Annual Financial Statements for the year ended 31 December 2013 of the Group and Titan Cement Company S.A.

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

Index

The Annual Financial Statements presented on pages 1 to 84 and 57 to 146 both for the Group and the Parent Company, have been approved by the Board of Directors on 27 February, 2014.

Chairman of the Board of Directors

ANDREAS L. CANELLOPOULOS
ID No AB500997

Managing Director

DIMITRIOS TH. PAPALEXOPOYLOS
ID No AK031353

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

STATEMENT OF MEMBERS OF THE BOARD

(In accordance with article 4 of Law 3556/2007)

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

1. Andreas Canellopoulos, Chairman,
2. Dimitrios Papalexopoulos, Managing Director and
3. Vassilios Zarkalis Board Member, having been specifically assigned by the Board of Directors, declare in our above capacity that:

As far as we know :

A) the enclosed Financial Statements of TITAN CEMENT COMPANY S.A. for the period of 1.1.2013 to 31.12.2013 which have been drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of TITAN CEMENT COMPANY S.A. as well as of the businesses included in Group consolidation taken as a whole.

B) the enclosed Report of the Board of Directors reflects in a true manner the development, performance and financial position of TITAN CEMENT COMPANY S.A. as well as of the businesses included in Group consolidation taken as a whole, including a description of the principal risks and uncertainties faced by them.

Athens, 27 February 2014

ANDREAS L. CANELLOPOULOS Chairman of the Board	DIMITRIOS TH. PAPALEXOPOULOS Managing Director	VASSILIOS SP. ZARKALIS Board Member

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FISCAL YEAR 01.01.2013 - 31.12.2013

ECONOMIC ENVIRONMENT

2013 saw signs that the global economy is turning a corner. US growth started picking up speed and fears over another flare-up of the Eurozone debt crisis receded. Although emerging economies lost some steam, they kept growing at fast rates. But the lingering effects of the financial crisis continued to impact markets, suggesting that the recovery is likely to be turbulent. Persistent unemployment and deflationary fears in the Eurozone, fiscal tightening in the US, political turmoil in the Middle East, and a possible hard landing in China could further delay the return of the world economy to a dynamic and sustainable growth trajectory.

FINANCIAL RESULTS – DEVELOPMENT OF ACTIVITIES – SIGNIFICANT EVENTS

In this challenging environment, Titan Group operating results improved for the first time in seven years. The recovery of the US housing market, the resilience of demand in Egypt and the perseverance on exports enabled the Group to increase sales, generate positive free cash flow, and further reduce net debt, against a backdrop of prolonged weakness in its home market and subdued construction activity in Southeastern Europe.

Consolidated turnover in 2013 increased by 4.0% to €1,176 million. Earnings before interest, taxes, depreciation and amortization (EBITDA) stood broadly unchanged at €196 million and improved on a comparable basis. Adverse foreign exchange fluctuations resulted in a €12 million negative translation impact on consolidated EBITDA. At stable exchange rates, turnover and EBITDA would have increased by 8.3% and 6.4% respectively.

Operating profit after depreciation and amortization (EBIT) grew 22% to €79 million. However, net losses after minority interests and the provision for taxes widened by 47% to €36 million, mainly as a result of a €23 million increase in net realized and unrealized foreign exchange losses. The bottom line was also impacted by the temporary non-recognition of deferred tax assets resulting from carry-forward losses in the US and the retroactive taxation of previous year's reserves in Greece.

Prioritizing investments, curtailing working capital needs, and lowering costs, the Group generated €142 million in operating free cash flow, and thus contributed to a €57 million reduction in net debt, which at year end stood at €539 million, less than half its 2008, pre-crisis level. Operating free cash flow generation in 2012 was €140 million. In December 2013, Standard & Poor's upgraded Titan's long-term credit rating to 'BB' with stable outlook.

The stock price of the Company closed at €19.80 a share on 31.12.2013, gaining 42% in 2013 and outperforming the General Index of the Athens Stock Exchange (ASE), which posted a 28% increase. In the five year period 31.12.2008-31.12.2013, Titan shares again rose 42%, while the ASE General Index dropped 35%. Following the reclassification of the ASE as an 'emerging market' by Morgan Stanley Capital International (MSCI), the stock was included in the MSCI Emerging Markets Index.

Market Overviews

In Greece, domestic cement demand continued to decline for the seventh consecutive year, albeit at a gradually slower pace. High real estate taxes and low disposable income, in conjunction with an illiquid mortgage market and a large unsold housing stock have brought private construction activity to a virtual standstill. Public infrastructure spending remained weak in 2013, while the resumption of the four major road works was postponed into 2014.

Cement demand in the country has now shrunk to a fifth of the levels recorded in 2006 and only one sixth of Titan's production capacity in Greece was absorbed domestically in 2013. As a consequence, the continued operation of Titan's plants in Greece depends on exports, amidst intense international competition, particularly from countries not subject to the costs of EU legislation on carbon dioxide emissions. In pursuing the improvement of its competitiveness, Titan continued to invest in the use of alternative fuels, aiming to reduce both its energy cost and its environmental footprint.

As a whole, region Greece and Western Europe posted a 4.0% rise in turnover, which reached €250 million. EBITDA dropped 57% to €14 million.

Operating profitability of Titan's North American operations improved markedly, primarily due to the strong recovery of the residential market in the USA. With unemployment at a five-year low and residential construction on the upturn, demand for building materials is now on a fast recovery track.

According to the Portland Cement Association (PCA), cement consumption in the South Atlantic States, where Titan's US plants are located, rose 8.5% in 2013. This figure compares favorably to a national average increase of 4.5%. In Florida demand surged 18.4%, on the back of rising home prices and declining inventory. At the same time, non-residential construction trends were also positive.

Titan America subsidiary, Separation Technologies LLC (ST), which is engaged in the production and operation of fly-ash beneficiation facilities, continued on its profitable growth trajectory. In addition, ST invested in further Research and Development with a view to optimizing its technology for a broader range of minerals applications.

Titan reported sales growth across all product lines in North America. The region now accounts for over a third of Group turnover and a rapidly increasing share of EBITDA. Driven by both higher volumes and improved prices, total revenue in the region grew 11% to €411 million, while EBITDA rose to €32 million, up from €5.8 million in 2012.

Despite modest gains in prices in the second half of the year, margins in Titan's Southeastern Europe business units continued to lag well behind pre-crisis levels. The growth rates of most Balkan economies improved slightly in 2013, yet foreign direct investment flows to the region were hampered by the weakness in neighboring Eurozone countries, such as Italy and Greece.

As a result, construction activity remained relatively stable at low levels in 2013. However, the use of alternative fuels increased, allowing the Group to improve its energy efficiency and maintain its organic profitability.

Turnover in the region declined 4.3% to €215 million, while EBITDA posted a marginal decline of 1.9% to €63 million.

In Egypt, sales were resilient in the face of severe political turmoil and economic strains. Financial assistance from the Gulf countries has eased immediate financing concerns, yet fiscal problems, inflationary pressures and currency depreciation continue to pose a threat to economic growth. Nevertheless, as reflected by the stock market, the exercise of responsible economic policy has raised hopes for a gradual return to economic stability.

Consumption of building materials in the country dropped slightly in 2013, yet it is unclear whether this contraction reflects a potential softening in demand or the effect of energy supply shortages and production disruptions. Clinker imports supported the production output of Titan plants in a challenging business environment. Margins were eroded by higher energy costs and even though cement prices increased in local currency, they were flat in Euro terms.

Turkey's construction sector grew further in 2013, despite political instability in the second half of the year. Both exports and domestic sales increased, but results were negatively hurt by the depreciation of the Turkish Lira.

Total turnover in the Eastern Mediterranean region rose 1.3% to €300 million. EBITDA fell 7.1% to €87 million. At constant exchange rates, EBITDA would have increased by 5.2%.

TREASURY SHARES

No purchase of the Company's own shares took place in 2013. On the contrary, the Company disposed 50,282 of its own common shares (treasury shares) pursuant to the "Stock Option Plan", which was approved by the General Assembly's decision dated 03.06.2010 in conformity with Article 13 par. 13 of Codified Law 2190/20 and following the decision of the Board of Directors dated 4.3.2013. These shares represent 0.059% of the Company's paid up share capital and pursuant to the "Stock Option Plan" the sale price of each share was equal to par, i.e. €4.00 per share, hence the total amount of the shares sold was €201,128.

The Treasury shares on 31.12.2013 were 3,067,334, out of which 3,061,415 are common shares and 5,919 are preference shares with no voting rights. These shares represent 3.62% of the Company's paid up share capital.

INVESTMENTS AND DISPOSALS

Group capital expenditure, excluding acquisitions, totaled €50 million – much the same as in 2012. The net book value of fixed assets disposed of in 2013 was €3.1 million, down from €26 million in the previous year.

PARENT COMPANY FINANCIAL RESULTS

Turnover of Titan Cement S.A. increased 6.1% to €235 million, while EBITDA decreased 71% to €11 million. The Company's net loss stood at €43 million in 2013, compared to a net loss of €16 million in 2012.

Based on the improvement in Group operating profitability, in conjunction with a more optimistic outlook for 2014, the Board of Directors of Titan Cement S.A. has decided to propose to the Annual General Meeting of Shareholders, scheduled for 20.06.2014, the distribution of €8,463,252.80 from the Contingency Reserve. This amount corresponds to €0.10 per share.

The final amount to be distributed per share will be increased by the amount which corresponds to the Company's own shares (treasury shares) and will be subject to 10% tax, which will be withheld on behalf of the shareholder, unless otherwise provided by the law.

POST BALANCE SHEET EVENTS

Group subsidiary, Titan Global Finance PLC (TGF), entered into a €455 million multi-currency forward start revolving credit facility with a syndicate of Greek and international banks. The contract was signed on 30.01.2014, in London. The facility, which is guaranteed by Titan Cement S.A., matures in January 2018 and will be used for the refinancing of TGF's existing syndicated facility, maturing in January 2015, as well as for general corporate purposes.

PROSPECTS FOR 2014

Recent trends provide grounds for cautious optimism, despite lingering uncertainties.

Growth in US cement consumption is expected to maintain its momentum, as housing starts and permits for future projects have recovered to levels last seen in 2007. According to the Portland Cement Association (PCA), all construction sectors will expand in 2014 and cement demand will rise by at least 8%. Cement consumption is expected to grow at an even higher rate in the Southeast of the country where the majority of Titan's US operations are located. Florida is anticipated by the PCA to exhibit double-digit annual growth rates for four years. Titan America sales growth accelerated in the second half of 2013 and strong volume and price trends are expected to persist going forward.

In Greece, cement demand is expected to increase for the first time since 2006, from the extremely low levels of 2013, largely due the resumption of major infrastructure projects, including road works. Expectations regarding the residential market remain low.

The outlook for construction in Southeastern Europe is stable, without expectations for growth in the current year, as the region continues to be held back by the weakness in neighboring Eurozone countries.

The Group's biggest challenges are anticipated in the Eastern Mediterranean. Egypt and, to a lesser extent, Turkey are faced with a protracted period of political turmoil. Demand for building materials in the region appears to be maintaining its momentum, yet forecasts on short-term outlook are uncertain. In Egypt, fuel shortages and rising production costs form an increasingly challenging business environment. In Turkey, rising interest rates could lead to a slowdown in economic growth. Even if demand in the Eastern Mediterranean proves resilient, exchange rate volatility may continue to negatively affect Group results.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

2013 marked ten years since the publication of the first Corporate Social Responsibility (CSR) and Sustainable Development Report for all Titan Group activities, in accordance with international standards and best practices. During the past decade, special emphasis was placed on the comprehension of corporate values, principles and standards that promote transparency and enhance not only efforts for continuous self-improvement, but also partnerships with stakeholders on initiatives and actions that create value.

The reduction in the number of accidents of the direct and indirect staff in 2013 contributed to a further decline in the accident rate and to the overall improvement of the Group's results in the field of safety at work. Nevertheless, a fatal accident involving a highly experienced contractor in

Greece confirmed once again that the field of safety requires constant vigilance and continuous effort to develop a culture of risk prevention. To this end, the Group continued and intensified its safety programs with a view to increasing awareness, providing useful information and educating as many people as possible. The implementation of international and industry standards for the safety of direct and indirect employees remained a key priority in 2013. In addition, particular emphasis was placed on partnership initiatives focused on preventive risk management. These programs were addressed to both students of Polytechnics, through cooperation with the European Network BEST, and to children in primary and secondary education, through the Program "Safety at Home." Titan is determined to continue and further intensify its efforts towards the achievement of the zero accident target of the Group.

In 2013, the Group also continued the implementation of its five-year action plan aimed at improving overall environmental performance and, in the meantime, initiated a comprehensive review of its strategic targets for 2020. Addressing climate change and utilizing alternative raw materials and energy sources remain key priorities for the Group and consequently a dominant theme in discussions with its stakeholders. In this context, new initiatives were developed by Group subsidiary GAEA, which expanded its activities.

For a second consecutive year, in 2013, Titan served as co-chair of the Cement Sustainability Initiative (CSI), an international partnership for the sustainable development of the cement industry, which has been in place since 2002, under the umbrella of the World Business Council for Sustainable Development (WBCSD). The progress made is reflected in the Initiative's Agenda for Action, which was broadened to include new actions, ranging from improving management of biodiversity and water to encouraging sustainable construction practices.

The publication of the first comprehensive and integrated Annual Report of the Group in 2012 marked the beginning of a new era, in which the effort to provide more complete and comprehensive information to stakeholders is enriched and expanded, taking into account their needs and expectations. The publication of the first CSR Report in Kosovo in 2013 and the winning of the first prize for the program ILAB (Independent Local Advisory Board), an innovative partnership with the local community, within the European Competition CSR of the EU, reinforce the belief that a commitment to CSR leads to the development of new and innovative approaches and actions that add value not only to the business, but also to local development.

In 2014 the European Commission is expected to issue a new directive for the disclosure of information regarding non-financial performance of companies, in accordance with international standards. Titan already meets the anticipated new requirements for implementation at an "advanced" level, according to the relevant criteria of the UN (Global Compact). The Group has also advanced further to the detailed presentation of relevant information for all countries in which it operates. CSR and sustainable development reports are also issued in local languages with data of interest to local stakeholders in Serbia, FYROM and Kosovo.

BUSINESS MODEL

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

- Geographic diversification
- Continuous competitive improvement
- Vertical integration
- Focus on human capital and Corporate Social Responsibility

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

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

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

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

RISKS AND UNCERTAINTIES FOR 2014

FINANCIAL RISKS

The Group, by nature of its business and geographical positioning, is exposed to financial risks. The Group's overall risk management program focuses on financial market fluctuations and aims to minimize the potential unfavorable impact of these fluctuations on its financial performance. The Group does not engage in speculative transactions or transactions which are not related to its commercial, investing or borrowing activities.

Liquidity risk:

Liquidity is managed by employing a suitable mix of liquid cash assets and long term committed bank credit facilities. The ratio of unutilized long term committed bank credit facilities and immediately available cash over short-term debt is monitored on a monthly basis. As at 31st December 2013, the ratio of the Group's committed long-term unutilized facilities and cash over short-term debt stood at 5.92 times.

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

Interest rate risk:

31% of total Group debt is based on fixed, pre-agreed interest rates and an additional 18% of floating interest rate debt has been swapped to a fixed rate basis via floating to fixed interest rate swaps. The impact therefore of interest rate volatility to the Income Statement and Cash Flow is limited, as illustrated by the following sensitivity analysis:

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

(all amounts in Euro thousands)		Interest rate variation	Effect on profit before tax
Year ended 31 December 2013	EUR	1,0%	-2.776
		-1,0%	2.776
	USD	1,0%	1.520
		-1,0%	-1.520
	TRY	1,0%	-6
		-1,0%	6
	BGN	1,0%	-213
		-1,0%	213
	EGP	1,0%	-207
		-1,0%	207
	ALL	1,0%	-325
		-1,0%	325
Year ended 31 December 2012	EUR	1,0%	-2.819
		-1,0%	2.819
	USD	1,0%	1.464
		-1,0%	-1.464
	TRY	1,0%	-54
		-1,0%	54
	BGN	1,0%	-282
		-1,0%	282
	EGP	1,0%	-638
		-1,0%	638
	ALL	1,0%	-328
		-1,0%	328

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

The ratio of fixed to floating rates of the Group's net borrowings is determined by market conditions, Group strategy and financing requirements. Occasionally, interest rate derivatives may also be used, but solely to minimize the relevant risk and to shift the fixed to floating ratio of the Group's borrowings, if that is considered necessary. As at 31st December 2013, the Group had €130 million of floating interest rate debt swapped to fixed with an average duration of c. 1 year and at an average interest rate of 2.41%, part of which (€100 million notional) has been designated as cash flow hedge. According to Group policy, interest rate trends and the duration of the Group's financing needs are monitored on a forward looking basis. Consequently, decisions about the duration and the mix between fixed and floating rate debt are taken on an ad-hoc basis. As a result, all short-term loans have been concluded with floating rates. Medium to long-term loans have been concluded partly with fixed and partly with floating rates.

Foreign Currency risk:

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

FX risks are managed using natural hedges, FX options and FX forwards. Borrowings are denominated in the same currency as the assets that are being financed (where feasible), therefore creating a natural hedge for investments in foreign subsidiaries whose equity is exposed to FX conversion risk.

However, part of the financing of Group activities in the USA, Turkey, Egypt and Albania, is in different currencies than the functional ones. Their refinancing in local currencies is examined at regular intervals.

In Egypt, the financing in Yen had been hedged up to January 2014 via FX forwards in US dollar/yen, which were executed on behalf of the Group's subsidiary Iapetos Ltd.

Also, Group company Titan Global Finance plc granted loans equal to €100 million in 2013 and €53.5 million in the first half of 2012 to Group company, Titan America LLC. Subsequently, Titan America LLC partially hedged the loan principal of €53.5 million via FX forward contracts.

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

Sensitivity analysis in foreign exchange rate changes

(all amounts in Euro thousands)	Foreign Currency	Increase/ Decrease of Foreign Currency vs. €	Effect on Profit Before Tax	Effect on equity
Year ended 31 December 2013	USD	5%	-2,475	19,224
		-5%	2,239	-17,393
	RSD	5%	513	2,193
		-5%	-464	-1,984
	EGP	5%	2,874	33,456
		-5%	-2,601	-30,270
	GBP	5%	156	295
		-5%	-141	-267
	TRY	5%	-7	991
		-5%	7	-897
	ALL	5%	-117	2,165
		-5%	106	-1,959
Year ended 31 December 2012	USD	5%	-3,795	22,634
		-5%	3,433	-20,478
	RSD	5%	924	2,060
		-5%	-836	-1,864
	EGP	5%	3,993	37,727
		-5%	-3,613	-34,134
	GBP	5%	22	181
		-5%	-19	-164
	TRY	5%	311	1,254
		-5%	-282	-1,134
	ALL	5%	-477	2,441
		-5%	431	-2,209

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

Credit risk:

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

When considered necessary, additional collateral is requested to secure credit. Provisions for impairment losses are made for special credit risks. As at 31st December 2013, it is deemed that there are no significant credit risks which are not already covered by insurance as a guarantee for the credit extended or by a provision for doubtful receivables.

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

OPERATIONAL RISKS

Risks arising from the climate and natural disasters:

The Group operates in countries and areas such as Greece, Egypt, Turkey and Florida in the USA which are exposed to natural hazards (climate and geological) such as typhoons, sandstorms, earthquakes etc. Among the measures adopted by the Group to mitigate the disastrous effects of these phenomena, is the adoption of stricter designing standards than the ones stipulated in the relevant legislation. In addition, the Group has in place emergency plans to safeguard its industrial infrastructure and protect the lives of the Company's employees.

Political Risks:

The Group operates in regions that at times experience persistent political instability, riots, uprisings and generally various conditions that lead to extreme volatility and pose significant risks over the control, normal operation and return on the Group's investments. The aforementioned risks are managed through ad hoc measures aiming at maximum protection of TITAN's regional investments.

Risks associated with production cost:

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

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

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

With regard to existing units, the Group ensures the adequate supply of raw materials for the duration of the life of its industrial units.

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

Risks regarding safety at work:

Safety at work for Titan employees is a top priority.

The systematic effort to improve safety across all of the Group's operations includes among others, the appointment of an adequate number of safety officers to all productive units. Planning includes a variety of training programs aiming at the systematic training and education of employees and the firm application of systems and processes, which are designed and controlled by the Company's Health and Safety Division.

Environmental risks:

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

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

Moreover, the Group monitors closely forthcoming changes in the legislation regarding the protection of the environment and takes in advance all necessary measures for their implementation, in order to avoid the risk of non-timely compliance, when the new regulations come into effect.

MAJOR TRANSACTIONS BETWEEN COMPANY AND RELATED PARTIES

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

The amounts of sales and purchases undertaken in the course of 2013, and the balances of payables and receivables as at 31.12.2013 for the Group and the Company, arising from transactions between related parties are presented in the following tables:

Year ended 31 December 2013

(all amounts in Euro thousands)

Group	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	-	2,286	-	521
Executives and members of the Board	-	-	9	-
	-	**2,286**	**9**	**521**
Company	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
Aeolian Maritime Company	7	-	-	270
Albacem S.A.	3	-	-	-
Interbeton Construction Materials S.A.	17,283	5,068	5,889	1,012
Intertitan Trading International S.A.	4,529	-	-	-
Transbeton - Domiki S.A.	775	-	254	-
Quarries Gournon S.A.	3	-	586	-
Adocim Cimento Beton Sanayi ve Ticaret A.S.	549	-	-	-
Titan Cement International Trading S.A.	7	-	240	-
Fintitan SRL	7,169	-	2,693	-
Cementi Crotone S.R.L.	176	-	88	-
Titan Cement U.K. Ltd	9,523	29	3	-
Usje Cementarnica AD	7,944	386	74	-
Beni Suef Cement Co.S.A.E.	7,440	-	940	-
Alexandria Portland Cement Co. S.A.E	421	-	341	-
Cementara Kosjeric DOO	112	-	12	-
Zlatna Panega Cement AD	8	3	-	-
Titan America LLC	24	20	-	254
Essex Cement Co. LLC	17,055	44	1,574	7
Pozolani S.A.	-	31	-	-
Antea Cement SHA	1,553	-	604	-
Titan Global Finance PLC	-	37,936	-	753,878
Quarries of Tanagra S.A.	5	-	6	-
SharrCem Sh.P.K	63	-	-	-
Other subsidiaries	13	-	-	-
Other related parties	-	2,286	-	521
Executives and members of the Board	-	-	9	-
	74,662	**45,803**	**13,313**	**755,942**

Regarding the transactions above, the following clarifications are made:

The revenue presented relates to sales of the company’s finished goods to the aforementioned subsidiaries, while purchases relate to purchases of raw materials and services by the company from the said subsidiaries.

Company liabilities primarily relate to three outstanding floating rate loan agreements: a) one of €100 million maturing in 2015 at the Euribor rate plus a 3.313% spread per annum, and b) one of

€550 million maturing in 2015 with an interest rate of Euribor plus 3.05% spread per annum as well as c) an outstanding fixed rate loan agreement of €100 million maturing in 2017 at a fixed rate of 8.80% per annum to maturity. All were concluded with the UK based subsidiary Titan Global Finance Plc.

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

The remuneration of senior executives and members of the Group's Board of Directors for 2013 stood at €4.9 million compared to €3.6 million the previous year.

GOING CONCERN DISCLOSURE

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

ANNUAL REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL ACCOUNTS FOR THE FISCAL YEAR 2013

The Board of Directors considers that the Annual Report and the Financial Accounts for the fiscal year 2013, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

EXPLANATORY REPORT
OF THE BOARD OF DIRECTORS

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

1. Structure of the Company's share capital

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

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

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

Each common share grants the holder one vote. The preferred shares carry no voting rights.

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

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

B. Preferential return of the capital paid up by holders of preferred non-voting shares from the product of the liquidation of Company assets in the event of the Company being dissolved Holders of preferred non-voting shares will share on a pro rata basis the liquidation proceeds with holders of common stock, if the proceeds in question are higher than the total paid-up share capital. The privileges of this paragraph remain in full force.

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

2. Restrictions on transfer of Company shares

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

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

On 31.12.2013 the following shareholders held more than 5% of the total voting rights in the Company including voting rights relating to shares which are co-owned by some of them and are held in a joint investment account:

- "E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited", holding 11.16% of the total voting rights in the Company;
- Mr. Andreas L. Canellopoulos, holding 10.57% of the total voting rights in the Company;
- The "Paul and Alexandra Canellopoulos Foundation" holding 9.90% of the total voting rights in the Company; and
- Mr. Leonidas A. Canellopoulos, holding 6.10% of the total voting rights in the Company.

On 27.2.2014 the shareholders who held more than 5% of the total voting rights in the Company were as above.

4. Shares conferring special control rights

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

5. Restrictions on voting rights

With the exception of the preferred non- voting shares, the Articles of Association of the Company contain no restrictions on voting rights.

6. Agreements between shareholders of the Company, which are known to the Company and contain restrictions on the transfer of shares or on the exercise of voting rights

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

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

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

a. The Board of Directors may elect Directors to replace any of its members who have resigned, are deceased or lost their status in any other way, provided that the replacement of the aforementioned Directors is not possible by substitute Directors elected by the General Meeting. The above-mentioned election by the Board of Directors is effected by a decision of at least seven (7) of the remaining Directors and is valid for the remaining term of office of the Director being replaced.

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

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

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

8. Competence of the Board of Directors or of the appointed members thereof for the issuing of new shares or the repurchase of shares/share buy-back of the Company pursuant to article 16 of Codified Law 2190/1920

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

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

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

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

The total number of own shares currently held by the Company in implementation of relevant past resolutions of the General Meeting of Shareholders amounts to 3,061,415 common shares and to 5,919 preferred shares without voting rights, representing in total 3.62 %, of the paid up share capital.

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

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

a) the Multicurrency Revolving Facility Agreement up to the amount of Euro 585 million entered into among the Group's subsidiary, Titan Global Finance Plc and a syndicate of lending banks and the Company as Guarantor;
b) the Multicurrency forward start Facility Agreement up to the amount of Euro 455 million Euros entered into among the Group's subsidiary, Titan Global Finance Plc and a syndicate of lending banks and the Company as Guarantor;
c) the Bond Loan, for an amount of Euro 50 million, issued by the Company, where Eurobank Ergasias is acting as the representative of the bond holders and the paying agent;
d)) the Bank Loan, for an amount of up to 35 million Euro, issued by the Company, where National Bank of Greece is acting as the representative of the bond holders and the paying agent;

e) the Bond Loan, for an amount of up to 50 million Euro, entered into among the Company, and HSBC;

f) the Shareholders' Agreement entered into among Titan Cement Cyprus Limited, Titan Cement Company S.A. , Aemos Cement Limited and International Finance Corporation (IFC) relating to the purchase by the latter of a minority interest in Titan's investments in Serbia, FYROM and Kosovo.

h) the Multicurrency Revolving Facility Agreement for an amount up to Egyptian Pounds 670 million entered into among the Group's subsidiary Beni Suef Cement Company S.A., a syndicate of lending banks and the Company as Guarantor;
i). the Eurobond, for an amount of Euro 200 million, issued by Titan Global Finance Plc, under the guarantee of the Company
j) the Bond Loan, for an amount of up to 14.3 million Euro, issued by the Company, where General Bank of Greece is acting as the representative of the bond holders and the paying agent ;
and
k) the Bond Loan, for an amount of up to 20 million Euro, issued by INTERBETON S.A., under the guarantee of the Company, where General Bank of Greece is acting as the representative of the bond holders and the paying agent;

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

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

STATEMENT ON CORPORATE GOVERNANCE

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

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

This Statement on Corporate Governance forms special part of the Board of Directors' Annual Report pursuant to the provisions of Article 2(2) of Law 3873/2010.

TITAN Cement Company S.A. by virtue of its Board of Directors' resolution dated 16.12.2010has officially adopted the UK Code on Corporate Governance (hereinafter "the Code"). The Code can be found on the website of the UK Financial Reporting Council (www.frc.org.uk) and a Greek translation of this document is available on the company's website (http://www. titan.gr/el), at the following address: http://ir.titan.gr/home.asp?pg=corporategovernance.

The Company has officially adopted the Code with the exception of certain provisions listed in Section VIII herein, where the rationale for these deviations can also be found.

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

In addition to the provisions stipulated by the Greek legislation, and more specifically by Laws 2190/1920, 3016/2002, 3693/2008, 3884/2010 and 3873/2010, TITAN CEMENT S.A. has also incorporated/adopted/opted-in to the UK Corporate Governance Code,

The Company, apart from the requirements set out in the Greek laws and the Code, has also adopted further mandates with reference to the independence of the independent members of the Board of Directors. These requirements are stated in the paragraph titled "Nominating candidates for the Board of Directors" in Section III herein. They can also be found on the Company's website http://www.titan.gr/en/ , at the following address: http://www.titan.gr/en/titan-group/corporate-governance/board-of-directors/

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

BOARD OF DIRECTORS

RESUMES OF THE MEMBERS OF THEBOARD OF DIRECTORS

Chairman

ANDREAS CANELLOPOULOS

Age: 74, Non-Executive Director since 01.03.2006

Member of the Nomination and Corporate Governance Committee.

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

He is a Member of the Board of Directors of the PAUL AND ALEXANDRA CANELLOPOULOS FOUNDATION.

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

Vice Chairman

EFSTRATIOS - GEORGIOS (TAKIS) ARAPOGLOU

Age: 63. Independent, Non-Executive director since 18.5.2010 (2nd term)

Member of the Remuneration Committee.

He is the Vice-Chairman and independent member of the Board of Directors of Eurobank Ergasias Bank, an independent, non-executive director of TSAKOS ENERGY NAVIGATION (TEN) LIMITED, a company listed on the New York Stock Exchange and an independent, non-executive member of the Board of Directors of EFG Hermes Holding, a listed company on the Stock Exchanges of Cairo and London. He has served as a senior executive officer in international investment banks in London (1977-1991). He was the Managing Director in many Greek banks and subsidiaries of foreign banking institutions in Greece (1991-2000). He was the Managing Director and Global Head of the Banks and Securities Industry for CITIGROUP in London (2004-2009). He has also been elected President of the Hellenic Bank Association (2005-2009). He has served as the Managing Director of commercial banking and executive member of the Board of Directors of the investment bank EFG – HERMES HOLDING (2010-2013).,

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

Managing Director CEO

DIMITRIOS PAPALEXOPOULOS

Age: 52. Executive Director since 1992

Managing Director since 1996 and an executive officer of the Company since 1989.

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

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

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

EFTYCHIOS VASSILAKIS

Age: 47. Independent, Non-Executive Director since 10.5.2007 (3rd term)

Member of the Nomination and Corporate Governance Committee

Member of the Remuneration Committee

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

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

EFTHYMIOS VIDALIS

Age: 59. Executive Director since 15.06.2011

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

He was appointed the Hellenic Republic's Motorway Concessions Negotiator (2012-2013) and had to negotiate the reset of the stalled motorway investments in Greece. This task was successfully completed in December 2013.

He served as a Managing Director (2001-2011) and Chief Operating Officer (COO) (1998-2001) of S&B INDUSTRIAL MINERALS S.A and was a member of the company's Board of Directors for 15 years. He worked for the company Owens Corning, USA (1981-1998) and served as Chairman of the global activities of Synthetic Materials (Composites) and Insulation Materials (1994-1998).

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

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

VASSILIOS ZARKALIS

53 years old, Executive Director since 14.06.2013

Since 2010 he is the Chief Financial Officer (CFO) of the Group and member of the Executive Committee of TITAN Cement Company S.A. He started his career as the Group Executive Director for Business Development and Strategic Planning.

For 18 years, he held a number of global business leadership positions in USA and Switzerland with the Dow Chemical Co. Among others, he served as the Global Vice President Dow Automotive, Global Business Director Specialty Plastics & Elastomers, Global Business Director Synthetic Latex, etc.

He holds a MSc. in Chemical Engineering from the National Technical University of Athens (1985) and a MSc from the Pennsylvania State University in USA (1987).

NELLOS CANELLOPOULOS

Age: 50. Executive Director since 1992.

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

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

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

TAKIS-PANAGIOTIS CANELLOPOULOS

Age: 46. Executive Director since 2007

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

He is also serving as a member of the Board of Directors of CANELLOPOULOS ADAMANTIADIS INSURANCE Co. (AIG Hellas) and EUROBANK PPOPERTIES REIC and as a member of the UNION OF LISTED COMPANIES (ENEISET).

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

DOROS CONSTANTINOU

63 years old, Non-executive Director since 14.06.2013 (1st term).

Chairman of the Audit Committee.

He is a non-executive director and member of the Audit Committee of the Board of Directors of Frigoglass S.A.I.C.

He was appointed Chief Executive Officer (CEO) of Coca-Cola Hellenic Group (2003-2011) and of Frigoglass S.A.I.C. (2001-2003).

Started his career in Price Waterhouse (1975-1985) and he then joined the management team of Hellenic Bottling Company (3E), where he was appointed Finance Director of the Industrial Division of the Group (1992-1995) and he then became the Deputy Chief Financial Officer of the Group (1995-1996) and Chief Financial Officer (1996-2000).

Graduated from Piraeus University in 1974 and holds a degree in Business Administration.

DOMNA MIRASYESI-BERNITSA

53 years old, Independent, Non-Executive Director since 14.06.2013 (1st term)

Member of the Nomination and Corporate Governance Committee.

Qualified lawyer, member of the Athens Bar. Partner at M&P Bernitsas Law Offices.

She has worked as a legal advisor at the Special Legal Service of the Ministry for Foreign Affairs (1986-1987) and at the Department of Political Science and Public Administration of the University of Athens (1985-1990).

She is also a member of the Board of Directors of St Catherine's British School and a member of the Angelos and Leto Katakouzenos Foundation.

She is a graduate of the University of Athens Law School and has obtained an LLM in European Law from the London School of Economics.

ALEXANDRA PAPALEXOPOULOU – BENOPOULOU

Age: 48. Executive Director since 23.05.1995

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

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

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

PLOUTARCHOS SAKELLARIS

50 years old, Independent, Non-Executive Director since 14.06.2013 (1st term)

Member of the Audit Committee

Professor of Economics and Finance at Athens University of Economics and Business.

He was Vice President of the European Investment Bank (2008-2012). Prior to joining the EIB, he held the position of the Chairman of the Council of Economic Advisers at the Greek Ministry of Economy and Finance. He was representing Greece in the Economic and Financial Committee of the European Union and acted as Deputy to the Finance Minister at the Eurogroup and ECOFIN Councils, as well as Alternate Governor for Greece at the World Bank.

He has also served as a member of the Board of Directors of the National Bank of Greece and of the Greek Public Debt Management Agency.

He has taught at the Department of Economics at the University of Maryland, USA and other Universities and he has worked as Economist at the Federal Reserve Board and as Visiting Expert at the European Central Bank (ECB).

He has graduated from Brandeis University, U.S.A. with a B.A., summa cum laude, with Highest Honours, in Economics and Computer Science. Hold a Ph.D. in Economics from Yale University.

PETROS SABATACAKIS

Age: 67. Independent, Non-Executive Director since 2010 (2nd term)

Member of the Remuneration Committee.

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

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

MICHAEL SIGALAS

Age: 65. Executive Director since 28.07.1998

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

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

He studied Mechanical Engineering at CONCORDIA UNIVERSITY, Canada.

VASSILIOS FOURLIS

Age: 54.Independent Non Executive Director since 10.05.2007 (3rd term).

Member of the Audit Committee.

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

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

The Board of Directors’ role and competences:

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

Group and to check the performance of the Chairman of the Board of Directors, the CEO, and the senior executives.

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

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

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

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

Following the decision of the General Meeting of Shareholders dated 8.6.2012, the members of the Board of Directors are insured against third party civil liability claims with AIG Europe Limited (former CHARTIS EUROPE LIMITED), duly represented by AIG GREECE S.A..

Composition of Board of Directors:

The current Company Board of Directors consists of 15 members and was elected by the General Meeting of Shareholders on 14.06.2013 for a 3-year term which will expire at the 2016 Ordinary General Meeting.

Four (4) members of the Board of Directors, Messrs Doros Constantinou, Domna Mirasyesi-Bernitsa, Ploutarchos Sakellaris and Vassilios Zarkalis were elected for the first time.

From the newly-appointed members, Messrs Doros Constantinou, Domna Mirasyesi-Bernitsa, Ploutarchos Sakellaris were elected as independent, non-executive members replacing an -equal number of independent non-executive members, who had completed the maximum number of terms allowed by the Code and therefore were not eligible candidates at the relevant elections. The fourth elected member of the Board is Mr

Vassilios Zarkalis, Chief Financial Officer (CFO) of the Group, who is an executive member of the Board of Directors.

Independent board members:

Seven (7) out of the fifteen (15) Board members are independent, non-executive members, i.e. persons who have no relationship with the Company or its affiliates and meet all requirements of independence as stipulated in Law 3016/2002, in the Code at point B.1.1. and the additional independence requirement posed/mandated by the Company, according to which independent non-executive members of the Board of Directors must not hold a larger than 0.1% stake in the share capital of the Company This applies to Messrs Efstratios – Georgios (Takis) Arapoglou, Eftychios Vasilakis, Doros Constantinou, Domna Mirasyesi-Bernitsa, Ploutarchos Sakellaris , Petros Sabatacakis and Vasilios Fourlis.

These persons were elected as independent members by the General Assembly of the Company at the Meeting on 14.06.2013, following the Board of Directors' and the Nomination and Corporate Governance Committee's proposals.

Pursuant to the Greek laws, the Code and the additional requirement posed by the Company, the independent, non-executive members of the Board of Directors must:

1. Be independent in character and judgement and free from circumstances which are likely to affect their independence.
2. Not hold directly or indirectly a larger than 0.1% stake in the Company's share capital and have no dependence relationship with the Company or its affiliates.
3. Not be or have been Chairmen or Chief Executive Officers (CEOs) or executive members of the Board of Directors or officers or employees in the Company or the Group in the last five years.
4. Not have or had in the last three years any material business or employment relationship, directly or indirectly, with the Company.
5. Not have received or receive any additional compensation other than their remuneration as members of the Board of Directors.
6. Not be an immediate family member of any of the aforementioned individuals.
7. Not be executive members in the Boards of other companies, in which executive directors of the Company are elected as independent members and generally not have significant ties with other members of the Board by virtue of participation in other companies or bodies.
8. Not be representatives of significant shareholders.
9. Not have served for more than nine years as members of the Board of Directors since the date of their first election.

The independent, non-executive members of the Board of Directors do not have executive or managerial duties, however their contribution to the Board and its Committees derives from their participation in the determination of the Company's strategy, the monitoring of the suitability and effectiveness of the management, the internal audit and the risk management systems, in the determination of remuneration of the executive members of the Board of Directors, in the selection of the suitable new candidates to become members of the Board and in the existence of a succession plan.

Independent members of the Board of Directors have the right to meet, without the presence of the executive members or the Chairman, and in any event, whenever they judge that there is such need. There was no such need in 2013.

Moreover, they meet, as stated in the Code, once a year under the Senior Independent Director, without the presence of the Chairman and the executive members, in order to evaluate the performance of the Chairman of the Board and once a year under the Chairman, without the presence of the executive members. Such meetings took place in the course of 2013.

Non-executive Board Members - Executive Board Members

The majority of the members of the Board of Directors of the Company, i.e. eight (8) members out of fifteen (15) consists of non-executive directors.

Pursuant to the Board's decision dated 14.06.2013, the non-executive members of the Board of Directors are Messrs Efstratios – Georgios (Takis) Arapoglou, Eftychios Vasilakis, Doros Constantinou, Domna Mirasyesi-Bernitsa, Ploutarchos Sakellaris, Petros Sabatacakis and Vasilios Fourlis.Non-executive members of the Board of Directors are not involved in the Company's daily management, however their role is to promote all Company goals and help develop proposals on strategy.

The Board of Directors, in accordance with provision B.1.1 of the Code, characterises the following seven (7) out of a total of eight (8) non-executive members as "independent members" of the Board: Messrs Efstratios – Georgios (Takis) Arapoglou, Eftychios Vasilakis, Doros Constantinou, Domna Mirasyesi-Bernitsa, Ploutarchos Sakellaris , Petros Sabatacakis and Vasilios Fourlis. As aforementioned, all aforesaid persons have been elected as independent members of the Board of Directors by virtue of the General Assembly's decision at the meeting of 14.06.2013.

The executive members of the Board of Directors are seven (7): Messrs Eythimios Vidalis, Vassilios Zarkalis, Nellos Canellopoulos, Takis Canellopoulos, Dimitrios Papalexopoulos, Alexandra Papalexopoulou-Benopoulou and Michael Sigalas.

Six (6) out of a total of seven (7) executive members of the Board of Directors, including the Chief Executive Officer, Mr Dimitrios Papalexopoulos, come from the shareholding core or senior management and provide their services pursuant to employment agreements with the Company.

The Chairman of the Board

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

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

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

The Chairman has no other professional commitments and is not a member of the Board of Directors of other companies, other than the Board of the public benefit foundation, the PAVLOS AND ALEXANDRA CANELLOPOULOS FOUNDATION, which is a main shareholder of the Company.

Vice-Chairman of the Board

By virtue of resolution of the Board of Directors dated 14.06.2013, Mr. Efstratios - Georgios (Takis) Arapoglou, an independent, non-executive member, has been appointed as Vice Chairman of the Board of Directors.

Senior Independent Director

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

Board of Directors Secretary (Company Secretary)

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

Board of Directors meetings

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

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

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

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

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

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

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

Nominating candidates for the Board of Directors

The Nomination and Corporate Governance Committee is responsible for the nomination of suitable candidates and the process for gradual renewal of the Board of Directors and senior management executives. Another important task for the Committee is to ensure the right combination of executive and non-executive members and the necessary balance of competences, skills and experience among the members of the Board, in order to achieve the highest possible performance of the Board. In addition, members of the Board should be able to have enough time to fulfil their duties.

For the selection of the most suitable candidates, the Committee has the right, if it deems it necessary, to use the services of special consultants or to publish the opening.

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

Following a relevant recommendation by the Nomination and Corporate Governance Committee the nomination of candidacies and the composition of the Board of Directors is governed by the following principles:

A. At least ½ of the members of the Board of Directors, with the exception of the Chairman, must be independent, non-executive members and must meet the independence criteria laid down in the Greek laws and the Code. In addition, they must not directly or indirectly hold a stake larger than 0.1% in the Company's share capital.

B. Starting from the election of the current Board of Directors, the maximum number of terms for independent members shall be three, i.e. nine years in total of term

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

Obligations of members of the Board of Directors

Members of the Board are obliged to attend scheduled meetings of the Board and the various Committees they sit on and to make available the time required to satisfactorily discharge their duties. To that end, before their election they are obliged to inform the Board of Directors about other important professional commitments and whether they sit on the Boards of Directors of other companies and to inform the Board in advance of any change in their above professional commitments. The Board of Directors has decided that its executive members who offer their services to the Company on the basis of an employment relationship or a contract for the provision of services may not sit as members of the Board of Directors of more than two other listed companies.

Conflict of interests

Members of the Board of Directors must immediately disclose to the Board of Directors their personal interests, which may arise from Company transactions and any other conflict of interests with those of the Company or its affiliates. Given their access to privileged information, they must not use such information to directly or indirectly purchase or sell shares in the Company or its affiliates, which are traded on a regulated market for their own benefit or for members of their family. They must also not disclose that information to other persons or induce third parties to purchase or sell shares in the Company or its affiliate, which are traded on a regulated market, based on the aforesaid privileged information to which they have access..

Furthermore, the members of the Board of Directors during their term, must not become members of the Board of Directors, officers or employees in legal persons who are competitors of the Company or the Group's companies. In such cases, they need to inform immediately the Chairman of the Board of Directors and resign from the Company's Board of Directors.

BOARD OF DIRECTORS COMMITTEES

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

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

Audit Committee

Chairman:

Doros Constantinou, independent, non-executive Board member

Members:

Pl

Plutarchos Sakellaris, independent, non-executive Board member,

Vasilios Fourlis, independent non-executive Board member

Alternate members:

Eftychios Vasilakis , independent, non-executive Board member,

Petros Sabatacakis , independent, non-executive Board member

The Audit Committee consists exclusively of independent members of the Board of Directors who have extensive management, accounting and auditing knowledge and experience. The ordinary and alternate members were elected by the General Meeting of Shareholders on 14.06.2013.

The former members of the Audit Committee were Messrs Petros Sabatacakis, Vasilios Fourlis and Eftychios Vasilakis and alternate members were Messrs Spyridon Theodoropoulos and Panagiotis Marinopoulos.

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

The Audit Committee's duties and competences and its internal regulation have been posted to the Company's website (http://www.titan.gr/en/) at the link: http://www.titan.gr/en/titan-group/corporate-governance/board-of-directors-committees/audit-committee/

The Audit Committee holds at least 4 scheduled meetings per year in order to monitor amongst others the mandatory audit process of the first quarter, half-year, third quarter and annual individual and consolidated financial statements and to monitor the Company's internal audit and risk management systems. It also holds unscheduled meetings whenever that is considered necessary.

In 2013 the Audit Committee held 4 meetings on 26/2, 14/5, 31/7 and 8/11.

At its meetings the Committee addressed all issues within its remit, and in particular it addressed the following topics:

a. the monitoring of the audit process of the Company's financial statements as to their completeness and reliability in terms of the financial information they provide;

b. monitoring and evaluation of the work of the Internal Audit Division, approval of changes in relation to the recruitment of the internal audit services, and evaluation and recommendations on the annual remuneration for the Group's Internal Audit Director;

c. an audit and evaluation of the Company and Group's risk management systems;

d. safeguarding of the independence of the external auditors and the recommendation on the selection of the external auditors to review and audit the 2013 financial statements.

In 2013 the Audit Committee held 2 meetings (26/2 and 31/07/2013) with the external auditors of the Company without the presence of the executive officers of the Company. During the aforesaid meetings and at the meetings with the relevant executive officers of the Company, the Audit Committee confirmed the effectiveness of the audit process.

The Audit Committee took into consideration the fact that the year 2013 has been the eighth consecutive year that ERNST &YOUNG has been appointed as the Company's external auditors to audit the financial statements of the parent and the subsidiary companies of the Group. The Committee took also into account the fact that the particular chartered accountants within ERNST & YOUNG who conduct the audit of the financial statements are replaced every four years at the latest. More specifically, the 2013 audit was the second consecutive year of audit by ERNST &YOUNG chartered accountants Messrs Pelentridis and Papazoglou who conducted the statutory audit of the Company's financial statements.

The Audit Committee recommended to the Board of Directors that the aforesaid independent auditors in ERNST &YOUNG should be engaged for the 2013 audit and their remuneration should be:

For the statutory audit of the Company's financial statements and their consolidated statements up to the amount of 220,000 euros, plus VAT;

For the statutory audit of the other Greek subsidiaries up to the amount of 137,000 euros, plus VAT; and

For the tax audit of the Company and its Greek subsidiaries up to the amount of 165,000 euros, plus VAT.

In total, for the 2013 audit and with regard to the statutory auditing work required for 43 companies in the Group, both in Greece and abroad, including the tax audit of the parent company and its Greek subsidiaries, the Audit Committee had approved up to the amount of 1,191,375 euros in fees for the services of ERNST &YOUNG.

In the end, the total costs for the statutory audit of the Company and 43 companies in the Group, established both in Greece and abroad, and the statutory tax audit of the Company and its subsidiaries in Greece for 2013 were 1,168,924 euros compared to 1,283,650 euros in 2012. During 2013, other than the statutory audit services, additional audit related services were conducted by ERNST &YOUNG . The total cost for these additional audit related services was 84,562 euros, whilst in 2012 was 133,200 euro, which represents 7.24% of their total fees for conducting the statutory audit for the Company and the Group's subsidiaries worldwide.

Furthermore, ERNST &YOUNG provided some additional services (training, translations etc.) for a total cost of 12,601 euros, amount, which represents less than 1% of the total fees that it received for its audit in 2013. These services were limited and involved cases where it was considered that the engagement of ERNST &YOUNG was justified for practical reasons.

In light of the above, the Audit Committee has decided that the objectivity and independence of the external auditors for the 2013 audit has been fully safeguarded. In accordance with Law 3693/2008 the independence of the external auditors has been also confirmed in writing by ERNST &YOUNG (Greece) itself in a letter addressed to the Audit Committee.

Remuneration Committee

Chairman: Takis Arapoglou, independent, non-executive Board member

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

Petros Sabatacakis, independent, non-executive Board member

The Remuneration Committee consists exclusively of independent members of the Board of Directors.

The present members of the Committee were appointed by virtue of the Board of Directors' decision dated 14.06.2013. Its former members (18.05.2010 until 14.06.2013) Messrs Georgios David, Panagiotis Marinopoulos and Petros Sabatacakis were all independent members of the Board of Directors.

The Committee's task is to explore and submit proposals for the determination of the remuneration of the members of the Board of Directors in accordance with article 24 section 2 of Law 2190/1920 for the pay and remuneration of the executive directors of the Board of Directors, and of the senior management executives, and provide regular updates on the market trends with regard to the pay rates and the human resources management.

During the year, the Remuneration Committee met once on 08.04.2013. At this meeting the Committee discussed in depth and decided the general pay policy, variable pay and stock option plans for the executives members of the Company's Board of Directors and the senior management personnel for 2013. The Committee submitted its recommendations for approval to the Board of Directors.

The relevant recommendation of the Committee, which was approved by the Board of Directors, discouraged the Board from increasing the basic salaries of the executives with the exception of corrective increases in those cases where the executives' salaries were disproportionally low for the positions they held.

It was also decided that in 2013 no new share option scheme similar to the previous ones should be established, and therefore no such rights should be granted.

The Committee decided that in the future (from 2014 onwards) a new scheme should be planned, which will grant share option rights to certain executives with high responsibilities in the Group.

Finally, following a relevant recommendation by the Committee, the Board of Directors, determined based on their performance, the salary of the Chief Executive Officer and the rest five executive member of the Board, who were employed in the Company in 2013 and the additional compensation for executive members of the Board without employment agreements.

The Remuneration Committee's duties and competences and its internal regulation have been posted to the Company's website http://www.titan.gr/en/ at the link: http://www.titan.gr/en/titan-group/corporate-governance/board-of-directors-committees/remuneration-committee/

Nomination and Corporate Governance Committee

Chairman: Domna Mirasyesi-Bernitsa, independent, non-executive Board member

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

Andreas Canellopoulos, non-executive Board member

This Committee consists of three members of the Board of Directors, out of which the two are independent. The Chairman of the Board of Directors sits on the Committee as its third member, who is a non-executive director. The present members of the Committee were appointed by virtue of the Board of Directors' decision dated 14.06.2013. Its former members (18.05.2010 until 14.06.2013) Messrs Spyridon Theodoropoulos and Takis Arapoglou were both independent members of the Board of Directors, whilst the third member of the committee was Chairman was Mr Andreas Canellopoulos, is a non-executive director.

All members of the Committee have extensive experience in business administration and corporate governance. The task of this Committee is to recommend suitable candidates to become members of the Board of Directors, to prepare plans on the succession and continuity of the Company's Management and to provide an opinion on the correct implementation of Corporate Governance Principles as stipulated in the relevant legislation, the best international practices and the Code of Corporate Governance that the Company applies.

The Committee met twice in 2013, on 4/3and 14.05.2013.

During these meetings the Committee had the following agenda:

a. drew conclusions from the responses of the members of the Board to the questionnaire relating to the evaluation of the function of the Board of Directors and its Committees in 2012 and submitted a relevant report to the Board of Directors;

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

c. reviewed the contents of the Corporate Governance Statement that was submitted by the Company in 2012; and

d. Prepared a description of the role and duties and searched for suitable candidates to be recommended for election as independent Board members by the General Meeting of Shareholders that was held in June 2013.

During the process of selecting the most suitable candidates, the Committee was primarily interested in finding the right combination of executive and non-executive members and ensuring balance in the Board of Directors, with regard to the skills, knowledge and experience of its members, in order to achieve the highest possible efficiency in the actions of the Board. Under this scope, the Committee recommended four new members and its recommendation was approved by the Board of Directors and the General Assembly.

The Committee took also in account the fact that all re-electable, independent officers were managing directors in other companies and it decided that new candidates, personalities with experience and skills in other supplementary areas (such as advocacy, finance etc.) and who have more free time to perform their duties as members of the Board, should be preferred.

The Committee also advised that at least one of the new members should be a woman. Currently, two members of the Board of Directors are women.

Finally, the Committee did not consider that the use of specialised consultants or publishing these vacancies would be helpful in the process of finding the right candidates. On the contrary, the Committee decided that the search and selection of the new members should be done by the members of the Committee and its final recommendations would be submitted to the Board of Directors and the General Assembly.

Until today, the Committee has not proposed to the Board of Directors and the latter has not implemented quotas for the promotion of diversity in the Board of Directors. The promotion of diversity constitutes a Board's policy, provided that all members meet the aforementioned requirements.

The Nomination and Corporate Governance Committee's duties and competences and its internal regulation have been posted on the Company's website http://www.titan.gr/en/ at the following address: http://www.titan.gr/en/titan-group/corporate-governance/board-of-directors-committees/nomination-and-corporate-governance-committee/

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

OTHER COMMITTEES

Corporate Social Responsibility Committee

Chairman: Dimitrios Papalexopoulos, CEO

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

Members

Maria Alexiou, Group Corporate Social Responsibility Director

Efthymios Vidalis, executive member of the Board

Vasilios Zarkalis, Group Chief Financial Officer

Giannis Kollas, Group HR Director

Sokratis Baltzis, General Manager Greece Region

Aris Papadopoulos, USA Region Director

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

Fokion Tasoulas, Group Technology & Engineering Director

The purpose of this Committee is to provide advice and support to the Company Management in planning strategy and coordinating Group's activities in the Corporate Social Responsibility matters. Its aim is to constantly improve the performance of the Company and its subsidiaries in three core fields: health and safety at work, environmental protection viewed from the perspective of sustainable development and stakeholder engagement. Its activities include adopting Corporate Social Responsibility and Sustainable Development principles and integrating them into the Group's various sectors of activity and operations; providing advice and support to constantly improve Company and Group performance; periodically measuring and assessing the environmental and social impact of the Company's major investments and regularly briefing the Board of Directors; and ensuring active Company participation in Greek and international Corporate Social Responsibility-related bodies.

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

The Corporate Social Responsibility Committee's duties and competences and its internal regulation have been posted to the Company's website (http://www.titan.gr/el/) at the following address: http://www.titan.gr/el/titan-group/corporate-governance/board-of-directors-committees/nomination-and-corporate-governance-committee/

Executive Committee

CHAIRMAN: Dimitrios Papalexopoulos, CEO

MEMBERS: Efthymios Vidalis, Executive Member of the Board

Vasilios Zarkalis, Group Chief Financial Officer

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

Michalis Colakidis, Senior Advisor Group Strategy

Sokratis Baltzis, General Manager Greece Region

Aris Papadopoulos, USA Region Director

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

Michail Sigalas, Executive Member of the Board,

SE Europe and Mediterranean Sector Director

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

Evaluation of the Board of Directors and its Committees in 2012

In 2013, the Company's Board of Directors held seven (7) scheduled meetings on (4/3, 14/5, 14/6, 1/8, 7/10, 12/11 and 13/12) and an extra-ordinary (15/02).

Below is a table showing which members attended these meetings of the Board of Directors and its Committees during 2013:

BOARD AND COMMITTEE MEETINGS – FREQUENCY AND ATTENDANCE

NAMES	Six scheduled Board meetings	Audit Committee Four meetings	Nomination and Corporate Governance Committee Three meetings	Remuneration Committee One meeting
ANDREAS CANELLOPOULOS	7/7		2/2	
TAKIS(EFSTRATIOS-GEORGIOS) ARAPOGLOU *	7/7		2/2*	
DIMITRIOS PAPALEXOPOULOS	7/7			
EFTICHIOS VASILAKIS	5/7	1/2		
EFTHYMIOS VIDALIS	5/7			
GEORGE DAVID	2/2			1/1
SPYRIDON THEODOROPOULOS	2/2		2/2	
VASSILIOS ZARKALIS	5/5			
NELLOS CANELLOPOULOS	7/7			
TAKIS-PANAGIOTIS CANELLOPOULOS	7/7			
DOROS CONSTANTINOU	5/5	2/2		
DOMNA MIRASYESI-BERNITSA	5/5			
PANAGIOTIS MARINOPOULOS	2/2			1/1
ALEXANDRA PAPALEXOPOULOU-BENOPOULOU	7/7			
PLOUTARCHOS SAKELLARIS	5/5	2/2		
PETROS SABATACAKIS **	4/7	1/2**		1/1**
MICHAIL SIGALAS	6/7			
VASSILIOS FOURLIS	6/7	3/4		

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

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

The activities of the Board of Directors, Audit Committee, Remuneration Committee, Nomination and Corporate Governance Committee during 2013 and the individual contribution of each member of the Board of Directors was evaluated by the members of the Board of Directors by filling out a special, detailed questionnaire which had been prepared by the Company Secretary. The questionnaire was divided into 8 sections (Leadership, Line-up-Effectiveness-Board operations, BoD Work-Responsibility, Financial Information – Internal Audit Systems and Risk Management - Communication with Shareholders, Remuneration, Committees' Function, Members Attendance at the Board Meetings and the Shareholders Meetings and Individual Evaluation of the Members). Each member's contribution is evaluated with a score, ranging from 1 to 4, corresponding to poor, moderate, satisfactory and excellent contribution. The questionnaires were filled out anonymously and sent to the Company Secretary.

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

Moreover, the Board's independent members evaluated the Chairman's performance during a special meeting on 13/12/2013, without the presence of the Chairman or other executive members.

Remuneration of Board members in 2013 – Remuneration Policy

On 14.06.2013 the General Meeting of Shareholders preapproved, in accordance with article 24 section 2 of Law 2190/1920, the payment of remuneration for the year 2013 for the members of the Board of Directors and its Committees, being of the same amount as for the year 2012. The relevant remuneration amounted to:

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

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

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

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

The General Meeting of Shareholders of 14.6.2013 also preapproved, in accordance with article 24 section 2 of Law 2190/1920, the payment of additional gross remuneration of Euro 135,000 plus stamp duty to the executive member of the Board of Directors, Mr. Efthymios Vidalis, due to his increased duties in the frames of the Board of Directors, mainly in the areas of sustainable development and strategy. The aforementioned member of the Board of Directors does not retain an employment relationship or independent services contract with the Board of Directors.

The aforementioned remuneration will be submitted for final approval to the upcoming Ordinary General Meeting of the Shareholders for the year 2013, in accordance with article 24 section 2 of Law 2190/1920.

Salaries and remuneration of all kinds for the year 2013 of the 6 executive members of the Board of Directors who provided their services to the Company on the basis of an employment contract were decided on by the Board of Directors following a recommendation from the Remuneration Committee, based on their performance and the achievement of specific business targets.

The annual pay for the Chairman of the Board of Directors was also decided on by the Board of Directors following a recommendation from the Remuneration Committee and after the performance of his duties had first been evaluated by the Board of Directors.

As per the applicable Remuneration Policy for the executive members of the Board of Directors, the annual remuneration of the executive members is determined on the basis of the gravity of their position in the Group and consist of a fixed portion, i.e. the salary, which is further determined on the basis of the applicable salaries system and the annual performance assessment, and of a variable portion, which is correlated with the fulfilment of the quantitative and qualitative targets, individually and at the Company's level. The targets are linked with the Company's performance in terms of financial ratios (e.g. EBITDA), safety at work (based on indicator on accidents frequency LTFIR), as well as with the performance in the fulfilment of specific targets directly associated with the position of each member. The variable portion of the annual remuneration, in the event of targets achievement, may go up to 70%, whereas in the event that targets are significantly exceeded may go up to 85% compared to the fixed portion of the annual remuneration (salaries).

The assessment of the performance of the executive members is carried out by the CEO and the assessment of the performance of the CEO is carried out by the Board of Directors.

The Remuneration Committee on a yearly basis assess available data from the labour market and adjusts the remuneration level and/or the plans of variable salaries and remuneration of all Company's executives, including executive members of the Board of Directors offering their services to the Company on the basis of employment an relationship, in accordance with the principles of the relevant policy.

Company offers to the executive members of the Board of Directors, who have an employment relationship with the Company, additional pension and benefit plans based on the applicable practices of the relevant markets where the Company is active.

In 2013, the salaries and all manner of gross remuneration paid to the Chairman and to the 6 executive members of the Board of Directors offering their services to the Company on the basis of an employment contract totalled € 2,681,078.69.

Finally, following a practice advanced by the Code, the Company discloses information on the remuneration that the executive members of the Board of Directors received in 2013 for their participation, as independent, non-executive members in the Board of Directors of other companies listed in the Athens Exchange. More specifically, Mr. Dimitrios Papalexopoulos received the gross amount of €44,460 as remuneration for his participation in the Board of Directors of the banking institution EUROBANK ERGASIAS and Mrs. Alexandra Papalexopoulou-Benopoulou received the gross amount of €45,000 for her participation in the Board of Directors of the banking institution NATIONAL BANK

OF GREECE and the gross amount of € 19,210.88 for her participation in the Board of Directors of the company FRIGOGLASS S.A.

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

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

The initial Plan (the 2000 Plan), which was approved by the General Meeting of Shareholders of 5.7.2000, had a three year term (2001-2003), a vesting period of three years and expiration date in 2007. The beneficiaries of the 2000 Plan were 48 senior executives of the Company and the Group's companies and 3 members of the Board of Directors, who had an employment relationship with the Company. Under the 2000 plan, options to purchase 119,200 ordinary shares were exercised at a sale price of € 29.35 per share and options to purchase 451,900 ordinary shares were exercised at a sale price of € 14.68 per share.

The second relevant Plan (the 2004 Plan) was approved following the decision of the General Meeting of Shareholders of 8.6.2004, for a three-year period (2004-2006) a three year vesting period, expiration date in 2009 and exercise price equal to the nominal price of the share. The beneficiaries of the 2004 plan were 63 senior executives of the Company and the Group's companies and 5 executive members of the Board of Directors who had an employment relationship with the Company.

The 2004 Plan provided that following the lapse of the 3 year vesting period, beneficiaries would be entitled, without other conditions, to exercise only the 1/3 of the number of the options granted, whereas the ability to exercise the other 2/3 of the options depended on the performance of the Company's ordinary share in relation to the average performance of the ATHEX FTSE 20, FTSE 40 and General Index of the Athens Exchange and of highly merchantable shares of pre-selected high cap companies in the building materials sector worldwide.

Under the 2004 Plan, options to purchase 186,000 ordinary shares were eventually exercised up (108,480 in December 2006, 39,770 in December 2007, 14,200 in December 2008 and 23,550 in December 2009) at a purchase price equal to the nominal price of the share.

On 29.5.2007 the General Meeting of Shareholders approved the third consecutive stock option plan (the 2007 Plan) covering, as the previous plans, a three-year period (2007-2009), again with a three-year vesting period, expiration date in 2012 and exercise price equal to the nominal price of the Company's share. The beneficiaries of the 2007 plan were 99 senior executives of the Company and the Group's companies, including 5 executive members of the Board of Directors of the Company.

Under the 2007 Plan, the number of options which was exercised by the beneficiaries after the end of the vesting period varied; one third depended on the average EBITDA of the Company and its net profits in relation to the return on 3-year Greek treasury bonds during the relevant three-year period. One third depended on the performance of the Company's ordinary share in relation to the performance of the highly merchantable shares of 12 pre-selected high cap companies in the building materials sector internationally and one third depended on the performance of the Company's ordinary share in relation to the average performance of the ATHEX FTSE 20, ATHEX FTSE 40 and FTS Eurofirst 300 indexes.

In accordance with the vesting terms and conditions of the 2007 Plan, in December 2009 only 11.11% of the options which had been granted to beneficiaries in 2007 vested, while in December 2010 and December 2011, the 22.22% of the total number of options granted to beneficiaries in 2008 and 2009 vested. Overall, in December 2009, December 2010 and December 2011 options to purchase 61,804 ordinary shares in the Company were exercised at a price equal to the nominal price of each share, namely four (4) euro per share.

Lastly, on 3.6.2010 the General Meeting approved the fourth consecutive stock option plan (the 2010 Plan), having a three year term (2010-2012), a three year vesting period, expiration date in 2016 and exercise price equal to the nominal price of the Company's share. The beneficiaries of the 2010 plan are 109 senior executives of the Company and the Group's companies, including 6 executive members of the Board of Directors.

Under the 2010 Plan, which is still ongoing, during the years 2010, 2011, 2012, options to purchase 267,720, 301,200 and 376,290 respectively Company's ordinary shares were granted. These options may be exercised in the months of April and October of the years 2013, 2014, 2015 and 2016 provided that the targets and conditions of the Plan have been fulfilled.

More specifically, following the three-year vesting period, the final number of exercisable options depends on:

a. one- third on the operative results and the net profits of the Group;

b. one-third on the performance of the Company's ordinary share in relation to the performance of the highly merchantable shares of other multinational high cap companies in the building materials sector; and

c. one-third on the performance of the Company's ordinary share in relation to the performance of the ATHEX FTSE 20, ATHEX FTSE 40 and FTS Eurofirst 300 indexes.

Under the 2010 Plan and until December 2013, with regard to the options granted in 2010, the 25% thereof has vested and with regard to options granted in 2011, the 58% thereof has vested. Until December 2013, options to purchase 50.282 ordinary shares in the Company were exercised at a price equal to the nominal price of each share, namely € 4 per share. In April and October 2014 and in April and October 2015, beneficiaries will be entitled to exercise additional 164,313 options, that is the 58% of the total number that was granted in 2011, while in April and October of the years 2015 and 2016 beneficiaries will be entitled to exercise those of the options granted in 2012 which will have matured and will be fulfilling the conditions of the Plan.

Both the 2004 Plan and 2010 Plan favour the long-term retention of a significant number of shares by company executives, since they contain a term requiring the retention of a minimum number of shares depending on the executive's position within the hierarchy, and any infringement of that requirement will result in a reduced number of options being granted in the next stock option plan.

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

Lastly, it is worth noting that in the context of the aforementioned four Plans beneficiaries have acquired in total 869,186 ordinary shares, representing the 1.03% of the paid up share capital of the Company.

A detailed description of these Plans is available on the Company's website http://www.titan.gr/en/
link:
http://ir.titan.gr/titan/app/cms/lang/en/page/programma.paroxis.dikaiomaton.proairesis.metoxon

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

Internal Audit

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

Internal audit was performed in 2013 by 15 executives who had the necessary training and experience to duly carry out their work.

Internal Audit's primary role is to evaluate the checks and balances that have been put in place for all Group functions in terms of their adequacy and effectiveness. Internal Audit's functions also include:

- monitoring implementation and compliance with the Company's Internal Regulation, Code of Conduct, Articles of Association and applicable laws in all jurisdictions in which the Group operates;

- reporting to the Board of Directors of conflict of interest situations relating to the members of the Board of Directors or the Company's executives towards the Company's interests, as such situations may be identified in the frames of the internal audit;

- monitoring of the relationship and transactions of the Company with the related parties, as defined in the International Accounting Standard 24 as in force, as well the audit of the Company's dealings with companies in the capital of which participate with more than 10% members of the Board of Directors or shareholders of the Company with more than 10%.

During the year 2013, 26 written reports from the Internal Audit Division relating to all audits of Group functions were submitted to the Audit Committee, and via it to the Board of Directors. The half-yearly and annual reports on the work of the Internal Audit Division, which contained an overall reference to the most important audit findings, were also submitted. During the year 2013 the Audit Committee held regular private meetings with the Group's Internal Audit Director to discuss functional and organisational issues, and all the information requested was provided and briefings were given about the audit systems currently in place, their effectiveness and the progress of audits. Following a report from the Audit Committee the Board of Directors approved the audit schedule for 2014 and specified the functions and points on which internal audit must focus.

The System of Internal Controls and Risk Management

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

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

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

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

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

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

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

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

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

During each Board meeting, the Group CEO informs the Board about financial results and business performance and the Group CFO informs the Board on the aforementioned once every quarter.

The Group's external auditors review the mid-year financial statements of the Company, the Group and its material subsidiaries and audit the full-year financial statements of the aforementioned. In addition, the Group's external auditors inform the Audit Committee about the outcomes of their reviews and audits.

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

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

Risk management

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

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

The Group management team's main concern is to ensure that by implementing appropriate internal audit and risk management systems the Group overall is able to rapidly and effectively respond to risks as they arise and in all events to take the right measures to mitigate their effects to the extent possible.

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

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

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

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

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

General Meeting

The General Meeting's modus operandi – Powers

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

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

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

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

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

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

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

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

g) The election of auditors.

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

i) The appointment of liquidators.

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

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

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

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

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

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

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

Right to attend General Meetings

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

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

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

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

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

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

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

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

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

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

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

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

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

Conflicts of interest may arise in cases where the representative:

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

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

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

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

Quorum – Majority

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

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

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

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

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

No other invitation is required if the initial invitation specifies the place and time of any repeat meetings that might be held if a quorum is not achieved at the first meeting, provided that at least 10 days (meaning 10 full days) elapse between the meeting which was cancelled and the repeat meeting.

Shareholder's Rights

Right to attend General Meetings

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

Right to vote at General Meetings:

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

Rights of preferred shareholders

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

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

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

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

Priority rights

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

Where the Company's share capital is increased with shares from only one of the classes of shares the Company has issued, the priority right is granted to shareholders in the other class only after it is not exercised by shareholders in the class to which the new shares belong.

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

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

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

Minority rights

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

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

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

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

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

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

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

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

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

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

Following an application made by Shareholders representing 1/5 of the paid-up share capital, which shall be submitted to the Company at least 5 full days prior to the General Meeting, the Board of Directors shall be obliged to provide the General Meeting with information on the course of corporate affairs and the state of the Company's assets. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920, where the relevant members of the Board of Directors have taken adequate cognisance of these matters. Any doubts about the validity or otherwise of the reasons for refusal to provide information may be decided by the Single-Member Court of First Instance at the Company's seat.

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

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

Right to dividends:

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

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

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

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

Right to the product of liquidation:

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

Shareholders' liability:

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

Exclusive Jurisdiction of the Courts – Applicable Law:

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

Shareholder Information and Services

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

Investor Relations Department

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

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

Shareholder Services Department

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

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

Corporate Announcements Department

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

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

Reuters code: TTNr.AT, TTNm.AT

Bloomberg code: TITK GA, TITP GA.

VIII. Reference to derogations from the Corporate Governance Code

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

1. Independence Criteria for the Chairman of the Board of Directors as per Code provision B.1.1.

Chairman of the Board of Directors, Mr. Andreas Canellopoulos, does not meet the independence criteria set out in B.1.1 provision of the Code.

More specifically, Mr. Andreas Canellopoulos is one of the main shareholders of the Company, has served as member of the Board of Directors since 1971 and is elected as Chairman of the Board of Directors since 1996. Additionally, he is a relative to executive members of the Board of Directors and receives monthly remuneration from the Company in addition to his remuneration for his participation in the Board of Directors.

Since 2006 he is a non executive member of the Board of Directors, engaged only with the performance of his duties as Chairman of the Board of Directors.

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

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

3. Remuneration of the members of the Board of Directors (Code Provision D.1.2.)

The Board of Directors' Annual Report does not incorporate a remuneration report with detailed data for all kinds of remuneration of each member of the Board of Directors. The Board of Directors is of the view that in the times of great financial crisis, as the current period in Greece, of recession and rising unemployment, the disclosure of information on individual earnings is not at all appropriate.

The basic principles of the remuneration policy that applies for the executive Board members, as well as the total amount of salaries and gross remuneration paid during the year 2013 to the Chairman and the six executive members of the Board of Directors offering their services to the Company under employment contract, have been (among others) disclosed in the present Statement on Corporate Governance and more precisely in the sections **"Remuneration Committee"** and **"Remuneration of Board members – Remuneration Policy"**. Moreover, the present Statement includes detailed information on the remuneration that was paid in 2013, following the preapproval of the General Meeting of the Shareholders of 14.06.2013, to the members of the Board of Directors and to the members of the Board's Committees for their participation in said bodies, as well as information on the remuneration that executive members of the Board of Directors received against their participation as independent members in the Boards of Directors of other companies listed in the Athens Exchange.

Finally, it is noted that following the election of the incumbent Board of Directors by the General Meeting of 14.6.2013, the following derogations from the Code that had been identified in the past years are no longer valid:

a. **Composition of the Board of Directors** (Code Provision B.1.1), since none of the independent members of the Board has served on the Board for more than nine years from the date of first election.
b. **Re-election of the Board members** (Code Provision B.7.1), for the same as above reason.
c. **Commitment of Non-Executive members** (Code Provision B.3.2), since, the official letter sent to the non-executive Board members, before their election by the General Meeting of Shareholders of 14.6.2013, incorporated an explicit reference on the estimated time that they would have to commit in performing their duties (Code Provision B.3.2).

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
11th Km National Road Athens-Lamia
144 51 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

THIS REPORT HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL VERSION

INDEPENDENT CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT

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

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of TITAN CEMENT COMPANY S.A. which comprise the separate and consolidated statement of financial position as at December 31, 2013, the separate and consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of TITAN CEMENT COMPANY S.A. and its subsidiaries as at December 31, 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

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

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

Athens, February 27, 2014

The Certified Auditor Accountant

CHRIS PELENDRIDIS

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

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

11th KM NATIONAL ROAD ATHENS-LAMIA

144 51 ATHENS

SOEL REG. No. 107

Income Statement

(all amounts in Euro thousands)	Notes	Group 2013	Group 2012	Company 2013	Company 2012
		Year ended 31 December		Year ended 31 December	
Turnover	3	1,175,937	1,130,660	234,712	221,215
Cost of sales	5	-882,164	-831,696	-197,677	-163,886
Gross profit before depreciation, amortisation and impairment		**293,773**	**298,964**	**37,035**	**57,329**
Other income	4	16,834	21,769	7,256	13,552
Administrative expenses	5	-92,802	-93,026	-31,530	-31,281
Selling and marketing expenses	5	-17,569	-19,619	-185	-386
Other expenses	4	-4,229	-12,250	-1,574	-1,539
Profit before interest, taxes, depreciation, amortization and impairment		**196,007**	**195,838**	**11,002**	**37,675**
Depreciation and amortization related to cost of sales		-108,542	-118,063	-11,720	-12,418
Depreciation and amortization related to administrative and selling expenses		-6,818	-6,620	-1,324	-1,236
Impairment of tangible and intangible assets related to cost of sales	11.13	-1,421	-6,047	-18	-314
Profit/(loss) before interest and taxes		**79,226**	**65,108**	**-2,060**	**23,707**
Finance income	6	6,400	11,316	2,658	3,781
Finance expense	6	-94,961	-76,885	-47,369	-44,256
Share in loss of associates	15	-305	-841	-	-
Loss before taxes		**-9,640**	**-1,302**	**-46,771**	**-16,768**
Less: Income tax	8	-19,356	-17,526	3,617	1,216
Loss after taxes		**-28,996**	**-18,828**	**-43,154**	**-15,552**

	Notes	2013	2012
Attributable to:			
Equity holders of the parent		-36,074	-24,516
Non-controlling interests		7,078	5,688
		-28,996	**-18,828**
Basic losses per share (in €)	9	**-0.4424**	**-0.3008**
Diluted losses per share (in €)	9	**-0.4397**	**-0.2982**

The accompanying notes on pages 63 to 141 are an integral part of these financial statements

Statement of Comprehensive Income

(all amounts in Euro thousands)	Notes	Group Year ended 31 December 2013	 2012	Company Year ended 31 December 2013	 2012
Loss for the year		**-28,996**	**-18,828**	**-43,154**	**-15,552**
Other comprehensive (loss)/income:					
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:					
Exchange losses on translation of foreign operations		**-93,559**	**-29,390**	**-**	**-**
Net losses on available for sale financial assets		-342	-225	-	-
		-342	**-225**	**-**	**-**
Cash flow hedges	34	2,585	-567	2,355	-43
Income tax effect	34	-850	204	-612	-
		1,735	**-363**	**1,743**	**-43**
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		**-92,166**	**-29,978**	**1,743**	**-43**
Items not to be reclassified to profit or loss in subsequent periods:					
Asset revaluation surplus	12	1,780	873	882	873
Income tax effect		-229	-175	-229	-175
		1,551	**698**	**653**	**698**
Re-measurement gains/(losses) on defined benefit plans	25	2,884	-43	651	746
Income tax effect		-1,012	237	-169	-149
		1,872	**194**	**482**	**597**
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		**3,423**	**892**	**1,135**	**1,295**
Other comprehensive (loss)/income for the year net of tax		**-88,743**	**-29,086**	**2,878**	**1,252**
Total comprehensive loss for the year net of tax		**-117,739**	**-47,914**	**-40,276**	**-14,300**
<u>Attributable to:</u>					
Equity holders of the parent		-115,102	-50,615		
Non-controlling interests		-2,637	2,701		
		-117,739	**-47,914**		

The accompanying notes on pages 63 to 141 are an integral part of these financial statements

Statement of Financial Position

(all amounts in Euro thousands)

		Group		Company	
Assets	Notes	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Property, plant & equipment	11	1,605,635	1,759,036	232,332	237,672
Investment property	12	13,220	8,546	13,973	11,959
Intangible assets and goodwill	13	465,996	527,498	1,185	1,099
Investments in subsidiaries	14	-	-	1,243,829	1,213,365
Investments in associates	15	2,429	2,734	-	-
Available-for-sale financial assets	16	1,573	1,877	111	108
Other non-current assets	17	12,241	12,572	2,768	2,690
Deferred income tax asset	18	1,597	2,499	-	-
Non-current assets		**2,102,691**	**2,314,762**	**1,494,198**	**1,466,893**
Inventories	19	225,133	233,765	69,694	69,080
Receivables and prepayments	20	187,102	199,180	45,670	57,299
Derivative financial instruments	35	1,566	-	-	-
Available-for-sale financial assets	16	63	63	61	61
Cash and cash equivalents	21	184,501	284,272	8,780	35,601
Current assets		**598,365**	**717,280**	**124,205**	**162,041**
Total Assets		**2,701,056**	**3,032,042**	**1,618,403**	**1,628,934**
Equity and Liabilities					
Share capital (84,632,528 shares of € 4.00)	22	338,530	338,530	338,530	338,530
Share premium	22	22,826	22,826	22,826	22,826
Share options	22	3,971	2,891	3,971	2,891
Treasury shares	22	-87,680	-89,446	-87,680	-89,446
Other reserves	23	293,299	381,027	511,258	508,380
Retained earnings		845,181	878,635	-51,237	-6,518
Equity attributable to equity holders of the parent		**1,416,127**	**1,534,463**	**737,668**	**776,663**
Non-controlling interests		122,683	125,478	-	-
Total equity (a)		**1,538,810**	**1,659,941**	**737,668**	**776,663**
Long-term borrowings	24	610,433	705,227	745,835	741,950
Derivative financial instruments	35	-	16,784	-	5,875
Deferred income tax liability	18	163,956	178,786	14,215	17,972
Retirement benefit obligations	25	23,850	26,908	11,279	11,299
Provisions	26	12,793	17,317	1,756	1,736
Other non-current liabilities	27	29,635	30,632	4,557	5,043
Non-current liabilities		**840,667**	**975,654**	**777,642**	**783,875**
Short-term borrowings	24	112,623	174,636	50,173	24,468
Trade and other payables	28	193,431	207,009	48,319	42,586
Derivative financial instruments	35	3,375	1,294	2,832	-
Income tax payable		10,137	11,899	-	-
Provisions	26	2,013	1,609	1,769	1,342
Current liabilities		**321,579**	**396,447**	**103,093**	**68,396**
Total liabilities (b)		**1,162,246**	**1,372,101**	**880,735**	**852,271**
Total Equity and Liabilities (a+b)		**2,701,056**	**3,032,042**	**1,618,403**	**1,628,934**

The accompanying notes on pages 63 to 141 are an integral part of these financial statements

Statement of Changes in Equity

(all amounts in Euro thousands)

Group	Attributable to equity holders of the parent										
	Ordinary shares	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves (note 23)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2012	**308,254**	**22,826**	**30,276**	**1,358**	**-89,329**	**-117**	**427,028**	**857,170**	**1,557,466**	**142,982**	**1,700,448**
(Loss)/profit for the year	-	-	-	-	-	-	-	-24,516	-24,516	5,688	-18,828
Other comprehensive loss	-	-	-	-	-	-	-26,099	-	-26,099	-2,987	-29,086
Total comprehensive (loss)/income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-26,099**	**-24,516**	**-50,615**	**2,701**	**-47,914**
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	-	-19,115	-19,115
Acquisition of non-controlling interests	-	-	-	-	-	-	-	665	665	-27,669	-27,004
Partial disposal of subsidiary	-	-	-	-	-	-	-1,691	29,492	27,801	22,199	50,000
Non-controlling interest's participation in share capital increase	-	-	-	-	-	-	-	-	-	8,800	8,800
Share based payment transactions (note 22)	-	-	-	1,533	-	-	-	-	1,533	-	1,533
Non-controlling interest's put option recognition & transfer between reserves (notes 27, 32)	-	-	-	-	-	-	-2,387	-	-2,387	-4,420	-6,807
Transfer between reserves	-	-	-	-	-	-	-15,824	15,824	-	-	-
Balance at 31 December 2012	**308,254**	**22,826**	**30,276**	**2,891**	**-89,329**	**-117**	**381,027**	**878,635**	**1,534,463**	**125,478**	**1,659,941**
Balance at 1 January 2013	**308,254**	**22,826**	**30,276**	**2,891**	**-89,329**	**-117**	**381,027**	**878,635**	**1,534,463**	**125,478**	**1,659,941**
(Loss)/profit for the year	-	-	-	-	-	-		-36,074	-36,074	7,078	-28,996
Other comprehensive loss	-	-	-	-	-	-	-79,028	-	-79,028	-9,715	-88,743
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-79,028**	**-36,074**	**-115,102**	**-2,637**	**-117,739**
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	-	-2,315	-2,315
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	1,766	-	-	-1,565	201	-	201
Share based payment transactions (note 22)	-	-	-	1,080	-	-	-	-	1,080	-	1,080
Non-controlling interest's put option recognition & transfer between reserves (notes 27, 32)	-	-	-	-	-	-	-4,515	-	-4,515	2,157	-2,358
Transfer between reserves	-	-	-	-	-	-	-4,185	4,185	-	-	-
Balance at 31 December 2013	**308,254**	**22,826**	**30,276**	**3,971**	**-87,563**	**-117**	**293,299**	**845,181**	**1,416,127**	**122,683**	**1,538,810**

The accompanying notes on pages 63 to 141 are an integral part of these financial statements

Statement of Changes in Equity (continued)

(all amounts in Euro thousands)

Company	Ordinary shares	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves (note 23)	Retained earnings	Total equity
Balance at 1 January 2012	**308,254**	**22,826**	**30,276**	**1,358**	**-89,329**	**-117**	**511,301**	**4,861**	**789,430**
Loss for the year	-	-	-	-	-	-	-	-15,552	-15,552
Other comprehensive income	-	-	-	-	-	-	1,252	-	1,252
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,252**	**-15,552**	**-14,300**
Share based payment transactions (note 22)	-	-	-	1,533	-	-	-	-	1,533
Transfer between reserves	-	-	-	-	-	-	-4,173	4,173	-
Balance at 31 December 2012	**308,254**	**22,826**	**30,276**	**2,891**	**-89,329**	**-117**	**508,380**	**-6,518**	**776,663**
Balance at 1 January 2013	**308,254**	**22,826**	**30,276**	**2,891**	**-89,329**	**-117**	**508,380**	**-6,518**	**776,663**
Loss for the year	-	-	-	-	-	-	-	-43,154	-43,154
Other comprehensive income	-	-	-	-	-	-	2,878	-	2,878
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,878**	**-43,154**	**-40,276**
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	1,766	-	-	-1,565	201
Share based payment transactions (note 22)	-	-	-	1,080	-	-	-	-	1,080
Balance at 31 December 2013	**308,254**	**22,826**	**30,276**	**3,971**	**-87,563**	**-117**	**511,258**	**-51,237**	**737,668**

The accompanying notes on pages 63 to 141 are an integral part of these financial statements

Cash Flow Statement

(all amounts in Euro thousands)	Notes	Group Year ended 31 December 2013	Group Year ended 31 December 2012	Company Year ended 31 December 2013	Company Year ended 31 December 2012
Cash flows from operating activities					
Cash generated from operations	29	**193,084**	**186,404**	**30,132**	**38,700**
Income tax paid		-22,242	-21,374	-1,150	-2,711
Net cash generated from operating activities (a)		**170,842**	**165,030**	**28,982**	**35,989**
Cash flows from investing activities					
Purchase of property, plant and equipment	11.12	-48,714	-44,761	-9,931	-5,669
Purchase of intangible assets	13	-1,668	-6,208	-551	-1,717
Proceeds from sale of property, plant and equipment & intangible assets	29	4,741	28,637	692	6,439
Proceeds from dividends		-	39	-	-
Acquisition of subsidiaries, net of cash acquired	30	-	-100	-	-
Share capital increase in subsidiaries		-	-	-30,464	-30,511
Acquisition of non-controlling interests		-8,003	-19,004	-	-
Net (payments)/proceeds from the acquisition/disposal of available-for-sale financial assets	16	-43	37	-3	-
Interest received	6	3,612	4,235	699	950
Net cash flows used in investing activities (b)		**-50,075**	**-37,125**	**-39,558**	**-30,508**
Net cash flows after investing activities (a)+(b)		**120,767**	**127,905**	**-10,576**	**5,481**
Cash flows from financing activities					
Proceeds from non-controlling interest's participation in subsidiary's share capital increase		-	8,800	-	-
Proceeds from partial disposal of subsidiary's ownership		-	50,000	-	-
Proceeds from sale of treasury shares	22	201	-	201	-
Proceeds from government grants		-	8	-	8
Interest paid		-60,840	-73,351	-42,633	-38,180
Dividends written-off and paid to the Greek state		-70	-31	-70	-31
Dividends paid to non-controlling interests		-2,265	-19,115	-	-
Proceeds from borrowings		911,003	788,746	249,830	214,449
Payments of borrowings		-1,064,546	-936,978	-223,532	-175,635
Net cash flows (used in)/from financing activities (c)		**-216,517**	**-181,921**	**-16,204**	**611**
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)		**-95,750**	**-54,016**	**-26,780**	**6,092**
Cash and cash equivalents at beginning of the year	21	284,272	333,935	35,601	29,478
Effects of exchange rate changes		-4,021	4,353	-41	31
Cash and cash equivalents at end of the year	21	**184,501**	**284,272**	**8,780**	**35,601**

The accompanying notes on pages 63 to 141 are an integral part of these financial statements

Contents

Contents (continued)

1. General information and summary of significant accounting policies

Titan Cement Co. S.A. (the Company) and, its subsidiaries (collectively the Group) are engaged in the production, trade and distribution of a wide range of construction materials, including cement, concrete, aggregates, cement blocks, dry mortars and fly ash. The Group operates primarily in Greece, the Balkans, Egypt, Turkey and the USA.

Information on the Group's structure is provided in note 14. Information on other related party relationships of the Group and the Company is provided in note 33.

The Company is a limited liability company incorporated and domiciled in Greece at 22[A] Halkidos Street - 111 43 Athens with the registration number in the General Electronic Commercial Registry: 224301000 (former Register of Sociétés Anonymes Number: 6013/06/B/86/90) and is listed on the Athens Stock Exchange.

These annual financial statements (the financial statements) were approved for issue by the Board of Directors on February 27, 2014.

Summary of significant accounting policies

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

1.1. Basis of preparation

These financial statements comprise the separate financial statement of the Company and the consolidated financial statements of the Group. They have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

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

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

The financial statements have been prepared with the same accounting policies of the prior financial year, except for the adoption of the new or revised standards, amendments and/or interpretations that are mandatory for the periods beginning on or after 1 January 2013.

New or revised Standards and Interpretations adopted by the Group on 1 January, 2013 that have no significant impact in the Group's financial position or performance

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

  The amendments to IAS 1 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects only the presentation of the statement of comprehensive income.

- **IAS 19 "Employee benefits" (Revised 2011) (IAS 19R)**

  IAS 19 initiates a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss. The expected returns on plan assets are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation. The unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures (note 25).

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

  The amendment of International Financial Reporting Standard (IFRS) 7 introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity’s financial position. The amendments to IFRS 7 are to be retrospectively applied. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.

- **IFRS 13 "Fair value measurement"**

  IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS, when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

  IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 “Financial Instruments: Disclosures”. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the disclosures of the *interim* condensed consolidated financial statements.

- **IFRIC Interpretation 20 "Stripping costs in the production phase of a surface mine"**

  This interpretation applies to waste removal (stripping costs) incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity.

- **The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle,** which contains amendments to its standards. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS.

  -***IAS 1 Presentation of Financial Statements:*** This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.

  -***IAS 16 Property, Plant and Equipment:*** This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

  -***IAS 32 Financial Instruments, Presentation:*** This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

  -***IAS 34 Interim Financial Reporting:*** The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

New Standards and Interpretations in issue and effective for periods beginning on or after 1 January 2014 and not early adopted by the Group

- **IFRS 9 Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7-Mandatory Effective Date and Transition Disclosures; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39**

  IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurement of financial liabilities. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The subsequent package of amendments issued in November 2013 initiate further accounting requirements for financial instruments. These amendments a) bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements; b) allow the changes to address the so-called 'own credit' issue that were already included in IFRS 9 Financial Instruments to be applied in isolation without the need to change any other accounting for financial instruments; and c) remove the 1 January 2015 mandatory effective date of IFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements. This standard and the subsequent amendments have not yet been endorsed by the EU. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**

  The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

  IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Group is in the process of assessing the impact of the standard on the financial position or performance of the Group.

- **IFRS 11 Joint Arrangements**

  The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities ("JCEs") using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

  The application of this new standard will impact the financial position of the Group by eliminating proportionate consolidation of the joint ventures, Adocim Cimento Beton Sanayi ve Ticaret A.S. & Transbeton-Domiki S.A. (note 31). With the application of the new standard, the Group's investments in joint ventures will be accounted for using the equity method of accounting. As this standard becomes effective for annual periods beginning on or after 1 January 2014, the impact of IFRS 11 on the current period (which will be the comparative period in the financial statements as at 31 December 2014), of certain line items, is estimated to be a reduction of revenue of €48,636 thousand and a reduction of Profit Before Interest, Taxes and Depreciation/Amortization (EBITDA) of €9,647 thousand, as income/(loss) from joint ventures will be presented outside EBITDA. Current assets and current liabilities will be reduced by €18,491 thousand and €25,239 thousand respectively, while the reduction on non-current assets will be €38,076 thousand and the non-current liabilities will be €12,105 thousand. There is no effect on the Group's net loss for the year and net equity/net assets.

- **IFRS 12 Disclosures of Interests in Other Entities**

  The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Group is in the process of assessing the impact of the standard on the financial position or performance of the Group.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**

  The guidance is effective for annual periods beginning on or after 1 January 2014. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. The Group is in the process of assessing the impact of the standard on the financial position or performance of the Group.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

  The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment applies to a particular class of businesses that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

- **IFRIC Interpretation 21: Levies**

  The interpretation is effective for annual periods beginning on or after 1 January 2014. The Interpretations Committee was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This interpretation has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the interpretation on the financial position or performance of the Group.

- **IAS 19 Defined Benefit Plans (Amended): Employee Contributions**

  The amendment is effective from 1 July 2014. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the interpretation on the financial position or performance of the Group.

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**

  The Standard is effective for annual periods beginning on or after 1 January 2014. As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The Group is in the process of assessing the impact of the standard on the financial position or performance of the Group.

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**

  The amendment is effective for annual periods beginning on or after 1 January 2014.These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The Group is in the process of assessing the impact of the standard on the financial position or performance of the Group.

- **IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets**

  This amendment is effective for annual periods beginning on or after 1 January 2014. In developing IFRS 13 the IASB decided to amend IAS 36 to require the disclosure of information about the recoverable amount of impaired assets, particularly if that amount is based on fair value less costs of disposal. The existing standard requires an entity to disclose the recoverable amount of an asset (including goodwill) or a cash-generating unit (“CGU”) for which a material impairment loss was recognised or reversed during the reporting period. The amendment made to IAS 36 requires an entity to disclose the recoverable amount of each CGU for which the carrying amount of goodwill or other intangible assets with indefinite useful lives allocated to that unit is significant. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

- **IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (amendment)**

  This amendment is effective for annual periods beginning on or after 1 January 2014. Under the amendment there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The IASB made a narrow-scope amendment to IAS 39 to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

- **The IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle,** which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the improvements on the financial position or performance of the Group.

  - ***IFRS 2 Share-based Payment:*** This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').

- ***IFRS 3 Business combinations:*** This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.
- ***IFRS 8 Operating Segments:*** This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
- ***IFRS 13 Fair Value Measurement:*** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.
- ***IAS 16 Property Plant & Equipment:*** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- ***IAS 24 Related Party Disclosures:*** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
- ***IAS 38 Intangible Assets:*** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

• **The IASB has issued the Annual Improvements to IFRSs 2011 – 2013 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the improvements on the financial position or performance of the Group.

- ***IFRS 3 Business Combinations:*** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
- ***IFRS 13 Fair Value Measurement:*** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
- ***IAS 40 Investment Properties:*** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

1.2. Consolidation

(a) Subsidiaries

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

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

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

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

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

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

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

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

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

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

(c) Disposal of subsidiaries

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

(d) Joint ventures

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

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

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

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

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

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

(e) Associates

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

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

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amount previously recognized in other comprehensive income is reclassified to profit or loss where appropriate. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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

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

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

The financial statements of the associates are prepared for the same reporting date with the Parent Company.

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

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

As part of the acquisition process of certain entities, the Group has granted third party shareholders the option to require the Group to purchase their shares subject to predetermined conditions (a "put" option). These shareholders could be either international institutions, such as the European Bank for Reconstruction and Development (EBRD), or private investors who are essentially financial or industrial investors or former shareholders of the acquired entities (note 27 &32).

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

- Non-controlling interest is still attributed its share of profit and losses (and other changes in equity).
- The non-controlling interest is reclassified as a liability at each reporting date, as if the acquisition took place at that date.

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

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

1.3.Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

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

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

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

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

1.4.Property, plant and equipment

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

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

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

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

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

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

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

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

1.5.Investment property

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

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

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

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

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

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

Investment properties are derecognised when they have been disposed.

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

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

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

1.6.Intangible assets

(a) Goodwill

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

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

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

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

(b) Other intangible assets

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

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

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

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

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

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

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

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

1.7. Deferred stripping costs

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

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

1.8. Impairment of non-financial assets other than Goodwill

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

1.9. Leases

a) Where a Group entity is the lessee

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

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

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

b) Where a Group entity is the lessor

Leases in which the Group entity does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

1.10. Inventories

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

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

1.11. Trade receivables

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

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

1.12. Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities in the balance sheet. The components of cash and cash equivalents have a negligible risk of change in value.

1.13. Share capital

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

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

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

1.14. Borrowings

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

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

1.15. Current and deferred income taxes

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

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

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss, it is not accounted for.

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

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

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

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

1.16. Employee benefits

(a) Pension and other retirement obligations

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

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

The liability recognized in the statement of financial position in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds which have terms to maturity approximating to the terms of the related pension obligation.

Past service costs are recognized in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under other operating expenses/income
- Net interest expense or income under finance expenses

Re-measurements, comprising of the actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

(b) Termination benefits

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

The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. The obligating event is the termination and not the service. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Profit sharing and bonus plans

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

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

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

(d) Share-based payments

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

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

- Including any market performance conditions (for example, an entity's share price);
- Excluding the impact if any service and non-market performance vesting conditions (for example profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save)

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

1.17. Government grants

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

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

1.18. CO_2 Emission rights

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

1.19. Provisions

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

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

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

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

1.20. Site restoration, quarry rehabilitation and environmental costs

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

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

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

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

1.21. Revenue recognition

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

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

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

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

Interest income is recognised using the effective interest method.

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

1.22. Dividend distribution

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

1.23. Segment information

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

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

1.24. Financial assets

Classification

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

- Financial assets at fair value through profit or loss

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

- Loans and receivables

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

- Available for sale financial assets

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

Recognition and measurement

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

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

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

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

1.25. Offsetting financial instruments

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

1.26. Impairment of financial assets

a) Assets carried at amortised cost

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

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

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

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

(b) Assets classified as available-for-sale

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

1.27. Derivative financial instruments and hedging activities

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

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

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

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

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating both to the effective and ineffective portion of interest rate swaps hedging fixed rate borrowings is recognized in the income statement within "Finance income/expense". Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognized in the income statement within "Finance income/expense".

Cash flow hedges

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

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

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

Net investment hedge

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

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

1.28. Derecognition of financial assets and liabilities

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

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

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

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

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

1.29. Borrowing costs

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

1.30. Trade payables

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

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

1.31. Exceptional items

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

2. Significant accounting estimates and judgments

The preparation of the financial statements requires management to make estimations and judgments that affect the reported disclosures. On an ongoing basis, management evaluates its estimates, which are presented bellow in paragraphs 2.1 to 2.12.

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

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

2.1.Impairment of goodwill and other non-financial assets

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

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with the accounting policy stated in paragraph 1.8.

2.2.Income taxes

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

2.3.Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 8.

2.4.Fair value and useful lives of property, plant and equipment

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

2.5.Allowance for net realisable value of inventory

The allowance for net realisable value of inventory, in accordance with the accounting policy as stated in paragraph 1.10, represents management's best estimate, based on historic sales trends and its assessment on quality and volume, of the extent to which the stock on hand at the reporting date will be sold below cost.

2.6.Allowance for doubtful accounts receivable

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

2.7.Provision for environmental rehabilitation

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

2.8.Provision for staff leaving indemnities

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

2.9.Contingent liabilities

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

2.10. Business combinations

On the acquisition of a company or business, a determination of the fair value and the useful lives of tangible and intangible assets acquired is performed, which requires the application of judgement. Future events could cause the assumptions used by the Group to change which could have an impact on the results and net position of the Group. Further information on business combination is given in paragraph 1.2.

2.11. Valuation of financial instruments

The valuation of derivative financial instruments is based on the market position at the reporting date. The value of the derivative instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the reporting date. Further information on financial instruments is given in paragraph 1.27.

2.12. Fair value of share-based payments

Fair values used in calculating the amount to be expensed as a share-based payment is subject to a level of uncertainty. The Group is required to calculate the fair value of the cash-settled instruments granted to employees in terms of the share option schemes, and the share-based payment charges relating to empowerment transactions. These fair values are calculated by applying a valuation model, which is in itself judgmental, and takes into account certain inherently uncertain assumptions. The basic assumptions that are used in the calculations are explained further in note 22. Further information on share based payments is given in paragraph 1.16d.

3. Operating segment information

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

Each region has a regional Chief Executive Officer (CEO) who reports to the Group's CEO. In addition, the Group's finance department is organized by geographic region for effective financial control and performance monitoring.

Management monitors the operating results of its business units separately for the purpose of making decisions, allocating resources and assessing performance. Segment performance is evaluated based on Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA). Financing is managed on a group basis and finance costs and finance revenue are allocated to the operating segments.

Information by operating segment

(all amounts in Euro thousands)

For the year ended 31 December 2013

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
Gross revenue	280,648	411,239	216,512	299,676	-	1,208,075
Inter-segment revenue	-30,879	-216	-1,043	-	-	-32,138
Revenue from external customers	**249,769**	**411,023**	**215,469**	**299,676**	**-**	**1,175,937**
Profit before interest, taxes, depreciation, amortization and impairment	**14,009**	**32,058**	**62,958**	**87,139**	**-157**	**196,007**
Depreciation & amortization	-18,472	-53,253	-20,806	-23,033	204	-115,360
Impairment of tangible and intangible assets related to cost of sales	-817	-604	-	-	-	-1,421
(Loss)/profit before interest and taxes	**-5,280**	**-21,799**	**42,152**	**64,106**	**47**	**79,226**
Finance costs - net	-46,023	-25,052	7,769	-18,342	-6,913	-88,561
Share of losses of the associates	-	-	-305	-	-	-305
(Loss)/profit before taxes	**-51,303**	**-46,851**	**49,616**	**45,764**	**-6,866**	**-9,640**
Less: Income tax	2,819	-2,243	-7,675	-12,257	-	-19,356
(Loss)/profit after taxes	**-48,484**	**-49,094**	**41,941**	**33,507**	**-6,866**	**-28,996**
Attributable to:						
Equity holders of the parent	-48,477	-49,094	39,137	29,226	-6,866	-36,074
Non-controlling interests	-7	-	2,804	4,281	-	7,078
	-48,484	**-49,094**	**41,941**	**33,507**	**-6,866**	**-28,996**

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
ASSETS						
Non-current assets	2,527,074	671,913	711,404	914,277	-2,721,977	2,102,691
Current assets	182,321	125,639	182,084	171,372	-63,051	598,365
Total Assets	**2,709,395**	**797,552**	**893,488**	**1,085,649**	**-2,785,028**	**2,701,056**
LIABILITIES						
Non-current liabilities	1,775,613	370,808	153,312	135,766	-1,594,832	840,667
Current liabilities	197,851	60,791	38,114	87,953	-63,130	321,579
Total Liabilities	**1,973,464**	**431,599**	**191,426**	**223,719**	**-1,657,962**	**1,162,246**

Inter-segment revenues are eliminated upon consolidation and reflected in the "adjustments and eliminations" column.

3. Operating segment information (continued)

(all amounts in Euro thousands)	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Capital expenditures (note 11,12,13)	12,426	13,671	12,936	11,349	50,382
Impairment/Reversal of impairment) of property, plant and equipment (note 11)	-24	603	-	-	579
Impairment of intangible assets-excluding goodwill (note 13)	42	-	-	-	42
Impairment of Goodwill (note 13)	800	-	-	-	800
(Reversal of allowance)/allowance for doubtful debtors (note 20)	-2,644	197	57	203	-2,187
Investment in associates (note 15)	-	-	2,429	-	2,429

Capital expenditures consist of additions of property, plant and equipment, intangible assets and investment property as well as assets from acquisition of subsidiaries.
Impairment charges are included in the income statement.

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

Information by business activities

(all amounts in Euro thousands)

For the year ended 31 December 2013

	Cement	Ready mix, aggregates and blocks	Other	Total
Turnover	863,681	307,234	5,022	1,175,937

The cement activity includes cement and cementitious materials.
Other operations of the Group mainly consist of administrative expenses not directly attributable to the Group's main activities. They also include shipping and transportation activities which are not material enough to be reported separately.

Note that the Company sold cement and aggregates, representing in 2013 7.16% (2012: 8.37%) of the Company's turnover, to its subsidiary Interbeton S.A..

3. Operating segment information (continued)

Information by operating segment

(all amounts in Euro thousands)

For the year ended 31 December 2012

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
Gross revenue	263,925	369,878	225,131	295,954	-	1,154,888
Inter-segment revenue	-23,771	-426	-31	-	-	-24,228
Revenue from external customers	**240,154**	**369,452**	**225,100**	**295,954**	**-**	**1,130,660**
Profit before interest, taxes, depreciation, amortization and impairment	**32,649**	**5,833**	**64,235**	**93,766**	**-645**	**195,838**
Depreciation & amortization	-19,526	-58,679	-21,433	-25,248	203	-124,683
Impairment of tangible and intangible assets related to cost of sales	-5,287	-	-616	-144	-	-6,047
Profit/(loss) before interest and taxes	**7,836**	**-52,846**	**42,186**	**68,374**	**-442**	**65,108**
Finance costs - net	-41,730	-18,159	6,228	-11,908	-	-65,569
Share of losses of the associates	-284	-	-557	-	-	-841
(Loss)/profit before taxes	**-34,178**	**-71,005**	**47,857**	**56,466**	**-442**	**-1,302**
Less: Income tax expense	3,426	1,846	-7,582	-15,216	-	-17,526
(Loss)/profit after taxes	**-30,752**	**-69,159**	**40,275**	**41,250**	**-442**	**-18,828**
Attributable to:						
Equity holders of the parent	-30,745	-69,159	40,805	35,025	-442	-24,516
Non-controlling interests	-7	-	-530	6,225	-	5,688
	-30,752	**-69,159**	**40,275**	**41,250**	**-442**	**-18,828**

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Adjustments and eliminations	Total
ASSETS						
Non-current assets	2,378,092	744,838	460,360	832,801	-2,101,329	2,314,762
Current assets	314,733	131,992	414,442	375,046	-518,933	717,280
Total Assets	**2,692,825**	**876,830**	**874,802**	**1,207,847**	**-2,620,262**	**3,032,042**
LIABILITIES						
Non-current liabilities	1,299,218	285,516	163,092	202,997	-975,169	975,654
Current liabilities	610,880	160,898	44,892	98,717	-518,940	396,447
Total Liabilities	**1,910,098**	**446,414**	**207,984**	**301,714**	**-1,494,109**	**1,372,101**

	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Capital expenditures (note 11,12,13)	8,980	7,376	13,884	20,729	50,969
(Reversal of impairment)/impairment of property, plant and equipment (note 11)	-1,041	-	128	-	-913
Impairment of intangible assets-excluding goodwill (note 13)	4,501	-	486	-	4,987
Impairment of Goodwill (note 13)	1,829	-	-	144	1,973
(Reversal of allowance)/allowance for doubtful debtors (note 20)	-2,669	1,353	1,208	195	87
Investment in associates (note 15)	-	-	2,734	-	2,734

Capital expenditures consist of additions of property, plant and equipment, intangible assets and investment properties as well as assets from acquisition of subsidiaries.
Impairment charges are included in the income statement.

Information by business activities

For the year ended 31 December 2012

	Cement	Ready mix, aggregates and blocks	Other	Total
Turnover	828,906	294,808	6,946	1,130,660

4. Other revenue and expenses

(all amounts in Euro thousands)	Group 2013	Group 2012	Company 2013	Company 2012
Scrap sales	1,007	1,429	425	168
Compensation income	356	312	-	-
Income from services	3,075	5,924	3,523	6,463
Rental income	1,958	2,117	1,160	1,399
Gains on disposal of property, plant and equipment (note 29)	1,603	2,838	56	-
Fair value gain from investment property (note 12)	-	884	-	-
Reversal of Staff leaving indemnities provision (note 25)	-	2,119	-	1,653
Reversal of non utilized provisions (note 29)	2,703	3,175	-	2,574
Refundable clay fees (note 20,28,29)	-	806	-	-
Exceptional items (*)	1,646	-	-	-
Other income	4,486	2,165	2,092	1,295
Other income total	**16,834**	**21,769**	**7,256**	**13,552**
Provisions (note 29)	-	-	-181	-
Losses on disposal of property, plant and equipment (note 29)	-	-	-	-232
Fair value loss from investment property (note 12)	-626	-264	-683	-226
Staff leaving indemnities (note 25)	-1,607	-	-633	-
Restructuring cost (note 25)	-390	-2,873	-	-728
Exceptional items (*)	-	-7,589	-	-
Legal expenses (note 32)	-23	-59	-	-
Other expenses	-1,583	-1,465	-77	-353
Other expenses total	**-4,229**	**-12,250**	**-1,574**	**-1,539**

(*) In 2013, exceptional items in other income include insurance procceds related to the collapse of a concrete silo roof at the Group's cement plant in Pennsuco, Florida USA in 2012.
In 2012, exceptional items in other expense include: a) €3,574 thousand due to an accident caused by the collapse of a concrete silo roof at the Group's cement plant in Pennsuco, Florida USA (note 32), b) €262 thousand due to the damages caused by hurricane "Sandy" at the Group's facilities in Essex, New Jersey, and c) €3,753 thousand from the final judgement of decision of the legal case between the Beni Suef governorate and the Group's subsidiary in Egypt, Beni Suef Co SAE, concerning the retroactive payment in favor of the Beni Suef governorate of the fee of EGP 2 (€0.24) per cement ton produced from 22 October 2002 until 3l December 2011.

5. Expenses by nature

(all amounts in Euro thousands)	Group 2013	Group 2012	Company 2013	Company 2012
Staff costs and related expenses (note 7, 25)	-203,939	-215,658	-43,719	-42,863
Raw materials and consumables used	-280,280	-262,275	-57,358	-31,164
Energy cost	-245,947	-221,613	-66,926	-55,688
Changes in inventory of finished goods and work in progress	1,465	9,521	5,186	-1,673
Distribution expenses	-124,968	-122,072	-39,344	-34,226
Third party fees	-86,835	-72,474	-18,598	-19,688
Other expenses	-52,031	-59,770	-8,633	-10,251
Total expenses by nature	**-992,535**	**-944,341**	**-229,392**	**-195,553**
Included in:				
Cost of sales	-882,164	-831,696	-197,677	-163,886
Administrative expenses	-92,802	-93,026	-31,530	-31,281
Selling and marketing expenses	-17,569	-19,619	-185	-386
	-992,535	**-944,341**	**-229,392**	**-195,553**

6. Finance income/(expense)

(all amounts in Euro thousands)	Group 2013	Group 2012	Company 2013	Company 2012
Interest income (note 29)	3,612	4,235	699	950
Exchange differences gains (note 29)	1,513	4,919	1,271	1,832
Gains on financial instruments (note 29)	1,275	2,162	688	999
Finance income	**6,400**	**11,316**	**2,658**	**3,781**
Interest expense (note 29)	-64,992	-65,728	-36,178	-36,904
Finance costs of actuarial studies (note 25)	-826	-1,086	-429	-693
Exchange differences losses (note 29)	-22,914	-3,443	-1,429	-1,134
Losses on financial instruments (note 29)	-6,228	-6,587	-3,292	-3,544
Other financial expenses			-6,041	-1,981
Finance lease interest (note 29)	-1	-41	-	-
	-94,961	**-76,885**	**-47,369**	**-44,256**
Capitalized interest expense (note 11,29)	-	-	-	-
Finance expense	**-94,961**	**-76,885**	**-47,369**	**-44,256**

7. Staff costs

(all amounts in Euro thousands)	Group 2013	Group 2012	Company 2013	Company 2012
Wages and salaries	182,000	193,864	34,220	34,484
Social security costs	20,839	20,240	8,608	7,237
Share options granted to directors and employees (note 29)	1,100	1,554	891	1,142
Other post retirement and termination benefits - defined benefit plans (note 4,6,25)	2,823	1,840	1,062	-232
Total staff costs	**206,762**	**217,498**	**44,781**	**42,631**

Group employees are employed on a full-time basis. The breakdown by geographical region is as follows:

	Group 2013	Group 2012	Company 2013	Company 2012
Greece and Western Europe	1,121	1,162	797	790
North America	1,734	1,719	-	-
South Eastern Europe	1,592	1,633	-	-
Eastern Mediterranean	899	909	-	-
	5,346	**5,423**	**797**	**790**

8. Income tax expense

(all amounts in Euro thousands)	Group 2013	Group 2012	Company 2013	Company 2012
Current tax	18,509	19,125	-	-
Deferred tax (note 18)	-898	-3,882	-4,767	-2,342
Non deductible taxes and differences from tax audit	1,745	2,283	1,150	1,126
	19,356	**17,526**	**-3,617**	**-1,216**

The tax on Group profit differs from the amount that would arise had the Group used the nominal tax rate of the country in which the parent Company is based as follows:

(all amounts in Euro thousands)	Group 2013	Group 2012	Company 2013	Company 2012
Loss before tax	**-9,640**	**-1,302**	**-46,771**	**-16,768**
Tax calculated at the statutory tax rate of 26% (2012: 20%)	-2,506	-260	-12,160	-3,354
Tax adjustments in respect of:				
Income not subject to tax	-2,905	-2,471	-	-458
Expenses not deductible for tax purposes	6,103	7,061	978	1,470
Dividends tax	753	2,004	-	-
Provision for tax on tax exempt reserves under special laws based N.4172/2013	4,509	-	4,234	-
Other taxes	1,745	2,144	1,150	1,126
Re-measurement of deferred tax - change in Greek tax rate	4,963	-	2,181	-
Effect of unrecognized deferred tax asset on tax carry forward losses	24,117	26,579	-	-
Tax incentives	-2,150	-3,153	-	-
Effect of different tax rates in other countries	-14,915	-14,294	-	-
Provision's adjustments in respect of prior years	-358	-84	-	-
Effective tax charge	**19,356**	**17,526**	**-3,617**	**-1,216**

In accordance with the paragraph 11 of article 70 of L.4172/2013, tax exempt reserve formed under the terms of L.2238/1994 can offset tax losses at the rate of 26% or be distributed after deducting 19% tax. The Group and the Company have chosen to offset the losses by recognizing tax provision of €4.5 mil. and €4.2 mil. respectively.

On December 31, 2013, certain Group entities had tax carry forward losses of about €452.7 mil. (2012: €356,8 mil.). These entities have recognized a deferred tax asset amounting to €68.0 mil. (2012: €59.3 mil.), attributable to losses amounting to €197.8 mil. (2012: €179.0 mil.). For the remaining tax carry forward losses, no deferred tax asset has been recognized, since they did not meet the recognition criteria according to IAS 12 (note 18).

Of the above tax carry forward losses, €184.4 mil. expire in the period 2014-2018, while €268.3 mil. expire at various dates up to the period 2029-2032.

On December 31, 2013, the Company had recognized deferred tax assets amounting to €19.6 mil. (2012: €6.9 mil.) on tax carry forward losses which met the recognition criteria. The tax losses of the Company can be utilized up to (and including) years 2017-2018.

9.Losses per share

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

	Group		Company	
(all amounts in Euro thousands unless otherwise stated)	**2013**	**2012**	**2013**	**2012**
Net loss for the year attributable to Titan S.A. shareholders	-36,074	-24,516	-43,154	-15,552
Weighted average number of ordinary shares in issue	73,982,062	73,951,871	73,982,062	73,951,871
Weighted average number of preferred shares in issue	7,563,041	7,563,041	7,563,041	7,563,041
Total weighted average number of shares in issue for basic losses per share	81,545,103	81,514,912	81,545,103	81,514,912
Basic losses per ordinary and preferred share (in €)	**-0.4424**	**-0.3008**	**-0.5292**	**-0.1908**

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

	Group		Company	
(all amounts in Euro thousands unless otherwise stated)	**2013**	**2012**	**2013**	**2012**
Net loss for the year attributable to Titan S.A. shareholders for diluted losses per share	-36,074	-24,516	-43,154	-15,552
Weighted average number of ordinary shares for diluted losses per share	73,982,062	73,951,871	73,982,062	73,951,871
Share options	491,557	685,993	491,557	685,993
Weighted average number of preferred shares in issue	7,563,041	7,563,041	7,563,041	7,563,041
Total weighted average number of shares in issue for diluted losses per share	82,036,660	82,200,905	82,036,660	82,200,905
Diluted losses per ordinary and preferred share (in €)	**-0.4397**	**-0.2982**	**-0.5260**	**-0.1892**

10. Proposed distribution of Contingency Reserves

The Annual General Meeting of Shareholders, that took place on June 14, 2013 decided that no dividends would be distributed for the fiscal year of 2012.

The Board of Directors has decided to propose to the Annual General Meeting of Shareholders, scheduled for the 20.06.2014, the distribution of the amount of €8,463,252.80 from the Contingency Reserve. This amount corresponds to €0.10 per share.

The final amount to be distributed per share will be increased by the amount which corresponds to the Company's own shares (treasury shares) and will be subject to 10% tax, which will be withheld on behalf of the shareholder, unless otherwise provided by the law for specific categories of shareholders.

11. Property, plant and equipment

(all amounts in Euro thousands)

Group	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	fixtures and equipment	Assets under construction	Total
Year ended 31 December 2012								
Opening balance	**117,925**	**293,398**	**223,585**	**1,095,531**	**66,453**	**16,428**	**67,656**	**1,880,976**
Additions	627	3,597	1,296	5,211	-	384	33,536	44,651
Addition due to consolidation of new subsidiary	-	1,001	-	-	-	-	-	1,001
Disposals (NBV) (note 29)	-	-139	-5	-18,453	-6,906	-18	-278	-25,799
Reclassification of assets to/from other PPE categories	-190	-119	25,075	32,074	5,485	762	-57,913	5,174
Transfers from inventories (note 19)	-	-	-	1,131	-	-	-	1,131
Transfers from investment properties (note 12)	-	-	2,849	-	-	-	-	2,849
Depreciation charge (note 29)	-1,978	-2,802	-12,718	-68,331	-15,256	-3,371	-	-104,456
Reversal of impairment of PPE (note 29)	-	-129		1,042	-	-	-	913
Exchange differences	-2,122	-6,661	-7,146	-30,037	-967	-269	-1,275	-48,477
Ending balance	**114,262**	**288,146**	**232,936**	**1,018,168**	**48,809**	**13,916**	**41,726**	**1,757,963**
Leased assets under finance leases								
Opening balance	**-**	**-**	**-**	**5,986**	**526**	**-**	**-**	**6,512**
Additions	-	-	-	12	-	-	-	12
Reclassification of assets to other categories	-	-	-	-5,174				-5,174
Depreciation charge (note 29)	-	-	-	-234	-99	-	-	-333
Exchange differences	-	-	-	49	7	-	-	56
Ending balance	**-**	**-**	**-**	**639**	**434**	**-**	**-**	**1,073**
At 31 December 2012								
Cost	156,303	307,574	386,983	1,645,385	197,510	54,391	41,726	2,789,872
Accumulated depreciation	-27,529	-19,428	-154,047	-624,404	-148,262	-40,245	-	-1,013,915
Accumulated losses of impairment of PPE	-14,512	-	-	-2,174	-5	-230	-	-16,921
Net book value	**114,262**	**288,146**	**232,936**	**1,018,807**	**49,243**	**13,916**	**41,726**	**1,759,036**

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

Group	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Year ended 31 December 2013								
Opening balance	**114,262**	**288,146**	**232,936**	**1,018,168**	**48,809**	**13,916**	**41,726**	**1,757,963**
Additions	2,290	263	831	3,287	410	230	41,131	48,442
Disposals (NBV) (note 29)	-73	-1,008	-468	-955	-518	-10	-106	-3,138
Reclassification of assets to other PPE categories	1,666	-519	4,075	25,218	-2,180	849	-29,109	-
Transfers to inventories (note 19)	-	-	-	-122	-	-	-131	-253
Transfers to investment properties (note 12)	-	-206	-3,314	-	-	-	-	-3,520
Depreciation charge (note 29)	-2,128	-2,736	-11,507	-66,014	-12,438	-3,115	-	-97,938
Impairment of PPE (note 29)	-	-603	-	24	-	-	-	-579
Exchange differences	-4,338	-19,392	-12,756	-56,675	-892	-246	-2,175	-96,474
Ending balance	**111,679**	**263,945**	**209,797**	**922,931**	**33,191**	**11,624**	**51,336**	**1,604,503**
Leased assets under finance leases								
Opening balance	**-**	**-**	**-**	**639**	**434**	**-**	**-**	**1,073**
Additions	-	-	-	272	-	-	-	272
Depreciation charge (note 29)	-	-	-	-99	-92	-	-	-191
Exchange differences	-	-	-	-12	-10	-	-	-22
Ending balance	**-**	**-**	**-**	**800**	**332**	**-**	**-**	**1,132**
At 31 December 2013								
Cost	154,064	285,772	369,105	1,592,996	182,409	53,904	51,336	2,689,586
Accumulated depreciation	-28,501	-21,254	-159,308	-667,113	-148,880	-42,049	-	-1,067,105
Accumulated losses of impairment of PPE	-13,884	-573	-	-2,152	-6	-231	-	-16,846
Net book value	**111,679**	**263,945**	**209,797**	**923,731**	**33,523**	**11,624**	**51,336**	**1,605,635**

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

Company	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	fixtures and equipment	Assets under construction	Total
Year ended 31 December 2012								
Opening balance	**995**	**3,695**	**52,781**	**165,442**	**1,015**	**8,965**	**18,218**	**251,111**
Additions	21	-	386	962	84	265	3,951	5,669
Disposals (NBV) (note 29)	-	-	-	-6,648	-	-23	-	-6,671
Reclassification of assets to other PPE categories	-	-	4,096	14,803	-	77	-18,976	-
Transfers from inventories (note 19)	-	-	-	89	-	-	-	89
Depreciation charge (note 29)	-66	-	-2,495	-9,744	-187	-1,078	-	-13,570
Reversal of impairment of PPE due to disposal (note 29)	-	-	-	1,042	1	1	-	1,044
Ending balance	**950**	**3,695**	**54,768**	**165,946**	**913**	**8,207**	**3,193**	**237,672**
At 31 December 2012								
Cost	1,608	3,695	93,013	316,710	4,258	26,369	3,193	448,846
Accumulated depreciation	-658	-	-38,245	-148,589	-3,339	-17,931	-	-208,762
Accumulated losses of impairment of PPE	-	-	-	-2,175	-6	-231	-	-2,412
Net book value	**950**	**3,695**	**54,768**	**165,946**	**913**	**8,207**	**3,193**	**237,672**
Year ended 31 December 2013								
Opening balance	**950**	**3,695**	**54,768**	**165,946**	**913**	**8,207**	**3,193**	**237,672**
Additions	33	-	574	1,705	136	230	7,253	9,931
Disposals (NBV) (note 29)	-	-	-	-600	-20	-16	-	-636
Reclassification of assets to other PPE categories	-	-	210	1,110	-	-	-1,320	-
Transfers to investment properties (note 12)	-	-170	-1,645	-	-	-	-	-1,815
Depreciation charge (note 29)	-63	-	-2,297	-9,288	-179	-1,017	-	-12,844
Reversal of impairment of PPE due to disposal (note 29)	-	-	-	24	-	-	-	24
Ending balance	**920**	**3,525**	**51,610**	**158,897**	**850**	**7,404**	**9,126**	**232,332**
At 31 December 2013								
Cost	1,640	3,695	91,744	317,347	3,964	26,523	9,126	454,039
Accumulated depreciation	-720	-	-40,134	-156,298	-3,108	-18,888	-	-219,148
Accumulated losses of impairment of PPE	-	-170	-	-2,152	-6	-231	-	-2,559
Net book value	**920**	**3,525**	**51,610**	**158,897**	**850**	**7,404**	**9,126**	**232,332**

11. Property, plant and equipment (continued)

Disposal of assets

Group

During 2013, the Group received €4.7 mil. from the disposal of tangible assets with total net book value of €3.1 mil. Thus, the Group recognized a €1.6 mil. gain on disposal of PPE in the consolidated income statement.

The majority of the disposals during 2013 were made by a Group subsidiary in the U.S.A., which received €3.4 mil. from the disposal of land. The net book value of this asset was €1.0 mil., so the gains on the disposal were €2.4 mil..

During 2012, the Group received €28.6 mil. from the disposal of tangible assets with total net book value of €25.8 mil. Thus, the Group recognized a €2.8 mil. gain on disposal of PPE in the consolidated income statement.

The majority of the disposals were made by a Group subsidiary in the U.S.A., which received the amount of €27.0 mil. from the disposal of machinery and railcars. The net book value of these assets totaled €23.6 mil., so the gains on the disposals were €3.4 mil.

Company

During 2013, the Company received €692 thousand from the disposal of tangible assets with total net book value of €636 thousand. Thus, the Company recognized a €56 thousand gain on disposal of PPE in the income statement.

During 2012, the Company received €6.4 mil. from the sale of machinery to a Group Subsidiary with total net book value of €6.7 mil. Thus, the Company recognized a €232 thousand loss on disposal of PPE in the income statement.

Impairment of property, plant and equipment:

Assets that have an indefinite useful life (land) are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized as an expense immediately in other expenses, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

During 2013, the Group recorded an amount of €0.6 mil. as impairment of tangible assets. The impairment is related to a cement distribution terminal that was under construction in Florida, USA.

During 2012, the Group recorded a reversal of impairment amounting to €0.9 mil. mainly due to machinery of the Company, as the reasons for such an impairment were changed.

Pledge of assets

The assets of the Company have not been pledged. The assets of the Group have a pledge for the amounts of €61.5 mil. (31.12.2012: €61.5 mil.) and TRY 26 mil. (€8.9 mil.) (31.12.2012: TRY 26 mil. - €11.1 mil.). The pledge relates to the Group's joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey, as a security of its bank credit facilities and is on the assets of this entity. As at 31.12.2013, utilization under these credit facilities amounted to €17.3 mil. (31.12.2012: €27.3 mil.).

12. Investment property

The Group's investment property does not include certain investment properties of the Company, which are leased to Group subsidiaries, and as a result, are transferred to property, plant and equipment at Group level. Investment property is measured at fair value by an external, independent, certified valuator, member of the institute of the certified valuators and certified from the European Group of Valuers' Associations (TEGoVA).

(all amounts in Euro thousands)

	Group		Company	
	2013	**2012**	**2013**	**2012**
Opening balance	**8,546**	**9,804**	**11,959**	**11,312**
Additions	-	98	-	-
Net (loss)/gain from measurement at fair value	-626	620	-683	-226
Transfer from own-used property after revaluation	1,780	873	882	873
Transfer from/to property, plant and equipment (note 11)	3,520	-2,849	1,815	-
Ending balance	**13,220**	**8,546**	**13,973**	**11,959**

	Group		Company	
	2013	**2012**	**2013**	**2012**
Rental income derived from investment property	193	119	53	55
Direct operating expenses (including repair and maintenance) that did not generate rental income	-22	-151	-21	-151
Net profit/(loss) arising from investment properties carried at fair value	**171**	**-32**	**32**	**-96**

The fair value of investment property that is located in urban areas, was estimated in accordance with the current market values of similar properties. The fair value of land located in rural areas as well as quarries, was estimated based on local valuations.

13. Intangible assets and Goodwill

(all amounts in Euro thousands)

Group	Initial goodwill	Goodwill impairment	Total goodwill	Licences	Patents	Research and development costs	Trademarks	Customer relation-ships	Other intangible assets	Total
					Year ended 31 December 2012					
Opening balance	**431,005**	**-21,620**	**409,385**	**27,020**	**437**	**5,836**	**32,994**	**65,936**	**4,503**	**546,111**
Additions	-	-	-	339	-	680	-	-	13,214	14,233
Subsidiaries acquired (note 30)	108	-	108	-	-	-	-	-	42	150
Acquisition of business	-	-	-	-	-		-	-	2,364	2,364
Reclassification of assets to other categories	-	-	-	-15	-		-139	-	154	-
Impairment (note 29)	-	-1,973	-1,973	-3,143	-	-	-	-	-1,844	-6,960
Surrender of emission rights	-	-	-	-	-	-	-	-	-8,025	-8,025
Amortization charge (note 29)	-	-	-	-822	-434	-1,081	-1,903	-14,352	-1,630	-20,222
Exchange differences	4,981	-	4,981	-510	-3	-100	-1,447	-2,624	-450	-153
Ending balance	**436,094**	**-23,593**	**412,501**	**22,869**	**-**	**5,335**	**29,505**	**48,960**	**8,328**	**527,498**
					Year ended 31 December 2013					
Opening balance	**436,094**	**-23,593**	**412,501**	**22,869**	**-**	**5,335**	**29,505**	**48,960**	**8,328**	**527,498**
Additions	-	-	-	35	-	470	-	-	1,163	1,668
Disposals (NBV) (note 29)	-	-	-	-	-	-	-	-	-77	-77
Impairment (note 29)	-	-800	-800	-	-	-	-	-	-42	-842
Amortization charge (note 29)	-	-	-	-483	-	-1,083	-1,669	-11,917	-2,407	-17,559
Exchange differences	-36,804	-	-36,804	-1,040	-	-190	-2,371	-3,852	-435	-44,692
Ending balance	**399,290**	**-24,393**	**374,897**	**21,381**	**-**	**4,532**	**25,465**	**33,191**	**6,530**	**465,996**

Company	Initial goodwill	Goodwill impairment	Total goodwill	Licences	Patents	Research and development costs	Trademarks	Customer relation-ships	Other intangible assets	Total
					Year ended 31 December 2012					
Opening balance	**-**	**-**	**-**	**-**	**-**	**-**	**81**	**-**	**1,031**	**1,112**
Additions	-	-	-	-	-	-	-	-	8,143	8,143
Amortization charge (note 29)	-	-	-	-	-	-	-	-	-308	-308
Impairment (note 29)	-	-	-	-	-	-	-	-	-1,358	-1,358
Surrender of emission rights	-	-	-	-	-	-	-	-	-6,426	-6,426
Provision of costs of the emission rights surrender	-	-	-	-	-	-	-	-	-64	-64
Ending balance	**-**	**-**	**-**	**-**	**-**	**-**	**81**	**-**	**1,018**	**1,099**
					Year ended 31 December 2013					
Opening balance	**-**	**-**	**-**	**-**	**-**	**-**	**81**	**-**	**1,018**	**1,099**
Additions	-	-	-	-	-	-	-	-	551	551
Amortization charge (note 29)	-	-	-	-	-	-	-	-	-423	-423
Impairment (note 29)	-	-	-	-	-	-	-	-	-42	-42
Surrender of emission rights	-	-	-	-	-	-	-	-	-	-
Provision of costs of the emission rights surrender	-	-	-	-	-	-	-	-	-	-
Ending balance	**-**	**-**	**-**	**-**	**-**	**-**	**81**	**-**	**1,104**	**1,185**

13. Intangible assets and Goodwill (continued)

In 2013, the Group recorded an impairment of goodwill amounting to €0.8 mil. in the income statement. The impairment was recorded as certain assumptions that had been used for the goodwill impairment test of a Group subsidiary operating in Greece were not verified.

In 2012, the total amount of the impairment of the intangible assets, excluding goodwill, stood at €5.0 mil., of which €3.1 mil. relates to the impairment of mining rights in Greece and the remaining €1.9 mil. relates to the impairment arising from the re-measurement in fair value of the Carbon Emissions Rights (CER) that the Group possessed as at 31.12.2012.

In the second semester of 2012, the US based Group subsidiary Separation Technologies LLC acquired the equipment and rights of fly ash processing at a thermal power plant in Florida. Based on the agreement, Separation Technologies LLC undertook the liability of the plant's site restoration. The Group posted the amount of €2.4 mil. in the account of other intangible assets, as the present value of the site restoration cost (note 26).

Impairment testing of goodwill

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

(all amounts in Euro thousands)

Carrying amount of goodwill (by geographical segment):	2013	2012
Greece and Western Europe	13,605	14,405
North America	158,615	166,019
South Eastern Europe	56,946	57,014
Eastern Mediterranean	145,731	175,063
	374,897	**412,501**

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

Key assumptions

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

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

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

Sales volumes:

Volume assumptions have been provided by local management and reflect its best estimates as derived from sales forecasts for the development of which a combination of factors have been taken into consideration: past performance, local market growth estimates, infrastructure projects in which the company will participate (public investments), etc. In the USA sales volume growth rates are also based on published industry research and take into account demographic trends including population growth, household formation, and economic output (among other factors) in the states where the Group operates. In addition to demographic trends, long-term growth rates take into account cement/concrete intensity in construction which has historically varied from state to state based on building codes, availability of raw materials, and other factors.

Selling prices:

Price assumptions have been provided by local management and reflect its best estimates. Factors it had taken into consideration involve inflation, brand loyalty, growth rate of the regional economy, competition, production cost increases, etc. The Group has assumed the following compound annual growth rates for sales for the five year period.

Sales Growth	2013	2012
Greece and Western Europe	6,1% - 18,9%	11,4% - 23,8%
North America	13,2% - 15,1%	8,1% - 12,3%
South Eastern Europe	0,7% - 9,8%	4,3% - 12,5%
Eastern Mediterranean	4,3%-12,7%	3,2% - 11,8%

13. Intangible assets and Goodwill (continued)

Gross margin :

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

Gross margin Growth	2013	2012
Greece and Western Europe	7%-34,6%	24,3% - 30,6%
North America	20,4%-34,5%	18,9% -59,5%
South Eastern Europe	5,3% - 16,9%	9,3% - 27,3%
Eastern Mediterranean	10,4% - 25,4%	12,6% - 20%

Perpetual growth rates:

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

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

Perpetual Growth rates	2013	2012
Greece and Western Europe	3%	0%-4%
North America	3%-4%	3%-4%
South Eastern Europe	2%	2%
Eastern Mediterranean	2%-4%	2%-5%

Discount rates:

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

Discount rates	2013	2012
Greece and Western Europe	12.7%	9,1% - 10,5%
North America	9.6%	8.1%
South Eastern Europe	8% -17,6%	11,3%-14,2%
Eastern Mediterranean	12,9%-17,6%	12,5%-13,3%

Sensitivity of recoverable amounts

As at December 31, 2013, the Group analyzed the sensitivities of the recoverable amounts to a reasonable possible change of a key assumption (notably to a change of one point in the discount rate or the perpetual growth rate). These analyses did not show a situation in which the carrying value of the main CGUs would exceed their recoverable amount. An exception is a quarrying site in Greece for which the Group recorded a €0.8 mil. impairment charge, due to the reduction in demand for building materials in the area in which the quarrying site is located.

14. Principal subsidiaries, associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2013 % of investment (*) Direct	2013 % of investment (*) Indirect	2012 % of investment (*) Direct	2012 % of investment (*) Indirect
Full consolidation method						
Titan Cement Company S.A	Greece	Cement producer	Parent company		Parent company	
Aeolian Maritime Company	Greece	Shipping	100.000	-	100.000	-
Aitolika Quarries S.A.	Greece	Quarries & aggregates	-	63.723	-	63.723
Albacem S.A.	Greece	Trading company	99.996	0.004	99.996	0.004
Arktias S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Dodekanesos Quarries S.A. (1)	Greece	Quarries & aggregates	-	-	-	100.000
Interbeton Construction Materials S.A.	Greece	Ready mix & aggregates	99.851	0.149	99.796	0.204
Intertitan Trading International S.A.	Greece	Trading company	99.995	0.005	99.995	0.005
KTIMET Quarries S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Leecem S.A. (1)	Greece	Trading company	-	-	-	100.000
Pozolani S.A. (1)	Greece	Quarries & aggregates	-	-	-	100.000
Porfirion S.A.	Greece	Production and trade of electricity	-	100.000	-	100.000
Gournon Quarries S.A.	Greece	Quarries & aggregates	54.930	45.070	54.930	45.070
Quarries of Tagaradon Community S.A.	Greece	Quarries & aggregates	-	79.928	-	79.928
Quarries of Tanagra S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Vahou Quarries S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Sigma Beton S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Titan Atlantic Cement Industrial and Commercial S.A.	Greece	Investment holding company	43.947	56.053	43.947	56.053
Titan Cement International Trading S.A.	Greece	Trading company	99.800	0.200	99.800	0.200
Double W & Co OOD	Bulgaria	Port	-	99.989	-	99.989
ECO Conception EOOD	Bulgaria	Alternative fuels	-	99.989	-	99.989
Granitoid AD	Bulgaria	Trading company	-	99.760	-	99.668
Gravel & Sand PIT AD	Bulgaria	Investment holding company	-	99.989	-	99.989
Trojan Cem EOOD (5)	Bulgaria	Trading company	-	83.943	-	83.943
Zlatna Panega Beton EOOD	Bulgaria	Ready mix	-	99.989	-	99.989
Zlatna Panega Cement AD	Bulgaria	Cement producer	-	99.989	-	99.989
Green Alternative Energy Assets EAD	Bulgaria	Alternative fuels	-	100.000	-	100.000
Cementi ANTEA SRL	Italy	Trading company	-	60.000	-	60.000
Cementi Crotone S.R.L.	Italy	Import & distribution of Cement	-	100.000	-	100.000
Fintitan SRL	Italy	Import & distribution of cement	100.000	-	100.000	-
Separation Technologies Canada Ltd	Canada	Converter of waste material into fly ash	-	100.000	-	100.000
Aemos Cement Ltd	Cyprus	Investment holding company	100.000	-	100.000	-
Alvacim Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Gaea Green Alternative Energy Assets Limited	Cyprus	Investment holding company	-	100.000	-	100.000
Balkcem Ltd (5)	Cyprus	Investment holding company	-	88.514	-	88.514
East Cement Trade Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Feronia Holding Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Iapetos Ltd	Cyprus	Investment holding company	100.000	-	100.000	-
KOCEM Limited	Cyprus	Investment holding company	-	100.000	-	100.000
Rea Cement Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Terret Enterprises Ltd (5)	Cyprus	Investment holding company	-	88.514	-	88.514
Themis Holdings Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Titan Cement Cyprus Limited (5)	Cyprus	Investment holding company	-	88.514	-	88.514
Tithys Ltd (5)	Cyprus	Investment holding company	-	88.514	-	88.514
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
Titan Beton & Aggregate Egypt LLC	Egypt	Quarries & aggregates	-	83.118	-	83.118
Sharr Beteiligungs GmbH (5)	Germany	Investment holding company	-	88.514	-	88.514

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

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2013 % of investment (*)		2012 % of investment (*)	
			Direct	Indirect	Direct	Indirect
Full consolidation method						
Separation Technologies U.K. Ltd	U.K.	Converter of waste material into fly ash	-	100.000	-	100.000
Titan Cement U.K. Ltd	U.K.	Import & distribution of cement	100.000	-	100.000	-
Titan Global Finance PLC	U.K.	Financial services	100.000	-	100.000	-
Alexandria Development Co.Ltd	U.K.	Investment holding company	-	82.717	-	82.717
Titan Egyptian Inv. Ltd	U.K.	Investment holding company	-	100.000	-	100.000
Carolinas Cement Company LLC	U.S.A.	Own/develop real estate	-	100.000	-	100.000
Essex Cement Co. LLC	U.S.A.	Trading company	-	100.000	-	100.000
Markfield America LLC	U.S.A.	Insurance company	-	100.000	-	100.000
Massey Sand and Rock Co	U.S.A.	Quarries & aggregates	-	100.000	-	100.000
Mechanicsville Concrete INC.	U.S.A.	Ready mix	-	100.000	-	100.000
Metro Redi-Mix LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Miami Valley Ready Mix of Florida LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Pennsuco Cement Co. LLC	U.S.A.	Cement producer	-	100.000	-	100.000
Roanoke Cement Co. LLC	U.S.A.	Cement producer	-	100.000	-	100.000
S&W Ready Mix Concrete Co. Inc.	U.S.A.	Ready mix	-	100.000	-	100.000
S&W Ready Mix LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Separation Technologies LLC	U.S.A.	Converter of waste material into fly ash	-	100.000	-	100.000
Standard Concrete LLC	U.S.A.	Trading company	-	100.000	-	100.000
ST Mid-Atlantic LLC	U.S.A.	Converter of waste material into fly ash	-	100.000	-	100.000
Summit Ready-Mix LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Tarmac America LLC	U.S.A.	Cement producer	-	100.000	-	100.000
Titan Carolina Concrete LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Titan Mid-Atlantic Aggregates LLC	U.S.A.	Quarries & aggregates	-	100.000	-	100.000
Titan Virginia Ready Mix LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Titan America LLC	U.S.A.	Investment holding company	-	100.000	-	100.000
Trusa Realty LLC	U.S.A.	Real estate brokerage	-	100.000	-	100.000
Tyson Material Transport LLC	U.S.A.	Transportation	-	100.000	-	100.000
Cementara Kosjeric AD (5)	Serbia	Cement producer	-	88.514	-	88.514
Stari Silo Company DOO (5)	Serbia	Trading company	-	88.514	-	88.514
TCK Montenegro DOO (5)	Montenegro	Trading company	-	88.514	-	88.514
Cement Plus LTD (5)	F.Y.R.O.M	Trading company	-	54.563	-	54.563
GAEA Zelena Alternative Enerjia DOOEL (2)	F.Y.R.O.M	Alternative fuels	-	100.000	-	-
Geospan Dooel (3)	F.Y.R.O.M	Quarries & aggregates	-	-	-	99.989
Rudmark DOOEL (5)	F.Y.R.O.M	Trading company	-	83.943	-	83.943
Usje Cementarnica AD (5)	F.Y.R.O.M	Cement producer	-	83.943	-	83.943
Vesa DOOL	F.Y.R.O.M	Trading company	-	100.000	-	100.000
Kosovo Construction Materials L.L.C. (5)	Kosovo	Quarries & aggregates	-	88.514	-	88.514
Sharrcem SH.P.K. (5)	Kosovo	Cement producer	-	88.514	-	88.514
Alba Cemento Italia, SHPK	Albania	Trading company	-	60.000	-	60.000
Antea Cement SHA (4)	Albania	Cement producer	-	60.000	-	60.000
GAEA Enerjia Alternative e Gjelber Sh.p.k. (2)	Albania	Alternative fuels	-	100.000	-	-
Dancem APS	Denmark	Trading company	-	100.000	-	100.000
Aeas Netherlands B.V. (5)	Holland	Investment holding company	-	88.514	-	88.514
Colombus Properties B.V.	Holland	Investment holding company	100.000	-	100.000	-
Holtitan B.V. (5)	Holland	Investment holding company	-	88.514	-	88.514
Salentijn Properties1 B.V.	Holland	Investment holding company	100.000	-	100.000	-
Titan Cement Netherlands BV (5)	Holland	Investment holding company	-	88.514	-	88.514

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

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2013 % of investment (*) Direct	2013 % of investment (*) Indirect	2012 % of investment (*) Direct	2012 % of investment (*) Indirect
Proportionate consolidation method						
Adocim Cimento Beton Sanayi ve Ticaret A.S.	Turkey	Cement producer	-	50.000	-	50.000
Transbeton - Domiki S.A.	Greece	Ready mix	-	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

(*) Percentage of investment represents both percentage of shareholding and percentage of control

Significant Group structure changes

Fiscal year 2013

(1) Absorbed subsidiaries by Interbeton Construction Materials S.A. during the fiscal year 2013

(2) Formed subsidiaries during the fiscal year 2013

(3) Liquidated subsidiary during the fiscal year 2013

Fiscal year 2012

(4) On 20.6.2012 the Group's subsidiary Antea Cement SHA completed a €22.0 mil. share capital increase. The European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), which constitute the non-controlling interest of Antea Cement SHA, participated in the capital increase in the amount of €8.8 mil.

(5) On 27.6.2012 the Group announced the completion of a €50 million equity investment by International Finance Corporation (IFC) in the Group's subsidiaries in F.Y.R. of Macedonia, Serbia and Kosovo. The transaction resulted in IFC holding, through TITAN Cement Cyprus Ltd., a minority stake of approximately 11.49% in the Group's operations in the above countries.

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

(all amounts in Euro thousands)	2013	2012
Participation in subsidiaries on 1st January	**1,213,365**	**1,182,854**
Share capital increase in subsidiaries	30,275	30,120
Other	189	391
Participation in subsidiaries on 31st December	**1,243,829**	**1,213,365**

15. Investment in associates

On 31.12.2013, the Group incorporated in the financial statements the following Bulgarian-based companies with the equity method of consolidation: Karieri AD with ownership percentage 48.711% (31.12.2012: 48.711%), Karierni Materiali AD with ownership percentage 48.764% (31.12.2012: 48.764%), Vris OOD with ownership percentage 48.764% (31.12.2012: 48.764%).

All of the aforementioned companies operate in the aggregates business and are not listed on a public exchange market.

The Group's percentage ownership in Transbeton-Domiki S.A., which is incorporated into the Group's financial statements using the equity method of consolidation, was 49.9% until 30.9.2012. On 1.10.2012, the Group acquired an additional 0.1% stake from the other major shareholder of Transbeton-Domiki S.A., thus increasing its ownership percentage to 50.0%. Following the aforementioned acquisition, the Group participates in the joint control of Transbeton-Domiki S.A. and incorporates it in the Group's financial statements with the proportionate consolidation method.

Transbeton-Domiki S.A. operates in the aggregates and ready-mix business and is not listed on a public exchange market.

The following table illustrates summarized financial information for the companies mentioned above:

(all amounts in Euro thousands)	Group	
	2013	2012
Property, plant and equipment	6,457	7,394
Intangibles and other non-current assets	2,553	2,551
Current assets	2,520	1,450
Total assets	**11,530**	**11,395**
Non-current liabilities	1,192	1,294
Current liabilities	7,909	7,367
Total liabilities	**9,101**	**8,661**
Carrying amount of the investment	**2,429**	**2,734**
Revenue	**4,339**	**4,970**
Cost of sales	-2,659	-3,661
Gross profit before depreciation	**1,680**	**1,309**
Other expense	-42	-11
Administrative expenses	-686	-712
Selling expenses	-92	-144
Profit before interest, taxes and depreciation	**860**	**442**
Depreciation	-1,116	-1,113
Loss before interest, taxes	**-256**	**-671**
Finance costs	-75	-196
Loss before income tax	**-331**	**-867**
Income tax expense	26	26
Group's share of loss for the year	**-305**	**-841**

16. Available-for-sale financial assets

	Group		Company	
(all amounts in Euro thousands)	2013	2012	2013	2012
Opening balance	**1,940**	**2,206**	**169**	**169**
Additions	3,043	47	3,003	-
Disposals	-3,000	-84	-3,000	-
Revaluations	-342	-225	-	-
Exchange differences	-5	-4	-	-
Ending balance	**1,636**	**1,940**	**172**	**169**
Analysis of available-for-sale financial assets:				
Non-current portion	1,573	1,877	111	108
Current portion	63	63	61	61
	1,636	**1,940**	**172**	**169**

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

Available-for-sale investments are fair valued annually at the close of business on 31 December (note 35).

17. Other non current assets

(all amounts in Euro thousands)

	Group		Company	
	2013	**2012**	**2013**	**2012**
Utility deposits	3,276	3,236	2,768	2,690
Excess benefit plan assets (note 25)	4,024	3,985	-	-
Notes receivable- trade	468	776	-	-
Other non-current assets	4,473	4,575	-	-
	12,241	**12,572**	**2,768**	**2,690**

18. Deferred income taxes

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

(all amounts in Euro thousands)

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

	Group		Company	
	2013	**2012**	**2013**	**2012**
Opening balance, net deferred liability	**176,287**	**189,665**	**17,972**	**19,990**
Income statement charge (note 8)	-898	-3,882	-4,767	-2,342
Tax charged to equity through other comprehensive income	2,091	-266	1,010	324
Exchange differences	-15,121	-9,230	-	-
Ending balance, net deferred liability	**162,359**	**176,287**	**14,215**	**17,972**

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

Analysis of deferred tax liabilities (before set - offs)

	Group		Company	
	2013	**2012**	**2013**	**2012**
Property, plant and equipment	224,337	229,368	34,528	27,521
Intangible assets	38,473	38,641	-	-
Provisions	8,591	4,834	6,253	1,800
Receivables and prepayments	1,533	3,644	6	-
Trade and other payables	89	-2,842	335	228
	273,023	**273,645**	**41,122**	**29,549**

Analysis of deferred tax assets (before set - offs)

Intangible assets	-13,813	-10,951	-14	-64
Investments & other non-current receivables	-2,285	-1,963	-1,316	-
Inventories	-1,268	-1,830	-256	-256
Post-employment and termination benefits	-7,210	-7,689	-2,933	-2,260
Receivables and prepayments	-6,163	-8,800	-460	-765
Tax losses carried forward (note 8)	-67,988	-59,320	-19,600	-6,917
Long term borrowings	-1,660	-161	-	-
Government grants	-704	2,274	-1,135	-969
Provisions	-8,508	-8,609	-457	-346
Trade and other payables	-36	-365	-	-
Financial instruments	-1,029	56	-736	-
	-110,664	**-97,358**	**-26,907**	**-11,577**
Net deferred tax liability	**162,359**	**176,287**	**14,215**	**17,972**

18. Deferred income taxes (continued)

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

(all amounts in Euro thousands)

Group	January 1, 2013	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Exchange differences	December 31, 2013
Deferred tax liabilities (before set - offs)					
Property, plant and equipment	229,368	9,658	229	-14,918	224,337
Intangible assets	38,641	3,567	-	-3,735	38,473
Provisions	4,834	3,758	-	-1	8,591
Receivables and prepayments	3,644	-2,065	-	-46	1,533
Trade and other payables	-2,842	2,747	-	184	89
	273,645	**17,665**	**229**	**-18,516**	**273,023**
Deferred tax assets (before set - offs)					
Intangible assets	-10,951	-3,614	-	752	-13,813
Investments & other non-current receivables	-1,963	-324	-	2	-2,285
Inventories	-1,830	515	-	47	-1,268
Post-employment and termination benefits	-7,689	-682	1,012	149	-7,210
Receivables and prepayments	-8,800	2,475	-	162	-6,163
Tax losses carried forward (note 8)	-59,320	-10,593	-	1,925	-67,988
Long term borrowings	-161	-1,564	-	65	-1,660
Government grants	2,274	-2,995	-	17	-704
Provisions	-8,609	-160	-	261	-8,508
Trade and other payables	-365	330	-	-1	-36
Financial instruments	56	-1,951	850	16	-1,029
	-97,358	**-18,563**	**1,862**	**3,395**	**-110,664**
Net deferred tax liability	**176,287**	**-898**	**2,091**	**-15,121**	**162,359**

Company	January 1, 2013	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	December 31, 2013
Deferred tax liabilities (before set - offs)				
Property, plant and equipment	27,521	6,778	229	34,528
Receivables and prepayments	-	6	-	6
Provisions	1,800	4,453	-	6,253
Trade and other payables	228	107	-	335
	29,549	**11,344**	**229**	**41,122**
Deferred tax assets (before set - offs)				
Intangible assets	-64	50	-	-14
Investments & other non-current receivables		-1,316	-	-1,316
Inventories	-256	-	-	-256
Receivables and prepayments	-765	305	-	-460
Government grants	-969	-166	-	-1,135
Provisions	-346	-111	-	-457
Post-employment and termination benefits	-2,260	-842	169	-2,933
Financial instruments	-	-1,348	612	-736
Tax losses carried forward (note 8)	-6,917	-12,683	-	-19,600
	-11,577	**-16,111**	**781**	**-26,907**
Net deferred tax liability	**17,972**	**-4,767**	**1,010**	**14,215**

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

18. Deferred income taxes (continued)

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

(all amounts in Euro thousands)

Group	January 1, 2012	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Exchange differences	December 31, 2012
Deferred tax liabilities (before set - offs)					
Property, plant and equipment	241,243	-2,887	175	-9,163	229,368
Intangible assets	38,751	1,237	-	-1,347	38,641
Provisions	-1,252	6,092	-	-6	4,834
Receivables and prepayments	3,482	229	-	-67	3,644
Trade and other payables	63	-2,905	-	-	-2,842
	282,287	**1,766**	**175**	**-10,583**	**273,645**
Deferred tax assets (before set - offs)					
Intangible assets	-9,330	-1,824	-	203	-10,951
Investments & other non-current receivables	-2,596	643	-	-10	-1,963
Inventories	-1,870	23	-	17	-1,830
Post-employment and termination benefits	-5,840	-1,702	-237	90	-7,689
Receivables and prepayments	-8,780	-131	-	111	-8,800
Tax losses carried forward (note 8)	-56,980	-3,246	-	906	-59,320
Long term borrowings	-191	29	-	1	-161
Government grants	3,358	-809	-	-275	2,274
Provisions	-10,401	1,482	-	310	-8,609
Trade and other payables	-250	-115	-	-	-365
Financial instruments	258	2	-204	-	56
	-92,622	**-5,648**	**-441**	**1,353**	**-97,358**
Net deferred tax liability	**189,665**	**-3,882**	**-266**	**-9,230**	**176,287**

Company	January 1, 2012	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	December 31, 2012
Deferred tax liabilities (before set - offs)				
Property, plant and equipment	28,607	-1,261	175	27,521
Intangible assets	222	-222	-	-
Provisions	1,000	800	-	1,800
Receivables and prepayments	-	228	-	228
	29,829	**-455**	**175**	**29,549**
Deferred tax assets (before set - offs)				
Intangible assets	-	-64	-	-64
Inventories	-286	30	-	-256
Receivables and prepayments	-662	-103	-	-765
Government grants	-1,040	71	-	-969
Provisions	-912	566	-	-346
Post-employment and termination benefits	-1,803	-606	149	-2,260
Trade and other payables	-69	69	-	-
Tax losses carried forward (note 8)	-5,067	-1,850	-	-6,917
	-9,839	**-1,887**	**149**	**-11,577**
Net deferred tax liability	**19,990**	**-2,342**	**324**	**17,972**

19. Inventories

(all amounts in Euro thousands)	Group 2013	Group 2012	Company 2013	Company 2012
Inventories				
Raw materials-Maintenance stores	155,839	164,051	54,099	59,248
Finished goods	74,423	76,688	16,580	11,199
	230,262	240,739	70,679	70,447
Provision for obsolete inventory	-5,382	-5,843	-985	-1,278
	224,880	234,896	69,694	69,169
Transfer of major spare parts from/to property, plant and equipment (note 11)	253	-1,131	-	-89
	225,133	**233,765**	**69,694**	**69,080**

Analysis of provision for impairment of inventories	Group 2013	Group 2012	Company 2013	Company 2012
Balance at 1 January	**5,843**	**6,043**	**1,278**	**1,430**
Charge for the year (note 29)	1,169	1,492	3	-
Unused amounts reversed (note 29)	-1,357	-1,416	-296	-152
Utilized	-56	-149	-	-
Exchange differences	-217	-127	-	-
Balance at 31 December	**5,382**	**5,843**	**985**	**1,278**

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

20. Receivables and prepayments

(all amounts in Euro thousands)	Group 2013	Group 2012	Company 2013	Company 2012
Trade receivables	133,681	136,182	17,666	18,945
Cheques receivables	20,172	23,000	5,883	7,339
Trade receivables from related parties (note 33)	-	-	10,561	10,505
Allowance for doubtful debtors	-28,820	-31,694	-5,402	-6,131
	125,033	127,488	28,708	30,658
Creditors advances	4,161	2,766	93	75
Income tax receivables	3,431	6,416	375	3,626
V.A.T. and other tax receivables	19,941	22,024	1,799	542
Clay fee receivable (note 4, 29, 37)	2,077	8,577	-	-
Prepayments and other receivables	34,645	36,151	13,706	14,517
Other receivables from related parties (note 33)	9	9	2,752	9,501
Allowance for doubtful debtors	-2,195	-4,251	-1,763	-1,620
	62,069	71,692	16,962	26,641
	187,102	**199,180**	**45,670**	**57,299**

The €2.1 mil. (2012: €8.6 mil.) "clay fee receivable" is the amount of the refundable clay fee recorded from the Group's subsidiaries in Egypt.

20. Receivables and prepayments (continued)

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

	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Neither past due but not impaired	72,350	67,635	23,000	21,884
Past due nor impaired :				
< 30 days	23,894	26,287	3,049	3,700
30-60 days	8,296	12,738	489	2,438
60-90 days	2,765	4,773	311	563
90-120 days	2,897	3,992	97	203
>120 days	14,831	12,063	1,762	1,870
	125,033	**127,488**	**28,708**	**30,658**

Part of the aforementioned trade receivables is secured by guarantees/collaterals, amounting to €26,743 thousand for the Group and €11,456 thousand for the Company (note 32).

Trade receivables are non-interest bearing and are normally settled on 30-170 days for the Group and the Company.

Allowance for doubtful debtors analysis	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Balance at 1 January	**35,945**	**38,397**	**7,751**	**9,995**
Charge for the year (note 29)	6,299	12,205	1,604	2,166
Unused amounts reversed (note 29)	-8,486	-12,118	-1,570	-3,778
Utilized	-1,983	-2,582	-620	-632
Reclassification from receivables/payables	-301	114	-	-
Exchange differences	-459	-71	-	-
Balance at 31 December	**31,015**	**35,945**	**7,165**	**7,751**

21. Cash and cash equivalents

	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Cash at bank and in hand	52	97	3	3
Short-term bank deposits	184,449	284,175	8,777	35,598
	184,501	**284,272**	**8,780**	**35,601**

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 floating rates and are negotiated on a case by case basis.

22. Share capital and premium

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

The total number of the authorized ordinary shares is:	**2013**	**2012**
Ordinary shares of €4.00 each	77,063,568	77,063,568
Preference shares of €4.00 each	7,568,960	7,568,960
	84,632,528	**84,632,528**

22. Share capital and premium (continued)

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

	Ordinary shares		Preference shares		Share premium	Total	
Shares issued and fully paid	**Number of shares**	**€'000**	**Number of shares**	**€'000**	**€'000**	**Number of shares**	**€'000**
Balance at 1 January 2012	**77,063,568**	**308,254**	**7,568,960**	**30,276**	**22,826**	**84,632,528**	**361,356**
Issue of shares - share option scheme	-	-	-	-	-	-	-
Balance at 31 December 2012	**77,063,568**	**308,254**	**7,568,960**	**30,276**	**22,826**	**84,632,528**	**361,356**
Issue of shares - share option scheme	-	-	-	-	-	-	-
Balance at 31 December 2013	**77,063,568**	**308,254**	**7,568,960**	**30,276**	**22,826**	**84,632,528**	**361,356**

	Ordinary shares		Preference shares		Total	
Treasury shares	**Number of shares**	**€'000**	**Number of shares**	**€'000**	**Number of shares**	**€'000**
Balance at 1 January 2012	**3,111,697**	**89,329**	**5,919**	**117**	**3,117,616**	**89,446**
Treasury shares sold	-	-	-	-	-	-
Balance at 31 December 2012	**3,111,697**	**89,329**	**5,919**	**117**	**3,117,616**	**89,446**
Treasury shares sold	-50,282	-1,766	-	-	-50,282	-1,766
Balance at 31 December 2013	**3,061,415**	**87,563**	**5,919**	**117**	**3,067,334**	**87,680**

For the year 2013, the average stock price of Titan Cement Company S.A. ordinary shares was €15.68 (2012: €13.58) and the closing price of the ordinary shares at December 31, 2013 was €19.80 (2012: €13.96).

Share options

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

	2010 scheme
Balance at 1 January 2012	**560,940**
Granted	376,290
Cancelled	-17,400
Balance at 31 December 2012	**919,830**
Exercised	-50,282
Non vested	-190,746
Cancelled	-18,904
Balance at 31 December 2013	**659,898**

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

		2013
Expiration date	**Exercise price**	**2010 scheme**
2014	$ 4.00	9,828
2015	$ 4.00	283,290
2016	$ 4.00	366,780
		659,898

		2012
Expiration date	**Exercise price**	**2010 scheme**
2014	$ 4.00	254,340
2015	$ 4.00	290,700
2016	$ 4.00	374,790
		919,830

22. Share capital and premium (continued)

2010 Programme

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 were granted options, vesting 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, those particular options will irrevocably lapse. All vesting is conditional upon the employees' 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 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 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, determined using the Monte Carlo Simulation valuation model, was €5.36 per option. The significant inputs used in the application of the valuation model were share price at grant date of €15.90, standard deviation of share price of 39.42%, dividend yield of 2.68% and the rate of the three-year fixed EUR swap interest rate of 2.25%.

During 2010, 267,720 share options were granted and from these share options 13,380 were cancelled. During 2013, 190,746 share options were not vested and cancelled. From the remaining 63,594 options that vested, 3,484 were cancelled, 9,828 have not been exercised and 50,282 were exercised by 75 Group executives, including 5 executive Board members of the Company. The attribution of the respective shares took place with the sale of 50,282 common treasury shares of the Company (over-the-counter transaction) with total purchase cost of €1,766 thousand. These shares represent 0.06% of Company's total shares of the paid up share capital, at a sale price per share equal to the nominal value of each Company share i.e. €4.00 per share, and a total sale price of €201 thousand. The loss caused by this transaction amounted to €1,565 thousand, attributed to the equity holders of the Company.

During 2011, 301,200 share options were granted and from the total number of share options outstanding, 17,910 share options have been cancelled.

The fair value of the options granted in 2011 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 1.89%.

During 2012, 376,290 share options were granted and from the total number of share options outstanding, 9,510 share options have been cancelled.

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

23. Other reserves

(all amounts in Euro thousands)

Group	Legal reserve	Special reserve	Contingency reserves	Tax exempt reserves under special laws	Revaluation reserve	Actuarial differences reserve	Currency translation differences on derivative hedging position	Foreign currency translation reserve	Total other reserves
Balance at 1 January 2012	**84,207**	**2,275**	**271,892**	**137,369**	**65,609**	**1,238**	**36,526**	**-172,088**	**427,028**
Other comprehensive loss	-	-	-	-	474	194	-363	-26,404	-26,099
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-2,387	-	-	-	-2,387
Partial disposal of subsidiary	-836	-	-	-	-2,134	-	-	1,279	-1,691
Transfer between reserves	4,928	-8,752	-	-4,177	-7,823	-	-	-	-15,824
Balance at 31 December 2012	**88,299**	**-6,477**	**271,892**	**133,192**	**53,739**	**1,432**	**36,163**	**-197,213**	**381,027**
Other comprehensive loss	-	-	-	-	1,065	1,872	1,735	-83,700	-79,028
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-4,515	-	-	-	-4,515
Transfer between reserves	2,527	-	-	-	-6,712	-	-	-	-4,185
Balance at 31 December 2013	**90,826**	**-6,477**	**271,892**	**133,192**	**43,577**	**3,304**	**37,898**	**-280,913**	**293,299**

Company	Legal reserve	Special reserve	Contingency reserves	Tax exempt reserves under special laws	Revaluation reserve	Actuarial differences reserve	Currency translation differences on derivative hedging position	Total other reserves
Balance at 1 January 2012	**68,650**	**16,245**	**259,998**	**120,754**	**-3,234**	**542**	**48,346**	**511,301**
Other comprehensive loss	-	-	-	-	655	597	-	1,252
Transfer between reserves	-	-	-	-4,173	-	-	-	-4,173
Balance at 31 December 2012	**68,650**	**16,245**	**259,998**	**116,581**	**-2,579**	**1,139**	**48,346**	**508,380**
Other comprehensive loss	-	-	-	-	653	482	1,743	2,878
Transfer between reserves	-	-	-	-	4,588	-	-4,588	-
Balance at 31 December 2013	**68,650**	**16,245**	**259,998**	**116,581**	**2,662**	**1,621**	**45,501**	**511,258**

23. Other reserves (continued)

Certain Group companies are obliged according to the applicable commercial law to retain a percentage of their annual net profits as legal reserve. This reserve cannot be distributed during the operational life of the company.

The Contingency Reserves include, among others, reserves formed by the Company and certain Group subsidiaries by applying developmental laws. These reserves have exhausted their tax liability or have been permanently exempted from taxation so there is no additional tax charge for the Group and the Company from their distribution. The Board of Directors decided to propose to the Annual General Meeting of Shareholders, scheduled on 20, June 2014, the distribution of €8,463,252.80 from the aforementioned reserves (note 10).

The Tax Exempt Reserves under Special Laws, according to the Greek tax legislation, are exempt from income tax, provided that they are not distributed to the shareholders. Exceptions are the reserves formed under the terms of L.2238/1994, on which taxation is imposed under L.4172/2013. For these reserves, the Group and the Company have recognized relevant provisions amounting to €4.5 mil. and €4.2 mil. respectively.

The distribution of the remaining aforementioned reserves can be carried out after the approval of the shareholders at the Annual General Meeting and the payment of the applicable tax. The Group has no intention to distribute the remaining amount of these reserves and consequently, has not calculated the income tax that would arise from such distribution.

The Revaluation Reserve includes: a) €49.8 mil. (2012: €56.1 mil.) as the fair value of tangible and intangible assets that the Group had in Egypt through its participation in the joint venture Lafarge-Titan Egyptian Investments Ltd, until it fully acquired the joint venture, b) €1.3 mil. (2012: €0.9 mil.) in fair value changes on available-for-sale financial assets and c) the €7.6 mil. (2012: €3.0 mil.) debit difference between the fair value and the book value arising from the recognition of the put option of the non-controlling interests for the sale of ANTEA Cement SHA's shares.

The Actuarial Differences Reserve records the actuarial gains and losses arising from the actuarial studies performed by the Group's subsidiaries for various benefit, pension or other retirement schemes (note 25).

The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The Currency Translation Differences on Derivative Hedging Position Reserve illustrates the exchange differences arising from the translation into euro of loans in foreign currency, which have been designated as net investment hedges for certain Group subsidiaries abroad. It also illustrates the exchange differences arising from the valuation of financial instruments used as cash flow hedges for transactions in foreign currencies.

24. Borrowings

(all amounts in Euro thousands)	Group		Company	
	2013	2012	2013	2012
Current				
Bank borrowings	62,415	77,395	173	24,468
Debentures	50,000	97,070	50,000	-
Finance lease liabilities	208	171	-	-
	112,623	**174,636**	**50,173**	**24,468**
Non-current				
Bank borrowings	393,605	438,963	-	-
Debentures	216,618	266,105	-	50,000
Loans from related parties	-	-	745,835	691,950
Finance lease liabilities	210	159	-	-
	610,433	**705,227**	**745,835**	**741,950**
Total borrowings	**723,056**	**879,863**	**796,008**	**766,418**

Maturity of non-current bank borrowings (excluding finance lease liabilities):

(all amounts in Euro thousands)	Group		Company	
	2013	2012	2013	2012
Between 1 and 2 years	298,945	80,042	646,704	643,939
Between 2 and 3 years	21,374	274,118	-	-
Between 3 and 4 years	222,780	22,890	99,131	-
Between 4 and 5 years	11,218	197,760	-	98,011
Over 5 years	55,906	130,258	-	-
	610,223	**705,068**	**745,835**	**741,950**

Group subsidiary Titan Global Finance PLC (TGF) raised on January 30th, 2014 a new €455 mil. syndicated revolving credit facility, guaranteed by Titan Cement Company S.A. (note 38).

In November 2013, the Group's subsidiary in Bulgaria, Zlatna Panega Cement, raised a new working capital committed credit line of BGN 5.865 mil. (€3 mil.), with a 1.5 year maturity, guaranteed by Titan Cement Company S.A..

24. Borrowings (continued)

The effective interest rates that affect the Income Statement are as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Bank borrowings (USD)	2.90%	2.91%	-	-
Bank borrowings (JPY)	2.70%	2.70%	-	-
Bank borrowings (EGP)	11.70%	10.46%	-	-
Bank borrowings (BGN)	4.01%	3.92%	-	-
Bank borrowings (TRY)	10.55%	15.10%	-	-
Bank borrowings (LEK)	7.69%	8.04%	-	-
Bank borrowings (CAD)	3.13%	-	-	-
Bank borrowings (€)	5.65%	4.94%	4.30%	4.21%
Finance lease liabilities (USD)	4.95%	6.98%	-	-
Finance lease liabilities (€)	4,2-5,2%	5,3%-6,9%	-	-

Bank borrowings in foreign currencies (including finance leases):

	Group			
	Amounts in F.C.		Amounts in Euro	
(all amounts per currency thousands)	**2013**	**2012**	**2013**	**2012**
USD	218,233	199,464	158,243	151,178
JPY	1,000,376	1,500,564	6,912	13,208
EGP	195,665	528,000	20,419	62,879
BGN	40,996	54,334	20,961	27,781
TRY	22,911	23,867	7,739	10,134
LEK	4,494,217	4,520,160	32,056	32,382
CAD	1,520	1,880	1,036	1,431
GBP	190	-	228	-

The Group has the following undrawn borrowing facilities:

	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Floating rate:				
- Expiring within one year	157,007	133,330	103,828	75,170
- Expiring beyond one year	482,639	570,226	85,000	202,300

The Group has adequate undrawn committed and uncommitted borrowing facilities to meet future business requirements.

The present value of the finance lease liabilities may be analyzed as follows:

	Group	
(all amounts in Euro thousands)	**2013**	**2012**
Finance lease liabilities - minimum lease payments		
Not later than 1 year	216	175
Later than 1 year and not later than 5 years	210	165
	426	340
Future finance charges on finance leases	-8	-10
Present value of finance lease liabilities	**418**	**330**

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessors in the event of default.

25. Retirement and termination benefit obligations

Greece

Greek labor legislation requires that the payment of retirement and termination indemnities be based on the number of years of service to the Company by the employees and on their final remuneration. The Group grants retirement indemnities which exceed the legal requirements. These retirement indemnities are unfunded and the liabilities arising from such obligations are actuarially valued by an independent firm of actuaries. The last actuarial valuation was undertaken in December 2013. The principal actuarial assumptions used were a discount rate of 3.3% (2012:3.8%), future salary increases of 3% (2012: 3%-4%) and no change in future pensions.

USA

The Group's U.S. subsidiaries operate defined benefit plans and other post-retirement benefit plans. The method of accounting for the latter, as well as the valuation assumptions and the frequency of valuations are similar to those used for defined benefit plans.

All of the Group's U.S. subsidiary's defined benefit pension plans and all but one of its other post-retirement plans have been frozen as to new participants and credited service. One post-retirement benefit plan exists (for certain active and former employees) whereby eligible retirees receive benefits consisting primarily of assistance with medical insurance costs between the dates of early retirement and Medicare eligibility.

On December 31, 2013 the plan assets of the Group's subsidiaries in the US have invested approximately 58% (2012: 54%) in equity investments and 42% (2012: 46%) in fixed investments. The discount rate that have been adopted for the study of the pension plans of the Group's subsidiaries in the U.S. were 4.25% (2012: 3.5%).

Multi-employer plan

Certain employees participate in a union sponsored, defined benefit multi-employer pension plan. This plan is not administered by the Group's U.S. subsidiary and contributions are determined in accordance with the provisions of the negotiated labor contract. These contributions are affected by the funded status of the plan.

Excess benefit plan

This plan is intended to constitute an unfunded plan of deferred compensation for a selected group of highly compensated employees under the Employee Income Security Act of 1974 ("ERISA"). For this purpose the Group's U.S. subsidiary created an irrevocable trust to facilitate the payment of deferred compensation to participants under this plan. Under this plan the participants are eligible to defer from 0% to 20% of eligible compensation for the applicable plan year. In 2012, the Group's U.S. subsidiary suspended its matching amounts for all contributions. On December 31, 2013 and 2012, plan assets totalled €4,024 thousand and €3,985 thousands, respectively, and are classified as other non current assets in the accompanying consolidated statement of financial position (note 17). There were no costs for the plan for the year ended December 31, 2013 or 2012.

Amendment of IAS 19

On 1.1.2013, the employee benefits recognition policy changed based on the adoption of the revised International Accounting Standard (IAS) 19, as endorsed by the EU during the fourth quarter of 2012. The revised IAS 19 includes changes that range from fundamental ones, such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The adoption of the revised standard did not significantly affect the Group's financial position for the fiscal year 2013, as the Group recognizes fully all actuarial gains and losses in the statement of comprehensive income when they occur. The Group changed its accounting policy in 2010 in order to better present its financial position and thus partly facilitate the transition to the revised IAS 19.

25. Retirement and termination benefit obligations (continued)

The amounts relating to defined benefit pension plans and other post retirement and termination benefits (defined benefit plans) recognized in the statement of comprehensive income in the account other expenses are as follows:

	Group		Company	
(all amounts in Euro thousands)	2013	2012	2013	2012
Current service cost	1,212	-622	336	-1,576
Interest cost	1,990	1,875	429	693
Return on plan assets	-1,164	-789	-	-
	2,038	**464**	**765**	**-883**
Additional post retirement and termination benefits paid out, not provided for	785	1,376	297	651
	2,823	**1,840**	**1,062**	**-232**
Amounts recognized in the other operating income and other expenses (note 4)	1,997	754	633	-925
Amounts recognized in finance cost (note 6)	826	1,086	429	693
Amounts recognized in the income statement	**2,823**	**1,840**	**1,062**	**-232**
Re-measurement (gains)/losses recognized immediately in other comprehensive (loss)/income	-2,884	43	-651	-746
Amount charged to statement of total comprehensive income	**-61**	**1,883**	**411**	**-978**
Present value of the liability at the end of the period	**32,590**	**35,113**	**11,279**	**11,299**
Minus fair value of US plans assets	-8,740	-8,205	-	-
	23,850	**26,908**	**11,279**	**11,299**

Liabilities' movement recognized in the statement of financial position:

	Group		Company	
(all amounts in Euro thousands)	2013	2012	2013	2012
Opening balance	**26,908**	**29,721**	**11,299**	**14,442**
Total expense	2,824	1,840	1,062	-232
Actuarial gains	-2,884	43	-651	-746
Other	-	143	-	-
Exchange differences	14	-181	-	-
Benefits paid during the year	-3,012	-4,658	-431	-2,165
Ending balance	**23,850**	**26,908**	**11,279**	**11,299**

Changes in the fair value of US plan assets	Group	
	2013	2012
Fair value of plan assets at the beginning of the period	8,205	7,384
Expected return	1,159	789
Company contributions	570	866
Benefits paid	-805	-666
Exchange difference	-389	-168
Fair value of plan assets at the end of the period	**8,740**	**8,205**

25. Retirement and termination benefit obligations (continued)

A quantitative sensitivity analysis for significant assumptions as at 31 December 2013 is shown below:

Assumptions	Greece		USA	
(all amounts in Euro thousands)	**0.5% increase**	**0.5% decrease**	**1.0% increase**	**1.0% decrease**
Impact on the net defined benefit obligation:				
Discount rate	-723	789	-1,160	1,378
Salary	788	-729	-	-
Health care costs	-	-	126	-109
Impact on the current service costs:				
Discount rate	-45	50	72	-93
Salary	53	-48	-	-
Health care costs	-	-	5	-4

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to be made in the future years out of the defined benefit plan obligation:

	2013	
(all amounts in Euro thousands)	**Group**	**Company**
Not later than 1 years	2,963	1,971
Later than 1 years and not later than 5 years	3,865	528
Later than 5 years and not later than 10 years	8,347	3,398
Beyond 10 years	25,189	10,477
Total expected payments	**40,364**	**16,374**

The components of re-measurement (gains)/losses recognized immediately in the other comprehensive (loss)/income for the years ended December 31, 2013 and 2012 are as follows:

	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Due to experience	-576	2,610	-330	3,078
Due to assumptions	-1,425	-2,098	-321	-3,824
Re-measurement (gains)/losses on DBO	-2,001	512	-651	-746
Re-measurement gains on plan assets	-883	-469	-	-
Re-measurement (gains)/losses for the period	**-2,884**	**43**	**-651**	**-746**

26. Provisions

(all amounts in Euro thousands)

Group		January 1, 2013	Charge for the year	Unused amounts reversed	Utilized	Acquisition of business (note 13)	Exchange differences	December 31, 2013
Provisions for restoration of quarries	a	14,222	1,218	-4,408	-145	-	-165	10,722
Provisions for other taxes	b	365	-	-	-	-	-	365
Litigation provisions	c	1,377	164	-558	-16	-	-139	828
Other provisions	d	2,962	2,678	-2,612	-109	-	-28	2,891
		18,926	**4,060**	**-7,578**	**-270**	**-**	**-332**	**14,806**
		January 1, 2012	Charge for the year	Unused amounts reversed	Utilized	Acquisition of business (note 13)	Exchange differences	December 31, 2012
Provisions for restoration of quarries	a	10,789	1,887	-553	-105	2,364	-160	14,222
Provisions for other taxes	b	376	-		-	-	-11	365
Litigation provisions	c	1,201	641	-355	-4	-	-106	1,377
Other provisions	d	6,246	2,658	-6,282	436	-	-96	2,962
		18,612	**5,186**	**-7,190**	**327**	**2,364**	**-373**	**18,926**

	2013	**2012**
Non-current provisions	12,793	17,317
Current provisions	2,013	1,609
	14,806	**18,926**

Company		January 1, 2013	Charge for the year	Unused amounts reversed	Utilized	December 31, 2013
Provisions for restoration of quarries	a	1,836	486	-568	-	1,754
Other provisions	d	1,242	1,670	-1,230	89	1,771
		3,078	**2,156**	**-1,798**	**89**	**3,525**
		January 1, 2012	Charge for the year	Unused amounts reversed	Utilized	December 31, 2012
Provisions for restoration of quarries	a	1,758	239	-161	-	1,836
Other provisions	d	1,464	1,268	-2,078	588	1,242
		3,222	**1,507**	**-2,239**	**588**	**3,078**

	2013	**2012**
Non-current provisions	1,756	1,736
Current provisions	1,769	1,342
	3,525	**3,078**

a. This provision represents the present value of the estimated costs to reclaim quarry sites and other similar post-closure obligations. It is expected that this amount will be used over the next 2 to 50 years.

b. This provision relates to future obligations that may result from tax audits for other taxes. It is expected that this amount will be fully utilized in the next five years.

c. This provision has been established with respect to claims made against certain companies in the Group by third parties, mainly against the subsidiaries in Egypt. These claims concern labour compensations, labour cases for previous years' benefits and dues and claims for shares revaluation. It is expected that this amount will be utilized mainly in the next twelve months.

d. The other provisions are comprised of amounts relating to risks none of which are individually material to the Group. The Company's existing carrying amount includes, among others, the provision for staff bonuses. It is expected that the remaining amounts will be used over the next 2 to 20 years.

27. Other non-current liabilities

(all amounts in Euro thousands)	Group		Company	
	2013	2012	2013	2012
Government grants	4,840	5,516	4,472	5,043
Other non-current liabilities (note 34)	24,795	25,116	85	-
	29,635	**30,632**	**4,557**	**5,043**

The other non-current liabilities of the fiscal year 2013 include among others: a) the amount of €23.4 mil. (2012: €21.1 mil.), which relates to the fair value of the put option, given by the Group to non-controlling interests, specifically the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC), so that such non-controlling interests have the right to sell their shares in ANTEA Cement SHA to the Group at predetermined conditions (note 32) and b) the amount of €0.7 mil. (2012: €2.3 mil.), which relates to a contingency of the Group's subsidiary in Egypt, Beni Suef, towards the Public Power Corporation.

Analysis of Government grants:

(all amounts in Euro thousands)	Group		Company	
	2013	2012	2013	2012
Non - current	4,840	5,516	4,472	5,043
Current (note 28)	224	232	224	232
	5,064	**5,748**	**4,696**	**5,275**

(all amounts in Euro thousands)	Group		Company	
	2013	2012	2013	2012
Opening balance	**5,748**	**6,339**	**5,275**	**5,762**
Additions	-	8	-	8
Grand settlements	-356	-271	-356	-271
Amortization (note 29)	-328	-328	-223	-224
Ending balance	**5,064**	**5,748**	**4,696**	**5,275**

Government grants are recognized at fair value when it is certain that the grant will be received and that the Group will comply with the terms and conditions of the grant.
Government grants relating to capital expenses are reflected as long-term liabilities and are amortized on a straight line basis, based on the estimated useful life of the asset for which the grant was received.
Government grants received in respect of expenses are reflected in the income statement when the related expense is incurred so that the expense is matched to the income received.

28. Trade and other payables

(all amounts in Euro thousands)	Group		Company	
	2013	2012	2013	2012
Trade payables	113,687	102,913	29,104	19,143
Amounts due to related parties (note 33)	521	618	9,796	8,549
Other payables	14,251	27,862	3,951	3,401
Accrued expenses	35,062	32,625	1,026	7,115
Social security	3,467	3,093	2,453	2,020
Customer down payments/advances	16,986	30,754	265	508
Dividends payable	313	352	160	230
Government grants (note 27)	224	232	224	232
Other taxes	8,920	8,560	1,340	1,388
	193,431	**207,009**	**48,319**	**42,586**

Other payables consists mainly of liabilities relating to transportation for cement and raw materials as well as employee benefit payables.
Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled in 10-120 days for the Group and the Company.
Other payables are non-interest bearing and have an average term of one month both for the Group and the Company.

29. Cash generated from operations

(all amounts in Euro thousands)	Group		Company	
	2013	**2012**	**2013**	**2012**
Net loss for the year as per income statement	-28,996	-18,828	-43,154	-15,552
Adjustments for:				
Taxes (note 8)	19,356	17,526	-3,617	-1,216
Depreciation (note 11)	98,129	104,789	12,844	13,570
Amortization of intangibles (note 13)	17,559	20,222	423	308
Amortization of government grants received (note 27)	-328	-328	-223	-224
Impairment of assets (note 11,13)	1,421	6,047	18	314
Net profit/(loss) on sale of property, plant and equipment (note 4)	-1,603	-2,838	-56	232
Refund of clay tax fee (note 4)	-	-806	-	-
Provision for impairment of debtors charged to income statement (note 20)	-2,187	87	34	-1,612
Provision for inventory obsolescence (note 19)	-188	76	-293	-152
Provision for restoration of quarries (note 26a)	-3,190	1,334	-82	78
Provision for litigation (note 26c)	-394	286	-	-
Other provisions (note 26d)	66	-3,624	440	-810
Provision for retirement and termination benefit obligations (note 25)	2,038	464	765	-883
Decrease/(increase) of investment property (note 12)	626	-620	683	226
Interest income and foreign exchange transaction gains (note 6)	-5,125	-9,154	-1,970	-2,782
Interest expense and foreign exchange transaction losses (note 6)	87,907	69,212	43,648	40,019
Net losses on financial instruments (note 6)	4,953	4,425	2,604	2,545
Share stock options (note 7)	1,100	1,554	891	1,142
Share in loss of associates (note 15)	305	841	-	-
Changes in working capital:				
(Increase)/decrease in inventories	-193	3,467	-321	-256
Decrease in trade and other receivables	1,396	16,370	8,348	2,178
(Increase)/decrease in operating long-term receivables and payables	-2,507	-3,960	6	-931
Increase/(decrease) in trade payables	2,939	-20,138	9,144	2,506
Cash generated from operations	**193,084**	**186,404**	**30,132**	**38,700**

In the cash flow statement, proceeds from the sale of property, plant and equipment

Net book amount (note 11)	3,138	25,799	636	6,671
Net profit/(loss) on sale of property, plant and equipment (note 4)	1,603	2,838	56	-232
Proceeds from the sale of property, plant and equipment	**4,741**	**28,637**	**692**	**6,439**

30. Business combinations

Year ended 31 December 2012

On 11.12.2012, the Group acquired 100% of the shares of KTIMET S.A. for €100 thousand. The newly acquired company was included in the Group's financial statements with the full consolidation method.

The assets and liabilities of the above mentioned company, as they were recorded at the date of acquisition, are as follows:

(all amounts in Euro thousands)	Fair value recognised on acquisition	Previous carrying value
Assets		
Non current assets	42	42
Receivables and prepayments	60	60
Total assets	**102**	**102**
Liabilities		
Other liabilities and taxes payable	110	110
Total liabilities	**110**	**110**
Total net assets acquired	**-8**	**-8**
Difference between cost of acquisition and preliminary identifiable net assets acquired	108	
Purchase consideration, settled in cash	**100**	
Cash flow on acquisition:		
Purchase consideration settled in cash	100	
Net cash outflow on acquisitions	**100**	

Purchase price allocation of the acquired company was completed within the fiscal year 2012 without any change.

31. Interest in joint ventures

The Group has a 50% interest in a joint venture, Adocim Cimento Beton Sanayi ve Ticaret A.S., which is incorporated in Turkey with main activity the production of cement.

On 1.10.2012, the Group acquired 0.1% of the associate company Transbeton-Domiki S.A. against a consideration of €4 thousand. After this acquisition, Transbeton-Domiki S.A. was consolidated in the Group's financial statements with the proportionate method, as the Group owns 50% of the share capital (note 15). The abovementioned joint venture operates in Greece, in the ready mix sector. In addition, the Group paid the amount of €2.3 mil., in order to acquire the right of first refusal, if the joint venture's partners decide to dispose all or part of the shares they own.

The following amounts represent the Group's share of the assets and liabilities and profit after tax of the joint ventures and are included in the consolidated balance sheet and consolidated income statement:

(all amounts in Euro thousands)	2013	2012
Property, plant and equipment	36,977	47,000
Intangibles and long-term receivables	1,099	988
Current assets	18,491	20,307
Total assets	**56,567**	**68,295**
Long-term borrowings	11,365	18,720
Provisions	300	324
Deferred tax liabilities	440	-
Short-term borrowings	18,899	16,310
Other short-term liabilities	6,340	8,465
Total liabilities	**37,344**	**43,819**
Net assets	**19,223**	**24,476**
Revenue	**48,636**	**41,516**
Cost of sales	-36,472	-30,313
Gross profit before depreciation	**12,164**	**11,203**
Other income	-269	1,490
Administrative expenses	-1,619	-1,653
Selling expenses	-629	-583
Profit before interest, taxes and depreciation	**9,647**	**10,457**
Depreciation	-1,981	-1,922
Profit before interest, taxes	**7,666**	**8,535**
Finance costs	-8,329	-2,910
(Loss)/profit before income tax	**-663**	**5,625**
Less: Income tax	280	-1,194
(Loss)/profit after income tax	**-383**	**4,431**

The number of employees in the joint ventures at the end of the reporting period was 259 (2012: 275).

32. Contingencies and commitments

Contingent liabilities	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Guarantees to third parties on behalf of subsidiaries	-	-	653,418	809,060
Bank guarantee letters	42,368	51,951	10,373	18,048
Other	5,234	6,364	2,478	3,006
	47,602	**58,315**	**666,269**	**830,114**

Litigation matters in Egypt

A. Privatization cases

a. In 2011, two former employees of Beni Suef Cement Company S.A.E. (BSCC), a Titan Group company in Egypt, filed an action before the Administrative Court of Cairo, seeking the nullification of the privatization of BSCC which took place in 1999 through the sale of BSCC's shares to Financiere Lafarge after a public auction. Titan Group acquired in 1999 50% and in 2008 the balance of Lafarge's interest in BSCC. Approximately 99.98% in the share capital of BSCC is held today by Alexandria Portland Cement Company S.A., a Titan group company listed in the Egyptian Stock Exchange. The Administrative Court of Cairo announced on 15.2.2014 the issuance of a first instance judgment which entirely dismisses the request for cancellation of the privatization of BSCC. The Court further judged the re-employment of ex employees who had left the company in the framework of voluntary redundancy schemes. BSCC reserves all its legal rights until it obtains an official copy of the said judgment and reviews all its aspects.

b. In June 2013, BSCC was notified of another lawsuit filed before the Administrative Court of Cairo seeking as in the above case to cancel the sale of the shares of BSCC to Financiere Lafarge. The case has been repeatedly adjourned and the next hearing has been scheduled for March 11, 2014. The view of BSCC's lawyers is that the lawsuit is devoid of any legal or factual ground.

c. In 2012, an ex-employee of Alexandria Portland Cement Company SA (APCC), a Titan Group company in Egypt, brought an action before the Administrative Court of Alexandria against the President of the Republic of Egypt, the Prime Minister, the Minister of Investments, the Minister of Industry, the Governor of Alexandria, the Manager of the Mines and Salinas Project in Alexandria and the Manager of the Mines and Quarries Department in Alexandria seeking the annulment of the sale of the shares of APCC to Blue Circle Cement Group in 1999. APCC was not named defendant in the action. It should be noted that following a capital market transaction concluded in 2001, Blue Circle Cement Group was acquired by Lafarge Group, which subsequently sold its interest in APCC through two private transactions to Titan Group in 2002 and 2008. The case has been repeatedly adjourned and the next hearing has been scheduled for March 22, 1914. The view of APCC's lawyers is that the action is devoid of any legal and factual ground.

d. In May 2013, a new action was filed by 3 ex-employees of APCC seeking as in the above case the annulment of the sale of the shares of APCC to Blue Circle Cement Group. The action has been raised against the Prime Minister, the Minister of Investment, the Chairman of the holding company for chemical industries, the President of the Central Auditing Organization, the legal representative of Alexandria Portland Cement Company and the legal representative of Blue Circle industries. The case has been repeatedly adjourned and the next hearing has been scheduled for the 28.4.2014. The view of APCC's lawyers is that the action is devoid of any legal and factual ground.

32. Contingencies and commitments

B. Other cases

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

b. In 2007, Beni Suef Cement Company S.A.(BSCC) , 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 EGP 134.5mil. The Egyptian Industrial Development Authority subsequently raised the value of the license to EGP251mil. In October 2008 BSCC 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 BSCC for EGP 500. Alternatively, if the court rejects this request, BSCC is requesting the price to be the EGP134.5mil.offered by BSCC in the bid. The view of BSCC's lawyers is that the case has a high probability of being won.

c. A non-governmental organization, the Nile Agricultural Organization, has raised a court case against Beni Suef Cement Company S.A.(BSCC) , a Group subsidiary in Egypt, claiming that BSCC has illegally occupied the plaintiff's land and is seeking compensation to the amount of EGP 300mil. The contested land however has been legally allocated to BSCC many years ago by the relevant authority, the New Urban Communities Agency, and since 1988 BSCC has held the licenses for the exploitation of the quarries on this land. The view of BSCC's lawyers is that the case has a high probability of being won.

US- Pennsuco silo roof collapse

The roof of a concrete silo collapsed at the Group's subsidiary cement plant in Pennsuco (USA) on August 17, 2012, resulting in the fatality of one employee. The Group's own investigation has indicated that the collapse occurred due to a latent construction defect when the silo was built approximately 30 years prior by a contractor when the facility was owned by a company unrelated to Titan Group and its Florida subsidiary, Titan Florida LLC (former Tarmac America LLC). However, the U.S. Department of Labor, Mine Safety and Health Administration ("MSHA") issued an investigation report, finding that the accident was also due to management's failure to correct silo defects and correspondingly issued two Notices of Violation with penalties totaling USD 108,000.

The subsidiary has taken exception to the report in a letter to MSHA, arguing these latent construction and design defects were not detectable prior to the accident. The deceased's estate has commenced action against multiple parties who have performed construction and/or maintenance work on the silo in the past several years. The deceased's estate has filed a motion to amend their complaint in order to bring a direct action against also Tarmac America LLC as a defendant in a wrongful death claim, however, it is premature to give an opinion as to the outcome with respect to any actions by the deceased's estate due to Tarmac America's defense rights relating to tort immunity under Florida's workers' compensation laws.

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

32. Contingencies and Commitments (continued)

CO2 emissions

During the period of the severe economic downturn, the Group's available Carbon Dioxide emissions allowances exceeded the Group's production needs. However, recent EU decisions to further curtail CO_2 emissions allowances for the cement industry, may lead to shortfalls in the future. On the basis of its current strategic planning the Group intends to manage any potential shortfall by foregoing lower margin sales opportunities, thus capping production at, or below, the level matching available allowances.

Put option in Antea

The Group has granted to non controlling interest shareholders, European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) the option to sell their shares in ANTEA Cement SHA at predetermined conditions. On 31.12.2013 the put option's fair value recorded a liability of €23.4 mil. (31.12.2012: €21.1 mil.) (note 27).

Contingent tax liability

The financial years, referred to in note 36, have not been audited by the tax authorities and therefore the tax obligations of the Company and its subsidiaries for those years have not yet been finalized.

Contingent assets	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Bank guarantee letters for securing trade receivables (note 20)	19,402	18,304	10,117	11,258
Other collaterals against trade receivables (note 20)	7,341	6,558	1,339	1,337
	26,743	24,862	11,456	12,595
Collaterals against other receivables	3,739	3,916	3,739	3,916
	30,482	**28,778**	**15,195**	**16,511**

Commitments

Capital commitments

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

	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Property, plant and equipment	5,181	3,869	3,355	3,237

Purchase commitments

	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Energy supply contracts (Gas, electricity, etc.)	146,008	180,185	-	-

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

Also, the Group's US subsidiaries have entered a contract to purchase raw materials and manufacturing supplies as part of their 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.

	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Not later than 1 years	7,467	8,079	641	674
Later than 1 years and not later than 5 years	21,388	22,298	928	1,040
Beyond 5 years	12,599	18,591	-	-
	41,454	**48,968**	**1,569**	**1,714**

33. Related party transactions

Titan Cement Company S.A. is the parent company of the Group. The Company and its subsidiaries enter into various transactions with related parties are during the year. The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured and settlement occurs in cash. Intra-group transactions are eliminated on consolidation. Related party transactions exclusively reflect transactions between the companies of the Group.

The following is a summary of transactions that were carried out with related parties during the year:

Year ended 31 December 2013

(all amounts in Euro thousands)

Group	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	-	2,286	-	521
Executives and members of the Board	-	-	9	-
	-	**2,286**	**9**	**521**

Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Aeolian Maritime Company	7	-	-	270
Albacem S.A.	3	-	-	-
Interbeton Construction Materials S.A.	17,283	5,068	5,889	1,012
Intertitan Trading International S.A.	4,529	-	-	-
Transbeton - Domiki S.A.	775	-	254	-
Quarries Gournon S.A.	3	-	586	-
Adocim Cimento Beton Sanayi ve Ticaret A.S.	549	-	-	-
Titan Cement International Trading S.A.	7	-	240	-
Fintitan SRL	7,169	-	2,693	-
Cementi Crotone S.R.L.	176	-	88	-
Titan Cement U.K. Ltd	9,523	29	3	-
Usje Cementarnica AD	7,944	386	74	-
Beni Suef Cement Co.S.A.E.	7,440	-	940	-
Alexandria Portland Cement Co. S.A.E	421	-	341	-
Cementara Kosjeric DOO	112	-	12	-
Zlatna Panega Cement AD	8	3	-	-
Titan America LLC	24	20	-	254
Essex Cement Co. LLC	17,055	44	1,574	7
Pozolani S.A.	-	31	-	-
Antea Cement SHA	1,553	-	604	-
Titan Global Finance PLC	-	37,936	-	753,878
Quarries of Tanagra S.A.	5	-	6	-
SharrCem Sh.P.K	63	-	-	-
Other subsidiaries	13	-	-	-
Other related parties	-	2,286	-	521
Executives and members of the Board	-	-	9	-
	74,662	**45,803**	**13,313**	**755,942**

33. Related party transactions (continued)

Year ended 31 December 2012

(all amounts in Euro thousands)

Group	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	-	2,120	-	618
Executives and members of the Board	-	-	9	-
	-	**2,120**	**9**	**618**

Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Aeolian Maritime Company	1	-	-	283
Albacem S.A.	3	-	-	7
Interbeton Construction Materials S.A.	25,040	4,158	14,674	-
Intertitan Trading International S.A.	6,050	-	396	-
Transbeton - Domiki S.A.	238	-	61	-
Quarries Gournon S.A.	1	-	642	-
Titan Cement International Trading S.A.	7	-	515	-
Fintitan SRL	8,954	-	2,108	-
Titan Cement U.K. Ltd	5,485	13	759	-
Usje Cementarnica AD	11,157	-	27	-
Beni Suef Cement Co.S.A.E.	621	-	479	-
Alexandria Portland Cement Co. S.A.E	3	-	3	-
Cementara Kosjeric DOO	87	-	3	-
Zlatna Panega Cement AD	860	42	19	-
Titan America LLC	58	224	-	270
Essex Cement Co. LLC	11,545	46	-	-
Pozolani S.A.	-	23	136	-
Antea Cement SHA	1,700	31	95	-
Titan Global Finance PLC	-	30,839	-	699,321
Quarries of Tanagra S.A.	59	-	72	-
SharrCem Sh.P.K	194	-	2	-
Other subsidiaries	13	-	6	-
Other related parties	-	2,120	-	618
Executives and members of the Board	-	-	9	-
	72,076	**37,496**	**20,006**	**700,499**

Key management compensation

	Group		Company	
	2013	**2012**	**2013**	**2012**
Salaries and other short-term employee benefits	4,850	3,555	4,850	3,555

Key management includes executive committee members.

Directors	**2013**	**2012**
Executive members on the Board of Directors	7	6
Non-executive members on the Board of Directors	8	8

34. Financial risk management objectives and policies

Financial Risk Factors

The Group, by nature of its business and geographical positioning, is exposed to financial risks. The Group's overall risk management programme focuses on financial market fluctuations and aims to minimize the potential unfavorable impact of those fluctuations on its financial performance. The Group does not engage in speculative transactions or transactions which are not related to its commercial, investing or borrowing activities.

Foreign Exchange Risk

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

FX risks are managed using natural hedges, FX options and FX forwards. Borrowings are denominated in the same currency as the assets that are being financed (where feasible), therefore creating a natural hedge for investments in foreign subsidiaries whose equity is exposed to FX conversion risk.

However, part of the financing of Group activities in the USA, Turkey, Egypt and Albania, is in different currencies than the functional ones. Their refinancing in local currencies is examined at regular intervals.

In Egypt, the financing in Yen had been hedged up to January 2014 via FX forwards in US dollar/Yen, that were executed on behalf of the Group's subsidiary Iapetos Ltd. As at December 31, 2013, the fair value of the forward exchange contract was recorded as a liability of €543 thousand in the statement of financial position.

In 2009, Titan Global Finance granted to Group subsidiary Titan America LLC a loan of €100 million, maturing in July 2013. At the same time, Titan America LLC also entered into forward foreign exchange contracts which expired on July 26, 2013. The transactions were undertaken in order to hedge the foreign currency risk (€/$) associated with the Euro denominated borrowing. At the inception of the hedge relationship, Titan America LLC formally designated the hedge as a cash flow hedge and documented the risk management objective and strategy for undertaking the hedge. The hedge was assessed to be highly effective. In July 2013, Titan Global Finance extended the maturity of the loan to January 2017. Titan America LLC has not entered into new forward foreign exchange contracts due to unfavorable market conditions.

In the first semester of 2012, the Group's subsidiary Titan America LLC entered into new borrowings of €53.5 mil. from Titan Global Finance. At the same time, Titan America LLC also entered into forward foreign currency exchange contracts with two third-party financial institutions. The transactions were undertaken in order to hedge the foreign currency risk (€/$) associated with the Euro denominated borrowing. At the inception of the hedge relationship, Titan America LLC formally designated the hedge as a cash flow hedge and documented the risk management objective and strategy for undertaking the hedge. The hedge was assessed to be highly effective.
The above mentioned instruments were initially recognized at fair value on the effective date of the contract, and are being subsequently remeasured at fair value. As at December 31, 2013, the fair value of the derivative contracts was recorded as an asset of €1,566 thousand (31.12.2012: a liability of €315 thousand) in the statement of financial position. As these derivative instruments have been designated as a cash flow hedge, a gain of €230 thousand arising from changes in fair value of the derivatives was recognized through the statement of comprehensive income as a separate component of equity.

34. Financial risk management objectives and policies (continued)

Commitments to buy and sell foreign currencies:

The amounts below represent the net Yen and Dollar equivalents to purchase and sell foreign currencies. The Yen and Dollar contracts will be utilized during the next twelve months.

Group		Foreign Amount		Average Rate	
(all amounts in local currency thousands)		2013	2012	2013	2012
Japanese Yen (bought)	USD/JPY	1,250,000	1,700,000	98.73	79.25
US Dollars (sold)	EUR/USD	70,000	216,177	1.3386	1.4195

Sensitivity analysis in foreign exchange rate changes

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

(all amounts in Euro thousands)	Foreign Currency	Increase/ Decrease of Foreign Currency vs. €	Effect on Profit Before Tax	Effect on equity
Year ended 31 December 2013	USD	5%	-2,475	19,224
		-5%	2,239	-17,393
	RSD	5%	513	2,193
		-5%	-464	-1,984
	EGP	5%	2,874	33,456
		-5%	-2,601	-30,270
	GBP	5%	156	295
		-5%	-141	-267
	TRY	5%	-7	991
		-5%	7	-897
	ALL	5%	-117	2,165
		-5%	106	-1,959
Year ended 31 December 2012	USD	5%	-3,795	22,634
		-5%	3,433	-20,478
	RSD	5%	924	2,060
		-5%	-836	-1,864
	EGP	5%	3,993	37,727
		-5%	-3,613	-34,134
	GBP	5%	22	181
		-5%	-19	-164
	TRY	5%	311	1,254
		-5%	-282	-1,134
	ALL	5%	-477	2,441
		-5%	431	-2,209

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

The Company has limited (relative to the Group) exposure to changes in foreign exchange rates. The majority of transactions and balances are in Euro, and hence, a 5% change in the aforementioned currencies would have an overall impact of less than €50 thousand.

34. Financial risk management objectives and policies (continued)

Interest Rate Risk

A percentage of 31% (2012: 37%) of the total Group debt is based on fixed, pre-agreed interest rates and an additional 18% (2012: 15%) of the floating debt has become fixed based on pre-agreed interest rate spreads. Thus, the Group receives interest based on floating rate and pays interest based on fixed rate. As a result, the impact of interest rate volatility is minor in the period profits and cash flows of the operating activities of the Group, as shown in the sensitivity analysis table below:

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

(all amounts in Euro thousands)		Interest rate variation	Effect on profit before tax
Year ended 31 December 2013	EUR	1.0%	-2,776
		-1.0%	2,776
	USD	1.0%	1,520
		-1.0%	-1,520
	TRY	1.0%	-6
		-1.0%	6
	BGN	1.0%	-213
		-1.0%	213
	EGP	1.0%	-207
		-1.0%	207
	ALL	1.0%	-325
		-1.0%	325
Year ended 31 December 2012	EUR	1.0%	-2,819
		-1.0%	2,819
	USD	1.0%	1,464
		-1.0%	-1,464
	TRY	1.0%	-54
		-1.0%	54
	BGN	1.0%	-282
		-1.0%	282
	EGP	1.0%	-638
		-1.0%	638
	ALL	1.0%	-328
		-1.0%	328

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

The ratio of fixed to floating rates of the Group's net borrowings is determined by market conditions, Group strategy and financing requirements. Occasionally interest rate derivatives may also be used, but solely to mitigate the relevant risk and to shift the ratio of fixed/floating rates, if that is considered necessary.

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

The derivative financial instrument was initially recognized at fair value on the effective date of the contract, and is being subsequently re-measured at fair value. As at December 31, 2013, the fair value of the derivative contracts of €2,234 thousand (31.12.2012: €4,589 thousand) was recorded as a liability in the statement of financial position. As this derivative instrument has been designated as a cash flow hedge, any gains or losses arising from changes in the fair value of the derivative are recognized in the statement of comprehensive income as a separate component of equity. Consequently, as at December 31, 2013 an unrealized gain of €2,355 thousand was recognized.

34. Financial risk management objectives and policies (continued)

In addition, Titan Cement Company S.A. has an interest rate swap amounting to €30 mil. since 2009, which is recognized as fair value hedge. As at December 31, 2013, the fair value of the derivative contracts was recorded as a liability of € 598 thousand (31.12.2012: €1,286 thousand) in the statement of financial position. The valuation's result of €688 thousand of the abovementioned derivative was recorded as finance income in the income statement of the year 2013. As already mentioned, if the €130 million interest rate swaps were included in the calculation of the fixed rate debt, the percentage of the fixed rate debt to the total debt of the Group would be 49% (2012: 52%).

Interest rate trends and the duration of the Group's financing needs are monitored on a forward looking basis. Consequently, decisions about the duration and the mix between fixed and floating rate debt are taken on an ad-hoc basis.

Commitments to swap interest rates:

The swap contracts are payments of fixed interest rate until 2014 against receipts of floating rates of one month euribor.

Company	**Amount**		**Average interest rate**	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Fixed rate (sale)	130,000	130,000	2.41%	2.41%

Credit Risk

The Group has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an ongoing basis.

When considered necessary, additional collateral is requested to secure credit. Provisions for impairment losses are made for special credit risks. At the end of the year 2013, it was deemed that there are no significant credit risks which are not already covered by insurance as a guarantee for the credit extended or by a provision for doubtful receivables.

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

As at 31 December 2013, the Group's cash and cash equivalents were held at time deposits and current accounts. Note 21 includes an analysis on cash & cash equivalents.

Liquidity risk

Liquidity is managed by employing a suitable mix of liquid cash assets and long term committed bank credit facilities. The Group monitors on a monthly basis the ratio of un-utilized long term committed bank credit facilities and immediately available cash over short term debt. At the end of 2013, the ratio of the Group's committed long term un-utilized facilities and cash over short term debt stood at 5.92 times.

34. Financial risk management objectives and policies (continued)

The table below summarizes the maturity profile of financial liabilities at 31 December 2013 based on contractual undiscounted payments.

(all amounts in Euro thousands)

Group	Less than 1 month	1 to 6 months	6 to 12 months	1 to 5 years	>5years	Total
Year ended 31 December 2013						
Borrowings (note 24)	34,586	61,410	17,988	643,317	65,195	822,496
Other non current liabilities (note 27)	-	-		24,795	-	24,795
Trade and other payables (note 28)	85,508	66,606	6,255	-	-	158,369
	120,094	128,016	24,243	668,112	65,195	1,005,660
Year ended 31 December 2012						
Borrowings (note 24)	51,531	12,500	119,880	683,758	182,858	1,050,527
Other non current liabilities (note 27)	-	-	-	25,116	-	25,116
Trade and other payables (note 28)	92,613	77,429	4,342	-	-	174,384
	144,144	89,929	124,222	708,874	182,858	1,250,027

Company	Less than 1 month	1 to 6 months	6 to 12 months	1 to 5 years	>5years	Total
Year ended 31 December 2013						
Borrowings (note 24)	173	50,684	-	800,001	-	850,858
Trade and other payables	39,228	6,762	1,303	-	-	47,293
	39,401	57,446	1,303	800,001	-	898,151
Year ended 31 December 2012						
Borrowings (note 24)	24,468	-	-	823,256	-	847,724
Trade and other payables (note 28)	28,573	6,075	823	-	-	35,471
	53,041	6,075	823	823,256	-	883,195

Borrowings include the floating and fixed rate outstanding principal at year-end plus accrued interest up to maturity.

The amounts that are described as "on demand" are short-term uncommitted facilities.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its operations and maximize shareholder value.

The Group manages its capital structure conservatively with the leverage ratio, as this is shown from the relationship between net debt and EBITDA.

Titan's policy is to maintain leverage targets in line with an investment grade profile. During 2013, the Group reduced its level of net debt by €57 mil.

The Group monitors capital using the net debt to EBITDA ratio. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

	Group		Company	
(all amounts in Euro thousands)	**2013**	**2012**	**2013**	**2012**
Long term borrowings (note 24)	610,433	705,227	745,835	741,950
Short term borrowings (note 24)	112,623	174,636	50,173	24,468
Debt	**723,056**	**879,863**	**796,008**	**766,418**
Less: cash and cash equivalents (note 21)	184,501	284,272	8,780	35,601
Net Debt	**538,555**	**595,591**	**787,228**	**730,817**
Profit before interest, taxes, depreciation and amortization (EBITDA)	**196,007**	**195,838**	**11,002**	**37,675**

35. Fair value measurement

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

(all amounts in Euro thousands)	Group				Company			
	Carrying amount		Fair value		Carrying amount		Fair value	
Assets	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Investment property (note 12)	13,220	8,546	13,220	8,546	13,973	11,959	13,973	11,959
Available for-sale financial assets (note 16)	1,636	1,940	1,636	1,940	172	169	172	169
Other non-current assets (note 17)	12,241	12,572	12,241	12,572	2,768	2,690	2,768	2,690
Derivative financial instruments	1,566	-	1,566	-	-	-	-	-
Liabilities								
Long term borrowings (note 24)	610,433	705,227	627,221	706,205	745,835	741,950	754,316	742,800
Short term borrowings (note 24)	112,623	174,636	113,277	175,604	50,173	24,468	50,173	24,468
Derivative financial instruments	3,375	18,078	3,375	18,078	2,832	5,875	2,832	5,875
Other non current liabilities (note 27)	29,635	30,632	29,637	30,632	4,557	5,043	4,557	5,043

Note: Derivative financial instruments consist of forward foreign exchange contracts and interest rate swaps.

The management assessed that the cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value hierarchy

The Group and the Company use the following hierarchy for determining and disclosing the fair value of the assets and liabilities by valuation method:

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

Level 2: based on valuation techniques whereby all inputs having a significant effect on the fair value are observable, either directly or indirectly.

Level 3: based on valuation techniques whereby all inputs having a significant effect on the fair value are not observable market data.

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities. The valuation was carried at 31 December 2013.

(all amounts in Euro thousands)	Group		Company		Fair value hierarchy
	Fair value		Fair value		
Assets	**2013**	**2012**	**2013**	**2012**	
Investment property	13,220	8,546	13,973	11,959	Level 3
Available for-sale financial assets	1,636	1,940	172	169	Level 3
Derivative financial instruments-hedged accounts	1,566	-	-	-	Level 2
Liabilities					
Long term borrowings	627,221	706,205	754,316	742,800	Level 2
Short term borrowings	113,277	175,604	50,173	24,468	Level 2
Derivative financial instruments-hedged accounts	2,234	15,498	2,234	4,589	Level 2
Derivative financial instruments-non-hedged accounts	1,141	2,580	598	1,286	Level 2
Other non current liabilities	23,416	21,058	-	-	Level 3

During the reporting period there were no transfers into and out of level 3.

35. Fair value measurement (continued)

The fair value of level 3 investment property is estimated by the Group and the Company by external, independent, certified valuators (note 12).

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

Level 2 derivative financial instruments (hedged accounts & non-hedged accounts) comprise forward foreign exchange contracts and interest rate swaps. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves.

Level 3 available-for-sale financial assets refer mainly to investments in foreign property funds in which the Group owns an insignificant percentage. Their valuation is made based on their financial statements, which present the assets at fair value (note 16).

Level 2 long and short term borrowings are evaluated by the Group and the Company based on parameters such as interest rates, specific country risk factors, or price quotations at the reporting date.

Especially for long-term borrowings, quoted market prices or dealer quotes for the specific or similar instruments are used.

Level 3 other non-current liabilities consist of the put option that the Group has granted to non-controlling interest shareholders of its subsidiary in Albania, ANTEA Cement SHA. The put option is valued using a discounted cash flow model. The valuation requires management to make certain assumptions about unobservable inputs to the model. Certain significant unobservable inputs are disclosed in the table below:

	2013	2012
Gross margin growth rate	14.3%	26.9%
Discount rate	12.5%	13.4%

In addition to the above, forecast cash flows for the first five years are a significant unobservable input. The management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

An increase in the forecast cash flows or in the gross margin growth rate for cash flows in the subsequent periods would lead to an increase in the fair value of the put option. On the other hand, an increase in the discount rate used to discount the forecast cash flows would lead to a decrease in the fair value of the put option.

The significant unobservable inputs are not interrelated. The fair value of the put option is not significantly sensitive to a reasonable change in the forecast cash flows or the discount rate; however it is sensitive to a reasonable change in the gross margin growth rate, as described in the following table:

Sensitivity analysis of Group's gross margin growth changes:

(all amounts in Euro mil.)	Effect on the fair value
Increase by 2 percentage points in the gross margin growth rate:	+1,7
Decrease by 2 percentage points in the gross margin growth rate:	-1,8

36. Fiscal years unaudited by the tax authorities

(1) Titan Cement Company S.A	2010-2013	(2) Fintitan SRL	-
(2) Aeolian Maritime Company	-	Cementi Crotone S.R.L.	2009-2013
(1) Albacem S.A.	2012-2013	Cementi ANTEA SRL	2010-2013
(1) Arktias S.A.	2010-2013	Colombus Properties B.V.	2010-2013
(1) Dodekanesos Quarries S.A.	2010-2013	Holtitan BV	2010-2013
(1) Interbeton Construction Materials S.A.	2007-2013	Aeas Netherlands B.V.	2010-2013
(1) Intertitan Trading International S.A.	2007-2013	(2) Titan Cement U.K. Ltd	-
(1) Pozolani S.A.	2010-2013	(2) Separation Technologies U.K. Ltd	-
(1) Porfirion S.A.	2010-2013	(5) Titan America LLC	2011-2013
(1) Vahou Quarries S.A.	2010-2013	Separation Technologies Canada Ltd	2010-2013
(1) Quarries Gournon S.A.	2010-2013	Stari Silo Copmany DOO	2008-2013
(1) Quarries of Tagaradon Community S.A.	2010-2013	Cementara Kosjeric DOO	2006-2013
(1) Quarries of Tanagra S.A.	2010-2013	Adocim Cimento Beton Sanayi ve Ticaret A.S.	2006-2013
(1) Aitolika Quarries S.A.	2011-2013	TCK Montenegro DOO	2007-2013
(1) Sigma Beton S.A.	2010-2013	Double W & Co OOD	2007-2013
(1) Titan Atlantic Cement Industrial and Commercial S.A.	2010-2013	Granitoid AD	2007-2013
(1) Titan Cement International Trading S.A.	2010-2013	Gravel & Sand PIT AD	2007-2013
KTIMET Quarries S.A.	2010-2013	Zlatna Panega Beton EOOD	2008-2013
Aemos Cement Ltd	2007-2013	Zlatna Panega Cement AD	2010-2013
Alvacim Ltd	2010-2013	Cement Plus LTD	2012-2013
(3) Balkcem Ltd	2008-2013	Rudmark DOOEL	2006-2013
Iapetos Ltd	2007-2013	Usje Cementarnica AD	2009-2013
Rea Cement Ltd	2008-2013	Titan Cement Netherlands BV	2010-2013
Themis Holdings Ltd	2007-2013	Alba Cemento Italia, SHPK	2013
(4) Tithys Ltd	2006-2013	Antea Cement SHA	2010-2013
Feronia Holding Ltd	2007-2013	Sharr Beteiligungs GmbH	2006-2013
Vesa DOOL	2006-2013	Kosovo Construction Materials L.L.C.	2010-2013
Trojan Cem EOOD	2010-2013	SharrCem Sh.P.K	2011-2013
Dancem APS	2009-2013	(2) Alexandria Development Co.Ltd	-
Titan Global Finance PLC	2008-2013	Alexandria Portland Cement Co. S.A.E	2007-2013
Geospan Dooel	2010-2013	GAEA Green Alternative Energy Assets Ltd	2006-2013
Terret Enterprises Ltd	2009-2013	Beni Suef Cement Co.S.A.E.	2009-2013
Salentijn Properties1 B.V.	2010-2013	East Cement Trade Ltd	2006-2013
Titan Cement Cyprus Limited	2007-2013	Titan Beton & Aggregate Egypt LLC	2008-2013
KOCEM Limited	2007-2013	(2) Titan Egyptian Inv. Ltd	-
ECO Conception EOOD	2011-2013		

(1) For the fiscal years 2011 and 2012 the above companies were tax audited by their Certified Auditors Accountants, according to the terms of article 82, par. 5 of the Law 2238/1994.

(2) Under special tax status.

(3) Fiscal year of 2009 has been audited.

(4) Fiscal year of 2007 has been audited.

(5) Companies operating in the U.S.A., are incorporated in the Titan America LLC subgroup (note 14).

37. Reclassifications/restatements

In the income statement of the Group for the year end 2012, a net amount of €749 thousand was reclassified and transferred from the account "other operating income/expenses" to the account "cost of sales", for reasons of consistency with the income statement for the year end 2013.

In the income statement of the Company for the year end 2012, an amount of €20 thousand was reclassified and transferred from the account "other operating income" to the account "cost of sales", for reasons of consistency with the interim income statement for the year end 2013.

The aforementioned reclassifications were made for presentation purposes and had no impact on prior year equity, non-controlling interests, turnover, earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings after taxes, of the Group and Company.

38. Events after the reporting period

Group subsidiary, Titan Global Finance PLC (TGF), entered into a €455 million multi-currency forward start revolving credit facility with a syndicate of Greek and international banks. The contract was signed on 30.01.2014, in London. The facility, which is guaranteed by Titan Cement S.A., matures in January 2018 and will be used for the refinancing of TGF’s existing syndicated facility, maturing in January 2015, as well as for general corporate purposes.

REPORT

Regarding Company transactions with affiliated companies, in accordance to article 2, par. 4 of Codified Law 3016/2002, for 2013

During 2013, Company's transactions with the previously mentioned companies are as listed below:

(all amounts in Euro)

I. INFLOWS	**1/1 - 31/12/2013**
A. Sales	
1. Cement & Clinker sales	
INTERBETON CONSTRUCTION MATERIALS S.A.	15,132,280
TRANSBETON S.A.	771,259
BENI SUEF CEMENT CO.	5,675,659
INTERTITAN S.A.	4,526,388
FINTITAN SRL	7,169,492
CEMENTI CROTONE SRL	176,000
ANTEA CEMENT SHA	184,323
TITAN CEMENT U.K. LTD	9,502,581
ESSEX CEMENT CO LLC	17,016,112
CEMENTARNICA USJE A.D.	922,662
CEMENTARA KOSJERIC A.D.	63,546
	61,140,302
2. Aggragates sales	
INTERBETON CONSTRUCTION MATERIALS S.A.	1,805,963
	1,805,963
3. Solid Fuels sales	
CEMENTARNICA USJE AD	6,921,635
	6,921,635
4. Fixed assetes sales	
INTERBETON CONSTRUCTION MATERIALS S.A.	5,995
GOURNES QUARRIES S.A.	1,030
ADOCIM CIMENTO BETON SANAYI VE TICARET SA	442,500
SHARRCEM SH.P.K	13,100
CEMENTARNICA USJE A.D.	74,200
CEMENTARA KOSJERIC A.D.	27,025
	563,850
5. Spare parts sales	
TANAGRA QUARRIES S.A.	3,069
SHARRCEM SH.P.K	46,322
ADOCIM CIMENTO BETON SANAYI VE TICARET SA	106,790
CEMENTARNICA USJE AD	25,007
	181,187
TOTAL A.	**70,612,937**
B. Services	
1. Provision of computerization and IT services	
INTERTITAN S.A.	1,200
ALBACEM SHA	1,200
GOURNES QUARRIES S.A.	1,000
PORFYRION S.A.	1,200
VAHOU QUARRIES S.A.	1,200
AITOLIKA QUARRIES S.A.	1,200
ARKTIAS S.A.	1,200
TITAN CEMENT ATLANTIC S.A.	1,200
TITAN INTERNATIONAL TRADING S.A.	5,025
DODEKANESOS QUARRIES S.A.	900
TRANSBETON S.A.	3,938
INTERBETON CONSTRUCTION MATERIALS S.A.	194,270
	213,533

2. Other income from services

BENI SUEF CEMENT CO.	1,763,995
ALEXANDRIA PORTLAND CEMENT Co	421,386
TITAN AMERICA LLC	23,859
ESSEX CEMENT CO LLC	38,413
TITAN CEMENT U.K. LTD	20,794
ALBACEM SHA	1,200
INTERTITAN S.A.	1,200
INTERBETON CONSTRUCTION MATERIALS S.A.	113,391
AEOLIAN M.C.	6,217
TITAN INTERNATIONAL TRADING S.A.	1,200
TITAN CEMENT ATLANTIC S.A.	1,200
GOURNES QUARRIES S.A.	751
TANAGRA QUARRIES S.A.	2,025
CEMENTARA KOSJERIC A.D.	21,520
ANTEA CEMENT SHA	1,368,552
SEPARATION TECHNOLOGIES UK LTD.	1,595
ZLATNA PANEGA CEMENT A.D.	8,224
SHARRCEM SH.P.K	3,938
	3,799,460
TOTAL B.	**4,012,993**

C. Rents and leases

INTERBETON CONSTRUCTION MATERIALS S.A.	31,103
AEOLIAN M.C.	613
INTERTITAN S.A.	613
ALBACEM SHA	613
PORFYRION S.A.	613
VAHOU QUARRIES S.A.	613
ARKTIAS S.A.	613
AITOLIKA QUARRIES S.A.	649
TITAN CEMENT ATLANTIC S.A.	613
TITAN INTERNATIONAL TRADING S.A.	613
	36,656
TOTAL C.	**36,656**
	74,662,586

II. OUTFLOWS

A. Purchases

1. Aggregates purchases

POZOLANES S.A.	31,417
INTERBETON CONSTRUCTION MATERIALS S.A.	2,055,472
	2,086,889

2. Ready-mix concrete purchases

INTERBETON CONSTRUCTION MATERIALS S.A.	114,189
	114,189

3. Spare parts, consumables and packaging materials purchased

CEMENTARNICA USJE AD	385,838
	385,838
TOTAL A.	**2,586,916**

B. Services

1. Rents and leases

INTERBETON CONSTRUCTION MATERIALS S.A.	35,099
	35,099

2. Various payments from services

TITAN GLOBAL FINANCE PLC	37,936,101
INTERBETON CONSTRUCTION MATERIALS S.A.	2,863,247
ESSEX CEMENT CO LLC	43,641
ZLATNA PANEGA CEMENT A.D.	2,732
TITAN CEMENT U.K. LTD	28,822
TITAN AMERICA LLC	19,680
	40,894,223
TOTAL B.	**40,929,322**
	43,516,238

III. BALANCES

The balances on 31.12.2013 are as follow:

	12/31/2013	
	DEBIT BALANCE	**CREDIT BALANCE**
CEMENTARNICA USJE AD	73,975.92	
FINTITAN SRL	2,693,172.00	
CEMENTI CROTONE SRL	88,000.00	
ANTEA CEMENT SHA	603,649.97	
INTERBETON CONSTRUCTION MATERIALS S.A.	5,888,562.10	1,011,930.08
TRANSBETON S.A.	254,012.49	
TITAN CEMENT U.K. LTD	3,127.76	
GOURNES QUARRIES S.A.	585,774.10	
TANAGRA QUARRIES S.A.	5,933.03	
ESSEX CEMENT CO LLC	1,574,060.62	6,744.28
TITAN AMERICA LLC		253,883.85
TITAN INTERNATIONAL TRADING S.A. A.E.	240,000.00	
CEMENTARA KOSJERIC A.D.	11,520.67	
SHARRCEM SH.P.K SH.P.K.	70.00	
BENI SUEF CEMENT CO.	939,592.03	
ALEXANDRIA PORTLAND CEMENT Co	340,568.40	
ZLATNA PANEGA CEMENT A.D.		349.32
TITAN GLOBAL FINANCE PLC		753,878,168.19
AEOLIAN M.C.		269,844.00
	13,302,019.09	**755,420,919.72**

Information According to Article 10 of Law 3401/2005

The following Announcements/Notifications have been sent to the Daily Official List Announcements and are posted to the Athens Exchange website as well as to our Company's website www.titan-cement.com.

1/2/2013	Announcement pursuant to Law 3556/2007
1/10/2013	Announcement pursuant to Law 3556/2007
2/6/2013	Announcement pursuant to Law 3556/2007
2/18/2013	Announcement of publication of Full Year Results 2012
3/4/2013	Full Year Results 2012
3/4/2013	Financial Calendar 2012
3/4/2013	Analyst Presentation 2012
3/5/2013	Sale of Treasyry Stock in the framework of a stock plan for executives of Titan Group
3/7/2013	Analyst presentation Full Year 2012
3/11/2013	Titan Group referring to recent reports on the online and printed media repeats that it is not within its intentions to move its headquarters from Greece
3/26/2013	Announcement pursuant to Law 3556/2007
3/27/2013	Answer to a question of HCMC
4/1/2013	Announcement of publication of Full Year Results 2012
4/11/2013	Announcement of publication of Full Year Results 2012
4/12/2013	Announcement of publication of Full Year Results 2012
5/2/2013	Sale of treasury shares
5/14/2013	Financial Results of Q1 2013
5/15/2013	Invitation to the annual general meeting of shareholders
5/23/2013	Announcement of publication of Full Year Results 2012
6/17/2013	Elected of a new Board of Directors of Titan Cement Company
6/17/2013	Notice of Decisions taken by the annual general meeting of shareholders on 14th of June 2013
6/20/2013	Announcement of publication of Full Year Results 2012
7/16/2013	Announcement of publication of Full Year Results 2012
7/19/2013	Announcement of publication of Full Year Results 2012
7/24/2013	Announcement of publication of Full Year Results 2012
8/1/2013	Q2 Financial Results 2013
8/6/2013	Announcement pursuant to Law 3556/2007
8/9/2013	Announcement pursuant to Law 3556/2007
8/21/2013	Announcement pursuant to Law 3556/2007
8/23/2013	Announcement pursuant to Law 3556/2007
8/27/2013	Announcement pursuant to Law 3556/2007
8/28/2013	Announcement pursuant to Law 3556/2007
9/2/2013	Announcement pursuant to Law 3556/2007
9/6/2013	Announcements pursuant to Law 3556/2007
9/11/2013	Announcement pursuant to Law 3556/2007
9/12/2013	Announcement pursuant to Law 3556/2007
9/18/2013	Announcement pursuant to Law 3556/2007
9/24/2013	Announcement pursuant to Law 3556/2007
9/27/2013	Announcement pursuant to Law 3556/2007
10/4/2013	Announcements pursuant to Law 3556/2007
10/10/2013	Announcements pursuant to Law 3556/2007
10/15/2013	Announcement pursuant to Law 3556/2007
10/23/2013	Announcement pursuant to Law 3556/2007
10/24/2013	Announcement pursuant to Law 3556/2007
10/29/2013	Announcement pursuant to Law 3556/2007
10/31/2013	Sale of treasury sales
11/5/2013	Announcement pursuant to Law 3556/2007
11/12/2013	Q3 Funancial Results 2013
11/19/2013	Announcement pursuant to Law 3556/2007
11/20/2013	Announcements pursuant to Law 3556/2007
11/22/2013	Announcement pursuant to Law 3556/2007
11/25/2013	Announcement pursuant to Law 3556/2007
11/26/2013	Announcement pursuant to Law 3556/2007
11/27/2013	Announcements pursuant to Law 3556/2007
11/28/2013	Announcements pursuant to Law 3556/2007
12/5/2013	Announcements pursuant to Law 3556/2007
12/12/2013	Announcement pursuant to Law 3556/2007
12/24/2013	Announcement pursuant to Law 3556/2007
12/27/2013	Announcement pursuant to Law 3556/2007
12/30/2013	Announcement pursuant to Law 3556/2007
12/31/2013	Announcements pursuant to Law 3556/2007

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

TITAN CEMENT COMPANY S.A.

Company's Number in the General Electronic Commercial Registry: 224301000 (former Company's Number in the Register of Societes Anonymes: 6013/06/B/86/90)

22A Halkidos Street - 111 43 Athens

SUMMARY FINANCIAL RESULTS for the year ended 31 December 2013

(in terms of article 135 of Law 2190, for companies publishing annual financial statements in accordance with IAS/IFRS)

The figures illustrated below provide summary information about the financial position of Titan Cement S.A. and its subsidiaries. We advise the reader who seeks a complete picture of the financial position to visit the Company's web site, where the full year financial statements according to International Financial Reporting Standards together with the auditor's report, are presented.

Supervising Authority:	Ministry of Development and Competitiveness (Department for limited companies)
Company's web address:	www.titan-cement.com
Board of Directors:	Andreas Canellopoulos - Chairman, Efstratios-Georgios (Takis) Arapoglou*-Deputy Chairman, Dimitrios Papalexopoulos - Chief Executive Officer, Nellos Canellopoulos, Takis-Panagiotis Canellopoulos, Doros Constantinou*, Vassilios Fourlis*, Domna Mirasyesi-Bernitsa*, Alexandra Papalexopoulou-Benopoulou, Petros Sabatacakis*, Ploutarchos Sakellaris*, Michael Sigalas, Eftichios Vassilakis*,Efthimios Vidalis, Vassilios Zarkalis. *Independent non-executive directors
Date of approval of the Financial Statements :	27 February 2014
Name of the auditor:	Chris Pelendridis (SOEL R.N. 17831)
Auditing firm:	Ernst & Young (HELLAS) Certified Auditors Accountants SA
Report of the Auditors:	Without qualification

CONDENSED STATEMENT OF FINANCIAL POSITION
(Amounts in € thousand)

	GROUP		COMPANY	
ASSETS	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Tangible assets	1,605,635	1,759,036	232,332	237,672
Investment properties	13,220	8,546	13,973	11,959
Intangible assets	465,996	527,498	1,185	1,099
Other non current assets	17,840	19,682	1,246,708	1,216,163
Inventories	225,133	233,765	69,694	69,080
Trade receivables	125,033	127,488	28,708	30,658
Other current assets	63,698	71,755	17,023	26,702
Cash and cash equivalents	184,501	284,272	8,780	35,601
TOTAL ASSETS	2,701,056	3,032,042	1,618,403	1,628,934
SHAREHOLDERS EQUITY AND LIABILITIES				
Share Capital (84,632,528 shares of € 4.00)	338,530	338,530	338,530	338,530
Share Premium	22,826	22,826	22,826	22,826
Share stock options	3,971	2,891	3,971	2,891
Treasury Shares	-87,680	-89,446	-87,680	-89,446
Retained earnings and other reserves	1,138,480	1,259,662	460,021	501,862
Total share capital and reserves (a)	1,416,127	1,534,463	737,668	776,663
Non-controlling interests (b)	122,683	125,478	-	-
Total Equity (c)=(a)+(b)	1,538,810	1,659,941	737,668	776,663
Long-term borrowings	610,433	705,227	745,835	741,950
Provisions and other long-term liabilities	230,234	270,427	31,807	41,925
Short-term borrowings	112,623	174,636	50,173	24,468
Other short-term liabilities	208,956	221,811	52,920	43,928
Total liabilities (d)	1,162,246	1,372,101	880,735	852,271
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)	2,701,056	3,032,042	1,618,403	1,628,934

CONDENSED INCOME STATEMENT
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2013	**1/1-31/12/2012**	**1/1-31/12/2013**	**1/1-31/12/2012**
Revenue	1,175,937	1,130,660	234,712	221,215
Cost of sales	-882,164	-831,696	-197,677	-163,886
Gross profit before depreciation and amortization	293,773	298,964	37,035	57,329
Other operating income	12,605	9,519	5,682	12,013
Administrative expenses	-92,802	-93,026	-31,530	-31,281
Selling and marketing expenses	-17,569	-19,619	-185	-386
Profit before interest, taxes and depreciation and amortization	196,007	195,838	11,002	37,675
Depreciation, amortization and impairment of tangibles/ intangibles assets	-116,781	-130,730	-13,062	-13,968
Profit/(loss) before interest and taxes	79,226	65,108	-2,060	23,707
Finance costs	-88,561	-65,569	-44,711	-40,475
Share on loss of associates	-305	-841	-	-
Loss before taxes	-9,640	-1,302	-46,771	-16,768
Less: Income tax expense	-19,356	-17,526	3,617	1,216
Loss after taxes (a)	-28,996	-18,828	-43,154	-15,552
Attributable to:				
Equity holders of the parent	-36,074	-24,516	-43,154	-15,552
Non-controlling interests	7,078	5,688	-	-
Basic losses per share (in €)	-0.44238	-0.30075	-0.52920	-0.19079
Diluted losses per share (in €)	-0.43973	-0.29824	-0.52603	-0.18919

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2013	**1/1-31/12/2012**	**1/1-31/12/2013**	**1/1-31/12/2012**
Loss after taxes (a)	-28,996	-18,828	-43,154	-15,552
Other comprehensive (loss)/income:				
Exchange differences on translation of foreign operations	-93,559	-29,390	-	-
Cash flow hedges	2,585	-567	2,355	-43
Net losses on financial assets available for sale	-342	-225	-	-
Revaluation of land and buildings	1,780	873	882	873
Re-measurement gains/(losses) on defined benefit plans	2,884	-43	651	746
Income tax relating to components of other comprehensive income	-2,091	266	-1,010	-324
Other comprehensive (loss)/income net of tax (b)	-88,743	-29,086	2,878	1,252
Total comprehensive loss net of tax (a)+(b)	-117,739	-47,914	-40,276	-14,300
Total comprehensive loss income attributable to:				
Shareholders	-115,102	-50,615	-40,276	-14,300
Non-controlling interests	-2,637	2,701	-	-

CONDENSED STATEMENT OF CHANGES IN EQUITY
(Amounts in € thousand)

	GROUP		COMPANY	
	31/12/2013	**31/12/2012**	**31/12/2013**	**31/12/2012**
Equity balance at beginning of the year (1/1/2013 and 1/1/2012 respectively)	1,659,941	1,700,448	776,663	789,430
Total comprehensive loss	-117,739	-47,914	-40,276	-14,300
Share based payment transactions	1,080	1,533	1,080	1,533
Sale - disposal of treasury shares for option plan	201	-	201	-
Dividends distributed to non-controlling interests	-2,315	-19,115	-	-
Non-controlling interest's put option recognition	-2,358	-6,807	-	-
Non-controlling interest participation to share capital increase in subsidiary	-	8,800	-	-
Proceeds from partial disposal of subsidiary	-	50,000	-	-
Acquisition of non-controlling interests	-	-27,004	-	-
Equity balance at year end (31/12/2013 and 31/12/2012 respectively)	1,538,810	1,659,941	737,668	776,663

CASH FLOW STATEMENT
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2013	**1/1-31/12/2012**	**1/1-31/12/2013**	**1/1-31/12/2012**
Cash flows from operating activities				
Loss before taxes	-9,640	-1,302	-46,771	-16,768
Adjustments for:				
Depreciation	115,360	124,683	13,044	13,654
Impairment of tangible and intangible assets	1,421	6,047	18	314
Provisions	-3,855	-1,377	864	-3,379
Exchange differences	21,476	621	158	-698
Interest expense	61,306	59,437	41,520	37,935
Other non cash items	5,381	2,556	4,122	4,145
Operating profit before changes in working capital	191,449	190,665	12,955	35,203
(Increase)/decrease in inventories	-193	3,467	-321	-256
Decrease in trade and other receivables	1,396	16,370	8,348	2,178
(Increase)/decrease in operating long-term receivables/payables	-2,507	-3,960	6	-931
Increase/(decrease) in trade & other payables (excluding banks)	2,939	-20,138	9,144	2,506
Cash generated from operations	193,084	186,404	30,132	38,700
Income tax paid	-22,242	-21,374	-1,150	-2,711
Net cash flows from operating activities (a)	170,842	165,030	28,982	35,989
Cash flows from investing activities				
Purchase of tangible assets	-48,714	-44,761	-9,931	-5,669
Purchase of intangible assets	-1,668	-6,208	-551	-1,717
Proceeds from the sale of property, plant and equipment	4,741	28,637	692	6,439
Proceeds from dividends	-	39	-	-
Acquisition or share capital increase of subsidiaries, net of cash	-8,003	-19,104	-30,464	-30,511
(Disposal)/purchase of available-for-sale financial assets	-43	37	-3	-
Interest received	3,612	4,235	699	950
Net cash flows used in investing activities (b)	-50,075	-37,125	-39,558	-30,508
Net cash flows after investing activities (a)+(b)	**120,767**	**127,905**	**-10,576**	**5,481**
Cash flows from financing activities				
Proceeds from partial disposal of subsidiary's ownership	-	50,000	-	-
Proceeds from non-controlling interest's participation in subsidiaries' share capital increase	-	8,800	-	-
Proceeds from sale of treasury shares	201	-	201	-
Proceeds from government grants	-	8	-	8
Interest paid	-60,840	-73,351	-42,633	-38,180
Dividends written-off and paid to the Greek state	-70	-31	-70	-31
Dividends paid to non-controlling interests	-2,265	-19,115	-	-
Proceeds from borrowings	911,003	788,746	249,830	214,449
Payments of borrowings	-1,064,546	-936,978	-223,532	-175,635
Net cash flows (used in)/from financing activities (c)	-216,517	-181,921	-16,204	611
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)	**-95,750**	**-54,016**	**-26,780**	**6,092**
Cash and cash equivalents at beginning of the year	284,272	333,935	35,601	29,478
Effects of exchange rate changes	-4,021	4,353	-41	31
Cash and cash equivalents at end of the year	**184,501**	**284,272**	**8,780**	**35,601**

NOTES

1. The total number of its own shares that the Company holds as at 31.12.2013 is 3,067,334 of aggregate value €87,680 thousand and they have been deducted from the Shareholders Equity of the Group and the Company.

2. The assets of the Company have not been pledged. The assets of the Group have a pledge for the amount of €70.4 m. The pledge relates to the Group's joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey, as a security of its bank credit facilities on the assets of this entity. On 31.12.2013, utilization under these credit facilities amounted to €17.3 m..

3. Number of employees at the end of the reporting period: Group 5,436 (2012: 5,423), Company 797 (2012: 790).

4. Capital expenditure excluding acquisitions and intangible assets for the fiscal year of 2013 amounted to: Group €48.7m (31.12.2012: €44.7m), Parent Company €9.9 m (31.12.2012: €5.6 m).

5. Transactions during the fiscal year 2013 and balances as of 31 December 2013 with related parties, as defined in IAS 24, are as follows:

Amounts in € thousand	Group	Company
a) Income	-	74,662
b) Expenses	2,286	45,803
c) Receivables	-	13,304
d) Payables	521	755,942
e) Key management compensations	4,850	4,850
f) Receivables from key management	9	9

6. Companies included in the consolidated financial statements of fiscal year 2013 are presented in the note 14 of the Group's annual financial statements including locations, percentage Group ownership and consolidation method.

7. The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiaries are presented in detail in the note 36 of the annual financial statements. There are no material provisions accounted for the unaudited by the tax authorities fiscal years as well as for litigation issues both for the Group and the Company.

8. The balance of other provisions (short and long term) as of 31.12.2013 amounted to €14.8 m for the Group (31.12.2012: €18.9 m.) and €3.5 m for the Company (31.12.2012: €3.1 m.).

9. Monetization of carbon dioxide emissions allowances had positively affected the production cost and consequently contributed to the operating results of 2012 mentioned above for the Group and the Company.

10. According to the Law 4172/2013, the tax exempt reserves which were formed under the Law 2238/1994 should be taxed. The total charge for the Group and the Company amounts to €4.5 mil. and €4.2 mil. respectively, as stated in note 8 of the annual financial statements.

11. In accordance with the Stock Option Plan instituted pursuant to resolution dated 3.6.2010 of the Annual General Meeting of Shareholders, the Company proceeded during 2013 to the sale of 50,282 common treasury shares representing 0.06% of its paid up share capital to 75 Group executives, at a sale price per share equal to the nominal value of each Company share i.e. €4.00 per share, and a total sale price of €201 thousand.

12. The consolidated financial statements of December 31, 2013 include for the first time the newly established companies GAEA Zelena Alternative Enerjia DOOEL and GAEA Enerjia Alternative E Gjelber Sh.p.k.. using the full consolidation method.

13. Certain prior year amounts have been reclassified for presentation purposes with no impact on the prior year equity, turnover and earnings after tax of the Group and the Company (note 37 of annual financial statements).

14. Losses per share have been calculated on the total weighted average number of common and preference shares, excluding the average number of treasury shares.

15. The Board of Directors has decided to propose to the Annual General Meeting of Shareholders, the distribution of €8,463,252.80 from the Contingency Reserve. This amount corresponds to €0.10 per share.

Athens, February 27, 2014

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