



**Titan Cement Company S.A. and its Subsidiaries**  
**Interim Condensed Financial Reporting**  
**for the period ended 30 September 2009**

**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 Interim Condensed Financial Statements presented through pages 1 to 22 both for the Group and the Parent Company, have been approved by the Board of Directors on 25th of November 2009.

Chairman of the Board of Directors

ANDREAS L. CANELLOPOULOS  
ID No AB500997

Managing Director

DIMITRIOS TH. PAPALEXOPOULOS  
ID No Ξ163588

Chief Financial Officer

CHARALAMPOS G. MAZARAKIS  
ID No AE096808

Chief Accountant

EMM. CH. MAVRODIMITRAKIS  
ID No N237613

Financial Consolidation Senior Manager

ATHANASIOS S. DANAS  
ID No AB006812

## Interim Statement of Financial Position

(all amounts in Euro thousands)

	Notes	Group		Company	
		30/09/2009	31/12/2008	30/09/2009	31/12/2008
<b>ASSETS</b>					
Property, plant & equipment	9	1.890.718	1.896.579	264.934	270.592
Investment properties		-	-	6.796	6.796
Intangible assets and goodwill		531.935	545.088	496	-
Investments in subsidiaries	5	-	-	1.267.016	1.262.303
Investments in associates	5	11.246	10.178	-	-
Available-for-sale financial assets		2.463	2.418	107	107
Derivative financial instruments	14	1.091	-	-	-
Other non current assets		22.118	39.297	3.487	3.551
Deferred income tax asset		1.884	2.622	-	-
<b>Non-current assets</b>		<b>2.461.455</b>	<b>2.496.182</b>	<b>1.542.836</b>	<b>1.543.349</b>
Inventories		234.726	284.852	69.640	99.994
Trade receivables		179.782	212.511	79.465	85.999
Other receivables and prepayments		86.851	103.438	9.665	10.622
Derivative financial instruments		1.203	2.524	26	-
Available-for-sale financial assets		62	62	61	61
Cash and cash equivalents		42.906	94.521	4.264	31.263
<b>Current assets</b>		<b>545.530</b>	<b>697.908</b>	<b>163.121</b>	<b>227.939</b>
<b>TOTAL ASSETS</b>		<b>3.006.985</b>	<b>3.194.090</b>	<b>1.705.957</b>	<b>1.771.288</b>
<b>EQUITY AND LIABILITIES</b>					
Share Capital ( 84,546,774 shares of € 4.00)		338.187	338.187	338.187	338.187
Share premium		22.826	22.826	22.826	22.826
Share options		12.613	10.713	12.613	10.713
Treasury shares		-91.797	-92.299	-91.797	-92.299
Other Reserves		380.046	433.747	462.987	462.987
Retained earnings		750.581	682.882	58.268	53.110
<b>Equity attributable to equity holders of the parent</b>		<b>1.412.456</b>	<b>1.396.056</b>	<b>803.084</b>	<b>795.524</b>
Non-controlling interests		30.837	38.078	-	-
<b>Total equity (a)</b>		<b>1.443.293</b>	<b>1.434.134</b>	<b>803.084</b>	<b>795.524</b>
Long-term borrowings	14	813.873	945.193	646.362	759.000
Deferred income tax liability		180.754	204.433	23.650	21.625
Retirement benefit obligations		40.399	41.157	24.027	23.702
Provisions		22.288	23.235	2.418	2.182
Other non-current liabilities		16.632	14.093	6.180	6.406
<b>Non-current liabilities</b>		<b>1.073.946</b>	<b>1.228.111</b>	<b>702.637</b>	<b>812.915</b>
Short-term borrowings	14	257.757	263.145	145.698	87.580
Trade payables		213.344	254.439	54.197	74.916
Dividend payables		388	410	341	353
Derivative financial instruments		-	-	-	-
Income tax payable		15.492	10.708	-	-
Provisions		2.765	3.143	-	-
<b>Current liabilities</b>		<b>489.746</b>	<b>531.845</b>	<b>200.236</b>	<b>162.849</b>
<b>Total liabilities (b)</b>		<b>1.563.692</b>	<b>1.759.956</b>	<b>902.873</b>	<b>975.764</b>
<b>TOTAL EQUITY AND LIABILITIES (a+b)</b>		<b>3.006.985</b>	<b>3.194.090</b>	<b>1.705.957</b>	<b>1.771.288</b>

## Interim Income Statement for the third quarter

(all amounts in Euro thousands)

	Group		Company	
	1/7-30/9/2009	1/7-30/9/2008	1/7-30/9/2009	1/7-30/9/2008
Turnover	362.562	418.492	120.319	146.547
Cost of sales	-232.556	-281.730	-74.913	-97.089
<b>Gross profit before depreciation</b>	<b>130.006</b>	<b>136.762</b>	<b>45.406</b>	<b>49.458</b>
Other income	3.435	3.412	2.104	2.844
Share in profit of associates	428	1.236	-	-
Administrative expenses	-25.806	-29.627	-9.878	-10.990
Selling and marketing expenses	-5.496	-6.314	-548	-923
Other expenses	-5.745	-6.564	-2.134	-2.209
<b>Profit before interest, taxes, depreciation and amortization</b>	<b>96.822</b>	<b>98.905</b>	<b>34.950</b>	<b>38.180</b>
Depreciation and amortization related to cost of sales	-26.119	-24.179	-2.609	-2.512
Depreciation and amortization related to administrative and selling expenses	-1.442	-2.166	-269	-277
<b>Profit before interest and taxes</b>	<b>69.261</b>	<b>72.560</b>	<b>32.072</b>	<b>35.391</b>
Income from participations and investments	-	5	-	-
Finance income	473	2.139	335	2
Finance expense	-13.981	-16.176	-5.852	-7.734
(Losses)/gains from financial instruments	-661	-523	-421	226
Exchange difference (losses)/gains	-3.725	-980	-442	-2.387
<b>Profit before taxes</b>	<b>51.367</b>	<b>57.025</b>	<b>25.692</b>	<b>25.498</b>
Current income tax	-11.864	-7.098	-5.835	-6.324
Deferred income tax	4.216	-1.056	-599	-208
<b>Profit for the period</b>	<b>43.719</b>	<b>48.871</b>	<b>19.258</b>	<b>18.966</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	44.269	47.256	19.258	18.966
Non-controlling interests	-550	1.615	-	-
	<b>43.719</b>	<b>48.871</b>	<b>19.258</b>	<b>18.966</b>
<b>Earnings per share - basic (in €)</b>	<b>0,5440</b>	<b>0,5783</b>	<b>0,2367</b>	<b>0,2329</b>
<b>Earnings per share - diluted (in €)</b>	<b>0,5420</b>	<b>0,5756</b>	<b>0,2357</b>	<b>0,2318</b>

## Interim Statement of Comprehensive Income for the third quarter

(all amounts in Euro thousands)

	Group		Company	
	1/7-30/9/2009	1/7-30/9/2008	1/7-30/9/2009	1/7-30/9/2008
<b>Profit for the period</b>	<b>43.719</b>	<b>48.871</b>	<b>19.258</b>	<b>18.966</b>
<b>Other comprehensive income/(expenses):</b>				
Exchange differences on translating foreign operations	-30.516	61.939	-	-
Cash flow hedges	-1.189	-	-	-
Income tax on cash flow hedges	464	-	-	-
<b>Other comprehensive (expenses)/income for the period, net of tax</b>	<b>-31.241</b>	<b>61.939</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>12.478</b>	<b>110.810</b>	<b>19.258</b>	<b>18.966</b>
<b><u>Total comprehensive income attributable to:</u></b>				
Equity holders of the parent	13.814	108.107	19.258	18.966
Non-controlling interests	-1.336	2.703	-	-
	<b>12.478</b>	<b>110.810</b>	<b>19.258</b>	<b>18.966</b>

## Interim Income Statement for the nine months

(all amounts in Euro thousands)

	Group		Company	
	1/1-30/9/2009	1/1-30/9/2008	1/1-30/9/2009	1/1-30/9/2008
Turnover	1.046.242	1.183.547	339.586	418.162
Cost of sales	-690.133	-786.436	-223.869	-267.843
<b>Gross profit before depreciation</b>	<b>356.109</b>	<b>397.111</b>	<b>115.717</b>	<b>150.319</b>
Other income	14.425	14.370	9.129	7.530
Share in profit of associates	1.034	2.818	-	-
Administrative expenses	-78.450	-87.662	-28.602	-33.198
Selling and marketing expenses	-16.532	-18.804	-1.500	-3.070
Other expenses	-18.671	-16.875	-6.246	-5.459
<b>Profit before interest, taxes, depreciation and amortization</b>	<b>257.915</b>	<b>290.958</b>	<b>88.498</b>	<b>116.122</b>
Depreciation and amortization related to cost of sales	-80.455	-72.468	-7.815	-7.344
Depreciation and amortization related to administrative and selling expenses	-4.631	-5.607	-817	-840
<b>Profit before interest and taxes</b>	<b>172.829</b>	<b>212.883</b>	<b>79.866</b>	<b>107.938</b>
Income from participations and investments	-	240	5.119	7.456
Finance income	7.909	6.228	2.008	295
Finance expense	-42.852	-41.085	-26.104	-14.609
(Losses)/gains from financial instruments	-3.893	-250	-2.601	109
Exchange difference (losses)/gains	-5.798	1.411	-29	-2.138
<b>Profit before taxes</b>	<b>128.195</b>	<b>179.427</b>	<b>58.259</b>	<b>99.051</b>
Current income tax	-41.299	-1.830	-15.336	-12.448
Deferred income tax	16.226	-10.347	-2.025	-2.677
<b>Profit for the period</b>	<b>103.122</b>	<b>167.250</b>	<b>40.898</b>	<b>83.926</b>
<b><u>Profit attributable to:</u></b>				
Equity holders of the parent	103.686	163.246	40.898	83.926
Non-controlling interests	-564	4.004	-	-
	<b>103.122</b>	<b>167.250</b>	<b>40.898</b>	<b>83.926</b>
<b>Earnings per share - basic (in €)</b>	<b>1,2744</b>	<b>1,9795</b>	<b>0,5027</b>	<b>1,0177</b>
<b>Earnings per share - diluted (in €)</b>	<b>1,2695</b>	<b>1,9702</b>	<b>0,5007</b>	<b>1,0129</b>

## Interim Statement of Comprehensive Income for the nine months

(all amounts in Euro thousands)

	Group		Company	
	1/1-30/9/2009	1/1-30/9/2008	1/1-30/9/2009	1/1-30/9/2008
<b>Profit for the period</b>	<b>103.122</b>	<b>167.250</b>	<b>40.898</b>	<b>83.926</b>
<b>Other comprehensive income/(expenses):</b>				
Exchange differences on translating foreign operations	-56.301	42.539	-	-
Cash flow hedges	-1.189	-	-	-
Income tax on cash flow hedges	464	-	-	-
Asset revaluation surplus	-	128.905	-	-
Income tax on asset revaluation surplus	-	-15.638	-	-
<b>Other comprehensive (expenses)/income for the period, net of tax</b>	<b>-57.026</b>	<b>155.806</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>46.096</b>	<b>323.056</b>	<b>40.898</b>	<b>83.926</b>
<b><u>Total comprehensive income attributable to:</u></b>				
Equity holders of the parent	49.738	314.478	40.898	83.926
Non-controlling interests	-3.642	8.578	-	-
	<b>46.096</b>	<b>323.056</b>	<b>40.898</b>	<b>83.926</b>

## Interim Statement of Changes in Shareholders' Equity

Group

Attributable to equity holders of the parent

(all amounts in Euro thousands)

	Ordinary shares	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2008</b>	<b>153.927</b>	<b>22.826</b>	<b>15.138</b>	<b>7.016</b>	<b>-35.936</b>	<b>-9</b>	<b>396.997</b>	<b>612.868</b>	<b>1.172.827</b>	<b>22.112</b>	<b>1.194.939</b>
Profit for the period	-	-	-	-	-	-	-	163.246	163.246	4.004	167.250
Other comprehensive income	-	-	-	-	-	-	153.234	-2.002	151.232	4.574	155.806
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153.234</b>	<b>161.244</b>	<b>314.478</b>	<b>8.578</b>	<b>323.056</b>
Treasury shares purchased	-	-	-	-	-55.503	-108	-	-	-55.611	-	-55.611
Dividends paid to ordinary and preferred shares	-	-	-	-	-	-	-	-63.399	-63.399	-1.911	-65.310
Capitalisation of reserves	153.927	-	15.138	-	-	-	-166.220	-2.845	-	-	-
Non-controlling interest due to share capital increase on Group's subsidiary	-	-	-	-	-	-	-	-	-	3.030	3.030
Share options	-	-	-	3.121	-	-	-	-	3.121	-	3.121
Non-controlling interest due to acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-	2.670	2.670
Transfer between reserves	-	-	-	-	-	-	1.340	-1.340	-	-	-
<b>Balance at 30 September 2008</b>	<b>307.854</b>	<b>22.826</b>	<b>30.276</b>	<b>10.137</b>	<b>-91.439</b>	<b>-117</b>	<b>385.351</b>	<b>706.528</b>	<b>1.371.416</b>	<b>34.479</b>	<b>1.405.895</b>
<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	-	-	-	-	-	-	-	103.686	103.686	-564	103.122
Other comprehensive income	-	-	-	-	-	-	-52.323	-1.625	-53.948	-3.078	-57.026
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-52.323</b>	<b>102.061</b>	<b>49.738</b>	<b>-3.642</b>	<b>46.096</b>
Dividends paid to ordinary and preferred shares	-	-	-	-	-	-	-	-35.510	-35.510	-1.595	-37.105
Treasury shares sold	-	-	-	-	502	-	-	-230	272	-	272
Share options	-	-	-	1.900	-	-	-	-	1.900	-	1.900
Non-controlling interest due to acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-	-2.004	-2.004
Transfer between reserves	-	-	-	-	-	-	-1.378	1.378	-	-	-
<b>Balance at 30 September 2009</b>	<b>307.911</b>	<b>22.826</b>	<b>30.276</b>	<b>12.613</b>	<b>-91.680</b>	<b>-117</b>	<b>380.046</b>	<b>750.581</b>	<b>1.412.456</b>	<b>30.837</b>	<b>1.443.293</b>

Company

(all amounts in Euro thousands)

	Ordinary shares	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves	Retained earnings	Total equity
<b>Balance at 1 January 2008</b>	<b>153.927</b>	<b>22.826</b>	<b>15.138</b>	<b>7.016</b>	<b>-35.936</b>	<b>-9</b>	<b>558.753</b>	<b>83.844</b>	<b>805.559</b>
Profit for the period	-	-	-	-	-	-	-	83.926	83.926
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83.926</b>	<b>83.926</b>
Treasury shares purchased	-	-	-	-	-55.503	-108	-	-	-55.611
Dividends paid to ordinary and preferred shares	-	-	-	-	-	-	-	-63.399	-63.399
Share options	-	-	-	3.121	-	-	-	-	3.121
Capitalisation of reserves	153.927	-	15.138	-	-	-	-166.220	-2.845	-
<b>Balance at 30 September 2008</b>	<b>307.854</b>	<b>22.826</b>	<b>30.276</b>	<b>10.137</b>	<b>-91.439</b>	<b>-117</b>	<b>392.533</b>	<b>101.526</b>	<b>773.596</b>
<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	-	-	-	-	-	-	-	40.898	40.898
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.898</b>	<b>40.898</b>
Dividends paid to ordinary and preferred shares	-	-	-	-	-	-	-	-35.510	-35.510
Treasury shares sold / (purchased)	-	-	-	-	502	-	-	-230	272
Share options	-	-	-	1.900	-	-	-	-	1.900
<b>Balance at 30 September 2009</b>	<b>307.911</b>	<b>22.826</b>	<b>30.276</b>	<b>12.613</b>	<b>-91.680</b>	<b>-117</b>	<b>462.987</b>	<b>58.268</b>	<b>803.084</b>



## Interim Cash Flow Statement

(all amounts in Euro thousands)

	Group		Company	
	1/1-30/9/2009	1/1-30/9/2008	1/1-30/9/2009	1/1-30/9/2008
<b>Cash flows from operating activities</b>				
Profits before taxes	128.195	179.427	58.259	99.051
<i>Adjustments to reconcile profit to net cash flows:</i>				
Depreciation/amortization	85.086	78.075	8.632	8.184
Provisions	8.184	3.190	2.863	-1.303
Exchange differences	5.798	-1.411	29	2.138
Income from participations & investments	-	-240	-5.119	-7.456
Interest expense	35.078	35.071	24.231	14.341
Other non cash flow items	5.644	2.623	2.934	1.780
Adjusted profit before changes in working capital	267.985	296.735	91.829	116.735
Decrease/(increase) in inventories	42.851	-19.844	30.381	653
Decrease/(increase) in trade and other receivables	8.698	-39.346	8.166	-20.202
Decrease/(increase) in operating long-term receivables	18.146	-15.083	64	-165
(Decrease)/increase in trade payables (excluding banks)	-41.431	20.227	-24.590	9.126
Cash generated from operations	296.249	242.689	105.850	106.147
Income taxes received/(paid)	-4.845	-31.815	-14.020	-23.538
<i>Net cash flows from operating activities</i>	<u>291.404</u>	<u>210.874</u>	<u>91.830</u>	<u>82.609</u>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, net of cash acquired (note 18)	-4.308	-383.072	-3.986	-429.500
Proceeds from non-controlling interests' increase in subsidiaries	-	3.030	-	-
Property, plant & equipment	-140.630	-138.224	-4.284	-13.746
Intangibles	-10.229	-914	-496	-
Proceeds from the sale of property, plant and equipment	3.341	2.082	868	683
Proceeds from dividends	-	240	4.470	10.105
Proceeds from sale of available-for-sale financial assets	-	945	-	-
Purchase of available-for-sale financial assets	-163	-1.380	-3	-117
Interest received	7.771	6.015	1.870	151
<i>Net cash flows used in investing activities</i>	<u>-144.218</u>	<u>-511.278</u>	<u>-1.561</u>	<u>-432.424</u>
<b>Net cash flows after investing activities</b>	<b>147.186</b>	<b>-300.404</b>	<b>90.269</b>	<b>-349.815</b>
<b>Cash flows from financing activities</b>				
Interest paid	-44.730	-40.107	-24.593	-13.222
Purchase of treasury shares	272	-55.321	272	-55.321
Proceeds from government grants	260	-	-	-
Dividends paid	-37.127	-65.501	-35.522	-63.343
Proceeds from borrowings	725.711	735.072	210.919	590.052
Repayments of borrowings	-840.690	-310.578	-268.344	-108.352
<i>Net cash flows (used in)/from financing activities</i>	<u>-196.304</u>	<u>263.565</u>	<u>-117.268</u>	<u>349.814</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-49.118</b>	<b>-36.839</b>	<b>-26.999</b>	<b>-1</b>
Cash and cash equivalents at beginning of the period	94.521	167.478	31.263	13
Effects of exchange rate changes	-2.497	992	-	-
<b>Cash and cash equivalents at end of the period</b>	<u><b>42.906</b></u>	<u><b>131.631</b></u>	<u><b>4.264</b></u>	<u><b>12</b></u>

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## **1. General information**

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

The Company is a limited liability company with registration number S.A. 6013/06/B/86/90 incorporated and domiciled in Greece and is listed on the Athens Stock Exchange.

These interim condensed financial statements of the Group and the Company, hereafter the financial statements, have been approved for issue by the Board of Directors on November 25, 2009.

## **2. Basis of preparation and summary of significant accounting policies**

These interim condensed financial statements for the period ending 30 September 2009, hereafter the financial statements, have been prepared by management in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2008.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008, except for the adoption of the important amendments or/and interpretations, mentioned below, for the annual periods beginning on or after 1 January 2009.

- IFRS 2, "Share-based Payments" (amended), effective for annual accounting periods beginning on or after 1 January 2009. The amendment clarifies two issues. The definition of 'vesting condition', introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment did not have any impact on the Group's financial statements.
- IFRS 8, "Operating Segments", effective for annual accounting periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14 'Segment reporting'. IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group has made the necessary changes to the presentation of its financial statements (see note 3).
- IAS 1, "Presentation of Financial Statements" (Revised), effective for annual periods beginning on or after 1 January 2009. IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. Of the main revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income"; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Group made the necessary changes to the presentation of its financial statements in 2009 and has elected to present two statements.
- IAS 23, "Borrowing Costs" (Revised), effective for annual periods beginning on or after 1 January 2009. The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

The Group applied the permitted alternative method of IAS 23 (before the amendment) and allocates borrowing costs to the qualifying assets that satisfy the prerequisites. As a result, the adoption of the amendment did not have any impact in the financial statements of the Group.

The amendments to the following standards below did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRIC 15, Agreements for the Construction of Real Estate
- IFRIC 16, Hedges of a Net Investment in a foreign operation
- IFRS 1, First-time Adoption of International Financial Reporting Standards
- IFRS 7, Financial Instruments: Disclosures (Amended)
- IAS 32, Puttable Financial Instruments (Amended)
- IAS 32, Financial instruments: presentation
- IFRIC 13, Customer loyalty programmes

• In May 2008 the IASB issued its first 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 January 2009. These have not yet been endorsed by the EU.

In addition to those standards and interpretations that have been disclosed in the (Group) financial statements for the year ended 31 December 2008, the following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- IFRS 2, “Share-based Payments” (Amended), effective for annual periods beginning on or after 1 January 2010. This amendment clarifies the accounting for group cash-settled share-based payment transactions and withdraws IFRIC 8 and IFRIC 11. More specifically, it clarifies how an individual subsidiary in a group should account for share-based payment arrangements in its own financial statements. In these arrangements, the subsidiary receives goods or services from employees or suppliers but its parent or another entity in the group must pay those suppliers.

The amendments make clear that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. Also, it clarifies that in IFRS 2 a 'Group' has the same meaning as in IAS 27 Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries. This amendment must be applied retrospectively. The amendment has not yet been endorsed by the EU. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group.

- In April 2009 the IASB issued its second 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 2009. This annual improvements project has not yet been endorsed by the EU.

### 3. Segment information

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.

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 (including finance costs and finance revenue) is managed on a group basis and is allocated to operating segments.

(all amounts in Euro thousands)

Period from 1/1-30/9	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Adjustments and eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Gross revenue	418.883	524.802	291.207	366.668	168.680	218.712	206.175	110.228	-	-	1.084.945	1.220.410
Inter-segment revenue	-38.551	-36.711	-152	-152	-	-	-	-	-	-	-38.703	-36.863
<b>Revenue from third parties</b>	<b>380.332</b>	<b>488.091</b>	<b>291.055</b>	<b>366.516</b>	<b>168.680</b>	<b>218.712</b>	<b>206.175</b>	<b>110.228</b>	<b>-</b>	<b>-</b>	<b>1.046.242</b>	<b>1.183.547</b>
Gross profit before depreciation & amortization	137.320	186.776	66.155	77.978	73.675	90.999	79.164	44.660	-205	-3.302	356.109	397.111
Earnings before interest, taxes, and depreciation & amortization	98.443	136.338	28.185	35.150	60.998	84.297	72.483	37.628	-2.194	-2.455	257.915	290.958
Earnings/(losses) before interest and taxes	86.681	123.319	-20.040	-9.149	50.132	73.085	58.098	27.932	-2.042	-2.304	172.829	212.883
Earnings/(losses) before taxes	61.275	105.540	-38.516	-29.297	50.477	72.870	54.952	30.404	7	-90	128.195	179.427

(all amounts in Euro thousands)

	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Adjustments and eliminations		Total	
	30/9/09	31/12/08	30/9/09	31/12/08	30/9/09	31/12/08	30/9/09	31/12/08	30/9/09	31/12/08	30/9/09	31/12/08
Total assets	2.669.730	2.626.144	1.023.306	1.162.763	646.753	601.882	994.350	928.791	-2.327.154	-2.125.490	3.006.985	3.194.090
Total liabilities	1.820.457	1.783.871	444.995	529.351	135.373	123.844	266.447	225.079	-1.103.580	-902.189	1.563.692	1.759.956

### 4. Cash and cash equivalents

(all amounts in Euro thousands)

	Group		Company	
	30/9/09	31/12/08	30/9/09	31/12/08
Cash at bank and in hand	381	302	4	5
Short-term bank deposits	42.525	94.219	4.260	31.258
	<b>42.906</b>	<b>94.521</b>	<b>4.264</b>	<b>31.263</b>

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

## 5. Principal subsidiaries, associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	30/9/2009		31/12/2008	
			% of investment (1)		% of investment (1)	
			Direct	Indirect	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. (2)	Greece	Quarries & Aggregates	-	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
Domiki Beton S.A.	Greece	Ready Mix & Aggregates	-	100,000	-	100,000
Zofori Building Materials S.A. (3)	Greece	Quarries & Aggregates	-	100,000	-	-
Ecobeton S.A.	Greece	Ready Mix & Aggregates	-	100,000	-	100,000
Interbeton Construction Materials S.A.	Greece	Ready Mix & Aggregates	99,679	0,321	99,679	0,321
Intercement S.A.	Greece	Import & Distribution of Cement	99,950	0,050	99,950	0,050
Intertitan Trading International S.A.	Greece	Trading Company	99,995	0,005	99,995	0,005
Ionia S.A.	Greece	Porcelain	100,000	-	100,000	-
Lakmos S.A.	Greece	Trading Company	99,950	0,050	99,950	0,050
Lateem S.A. (8)	Greece	Quarries & Aggregates	-	-	-	100,000
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
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
Thisvis Quarries S.A. (8)	Greece	Quarries & Aggregates	-	-	-	100,000
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
Zlatna Panega Beton EOOD	Bulgaria	Ready Mix	-	99,989	-	99,989
Zlatna Panega Cement AD	Bulgaria	Cement Producer	-	99,989	-	99,989
Trojan Cem EOOD (7)	Bulgaria	Trading Company	-	94,835	-	-
Fintitan SRL	Italy	Import & Distribution of Cement	100,000	-	100,000	-
Cementi Crotone S.R.L.(4)	Italy	Import & Distribution of Cement	-	100,000	-	-
Separation Technologies Canada Ltd	Canada	Converter of waste material into fly ash	-	100,000	-	100,000
Aemos Cement Ltd	Cyprus	Investment Holding Company	100,000	-	100,000	-
Alvacim Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
Balkcem Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
East Cement Trade Ltd	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
Themis Holdings Ltd	Cyprus	Investment Holding Company	-	51,006	-	51,006
Titan Cement Cyprus Limited	Cyprus	Investment Holding Company	-	100,000	-	100,000
Tithys Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
Alexandria Portland Cement Co. S.A.E	Egypt	Cement Producer	-	97,721	-	97,717
Beni Suef Cement Co.S.A.E.	Egypt	Cement Producer	-	99,886	-	99,886
Misrieen Titan Trade & Distribution	Egypt	Cement Silo Operations	-	98,943	-	98,943
Titan Beton & Aggregate Egypt LLC	Egypt	Ready Mix	-	97,800	-	97,796
Separation Technologies U.K. Ltd	U.K.	Converter of waste material into fly ash	-	100,000	-	100,000
Titan Cement U.K. Ltd	U.K.	Import & Distribution of Cement	100,000	-	100,000	-
Titan Global Finance PLC	U.K.	Financial Services	100,000	-	100,000	-
Alexandria Development Co.Ltd	U.K. (Ch. Islands)	Investment Holding Company	-	100,000	-	100,000
Titan Egyptian Inv. Ltd	U.K. (Ch. Islands)	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
Miami Valley Ready Mix of Florida LLC	U.S.A.	Ready Mix	-	100,000	-	100,000

## 5. Principal subsidiaries, associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	30/9/2009		31/12/2008	
			% of investment (1)		% of investment (1)	
			Direct	Indirect	Direct	Indirect
<b>Full consolidation method</b>						
Pennsuco Cement Co. LLC	U.S.A.	Cement Producer	-	100,000	-	100,000
Roanoke Cement Co. LLC	U.S.A.	Cement Producer	-	100,000	-	100,000
S&W Ready Mix Concrete Co. Inc.	U.S.A.	Ready Mix	-	100,000	-	100,000
Separation Technologies LLC	U.S.A.	Converter of waste material into fly ash	-	100,000	-	100,000
Standard Concrete LLC	U.S.A.	Trading Company	-	100,000	-	100,000
Summit Ready-Mix LLC	U.S.A.	Ready Mix	-	100,000	-	100,000
Tarmac America LLC	U.S.A.	Cement Producer	-	100,000	-	100,000
Titan Virginia Ready Mix LLC	U.S.A.	Ready Mix	-	100,000	-	100,000
Titan America LLC	U.S.A.	Investment Holding Company	-	100,000	-	100,000
Cementara Kosjeric AD	Serbia	Cement Producer	-	100,000	-	96,347
Stari Silo Copmany DOO	Serbia	Trading Company	-	100,000	-	100,000
TCK Montenegro DOO	Montenegro	Trading Company	-	100,000	-	96,347
Cement Plus LTD	F.Y.R.O.M	Trading Company	-	61,643	-	61,328
Rudmark DOOEL	F.Y.R.O.M	Trading Company	-	94,835	-	94,351
Usje Cementarnica AD	F.Y.R.O.M	Cement Producer	-	94,835	-	94,351
Vesa DOOL	F.Y.R.O.M	Trading Company	-	100,000	-	100,000
Alba Cemento Italia, SHPK	Albania	Trading Company	-	39,000	-	39,000
Antea Cement SHA	Albania	Cement Producer	-	60,000	-	60,000
Colombus Properties B.V. (5)	Holland	Investment Holding Company	100,000	-	100,000	-
Holtitan BV	Holland	Investment Holding Company	-	100,000	-	96,347
Salentijn Properties I B.V.	Holland	Investment Holding Company	100,000	-	100,000	-
Titan Cement Netherlands BV	Holland	Investment Holding Company	-	100,000	-	99,489
<b>Proportionate consolidation method</b>						
Balkan Cement Enterprises Ltd	Cyprus	Investment Holding Company	-	51,006	-	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
Karierni Materiali AD	Bulgaria	Quarries & Aggregates	-	48,764	-	48,764
Transbeton - Domiki S.A.	Greece	Ready Mix & Aggregates	-	49,900	-	49,900
Pozolani S.A. (6)	Greece	Quarries & Aggregates	-	25,000	-	-

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

(2) On 2.2.2009, Group's financial statements incorporated the established company ARKTIAS S.A, with the full consolidation method.

(3) On 26.5.2009 the Group acquired 100% of the shares of Zofori Building Materials S.A., which was included in the Group's financial statements with the full consolidation method.

(4) On 6.5.2009, Group's financial statements incorporated the established company Cementi Crotone S.R.L., with the full consolidation method.

(5) The company DNJEPR Investments II B.V. was renamed to Columbus Properties B.V., as of 6.1.2009.

(6) On 3.6.2009 the Group acquired 25% of the shares of Pozolani S.A., which was included in the Group's financial statements with the equity method.

(7) On 12.5.2009, Group's financial statements incorporated the established company Trojan CEM Dooel, with the full consolidation method.

(8) The companies Lateem S.A. and Thisvi Quarries S.A. were merged by Interferon Construction Materials S.A., as of 1.7.2009

**6. Fiscal years unaudited by the tax authorities**

<sup>(2)</sup> Titan Cement Company S.A	2006-2008	Salentijn Properties I B.V.	2007-2008
Achaiki Maritime Company	2000-2008	Titan Cement Cyprus Limited	2006-2008
Aeolian Maritime Company	2000-2008	KOCEM Limited	2007-2008
Albacem S.A.	2006-2008	Fintitan SRL	(1)
Arktias S.A.	-	Cementi Crotone S.R.L.	-
AVES AFOI Polikandrioti S.A.	2007-2008	Colombus Properties B.V.	2007-2008
Domiki Beton S.A.	2007-2008	Holtitan BV	2007-2008
Zofori Building Materials S.A.	2007-2008	Titan Cement U.K. Ltd	(1)
Dodekanesos Quarries S.A.	2007-2008	Separation Technologies U.K. Ltd	(1)
Ecobeton S.A.	2007-2008	<sup>(4)</sup> Titan America LLC	2004-2008
Interbeton Construction Materials S.A.	2005-2008	Separation Technologies Canada Ltd	2005-2008
Intercement S.A.	2007-2008	Stari Silo Copmany DOO	-
Intertitan Trading International S.A.	2007-2008	Cementara Kosjeric AD	2004-2008
Ionia S.A.	2007-2008	Adocim Cimento Beton Sanayi ve Ticaret A.S.	2005-2008
Lakmos S.A.	2007-2008	TCK Montenegro DOO	2007-2008
Lateem S.A.	2007-2008	Double W & Co OOD	2007-2008
Leecem S.A.	2007-2008	Granitoid AD	2007-2008
Naftitan S.A.	2007-2008	Gravel & Sand PIT AD	2002-2008
Porfirion S.A.	2008	Zlatna Panega Beton EOOD	2002-2008
Polikos Maritime Company	2000-2008	Zlatna Panega Cement AD	2005-2008
Vahou Quarries S.A.	2008	Cement Plus LTD	2006-2008
Quarries Gourmon S.A.	2007-2008	Rudmark DOOEL	2006-2008
Quarries of Tagaradon Community S.A.	2007-2008	Usje Cementarnica AD	2006-2008
Sigma Beton S.A.	2007-2008	Titan Cement Netherlands BV	2007-2008
Titan Atlantic Cement Industrial and Commercial S.A.	2007-2008	Alba Cemento Italia, SHPK	2009
Titan Cement International Trading S.A.	2007-2008	Antea Cement SHA	2008
<sup>(3)</sup> Aemos Cement Ltd	2003-2008	Alexandria Development Co.Ltd	(1)
<sup>(3)</sup> Alvacim Ltd	2006-2008	Alexandria Portland Cement Co. S.A.E	2005-2008
<sup>(3)</sup> Balkcem Ltd	2003-2008	Balkan Cement Enterprises Ltd	2003-2008
Iapetos Ltd	2003-2008	Beni Suef Cement Co.S.A.E.	2006-2008
Rea Cement Ltd	2003-2008	East Cement Trade Ltd	2003-2008
Themis Holdings Ltd	2004-2008	Titan Beton & Aggregate Egypt LLC	2008
<sup>(3)</sup> Tithys Ltd	2003-2008	Titan Egyptian Inv. Ltd	(1)
Feronia Holding Ltd	2006-2008	Misrieen Titan Trade & Distribution	2005-2008
Vesa DOOL	2007-2008		

(1) Under special tax status.

(2) The fiscal years 2006-2007 have been audited and the issuance of the final audit report is expected.

(3) The fiscal year of 2007 has been audited and the issuance of the final audit report is expected.

(4) Titan America LLC subgroup includes the Subsidiaries of the Group in the U.S. which are listed in note 5.



**7. Pledge of assets**

The assets of the Company have not been pledged. The assets of the Group have been pledged for the amount of € 54 m. The pledge concerns the Group's joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey and is for the purpose of securing debt of € 30 m.

**8. Number of employees**

Number of employees at the end of the reporting period: Group 5,857 (30.9.2008 6,609), Parent Company 1,034 (30.9.2008 1,110).

**9. Capital expenditure and disposals**

Capital expenditure for the first nine months 2009, not including fixed assets acquired through a business combination and intangibles, amounted to: Group € 140.6 m (30.9.2008 € 138.2 m), Parent Company € 4.3 m (30.9.2008 € 13.7 m). Assets with a net book value of € 2,7 m have been disposed of by the Group during the nine months ended 30 September 2009 (30.9.2008: € 1.2 m), resulting in a net gain € 0,7 m (30.9.2008: gain € 0.9 m).

**10. Earnings per share**

Earnings per share have been calculated on the total weighted average number of common and preferred shares, excluding the average number of treasury shares.

**11. Treasury shares**

Pursuant to its Board of Directors resolution dated 24.6.2009, the Company proceeded with the sale through the Athens Stock Exchange of 14.000 treasury common shares between 25.6.2009 and 9.7.2009, representing 0.017% of the Company's paid up Share Capital, at an average sale price equal to €19.43 per share. The sale of these treasury shares was held 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 30.9.2009 is 3,179,616 of aggregate value € 91,797 thousand and they have been deducted from the Shareholders Equity of the Group and the Company. The above shares represent 3.76% of the Company's total share capital.

**12. Provisions**

Other provisions' balance (short term and long term) as of 30.09.2009 amount to € 25.1 m. for the Group, and € 2.4 m. for the Company. There are no material provisions recorded for the unaudited by the tax authorities fiscal years, as well as for litigation issues both for the Group and the Company.

**13. Related party transactions**

Intercompany transactions for the first six months of 2009 and intercompany balances as of 30 June 2009, according to I.A.S. 24 are as follows:

**Company**

Amounts in € thousands

	Sales of goods & services	Purchases of goods & services	Receivables	Liabilities
Achaiki Maritime Co.	4	5.659	-	4.941
Aeolian Maritime Company	1	2.020	-	1.391
Interbeton Construction Materials S.A.	34.054	4.227	12.847	-
Intertitan Trading International S.A.	5.001	-	-	-
Ionia S.A.	696	360	1.554	-
Ecobeton S.A.	1.007	-	366	-
Finititan S.r.l.	8.707	-	3.744	-
T.C.U.K. Ltd	4.450	-	1.585	-
Usje Cementarnica AD	4.882	-	67	-
Essex Cement Co. LLC	9.280	-	1.702	-
Antea Cement SHA	21.373	-	9.434	-
Alexandria Portland Cement Co. S.A.E	3.332	-	-	-
Titan Global Finance PLC	-	18.359	-	634.466
Other interrelated parties	2.283	2.244	2.367	730
Executives and members of the Board	-	5.013	12	549
	<b>95.070</b>	<b>37.882</b>	<b>33.678</b>	<b>642.077</b>

**Group**

Amounts in € thousands

	Sales of goods & services	Purchases of goods & services	Receivables	Liabilities
Other interrelated parties	-	1.644	-	223
Executives and members of the Board	-	5.156	12	549
	-	<b>6.800</b>	<b>12</b>	<b>772</b>

## **14. Borrowings**

On 30.7.2009 Group completed the offering of a 4-year tenure, €200 m nominal value notes, with an annual coupon of 6.90%, issued by its subsidiary Titan Global Finance Plc and guaranteed by Titan Cement Company S.A. The notes are listed on the regulated market of the Luxembourg Stock Exchange. The proceeds will be used primarily for the refinancing of existing debt and also for other general corporate purposes of Titan Group. This action constitutes part of the Group's long term financial strategy to diversify its funding sources.

On 19.7.2009 the Group's subsidiary in US, Titan America LLC, extended a pro-rata offer of pre-payment at par for up to \$210.0 m of senior Notes issued by private placement to institutional investors in the US (the "Notes"). The offer was accepted by noteholders representing \$208.1 m of the Notes outstanding. Pre-payment and retirement of the related Notes occurred on 4.9.2009. As required by the Note agreements, the Company will continue to make the scheduled pre-payment offers to the holders of the remaining Notes.

In conjunction with, and as a result of, the prepayment of the Notes, the Titan America LLC entered into an agreement with Titan Global Finance Plc ("TGF"), a related company, to borrow €100.0 m. This loan bears interest at a rate of 7.07% per annum. Interest is due and payable semi-annually in January and July until the loan matures on 26.7.2013. Fees and original issue discount charged against the borrowing totalled €2.0 m.

Simultaneously with the execution of the €100.0 m borrowing from TGF, the Company entered into three forward foreign exchange contracts with third party financial institutions to hedge the foreign currency risk associated with the Euro denominated borrowing. Under the terms of those agreements, the Company has fixed the 26.7.2013 US Dollar to Euro exchange rate for €100.0 m at 1.46329 to 1.00.

Additionally, and also in conjunction with the prepayment of the Notes, on 4.9.2009, the Company borrowed \$65.0 m under its revolving credit agreement with Titan Global Finance Plc.

## **15. Significant movements in consolidated balance sheet and profit and loss items**

### **Group**

The following are significant movements between the periods presented in these consolidated financial statements:

- The decrease in the Group's property, plant and equipment of € 5.9 m is mainly due to the increase in Group's investments amounting to € 142.1 m (made mainly in Egypt and Albania), deducting by the exchange difference losses of € 71.4 m, which resulted from the depreciation of the US dollar, Egyptian pound and Albanian lek against the Euro, the depreciation expense of € 73.1 m. for the period and finally the disposals of € 2.9 m.

- The Group's intangible assets decreased by € 13.2 m because of the amortization for the period and the depreciation of the US dollar against the Euro.

-The decrease in the Group's other non current assets of € 17.2 m is due to the decrease of the prepayments for tangible assets of the Group's new plant in Albania that is currently under construction.

- The Group's inventories decreased by € 50.1 m because of the reduction in the Group's production, which is a result of the economic recession, and more efficient inventory management.

-The decrease in trade receivables of € 32.7 m is due to the decline in sales volume and the efficient management of the existing trade receivable balances.

-The decrease in other receivables and prepayments of € 16.6 m is mainly due to the income tax receivables collection from US tax authorities amounted to € 27.9 m, because of the losses before income tax of the Group's subsidiary in US, Titan America LLC and the increase in the receivables of the V.A.T. refund amounted to € 13.1 m. because of the Group's investments in Egypt and Albania.

-The total borrowings (long & short term) of the Group decreased by € 136.7 m because of the repayment of outstanding balances.

- The Group's deferred tax liability decreased by € 23.7 m because of deferred tax gain that the Group's subsidiary in US, Titan America LLC, recorded due to current period losses before income tax, and the positive exchange rate difference, which resulted from the depreciation of the US dollar and Egyptian pound against the Euro.

-The decrease in gross profit before depreciation and amortization by € 41.0 m is mainly due to the decrease of the sales volume in the markets that the Group operates with the exception of the Eastern Mediterranean market.

-The decrease in the Group's administrative, selling and marketing expenses by € 11.5 m is the result of the Group's cost cutting policy.

-The increase in depreciation and amortization by € 7.0 m is due to the additional depreciation amounted to € 2.8 m of the newly acquired Group's subsidiaries in addition with € 5.2 m negative exchange rate difference, which resulted from the depreciation of the US dollar and Egyptian pound against the Euro.

-The increase in finance income is mainly due to the recording of government interest rate subsidies on investments.

-The increase in finance expenses by € 1.8 m is due to the increase of the Group's borrowings for financing the business activities in Turkey, Egypt and US.

### **Company**

-The increase in the participations in subsidiaries by € 4.7 m is mainly due to the increase in the share capital of the subsidiaries Fintitan by € 1.0 m and Ionia by € 3.8 m

-The decrease in inventories by € 30.4 m is mainly due to the reduction in clinker and other semi-finished and finished products by € 10.0 m, and the decrease of raw materials, solid fuel and spare parts stock, total of € 16.2 m, in addition to the contribution of the porcelain stock of € 3.8 m to the Company's subsidiary Ionia for the share capital increase.

-The long-term borrowings decreased by € 112.6 m because of € 12.4 m increase in borrowings and € 125.0 m loan reclassification into short-term borrowings, as its payback period is now less than a year. It is worth mentioning that the Company has fully repaid a short-term loan of € 19.0 m to its subsidiary Alvacim LIM. and decreased its short-term bank loans by € 47.9 m.

-The gross profit before depreciation declined by € 34.6 m, or 23.0% as a consequence of the lower turnover by € 78.6 m. or by 18.8%, along with the lower cost of sales by € 44.0 m. or by 16.4%.

-The reduction in the turnover is primarily due to the lower cement-clinker sales volume by 713 thousand tons, or by 14.7%.

Moreover, the decline in the cost of sales is caused by the decrease of the total production costs by € 27.7 m and the lower distribution costs by € 14.1 m.

The above mentioned variations are due to the reduced production activity as a result of the lower sales volumes.

-The increase in finance income by € 1.6 m is due to the recording of refundable government interest rate subsidies.

-The increase in finance expenses by € 11.5 m is due to the increase in the Company's borrowings for financing its business activities.

## **16. Share based payment**

In 2009, in accordance to the three-year Stock Option Programme (2007 Programme), the Company granted 86,880 share options.

According to the provisions of that Programme, the options granted each year have a maturity period of three years and can be exercised after the completion of the three year maturity period. Each option must be exercised within twelve months from its respective vesting period. If the deadline is exceeded then those particular options will be irrevocably cancelled.

All granted options are conditional on the employee's continued employment throughout the vesting period. The number of options to be granted each year will be determined as follows:

- 1) One-third of options granted vest based on the financial results of the Company, relative to the yield of the three year Greek Government Bonds.
- 2) One-third of options granted vest based on the Titan Cement's ordinary share performance relative to SMI index during the three year period.
- 3) One-third of options granted vest based on the Titan Cement's ordinary share performance relative to the average performance of the stock of twelve predefined international cement producing companies (Peer Index) during the three year period.

The options granted under the new 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 under the Programme of 2007, determined using the Black-Scholes valuation model, was €8.41 per option. The significant inputs used in the application of the valuation model were share price at the grant date of €20.60, the standard deviation of the share price of 36.71%, the dividend yield of 2.07% and the average annual yield of the three-year Greek Government Bonds of 3.649%.

**17. Commitments & Contingencies****Contingent liabilities**

	Group		Company	
	30/9/2009	31/12/2008	30/9/2009	31/12/2008
(all amounts in Euro thousands)				
Guarantees to third parties on behalf of subsidiaries	-	-	842.547	903.442
Bank guarantee letters	84.510	84.936	27.370	30.213
Other	19.788	19.421	5.682	5.720
<b>Total</b>	<b>104.298</b>	<b>104.357</b>	<b>875.599</b>	<b>939.375</b>

In January 2009 the US South Florida Federal District Court issued a ruling which cancelled all mining and extraction permits in the Lake Belt area, with immediate effect. The same court had annulled the same permits in an earlier ruling in July 2007. Following the appeal of Tarmac America, a Titan America subsidiary and of other affected companies, the Circuit Court of Appeals in Atlanta, in May 2008 reversed that ruling and referred the case to the South Florida Federal District Court, instructing the court to judge anew the case in a more objective way.

Tarmac America is convinced that the new above ruling of the South Florida Federal District Court is once again flawed and has once again lodged an appeal. In the meanwhile the Company has been well-prepared to continue the operations and maintain production at the Pennsuco plant and, in the context of current depressed market conditions, to address its customers' needs.

Separately, on May 1, 2009 the US Army Corps of Engineers issued for public consultation its Supplementary Environmental Impact Report, which is required for the issue of new long term extraction permits in the Lake Belt area. Following the completion of the public consultation on June 23rd, a record of decision is expected, on the basis of which the issuance of new long-term permits in the area will be determined.

The time of issuance of the record of decision cannot be accurately predicted.. It is nonetheless expected that the decision may be published towards the end of this year or early 2010, though further delay cannot be ruled out.

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

Given the reduced demand resulting from the underlying economic crisis, it is estimated that the allocation of carbon dioxide emissions allowances for the period 2008-2012 will not significantly affect the Group's production levels.

According to the draft legislation that the Greek Ministry of Economy and Finance brought for public debate on 3.11.2009, it is imposed social responsibility tax on Greek companies that had profit above € 5.0 m.for the fiscal year of 2008. The Company expects the finalization of the legislation in order to estimate the amount of the above mentioned tax for the Group and the Company.

The financial years, referred to in note 6, have not been audited by the tax authorities and therefore the tax obligations of the Company and its subsidiaries for those years have not yet been finalized.

Other than the items referred to in the preceding paragraph, it is not anticipated that any material contingent liabilities will arise.

**Contingent assets**

	Group		Company	
	30/9/2009	31/12/2008	30/9/2009	31/12/2008
(all amounts in Euro thousands)				
Bank guarantee letters	13.845	15.481	13.845	15.481
<b>Total</b>	<b>13.845</b>	<b>15.481</b>	<b>13.845</b>	<b>15.481</b>

**Commitments****Capital commitments**

On July 25, 2007 Antea Cement Sh.A., a Titan Group subsidiary in Albania, entered into a commitment to construct a new cement plant in Kruje, Albania. The total project cost is estimated at € 170 m. The amount of € 135 m has been invested as of 30.09.2009.

The Group's subsidiary in Egypt, Beni Suef, is constructing a second 1.5 million-ton production line which is expected to be completed by the end of 2009. The total project cost is estimated at € 160 m. The amount of € 121 m has been invested as of 30.09.2009.

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

	Group		Company	
	30/9/2009	31/12/2008	30/9/2009	31/12/2008
(all amounts in Euro thousands)				
Property, plant and equipment	47.212	98.586	12.212	13.586
<b>Total</b>	<b>47.212</b>	<b>98.586</b>	<b>12.212</b>	<b>13.586</b>

**Future purchase commitments**

	Group		Company	
	30/9/2009	31/12/2008	30/9/2009	31/12/2008
(all amounts in Euro thousands)				
Gas supply contracts	240.794	281.052	-	-
<b>Total</b>	<b>240.794</b>	<b>281.052</b>	<b>-</b>	<b>-</b>

**18. Acquisitions of subsidiaries****Period ended 30 September 2009**

On 22.4.2009, the Group completed the acquisition of 3.6529% from the minority shareholders of Titan's Cementara Kosjeric A.D. in Serbia by paying the amount of € 2.6 m. After this acquisition the Group now owns 100% of the share capital of the above mentioned subsidiary.

On 3.6.2009 the Group acquired 25% of the shares of Pozolani S.A. for the amount of € 0.5 m, which was included in the Group's financial statements with the equity method.

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.

The assets and liabilities of the Zofori Building Materials S.A., as they were preliminary recorded at the date of acquisition, are as follows:

(Amount in € 000s)

	Fair value recognized on acquisition	Previous carrying value
<b><u>Assets</u></b>		
Non current assets	69	69
Inventory	4	4
Receivables and prepayments	49	49
Cash & cash equivalents	1	1
<b>Total assets</b>	<b>123</b>	<b>123</b>
<b><u>Liabilities</u></b>		
Long term liabilities	11	11
<b>Total liabilities</b>	<b>11</b>	<b>11</b>
<b>Net assets</b>	<b>112</b>	<b>112</b>
Goodwill arising on acquisition	-5	
<b>Consideration, paid</b>	<b>107</b>	
<b>Cash flow on acquisition:</b>		
Purchase consideration settled in cash	107	
Net cash acquired with the subsidiary	-1	
<b>Net cash outflow on acquisition</b>	<b>106</b>	

The purchase price allocation of the acquired companies will be completed within twelve months from respective acquisition date.

**18. Acquisitions of subsidiaries (continued)****Period ended 30 September 2008**

On 6.5.2008 the Group acquired the remaining 50% of the joint venture Lafarge Titan Egyptian Inv.Ltd and its subsidiaries Alexandria Portland Cement Co. S.A.E , Beni Suef Cement Company S.A.E., Four M Titan Silo Co. LLC, Misrieen Titan Trade & Distribution, East cement Trade Ltd, Alexandria Development Co. Ltd.

On 17.4.2008 the Group acquired a 50% equity interest in Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey, which was included in the Group's financial statements as of the day of acquisition under the proportional consolidation method.

On 21.12.2007 the Group signed an acquisition agreement for 100% of the shares of Domiki Beton S.A., which was included in the Group's financial statements at 15.1.2008 with the full consolidation method.

On 6.5.2008 the Group acquired a 65% equity stake in Alba Cemento Italia SHPK in Albania. The above company was included on the same day in the Group's financial statements with the full consolidation method.

Finally, the Group acquired 100% of Quarries Vahou S.A in Greece which has been included in the Group's financial statements since 14.5.2008, with the full consolidation method.

The assets and liabilities of the above mentioned companies, as they were preliminary recorded at the date of acquisition, are as follows:

	<b>Lafarge Titan Egyptian Inv. Group</b>		<b>Adocim Cimento Beton Sanayi ve Ticaret A.S.</b>		<b>Other</b>	
	Fair value recognized on acquisition	Previous carrying value	Fair value recognized on acquisition	Previous carrying value	Fair value recognized on acquisition	Previous carrying value
<i>(Amount in € 000s)</i>						
<b>Assets</b>						
Non current assets	231.140	102.067	48.219	39.232	4.783	4.783
Inventory	14.526	14.526	4.386	4.386	684	684
Receivables and prepayments	7.689	7.689	11.109	11.109	5.348	5.348
Cash & cash equivalents	25.494	25.494	86	86	132	132
<b>Total assets</b>	<b>278.849</b>	<b>149.776</b>	<b>63.800</b>	<b>54.813</b>	<b>10.947</b>	<b>10.947</b>
<b>Liabilities</b>						
Long term liabilities	49.058	33.564	37.947	36.449	286	286
Other liabilities and taxes payable	33.395	33.395	17.757	17.757	8.443	8.443
<b>Total liabilities</b>	<b>82.453</b>	<b>66.959</b>	<b>55.704</b>	<b>54.206</b>	<b>8.729</b>	<b>8.729</b>
<b>Net assets</b>	<b>196.396</b>	<b>82.817</b>	<b>8.096</b>	<b>607</b>	<b>2.218</b>	<b>2.218</b>
Goodwill arising on acquisition	112.848		77.550		11.676	
<b>Consideration, paid</b>	<b>309.244</b>		<b>85.646</b>		<b>13.894</b>	
<b>Cash flow on acquisition:</b>						
Purchase consideration settled in cash	309.244		85.646		13.894	
Net cash acquired with the subsidiary	-25.494		-86		-132	
<b>Net cash outflow on acquisition</b>	<b>283.750</b>		<b>85.560</b>		<b>13.762</b>	

**19. Events after the Balance Sheet date**

Pursuant to its Board of Directors resolution dated 14.10.2009, the Company proceeded to the sale through the Athens Stock Exchange and between 15.10.2009 and 25.11.2009 of 8,273 treasury common shares, representing 0.098% of the Company's paid up Share Capital, at an average sale price equal to € 25.70 per share. The sale of these treasury shares was held within the three year statutory period commencing from the date they were acquired by the Company .

The company Domiki Beton S.A was merged by Interbeton Construction Materials S.A., as of 1.10.2009

**20. Reclassifications**

The income statement account "Other expenses" decreased by the amount of € 1,686 thousand and € 1,270 thousand for the Group and the Company respectively, which were reclassified to "Finance expenses" in the Income Statement for the period 30 September 2008, so as to be comparable to the Income Statement for the period 30 September 2009. The above amounts relate to the financial costs of retirement benefits.

**21. Principal exchange rates**

<b>Balance sheet</b>	<b>30/09/2009</b>	<b>31/12/2008</b>	<b>30/9/2009 vs 31/12/2008</b>
€1 = USD	1,46	1,39	5,2%
€1 = EGP	8,06	7,68	5,0%
€1 = TRY	2,17	2,15	1,1%
1USD=EGP	5,50	5,52	-0,3%
€1 = RSD	93,01	88,60	5,0%
1USD = JPY	89,51	90,64	-1,2%

  

<b>Profit and loss</b>	<b>Ave 9M 09</b>	<b>Ave 9M 08</b>	<b>Ave 9M 09 vs 9M 08</b>
€1 = USD	1,37	1,54	-11,3%
€1 = EGP	7,64	8,40	-9,0%
€1 = TRY	2,15	1,91	12,6%
1USD=EGP	5,58	5,43	2,7%
€1 = RSD	93,93	81,68	15,0%
1USD = JPY	94,91	104,29	-9,0%