



Titan Cement Company S.A. and its Subsidiaries
Interim Condensed Financial Reporting
for the period ended 30 September 2011

Index

| | Pages |
|---|-------|
| a) Interim Condensed Financial Statements | |
| a.1 Interim Income Statement for the Nine Months | 3 |
| a.2 Interim Statement of Comprehensive Income for the Nine Months | 4 |
| a.3 Interim Income Statement for the Third Quarter | 5 |
| a.4 Interim Statement of Comprehensive Income for the Third Quarter | 6 |
| a.5 Interim Statement of Financial Position | 7 |
| a.6 Interim Statement of Changes in Equity | 8 |
| a.7 Interim Cash Flow Statement | 10 |
| b) Notes to the Interim Condensed Financial Statements | 11 |

The Interim Condensed Financial Statements presented through pages 3 to 32 both for the Group and the Parent Company, have been approved by the Board of Directors on 10th of November 2011.

Chairman of the Board of Directors

Managing Director

ANDREAS L. CANELLOPOULOS

DIMITRIOS TH. PAPALEXOPOULOS

ID No AB500997

ID No AK031353

Chief Financial Officer

Finance Director Greece

Financial Consolidation
Senior Manager

VASSILIOS S. ZARKALIS

GRIGORIOS D. DIKAIOS

ATHANASIOS S. DANAS

ID No AE514943

ID No AB291692

ID No AB006812

Interim Income Statement for Nine months

(all amounts in Euro thousands)

| | note | Group | | Company | |
|--|-------|----------------|----------------|---------------|---------------|
| | | 1/1-30/9/2011 | 1/1-30/9/2010 | 1/1-30/9/2011 | 1/1-30/9/2010 |
| Turnover | 17n | 838.940 | 1.028.491 | 169.737 | 286.551 |
| Cost of sales | 17d | -557.757 | -682.635 | -98.486 | -189.557 |
| Gross profit before depreciation | | 281.183 | 345.856 | 71.251 | 96.994 |
| Other income | 17a | 52.213 | 34.603 | 7.321 | 7.240 |
| Share of loss of associates | | -337 | -356 | - | - |
| Administrative expenses | 17o | -73.464 | -77.548 | -25.091 | -27.797 |
| Selling and marketing expenses | | -16.041 | -18.068 | -349 | -862 |
| Other expenses | 17a | -23.728 | -24.227 | -7.480 | -6.806 |
| Profit before interest, taxes, depreciation and amortization (EBITDA) | | 219.826 | 260.260 | 45.652 | 68.769 |
| Depreciation and amortization related to cost of sales | | -84.071 | -86.362 | -7.976 | -8.136 |
| Depreciation and amortization related to administrative and selling expenses | | -3.793 | -5.577 | -844 | -899 |
| Profit before interest and taxes | | 131.962 | 168.321 | 36.832 | 56.734 |
| Income from participations and investments | | - | - | 3.495 | 5.656 |
| Expenses from participations and investments | 5 | - | - | -4.920 | -3000 |
| Finance income | | 2.907 | 2.863 | 133 | 1.262 |
| Finance expense | 17b,p | -42.442 | -47.393 | -27.820 | -19.955 |
| (Losses)/gains from financial instruments | | -311 | 296 | -1.188 | -1.550 |
| (Losses)/gains from foreign exchange differences | 17c | -17.651 | -5.541 | -81 | 165 |
| Profit before taxes | | 74.465 | 118.546 | 6.451 | 42.312 |
| Current income tax expense | 17q | -26.200 | -32.983 | -4.294 | -19.912 |
| Deferred income tax | | 14.149 | 20.197 | 738 | 1.532 |
| Profit for the period | | 62.414 | 105.760 | 2.895 | 23.932 |
| Profit attributable to: | | | | | |
| Equity holders of the parent | | 52.923 | 98.323 | 2.895 | 23.932 |
| Non-controlling interests | | 9.491 | 7.437 | - | - |
| | | 62.414 | 105.760 | 2.895 | 23.932 |
| Basic earnings per share (in €) | 10 | 0,6496 | 1,2075 | | |
| Diluted earnings per share (in €) | 10 | 0,6454 | 1,2011 | | |

Interim Statement of Comprehensive Income for Nine months

(all amounts in Euro thousands)

| | note | Group | | Company | |
|---|------|----------------|----------------|---------------|---------------|
| | | 1/1-30/9/2011 | 1/1-30/9/2010 | 1/1-30/9/2011 | 1/1-30/9/2010 |
| Profit for the period | | 62.414 | 105.760 | 2.895 | 23.932 |
| Other comprehensive income/(loss): | | | | | |
| Exchange differences on translation of foreign operations | | -35.417 | 45.026 | - | - |
| Net losses on financial assets available for sale | | -93 | -216 | - | - |
| Revaluation of land and buildings | | 316 | - | 316 | - |
| Income tax effect | | -63 | - | -63 | - |
| | | 253 | - | 253 | - |
| Cash flow hedges | 15 | -3.560 | -1.576 | -3.949 | - |
| Income tax effect | 15 | -168 | 529 | - | - |
| | | -3.728 | -1.047 | -3.949 | - |
| Other comprehensive income/(loss) for the period, net of tax | | -38.985 | 43.763 | -3.696 | - |
| Total comprehensive income/(loss) for the period | | 23.429 | 149.523 | -801 | 23.932 |
| Total comprehensive income/(loss) attributable to: | | | | | |
| Equity holders of the parent | | 17.098 | 141.400 | -801 | 23.932 |
| Non-controlling interests | | 6.331 | 8.123 | - | - |
| | | 23.429 | 149.523 | -801 | 23.932 |

Interim Income Statement for the 3rd Quarter

(all amounts in Euro thousands)

| | Group | | Company | |
|--|---------------|----------------|---------------|---------------|
| | 1/7-30/9/2011 | 1/7-30/9/2010 | 1/7-30/9/2011 | 1/7-30/9/2010 |
| Turnover | 281.965 | 347.681 | 52.683 | 80.475 |
| Cost of sales | -187.999 | -219.848 | -30.861 | -50.499 |
| Gross profit before depreciation | 93.966 | 127.833 | 22.002 | 29.976 |
| Other income | 14.401 | 6.000 | 4.955 | 1.121 |
| Share of loss of associates | 7 | 121 | - | - |
| Administrative expenses | -20.162 | -25.239 | -7.503 | -8.478 |
| Selling and marketing expenses | -4.778 | -6.073 | -130 | -501 |
| Other expenses | -4.969 | -3.770 | -1.986 | -283 |
| Profit before interest, taxes, depreciation and amortization (EBITDA) | 78.465 | 98.872 | 17.338 | 21.835 |
| Depreciation and amortization related to cost of sales | -27.678 | -28.675 | -2.687 | -2.633 |
| Depreciation and amortization related to administrative and selling expenses | -1.207 | -2.548 | -276 | -385 |
| Profit before interest and taxes | 49.580 | 67.649 | 14.375 | 18.817 |
| Income from participations and investments | - | - | - | - |
| Expenses from participations and investments | - | - | -420 | - |
| Finance income | 1.005 | 668 | 80 | 29 |
| Finance expense | -15.062 | -22.252 | -10.223 | -7.156 |
| (Losses)/gains from financial instruments | -323 | 939 | -1.264 | -113 |
| Gains/(losses) foreign exchange differences | 2.619 | -17.216 | 247 | -669 |
| Profit before taxes | 37.819 | 29.788 | 2.795 | 10.908 |
| Current income tax expense | -7.788 | -6.895 | 74 | -2.655 |
| Deferred income tax | 4.263 | 9.117 | -296 | -363 |
| Profit for the period | 34.294 | 32.010 | 2.573 | 7.890 |
| <u>Profit attributable to:</u> | | | | |
| Equity holders of the parent | 29.521 | 30.047 | 2.573 | 7.890 |
| Non-controlling interests | 4.773 | 1.963 | - | - |
| | 34.294 | 32.010 | 2.573 | 7.890 |
| Basic earnings per share (in €) | 0,3624 | 0,3689 | | |
| Diluted earnings per share (in €) | 0,3601 | 0,3672 | | |

Interim Statement of Comprehensive Income for the 3rd Quarter

(all amounts in Euro thousands)

| | Group | | Company | |
|---|----------------------|----------------------|----------------------|----------------------|
| | <u>1/7-30/9/2011</u> | <u>1/7-30/9/2010</u> | <u>1/7-30/9/2011</u> | <u>1/7-30/9/2010</u> |
| Profit for the period | 34.294 | 32.010 | 2.573 | 7.890 |
| Other comprehensive income/(loss): | | | | |
| Exchange differences on translation of foreign operations | 53.054 | -104.979 | - | - |
| Net losses on financial assets available for sale | -142 | -110 | - | - |
| Cash flow hedges | -761 | -1.886 | -3.009 | - |
| Income tax effect | -893 | 736 | - | - |
| | -1.654 | -1.150 | -3.009 | - |
| Other comprehensive income/(loss) for the period, net of tax | 51.258 | -106.239 | -3.009 | - |
| Total comprehensive income/(loss) for the period | 85.552 | -74.229 | -436 | 7.890 |
| <u>Total comprehensive income/(loss) attributable to:</u> | | | | |
| Equity holders of the parent | 77.634 | -74.876 | -436 | 7.890 |
| Non-controlling interests | 7.918 | 647 | - | - |
| | 85.552 | -74.229 | -436 | 7.890 |

Interim Statement of Financial Position

(all amounts in Euro thousands)

| | note | Group | | Company | |
|--|----------|------------------|------------------|------------------|------------------|
| | | 30/09/2011 | 31/12/2010 | 30/09/2011 | 31/12/2010 |
| ASSETS | | | | | |
| Property, plant & equipment | 17e | 1.888.385 | 1.963.439 | 257.085 | 261.538 |
| Investment properties | | 1.975 | 2.053 | 6.290 | 5.974 |
| Intangible assets and goodwill | 17f | 534.922 | 560.760 | 1.136 | 1.122 |
| Investments in subsidiaries | 5 | - | - | 1.183.906 | 1.183.721 |
| Investments in associates | | 9.266 | 9.604 | - | - |
| Available-for-sale financial assets | 15 | 2.160 | 2.211 | 108 | 107 |
| Other non current assets | | 11.105 | 11.346 | 2.710 | 3.013 |
| Deferred tax asset | 17k | 2.293 | 3.423 | - | - |
| Non-current assets | | 2.450.106 | 2.552.836 | 1.451.235 | 1.455.475 |
| Inventories | 17g,r | 252.013 | 248.168 | 73.675 | 77.419 |
| Trade receivables | 17h,s | 143.888 | 136.113 | 36.160 | 43.898 |
| Other receivables and prepayments | 17i,t | 102.888 | 74.479 | 22.032 | 13.068 |
| Derivative financial instruments | 15 | 927 | 1.745 | - | - |
| Available-for-sale financial assets | 15 | 63 | 63 | 61 | 61 |
| Cash and cash equivalents | 4,17j,u | 235.208 | 67.070 | 22.385 | 2.943 |
| Current assets | | 734.387 | 527.638 | 154.313 | 137.389 |
| TOTAL ASSETS | | 3.184.493 | 3.080.474 | 1.605.548 | 1.592.864 |
| EQUITY AND LIABILITIES | | | | | |
| Share Capital (84,613,840 shares of € 4.00) | | 338.455 | 338.455 | 338.455 | 338.455 |
| Share premium | | 22.826 | 22.826 | 22.826 | 22.826 |
| Share options | | 7.896 | 6.983 | 7.896 | 6.983 |
| Treasury shares | 11 | -90.182 | -90.182 | -90.182 | -90.182 |
| Other Reserves | 16 | 412.615 | 476.661 | 503.368 | 507.065 |
| Retained earnings | | 880.449 | 817.186 | 19.469 | 31.804 |
| Equity attributable to equity holders of the parent | | 1.572.059 | 1.571.929 | 801.832 | 816.951 |
| Non-controlling interests | | 138.732 | 139.463 | - | - |
| Total equity (a) | | 1.710.791 | 1.711.392 | 801.832 | 816.951 |
| Long-term borrowings | 14,17j,u | 782.369 | 706.961 | 625.133 | 643.000 |
| Derivative financial instruments | 15,17l,w | 13.400 | 10.200 | 5.054 | 687 |
| Deferred tax liability | 17k | 169.395 | 189.023 | 20.417 | 21.092 |
| Retirement benefit obligations | | 37.311 | 40.203 | 22.243 | 22.234 |
| Provisions | 12 | 18.114 | 19.022 | 3.058 | 7.067 |
| Other non-current liabilities | | 34.206 | 34.805 | 6.624 | 5.674 |
| Non-current liabilities | | 1.054.795 | 1.000.214 | 682.529 | 699.754 |
| Short-term borrowings | 14,17j,u | 220.793 | 136.763 | 79.680 | 17.069 |
| Trade and other payables | 17m,v | 176.287 | 213.149 | 38.761 | 50.705 |
| Current income tax payable | | 20.840 | 18.594 | 1.965 | 7.859 |
| Provisions | 12 | 987 | 362 | 781 | 526 |
| Current liabilities | | 418.907 | 368.868 | 121.187 | 76.159 |
| Total liabilities (b) | | 1.473.702 | 1.369.082 | 803.716 | 775.913 |
| TOTAL EQUITY AND LIABILITIES (a+b) | | 3.184.493 | 3.080.474 | 1.605.548 | 1.592.864 |

Interim Statement of Changes in Shareholders' Equity

Group

| | Attributable to equity holders of the parent | | | | | | | | | | |
|--|--|---------------|---------------------------|---------------|--------------------------|---------------------------|--------------------------|-------------------|------------------|---------------------------|------------------|
| | Ordinary shares | Share premium | Preferred ordinary shares | Share options | Ordinary treasury shares | Preferred treasury shares | Other reserves (note 16) | Retained earnings | Total | Non-controlling interests | Total equity |
| <i>(all amounts in Euro thousands)</i> | | | | | | | | | | | |
| Balance at 1 January 2010 | 308.028 | 22.826 | 30.276 | 5.977 | -91.505 | -117 | 434.350 | 739.218 | 1.449.053 | 11.135 | 1.460.188 |
| Profit for the period | - | - | - | - | - | - | - | 98.323 | 98.323 | 7.437 | 105.760 |
| Other comprehensive income | - | - | - | - | - | - | 43.077 | - | 43.077 | 686 | 43.763 |
| Total comprehensive income for the period | - | - | - | - | - | - | 43.077 | 98.323 | 141.400 | 8.123 | 149.523 |
| Dividends distributed to ordinary and preferred shares | - | - | - | - | - | - | - | -15.224 | -15.224 | -1.202 | -16.426 |
| Treasury shares sold | - | - | - | - | 1.440 | - | - | -734 | 706 | - | 706 |
| Acquisitions of non-controlling interests | - | - | - | - | - | - | - | - | - | -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 | - | - | - |
| Balance at 30 September 2010 | 308.028 | 22.826 | 30.276 | 6.755 | -90.065 | -117 | 474.882 | 823.303 | 1.575.888 | 26.345 | 1.602.233 |
| Balance at 1 January 2011 | 308.179 | 22.826 | 30.276 | 6.983 | -90.065 | -117 | 476.661 | 817.186 | 1.571.929 | 139.463 | 1.711.392 |
| Profit for the period | - | - | - | - | - | - | - | 52.923 | 52.923 | 9.491 | 62.414 |
| Other comprehensive loss | - | - | - | - | - | - | -35.825 | - | -35.825 | -3.160 | -38.985 |
| Total comprehensive income/(loss) for the period | - | - | - | - | - | - | -35.825 | 52.923 | 17.098 | 6.331 | 23.429 |
| Dividends distributed to ordinary and preferred shares | - | - | - | - | - | - | - | -15.231 | -15.231 | -9.680 | -24.911 |
| Non-controlling interest's put option recognition | - | - | - | - | - | - | -2.650 | - | -2.650 | 2.618 | -32 |
| Share options | - | - | - | 913 | - | - | - | - | 913 | - | 913 |
| Transfer between reserves | - | - | - | - | - | - | -25.571 | 25.571 | - | - | - |
| Balance at 30 September 2011 | 308.179 | 22.826 | 30.276 | 7.896 | -90.065 | -117 | 412.615 | 880.449 | 1.572.059 | 138.732 | 1.710.791 |

Interim Statement of Changes in Shareholders' Equity (continued)

Company

(all amounts in Euro thousands)

| | Ordinary shares | Share premium | Preferred ordinary shares | Share options | Ordinary treasury shares | Preferred treasury shares | Other reserves (note 16) | Retained earnings | Total equity |
|---|-----------------|---------------|---------------------------|---------------|--------------------------|---------------------------|--------------------------|-------------------|----------------|
| Balance at 1 January 2010 | 308.028 | 22.826 | 30.276 | 5.977 | -91.505 | -117 | 501.465 | 32.532 | 809.482 |
| Profit for the period | - | - | - | - | - | - | - | 23.932 | 23.932 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | 23.932 | 23.932 |
| Dividends distributed to ordinary and preferred shares | - | - | - | - | - | - | - | -15.224 | -15.224 |
| Treasury shares sold | - | - | - | - | 1.440 | - | - | -734 | 706 |
| Share options | - | - | - | 778 | - | - | - | - | 778 |
| Balance at 30 September 2010 | 308.028 | 22.826 | 30.276 | 6.755 | -90.065 | -117 | 501.465 | 40.506 | 819.674 |
| Balance at 1 January 2011 | 308.179 | 22.826 | 30.276 | 6.983 | -90.065 | -117 | 507.065 | 31.804 | 816.951 |
| Profit for the period | - | - | - | - | - | - | - | 2.895 | 2.895 |
| Other comprehensive loss | - | - | - | - | - | - | -3.696 | - | -3.696 |
| Total comprehensive income/(loss) for the period | - | - | - | - | - | - | -3.696 | 2.895 | -801 |
| Dividends distributed to ordinary and preferred shares | - | - | - | - | - | - | - | -15.231 | -15.231 |
| Share options | - | - | - | 913 | - | - | - | - | 913 |
| Balance at 30 September 2011 | 308.179 | 22.826 | 30.276 | 7.896 | -90.065 | -117 | 503.369 | 19.468 | 801.832 |

Interim Statement of Cash Flows

(all amounts in Euro thousands)

| | note | Group | | Company | |
|--|------|----------------|----------------|---------------|---------------|
| | | 1/1-30/9/2011 | 1/1-30/9/2010 | 1/1-30/9/2011 | 1/1-30/9/2010 |
| Cash flows from operating activities | | | | | |
| Profit before taxes | | 74.465 | 118.546 | 6.451 | 42.312 |
| <i>Adjustments for:</i> | | | | | |
| Depreciation/amortization | | 87.864 | 91.939 | 8.820 | 9.035 |
| Provisions | | -11.318 | 12.220 | 943 | 6.022 |
| Exchange differences | | 17.558 | 3.820 | 81 | -166 |
| Income from participations & investments | | - | - | -3.495 | -5.656 |
| Interest expense | | 37.315 | 42.044 | 27.671 | 18.692 |
| Other non cash flow items | | -17.429 | -3.122 | 862 | -4.152 |
| Adjusted profit before changes in working capital | | 188.455 | 265.447 | 41.333 | 66.087 |
| (Increase)/decrease in inventories | | -3.026 | -13.351 | 7.270 | -8.378 |
| (Increase)/decrease in trade and other receivables | | -1.844 | 6.366 | 3.419 | 31.555 |
| Decrease/(increase) in operating long-term receivables | | 443 | -2.751 | 303 | 22 |
| (Decrease)/increase in trade payables (excluding banks) | | -36.049 | -45.001 | -10.297 | -14.661 |
| Cash generated from operations | | 147.979 | 210.710 | 42.028 | 74.625 |
| Income tax paid | | -27.460 | -14.251 | -12.824 | -15.432 |
| <i>Net cash flows from operating activities</i> | | 120.519 | 196.459 | 29.204 | 59.193 |
| Cash flows from investing activities | | | | | |
| Acquisition of subsidiaries, non controlling interests, affiliates, joint ventures, net of cash acquired | | - | -2.229 | -9.743 | -511 |
| Purchase of tangible and intangible assets | 9 | -42.070 | -58.654 | -4.709 | -5.636 |
| Proceeds from the sale of property, plant and equipment | 9 | 4.218 | 4.267 | 1.876 | 3.596 |
| Proceeds from partial disposal of foreign subsidiary business | | - | 32.733 | - | - |
| Proceeds from dividends | | 7 | 83 | 269 | 5.656 |
| Purchase of available-for-sale financial assets | | -44 | -136 | - | -2 |
| Interest received | | 2.907 | 2.863 | 133 | 1.261 |
| <i>Net cash flows (used in)/from investing activities</i> | | -34.982 | -21.073 | -12.174 | 4.364 |
| Net cash flows after investing activities | | 85.537 | 175.386 | 17.030 | 63.557 |
| Cash flows from financing activities | | | | | |
| Proceeds from non-controlling interest's participation in subsidiaries' share capital increase | | - | 10.358 | - | - |
| Interest paid | | -42.887 | -52.274 | -26.847 | -18.366 |
| Sale of treasury shares | | - | 706 | - | 706 |
| Proceeds from government grants | | - | 110 | - | - |
| Dividends paid and distributed reserves | | -24.836 | -16.421 | -15.257 | -15.234 |
| Proceeds from borrowings | | 422.503 | 899.556 | 90.031 | 251.775 |
| Payments of borrowings | | -269.316 | -975.327 | -45.515 | -276.650 |
| <i>Net cash flows from/(used in) financing activities</i> | | 85.464 | -133.292 | 2.412 | -57.769 |
| Net increase in cash and cash equivalents | | 171.001 | 42.094 | 19.442 | 5.788 |
| Cash and cash equivalents at beginning of the period | | 67.070 | 16.426 | 2.943 | 204 |
| Effects of exchange rate changes | | -2.863 | -3.207 | - | - |
| Cash and cash equivalents at end of the period | | 235.208 | 55.313 | 22.385 | 5.992 |

Contents of the notes to the interim condensed financial statements

| | | |
|-----|---|----|
| 1. | General information | 12 |
| 2. | Basis of preparation and summary of significant accounting policies | 12 |
| 3. | Segment information | 15 |
| 4. | Cash and cash equivalents | 16 |
| 5. | Principal subsidiaries, associates and joint ventures | 17 |
| 6. | Fiscal years unaudited by the tax authorities | 19 |
| 7. | Pledge of assets | 20 |
| 8. | Number of employees | 20 |
| 9. | Capital expenditure and disposals | 20 |
| 10. | Earnings per share | 20 |
| 11. | Treasury shares | 20 |
| 12. | Provisions | 20 |
| 13. | Related party transactions | 21 |
| 14. | Borrowings | 23 |
| 15. | Financial instruments | 23 |
| 16. | Other reserves | 25 |
| 17. | Significant movements in the statement of financial position and income statement items | 25 |
| 18. | Share based payments | 27 |
| 19. | Contingencies and commitments | 29 |
| 20. | Reclassifications | 31 |
| 21. | Events after the reporting period | 31 |
| 22. | Principal exchange rates | 32 |

1. General information

Titan Cement Co. S.A. (the Company) and, its subsidiaries, joint ventures and associates (collectively the Group) are engaged in the production, trade and distribution of a wide range of construction materials, from aggregates, cement, concrete, cement blocks, dry mortars, 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 10, 2011.

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 2010.

A. 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 2010, 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 2011, none of which had effect on the financial statements of the Group and the Company.

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.**
- **IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended).**
- **IAS 32 Classification on Rights Issues.**
- **IAS 24 Related Party Disclosures.**

In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. Their adoption didn't have any significant effect on the financial statements of the Group.

B. The following new standards, amendments to standards and interpretations have been issued but are not effective for the current period. They have not been early adopted and the Group and the Company are currently assessing possible impacts in the financial statements from their adoption.

• **IAS 1 Presentation of Financial Statements (amended):** The amendment is effective for annual periods beginning on or after 1 July 2012. This amendment changes the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. This amendment has not yet been endorsed by the EU.

• **IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended).** The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group, however additional disclosures may be required.

• **IAS 12 Deferred tax: Recovery of Underlying Assets (Amended).** The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

• **IFRS 9 Financial Instruments – Phase 1 Classification and Measurement.** The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS addresses classification and measurement of financial instruments. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

• **IFRS 10 Consolidated Financial Statements.** The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and, therefore, are required to be consolidated by a parent. Examples of areas of significant judgment include evaluating de facto control, potential voting rights or whether a decision maker is acting as a principal or agent. IFRS 10 replaces the part of IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements and replaces SIC 12 Consolidation — Special Purpose Entities. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

• **IFRS 11 Joint Arrangements.** The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 11 eliminates proportionate consolidation of jointly controlled entities. Under IFRS 11, jointly controlled entities, if classified as joint ventures (a newly defined term), must be accounted for using the equity method. Additionally, jointly controlled assets and operations are joint operations under IFRS 11, and the accounting for those arrangements will generally be consistent with today's accounting. That is, the entity will continue to recognize its relative share of assets, liabilities, revenues and expenses. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

• **IFRS 12 Disclosures of Interests in Other Entities.** The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, investments in associates and structured entities into one comprehensive disclosure standard. A number of new disclosures also will be required such as disclosing the judgments made to determine control over another entity. IFRS 12 replaces the requirements previously included in IAS 27, IAS 31, and IAS 28 Investments in Associates. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

• **IFRS 13 Fair Value Measurement.** The new standard is effective for annual periods beginning on or after 1 January 2013. The main reason of issuance of IFRS 13 is to reduce complexity and improve consistency in application when measuring fair value. It does not change when an entity is required to use fair value but, rather, provides guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS. IFRS 13 consolidates and clarifies the guidance on how to measure fair value and also to increase convergence with USGAAP which has also been amended by FAASB. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

• **IAS 27 Separate Financial Statements (amended).** This amendment is effective for annual periods beginning on or after 1 January 2013. As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to contain accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 Separate Financial Statements requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

• **IAS 28 Investments in Associates and Joint Ventures (amended).** The Standard is effective for annual periods beginning on or after 1 January 2013. As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to prescribe the accounting for investments in associates and set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

• **IAS 19 Employee Benefits (amended).** The amendment is effective for annual periods beginning on or after 1 January 2013. The amended IAS 19 proposes major changes to the accounting for employee benefits, including the removal of the option for deferred recognition of changes in pension plan assets and liabilities (known as the “corridor approach”). The result is greater balance sheet volatility for those entities currently applying the corridor approach. These amendments will limit the changes in the net pension asset (liability) recognised in profit or loss to net interest income (expense) and service costs. Expected returns on plan assets will be replaced by a credit to income based on the corporate bond yield rate. In addition, the revised standard requires immediate recognition of past service costs as a result of plan amendments (in the income statement) and requires termination benefits to be recognised only when the offer becomes legally binding and cannot be withdrawn. Early application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

• **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.** This interpretation considers when and how to account for separately (i) the usable ore that can be used to produce inventory and, (ii) the improved access to further quantities of material that will be mined in future periods that arise from the stripping activity, as well as how to measure these benefits both initially and subsequently. IFRIC 20 only deals with waste removal costs that are incurred in surface mining activity during the production phase of the mine (‘production stripping costs’). This interpretation applies to annual periods beginning on or after 1 January 2013 and earlier application is permitted. IFRIC 12 has not yet been endorsed by the EU.

3. Segment information

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

Each region has a regional Chief Executive Officer (CEO) who reports to the Group's CEO. In addition, Group's Chief Financial Officer (CFO) organization 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, Depreciation & Amortization (EBITDA). Group financing (including finance costs and finance revenue) is managed on group basis and is allocated to operating segments.

| <i>(all amounts in Euro thousands)</i> | Greece and Western Europe | | North America | | South Eastern Europe | | Eastern Mediterranean | | Adjustments and eliminations | | Total | |
|--|---------------------------|----------------|----------------|----------------|----------------------|----------------|-----------------------|----------------|------------------------------|----------|----------------|------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | Period from 1/1-30/9 | | | | | | | | | | | |
| Gross revenue | 224.270 | 362.252 | 229.487 | 248.081 | 192.483 | 184.531 | 215.828 | 268.858 | - | - | 862.068 | 1.063.722 |
| Inter-segment revenue | -13.935 | -31.867 | -131 | -138 | -9.062 | -3.226 | - | - | - | - | -23.128 | -35.231 |
| Turnover | 210.335 | 330.385 | 229.356 | 247.943 | 183.421 | 181.305 | 215.828 | 268.858 | - | - | 838.940 | 1.028.491 |
| Gross profit before depreciation & amortization | 74.123 | 111.711 | 31.450 | 38.470 | 91.555 | 79.641 | 84.420 | 116.737 | -365 | -703 | 281.183 | 345.856 |
| Earnings/(losses) before interest, taxes, depreciation & amortization (EBITDA) | 44.271 | 75.994 | -4.308 | 6.775 | 73.667 | 72.796 | 107.907 | 105.417 | -1.711 | -722 | 219.826 | 260.260 |
| Earnings/(losses) before interest and taxes | 31.074 | 62.465 | -46.447 | -40.272 | 57.430 | 59.017 | 91.464 | 87.681 | -1.559 | -570 | 131.962 | 168.321 |
| Earnings/(losses) before taxes | 2.911 | 45.445 | -59.872 | -61.081 | 57.771 | 62.139 | 81.351 | 96.490 | -7.696 | -24.447 | 74.465 | 118.546 |

| <i>(all amounts in Euro thousands)</i> | Greece and Western Europe | | North America | | South Eastern Europe | | Eastern Mediterranean | | Adjustments and eliminations | | Total | |
|--|---------------------------|------------|---------------|------------|----------------------|------------|-----------------------|------------|------------------------------|------------|------------|------------|
| | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 |
| | Total assets | 2.776.526 | 2.586.691 | 953.163 | 1.005.734 | 819.458 | 756.097 | 1.245.263 | 1.096.853 | -2.609.917 | -2.364.901 | 3.184.493 |
| Total liabilities | 1.944.108 | 1.732.846 | 432.497 | 433.130 | 205.039 | 192.050 | 360.743 | 237.063 | -1.468.685 | -1.226.007 | 1.473.702 | 1.369.082 |

4. Cash and cash equivalents

(all amounts in Euro thousands)

| | Group | | Company | |
|--------------------------|----------------|---------------|---------------|--------------|
| | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 |
| Cash at bank and in hand | 273 | 132 | 25 | 2 |
| Short-term bank deposits | 234.935 | 66.938 | 22.360 | 2.941 |
| | 235.208 | 67.070 | 22.385 | 2.943 |

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 30.9.2011 without including bank loans and debentures:

(all amounts in Euro thousands)

| | Group | | Company | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 |
| Total Committed | 1.131.605 | 1.360.193 | 1.025.000 | 165.000 |
| Total Un-committed | 223.807 | 233.365 | 97.447 | 96.108 |
| Un-utilized Committed | 518.934 | 836.851 | 582.140 | 149.467 |
| Un-utilized Un-committed | 94.648 | 158.782 | 32.628 | 79.572 |
| Total Un-utilized | 613.582 | 995.633 | 614.768 | 229.039 |

5. Principal subsidiaries, associates and joint ventures

| Subsidiary, associate and joint venture name | Country of incorporation | Nature of business | 30/9/2011 | | 31/12/2010 | |
|--|--------------------------|-------------------------------------|--------------------------------|----------|--------------------------------|----------|
| | | | % of investment ⁽¹⁾ | | % of investment ⁽¹⁾ | |
| | | | Direct | Indirect | Direct | Indirect |
| Full consolidation method | | | | | | |
| 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 |
| 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 | - | 100,000 | 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 |
| Gournon Quarries S.A. | Greece | Quarries & Aggregates | 54,930 | 45,070 | 54,930 | 45,070 |
| Quarries of Tagaradon Community S.A. | Greece | Quarries & Aggregates | - | 79,928 | - | 79,928 |
| Quarries of Tanagra S.A. | Greece | Quarries & Aggregates | - | 100,000 | - | 100,000 |
| Vahou Quarries S.A. | Greece | Quarries & Aggregates | - | 100,000 | - | 100,000 |
| Sigma Beton S.A. | Greece | Quarries & Aggregates | - | 100,000 | - | 100,000 |
| Titan Atlantic Cement Industrial and Commercial S.A. | Greece | Investment Holding Company | 43,947 | 56,053 | 43,947 | 56,053 |
| Titan Cement International Trading S.A. | Greece | Trading Company | 99,800 | 0,200 | 99,800 | 0,200 |
| Double W & Co OOD | Bulgaria | Port | - | 99,989 | - | 99,989 |
| 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 | Italy | Trading Company | - | 60,000 | - | 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 | Cyprus | Investment Holding Company | - | 100,000 | - | 100,000 |
| Balkcem Ltd | Cyprus | Investment Holding Company | - | 100,000 | - | 100,000 |
| East Cement Trade Ltd | Cyprus | Investment Holding Company | - | 100,000 | - | 100,000 |
| Feronia Holding Ltd | Cyprus | Investment Holding Company | - | 100,000 | - | 100,000 |
| Iapetos Ltd | Cyprus | Investment Holding Company | 100,000 | - | 100,000 | - |
| KOCEM Limited | Cyprus | Investment Holding Company | - | 100,000 | - | 100,000 |
| Rea Cement Ltd | Cyprus | Investment Holding Company | - | 100,000 | - | 100,000 |
| Themis Holdings Ltd | Cyprus | Investment Holding Company | - | 100,000 | - | 100,000 |
| 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 ⁽²⁾ | Cyprus | Investment Holding Company | - | 50,996 | - | 50,996 |
| Sharr Beteiligungs GmbH ⁽²⁾ | Germany | Investment Holding Company | - | 50,996 | - | 50,996 |
| Kosovo Construction Materials L.L.C ⁽²⁾ | Kosovo | Quarries & Aggregates | - | 50,996 | - | 50,996 |
| Sharrcem SH.P.K. ⁽²⁾ | Kosovo | Cement Producer | - | 50,996 | - | 50,996 |
| Alexandria Portland Cement Co. S.A.E | Egypt | Cement Producer | - | 82,513 | - | 82,513 |
| Beni Suef Cement Co.S.A.E. | Egypt | Cement Producer | - | 82,513 | - | 82,513 |
| Misrieen Titan Trade & Distribution | Egypt | Trading Company | - | 90,256 | - | 90,256 |
| Titan Beton & Aggregate Egypt LLC | Egypt | Quarries & Aggregates | - | 83,118 | - | 83,118 |
| 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 | - | 82,717 | - | 82,717 |
| Titan Egyptian Inv. Ltd | U.K. (Ch. Islands) | Investment Holding Company | - | 100,000 | - | 100,000 |

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

| Subsidiary, associate and joint venture name | Country of incorporation | Nature of business | 30/9/2011 | | 31/12/2010 | |
|--|--------------------------|----------------------------|--------------------------------|----------|--------------------------------|----------|
| | | | % of investment ⁽¹⁾ | | % of investment ⁽¹⁾ | |
| | | | Direct | Indirect | Direct | Indirect |
| Full consolidation method | | | | | | |
| Central Concrete Supermix Inc. | U.S.A. | Ready Mix | - | 100,000 | - | 100,000 |
| Essex Cement Co. LLC | U.S.A. | Trading Company | - | 100,000 | - | 100,000 |
| Markfield America LLC | U.S.A. | Insurance Company | - | 100,000 | - | 100,000 |
| Mechanicsville Concrete INC. | U.S.A. | Ready Mix | - | 100,000 | - | 100,000 |
| Metro Redi-Mix LLC | U.S.A. | Ready Mix | - | 100,000 | - | 100,000 |
| Miami Valley Ready Mix of Florida LLC | U.S.A. | Ready Mix | - | 100,000 | - | 100,000 |
| Pennsuco Cement Co. LLC | U.S.A. | Cement Producer | - | 100,000 | - | 100,000 |
| Roanoke Cement Co. LLC | U.S.A. | Cement Producer | - | 100,000 | - | 100,000 |
| S&W Ready Mix Concrete Co. Inc. | U.S.A. | Ready Mix | - | 100,000 | - | 100,000 |
| Separation Technologies LLC | U.S.A. | 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 Doool | F.Y.R.O.M | Quarries & Aggregates | - | 99,989 | - | 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 | Albania | Trading Company | - | 60,000 | - | 60,000 |
| 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 | - |
| Holtitan 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 |
| Proportionate consolidation method | | | | | | |
| Adocim Cimento Beton Sanayi ve Ticaret A.S. | Turkey | Cement Producer | - | 50,000 | - | 50,000 |
| Equity consolidation method | | | | | | |
| Karieri AD | Bulgaria | Quarries & Aggregates | - | 48,711 | - | 48,711 |
| Karierni Materiali AD | Bulgaria | Quarries & Aggregates | - | 48,764 | - | 48,764 |
| Vris OOD | Bulgaria | Quarries & Aggregates | - | 48,764 | - | 48,764 |
| Transbeton - Domiki S.A. | Greece | Ready Mix & Aggregates | - | 49,900 | - | 49,900 |

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

⁽²⁾ Purchase price allocation is still pending for the above subsidiaries and is expected to be completed by year end.

The movement of the Company's participation in subsidiaries is analyzed as follows (all amounts in Euro thousands):

| | 30/9/2011 | 31/12/2010 |
|---|------------------|------------------|
| Participation in Subsidiaries at 1st January | 1.183.721 | 1.268.502 |
| Share capital increase in subsidiaries | 9.799 | 3.500 |
| Provision for impairment of investments | -9.936 * | -7.776 |
| Decrease in investment from return of capital | - | -81.000 |
| Liquidation of affiliates | -57 | - |
| Other | 379 | 495 |
| Participation in Subsidiaries | 1.183.906 | 1.183.721 |

* Share capital increase in subsidiaries includes a provision reduction that relates to a contribution of assets and capitalization of receivables.

6. Fiscal years unaudited by the tax authorities

| | | | |
|--|-----------|---|-----------|
| Titan Cement Company S.A | 2010 | Cementi Crotone S.R.L. | 2009-2010 |
| Achaiki Maritime Company | 2010 | Dancem APS | 2009-2010 |
| Aeolian Maritime Company | 2010 | Titan Cement Cyprus Limited | 2006-2010 |
| Albacem S.A. | 2010 | KOCEM Limited | 2007-2010 |
| Arktias S.A. | 2010 | Fintitan SRL | 2007-2010 |
| AVES AFOI Polikandrioti S.A. | 2010 | Cementi ANTEA SRL | 2010 |
| Dodekanesos Quarries S.A. | 2010 | Colombus Properties B.V. | 2010 |
| Interbeton Construction Materials S.A. | 2005-2010 | Holtitan B.V. | 2008-2010 |
| Intercement S.A. | 2010 | Aeas Netherlands B.V. | 2010 |
| Intertitan Trading International S.A. | 2007-2010 | Titan Cement U.K. Ltd | 2009-2010 |
| Ionia S.A. | 2007-2010 | Separation Technologies U.K. Ltd | 2009-2010 |
| Lakmos S.A. | 2010 | Titan America LLC ⁽⁴⁾ | 2008-2010 |
| Leecem S.A. | 2010 | Separation Technologies Canada Ltd | 2008-2010 |
| Naftitan S.A. | 2010 | Stari Silo Company DOO | 2008-2010 |
| Pozolani S.A. | 2010 | Cementara Kosjeric AD | 2006-2010 |
| Porfirion S.A. | 2010 | Adocim Cimento Beton Sanayi ve Ticaret A.S. | 2006-2010 |
| Polikos Maritime Company | 2000-2010 | TCK Montenegro DOO | 2007-2010 |
| Vahou Quarries S.A. | 2010 | Double W & Co OOD | 2005-2010 |
| Gournon Quarries S.A. | 2010 | Granitoid AD | 2007-2010 |
| Quarries of Tagaradon Community S.A. | 2010 | Gravel & Sand PIT AD | 2005-2010 |
| Quarries of Tanagra S.A. | 2010 | Trojan Cem EOOD | 2010 |
| Sigma Beton S.A. | 2010 | Zlatna Panega Beton EOOD | 2005-2010 |
| Titan Atlantic Cement Industrial and Commercial S.A. | 2010 | Zlatna Panega Cement AD | 2009-2010 |
| Titan Cement International Trading S.A. | 2010 | Cement Plus LTD | 2009-2010 |
| Aemos Cement Ltd | 2004-2010 | Geospan Dooel | 2010 |
| Alvacim Ltd ⁽²⁾ | 2006-2010 | Rudmark DOOEL | 2006-2010 |
| Balkcem Ltd ⁽³⁾ | 2004-2010 | Usje Cementarnica AD | 2009-2010 |
| Iapetos Ltd | 2003-2010 | Titan Cement Netherlands BV | 2010 |
| Rea Cement Ltd | 2003-2010 | Alba Cemento Italia, SHPK | 2009-2010 |
| Themis Holdings Ltd | 2005-2010 | Antea Cement SHA | - |
| Tithys Ltd ⁽³⁾ | 2004-2010 | Alexandria Development Co.Ltd | (1) |
| Feronia Holding Ltd | 2006-2010 | Alexandria Portland Cement Co. S.A.E | 2006-2010 |
| Vesa DOOL | 2006-2010 | Balkan Cement Enterprises Ltd | 2004-2010 |
| Terret Enterprises Ltd | 2009-2010 | Beni Suef Cement Co.S.A.E. | 2006-2010 |
| Sharr Beteiligungs GmbH | 2010 | East Cement Trade Ltd | 2003-2010 |
| Kosovo Construction Materials L.L.C. | 2010 | Titan Beton & Aggregate Egypt LLC | 2005-2010 |
| Sharrcem SH.P.K. | 2010 | Titan Egyptian Inv. Ltd | (1) |
| Salentijn Properties1 B.V. | 2010 | Misrieen Titan Trade & Distribution | 2005-2010 |
| Titan Global Finance PLC | 2008-2010 | | |

⁽¹⁾ Under special tax status.

⁽²⁾ The fiscal years of 2007, 2008 have been audited.

⁽³⁾ The fiscal year of 2007 has been audited.

⁽⁴⁾ 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 (€10.4 m) to secure loans of TL 9.7 m (€3.9 m) and \$5.0 m (€3.7 m).

8. Number of employees

Number of employees at the end of the reporting period: Group 5,759 (30.9.2010: 6,085), Parent Company 920 (30.9.2010: 982).

9. Capital expenditure and disposals

Capital expenditure for the first nine months of 2011, excluding fixed assets acquired through a business combination and intangibles, amounted to: Group €41.0 m (30.9.2010 €57.2 m), Parent Company €4.3 m (30.9.2010 €5.2 m). Assets with a net book value of €2.1 m have been disposed of by the Group during the nine months ended 30 September 2011 (30.9.2010: €3.4 m) resulting in a net gain €0.5 m (30.9.2010: gain €3.9 m). During the period 1.1-30.9.2011, the Company and the Group have received an advance payment of €1.6 m for the sale of a tangible asset.

10. Earnings per share

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

11. Treasury shares

The total number of its own shares that the Company holds as at 30.9.2011 is 3,137,616 (30.9.2010: 3,137,616) of aggregate value of €90,182 thousand (30.9.2010: €90,182 thousand), and they have been deducted from the Shareholders Equity of the Group and the Company. The above shares represent 3.71% (30.9.2010: 3.71%) of the Company's total share capital.

12. Provisions

Group

Group's provisions' balance presented in short and long term liabilities as of 30.9.2011 amounted to €19.1 m (31.12.2010: €19.4 m).

The above balance includes provision for rehabilitation of quarries amounted to €10.6 m (31.12.2010: €12.1m), provision for staff costs €1.2 m (31.12.2010: €1.0 m), provision for staff training €3.0 m (31.12.2010: €0) and other provisions for risks none of which are individually material to the Group.

Company

Company's provisions' balance presented in short and long term liabilities as of 30.9.2011 for the Company amounted to €3.8 m (31.12.2010: €7.6 m).

The above balance includes among other, provision for rehabilitation of quarries €1.7 m (31.12.2010: €1.7 m), provision for staff costs €1.2 m (31.12.2010: €0.9 m), while the balance at 31.12.2010 includes €5.0 m provisions for subsidiaries' general commitments.

13. Related party transactions

Transactions with related parties during the nine month period ending 30 September 2011 as well as balances with related parties as of 30 September 2011, according to I.A.S. 24 are as follows:

Group

| <i>Amounts in € thousands</i> | Sales of goods & services | Purchases of goods & services | Receivables | Liabilities |
|-------------------------------------|--------------------------------------|--|--------------------|--------------------|
| Other interrelated parties | - | 2.018 | - | 650 |
| Executives and members of the Board | - | 3.905 | 14 | - |
| | - | 5.923 | 14 | 650 |

Company

| <i>Amounts in € thousands</i> | Sales of goods & services | Purchases of goods & services | Receivables | Liabilities |
|---|--------------------------------------|--|--------------------|--------------------|
| Aeolian Maritime Company | - | - | - | 308 |
| Albasem S.A. | 1 | - | - | 7 |
| Interbeton Construction Materials S.A. | 24.244 | 3.229 | 9.281 | - |
| Intertitan Trading International S.A. | 4.691 | - | - | - |
| Ionia S.A. | 151 | 83 | - | 32 |
| Gournon Quarries S.A. | - | - | 641 | - |
| Naftitan S.A. | 18 | - | - | 46 |
| Pozolani S.A. | - | 47 | 110 | - |
| Titan Cement International Trading S.A. | 4 | - | 495 | - |
| Antea Cement SHA | 3.055 | - | 6.622 | - |
| Beni Suef Cement Co.S.A.E. | 316 | - | 26 | - |
| Cementara Kosjeric AD | 98 | - | 5 | - |
| Dancem APS | 1.308 | - | - | - |
| Fintitan SRL | 193 | - | 193 | - |
| Sharr Beteiligungs GmbH | 13 | - | - | - |
| T.C.U.K. Ltd | 5.251 | 15 | 1.508 | - |
| Titan America LLC | 64 | - | 79 | - |
| Titan Global Finance PLC | - | 23.242 | - | 627.620 |
| Usje Cementarnica AD | 13.661 | - | 78 | - |
| Zlatna Panega Cement AD | 204 | - | 2 | - |
| Other affiliates | 22 | - | - | - |
| Other interrelated parties | - | 2.018 | - | 650 |
| Executives and members of the Board | - | 3.809 | 14 | - |
| | 53.294 | 32.443 | 19.054 | 628.663 |

Transactions with related parties during the nine month period ending 30 September 2010 as well as balances with related parties as of 31 December 2010, according to I.A.S. 24 are as follows:

Group

| <i>Amounts in € thousands</i> | Sales of goods & services | Purchases of goods & services | Receivables | Liabilities |
|-------------------------------------|--------------------------------------|--|--------------------|--------------------|
| Other interrelated parties | - | 1.356 | - | 477 |
| Executives and members of the Board | - | 4.803 | 4 | 869 |
| | - | 6.159 | 4 | 1.346 |

13. Related party transactions (continued)

Company

| <i>Amounts in € thousands</i> | Sales of goods & services | Purchases of goods & services | Receivables | Liabilities |
|---|--------------------------------------|--|--------------------|--------------------|
| Aeolian Maritime Company | 1.182 | 925 | - | 710 |
| Achaiki Maritime Co. | 4.478 | 2.033 | - | 2.400 |
| Albasem S.A. | - | - | - | 7 |
| Interbeton Construction Materials S.A. | 36.352 | 4.090 | 12.681 | - |
| Intertitan Trading International S.A. | 5.052 | - | - | - |
| Ionia S.A. | 103 | 5 | 51 | - |
| Gournon Quarries S.A. | - | - | 816 | - |
| Tanagra Quarries S.A. | - | - | 5 | - |
| Naftitan S.A. | - | - | - | 506 |
| Pozolani S.A. | - | - | 13 | - |
| Polikos Maritime Company | - | - | - | 700 |
| Titan Cement International Trading S.A. | - | - | 330 | - |
| Fintitan S.r.l. | 5.027 | - | 2.778 | - |
| T.C.U.K. Ltd | 4.998 | - | 1.094 | - |
| Usje Cementarnica AD | 8.766 | - | 262 | - |
| Essex Cement Co LLC | 5.878 | - | - | 9 |
| Adocim Cimento Beton Sanayi ve Ticaret A.S. | - | - | 1 | - |
| Antea Cement SHA | 6.175 | - | 4.338 | - |
| Alexandria Portland Cement Co S.A.E. | 12.012 | - | 1 | - |
| Beni Suef Cement Co.S.A.E. | - | - | 394 | - |
| Cementara Kosjeric AD | - | - | 20 | - |
| Dancem APS | - | - | 17 | - |
| Separation Technologies LLC | - | - | 7 | - |
| Separation Technologies U.K. Ltd | - | - | 15 | - |
| Sharr Beteiligungs GmbH | - | - | 14 | - |
| Zlatna Panega Cement AD | - | - | 34 | - |
| Titan America LLC | - | - | 12 | - |
| Titan Global Finance PLC | 2 | 13.880 | - | 631.273 |
| Other affiliates | 777 | 442 | - | - |
| Other interrelated parties | - | 1.356 | - | 477 |
| Executives and members of the Board | - | 4.658 | 4 | 869 |
| | 90.802 | 27.389 | 22.887 | 636.951 |

14. Borrowings

The maturity profile of borrowings resulting from the consolidated financial statements and the loan contracts which are valid on 30.9.2011 is shown in the following table:

| (all amounts in Euro thousands) | <u>30/9/2011</u> | <u>31/12/2010</u> |
|---------------------------------|-------------------------|-----------------------|
| Up to 1 year | 220.793 | 136.763 |
| From 1 to 2 years | 201.015 | 356.765 |
| From 2 to 5 years | 524.339 | 296.489 |
| More than 5 years | 57.015 | 53.707 |
| Total debt | <u>1.003.162</u> | <u>843.724</u> |
| Total short term borrowings | 220.793 | 136.763 |
| Total long term borrowings | 782.369 | 706.961 |
| Total debt | <u>1.003.162</u> | <u>843.724</u> |

Titan Global Finance PLC (TGF), a subsidiary of Titan Cement Company S.A., executed on January 5th, 2011 in London, UK, a new 4-year €585 mil. multi-currency forward start syndicated revolving credit facility, guaranteed by Titan Cement Company S.A, for the purpose of refinancing TGF's €800 mil. existing syndicated multicurrency revolving credit facility which matures in April 2012 and, thereafter, for general corporate purposes of the Group.

On September 30th, 2011, the Group proceeded to an early cancellation of TGF's syndicated multicurrency revolving credit facility, which initially matured in April 2012, and its outstanding amount of €438.4 mil. was fully refinanced through the new syndicated facility of €585 mil. with maturity in January 2015. Consequently, as of 30.09.2011, the €438.4 mil. outstanding amount of the new revolving facility reported under the Long-Term Borrowings. Finally, on January 7, 2011, the Company executed a four year syndicated bond loan of €135 mil. principal, aiming to further strengthen the Group's liquidity profile.

15. Financial instruments

Cash flow hedges

Upon execution by Titan Cement Company S.A. in early 2011 of a Euro 100 million borrowing from Titan Global Finance, Titan Cement Company S.A. also entered into interest rate swaps of Euro 100 million notional with five third party financial institutions. The transaction was undertaken in order to hedge the interest rate risk associated with the floating part (1month EURIBOR) of the Euro denominated borrowing. At the inception of the hedge relationship, Titan Cement Company S.A. formally designated and documented the hedge as a cash flow hedge and the risk management objective and strategy for undertaking the hedge. The terms of the interest rate swaps have been negotiated to match the terms of the Euro Loan and the hedge was assessed to be highly effective.

The derivative financial instrument was initially recognized at fair value on the effective date of the contract, and is being subsequently re-measured at fair value. As of September 30, 2011, the fair value of the derivative contracts of €3,949 thousand was recorded as a liability in the statement of financial position. As this derivative instrument has been designated as a cash flow hedge, any gains or losses arising from changes in the fair value of the derivative are recognized in other comprehensive income/loss as a separate component of equity. Consequently, as of September 30, 2011 an unrealized loss of €3,949 thousand was recognized.

15. Financial instruments (continued)

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

The derivative financial instrument was initially recognized at fair value on the effective date of the contract, and is being subsequently remeasured at fair value. As of September 30, 2011, the fair value of the derivative contract was recorded as a liability of €8,346 thousand (31.12.2010: €9,513 thousand) in the statement of financial position. As this derivative instrument has been designated as a cash flow hedge, any gains or losses arising from changes in fair value of the derivative are recognized in other comprehensive income/loss as a separate component of equity. Consequently, as of September 30, 2011 an unrealized gain €389 thousand and a deferred tax credit of €168 thousand was recognized.

Fair value hedges

Since 2009, Titan Cement Company S.A. possesses an interest rate swap amounting to €30 m, which is recognized as fair value hedge. As of September 30, 2011, the fair value of the derivative contracts was recorded as a liability of €1,105 thousand (31.12.2010: €687 thousand) in the statement of financial position. The valuation's result of €417 thousand of the above mentioned derivative was recorded as finance expense in the interim income statement of the period 1.1-30.9.2011.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

As at September 30, 2011, the Group and the Company held the following financial instruments measured at fair value:

| (all amounts in Euro thousands) | Group | | Company | | Fair value hierarchy |
|---|------------|----------|------------|----------|----------------------|
| | Fair value | | Fair value | | |
| | 30/9/11 | 31/12/10 | 30/9/11 | 31/12/10 | |
| Financial assets | | | | | |
| Available for-sale financial assets | 2.223 | 2.274 | 169 | 168 | Level 2 |
| Derivative financial instruments | 927 | 1.745 | - | - | Level 2 |
| Financial liabilities | | | | | |
| Other non current liabilities (note 19) | 21.166 | 21.134 | - | - | Level 3 |
| Derivative financial instruments | 13.400 | 10.200 | 5.054 | 687 | Level 2 |

16. Other reserves

(all amounts in Euro thousands)

| Group | Legal reserve | Special reserve | Contingency reserve | Tax exempt reserves under special laws | Revaluation reserve | Currency translation differences on derivative hedging position | Foreign currency translation reserve | Total other reserves |
|---|---------------|-----------------|---------------------|--|---------------------|---|--------------------------------------|----------------------|
| | | | | | | | | |
| Balance at 1 January 2010 | 78.413 | 14.829 | 270.316 | 143.101 | 117.563 | 47.788 | -237.660 | 434.350 |
| Other comprehensive income/(loss) | - | - | - | - | -216 | -1.047 | 44.340 | 43.077 |
| Goodwill from step acquisition | - | - | - | - | -825 | - | - | -825 |
| Transfer between reserves | - | - | 32 | -32 | -1.720 | - | - | -1.720 |
| Balance at 30 September 2010 | 78.413 | 14.829 | 270.348 | 143.069 | 114.802 | 46.741 | -193.320 | 474.882 |
| Balance at 1 January 2011 | 80.912 | 11.079 | 265.911 | 151.019 | 97.166 | 42.590 | -172.016 | 476.661 |
| Other comprehensive income/(loss) | - | - | - | - | 161 | -3.728 | -32.258 | -35.825 |
| Non-controlling interest's put option recognition | - | - | - | - | -2.650 | - | - | -2.650 |
| Transfer between reserves | 3.419 | -8.804 | -947 | -13.529 | -5.710 | - | - | -25.571 |
| Balance at 30 September 2011 | 84.331 | 2.275 | 264.964 | 137.490 | 88.967 | 38.862 | -204.274 | 412.615 |

| Company | Legal reserve | Special reserve | Contingency reserve | Tax exempt reserves under special laws | Revaluation reserve | Currency translation differences on derivative hedging position | Total other reserves |
|-------------------------------------|---------------|-----------------|---------------------|--|---------------------|---|----------------------|
| | | | | | | | |
| Balance at 1 January 2010 | 66.567 | 1.769 | 258.451 | 126.332 | - | 48.346 | 501.465 |
| Reclassifications between reserves | - | - | 32 | -32 | - | - | - |
| Balance at 30 September 2010 | 66.567 | 1.769 | 258.483 | 126.300 | - | 48.346 | 501.465 |
| Balance at 1 January 2011 | 68.650 | 1.769 | 254.017 | 134.283 | - | 48.346 | 507.065 |
| Other comprehensive loss | - | - | - | - | -3.696 | - | -3.696 |
| Reclassifications between reserves | - | 14.476 | -947 | -13.529 | - | - | - |
| Balance at 30 September 2011 | 68.650 | 16.245 | 253.070 | 120.754 | -3.696 | 48.346 | 503.369 |

17. Significant movements in the statement of financial position and income statement items

Group

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

- The net increase in other operating income/(expenses) of €17.1 mil. includes among other items, accounting of income of €25.0 mil. from the clay fee refund by Egyptian tax authorities.
- Finance expenses increased by €3.0 mil. due to the increase in interest rates (EURIBOR). However, they appeared decreased by €5.0 m due to a €8.0 mil. cost born in 2010 owing to the prepayment and retirement of US private placement notes that took place in 2010.

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

- c) Foreign exchange losses increased by €12.1 mil., mainly due to the valuation of loans (including intercompany loans) in Euro and US dollar, recorded from subsidiaries operating in third currencies in Egypt, Turkey and Albania. The volatility arising from foreign exchange rate fluctuations will continue affecting the Group's performance until the full repayment of the respective loans.
- d) Incorporated into operating results is the positive effect on production costs resulting from the sale of carbon dioxide emissions allowances (EUA) in Greece and Bulgaria.
- e) Property, plant and equipment decreased by €75.1 mil., mainly due to foreign exchange translation differences (losses) amounting to €38.9 mil. and depreciation charges for the period to the amount of €75.6 mil. The above movement includes also capital expenditure for the first nine months of 2011, amounting to €41.0 mil.
- f) Intangible assets decreased by €25.8 mil. as a result of foreign exchange translation differences (losses) of €14.5 mil., by depreciation charges for the period of €12.0 mil. and finally new additions of €0.8 mil.
- g) Inventories increased by €3.8 mil. mainly due to the increase in delivery of solid fuels to the Group's plants. However, this increase is positively affected by foreign exchange differences amounting to €2.9 because of the devaluation of US dollar and the New Turkish Lira against Euro. Consequently, the organic increase is €6,7 mil.
- h) Trade receivables increased by €7.8 mil.. The amount has been reduced by €2.7 mil. due to the foreign exchange translation of the devaluation of the US dollar and the New Turkish Lira against the Euro. As a result, the organic increase is €10.5 mil. and reflects mainly the seasonality of the business as well as market conditions in which the Group operates.
- i) Other receivables and prepayments increased by €27.8 mil. The above amount includes among other items, the accounting of the clay fee refund receivable of €18.7 mil. from the Egyptian tax authorities. This receivable is also presented in "other non-cash items" of the Interim Cash Flow Statement, since it is the uncollectable amount of the total revenue of €25 mil. (note 17a).
- j) Total borrowings (long and short term) increased by €159.4 mil.. Excluding a positive foreign exchange impact of €7.8 m, the increase in total borrowings would be €167.2 mil. Net debt decreased by €8.7 mil..
- k) Net deferred tax liabilities have decreased by €18.5 mil.. This amount is impacted by negative foreign exchange differences of €4.4 mil., and a deferred tax gain €14.1mil., which has been recorded in the Interim Statement of Income and Comprehensive Income for the first nine months of 2011.
- l) Derivative financial instruments presented under long-term liabilities increased in total by €3.2 mil. The amount of €4.4 is due to the valuation of interest rate swaps and the amount of €-1.2 is due to the valuation of foreign exchange forward contracts held by the Group for loan hedging purposes (note 15).
- m) Trade and other payables decreased by €36.9 mil. mainly due to the market conditions and seasonality of the business.

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

Company

The significant movements between the periods presented in the Parent's financial statements are as follows:

- n) Turnover and profit before interest, tax, depreciation (EBITDA) have decreased by 41% and 34% respectively due to the massive fall of building materials' sales both in interior sales (Greek sector) and exports' sales. Increased monetization of carbon dioxide emissions allowances (EUA) has positively affected the production cost and consequently contributed to the operating results mentioned above.
- o) Administrative expenses have decreased by 9.7% versus the first nine months of 2010, as a result of the ongoing effort of reducing costs.
- p) Finance expenses increased by €7.9 mil. due to the increase of loans (note 17u), in addition with the increase in interest rates (EURIBOR) as well as due to other loan terms and conditions compared to the nine months of 2010.
- q) Company's tax audit, for fiscal years 2008-2009, has been completed within 2011 and resulted to a total tax difference of € 2.3 mil.. Company's current period income statement was burdened by € 0.3 mil., due to established provision of €2.0 mil. in past years.
- r) Company's inventories decreased by €3.7 mil. due to the decrease in products' inventories, as a result of company's decreased operational activities, as well as the effort of reducing related invested capital.
- s) Trade receivables decreased by €7.7 mil.. This decrease is due to the overall decrease in company's turnover both in domestic sales (Greek sector) and exports' sales as well as the increase in provision for doubtful receivables by €2.6 mil.
- t) Other receivables and prepayments increased by €9.0 mil. mainly due to the increase in receivables from affiliated companies by €4.0 mil. and income tax advance by €4.7 mil.
- u) Company's short term borrowings increased by €62.6 mil. for covering working capital needs, while long term borrowings decreased by €17.9 mil.. Company's total net borrowings decreased by €25.3 mil..
- v) Trade and other payables decreased by €11.9 mil. as a result of company's reduced operational activities.
- w) Derivative financial instruments account, in long-term liabilities, increased by €4.4 mil. due to the increase in interest rates (EURIBOR), as well as the economic status in Greece in the current period.

18. Share based payments

Programme 2007

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

18. Share based payments (continued)

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

- 1) One-third of options granted vest based on the financial results of the Company.
- 2) One-third of options granted vest based on the Titan Cement's stock performance relative to three Athens Stock Exchange indices during the three year period.
- 3) One-third of options granted vest based on the Titan Cement's stock performance relative to that of twelve predefined international cement producing companies during the three year period.

The options granted under the 2007 Programme have been accounted for in terms of the requirements of IFRS 2 "Share based payments".

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

During 2010, 37,722 share options were exercised, while 114,222 share options did not vest due to the non compliance to the conditions above and 16,696 share options were cancelled. The remaining options for 83,486 shares have not yet been exercised.

Programme 2010

On June 3, 2010 the Company approved the introduction of a new, three-year Stock Option Programme (2010 Programme). In the years 2010, 2011 and 2012, executive members of the Company's Board of Directors and senior executives of the Company and its affiliates in Greece and abroad shall be granted options, the exercise of which is subject to the financial results of the Company and the performance of its ordinary share, to acquire up to 1,000,000 ordinary shares of the Company at a sale price equal to the share's nominal value, that is €4.00 per share.

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

- 1) One-third of options granted vest based on the financial results of the Company.
- 2) One-third of options granted vest based on the Titan Cement's stock performance relative to three Athens Stock Exchange indices during the three year period.
- 3) One-third of options granted vest based on the Titan Cement's stock performance relative to that of ten predefined international cement producing companies during the three year period.

The options granted under the 2010 Programme have been accounted for in terms of the requirements of IFRS 2 "Share based payments".

The fair value of the options granted in 2010 under the Programme of 2010 was €5.36 per option, determined using the Monte Carlo Simulation valuation model. The significant inputs used in the application of the valuation model were share price at grant date of €15.90, standard deviation of share price of 39.42%, dividend yield of 2.68% and the rate of the three-year fixed EUR swap interest rate of 2.247%.

18. Share based payments (continued)

During 2010, 267,720 share options were granted and from this total a number of 2,100 share options were canceled.

The fair value of the options granted in 2011 under the Programme of 2010 was €6.86 per option, determined using the Monte Carlo Simulation valuation model. The significant inputs used in the application of the valuation model were share price at grant date of €17.88, standard deviation of share price of 43.98%, dividend yield of 2.74% and the rate of the three-year fixed EUR swap interest rate of 1.890%. During 2011, 301.200 share options were granted.

19. Contingencies and commitments

Contingent liabilities

| <i>(all amounts in Euro thousands)</i> | Group | | Company | |
|---|----------------------|----------------------|-----------------------|-----------------------|
| | <u>30/9/2011</u> | <u>31/12/2010</u> | <u>30/9/2011</u> | <u>31/12/2010</u> |
| Guarantees to third parties on behalf of subsidiaries | - | - | 950.467 | 800.308 |
| Bank guarantee letters | 57.081 | 60.325 | 23.248 | 24.330 |
| Other | 10.600 | 21.614 | 1.940 | 1.432 |
| | <u>67.681</u> | <u>81.939</u> | <u>975.655</u> | <u>826.070</u> |

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 building materials companies in Florida, including the Company's subsidiary, Tarmac America LLC.

Litigation matters in Egypt

In 2007, Beni Suef Cement Company S.A., a Group subsidiary in Egypt, obtained the license for the construction of a second production line at the company's plant through a bidding process run by the Egyptian Trading and Industrial Authority for the amount of LE134.5mil. The Egyptian Industrial Development Authority subsequently raised the value of the license to LE251mil. In October 2008, Beni Suef Cement Company S.A. filed a case before the Administrative Court against the Minister of Trade and Industry and the chairman of the Industrial Development Authority requesting an order obliging the Industrial Development Authority to grant the expansion license to Beni Suef Cement Company S.A for LE500. Alternatively, if the court rejects this request, Beni Suef Cement Company S.A. is requesting the price to be the EGP134.5m offered by Beni Suef Cement Company S.A. in the bid. The Group believes the case has a very high probability of being won.

A non-governmental organization, the Nile Agricultural Organization, has raised a court case against Beni Suef Cement Company S.A., a Group subsidiary in Egypt, claiming that Beni Suef Cement Company S.A. has illegally occupied the plaintiff's land and is seeking compensation to the amount of LE300mil. The contested land however has been legally allocated to Beni Suef Cement Company S.A. since many years by the relevant authority, the New Urban Communities Agency, and since 1988 Beni Suef Cement Company S.A. has held the licenses for the exploitation of the quarries on this land. The company believes that there is a very high likelihood the case will be won.

19. Contingencies and commitments (continued)

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

CO₂ emissions

Given the reduced demand resulting from the underlying economic crisis, it is estimated that the Group's available carbon dioxide emissions allowances, overbalance the Group's production needs for the 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 30.09.2011 the put option's fair value recognized as liability is €21.2 mil. (31.12.2010: € 21.1 mil.).

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)

| | Group | | Company | |
|------------------------|-----------|------------|-----------|------------|
| | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 |
| Bank guarantee letters | 17.115 | 16.769 | 16.273 | 15.881 |

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)

| | Group | | Company | |
|-------------------------------|-----------|------------|-----------|------------|
| | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 |
| Property, plant and equipment | 16.127 | 8.675 | 5.344 | 5.478 |

Purchase commitments

(all amounts in Euro thousands)

| | Group | | Company | |
|---|-----------|------------|-----------|------------|
| | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 |
| Energy supply contracts (Gas, electricity, etc) | 205.327 | 227.183 | - | - |

19. Contingencies and commitments (continued)

The Group's US subsidiary has contracted to purchase raw materials and manufacturing supplies as part of its ongoing operations in Florida. This includes a contract to buy construction aggregates through a multi-year agreement at prevailing market prices.

Operating lease commitments - where a Group Company is the lessee

The Group leases motor vehicles, properties and other equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

(all amounts in Euro thousands)

| | Group | | Company | |
|---|---------------|---------------|--------------|--------------|
| | 30/9/2011 | 31/12/2010 | 30/9/2011 | 31/12/2010 |
| Not later than 1 years | 5.591 | 6.963 | 748 | 753 |
| Later than 1 years and not later than 5 years | 31.767 | 15.931 | 1.258 | 983 |
| Later than 5 years | - | 18.903 | - | - |
| | 37.358 | 41.797 | 2.006 | 1.736 |

20. Reclassifications

The account "Other expenses" decreased by the amount of €3,000 thousand for the Company, and reallocated in the "Expenses from participations and investments" in the Income Statement for the period 30 September 2010, so as to be comparable to the Income Statement for the period 30 September 2011. The above amount is related to investment's devaluation provision for a subsidiary. As a result, the Company's EBITDA has been increased by €3,000 thousand for the period ended 1.1-30.09.2010.

The above reclassification has no impact in the consolidated interim income statement for the period ended 1.1-30.09.2010. The Group had already eliminated the devaluation of the investment, since the subsidiary that the provision was made has been fully consolidated in Group's financial statements.

In the Interim Statement of Financial Position as at 31.12.2010, the balance of the account "Derivative financial instruments" amounted €687 thousand is transferred from short-term to long-term liabilities for the Group and the Company, so as to be comparable to the Interim Statement of Financial Position as at 30.9.2011. The above amount is related to the obligation arising from the valuation of the derivative financial instrument that has duration longer than a year.

21. Events after the reporting period

There is no important event after September 30th, 2011 which influences materially Group's and Company's financial position.

22. Principal exchange rates

| Balance sheet | 30/09/2011 | 31/12/2010 | 30/9/2011 vs 31/12/2010 |
|----------------------|-------------------|-------------------|--------------------------------|
| €1 = USD | 1,35 | 1,34 | 1,1% |
| €1 = EGP | 8,05 | 7,76 | 3,8% |
| €1 = TRY | 2,51 | 2,07 | 21,3% |
| 1USD=EGP | 5,97 | 5,81 | 2,8% |
| €1 = RSD | 101,17 | 105,50 | -4,1% |
| 1USD = JPY | 76,86 | 81,31 | -5,5% |

| Profit and loss | Ave 9M 2011 | Ave 9M 2010 | Ave 9M 2011 vs 9M 2010 |
|------------------------|--------------------|--------------------|-------------------------------|
| €1 = USD | 1,41 | 1,32 | 6,5% |
| €1 = EGP | 8,34 | 7,36 | 13,3% |
| €1 = TRY | 2,29 | 2,00 | 14,6% |
| 1USD=EGP | 5,93 | 5,61 | 5,7% |
| €1 = RSD | 101,95 | 101,66 | 0,3% |
| 1USD = JPY | 80,50 | 89,08 | -9,6% |