TITAN GLOBAL FINANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2017

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COMPANY INFORMATION

Board of Directors:	CR Field KV Fittler N Andreadis (appointed on 15 September 2017) G Kyrtatos (resigned on 15 September 2017) LH Wilt Jr
Company Secretary:	Rollits Company Secretaries Limited
Independent Auditors:	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL
Registered office:	No. 12 Shed King George Dock Hull HU9 5PR
Registration number:	06199510

STRATEGIC REPORT
for the year ended 31 December 2017

The directors present their Strategic report for the year ended 31 December 2017.

Business review

During the course of 2017, the Company continued to carry out its operations as the Group's funding vehicle, drawing from bank facilities and the capital markets and extending finance to other Group companies, i.e. fellow group undertakings of Titan Cement Company S.A. and its subsidiary undertakings. At the same time, the Company has extended finance to Group companies using funds sourced from both the Company's own cash reserves and from other Group subsidiaries with excess cash balances.

The Company borrows and extends finance at arm's length, charging at least an additional five basis points margin on bank credit facilities, fixed interest rate loans and bonds (and a five per cent mark-up on other costs) so as to cover overhead costs and maintain the profitability commitment the Company has agreed with Her Majesty's Revenue and Customs (HMRC).

On 19 January 2017, the Company repaid at the maturity €87,938,000 of the outstanding 8.75% notes, guaranteed by Titan Cement Company S.A., the Company's immediate parent undertaking.

On 10 April 2017, the Company signed a new €300,000,000 multi-currency revolving credit facility with a syndicate of Greek and international banks guaranteed by Titan Cement Company S.A. The facility matures in January 2022 and it will be used for refinancing credit facilities and financing general corporate purposes.

On 16 November 2017, the Company issued €250,000,000 of Guaranteed Notes that are due to mature in November 2024, with a coupon of 2.375% per annum, guaranteed by Titan Cement Company S.A. The notes are traded on the Global Exchange Market (GEM), the exchange –regulated market of the Irish Stock Exchange.

Simultaneously, the Company launched a Tender Offer for its €287,170,000 4.25% Guaranteed Notes due July 2019, where a principal amount of €126,557,000 of the Notes was successfully and validly tendered and accepted for the purchase price of €134,213,698. The expense from this Tender Offer in the total amount of €7,656,698 is recognized in the Statement of comprehensive income, see Note 7.

As at 31 December 2017, the Company had committed undrawn bank facilities of €300,000,000 (2016: €300,000,000).

The total comprehensive income for the year amounted to €1,597,814 (2016: €1,377,000).

Key performance indicators and financial risk management

The Company is focused on maintaining adequate liquidity to ensure that debt that falls due can always be met with available cash or un-utilized bank facilities.

The Board of Directors therefore monitors the liquidity ratio, which is defined as the ratio of un-utilised long term committed third party facilities (excluding facilities granted by members of Titan Group) and cash over short term third party debt (excluding borrowings from members of Titan Group) plus accrued interest associated with the short term borrowings. As at 31 December 2017, the Company had no short term third party debt.

The Board of Directors also monitors the Company's profit before tax to ensure the Company is compliant with the HMRC Advance Thin Capitalization Agreement. The Board is satisfied that the HMRC Advance Thin Capitalization Agreement requirements have been met during 2017.

The nature of the Company's business means that it is essential to have available external funds to be able to provide funding to relevant subsidiaries as required. External funding is usually guaranteed by Titan Cement Company S.A., the Company's immediate and ultimate parent undertaking.

Principal risks and uncertainties and exposure to financial risks

The principal risks of the Company are those relating to financial instruments including credit risk, liquidity risk, foreign exchange risk and interest risk. Please see note 3 to the financial statements for further information.

Future developments

The directors aim to improve already strong management policies which have resulted in this year's stability and profits.

The Company's operations are aligned with the Group's strategic priorities with respect to optimization of funding and cash management needs. As the Group's funding vehicle, the Company is reliant on its parent for support through the guarantees the latter provides to secure the Company's external financing. The Group will continue to focus on producing positive free cash flow and cost reduction so as to ensure sustainability in business operations and in growth.

As at the date of approval of these financial statements,

•the €200,000,000 8.75% Guaranteed Notes have been fully repaid.
•the €287,170,000 4.25% Guaranteed Notes have been partially repaid by €126,557,000 with remaining outstanding of €160,613,000
•€100,000,000 Additional Guaranteed Notes issued in January 2018 in connection with the re-opening of the November 2017 issue, resulting to a total of €350,000,000 2.375% Guaranteed Notes due November 2024.

This report was approved by the board on 27 March 2018 and signed on its behalf by:

LH Wilt Jr
Director

Nikolaos Andreadis
Director

DIRECTORS' REPORT
for the year ended 31 December 2017

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2017.

Review of current position, future developments and performance of the Company's business
The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Financial risk management
The financial risk management disclosure can be found in note 3 of the financial statements and in the Strategic report.

Going concern basis
Any potential turmoil of the financial markets is not expected to significantly impact the Company during the next 12 months as the Company retains sufficient cash and committed un-utilised credit facilities to ensure it has sufficient available funds to cover its operating and funding needs. In considering going concern, the directors have also considered the Company's continued compliance with necessary debt covenants to existing lenders over the foreseeable future.

The Board of Directors is confident that the Company has adequate available resources, supported where necessary by its parent and fellow group undertakings to ensure continued operations as a going concern for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and Dividends
The Company's results for the year are set out on page 11. The net profit for the year attributable to the shareholders of the Company amounted to €1,598 thousand (2016: €1,377 thousand). On 31 December 2017 the total assets of the Company were €728,523 thousand (2016: €751,245 thousand) and the net assets of the Company were €16,680 thousand (2016: €15,082 thousand).

The directors do not recommend the payment of a dividend for the year (2016: €Nil)

Share capital
There were no changes in the share capital of the Company during the year under review.

Board of Directors
The directors of the company who were in office during the year and up to the date of signing the financial statements are presented on page 1.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Disclosure of information to auditors
Each of the persons who is a director at the date of approval of this report confirms that:
(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
(2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS' REPORT
for the year ended 31 December 2017

Independent Auditors
During the year, PricewaterhouseCoopers LLP, continued in office as the Company's auditors and will be deemed to be reappointed in accordance with Section 487 of the Companies Act 2006.

This report was approved by the board on 27 March 2018 and signed on its behalf by:

.... LH Wilt Jr
Director

.... Nikolaos Andreadis
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES
for the year ended 31 December 2017

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Titan Global Finance plc

Report on the audit of the financial statements

Opinion

In our opinion, Titan Global Finance plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to those charged with governance, in the absence of a functioning Audit Committee for the company.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

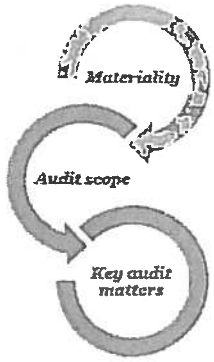
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We have provided no non-audit services to the company in the period from 1 January 2017 to 31 December 2017.

Our audit approach

Overview



- Overall materiality: EUR 7.1m (2016: EUR 7.3m), based on 1% of total liabilities.

- We have conducted all of our work from Leeds using one team.
- Audit procedures were performed over all material account balances and disclosures in Titan Global Finance plc financial statements.

- Recoverability of receivables from related parties.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the company's financial statements, including, but not limited to, the Companies Act 2006. Our tests included, but were not limited to, review of the financial statement disclosures to underlying supporting documentation, review of correspondence with the regulators, review of correspondence with legal advisors and enquiries of management. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	*How our audit addressed the key audit matter*
Recoverability of receivables from related parties The entity carries out its operations as a funding vehicle for Titan Cement Company S.A. and its subsidiary undertakings (together "the group"), drawing from bank facilities and the capital markets and extending finance to these fellow group undertakings. Accordingly, the entity's balance sheet includes significant intercompany receivables. There is a risk associated with the intercompany receivables not being recoverable, and the entity consequently being unable to meet its obligations to third party lenders when they fall due. The parent company has pledged as security for the receivables in a 'share pledge agreement' shares in certain of the principal subsidiary undertakings to be surrendered to the entity in the event of default.	We assessed the recoverability of receivables owed by fellow group undertakings by performing the following: • understanding current intercompany arrangements in place; • examining the detailed receivables listings at the balance sheet date for amounts that have been outstanding for a long period of time or may be overdue; • reviewing the performance and cash flow projections of relevant group undertakings; • verifying that the share pledge agreements are in place. As a result of our work, we concur with entity management that receivables from related parties are recoverable, and consequently there is no requirement for a material provision nor is there any indication of a related risk to the entity continuing as a going concern.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We have conducted all of our work from Leeds using one team. Audit procedures were performed over all material account balances and disclosures in Titan Global Finance plc financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	EUR 7.1m (2016: EUR 7.3m).
How we determined it	1% of total liabilities.
Rationale for benchmark applied	We believe that total liabilities is the most appropriate benchmark to use, as the company operates as the group's funding vehicle.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above EUR 355,000 (2016: EUR 365,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Board, we were appointed by the directors on 22 December 2015 to audit the financial statements for the year ended 31 December 2015 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 31 December 2015 to 31 December 2017.

Ian Plunkett FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
27 March 2018

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2017

	Note	**2017** **€000**	2016 €000
Administration expenses	5	(147)	(157)
Finance income		42,215	48,348
Finance costs		(40,098)	(46,338)
Net finance income	7	2,117	2,010
Net foreign exchange gain/(loss)		1	(99)
Profit before tax		**1,971**	1,754
Tax	8	(373)	(377)
Profit and total comprehensive income for the year		1,598	1,377

All of the activities of the Company in 2017 and 2016 relate to continuing operations. There are no items of other comprehensive income recorded directly in equity.

The notes on pages 15 to 27 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2017

	Note	2017 €000	2016 €000
ASSETS			
Other asset	10	1,133	-
Loans and other receivables	9	705,459	644,049
Non-current assets		**706,592**	644,049
Loans and other receivables	9	12,652	98,593
Other assets	10	367	868
Cash and cash equivalents		8,912	7,735
Current assets		**21,931**	107,196
Total assets		**728,523**	751,245
Share capital	11	3,287	3,287
Retained earnings		13,393	11,795
Total equity		**16,680**	15,082
Borrowings	12	704,662	581,773
Loans and other payables	13	1,189	54,673
Non-current liabilities		**705,851**	636,446
Loans and other payables	13	5,850	11,810
Borrowings	12	-	87,868
Current tax liabilities		142	39
Current liabilities		**5,992**	99,717
Total liabilities		**711,843**	736,163
Total equity and liabilities		**728,523**	751,245

The notes on pages 15 to 27 are an integral part of these financial statements.

The financial statements on pages 11 to 27 were authorized for issue by the Board of Directors on 27 March 2018 and were signed on its behalf by:

LH Wilt Jr
Director

Nikolaos Andreadis
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

	Attributable to owners of the parent		
	Share capital €000	**Retained earnings €000**	**Total equity €000**
Balance at 1 January 2016	3,287	10,418	13,705
Profit and total comprehensive income for the year	-	1,377	1,377
Balance at 31 December 2016/ 1 January 2017	3,287	11,795	15,082
Profit and total comprehensive income for the year	-	1,598	1,598
Balance at 31 December 2017	3,287	13,393	16,680

The notes on pages 15 to 27 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2017

	Note	2017 €000	2016 €000
Cash generated from/(used in) operations	14	172	(228)
Tax paid		(270)	(578)
Net cash used in operating activities		(98)	(806)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans repaid by / (granted to) related parties		19,360	(92,940)
Interest received from related parties		47,951	51,761
Net cash generated from/(used in) investing activities		67,311	(41,179)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from bank borrowings		-	(20,000)
Repayment of loans to related parties		(54,673)	(86,570)
Proceeds from listed guaranteed notes		250,000	190,938
Repayments of listed guaranteed notes		(214,495)	-
Interest and other finance costs paid		(46,868)	(50,242)
Net cash (used in)/generated from financing activities		(66,036)	34,126
Net increase/(decrease) in cash and cash equivalents		1,177	(7,859)
Cash and cash equivalents at beginning of the year		7,735	15,594
Cash and cash equivalents at end of the year		8,912	7,735

The notes on pages 15 to 27 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

1. Authorisation of financial statements

The financial statements of Titan Global Finance plc for the year ended 31 December 2017 were authorized for issue by the Board of Directors on 27 March 2018 and the Statement of Financial Position was signed on the Board's behalf by LH Witt Jr and KV Fittler. The Company continued to carry out its operations as the Group's funding vehicle, drawing on bank facilities and from the capital markets and extending finance to Group companies, i.e. Titan Cement Company S.A. and its subsidiary undertakings. At the same time, the Company has also been extending finance to Group companies via funds sourced from both the Company's own cash reserves or from other Group subsidiaries with excess cash balances.

The Company is a public limited company, incorporated and domiciled in the United Kingdom. The address of its registered office is No. 12 Shed, King George Dock, Hull, HU9 5PR.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The continued uncertainty of the financial markets is not expected to significantly impact the Company during the next 12 months as the Company retains sufficient cash and committed un-utilised credit facilities to ensure it has sufficient available funds to cover its operating and funding needs. In considering going concern, the directors have also considered the Company's continued compliance with necessary debt covenants to existing lenders over the foreseeable future.

The Board of Directors is confident that the Company has adequate available resources, supported where necessary by its parent and fellow group undertakings to ensure continued operations as a going concern for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further information on the company's borrowings is given in note 12.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The key area involving a higher degree of judgment and assumptions are significant to the financial statements is a going concern basis.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's functional and presentational, currency is the Euro. All financial information presented in Euros has been rounded to the nearest thousand.

2. Significant accounting policies (continued)

Changes in accounting policy and disclosures

a. New and amended standards adopted by the Company

None of the new IFRSs or IFRIC interpretations that are effective have had an impact on the financial statements of the Company.

b. New standards, amendments and interpretations not yet effective or adopted

There are a number of new standards and amendments to standards and interpretations that are effective for annual periods beginning after 1 January 2017, that have been considered when preparing these financial statements. None of these new standards, amendments and interpretations are expected to have a significant impact on the financial statements of the Company in their period of adoption, except the following, set out below:

- IFRS 9 - Financial instruments covers requirements for classification, measurement, impairment and hedge accounting. The standard is effective for accounting periods beginning on or after 1 January 2018. The Company has assessed the impact of new rules on the Company's financial statements and estimated that there is no material impact on the financial statements. The Company plans to adopt the new standard on the required effective date (1 January 2018).

- IFRS 15, 'Revenue from contracts with customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after 1 January 2018, and earlier application is permitted. The Company has assessed the impact of new standard and estimated that there is no material impact on the financial statements.

Fair value measurement

The Company discloses the fair value of financial instruments, measured at amortized cost, as disclosed in note 5.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2. Significant accounting policies (continued)

All assets and liabilities for which fair value is disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Loans and receivables with related parties

Loans and receivables are non-derivative financial assets (Intra-Group facilities and loans) with fixed or determinable payments that are not quoted on an active market.

Loans and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the debtor is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the Statement of Comprehensive Income within administrative expenses.

Cash and cash equivalents

Cash and cash equivalents comprise deposits (including time deposits) with banks.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

2. Significant accounting policies (continued)

Income and expense recognition

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

All other fees, commissions and other income and expense items are generally recorded on an accrual basis by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the year-end date. All differences are taken to the Statement of Comprehensive Income.

Tax

The income tax expense for the year comprises Corporation tax related to the current year (current tax). Tax is recognised in the Statement of Comprehensive Income.

The income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the United Kingdom. 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.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

2. Significant accounting policies (continued)

Loans and other payables/ borrowings

Loans and other payables/borrowings are recognized initially at fair value, net of transaction costs incurred. In subsequent periods, loans and other payables/borrowings are carried at amortized cost using the effective interest method. Any difference between proceeds (net of transaction costs) and the redemption value is recognized in the Income statement over the period of the loans and other payables/borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transactions costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Loans and other payables/borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Loans and other payables/borrowings are derecognized when the obligation under the liability is discharged, cancelled or expires. When existing loans and other payables/borrowings are replaced by another from the same lender on substantially different terms, or the terms of the existing loans and other payables/borrowings are substantially modified, such an exchange or modification is treated as the derecognition of the original loans and other payables/borrowings and the recognition of a new loans and other payables/borrowings. The derecognition of loans and other payables/borrowings is written off in full in the Statement of Comprehensive Income.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less, 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.

3. Financial risk management

The Company's operations expose it to a variety of risks, principally financial. The Company has in place a -risk management policy that seeks to limit adverse effects on the financial performance of the Company. The policies set by the Board are implemented by the Company's management.

The principal activity of the Company is to act as an intermediate finance company for the Group's operations by raising and providing funding to other Titan Group companies. Therefore credit risk, liquidity risk, interest rate risk and foreign exchange risk are inherent risks.

3.1 Interest rate risk

The Company has floating rate assets and liabilities, in the form of bank borrowings and corresponding intercompany debtors (representing the bank borrowings on loan at floating rate plus a margin), and fixed rate assets and liabilities, being listed guarantee notes and corresponding intercompany debtors (representing those amounts on loan at fixed rates plus a margin). As the fixed and floating rate assets and liabilities are matched, the related interest rate risk is naturally mitigated.

The Company has cash balances not earning interest at a floating rate, and as such is not exposed to interest rate risk on those amounts.

At 31 December 2017, if interest rates on loan receivables, payables and bank borrowings had been 1% higher with all other variables held constant, pre-tax profit for the year would have been €315,137 (2016: €58,433) higher/ lower, mainly as a result of higher net interest income on floating rate instruments.

3. Financial risk management (continued)

3.2 Credit risk
Given that the Company is the Group's funding vehicle and its purpose is to raise external bank and non-bank financing and lend to Group companies to cover their borrowing needs, its credit risk arises from the potential inability of its intra-Group counterparties to meet their obligations. Management consider the ability of intra-group counterparties to settle their debt on inception of the loan agreement and monitor throughout the term of the loan. All external borrowings are guaranteed by Titan Cement Company S.A., the immediate and ultimate parent undertaking. The cash balances are deposited with highly rated international financial institutions in line with Group Treasury policies, as stated in the Group's Risk Management Policy.

3.3 Liquidity risk
The Company retains sufficient cash and committed loans and facilities to ensure it has sufficient available funds to cover its operating needs. At 31 December 2017, the Company had guaranteed Notes outstanding of €710,613,000 pre borrowing costs, bank borrowings of € Nil and loans from related parties of € Nil. The €710,613,000 guaranteed notes are due for repayment after more than one year after the year-end.

The table below analyses the Company's non-derivative financial liabilities (principal and accrued interest) into relevant maturity groupings based on the remaining period at the year-end date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

31 December 2017	3 months or less €000	3-12 months €000	1-2 years €000	2-5 years €000	More than 5 years €000	Total €000
Listed guarantee notes	3,451	19,877	183,940	333,640	261,908	802,816

31 December 2016	3 months or less €000	3-12 months €000	1-2 years €000	2-5 years €000	More than 5 years €000	Total €000
Listed guarantee notes	97,888	16,602	22,705	619,522	-	756,717
Payables to related parties	404	1,271	54,696	-	-	56,371

3.4 Currency risk

Funding is denominated in the same currency as the currency of funding provided to Titan Group's subsidiaries. As a consequence the exposure to exchange rate risk is offset.

At 31 December 2017, if the Euro had strengthened/weakened by 5% against the US Dollar with all other variables held constant, pre-tax profit for the year would have been €162 (2016: €14) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US Dollar-denominated loan receivables, payables, bank borrowings and operating expenses.

At 31 December 2017, if the Euro had strengthened/weakened by 5% against the Pound Sterling with all other variables held constant, pre-tax profit for the year would have been €154,479 (2016: €152,988) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Pounds Sterling denominated loan receivables, payables and operating expenses.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

4. Financial instruments by category

Set out below is a comparison by category of carrying amounts and fair values of the Company's financial assets and financial liabilities, that are carried in the statement of financial position:

	Carrying amounts		Fair values	
	2017	2016	**2017**	2016
	€000	€000	**€000**	€000
Financial assets				
Cash and cash equivalents	8,912	7,735	8,912	7,735
Receivables from related parties	712,409	731,901	732,652	759,140
Accrued income	5,698	10,735	5,698	10,735
Total	727,019	750,371	747,262	777,610
Financial liabilities				
Listed guaranteed notes	704,662	669,64	733,556	696,89
Payables to related parties	-	54,67	-	54,67
Accrued expenses	5,075	10,70	5,075	10,70
Total	709,737	735,016	738,631	762,267

Management have assessed that the fair value of cash and cash equivalents and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair values of related party payables and receivables, bank borrowings and listed guarantee notes are determined using discounted cash flows using a rate that reflects the Company's borrowing rate as at the year-end. The inputs used in these discounted cash flow calculations are at level 2 (2016: level 2) in the fair value hierarchy with the exception of cash and cash equivalents, which are categorised as level 1 (2016: level 1).

The fair value of the assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation or sale. The following methods and assumptions were used to estimate the fair values:

Listed guarantee notes are not actively traded and therefore the fair value was established using a valuation technique based on observable market data and an interest rate in relation to the €160,613,000 guaranteed notes expiring on 10 July 2019 of 4.25%, 3.5% in relation to the €300,000,000 guaranteed notes expiring on 17 June 2021 and 2.375% in relation to the €250,000,000 guaranteed notes expiring on 16 November 2024. There has been no change in the valuation technique used.
All other financial instruments are evaluated by the Company based on parameters including interest rates and price quotations at the reporting date.

Please refer to the fair value measurement accounting policy on page 13 for details of how the Company assesses fair value.

5. Administration expenses

	2017	2016
	€000	€000
Employee benefit expenses	28	29
Fee payable to company's auditors for the audit of company's financial statements	25	25
Other expenses	94	103
	147	157

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

6. Employees and directors

During the current and previous financial year there were no employees other than the directors.

	2017	2016
Directors	**€000**	€000
Aggregate emoluments	28	29

The amounts disclosed above represent key management compensation (directors only). A number of directors are remunerated by other Group undertakings with no recharge to the Company. The amount of remuneration paid to directors in respect of their services to the Company was €28,095 (2016: €29,433). Administrative work is outsourced to a company affiliate.

7. Finance income and costs

	2017	2016
	€000	€000
Finance income		
Interest income on loans to related parties	27,094	35,249
Tender offer income	8,040	4,867
Loan arrangement, commitment and utilisation fees	7,081	7,494
Finance income from financial instruments	-	734
Interest income on cash and cash equivalents	-	4
Finance income on financial assets		
	42,215	48,348
Finance costs		
Interest payable on borrowings	25,018	30,131
Tender offer expense	7,657	4,635
Loan arrangement, commitment and utilization fees	6,206	6,734
Interest payable on loans from related parties	1,205	4,051
Other interest expense	12	53
Finance expense from financial instruments	-	734
Finance costs on financial liabilities	**40,098**	46,338
Finance income-net	2,117	2,010

8. Tax

	2017	2016
	€000	€000
Corporation tax - current year	373	377
Charge for the year	373	37

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

8. Tax (continued)

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2017 €000	2016 €000
Profit before tax	1,971	1,754
Tax calculated at the applicable tax rates	379	351
Tax adjustments prior year	(6)	26
Tax charge	373	377

The corporation tax rate is 19.25% (2016:20%).

9. Loans and other receivables

	2017 €000	2016 €000
Amounts falling due after more than one year		
Receivables from related parties	711,344	649,716
Unamortized loan arrangements fees	(5,885)	(5,667)
	705,459	644,049
Amounts falling due within one year		
Receivables from related parties	6,950	87,93
Unamortized loan arrangement fees	-	(8
Accrued income	5,698	10,73
Other debtors	4	
	12,652	98,59

Receivables from related parties represent intra-Group facilities and loans.

Amounts are drawn down from each facility for periods up to 180 days, however each tranche is considered as part of one of the long-term revolving credit facilities granted by the Company to the related party. During the period of the facilities, either partially or in full at the option of the related party or at maturity it may be renewed for another period, upon agreement of both parties. Accordingly, the amounts drawn down have been classified as receivable after more than one year in accordance with the terms of the facilities. Amounts drawn down under flexible drawdown facility/loan agreements are subject to interest rates which are either equal to 30, 60, 90 or 180 days LIBOR or EURIBOR rate plus a margin or at fixed interest rates.

Credit risk with respect to loan receivables is limited due to the Company's customer base being Group undertakings for whom there is no recent history of default. Due to these factors, management believe there is no credit risk provision required for doubtful debtors in both this and the prior year.

Loans and other receivables are denominated in the following currencies:

	2017 €000	2016 €000
Euro	718,107	742,642
British Pounds	4	-
	718,111	742,642

10. Other assets

	2017	2016
	€000	€000
Amounts falling due within one year		
Unamortized credit facility arrangement fees from third parties	367	868
	367	868
Amounts falling due within more than one year		
Unamortized credit facility arrangement fees from third parties	1,133	
	1,133	

11. Share capital

	2017	2016
	€000	€000
Authorised issued and fully paid		
2,500,000 (2016:2,500,000) Ordinary shares of £1 each	3,287	3,287

12. Borrowings

	2017	2016
	€000	€000
Amounts payable in less than one year		
Bank borrowings (net of transaction costs)		
Listed guaranteed notes (net of transaction costs)	-	87,868
	-	87,868
Amounts payable after more than one year		
Listed guaranteed notes (net of transaction costs)	704,662	581,773
	704,662	669,641

Bank borrowings

The Company entered into a €300,000,000 multi-currency revolving credit facility with a syndicate of Greek and International banks. The contract was signed in April 2017, in London. The facility, which is guaranteed by Titan Cement Company S.A. (the "Titan Group"), will expire on 30 January 2022 and it was used for refinancing credit facilities and financing general corporate purposes.

Amounts are drawn down for periods between 30 and 180 days, however each tranche is considered as part of the long-term revolving credit facility which is repayable at any time during the period of the facility either partially or in full at the option of the Company or at maturity it may be renewed for another period upon agreement of both parties. Accordingly, the amounts drawn down have been classified as payable between one and three years in accordance with the terms of the facility. Amounts drawn down from floating rate facility/loan agreements are subject to interest rates equal to 30, 60, 90 or 180 days LIBOR or EURIBOR rates plus a margin. The agreement contains a financial covenant on the Titan Group's Consolidated Net Debt to Consolidated EBITDA ratio and another one on the Titan Group's Consolidated Total Net Debt to Titan Group's Total Equity. The Titan Group was in compliance with its ' covenants as at 31 December 2017.

Bank borrowings (net of transaction costs) are denominated in Euro.

Listed guaranteed notes

12. Borrowings (continued)

The Company continues to have on issue €160,613,000 4.25% Guaranteed Notes expiring on 10 July 2019 and €300,000,000 3.5% Guaranteed Notes, expiring on 17 June 2021.

In November 2017, the Company issued €250,000,000 2.375% of Guaranteed Notes that are due to mature in November 2024. Simultaneously, the Company launched a Tender Offer for its €287,170,000 4.25% Guaranteed Notes due July 2019, where a principal amount of €126,557 thousand, of the Notes was successfully and validly tendered and accepted for the purchase price of €134,214 thousand. The expense from this Tender Offer in the total amount of €7,657 thousand is recognised in the Statement of comprehensive income, see Note 7.

All notes are guaranteed by Titan Cement Company S.A., the Company's immediate parent undertaking.

13. Loans and other payables

	2017	2016
	€000	€000
Amounts payable after more than one year		
Payables to related parties	-	54,67
Deferred income on credit facility arrangement fees from related parties	1,189	
	1,189	**54,67**
Amounts payable within one year		
Trade payables	2	30
Accrued expenses	5,075	10,702
Other creditors	388	44
Deferred income on credit facility arrangement fees from related parties	385	1,034
-	**5,850**	**11,810**

Amounts owed to related parties represent intra-Group facilities and loans.

Amounts are drawn down from each facility for periods between 30 and 180 days, however each tranche is considered as part of one of the long-term revolving credit facilities which is repayable, during the period of the facilities either partially or in full at the option of the related party or at maturity it may be renewed for another period, upon agreement of both parties. Accordingly, the amounts drawn down have been classified as payable after more than one year in accordance with the terms of the facilities. Amounts drawn down under floating rate facility/loan agreements are subject to interest rates which are equal to 30, 60, 90 or 180 days EURIBOR rate plus a margin.

Loans and other payables are denominated in the following currencies:

	2017	2016
	€000	€000
Euro	6,838	66,309
British Pounds	201	174
	7,039	66,483

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

14. Cash flows from operating activities

	Note	2017 €000	2016 €000
Profit before tax		1,971	1,754
Adjustments for:			
Finance income	7	(42,215)	(48,348)
Finance costs	7	40,098	46,338
		(146)	(256)
Decrease in loans and other receivables		2	6
Increase in loans and other payables		316	22
Cash generated from/(used in) operations		172	(228)

15. Related party balances and transactions

The following transactions were carried out with related parties:

a. Key management compensation

Key management includes statutory directors only. The compensation paid or payable to key management for employee services is shown below:

	2017 €000	2016 €000
Key management compensation		
Salaries and other short term employee benefits	28	29
	28	29

b. Purchase of services

	2017 €000	2016 €000
Purchase of services		
Other related parties	-	28
	-	28

c. Loans receivable and payable to/from related parties

	2017 €000	2016 €000
Receivables from related parties		
Immediate parent undertaking	379,403	353,352
Fellow group undertakings	333,006	378,549
Payables to related parties		
Fellow group undertakings	1,574	55,707

Interest arising from financing activities were as follows:

	2017 €000	2016 €000
Receivable from related parties		
Immediate parent undertaking	13,439	16,366
Fellow group undertakings	13,655	18,883
Payable to related parties		
Fellow group undertakings	1,205	4,051

15. Related party balances and transactions (continued)

Arrangement fees, commitment fees and utilisation fees arising from financing activities was as follows:

	2017	2016
	€000	€000
Receivable from related parties		
Immediate parent undertaking	2,086	2,691
Fellow group undertakings	4,995	4,803
Payable to related parties		
Fellow group undertakings	798	671

Tender Offer income and finance costs from financial instruments was as follows:

	2017	**2016**
	€000	**€000**
Receivable from related parties		
Immediate parent undertaking	-	2,433
Fellow group undertakings	8,040	2,433
Payable to related parties		
Fellow group undertakings	-	734

16. Parent undertakings and controlling party

The Company's immediate and ultimate parent undertaking and controlling party is Titan Cement Company S.A., a company incorporated in Greece.

The largest and smallest group in which the results of the Company are consolidated is that headed by Titan Cement Company S.A. The consolidated financial statements of this Group may be obtained from Titan Cement Company S.A.22A Halkidos Street, Athens, 111-43 Greece.

17. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

On 26th of January 2018 the Company issued €100,000,000 Additional Guaranteed Notes in connection with the re-opening of the November 2017 issue.

The Additional Notes will have the same terms and conditions as the €250,000,000 notes issued in November 2017 with a coupon of 2.375 per cent due 2024, guaranteed by Titan Cement Company S.A.