of margins throughout the year. Overall profitability was enhanced through increased sales volumes; both our plants achieved a record last quarter of the year in terms of production and dispatched quantities.

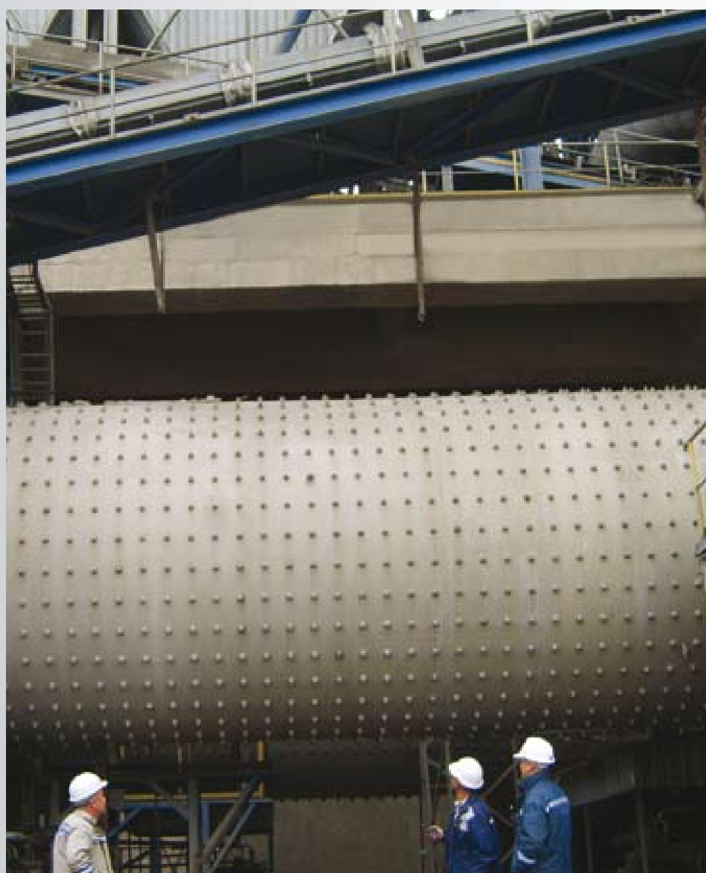
Works for the construction of the second line at the Beni Suef Cement Plant progressed according to plan and production is expected to start in the last quarter of 2009. This will increase production capacity of TITAN Cement Egypt by more than 40%, reaching approximately 4.7 million tonnes per annum, allowing the Group to maintain its leading position in the vibrant Egyptian cement market.

EASTERN MEDITERRANEAN		
2008*	EGYPT	TURKEY
GDP (real growth rate)	7.2%	1.5%
Population (millions)	76.3	71.5
Cement Production (million tonnes)	39.8	51.4
Cement Consumption (million tonnes)	38.7	40.8

** Estimates*
Sources: Local State Authorities , IMF, Company estimates

2008 FINANCIAL RESULTS - EASTERN MEDITERRANEAN




Adocim plant, Turkey

TURKEY

In 2008 the Turkish economy expanded strongly in the first half of the year, but decelerated rapidly thereafter, with GDP growth of 1.5% for the year overall.

Cement consumption in the country declined by 4%, from 42.5 to 40.8 million tonnes. The slowdown in domestic consumption combined with expanding production capacity, in excess of demand, has been compensated by cement exports that increased by more than 50% compared to the previous year. However, due to the global downturn and unfavourable market conditions in Russia, which was a major export destination, cement exports are anticipated to slow down in 2009. At the same time, production overcapacity is likely to result in further pricing pressures.

In April 2008, TITAN acquired a 50% equity stake in Adocim Cimento Beton Sanayi ve Ticaret AS. The company owns a modern integrated plant in Tokat near the Black Sea, which gives it a competitive advantage in exports to the Black Sea market, as well as a grinding plant in Tekirdag, Marmara, which serves the Istanbul market. 2008 was the first full year of operation of the Tokat cement plant. Despite the downturn of demand, Adocim made a positive contribution to the Group's profitability in 2008.

Corporate Governance

Board of Directors

Chairman

ANDREAS CANELLOPOULOS

Age: 69

Non-executive director

Executive director from 10.6.1971 to 1.3.2006

(13th term in office)

He has been serving as Chairman of the Board of Directors of TITAN Cement Company S.A. since 1996 and was Managing Director from 1983 to 1996.

He is also a member of the Board of Directors of the Paul and Alexandra Canellopoulos Foundation and the Foundation for Economic & Industrial Research.

He was Vice Chairman of the Board of Directors of Alpha Bank from 1995 to 2006 and Board member of Aluminium of Greece, Air Liquide Hellas and other companies.

He was Chairman of the "Hellenic Federation of Enterprises" from 1994 to 2000.

Vice Chairman

DIMITRIOS KRONTIRAS

Age: 73

Independent, non-executive director since 4.6.1998

(4th term in office)

A founding member of Citibank Hellas from 1964 to 1998. In 1988 he became General Manager of "Citibank Hellas" and in 1996 became head of private banking in Athens while also sitting on the Board of Directors of Citibank Switzerland.

He has also served on the Board of Directors of many companies in Greece and abroad.

Managing Director CEO

DIMITRIOS PAPALEXOPOULOS

Age: 47

Executive director since 24.6.1992.

(6th term in office)

Studied electrical engineering at the Zurich Federal Polytechnic and business administration at Harvard University, USA. He initially worked as a business consultant with McKinsey & Company Inc. in the USA and Germany. He has been working with TITAN Cement Company S.A. since 1991 and has held the post of Managing Director since 1996.

He is also a member of the Board of Directors of Lamda Development S.A., the Hellenic Federation of Enterprises, and the Hellenic Federation of Enterprises Committee for Sustainable Development, the Foundation for Economic & Industrial Research, the Hellenic Harvard Institute, the Athens Laboratory of Business Administration (ALBA) and the Foundation for the Hellenic World.

Members

EFTICHIOS VASSILAKIS

Age: 42

Independent, non-executive director since 10.5.2007

(1st term in office)

Studied economics (BA) at Yale University, USA and business administration (MBA) at the Columbia Business School of New York, USA.

He is Vice Chairman and Managing Director of Autohellas S.A. (Hertz) and Vice Chairman of Aegean Airlines S.A. He is also a member of the Board of Directors of Piraeus Bank, Piraeus Leasing S.A., Fourlis S.A. and Ideal Group S.A.

EFTHYMIOS VIDALIS

Age: 55

Independent, non-executive director since 24.5.2004

(2nd term in office)

Studied political sciences (BA) and business administration (MBA) at Harvard University, USA. Between 1986 and 1998 he worked with the company Owen Corning, USA. Between 1998 and 2001 he was Executive Manager and from 2001 to the present day he has been a Board member and Managing Director of S&B Industrial Minerals S.A.

He is also Chairman of the Greek Mining Enterprises Association, a member of the Board and Treasurer of the Hellenic Federation of Enterprises, Chairman of the Hellenic Federation of Enterprises Committee for Sustainable Development and Board member of the companies Raycap S.A., Zeus Real Estate Fund and Future Pipe Industries, Dubai.

GEORGE DAVID

Age: 70

Independent, non-executive director since 19.6.2001

(3rd term in office)

He is Chairman of the Board of Directors of Coca Cola Hellenic Bottling Company S.A. He is also a member of the Board of Petros Petropoulos S.A., Bank of Cyprus and AXA Insurance S.A. and also of the A.G. Leventis Foundation, the Hellenic Foundation for European & Foreign Policy (ELIAMEP) and the Centre for Asia Minor Studies.

SPYRIDON THEODOROPOULOS

Age: 51

Independent, non-executive director since 19.6.2001

(3rd term in office)

Graduate of the Athens University of Economics & Business. He began his career in 1976 with the family dairy products company Recor S.A. In 1986 he took up the post of Managing Director of Chipita and from 1.9.2006 has been Managing Director of Vivartia S.A.

He also sits on the Board of Lamda Development S.A. He has also served as the Chairman of the Union of Listed Companies, as Vice Chairman of the Hellenic Federation of Enterprises and as Vice Chairman of HELEX.

NELLOS CANELLOPOULOS

Age: 45

Executive director since 24.6.1992.

(6th term in office)

He initially worked at Ionia S.A. as a Sales Division executive (1989-1990). Between 1990 and 1996 he worked as a Sales Division executive with TITAN Cement Company S.A. and in 1996 took up the post of Group External Relations Director.

He is Chairman of the Board of Directors of the Paul and Alexandra Canellopoulos Museum and Chairman of the Paul and Alexandra Canellopoulos Foundation.

He is also Vice Chairman of the Board of Directors of the Hellenic Cement Industry Association.

TAKIS CANELLOPOULOS

Age: 41

Executive director since 10.5.2007.

(1st term in office)

Studied economics (BA) at Brown University, USA and business administration (MBA) at the New York University / Stern School of Business, USA.

He initially worked as a financial analyst with AIG and with the EFG Eurobank Financing Division. He has worked with TITAN Cement S.A. since 1995, initially as an executive in the Group Financial Division and since 2001 as the Investment Relations Director. He is also a member of the Board of Directors of Canellopoulos Adamantiadis Insurance Co. (AIG Hellas).

PANAGIOTIS MARINOPOULOS

Age: 58

Independent, non-executive director since 24.5.2004

(2nd term in office)

Graduate of the Athens School of Pharmacy and the Paris Institut d'Etudes Politiques.

He is Chairman of Sephora-Marinopoulos and member of the Board of Directors of Famar S.A., Marinopoulos Bros S.A. and Carrefour – Marinopoulos. He is also a member of the General Council of the Hellenic Federation of Enterprises and the Foundation for Economic & Industrial Research, and a Board member and Treasurer of the N.P. Goulandris Foundation – Museum of Cycladic Art.

ELIAS PANIARAS

Age: 72

Non-executive director

Executive director from 23.6.1995 to 27.9.2007.

(5th term in office)

Studied chemical engineering at the National Technical University of Athens and industrial engineering at New York University, USA.

He has been with TITAN Cement Company S.A. since 1967 and was General Manager from 1995 until his retirement in 2007. He has also served as Executive Manager from June 1996 to May 2007.

He has also served as Chairman of the Hellenic Cement Industry Association (2002-2005) and is a member of the European Cement Association (1996-2009).

ALEXANDRA PAPALEXOPOULOU-BENOPOULOU

Age: 43

Executive director since 23.6.1995.

(5th term in office)

Studied economics at Swarthmore College, USA, and business administration (MBA) at INSEAD, Fontainebleau, France.

She initially worked for the OECD in Paris and the consultancy firm Booz, Allen & Hamilton. She has been working with TITAN Cement Company S.A. since 1992, initially in the Exports Division and from 1997 onwards as the Group Strategic Planning Director.

She is a member of the Board and Treasurer of the Paul and Alexandra Canellopoulos Foundation and sits on the Board of Frigoglass S.A. and Emporiki Bank of Greece.

MICHAIL SIGALAS

Age: 60

Executive director since 4.6.1998.

(4th term in office)

Studied mechanical engineering at Concordia University, Canada.

He worked in Canada from 1973 to 1979 with Prestcold North America Ltd. and from 1980 to 1985 with Hellenic Aerospace Industry, acting as Commercial Manager of that company from 1983 to 1985.

He has been with TITAN Cement Company S.A. from 1985, having held managerial posts relating to exports, trade, the Middle East and SE Europe. He is currently the Middle East / SE Europe and International Trade Director.

APOSTOLOS TAMVAKAKIS

Age: 52

Independent, non-executive director since 2004

(2nd term in office)

Graduate of the Athens University of Economics & Business, with postgraduate studies in Econometrics and Economic Mathematics. He has worked with Mobil Oil Hellas, the Investment Bank, ABN-AMRO as Asst. General Manager and as Deputy Governor of the National Real Estate Bank and National Bank of Greece. For the last 5 years he has been Chairman and Managing Director of Lamda Development S.A. Since March 2009 he has been responsible for strategic and business development of the Latsis Group at Group Administrative HQ in Geneva and remains a non-executive Vice Chairman of Lamda Development S.A. He is also a member of the Board of Vivartia S.A. and Panathinaikos FC, a member of the Hellenic Federation of Enterprises General Council, and sits on the Board of the Foundation for Economic & Industrial Research and the Hellenic-American Chamber.

VASSILIOS FOURLIS

Age: 49

Independent, non-executive director since 2007

(1st term in office)

Holds a Masters degree from the University of California, Berkeley (Masters Degree in Economic Development and Regional Planning) and a Masters degree from Boston University/Brussels (Masters Degree in International Business).

He is Chairman of Fourlis S.A. and House Market S.A. (Ikea).

He also sits on the Board of Vivartia S.A., Frigoglass S.A. and Piraeus Bank.

Board of Directors Committees

Audit Committee

DIMITRIOS KRONTIRAS
Independent, non-executive director

EFTHYMIOS VIDALIS
Independent, non-executive director

VASSILIOS FOURLIS
Independent, non-executive director

Remuneration Committee

GEORGE DAVID
Independent, non-executive director

PANAGIOTIS MARINOPOULOS
Independent, non-executive director

ELIAS PANIARAS
Non-executive director

Nomination & Corporate Governance Committee

SPYRIDON THEODOROPOULOS
Independent, non-executive director

APOSTOLOS TAMVAKAKIS
Independent, non-executive director

EFTICHIOS VASSILAKIS
Independent, non-executive director

Corporate Social Responsibility Committee

THEODOROS PAPALEXOPOULOS

Member of the Board of Directors of TITAN Cement Company S.A. from 1969 to 2004. Executive Director from 1979 to 1988 and Vice Chairman of the Board from 1988 to 1996.

Founding member and Chairman of the Citizens Movement for an Open Society.

Founding member and First Vice Chairman of Transparency International Greece.

NIKOLAOS ANALYTIS

Member of the TITAN Cement Company S.A. Board of Directors from 1989 to 2007.

Chairman of the Hellenic Network for Corporate Social Responsibility

Chairman of the Economic and Social Committee of Greece from 2004 to 2007.

NELLOS CANELLOPOULOS
Executive Director

Executive Committee

DIMITRIOS PAPALEXOPOULOS
Managing Director

IOANNIS GEORGAKAKIS
Group General Counsel

NELLOS CANELLOPOULOS
Group External Relations Director

CHARALAMBOS MAZARAKIS
Group Chief Financial Officer

SOCRATES BALTZIS
Executive Director Greek Region

ARIS PAPADOPOULOS
USA Region Director

ALEXANDRA PAPALEXOPOULOU - BENOPOULOU
Group Strategic Planning Director

MICHAIL SIGALAS
Middle East, S.E. Europe and International Trade Director

Corporate Governance

TITAN Cement S.A. has put in place and implements corporate governance rules which reflect international best practices and which go beyond the requirements laid down by law. Management is firmly committed to the continuing integration of new rules and practices into Company operations which promote transparency, responsibility, reliability, sustainable development and corporate social responsibility in every aspect and field of activity of the Group and its entire web of relationships with shareholders, employees, customers, suppliers, contractors and society.

Composition and operation of the Board of Directors and Committees

Applicable Rules:

At the recommendation of the Nomination and Corporate Governance Committee, the composition and operation of the Board of Directors and the Board Committees is ruled by the following principles:

A. The majority of the Board members must be independent, non executive directors, and may not be nominated for election for more than four terms.

B. The Chairman and the Vice Chairman of the Board of Directors must be chosen among the non-executive directors and at least one of them must be an independent, non-executive director.

C. The members nominated by the Board for election by the General Meeting must not be older than 75.

D. The Board Committees, when discussing technical issues, may utilize the services of financial, legal and other technical consultants

E. The operation of the Board of Directors and the Board Committees must be evaluated annually.

F. The non-executive directors may hold separate meetings.

Line-up of the Board of Directors and Committees

The current Company Board of Directors was elected by the General Meeting of Shareholders of 10.5.2007 and will serve for a 3-year term in office which will expire at the 2010 Ordinary General Meeting at the latest.

The majority of Board of Directors members are independent, non-executive directors, that is to say individuals who hold no more a 0.5% shareholding in the Company and who have no relationship with or dependence on the Company or affiliated entities and who come from fields which are not in competition with the Company. They have all been nominated on the basis of their professional and scientific acclaim in fields which give them the opportunity to make a substantive contribution to shaping company policy and to further growth and development of the Company.

The five (5) executive members of the Board of Directors come from the core Shareholders and senior executives of the Company and occupy the one third only of the total number of seats in the Board.

The Chairman is a non-executive director and the Vice Chairman is an independent, non-executive director.

The Board of Directors has its own Secretariat, the head of which in exercising her duties does not report to any other department of the Company.

Board of Directors Committees

The work of the Board of Directors is assisted by the following Committees:

Audit Committee

The Audit Committee is comprised exclusively of independent, non executive directors who have extensive management, accounting and auditing knowledge and experience. The Committee's extensive auditing powers include supervising the work of the Group Internal Audit Department, which reports directly to the Committee, monitoring the proper and effective implementation of the internal audit system and the risk management system, auditing the financial statements before they are approved by the Board of Directors, nominating certified public accountants who are then recommended by the Board of Directors to the General Meeting of Shareholders and monitoring issues relating to the retention of their independence and objectivity and monitoring the financial reporting procedures implemented by the Company. The Committee is also responsible for supervising and monitoring the implementation of the confidential reporting procedure which involves employees reporting any infringement of Company values or the Company Code of Conduct to management via the hotline which has been in operation since 1.1.2008.

Remuneration Committee

This Committee is comprised of three non-executive directors, two of whom are independent. Its task is to examine and submit proposals on all manner of pay and remuneration for directors who offer their services to the Company on an employment contract or retainer fee basis and for senior management executives, fields in which the three members of the Committee have proven knowledge and experience.

Nomination & Corporate Governance Committee

This Committee is comprised of three independent, non-executive directors with extensive experience in business administration and corporate governance. The task of this Committee is to nominate suitable candidates for membership of the Board of Directors, to plan for the succession and continuity of Company Management and to offer opinions on the correct implementation of corporate governance principles in relation to the relevant legislation and best international practices.

Corporate Social Responsibility Committee

This Committee is comprised of two former directors who have been very active in the field of corporate social responsibility and who have won acclaim in that field, plus one executive director with significant experience in this field. The task of this Committee is to offer advice and support to Company Management in relation to planning strategy and coordinating activities on corporate social responsibility issues.

Executive Committee

The Company's Articles of Association provide for an Executive Committee comprised of 4 executive directors and 4 senior management executives which is responsible for supervising the operation of various Company departments and coordinating their activities. Any of the persons who have acted as chairmen, directors and executive directors of the Board of Directors are entitled to participate in the activities of the Executive Committee.

Penssuco plant, Florida, USA

Evaluation of Board of Directors and Committee activities during 2008

In 2008, the Board of Directors met 9 times, while the Audit Committee met 6 times, the Executive Committee 22 times, the Corporate Social Responsibility Committee 12 times and the Remuneration Committee once.

The activities of the Board of Directors, Audit Committee, Remuneration Committee, Nomination & Corporate Governance Committee during 2008 and the individual contribution of each member were evaluated by the directors by filling out a special, detailed questionnaire. The Nomination & Corporate Governance Committee presented the results from these questionnaires to the Board of Directors along with proposals on how to further improve the operations and performance of the Board of Directors and its Committees.

Remuneration of Board of Directors and Committee members during 2008

In 2008, the remuneration of members of the Board of Directors, the Remuneration Committee and the Nomination & Corporate Governance Committee remained the same as that for 2007 while the remuneration of members of the Audit Committee rose since its workload increased significantly in 2008.

More specifically, the 15 directors received a total of €216,000 net for their participation in the Board (€14,400 for each director).

The following remuneration was also paid for the participation of directors in the following Committees:

The three members of the Audit Committee received a total of €28,800 net (€9,600 for each member) compared to a total of €21,600 net (€7,200 for each member) in 2007.

The three members of the Remuneration Committee received a total of €14,400 net (€4,800 for each member).

The three members of the Nomination & Corporate Governance Committee received a total of €14,400 net (€4,800 for each member).

Members of the Corporate Social Responsibility Committee and Executive Committee did not receive any remuneration.

The annual salaries for 2008 for 6 directors who provided their services to the Company on the basis of an employment contract, the bonus they received for achieving the 2007 targets and the number of stock options granted in 2008 were decided by the Board of Directors following a recommendation from the Remuneration Committee, based on their performance and the achievement of specific business targets. Moreover, the annual remuneration of one director who offered his services to the Company on the basis of independent service provision arrangement had been set by decision of the General Meeting of Shareholders of 10.5.2007.

In light of the above, the salaries and all manner of gross pay for the seven directors who offered their services to the Company on the basis of employment contracts or independent service provision arrangement amounted to €1,746,829 in 2008 compared to € 1,551,564 in 2007.

Six of the seven directors received a bonus for achieving targets of € 440,000 in total, compared to a corresponding figure of € 449,294 in 2007, and also received a total of € 169,200 due to their participation in the profit distribution for 2007 compared to € 331,478 received in 2007 due to their participation in the profits distribution for 2006.

In 2008, the five executive directors were granted stock options for 30,000 ordinary shares in the Company in line with the stock option plan approved by the General Meeting of Shareholders on 29.5.2007. Those options will mature under certain conditions in November 2010.

For further information please refer to p. 47

In 2008, no executive director exercised their stock options.

Internal Audit

Internal audits are carried out by the Group Internal Audit Department which is an independent department which reports to the Board of Directors' Audit Committee. The Internal Audit Department's duties include, inter alia, checking compliance with the Company Rules of Procedure, checking the legitimacy of remuneration and all manner of benefits paid to members of the Company Management in relation to decisions of company bodies, checking compliance with Company obligations deriving from the financial legislation and decisions of the Hellenic Capital Market Commission and checking Company relationships and transactions with related parties and with companies in which Company directors or shareholders have a holding of at least 10%.

Internal audits are currently carried out by 15 executives in Greece and abroad, who have the necessary academic and professional training to carry out their work.

Campostella ready-mix, Norfolk, USA

Shareholder Information and Services

Shareholder relations and the provision of information to shareholders have been assigned to the following departments:

Investor Relations Department

The Investor Relations Department is responsible for providing on-time, valid, full and well-rounded information to investors and financial analysts in Greece and abroad so as to build long-term relations with the investing community and to safeguard the Group's strong reputation.

The Group Investor Relations Director is Mr. Takis Canellopoulos, 22a Halkidos St., 111 43, Athens tel: 210-2591163, fax: 210-2591106, e-mail: ir@titan.gr.

Shareholder Services Department

This Department is responsible for providing immediate and full information to Shareholders and for facilitating them when exercising the rights granted to them by the law and Articles of Association of the Company.

More specifically, the Shareholder Relations Service ensures that Shareholders receive immediate, full information about the distribution of dividends, decisions to issue new shares and the manner in which and time at which rights can be exercised, the acquisition of treasury stock and the disposal or cancellation of such stock, and is also responsible for providing information about General Meetings and their decisions, distributing the annual financial report under Article 4 of Law 3556/2007 to the shareholders attending the Ordinary General Meeting of Company Shareholders, dispatching all published company reports in hard copy or electronic format to any stakeholder (annual and interim financial reports, prospectuses, periodic and annual financial statements, etc.), keeping and updating the list of Company shareholders and communicating with ATHEX on shareholder-related issues.

Corporate Announcements Department

This Department is responsible for Company compliance with the obligations contained in Law 3556/2007 on the disclosure of regulated information cited in Article 3(p) of that law (privileged information, transaction disclosures, etc.), for compliance with Hellenic Capital Market Commission decisions issued pursuant to Laws 3340/2005 and 3556/2007, for Company compliance with the obligations contained in Article 2 of Decision No. 5/204/14.11.2000 of the Hellenic Capital Market Commission on the immediate confirmation or refutation of unconfirmed information, for Company communication with the Hellenic Capital Market Commission and ATHEX and for sending published company reports to all competent authorities and the mass media.

Responsible for the two above departments is Mrs. Nitsa Kalesi, 22a Halkidos St., 111 43 Athens, tel: 210-2591257, fax: 210-2591238, e-mail: kalesin@titan.gr.

The Company's website is: www.titan-cement.com, the Reuters code: TTNr.AT, TTNm.AT and the Bloomberg code: TITK GA, TITP GA.

2009 Financial Calendar

Tuesday February 24, 2009	Full Year Results 2008
Thursday May 28, 2009	3 Months Results 2009
Wednesday June 24, 2009	Annual General Meeting of Shareholders
Friday June 26, 2009	Ex-dividend date
Monday July 6, 2009	Dividend Payment
Thursday August 27, 2009	Half Year Results 2009
Wednesday November 25, 2009	9 Months Results 2009
Thursday March 18, 2010	Full Year Results 2009

Stock Option Plans

As a way of encouraging senior executives to identify their own long term personal aspirations with the interests of the Company and its Shareholders, TITAN Cement Company S.A. has introduced since year 2000 Stock Option Plans.

The initial Stock Option Plan (the 2000 Plan) which was approved by the General Meeting of Shareholders of 5.7.2000 had a vesting period of three years (2001-2003) and expired in 2007.

In 2004, a new Stock Option Plan was adopted (the 2004 Plan) again with a three-year vesting period (2004-2006) following the decision of the General Meeting of Shareholders of 8.6.2004, in the context of which 67 senior executives of the Company and Group companies and 4 executive directors were granted the option to purchase 387,030 ordinary shares in the Company at a sale price for each share equal to the nominal price of the Company's share.

The 2004 Plan provided that the options granted would vest after three years and after that date the beneficiaries would be entitled, without other conditions, to acquire only 1/3 of the number of options granted, whereas the ability to exercise the other 2/3 options would depend on the performance of the Company's ordinary shares in relation to the average performance of the ATHEX FTSE 20, ATHEX FTSE 40 and ATHEX General indexes and the shares of pre-selected companies in the building materials sector worldwide.

In line with those conditions, of the total of 387,030 options granted, only 189,490 stock options matured and of those, 162,050 stock options have already been exercised (108,480 in December 2006, 39,370 in December 2007 and 14,200 in December 2008). 26,940 mature stock options can still be exercised before December 2009, otherwise they expire.

The General Meeting of Shareholders of 29.5.2007 approved a third three-year Plan (the 2007 Plan) which states that senior executives of the Company and Group companies and executive directors in 2007, 2008 and 2009 shall have an option to acquire 1,000,000 ordinary shares in the Company. That option is exercisable over a three-year vesting period and the sale price is equal to the nominal value of the share at the time the option is exercised. After that vesting period expires, the number of options which may be exercised by beneficiaries is variable. The first third depends on the average EBITDA of the Company and its net profits in relation to the return on 3-year Greek treasury bonds during the relevant three-year period. The second third depends on the performance of the Company's ordinary shares in relation to the performance of the shares of 12 companies in the building materials sector internationally and the other third depends on the performance of the Company's ordinary share in relation to the average performance of the ATHEX FTSE 20, ATHEX FTSE 40 and FTS Eurofirst 300 indexes.

The 2007 Plan favours the long-term retention of a significant number of shares by executives because it introduces an obligation to hold 50% of the shares until they acquire a specific minimum number of shares and any infringement of that requirement will result in a reduced number of options being granted in the next stock option plan.

In implementation of the 2007 Plan, in 2007 and 2008 options to purchase 142,950 and 169,470 ordinary shares of the Company were granted to 87 senior executives of the Company and its affiliated companies, including 5 executive directors. These options will mature in November 2009 and 2010 respectively, in which case they can be exercised provided the above conditions specified in the Plan are met.

Detailed description of all above Stock Option Plans is available at the link:
http://ir.titan.gr/home.asp?pg=stockoption

Zlatna Panega plant, Bulgaria

Risks and Uncertainties

Financial Risk Factors: The Group's activities create a number of financial risks, including foreign exchange and interest rate risks, credit risks and liquidity risks. The Group's overall risk management programme focuses on the fluctuations of financial markets and aims to minimise the potential adverse effects of such fluctuations on the Group's financial performance. The Group does not carry out transactions of a speculative nature or transactions which are not related to its commercial, investment or borrowing activities.

In 2008, the financial products used by the Group consisted mainly of bank deposits, loan agreements, transactions in foreign currency at current prices or with futures, overdraft bank accounts, accounts receivable and accounts payable, investments in securities, dividends payable and obligations stemming from lease contracts.

Liquidity Risk: Liquidity is managed via a combination of cash and cash equivalents and approved bank credit, projected operating needs and loan maturities. The Group manages the risks which may arise due to insufficient liquidity by procuring that committed bank credit is always available for use. The existing available and unused approved bank credit extended to the Group is sufficient to face any potential cash flow shortage.

As of 31st December 2008, the Group had sufficient cash and cash equivalents (equal to € 94m) and available unutilized committed facilities so that it is in a position to more than adequately service its short and medium term liabilities.

Interest Rate Risk: 21% of total Group debt is based on fixed interest rates. Out of the 79% of floating debt, 52% is based on pre-agreed interest rate spreads. As a result, base interest rate volatility has a small impact on cash flow and P&L.

The fact that the Group's credit standing has been downgraded has had a limited effect on the cost of borrowing because, based on agreed credit lines, it was converted to an increase in the loan spread by 35 base points (0.35%).

The exposure of liabilities and investments to interest rate risk is being monitored on a budgetary basis. The Group's funding has been set up according to a predefined combination of fixed and variable interest rates in order to reduce the risk posed by fluctuating interest rates. The ratio of fixed to variable interest rates of the Group's net debt is determined by market conditions and the Group's strategy and funding needs. Interest rate swaps may also be used, solely as a means of reducing cash flow exposure to floating interest rates and to change the above combination of fixed and variable interest rates, where this is deemed necessary. The Group did not use any interest rate derivatives in 2008.

It is the Group's policy to constantly monitor interest rate trends and the duration of its financing needs. Therefore, the decision on the duration and on the balance between fixed and variable cost of a new loan is taken on an ad hoc basis. As a result, all short-term loans have been taken out with variable interest rates. The medium-term loans are based partly on fixed and partly on variable interest rates.

Foreign Currency Risk: The Group's exposure to foreign currency risk stems primarily from existing or expected cash flows in foreign currency (imports / exports) and from investments abroad. This risk is dealt with in line with approved policies.

FX risk is managed primarily through the use of natural hedges and foreign currency forwards. As per Group policy, liabilities should be denominated in the same currency as the cash flow generated from operating activities. The assets that generate the cash flow, unless in exceptional circumstances, should also be denominated in the same currency.

The currency risk of the equity of Group subsidiaries in the USA has thus been partly hedged through borrowing in USA dollars.

In other markets in which the Group is active, the company's borrowing needs are evaluated and, if possible, the funding takes place in the currency corresponding to the asset which is being funded or is to be funded. As an exception, the Group's investments in Turkey and Egypt are shown in Turkish lira and Egyptian pounds and part of the corresponding funding is expressed in euros and yen. The Group has decided that the cost of refinancing the obligations from euro to Turkish lira and Egyptian pounds is such that this is not a financially attractive option at the moment. This matter is being reconsidered regularly.

Credit Risk: The Group faces no significant credit risks. The receivables from clients originate mainly from an extensive and broad client base. The financial standing of clients is constantly monitored by the Group companies.

Wherever this is deemed necessary, additional insurance cover is requested as credit guarantee. A special computer application checks the amount of credit extended and the credit limits of the accounts. Provisions for losses due to depreciation are made in the case of special credit risks. At the end of 2008, it is deemed that there are no significant credit risks which are not already covered by insurance as a guarantee for the credit extended or by a provision for doubtful receivables.

A potential credit risk also exists in cash and cash equivalents, in investments and in derivative contracts. In these cases, the risk may arise from the counterparty's inability to fulfil its obligations towards the Group. In order to minimise this credit risk, the Group sets certain limits on the level of exposure for each individual financial institution, in line with certain policies approved by the Board of Directors. Also, in the case of deposits, the Group only carries out transactions with established credit institutions of a high credit rating.

Other Risks

Aiming to remain among leaders in our sector with respect to a proactive approach in corporate social responsibility and sustainable development we have been engaged in a more systematic analysis and monitoring of all relevant issues that are considered critical for our business and our key stakeholders.

Apart from internal audits, an independent assessment was conducted in Greece in 2007 and in our South East European operations in 2008.

The main criteria used for this analysis are:

- significant current or potential impact on the Company
- significant concern to stakeholders
- with a reasonable degree of control by the Company

The outcomes are presented in the CSR and SD Report.

For more information please refer to CSR and SD Report p.42

Compliance with TITAN's standards

Mandatory and voluntary commitments are guiding our efforts to build a robust and effective management system to monitor and support communication and compliance with TITAN values and standards.

A new Code for Procurement was distributed to our suppliers together with material explaining TITAN social and environmental commitments. In the framework of our responsible supply chain management initiative (web link) a number of activities have been scheduled for next years.

For more information please refer to CSR and SD Report p.27

The Employee Direct Communication Line that was introduced in 2007 to support better monitoring of compliance with our values and Code of Conduct in Greece has been furtherly expanded with a new intranet tool that allows communication with additional means. A total of seven "calls" were received and examined the fisrt year of the operation of this system in 2008. All "calls" were initially codified as human rights management issues and solved with consultation given by an appointed management committee in which the members are:

- One member of the Board of Directors
- Director of the Internal Audit Department and
- Social Services Manager in Greece

Kosjeric plant, Serbia

index

Statement of the Members of the Board 52

Report of the Board of Directors 53

Explanatory Report of the Board of Directors 59

Report of the Auditors 61

Financial Statements 62

Notes to the Financial Statements 67

Summary Financial Results 112

Appendix I: Report regarding Company transactions
with affiliated companies in accordance to article 2,
par.4 of Codified Law 3016/2002, for 2008 115

Appendix II: Information according
to article 10 of Law 3401/2005 118

Annual Financial Report 2008

Statement of Members of the Board
(In accordance with article 5 par.2 of Law 3556/2007)

The members of the Board of Directors of TITAN CEMENT COMPANY S.A.

1. Andreas Canellopoulos, Chairman
2. Dimitrios Papalexopoulos, Managing Director and
3. Elias Paniaras, Board Member, having been specifically assigned by the Board of Directors,

In our above mentioned capacity declare that:

as far as we know:

a. the enclosed financial statements of TITAN CEMENT COMPANY S.A. for the period of 01.01.2008 to 31.12.2008, drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of TITAN CEMENT COMPANY S.A., as well as of the businesses included in Group consolidation, taken as a whole

and

b. the enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of TITAN CEMENT COMPANY S.A., and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Athens, February 24, 2009

Andreas Canellopoulos Chairman of the Board	Dimitrios Papalexopoulos Managing Director	Elias Paniaras Board Member

Annual Report
of the Board of Directors for the Financial Period
01.01.2008 – 31.12.2008

Financial Figures – Progress of Operations – Milestone Events

The world changed in 2008. The outbreak of an unprecedented crisis in the global credit system and in the global economy has triggered the change of an era.

For the Titan Group, 2008 was a year of declining financials, adaptation to the new facts and a redefinition of priorities.

Titan Group's turnover in 2008 amounted to € 1,578 million, increased by 5.4% compared to 2007. The earnings before interest, taxes, depreciation and amortisation (EBITDA) fell by 11.2% to € 380 million. The Group's net profits after minority interests and tax provisions amounted to € 208 million, reduced by 13.2%.

At constant exchange rates, the Group's turnover would have increased by 7.8% and operating profit (EBITDA) would have been reduced by 10.1%.

The continually dwindling demand for building materials in the USA, the reduced cement consumption in Greece for the second year in a row and the skyrocketing prices of solid fuels have resulted in considerable pressure on the Group's profitability. This pressure was only partly mitigated by the positive contribution of the acquisitions in Egypt and Turkey and by the increased cement consumption in South-Eastern Europe and Egypt.

With respect to the dramatic increase in solid fuel costs in 2008 it is worth mentioning that the PACE index, which records trends in petroleum coke prices, almost doubled between January and September 2008, before starting to decline again towards the end of 2008. This increase in solid fuel costs has adversely affected the profitability of the Group in all regions.

In the USA, the housing market continued to decline in 2008, which had the immediate effect of further reducing demand for building materials. Property prices in 20 major cities, as recorded by the S&P/Case-Shiller Composite-20 Home Price Index, fell by 18% in November 2008. This trend reflects the oversupply of homes, as compared with reduced demand. As a result of all the above, the commencement of works for the construction of new homes was reduced by 32% compared to 2007, causing a dramatic drop in demand for building materials. According to the Portland Cement Association, cement consumption in the USA fell in 2008 by 15% compared to 2007. In Florida, which represents more than half of the Group's US operations, consumption fell by 26% in 2008, following on from the 29% drop of 2007.

In May 2008, the Federal Appeals Court in Atlanta overturned the judgement issued by the District Court of the Southern District of Florida, which had ordered that the quarrying works in the Lake Belt area be suspended. However, restarting these operations has only had a marginal effect on the results of our US subsidiary, due to the unprecedented decline in demand for building materials.

Overall, also taking into account the effects of foreign exchange differences, the Group's turnover in the USA was reduced by 18.3% compared to 2007, falling to € 484 million and the earnings before interest, taxes, depreciation and amortisation (EBITDA) fell by 59.8% to € 43 million.

In spite of the widespread unfavourable circumstances, a notable upward trend was demonstrated by Separation Technologies LLC ("ST"), which is active in the installation and operation of fly ash processing units. The globally pioneering environmentally-friendly technology of ST converts fly ash, which is a type of industrial waste from the coal-fired power generation, into useful products. In 2008, ST continued to expand with the launch of new plants in North America and the United Kingdom and increased its turnover by 8.6%, reaching US$ 36.2 million.

In Greece, the fall in cement consumption has been estimated at approximately 7% compared to 2007, showing a decline for the second year in a row, mainly due to the reduced construction activity and the ensuing fall in demand for building materials. The fact that the new construction permits issued in 2008 were 17% fewer than those of 2007 is indicative of the situation. In any case, the Group continued its long-term expansion strategy in the vertical integration of operations and acquired companies active in ready-mix concrete and aggregates the most significant being Domiki Beton in January 2008.

As a result of the above, the Group's turnover in Greece showed a slight increase by 0.3% compared to 2007 and rose to € 633 million. The unprecedented increase in the price of solid and liquid fuels has affected the earnings before interest, taxes, depreciation and amortisation (EBITDA), which were at € 168 million, reduced by 12.9% compared to 2007.

In South-eastern Europe, the strong demand mainly in Bulgaria and Serbia combined with the contribution made by the increased production capacity in Bulgaria has led to a 37% increase in turnover compared to 2007, reaching € 287 million. The earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 8.5% to € 105 million. The Group's position in the region will strengthen further, when in the beginning of 2010 the new cement plant with a capacity of 1.5 million tonnes which is under construction in Albania, will begin operations.

Finally, the acquisitions, primarily in Egypt and to a lesser extent in Turkey, have led to a significant improvement of financial results in the Eastern Mediterranean region.

Turnover in the Eastern Mediterranean rose by 173% compared to 2007, reaching €174 million. The earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 104.6% to € 64 million.

As stated above, the growing Egyptian market and the acquisition on May 6th, 2008 of the remaining 50% stake in the Egyptian consortium to which Beni Suef Cement Company and Alexandria Portland Cement Company belong, were the main reasons for the increased profits. A smaller but nonetheless positive contribution was made by the proportionate consolidation by 50% of the Group's new operation in Turkey since April 17th, 2008.

In 2008 the Group made investments aimed at expanding its operations and modernising its installations. The total amount of investments reached € 587 million, the most important of which are detailed in the "EXPANSION OF OPERATIONS – INVESTMENTS" section of this report.

The significant amount invested resulted in an increase in the Group's net debt from €569 million to €1,114 million. This debt came from the use of existing credit lines which had not been utilised. Therefore, the net financing cost rose to € 52 million, 50.8% higher than 2007.

On the other hand, the Group's tax rate for 2008 was quite low, mainly due to the following extraordinary factors:

- the lower tax expense by €25.7 million due to lower financial results of the Group's subsidiary in the USA;
- the partial reversion (€10.7 million) of the provision of €16 million created by the Company for the ex-post taxation of the special tax-free reserves of 2003 and 2004, which the European Commission judged to be in violation of EU Law;
- the reduction of deferred taxation in Greece by € 6.6 million due to the reduction in corporate tax rates by one per cent annually from 2010 to 2014;
- the one-off tax refund in Bulgaria (€5.3 million);
- the higher proportion of profits earned in countries with lower tax rates and the correspondingly lower proportion of profits earned in countries with higher tax rates.

Following several years of positive performance and after reaching a record high in the first half of 2007, the share price of TITAN CEMENT SA fell in 2008 by 55.4% closing at the end of the year at the price of € 13.90. Nevertheless, its drop was lower than that of the Athens Stock Exchange index during 2008 (-65.5%) and was comparable to the drop of the shares of other foreign companies in the building materials industry.

During the year and due to the global financial crisis and its effects on the real economy, the Standard & Poor's credit rating agency has downgraded the Group's credit rating twice, in July 2008 from BBB to BBB- and in November 2008 from BBB- to BB+. This development was in line with similar downgrades of companies in the industry worldwide during 2008.

The Board of Directors will recommend to the Annual General Meeting of shareholders the distribution of the minimum statutorily required dividend of €0.42 per share. This is less than the dividend of 2007, and reflects the higher priority assigned by the Group to the preservation of the greatest possible liquidity so as to be better positioned to face the challenges of 2009.

As had been decided in the General Meetings of its Shareholders on 10.5.2007 and 20.5.2008, Titan Cement Company SA purchased 2,107,429 own common and preferred shares in 2008, representing 2.49% of its share capital, at the total price of € 56.4 million. These purchases were realised as they were considered as the most favourable among the investment opportunities available. The total number of own shares held by the Company as at 31.12.2008, and which remains unaltered today, was 3,187,697 common shares and 5,919 preferred non-voting shares, of a total par value of € 12,774,464 each, i.e. having a par value of € 4 each, representing 3.78% of its share capital.

The business objectives of the TITAN Group are pursued in line with the principles of Corporate Social Responsibility and Sustainable Growth, which the Group has integrated into its operation as it considers this to be the proper business practice. This mentality was manifest in the following initiatives taken by the Group in 2008, as these are described in greater detail in the Group's Special CSR and Sustainable Growth Report:

- The full implementation of the principles of corporate social responsibility and sustainable growth in our new cement plant in Albania;
- The programme for the issuing of a new (Pan-European) e-guide for the responsible management of the supply chain according to international and European standards;
- The communication and wider support of the ten principles of the Global Compact, participating in the founding of the Greek Network for the UN Global Compact and of the corresponding national network in the Former Yugoslav Republic of Macedonia;
- The expansion of the independent evaluation process on the policies and systems applied with regard to CSR and sustainable growth in the Group's activities outside Greece.

In 2008, the emphasis placed by the TITAN Group over recent years on the constant improvement of policies, systems and practices in all sectors and also on increasing transparency and reliability by using and implementing related international standards and all the new communications media has been received exceptionally well by independent bodies and experts, granting the highest rating and certification level of A+ in the Group's Annual Report for fiscal year 2007, which was published in May 2008, and earning the first place in the annual evaluation of Accountability Rating Greece for 2008.

In addition to any voluntary initiatives and commitments on Corporate Social Responsibility matters, the nature of our business is such that two issues dominate: environmental sustainability and safety at work.
We manage environmental sustainability growth as a whole, as an indispensable part of our strategic and business planning.
It is worth noting on this matter that in 2008 TITAN Group managed to reduce the CO_2 specific emissions per tonne cement by 14.5% compared to 1990 emission levels, thus approaching the objective of reducing these emissions by 15%, which it has voluntarily undertaken to achieve by 2010 as part of its participation in the international Cement Sustainability Initiative (CSI).
An amount of approximately €27 million has been invested for the more effective protection of the environment and for the restoration and reconstruction of quarries.
As far as safety in the working environment is concerned, our vision is to achieve a healthy working environment free of any dangerous incidents or accidents. We benchmark our safety performance against the leading companies in the building materials sector worldwide (based on CSI data) and we aim to be in the top 25% of the relevant CSI ranking table by the end of 2010.
Even though our performance is favourably compared to the industry's published data worldwide, in 2008 our performance has been below our expectations for constant improvement. In our continued strife to minimise the risk of accidents, we consider that there is significant room for improving our own effectiveness as well as that of our associates. We will persevere.

Expansion of Operations – Investments

During 2008, the Group's subsidiary INTERBETON CONSTRUCTION MATERIALS SA, in the course of implementing the strategy for the vertical integration, completed the acquisition of DOMIKI BETON SA, a ready-mix concrete and aggregates company, and of Vachos Quarries SA and Thisvi Quarries SA, both aggregates companies, at a total price of € 12.7 million.

In April 2008, the acquisition of a 50% share in company Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey was completed. The company's production capacity is 1.5 million tonnes annually. The total investment, including 50% of Adocim's borrowings, amounted to € 127 million.

In May 2008, the acquisition of the remaining 50% share in the consortium to which the Egyptian companies Beni Suef Cement Company and Alexandria Portland Cement Company belong was completed and the two cement plants by the same names have an annual production capacity of 3.3 million tonnes. The acquisition price, including the net debt of the two companies, was € 330 million.

In November 2008, contracts were concluded between TITAN Group companies and the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD), with regard primarily to their participation by 40% (i.e. by 20% each) in the share capital of the Group's Albanian subsidiary ANTEA, as well as to its financing for the completion of the new cement plant in Albania. Under the above agreement, the payment of TITAN Group's participation in ANTEA's capital was completed in December 2008 with € 37.3 million, and the participation of IFC and EBRD was also completed with a total of € 24.8 million (€ 12.4 million each).

In December 2008, the minority stake of 22.0675% in the Group subsidiary TITAN CEMENTARA KOSJERIC A.D. in the developing Serbian market was acquired for € 12.7 million. This was preceded by a public invitation to tender by the Serbian State, which was the holder of the minority stake. Following the acquisition's completion, the Group holds 96.3471% in the company.

The construction in two important projects was continued throughout 2008. These projects aim to further increase the Group's production capacity in developing countries with positive demographic and development potential.

The first project relates to the construction of a new plant (of a capacity of 1.5 million tonnes per annum) in Kruje, Albania, expected to start operations in the beginning of 2010. The total investment by the end of 2008 was € 77 million.

The second project relates to the construction of a new production line in the Beni Suef plant in Egypt (also with a capacity of 1.5 tonnes) which is expected to be completed in last quarter of 2009. The total investment by the end of 2008 was € 76 million.

In 2008 the TITAN Group continued its expenditure and investments, amounting to € 27 million for the improvement of environmentally sustainable growth and the reduction of carbon dioxide emissions through the use of the optimal technologies available and the increased consumption of alternative fuels.

Financial Results of Titan Cement Company SA

In 2008 the Company achieved sales of € 549 million, increased by 2.4% compared to 2007. The operating profits (EBITDA) were reduced by 13%, reaching € 148 million, reflecting the reduction in domestic sales, the increased costs and the lower margins mainly due to the high prices of solid fuels. Net profits were reduced by 10.8%, down to € 106 million due to reduced taxes as outlined above.

Significant Post-Balance Sheet Events

On Friday, January 30th 2009 the District Court of the Southern District of Florida, USA, issued a ruling which vacates, with immediate effect, all the quarrying permits for the quarries in the Lake Belt area of the Miami-Dade County. This ruling related to nine permits granted by the US Army Corps of Engineers to various companies, including Tarmac America, a Titan America LLC subsidiary. The same court of law had rendered these same permits inactive through an earlier ruling in July 2007. The companies involved had appealed against this ruling before the Federal Appeals Court in Atlanta and the latter court had overturned that ruling in May 2008 and referred the case back to the District Court of the Southern District of Florida, instructing it to be more objective in its judgement. Titan considers this new ruling to also be incorrect and intends to appeal against it.

In any case, in view of the above development in the Lake Belt issue, the Titan America Group company is well-prepared to continue the production at the Pennsuco plant and to meet the needs of its clients, which are in any case lower in this economic environment.

At the same time, the US Army Corps of Engineers is considering an application submitted by our Company for a long-term quarrying permit in the Lake Belt area. Their decision, including the related Supplementary Environmental Impact Report, is expected within 2009.

2009 Prospects

The prospects for 2009 are influenced by the devastating crisis in the global credit system. Obviously, this crisis also affects the performance of the "real" economy. A recession is expected in developed markets and a significant deceleration of growth is forecast for developing ones. In this unstable and volatile environment, it is quite hard to make projections on the progress of various figures in 2009.

The Group is aware of the fact that the world has changed and is adjusting to the new circumstances. The priorities for 2009 focus on generating positive cash flows for the reduction of debt, on reducing production costs and operating costs and in restricting new capital expenditures. Meanwhile, the Group continues to invest in the construction of two important projects in Albania and Egypt, the operation of which will have a positive effect on results and will deliver value to Group shareholders.

If solid fuel prices continue to fall throughout 2009, this should contribute significantly towards a reduction in production costs, thus somewhat reducing the pressure placed on the Group's profitability by the shrinking demand.

In the USA, the Portland Cement Association predicts a further contraction in cement consumption in 2009 of 13%, which incorporates the effects of the US Government's housing and infrastructure stimulus plan.

The latest development in the Lake Belt issue, where the District Court of the Southern District of Florida has vacated all the mining permits issued in 2002, finds our company well-prepared to continue production at the Pennsuco plant and to meet the needs of its clients, which are in any case lower in this economic environment. Therefore, the above matter is expected to have no adverse impact on the Group's 2009 results.

In Greece, the decline in demand for building materials is expected to continue, and to be significant, driven by the drop of the housing market. The possible increase in infrastructure spending will only partly offset the fall in the housing market, which is significantly higher.

A sharp slowdown is expected in South-Eastern European markets and a decline is possible if the global recession significantly affects the region.

In Egypt, demand is predicted to rise at a moderate pace, a fact which coincides with the launch of the 2nd production line in Beni Suef, planned for the last quarter of 2009.

The Group's commitment to its four strategic axis shall continue. These are geographic diversification, the constant improvement of our competitiveness, the vertical integration of the Group's activities and the focus on human resources and Corporate Social Responsibility.

Risks & Uncertainties

Financial Risk Factors: The Group's activities create a number of financial risks, including foreign exchange and interest rate risks, credit risks and liquidity risks. The Group's overall risk management programme focuses on the fluctuations of financial markets and aims to minimise the potential adverse effects of such fluctuations on the Group's financial performance. The Group does not carry out transactions of a speculative nature or transactions which are not related to its commercial, investment or borrowing activities.

The financial products used by the Group consist mainly of bank deposits, loan agreements, transactions in foreign currency at current prices or with futures, overdraft bank accounts, accounts receivable and accounts payable, investments in securities, dividends payable and obligations stemming from lease contracts.

Liquidity Risk: The prudent management of liquidity is achieved through the appropriate combination of cash and cash equivalents and approved bank credit. The Group manages the risks which may arise due to insufficient liquidity by procuring that guaranteed bank credit is always available for use. The existing available and unused approved bank credit extended to the Group is sufficient to face any potential cash flow shortage.

As of 31st December 2008, the Group had sufficient cash and cash equivalents (equal to € 94 million) and available unutilized committed facilities so that it is in a position to more than adequately service its short and medium term liabilities.

Interest Rate Risk: 21% of total Group debt is based on fixed interest rates and an additional 52% is based on pre-agreed interest rate spreads. As a result, base interest rate volatility has a small impact on cash flow and P&L. This is demonstrated in the sensitivity analysis below:

Sensitivity Analysis of Group's Borrowings due to Interest Rate Changes

(all amounts in Euro thousands)		Interest Rate Variation	Effect on profit before tax
Year ended 31 December 2008	EUR	1.0%	-7,919
		-1.0%	7,919
	USD	1.0%	-1,347
		-1.0%	1,347
	GBP	1.0%	-
		-1.0%	-
	BGN	1.0%	-282
		-1.0%	282
	EGP	1.0%	-162
		-1.0%	162
Year ended 31 December 2007	EUR	1.0%	-683
		-1.0%	683
	USD	1.0%	-3,860
		-1.0%	3,860
	GBP	1.0%	-17
		-1.0%	17
	BGN	1.0%	-243
		-1.0%	243
	EGP	1.0%	-245
		-1.0%	245

Note: Table above excludes the positive impact of interest received from deposits.

The fact that the Group's credit standing has been downgraded has had a limited effect on the cost of borrowing because, based on agreed credit lines, it was converted to an increase in the loan spread by 35 base points (0.35%).

The exposure of liabilities and investments to interest rate risk is being monitored on a budgetary basis. The Group's funding has been set up according to a predefined combination of fixed and variable interest rates in order to reduce the risk posed by fluctuating interest rates. The ratio of fixed to variable interest rates of the Group's net debt is determined by market conditions and the Group's strategy and funding needs. It is also possible to casually use interest rate derivatives, purely as a means of reducing this relative risk, and to change the above combination of fixed and variable interest rates, where this is deemed necessary. The Group did not use any interest rate derivatives in 2008.

It is the Group's policy to constantly monitor interest rate trends and the duration of its financing needs. Therefore, the decision on the duration and on the balance between fixed and variable cost of a new loan is taken on an *ad hoc* basis. As a result, all short-term loans have been taken out with variable interest rates. The medium-term loans are based partly on fixed and partly on variable interest rates.

Foreign Currency Risk: The Group's exposure to foreign currency risk stems primarily from existing or expected cash flows in foreign currency (imports / exports) and from investments abroad. This risk is dealt with in line with approved policies.

The various risks are managed through the use of natural hedges and foreign currency futures. It is a Group policy to use borrowing in the corresponding currency, where possible, as hedging for the investments in subsidiaries abroad which have their equity exposed to currency conversion risk. The currency risk of the equity of Group subsidiaries in the USA is thus partly hedged through borrowing in US dollars.

In other markets in which the Group is active, the company's borrowing needs are evaluated and, if possible, the funding takes place in the currency corresponding to the asset which is being funded or is to be funded. As an exception, the Group's investments in Turkey and Egypt are shown in Turkish lira and Egyptian pounds and part of the corresponding funding is expressed in euros and yen. The Group has decided that the cost of refinancing the obligations from euro to Turkish lira and Egyptian pounds is such that this is not a financially attractive option at the moment. This matter is being reconsidered regularly.

The table below refers to the sensitivity analysis of foreign exchange volatility to profit before tax and net assets:

Sensitivity Analysis in Foreign Exchange Rate Changes

(all amounts in Euro thousands)	**Foreign Currency**	**Increase/ Decrease of Foreign Currency vs. €**	**Effect on Profit Before Tax**	**Effect on equity**
Year ended 31 December 2008	USD	5%	-1,671	31,863
		-5%	1,671	-31,863
	RSD	5%	1,149	2,932
		-5%	-1,149	-2,932
	EGP	5%	1,992	24,374
		-5%	-1,992	-24,374
	TRY	5%	-160	834
		-5%	160	-834
	ALL	5%	-64	3,077
		-5%	64	-3,077
Year ended 31 December 2007	USD	5%	1,315	17,844
		-5%	-1,315	-17,844
	RSD	5%	650	3,280
		-5%	-650	-3,280
	EGP	5%	1,173	4,266
		-5%	-1,173	-4,266

Note: Calculation of "Effect on Profit before tax" is based on year average FX rates; calculation of "Effect on Equity" is based on year end FX rate changes.

Credit Risk: The Group faces no significant credit risks. The receivables from clients originate mainly from an extensive and broad client base. The financial standing of clients is constantly monitored by the Group companies.

Wherever this is deemed necessary, additional insurance cover is requested as credit guarantee. A special computer application checks the amount of credit extended and the credit limits of the accounts. Provisions for losses due to depreciation are made in the case of special credit risks. At the end of 2008, it is deemed that there are no significant credit risks which are not already covered by insurance as a guarantee for the credit extended or by a provision for doubtful receivables.

A potential credit risk also exists in cash and cash equivalents, in investments and in derivative contracts. In these cases, the risk may arise from the counterparty's inability to fulfil its obligations towards the Group. In order to minimise this credit risk, the Group sets certain limits on the level of exposure for each individual financial institution, in line with certain policies approved by the Board of Directors. Also, in the case of deposits, the Group only carries out transactions with established credit institutions of a high credit rating.

Important Transactions Between The Company And Related Parties

The most important transactions of the Company with parties related to it, in the sense used in International Accounting Standard 24, are the transactions carried out with its subsidiaries (enterprises related to it in the sense used in article 42e of Codified Law 2190/1920), which are listed in the following table:

Year ended 31 December 2008
(all amounts in Euro thousands)

Group	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	-	2,044	21	536
Executives and members of the Board	-	-	-	139
	-	**2,044**	**21**	**675**

Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Achaiki Maritime Company	8	7,132	-	4,518
Interbeton Construction Materials S.A.	59,005	5,671	4,875	-
Intertitan Trading International S.A.	6,839	-	-	-
Ionia S.A.	1,446	7,171	-	112
Fintitan SRL	13,295	-	6,947	-
Titan Cement U.K. Ltd	7,230	-	1,190	-
Usje Cementarnica AD	16,495	-	5,302	-
Essex Cement Co. LLC	11,483	3	163	-
Alvacim Ltd	-	2	-	19,002
Antea Cement SHA	19,111	5	4,047	-
Titan Global Finance PLC	-	16,636	-	639,152
Other related parties	7,976	5,301	1,947	3,327
	142,888	**41,921**	**24,471**	**666,111**

Year ended 31 December 2007
(all amounts in Euro thousands)

Group	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	4	1,831	16	769
Executives and members of the Board	-	-	-	508
	4	**1,831**	**16**	**1,277**

Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Achaiki Maritime Company	5	7,938	-	5,858
Albacem S.A.	4,016	-	-	-
Interbeton Construction Materials S.A.	55,523	8,425	17,243	-
Intertitan Trading International S.A.	6,217	-	-	-
Ionia S.A.	1,544	4,999	2,386	-
Titan Atlantic Cement Industrial and Commercial S.A.	-	-	3,188	-
Fintitan SRL	13,865	-	7,488	-
Titan Cement U.K. Ltd	7,530	-	2,884	-
Usje Cementarnica AD	8,159	463	11	-
Beni Suef Cement Co.S.A.E.	2,796	-	22	-
Essex Cement Co. LLC	30,483	-	1,254	9
Other related parties	5,649	8,247	4,084	3,663
	135,787	**30,072**	**38,560**	**9,530**

More specifically, the following are clarified regarding the above transactions:

The revenue shown in the table relates to sales of the Company's finished goods (cement and aggregates) to its above subsidiaries, whereas the purchases relate to purchases of raw materials by the Company from its above subsidiaries.

The company's liabilities primarily relate to four long term loan contracts for a total principal amount of € 634 million (€639 million including interest), maturity in 2011 and an annual interest rate equal to Euribor plus a 0.45 % spread, with subsidiary company "TITAN GLOBAL FINANCE PLC", registered in the United Kingdom, and a short-term loan contract of € 19 million with subsidiary company "Alvacim Ltd", registered in Cyprus.

The Company's receivables mostly relate to receivables from cement sales to its above subsidiaries and from the provision of consultancy services.

Finally, the remunerations of the Group's managers and Directors in the period from 01.01.2008 to 31.12.2008 amounted to €6.72 million against € 7.45 million in 2007.

Explanatory Report of the Board of Directors
(Pursuant to paragraphs 7 and 8 of Law 3556/2007)

1. Structure of the Company's share capital

The Company's share capital amounts to Euro 338,187,096, divided among 84,546,774 shares with a nominal value of 4 Euro each, of which 76,977,814 are common shares representing 91.048 % of the total share capital and 7,568,960 are preference shares without voting rights, representing 8.952 % of the total share capital.

All Company shares are registered and listed for trading in the Securities Market of the Athens Exchange (under "Large Cap" classification).

Each Company share carries all the rights and obligations set out in law and in the Articles of Association of the Company. The ownership of a Company share automatically entails acceptance of the Articles of Association of the Company and of the decisions made in accordance with those by the various Company bodies.

Each common share entitles the owner to one vote. The preference shares provide no voting rights.

The privileges enjoyed by holders of preference non-voting shares are as follows:

A. Receipt of a first dividend on the profits of the financial year, i.e. of the minimum mandatory dividend distributed annually in accordance with the law and the Articles of Association of the Company, before any distribution on ordinary shares. In the event of non distribution of dividend or of distribution of a dividend lower than the first dividend, in one or more financial years, holders of preference shares are entitled to a preferential payment of this first dividend, cumulatively and for the financial years in question, from the profits of subsequent years. Holders of preference non-voting shares are entitled, on equal terms with holders of ordinary shares, to receive any additional dividend which may be distributed in any form.

B. They are also entitled to preferential return of the capital paid up by holders of preference non-voting shares from the product of the liquidation of Company assets in the event of the Company being wound up. Holders of preference non-voting shares have equal rights with holders of common shares to a further share, proportionally, in the product of liquidation, if the product in question is higher than the total paid-up share capital.

The liability of the shareholders is limited to the nominal value of the shares they hold.

2. Limits on transfer of Company shares

The Company shares may be transferred as provided by the law and the Articles of Association provide no restrictions as regards the transfer of shares.

3. Significant direct or indirect holdings in the sense of articles 9 to 11 of Law 3556/2007

On 31.12.2008 the following shareholders held more than 5% of the total voting rights of the Company: Andreas L. Canellopoulos, 12.88%, The Paul and Alexandra Canellopoulos Foundation 9.75% and MITICA LTD controlled by Ioannis Tzivelis, 6.512%.

4. Shares conferring special control rights

None of the Company shares carry any special rights of control.

5. Limitations on voting rights

With the exception of the preference non-voting shares, the Articles of Association make no provision for any limitations on voting rights.

6. Agreements among Company shareholders

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights.

7. Rules for the appointment and substitution of Directors and for the amendment of the Articles of Association which depart from the provisions of Codified Law 2190/1920

The Company's Articles of Association, within the powers granted under Codified Law 2190/1920, as in force following the enactment of Law 3604/2007, include the following provisions regarding the appointment and substitution of its Directors:

a. The Board of Directors may elect Directors to replace any Directors who have resigned, passed away or lost their status in any other way, provided that it is not possible to replace said Directors with substitute Directors elected by the General Meeting. The above election by the Board of Directors is effected by a decision of the remaining Directors if these are at least seven (7) and applies to the remaining term of office of the Director being substituted.

b. The remaining Directors may continue to manage and represent the Company even if the missing Directors are not replaced as per the previous paragraph, provided that they are more than half the number of Directors prior to the above events.

c. In any case, the remaining Directors, irrespective of their number, may convoke the General Meeting for the sole purpose of electing a new Board of Directors.

The provisions of the Company's Articles of Association regarding the amendment of their own provisions do not depart from the provisions of Codified Law 2190/1920.

8. Competence of the Board of Directors or of appointed members thereof for the issuing of new shares or the purchase of own shares of the Company pursuant to article 16 of Codified Law 2190/1920

According to the provisions of article 6, par. 4 of the Company's Articles of Association, the General Meeting may, by a resolution passed by the extraordinary quorum and majority of article 20 of the Articles of Association, authorise the Board of Directors to increase the share capital by its own decision, pursuant to the provisions of article 13, par. 1, subparagraph (c) of Codified Law 2190/1920 and without prejudice to par. 4 of the same article.

Also, according to the provisions of article 13, par. 13 of Codified Law 2190/1920, by a resolution of the General Meeting passed under an increased quorum and majority in accordance with the provisions of paragraphs 3 and 4 of article 29 and of par. 2 of article 31 of Codified Law 2190/1920, a programme can be established for the offer of shares to the Directors and to company personnel, as well as to personnel of affiliated companies, in the form of stock options, according to the more specific terms of such resolution, a summary of which is subject to the publicity formalities of article 7b of Codified Law 2190/1920. The par value of the shares offered may not exceed, in total, one tenth (1/10) of the paid-up capital on the date of the resolution of the General Meeting. The Board of Directors issues a decision regarding every other related detail which is not otherwise regulated by the General Meeting and, depending on the number of beneficiaries who have exercised their options, the Board of Directors decides on the corresponding increase of the Company's share capital and on the issuing of new shares. In line with the above provisions and the relevant resolutions passed by the General Meetings of Shareholders on 8.6.2004 and 4.6.2008 and, after beneficiaries had exercised their options for 14,200 ordinary Company shares in December 2008 at a price of Euro 4 per share, the Board of Directors decided on 16.12.2008 to increase the Company's share capital by the amount of Euro 56,800 through a payment in cash and the issuing of 14,200 new common registered shares of a par value of 4 euros each. This capital increase according to par. 13 of article 13 of Codified Law 2190/1920 does not constitute an amendment of the Company's Articles of Association.

Finally, according to the provisions of article 16 of Codified Law 2190/1920, subject to prior approval by the General Meeting, the Company may acquire its own shares, under the responsibility of the Board of Directors, provided that the par value of the shares acquired, including the shares previously acquired and still held by the Company, does not exceed one tenth (1/10) of its paid-up share capital. The resolution of the General Meeting must also set the terms and conditions of the acquisitions, the maximum number of shares that may be acquired, the effective period of the approval granted, which may not exceed 24 months, and, in the case of acquisition for value, the maximum and minimum consideration. In line with the above provisions, the General Meeting of Company Shareholders on 20.5.2008 approved the purchase by the Company, whether directly or indirectly, of own shares, both ordinary and preferred, up to 10% of its paid-up share capital at the time within a period of 24 months, i.e. from 20.5.2008 to 20.5.2010, with the maximum purchase price set at Euro 50 per share and the minimum purchase price set at Euro 4 per share. The Company's Board of Directors issued a decision on 20.5.2008 for the Company to implement the above resolution passed by the General Meeting, to the extent that the markets in question are deemed to be more beneficial than other investment options available and provided that the Company's available funds, in relation to its investment needs, so permit.

9. Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

10. Significant agreements with members of the Board of Directors or employees of the Company

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to of a public offer.

The Auditor's Report has been translated from the Greek original version

Independent Auditor's Report

To the Shareholders of

TITAN CEMENT COMPANY S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of TITAN CEMENT COMPANY S.A., and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from 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 the Greek Auditing Standards, which are based on International Standards of 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 from 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 judgment, 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 management, 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 aforementioned financial statements present fairly, in all material respects, the financial position of TITAN CEMENT COMPANY S.A. and the Group as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements.

We confirm that the information given in the Directors' Report is consistent with the accompanying financial statements in the context of the requirements of articles 43a, 107 and 37 of Codified Law 2190/1920.

Athens, 24 February 2009

The Certified Auditor Accountant

Christos Glavanis

S.O.E.L. R.N. 10371

Ernst & Young (Hellas) Certified Auditors Accountants S.A.

11th klm National Road Athens – Lamia, Metamorfosi

Company S.O.E.L. R.N. 107

Income Statement for the year ended 31 December

(all amounts in Euro thousands)	Notes	Group 2008	Group 2007	Company 2008	Company 2007
Turnover	3	1,578,458	1,496,915	548,620	535,859
Cost of sales		-1,046,968	-936,825	-352,691	-322,779
Gross profit before depreciation		**531,490**	**560,090**	**195,929**	**213,080**
Other income	4	23,197	19,239	11,790	13,846
Share in profit of associates	15	3,519	3,447	-	-
Administrative expenses		-119,437	-108,586	-43,529	-41,352
Selling and marketing expenses		-25,755	-24,199	-4,709	-4,553
Other expenses	4	-32,962	-22,065	-11,001	-10,427
Profit before interest, taxes, depreciation and amortization		**380,052**	**427,926**	**148,480**	**170,594**
Depreciation and amortization related to cost of sales	5	-102,219	-89,279	-9,907	-9,629
Depreciation and amortization related to administrative and selling expenses	5	-7,259	-5,503	- 1,112	-1,055
Profit before interest and taxes		**270,574**	**333,144**	**137,461**	**159,910**
Income from participations and investments		283	74	7,699	2,656
Finance income	6	23,818	12,712	2,697	3,560
Finance expense	6	-84,659	-45,584	-34,565	-6,338
Profit before taxes		**210,016**	**300,346**	**113,292**	**159,788**
Less: income tax expense	8	7	-56,127	-7,328	-41,017
Profit after taxes		**210,023**	**244,219**	**105,964**	**118,771**
Attributable to:					
Titan Cement S.A. shareholders		208,224	239,739	105,964	118,771
Minority interests		1,799	4,480	-	-
		210,023	**244,219**	**105,964**	**118,771**
Basic earnings per share (in €)	9	**2.5336**	**2.8452**	**1.2893**	**1.4096**
Diluted earnings per share (in €)	9	**2.5254**	**2.8360**	**1.2852**	**1.4050**

Balance Sheet as at 31 December

(all amounts in Euro thousands)	Notes	Group 2008	Group 2007	Company 2008	Company 2007
ASSETS					
Property, plant & equipment	11	1,896,579	1,303,924	270,592	262,214
Investment properties	12	-	-	6,796	6,996
Intangible assets and Goodwill	13	545,088	301,189	-	-
Investments in subsidiaries	14	-	-	1,262,303	515,777
Investments in associates	15	10,178	4,136	-	-
Available-for-sale financial assets	16	2,418	2,497	107	107
Other non current assets	17	39,297	29,048	3,551	3,386
Deferred income tax asset	18	2,622	203	-	-
Non-current assets		**2,496,182**	**1,640,997**	**1,543,349**	**788,480**
Inventories	19	284,852	226,253	99,994	85,250
Receivables and prepayments	20	315,949	288,118	96,621	130,213
Derivative financial instruments		2,524	657	-	15
Available-for-sale financial assets	16	62	2,361	61	61
Cash and cash equivalents	21	94,521	167,478	31,263	13
Current assets		**697,908**	**684,867**	**227,939**	**215,552**
TOTAL ASSETS		**3,194,090**	**2,325,864**	**1,771,288**	**1,004,032**
EQUITY AND LIABILITIES					
Share capital (84,546,774 shares of € 4.00)	22	338,187	169,065	338,187	169,065
Share premium	22	22,826	22,826	22,826	22,826
Share options	22	10,713	7,016	10,713	7,016
Treasury shares	22	-92,299	-35,945	-92,299	-35,945
Other reserves	23	433,747	396,997	462,987	558,753
Retained earnings		682,882	612,868	53,110	83,844
Equity attributable to equity holders of the parent		**1,396,056**	**1,172,827**	**795,524**	**805,559**
Minority interests		38,078	22,112	-	-
Total equity (a)		**1,434,134**	**1,194,939**	**795,524**	**805,559**
Long-term borrowings	24	945,193	589,833	759,000	3,609
Deferred income tax liability	18	204,433	124,063	21,625	29,079
Retirement benefit obligations	25	41,157	39,332	23,702	21,102
Provisions	26	23,235	20,934	2,182	2,887
Other non-current liabilities	27	14,093	16,510	6,406	6,747
Non-current liabilities		**1,228,111**	**790,672**	**812,915**	**63,424**
Short-term borrowings	24	263,145	146,405	87,580	49,987
Trade and other payables	28	254,849	168,018	75,269	63,996
Derivative financial instruments		-	87	-	87
Income tax payable	8	10,708	12,911	-	7,442
Provisions	26	3,143	12,832	-	13,537
Current liabilities		**531,845**	**340,253**	**162,849**	**135,049**
Total liabilities (b)		**1,759,956**	**1,130,925**	**975,764**	**198,473**
TOTAL EQUITY AND LIABILITIES (a+b)		**3,194,090**	**2,325,864**	**1,771,288**	**1,004,032**

Statement of Changes in Shareholders' Equity

Group		Attributable to equity holders of the parent										
(all amounts in Euro thousands)	Notes	Ordinary shares	Share premium	Preferred ordinary shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves	Retained earnings	Total	Minority interests	Total equity
Year ended 31 December 2007												
Balance at 1 January 2007		**153,832**	**22,724**	**15,138**	**3,519**	**-502**	**-**	**373,923**	**511,555**	**1,080,189**	**20,170**	**1,100,359**
Foreign currency translation		-	-	-	-	-	-	-43,165	-4,701	-47,866	-83	-47,949
Net unrealized gains on available for sale financial assets		-	-	-	-	-	-	132	-	132	-	132
Additional consideration for subsidiary acquisition		-	-	-	-	-	-	-	-4,280	-4,280	-	-4,280
Net income and expense for the year recognized directly in equity		**-**	**-**	**-**	**-**	**-**	**-**	**-43,033**	**-8,981**	**-52,014**	**-83**	**-52,097**
Profit for the year		-	-	-	-	-	-	-	239,739	239,739	4,480	244,219
Total income and expense for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-43,033**	**230,758**	**187,725**	**4,397**	**192,122**
Dividends paid	10	-	-	-	-	-	-	15	-63,353	-63,338	-2,488	-65,826
Treasury shares purchased	22	-	-	-	-	-35,434	-9	-	-	-35,443	-	-35,443
Share Capital increase due to share options exercised	22	95	102	-	-	-	-	-	-	197	-	197
Provision for share options (IFRS 2)		-	-	-	3,497	-	-	-	-	3,497	-	3,497
Minority interest from new-established companies		-	-	-	-	-	-	-	-	-	33	33
Transfer between reserves	23	-	-	-	-	-	-	66,092	-66,092	-	-	-
Balance at 31 December 2007		**153,927**	**22,826**	**15,138**	**7,016**	**-35,936**	**-9**	**396,997**	**612,868**	**1,172,827**	**22,112**	**1,194,939**
Year ended 31 December 2008												
Balance at 1 January 2008		**153,927**	**22,826**	**15,138**	**7,016**	**-35,936**	**-9**	**396,997**	**612,868**	**1,172,827**	**22,112**	**1,194,939**
Foreign currency translation		-	-	-	-	-	-	3,482	-1,184	2,298	-1,162	1,136
Net unrealized gains on available for sale financial assets		-	-	-	-	-	-	-179	-	-179	-	-179
Asset revaluation surplus on investment acquisition		-	-	-	-	-	-	129,150	-	129,150	3,782	132,932
Net income and expense for the year recognized directly in equity		**-**	**-**	**-**	**-**	**-**	**-**	**132,453**	**-1,184**	**131,269**	**2,620**	**133,889**
Profit for the year		-	-	-	-	-	-	-	208,224	208,224	1,799	210,023
Total income and expense for the year		**-**	**-**	**-**	**-**	**-**	**-**	**132,453**	**207,040**	**339,493**	**4,419**	**343,912**
Dividends paid	10	-	-	-	-	-	-	-	-63,399	-63,399	-2,764	-66,163
Treasury shares purchased	22	-	-	-	-	-56,246	-108	-	-	-56,354	-	-56,354
Share Capital increase due to capitalization of reserves		153,927	-	15,138	-	-	-	-166,221	-2,844	-	-	-
Share Capital increase due to share options exercised	22	57	-	-	-	-	-	-	-	57	-	57
Provision for share options (IFRS 2)		-	-	-	3,697	-	-	-	-	3,697	-	3,697
Minority interest related to share capital increase in subsidiaries		-	-	-	-	-	-	-	-265	-265	24,373	24,108
Acquisition of minority interest		-	-	-	-	-	-	-	-	-	-12,732	-12,732
Minority interest arising on business combination		-	-	-	-	-	-	-	-	-	2,670	2,670
Transfer between reserves	23	-	-	-	-	-	-	70,518	-70,518	-	-	-
Balance at 31 December 2008		**307,911**	**22,826**	**30,276**	**10,713**	**-92,182**	**-117**	**433,747**	**682,882**	**1,396,056**	**38,078**	**1,434,134**

Statement of Changes in Shareholders' Equity (continued)

Company

(all amounts in Euro thousands)	Notes	Ordinary shares	Share premium	Preferred ordinary shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves	Retained earnings	Total equity
Year ended 31 December 2007										
Balance at 1 January 2007		**153,832**	**22,724**	**15,138**	**3,519**	**-502**	**-**	**503,366**	**83,798**	**781,875**
Profit for the year		-	-	-	-	-	-	-	118,771	118,771
Dividends paid	10	-	-	-	-	-	-	15	-63,353	-63,338
Treasury shares purchased	22	-	-	-	-	-35,434	-9	-	-	-35,443
Share Capital increase due to share options exercised	22	95	102	-	-	-	-	-	-	197
Provision for share options (IFRS 2)		-	-	-	3,497	-	-	-	-	3,497
Transfer between reserves	23	-	-	-	-	-	-	55,372	-55,372	-
Balance at 31 December 2007		**153,927**	**22,826**	**15,138**	**7,016**	**-35,936**	**-9**	**558,753**	**83,844**	**805,559**
Year ended 31 December 2008										
Balance at 1 January 2008		**153,927**	**22,826**	**15,138**	**7,016**	**-35,936**	**-9**	**558,753**	**83,844**	**805,559**
Profit for the year		-	-	-	-	-	-	-	105,964	105,964
Dividends paid	10	-	-	-	-	-	-	-	-63,399	-63,399
Treasury shares purchased	22	-	-	-	-	-56,246	-108	-	-	-56,354
Share Capital increase due to capitalization of reserves		153,927	-	15,138	-	-	-	-166,221	-2,844	-
Share Capital increase due to share options exercised	22	57	-	-	-	-	-	-	-	57
Provision for share options (IFRS 2)		-	-	-	3,697	-	-	-	-	3,697
Transfer between reserves	23	-	-	-	-	-	-	70,455	-70,455	-
Balance at 31 December 2008		**307,911**	**22,826**	**30,276**	**10,713**	**-92,182**	**-117**	**462,987**	**53,110**	**795,524**

Cash Flow Statement for the year ended 31 December

(all amounts in Euro thousands)	Notes	Group		Company	
		2008	2007	2008	2007
Cash flows from operating activities					
Cash generated from operations	29	411,693	419,876	177,702	162,120
Income tax paid		-48,627	-96,232	-35,161	-58,784
Net cash generated from operating activities (a)		363,066	323,644	142,541	103,336
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	11, 13	-209,105	-252,399	-20,598	-18,383
Proceeds from sale of property, plant and equipment	29	7,736	4,386	704	661
Proceeds from sale of investment property		-	-	-	157
Proceeds from dividends		3,325	74	10,313	2,688
Acquisition of subsidiaries, net of cash acquired	30	-387,590	-243,231	-745,225	-1,724
Acquisition of minority interest		-14,118	-	-	-
Proceeds from sale of available-for-sale financial assets		2,987	933	-	-
Purchase of available-for-sale financial assets		-1,400	-2,193	-118	-74
Interest received		8,859	7,589	538	130
Net cash flows used in investing activities (b)		-589,306	-484,841	-754,386	-16,545
Net cash flows after investing activities (a)+(b)		**-226,240**	**-161,197**	**-611,845**	**86,791**
Cash flows from financing activities					
Proceeds from issuance of ordinary shares	22	57	197	57	197
Proceeds from minority's participation in subsidiaries' share capital increase		24,108	-	-	-
Purchase of treasury shares		-56,712	-35,085	-56,712	-35,085
Proceeds from government grants		-	230	-	25
Interest paid		-63,406	-40,224	-22,424	-3,031
Dividends paid		-66,400	-65,736	-63,401	-63,246
Proceeds from borrowings		778,326	637,704	1,167,499	95,493
Payments of borrowings		-464,819	-304,500	-381,924	-81,159
Net cash flows from (used in) financing activities (c)		151,154	192,586	643,095	-86,806
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)		**-75,086**	**31,389**	**31,250**	**-15**
Cash and cash equivalents at beginning of the year	21	167,478	138,027	13	28
Effects of exchange rate changes		2,129	-1,938	-	-
Cash and cash equivalents at end of the year	21	**94,521**	**167,478**	**31,263**	**13**

Contents **Page**

1. General information and summary of significant accounting policies 68
1.1 Basis of preparation 68
1.2 Consolidation 72
1.3 Foreign currency translation 73
1.4 Property, plant and equipment 73
1.5 Investment properties 74
1.6 Intangible assets 74
1.7 Deferred stripping costs 74
1.8 Impairment of long lived assets other than Goodwill 75
1.9 Leases – where a Group entity is the lessee 75
1.10 Inventories 75
1.11 Trade receivables 75
1.12 Cash and cash equivalents 75
1.13 Share capital 75
1.14 Borrowings 75
1.15 Current and deferred income taxes 76
1.16 Employee benefits 76
1.17 Government grants relating to purchase of property, plant and equipment 77
1.18 Provisions 77
1.19 Environmental restoration costs 77
1.20 Revenue recognition 77
1.21 Dividends paid 78
1.22 Segment information 78
1.23 CO_2 Emission rights 78
1.24 Financial Instruments 78
2. Significant accounting estimates and judgements 79
2.1 Estimated impairment of goodwill 79
2.2 Income taxes 79
2.3 Fair value and useful lives of Property, plant and equipment 79
2.4 Reclassification 79
3. Segment information 80
4. Other revenue and expenses 82
5. Profit before interest and taxes 82
6. Finance income/(expenses) 83
7. Staff costs 83
8. Income tax expense 83
9. Earnings per share 84
10. Dividend proposed and distributed 84
11. Property, plant and equipment 85
12. Investment properties 86
13. Intangible assets and Goodwill 87
14. Principal subsidiaries, associates and joint ventures 88
15. Investment in associates 90
16. Available-for-sale financial assets 90
17. Other non current assets 91
18. Deferred income taxes 91
19. Inventories 96
20. Receivables and prepayments 94
21. Cash and cash equivalents 95
22. Share capital and premium 95
23. Other reserves 97
24. Borrowings 98
25. Retirement and termination benefit obligations 99
26. Provisions 100
27. Other-non current liabilities 100
28. Trade and other payables 101
29. Cash generated from operations 101
30. Business combinations 102
31. Interest in joint ventures 103
32. Contingencies and Commitments 104
33. Related party transactions 105
34. Financial risk management objectives and policies 107
35. Financial instruments 109
36. Fiscal years unaudited by the tax authorities 110
37. Reclassifications 111
38. Events after the balance sheet date 111

1. General information and summary of significant accounting policies

General Information

TITAN CEMENT S.A. (the Company) and, its subsidiaries, joint ventures and associates (collectively the Group) are engaged in the production, trade and distribution of a wide range of construction materials, from aggregates, cement, concrete, cement blocks, dry mortars and fly ash, as well as porcelain ware. The Group operates primarily in Greece, the Balkans, Egypt and the United States of America.

The Company is a limited liability company with registration No 6013/06/B/86/90 and registered offices at Halkidos 22A, 11143, Athens incorporated and domiciled in Greece and is listed on the Athens Stock Exchange.

These financial statements have been approved for issue by the Board of Directors on February 24, 2009 and are expected to be ratified at the Annual General Meeting.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1.1 Basis of preparation

These financial statements have been prepared by management in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and issued Interpretations by International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union as of December 31, 2008.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain equity investments, investment property, and derivative instruments (comprising forward exchange contracts) at fair value.

The preparation of financial statements, in conformity with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Significant accounting estimates and judgments in note 2.

New standards, interpretations and amendments to published standards

The following new interpretations, became mandatory for the first time for the financial year beginning 1 January 2008 and are not relevant for the group and the company.

(a) IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions". IFRIC 11 requires arrangements whereby an employee is granted options to buy equity shares, to be accounted for as equity-settled schemes by an entity even if the entity chooses or is required to buy those equity shares from another party, or the shareholders of the entity provide the equity instruments granted. The interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to equity instruments of the parent. This Interpretation applies to the way the Group's subsidiaries account, in their individual financial statements, for options granted to their employees to buy equity shares of the Company. The accounting treatment followed by the Group is in line with the relevant provisions of the Interpretation.

(b) IFRIC 12, "Service Concession Arrangements". This Interpretation outlines an approach to account for contractual (service concession) arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognise a financial asset and/or an intangible asset. IFRIC 12 is not relevant to the Group. This Interpretation has not yet been endorsed by the EU.

(c) IFRIC 14, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". IFRIC 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. It also explains how this limit, also referred to as the "asset ceiling test", may be influenced by a minimum funding requirement and aims to standardize current practice. The Group expects that this Interpretation has no impact on its financial position or performance as all defined benefit schemes are currently in deficit.

The following new standards, amendments to standards and interpretations have been issued but are not effective and have not been early adopted:

• IFRIC 13, "Customer Loyalty Programmes", effective for financial years beginning on or after 1 July 2008. This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. This interpretation will have no impact on the Company's / Group's financial statements as no such schemes currently exist.

• IFRIC 15, "Agreements for the Construction of Real Estate", effective for financial years beginning on or after 1 January 2009 and is to be applied retrospectively. IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognised. This Interpretation has not yet been endorsed by the EU.

• IFRIC 16, "Hedges of a Net Investment in a foreign operation", effective for financial years beginning on or after 1 October 2008 and is to be applied prospectively. IFRIC 16 clarifies three main issues, namely:

- A presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.
- Hedging instrument(s) may be held by any entity or entities within the group.
- While IAS 39, 'Financial Instruments: Recognition and Measurement', must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 'The Effects of Changes in Foreign Exchange Rates' must be applied in respect of the hedged item.

This Interpretation has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this interpretation and which accounting policy to adopt for the recycling on the disposal of the net investment.

• IFRIC 17, "Distributions of Non-cash Assets to Owners", effective for annual periods beginning on or after 1 July, 2009 IFRIC 17 clarifies the following issues, namely:

- a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity;
- an entity should measure the dividend payable at the fair value of the net assets to be distributed;
- an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss; and
- an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation.

IFRIC 17 applies to pro rata distributions of non-cash assets except for common control transactions This Interpretation has not yet been endorsed by the EU. It is to be applied prospectively and earlier application is permitted. The Group / Company is in the process of assessing the impact of this interpretation.

IFRIC 18, "Transfers of Assets from Customers", effective for financial years beginning on or after 1 July 2009 and is to be applied prospectively. However, limited retrospective application is permitted. This Interpretation is of particular relevance for the utility sector as it clarifies the accounting for agreements where an entity receives an item of PP&E (or cash to construct such an item) from a customer and this equipment in turn is used to connect a customer to the network or to provide ongoing access to supply of goods/services. The Group is in the process of assessing the impact of this interpretation.

• IFRS 2, "Share-based Payments" (Amended), effective for annual periods beginning on or after 1 January 2009. The amendment clarifies two issues. The definition of 'vesting condition', introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group is in the process of assessing the impact of this interpretation and which accounting policy to adopt for the recycling on the disposal of the net investment.

• IFRS 3, "Business Combinations" (Revised) and IAS 27, "Consolidated and Separate Financial Statements" (Amended), effective for annual periods beginning on or after 1 July 2009. A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements were issued by IASB on January 10, 2008. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill).

The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) must be applied prospectively and will affect future acquisitions and transactions with minority interests. The revised IFRS 3 and amendments to IAS 27 have not yet been endorsed by the EU.

• IFRS 8, "Operating Segments", effective for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14 'Segment reporting'. IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group is in the process of assessing the impact of this standard on its financial statements.

• IAS 1, "Presentation of Financial Statements" (Revised), effective for annual periods beginning on or after 1 January 2009. IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. Of the main revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income"; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Group will make the necessary changes to the presentation of its financial statements in 2009.

• IAS 32 and IAS 1, "Puttable Financial Instruments" (Amended), effective for annual periods beginning on or after 1 January 2009. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact the financial statements of the Group.

• IAS 23, "Borrowing Costs" (Revised), effective for annual periods beginning on or after 1 January 2009. The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying

assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

The Group/Company has already the allowed alternative treatment of IAS 23 and allocates borrowing costs in the accounts that satisfied the prerequisites and it is not expected that this amendment will affect the financial statements.

• IAS 39, "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures; Reclassification of Financial Assets", effective from 1 July 2008 and cannot be applied retrospectively to reporting periods before the effective date. The amendment to IAS 39 permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss ("FVTPL") category in particular circumstances.

The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The amendments do not permit reclassification into FVTPL. The amendment to IFRS 7 relates to the disclosures required to financial assets that have been reclassified.

In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. These amendments are effective for periods beginning on or after 1 January 2009 and have not yet been endorsed by the EU.

• IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" (Amended), effective for annual periods beginning on or after 1 July 2009. The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any investments in subsidiaries classified as held for sale since IFRS 5 was applied will need to be re-evaluated. Early application is permitted. If early adopted, IAS 27 (as amended in January 2008) must also be adopted from that date.

• IFRS 7, "Financial Instruments: Disclosures" (Amended), effective for annual periods beginning on or after 1 January 2009. This amendment removes the reference to 'total interest income' as a component of finance costs.

• IAS 1, "Presentation of Financial Statements" (Amended), effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. To be applied retrospectively. Early application is permitted.

• IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" (Amended), effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

• IAS 10, "Events after the Reporting Period" (Amended), effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that dividends declared after the end of the reporting period are not obligations.

• IAS 16, "Property, Plant and Equipment" (Amended), effective for annual periods beginning on or after 1 January 2009.

- Replaces the term 'net selling price' with 'fair value less costs to sell', regarding the recoverable amount, to be consistent with IFRS 5 and IAS 36 Impairment of Assets.

- Items of property, plant & equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 Statement of cash flows is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities.

• IAS 18, "Revenue" (Amended), effective for annual periods beginning on or after 1 January 2009. This amendment replaces the term 'direct costs' with 'transaction costs' as defined in IAS 39.

• IAS 19, "Employee Benefits" (Amended), effective for annual periods beginning on or after 1 January 2009.

- Revises the definition of 'past service costs' to include reductions in benefits related to past services ('negative past service costs') and to exclude reductions in benefits related to future services that arise from plan amendments. Amendments to plans that result in a reduction in benefits related to future services are accounted for as a curtailment. To be applied prospectively – to changes to benefits occurring on or after 1 January 2009. Early application is permitted.

- Revises the definition of 'return on plan assets' to exclude plan administration costs if they have already been included in the actuarial assumptions used to measure the defined benefit obligation. To be applied retrospectively. Early application is permitted.

- Revises the definition of 'short-term' and 'other long term' employee benefits to focus on the point in time at which the liability is due to be settled. To be applied retrospectively. Early application is permitted.

- Deletes the reference to the recognition of contingent liabilities to ensure consistency with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 does not allow for the recognition of contingent liabilities. To be applied retrospectively. Early application is permitted.

• IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance" (Amended), effective for annual periods beginning on or after 1 January 2009. Loans granted with no or low interest rates will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates, thereby being consistent with IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. To be applied prospectively – to government loans received on or after 1 January 2009. Early application is permitted. However,

IFRS 1 First-time Adoption of IFRS has not been revised for first-time adoptees; hence they will be required to impute interest on all such loans outstanding at the date of transition.

- IAS 23, "Borrowing Costs" (Amended), effective for annual periods beginning on or after 1 January 2009. The amendment revises the definition of borrowing costs to consolidate the types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method as described in IAS 39. To be applied retrospectively. Early application is permitted.
- IAS 27 "Consolidated and Separate Financial Statements" (Amended), effective for annual periods beginning on or after 1 January 2009. When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any subsidiaries classified as held for sale since IFRS 5 was adopted will need to be re-evaluated. Early application is permitted.
- IAS 28, "Investment in Associates" (Amended), effective for annual periods beginning on or after 1 January 2009.
  - If an associate is accounted for at fair value in accordance with IAS 39 (as it is exempt from the requirements of IAS 28), only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies. To be applied retrospectively, although an entity is permitted to apply it prospectively. Early application is permitted. If early adopted, an entity must also adopt the amendment below, and the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
  - An investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance. Any impairment is reversed if the recoverable amount of the associate increases. If early adopted, an entity must also adopt the amendment above, and the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
- IAS 29, "Financial Reporting in Hyperinflationary Economies" (Amended), effective for annual periods beginning on or after 1 January 2009. This amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list. No specific transition requirements have been stated as it is a clarification of the references rather than a change.
- IAS 31, "Interest in Joint ventures" (Amended), effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 (as it is exempt from the requirements of IAS 31), only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply. Early application is permitted. If early adopted, an entity must also adopt the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, IAS 28 Investments in Associates and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
- IAS 34, "Interim Financial Reporting" (Amended), effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.
- IAS 36, "Impairment of assets" (Amended), effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that when discounted cash flows are used to estimate 'fair value less costs to sell', the same disclosure is required as when discounted cash flows are used to estimate 'value in use'. To be applied retrospectively. Early application is permitted.
- IAS 38, "Intangible Assets" (Amended), effective for annual periods beginning on or after 1 January 2009.
  - Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the services. To be applied retrospectively. Early application is permitted.
  - Deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for finite life intangible assets that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method. To be applied retrospectively. Early application is permitted.
  - A prepayment may only be recognised in the event that payment has been made in advance to obtaining right of access to goods or receipt of services.
- IAS 39, "Financial instruments recognition and measurement" (Amened), effective for annual periods beginning on or after 1 January 2009.
  - Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4 Insurance Contracts, this is a change in circumstance, not a reclassification. To be applied retrospectively. Early application is permitted.
  - Removes the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. To be applied retrospectively. Early application is permitted.
  - Requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting. To be applied retrospectively. Early application is permitted.
- IAS 40, "Investment property" (Amended), effective for annual periods beginning on or after 1 January 2009.
  - Revises the scope (and the scope of IAS 16) such that property that is being constructed or developed for future use as an investment property is classified as investment property. If an entity is unable to determine the fair value of an invest-

ment property under construction, but expects to be able to determine its fair value on completion, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. To be applied prospectively. Early application is permitted. An entity is permitted to apply the amendments to investment properties under construction from any date before 1 January 2009 provided that the fair values of investment properties under construction were determined at those dates.

- Revises the conditions for a voluntary change in accounting policy to be consistent with IAS 8.
- Clarifies that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.

• IAS 41, "Agriculture" (Amended), effective for annual periods beginning on or after 1 January 2009.

- Replaces the term 'point-of-sale costs' with 'costs to sell'. Revises the example of produce from trees in a plantation forest from 'logs' to 'felled trees'.
- Removes the reference to the use of a pre-tax discount rate to determine fair value, thereby allowing use of either a pre-tax or post-tax discount rate depending on the valuation methodology used.
- Removes the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Rather, cash flows that are expected to be generated in the 'most relevant market' are taken into account. To be applied prospectively. Early application is permitted.

1.2 Consolidation

(a) Subsidiaries

Subsidiaries, are entities (including special purpose entities) in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Note 1.6(a) outlines the accounting policy on goodwill. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests.

The excess of the cost of acquisition over the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the fair value of the acquired intangible assets, liabilities and contingent liabilities of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered.

Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries are prepared for the same reporting date with the parent company.

Minority interest reflects the portion of profit or loss and net assets attributable to equity interests that are not owned by the Group. Minority interest is reported separately in the consolidated income statement as well as in the consolidated balance sheet separately from the Share capital and reserves. In case of purchase of minority interest, the difference between the value of acquisition and the book value of the share of net assets acquired is recognized as goodwill.

At the Company's balance sheet, investment in subsidiaries is stated at cost less provision for impairment, if any.

(b) Joint ventures (Jointly controlled entities)

A joint venture is an entity jointly controlled by the Group and one or more other ventures in terms of a contractual arrangement. The Group's interest in jointly controlled entities is accounted for by the proportional consolidation method of accounting, taking into consideration the percentage controlled by the Group as at the date of consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures.

The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

Accounting policies of joint ventures have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the joint ventures are prepared for the same reporting date with the parent company.

(c) Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified on acquisition.

Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in other reserves is recognised in other reserves. The cumulative post-acquisition movements in balance sheet assets and liabilities are adjusted against the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in associates includes goodwill on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

Accounting policies of associates have been changed adjusted where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the associates are prepared for the same reporting date with the parent company.

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. The consolidated financial statements are presented in Euros, which is the functional and presentation currency of the Company and the presentation currency of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates (i.e. spot 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, except when deferred in equity as qualifying net investment hedges.

Translation differences on non-monetary items, such as equity investments held at fair value are included as part of the fair value gain or loss in the income statement.

(c) Group companies

The operating results and financial position of all group entities (none of which operate in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.
- Income and expenses for each income statement are translated at average exchange rates.
- All exchange differences resulting from the above are recognised as a "foreign currency translation reserve" in shareholders equity.
- On the disposal of a foreign operation, the cumulative exchange differences relating to that particular foreign operation, deferred in "foreign currency translation reserve" in shareholders equity, are recognised in the income statement as part of the gain or loss on sale.

On consolidation, exchange differences arising from the translation of borrowings designated as hedges of investments in foreign entities, are taken to "currency translation differences on derivative hedging position" included in other reserves in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost less subsequent depreciation and impairment, except for land (excluding quarries), which is shown at cost less impairment.

Cost includes expenditure that is directly attributable to the acquisition of the items and any environmental rehabilitation costs to the extent that they have been recognised as a provision (refer to note 1.19). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Subsequent costs are depreciated over the remaining useful life of the related asset or to the date of the net major subsequent cost whichever is the sooner. Depreciation, with the exception of quarries, is calculated on the straight-line method to write off the assets to their residual values over their estimated useful lives as follows:

Buildings	Up to 50 years
Plant and machinery	Up to 40 years

Motor vehicles	5 to 15 years
Office equipment furniture and fittings*	3 to 10 years
Minor value assets	Up to 2 years

** (incl. computer equipment and software)*

Land on which quarries are located is depreciated on a depletion basis. This depletion is recorded as the material extraction process advances based on the unit-of-production method. Other land is not depreciated.

Where an item of plant and machinery comprises major components with different useful lives, the components are accounted for as separate items of plant and machinery.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. (Refer to note 1.8)

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Interest costs on borrowings specifically used to finance the construction of property, plant and equipment are capitalised during the construction period.

1.5 Investment properties

Investment properties are held to earn rental income and appreciate capital value. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied properties from investment properties.

Investment properties are treated as long-term assets and carried at fair value, representing open market value determined internally on an annual basis based on comparable transactions that take place around the balance sheet date, by management. Changes in fair values are recorded in net income and are included in other operating income.

1.6 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the acquired identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, joint venture and associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. A cash generated unit is the smallest identifiable group of assets generating cash inflows independently and represents the level used by the Group to organise and present each activities and results in its internal reporting. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount (typically the value in use) of the cash-generating units is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December each year.

Negative goodwill is recognised where the fair value of the Group's interest in the fair value of the acquired assets, liabilities and contingent liabilities of the acquired entity exceeds the cost of acquisition and is taken to the income statement as an expense immediately.

(b) Computer software

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as part of office equipment, in property, plant and equipment. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

The cost of a separately acquired software, which comprises of its purchase price and any directly associated costs of preparing the software for its intended use is recognized as an intangible asset, when it concerns an identifiable and unique software product which will generate economic benefits beyond one year. Computer software costs recognized as intangible assets are amortized using the straight-line method over their useful lives (three years).

(c) Other intangible assets

Patents, trademarks, mining permits and customer relationships are shown at historical cost. These intangible assets have a definite useful life, and their cost is amortised using the straight-line method over their useful lives, not exceeding 20 years.

1.7 Deferred stripping costs

Costs associated with removing overburden from mineral deposits are deferred in other non current receivables and amortized on the units-of-production method proportionate to the extraction of the related mineral deposits. Amortization of deferred stripping is included in total depreciation and amortization related to cost of sales in the accompanying consolidated statements of income.

1.8 Impairment of long lived assets other than Goodwill

Assets that have an indefinite useful life (land not related to quarries) 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, 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 determined by comparable transactions less costs to sell and value in use as determined by discounted cash flows. Assets are grouped at the lowest possible levels.

1.9 Leases – where a Group entity is the lessee

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset or the lease term.

1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realisable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

1.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all of the amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in other expenses in the income statement.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. The components of cash and cash equivalents have a negligible risk of change in value.

1.13 Share capital

(a) Ordinary shares and non-redeemable non-voting preferred shares with minimum statutory non-discretionary dividend features are classified as equity. Share capital represents the value of company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as "share premium" in shareholders equity.

(b) Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

(c) Where the Company or its subsidiaries purchases the Company's own equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

1.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group entity has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

1.15 Current and deferred income taxes

Current income tax is calculated using the financial statements of every company included in the consolidated financial statements, along with the applicable tax law in the respective countries. The income tax charge consists of the current income tax calculated upon the results of the Group companies, as they have been reformed in their taxation return applying the applicable tax rate.

Deferred income tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax 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 and loss, it is not accounted for.

Deferred income tax assets are recognised only to the extent that is it probable that taxable profits and reversals of deferred tax liabilities will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income taxation is determined using tax rates that have been enacted on the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also presented in equity.

1.16 Employee benefits

(a) Pension and other retirement obligations

Certain Group companies have various pension and other retirement schemes in accordance with the local conditions and practices in the countries in which they operate. These schemes are both funded and unfunded. The funded scheme is funded through payments to a trustee-administered fund as determined by periodic actuarial calculations. A defined benefit plan is a pension or a similar retirement plan that defines an amount of pension or retirement benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The liability in respect of defined benefit pension or retirement plans, including certain unfunded termination indemnity benefit plans, is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated at periodic intervals by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans, which exceed 10% of the estimated benefit liability at the beginning of every period, are recognized in other income/ expenses in the income statement over the average remaining service lives of the related employees.

For defined contribution plans, the company will pay contributions into a separate fund on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the company has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

(b) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated, before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. Where the employee's employment is terminated at the normal retirement date, the entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans.

As regards termination before the normal retirement date or voluntary redundancy, the Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Any such benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised in other provisions when and at least one of the following conditions is met:

- there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or

- past practice has created a valid expectation by employees that they will receive a bonus/ profit sharing and the amount can be determined before the time of issuing the financial statements.

Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(d) Equity compensation benefits

Share options are granted to certain members of senior management at a discount to the market price of the shares at the time

the scheme was put into force (in respect of the old scheme) and at par value (in respect of the new schemes) on the respective dates of the grants and are exercisable at those prices. Options are exercisable beginning six months from the date of grant, in respect of the old scheme, and as regards the new schemes each option must be exercised within twelve months of its respective vesting period. Both schemes have a contractual option term of three years.

The fair value, calculated using statistical models, of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable and recognises the impact of the revision of original estimates, if any, in administrative expenses and cost of goods sold in the income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium reserve when the options are exercised.

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

1.17 Government grants relating to purchase of property, plant and equipment

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match the grants to the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in other non-current liabilities and are credited to depreciation and amortization related to cost of sales in the income statement on a straight-line basis over the expected lives of the related assets.

1.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The Group recognises a provision for onerous contracts when the benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance.

Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

1.19 Environmental restoration costs

Companies within the Group are generally required to restore quarries and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities and consistent with the Group's environmental policies. Provisions for environmental restoration are recognised when the Group has a present legal or constructive obligation as a result of past events and, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Estimating the future costs of these obligations is complex and requires management to make estimates and judgments because most of the obligations will be fulfilled in the future and contracts and laws are often not clear regarding what is required. Furthermore, the resulting provisions are further influenced by the changing technologies and, environmental, safety, business, political and statutory considerations.

Costs associated with such rehabilitation activities are measured at the present value of future cash outflows expected to be incurred and are recognized as a separate asset, within property, plant and equipment, and a corresponding liability. The capitalized cost is depreciated over the useful life of the asset and any change in the net present value of the expected liability is included in finance costs, unless they arise from changes in accounting estimates of valuation.

1.20 Revenue recognition

Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts, and after eliminating sales within the Group. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer (usually upon delivery and customer acceptance) and the realization of the related receivable is reasonably assured.

Revenue arising from services is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

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

1.21 Dividends paid

Dividends are recorded in the financial statements when the Board of Directors' proposed dividend is ratified at the Shareholders' Annual General Meeting.

1.22 Segment information

Geographical primary segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments. Business secondary segments provide products or services that are subject to risks and returns that are different from those of other business segments.

1.23 CO_2 Emission rights

Emission rights are accounted for under the net liability method, based on which the Company recognizes a liability for emissions when the emissions are made and are in excess of the allowances allocated. Emission rights acquired in excess of those required to cover its shortages are recognized as an asset, at cost.

1.24 Financial Instruments

Accounting for Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently are measured at their fair value. The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged. The Group designates certain derivatives as either (1) a hedge of the fair value of a recognised asset or liability (fair value hedge), or (2) a hedge of a forecast transaction or of a firm commitment (cash flow hedge), or (3) a hedge of a net investment in a foreign entity on the date a derivative contract is entered into. Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IFRS.

Gains and Losses on Subsequent Measurement

Gains and losses on subsequent measurement are recognised as follows:

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net finance cost in the income statement for the period in which they arise.

Gains and losses from measuring fair value hedging instruments, including fair value hedges for foreign currency denominated transactions, are recognised immediately in net finance cost in the income statement.

Gains and losses from measuring cash flow hedging instruments, including cash flow hedges for forecasted foreign currency denominated transactions and for interest rate swaps, are initially recognised directly in currency translation differences on derivative hedging position in other reserves. Should the hedged firm commitment or forecasted transaction result in the recognition of an asset or a liability, then the cumulative amount recognised in equity is adjusted against the initial measurement of the asset or liability. For other cash flow hedges, the cumulative amount recognised in equity is included in income statement in the period when the commitment or forecasted transaction affects profit or loss.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss is recognised immediately in other income/expenses in the income statement.

Hedges of net investments in foreign entities are accounted for similarly to cash flow hedges. Where the hedging instrument is a derivative, any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in currency translation differences on derivative hedging position in other reserves. The gain or loss relating to the ineffective portion is recognised immediately in other income/expenses in the income statement. However, where the hedging instrument is not a derivative (for example, a foreign currency borrowing), all foreign exchange gains and losses arising on the translation of a borrowing that hedges such an investment (including any ineffective portion of the hedge) are recognised in currency translation differences on derivative hedging position in other reserves.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective strategy for undertaking various hedge transactions. This process includes linking all derivatives designated as hedges to specific assets and liabilities or to specific firm commitments or forecast transactions. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Offset

Where a legally enforceable right to offset recognised financial assets and financial liabilities exists, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

2. Significant accounting estimates and judgements

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

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.1 Estimated impairment of goodwill

Management tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The basic assumptions that are used in the calculations are explained further in note 17. These calculations require the use of estimates which mainly relate to future earnings and discount rates.

2.2 Income taxes

Group entities are subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.3 Fair value and useful lives of Property, plant and equipment

In addition, management makes estimations in relation to useful lives of amortized assets. Further information is given in paragraph 1.4.

2.4 Reclassification

Certain prior year amounts have been reclassified for presentation purposes (note 37).

3. Segment information

Primary geographical segments

Although the Group's three main business segments are managed on a worldwide basis, they operate in four main geographical areas.
The composition of these geographical areas is as follows: North America includes the United States of America as well as Canada, South East Europe includes the Balkan countries except Greece, Eastern Mediterranean includes Egypt and Turkey and finally Greece and Western Europe includes the parent company, as well as, the companies that operate in the Western Europe. The Group's business segments are principally cement, ready mix, aggregates, blocks and porcelain activities.
The Group's investments in joint ventures and associates are analyzed in notes 31 and 15, respectively.

For the year ended 31 December 2008

(all amounts in Euro thousands)	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
Gross revenue	684,160	484,132	287,307	174,247	-	1,629,846
Inter-segment revenue	-51,164	-219	-5	-	-	-51,388
Revenue	**632,996**	**483,913**	**287,302**	**174,247**	**-**	**1,578,458**
Share in profit of associates	16	-	3,503	-	-	3,519
Profit before interest, taxes and depreciation	**171,549**	**42,196**	**107,481**	**63,597**	**-4,771**	**380,052**
Depreciation & amortization	-17,374	-60,841	-15,066	-16,399	202	-109,478
Profit before interest and taxes	**154,175**	**-18,645**	**92,415**	**47,198**	**-4,569**	**270,574**
Income from participations	22	-	85	176	-	283
Finance costs - net	-11,109	-49,440	5,361	-9,191	3,538	-60,841
Profit before taxes	**143,088**	**-68,085**	**97,861**	**38,183**	**-1,031**	**210,016**
Less: income tax expense	-8,422	19,473	-3,992	-7,052	-	7
Profit after taxes	**134,666**	**-48,612**	**93,869**	**31,131**	**-1,031**	**210,023**
Attributable to:						
Titan Cement S.A. shareholders	134,671	-48,612	92,508	30,688	-1,031	208,224
Minority interests	-5	-	1,361	443	-	1,799
	134,666	**-48,612**	**93,869**	**31,131**	**-1,031**	**210,023**

(all amounts in Euro thousands)	Greece and Western Europe	North America	South Eastern Europe	Eastern Medit-er-ranean	Adjustments and elimina-tions	Total
ASSETS						
Non-current assets	1,606,594	976,177	452,795	836,983	-1,376,367	2,496,182
Current assets	1,019,550	186,586	149,087	91,808	-749,123	697,908
TOTAL ASSETS	**2,626,144**	**1,162,763**	**601,882**	**928,791**	**-2,125,490**	**3,194,090**
LIABILITIES						
Non-current liabilities	1,386,490	384,494	27,961	140,441	-711,275	1,228,111
Current liabilities	397,381	144,857	95,883	84,638	-190,914	531,845
TOTAL LIABILITIES	**1,783,871**	**529,351**	**123,844**	**225,079**	**-902,189**	**1,759,956**

	Greece and Western Europe	North America	South Eastern Europe	Eastern Medi-terranean	Total
Capital expenditure	31,882	45,208	107,082	23,485	207,657
Provision for doubtful debtors	4,664	2,957	561	67	8,249

Revenue is reported in the country in which the customer is located and comprises of the sale of goods and services. There are sales between geographical segments at arms length. Total assets and capital expenditure are presented at the geographical segment of the company that owns the assets.

Secondary business segments

	Cement	Ready mix, ag-gregates and blocks	Other	Total
Revenue	1,027,991	530,451	20,016	1,578,458
Profit before interest, taxes and depreciation	414,721	45,894	-80,563	380,052
Profit before interest and taxes	350,758	3,049	-83,233	270,574
Total assets	2,521,716	649,962	22,412	3,194,090
Capital expenditure	187,475	20,153	29	207,657

The cement activity includes cement and cementatious materials.

Other operations of the Group mainly consist of administrative expenses not directly attributable to the Group's main activities. It also includes porcelain, shipping and transportation activities that are not of sufficient size to be reported separately.

3. Segment information (continued)

Primary geographical segments
For the year ended 31 December 2007

(all amounts in Euro thousands)	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
Gross revenue	669,661	592,744	210,194	63,732	-26	1,536,305
Inter-segment revenue	-38,725	-203	-462	-	-	-39,390
Revenue	**630,936**	**592,541**	**209,732**	**63,732**	**-26**	**1,496,915**
Share in profit of associates	-	-	3,447	-	-	3,447
Profit before interest, taxes and depreciation	**196,544**	**106,085**	**97,247**	**30,905**	**-2,855**	**427,926**
Depreciation & amortization	-15,491	-59,038	-12,363	-8,091	201	-94,782
Profit before interest and taxes	**181,053**	**47,047**	**84,884**	**22,814**	**-2,654**	**333,144**
Income from participations	74	-	-	-	-	74
Finance costs - net	-3,060	-31,894	4,170	-2,075	-13	-32,872
Profit before taxes	**178,067**	**15,153**	**89,054**	**20,739**	**-2,667**	**300,346**
Less: income tax expense	-42,648	-730	-8,816	-3,933	-	-56,127
Profit after taxes	**135,419**	**14,423**	**80,238**	**16,806**	**-2,667**	**244,219**
Attributable to:						
Titan Cement S.A. shareholders	135,415	14,423	75,762	16,806	-2,667	239,739
Minority interests	4	-	4,476	-	-	4,480
	135,419	**14,423**	**80,238**	**16,806**	**-2,667**	**244,219**

(all amounts in Euro thousands)	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
ASSETS						
Non-current assets	831,634	944,362	225,218	116,287	-476,504	1,640,997
Current assets	611,891	160,035	214,358	44,989	-346,406	684,867
TOTAL ASSETS	**1,443,525**	**1,104,397**	**439,576**	**161,276**	**-822,910**	**2,325,864**
LIABILITIES						
Non-current liabilities	408,268	651,747	20,890	34,657	-324,890	790,672
Current liabilities	188,702	101,137	33,738	39,902	-23,226	340,253
TOTAL LIABILITIES	**596,970**	**752,884**	**54,628**	**74,559**	**-348,116**	**1,130,925**

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Capital expenditure	43,983	126,266	36,666	21,704	228,619
Impairment of Goodwill	1,011	-	156	4	1,171
Provision for doubtful debtors	999	618	14	-	1,631

Impairment charges are included in “other expenses”.

Secondary business segments

	Cement	Ready mix, aggregates and blocks	Other	Total
Revenue	882,140	596,963	17,812	1,496,915
Profit before interest, taxes and depreciation	430,813	75,812	-78,699	427,926
Profit before interest and taxes	378,692	34,971	-80,519	333,144
Total assets	1,814,174	488,431	23,259	2,325,864
Capital expenditure	147,219	78,694	2,706	228,619

4. Other revenue and expenses

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Scrap sales	1,554	1,642	468	583
Compensation income	1,019	527	-	175
Income from services	1,291	1,338	2,231	5,332
Rental income	5,387	5,842	5,129	5,305
Gains on disposal of property, plant and equipment (note 29)	6,951	4,317	245	79
Reversal of provisions	3,866	2,242	2,256	851
Other income	3,129	3,331	1,461	1,521
Other income total	**23,197**	**19,239**	**11,790**	**13,846**
Provisions	-15,185	-6,332	-3,597	-3,533
Losses on disposal of property, plant and equipment (note 29)	-2,446	-2,786	-219	-395
Impairment of tangible and intangible assets (note 11, 13)	-1,940	-338	-	-
Goodwill impairment (note 13)	-859	-1,171	-	-
Inventory impairment (note 19)	-1,206	-1,946	-840	-996
Staff leaving indemnities (not provided) (note 25)	-4,053	-470	-2,709	-470
Staff leaving indemnities provision (note 25)	-5,767	-6,296	-3,195	-3,490
Other expenses	-1,506	-2,726	-441	-1,543
Other expenses total	**-32,962**	**-22,065**	**-11,001**	**-10,427**

5. Profit before interest and taxes

The following items have been included in arriving at profit before interest and taxes:

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Depreciation on property, plant and equipment (note 11)				
Owned assets	93,947	84,670	11,360	11,025
Leased assets under finance leases	482	146	-	-
	94,429	84,816	11,360	11,025
Amortisation of government grants received	-451	-419	-341	-341
	93,978	**84,397**	**11,019**	**10,684**
Stripping amortisation	961	1,172	-	-
Profit / (loss) on disposal of property, plant and equipment (note 29)	4,505	1,531	26	-316
Amortisation of intangibles (note 13)	14,539	9,213	-	-
Repairs and maintenance expenditure on property, plant and equipment	54,142	63,591	18,262	18,368
Costs of inventories recognized as an expense in Cost of Sales:				
Raw materials	194,952	155,932	127,861	104,057
Maintenance stores	74,399	69,632	15,993	15,257
Finished goods	168,290	213,160	1,160	-2,051
	437,641	**438,724**	**145,014**	**117,263**
Trade receivables - provision for doubtful receivables (note 29, 20)	9,377	-328	3,067	-339
Staff costs (note 7)	267,279	258,740	76,749	72,651

6. Finance income/(expenses)

(all amounts in Euro thousands)	Group		Company	
	2008	2007	2008	2007
Interest income	8,859	7,590	538	130
Exchange differences gains	11,671	4,835	1,892	3,308
Gains on financial instruments	3,039	14	123	14
Gains on investments	105	166	-	-
Other	144	107	144	108
Finance income	**23,818**	**12,712**	**2,697**	**3,560**
Exchange differences losses	-18,780	-3,097	-5,757	-1,451
Interest expense	-63,142	-42,850	-24,259	-4,725
Losses on financial instruments	-4,431	-193	-4,431	-87
Losses on investments	-744	-299	-118	-75
Finance lease interest	-264	-229	-	-
	-87,361	**-46,668**	**-34,565**	**-6,338**
Capitalized interest expense (note 11)	2,702	1,084	-	-
Finance expenses	**-84,659**	**-45,584**	**-34,565**	**-6,338**

During 2008, the Group capitalized interest expense (note 11) of €2,702 thousands (2007: € 1,084 thousands) generated from the U.S and Egypt operations. The amounts capitalized were calculated on an weighted average borrowing rate basis. At the end of 2008 the average weighted interest for the operations in U.S. (loans in dollar) was 5.42% (2007:5.77%) and in Egypt (loans in Japanese Yen) was 2,7% (2007:2,7%). The capitalization of interest for the Group's operations in United States relates to significant capital projects, which requires uses of the borrowing facility, specifically a quarry in Florida and the implementation of an advanced computer system in order to conform to parent company's system. The capitalization of interest for the Group's operations in Egypt relates to the construction of the second production line in Group's subsidiary Beni Suef (note 32).

7. Staff costs

(all amounts in Euro thousands)	Group		Company	
	2008	2007	2008	2007
Wages and salaries	223,137	217,153	56,411	52,911
Social security costs	29,125	27,824	10,538	9,952
Termination benefits	4,065	2,284	2,709	470
Share options granted to directors and employees	3,697	3,497	2,396	2,328
Profit sharing bonus	1,500	3,500	1,500	3,500
Other post retirement and termination benefits - defined benefit plans (see note 25)	5,755	4,482	3,195	3,490
Total staff costs	**267,279**	**258,740**	**76,749**	**72,651**

The employees in the Group are employed on a full-time basis and analysed as follows:	Group		Company	
	2008	2007	2008	2007
Greece and Western Europe	1,767	1,841	1,101	1,121
North America	2,260	2,388	-	-
South Eastern Europe	1,671	1,405	-	-
Eastern Mediterranean	807	400	-	-
	6,505	**6,034**	**1,101**	**1,121**

8. Income tax expense

(all amounts in Euro thousands)	Group				Company			
	2008		2007		2008		2007	
Current tax	18,350	8.74%	52,019	17.32%	23,132	20.42%	37,128	23.24%
Deferred tax (note 18)	-3,395	-1.62%	-717	-0.24%	-7,454	-6.58%	-797	-0.50%
Non deductible taxes and differences from tax audit	1,031	0.49%	4,825	1.61%	774	0.68%	4,686	2.93%
Tax incentives	-5,341	-2.54%	-	-		-	-	-
Tax provision for reserve L.3220/2004	-10,652	-5.07%	-	-	-9,124	-8.05%	-	-
	-7	**0.00%**	**56,127**	**18.69%**	**7,328**	**6.47%**	**41,017**	**25.67%**

8. Income tax expense (continued)

Current tax includes tax benefits of € 25,651 thousands, resulting from the losses at the Group's subsidiary in the U.S. Titan America LLC. If the current tax was adjusted with the above benefits, the Group's tax rate would be 18.1%.
The deferred taxes both for the Group and the Company are reviewed each year, in order the balance on the balance sheet to reflect the effective tax rates for each of the countries the Group's operates. In 2008 the Greek state passed the tax reform law 3697/2008, according to which the tax rates will be reduced by 1% each year for the years 2010 to 2014. In addition, the Company and some of its Greek subsidiaries revaluated their tangible assets according to the current Greek tax law resulting into a deferred tax benefit of € 1,590 for the Group and € 1,452 for the Company.
The tax on the Group's profit differs from the amount that would arise had the Group used the tax rate of the home country of the parent Company as follows:

(all amounts in Euro thousands)	Group				Company			
	2008		2007		2008		2007	
Profit before tax	**210,016**		**300,346**		**113,292**		**159,788**	
Tax calculated at the statutory tax rate of 25% (2007: 25%)	52,504	25.00%	75,087	25.00%	28,323	25.00%	39,947	25.00%
Income not subject to tax	-12,291	-5.85%	-18,327	-6.10%	-7,355	-6.49%	-7,306	-4.57%
Expenses not deductible for tax purposes	4,318	2.06%	9,507	3.17%	2,164	1.91%	4,487	2.81%
Utilization of previously unrecognized tax losses	-	-	-1,181	-0.39%	-	-	-	-
Effect of changes in future tax rates and tax revaluation	-8,241	-3.92%	-	-	-6,829	-6.03%	-	-
Other taxes	5,877	2.80%	7,545	2.51%	149	0.13%	3,889	2.43%
Tax provision reversal for reserve L.3220/2004	-10,652	-5.07%	-	-	-9,124	-8.05%	-	-
Tax incentives	-5,341	-2.54%		-	-	-	-	-
Effect of different tax rates in other countries	-24,739	-11.78%	-16,364	-5.45%	-	-	-	-
Under provision prior years	-1,442	-0.69%	-140	-0.05%	-	-	-	-
Effective tax charge	**-7**	**0.00%**	**56,127**	**18.69%**	**7,328**	**6.47%**	**41,017**	**25.67%**

9. Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to shareholders by the weighted average number of ordinary and preference shares in issue during the year, excluding ordinary and preference shares purchased by the Company and held as treasury shares (see note 22).

(all amounts in Euro thousands unless otherwise stated)	Group		Company	
	2008	2007	2008	2007
Net profit for the year attributable to Titan S.A. shareholders	208,224	239,739	105,964	118,771
Weighted average number of ordinary shares in issue	74,618,744	76,690,722	74,618,744	76,690,722
Weighted average number of preferred shares in issue	7,566,766	7,568,862	7,566,766	7,568,862
Total weighted average number of shares in issue for basic earnings per share	82,185,510	84,259,584	82,185,510	84,259,584
Basic earnings per ordinary and preferred share (in €)	2.5336	2.8452	1.2893	1.4096

The diluted earnings per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to net profit (numerator).

(all amounts in Euro thousands unless otherwise stated)	Group		Company	
	2008	2007	2008	2007
Net profit for the year attributable to Titan S.A. shareholders for diluted earnings per share	208,224	239,739	105,964	118,771
Weighted average number of ordinary shares for diluted earnings per share	74,618,744	76,690,722	74,618,744	76,690,722
Share options	265,506	273,206	265,506	273,206
Weighted average number of preferred shares in issue	7,566,766	7,568,862	7,566,766	7,568,862
Total weighted average number of shares in issue for diluted earnings per share	82,451,016	84,532,790	82,451,016	84,532,790
Diluted earnings per ordinary and preferred share (in €)	2.5254	2.8360	1.2852	1.4050

10. Dividend proposed and distributed

(all amounts in Euro thousands)	Company	
Declared and distributed during the year:	**2008**	**2007**
Equity dividends on ordinary and preference shares:		
Final dividend for 2007: € 0.75 per share (2006: € 0.75 per share)	63,399	63,338
Proposed for approval at Annual General Meeting (not recognised as a liability as at 31 December):	**2008**	**2007**
Equity dividends on ordinary and preference shares:		
Final dividend for 2008: € 0.42 per share (2007: € 0.75 per share)	35,510	63,399

Dividend proposed relates to all issued shares (84,546,774) as of 31.12.2008 and is expected to be ratified at the Annual General Meeting to be held in June 2009. According to article 16 of Greek law 2190/1920, the dividend amount relating to treasury shares is distributed to the remaining shareholders.

11. Property, plant and equipment

Group

(all amounts in Euro thousands)	Quarries	Land	Build-ings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Year ended 31 December 2007								
Opening balance	**91,305**	**107,306**	**152,160**	**584,341**	**94,699**	**13,743**	**124,641**	**1,168,195**
Additions	23,098	29,450	11,984	54,310	36,477	3,994	69,306	228,619
Disposals (NBV)	-	-785	-240	-834	-877	-118	-1	-2,855
Additions due to acquisitions	18,598	4,063	1,981	10,703	22,497	175	569	58,586
Reclassification of assets to other categories	342	-312	3,655	46,419	899	300	-51,303	-
Transfers from/(to) inventories (note 19)	-	-	233	-1,048	-	87	-	-728
Interest capitalized (note 6)	-	-	-	-	-	-	1,084	1,084
Depreciation charge (note 5,29)	-2,748	-1,713	-9,074	-48,301	-20,221	-2,613	-	-84,670
Exchange differences	-8,563	-8,951	-5,849	-33,301	-6,758	-204	-6,355	-69,981
Ending balance	**122,032**	**129,058**	**154,850**	**612,289**	**126,716**	**15,364**	**137,941**	**1,298,250**
Leased assets under finance leases								
Opening balance	**-**	**-**	**-**	**6,346**	**-**	**-**	**-**	**6,346**
Additions	-	-	-	125	-	-	-	125
Exchange differences	-	-	-	-651	-	-	-	-651
Depreciation charge (note 5,29)	-	-	-	-146	-	-	-	-146
Ending balance	**-**	**-**	**-**	**5,674**	**-**	**-**	**-**	**5,674**
At 31 December 2007								
Cost	139,089	135,032	276,559	1,012,829	218,979	38,652	137,941	1,959,081
Accumulated depreciation	-17,057	-5,974	-121,709	-389,357	-92,263	-23,288	-	-649,648
Impairment of PPE	-	-	-	-5,509	-	-	-	-5,509
Net book value	**122,032**	**129,058**	**154,850**	**617,963**	**126,716**	**15,364**	**137,941**	**1,303,924**
Year ended 31 December 2008								
Opening balance	**122,032**	**129,058**	**154,850**	**612,289**	**126,716**	**15,364**	**137,941**	**1,298,250**
Additions	1,132	6,231	2,306	8,133	2,776	2,675	184,404	207,657
Revaluation during the period	-2,345	-	-	-	-	-	-	-2,345
Revaluation resulting from acquisition of joint venture	-	55,119	17,897	64,795	-	-	-	137,811
Disposals (NBV)	-	-1,102	-691	-159	-1,073	-206	-	-3,231
Assets contributed for participation to associate	-	-4,475	-209	-408	-234	-	-	-5,326
Additions due to acquisitions	13	61,556	46,644	147,842	975	529	35,991	293,550
Reclassification of assets to other categories	2,978	8,671	18,682	81,228	8,706	4,933	-125,198	-
Transfers from/(to) inventories (note 19)	-	-	164	-439	31	62	-	-182
Interest capitalized (note 6)	-	-	-	-	-	-	2,702	2,702
Depreciation charge (note 5, 29)	-1,908	-2,075	-10,923	-54,215	-21,270	-3,556	-	-93,947
Impairment of PPE (note 5)	-	-	-500	-550	-	-	-	-1,050
Exchange differences	6,110	10,157	3,283	24,209	3,572	657	8,202	56,190
Ending balance	**128,012**	**263,140**	**231,503**	**882,725**	**120,199**	**20,458**	**244,042**	**1,890,079**
Leased assets under finance leases								
Opening balance	-	-	-	5,674	-	-	-	5,674
Additions	-	-	-	1	-	-	-	1
Additions due to acquisitions	-	-	-	805	277	-	-	1,082
Exchange differences	-	-	-	238	-13	-	-	225
Depreciation charge (note 5,29)	-	-	-	-426	-56	-	-	-482
Ending balance	**-**	**-**	**-**	**6,292**	**208**	**-**	**-**	**6,500**
At 31 December 2008								
Cost	147,871	271,740	351,874	1,277,202	237,298	48,603	244,042	2,578,630
Accumulated depreciation	-19,859	-8,600	-119,871	-382,126	-116,891	-28,145	-	-675,492
Impairment of PPE	-	-	-500	-6,059	-	-	-	-6,559
Net book value	**128,012**	**263,140**	**231,503**	**889,017**	**120,407**	**20,458**	**244,042**	**1,896,579**

11. Property, plant and equipment (continued)

Company

(all amounts in Euro thousands)	Quarries	Land	Build-ings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under con-struction	Total
Year ended 31 December 2007								
Opening balance	**837**	**5,765**	**53,353**	**162,209**	**943**	**10,915**	**22,539**	**256,561**
Additions	179	123	1,154	9,855	480	2,368	4,224	18,383
Disposals (NBV)	-	-569	-	-277	-38	-93	-	-977
Transfers from/(to) inventories (note 19)	-	-	-	-728	-	-	-	-728
Depreciation charge (note 5,29)	-57	-	-1,534	-7,953	-171	-1,310	-	-11,025
Ending balance	**959**	**5,319**	**52,973**	**163,106**	**1,214**	**11,880**	**26,763**	**262,214**
At 31 December 2007								
Cost	1,337	5,319	86,743	272,860	5,193	24,564	26,763	422,779
Accumulated depreciation	-378	-	-33,770	-107,054	-3,979	-12,684	-	-157,865
Impairment of PPE	-	-	-	-2,700	-	-	-	-2,700
Net book value	**959**	**5,319**	**52,973**	**163,106**	**1,214**	**11,880**	**26,763**	**262,214**
Year ended 31 December 2008								
Opening balance	**959**	**5,319**	**52,973**	**163,106**	**1,214**	**11,880**	**26,763**	**262,214**
Additions	-	244	6	1,640	493	1,844	16,371	20,598
Disposals (NBV)	-	-	-3	-62	-49	-564	-	-678
Reclassification of assets to other categories	-	-	2,771	18,875	-	50	-21,696	-
Transfers from/(to)inventories (note 19)	-	-	-	-182	-	-	-	-182
Depreciation charge (note 5,29)	-60	-	-1,450	-8,340	-168	-1,342	-	-11,360
Ending balance	**899**	**5,563**	**54,297**	**175,037**	**1,490**	**11,868**	**21,438**	**270,592**
At 31 December 2008								
Cost	1,337	5,563	89,510	292,961	5,348	25,719	21,438	441,876
Accumulated depreciation	-438	-	-35,213	-115,224	-3,858	-13,851	-	-168,584
Impairment of PPE	-	-	-	-2,700	-	-	-	-2,700
Net book value	**899**	**5,563**	**54,297**	**175,037**	**1,490**	**11,868**	**21,438**	**270,592**

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. Impairment for property, plant and equipment 2008 is amounted to €1.0 million (2007: nil).

The are no pledges over the Group's and the Company's property plant and equipment.

12. Investment properties

For Group purposes, there are no investment properties as the Company leases out such qualifying assets to certain of its subsidiary companies and therefore such properties are reclassified as property, plant and equipment on consolidation. Investment properties are measured at fair values based on management's estimations.

Company

(all amounts in Euro thousands)	2008	2007
Opening balance	**6,996**	**7,248**
Gain/(loss) from measurement at fair value	-200	-102
Disposals	-	-150
Ending balance	**6,796**	**6,996**

The estimation of the fair value of investment properties that are 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.

13. Intangible assets and Goodwill

Group

(all amounts in Euro thousands)	Initial goodwill	Goodwill impairment	Total goodwill	Mining permits	Patends	Trademarks	Customer relation-ships	Other intangible assets	Total
Year ended 31 December 2007									
Opening balance	**137,504**	**-15,139**	**122,365**	**86**	**4,591**	**193**	**16,097**	**1,849**	**145,181**
Additions	-	-	-	4,500	-	-	-	1,182	5,682
Subsidiaries acquired - increase of investment (note 30)	124,093	-	124,093	1,590	-	9,497	43,340	1,445	179,965
Impairment	-	-1,171	-1,171	-	-	-	-	-338	-1,509
Amortization charge (note 5,29)	-	-	-	-199	-758	-29	-7,090	-1,137	-9,213
Exchange differences	-17,145	-	-17,145	-	-426	-16	-	-1,330	-18,917
Ending balance	**244,452**	**-16,310**	**228,142**	**5,977**	**3,407**	**9,645**	**52,347**	**1,671**	**301,189**
Year ended 31 December 2008									
Opening balance	**244,452**	**-16,310**	**228,142**	**5,977**	**3,407**	**9,645**	**52,347**	**1,671**	**301,189**
Additions		-	-	-	-	-	-	1,448	1,448
Revaluation resulting from acquisition of joint venture	-	-	-	-	-	12,718	24,992	-41	37,669
Subsidiaries acquired - increase of investment (note 30)	183,094	-	183,094	-	-	11,981	24,407	363	219,845
Acquisition of minority interest	175	-	175	-	-	-	-	-	175
Impairment	-	-859	-859	-5	-	-	-238	-647	-1,749
Amortization charge (note 5,29)	-	-	-	-236	-706	-1,171	-11,446	-980	-14,539
Exchange differences	-5,321	-	-5,321	285	56	3,854	3,064	-888	1,050
Ending balance	**422,400**	**-17,169**	**405,231**	**6,021**	**2,757**	**37,027**	**93,126**	**926**	**545,088**

Impairment charges are included in "other expenses".

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the following cash-generating units ("CGU's") per region of operation and business segment:

Carrying amount of goodwill (by geographical segment):	2008	2007
Greece and Western Europe	16,910	9,225
North America	157,323	148,461
South Eastern Europe	53,919	54,360
Eastern Mediterranean	177,079	16,096
	405,231	228,142

Carrying amount of goodwill (by business segment):		
Cement	226,479	115,334
Blocks, ready mix and aggregates	177,748	111,804
Porcelain, shipping and transport activities	1,004	1,004
	405,231	228,142

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.
The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill pertaining to those CGU's to which management expects an impairment to occur.
Budgeted gross profits - the basis used to determine the value assigned to the budgeted gross profits is the average gross profits achieved in the year immediately before the budgeted year adjusted to reflect expected changes in operations.
Key assumptions used for value in use calculations:

Discount rate:	7.4% - 20.0%
Sales growth:	-2.0% - 63.0%
Gross margin:	6.0% - 57.0%
Perpetuity growth:	2.0% - 4.0%

14. Principal subsidiaries, associates and joint ventures

Shareholding in subsidiaries associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2008 % of investment (1) Direct	2008 % of investment (1) Indirect	2007 % of investment (1) Direct	2007 % of investment (1) Indirect
Full consolidation method						
Titan Cement Company S.A	Greece	Cement Producer	Parent company		Parent company	
Achaiki Maritime Company	Greece	Shipping	100.000	-	100.000	-
Aeolian Maritime Company	Greece	Shipping	100.000	-	100.000	-
Albacem S.A.	Greece	Import & Distribution of Cement	99.996	0.004	99.996	0.004
AVES AFOI Polikandrioti S.A.	Greece	Ready Mix	-	100.000	-	100.000
Dodekanesos Quarries S.A.	Greece	Quarries & Aggregates	-	100.000	-	100.000
Domiki Beton S.A. (2)	Greece	Ready Mix & Aggregates	-	100.000	-	-
Ecobeton S.A.	Greece	Ready Mix & Aggregates	-	100.000	-	100.000
Interbeton Construction Materials S.A.	Greece	Ready Mix & Aggregates	99.679	0.321	99.679	0.321
Intercement S.A.	Greece	Import & Distribution of Cement	99.950	0.050	99.950	0.050
Intertitan Trading International S.A.	Greece	Trading Company	99.995	0.005	99.995	0.005
Ionia S.A.	Greece	Porcelain	100.000	-	100.000	-
Lakmos S.A.	Greece	Trading Company	99.950	0.050	99.950	0.050
Lateem S.A.	Greece	Quarries & Aggregates	-	100.000	-	100.000
Leecem S.A.	Greece	Trading Company	3.172	96.828	3.193	96.807
Leros Quarries S.A. (5)	Greece	Quarries & Aggregates	-	-	-	100.000
Loukas Tsogas Beta S.A. (6)	Greece	Ready Mix	-	-	-	100.000
Naftitan S.A.	Greece	Shipping	99.900	0.100	99.900	0.100
Polikos Maritime Company	Greece	Shipping	100.000	-	100.000	-
Porfirion S.A. (3)	Greece	Production and Trade of Electricity	-	100.000	-	-
Gournon Quarries S.A.	Greece	Quarries & Aggregates	54.930	45.070	54.930	45.070
Quarries of Tagaradon Community S.A.	Greece	Quarries & Aggregates	-	79.928	-	79.928
Thisvis Quarries S.A. (2)	Greece	Quarries & Aggregates	-	100.000	-	-
Vahou Quarries S.A. (2)	Greece	Quarries & Aggregates	-	100.000	-	-
Sigma Beton S.A.	Greece	Quarries & Aggregates	-	100.000	-	100.000
Titan Atlantic Cement Industrial and Commercial S.A.	Greece	Investment Holding Company	43.947	56.053	99.817	0.183
Titan Cement International Trading S.A.	Greece	Trading Company	99.800	0.200	99.800	0.200
Corinthias Quarries S.A.	Greece	Ready Mix & Aggregates	-	-	-	100.000
Double W & Co OOD	Bulgaria	Port	-	99.989	-	99.989
Granitoid AD	Bulgaria	Trading Company	-	99.668	-	99.668
Gravel & Sand PIT AD	Bulgaria	Investment Holding Company	-	99.989	-	99.989
Zlatna Panega Beton EOOD	Bulgaria	Ready Mix	-	99.989	-	99.989
Zlatna Panega Cement AD	Bulgaria	Cement Producer	-	99.989	-	99.989
Fintitan SRL	Italy	Import & Distribution of Cement	100.000	-	100.000	-
Separation Technologies Canada Ltd	Canada	Converter of waste material into fly ash	-	100.000	-	100.000
Aemos Cement Ltd	Cyprus	Investment Holding Company	100.000	-	100.000	-
Alvacim Ltd	Cyprus	Investment Holding Company	-	100.000	-	100.000
Balkcem Ltd	Cyprus	Investment Holding Company	-	100.000	-	100.000
East Cement Trade Ltd (2)	Cyprus	Investment Holding Company	-	100.000	-	-
Feronia Holding Ltd	Cyprus	Investment Holding Company	-	100.000	-	100.000
Iapetos Ltd	Cyprus	Investment Holding Company	100.000	-	100.000	-
KOCEM Limited	Cyprus	Investment Holding Company	-	100.000	-	100.000
Rea Cement Ltd	Cyprus	Investment Holding Company	-	100.000	-	100.000
Themis Holdings Ltd	Cyprus	Investment Holding Company	-	51.006	-	51.006
Titan Cement Cyprus Limited	Cyprus	Investment Holding Company	-	100.000	-	100.000
Tithys Ltd	Cyprus	Investment Holding Company	-	100.000	-	100.000
Alexandria Portland Cement Co. S.A.E (2)	Egypt	Cement Producer	-	97.717	-	-
Beni Suef Cement Co.S.A.E. (2)	Egypt	Cement Producer	-	99.886	-	-
Misrieen Titan Trade & Distribution (2)	Egypt	Cement Silo Operations	-	98.943	-	-
Titan Beton & Aggregate Egypt LLC (2), (4)	Egypt	Quarries & Aggregates	-	97.796	-	-
Separation Technologies U.K. Ltd	U.K.	Converter of waste material into fly ash	-	100.000	-	100.000
Titan Cement U.K. Ltd	U.K.	Import & Distribution of Cement	100.000	-	100.000	-
Titan Global Finance PLC	U.K.	Financial Services	100.000	-	100.000	-
Alexandria Development Co.Ltd (2)	U.K. (Ch. Islands)	Investment Holding Company	-	100.000	-	-
Titan Egyptian Inv. Ltd (2), (8)	U.K. (Ch. Islands)	Investment Holding Company	-	100.000	-	-
Central Concrete Supermix Inc.	U.S.A.	Ready Mix	-	100.000	-	100.000
Essex Cement Co. LLC	U.S.A.	Trading Company	-	100.000	-	100.000
Markfield America LLC	U.S.A.	Insurance Company	-	100.000	-	100.000
Mechanicsville Concrete INC.	U.S.A.	Ready Mix	-	100.000	-	100.000
Metro Redi-Mix LLC	U.S.A.	Ready Mix	-	100.000	-	100.000
Miami Valley Ready Mix of Florida LLC	U.S.A.	Ready Mix	-	100.000	-	100.000

14. Principal subsidiaries, associates and joint ventures (continued)

Shareholding in subsidiaries associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2008 % of investment (1) Direct	2008 % of investment (1) Indirect	2007 % of investment (1) Direct	2007 % of investment (1) Indirect
Full consolidation method						
Pennsuco Cement Co. LLC	U.S.A.	Cement Producer	-	100.000	-	100.000
Roanoke Cement Co. LLC	U.S.A.	Cement Producer	-	100.000	-	100.000
S&W Ready Mix Concrete Co. Inc.	U.S.A.	Ready Mix	-	100.000	-	100.000
Separation Technologies LLC	U.S.A.	Converter of waste material into fly ash	-	100.000	-	100.000
Standard Concrete LLC	U.S.A.	Trading Company	-	100.000	-	100.000
Summit Ready-Mix LLC	U.S.A.	Ready Mix	-	100.000	-	100.000
Tarmac America LLC	U.S.A.	Cement Producer	-	100.000	-	100.000
Titan Virginia Ready Mix LLC	U.S.A.	Ready Mix	-	100.000	-	100.000
Titan America LLC	U.S.A.	Investment Holding Company	-	100.000	-	100.000
Cementara Kosjeric AD [10]	Serbia	Cement Producer	-	96.347	-	74.280
Stari Silo Copmany DOO [3]	Serbia	Trading Company	-	100.000	-	-
TCK Montenegro DOO	Montenegro	Trading Company	-	96.347	-	74.280
Cement Plus LTD	F.Y.R.O.M	Trading Company	-	61.328	-	61.643
Rudmark DOOEL	F.Y.R.O.M	Trading Company	-	94.351	-	99.990
Usje Cementarnica AD	F.Y.R.O.M	Cement Producer	-	94.351	-	94.835
Vesa DOOL	F.Y.R.O.M	Trading Company	-	100.000	-	100.000
Alba Cemento Italia, SHPK [2], [11]	Albania	Trading Company	-	39.000	-	-
Antea Cement SHA (11)	Albania	Cement Producer	-	60.000	-	100.000
Dnjepr Investment II BV (2)	Holland	Investment Holding Company	-	100.000	-	-
Holtitan BV (Dnjepr Investment I BV) [2]	Holland	Investment Holding Company	-	96.347	-	-
Salentijn Properties1 B.V.	Holland	Investment Holding Company	100.000	-	100.000	-
Titan Cement Netherlands BV	Holland	Investment Holding Company	-	99.489	-	100.000
Proportionate consolidation method						
Alexandria Portland Cement Co. S.A.E [2]	Egypt	Cement Producer	-	-	-	48.411
Beni Suef Cement Co.S.A.E. [2]	Egypt	Cement Producer	-	-	-	49.921
Misrieen Titan Trade & Distribution [2]	Egypt	Cement Silo Operations	-	-	-	49.460
4M Titan Silo Co LLC [2], [4]	Egypt	Quarries and Aggregates	-	-	-	49.205
Balkan Cement Enterprises Ltd	Cyprus	Investment Holding Company	-	51.006	-	51.006
East Cement Trade Ltd [2]	Cyprus	Investment Holding Company	-	-	-	50.000
Alexandria Development Co.Ltd [2]	U.K. (Ch. Islands)	Investment Holding Company	-	-	-	50.000
Lafarge Titan Egyptian Inv. Ltd [2], [8]	U.K. (Ch. Islands)	Investment Holding Company	-	-	-	50.000
Adocim Cimento Beton Sanayi ve Ticaret A.S. [2]	Turkey	Cement Producer	-	50.000	-	-
Equity consolidation method						
Karieri AD	Bulgaria	Quarries & Aggregates	-	48.711	-	48.711
Karierni Materiali AD	Bulgaria	Quarries & Aggregates	-	48.764	-	48.764
Transbeton - Domiki S.A. [7], [9]	Greece	Ready Mix & Aggregates	-	49.900	-	-

The movement of the Company's participation in subsidiaries, is analyzed as follows:	**2008**
Participation in Subsidiaries at 01.01.2008	**515,777**
Share capital increase in existing subsidiaries	430,902
Acquisition and increase in share capital of new subsidiaries	314,323
Other	1,301
Participation in Subsidiaries at 31.12.2008	**1,262,303**

[1] Percentage of investment represents both percentage of shareholding and percentage of control.
[2] Acquired Subsidiaries for the fiscal year 2008 (note 30).
[3] Formed Subsidiaries for the fiscal year 2008.
[4] The company 4 M Titan Silo Co. LLC was renamed to Titan Beton & Aggregate Egypt LLC., as of 14.7.2008.
[5] The company Leros Quarries S.A. was merged by Interbeton Construction Materials S.A., as of 30.6.2008.
[6] The company Loukas Tsogas Beton S.A. was merged by Interbeton Construction Materials S.A., as of 31.10.2008.
[7] The company Corinthias Quarries S.A. was renamed to Transbeton-Domiki S.A., as of 16.7.2008.
[8] The company Lafarge Titan Egyptian Inv. Ltd. was renamed to Titan Egyptian Inv. Ltd., as of 14.5.2008.
[9] On 30.10.2008, the ready-mix segment of Domiki Beton S.A. was partially separated and contributed to the share capital increase of Transbeton- Domiki S.A. After this, the Group owns 49.9% of Transbeton- Domiki S.A., and it is consolidated in the Group's financial statements with the equity method of consolidation (note 15).
[10] On 3.12.2008, the Group acquired an additional 22.0675% of the company's Titan Cementara Kosjeric AD share capital, through a public auction held by the Serbian government. The Group's ownership percentage in the above company is now 96.3471%.
[11] On 20.11.2008, the Group signed a contract with International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) in order each of these companies to participate with 20% in the share capital's increase of the Group's subsidiary in Albania, Antea Cement Sh.A. As a result, Group's ownership participation in Alba Cemento Italia, SHPK (a subsidiary of Antea) was reduced to 39%.

15. Investment in associates

During 2007 the Group acquired the remaining 75% of Mechanicsville Concrete Inc (note 30).

On July 16th 2008, the Group's subsidiary Corinthias Quarries S.A. has been renamed to Transbeton-Domiki S.A. On October 30th 2008, Group's companies Domiki Beton S.A., Interbeton Construction Materials S.A. and Titan Trading International S.A., signed a contract with a third company Transbeton S.A. in order Transbeton S.A. to participate with a percentage of 50.1% in the share capital of Transbeton-Domiki S.A, through an increase in its share capital. In addition Domiki Beton S.A. participated in the above increase of the share capital of Transbeton-Domiki S.A., by offering a part of its ready mix segment. The date of valuation and separation of the ready-mix segment was set to be the 31st of May 2008.
On November 14th 2008, the Greek authorities approved the partial separation of the ready-mix segment of Domiki Beton S.A., which was offered in order to cover the Group's participation in the increase of the share capital of Transbeton-Domiki S.A. Since that date, the company Transbeton Domiki S.A. is an associate company and it is incorporated in the Group's financial statements with the equity consolidation method.

(all amounts in Euro thousands)	Group	
	2008	**2007**
Property, plant and equipment	9,973	4,534
Intangibles and other non current assets	1,160	107
Current assets	4,765	1,828
Total assets	**15,898**	**6,469**
Non-current interest bearing borrowings	1,086	597
Other long-term liabilities	8,490	1,736
Total liabilities	**9,576**	**2,333**
Net assets	**6,322**	**4,136**
Revenue	**13,685**	**7,989**
Cost of sales	-8,134	-3,693
Gross profit before depreciation	**5,551**	**4,296**
Other income/expense	-114	433
Administrative expenses	-984	-596
Selling expenses	-154	-60
Profit before interest, taxes and depreciation	**4,299**	**4,073**
Depreciation	-438	-299
Profit before interest, taxes	**3,861**	**3,774**
Finance costs	-4	4
Profit before income tax	**3,857**	**3,778**
Income tax expense	-338	-331
Profit after tax	**3,519**	**3,447**

16. Available-for-sale financial assets

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Opening balance	**4,858**	**3,618**	**168**	**168**
Additions	1,399	2,097	-	-
Additions due to acquisitions	24	-	-	-
Disposals	-3,625	-969	-	-
Revaluations	-179	132	-	-
Exchange differences	3	-20	-	-
Ending balance	**2,480**	**4,858**	**168**	**168**

Analysis of available-for-sale financial assets:

Non-current portion	2,418	2,497	107	107
Current portion	62	2,361	61	61
	2,480	**4,858**	**168**	**168**

Available-for-sale financial assets include the following:

Listed securities	-	2,299	-	-
Non listed securities	2,480	2,559	168	168
	2,480	**4,858**	**168**	**168**

Trading and other investments, comprising marketable equity securities, are fair valued annually at the close of business on 31 December. For investments traded in an active market, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying net assets.

17. Other non current assets

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Utility deposits	4,123	3,662	3,551	3,386
Deferred stripping expense	5,398	4,321	-	-
Prepayments for fixed assets purchases	23,583	16,890	-	-
Other non-current assets	6,193	4,175	-	-
	39,297	**29,048**	**3,551**	**3,386**

18. Deferred income taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using the principal tax rates that apply to the countries where the companies of the group operate.

The calculation of the deferred taxes both for the Group and the Company are reviewed each year, as the balance on the balance sheet to reflect the effective tax rates. In 2008, the Greek state has passed the tax reform law 3697/2008, according to which the tax rates will be reduced by 1% each year for the years 2010 to 2014. The deferred tax of the Greek subsidiaries has been calculated taking into account the above mentioned change.

The movement on the deferred income tax account after set-offs is as follows:

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Opening balance, net deferred liability	**123,860**	**132,804**	**29,079**	**29,876**
Income statement charge (note 8)	-3,395	-717	-7,454	-797
Exchange differences	11,938	-9,600	-	-
Additions due to acquisitions	37,721	1,373	-	-
Tax charged to equity	31,687	-	-	-
Ending balance, net deferred liability	**201,811**	**123,860**	**21,625**	**29,079**

The deferred tax charged to equity during the year refers to acquired identifiable assets, liabilities and contingent liabilities which are acquired in Egypt.

Analysis of deferred tax liabilities (before set - offs)

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Property, plant and equipment	210,306	143,888	26,208	31,628
Intangible assets	22,931	3,762	-	-
Provisions	4,106	3,737	1,671	1,600
Receivables and prepayments	2,741	2,129	1,434	1,149
Long term borrowings	44	47	-	-
	240,128	**153,563**	**29,313**	**34,377**

Analysis of deferred tax assets (before set - offs)

(all amounts in Euro thousands)				
Intangible assets	-10,958	-8,075	-	-
Inventories	-2,074	-1,887	-943	-923
Post-employment and termination benefits	-5,742	-2,107	-4,051	-1,261
Receivables and prepayments	-1,570	-1,153	-379	-193
Long term borrowings	-1,082	-15	-	-
Government grants	-1,137	-1,407	-1,121	-1,383
Provisions	-15,008	-15,029	-462	-1,516
Trade and other payables	-746	-30	-732	-22
	-38,317	**-29,703**	**-7,688**	**-5,298**
Net deferred tax liability	**201,811**	**123,860**	**21,625**	**29,079**

18. Deferred income taxes (continued)

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same tax jurisdiction) during the year is as follows:

Group

(all amounts in Euro thousands)	January 1, 2008	Debit/ (Credited) charged to net profit	Debit/ (Credited) charged to equity	Exchange differ-ences	Additions due to acquisi-tions	December 31, 2008
Deferred tax liabilities (before set - offs)						
Property, plant and equipment	143,888	1,619	25,231	7,906	31,662	210,306
Intangible assets	3,762	1,291	6,919	3,809	7,150	22,931
Provisions	3,737	897	-533	5	-	4,106
Receivables and prepayments	2,129	616	-4	-	-	2,741
Long term borrowings	47	-27	-	-	24	44
	153,563	**4,396**	**31,613**	**11,720**	**38,836**	**240,128**
Deferred tax assets (before set - offs)						
Intangible assets	-8,075	-3,221	178	160	-	-10,958
Inventories	-1,887	-178	-	-	-9	-2,074
Post-employment and termination benefits	-2,107	-3,634	-	-	-1	-5,742
Receivables and prepayments	-1,153	-359	-	-	-58	-1,570
Long term borrowings	-15	-34	-	-	-1,033	-1,082
Government grants	-1,407	282	-	-	-12	-1,137
Provisions	-15,029	69	-104	58	-2	-15,008
Trade and other payables	-30	-716	-	-	-	-746
	-29,703	**-7,791**	**74**	**218**	**-1,115**	**-38,317**
Net deferred tax liability	**123,860**	**-3,395**	**31,687**	**11,938**	**37,721**	**201,811**

Company

(all amounts in Euro thousands)	January 1, 2008	Debit/ (Credited) charged to net profit	Debit/ (Credited) charged to equity	Exchange differ-ences	December 31, 2008
Deferred tax liabilities (before set - offs)					
Property, plant and equipment	31,628	-5,420	-	-	26,208
Provisions	1,600	71	-	-	1,671
Receivables and prepayments	1,149	285	-	-	1,434
	34,377	**-5,064**	**-**	**-**	**29,313**
Deferred tax assets (before set - offs)					
Inventories	-923	-20	-	-	-943
Receivables and prepayments	-193	-186	-	-	-379
Government grants	-1,383	262	-	-	-1,121
Provisions	-1,516	1,054	-	-	-462
Post-employment and termination benefits	-1,261	-2,790	-	-	-4,051
Trade and other payables	-22	-710	-	-	-732
	-5,298	**-2,390**	**-**	**-**	**-7,688**
Net deferred tax liability	**29,079**	**-7,454**	**-**	**-**	**21,625**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

18. Deferred income taxes (continued)

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same tax jurisdiction) during the prior year is as follows:

Group

(all amounts in Euro thousands)	January 1, 2007	Debit/ (Credited) charged to net profit	Debit/ (Credited) charged to equity	Exchange differ-ences	Additions due to ac-quisitions	December 31, 2007
Deferred tax liabilities (before set - offs)						
Property, plant and equipment	148,504	6,089	-	-11,358	653	143,888
Intangible assets	1,274	2,201		-308	595	3,762
Provisions	5,950	-2,213	-	-	-	3,737
Receivables and prepayments	1,421	819	-	-111	-	2,129
Long term borrowings	-	47	-	-	-	47
	157,149	**6,943**	**-**	**-11,777**	**1,248**	**153,563**
Deferred tax assets (before set - offs)						
Intangible assets	-4,865	-4,535	-	828	497	-8,075
Inventories	-799	-1,188	-	100	-	-1,887
Post-employment and termination benefits	-1,380	-846	-	119	-	-2,107
Receivables and prepayments	-2,214	1,169	-	65	-173	-1,153
Long term borrowings	-15	-	-	-	-	-15
Government grants	-2,708	1,160	-	141	-	-1,407
Provisions	-7,321	-7,902	-	393	-199	-15,029
Trade and other payables	-5,043	4,482	-	531	-	-30
	-24,345	**-7,660**	**-**	**2,177**	**125**	**-29,703**
Net deferred tax liability	**132,804**	**-717**	**-**	**-9,600**	**1,373**	**123,860**

Company

(all amounts in Euro thousands)	January 1, 2007	Debit/ (Credited) charged to net profit	Debit/ (Credited) charged to equity	Exchange differ-ences	December 31, 2007
Deferred tax liabilities (before set - offs)					
Property, plant and equipment	27,902	3,726	-	-	31,628
Provisions	4,350	-2,750	-	-	1,600
Receivables and prepayments	393	756	-	-	1,149
	32,645	**1,732**	**-**	**-**	**34,377**
Deferred tax assets (before set - offs)					
Inventories	-674	-249	-	-	-923
Receivables and prepayments	-193	-	-	-	-193
Government grants	-1,331	-52	-	-	-1,383
Provisions	-571	-945	-	-	-1,516
Post-employment and termination benefits	-	-1,261	-	-	-1,261
Trade and other payables	-	-22	-	-	-22
	-2,769	**-2,529**	**-**	**-**	**-5,298**
Net deferred tax liability	**29,876**	**-797**	**-**	**-**	**29,079**

19. Inventories

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Inventories				
Raw materials-Maintenance stores	185,902	142,979	77,310	64,328
Finished goods	108,420	88,652	26,874	23,886
	294,322	231,631	104,184	88,214
Provision for obsolete inventory	-9,652	-6,106	-4,372	-3,692
	284,670	225,525	99,812	84,522
Transfer of major spare parts to property, plant and equipment (note 11)	182	728	182	728
	284,852	**226,253**	**99,994**	**85,250**

Analysis of provision for inventories	Group		Company	
	2008	**2007**	**2008**	**2007**
Balance at 1 January	**6,106**	**8,906**	**3,692**	**2,696**
Charge for the year	1,206	3,057	840	996
Unused amounts reversed	-	-1,111	-160	-
Utilized	-796	-4,285	-	-
Additions due to acquisitions	2,794	-	-	-
Exchange differences	342	-461	-	-
Balance at 31 December	**9,652**	**6,106**	**4,372**	**3,692**

The Group has not pledged its inventories as collateral.

20. Receivables and prepayments

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Trade receivables	139,226	137,709	28,313	27,528
Cheques receivables	86,898	101,722	40,939	60,403
Provision for doubtful debtors	-13,613	-7,069	-4,096	-2,329
	212,511	232,362	65,156	85,602
Creditors advances	11,361	2,906	-	-
Tax receivables	42,607	12,097	-	-
Prepayments and other receivables	52,413	42,426	8,064	6,051
Provision for other doubtful receivables	-2,964	-1,689	-1,070	-
	103,417	55,740	6,994	6,051
Trade receivables from related parties (Note 33)	21	16	24,471	38,560
	315,949	**288,118**	**96,621**	**130,213**

Tax receivables include €27,986 thousand (2007: €10,401 thousand) that are related to income tax claims due to the losses incured in Group's subsidiary in US Titan America LLC.

As at 31 December, the ageing analysis of trade receivables is as follows:

(all amounts in Euro thousands)		Group		Company	
		2008	**2007**	**2008**	**2007**
Neither past due nor impaired		120,841	158,686	81,365	103,043
Past due nor impaired:					
	< 30 days	35,702	42,473	1,878	11,899
	30-60 days	24,197	18,887	3,560	5,899
	60-90 days	16,590	5,901	207	1,763
	90-120 days	7,442	3,472	206	742
	>120 days	7,760	2,959	2,411	816
		212,532	**232,378**	**89,627**	**124,162**

Trade receivables are non-interest bearing and are normally settled on: Group 0-200 day's terms, Company 0-200 day's terms.

20. Receivables and prepayments (continued)

Analysis of provisions for doubtful debtors

(all amounts in Euro thousands)	Group		Company	
	2008	2007	2008	2007
Balance at 1 January	**7,069**	**7,160**	**2,329**	**2,849**
Charge for the year	8,781	2,327	2,499	301
Unused amounts reversed	-532	-696	-502	-640
Utilized	-2,421	-1,920	-230	-181
Additions due to acquisitions	653	364	-	-
Exchange differences	63	-166	-	-
Balance at 31 December	**13,613**	**7,069**	**4,096**	**2,329**

Analysis of provisions for other doubtful receivables

	Group		Company	
	2008	2007	2008	2007
Balance at 1 January	**1,689**	**4,112**	**-**	**-**
Charge for the year	1,128	104	1,070	-
Unused amounts reversed	-	-2,063	-	-
Utilized	-	-419	-	-
Additions due to acquisitions	145	-	-	-
Exchange differences	2	-45	-	-
Balance at 31 December	**2,964**	**1,689**	**1,070**	**-**

21. Cash and cash equivalents

(all amounts in Euro thousands)	Group		Company	
	2008	2007	2008	2007
Cash at bank and in hand	302	9,363	5	5
Short-term bank deposits	94,219	158,115	31,258	8
	94,521	**167,478**	**31,263**	**13**

Short-term bank deposits comprise primarily of time deposits and repository notes (REPOS). The effective interest rates on these short-term bank deposits are based on Euribor rates, are negotiated on a case by case basis and have an average maturity period of seven days.

22. Share capital and premium

(all amounts are shown in Euro thousands unless otherwise stated)

The total number of the authorised ordinary shares is:	2008	2007
Ordinary shares of €4.00 each	76,977,814	76,963,614
Preference shares of €4.00 each	7,568,960	7,568,960
	84,546,774	**84,532,574**

Shares issued and fully paid	Ordinary shares		Preference shares		Share premium	Total	
	Number of shares	€'000	Number of shares	€'000	€'000	Number of shares	€'000
Balance at 1 January 2007	**76,916,244**	**153,832**	**7,568,960**	**15,138**	**22,724**	**84,485,204**	**191,694**
Issue of shares - share option scheme	47,370	95	-	-	102	47,370	197
Balance at 31 December 2007	**76,963,614**	**153,927**	**7,568,960**	**15,138**	**22,826**	**84,532,574**	**191,891**
Capitalization of reserves	-	153,927	-	15,138	-	-	169,065
Issue of shares - share option scheme	14,200	57	-	-	-	14,200	57
Balance at 31 December 2008	**76,977,814**	**307,911**	**7,568,960**	**30,276**	**22,826**	**84,546,774**	**361,013**

Treasury shares	Ordinary shares		Preference shares		Total	
	Number of shares	€'000	Number of shares	€'000	Number of shares	€'000
Balance at 1 January 2007	**14,000**	**502**	**-**	**-**	**14,000**	**502**
Treasury shares purchased	1,071,887	35,434	300	9	1,072,187	35,443
Balance at 31 December 2007	**1,085,887**	**35,936**	**300**	**9**	**1,086,187**	**35,945**
Treasury shares purchased	2,101,810	56,246	5,619	108	2,107,429	56,354
Balance at 31 December 2008	**3,187,697**	**92,182**	**5,919**	**117**	**3,193,616**	**92,299**

For the year 2008, the average stock price of Titan's ordinary shares was €24.23 (2007: €42.53) and the trading price of the Titan Cement ordinary shares at December 31, 2008 was €13.90 (2007:€31.20).

22. Share capital and premium (continued)

(all amounts are shown in Euro thousands unless otherwise stated)

Share options

Share options are granted to members of senior management. Movements in the number of share options outstanding are as follows:

	2000 scheme	2004 scheme	2007 scheme	Total
Balance at 1 January 2007	**8,000**	**275,550**	**-**	**283,550**
Granted	-	-	142,950	142,950
Exercised	-8,000	-39,370	-	-47,370
Cancelled	-	-93,340	-	-93,340
Balance at 31 December 2007	**-**	**142,840**	**142,950**	**285,790**
Granted	-	-	158,220	158,220
Exercised	-	-14,200	-	-14,200
Non vested	-	-81,480	-	-81,480
Cancelled	-	-20,220	-17,580	-37,800
Balance at 31 December 2008	**-**	**26,940**	**283,590**	**310,530**

Share options outstanding at the end of the year have the following terms:

		2007		
Expiration date	**Exercise price**	**2004 scheme**	**2007 scheme**	**Total**
2008	€ 2.00	400	-	400
2009	€ 2.00	142,440	-	142,440
2010	€ 2.00	-	142,950	142,950
		142,840	**142,950**	**285,790**

		2008		
Expiration date	**Exercise price**	**2004 scheme**	**2007 scheme**	**Total**
2009	€ 4.00	26,940	-	26,940
2010	€ 4.00	-	129,870	129,870
2011	€ 4.00	-	153,720	153,720
		26,940	**283,590**	**310,530**

2004 Programme

On June 8, 2004 the Company approved a new share incentive scheme for the distribution of up to 400,000 ordinary voting shares by granting share options for the three year period 2004 to 2006 to certain executives of the Company and its subsidiaries. The exercise price was set at the nominal price of the share. Under this scheme, the options granted each year have a maturity period of three years and can be exercised after the completion of the three year period. Each option must be exercised within twelve months from its respective vesting period. If the deadline is exceeded then those particular options will irrevocably lapse. All vesting is conditional on the employee's continued employment throughout the vesting period. The number of options to be granted each year will depend on a number of market based performance features such as the performance of Titan shares compared to the performance of the Athens Stock Exchange and the share performance of other international cement producing companies. The number of options that vest each year will be determined as follows:

1) One-third of options granted vest based on an individuals performance at the completion of the three year period.
2) One-third of options granted vest based on the Titan Cement's stock performance relative to three Athens Stock Exchange indices during the three year period.
3) One-third of options granted vest based on the Titan Cement's stock performance relative to that of twelve predefined cement producing companies during the three year period.

The options granted under the new scheme have been accounted for in terms of the requirements of IFRS 2 "Share based payments". The options granted under the old scheme are not subject to IFRS 2 as they were granted prior to the effective date of IFRS 2.

The fair value of the options granted in 2006, determined using the Black-Scholes valuation model, was €37.27 per option. The significant inputs into the valuation model were share price at grant date of €40.74, expected volatility of share price 22.03%, dividend yield of 1.56% and an annual risk free rate of 3.67%.

During 2008, 14,200 shares were exercised none of which related to members of the board, while 81,480 share options did not vest due to the non compliance to the conditions above. The remaining options for 26,940 shares have not yet been exercised.

2007 Programme

On May 29, 2007 the Company approved the introduction of a new, three-year Stock Option Programme (2007 Programme). In the years 2007, 2008 and 2009, executive members of the Company's Board of Directors and senior executives of the Company and its affiliates in Greece and abroad shall be granted options, the exercise of which is subject to the financial results of the Company and the performance of its ordinary share, to acquire up to 500,000 ordinary shares of the Company at a sale price equal to the share's nominal value, that is 4 Euros per share.

Under this Programme, the options granted each year have a maturity period of three years and can be exercised after the completion of the three year period. Each option must be exercised within twelve months from its respective vesting period. If the deadline is exceeded then those particular options will irrevocably lapse. All vesting is conditional on the employee's continued employment throughout the vesting period. The number of options that vest each year will be determined as follows:

1) One-third of options granted vest based on the financial results of the Company.
2) One-third of options granted vest based on the Titan Cement's stock performance relative to three Athens Stock Exchange indices during the three year period.
3) One-third of options granted vest based on the Titan Cement's stock performance relative to that of twelve predefined international cement producing companies during the three year period.

The options granted under the 2007 Programme have been accounted for in terms of the requirements of IFRS 2 "Share based payments".

In March 2008, 158,220 share options were granted, in accordance with the above Stock Option Programme.

The fair value of the options granted in 2008, determined using the 2-dimensional Black-Scholes valuation model, was €9.79 per option. The significant inputs into the valuation model were share price at grant date of €26.92, standard deviation of share price 32.28%, dividend yield of 2.07% and the rate of the three-year Greek Government Bonds.

23. Other reserves

Group

(all amounts in Euro thousands)	Legal reserve	Special reserve	Contin-gency reserve	Tax exempt reserves under special laws	Revaluation reserve	Currency translation differences on derivative hedging position	Foreign currency translation reserve	Total other reserves
Balance at 1 January 2007	**57,549**	**3,637**	**270,789**	**154,275**	**3,291**	**48,346**	**-163,964**	**373,923**
Foreign currency translation	-	-	-	-	-	-	-43,165	-43,165
Net unrealized losses on available for sale financial assets	-	-	-	-	132	-	-	132
Non distributed dividends	-	-	15	-	-	-	-	15
Transfer (from/to) retained earnings	6,596	11,358	60,199	-10,469	-2	-	-1,590	66,092
Balance at 31 December 2007	**64,145**	**14,995**	**331,003**	**143,806**	**3,421**	**48,346**	**-208,719**	**396,997**
Foreign currency translation	-196	-160	-	61	-2,021	-	5,798	3,482
Net unrealized gains/(losses) on Available for sale financial assets	-	-	-	-	-179	-	-	-179
Revaluation surplus on investment acquisition	-	-	-	-	129,150	-	-	129,150
Share Capital increase due to capitalization of reserves	-	-	-143,249	-22,972	-	-	-	-166,221
Transfer from/(to) retained earnings	7,733	-	54,680	10,477	-2,372	-	-	70,518
Balance at 31 December 2008	**71,682**	**14,835**	**242,434**	**131,372**	**127,999**	**48,346**	**-202,921**	**433,747**

Company

(all amounts in Euro thousands)	Legal reserve	Special reserve	Contin-gency reserve	Tax exempt reserves under special laws	Currency translation differences on derivative hedging position	Total other reserves
Balance at 1 January 2007	**50,518**	**1,769**	**260,234**	**142,499**	**48,346**	**503,366**
Non distributed dividends	-	-	15	-	-	15
Transfer from/(to) retained earnings	6,120	-	58,892	-9,640	-	55,372
Balance at 31 December 2007	**56,638**	**1,769**	**319,141**	**132,859**	**48,346**	**558,753**
Capitalization of reserves	-	-	-143,249	-22,972	-	-166,221
Transfer from/(to) retained earnings	5,298	-	54,680	10,477	-	70,455
Balance at 31 December 2008	**61,936**	**1,769**	**230,572**	**120,364**	**48,346**	**462,987**

Certain Group companies are obliged according to the applicable commercial law to form as legal reserve a percentage of their annual net profits. This reserve can not be distributed during the operational life of the company.

Based on existing Greek tax law, tax exempt reserves under special laws are exempt from income tax, provided that they are not distributed to shareholders. The Group does not intend to distribute these reserves and has thus not provided for the tax liability that would arise in the event that these reserves were to be distributed. Any distribution from these reserves can only occur following the approval of shareholders in a general meeting and after the applicable taxation is paid by the Company.

Included in the tax exempt reserves are reserves that have been created by the Company and certain of its Greek subsidiaries following the application of paragraph 2 of Law 3220/2004. Law 3614/07 provided the applicable income tax on these reserves together with the applicable interest to be returned by the companies which utilised them in years 2006 and 2004 (in accordance with Law 3220/04) as these reserves were considered illegal by EU. For the related income tax, the Group had established a provision. In accordance with the provisions of above Law 3614/07, from the reserves of Law 3220/04 that were finally taxed, companies had the right to subtract capital expenditures which could be utilised under the development Laws 2601/98 and 3299/04.

The revaluation reserve reflects the fair value of tangible and intangible assets, the Group had in Egypt through its participation in the joint venture Lafarge-Titan Egyptian Investments Ltd, till it acquired the joint venture fully. It also reflects fair value changes on available-for-sale financial assets.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The currency translation differences on derivative hedging position is used to record the effect of hedging net investments in foreign operations.

24. Borrowings

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Current				
Loans in local currency - (€ denominated)	116,786	65,476	65,187	35,948
Loans in foreign currency	145,416	80,213	3,393	14,039
Loans to associates	-	-	19,000	-
Finance lease liabilities	943	716	-	-
	263,145	**146,405**	**87,580**	**49,987**
Non-current				
Bank borrowings in local currency - (€ denominated)	664,881	-	125,000	-
Bank borrowings in foreign currency	87,107	367,002	-	3,609
Debentures - Notes in foreign currency	189,960	219,263	-	-
Loans to associates	-	-	634,000	-
Finance lease liabilities	3,245	3,568	-	-
	945,193	**589,833**	**759,000**	**3,609**
Total borrowings	**1,208,338**	**736,238**	**846,580**	**53,596**

The fair values of the borrowings closely approximate their carrying amounts, as the Group's and the Company's borrowings are mainly with floating interest rates.

Maturity of non-current bank borrowings (excluding finance lease liabilities):

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Up to 2 years	172,563	62,388	125,000	3,609
Between 2 and 5 years	684,074	409,619	-	-
Over 5 years	85,311	114,258	-	-
	941,948	**586,265**	**125,000**	**3,609**

The effective interest rates that affect the Income Statement are as follows:

	Group		Company	
	2008	**2007**	**2008**	**2007**
Bank borrowings (foreign currency - USD)	4.56%	5.84%	4.00%	6.51%
Bank borrowings (foreign currency - JPY)	2.70%	2.70%	-	-
Bank borrowings (foreign currency - EGP)	10.53%	10.13%	-	-
Bank borrowings (foreign currency - GBP)	6.94%	7.70%	6.94%	7.70%
Bank borrowings (foreign currency - BGN)	7.58%	5.60%	-	-
Bank borrowings (foreign currency - TRY)	22.81%	-	-	-
Bank borrowings (local currency - €)	5.30%	4.84%	5.33%	4.84%
Finance lease liabilities	5.14%	5.35%	-	-

Bank borrowings in foreign currencies:

(all amounts in Local Currency thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
USD	488,879	886,179	4,718	23,474
JPY	3,501,316	1,998,049	-	-
EGP	122,300	195,517	-	-
GBP	3	1,249	3	1,249
BGN	54,413	46,819	-	-
CAD	-	4,000	-	-
TRY	2,693	4,000	-	-

The Group has the following undrawn borrowing facilities:

(all amounts in Euro thousands)	Group		Company	
Floating rate:	**2008**	**2007**	**2008**	**2007**
- Expiring within one year	206,446	334,918	111,563	199,003
- Expiring beyond one year	471,245	475,939	50,000	-

The Group has adequate undrawn committed and uncommitted borrowing facilities to meet future business requirements.

The present value of the finance lease liabilities may be analyzed as follows:

(all amounts in Euro thousands)	Group	
Finance lease liabilities - minimum lease payments	**2008**	**2007**
Not later than 1 year	962	931
Later than 1 year and not later than 5 years	3,599	3,254
Later than 5 years	104	795
	4,665	4,980
Future finance charges on finance leases	-477	-696
Present value of finance lease liabilities	**4,188**	**4,284**

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessors in the event of default.

25. Retirement and termination benefit obligations

Greece

Greek labor legislation requires that the payment of retirement and termination indemnities be based on the number of years of service to the Company by the employees and taking into consideration their final remuneration. The Group grants retirement indemnities which exceed the legal requirements. These retirement indemnities are unfunded and the liabilities arising from such obligations are actuarially valued by an independent firm of actuaries. The last actuarial valuation was undertaken in December 2008. The principal actuarial assumptions used were a discount rate of 5.2%, future salary increases of between 5.5% and 6.4% and future pension increases of 3% per annum.

USA

The Group's U.S. subsidiaries operate defined benefit plans and other post-retirement benefit plans. The method of accounting for the latter, as well as the valuation assumptions and the frequency of valuations are similar to those used for defined benefit plans.

Multi-employer plan

Certain employees participate in a union sponsored, defined benefit multi-employer pension plan. This plan is not administered by the Group's U.S. subsidiary and contributions are determined in accordance with the provisions of the negotiated labor contract. These contributions are affected by the funded status of the plan.

Excess benefit plan

This plan is intended to constitute an unfunded plan of deferred compensation for a selected group of highly compensated employees under the Employee Income Security Act of 1974 ("ERISA"). For this purpose the Group's U.S. subsidiary created an irrevocable trust to facilitate the payment of deferred compensation to participants under this plan. Under this plan, the participants are eligible to defer a certain percentage of eligible compensation for the applicable plan year. The Company matches 50% of the participants' contributions to the plan. Again, the Company's contributions are affected by the funded status of the plan.

All of the Group's U.S. subsidiary's defined benefit pension plans and all but one of its other post-retirement plans have been frozen as to new participants and credited service. These plans do not materially impact the Group. One post-retirement benefit plan exists (for certain active and former employees) whereby eligible retirees receive benefits consisting primarily of assistance with medical insurance costs between the dates of early retirement and medicare eligibility. The Company operates a defined contribution plan for it's employees.

The amounts relating to defined benefit pension plans and other post retirement and termination benefits (defined benefit plans) recognized in the income statement in the account other expenses (see note 4) are as follows:

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Current service cost	2,233	3,342	1,743	1,705
Interest cost	3,020	2,855	1,775	1,694
Business combination	102	44	-	-
Actuarial loss / (gain)	4,202	1,732	1,452	1,785
	9,557	**7,973**	**4,970**	**5,184**
Expected return on plan assets	-782	-636	-	-
Net periodic cost	**8,775**	**7,337**	**4,970**	**5,184**
Additional provision required	12	1,814	-	-
Additional post retirement and termination benefits paid out, not provided for	4,053	470	2,709	470
	12,840	**9,621**	**7,679**	**5,654**
Amounts recognised in the other operating expense income statement	9,820	6,766	5,904	3,960
Amounts recognised in finance income	3,020	2,855	1,775	1,694
Amounts recognised in the income statement	**12,840**	**9,621**	**7,679**	**5,654**
Present value of the liability recognised in the balance sheet	**54,402**	**54,392**	**37,665**	**37,766**

Movement in the liability recognized in the balance sheet:

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Opening balance	**39,332**	**39,535**	**21,102**	**22,748**
Total expense - as shown above	8,775	7,337	4,970	5,184
Additional provision required	12	1,814	-	-
Additions due to acquisitions	846	21	-	-
Exchange differences	227	-676	-	-
Benefits paid during the year	-8,035	-8,699	-2,370	-6,830
Ending balance	**41,157**	**39,332**	**23,702**	**21,102**

26. Provisions

Group

(all amounts in Euro thousands)		January 1, 2008	Charge for the year	Unused amounts reversed	Utilized	Additions due to acquisitions	Exchange differ-ences	December 31, 2008
Provisions for restoration of quarries	a	11,698	596	-702	-788	115	247	11,166
Provisions for taxes	b	891	167	-	-325	213	70	1,016
Litigation provisions	c	2,312	2,828	-76	-2,671	406	162	2,961
Tax provision for reserve L.3220/2004 (note 8)	d	10,572	-	-10,572	-	-	-	-
Other provisions	e	8,293	2,093	-2,797	-1,099	4,491	254	11,235
		33,766	**5,684**	**-14,147**	**-4,883**	**5,225**	**733**	**26,378**

(all amounts in Euro thousands)	2008	2007
Non current provisions	23,235	20,934
Current provisions	3,143	12,832
	26,378	**33,766**

Company

(all amounts in Euro thousands)		January 1, 2008	Charge for the year	Unused amounts reversed	Utilized	December 31, 2008
Provisions for restoration of quarries	a	2,887	88	-591	-202	2,182
Tax provision for reserve L.3220/2004 (note 8)	d	9,124	-	-9,124	-	-
Other provisions	e	4,413	-	-943	-3,470	-
		16,424	**88**	**-10,658**	**-3,672**	**2,182**

(all amounts in Euro thousands)	2008	2007
Non current provisions	2,182	2,887
Current provisions	-	13,537
	2,182	**16,424**

a. This provision represents the present value of the estimated costs to reclaim quarry sites and other similar post-closure obligations. It is expected that this amount will be used over the next 2 to 50 years.
b. This provision relates to future obligations that may result from tax audits. It is expected that this amount will be fully utilized in the next five years.
c. This provision has been established with respect to claims made against certain companies in the Group by third parties. It is expected that this amount will be utilized in the next twelve months.
d. This provision relates to future tax obligation in respect of Tax exempt reserves L3220/2004.
e. Comprises other provisions relating to other risks none of which are individually material to the Group. It is expected that € 600 thousand will be used in the next twelve months with the remaining amounts used over the next 2 to 20 years.

27. Other-non current liabilities

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Government grants	6,900	7,308	6,406	6,747
Additional consideration for subsidiaries' acquisition	4,545	6,015	-	-
Other-non current liabilities	2,648	3,187	-	-
	14,093	**16,510**	**6,406**	**6,747**

Analysis of Government grants:

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Opening balance	**7,308**	**7,328**	**6,747**	**7,063**
Additions due to acquisitions	43	169	-	-
Additions	-	230	-	25
Amortization (note 29)	-451	-419	-341	-341
Ending balance	**6,900**	**7,308**	**6,406**	**6,747**

Government grants are recognised at fair value when there is a certainty that the grant will be received and also when the Group complies with the terms and conditions of the grant.
Government grants relating to capital expenses are reflected as long term liabilities and are amortised on a straight line basis that reflects the estimated useful life of the asset for which the grant was received.
Government grants received in respect of expenses are reflected in the income statement when the related expense is incurred so that the expense is matched to the income received.

28. Trade and other payables

(all amounts in Euro thousands)	Group		Company	
	2008	2007	2008	2007
Trade payables	134,755	91,214	26,569	27,541
Amounts due to related parties (note 33)	675	1,277	13,111	9,530
Other payables	36,277	27,417	9,764	11,288
Accrued expenses	38,970	26,492	19,516	5,645
Social security	5,182	4,869	3,115	2,908
Customer down payments/advances	18,969	5,622	1,053	1,262
Dividends payable	410	377	353	355
Other taxes	19,611	10,750	1,788	5,467
	254,849	**168,018**	**75,269**	**63,996**

Other payables comprise mainly of liabilities relating to transportation for cement and raw materials as well as employee benefit payables.

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on: Group 0-120 day's terms, Company 10-120 day's terms.
Other payables are non-interest bearing and have an average term of one both for the Group and the Company.

29. Cash generated from operations

(all amounts in Euro thousands)	Group		Company	
	2008	2007	2008	2007
Net Profit for the year as per income statement	210,023	244,219	105,964	118,771
Adjustments for:				
Tax (note 8)	-7	56,127	7,328	41,017
Depreciation (note 11)	94,429	84,816	11,360	11,025
Amortization of intangibles (note 13)	14,539	9,213	-	-
Amortization of government grants received (note 27)	-451	-419	-341	-341
Stripping amortization	961	1,172	-	-
Impairment of assets (note 4,11,13)	2,799	1,509	-	-
(Profit)/loss on sale of property, plant and equipment	-4,505	-1,531	-26	316
Profit on sale of investment property	-	-	-	-7
Provision for impairment of debtors charged to income statement (note 20)	9,377	-328	3,067	-339
Provision for inventory obsolescence (note 19)	1,206	1,946	680	996
Provision for restoration of quarries (note 26.a)	-106	425	-588	109
Provision for litigation (note 26.c)	2,752	298	-	-
Other provisions (note 26.e)	-704	3,695	-4,413	2,912
Provision for retirement and termination benefit obligations	5,767	6,296	3,195	3,490
Impairment of investment property (note 12)	-	-	200	102
Bond issue cost amortization	58	147	-	-
Interest income and net foreign exchange transaction gains (note 6)	-20,530	-12,425	-2,430	-3,438
Dividend income	-283	-74	-7,699	-2,656
Interest expense and net foreign exchange transaction losses (note 6)	82,186	46,176	30,016	6,176
Loss on financial instruments (note 6)	1,392	179	4,308	73
Loss/(gains) on investments (note 6)	639	133	118	75
Interest capitalized to fixed assets (note 6, 11)	-2,702	-1,084	-	-
Tax discount due to one off payment (note 6)	-144	-107	-144	-108
Share stock options (note 7)	3,697	3,497	2,396	2,328
Share in profit of associates (note 15)	-3,519	-1,204	-	-
Changes in working capital:				
Increase in inventories	-35,024	-29,999	-15,403	-17,115
Decrease/(increase) in trade and other receivables	17,128	21,072	27,428	1,314
Decrease/(increase) in operating long-term receivables	-9,340	1,844	-165	-371
Decrease/(increase) in trade and other payables	42,055	-15,717	12,851	-2,209
Cash generated from operations	**411,693**	**419,876**	**177,702**	**162,120**

In the cash flow statement, proceeds from the sale of property, plant and equipment comprise:

	Group 2008	Group 2007	Company 2008	Company 2007
Net book amount (note 11)	3,231	2,855	678	977
Profit/(loss) on sale of property, plant and equipment (note 4)	4,505	1,531	26	-316
Proceeds from the sale of property, plant and equipment	**7,736**	**4,386**	**704**	**661**

30. Business combinations

Year ended 31 December 2008

On May 6th 2008 the Group acquired the remaining 50% of the JV company Lafarge Titan Egyptian Inv.Ltd and its subsidiaries Alexandria Portland Cement Co. S.A.E, Beni Suef Cement Company S.A.E., Four M Titan Silo Co. LLC, Misrieen Titan Trade & Distribution, East Cement Trade Ltd, Alexandria Development Co. Ltd. Since the above acquisition date, these companies are fully consolidated in the Group's financial statements - having been previously consolidated proportionately.
At 17.4.2008 the Group acquired a 50% equity interest in Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey, which was included in the Group's financial statements as of the day of acquisition under the proportional consolidation method.
At 21.12.2007 the Group signed an acquisition agreement for 100% of the shares of Domiki Beton S.A., which was included in the Group's financial statements at 15.1.2008 with the full consolidation method.
At 6.5.2008 the Group acquired a 65% equity stake in Alba Cemento Italia SHPK in Albania. The above company was included on the same day in the Group's financial statements with the full consolidation method. At 20.11.2008 Group's participation in the above mentioned company was indirectly reduced to 39%, as a consequence of the equity participation in Antea Cement Sh.A.
The Group acquired 100% of Quarries Vahou S.A in Greece which has been included in the Group's financial statements since 14.5.2008, with the full consolidation method.
At 22.10.2008 the Group acquired 100% of Quarries Thisvis S.A. in Greece. The above company was included on the same day in the Group's financial statements with the full consolidation method.
At 04.11.2008 the Group acquired 100% of DNJEPR Investments I B.V in Netherlands, through Group's subsidiary Titan Cementara Kosjeric A.D. The above company was included on the same day in the Group's financial statements with the full consolidation method. At 20.11.2008, DNJEPR Investments I B.V in Netherlands has been renamed to Holtitan B.V.
Finally, at 12.11.2008 the Group acquired 100% of DNJEPR Investments II B.V. in Netherlands. The above company was included on the same day in the Group's financial statements with the full consolidation method.
The assets and liabilities of the above mentioned companies, as they were preliminary recorded at the date of acquisition, are as follows:

(all amounts in Euro thousands)	**Lafarge Titan Egyptian Inv.Group**		**Adocim Cimento Beton Sanayi ve Ticaret A.S.**		**Other**	
Assets	Fair value recognised on acquisition	Previous carrying value	Fair value recognised on acquisition	Previous carrying value	Fair value recognised on acquisition	Previous carrying value
Non current assets	273,437	109,815	48,468	39,376	10,276	6,417
Deferred tax assets	-	-	-	275	-	-
Inventory	14,931	14,931	4,386	4,386	702	702
Receivables and prepayments	7,893	7,893	11,109	11,109	5,740	5,741
Cash and cash equivalents	26,627	26,627	86	86	184	184
Total assets	**322,888**	**159,266**	**64,049**	**55,232**	**16,902**	**13,044**
Liabilities						
Long term borrowings	26,090	26,090	35,713	35,713	230	230
Short term borrowings	13,205	13,205	7,359	7,359	3,486	3,486
Deferred tax liabilities	35,522	2,015	1,235	-	964	-
Other liabilities and taxes payable	27,512	26,697	10,424	10,416	4,351	4,260
Total liabilities	**102,329**	**68,007**	**54,731**	**53,488**	**9,031**	**7,976**
Net assets	**220,559**	**91,259**	**9,318**	**1,744**	**7,871**	**5,068**
Minority Interest	-5,874		-		-481	
Total net assets acquired	214,685		9,318		7,390	
Goodwill arising on acquisition (note 13)	94,570		76,641		11,883	
Consideration, satisfied by cash	**309,255**		**85,959**		**19,273**	
Cash flow on acquisition:						
Purchase consideration settled in cash	309,255		85,959		19,273	
Net cash acquired with the subsidiary	-26,627		-86		-184	
Net cash outflow on acquisitions	**282,628**		**85,873**		**19,089**	

Purchase price allocation of the acquired companies will be completed within twelve months from acquisition date.
From the date of acquisition, the above acquired companies have contributed €98,859 thousands of revenue and €27,806 thousands to the earnings before interest, tax, depreciation and amortization of the Group. If the combination had taken place at the beginning of the year, the earnings before interest, tax, depreciation and amortization would have been € 394,913 thousand and revenue from continuing operations would have been €1,611,254 thousand.

Year ended 31 December 2007

During 2007 the Group announced the acquisition of the 100% of Betotechniki S.A. (consolidated from 12.1.2007 and was merged with Interbeton Constructions Materials S.A. as of 15.11.2007), Double W & Co OOD (consolidated from 27.3.2007), S&W Ready Mix Concrete Co Inc (consolidated from1.4.2007), Ecobeton S.A (consolidated from 19.4.2007), AVES Afoi Polikandrioti S.A. (consolidated from 8.5.2007), Feronia Holding Ltd (consolidated from 4.12.2007), Vesa DOOL (consolidated from 4.12.2007), Salentijn Properties 1 B.V. (consolidated from 17.12.2007). The assets and liabilities of the above mentioned companies, as they were preliminary formed at the date of acquisition, as presented in the table bellow.

During the first quarter, the Group acquired an extra 24% of Mechanicsville Concrete Inc. (Powhatan Ready Mix), increasing the Group's participation to 49%. At 10.4.2007 Group acquired the remaining 51% of Mechanicsville Concrete Inc. (Powhatan Ready Mix), which has been fully incorporated in Group's financial statements on the same date (10.4.2007).

On 31.3.2007 the Group's subsidiary Titan America LLC announced the acquisition of Cumberland quarry from the companies Jim Smith Contracting Company LLC and Cumberland River Resources LLC. The above mentioned quarry was incorporated in Titan America's financial statements at 1.4.2007.

30. Business combinations (continued)

(all amounts in Euro thousands)	S&W Ready Mix Concrete Co Inc.		Mechanicsville Concrete Inc.		Cumberland		Other	
Assets	Fair value recognised on acquisition	Previous carrying value	Fair value recognised on acquisition	Previous carrying value	Fair value recognised on acquisition	Previous carrying value	Fair value recognised on acquisition	Previous carrying value
Non current assets	86,411	27,882	5,588	1,828	30,960	12,318	3,250	3,250
Inventory	2,130	2,130	218	245	1,687	1,687	52	52
Receivables and prepayments	14,525	14,436	1,428	1,475	-	-	4,408	4,408
Cash and cash equivalents	13	13	112	136	-	-	408	408
Total assets	**103,079**	**44,461**	**7,346**	**3,684**	**32,647**	**14,005**	**8,118**	**8,118**
Liabilities								
Long term borrowings	-	-	545	545	105	-	-	
Short term borrowings	-	-	65	65	45	-	3,287	3,287
Deferred tax liabilities	-	-	1,373	541	-	-	-	-
Other liabilities and taxes payable	21,635	6,157	1,494	887	-	-	2,970	2,970
Total liabilities	**21,635**	**6,157**	**3,477**	**2,038**	**150**	**-**	**6,257**	**6,257**
Net assets	**81,444**	**38,304**	**3,869**	**1,646**	**32,497**	**14,005**	**1,861**	**1,861**
Goodwill arising on acquisition (note 13)	110,012		6,066		-		8,015	
Consideration, satisfied by cash	**191,456**		**9,935**		**32,497**		**9,876**	
Cash flow on acquisition:								
Purchase consideration settled in cash	191,456		9,935		32,497		9,876	
Net cash acquired with the subsidiary	-13		-112		-		-408	
Net cash outflow on acquisitions	**191,443**		**9,823**		**32,497**		**9,468**	

During 2008, the revaluation of new acquired companies was completed, without differences relating to the amounts calculated till 31.12.2007

31. Interest in joint ventures

In 2007 the Group had a 50% interest in Lafarge Titan Egyptian Investments Limited ("LTEIL") - a joint venture with its headquarters in Jersey and core business, the asset management. On 6.5.2008, the Group acquired the remaining 50% of the Lafarge Titan Egyptian Inv. Ltd with its subsidiaries Alexandria Portland Cement Co. SAE, Beni Suef Cement Company SAE, Four M Titan Silo Co. LLC, Misrieen Titan Trade & Distribution, East cement Trade Ltd, Alexandria Development Co. Ltd. On 6.5.2008 the above companies are incorporated in the Group's financial statements using the full method of consolidation instead of proportional method applied till the aforementioned date (note 14).
On 17.4.2008, the Group has acquired 50% of Adocim Cimento Beton Sanayi ve Ticaret AS in Turkey which is incorporated in 2008 Group's financial statements with the proportional method of consolidation.

(all amounts in Euro thousands)	2008	2007
Property, plant and equipment	47,309	95,266
Intangibles and long-term receivables	2,751	14,809
Current assets	12,033	41,762
Total assets	**62,093**	**151,837**
Non-current interest bearing borrowings	28,996	27,046
Other long-term liabilities	-	2,786
Provisions	36	4,824
Minority interests	-	20
Current non-interest bearing borrowings	13,818	9,147
Other short-term liabilities	2,696	15,432
Total liabilities	**45,546**	**59,255**
Net assets	**16,547**	**92,582**
Revenue	**50,952**	**63,732**
Cost of sales	-32,914	-27,173
Gross profit before depreciation	**18,038**	**36,559**
Other income/expense	210	-1,559
Administrative expenses	-2,348	-3,322
Selling expenses	-267	-299
Profit before interest, taxes and depreciation	**15,633**	**31,379**
Depreciation	-3,716	-7,888
Profit before interest, taxes	**11,917**	**23,491**
Finance costs	-6,583	-2,008
Profit before income tax	**5,334**	**21,483**
Income tax expense	530	-3,880
Profit after tax	**5,864**	**17,603**

In 2008 the Group incorporated in its financial statements, the balance sheet of the joint venture Adocim Cimento Beton Sanayi ve Ticaret AS. In 2007 the Group incorporated in its financial statements, the balance sheet of the joint venture Lafarge Titan Egyptian Inv. Ltd with its subsidiaries Alexandria Portland Cement Co. SAE, Beni Suef Cement Company SAE, Four M Titan Silo Co. LLC, Misrieen Titan Trade & Distribution, East cement Trade Ltd, Alexandria Development Co. Ltd. (note 14, 30).
The consolidated income statement for the period 1.1 to 31.12.2008 includes the results of the joint venture Adocim Cimento Beton Sanayi ve Ticaret AS for the period 1.4 to 31.12.2008 and the results of the joint venture Lafarge Titan Egyptian Inv. Ltd with its subsidiaries Alexandria Portland Cement Co. SAE, Beni Suef Cement Company SAE, Four M Titan Silo Co. LLC, Misrieen Titan Trade & Distribution, East cement Trade Ltd, Alexandria Development Co. Ltd for the period 1.1 to 30.4.2008 (note 14, 30).
The consolidated income statement for the period 1.1 to 31.12.2007 includes the results of the joint venture Lafarge Titan Egyptian Inv. Ltd with its subsidiaries Alexandria Portland Cement Co. SAE, Beni Suef Cement Company SAE, Four M Titan Silo Co. LLC, Misrieen Titan Trade & Distribution, East cement Trade Ltd, Alexandria Development Co. Ltd.
The number of employees in the joint venture at the end of the reporting period was 260 (2007: 400).

32. Contingencies and Commitments

Contingent liabilities

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Guarantees to third parties on behalf of subsidiaries	-	-	903,442	642,650
Bank guarantee letters	84,936	100,831	30,213	14,301
Other	19,421	7,075	5,720	3,989
	104,357	**107,906**	**939,375**	**660,940**

The US South Florida Federal District Court issued on 30.1.2009 a ruling cancelling all permits for limestone mining in the LakeBelt area of Miami-Dade, with immediate effect. Tarmac America, a subsidiary of Titan America LLC, will appeal. Titan America LLC is well prepared to continue operations and maintain production at Pennsuco and, - in the context of current depressed market conditions -, to address customer needs and meet its commitments. Separately, the US Army Corps of Engineers is continuing its administrative review of the Company's application for a permit for longer-term mining in the LakeBelt area (see also note 38).
There are no other litigation matters which may have a material impact on the financial position of the Company and the Group.
Given the reduced demand resulting from the underlying economic crisis, it is estimated that the allocation of carbon dioxide emissions allowances for the period 2008-2012 will not significantly affect the Group's production levels.
The financial years, referred to in note 36, have not been audited by the tax authorities and therefore the tax obligations of the Company and its subsidiaries for those years have not yet been finalized.
Other than the items referred to in the preceding paragraph, it is not anticipated that any material contingent liabilities will arise.

Contingent assets

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Bank guarantee letters	15,481	15,938	15,481	15,938
	15,481	**15,938**	**15,481**	**15,938**

Litigation between our subsidiary Intertitan S.A and the French state is pending before the competent French administrative court of appeal in regard to a claim of our subsidiary against the French state for damages, which at first instance had been accepted for €2.7 million plus interest. However, such decision was annulled by the Administrative Court of Appeal and the case has been submitted by our subsidiary before the Supreme Administrative Court of France (Conseil d' Etat).

Commitments

Capital commitments
On July 25, 2007 Antea Cement Sh.A., a Titan Group subsidiary in Albania, entered into a commitment to construct a new cement plant in Kruje, Albania. The total project cost is estimated at € 170 million. The amount of € 77 million has been paid as of 31.12.2008.
The Group's subsidiary in Egypt, Beni Suef, is constructing a second 1.5 million-ton production line which is expected to be completed by the end of 2009. The total project cost is estimated at € 160 million. The amount of € 76 million has been paid as of 31.12.2008.
Capital commitments contracted for at the balance sheet date but not recognized in the financial statements is as follows:

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Property, plant and equipment	379,638	180,671	13,586	19,710

Purchase commitments

The Group's US subsidiary has contracted to purchase raw materials and manufacturing supplies as part of its ongoing operations in Florida. This includes a contract to buy construction aggregates through a multi-year agreement at prevailing market prices.

Operating lease commitments - where a Group Company is the lessee

The Group leases motor vehicles, properties and other equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

(all amounts in Euro thousands)	Group	
	2008	**2007**
Not later than 1 years	5,069	6,313
Later than 1 years and not later than 5 years	9,237	12,282
Later than 5 years	9,802	8,034
	24,108	**26,629**

33. Related party transactions

The Group is controlled by Titan Cement S.A. ("The Company") which owns 100% of the Group's ordinary shares. Group directors own 18,25% (2007:18.2%) of the Company's shares. The Company owns 4,15% while the remaining 77,6% (2007: 80.4%) of shares belongs to the public (including members of the key shareholders' families and institutional investors).
Various transactions are entered into by the Company and its subsidiaries during the year with related parties. The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured and settlement occurs in cash. For the years ended 31 December 2008 and 31 December 2007, the Group has not raised any provision for doubtful debtors relating to amounts owed by related parties as the payment history has been excellent. Intra-group transactions are eliminated on consolidation. Related party transactions exclusively reflect transactions between the companies of the Group.
The following is a summary of transactions that were carried out with related parties during the year:

Group

(all amounts in Euro thousands)	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Year ended 31 December 2008				
Other related parties	-	2,044	-	536
Executives and members of the Board	-	-	21	139
	-	**2,044**	**21**	**675**

Company

(all amounts in Euro thousands)	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Year ended 31 December 2008				
Aeolian Maritime Company	1	2,507	-	1,405
Achaiki Maritime Company	8	7,132	-	4,518
Albacem S.A.	272	-	-	-
Interbeton Construction Materials S.A.	59,005	5,671	4,875	-
Intertitan Trading International S.A.	6,839	-	-	-
Ionia S.A.	1,446	7,171	-	112
Quarries Gournon S.A.	5	-	528	-
Naftitan S.A.	62	749	-	375
Polikos Maritime Company	-	-	-	871
Titan Cement International Trading S.A.	1,140	-	471	-
Titan Atlantic Cement Industrial and Commercial S.A.	-	-	-	-
Fintitan SRL	13,295	-	6,947	-
Iapetos Ltd	-	-	11	-
Titan Cement U.K. Ltd	7,230	-	1,190	-
Usje Cementarnica AD	16,495	-	5,302	-
Beni Suef Cement Co.S.A.E.	646	-	177	-
Cementara Kosjeric AD	65	-	-	-
Zlatna Panega Cement AD	1,589	-	43	-
Essex Cement Co. LLC	11,483	3	163	-
Alvacim Ltd	-	2	-	19,002
Antea Cement SHA	19,111	5	4,047	-
Titan Global Finance PLC	-	16,636	-	639,152
Ecobeton S.A.	1,127	-	5	-
TCK Montenegro DOO	1,094	-	288	-
Salentijn Properties1 B.V.	-	-	312	-
Domiki Beton S.A.	1,975	-	91	-
Thisvis Quarries S.A.	-	1	-	1
Other related parties	-	2,044	-	536
Executives and members of the Board	-	-	21	139
	142,888	**41,921**	**24,471**	**666,111**

33. Related party transactions (continued)

Group

(all amounts in Euro thousands)	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Year ended 31 December 2007				
Other related parties	4	1,831	-	769
Executives and members of the Board	-	-	16	508
	4	**1,831**	**16**	**1,277**

Company

(all amounts in Euro thousands)	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Year ended 31 December 2007				
Aeolian Maritime Company	-	2,347	-	1,131
Achaiki Maritime Company	5	7,938	-	5,858
Albacem S.A.	4,016	-	-	-
Interbeton Construction Materials S.A.	55,523	8,425	17,243	-
Intertitan Trading International S.A.	6,217	-	-	-
Ionia S.A.	1,544	4,999	2,386	-
Quarries Gournon S.A.	35	-	99	-
Naftitan S.A.	62	717	-	335
Polikos Maritime Company	1	3,352	-	920
Titan Cement International Trading S.A.	1,729	-	1,680	-
Titan Atlantic Cement Industrial and Commercial S.A.	-	-	3,188	-
Fintitan SRL	13,865	-	7,488	-
Titan Cement U.K. Ltd	7,530	-	2,890	-
Usje Cementarnica AD	8,159	463	11	-
Beni Suef Cement Co.S.A.E.	2,796	-	22	-
Cementara Kosjeric AD	23	-	-	-
Alexandria Portland Cement Co. S.A.E	22	-	22	-
Zlatna Panega Cement AD	35	-	30	-
Essex Cement Co. LLC	30,483	-	1,254	9
Leros Quarries S.A.	1	-	-	-
Antea Cement SHA	1,970	-	1,773	-
Loukas Tsogas Beta S.A.	1,074	-	333	-
Ecobeton S.A.	283	-	31	-
TCK Montenegro DOO	410	-	94	-
Other related parties	4	1,831	-	769
Executives and members of the Board	-	-	16	508
	135,787	**30,072**	**38,560**	**9,530**

Key management compensation

	Group		Company	
	2008	**2007**	**2008**	**2007**
Salaries and other short-term employee benefits	4,713	5,001	4,522	4,810
Other long term benefits	316	309	316	309
Termination benefits	238	1,328	238	1,328
Share based payments	1,455	811	1,455	811
	6,722	**7,449**	**6,531**	**7,258**

Key management includes executive committee members.

Directors	**2008**	**2007**
Executive members on the Board of Directors	5	5
Non-executive members on the Board of Directors	10	10

34. Financial risk management objectives and policies

Financial Risk Factors

The Group's activities give rise to a variety of financial risks, including foreign exchange, interest rate, credit and liquidity risks. The Group's overall risk management programme focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group as a whole.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, co-ordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations. This includes identifying, evaluating and if necessary, hedging financial risks in close co-operation with the various business units within the Group. Group Treasury does not undertake any transactions of a speculative nature or transactions that are unrelated to the Group's trading, investment and financing activities.

The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, FX spot and forwards, trade accounts receivable and payable, loans to and from subsidiaries, associates, joint ventures, investments in bonds, dividends payable and lease obligations.

Foreign Exchange Risk

The Group's foreign exchange exposure arises from actual or anticipated cash flows (exports/ imports) in currencies other than its base currency as well as investments in overseas operations. Exchange rate exposures are managed within approved policy parameters.

Exposures are managed through the use of natural hedges and forward foreign exchange contracts. It is the policy of the Group to use as natural hedges any material foreign currency loans against underlying investments in foreign subsidiaries whose net assets are exposed to currency translation risk, when possible. Hence currency exposure to the net assets of the Group's subsidiaries in the United States of America is partially mitigated through borrowings denominated in US Dollars. Via the 2007 syndicated facility, Titan Global Finance, the Group's funding and cash management vehicle, granted a US Dollar loan to Titan America LLC. This loan creates no FX exposure as any gains/ losses from the revaluation of the loan are offset by losses/ gains from the revaluation of US equity.

In other markets where the Group operates, such as Egypt and certain Balkan countries, the Group assesses the financing needs of the business unit and where possible matches the currency of financing with the underlying asset exposure. The exception to this is Egypt and Turkey where the Group has an asset exposure in Egyptian pounds and in Turkish Lira and a financing obligation in Japanese Yen and in Euro. The Group has determined that the cost of refinancing the Yen to Egyptian pounds and the Euro to Turkish Lira is prohibitive. To more effectively manage this exposure, part of the Yen obligation has been swapped into US Dollars via the use of forward foreign exchange contracts.

The following table demonstrates the sensitivity of the Group's profit before tax and the Group's equity to reasonable changes in the US Dollar, Serbian Dinar, Egyptian Pound, British Pound, Turkish Lira and Albanian Lek exchange rates, with all other variables held constant:

Sensitivity Analysis in Foreign Exchange Rate Changes

(all amounts in Euro thousands)	Foreign Currency	Increase/ Decrease of Foreign Currency vs. €	Effect on Profit Before Tax	Effect on equity
Year ended 31 December 2008	USD	5%	-1,671	31,863
		-5%	1,671	-31,863
	RSD	5%	1,149	2,932
		-5%	-1,149	-2,932
	EGP	5%	1,992	24,374
		-5%	-1,992	-24,374
	TRY	5%	-160	834
		-5%	160	-834
	ALL	5%	-64	3,077
		-5%	64	-3,077
Year ended 31 December 2007	USD	5%	1,315	17,844
		-5%	-1,315	-17,844
	RSD	5%	650	3,280
		-5%	-650	-3,280
	EGP	5%	1,173	4,266
		-5%	-1,173	-4,266

Note: Calculation of "Effect on Profit before tax" is based on year average FX rates; calculation of "Effect on Equity" is based on year end FX rate changes.

Interest Rate Risk

The fact that 21% of the Group's total borrowings is based on fixed and pre-determined interest rates and a further 52% is based on pre-determined and pre-agreed interest rate spreads, substantially decreases the impact of interest rate volatility to income statement and cash flow.

Exposure to interest rate risk on liabilities and investments is monitored on a proactive basis. In order to mitigate interest rate risk, the Group's financing is structured at a pre-determined combination of fixed and floating rate debt. Group Treasury steers the Group's fixed- floating rate ratio of net debt according to market conditions, the Group's strategy and its funding needs. Interest rate derivatives may occasionally be used, if deemed necessary, only as a means of mitigating this risk and changing the above mentioned ratio. In 2008, the Group used no interest rate derivatives.

It is the policy of the Group to continuously review interest rate trends and the tenor of financing needs. In this respect, decisions are made on a case by case basis as to the tenor and the fixed versus floating cost of a new loan. Consequently, all short term borrowings are based on floating rates. Medium and long-term facilities consist of either fixed or floating interest rate debt.

The following table demonstrates the sensitivity of the Group's profit before tax (through the impact of the outstanding floating rate borrowings at the end of the period on profits) to reasonable changes in interest rates, with all other variables held constant:

34. Financial risk management objectives and policies (continued)

(all amounts in Euro thousands)		Interest Rate Variation	Effect on profit before tax
Year ended 31 December 2008	EUR	1.0%	-7,919
		-1.0%	7,919
	USD	1.0%	-1,347
		-1.0%	1,347
	GBP	1.0%	-
		-1.0%	-
	BGN	1.0%	-282
		-1.0%	282
	EGP	1.0%	-162
		-1.0%	162
Year ended 31 December 2007	EUR	1.0%	-683
		-1.0%	683
	USD	1.0%	-3,860
		-1.0%	3,860
	GBP	1.0%	-17
		-1.0%	17
	BGN	1.0%	-243
		-1.0%	243
	EGP	1.0%	-245
		-1.0%	245

Note: Table above excludes the positive impact of interest received from deposits.

Credit Risk

The Group has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an ongoing basis.

Where considered appropriate, credit guarantee insurance cover is purchased. The granting of credit is controlled by application and account limits. Appropriate provision for impairment losses is made for specific credit risks and at the year-end management did not consider there to be any material credit risk exposure that was not already covered by credit guarantee insurance or a doubtful debt provision. A full analysis of receivables is included in note 20.

The Group also has potential credit risk exposure arising from cash and cash equivalents, investments and derivative contracts. To minimize this credit risk, the Group operates within an established counterparty policy approved by the Board of Directors, which limits the amount of credit exposure to any one financial institution. Also, as regards money market instruments, the Group only deals with well-established financial institutions of high credit standing.

As of 31 December 2008, the Group's cash and cash equivalents were held at time deposits and current accounts with financial institutions of high investment grade profile. Note 21 includes an analysis on cash & cash equivalents.

Liquidity Risk

Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and marketable securities and the ability to close out those positions as and when required by the business or project.

The Group manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate banking facilities and reserve borrowing facilities are maintained. The Group has sufficient undrawn call/demand borrowing facilities that can be utilised to fund any potential shortfall in cash resources.

The table below summarizes the maturity profile of financial liabilities at 31 December 2008 based on contractual undiscounted payments.

Group

(all amounts in Euro thousands)	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Year ended 31 December 2008						
Borrowings (note 24)	176,608	28,672	35,922	1,010,870	121,146	1,373,218
Other non current liabilities (note 27)	-	-	-	7,193	-	7,193
Trade and other payables (note 20)	35,644	140,264	31,138	8,833	-	215,879
	212,252	168,936	67,060	1,026,896	121,146	1,596,290

	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Year ended 31 Decem ber 2007						
Borrowings (note 24)	101,500	3,860	24,618	545,428	242,346	917,752
Other non current liabilities (note 27)	-	-	18	8,921	263	9,202
Trade and other payables (note 20)	5,180	75,965	59,163	310	908	141,526
	106,680	79,825	83,799	554,659	243,517	1,068,480

Company

(all amounts in Euro thousands)

Year ended 31 Decem ber 2008	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Borrowings (note 24)	66,991	1,579	19,612	855,326	-	943,508
Trade and other payables	41,730	22,688	3,170	7,681	-	75,269
	108,721	24,267	22,782	863,007	-	1,018,777

	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Year ended 31 Decem ber 2007						
Borrowings (note 24)	39,000	3,860	-	11,616	-	54,476
Trade and other payables (note 20)	25,374	28,701	80	9,841	-	63,996
	64,374	32,561	80	21,457	-	118,472

Borrowings include the floating and fixed rate outstanding principal at year end plus accrued interest up to maturity.
The amounts that are described as "on demand", they are short-term uncommitted facilities.

34. Financial risk management objectives and policies (continued)

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong investment grade credit rating and healthy capital ratios in order to support its operations and maximize shareholder value.
The Group manages its capital structure conservatively with the Net-Debt-to-EBITDA ratio.
Titan's policy is to maintain leverage targets in line with an investment grade profile. As a result of the 2008 acquisitions in Egypt and Turkey, net debt increased significantly at year end 2008. The Group focuses on cash flow management to reduce its leverage ratio in line with an investment grade profile.
The Group monitors capital using Net Debt to EBITDA ratio. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(all amounts in Euro thousands)	Group		Company	
	2008	**2007**	**2008**	**2007**
Long term borrowings	945,193	589,833	759,000	3,609
Short term borrowings	263,145	146,405	87,580	49,987
Debt	**1,208,338**	**736,238**	**846,580**	**53,596**
Less: cash and cash equivalents	94,521	167,478	31,263	13
Net Debt	**1,113,817**	**568,760**	**815,317**	**53,583**
EBITDA	**380,052**	**427,926**	**148,480**	**170,594**

35. Financial instruments

Accounting for Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently are measured at their fair value. The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged. The Group designates certain derivatives as either (1) a hedge of the fair value of a recognised asset or liability (fair value hedge), or (2) a hedge of a forecast transaction or of a firm commitment (cash flow hedge), or (3) a hedge of a net investment in a foreign entity on the date a derivative contract is entered into. Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IFRS.

Gains and Losses on Subsequent Measurement

Gains and losses on subsequent measurement are recognised as follows:

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net finance cost in the income statement for the period in which they arise.

Gains and losses from measuring fair value hedging instruments, including fair value hedges for foreign currency denominated transactions, are recognised immediately in net finance cost in the income statement.

Gains and losses from measuring cash flow hedging instruments, including cash flow hedges for forecasted foreign currency denominated transactions and for interest rate swaps, are initially recognised directly in currency translation differences on derivative hedging position in other reserves. Should the hedged firm commitment or forecasted transaction result in the recognition of an asset or a liability, then the cumulative amount recognised in equity is adjusted against the initial measurement of the asset or liability. For other cash flow hedges, the cumulative amount recognised in equity is included in income statement in the period when the commitment or forecasted transaction affects profit or loss.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss is recognised immediately in other income/expenses in the income statement.

Hedges of net investments in foreign entities are accounted for similarly to cash flow hedges. Where the hedging instrument is a derivative, any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in currency translation differences on derivative hedging position in other reserves. The gain or loss relating to the ineffective portion is recognised immediately in other income/expenses in the income statement. However, where the hedging instrument is not a derivative (for example, a foreign currency borrowing), all foreign exchange gains and losses arising on the translation of a borrowing that hedges such an investment (including any ineffective portion of the hedge) are recognised in currency translation differences on derivative hedging position in other reserves.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective strategy for undertaking various hedge transactions. This process includes linking all derivatives designated as hedges to specific assets and liabilities or to specific firm commitments or forecast transactions. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Offset

Where a legally enforceable right to offset recognised financial assets and financial liabilities exists, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

Hedging of net investment in foreign subsidiary

Fair value estimation

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. When interest rate swaps are used, their fair value is calculated as the present value of the estimated future cash flows.

In assessing the fair value of non-traded derivatives and other financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long-term debt. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments.

The face value less any estimated credit adjustment for financial assets and liabilities with a maturity of less than one year is assumed to approximate its fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

35. Financial instruments (continued)

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments, that are carried in the financial statements:

(all amounts in Euro thousands)	Group				Company			
	Carrying amount		Fair value		Carrying amount		Fair value	
	2008	2007	2008	2007	2008	2007	2008	2007
Financial assets								
Available for-sale financial assets	2,480	4,858	2,480	4,858	168	168	168	168
Other non current receivables	39,297	29,048	39,297	29,048	3,551	3,386	3,551	3,386
Receivables and prepayments	315,949	288,118	315,949	288,118	96,621	130,213	96,621	130,213
Cash and cash equivalents	94,521	167,478	94,521	167,478	31,263	13	31,263	13
Derivative financial instruments	2,524	657	2,524	657	-	15	-	15
Financial liabilities								
Long term borrowings	945,193	589,833	988,305	594,700	759,000	3,609	759,000	3,609
Short term Borrowings	263,145	146,405	263,145	146,405	87,580	49,987	87,580	49,987
Other non current liabilities	14,093	16,510	14,093	16,510	6,406	6,747	6,406	6,747
Trade and other payables	254,849	168,018	254,849	168,018	75,269	63,996	75,269	63,996
Derivative financial instruments	-	87	-	87	-	87	-	87

Note: Derivative financial instruments consist of forward foreign exchange contracts

Commitments to buy and sell foreign currencies:

The amounts below represent the net Yen and Dollar equivalents to purchase and sell foreign currencies. The contracts will be utilized during the next twelve months.

Group

(all amounts in local currency thousands)		Foreign Amount		Average Rate	
		2008	2007	2008	2007
Japanese Yen (Bought)	USD/JPY	4,801,805	3,001,128	96,79	115,02
US Dollars (Bought)	EUR/USD	-	13,164	-	1,4607
Japanese Yen (Sold)	USD/JPY	2,400,902	1,500,564	90,59	118,17

Company

(all amounts in local currency thousands)		Foreign Amount		Average Rate	
		2008	2007	2008	2007
US Dollars (Bought)	EUR/USD	-	13,164	-	1.4607

36. Fiscal years unaudited by the tax authorities

Company	Years
Titan Cement Company S.A	2006-2008
Achaiki Maritime Company	2000-2008
Aeolian Maritime Company	2000-2008
Albacem S.A.	2003-2008
AVES AFOI Polikandrioti S.A.	2007-2008
Dodekanesos Quarries S.A.	2007-2008
Domiki Beton S.A.	2007-2008
Ecobeton S.A.	2007-2008
Interbeton Construction Materials S.A.	2005-2008
Intercement S.A.	2007-2008
Intertitan Trading International S.A.	2007-2008
Ionia S.A.	2007-2008
Lakmos S.A.	2007-2008
Lateem S.A.	2007-2008
Leecem S.A.	2007-2008
Naftitan S.A.	2007-2008
Porfirion S.A.	2008
Polikos Maritime Company	2000-2008
Vahou Quarries S.A.	-
Transbeton - Domiki S.A.	2008
Quarries Gournon S.A.	2007-2008
Quarries of Tagaradon Community S.A.	2007-2008
Sigma Beton S.A.	2007-2008
Titan Atlantic Cement Industrial and Commercial S.A.	2007-2008
Titan Cement International Trading S.A.	2007-2008
Aemos Cement Ltd	2003-2008
Alvacim Ltd	2006-2008
Balkcem Ltd	2002-2008
Iapetos Ltd	2003-2008
Rea Cement Ltd	2003-2008
Themis Holdings Ltd	2004-2008
Tithys Ltd	2003-2008
Feronia Holding Ltd	2006-2008
Vesa DOOL	2007-2008
Salentijn Properties1 B.V.	2007-2008
Titan Cement Cyprus Limited	2006-2008
KOCEM Limited	2007-2008
Fintitan SRL	(2)
Dnjepr Investment II BV (*)	2007-2008
Holtitan BV (*)	2007-2008
Titan Cement U.K. Ltd	(2)
Separation Technologies U.K. Ltd	(2)
(2)Titan America LLC	2004-2008
Separation Technologies Canada Ltd	2005-2008
Stari Silo Copmany DOO (*)	-
Cementara Kosjeric AD	2004-2008
Adocim Cimento Beton Sanayi ve Ticaret A.S.	2005-2007
TCK Montenegro DOO	2007-2008
Double W & Co OOD	2007-2008
Granitoid AD	2007-2008
Gravel & Sand PIT AD	2007-2008
Zlatna Panega Beton EOOD	2002-2008
Zlatna Panega Cement AD	2005-2008
Cement Plus LTD	2006-2008
Rudmark DOOEL	2006-2008
Usje Cementarnica AD	2006-2008
Titan Cement Netherlands BV	2007-2008
Alba Cemento Italia, SHPK	2008
Antea Cement SHA	2008
Alexandria Development Co.Ltd	(1)
Alexandria Portland Cement Co. S.A.E	2005-2007
Balkan Cement Enterprises Ltd	2003-2008
Beni Suef Cement Co.S.A.E.	2006-2007
East Cement Trade Ltd	2003-2008
Titan Beton & Aggregate Egypt LLC	2001-2007
Lafarge Titan Egyptian Inv. Ltd	(1)
Misrieen Titan Trade & Distribution	2005-2007

(1) Under special tax status
(2) Companies operating in the U.S., are incorporated in Titan America LLC subgroup. (note 14).

37. Reclassifications

An amount of € 16,890 thousand concerning prepayments for assets related to the plant under construction in Group's subsidiary in Albania, was transferred from "other receivables and prepayments" to "other non current assets", in the Group's balance sheet as of 31.12.2007 in order to be comparable with the balance sheet as of 31.12.2008.

The income statement account "Other expenses" decreased by the amount of €2,063 thousand and €1,694 thousand for the Group and the Company respectively, which were posted to the "Finance expenses" in the Income Statement for the year ended 31 December 2007, so as to be comparable to the Income Statement for the year ended 31 December 2008. The above amounts are related to the financial costs of retirement benefits.

38. Events after the balance sheet date

On Friday, January 30, 2009 the US South Florida Federal District Court issued a ruling cancelling all permits approved in 2002 for limestone mining in the Lake Belt area of Miami-Dade, with immediate effect. The ruling pertains to nine US Army Corps of Engineers (ACE) permits held by several companies, including Titan America LLC's subsidiary, Tarmac America.

The same Court had invalidated the same permits in a July 2007 ruling. The companies involved appealed to the 11th Circuit Court of Appeals in Atlanta, which in May 2008 reversed that order and returned the case to the District Court for a more deferential review. Notwithstanding the Appeal Court's directives, the District Court still found basis to cancel the 2002 permits. Titan views this as another flawed decision and plans to vigorously appeal.

The Company is well prepared to continue operations and maintain production at Pennsuco and, - in the context of current depressed market conditions -, to address customer needs and meet its commitments.

Separately, the ACE is continuing its administrative review of the Company's application for a permit for longer-term mining in the Lake Belt area. This review, including the related SEIS, is expected to conclude in 2009.

TITAN CEMENT COMPANY S.A.
Company's Number in the Register of Societes Anonymes: 6013/06/B/86/90
22A Halkidos Street - 111 43 Athens
SUMMARY FINANCIAL RESULTS for the year ended 31 December 2008
(in terms of article 135 of Law 2190, for companies publishing annual financial statements in accordance with IAS/IFRS)

The figures illustrated below provide summary information about the financial position of Titan Cement S.A. and its subsidiaries. We advise the reader who seeks a complete picture of the financial position to visit the Company's web site, where the full year financial statements according to International Financial Reporting Standards together with the auditor's report, are presented.

Supervising Authority:	Ministry of Development (Department for limited companies)
Company's web address:	***www.titan-cement.com***
Board of Directors:	Andreas Canellopoulos - Chairman, Dimitrios Krontiras*-Deputy Chairman, Dimitrios Papalexopoulos-Managing Director, Nellos Canellopoulos, Takis-Panagiotis Canellopoulos, George David*, Basilios Fourlis*, Elias Paniaras, Panagiotis Marinopoulos*, Alexandra Papalexopoulou-Benopoulou, Michael Sigalas, Apostolos Tamvakakis*, Spyridon Theodoropoulos*, Eftihios Vasilakis*, Efthimios Vidalis*. *Independent non-executive directors
Date of approval of the Financial Statements:	24 February 2009
Name of the auditor:	Christos Glavanis
Auditing firm:	ERNST & YOUNG
Report of the Auditors:	Without qualification

CONDENSED BALANCE SHEET
(Amounts in € thousand)

	Group		Company	
ASSETS	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Tangible assets	1,896,579	1,303,924	270,592	262,214
Investment properties	-	-	6,796	6,996
Intangible assets	545,088	301,189	-	-
Other non current assets	54,515	35,884	1,265,961	519,270
Inventories	284,852	226,253	99,994	85,250
Trade receivables	212,511	232,362	85,999	116,526
Other current assets	106,024	58,774	10,683	13,763
Cash and cash equivalents	94,521	167,478	31,263	13
TOTAL ASSETS	**3,194,090**	**2,325,864**	**1,771,288**	**1,004,032**
SHAREHOLDERS EQUITY AND LIABILITIES				
Share Capital (84,546,774 shares of €4.00)	338,187	169,065	338,187	169,065
Share Premium	22,826	22,826	22,826	22,826
Share stock options	10,713	7,016	10,713	7,016
Treasury Shares	-92,299	-35,945	-92,299	-35,945
Retained earnings and other reserves	1,116,629	1,009,865	516,097	642,597
Total share capital and reserves (a)	**1,396,056**	**1,172,827**	**795,524**	**805,559**
Minority interests (b)	38,078	22,112	-	-
Total Equity (c)=(a)+(b)	**1,434,134**	**1,194,939**	**795,524**	**805,559**
Long-term borrowings	945,193	589,833	759,000	3,609
Provisions and other long-term liabilities	282,918	200,839	53,915	59,815
Short-term borrowings	263,145	146,405	87,580	49,987
Other short-term liabilities	268,700	193,848	75,269	85,062
Total liabilities (d)	**1,759,956**	**1,130,925**	**975,764**	**198,473**
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)	**3,194,090**	**2,325,864**	**1,771,288**	**1,004,032**

CONDENSED INCOME STATEMENT
(Amounts in € thousand)

	Group		Company	
	1/1-31/12/2008	**1/1-31/12/2007**	**1/1-31/12/2008**	**1/1-31/12/2007**
Revenue	**1,578,458**	**1,496,915**	**548, 620**	**535,859**
Cost of sales	-1,046,968	-936,825	-352,691	-322,779
Gross profit before depreciation and amortization	**531,490**	**560,090**	**195,929**	**213,080**
Other operating income/(expense)	-6,246	621	789	3,419
Administrative expenses	-119,437	-108,586	-43,529	-41,352
Selling and marketing expenses	-25,755	-24,199	-4,709	-4,553
Profit before interest, taxes and depreciation and amortization	**380,052**	**427,926**	**148,480**	**170,594**
Depreciation & amortization	-109,478	-94,782	-11,019	-10,684
Profit before interest and taxes	**270,574**	**333,144**	**137,461**	**159,910**
Income from participations & investments	283	74	7,699	2,656
Finance costs - net	-60,841	-32,872	-31,868	-2,778
Profit before taxes	**210,016**	**300,346**	**113,292**	**159,788**
Less: Income tax expense	7	-56,127	-7,328	-41,017
Profit after taxes	**210,023**	**244,219**	**105,964**	**118,771**
Attributable to:				
Shareholders	208,224	239,739	105,964	118,771
Minority interests	1,799	4,480	-	-
Basic earnings per share (in €)	2.5336	2.8452	1.2893	1.4096
Diluted earnings per share (in €)	2.5254	2.8360	1.2852	1.4050
Proposed dividend per issued share (in €)	0.4200	0.7500	0.4200	0.7500

CONDENSED STATEMENT OF CHANGES IN EQUITY

(Amounts in € thousand)

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Equity balance at beginning of the year (1/1/2008 and 1/1/2007 respectively)	**1,194,939**	**1,100,359**	**805,559**	**781,875**
Profit for the year	208,224	239,739	105,964	118,771
Profit attributable to minority interest	1,799	4,480	-	-
Share Capital increase due to share options	3,754	3,694	3,754	3,694
Treasury shares purchased	-56,354	-35,443	-56,354	-35,443
Dividends paid	-63,399	-63,338	-63,399	-63,338
Dividends paid to minority	-2,764	-2,488	-	-
Additional consideration for subsidiary acquisition	-	-4,280	-	-
Foreign currency translation	1,136	-47,949	-	-
Net gains/(losses) on financial assets available for sale	-179	132	-	-
Asset revaluation surplus	132,932	-	-	-
Minority interest related to share capital increase in subsidiaries	24,108	33	-	-
Minority interest arising on business combination	2,670	-	-	-
Acquisition of minority interests	-12,732	-	-	-
Equity balance at year end (31/12/2008 and 31/12/2007 respectively)	**1,434,134**	**1,194,939**	**795,524**	**805,559**

CASH FLOW STATEMENT

(Amounts in € thousand)

	Group		Company	
	1/1-31/12/2008	1/1-31/12/2007	1/1-31/12/2008	1/1-31/12/2007
Cash flows from operating activities				
Profits before taxes	210,016	300,346	113,292	159,788
Adjustments for:				
Depreciation	109,478	94,782	11,019	10,684
Impairment of tangible and intangible assets	2,799	1,509	-	-
Provisions	18,292	12,332	1,941	7,168
Exchange differences	7,109	-1,738	3,865	-1,857
Income from participations & investments	-283	-74	-7,699	-2,656
Interest expense	51,846	34,406	23,721	4,595
Other non cash items	-2,383	1,113	6,852	2,779
Operating profit before changes in working capital	396,874	442,676	152,991	180,501
Increase in inventories	-35,024	-29,999	-15,403	-17,115
Decrease in trade and other receivables	17,128	21,072	27,428	1,314
(Increase)/Decrease in operating long-term receivables	-9,340	1,844	-165	-371
Increase/(decrease) in trade payables (excluding banks)	42,055	-15,717	12,851	-2,209
Cash generated from operations	411,693	419,876	177,702	162,120
Taxation paid	-48,627	-96,232	-35,161	-58,784
Net cash flows from operating activities (a)	**363,066**	**323,644**	**142,541**	**103,336**
Cash flows from investing activities				
Purchase of tangible and intangible assets	-209,105	-252,399	-20,598	-18,383
Proceeds from the sale of property, plant and equipment	7,736	4,386	704	661
Proceeds from the sale of investment property	-	-	-	157
Proceeds from dividends	3,325	74	10,313	2,688
Acquisition of subsidiaries, net of cash	-401,708	-243,231	-745,225	-1,724
Proceeds from sale of available-for-sale financial assets	2,987	933	-	-
Purchase of available-for-sale financial assets	-1,400	-2,193	-118	-74
Interest received	8,859	7,589	538	130
Net cash flows used in investing activities (b)	**-589,306**	**-484,841**	**-754,386**	**-16,545**
Net cash flows after investing activities (a)+(b)	**-226,240**	**-161,197**	**-611,845**	**86,791**
Cash flows from financing activities				
Share capital increase	57	197	57	197
Proceeds from minority's participation in subsidiaries' share capital increase	24,108	-	-	-
Treasury shares purchased	-56,712	-35,085	-56,712	-35,085
Proceeds from government grants	-	230	-	25
Interest paid	-63,406	-40,224	-22,424	-3,031
Dividends paid	-66,400	-65,736	-63,401	-63,246
Proceeds from borrowings	778,326	637,704	1,167,499	95,493
Payments of borrowings	-464,819	-304,500	-381,924	-81,159
Net cash flows from/(used in) financing activities (c)	**151,154**	**192,586**	**643,095**	**-86,806**
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)	**-75,086**	**31,389**	**31,250**	**-15**
Cash and cash equivalents at beginning of the year	167,478	138,027	13	28
Effects of exchange rate changes	2,129	-1,938	-	-
Cash and cash equivalents at end of the year	**94,521**	**167,478**	**31,263**	**13**

NOTES

1. As per resolution dated 16.12.2008 of the Board of Directors, the share capital of the Company was increased in cash by €56,800 with the issuance of 14,200 new registered common shares, of a nominal value of €4.00 each, following the exercise by senior executives of Titan group of stock option rights granted to them in implementation of Stock Option Plans that have been approved by resolutions dated 8.6.2004 and 4.6.2008 of the General Meeting of Shareholders.
2. According to the resolutions approved by the General Meeting of May 10, 2007 and May 20, 2008 the Company acquired during the period 1.1-31.12.2008 2,101,810 of its own common shares at a value of €56,246 thousand and 5,619 of its own preference shares at a value of €108 thousand. The total number of its own shares that the Company holds on December 31, 2008 is 3,193,616 of a value of €92,299 thousand and they have been deducted from the Shareholders Equity of the Group and the Company.
3. There are no pledges on the Company's assets.
4. Number of employees at the end of the reporting period: Group 6,505 (2007: 6,034), Parent Company 1,101 (2007: 1,121).
5. Capital expenditure excluding acquisitions for the fiscal year of 2008 amounted to: Group €209.1m (31.12.2007 €252.4m), Parent Company €20.6m (31.12.2007 €18.4m).
6. The Board of Directors will propose to the Annual General Meeting of Shareholders, the distribution of dividend of €0.42 per share (2007: €0.75) for the financial year 2008.
7. Earnings per share have been calculated on the total weighted average number of common and preference shares, excluding the average number of treasury shares.
8. Intercompany transactions for the fiscal year of 2008 and intercompany balances as of 31 December 2008, according to I.A.S. 24 are as follows:

Amounts in € thousand	**Group**	**Company**
a) Income	-	142,888
b) Expenses	2,044	41,568
c) Deferred expenses	-	353
d) Receivables	-	24,450
e) Payables	536	665,972
f) Key management compensations	6,722	6,531
g) Receivables from key management	21	21
h) Payables to key management included in above	139	139

9. Companies that are included in the consolidated financial statements of fiscal year 2008 are presented in note 14 in the Group's annual financial statements including locations, percentage Group ownership and consolidation method.
10. The unaudited by the tax authorities fiscal years for the Parent Company and the Group's subsidiaries are presented in detail in note 36 in the annual financial statements. There are no material provisions accounted for the unaudited by the tax authorities fiscal years as well as for litigation issues both for the Group and the Company.
11. Other provisions' balance (short term and long term) as of 31.12.2008 amount to €26,4 m. for the Group (2007 €23,2 m.) and €2,2m. for the Company (2007 €7.3m.).
12. Given the reduced demand resulting from the underlying economic crisis, it is estimated that the allocation of carbon dioxide emissions allowances for the period 2008-2012 will not significantly affect the Group's production levels.
13. In the consolidated financial statements at December 31, 2008 the following companies are additionally included: a) Fully consolidated: Domiki Beton SA (consolidated from January 15th, 2008), Alba Cemento Italia SPHL (consolidated from May 6th, 2008), Vahou Quarries SA (consolidated from May 14th, 2008) Thisvis Quarries SA (consolidated from October 22nd, 2008), Dnjepr Investment I BV already renamed as Holtitan BV (consolidated from November 4th, 2008), Dnjepr Investment II BV (consolidated from November 11th, 2008) and the newly established companies Porfirion SA (Jan 30th, 2008), Stari Silo Company DPP (May 14th, 2008) b) Proportionately consolidated: Adocim Cimento Beton Sanayi ve Ticaret (consolidated from April 17th, 2008).
14. On May 6th 2008 the Group acquired the remaining 50% of the JV company Lafarge Titan Egyptian Inv.Ltd and its subsidiaries Alexandria Portland Cement Co. S.A.E, Beni Suef Cement Company S.A.E., Four M Titan Silo Co. LLC (already renamed Titan Beton and Aggregates LLC), Misrieen Titan Trade & Distribution, East Cement Trade Ltd, Alexandria Development Co. Ltd. Since the above acquisition date, these companies are fully consolidated in the Group's financial statements – while previously they were consolidated proportionately.
15. The €132,9 m surplus from the revaluation of the assets of the Group's participations in fiscal year 2008, represents an increase in the revaluation reserve of the participation of Titan and minorities in the joint venture Lafarge Titan Egyptian Inv Limited and its subsidiaries. This increase resulted from the fair value estimation of the above joint venture at the date of acquisition by Titan (6.5.2008) of the remaining 50% of the joint venture.
16. On November 11th 2008, the Group signed contract with the companies International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD), as to each of them participate with 20% in the Group's subsidiary Antea Cement Sh.A in Albania, through the increase of the share capital of the company. The increase in the share capital was held on December 30th 2008, with the payment of €24.8 m from the above mentioned companies.
17. On December 2nd 2008, the Group paid €12.7m, on an auction organized from the government authorities in Serbia, to acquire an extra 22,0675% in Group's subsidiary, KOSJERIC A.D. Serbian authorities was the owner of this minority package.
18. On July 12th 2008, the Group's subsidiary Corinthias Quarries S.A. has been renamed to Transbeton-Domiki S.A. On October 30th 2008, Transbeton S.A. signed contract with the Group's companies Domiki Beton S.A., Interbeton Construction Materials S.A. and Titan Trading International S.A., in order Transbeton S.A. to participate with a percentage of 50.1% in the share capital of Transbeton-Domiki S.A, through an increase in its share capital. On November 14th 2008, the Prefecture approved the partial separation of the ready-mix segment of Domiki Beton S.A., which was offered in order to cover the Group's participation in the increase of the share capital of Transbeton-Domiki S.A. Since that date, the company Transbeton Domiki S.A. is an associate company and it is incorporated in the Group's financial statements with the equity consolidation method (note 15 of annual financial statements).
19. The goodwill which arose from the acquisitions that took place in the fiscal year 2008 was amounted to €183.1m. The finalization of the goodwill will be completed within twelve months from the dates of acquisitions.
20. Certain prior year amounts have been reclassified for presentation purposes (note 37 of annual financial statements).
21. The US South Florida Federal District Court issued on 30.1.2009 a ruling cancelling all permits for limestone mining in the LakeBelt area of Miami-Dade, with immediate effect. Tarmac America, a subsidiary of Titan America LLC, will appeal. Titan America LLC is well prepared to continue operations and maintain production at Pennsuco and, - in the context of current depressed market conditions -, to address customer needs and meet its commitments. Separately, the US Army Corps of Engineers is continuing its administrative review of the Company's application for a permit for longer-term mining in the LakeBelt area.

Athens 24 February 2009

Chairman of the Board of Directors
ANDREAS L. CANELLOPOULOS
I.D.No AB500997

Managing Director
DIMITRIOS TH. PAPALEXOPOULOS
I.D.No Ξ163588

Chief Financial Officer
CHARALAMPOS G. MAZARAKIS
I.D.No AE096808

Chief Accountant
EMM. CH. MAVRODIMITRAKIS
I.D.No N237613

Financial Consolidation Senior Manager
ATHANASIOS S. DANAS
I.D.No AB006812

REPORT

Regarding Company transactions with affiliated companies,
in accordance to article 2, par.4 of Codified Law 3016/2002, for 2008.

During 2008, Company´s transactions with the previously mentioned companies are as listed below:

		1/1 - 31/12/2008
I. INFLOWS		
A. Sales		
1. Cement sales		
INTERBETON CONSTRUCTION MATERIALS S.A.	*value in Euro*	53,610,873,95
FINTITAN SRL		13,294,931,00
ANTEA CEMENT SHA		17,734,312,86
TITAN CEMENT U.K. LTD		7,215,905,97
ESSEX CEMENT CO. LLC		11,277,413,39
INTERTITAN S.A.		6,839,100,00
TITAN CEMENT INTERNATIONAL TRADING CO. S.A.		1,098,836,28
ZLATNA PANEGA CEM. A.D.		1,550,671,30
ALBACEM S.A.		216,634,75
TCK MONTENEGRO DOO		1,093,952,00
OIKOBETON S.A.		1,126,554,28
CEMENTARNICA USJE AD		632,952,24
DOMIKI BETON S.A.		1,974,559,21
CEMENTARA KOSJERIC AD		62,700,00
		117,729,397,23
2. Aggregates sales		
INTERBETON CONSTRUCTION MATERIALS S.A.	*value in Euro*	5,115,478,01
		5,115,478,01
3. Solid Fuels sales		
CEMENTARNICA USJE AD	*value in Euro*	15,500,309,05
		15,500,309,05
4. Fixed assets sales		
CEMENTARNICA USJE AD	*value in Euro*	358,739,46
ALBACEM S.A.		54,000,00
INTERBETON CONSTRUCTION MATERIALS S.A.		13,952,48
DOMIKI BETON S.A.		732,00
		427,423,94
5. Porcelain products sales		
IONIA S.A.	*value in Euro*	1,399,801,03
INTERBETON CONSTRUCTION MATERIALS S.A.		9,998,38
QUARRIES GOURNON S.A.		347,75
		1,410,147,16
6. Spare parts sales		
ZLATNA PANEGA CEMENT A.D.		26,566,58
INTERBETON CONSTRUCTION MATERIALS S.A.		2,826,24
		29,392,82
TOTAL A.		**140,212,148.21**
B. 1. Provision of computerization and IT services		
INTERBETON CONSTRUCTION MATERIALS S.A.	*value in Euro*	194,425.00
NAFTITAN S.A.		20,896.00
TITAN CEMENT INTERNATIONAL TRADING CO. S.A.		5,025.00
TITAN ATLANTIC CEMENT S.A.		485.00
ALBACEM S.A.		1,000.00
LEECEM S.A.		423.00
INTERTITAN S.A.		355.00
LAKMOS S.A.		423.00
LATEEM S.A.		423.00
OIKOBETON S.A		423.00
AFOI POLYKANDRIOTI AVES S.A.		100.00
		223,978.00

2. Other income from services		
BENI SUEF CEMENT CO.	*value in Euro*	645,649.70
TITAN AMERICA LLC		205,306.94
TITAN CEMENT U.K. LTD		13,948.20
NAFTITAN S.A.		41,274.09
INTERBETON CONSTRUCTION MATERIALS S.A.		7,792.14
ACHAIKI M.C.		7,937.39
AEOLIAN M.C.		879.48
TITAN CEMENT INTERNATIONAL TRADING CO. S.A.		36,284.09
CEMENTARNICA USJE AD		3,202.00
ZLATNA PANEGA CEM. A.D.		11,299.49
CEMENTARA KOSJERIC AD		2,387.50
ALBACEM S.A.		230.00
ANTEA CEMENT SHA		1,376,901.92
QUARRIES GOURNON S.A.		4,616.83
		2,357,709.77
TOTAL B.		**2,581,687.77**
C. Rents and leases		
INTERBETON CONSTRUCTION MATERIALS S.A.	*value in Euro*	47,511.13
IONIA S.A.		46,304.28
		93,815.41
TOTAL C.		**93,815.41**
Total of inflows		**142,887,651.39**
II. OUTFLOWS		
A. Purchases		
1. Aggregates purchases		
INTERBETON CONSTRUCTION MATERIALS S.A.	*value in Euro*	5,120,426.22
QUARRIES THISVIS S.A.		637.53
		5,121,063.75
2. Ready-mix concrete purchases		
INTERBETON CONSTRUCTION MATERIALS S.A.	*value in Euro*	502,245.23
		502,245.23
TOTAL A.		**5,623,308.98**
B. Services		
1. Freight and transportation costs		
ACHAIKI M.C.	*value in Euro*	7,131,611.67
AEOLIAN M.C.		2,507,100.00
		9,638,711.67
2. Services for the production of porcelain		
IONIA S.A.	*value in Euro*	7,170,651.39
		7,170,651.39
3. Various payments from services		
NAFTITAN S.A.	*value in Euro*	749,123.92
TITAN GLOBAL FINANCE PLC		16,284,812.74
ALVACIM LTD		1,684.67
INTERBETON CONSTRUCTION MATERIALS S.A.		48,585.50
TITAN AMERICA LLC		2,864.99
ANTEA CEMENT SHA		4,852.00
		17,091,923.82
TOTAL B.		**33,901,286.88**
	Total of outflows	**39,524,595.86**
C. Services - Prepaid Expenses		
TITAN GLOBAL FINANCE PLC	*value in Euro*	352,777.78
		352,777.78
		39,877,373.64

III. BALANCES

The balances at 31.12.2008 are as follows:

	31/12/2008	
	DEBIT BALANCE	**CREDIT BALANCE**
INTERBETON CONSTRUCTION MATERIALS S.A.	4,874,131.77	
FINTITAN SRL	6,947,460.00	
TITAN CEMENT U.K. LTD	1,189,962.20	
TITAN CEMENT INTERNATIONAL TRADING CO. S.A.	471,000.00	
CEMENTARNICA USJE AD	5,302,160.83	
ANTEA CEMENT SHA	4,047,000.39	
BENI SUEF CEMENT CO.	176,999.97	
OIKOBETON S.A.	4,781.04	
QUARRIES GOURNON S.A.	527,738.89	
ZLATNA PANEGA CEM. A.D.	42,967.50	
TITAN AMERICA LLC	163,098.10	
TCK MONTENEGRO DOO	288,144.00	
DOMIKI BETON S.A.	91,183.72	
IAPETOS LTD	11,125.00	
SALENTIJN PROPERTIES 1 B.V.	312,347.00	
TITAN GLOBAL FINANCE PLC		639,152,831.50
ALVACIM LTD		19,001,684.67
AEOLIAN M.C.		1,404,876.00
ACHAIKI M.C.		4,517,610.18
NAFTITAN S.A.		375,466.69
POLIKOS M.C.		871,105.50
IONIA S.A.		111,642.45
QUARRIES THISVIS S.A.		758.67
	24,450,100.41	**665,435,975.66**

Note: All the transactions involving sales, purchases and provision of services were made at the current value on the date of their realization.

Athens,

TITAN CEMENT S.A.

Information according to Article 10 of Law 3401/2005

The following Announcements/Notifications have been sent to the Daily Official List Announcements and are posted to the Athens Exchange website as well as to our Company's website www.titan-cement.com

7/1/2008	Purchase of own shares
11/1/2008	Trading in the Athens Exchange of new shares
17/1/2008	Purchase of own shares
17/1/2008	Announcement pursuant to Law 3556/2007
17/1/2008	Transaction notification
17/1/2008	Acquisition in Turkey
30/1/2008	Purchase of own shares
30/1/2008	Announcement pursuant to Law 3556/2007
30/1/2008	Transaction notification
4/2/2008	Financial Calendar 2008
4/2/2008	Organizational changes
8/2/2008	Purchase of own shares
15/2/2008	Announcement pursuant to Law 3556/2007
15/2/2008	Transaction notification
19/2/2008	Purchase of own shares
26/2/2008	2007 Full Year Results
26/2/2008	2007 Group Full Year Results
26/2/2008	Press release regarding financial results
28/2/2008	Purchase of own shares
29/2/2008	Announcement pursuant to Law 3556/2007
29/2/2008	Transaction notification
4/3/2008	Announcement pursuant to Law 3556/2007
4/3/2008	Transaction notification
12/3/2008	Announcement pursuant to Law 3556/2007
12/3/2008	Transaction notification
13/3/2008	Announcement pursuant to Law 3556/2007
13/3/2008	Transaction notification
13/3/2008	Purchase of own shares
14/3/2008	Announcement pursuant to Law 3556/2007
14/3/2008	Transaction notification
14/3/2008	Announcement pursuant to Law 3556/2007
14/3/2008	Transaction notification
17/3/2008	Announcement pursuant to Law 3556/2007
17/3/2008	Transaction notification
19/3/2008	Announcement pursuant to Law 3556/2007
19/3/2008	Transaction notification
20/3/2008	Announcement pursuant to Law 3556/2007
20/3/2008	Transaction notification
26/3/2008	Agreement TITAN-YALCO
27/3/2008	Purchase of own shares
7/4/2008	Purchase of own shares
10/4/2008	Correction of Financial Calendar 2008
16/4/2008	Purchase of own shares
17/4/2008	Invitation of the Annual General Meeting of Shareholders
18/4/2008	Acquisition completion in Turkey
24/4/2008	Announcement
24/4/2008	Purchase of own shares
6/5/2008	2008 Q1 Results
6/5/2008	2008 Group Q1 Results
6/5/2008	Press release regarding financial results - Expansion in Egypt
8/5/2008	Purchase of own shares
12/5/2008	Termination of the period of Implementation of Share Buy-Back
12/5/2008	LAKEBELT Appeals Decision
16/5/2008	Notification pursuant to L3556/2007 of the right of exercise of important voting rights percentage
20/5/2008	Announcement on Payment of Dividend for the financial year 2007
21/5/2008	Purchase of own shares
21/5/2008	Decisions taken by the Ordinary General Meeting on May 20, 2008
5/6/2008	Notification pursuant to L3556/2008 regarding a significant change of voting rights percentage
5/6/2008	Resolutions of the 1se Repeat General Assembly on June 4th, 2008
13/6/2008	Announcement of Share Capital increase by increasing the stock's par value
17/6/2008	Purchase of own shares
20/6/2008	New Group Chief Financial Officer
26/6/2008	Announcement pursuant to Law 3556/2007
26/6/2008	Transaction notification
27/6/2008	Purchase of own shares
30/6/2008	Announcement pursuant to article 9 para 5 of Law 3556/2007
8/7/2008	Purchase of own shares
10/7/2008	Announcement pursuant to Law 3556/2007
10/7/2008	Transaction notification
16/7/2008	Announcement pursuant to Law 3556/2007
16/7/2008	Transaction notification
17/7/2008	Purchase of own shares
23/7/2008	Purchase of own shares
31/7/2008	2008 Interim Results
31/7/2008	2008 Group Interim Results
31/7/2008	Press release regarding financial results
1/8/2008	Purchase of own shares
4/8/2008	Purchase of own shares
5/8/2008	Purchase of own shares
6/8/2008	Purchase of own shares
7/8/2008	Purchase of own shares
8/8/2008	Purchase of own shares
11/8/2008	Announcement pursuant to Law 3556/2007

11/8/2008	Transaction notification
11/8/2008	Purchase of own shares
13/8/2008	Purchase of own shares
19/8/2008	Purchase of own shares
20/8/2008	Purchase of own shares
21/8/2008	Purchase of own shares
22/8/2008	Purchase of own shares
25/8/2008	Purchase of own shares
26/8/2008	Announcement pursuant to Law 3556/2007
26/8/2008	Transaction notification
26/8/2008	Purchase of own shares
27/8/2008	Purchase of own shares
28/8/2008	Purchase of own shares
29/8/2008	Purchase of own shares
1/9/2008	Purchase of own shares
2/9/2008	Announcement pursuant to Law 3556/2007
2/9/2008	Transaction notification
2/9/2008	Purchase of own shares
3/9/2008	Negotiations failed between TITAN-YALCO
3/9/2008	Purchase of own shares
4/9/2008	Notification about a significant change in the number of voting rights according to Law 3556/2007
4/9/2008	Purchase of own shares
5/9/2008	Purchase of own shares
8/9/2008	Purchase of own shares
9/9/2008	Purchase of own shares
10/9/2008	Purchase of own shares
11/9/2008	Purchase of own shares
12/9/2008	Purchase of own shares
15/9/2008	Purchase of own shares
16/9/2008	Announcement pursuant to Law 3556/2007
16/9/2008	Transaction notification
16/9/2008	Purchase of own shares
17/9/2008	Purchase of own shares
18/9/2008	Purchase of own shares
19/9/2008	Purchase of own shares
22/9/2008	Purchase of own shares
23/9/2008	Purchase of own shares
24/9/2008	Purchase of own shares
25/9/2008	Purchase of own shares
26/9/2008	Purchase of own shares
29/9/2008	Purchase of own shares
30/9/2008	Purchase of own shares
1/10/2009	Purchase of own shares
2/10/2009	Purchase of own shares
3/10/2008	Announcement pursuant to Law 3556/2007
3/10/2008	Transaction notification
3/10/2008	Purchase of own shares
6/10/2008	Purchase of own shares
7/10/2008	Announcement pursuant to Law 3556/2007
7/10/2008	Transaction notification
7/10/2008	Purchase of own shares
15/10/2008	Announcement pursuant to Law 3556/2007
15/10/2008	Transaction notification
23/10/2008	Nine Months Results 2008
23/10/2008	Groups Nine Months Results 2008
23/10/2008	Press release regarding financial results
31/10/2008	Announcement pursuant to Law 3556/2007
31/10/2008	Transaction notification
31/10/2008	Announcement pursuant to Law 3556/2007
31/10/2008	Transaction notification
4/11/2008	Announcement pursuant to Law 3556/2007
4/11/2008	Transaction notification
11/11/2008	Announcement pursuant to Law 3556/2007
11/11/2008	Transaction notification
13/11/2008	Announcement pursuant to Law 3556/2007
13/11/2008	Transaction notification
18/11/2008	Announcement pursuant to Law 3556/2007
18/11/2008	Transaction notification
20/11/2008	Titan Joins Forces with IFC and EBRD in Albania
26/11/2008	Announcement pursuant to Law 3556/2007
26/11/2008	Transaction notification
2/12/2008	Announcement pursuant to Law 3556/2007
2/12/2008	Transaction notification
5/12/2008	Announcement pursuant to Law 3556/2007
5/12/2008	Transaction notification
8/12/2008	Stock Option Plans
9/12/2008	Announcement pursuant to Law 3556/2007
9/12/2008	Transaction notification
10/12/2008	Announcement pursuant to Law 3556/2007
10/12/2008	Transaction notification
12/12/2008	Announcement pursuant to Law 3556/2007
12/12/2008	Transaction notification
19/12/2008	Announcement pursuant to Law 3556/2007
19/12/2008	Transaction notification
24/12/2008	Announcement pursuant to Law 3556/2007
24/12/2008	Transaction notification
29/12/2008	Document providing information under Law 3401/2005 (article 4 par 2 f)
30/12/2008	Announcement pursuant to Law 3556/2007
30/12/2008	Transaction notification

The annual financial statements, the auditors reports and the Board of Directors reports of the companies included in the consolidated financial statements are available on the Company's website titan-cement.com.

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