



**Titan Cement Company S.A. and its Subsidiaries**  
**Interim Condensed Financial Reporting**  
**for the period ended 30 September 2010**

## **Index**

	Pages
a) Interim Condensed Financial Statements	
a.1 Interim Statement of Financial Position	1
a.2 Interim Income Statement for the Third Quarter	2
a.3 Interim Statement of Comprehensive Income for the Third Quarter	3
a.4 Interim Income Statement for the Nine Months	4
a.5 Interim Statement of Comprehensive Income for the Nine Months	5
a.6 Interim Statement of Changes in Equity	6
a.7 Interim Cash Flow Statement	7
b) Notes & disclosure of accounting policies	8

The Interim Condensed Financial Statements presented through pages 1 to 22 both for the Group and the Parent Company, have been approved by the Board of Directors on 23rd of November 2010

Chairman of the Board of Directors

ANDREAS L. CANELLOPOULOS

ID No AB500997

Managing Director

DIMITRIOS TH. PAPALEXOPOULOS

ID No Ε163588

Chief Financial Officer

VASSILIOS S. ZARKALIS

ID No AE514943

Finance Director Greece

GRIGORIOS D. DIKAIOS

ID No AB291692

Financial Consolidation Senior  
Manager

ATHANASIOS S. DANAS

ID No AB006812

## Interim Statement of Financial Position

(all amounts in Euro thousands)

	Group		Company	
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
<b>ASSETS</b>				
Property, plant & equipment (note 9, 14)	1.914.222	1.915.211	262.967	266.759
Investment properties	1.696	1.088	6.396	6.396
Intangible assets and goodwill (note 14, 17)	548.857	542.816	1.082	671
Investments in subsidiaries	-	-	1.266.395	1.268.502
Investments in associates	9.964	10.551	-	-
Available-for-sale financial assets	2.204	2.338	107	107
Other non current assets	18.493	20.969	3.438	3.460
Deferred income tax asset (note 14)	1.772	2.546	-	-
<b>Non-current assets</b>	<b>2.497.208</b>	<b>2.495.519</b>	<b>1.540.385</b>	<b>1.545.895</b>
Inventories (note 14)	256.448	238.803	76.155	68.250
Trade receivables (note 14)	156.116	155.018	43.710	70.990
Other receivables and prepayments (note 14)	78.859	99.113	10.910	12.733
Derivative financial instruments	1.217	679	-	34
Available-for-sale financial assets	63	62	61	61
Cash and cash equivalents (note 4)	55.313	16.426	5.992	204
Deferred income tax asset	137	-	-	-
<b>Current assets</b>	<b>548.153</b>	<b>510.101</b>	<b>136.828</b>	<b>152.272</b>
<b>TOTAL ASSETS</b>	<b>3.045.361</b>	<b>3.005.620</b>	<b>1.677.213</b>	<b>1.698.167</b>
<b>EQUITY AND LIABILITIES</b>				
Share Capital (84,576,118 shares of €4.00)	338.304	338.304	338.304	338.304
Share premium	22.826	22.826	22.826	22.826
Share options (note 15)	6.755	5.977	6.755	5.977
Treasury shares (note 14)	-90.182	-91.622	-90.182	-91.622
Other Reserves	474.882	434.350	501.465	501.465
Retained earnings	823.303	739.218	40.506	32.532
<b>Equity attributable to equity holders of the parent</b>	<b>1.575.888</b>	<b>1.449.053</b>	<b>819.674</b>	<b>809.482</b>
Non-controlling interests	26.345	11.135	-	-
<b>Total equity (a)</b>	<b>1.602.233</b>	<b>1.460.188</b>	<b>819.674</b>	<b>809.482</b>
Long-term borrowings (note 14)	791.962	725.665	723.000	634.499
Derivative financial instruments (note 14)	7.890	376	-	-
Deferred income tax liability (note 14)	182.428	196.572	22.486	24.018
Retirement benefit obligations	39.723	41.828	22.687	23.762
Provisions (note 12, 14)	21.455	16.660	4.172	1.929
Other non-current liabilities	35.853	37.434	5.701	5.806
<b>Non-current liabilities</b>	<b>1.079.311</b>	<b>1.018.535</b>	<b>778.046</b>	<b>690.014</b>
Short-term borrowings (note 14)	136.129	261.835	15.020	127.609
Trade and other payables (note 14)	206.009	242.448	52.199	60.013
Dividend payables	-	377	321	332
Derivative financial instruments	1.117	29	1.117	29
Income tax payable	13.871	19.549	4.617	10.379
Provisions (note 12, 14)	6.691	2.659	6.219	309
<b>Current liabilities</b>	<b>363.817</b>	<b>526.897</b>	<b>79.493</b>	<b>198.671</b>
<b>Total liabilities (b)</b>	<b>1.443.128</b>	<b>1.545.432</b>	<b>857.539</b>	<b>888.685</b>
<b>TOTAL EQUITY AND LIABILITIES (a+b)</b>	<b>3.045.361</b>	<b>3.005.620</b>	<b>1.677.213</b>	<b>1.698.167</b>

## Interim Income Statement for the 3rd Quarter

(all amounts in Euro thousands)

	Group		Company	
	1/7-30/9/2010	1/7-30/9/2009	1/7-30/9/2010	1/7-30/9/2009
Turnover	347.681	362.562	80.475	120.319
Cost of sales	-219.848	-232.556	-50.499	-74.913
<b>Gross profit before depreciation</b>	<b>127.833</b>	<b>130.006</b>	<b>29.976</b>	<b>45.406</b>
Other income	6.000	3.435	1.121	2.104
Share in profit of associates	121	428	-	-
Administrative expenses	-25.239	-25.806	-8.478	-9.878
Selling and marketing expenses	-6.073	-5.496	-501	-548
Other expenses	-3.770	-5.745	-283	-2.134
<b>Profit before interest, taxes, depreciation and amortization</b>	<b>98.872</b>	<b>96.822</b>	<b>21.835</b>	<b>34.950</b>
Depreciation and amortization related to cost of sales	-28.675	-26.119	-2.633	-2.609
Depreciation and amortization related to administrative and selling expenses	-2.548	-1.442	-385	-269
<b>Profit before interest and taxes</b>	<b>67.649</b>	<b>69.261</b>	<b>18.817</b>	<b>32.072</b>
Income from participations and investments	-	-	-	-
Finance income	668	473	29	335
Finance expense	-22.252	-13.981	-7.156	-5.852
Gains/(losses) from financial instruments	939	-661	-113	-421
Exchange differences losses	-17.216	-3.725	-669	-442
<b>Profit before taxes</b>	<b>29.788</b>	<b>51.367</b>	<b>10.908</b>	<b>25.692</b>
Current income tax	-6.895	-11.864	-2.655	-5.835
Deferred income tax	9.117	4.216	-363	-599
<b>Profit for the period</b>	<b>32.010</b>	<b>43.719</b>	<b>7.890</b>	<b>19.258</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	30.047	44.269	7.890	19.258
Non-controlling interests	1.963	-550	-	-
	<b>32.010</b>	<b>43.719</b>	<b>7.890</b>	<b>19.258</b>
<b>Earnings per share - basic (in €)</b>	<b>0,3689</b>	<b>0,5440</b>	<b>0,0969</b>	<b>0,2367</b>
<b>Earnings per share - diluted (in €)</b>	<b>0,3672</b>	<b>0,5420</b>	<b>0,0964</b>	<b>0,2357</b>

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

(all amounts in Euro thousands)

	Group		Company	
	1/7-30/9/2010	1/7-30/9/2009	1/7-30/9/2010	1/7-30/9/2009
<b>Profit for the period</b>	<b>32.010</b>	<b>43.719</b>	<b>7.890</b>	<b>19.258</b>
<b>Other comprehensive income:</b>				
Exchange differences on translating foreign operations	-104.979	-30.516	-	-
Available-for-sale financial assets	-110	-	-	-
Cash flow hedges	-1.886	-1.189	-	-
Income tax effect	736	464	-	-
	<b>-1.150</b>	<b>-725</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the period, net of tax	-106.239	-31.241	-	-
<b>Total comprehensive income for the period</b>	<b>-74.229</b>	<b>12.478</b>	<b>7.890</b>	<b>19.258</b>
<b><u>Total comprehensive income attributable to:</u></b>				
Equity holders of the parent	-74.876	13.814	7.890	19.258
Non-controlling interests	647	-1.336	-	-
	<b>-74.229</b>	<b>12.478</b>	<b>7.890</b>	<b>19.258</b>

## Interim Income Statement for nine months

(all amounts in Euro thousands)

	Group		Company	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
Turnover (note 3, 14)	1.028.491	1.046.242	286.551	339.586
Cost of sales	-682.635	-690.133	-189.557	-223.869
<b>Gross profit before depreciation (note 3)</b>	<b>345.856</b>	<b>356.109</b>	<b>96.994</b>	<b>115.717</b>
Other income (note 14)	34.603	14.425	7.240	9.129
Share in profit of associates	-356	1.034	-	-
Administrative expenses	-77.548	-78.450	-27.797	-28.602
Selling and marketing expenses (note 14)	-18.068	-16.532	-862	-1.500
Other expenses (note 14)	-24.227	-18.671	-9.806	-6.246
<b>Profit before interest, taxes, depreciation and amortization (note 14)</b>	<b>260.260</b>	<b>257.915</b>	<b>65.769</b>	<b>88.498</b>
Depreciation and amortization related to cost of sales	-86.362	-80.455	-8.136	-7.815
Depreciation and amortization related to administrative and selling expenses	-5.577	-4.631	-899	-817
<b>Profit before interest and taxes</b>	<b>168.321</b>	<b>172.829</b>	<b>56.734</b>	<b>79.866</b>
Income from participations and investments	-	-	5.656	5.119
Finance income	2.863	7.909	1.262	2.008
Finance expense (note 14)	-47.393	-42.852	-19.955	-26.104
Gains/(losses) from financial instruments	296	-3.893	-1.550	-2.601
Exchange differences (losses)/gains (note 14)	-5.541	-5.798	165	-29
<b>Profit before taxes</b>	<b>118.546</b>	<b>128.195</b>	<b>42.312</b>	<b>58.259</b>
Current income tax (note 14)	-32.983	-41.299	-19.912	-15.336
Deferred income tax	20.197	16.226	1.532	-2.025
<b>Profit for the period</b>	<b>105.760</b>	<b>103.122</b>	<b>23.932</b>	<b>40.898</b>
<b><u>Profit attributable to:</u></b>				
Equity holders of the parent	98.323	103.686	23.932	40.898
Non-controlling interests (note 14)	7.437	-564	-	-
	<b>105.760</b>	<b>103.122</b>	<b>23.932</b>	<b>40.898</b>
<b>Earnings per share - basic (in €)</b>	<b>1,2075</b>	<b>1,2744</b>	<b>0,2939</b>	<b>0,5027</b>
<b>Earnings per share - diluted (in €)</b>	<b>1,2011</b>	<b>1,2695</b>	<b>0,2923</b>	<b>0,5007</b>

## Interim Statement of Comprehensive Income for nine months

(all amounts in Euro thousands)

	Group		Company	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
<b>Profit for the period</b>	<b>105.760</b>	<b>103.122</b>	<b>23.932</b>	<b>40.898</b>
<b>Other comprehensive income:</b>				
Exchange differences on translating foreign operations	45.026	-56.301	-	-
Available-for-sale financial assets	-216	-	-	-
Cash flow hedges	-1.576	-1.189	-	-
Income tax effect	529	464	-	-
	<b>-1.047</b>	<b>-725</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the period, net of tax	43.763	-57.026	-	-
<b>Total comprehensive income for the period</b>	<b>149.523</b>	<b>46.096</b>	<b>23.932</b>	<b>40.898</b>
<b><u>Total comprehensive income attributable to:</u></b>				
Equity holders of the parent	141.400	49.738	23.932	40.898
Non-controlling interests	8.123	-3.642	-	-
	<b>149.523</b>	<b>46.096</b>	<b>23.932</b>	<b>40.898</b>

## Interim Statement of Changes in Shareholders' Equity

### Group

#### Attributable to equity holders of the parent

(all amounts in Euro thousands)

	Ordinary shares	Share premium	Preferred ordinary shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2009</b>	<b>307.911</b>	<b>22.826</b>	<b>30.276</b>	<b>10.713</b>	<b>-92.182</b>	<b>-117</b>	<b>433.747</b>	<b>682.882</b>	<b>1.396.056</b>	<b>38.078</b>	<b>1.434.134</b>
Profit for the period	-	-	-	-	-	-	-	103.686	103.686	-564	103.122
Other comprehensive income	-	-	-	-	-	-	-52.323	-1.625	-53.948	-3.078	-57.026
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-52.323</b>	<b>102.061</b>	<b>49.738</b>	<b>-3.642</b>	<b>46.096</b>
Dividends distributed to ordinary and preferred shares	-	-	-	-	-	-	-	-35.510	-35.510	-1.595	-37.105
Treasury shares sold	-	-	-	-	502	-	-	-230	272	-	272
Share options	-	-	-	1.900	-	-	-	-	1.900	-	1.900
Non-controlling interest due to acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-	-2.004	-2.004
Transfer between reserves	-	-	-	-	-	-	-1.378	1.378	-	-	-
<b>Balance at 30 September 2009</b>	<b>307.911</b>	<b>22.826</b>	<b>30.276</b>	<b>12.613</b>	<b>-91.680</b>	<b>-117</b>	<b>380.046</b>	<b>750.581</b>	<b>1.412.456</b>	<b>30.837</b>	<b>1.443.293</b>
<b>Balance at 1 January 2010</b>	<b>308.028</b>	<b>22.826</b>	<b>30.276</b>	<b>5.977</b>	<b>-91.505</b>	<b>-117</b>	<b>434.350</b>	<b>739.218</b>	<b>1.449.053</b>	<b>11.135</b>	<b>1.460.188</b>
Profit for the period	-	-	-	-	-	-	-	98.323	98.323	7.437	105.760
Other comprehensive income	-	-	-	-	-	-	43.077	-	43.077	686	43.763
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43.077</b>	<b>98.323</b>	<b>141.400</b>	<b>8.123</b>	<b>149.523</b>
Dividends distributed to ordinary and preferred shares	-	-	-	-	-	-	-	-15.224	-15.224	-1.202	-16.426
Treasury shares sold (note 11)	-	-	-	-	1.440	-	-	-734	706	-	706
Non-controlling interest due to acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-	-213	-213
Goodwill from step acquisition	-	-	-	-	-	-	-825	-	-825	-550	-1.375
Non-controlling interest's participation in share capital increase	-	-	-	-	-	-	-	-	-	10.358	10.358
Non-controlling interest's put option recognition	-	-	-	-	-	-	-	-	-	-1.306	-1.306
Share options	-	-	-	778	-	-	-	-	778	-	778
Transfer between reserves	-	-	-	-	-	-	-1.720	1.720	-	-	-
<b>Balance at 30 September 2010</b>	<b>308.028</b>	<b>22.826</b>	<b>30.276</b>	<b>6.755</b>	<b>-90.065</b>	<b>-117</b>	<b>474.882</b>	<b>823.303</b>	<b>1.575.888</b>	<b>26.345</b>	<b>1.602.233</b>

### Company

(all amounts in Euro thousands)

	Ordinary shares	Share premium	Preferred ordinary shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves	Retained earnings	Total equity
<b>Balance at 1 January 2009</b>	<b>307.911</b>	<b>22.826</b>	<b>30.276</b>	<b>10.713</b>	<b>-92.182</b>	<b>-117</b>	<b>462.987</b>	<b>53.110</b>	<b>795.524</b>
Profit for the period	-	-	-	-	-	-	-	40.898	40.898
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.898</b>	<b>40.898</b>
Dividends distributed to ordinary and preferred shares	-	-	-	-	-	-	-	-35.510	-35.510
Treasury shares sold	-	-	-	-	502	-	-	-230	272
Share options	-	-	-	1.900	-	-	-	-	1.900
<b>Balance at 30 September 2009</b>	<b>307.911</b>	<b>22.826</b>	<b>30.276</b>	<b>12.613</b>	<b>-91.680</b>	<b>-117</b>	<b>462.987</b>	<b>58.268</b>	<b>803.084</b>
<b>Balance at 1 January 2010</b>	<b>308.028</b>	<b>22.826</b>	<b>30.276</b>	<b>5.977</b>	<b>-91.505</b>	<b>-117</b>	<b>501.465</b>	<b>32.532</b>	<b>809.482</b>
Profit for the period	-	-	-	-	-	-	-	23.932	23.932
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.932</b>	<b>23.932</b>
Dividends distributed to ordinary and preferred shares	-	-	-	-	-	-	-	-15.224	-15.224
Treasury shares sold (note 11)	-	-	-	-	1.440	-	-	-734	706
Share options	-	-	-	778	-	-	-	-	778
<b>Balance at 30 September 2010</b>	<b>308.028</b>	<b>22.826</b>	<b>30.276</b>	<b>6.755</b>	<b>-90.065</b>	<b>-117</b>	<b>501.465</b>	<b>40.506</b>	<b>819.674</b>

## Interim Cash Flow Statement

(all amounts in Euro thousands)

	Group		Company	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
<b>Cash flows from operating activities</b>				
Profits before taxes	118.546	128.195	42.312	58.259
<i>Adjustments for:</i>				
Depreciation/amortization	91.939	85.086	9.035	8.632
Provisions	12.220	8.184	6.022	2.863
Exchange differences	3.820	5.798	-166	29
Income from participations & investments	-	-	-5.656	-5.119
Interest expense	42.044	35.078	18.692	24.231
Other non cash flow items	-3.122	5.644	-4.152	2.934
Adjusted profit before changes in working capital	265.447	267.985	66.087	91.829
(Increase)/decrease in inventories	-13.351	42.851	-8.378	30.381
Decrease in trade and other receivables	6.366	8.698	31.555	8.166
(Increase)/decrease in operating long-term receivables	-2.751	18.146	22	64
Decrease in trade payables (excluding banks)	-45.001	-41.431	-14.661	-24.590
Cash generated from operations	210.710	296.249	74.625	105.850
Income tax paid	-14.251	-4.845	-15.432	-14.020
<i>Net cash flows from operating activities</i>	<u>196.459</u>	<u>291.404</u>	<u>59.193</u>	<u>91.830</u>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, non controlling interests, affiliates, joint ventures, net of cash acquired	-2.229	-4.308	-511	-3.986
Purchase of tangible and intangible assets	-58.654	-150.859	-5.636	-4.780
Proceeds from the sale of property, plant and equipment	4.267	3.341	3.596	868
Proceeds from partial disposal of foreign subsidiary business	32.733	-	-	-
Proceeds from dividends	83	-	5.656	4.470
Proceeds from sale of available-for-sale financial assets	-	-	-	-
Purchase of available-for-sale financial assets	-136	-163	-2	-3
Interest received	2.863	7.771	1.261	1.870
<i>Net cash flows (used in)/from investing activities</i>	<u>-21.073</u>	<u>-144.218</u>	<u>4.364</u>	<u>-1.561</u>
<b>Net cash flows after investing activities</b>	<b>175.386</b>	<b>147.186</b>	<b>63.557</b>	<b>90.269</b>
<b>Cash flows from financing activities</b>				
Proceeds from non-controlling interest's participation in subsidiaries' share capital increase	10.358	-	-	-
Interest paid	-52.274	-44.730	-18.366	-24.593
Sale of treasury shares	706	272	706	272
Proceeds from government grants	110	260	-	-
Dividends paid	-16.421	-37.127	-15.234	-35.522
Proceeds from borrowings	899.556	725.711	251.775	210.919
Payments of borrowings	-975.327	-840.690	-276.650	-268.344
<i>Net cash flows used in financing activities</i>	<u>-133.292</u>	<u>-196.304</u>	<u>-57.769</u>	<u>-117.268</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>42.094</b>	<b>-49.118</b>	<b>5.788</b>	<b>-26.999</b>
Cash and cash equivalents at beginning of the period	16.426	94.521	204	31.263
Effects of exchange rate changes	-3.207	-2.497	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>55.313</b>	<b>42.906</b>	<b>5.992</b>	<b>4.264</b>

**Contents of the notes to the interim condensed financial statements**

Page

1. General information	9
2. Basis of preparation and summary of significant accounting policies	9
3. Segment information	12
4. Cash and cash equivalents	12
5. Principal subsidiaries, associates and joint ventures	13
6. Fiscal years unaudited by the tax authorities	15
7. Pledge of assets	16
8. Number of employees	16
9. Capital expenditure and disposals	16
10. Earnings per share	16
11. Treasury shares	16
12. Provisions	16
13. Related party transactions	16
14. Significant movements in the statement of financial position and the income statement items	17
15. Share based payment	18
16. Commitments and contingencies	19
17. Acquisitions of subsidiaries	20
18. Events after the balance sheet date	22
19. Principal exchange rates	22

## **1. General information**

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

The Company is a limited liability company incorporated and domiciled in Greece and is listed on the Athens Stock Exchange.

These interim condensed financial statements have been approved for issue by the Board of Directors on November 23, 2010.

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

These financial statements have been prepared by management in accordance with IAS 34 Interim Financial Reporting.

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

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009, except for the adoption of the new or revised standards, amendments or/and interpretations, mentioned below, for the annual periods beginning on or after 1 January 2010.

- IFRIC 17 Distributions of Non-cash Assets to Owners

This interpretation is effective for annual periods beginning on or after 1 July 2009. The interpretation provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability.

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

The revision and amendment is effective for annual periods beginning on or after 1 July 2009. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill).

- IAS 39 Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items

The amendment is effective for annual periods beginning on or after 1 July 2009. The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations.

- IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)

The amendment is effective for annual periods beginning on or after 1 January 2010. This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the individual financial statements of the subsidiary.

### Annual improvements to IFRSs (May 2008)

- In May 2008, the Board issued its first omnibus of amendments to its standards. All amendments issued are effective for the Group as at 31 December 2009, apart from the following:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction.

#### Annual improvements to IFRSs (April 2009)

The adoption of the above new and amended IFRS and IFRIC interpretations did not have an impact on the financial statements or performance of the Group or the Company, however the revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The following new and amended IFRS and IFRIC interpretations have been issued but are not effective for the financial year beginning January 1, 2010. They have not been early adopted and the Group and the Company are in the process of assessing their impact, if any, on the financial statements:

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**

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

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

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

The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) will be applied for business combinations after 1 January 2010 and will affect future acquisitions and transactions with non-controlling interests.

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

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

- **IAS 32 Classification on Rights Issues (Amended)**

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

- IAS 24 Related Party Disclosures (Revised)

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

- IFRS 1 Additional Exemptions for First-time Adopters (Amended)

The amendment is effective for annual periods beginning on or after 1 July 2010.

- In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2010. Early application is permitted in all cases and this annual improvements project has not yet been endorsed by the EU.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3. Segment information

For management purposes, the Group is structured in four geographic regions: Greece and Western Europe, North America, South East Europe and Eastern Mediterranean. Each region is a cluster of countries. The aggregation of countries is based on proximity of operations and to an extent in similarity of economic and political conditions.

Each region has a regional Chief Executive Officer (CEO) who reports to the Group's CEO. In addition, Group's Chief Financial Officer (CFO) organisation is also split by geographic region for effective financial controlling and performance monitoring.

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

(all amounts in Euro thousands)

Period from 1/1-30/9	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Adjustments and eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Gross revenue	362.252	418.883	248.081	291.207	184.531	168.680	268.858	206.175	-	-	1.063.722	1.084.945
Inter-segment revenue	-31.867	-38.551	-138	-152	-3.226	-	-	-	-	-	-35.231	-38.703
<b>Revenue</b>	<b>330.385</b>	<b>380.332</b>	<b>247.943</b>	<b>291.055</b>	<b>181.305</b>	<b>168.680</b>	<b>268.858</b>	<b>206.175</b>	<b>-</b>	<b>-</b>	<b>1.028.491</b>	<b>1.046.242</b>
Gross profit before depreciation & amortization	111.711	137.320	38.470	66.155	79.641	73.675	116.737	79.164	-703	-205	345.856	356.109
Earnings before interest, taxes, depreciation & amortization	75.994	98.443	6.775	28.185	72.796	60.998	105.417	72.483	-722	-2.194	260.260	257.915
Earnings/(losses) before interest and taxes	62.465	86.681	-40.272	-20.040	59.017	50.132	87.681	58.098	-570	-2.042	168.321	172.829
Earnings/(losses) before taxes	45.445	61.275	-61.081	-38.516	62.139	50.477	96.490	54.952	-24.447	7	118.546	128.195

(all amounts in Euro thousands)

	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Adjustments and eliminations		Total	
	30/9/10	31/12/09	30/9/10	31/12/09	30/9/10	31/12/09	30/9/10	31/12/09	30/9/10	31/12/09	30/9/10	31/12/09
Total assets	2.674.597	2.675.534	1.000.483	1.035.760	731.392	656.860	1.092.511	1.011.686	-2.453.622	-2.374.220	3.045.361	3.005.620
Total liabilities	1.817.444	1.822.323	424.429	456.578	189.692	161.662	245.489	254.177	-1.233.926	-1.149.308	1.443.128	1.545.432

### 4. Cash and cash equivalents

(all amounts in Euro thousands)

	Group		Company	
	30/9/10	31/12/09	30/9/10	31/12/09
Cash at bank and in hand	91	294	6	83
Short-term bank deposits	55.222	16.132	5.986	121
	<b>55.313</b>	<b>16.426</b>	<b>5.992</b>	<b>204</b>

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

#### Bank Credit Facilities

The Group and the Company had the following bank credit facilities at 30.9.2010:

(all amounts in Euro thousands)

	Group		Company	
	30/9/10	31/12/09	30/9/10	31/12/09
Total Committed	1.415.656	1.222.000	165.000	40.000
Total Un-committed	232.465	237.400	94.031	93.900
Un-utilized Committed	810.177	715.500	69.966	39.500
Un-utilized Un-committed	157.287	170.700	79.051	91.300
Total Un-utilised	<b>967.464</b>	<b>886.200</b>	<b>149.017</b>	<b>130.800</b>

## 5. Principal subsidiaries, associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	30/9/2010		31/12/2009	
			% of investment (1)		% of investment (1)	
			Direct	Indirect	Direct	Indirect
<b>Full consolidation method</b>						
Titan Cement Company S.A	Greece	Cement Producer	Parent company		Parent company	
Achaiki Maritime Company	Greece	Shipping	100,000	-	100,000	-
Aeolian Maritime Company	Greece	Shipping	100,000	-	100,000	-
Albacem S.A.	Greece	Trading Company	99,996	0,004	99,996	0,004
Arktias S.A.	Greece	Quarries & Aggregates	-	100,000	-	100,000
AVES AFOI Polikandrioti S.A.	Greece	Ready Mix	-	100,000	-	100,000
Dodekanesos Quarries S.A.	Greece	Quarries & Aggregates	-	100,000	-	100,000
Ecobeton S.A. (2)	Greece	Ready Mix & Aggregates	-	-	-	100,000
Interbeton Construction Materials S.A.	Greece	Ready Mix & Aggregates	99,679	0,321	99,679	0,321
Intercement S.A.	Greece	Trading Company	99,950	0,050	99,950	0,050
Intertitan Trading International S.A.	Greece	Trading Company	99,995	0,005	99,995	0,005
Ionia S.A.	Greece	Porcelain	100,000	-	100,000	-
Lakmos S.A.	Greece	Trading Company	99,950	0,050	99,950	0,050
Leecem S.A.	Greece	Trading Company	3,172	96,828	3,172	96,828
Naftitan S.A.	Greece	Shipping	99,900	0,100	99,900	0,100
Polikos Maritime Company	Greece	Shipping	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
Gourmon 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	-	99,000
Vahou Quarries S.A.	Greece	Quarries & Aggregates	-	100,000	-	100,000
Sigma Beton S.A.	Greece	Quarries & Aggregates	-	100,000	-	100,000
Titan Atlantic Cement Industrial and Commercial S.A.	Greece	Investment Holding Company	43,947	56,053	43,947	56,053
Titan Cement International Trading S.A.	Greece	Trading Company	99,800	0,200	99,800	0,200
Double W & Co OOD	Bulgaria	Port	-	99,989	-	99,989
Granitoid AD	Bulgaria	Trading Company	-	99,668	-	99,668
Gravel & Sand PIT AD	Bulgaria	Investment Holding Company	-	99,989	-	99,989
Trojan Cem EOOD	Bulgaria	Trading Company	-	94,835	-	94,835
Zlatna Panega Beton EOOD	Bulgaria	Ready Mix	-	99,989	-	99,989
Zlatna Panega Cement AD	Bulgaria	Cement Producer	-	99,989	-	99,989
Cementi Crotone S.R.L.	Italy	Trading Company	-	100,000	-	100,000
Fintitan SRL	Italy	Trading Company	100,000	-	100,000	-
Cementi ANTEA SRL (3)	Italy	Trading Company	-	60,000	-	-
Separation Technologies Canada Ltd	Canada	Fly Ash Process	-	100,000	-	100,000
Aemos Cement Ltd	Cyprus	Investment Holding Company	100,000	-	100,000	-
Alvacim Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
Balkan Cement Enterprises Ltd (4)	Cyprus	Investment Holding Company	-	100,000	-	-
Balkcem Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
East Cement Trade Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
Feronia Holding Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
Iapetos Ltd	Cyprus	Investment Holding Company	100,000	-	100,000	-
KOCEM Limited	Cyprus	Investment Holding Company	-	100,000	-	100,000
Rea Cement Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
Themis Holdings Ltd (4)	Cyprus	Investment Holding Company	-	100,000	-	51,006
Titan Cement Cyprus Limited	Cyprus	Investment Holding Company	-	100,000	-	100,000
Tithys Ltd	Cyprus	Investment Holding Company	-	100,000	-	100,000
Terret Enterprises Ltd (5)	Cyprus	Investment Holding Company	-	51,000	-	-
Sharr Beteiligungs GmbH (5)	Germany	Investment Holding Company	-	51,000	-	-
Kosovo Construction Materials L.L.C. (6)	Kosovo	Quarries & Aggregates	-	51,000	-	-
Alexandria Portland Cement Co. S.A.E	Egypt	Cement Producer	-	97,727	-	97,721
Beni Suef Cement Co.S.A.E.	Egypt	Cement Producer	-	97,727	-	99,886
Misrieen Titan Trade & Distribution	Egypt	Trading Company	-	97,864	-	98,943
Titan Beton & Aggregate Egypt LLC	Egypt	Quarries & Aggregates	-	97,806	-	97,800
Separation Technologies U.K. Ltd	U.K.	Fly Ash Process	-	100,000	-	100,000
Titan Cement U.K. Ltd	U.K.	Trading Company	100,000	-	100,000	-
Titan Global Finance PLC	U.K.	Financial Services	100,000	-	100,000	-
Alexandria Development Co.Ltd	U.K. (Ch. Islands)	Investment Holding Company	-	100,000	-	100,000
Titan Egyptian Inv. Ltd	U.K. (Ch. Islands)	Investment Holding Company	-	100,000	-	100,000
Central Concrete Supermix Inc.	U.S.A.	Ready Mix	-	100,000	-	100,000
Essex Cement Co. LLC	U.S.A.	Trading Company	-	100,000	-	100,000
Markfield America LLC	U.S.A.	Insurance Company	-	100,000	-	100,000
Mechanicsville Concrete INC.	U.S.A.	Ready Mix	-	100,000	-	100,000
Metro Redi-Mix LLC	U.S.A.	Ready Mix	-	100,000	-	100,000
Miami Valley Ready Mix of Florida LLC	U.S.A.	Ready Mix	-	100,000	-	100,000

## 5. Principal subsidiaries, associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	30/9/2010		31/12/2009	
			% of investment (1)		% of investment (1)	
			Direct	Indirect	Direct	Indirect
<b>Full consolidation method</b>						
Pennsuco Cement Co. LLC	U.S.A.	Cement Producer	-	100,000	-	100,000
Roanoke Cement Co. LLC	U.S.A.	Cement Producer	-	100,000	-	100,000
S&W Ready Mix Concrete Co. Inc.	U.S.A.	Ready Mix	-	100,000	-	100,000
Separation Technologies LLC	U.S.A.	Fly Ash Process	-	100,000	-	100,000
Standard Concrete LLC	U.S.A.	Trading Company	-	100,000	-	100,000
Summit Ready-Mix LLC	U.S.A.	Ready Mix	-	100,000	-	100,000
Tarmac America LLC	U.S.A.	Cement Producer	-	100,000	-	100,000
Titan Virginia Ready Mix LLC	U.S.A.	Ready Mix	-	100,000	-	100,000
Titan America LLC	U.S.A.	Investment Holding Company	-	100,000	-	100,000
Cementara Kosjeric AD	Serbia	Cement Producer	-	100,000	-	100,000
Stari Silo Company DOO	Serbia	Trading Company	-	100,000	-	100,000
TCK Montenegro DOO	Montenegro	Trading Company	-	100,000	-	100,000
Cement Plus LTD	F.Y.R.O.M	Trading Company	-	61,643	-	61,643
Geospan Dooel (7)	F.Y.R.O.M	Quarries & Aggregates	-	99,989	-	-
Rudmark DOOEL	F.Y.R.O.M	Trading Company	-	94,835	-	94,835
Usje Cementarnica AD	F.Y.R.O.M	Cement Producer	-	94,835	-	94,835
Vesa DOOL	F.Y.R.O.M	Trading Company	-	100,000	-	100,000
Alba Cemento Italia, SHPK (8)	Albania	Trading Company	-	60,000	-	39,000
Antea Cement SHA	Albania	Cement Producer	-	60,000	-	60,000
Dancem APS	Denmark	Trading Company	-	100,000	-	100,000
Aeas Netherlands B.V.	Holland	Investment Holding Company	-	100,000	-	100,000
Colombus Properties B.V.	Holland	Investment Holding Company	100,000	-	100,000	-
Holititan B.V.	Holland	Investment Holding Company	-	100,000	-	100,000
Salentijn Properties1 B.V.	Holland	Investment Holding Company	100,000	-	100,000	-
Titan Cement Netherlands BV	Holland	Investment Holding Company	-	100,000	-	100,000
<b>Proportionate consolidation method</b>						
Balkan Cement Enterprises Ltd (4)	Cyprus	Investment Holding Company	-	-	-	51,006
Adocim Cimento Beton Sanayi ve Ticaret A.S.	Turkey	Cement Producer	-	50,000	-	50,000
<b>Equity consolidation method</b>						
Karieri AD	Bulgaria	Quarries & Aggregates	-	48,711	-	48,711
Karierni Materiali AD	Bulgaria	Quarries & Aggregates	-	48,764	-	48,764
Vris OOD (9)	Bulgaria	Quarries & Aggregates	-	48,764	-	-
Transbeton - Domiki S.A.	Greece	Ready Mix & Aggregates	-	49,900	-	49,900

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

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

(3) On 23.7.2010, Group's financial statements incorporated the established company Cementi Antea S.R.L., with the full consolidation method.

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

(5) In the second quarter, the Group completed the agreement to acquire the companies Terret Enterprises Ltd and Sharr Beteiligungs GmbH. The above mentioned companies were incorporated in the Group's consolidated financial statements of the 2nd quarter with the full consolidation method.

(6) On 31.8.2010, Group's financial statements incorporated the acquired company Kosovo Construction Materials L.L.C., with the full consolidation method.

(7) On 2.2.2010, Group's financial statements incorporated the established company Geospan Dooel, with the full consolidation method.

(8) On 1.03.2010, the Group's subsidiary Antea Cement sh.a. acquired the remaining 35% stake in Alba Cemento sh.pk. After this acquisition the Group now owns 60% of the subsidiary Alba Cemento sh.pk

(9) On 1.1.2010 the associated company Karierni Materiali AD, in which Group holds the 48.764% of its shares, acquired the 100% of the company Vris OOD. The above company was incorporated in the Group's financial statements with the equity consolidation method.

## 6. Fiscal years unaudited by the tax authorities

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

(1) Under special tax status.

(2) The fiscal year of 2007 has been audited.

(3) Companies operating in the U.S., are incorporated in Titan America LLC subgroup (note 5).

**7. Pledge of assets**

The assets of the Company have not been pledged. The assets of the Group have been pledged to secure loans for the assets of the Group's joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey and they are analyzed as follows:

-Mortgage on assets of the amount of €54 m to secure a loan of €36 m.

-Second-line mortgage on assets of the amount of TL 26 m (€13.1 m) to secure loans of TL 6,9 m (€3.5 m) and \$2.7 m (€2.0 m).

**8. Number of employees**

Number of employees at the end of the reporting period: Group 6,085 (30.9.2009 5,857), Parent Company 982 (30.9.2009 1,034).

**9. Capital expenditure and disposals**

Capital expenditure for the first nine months of 2010, excluding fixed assets acquired through a business combination and intangibles, amounted to: Group €57.2 m (30.9.2009 €140.6 m), Parent Company €5.2 m (30.9.2009 €4.3 m). Assets with a net book value of €3.4 m have been disposed of by the Group during the six months ended 30 September 2010 (30.9.2009: €2.7 m) (except those assets that have been disposed in Cumberland quarry, as it is analyzed below), resulting in a net gain €3.9 m (30.9.2009: gain €0.7 m).

On 1.4.2010, the Group disposed the quarry in Cumberland in the state of Kentucky USA, for the amount of €32.7 m, the net assets of which (mainly fixed assets) are €32.8 m. The above transaction has the result of a loss of €102 thousand, which is included in other operating income/expenses of the consolidated income statement for the period 1.1-30.9.2010.

**10. Earnings per share**

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

**11. Treasury shares**

Pursuant to its Board of Directors resolutions dated 12.1.2010 and 26.4.2010, the Company proceeded with the sale through the Athens Stock Exchange of 37,597 treasury common shares between 13.1.2010 and 7.7.2010, representing 0.0445% of the Company's paid up Share Capital, at an average sale price equal to €18.77 per share. The sale of these treasury shares was held within the three year statutory period commencing from the date they were acquired by the Company. The total number of its own shares that the Company holds as at 30.9.2010 is 3,137,616 of aggregate value €90,182 thousand and they have been deducted from the Shareholders Equity of the Group and the Company. The above shares represent 3.71% of the Company's total share capital.

**12. Provisions**

Other provisions' balance (short and long term) as of 30.9.2010 amount to €28.1 m for the Group, and €10.4 m for the Company. There are no material provisions recorded for the unaudited by the tax authorities fiscal years, as well as for litigation issues both for the Group and the Company.

According to the Law 3845/2010 (that was issued on 6.5.2010), a special social responsibility tax was imposed on Greek companies that had profit above €100 thousand for the fiscal year of 2009. The total charge amounted to €7.9 m for the Group and the Company. For this purpose, a relative provision of €2.0 m has been recorded on long term provisions for the amount that has to be paid in more than one year. The remaining €5.9 m, which is to be paid within one year, has been recorded and increased the account short-term provisions.

**13. Related party transactions**

Intercompany transactions for the first nine months of 2010 and intercompany balances as of 30 September 2010, according to I.A.S. 24 are as follows:

**Company**

<i>Amounts in € thousands</i>	<b>Sales of goods &amp; services</b>	<b>Purchases of goods &amp; services</b>	<b>Receivables</b>	<b>Liabilities</b>
Achaiki Maritime Co.	4.478	2.033	-	2.400
Aeolian Maritime Company	1.182	925	-	726
Interbeton Construction Materials S.A.	36.352	4.090	10.446	-
Intertitan Trading International S.A.	5.052	-	-	-
Ionia S.A.	103	5	98	-
Fintitan S.r.l.	5.027	-	4.176	-
T.C.U.K. Ltd	4.998	-	2.615	-
Usje Cementarnica AD	8.766	-	57	-
Essex Cement Co. LLC	5.878	-	-	-
Antea Cement SHA	6.175	-	3.223	-
Alexandria Portland Cement Co. S.A.E	12.012	-	-	-
Titan Global Finance PLC	2	13.880	-	632.550
Other affiliates	777	442	1.240	1.384
Other interrelated parties	-	1.356	-	282
Executives and members of the Board	-	4.658	19	-
	<b>90.802</b>	<b>27.389</b>	<b>21.874</b>	<b>637.342</b>

**Group**

<i>Amounts in € thousands</i>	<b>Sales of goods &amp; services</b>	<b>Purchases of goods &amp; services</b>	<b>Receivables</b>	<b>Liabilities</b>
Other interrelated parties	-	1.356	-	282
Executives and members of the Board	-	4.803	19	-
	-	<b>6.159</b>	<b>19</b>	<b>282</b>

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

##### **Group**

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

-Group's intangible assets increased by €6.0 m as a result of additions (€3.7 m), exchange differences gains (€17.5 m), offset by depreciation (€12.7 m) and disposals (€2.4 m).

-Group's inventories increased by €17.6 m., 7.0 million of which are attributable to the delivery of solid fuels in Greece region, €5.4 m. caused by the devaluation of the Euro against the dollar and € 5.2 m. due to the operation of the Group's new plant in Albania and the second production line of the factory in Beni Suef, Egypt.

-Other receivables and prepayments decreased by €20.3 m. An amount of €12.2 m. is due to the refund of income tax in the US region. Furthermore €7.9 m. arises from the offset of the VAT on purchase of tangible assets, incurred by the Group's subsidiary in Albania Antea Cement SHA, with a corresponding tax liability from commercial activities.

-Group's total borrowings (long and short term) decreased by €59.4 m..Excluding FX impact (€20.0 m), the reduction would be €79.4 m.

-Group's net deferred tax liabilities have decreased by €13.5 m., including a negative impact of foreign exchange differences of €7.2 m., offset by €20.7 m due to the deferred tax gain recorded in the nine months interim income statement.

-The balance of derivative financial instruments included in non current liabilities, increased by €7.5 m as a result of foreign exchange forward contracts held by the Group for loan hedging purposes.

-Group's provisions increased by €8.8 m. The amount of €7.9 m. is attributable to the provision formed for special social responsibility tax imposed by the Greek Government (note12) and the remaining amount is mainly staff leaving provision.

-Trade and other payables decreased by €36.4 m. as a result of the repayment of matured liabilities, €13.6 m. of which is attributable to tangible assets creditors payments.

-The overall net increase in other operating income/(expenses) of € 14.6 m includes € 5.2 m arising from the profit on sale of Group's assets and €2.1 m from the judicial pendency's positive outcome of the Group's subsidiary in the U.S.

-Foreign exchange losses increased during the third Quarter by €13.5 m., mainly attributable to the valuation of Group subsidiaries intercompany loans recorded in currencies other than local (€ loans in Egypt, and Albania). It is noted that the negative impact of the exchange differences in the third quarter offsets the positive impact recorded in the second quarter. Furthermore, the variability that is recorded in the profit/loss due to foreign exchange rate fluctuations will continue affecting the Group's performance until the full repayment of the respective loans.

-Net profit attributable to non-controlling interest increased by €8.0m mainly due to the positive results of the Group's subsidiaries in SEE region and Egypt.

-Finance expenses of the Group increased by €4.5 m. This amount includes €8.0 m., related to the cost of prepayment and retirement of private placement notes that had been issued in the past to US institutional investors.

-The decrease of Group's effective tax rate was caused by the change in the composition of subsidiaries' participation in Group's profits. Specifically, the North America region (with tax rate 39%) reports negative results and the SEE and South Eastern Europe regions (with tax rate 10%-20%) have increased their profitability.

##### **Company**

-The total revenue appears to be 15,6% decreased compared to the nine months of the year 2009 mostly because of the reduced activity in the internal market. This decline was further intensified by the strike of the owners of public use trucks, which took place in September.

-The reduction in earnings before interest, taxes, depreciation and amortization (EBITDA) at 25% is due to the above mentioned reasons as well as the increase in other operating expenses because of the additional provisions.

-The decrease in the EURIBOR, compared in the nine months of 2009, resulted in the reduction of the financial expenses by 23,7%.

-According to the Law 3845/2010, a special social responsibility tax was imposed in 2009 company's net profits. For the total amount of the tax, a provision of €7,9 m. has been booked, which affected the net result. For the above mentioned provision, the amount of €5,9 m. has been booked in the account short-term provisions and the amount of €2,0 m. has been booked in the account long-term provisions.

-The increase in long-term borrowings by €89 m. is due to the conversion of short-term borrowing in long-term bond for the amount of €95 m. and the partial repayment of long-term loan by €6 m. Note that total debt decreased by €24 m. compared to 31.12.2009.

-The decrease of trade receivables by €27,3 m. is mainly due to the reduced sales in the internal market, as well as the bad debt provision, which was necessary for the increased credit risk of the company because of the decline in construction materials industry.

## **15. Share based payment**

### Programme 2007

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

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

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

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

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

The fair value of the options granted in 2009 under the Programme of 2007, determined using the 2-dimensional Black-Scholes valuation model, was €8.41 per option. The significant inputs used in the application of the valuation model were share price at the grant date of €20.60, the standard deviation of the share price of 36.71%, the dividend yield of 2.07% and the average annual yield of the three-year Greek Government Bonds of 3.649%.

### Programme 2010

On 22 June 2010, in accordance to the new three-year Stock Option Programme (2010 Programme), the Company granted 267,720 share options.

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

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

- 1) One-third of options granted vest based on the financial results of the Company, relative to the three year cumulative fixed EUR swap interest rate.
- 2) One-third of options granted vest based on the Titan Cement's ordinary share performance relative to SMI index during the three year period.
- 3) One-third of options granted vest based on the Titan Cement's ordinary share performance ranking relative to the performance of the shares of ten predefined international cement producing companies (Peer Index) during the three year period.

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

The fair value of the options granted in 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 the grant date of €15.90, the standard deviation of the share price of 39.42%, the dividend yield of 2.68% and the three year fixed EUR swap interest rate of 2.247%.

**16. Contingencies and Commitments****Contingent liabilities***(all amounts in Euro thousands)*

Guarantees to third parties on behalf of subsidiaries  
 Bank guarantee letters  
 Other

	Group		Company	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
	-	-	792.070	832.038
	69.223	68.515	29.578	25.103
	12.610	14.718	6.457	3.020
	<b>81.833</b>	<b>83.233</b>	<b>828.105</b>	<b>860.161</b>

*Lake Belt*

The U.S. Army Corps of Engineers (ACE) published on February 1, 2010 a Record of Decision (ROD) that paved the way for new mining permits in the Lake Belt area of Miami-Dade, Florida.

The ROD pertained to nine ACE permit applications held by several companies, including Group's subsidiary, Tarmac America.

The ROD marked the conclusion of a 3-year process, following a Federal-Court-mandated Supplemental Environmental Impact Study (SEIS), which was issued for public comment in May 2009 and addresses the issues raised by the District and subsequent Appellate Court decisions.

Based on the above Record of Decision (ROD), 2010, the U.S. Army Corps of Engineers (ACE) issued to Tarmac America in April 2010 a new permit with a tenure of 20 years, which provides specific requirements for operating the mine in the Lake Belt area.

The new permit removes a source of uncertainty and allows the Group a long term focus on operating excellence and environmental stewardship.

*Florida class action litigation*

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

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

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

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

*CO2 emissions*

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

*Put option in Antea*

The Group has granted to non controlling interest shareholders, European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) the option to have the Group to purchase their shares in ANTEA Cement SHA at predetermined conditions. On 30.9.2010 the put option's fair value recognized as liability is €21.4 million.

*Contingent tax liability*

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

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

**Contingent assets***(all amounts in Euro thousands)*

Bank guarantee letters

	Group		Company	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
	15.481	14.808	15.078	14.808

**Commitments***Capital commitments*

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

*(all amounts in Euro thousands)*

Property, plant and equipment

	Group		Company	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
	13.787	37.663	9.183	12.872

## 17. Acquisitions of subsidiaries

### Period ended 30 September 2010

On 28.1.2010 the Group acquired the remaining 48.994% of the subsidiary Themis Holdings Ltd for the amount of €0.5 m. After this acquisition, the Group now owns 100% stake in Themis Holdings Ltd and 100% stake of Balkan Cement Enterprises Ltd, a subsidiary of the latter.

On 01.03.2010, the Group's subsidiary Antea Cement sh.a. acquired the remaining 35% stake in Alba Cemento sh.pk by paying the amount of €1.8 m. After this acquisition the Group now owns 60% of the subsidiary Alba Cemento sh.pk

On 8.1.2010 the Group signed agreement to acquire 51% of Terret Enterprises Ltd for the amount of €0,001 m (the acquisition was completed in the 2nd quarter of 2010), with headquarters in Cyprus. The above mentioned company was incorporated in the interim condensed consolidated financial statements of the Group in the 2nd quarter of 2010.

On 28.1.2010 the Group signed agreement to acquire the 51% of Sharr Beteiligungs GmbH for the amount of €4.7 m (the acquisition has been completed in the 2nd quarter of 2010), with headquarters in Germany. The above mentioned company was incorporated in the interim condensed consolidated financial statements of the Group in the 2nd quarter of 2010.

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

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

(Amount in € 000s)

	Fair value recognized on acquisition	Previous carrying value
<b><u>Assets</u></b>		
Non current assets	2.377	2.377
Inventory	2.453	2.453
Receivables and prepayments	668	668
Cash & cash equivalents	4.823	4.823
<b>Total assets</b>	<b>10.321</b>	<b>10.321</b>
<b><u>Liabilities</u></b>		
Long term liabilities	353	353
Other liabilities and taxes payable	7.393	7.393
<b>Total liabilities</b>	<b>7.746</b>	<b>7.746</b>
<b>Net assets</b>	<b>2.575</b>	<b>2.575</b>
Goodwill arising on acquisition	2.175	
<b>Consideration, paid</b>	<b>4.750</b>	
<b>Cash flow on acquisition:</b>		
Purchase consideration settled in cash	4.749	
Net cash acquired with the subsidiary	-4.823	
<b>Net cash inflow on acquisition</b>	<b>-74</b>	

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

**17. Acquisitions of subsidiaries (continued)****Period ended 30 September 2009**

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

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

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

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

(Amount in € 000s)

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

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

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

**19. Principal exchange rates**

<b>Balance sheet</b>	<b>30/09/2010</b>	<b>31/12/2009</b>	<b>30/9/2010 vs 31/12/2009</b>
€1 = USD	1,36	1,44	-5,3%
€1 = EGP	7,77	7,90	-1,7%
€1 = TRY	1,98	2,15	-8,1%
1USD=EGP	5,70	5,44	4,8%
€1 = RSD	106,17	95,89	10,7%
1USD = JPY	83,29	92,43	-9,9%

  

<b>Profit and loss</b>	<b>Ave 9M 10</b>	<b>Ave 9M 09</b>	<b>Ave 9M 10 vs 9M 09</b>
€1 = USD	1,32	1,37	-3,9%
€1 = EGP	7,36	7,64	-3,7%
€1 = TRY	2,00	2,15	-7,0%
1USD=EGP	5,61	5,58	0,6%
€1 = RSD	101,66	93,93	8,2%
1USD = JPY	89,08	94,91	-6,1%