



**Titan Cement Company S.A. and its Subsidiaries  
Group Annual Financial Statements  
For the year ended 31 December 2010**

**Titan Cement Company S.A.**  
Company's No 6013/06/B/86/90 in the  
register of Societes Anonymes  
22A Halkidos Str. - 111 43 Athens

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The Annual Financial Statements presented through pages 1 to 48 and 50 to 116 both for the Group and the Parent Company, have been approved by the Board of Directors on 17.03.2011.

Chairman of the Board of Directors

ANDREAS L. CANELLOPOULOS  
ID No AB500997

Managing Director

DIMITRIOS TH. PAPALEXOPOULOS  
ID No Ξ163588

Chief Financial Officer

VASSILIOS S. ZARKALIS  
ID No AE514943

Finance Director Greece

GRIGORIOS D. DIKAIOS  
ID No AB291692

Financial Consolidation Senior  
Manager

ATHANASIOS S. DANAS  
ID No AB006812

## **STATEMENT OF MEMBERS OF THE BOARD**

(In accordance with article 4 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. Alexandra Papalexopoulou, 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 1.1.2010 to 31.12.2010 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.

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, 17 March 2011

ANDREAS L. CANELLOPOULOS  
Chairman of the Board

DIMITRIOS TH. PAPALEXOPOULOS  
Managing Director

ALEXANDRA PAPALEXOPOULOU  
Board Member

**ANNUAL REPORT  
OF THE BOARD OF DIRECTORS  
FOR THE FISCAL YEAR  
1.1.2010 - 31.12.2010**

**FINANCIALS – BUSINESS DEVELOPMENTS – MAJOR EVENTS**

2010 was a difficult year for the Group. Although the global economy showed signs of growth, it was the developing economies, notably China and India, who were the drivers of growth while developed markets appear to exit the recession at a much slower pace. Moreover, the construction industry lagged in the recovery of developed markets. In the markets in which the Group is active, the rate of growth in Southeastern Europe and the Eastern Mediterranean was not sufficient to counter the decline in the Group's major markets of Greece and Florida.

Titan Group Turnover for 2010 totaled €1,350m posting a marginal 0.7% decline compared to 2009. EBITDA reached €314m, 5.5% lower, while net profit after taxes and minority interest reached €102m, reduced by 17.2% compared to 2009.

It must be noted that operating profitability before provisions was almost the same as last year. The deterioration of the results is impacted by increased provisions mainly for bad debts by €19.4m, as well as higher depreciation, financial expenses and minority interest.

The Group's long-term strategy of geographic diversification was instrumental in achieving these results. The commencement of operation of the new production line in Egypt and the expansion of operations in the Western Balkans through the investments in Albania and Kosovo, led to increased sales and operating profitability in the developing countries of the Eastern Mediterranean and Southeastern Europe, offsetting the negative implications of the decline in cement consumption for a fifth consecutive year in the United States and for a fourth consecutive year in Greece.

The appreciation of the US\$ as well as the Egyptian pound against the Euro also had a positive foreign exchange effect on Group results.

The price of solid and liquid fuels as well as power all increased, more markedly so in the second half of 2010.

In Greece, the deteriorating economic conditions led to a sharp decline in building activity in both the private and public sectors. The low levels of housing demand are to be attributed to the recession of the real economy and the attendant macroeconomic adjustments which have negatively affected household income and employment expectations as well as to the decline in the granting of mortgage loans. Group Turnover in Greece and Western Europe in 2010 was lower by 13% at €437m and EBITDA declined by 34% compared to 2009 and stood at €86m, negatively impacted by the increase in bad debt provisions and higher energy costs.

In the USA, no recovery in construction activity was visible in 2010. In the South Eastern States, where a major part of Group's operations is located, demand remained at low levels, while the Florida market declined further. Group Turnover in the USA decreased by 13% in 2010 reaching €317m, while under these unfavorable conditions operating profitability was reduced by 86% at €3.5m.

Despite the continuing decline in cement consumption in the USA, the subsidiary of the Group, Separation Technologies LLC (ST), which is engaged in the installation and running of fly ash processing units, reported a marginal increase in sales. The globally innovative, 'green' technology employed by ST converts fly ash – an industrial waste product resulting from the incineration of coal used to generate energy – into useful products.

On 1.2.2010 the US Army Corps of Engineers issued to Titan Group's subsidiary in the US, Tarmac America LLC, a permit to mine in the Lake Belt area of Miami-Dade in Florida. The new permit has a tenure of 20 years, removing a source of uncertainty and allowing Titan a long term focus on operating excellence and environmental stewardship.

In Southeastern Europe, the economic crisis continued to depress demand for building materials although to a smaller degree compared to 2009. Nevertheless, Turnover in 2010 increased by 10% to €236m and EBITDA by 17% to €87m compared to 2009, as a result of the operation of the new greenfield plant in Albania in the second quarter of the year and the consolidation of the Kosovo plant.

In contrast to the market trends in Europe and the United States, demand for building materials in the Eastern Mediterranean increased. In Turkey, it is estimated that the growth of the domestic economy led to a 15% increase in cement consumption. In Egypt, demand remained at high levels primarily due to extensive housing programs. Coupled with the Group's enhanced production capacity in the region, due to the operation of the second production line at the Beni Suef plant, the increased demand led to improved financial results. Overall, Turnover in Eastern Mediterranean increased by 31% compared to 2009 reaching €360m and EBITDA rose by 34% and stood at €138m.

In 2010, Group sales, general and administrative expenses grew by 1.1% compared to 2009 and stood at €130m. On a like-for-like basis and excluding foreign exchange fluctuations, Group sales, general and administrative expenses would have declined by 3.4%, beyond the reduction of 15% achieved in 2009, reflecting the Group's continuous effort at cost containment.

Financial expenses including foreign exchange effects and the one off cost for the early repayment of the USPP notes in the USA in July 2010, amounted to €63m, increased by 5.7% compared to last year.

The Group's continuous focus on reducing its debt position through the strict prioritization of investments and control over working capital, resulted in an operating free cash flow of €195m and helped reduce net debt by €194m in the year. The Group's net debt position continues to improve having declined from €1,114m in December 2008 to €971m in December 2009 and to €777m in December 2010.

The company's share price closed at €16.42 on 31<sup>st</sup> December 2010, a decline of 19.2% over the closing price of the previous year. This decline however is considerably smaller than that of the General Index of the Athens Exchange which posted a decline of 35.6% over the same period. On 26<sup>th</sup> May 2010, the company's common stock was removed from the MSCI Standard Index and joined the MSCI Small Cap Index. On 17<sup>th</sup> September, 2010, the company's common stock was removed from the FTSE Global Equity Mid Cap and FTSE All-World Indices and joined the FTSE Global Equity Small Cap Index.

In the course of the year, credit rating agency Standard & Poor's confirmed their positive outlook on the Group's prospects twice, in April and October, while in December they placed the Group on negative credit watch, following a similar downgrade of their outlook on Greece. As at year's end, the Group's credit rating stood at BB+.

The Group has granted to non controlling interest shareholders, European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) the option to have the Group to purchase their shares in ANTEA Cement SHA at predetermined conditions. On 31.12.2010 the put option's fair value recognized as liability is €21.1m.

On 1.7.2010 the Group's subsidiary in US, Titan America LLC, prepaid and retired the remaining \$66.9m (€54.5m) of unsecured notes payable which was concluded through a private placement with institutional investors in the U.S. years ago and whose rate was too high, by today's data. The total pre-tax cost of repayment was \$ 9.7m (€7.9m).

As per resolution dated 16.12.2010 of the Board of Directors, the share capital of the Company was increased in cash by €150,888 with the issuance of 37,722 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 the Stock Option Plan that has been approved by resolution dated 29.5.2007 of the General Meeting of Shareholders.

The 1<sup>st</sup> Reiterative General Meeting on 3.6.2010 approved the adoption of a new stock options plan for the acquisition of Company shares by senior executives of Titan Group. Approximately 100 beneficiaries will be granted on 2010, 2011 and 2012 stock options for the purchase of up to one million common shares from the Company's treasury stock at a nominal value of €4.00 each. The vesting period of the rights will be 3 years and the exercise of the rights will then depend on the Group's profitability and share performance in relation to that of its peers and related indices.

Pursuant to its Board of Directors resolutions dated 12.1.2010 and 26.4.2010, the Company completed between 13.1.2010 and 30.7.2010 the sale through the Athens Stock Exchange of 37,597 treasury common shares, representing 0.0445% of the Company's paid up Share Capital, at an average sale price equal to €18.77 per share, within the three year statutory period commencing from the date they were acquired by the Company. The total number of own shares that the Company holds as at 31.12.2010 is 3,137,616 of aggregate value €90,182 thousand, representing 3.71% of the Company's paid up Share Capital and they have been deducted from the Shareholders Equity of the Group and the Company.

The Board of Directors of Titan Cement Co, S.A. will recommend to the Annual General Meeting of Shareholders, which has been scheduled for June 15, 2011, a cash dividend of €0.07759 per share versus €0.18 the previous year. In addition, the Board will propose to the General Assembly the distribution of €8,665,491 corresponding to €0.10241 per share, from special reserves which have already been taxed, thus exhausting the taxation obligations of the Company and the shareholders.

## **BUSINESS MODEL**

The Group's corporate strategy which forms the basis for our long term goals and initiatives remains focused on the following four tiers:

- Geographic diversification
- Continuous competitive improvement
- Vertical integration
- Focus on human capital and CSR

The Group's core competence is the production and commercialization of cement, ready-mix concrete, aggregates and related building materials.

The Group operates in 13 countries in Europe, North America and the Eastern Mediterranean and is organized in the following four operating (geographic) segments:

- Greece and Western Europe
- North America
- South East Europe
- Eastern Mediterranean

Each operating segment is a cluster of countries. The aggregation of countries is based on geographic proximity. Each region has a regional Chief Executive Officer who reports to the Group's CEO.

## **CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT**

In 2010 the Group continued and further strengthened its efforts for self improvement in all areas of Corporate Social Responsibility and Sustainable Development.

In respect to the top priority, safety at work, the Group focused on the implementation of the entire range of programs that were designed and adopted to support the achievement of its goals and particularly to develop and maintain a culture of accident prevention, taking stock from the know-how and the experience developing in all TITAN operations and through the participation in the Cement Sustainability Initiative, for the on-going and systematic training of both direct and contractors' personnel.

The introduction of new and more stringent goals for reducing the environmental footprint of the Group in 2009, a year earlier ahead of the original commitment as formulated in 2006, has intensified the effort in all production units for further optimization of the energy efficiency, the minimization of their dependence on conventional fuels, the improvement of the tools for management and measurement of the results, the better understanding and measurement of the product life cycle and social contribution.

Acknowledging stakeholders' need for communication, the Group also continued the implementation of stakeholder engagement programs with employees, local communities, local authorities and other key stakeholders, while we proceeded with the issue of our 1<sup>st</sup> Corporate Social Responsibility Report in FYRoM.

As a member of the World Business Council for Sustainable Development Cement Sustainability Initiative, TITAN participated in the process and the consultations for the development of the new 5year targets toward 2015.

The TITAN Group has improved its position in the list of the 1000 global leaders in sustainability performance, according to the Global 1000 Sustainable Performance Leader Ranking issued by Justmeans in 2010. TITAN gained 170 points and is included among the 300 best companies in sustainability performance worldwide. Recognition of TITAN efforts in corporate social responsibility encourages self-commitment and further self improvement in the future.

## **INVESTMENTS, DISPOSALS, MERGERS AND ACQUISITIONS**

In 2010, the Group continued to invest in expanding its activities, modernizing its facilities and improving its environmental footprint. Capital expenditure, excluding acquisitions, reached €86 m significantly lower than 2009 following the completion of the new cement production line at the Beni Suef plant in Egypt (November 2009) and the new greenfield plant in Albania (March 2010).

In the last quarter of the year, specifically in December 2010, Titan Group announced the signing of a definitive agreement with the Privatization Agency of Kosovo for the purchase, through its affiliate “Sharr Beteteiligungs GmbH”, (owned by 51% by Titan Group) of the Sharr cement plant. The plant, with a rated capacity of 600,000 tons per annum, was already under Titan management, on the basis of a lease agreement.

In November 2010 the Group announced the completion of the €80m equity investment by the “International Finance Corporation (IFC)” in “Alexandria Portland Cement Company S.A. (APCC)” through the purchase of a stake in Titan’s holding company “Alexandria Development Limited (ADL)”. The transaction resulted in IFC acquiring through ADL a 15.2% minority stake in APCC and subsequently in Titan’s Egyptian operations.

In April 2010, the Group disposed the Cumberland quarry in the state of Kentucky USA, for the amount of €32.7m, the net assets of which were €32.8m.

## **POST BALANCE SHEET EVENTS**

Titan Global Finance PLC, a Group subsidiary, announced on 5.1.2011 the conclusion of a new €585m multicurrency forward start syndicated revolving credit facility, guaranteed by Titan Cement Company S.A. The new facility will mature in January 2015 and will be used for refinancing TGF’s existing syndicated multicurrency revolving credit facility maturing in April 2012 and for general corporate purposes of the Group thereafter.

On 7.1.2011, the Company executed a four year syndicated bond loan of €135m principal, aiming to further strengthen the Group’s liquidity profile.

Titan Cement Co S.A. announced on 4.2.2011 the signing of an agreement between its tableware subsidiary IONIA S.A. and YALCO-S.D. CONSTANTINO & SON S.A. for the transfer of the IONIA trade name, as well as the sale of certain merchandise and other fixed assets.

## **PROSPECTS FOR 2011**

It is estimated that 2011 will be one more challenging year for the Group.

In Greece, a further decline in private and public construction activity is expected due to the difficult fiscal situation and the increasing consumer and business uncertainty.

In the USA demand for construction materials is expected to remain weak in 2011, despite the economic recovery. In November 2010, the Portland Cement Association forecast a 1.4% increase in cement consumption for 2011 despite the extremely low levels of 2010.

In Southeastern Europe, the gradual economic recovery is not expected to translate into a meaningful increase in cement consumption during the year.

In Egypt, recent political developments give rise to increased short-term uncertainty. It should be noted however that the Group's production and commercial activities have continued unabated.

Last, the outlook for Turkey appears positive, where the strong economic recovery is expected to contribute to the further development of domestic demand for private construction and public works.

The upward trend in solid and liquid fuel prices is expected to have a negative impact on Group results, despite the continuous efforts to reduce energy consumption and substitute conventional fuels with alternatives.

Under the prevailing conditions of uncertainty in the economic environment, the Group will continue to focus its efforts on optimizing its business and on strengthening its economic fundamentals by reducing debt and lowering costs.

Despite the adverse economic environment, the Group remains committed to its four strategic priorities, which are geographical diversification in cement, continuous improvements in cost and competitiveness, vertical integration in related building materials and a focus on both human resources and corporate social responsibility.

## **RISKS AND UNCERTAINTIES**

The Group is exposed to risks and uncertainties due to the nature of its operations and its geographic exposure which could affect the normal course of business and financial performance.

The primary objective of the Group's Board of Directors and management is to ensure, through the application of proper risk management systems, that potential risks are identified on time and dealt with appropriately.

It should be noted, nevertheless, that any risk management system and policy thereof, can only by nature of the concept of 'risk' itself, provide a relative and never an absolute safeguard since they are designed to limit the occurrence and minimize the impact of 'risks' rather than eliminate them.

The most important risks the Group faces and the policies adopted to counter them are reported below.

## FINANCIAL RISKS:

**Financial risk factors:** Group operations give rise to various financial risks including foreign exchange and interest rate risks, credit risks and liquidity risks. The Group's overall risk management programme focuses on financial market fluctuations and aims to minimise the potential unfavourable impacts of those fluctuations on its financial performance. The Group does not engage in speculative transactions or transactions which are not related to its commercial, investing or borrowing activities.

The financial products used by the Group are primarily bank deposits, loans, foreign currency transactions at spot prices or futures, bank overdrafts, accounts receivable and payable, investments in securities, dividends payable and liabilities arising from financial leases.

**Liquidity Risk:** Prudent liquidity management is achieved by employing a suitable mix of liquid cash assets and approved bank credit facilities. The Group manages the risks which could arise from the lack of adequate liquidity by ensuring that there are always committed bank credit facilities in place ready for use. Existing approved unutilised bank credit lines available to the Group are adequate to address any possible shortfall in cash assets. As at the end of 2010, the ratio of the aggregate of long term committed un-utilised facilities and cash over one year debt was 5.8.

**Interest rate risk:** The fact that 28% of total Group debt is based on fixed, pre-agreed interest rates and an additional 61% is based on pre-agreed interest rate spreads means that the impact of changes in liquidity on money supply, on P&L and on cash flows from the Group's operating activities is small. 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 2010	EUR	1.0%	-3,932
		-1.0%	3,932
	USD	1.0%	-1,890
		-1.0%	1,890
	GBP	1.0%	-
		-1.0%	-
	BGN	1.0%	-270
		-1.0%	270
	EGP	1.0%	-
		-1.0%	-
Year ended 31 December 2009	ALL	1.0%	-40
		-1.0%	40
	EUR	1.0%	-5,116
		-1.0%	5,116
	USD	1.0%	-1,520
		-1.0%	1,520
	GBP	1.0%	-
		-1.0%	-
	BGN	1.0%	-313
		-1.0%	313
EGP	1.0%	-205	
	-1.0%	205	

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

Exposure to interest rate risk from liabilities and investments is monitored by making forecasts. Group financing has developed in line with a pre-determined combination of fixed and floating rates to ameliorate the risk of a change in interest rates. The ratio of fixed to floating rates of the Group's net borrowings is determined by market conditions, Group strategy and financing requirements. Occasionally interest rate derivatives may also be used, but solely to ameliorate the relevant risk and to shift the aforementioned combination of fixed/floating rates, if that is considered necessary. During 2010, the Group had outstanding vanilla interest rate swaps that mature in November 2014. Using these derivatives, fixed interest rates now account for 32% of total Group borrowing.

According to Group policy, interest rate trends and the duration of the Group's financing needs are monitored on a forward looking basis. Consequently, decisions about the duration and the mix between fixed and floating rate debt are taken on an ad-hoc basis. As a result, all short-term loans have been concluded with floating rates. Medium to long-term loans have been concluded partly with fixed and partly with floating rates.

**Foreign Currency risk:** Group exposure to exchange rate risk derives primarily from existing or expected cash flows in foreign currency (imports / exports) and from foreign investments. This risk is addressed in the context of approved policies.

FX risks are managed using natural hedges and FX forwards. Group policy is to use borrowing in the relevant currency (where feasible) as a natural hedge for investments in foreign subsidiaries whose equity is exposed to FX conversion risk. Thus, the FX risk for the equity of Group subsidiaries in the USA is partially hedged by concluding dollar-denominated loans. Via the 2007 syndicated facility, Titan Global Finance Plc, the Group's funding and cash management vehicle, had granted a US Dollar denominated loan to Titan America LLC. This loan creates no FX exposure in consolidated P&L, as any gains/ losses from the revaluation of the loan are recorded in equity and they are offset by losses/ gains from the revaluation of US equity.

In other markets where the Group operates, company financing needs are evaluated, and where feasible, financing is obtained in the same currency as the assets being financed. Exceptions to this are Turkey, Egypt and Albania, where Group investments are in Turkish Liras, Egyptian Pounds and Albanian Lek, whereas part of the financing is in Euro in Turkey and Albania, and in Yen in Egypt. The Group has decided that the cost of refinancing its liabilities from Euro to Turkish Liras and Albanian Lek and from Yen to Egyptian Pounds is not financially attractive for the time being. This issue is re-examined at regular intervals. During 2009, Titan Global Finance Plc had granted a Euro loan to Titan America LLC. The loan principal has been hedged via FX forward contracts for the same amount and tenor so that FX gains/ losses on the revaluation of the principal, do not impact Titan America LLC and Consolidated P&L.

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
<b>Year ended 31 December 2010</b>				
	USD	5%	-4,291	30,141
		-5%	3,882	-27,270
	RSD	5%	1,010	2,393
		-5%	-913	-2,165
	EGP	5%	6,285	26,900
		-5%	-5,686	-24,338
	GBP	5%	-	140
		-5%	-	-127
	TRY	5%	269	1,099
		-5%	-244	-994
	ALL	5%	-3	2,334
		-5%	3	-2,111
<b>Year ended 31 December 2009</b>				
	USD	5%	-1,884	30,526
		-5%	1,704	-27,619
	RSD	5%	1,017	2,633
		-5%	-920	-2,382
	EGP	5%	3,572	26,194
		-5%	-3,232	-23,699
	GBP	5%	45	442
		-5%	-41	-400
	TRY	5%	-40	828
		-5%	37	-749
	ALL	5%	-500	2,419
		-5%	452	-2,188

Note: a) 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 b) The above sensitivity analysis is used on floating currencies and not on fixed.

**Credit risk:** The Group is not exposed to major credit risks. Customer receivables primarily come from a large, widespread customer base. The financial status of customers is constantly monitored by Group companies.

When considered necessary, additional collateral is requested to secure credit. Provisions for impairment losses are made for special credit risks. As at the end of 2010, 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.

Credit risk arising from counterparties' inability to meet their obligations towards the Group as regards cash and cash equivalents, investments and derivatives, is mitigated by pre-set limits on the degree of exposure to each individual financial institution. These pre-set limits are part of policies that are approved by the Board of Directors and monitored on a regular basis.

#### ***ECONOMIC CONTEXT:***

The continuing unfavourable economic context in Greece and the United States has severely affected building activity. As such and for however long the crisis in these countries continues, it shall also continue to negatively affect Group sales and financial results. In order to address the risks arising from the continuing negative economic context in the aforementioned countries, the Group undertook a series of actions in the course of 2010, which will continue in 2011, in order to strengthen its economic fundamentals through the reduction of debt and focus on cost containment.

#### ***RISKS DUE TO THE CYCLICALITY OF THE CONSTRUCTION INDUSTRY:***

The construction industry is characterised by a cyclical fluctuation which is determined by the level of infrastructure spend, the demand for private and commercial real estate, mortgage lending, interest rates levels, etc.

The Group addresses this risk through the diversification of its activities across different geographic markets, with a portfolio of activities which includes mature markets, such as Western Europe and North America, as well as emerging markets in the Middle East and Eastern Europe, which historically have exhibited a looser correlation with economic cycles, consequently somewhat mitigating the Group's exposure to this kind of risk.

#### ***RISKS ARISING FROM THE CLIMATE AND NATURAL DISASTERS:***

The Group operates in countries and areas such as Greece, Egypt, Turkey and Florida in the United States which are exposed to risks arising from natural (climatic and geological) phenomena such as typhoons, sand storms, earthquakes etc. Amongst the measures adopted by the Group to avert the disastrous consequences of such phenomena, is the adoption of design standards which are stricter than those prescribed by the relevant legislation.

Additionally, the Group has in place emergency plans which aim at the safeguarding of its industrial infrastructure and the protection of human life among its personnel.

### ***RISKS ASSOCIATED WITH PRODUCTION COST:***

The consumption of thermal energy, electricity and raw materials constitute the most important elements of the Group's cost base. Moreover, the fluctuation in the price of fossil fuels poses a risk to the cost of production. In order to mitigate the effects of such a risk, the Group invests in the replacement of fossil fuels by alternative fuels.

As regards electricity, it is expected that prices will increase significantly going forward. In order to address this risk, the Group, among other actions, invests in low electrical consumption machinery and in the development and operation of specialised energy management systems.

Ensuring access to the required quality and quantity of raw materials is an additional priority taken into account when planning new investments.

As regards existing units, the Group ensures the adequate supply of raw materials for the duration of the life of its industrial units.

The Group also invests in the use of alternative raw materials in order to gradually lessen its dependence on natural raw materials. To this end, the Group has set specific quantifiable targets for the substitution of natural raw materials by alternative raw materials such as natural waste and is closely monitoring the evolution of this activity.

### ***RISKS REGARDING SAFETY AT WORK:***

Safety at work for our employees forms the pinnacle of Group priorities and is a precondition for the operation of our plants.

The Group currently has underway a programme aiming at improving the safety culture across all Group activities which among other things includes the manning of all productive units with an adequate number of safety officers. Additionally, the Group applies broad training programmes for the systematic necessary training and education of employees and has put in place systems and procedures, adherence to which is constantly monitored by the Company's Health and Safety Division. Results to date, as regards the Group's performance in the realm of safety, are satisfactory compared to peers in the industry who participate in the international Initiative for Sustainable Development in the Cement Industry.

### ***ENVIRONMENTAL RISKS:***

Protection of the environment and sustainable development are core principles for the Group.

To that end, the Group applies policies over and above the prescriptions of the relevant local legislation in the countries where it is active.

Furthermore, in order to limit the possibility of environmental damage, the Group systematically invests in Best Available Techniques for the protection of the environment.

The Group has taken early action against climate change participating since 2003 in the Cement Sustainability Initiative – CSI of the World Business Council for Sustainable Development and voluntarily committing to the reduction of CO<sub>2</sub> emissions within specific targets.

Moreover, the Group monitors closely proposed changes in legislation under way as regards the protection of the environment and undertakes the necessary actions for their implementation in advance so as to avoid the risk of non-timely compliance, once new regulations come into effect.

## **MAJOR TRANSACTIONS BETWEEN COMPANY AND RELATED PARTIES**

Transactions between the Group and the Company and related entities, as these are defined according to IAS 24, (related companies within the meaning of Article 42e of Codified Law 2190/1920) were undertaken as per ordinary market workings.

The most important transactions between the Company and related entities are presented in the table below:

<b>Group</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
Other related parties	-	1,930	-	477
Executives and members of the Board	-	-	4	869
	<u>-</u>	<u>1,930</u>	<u>4</u>	<u>1,346</u>
<b>Company</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
Aeolian Maritime Company	1	925	-	710
Achaiki Maritime Company	4	1,406	-	2,400
Albacem S.A.	2	-	-	7
Interbeton Construction Materials S.A.	49,256	5,653	12,681	-
Intertitan Trading International S.A.	6,702	-	-	-
Ionia S.A.	210	1	51	-
Quarries Gourmon S.A.	1	-	816	-
Naftitan S.A.	36	559	-	506
Polikos Maritime Company	1	-	-	700
Titan Cement International Trading S.A.	6	-	330	-
Fintitan SRL	5,027	-	2,778	-
Aemos Cement Ltd	-	-	-	-
Titan Cement U.K. Ltd	6,103	57	1,094	-
Usje Cementarnica AD	9,664	-	262	-
Beni Suef Cement Co.S.A.E.	768	-	394	-
Alexandria Portland Cement Co. S.A.E	12,012	-	1	-
Cementara Kosjeric AD	75	-	20	-
Zlatna Panega Cement AD	43	56	34	-
Titan America LLC	217	7	12	-
Essex Cement Co. LLC	7,757	52	-	9
Pozolani S.A.	-	-	13	-
Antea Cement SHA	7,429	-	4,338	-
Titan Global Finance PLC	-	19,959	-	631,273
Separation Technologies U.K. Ltd	15	-	15	-
TCK Montenegro DOO	79	-	-	-
Adocim Cimento Beton Sanayi ve Ticaret A.S.	1	-	1	-
Quarries of Tanagra S.A.	10	-	5	-
Dancem APS	525	-	17	-
Cementi Crotone S.R.L.	185	-	-	-
Sharr Beteiligungs GmbH	38	-	14	-
Separation Technologies LLC	7	-	7	-
Other subsidiaries	16	-	-	-
Other related parties	-	1,930	-	477
Executives and members of the Board	-	-	4	869
	<u>106,190</u>	<u>30,605</u>	<u>22,887</u>	<u>636,951</u>

Regarding the transactions above, the following clarifications are made:

The revenue presented relates to sales of the company's finished goods (cement and aggregates) to the aforementioned subsidiaries while purchases relate to purchases of raw materials and services by the company from the said subsidiaries.

Company liabilities primarily relate to three outstanding floating rate loan agreements of €528 million maturing in 2012 at the Euribor rate plus a 1.35% spread per year, and one outstanding fixed rate loan agreement of € 100 million maturing in 2013 at a fixed rate of 7.62% per year to maturity, which were concluded with the UK based subsidiary TITAN GLOBAL FINANCE PLC.

Company receivables primarily relate to receivables from cement sales to the said subsidiaries and the provision of consultancy services.

The remuneration of senior executives and members of the Group's Board of Directors for 2010 stood at €6.6 million compared to €7.4 million the same period of the previous year.

### **PARENT COMPANY FINANCIAL RESULTS**

At parent company level, turnover reached €371m lower by 17.6%, while EBITDA reached €86m, a decline of 28.2%, mainly reflecting the decline in domestic sales.

Net profit after taxes and minorities decreased by 55.2% to €21m compared to 2009. It must be noted that a social responsibility tax that has been levied on all Greek companies posting a profit above €100 thousand for fiscal year 2009. The total charge for the Company amounted to €7.9m.

## **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 338,455,360, divided among 84,613,840 shares with a nominal value of 4 Euro each, of which 77,044,880 are common shares representing 91.055% of the total share capital and 7,568,960 are preferred shares without voting rights, representing 8.945 %, approximately, 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 preferred shares provide no voting rights.

In accordance with the resolution dated 27.06.90 of the Ordinary General Meeting of the Shareholders of the Company, on the basis of which it was resolved an increase in the share capital of the Company through the issuance of preferred non-voting shares, the privileges enjoyed by holders of preferred non-voting shares are as follows:

A. Receipt, in priority to common shares, of a first dividend from the profits of each financial year; 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 preferred shares are entitled to a preferential payment of this first dividend cumulatively and corresponding to the financial years in question, from the profits of subsequent years. Holders of preferred non-voting shares are entitled, on equal terms with holders of common shares, to receive any additional dividend which may be distributed in any form. It is worth noting however that following the amendment, made in accordance with article 79 section 8 of Law 3604/2007, of the provisions of section 2 of article 45 of Law 2190/1920 on the distribution of profits of Societes Anonymes, the mandatory distribution of a first minimum dividend equal to 6% of the paid up share capital has been annulled and from now on it is only the mandatory distribution of dividend equal to 35% of the net profits that applies.

B. They are also entitled to preferential return of the capital paid up by holders of preferred non-voting shares from the product of the liquidation of Company assets in the event of the Company being wound up. Holders of preferred 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. Limitations 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 31.12.2010 the following shareholders held more than 5% of the total voting rights in the Company: Mr. Andreas L. Canellopoulos holding 12.40% and “The Paul and Alexandra Canellopoulos Foundation” holding 9.82 % of the total voting rights in the Company.

On 31.12.2010 MITICA LTD held , 4.993% while on 31.12.2009 it held 5.34% of the total voting rights in the Company.

Today ( 17.3.2011) the following shareholders hold more than 5% of the total voting rights in the Company: Mr. Andreas L. Canellopoulos, holding 12.48% , the “Paul and Alexandra Canellopoulos Foundation”, holding 9.83% and Capital Research and Management Company, holding 5.21% of the total voting rights in the Company.

## **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 preferred non- voting shares, the Articles of Association of the Company make no provision for any limitations on voting rights.

## **6. Agreements among Company shareholders, which are known to the Company and entail limitations on the transfer of shares or on the exercise of voting rights**

It is known to the Company that the Company shareholders Messrs. Andreas Canellopoulos, Dimitri Papalexopoulos, Nellos Canellopoulos, Alexandra Papalexopoulou- Benopoulou and Panagiotis Canellopoulos, have contributed to the public Cypriot company EDYVEM LIMITED 1,138,200 common Titan shares, representing 1.48% of the total voting rights in the Company. EDYVEM LIMITED holds in total 1,200,000 common Titan shares, representing 1.56% of the total voting rights in Titan Cement Company S.A. The Articles of Association of EDYVEM LIMITED provide for limitations on the transfer of the Titan shares held by it, the total number of which amounts to 1,200,000 common shares , representing 1.56% of the total voting rights in Titan Cement Company S.A.

## **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 (article 25), within the powers granted under Codified Law 2190/1920, as in force following the enactment of Law 3604/2007, provide the following 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 is valid for 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 occurrence of 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 the 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. 3 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, delegate to the Board of Directors the power 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 paragraph 2 of article 31 of Codified Law 2190/1920, a programme can be established for the offering of shares to the Directors and to the Company's 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 publication 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 29.05.2007 and 4.6.2008 and, following the exercise, in December 2010, by 66, in total, beneficiaries of their options for the acquisition of 37,722 common shares of the Company, at a price of Euro 4 per share, the Board of Directors decided on 16.12.2010 to increase the Company's share capital by the amount of Euro 150,888 through a payment in cash and the issuing of 37,722 new common registered shares with a nominal value of 4 euro per share. According to par. 13 of article 13 of Codified Law 2190/1920, such capital increase does not constitute an amendment of the Company's Articles of Association.

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 determine the terms and conditions of the acquisitions, the maximum number of shares that may be acquired, the duration of the period for which the authorization is given, 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 the Company Shareholders on 18.5.2010 granted an approval for the purchase by the Company, whether directly or indirectly, of own shares, both common and preferred, up to 10% of its then paid-up share capital within a period of 24 months, i.e. until 18.5.2012, with the minimum purchase price set at Euro 4 per share and the maximum purchase price set at Euro 40 per share. In accordance with the above resolution of the General Meeting, the Board of Directors is authorized to proceed to purchases of own shares, provided that the purchases in question will be deemed to be beneficial and the Company's available funds will so permit. As of today, no purchases of own shares of the Company have been made in implementation of the abovementioned resolution of the General Meeting dated 18.05.2010

The total number of own shares currently held by the Company in implementation of the relevant past resolutions of the General Meeting and in particular those of 10.05.2007 and 6.10.2008 amounts to 3,131,697 common shares and to 5,919 preferred shares, without voting rights, representing, in total, 3.71 %, of the paid up share capital.

## **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 become effective, are amended or terminated in the event of a change in the control of the Company following a public offer.

It should be noted, though, that the Group has entered into certain loan agreements and has issued bonds, which provide, as usual for such documents, the right of the counterparty, lending bank or bond holder, to request, under certain conditions, early repayment of the loan or bond, as the case may be, in the event of change of control in the Company. However, this right is not granted specifically in case the change of control in the Company results from a public offer.

The most significant agreements as above are the following:

- a) the Multicurrency Revolving Facility Agreement up to the amount of Euro 585 million entered into among the Group's subsidiary, Titan Global Finance Plc and a syndicate of lending banks and the Company as Guarantor;
- a) the Multicurrency Revolving Facility Agreement up to the amount of Euro 800 million entered into among the Group's subsidiary, Titan Global Finance Plc and a syndicate of lending banks and the Company as Guarantor;
- c) the European Bond, for an amount of Euro 200 million, issued by Titan Global Finance Plc, under the guarantee of the Company;
- d) the Bond, for an amount of Euro 75 million, issued by the Company, where EFG Eurobank Ergasias is acting as the representative of the bond holders and the paying agent;
- e) the Bond, for an amount of Euro 50 million, issued by the Company, where EFG Eurobank Ergasias is acting as the representative of the bond holders and the paying agent;
- f) the Syndicated Bond, for an amount of 135 million Euro, issued by the Company, where Alpha Bank is acting as the representative of the bond holders and the paying agent and Alpha Bank, National Bank of Greece, and HSBC are the bondholders;

## **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.

## **BOARD OF DIRECTORS**

### **Chairman**

**ANDREAS CANELLOPOULOS**

Age: 71. Chairman of the Board of Directors of TITAN Cement Company S.A since 1996.

Member of the Board of Directors of TITAN Cement Company S.A. from 1971 and Managing Director from 1983 to 1996. He is also member of the Nomination and Corporate Governance Committee from 18.5.2010.

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

### **Vice Chairman**

**GEORGIOS – EFSTRATIOS (TAKIS) ARAPOGLOU**

Age: 60. Independent, non-executive director since 18.5.2010 (1st term in office)

Managing Director of commercial banking of the investment bank EFG – Hermes Holding. He has served as a senior executive in international investment banks in London (1977-1991) and managed Greek banks and subsidiaries of foreign banks in Greece (1991-2000). In 2000 he assumed the post of Managing Director and Global Head of the Banks and Security Industry with Citigroup, based in London. From 2004 until the end of 2009 he was Chairman and Governor of National Bank of Greece. He was elected Chairman of the Hellenic Bankers Association from 2005 until 2009.

He holds degrees in Mathematics, Naval Architecture and Business Administration from Greek and British universities. Today he retains the position of Chairman of the Business Council of the Athens University of Economics and is a member of the International Board of Trustees of Tufts University in Boston. He is also member of the Board of Directors of Tsakos Energy Navigation (TEN), listed on the NYSE.

### **Managing Director CEO**

**DIMITRIOS PAPALEXOPOULOS**

Age: 49. Managing Director since 1996.

Executive Director since 1992 and executive of the Company since 1989. He initially worked as a business consultant with McKinsey & Company Inc. in the USA and Germany.

He is member of the Board of Directors of E.F.G. EUROBANK, Lamda Development S.A., the Hellenic Federation of Enterprises Committee for Sustainable Development, the Foundation for Economic & Industrial Research, the Foundation for the Hellenic World and the European Round Table for Industrialists (ERT).

He studied electrical engineering (Dip. EL-Ing. ETH, 1985) at the Swiss Federal Institute of Technology Zurich (ETH) and business administration (MBA 1987) at Harvard University, USA.

## **Members**

### **EFTICHIOS VASSILAKIS**

Age: 44. Independent, non-executive director since 10.5.2007 (2nd term in office)

He is also member of the Audit Committee since 17.12.2009 and was re-elected, with a three year tenure until 2013, by the Annual General Meeting of Shareholders on 18.5.2010.

He is graduate of Yale University and Columbia Business School of New York (MBA) and 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, IDEAL GROUP S.A and, FOURLIS HOLDINGS S.A.

### **EFTHYMIOS VIDALIS**

Age: 56. Independent, non-executive director since 24.5.2004 (3rd term in office)

He is also member of the Audit Committee since 16.12.2004 and was re-elected, with a three year tenure until 2013, by the Annual General Meeting of Shareholders on 18.5.2010.

He studied political sciences (BA) and business administration (MBA) at Harvard University, USA. Between 1981 and 1998 he worked with the company Owen Corning, USA, while from 1994 until 1998 he served as Chairman of the global activities of Synthetic Materials (Composites) and Insulation Materials. He was Managing Director of S&B Industrial Minerals S.A from 2001 to March 2011, where he also served as Executive Manager from 1998 to 2001.

He is also Chairman of the Hellenic Federation of Enterprises Committee for Sustainable Development, Vice Chairman of the Hellenic Federation of Enterprises and Board member of the companies S&B Industrial Minerals S.A, Raycap S.A., Zeus Real Estate Fund and Future Pipe Industries, Dubai. He was Chairman of the Greek Mining Enterprises Association from 2005 to 2009.

### **GEORGE DAVID**

Age: 74. Independent, non-executive director since 19.6.2001 (4th term in office)

He is also Chairman of the Remuneration Committee from 2004.

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

### **SPYRIDON THEODOROPOULOS**

Age: 53. Independent, non-executive director since 19.6.2001 (4th term in office)

He is also Chairman of the Nomination and Corporate Governance Committee since 2007 and he was elected as a substitute member of the Audit Committee with a three year tenure until 2013, by the Annual General Meeting of Shareholders on 18.5.2010.

He is 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. From 2006 to 14.4.2010 he served as the Managing Director of VIVARTIA SA.

He also sits on the Board of Lamda Development S.A. He has also served as 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: 47. Executive director since 24.6.1992

He is External Relations Director of TITAN Group since 1996.

He worked at Ionia S.A. from 1989 until 1990 and between 1990 and 1996 worked as a Sales Division executive with TITAN Cement Company S.A.

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-PANAGIOTIS CANELLOPOULOS

Age: 43. Executive director since 10.5.2007

Investor Relations Director of TITAN Group since 2001. From 1995 to 2001, he worked as an executive in the TITAN Group Financial Division.

He studied economics (BA) at Brown University, USA and business administration (MBA) at the New York University / Stern School of Business, USA. He has worked as a financial analyst with AIG and with the EFG Eurobank Financing Division.

He is also a member of the Board of Directors of Canellopoulos Adamantiadis Insurance Co. (AIG Hellas).

#### PANAGIOTIS MARINOPOULOS

Age: 60. Independent, non-executive director since 24.5.2004 (3rd term in office)

He is also member of the Remuneration Committee since 2007 and he is elected as a substitute member of the Audit Committee with a three year tenure until 2013, by the Annual General Meeting of Shareholders on 18.5.2010.

He is 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.

#### ALEXANDRA PAPALEXOPOULOU - BENOPOULOU

Age: 45. Executive director since 1995

Strategic Planning Director of TITAN Group since 1997. From 1992 to 1997 she worked in the Group Exports Division.

She 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 is a member of the Board and Treasurer of the Paul and Alexandra Canellopoulos Foundation and since January 2010 a member of the Board of National Bank of Greece. She also sits on the Board of Frigoglass. From 2007 until 2009 she was Board member of Emporiki Bank.

#### PETROS SABATACAKIS

Age: 64. Independent, non-executive director since 18.5.2010 (1st term in office)

He is member of the Remuneration Committee and he is elected as a substitute member of the Audit Committee with a-three year tenure until 2013, by the Annual General Meeting of Shareholders on 18.5.2010.

He is member of the Board of Directors of National Bank of Greece since 2010. He was Chief Risk Manager for Citigroup Inc. between 1999 and 2004 and a member of the Management Committee, and Director of Citicorp and Citibank, N.A. From 1992 to 1997, he was in charge of the financial services subsidiaries of the American International Group, its treasury operations, as well as the market and credit risk activities. He was a member of the Executive Committee and a C.V. Starr partner. Prior to that, he has worked at Chemical Bank (now JP Morgan Chase).

He earned three degrees from Columbia University: Bachelor of Science, Masters of Business Administration and Doctor of Philosophy degree in Economics. He has been the chairman of Plan International and Childreach (Non-profit Organization), a Trustee of Athens College in Greece, and a Director of the Gennadius Library.

#### MICHAIL SIGALAS

Age: 62. Executive Director since 4.6.1998

South Eastern Europe and Eastern Mediterranean Regions (SEE & EM) Director of TITAN Group.

He has also held managerial posts, including Exports Director and Trade Director of TITAN Group.

He 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, as Commercial Director from 1983 to 1985.

#### VASSILIOS FOURLIS

Age: 51 years old, Independent, non-executive director since 2007 (2nd term in office).

He is also member of the Audit Committee since 2007 and was re-elected, with a-three year tenure until 2013, by the Annual General Meeting of Shareholders on 18.5.2010.

He 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. Holdings.

He also sits on the Board of Frigoglass S.A., Piraeus Bank and Hellenic Organization of Telecommunications (OTE S.A.)

## CORPORATE GOVERNANCE STATEMENT

### **I. Reference to the Corporate Governance Code which applies to the Company and the place where the Code is available to the public**

TITAN CEMENT S.A. (hereinafter “the Company”) is a societe anonyme whose ordinary and preference shares are admitted to trading on the Athens Exchange.

This Corporate Governance Statement is special part of the Board of Directors' Annual Report prepared in accordance with the provisions of Article 2(2) of Law 3873/2010.

For many years now TITAN CEMENT S.A. has been implementing, on its own initiative, corporate governance principles which went beyond the provisions contained in Greek law for listed companies.

At its meeting on 16.12.2010 the Company's Board of Directors decided to officially apply the UK Combined Code on Corporate Governance (hereinafter “the Code”) to the Company, as revised by the UK Financial Reporting Council in June 2010. That Code can be found on the website of the UK Financial Reporting Council ([www.frc.org.uk](http://www.frc.org.uk)) and a Greek translation is available on the company’s website ([www.titan.gr](http://www.titan.gr)), at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>.

The Company applies the Code, subject to the derogations cited in Section VIII of this statement, where reasons for those derogations are provided.

### **II. Reference to corporate governance practices implemented by the Company that go beyond the provisions of law, and reference to the place where they are published**

In addition to the provisions of Greek law contained in Laws 2190/1920, 3016/2002, 3693/2008, 3884/2010 and 3873/2010, by officially opting to apply the UK Corporate Governance Code, TITAN CEMENT S.A. also applies the best practices proposed by that Code.

In relation to the independence criteria which must be met by the independent members of the Board of Directors, further to the criteria set forth in the legislation and the Code, the Company is also using the additional criteria set out below in the paragraph titled "Nominating candidates for the Board of Directors" in Section III of this statement. Those criteria can also be found on the Company's website ([www.titan.gr](http://www.titan.gr)), at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

### **III. Reference to composition and modus operandi of the Board of Directors and other administrative, management and supervisory bodies or committees of the Company**

#### **BOARD OF DIRECTORS**

##### **The Board of Directors’ role and competences:**

The Board of Directors is the Company's supreme administrative body, which is exclusively responsible for determining Company strategy and its growth and development policy. Key duties of the Board of Directors are to seek to support the long-term financial value of the Company, to defend the Company's interests in general and those of shareholders, to ensure that the Company and Group comply with the laws, to bolster transparency, corporate values and the Company’s Code of Conduct in all Group operations and activities, to check the performance of the Chairman of the Board of Directors, the CEO, and senior executives, to ensure the effective operation of the

Company's audit mechanisms, and to monitor and resolve conflicts of interest issues between members of the Board of Directors, managers and shareholders, and the interests of the Company and Group.

The Board of Directors is exclusively responsible for taking decisions on important issues such as: approval of the Company's financial statements to be submitted to the General Meeting; approval of the annual budget; increases in Company share capital in cases where that is specified by law or the Articles of Association; issuing corporate bonds, in parallel with the competence of the General Meeting and subject to the provisions of Articles 8 and 9 of Law 3156/2003; convening the General Meeting of Shareholders; making recommendations on issues to the General Meeting; preparing the annual management report and other reports required by the relevant legislation; appointing the company's internal auditors and appointing the Company's legal representatives and special representatives and agents. Moreover, the Board of Directors is responsible for determining the pay and other remuneration of the CEO and other senior executives of the Company and Group, recommending that the General Meeting vote in favour of stock options for executive members of the Board of Directors and staff of the Company and related companies etc.

The duties of the Chairman of the Board and those of the CEO are performed by different persons, and their powers and competences are discrete and expressly set out in the Company's Articles of Association and the Company's Internal Regulation, as in force following the recent revision approved by the Board of Directors at its meeting on 17.12.2009.

According to the Company's Articles of Association, in exceptional cases like those above where a decision of the Board of Directors is required, the Board of Directors is entitled to issue a decision transferring and assigning its management and representation powers to one or more members of the Board of Directors or to Company managers or executives, subject to express terms and conditions. Moreover, it may also transfer its powers to the Executive Committee. The scope of that Committee and how it operates are described below.

After the decision taken by the General Meeting of Shareholders on 23.5.2006 the members of the Board of Directors hold third party civil liability insurance.

#### **Composition of Board of Directors:**

The current Company Board of Directors consists of 14 members, and was elected by the General Meeting of Shareholders of 18.5.2010 and will serve for a 3-year term in office which will expire at the 2013 Ordinary General Meeting.

#### **Independent board members**

The majority of the Board's members, that is 8 members, are independent, non-executive members, namely persons who have no relationship of dependence on the Company or its related parties, and meet the independence requirements laid down by Greek law. They are Messrs. Efstratios – Georgios (Takis) Arapoglou, Eftychios Vasilakis, Efthymios Vidalis, George David, Spyridon Theodoropoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vasilios Furlis.

These persons were elected as independent members by the General Meeting on 18.5.2010 following a recommendation from the Board of Directors, which had first checked and ascertained that all of them met the independence requirements laid down by law. Although the Company had not officially adopted the provisions of the Code at the

time those independent members of the Board were elected by the General Meeting, all of them, with the exception of Messrs. George David and Spyridon Theodoropoulos, also met the independence criteria specified in Article B.1.1 of the Code. Messrs. David and Theodoropoulos exceeded the limit on three terms in office specified by the Code since they were elected for a fourth time by the General Meeting of Shareholders and are currently in their tenth year on the Board of Directors. Both were elected as members of the Board of Directors by the General Meeting of Shareholders for the first time in 2001. However, the Board of Directors considered that their prestige, business acumen and personality in general ensured that they were independent in both thought and action and for that reason it was decided that even though they had served for three terms in office, it was appropriate to re-nominate them for election as independent members to the General Meeting on 18.5.2010. It should also be pointed out that the General Meeting has unfettered discretion to elect or not elect the persons nominated by the Board of Directors as independent members.

The Board's independent members are entitled to meet without the presence of the executive members or the Chairman, in any case they consider that it is necessary. No such meeting was held in 2010.

In addition, the Board's independent members meet once a year, without any executive members or the Chairman being present, to evaluate the performance of the Chairman of the Board. Such a meeting was held for the year 2010. They also had one regular meeting in the presence of the Chairman, but without the executive members.

#### **Non-executive Board Members - Executive Board Members**

Immediately after being elected by the General Meeting on 18.5.2010, the Board of Directors immediately convened and appointed 9 of its members, namely Messrs. Takis Arapoglou, Eftychios Vasilakis, Efthymios Vidalis, George David, Spyridon Theodoropoulos, Andreas Canellopoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vasilios Furlis as non-executive members and 5 members, namely Messrs. Dimitrios Papalexopoulos, Nellos Canellopoulos, Takis Canellopoulos, Michail Sigalas and Mrs. Alexandra Papalexopoulou as executive members.

The Board's non-executive members do not perform executive or management tasks but participate by sitting on the Board and its Committees (in fact only such members sit on committees), which mark out Company strategy, supervise the suitability and effectiveness of administration, internal audit, and risk management systems, determine the level of pay for executive members of the Board, select new suitable candidates for the Board of Directors and ensure a transition plan is in place. The Board of Directors is of the view that all non-executive members elected as independent members by the General Meeting on 18.5.2010 are in fact independent.

The 5 executive members of the Board of Directors, including the CEO, Mr. Dimitrios Papalexopoulos, form the main group of shareholders and are senior executives of the Company, providing services to the Company on the basis of employment contracts.

#### **The Chairman of the Board**

Mr. Andreas Canellopoulos, Chairman of the Board, is one of the Company's main shareholders, and previously served as CEO from 1983 to 1996. Since 2006 he has not performed executive and management duties and is only involved in performing his duties as Chairman of the Board, and his main concern has been to ensure the effective and efficient operation of the Board, that members collaborate harmoniously and that decisions are taken which reflect the system of principles and values which the Company

has adopted. The Chairman directs the Board's meetings and is responsible for drafting the agenda of meetings, dispatching it to members of the Board in good time along with the necessary information and materials, ensuring that independent and non-executive members are kept fully briefed so that they can effectively perform their supervisory and decision-making role, and facilitating communication between members of the Board and shareholders. He is also a member of the Nomination and Corporate Governance Committee established by the Board of Directors.

The Chairman has no other professional commitments and is not a member of the Board of Directors of other companies, other than the Board of the public benefit foundation, the PAVLOS AND ALEXANDRA CANELLOPOULOS FOUNDATION, which is also one of the main shareholders of the Company, and the Board of Directors of the Foundation for Economic & Industrial Research (IOBE).

#### **Vice-Chairman of the Board**

Mr. - Georgios - Efstratios (Takis) Arapoglou, an independent, non-executive member, was appointed as Vice Chairman of the Board of Directors.

#### **Senior Independent Director**

The Board's Vice Chairman, Mr. Takis Arapoglou, has also been appointed by the Board of Directors as the Senior Independent Director who is obliged, among other things, to be available to resolve shareholder issues, which have not been resolved by executive members of the Board of Directors.

#### **Board of Directors Secretary (Company Secretary)**

The Board of Directors has appointed the Company's attorney at law, Mrs. Eleni Papananou, as the Company Secretary, who provides legal support to the Chairman and the members of the Board. When exercising her duties the Company Secretary reports to the Board of Directors and, in hierarchical terms, does not report to any other department of the Company.

#### **Board of Directors meetings:**

The Board of Directors meets as often as the Company needs and takes its decisions by absolute majority of the directors present or represented at it. Board members who are absent or unable to attend the meeting for any reason are entitled to be represented by another member of the Board of Directors who will vote in their name. Each member is entitled to represent only one other member and vote in his name. Executives of the Company or its related companies within the meaning of Article 42e(5) of Codified Law 2190/1920 are entitled to attend meetings of the Board of Directors without voting rights, following an invitation from the Chairman, provided issues within their remit are being discussed.

The dates of scheduled Board of Directors meetings are set in the final months of each year in order to ensure the maximum possible quorum at meetings is achieved. The Board of Directors' agenda is prepared by the Chairman and is dispatched to members in good time, along with any necessary information about the topics to be discussed or on which decisions will be taken by members of the Board of Directors.

The minutes of the previous meeting are signed at each subsequent meeting. Those minutes are kept by the Company Secretary and record summaries of the views of members of the Board of Directors, the discussions which took place and any decisions taken.

## **Nominating candidates for the Board of Directors**

The following rules apply to nominating candidates for the Board of Directors:

A. The majority of members which the Board of Directors proposes to be elected by the General Meeting must meet the independence criteria laid down in Greek law and the Code and well as the independence criterion adopted by the Board of Directors, namely they must not directly or indirectly hold shares in the Company accounting for more than 0.1% of its share capital.

B. Independent members of the Board of Directors are elected by the General Meeting for a term of three years and the Board of Directors cannot propose that the same persons be elected by the General Meeting for more than four three-year terms in office. Starting from the election of the next Board of Directors, the maximum limit on terms in office for independent members will be three, namely a total of 9 years of service to the Company.

C. The Chairman and at least one of the Vice Chairmen of the Board of Directors must be non-executive members of the Board of Directors and, at least one, of them must be an independent, non-executive member.

Selection of suitable candidates and planning a smooth transition for members of the Board of Directors and senior management executives is the task of the Nomination and Corporate Governance Committee. Another key function of that Committee is to ensure the necessary balance of qualifications, knowledge and experience for the members of the Board of Directors and that members of the Board can make available the time required to satisfactorily perform their duties.

In order to select suitable candidates, the Committee is, if it considers this necessary, entitled to use the services of special consultants or to publish notices. However, to date the Committee has found that recourse to such methods has not been necessary.

When new members of the Board assume their duties, they receive formal induction training. Moreover, throughout their term in office, the Chairman ensures that they constantly expand their skill sets on issues relating to the Company and become familiarised with the Company and its executives so that they can contribute more effectively to the work of the Board of Directors and its various Committees.

## **Obligations of members of the Board of Directors**

Members of the Board are obliged to attend scheduled meetings of the Board and the various Committees they sit on and to make available the time required to satisfactorily discharge their duties. To that end, before their election they are obliged to inform the Board of Directors about other important professional commitments and whether they sit on the Boards of Directors of other companies and to inform the Board of any change in their professional commitments, and to do so as well before they join the boards of other companies. The Board of Directors has decided that its executive members may not sit as non-executive members of the boards of directors of more than two other listed companies.

## **Conflict of interests**

Members of the Board of Directors are obliged to immediately disclose to the Board of Directors their interests which may arise from Company transactions and any other conflict of interests with those of the Company or its related parties. Given their access to privileged information, they are obliged not to use such information to directly or

indirectly purchase or sell shares in the Company or related companies which are traded on a regulated market for their own benefit or for members of their family. They are further obliged not to disclose that information to other persons nor exhort third parties based on said privileged information they have to purchase or sell shares in the Company or its related companies which are traded on a regulated market.

### **Board of Directors Committees**

The following Committees assist the Board of Directors in its work. They have been set up by the Board and are comprised entirely of independent, non-executive members with the exception of the Nomination and Corporate Governance Committee, on which the Chairman of the Board of Directors also sits.

The Board of Directors' Committees can also retain the services of specialist technical, financial, legal or other consultants.

### **Audit Committee**

Chairman: Efthymios Vidalis, independent, non-executive Board member

Members: Eftychios Vasilakis, independent, non-executive Board member

Vasilios Fourlis, independent non-executive Board member

Stand-in members: Spyridon Theodoropoulos, independent, non-executive Board member

Panagiotis Marinopoulos, independent, non-executive Board member

Petros Sabatacakis, independent, non-executive Board member

The Audit Committee is comprised exclusively of independent members of the Board of Directors who have extensive management, accounting and auditing knowledge and experience. The ordinary and stand-in members were elected by the General Meeting of Shareholders on 18.5.2010. The Committee's extensive auditing powers include supervising the work of the Group Internal Audit Division, which reports directly to the Audit 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 is in operation. The Audit Committee's duties and competences and its internal regulation have been posted to the Company's website ([www.titan.gr](http://www.titan.gr)) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

The Audit Committee carries out at least 4 scheduled meetings each year to audit first quarter, half-year, third quarter and annual financial statements and to monitor the Company's internal audit and risk management systems. It also holds unscheduled meetings whenever that is considered necessary.

In 2010 the Audit Committee held 4 meetings on 15.3, 10.5, 26.10 and 22.11. Moreover, its Chairman and members held a series of meetings with Company executives to prepare for the said Committee meetings. At its meetings the Committee addressed all issues

within its remit, and in particular it addressed the following topics: a. an audit of the Company's financial statements to check that they were complete and reliable in terms of the financial information they provide; b. monitoring and evaluation of the work of the Internal Audit Division, approval of changes to staffing of the internal audit services in Egypt, America, Greece and SE Europe, and evaluation and recommendations on the annual pay for the Group's Internal Audit Director; c. an audit and evaluation of the Company and Group's risk management systems; d. a check to ensure the independence of the certified public accountants; e. recommendations on the selection of an audit firm to review and audit the 2010 financial statements etc.

The certified public accountants were present at the Audit Committee's meetings relating to the half-year and annual financial statements for 2010.

### **Remuneration Committee**

Chairman: George David, independent, non-executive Board member

Members: Panagiotis Marinopoulos, independent, non-executive Board member

Petros Sabatacakis, independent, non-executive Board member

This Committee is comprised of non-executive members of the Board of Directors, at least two of whom are independent. Today, though, all members of the Committee are independent. Its task is to examine and submit proposals on all manner of pay and remuneration for members of the Board of Directors who offer their services to the Company on the basis of 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. During the year, the Remuneration Committee with its previous line-up met twice, on 26.4.2010 and 17.5.2010 (the line-up cited above arose following election of the new Board of Directors on 18.5.2010). At its first meeting the Committee discussed in great depth the new Performance-based stock option plan (RSIP 2010) and decided to submit it for approval of the GMS on 18.5.2010. At the second meeting the Committee discussed on the general pay policy, variable pay and stock option plans for senior executives of the Company and Group and took decisions on those matters. The level of pay of the CEO and four other executive members of the Board of Directors for 2010 was also set based on their performance, as was the bonus for achieving targets and their level of participation in the profits distributed for 2009 and the number of stock options to be granted in 2010 as part of the New stock option plan (RSIP 2010). Finally, it was decided to adjust remuneration for 2010, the bonuses for 2009 and the way in which stock options are granted to senior executives of the Company, including the Internal Audit Director, following discussions on this matter with the Audit Committee. All the above decisions of the Remuneration Committee were then submitted to the Board of Directors for approval.

The Remuneration Committee's duties and competences and its internal regulation have been posted to the Company's website ([www.titan.gr](http://www.titan.gr)) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

### **Nomination and Corporate Governance Committee**

Chairman: Spyridon Theodoropoulos, independent, non-executive Board member

Members: Takis Arapoglou, independent, non-executive Board member

Andreas Canellopoulos, non-executive Board member

This Committee is comprised of two independent Board members. The Chairman of the Board of Directors sits on the Committee as its third member. All members of the Committee have extensive experience in business administration and corporate governance. The task of this Committee is to recommend suitable candidates for membership of the Board of Directors, to plan for the transition 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.

The Committee, met twice in 2010 with its previous line-up, on 24.2.2010 and 18.3.2010 (the current line-up arose after the new Board of Directors was elected on 18.5.2010). At those meetings the Committee sought to draw conclusions from the responses of members of the Board to the questionnaire on evaluation of how the Board of Directors and its Committees operated in 2009, and selected suitable new candidates for the post of independent members of the Board to replace departing members of Board, Messrs. Dimitrios Krontiras and Elias Paniaras, who had served on the Board of Directors for the maximum term in office permitted. The Committee did not avail of the services of external consultants to identify suitable candidates since it considered that the candidates it had chosen, namely Messrs. Arapoglou and Sabatacakis, met all the criteria which had been laid down on the suitability of candidates. Those criteria are as follows: both candidates must not come from sectors competing against the Company, must have in-depth knowledge and considerable international experience in the entire range of operations of the banking and financial sector and must have a strong reputation in both the Greek and international market. The Committee considered that the mix of skills, knowledge and personality of the two candidates would ideally complement the existing line-up of the Board of Directors and would make a substantive contribution to how it performed its tasks. The Committee's recommendation was accepted by the Board of Directors, which then made a recommendation to the General Meeting on 18.5.2010. The General Meeting then elected the current members of the Board of Directors.

The Nomination and Corporate Governance Committee's duties and competences and its internal regulation have been posted to the Company's website ([www.titan.gr](http://www.titan.gr)) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

### **Corporate Social Responsibility Committee**

Chairman: Dimitrios Papalexopoulos, CEO

Vice-Chairman: Nellos Canellopoulos, executive member of the Board and Group External Relations Manager

### **Members**

Michail Sigalas, executive member of the Board, SE Europe and SE Mediterranean Region

Sokratis Baltzis, General Manager Greece Region

Aris Papadopoulos, USA Region Director

Panikos Trakkidis, Group Technology & Engineering Director

Vasilios Zarkalis, Group Chief Financial Officer

Giannis Kollas, Group HR Director

Alexios Laskaris, Corporate Social Responsibility Management Consultant

Maria Alexiou, Group Corporate Social Responsibility Director

The purpose of this Committee is to provide advice and to support Company Management in planning strategy and coordinating Group activities in the Corporate Social Responsibility sector. Its aim is to constantly improve Group and subsidiary performance in three core fields: health and safety at work, environmental protection viewed from the perspective of sustainable development and stakeholder engagement. Its activities include adopting Corporate Social Responsibility and Sustainable Development principles and integrating them into the Group's various sectors of activity and operations; providing advice and support to constantly improve Company and Group performance; periodically measuring and assessing the environmental and social impact of the Company's major investments and regularly briefing the Board of Directors about this; and ensuring active Company participation in Greek and international Corporate Social Responsibility-related bodies. Former members of the Committee and other competent senior executives of the Company and Group are also entitled to attend Committee meetings.

In 2010 the Corporate Social Responsibility Committee held 3 meetings.

The Corporate Social Responsibility Committee's duties and competences and its internal regulation have been posted to the Company's website ([www.titan.gr](http://www.titan.gr)) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

#### **Executive Committee**

**CHAIRMAN:** Dimitrios Papalexopoulos, CEO

**MEMBERS:** Nellos Canellopoulos, Group External Relations Director

Sokratis Baltzis, General Manager Greece Region

Alexandra Papalexopoulou-Benopoulou, Group Strategic Planning Director

Aris Papadopoulos, USA Region Director

Michail Sigalas, SE Europe and SE Mediterranean Sector Director

Vasilios Zarkalis, Group Chief Financial Officer

The Company's Articles of Association provide for an Executive Committee, today comprised of 4 executive members of the Board of Directors and 3 senior management executives from the Group, which is responsible for supervising the operation of various Company departments and divisions, and coordinating their activities. Any of the persons who have acted in the past as Chairmen, Directors and Executive Directors of the Board of Directors are entitled to participate in the activities of the Executive Committee. Other members of the Board of Directors and persons who have served as Chairmen, CEO or Executive Directors are also entitled to participate in the work of the Executive Committee.

In 2010 the Executive Committee held 20 meetings.

#### **Evaluation of the Board of Directors and its Committees in 2010**

In 2010, the Company's Board of Directors held 7 scheduled meetings on 18.3, 26.4, 17.5, 18.5, 26.8, 23.11 and 16.12. It also held an additional 4 meetings of 12.1, 7.5, 22.6 and 18.4, to take decisions on then current corporate issues that needed to be addressed.

As already mentioned, during 2010 the Audit Committee met 4 times (on 24.2, 27.5, 27.8 and 16.11), the Nomination and Corporate Governance Committee met 2 times (on 24.2 and 18.3) and the Remuneration Committee met 2 times (on 26.4 and 17.5).

Below is a table showing which members attended these meetings of the Board of Directors and its Committees during 2010:

**BOARD AND COMMITTEE MEETINGS – FREQUENCY AND ATTENDANCE**

NAMES	Seven scheduled Board meetings			Four non-scheduled Board meetings			Audit committee Four meetings		Nomination and Corporate Governance Committee Two meetings		Remuneration Committee Two meetings	
	participation	representation	Absent	participation	representation	Absent	participation	Absent	participation	Absent	participation	Absent
ANDREAS CANELLOPOULOS	6/7	1		4/4								
DIMITRIOS Krontiras *	3/3			2/2					2/2			
TAKIS(EFSTRATIOS-GEORGIOS) ARAPOGLOU **	3/4		1	1/2		1						
DIMITRIOS PAPALEXOPOULOS	7/7			4/4								
EFTICHIOS VASILAKIS	5/7	1	1	1/4	2	1	4/4		2/2			
EFTHYMIOS VIDALIS	4/7	2	1	1/4	1	2	4/4					
GEORGE DAVID	3/7	4				4					2/2	
SPYRIDON THEODOROPOULOS	6/7	1			4				2/2			
NELLOS CANELLOPOULOS	7/7			4/4								
TAKIS-PANAGIOTIS CANELLOPOULOS	7/7			4/4								
PANAGIOTIS MARINOPOULOS	5/7	2		2/4	2						2/2	
ELIAS PANIARAS *	3/3			2/2							2/2	
ALEXANDRA PAPALEXOPOULOU-BENOPOULOU	7/7			4/4								
PETROS SABATACAKIS **	3/4		1	1/2	1							
MICHAIL SIGALAS	7/7			4/4								
VASSILIOS FOURLIS	5/7	2		1/4	2	1	4/4					

\*Their term in office ended on 18.05.2010

\*\* Their term in office started on 18.05.2010

The activities of the Board of Directors, Audit Committee, Remuneration Committee, Nomination and Corporate Governance Committee during 2010 and the individual contribution of each member of the Board of Directors was evaluated by the members of the Board of Directors by filling out a special, detailed questionnaire which had been prepared by the Company Secretary. The questionnaire was divided into 5 sections (Chairman's Leadership, Line-up/ Effectiveness, Board operations /work, Responsibility /Accountability / Communication with Shareholders, and Committee Operations / Work). At the end of the questionnaire there was also a box where each member could provide his overall individual evaluation and score, ranging from 1 to 4 depending on this performance and contribution to the work of the Board and its Committees.

The questionnaires were filled out anonymously and sent to the Company Secretary.

The Nomination and Corporate Governance Committee presented the conclusions drawn from the answers to these questionnaires to the Board of Directors and submitted specific proposals on how to further improve the operations and performance of the Board of Directors and its Committees.

Moreover, the Board's independent members evaluated the Chairman's performance during their meeting, without the Chairman or other executive members being present.

### **Remuneration of Board members in 2010**

Following the preliminary approval given by the General Meeting on 18.5.2010, the remuneration for members of the Board of Directors, Audit Committee, Remuneration Committee and Nomination and Corporate Governance Committee for the year 2010 remained at the same level as in 2009. More specifically, the 14 members of the Board of Directors received a total of € 268,800 gross for their participation in the Board (€ 174,720 net, or €12,480 for each member). The following remuneration was paid for the participation of Board of Directors members in the following Committees:

The 3 members of the Audit Committee received a total of €38,400 (€24,690 net or € 8,320 each).

The 3 members of the Remuneration Committee received a total of €19,200 (€12,480 net or €4,160 each).

The 3 members of the Nomination and Corporate Governance Committee received a total of €19,200 (€12,480 net or €4,160 each).

The annual remuneration for 2010 for the 5 members of the Board of Directors who provided their services to the Company on the basis of an employment contract, the bonus they received for achieving the 2009 targets and the number of stock options granted in 2010 were decided on by the Board of Directors following a recommendation from the Remuneration Committee, based on their performance and the achievement of specific business targets.

The annual pay for the Chairman of the Board was also decided on by the Board of Directors following a recommendation from the Remuneration Committee, after the performance of his duties had first been evaluated by the Board of Directors. It should be noted that the Chairman has never participated in the company's stock option plans and consequently no options were granted to him in 2010.

The salary and all manner of gross remuneration paid to the Chairman and the 5 executive members of the Board of Directors offering their services to the Company on

the basis of an employment contract totalled € 2,007,822.74. Moreover, a total of € 311,192 was paid for their participation in the distribution of profits for the year 2009. .

In 2010 the 5 executive members also received 58,500 stock options in the context of the Company's Stock Option Plan approved by the General Meeting of Shareholders on 3.6.2010. Those options will mature under the strict terms and conditions specified in the Stock Option Plan (see the description below) after 3 years have elapsed (namely in 2013).

In 2009, with the consent of the Remuneration Committee, no stock options were granted. Instead those members were entitled to an additional extraordinary remuneration tied into the price and performance of the Company's stocks at their maturity date (namely November 2011), at which time the Board members will be entitled, under certain conditions, to exercise all or part of their granted rights.

In 2010, the 5 executive members of the Board of Directors exercised in total 9,235 options to purchase ordinary shares in the Company at a purchase price of €4 per share, whereas in 2009 they had exercised options to purchase 7,800 ordinary shares in the Company at a purchase price of €4 per share.

Finally, following a practice advanced by the Code, the Company sets out information on the remuneration that two of the Board's executive members, Mr. Dimitrios Papalexopoulos and Mrs. Alexandra Papalexopoulou, received in 2010 for their participation, as independent, non-executive members of the Board of Directors of the following companies, which are listed in the Athens Exchange.

Mr. Dimitris Papalexopoulos received the net amount of €9,633, as remuneration for his participation in the Board of Directors of EFG EUROBANK ERGASIAS and the net amount of €5,200 as remuneration for this participation in the Board of Directors of LAMDA DEVELOPMENT S.A.

Mrs. Alexandra Papalexopoulou received the net amount of €28,710 for her participation in the Board of Directors of NATIONAL BANK OF GREECE and the net amount of €8,000 for her participation in the Board of Directors of FRIGOGLASS S.A.

#### **IV. Stock option plans for executive members of the Board of Directors and senior executives of the Company and Group**

In an attempt to link the long-term personal goals of its senior executives with the interests of the Company and its shareholders, TITAN CEMENT S.A. has established and has been using stock option plans since 2000.

The initial 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. Under the 2000 plan, options to purchase 119,200 ordinary shares were exercised at a sale price of €29.35 per share and options to purchase 451,900 ordinary shares were exercised at a sale price of €14.68 per share.

In 2004 a new plan was approved (the 2004 Plan) again for a three-year 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 its related companies and 4 executive members of the Board of Directors were given 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 stated that the options granted would vest after three years and after that date the beneficiaries would be entitled, without other formalities, to acquire only 1/3 of the number of options granted, whereas the ability to exercise the

other 2/3 of the options would depend on the performance of the Company's ordinary shares in relation to the average performance of the ATHEX FTSE 20, FTSE 40 and General indexes and the highly merchantable shares of pre-selected high cap companies in the building materials sector worldwide. Under the 2004 Plan, options to purchase 186,000 ordinary shares were eventually exercised up to December 2009 (108,489 in December 2006, 39,370 in December 2007, 14,200 in December 2008 and 23,950 in December 2009).

On 29.5.2007 the General Meeting of Shareholders approved the third stock option plan (the 2007 Plan) covering the three-year period 2007-2009, which provides an exercise price equal to the nominal price of the Company's share. Said plan is still in effect, given that the options have been granted to the beneficiaries but the options have not all matured yet or been exercised. More specifically, in implementation of the 2007 Plan, in 2007, 2008 and 2009 options to purchase 399,300 ordinary shares in the Company were granted to 103 senior executives of the Company and its related companies, including 5 executive members of the Board of Directors.

Under the 2007 Plan, the number of options which can be exercised by beneficiaries after the end of the maturity period 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 share in relation to the performance of the highly merchantable shares of 12 pre-selected high cap 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 accordance with the vesting terms and conditions of the 2007 Plan, in December 2009 only 11.11% of the options which had been granted to beneficiaries in 2007 vested, while in December 2010, 22.22% of the total number of options granted to beneficiaries in 2008 vested. Overall, in December 2009 and December 2010 options to purchase 43,116 ordinary shares in the Company were exercised at a price equal to the nominal price of each share, namely €4 per share. In December 2011 options to purchase 86.880 ordinary shares in the Company granted to beneficiaries in 2009 may vest in whole or in part depending on whether the terms and conditions of the 2007 Plan are met.

Lastly, on 3.6.2010 the General Meeting approved the most recent stock option plan (the 2010 Plan) which states that in 2010, 2011 and 2012 around 100 beneficiaries in total will be given stock options for 1 million ordinary shares in the Company (treasury stock) which will vest and can be exercised in 2013, 2014 and 2015 respectively, at a sale price equal to the nominal value of the share (€4 per share) provided that the Plan's objectives have been achieved, which depend (a) on the Group's operating results and net profits and (b) on the performance of the Company's share compared to the performance of the merchantable shares of other high cap companies in the building materials sector internationally and (c) the performance of the Company's ordinary share in relation to the performance of the ATHEX FTSE 20, ATHEX FTSE 40 and FTS Eurofirst 300 indexes.

The 2010 Plan also favours the long-term retention of a significant number of shares by company executives, since it contains a term requiring the retention of a minimum

number of shares depending on the executive's position within the hierarchy, and any infringement of that requirement will result in a reduced number of options being granted in the next stock option plan.

It should be also noted that all the above Plans were designed to deter the undertaking of excessive risks by the senior executives of the Company, which, if unsuccessful, could have as a result the significant decrease of the Company's share price. Therefore, the Plans require the share price to be attractive at the time of the exercise of the option, compared to its trading price at the time of the grant of the option.

As part of the 2010 Plan, the 5 executive members of the Board of Directors and 98 other executives of the Company and companies in the Group were granted stock options for 267,720 ordinary shares (treasury stock) of the Company following an evaluation of the importance of their role, their performance and career development with the Company. Those options will vest and can be exercised in 2013 at a sale price equal to the nominal value of each share (€4 per shares) provided that the objectives of the said plan have been met.

A detailed description of these Plans is available on the Company's website ([www.titan.gr](http://www.titan.gr)), link: <http://ir.titan.gr/home.asp?pg=stockoption&lang=en>

## **V. Description of main features of the Company's internal audit and risk management system in relation to the procedure for preparing the financial statements**

### **Internal Audit**

Internal audit is carried out by the Group Internal Audit Division, which is an independent department with its own written regulation, reporting to the Board of Directors' Audit Committee.

Internal audit is performed today by 15 executives who have the necessary training and experience to flawlessly carry out their work.

Internal Audit's primary role is to evaluate the checks and balances that have been put in place for all Group functions in terms of their adequacy and effectiveness. Internal Audit's functions also include checking compliance with the laws in all jurisdictions in which the Group operates, as well as compliance with the Company's Internal Regulation and Code of Conduct.

During 2010, 23 written reports from the Internal Audit Division relating to all audits of Group functions were submitted to the Audit Committee, and via it to the Board of Directors. The half-yearly and annual reports on the work of the Internal Audit Division, which contained an overall reference to the most important audit findings, were also submitted. During 2010 the Audit Committee held regular private meetings with the Group's Internal Audit Director to discuss functional and organisational issues, and all the information requested was provided and briefings were given about the audit systems currently in place, their effectiveness and the progress of audits. Following a report from the Audit Committee the Board of Directors approved the audit schedule for 2011 and specified the functions and points on which internal audit must focus.

During 2010 the Board of Directors, acting on a recommendation from the Audit Committee, decided to make specific changes to how the Internal Audit Division was organised in the Greece, USA, SE Europe and Eastern Mediterranean regions was organised to ensure a more rational allocation of staff and better internal auditing overall.

## **The System of Internal Controls and Risk Management**

The Board of Directors is generally responsible for the Company and Group's internal audit and risk management, and for evaluating their effectiveness each year.

The Board of Directors confirms that the Company has internal control systems and risk management policies in place and that it has been informed by the CEO and the competent Group executives about their effectiveness.

The Board of Directors is aware of the important risks which could materially impact the Group's operations, reputation and results, as well as of the risk management processes that support their identification, prioritization, mitigation and monitoring.

It should be noted, though, that the system of internal controls and the risk management provide reasonable, but not absolute security, as they are designed to reduce the probability of occurrence of the relevant risks and to mitigate their impact, but cannot preclude such risks from materialising.

Specifically, the key elements of the system of internal controls utilized in order to avoid errors in the preparation of financial statements and to provide reliable financial information are as follows:

The assurance mechanism regarding the integrity of the Group's financial statements consists of a combination of the embedded risk management processes, the applied financial control activities, the relevant information technology utilized, and the financial information prepared, communicated and monitored.

The Group's management reviews on a monthly basis the consolidated financial statements and the Group's Management Information (MI) – both sets of information being prepared in accordance with IFRS and in a manner that facilitates their understanding.

The monthly monitoring of the financial statements and Group MI and their analysis carried-out by the relevant departments, are key elements of the controlling mechanism regarding the quality and integrity of financial results.

In consolidating the financial results and statements, the Group utilizes consolidation software and for reconciling intercompany transactions and balances the Group utilizes intercompany software. These are specialized software that has been created exclusively for these processes. These tools come with built-in control mechanisms and they have been parameterized in accordance with the Group needs. Finally, the above tools recommend best-practices regarding the consolidation process which the Group has to a large extent adopted..

During each Board meeting, the Group CEO informs the Board about financial results and business performance and the Group CFO informs the Board on the aforementioned once every quarter.

The Group's external auditors review the mid-year financial statements of the Company, the Group and its material subsidiaries and audit the full-year financial statements of the aforementioned. In addition, the Group's external auditors inform the Audit Committee about the outcomes of their reviews and audits.

During its quarterly, bi-annual and annual reviews of the financial statements, the Audit Committee is informed about the performance of the Group's working capital and cash-flow, as well as about the Group's financial risk management. Following this, the Audit Committee informs the Board whose members have the right to request additional information or clarifications.

Prior to Board's approval, the Audit Committee reviews the consolidated financial statements. Any additional information or clarifications regarding the financial statements and requested by the Audit Committee is provided by the Company's relevant executives.

### **Risk management**

Given the nature of its operations and its geographical diversification, the Group is *de facto* exposed to risks and uncertainties, the most important of which are outlined in the Section Risk and Uncertainties of the Board of Directors' Annual Report. Those risks include, among others, financial risks (liquidity/FX/interest rate/credit risks), risks arising from the cyclical nature of the construction sector, risks arising from the Group's presence in developing markets, risks arising from natural disasters, risk of accidents, environmental risks, risks related to energy costs/access to raw materials and risks related to legal disputes.

The Board of Directors' Annual Report contains a detailed description of the policy it implements to address financial risks and quite a few of the other risks referred to above. The financial risk management policy implemented is reviewed and revised twice a year by the Board of Directors.

The Group management team's main concern is to ensure that by implementing appropriate internal audit and risk management systems the Group overall is able to rapidly and effectively respond to risks as they arise and in all events to take the right measures to mitigate their effects to the extent possible. To that end, the systems implemented by the Group provide for specific procedures to be followed and the implementation of specific policies and standards and designate the competent officers, at all levels, assigned with the management of the risks, and their limits of authority..

The Board of Directors are informed at least once a year about the main operational risks faced by the Group and examines whether those risks are clearly defined, have been adequately assessed and whether the method for managing them is effective.

### **VI. Information required by Article 10(1) of European Parliament and Council Directive 2004/25/EC**

The information required by Article 10(1) of European Parliament and Council Directive 2004/25/EC is contained, pursuant to Article 4 (7) of Law 3556/2007, in the Explanatory Report which is part of the Board of Directors' Annual Report and is set out above.

### **VII. Information about how the General Meeting of Shareholders operates and its main powers, a description of shareholder rights and how they are exercised**

#### **General Meeting**

#### **The General Meeting's *modus operandi* – Powers**

According to Article 12 of the Company's Articles of Association, the General Meeting of Shareholders is the Company's supreme body and is entitled to decide on all corporate affairs.

The General Meeting is the sole body competent to decide on:

a) Amendments to the Articles of Association, other than those which are decided on by the Board of Directors pursuant to law (Article 11(5), Article 13(2) and (13), and Article 17b(4) of Codified Law 2190/1920).

- b) Increases or reductions in the share capital, with the exception of those cases where that power lies with the Board of Directors pursuant to Law or the Articles of Association, and increases or reductions required by the provisions of other laws.
- c) The distribution of the annual profits, save for the case referred to in Article 34(2)(f) of Codified Law 2190/1920.
- d) The election of members and stand-in members of the Board of Directors, apart from the cases cited in Article 25 of the Articles of Association, relating to the election of members by the Board of Directors to replace members who have resigned, passed away or been removed from their post, for the remainder of the term in office of the members being replaced and provided that said members cannot be replaced by the stand-in members elected by the General Meeting.
- e) Approval of the annual accounts (annual financial statements).
- f) The issuing of corporate bonds, in parallel with the right of the Board of Directors to issue such bonds in accordance with Article 28 of the Articles of Association.
- g) The election of auditors.
- h) The extension of effective term, merger, split, conversion, revival, or winding up of the Company.
- i) The appointment of liquidators.
- j) The filing of actions against members of the Board of Directors for acting *ultra vires* or for infringing the law or the Articles of Association and
- k) All other issues relating to the Company for which the General Meeting is granted competence by the law or the Articles of Association.

The General Meeting meets at the seat of the Company or in another municipality within the prefecture where the seat is located or in another municipality bordering the place of its seat at least once every accounting period and within 6 months at the most from the end of that accounting period. It may also meet within the boundaries of the municipality where the Athens Exchange has its registered offices.

The invitation for the General Meeting must include at least the place and precise address, date and time of the meeting, the items on the agenda clearly stated, the shareholders entitled to take part, and precise instructions about how shareholders can take part in the meeting and exercise their rights in person or via a representative. The minimum information which should be stated in the invitation also includes information about the time period in which minority rights can be exercised, the cut-off date with an indication that only shareholders on the cut-off date can attend and vote at the General Meeting, a notice of the place where the full text of documents and drafts of decisions proposed by the Board of Directors for all items on the agenda are available, and a reference to the Company's website where all the above information is available, and the forms which must be used when shareholders vote via a representative.

The invitation for the General Meeting must be published in full or in summary format (which must necessarily include an express reference to the website where the full text of the invitation and information required by Article 27(3) of Codified Law 2190/1920 is available) in the publications specified in Article 26(2) of Codified Law 2190/1920, in the Societes Anonyme and Limited Liability Companies Bulletin of the Government Gazette and on the ATHEX and Company websites at least 20 days before the date of the meeting.

The full text of the invitation must also be published in electronic news services with a national or European reach, in order to effectively disseminate information to investors and to ensure rapid, non-discriminatory access to such information.

### **Right to attend General Meetings**

All shareholders are entitled to take part in the General Meeting.

To take part, holders of shares must have been shareholders at the start of the fifth day before the date of the General Meeting (cut-off date).

Such persons can demonstrate that they are shareholders by submitting a written certificate from Hellenic Exchanges S.A. or, in the alternative, by the Company connecting online to the files and records of that company.

The written or online certificate proving that they are shareholders must be presented to the Company no later than the third day before the date of the General Meeting.

Other than that requirement, exercise of the right to participate in the General Meeting does not require shareholders to block their shares or comply with any other formalities which limit the ability to sell or transfer their shares in the time period between the cut-off date and the date of the General Meeting.

Shareholders or their representatives who have not complied with these formalities may only take part in the General Meeting with its permission.

Shareholders may attend the General Meetings either in person or through one or more representatives, whether shareholders or not. Each shareholder may appoint up to 3 representatives. However, if a shareholder holds shares in the Company which appear in more than one securities account, this limitation does not prevent the shareholder from appointing different representatives for the shares which appear in each securities account. A representative who acts for more than one shareholder may vote differently on behalf of each shareholder.

Legal entities may participate in the General Meeting by appointing up to 3 natural persons as their representatives.

Shareholder representatives can be appointed and removed in writing, such notice being sent to the Company in the same way, at least 3 days before the date set for the General Meeting. The Company has made the forms, which must be filled out and sent by shareholders in order to appoint a representative, available on its website.

The Company's Articles of Association does not allow shareholders to participate in the General Meeting and exercise voting rights remotely or by correspondence.

Shareholder representatives are obliged to inform the Company before the General Meeting starts about any information which shareholders should be aware of so that they can determine whether there is a risk of the representative serving interests other than their own interests. Conflicts of interest may arise in cases where the representative:

- a. is a shareholder who controls the Company or is another legal entity or person controlled by that shareholder;
- b. is a member of the Board of Directors or of the management team of the Company or a shareholder who controls the Company, or another legal person or entity controlled by a shareholder who controls the Company;

c. is an employee or certified public accountant of the Company or a shareholder who controls the Company, or another legal person or entity controlled by a shareholder who controls the Company;

d. is the spouse or a relative to the first degree of one of the natural persons referred to above.

### **Quorum – Majority**

According to the law and the Articles of Association, the General Meeting has a quorum and is validly met on the items of the agenda when shareholders representing at least 1/5 of the paid up share capital are present or represented at the meeting. If that quorum is not achieved at the first meeting, the Meeting must reconvene within 20 days from the date on which it was not possible to hold the meeting, and that meeting has a quorum and is validly met on the items on the initial agenda, irrespective of the percentage of the paid-up share capital represented at that meeting. In all the above cases, decisions of the General Meeting are taken by absolute majority of the votes represented at it.

By way of exception, in the case of decisions relating to a change in the Company's nationality; a change in the business object; an increase in shareholders' obligations; an increase in share capital not provided for by the Articles of Association in line with Article 13(1) and (2) of Codified Law 2190/1920 unless required by law or done by capitalising reserves; a reduction in share capital unless done in accordance with Article 16(6) of Codified Law 2190/1920; a change in the profit distribution method; the merger, split, conversion, revival, extension of effective term or winding up of the Company; the granting or renewal of powers to the Board of Directors to increase the share capital in accordance with Article 13(1) hereof, and all other cases specified by law, the General Meeting has a quorum and is validly met on the items of the agenda when shareholders representing at least 2/3 of the paid up share capital are present or represented at the meeting. In all the above cases, decisions of the General Meeting are taken by 2/3 majority of the votes represented at it.

If that qualified quorum is not achieved, the General Meeting will be invited to convene and will reconvene within 20 days from the date on which the meeting could not take place, and will have a quorum and be validly met on the items on the initial agenda if at least 1/2 of the paid-up share capital is represented at it. If that quorum is not achieved, the General Meeting will be called and will convene again within 20 days and will have a quorum and be validly met on the items on the initial agenda when at least 1/5 of the paid-up share capital is represented at it. In all the above cases, decisions of the General Meeting are taken by 2/3 majority of the votes represented at it.

No other invitation is required if the initial invitation specifies the place and time of any repeat meetings that might be held if a quorum is not achieved at the first meeting, provided that at least 10 days (meaning 10 full days) elapse between the meeting which was cancelled and the repeat meeting.

### **Shareholder's Rights**

#### **Right to attend General Meetings**

As explained in detail above, shareholders are entitled to attend General Meetings in person or via representatives who may or may not be shareholders.

#### **Right to vote at General Meetings:**

Every share, apart from preferred shares to which no voting rights are attached, comes

with a voting right.

### **Rights of preferred shareholders**

According to the decision of the Company's Ordinary General Meeting of Shareholders of 27.6.1990, which decided to increase the Company's share capital by issuing preferred shares without voting rights, the preferences granted to preferred shares without voting rights were as follows:

A. The right to receive the first dividend from the profits of each year before ordinary shareholders, and in the case where no dividend is distributed or a dividend lower than the first dividend is distributed in one or more years, to receive payment on that first dividend on a preferential and cumulative basis for those years from the profits generated in subsequent years. Holders of non-voting preferred shares are also entitled, on the same terms as holders of ordinary shares, to receive any additional dividend paid in any form. It should be noted that following amendments to the provisions of Article 45(2) of Codified Law 2190/1920 on the profits of societies anonyme to be distributed, in accordance with Article 79(8) of Law 3604/2007, the obligation to distribute 6% of the paid-up share capital as the minimum mandatory first dividend was abolished, and it is now mandatory to distribute 35% of the net profits.

B. Preferential return of capital paid up by holders of non-voting preferred shares from the product of the liquidation of corporate assets in the event of the Company being wound up. Holders of non-voting preferred shares are entitled, on equal terms with the holders of ordinary shares, to a proportionally greater share in the product of liquidation of assets, if this product is greater than the total paid-up share capital.

### **Priority rights**

In any event of share capital increase, when that increase does not result from a contribution in kind or the issue of bonds with the right of conversion into shares, priority rights are granted on the entire new capital or bond issue to the Shareholders of the Company at the time of issue, proportionate to their holding in the existing share capital.

Where the Company's share capital is increased with shares from only one of the classes of shares the Company has issued, the priority right is granted to shareholders in the other class only after it is not exercised by shareholders in the class to which the new shares belong.

Pursuant to article 13(10) of Law 2190/1920, priority rights may be limited or abolished by decision of the General Meeting of Shareholders, requiring a special increased quorum and majority, pursuant to the provisions of Article 29(3) and (4) and Article 31(2) of Law 2190/1920.

### **Right to receive a copy of the financial statements and reports of the BoD and Auditors**

Ten (10) days prior to the Ordinary General Meeting, each shareholder may request the annual Financial Statements and relevant reports of the Board of Directors and Auditors from the Company.

### **Minority rights**

**Following an application submitted by any Shareholder** to the Company within at least 5 full days prior to the General Meeting, the Board of Directors shall be obliged to provide the General Meeting with the requested specific information on the Company's affairs, to the extent that it may be useful for the actual assessment of the items on the

agenda. The Board of Directors may provide a single response to shareholder requests relating to the same matter. The obligation to provide information does not exist when the information requested is already available on the Company's website, especially in the form of questions and answers. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920.

**At the request of Shareholders representing 1/20 of the paid-up share capital:**

A. The Board of Directors shall be obliged to convene an Extraordinary General Meeting within a time period of 45 days from the date of service of the relevant request on the Chairman of the Board of Directors. This application must contain the items on the agenda of the requested Meeting. Where the General Meeting is not convened by the Board of Directors within 20 days from service of the request, it shall be convened by the applicant shareholders at the Company's expense by decision of the Single-Member Court of First Instance at the seat of the Company, which decision shall be issued in line with the injunctive relief procedure. This decision shall state the time and place of the meeting and the items on the agenda.

B. The Board of Directors shall be obliged to enter additional items on the agenda of the General Meeting that has already been convened, provided that it receives the relevant request within at least 15 days prior to the General Meeting. The additional items shall be published or notified by the Board of Directors at least 7 days before the General Meeting. That request to have additional items included in the agenda shall be accompanied by the reasons for such inclusion or a draft decision for approval by the General Meeting and the revised agenda shall be published in the same manner as the previous agenda, in other words 13 days before the date of the General Meeting, and shall also be made available to shareholders on the Company's website, along with the reasoning or draft decision submitted by the shareholders.

C. At least 6 days before the date of the General Meeting the Board of Directors is obliged to provide shareholders with drafts of decisions on the items which have been included in the initial or revised agenda, if a request to that effect is received by the Board of Directors at least 7 days before the date of the General Meeting.

It should be made clear that the Board of Directors is not obliged to include items in the agenda or publish or disclose them along with the reasoning and drafts of decisions submitted to shareholders in accordance with the aforementioned two sections if the content thereof is clearly in conflict with the law and morals.

D. The Chairman of the General Meeting shall be obliged – only once – to postpone the making of decisions by the General Meeting, whether ordinary or extraordinary, on all or certain items, setting the date of continuation of the session at that which is stipulated in the relevant application, which cannot however be more than 30 days following the date of postponement. A postponed General Meeting which reconvenes shall be deemed a continuation of the previous one and for this reason no repetition of the publication requirements shall be required, and new shareholders may also participate provided that they comply with the obligations for participation in the General Meeting.

E. The Board of Directors shall be obliged to announce to the Ordinary General Meeting the amounts that have in the last two-year period been paid to each member of the Board of Directors or to the Company directors, as well as any benefits granted to these persons due to any reason or contract concluded between them and the Company where an

application is submitted at least 5 full days prior to the Ordinary General Meeting. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920. Any doubts about the validity or otherwise of the reasons for refusal to provide information may be cleared up before the Single-Member Court of First Instance at the company's seat.

F. Decisions on any item on the agenda of the General Meeting must be taken by a call of names.

G. **In addition, shareholders representing 1/20 of the paid-up share capital** are entitled to request that the Single-Member Court of First Instance at the Company's seat audit the Company in the manner specified in Article 40 of Codified Law 2190/1920. In any event, the request for an audit must be submitted within 3 years from the approval of the financial statements of the fiscal year in which the contested transactions were effected.

**Following an application made by Shareholders representing 1/5 of the paid-up share capital**, which shall be submitted to the Company at least 5 full days prior to the General Meeting, the Board of Directors shall be obliged to provide the General Meeting with information on the course of corporate affairs and the state of the Company's assets. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920, where the relevant members of the Board of Directors have taken adequate cognisance of these matters. Any doubts about the validity or otherwise of the reasons for refusal to provide information may be cleared up before the Single-Member Court of First Instance at the Company's seat.

In all the above cases where rights are exercised, the applicant shareholders are obliged to demonstrate that they are in fact shareholders, and the number of shares they hold, when exercising their right. A certificate from Hellenic Exchanges S.A. or confirmation that they are shareholders by means of the online connection between HELEX and the Company constitute evidence for this.

**Moreover, shareholders representing 1/5 of the paid-up share capital** shall be entitled to request an audit of the Company from the Single-Member Court of First Instance, which has jurisdiction over the area of the Company's registered offices, in case from the overall course of the Company's affairs it may be concluded that the Company is not being administered in accordance with the principles of sound and prudent management laid down in Article 40 of Codified Law 2190/1920.

#### **Right to dividends:**

According to the Articles of Association, the minimum mandatory dividend to be distributed each year by the Company is equal to the minimum mandatory dividend specified by law (Article 45 of Codified Law 2190/1920), which according to Article 3 of Development Law 148/1967 is at least 35% of the Company's net profits, after all necessary withholdings to establish the statutory reserve.

Dividends must be paid within 2 months from the date of the Ordinary General Meeting of Shareholders approving the Company's annual financial statements.

The place and method of payment is announced in notices published in the press, the Daily Price Bulletin and both the ATHEX and Company websites.

Dividends which remain unclaimed for a period of five years from the date on which they become payable may not be claimed and are forfeited to the State.

**Right to the product of liquidation:**

On completion of the liquidation, the liquidators return the contributions of the Shareholders in accordance with the Articles of Association and distribute to them the balance from the liquidation of the Company's assets in proportion to their share in the paid-up share capital of the Company.

**Shareholders' liability:**

Shareholders' liability is limited to the nominal value of the shares held.

**Exclusive Jurisdiction of the Courts – Applicable Law:**

Each Shareholder, regardless of where he or she resides, is – in dealings with the Company – deemed to have the location of the registered offices of the Company as his/her legal place of residence, and is subject to Greek Law. Any dispute between the Company and the Shareholders or any third party is to be resolved by recourse to the Ordinary Courts; legal actions may be brought against the Company only before the Courts of Athens.

**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 monitoring Company relations with its Shareholders and investors, and for ensuring that information is provided to investors and financial analysts in Greece and abroad on an equal footing in good time and that such information is up-to-date. The aim here is to generate long-term relationships with the investment community and retain the high level of trust that investors have in the Group.

The Group Investor Relations Manager is Mr. Takis Canellopoulos, 22a Halkidos St., GR-11143, Athens tel: 0030 210-2591163, fax: 0030 210-2591106, e-mail: ir@titan.gr.

**Shareholder Services Department**

This Department is responsible for providing immediate, at-arms-length information to shareholders and for facilitating them when exercising the rights granted to them by the law and Articles of Association of the Company.

The Shareholder Services Department and the Corporate Announcements Department are run by Ms. Nitsa Kalesi, 22a Halkidos St., GR-11143, Athens, tel: 0030 210-2591257, fax: 0030 210-2591238, e-mail: kalesin@titan.gr.

**Corporate Announcements Department**

This Department is responsible for communications between the Company and the Hellenic Capital Market Commission and the Athens Exchange, Company compliance with the obligations set forth in Laws 3340/2005 and 3556/2007, compliance with the relevant decisions of the Hellenic Capital Market Commission and for sending published Company reports to all competent authorities and the media.

The Company's website address is: [www.titan-cement.com](http://www.titan-cement.com)

Reuters code: TTNr.AT, TTNm.AT

Bloomberg code: TITK GA, TITP GA.

### **VIII. Reference to derogations from the Corporate Governance Code**

In accordance with Article 2 of Law 3873/2010, the Board of Directors declares that the Company complies with the provisions of the UK Combined Code on Corporate Governance save for the following derogations:

A. The official letter sent to the non executive members of the Board of Directors after their election by the General Meeting on 18.5.2010 did not set out their expected time commitment for their performance of their duties (Section B.3.2 of the Code). It was not considered necessary to make an express reference to this because, to date, non executive members have always set aside satisfactory amounts of time in order to perform their duties. Hereinafter, where non executive members of the Board are elected, the Company does intend to apply the practice referred to in Section B.3.2 of the Code.

B. For the time being the Board of Directors does not consider it necessary to have the evaluation of the Board externally facilitated every three years (Section B.6.2. of the Code). The Board is of the view that evaluation of the Board's performance by its members and self-assessment of the individual performance of each member is strict and contributes to improved performance of the Board of Directors and its members.

C. The Company does not implement the practice referred to in Section B.1.1. of the Code, whereby independent members of the Board of Directors should not serve for more than 9 years from the date they were first elected. As explained in detail in the paragraph relating to the independent members of the Board of Directors in Section III of this Statement, two of the Board's independent members elected by the General Meeting on 18.5.2010 with a tenure until the Ordinary General Meeting of 2013, do meet the independence conditions laid down in Article 3(1) of Law 3016/2002 but are currently in their tenth year on the Board of Directors since they were first elected as members of the Board of Directors by the General Meeting of Shareholders in 2001. However, the Board of Directors considered that the reputation, business acumen and personality of those members ensure that they are independent both in character and judgment. Notwithstanding the above, it should be noted that the Board of Directors has resolved that when the next Board is being elected the principle of independent, non-executive Board members not serving for more than 3 terms in office (or a maximum of 9 years) will apply. Today, the maximum limit is 4 terms in office (or 12 years).

D. The practice referred to in Section B.7.1 of the Code which requires that all Board members of FTSE 350 companies and non-executive members who have served for more than 9 years should be subjected to annual re-election by the General Meeting, is not applied.

The main reason for this derogation is that the Company's Articles of Association provide that all members of the Board of Directors are elected by the General Meeting to serve for a three-year term in office. It should be also noted that the Greek law allows the Board members to be elected for tenure up to six years.

Moreover, the Greek Law (article 39 of Law 2190/1920) provides that shareholders representing 1/20 of the paid-up share capital are entitled to request the entering on the agenda of a General Meeting already convened of additional items, including, therefore, the election of a new Board of Directors. For the taking of a relevant resolution, it is

required the ordinary quorum of 1/5 of the paid up share capital and absolute majority of the votes represented at the General Meeting.

It should be further pointed out that according to the law and the articles of association of the Company, in case a member of the Board is elected by the Board of Directors to replace another member who resigned, passed away or was removed from office on other grounds, that decision must be disclosed to the next General Meeting and that said General Meeting is entitled to vote against the person elected and have this person replaced with another. In addition to that, if the member resigned, passed away or removed on other grounds was independent, the member elected in the position of the aforementioned person must also be independent.

Last, the Board of Directors decides each year whether the independent members of the Board elected by the General Meeting meet all the independence criteria laid down by Greek law, the Code and the Company, and inserts a statement to that effect into its Corporate Governance Statement

E. Although the provisions of the Code do not require detailed information about the individual remuneration paid to each member of the Board of Directors, nor is it mandatory under the relevant Greek legislation on societies anonyme, in the paragraph entitled “Remuneration of Board of Directors members” the Company has set out information relating to the remuneration paid to members of the Board of Directors and its Committees in 2010 after preliminary approval given by the General Meeting on 18.5.2010, and has also provided information about the total remuneration paid to executive members of the Board of Directors. The Company has also set out information relating to the remuneration received by two executive members of the Board of Directors of the Company for their participation as independent directors in the Board of Directors of other companies listed in the Athens Exchange.

#### **IX. Going Concern**

The Board of Directors declares that the TITAN Company and Group have adequate resources to ensure continued operations as a going concern for the foreseeable future.

Athens, 17 March 2011

The Board of Directors

**THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN  
GREEK**

**INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT**

**To the shareholders of TITAN CEMENT COMPANY S.A.**

**Report on the separate and consolidated Financial Statements**

We have audited the accompanying separate and consolidated financial statements of TITAN CEMENT COMPANY S.A. (the “Company”) and its subsidiaries, which comprise the separate and consolidated statement of financial position as at December 31, 2010, the separate and consolidated income statement, statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**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 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 separate and consolidated 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 accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of TITAN CEMENT COMPANY S.A. and its subsidiaries as at December 31, 2010, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## Report on Other Legal and Regulatory Requirements

- a) The Director's Report includes a statement of Corporate Governance, which comprises the information as defined by paragraph 3d of article 43a, of Codified Law 2190/1920.
- b) We confirm that the information given in the Director's Report is consistent with the accompanying separate and consolidated financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 17 March 2011

The Certified Auditor Accountant

CHRISTODOULOS SEFERIS

S.O.E.L. R.N. 23431

ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A.

11th KM NATIONAL ROAD ATHENS-LAMIA

144 51 METAMORFOSI, ATTIKA

SOEL REG. No. 107

## Income Statement for the year ended 31 December

(all amounts in Euro thousands)

		<u>Group</u>		<u>Company</u>	
	Notes	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Turnover	3	1.350.488	1.360.571	370.696	450.092
Cost of sales		-897.824	-901.496	-247.383	-293.539
<b>Gross profit before depreciation</b>		<b>452.664</b>	<b>459.075</b>	<b>123.313</b>	<b>156.553</b>
Other income	4	31.458	20.052	9.407	12.618
Share in (loss)/profit of associates	15	-783	1.080	-	-
Administrative expenses		-104.686	-106.301	-37.482	-38.326
Selling and marketing expenses		-24.847	-21.886	-1.077	-1.809
Other expenses	4	-39.399	-19.325	-7.813	-8.765
<b>Profit before interest, taxes, depreciation and amortization</b>		<b>314.407</b>	<b>332.695</b>	<b>86.348</b>	<b>120.271</b>
Depreciation and amortization related to cost of sales	5	-117.365	-105.211	-10.959	-10.574
Impairment of tangible and intangible assets related to cost of sales	11,13	-165	-2.939	-2	390
Depreciation and amortization related to administrative and selling expenses	5	-5.150	-7.189	-1.040	-1.081
<b>Profit before interest and taxes</b>		<b>191.727</b>	<b>217.356</b>	<b>74.347</b>	<b>109.006</b>
Income from participations and investments		-	-	5.656	5.119
Expenses from participations and investments		-	-	-12.792	-1.150
Finance income	6	20.240	19.818	3.489	3.940
Finance expense	6	-75.466	-77.714	-31.339	-37.068
Loss on early extinguishment of debt	24	-7.340	-1.321	-	-
<b>Profit before taxes</b>		<b>129.161</b>	<b>158.139</b>	<b>39.361</b>	<b>79.847</b>
Less: income tax expense	8	-17.934	-36.238	-18.531	-33.401
<b>Profit after taxes</b>		<b>111.227</b>	<b>121.901</b>	<b>20.830</b>	<b>46.446</b>
<b>Attributable to:</b>					
Equity holders of the parent		102.212	123.393	20.830	46.446
Non-controlling interests		9.015	-1.492	-	-
		<b>111.227</b>	<b>121.901</b>	<b>20.830</b>	<b>46.446</b>
<b>Basic earnings per share (in €)</b>	9	<b>1,2552</b>	<b>1,5166</b>		
<b>Diluted earnings per share (in €)</b>	9	<b>1,2507</b>	<b>1,5127</b>		

The accompanying notes are an integral part of these financial statements

## Statement of Comprehensive Income for the year ended 31 December

(all amounts in Euro thousands)

	Group		Company	
	2010	2009	2010	2009
<b>Profit for the period</b>	<b>111.227</b>	<b>121.901</b>	<b>20.830</b>	<b>46.446</b>
<b>Other comprehensive income/(loss):</b>				
Exchange differences on translation of foreign operations	54.028	-38.913	-	-
Available-for-sale financial assets	-210	-51	-	-
Cash flow hedges	-756	-916	-	-
Income tax effect	295	357	-	-
	<b>-461</b>	<b>-559</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>53.357</b>	<b>-39.523</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>164.584</b>	<b>82.378</b>	<b>20.830</b>	<b>46.446</b>
<b><u>Total comprehensive income attributable to:</u></b>				
Equity holders of the parent	153.445	87.275	20.830	46.446
Non-controlling interests	11.139	-4.897	-	-
	<b>164.584</b>	<b>82.378</b>	<b>20.830</b>	<b>46.446</b>

The accompanying notes are an integral part of these financial statements

## Statement of Financial Position as at 31 December

(all amounts in Euro thousands)

	Notes	Group		Company	
		2010	2009	2010	2009
<b>ASSETS</b>					
Property, plant & equipment	11	1.963.439	1.915.211	261.538	266.759
Investment properties	12	2.053	1.088	5.974	6.396
Intangible assets and goodwill	13	560.760	547.873	1.122	671
Investments in subsidiaries	14	-	-	1.183.721	1.268.502
Investments in associates	15	9.604	10.551	-	-
Available-for-sale financial assets	16	2.211	2.338	107	107
Other non current assets	17	11.346	15.912	3.013	3.460
Deferred income tax asset	18	3.423	2.546	-	-
<b>Non-current assets</b>		<b>2.552.836</b>	<b>2.495.519</b>	<b>1.455.475</b>	<b>1.545.895</b>
Inventories	19	248.168	238.803	77.419	68.250
Receivables and prepayments	20	210.592	254.131	56.966	83.723
Derivative financial instruments	35	1.745	679	-	34
Available-for-sale financial assets	16	63	62	61	61
Cash and cash equivalents	21	67.070	16.426	2.943	204
<b>Current assets</b>		<b>527.638</b>	<b>510.101</b>	<b>137.389</b>	<b>152.272</b>
<b>TOTAL ASSETS</b>		<b>3.080.474</b>	<b>3.005.620</b>	<b>1.592.864</b>	<b>1.698.167</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital ( 84,613,840 shares of €4.00)	22	338.455	338.304	338.455	338.304
Share premium	22	22.826	22.826	22.826	22.826
Share options	22	6.983	5.977	6.983	5.977
Treasury shares	22	-90.182	-91.622	-90.182	-91.622
Other reserves	23	476.661	434.350	507.065	501.465
Retained earnings		817.186	739.218	31.804	32.532
<b>Equity attributable to equity holders of the parent</b>		<b>1.571.929</b>	<b>1.449.053</b>	<b>816.951</b>	<b>809.482</b>
Non-controlling interests		139.463	11.135	-	-
<b>Total equity (a)</b>		<b>1.711.392</b>	<b>1.460.188</b>	<b>816.951</b>	<b>809.482</b>
Long-term borrowings	24	706.961	725.665	643.000	634.499
Derivative financial instruments	35	9.513	376	-	-
Deferred income tax liability	18	189.023	196.572	21.092	24.018
Retirement benefit obligations	25	40.203	41.828	22.234	23.762
Provisions	26	19.022	16.660	7.067	1.929
Other non-current liabilities	27	34.805	37.434	5.674	5.806
<b>Non-current liabilities</b>		<b>999.527</b>	<b>1.018.535</b>	<b>699.067</b>	<b>690.014</b>
Short-term borrowings	24	136.763	261.835	17.069	127.609
Trade and other payables	28	213.149	242.825	50.705	60.345
Derivative financial instruments	35	687	29	687	29
Income tax payable		18.594	19.549	7.859	10.379
Provisions	26	362	2.659	526	309
<b>Current liabilities</b>		<b>369.555</b>	<b>526.897</b>	<b>76.846</b>	<b>198.671</b>
<b>Total liabilities (b)</b>		<b>1.369.082</b>	<b>1.545.432</b>	<b>775.913</b>	<b>888.685</b>
<b>TOTAL EQUITY AND LIABILITIES (a+b)</b>		<b>3.080.474</b>	<b>3.005.620</b>	<b>1.592.864</b>	<b>1.698.167</b>

The accompanying notes are an integral part of these financial statements

## Statement of Changes in Equity

### Group

(all amounts in Euro thousands)

	Attributable to equity holders of the parent							Total	Non-controlling interests	Total equity	
	Ordinary shares	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves				Retained earnings
<b>Balance at 1 January 2009</b>	<b>307.911</b>	<b>22.826</b>	<b>30.276</b>	<b>10.713</b>	<b>-92.182</b>	<b>-117</b>	<b>433.747</b>	<b>682.882</b>	<b>1.396.056</b>	<b>38.078</b>	<b>1.434.134</b>
Profit for the period	-	-	-	-	-	-	-	123.393	123.393	-1.492	121.901
Other comprehensive income/(loss)	-	-	-	-	-	-	-32.589	-3.529	-36.118	-3.405	-39.523
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	<b>-32.589</b>	<b>119.864</b>	<b>87.275</b>	<b>-4.897</b>	<b>82.378</b>
Dividends paid to ordinary and preferred shares	-	-	-	-	-	-	-	-35.510	-35.510	-2.262	-37.772
Treasury shares sold	-	-	-	-	677	-	-	-293	384	-	384
Share Capital increase due to share options exercised	117	-	-	-	-	-	-	-	117	-	117
Provision for share options (IFRS 2)	-	-	-	-4.736	-	-	7.257	-	2.521	-	2.521
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-	-	25.935	-27.725	-1.790	-17.569	-19.359
Non-controlling interest arising on business combination	-	-	-	-	-	-	-	-	-	-2.215	-2.215
<b>Balance at 31 December 2009</b>	<b>308.028</b>	<b>22.826</b>	<b>30.276</b>	<b>5.977</b>	<b>-91.505</b>	<b>-117</b>	<b>434.350</b>	<b>739.218</b>	<b>1.449.053</b>	<b>11.135</b>	<b>1.460.188</b>
<b>Balance at 1 January 2010</b>	<b>308.028</b>	<b>22.826</b>	<b>30.276</b>	<b>5.977</b>	<b>-91.505</b>	<b>-117</b>	<b>434.350</b>	<b>739.218</b>	<b>1.449.053</b>	<b>11.135</b>	<b>1.460.188</b>
Profit for the period	-	-	-	-	-	-	-	102.212	102.212	9.015	111.227
Other comprehensive income	-	-	-	-	-	-	51.233	-	51.233	2.124	53.357
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	<b>51.233</b>	<b>102.212</b>	<b>153.445</b>	<b>11.139</b>	<b>164.584</b>
Dividends paid to ordinary and preferred shares	-	-	-	-	-	-	-	-15.224	-15.224	-1.919	-17.143
Treasury shares sold	-	-	-	-	1.440	-	-	-734	706	-	706
Share Capital increase due to share options exercised	151	-	-	-	-	-	-	-	151	-	151
Acquisitions non-controlling interest	-	-	-	-	-	-	-825	-	-825	-763	-1.588
Provision for share options (IFRS 2)	-	-	-	-1.006	-	-	-	-	1.006	-	1.006
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-	-	2.871	-5.231	-2.360	739	-1.621
Partial disposal of subsidiary	-	-	-	-	-	-	-10.968	-3.055	-14.023	94.023	80.000
Non-controlling interest's participation in share capital increase	-	-	-	-	-	-	-	-	-	8.030	8.030
Equity increase arising on business combination	-	-	-	-	-	-	-	-	-	17.079	17.079
<b>Balance at 31 December 2010</b>	<b>308.179</b>	<b>22.826</b>	<b>30.276</b>	<b>6.983</b>	<b>-90.065</b>	<b>-117</b>	<b>476.661</b>	<b>817.186</b>	<b>1.571.929</b>	<b>139.463</b>	<b>1.711.392</b>

### Company

(all amounts in Euro thousands)

	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves	Retained earnings	Total equity	
<b>Balance at 1 January 2009</b>	<b>307.911</b>	<b>22.826</b>	<b>30.276</b>	<b>10.713</b>	<b>-92.182</b>	<b>-117</b>	<b>462.987</b>	<b>53.110</b>	<b>795.524</b>
Profit for the period	-	-	-	-	-	-	46.446	46.446	46.446
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	<b>46.446</b>	<b>46.446</b>	<b>46.446</b>
Dividends paid to ordinary and preferred shares	-	-	-	-	-	-	-35.510	-35.510	-35.510
Treasury shares sold	-	-	-	-	677	-	-293	384	384
Share Capital increase due to share options exercised	117	-	-	-	-	-	-	117	117
Provision for share options (IFRS 2)	-	-	-	-4.736	-	-	7.257	2.521	2.521
Transfer among reserves	-	-	-	-	-	-	31.221	-31.221	-
<b>Balance at 31 December 2009</b>	<b>308.028</b>	<b>22.826</b>	<b>30.276</b>	<b>5.977</b>	<b>-91.505</b>	<b>-117</b>	<b>501.465</b>	<b>32.532</b>	<b>809.482</b>
<b>Balance at 1 January 2010</b>	<b>308.028</b>	<b>22.826</b>	<b>30.276</b>	<b>5.977</b>	<b>-91.505</b>	<b>-117</b>	<b>501.465</b>	<b>32.532</b>	<b>809.482</b>
Profit for the period	-	-	-	-	-	-	20.830	20.830	20.830
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	<b>20.830</b>	<b>20.830</b>	<b>20.830</b>
Dividends paid to ordinary and preferred shares	-	-	-	-	-	-	-15.224	-15.224	-15.224
Treasury shares sold	-	-	-	-	1.440	-	-734	706	706
Share Capital increase due to share options exercised	151	-	-	-	-	-	-	151	151
Provision for share options (IFRS 2)	-	-	-	-1.006	-	-	-	1.006	1.006
Transfer among reserves	-	-	-	-	-	-	5.600	-5.600	-
<b>Balance at 31 December 2010</b>	<b>308.179</b>	<b>22.826</b>	<b>30.276</b>	<b>6.983</b>	<b>-90.065</b>	<b>-117</b>	<b>507.065</b>	<b>31.804</b>	<b>816.951</b>

The accompanying notes are an integral part of these financial statements

## Cash Flow Statement for the year ended 31 December

(all amounts in Euro thousands)

	Notes	Group		Company	
		2010	2009	2010	2009
<b>Cash flows from operating activities</b>					
Cash generated from operations	29	305.090	389.468	86.166	140.385
Income tax paid		-27.546	-15.218	-22.449	-20.714
<i>Net cash generated from operating activities (a)</i>		<u>277.544</u>	<u>374.250</u>	<u>63.717</u>	<u>119.671</u>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment and intangible assets	11	-85.068	-166.112	-7.039	-5.592
Decrease in other non current assets		2.024	19.546	-	-
Purchase of intangible assets	13	-2.118	-14.562	-475	-671
Proceeds from sale of property, plant and equipment	29	10.656	7.486	5.348	2.675
Proceeds from dividends		317	671	5.656	4.770
Acquisition of subsidiaries, net of cash acquired	30	-23.052	-10.696	-	-
Decrease/(increase) in subsidiaries' share capital		-	-	77.500	-749
Acquisition of non-controlling interest		-2.303	-3.720	-	-
Proceed from partial disposal of subsidiary's business		32.733	-	-	-
Proceeds from partial disposal of subsidiary's ownership	30	80.000	-	-	-
(Purchase)/disposals of available-for-sale financial assets		-136	66	-2	-2
Interest received		3.666	8.803	1.336	2.024
<i>Net cash flows from/(used in) investing activities (b)</i>		<u>16.719</u>	<u>-158.518</u>	<u>82.324</u>	<u>2.455</u>
<b>Net cash flows after investing activities (a)+(b)</b>		<b>294.263</b>	<b>215.732</b>	<b>146.041</b>	<b>122.126</b>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of ordinary shares	22	151	117	151	117
Proceeds from non-controlling interest's participation in subsidiaries' share capital increase		8.030	-	-	-
Sale of treasury shares		706	384	706	384
Proceeds from government grants		112	345	112	-
Interest paid		-56.998	-46.073	-25.947	-30.515
Dividends paid		-17.159	-37.805	-15.256	-35.531
Proceeds from borrowings		995.688	748.739	272.264	260.781
Payments of borrowings		-1.170.295	-957.393	-375.332	-348.421
<i>Net cash flows used in financing activities (c)</i>		<u>-239.765</u>	<u>-291.686</u>	<u>-143.302</u>	<u>-153.185</u>
<b>Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)</b>		<b>54.498</b>	<b>-75.954</b>	<b>2.739</b>	<b>-31.059</b>
Cash and cash equivalents at beginning of the year	21	16.426	94.521	204	31.263
Effects of exchange rate changes		-3.854	-2.141	-	-
<b>Cash and cash equivalents at end of the year</b>	21	<u><u>67.070</u></u>	<u><u>16.426</u></u>	<u><u>2.943</u></u>	<u><u>204</u></u>

The accompanying notes are an integral part of these financial statements

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## 1. General information and summary of significant accounting policies

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 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 March 17, 2011 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, 2010.

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

*A) The financial statements have been prepared with the same accounting policies of the prior financial year, except the following new standards and interpretations that had to be adopted as of 1 January 2010:*

- IFRIC 17 Distributions of Non-cash Assets to Owners
- IAS 39 Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items
- IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
- Improvements to IFRSs (May 2008) All amendments issued are effective as at 31 December 2009, apart from the following: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively.
- Improvements to IFRSs (April 2009)

Except of the standards and interpretations below, the adaptation of the new and amended standards and interpretations did not have any impact on the financial position of the Group and the Company. The standards and interpretations below have had impact in the presentation and the notes of the financial statements:

- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

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 rise 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.

*B) The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010. They have not been early adopted and the Group and the Company is currently assessing possible impacts in the financial statements from their adaptation.*

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. The interpretation is effective for annual periods beginning on or after 1 July 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognized and the equity instruments issued are treated as consideration paid to extinguish that financial liability.

- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)

The amendment is effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognize as an asset some voluntary prepayments for minimum funding contributions. This Earlier application is permitted and must be applied retrospectively.

- IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement

The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

• IAS 32 Classification on Rights Issues (Amended)

The amendment is effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively.

• IAS 24 Related Party Disclosures (Revised)

The revision is effective for annual periods beginning on or after 1 January 2011. This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively.

• In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2010. Early application is permitted in all cases.

• IFRS 1 First-time adoption, effective for annual periods beginning on or after 1 January 2011.

This improvement clarifies the treatment of accounting policy changes in the year of adoption after publishing an interim financial report in accordance with IAS 34 Interim Financial Reporting, allows first-time adopters to use an event-driven fair value as deemed cost and expands the scope of 'deemed cost' for property, plant and equipment or intangible assets to include items used subject to rate regulated activities.

• IFRS 3 Business Combinations, effective for annual periods beginning on or after 1 July 2010

This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

Moreover, this improvement limits the scope of the measurement choices (fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets.

Finally, it requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.

• IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2011

This improvement gives clarifications of disclosures required by IFRS 7 and emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments.

• IAS 1 Presentation of Financial Statements, effective for annual periods beginning on or after 1 January 2011

This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

• IAS 27 Consolidated and Separate Financial Statements, effective for annual periods beginning on or after 1 July 2010

This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21 The Effect of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied earlier.

• IAS 34 Interim Financial Reporting, effective for annual periods beginning on or after 1 January 2011

This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements.

• IFRIC 13 Customer Loyalty Programmes, effective for annual periods beginning on or after 1 January 2011

This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

• IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended)

The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group, however additional disclosures may be required.

• IAS 12 Deferred tax: Recovery of Underlying Assets (Amended). The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

## **1.2 Consolidation**

### **(a) Subsidiaries**

The consolidated financial statements comprise of the financial statements of the Company and all subsidiaries controlled by the Company directly or indirectly. Control exists when the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The subsidiaries' financial statements are prepared as of the same reporting date and using the same accounting policies as the parent company. Intra-group transactions (including investments in related companies), balances and unrealized gains are eliminated. Subsidiaries are fully consolidated from the date that control commences and cease to be consolidated from the date that control is transferred out of the Group. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The financial results of subsidiaries, that are acquired or sold within the year, are included in the consolidated statement of comprehensive income from or up to the date of acquisition or sale, respectively.

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests, prior to January 1, 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of net assets acquired were recognised as goodwill.

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a binding obligation to cover these.

At the Company's balance sheet, investment in subsidiaries is stated at cost less loss from impairment, if any. IAS 36 Impairment of Assets requires an impairment test if there is any indication that an asset is impaired.

### **(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.

At the Company's balance sheet, investment in joint ventures is stated at cost less loss from impairment, if any. IAS 36 Impairment of Assets requires an impairment test if there is any indication that an asset is impaired.

### **(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.

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 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.

At the Company's balance sheet, investment in associates is stated at cost less loss from impairment, if any. IAS 36 Impairment of Assets requires an impairment test if there is any indication that an asset is impaired.

d) Commitments to purchase interests held by minorities

As part of the acquisition process of certain entities, the Group has granted third party shareholders the option to require the Group to purchase their shares at predetermined conditions. These shareholders could be either international institutions, such as the European Bank for Reconstruction and Development (EBRD), or private investors which are essentially financial or industrial investors or former shareholders of the acquiring entities.

The Group applies the following process for the recognition of such put options:

- Non-controlling interest is still attributed its share of profit and losses (and other changes in equity).
- The non-controlling interest is reclassified as liability at each reporting date, as if the acquisition took place at that date.
- Any difference between the fair value of the liability under the put option at the end of the reporting period and the non controlling interest reclassified is calculated based on the current policy of the Group for acquisitions of non-controlling interests.

If the put option is ultimately exercised, the same treatment will be applied up to the date of exercise. The amount recognized as the financial liability at that date will be extinguished by the payment of the exercise price. If the put option expires unexercised, the position will be unwound such that the non-controlling interest at that date is reclassified back to equity and the financial liability is derecognized.

### 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 bring 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**

The cost of acquisition of a subsidiary is the fair value of the assets contributed, the shares issued and the liabilities assumed at the transaction date, plus the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net asset. Acquisition costs are expensed when incurred.

The price paid in excess of the fair value of the net identifiable assets acquired and the liabilities assumed is recorded as goodwill. If the cost of acquisition is less than the fair values of the net identifiable assets acquired, the difference is recorded directly to the income statement.

Goodwill arising from subsidiaries' acquisitions is recorded as an intangible asset. Goodwill is not amortized but at least annually is subject to impairment test. As a result, after initial recognition, goodwill is measured at cost, less any impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the combination. The impairment test is performed by comparing the recoverable amount of the cash generating unit to its carrying value including the allocated goodwill. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The value in use is determined via a discounted cash flow analysis. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **(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 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 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 it is 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.

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 during the period that the services are received against which the salaries are given. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, specified by the date of grant. 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

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.

Estimated 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 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 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**

Segment information is presented on the same basis as the internal information provided to the chief operating decision maker. The chief operating decision maker is the person (or the group of persons) that allocates resources to and assesses the operating results of the segments.

For management purposes, the Group is structured in four geographic regions: Greece and Western Europe, North America, South East Europe and Eastern Mediterranean. Each region is a cluster of countries. The aggregation of countries is based on proximity of operations and to an extent in similarity of economic and political conditions. Each region has a regional Chief Executive Officer (CEO) who reports to the Group's CEO. In addition, the Finance Department is organized also by geographic region for effective financial controlling and performance monitoring.

### **1.23 CO2 Emission rights**

Emission rights are accounted for under the net liability method, based on which the Group recognizes a liability for emissions when the emissions are made and are in excess of the allowances allocated. The Group has chosen to measure the net liability on the basis of the period for which the irrevocable right to the cumulative emissions rights have been received. 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 through other comprehensive income 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, through other comprehensive income, 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.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

### **De-recognition of Financial Assets and Liabilities**

(i) Financial assets: A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; Or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group’s continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

### **1.25 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **2. Significant accounting estimates and judgements**

The preparation of the financial statements requires management to make estimations and judgments that affect the reported disclosures. On an ongoing basis, management evaluates its estimates, which are presented below in paragraphs 2.1 to 2.7.

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.

These management’s estimation and assumptions form the bases for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. 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 13. 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 Provision for Environmental Rehabilitation**

The Group recognizes a provision for environmental rehabilitation and, more specifically, a provision for future restoration of land disturbed, as of the reporting date, as a result of past activity and in line with the prevailing environmental legislation of each country in which it operates or the binding group practices. The provision for environmental rehabilitation is re-estimated on an annual basis and it reflects the present value of the expected restoration costs, using estimated cash flows as of the reporting date and is calculated based on the area of the land disturbed at the reporting date and the cost of rehabilitation per metric unit of land at the level of the broader area of interest. Given the complexity of the calculations and the significant assumptions therein. Management provides at the reporting date its best estimate in relation to the present value of the aforementioned liability.

**2.5 Provision for staff leaving indemnities**

The cost for the staff leaving indemnities is determined based on actuarial valuations. The actuarial valuation requires management making assumptions about future salary increases, discount rates, mortality rates, etc. Management, at each reporting date when the provision is re-examined, tries to give its best estimate regarding the above mentioned parameters.

**2.6 Contingent liabilities**

The existence of contingent liabilities requires from management making assumptions and estimates continuously related to the possibility that future events may or may not occur as well as the effects that those events may have on the activities of the Group.

**2.7 Allowance For doubtful accounts receivable:**

The Group's management periodically reassess the adequately of the allowance for doubtful accounts receivable using parameters such as its credit policy, reports from its legal counsel on recent developments of the cases they are handling, and its judgment/estimate about the impact of other factors affecting the recoverability of the receivables.

### 3. Operating segment information

For management purposes, the Group is structured in four operating (geographic) segments: Greece and Western Europe, North America, South East Europe and Eastern Mediterranean. Each operating segment is a cluster of countries. The aggregation of countries is based on geographical position.

Each region has a regional Chief Executive Officer (CEO) who reports to the Group's CEO. In addition, the Finance Department is organized also by operating segment for effective financial controlling and performance monitoring.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Earnings before Interest, Taxes, Depreciations & Amortization (EBITDA). The Group financing is managed on a group basis and finance costs and finance revenue is allocated to operating segments.

#### Additional information of operating segment

##### For the year ended 31 December 2010

<i>(all amounts in Euro thousands)</i>	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
Gross revenue	472.052	317.096	242.797	360.013	-	1.391.958
Inter-segment revenue	-34.818	-184	-6.468	-	-	-41.470
<b>Revenue from external customers</b>	<b>437.234</b>	<b>316.912</b>	<b>236.329</b>	<b>360.013</b>	-	<b>1.350.488</b>
Share in profit of associates	-388	-	-395	-	-	-783
<b>Profit before interest, taxes, depreciation and amortization</b>	<b>86.870</b>	<b>3.434</b>	<b>86.988</b>	<b>138.043</b>	<b>-928</b>	<b>314.407</b>
Depreciation & amortization	-18.025	-61.623	-19.355	-23.714	202	-122.515
Impairment of tangible and intangible assets related to cost of sales	-165	-	-	-	-	-165
<b>Profit before interest and taxes</b>	<b>68.680</b>	<b>-58.189</b>	<b>67.633</b>	<b>114.329</b>	<b>-726</b>	<b>191.727</b>
Finance costs - net	-13.878	-23.566	-129	-24.993	-	-62.566
<b>Profit before taxes</b>	<b>54.802</b>	<b>-81.755</b>	<b>67.504</b>	<b>89.336</b>	<b>-726</b>	<b>129.161</b>
Less: income tax expense	-18.154	28.406	-6.296	-21.890	-	-17.934
<b>Profit after taxes</b>	<b>36.648</b>	<b>-53.349</b>	<b>61.208</b>	<b>67.446</b>	<b>-726</b>	<b>111.227</b>
<b>Attributable to:</b>						
Titan Cement S.A. shareholders	36.643	-53.349	55.664	63.980	-726	102.212
Non-controlling interests	5	-	5.544	3.466	-	9.015
	<b>36.648</b>	<b>-53.349</b>	<b>61.208</b>	<b>67.446</b>	<b>-726</b>	<b>111.227</b>

<i>(all amounts in Euro thousands)</i>	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
<b>ASSETS</b>						
Non-current assets	2.391.966	877.800	645.888	983.517	-2.346.335	2.552.836
Current assets	194.725	127.934	110.209	113.336	-18.566	527.638
<b>TOTAL ASSETS</b>	<b>2.586.691</b>	<b>1.005.734</b>	<b>756.097</b>	<b>1.096.853</b>	<b>-2.364.901</b>	<b>3.080.474</b>
<b>LIABILITIES</b>						
Non-current liabilities	1.571.087	350.529	161.086	142.918	-1.226.093	999.527
Current liabilities	161.759	82.601	30.964	94.145	86	369.555
<b>TOTAL LIABILITIES</b>	<b>1.732.846</b>	<b>433.130</b>	<b>192.050</b>	<b>237.063</b>	<b>-1.226.007</b>	<b>1.369.082</b>

### 3. Operating segment information (continued)

	<b>Greece and Western Europe</b>	<b>North America</b>	<b>South Eastern Europe</b>	<b>Eastern Mediterranean</b>	<b>Total</b>
Capital expenditure (note 11,12,13)	16.911	10.895	77.149	19.796	124.751
Impairment of property, plant and equipment (note 11)	106	-	-	-	106
Impairment of Goodwill (note 13)	-	-	-	-	-
Provision for doubtful debtors (note 20)	5.541	3.221	572	197	9.531
Investment in an associate (note 15)	5.112	-	4.492	-	9.604

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from acquisition of subsidiaries.

Impairment charges are included in the Income Statement.

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.

The transactions between segments are performed on the basis described in note 33.

#### **Additional information for business activities**

##### **For the year ended 31 December 2010**

	<b>Cement</b>	<b>Ready mix, aggregates and blocks</b>	<b>Other</b>	<b>Total</b>
Revenue	993.341	350.225	6.922	1.350.488

The cement activity includes cement and cementitious materials.

Note that the Company sold cement and aggregates to its subsidiary Interbeton S.A. that approached in 2010 the 13.2% (2009: 10.3% )of the Company's turnover.

### 3. Operating segment information (continued)

#### Additional information of operating segment

For the year ended 31 December 2009

(all amounts in Euro thousands)

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
Gross revenue	555.576	366.094	215.768	274.576	-	1.412.014
Inter-segment revenue	-51.231	-177	-	-35	-	-51.443
<b>Revenue from external customers</b>	<b>504.345</b>	<b>365.917</b>	<b>215.768</b>	<b>274.541</b>	-	<b>1.360.571</b>
Share in profit of associates	-46	-	1.126	-	-	1.080
<b>Profit before interest, taxes and depreciation</b>	<b>130.029</b>	<b>27.655</b>	<b>73.034</b>	<b>102.730</b>	<b>-753</b>	<b>332.695</b>
Depreciation & amortization	-16.725	-62.381	-14.056	-19.414	176	-112.400
Impairment of tangible and intangible assets related to cost of sales	-1.077	-1.862	-	-	-	-2.939
<b>Profit before interest and taxes</b>	<b>112.227</b>	<b>-36.588</b>	<b>58.978</b>	<b>83.316</b>	<b>-577</b>	<b>217.356</b>
Finance costs - net	-6.818	-27.258	-1.646	-24.092	597	-59.217
<b>Profit before taxes</b>	<b>105.409</b>	<b>-63.846</b>	<b>57.332</b>	<b>59.224</b>	<b>20</b>	<b>158.139</b>
Less: income tax expense	-33.640	21.436	-7.915	-16.119	-	-36.238
<b>Profit after taxes</b>	<b>71.769</b>	<b>-42.410</b>	<b>49.417</b>	<b>43.105</b>	<b>20</b>	<b>121.901</b>
<b>Attributable to:</b>						
Titan Cement S.A. shareholders	71.755	-42.410	51.748	42.280	20	123.393
Non-controlling interests	14	-	-2.331	825	-	-1.492
	<b>71.769</b>	<b>-42.410</b>	<b>49.417</b>	<b>43.105</b>	<b>20</b>	<b>121.901</b>

(all amounts in Euro thousands)

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
<b>ASSETS</b>						
Non-current assets	2.444.011	888.814	440.567	906.489	-2.184.362	2.495.519
Current assets	231.523	146.946	216.293	105.197	-189.858	510.101
<b>TOTAL ASSETS</b>	<b>2.675.534</b>	<b>1.035.760</b>	<b>656.860</b>	<b>1.011.686</b>	<b>-2.374.220</b>	<b>3.005.620</b>
<b>LIABILITIES</b>						
Non-current liabilities	1.427.801	320.450	74.356	155.127	-959.199	1.018.535
Current liabilities	394.522	136.128	87.306	99.050	-190.109	526.897
<b>TOTAL LIABILITIES</b>	<b>1.822.323</b>	<b>456.578</b>	<b>161.662</b>	<b>254.177</b>	<b>-1.149.308</b>	<b>1.545.432</b>

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Capital expenditure (note 11,12,13)	9.684	8.862	77.828	85.268	181.642
Impairment of property, plant and equipment (note 11)	-390	2.275	-	-	1.885
Impairment of Goodwill (note 13)	41	-	624	-	665
Provision for doubtful debtors (note 20)	3.112	2.378	514	-	6.004
Investment in an associate (note 15)	5.501	-	5.050	-	10.551

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from acquisition of subsidiaries.

Impairment charges are included in the Income Statement.

#### Additional information for business activities

For the year ended 31 December 2009

	Cement	Ready mix, aggregates and blocks	Other	Total
Revenue	950.843	396.001	13.727	1.360.571

#### 4. Other revenue and expenses

*(all amounts in Euro thousands)*

	Group		Company	
	2010	2009	2010	2009
Scrap sales	1.352	890	645	224
Compensation income	1.122	-	-	-
Income from subsidies	2.053	1.439	331	2
Income from services	4.117	761	1.592	2.852
Rental income	3.312	4.448	3.278	3.972
Gains on disposal of property, plant and equipment (note 29)	8.272	6.590	2.585	2.438
Revenue on termination of option agreement	8.136	-	-	-
Other income	3.094	5.924	976	3.130
<b>Other income total</b>	<b>31.458</b>	<b>20.052</b>	<b>9.407</b>	<b>12.618</b>
Provisions (note 29)	-20.827	-1.864	-340	-859
Losses on disposal of property, plant and equipment (note 29)	-1.963	-2.895	-64	-618
Inventory impairment (note 19, 29)	-4.730	-3.292	-700	-691
Staff leaving indemnities (not provided) (note 25)	-4.792	-3.535	-4.088	-3.535
Staff leaving indemnities provision (note 25)	-2.885	-4.065	-1.723	-2.188
Other expenses	-4.202	-3.674	-898	-874
<b>Other expenses total</b>	<b>-39.399</b>	<b>-19.325</b>	<b>-7.813</b>	<b>-8.765</b>

#### 5. Profit before interest and taxes

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

	Group		Company	
	2010	2009	2010	2009
<i>(all amounts in Euro thousands)</i>				
<b>Depreciation on property, plant and equipment (note 11)</b>				
Owned assets	104.728	95.109	12.282	11.957
Leased assets under finance leases	457	457	-	-
	105.185	95.566	12.282	11.957
Amortisation of government grants received	-355	-414	-307	-302
	<b>104.830</b>	<b>95.152</b>	<b>11.975</b>	<b>11.655</b>
<b>Amortisation of intangibles (note 13)</b>	<b>17.685</b>	<b>17.248</b>	<b>24</b>	<b>-</b>
Repairs and maintenance expenditure on property, plant and equipment	45.954	40.019	17.291	15.617
<b>Costs of inventories recognized as an expense in Cost of Sales:</b>				
Raw materials	170.962	154.829	87.572	93.756
Maintenance stores	52.712	47.558	14.997	13.815
Finished goods	121.315	163.318	-3.903	9.460
	<b>344.989</b>	<b>365.705</b>	<b>98.666</b>	<b>117.031</b>
Trade receivables - Net provision for doubtful receivables (note 20, 29)	20.326	4.606	-2	1.950
Staff costs (note 7)	221.648	235.077	62.607	71.877

## 6. Finance revenue/(cost)

	Group		Company	
	2010	2009	2010	2009
<i>(all amounts in Euro thousands)</i>				
Interest income (note 29)	3.665	8.803	1.336	2.024
Exchange differences gains (note 29)	12.971	10.546	2.123	1.576
Gains on financial instruments / derivatives (note 29)	3.603	288	29	201
Gains on investments (note 29)	-	42	-	-
Income tax rebate (note 29)	1	139	1	139
<b>Finance revenue</b>	<b>20.240</b>	<b>19.818</b>	<b>3.489</b>	<b>3.940</b>
Interest expense (note 29)	-52.296	-58.590	-28.092	-32.528
Exchange differences losses (note 29)	-21.157	-19.024	-1.972	-1.557
Losses on financial instruments (note 29)	-2.472	-4.400	-1.273	-2.980
Loss on investments / derivatives (note 29)	-	-3	-2	-3
Finance lease interest (note 29)	-140	-178	-	-
	<b>-76.065</b>	<b>-82.195</b>	<b>-31.339</b>	<b>-37.068</b>
Capitalized interest expense (note 11,29)	599	4.481	-	-
<b>Finance costs</b>	<b>-75.466</b>	<b>-77.714</b>	<b>-31.339</b>	<b>-37.068</b>

During 2010, the Group capitalized interest expense (note 11) of €599 thousands (2009: €4,481 thousands) generated from the U.S and Albanian operations. The amounts capitalized were calculated on an weighted average borrowing rate basis. At the end of 2010 the average weighted interest for the operations in U.S. (loans in dollar) was 2.83% (2009: 5.25%) and in Albania (loans in euro) was 3.77% (2009: 3.33%). The capitalization of interest for the Group's operations in United States relates to significant capital projects, which required uses of the borrowing facility, specifically the development of a quarry operation in Florida. The capitalization of interest for the Group's operations in Albania relates to the construction of the production line in Group's subsidiary Antea.

## 7. Staff costs

	Group		Company	
	2010	2009	2010	2009
<i>(all amounts in Euro thousands)</i>				
Wages and salaries	186.687	197.890	44.831	53.484
Social security costs	24.270	26.067	9.454	10.148
Termination benefits (see note 4, 25)	4.792	3.535	4.088	3.535
Share options granted to directors and employees (Note 29)	1.014	2.520	511	1.522
Profit sharing bonus	2.000	1.000	2.000	1.000
Other post retirement and termination benefits - defined benefit plans (see note 4, 25)	2.885	4.065	1.723	2.188
<b>Total staff costs (note 5)</b>	<b>221.648</b>	<b>235.077</b>	<b>62.607</b>	<b>71.877</b>

The employees in the Group are employed on a full-time basis and analysed as follows:

	Group		Company	
	2010	2009	2010	2009
Greece and Western Europe	1.519	1.659	959	1.027
North America	1.834	1.966	-	-
South Eastern Europe	1.783	1.240	-	-
Eastern Mediterranean	898	940	-	-
	<b>6.034</b>	<b>5.805</b>	<b>959</b>	<b>1.027</b>

## 8. Income tax expense

	Group				Company			
	2010		2009		2010		2009	
(all amounts in Euro thousands)								
Current tax	32.484	25,15%	24.849	15,71%	13.313	33,82%	17.448	21,85%
Deferred tax (note 18)	-21.915	-16,97%	-2.692	-1,70%	-2.926	-7,43%	2.393	3,00%
Non deductible taxes and differences from tax audit	2.590	2,01%	3.628	2,29%	806	2,05%	3.628	4,54%
Tax incentives	-3.084	-2,39%	-447	-0,28%	-521	-1,32%	-447	-0,56%
Social responsibility tax	7.859	6,08%	10.900	6,89%	7.859	19,97%	10.379	13,00%
	<b>17.934</b>	<b>13,88%</b>	<b>36.238</b>	<b>22,92%</b>	<b>18.531</b>	<b>47,08%</b>	<b>33.401</b>	<b>41,83%</b>

Current tax for the fiscal year 2010 does not include tax benefits (2009: 7,089 thousands) accounted for the tax losses at the Group's subsidiary in the U.S. Titan America LLC.

According to the Law 3845/2010, a special social responsibility tax was imposed in 2010 on Greek companies that had profit above €100 thousand for the fiscal year of 2009. The total charge amounted to €7.9 m for the Group and the Company.

According to Law 3808/09, a social responsibility tax was imposed in 2009 on Greek companies that had profit above €5.0 m for the fiscal year of 2008. The total charge amounts to €10.9 m for the Group and €10.4 m for the Company.

The deferred tax calculation for Group and for Company are reviewed each year, in order the carrying amount of the balance sheet to reflect the effective tax rates for each of the countries in which the Group operates. In 2010 the Greek state passed the tax reform Law 3842/2010, according to which the tax rates for the undistributed profits will be reduced by 1% (from 24% to 20%) each fiscal year for the years 2010 to 2014, while the tax rate for the distributed profits formed to 40%.

The tax on the Group's profit differs from the amount that would arise had the Group used the nominal tax rate of the home country of the parent Company as follows:

	Group				Company			
	2010		2009		2010		2009	
(all amounts in Euro thousands)								
Profit before tax	<b>129.161</b>		<b>158.139</b>		<b>39.361</b>		<b>79.847</b>	
Tax calculated at the statutory tax rate of 24% (2009: 25%)	30.999	24,00%	39.535	25,00%	9.447	24,00%	19.962	25,00%
Income not subject to tax	-916	-0,71%	-1.821	-1,15%	-1.416	-3,60%	-1.559	-1,95%
Expenses not deductible for tax purposes	5.338	4,13%	6.797	4,30%	2.356	5,99%	3.204	4,01%
Dividends tax	3.702	2,87%	3.594	2,27%	-	-	-	-
Other taxes	867	0,67%	2.555	1,62%	806	2,05%	855	1,07%
Social responsibility tax L3845/2010 and L3808/2009	7.859	6,08%	10.900	6,89%	7.859	19,97%	10.379	13,00%
Effect of unrecognized deferred tax asset on tax carryforward losses	3.208	2,48%	-	-	-	-	-	-
Tax incentives	-3.084	-2,39%	-447	-0,28%	-521	-1,32%	-447	-0,56%
Effect of different tax rates in other countries	-29.469	-22,82%	-25.814	-16,32%	-	-	-	-
Provision's differences of prior years	-570	-0,44%	939	0,59%	-	-	1.007	1,26%
<b>Effective tax charge</b>	<b>17.934</b>	<b>13,88%</b>	<b>36.238</b>	<b>22,92%</b>	<b>18.531</b>	<b>47,08%</b>	<b>33.401</b>	<b>41,83%</b>

## 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).

	Group		Company	
	2010	2009	2010	2009
<i>(all amounts in Euro thousands unless otherwise stated)</i>				
Net profit for the year attributable to Titan S.A. shareholders	102.212	123.393	20.830	46.446
Weighted average number of ordinary shares in issue	73.865.990	73.799.095	73.865.990	73.799.095
Weighted average number of preferred shares in issue	7.563.041	7.563.041	7.563.041	7.563.041
Total weighted average number of shares in issue for basic earnings per share	81.429.031	81.362.136	81.429.031	81.362.136
<b>Basic earnings per ordinary and preferred share (in €)</b>	<b>1,2552</b>	<b>1,5166</b>	<b>0,2558</b>	<b>0,5709</b>

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).

	Group		Company	
	2010	2009	2010	2009
<i>(all amounts in Euro thousands unless otherwise stated)</i>				
Net profit for the year attributable to Titan S.A. shareholders for diluted earnings per share	102.212	123.393	20.830	46.446
Weighted average number of ordinary shares for diluted earnings per share	73.865.990	73.799.095	73.865.990	73.799.095
Share options	296.322	206.700	296.322	206.700
Weighted average number of preferred shares in issue	7.563.041	7.563.041	7.563.041	7.563.041
Total weighted average number of shares in issue for diluted earnings per share	81.725.353	81.568.836	81.725.353	81.568.836
<b>Diluted earnings per ordinary and preferred share (in €)</b>	<b>1,2507</b>	<b>1,5127</b>	<b>0,2549</b>	<b>0,5694</b>

## 10. Dividend proposed and distributed

*(all amounts in Euro thousands)*

### Declared and distributed during the year:

Equity dividends on ordinary and preference shares:

Final dividend for 2009: €0.18 per share (2008: €0.42 per share)

	Company	
	2010	2009
	15.224	35.510

### Proposed for approval at Annual General Meeting (not recognised as a liability as at 31 December):

Equity dividends on ordinary and preference shares:

Final dividend for 2010: €0,07759 per share (2009: €0.18 per share)

	2010	2009
		6.565

Dividend proposed relates to all issued shares (84,613,840) as of 31.12.2010 and is expected to be ratified at the Annual General Meeting to be held in June 2011. According to case b paragraph 8 of article 16 of Greek law 2190/1920, dividend amount relating to treasury shares is distributed to the remaining shareholders.

## 11. Property, plant and equipment

### Group

	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
<b>Year ended 31 December 2009</b>								
<i>(all amounts in Euro thousands)</i>								
<b>Opening balance</b>	<b>128.012</b>	<b>263.140</b>	<b>231.503</b>	<b>882.725</b>	<b>120.199</b>	<b>20.458</b>	<b>244.042</b>	<b>1.890.079</b>
Additions	436	26	687	2.807	166	760	160.726	165.608
Disposals (NBV)	-13	-321	-743	-694	-1.389	-105	-442	-3.707
Additions due to acquisitions	-	64	250	494	2	51	50	911
Reclassification of assets to other categories	2.669	13.983	3.668	155.528	453	769	-177.070	-
Transfers from/(to) inventories (note 19)	-	-	5	2.644	336	12	-	2.997
Transfers to investment properties	-	-86	-499	-	-	-	-	-585
Interest capitalized (note 6, 29)	-	-	-	-	-	-	4.481	4.481
Depreciation charge (note 5,29)	-1.145	-2.394	-9.975	-56.816	-20.800	-3.979	-	-95.109
Impairment of PPE (note 4, 29)	-3.325	-	500	940	-	-	-	-1.885
Exchange differences	-3.955	-7.661	-4.550	-21.812	-2.176	781	-13.980	-53.353
<b>Ending balance</b>	<b>122.679</b>	<b>266.751</b>	<b>220.846</b>	<b>965.816</b>	<b>96.791</b>	<b>18.747</b>	<b>217.807</b>	<b>1.909.437</b>
<b>Leased assets under finance leases</b>								
<b>Opening balance</b>	-	-	-	<b>6.292</b>	<b>208</b>	-	-	<b>6.500</b>
Write-offs (note 29)	-	-	-	-397	313	-	-	-84
Exchange differences	-	-	-	-186	1	-	-	-185
Depreciation charge (note 5,29)	-	-	-	-334	-123	-	-	-457
<b>Ending balance</b>	-	-	-	<b>5.375</b>	<b>399</b>	-	-	<b>5.774</b>
<b>At 31 December 2009</b>								
Cost	146.353	277.366	345.360	1.404.283	224.258	48.555	217.807	2.663.982
Accumulated depreciation	-20.349	-10.615	-124.514	-427.973	-127.068	-29.808	-	-740.327
Accumulated losses of impairment of PPE	-3.325	-	-	-5.119	-	-	-	-8.444
<b>Net book value</b>	<b>122.679</b>	<b>266.751</b>	<b>220.846</b>	<b>971.191</b>	<b>97.190</b>	<b>18.747</b>	<b>217.807</b>	<b>1.915.211</b>
<b>Year ended 31 December 2010</b>								
<b>Opening balance</b>	<b>122.679</b>	<b>266.751</b>	<b>220.846</b>	<b>965.816</b>	<b>96.791</b>	<b>18.747</b>	<b>217.807</b>	<b>1.909.437</b>
Additions	708	4.853	1.523	9.357	1.307	1.907	64.238	83.893
Disposals (NBV) (note 29)	-	-138	-227	-867	-2.431	-122	-691	-4.476
Partial disposal of foreign subsidiary business	-20.933	-2.174	-287	-2.764	-3.086	-19	-	-29.263
Additions due to acquisitions	-	6.784	3.290	27.664	30	-	7	37.775
Reclassification of assets to other categories	-582	17.341	16.948	165.100	872	744	-200.767	-344
Transfers from inventories (note 19)	-	-	-	1.141	-	-	-	1.141
Transfers to investment properties	-	-86	-499	-	-	-	-	-585
Interest capitalized (note 6)	-	-	-	-	-	-	599	599
Depreciation charge (note 5, 29)	-1.722	-2.569	-12.273	-65.609	-19.037	-3.518	-	-104.728
Impairment of PPE (note 4, 29)	-	-	-	134	-7	-233	-	-106
Exchange differences	8.917	11.325	4.086	27.858	6.377	317	5.196	64.076
<b>Ending balance</b>	<b>109.067</b>	<b>302.087</b>	<b>233.407</b>	<b>1.127.830</b>	<b>80.816</b>	<b>17.823</b>	<b>86.389</b>	<b>1.957.419</b>
<b>Leased assets under finance leases</b>								
<b>Opening balance</b>	-	-	-	<b>5.375</b>	<b>399</b>	-	-	<b>5.774</b>
Additions	-	-	-	207	3	-	-	210
Reclassification of assets to other categories	-	-	-	-	344	-	-	344
Write-offs (note 29)	-	-	-	-229	-	-	-	-229
Depreciation charge (note 5, 29)	-	-	-	-332	-125	-	-	-457
Exchange differences	-	-	-	357	21	-	-	378
<b>Ending balance</b>	-	-	-	<b>5.378</b>	<b>642</b>	-	-	<b>6.020</b>
<b>At 31 December 2010</b>								
Cost	135.740	315.711	370.232	1.640.341	208.233	52.703	86.389	2.809.349
Accumulated depreciation	-23.348	-13.624	-136.825	-502.148	-126.768	-34.647	-	-837.360
Accumulated losses of impairment of PPE	-3.325	-	-	-4.985	-7	-233	-	-8.550
<b>Net book value</b>	<b>109.067</b>	<b>302.087</b>	<b>233.407</b>	<b>1.133.208</b>	<b>81.458</b>	<b>17.823</b>	<b>86.389</b>	<b>1.963.439</b>

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

### Company

	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
<i>(all amounts in Euro thousands)</i>								
<b>Year ended 31 December 2009</b>								
<b>Opening balance</b>	<b>899</b>	<b>5.563</b>	<b>54.297</b>	<b>175.037</b>	<b>1.490</b>	<b>11.868</b>	<b>21.438</b>	<b>270.592</b>
Additions	181	-	70	754	58	397	4.132	5.592
Disposals (NBV) (note 29)	-	-	-3	-744	-18	-90	-	-855
Reclassification of assets to other categories	-	-	412	4.937	-	79	-5.428	-
Transfers from/(to) inventories (note 19)	-	-	-	2.997	-	-	-	2.997
Depreciation charge (note 5, 29)	-71	-	-1.480	-8.680	-191	-1.535	-	-11.957
Impairment reversal of PPE	-	-	-	390	-	-	-	390
<b>Ending balance</b>	<b>1.009</b>	<b>5.563</b>	<b>53.296</b>	<b>174.691</b>	<b>1.339</b>	<b>10.719</b>	<b>20.142</b>	<b>266.759</b>
<b>At 31 December 2009</b>								
Cost	1.517	5.563	89.983	300.494	5.213	25.987	20.142	448.899
Accumulated depreciation	-508	-	-36.687	-123.732	-3.866	-15.037	-	-179.830
Accumulated losses of impairment of PPE	-	-	-	-2.071	-8	-231	-	-2.310
<b>Net book value</b>	<b>1.009</b>	<b>5.563</b>	<b>53.296</b>	<b>174.691</b>	<b>1.339</b>	<b>10.719</b>	<b>20.142</b>	<b>266.759</b>
<b>Year ended 31 December 2010</b>								
<b>Opening balance</b>	<b>1.009</b>	<b>5.563</b>	<b>53.296</b>	<b>174.691</b>	<b>1.339</b>	<b>10.719</b>	<b>20.142</b>	<b>266.759</b>
Additions	-	-	72	636	10	336	5.985	7.039
Disposals (NBV) (note 29)	-	-15	-	-114	-1	-55	-	-185
Reclassification of assets to other categories	-	-	2.336	2.884	-	238	-5.639	-181
Transfers from inventories (note 19)	-	-	-	390	-	-	-	390
Depreciation charge (note 5, 29)	-68	-	-1.509	-9.297	-179	-1.229	-	-12.282
Impairment of assets	-	-	-	239	-8	-233	-	-2
<b>Ending balance</b>	<b>941</b>	<b>5.548</b>	<b>54.195</b>	<b>169.429</b>	<b>1.161</b>	<b>9.776</b>	<b>20.488</b>	<b>261.538</b>
<b>At 31 December 2010</b>								
Cost	1.473	5.548	92.555	304.283	4.824	26.173	20.488	455.344
Accumulated depreciation	-532	-	-38.360	-132.783	-3.655	-16.164	-	-191.494
Accumulated losses of impairment of PPE	-	-	-	-2.071	-8	-233	-	-2.312
<b>Net book value</b>	<b>941</b>	<b>5.548</b>	<b>54.195</b>	<b>169.429</b>	<b>1.161</b>	<b>9.776</b>	<b>20.488</b>	<b>261.538</b>

#### 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. Group's impairment for 2010 is amounted to €0.1 million (2009: €1.9) whereas the Company had no impairment charge in 2010 (2009: €0.4 reversal).

The assets of the Company have not been pledged. The assets of the Group have a pledge for the amount of €67.1 m. (2009: €54.0 m.). The pledge concerns the Group's joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey for the purpose of securing its debt of €41.5 m. (2009: €36.0 m.) and is on the assets of this entity.

## 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.

	Group		Company	
	2010	2009	2010	2009
<i>(all amounts in Euro thousands)</i>				
<b>Opening balance</b>	<b>1.088</b>	-	<b>6.396</b>	<b>6.796</b>
Additions	965	504	-	-
Loss from measurement at fair value	-	-	-422	-400
Transfer from property, plant and equipment	-	584	-	-
<b>Ending balance</b>	<b>2.053</b>	<b>1.088</b>	<b>5.974</b>	<b>6.396</b>

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	Initial goodwill	Goodwill impairment	Total goodwill	Licences	Patents	Research and development costs	Trade-marks	Customer relationships	Other intangible assets	Total
<i>(all amounts in Euro thousands)</i>										
<b>Year ended 31 December 2009</b>										
Opening balance	422.400	-17.169	405.231	5.988	2.757	5.398	34.260	93.329	3.523	550.486
Additions	-	-	-	10.089	-	967	-	-	3.506	14.562
Subsidiaries acquired	9.119	-	9.119	57	-	-	-	-	-	9.176
Acquisition of minority interest	628	-	628	-	-	-	-	-	-	628
Impairment	-	-665	-665	-	-	-	-	-375	-14	-1.054
Amortization charge (note 5,29)	-	-	-	-452	-737	-868	-1.728	-12.281	-1.182	-17.248
Exchange differences	-4.469	-	-4.469	-212	-45	-178	-1.016	-2.593	-164	-8.677
<b>Ending balance</b>	<b>427.678</b>	<b>-17.834</b>	<b>409.844</b>	<b>15.470</b>	<b>1.975</b>	<b>5.319</b>	<b>31.516</b>	<b>78.080</b>	<b>5.669</b>	<b>547.873</b>

<b>Year ended 31 December 2010</b>										
Opening balance	427.678	-17.834	409.844	15.470	1.975	5.319	31.516	78.080	5.669	547.873
Additions	-	-	-	411	-	682	-	-	1.025	2.118
Additions - internal development	-6.198	-	-6.198	8.705	-	-	-	-	-	2.507
Subsidiaries acquired	10.019	-	10.019	-	-	-	-	-	-	10.019
Discontinued operations	-	-	-	-1.018	-	-	-	-1.414	-	-2.432
Impairment (notes 4, 29)	-	-	-	-	-	-	-	-59	-	-59
Amortization charge (notes 5, 29)	-	-	-	-772	-759	-836	-1.796	-12.782	-740	-17.685
Exchange differences	12.898	-	12.898	-158	-67	362	1.733	4.845	-1.194	18.419
<b>Ending balance</b>	<b>444.397</b>	<b>-17.834</b>	<b>426.563</b>	<b>22.638</b>	<b>1.149</b>	<b>5.527</b>	<b>31.453</b>	<b>68.670</b>	<b>4.760</b>	<b>560.760</b>

Company	Initial goodwill	Goodwill impairment	Total goodwill	Mining permits	Patents	Patends	Trade-marks	Customer relationships	Other intangible assets	Total
<i>(all amounts in Euro thousands)</i>										
<b>Year ended 31 December 2009</b>										
Additions	-	-	-	-	-	-	-	-	671	671
<b>Ending balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>671</b>	<b>671</b>

	Initial goodwill	Goodwill impairment	Total goodwill	Mining permits	Patents	Patends	Trade-marks	Customer relationships	Other intangible assets	Total
<i>(all amounts in Euro thousands)</i>										
<b>Year ended 31 December 2010</b>										
Opening balance	-	-	-	-	-	-	-	-	671	671
Additions	-	-	-	-	-	-	-	-	475	475
Amortization charge (note 5,29)	-	-	-	-	-	-	-	-	-24	-24
<b>Ending balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.122</b>	<b>1.122</b>

Impairment charges are included in the Income Statement.

#### 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):

	<b>2010</b>	<b>2009</b>
Greece and Western Europe	19.581	26.405
North America	163.933	151.912
South Eastern Europe	65.859	56.013
Eastern Mediterranean	177.190	175.514
	<b>426.563</b>	<b>409.844</b>

Carrying amount of goodwill (by business segment):

Cement	251.264	228.111
Blocks, ready mix and aggregates	173.273	179.707
Other activities	2.026	2.026
	<b>426.563</b>	<b>409.844</b>

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 (for the fiscal year 2010):

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean
Discount rate:	10,2%	9,5% - 10,1%	8% - 16,8%	13,1% - 14,1%
Gross margin:	14% - 46,8%	12,5% - 56%	36% - 53%	34% - 51%
Perpetuity growth:	2%	3% - 4%	2% - 3%	3% - 5%

The key assumptions used for the value in use of the prior year were the following: discount rate 8% to 16,8%, gross margin 12,5% to 56% and perpetuity growth 2% to 5%.

## 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	2010		2009	
			% of investment (1) Direct	Indirect	% of investment (1) Direct	Indirect
<b>Full consolidation method</b>						
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
Arktias S.A.	Greece	Quarries & Aggregates	-	100,000	-	100,000
AVES AFOI Polikandrioti S.A.	Greece	Ready Mix	-	100,000	-	100,000
Dodekanesos Quarries S.A.	Greece	Quarries & Aggregates	-	100,000	-	100,000
Ecobeton S.A. (4)	Greece	Ready Mix & Aggregates	-	-	-	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
Leecem S.A.	Greece	Trading Company	3,172	96,828	3,172	96,828
Naftitan S.A.	Greece	Shipping	99,900	0,100	99,900	0,100
Pozolani S.A.	Greece	Quarries & Aggregates	-	100,000	-	100,000
Polikos Maritime Company	Greece	Shipping	100,000	-	100,000	-
Porfirion S.A.	Greece	Production and Trade of Electricity	-	100,000	-	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
Quarries of Tanagra S.A. (5)	Greece	Quarries & Aggregates	-	100,000	-	99,000
Vahou Quarries S.A.	Greece	Quarries & Aggregates	-	100,000	-	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	43,947	56,053
Titan Cement International Trading S.A.	Greece	Trading Company	99,800	0,200	99,800	0,200
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
Trojan Cem EOOD	Bulgaria	Trading Company	-	94,835	-	94,835
Zlatna Panega Beton EOOD	Bulgaria	Ready Mix	-	99,989	-	99,989
Zlatna Panega Cement AD	Bulgaria	Cement Producer	-	99,989	-	99,989
Cementi ANTEA SRL (2)	Italy	Cement Producer	-	60,000	-	-
Cementi Crotone S.R.L.	Italy	Import & Distribution of Cement	-	100,000	-	100,000
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
Balkan Cement Enterprises Ltd (5)	Cyprus	Investment Holding Company	-	100,000	-	-
Balkcem Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
East Cement Trade Ltd	Cyprus	Investment Holding Company	-	100,000	-	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
Terret Enterprises Ltd (3)	Cyprus	Investment Holding Company	-	50,996	-	-
Themis Holdings Ltd (5)	Cyprus	Investment Holding Company	-	100,000	-	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 (6)	Egypt	Cement Producer	-	82,513	-	97,721
Beni Suef Cement Co.S.A.E. (6)	Egypt	Cement Producer	-	85,513	-	99,886
Misrieen Titan Trade & Distribution (6)	Egypt	Cement Silo Operations	-	90,256	-	98,943
Titan Beton & Aggregate Egypt LLC (6)	Egypt	Quarries & Aggregates	-	83,118	-	97,800
Sharr Beteiligungs GmbH (3)	Germany	Investment Holding Company	-	50,996	-	-
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 (6)	U.K.	Investment Holding Company	-	82,717	-	100,000
Titan Egyptian Inv. Ltd	U.K.	Investment Holding Company	-	100,000	-	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

## 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	2010		2009	
			% of investment (1) Direct	Indirect	% of investment (1) Direct	Indirect
<b>Full consolidation method</b>						
Miami Valley Ready Mix of Florida LLC	U.S.A.	Ready Mix	-	100,000	-	100,000
Pensuco 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	Serbia	Cement Producer	-	100,000	-	100,000
Stari Silo Copmany DOO	Serbia	Trading Company	-	100,000	-	100,000
TCK Montenegro DOO	Montenegro	Trading Company	-	100,000	-	100,000
Cement Plus LTD	F.Y.R.O.M	Trading Company	-	61,643	-	61,643
Geospan Dooel (2)	F.Y.R.O.M	Quarries & Aggregates	-	99,989	-	-
Rudmark DOOEL	F.Y.R.O.M	Trading Company	-	94,835	-	94,835
Usje Cementarnica AD	F.Y.R.O.M	Cement Producer	-	94,835	-	94,835
Vesa DOOL	F.Y.R.O.M	Trading Company	-	100,000	-	100,000
Kosovo Construction Materials L.L.C. (3)	Kosovo	Quarries & Aggregates	-	50,996	-	-
Ndermarra e Re SharrCem Sh.P.K (3)	Kosovo	Cement Producer	-	50,996	-	-
Alba Cemento Italia, SHPK (7)	Albania	Trading Company	-	60,000	-	39,000
Antea Cement SHA	Albania	Cement Producer	-	60,000	-	60,000
Dancem APS	Denmark	Import & Distribution of Cement	-	100,000	-	100,000
Aeas Netherlands B.V.	Holland	Investment Holding Company	-	100,000	-	100,000
Colombus Properties B.V.	Holland	Investment Holding Company	100,000	-	100,000	-
Holtitan B.V.	Holland	Investment Holding Company	-	100,000	-	100,000
Salentijn Properties1 B.V.	Holland	Investment Holding Company	100,000	-	100,000	-
Titan Cement Netherlands BV	Holland	Investment Holding Company	-	100,000	-	100,000
<b>Proportionate consolidation method</b>						
Balkan Cement Enterprises Ltd (5)	Cyprus	Investment Holding Company	-	-	-	51,006
Adocim Cimento Beton Sanayi ve Ticaret A.S.	Turkey	Cement Producer	-	50,000	-	50,000
<b>Equity consolidation method</b>						
Karieri AD	Bulgaria	Quarries & Aggregates	-	48,711	-	48,711
Kariemi Materiali AD	Bulgaria	Quarries & Aggregates	-	48,764	-	48,764
Vris OOD (3)	Bulgaria	Quarries & Aggregates	-	48,764	-	-
Transbeton - Domiki S.A.	Greece	Ready Mix & Aggregates	-	49,900	-	49,900

The movement of the Company's participation in subsidiaries, is analyzed as follows (all amounts in Euro thousands):

	2010	2009
<b>Participation in Subsidiaries at 1st January</b>	<b>1.268.502</b>	<b>1.262.303</b>
Share capital increase in subsidiaries	3.500	7.150
Provision for impairment of investments	-7.776 *	-1.150
Decrease in investment	-81.000	-800
Other	495	999
<b>Participation in Subsidiaries at 31st December</b>	<b>1.183.721</b>	<b>1.268.502</b>

\*The amount in the income statement includes also a provision for liabilities of a subsidiary undertaken by the Company.

(1) Percentage of investment represents both percentage of shareholding and percentage of control.

(2) Formed Subsidiaries for the fiscal year 2010.

(3) Acquired Subsidiaries for the fiscal year 2010 (note 30).

(4) The company Ecobeton S.A. was merged by Interbeton Construction Materials S.A., as of 31.5.2010

(5) Non-controlling interest due to acquisitions of subsidiaries (note 30).

(6) Partial disposal of subsidiary

## 15. Investment in associates

(all amounts in Euro thousands)

On 31.12.2010 the Group included in the financial statements with the equity method of consolidation the companies below: Karieri AD (ownership percentage 2010 & 2009:48,711%) , Karierni Materiali AD (with ownership percentage 2010 & 2009:48,764%), Vris OOD, all based in Bulgaria, and the Greek Transbeton-Domiki S.A. (with ownership percentage 2010 & 2009: 49,9%).

All the above mentioned companies operate in the aggregates business, Transbeton-Domiki S.A. also operates in the ready-mix business. All companies are not listed on any public exchange.

The following table illustrates summarised financial information for the companies mentioned above:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
Property, plant and equipment	14.554	14.440
Intangibles and other non current assets	2.578	498
Current assets	3.591	3.597
<b>Total assets</b>	<b>20.723</b>	<b>18.535</b>
Non-current liabilities	4.278	1.083
Current liabilities	6.841	6.901
<b>Total liabilities</b>	<b>11.119</b>	<b>7.984</b>
<b>Net assets</b>	<b>9.604</b>	<b>10.551</b>
<b>Revenue</b>	<b>7.198</b>	<b>10.221</b>
Cost of sales	-5.481	-7.228
<b>Gross profit before depreciation</b>	<b>1.717</b>	<b>2.993</b>
Other income/expense	-304	76
Administrative expenses	-810	-821
Selling expenses	-145	-283
<b>Profit before interest, taxes and depreciation</b>	<b>458</b>	<b>1.965</b>
Depreciation	-940	-450
<b>(Loss)/profit before interest, taxes</b>	<b>-482</b>	<b>1.515</b>
Finance costs	-302	-200
<b>(Loss)/profit before income tax</b>	<b>-784</b>	<b>1.315</b>
Income tax expense	1	-235
<b>(Loss)/profit after tax</b>	<b>-783</b>	<b>1.080</b>

## 16. Available-for-sale financial assets

(all amounts in Euro thousands)

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Opening balance</b>	<b>2.400</b>	<b>2.480</b>	<b>168</b>	<b>168</b>
Additions	136	160	-	-
Transfer to investments in subsidiaries	-50	-	-	-
Disposals	-	-229	-	-
Revaluations	-210	-9	-	-
Exchange differences	-2	-2	-	-
<b>Ending balance</b>	<b>2.274</b>	<b>2.400</b>	<b>168</b>	<b>168</b>
Analysis of available-for-sale financial assets:				
Non-current portion	2.211	2.338	107	107
Current portion	63	62	61	61
	<b>2.274</b>	<b>2.400</b>	<b>168</b>	<b>168</b>

Available-for-sale financial assets include mainly non listed securities.

Available for sale 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	
	2010	2009	2010	2009
Utility deposits	3.482	4.004	3.013	3.460
Excess benefit plan assets (note 25)	3.725	3.078	-	-
Prepayments for fixed assets purchases	-	4.037	-	-
Other non-current assets	4.139	4.793	-	-
	<b>11.346</b>	<b>15.912</b>	<b>3.013</b>	<b>3.460</b>

## 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 deferred tax calculation for Group and for Company are reviewed each year, in order the carrying amount of the balance sheet to reflect the effective tax rates for each of the countries in which the Group operates. In 2010 the Greek state passed the tax reform Law 3842/2010, according to which the tax rates for the undistributed profits will be reduced by 1% (from 24% to 20%) each fiscal year for the years 2010 to 2014, while the tax rate for the distributed profits formed to 40%.

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

	Group		Company	
	2010	2009	2010	2009
(all amounts in Euro thousands)				
<b>Opening balance, net deferred liability</b>	<b>194.026</b>	<b>201.811</b>	<b>24.018</b>	<b>21.625</b>
Income statement charge (note 8)	-21.915	-2.692	-2.926	2.393
Exchange differences	7.866	-5.598	-	-
Additions due to acquisitions	5.328	148	-	-
Tax charged to equity	295	357	-	-
<b>Ending balance, net deferred liability</b>	<b>185.600</b>	<b>194.026</b>	<b>21.092</b>	<b>24.018</b>

The deferred tax charged to equity is related to the effect of cash flow hedges.

### Analysis of deferred tax liabilities (before set - offs)

	Group		Company	
	2010	2009	2010	2009
(all amounts in Euro thousands)				
Property, plant and equipment	237.947	214.694	28.542	28.205
Intangible assets	29.496	19.586	205	-
Provisions	2.026	5.237	10	2.000
Receivables and prepayments	5.638	1.750	3.000	1.517
Trade and other payables	301	-	-	-
Financial instruments	-	4	-	4
	<b>275.408</b>	<b>241.271</b>	<b>31.757</b>	<b>31.726</b>

### Analysis of deferred tax assets (before set - offs)

(all amounts in Euro thousands)

Intangible assets	-8.662	-3.245	-	-
Investments & other non-current receivables	-3.568	-	-1.939	-384
Inventories	-2.614	-1.670	-1.123	-990
Post-employment and termination benefits	-6.273	-5.387	-3.124	-3.800
Receivables and prepayments	-7.611	-4.971	-813	-194
Net operating losses carried forward	-48.257	-18.912	-	-
Long term borrowings	-299	-1.136	-	-
Government grants	-2.713	-2.031	-1.069	-1.143
Provisions	-8.452	-9.518	-1.531	-478
Trade and other payables	-1.220	-717	-929	-704
Financial instruments	-139	342	-137	-15
	<b>-89.808</b>	<b>-47.245</b>	<b>-10.665</b>	<b>-7.708</b>
<b>Net deferred tax liability</b>	<b>185.600</b>	<b>194.026</b>	<b>21.092</b>	<b>24.018</b>

## 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	January 1, 2010	Debit/ (Credited) charged to net profit	Debit/ (Credited) charged to equity	Exchange differences	Additions due to acquisitions	December 31, 2010
<i>(all amounts in Euro thousands)</i>						
<b>Deferred tax liabilities (before set - offs)</b>						
Property, plant and equipment	214.694	9.478	-	10.168	3.607	237.947
Intangible assets	19.586	7.747	-	194	1.969	29.496
Provisions	5.237	-3.207	-	-4	-	2.026
Receivables and prepayments	1.750	3.749	-	139	-	5.638
Financial instruments	4	-4	-	-	-	-
Trade and other payables	-	301	-	-	-	301
	<b>241.271</b>	<b>18.064</b>	<b>-</b>	<b>10.497</b>	<b>5.576</b>	<b>275.408</b>
<b>Deferred tax assets (before set - offs)</b>						
Intangible assets	-3.245	-5.517	-	100	-	-8.662
Investments & other non-current receivables	-	-3.587	-	19	-	-3.568
Inventories	-1.670	-891	-	-53	-	-2.614
Post-employment and termination benefits	-5.387	-767	-	-119	-	-6.273
Receivables and prepayments	-4.971	-3.295	-	655	-	-7.611
Net operating loss carried forward	-18.912	-27.300	-	-2.045	-	-48.257
Long term borrowings	-1.136	941	-	-104	-	-299
Government grants	-2.031	-578	-	-104	-	-2.713
Provisions	-9.518	1.943	-	-629	-248	-8.452
Trade and other payables	-717	-478	-	-25	-	-1.220
Financial instruments	342	-450	295	-326	-	-139
	<b>-47.245</b>	<b>-39.979</b>	<b>295</b>	<b>-2.631</b>	<b>-248</b>	<b>-89.808</b>
<b>Net deferred tax liability</b>	<b>194.026</b>	<b>-21.915</b>	<b>295</b>	<b>7.866</b>	<b>5.328</b>	<b>185.600</b>

Company	January 1, 2010	Debit/ (Credited) charged to net profit	December 31, 2010
<i>(all amounts in Euro thousands)</i>			
<b>Deferred tax liabilities (before set - offs)</b>			
Property, plant and equipment	28.205	337	28.542
Intangible assets	-	205	205
Provisions	2.000	-1.990	10
Receivables and prepayments	1.517	1.483	3.000
Financial instruments	4	-4	-
	<b>31.726</b>	<b>31</b>	<b>31.757</b>
<b>Deferred tax assets (before set - offs)</b>			
Investments & other non-current receivables	-384	-1.555	-1.939
Inventories	-990	-133	-1.123
Receivables and prepayments	-194	-619	-813
Government grants	-1.143	74	-1.069
Provisions	-478	-1.053	-1.531
Post-employment and termination benefits	-3.800	676	-3.124
Trade and other payables	-704	-225	-929
Financial instruments	-15	-122	-137
	<b>-7.708</b>	<b>-2.957</b>	<b>-10.665</b>
<b>Net deferred tax liability</b>	<b>24.018</b>	<b>-2.926</b>	<b>21.092</b>

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	January 1, 2009	Debit/ (Credited) charged to net profit	Debit/ (Credited) charged to equity	Exchange differences	Additions due to acquisitions	December 31, 2009
<i>(all amounts in Euro thousands)</i>						
<b>Deferred tax liabilities (before set - offs)</b>						
Property, plant and equipment	210.306	11.487	-	-7.247	148	214.694
Intangible assets	22.931	-2.624	-	-721	-	19.586
Provisions	4.106	1.331	-	-200	-	5.237
Receivables and prepayments	2.741	-710	-	-281	-	1.750
Financial instruments	-	4	-	-	-	4
Long term borrowings	44	-44	-	-	-	-
	<b>240.128</b>	<b>9.444</b>	<b>-</b>	<b>-8.449</b>	<b>148</b>	<b>241.271</b>
<b>Deferred tax assets (before set - offs)</b>						
Intangible assets	-6.824	2.843	-	736	-	-3.245
Inventories	-2.074	379	-	25	-	-1.670
Post-employment and termination benefits	-5.742	300	-	55	-	-5.387
Receivables and prepayments	-5.704	667	-	66	-	-4.971
Net operating loss carried forward	-2.396	-16.516	-	-	-	-18.912
Long term borrowings	-1.082	-52	-	-2	-	-1.136
Government grants	-1.137	-922	-	28	-	-2.031
Provisions	-12.612	1.152	-	1.942	-	-9.518
Trade and other payables	-746	28	-	1	-	-717
Financial instruments	-	-15	357	-	-	342
	<b>-38.317</b>	<b>-12.136</b>	<b>357</b>	<b>2.851</b>	<b>-</b>	<b>-47.245</b>
<b>Net deferred tax liability</b>	<b>201.811</b>	<b>-2.692</b>	<b>357</b>	<b>-5.598</b>	<b>148</b>	<b>194.026</b>

Company	January 1, 2009	Debit/ (Credited) charged to net profit	December 31, 2009
<i>(all amounts in Euro thousands)</i>			
<b>Deferred tax liabilities (before set - offs)</b>			
Property, plant and equipment	26.208	1.997	28.205
Provisions	1.671	329	2.000
Receivables and prepayments	1.434	83	1.517
Financial instruments	-	4	4
	<b>29.313</b>	<b>2.413</b>	<b>31.726</b>
<b>Deferred tax assets (before set - offs)</b>			
Investments & other non-current receivables	-154	-230	-384
Inventories	-943	-47	-990
Receivables and prepayments	-225	31	-194
Government grants	-1.121	-22	-1.143
Provisions	-462	-16	-478
Post-employment and termination benefits	-4.051	251	-3.800
Trade and other payables	-732	28	-704
Financial instruments	-	-15	-15
	<b>-7.688</b>	<b>-20</b>	<b>-7.708</b>
<b>Net deferred tax liability</b>	<b>21.625</b>	<b>2.393</b>	<b>24.018</b>

## 19. Inventories

(all amounts in Euro thousands)

	Group		Company	
	2010	2009	2010	2009
<b>Inventories</b>				
Raw materials-Maintenance stores	171.943	168.865	65.082	61.775
Finished goods	89.331	82.866	18.131	14.176
	261.274	251.731	83.213	75.951
Provision for obsolete inventory	-11.965	-9.931	-5.404	-4.704
	249.309	241.800	77.809	71.247
Transfer of major spare parts to property, plant and equipment (note 11)	-1.141	-2.997	-390	-2.997
	<b>248.168</b>	<b>238.803</b>	<b>77.419</b>	<b>68.250</b>

### Analysis of provision for inventories

	Group		Company	
	2010	2009	2010	2009
<b>Balance at 1 January</b>	<b>9.931</b>	<b>9.652</b>	<b>4.704</b>	<b>4.372</b>
Charge for the year (note 4, 29)	4.907	3.656	748	691
Unused amounts reversed (note 29)	-177	-364	-48	-359
Utilized	-3.376	-2.900	-	-
Reclassification from other inventory accounts	544	-	-	-
Exchange differences	136	-113	-	-
<b>Balance at 31 December</b>	<b>11.965</b>	<b>9.931</b>	<b>5.404</b>	<b>4.704</b>

The Group has not pledged its inventories as collateral.

## 20. Receivables and prepayments

(all amounts in Euro thousands)

	Group		Company	
	2010	2009	2010	2009
Trade receivables	121.139	118.910	13.688	19.158
Cheques receivables	41.434	51.790	18.042	25.760
Provision for doubtful debtors	-26.460	-15.682	-4.893	-4.916
	136.113	155.018	26.837	40.002
Creditors advances	5.239	2.824	-	-
Income tax receivables	4.416	15.450	889	1.488
Tax receivables	26.637	34.065	-	-
Prepayments and other receivables	49.936	48.194	7.320	6.486
Provision for other doubtful receivables	-11.753	-1.424	-967	-946
	74.475	99.109	7.242	7.028
Trade receivables from related parties (Note 33)	4	4	22.887	36.693
	<b>210.592</b>	<b>254.131</b>	<b>56.966</b>	<b>83.723</b>

Income tax receivables include €12,138 thousand for the fiscal year 2009 (2010: nil) that are related to income tax claims due to the losses incurred 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	
	2010	2009	2010	2009
Neither past due nor impaired	27.639	88.879	44.079	61.980
Past due nor impaired :				
< 30 days	31.783	24.362	1.433	4.508
30-60 days	38.441	18.760	990	3.825
60-90 days	17.019	12.825	1.078	1.803
90-120 days	11.478	5.562	544	1.615
>120 days	9.757	4.634	1.600	2.964
	<b>136.117</b>	<b>155.022</b>	<b>49.724</b>	<b>76.695</b>

Trade receivables are non-interest bearing and are normally settled on: Group 0-170 day's terms, Company 0-170 day's terms.

## 20. Receivables and prepayments (continued)

(all amounts in Euro thousands)

### Analysis of provisions for doubtful debtors

	Group		Company	
	2010	2009	2010	2009
<b>Balance at 1 January</b>	<b>15.682</b>	<b>13.613</b>	<b>4.916</b>	<b>4.096</b>
Charge for the year (note 5, 29)	12.228	9.619	-	3.362
Unused amounts reversed (note 5, 29)	-2.697	-3.615	-23	-1.429
Utilized	-2.357	-4.144	-	-1.113
Reclasification from receivables/payables	2.665	-	-	-
Additions due to acquisitions	815	358	-	-
Exchange differences	124	-149	-	-
<b>Balance at 31 December</b>	<b>26.460</b>	<b>15.682</b>	<b>4.893</b>	<b>4.916</b>

### Analysis of provisions for other doubtful receivables

	Group		Company	
	2010	2009	2010	2009
<b>Balance at 1 January</b>	<b>1.424</b>	<b>2.964</b>	<b>946</b>	<b>1.070</b>
Charge for the year (note 5, 29)	10.848	59	21	17
Unused amounts reversed (note 5, 29)	-53	-1.457	-	-
Utilized	-	-140	-	-141
Reclasification from other receivables/payables	-487	-	-	-
Exchange differences	21	-2	-	-
<b>Balance at 31 December</b>	<b>11.753</b>	<b>1.424</b>	<b>967</b>	<b>946</b>

## 21. Cash and cash equivalents

(all amounts in Euro thousands)

	Group		Company	
	2010	2009	2010	2009
Cash at bank and in hand	132	294	2	83
Short-term bank deposits	66.938	16.132	2.941	121
	<b>67.070</b>	<b>16.426</b>	<b>2.943</b>	<b>204</b>

Short-term bank deposits comprise primarily of time deposits. The effective interest rates on these short-term bank deposits are based on floating rates and are negotiated on a case by case basis.

## 22. Share capital and premium

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

The total number of the authorised ordinary shares is:

	2010	2009
Ordinary shares of €4.00 each	77.044.880	77.007.158
Preference shares of €4.00 each	7.568.960	7.568.960
	<b>84.613.840</b>	<b>84.576.118</b>

	Ordinary shares		Preference shares		Share premium €000	Total	
	Number of shares	€000	Number of shares	€000		Number of shares	€000
<b>Shares issued and fully paid</b>							
<b>Balance at 1 January 2009</b>	76.977.814	307.911	7.568.960	30.276	22.826	84.546.774	361.013
Issue of shares - share option scheme	29.344	117	-	-	-	29.344	117
<b>Balance at 31 December 2009</b>	<b>77.007.158</b>	<b>308.028</b>	<b>7.568.960</b>	<b>30.276</b>	<b>22.826</b>	<b>84.576.118</b>	<b>361.130</b>
Issue of shares - share option scheme	37.722	151	-	-	-	37.722	151
<b>Balance at 31 December 2010</b>	<b>77.044.880</b>	<b>308.179</b>	<b>7.568.960</b>	<b>30.276</b>	<b>22.826</b>	<b>84.613.840</b>	<b>361.281</b>

	Ordinary shares		Preference shares		Total	
	Number of shares	€000	Number of shares	€000	Number of shares	€000
<b>Treasury shares</b>						
<b>Balance at 1 January 2009</b>	3.187.697	92.182	5.919	117	3.193.616	92.299
Treasury shares sold	-18.403	-677	-	-	-18.403	-677
<b>Balance at 31 December 2009</b>	<b>3.169.294</b>	<b>91.505</b>	<b>5.919</b>	<b>117</b>	<b>3.175.213</b>	<b>91.622</b>
Treasury shares sold	-37.597	-1.440	-	-	-37.597	-1.440
<b>Balance at 31 December 2010</b>	<b>3.131.697</b>	<b>90.065</b>	<b>5.919</b>	<b>117</b>	<b>3.137.616</b>	<b>90.182</b>

For the year 2010, the average stock price of Titan's ordinary shares was €16.97 (2009: €19.12) and the trading price of the Titan Cement ordinary shares at December 31, 2010 was €16.42 (2009: €20.32).

### Share options

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

	2004 scheme	2007 scheme	2010 scheme	Total
<b>Balance at 1 January 2009</b>	<b>26.940</b>	<b>294.840</b>	-	<b>321.780</b>
Granted	-	86.880	-	86.880
Exercised	-23.950	-5.394	-	-29.344
Non vested	-	-114.135	-	-114.135
Cancelled	-2.990	-10.065	-	-13.055
<b>Balance at 31 December 2009</b>	<b>-</b>	<b>252.126</b>	<b>-</b>	<b>252.126</b>
Granted	-	-	267.720	267.720
Exercised	-	-37.722	-	-37.722
Non vested	-	-114.222	-	-114.222
Cancelled	-	-16.696	-2.100	-18.796
<b>Balance at 31 December 2010</b>	<b>-</b>	<b>83.486</b>	<b>265.620</b>	<b>349.106</b>

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

Expiration date	Exercise price	2010		
		2007 scheme	2010 scheme	Total
2011	€4,00	3.206	-	3.206
2012	€4,00	80.280	-	80.280
2014	€4,00	-	265.620	265.620
		<b>83.486</b>	<b>265.620</b>	<b>349.106</b>

  

Expiration date	Exercise price	2009		
		2007 scheme	2010 scheme	Total
2010	€4,00	8.406	-	8.406
2011	€4,00	156.840	-	156.840
2012	€4,00	86.880	-	86.880
		<b>252.126</b>	<b>-</b>	<b>252.126</b>

## **22. Share capital and premium (continued)**

### **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 €4.00 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 upon 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".

The fair value of the options granted in 2009, determined using the 2-dimensional Black-Scholes valuation model, was €8.41 per option. The significant inputs into the valuation model were share price at grant date of €20.60, standard deviation of share price 36.71%, dividend yield of 2.07% and the rate of the three-year Greek Government Bonds 3.649%.

During 2010, 37,722 share options were exercised, while 114,222 share options did not vest due to the non compliance to the conditions above and 16,696 share options were cancelled. The remaining options for 83,486 shares have not yet been exercised.

### **Programme 2010**

On June 3, 2010 the Company approved the introduction of a new, three-year Stock Option Programme (2010 Programme). In the years 2010, 2011 and 2012, 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 1,000,000 ordinary shares of the Company at a sale price equal to the share's nominal value, that is €4.00 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 the year following the one in which the final number of options that can be exercised is determined. If the deadline is exceeded then those particular options will irrevocably lapse. All vesting is conditional upon 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 ten predefined international cement producing companies during the three year period.

The options granted under the 2010 Programme have been accounted for in terms of the requirements of IFRS 2 "Share based payments".

The fair value of the options granted in 2010 under the Programme of 2010, determined using the Monte Carlo Simulation valuation model, was €5.36 per option. The significant inputs used in the application of the valuation model were share price at grant date of €15.90, standard deviation of share price of 39.42%, dividend yield of 2.68% and the rate of the three-year fixed EUR swap interest rate of 2.247%.

On June 22, 2010, 267,720 share options were granted, in accordance with the above Stock Option Programme. During 2010 a number of 2,100 share options were canceled.

## 23. Other reserves

Group	Legal reserve	Special reserve	Contingency reserve	Tax exempt reserves under special laws	Revaluation reserve	Currency translation differences on derivative hedging position	Foreign currency translation reserve	Total other reserves
<i>(all amounts in Euro thousands)</i>								
<b>Balance at 1 January 2009</b>	<b>71.682</b>	<b>14.835</b>	<b>242.434</b>	<b>131.372</b>	<b>127.999</b>	<b>48.346</b>	<b>-202.921</b>	<b>433.747</b>
Other comprehensive income/(loss)	-664	-6	-	3.655	-277	-558	-34.739	-32.589
Transfer from share options programme 2004	-	-	7.257	-	-	-	-	7.257
Non-controlling interest's put option recognition & transfer between reserves	7.395	-	20.625	8.074	-10.159	-	-	25.935
<b>Balance at 31 December 2009</b>	<b>78.413</b>	<b>14.829</b>	<b>270.316</b>	<b>143.101</b>	<b>117.563</b>	<b>47.788</b>	<b>-237.660</b>	<b>434.350</b>
Other comprehensive income/(loss)	217	-879	-	-	-7.529	-5.198	64.622	51.233
Acquisitions non-controlling interest	-	-	-	-	-825	-	-	-825
Partial disposal of subsidiary	-493	-1.776	-	-	-9.721	-	1.022	-10.968
Non-controlling interest's put option recognition & transfer between reserves	2.775	-1.095	-4.405	7.918	-2.322	-	-	2.871
<b>Balance at 31 December 2010</b>	<b>80.912</b>	<b>11.079</b>	<b>265.911</b>	<b>151.019</b>	<b>97.166</b>	<b>42.590</b>	<b>-172.016</b>	<b>476.661</b>

Company	Legal reserve	Special reserve	Contingency reserve	Tax exempt reserves under special laws	Revaluation reserve	Currency translation differences on derivative hedging position	Total other reserves
<i>(all amounts in Euro thousands)</i>							
<b>Balance at 1 January 2009</b>	<b>61.936</b>	<b>1.769</b>	<b>230.572</b>	<b>120.364</b>	-	<b>48.346</b>	<b>462.987</b>
Transfer from share options programme 2004	-	-	7.257	-	-	-	7.257
Transfer (from)/to retained earnings	4.631	-	20.622	5.968	-	-	31.221
<b>Balance at 31 December 2009</b>	<b>66.567</b>	<b>1.769</b>	<b>258.451</b>	<b>126.332</b>	-	<b>48.346</b>	<b>501.465</b>
Transfer (from)/to retained earnings	2.083	-	-4.434	7.951	-	-	5.600
<b>Balance at 31 December 2010</b>	<b>68.650</b>	<b>1.769</b>	<b>254.017</b>	<b>134.283</b>	-	<b>48.346</b>	<b>507.065</b>

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.

The above reserves include also special reserves which have already been taxed thus exhausting the taxation obligations of the Company and the shareholders. The Board of Directors will propose to the Annual General Meeting of Shareholders, the distribution of €8,665,303 from special reserves.

The Group's tax exempt reserves include reserves that have been created by the Company and some of its Greek subsidiaries following the application of developmental laws.

The revaluation reserve records a) the fair value of tangible and intangible assets of €99.9 million, the Group had in Egypt through its participation in the joint venture Lafarge-Titan Egyptian Investments Ltd, till it acquired the joint venture fully, b) the fair value changes of €2.8 million on available-for-sale financial assets and c) the debit difference of €4.2 million, between the fair value and the book value of the put option recognition for the sale of ANTEA Cement SHA 's shares by the minority.

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 and the exchange rate differences from the valuation of the financial instruments that are used as means of cash flow hedge for transactions in foreign currency.

## 24. Borrowings

*(all amounts in Euro thousands)*

	Group		Company	
	2010	2009	2010	2009
<b>Current</b>				
Loans in local currency - (€denominated)	92.963	244.773	17.069	127.432
Loans in foreign currency	42.795	16.217	-	177
Finance lease liabilities	1.005	845	-	-
	<b>136.763</b>	<b>261.835</b>	<b>17.069</b>	<b>127.609</b>
<b>Non-current</b>				
Bank borrowings in local currency - (€denominated)	441.735	357.517	-	499
Bank borrowings in foreign currency	48.345	147.948	-	-
Debentures - Notes in local currency	215.000	217.914	15.000	-
Loans to associates	-	-	628.000	634.000
Finance lease liabilities	1.881	2.286	-	-
	<b>706.961</b>	<b>725.665</b>	<b>643.000</b>	<b>634.499</b>
<b>Total borrowings</b>	<b>843.724</b>	<b>987.500</b>	<b>660.069</b>	<b>762.108</b>

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.

On 1.7.2010, the Group's subsidiary in the US, Titan America LLC, prepaid and retired the remaining \$66.9m or €4.5m of private placement notes which had been issued in the past to US institutional investors, with terms that are no longer favorable. The total, pre-tax make-whole amount was \$9.7m or €7.4m. (2009: \$1.8m or €1.3m.).

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

*(all amounts in Euro thousands)*

	Group		Company	
	2010	2009	2010	2009
Between 1 and 2 years	353.496	29.158	543.000	534.499
Between 2 and 5 years	297.877	635.868	100.000	100.000
Over 5 years	53.707	58.353	-	-
	<b>705.080</b>	<b>723.379</b>	<b>643.000</b>	<b>634.499</b>

Titan Global Finance PLC ( TGF ) , a subsidiary of Group Titan, executed on January 5th, 2011 in London, UK, a new EUR 585,000,000 multicurrency forward start syndicated revolving credit facility. The new facility will mature in January 2015 and will be used for refinancing TGF's existing syndicated multicurrency revolving credit facility maturing in April 2012 and, thereafter, for general corporate purposes of the Group. (note 38)

## 24. Borrowings (continued)

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

	Group		Company	
	2010	2009	2010	2009
Bank borrowings (USD)	2,83%	5,25%	2,35%	2,04%
Bank borrowings (JPY)	2,70%	2,70%	-	-
Bank borrowings (EGP)	9,10%	10,79%	-	-
Bank borrowings (GBP)	2,45%	2,45%	2,45%	2,45%
Bank borrowings (BGN)	5,02%	6,59%	-	-
Bank borrowings (TRY)	10,64%	17,01%	-	-
Bank borrowings (ALL)	9,93%	-	-	-
Bank borrowings (MKD)	-	8,42%	-	-
Bank borrowings (€)	3,77%	3,33%	3,06%	3,26%
Finance lease liabilities (USD)	7,00%	5%-7%	-	-
Finance lease liabilities (TRY)	-	17%-19%	-	-
Finance lease liabilities (€)	6%-8%	6%-8%	-	-

### Bank borrowings in foreign currencies (including finance leases):

	Group		Company	
	2010	2009	2010	2009
<i>(all amounts per currency thousands)</i>				
USD	259.239	290.517	-	254
JPY	2.500.940	3.001.128	-	-
EGP	-	160.000	-	-
ALL	546.160	-	-	-
BGN	52.121	60.467	-	-
TRY	16.752	14.794	-	-

### The Group has the following undrawn borrowing facilities:

	Group		Company	
	2010	2009	2010	2009
<i>(all amounts in Euro thousands)</i>				
Floating rate:				
- Expiring within one year	249.327	225.702	119.039	91.311
- Expiring beyond one year	728.575	647.421	110.000	39.501

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:

	Group	
	2010	2009
<i>(all amounts in Euro thousands)</i>		
Finance lease liabilities - minimum lease payments		
Not later than 1 year	1.145	1.006
Later than 1 year and not later than 5 years	2.001	2.484
Later than 5 years	-	-
	<u>3.146</u>	<u>3.490</u>
Future finance charges on finance leases	-260	-359
Present value of finance lease liabilities	<u><b>2.886</b></u>	<u><b>3.131</b></u>

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 2010. The principal actuarial assumptions used were a discount rate of 4,6% (2009:5.9%), future salary increases of between 5.5% and 6.4% (2009: 5.5%-6.4%) and future pension increases of 3% (2009: 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 its employees.

Some of the plan assets of the Group's subsidiaries in US are invested approximately 55% in equity investments and 45% in fixed investments. The main assumptions that have been adopted for the study of the pension plans of the Group's subsidiaries in the U.S. were a discount rate of 5.5% (2009: 6.0%) and an expected return on assets of 8.5% (2009: 8.0%).

## 25. Retirement and termination benefit obligations (continued)

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:

	Group		Company	
	2010	2009	2010	2009
<i>(all amounts in Euro thousands)</i>				
Current service cost	2.702	3.079	1.407	1.663
Interest cost	3.252	3.021	2.092	1.959
Business combination	-	2	-	-
Actuarial losses	764	1.465	316	525
	<b>6.718</b>	<b>7.567</b>	<b>3.815</b>	<b>4.147</b>
Expected return on plan assets	-581	-481	-	-
Net periodic cost	<b>6.137</b>	<b>7.086</b>	<b>3.815</b>	<b>4.147</b>
Additional provision required	190	-	-	-
Additional post retirement and termination benefits paid out, not provided for	4.602	3.535	4.088	3.535
	<b>10.929</b>	<b>10.621</b>	<b>7.903</b>	<b>7.682</b>
Amounts recognised in the other operating expense income statement	7.677	7.600	5.811	5.723
Amounts recognised in finance income	3.252	3.021	2.092	1.959
<b>Amounts recognised in the income statement</b>	<b>10.929</b>	<b>10.621</b>	<b>7.903</b>	<b>7.682</b>
<b>Present value of the liability at the end of the period</b>	<b>52.102</b>	<b>58.693</b>	<b>27.735</b>	<b>35.458</b>
Minus US benefit plans assets	-7.288	-6.407	-	-
	<b>44.814</b>	<b>52.286</b>	<b>27.735</b>	<b>35.458</b>
Minus unrecognized actuarial losses	-4.611	-10.458	-5.501	-11.696
Net liability at the Statement of Financial Position	<b>40.203</b>	<b>41.828</b>	<b>22.234</b>	<b>23.762</b>

Liabilities' movement recognized in the balance sheet:

*(all amounts in Euro thousands)*

	Group		Company	
	2010	2009	2010	2009
<b>Opening balance</b>	<b>41.828</b>	<b>41.157</b>	<b>23.762</b>	<b>23.702</b>
Total expense - as shown above	6.137	7.086	3.815	4.147
Additional provision required	190	-	-	-
Additions due to acquisitions	-	21	-	-
Exchange differences	521	-184	-	-
Benefits paid during the year	-8.473	-6.252	-5.343	-4.087
<b>Ending balance</b>	<b>40.203</b>	<b>41.828</b>	<b>22.234</b>	<b>23.762</b>

### Analysis of the US benefit plan assets' movement

	Group	
	2010	2009
Fair value of plan assets at the beginning of the period	6.407	5.904
Expected return	581	481
Company contributions	444	375
Benefits paid	-648	-748
Actuarial gains / (losses)	-7	619
Exchange difference	511	-224
<b>Fair value of plan assets at the end of the period</b>	<b>7.288</b>	<b>6.407</b>

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## 26. Provisions

### Group

For the year ended 31 December 2010		January 1, 2010	Charge for the year	Unused amounts reversed	Utilized	Additions due to acquisitions	Exchange differences	Reclassification from/to accrual other	December 31, 2010
<i>(all amounts in Euro thousands)</i>									
Provisions for restoration of quarries	a	10.252	1.427	-480	-367	-	280	953	12.065
Provisions for other taxes	b	591	199	-	-291	-	71	-370	200
Litigation provisions	c	2.860	-	-2.119	-296	350	263	-	1.058
Other provisions	d	5.616	2.915	-1.242	-393	-	80	-915	6.061
		<b>19.319</b>	<b>4.541</b>	<b>-3.841</b>	<b>-1.347</b>	<b>350</b>	<b>694</b>	<b>-332</b>	<b>19.384</b>

For the year ended 31 December 2009		January 1, 2009	Charge for the year	Unused amounts reversed	Utilized	Additions due to acquisitions	Exchange differences	December 31, 2009
<i>(all amounts in Euro thousands)</i>								
Provisions for restoration of quarries	a	11.166	857	-1.175	-708	253	-141	10.252
Provisions for other taxes	b	1.016	40	-	-438	-	-27	591
Litigation provisions	c	2.961	434	-6	-429	-	-100	2.860
Other provisions	d	11.235	187	-3.039	-2.620	-	-147	5.616
		<b>26.378</b>	<b>1.518</b>	<b>-4.220</b>	<b>-4.195</b>	<b>253</b>	<b>-415</b>	<b>19.319</b>

*(all amounts in Euro thousands)*

	2010	2009
Non current provisions	19.022	16.660
Current provisions	362	2.659
	<b>19.384</b>	<b>19.319</b>

### Company

For the year ended 31 December 2010		January 1, 2010	Charge for the year	Unused amounts reversed	Utilized	December 31, 2010
<i>(all amounts in Euro thousands)</i>						
Provisions for restoration of quarries	a	1.895	72	-258	-	1.709
Other provisions	d	343	5.541	-	-	5.884
		<b>2.238</b>	<b>5.613</b>	<b>-258</b>	<b>-</b>	<b>7.593</b>

For the year ended 31 December 2009		January 1, 2009	Charge for the year	Unused amounts reversed	Utilized	December 31, 2009
<i>(all amounts in Euro thousands)</i>						
Provisions for restoration of quarries	α	2.182	341	-463	-165	1.895
Other provisions	δ	-	343	-	-	343
		<b>2.182</b>	<b>684</b>	<b>-463</b>	<b>-165</b>	<b>2.238</b>

*(all amounts in Euro thousands)*

	2010	2009
Non current provisions	7.067	1.929
Current provisions	526	309
	<b>7.593</b>	<b>2.238</b>

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 for other taxes. 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 mainly in the next twelve months.

d. The other provisions comprised from amounts relating to risks none of which are individually material to the Group. In Company's existing carrying amount, an additional provision is included, among others, which concerns devaluation of investment in a subsidiary. It is expected that the remaining amounts will be used over the next 2 to 20 years.

## 27. Other-non current liabilities

	Group		Company	
	2010	2009	2010	2009
(all amounts in Euro thousands)				
Government grants	6.353	6.533	5.674	5.806
Additional consideration for subsidiaries' acquisition (note 34)	-	1.070	-	-
Other-non current liabilities (note 34)	28.452	29.831	-	-
	<b>34.805</b>	<b>37.434</b>	<b>5.674</b>	<b>5.806</b>

The other non-current liabilities of the fiscal year 2010 include among others: a) the amount of €21.1 million (2009: €19.4 million) relates to the fair value of the put option, given by the Group to non-controlling interests, specifically the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC), so that such non-controlling interest have the right for the Group purchase their shares in ANTEA Cement SHA at predetermined conditions, b) the amount of €5.8 million (2009: €6.2 million) relates to a contingency of the Group's subsidiary in Egypt, Beni Suef, towards the Public Power Corporation.

### Analysis of Government grants:

	Group		Company	
	2010	2009	2010	2009
Non - current	6.353	6.533	5.674	5.806
Current (note 28)	235	298	235	298
	<b>6.588</b>	<b>6.831</b>	<b>5.909</b>	<b>6.104</b>

	Group		Company	
	2010	2009	2010	2009
(all amounts in Euro thousands)				
<b>Opening balance</b>	<b>6.831</b>	<b>6.900</b>	<b>6.104</b>	<b>6.406</b>
Additions due to acquisitions	-	-	-	-
Additions	112	345	112	-
Amortization (note 29)	-355	-414	-307	-302
<b>Ending balance</b>	<b>6.588</b>	<b>6.831</b>	<b>5.909</b>	<b>6.104</b>

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

	Group		Company	
	2010	2009	2010	2009
(all amounts in Euro thousands)				
Trade payables	97.367	111.265	19.761	24.808
Amounts due to related parties (note 33)	1.346	1.356	8.951	13.036
Other payables	29.996	33.248	9.440	7.224
Accrued expenses	41.600	35.232	7.335	9.245
Social security	4.570	4.583	2.715	2.956
Customer down payments/advances	28.502	37.144	650	872
Dividends payable	346	377	300	332
Government grants (note 27)	235	298	235	298
Other taxes	9.187	19.322	1.318	1.574
	<b>213.149</b>	<b>242.825</b>	<b>50.705</b>	<b>60.345</b>

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	
	2010	2009	2010	2009
Net Profit for the year as per income statement	111.227	121.901	20.830	46.446
Adjustments for:				
Tax (note 8)	17.934	36.238	18.531	33.401
Depreciation (note 11)	105.185	95.566	12.282	11.957
Amortization of intangibles (note 13)	17.685	17.248	24	-
Amortization of government grants received (note 27)	-355	-414	-307	-302
Impairment of assets (note 4,11,13)	165	2.939	2	-390
Net profit on sale of property, plant and equipment (note 4)	-6.309	-3.695	-2.521	-1.820
Provision for impairment of debtors charged to income statement (note 5, 20)	20.326	4.606	-2	1.950
Provision for inventory obsolescence (note 4, 19)	4.730	3.292	700	332
Provision for restoration of quarries (note 26.a)	947	-318	-186	-342
Provision for litigation (note 26.c)	-2.119	428	-	-
Other provisions (note 26.d)	1.673	-2.852	528	-807
Provision for retirement and termination benefit obligations (note 4, 25)	3.075	4.065	1.723	2.188
Impairment of investment property (note 12)	-	-	422	400
Loss from partial disposal of subsidiary's business	111	-	-	-
Interest income and net foreign exchange transaction gains (note 6)	-16.636	-19.349	-3.459	-3.600
Dividend income	-	-	-5.656	-5.119
Loss on early extinguishment of debt	7.340	1.321	-	-
Interest expense and net foreign exchange transaction losses (note 6)	72.994	74.632	30.064	34.085
Net (Gains)/Loss on financial instruments (note 6)	-1.131	4.112	1.244	2.779
(Gains)/loss on investments (note 6)	-	-39	2	3
Provision for impairment of investments (participations)	-	-	12.792	1.150
Tax discount due to one off payment (note 6)	-1	-139	-1	-139
Share stock options (note 7)	1.014	2.520	511	1.522
Share in loss/(profit) of associates (note 15)	783	-1.080	-	-
<i>Changes in working capital:</i>				
Decrease/(increase) in inventories	-7.653	38.844	-10.259	24.629
Decrease in trade and other receivables	23.106	38.115	29.774	9.342
Decrease/(increase) in other operating long-term receivables	-2.761	1.926	447	91
Decrease in trade and other payables (excluding banks)	-46.240	-30.399	-21.319	-17.371
<b>Cash generated from operations</b>	<b>305.090</b>	<b>389.468</b>	<b>86.166</b>	<b>140.385</b>

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

Net book amount (note 11)	4.705	3.791	185	855
Net profit on sale of property, plant and equipment (note 4)	6.309	3.695	2.521	1.820
Proceeds from the sale of property, plant and equipment	<b>11.014</b>	<b>7.486</b>	<b>2.706</b>	<b>2.675</b>

**30. Business combinations****Year ended 31 December 2010**

On 8.1.2010 the Group signed agreement to acquire 51% of Terret Enterprises Ltd with headquarters in Cyprus.

On 28.1.2010 the Group acquired the remaining 48.994% of the subsidiary Themis Holdings Ltd. After this acquisition, the Group now owns 100% stake in Themis Holdings Ltd and 100% stake of Balkan Cement Enterprises Ltd, a subsidiary of the latter.

On 28.1.2010 the Group signed agreement to acquire the 51% of Sharr Beteiligungs GmbH , which located in Germany.

On 01.03.2010, the Group's subsidiary Antea Cement sh.a. acquired the remaining 35% stake in Alba Cemento sh.pk. After this acquisition the Group owns indirectly the 60% of the subsidiary Alba Cemento sh.pk

On 31.3.2010, the Group acquired the remaining 1.0% of Tanagra Quarries S.A.. After this acquisition the Group owns the 100% share capital of the above mentioned subsidiary.

On 31.8.2010, the Group's financial statements incorporated the 51 % of the acquired company Kosovo Construction Materials L.L.C., with the full consolidation method.

On 1.12.2010, the Group's financial statements incorporated the 51 % of the acquired company Ndermarrja e Re SharrCem Sh.P.K., 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)

	Fair value recognised on acquisition	Previous carrying value
<b>Assets</b>		
Non current assets	38.413	2.378
Inventory	2.253	2.453
Receivables and prepayments	870	671
Cash and cash equivalents	4.823	4.823
<b>Total assets</b>	<b>46.359</b>	<b>10.325</b>
<b>Liabilities</b>		
Long term borrowings	350	350
Short term borrowings	636	636
Deferred tax liabilities	3.607	3
Other liabilities and taxes payable	6.756	6.757
<b>Total liabilities</b>	<b>11.349</b>	<b>7.746</b>
<b>Net assets</b>	<b>35.010</b>	<b>2.579</b>
Non controlling interests Interest	-17.154	
Total net assets acquired	17.856	
Difference between cost of acquisition and preliminary identifiable net assets acquired	10.019	
<b>Purchase consideration, settled in cash</b>	<b>27.875</b>	
<b>Cash flow on acquisition:</b>		
Purchase consideration settled in cash	27.875	
Net cash acquired with the subsidiary	-4.823	
<b>Net cash outflow on acquisitions</b>	<b>23.052</b>	

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 €6.7 million of revenue and €2.2 million 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 €25.0 million and revenue from continuing operations would have been €1,387.6 million.

On 22.11.2010, the Group announced the completion of the 80 million Euro equity investment of "International Finance Corporation (IFC)" in "Alexandria Portland Cement Company S.A. E. (APCC)" through the purchase of a stake in Titan's holding company "Alexandria Development Limited (ADL)". The transaction resulted in IFC holding through ADL a 15.2 percent minority stake in APCC and subsequently in Group's Egyptian operations.

The purchase price allocation exercise for the Tanagra Quarries S.A. which had been acquired on 2009 have been completed, resulted to the recognition of intangible assets amounted to €6,198 (Note 13).

**30. Business combinations (continued)****Year ended 31 December 2009**

On 22.4.2009, the Group acquired through a public offer the 3.6529% of Titan's Cementara Kosjeric A.D. in Serbia by paying the amount of €2.6 m. After this acquisition the Group now owns the entire share capital of the above mentioned subsidiary.

On 26.5.2009 the Group signed an acquisition agreement for 100% of the shares of Zofori Building Materials S.A., which was included in the Group's financial statements with the full consolidation method.

On 3.6.2009 the Group acquired 25% of the Pozolani S.A. shares for the amount of €0.5 m.. On 23.12.2009, the Group completed the acquisition of the remaining 75% shares of the Pozolani S.A. for the amount of €1.3 m. Pozolani S.A. was accounted for with equity consolidation method till 23.12.2009 and after that it is included in the Group's financial statements with the full consolidation method.

On 23.10.2009 the Group acquired 100% of the shares of Mamaja Real Estate B.V. for the amount of €0.02 m, which was included in the Group's financial statements with the full consolidation method.

On 13.11.2009 the Group acquired 100% of the shares of Dancem Aps for the amount of €0.06 m, which was included in the Group's financial statements with the full consolidation method.

On 30.12.2009 the Group acquired 99% of the shares of Tanagra Quarries S.A. for the amount of €9.2 m, which was included 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)

	Fair value recognised on acquisition	Previous carrying value
<b>Assets</b>		
Non current assets	987	987
Inventory	610	610
Receivables and prepayments	5.460	5.460
Cash and cash equivalents	458	458
<b>Total assets</b>	<b>7.515</b>	<b>7.515</b>
<b>Liabilities</b>		
Long term borrowings	182	182
Short term borrowings	1.694	1.694
Deferred tax liabilities	148	148
Other liabilities and taxes payable	3.439	3.439
<b>Total liabilities</b>	<b>5.463</b>	<b>5.463</b>
<b>Net assets</b>	<b>2.052</b>	<b>2.052</b>
Non controlling interests Interest	-18	
Total net assets acquired	2.034	
Difference between cost of acquisition and temporary identifiable net	9.119	
<b>Purchase consideration settled in cash</b>	<b>11.153</b>	
<b>Cash flow on acquisition:</b>		
Purchase consideration settled in cash	11.153	
Net cash acquired with the subsidiary	-457	
<b>Net cash outflow on acquisitions</b>	<b>10.696</b>	

Purchase price allocation of the acquired companies was completed within the fiscal year 2009 without any change.

### **31. Interest in joint ventures**

The Group has a 50% interest in a joint venture, Adocim Cimento Beton Sanayi ve Ticaret A.S a company incorporated in Turkey with main activity the production of cement. The following amounts represent the Group's share of the assets and liabilities and profit after tax of the joint ventures and are included in the consolidated balance sheet and consolidated income statement:

*(all amounts in Euro thousands)*

	<b>2010</b>	<b>2009</b>
Property, plant and equipment	46.471	44.760
Intangibles and long-term receivables	1.414	2.836
Current assets	15.734	13.176
<b>Total assets</b>	<b>63.619</b>	<b>60.772</b>
Non-current interest bearing borrowings	19.205	22.079
Provisions	193	101
Current non-interest bearing borrowings	18.732	19.384
Other short-term liabilities	4.615	3.481
<b>Total liabilities</b>	<b>42.745</b>	<b>45.045</b>
<b>Net assets</b>	<b>20.874</b>	<b>15.727</b>
<b>Revenue</b>	<b>38.562</b>	<b>26.950</b>
Cost of sales	-29.366	-22.491
<b>Gross profit before depreciation</b>	<b>9.196</b>	<b>4.459</b>
Other income/expense	1.221	1.300
Administrative expenses	-1.609	-1.362
Selling expenses	-540	-362
<b>Profit before interest, taxes and depreciation</b>	<b>8.268</b>	<b>4.035</b>
Depreciation	-1.993	-1.778
<b>Profit before interest, taxes</b>	<b>6.275</b>	<b>2.257</b>
Finance costs	-1.106	-3.206
<b>Profit before income tax</b>	<b>5.169</b>	<b>-949</b>
Income tax expense	-485	182
<b>Profit after tax</b>	<b>4.684</b>	<b>-767</b>

The number of employees in the joint venture at the end of the reporting period was 255 (2009: 254).

## 32. Contingencies and Commitments

### Contingent liabilities

(all amounts in Euro thousands)

	Group		Company	
	2010	2009	2010	2009
Guarantees to third parties on behalf of subsidiaries	-	-	800.308	832.038
Bank guarantee letters	60.325	68.515	24.330	25.103
Other	21.614	14.718	1.432	3.020
	<b>81.939</b>	<b>83.233</b>	<b>826.070</b>	<b>860.161</b>

#### *Florida Class Action Litigation*

A number of ready-mix concrete and construction companies filed class action lawsuits in the United States District Court for the Southern District of Florida (the "District Court") alleging certain antitrust violations made by cement and ready mix concrete companies in the State of Florida.

These lawsuits were consolidated in two complaints which were filed with the District Court naming as defendants eight building materials companies in Florida, including the Company's subsidiary, Tarmac America LLC.

Tarmac America LLC refuses the plaintiffs' allegations, and intends to defend the case vigorously.

#### *Litigation matters in Egypt*

In 2007, Beni Suef Cement Company S.A., a Group subsidiary in Egypt, obtained the license for the construction of a second production line at the company's plant through a bidding process ran by the Egyptian Trading and Industrial Authority for the amount of LE134.5m. The Egyptian Industrial Development Authority subsequently raised the value of the license to LE251m. In October 2008, Beni Suef Cement Company S.A. filed a case before the Administrative Court against the Minister of Trade and Industry and the chairman of the Industrial Development Authority requesting an order obliging the Industrial Development Authority to grant the expansion license to Beni Suef Cement Company S.A for LE500. Alternatively, if the court rejects this request, Beni Suef Cement Company S.A. is requesting the price to be the EGP134.5m offered by Beni Suef Cement Company S.A. in the bid. The Group believes the case has a very high probability of being won.

A non-governmental organization, the Nile Agricultural Organisation, has raised a court case against Beni Suef Cement Company S.A., a Group subsidiary in Egypt, claiming that Beni Suef Cement Company S.A. has illegally occupied the plaintiff's land and is seeking compensation to the amount of LE300m. The contested land however has been legally allocated to Beni Suef Cement Company S.A. since many years by the relevant authority, the New Urban Communities Agency, and since 1988 Beni Suef Cement Company S.A. has held the licenses for the exploitation of the quarries on this land. The company believes that there is a very high likelihood the case will be won.

There are no other litigation matters which may have a material impact on the financial position of the Company and the Group.

#### *CO2 emissions*

Given the reduced demand resulting from the underlying economic crisis, it is estimated that the the Group's available carbon dioxide emissions allowances, overbalance the Group's production needs for the period 2008-2012.

#### *Put option in Antea*

The Group has granted to non controlling interest shareholders, European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) the option to have the Group to purchase their shares in ANTEA Cement SHA at predetermined conditions. The Group recognize this put option under the method as it is described in the note 1.2.d. On 31.12.2010 the put option's fair value recognized as liability is €21.1 million (2009: €19.4 million).

#### *Contingent tax liability*

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.

## 32. Contingencies and Commitments (continued)

### Contingent assets

(all amounts in Euro thousands)

Bank guarantee letters

	Group		Company	
	2010	2009	2010	2009
Bank guarantee letters	16.769	14.808	15.881	14.808
	<b>16.769</b>	<b>14.808</b>	<b>15.881</b>	<b>14.808</b>

### Commitments

#### Capital commitments

Capital commitments contracted for at the balance sheet date but not recognized in the financial statements is as follows:

(all amounts in Euro thousands)

Property, plant and equipment

	Group		Company	
	2010	2009	2010	2009
Property, plant and equipment	8.675	37.663	5.478	12.872

#### Purchase commitments

(all amounts in Euro thousands)

Energy supply contracts (Gas, electricity, etc)

	Group		Company	
	2010	2009	2010	2009
Energy supply contracts (Gas, electricity, etc)	227.183	240.505	-	-

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)

Not later than 1 years

Later than 1 years and not later than 5 years

Later than 5 years

	Group		Company	
	2010	2009	2010	2009
Not later than 1 years	6.693	7.411	753	986
Later than 1 years and not later than 5 years	16.983	18.248	983	3.078
Later than 5 years	37.795	17.485	-	-
	<b>61.471</b>	<b>43.144</b>	<b>1.736</b>	<b>4.064</b>

### 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 18.6% (2009:18.4%) of the Company's shares. The Company owns 4.06% (2009:4.1%) while the remaining 77.34% (2009: 77.5%) 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. 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:

#### Year ended 31 December 2010

(all amounts in Euro thousands)

<b>Group</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
Other related parties	-	1.930	-	477
Executives and members of the Board	-	-	4	869
	-	1.930	4	1.346

<b>Company</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
Aeolian Maritime Company	1	925	-	710
Achaiki Maritime Company	4	1.406	-	2.400
Albacem S.A.	2	-	-	7
Interbeton Construction Materials S.A.	49.256	5.653	12.681	-
Intertitan Trading International S.A.	6.702	-	-	-
Ionia S.A.	210	1	51	-
Quarries Gournon S.A.	1	-	816	-
Naftitan S.A.	36	559	-	506
Polikos Maritime Company	1	-	-	700
Titan Cement International Trading S.A.	6	-	330	-
Fintitan SRL	5.027	-	2.778	-
Titan Cement U.K. Ltd	6.103	57	1.094	-
Usje Cementarnica AD	9.664	-	262	-
Beni Suef Cement Co.S.A.E.	768	-	394	-
Alexandria Portland Cement Co. S.A.E	12.012	-	1	-
Cementara Kosjeric AD	75	-	20	-
Zlatna Panega Cement AD	43	56	34	-
Titan America LLC	217	7	12	-
Essex Cement Co. LLC	7.757	52	-	9
Pozolani S.A.	-	-	13	-
Antea Cement SHA	7.429	-	4.338	-
Titan Global Finance PLC	-	19.959	-	631.273
Separation Technologies U.K. Ltd	15	-	15	-
TCK Montenegro DOO	79	-	-	-
Adocim Cimento Beton Sanayi ve Ticaret A.S.	1	-	1	-
Quarries of Tanagra S.A.	10	-	5	-
Dancem APS	525	-	17	-
Cementi Crotone S.R.L.	185	-	-	-
Sharr Beteiligungs GmbH	38	-	14	-
Separation Technologies LLC	7	-	7	-
Other subsidiaries	16	-	-	-
Other related parties	-	1.930	-	477
Executives and members of the Board	-	-	4	869
	<b>106.190</b>	<b>30.605</b>	<b>22.887</b>	<b>636.951</b>

### 33. Related party transactions (continued)

Year ended 31 December 2009

(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	-	2.613	-	706
Executives and members of the Board	-	-	4	650
	-	2.613	4	1.356

Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Aeolian Maritime Company	2	2.701	-	1.605
Achaiki Maritime Company	6	7.944	-	6.202
Albacem S.A.	1	-	-	-
Interbeton Construction Materials S.A.	46.835	5.884	15.658	-
Intertitan Trading International S.A.	6.251	-	-	-
Ionia S.A.	1.086	360	129	-
Quarries Gournon S.A.	2	-	814	-
Naftitan S.A.	66	767	-	422
Polikos Maritime Company	-	-	-	225
Titan Cement International Trading S.A.	5	-	270	-
Fintitan SRL	11.669	-	5.937	-
Aemos Cement Ltd	-	-	58	-
Titan Cement U.K. Ltd	6.761	-	2.261	-
Usje Cementarnica AD	6.419	-	51	-
Beni Suef Cement Co.S.A.E.	438	9	101	-
Alexandria Portland Cement Co. S.A.E	6.567	-	882	-
Cementara Kosjeric AD	75	-	-	-
Zlatna Panega Cement AD	1	-	3	-
Titan America LLC	172	137	-	9
Essex Cement Co. LLC	10.964	-	1.224	-
Alvacim Ltd	-	105	-	-
Antea Cement SHA	29.190	-	8.683	-
Titan Global Finance PLC	-	22.832	-	637.217
Ecobeton S.A.	1.366	-	58	-
TCK Montenegro DOO	737	-	79	-
Adocim Cimento Beton Sanayi ve Ticaret A.S.	85	-	-	-
Domiki Beton S.A.	193	-	-	-
Dancem APS	-	-	26	-
Cementi Crotone S.R.L.	1.149	-	455	-
Other subsidiaries	11	-	-	-
Other related parties	-	2.613	-	706
Executives and members of the Board	-	-	4	650
	<b>130.051</b>	<b>43.352</b>	<b>36.693</b>	<b>647.036</b>

#### Key management compensation

	Group		Company	
	2010	2009	2010	2009
Salaries and other short-term employee benefits	5.608	5.043	5.457	4.851
Post-employment benefits	60	300	60	300
Other long term benefits	526	372	526	372
Termination benefits	-	562	-	562
Share based payments	383	1.140	383	1.140
	<b>6.577</b>	<b>7.417</b>	<b>6.426</b>	<b>7.225</b>

Key management includes executive committee members.

Directors	2010	2009
Executive members on the Board of Directors	5	5
Non-executive members on the Board of Directors	9	9

### 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, had granted a US Dollar loan to Titan America LLC. This loan creates no FX exposure in the results, as any gains/ losses from the revaluation of the loan are recorded in equity and they 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 partially Egypt, Turkey and Albania where the Group has an asset exposure in Egyptian pounds, in Turkish Lira and Albanian Lek and a financing obligation in Japanese Yen in Egypt and in Euro in Turkey and Albania. The Group has determined that the cost of refinancing the Yen obligations to Egyptian pounds and the Euro obligations to Turkish Lira and to Albanian Lek is currently un-attractive. To more effectively manage the yen exposure, part of the Yen obligation has been swapped into US Dollars via the use of forward foreign exchange contracts.

During 2009, Titan Global Finance had granted a euro loan to Titan America LLC, who hedged the FX differences by FX forwards contracts for the same amount and tenor with the loan.

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 floating 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	Effect on Profit Before Tax	Effect on equity
		Foreign Currency vs. €		
<b>Year ended 31 December 2010</b>				
	USD	5%	-4.291	30.141
		-5%	3.882	-27.270
	RSD	5%	1.010	2.393
		-5%	-913	-2.165
	EGP	5%	6.285	26.900
		-5%	-5.686	-24.338
	GBP	5%	-	140
		-5%	-	-127
	TRY	5%	269	1.099
		-5%	-244	-994
	ALL	5%	-3	2.334
		-5%	3	-2.111
<b>Year ended 31 December 2009</b>				
	USD	5%	-1.884	30.526
		-5%	1.704	-27.619
	RSD	5%	1.017	2.633
		-5%	-920	-2.382
	EGP	5%	3.572	26.194
		-5%	-3.232	-23.699
	GBP	5%	45	442
		-5%	-41	-400
	TRY	5%	-40	828
		-5%	37	-749
	ALL	5%	-500	2.419
		-5%	452	-2.188

Note: a) 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 b) The above sensitivity analysis is used on floating currencies and not on fixed.

### 34. Financial risk management objectives and policies (continued)

#### Interest Rate Risk

The fluctuations of the interest rates have no material impact in Group's profit / loss and operating cash flows

As of 31.12.2010, 28% of total Group debt is based on fixed interest rates and an additional 61% 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, as it is described below at the sensitivity analysis.

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:

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

(all amounts in Euro thousands)

		Interest Rate Variation	Effect on profit before tax
<b>Year ended 31 December 2010</b>	EUR	1,0%	-3.932
		-1,0%	3.932
	USD	1,0%	-1.890
		-1,0%	1.890
	GBP	1,0%	-
		-1,0%	-
	BGN	1,0%	-270
		-1,0%	270
	EGP	1,0%	-
		-1,0%	-
ALL	1,0%	-40	
	-1,0%	40	
<b>Year ended 31 December 2009</b>	EUR	1,0%	-5.116
		-1,0%	5.116
	USD	1,0%	-1.520
		-1,0%	1.520
	GBP	1,0%	-
		-1,0%	-
	BGN	1,0%	-313
		-1,0%	313
	EGP	1,0%	-205
		-1,0%	205

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

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. During 2010, the Group had vanilla fixed to floating swaps with tenor November 2014. Through these products, the percentage of fixed rates on Group's total debt has reached 32%.

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.

#### 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.

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 2010, the Group's cash and cash equivalents were held at time deposits and current accounts. 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.

### 34. Financial risk management objectives and policies (continued)

The table below summarizes the maturity profile of financial liabilities at 31 December 2010 based on contractual undiscounted payments.

#### Group

Year ended 31 December 2010 (all amounts in Euro thousands)	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Borrowings (note 24)	73.273	49.660	14.883	716.310	64.605	918.731
Other non current liabilities (note 27)	-	-	-	28.452	-	28.452
Trade and other payables (note 28)	27.707	113.393	23.382	7.067	-	171.549
	<u>100.980</u>	<u>163.053</u>	<u>38.265</u>	<u>751.829</u>	<u>64.605</u>	<u>1.118.732</u>

Year ended 31 December 2009 (all amounts in Euro thousands)	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Borrowings (note 24)	65.851	132.428	67.859	936.245	89.449	1.291.832
Other non current liabilities (note 27)	-	-	-	30.901	-	30.901
Trade and other payables (note 28)	33.535	137.210	28.302	8.546	-	207.593
	<u>99.386</u>	<u>269.638</u>	<u>96.161</u>	<u>975.692</u>	<u>89.449</u>	<u>1.530.326</u>

#### Company

Year ended 31 December 2010 (all amounts in Euro thousands)	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Borrowings (note 24)	16.536	533	-	643.000	-	660.069
Trade and other payables	25.479	17.149	6.410	1.666	-	50.704
	<u>42.015</u>	<u>17.682</u>	<u>6.410</u>	<u>644.666</u>	<u>-</u>	<u>710.773</u>

Year ended 31 December 2009 (all amounts in Euro thousands)	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Borrowings (note 24)	2.609	125.631	-	678.182	-	806.422
Trade and other payables (note 28)	33.672	16.443	524	461	-	51.100
	<u>36.281</u>	<u>142.074</u>	<u>524</u>	<u>678.643</u>	<u>-</u>	<u>857.522</u>

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.

#### Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its operations and maximize shareholder value.

The Group manages its capital structure conservatively with the leverage ratio, as this is shown from the relationship between net debt and EBITDA.

Titan's policy is to maintain leverage targets in line with an investment grade profile. During 2010, the Group reduced its level of net debt by €194m.

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	
	2010	2009	2010	2009
Long term borrowings	706.961	725.665	643.000	634.499
Short term borrowings	136.763	261.835	17.069	127.609
<b>Debt</b>	<b>843.724</b>	<b>987.500</b>	<b>660.069</b>	<b>762.108</b>
Less: cash and cash equivalents	67.070	16.426	2.943	204
<b>Net Debt</b>	<b>776.654</b>	<b>971.074</b>	<b>657.126</b>	<b>761.904</b>
<b>Profit before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>314.407</b>	<b>332.695</b>	<b>86.348</b>	<b>120.271</b>

### 35. Financial instruments

#### 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.

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:

	Group				Company			
	Carrying amount		Fair value		Carrying amount		Fair value	
	2010	2009	2010	2009	2010	2009	2010	2009
<i>(all amounts in Euro thousands)</i>								
<b>Financial assets</b>								
Available for-sale financial assets	2.274	2.400	2.274	2.400	168	168	168	168
Other non current receivables	11.346	15.912	11.346	15.912	3.013	3.460	3.013	3.460
Receivables and prepayments	210.592	254.131	210.592	254.131	56.966	83.723	56.966	83.723
Cash and cash equivalents	67.070	16.426	67.070	16.426	2.943	204	2.943	204
Derivative financial instruments	1.745	679	1.745	679	-	34	-	34
<b>Financial liabilities</b>								
Long term borrowings	706.961	725.665	706.961	729.639	643.000	634.499	643.000	634.499
Short term Borrowings	136.763	261.835	136.763	261.835	17.069	127.609	17.069	127.609
Other non current liabilities	34.805	37.434	34.805	37.434	5.674	5.806	5.674	5.806
Trade and other payables	213.149	242.825	213.149	242.825	50.705	60.345	50.705	60.345
Derivative financial instruments	10.200	405	10.200	405	687	29	687	29

Note: Derivative financial instruments consist of forward foreign exchange contracts and swaps.

#### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

### 35. Financial instruments (continued)

As at December 31, 2010, the Group and the Company held the following financial instruments measured at fair value:

	Group		Company		Fair value hierarchy
	Fair value		Fair value		
	2010	2009	2010	2009	
<i>(all amounts in Euro thousands)</i>					
<b>Financial assets</b>					
Available for-sale financial assets	2.274	2.400	-	-	Level 2
Derivative financial instruments	1.745	679	-	34	Level 2
<b>Financial liabilities</b>					
Other non current liabilities	21.134	19.359	-	-	Level 3
Derivative financial instruments	10.200	405	687	29	Level 2

#### Commitments to buy and sell foreign currencies:

The amounts below represent the net Yen and Dollar equivalents to purchase and sell foreign currencies. The Yen contracts will be utilized during the next twelve months and the Dollar contacts till 2013.

#### Group

(all amounts in local currency thousands)		Foreign Amount		Average Rate	
		2010	2009	2010	2009
		Japanese Yen (Bought)	USD/JPY	4.801.805	4.801.805
US Dollars (Sold)	EUR/USD	146.177	146.177	1,4618	1,4618
Japanese Yen (Sold)	USD/JPY	2.400.902	2.400.902	81,31	92,15

#### Commitments to swap interest rates:

The swap contracts are payments of fixed interest rate until 2014 against receipts of floating rates of one month euribor.

#### Company

(all amounts in Euro thousands)		Amount		Average interest rate	
		2010	2009	2010	2009
		Fixed rate (sale)	30.000	30.000	2,36%

### 36. Fiscal years unaudited by the tax authorities

Titan Cement Company S.A	2008-2010	Titan Cement Cyprus Limited	2006-2010
Achaiki Maritime Company	2000-2010	KOCEM Limited	2006-2010
Aeolian Maritime Company	2010	Fintitan SRL	(1)
Albacem S.A.	2010	Cementi Crotone S.R.L.	2009-2010
Arktias S.A.	2007-2010	Cementi ANTEA SRL	2010
AVES AFOI Polikandrioti S.A.	2010	Colombus Properties B.V.	2010
Dodekanesos Quarries S.A.	2010	Holtitan BV	2008-2010
Interbeton Construction Materials S.A.	2005-2010	Aeas Netherlands B.V.	2010
Intercement S.A.	2010	Titan Cement U.K. Ltd	(1)
Intertitan Trading International S.A.	2007-2010	Separation Technologies U.K. Ltd	(1)
Ionia S.A.	2007-2010	<sup>(2)</sup> Titan America LLC	2008-2010
Lakmos S.A.	2010	Separation Technologies Canada Ltd	2008-2010
Leecem S.A.	2010	Stari Silo Copmany DOO	2008-2010
Naftitan S.A.	2010	Cementara Kosjeric AD	2006-2010
Pozolani S.A.	2010	Adocim Cimento Beton Sanayi ve Ticaret A.S.	2006-2010
Porfirion S.A.	2010	TCK Montenegro DOO	2007-2010
Polikos Maritime Company	2000-2010	Double W & Co OOD	2005-2010
Vahou Quarries S.A.	2010	Granitoid AD	2007-2010
Quarries of Tanagra S.A.	2010	Gravel & Sand PIT AD	2005-2010
Quarries Gournon S.A.	2010	Zlatna Panega Beton EOOD	2005-2010
Quarries of Tagaradon Community S.A.	2010	Zlatna Panega Cement AD	2009-2010
Sigma Beton S.A.	2010	Cement Plus LTD	2009-2010
Titan Atlantic Cement Industrial and Commercial S.A.	2010	Rudmark DOOEL	2006-2010
Titan Cement International Trading S.A.	2010	Usje Cementarnica AD	2009-2010
Aemos Cement Ltd	2004-2010	Titan Cement Netherlands BV	2010
Alvacim Ltd	2006-2010	Alba Cemento Italia, SHPK	2009-2010
Balkcem Ltd	2004-2010	Antea Cement SHA	2009-2010
Iapetos Ltd	2003-2010	Sharr Beteiligungs GmbH	2009
Rea Cement Ltd	2003-2010	Kosovo Construction Materials L.L.C.	2010
Themis Holdings Ltd	2005-2010	Ndermarja e Re SharrCem Sh.P.K	2010
Tithys Ltd	2004-2010	Alexandria Development Co.Ltd	(1)
Feronia Holding Ltd	2006-2010	Alexandria Portland Cement Co. S.A.E	2006-2010
Vesa DOOL	2006-2010	Balkan Cement Enterprises Ltd	2004-2010
Trojan Cem EOOD	2010	Beni Suef Cement Co.S.A.E.	2006-2010
Dancem APS	2009-2010	East Cement Trade Ltd	2003-2010
Vris OOD	2006-2010	Titan Beton & Aggregate Egypt LLC	2005-2010
Geospan Doeel	2010	Titan Egyptian Inv. Ltd	(1)
Terret Enterprises Ltd	2009-2010	Misrieen Titan Trade & Distribution	2005-2010
Salentijn Properties1 B.V.	2010		

(1) Under special tax status.

(2) Companies operating in the U.S., are incorporated in Titan America LLC subgroup. (note 14).

### 37. Reclassifications

Certain prior year amounts have been reclassified for presentation purposes with no impact on the prior year equity, turnover and profits after tax and non-controlling interest for the Group and the Company.

#### Group

An amount of €5,057 thousand as of 31.12.2009, concerning quarries stripping cost in the Group's subsidiary in US, Titan America LLC was transferred from "other non current assets" to "intangible assets", and more specifically in the account "research and development cost" in order to be comparable with the statement of financial position as of 31.12.2010.

An amount of €5,033 thousand as of 31.12.2009 in the Income Statement, concerning reversal of provisions, was transferred from "other income" to "other expenses", in order to be offset with the corresponding provision expenses.

An amount of €2,274 thousand as of 31.12.2009 in the Income Statement, concerning impairment of tangible and intangible assets, was transferred from "other expense" to the distinct account "impairment of tangible and intangible assets related to cost of sales".

An amount of €665 thousand as of 31.12.2009 in the Income Statement, concerning impairment of goodwill, was transferred from "other expense" to the distinct account "impairment of tangible and intangible assets related to cost of sales".

#### Company

An amount of €2,806 thousand as of 31.12.2009 in the Income Statement, concerning reversal of provisions, was transferred from "other income" to "other expenses", in order to be offset with the corresponding provision expenses.

An amount of €1,150 thousand as of 31.12.2009 in the Income Statement, concerning Provision for impairment of investments in subsidiaries, was transferred from "other expense" to "expenses from participations and investments". This provision is eliminated in consolidation level.

An amount of €390 thousand as of 31.12.2009, concerning quarries stripping cost was transferred from "other expenses" to the distinct account "impairment of tangible and intangible assets related to cost of sales".

### **38. Events after the balance sheet date**

TITAN GLOBAL FINANCE PLC ( TGF) , a subsidiary of TITAN CEMENT COMPANY S.A., executed on January 5th, 2011 in London, UK, a new EUR 585,000,000 multicurrency forward start syndicated revolving credit facility, guaranteed by TITAN CEMENT COMPANY S.A. The new facility, which initially targeted the amount of EUR 500,000,000, will mature in January 2015 and will be used for refinancing TGF's existing syndicated multicurrency revolving credit facility maturing in April 2012 and, thereafter, for general corporate purposes of the Group.

On 7.1.2011, the Company executed a four year syndicated bond loan of € 135.000.000 principal, aiming to further strengthen the Group's liquidity profile.

On 4.2.2011 Group announced the signing of an agreement between its tableware subsidiary IONIA S.A. and YALCO-S.D. CONSTANTINOU & SON S.A. for the transfer of the IONIA trade name, as well as the sale of certain merchandise and other fixed assets. The agreement is not expected to have a material impact on the Group's results

In Egypt, recent political developments give rise to increased short-term uncertainty. It should be noted however that the Group's production and commercial activities have continued unabated

**REPORT**  
Regarding Company transactions with affiliated companies,  
in accordance to article 2, par.4 of Codified Law 3016/2002, for 2010

During 2010, Company's transactions with the previously mentioned companies are as listed below:

**I. INFLOWS**

**1/1 - 31/12/2010**

**A. Sales**

**1. Cement sales**

INTERBETON CONSTRUCTION MATERIALS S.A.	value in Euro	44.525.261,26
INTERTITAN SA		6.700.480,00
FINTITAN SRL		5.027.200,00
ANTEA CEMENT SHA		5.350.403,32
TITAN CEMENT U.K. LTD		6.084.143,19
ESSEX CEMENT CO LLC		7.757.195,96
TCK MONTENEGRO DOO		78.676,50
CEMENTARNICA USJE A.D.		706.118,57
CEMENTARA KOSJERIC A.D.		47.164,80
ALEXANDRIA PORTLAND CEMENT CO		11.914.808,57
CEMENTI CROTONE SRL		185.136,00
		<u>88.376.588,17</u>

**2. Aggregates sales**

INTERBETON CONSTRUCTION MATERIALS S.A.	value in Euro	4.397.319,00
		<u>4.397.319,00</u>

**3. Solid Fuels sales**

CEMENTARNICA USJE AD	value in Euro	8.926.684,53
		<u>8.926.684,53</u>

**4. Fixed assets sales**

INTERBETON CONSTRUCTION MATERIALS S.A.	value in Euro	1.931,00
IONIA S.A.		250,00
ANTEA CEMENT SHA		36.000,00
		<u>38.181,00</u>

**5. Porcelain products sales**

IONIA S.A.	value in Euro	69.584,97
		<u>69.584,97</u>

**6. Spare parts sales**

INTERBETON CONSTRUCTION MATERIALS S.A.	value in Euro	15.931,58
QUARRIES TANAGRAS S.A.		5.979,55
ANTEA CEMENT SHA		231.152,44
CEMENTARNICA USJE AD		6.392,00
		<u>259.455,57</u>

**TOTAL A.** 102.067.813,24

**B. Services**

**1. Provision of computerization and IT services**

INTERTITAN SA	value in Euro	1.200,00
ALBACEM S.A.		1.200,00
INTERCEMENT S.A.		1.200,00
QUARRIES GOURNON S.A.		1.000,00
LAKMOS S.A.		1.200,00
LEESEM S.A.		1.200,00
PORFYRION S.A.		1.200,00
NAFTITAN S.A.		21.999,96
AFOI POLYKANDRIOTI AVES S.A.		1.200,00
VAHOU QUARRIES S.A.		1.200,00
ARKTIAS S.A.		1.200,00
TITAN CEMENT ATLANTIC S.A.		1.200,00
TITAN INTERNATIONAL TRADING S.A.		5.025,00
DODEKANESOS QUARRIES S.A.		1.200,00
IONIA S.A.		20.000,04
INTERBETON CONSTRUCTION MATERIALS S.A.		194.270,04
		<u>255.495,04</u>

## 2. Other income from services

BENI SUEF CEMENT CO.	value in Euro	767.978,57
ALEXANDRIA PORTLAND CEMENT Co		97.862,00
TITAN AMERICA LLC		216.647,36
TITAN CEMENT U.K. LTD		18.695,52
NAFTITAN S.A.		13.615,47
INTERBETON CONSTRUCTION MATERIALS S.A.		69.324,57
ACHAIKI M.C.		3.218,80
CEMENTARA KOSJERIC A.D.		27.580,00
CEMENTARNICA USJE AD		24.773,66
ZLATNA PANEGA CEMENT A.D.		42.738,46
DANCEM APS		524.819,71
SEPARATION TECHNOLOGIES UK		15.344,04
SEPARATION TECHNOLOGIES USA LLC		6.645,18
IONIA S.A.		12.000,00
QUARRIES TANAGRAS S.A.		3.880,00
ANTEA CEMENT SHA		1.811.388,04
ADOCIM CIMENTO BETON SANAYI VE TICARET A.S.		505,00
SHARR BETEILIGUNGS GmbH		13.029,23
		<u>3.670.045,61</u>

**TOTAL B.** 3.925.540,65

## C. Rents and leases

INTERBETON CONSTRUCTION MATERIALS S.A.	value in Euro	51.996,58
IONIA S.A.		108.600,00
AEOLIAN M.C.		600,00
ACHAIKI M.C.		600,00
POLIKOS S.A.		600,00
INTERTITAN SA		600,00
ALBACEM S.A		600,00
INTERCEMENT S.A.		600,00
LAKMOS S.A.		600,00
LEESEM S.A.		600,00
PORFYRION S.A.		600,00
AFOI POLYKANDRIOTI AVES S.A.		600,00
VAHOU QUARRIES S.A.		600,00
ARKTIAS S.A.		600,00
TITAN CEMENT ATLANTIC S.A.		600,00
TITAN TRADING INTERNATIONAL S.A.		600,00
SHARR BETEILIGUNGS GmbH		24.969,00
		<u>193.965,58</u>

**TOTAL C.** 193.965,58

106.187.319,47

## II. OUTFLOWS

### A. Purchases

#### 1. Aggregates purchases

INTERBETON CONSTRUCTION MATERIALS S.A.	value in Euro	<u>4.731.312,41</u>
		<u>4.731.312,41</u>

#### 2. Ready-mix concrete purchases

INTERBETON CONSTRUCTION MATERIALS S.A.	value in Euro	<u>113.811,45</u>
		<u>113.811,45</u>

**TOTAL A.** 4.845.123,86

## B. Services

### 1. Freight and transportation costs

ACHAIKI M.C.	value in Euro	1.406.457,46
AEOLIAN M.C.		<u>924.600,00</u>
		<u><u>2.331.057,46</u></u>

### 2. Various payments from services

NAFTITAN S.A.	value in Euro	559.312,46
IONIA S.A.		869,32
TITAN GLOBAL FINANCE PLC		19.959.296,88
INTERBETON CONSTRUCTION MATERIALS S.A.		807.944,89
ZLATNA PANEGA CEMENT A.D.		56.178,90
TITAN CEMENT U.K. LTD		57.286,29
ESSEX CEMENT COMPANY LLC		52.102,73
TITAN AMERICA LLC		<u>6.858,80</u>
		<u><u>21.499.850,27</u></u>

**TOTAL B.** 23.830.907,73

28.676.031,59

## III. BALANCES

The balances at 31.12.2010 are as follows:

	<u>31/12/2010</u>	
	<b>DEBIT BALANCE</b>	<b>CREDIT BALANCE</b>
CEMENTARNICA USJE AD	261.665,11	-
FINTITAN SRL	2.778.100,00	-
INTERTITAN SA	-	-
ANTEA CEMENT SHA	4.338.622,95	-
IONIA S.A.	50.641,00	-
INTERBETON CONSTRUCTION MATERIALS S.A.	12.681.479,00	-
TITAN CEMENT U.K. LTD	1.094.480,40	-
SEPARATION TECHNOLOGIES U.K.	15.344,04	-
QUARRIES GOURNON S.A.	815.735,00	-
QUARRIES TANAGRAS S.A.	4.772,00	-
POZOLANES S.A.	13.327,00	-
ESSEX CEMENT CO LLC	-	9.374,49
TITAN TRADING INTERNATIONAL S.A.	330.000,00	-
TCK MONTENEGRO DOO	-	-
CEMENTARA KOSJERIC A.D.	19.912,00	-
ALBACEM SHA	-	6.741,00
BENI SUEF CEMENT CO.	393.662,06	-
OIKOBETON S.A	-	-
ALEXANDRIA PORTLAND CEMENT Co	505,00	-
DANCEM APS	16.586,71	-
ZLATNA PANEGA CEMENT A.D.	33.650,00	-
CEMENTI CROTONE SRL	-	-
TITAN GLOBAL FINANCE PLC	-	631.273.172,00
ACHAIKI M.C.	-	2.400.000,00
AEOLIAN M.C.	-	710.453,00
POLIKOS S.A.	-	700.000,00
NAFTITAN S.A.	-	506.010,00
ADOCIM CIMENTO BETON SANAYI VE TICARET A.S.	505,00	-
SHARR BETEILIGUNGS GmbH	13.719,00	-
SEPARATION TECHNOLOGIES LLC US	6.645,18	-
TITAN AMERICA LLC	<u>11.865,25</u>	-
	<u><u>22.881.216,70</u></u>	<u><u>635.605.750,49</u></u>

Note : All the transactions involving sales, purchases and provision of services were made at the current value on the date of their realization.

True Copy from the Book of Minutes of the Board of Directors

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](http://www.titan-cement.com).

4/1/2010 Completion of sale of treasury shares  
12/1/2010 Board resolution regarding the sale of treasury stock  
15/1/2010 Trading in the Athens Exchange of new shares after share capital increase due to exercise of stock option rights  
20/1/2010 Announcement pursuant to Law 3556/2007  
22/1/2010 Announcement pursuant to Law 3556/2007  
25/1/2010 Announcement pursuant to Law 3556/2007  
27/1/2010 Outcome of the statutory Tax Audit for the fiscal years 2006 and 2007  
1/2/2010 Completion of sale of Treasury shares  
16/2/2010 Financial Calendar 2010  
3/3/2010 Announcement pursuant to Law 3556/2007  
4/3/2010 Announcement pursuant to Law 3556/2007  
18/3/2010 2009 Full year results  
23/3/2010 Minority Stake Sale in Egyptian Operations  
30/3/2010 Group Chief Financial Officer leaving Titan Group  
6/4/2010 US Army Corps of Engineers issues permit for Titan Group's mines at the Lake Belt area  
26/4/2010 Invitation to the annual General Meeting of Shareholders  
26/4/2010 Resolution for the sale of treasury stock  
27/4/2010 Announcement pursuant to Law 3556/2007  
28/4/2010 Announcement pursuant to Law 3556/2007  
29/4/2010 Announcement pursuant to Law 3556/2007  
13/5/2010 Appointment of acting Group Chief Financial Officer  
17/5/2010 Announcement for reduce of the percentage of 5% of MITICA LTD  
17/5/2010 Q1 2010 Results  
19/5/2010 Announcement : Board of Directors changes  
19/5/2010 Notice of Decisions taken by the Annual General Meeting of Shareholders on 18/5/2010  
21/5/2010 Announcement pursuant to Law 3556/2007  
26/5/2010 Announcement pursuant to Law 3556/2007  
27/5/2010 Announcement pursuant to Law 3556/2007  
28/5/2010 Announcement pursuant to Law 3556/2007  
28/5/2010 Announcement pursuant to Law 3556/2007  
28/5/2010 Announcement pursuant to Law 3556/2007  
1/6/2010 Announcement pursuant to Law 3556/2007  
1/6/2010 Announcement pursuant to Law 3556/2007  
2/6/2010 Announcement pursuant to Law 3556/2007  
3/6/2010 Announcement pursuant to Law 3556/2007  
3/6/2010 Announcement pursuant to Law 3556/2007  
4/6/2010 Resolution of the 1st Reiterative General Meeting of June 3rd 2010  
8/6/2010 Announcement pursuant to Law 3556/2007  
9/6/2010 Announcement pursuant to Law 3556/2007  
9/6/2010 Announcement pursuant to Law 3556/2007  
21/6/2010 Announcement of payment of dividend for the financial year 2009  
6/7/2010 Announcement pursuant to Law 3556/2007  
8/7/2010 Completion of sale of treasury shares  
12/7/2010 Announcement pursuant to Law 3556/2007  
21/7/2010 Announcement pursuant to Law 3556/2007  
2/8/2010 Announcement pursuant to Law 3556/2007  
17/8/2010 Announcement pursuant to Law 3556/2007  
23/8/2010 Announcement pursuant to Law 3556/2007  
25/8/2010 Announcement pursuant to Law 3556/2007  
26/8/2010 2010 1st Half Results  
27/8/2010 Announcement pursuant to Law 3556/2007  
3/9/2010 Announcement pursuant to Law 3556/2007

6/9/2010 Announcement pursuant to Law 3556/2007  
15/9/2010 Announcement pursuant to Law 3556/2007  
15/9/2010 Announcement pursuant to Law 3556/2007  
16/9/2010 Announcement pursuant to Law 3556/2007  
16/9/2010 Announcement pursuant to Law 3556/2007  
20/9/2010 Announcement pursuant to Law 3556/2007  
4/10/2010 Announcement pursuant to Law 3556/2007  
6/10/2010 Announcement pursuant to Law 3556/2007  
1/11/2010 Announcement pursuant to Law 3556/2007  
3/11/2010 Announcement pursuant to Law 3556/2007  
22/11/2010 Closing of minority stake sale in Egypt  
23/11/2010 2010 Nine Month Results  
29/11/2010 Announcement pursuant to Law 3556/2007  
29/11/2010 Announcement pursuant to Law 3556/2007  
1/12/2010 Announcement pursuant to Law 3556/2007  
2/12/2010 Announcement pursuant to Law 3556/2007  
2/12/2010 Announcement pursuant to Law 3556/2007  
6/12/2010 Stock Option Plan  
15/12/2010 Cement plan acquisition in Kosovo  
17/12/2010 Announcement pursuant to Law 3556/2007  
21/12/2010 Announcement pursuant to Law 3556/2007  
21/12/2010 Announcement pursuant to Law 3556/2007  
24/12/2010 Announcement pursuant to Law 3556/2007  
24/12/2010 Document providing information - Stock option plan 2010

The annual financial statements, the auditors reports and the Board of Directors reports of the companies included in the consolidated financial statement are available on the Company's website [titan-cement.cor](http://titan-cement.cor)

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.

<b>Supervising Authority:</b>	Ministry of Development and Competitiveness (Department for limited companies)
<b>Company's web address:</b>	<a href="http://www.titan-cement.com">www.titan-cement.com</a>
<b>Board of Directors:</b>	Andreas Canelopoulos - Chairman, Panagiotis-Efstratios Arapoglou*-Deputy Chairman, Dimitrios Papalexopoulos-Managing Director,  Nellos Canelopoulos, Takis-Panagiotis Canelopoulos, George David*, Basilios Fourlis*, Peter Sabatakakis*, Panagiotis Marinopoulos*, Alexandra Papalexopoulou-Benopoulou, Michael Sigalas, Spyridon Theodoropoulos*, Efthios Vasilakis*, Efthimos Vidalis*.  *Independent non-executive directors
<b>Date of approval of the Financial Statements :</b>	17 March 2011
<b>Name of the auditor:</b>	Christodoulos Seferis
<b>Auditing firm:</b>	ERNST & YOUNG
<b>Report of the Auditors:</b>	Without qualification

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
(Amounts in € thousand)

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>ASSETS</b>				
Tangible assets	1.963.439	1.915.211	261.538	266.759
Investment properties	2.053	1.088	5.974	6.396
Intangible assets	560.760	547.873	1.122	671
Other non current assets	26.584	31.347	1.186.841	1.272.069
Inventories	248.168	238.803	77.419	68.250
Trade receivables	136.113	155.018	43.898	70.990
Other current assets	76.287	99.854	13.129	12.828
Cash and cash equivalents	67.070	16.426	2.943	204
<b>TOTAL ASSETS</b>	<b>3.080.474</b>	<b>3.005.620</b>	<b>1.592.864</b>	<b>1.698.167</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>				
Share Capital (84,613,840 shares of € 4.00)	338.455	338.304	338.455	338.304
Share Premium	22.826	22.826	22.826	22.826
Share stock options	6.983	5.977	6.983	5.977
Treasury Shares	-90.182	-91.622	-90.182	-91.622
Retained earnings and other reserves	1.293.847	1.173.568	538.869	533.997
Total share capital and reserves (a)	1.571.929	1.449.053	816.951	809.482
Non-controlling interests (b)	139.463	11.135	-	-
Total Equity (c)=(a)+(b)	1.711.392	1.460.188	816.951	809.482
Long-term borrowings	706.961	725.665	643.000	634.499
Provisions and other long-term liabilities	292.566	292.870	56.067	55.515
Short-term borrowings	136.763	261.835	17.069	127.609
Other short-term liabilities	232.792	265.062	59.777	71.062
Total liabilities (d)	1.369.082	1.545.432	775.913	888.685
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)</b>	<b>3.080.474</b>	<b>3.005.620</b>	<b>1.592.864</b>	<b>1.698.167</b>

**CONDENSED INCOME STATEMENT**  
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
<b>Revenue</b>	1.350.488	1.360.571	370.696	450.092
Cost of sales	-897.824	-901.496	-247.383	-293.539
<b>Gross profit before depreciation and amortization</b>	452.664	459.075	123.313	156.553
Other operating income/(expense)	-8.724	1.807	1.594	3.853
Administrative expenses	-104.686	-106.301	-37.482	-38.326
Selling and marketing expenses	-24.847	-21.886	-1.077	-1.809
<b>Profit before interest, taxes and depreciation and amortization</b>	314.407	332.695	86.348	120.271
Depreciation, amortization and impairment of tangibles/ intangibles assets	-122.680	-115.339	-12.001	-11.265
<b>Profit before interest and taxes</b>	191.727	217.356	74.347	109.006
Income from participations & investments	-	-	5.656	5.119
Finance costs	-62.566	-59.217	-40.642	-34.278
<b>Profit before taxes</b>	129.161	158.139	39.361	79.847
Less: Income tax expense	-17.934	-36.238	-18.531	-33.401
<b>Profit after taxes (a)</b>	111.227	121.901	20.830	46.446
<b>Attributable to:</b>				
Equity holders of the parent	102.212	123.393	20.830	46.446
Non-controlling interests	9.015	-1.492	-	-
Basic earnings per share (in €)	1,25523	1,51659	0,25581	0,57086
Diluted earnings per share (in €)	1,25068	1,51275	0,25488	0,56941
Proposed dividend per issued share (in €)	0,07759	0,18000	0,07759	0,18000
Proposed distribution of taxed reserves per share (in €)	0,10241	-	0,10241	-

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (\*)**  
Amounts in € thousand

	GROUP		COMPANY	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
<b>Profit after taxes (a)</b>	111.227	121.901	20.830	46.446
<b>Other comprehensive income/(loss):</b>				
Exchange differences on translation of foreign operations	54.028	-38.913	-	-
Cash flow hedges	-756	-916	-	-
Net losses on financial assets available for sale	-210	-51	-	-
Income tax relating to components of other comprehensive income	295	357	-	-
Other comprehensive income/(expenses) net of tax (b)	53.357	-39.523	-	-
<b>Total comprehensive income net of tax (a)+(b)</b>	<b>164.584</b>	<b>82.378</b>	<b>20.830</b>	<b>46.446</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders	153.445	87.275	20.830	46.446
Non-controlling interests	11.139	-4.897	-	-

(\*) The statement of comprehensive income has been prepared in accordance with the requirements of the revised IAS 1 that are effective from 1.1.2009. It demonstrates the transactions that would directly affect equity according to the requirements which were valid till 31.12.2008 and it combines them with the profit after taxes as they appear in the income statement. These transactions do not include transactions with the equity holders of the parent company in their capacity as owners.

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
(Amounts in € thousand)

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Equity balance at beginning of the year (1/1/2010 and 1/1/2009 respectively)</b>	1.460.188	1.434.134	809.482	795.524
Total comprehensive income	164.584	82.378	20.830	46.446
Share Capital increase due to share options	1.157	2.638	1.157	2.638
Treasury shares sold	706	384	706	384
Dividends paid	-15.224	-35.510	-15.224	-35.510
Dividends paid to non-controlling interest	-1.919	-2.262	-	-
Non-controlling interest's put option recognition	-1.621	-19.359	-	-
Non-controlling interest related to share capital increase in subsidiary	8.030	-	-	-
Equity increase arising on business combination	17.079	-	-	-
Proceeds from partial disposal of subsidiary (note 12)	80.000	-	-	-
Acquisition of non-controlling interests	-1.588	-2.215	-	-
<b>Equity balance at year end (31/12/2010 and 31/12/2009 respectively)</b>	<b>1.711.392</b>	<b>1.460.188</b>	<b>816.951</b>	<b>809.482</b>

**CASH FLOW STATEMENT**  
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
<b>Cash flows from operating activities</b>				
Profits before taxes	129.161	158.139	39.361	79.847
Adjustments for:				
Depreciation	122.515	112.400	11.999	11.655
Impairment of tangible and intangible assets	165	2.939	2	-390
Provisions	28.632	9.221	2.763	3.321
Exchange differences	8.186	8.477	-151	-19
Income from participations & investments	-	-	-5.656	-5.119
Provision for impairment of investments (participations)	-	-	12.792	1.150
Interest expense	55.512	46.806	26.756	30.504
Other non cash items	-5.533	3.000	-343	2.745
Operating profit before changes in working capital	338.638	340.982	87.523	123.694
(Increase)/decrease in inventories	-7.653	38.844	-10.259	24.629
Decrease in trade and other receivables	23.106	38.115	29.774	9.342
(Increase)/decrease in operating long-term receivables	-2.761	1.926	447	91
Decrease in trade & other payables (excluding banks)	-46.240	-30.399	-21.319	-17.371
Cash generated from operations	305.090	389.468	86.166	140.385
Taxation paid	-27.546	-15.218	-22.449	-20.714
<b>Net cash flows from operating activities (a)</b>	<b>277.544</b>	<b>374.250</b>	<b>63.717</b>	<b>119.671</b>
<b>Cash flows from investing activities</b>				
Purchase of tangible assets	-85.068	-166.112	-7.039	-5.592
Decrease in other long-term receivables	2.024	19.546	-	-
Purchase of intangible assets	-2.118	-14.562	-475	-671
Proceeds from the sale of property, plant and equipment	10.656	7.486	5.348	2.675
Proceeds from dividends	317	671	5.656	4.770
Acquisition of subsidiaries, net of cash	-25.355	-14.416	-	-
Decrease/(increase) in subsidiaries' share capital	-	-	77.500	-749
Proceed from partial disposal of subsidiary's business	32.733	-	-	-
Proceeds from partial disposal of subsidiary's ownership	80.000	-	-	-
(Disposal)/purchase of available-for-sale financial assets	-136	66	-2	-2
Interest received	3.666	8.803	1.336	2.024
<b>Net cash flows from/(used in) investing activities (b)</b>	<b>16.719</b>	<b>-158.518</b>	<b>82.324</b>	<b>2.455</b>
<b>Net cash flows after investing activities (a)+(b)</b>	<b>294.263</b>	<b>215.732</b>	<b>146.041</b>	<b>122.126</b>
<b>Cash flows from financing activities</b>				
Share capital increase	151	117	151	117
Proceeds from non-controlling interest's participation in subsidiaries' share capital increase	8.030	-	-	-
Treasury shares sold	706	384	706	384
Proceeds from government grants	112	345	112	-
Interest paid	-56.998	-46.073	-25.947	-30.515
Dividends paid	-17.159	-37.805	-15.256	-35.531
Proceeds from borrowings	995.688	748.739	272.264	260.781
Payments of borrowings	-1.170.295	-957.393	-375.332	-348.421
<b>Net cash flows used in financing activities (c)</b>	<b>-239.765</b>	<b>-291.686</b>	<b>-143.302</b>	<b>-153.185</b>
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>54.498</b>	<b>-75.954</b>	<b>2.739</b>	<b>-31.059</b>
Cash and cash equivalents at beginning of the year	16.426	94.521	204	31.263
Effects of exchange rate changes	-3.854	-2.141	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>67.070</b>	<b>16.426</b>	<b>2.943</b>	<b>204</b>

**NOTES**

- As per resolution dated 16.12.2010 of the Board of Directors, the share capital of the Company was increased in cash by €150,888 with the issuance of 37,722 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 resolution dated 29.5.2007 of the General Meeting of Shareholders.
- Pursuant to the Board of Directors resolutions dated 12.1.2010 and 26.4.2010, the Company completed the sale through the Athens Stock Exchange of 37,597 treasury common shares, representing 0,0445% of the Company's paid up Share Capital, at an average sale price equal to €18,77 per share, within the three year statutory period commencing from the date they were acquired by the Company. The total number of its own shares that the Company holds as at 31.12.2010 is 3.137.616 of aggregate value €90.182 thousand and they have been deducted from the Shareholders Equity of the Group and the Company.
- The assets of the Company have not been pledged. Certain assets of the Group, owned by the Group's joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey, have been pledged for the amount of €67.1 m. in securing debt of €41.5 m.
- Number of employees at the end of the reporting period: Group 6,034 (2009: 5,805), Company 959 (2009: 1,027).
- Capital expenditure excluding acquisitions and intangible assets for the fiscal year of 2010 amounted to: Group €84.1m (31.12.2009 €165.6m), Parent Company € 7.5 m (31.12.2009 €6.3m).
- The Board of Directors will propose to the Annual General Meeting of Shareholders, the distribution of dividend of €0.07759 per share (2009: €0.18) for the financial year 2010.
- The Board of Directors will propose to the Annual General Meeting of Shareholders, the distribution of €8,665,303 from special reserves which have already been taxed thus exhausting the taxation obligations of the Company and the shareholders.
- Earnings per share have been calculated on the total weighted average number of common and preference shares, excluding the average number of treasury shares.
- Transactions during the fiscal year 2010 and balances as of 31 December 2010 with related parties, as defined in IAS 24, are as follows:  
Amounts in € thousand  

	Group	Company
a) Income	-	106.190
b) Expenses	1.930	30.605
c) Receivables	-	22.883
d) Payables	477	636.082
e) Key management compensations	6.577	6.426
f) Receivables from key management	4	4
g) Payables to key management included in above	869	869
- Companies included in the consolidated financial statements of fiscal year 2010 are presented in the note 14 of the Group's annual financial statements including locations, percentage Group ownership and consolidation method.
- The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiaries are presented in detail in the note 36 of 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.
- The balance of other provisions (short and long term) as of 31.12.2010 amounted to €19.4 m. for the Group (31.12.2009 €19.3 m.) and €7.6 m. for the Company (31.12.2009 €2.2 m.).
- On 22.11.2010, the Group announced the completion of the 80 million Euro equity investment of "International Finance Corporation (IFC)" in "Alexandria Portland Cement Company S.A. E. (APCC)" through the purchase of a stake in Titan's holding company "Alexandria Development Limited (ADL)". The transaction resulted in IFC holding through ADL a 15.2 percent minority stake in APCC and subsequently in Group's Egyptian operations.
- In the consolidated financial statements at December 31, 2010 the following are additionally included: a) fully consolidated the newly established company Geospan Doel (consolidated from February 2nd, 2010), Cementi Antea S.R.L. (consolidated from July 23rd, 2010) and the acquired companies Terret Enterprises Ltd (consolidated from May 31st, 2010) Sharr Beteiligungs GmbH (consolidated from May 31st, 2010), Kosovo Construction Materials L.L.C. (consolidated from August 31st, 2010) and Ndemarrja e Re Sharrcem SHPK (consolidated from December 12th, 2010), b) with equity method: the acquired company Vris OOD (consolidated from January 1st, 2010). On 28.1.2010, the Group acquired the remaining 48.994% of the subsidiary Themis Holding Ltd. On 1.3.2010 the Group's subsidiary Antea Cement SHA purchased the remaining 35% stake in Alba Cemento SHPK.
- Certain prior year amounts have been reclassified for presentation purposes with no impact on the prior year equity, turnover and earnings after tax of the Group and the Company (note 37 of annual financial statements).
- In the Group's cash flows statement, an amount of €112.7 m, which appears as proceeds from partial disposal of foreign subsidiary business, concerns the sale of a quarry which is located in Cumberland in the state of Kentucky, USA and the sale of 15.2% of "Alexandria Portland Cement Company S.A. E. (APCC)" to "International Finance Corporation (IFC)".
- In the Group's statement of changes in equity, the amount of €8.0 m, which appears as "non-controlling interest related to share capital increase in subsidiary" relates to Alexandria Portland Cement Company S.A.E. (APCC) in Egypt and the amount of €17.1 m. which appears as "equity increase arising on business combination" relates to the Group's acquired activities in Kosovo.
- According to the Law 3845/2010, a special social responsibility tax was imposed on Greek companies that had profit above €100 thousand for the fiscal year of 2009. The total charge amounted to €7.9 m for the Group and the Company, as stated in note 8 of the annual financial statements.

Athens 17 March 2011

Chairman of the Board of Directors

Managing Director

Chief Financial Officer

Finance Director Greece

Financial Consolidation Senior Manager

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