



**Interim Condensed Financial Statements  
for the period  
1 January – 30 September 2012  
of the Group and Titan Cement Company S.A.**

*These financial statements have been translated from the original version in Greek. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.*

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The Interim Condensed Financial Statements presented through pages 3 to 36 both for the Group and the Parent Company, have been approved by the Board of Directors on 12th of November 2012.

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# INTERIM CONDENSED FINANCIAL STATEMENTS

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## Interim Income Statement

	Note	Group		Company	
		For the nine months ended 30/9		For the nine months ended 30/9	
		2012	2011	2012	2011
<i>(all amounts in Euro thousands)</i>					
		Restated (1)		Restated (1)	
Sales of goods		805.138	803.639	154.629	154.716
Rendering of services		41.883	35.301	15.554	15.021
<b>Total revenue</b>	17o	<b>847.021</b>	<b>838.940</b>	<b>170.183</b>	<b>169.737</b>
Cost of sales	17a	-611.018	-557.757	-120.152	-98.486
<b>Gross profit before depreciation and amortization</b>		<b>236.003</b>	<b>281.183</b>	<b>50.031</b>	<b>71.251</b>
Other income	17b	23.405	55.777	11.009	7.321
Administrative expenses	17p	-70.056	-77.028	-23.400	-25.091
Selling and marketing expenses		-14.799	-16.041	-224	-349
Other expenses	17b	-12.029	-22.609	-1.888	-7.309
<b>Profit before interest, taxes, depreciation and amortization (EBITDA)</b>	17q	<b>162.524</b>	<b>221.282</b>	<b>35.528</b>	<b>45.823</b>
Depreciation and amortization related to cost of sales		-88.112	-84.071	-9.203	-7.976
Impairment of tangible and intangible assets related to cost of sales		113	-	244	-
Depreciation and amortization related to administrative and selling expenses		-4.664	-3.793	-906	-844
<b>Profit before interest and taxes</b>		<b>69.861</b>	<b>133.418</b>	<b>25.663</b>	<b>37.003</b>
Income from participations and investments		-	-	-	3.495
Expenses from participations and investments		-	-	-	-4.920
Finance income		2.496	2.907	624	133
Finance costs	17c	-49.373	-42.013	-30.155	-27.796
Losses from financial instruments		-1.913	-311	-1.692	-1.188
Gains/(losses) from foreign exchange differences	17d	5.822	-17.651	808	-81
Share on loss of associates		-772	-337	-	-
<b>Profit/(loss) before taxes</b>		<b>26.121</b>	<b>76.013</b>	<b>-4.752</b>	<b>6.646</b>
Current income tax expense		-18.863	-26.200	-590	-4.294
Deferred income tax	17e	483	13.624	669	738
<b>Profit/(loss) for the period</b>		<b>7.741</b>	<b>63.437</b>	<b>-4.673</b>	<b>3.090</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		1.988	53.946		
Non-controlling interests		5.753	9.491		
		<b>7.741</b>	<b>63.437</b>		
<b>Basic earnings per share (in €)</b>	10	<b>0,0244</b>	<b>0,6621</b>		
<b>Diluted earnings per share (in €)</b>	10	<b>0,0242</b>	<b>0,6579</b>		

<sup>(1)</sup> Restated due to change in accounting policy (note 20).

The accompanying notes are an integral part of these financial statements

## Interim Statement of Comprehensive Income

	Note	Group		Company	
		For the nine months ended 30/9		For the nine months ended 30/9	
		2012	2011	2012	2011
<i>(all amounts in Euro thousands)</i>					
		Restated (1)		Restated (1)	
<b>Profit/(loss) for the period</b>		<b>7.741</b>	<b>63.437</b>	<b>-4.673</b>	<b>3.090</b>
<b>Other comprehensive (loss)/income:</b>					
Exchange differences on translation of foreign operations	17f	-3.982	-35.417	-	-
Net loss on financial assets available for sale		-213	-93	-	-
Cash flow hedges	15	-1.237	-3.560	-514	-3.949
Income tax effect	15	282	-168	-	-
		<b>-955</b>	<b>-3.728</b>	<b>-514</b>	<b>-3.949</b>
Asset revaluation surplus		880	316	880	316
Income tax effect		-176	-63	-176	-63
		<b>704</b>	<b>253</b>	<b>704</b>	<b>253</b>
Actuarial gains on defined benefit plans	20	-	6.108	-	6.174
Income tax effect	20	-	-972	-	-1.236
		-	<b>5.136</b>	-	<b>4.938</b>
<b>Other comprehensive (loss)/income for the period, net of tax</b>		<b>-4.446</b>	<b>-33.849</b>	<b>190</b>	<b>1.242</b>
<b>Total comprehensive income/(loss) for the period net of tax</b>		<b>3.295</b>	<b>29.588</b>	<b>-4.483</b>	<b>4.332</b>
<b>Attributable to:</b>					
Equity holders of the parent		-2.166	23.257		
Non-controlling interests		5.461	6.331		
		<b>3.295</b>	<b>29.588</b>		

<sup>(1)</sup> Restated due to change in accounting policy (note 20).

## Interim Income Statement for the 3rd quarter

	Note	Group		Company	
		For the three months ended 30/9		For the three months ended 30/9	
		2012	2011	2012	2011
<i>(all amounts in Euro thousands)</i>					
		Restated (1)		Restated (1)	
Sales of goods		283.031	269.454	53.352	48.198
Rendering of services		16.133	12.511	5.423	4.665
<b>Total revenue</b>		<b>299.164</b>	<b>281.965</b>	<b>58.775</b>	<b>52.863</b>
Cost of sales		-217.689	-187.999	-45.460	-30.861
<b>Gross profit before depreciation and amortization</b>		<b>81.475</b>	<b>93.966</b>	<b>13.315</b>	<b>22.002</b>
Other income		4.649	17.965	2.375	4.955
Administrative expenses		-23.294	-23.726	-8.898	-7.503
Selling and marketing expenses		-4.928	-4.778	-50	-130
Other expenses		-7.496	-4.596	-481	-1.929
<b>Profit before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>50.406</b>	<b>78.831</b>	<b>6.261</b>	<b>17.395</b>
Depreciation and amortization related to cost of sales		-29.632	-27.678	-3.471	-2.687
Impairment of tangible and intangible assets related to cost of sales		94	-	94	-
Depreciation and amortization related to administrative and selling expenses		-1.538	-1.207	-330	-276
<b>Profit before interest and taxes</b>		<b>19.330</b>	<b>49.946</b>	<b>2.554</b>	<b>14.432</b>
Expenses from participations and investments		-	-	-	-420
Finance income		1.061	1.005	319	80
Finance costs		-17.575	-14.919	-9.766	-10.215
Losses from financial instruments		-375	-323	-740	-1.264
(Losses)/gains from foreign exchange differences		-5.591	2.619	-19	247
Share on (loss)/profit of associates		-205	7	-	-
<b>(Loss)/profit before taxes</b>		<b>-3.355</b>	<b>38.335</b>	<b>-7.652</b>	<b>2.860</b>
Current income tax expense		-3.863	-7.788	-198	74
Deferred income tax		3.130	4.088	1.350	-296
<b>(Loss)/profit for the period</b>		<b>-4.088</b>	<b>34.635</b>	<b>-6.500</b>	<b>2.638</b>
<b>(Loss)/profit attributable to:</b>					
Equity holders of the parent		-6.358	29.862		
Non-controlling interests		2.270	4.773		
		<b>-4.088</b>	<b>34.635</b>		
<b>Basic earnings per share (in €)</b>	10	<b>-0,0780</b>	<b>0,3665</b>		
<b>Diluted earnings per share (in €)</b>	10	<b>-0,0777</b>	<b>0,3633</b>		

<sup>(1)</sup> Restated due to change in accounting policy (note 20).

The accompanying notes are an integral part of these financial statements

## Interim Statement of Comprehensive Income for the 3rd quarter

	Group		Company	
	For the three months ended 30/9		For the three months ended 30/9	
	2012	2011	2012	2011
<i>(all amounts in Euro thousands)</i>				
		Restated (1)		Restated (1)
<b>(Loss)/profit for the period</b>	<b>-4.088</b>	<b>34.635</b>	<b>-6.500</b>	<b>2.638</b>
<b>Other comprehensive (loss)/income:</b>				
Exchange differences on translation of foreign operations	-22.291	53.054	-	-
Net loss on financial assets available for sale	-214	-142	-	-
Cash flow hedges	-78	-761	-21	-3.009
Income tax effect	22	-893	-	-
	<b>-56</b>	<b>-1.654</b>	<b>-21</b>	<b>-3.009</b>
Actuarial gains on defined benefit plans	-	2.036	-	2.058
Income tax effect	-	-324	-	-412
	<b>-</b>	<b>1.712</b>	<b>-</b>	<b>1.646</b>
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>-22.561</b>	<b>52.970</b>	<b>-21</b>	<b>-1.363</b>
<b>Total comprehensive (loss)/income for the period net of tax</b>	<b>-26.649</b>	<b>87.605</b>	<b>-6.521</b>	<b>1.275</b>
<b>Attributable to:</b>				
Equity holders of the parent	-27.224	79.687		
Non-controlling interests	575	7.918		
	<b>-26.649</b>	<b>87.605</b>		

<sup>(1)</sup> Restated due to change in accounting policy (note 20).

## Interim Statement of Financial Position

(all amounts in Euro thousands)

	Note	Group		Company	
		30/09/2012	31/12/2011	30/09/2012	31/12/2011
<b>Assets</b>					
Property, plant & equipment	17g	1.809.542	1.887.488	243.439	251.111
Investment properties		10.040	9.804	12.188	11.312
Intangible assets and goodwill	17h	538.480	546.111	1.167	1.112
Investments in subsidiaries	5	-	-	1.213.274	1.182.854
Investments in associates		7.406	8.213	-	-
Available-for-sale financial assets	15	1.892	2.143	108	108
Other non-current assets		10.550	10.555	2.700	2.710
Deferred tax asset	17k	1.863	2.198	-	-
<b>Non-current assets</b>		<b>2.379.773</b>	<b>2.466.512</b>	<b>1.472.876</b>	<b>1.449.207</b>
Inventories	17i	253.241	242.765	73.250	68.761
Trade receivables	17j,r	144.568	117.635	33.689	25.928
Other receivables and prepayments		86.624	107.325	26.455	37.941
Derivative financial instruments	15	383	772	18	-
Available-for-sale financial assets	15	63	63	61	61
Cash and cash equivalents	4	274.633	333.935	34.329	29.478
<b>Current assets</b>		<b>759.512</b>	<b>802.495</b>	<b>167.802</b>	<b>162.169</b>
<b>Total Assets</b>		<b>3.139.285</b>	<b>3.269.007</b>	<b>1.640.678</b>	<b>1.611.376</b>
<b>Equity and Liabilities</b>					
Share Capital (84,632,528 shares of € 4.00)		338.530	338.530	338.530	338.530
Share premium		22.826	22.826	22.826	22.826
Share options		2.486	1.358	2.486	1.358
Treasury shares	11	-89.446	-89.446	-89.446	-89.446
Other Reserves	16	417.325	427.028	511.490	511.301
Retained earnings		899.026	857.170	189	4.861
<b>Equity attributable to equity holders of the parent</b>		<b>1.590.747</b>	<b>1.557.466</b>	<b>786.075</b>	<b>789.430</b>
Non-controlling interests		126.951	142.982	-	-
<b>Total equity (a)</b>		<b>1.717.698</b>	<b>1.700.448</b>	<b>786.075</b>	<b>789.430</b>
Long-term borrowings	14,17s	578.522	815.095	611.036	620.360
Derivative financial instruments	15,17l	20.658	17.826	6.486	5.824
Deferred tax liability	17k	189.766	191.863	19.496	19.990
Retirement benefit obligations		28.851	29.721	14.534	14.442
Provisions	12	14.092	16.553	1.497	1.558
Other non-current liabilities		28.180	26.590	5.282	6.399
<b>Non-current liabilities</b>		<b>860.069</b>	<b>1.097.648</b>	<b>658.331</b>	<b>668.573</b>
Short-term borrowings	14,17s	363.394	226.564	163.587	104.692
Trade and other payables	17m	182.688	220.086	31.506	47.017
Current income tax payable	17n	13.792	22.202	-	-
Provisions	12	1.644	2.059	1.179	1.664
<b>Current liabilities</b>		<b>561.518</b>	<b>470.911</b>	<b>196.272</b>	<b>153.373</b>
<b>Total liabilities (b)</b>		<b>1.421.587</b>	<b>1.568.559</b>	<b>854.603</b>	<b>821.946</b>
<b>Total Equity and Liabilities (a+b)</b>		<b>3.139.285</b>	<b>3.269.007</b>	<b>1.640.678</b>	<b>1.611.376</b>

The accompanying notes are an integral part of these financial statements



## Interim Statement of Changes in Equity

(all amounts in Euro thousands)

## Attributable to equity holders of the parent

Group	Attributable to equity holders of the parent									Non-controlling interests	Total equity
	Ordinary shares	Share premium	Preferred ordinary shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves (note 16)	Retained earnings	Total		
<b>Balance at 1 January 2011 (1)</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>142.558</b>	<b>1.714.487</b>
Restated due to change in accounting policy (note 20)	-	-	-	-	-	-	-5.609	1.947	-3.662	-1	-3.663
<b>Balance at 1 January 2011 (restated)</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>471.052</b>	<b>819.133</b>	<b>1.568.267</b>	<b>142.557</b>	<b>1.710.824</b>
Profit for the period	-	-	-	-	-	-	-	53.946	53.946	9.491	63.437
Other comprehensive loss	-	-	-	-	-	-	-30.689	-	-30.689	-3.160	-33.849
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-30.689</b>	<b>53.946</b>	<b>23.257</b>	<b>6.331</b>	<b>29.588</b>
Dividends distributed to shareholders	-	-	-	-	-	-	-	-15.231	-15.231	-	-15.231
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	-	-9.680	-9.680
Non-controlling interest's put option recognition	-	-	-	-	-	-	-2.650	-	-2.650	2.618	-32
Share options	-	-	-	913	-	-	-	-	913	-	913
Transfer between reserves	-	-	-	-	-	-	-25.571	25.571	-	-	-
<b>Balance at 30 September 2011</b>	<b>308.179</b>	<b>22.826</b>	<b>30.276</b>	<b>7.896</b>	<b>-90.065</b>	<b>-117</b>	<b>412.142</b>	<b>883.419</b>	<b>1.574.556</b>	<b>141.826</b>	<b>1.716.382</b>
<b>Balance at 1 January 2012</b>	<b>308.254</b>	<b>22.826</b>	<b>30.276</b>	<b>1.358</b>	<b>-89.329</b>	<b>-117</b>	<b>427.028</b>	<b>857.170</b>	<b>1.557.466</b>	<b>142.982</b>	<b>1.700.448</b>
Profit for the period	-	-	-	-	-	-	-	1.988	1.988	5.753	7.741
Other comprehensive loss	-	-	-	-	-	-	-4.154	-	-4.154	-292	-4.446
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-4.154</b>	<b>1.988</b>	<b>-2.166</b>	<b>5.461</b>	<b>3.295</b>
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	-	-19.115	-19.115
Acquisition of non-controlling interests	-	-	-	-	-	-	-	667	667	-27.667	-27.000
Partial disposal of subsidiary	-	-	-	-	-	-	-1.691	29.492	27.801	22.199	50.000
Non-controlling interest's participation in share capital increase	-	-	-	-	-	-	-	-	-	8.800	8.800
Non-controlling interest's put option recognition (note 19)	-	-	-	-	-	-	5.851	-	5.851	-5.709	142
Share options	-	-	-	1.128	-	-	-	-	1.128	-	1.128
Transfer between reserves	-	-	-	-	-	-	-9.709	9.709	-	-	-
<b>Balance at 30 September 2012</b>	<b>308.254</b>	<b>22.826</b>	<b>30.276</b>	<b>2.486</b>	<b>-89.329</b>	<b>-117</b>	<b>417.325</b>	<b>899.026</b>	<b>1.590.747</b>	<b>126.951</b>	<b>1.717.698</b>

(1) Restated due to finalization of purchase price allocation of acquired subsidiaries in 2010.

The accompanying notes are an integral part of these financial statements

## Interim Statement of Changes in Equity (continued)

Company	Ordinary shares	Share premium	Preferred ordinary shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves (note 16)	Retained earnings	Total equity
<b>Balance at 1 January 2011</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>
Restated due to change in accounting policy (note 20)	-	-	-	-	-	-	-6.043	2.054	-3.989
<b>Balance at 1 January 2011 (restated)</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>501.022</b>	<b>33.858</b>	<b>812.962</b>
Profit for the period	-	-	-	-	-	-	-	3.090	3.090
Other comprehensive income	-	-	-	-	-	-	1.242	-	1.242
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.242</b>	<b>3.090</b>	<b>4.332</b>
Dividends distributed	-	-	-	-	-	-	-	-15.231	-15.231
Share options	-	-	-	913	-	-	-	-	913
<b>Balance at 30 September 2011</b>	<b>308.179</b>	<b>22.826</b>	<b>30.276</b>	<b>7.896</b>	<b>-90.065</b>	<b>-117</b>	<b>502.264</b>	<b>21.717</b>	<b>802.976</b>
<b>Balance at 1 January 2012</b>	<b>308.254</b>	<b>22.826</b>	<b>30.276</b>	<b>1.358</b>	<b>-89.329</b>	<b>-117</b>	<b>511.301</b>	<b>4.861</b>	<b>789.430</b>
Loss for the period	-	-	-	-	-	-	-	-4.673	-4.673
Other comprehensive income	-	-	-	-	-	-	190	-	190
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190</b>	<b>-4.673</b>	<b>-4.483</b>
Share options	-	-	-	1.128	-	-	-	-	1.128
<b>Balance at 30 September 2012</b>	<b>308.254</b>	<b>22.826</b>	<b>30.276</b>	<b>2.486</b>	<b>-89.329</b>	<b>-117</b>	<b>511.491</b>	<b>188</b>	<b>786.075</b>

The accompanying notes are an integral part of these financial statements

## Interim Cash Flow Statement

	Note	Group		Company	
		For the nine months ended 30/9		For the nine months ended 30/9	
		2012	2011	2012	2011
<i>(all amounts in Euro thousands)</i>					
			Restated (1)		Restated (1)
<b>Cash flows from operating activities</b>					
Profit/(loss) before taxes		26.121	76.013	-4.752	6.646
<i>Adjustments for:</i>					
Depreciation/amortization & impairment of tangible and intangible assets		92.663	87.864	9.865	8.820
Provisions		-4.441	-12.866	-2.274	847
Exchange differences		-5.822	17.558	-809	81
Income from participations & investments		-	-	-	-3.495
Interest expense		45.456	37.315	28.986	27.572
Other non cash items		-916	-17.429	2.876	862
Adjusted profit before changes in working capital		<b>153.061</b>	<b>188.455</b>	<b>33.892</b>	<b>41.333</b>
(Increase)/decrease in inventories		-12.081	-3.026	-4.343	7.270
(Increase)/decrease in trade and other receivables		-7.355	-1.844	2.573	3.419
(Increase)/decrease in operating long-term receivables/payables		-1.121	443	-941	303
Decrease in trade payables (excluding banks)		-41.287	-36.049	-13.450	-10.297
Cash generated from operations		<b>91.217</b>	<b>147.979</b>	<b>17.731</b>	<b>42.028</b>
Income tax paid		-21.196	-27.460	269	-12.824
<i>Net cash flows from operating activities</i>		<b>70.021</b>	<b>120.519</b>	<b>18.000</b>	<b>29.204</b>
<b>Cash flows from investing activities</b>					
Acquisition of non controlling interests		-19.000	-	-	-
Share capital increase in subsidiaries, associates and joint ventures		-	-	-30.420	-9.743
Purchase of tangible assets	9	-30.890	-41.269	-2.451	-4.585
Purchase of intangible assets		-3.345	-801	-265	-124
Proceeds from the sale of tangible and intangible	9	27.980	4.218	248	1.876
Proceeds from dividends		-	7	-	269
Proceeds/(payments) for the acquisition of available-for-sale financial assets		37	-44	-	-
Interest received		2.496	2.907	624	133
<i>Net cash flows used in investing activities</i>		<b>-22.722</b>	<b>-34.982</b>	<b>-32.264</b>	<b>-12.174</b>
<b>Cash flows from financing activities</b>					
Proceeds from non-controlling interest's participation in subsidiary's share capital increase		8.800	-	-	-
Proceeds from partial disposal of subsidiary's		50.000	-	-	-
Interest paid		-51.127	-42.887	-28.907	-26.847
Dividends paid to shareholders		-31	-15.257	-31	-15.257
Dividends paid to non-controlling interests		-19.115	-9.579	-	-
Proceeds from borrowings		566.042	422.503	170.123	90.031
Repayment of borrowings		-667.300	-269.316	-122.114	-45.515
<i>Net cash flows (used in)/from financing activities</i>		<b>-112.731</b>	<b>85.464</b>	<b>19.071</b>	<b>2.412</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>-65.432</b>	<b>171.001</b>	<b>4.807</b>	<b>19.442</b>
Cash and cash equivalents at beginning of the period		333.935	67.070	29.478	2.943
Effects of exchange rate changes		6.130	-2.863	44	-
<b>Cash and cash equivalents at end of the period</b>		<b>274.633</b>	<b>235.208</b>	<b>34.329</b>	<b>22.385</b>

<sup>(1)</sup> Restated due to change in accounting policy (note 20).

The accompanying notes are an integral part of these financial statements

## Notes to the Interim Condensed Financial Statements

### 1. General information

Titan Cement Co. 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. The Group operates primarily in Greece, the Balkans, Egypt, Turkey and the United States of America.

The Company is a limited liability company incorporated and domiciled in Greece at 22A Halkidos Street - 111 43 Athens with the Register of Societes Anonymes Number: 6013/06/B/86/90 and is listed on the Athens Stock Exchange.

These interim condensed financial statements (the financial statements) have been approved for issue by the Board of Directors on November 12, 2012.

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

These financial statements for the nine month period ended 30 September 2012 have been prepared by management in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The 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 2011.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except for the adoption of the new or revised standards, amendments or/and interpretations that are mandatory for the periods beginning on or after 1 January 2012.

#### Standards and Interpretations effective for the current financial year

##### • IFRS 7 – “Financial Instruments: Disclosures (Amended)” - Transfers of financial assets

The International Accounting Standards Board (IASB) issued an amendment to International Financial Reporting Standard (IFRS) 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognised entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment has only disclosure effects.

## 2. Basis of preparation and summary of significant accounting policies (continued)

### Standards and Interpretations effective issued by the IASB for the periods beginning on 1 January 2012, but not endorsed by the EU and therefore not applied yet

- **IAS 12 Income Taxes (Amended) – Deferred Tax: recovery of underlying assets**

The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale. This amendment has not yet been endorsed by the EU, and therefore has not been applied by the Group.

### Standards and Interpretations effective from annual periods beginning on or after 1 July 2012

- **IAS 1 "Financial Statement Presentation" (Amended) – Presentation of items of Other Comprehensive Income**

The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IAS 19 "Employee benefits" (Amended)**

The revised is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach), to the concept of expected returns on plan assets and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. Early application is permitted.

The revised Standard provides better presentation of the financial position by fully recognizing the actuarial gains and losses in the statement of comprehensive income when they occur. In order the Group to enhance the presentation of its financial position, and simultaneously facilitate the transition to the revised IAS 19, it decided to change the existing accounting policy in the annual financial statements of 2011 by adopted the third alternative method of the current IAS 19. This method has no significant change with method that the revised IAS 19 requires and consequently the Group assesses that the impact of this amendment will not be significant on the financial position or performance of the Group.

- **IAS 27 "Separate financial statements" (Revised)**

The Standard is effective for annual periods beginning on or after 1 January 2013. This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.



## 2. Basis of preparation and summary of significant accounting policies (continued)

At the same time, IASB relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IAS 28 "Investments in associates and joint ventures" (Revised)**

The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 "Investments in Associates and Joint Ventures", and describes the application of the equity method to investments in joint ventures in addition to associates. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IAS 32 "Financial Instruments: Presentation" (Amended) - Offsetting financial assets and financial liabilities**

The amendment is effective for annual periods beginning on or after 1 January 2014. This amendment clarifies the meaning of "currently has a legally enforceable right to set-off" and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities amendments. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

- **IFRS 7 "Financial Instruments: Disclosures" (Amended) - Offsetting financial assets and financial liabilities**

The amendment is effective for annual periods beginning on or after 1 January 2013. The amendment introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

- **IFRS 9 "Financial Instruments" - Classification and measurement**

The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the fair value option (FVO). In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. This standard has not yet been endorsed by the EU. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

- **IFRS 10 "Consolidated financial statements"**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 replaces the portion of IAS 27 "Consolidated and Separate Financial Statements" that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 "Consolidation — Special Purpose Entities".

## 2. Basis of preparation and summary of significant accounting policies (continued)

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee).

The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships. 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.

### • IFRS 11 "Joint arrangements"

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly-controlled Entities — Non-monetary Contributions by Venturers". IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity consolidation method is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control. 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.

### • IFRS 12 "Disclosures of involvement with other entities"

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. 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.

### • IFRS 10, IFRS 11 and IFRS 12 (Amendments) "Transition Guidance"

The guidance is effective for annual periods beginning on or after 1 January 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the guidance on the financial position or performance of the Group.

## 2. Basis of preparation and summary of significant accounting policies (continued)

### • IFRS 13 "Fair value measurement"

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard should be applied prospectively and 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.

### • IFRIC Interpretation 20 "Stripping costs in the production phase of a surface mine"

The interpretation is effective for annual periods beginning on or after 1 January 2013. This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Costs incurred in undertaking stripping activities are considered to create two possible benefits a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (stripping activity asset). Where cost cannot be specifically allocated between the inventory produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure. Early application is permitted. IFRIC 20 has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new interpretation on the financial position or performance of the Group.

### Amendments to standards that form part of the IASB's 2011 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB's annual improvements project. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. Earlier application is permitted in all cases, provided that fact is disclosed. These amendments have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendments on the financial position or performance of the Group.

### • IAS 1 "Presentation of financial statements"

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

### • IAS 16 "Property, plant and equipment"

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

### • IAS 32 "Financial Instruments: Presentation"

The amendment clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

### • IAS 34 "Interim financial reporting"

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 "Operating Segments". Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

### 3. 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, Group's Chief Financial Officer (CFO) organisation is also split 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). Group financing (including finance costs and finance revenue) is managed on group basis and is allocated to operating segments.

<i>(all amounts in Euro thousands)</i>	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Adjustments and eliminations		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>Period from 1/1-30/9</i>												
Gross revenue	202.206	224.270	273.178	229.487	174.755	192.483	218.669	215.828	-	-	868.808	862.068
Inter-segment revenue	-21.644	-13.935	-143	-131	-	-9.062	-	-	-	-	-21.787	-23.128
<b>Total revenue</b>	<b>180.562</b>	<b>210.335</b>	<b>273.035</b>	<b>229.356</b>	<b>174.755</b>	<b>183.421</b>	<b>218.669</b>	<b>215.828</b>	<b>-</b>	<b>-</b>	<b>847.021</b>	<b>838.940</b>
Gross profit before depreciation & amortization	52.909	74.123	34.226	31.450	69.310	91.555	80.013	84.420	-455	-365	236.003	281.183
Earnings/(losses) before interest, taxes, depreciation & amortization (EBITDA)	33.888	44.528	3.394	-3.312	54.262	73.870	71.751	107.907	-771	-1.711	162.524	221.282
Earnings/(losses) before interest and taxes	19.621	31.331	-40.247	-45.451	38.655	57.633	52.451	91.464	-619	-1.559	69.861	133.418
(Loss)/profit before taxes	-11.607	3.118	-53.791	-58.531	43.509	57.771	53.333	81.351	-5.323	-7.696	26.121	76.013

### 3. Segment information (continued)

(all amounts in Euro thousands)

	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Adjustments and eliminations		Total	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011	30/9/2012	31/12/2011	30/9/2012	31/12/2011	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Total assets	2.690.366	2.826.993	904.845	979.147	883.633	826.907	1.250.282	1.309.080	-2.589.841	-2.673.120	3.139.285	3.269.007
Total liabilities	1.890.098	2.024.693	448.094	471.322	214.918	186.741	332.376	414.577	-1.463.899	-1.528.774	1.421.587	1.568.559

### 4. Cash and cash equivalents

(all amounts in Euro thousands)

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Cash at bank and in hand	795	708	11	29
Short-term bank deposits	273.838	333.227	34.318	29.449
	<b>274.633</b>	<b>333.935</b>	<b>34.329</b>	<b>29.478</b>

Short-term bank deposits comprise primarily of current accounts and 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.

#### Bank Credit Facilities

The Group and the Company had the following bank credit facilities at 30.9.2012 without including bank loans and debentures:

(all amounts in Euro thousands)

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Total Committed credit facilities	1.055.460	1.078.780	949.300	1.010.000
Total Un-committed credit facilities	177.078	191.782	101.817	87.665
Un-utilized Committed credit facilities	475.443	440.965	236.300	352.000
Un-utilized Un-committed credit facilities	70.740	47.937	38.230	17.973
Total Un-utilised credit facilities	<b>546.183</b>	<b>488.902</b>	<b>274.530</b>	<b>369.973</b>



## 5. Principal subsidiaries, associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	30/9/2012		31/12/2011	
			Direct	Indirect	Direct	Indirect
<b>Full consolidation method</b>						
Titan Cement Company S.A	Greece	Cement producer	Parent company		Parent company	
Aeolian Maritime Company	Greece	Shipping	100,000	-	100,000	-
Aitolika Quarries S.A.	Greece	Quarries & aggregates	-	63,723	-	63,723
Albacem S.A.	Greece	Trading company	99,996	0,004	99,996	0,004
Arktias S.A.	Greece	Quarries & aggregates	-	100,000	-	100,000
Dodekanesos Quarries S.A.	Greece	Quarries & aggregates	-	100,000	-	100,000
Interbeton Construction Materials S.A.	Greece	Ready mix & aggregates	99,796	0,204	99,679	0,321
Intertitan Trading International S.A.	Greece	Trading company	99,995	0,005	99,995	0,005
Leecem S.A.	Greece	Trading company	-	100,000	-	100,000
Pozolani S.A.	Greece	Quarries & aggregates	-	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.	Greece	Quarries & aggregates	-	100,000	-	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
ECO Conception EOOD	Bulgaria	Alternative fuels	-	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 (5)	Bulgaria	Trading company	-	83,943	-	94,835
Zlatna Panega Beton EOOD	Bulgaria	Ready mix	-	99,989	-	99,989
Zlatna Panega Cement AD	Bulgaria	Cement producer	-	99,989	-	99,989
Green Alternative Energy Assets EAD (6)	Bulgaria	Alternative fuels	-	100,000	-	-
Cementi ANTEA SRL	Italy	Trading company	-	60,000	-	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
Gaea Green Alternative Energy Assets Limited (2)	Cyprus	Investment holding company	-	100,000	-	100,000
Balkcem Ltd (5)	Cyprus	Investment holding company	-	88,514	-	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 (3,5)	Cyprus	Investment holding company	-	88,514	-	58,889
Themis Holdings Ltd	Cyprus	Investment holding company	-	100,000	-	100,000
Titan Cement Cyprus Limited (5)	Cyprus	Investment holding company	-	88,514	-	100,000
Tithys Ltd (5)	Cyprus	Investment holding company	-	88,514	-	100,000
Alexandria Portland Cement Co. S.A.E	Egypt	Cement producer	-	82,513	-	82,513
Beni Suef Cement Co.S.A.E.	Egypt	Cement producer	-	82,513	-	82,513
Misrieen Titan Trade & Distribution	Egypt	Trading company	-	90,256	-	90,256
Titan Beton & Aggregate Egypt LLC	Egypt	Quarries & aggregates	-	83,118	-	83,118
Sharr Beteiligungs GmbH (3,5)	Germany	Investment holding company	-	88,514	-	58,889
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.	Investment holding company	-	82,717	-	82,717
Titan Egyptian Inv. Ltd	U.K.	Investment holding company	-	100,000	-	100,000

## Principal subsidiaries, associates and joint ventures (continued)

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	30/9/2012		31/12/2011	
			% of investment (1)		% of investment (1)	
			Direct	Indirect	Direct	Indirect
<b>Full consolidation method</b>						
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
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 (5)	Serbia	Cement producer	-	88,514	-	100,000
Stari Silo Company DOO (5)	Serbia	Trading company	-	88,514	-	100,000
TCK Montenegro DOO (5)	Montenegro	Trading company	-	88,514	-	100,000
Cement Plus LTD (5)	F.Y.R.O.M	Trading company	-	54,563	-	61,643
Geospan Doool	F.Y.R.O.M	Quarries & aggregates	-	99,989	-	99,989
Rudmark DOOEL (5)	F.Y.R.O.M	Trading company	-	83,943	-	94,835
Usje Cementarnica AD (5)	F.Y.R.O.M	Cement producer	-	83,943	-	94,835
Vesa DOOL	F.Y.R.O.M	Trading company	-	100,000	-	100,000
Kosovo Construction Materials L.L.C. (3,5)	Kosovo	Quarries & aggregates	-	88,514	-	58,889
Sharrcem SH.P.K. (3,5)	Kosovo	Cement producer	-	88,514	-	58,889
Alba Cemento Italia, SHPK	Albania	Trading company	-	60,000	-	60,000
Antea Cement SHA (4)	Albania	Cement producer	-	60,000	-	60,000
Dancem APS	Denmark	Trading company	-	100,000	-	100,000
Aeas Netherlands B.V. (5)	Holland	Investment holding company	-	88,514	-	100,000
Colombus Properties B.V.	Holland	Investment holding company	100,000	-	100,000	-
Holtitan B.V. (5)	Holland	Investment holding company	-	88,514	-	100,000
Salentijn Properties1 B.V.	Holland	Investment holding company	100,000	-	100,000	-
Titan Cement Netherlands BV (5)	Holland	Investment holding company	-	88,514	-	100,000
<b>Proportionate consolidation method</b>						
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
Vris OOD	Bulgaria	Quarries & aggregates	-	48,764	-	48,764
Transbeton - Domiki S.A.	Greece	Ready mix & aggregates	-	49,901	-	49,901

- (1) Percentage of investment represents both percentage of shareholding and percentage of control.
- (2) On 25.1.2012, the company Balkan Cement Enterprises Ltd was renamed to Gaea Green Alternative Energy Assets Ltd.
- (3) On 21.3.2012 the Group exercised the call option for acquiring the non-controlling interest in Terret Enterprises Ltd.
- (4) On 20.6.2012 the Group's subsidiary Antea Cement SHA completed a €22.0 mil. share capital increase. The amount of €8.8 mil. of this increase was paid by the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), who consist the non-controlling interest of Antea Cement SHA.
- (5) On 27.6.2012 the Group announced the completion of a €50 million equity investment by International Finance Corporation (IFC) in the Group's subsidiaries in F.Y.R. of Macedonia, Serbia and Kosovo. The transaction resulted in IFC holding, through TITAN Cement Cyprus Ltd., a minority stake of approximately 11.49% in the Group's operations in the above countries.
- (6) As of 30.6.2012, the Group's financial statements incorporated the established company Green Alternative Energy Assets EAD, with the full consolidation method.

The transactions listed in aforementioned notes 3 and 5 were depicted in the consolidated statement of changes in equity in accordance with the procedures set out in IAS 27 for the transfer of shares between shareholders of an entity without, however, the simultaneous transfer of control for the underlying entity.

## 5. Principal subsidiaries, associates and joint ventures (continued)

The movement of the Company's participation in subsidiaries is analyzed as follows:

(all amounts in Euro thousands)

	30/9/2012	31/12/2011
<b>Participation in Subsidiaries at 1st January</b>	<b>1.182.854</b>	<b>1.183.721</b>
Share capital increase in subsidiaries	30.120	9.799
Provision for impairment of investments	-	-9.936
Liquidation product of subsidiaries	-	-1.258
Other	300	528
<b>Participation in Subsidiaries</b>	<b>1.213.274</b>	<b>1.182.854</b>

## 6. Fiscal years unaudited by the tax authorities

(1) Titan Cement Company S.A.	2010-2011	(2) Fintitan SRL	-
(2) Aeolian Maritime Company	-	Cementi Crotone S.R.L.	2009-2011
(1) Albacem S.A.	2006-2011	Cementi ANTEA SRL	2010-2011
(1) Arktias S.A.	2010-2011	Colombus Properties B.V.	2010-2011
(1) Dodekanesos Quarries S.A.	2010-2011	Holtitan B.V.	2010-2011
(1) Interbeton Construction Materials S.A.	2005-2011	Aeas Netherlands B.V.	2010-2011
(1) Intertitan Trading International S.A.	2007-2011	(2) Titan Cement U.K. Ltd	-
(1) Leeceem S.A.	2010-2011	(2) Separation Technologies U.K. Ltd	-
(1) Pozolani S.A.	2010-2011	(6) Titan America LLC	2008-2011
(1) Porfirion S.A.	2010-2011	Separation Technologies Canada Ltd	2010-2011
(1) Vahou Quarries S.A.	2010-2011	Stari Silo Company DOO	2008-2011
(1) Gournon Quarries S.A.	2010-2011	Cementara Kosjeric AD	2006-2011
(1) Quarries of Tagaradon Community S.A.	2010-2011	Adocim Cimento Beton Sanayi ve Ticaret A.S.	2006-2011
(1) Quarries of Tanagra S.A.	2010-2011	TCK Montenegro DOO	2007-2011
(1) Aitolika Quarries S.A.	2010-2011	Double W & Co OOD	2007-2011
(1) Sigma Beton S.A.	2010-2011	Granitoid AD	2007-2011
(1) Titan Atlantic Cement Industrial and Commercial S.A.	2010-2011	Gravel & Sand PIT AD	2007-2011
(1) Titan Cement International Trading S.A.	2007-2011	Zlatna Panega Beton EOOD	2007-2011
Aemos Cement Ltd	2006-2011	Zlatna Panega Cement AD	2010-2011
(3) Alvacim Ltd	2006-2011	Cement Plus LTD	2011
(4) Balkcem Ltd	2006-2011	Rudmark DOOEL	2006-2011
Iapetos Ltd	2006-2011	Usje Cementarnica AD	2009-2011
(5) Rea Cement Ltd	2006-2011	Titan Cement Netherlands BV	2010-2011
Themis Holdings Ltd	2006-2011	Alba Cemento Italia, SHPK	2010-2011
(4) Tithys Ltd	2006-2011	Antea Cement SHA	2010-2011
Feronia Holding Ltd	2006-2011	Sharr Beteiligungs GmbH	2006-2011
Vesa DOOL	2006-2011	Kosovo Construction Materials L.L.C.	2010-2011
Trojan Cem EOOD	2010-2011	Sharrcem SH.P.K.	2011
Dancem APS	2009-2011	(2) Alexandria Development Co.Ltd	-
Titan Global Finance PLC	2008-2011	Alexandria Portland Cement Co. S.A.E	2007-2011
Geospan Dooel	2010-2011	Gaea Green Alternative Energy Assets Limited	2006-2011
Terret Enterprises Ltd	2009-2011	Beni Suef Cement Co.S.A.E.	2007-2011
Salentijn Properties1 B.V.	2010-2011	East Cement Trade Ltd	2005-2011
Titan Cement Cyprus Limited	2006-2011	Titan Beton & Aggregate Egypt LLC	2006-2011
KOCEM Limited	2006-2011	(2) Titan Egyptian Inv. Ltd	-
ECO Conception EOOD	2011	Misrieen Titan Trade & Distribution	-

- (1) For the fiscal year of 2011, the above companies have been audited though the tax review made by the Certified Auditors Accountants.
- (2) Under special tax status.
- (3) Fiscal years of 2007, 2008 have been audited.
- (4) Fiscal year of 2007 has been audited.
- (5) Fiscal year of 2008 has been audited.
- (6) Companies operating in the U.S.A., are incorporated in the Titan America LLC subgroup (note 5).

## 7. Pledge of assets

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 in securing debt and they are analyzed as follows:

- Mortgage on assets to the amount of €54.0 mil. to secure a loan of €36.0 mil..
- Second-lien on assets to the amount of TL 26.0 mil. (€11.2 mil.) to secure loans of TL 9.7 mil. (€4.2 mil.) and \$5.0 mil. (€3.9 mil.).

## 8. Number of employees

Number of employees as at the end of the reporting period: Group 5,389 (30.9.2011: 5,759), Parent Company 788 (30.9.2011: 920).

## 9. Capital expenditure and disposals

Capital expenditure for the first nine months of 2012, excluding fixed assets acquired through a business combination and intangibles, amounted to: Group €30.9 mil. (30.9.2011 €41.0 mil.), Parent Company €2.5 mil. (30.9.2011 €4.3 mil.). Assets with a net book value of €24.8 mil. have been disposed of by the Group during the nine months ended 30 September 2012 (30.9.2011: €2.1 mil.) resulting in a net gain €3.2 mil. (30.9.2011: gain €0.5 mil.).

## 10. Earnings per share

Basic earnings per share have been calculated on the total weighted average number of common and preferred shares, excluding the average number of treasury shares. The diluted earnings per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of share options. No adjustment is made to net profit (numerator).

## 11. Treasury shares

The total number of treasury shares that the Company held as at 30.9.2012 is 3,117,616 (31.12.2011: 3,117,616) with an aggregate value of €89,446 thousand (31.12.2011: €89,446 thousand), an amount deducted from the Shareholders Equity of the Group and the Company. The above treasury shares represent 3.68% (31.12.2011: 3.68%) of the Company's total share capital.

## 12. Provisions

### Group

Group provisions presented in short and long term liabilities as at 30.9.2012 amounted to €15.7 mil. (31.12.2011: €18.6 mil.).

The above amount includes the provision for the rehabilitation of quarries amounting to €11.4 mil. (31.12.2011: €10.8 mil.), the provision for staff costs at €0.9 mil. (31.12.2011: €1.4 mil.) and other provisions for risks none of which are individually material to the Group.

## 12. Provisions (continued)

### Company

Company provisions presented in short and long term liabilities as at 30.9.2012 amounted to €2.7 mil. (31.12.2011: €3.2 mil.). The above amount includes among others, the provision for the rehabilitation of quarries amounting to €1.7 mil. (31.12.2011: €1.8 mil.) and the provision for staff costs at €0.9 mil. (31.12.2011: €1.4 mil.).

## 13. Related party transactions

Transactions with related parties during the nine month period ending 30 September 2012 as well as balances with related parties as at 30 September 2012 for the Group and the Company, according to I.A.S. 24 are as follows:

### Group

(all amounts in Euro thousands)

	Sales of goods & services	Purchases of goods & services	Receivables	Liabilities
Other interrelated parties	-	1.534	-	578
Executives and members of the Board	-	2.611	25	-
	-	<b>4.145</b>	<b>25</b>	<b>578</b>

### Company

(all amounts in Euro thousands)

	Sales of goods & services	Purchases of goods & services	Receivables	Liabilities
Aeolian Maritime Company	-	-	-	284
Albasem S.A.	1	-	-	7
Interbeton Construction Materials S.A.	14.296	2.823	5.008	-
Intertitan Trading International S.A.	4.129	-	-	-
Gournon Quarries S.A.	-	-	751	-
Pozolani S.A.	-	23	118	-
Titan America LLC	2	-	-	258
Titan Cement International Trading S.A.	4	-	515	-
Antea Cement SHA	1.376	-	892	-
Beni Suef Cement Co.S.A.E.	316	-	280	-
Cementara Kosjeric AD	68	-	12	-
Essex Cement Company LLC	9.602	37	-	-
Fintitan SRL	7.220	-	2.537	-
Sharrcem SH.P.K.	178	-	119	-
T.C.U.K. Ltd	3.983	9	1.145	-
Titan Global Finance PLC	-	23.458	-	663.185
Usje Cementarnica AD	11.014	-	350	-
Zlatna Panega Cement AD	838	-	-	-
Other subsidiaries	8	41	-	-
Other interrelated parties	-	1.534	-	578
Executives and members of the Board	-	2.611	25	-
	<b>53.035</b>	<b>30.536</b>	<b>11.752</b>	<b>664.312</b>



### 13. Related party transactions (continued)

Transactions with related parties during the nine month period ending 30 September 2011 as well as balances with related parties as at 31 December 2011 for the Group and the Company, according to I.A.S. 24 are as follows:

#### Group

(all amounts in Euro thousands)

	Sales of goods & services	Purchases of goods & services	Receivables	Liabilities
Other interrelated parties	-	2.018	-	520
Executives and members of the Board	-	3.905	10	-
	-	<b>5.923</b>	<b>10</b>	<b>520</b>

#### Company

(all amounts in Euro thousands)

	Sales of goods & services	Purchases of goods & services	Receivables	Liabilities
Aeolian Maritime Company	-	-	-	287
Albasem S.A.	1	-	-	7
Interbeton Construction Materials S.A.	24.244	3.229	11.640	-
Intertitan Trading International S.A.	4.691	-	-	-
Ionia S.A.	151	83	-	-
Gournon Quarries S.A.	-	-	641	-
Quarries of Tanagra S.A.	-	-	1	-
Naftitan S.A.	18	-	-	-
Pozolani S.A.	-	47	110	-
Titan America LLC	64	-	-	259
Titan Cement International Trading S.A.	4	-	495	-
Antea Cement SHA	3.055	-	6.724	-
Beni Suef Cement Co.S.A.E.	316	-	280	-
Cementara Kosjeric AD	98	-	-	-
Dancem APS	1.308	-	-	-
Essex Cement Co LLC	-	-	1.880	-
Fintitan S.r.l.	193	-	2.529	-
Sharrcem SH.P.K	13	-	23	-
T.C.U.K. Ltd	5.251	15	1.809	11
Titan Global Finance PLC	-	23.242	-	626.678
Usje Cementarnica AD	13.661	-	1.113	-
Zlatna Panega Cement AD	204	-	20	-
Other subsidiaries	22	-	-	-
Other interrelated parties	-	2.018	-	520
Executives and members of the Board	-	3.809	10	-
	<b>53.294</b>	<b>32.443</b>	<b>27.275</b>	<b>627.762</b>

## 14. Borrowings

The maturity profile of borrowings resulting from the consolidated financial statements and the loan contracts which are valid on 30.9.2012 is shown in the following table:

(all amounts in Euro thousands)

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Up to 1 year	363.394	226.564	163.587	104.692
From 1 to 2 years	58.643	207.085	50.000	99.020
From 2 to 3 years	364.588	7.343	561.036	521.340
From 3 to 4 years	32.228	513.981	-	-
From 4 to 5 years	66.159	30.549	-	-
More than 5 years	56.904	56.137	-	-
<b>Total debt</b>	<b>941.916</b>	<b>1.041.659</b>	<b>774.623</b>	<b>725.052</b>
Total short term borrowings	363.394	226.564	163.587	104.692
Total long term borrowings	578.522	815.095	611.036	620.360
<b>Total debt</b>	<b>941.916</b>	<b>1.041.659</b>	<b>774.623</b>	<b>725.052</b>

## 15. Financial instruments

### Cash flow hedges

#### a) Interest Rate Swap (from floating to fixed)

In early 2011, Titan Cement Company S.A. borrowed €100 mil. under floating rates from Titan Global Finance. Titan Cement Company S.A. then entered into floating to fixed interest rate swaps of €100 mil. notional with five financial institutions, where the Company receives floating rate and pays fixed. The transaction was undertaken in order to hedge the interest rate risk associated with the floating part (1month EURIBOR) of the Euro denominated borrowing. At the inception of the hedge relationship, Titan Cement Company S.A. formally designated the hedge as a cash flow hedge and documented the risk management objective and strategy for undertaking the hedge. The terms of the interest rate swaps have been negotiated to match the terms of the Euro Loan and the hedge was assessed to be highly effective.

The derivative financial instrument was initially recognized at fair value on the effective date of the contract, and is being subsequently re-measured at fair value. As of September 30, 2012, the fair value of the derivative contracts of €5,060 thousand (31.12.2011: €4,546 thousand) was recorded as a liability in the statement of financial position. As this derivative instrument has been designated as a cash flow hedge, any gains or losses arising from changes in the fair value of the derivative are recognized in the statement of comprehensive income as a separate component of equity. Consequently, as of September 30, 2012 an unrealized loss of €514 thousand was recognized.

#### b) Forward Foreign Currency Exchange

1) In 2009, the Group's subsidiary Titan America LLC entered into a borrowing of €100 mil. from Titan Global Finance. At the same time, Titan America LLC also entered into forward foreign currency exchange contracts for €100 mil. principal with three third- party financial institutions. The transaction was undertaken in order to hedge the foreign currency risk (€/ \$) associated with the Euro denominated borrowing. At the inception of the hedge relationship, Titan America LLC formally designated the hedge as a cash flow hedge and the risk management objective and documented strategy for undertaking the hedge. The terms of the forward foreign currency exchange contract have been negotiated to match the terms of the Euro Loan and the hedge was assessed to be highly effective.

## 15. Financial instruments (continued)

2) In the first half of 2012, the Group's subsidiary Titan America LLC entered into a €53,489 thousand borrowing from Titan Global Finance. At the same time, Titan America LLC also entered into forward foreign currency exchange contracts for the same amount. The transaction was undertaken in order to hedge the foreign currency risk (€/€). At the inception of the hedge relationship, Titan America LLC formally designated and documented the hedge as a cash flow hedge. The terms of the forward foreign currency exchange contract have been negotiated to match the terms of the Euro Loan and the hedge was assessed to be highly effective.

The above mentioned instruments were initially recognized at fair value on the effective date of the contract, and are being subsequently remeasured at fair value. As of September 30, 2012, the fair value of the derivative contracts was recorded as a liability of €14,172 thousand (31.12.2011: €12,002 thousand) in the statement of financial position. As these derivative instruments have been designated as a cash flow hedge, any gains or losses arising from changes in fair value of the derivatives are recognized in the statement of comprehensive income as a separate component of equity. Consequently, as of September 30, 2012 a net unrealized loss of €723 thousand and a deferred tax asset of €282 thousand was recognized.

### Fair value hedges

In 2009, Titan Cement Company S.A. entered into an interest rate swap amounting to €30 mil., which is still in effect and it is recognized as fair value hedge. As of September 30, 2012, the fair value of the derivative contracts was recorded as a liability of €1,426 thousand (31.12.2011: €1,278 thousand) in the statement of financial position. The valuation's result of €148 thousand of the above mentioned derivative was recorded as finance expense in the interim income statement of the period 1.1-30.9.2012.

During September 2012, Titan Cement Company S.A. entered into currency options for USD 30 million notional in order to hedge the foreign currency risk (€/€). As of September 30, 2012, the fair value of the currency options was recorded as an asset of €18 thousand in the statement of financial position.

In June 2012, the Group's subsidiary Iapetos LTD entered into forward exchange contracts for Japanese yen 1,700 mil. principal, in order to hedge the foreign currency risk that is related to a Group's subsidiary loan in Japanese yen. As of September 30, 2012, the fair value of the forward exchange contract was recorded as an asset of €365 thousand in the statement of financial position.

### 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.

**15. Financial instruments (continued)**

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.

As at September 30, 2012, the Group and the Company held the following financial instruments measured at fair value:

<i>(all amounts in Euro thousands)</i>	Group		Company		Fair value hierarchy
	Fair value		Fair value		
	30/9/12	31/12/11	30/9/12	31/12/11	
<b>Financial assets</b>					
Available for-sale financial assets	1.955	2.206	169	169	Level 2
Derivative financial instruments	383	772	18	-	Level 2
<b>Financial liabilities</b>					
Other non current liabilities (note 19)	14.108	14.250	-	-	Level 3
accounts	19.232	16.548	5.060	4.546	Level 2
Derivative financial instruments-non-hedged accounts	1.426	1.278	1.426	1.278	Level 2

## 16. Other reserves

(all amounts in Euro thousands)

Group	Tax exempt reserves				Revaluation reserve	Actuarial differences reserve	Hedging reserves	Foreign currency translation reserve	Total other reserves
	Legal reserve	Special reserve	Contingency reserve	under special laws					
<b>Balance at 1 January 2011</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>
Restated due to change in accounting policy (note 20)	-	-	-	-	-	-5.609	-	-	-5.609
<b>Balance at 1 January 2011 (restated)</b>	<b>80.912</b>	<b>11.079</b>	<b>265.911</b>	<b>151.019</b>	<b>97.166</b>	<b>-5.609</b>	<b>42.590</b>	<b>-172.016</b>	<b>471.052</b>
Other comprehensive income/(loss)	-	-	-	-	161	5.136	-3.728	-32.258	-30.689
Non-controlling interest's put option recognition	-	-	-	-	-2.650	-	-	-	-2.650
Transfer among reserves	3.419	-8.804	-947	-13.529	-5.710	-	-	-	-25.571
<b>Balance at 30 September 2011</b>	<b>84.331</b>	<b>2.275</b>	<b>264.964</b>	<b>137.490</b>	<b>88.967</b>	<b>-473</b>	<b>38.862</b>	<b>-204.274</b>	<b>412.142</b>
<b>Balance at 1 January 2012</b>	<b>84.207</b>	<b>2.275</b>	<b>271.892</b>	<b>137.369</b>	<b>65.609</b>	<b>1.238</b>	<b>36.526</b>	<b>-172.088</b>	<b>427.028</b>
Other comprehensive income/(loss)	-	-	-	-	491	-	-955	-3.690	-4.154
Partial disposal of subsidiary	-836	-	-	-	-2.134	-	-	1.279	-1.691
Non-controlling interest's put option recognition	-	-	-	-	5.851	-	-	-	5.851
Transfer among reserves	4.804	-8.756	-	-	-5.757	-	-	-	-9.709
<b>Balance at 30 September 2012</b>	<b>88.175</b>	<b>-6.481</b>	<b>271.892</b>	<b>137.369</b>	<b>64.060</b>	<b>1.238</b>	<b>35.571</b>	<b>-174.499</b>	<b>417.325</b>

Company	Tax exempt reserves				Revaluation reserve	Actuarial differences reserve	Hedging reserves	Total other reserves
	Legal reserve	Special reserve	Contingency reserve	under special laws				
<b>Balance at 1 January 2011</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>
Restated due to change in accounting policy (note 20)	-	-	-	-	-	-6.043	-	-6.043
<b>Balance at 1 January 2011 (restated)</b>	<b>68.650</b>	<b>1.769</b>	<b>254.017</b>	<b>134.283</b>	-	<b>-6.043</b>	<b>48.346</b>	<b>501.022</b>
Other comprehensive income/(loss)	-	-	-	-	253	4.938	-3.949	1.242
Transfer among reserves	-	14.476	-947	-13.529	-	-	-	-
<b>Balance at 30 September 2011</b>	<b>68.650</b>	<b>16.245</b>	<b>253.070</b>	<b>120.754</b>	<b>253</b>	<b>-1.105</b>	<b>44.397</b>	<b>502.264</b>
<b>Balance at 1 January 2012</b>	<b>68.650</b>	<b>16.245</b>	<b>259.998</b>	<b>120.754</b>	<b>-3.234</b>	<b>542</b>	<b>48.346</b>	<b>511.301</b>
Other comprehensive income/(loss)	-	-	-	-	704	-	-514	190
<b>Balance at 30 September 2012</b>	<b>68.650</b>	<b>16.245</b>	<b>259.998</b>	<b>120.754</b>	<b>-2.530</b>	<b>542</b>	<b>47.832</b>	<b>511.491</b>

## 17. Significant movements in statement of financial position and income statement

The significant movements between the periods presented in these financial statements of the Group and the Company are as follows:

### Group

a) In 2011 and, to a lesser extent, in 2012 monetization of surplus carbon dioxide emissions allowances in Greece and Bulgaria has positively affected the cost of production.

b) The net decrease in other income/(expenses) is €21.8 mil. In 2011 the other income includes the clay fee refund of €25.0 mil. in Egypt.

c) The €7.4 mil. increase in financial expenses is mainly due to the increase in average outstanding debt by €190 mil. during the first nine months of 2012 compared to the same period of the previous year, as well as the overall increase in the cost of debt.

d) The positive variation in the "gains/(losses) from foreign exchange differences" of €23.5 mil. in the income statement for the period compared to the last year is mainly due to the valuation of loans (including intercompany loans) in Euro and US dollar, recorded from subsidiaries operating in third currencies in Egypt, Turkey and Albania. The volatility arising from foreign exchange rate fluctuations will continue affecting the Group's performance until the full repayment of the respective loans.

e) The variation in the deferred income tax in the income statement for the period is due mostly to the non-recognition of the deferred tax benefit on carry forward losses recorded in the Group's subsidiaries which operate in the USA and in Greece. As per the International Accounting Standards, deferred income tax is not recognized temporarily, where there is no evidence that the tax carry forward losses can be offset against future taxable profits.

f) Exchange rate fluctuations between the Euro and the currencies used by the Group's subsidiaries in the first nine months of 2012 versus the same period of 2011 resulted in an exchange rate loss of €4.0 mil. booked under the Group's statement of comprehensive income. This loss resulted from the translation of the financial statements of the Group's subsidiaries into the Group's reporting currency, the Euro. Exchange rate fluctuations had resulted in a €35.4 mil. loss in the first nine months of 2011. The positive exchange rate differences amounted to €31.4 mil. attributable as follows: €7.2 mil. to the US dollar, €8.4 mil. to the Egyptian pound, €20.9 mil to the Turkish pound and finally €5.8 mil to the negative impact of Serbian dinar.

g) Property, plant and equipment decreased by €77.9 mil.. This is mainly due to the depreciation charges for the period to the amount of €78.5 mil. and the disposals of the period to the amount of €25.0 mil.. In addition, the negative impact of the foreign exchange differences amounting to €6.7 mil. enhanced the decrease in property, plant and equipment. Finally, the above movement includes also capital expenditure for the first nine months of 2012, amounting to €30.9 mil.

h) Intangible assets decreased by €7.9 mil. mainly due to the depreciation for the period amounting to €13.8 mil. and the positive impact of an addition in intangible assets of €3.3 mil.

Considering that goodwill accounts for a large part of intangible assets, the Group has examined if there are reasons which would necessitate a possible write-down and concluded that cash generating units related to the said goodwill are performing within their expected range.

i) The increase in inventories by €10.5 mil. is caused mainly by the increased production of clinker and the increased deliveries of solid fuels to the Group's plants.

## 17. Significant movements in statement of financial position and income statement (continued)

- j) Trade receivables increased by €26.9 mil.. This increase reflects mainly the seasonality of the business as well as market conditions in which the Group operates.
- k) Net deferred tax liabilities decreased by €1.8 mil.. This amount includes the increased foreign exchange differences of €1.2 mil. due to the foreign exchange translation of the devaluation of the Euro against the Egyptian pound. The remaining amount of €0.6 mil. is the total effect of the deferred tax which was recorded as a profit in the income statement and the statement of comprehensive income for the period ended 30.09.2012.
- l) The increase in the account "Derivative financial instruments" presented under long-term liabilities is analysed into the amount of €2.2 mil. due to the valuation of foreign exchange forward contracts and the amount of €0.7 mil. due to the valuation of interest rate swaps (note 15).
- m) The decrease in "Trade and other payables» by €37.4 mil. is caused mainly by a €22.5 mil. decrease of customers' prepayments in the Group's subsidiaries in Egypt.
- n) The decrease in current income tax payable by €8.4 mil. is caused mainly by the payment of the income tax, made by the Group's subsidiaries in Egypt during the first nine months of 2012.

### Company

- o) Turnover declined due to the continuous decline in activity in the domestic market. This decline was partially offset by increased exports. Thus turnover is at the same level as the previous year.
- p) Administrative expenses declined by 7% versus the nine months of 2011, as a result of the ongoing effort in reducing costs.
- q) Decreased domestic sales and decreased carbon dioxide emissions allowances' sales contributed to the 22% decline in Earnings before Interest Depreciation and Amortization (EBITDA) compared to the nine months of 2011.
- r) Trade receivables increased by €7.8 mil. due to seasonality and current market conditions.
- s) Company's borrowings increased by €49.4 mil. compared to 31.12.2011 in order to increase the Company's cash position and cover working capital needs.

## 18. Share based payment

### Programme 2007

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.



## 18. Share based payment (continued)

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.

During 2011, 18,688 share options were exercised, while 62,424 share options did not vest and 2,374 share options were cancelled.

### 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".

## 18. Share based payment (continued)

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%.

During 2010, 267,720 share options were granted and from this total a number of 12,030 share options have been cancelled.

During 2011, 301,200 share options were granted and from the total number of share options outstanding, 7,800 share options have been cancelled.

The fair value of the options granted in 2011 under the Programme of 2010 was €6.86 per option, determined using the Monte Carlo Simulation valuation model. The significant inputs used in the application of the valuation model were share price at grant date of €17.88, standard deviation of share price of 43.98%, dividend yield of 2.74% and the rate of the three-year fixed EUR swap interest rate of 1.890%.

During 2012, 376,290 share options were granted.

The fair value of the options granted in 2012 under the Programme of 2010 was €3.05 per option, determined applying the Binomial Method and using the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodology were the share price at grant date of €14.72, the volatility of the share price estimated at 37.4%, the dividend yield of 0.7% and the yield of the 3 year EU Benchmark (Deutsche Bund) Government bond yield rate of 0.32%.

## 19. Contingencies and Commitments

(all amounts in Euro thousands)

### Contingent liabilities

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Guarantees to third parties on behalf of subsidiaries	-	-	804.698	944.815
Bank guarantee letters	50.082	57.570	20.783	22.071
Other guarantees	4.523	5.611	2.683	2.343
	<b>54.605</b>	<b>63.181</b>	<b>828.164</b>	<b>969.229</b>

### Litigation matters in Egypt

In 2007, Beni Suf 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 run by the Egyptian Trading and Industrial Authority for the amount of LE134.5mil. The Egyptian Industrial Development Authority subsequently raised the value of the license to LE251mil. In October 2008, Beni Suf 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 Suf Cement Company S.A for LE500. Alternatively, if the court rejects this request, Beni Suf Cement Company S.A. is requesting the price to be the EGP134.5m offered by Beni Suf Cement Company S.A. in the bid. BSCC's view is that the case has a high probability of being won.

## 19. Contingencies and Commitments (continued)

A non-governmental organization, the Nile Agricultural Organization, 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 LE300mil. 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. BSCC's view is that the case has a high probability of being won.

Two former employees of Beni Suef Cement Company S.A.E. (BSCC), a Titan Group company in Egypt, have filed an action before the Administrative Court of Cairo, seeking the revocation of the implementation of the decision of the Ministerial Privatization Committee of Egypt taken in 1998 regarding the privatization after a public auction of BSCC and the nullification of the sale effected pursuant to the said decision to Financiere Lafarge who won the public auction. Titan Group acquired in 1999 50% and in 2008 the balance of Lafarge's interest in BSCC. Approximately 99.98% in the share capital of BSCC is held today by Alexandria Portland Cement Company S.A., a Titan group company listed in the Egyptian Stock Exchange. BSCC's view is that the action will be dismissed as it is devoid of any legal and factual ground.

An individual residing in the vicinity of the plant of Alexandria Portland Cement Company SA (APCC), a Titan Group company in Egypt has filed an action before the Administrative Court of Alexandria against the Governor of Alexandria, the Head of El-Agamy District, the Minister of Trading and Industry, the Minister of Environment, the President of Alexandria Environmental Affairs Agency, the President of Industrial Development Authority and APCC, seeking the abolition of the administrative decision of the competent Egyptian authority which issued the operating license for the APCC plant in Alexandria, alleging violations of environmental and related regulation. APCC's view is that the Court will dismiss the action as the plant's operating license has been issued lawfully and in full compliance with the relevant Egyptian laws and regulations.

Alexandria Portland Cement Company SA (APCC), a Titan Group company in Egypt, has been informed that an ex-employee of the company recently filed an action before the Administrative Court of Alexandria against the President of the Republic of Egypt, the Prime Minister, the Minister of Investments, the Minister of Industry, the Governor of Alexandria, the Manager of the Mines and Salinas Project in Alexandria and the Manager of the Mines and Quarries Department in Alexandria seeking the annulment of the sale of APCC to Blue Circle Cement Group in 1999. APCC is not named as defendant in the action.

It should be noted that following a capital market transaction concluded in 2001, Blue Circle Cement group was acquired by Lafarge Group, which subsequently sold its interest in APCC through two private transactions to Titan Group in 2002 and 2008. APCC's view is that the action will be dismissed by the Court as it is devoid of any legal or factual ground.

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

### CO<sub>2</sub> emissions

Given the reduced demand resulting from the underlying economic crisis, it is estimated that the Group's available carbon dioxide emissions allowances, overbalance the Group's production needs for the 2012. For the period 2013-2020 and according to the European legislation currently in force, it is estimated that the Group will not face shortfall of carbon dioxide emissions allowances, in the near future.

## 19. Contingencies and Commitments (continued)

### 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 sell their shares in ANTEA Cement SHA at predetermined conditions. On 30.09.2012 the put option's fair value recorded a liability of €14.1 million (31.12.2011: €14.2 million) (note 15).

### Contingent tax liability

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	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Bank guarantees letters	21.795	18.114	15.247	16.368

Bank guarantees letters are held by the Group's subsidiaries in order to secure certain trade and other receivables.

### Commitments

#### Capital commitments

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

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Property, plant and equipment	11.981	13.269	7.296	4.658

#### Purchase commitments

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Energy supply contracts (Gas, electricity, etc)	206.910	213.239	-	-

The Group's US subsidiaries 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.

Also, the Group's subsidiaries in Egypt have agreements for gas requiring the purchase of minimum quantities of gas for the subsequent years.

#### Operating lease commitments - where Group 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.

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Not later than 1 years	7.496	7.181	708	729
Later than 1 years and not later than 5 years	21.456	20.521	1.040	1.200
Later than 5 years	18.695	17.086	-	-
	<b>47.647</b>	<b>44.788</b>	<b>1.748</b>	<b>1.929</b>

## 20. Reclassifications

At the end of 2011, the Group reassessed its accounting policy with regards to the recognition of actuarial gains and losses arising from the Group's defined benefit plans. The Group previously recognised only actuarial gains and losses that arose from experience adjustments, changes in actuarial assumptions and amendments to pension plans, which cumulatively exceed 10% of the estimated benefit liability at the beginning of every period. By applying the corridor method of IAS 19, these actuarial gains and losses were recognized in the income statement and were dependent on the average remaining service lives of the relevant employees. As a consequence, the Group's income statement did not reflect an important part of the unrecognised net actuarial gains and losses.

The Group therefore decided to change its accounting policy and recognise total actuarial gains and losses in the period in which they occur in the statement of comprehensive income. Thus, liabilities are recognised fully, as they include these actuarial gains and losses. Management considers that in this manner the Group's and the Company's financial statements will provide more accurate and relevant information. In addition, the new method resembles the accounting treatment which the amended IAS 19 introduces effective 1 January 2013. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", these changes have retrospective application, resulting in the restatement of prior year financial statements.

As a result of the accounting policy change, the following adjustments were made to the financial statements of the Group and the Company:

### Interim Income Statement 30.9.2011

(all amounts in Euro thousands)

	Group		Company	
	9M 2011	Q3.2011	9M 2011	Q3.2011
Decrease in other operating expenses	1.119	373	171	57
Decrease in finance expense	429	143	24	8
Increase in deferred tax expense	-525	-175	-	-
Increase in other comprehensive income, net of tax	5.136	1.712	4.938	1.646

In the interim income statement of the Group for the first nine months of 2011, the account of "share in loss of associates" with the amount of €337 thousand has been reclassified, for presentation purposes, and it was transferred from the sum of "profit before interest, taxes, depreciation and amortization" to the sum of "profit before taxes" in order to be compared with the same period of the prior year.

In the interim income statement of the Group for the first nine months of 2011, the amount of €3,564 thousand has been reclassified from the account of "other income" to the account "administrative expenses" in order to be compared with the same period of the prior year.

In the Group's statement of financial position as at 31.12.2011 an amount of €8,646 thousand was transferred from the account of "other receivables and prepayments" to the account "trade and other payables" in order to be compared with the Group's interim statement of financial position as at 30.9.2012.

The aforementioned reclassifications were made for presentation purposes and they had no impact on the prior year's equity, turnover and profits after tax and non-controlling interest for the Group.

## 21. Events after the reporting period

There are no subsequent events as of September 30, 2012 which would influence materially the Group's and the Company's financial position.

## 22. Principal exchange rates

Balance sheet	30/09/2012	31/12/2011	30/9/2012 vs 31/12/2011
€1 = USD	1,29	1,29	-0,1%
€1 = EGP	7,88	7,80	1,0%
€1 = TRY	2,32	2,44	-5,0%
1USD=EGP	6,10	6,03	1,1%
€1 = RSD	115,03	104,64	9,9%
1USD = JPY	77,63	77,44	0,2%

Profit and loss	Ave 9M 2012	Ave 9M 2011	Ave 9M 2012 vs 9M 2011
€1 = USD	1,28	1,41	-8,9%
€1 = EGP	7,75	8,34	-7,1%
€1 = TRY	2,31	2,29	0,8%
1USD=EGP	6,05	5,93	2,1%
€1 = RSD	112,86	101,95	10,7%
1USD = JPY	79,35	80,50	-1,4%