Group Annual Financial Statements for the year ended 31 December 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 Annual Financial Statements presented through pages 1 to 52 and 55 to 142 both for the Group and the Parent Company, have been approved by the Board of Directors on 04.03.2013.

Chairman of the Board of Directors		Managing Director
ANDREAS L. CANELLOPOULOS ID No AB500997		DIMITRIOS TH. PAPALEXOPOYLOS ID No AK031353
Chief Financial Officer	Finance Director Greece	Financial Consolidation Senior Manager
VASSILIOS S. ZARKALIS ID No AE514943	GRIGORIOS D. DIKAIOS ID No AB291692	ATHANASIOS S. DANAS ID No AB006812

STATEMENT OF MEMBERS OF THE BOARD
(In accordance with article 4 of Law 3556/2007)

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

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

In our above mentioned capacity declare that:

As far as we know:
A) the enclosed Financial Statements of TITAN CEMENT COMPANY S.A. for the period of 1.1.2012 to 31.12.2012 which have been drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of TITAN CEMENT COMPANY S.A. as well as of the businesses included in Group consolidation taken as a whole.
B) the enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of TITAN CEMENT COMPANY S.A. as well as of the businesses included in Group consolidation taken as a whole, including a description of the principal risks and uncertainties faced by them.

Athens, 4 March 2013

ANDREAS L. CANELLOPOULOS	DIMITRIOS TH. PAPALEXOPOULOS	MICHAIL P. SIGALAS
Chairman of the Board	Managing Director	Board Member

ANNUAL REPORT OF THE BOARD OF DIRECTORS
FOR THE FISCAL YEAR 01.01.2012 - 31.12.2012

FINANCIAL RESULTS AT PARENT AND CONSOLIDATED GROUP LEVEL – DEVELOPMENT OF ACTIVITIES – SIGNIFICANT EVENTS

Titan Group turnover in 2012 reached €1.131m, posting a 3.6% increase compared to 2011. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) declined by 19.8% reaching €196m. The Group posted a net loss, after minority interests and the provision for taxes, of €24.5m compared to a net profit of €11m in 2011.

It should be noted that 2011 EBITDA included an additional €25m relating to the refund of the clay tax fee in Egypt booked in the second quarter of 2011.

The deterioration in Group results is due to the collapse of building activity in Greece, the slow pace of recovery of the US market from the very low levels of recent years as well as the slowdown witnessed in Southeastern European markets which suffered the spillover effects of the Eurozone crisis. The contribution of markets in the Eastern Mediterranean was significant, for yet another year, in particular that of Egypt where despite the backdrop of challenging circumstances, construction activity remains robust.

The weakening of the Euro against the national currencies of the countries in which the Group operates had a positive impact on operating results in 2012. Positive foreign exchange translations boosted Group EBITDA by €4m. At constant exchange rates, turnover would have declined by -0.1% versus the previous year while EBITDA would have posted a 21% decline.

The Group continued to generate positive cash free flow from operating activities in 2012 which reached €140m. Always aiming at strengthening its fundamental financial metrics, the Group further decreased its net debt by €112m in 2012, closing the year at €596m. In the course of the last four years (2008-2012), and amidst a severe recession in the building and construction sectors in its most important markets, the Group achieved almost the halving of its net debt which translates into a reduction above €550m since the end of 2008.

As a result of the above, in April 2012, credit rating agency Standard & Poor's (S&P), upgraded their outlook for the Group to stable from negative with a BB- credit rating, as this had been assigned since May 2011. In November 2012, S&P re-confirmed the Group's credit rating at BB- and stable outlook.

In June 2012, as part of its strategy of forging strategic alliances, Titan broadened its cooperation with the International Finance Corporation (IFC) in the Balkans. Specifically, the IFC invested €50m in the Group's subsidiaries in the F.Y.R.O.M., Serbia and Kosovo acquiring an 11.5% minority stake in Titan's activities in the aforementioned countries.

In 2012 the Group continued with the implementation of its two-year restructuring plan which commenced in 2011 and which aims to improve operational efficiency and generate €26m annual savings. The restructuring plan should be completed in 2013. The Group has already achieved

€25m in savings since the launch of the programme and until the end of 2012, thereby surpassing the initial target of €23m set for this period.

The Company's share price as at 31.12.2012 closed at €13.96, posting a 20.4% increase compared to the closing price at year-end 2011 and the General Index of the Athens Stock Exchange declined by 33.4%, over the same period. Compared to the end of 2008, the Company's share price has remained unchanged (€13.90 as at 31.12.2008) while the General Index of the Athens Stock Exchange had recorded a 49.2% over the corresponding one year period.

In Greece, demand for building materials is estimated to have declined by around 35% in 2012 compared to 2011. The severe recession of the Greek economy has directly affected the building industry which after a continuous five-year decline has practically collapsed while it is estimated that cement demand has currently shrunk to a quarter of the levels recorded in 2006. The squeeze on household disposable income in tandem with a negative outlook held on future prospects, the uncertainty regarding the regime of real estate taxation and the drastic curtailment of liquidity on the part of banks to finance the mortgage market, have considerably weakened demand for housing. At the same time, the existing stock of unsold houses, consecutive cuts in public investment and the State's lengthy delays in settling its arrears have brought construction activity to a standstill.

The lingering of domestic demand at what are now extremely low levels has created a structural problem for the Greek cement industry: it is estimated that installed production capacity is approximately six times greater than domestic demand. The sustainability of its operation therefore is dependent on achieving positive-margin exports. Despite the adverse conditions prevalent in international markets, Titan managed to more than double exports in 2012 and is actively fighting to win that battle.

Group turnover in region Greece, which includes exports and the Group's terminals in Western Europe, stood at €240m posting an 11% decline compared to 2011. EBITDA stood at €32m, posting a 9% decline compared to the previous year.

In the USA, despite the slow pace of economic recovery in the country, activity in the construction sector increased and cement consumption posted a continuous increase compared to 2011, albeit not enough yet so as to result in a material improvement of the plants' capacity utilization rates. In the Southeastern states where the Group is primarily active, cement consumption increased by 9.7%[1] in 2012 compared to 2011 while the corresponding increase in Florida was 14.3%.

Group company Separation Technologies LLC (ST), which is engaged in the installation and operation of fly-ash processing units, continued on its growth trajectory, posting yet another increase in turnover. Moreover, ST, utilizing its pioneering technology, made its first strides into new markets where its technology can be applied in the broader realm of industrial minerals, thereby extending the application of its separation technology into new and promising markets.

Group turnover in the USA in 2012 stood at €369m, posting a 22% increase while EBITDA improved to a positive €6m versus a €6m operating loss in 2011.

[1] PCA, "THE Monitor"-Cement Consumption Report: December 2012

In region Southeastern Europe, demand for building materials posted a gradual decline, as the state of local economies deteriorated affected by developments in the Eurozone. As a result, Group turnover declined by 7% to €255m and EBITDA declined by 26% reaching €64m.

In Egypt, despite the prevalent political uncertainty, cement consumption in 2012 reached new highs, thereby facilitating the absorption of the new capacity introduced in the market with the entry into operation of new cement plants in the course of the last eighteen months. Group turnover therefore posted only a marginal decline compared to the previous year despite the greater total supply of cement in the market. Operating margins however were adversely affected by the considerable increase in the cost of natural gas and electrical power.

In Turkey, domestic demand remained at high levels while our plant’s exports also recorded an increase.

Total turnover for the Eastern Mediterranean region in 2012 increased by 7% versus 2011 reaching €296m while EBITDA declined by 26% to €94m, a decline, which for comparative purposes, should be partly attributed to the additional amount of €25m included in 2011 EBITDA from the refund of the clay tax fee in Egypt.

In the context of continuous efforts at cost containment, administrative, operating and selling expenses declined by 7.4% in 2012, compared to the previous year and stood at €113m. Compared to 2008, administrative, operating and selling expenses have declined by a cumulative 22%.

In 2012 the Group recorded gains from realized and unrealized foreign exchange differences of €1m, compared to €12m losses recorded the previous year.

Despite the reduction in Group net debt in the course of 2012, financial expenses, excluding foreign exchange differences, increased by 23% compared to 2011, reaching €67m. The increase is to a large extent due to the increase in Group borrowings denominated in Egyptian Pounds which is more expensive.

During 2012, the Group’s company in Egypt, Alexandria Portland Cement Co. S.A.E contracted an EGP 250m (€30m) revolving credit facility with a five-year maturity, whilst the Group’s other Egyptian company, Beni Suef Company S.A.E. secured, backed by the Parent Company guarantee, the refinancing of EGP 670m (€80m) out of its EGP 700m syndicated revolving credit facility, which was maturing in June 2013, also for a five year maturity in 2018.

In June 2012, the Parent Company and the company Interbeton Construction Materials S.A. each contracted a two and a half year bond loan of €14m and €20m, respectively. These facilities are to be utilized for the refinancing of existing credit facilities and for general corporate purposes of the Group and the latter is backed by the Parent Company guarantee.

In December 2012, Group subsidiary Titan Global Finance PLC announced the completion of the issue of a new bond, of €200m, guaranteed by the Parent Company, with a coupon of 8.75% and maturity in January 2017, which is to be utilized for the refinancing of the €200m July 2013 bond. The issue involved an exchange of €102.34m of existing July 2013 notes and the issuance of an additional €97.65m worth of new notes.

In December 2012, the Group's subsidiary in Bulgaria, Zlatna Panega Cement, refinanced existing short term working capital credit lines of €6.5m backed by the Parent Company Guarantee, into committed, with a two year maturity, also backed with the Parent Company guarantee.

TREASURY SHARES

The General Assembly with its decision of 08.06.12 approved the option by the Company to purchase, ordinary and preferred, own shares, pursuant to the provisions of article 16 par.1 of Codified Law 2190/1920. More specifically, the Company was empowered to directly or indirectly acquire own shares, within a period of twenty four months, as provided by the law, i.e. until 08.06.2014 and up to one tenth of its paid up share capital, including the own shares that the Company has already acquired and maintains, at a maximum price of €40 per share and at a minimum price equal to the nominal value of the share, i.e. €4 per share. Subsequently, with its decision of the same day (08.06.12), the Board of Directors of the Company voted to implement the aforementioned decision of the General Assembly provided that said purchases will be deemed as beneficiary compared to other available investments and that the Company's capital reserves will allow so.

Throughout the course of 2012 however no acquisitions or disposals of the Company's own shares took place.

The total number of own shares that the Company held as at 31.12.2012 was 3,117,616 (31.12.2011: 3.117.616), of which 3,111,697 are common shares and 5,919 are preference shares without voting rights, representing 3.68% of the Company's paid up Share Capital.

PARENT COMPANY FINANCIAL RESULTS

Turnover for Titan Cement S.A. stood at €221m in 2012, posting a 2% increase compared to 2011, while EBITDA stood at €38m, posting an 8% decline. The Company's net result in 2012 was a €16m loss, a €2m increase compared to 2011.

The Board of Directors of Titan Cement S.A., has decided to propose to the Annual General Meeting of Shareholders scheduled for 14th June, 2013, the non-distribution of dividend for fiscal year 2012.

INVESTMENTS, DISPOSALS, MERGERS AND ACQUISITIONS

In the course of 2012, the Group's capital expenditure, excluding acquisitions, stood at €51m a decrease of 11% compared to 2011.

In the course of 2012, the Group disposed of fixed assets of a net book value of €26m. The bulk of these disposals was undertaken by the Group in the USA where it sold machinery and fixed track transportation units, of a total net book value of €24m.

The total amount of the intangible assets' impairment, excluding goodwill, stood at €5.0 mil. The amount of €3.1 mil. relates to impairment of mining rights in Greece and the remaining amount of €1.9 mil. relates to impairment arising from the revaluation in fair value of Carbon Emissions Rights (CER) that the Group possessed as at 31.12.2012.

On 21.3.2012, the Group exercised the call option held for the acquisition of a non-controlling stake in Terret Enterprises Ltd.

On 20.6.2012 the Group's subsidiary Antea Cement SHA completed a €22m share capital increase. The European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), who constitute the non-controlling interest in Antea Cement SHA, participated in the capital increase in the amount of €8.8m.

On 27.6.2012 the Group announced a €50m investment undertaken by the International Finance Corporation (IFC) in the Group's subsidiaries in the F.Y.R. of Macedonia, Serbia and Kosovo. The transaction resulted in IFC holding, through its participation in Titan Cement Cyprus Ltd., a Titan Group subsidiary company, a minority stake of approximately 11.49% in the Group's operations in the above countries.

POST BALANCE SHEET EVENTS

According to the new tax law 4110/2013, the tax rate of the Societies Anonymes in Greece has change from 20% to 26%, for the fiscal years beginning on the 1st of January 2013.

It is estimated that such a change in the tax rate would increase the deferred tax liability by €6.1 mil. for the Group and €5.0 for the Company.

PROSPECTS FOR 2013

2013 is expected to be another challenging year for Titan Group.

The economy in Greece will contract for the sixth consecutive year. Building activity will continue to be tested by the lack of liquidity, the high stock of unsold homes and over-taxation. It is therefore forecast that there is scope for a further decline in demand for building materials from its already extremely low levels.

Markets in Southeastern Europe will continue to be affected by the ripples of the Eurozone crisis. Demand for building materials is not expected to recover soon.

In Egypt, political and economic woes appear to be escalating in recent months and the outlook is extremely uncertain. Against such a backdrop, the smooth operation of the plants is being compromised and production costs have been increasing. Although current estimates point to even a marginal increase in cement demand in 2013, the increase in the cost of production and the weakening of the Egyptian Pound are expected to negatively affect results.

Countering these circumstances, market conditions in Turkey remain positive.

In the USA, the residential market is clearly now in recovery thereby benefiting the market for building materials. Despite forecasts calling for an anemic recovery of the American economy at large, the Portland Cement Association (PCA) expects that cement demand will grow by more than 8% in 2013 and grow even further in coming years.

Facing up to the challenges of the times, Titan Group will continue to focus on reducing debt and cutting costs while remaining firmly committed however to the achievement of its longer term strategic goals.

BUSINESS MODEL

The Group's corporate strategy which forms the basis for the long term pursuit of the Group's targets and aims is firmly focused on the following principles and priorities:

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

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

The Group operates in 14 countries in Europe, North America and the Eastern Mediterranean and is organized in the following four operating (geographic) segments:

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

Each operating segment is a cluster of countries. The aggregation of countries is based on geographic proximity.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

In the course of 2012, continuing economic hardship increased awareness, globally as well as within the sector, of the need for sustainable development and social responsibility in all facets of business activity. The adoption of new business approaches giving priority to communal action and the search for solutions which benefit society as much as business activity formed a cornerstone of Titan Group strategy in this field.

In the realm of safety at work, the continuous effort at improving the Group's performance was overshadowed by a fatal accident at one of the Group's cement silos in Florida, USA, the first such accident in seven years. The re-examination of all possible hazardous causes and near accidents is continuing and enhanced while initiatives on education and on the development of an accident-preventive mentality remains an overarching priority in this realm across all Group activities.

Within this framework, two new initiatives were launched in Greece aiming at raising awareness on safety matters. The first of these, under the general heading "Safety at Home" is addressed to elementary and high school students and was carried out for more than 2,000 students attending school in areas adjacent to Group operations. The second initiative, involved university engineering students and is a joint action undertaken with the non-governmental student organization BEST of the University of Patras.

In 2012, the effort at Titan Group for the holistic improvement of its environmental footprint continued unabated, while new commitments were undertaken within the industry's initiative as this is expressed through the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD), aiming at strengthening transparency and dialogue among the main stakeholders, the application of common standards in areas of crucial importance such as quarry rehabilitation and the respect for biodiversity, water management and alternative fuel usage.

The reduction in carbon dioxide emissions achieved through the utilization of the production of Group subsidiary Separation Technologies, as well as through the increased usage of alternative fuels in the production process, allows the performance of Titan Group to be compared against the best performances attained in this realm by other members of the CSI.

In the first half of the year, the Group completed the third revision of its Code of Conduct which was subsequently communicated to all interested parties as well as disseminated through the appropriate training of Group management to ensure its effective application.

Finally, Titan Group, continuing its efforts at strengthening communal action, participated actively in the first regional meeting of national networks under the UN Global Compact which took place in Thessaloniki, Greece.

Titan Group's 9th Corporate Social Responsibility and Sustainability Report was prepared as per the international standards and specifically the recently revised edition GRI G3.1., the relevant guidelines of the WBCSD/CSI and the criteria laid out by the UN Global Compact for an "Advanced level" Report. The independent audit carried out by expert auditors, verified the achievement of the highest A+ level for Titan Group's Corporate Social Responsibility and Sustainability Report as per the GRI.

RISKS AND UNCERTAINTIES FOR 2013

FINANCIAL RISKS

The Group, by nature of its business and geographical positioning, is exposed to financial risks. The Group's overall risk management programme focuses on financial market fluctuations and aims to minimize the potential unfavorable impact of those fluctuations on its financial

performance. The Group does not engage in speculative transactions or transactions which are not related to its commercial, investing or borrowing activities.

Liquidity risk:

Liquidity is managed by employing a suitable mix of liquid cash assets and long term committed bank credit facilities. The Group monitors the ratio of unutilized long term committed bank credit facilities and immediately available cash over short term debt on a monthly basis. As at 31st December 2012, the ratio of the Group's committed long term unutilized facilities and cash over short term debt stood at 4.89 times.

The Parent Company is registered and the Group undertakes part of its activities in a Eurozone country under an Economic Adjustment and Structural Reforms Programme. If the Programme fails or is aborted, the Group will face additional liquidity risks. To counter such risks, the Group maintains adequate liquidity reserves so as to be able to address any disturbances inflicted upon its cash flows.

Interest rate risk:

37% of total Group debt is based on fixed, pre-agreed interest rates and an additional 15% of floating interest rate debt has been swapped to fixed via floating to fixed interest rate swaps. The impact therefore of interest rate volatility to the Income Statement and Cash Flow is limited, as illustrated by the following sensitivity analysis:

Sensitivity analysis of Group's borrowings due to interest rate changes

(all amounts in Euro thousands)		Interest rate variation	Effect on profit before tax
Year ended 31 December 2012	EUR	1,0%	-2.819
		-1,0%	2.819
	USD	1,0%	1.464
		-1,0%	-1.464
	TRY	1,0%	-54
		-1,0%	54
	BGN	1,0%	-282
		-1,0%	282
	EGP	1,0%	-638
		-1,0%	638
	ALL	1,0%	-328
		-1,0%	328
Year ended 31 December 2011	EUR	1,0%	-5.261
		-1,0%	5.261
	USD	1,0%	-2.236
		-1,0%	2.236
	TRY	1,0%	-
		-1,0%	-
	BGN	1,0%	-345
		-1,0%	345
	EGP	1,0%	-
		-1,0%	-
	ALL	1,0%	-330
		-1,0%	330

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

The ratio of fixed to floating rates of the Group's net borrowings is determined by market conditions, Group strategy and financing requirements. Occasionally interest rate derivatives may also be used, but solely to minimize the relevant risk and to shift the fixed to floating ratio of the Group's borrowings, if that is considered necessary. As at 31st December 2012, the Group had €130m of floating interest rate debt swapped to fixed with an average duration of 2 years and at an average interest rate of 2.41%, part of which (€100m notional) has been designated as cash

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

Foreign Currency risk:

Group exposure to exchange rate (FX) risk derives primarily from existing or expected cash flows denominated in currencies other than the Euro (imports/exports) and from international investments. This risk is addressed in the context of policies approved by the Board of Directors at regular intervals.

FX risks are managed using natural hedges, FX options and FX forwards. Borrowings are denominated in the same currency as the assets that are being financed (where feasible), therefore creating a natural hedge for investments in foreign subsidiaries whose equity is exposed to FX conversion risk. Thus, the FX risk for the equity of Group subsidiaries in the USA is partially hedged by concluding dollar-denominated loans.

Exceptions to this are Turkey, Egypt and Albania, where Group investments are in Turkish Liras, Egyptian Pounds and Albanian Lek, whereas part of the financing is in Euro and US dollars in Turkey, in Euro in Albania, and in Euro and in Yen in Egypt. This issue is re-examined at regular intervals.

The Yen financing in Egypt nevertheless has been hedged via FX forwards in US dollar/ Yen, that are rolled on a semi-annual basis and are executed on behalf of the Group's subsidiary Iapetos Ltd.

Also, Group company Titan Global Finance plc granted loans equal to €100m in 2009 and €53.5m thousand in the first half of 2012, to another Group company Titan America LLC. Subsequently, Titan America LLC hedged the loan principal via FX forward contracts

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

Sensitivity analysis in foreign exchange rate changes

(all amounts in Euro thousands)	Foreign Currency	Increase/ Decrease of Foreign Currency vs. €	Effect on Profit Before Tax	Effect on equity
Year ended 31 December 2012	USD	5%	-3.795	22.634
		-5%	3.433	-20.478
	RSD	5%	924	2.060
		-5%	-836	-1.864
	EGP	5%	3.993	37.727
		-5%	-3.613	-34.134
	GBP	5%	22	181
		-5%	-19	-164
	TRY	5%	622	2.507
		-5%	-563	-2.268
	ALL	5%	-477	2.441
		-5%	431	-2.209
Year ended 31 December 2011	USD	5%	-4.734	26.749
		-5%	4.283	-24.201
	RSD	5%	772	2.410
		-5%	-698	-2.180
	EGP	5%	6.558	44.228
		-5%	-5.934	-40.016
	GBP	5%	34	170
		-5%	-31	-153
	TRY	5%	58	979
		-5%	-52	-885
	ALL	5%	-374	1.852
		-5%	338	-1.675

Note: a) Calculation of "Effect on Profit before tax" is based on year average FX rates; calculation of "Effect on Equity" is based on year end FX rate changes b) The above sensitivity analysis is used on floating currencies and not on fixed.

Credit risk:

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

When considered necessary, additional collateral is requested to secure credit. Provisions for impairment losses are made for special credit risks. As at 31st December, 2012, it is deemed that there are no significant credit risks which are not already covered by insurance as a guarantee for the credit extended or by a provision for doubtful receivables.

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

OPERATIONAL RISKS

Risks arising from the climate and natural disasters:

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

emergency plans which aim at the safeguarding of its industrial infrastructure and the protection of human life among its personnel.

Political Risks

The Group operates in regions which at times are characterized by severe political instability, riots and uprisings and general conditions of extreme variability which entail considerable risks to the control, smooth operation and returns of its investments. The management of the said risks is undertaken through the undertaking of specific measures in each case, aiming at the maximum possible safeguarding of Titan's local investments.

Risks associated with production cost:

The consumption of thermal energy, electricity and raw materials constitute the most important elements of the Group's cost base. The fluctuation in the price of fossil fuels poses a risk which greatly affects the cost of production.

In order to mitigate the effects of such a risk, the Group invests, and will continue to do so, in low energy-requirement equipment and in the replacement of fossil fuels by alternative fuels.

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

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

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

Risks regarding safety at work:

Safety at work for Titan employees is a top priority.

The systematic effort at improving safety across all Group operations includes among others, the manning of all productive units with an adequate number of safety officers. Planning includes broad educational programs for the systematic relevant training and education of employees and the strict application of systems and processes which are designed and controlled by the Company's Health and Safety Division.

Environmental risks:

Protection of the environment and sustainable development are core principles for the Group. To that end, the Group will continue its efforts at reducing its carbon footprint with an aim to achieve a total reduction of 22% in 2015 compared to 1990.

Furthermore, in order to limit the possibility of environmental damage, the Group will continue to systematically invest in the Best Available Technologies for the protection of the environment.

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

MAJOR TRANSACTIONS BETWEEN COMPANY AND RELATED PARTIES

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

The amounts of sales and purchases undertaken in the course of 2012, and the balances of payables and receivables as at 31.12.2012 for the Group and the Company, arising from transactions between related parties are presented in the table below:

Year ended 31 December 2012

(all amounts in Euro thousands)

Group	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	-	2.120	-	618
Executives and members of the Board	-	-	9	-
	-	**2.120**	**9**	**618**

Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Aeolian Maritime Company	1	-	-	283
Albacem S.A.	3	-	-	7
Interbeton Construction Materials S.A.	25.040	4.158	14.674	-
Intertitan Trading International S.A.	6.050	-	396	-
Transbeton - Domiki S.A.	238	-	61	-
Quarries Gournon S.A.	1	-	642	-
Titan Cement International Trading S.A.	7	-	515	-
Fintitan SRL	8.954	-	2.108	-
Titan Cement U.K. Ltd	5.485	13	759	-
Usje Cementarnica AD	11.157	-	27	-
Beni Suef Cement Co.S.A.E.	621	-	479	-
Alexandria Portland Cement Co. S.A.E	3	-	3	-
Cementara Kosjeric AD	87	-	3	-
Zlatna Panega Cement AD	860	42	19	-
Titan America LLC	58	224	-	270
Essex Cement Co. LLC	11.545	46	-	-
Pozolani S.A.	-	23	136	-
Antea Cement SHA	1.700	31	95	-
Titan Global Finance PLC	-	30.839	-	699.321
Quarries of Tanagra S.A.	59	-	72	-
SharrCem Sh.P.K	194	-	2	-
Other subsidiaries	13	-	6	-
Other related parties	-	2.120	-	618
Executives and members of the Board	-	-	9	-
	72.076	**37.496**	**20.006**	**700.499**

Regarding the transactions above, the following clarifications are made:

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

Company liabilities primarily relate to two outstanding floating rate loan agreements: a) one of €100m maturing in 2014 at the Euribor rate plus a 3.313% spread per annum, and b) one of €497m maturing in 2014 with an interest rate of Euribor plus 3.05% spread per annum as well as an outstanding fixed rate loan agreement of €100m maturing in 2017 at a fixed rate of 8.80% per annum to maturity. All were concluded with the UK based subsidiary Titan Global Finance Plc.

Company receivables primarily relate to receivables from cement sales to the said subsidiaries.

The remuneration of senior executives and members of the Group's Board of Directors for 2012 stood at €3.6m compared to €5.6m the previous year.

GOING CONCERN DISCLOSURE

The Board of Directors hereby states that both the Parent and Group companies have adequate resources to continue operating as a "going concern" for the foreseeable future.

EXPLANATORY REPORT
OF THE BOARD OF DIRECTORS

(Pursuant to article 4 paragraph 7 of Law 3556/2007)

1. Structure of the Company's share capital

The Company's share capital amounts to Euro 338,530,112, divided among 84,632,528 shares with a nominal value of 4 Euro each, of which 77,063,568 are common shares representing 91.057% of the total share capital and 7,568,960 are preferred shares without voting rights, representing 8.943 %, approximately, of the total share capital.

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

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

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

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

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

B. Preferential return of the capital paid up by holders of preferred non-voting shares from the product of the liquidation of Company assets in the event of the Company being wound up. Holders of preferred non-voting shares have equal rights with holders of common shares to a further share, proportionally, in the product of liquidation, if the product in question is higher than the total paid-up share capital. The privileges of this paragraph remain in full force.

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

2. Limitations on transfer of Company shares

The Company shares are freely negotiable in the Athens Exchange and are transferred as provided by the law. The Articles of Association of the Company do not provide any restrictions on the transfer of shares.

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

On 31.12.2012 the following shareholders held more than 5% of the total voting rights in the Company:

"E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited", holding 11.16% of the total voting rights in the Company

Mr. Andreas L. Canellopoulos, holding 10.42% of the total voting rights in the Company, including voting rights relating to shares which he co-owns and are held in a joint investment account

The "Paul and Alexandra Canellopoulos Foundation" holding 9.89% of the total voting rights in the Company

Mr. Leonidas A. Canellopoulos, holding 6.09% of the total voting rights in the Company, including voting rights relating to shares which he co-owns and are held in a joint investment account

On 28.2.2012 the shareholders who held more than 5% of the total voting rights in the Company were as above.

4. Shares conferring special control rights

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

5. Limitations on voting rights

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

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

It is known to the Company that the Statutes of "E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited" of Nicosia - Cyprus, holding in total 8,600,000 common Company shares, which represent 11.16% of the total voting rights in the Company and which have been contributed to it
(E.D.Y.V.E.M.) by the Company Directors Messrs. Andreas Canellopoulos, Dimitri Papalexopoulos, Nellos Canellopoulos, Alexandra Papalexopoulou- Benopoulou, Panagiotis

(Takis) Canellopoulos and other Company shareholders, provide for limitations on the transfer of the Company (Titan S.A.) shares held by it.

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

The Company's Articles of Association (article 25), within the powers granted under Codified Law 2190/1920, as in force following the enactment of Law 3604/2007, provide the following regarding the appointment and substitution of its Directors:

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

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

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

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

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

According to the provisions of article 6 par. 3 of the Company's Articles of Association, the General Meeting may, by a resolution passed by the extraordinary quorum and majority of article 20 of the Articles of Association, delegate to the Board of Directors the power to increase the share capital by its own decision, pursuant to the provisions of article 13, par. 1, subparagraph (c) of Codified Law 2190/1920 and without prejudice to par. 4 of the same article.

Also, according to the provisions of article 13, par. 13 of Codified Law 2190/1920, by a resolution of the General Meeting passed under an increased quorum and majority in accordance with the provisions of paragraphs 3 and 4 of article 29 and of paragraph 2 of article 31 of Codified Law 2190/1920, a programme can be established for the offering of shares to the Directors and to the Company's personnel, as well as to personnel of affiliated companies, in the form of stock options, according to the more specific terms of such resolution, a summary of which is subject to the publication formalities of article 7b of Codified Law 2190/1920. The par value of the shares offered may not exceed, in total, one tenth (1/10) of the paid-up capital on the date of the resolution of the General Meeting. The Board of Directors issues a decision regarding every other related detail, which is not otherwise regulated by the General Meeting and, depending on the number of beneficiaries who have exercised their options, the Board of

Directors decides on the corresponding increase of the Company's share capital and on the issuing of new shares.

According to the provisions of article 16 of Codified Law 2190/1920, subject to prior approval by the General Meeting, the Company may acquire its own shares, under the responsibility of the Board of Directors, provided that the par value of the shares acquired, including the shares previously acquired and still held by the Company, does not exceed one tenth (1/10) of its paid-up share capital. The resolution of the General Meeting must also determine the terms and conditions of the acquisitions, the maximum number of shares that may be acquired, the duration of the period for which the authorization is given, which may not exceed 24 months, and, in the case of acquisition for value, the maximum and minimum consideration.

In line with the above provisions, the General Meeting of the Company Shareholders on 18.5.2010 and 8.6.2012 approved the purchase by the Company, whether directly or indirectly, of own shares, both common and preferred, up to 10% of its then paid-up share capital within a period of 24 months from each above General Meeting , i.e. from 18.5.2012 until 18.5.2012 and from 8.6.2012 until 18.6.2014, with the minimum purchase price set at Euro 4 per share and the maximum purchase price set at Euro 40 per share. In accordance with the above resolutions of the General Meeting, the Board of Directors was authorized to proceed to purchases of own shares, provided that the purchases in question would be deemed to be beneficial and the Company's available funds would so permit. As of today, no purchases of own shares of the Company have been made in implementation of the abovementioned resolutions of the General Meeting dated 18.05.2010 and 8.6.2012.

The total number of own shares currently held by the Company in implementation of relevant past resolutions of the General Meeting of Shareholders amounts to 3,131,697 common shares and to 5,919 preferred shares without voting rights, representing in total 3.68 %, of the paid up share capital.

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

The Company has no agreements which become effective, are amended or terminated in the event of a change in the control of the Company specifically following a public offer.
It should be noted, though, that there are loan and other agreements in place, which provide, as it is common in such agreements, the right of the counterparty, lending bank or bond holder, to request, under certain conditions, the early repayment of the loan or bond or their exit from the Group companies they participate , as the case may be, in the event of a change of control in the Company. However, this right is not granted specifically in case the change of control in the Company results from a public offer.
The most significant agreements as above are the following:

a) the Multicurrency Revolving Facility Agreement up to the amount of Euro 585 million entered into among the Group's subsidiary, Titan Global Finance Plc and a syndicate of lending banks and the Company as Guarantor;
b) the Eurobond, for an amount of Euro 200 million (outstanding bonds in the amount of Euro 97.6 million) , issued by Titan Global Finance Plc, under the guarantee of the Company;
c) the Bond Loan, for an amount of Euro 50 million, issued by the Company, where Eurobank Ergasias is acting as the representative of the bond holders and the paying agent;

d) the Syndicated Bond Loan, for an amount of 135 million Euro, issued by the Company, where Alpha Bank is acting as the representative of the bond holders and the paying agent and Alpha Bank, National Bank of Greece, and HSBC are the bondholders;
e) the Shareholders' Agreement entered into among Titan Cement Cyprus Limited, Titan Cement Company S.A. , Aemos Cement Limited and International Finance Corporation (IFC) relating to the purchase by the latter of a minority interest in Titan's investments in Serbia, FYROM and Kosovo.
f) the Multicurrency Revolving Facility Agreement for an amount up to Egyptian Pounds 670 million entered into among the Group's subsidiary Beni Suef Cement Company S.A., a syndicate of lending banks and the Company as Guarantor;
g)the Eurobond, for an amount of Euro 200 million, issued by Titan Global Finance Plc, under the guarantee of the Company;
h) the Bond Loan, for an amount of up to 14,3 million Euro, issued by the Company, where Geniki Bank is acting as the representative of the bond holders and the paying agent ;
i) the Bond Loan, for an amount of up to 20 million Euro, issued by INTERBETON S.A., under the guarantee of the Company, where Geniki Bank is acting as the representative of the bond holders and the paying agent;
j) Short term Loan Agreement , for an amount up to Bulgarian Leva 10 million, entered into among RAIFFEISENBANK Bulgaria, the Group's subsidiary Zlatna Panega Cement A.D. and the Company as Guarantor

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

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

CORPORATE GOVERNANCE STATEMENT

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

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

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

By virtue of the Company’s Board resolution dated 16.12.2010, the Company has officially adopted the UK Code on Corporate Governance (hereinafter “the Code”), as revised by the UK Financial Reporting Council in June 2010. The Code can be found on the website of the UK Financial Reporting Council (www.frc.org.uk) and a Greek translation thereof is available on the company’s website (www. titan.gr), at the link: http://ir.titan.gr/home.asp?pg=corporategovernance.

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

II. Reference to corporate governance practices implemented by the Company in addition to the provisions of law and reference to the place where they are published

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

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

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

BOARD OF DIRECTORS

Chairman

ANDREAS CANELLOPOULOS
Age: 73, Non Executive Director since 01.03.2006

Member of the Nomination and Corporate Governance Committee.

Chairman of the Board of Directors since 1996, Managing Director from 1983 to 1996 and member of the Board of Directors since 1971.

He is a Member of the Board of Directors of the PAUL AND ALEXANDRA CANELLOPOULOS FOUNDATION and has served until February 2012 as a Member of the Board of Directors of the FOUNDATION FOR ECONOMIC & INDUSTRIAL RESEARCH (IOBE).

He has served as Vice Chairman of the Board of Directors of ALPHA BANK(1995 - 2006) and Chairman of the HELLENIC FEDERATION OF ENTERPRISES (SEV) (1994 to 2000).

Vice Chairman

EFSTRATIOS - GEORGIOS (TAKIS) ARAPOGLOU

Age: 62. Independent, Non Executive director since 18.5.2010 (1st term in office)

Member of the Nomination and Corporate Governance Committee.

He is the Managing Director of commercial banking and executive member of the Board of Directors of the investment bank EFG – HERMES HOLDING, listed on the Cairo and London Stock Exchange. He has served as a senior executive in international investment banks in London (1977-1991) and has managed Greek banks and subsidiaries of foreign banks in Greece (1991-2000). He has served as Managing Director and Global Head of the Banks and Security Industry with CITIGROUP, based in London (2000-2004). From 2004 until the end of 2009 he was Chairman and Governor of NATIONAL BANK OF GREECE. He was elected Chairman of the HELLENIC BANKERS ASSOCIATION (2005 - 2009).

He is also an independent non executive director of BANK OF CYPRUS and TSAKOS ENERGY NAVIGATION (TEN), listed on the NYSE and Chairman of the International Board of Trustees of TUFTS UNIVERSITY in Boston.

He holds degrees in Mathematics, Naval Architecture and Business Administration from Greek and British universities.

Managing Director CEO

DIMITRIOS PAPALEXOPOULOS

Age: 52. Executive Director since 1992, Managing Director since 1996 and an executive of the Company since 1989.

In the past, he worked as a business consultant with McKINSEY & Company Inc. in the USA and Germany.

He is a member of the Board of Directors of E.F.G. EUROBANK, the Hellenic Federation of Enterprises Committee for Sustainable Development, the FOUNDATION FOR ECONOMIC & INDUSTRIAL RESEARCH (IOBE) and the European Round Table for Industrialists (ERT).

He studied Electrical Engineering (Dip. EL-Ing. ETH, 1985) at the Swiss Federal Institute of Technology Zurich (FTH) and Business Administration (MBA 1987) at HARVARD UNIVERSITY, USA.

Members

EFTYCHIOS VASSILAKIS

Age: 46. Independent, Non Executive Director since 10.5.2007 (2nd term in office)

Member of the Audit Committee.

He is Vice Chairman and Managing Director of AUTOHELLAS S.A. (HERTZ) and Vice Chairman of AEGEAN AIRLINES S.A. He is also a member of the Board of Directors of PIRAEUS BANK, IDEAL GROUP S.A and, FOURLIS HOLDINGS S.A.

He studied Economics (BA) at Yale University and Business Administration (MBA) at COLUMBIA BUSINESS SCHOOL of New York, USA.

EFTHYMIOS VIDALIS

Age: 58. Executive Director since 15.06.2011

From 2004 until 15.06.2011 he served as an Independent Non Executive director.

He is a member of the Board of Directors of S&B INDUSTRIAL MINERALS S.A, where he also served as Managing Director (2001-2011) and Chief Operating Officer (COO) (1998-2001). He worked for the company Owen Corning, USA (1981-1998) and served as Chairman of the global activities of Synthetic Materials (Composites) and Insulation Materials (1994-1998).

He is also serving as Vice Chairman of the Hellenic Federation of Enterprises (SEV) and Chairman of the Hellenic Federation of Enterprises Committee for Sustainable Development. He served as Chairman of the Greek Mining Enterprises Association from 2005 to 2009. He is also serving as President of ENOIA BV, Executive Director of Raycap SA and member of the Board of Directors of ZEUS CAPITAL PARTNERS and FUTURE PIPE INDUSTRIES, DUBAI.

He studied Political Sciences (BA) and Business Administration (MBA) at HARVARD UNIVERSITY, USA.

GEORGE DAVID

Age: 76. Independent Non Executive Director since 2001 (4th term in office)

Chairman of the Remuneration Committee since 2004.

He is Chairman of the Board of Directors of COCA COLA HELLENIC BOTTLING COMPANY S.A and member of the Board of Directors of PETROS PETROPOULOS AEBE. He is also serving as a managing member of the A.G. LEVENTIS FOUNDATION, Chairman of the CENTRE FOR ASIA MINOR STUDIES, member of the HELLENIC FOUNDATION FOR EUROPEAN & FOREIGN POLICY (ELIAMEP) and regent of the UNIVERSITY OF EDINBURGH, of which he is a graduate.

SPYRIDON THEODOROPOULOS

Age: 55. Independent Non Executive Director since 2001 (4th term in office)

Chairman of the Nomination and Corporate Governance Committee.

He is the Managing Director of CHIPITA since 1986 and a member of the Board of Directors of NATIONAL BANK OF GREECE and the Hellenic Federation of Enterprises (SEV).

He began his career in 1976 with the family dairy products company RECOR S.A and served as the Managing Director of VIVARTIA SA (2006-2010).

He has also served as Chairman of the Union of Listed Companies, Vice Chairman of the Hellenic Federation of Enterprises (SEV) and Vice Chairman of HELEX.

He studied at the ATHENS UNIVERSITY OF ECONOMICS & BUSINESS (ASOEE)

NELLOS CANELLOPOULOS
Age: 49. Executive Director since 1992.

He is the External Relations Director of TITAN GROUP since 1996.

Previously, he had worked as a Sales Division Executive with TITAN Cement Company S.A. (1990-1996) and as an executive at IONIA S.A. (1989 and 1990)

He is Chairman of the Board of Directors of the PAUL AND ALEXANDRA CANELLOPOULOS MUSEUM and of the PAUL AND ALEXANDRA CANELLOPOULOS FOUNDATION. He is also serving as Chairman of the Board of Directors of the HELLENIC CEMENT INDUSTRY ASSOCIATION.

TAKIS-PANAGIOTIS CANELLOPOULOS
Age: 45. Executive Director since 2007

He is the Investor Relations Director of TITAN Group since 2001. From 1995 to 2001, he worked as an executive in the TITAN Group Financial Division. Previously, he had worked as a financial analyst with AIG and the EFG EUROBANK Financing Division.

He is also serving as a member of the Board of Directors of CANELLOPOULOS ADAMANTIADIS INSURANCE Co. (AIG Hellas).

He studied Economics (BA) at Brown University, USA and Business Administration (MBA) at the New York University / STERN School of Business, USA.

PANAGIOTIS MARINOPOULOS
Age: 62. Independent Non Executive Director since 2004 (3rd term in office)

Member of the Remuneration Committee.

He is the Chairman of the Board of Directors of SEPHORA-MARINOPOULOS and member of the Board of Directors of FAMAR S.A., MARINOPOULOS BROS S.A. and CARREFOUR-MARINOPOULOS.

He is also a member of the General Council of the HELLENIC FEDERATION OF ENTERPRISES (SEV) and of the Board of Directors of the FOUNDATION FOR ECONOMIC & INDUSTRIAL RESEARCH (IOBE) He is also serving as a member of the Board of Directors and Treasurer of the N.P. GOULANDRIS FOUNDATION – MUSEUM OF CYCLADIC ART.

He is a graduate of the UNIVERSITY OF ATHENS SCHOOL OF PHARMACY and of the PARIS INSTITUT D’ ETUDES POLITIQUES.

ALEXANDRA PAPALEXOPOULOU - BENOPOULOU
Age: 47. Executive Director since 1995

She is the Strategic Planning Director of TITAN Group since 1997. From 1992 to 1997 she worked as an executive in the Group Exports Division. Previously , she had worked for the OECD in Paris and the consultancy firm BOOZ, ALLEN & HAMILTON.

She is a member of the Board of Directors and Treasurer of the PAUL and ALEXANDRA CANELLOPOULOS FOUNDATION and member of the Board of Directors of NATIONAL BANK OF GREECE. She also sits on the Board of FRIGOGLASS . From 2007 to 2009 she served as member of the Board of Directors of EMPORIKI BANK.

She studied Economics at the SWARTHMORE COLLEGE, USA, and Business Administration (MBA) at INSEAD, Fontainebleau, France.

PETROS SABATACAKIS
Age: 66. Independent Non Executive Director since 2010 (1st term in office)

Chairman of the Audit Committee and Member of the Remuneration Committee.

He is serving as a member of the Board of Directors of National Bank of Greece since 2010. He was Chief Risk Manager for CITIGROUP Inc. (1999-2004) and member of the Management Committee and Director of CITICORP and CITIBANK, N.A. From 1992 to 1997, he was in charge of the financial services subsidiaries of the AMERICAN INTERNATIONAL GROUP, its treasury operations, as well as the market and credit risk activities. He was a member of the executive committee and partner of C.V. STARR. He has also worked at CHEMICAL BANK (now JP MORGAN CHASE). He has been the chairman of PLAN INTERNATIONAL and CHILDREACH (Non-profit Organization), a Trustee of the ATHENS COLLEGE in Greece, and a Director of the GENNADIUS LIBRARY.

He earned three degrees from COLUMBIA UNIVERSITY: Bachelor of Science, Masters of Business Administration and Doctor of Philosophy degree in Economics.

MICHAEL SIGALAS
Age: 64. Executive Director since 1998

He is the Regional Director of South Eastern Europe and Eastern Mediterranean Regions (SEE & EM) and the International Trade Director of TITAN Group. He has also served as Exports Director of TITAN Group.

He has worked in Canada with PRESTCOLD NORTH AMERICA LTD. (1973 to 1979). He also worked with the HELLENIC AEROSPACE INDUSTRY (1980 to 1985) as Commercial Director.

He studied Mechanical Engineering at CONCORDIA UNIVERSITY, Canada.

VASSILIOS FOURLIS
Age: 53.Independent Non Executive Director since 2007 (2nd term in office).

Member of the Audit Committee.

He is Chairman of FOURLIS S.A. Holdings. He also sits on the Board of FRIGOGLASS S.A., PIRAEUS BANK and HELLENIC ORGANIZATION OF TELECOMMUNICATIONS (OTE)

He holds a Masters degree from the UNIVERSITY OF CALIFORNIA, BERKELEY (Masters Degree in Economic Development and Regional Planning) and a Masters degree from BOSTON UNIVERSITY/BRUSSELS (Masters Degree in International Business).

The Board of Directors' role and competences:

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

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

Moreover, the Board of Directors is responsible for determining the pay and other remuneration of the CEO and other senior executives of the Company and Group, for recommending for vote by the General Meeting stock options programs for executive members of the Board of Directors and staff of the Company and related companies etc.

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

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

After the decision taken by the General Meeting of Shareholders on 8.6.2012, the members of the Board of Directors hold third party civil liability insurance with CHARTIS EUROPE LIMITED as duly represented by CHARTIS HELLAS S.A.

Composition of Board of Directors:

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

Independent board members

The ½ of the Board's members, that is seven (7) members, are independent, non-executive members, namely persons who have no relationship of dependence on the Company or its related parties and meet the independence requirements laid down by Greek law. They are Messrs. Efstratios – Georgios (Takis) Arapoglou, Eftychios Vasilakis, George David, Spyridon Theodoropoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vasilios Fourlis.

These persons were elected before the adoption of the Code by the Company as independent members by the General Meeting on 18.5.2010, following a recommendation from the Board of Directors, which had first checked and ascertained that each of them met the independence requirements laid down by law as well as the additional criteria of independence adopted by the Company set out below in the paragraph titled "Nominating candidates for the Board of Directors" in Section III of this statement.

Also, all of the above independent directors, with the exception of Messrs. George David and Spyridon Theodoropoulos, meet as well the independence criteria specified in Article B.1.1 of the Code. More specifically, Messrs. David and Theodoropoulos have exceeded the nine year tenure limit specified by the Code, since they are currently in their 12th year on the Board of Directors and thus they will not be re candidates for re election for a new term in office by the General Meeting of Shareholders that will be held in June 2013. Both were elected as members of the Board of Directors by the General Meeting of Shareholders for the first time in 2001. Nonetheless, the Board of Directors deems that despite their long term in office, both above members are entirely independent in their way of thinking, judgment and character and therefore should be considered as independent directors.

The Board's independent members are entitled to meet without the presence of the executive members or the Chairman, in any case they deem it necessary. Such a need did not occur in 2012.

In addition, as provided for in the Code, once per year the Board's independent members have a meeting, under the lead of the Senior Independent Director, without the presence of the executive members and the Chairman, in order to evaluate the performance of the Chairman and a meeting, under the lead of the Chairman and without the presence of the executive members. Such meetings were held during the year 2012.

Non-executive Board Members - Executive Board Members

The majority of the members of the Board of Directors of the Company, that is 8 of 14 members, comprises of non executive directors.

By virtue of the Board of Directors Resolution of 15.6.2011, the non executive members of the Board of Directors are Messrs. Efstratios - Georgios (Takis) Arapoglou, Eftychios Vasilakis, George David, Spyridon Theodoropoulos, Andreas Canellopoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vasilios Fourlis.

The Board of Directors by virtue of the same as above resolution dated 15.06.2011 determined that Mr. Efthymios Vidalis, who until then served as independent non executive director, acquired the capacity of executive director. Said resolution was announced to the Athens Exchange and to investors and was taken in view of the increased duties in the sectors of strategy and sustainable development that were delegated to Mr. Vidalis, as of 01/07/2011; said increased responsibilities entail the exercise on the part of Mr. Vidalis of executive director's duties and his entitlement to increased remuneration in accordance with the relevant resolution of the General Meeting of the Shareholders of 8.06.2012. A detailed reference to said resolution is set out below in the section referring to the Remuneration of the Board of Directors.

The Board's non-executive members do not perform executive or management tasks but through their participation in the Board and its Committees (in fact only such members sit on committees), contribute to the Company to mark out its strategy, supervise the suitability and effectiveness of administration, internal audit, and risk management systems, determine the level of pay for executive members of the Board, select new suitable candidates for the Board of Directors and ensure a succession plan is in place.

The Board of Directors in accordance with the relevant provision B.1.1. of the Code determines that the following seven of total eight non executive directors are independent: Messrs. Efstratios- Georgios (Takis) Arapoglou, Eftychios Vasilakis, George David, Spyridon Theodoropoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vasilios Fourlis, who have also been appointed, as per the Greek law, by the General Meeting of the Shareholders as independent directors.

The executive members of the Board of Directors are six, namely Messrs. Dimitrios Papalexopoulos, Nellos Canellopoulos, Takis Canellopoulos, Alexandra Papalexopoulou, Michail Sigalas and Efthymios Vidalis.

Five of the total six executive members of the Board of Directors, including the CEO, Mr. Dimitrios Papalexopoulos, originate from the shareholding core and senior executives of the Company, providing their services to the Company on the basis of employment contracts.

The Chairman of the Board

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

decisions are taken which reflect the system of principles and values which the Company has adopted.

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

He is also a member of the Nomination and Corporate Governance Committee established by the Board of Directors.

The Chairman has no other professional commitments and is not a member of the Board of Directors of other companies, other than the Board of the public benefit foundation, the PAVLOS AND ALEXANDRA CANELLOPOULOS FOUNDATION, which is a main shareholder of the Company, and (until February 2012) the Board of the Foundation for Economic & Industrial Research (IOBE).

Vice-Chairman of the Board

By virtue of resolution of the Board of Directors dated 15.6.2011, Mr. Efstratios - Georgios (Takis) Arapoglou, an independent, non-executive member, has been appointed as Vice Chairman of the Board of Directors.

Senior Independent Director

The Board's Vice Chairman, Mr. Efstratios – Georgios (Takis) Arapoglou, has also been appointed by the Board of Directors as the Senior Independent Director who is obliged, inter alia, to be available to resolve shareholder issues, which have not been resolved by the executive members of the Board of Directors or the Chairman.

Board of Directors Secretary (Company Secretary)

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

Board of Directors meetings

The Board of Directors meets as often as required based on the Company needs and takes its decisions by absolute majority of the directors present or represented at it.

Board members who are absent or unable to attend the meeting for any reason are entitled to be represented by another member of the Board of Directors who will vote in their name.

Each member is entitled to represent only one other member and vote in his name.

Executives of the Company or its related companies within the meaning of Article 42e(5) of Codified Law 2190/1920 are entitled to attend meetings of the Board of Directors without voting rights, following an invitation from the Chairman, provided issues within their remit are being discussed.

The dates of scheduled Board of Directors meetings are set in the last months of each year in order to ensure the maximum possible quorum at meetings is achieved.

The Board of Directors' agenda is prepared by the Chairman and is dispatched to members in good time, along with any necessary information about the topics to be discussed or on which decisions will be taken by members of the Board of Directors.

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

Nominating candidates for the Board of Directors

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

In order to select suitable candidates, the Committee is, if it deems it necessary, entitled to use the services of special consultants or to publish notices.

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

Following a relevant recommendation by the Nomination and Corporate Governance Committee and in accordance with the Board of Directors' Resolution of 17.03.2011 the nomination of candidacies and the composition of the Board of Directors is governed by the following principles:

A. At least ½ of the members of the Board of Directors, with the exception of the Chairman, must be independent non-executive members, that is to meet the independence criteria laid down in Greek law and the Code. In addition, they must not directly or indirectly hold shares in the Company accounting for more than 0.1% of its share capital.

B. Starting from the election of the next Board of Directors, the maximum limit on terms in office for independent members will be three, namely a total of 9 years of tenure.

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

Obligations of members of the Board of Directors

Members of the Board are obliged to attend scheduled meetings of the Board and the various Committees they sit on and to make available the time required to satisfactorily discharge their duties. To that end, before their election they are obliged to inform the Board of Directors about other important professional commitments and whether they sit

on the Boards of Directors of other companies and to inform the Board in advance of any change in their above professional commitments. The Board of Directors has decided that its executive members who offer their services to the Company on the basis of an employment relationship or a contract for the provision of services may not sit as members of the Board of Directors of more than two other listed companies.

Conflict of interests

Members of the Board of Directors are obliged to immediately disclose to the Board of Directors their interests which may arise from Company transactions and any other conflict of interests with those of the Company or its related parties. Given their access to privileged information, they are obliged not to use such information to directly or indirectly purchase or sell shares in the Company or related companies which are traded on a regulated market for their own benefit or for members of their family. They are further obliged not to disclose that information to other persons nor exhort third parties based on said privileged information they have to purchase or sell shares in the Company or its related companies which are traded on a regulated market.

Board of Directors Committees

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

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

Audit Committee

Chairman: Sabatacakis Petros, independent, non-executive Board member

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

Vasilios Fourlis, independent non-executive Board member

Alternate members: Spyridon Theodoropoulos, independent, non-executive Board

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

The Audit Committee is comprised exclusively of independent members of the Board of Directors who have extensive management, accounting and auditing knowledge and experience. The ordinary and alternate members were elected by the General Meeting of Shareholders on 15.06.2011.

The Committee's extensive auditing powers include supervising the work of the Group Internal Audit Division, which reports directly to the Audit Committee, monitoring the proper and effective implementation of the internal audit system and the risk management system, auditing the financial statements before they are approved by the Board of Directors, nominating certified public accountants who are then recommended by the Board of Directors to the General Meeting of Shareholders and monitoring issues relating to the retention of their independence and objectivity, as well as the monitoring of the financial reporting procedures implemented by the Company. The Committee is also responsible for supervising and monitoring the implementation of the confidential

reporting procedure which involves employees reporting any infringement of Company values or the Company Code of Conduct to management via the hotline which is in operation.

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

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

In 2012 the Audit Committee held 4 meetings on 28/2, 2/5, 28/8 and 12/11.

At its meetings the Committee addressed all issues within its remit, and in particular it addressed the following topics: a. an audit of the Company's financial statements as to their completeness and reliability in terms of the financial information they provide; b. monitoring and evaluation of the work of the Internal Audit Division, approval of changes to staffing of the internal audit services, and evaluation and recommendations on the annual pay for the Group’s Internal Audit Director; c. an audit and evaluation of the Company and Group’s risk management systems; d. a check to ensure the independence of the external auditors; and e. recommendations on the selection of the external auditors to review and audit the 2012 financial statements.

In 2012 the Audit Committee held 2 meetings (28/2 and 28/8) with the external auditors (ERNST &YOUNG) without the presence of the executives of the Company.

During year 2012 the Group΄s External Auditors (ERNST &YOUNG) were assigned , other than the statutory audit services, additional audit related services. Such audit related works were limited and reasonable and were assigned to the external auditors after the prior approval of the Audit Committee. Moreover, the total Group cost for the additional audit related works assigned to the external auditors within 2012 was less than 10.5 % of the total Group cost for the statutory audit services rendered by them. More specifically, the audit fees paid by the Group to Ernst & Young in 2012 for the statutory audit of the Company and 44 Group subsidiaries worldwide including the tax audit of the Company and Group subsidiaries in Greece amounted to the total sum of Euro 1,283,650 while the total fees paid for audit related services rendered to the Group amounted to Euro 133,200

The objectivity and independence of the external auditors has not been affected by the provision of the above limited and reasonable non audit services and has been fully safeguarded.

Remuneration Committee

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

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

Petros Sabatacakis, independent, non-executive Board member

This Committee is exclusively comprised of independent members of the Board of Directors.

Its task is to explore and submit proposals for the determination of the pay and remuneration in accordance with article 24 section 2 of Law 2190/1920, for the members of the Board of Directors, for the pay and remuneration of the executive directors of the Board of Directors, and of the senior management executives, fields in which all three members of the Committee have proven knowledge and experience.

During the year, the Remuneration Committee met once on 15.05.2012 At this meeting the Committee discussed in depth on the general pay policy, variable pay and stock option plans for senior executives of the Company for the year 2011 and took decisions on those matters, which were thereafter submitted for approval to the Board of Directors.

The relevant recommendation of the Committee, which was thereafter approved by the Board of Directors, was not to grant increases to the basic salaries of the executives with the exception of corrective increases in those cases where the executives' salaries were disproportionally low for the positions they held.

It was also determined, on the basis of their performance, the level for 2011 of the pay of the CEO and of the six executive members of the Board of Directors that have an employment relationship with the Company and the number of stock options to be granted in 2012 as part of the performance based stock option plan (RSIP 2010) that was approved by the General Meeting of Shareholders of 03.06.2010.

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

Nomination and Corporate Governance Committee

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

Members: Efstratios – Georgios (Takis) Arapoglou, independent, non-executive Board member, Andreas Canellopoulos, non-executive Board member

This Committee is comprised of three Board members of which two are independent. The Chairman of the Board of Directors sits on the Committee as its third member, who is a non executive director.

All members of the Committee have extensive experience in business administration and corporate governance. The task of this Committee is to recommend suitable candidates for membership of the Board of Directors, to plan for the succession and continuity of Company Management and to offer opinions on the correct implementation of Corporate Governance Principles in relation to the relevant legislation, the best international practices and the Code of Corporate Governance that the Company applies.

The Committee had three meetings in 2012, namely on 1/3, 12/11 and 14/12.2012..

During these meetings the Committee addressed the following topics:

a. drew conclusions from the responses of the members of the Board to the questionnaire relating to the evaluation of the function of the Board of Directors and its Committees in 2011 and submitted a relevant report to the Board of Directors.

b.studied the existing succession plans for the Chairman, the CEO and the senior executives of the Company.

c. studied the contents of the Corporate Governance Statement that was submitted by the Company in 2012, as part of the Annual Report of the Board of Directors for the fiscal year 2011 and also studied all derogations from the principles of the Code and concluded that all such derogations were reasonable and

d. Prepared a description of the role and capabilities and made a selection of new candidates to be recommended for election as independent Board members by the General Meeting of Shareholders to be held in June 2013.

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

In addition to the above three Committees of the Board of Directors, the following Committees have been formed, for the monitoring and the coordination of the Company' and the Group's activities.

Corporate Social Responsibility Committee

Chairman: Dimitrios Papalexopoulos, CEO

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

Members

Maria Alexiou, Group Corporate Social Responsibility Director

Efthymios Vidalis, executive member of the Board

Vasilios Zarkalis, Group Chief Financial Officer

Giannis Kollas, Group HR Director

Sokratis Baltzis, General Manager Greece Region

Aris Papadopoulos, USA Region Director

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

Panikos Trakkidis, Group Technology & Engineering Director (until 28.02.2012)

Fokion Tasoulas, Group Technology & Engineering Director (from 28.02.2012)

The purpose of this Committee is to provide advice and support to the Company Management in planning strategy and coordinating Group's activities in the Corporate Social Responsibility matters. Its aim is to constantly improve the performance of the Company and its subsidiaries in three core fields: health and safety at work, environmental protection viewed from the perspective of sustainable development and stakeholder engagement. Its activities include adopting Corporate Social Responsibility and Sustainable Development principles and integrating them into the Group's various sectors of activity and operations; providing advice and support to constantly improve

Company and Group performance; periodically measuring and assessing the environmental and social impact of the Company's major investments and regularly briefing the Board of Directors; and ensuring active Company participation in Greek and international Corporate Social Responsibility-related bodies.

Former members of the Committee and other competent senior executives of the Company and Group are also entitled to attend Committee meetings.

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

Executive Committee

CHAIRMAN: Dimitrios Papalexopoulos, CEO

MEMBERS: Efthymios Vidalis, Executive Member of the Board

Vasilios Zarkalis, Group Chief Financial Officer

Nellos Canellopoulos, Executive Member of the Board, Group External Relations Director

Sokratis Baltzis, General Manager Greece Region

Aris Papadopoulos, USA Region Director

Alexandra Papalexopoulou-Benopoulou, Executive Member of the Board, Group Strategic Planning Director

Michail Sigalas, Executive Member of the Board,

SE Europe and Mediterranean Sector Director

The Company's Articles of Association provide for an Executive Committee, today comprising of 5 executive members of the Board of Directors and 3 senior management executives, which is responsible for the supervision of the operation of the various departments and divisions of the Company, and for coordinating their activities. Any of the persons who have acted in the past as Chairman, Managing and Executive Director is entitled to participate in the activities of the Executive Committee.

Evaluation of the Board of Directors and its Committees in 2012

In 2012, the Company's Board of Directors held 6 scheduled meetings on 1/3, 3/5, 8/6, 29/8, 12/11 and 14/12.

Below is a table showing which members attended these meetings of the Board of Directors and its Committees during 2012:

BOARD AND COMMITTEE MEETINGS – FREQUENCY AND ATTENDANCE

NAMES	Six scheduled Board meetings	Audit Committee Four meetings	Nomination and Corporate Governance Committee Three meetings	Remuneration Committee One meeting
ANDREAS CANELLOPOULOS	6/6		3/3	
TAKIS(EFSTRATIOS-GEORGIOS) ARAPOGLOU *	5/6*		3/3*	
DIMITRIOS PAPALEXOPOULOS	6/6			
EFTICHIOS VASILAKIS	5/6	3/4		
EFTHYMIOS VIDALIS	6/6			
GEORGE DAVID	2/6			1/1
SPYRIDON THEODOROPOULOS	4/6		3/3	
NELLOS CANELLOPOULOS	6/6			
TAKIS-PANAGIOTIS CANELLOPOULOS	6/6			
PANAGIOTIS MARINOPOULOS	3/6			1/1
ALEXANDRA PAPALEXOPOULOU-BENOPOULOU	6/6			
PETROS SABATACAKIS **	4/6	4/4**		1/1**
MICHAIL SIGALAS	6/6			
VASSILIOS FOURLIS	6/6	4/4		

* Participated through teleconference in two Board meetings and one meeting of the Nomination and Corporate Governance Committee.

**Participated through teleconference in one meeting of the Audit Committee and one meeting of the Remuneration Committee

The activities of the Board of Directors, Audit Committee, Remuneration Committee, Nomination and Corporate Governance Committee during 2012 and the individual contribution of each member of the Board of Directors was evaluated by the members of the Board of Directors by filling out a special, detailed questionnaire which had been prepared by the Company Secretary. The questionnaire was divided into 8 sections (Leadership, Line-up-Effectiveness-Board operations, BoD Work-Responsibility, Accountability - Communication with Shareholders, Remuneration, Committees Function, Members Attendance at the Board Meetings and the Shareholders Meetings and Individual Evaluation of the Members). Each member's contribution is evaluated with a score, ranging from 1 to 4, corresponding to poor, moderate, satisfactory and excellent contribution.
The questionnaires were filled out anonymously and sent to the Company Secretary.

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

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

Remuneration of Board members in 2012

On 18.06.2012 the General Meeting of Shareholders had preapproved, in accordance with article 24 section 2 of Law 2190/1920, the payment of remuneration for the year 2012 for the members of the Board of Directors and its Committees, being of the same amount as for the year 2011.

The relevant remuneration amounted to:

- a total Gross Amount Euro 241,920 for the participation of the Board members in the Board of Directors (€ 17,280 for each member).

- a total Gross Amount of Euro 34,560 for the 3 members of the Audit Committee (€ 11,520 for each member).

-a total Gross Amount of Euro 17,280 for the 3 members of the Remuneration Committee (€ 5.760 for each member) and

- a total Gross Amount of Euro 17,280 for the 3 members of the Nomination and Corporate Governance Committee Remuneration Committee (€ 5.760 for each member).

The payment of the above remuneration, as well as of the additional gross remuneration of Euro 135,000, to the sixth executive member of the Board of Directors, Mr. Efthymios Vidalis, due to his increased duties in the frames of the Board of Directors, will be submitted for approval to the next Ordinary General Meeting of the Shareholders for the year 2012, in accordance with article 24 section 2 of Law 2190/1920.

The annual remuneration for 2012 for the 5 executive members of the Board of Directors who provided their services to the Company on the basis of an employment contract and the number of stock options that was granted to them in 2012 were decided on by the Board of Directors following a recommendation from the

Remuneration Committee, based on their performance and the achievement of specific business targets.

The annual pay for the Chairman of the Board was also decided on by the Board of Directors following a recommendation from the Remuneration Committee, after the performance of his duties had first been evaluated by the Board of Directors. It should be noted that the Chairman has never participated in the Company's stock option plans and consequently no options were granted to him in 2012.

In 2012, the salary and all manner of gross remuneration paid to the Chairman and the 5 executive members of the Board of Directors offering their services to the Company on the basis of an employment contract totalled € 1,708,664.44.

The sixth executive member of the Board of Directors, who is not connected with the Company on the basis of an employment relationship or a contract for provision of services, as noted above, received an additional remuneration of Euro 135,000. Said member received no other amount as salary or fee during 2012.

The 5 executive directors who provided their services to the Company on the basis of an employment contract also received 99,000 stock options in the context of the Company's Stock Option Plan approved by the General Meeting of Shareholders on 3.6.2010. Those options will mature under the strict terms and conditions specified in the Stock Option Plan (see description below) after 3 years have elapsed (namely in 2015).

Finally, following a practice advanced by the Code, the Company sets out information on the remuneration that two of the Board's executive members, Mr. Dimitrios Papalexopoulos and Mrs. Alexandra Papalexopoulou, received in 2012 for their participation, as independent, non-executive members of the Board of Directors of other companies listed in the Athens Exchange. More specifically, Mr. Dimitris Papalexopoulos received the net amount of € 20,229.30, as remuneration for his participation in the Board of Directors of EFG EUROBANK ERGASIAS and Mrs. Alexandra Papalexopoulou received the net amount of €28,710 for her participation in the Board of Directors of NATIONAL BANK OF GREECE and the net amount of €8,000 for her participation in the Board of Directors of FRIGOGLASS S.A.

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

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

The initial Plan (the 2000 Plan), which was approved by the General Meeting of Shareholders of 5.7.2000 had a vesting period of three years (2001-2003) and expired in 2007. Under the 2000 plan, options to purchase 119,200 ordinary shares were exercised at a sale price of € 29.35 per share and options to purchase 451,900 ordinary shares were exercised at a sale price of € 14.68 per share.

In 2004, a second consecutive Plan was approved (the 2004 Plan) again for a three-year period (2004-2006) following the decision of the General Meeting of Shareholders of

8.6.2004 in the context of which 67 senior executives of the Company and its related companies and 4 executive members of the Board of Directors were granted the option to purchase 387,030 ordinary shares in the company at a sale price equal to the nominal price of the Company's share.

The 2004 Plan provided that the options granted would vest after three years and after that date the beneficiaries would be entitled, without other formalities, to exercise only 1/3 of the number of options granted, whereas the ability to exercise the other 2/3 of the options would depend on the performance of the Company's ordinary share in relation to the average performance of the ATHEX FTSE 20, FTSE 40 and General Index of the Athens Exchange and the highly merchantable shares of pre-selected high cap companies in the building materials sector worldwide. Under the 2004 Plan, options to purchase 186,000 ordinary shares were eventually exercised up to December 2009 (108,489 in December 2006, 39,370 in December 2007, 14,200 in December 2008 and 23,950 in December 2009).

On 29.5.2007 the General Meeting of Shareholders approved the third stock option plan (the 2007 Plan) covering the three-year period 2007-2009, which again provided an exercise price equal to the nominal price of the Company's share. In the context of the 2007 Plan, in 2007, 2008 and 2009 options to purchase 399,300 ordinary shares in the Company were granted to 103 senior executives of the Company and its related companies, including 5 executive members of the Board of Directors.

Under the 2007 Plan, the number of options which was exercised by the beneficiaries after the end of the maturity period varied; the first third depended on the average EBITDA of the Company and its net profits in relation to the return on 3-year Greek treasury bonds during the relevant three-year period. The second third depended on the performance of the Company's ordinary share in relation to the performance of the highly merchantable shares of 12 pre-selected high cap companies in the building materials sector internationally and the other third depended on the performance of the Company's ordinary share in relation to the average performance of the ATHEX FTSE 20, ATHEX FTSE 40 and FTS Eurofirst 300 indexes. The 2007 Plan favoured the long-term retention of a significant number of shares by executives as it introduced an obligation to hold 50% of the shares until they acquire a specific minimum number of shares and any infringement of that requirement would result in a reduced number of options being granted in the next stock option plan.

In accordance with the vesting terms and conditions of the 2007 Plan, in December 2009 only 11.11% of the options which had been granted to beneficiaries in 2007 vested, while in December 2010 and December 2011, the 22.22% of the total number of options granted to beneficiaries in 2008 and 2009 vested. Overall, in December 2009, December 2010 and December 2011 options to purchase 60,972 ordinary shares in the Company were exercised at a price equal to the nominal price of each share, namely € 4 per share.

Lastly, on 3.6.2010 the General Meeting approved the most recent (fourth) stock option plan (the 2010 Plan) which states that in 2010, 2011 and 2012 around 100 beneficiaries in total will be granted stock options for 1 million ordinary shares in the Company (treasury stock), which will vest and be exercisable in 2013, 2014 and 2015 respectively, at a sale price equal to the nominal value of the share (€ 4 per share) provided that the

Plan's objectives will have been achieved, which depend (a) on the Group's operating results and net profits and (b) on the performance of the Company's share compared to the performance of the merchantable shares of other high cap companies in the building materials sector internationally and (c) the performance of the Company's share in relation to the performance of the ATHEX FTSE 20, ATHEX FTSE 40 and FTS Eurofirst 300 indexes.

The 2010 Plan also favours the long-term retention of a significant number of shares by company executives, since it contains a term requiring the retention of a minimum number of shares depending on the executive's position within the hierarchy, and any infringement of that requirement will result in a reduced number of options being granted in the next stock option plan.

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

As part of the 2010 Plan:

a. In 2010, 5 executive members of the Board of Directors who provided their services to the Company on the basis of an employment contract and 98 other executives of the Company and companies in the Group were granted stock options for 267,720 ordinary shares (treasury stock) of the Company, which will vest and can be exercised in 2013 provided that the objectives of the said plan have been met.

b. In 2011, 6 executive members of the Board of Directors and 98 other executives of the Company and companies in the Group were granted stock options for 301,200 ordinary shares (treasury stock) of the Company, which will vest and can be exercised, under the same as above conditions, in 2014.

c. Finally , In 2012, 5 executive members of the Board of Directors who provided their services to the Company on the basis of an employment contract and 104 other executives of the Company and companies in the Group were granted stock options for 376,290 ordinary shares (treasury stock) of the Company, which will vest and can be exercised in 2015 provided that the objectives of the said plan have been met.

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

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

Internal Audit

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

Internal audit was performed in 2012 by 14 executives who had the necessary training and experience to flawlessly carry out their work.

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

During 2012 22 written reports from the Internal Audit Division relating to all audits of Group functions were submitted to the Audit Committee, and via it to the Board of Directors. The half-yearly and annual reports on the work of the Internal Audit Division, which contained an overall reference to the most important audit findings, were also submitted. During 2012 the Audit Committee held regular private meetings with the Group's Internal Audit Director to discuss functional and organisational issues, and all the information requested was provided and briefings were given about the audit systems currently in place, their effectiveness and the progress of audits. Following a report from the Audit Committee the Board of Directors approved the audit schedule for 2013 and specified the functions and points on which internal audit must focus.

The System of Internal Controls and Risk Management

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

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

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

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

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

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

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

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

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

During each Board meeting, the Group CEO informs the Board about financial results and business performance and the Group CFO informs the Board on the aforementioned once every quarter.
The Group's external auditors review the mid-year financial statements of the Company, the Group and its material subsidiaries and audit the full-year financial statements of the aforementioned. In addition, the Group's external auditors inform the Audit Committee about the outcomes of their reviews and audits.

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

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

Risk management

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

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

The Group management team's main concern is to ensure that by implementing appropriate internal audit and risk management systems the Group overall is able to

rapidly and effectively respond to risks as they arise and in all events to take the right measures to mitigate their effects to the extent possible.

To that end, the systems implemented by the Group provide for specific procedures to be followed and the implementation of specific policies and standards and designate the competent officers, at all levels, assigned with the management of the risks, and their limits of authority.

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

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

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

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

General Meeting

The General Meeting's modus operandi – Powers

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

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

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

b) Increases or reductions in the share capital, with the exception of those cases where that power lies with the Board of Directors pursuant to Law or the Articles of Association, and increases or reductions required by the provisions of other laws.

c) The distribution of the annual profits, save for the case referred to in Article 34(2)(f) of Codified Law 2190/1920.

d) The election of members and stand-in members of the Board of Directors, apart from the cases cited in Article 25 of the Articles of Association, relating to the election of members by the Board of Directors to replace members who have resigned, passed away or been removed from their post, for the remainder of the term in office of the members being replaced and provided that said members cannot be replaced by the stand-in members elected by the General Meeting.

e) Approval of the annual accounts (annual financial statements).

f) The issuing of corporate bonds, in parallel with the right of the Board of Directors to issue such bonds in accordance with Article 28 of the Articles of Association.

g) The election of auditors.

h) The extension of the Company's term, merger, split, conversion, revival, or winding up of the Company.

i) The appointment of liquidators.

j) The filing of actions against members of the Board of Directors for acting *ultra vires* or for infringing the law or the Articles of Association and

k) All other issues relating to the Company for which the General Meeting is granted competence by the law or the Articles of Association.

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

The invitation for the General Meeting must include at least the data defined by article 26 of the Law 2190/1920 and is published as provided in Law 2190/1920. More specifically, the invitation for the General Meeting must include place and precise address, date and time of the meeting, the items on the agenda clearly stated, the shareholders entitled to take part, and precise instructions about how shareholders can take part in the meeting and exercise their rights in person or via a representative, including the forms that the Company is utilizing for that purpose.

The minimum information which should be stated in the invitation also includes information about the minority rights and the time period in such minority rights can be exercised, the record date with an indication that only shareholders on the record date can attend and vote at the General Meeting, a notice of the place where the full text of documents and drafts of decisions proposed by the Board of Directors for all items on the agenda are available, and a reference to the Company's website where all the above information is available, and the forms which must be used when shareholders vote via a representative.

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

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

Right to attend General Meetings

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

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

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

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

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

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

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

A representative who acts for more than one shareholder may vote differently on behalf of each shareholder.

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

Shareholder representatives can be appointed and removed in writing, such notice being sent to the Company in the same way, at least 3 days before the date set for the General Meeting.

The Company has made the forms, which must be filled out and sent by shareholders in order to appoint a representative, available on its website.

The Company's Articles of Association do not provide for shareholders' participation in the General Meeting and exercise voting rights remotely or by correspondence.

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

Conflicts of interest may arise in cases where the representative:

a. is a shareholder who controls the Company or is another legal entity or person controlled by that shareholder;

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

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

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

Quorum – Majority

According to the law and the Articles of Association, the General Meeting has a quorum and is validly met on the items of the agenda when shareholders representing at least 1/5 of the paid up share capital are present or represented at the meeting.

If that quorum is not achieved at the first meeting, the Meeting will reconvene within 20 days from the date on which it was not possible to hold the meeting, and that meeting has a quorum and is validly met on the items on the initial agenda, irrespective of the percentage of the paid-up share capital represented at that meeting. In all the above cases, decisions of the General Meeting are taken by absolute majority of the votes represented at it.

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

If that qualified quorum is not achieved, the General Meeting will be invited to convene and will reconvene within 20 days from the date on which the meeting could not take place, and will have a quorum and be validly met on the items on the initial agenda if at least ½ of the paid-up share capital is represented at it. If that quorum is not achieved, the General Meeting will be called and will convene again within 20 days and will have a quorum and be validly met on the items on the initial agenda when at least 1/5 of the paid-up share capital is represented at it.

In all the above cases, decisions of the General Meeting are taken by 2/3 majority of the votes represented at it.

No other invitation is required if the initial invitation specifies the place and time of any repeat meetings that might be held if a quorum is not achieved at the first meeting,

provided that at least 10 days (meaning 10 full days) elapse between the meeting which was cancelled and the repeat meeting.

Shareholder's Rights

Right to attend General Meetings

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

Right to vote at General Meetings:

Every share, apart from preferred shares to which no voting rights are attached, comes with a voting right.

Rights of preferred shareholders

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

A. The right to receive the first dividend from the profits of each year before ordinary shareholders, and in the case where no dividend is distributed or a dividend lower than the first dividend is distributed in one or more years, to receive payment on that first divided on a preferential and cumulative basis for those years from the profits generated in subsequent years. Holders of non-voting preferred shares are also entitled, on the same terms as holders of ordinary shares, to receive any additional dividend paid in any form.

It should be noted that following amendments to the provisions of Article 45(2) of Codified Law 2190/1920 on the profits of societes anonyme to be distributed, in accordance with Article 79(8) of Law 3604/2007, the obligation to distribute 6% of the paid-up share capital as the minimum mandatory first dividend was abolished, and it is now mandatory to distribute 35% of the net profits.

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

Priority rights

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

Where the Company's share capital is increased with shares from only one of the classes of shares the Company has issued, the priority right is granted to shareholders in the

other class only after it is not exercised by shareholders in the class to which the new shares belong.

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

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

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

Minority rights

Following an application submitted by any Shareholder to the Company within at least 5 full days prior to the General Meeting, the Board of Directors shall be obliged to provide the General Meeting with the requested specific information on the Company's affairs, to the extent that it may be useful for the actual assessment of the items on the agenda. The Board of Directors may provide a single response to shareholder requests relating to the same matter. The obligation to provide information does not exist when the information requested is already available on the Company's website, especially in the form of questions and answers. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920.

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

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

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

made available to shareholders on the Company's website, along with the reasoning or draft decision submitted by the shareholders.

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

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

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

E. The Board of Directors shall be obliged to announce to the Ordinary General Meeting the amounts that have in the last two-year period been paid to each member of the Board of Directors or to the Company directors, as well as any benefits granted to these persons due to any reason or contract concluded between them and the Company. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920. Any doubts about the validity or otherwise of the reasons for refusal to provide information may be decided by the Single-Member Court of First Instance at the company's seat.

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

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

Following an application made by Shareholders representing 1/5 of the paid-up share capital, which shall be submitted to the Company at least 5 full days prior to the General Meeting, the Board of Directors shall be obliged to provide the General Meeting with information on the course of corporate affairs and the state of the Company's assets. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances,

be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920, where the relevant members of the Board of Directors have taken adequate cognisance of these matters. Any doubts about the validity or otherwise of the reasons for refusal to provide information may be decided by the Single-Member Court of First Instance at the Company's seat.

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

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

Right to dividends:

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

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

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

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

Right to the product of liquidation:

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

Shareholders' liability:

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

Exclusive Jurisdiction of the Courts – Applicable Law:

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

Shareholder Information and Services

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

Investor Relations Department

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

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

Shareholder Services Department

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

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

Corporate Announcements Department

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

The Company’s website address is: www.titan-cement.com

Reuters code: TTNr.AT, TTNm.AT

Bloomberg code: TITK GA, TITP GA.

VIII. Reference to derogations from the Corporate Governance Code

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

1. Composition of the Board (Code Provision B.1.1.)

The Company did not implement the practice referred to in Code Provision B.1.1), whereby independent members of the Board of Directors should not serve for more

than 9 years from the date they were first elected. As explained in detail in the paragraph relating to the independent members of the Board of Directors in Section III of this Statement, two of the Board's independent members elected by the General Meeting on 18.5.2010 with a tenure until the Ordinary General Meeting of 2013, do meet the independence conditions laid down in Article 3(1) of Law 3016/2002 but are currently in their twelfth year on the Board of Directors since they were first elected as members of the Board of Directors by the General Meeting of Shareholders in 2001. However, and despite their long tenure in the Board, both the aforementioned directors retain absolute independence in their way of thinking, character and judgment and, as a result, the Board of Directors believes that they are indeed independent members. Notwithstanding the above, it should be noted that the Board of Directors has resolved that starting from the election of the next Board by the forthcoming Ordinary Meeting of Shareholders which will take place on June 14, 2013, the independent, non-executive Board members will not be able to serve for more than 3 terms in office (or a maximum of 9 years). As a result of the above, three of Board's independent members, namely Messrs. George David, Panagiotis Marinopoulos and Spyridon Theodoropoulos will not be re candidates for re-election.

2. Commitment of Non-Executive Directors (Code Provision B.3.2).

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

3. Board evaluation by external facilitator (Code Provision B.6.2)

The Board of Directors does not assign the evaluation of the Board to an external facilitator every three years. The Board is of the view that the applied procedure for the evaluation of the Board's performance by its members and the self-assessment of the individual performance of each member is highly effective and contributes substantially to the identification of malfunctions and failures and to the improvement of the performance of the Board of Directors and its members.

4. Re-election of Board members (Code Provision B.7.1.)

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

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

Moreover, the Greek Law (article 39 of Law 2190/1920) provides that shareholders representing 1/20 of the paid-up share capital are entitled to request the entering on the agenda of a General Meeting already convened of additional items, including, therefore, the election of a new Board of Directors. For the taking of a relevant resolution, it is required the ordinary quorum of 1/5 of the paid up share capital and absolute majority of the votes represented at the General Meeting.

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

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

5. Remuneration of Board members.

Although the provisions of the Code do not require detailed information about the individual remuneration paid to each member of the Board of Directors, nor is it mandatory under the relevant Greek legislation on societes anonyme, in the paragraph entitled "Remuneration of Board of Directors members" the Company has set out information relating to the remuneration paid to members of the Board of Directors and its Committees in 2012 after preliminary approval given by the General Meeting on 8.06.12, and has also provided information about the total remuneration paid to executive members of the Board of Directors. The Company has also set out information relating to the remuneration received by two executive members of the Board of Directors of the Company for their participation as independent directors in the Board of Directors of other companies listed in the Athens Exchange.

ERNST & YOUNG

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THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT

To the Shareholders of «**TITAN CEMENT COMPANY S.A.**»

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of TITAN CEMENT COMPANY S.A. and its subsidiaries, which comprise the separate and consolidated statement of financial position as at December 31, 2012, the separate and consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ΕΡΝΣΤ & ΓΙΑΝΓΚ (ΕΛΛΑΣ)
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Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of TITAN CEMENT COMPANY S.A. and its subsidiaries as at December 31, 2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

a) The Directors Report includes a statement of corporate governance, which contains the information required by paragraph 3d of article 43a, of Codified Law 2190/1920.

b) We confirm that the information given in the Directors Report is consistent with the accompanying separate and consolidated financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 4 March 2013

The Certified Auditor Accountant

CHRIS PELENDRIDIS

S.O.E.L. R.N. 17831

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

11th KM NATIONAL ROAD ATHENS-LAMIA

144 51 METAMORFOSI, ATTIKA

SOEL REG. No. 107

Income Statement

(all amounts in Euro thousands)		Group		Company	
		Year ended 31 December		Year ended 31 December	
	Notes	2012	2011	2012	2011
Turnover	3	1.130.660	1.091.404	221.215	217.231
Cost of sales	5	-830.947	-748.654	-163.866	-139.349
Gross profit before depreciation		**299.713**	**342.750**	**57.349**	**77.882**
Other income	4	20.435	43.881	13.532	5.284
Administrative expenses	5	-93.026	-100.504	-31.281	-32.109
Selling and marketing expenses	5	-19.619	-21.107	-386	-618
Other expenses	4	-11.665	-20.962	-1.539	-9.556
Profit before interest, taxes, depreciation and amortization		**195.838**	**244.058**	**37.675**	**40.883**
Depreciation and amortization related to cost of sales		-118.063	-112.906	-12.418	-10.702
Depreciation and amortization related to administrative and selling expenses		-6.620	-7.024	-1.236	-1.123
Impairment of tangible and intangible assets related to cost of sales	11,13	-6.047	-18.710	-314	-1.144
Profit before interest and taxes		**65.108**	**105.418**	**23.707**	**27.914**
Income from participations and investments		-	-	-	3.495
Losses from participations and investments		-	-	-	-2.520
Finance income	6	11.316	7.248	3.781	1.577
Finance expense	6	-76.885	-73.308	-44.256	-42.122
Loss on early extinguishment of debt	24	-	-228	-	-
Share in loss of associates	15	-841	-1.391	-	-
(Loss)/profit before taxes		**-1.302**	**37.739**	**-16.768**	**-11.656**
Less: Income tax	8	-17.526	-16.059	1.216	-1.622
(Loss)/profit after taxes		**-18.828**	**21.680**	**-15.552**	**-13.278**
<u>Attributable to:</u>					
Equity holders of the parent		-24.516	11.011		
Non-controlling interests		5.688	10.669		
		-18.828	**21.680**		
Basic (losses)/earnings per share (in €)	9	**-0,3008**	**0,1351**		
Diluted (losses)/earnings per share (in €)	9	**-0,2982**	**0,1344**		

The accompanying notes on pages 61 to 137 are an integral part of these financial statements

Statement of Comprehensive Income

(all amounts in Euro thousands)	Notes	Group		Company	
		Year ended 31 December		Year ended 31 December	
		2012	2011	2012	2011
(Loss)/profit for the year		**-18.828**	**21.680**	**-15.552**	**-13.278**
Other comprehensive (loss)/income:					
Exchange losses on translation of foreign operations		**-29.390**	-3.468	-	-
Net losses on available for sale financial assets		**-225**	-112	-	-
Cash flow hedges	34	-567	-3.023	-43	-4.545
Income tax effect	34	204	-610	-	-
		-363	**-3.633**	**-43**	**-4.545**
Asset revaluation surplus	12	873	1.639	873	1.639
Income tax effect		-175	-328	-175	-328
		698	**1.311**	**698**	**1.311**
Actuarial (losses/)gains on defined benefit plans	25	-43	8.141	746	8.231
Income tax effect		237	-1.294	-149	-1.646
		194	**6.847**	**597**	**6.585**
Other comprehensive (loss)/income for the year net of tax		**-29.086**	**945**	**1.252**	**3.351**
Total comprehensive (loss)/income for the year net of tax		**-47.914**	**22.625**	**-14.300**	**-9.927**
<u>Attributable to:</u>					
Equity holders of the parent		-50.615	13.108		
Non-controlling interests		2.701	9.517		
		-47.914	**22.625**		

The accompanying notes on pages 61 to 137 are an integral part of these financial statements

Statement of Financial Position

(all amounts in Euro thousands)

		Group		Company	
Assets	**Notes**	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Property, plant & equipment	11	1.759.036	1.887.488	237.672	251.111
Investment property	12	8.546	9.804	11.959	11.312
Intangible assets and goodwill	13	527.498	546.111	1.099	1.112
Investments in subsidiaries	14	-	-	1.213.365	1.182.854
Investments in associates	15	2.734	8.213	-	-
Available-for-sale financial assets	16	1.877	2.143	108	108
Other non current assets	17	12.572	10.555	2.690	2.710
Deferred income tax asset	18	2.499	2.198	-	-
Non-current assets		**2.314.762**	**2.466.512**	**1.466.893**	**1.449.207**
Inventories	19	233.765	242.765	69.080	68.761
Receivables and prepayments	20	199.180	224.960	57.299	63.869
Derivative financial instruments	35	-	772	-	-
Available-for-sale financial assets	16	63	63	61	61
Cash and cash equivalents	21	284.272	333.935	35.601	29.478
Current assets		**717.280**	**802.495**	**162.041**	**162.169**
Total Assets		**3.032.042**	**3.269.007**	**1.628.934**	**1.611.376**
Equity and Liabilities					
Share capital (84,632,528 shares of € 4.00)	22	338.530	338.530	338.530	338.530
Share premium	22	22.826	22.826	22.826	22.826
Share options	22	2.891	1.358	2.891	1.358
Treasury shares	22	-89.446	-89.446	-89.446	-89.446
Other reserves	23	381.027	427.028	508.380	511.301
Retained earnings		878.635	857.170	-6.518	4.861
Equity attributable to equity holders of the parent		**1.534.463**	**1.557.466**	**776.663**	**789.430**
Non-controlling interests		125.478	142.982	-	-
Total equity (a)		**1.659.941**	**1.700.448**	**776.663**	**789.430**
Long-term borrowings	24	705.227	815.095	741.950	620.360
Derivative financial instruments	35	16.784	17.826	5.875	5.824
Deferred income tax liability	18	178.786	191.863	17.972	19.990
Retirement benefit obligations	25	26.908	29.721	11.299	14.442
Provisions	26	17.317	16.553	1.736	1.558
Other non-current liabilities	27	30.632	26.590	5.043	6.399
Non-current liabilities		**975.654**	**1.097.648**	**783.875**	**668.573**
Short-term borrowings	24	174.636	226.564	24.468	104.692
Trade and other payables	28	207.009	220.086	42.586	47.017
Derivative financial instruments	35	1.294	-	-	-
Income tax payable		11.899	22.202	-	-
Provisions	26	1.609	2.059	1.342	1.664
Current liabilities		**396.447**	**470.911**	**68.396**	**153.373**
Total liabilities (b)		**1.372.101**	**1.568.559**	**852.271**	**821.946**
Total Equity and Liabilities (a+b)		**3.032.042**	**3.269.007**	**1.628.934**	**1.611.376**

The accompanying notes on pages 61 to 137 are an integral part of these financial statements

Statement of Changes in Equity

(all amounts in Euro thousands)

Group	Attributable to equity holders of the parent										
	Ordinary shares	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves (note 23)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2011	**308.179**	**22.826**	**30.276**	**6.983**	**-90.065**	**-117**	**471.052**	**819.133**	**1.568.267**	**142.557**	**1.710.824**
Profit for the year	-	-	-	-	-	-	-	11.011	11.011	10.669	21.680
Other comprehensive income	-	-	-	-	-	-	2.097	-	2.097	-1.152	945
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2.097**	**11.011**	**13.108**	**9.517**	**22.625**
Dividends distributed to shareholders (notes 10)	-	-	-	-	-	-	-	-15.231	-15.231	-	-15.231
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	-	-9.758	-9.758
Treasury shares sold (note 22)	-	-	-	-	736	-	-	-488	248	-	248
Share Capital increase due to share options exercised (note 22)	75	-	-	-	-	-	-	-	75	-	75
Share based payment transactions	-	-	-	1.303	-	-	-	-	1.303	-	1.303
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-	-	3.450	-	3.450	3.434	6.884
Equity increase arising on business combination (note 30)	-	-	-	-	-	-	-	-	-	42	42
Deferred tax adjustment due to change in income tax rates on revaluation reserves	-	-	-	-	-	-	-13.754	-	-13.754	-2.810	-16.564
Transfer between reserves	-	-	-	-6.928	-	-	-35.817	42.745	-	-	-
Balance at 31 December 2011	**308.254**	**22.826**	**30.276**	**1.358**	**-89.329**	**-117**	**427.028**	**857.170**	**1.557.466**	**142.982**	**1.700.448**
Balance at 1 January 2012	**308.254**	**22.826**	**30.276**	**1.358**	**-89.329**	**-117**	**427.028**	**857.170**	**1.557.466**	**142.982**	**1.700.448**
Loss for the year	-	-	-	-	-	-		-24.516	-24.516	5.688	-18.828
Other comprehensive loss	-	-	-	-	-	-	-26.099	-	-26.099	-2.987	-29.086
Total comprehensive (loss)/income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-26.099**	**-24.516**	**-50.615**	**2.701**	**-47.914**
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	-	-19.115	-19.115
Acquisition of non-controlling interests (note 14)	-	-	-	-	-	-	-	665	665	-27.669	-27.004
Partial disposal of subsidiary (note 14)	-	-	-	-	-	-	-1.691	29.492	27.801	22.199	50.000
Non-controlling interest's participation in share capital increase (note 14)	-	-	-	-	-	-	-	-	-	8.800	8.800
Share based payment transactions	-	-	-	1.533	-	-	-	-	1.533	-	1.533
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-	-	-2.387	-	-2.387	-4.420	-6.807
Transfer between reserves	-	-	-	-	-	-	-15.824	15.824	-	-	-
Balance at 31 December 2012	**308.254**	**22.826**	**30.276**	**2.891**	**-89.329**	**-117**	**381.027**	**878.635**	**1.534.463**	**125.478**	**1.659.941**

The accompanying notes on pages 61 to 137 are an integral part of these financial statements

Statement of Changes in Equity (continued)

(all amounts in Euro thousands)

Company	Ordinary shares	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves (note 23)	Retained earnings	Total equity
Balance at 1 January 2011	**308.179**	**22.826**	**30.276**	**6.983**	**-90.065**	**-117**	**501.022**	**33.858**	**812.962**
Loss for the year	-	-	-	-	-	-	-	-13.278	-13.278
Other comprehensive income	-	-	-	-	-	-	3.351	-	3.351
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**3.351**	**-13.278**	**-9.927**
Dividends distributed (note 10)	-	-	-	-	-	-	-	-15.231	-15.231
Treasury shares sold (note 22)	-	-	-	-	736	-	-	-488	248
Share Capital increase due to share options exercised (note 22)	75	-	-	-	-	-	-	-	75
Share based payment transactions (note 22)	-	-	-	1.303	-	-	-		1.303
Transfer between reserves	-	-	-	-6.928	-	-	6.928	-	-
Balance at 31 December 2011	**308.254**	**22.826**	**30.276**	**1.358**	**-89.329**	**-117**	**511.301**	**4.861**	**789.430**
Balance at 1 January 2012	**308.254**	**22.826**	**30.276**	**1.358**	**-89.329**	**-117**	**511.301**	**4.861**	**789.430**
Loss for the year	-	-	-	-	-	-	-	-15.552	-15.552
Other comprehensive income	-	-	-	-	-	-	1.252	-	1.252
Total comprehensive (loss)/income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1.252**	**-15.552**	**-14.300**
Share based payment transactions (note 22)	-	-	-	1.533	-	-	-	-	1.533
Transfer between reserves	-	-	-	-	-	-	-4.173	4.173	-
Balance at 31 December 2012	**308.254**	**22.826**	**30.276**	**2.891**	**-89.329**	**-117**	**508.380**	**-6.518**	**776.663**

The accompanying notes on pages 61 to 137 are an integral part of these financial statements

Cash Flow Statement

(all amounts in Euro thousands)	Notes	Group		Company	
		Year ended 31 December		Year ended 31 December	
		2012	2011	2012	2011
Cash flows from operating activities					
Cash generated from operations	29	**186.404**	**240.548**	**38.700**	**45.890**
Income tax paid		-21.374	-36.988	-2.711	-18.670
Net cash generated from operating activities (a)		**165.030**	**203.560**	**35.989**	**27.220**
Cash flows from investing activities					
Purchase of property, plant and equipment	11,12	-44.761	-56.150	-5.669	-6.314
Purchase of intangible assets	13	-6.208	-1.917	-1.717	-139
Proceeds from sale of property, plant and equipment	29	28.637	15.484	6.439	286
Proceeds from dividends		39	7	-	269
Acquisition of subsidiaries, net of cash acquired	30	-100	-111	-	-
Share capital increase in subsidiaries		-	-	-30.511	-6.139
Acquisition of non controlling interests	14	-19.004	-	-	-
Proceeds/(payments) from the disposal/acquisition of available-for-sale financial assets	16	37	-44	-	-1
Interest received	6	4.235	4.355	950	204
Net cash flows used in investing activities (b)		**-37.125**	**-38.376**	**-30.508**	**-11.834**
Net cash flows after investing activities (a)+(b)		**127.905**	**165.184**	**5.481**	**15.386**
Cash flows from financing activities					
Proceeds from non-controlling interest's participation in subsidiary's share capital increase	14	8.800	-	-	-
Proceeds from partial disposal of subsidiary's ownership	14	50.000	-	-	-
Proceeds from issuance of ordinary shares	22	-	75	-	75
Sale of treasury shares		-	248	-	248
Proceeds from government grants		8	88	8	88
Interest paid		-73.351	-54.918	-38.180	-37.898
Dividends paid to shareholders		-31	-15.270	-31	-15.270
Dividends paid to non-controlling interests		-19.115	-9.665	-	-
Proceeds from borrowings		788.746	628.301	214.449	156.984
Payments of borrowings		-936.978	-446.923	-175.635	-93.078
Net cash flows (used in)/from financing activities (c)		**-181.921**	**101.936**	**611**	**11.149**
Net (decrease)/increase in cash and cash equivalents		**-54.016**	**267.120**	**6.092**	**26.535**
Cash and cash equivalents at beginning of the year	21	333.935	67.070	29.478	2.943
Effects of exchange rate changes		4.353	-255	31	-
Cash and cash equivalents at end of the year	21	**284.272**	**333.935**	**35.601**	**29.478**

The accompanying notes on pages 61 to 137 are an integral part of these financial statements

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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 Number in the Company's Number in the General Electronic Commercial Registry: 224301000 (former Register of Societes Anonymes Number: 6013/06/B/86/90) and is listed on the Athens Stock Exchange.

These financial statements (the financial statements) have been approved for issue by the Board of Directors on March 4, 2013.

Summary of significant accounting policies

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

1.1.Basis of preparation and summary of significant accounting policies

These financial statements comprise the separate financial statement of the Company and the consolidated financial statements of the Group. They have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), as adopted by the European Union.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, investment property, and derivative financial instruments measured at fair value.

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

The financial statements have been prepared with the same accounting policies of the prior financial year, 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.

• **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.

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.

• **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 assessed 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 2014, as adopted by the EU. 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.

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. 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 2014, as adopted by the EU. 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. 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. 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. 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 2014, as adopted by the EU. 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".

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. 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 2014, as adopted by the EU. 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. 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 2014, as adopted by the EU. 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. 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.

• **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. 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 (striping 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. 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.

1.2.Consolidation

(a)Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. Subsidiaries are all entities (including special purpose entities) over which the Group has control. Control exists when the Group has the power to govern the financial and operating policies of an entity generally accompanying a shareholding of more than one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss (note 1.6).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

In the Company's separate financial statements, investments in subsidiaries are account for at cost less impairment, if any. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

The subsidiaries' financial statements are prepared as of the same reporting date and using the same accounting policies as the parent company. Intra-group transactions, balances and unrealised gains/losses on transactions between group companies are eliminated.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or

liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Joint ventures

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

The Group's share of intra-group balances, transactions and unrealised gains and losses on such transactions between the Group and its joint venture are eliminated on consolidation. Losses on transactions are recognized immediately if there is evidence of a reduction in the net realisable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

Upon loss of joint control, the Group measures and recognises its remaining investment at its fair value. The difference between the carrying amount of the investment upon loss of joint control and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as an investment in an associate.

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

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

In the Company's separate financial statements, the investment in joint ventures is stated at cost less impairment, if any.

(e)Associates

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

Under the equity method the Group's share of the post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amount previously recognized in other comprehensive income is reclassified to profit or loss where appropriate. Upon loss of significant influence over the associate, the Group measures and recognises any retained

Investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate ant its carrying value and recognizes the amount adjacent to “share of profit/(loss) of associates” in the income statement.

Profit and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group’s financial statements only to the extent of unrelated investor’s interests in the associates. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

In the Company’s separate financial statements, the investment in associates is stated at cost less impairment, if any.

(f)Commitments to purchase interests held by non-controlling interests

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

The Group applies the following policy for the recognition of put options:

• Non-controlling interest is still attributed its share of profit and losses (and other changes in equity).

• The non-controlling interest is reclassified as liability at each reporting date, as if the acquisition took place at that date.

• Any difference between the fair value of the liability under the put option at the end of the reporting period and the non-controlling interest reclassified is calculated based on the current policy of the Group for acquisitions of non-controlling interests.

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

1.3.Foreign currency translation

(a)Functional and presentation currency

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

(b)Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates (i.e. spot rates) prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying net investment hedges. When the related investment is disposal of, the cumulative amount is reclassified to profit or loss.

Translation differences on non-monetary financial assets and liabilities, such as equity investments held at fair value are included in the income statement. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(c)Group companies

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

-Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.

-Income and expenses for each income statement are translated at average exchange rates.

-All exchange differences resulting from the above are recognised in other comprehensive income and subsequently included in "foreign currency translation reserve".

-On the disposal of a foreign operation, the cumulative exchange differences relating to that particular foreign operation, recognized in the "foreign currency translation reserve" within equity, are recognised in the income statement as part of the gain or loss on sale. On the partial disposal of a foreign subsidiary, the proportionate share of the cumulative amount is re-attributed to the non-controlling interest in that operation.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

1.4.Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the items and any environmental rehabilitation costs to the extent that they have been recognised as a provision (refer to note 1.20). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement as incurred. Subsequent costs are depreciated over the remaining useful life of the related asset or to the date of the net major subsequent cost whichever is the sooner.

Depreciation, with the exception of quarries, is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings	Up to 50 years
Plant and machinery	Up to 40 years
Motor vehicles	5 to 20 years
Office equipment furniture and fittings (including computer equipment and software integral to the operation of the hardware)	2 to 10 years
Minor value assets	Up to 2 years

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Interest costs on borrowings specifically used to finance the construction of property, plant and equipment are capitalised during the construction period if recognition criteria are met (refer to note 1.29).

1.5.Investment property

Investment property is property held for long-term rental yields or for capital appreciation or both and that is not occupied by any of the subsidiaries of the Group. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied property from investment property.

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs (refer to 1.29).

After initial recognition investment property is carried at fair value. Fair value reflects market conditions at the reporting date and is determined internally on an annual basis by management or external valuators. The best evidence of fair value is provided by current prices in an active market for similar property in the same location and condition and subject to the same lease terms and other conditions (comparable transactions). When such identical conditions are not present, the Group takes account of, and makes allowances for, differences from the comparable properties in location, nature and condition of the property or in contractual terms of leases and other contracts relating to the property.

A gain or loss arising from a change in the fair value of investment property is recognized in the period in which it arises in the income statement within "other income" or "other expense" as appropriate.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Investment properties are derecognised when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its deemed cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, IAS 16 is applied up to the date of transfer, since investment property is measured at fair value. The property is fair valued at the date of transfer and any revaluation gain or loss, being the difference between fair value and the previous carrying amount, is accounted for as a revaluation surplus or deficit in equity in accordance with IAS 16. Revaluation surplus is recognized directly in equity through other comprehensive income, unless there was an impairment loss recognized for the same property in prior years. In this case, the surplus up to the extent of this impairment loss is recognized in profit or loss and any further increase is recognized directly in equity through other comprehensive income. Any revaluation deficit is recognized in profit or loss.

1.6.Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. Goodwill represents the future economic benefits arising from assets that are not capable of being individually identified and separately recognized in a business combination.

Goodwill is not amortized. After initial recognition, it is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Impairment reviews are undertaken annually (even if there is no indication of impairment) or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of the value-in-use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Acquired computer software programmes and licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software when these are expected to generate economic benefits beyond one year. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

The Group's intangible assets have a finite useful life. The amortization methods used for the Group's intangibles are as follows:

	Amortization Method	Useful Lives
Patents, trademarks and customer relationships	straight-line basis	up to 20 years
Licenses (mining permits)	straight-line basis / depletion method	shorter of: the permit period and the estimated life of the underlying quarry unit-of-production method
Development costs (quarries under operating leases)	note 1.7	note 1.7
Computer software	straight-line basis	3 to 7 years

1.7.Deferred stripping costs

Stripping costs comprise the removal of overburden and other waste products. Stripping costs incurred in the development of a quarry before production commences are capitalised as follows:

Where such costs are incurred on quarry land that is owned by the Group, these are included within the carrying amount of the related quarry, under Property, plant and equipment and subsequently depreciated over the life of the quarry on a units-of-production basis. Where such costs are incurred on quarries held under an operating lease, these are included under 'Development expenditure' under Intangible assets and amortised over the shorter of the lease term and the useful life of the quarry.

1.8.Impairment of non-financial assets other than Goodwill

Assets that have an indefinite useful life (land not related to quarries) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as an expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. An asset's recoverable amount is the higher of an asset or cash generating units (CGU) fair value less costs of sell and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is impaired and is written down to its recoverable amount.

1.9.Leases – where a Group entity is the lessee

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

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

Leases are classified as finance leases or operating leases at the inception of the lease.

1.10.Inventories

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

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

1.11.Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.12.Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank

overdrafts. Bank overdrafts are included within borrowings in current liabilities in the balance sheet. The components of cash and cash equivalents have a negligible risk of change in value.

1.13.Share capital

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

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

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

1.14.Borrowings

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

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

1.15.Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business

combination that at the time of the transaction affects neither accounting nor taxable profit and loss, it is not accounted for.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.16.Employee benefits

(a)Pension and other retirement obligations

The Group operates various pension and other retirement schemes, including both defined benefit and defined contribution pension plans in accordance with the local conditions and practices in the countries in which it operates. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets (where funded) together with adjustments for unrecognized past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds which have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

(b)Termination benefits

Termination benefits are payable whenever an employee's employment is terminated by the Group, before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c)Profit sharing and bonus plans

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

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

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

(d)Share-based payments

Share options are granted to certain members of senior management at a discount to the market price of the shares at par value on the respective dates of the grants and are exercisable at those prices. The options must be exercised within twelve months of their respective vesting period. The scheme has a contractual option term of three years.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense during the vesting period , which is the period over which all of the specific vesting conditions are to be satisfied. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, specified by the date of grant:

- Including any market performance conditions (for example, an entity's share price);

- Excluding the impact if any service and non-market performance vesting conditions (for example profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

- Including the impact of any non-vesting conditions (for example, the requirement for employees to save)

At the end of each reporting date, the Group revises its estimates of the number of options that are expected to vest and recognises the impact of the revision of original estimates, if any, in administrative expenses and cost of goods sold in the income statement, with a corresponding adjustment to equity. When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium reserve.

1.17.Government grants

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

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

1.18.CO_2 Emission rights

Emission rights are accounted for under the net liability method, based on which the Group recognizes a liability for emissions when the emissions are made and are in excess of the allowances allocated. The Group has chosen to measure the net liability on the basis of the period for which the irrevocable right to the cumulative emissions rights have been received. Emission rights acquired in excess of those required to cover its shortages are recognized as intangible asset. Proceeds from the sale of granted emission rights are recorded as a reduction to cost of sales.

1.19.Provisions

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

Provisions are not recognized for future operating losses. The Group recognises a provision for onerous contracts when the economic benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

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

Where the effect of the time value of money is material, provisions is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due the passage of time is recognized as a finance expense.

1.20.Site restoration, quarry rehabilitation and environmental costs

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

Provisions associated with environmental damage represent the estimated future cost of remediation. Estimating the future costs of these obligations is complex and requires management to use judgments

The estimation of these costs is based on an evaluation of currently available facts with respect to each individual site and considers factors such as existing technology, currently enacted laws and regulations and prior experience in remediation of sites. Inherent uncertainties exist in such evaluations primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability, the protracted length of the clean-up periods and evolving technologies. The environmental and remediation liabilities provided for reflect the information available to management at the time of determination of the liability and are adjusted periodically as remediation efforts progress or as additional technical or legal information becomes available.

Estimated costs associated with such rehabilitation activities are measured at the present value of future cash outflows expected to be incurred. When the effect of the passage of time is not significant, the provision is calculated based on discounted cash flows. Where a closure and environmental obligation arises from quarry/mine development activities or relate to the decommissioning property, plant and equipment the provision can be capitalized as part of the cost of the associated asset (intangible or tangible) The capitalized cost is depreciated over the useful life of the asset and any change in the net present value of the expected liability is included in finance costs, unless they arise from changes in accounting estimates of valuation.

1.21.Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and services stated net of value-added tax, rebates and discounts,.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer (usually upon delivery and customer acceptance) and the realization of the related receivable is reasonably assured.

Revenue arising from services is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue from rental income arising, from operating leases, is accounted for on a straight-line basis over the lease terms.

Interest income is recognised using the effective interest method.

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

1.22.Dividend distribution

Dividend to the Company’s shareholders is recognized in the financial statements in the period in which the Board of Directors’ proposed dividend is ratified at the Shareholders’ Annual General Meeting.

1.23.Segment information

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

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

1.24.Financial assets

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

- Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date. This is the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'finance income' or 'finance expense' in the period in which they arise.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

1.25. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset recognised amounts, and there is an intention to settle on the net basis the liability or realise the asset and settle the liability simultaneously.

1.26. Impairment of financial assets

a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

(b) Assets classified as available-for-sale

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available- for- sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available- for- sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

1.27.Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss is dependent on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

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

The fair values of various derivative instruments used for hedging purposes are disclosed in note 34. Movements on the hedging reserve in other comprehensive income are shown in note 34. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges

The effective portion of gains and losses from measuring cash flow hedging instruments, including cash flow hedges for forecasted foreign currency denominated transactions and for interest rate swaps, recognized in other comprehensive income in “Currency translation differences on derivate hedging position” in “Other reserves”. The gain or loss relating to the ineffective portion is recognized immediately in the income statement within “Finance income/expenses”.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the income statement within “Finance income/expense”.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative unrealized gain or loss at that point remains in equity and is recognized when the forecast transaction is no longer expected to occur, the cumulative unrealized gain or loss that was reported in equity is immediately transferred to “Other income/expense” in the income statement.

Net investment hedge

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

Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold. The Group’s ‘Other reserves’ include gains that have resulted from such hedging activities carried out in the past.

1.28.De-recognition of financial assets and liabilities

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

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

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. A respective liability is also recognized.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

1.29.Borrowing costs

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

1.30.Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.31. Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount. Examples of exceptional items include gains/losses on disposal of non-current assets, restructuring costs and other unusual gains or losses.

2.Significant accounting estimates and judgments

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

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

These management's estimation and assumptions form the bases for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.1.Estimated impairment of goodwill

Management tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The basic assumptions that are used in the calculations are explained further in note 13. These calculations require the use of estimates which mainly relate to future earnings and discount rates.

2.2.Income taxes

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

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

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

2.4.Provision for Environmental Rehabilitation

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

2.5.Provision for staff leaving indemnities

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

2.6.Contingent liabilities

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

2.7.Allowance For doubtful accounts receivable

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

3. Operating segment information

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

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

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

Additional information of operating segment

(all amounts in Euro thousands)

For the year ended 31 December 2012

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
Gross revenue	263.925	369.878	225.131	295.954	-	1.154.888
Inter-segment revenue	-23.771	-426	-31	-	-	-24.228
Revenue from external customers	**240.154**	**369.452**	**225.100**	**295.954**	**-**	**1.130.660**
Profit before interest, taxes, depreciation and amortization	**32.649**	**5.833**	**64.235**	**93.766**	**-645**	**195.838**
Depreciation & amortization	-19.526	-58.679	-21.433	-25.248	203	-124.683
Impairment of tangible and intangible assets related to cost of sales	-5.287	-	-616	-144	-	-6.047
Profit/(loss) before interest and taxes	**7.836**	**-52.846**	**42.186**	**68.374**	**-442**	**65.108**
Finance costs - net	-41.730	-18.159	6.228	-11.908	-	-65.569
Share of losses of the associates	-284	-	-557	-	-	-841
(Loss)/profit before taxes	**-34.178**	**-71.005**	**47.857**	**56.466**	**-442**	**-1.302**
Less: Income tax	3.426	1.846	-7.582	-15.216	-	-17.526
(Loss)/profit after taxes	**-30.752**	**-69.159**	**40.275**	**41.250**	**-442**	**-18.828**
Attributable to:						
Titan Cement S.A. shareholders	-30.745	-69.159	40.805	35.025	-442	-24.516
Non-controlling interests	-7	-	-530	6.225	-	5.688
	-30.752	**-69.159**	**40.275**	**41.250**	**-442**	**-18.828**

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
ASSETS						
Non-current assets	2.378.092	744.838	460.360	832.801	-2.101.329	2.314.762
Current assets	314.733	131.992	414.442	375.046	-518.933	717.280
Total Assets	**2.692.825**	**876.830**	**874.802**	**1.207.847**	**-2.620.262**	**3.032.042**
LIABILITIES						
Non-current liabilities	1.299.218	285.516	163.092	202.997	-975.169	975.654
Current liabilities	610.880	160.898	44.892	98.717	-518.940	396.447
Total Liabilities	**1.910.098**	**446.414**	**207.984**	**301.714**	**-1.494.109**	**1.372.101**

3. Operating segment information (continued)

(all amounts in Euro thousands)	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Capital expenditures (note 11,12,13)	8.980	7.376	13.884	20.729	50.969
(Reversal of impairment)/impairment of property, plant and equipment (note 11)	-1.041	-	128	-	-913
Impairment of intangible assets-excluding goodwill (note 13)	4.501	-	486	-	4.987
Impairment of Goodwill (note 13)	1.829	-	-	144	1.973
(Reversal of allowance)/allowance for doubtful debtors (note 20)	-2.669	1.353	1.208	195	87
Investment in associates (note 15)	-	-	2.734	-	2.734

Capital expenditures consist of additions of property, plant and equipment, intangible assets and investment properties including assets from acquisition of subsidiaries.
Impairment charges are included in the Income Statement.

Turnover is reported in the country in which the customer is located and comprises of the sale of goods and services. There are sales between geographical segments at arms length. Total assets and capital expenditures are presented at the geographical segment of the company that owns the assets.
The transactions between segments are performed on the basis described in note 33.

Additional information for business activities

(all amounts in Euro thousands)

For the year ended 31 December 2012

	Cement	Ready mix, aggregates and blocks	Other	Total
Turnover	828.906	294.808	6.946	1.130.660

The cement activity includes cement and cementitious materials.

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

Note that the Company sold cement and aggregates to its subsidiary Interbeton S.A. that represented in 2012 8.37% (2011: 13.4%) of the Company's turnover.

3. Operating segment information (continued)

Additional information of operating segment

(all amounts in Euro thousands)

For the year ended 31 December 2011

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
Gross revenue	285.844	303.841	250.215	277.848	-	1.117.748
Inter-segment revenue	-17.109	-174	-9.061	-	-	-26.344
Revenue from external customers	**268.735**	**303.667**	**241.154**	**277.848**	**-**	**1.091.404**
Profit/(losses) before interest, taxes, depreciation and amortization	**35.451**	**-5.693**	**87.155**	**127.479**	**-334**	**244.058**
Depreciation & amortization	-19.011	-54.980	-22.276	-23.865	202	-119.930
Impairment of tangible and intangible assets related to cost of sales	-3.912	-14.798	-	-	-	-18.710
Profit/(loss) before interest and taxes	**12.528**	**-75.471**	**64.879**	**103.614**	**-132**	**105.418**
Finance costs - net	-42.340	-16.835	2.866	-9.979	-	-66.288
Share of losses of the associates	-225	-	-1.166	-	-	-1.391
(Loss)/profit before taxes	**-30.037**	**-92.306**	**66.579**	**93.635**	**-132**	**37.739**
Less: Income tax expense	-966	13.735	-8.722	-20.106	-	-16.059
(Loss)/profit after taxes	**-31.003**	**-78.571**	**57.857**	**73.529**	**-132**	**21.680**
Attributable to:						
Titan Cement S.A. shareholders	-31.006	-78.571	56.828	63.892	-132	11.011
Non-controlling interests	3	-	1.029	9.637	-	10.669
	-31.003	**-78.571**	**57.857**	**73.529**	**-132**	**21.680**

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
ASSETS						
Non-current assets	2.437.729	832.318	682.644	979.924	-2.466.103	2.466.512
Current assets	389.264	146.829	144.263	329.156	-207.017	802.495
Total Assets	**2.826.993**	**979.147**	**826.907**	**1.309.080**	**-2.673.120**	**3.269.007**
LIABILITIES						
Non-current liabilities	1.756.615	403.575	130.198	147.945	-1.340.685	1.097.648
Current liabilities	268.078	67.747	56.543	266.632	-188.089	470.911
Total Liabilities	**2.024.693**	**471.322**	**186.741**	**414.577**	**-1.528.774**	**1.568.559**

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Capital expenditures (note 11,12,13)	10.253	6.265	29.879	11.670	58.067
Impairment of property, plant and equipment (note 11)	126	14.798	-	-	14.924
Impairment of Goodwill (note 13)	3.786	-	-	-	3.786
Allowance for doubtful debtors (note 20)	5.533	2.483	4.117	-10.234	1.899
Investment in associates (note 15)	4.888	-	3.325	-	8.213

Capital expenditures consist of additions of property, plant and equipment, intangible assets and investment properties including assets from acquisition of subsidiaries.
Impairment charges are included in the Income Statement.

Additional information for business activities

For the year ended 31 December 2011

	Cement	Ready mix, aggregates and blocks	Other	Total
Turnover	792.524	287.428	11.452	1.091.404

4. Other revenue and expenses

	Group		Company	
(all amounts in Euro thousands)	2012	2011	2012	2011
Scrap sales	1.429	585	168	242
Compensation income	312	1.934	-	480
Income from subsidies	1.863	1.659	279	88
Income from services	5.924	1.395	6.463	1.630
Rental income	2.117	2.099	1.399	1.537
Gains on disposal of property, plant and equipment (note 29)	2.838	5.959	-	78
Fair value gain from investment property (note 12)	884	-	-	-
Reversal of Staff leaving indemnities provision (note 25)	2.119	-	1.653	-
Reversal of non utilized provisions (note 29)	1.841	-	2.496	-
Refundable clay fees (note 20,28,29)	806	25.589	-	-
Other income	302	4.661	1.074	1.229
Other income total	**20.435**	**43.881**	**13.532**	**5.284**
Provisions (note 29)	-	-2.536	-	-253
Losses on disposal of property, plant and equipment (note 29)	-	-	-232	-
Fair value loss from investment property (note 12)	-264	-199	-226	-199
Staff leaving indemnities (note 25)	-	-1.126	-	-1.140
Restructuring cost (note 25)	-2.873	-11.806	-728	-7.611
Exceptional items (*)	-7.589	-	-	-
Legal expenses (note 32)	-59	-4.470	-	-
Other expenses	-880	-825	-353	-353
Other expenses total	**-11.665**	**-20.962**	**-1.539**	**-9.556**

(*) Exceptional items include: a) The expenditure of €3,574 thousand that the Group incurred from August, 2012 due to the collapse of a concrete silo roof at the Group's cement plant in the Pennsuco US, resulting in the fatality of one employee (note 32), b) the amount of €262 thousand was spent for the damages at the Group's facilities in Essex, New Jersey due to the hurricane "Sandy", and c) the exceptional charge that stood at €3,753 thousand from the final judgement of decision of the legal case between the Beni Suef governorate and the Group's subsidiary in Egypt, Beni Suef Co SAE, and concerned the retroactive payment in favor of the Beni Suef governorate of the fee of EGP 2(€0.24) per each cement ton produced for the period starting from 22 October 2002 till 3I December 2011.

5. Expenses by nature

	Group		Company	
(all amounts in Euro thousands)	2012	2011	2012	2011
Staff costs and related expenses (note 7)	-217.498	-233.911	-42.631	-60.404
Raw materials and consumables used	-262.275	-214.334	-31.164	-20.836
Energy cost	-221.613	-191.395	-55.688	-39.110
Changes in inventory of finished goods and work in progress	9.521	-16.165	-1.673	-5.301
Distribution expenses	-122.072	-125.236	-34.226	-28.282
Third party fees	-72.474	-55.625	-19.688	-19.548
Other expenses	-57.181	-33.599	-10.463	1.405
Total expenses by nature	**-943.592**	**-870.265**	**-195.533**	**-172.076**
Included in:				
Cost of sales	-830.947	-748.654	-163.866	-139.349
Administrative expenses	-93.026	-100.504	-31.281	-32.109
Selling and marketing expenses	-19.619	-21.107	-386	-618
	-943.592	**-870.265**	**-195.533**	**-172.076**

6. Finance revenue/(costs)

(all amounts in Euro thousands)	Group		Company	
	2012	2011	2012	2011
Interest income (note 29)	4.235	4.355	950	204
Exchange differences gains (note 29)	4.919	1.141	1.832	624
Gains on financial instruments (note 29)	2.162	1.752	999	749
Finance revenue	**11.316**	**7.248**	**3.781**	**1.577**
Interest expense (note 29)	-65.728	-55.703	-38.885	-37.912
Finance costs of actuarial studies (note 25)	-1.086	-1.843	-693	-1.276
Exchange differences losses (note 29)	-3.443	-13.059	-1.134	-458
Losses on financial instruments (note 29)	-6.587	-2.704	-3.544	-2.473
Losses on investments (note 29)	-	-	-	-3
Finance lease interest (note 29)	-41	-153	-	-
	-76.885	**-73.462**	**-44.256**	**-42.122**
Capitalized interest expense (note 11,29)	-	154	-	-
Finance costs	**-76.885**	**-73.308**	**-44.256**	**-42.122**

During 2011, the Group capitalized interest expense (note 11) of €154 thousands generated from the Bulgaria and Turkey operations. The amounts capitalized were calculated on an weighted average interest rate basis. At the end of 2011, the weighted average interest for the operations in Bulgaria (loans in BGN) was 3.86% and in Turkey (loans in euro) was 5.7%. The capitalization of interest for the Group's operations in Bulgaria relates to the RDF (Refuse Derived Fuel) Installation. The capitalization of interest for the Group's operations in Turkey relates to the construction of the third mill.

7. Staff costs

(all amounts in Euro thousands)	Group		Company	
	2012	2011	2012	2011
Wages and salaries	193.864	194.881	34.484	40.888
Social security costs	20.240	22.821	7.237	8.714
Share options granted to directors and employees (note 29)	1.554	1.434	1.142	775
Other post retirement and termination benefits - defined benefit plans (see note 4,6,25)	1.840	14.775	-232	10.027
Total staff costs (note 5)	**217.498**	**233.911**	**42.631**	**60.404**

The employees in the Group are employed on a full-time basis and analysed as follows:	Group		Company	
	2012	2011	2012	2011
Greece and Western Europe	1.162	1.208	790	805
North America	1.719	1.733	-	-
South Eastern Europe	1.633	1.690	-	-
Eastern Mediterranean	909	886	-	-
	5.423	**5.517**	**790**	**805**

8. Income tax expense

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Current tax	19.125	25.986	-	-
Deferred tax (note 18)	-3.882	-13.376	-2.342	-1.565
Non deductible taxes and differences from tax audit	2.283	3.449	1.126	3.187
	17.526	**16.059**	**-1.216**	**1.622**

According to the article 9, paragraph 30 of the Law 4110/2013, the tax rate of Societes Anonymes in Greece, has changed from 20% to 26% for the taxable income of the fiscal year 2013 and forward. There is no change in the taxable losses of the fiscal years 2011 and 2012 (note 38).

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

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
(Loss)/profit before tax	**-1.302**	**37.739**	**-16.768**	**-11.656**
Tax calculated at the statutory tax rate of 20% (2011: 20%)	-260	7.548	-3.354	-2.331
Income not subject to tax	-2.471	-4.713	-458	-1.191
Expenses not deductible for tax purposes	13.366	11.480	1.470	3.957
Dividends tax	2.005	2.125	-	-
Other taxes	2.283	3.259	1.126	839
Effect of not recognized deferred tax asset on tax carry forward losses	15.405	12.337	-	-
Tax incentives	-2.280	-523	-	-
Effect of different tax rates in other countries	-10.438	-15.802	-	-
Provision's differences of prior years	-84	348	-	348
Effective tax charge	**17.526**	**16.059**	**-1.216**	**1.622**

As of December 31, 2012, certain Group entities have tax carry forward losses of about €321,6 mil. (2011: €288.8 mil.). These entities have recognised deferred tax asset amounted to €59.3 mil. (2011: €57.0 mil.) attributable to losses amounted to €179.0 mil. (2011: €168.2 mil.). For the remaining tax carry forward losses, no deferred tax asset has been recognized, as it was determined that they did not meet the recognition criteria according to IAS 12 (note 18).

The above tax carry forwards losses consist of tax carry forward losses amounting to €90.9 mil. (2011: €96.1 mil.) expiring in the period 2013-2017, while the losses amounting to €230.7 mil. (2011: €192.7 mil.) expire at various dates up to the years 2029-2032.

As of December 31, 2012, the Company has recognized deferred tax assets amounted to €6,9 mil. (2011: €5.1 mil.) on tax carry forward losses which met the recognition criteria. The tax losses of the Company can be utilized up to (and including) years 2016-2017.

9.(Losses)/earnings per share

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

	Group		Company	
(all amounts in Euro thousands unless otherwise stated)	2012	2011	2012	2011
Net (loss)/ profit for the year attributable to Titan S.A. shareholders	-24.516	11.011	-15.552	-13.278
Weighted average number of ordinary shares in issue	73.951.871	73.916.342	73.951.871	73.916.342
Weighted average number of preferred shares in issue	7.563.041	7.563.041	7.563.041	7.563.041
Total weighted average number of shares in issue for basic (losses)/earnings per share	81.514.912	81.479.383	81.514.912	81.479.383
Basic (losses)/earnings per ordinary and preferred share (in €)	**-0,3008**	**0,1351**	**-0,1908**	**-0,1630**

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

	Group		Company	
(all amounts in Euro thousands unless otherwise stated)	2012	2011	2012	2011
Net (loss)/profit for the year attributable to Titan S.A. shareholders for diluted (losses)/earnings per share	-24.516	11.011	-15.552	-13.278
Weighted average number of ordinary shares for diluted (losses)/earnings per share	73.951.871	73.916.342	73.951.871	73.916.342
Share options	685.993	436.388	685.993	436.388
Weighted average number of preferred shares in issue	7.563.041	7.563.041	7.563.041	7.563.041
Total weighted average number of shares in issue for diluted (losses)/earnings per share	82.200.905	81.915.771	82.200.905	81.915.771
Diluted (losses)/earnings per ordinary and preferred share (in €)	**-0,2982**	**0,1344**	**-0,1892**	**-0,1621**

10. Dividend proposed and distributed

The Board of Directors, taking into account the losses after taxes incurred in the fiscal year of 2012, decided to propose to the Annual General Meeting of Shareholders, planned for June 14, 2013 that no dividends will be distributed for the fiscal year of 2012.

The Annual General Meeting of Shareholders, that took place on June 8, 2012 decided that no dividends would be distributed for the fiscal year of 2011.

(all amounts in Euro thousands)

Distributed during the year:	2012	2011
Equity dividends on ordinary and preference shares:		
Final dividend for 2011: € nil per share (2010: € 0.07759 per share)	-	6.565

The Annual General Meeting of Shareholders, that took place in May of 2011, approved the distribution of €8,665 thousand (note 23) from the tax exempt reserves under special laws, in addition to the proposed dividend for the fiscal year 2010.

11. Property, plant and equipment

(all amounts in Euro thousands)

Group	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	fixtures and equipment	Assets under construction	Total
Year ended 31 December 2011								
Opening balance	**109.067**	**295.937**	**233.407**	**1.127.830**	**80.816**	**17.823**	**86.389**	**1.951.269**
Additions	1.737	7.607	1.646	4.497	842	582	37.937	54.848
Disposals (NBV) (note 29)	-	-5.654	-918	-574	-869	-178	-1.332	-9.525
Reclassification of assets from/to other PPE categories	19.831	-2.287	4.850	29.937	1.735	1.504	-55.570	-
Transfers from inventories (note 19)	-	-	-	420	-	-	-	420
Transfers to investment properties (note 12)	-	-1.230	-4.280	-	-	-	-	-5.510
Interest capitalized (note 6)	-	-	41	-	42	-	71	154
Depreciation charge (note 29)	-1.944	-2.617	-10.405	-65.538	-16.807	-3.521	-	-100.832
Impairment of PPE (note 29)	-13.756	-	-	-1.168	-	-	-	-14.924
Exchange differences	2.990	1.642	-756	127	694	218	161	5.076
Ending balance	**117.925**	**293.398**	**223.585**	**1.095.531**	**66.453**	**16.428**	**67.656**	**1.880.976**
Leased assets under finance leases								
Opening balance	**-**	**-**	**-**	**5.378**	**642**	**-**	**-**	**6.020**
Additions	-	-	-	479	22	-	-	501
Reclassification of assets to other categories	-	-	-	394	-	-	-	394
Depreciation charge (note 29)	-	-	-	-432	-102	-	-	-534
Exchange differences	-	-	-	167	-36	-	-	131
Ending balance	**-**	**-**	**-**	**5.986**	**526**	**-**	**-**	**6.512**
At 31 December 2011								
Cost	157.754	310.395	367.090	1.679.745	209.963	54.202	67.656	2.846.805
Accumulated depreciation	-26.073	-16.997	-143.505	-575.010	-142.976	-37.544	-	-942.105
Accumulated losses of impairment of PPE	-13.756	-	-	-3.218	-8	-230	-	-17.212
Net book value	**117.925**	**293.398**	**223.585**	**1.101.517**	**66.979**	**16.428**	**67.656**	**1.887.488**

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

Group	**Quarries**	**Land**	**Buildings**	**Plant & equipment**	**Motor vehicles**	**fixtures and equipment**	**Assets under construction**	**Total**
				Year ended 31 December 2012				
Opening balance	**117.925**	**293.398**	**223.585**	**1.095.531**	**66.453**	**16.428**	**67.656**	**1.880.976**
Additions	627	3.597	1.296	5.211	-	384	33.536	44.651
Addition due to consolidation of new subsidiary	-	1.001	-	-	-	-	-	1.001
Disposals (NBV) (note 29)	-	-139	-5	-18.453	-6.906	-18	-278	-25.799
Reclassification of assets to/from other PPE categories	-190	-119	25.075	32.074	5.485	762	-57.913	5.174
Transfers from inventories (note 19)	-	-	-	1.131	-	-	-	1.131
Transfers from investment properties (note 12)	-	-	2.849	-	-	-	-	2.849
Depreciation charge (note 29)	-1.978	-2.802	-12.718	-68.331	-15.256	-3.371	-	-104.456
Reversal of impairment of PPE (note 29)	-	-129		1.042	-	-	-	913
Exchange differences	-2.122	-6.661	-7.146	-30.037	-967	-269	-1.275	-48.477
Ending balance	**114.262**	**288.146**	**232.936**	**1.018.168**	**48.809**	**13.916**	**41.726**	**1.757.963**
Leased assets under finance leases								
Opening balance	**-**	**-**	**-**	**5.986**	**526**	**-**	**-**	**6.512**
Additions	-	-	-	12	-	-	-	12
Reclassification of assets to other PPE categories				-5.174				-5.174
Depreciation charge (note 29)	-	-	-	-234	-99	-	-	-333
Exchange differences	-	-	-	49	7	-	-	56
Ending balance	**-**	**-**	**-**	**639**	**434**	**-**	**-**	**1.073**
At 31 December 2012								
Cost	156.303	307.574	386.983	1.645.385	197.510	54.391	41.726	2.789.872
Accumulated depreciation	-27.529	-19.428	-154.047	-624.404	-148.262	-40.245	-	-1.013.915
Accumulated losses of impairment of PPE	-14.512	-	-	-2.174	-5	-230	-	-16.921
Net book value	**114.262**	**288.146**	**232.936**	**1.018.807**	**49.243**	**13.916**	**41.726**	**1.759.036**

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

Company	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	fixtures and equipment	Assets under construction	Total
Year ended 31 December 2011								
Opening balance	**941**	**5.548**	**54.195**	**169.429**	**1.161**	**9.776**	**20.488**	**261.538**
Additions	118	-	59	678	41	227	5.191	6.314
Disposals (NBV) (note 29)	-	-32	-	-48	-16	-112	-	-208
Reclassification of assets to other PPE categories	-	-	2.180	5.281	-	-	-7.461	-
Transfers to investment properties (note 12)	-	-1.821	-2.077	-	-	-		-3.898
Transfers from inventories (note 19)	-	-	-	420	-	-	-	420
Depreciation charge (note 29)	-64	-	-1.576	-8.935	-179	-1.157	-	-11.911
Impairment of PPE (note 29)	-	-	-	-1.383	8	231	-	-1.144
Ending balance	**995**	**3.695**	**52.781**	**165.442**	**1.015**	**8.965**	**18.218**	**251.111**
At 31 December 2011								
Cost	1.587	3.695	88.747	310.739	4.552	25.870	18.218	453.408
Accumulated depreciation	-592	-	-35.966	-141.843	-3.537	-16.903	-	-198.841
Accumulated losses of impairment of PPE	-	-	-	-3.454	-	-2	-	-3.456
Net book value	**995**	**3.695**	**52.781**	**165.442**	**1.015**	**8.965**	**18.218**	**251.111**
Year ended 31 December 2012								
Opening balance	**995**	**3.695**	**52.781**	**165.442**	**1.015**	**8.965**	**18.218**	**251.111**
Additions	21	-	386	962	84	265	3.951	5.669
Disposals (NBV) (note 29)	-	-	-	-6.648	-	-23	-	-6.671
Reclassification of assets to other PPE categories	-	-	4.096	14.803	-	77	-18.976	-
Transfers from inventories (note 19)	-	-	-	89	-	-	-	89
Depreciation charge (note 29)	-66	-	-2.495	-9.744	-187	-1.078	-	-13.570
Reversal of impairment of PPE due to disposal (note 29)	-	-	-	1.042	1	1	-	1.044
Ending balance	**950**	**3.695**	**54.768**	**165.946**	**913**	**8.207**	**3.193**	**237.672**
At 31 December 2012								
Cost	1.608	3.695	93.013	316.710	4.258	26.369	3.193	448.846
Accumulated depreciation	-658	-	-38.245	-148.589	-3.339	-17.931	-	-208.762
Accumulated losses of impairment of PPE	-	-	-	-2.175	-6	-231	-	-2.412
Net book value	**950**	**3.695**	**54.768**	**165.946**	**913**	**8.207**	**3.193**	**237.672**

11. Property, plant and equipment (continued)

Disposal of assets

During 2012, the Group has received the amount of €28.6 mil. from the disposal of tangible assets with total net book value of €25.8 mil. Thus, the Group recognized the gain of €2.8 mil. on disposal of PPE in the consolidated income statement.
The Group's subsidiary in U.S.A. made the majority of the disposals and it received the amount of €27.0 mil. from the disposal of machinery and railcars. The net book value of these assets totaled €23.6 mil., so the gains on the disposals were €3.4 mil.

Impairment of property, plant and equipment:

Assets that have an indefinite useful life (land) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as an expense immediately in other expenses, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.
During 2012, the Group has recorded a reversal of impairment amounted to €0.9 mil. mainly due to the reversal of machinery's impairment of the Company, as the reasons for such an impairment were changed.
The total cost of impairment of property, plant and equipment that the Group posted in 2011 was €14.9 mil. The amount of €13.8 mil. was due to the impairment in an investment of an aggregate mining site in USA and the amount of €1.1 mil. was due to the impairment of white cement production line and other machinery of the Company.

Pledge of assets

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

12. Investment property

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

(all amounts in Euro thousands)

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

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

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

13. Intangible assets and Goodwill

(all amounts in Euro thousands)

Group	Initial goodwill	Goodwill impairment	Total goodwill	Licences	Patents	Research and development costs	Trade-marks	Customer relation-ships	Other intangible assets	Total
Year ended 31 December 2011										
Opening balance	**436.077**	**-17.834**	**418.243**	**28.313**	**1.149**	**5.527**	**34.473**	**79.650**	**4.760**	**572.115**
Additions	-	-	-	235	-	1.122	102	-	458	1.917
Subsidiaries acquired (note 30)	150	-	150	-	-	-	-	-	-	150
Impairment (note 29)	-	-3.786	-3.786	-	-	-	-	-	-	-3.786
Amortization charge (note 29)	-	-	-	-1.203	-698	-934	-1.696	-13.546	-824	-18.901
Exchange differences	-5.222	-	-5.222	-325	-14	121	115	-168	109	-5.384
Ending balance	**431.005**	**-21.620**	**409.385**	**27.020**	**437**	**5.836**	**32.994**	**65.936**	**4.503**	**546.111**
Year ended 31 December 2012										
Opening balance	**431.005**	**-21.620**	**409.385**	**27.020**	**437**	**5.836**	**32.994**	**65.936**	**4.503**	**546.111**
Additions	-		-	339	-	680	-	-	13.214	14.233
Subsidiaries acquired (note 30)	108	-	108	-	-	-	-	-	42	150
Acquisition of business	-	-	-	-	-		-	-	2.364	2.364
Reclassification of assets to other categories	-	-	-	-15	-		-139	-	154	-
Impairment (note 29)	-	-1.973	-1.973	-3.143	-	-	-	-	-1.844	-6.960
Surrender of emission rights	-	-	-	-	-	-	-	-	-8.025	-8.025
Amortization charge (notes 29)	-	-	-	-822	-434	-1.081	-1.903	-14.352	-1.630	-20.222
Exchange differences	4.981	-	4.981	-510	-3	-100	-1.447	-2.624	-450	-153
Ending balance	**436.094**	**-23.593**	**412.501**	**22.869**	**-**	**5.335**	**29.505**	**48.960**	**8.328**	**527.498**

Company	Initial goodwill	Goodwill impairment	Total goodwill	Licences	Patents	Research and development costs	Trade-marks	Customer relation-ships	Other intangible assets	Total
Year ended 31 December 2011										
Opening balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.122**	**1.122**
Additions	-	-	-	-	-	-	81	-	58	139
Amortization charge (note 29)	-	-	-	-	-	-	-	-	-149	-149
Ending balance	**-**	**-**	**-**	**-**	**-**	**-**	**81**	**-**	**1.031**	**1.112**
Year ended 31 December 2012										
Opening balance	**-**	**-**	**-**	**-**	**-**	**-**	**81**	**-**	**1.031**	**1.112**
Additions	-	-	-	-	-	-	-	-	8.143	8.143
Amortization charge (note 29)	-	-	-	-	-	-	-	-	-308	-308
Impairment (note 29)	-	-	-	-	-	-	-	-	-1.358	-1.358
Surrender of emission rights	-	-	-	-	-	-	-	-	-6.426	-6.426
Provision of costs of the emission rights surrender	-	-	-	-	-	-	-	-	-64	-64
Ending balance	**-**	**-**	**-**	**-**	**-**	**-**	**81**	**-**	**1.018**	**1.099**

13. Intangible assets and Goodwill (continued)

During the second semester of 2012, the Group's subsidiary in USA, Separation Technologies LLC, acquired from a competitor the equipment and the rights of fly ash's processing held by the seller of a thermal power plant in Florida. Based on the agreement, the Separation Technologies LLC undertook the liability of the plant's site restoration. The Group posted the amount of €2.4 mil. at the account of other intangible assets, as the fair value of the site restoration (note 26).

The total amount of the intangible assets' impairment, excluding goodwill, stood at €5.0 mil. The amount of €3.1 mil. relates to the impairment of mining rights in Greece and the remaining amount of €1.9 mil. relates to the impairment arising from the revaluation in fair value of Carbon Emissions Rights (CER) that the Group possessed as at 31.12.2012.

Impairment testing of goodwill

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

(all amounts in Euro thousands)

Carrying amount of goodwill (by geographical segment):	2012	2011
Greece and Western Europe	14.405	16.127
North America	166.019	169.290
South Eastern Europe	57.014	57.580
Eastern Mediterranean	175.063	166.388
	412.501	**409.385**

The provision of goodwill impairment is charged in the income statement.

Key assumptions

The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The calculation of value-in-use for the Group's evaluated CGUs is most sensitive to the following assumptions:

- Sales volumes;
- Selling prices;
- Gross margin;
- Growth rate used to extrapolate cash flows beyond the specific projection period; and
- Discount rates

Sales volumes:
Volume assumptions have been provided by local management and reflect their best estimates derived from sales forecasts for the development of which a combination of factors have been taken into consideration: past performance, local market growth estimates, infrastructural projects in which the company will participate (public investments), etc. In USA sales volume growth rates are also based on published industry research and take into account demographic trends including population growth, household formation, and economic output (among other factors) in the states where the Group operates. In addition to demographic trends, long-term growth rates take into account cement/concrete intensity in construction which has historically varied from state to state based on building codes, availability of raw materials, and other factors.
Selling prices:
Price assumptions have been provided by local management and reflect their best estimates. Factors they have taken into consideration involve inflation, brand loyalty, growth rate of the regional economy, competition, production cost increases, etc. The Group has assumed the following sales compound annual growth rates for the five year period.

Sales Growth	2012	2011
Greece and Western Europe	11,4% - 23,8%	17,9% - 30,3%
North America	8,1% - 12,3%	4,4% - 13,5%
South Eastern Europe	4,3% - 12,5%	10,5% - 17,1%
Eastern Mediterranean	3,2% - 11,8%	6,3% - 14,5%

13. Intangible assets and Goodwill (continued)

Gross margin :

Illustrates all cost of goods sold related factors and which incorporates among others, the evolution of energy cost. The Group has assumed the following gross margin compound annual growth rates for the five year period:

Gross margin Growth	2012	2011
Greece and Western Europe	24,3% - 30,6%	8,1% - 42,7%
North America	5,9% -59,5%	4,8% - 73,8%
South Eastern Europe	9,3% - 27,3%	11,1% - 25,4%
Eastern Mediterranean	12,6% - 20%	16,2% - 25,4%

Perpetual Growth rates:

Factors that have been taken into consideration are estimates from the local Central Banks in the countries where the Group operates as relates to the growth of the local economies over the next years along with the co-relation that exists between the economy growth and the construction sector growth.

In the USA, following the five year specific forecast period, management used a fading-growth-rate model in its value-in-use calculation. Under this approach, cash flows are assumed to increase at a higher rate following the specific projection period before settling into a long-term growth rate. The growth rates have been estimated by management as follows:

Perpetual Growth rates	2012	2011
Greece and Western Europe	0%-4%	0%-3%
North America	3%-4%	3%-4%
South Eastern Europe	2%	2%
Eastern Mediterranean	2%-5%	3%-5%

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Country-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Discount rates	2012	2011
Greece and Western Europe	9,1% - 10,5%	10% - 17,2%
North America	8,1%	8,7%
South Eastern Europe	11,3%-14,2%	8,5%-17,2%
Eastern Mediterranean	12,5%-13,3%	13,7%-14,4%

Sensitivity of recoverable amounts

As at December 31, 2012, the Group analyzed the sensitivities of the recoverable amounts to a reasonable possible change of a key assumption (notably to a change of one point in the discount rate or the perpetual growth rate). These analyses did not show a situation in which the carrying value of the main CGUs would exceed their recoverable amount, with the exception of the Greece CGU referred to below.

For the CGU Greece, a significant reduction in demand of construction materials due to the persisting economic recession led to the reduced revenues compared to the last year forecasts. As a result, the Group recorded an impairment loss of €2.0 mil. on the goodwill of the Greek CGU, based on the respective value in use as calculated using a discount rate of 10.5% (10% in 2011).

14. Principal subsidiaries, associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2012 % of investment (1)		2011 % of investment (1)	
			Direct	Indirect	Direct	Indirect
Full consolidation method						
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
KTIMET Quarries S.A. (8)	Greece	Quarries & aggregates	-	100,000	-	-
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 (9)	Egypt	Trading company	-	-	-	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

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

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2012 % of investment (1)		2011 % of investment (1)	
			Direct	Indirect	Direct	Indirect
Full consolidation method						
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
Carolinas Cement Company LLC	U.S.A.	Own/develop real estate	-	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
Massey Sand and Rock Co	U.S.A.	Quarries & aggregates	-	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
S&W Ready Mix LLC	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 Carolina Concrete LLC	U.S.A.	Ready mix	-	100,000	-	100,000
Titan Mid-Atlantic Aggregates LLC	U.S.A.	Quarries & aggregates	-	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
Trusa Realty LLC	U.S.A.	Real estate brokerage	-	100,000	-	100,000
Tyson Material Transport LLC	U.S.A.	Transportation	-	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 Dooel	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

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

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2012 % of investment (1) Direct	2012 % of investment (1) Indirect	2011 % of investment (1) Direct	2011 % of investment (1) Indirect
Proportionate consolidation method						
Adocim Cimento Beton Sanayi ve Ticaret A.S.	Turkey	Cement producer	-	50,000	-	50,000
Transbeton - Domiki S.A. (7)	Greece	Ready mix	-	50,000	-	-
Equity consolidation method						
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. (7)	Greece	Ready mix	-	-	-	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 European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), constitute the non-controlling interest of Antea Cement SHA, participated in the capital increase in the amount of €8.8 mil.

(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) On 30.6.2012, the Group's financial statements incorporated the established company Green Alternative Energy Assets EAD, with the full consolidation method.

(7) On 1.10.2012, the Group acquired an additional percentage of 0.1% in the associate company Transbeton-Domiki S.A. After this acquisition, the Group owns the 50% of the company Transbeton-Domiki S.A. that is now consolidated with the proportionate method (note 15, 31).

(8) On 11.12.2012, the Group acquired 100% of the shares of KTIMET S.A. which is included in the Group's financial statements with the full consolidation method (note 30).

(9) On 31.12.2012, the Group's subsidiary in Egypt, Misrieen Titan Trade & Distribution, was dissolved.

The transactions described in notes 3, 4 and 5 above, are presented in the consolidated statement of changes in equity as required by IAS 27 for changes in ownership interests, while still maintaining control (note 1.2b).

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

(all amounts in Euro thousands)	2012	2011
Participation in Subsidiaries at 1st January	**1.182.854**	**1.183.721**
Share capital increase in subsidiaries	30.120	9.799
Provision for impairment of investments	-	-9.936
Liquidation of subsidiaries	-	-1.258
Other	391	528
Participation in Subsidiaries	**1.213.365**	**1.182.854**

15. Investment in associates

On 31.12.2012, the Group included in the financial statements with the equity method of consolidation the companies below: Karieri AD with ownership percentage 48,711% (2011: 48,711%), Karierni Materiali AD with ownership percentage 48,764% (2011: 48,764%), Vris OOD with ownership percentage 48,764% (2011: 48,764%), all based in Bulgaria.
The Greek subsidiary Transbeton-Domiki S.A. had been incorporated into the Group's financial statements with ownership percentage of 49.9% until 30.9.2012 (2011:49,9%). On 1.10.2012, the ownership's percentage of the Group in the subsidiary was changed to 50.00%, after the acquisition of an additional 0.1%, and the subsidiary is incorporated afterwards with the proportionate consolidation method (note 31).

All the above mentioned companies operate in the aggregates business, Transbeton-Domiki S.A. also operates in the ready-mix business. The companies are not listed on any public exchange market.
The following table illustrates summarised financial information for the companies mentioned above:

(all amounts in Euro thousands)	Group	
	2012	**2011**
Property, plant and equipment	7.394	13.046
Intangibles and other non-current assets	2.551	2.592
Current assets	1.450	3.226
Total assets	**11.395**	**18.864**
Non-current liabilities	1.294	4.020
Current liabilities	7.367	6.631
Total liabilities	**8.661**	**10.651**
Equity	**2.734**	**8.213**
Revenue	**4.970**	**7.086**
Cost of sales	-3.661	-5.113
Gross profit before depreciation	**1.309**	**1.973**
Other expense	-11	-200
Administrative expenses	-712	-847
Selling expenses	-144	-174
Profit before interest, taxes and depreciation	**442**	**752**
Depreciation	-1.113	-1.899
Loss before interest, taxes	**-671**	**-1.147**
Finance costs	-196	-420
Loss before income tax	**-867**	**-1.567**
Income tax expense	26	176
Loss after tax	**-841**	**-1.391**

16. Available-for-sale financial assets

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Opening balance	**2.206**	**2.274**	**169**	**168**
Additions	47	44	-	1
Disposals	-84	-	-	-
Revaluations	-225	-112	-	-
Exchange differences	-4	-	-	-
Ending balance	**1.940**	**2.206**	**169**	**169**
Analysis of available-for-sale financial assets:				
Non-current portion	1.877	2.143	108	108
Current portion	63	63	61	61
	1.940	**2.206**	**169**	**169**

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

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

17. Other non current assets

(all amounts in Euro thousands)

	Group		Company	
	2012	**2011**	**2012**	**2011**
Utility deposits	3.236	3.081	2.690	2.710
Excess benefit plan assets (note 25)	3.985	3.959	-	-
Notes receivable- trade	776	1.318	-	-
Other non-current assets	4.575	2.197	-	-
	12.572	**10.555**	**2.690**	**2.710**

18. Deferred income taxes

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

(all amounts in Euro thousands)

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
Opening balance, net deferred liability	**189.665**	**182.552**	**19.990**	**19.581**
Income statement charge (note 8)	-3.882	-13.376	-2.342	-1.565
Exchange differences	-9.230	1.693	-	-
Deferred tax adjustment due to change in income tax rates	-	16.564	-	-
Tax charged to equity through other comprehensive income	-266	2.232	324	1.974
Ending balance, net deferred liability	**176.287**	**189.665**	**17.972**	**19.990**

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

Analysis of deferred tax liabilities (before set - offs)

	Group		Company	
	2012	**2011**	**2012**	**2011**
Property, plant and equipment	229.368	241.243	27.521	28.607
Intangible assets	38.641	38.751	-	222
Provisions	4.834	-1.252	1.800	1.000
Receivables and prepayments	3.644	3.482	-	-
Trade and other payables	-2.842	63	228	-
	273.645	**282.287**	**29.549**	**29.829**

Analysis of deferred tax assets (before set - offs)

	Group 2012	Group 2011	Company 2012	Company 2011
Intangible assets	-10.951	-9.330	-64	-
Investments & other non-current receivables	-1.963	-2.596	-	-
Inventories	-1.830	-1.870	-256	-286
Post-employment and termination benefits	-7.689	-5.840	-2.260	-1.803
Receivables and prepayments	-8.800	-8.780	-765	-662
Tax losses carried forward (note 8)	-59.320	-56.980	-6.917	-5.067
Long term borrowings	-161	-191	-	-
Government grants	2.274	3.358	-969	-1.040
Provisions	-8.609	-10.401	-346	-912
Trade and other payables	-365	-250	-	-69
Financial instruments	56	258	-	-
	-97.358	**-92.622**	**-11.577**	**-9.839**
Net deferred tax liability	**176.287**	**189.665**	**17.972**	**19.990**

18. Deferred income taxes (continued)

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

(all amounts in Euro thousands)

Group	January 1, 2012	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Exchange differences	December 31, 2012
Deferred tax liabilities (before set - offs)					
Property, plant and equipment	241.243	-2.887	175	-9.163	229.368
Intangible assets	38.751	1.237	-	-1.347	38.641
Provisions	-1.252	6.092	-	-6	4.834
Receivables and prepayments	3.482	229	-	-67	3.644
Trade and other payables	63	-2.905	-	-	-2.842
	282.287	**1.766**	**175**	**-10.583**	**273.645**
Deferred tax assets (before set - offs)					
Intangible assets	-9.330	-1.824	-	203	-10.951
Investments & other non-current receivables	-2.596	643	-	-10	-1.963
Inventories	-1.870	23	-	17	-1.830
Post-employment and termination benefits	-5.840	-1.702	-237	90	-7.689
Receivables and prepayments	-8.780	-131	-	111	-8.800
Tax losses carried forward (note 8)	-56.980	-3.246	-	906	-59.320
Long term borrowings	-191	29	-	1	-161
Government grants	3.358	-809	-	-275	2.274
Provisions	-10.401	1.482	-	310	-8.609
Trade and other payables	-250	-115	-	-	-365
Financial instruments	258	2	-204	-	56
	-92.622	**-5.648**	**-441**	**1.353**	**-97.358**
Net deferred tax liability	**189.665**	**-3.882**	**-266**	**-9.230**	**176.287**

Company	January 1, 2012	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	December 31, 2012
Deferred tax liabilities (before set - offs)				
Property, plant and equipment	28.607	-1.261	175	27.521
Intangible assets	222	-222	-	-
Provisions	1.000	800	-	1.800
Trade and other payables	-	228	-	228
	29.829	**-455**	**175**	**29.549**
Deferred tax assets (before set - offs)				
Intangible assets	-	-64	-	-64
Inventories	-286	30	-	-256
Receivables and prepayments	-662	-103	-	-765
Government grants	-1.040	71	-	-969
Provisions	-912	566	-	-346
Post-employment and termination benefits	-1.803	-606	149	-2.260
Trade and other payables	-69	69	-	-
Tax losses carried forward (note 8)	-5.067	-1.850	-	-6.917
	-9.839	**-1.887**	**149**	**-11.577**
Net deferred tax liability	**19.990**	**-2.342**	**324**	**17.972**

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

18. Deferred income taxes (continued)

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

(all amounts in Euro thousands)

Group	January 1, 2011	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Deferred tax adjustment due to change in income tax rates	Exchange differences	December 31, 2011
Deferred tax liabilities (before set - offs)						
Property, plant and equipment	234.344	-9.964	-	13.017	3.846	241.243
Intangible assets	31.463	3.000	-	3.547	741	38.751
Provisions	2.026	-3.276	-	-	-2	-1.252
Receivables and prepayments	5.638	-2.250	-	-	94	3.482
Trade and other payables	301	-228	-	-	-10	63
	273.772	**-12.718**	**-**	**16.564**	**4.669**	**282.287**
Deferred tax assets (before set - offs)						
Intangible assets	-8.662	-597	328	-	-399	-9.330
Investments & other non-current receivables	-3.568	885	-	-	87	-2.596
Inventories	-2.614	796	-	-	-52	-1.870
Post-employment and termination benefits	-7.685	680	1.294	-	-129	-5.840
Receivables and prepayments	-7.611	-920	-	-	-249	-8.780
Tax losses carried forward (note 8)	-48.257	-3.784	-	-	-4.939	-56.980
Long term borrowings	-299	96	-	-	12	-191
Government grants	-2.713	3.467	-	-	2.604	3.358
Provisions	-8.452	-2.065	-	-	116	-10.401
Trade and other payables	-1.220	974	-	-	-4	-250
Financial instruments	-139	-190	610	-	-23	258
	-91.220	**-658**	**2.232**	**-**	**-2.976**	**-92.622**
Net deferred tax liability	**182.552**	**-13.376**	**2.232**	**16.564**	**1.693**	**189.665**

Company	January 1, 2011	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	December 31, 2011
Deferred tax liabilities (before set - offs)				
Property, plant and equipment	28.542	-263	328	28.607
Intangible assets	205	17	-	222
Provisions	10	990	-	1.000
Receivables and prepayments	3.000	-3.000	-	-
	31.757	**-2.256**	**328**	**29.829**
Deferred tax assets (before set - offs)				
Investments & other non-current receivables	-1.939	1.939	-	-
Inventories	-1.123	837	-	-286
Receivables and prepayments	-813	151	-	-662
Government grants	-1.069	29	-	-1.040
Provisions	-1.531	619	-	-912
Post-employment and termination benefits	-4.635	1.186	1.646	-1.803
Trade and other payables	-929	860	-	-69
Financial instruments	-137	137	-	-
Tax losses carried forward (note 8)	-	-5.067	-	-5.067
	-12.176	**691**	**1.646**	**-9.839**
Net deferred tax liability	**19.581**	**-1.565**	**1.974**	**19.990**

19. Inventories

(all amounts in Euro thousands)	Group		Company	
	2012	2011	2012	2011
Inventories				
Raw materials-Maintenance stores	164.051	166.509	59.248	57.786
Finished goods	76.688	82.719	11.199	12.825
	240.739	249.228	70.447	70.611
Provision for obsolete inventory	-5.843	-6.043	-1.278	-1.430
	234.896	243.185	69.169	69.181
Transfer of major spare parts to property, plant and equipment (note 11)	-1.131	-420	-89	-420
	233.765	**242.765**	**69.080**	**68.761**

Analysis of provision for impairment of inventories	Group		Company	
	2012	2011	2012	2011
Balance at 1 January	**6.043**	**11.965**	**1.430**	**5.404**
Charge for the year (note 29)	1.492	2.064	-152	11
Unused amounts reversed (note 29)	-1.416	-5.300	-	-3.985
Utilized	-149	-2.789	-	-
Reclassification from other inventory accounts	-	178	-	-
Exchange differences	-127	-75	-	-
Balance at 31 December	**5.843**	**6.043**	**1.278**	**1.430**

The Group and the Company have not pledged their inventories as collateral.

20. Receivables and prepayments

(all amounts in Euro thousands)	Group		Company	
	2012	2011	2012	2011
Trade receivables	136.182	127.702	18.945	14.748
Cheques receivables	23.000	24.717	7.339	8.171
Trade receivables from related parties (note 33)	-	-	10.505	12.037
Allowance for doubtful debtors	-31.694	-34.784	-6.131	-9.028
	127.488	117.635	30.658	25.928
Creditors advances	2.766	3.667	75	370
Income tax receivables	6.416	14.147	3.626	10.308
V.A.T. and other tax receivables	22.024	20.698	542	691
Clay fee receivable (note 4, 29, 37)	8.577	16.943	-	-
Prepayments and other receivables	36.151	55.473	14.517	12.301
Other receivables from related parties (note 33)	9	10	9.501	15.238
Allowance for doubtful debtors	-4.251	-3.613	-1.620	-967
	71.692	107.325	26.641	37.941
	199.180	**224.960**	**57.299**	**63.869**

The "clay fee receivable" is the amount of the refundable clay fee derived from the Group's subsidiaries in Egypt totalling €8.6 mil. (2011: €16.9 mil.).

20. Receivables and prepayments (continued)

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

(all amounts in Euro thousands)	Group		Company	
	2012	**2011**	**2012**	**2011**
Neither past due nor impaired	67.635	81.510	21.884	25.263
Past due nor impaired :				
< 30 days	26.287	18.017	3.700	665
30-60 days	12.738	7.358	2.438	-
60-90 days	4.773	3.913	563	-
90-120 days	3.992	3.187	203	-
>120 days	12.063	3.651	1.870	-
	127.488	**117.636**	**30.658**	**25.928**

Part of the aforementioned trade receivables is secured by guarantees/collaterals, amounted to €24,862 thousand for the Group and €12,595 thousand for the Company (note 32).

Trade receivables are non-interest bearing and are normally settled on: Group 30-170 day's terms, Company 30-170 day's terms.

Allowance for doubtful debtors analysis *(all amounts in Euro thousands)*	Group		Company	
	2012	**2011**	**2012**	**2011**
Balance at 1 January	**38.397**	**38.213**	**9.995**	**5.860**
Charge for the year (note 29)	12.205	18.806	2.166	4.561
Unused amounts reversed (note 29)	-12.118	-16.907	-3.778	-187
Utilized	-2.582	-2.016	-632	-239
Reclassification from receivables/payables	114	-	-	-
Additions due to acquisitions	-	-	-	-
Exchange differences	-71	301	-	-
Balance at 31 December	**35.945**	**38.397**	**7.751**	**9.995**

21. Cash and cash equivalents

(all amounts in Euro thousands)	Group		Company	
	2012	**2011**	**2012**	**2011**
Cash at bank and in hand	97	708	3	29
Short-term bank deposits	284.175	333.227	35.598	29.449
	284.272	**333.935**	**35.601**	**29.478**

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

22. Share capital and premium

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

The total number of the authorised ordinary shares is:	**2012**	**2011**
Ordinary shares of €4.00 each	77.063.568	77.063.568
Preference shares of €4.00 each	7.568.960	7.568.960
	84.632.528	**84.632.528**

22. Share capital and premium (continued)

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

	Ordinary shares		Preference shares			Total	
Shares issued and fully paid	Number of shares	€'000	Number of shares	€'000	Share premium €'000	Number of shares	€'000
Balance at 1 January 2011	**77.044.880**	**308.179**	**7.568.960**	**30.276**	**22.826**	**84.613.840**	**361.281**
Issue of shares - share option scheme	18.688	75	-	-	-	18.688	75
Balance at 31 December 2011	**77.063.568**	**308.254**	**7.568.960**	**30.276**	**22.826**	**84.632.528**	**361.356**
Issue of shares - share option scheme	-	-	-	-	-	-	-
Balance at 31 December 2012	**77.063.568**	**308.254**	**7.568.960**	**30.276**	**22.826**	**84.632.528**	**361.356**

	Ordinary shares		Preference shares		Total	
Treasury shares	Number of shares	€'000	Number of shares	€'000	Number of shares	€'000
Balance at 1 January 2011	**3.131.697**	**90.065**	**5.919**	**117**	**3.137.616**	**90.182**
Treasury shares sold	-20.000	-736	-	-	-20.000	-736
Balance at 31 December 2011	**3.111.697**	**89.329**	**5.919**	**117**	**3.117.616**	**89.446**
Treasury shares sold	-	-	-	-	-	-
Balance at 31 December 2012	**3.111.697**	**89.329**	**5.919**	**117**	**3.117.616**	**89.446**

For the year 2012, the average stock price of Titan Cement Company S.A. ordinary shares was €13.58 (2011: €14.73) and the trading price of the ordinary shares at December 31, 2012 was €13.96 (2011: €11.59).

Share options

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

	2007 scheme	2010 scheme	Total
Balance at 1 January 2011	**83.486**	**265.620**	**349.106**
Granted	-	301.200	301.200
Exercised	-18.688	-	-18.688
Non vested	-62.424	-	-62.424
Cancelled	-2.374	-5.880	-8.254
Balance at 31 December 2011	**-**	**560.940**	**560.940**
Granted	-	376.290	376.290
Cancelled	-	-17.400	-17.400
Balance at 31 December 2012	**-**	**919.830**	**919.830**

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

		2012	
Expiration date	**Exercise price**	**2010 scheme**	**Total**
2014	€ 4,00	254.340	254.340
2015	€ 4,00	290.700	290.700
2016	€ 4,00	374.790	374.790
		919.830	**919.830**

		2011	
Expiration date	**Exercise price**	**2010 scheme**	**Total**
2014	€ 4,00	262.290	262.290
2015	€ 4,00	298.650	298.650
		560.940	**560.940**

22. Share capital and premium (continued)

2007 Programme

On May 29, 2007 the Company approved the introduction of a new, three-year Stock Option Programme (2007 Programme). In the years 2007, 2008 and 2009, executive members of the Company's Board of Directors and senior executives of the Company and its affiliates in Greece and abroad shall be granted options, the exercise of which is subject to the financial results of the Company and the performance of its ordinary share, to acquire up to 500,000 ordinary shares of the Company at a sale price equal to the share's nominal value, that is €4.00 per share.

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

1) One-third of options granted vest based on the financial results of the Company.

2) One-third of options granted vest based on the Titan Cement's stock performance relative to three Athens Stock Exchange indices during the three year period.

3) One-third of options granted vest based on the Titan Cement's stock performance relative to that of twelve predefined international cement producing companies during the three year period.

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

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

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

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".

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 13,380 share options were cancelled.

During 2011, 301,200 share options were granted and from the total number of share options outstanding, 10,500 share options were 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 and from this total a number of 1,500 share options were cancelled.

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%.

23. Other reserves

(all amounts in Euro thousands)

Group	Legal reserve	Special reserve	Contingency reserve	Tax exempt reserves under special laws	Revaluation reserve	Actuarial differences reserve	Currency translation differences on derivative hedging position	Foreign currency translation reserve	Total other reserves
Balance at 1 January 2011	**80.912**	**11.079**	**265.911**	**151.019**	**97.166**	**-5.609**	**42.590**	**-172.016**	**471.052**
Other comprehensive income	-	-	-	-	1.386	6.847	-6.064	-72	2.097
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	3.450	-	-	-	3.450
Deferred tax adjustment due to change in income tax rates on revaluation reserves	-	-	-	-	-13.754	-	-	-	-13.754
Transfer between reserves	3.295	-8.804	5.981	-13.650	-22.639	-	-	-	-35.817
Balance at 31 December 2011	**84.207**	**2.275**	**271.892**	**137.369**	**65.609**	**1.238**	**36.526**	**-172.088**	**427.028**
Other comprehensive loss	-	-	-	-	474	194	-363	-26.404	-26.099
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-2.387	-	-	-	-2.387
Partial disposal of subsidiary (note 14)	-836	-	-	-	-2.134	-	-	1.279	-1.691
Transfer between reserves	4.928	-8.752	-	-4.177	-7.823	-	-	-	-15.824
Balance at 31 December 2012	**88.299**	**-6.477**	**271.892**	**133.192**	**53.739**	**1.432**	**36.163**	**-197.213**	**381.027**

Company	Legal reserve	Special reserve	Contingency reserve	Tax exempt reserves under special laws	Revaluation reserve	Actuarial differences reserve	Currency translation differences on derivative hedging position	Total other reserves
Balance at 1 January 2011	**68.650**	**1.769**	**254.017**	**134.283**	**-**	**-6.043**	**48.346**	**501.022**
Other comprehensive income	-	-	-	-	-3.234	6.585	-	3.351
Transfer between reserves	-	14.476	5.981	-13.529	-	-	-	6.928
Balance at 1 January 2012	**68.650**	**16.245**	**259.998**	**120.754**	**-3.234**	**542**	**48.346**	**511.301**
Other comprehensive income	-	-	-	-	655	597	-	1.252
Transfer between reserves	-	-	-	-4.173	-	-	-	-4.173
Balance at 31 December 2012	**68.650**	**16.245**	**259.998**	**116.581**	**-2.579**	**1.139**	**48.346**	**508.380**

23. Other reserves (continued)

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

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

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

The revaluation reserve records a) the fair value of tangible and intangible assets of € 56.1 million, the Group had in Egypt through its participation in the joint venture Lafarge-Titan Egyptian Investments Ltd, till it acquired the joint venture fully, b) the fair value changes of €0.9 million on available-for-sale financial assets and c) the debit difference of €3.0 million, between the fair value and the book value of the put option recognition for the sale of ANTEA Cement SHA 's shares by the minority.

The actuarial differences reserve records the actuarial gains and losses arising from the actuarial studies performed by the Group's subsidiaries for various benefit, pension or other retirement schemes (note 25).

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

The currency translation differences on derivative hedging position is used to record the effect of hedging net investments in foreign operations and the exchange rate differences from the valuation of the financial instruments that are used as means of cash flow hedge for transactions in foreign currency.

24. Borrowings

(all amounts in Euro thousands)	Group		Company	
	2012	2011	2012	2011
Current				
Bank borrowings in euro currency	53.543	202.426	24.468	104.692
Bank borrowings in non euro currency	23.852	23.161	-	-
Debentures	97.070	-	-	-
Finance lease liabilities	171	977	-	-
	174.636	**226.564**	**24.468**	**104.692**
Non-current				
Bank borrowings in euro currency	165.253	296.665	-	-
Bank borrowings in non euro currency	273.710	296.437	-	-
Debentures	266.105	220.801	50.000	-
Loans from associates	-	-	691.950	620.360
Finance lease liabilities	159	1.192	-	-
	705.227	**815.095**	**741.950**	**620.360**
Total borrowings	**879.863**	**1.041.659**	**766.418**	**725.052**

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

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

(all amounts in Euro thousands)	Group		Company	
	2012	2011	2012	2011
Between 1 and 2 years	80.042	202.093	643.939	100.000
Between 2 and 3 years	274.118	1.292	-	520.360
Between 3 and 4 years	22.890	523.832	-	-
Between 4 and 5 years	197.760	30.549	98.011	-
Over 5 years	130.258	56.137	-	-
	705.068	**813.903**	**741.950**	**620.360**

Fiscal Year 2012

In December 2012, the Group's subsidiary Titan Global Finance PLC announced the completion of the issue of a new bond, of €200 mil., guaranteed by the Company, with a coupon of 8.75% and maturity in January 2017, which is to be utilized for the refinancing of the €200 mil. due July 2013 bond. The successful issuance of the bond (the initial minimum amount of €100 mil. oversubscribed 2,9 times) strengthens the Group's strategy to diversify funding sources, reinforce liquidity and lengthen the average maturity profile of funding.

During 2012, the Group's subsidiary in Egypt, Alexandria Portland Cement Co. S.A.E contracted an EGP 250 mil. (€30 mil.) revolving credit facility with a five-year maturity, whilst another Group's subsidiary in Egypt, Beni Suef Company S.A.E. secured the refinancing of EGP 670 mil. (€80 mil.) out of its EGP 700 mil. syndicated revolving credit facility, which was maturing in June 2013, also for a five year maturity. The latter is backed by the Company's guarantee.
In June 2012, the Company and the Group subsidiary Interbeton Construction Materials S.A. each contracted a two and a half years bond loan of €14 mil. and €20 mil., respectively. These facilities are to be utilized for the refinancing of existing credit facilities and for general corporate purposes of the Group and the latter is backed by the Company's guarantee. It is noteworthy that during 2013, the Group's subsidiary Interbeton Construction Materials S.A. has purchased bonds amounted to €20 mil. in order to reoffer them.

In December 2012, the Group's subsidiary in Bulgaria, Zlatna Panega Cement, refinanced existing short term working capital credit lines of €6.5 mil. into committed, with a two year maturity, backed with the Company's guarantee.

24. Borrowings (continued)

Fiscal Year 2011

Titan Global Finance PLC (TGF), a subsidiary of Titan Cement Company S.A., executed on January 5th, 2011 in London, UK, a new 4-year €585 mil. multi-currency forward start syndicated revolving credit facility, guaranteed by Titan Cement Company S.A, for the purpose of refinancing TGF's existing €800 mil. syndicated multicurrency revolving credit facility maturing in April 2012 and, thereafter, for general corporate purposes of the Group.

On September 30, 2011, the Group proceeded to an early cancellation of TGF 's syndicated multicurrency revolving credit facility, maturing in April 2012, and its outstanding amount was fully refinanced through the new syndicated facility of €585 mil. maturing in January 2015.

Finally, on January 7, 2011, the Company executed a four year syndicated bond loan of €135 mil. principal, aiming to further strengthen the Group's liquidity profile.

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

	Group		Company	
	2012	2011	2012	2011
Bank borrowings (USD)	2,91%	2,37%	-	-
Bank borrowings (JPY)	2,70%	2,70%	-	-
Bank borrowings (EGP)	10,46%	9,10%	-	-
Bank borrowings (BGN)	3,92%	3,86%	-	-
Bank borrowings (TRY)	15,10%	11,81%	-	-
Bank borrowings (LEK)	8,04%	8,60%	-	-
Bank borrowings (€)	4,94%	4,75%	4,94%	4,34%
Finance lease liabilities (USD)	6,98%	-	-	-
Finance lease liabilities (€)	5,3%-6,9%	6%-8%	-	-

Bank borrowings in foreign currencies (including finance leases):

	Group			
	Amounts in F.C.		Amounts in Euro	
(all amounts per currency thousands)	2012	2011	2012	2011
USD	199.464	289.846	151.178	224.010
JPY	1.500.564	2.000.752	13.208	19.968
LEK	4.520.160	4.520.160	32.382	32.536
BGN	54.334	66.617	27.781	34.061
EGP	528.000	-	62.879	-
TRY	23.867	22.045	10.134	9.023

The Company does not have bank borrowings in foreign currencies.

The Group has the following undrawn borrowing facilities:

	Group		Company	
(all amounts in Euro thousands)	2012	2011	2012	2011
Floating rate:				
- Expiring within one year	133.330	84.716	75.170	57.973
- Expiring beyond one year	570.226	391.818	202.300	185.000

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

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

	Group	
(all amounts in Euro thousands)	2012	2011
Finance lease liabilities - minimum lease payments		
Not later than 1 year	175	1.065
Later than 1 year and not later than 5 years	165	1.236
	340	2.301
Future finance charges on finance leases	-10	-132
Present value of finance lease liabilities	**330**	**2.169**

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

25. Retirement and termination benefit obligations

Greece

Greek labor legislation requires that the payment of retirement and termination indemnities be based on the number of years of service to the Company by the employees and taking into consideration their final remuneration. The Group grants retirement indemnities which exceed the legal requirements. These retirement indemnities are unfunded and the liabilities arising from such obligations are actuarially valued by an independent firm of actuaries. The last actuarial valuation was undertaken in December 2012. The principal actuarial assumptions used were a discount rate of 3.8% (2011:4.8%), future salary increases of between 3% and 4% (2011: 3%-4%) and no change in future pension.

USA

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

Multi-employer plan

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

Excess benefit plan

This plan is intended to constitute an unfunded plan of deferred compensation for a selected group of highly compensated employees under the Employee Income Security Act of 1974 ("ERISA"). For this purpose the Group's U.S. subsidiary created an irrevocable trust to facilitate the payment of deferred compensation to participants under this plan (note 17). Under this plan, the participants are eligible to defer a certain percentage of eligible compensation for the applicable plan year. The Company matches 50% of the participants' contributions to the plan. Again, the Company's contributions are affected by the funded status of the plan.

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

Some of the plan assets of the Group's subsidiaries in US have invested approximately 54% in equity investments and 46% in fixed investments. The main assumptions that have been adopted for the study of the pension plans of the Group's subsidiaries in the U.S. were a discount rate of 3.5% (2011: 4.25%).

Amendment of IAS 19

On 1.1.2013, the policy of the employee benefits' recognition will change based on the adoption of the revised International Accounting Standard (IAS) 19, as it endorsed by the EU during the fourth quarter of 2012. The revised IAS 19 includes changes that range from fundamental ones, such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The adoption of the revised standard will not significantly affect the Group's financial position for the fiscal year 2013, as the Group recognises fully all actuarial gains and losses in the statement of comprehensive income when they occur, since 2010. The Group changed its accounting policy in order to better present its financial position and thus facilitate the transition to the revised IAS 19.

25. Retirement and termination benefit obligations (continued)

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

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Current service cost	-622	3.622	-1.576	1.729
Interest cost	1.875	1.747	693	1.276
Return on plan assets	-789	96	-	-
	464	**5.465**	**-883**	**3.005**
Additional post retirement and termination benefits paid out, not provided for	1.376	9.310	651	7.022
	1.840	**14.775**	**-232**	**10.027**
Amounts recognised in the other operating income and other expenses (note 4)	754	12.932	-925	8.751
Amounts recognised in finance cost (note 6)	1.086	1.843	693	1.276
Amounts recognised in the income statement	**1.840**	**14.775**	**-232**	**10.027**
Actuarial losses/(gains) immediate recognized in equity through other comprehensive income	43	-8.141	-746	-8.231
Amount charged to statement of total comprehensive income	**1.883**	**6.634**	**-978**	**1.796**
Present value of the liability at the end of the period	**35.113**	**37.105**	**11.299**	**14.442**
Minus US benefit plans assets	-8.205	-7.384	-	-
	26.908	**29.721**	**11.299**	**14.442**

Liabilities' movement recognized in the statement of financial position:

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Opening balance	**29.721**	**45.278**	**14.442**	**27.734**
Total expense	1.840	14.775	-232	10.027
Actuarial gains	43	-8.141	-746	-8.231
Other (*)	143	-	-	-
Exchange differences	-181	371	-	-
Benefits paid during the year	-4.658	-22.562	-2.165	-15.088
Ending balance	**26.908**	**29.721**	**11.299**	**14.442**

(*) The amount of €143 thousand concerns the incorporation of the subsidiary, Transbeton-Domiki S.A., in the Group's financial statements with the proportional method from the 1st of October 2012. Until that date the subsidiary was consolidated with the equity method (note 15, 31).

	Group	
Analysis of the US benefit plan assets' movement	**2012**	**2011**
Fair value of plan assets at the beginning of the period	7.384	7.288
Expected return	789	-96
Company contributions	866	579
Benefits paid	-666	-615
Exchange difference	-168	228
Fair value of plan assets at the end of the period	**8.205**	**7.384**

26. Provisions

(all amounts in Euro thousands)

Group		January 1, 2012	Charge for the year	Unused amounts reversed	Utilized	Acquisition of business (note 13)	Exchange differences	December 31, 2012
Provisions for restoration of quarries	a	10.789	1.887	-553	-105	2.364	-160	14.222
Provisions for other taxes	b	376	-		-	-	-11	365
Litigation provisions	c	1.201	641	-355	-4	-	-106	1.377
Other provisions	d	6.246	2.658	-6.282	436	-	-96	2.962
		18.612	**5.186**	**-7.190**	**327**	**2.364**	**-373**	**18.926**

		January 1, 2011	Charge for the year	Unused amounts reversed	Utilized	Acquisition of business (note 13)	Exchange differences	December 31, 2011
Provisions for restoration of quarries	a	12.065	1.111	-1.782	-691	-	86	10.789
Provisions for other taxes	b	200	53	-38	-9	-	170	376
Litigation provisions	c	1.058	171	-4	-27	-	3	1.201
Other provisions	d	6.061	4.880	-503	-4.249	-	57	6.246
		19.384	**6.215**	**-2.327**	**-4.976**	**-**	**316**	**18.612**

	2012	2011
Non current provisions	17.317	16.553
Current provisions	1.609	2.059
	18.926	**18.612**

Company		January 1, 2012	Charge for the year	Unused amounts reversed	Utilized	December 31, 2012
Provisions for restoration of quarries	a	1.758	239	-161	-	1.836
Other provisions	d	1.464	1.268	-2.078	588	1.242
		3.222	**1.507**	**-2.239**	**588**	**3.078**

		January 1, 2011	Charge for the year	Unused amounts reversed	Utilized	December 31, 2011
Provisions for restoration of quarries	a	1.709	289	-240	-	1.758
Other provisions	d	5.884	223	-419	-4.224	1.464
		7.593	**512**	**-659**	**-4.224**	**3.222**

	2012	2011
Non current provisions	1.736	1.558
Current provisions	1.342	1.664
	3.078	**3.222**

a. This provision represents the present value of the estimated costs to reclaim quarry sites and other similar post-closure obligations. It is expected that this amount will be used over the next 2 to 50 years.

b. This provision relates to future obligations that may result from tax audits for other taxes. It is expected that this amount will be fully utilized in the next five years.

c. This provision has been established with respect to claims made against certain companies in the Group by third parties, mainly against the subsidiaries in Egypt. These claims concern labour compensations, labour cases for previous yeas benefits and dues, claims for shares revaluation. It is expected that this amount will be utilized mainly in the next twelve months.

d. The other provisions are comprised of amounts relating to risks none of which are individually material to the Group. The Company's existing carrying amount includes, among others, the provision for staff bonuses. It is expected that the remaining amounts will be used over the next 2 to 20 years.

27. Other non-current liabilities

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Government grants	5.516	6.027	5.043	5.450
Other-non current liabilities (note 34)	25.116	20.563	-	949
	30.632	**26.590**	**5.043**	**6.399**

The other non-current liabilities of the fiscal year 2012 include among others: a) the amount of €21.1 million (2011: €14.3 million) relates to the fair value of the put option, given by the Group to non-controlling interests, specifically the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC), so that such non-controlling interest have the right for the Group purchase their shares in ANTEA Cement SHA at predetermined conditions (note 32), b) the amount of €2.3 million (2011: €4.1 million) relates to a contingency of the Group's subsidiary in Egypt, Beni Suef, towards the Public Power Corporation.

Analysis of Government grants:

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Non - current	5.516	6.027	5.043	5.450
Current (note 28)	232	312	232	312
	5.748	**6.339**	**5.275**	**5.762**

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Opening balance	**6.339**	**6.588**	**5.762**	**5.909**
Additions	8	88	8	88
Grand settlements	-271	-	-271	-
Amortization (note 29)	-328	-337	-224	-235
Ending balance	**5.748**	**6.339**	**5.275**	**5.762**

Government grants are recognised at fair value when there is a certainty that the grant will be received and also when the Group complies with the terms and conditions of the grant.

Government grants relating to capital expenses are reflected as long-term liabilities and are amortised on a straight line basis that reflects the estimated useful life of the asset for which the grant was received.

Government grants received in respect of expenses are reflected in the income statement when the related expense is incurred so that the expense is matched to the income received.

28. Trade and other payables

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Trade payables	102.913	100.925	19.143	17.193
Amounts due to related parties (note 33)	618	520	8.549	7.402
Other payables	27.862	27.465	3.401	11.655
Accrued expenses	32.625	36.152	7.115	4.707
Social security	3.093	3.546	2.020	2.255
Customer down payments/advances	30.754	41.297	508	891
Dividends payable	352	392	230	261
Government grants (note 27)	232	312	232	312
Other taxes	8.560	9.477	1.388	2.341
	207.009	**220.086**	**42.586**	**47.017**

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

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on: Group 10-120 day's terms, Company 10-120 day's terms.

Other payables are non-interest bearing and have an average term of one month both for the Group and the Company.

29. Cash generated from operations

(all amounts in Euro thousands)	Group		Company	
	2012	**2011**	**2012**	**2011**
Net (loss)/profit for the year as per income statement	-18.828	21.680	-15.552	-13.278
Adjustments for:				
Taxes (note 8)	17.526	16.059	-1.216	1.622
Depreciation (note 11)	104.789	101.366	13.570	11.911
Amortization of intangibles (note 13)	20.222	18.901	308	149
Amortization of government grants received (note 27)	-328	-337	-224	-235
Impairment of assets (note 11,13)	6.047	18.710	314	1.144
Net profit on sale of property, plant and equipment (note 4)	-2.838	-5.959	232	-78
Refund of clay tax fee (note 4)	-806	-25.589	-	-
Provision for impairment of debtors charged to income statement (note 20)	87	1.899	-1.612	4.374
Provision for inventory obsolescence (note 19)	76	-3.236	-152	-3.974
Provision for restoration of quarries (note 26a)	1.334	-671	78	49
Provision for litigation (note 26c)	286	167	-	-
Other provisions (note 26d)	-3.624	4.377	-810	-196
Provision for retirement and termination benefit obligations (note 25)	464	5.465	-883	3.005
Provision for restructuring cost	-	262	-	-
(Increase)/decrease of investment property (note 12)	-620	199	226	199
Interest income and foreign exchange transaction gains (note 6)	-9.154	-5.496	-2.782	-828
Dividend income	-	-	-	-3.495
Loss on early extinguishment of debt (note 24)	-	228	-	-
Interest expense and foreign exchange transaction losses (note 6)	70.298	70.604	40.712	39.646
Net losses on financial instruments (note 6)	4.425	952	2.545	1.724
Loss on investments (note 6)	-	-		3
Provision for impairment of investments (participations)	-	-	-	5.062
Share stock options (note 7)	1.554	1.434	1.142	775
Share in loss of associates (note 15)	841	1.391	-	-
Changes in working capital:				
Decrease/(increase) in inventories	3.467	9.883	-256	12.211
Decrease in trade and other receivables	16.370	14.863	2.178	3.662
(Increase)/decrease in operating long-term receivables/payables	-3.960	1.780	-931	1.166
(Decrease)/increase in trade payables	-21.224	-8.384	1.813	-18.728
Cash generated from operations	**186.404**	**240.548**	**38.700**	**45.890**

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

	Group 2012	Group 2011	Company 2012	Company 2011
Net book amount (note 11)	25.799	9.525	6.671	208
Net profit/(loss) on sale of property, plant and equipment (note 4)	2.838	5.959	-232	78
Proceeds from the sale of property, plant and equipment	**28.637**	**15.484**	**6.439**	**286**

30. Business combinations

Year ended 31 December 2012

As of 11.12.2012, the Group acquired 100% of the shares of KTIMET S.A. with the consideration of €100 thousand. The newly acquired company is included in the Group's financial statements with the full consolidation method.
The assets and liabilities of the above mentioned company, as they were preliminary recorded at the date of acquisition, are as follows:

(all amounts in Euro thousands)	Fair value recognised on acquisition	Previous carrying value
Assets		
Non current assets	42	42
Receivables and prepayments	60	60
Total assets	**102**	**102**
Liabilities		
Other liabilities and taxes payable	110	110
Total liabilities	**110**	**110**
Total net assets acquired	**-8**	**-8**
Difference between cost of acquisition and preliminary identifiable net assets acquired	108	
Purchase consideration, settled in cash	**100**	
Cash flow on acquisition:		
Purchase consideration settled in cash	100	
Net cash outflow on acquisitions	**100**	

Purchase price allocation of the acquired company will be completed within twelve months from acquisition date.

Year ended 31 December 2011

On 31.12.2011, the Group's financial statements incorporated the 63.72% of the acquired company Aitolika Quarries S.A., with the full consolidation method.
The assets and liabilities of the above mentioned company, as they were recorded at the date of acquisition, are as follows:

(all amounts in Euro thousands)	Fair value recognised on acquisition	Previous carrying value
Assets		
Non current assets	2	2
Receivables and prepayments	1	1
Cash and cash equivalents	113	113
Total assets	**116**	**116**
Liabilities		
Total liabilities	**-**	**-**
Net assets	**116**	**116**
Non controlling interest	-42	
Total net assets acquired	**74**	
Difference between cost of acquisition and preliminary identifiable net assets acquired	150	
Purchase consideration, settled in cash	**224**	
Cash flow on acquisition:		
Purchase consideration settled in cash	224	
Net cash acquired with the subsidiaries	-113	
Net cash outflow on acquisitions	**111**	

Purchase price allocation of the acquired company was completed within the fiscal year 2011 without any change.

31. Interest in joint ventures

The Group has a 50% interest in a joint venture, Adocim Cimento Beton Sanayi ve Ticaret A.S a company incorporated in Turkey with main activity the production of cement.

As of 1.10.2012, the Group acquired 0,1% of the associate company Transbeton-Domiki S.A. against a consideration of €4 thousand. After this acquisition, Transbeton-Domiki S.A. is consolidated in the Group's financial statements with the proportionate method, as the Group owns 50% of the share capital (note 15). The above mentioned joint venture operates in Greece, in the ready mix sector. In addition, the Group paid the amount of €2.3 mil., in order to acquire the first refusal right, if the joint venture's partners decide to dispose all or part of the shares they own.

The following amounts represent the Group's share of the assets and liabilities and profit after tax of the joint ventures and are included in the consolidated balance sheet and consolidated income statement:

(all amounts in Euro thousands)	2012	2011
Property, plant and equipment	47.000	48.014
Intangibles and long-term receivables	988	1.192
Current assets	20.307	19.644
Total assets	**68.295**	**68.850**
Non-current interest bearing borrowings	18.720	12.409
Provisions	324	229
Current non-interest bearing borrowings	16.310	34.939
Other short-term liabilities	8.465	-679
Total liabilities	**43.819**	**46.898**
Net assets	**24.476**	**21.952**
Revenue	**41.516**	**38.572**
Cost of sales	-30.313	-26.921
Gross profit before depreciation	**11.203**	**11.651**
Other income	1.490	1.683
Administrative expenses	-1.653	-1.447
Selling expenses	-583	-519
Profit before interest, taxes and depreciation	**10.457**	**11.368**
Depreciation	-1.922	-1.812
Profit before interest, taxes	**8.535**	**9.556**
Finance costs	-2.910	-8.511
Profit before income tax	**5.625**	**1.045**
Less: Income tax	-1.194	-144
Profit after tax	**4.431**	**901**

The number of employees in the joint ventures at the end of the reporting period was 275 (2011: 246).

32. Contingencies and commitments

Contingent liabilities	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Guarantees to third parties on behalf of subsidiaries	-	-	809.060	944.815
Bank guarantee letters	51.951	57.570	18.048	22.071
Other	6.364	5.611	3.006	2.343
	58.315	**63.181**	**830.114**	**969.229**

Litigation matters in Egypt

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

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 nullification of the sale of the shares of BSCC, which was effected in 1999 to Financiere Lafarge after a 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.

An ex-employee 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 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 the shares 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.

US- Pennsuco silo roof collapse

The roof of a concrete silo collapsed at the Group's subsidiary cement plant in Pennsuco (USA) on August 17, 2012, resulting in the fatality of one employee. The U.S. Department of Labor, Mine Safety and Health Administration ("MSHA") immediately started an investigation into the cause of the incident. While the subsidiary has complied with all of MSHA's demands for information and documents, MSHA has not yet issued any determinations.

The Group's own investigation has indicated that the collapse occurred due to a latent construction defect when the silo was built approximately 30 years prior by a contractor when the facility was owned by a company unrelated to Titan Group and its Florida subsidiary, Tarmac America LLC. It is premature to give an opinion as to the outcome both with respect to the MSHA investigation and any actions by the deceased's estate (note 4).

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

32. Contingencies and Commitments (continued)

CO2 emissions

Given the reduced demand resulting from the underlying economic crisis, it is estimated that the Group's available carbon dioxide emissions allowances, will exceed 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.

Put option in Antea

The Group has granted to non-controlling interest shareholders, European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) the option to have the Group to purchase their shares in ANTEA Cement SHA at predetermined conditions. The Group recognize this put option under the method as it is described in the note 1.2.d. On 31.12.2012 the put option’s fair value recognized as liability is €21.1 million (2011: €14.3 million) (note 27).

Contingent tax liability

The financial years, referred to in note 36, have not been audited by the tax authorities and therefore the tax obligations of the Company and its subsidiaries for those years have not yet been finalized.

Contingent assets	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Bank guarantee letters for securing trade receivables (note 20)	18.304	12.435	11.258	10.689
Other collaterals against trade receivables (note 20)	6.558	1.338	1.337	1.338
	24.862	13.773	12.595	12.027
Collaterals against other receivables	3.916	4.341	3.916	4.341
	28.778	**18.114**	**16.511**	**16.368**

Commitments

Capital commitments

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

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Property, plant and equipment	3.869	13.269	3.237	4.658

Purchase commitments

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Energy supply contracts (Gas, electricity, etc.)	180.185	213.239	-	-

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

In addition, the Group's subsidiaries in Egypt have purchase agreements for the purchase of specific minimum amounts of gas in the coming years.

Operating lease commitments - where a Group Company is the lessee

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

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Not later than 1 years	8.079	7.181	674	729
Later than 1 years and not later than 5 years	22.298	20.521	1.040	1.200
Later than 5 years	18.591	17.086	-	-
	48.968	**44.788**	**1.714**	**1.929**

33. Related party transactions

The Group is controlled by Titan Cement S.A. ("The Company") which owns 100% of the Group's ordinary shares. Group directors own 16.64% (2011: 19.31%) of the Company's shares. The Company owns 4.04% (2011: 4.04%) while the remaining 81.32% (2011: 76.65%) of shares belongs to the public (including members of the key shareholders' families and institutional investors).

Various transactions are entered into by the Company and its subsidiaries during the year with related parties. The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured and settlement occurs in cash. Intra-group transactions are eliminated on consolidation. Related party transactions exclusively reflect transactions between the companies of the Group.

The following is a summary of transactions that were carried out with related parties during the year:

Year ended 31 December 2012

(all amounts in Euro thousands)

Group	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	-	2.120	-	618
Executives and members of the Board	-	-	9	-
	-	**2.120**	**9**	**618**

Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Aeolian Maritime Company	1	-	-	283
Albacem S.A.	3	-	-	7
Interbeton Construction Materials S.A.	25.040	4.158	14.674	-
Intertitan Trading International S.A.	6.050	-	396	-
Transbeton - Domiki S.A.	238	-	61	-
Quarries Gournon S.A.	1	-	642	-
Titan Cement International Trading S.A.	7	-	515	-
Fintitan SRL	8.954	-	2.108	-
Titan Cement U.K. Ltd	5.485	13	759	-
Usje Cementarnica AD	11.157	-	27	-
Beni Suef Cement Co.S.A.E.	621	-	479	-
Alexandria Portland Cement Co. S.A.E	3	-	3	-
Cementara Kosjeric AD	87	-	3	-
Zlatna Panega Cement AD	860	42	19	-
Titan America LLC	58	224	-	270
Essex Cement Co. LLC	11.545	46	-	-
Pozolani S.A.	-	23	136	-
Antea Cement SHA	1.700	31	95	-
Titan Global Finance PLC	-	30.839	-	699.321
Quarries of Tanagra S.A.	59	-	72	-
SharrCem Sh.P.K	194	-	2	-
Other subsidiaries	13	-	6	-
Other related parties	-	2.120	-	618
Executives and members of the Board	-	-	9	-
	72.076	**37.496**	**20.006**	**700.499**

33. Related party transactions (continued)

Year ended 31 December 2011

(all amounts in Euro thousands)

Group	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	-	2.822	-	520
Executives and members of the Board	-	-	10	-
	-	**2.822**	**10**	**520**

Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Aeolian Maritime Company	1	-	-	287
Albacem S.A.	2	-	-	7
Interbeton Construction Materials S.A.	29.393	5.026	11.640	-
Intertitan Trading International S.A.	5.647	-	-	-
Ionia S.A.	152	83	-	-
Quarries Gournon S.A.	1	-	641	-
Naftitan S.A.	18	-	-	-
Polikos Maritime Company	1	-	-	-
Titan Cement International Trading S.A.	6	-	495	-
Fintitan SRL	2.529	-	2.529	-
Titan Cement U.K. Ltd	6.859	31	1.809	11
Usje Cementarnica AD	14.881	-	1.113	-
Beni Suef Cement Co.S.A.E.	675	-	280	-
Alexandria Portland Cement Co. S.A.E	8	-	-	-
Cementara Kosjeric AD	104	-	-	-
Zlatna Panega Cement AD	224	-	20	-
Titan America LLC	157	435	-	259
Essex Cement Co. LLC	1.817	-	1.880	-
Pozolani S.A.	-	47	110	-
Antea Cement SHA	3.799	228	6.724	-
Titan Global Finance PLC	-	32.519	-	626.678
Separation Technologies U.K. Ltd	2	-	-	-
Quarries of Tanagra S.A.	1	-	1	-
Dancem APS	1.308	-	-	-
Sharr Beteiligungs GmbH	48	-	23	-
Other subsidiaries	15	-	-	-
Other related parties	-	2.822	-	520
Executives and members of the Board	-	-	10	-
	67.648	**41.191**	**27.275**	**627.762**

Key management compensation

	Group		Company	
	2012	**2011**	**2012**	**2011**
Salaries and other short-term employee benefits	3.555	4.743	3.555	4.647
Post-employment benefits	-	120	-	120
Termination benefits	-	394	-	394
Share based payments	-	357	-	357
	3.555	**5.614**	**3.555**	**5.518**

Key management includes executive committee members.

Directors

	2012	**2011**
Executive members on the Board of Directors	6	6
Non-executive members on the Board of Directors	8	8

34. Financial risk management objectives and policies

Financial Risk Factors

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

Foreign Exchange Risk

Group exposure to exchange rate risk derives primarily from existing or expected cash flows denominated in currencies other than the euro (imports / exports) and from international investments. This risk is addressed in the context of approved policies.

FX risks are managed using natural hedges and FX forwards. Borrowings are denominated in the same currency as the assets that are being financed (where feasible), therefore creating a natural hedge for investments in foreign subsidiaries whose equity is exposed to FX conversion risk. Thus, the FX risk for the equity of Group subsidiaries in the USA is partially hedged by concluding dollar-denominated loans.

Exceptions to this are Turkey, Egypt and Albania, where Group investments are in Turkish Liras, Egyptian Pounds and Albanian Lek, whereas part of the financing is in Euro and US dollar in Turkey, in Euro in Albania, and in Euro and in Yen in Egypt. This issue is re-examined at regular intervals.

Specifically, the financing in Yen in Egypt has been hedged with forward exchange contracts US dollar - Yen, that are renewed every semester and exercised by the Group's subsidiary Iapetos LTD. As of December 31, 2012, the fair value of the forward exchange contract was recorded as a liability of €1,294 thousand in the statement of financial position.

Moreover, the Group's subsidiary Titan America LLC entered into borrowings of €100 mil. in 2009 and €53.5 mil. in the first semester of 2012 from Titan Global Finance. At the same time, Titan America LLC also entered into forward foreign currency exchange contracts with three third- party financial institutions. The transactions were undertaken in order to hedge the foreign currency risk (€/$) associated with the Euro denominated borrowing. At the inception of the hedge relationships, Titan America LLC formally designated the hedges as a cash flow hedges and documented the risk management objective and strategy for undertaking the hedges. The hedges are 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 December 31, 2012, the fair value of the derivative contracts was recorded as a liability of €10,909 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 December 31, 2012 a net unrealized loss of €524 thousand and a deferred tax asset of €204 thousand was recognized.

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

34. Financial risk management objectives and policies (continued)

Sensitivity analysis in foreign exchange rate changes

(all amounts in Euro thousands)	Foreign Currency	Increase/ Decrease of Foreign Currency vs. €	Effect on Profit Before Tax	Effect on equity
Year ended 31 December 2012	USD	5%	-3.795	22.634
		-5%	3.433	-20.478
	RSD	5%	924	2.060
		-5%	-836	-1.864
	EGP	5%	3.993	37.727
		-5%	-3.613	-34.134
	GBP	5%	22	181
		-5%	-19	-164
	TRY	5%	622	2.507
		-5%	-563	-2.268
	ALL	5%	-477	2.441
		-5%	431	-2.209
Year ended 31 December 2011	USD	5%	-4.734	26.749
		-5%	4.283	-24.201
	RSD	5%	772	2.410
		-5%	-698	-2.180
	EGP	5%	6.558	44.228
		-5%	-5.934	-40.016
	GBP	5%	34	170
		-5%	-31	-153
	TRY	5%	58	979
		-5%	-52	-885
	ALL	5%	-374	1.852
		-5%	338	-1.675

Note: a) Calculation of "Effect on Profit before tax" is based on year average FX rates; calculation of "Effect on Equity" is based on year end FX rate changes b) The above sensitivity analysis is used on floating currencies and not on fixed.

Interest Rate Risk

A percentage of 37% of the total Group debt is based on fixed, pre-agreed interest rates and an additional 15% of the floating debt has been become fixed based on pre-agreed interest rate spreads. Thus, the Group receives interest based on floating rate and pays interest based on fixed rate. As a result, the impact of interest rate volatility is minor in the period profits and cash flows of the operating activities of the Group, as it is shown in the sensitivity analysis table below:

Sensitivity analysis of Group's borrowings due to interest rate changes

(all amounts in Euro thousands)		Interest rate variation	Effect on profit before tax
Year ended 31 December 2012	EUR	1,0%	-2.819
		-1,0%	2.819
	USD	1,0%	1.464
		-1,0%	-1.464
	TRY	1,0%	-54
		-1,0%	54
	BGN	1,0%	-282
		-1,0%	282
	EGP	1,0%	-638
		-1,0%	638
	ALL	1,0%	-328
		-1,0%	328
Year ended 31 December 2011	EUR	1,0%	-5.261
		-1,0%	5.261
	USD	1,0%	-2.236
		-1,0%	2.236
	TRY	1,0%	-
		-1,0%	-
	BGN	1,0%	-345
		-1,0%	345
	EGP	1,0%	-
		-1,0%	-
	ALL	1,0%	-330
		-1,0%	330

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

34. Financial risk management objectives and policies (continued)

The ratio of fixed to floating rates of the Group's net borrowings is determined by market conditions, Group strategy and financing requirements. Occasionally interest rate derivatives may also be used, but solely to ameliorate the relevant risk and to shift the ratio of fixed/floating rates, if that is considered necessary.

Specifically, Titan Cement Company S.A. borrowed €100 mil. under floating rates from Titan Global Finance in early 2011. 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 December 31, 2012, the fair value of the derivative contracts of €4,589 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 December 31, 2012 an unrealized loss of €43 thousand was recognized. As already mentioned, if the interest rate swaps included in the calculation of the fixed rate debt, the percentage of the fixed rate debt to the total Group's debt would be 52%.

In addition, Titan Cement Company S.A. has an interest rate swap amounting to €30 mil. since 2009, which is recognized as fair value hedge. As of December 31, 2012, the fair value of the derivative contracts was recorded as a liability of €1,286 thousand (31.12.2011: €1,278 thousand) in the statement of financial position. The valuation's result of €605 thousand of the above mentioned derivative was recorded as finance expense in the income statement of the year 2012.

Interest rate trends and the duration of the Group's financing needs are monitored on a forward looking basis. Consequently, decisions about the duration and the mix between fixed and floating rate debt are taken on an ad-hoc basis.

Credit Risk

The Group has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an on going basis.

When considered necessary, additional collateral is requested to secure credit. Provisions for impairment losses are made for special credit risks. At the end of the year 2012, it is deemed that there are no significant credit risks which are not already covered by insurance as a guarantee for the credit extended or by a provision for doubtful receivables.

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

As of 31 December 2012, the Group's cash and cash equivalents were held at time deposits and current accounts . Note 21 includes an analysis on cash & cash equivalents.

Liquidity risk

Liquidity is managed by employing a suitable mix of liquid cash assets and long term committed bank credit facilities. The Group monitors on a monthly basis the ratio of s un-utilized long term committed bank credit facilities and immediately available cash over short term debt. At the end of the 2012, the ratio of the Group's committed long term un-utilised facilities and cash over short term debt stood at 4.89 times.

34. Financial risk management objectives and policies (continued)

The table below summarizes the maturity profile of financial liabilities at 31 December 2012 based on contractual undiscounted payments.

(all amounts in Euro thousands)

Group	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Year ended 31 December 2012						
Borrowings (note 24)	51.531	12.500	119.880	683.758	182.858	1.050.527
Other non current liabilities (note 27)	-	-	-	25.116	-	25.116
Trade and other payables (note 28)	35.739	105.429	26.342	6.874	-	174.384
	87.270	117.929	146.222	715.748	182.858	1.250.027
Year ended 31 December 2011						
Borrowings (note 24)	143.508	64.639	18.654	855.678	67.376	1.149.855
Other non current liabilities (note 27)	-	-	-	20.563	-	20.563
Trade and other payables (note 28)	31.676	120.027	24.750	7.481	-	183.934
	175.184	184.666	43.404	883.722	67.376	1.354.352

Company	On demand	Less than 6 months	6 to 12 months	1 to 5 years	>5years	Total
Year ended 31 December 2012						
Borrowings (note 24)	24.468	-	-	823.256	-	847.724
Trade and other payables	28.573	6.075	823	-	-	35.471
	53.041	6.075	823	823.256	-	883.195
Year ended 31 December 2011						
Borrowings (note 24)	69.442	35.516	-	703.374	-	808.332
Trade and other payables (note 28)	29.655	6.444	6.211	-	-	42.310
	99.097	41.960	6.211	703.374	-	850.642

Borrowings include the floating and fixed rate outstanding principal at year end plus accrued interest up to maturity.

The amounts that are described as "on demand", they are short-term uncommitted facilities.

Capital management

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

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

Titan's policy is to maintain leverage targets in line with an investment grade profile. During 2012, the Group reduced its level of net debt by €112,1 mil.

The Group monitors capital using net debt to EBITDA ratio. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Long term borrowings (note 24)	705.227	815.095	741.950	620.360
Short term borrowings (note 24)	174.636	226.564	24.468	104.692
Debt	**879.863**	**1.041.659**	**766.418**	**725.052**
Less: cash and cash equivalents (note 21)	284.272	333.935	35.601	29.478
Net Debt	**595.591**	**707.724**	**730.817**	**695.574**
Profit before interest, taxes, depreciation and amortization (EBITDA)	**195.838**	**244.058**	**37.675**	**40.883**

35. Financial instruments

Fair value estimation

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. When interest rate swaps are used, their fair value is calculated as the present value of the estimated future cash flows.

In assessing the fair value of non-traded derivatives and other financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long-term debt. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments.

The face value less any estimated credit adjustment for financial assets and liabilities with a maturity of less than one year is assumed to approximate its fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments, that are carried in the financial statements:

	Group				Company			
(all amounts in Euro thousands)	**Carrying amount**		**Fair value**		**Carrying amount**		**Fair value**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Financial assets								
Available for-sale financial assets (note 16)	1.940	2.206	1.940	2.206	169	169	169	169
Other non current receivables (note 17)	12.572	10.555	12.572	10.555	2.690	2.710	2.690	2.710
Receivables and prepayments (note 20)	199.180	224.960	199.180	224.960	57.299	63.869	57.299	63.869
Cash and cash equivalents (note 21)	284.272	333.935	284.272	333.935	35.601	29.478	35.601	29.478
Derivative financial instruments	-	772	-	772	-	-	-	-
Financial liabilities								
Long term borrowings (note 24)	705.227	815.095	705.227	815.095	741.950	620.360	741.950	620.360
Short term Borrowings (note 24)	174.636	226.564	174.636	226.564	24.468	104.692	24.468	104.692
Other non current liabilities (note 27)	30.632	26.590	30.632	26.590	5.043	6.399	5.043	6.399
Trade and other payables (note 28)	207.009	220.086	207.009	220.086	42.586	47.017	42.586	47.017
Derivative financial instruments	18.078	17.826	18.078	17.826	5.875	5.824	5.875	5.824

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

35. Financial instruments (continued)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

As at December 31, 2012, the Group and the Company held the following financial instruments measured at fair value:

	Group		Company		Fair value hierarchy
(all amounts in Euro thousands)	Fair value		Fair value		
	2012	2011	2012	2011	
Financial assets					
Available for-sale financial assets	1.940	2.206	-	-	Level 2
Derivative financial instruments	-	772	-	-	Level 2
Financial liabilities					
Other non current liabilities	21.058	14.250	-	-	Level 3
Derivative financial instruments	18.078	17.826	5.875	5.824	Level 2

Commitments to buy and sell foreign currencies:

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

Group		Foreign Amount		Average Rate	
(all amounts in local currency thousands)		2012	2011	2012	2011
Japanese Yen (Bought)	USD/JPY	1.700.000	3.900.000	79,25	78,87
US Dollars (Sold)	EUR/USD	216.177	146.177	1,4195	1,4618
Japanese Yen (Sold)	USD/JPY	-	2.200.000	-	77,44

Commitments to swap interest rates:

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

Company	Amount		Average interest rate	
(all amounts in Euro thousands)	2012	2011	2012	2011
Fixed rate (sale)	130.000	130.000	2,41%	2,41%

36. Fiscal years unaudited by the tax authorities

Company	Years	Company	Years
[(1)] Titan Cement Company S.A	2010-2012	[(2)] Fintitan SRL	-
[(2)] Aeolian Maritime Company	-	Cementi Crotone S.R.L.	2009-2012
[(1)] Albacem S.A.	2006-2012	Cementi ANTEA SRL	2010-2012
[(1)] Arktias S.A.	2010-2012	Colombus Properties B.V.	2010-2012
[(1)] Dodekanesos Quarries S.A.	2010-2012	Holtitan BV	2010-2012
[(1)] Interbeton Construction Materials S.A.	2005-2012	Aeas Netherlands B.V.	2010-2012
[(1)] Intertitan Trading International S.A.	2007-2012	[(2)] Titan Cement U.K. Ltd	-
[(1)] Leecem S.A.	2010-2012	[(2)] Separation Technologies U.K. Ltd	-
[(1)] Pozolani S.A.	2010-2012	[(6)] Titan America LLC	2008-2012
[(1)] Porfirion S.A.	2010-2012	Separation Technologies Canada Ltd	2010-2012
[(1)] Vahou Quarries S.A.	2010-2012	Stari Silo Copmany DOO	2008-2012
[(1)] Quarries Gournon S.A.	2010-2012	Cementara Kosjeric AD	2006-2012
[(1)] Quarries of Tagaradon Community S.A.	2010-2012	Adocim Cimento Beton Sanayi ve Ticaret A.S.	2006-2012
[(1)] Quarries of Tanagra S.A.	2010-2012	TCK Montenegro DOO	2007-2012
[(1)] Aitolika Quarries S.A.	2011-2012	Double W & Co OOD	2007-2012
[(1)] Sigma Beton S.A.	2010-2012	Granitoid AD	2007-2012
[(1)] Titan Atlantic Cement Industrial and Commercial S.A.	2010-2012	Gravel & Sand PIT AD	2007-2012
[(1)] Titan Cement International Trading S.A.	2007-2012	Zlatna Panega Beton EOOD	2007-2012
Aemos Cement Ltd	2006-2012	Zlatna Panega Cement AD	2010-2012
[(3)] Alvacim Ltd	2006-2012	Cement Plus LTD	2011-2012
[(4)] Balkcem Ltd	2006-2012	Rudmark DOOEL	2006-2012
Iapetos Ltd	2006-2012	Usje Cementarnica AD	2009-2012
[(5)] Rea Cement Ltd	2006-2012	Titan Cement Netherlands BV	2010-2012
Themis Holdings Ltd	2006-2012	Alba Cemento Italia, SHPK	2010-2012
[(4)] Tithys Ltd	2006-2012	Antea Cement SHA	2010-2012
Feronia Holding Ltd	2006-2012	Sharr Beteiligungs GmbH	2006-2012
Vesa DOOL	2006-2012	Kosovo Construction Materials L.L.C.	2010-2012
Trojan Cem EOOD	2010-2012	SharrCem Sh.P.K	2011-2012
Dancem APS	2009-2012	[(2)] Alexandria Development Co.Ltd	-
Titan Global Finance PLC	2008-2012	Alexandria Portland Cement Co. S.A.E	2007-2012
Geospan Dooel	2010-2012	GAEA Green Alternative Energy Assets Ltd	2006-2012
Terret Enterprises Ltd	2009-2012	Beni Suef Cement Co.S.A.E.	2007-2012
Salentijn Properties1 B.V.	2010-2012	East Cement Trade Ltd	2006-2012
Titan Cement Cyprus Limited	2006-2012	Titan Beton & Aggregate Egypt LLC	2007-2012
KOCEM Limited	2006-2012	[(2)] Titan Egyptian Inv. Ltd	-
ECO Conception EOOD	2011-2012	Misrieen Titan Trade & Distribution	-
KTIMET Quarries S.A.	2010-2012		

(1) For the fiscal year of 2011 the above companies have been tax audited by their Certified Auditors Accountants, according to the terms of article 82, par. 5 of the Law 2238/1994.

(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 14).

37. Reclassifications/restatements

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

In the income statement of the Group for the year ended 31.12.2011, the account of "share in loss of associates" with the amount of €1,391 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". Additionally, the amount of €1,462 thousand was transferred from the account "other income" to the account "other expenses".

In the income statement of the Company for the year ended 31.12.2011, the amount of €93 thousand was transferred from the account "other income" to the account "other expenses".

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 statement of financial position as at 31.12.2012.

38. Events after the reporting period

According to the new tax law 4110/2013, the tax rate of the Societies Anonymes in Greece has change from 20% to 26%, for the fiscal years beginning 1st of January 2013.

It is estimated that such change in the tax rate would increase the deferred tax liability by €6.1 mil. for the Group and €5.0 for the Company.

There are no other subsequent events to December 31, 2012 which would materially influence the Group's and the Company's financial position.

REPORT

Regarding Company transactions with affiliated companies,
in accordance to article 2, par. 4 of Codified Law 3016/2002, for 2012

During 2012, Company's transactions with the previously mentioned companies are as listed below:

I. INFLOWS
(all amounts in Euro)

A. Sales	**1/1 - 31/12/2012**
1. Cement sales	
INTERBETON CONSTRUCTION MATERIALS S.A.	16.435.413,15
TRANSBETON S.A.	236.142,00
INTERTITAN S.A.	6.046.936,00
FINTITAN SRL	8.953.889,00
ANTEA CEMENT SHA	259.845,78
TITAN CEMENT U.K. LTD	5.471.316,14
ESSEX CEMENT CO LLC	11.482.711,12
CEMENTARNICA USJE A.D.	707.643,46
CEMENTARA KOSJERIC A.D.	63.053,22
	49.656.949,87
2. Aggragates sales	
INTERBETON CONSTRUCTION MATERIALS S.A.	2.149.535,45
	2.149.535,45
3. Solid Fuels sales	
CEMENTARNICA USJE AD	10.399.086,44
ZLATNA PANEGA CEMENT A.D.	830.732,21
	11.229.818,65
4. Fixed assetes sales	
INTERBETON CONSTRUCTION MATERIALS S.A.	6.119.389,81
QUARRIES GOURNON S.A.	200,00
QUARRIES TANAGRAS S.A.	55.580,00
SHARRCEM SH.P.K	49.000,00
CEMENTARNICA USJE A.D.	48.000,00
CEMENTARA KOSJERIC A.D.	12.000,00
ANTEA CEMENT SHA	900,00
	6.285.069,81
5. Spare parts sales	
ALEXANDRIA PORTLAND CEMENT Co	3.452,72
SHARRCEM SH.P.K	101.487,21
ZLATNA PANEGA CEMENT A.D.	2.850,00
ANTEA CEMENT SHA	16.752,60
CEMENTARA KOSJERIC A.D.	12.129,19
CEMENTARNICA USJE AD	427,68
	137.099,40
TOTAL A.	**69.458.473,18**

B. Services

1. Provision of computerization and IT services	
INTERTITAN S.A.	1.200,00
ALBACEM SHA	1.200,00
QUARRIES GOURNON S.A.	1.000,00
LEESEM S.A.	1.200,00
PORFYRION S.A.	1.200,00
VAHOU QUARRIES S.A.	1.200,00
AITOLIKA QUARRIES S.A.	1.200,00
ARKTIAS S.A.	1.200,00
TITAN CEMENT ATLANTIC S.A.	1.200,00
TITAN INTERNATIONAL TRADING S.A.	5.025,00
DODEKANESOS QUARRIES S.A.	1.200,00
TRANSBETON S.A.	1.953,54
INTERBETON CONSTRUCTION MATERIALS S.A.	193.970,00
	212.748,54

I. INFLOWS (continued)
(all amounts in Euro)

2. Other income from services

	1/1 - 31/12/2012
BENI SUEF CEMENT CO.	620.973,48
TITAN AMERICA LLC	58.283,09
ESSEX CEMENT CO LLC	61.887,79
TITAN CEMENT U.K. LTD	13.491,73
ALBACEM SHA	1.200,00
INTERTITAN S.A.	1.200,00
INTERBETON CONSTRUCTION MATERIALS S.A.	110.932,17
AEOLIAN M.C.	229,64
TITAN INTERNATIONAL TRADING S.A.	1.200,00
TITAN CEMENT ATLANTIC S.A.	1.200,00
QUARRIES GOURNON S.A.	218,53
QUARRIES TANAGRAS S.A.	3.028,86
CEMENTARNICA USJE AD	2.079,77
ANTEA CEMENT SHA	1.421.508,27
SHARRCEM SH.P.K	43.107,88
	2.340.541,21
TOTAL B.	**2.553.289,75**

C. Rents and leases

INTERBETON CONSTRUCTION MATERIALS S.A.	30.826,73
AEOLIAN M.C.	609,44
INTERTITAN S.A.	609,44
ALBACEM SHA	609,44
LEESEM S.A.	609,44
PORFYRION S.A.	609,44
VAHOU QUARRIES S.A.	609,44
ARKTIAS S.A.	609,44
AITOLIKA QUARRIES S.A.	600,00
TITAN CEMENT ATLANTIC S.A.	609,44
TITAN INTERNATIONAL TRADING S.A.	607,08
ZLATNA PANEGA CEMENT A.D.	26.774,00
ANTEA CEMENT SHA	1.350,00
	65.033,33
TOTAL C.	**65.033,33**
	72.076.796,26

II. OUTFLOWS

A. Purchases

1. Aggregates purchases

	1/1 - 31/12/2012
POZOLANES S.A.	23.479,78
INTERBETON CONSTRUCTION MATERIALS S.A.	2.849.685,83
	2.873.165,61

2. Ready-mix concrete purchases

INTERBETON CONSTRUCTION MATERIALS S.A.	78.386,41
	78.386,41

3. Spare parts, consumables and packaging materials purchased

ANTEA CEMENT SHA	30.530,50
ZLATNA PANEGA CEMENT A.D.	41.928,16
	72.458,66
TOTAL A.	**3.024.010,68**

II. OUTFLOWS (continued)

(all amounts in Euro)

B. Services	**1/1 - 31/12/2012**
1. Rents and leases	
INTERBETON CONSTRUCTION MATERIALS S.A.	34.826,22
	34.826,22
2. Various payments from services	
TITAN GLOBAL FINANCE PLC	30.838.766,55
INTERBETON CONSTRUCTION MATERIALS S.A.	1.195.552,93
ESSEX CEMENT CO LLC	46.303,95
TITAN CEMENT U.K. LTD	12.779,64
TITAN AMERICA LLC	223.679,56
	32.317.082,63
TOTAL B.	**32.351.908,85**
	35.375.919,53

III. BALANCES

The balances on 31.12.2012 are as follow:

	DEBIT BALANCE	**CREDIT BALANCE**
CEMENTARNICA USJE AD	27.222,78	
FINTITAN SRL	2.107.998,00	
INTERTITAN S.A.	395.960,00	
ANTEA CEMENT SHA	94.893,01	
INTERBETON CONSTRUCTION MATERIALS S.A.	14.674.436,22	
TRANSBETON S.A.	60.988,86	
TITAN CEMENT U.K. LTD	759.289,30	
QUARRIES GOURNON S.A.	642.389,65	
QUARRIES TANAGRAS S.A.	71.990,50	
POZOLANES S.A.	135.726,56	
ESSEX CEMENT CO LLC	0,00	
TITAN INTERNATIONAL TRADING S.A.	515.000,00	
CEMENTARA KOSJERIC A.D.	3.475,08	
ALBACEM SHA		6.720,00
BENI SUEF CEMENT CO.	479.164,39	
DODEKANESOS QUARRIES S.A.	369,00	
ALEXANDRIA PORTLAND CEMENT Co	3.459,60	
ARKTIAS S.A.	526,84	
ZLATNA PANEGA CEMENT A.D.	18.782,20	
VAHOU QUARRIES S.A.	526,84	
TITAN GLOBAL FINANCE PLC		699.320.544,79
AEOLIAN M.C.		282.508,16
AITOLIKA QUARRIES S.A.	2.097,60	
LEESEM S.A.	526,84	
SHARRCEM SH.P.K	1.789,30	
TITAN AMERICA LLC		269.695,54
	19.996.612,57	**699.879.468,49**

Information According to Article 10 of Law 3401/2005

The following Announcements/Notifications have been sent to the Daily Official List Announcements and are posted to the Athens Exchange website as well as to our Company's website www.titan-cement.com.

Date	Announcement
9/1/2012	Trading in the Athens Exchange of new shares after share capital increase due to exercise of stock option rights
12/1/2012	Announcement pursuant to Law 3556/2007
1/3/2012	Financial Calendar 2012
1/3/2012	Annual results 2011
25/4/2012	Amendment of Financial Calendar
27/4/2012	Announcement of "EDYVEM" for the increase of voting rights upto 5%
27/4/2012	Announcement pursuant to Law 3556/2007
3/5/2012	Q1 2012 Financial Results
8/5/2012	Invitation to the Annual General Meeting of Shareholders on the 8th of June 2012
15/5/2012	Sale of treasury share
18/5/2012	Announcement pursuant to Law 3556/2007
25/5/2012	Announcement pursuant to Law 3556/2007
28/5/2012	Announcement pursuant to Law 3556/2007
28/5/2012	Announcement pursuant to Law 3556/2007
29/5/2012	Announcement pursuant to Law 3556/2007
29/5/2012	Announcement pursuant to Law 3556/2007
30/5/2012	Announcement pursuant to Law 3556/2007
31/5/2012	Announcement pursuant to Law 3556/2007
1/6/2012	Announcement pursuant to Law 3556/2007
1/6/2012	Announcement pursuant to Law 3556/2007
11/6/2012	Buy back of own shares
11/6/2012	Notice of Decisions taken by the Annual General Meeting of Shareholders on 8th of June 2012
26/6/2012	Sale of Minority stake in TITAN's operations in the Western Balkans
13/8/2012	Announcement of 'CAPITAL RESEARCH AND MANAGEMENT CO." for the decrease of voting rights down 5%
29/8/2012	H1 2012 Financial Results
14/9/2012	Announcement pursuant to Law 3556/2007
19/9/2012	Announcement pursuant to Law 3556/2007
24/9/2012	Announcement pursuant to Law 3556/2007
4/10/2012	Announcement for the changes of percentage in voting rights
4/10/2012	Announcement pursuant to Law 3556/2007
5/10/2012	Announcement pursuant to Law 3556/2007
9/10/2012	Announcement pursuant to Law 3556/2007
11/10/2012	Announcement pursuant to Law 3556/2007
12/10/2012	Announcement pursuant to Law 3556/2007
16/10/2012	Announcement pursuant to Law 3556/2007
17/10/2012	Announcement pursuant to Law 3556/2007
18/10/2012	Announcement pursuant to Law 3556/2007
18/10/2012	Announcement pursuant to Law 3556/2007
19/10/2012	Announcement pursuant to Law 3556/2007
22/10/2012	Announcement pursuant to Law 3556/2007
5/11/2012	Announcement pursuant to Law 3556/2007
12/11/2012	9M 2012 Financial Results Announcement
13/11/2012	Announcement pursuant to Law 3556/2007
14/11/2012	Announcement pursuant to Law 3556/2007
15/11/2012	Announcement pursuant to Law 3556/2007
19/11/2012	Announcement pursuant to Law 3556/2007
22/11/2012	Announcement pursuant to Law 3556/2007
3/12/2012	Titan Global Finance exchange offer to holders of its Euro 200,000,000 guaranteed notes due July 2013
4/12/2012	Announcement pursuant to Law 3556/2007
4/12/2012	Announcement pursuant to Law 3556/2007
5/12/2012	Announcement pursuant to Law 3556/2007
5/12/2012	Announcement pursuant to Law 3556/2007
13/12/2012	Announcement pursuant to Law 3556/2007
17/12/2012	Announcement of the aggregate exchange acceptance and issue amount of new 200,000,000 euro guaranteed notes issued by TITAN GLOBAL FINANCE PLC due January 2017
18/12/2012	Announcement pursuant to Law 3556/2007
19/12/2012	Announcement pursuant to Law 3556/2007
21/12/2012	Announcement pursuant to Law 3556/2007
24/12/2012	Announcement pursuant to Law 3556/2007
24/12/2012	Announcement pursuant to Law 3556/2007
28/12/2012	Announcement pursuant to Law 3556/2007

The annual financial statements, the auditors reports and the Board of Directors reports of the company included in the consolidated financial statement are available on the Company's website titan-cement.com

TITAN CEMENT COMPANY S.A.

Company's Number in the General Electronic Commercial Registry : 224301000
(former Company's Number in the Register of Societes Anonymes: 6013/06/B/86/90)
22A Halkidos Street - 111 43 Athens

SUMMARY FINANCIAL RESULTS for the year ended 31 December 2012

(in terms of article 135 of Law 2190, for companies publishing annual financial statements in accordance with IAS/IFRS)

The figures illustrated below provide summary information about the financial position of Titan Cement S.A. and its subsidiaries. We advise the reader who seeks a complete picture of the financial position to visit the Company's web site, where the full year financial statements according to International Financial Reporting Standards together with the auditor's report, are presented.

Supervising Authority:	Ministry of Development and Competitiveness (Department for limited companies)
Company's web address:	www.titan-cement.com
Board of Directors:	Andreas Canellopoulos - Chairman, Efstratios-Georgios (Takis) Arapoglou*-Deputy Chairman, Dimitrios Papalexopoulos-Managing Director, Nellos Canellopoulos, Takis-Panagiotis Canellopoulos, George David*, Basilios Fourlis*, Peter Sabatakakis*, Panagiotis Marinopoulos*, Alexandra Papalexopoulou-Benopoulou, Michael Sigalas, Spyridon Theodoropoulos*, Eftihios Vasilakis*, Efthimios Vidalis. *Independent non-executive directors
Date of approval of the Financial Statements :	4 March 2013
Name of the auditor:	Chris Pelendridis (SOEL R.N. 17831)
Auditing firm:	Ernst & Young (HELLAS) Certified Auditors Accountants SA
Report of the Auditors:	Without qualification

CONDENSED STATEMENT OF FINANCIAL POSITION
(Amounts in € thousand)

	GROUP		COMPANY	
ASSETS	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Tangible assets	1.759.036	1.887.488	237.672	251.111
Investment properties	8.546	9.804	11.959	11.312
Intangible assets	527.498	546.111	1.099	1.112
Other non current assets	19.682	23.109	1.216.163	1.185.672
Inventories	233.765	242.765	69.080	68.761
Trade receivables	127.488	117.635	30.658	25.928
Other current assets	71.755	108.160	26.702	38.002
Cash and cash equivalents	284.272	333.935	35.601	29.478
TOTAL ASSETS	3.032.042	3.269.007	1.628.934	1.611.376
SHAREHOLDERS EQUITY AND LIABILITIES				
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 stock options	2.891	1.358	2.891	1.358
Treasury Shares	-89.446	-89.446	-89.446	-89.446
Retained earnings and other reserves	1.259.662	1.284.198	501.862	516.162
Total share capital and reserves (a)	1.534.463	1.557.466	776.663	789.430
Non-controlling interests (b)	125.478	142.982	-	-
Total Equity (c)=(a)+(b)	1.659.941	1.700.448	776.663	789.430
Long-term borrowings	705.227	815.095	741.950	620.360
Provisions and other long-term liabilities	270.427	282.553	41.925	48.213
Short-term borrowings	174.636	226.564	24.468	104.692
Other short-term liabilities	221.811	244.347	43.928	48.681
Total liabilities (d)	1.372.101	1.568.559	852.271	821.946
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)	3.032.042	3.269.007	1.628.934	1.611.376

CONDENSED INCOME STATEMENT
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2012	**1/1-31/12/2011**	**1/1-31/12/2012**	**1/1-31/12/2011**
Revenue	1.130.660	1.091.404	221.215	217.231
Cost of sales	-830.947	-748.654	-163.866	-139.349
Gross profit before depreciation and amortization	299.713	342.750	57.349	77.882
Other operating income/(expense)	8.770	22.919	11.993	-4.272
Administrative expenses	-93.026	-100.504	-31.281	-32.109
Selling and marketing expenses	-19.619	-21.107	-386	-618
Profit before interest, taxes and depreciation and amortization	195.838	244.058	37.675	40.883
Depreciation, amortization and impairment of tangibles/ intangibles assets	-130.730	-138.640	-13.968	-12.969
Profit before interest and taxes	65.108	105.418	23.707	27.914
Income from participations & investments	-	-	-	3.495
Finance costs	-65.569	-66.288	-40.475	-43.065
Share on loss of associates	-841	-1.391	-	-
(Loss)/profit before taxes	-1.302	37.739	-16.768	-11.656
Less: Income tax expense	-17.526	-16.059	1.216	-1.622
(Loss)/profit after taxes (a)	-18.828	21.680	-15.552	-13.278
Attributable to:				
Equity holders of the parent	-24.516	11.011	-15.552	-13.278
Non-controlling interests	5.688	10.669	-	-
Basic (losses)/earnings per share (in €)	-0,30075	0,13514	-0,19079	-0,16296
Diluted (losses)/earnings per share (in €)	-0,29824	0,13442	-0,18919	-0,16209

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2012	**1/1-31/12/2011**	**1/1-31/12/2012**	**1/1-31/12/2011**
(Loss)/profit after taxes (a)	-18.828	21.680	-15.552	-13.278
Other comprehensive (loss)/income:				
Exchange differences on translation of foreign operations	-29.390	-3.468	-	-
Cash flow hedges	-567	-3.023	-43	-4.545
Net losses on financial assets available for sale	-225	-112	-	-
Revaluation of land and buildings	873	1.639	873	1.639
Actuarial (losses)/gains on defined benefit plans	-43	8.141	746	8.231
Income tax relating to components of other comprehensive income	266	-2.232	-324	-1.974
Other comprehensive (loss)/income net of tax (b)	-29.086	945	1.252	3.351
Total comprehensive (loss)/income net of tax (a)+(b)	-47.914	22.625	-14.300	-9.927
Total comprehensive (loss)/income attributable to:				
Shareholders	-50.615	13.108	-14.300	-9.927
Non-controlling interests	2.701	9.517	-	-

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

	GROUP		COMPANY	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Equity balance at beginning of the year (1/1/2012 and 1/1/2011 respectively)	1.700.448	1.710.824	789.430	812.962
Total comprehensive (loss)/income	-47.914	22.625	-14.300	-9.927
Share Capital increase due to share options	-	75	-	75
Share based payment transactions	1.533	1.303	1.533	1.303
Treasury shares sold	-	248	-	248
Dividends distributed to shareholders	-	-15.231	-	-15.231
Dividends distributed to non-controlling interests	-19.115	-9.758	-	-
Non-controlling interest's put option recognition	-6.807	6.884	-	-
Equity increase arising on business combination	-	42	-	-
Non-controlling interest participation to share capital increase in subsidiary	8.800	-	-	-
Proceeds from partial disposal of subsidiary	50.000	-	-	-
Deferred tax adjustment due to change in income tax rates	-	-16.564	-	-
Acquisition of non-controlling interests	-27.004	-	-	-
Equity balance at year end (31/12/2012 and 31/12/2011 respectively)	1.659.941	1.700.448	776.663	789.430

CASH FLOW STATEMENT
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2012	**1/1-31/12/2011**	**1/1-31/12/2012**	**1/1-31/12/2011**
Cash flows from operating activities				
(Loss)/profit before taxes	-1.302	37.739	-16.768	-11.656
Adjustments for:				
Depreciation	124.683	119.930	13.654	11.825
Impairment of tangible and intangible assets	6.047	18.710	314	1.144
Provisions	-1.377	8.263	-3.379	3.258
Exchange differences	621	11.918	-2.782	-828
Income from participations & investments	-	-	-	-3.495
Provision for impairment of investments (participations)	-	-	-	5.062
Interest expense	60.523	53.418	40.712	39.646
Other non cash items	2.556	-27.572	4.145	2.623
Operating profit before changes in working capital	191.751	222.406	35.896	47.579
Decrease/(increase)in inventories	3.467	9.883	-256	12.211
Decrease in trade and other receivables	16.370	14.863	2.178	3.662
(Increase)/decrease in operating long-term receivables/payables	-3.960	1.780	-931	1.166
(Decrease)/increase in trade & other payables (excluding banks)	-21.224	-8.384	1.813	-18.728
Cash generated from operations	186.404	240.548	38.700	45.890
Income tax paid	-21.374	-36.988	-2.711	-18.670
Net cash flows from operating activities (a)	165.030	203.560	35.989	27.220
Cash flows from investing activities				
Purchase of tangible assets	-44.761	-56.150	-5.669	-6.314
Purchase of intangible assets	-6.208	-1.917	-1.717	-139
Proceeds from the sale of property, plant and equipment	28.637	15.484	6.439	286
Proceeds from dividends	39	7	-	269
Acquisition or share capital increase of subsidiaries, net of cash	-19.104	-111	-30.511	-6.139
Purchase/(disposal) of available-for-sale financial assets	37	-44	-	-1
Interest received	4.235	4.355	950	204
Net cash flows used in investing activities (b)	-37.125	-38.376	-30.508	-11.834
Net cash flows after investing activities (a)+(b)	**127.905**	**165.184**	**5.481**	**15.386**
Cash flows from financing activities				
Share capital increase	-	75	-	75
Proceeds from partial disposal of subsidiary's ownership	50.000	-	-	-
Proceeds from non-controlling interest's participation in subsidiaries' share capital increase	8.800	-	-	-
Treasury shares sold	-	248	-	248
Proceeds from government grants	8	88	8	88
Interest paid	-73.351	-54.918	-38.180	-37.898
Dividends paid to shareholders	-31	-15.270	-31	-15.270
Dividends paid to non-controlling interests	-19.115	-9.665	-	-
Proceeds from borrowings	788.746	628.301	214.449	156.984
Payments of borrowings	-936.978	-446.923	-175.635	-93.078
Net cash flows (used in)/from financing activities (c)	-181.921	101.936	611	11.149
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)	**-54.016**	**267.120**	**6.092**	**26.535**
Cash and cash equivalents at beginning of the year	333.935	67.070	29.478	2.943
Effects of exchange rate changes	4.353	-255	31	-
Cash and cash equivalents at end of the year	**284.272**	**333.935**	**35.601**	**29.478**

NOTES

1. The total number of its own shares that the Company holds as at 31.12.2012 is 3,117,616 of aggregate value €89,446 thousand and they have been deducted from the Shareholders Equity of the Group and the Company.

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

3. Number of employees at the end of the reporting period: Group 5,423 (2011: 5,517), Company 790 (2011: 805).

4. Capital expenditure excluding acquisitions and intangible assets for the fiscal year of 2012 amounted to: Group €44.7 m (31.12.2011 €55.3m), Parent Company €5.6 m (31.12.2011 €6.3 m).

5. Transactions during the fiscal year 2012 and balances as of 31 December 2012 with related parties, as defined in IAS 24, are as follows:

Amounts in € thousand	Group	Company
a) Income	-	72.076
b) Expenses	2.120	37.496
c) Receivables	-	19.997
d) Payables	618	700.499
e) Key management compensations	3.555	3.555
f) Receivables from key management	9	9

6. Companies included in the consolidated financial statements of fiscal year 2012 are presented in the note 14 of the Group's annual financial statements including locations, percentage Group ownership and consolidation method.

7. The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiaries are presented in detail in the note 36 of the annual financial statements. There are no material provisions accounted for the unaudited by the tax authorities fiscal years as well as for litigation issues both for the Group and the Company.

8. The balance of other provisions (short and long term) as of 31.12.2012 amounted to €18.9 m for the Group (31.12.2011 €18.6 m.) and €3.1 m for the Company (31.12.2011 €3.2 m.).

9. In 2011 and, to a lesser extent, in 2012, monetization of surplus carbon dioxide emissions allowances has affected the cost of sales and consequently contributed to the operating results mentioned above for the Group and the Company.

10. On 21.3.2012 the Group exercised the call option for acquiring the non controlling interest of Terret Enterprises Ltd.

11. 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 11.5% in the Group's operations in the above countries.

12. The consolidated financial statements of December 31, 2012 include for the first time the newly established company Green Alternative Energy Assets EAD (consolidated as of June 30th, 2012) and the acquired company KTIMET S.A. (consolidated from December 11th, 2012) using the full consolidation method.

13. Certain prior year amounts have been reclassified for presentation purposes with no impact on the prior year equity, turnover and earnings after tax of the Group and the Company (note 37 of annual financial statements).

14. (Losses)/earnings per share have been calculated on the total weighted average number of common and preference shares, excluding the average number of treasury shares.

15. The Board of Directors will propose to the Annual General Meeting of Shareholders, the non distribution of dividends.

Athens 4 March 2013

Chairman of the Board of Directors	**Managing Director**	**Chief Financial Officer**	**Finance Director Greece**	**Financial Consolidation Senior Manager**
ANDREAS L. CANELLOPOULOS	DIMITRIOS TH. PAPALEXOPOULOS	VASSILIOS S. ZARKALIS	GRIGORIOS D. DIKAIOS	ATHANASIOS S. DANAS
I.D.No AB500997	I.D.No AK031353	I.D No AE514943	I.D No AB291692	I.D.No AB006812
			A.M. Αδείας Ο.Ε.Ε. A/64870	A.M. Αδείας Ο.Ε.Ε. A/15068