TITAN CEMENT COMPANY S.A.
ANNUAL FINANCIAL REPORT
For the year 1.1.2018 -31.12.2018

The Annual Financial Report for the year 1.1.2018- 31.12.2018 has been drawn up in accordance with article 4 of Law 3556/2007 and was approved by the Board of Directors of TITAN CEMENT COMPANY S.A. on March 20, 2019. It can be found on line, at the following address: www.titan.gr

TITAN CEMENT COMPPANY S.A.

GENERAL COMMERCIAL REGISTRY NUMBER : 224301000

REGISTERED ADDRESS: 22A HALKIDOS STREET– 111 43 ATHENS

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Annual Report of the Board of Directors for the year 01.01.2018-31.12.2018

Business model

About TITAN Group

TITAN is an international cement and building materials producer, with a history of more than 115 years. The Group's business activities include the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials.

TITAN Group has operations in 14 countries, which are managed under four geographic regions: USA; Greece and Western Europe; Southeastern Europe; and Eastern Mediterranean. Following the increase of the participation in Adocim cement plant in Turkey to 75%, TITAN Group, as of 31/12/2018 has one joint venture, in Brazil. Its joint venture in Turkey is now fully consolidated in the Group (Section 6, note 15). The Group's headquarters are in Athens, Greece.

In 2018, TITAN generated a consolidated turnover of €1,490.1 million and EBITDA of €259.7 million. At year-end TITAN employed 5,365 people in total (2017: 5,432).

Governing objective

TITAN aims to grow as a multiregional, vertically integrated cement producer, combining entrepreneurial spirit and operational excellence with respect for people, society and the environment. This objective is translated into four strategic priorities:

- Geographic diversification: Expansion of the Group's business through acquisitions and greenfield developments into attractive new markets
- Vertical integration: Extension of the Group into other product areas in the cement value chain
- Continuous competitive improvement: Implementation of new efficiencies throughout the Group to reduce costs and to compete more effectively
- Focus on human capital and Corporate Social Responsibility: Development of employees and continuous improvement of the Group's good relationships with all internal and external stakeholders.

TITAN Values

TITAN's values stem directly from the principles, beliefs and vision of its founders back in 1902. They are the core elements of TITAN's culture and family spirit, providing the foundations of the Group's operations and growth.

- Integrity
  - Ethical business practices
  - Transparency
  - Open communication
- Know-how
  - Enhancement of knowledge base
  - Proficiency in every function
  - Excellence in core competencies
- Value to the customer
  - Anticipation of customer needs
  - Innovative solutions
  - High quality of products and services
- Delivering results
  - Shareholder value
  - Clear objectives
  - High standards
- Continuous improvement
  - Learning organization
  - Willingness to change
  - Rise to challenges
- Corporate Social Responsibility
  - Safety first
  - Sustainable development
  - Stakeholder engagement

Creating shared value

TITAN serves the societal need for safe, durable, resilient and affordable housing and infrastructure. It creates value through the transformation of raw materials into building products, their distribution to customers and the provision of related services. Through collaboration and know-how sharing with customers, business partners, local communities and academia, TITAN also contributes to the advancement of material issues at global, regional and local level, under the framework of the UN Sustainable Development Goals for 2030.

The economic value created and distributed to key stakeholders has been calculated using the United Nations – UNCTAD "Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals" and in particular its guidance on economic indicators. The corresponding amounts for 2018 are presented in table 1.

Table 1: Value creation and distribution to stakeholders 2018

	(million €)	Relevant SDGs 2030
Value added[1]	551.0	SDG 8, SDG 9
Net value added[2]	435.0	SDG 8, SDG 9
Taxes to national and local authorities	77.5	SDG 8, SDG 17
Total spend to Suppliers, local and international, for goods and services	950.2	SDG 9
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law	276.7	SDG 8, SDG 17
Payments in cash, as dividends and other type, to shareholders and minorities	50.5	SDG 8, SDG 17
Green investment	28.8	SDG 7, SDG 9
Support to community projects, as Donations, on Group level	2.3	SDG 2, SDG 4, SDG 8, SDG 9, SDG 11, SDG 16, SDG17
Investments for R&D and Innovation as total expenditures on Group level[3]	5.8	SDG 7, SDG 9
Investments for Training of direct employees, as total expenditures on Group level[4]	1.0	SDG 4, SDG 8, SDG10
Investments for the Group's future growth[5]	118.5	SDG 7, SDG 9

TITAN invests in research, development and innovation, with primary focus on areas related to the long-term sustainability of the business and in particular on climate change mitigation and CO_2 emissions; applications in the model of the circular economy; and digital transformation. TITAN is also engaged in key research partnerships, such as the Nanocem consortium (https://www.nanocem.org/), a unique collaboration between industrials and academics, which is recognized as the world reference for quality research in cement-based materials. With regards to digital transformation, TITAN launched in 2018 a "Digital Initiative", aiming to apply digital best practices at its cement plants, improving operational efficiency, product quality as well as energy and environmental performance.

TITAN is actively engaged in global collaborations and international organizations aiming to address global sustainability challenges. TITAN is a participant of the UN Global Compact (UNGC) (www.unglobalcompact.org) at global level and participates in the local UN Global Compact Networks in Greece, North Macedonia, and Egypt. TITAN is also a core member of CSR Europe[6] (www.csreurope.org) and the World Business Council for Sustainable Development (WBCSD)[7] (www.wbcsd.org).

In 2018, TITAN joined the newly established Global Cement and Concrete Association (GCCA[8], https://gccassociation.org/) which, among other priorities, will also incorporate the sustainable development activities of the former Cement Sustainability Initiative (CSI) of the WBCSD, following a strategic partnership between the two parties.

Financial review

Development of activities and significant financial events

2018 was characterised by a stable, solid performance for TITAN. The Group navigated successfully the challenges of subdued demand and margin pressure in several regions and capitalized on the opportunities markets such as the US continue to offer. At the same time, TITAN remained focused on the enduring objective of balanced, responsible and sustainable long-term growth, embracing change as an organization and innovating at an accelerated pace.

Group consolidated turnover for 2018 stood at €1,490.1m, recording a marginal 1% decline compared to 2017. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) declined by 5% to €259.7m. Group Net Profit after minority interests and the provision for taxes reached €53.8m, posting a 26% increase compared to 2017.

The Group generated €148 m of operating free cash flow, €30 m higher than 2017, benefiting from the stabilisation of working capital requirements.

Group net debt on 31.12.2018 stood at €772 m, higher by €49 m compared to 31.12.2017.

In January 2018, Titan Global Finance PLC issued Additional Guaranteed notes of nominal value €100 mil. This was in connection with the reopening of €250 mil issue of November 2017 with 2.375% coupon per annum and raised the total amount of the issue to €350 mil due in November 2024.

On 19 February 2018, the Group's subsidiary in USA, Titan America LLC (TALLC), submitted to the Bank of New York Mellon Trust Company, N.A. the required notification to call for redemption the Miami-Dade County Industrial Revenue Bonds, Series 2004 on April 2nd 2018. These bonds, amounting to €18.2 mil, had an original maturity date of April 26th 2034.

Following the agreement which was completed in October 2018 between TITAN Group and Cem Sak Group, TITAN Group holds 75% of Adocim Cimento Beton Sanayi ve Ticaret A.S. (Adocim), which owns an integrated cement plant in Tokat – Turkey, with a production capacity of 1.5 million tons of cement and three ready-mix concrete units.

In November 2018, Standard & Poor's renewed its outlook on the Group assigning TITAN a credit rating of "BB+" on a negative outlook.

The stock price of the Company closed at €19.38 a share on 31.12.2018, decreasing by 15.4% since 31.12.2017. During the same period, the Athens Stock Exchange (ASE) General Index posted a 23.6% decline.

The Board of Directors intends to propose to the Annual General Meeting of shareholders, scheduled for 7th June, 2019, a dividend distribution of €0.15 per issued share versus the previous year's dividend distribution of €0.05 per issued share. The exact amounts to be distributed per share will be adjusted upwards to include the amounts corresponding to company treasury shares.

Market Overviews

Once again in 2018, the USA was the main profit generator for the Group. The economic and population growth rates characterising the regions in which the Group is active, have resulted in an increase in demand for both residential and commercial real estate, against a backdrop of increased infrastructure needs as well, which is over and above the country's average growth rates as a whole. In 2018, the improvement in results recorded in Florida, counterbalanced the lower profitability of the mid-Atlantic region which was affected by protracted inclement weather and an increase in competition in the broader New York area.

In US$-terms, turnover in the USA increased by 3% crossing the US$1bn threshold (US$1,015m) and EBITDA was stable. In Euro-terms, turnover stood at €860.1m, posting a 1.5% decrease and EBITDA reached €177.9m, recording a 3.9% decline compared to 2017.

Building activity in Greece remained at very low levels in 2018. The timetable for the start of several major projects slipped into the following year. Demand exhibited some positive trends in regions with tourism development; on the whole, however, private building activity remained subdued. Operating margins came under pressure throughout 2018, due to increased energy costs which could not be carried over onto the market. Cement exports were close to 2017 levels, with the USA being the main destination.

Total turnover for region Greece and Western Europe in 2018 reached €237.1m, a 4.7% decline compared to 2017. EBITDA stood at €10.9m versus €18.3m in 2017, €7.4m below the previous year.

The markets of Southeastern Europe recorded an increase in building activity and an improvement in results in the context of the mild economic upturn experienced by the region in recent years. Here too, however, results were penalized by increased energy costs, which were nevertheless partially mitigated thanks to the investments in the use of alternative fuels undertaken by the Group over the last few years.

Turnover in Southeastern Europe in 2018 increased by 5.7% reaching €238.6m and EBITDA improved by 4.9% to reach €59.7m.

Operating results in the Eastern Mediterranean region, comprising of Egypt and Turkey, declined in 2018. Turnover reached €154.3m posting a 2.5% drop, while EBITDA stood at €11.4m, 13.8% lower compared to 2017.

In Egypt, cement consumption is estimated to have declined by about 6%. At the same time, a new 12 mt cement plant entered the market during Q2 2018, resulting in a considerable increase of supply over-capacity. The resulting decrease of capacity utilization of Titan Cement Egypt, combined with the inability to pass on the steep increase in electricity costs and the imposition of additional levies per ton of cement produced, practically wiped out profitability.

Group activity in Turkey, declined following the sharp contraction in construction activity in the second half of the year under the shadow of the Turkish economy's recession. In addition, the 38% slide in value of the Turkish Lira against the Euro in the course of the year and the increase in the cost of energy further impacted results.

The net result attributed to the Group from our subsidiary in Turkey for the period 1/1/2018 – 30/9/2018, was a loss of €2.9m against a €0.5m profit in 2017.

It should be noted that results from the Group's Turkish operations are accounted for with the equity method until 30/9/2018, while the final quarter of 2018 is fully consolidated.

Demand in Brazil exhibited gradually encouraging trends in the course of 2018. The market almost stabilised following four years of consecutive declines. Results at the Apodi JV improved both in terms of turnover and EBITDA.

The net result in Brazil attributed to the Group was a limited loss of €2.6m, against the €9.5m loss recorded in 2017.

Public Tender Offer

On 18th October 2018, TITAN Cement International S.A. (TCI), a Belgian company, announced the submission of a voluntary share exchange tender offer to acquire all of the ordinary and preference shares of the Company, in consideration for new shares issuable by TCI at an exchange ratio of one TCI share for each TITAN share. The purpose of the share exchange offer was to facilitate the listing and the admission of shares of TITAN Group for trading on Euronext Brussels through the primary listing of all the shares of TCI, who would become the direct parent company of the Company and the ultimate parent company of TITAN Group, on Euronext Brussels. TCI had also applied for the secondary listing and admission for trading of its shares on the Athens Exchange and Euronext Paris.

On 28th January 2019, the Group announced that during the acceptance period of the voluntary share exchange offer submitted by TCI, approximately 87% of the ordinary and 92% of the preference shares of TITAN were tendered. Thus the 90% threshold for both classes of shares was not met and the offer lapsed.

Outlook for 2019

In the US, construction trends remain favourable in the regions where the Group is active. The Portland Cement Association (PCA) forecast that cement consumption will increase by 2.3% in 2019 and by approximately 1.6% per annum over the period 2019-2023. TITAN Group is well positioned to take advantage of this growth, having a strong presence in expanding metropolitan areas and the operating leverage to meet growing demand.

In Greece, the restart of major projects is now anticipated for the second half of 2019, raising expectations of a medium-term pickup in construction activity. Works pertaining to tourism-related activities should maintain their positive evolution, thereby adding to the growth momentum generated. On the other hand, private residential activity will remain at low levels in 2019 as well.

In the countries of Southeastern Europe, continuing economic growth is expected to drive construction activity. The Group's plants are currently operating at levels below their nominal capacity and thanks to recent investments are increasing their competitiveness through the expansion of the use of alternative fuels, to the benefit of the Group's operations as well as of the local communities.

In Egypt, demand should remain at levels similar to those of the previous year. Operating results seem likely to continue to be challenged by limited pricing power in the short term, despite initiatives to contain input cost increases.

In Turkey, the deterioration in macroeconomic indicators, in tandem with the pressure on the banking system, is expected to lead to a significant reduction in demand for building materials in the short term. The longer-term prospects of the construction sector, however, remain attractive. Adocim is well prepared to face the anticipated downturn, owing to its modern asset base, competitive cost structure and low gearing.

Last, in Brazil, political stability increases expectations for the launch of a new growth cycle in the cement market. Cement demand in Northeastern Brazil, where the Group is present, is driven by demographic growth and private building activity and is already recording positive trends since the beginning of the year.

Investments and disposals

Group capex in 2018 stood at €119m, €4m less than in 2017. About half of that was directed to the US. The above amount also includes €12m paid as a one-off retroactive license fee for the Beni Suef cement plant in Egypt.

On 11 October 2018, the Group acquired an additional 25% of the joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. (Adocim Cement) with a consideration of €24 million. At the same time, the Group disposed its 50% participation in the newly established joint venture Adoçim Antalya Çimento Beton Sanayi ve Ticaret A.S. (Adocim Antalya), which comprised Adocim's grinding plant assets. The sale price of the Adocim Antalya was €4.6 mil.. Since the aforementioned date, the Group's ownership percentage in Adocim Cement is 75% and the company is consolidated in the Group's financial statements with the full consolidation method instead of the equity method.

Parent company financial results

Turnover at TITAN Cement S.A. in 2018 declined by 2 % reaching €229 m, while EBITDA reached €27.2 m versus €14.8 m in the previous year. Net Profit after Tax (NPAT) reached an €33.3 m versus €13.4 m in 2017 and includes €38.5 m dividend received from subsidiaries abroad.

The Company as per the decision of the Annual General Meeting of Shareholders held on June 1, distributed dividends of a total amount of €4,231,626 (€0.05 per share) and carried-out capital returns of a total amount of €42,316,264 (€0.50 per share). Concurrently, it increased the company's share capital through capitalization of reserves of a total amount €80,400,901 and increased the nominal value of each share from €2.50 to €3.45.

Treasury shares

The total number of treasury shares held by the Company on 31st December 2018 was 4,558,481 of which 4,361,171 were common shares and 197,310 were preferred shares. The shares represent 5.39% of the share capital of the Company.

Purchase of own shares

In implementation of the decisions dated 17th June 2016 and 1st June 2018 of the Annual General Meeting of Shareholders and resolutions dated 17th June 2016 and 1st June 2018 of the Board of Directors, the Company purchased in 2018 351,151 own common shares of nominal value €1,211,471 at a total purchase price of €7,092,737 and 86,837 own preference shares of nominal value €299,588 at a total purchase price of €1,522,456. The own shares purchased in 2018 represented 0.52% of the share capital of the company.

Sale of treasury stock in the framework of Stock Option Plans

In 2018, under the existing framework of approved Stock Option Plans, the Company carried out off – exchange sales of common treasury shares to TITAN Group executives who exercised their stock options. The corresponding common shares sold were 44,226 of nominal value €442,260, representing 0.05% of the share capital of the Company.

Post balance sheet events

On 28 January 2019, the Group announced that during the acceptance period of the voluntary share exchange offer submitted by TITAN Cement International S.A. to the shareholders of TITAN Cement Company S.A. (TITAN), approximately 87% of the ordinary and 92% of the preference shares of TITAN were tendered. Thus, the tender offer has lapsed as the prerequisite regarding the minimum number (90%) of ordinary TITAN shares which also had to be tendered has not been met.

Major transactions between company and related parties

Transactions between the Company and related entities, as these are defined according to IAS 24 were undertaken in line with ordinary market terms.

The amounts of sales and purchases undertaken in 2018, and the balances of payables and receivables as at 31 December 2018 for the Group and the Company, arising from transactions between related parties are presented in Note 31 of the financial statements.

The revenue presented relates to sales of goods to subsidiaries, while purchases relate to purchases of goods and services by the company from subsidiaries.

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

Company liabilities relate to three loans of total nominal amount of €292.4 mil concluded with the UK based subsidiary Titan Global Finance Plc.

The remuneration of senior executives and members of the Group's Board of Directors for 2018 was at €6.7 million versus €7.0 million during the same period last year.

Going concern disclosure

The Board of Directors having taken into account:

a. the Company's financial position;
b. the risks facing the Company that could impact on its business model and capital adequacy; and
c. the fact that no material uncertainties are identified to the Company's ability to continue as a going concern in the foreseeable future and in any event over a period of at least twelve months from the date of approval of the Financial Statements

state that they consider it appropriate for the Company to continue to adopt the going concern basis in preparing its Financial Statements and that no material uncertainties are identified to the Company's ability to continue to adopt the going concern basis in preparing its Financial Statements in the foreseeable future and in any event over a period of at least twelve months from the date of approval of the Financial Statements for the fiscal year 2018.

Viability statement

The Board of Directors have assessed the prospects of the Company having regard on its current position and the major risks facing the Company over a period of five years, which was considered as appropriate to draw conclusions. The Board of Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

Annual report of the board of directors and financial accounts for the fiscal year 2018

The Board of Directors considers that the Annual Report and the Financial Accounts for the fiscal year 2018, 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.

Non-financial performance review

The non - financial performance review covers all issues that the Group's key stakeholders have identified and prioritized as material. TITAN's materiality assessment is an on-going, inclusive process based on stakeholder dialogue and desktop research. The feedback received from key stakeholders of the Group in 2018 re-affirmed that the process followed provides reliable results and that the issues currently addressed in the annual integrated report meet stakeholders' expectations. Moreover, stakeholders responded positively to TITAN's efforts to align future sustainability targets with material issues and SDGs 2030.

In 2018, three TITAN operations (19% of cement production of the Group) invited local stakeholders to provide feedback as part of the independent assessment process. The three operations are:

- Roanoke Cement Company in Virginia, US,
- Sharrcem in Kosovo, and
- TITAN Cement Usje in North Macedonia

Table 2 presents the key material issues for the Group and their link to SDGs.

Table 2: Material issues and SDGs 2030

Material issues	Relevant SDGs 2030	TITAN EP & SP Indices
Financial liquidity and access to funding	SDG 8,SDG 17	Section 6, cash flow; cost of debt
Environmental management	SDG 6, SDG 7, SDG 15, SDG 17	EP01 – EP74
Climate change	SDG 7, SDG 13, SDG 17	EP07 – EP29, EP32 – EP59, EP62 – EP74
Circular economy	SDG 12, SDG 17	EP 30, 31, 61 and 64
Health and safety	SDG 3, SDG 8, SDG 17	SP01 – SP41
People management and development	SDG 4, SDG 5, SDG 17	SP42 – SP69
Sustainability of communities	SDG 4, SDG 9, SDG 11, SDG 17	SP57, SP70 – SP74
Governance, transparency and business ethics	SDG 4, SDG 8, SDG 17	Section 7, '*Value Creation Core Indicators index*', and SP69 (TITAN Group Code of Conduct)
Social and political risks and instability	SDG 8, SDG 17	Section 7, Corporate Governance

Performance 2018 vs. Targets 2020

In 2017, the Group set its 2020 sustainability targets, based on its ambition to be at par with its CSI peers in environmental performance and to have a distinctive approach to social engagement.

As reported in the following sections and summarized in table 3, good progress has been made towards meeting these targets.

Table 3: Performance 2018 vs. Targets 2020

	KPIs and Targets 2020	Performance 2018	Targets 2020	Progress against Targets 2020	Related SDGs & Targets 2030
Environmental management	Specific net direct CO_2 emissions	**684.6** kgCO_2/t $_{Cementitious}$	20.0% reduction comp. to 1990 level	●●○	SDG 12, SDG 13, SDG 17
	Specific dust emissions	**12.1** g/t$_{Clinker}$	92.0% reduction comp. to 2003 level	●●●	
	Specific NOx emissions	**1,301.8** g/t$_{Clinker}$	53.0% reduction comp. to 2003 level	●●●	
	Specific SOx emissions	**207.7** g/t$_{Clinker}$	43.0% reduction comp. to 2003 level	●●●	
	Specific water consumption	**256.2** lt/ t$_{cement}$	40.0% reduction comp. to 2003 level	●●●	SDG 6, SDG 11, SDG 15, SDG 17
	Biodiversity and land stewardship	Active wholly-owned sites with quarry rehabilitation plans **78%** Active wholly-owned sites of biodiversity value with Biodiversity Management plans **90%**	100%	●●○	
	ISO 50001 coverage	**39.5** % clinker production	50.0 %Clinker production	●●○	SDG 7, SDG 17
OH&S	Fatalities	**2**	0	●○○	SDG 3, SDG 17
	LTIs frequency rate (direct employees)	**1.54**	To be in the top quartile of WBSCD/CSI members'' performance	●○○	
Social engagement	All key operations with Community Engagement Plans related to material issues and Group policies	**3/14**	100% by the end of 2020	●○○	SDG 3, SDG 4, SDG 9, SDG 11, SDG17

Note: The base year performance of 1990 and 2003 are presented in detail in section 7 "Environmental Performance Index".

Progress Key

●○○ More to do
●●○ On track
●●● Met

Environmental management

In 2018, a third party, engaged by WBCSD/CSI, benchmarked and assured TITAN's environmental performance.

Compared to a previous assessment in 2014, the Group performance has improved, reaching the best performers' rating in a number of areas, including reporting and governance, dust emissions and other air emissions, among others.

In 2018, TITAN published the revised Group Environmental Policy replacing the one issued in 2008. The updated version signifies a more holistic approach towards environmental sustainability, in alignment with the company's pledge to the UN SDGs Agenda 2030, stakeholders' expectations and material issues. Climate change mitigation and adaptation is part of the revised policy.

The new Group Policy aims to strengthen further the culture of environmental responsibility across the organization and addresses more specifically issues related to the environmental management, integrating international, industry standards, and best practices, in respect to the following:

- Monitoring and Assessing the environmental & social impacts of the Group's activities
- Stewarding the land through quarry rehabilitation
- Protecting the local biodiversity and eco-systems
- Conserving and stewarding the water resources
- Accelerating efforts for resource recovery, waste reduction and responsible waste management
- Embedding innovation in the environmental strategy
- Promoting sustainability in the supply chain by incorporating sustainability criteria in the procurement process

The Group Climate Mitigation Strategy and Adaptation focuses on:

- Energy efficiency
- Co-processing of alternative fuels and raw materials
- Product innovation and new technologies
- Assessing risks and opportunities

Energy efficiency management systems

In 2018, TITAN Group expanded the use of energy efficiency management systems, increasing the number of cement plants certified with ISO 50001. Today, the clinker capacity covered with ISO 50001 represents 39.5 % of the Group's total clinker production, which is on track to reach or exceed the target set for 50.0% by 2020. The three cement plants in Greece and the Roanoke cement plant in the US were certified with ISO 50001 in 2018, while TITAN's cement plant in Pennsuco, Florida is expected to complete the certification procedure by the end of 2019.

Environmental performance and risk assessment

Assessing the environmental impact and associated risks resulting from the operation of TITAN Group's cement plants and associated quarries is an on – going, integrated process, focusing on the following objectives:

- To assess performance against a set of selected Key Performance Indicators (KPIs).
- To implement an integrated methodology with feedback received from the sites shared with senior management to ensure effective action planning in corporate level
- To benchmark site performance and enable comparison and ranking of production sites, as well as integration of best practices throughout the Group.

TITAN's environmental risk assessment covers two levels, the site level and the corporate level and the process allows for risk identification, as a first step, and then implementation of actions to address and reduce the risks to an acceptable level.

Since 2008, when TITAN Group launched the environmental risk assessment, 34 audits have been performed in total, with each one of our cement plants having been audited at least twice.

Climate change and CO_2 emissions

In 2018, TITAN Group net specific CO_2 emissions presented a slight improvement posting a 2.0% (see table 4) reduction compared to 2017. This was primarily the result of continuous efforts in energy efficiency improvement and alternative fuel utilization.

Energy efficiency improved, as presented in Section 7, Environmental Performance Index, by a moderate decrease of specific energy consumption, while the use of alternative fuels increased by 33.0% compared to last year, achieving a historical record of 12.1% heat basis (Section 7, Environmental Performance Index). However, further progress is needed in the next two years in order to meet the target to reduce CO_2 net specific emissions to 20.0% by 2020 at Group level.

TITAN's CO_2 Initiative, launched in 2018, establishes a unified approach and introduces a consistent methodology aiming to keep all BUs aligned regarding their mitigation activities. These activities focus on the following:

- Implementation of modern energy efficiency systems and further improvement of performance and efficiency in clinker and cement production

- Increase of alternative fuels utilization and usage of cementitious additives
- Feasibility evaluation of numerous activities on Group and regional level for reducing CO_2 emissions; including novel technologies such as low-CO_2 binders, calcined clays and cementitious materials with improved insulation properties
- Prioritization of CO_2 abatement measures at BU and Group level based on internal criteria, including internal 'carbon price', considering current and future trends
- Monitoring for opportunities to leverage novel technologies, which could offer a multitude of savings in CO_2 in the future

To implement effectively the CO_2 Initiative, TITAN invests in Research, Development & Innovation and participates at multi stakeholder collaborative efforts.

TITAN's accelerated efforts towards innovation led to the successful industrial production of low-carbon cement at the Patras plant. The new product exhibits equivalent performance to conventional products, but with direct CO_2 emissions reduced by 30%.

Participating in collaborative initiatives supports TITAN's efforts to continuously evaluate novel technologies for carbon capture and conversion, aiming to reduce CO_2 footprint. TITAN is a member of the European Cement Research Academy (ECRA) and participates at the carbon capture & storage project (https://ecra-online.org/research/ccs/), aiming to scale-up relevant technologies for reduced CO_2 emissions in cement production. TITAN also participates in European collaborative research projects within the Horizon 2020 program aiming to test and develop new approaches on carbon mitigation:

- "RECODE" (https://www.recodeh2020.eu/) that aims to demonstrate how CO_2 captured from cement plants can be converted into materials for direct use in cement production
- "CARMOF" (https://carmof.eu/) that focuses on utilizing nanotechnology and 3D printing methods to develop novel sorbents for industrial CO_2 capture
- "SOLCEMENT" that examines the use of solar power in the reduction of fossil fuel burning (http://www.solcement.certh.gr/root.en.aspx).

Table 4: Group level CO_2 emissions Net & Gross

Climate Change Group level (cement operations)		
CO_2 emissions (kg CO_2/t cementitious)	**2018**	**2017**
Specific net direct CO_2 emissions	684.6	698.9
Specific gross direct CO_2 emissions	707.6	715.5

Dust and other air emissions

The Group's environmental performance on main air emissions is presented in the table below:

Table 5: Group air emissions

Group level (cement operations)		
Air emissions ($g/t_{Clinker}$)	**2018**	**2017**
Specific dust emissions	12.09	19.86
Specific NOx emissions	1,301.84	1,340.05
Specific SOx emissions	207.69	198.98

Note: The Group's overall environmental performance is presented in detail in Section 7

Group performance in dust emissions was significantly improved (reduction by almost 40%), achieving a historical low of 12.09 g/t Clinker. TITAN Group has invested heavily over many years in new technologies to reduce its air emission footprint, installing new de-dusting equipment at the stacks of Group's kiln lines. At each one of these facilities, electrostatic (ESP) filters were replaced either by bag filters or by hybrid (combination of bag and ESP technology). The program was concluded in early 2016. Despite our continuous efforts in the field of dust mitigation, a case initially filed in 2015 before the El Dekheila Misdemeanor Court in Egypt resulted in 2018 in a court ruling, which imposed fines to our local company and was upheld by the court of appeal. Our company has appealed the ruling before the court of cassation where the case is still pending.

NOx and SOx emissions remained at levels similar to that of 2017, attaining the targets set for 2020.

Table 6: Avoided air emissions & water consumption

Avoided emissions/ consumption	**2003-2018**	**Equivalent years of 2003 emissions avoided**	**Estimation for 2003-2020**
Dust emissions	51,400 t	13.4	60,728 t
NOx emissions	217,300 t	7.0	260,456 t
SOx emissions	31,420 t	7.2	36,494 t
Water consumption	25.0 mill.m^3	4.0	31.8 mill.m^3

Note: The methodology for the calculation of avoided emissions is presented in detail in Section 7

Water

Water remains a material issue for both the business and key stakeholders. Substantial improvements in water management and consumption have been recorded over the last years, following investments in facilities and systems.

TITAN has also developed and uses an Integrated Water Management System (IWMS) to monitor and optimize the water use and to report water data in a consistent way, according to the WBCSD/CSI Water Protocol.

As a result, the specific water consumption at cement plants has significantly decreased and TITAN remains well on track to reach a 40% reduction in water consumption by 2020, compared to 2003 level.

Even though water withdrawal increased in 2018 by 10% compared to the previous year (see table 7), in order to serve the increased aggregates production in the USA facilities, the used water was properly discharged, resulting in no alteration on the total water consumption, which remained at similar levels with last year.

Table 7: Impact on natural resources – Water

Impact on natural resources - Water	2018	2017	2016
Group level (all operations)			
Total water withdrawal, million m3	39.1	35.4	30.5
Total water discharge, million m3	28.5	24.9	21.4
Total water consumption, million m3	10.6	10.5	9.1
Group level (cement Operations)			
Specific water consumption, lt/ t cement	256.2	273.1	255.1
Percentage of sites with a water recycling system	92%	92%	92%
Group level (aggregates Operations)			
Percentage of sites with a water process	32%	32%	28%
Percentage of sites with a water recycling system	83%	83%	80%

Biodiversity, quarry rehabilitation & land stewardship

In order to mitigate the impacts of raw materials' extraction on local biodiversity and ecosystems, TITAN has established a standard practice for quarries rehabilitation and biodiversity management at sites of high biodiversity value, aiming to protect and preserve the natural capital and life on land (SDG 15).

In 2018, the rehabilitation studies for all TITAN America quarries showed very good progress and are expected to be completed in 2019 with the appropriate Rehabilitation Plans, in line with TITAN and international principles and standards. Similar studies are planned for the few remaining quarries in the South East Europe and Eastern Mediterranean regions in 2019-20. The target is to have rehabilitation plans in place for all active wholly owned Group quarries by 2020.

During the last two years, there have been acquisitions and licensing of new quarries, which need a period of time for the gradual development and implementation of rehabilitation plans and management systems (ISO 14001 or similar).

The ongoing efforts of TITAN to mitigate the local impacts of the raw materials extraction process are reflected in the indicators presented in the table 8. (see more in Section 7, Environmental Performance Index).

Table 8: Local impact indicators

Local impact indicators	2018	2017	2016
Number of active quarry sites with high biodiversity value	10	10	8
Number of active quarry sites with biodiversity management plans	9	8	6
Percentage of active quarry sites with biodiversity management plans	90%	80%	75%
Active quarry sites with quarry rehabilitation plans	80%	81%	87%
Active quarry sites with ISO 14001 or similar	80%	81%	93%

Furthermore, TITAN has assessed the status and the value of biodiversity in all its quarries. Based on this assessment, ten quarries have been recognized as areas of high biodiversity value. In 2018, a new Biodiversity Study and Biodiversity Management Plan (BMP) was completed for the Leros quarry in Greece, thus increasing the number of quarries with BMPs to nine (representing 90% of quarries with high biodiversity value) from eight last year. The only remaining site is Agrinio quarry, which is planned to have developed the required BMP by 2020.

In 2018, TITAN continued to chair the WBCSD/CSI Project Group for the development of a Methodology for the Net Impact Assessment (NIA) of Biodiversity in the Cement Sector, which was issued in the end of the year. The purpose of the NIA is to help companies measure their impacts on biodiversity, both positive and negative, in a consistent manner using a standardized approach, in order to develop appropriate management actions that will lead to a demonstrable avoidance of a net loss or even the achievement of a net positive impact, where this is possible.

Social Performance

In 2018, TITAN continued its efforts to engage with local stakeholders and particularly employees, communities, business partners and business associations committed to sustainable development.

In 2018, six out of ten Business Units (countries) mainly from emerging markets published their Annual CSR & Sustainability Reports (or Integrated Reports) regarding their performance in 2017, in alignment with the TITAN Group standards. Moreover, a third party independently verified five of these reports following a common framework, based on the:

- Ten Principles of the UN Global Compact for Communication on Progress, and the
- Sectoral Guidelines and reporting framework of the WBCSD/Cement Sustainability Initiative, the principles of which have been adopted by the Global Cement and Concrete Association.

All local reports are hosted in local web sites and at: www.titan-cement.com.

Circular economy

TITAN is committed to promoting practices, which are aligned with the principles of circular economy, and has recognized its importance at the revised Group Environmental Policy published in 2018. Such practices include the use of alternative low-carbon or neutral fuels, and the use of alternative raw materials, essentially enabling the reduction of the use of natural, non-renewable resources. Co-processing of products of different waste streams in our operations (biomass, municipal and other, inert waste materials) is not only an environmentally responsible and efficient way of reducing our carbon footprint, but also enables solutions based on principles of the circular economy.

The use of alternative raw materials in the production of clinker and cement remained stable in 2018 (5.4% of total consumption), following a ‘plateaued’ performance during the last 4 years, mainly due to the unavailability of such alternative sources in the countries and markets where we operate. TITAN continued with implementing programs to collect ready-mix concrete wastes and use them as alternative raw materials for clinker, cement, concrete, and concrete block production; also as aggregates for pavements, and in other uses. The cumulative consumption of a variety of alternative raw materials, and alternative fuels like dried sewage sludge, refinery sludge, tires, RDF, and agricultural wastes, exceeded 22.4 million t in total between the base year 2003 and 2018, while the projection is to reach 25 million t until 2020. Leading examples of cement plants in the Group for the substitution of fossil fuels with alternative fuels are Kamari (Greece), Zlatna Panega (Bulgaria), and Alexandria (Egypt). The methodology for assessing the avoidance of environmental impacts, including the savings in landfilling of waste materials, is provided in Section 7 of this report.

In 2018, TITAN managed to decrease the disposal of produced waste materials on Group level by almost 20% compared to 2017. Almost 78% of the total waste produced by the operations as part of everyday activities was collected, stored and channeled, through authorized contractors for reuse, recycling or recovering.

Furthermore, ST Equipment & Technology (STET) in the USA, a wholly owned TITAN subsidiary, develops and supplies specialized processing equipment for the beneficiation of fine particle materials such as fly ash by-products from coal-burning thermal power plants, and also industrial minerals. STET develops and promotes the use of waterless, energy-efficient and low-emission technologies and has committed to the UN Global Compact to replace water intensive mineral processes at a rate of 1million t of material input per year by 2018, and aims at increasing that rate by 2020 to 3million t. In 2018, the total installed capacity for the global presence of STET reached 5.3million metric tons, and efforts to expand applications to more sectors continue. Of the above, the minerals processing installed capacity has reached 0.91million tons, and the remaining 4.4million tons is dedicated to fly ash separation applications. The total volume of all materials processed by STET-supplied Installations worldwide exceeded 1.2million tons in 2018; 10 operating separators under the Separation Technologies LLC of TITAN accounted for 0.4million tons in 2018, while an additional 0.8million tons were estimated to have been processed in other countries with STET’s installations. The contribution of STET’s technology and equipment in conserving water resources in the local environment, and consequently decreasing the local impact of the industrial operations, is both direct and indirect. According to an analysis made in 2018, the combined annual savings of water for all STET’s installations can reach and even exceed 2.17million m3, as avoided consumption.

Health and safety

We manage occupational health and safety (OH&S) as a top business priority. Group OH&S policy covers all activities where we have management control, with clear responsibilities and accountabilities at all levels of management. The CEO and the Executive

Committee oversee the application of the OH&S policy, assess progress and design strategy in quarterly meetings.

In 2018 the LTIFR of TITAN personnel was improved by 36% (2018: 1.54, 2017: 2.41), reversing the unfavorable trend of recent years.

Contractors' LTIFR increased (2018: 1.12, 2017: 0.82). Despite the efforts made, there have been two contractor fatalities, a driving accident and an accident in quarrying operations.

Other key performance indicators are presented hereunder:

Table 9: OH&S Performance

Health and safety Group level (all operations)	2018	2017
Employee and contractors Lost Time Injuries (LTIs)	26	34
Employee Lost Time Injuries Frequency Rate (LTIFR)	1.54	2.41
Contractors Lost Time Injuries Frequency Rate (LTIFR)	1.12	0.82
Near misses reported	2,169	1,185
Training man-hours on health and safety per employee	13.0	12.3

In 2018, all cement plants were audited by the TITAN Group or Regional OH&S directors.

The awareness raising effort was enhanced in 2018 through the "Essential Rules for Health & Safety in Cement Plants" campaign, which promotes a set of 11 life-saving rules on safe work at the plants and safe driving.

Safe driving in the workplace was the target of a new Group Guideline intended to assist the sites with identifying and mitigating driving related hazards.

The Group-wide Lock-out Tag-out (LOTO) campaign launched in 2016, reduced the number of LOTO-related LTIs from nine in 2015 to one in 2017 and two in 2018.

Similarly, the Slip-Trip-Fall campaign in ready-mix concrete plants led to a significant decrease of slip-trip-fall LTIs.

Safety training continued with programs on leadership and incident investigation.

Plant management teams of nine cement plants were trained in Safety Leadership, a four-day program focusing on practical aspects of leading the safety effort in the field. Three more plants are scheduled to follow in 2019.

To improve hazard identification, a Guide to Hazard Identification in the Workplace, which covers observation both of conditions and of human behavior was produced and the management teams of 14 cement plants were trained in Root Cause Analysis.

Training for the Prevention of Serious Accidents, a program analyzing serious accidents and near misses at TITAN plants, which commenced in 2016, is now completed.

Near Miss reporting was enriched by including Process Near Misses, i.e. near misses, which happened to the process rather than to people, and could, if left uninvestigated, pose in time direct threats to people.

Finally, the Group wide collection of health related data continued, helping to ensure a safe working environment.

People management and development

Equipping employees with the skills, competencies, and mindset that they need in order to be successful in an ever-changing environment is a priority for TITAN Group.

In 2018, this priority, combined with the demands of our era of rapid technological developments, translated into the implementation of "unITe people", a Group wide Human Resources Management System (GHRMS).

The aim of the GHRMS is to improve employee experience and simplify people management operations, to promote information sharing and global networking among employees, to provide learning resources that accelerate progress, to enhance employee development, and to ensure organizational alignment that contributes to the group's growth. In addition, with the GHRMS' implementation, TITAN will benefit from HR big data and will have the capacity to identify forward looking internal trends in HR.

The system is expected to be fully tested and operable in 2019 with the implementation of the recruitment and compensation and benefits modules.

Employment at TITAN Group as recorded at the end of the year is almost stable. The overall Group employee turnover rate (11.0% in 2018) has relatively improved compared to 2017 (13.9%).

Share of women in employment remained at the same level as in 2017 (11.8%). Share of women in management and senior management increased, reaching 16.5% and 19.0% from 15.6% and 16.6% in 2017.

Acknowledgment of diversity and inclusion (D&I) as a material issue for TITAN's future growth initiated the creation of the TITAN D&I taskforce in 2018, an internal committee with the mission to embed D&I in the company's culture and people practices. Moreover, in November, TITAN Group joined the European Round Table of Industrialists' (ERT)[9] pledge to D&I, ("Embrace Diversity") campaign (https://embracedifference.ert.eu/), strengthening communication with stakeholders on diversity and inclusion in the workplace.

In 2018, 48% or 2,607 employees of TITAN Group were included in annual performance and personal development reviews. Furthermore, more than 93% of employees participated in targeted training and development programs. The total training person-hours recorded by local operations slightly decreased compared to 2017, which influenced the average training hours per employee (2018: 25 vs. 2017:28).

The majority of training hours implemented in 2018 recorded by BUs were dedicated to Health & Safety while the company also invested in the development of non-technical skills, including digital skills, in management & managerial skills and in technical know-how and core competence.

TITAN's People Management Framework (http://www.titan.gr/UserFiles/File/our_people/161055_TITAN-People-Management-Framework-en.pdf) among else safeguards freedom of association, equal opportunities and fair treatment for all. A further decrease in the percentage (see Section 7, Social Performance Index, SP58) of unionized employees is due to the increasing number of new hires at TITAN operations at USA where historically the percentage of unionized employees is low. In addition, a gradual decline of employment in countries where participation in unions was more widespread as in SEE and Egypt contributed to a 12% decrease in unions' participation the last 5 years at Group level. A side effect of the decline of unionized employees is a relevant decline of 6% of the number of Group employees who are covered by Collective Bargaining Agreements, in 2018 (55%) compared to 2017 (61%).

TITAN joined as an active member the Corporate Digital Responsibility (CDR) working group of CSR Europe and started with a benchmark of its current practices, while it will participate in setting the standards for CDR in Europe.

Sustainability of communities

TITAN's ambition is to develop further its distinctive approach to social engagement by investing in personal engagement and volunteerism, local collaborations and know-how sharing.

Quality education was identified as a significant parameter for enhancing sustainability of communities and since 2015 the Group has strengthened its efforts to enable partnerships and collaborations with respective educational institutions in all countries.

TITAN Group implemented approximately 2,500 internships, apprenticeships and train-ships since 2015 when the EU Pact for Youth was launched and TITAN engaged at Group level.

The Group Quality Internship Guide, launched in 2017 both upgraded the existing programs and enriched them, as for example the Quality Education Sponsorship Program in US for Employees' Children.

Sustainability of communities is supported through a long-term engagement with key stakeholders in the implementation of action plans that enable collaboration and sharing of the added value created.

In 2018, TITAN continued to implement community engagement plans that address material issues in each location within its sphere of influence. New initiatives, like the "Healthy Eyes for Good Education" in Albania and the new contest for reducing visual impacts in North Macedonia have further expanded the collaborative actions driven by TITAN at local level. Moreover, in Egypt, the renovation of the public school in Wadi el Kamar was one of the actions completed in 2018. TITAN continued to be in support of those communities challenged by the floods and the fires in Greece and in the US throughout 2018.

Complementary to the above is the overall investment through donations in cash and in kind that in 2018 was 2,263,920 € (see table 10).

Table 10: Donations

Donations 2018 by country

Country	Donations, €
Albania	119,268
Bulgaria	73,828
Egypt	434,408
North Macedonia	130,257
Greece	502,123
Kosovo	295,285
Serbia	149,482
Turkey	119,531
USA	439,738
Group total	**2,263,920**

Governance, transparency and ethics

Integrity and good governance are fundamental to long-term business success and thus, TITAN is committed to meeting the highest standards of business conduct and corporate governance. A comprehensive Code of Conduct underpinned by

Group policies including Anti-Bribery, Conflict of Interest and Competition is part of the induction process for all new employees.

The pilot implementation of TITAN Policy Tech by TITAN America as a tool to enable broader and on time dissemination of Group policies through web based technologies offered a useful experience for the development of the relevant e-learning and testing modules in the Group Human Resources Management System.

All TITAN Group operations have different mechanisms in place for employees to report grievances.

A total of 42 cases were reported throughout the Group by local reporting mechanisms from which 32 from customers, 6 from local community citizens and 4 regarding human resources management; all of them where properly addressed.

Exposure to the risk of corruption is systematically monitored and relevant reports provided by independent organizations such as Transparency International are examined. Following the publication of 2018 TI Corruption Perception Index (see table 11), the risk of corruption remains high in most of the countries TITAN currently operates.

Table 11: CPI 2018 score per country

TITAN operations exposure per country according to 2018 Transparency International Index (sorted by CPI 2018 score)

Country	CPI 2018 score	CPI 2018 rank	CPI 2017 rank	Change in rank
USA	71	22	16	worse
Greece	45	67	59	worse
Bulgaria	42	77	71	worse
Serbia	39	87	77	worse
Turkey	41	78	81	better
Kosovo	37	93	85	worse
Albania	36	99	91	worse
Brazil	35	105	96	worse
North Macedonia	37	93	107	better
Egypt	35	105	117	better

Source: https://www.transparency.org/cpi2018

Human Rights

Respect of human rights is one of TITAN's core principles, as reflected in the Group Code of Conduct. TITAN's Human Rights Policy incorporates the principles provided in the Universal Declaration of Human Rights, the International Covenant of Civil and Political Rights and the International Covenant on Economic Rights. It aims to enhance awareness and ensure respect of human rights throughout the Group, building on and safeguarding its reputation as a responsible corporate citizen. For this reason, TITAN participates in collaborative efforts as in the case of the UN Global Compact, which help to increase awareness and promote best practice at local level.

A special training for trainers on Business and Human Rights was conducted end of January 2018, in collaboration with CSR Hellas and CSR Europe. Experts from HR, legal and CSR departments attended a full day workshop together with experts and practitioners from other companies. The program will continue in 2019 focusing on local managers, experts and practitioners from HR, legal and procurement departments.

It is encouraging that in 2018, ILO and other partners from the UN GC Network Egypt where TITAN is a founding and core member since 2012 took the initiative to focus more in sharing know how and experience as well as best practice related to labor rights which remain a material issue for local stakeholders. TITAN is committed to protect and advance human rights at the workplace. Within this framework, the freedom of association and the right to collective bargaining is highly respected and bilateral meetings of employee unions with the management are taking place on a regular basis. In 2018, for the first time, since Adocim became subsidiary (Oct. 2018), the Group started to record, consolidate and finally disclose data for unionized employees in Turkey (see more in Section 7, Social Performance Index, SP58).

Supply chain sustainability

Supply chains consist of continuously evolving markets and relationships. Managing the economic, social and environmental impacts of supply chains contributes significantly to value creation and distribution at local, regional and global levels. Consequently, supply chain sustainability is increasingly recognized as a key component of corporate responsibility.

Historically, TITAN Group's procurement set-up was highly localized, with the majority of the spend categories being handled directly by the local Business Units.

A diagnostic on TITAN's Procurement spend identified a significant value creation potential in annual procurement spend by capturing scale benefits and enhancing the category management and purchasing practices.

In this context, TITAN launched in 2016 a Group Procurement transformation program aiming to optimize the management of the procurement spend and improve the operating model at Group and local level. To this direction, TITAN Group worked to increase the procurement efficiency of important global commodities like solid fuels, plant consumables, electricity, tradeable raw materials and chemicals. In 2018, this effort continued with two more categories: spare parts and telecoms. All the above group-led categories account for approximately 35% of the total spend of TITAN on products and services. For other materials (e.g., raw materials, aggregates, consumables, pallets, spare parts/components, etc.) and services (e.g., quarrying, transport, maintenance, facility management), that represent 65% of the Group's total spend, TITAN seeks to maintain and further improve the collaboration with local suppliers and contractors.

TITAN promotes the inclusion of sustainability requirements for the evaluation of its suppliers aspiring to cover all areas of sustainability, including environment, health and safety, as well as human rights, labor rights and working conditions. The Group actively seeks out business partners who have also committed to apply the UNGC Ten Principles within their sphere of influence.

To meet this aim, the pilot program launched in 2017 at TITAN America to efficiently manage supply chain risks and establish a standardized approach to supplier prequalification, in cooperation with an independent third party, extended in both scope and coverage in 2018.

Forward looking

Looking ahead, TITAN Group works on the implementation of its 2020 sustainability targets and long - term commitments. The main priorities for 2019 are to maintain TITAN's status of high performance among its peers in managing local impacts, including dust emissions, NOx, SOx and water consumption and to continue the execution of the activities related to the TITAN CO_2 initiative, including the expansion of the energy efficiency certification program.

Updated community engagement plans are in place to enable further collaboration with stakeholders on issues prioritized as most material.

On the social pillar, safety at work and throughout the value chain will remain a top priority in 2019, with particular focus on the prevention of potentially serious injuries. TITAN's employees are expected to benefit from the full roll out of the "unITe people" platform and the launch of the Diversity and Inclusion action plan. The latter will also impact local communities, complementing the continuing work on education and skills development.

The Group sustainability strategy will continue to be strongly aligned with the UN SDGs 2030, through collaboration with key stakeholders at both local, industry and regional levels. In 2019, a revision of the Group

Materiality Assessment, with updated external and internal inputs, will ensure that TITAN's alignment and collaboration with its key stakeholders for a sustainable future will be reconfirmed and reinforced.

NOTES:

(1) Revenue minus costs of bought-in materials, goods and services (Gross Value Added, GVA).
(2) Revenue minus costs of bought-in materials, goods and services and minus depreciation on tangible assets (Net Value Added, NVA).
(3) Total amount of expenditures on research and development (R&D) by the reporting entity during the reporting period in absolute amount.
(4) Direct and indirect costs of training (including costs such as trainers' fees, training facilities, training equipment, related travel costs etc.) in absolute amount.
(1), (2), (3) and (4) calculated acc. to the UNCTAD Guidance, Oct 2018 (http://isar.unctad.org/wp content/uploads/2018/10/Guidance-on-Core-Indicator_ISAR-35.pdf)
(5) Capital expenditures, commonly known as CapEx, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology or equipment. Green investment (28.8M €) is included in CapEx.
(6) CSR Europe is the leading European business network for Corporate Social Responsibility and the European hub incubating multi-stakeholder initiatives that tackle the UN 2030 Agenda for Sustainable Development.
(7) WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world.
(8) A global organization that aims to enhance and promote the sector's contribution to sustainable construction, underlining Group focus on expanding collaboration throughout the value chain and ensure long-term sustainability of the product.
(9) ERT (European Roundtable of Industrialists) is a forum bringing together around 55 Chief Executives and Chairmen of major multinational companies of European parentage covering a wide range of industrial and technological sectors. ERT strives for a strong, open and competitive Europe, with the EU, including its Single Market, as a driver of inclusive growth and sustainable prosperity. Web link: https://embracedifference.ert.eu/

Risks and uncertainties

The Board is responsible for determining the nature and extent of the principal risks that the Company is willing to take in achieving the strategic objectives of the Group.

The Board discusses and assesses on a regular basis the main areas of risk to which the Group is exposed, identifies new risks, defines the risk appetite of the Group and monitors the effectiveness of the risk management and internal controls.

Risk management is built into the daily operations of TITAN. The Group management is expected to identify risks in the framework of their day -to -day tasks. The management's role also includes robust assessment of all risks that could have an impact on the current and future operation of their business unit. As a result, risks are identified from multiple sources, ensuring quick and effective response. In parallel, clear description of roles and responsibilities and the enhancement of accountability in all hierarchical grades throughout the organization, constitutes an additional risk management tool.

Accordingly, strategic and financial risks are managed mainly by the Executive Committee, the Group Finance and Treasury and the Capex Committee. By contrast, the management of operational risks is to a large extent embedded into the daily operation of the local business units. A third category of risks, including legal and compliance risks, as well as certain operational risks including risks regarding fluctuations in energy and fuel prices, availability and cost of raw materials, risks related to the environment, safety at work, labor issues, brand and reputation, are managed both at Group level by the Executive Committee and the competent Group functions (Group Legal, Group Procurement , Group Sustainability and Communication, Group HR) and also at local business unit level (Legal, Sustainability, HR etc).

The Executive Committee is also responsible for setting Group policies and ensuring that those are implemented throughout the Group. In parallel, the ethics and compliance programs implemented throughout TITAN's operations, ensure that the Group's principles and values are integrated in the day-to-day operations and the risk management culture is reinforced across the Group.

The effectiveness of the systems and policies implemented at Group and business unit level are systematically reviewed by the Executive Committee and the business units' management, including in terms of compliance with relevant standards of the Group. Whenever weaknesses are identified, corrective measures are taken.

Group Internal Audit reports on the effectiveness of the risk management and internal control frameworks to the Audit Committee on a regular basis.

The Board and the Audit Committee receive on a regular basis reports from the management on the key risks to the business and the steps taken to mitigate such risks and to consider whether the significant risks faced by the Group are being properly identified, evaluated and managed.

In 2018 the Board carried out a thorough assessment of all material risks faced by the Group and has identified the principal risks that could threaten the Company's business model, future performance, solvency or liquidity. The Board also monitored Titan's risk management and internal control systems and reviewed their effectiveness. Monitoring and review covered all material controls, including financial, operational and compliance controls.

The Board has delegated responsibility for the monitoring of the effectiveness the Group's risk management and internal control systems to the Audit Committee.

Principal Risks

Strategic risks

Industry cyclicality

The building materials industry is dependent on the level of activity in the construction sector, which tends to be cyclical and dependent on various factors, including, but not limited to, the level of infrastructure spending, the demand for private and commercial real estate, mortgage lending, local economic activity, inflation and interest rates. The Group's business, results of operations or financial condition could be adversely affected by a continued deterioration of the global economic outlook or cyclical weakness in the construction industry on a global scale or in a significant market in which it operates.

Market conditions

The Group operates both in mature markets, such as the United States and Western Europe, and in emerging markets, such as, Egypt, Turkey and Brazil. Certain of these markets contribute significantly to the Group's revenues and /or profitability. As a result, any future deterioration in the global economic environment, or in any particular market, which contributes significantly to the Group's revenues and profitability, could have a material adverse effect on the construction sector, and consequently, on the Group's business, results of operations and financial condition.

A large proportion of the Group's business, operations and assets is concentrated in the United States.

A large proportion of the Group's business, operations and assets is concentrated in the United States, in particular Virginia, Florida, North and South

Carolina, and New Jersey, and the Group's results of operations are heavily dependent on the Group's performance in the United States. In addition, the Group's financial performance in the U.S. markets in general, and in particular the New Jersey and New York markets, is heavily affected by fluctuations in the U.S. dollar-Euro exchange rate, with a weakening of the dollar against the Euro having a significant negative effect on the Group's results of operations in a consolidated level. Any decrease in cement consumption, building activity or decreased public spending on infrastructure in any of the U.S. markets in which the Group operates, or a combination of the above, or any decrease of the U.S. dollar against the Euro, could have a material adverse effect on the Group's operating performance, business and profitability.

Political and economic uncertainty

The Group operates and may seek new opportunities in emerging markets with differing and at times fast changing economic, social and political conditions. These conditions could include political unrest, civil disturbance, currency devaluation and other forms of instability, and may result in sudden changes to the operating and regulatory environment. Changes in these conditions may adversely affect the Group's business, results of operation, financial performance and/ or prospects.

The annual budgeting and strategic review process along with the regular monitoring of financial results and forecasts, help track political and economic events which may create uncertainties regarding the financial performance. Where political tensions are heightened, mitigation measures are in place to provide maximum protection of TITAN's people and assets.

Climate change and emissions trading

Changes in legislation, regulations and obligations relating to climate change and emissions trading could result in additional capital expenditure and reduced profitability resulting from increases in operating costs, or even to a closure of certain of the Group's production facilities. For example, the Group's operations in Greece and Bulgaria, are required to comply with an EU-wide cap and trade emissions scheme, namely the European Trading Scheme ("ETS"), under which industrial installations must control and report their CO_2 emissions on an annual basis. Because of the increased operational costs that the ETS imposes and may impose in the future to the Group, the Group may face increased competition from cement producers operating outside the EU, which do not have to incur ETS compliance costs. Furthermore, increased prices for cement because of increased CO_2 compliance costs could prompt customers to substitute other products for cement, which could further negatively affect demand for the Group's product.

The Group closely monitors relevant regulatory developments and takes proactive measures to mitigate potential negative consequences. At the same time TITAN continues its efforts to reduce its carbon footprint. Other mitigation measures include the use of alternative fuels, fuel efficiency, reduction of thermal energy consumption, development of new products and continuous innovation across the value chain.

Operational Risks

Production cost

Thermal and electric energy and fuel costs, freight rates or other transportation costs and the cost of raw materials constitute the most important elements of the Group's cost base. Increases or significant fluctuations in energy and fuel costs, freight rates or other transportation costs could adversely affect the Group's results of operations, business and financial condition, especially if it is unable to pass along higher input costs to its customers.

In order to reduce costs and also curtail its environmental footprint, the Group is investing in low energy-requirement equipment and in energy efficiency. Ensuring access to the required quality and quantity of raw materials is an additional priority, which is taken into account when planning a new investment. With regard to existing facilities, care is taken to secure the adequacy of supply of raw materials during their entire lifetime.

The Group is investing in the use of alternative raw materials in order to gradually limit its dependence on natural raw materials. To this end, the Group has set specific quantifiable targets for and monitors the substitution of natural raw materials by alternative raw materials.

Health and safety

Cement production and the operation of quarries have inherent safety risks which could be influenced by factors outside the Group's control. Ensuring health and safety and preventing accidents at work is a priority for TITAN. Excellence in the area of health and safety is embedded in all TITAN operations and activities. The Group has implemented detailed policies and procedures promoting Health and Safety including the coverage by an adequate number of safety engineers of all production units. Particular emphasis is placed on training and raising safety awareness and on strict application of safety systems and processes.

TITAN's Group Health and Safety Policy provides assessment of all incidents, proactive planning, setting of specific targets, safety training and monitoring of progress. Health monitoring of employees is performed regularly.

In parallel with all the other preventive measures, Titan's production and construction sites are regularly audited by the Group's safety specialists.

Risks related to the environment

The Group's operations are subject to extensive environmental and safety laws and regulations in the United States, the EU and elsewhere, as interpreted by the relevant authorized agencies and the courts. These may impose increasingly stringent obligations and restrictions regarding, among other things, land use, remediation, air emissions, waste and water and occupational and community health and safety. The costs of complying with these laws and regulations are likely to increase over time. With a view to continuous improvement of the environmental impact of its operations, TITAN applies in all its plants management systems to monitor and report their environmental impact. The Group's environmental management provides targets for reduction of air emissions, protection of biodiversity, water management and recycling and quarry rehabilitation.

Risks arising from various risks of business interruption, including as a result of natural disasters

The Group is subject to stringent and evolving laws, regulations, standards and best practices with respect to the environment, relating to, amongst other things, climate change, noise, air, water and soil emissions, as well as waste disposal. The costs of complying with these laws and regulations are likely to increase. With a view to continuous improvement of the environmental impact of its operations, TITAN applies in all its plants management systems to monitor and report their environmental impact. The Group's environmental management provides targets for reduction of air emissions, protection of biodiversity, water management and recycling and quarry rehabilitation.

Despite the Group's policy and efforts to comply with all applicable environmental laws, due to the nature of our business, the risk of potential legal proceedings concerning environmental matters cannot be safely excluded.

Financial risks

The Group operates internationally and therefore faces risks arising from various currency exposures and fluctuations of interest rates. The Group's ability to repay or refinance its indebtedness on time depends upon its cash flows from its operations, as well as the prevailing market conditions. The Group does not engage in speculative transactions or transactions which are not related to its commercial and business activities.

The financial risks are managed by Group Finance and Treasury departments.

Foreign currency risk

The Group operates in 14 countries, eight of which present their financial statements in currencies other than the Euro, the Group's reporting currency. Group's exposure in foreign currency derives from existing or expected cash flows and from acquisitions/investments denominated in currencies other than the euro. The Group's net foreign currency transaction risk mainly arises from the US dollar, the Egyptian Pound, the Turkish Lira, the Serbian Dinar, the Albanian Lek and the Brazilian Real.

The Group seeks to reduce its overall exposure by netting purchases and sales in each currency on a global basis where feasible, and then covers its net position in the market. These derivative instruments are generally limited to forward contracts and currency swaps and the Group does not enter into foreign currency exchange contracts other than for hedging purposes. With regard to transaction based foreign currency exposures, the Group's policy is to hedge material foreign currency exposures through derivative instruments.

(For further details regarding the Group's foreign exchange risk, see Note 33 of the 2018 Consolidated Financial Statements.)

Interest rate risk

Any rise in short term interest rates exposes the Group to increased borrowing costs. The Group's exposure to changes of interest rates and increased borrowing costs are managed through employing a mix of fixed and floating rate debt and interest rate derivatives, where appropriate. The ratio of fixed to floating rates of the Group's borrowings is decided on the basis of market conditions, Group strategy and financing requirements.

As at 31 December 2018, approximately 11% of the Group's indebtedness was subject to floating interest rates, compared to approximately 89% of its indebtedness being at fixed rates. (31 December 2017: 18%/82%).

(For further details please refer to Note 33 of the 2018 Consolidated Financial Statements)

Liquidity and leverage risk

In order to manage liquidity risk and to ensure the fulfilment of its financial obligations, the Group, maintains sufficient cash and other liquid assets, as well as extensive committed credit lines with several international banks, which complement its operating cash flows.

The Group's financial position allows it to have access to the international financial markets and raise needed funds.

In November 2018, Standard and Poor's, published their updated report for the TITAN Group with a credit rating of BB+ and a negative outlook.

(For further details please refer to Note 33 of the 2018 Consolidated Financial Statements)

Counterparty risk

The Group is exposed to credit risk in the event of default by a counterparty (mainly banks and other financial institutions). Counterparty limits are defined and regularly reviewed. As at 31 December 2018, the majority of Group liquidity was held with investment grade financial institutions. Similarly, the Group has entered into derivative transactions only with investment grade financial institutions.

The Group is also exposed, to a lower extent, to counterparty risk with respect to its customers. Customer receivables primarily derive form a large, widespread customer base. All customers are regularly monitored and if deemed necessary, additional collateral security is required. As at 31 December 2018, all outstanding doubtful receivables were covered by relevant provisions.

(For further details please refer to Note 33 of the 2018 Consolidated Financial Statements)

Corporate Governance Statement

TITAN Cement Company S.A. (the Company), by virtue of its Board of Directors' resolution dated 16 December 2010, has adopted the UK Corporate Governance Code (the Code). A copy of the Code (April 2016 version) can be found on the website of the UK Financial Reporting Council (https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-2014.pdf). A Greek translation of the Code can be found on the Company's website (http://www.titan-cement.com), at the following address: http://www.titan-cement.com/UserFiles/File/omilos/190118_Code-company-government.pdf.

The Company has complied throughout 2018 with the provisions of the Code except in the case listed below under the paragraph: "Deviations from the Corporate Governance Code". The Company, in addition to the provisions of the Code, has complied throughout 2018 with all relevant provisions of the Greek Law.

Deviations from the Corporate Governance Code

The existing performance-related remuneration scheme for executive directors does not include provisions that would enable the Company to recover sums paid or to withhold the payment of any such sums. (Provision D.1.1 of the Code).

The Company's view is that this is not necessary, as any performance related sums are paid following vigorous assessment of each executive director's individual performance and in no event may exceed the fixed upper limits set and disclosed in relation to their annual fixed remuneration.

Furthermore, although the existing share option schemes require executive directors to hold a minimum number of shares based on their hierarchical level in Titan Group after vesting and exercising the options, they do not include a requirement to hold shares for a period after leaving the Titan Group.

This is not deemed necessary given that a) four out of the six executive directors belong to the core shareholders of the Company, whilst the other executive directors have been employed and serve as senior officers in the Group for many years and b) the options are granted sparingly and the schemes provide a long (three year) maturity period and other strict requirements in relation to the vesting of the options.

Board of Directors

Resumes of Directors

EFSTRATIOS - GEORGIOS (TAKIS) ARAPOGLOU

CHAIRMAN

Non-executive Director since 17 June 2016

Independent, non-executive Director from 18.5.2010 until 17.6.2016 (2 terms)

Member of the Nomination and Corporate Governance Committee

Born in 1951 in Alexandria- Egypt, Takis Arapoglou has held a number of senior positions in international investment banks in London (1977-1991) and management positions in Greek banks and subsidiaries of international banks in Greece (1991-2000). He has served as Managing Director and Global Head of the Banks and Securities Industry of Citigroup in London (1999-2004) and Chairman and Managing Director of the National Bank of Greece (2004-2009). He was elected to the position of Chairman of the Hellenic Bank Association (2005-2009) and has served as Managing Director of commercial banking and executive member of the Board of Directors of the investment group EFG – Hermes Holding SAE (2010-2013).

He currently serves as Chairman and non-executive director of Tsakos Energy Navigation (TEN) LIMITED, a company listed on the New York Stock Exchange, as non-executive director of EFG Hermes Holding SAE, listed on the stock exchanges of Cairo and London, and as non-executive director of Credit Libanais SAL and of Bank Alfalah, listed on the Stock Exchange of Karachi, representing the International Finance Corporation (IFC) on the Bank's Board.

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

NELLOS CANELLOPOULOS

VICE CHAIRMAN

Executive Director since 24 June 1992

Born in 1964 in Athens–Greece, Nellos Canellopoulos held from 1996 to 2016 the position of External Relations Director of TITAN Group.

He had previously served in the Sales Division of TITAN Group (1990-1996) and in Ionia S.A. (1989 and 1990).

He is currently Chairman of the Paul and Alexandra Canellopoulos Foundation.

He is also Chairman of the Hellenic Cement Industry Association and Chairman of the Canellopoulos N.-Adamantiadis C. S.A.

DIMITRI PAPALEXOPOULOS

CHIEF EXECUTIVE OFFICER

Executive Director since 24June 1992

Chief Executive Officer since 1996

Born in 1962 in Athens, Greece, Dimitri Papalexopoulos started his career as a business consultant for McKinsey & Company Inc. in New York and Munich. He joined TITAN in 1989.

He is currently Vice-Chairman of the Hellenic Federation of Enterprises (SEV). He is also Vice-Chairman of the European Round Table for Industrialists (ERT) and a member of the board of the Foundation for Economic and Industrial Research (IOBE) as well as of the Hellenic Foundation for European and Foreign Policy (ELIAMEP).

He holds an MSc in Electrical Engineering from the Swiss Federal Institute of Technology (ETHZ-1985) and an MBA from Harvard Business School (1987).

MICHAEL COLAKIDES

TITAN Group CFO

Executive Director since 12 January 2016

TITAN Group CFO and Senior Strategic Advisor since 2014.

Born in 1954 in Nicosia-Cyprus, Michael Colakides started his career at Citibank Greece as Head of Corporate Finance and Local Corporate Banking (1979 – 1993). In 1993 he was appointed executive Vice Chairman at the National Bank of Greece and Vice Chairman at ETEBA Bank S.A.

From 1994 to 2000, he was CFO of TITAN Group and was also responsible for a number of acquisitions in Southeastern Europe and the US. He also served as an executive director of the Company (1998-2001).

From 2000 to 2007, he served as Vice Chairman and Managing Director of Piraeus Bank S.A. overseeing the domestic Wholesale and Retail Banking business as well as the group's International network and activities. From 2007 to 2013 he was Deputy Chief Executive Officer – Group Risk Executive of EFG Eurobank Ergasias S.A.

He is a member of the Board of Directors of EUROBANK CYPRUS Ltd.

He holds a BSc in Economics from the London School of Economics and an MBA from the London Business School.

DOROS CONSTANTINOU

Independent Non-Executive Director since 14 June 2013 (2nd term)

Senior Independent Director

Chairman of the Audit Committee

Born in 1950 in Larnaka – Cyprus, Doros Constantinou started his career in Price-Waterhouse (1975-1985). Thereafter, he joined the management team of Hellenic Bottling Company (3E), where he was appointed as Finance Director of the Industrial Division of the Group (1992-1995) and later as Deputy Chief Financial Officer of the Group (1995-1996) and Chief Financial Officer (1996-2000).

He served as Managing Director in Frigoglass S.A.I.C. from 2001 to 2003 and as Managing Director in Coca-Cola Hellenic Group from 2003 to 2011.

He studied economics in the University of Piraeus, from which he graduated in 1974, specializing in Business Administration.

HIRO ATHANASSIOU

Independent, Non-Executive Director since 17 June 2016 (1st term)

Chairman of the Remuneration Committee

Member of the Nomination and Corporate Governance Committee

Born in 1960 in Athens- Greece, Hiro Athanassiou had a long career in Unilever where, among other positions, she held the position of Executive Vice-Chairman and CEO for Greece and Cyprus (2010 – 2018). She was also Executive Vice President Unilever Food Solutions for Latin America, South and East Europe, Russia, Turkey and Israel.

She is independent non-executive director of the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.), Co- Chairman of the Global Alumni Board of the American College of Greece and Mentor for matters of female entrepreneurship.

She holds a BA (Hons) in Marketing & Management from Deree, The American College of Greece and an MSc in International Relations and Personnel Management from the London School of Economics and Political Sciences.

TAKIS-PANAGIOTIS CANELLOPOULOS

Executive Director since 10 May 2007

Born in 1968 in Athens- Greece, Takis Canellopoulos was Investor Relations Director of TITAN Group from 2001 until May 2016.

From 1995 until 2001, he worked in various positions in the Finance Department of TITAN Group. Previously he had worked as a financial analyst in AIG and in the Financing Division of EFG Eurobank.

He is a member of the board of directors of Canellopoulos N. – Adamantiadis C. S.A. and Grivalia Properties REIC.

He is also a member of the board of directors of the Union of Listed Companies (ENEISET).

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

ALEXANDER MACRIDIS

Independent, Non-Executive Director since 17 June 2016 (1st term)

Member of the Remuneration Committee

Born in 1962 in Athens- Greece, Alexander Macridis is the Chairman and CEO of Chryssafidis S.A., a construction materials distribution company founded in 1882 and operating in the Balkans and Africa.

He is an independent non-executive director of Aegean Airlines S.A. He is also a member of the board of directors of IOBE, the American College of Greece and Alba. He is currently the General Secretary of the Federation of Greek Industries (SEV) and serves on the Yale President's Council on International Activities.

He holds a BA in Economics and Political Science from Yale College, a JD from Yale Law School and an MBA from Harvard Business School.

DOMNA MIRASYESI-BERNITSA

Independent, Non-Executive Director since 14 June 2013 (2nd term)

Chairman of the Nomination and Corporate Governance Committee

Born in 1960 in Athens- Greece, Domna Mirasyesi-Bernitsa is a qualified lawyer, member of the Athens Bar Association. She is also a Partner at Bernitsas Law Firm.

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 has also served as a member of the board of directors of St. Catherine's British School (2009-2017).

She holds a bachelor's degree from the Law School of the University of Athens and has obtained a master's degree (LLM) in European Law from the London School of Economics.

IOANNA PAPADOPOULOU

Independent, Non-Executive Director since 17 June 2016 (1st term)

Member of the Audit Committee.

Born in 1952 in Athens- Greece, Ioanna Papadopoulou is the Chairman and CEO of the E.J. Papadopoulos S.A. Biscuit & Food Products Manufacturing Company, which was founded in 1922. She also holds the position of Chairperson and Managing Director of Greek Food Products S.A. and IKE Akinita S.A.

She studied Food Chemistry in England.

ALEXANDRA PAPALEXOPOULOU- BENOPOULOU

Executive Director since 23 May 1995

Group Strategic Planning Director since 1997

Born in 1966 in Athens- Greece, Alexandra Papalexopoulou- Benopoulou has been employed since 1992 at Titan Cement Company S.A. Previously, she worked for the OECD and the consultancy firm Booz, Allen & Hamilton in Paris.

She has served as a member of the board of directors of Frigoglass S.A.I.C. (2003 – 2015), National Bank of Greece (2010 – 2015) and Emporiki Bank (2007 – 2009).

She is currently an independent non- executive director of Coca-Cola HBC AG. She is also treasurer and member of the board of directors of the Paul and Alexandra Canellopoulos Foundation, member of the board of directors of ALBA and member of the board of trustees of the American College of Greece.

She holds a Bachelor of Arts (BA) degree in Economics from Swarthmore College, USA, and a Masters in Business Administration (MBA) from INSEAD, Fontainebleau, France.

PETROS SABATACAKIS

Independent, Non-Executive Director since 18 May 2010 (3rd term)

Member of the Remuneration Committee.

Born in 1946 in Athens- Greece, Petros Sabatacakis held from 1999 to 2004 the position of Chief Risk Manager in Citigroup Inc. He was also a 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 J.P. Morgan Chase).

He has served as Chairman of Plan International and Childreach International (Non-profit Organization), as trustee of the Athens College in Greece, and as member of the Board of Directors of the Gennadius Library.

He has earned three degrees from Columbia University: a Bachelor's degree (BSc), a Master's degree in Business Administration (MBA) and a PhD in Economics.

PLUTARCHOS SAKELLARIS

Independent, Non-Executive Director since 14 June 2013 (2nd term)

Member of the Audit Committee.

Born in 1964 in Thessaloniki - Greece, Plutarchos Sakellaris is 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 and 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 been 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 serves as non- executive director on the Board of Hellas Capital Leasing S.A and CEPAL HELLAS S.A.

He graduated from Brandels University, in USA (BA) in Economics and Computer Science and holds a PhD in Economics from Yale University.

EFTHYMIOS VIDALIS

Non -Executive Director since 14 September 2018

Executive Director from 15 June 2011 until 13 September 2018

Group's advisor on Strategy and Sustainable Development

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

Born in 1954 in Washington D.C. – USA, Efthymios Vidalis worked in the Middle East, Europe and the US for Owens Corning from 1981 until 1998. His last two leadership positions were President of the Global Composites Business and then President of the Insulation Business.

He was the Chief Executive Officer (2001-2011) and Chief Operating Officer (COO) (1998-2001) of S&B INDUSTRIAL MINERALS S.A and a member of the company's Board of Directors for 15 years.

He is a member of the Board of Directors of ALPHA BANK, Future Pipe Industries in Dubai and Fairfield-Maxwell Ltd. In New York.

He has served as Vice Chairman of the Hellenic Federation of Enterprises (SEV) from 2010 until 2014 and as General Secretary of SEV from 2014 until June 2016. He was founder of SEV's Business Council for Sustainable Development and served as Chairman from 2008 until June 2016. From 2005 until 2009 he served as Chairman of the Greek Mining Enterprises Association (SME).

He studied Government (BA) and Business Administration (MBA) at Harvard University.

BILL ZARKALIS

Executive Director since 14 June 2013

Director USA Region

Born in 1961 in Athens- Greece, Bill Zarkalis has served as Chief Financial Officer (CFO) of the TITAN Group from 2010 until May 2014 and as Executive Director for Business Development and Strategic Planning from 2008 until 2010.

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 Vice President of Dow Automotive, Business Director for Specialty Plastics & Elastomers, Business Director for Synthetic Latex, etc.

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

Composition and Operation of the Board of Directors

The role and competences of the Board

The Board of Directors is the Company's supreme administrative body. The Board of Directors' main role and duty is to determine the Group's long term objectives, strategy and risk appetite; provide entrepreneurial leadership; set the Company's values and standards; ensure the establishment and operation of effective internal control and risk management systems; monitor and resolve any conflicts of interest of members of the Board of Directors and senior officers vis-à-vis the interests of the Company; review management performance; determine the remuneration of Directors and senior executives; and ensure satisfactory dialogue with shareholders.

The Board of Directors is exclusively responsible for taking decisions on important matters such as: the approval of the Company's annual, 6month and interim financial statements before they are published; the approval of the annual budget; the approval of increases of the Company's share capital in the specific cases permitted by the law and after the granting of relevant authorization by the General Meeting; the approval of issuing corporate bonds; convening the General Meeting of Shareholders; making recommendations on items of the agenda at the General Meeting; preparing the Annual Report and the other reports required by the applicable legislation and the Code; appointing the Company's legal representatives and special representatives and agents; appointing the Company's internal auditors.

Based on the Company's Articles of Association and excluding the above mentioned cases where the Board is required to act collectively as a body, the Board may delegate part of its administration and representation powers to the Executive Committee, the scope of tasks and responsibilities of whom are stated herein below, or to one or more board members, managers or employees of the Company or to third parties.

The Company maintains appropriate insurance cover in respect of legal action against its directors.

Composition of the Board of Directors

Regarding the composition of the Board, the following rules are taken into account:

A. The maximum number of directors on the Board is fifteen (15);
B. The roles of Chairman and CEO should not be exercised by the same person;
C. Excluding the Chairman, at least one-half of all directors should be independent;
D. Independent directors should not serve for more than nine years on the Board;
E. Should the Chairman not meet on appointment the independence criteria of the UK Corporate Governance Code, there should be an independent Vice-Chairman;
F. Independent directors should undertake that they will have sufficient time to fulfill their duties.

The current Board consists of 15 directors, all of whom were elected by the Annual General Meeting of Shareholders on 17 June 2016, for a three-year term expiring at the Annual General Meeting of 2019.

In conformity with the above rules, the roles of Chairman and CEO of TITAN are not exercised by the same person and a clear division of the responsibilities of the two roles is expressly set out in the Company's Internal Regulation and has been set out in writing and agreed by the board.

At Titan no individual has unfettered powers of decision.

The majority of directors, namely 9 out of 15, including the Chairman, are non-executive directors and seven of them are independent directors.

The Chairman, Mr. Arapoglou met on appointment all the independence criteria set out in the UK Corporate Governance Code as well as the additional independence requirement set by the Company, according to which, independent directors may not hold shares representing more than 0.1% of the share capital of the Company. Despite the above, given that pursuant to the Greek corporate governance Law 3016/2002, the Chairman of the board has a "dependency relationship" with the company, Mr. Arapoglou is not considered independent. The nine non-executive members of the Board of Directors are: Mr. Efstratios – Georgios Arapoglou, Mrs. Hiro Athanassiou, Mr. Doros Constantinou, Mr. Alexander Macridis, Mrs. Domna Mirasyesi-Bernitsa, Mrs. Ioanna Papadopoulou, Mr. Plutarchos Sakellaris, Mr. Petros Sabatacakis and Mr. Efthymios Vidalis (as decided by the Board of Directors on 12.9.2018 and duly published in the Company's website).

6 out of the 15 Board members, namely Mr. Nellos Canellopoulos, Mr. Dimitri Papalexopoulos, Mr. Michael Colakides, Mrs. Alexandra Papalexopoulou-Benopoulou, Mr. Takis- Panagiotis Canellopoulos and Mr. Bill Zarkalis are executive directors.

Independent directors

The General Meeting of 17 June 2016, following relevant recommendation of the Nomination and Corporate Governance Committee and, thereafter, of the Board, elected seven (7) directors, namely Mrs. Hiro Athanassiou, Mr. Doros Constantinou, Mrs. Domna Mirasyesi- Bernitsa, Mr. Alexander Macridis, Mrs. Ioanna Papadopoulou, Mr. Plutarchos Sakellaris and Mr. Petros Sabatacakis as independent directors.

The independent non-executive directors meet all the independence requirements stipulated in Greek corporate governance Law 3016/2002 and in the UK Corporate Governance Code. They also meet the additional independence requirement which has been set by the Company, according to which, independent directors must not hold more than 0.1% of the share capital of the Company.

In total, the independence criteria followed by the Company are stated below. They can be also found on the Company's website http://www.titan-cement.com at the following address: http://www.titan-cement.com/en/titan-group/corporate-governance/board-of-directors

On the basis of the above, the independent non-executive directors of the Company:

1. Should be independent in character and judgment and free from circumstances, which are likely to affect their independence.

2. Should not hold directly or indirectly more than 0.1% stake in the Company's share capital and have no dependence relationship with the Company or its affiliates.

3. Should have not served as Chairman or Chief Executive Officer (CEO) or executive director or officer or employee in the Company or the Group within the last five years.

4. Should not have, or should not have had within the last three years any material business or employment relationship, directly or indirectly, with the Company.

5. Should not receive, or should have not received any additional remuneration from the Company apart from a director's fee for participating in the Board.

6. Should not participate in the Company's share option or performance related pay scheme, nor should they be members of the Company's pension scheme.

7. Should not have close family ties with any of the Company's advisors, directors or senior employees.

8. Should not hold cross- directorships and also should not have significant ties with other directors through involvement in other companies or bodies.

9. Should not represent a significant shareholder.

10. Should not have served on the Board for more than nine years from the date of their first election.

Independent non-executive directors meet, once a year under the Senior Independent Director, without the presence of the Chairman and the executive directors, in order to evaluate the performance of the Chairman. They also hold meetings at least once annually under the Chairman, without the presence of the executive directors.

The role of non-executive directors

As already mentioned, the majority of the Board of Directors, namely nine (9) members out of fifteen (15), are non-executive directors.

Their role is to constructively challenge the Company's management and help develop proposals on strategy, scrutinize the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance.

Non- executive directors should satisfy themselves on the integrity of the financial information provided by the Company and also that the existing financial controls and systems of risk management are robust and defensible. They are also responsible for determining the levels of remuneration of the executive directors and have a prime role in appointing and where necessary removing of executive directors and in succession planning.

Executive Directors

The six (6) executive directors on the Board have the executive responsibility for running Titan Group's business. Four of them, including the CEO, come from the shareholding core and two from the senior management of the Company and provide their services pursuant to employment agreements with the Company.

In this context, Mr. Dimitri Papalexopoulos is the Group CEO, Mr. Michael Colakides is the Group CFO, Mr. Bill Zarkalis, is the USA Region Director and Mrs. Alexandra Papalexopoulou- Benopoulou is the Group Strategic Planning Director. Mr. Nellos Canellopoulos, currently serving as Vice-President on the Board, has served Titan from various positions, including the position of the External Relations Director and, likewise, Mr. Takis- Panagiotis Canellopoulos has been Titan's Investor Relations Director for many years.

Chairman

Mr. Efstratios-Georgios Arapoglou, non- executive director, was elected by the Board on 17.6.2016 as its Chairman. Mr. Arapoglou who had already served on the Board during 2013-2016 as Vice-Chairman and Senior Independent Director, has a long and distinguished career in commercial and investment banking in the US, UK, Egypt, Turkey and Greece.

As already mentioned, the Chairman met on appointment all the independence criteria set out in provision B.1.1. of the Code as well as the additional independence requirement set by the Company and all independence requirements provided by Greek Law 3016/2002. However, as provided by the Greek law 3016/2002, the Chairman of the Board has a "dependency relationship" with the Company and, therefore, he cannot be considered as independent.

The Chairman is responsible for Board leadership and for ensuring the Board's effectiveness on all aspects of its role. He is responsible for promoting a culture of openness and debate by facilitating the effective contribution of non- executive directors in particular and ensuring constructive relations between executive and non- executive directors. He is also responsible for ensuring that non-executive directors are kept fully updated so that they can effectively perform their monitoring and decision-making role.

The Chairman is also responsible for facilitating effective communication with shareholders.

The Chairman presides the Board meetings and is responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. He is also responsible for ensuring that the directors receive accurate, timely and clear information.

Senior independent director

The Board appointed on 17.6.2016 Mr. Doros Constantinou, as Senior Independent Director. In this capacity, Mr. Constantinou has a duty, when required, to assist the Chairman with his tasks and serve as an intermediary for the other directors when necessary.

The Senior Independent Director is available to shareholders, if they have concerns, which contact with the Chairman, the Managing Director or other executive directors has failed to resolve, or for which such contact is inappropriate.

Company Secretary

The Company Secretary is appointed by the Board.

The Company Secretary's responsibilities include ensuring good information flows within the Board and its committees and between senior management and non- executive directors, and advising the Board on all governance matters.

The Company Secretary is responsible to the board for ensuring legal and governance compliance of board procedures. All directors have access to her advice and services. The Company Secretary, when acting in her capacity, reports directly to the Board.

Mrs. Eleni Papapanou, Head Counsel, is serving since 2006 as Company Secretary.

Board meetings

Directors meet as often as required to enable them to effectively discharge their duties and responsibilities.

In order to ensure maximum attendance, the Board sets by the end of November the dates of the Board meetings for the following year.

Board decisions are taken with absolute majority provided that more than one half of the directors are present or duly represented at the meeting and at least three of them are physically present.

A director who is unable to attend a meeting is entitled to appoint another director as his proxy to vote in respect of her/him.

Each director can be appointed and vote as proxy of only one other director.

Independent directors may only be represented by other independent directors or by the Chairman.

Senior Group or Company officers are allowed to attend Board meetings, following invitation by the Chairman, when issues within their remit are being discussed.

The Board's agenda is set by the Chairman and is sent to the directors in good time ahead of the meeting, along with all required information and supporting documents.

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.

Nomination of board candidates

The Nomination and Corporate Governance Committee is responsible for leading the process for the search of Board candidates, on merit, against objective criteria and with due regard for the benefits of diversity on the Board and for making relevant recommendations to the Board.

The Committee evaluates the balance of skills, experience, independence and knowledge on the board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular candidate nomination. It also considers the need for progressive refreshing of the Board.

The Committee is responsible for ensuring that the selected Board candidates will have sufficient time to fulfill their duties. To this end, the nomination letters set out the expected time commitment of each nominated candidate.

In discharging its duties, the Committee is entitled, where it deems it necessary, to use the services of external search consultants or open advertising.

Board diversity

TITAN recognizes the importance of diversity at the Board and all levels of the Group, in particular in relation to gender but also in relation to other aspects such as educational and professional background, age, place of domicile, residence, nationality, etc. The Company through its Human Rights Policy promotes diversity across the operations of TITAN Group and supports the recruitment and development of talented employees, regardless of their gender or ethnic background. Likewise, the Board promotes diversity in its composition as well as in the composition of the Board committees through the nomination of more women as well as of directors of different age and of different educational and professional background. As a result, as of 2016 the number of women on the Board was doubled from 2 to 4. Moreover, one out of the three members of the Audit and the Remuneration Committee and two out of the three members of the Nomination and Corporate Governance Committee are female. Diversity on Board level has also been promoted through a balanced mixture of academic and professional skills. More specifically, the Board includes directors coming from the banking sector, the corporate/business sector, legal and audit services as well as from the academic community. As far as residence is concerned, two board members reside in USA and two in Cyprus.

During its annual evaluation the Board has considered diversity as part of its performance and effectiveness review.

Obligations of directors

On joining the Board, all directors receive formal induction. Moreover, throughout their term in office, the Chairman ensures that they constantly expand their skills in areas of importance to the Company and their knowledge of the Company.

The directors are obliged to attend the scheduled Board and Committee meetings and to allocate the time required to effectively discharge their duties. To this end, before their election, they have a duty to inform the Board of Directors about their other important professional commitments and directorships with a broad indication of the time involved. Subsequently, they are obliged to inform the Board of any relevant changes.

The executive directors are not allowed to serve on the Board of more than two other listed companies.

The independent non-executive directors are obliged to disclose to the Board any factual information that could result in a change of their status as independent directors.

All directors are obliged to refrain from any transaction on their own account or for the account of a third party relating to shares or debt securities of the Company during a closed period of 30 calendar days before the announcement of the interim and year -end financial reports of the Company.

Conflict of interests

All directors are obliged not to pursue personal interests that conflict with the interests of the Company.

In particular, they are obliged to timely and adequately disclose to the other members of the Board personal interests than may arise from transactions with the Company, as well as any conflict of their interests with the interests of the Company or its affiliates, than may arise in the exercise of their duties. They are also obliged to disclose any conflict of interest of the Company with interests of their related parties.

Given their access to privileged and inside information, the directors are obliged to hold such information in strict confidence and refrain from using it for their own account or for the account of third parties. Likewise they are not allowed to use that information by acquiring or disposing of, directly or indirectly, shares or debt securities of the Company and/ or any other company of the Titan Group. They must also not disclose that information to other persons or induce third parties to purchase or sell shares in the Company or its affiliates, which are traded on a regulated market, based on the aforesaid privileged information to which they have access.

Furthermore, directors, during their term of office, must not serve as directors or as officers or employees of business entities that are competitors to the Company or any Group company, and generally they must abstain from any actions, either when acting on their behalf or on behalf of third parties, that fall under any the Company's or Group's objectives, without the approval of the General Meeting of Shareholders. In any of the above events, they are obliged to inform immediately the Board and resign.

Board evaluation

The board undertakes annually a formal and rigorous evaluation of its own performance and that of its committees and individual directors.

The evaluation of the effectiveness of the Board in 2018 was externally facilitated by Nestor Advisors Ltd, IbexHouse, 42-47 Minories, London EC3N 1DY, United Kingdom. Other than the Board evaluation, Nestor Advisors Ltd have no other connection with Titan.

The objective of this evaluation was to assess the Board's strengths and areas of improvement, whilst providing recommendations for improving Board effectiveness. The assessment covered the following areas: Key responsibilities of the Board, Board composition and dynamics, Role of the Chairman, Board process, functioning and support and Effectiveness of Board committees.

The evaluation of the Board was carried out using document review (review of constitutional documents and Board documentation, Board packs and presentations, guidelines and procedures pertaining to Board's work), completion of an online questionnaire containing questions tailored to the position of each director, as director, chair of the Board, committee chair and committee member and individual interviews.

The non-executive directors, led by the senior independent director, performed the evaluation of the Chairman, taking into account the views of executive directors.

Board Committees

The Board Committees 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, one member of which is the Chairman (non-executive director).

The Board Committees are entitled to retain the services of specialists and of technical, financial, legal or other consultants.

Audit Committee

Chairman: Doros Constantinou, independent, non-executive director

Members:

- Plutarchos Sakellaris, independent, non-executive director
- Ioanna Papadopoulou, independent, non-executive director

Alternate members:

- Alexander Macridis, independent, non-executive director
- Petros Sabatacakis, independent, non-executive director

The Audit Committee consists exclusively of independent directors two of whom have extensive, recent and relevant financial experience. Further, the Audit Committee, as a whole, has competence relevant to the industrial sector.

All Audit Committee members (regular and alternate) were elected by the General Meeting of Shareholders on 17 June 2016.

The main role and responsibilities of the Audit Committee include:

-monitoring the integrity of the financial statements of the Company and of any formal announcement relating to the Company's financial performance;

-monitoring the Company's internal financial controls;

-monitoring the Company's internal control and risk management systems;

-monitoring and reviewing of the effectiveness of the Company's internal audit function;

-monitoring and reviewing the effectiveness of the statutory audit process and the external auditor's independence and objectivity;

-making recommendations to the Board, for it to submit to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment or removal of the external auditor and to approve the remuneration and terms of appointment of the external auditor;

-developing and implementing a policy on the engagement of the external auditor to supply non-audit services and reporting to the Board;

-reporting to the Board on how the Committee has discharged its duties;

-monitoring and reviewing the existing confidential reporting procedure through which the employees raise concerns about possible improprieties and infringements of the Company's Code of Conduct and ensuring that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow- up action.

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

The Audit Committee holds at least four scheduled meetings every year. It also holds unscheduled meetings whenever this is considered necessary.

Description of the work of the Audit Committee in 2018

During 2018, in discharging its duties, the Audit Committee held five meetings on March 26, April 30, May 21, July 24, and November 6 2018.

The Committee approved the 2017 Annual Report, the half year 2018 Report and the interim condensed 1rst trimester 2018 and 3rd trimester 2018 financial announcements and recommended to the Board their approval.

The Audit Committee, during the Board meeting dated July 25, 2018, which mainly focused on the assessment of the primary Group risks and the monitoring of the effectiveness of the internal controls and risk management, emphasized the importance of the formalization of the Group risk management framework as well as of the effective coordination of the competent Group functions responsible for the assessment, monitoring and management of the various Company and Group risks.

In 2018, the Audit Committee monitored the effectiveness of the Company's internal audit function and internal controls. The Committee has timely received and approved the Internal Audit Plan for the year 2018. During the year, the Committee received all internal Audit Reports outlining the principal findings and management's responses thereto. The Committee had regular meetings with the Director of Internal Audit to discuss functional and organizational issues. Three-month progress reports with reference to the most important audit findings as well as the annual internal audit schedule were submitted to the Committee during the course of the year.

During the course of the year, the Audit Committee has regularly reported to the Board on how it has discharged its duties.

External Auditors

In 2018, the Audit Committee held two separate meetings on March 26 and on July 24 with the external auditors without any executive directors or other Company employees present. The Audit

Committee, on behalf of the Board, has assessed the effectiveness of the external audit process. The Committee has considered the experience and knowledge of the PwC audit team and concluded that the audit process applied by the external auditors was effective. The Committee also monitored the objectivity and independence of the external auditors.

Given that PwC have been the Group's external auditors only since 2015 and the level of their audit services is widely acclaimed and appreciated, the Audit Committee recommended the re-appointment of PwC as external auditors for the financial year 2018 (4th consecutive year).

After unanimous acceptance by the Board of the Audit Committee's recommendation, the reappointment of PwC as external auditors for the financial year 2018 was also unanimously approved by the Annual General Meeting held on June 1, 2018.

The Annual General Meeting unanimously approved the remuneration of PwC during financial year 2018 for the statutory audit of the Company's financial statements and the consolidated financial statements, to amount up to € 242,000 plus VAT.

During 2018, following relevant approval by the Audit Committee and by the respective Annual General Meetings of the Group subsidiaries, PwC was appointed as external auditor of 27 Group subsidiaries worldwide. PwC also undertook the tax compliance audit of the Company and its subsidiaries in Greece. The total fees of PwC for the above services, under the exchange rates prevailing at the time of their appointment, were estimated to amount to €1,274,062. (€1,247,000 in 2017).

Provision of audit related and non- audit services by the external auditors:

In 2018, following prior approval by the Audit Committee, PwC provided to the Group the following additional services:

Audit related services:

Assurance letter prior to the issuance of the €100 million notes in January 2018 by Titan Global Finance Plc. The fees paid to PwC for providing this service was €55,000.

Non- audit services:

1) Granting permission to Group companies Titan America LLC and USJE CEMENTRNICA A.D. to use an accounting application. The fees paid to PwC for providing this service was €2,044.
2) Granting consulting services regarding the implementation of the information system Business Intelligence (BI). The fees paid to PwC for providing this service was €35,000.
3) Provision of educational seminars on accounting and tax matters. The fees paid to PwC for providing this service was €6,970.
4) Provision of consulting services to the Group Subsidiary Iapetos Limited. The fees paid to PwC for providing this service was €106.800.

In view of the above, the total fees paid in 2018 to PwC for services, other than the statutory audit of the Company and the Group subsidiaries, amounted to €205,814 (€233,352.52 in 2017), representing in total 16.15 % of PwC's total fees for the statutory audit of the Company and the Group subsidiaries. Therefore, these additional fees were within the 40% limit which has been set by the Audit Committee for the provision of additional services by the external auditor and, in the Audit Committee's view, did not compromise the independence or integrity of the external auditor.

The independence of the external auditors has been also confirmed by the external auditors themselves in their letter addressed to the Audit Committee.

The key areas of focus of the Audit Committee in 2019 will continue to be on monitoring progress in respect of the coordination and formalization of the Group's risk management framework and the effective management of the principal risks.

Remuneration Committee

Chairman: Hiro Athanassiou, independent, non-executive Board member

Members: Alexander Macridis, 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 members of the Committee were appointed by the Board on 17 June 2016.

The main tasks of the Remuneration Committee is to recommend the levels of the annual remuneration of executive directors and of senior Group officers on the basis of their performance and importance of position and to review on a regular basis the remuneration policy followed by the Company based on the market trends with regard to the pay rates and the human resources management. The Committee also recommends the levels of remuneration of non-executive directors on the basis of their time commitment and responsibilities.

Over the course of the year, the Remuneration Committee held three meetings on April 23, September 27 and November 6 2018. The main topics of these meetings were:

A. to find out whether the level of remuneration paid to the executive board members and the senior Group managers are compatible with the remuneration level of the market

B. to recommend the total annual remuneration (salary, bonus, stock grant and retirement fund contributions) for the year 2018 of the CEO and the other executive members of the Board as well as of the senior Group managers including the Group Internal Audit Director, and

C. to assess alternative long term incentive plans to replace the Restricted Stock Incentive Plan of 2017 which is currently in place.

The Remuneration Committee also recommended the level of the annual remuneration of the Chairman and of the other non- executive directors for the year 2018, on the basis of their performance, their time commitment and the responsibilities of their role.

The relevant recommendations of the Remuneration Committee were brought for discussion and approval to the Board. The recommendations of the Remuneration Committee on the level of the remuneration of the Board members (executive and non-executive directors) for their participation in the Board and the Board committees in 2018 were subsequently submitted for approval to the Annual General Meeting.

The Remuneration Committee's duties and competences and its internal regulation have been posted to the Company's website http://www.titan-cement.com/en/ at the link: http://www.titan-cement.com/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: Efstratios-Georgios Arapoglou, non-executive Board member

Hiro Athanassiou, independent, non-executive Board member

The Nomination and Corporate Governance Committee consists of three non-executive directors of the Board, two of whom are independent. The Chairman of the Board, who is a non-executive director, is the third member of the Committee. The present members of the Committee were appointed by the Board on 17 June 2016 to serve for three years.

All members of the Committee have extensive experience in business administration and corporate governance.

The main task of this Committee is:

to lead the process for new Board appointments and making relevant recommendations to the Board;

to ensure that adequate plans are in place for orderly succession both on Board and senior management level;

to evaluate the balance of skills, experience, independence and knowledge on the Board and to ensure its progressive and appropriate refreshment; and

to review and monitor the corporate governance policies applied by the Board.

In 2018 the Committee held two meetings on February 16 and November 7 with the following agenda:

a. Performance evaluation of the Board and its Committees in 2017 on the basis of the annual assessment questionnaire and submission of report to the Board;
b. Review of the contents of the Corporate Governance Statement that was part of the Annual Corporate Governance Report for the year 2017; and
c. Review of the existing plans for the orderly succession of the Chairman, the Managing Director and the senior officers of the Company.
d. Assess the offers submitted for undertaking an externally facilitated evaluation of the Board for the year 2018 and make relevant recommendations to the Board.
e. Discuss the Key findings and recommendations of the 2018 Board Evaluation Report which was delivered by Nestor Advisors Ltd

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-cement.com/en/ at the following address: http://www.titan-cement.com/en/titan-group/corporate-governance/board-of-directors-committees/nomination-and-corporate-governance-committee/

Individual Attendance of Directors in Board and Committee meetings and in the AGM

In 2018, the Board held six (6) scheduled meetings on March 28, May 2, May 23, June 1, July 25, and November 7 and four (4) unscheduled meetings on January 17, March 22, September 12 and October 18, 2018.

Below is a table showing the individual attendance of the each Board member at the scheduled and unscheduled meetings of the Board, at the meetings of the Board Committees, as well as the Annual General Meeting of Shareholders held on 1.6.2018:

	Scheduled	Unscheduled	Committees	AGM
EFSTRATIOS-GEORGIOS ARAPOGLOU	6/6	4/4	2/2 Nomination	1/1
NELLOS CANELLOPOULOS	6/6	4/4	-	1/1
DIMITRI PAPALEXOPOULOS	6/6	4/4	-	1/1
MICHAEL COLAKIDES	6/6	3/4	-	1/1
DOROS CONSTANTINOU	6/6	4/4	5/5 Audit	1/1
HIRO ATHANASIOU	5/6	4/4	3/3 Remuneration 2/2 Nomination	1/1
TAKIS-PANAGIOTIS CANELLOPOULOS	6/6	4/4	-	1/1
ALEXANDER MACRIDIS	5/6	4/4	3/3 Remuneration	-
DOMNA MIRASYESI-BERNITSA	6/6	4/4	2/2 Nomination	1/1
IOANNA PAPADOPOULOU	4/6	4/4	5/5 Audit	1/1
ALEXANDRA PAPALEXOPOULOU-BENOPOULOU	6/6	4/4	-	1/1
PLOUTARCHOS SAKELLARIS	6/6	4/4	5/5 Audit	1/1
PETROS SABATACAKIS	4/6	3/4	3/3 Remuneration	-
EFTHYMIOS VIDALIS	6/6	4/4	-	1/1
BILL ZARKALIS	5/6	4/4	-	-

Other committees with Board members' participation

In addition to the above three Committees of the Board of Directors, the Board has established the following Committees which consist of executive directors and relevant senior officers of the Company.

Executive Committee

Chairman: Dimitri Papalexopoulos, Group CEO

Members: Michael Colakides, Executive Director, Group CFO

Bill Zarkalis, Executive Director, USA Region Director

Alexandra Papalexopoulou- Benopoulou, Executive Director, Group Strategic Planning Director

Sokratis Baltzis, Egypt and Group Trading Director

Konstantinos Derdemezis, Albania, North Macedonia, Serbia and Kosovo Director

John Kollas, Group Human Resources Director

Christos Panagopoulos, Turkey and Bulgaria Director

Yanni Paniaras, Greek Region and Group Corporate Affairs Director

Fokion Tasoulas, Group Engineering and Technology Director

The day-to-day management of the Company has been delegated by the Board to the Executive Committee.

Within this context, the Executive Committee, chaired by the Group CEO, is the senior management body on all aspects of the Group's strategy and operations. The Executive Committee invites the appropriate functional heads according to the agenda topics.

The Executive Committee's duties and competences and its internal regulation have been posted to the Company's website http://www.titan-cement.com/en/ at the link: http://www.titan-cement.com/en/titan-group/corporate-governance/other-committees/executive-committee

Sustainability Committee

CHAIRMAN: Dimitri Papalexopoulos, Chief Executive Officer

Members: Nellos Canellopoulos, Vice Chairman, Executive Director

Takis-Panagiotis Canellopoulos, Executive Director

Efthymios Vidalis, Non-executive Director

Fokion Tasoulas, Group Engineering &Technology Director

John Kollas, Group Human Resources Director

Convener: Yanni Paniaras, Greek Region and Group Corporate Affairs Director

The purpose of this Committee is to strengthen and support management's long term approach to the triple bottom line, covering economic, environmental and social sustainability and to provide strategic direction on sustainability and corporate affairs issues to the Executive Committee.

The Sustainability Committee's duties and competences and its internal regulation have been posted to the Company's website http://www.titan-cement.com/en/ at the link: http://www.titan-cement.com/en/titan-group/corporate-governance/other-committees/sustainability-committee/

Advisory Council

CHAIRMAN: Andreas Canellopoulos, Ex Chairman of the Board

MEMBERS: Nellos Canellopoulos, Vice Chairman, Executive Director

Takis-Panagiotis Canellopoulos, Executive Director

Efthymios Vidalis, Non- Executive Director

Michael Sigalas, former Executive Director, ex Regional Director

The Board has established this new body in order to provide a longer-term shareholder view. The Advisory Council provides advice to the Executive Committee and the Group CEO on major strategic initiatives, senior appointments and issues of special interest to shareholders.

The Advisory Council's duties and competences have been posted to the Company's website http://www.titan-cement.com/en/ at the link: http://www.titan-cement.com/en/titan-group/corporate-governance/other-committees/advisory-council/

Remuneration of directors for their participation in the Board and its committees in 2018

Following relevant recommendation of the Remuneration Committee, the Board decided to maintain the same annual remuneration for the members of the Board for the year 2018 as the remuneration paid in 2017.

More specifically, the remuneration of the Board members for the year 2018, as pre- approved by the AGM of 1 June 2018, was:

- €30,000 gross (€30,000 gross in 2017) to each director;

- €80,000 gross (€80,000 gross in 2017) to the 3 members of the Audit Committee, i.e. €30,000 gross to the Chairman (€30,000 in 2017) and €25,000 gross to each member (€25,000 in 2017);

- €32,500 gross (€32,500 in 2017) to the three members of the Remuneration Committee, i.e. €12,500 gross to the Chairman (€12,500 in 2017) and €10,000 gross for each member (€10,000 in 2017);

- €32,500 gross to the 3 members of the Nomination and Corporate Governance Committee (€32,500 in 2017), i.e. €12,500 gross to the Chairman (€12,500 in 2017) and €10,000 gross for each member (€ 10,000 in 2017).

The total amount paid to the Board members in 2018 for their participation in the Board and the Board committees was €595,000 (€595,000 in 2017).

The AGM of 1 June 2018 also pre-approved the annual gross remuneration/fees of the Chairman for the year 2018, amounting up to €168,000 (€168,000 in 2017) and the gross remuneration / fees of Mr. Efthymios Vidalis amounting up to €135,000 (€135,000 in 2017).

Remuneration of executive directors during 2018

In 2018, the gross amounts (fixed and performance related remuneration) paid to the 6 executive directors who provided their services on the basis of employment contracts with the Company/ Group subsidiaries, amounted to the gross amount of €4,106,013 (€3,670,165 in 2017).

In 2018, the additional amount of €998,852 (€ 1,041,521 in 2017) was paid by the Company as pension contribution for the six executive directors.

The executive directors who were released to serve as non-executive directors in other companies and to retain their relevant earnings, received in 2018 remuneration as follows:

Mrs. Alexandra Papalexopoulou received gross remuneration of €96,700 for serving on the board of Coca-Cola HBC AG;

Mr. Takis-Panagiotis Canellopoulos, received gross remuneration of €25,000 for serving on the board of "Grivalia Properties REIC"; and

Mr. Michael Colakides, received gross remuneration of €20,000 for serving on the board of Eurobank Cyprus LTD.

Mr. Nellos Canellopoulos and Mr. Takis- Panagiotis Canellopoulos do not receive remuneration for serving on the board of Canellopoulos N.-Adamantiadis C. S.A.

Remuneration policy for executive directors and senior officers

The level of remuneration of the executive directors and senior officers are decided by the Board following relevant recommendation of the Remuneration Committee.

Such remuneration consists of a fixed part, i.e. the salary, which is determined on the basis of the applicable salaries system and the annual performance assessment, and of a variable part, which is linked with the achievement of individual and corporate goals. The corporate goals are linked with performance in terms of financial ratios (EBITDA and ROACE) at Group level and at Region level, as well as with performance in other areas, such as the safety at work. The individual goals are personal and they are linked with the position that each officer serves.

Annual bonus awards vary depending on the importance of the position of the executive director / senior Group officer, but in no event may the bonus exceed:

A. 100% of the fixed annual remuneration (i.e. salary), when the targets set have been fully met; or,

B. 130% of the fixed annual remuneration (i.e. salary), if the officer has over-performed on the targets set.

The assessment of the performance of the executive directors and senior executives is carried out by the Group CEO and the assessment of the performance of the Group CEO is carried out by the Board.

The executive directors leave the Board meeting when their individual remuneration is discussed and determined.

The Group Human Resources Department provides on a yearly basis to the Remuneration Committee data from the labor market, so that the remuneration level and/or the plans for variable compensation are adjusted accordingly. The main aim is to attract and keep high-caliber professionals who with their knowledge, skills and integrity will add value to the Company.

Executive directors and senior officers of the Group are granted long-term incentives through stock option schemes which are linked to Group performance, are approved by the General Meeting of Shareholders, have a three-year maturity period and are subject to specific vesting requirements i.e. achievement of certain targets.

Executive directors and senior officers also benefit from pension-savings plans and other additional voluntary allowances, which, may at any time be recalled or amended at the Company's discretion.

The Company offers to the executive directors who have an employment relationship with the Company, additional rights under pension and benefit plans based on the applicable practices in the relevant markets where the Company is operating, which may at any time be recalled or amended at the Company's discretion.

Stock option plans for executive directors and senior officers

Aiming to align the long-term personal goals of its senior executives with the interests of the Company and its shareholders, the Company has adopted and implements since 2000 stock option plans. All relevant plans (2000, 2004, 2007, 2010, 2014 and 2017 Plans) have been approved by the General Meeting of Shareholders, they all provide for a three-year maturity period and the beneficiaries of all plans were solely executive directors and senior Group officers. Non-executive directors have never participated in such plans.

Until 31.12.2018, under the aforesaid plans, 1,362,595 common Company shares have been acquired in total by approximately 120 beneficiaries (executive directors and senior Group officers), representing 1.61 % of the Company's paid capital.

It is also worth mentioning that under Plans 2014 and 2017 which are still running today, the exercise price is €10 per share, while under previous Plans 2004, 2007 and 2010 the exercise price was equal to the nominal value of the share.

Both 2014 and 2017 Plans, as did the previous ones, favor the long-term holding of a significant number of Company shares by the executive directors and the Group officers; in line with the above principle the Plans' beneficiaries are encouraged to maintain a reasonable value (corresponding to a percentage of their Annual Base Salary) in Company shares depending on their hierarchical rank; non – compliance with the above principle, can be considered as an unfavorable factor for the determination of future grants.

Both 2014 and 2017 Plans were designed to prevent high-risk behaviors by the executive directors and the senior officers of the Company, which might impact negatively the Company's share price. For this reason, they have an attractive strike price in relation to the exchange price of the Company's share at the time that they are granted.

A detailed description of the Plans is available on the Company's website http://www.titan-cement.com/ link: http://ir.titan.gr/en/stock-option-plan

Internal controls and risk management systems in relation to the financial statements

The key elements of the system of internal controls utilized in order to avoid errors in the preparation of the financial statements and to provide reliable financial information are the following:

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.

Each month the Group's subsidiaries submit financial and non-financial data to the Group's consolidation department and provide explanatory information where necessary.

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 use best-practices regarding the consolidation process, which the Group has to a large extent adopted.

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.

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 outcome of their reviews and audits.

The Audit Committee, during its quarterly, meetings prior to the financial reporting, is informed by the Group CFO and the other competent Group officers about the performance of the Group, monitors the stand alone and the consolidated accounts of the Company and the financial reporting process and reports accordingly to the Board. During these meetings, the Audit Committee is also informed on the management of the financial risks and monitors the effectiveness of the risk management system.

The approval of the financial statements (Company and Consolidated) by the Board, is made after relevant recommendation of the Audit Committee.

Internal Audit

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

The Group Internal Audit workforce consists of 18 executives duly trained and having appropriate experience to carry out their work.

Internal Audit's primary role is to monitor the adequacy and effectiveness of the internal controls in place for all Group functions. Internal Audit's scope also includes:

- 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 any conflicts of interest of Board members or other Group officers against the interests of the Group, identified by the Internal Audit;
- monitoring any transactions of the Company with related parties, as defined in the International Accounting Standard 24

During year 2018, Internal Audit conducted 31 audits, out of which, 23 were scheduled, 1 was special and 7 were follow up audits.

All audit reports were sent to the Audit Committee.

Three-month progress reports referring to the most important audit findings were also submitted to the Audit Committee.

During 2018, the Audit Committee held regular private meetings with the Group's Internal Audit Director to discuss functional and organizational issues. All information requested was provided and briefings were given regarding the audit systems currently in place, their effectiveness and the progress of audits.

Following relevant report from the Audit Committee, the Board of Directors approved the audit schedule for 2019 and specified the functions and areas on which internal audit should primarily focus.

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.

General Meetings and Shareholder Rights

The General Meeting's Powers and Modus operandi

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 of the Articles of Association, with the exception of certain cases where, as provided by Law 4548/2018, the amendment is decided by the Board.

b. Increases or reductions in the share capital of the Company, with the exception of specific cases where, as provided by Law 4548/2018 or the Articles of Association or the provisions of other Laws, such decision is taken by the Board.

c. The election of Board members.

d. The election of auditors.

e. The approval of the overall management of the Company's affairs during the financial year.

f. The approval of the annual and consolidated financial statements of the Company.

g. The distribution of annual profits, save for the cases referred to in Article 117 (2) (f), (g) of Law 4548/2018.

h. The approval of remunerations or advance payment of remunerations in accordance with article 109 of Law 4548/2018.

i. The approval of the remuneration policy of article 110 and of the remuneration report of article 112 of law 4548/2018.

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

k. The appointment of liquidators.

l. 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 is convened by the Board at least once every year the latest until the tenth calendar day of the ninth month from the end of each fiscal year (Annual General Meeting) in order to decide the approval of the financial statements, the election of auditors and any other matter within its competence.

The general meeting can be also convened after relevant request of the minority shareholders or of the auditor, pursuant to article 141 of Law 4548/2018.

The venue where the General Meeting is convened should lie in the municipality of Athens or in the wider area of Attica or in any other neighboring municipality.

The notice for the General Meeting includes the address of the venue, the date and time of the meeting, the items on the agenda clearly stated, and precise instructions about how shareholders can take part in the meeting and exercise their rights in person or through proxies, including the forms that the Company is utilizing for that purpose.

The notice also includes information about the minority rights and the time period in which such minority rights can be exercised, the record date, 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, a reference to the Company's website where all the above information is available, and the proxy forms which must be used when shareholders vote through proxies.

According to the Greek law, the Notice of a General Meeting is published at the Company's website as well as on the websites of ATHEX and the General Commercial Register (GEMI), at least 20 calendar days before the date of the General Meeting, without counting the date of the publishing of the notice and the date of the General Meeting. However, the Company, in compliance with the UK Corporate Governance Code, ensures that the notice for the Annual General Meeting is published at the Company's website at least 20 working days before the date of the Annual General Meeting. The full text of the notice is also 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 Meetings, provided they hold Company Shares on the Record Date i.e. at the start of the fifth day before the date of the General Meeting.

Shareholder status is proven through online connection with the files and records of the Hellenic Exchanges S.A. Pursuant to the Greek law, such on line shareholder certification should be provided no later than three days before the date of the General Meeting.

Participation in a General Meeting does not require any blocking of shares or any other formality which could limit the right of shareholders to sell or transfer their shares in the time period between the record date and the date of the General Meeting.

Even in case shareholders or their proxies fail to timely provide the above mentioned on line certification of their shareholder status, they may still participate in the General Meeting, after relevant permission is granted by the General Meeting.

Shareholders may attend the General Meetings either in person or through one or more proxies, shareholders or not. Each shareholder may appoint up to 3 proxies. If a shareholder holds shares in the Company which appear in more than one securities account, this limitation does not prevent him to appoint different proxies 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 a General Meeting through their representatives.

Shareholder proxies can be appointed or removed by notifying the Company, at least 48 hours before the date set for the General Meeting.

Proxy forms are available on the Company website. Such forms allow shareholders to authorize their proxies to vote for or against, or to withhold their vote on each item of the agenda. The proxy form makes it clear that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.

The Company ensures that all valid proxy appointments received for General Meetings are properly recorded and counted.

Shareholder proxies are expected to disclose before the start of a General Meeting any information or circumstances that could be deemed conflicting with the rights of the shareholders that have appointed them as their proxies.

A conflict of interest may arise in cases where a proxy:

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

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

The Annual General Meeting should be attended by all directors as well as by the chairmen of the Board committees, who should be available to answer questions.

Quorum – Majority

According to the Greek law and the Articles of Association, the minimum quorum required at a General Meeting is at least 1/5 of the paid up share capital.

If this quorum is not achieved at the first meeting, the General Meeting reconvenes within 20 days. In this case, the General Meeting has a quorum irrespective of the percentage of the paid up share capital represented in the General Meeting.

In both above cases, decisions are taken by absolute majority of the votes represented at the General Meeting.

By way of exception to the above minimum quorum, in the case of decisions relating to a change in the Company's nationality; a change in the Company object; an increase in shareholders' obligations; an increase in the Company share capital unless done by capitalizing reserves or explicitly allowed by the law to be decided by virtue of Board resolution; a reduction in the Company share capital; 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; and in other cases specified by the law, the required minimum quorum is 2/3 of the paid up share capital. In all above cases, decisions of the General Meeting are taken by 2/3 majority of the votes represented in the General Meeting.

As provided by article 130 (4) of Law 4548/2018, according to which the Company's Articles of Association will be harmonized, in case the above quorum is not achieved, the General Meeting reconvenes within 20 days, and at this second meeting the minimum required quorum is 1/5 of the paid-up share capital.

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

Right to vote in General Meetings

Every common Company share comes with a voting right.

Rights of preference shareholders

On 27 June 1990, the Annual General Meeting of Shareholders decided to increase the Company's share capital by issuing preference shares without voting rights.

Preference Shareholders were afforded the following rights:

A. The right to receive, before common shareholders, a "first dividend" (i.e. 6%) from the yearly net profits, and in case no dividend is distributed in one or more years, or in case the distributed dividend is less than the "first dividend", the right to receive preferentially such payment of "first dividend", from the profits generated in subsequent years. Preference Shareholders are also entitled, on the same terms with holders of common shares, to receive any additional dividend paid in any form. Law 4548/2018 which came into force on 1.1.2019 provides that the minimum dividend amounts to 35% of the net profits of the Company after the reductions of article 161 paragraph 1 of the same Law. By virtue of decision of the general meeting of shareholders taken by increased quorum and majority, the above minimum dividend may be reduced, but not below 10% of the Company's net profits. Non distribution of dividend is permitted only in case of decision taken by the general meeting of shareholders, requiring increased quorum of paragraphs 3 and 4 of article 130 of law 4548/2018 and majority of 80% of Shareholders represented at the general meeting. In view of the above, the privilege of the preference shareholders to receive a "first dividend" of 6% of the Company's net profits is still in fact, mostly, not applicable.

B. In case of dissolution and liquidation of the Company, the right to receive preferentially from the product of liquidation of corporate assets the capital contribution paid by them. In case the liquidation product exceeds the total paid up capital, the Preference Shareholders are entitled, on equal terms with the holders of common shares, to proportionately participate in the excessive liquidation product.

It is also worth mentioning that pursuant to Law 4548/2018, any abolition or limitation of the above privileges of the Preference Shareholders requires the consent of the Separate General Meeting of Preference Shareholders. Such decision of the separate general meeting of Preference Shareholders requires increased quorum and is taken by increased majority of 2/3 of the preference shares represented in the Separate General Meeting. The conversion of preference shares to common shares requires also a decision of the general meeting of the Common Shareholders which is taken by increased the quorum of article 130 paragraphs 3 and 4 and by a majority of 2/3 of the common shares represented in the general meeting.

Priority rights

In any event of share capital increase, where such increase is not made by in kind contributions, all Shareholders have priority rights on the new capital or bond issue, proportionately to their holding in the existing share capital.

In the event of share capital increase through the issuance of shares of one class only, priority rights are granted to Shareholders of the other classes, provided that the Shareholders of such class of which the new shares are part of, have not exercised their priority rights.

Pursuant to the applicable Law, priority rights may be limited or abolished by a decision of the General Meeting of Shareholders, for which an increased quorum and majority is required

Rights of Shareholders before the General Meeting

Ten days prior to the Annual General Meeting, the Company is obliged to upload on its website the annual Financial Statements and the relevant reports of the Board of Directors and of the Auditors.

From the date of publication of the general Meeting notice until the day of the General Meeting the Company makes available to its shareholders by uploading them at its website, the notice for the general Meeting, the total numbers of shares and voting rights of the Company at the date of the notice (separately for each category of shares and the forms required for proxy voting.

Minority rights

1. Any Shareholder may request the Board, at least five full days prior to a General Meeting, to provide specific information to the General Meeting on the Company's affairs, to the extent that such information is useful for the assessment of the items of General Meeting's agenda. The Board is not obliged to provide the requested information to the General Meeting in the event that the requested information 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 with due cause and justification which must be written in the minutes of the General Meeting. Any dispute regarding the validness of the reasons for refusal to provide information is submitted and resolved by the Single-Member Court of First Instance of Athens through interim measures.
2. At the request of Shareholders representing 1/20 of the paid-up share capital, the Board is obliged to call a special General Meeting within a time period of 45 days from the date of service of the relevant request to the Chairman of the Board. The relevant request should also include the agenda of the requested General Meeting. In the event that the Board does not convene the General Meeting within 20 days from the service of the request, the relevant request can be addressed to the Single-Member Court of First Instance of Athens, which through interim measures may set the time, place and agenda of the General Meeting.
3. At the request of Shareholders representing 1/20 of the paid-up share capital, the Board is obliged to enter additional items on the agenda of a General Meeting that has already been convened, provided that it receives the relevant request at least 15 days prior to the General Meeting. The additional items are published and notified under the responsibility of the Board at least 7 days before the General Meeting. The

updated agenda along with the reasoning or draft decision submitted by the shareholders must be published in the same manner as the initial agenda and must be available on the website of the Company 13 days prior to the date of the General Meeting.

4. At the request of Shareholders representing 1/20 of the paid-up share capital, if a request to that effect is received by the Board of Directors at least 7 days before the date of the General Meeting, the Board of Directors is obliged to provide to Shareholders drafts of decisions on the items of the initial or the revised agenda, by uploading the same on the Company's website, at least 6 days before the date of the General Meeting.
5. At the request of Shareholders representing 1/20 of the paid up share capital, the Chairman of the General Meeting is obliged to postpone, one time only, the taking of decisions by any General Meeting (AGM or other) on all or certain items of its agenda, and set a new date for the General Meeting as requested by Shareholders, within 20 days from the date of the postponed General Meeting.
6. At the request of Shareholders representing 1/20 of the paid up share capital, the Board shall be obliged to announce to the Annual General Meeting the amounts that have been paid to each member of the Board or to the Company directors as well as any other provisions made to them due to any reason or on the basis of any contract between them and the Company over the last two years. The Board of Directors may refuse to provide such information with due cause and justification which shall be written in the minutes of the General Meeting.
7. At the request of Shareholders representing 1/20 of the paid up share capital, decisions on any item on the agenda of the General Meeting are taken by roll- call vote.
8. At the request of Shareholders representing 1/20 of the paid-up share capital, the Single-Member Court of First Instance of Athens may order a special audit of the Company, where there is reason to believe that unlawful acts, or violations of the Articles of Association of the Company or violations of decisions of the General Meeting of shareholders have occurred. In any event, the request for a special audit must be submitted within three years from the approval of the financial statements of the fiscal year in which the contested transactions were effected.
9. At the request of shareholders representing 1/10 of the paid-up share capital at least 5 full days prior to the General Meeting, the Board is obliged to provide to the General Meeting 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 with due cause and justification which shall be written in the minutes of the General Meeting. Any dispute regarding the validness of the reasons for refusal to provide information is submitted and resolved by the Single-Member Court of First Instance of Athens through interim measures.
10. At the request of Shareholders representing 1/5 of the paid-up share capital, the Single-Member Court of First Instance of Athens, may order an audit of the Company, 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.

Dividend right

According to the Articles of Association, the minimum mandatory dividend which must be distributed each year by the Company is equal to the minimum mandatory dividend specified in Article 161 (2) of Greek Law 4548/2018, which is at least 35% of the Company's net profits, after all necessary withholdings to establish the statutory reserve.

Dividend is paid within two months from the date of the Annual General Meeting which approves the Company's annual and consolidated financial statements.

The date and manner of payment of dividend is announced in the Athens Exchange and Company websites as well as in the press.

According to the Greek law, dividends which remain unclaimed for a period of five years from the date on which they became due, pass to the Greek State.

Right to receive the product of liquidation of the Company's assets

Upon completion of the liquidation the Company's assets, the liquidators return to the Shareholders their capital contribution in accordance with the Articles of Association. The capital contributions of the Preference Shareholders are returned preferentially. Any remaining liquidation product is distributed to the Shareholders in proportion to their participation in the paid-up share capital of the Company.

Shareholders' liability

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

Exclusive jurisdiction of the Courts of Athens – Applicable law

Each Shareholder, in dealing with the Company, regardless of his/her place of domicile, is deemed to have his/her domicile at the seat of the Company and is subject to the laws of Greece. Any action against the Company and any dispute between the Company and the Shareholders or any third party is submitted to the exclusive jurisdiction of the competent Courts of Athens.

Shareholder Information and Services

The Board as a whole has responsibility for ensuring that a satisfactory dialogue with Shareholders takes place. The Investor Relations team, together with the CEO, the CFO and other Group executives, regularly meet with institutional investors and participate in Investor Roadshows and Industry Conferences. The announcements of the annual and the interim Group results are accompanied by webcasts and conference calls for analysts and investors.

Investor Relations

The Investor Relations Department is responsible for monitoring Company relations with its Shareholders and investors, and for communicating with the investor community on an equal footing, in Greece and abroad in a transparent and timely manner concerning the Company's performance. The aim is to generate long-term relationship with the investment community and retain the high level of trust that investors have in the Group.

Investor Relations Director: Mrs. Afroditi Sylla, 22a Halkidos St., GR-11143, Athens Tel: 0030 210-2591163, Fax: 0030 210-2591106, e-mail: ir@titan.gr.

Shareholder Services

Shareholder Services are responsible for providing timely information to shareholders and for facilitating them to participate in the General Meetings and to exercising their rights as Shareholders. The Department is also responding to correspondence from shareholders on a wide range of issues.

Shareholder Services Manager: Ms. Nitsa Kalesi, 22a Halkidos St., GR 11143, Athens, Tel: 0030 210-2591257, Fax: 0030 210-2591238, e-mail: kalesin@titan.gr

Corporate Announcements

As a listed company, the Company is obliged to make public disclosures and announcements in compliance with the EU Market Abuse Regulation 596/2014, the Greek Laws 4443/2016 and 3556/200 and the decisions of the Hellenic Capital Market Commission. The public disclosure of the above information is made in a manner that ensures fast and non- discriminatory access to such information.

All relevant disclosures/announcements are made available on the website of the Athens Exchange and of the Company and are notified to the Hellenic Capital Market Commission.

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

Reuters code: TTNr.AT, TTNa.AT

Bloomberg code: TITK GA, TITP GA.

Corporate Announcements: Tel: 0030 210-2591257, Fax: 0030 210-2591238, e-mail: kalesin@titan.gr

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 paid up share capital is € 291,982,221.60 and is divided into 84,632,528 shares with a nominal value of €3.45 each, of which 77,063,568 are common shares representing 91.057% of the total share capital and €7,568,960 are non-voting preference shares, representing 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 the Articles of Association of the Company. Each common share grants the holder one vote. The preferred shares carry no voting rights.

By virtue of General Meeting resolution dated 27.6.1990, preference Shareholders have the following privileges:

A. The right to receive, before common Shareholders, a "first dividend" (i.e. 6%) from the yearly net profits, and in case no dividend is distributed in one or more years, or in case the distributed dividend is less than the "first dividend", the right to receive preferentially such payment of 'first dividend", from the profits generated in subsequent years. Preference Shareholders are also entitled, on the same terms with holders of common shares, to receive any additional dividend paid in any form. Law 4548/2018 which came into force on 1.1.2019 provides that the minimum dividend amounts to 35% of the net profits of the Company after the reductions of article 161 paragraph 1 of the same Law. By virtue of decision of the general meeting of shareholders taken by increased quorum and majority, the above minimum dividend may be reduced, but not below 10% of the Company's net profits, Non-distribution of dividend is permitted only in case of decision taken by the general meeting of shareholders, requiring increased quorum of paragraphs 3 and 4 of article 130 of Law 4548/2018 and majority of 80% of the shareholders represented at the general meeting. In view of the above, the privilege of the preference Shareholders to receive a "first dividend" of 6% of the Company's net profits, is still in fact, mostly, not applicable.

B. In case of dissolution and liquidation of the Company, the right to receive preferentially from the product of liquidation of corporate assets the capital paid by preference Shareholders. In case the liquidation product exceeds the total paid up capital, the preference Shareholders are entitled, on equal terms with the holders of common shares, to proportionately participate in the excessive liquidation product.

2. Restrictions on transfer of Company shares

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

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

On 31.12.2018 the following shareholders held more than 5% or 10% of the total voting rights of the Company, individually or through common investment accounts:

- "E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited", holding 11.03% of the total voting rights of the Company;
- Mr. Andreas L. Canellopoulos, holding 10.72% of the total voting rights of the Company; *
- The "Paul and Alexandra Canellopoulos Foundation", holding 9.98% of the total voting rights of the Company;
- Mr. Leonidas A. Canellopoulos, holding 6.25% of the total voting rights of the Company; *and
- TITAN CEMENT COMPANY S.A., holding 5.66% of the total voting rights of the Company (suspended as they derive from treasury shares)
- FMR LLC, holding 5.50% of the total voting rights of the Company.

Today (20. 3. 2019) the shareholders who hold more than 5% or 10% of the voting rights of the Company:

- "E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited", holding 11.24% of the total voting rights of the Company;
- The "Paul and Alexandra Canellopoulos Foundation", holding 10.05% of the total voting rights in the Company;
- Mr. Andreas L. Canellopoulos, holding 8.62% of the total voting rights of the Company;*
- Mr. Leonidas A. Canellopoulos, holding 8.33% of the total voting rights of the Company; * and
- TITAN CEMENT COMPANY S.A., holding 5.99% of the total voting rights of the Company(suspended as they derive from treasury shares)

- FMR LLC, holding 5.50% of the total voting rights of the Company.

* It is noted that approximately 5.80% out of the total percentage of Mr. Andreas Canellopoulos and Mr. Leonidas Canellopoulos, derives from their participation in a Common Investor Account in which Mr. Andreas Canellopoulos is the primary and real beneficiary.

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 preference shares which do not carry any voting rights, the Articles of Association of the Company provide 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 (EDYVEM), holding on 31.12.2018 8,498,847 common Company shares representing 11.03% of the total voting rights of the Company and 4,302,947 preference shares without voting rights provide restrictions on the transfer of Company shares held by EDYVEM.

Mr. Andreas Canellopoulos ex- Chairman of the Board of Directors and executive directors Messrs. Dimitri Papalexopoulos, Nellos Canellopoulos, Alexandra Papalexopoulou and Panagiotis-Takis Canellopoulos are among the Shareholders of EDYVEM.

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 only differentiation of the Company's Articles of Association from the provisions of the Greek Company Law 2190/1920 as it was in force until 31.12.2018, regarding the appointment and substitution of directors, is provided in article 25 paragraph 1 of the Company's Articles of Association, pursuant to which "In case the General Meeting has not elected substitute directors, the Board of Directors may elect new directors in substitution of resigned or deceased directors or of directors who lost their capacity due to any other reason, for the remaining term of the substituted directors, provided that the remaining directors are at least seven (7)". Law 2190/1920 allowed substitution of directors by Board decision, if the number of the remaining directors was at least three (3).

The provisions of the Company's Articles of Association regarding the amendment of the Articles of Association did not differ from the provisions of the Greek Company Law 2190/1920.

8. Competence of the Board of Directors for the issuance of new shares or for repurchasing Company shares pursuant to article 16 of Codified Law 2190/1920 (as of 1.1.2019 pursuant to article 49 of Law 4548/2018).

According to Article 6 paragraph 3 of the Company's Articles of Association, the General Meeting may delegate, by increased quorum and majority, to the Board of Directors the power to increase the share capital of the Company, pursuant to the provisions of article 13, par. 1, subparagraph (c) of Codified Law 2190/1920 and subject to paragraph 4 of the same article. (As of 1.1.2019 the above competences are provided in article 24 paragraph 1 subparagraphs b and c of Law 4548/2018).

Moreover, according to the provisions of article 13, paragraph 13 of Codified Law 2190/192 (and as of 1.1.2019 pursuant to the provisions of article 113 of Law 4548/218) , the General Meeting may establish by increased quorum and majority, share option schemes for the Directors of the Company as well as for the Company and Group personnel. The nominal value of the shares offered through the share option schemes must not exceed, in total, one tenth (1/10) of the paid-up share capital of the Company. The General Meeting determines whether the Company will issue new shares for the purposes of the scheme or whether it will utilize treasury shares which have been repurchased in accordance with article 16 of Codified Law 2190/1920 (and as of 1.1.2019 in accordance with article 49 of Law 4548/2018) and sets the maximum number of shares that will be sold or issued, the duration and the beneficiaries of the scheme and the exercise price of the share options. The Board of Directors decides on every other related matter, which has not been specified by the General Meeting and, depending on whether the scheme is using treasury stock or requires the issuance of new shares, hands over Company shares to the scheme beneficiaries or takes decision for the increase of the Company's share capital and the issuance of new shares which are handed over to the beneficiaries.

According to the provisions of article 16 of Codified Law 2190/1920 (and as of 1.1.2019 according to the provisions of article 49 of law 4548/2018), subject to prior approval by the General Meeting, the Company may repurchase, under the responsibility of the Board of Directors, up to 10% the Company's paid-up share capital. The resolution of the General Meeting also determines the terms and conditions of the buy-back programs, the maximum number of shares that may be repurchased, the duration of the period for which the Board of Directors is given authority to repurchase shares, which may not exceed 24 months, and, the maximum and minimum purchase price.

In line with the above provisions, the General Meeting of Shareholders by virtue of its decision dated 1.6.2018, has approved the share buy-back of common and preference Company shares, in accordance with article 16 paragraph 1 of Law 2190/1920. More specifically, the General Meeting of Shareholders has approved the share buy–back of up to 10% of the Company's paid up share capital, within a 24 month period, namely from 2 June 2018 until 1 June 2020, at a maximum purchase price of €40 per share and at a minimum purchase price equal to the nominal value of the Company share, provided that the Board of Directors considers the share buy-back beneficial compared to any other available investment opportunities and provided that the Company has sufficient liquidity.

To date, in implementation of the abovementioned General Meeting resolution, the Company has bought back 485.170 Company shares (441.489 common and 43.681 preference shares).

As of today 20 March 2019, the Company shares held by the Company in implementation of the above as well as previous General Meeting resolutions, are 4,815,602 in total (4,612,792 of which are common shares and 202,810 preference shares), representing in total 5.69% of the Company's paid- up share capital.

9. Important agreements which come into effect, are amended or terminated in the event of change of control of the Company, following a public tender offer

There are no agreements which come into effect, are amended or terminated in the event of a change of control of the Company, solely following a public tender offer.

However, many agreements include a standard " change of control" clause, which applies in case of any event of change of control.

Among such agreements are :

a. A Multicurrency Revolving Facility Agreement up to the amount of €300 million entered into among the Group's subsidiary TITAN Global Finance PLC, a syndicate of lending banks and the Company as Guarantor;

b. A Euro Bond issue of a nominal amount of €350 million (on 31 December 2018 € 350 million outstanding) maturing on 16.11.2024, issued by TITAN Global Finance PLC and guaranteed by the Company;

c. A Euro Bond issue of a nominal amount of €300 million (on 31 December 2018 €160.61 million outstanding) maturing on 10.07.2019, issued by TITAN Global Finance PLC and guaranteed by the Company;

d. A Euro Bond issue of a nominal amount of €300 million (on 31 December 2018 €300 million outstanding) maturing on 17.06.2021, issued by TITAN Global Finance PLC and guaranteed by the Company

e. A Revolving Facility Agreement up to the amount of USD 50 million entered into among TITAN America LLC, HSBC and the Company as Guarantor;

f. A Revolving Committed Facility Agreement up to the amount of USD 25 million entered into among TITAN America LLC, Wells Fargo and the Company as Guarantor;

g. A Revolving Facility Agreement up to Egyptian Pounds 270 million entered into among Beni Suef Cement Company S.A., HSBC Egypt and the Company as Guarantor;

h. A Revolving Committed Facility Agreement up to Egyptian Pounds 150 million entered into among Alexandria Portland Cement Company S.A., HSBC Egypt and the Company as Guarantor;

i. A Revolving Committed Facility Agreement up to Egyptian Pounds 200 million entered into among Alexandria Portland Cement Company S.A., HSBC Egypt and the Company as Guarantor;

j. A Revolving Facility Agreement up to Egyptian Pounds 500 million entered into among Beni Suef Cement Company S.A., HSBC Egypt and the Company as Guarantor;

k. A Revolving Committed Facility Agreement up to Egyptian Pounds 250 million entered into among Alexandria Portland Cement Company S.A., Qatar National Bank, Egypt and the Company as Guarantor;

l. A Revolving Committed Facility Agreement up to Egyptian Pounds 400 million entered into among Alexandria Portland Cement Company S.A., AHLI United Bank and the Company as Guarantor;

m. A Shareholders' Agreement entered into among TITAN Egyptian Investments Limited, Alexandria Development Limited, TITAN Cement Company S.A. and International Finance Corporation (IFC), which holds a minority interest in TITAN's investment in Egypt and

n. A Shareholders' Agreement entered into among TITAN Cement Cyprus Limited, Aemos Cement Limited, TITAN Cement Company S.A. and International Finance Corporation (IFC), which holds a minority interest in TITAN's respective investments in Serbia, North Macedonia and Kosovo.

10. Agreements with members of the Board of Directors or employees of the Company

There are no agreements with members of the Board of Directors or employees of the Company, providing the payment of compensation upon their resignation or dismissal or upon termination of their tenure or employment, due to a public tender offer.

Statement by the Members of the Board of Directors

In accordance with article 4 paragraph 2 of Law 3556/2007

To the best of our knowledge:

A. the Financial Statements of TITAN Cement Company S.A. (the Company) for the fiscal year 2018, which were drawn up in accordance with the applicable accounting standards, present in a true manner the assets and liabilities, the net position and the profit and loss account of the Company as well as of the consolidated companies taken as a whole; and

B. the Annual Report of the Board of Directors for the fiscal year 2018 presents in a true manner the financial development, performance and financial position of the Company as well as of the consolidated companies taken as a whole, including the description of the principal risks and uncertainties faced by the Company and the consolidated companies.

Athens, 20 March 2019

Efstratios-Georgios Arapoglou	Dimitri Papalexopoulos	Bill Zarkalis
Chairman	Chief Executive Officer	Board Member
		Director USA Region

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "Titan Cement Company S.A."

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of "Titan Cement Company S.A." (Company or/and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2018, the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2018, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

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

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1st January 2018 to 31 December 2018 during the year ended as at 31 December 2018, are disclosed in Note 5 to the separate and consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Carrying value of goodwill (Consolidated financial statements) At 31 December 2018 Titan Cement Company S.A Group had a total of €338.400 thousand goodwill allocated to cash generating units (CGUs). Group measures the goodwill at cost less any accumulated impairment losses. Goodwill is allocated to CGUs and test for impairment is performed annually or even more frequently, when events or circumstances indicate possible impairment of goodwill carrying value compared to recoverable amount, in accordance with the requirements of International Accounting Standard 36. Impairment loss is charged as expense in the Group Income Statement and is not reversed subsequently. Management determines the recoverable amount for each CGU as the higher of fair value less costs to sell and value in use. The calculation of the value in use for each CGU requires judgment on the part of Management with regard to the assumptions used for the calculation of the above CGUs future results, such as perpetual growth rates, forecasts on volumes and selling prices, gross margins and discount rates. These assumptions vary due to the different market conditions in the countries in which the Group operates. Furthermore challenging trading and operating conditions exist in the countries in which the Group operates, increase the risk of goodwill impairment. We focused on this area due to the significance of related amount in the consolidated financial statements and due to the estimates and judgments applied by management in the process of goodwill impairment testing. According to management's goodwill impairment assessment as at 31 December 2018, an impairment of goodwill amounting to €629 thousand in relations to the investments in Greek operations was recognized in the consolidated income statement line "Impairment of tangible and intangible assets related to cost of sales". Details on assumptions used are included in Notes 1.6 «Intangible assets», 2.1 «Significant accounting estimates and judgments, Impairment of goodwill and other non –financial assets» and 13 « Intangible assets and Goodwill».	We evaluated management's overall impairment testing process including assessing the process by which the value in use models are reviewed and approved. We have performed a number of procedures in order to verify that the goodwill impairment tests are performed in accordance with generally accepted methods, mathematically correct calculations and are based on reasonable assumptions. Our audit approach incorporated involving PwC valuation experts in order to assist us with: • Testing the Group's key assumptions for growth rates, sales volumes, selling prices and gross margins in the future cash flow forecasts by comparing them to locally industry trends and assumptions made in the prior years. • Assessing the reliability of management's forecast through a review of actual performance against previous forecasts. • We found that the discount rates were within a reasonable range by evaluating the cost of capital and debt per CGU and by comparing these with market and industry data. • Testing the mathematical accuracy of the cash flows models and agreeing relevant data to approved financial budgets. We evaluated the impact on the recoverable amount of each CGU by using other possible assumptions such as growth rates, discount rates, sales volumes, selling prices and gross margins and we found that sufficient headroom remained between the carrying value and recoverable amount. Based on our procedures we noted no material exception and consider management's key assumptions to be within a reasonable range and related disclosures in the consolidated financial statements to be adequate.

Impairment assessment of investments in Subsidiaries (Separate Financial Statements)	
At 31 December 2018, the Company had investments of €701.037 thousand, which are accounted for at cost adjusted for any impairment where necessary. Management annually assesses any indications of impairment of the Company's investments in subsidiaries. In order to establish whether an impairment provision is required, the Company determines the amount of impairment as the difference between the recoverable amount and carrying value of the investment. Management has determined the recoverable amount of each investment to be the higher amount between its fair value less cost of sale and its value in use, according to the provisions of International Accounting Standard 36. The determination of the value in use is based on management's estimates and assumptions such as the future cash flows of each company, its future performance and the discount rate used. Furthermore, these assumptions vary due to the different market conditions in the countries in which the Group operates. We focused on this area due to the significance of investments in subsidiaries and due to the estimates and judgments applied by management in the process of impairment testing. In the year ended 31 December 2018 an impairment charge of €1.038 thousand was recognized in the income statement line "Losses from participations and equity instruments" with respect to the Company's investment in Gournon Quarries S.A. (Notes 1.2 Consolidation and 14. Principal subsidiaries, associates and joint ventures)	We evaluated management's assessment and conclusions as to whether any indication of impairment of the Company's investments in subsidiaries exists. Following the completion of the procedures applicable to the consolidated financial statements, we assessed the analysis prepared by management, by which the recoverable amounts of CGUs determined in the impairment tests of goodwill related to the corresponding investments in subsidiaries. We performed the procedures described in the key audit matter relating to "Impairment assessment of goodwill", for the investments in subsidiaries whereby an indication of impairment exists. From the testing procedures performed above, we noted no material exceptions. Furthermore we also validated the appropriateness of the related disclosures included in Note 14 - Principal subsidiaries, associates and joint ventures.

Other information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Annual report of the Board of Directors, Corporate Governance Report, Explanatory report of the Board of Directors, Statement of Members of the Board of Directors and the Non-financial statements (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise, explicitly stated in this paragraph of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors report includes the disclosures required by Codified Law 2190/1920 and the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' report for the year ended at 31 December 2018 is consistent with the separate and consolidated financial statements,
- The Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors 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.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. Appointment

We were appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 19/06/2015. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 4 years.

Athens, 21 March 2019
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
Certified Auditors – Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. 113

Konstantinos Michalatos
SOEL Reg. No 17701

Financial Statements

The Annual Financial Statements presented on pages 54 to 139 both for the Group and the Parent Company, have been approved by the Board of Directors on 20 March, 2019.

Chairman of the Board of Directors	Chief Executive Officer
EFSTRATIOS -GEORGIOS ATH. ARAPOGLOU ID No AB309500	DIMITRIOS TH. PAPALEXOPOULOS ID No AK031353

Chief Financial Officer	Finance Director Greece	Financial Consolidation Director
MICHAEL H. COLAKIDES Passport No K00373844	GRIGORIOS D. DIKAIOS ID No AB291692	ATHANASIOS S. DANAS ID No AN023225

Income Statement

(all amounts in Euro thousands)

		Group		Company	
		Year ended 31 December		Year ended 31 December	
	Notes	2018	2017*	2018	2017*
Turnover	3	1,490,097	1,505,803	229,038	233,805
Cost of sales	5	-1,089,489	-1,070,349	-192,728	-182,851
Gross profit before depreciation, amortization and impairment		**400,608**	**435,454**	**36,310**	**50,954**
Other income	4	15,405	10,631	37,177	15,847
Administrative expenses	5	-124,975	-125,459	-41,395	-44,526
Selling and marketing expenses	5	-22,287	-22,570	-256	-253
Net impairment losses on financial assets	20	-1,160	-	-	-
Other expenses	4	-7,850	-24,615	-4,603	-7,218
Profit before interest, taxes, depreciation, amortization and impairment		**259,741**	**273,441**	**27,233**	**14,804**
Depreciation and amortization related to cost of sales	11,13,26	-109,497	-106,209	-14,086	-14,445
Depreciation and amortization related to administrative and selling expenses	11,13,26	-5,012	-6,085	-1,966	-1,272
Impairment of tangible and intangible assets related to cost of sales	11.13	-1,288	-4,135	-	-2,150
Profit/(loss) before interest and taxes		**143,944**	**157,012**	**11,181**	**-3,063**
Income from participations and investments		55	162	38,490	34,377
Losses of obtaining control in joint venture	29	-3,075	-	-	-
Losses from participations and equity instruments		-123	-	-1,161	-178
Finance income	6.i	1,917	899	378	2
Finance expense	6.ii	-65,734	-65,033	-15,054	-16,161
Gains/(losses) from foreign exchange differences	6.iii	9,319	-22,326	1,227	-3,096
Share of loss of associates and joint ventures	15	-3,741	-7,488	-	-
Profit before taxes		**82,562**	**63,226**	**35,061**	**11,881**
(Less)/plus: Income tax	8	-26,578	-18,929	-1,714	1,510
Profit after taxes		**55,984**	**44,297**	**33,347**	**13,391**
Attributable to:					
Equity holders of the parent		53,847	42,680		
Non-controlling interests		2,137	1,617		
		55,984	**44,297**		
Basic earnings per share (in €)	9	**0.6706**	**0.5292**		
Diluted earnings per share (in €)	9	**0.6653**	**0.5256**		

**IFRS 9 and 15 have been applied with the cumulative impact recognized in retained earnings without restating the 2017 comparatives (note 1).*

The primary financial statements should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

(all amounts in Euro thousands)		Group		Company	
		Year ended 31 December		Year ended 31 December	
	Notes	2018	2017*	2018	2017*
Profit for the year		**55,984**	**44,297**	**33,347**	**13,391**
Other comprehensive income/(losses):					
Other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods:					
Exchange losses on translation of foreign operations		**15,356**	**-110,229**	**-**	**-**
Currency translation differences on transactions designated as part of net investment in foreign operation		2,918	-8,753	-	-
Income tax effect		-657	1,969	-	-
		2,261	**-6,784**	**-**	**-**
Net losses on available-for-sale financial assets		-	-577	-	-
		-	**-577**	**-**	**-**
Net other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods:		**17,617**	**-117,590**	**-**	**-**
Items not to be reclassified to profit or loss in subsequent periods:					
Asset revaluation surplus	12	160	252	-	150
Income tax effect	18	-	-73	-	-43
Effect due to changes in tax rates	18	142	-	142	-
		302	**179**	**142**	**107**
Re-measurement losses on defined benefit plans	24	-1,607	-112	-1,391	-589
Income tax effect	18	356	-182	288	170
		-1,251	**-294**	**-1,103**	**-419**
Share of other comprehensive income/(losses) of associates and joint ventures		3	-6	-	-
Income tax effect		-	1	-	-
		3	**-5**	**-**	**-**
Net other comprehensive losses not to be reclassified to profit or loss in subsequent periods:		**-946**	**-120**	**-961**	**-312**
Other comprehensive income/(losses) for the year net of tax		**16,671**	**-117,710**	**-961**	**-312**
Total comprehensive income/(losses) for the year net of tax		**72,655**	**-73,413**	**32,386**	**13,079**
Attributable to:					
Equity holders of the parent		62,686	-70,161		
Non-controlling interests		9,969	-3,252		
		72,655	**-73,413**		

**IFRS 9 and 15 have been applied with the cumulative impact recognised in retained earnings without restating the 2017 comparatives (note 1).*

The primary financial statements should be read in conjunction with the accompanying notes.

Statement of Financial Position

(all amounts in Euro thousands)

		Group		Company	
Assets	Notes	31/12/2018	31/12/2017 *	31/12/2018	31/12/2017*
Property, plant & equipment	11	1,647,892	1,466,046	249,294	252,944
Investment property	12	12,202	12,130	8,743	8,937
Intangible assets and goodwill	13	405,221	345,971	11,107	8,093
Investments in subsidiaries	14	-	-	701,037	778,805
Investments in associates and joint ventures	15	117,567	160,904	4,800	-
Derivative financial instruments	33,34	94	1,434	-	-
Available-for-sale financial assets	16	-	517	-	122
Other non-current assets	17	13,096	11,442	3,295	3,375
Deferred income tax asset	18	8,715	2,926	-	-
Non-current assets		**2,204,787**	**2,001,370**	**978,276**	**1,052,276**
Inventories	19	286,561	258,204	67,674	65,410
Receivables and prepayments	20	206,786	179,634	57,389	67,849
Derivative financial instruments	33,34	796	2,012	-	-
Cash and cash equivalents	21	171,000	154,247	13,710	29,323
Current assets		**665,143**	**594,097**	**138,773**	**162,582**
Total Assets		**2,869,930**	**2,595,467**	**1,117,049**	**1,214,858**
Equity and Liabilities					
Share Capital 84,632,528 shares of €3.45 (2017: €3.00)	22	291,982	253,897	291,982	253,897
Share premium	22	22,826	22,826	22,826	22,826
Share options	22	3,742	3,003	3,742	3,003
Treasury shares	22	-112,884	-105,384	-112,884	-105,384
Other reserves	23	738,487	723,716	457,357	540,288
Retained earnings		449,980	409,155	56,639	29,502
Equity attributable to equity holders of the parent		**1,394,133**	**1,307,213**	**719,662**	**744,132**
Non-controlling interests	15.3	77,157	62,459	-	-
Total equity (a)		**1,471,290**	**1,369,672**	**719,662**	**744,132**
Long-term borrowings	32	745,222	820,382	292,385	379,218
Deferred income tax liability	18	94,414	39,644	7,362	6,078
Retirement benefit obligations	24	32,741	32,440	16,946	15,410
Provisions	25	28,373	30,172	7,781	6,944
Non-current contract liabilities		18	-	-	-
Other non-current liabilities	26	5,669	6,711	3,898	3,795
Non-current liabilities		**906,437**	**929,349**	**328,372**	**411,445**
Short-term borrowings	32	197,637	56,825	3	32
Trade and other payables	27	265,203	228,433	61,449	50,981
Current contract liabilities	27	15,944	-	1,697	-
Derivative financial instruments	34	2	-	-	-
Income tax payable		1,651	2,630	-	-
Provisions	25	11,766	8,558	5,866	8,268
Current liabilities		**492,203**	**296,446**	**69,015**	**59,281**
Total liabilities (b)		**1,398,640**	**1,225,795**	**397,387**	**470,726**
Total Equity and Liabilities (a+b)		**2,869,930**	**2,595,467**	**1,117,049**	**1,214,858**

**IFRS 9 and 15 have been applied with the cumulative impact recognised in retained earnings without restating the 2017 comparatives (note 1).*

The primary financial statements should be read in conjunction with the accompanying notes.

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 2017	**308,254**	**22,826**	**30,276**	**2,978**	**-100,408**	**-1,045**	**839,364**	**374,106**	**1,476,351**	**76,465**	**1,552,816**
Profit for the year	-	-	-	-	-	-	-	42,680	42,680	1,617	44,297
Other comprehensive losses	-	-	-	-	-	-	-112,841	-	-112,841	-4,869	-117,710
Total comprehensive (losses)/income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-112,841**	**42,680**	**-70,161**	**-3,252**	**-73,413**
Share capital decrease (note 10 ,22)	-77,064	-	-7,569	-	-	-	-	-	-84,633	-	-84,633
Dividends distributed (note 10, 15.3)	-	-	-	-	-	-	-	-8,463	-8,463	-3,867	-12,330
Purchase of treasury shares (note 22)	-	-	-	-	-4,564	-387	-	-	-4,951	-	-4,951
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	1,020	-	-	-622	398	-	398
Costs for share capital increase in subsidiaries	-	-	-	-	-	-	-	-481	-481	-	-481
Share based payment transactions (note 22)	-	-	-	1,433	-	-	-	-	1,433	-	1,433
Non-controlling interest's put option recognition (notes 30)	-	-	-	-	-	-	-1,532	-	-1,532	-864	-2,396
Non-controlling interest's participation in share capital increase of subsidiary	-	-	-	-	-	-	-	-	-	807	807
Acquisition of non-controlling interest (note 29)	-	-	-	-	-	-	-	-748	-748	-6,830	-7,578
Transfer among reserves (note 23)	-	-	-	-1,408	-	-	-1,275	2,683	-	-	-
Balance at 31 December 2017	**231,190**	**22,826**	**22,707**	**3,003**	**-103,952**	**-1,432**	**723,716**	**409,155**	**1,307,213**	**62,459**	**1,369,672**

The primary financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity (continued)

(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 2018	**231,190**	**22,826**	**22,707**	**3,003**	**-103,952**	**-1,432**	**723,716**	**409,155**	**1,307,213**	**62,459**	**1,369,672**
Change in accounting policy (note 1)	-	-	-	-	-	-	888	-1,357	-469	1	-468
Restated balance at 1 January 2018	**231,190**	**22,826**	**22,707**	**3,003**	**-103,952**	**-1,432**	**724,604**	**407,798**	**1,306,744**	**62,460**	**1,369,204**
Profit for the year	-	-	-	-	-	-	-	53,847	53,847	2,137	55,984
Other comprehensive income	-	-	-	-	-	-	8,839	-	8,839	7,832	16,671
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**8,839**	**53,847**	**62,686**	**9,969**	**72,655**
Share capital increase	73,210	-	7,190	-	-	-	-80,400	-	-	-	-
Share capital decrease (note 10 ,22)	-38,531	-	-3,784	-	-	-	-	-	-42,315	-	-42,315
Taxes and expenses relevant to share capital increase	-	-	-	-	-	-	-2,944	-	-2,944	-	-2,944
Dividends distributed (note 10, 15.3)	-	-	-	-	-	-	-	-4,231	-4,231	-3,936	-8,167
Purchase of treasury shares (note 22)	-	-	-	-	-7,092	-1,522	-	-	-8,614	-	-8,614
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	1,114	-	-	-675	439	-	439
Costs for share capital increase in subsidiaries	-	-	-	-	-	-	-	-1,100	-1,100	-	-1,100
Share based payment transactions (note 22)	-	-	-	1,755	-	-	-	-	1,755	-	1,755
Non-controlling interest's put option recognition (notes 30)	-	-	-	-	-	-	1,150	-	1,150	-1,594	-444
Non-controlling interest's participation in share capital increase of subsidiary	-	-	-	-	-	-	-	-	-	2,183	2,183
Acquisition of non-controlling interest	-	-	-	-	-	-	11,135	4,256	15,391	-15,391	-
Acquisition of joint venture (note 29)	-	-	-	-	-	-	64,540	632	65,172	23,466	88,638
Transfer among reserves (note 23)	-	-	-	-1,016	-	-	11,563	-10,547	-	-	-
Balance at 31 December 2018	**265,869**	**22,826**	**26,113**	**3,742**	**-109,930**	**-2,954**	**738,487**	**449,980**	**1,394,133**	**77,157**	**1,471,290**

The primary financial statements should be read in conjunction with the accompanying notes.

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 2017	**308,254**	**22,826**	**30,276**	**2,978**	**-100,408**	**-1,045**	**538,403**	**25,985**	**827,269**
Profit for the year	-	-	-	-	-	-	-	13,391	13,391
Other comprehensive losses	-	-	-	-	-	-	-312	-	-312
Total comprehensive (losses)/income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-312**	**13,391**	**13,079**
Share capital decrease (note 10 ,22)	-77,064	-	-7,569	-	-	-	-	-	-84,633
Dividends distributed to ordinary and preferred shares (note 10)	-	-	-	-	-	-	-	-8,463	-8,463
Purchase of treasury shares (note 22)	-	-	-	-	-4,564	-387	-	-	-4,951
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	1,020	-	-	-622	398
Share based payment transactions (note 22)	-	-	-	1,433	-	-	-	-	1,433
Transfer among reserves (note 23)	-	-	-	-1,408	-	-	2,197	-789	-
Balance at 31 December 2017	**231,190**	**22,826**	**22,707**	**3,003**	**-103,952**	**-1,432**	**540,288**	**29,502**	**744,132**
Balance at 1 January 2018	**231,190**	**22,826**	**22,707**	**3,003**	**-103,952**	**-1,432**	**540,288**	**29,502**	**744,132**
Change in accounting policy (note 1)	-	-	-	-	-	-	-	-946	-946
Restated balance at 1 January 2018	**231,190**	**22,826**	**22,707**	**3,003**	**-103,952**	**-1,432**	**540,288**	**28,556**	**743,186**
Profit for the year	-	-	-	-	-	-	-	33,347	33,347
Other comprehensive losses	-	-	-	-	-	-	-961	-	-961
Total comprehensive (losses)/income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-961**	**33,347**	**32,386**
Share capital increase	73,210	-	7,190	-	-	-	-80,400	-	-
Share capital decrease (note 10 ,22)	-38,531	-	-3,784	-	-	-	-	-	-42,315
Taxes and expenses relevant to share capital increase	-	-	-	-	-	-	-2,944	-	-2,944
Dividends distributed to ordinary and preferred shares (note 10)	-	-	-	-	-	-	-	-4,231	-4,231
Purchase of treasury shares (note 22)	-	-	-	-	-7,092	-1,522	-	-	-8,614
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	1,114	-	-	-675	439
Share based payment transactions (note 22)	-	-	-	1,755	-	-	-	-	1,755
Transfer among reserves (note 23)	-	-	-	-1,016	-	-	1,374	-358	-
Balance at 31 December 2018	**265,869**	**22,826**	**26,113**	**3,742**	**-109,930**	**-2,954**	**457,357**	**56,639**	**719,662**

The primary financial statements should be read in conjunction with the accompanying notes.

Cash Flow Statement

(all amounts in Euro thousands)

		Group		Company	
		Year ended 31 December		Year ended 31 December	
	Notes	2018	2017*	2018	2017*
Cash flows from operating activities					
Cash generated from operations	28	**270,478**	**240,453**	**23,043**	**29,259**
Income tax paid		-9,198	-14,359	-1,289	-3,422
Net cash generated from operating activities (a)		**261,280**	**226,094**	**21,754**	**25,837**
Cash flows from investing activities					
Payments for property, plant and equipment	11.12	-102,118	-119,950	-12,256	-27,924
Payments for intangible assets	13	-16,394	-2,568	-4,023	-2,930
Proceeds from sale of PPE, intangible assets and investment property	28	1,850	1,467	18,709	95
Proceeds from dividends		2,649	4,686	38,490	30,458
Payments for acquisition of subsidiaries and joint ventures, net of cash acquired	29	-24,037	-21,106	-	-
Net cash acquired with the subsidiaries	29	7,369	-	-	-
Proceeds from disposal of joint venture, net of cash disposed	15	4,610	-	-	-
Share capital decrease in subsidiaries		-	-	77,485	84,133
Share capital increase in associates and joint ventures		-15,015	-28,678	-	-
Net payments from the acquisition of available-for-sale financial assets		-	-29	-	-
Interest received		1,855	854	241	2
Net cash flows (used in)/from investing activities (b)		**-139,231**	**-165,324**	**118,646**	**83,834**
Net cash flows after investing activities (a)+(b)		**122,049**	**60,770**	**140,400**	**109,671**
Cash flows from financing activities					
Proceeds from non-controlling interest's participation in subsidiary's share capital increase/establishment		2,123	807	-	-
Acquisition of non-controlling interests		-63	-	-	-
Payments from share capital decrease of the Parent Company	10.22	-42,138	-84,136	-42,138	-84,136
Payments for shares bought back	22	-8,614	-4,951	-8,614	-4,951
Proceeds from sale of treasury shares	22	439	398	439	398
Proceeds from government grants		276	209	276	208
Interest and other related charges paid	32	-61,620	-60,183	-12,989	-22,591
Dividends & reserves paid to shareholders		-4,225	-8,438	-4,225	-8,438
Dividends written-off and paid to the Greek State		-	-23	-	-23
Dividends paid to non-controlling interests		-3,927	-3,868	-	-
Proceeds from borrowings	32	313,789	691,159	52,500	122,645
Payments of borrowings	32	-304,427	-613,538	-141,425	-94,266
Net cash flows used in financing activities (c)		**-108,387**	**-82,564**	**-156,176**	**-91,154**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)		**13,662**	**-21,794**	**-15,776**	**18,517**
Cash and cash equivalents at beginning of the year	21	154,247	179,710	29,323	11,218
Effects of exchange rate changes		3,091	-3,669	163	-412
Cash and cash equivalents at end of the year	21	**171,000**	**154,247**	**13,710**	**29,323**

**IFRS 9 and 15 have been applied with the cumulative impact recognised in retained earnings without restating the 2017 comparatives (note 1).*

The primary financial statements should be read in conjunction with the accompanying notes.

Contents

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, the USA and Brazil.

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 31.

The Company is a limited liability company incorporated and domiciled in Greece at 22A Halkidos Street - 111 43 Athens with the registration number in the General Electronic Commercial Registry: 224301000 (formerly the 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 20 March 2019.

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 and interpretations (IFRIC) issued by the IFRS Interpretations Committee.

These financial statements have been prepared on historical cost basis, except for investment properties, certain financial assets and liabilities (including derivative instruments) and defined benefit pension plans 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 2018.

1.1.1 New standards, amendments to standards and interpretations issued and effective for the current financial year

IFRS 4 (Amendments) "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts"

The amendments introduce two approaches. The amended standard: a) gives all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) gives companies, whose activities are predominantly connected with insurance, an optional temporary exemption from applying IFRS 9 until 2021. The entities that have elected to defer the application of IFRS 9 continue to apply the existing financial instruments standard—IAS 39. The amendments have no significant impact on the financial statements of the Group and the Company.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions"

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have no significant impact on the financial statements of the Group and the Company.

IAS 40 (Amendments) "Transfers of Investment Property"

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have no significant impact on the financial statements of the Group and the Company.

IFRIC 22 "Foreign currency transactions and advance consideration"

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has no significant impact on the financial statements of the Group and the Company.

Annual Improvements to IFRS 2014 (2014 – 2016 Cycle)

IAS 28 "Investments in associates and Joint ventures"

The amendments clarified that when venture capital organizations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition. The amendments have no significant impact on the financial statements of the Group and the Company.

IFRS 15: Revenue from contacts with customers

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity recognises revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

On 1 January 2018, the Group and the Company adopted IFRS 15 by using the modified retrospective approach, meaning that the cumulative impact of the adoption was recognized in retained earnings and comparatives were not restated. However, they had no impact on their profitability, liquidity or financial position by applying IFRS 15 for the first time. Therefore, opening retained earnings for 2018 were not adjusted.

Moreover, the Group has changed its accounting policy in order to adjust it to the requirement of the new standard (see note 1.21).

IFRS 9: Financial Instruments

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group and the Company applied the standard retrospectively without restatement of the comparative information for prior years, on 1 January 2018, except for hedge accounting. In 2017, the Group and the Company neither had applied hedge accounting, nor they chose application of hedge accounting on 1 January 2018 under the new standard. Therefore, they continue to apply their current accounting policy for hedge accounting, even though they will examine the commencement of hedge accounting requirements under IFRS 9, whenever a new hedge relationship arises.

IFRS 9 was adopted without restating comparative information and therefore the adjustments arising from the new classification and impairment rules are not reflected in the statement of financial position on 31 December 2017, but are recognised in the opening statement of financial position on 1 January 2018.

On 1 January 2018 (the date of initial application of IFRS 9), the Group's (and the Company's) management has assessed which business models apply to the financial assets held by the Group and the Company and has classified its financial assets into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

(all amounts in Euro thousands)

Group

	Financial assets		
Categories under IAS 39	**Fair value through profit or loss**	**Available-for-sale**	**Loans and receivables**
Balance at 31 December 2017 - IAS 39	**3.446**	**517**	**305.067**
Reclassification of investments from available-for-sale to FVPL	517	-517	-
Increase in provision for trade receivables - full method of consolidation affiliates	-	-	-438
Decrease in net deferred tax liabilities relating to impairment provisions	-	-	39
Categories under IFRS 9	**Fair value through profit or loss**	**through other comprehensive income**	**Amortized cost**
Restated balance at 1 January 2018 - IFRS 9	**3.963**	**-**	**304.668**

On 1 January 2018, the investments of the Group's subsidiaries in non-listed shares and investments in foreign property funds were reclassified from available-for-sale financial assets to financial assets at FVPL. Moreover, the related revaluation reserve that amounted to a loss of €888 thousand on 1 January 2018, was transferred to retained earnings.

In addition, the Group applied the IFRS 9 simplified approach to measure expected credit losses (ECLs) on the trade and other receivables balances at the date of initial application. The result of the new requirements was an increase in the Group's impairment allowances of €438 thousand and a decrease in deferred tax liability of €39 thousand with a corresponding impact in the opening retained earnings. Moreover, the new requirements impacted the entities that are consolidated with the equity method of consolidation, resulting in a decrease in the investments of associates and joint ventures, amounted to €70 thousand, with a corresponding decrease in the opening retained earnings.

There was no impact on the classification and measurement of the financial liabilities of the Group.

Likewise, the Company's management assessed the business models and the contractual cash flow characteristics of its previously held available-for-sale financial assets amounted to €122 thousand. The assessment resulted in their reclassification to the financial assets at fair value through profit or loss category with no impact in the opening retained earnings on 1.1.2018.

However, there was a loss of €946 thousand recognized in the Company's retained earnings because of a financial liability modification. Specifically, on 30.11.2017, the Company entered into an amendment with a Group's subsidiary modifying the terms of an intragroup loan.

The impact of the changes of classification and impairment on the Group's and Company's equity is as follows:

	Revaluation reserve		Retained earnings	
(all amounts in Euro thousands)	Group	Company	Group	Company
Balance at 31 December 2017 - IAS 39	**39,281**	**2,515**	**409,155**	**29,502**
Reclassification of investments from available-for-sale to FVPL	888	-	-888	-
Increase in provision for trade receivables - full method of consolidation affiliates	-	-	-438	-
Increase in provision for trade receivables - equity method of consolidation affiliates	-	-	-70	-
Decrease in net deferred tax liabilities relating to impairment provisions	-	-	39	-
Increase in long-term borrowings due to modification of contractual cash flows	-	-	-	-946
Adjustment to Retained Earnings from adoption of IFRS 9 on 1 January 2018	**888**	**-**	**-1,357**	**-946**
Restated balance at 1 January 2018 - IFRS 9	**40,169**	**2,515**	**407,798**	**28,556**

Moreover, the Group has changed its accounting policy in order to adjust it to the requirement of the new standard (see note 1.24 and 1.26).

The following table summarizes the adjustments recognised for each individual line item of the statements of financial position on 1.1.2018, because of the adoption of IFRS 9 and IFRS 15:

(all amounts in Euro thousands)

	Group				Company			
Assets	31/12/2017	IFRS 15 - transition adjustments	IFRS 9 - transition adjustments	1/1/2018 - restated	31/12/2017	IFRS 15 - transition adjustments	IFRS 9 - transition adjustments	1/1/2018 - restated
Property, plant & equipment	1.466.046	-	-	1.466.046	252.944	-	-	252.944
Investment properties	12.130	-	-	12.130	8.937	-	-	8.937
Intangible assets and goodwill	345.971	-	-	345.971	8.093	-	-	8.093
Investments in subsidiaries	-	-	-	-	778.805	-	-	778.805
Investments in associates & joint ventures	160.904	-	-70	160.834	-	-	-	-
Derivative financial instruments	1.434	-	-	1.434	-	-	-	-
Available-for-sale financial assets	517	-	-517	-	122	-	-122	-
Financial assets at fair value through profit or loss	-	-	487	487	-	-	122	122
Other non-current assets	11.442	-	-	11.442	3.375	-	-	3.375
Deferred tax asset	2.926	-	-	2.926	-	-	-	-
Non-current assets	**2.001.370**	**-**	**-100**	**2.001.270**	**1.052.276**	**-**	**-**	**1.052.276**
Inventories	258.204	-	-	258.204	65.410	-	-	65.410
Trade receivables	115.429	-	-437	114.992	37.883	-	-	37.883
Prepayments and other current assets	64.205	-	-	64.205	29.966	-	-	29.966
Financial assets at fair value through profit or loss	-	-	30	30	-	-	-	-
Derivative financial instruments	2.012	-	-	2.012	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-	-	-
Cash and cash equivalents	154.247	-	-	154.247	29.323	-	-	29.323
Current assets	**594.097**	**-**	**-407**	**593.690**	**162.582**	**-**	**-**	**162.582**
Total Assets	**2.595.467**	**-**	**-507**	**2.594.960**	**1.214.858**	**-**	**-**	**1.214.858**
Equity and Liabilities								
Share Capital	253.897	-	-	253.897	253.897	-	-	253.897
Share premium	22.826	-	-	22.826	22.826	-	-	22.826
Share options	3.003	-	-	3.003	3.003	-	-	3.003
Treasury shares	-105.384	-	-	-105.384	-105.384	-	-	-105.384
Other Reserves	723.716	-	888	724.604	540.288	-	-	540.288
Retained earnings	409.155	-	-1.357	407.798	29.502	-	-946	28.556
Equity attributable to equity holders of the parent	**1.307.213**	**-**	**-469**	**1.306.744**	**744.132**	**-**	**-946**	**743.186**
Non-controlling interests	62.459	-	1	62.460	-	-	-	-
Total equity (a)	**1.369.672**	**-**	**-468**	**1.369.204**	**744.132**	**-**	**-946**	**743.186**
Long-term borrowings	820.382	-	-	820.382	379.218	-	946	380.164
Derivative financial instruments	-	-	-	-	-	-	-	-
Deferred tax liability	39.644	-	-39	39.605	6.078	-	-	6.078
Retirement benefit obligations	32.440	-	-	32.440	15.410	-	-	15.410
Provisions	30.172	-	-	30.172	6.944	-	-	6.944
Other non-current liabilities	6.711	-	-	6.711	3.795	-	-	3.795
Total non-current liabilities	**929.349**	**-**	**-39**	**929.310**	**411.445**	**-**	**946**	**412.391**
Short-term borrowings	56.825	-	-	56.825	32	-	-	32
Trade payables	131.885	-	-	131.885	20.811	-	-	20.811
Current contract liabilities	-	11.610	-	11.610	-	378	-	378
Other current liabilities	96.548	-11.610	-	84.938	30.170	-378	-	29.792
Current income tax payable	2.630	-	-	2.630	-	-	-	-
Provisions	8.558	-	-	8.558	8.268	-	-	8.268
Total current liabilities	**296.446**	**-**	**-**	**296.446**	**59.281**	**-**	**-**	**59.281**
Total liabilities (b)	**1.225.795**	**-**	**-39**	**1.225.756**	**470.726**	**-**	**946**	**471.672**
Total Equity and Liabilities (a+b)	**2.595.467**	**-**	**-507**	**2.594.960**	**1.214.858**	**-**	**-**	**1.214.858**

1.1.2 New standards, amendments to standards and interpretations issued but not yet effective nor early adopted by the Group and the Company

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The standard will effect primarily the accounting for Group's and Company's operating leases.

As at the reporting date, the Group and the Company have non-cancellable operating lease commitments of €51 million and €1.6 million respectively (note 30).

Of these commitments, €0.7 million of the Group and €0.1 million for the Company relate to short-term leases and €0.3 million of the Group to low value leases which will both be recognized on a straight-line basis as expense in profit or loss. For the remaining lease commitments the Group and the Company estimated the following approximate numbers on 1 January 2019: right-of-use assets of €54 million and €1.5 million respectively, lease liabilities of €59 million and €1.5 million respectively (after adjustments for prepayments and accrued lease payments recognized as at 31 December 2018) and deferred tax liability for the Group of €1.5 million. Overall net assets of the Group will be approximately €7 million lower. The Company's net assets will not be materially impacted.

The Group EBITDA, which it is used to measure segment results, is expected to increase by approximately €13 million, as the operating lease payments were included in EBITDA, but the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure. The Company EBITDA is expected to increase by approximately €0.6 million.

Operating cash flows of the Group and the Company will increase, while financing cash flows decrease by approximately €15 million for the Group and €0.6 million for the Company as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The Group's and the Company's activities as a lessor are not material and hence they do not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

The Group and the Company will apply the standard from its mandatory adoption date of 1 January 2019. They intend to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. They also intend to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, lease contracts for which the underlying asset is of low value and short-term leases.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

IFRS 17 "Insurance contracts" (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that companies' account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. The amendments have not yet been endorsed by the EU.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 3 "Business combinations"

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income taxes"

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing costs"

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

1.2 Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 full 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 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 gains or losses arising from such re-measurement are recognized in the income statement.

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, the amount recognised for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired 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 amount recognized for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired the gain is recognised in profit or loss (note 1.6).

Any profit or loss and any item of the Statement of Other Comprehensive Income is allocated between the share-holders of the parent and the non-controlling interest, even if the allocation results in a deficit balance of the non-controlling interest.

In the Company's separate financial statements, investments in subsidiaries are account for at cost less impairment, if any.

The investments are impaired when their carrying amount exceeds their recoverable amount. The investment's recoverable amount is calculated as the higher of its fair value less costs of sell and its value in use. The assessments of impairment of the Company's investments in subsidiaries are performed annually.

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.

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 transactions with the owners in their capacity as owners. The difference between 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.

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.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are consolidated with the equity method of consolidation.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. 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 venture are prepared for the same reporting date with the parent company.

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

Associates

Associates are entities over which the Group has significant influence (holds directly or indirectly 20% or more of the voting power of the entity) but which it does not control. 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.

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 and its carrying value and recognizes the amount adjacent to "share of profit/(loss) of associates and joint ventures" 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; unrealized 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.

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, or private investors who are essentially financial or industrial investors or former shareholders of the acquired entities (note 31).

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 financial 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

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.

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 disposed of, the cumulative amount is reclassified to profit or loss.

Exchange differences arising from intragroup long term loans and receivables that are designated as part of a reporting entity's net investment in a foreign operation shall be recognised in profit or loss in the separate financial statements of the reporting entity, or, of the individual financial statements of the foreign operation, as appropriate. In the consolidated financial statements such exchange differences shall be recognized in other comprehensive income and included in "currency translation differences reserve on transactions designated as part of net investment in foreign operation" in other reserves. Where settlement of these intragroup long term loans and receivables is planned or is likely to occur in the foreseeable future, then these transactions cease to form part of the net investment in the foreign operation. The exchange differences arising up to that date are recognized in other comprehensive income and after that date, they are recognized in profit or loss. On disposal of the net investment in a foreign operation, the accumulated in other reserves exchange differences are reclassified from equity 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.

Group companies

The financial statements 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 statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- 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 (partly or fully disposed), 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 (PPE) 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 and land, 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- Impairment of non-financial assets other than Goodwill).

An item of PPE 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 PPE 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.

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. Investment properties are derecognised when they have been disposed.

If an investment property becomes owner-occupied, it is reclassified as PPE. 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

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. If 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 is smaller than the fair value of the net assets of the acquired subsidiary, the difference is recognized in the profit or loss. 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.

Where goodwill has been allocated to a cash-generating-unit (CGU) 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.

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 (note 1.7), are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The Group's intangible assets have a finite useful life.

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.

Acquired computer software programs 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 programs are recognised as an expense as incurred.

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

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.

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 PPE 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.

1.9 Leases

Where a Group entity is the lessee

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

Leases of PPE 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. 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. PPE 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.

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. Operating leases of PPE are recognized according to their nature in the statement of financial position.

Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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, and bank overdrafts, if they exist. 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

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.

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

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 or sold. 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.

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

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

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 other comprehensive income (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.

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.

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.

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 PPE 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 the amount of consideration expected to be received in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (value-added tax, other sales taxes etc.).

Revenue is recognized when (or as) a performance obligation is satisfied by transferring the control of a promised good or service to the customer. A customer obtains control of a good or service if it has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. Control is transferred over time or at a point in time.

Revenue from the sale of goods is recognised when control of the good is transferred to the customer, usually upon delivery and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The main products of the Group are cement, clinker, ready-mix, fly ash and other cementitious products.

Revenue arising from services is recognised in the accounting period in which the services are rendered, and it is measured using either output methods or input methods, depending on the nature of service provided.

A receivable is recognized when there is an unconditional right to consideration for the performance obligations to the customer that are satisfied.

A contract asset is recognized when the performance obligation to the customer is satisfied before the customers pays or before payment is due, usually when goods or services are transferred to the customer before the Group or the Company has a right to invoice.

A contract liability is recognized when there is an obligation to transfer goods or services to a customer for which the Group or the Company has received consideration from the customer (prepayments) or there is an unconditional right to receive consideration before the Group or the Company transfers a good or a service (deferred income). The contract liability is derecognized when the promise is fulfilled and revenue is recorded in the profit or loss statement.

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. If there is an impairment of loans or receivables, their carrying value is reduced to their recoverable amount, which is the present value of the future cash flows discounting with the initial effective interest rate. Afterwards, the interest income is recognised with the same interest rate (the initial effective interest rate) multiplied with the impaired carrying value.

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 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 region for effective financial controlling and performance monitoring.

1.24 Financial assets

Classification and measurement

The Group and Company classify their financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss) and,
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expenses. Trade receivables are initially measured at their transaction price.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Under IFRS 9, debt financial instruments are subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). The classification is based on two criteria: a) the business model for managing the assets and b) whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Group's and the Company's debt financial assets are, as follows:

I. Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in the income statement.

II. Debt instruments at FVOCI, with gains or losses recycled to profit or loss on de-recognition. Financial assets in this category are debt instruments that meet the SPPI criterion and are held within a business model both to collect cash flows and to sell. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

III. Financial assets at FVPL comprise derivative instruments and equity instruments which the Group and the Company had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. A gain or loss on financial assets that subsequently measures at FVPL is recognized in income statement.

Other financial assets are classified and subsequently measured, as follows:

IV. Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on de-recognition. This category only includes equity instruments, which the Group (or the Company) intends to hold for the foreseeable future and which the Group (or the Company) has irrevocably elected to so classify upon initial recognition or transition. Equity instruments at FVOCI are not subject to any impairment accounting. Dividends from such investments continue to be recognised in profit or loss, unless they represent a recovery of part of the cost of the investment.

V. Financial assets designated as measured at FVPL at initial recognition that would otherwise be measured subsequently at amortized cost or at FVOCI. Such a designation can only be made, if it eliminates or significantly reduces an "accounting mismatch" that would otherwise arise.

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. The legally enforceable right to offset should not depend on future events but it should apply in the ordinary course of business. However, it should be allowed for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

1.26 Impairment of financial assets

The Group and the Company record an allowance for expected credit losses (ECLs) for all financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group (or the Company) expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For contract assets, trade receivables and lease receivables, the Group and the Company have applied the standard's simplified approach and have calculated ECLs based on lifetime expected credit losses.

For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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 periodically re-measured at their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income (OCI) and later is reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of the hedge relationship, Group formally designates and documents the hedge relationship between hedging instruments and hedged items, to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

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 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”.

Cash flow hedges

The effective portion of gains or losses from measuring cash flow hedging instruments is recognized in OCI and accumulated in reserves, in the account “translation differences on derivate hedging position”. 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 item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

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 or losses arising on the translation of a borrowing that hedges such an investment (including any ineffective portion of the hedge) are recognized in equity in “translation differences on derivative hedging position” in “other reserves”.

Gains or 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.

Derivatives that do not qualify for hedge accounting

Certain derivative transactions, do not qualify for hedge accounting under rules in IFRS. Any gains or losses arising from changes in the fair value of financial instruments that are not part of a hedging relationship are included in finance income/(expenses), or gain/(loss) from foreign exchange differences in the income statement for the period in which they arise, depending on their nature.

1.28 De-recognition of financial assets and liabilities

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.

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. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their 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 2.17.

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 basis 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 recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, 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 Useful lives and residual values

PPE are depreciated over their estimated useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product lifecycles, life-of-mine and maintenance programmes are taken into account.

2.5 Allowance for net realizable value of inventory

The allowance for net realizable 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 impairs the trade receivables, as stated in paragraph 1.26. 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 Provision for restructuring costs

The Group estimates the level of provision required for restructuring costs based on historical experience as well as other specific relevant factors.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 Weighted average number of shares

Using the weighted average number of shares during the period reflects the possibility that the amount of shareholders' capital varied during the period as a result of a larger or smaller number of shares being outstanding at any time. Judgment is required to determine the number of shares and the timing when shares are issued. The calculation of the weighted average number of shares impacts the calculation of basic and diluted earnings per share.

2.15 Put options

Put options were granted to the remaining non-controlling shareholders of the Group subsidiary Antea Cement SHA, entitling them to sell their interests in Antea Cement SHA at future contracted dates. The Group has recognized the fair value of the non-controlling interests, being the present value of the future estimated option price, as other current liability in the statement of financial position with a corresponding entry reducing non-controlling interests. The present value and timing of the expected redemptions and amounts need to be determined at each reporting date.

2.16 Sources of estimation uncertainty

There are no significant assumptions made concerning the future or other sources of estimation uncertainty that have been identified as giving rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

2.17 Going concern

Management have taken into account the following: a) the Company's financial position, b) the risks facing the Company that could impact on its business model and capital adequacy and c) the fact that no material uncertainties are identified to the Company's ability to continue as a going concern in the foreseeable future and in any event over a period of at least twelve months from the date of approval of the Financial Statements and states that it considers it appropriate for the Company to continue to adopt the going concern basis in preparing its Financial Statements and that no material uncertainties are identified to the Company's ability to continue to adopt the going concern basis in preparing its Financial Statements in the foreseeable future and in any event over a period of at least twelve months from the date of approval of the Financial Statements.

3. Operating segment information

For management information purposes, the Group is structured in five operating segments: Greece and Western Europe, North America, South Eastern Europe, Eastern Mediterranean and Joint Ventures. Each operating segment is a set of countries. The aggregation of countries is based mainly 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 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 & impairment.

Information by operating segment

	For the year ended 31 December 2018				
(all amounts in Euro thousands)	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Gross revenue	296,090	860,312	239,694	154,294	1,550,390
Inter-segment revenue	-58,999	-209	-1,085	-	-60,293
Revenue from external customers	237,091	860,103	238,609	154,294	1,490,097
Profit before interest, taxes, depreciation, amortization and impairment	10,856	177,872	59,663	11,350	259,741
Depreciation, amortization and impairment of tangible and intangible assets	-20,795	-60,562	-22,528	-11,912	-115,797
(Loss)/profit before interest and taxes	-9,939	117,310	37,135	-562	143,944
ASSETS					
Property, plant & equipment	299,016	639,151	307,701	402,024	1,647,892
Intangible assets and goodwill	30,006	205,105	60,764	109,346	405,221
Other non-current assets	17,560	9,034	9,258	7,687	43,539
Current assets	217,052	201,657	114,884	131,550	665,143
Total assets of segments excluding joint ventures	563,634	1,054,947	492,607	650,607	2,761,795
Investment in joint ventures (note 15)					108,135
Total assets					2,869,930
LIABILITIES					
Non-current liabilities	304,971	295,303	72,033	234,130	906,437
Current liabilities	87,279	261,276	60,662	82,986	492,203
Total Liabilities	392,250	556,579	132,695	317,116	1,398,640
Capital expenditures (note 11,12,13)	19,106	58,465	15,905	20,854	114,330
Provision for obtaining license for construction of production line	-	-	-	4,725	4,725
Impairment of property, plant and equipment (note 11)	-	-659	-	-	-659
Impairment of Goodwill (note 13)	-629	-	-	-	-629
Allowance for doubtful debtors (note 20)	-628	-344	-173	-15	-1,160
Investment in associates (note 15)	3,062	2,285	4,085	-	9,432
Non-qualified deferred compensation plans (note 17,24)	-	3,510	-	-	3,510

Capital expenditures consist of additions of property, plant and equipment, intangible assets and investment property.

Impairment charges are included in the income statement.

Turnover consists of the sale of goods and services. There are sales between operating segments. Total assets and capital expenditures are presented in the operating segment of the company that owns the assets.

The transactions among segments are performed as described in note 31.

3. Operating segment information (continued)

Information by business activities

(all amounts in Euro thousands)	For the year ended 31 December 2018			
	Cement	Ready mix concrete, aggregates and building blocks	Other	Total
Turnover	847,704	634,295	8,098	1,490,097

The cement activity includes cement and cementitious materials.

The business activities that are common to all segments of the Group are the production and trade of cement, ready-mix concrete, aggregates and transportation services.

Greece and Western Europe segment is also engaged in the production and trade of dry mortars and the Regulatory Electricity Market. North America segment includes the production and trade of building blocks and the processing of fly ash. Finally, South Eastern Europe and Eastern Mediterranean segments are engaged in the processing of alternative fuels.

Other activities include transportation services and the activity of Regulatory Electricity Market in Greece. None of these activities have the prerequisite magnitude to be presented separately.

Within the activity of the Company in the Greek electricity market, the Company has received the No.731/13.10.14 License Electricity from the Regulatory Authority for Energy. During 2018, no electricity sales have been made.

The Company sold cement and aggregates, representing in 2018 11.07% (2017: 9.9%) of the Company's turnover, to its subsidiary Interbeton S.A..

At Group level, turnover is derived from a set of customers none of which separately represents greater than or equal to 10%.

Information by operating segment

(all amounts in Euro thousands)	For the year ended 31 December 2017				
	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Gross revenue	312,851	873,435	233,695	158,188	1,578,169
Inter-segment revenue	-64,120	-219	-8,027	-	-72,366
Revenue from external customers	248,731	873,216	225,668	158,188	1,505,803
Profit before interest, taxes, depreciation, amortization and impairment	18,277	185,098	56,895	13,171	273,441
Depreciation, amortization and impairment of tangible and intangible assets	-23,381	-57,785	-24,928	-10,335	-116,429
(Loss)/profit before interest and taxes	-5,104	127,313	31,967	2,836	157,012
ASSETS					
Property, plant & equipment	304,884	612,825	303,368	244,969	1,466,046
Intangible assets and goodwill	26,832	196,242	60,976	61,921	345,971
Other non-current assets	15,425	9,883	8,819	2,024	36,151
Current assets	233,737	177,828	108,824	73,708	594,097
Total assets of segments excluding joint ventures	580,878	996,778	481,987	382,622	2,442,265
Investment in joint ventures (note 15)					153,202
Total assets					2,595,467
LIABILITIES					
Non-current liabilities	311,410	375,203	79,594	163,142	929,349
Current liabilities	64,076	86,270	57,801	88,299	296,446
Total Liabilities	375,486	461,473	137,395	251,441	1,225,795

3. Operating segment information (continued)

Information by operating segment

(all amounts in Euro thousands)	For the year ended 31 December 2017				
	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Capital expenditures (note 11,12,13)	29,643	68,297	13,876	10,702	122,518
Provision for obtaining license for construction of production line	-	-	-	6,380	6,380
Impairment of property, plant and equipment (note 11)	-2,151	-588	-	-	-2,739
Impairment of Goodwill (note 13)	-	-	-1,396	-	-1,396
Allowance/(reversal of allowance) for doubtful debtors (note 20)	-637	497	-302	82	-360
Investment in associates (note 15)	857	2,865	3,980	-	7,702
Non-qualified deferred compensation plans (note 17, 24)	-	4,169	-	-	4,169

Capital expenditures consist of additions of property, plant and equipment, intangible assets and investment properties.

Impairment charges are included in the income statement.

Information by business activities

(all amounts in Euro thousands)	For the year ended 31 December 2017			
	Cement	Ready mix, aggregates and blocks	Other	Total
Turnover	844,959	653,263	7,581	1,505,803

Reconciliation of profit

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

(all amounts in Euro thousands)	Group	
	2018	2017
Profit before interest and taxes	**143,944**	**157,012**
Income from participations and investments	55	162
Losses from acquisition of joint venture	-3,075	-
Losses from participations and equity instruments	-123	-
Finance income	1,917	899
Finance expense	-65,734	-65,033
Gains/(losses) from foreign exchange differences	9,319	-22,326
Share of profit of associates (note 15.1)	1,772	1,540
Share of loss of joint ventures (note 15.2)	-5,513	-9,028
Profit before taxes	**82,562**	**63,226**

4. Other income and expenses

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Scrap sales	1,225	1,590	228	213
Compensation income	4,138	288	151	-
Income from subsidies	33	68	33	68
Income from services	2,712	1,713	278	298
Rental income	2,527	2,466	2,458	1,220
Gains on disposal of PPE, intangible assets and investment property (note 28)	14	-	18,704	47
Fair value gain from investment property (note 12)	-	863	28	12
Income related to inventory provision	-	-	2,115	-
Income from administrative services to subsidiaries	-	-	12,740	12,840
Various recurrent taxes - fees	1,050	1,587	-	-
Other income	3,706	2,056	442	1,149
Other income total	**15,405**	**10,631**	**37,177**	**15,847**
Other provisions	198	-212	-137	-152
Losses on disposals of PPE, intangible assets and investment property (note 28)	-	-2,075	-1,019	-26
Fair value loss from investment property (note 12)	-159	-	-222	-351
Inventory impairment (note 19)	-268	-1,957	-430	-1,548
Staff leaving indemnities	-1,807	-2,158	-1,050	-915
Restructuring cost	-2,435	-11,365	-18	-3,322
Inventories and other receivables write off	-3	-1,110	-707	-
Exceptional items	-79	-729	-	-
Various recurrent taxes - fees	-1,351	-1,631	-	-
Other expenses	-1,946	-3,378	-1,020	-904
Other expenses total	**-7,850**	**-24,615**	**-4,603**	**-7,218**

For the year ended 31.12.2017

The exceptional items are related to expenditures made mainly due to the hurricane "Irma" in Florida USA.

The restructuring cost relates to voluntary retirement incentive programs in all Group operating segments. The amounts of €1.6 million for the Group and €0.8 million for the Company will be settled in 2018.

5. Expenses by nature

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Staff costs and related expenses (note 7)	-275,225	-280,450	-51,833	-55,748
Raw materials and consumables used	-358,635	-372,161	-43,097	-47,295
Energy cost	-240,514	-231,111	-61,004	-57,101
Changes in inventory of finished goods and work in progress	2,593	16,863	-1,743	4,871
Distribution expenses	-171,892	-162,916	-41,152	-37,345
Third party fees	-125,173	-124,166	-22,420	-22,712
Other expenses	-67,905	-64,437	-13,130	-12,300
Total expenses by nature	**-1,236,751**	**-1,218,378**	**-234,379**	**-227,630**
Included in:				
Cost of sales	-1,089,489	-1,070,349	-192,728	-182,851
Administrative expenses	-124,975	-125,459	-41,395	-44,526
Selling and marketing expenses	-22,287	-22,570	-256	-253
	-1,236,751	**-1,218,378**	**-234,379**	**-227,630**

In June 1, 2018 the Annual General Meeting approved the remuneration of the external auditor during financial year 2018. For the statutory audit of the Company's financial statements, the fees would be up to the amount of €190 thousand and for the statutory audit of consolidated financial statements, up to the amount of €52 thousand. Moreover, the external auditor was appointed by the respective Annual General Meetings as the auditor of 27 Group subsidiaries worldwide. The external auditor also undertook the tax compliance audit of the Company and its subsidiaries in Greece. The total fees for the above services, under the exchange rates prevailing at the time of their appointment, amounted to €1,274 thousand (2017: €1,247 thousand).

In 2018, following prior approval by the Audit Committee, the external auditor provided to the Group additional audit related services and the fees paid amounted to €55 thousand (2017: €95 thousand) and non-audit related services for which the fees paid amounted to €151 thousand (2017: €234 thousand).

All the above fees are included in the account "Third party fees".

6. Finance expense

(all amounts in Euro thousands)

i) Finance income	Group		Company	
	2018	2017	2018	2017
Interest income and related income	1,849	869	241	2
Fair value gains on derivatives	-	30	-	-
Other finance income	68	-	137	-
Finance income	**1,917**	**899**	**378**	**2**

ii) Finance expenses	Group		Company	
	2018	2017	2018	2017
Interest expense and related expenses	-64,422	-63,839	-14,779	-15,883
Finance costs of actuarial studies (note 24)	-418	-510	-232	-238
Unwinding of discount of rehabilitation and other provisions (note 25)	-281	-240	-43	-40
Finance lease interest	-371	-444	-	-
Fair value losses from financial assets	-184	-	-	-
Fair value losses on derivatives	-58	-	-	-
Finance expense	**-65,734**	**-65,033**	**-15,054**	**-16,161**

iii) Gain/(losses) from foreign exchange differences	Group		Company	
	2018	2017	2018	2017
Net exchange gains/(losses)	34,926	-55,907	1,227	-3,096
Fair value (losses)/gains on derivatives	-25,607	33,581	-	-
Gains/(losses) from foreign exchange differences	**9,319**	**-22,326**	**1,227**	**-3,096**

7. Staff costs

(all amounts in Euro thousands)	Group		Company	
	2018	2017	2018	2017
Wages, salaries and related expenses	249,532	254,798	42,642	46,237
Social security costs	23,938	24,219	8,931	9,223
Fair value of share options granted to directors and employees (note 28)	1,755	1,433	998	974
Other post retirement and termination benefits - defined benefit plans (note 4,6,24)	4,660	14,033	1,300	4,475
Total staff costs	**279,885**	**294,483**	**53,871**	**60,909**

8. Income tax expense

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Current tax	2,899	8,495	-	-
Deferred tax (note 18)	21,730	12,784	1,714	-6,233
Effect of change in USA federal tax rate (note 18)	-	-7,905	-	-
Non deductible taxes and differences from tax audit	762	3,278	-	2,638
Provision for other taxes	1,187	2,277	-	2,085
	26,578	**18,929**	**1,714**	**-1,510**

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		Company	
	2018	**2017**	**2018**	**2017**
Profit before tax	**82,562**	**63,226**	**35,061**	**11,881**
Tax calculated at the statutory tax rate of 29% (2017: 29%)	23,943	18,336	10,168	3,445
Tax adjustments in respect of:				
Income not subject to tax	-2,511	-4,001	-11,162	-9,969
Expenses not deductible for tax purposes	16,371	17,579	1,081	985
Tax on reserves under special laws (L.3220/2004)	-	4,723	-	4,723
Other taxes	1,949	832	-	-
Effect of change in USA federal tax rate (note 18)	-	-7,905	-	-
Effect of change in Greek tax rate (note 18)	-779	-	-1,014	-
Tax incentives	-2,981	-4,489	-	-
Effect of different tax rates in the countries that the Group operates	-6,995	3,388	-	-
Adjustments for current tax of prior years	-14	-1,163	51	257
Utilization of prior years unrecognized losses	-5,468	-7,902	-	-
Other	3,063	-469	2,590	-951
Effective tax charge	**26,578**	**18,929**	**1,714**	**-1,510**

Deferred tax assets are recognized for the carryforwards of unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. The calculation of the tax carry-forward receivable to be recognized requires management judgment in assessing future profitability and recoverability (note 2.3).

On 31 December 2018, certain Group entities had tax carry forward losses of €233.5 million (2017: €295.3 million). These entities have recognized deferred tax assets amounting to €63.1 million (2017: €80.8 million), attributable to losses amounting to €227.5 million (2017: €284.5 million), as these deferred tax assets will be recoverable using the estimated future taxable income based on approved business plans (note 18).

For the remaining €5.5 million tax carry forward losses, no deferred tax asset has been recognized, since they did not meet the recognition criteria according to IAS 12. Tax carry forward losses amounting to €2.7 million expire up to 2023, while losses amounting to €2.8 million may be carried forward indefinitely.

On 22 December 2017, the USA enacted a tax reform, effective for years after 2017. As a result, TALLC has recorded a deferred tax benefit of €7.9 million from the revaluation of net deferred tax liabilities at the new deferred tax rate.

On December 31, 2018, the Company derecognises a deferred tax asset of €0.7 mil., related to the tax carry forward losses that cannot be utilized.

The 2017 provision for other taxes concerns returning governmental subsidy amounting to €2.1 mil. that was found to be incompatible with European Legal framework according to the Law 4099/2012.

In "Other", the Company and the Group include the effect on income from unused tax provisions for retirement compensation amounted to € 1.4 mil..

9.Earnings per share

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

(all amounts in Euro thousands unless otherwise stated)	Group		Company	
	2018	**2017**	**2018**	**2017**
Net profit for the year attributable to Titan S.A. shareholders	53,847	42,680	33,347	13,391
Weighted average number of ordinary shares in issue	72,885,158	73,174,841	72,885,158	73,174,841
Weighted average number of preferred shares in issue	7,407,852	7,476,152	7,407,852	7,476,152
Total weighted average number of shares in issue for basic earnings per share	80,293,010	80,650,993	80,293,010	80,650,993
Basic earnings per ordinary and preferred share (in €)	**0.6706**	**0.5292**	**0.4153**	**0.1660**

The diluted earnings 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, 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 profit (numerator).

(all amounts in Euro thousands unless otherwise stated)	Group		Company	
	2018	**2017**	**2018**	**2017**
Net profit for the year attributable to Titan S.A. shareholders for diluted earnings per share	53,847	42,680	33,347	13,391
Weighted average number of ordinary shares for diluted earnings per share	72,885,158	73,174,841	72,885,158	73,174,841
Share options	638,373	551,891	638,373	551,891
Weighted average number of preferred shares in issue	7,407,852	7,476,152	7,407,852	7,476,152
Total weighted average number of shares in issue for diluted earnings per share	80,931,384	81,202,884	80,931,384	81,202,884
Diluted earnings per ordinary and preferred share (in €)	**0.6653**	**0.5256**	**0.4120**	**0.1649**

10. Dividends and return of capital

For the year ended 31.12.2018

The Annual General Meeting, which was held on 1 June 2018, approved the distribution of dividend of a total amount of €4,231,626 i.e. €0.05 per share and, in addition, a return of capital of a total amount of €42,316,264 i.e. €0.50 per share. Pursuant to article 16 paragraph 8 of L. 2190/1920, the final amounts distributed per share were increased by the amount, corresponding to the treasury shares held by the Company.

The Board of Directors will propose to the Annual General Assembly of Shareholders, scheduled to take place on 7June 2019, the distribution of dividend of a total amount of €12,694,879.20 i.e. €0.15 per share. Pursuant to article 16.8(b) of L. 2190/1920, the final amounts to be distributed per share will be increased by the amount, corresponding to the treasury shares held by the Company.

For the year ended 31.12.2017

The Annual General Meeting, which was held on 12th May 2017, approved the distribution of dividend of a total amount of €8,463,253 i.e. €0.10 per share and, in addition, a return of capital of a total amount of €84,632,528 i.e. €1.0 per share. Pursuant to article 16 paragraph 8 of L. 2190/1920, the final amounts distributed per share were increased by the amount, corresponding to the treasury shares held by the Company.

11. Property, plant and equipment

(all amounts in Euro thousands)

Group

Year ended 31 December 2017	Land	Quarries	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**250,421**	**148,538**	**184,156**	**803,516**	**50,654**	**9,890**	**108,294**	**1,555,469**
Additions	375	7,771	1,098	14,120	229	824	95,533	119,950
Acquisition of subsidiary (note 29)	-	-	978	-	-	-	-	978
Disposals (NBV) (note 28)	-132	-	-930	-600	-93	-47	-1,734	-3,536
Reclassification of assets from/to other PPE categories	13,030	1,757	13,028	71,675	17,430	3,709	-120,629	-
Transfers from inventories (note 19)	-	-	-	233	-	-	-	233
Transfers from/to intangible assets (note 13)	-	348	-67	-	-	-	-813	-532
Transfer to investment property after revaluation (note 12)	-220	-	-975	-	-	-	-	-1,195
Depreciation charge (note 28)	-3,554	-8,335	-10,586	-67,803	-11,087	-2,611	-	-103,976
Impairment of PPE (note 28)	-588	-	-	-2,145	-	-5	-1	-2,739
Exchange differences	-23,215	-15,507	-8,842	-49,631	-4,990	-301	-8,659	-111,145
Ending balance	**236,117**	**134,572**	**177,860**	**769,365**	**52,143**	**11,459**	**71,991**	**1,453,507**
Leased assets under finance leases								
Opening balance	**-**	**-**	**-**	**197**	**17,569**	**-**	**-**	**17,766**
Depreciation charge (note 28)	-	-	-	-57	-3,251	-	-	-3,308
Exchange differences	-	-	-	-6	-1,913	-	-	-1,919
Ending balance	**-**	**-**	**-**	**134**	**12,405**	**-**	**-**	**12,539**
At 31 December 2017								
Cost	274,741	207,705	376,053	1,651,913	227,261	58,662	71,991	2,868,326
Accumulated depreciation	-36,373	-73,133	-197,438	-876,281	-162,713	-47,191	-	-1,393,129
Accumulated losses of impairment of PPE	-2,251	-	-755	-6,133	-	-12	-	-9,151
Net book value	**236,117**	**134,572**	**177,860**	**769,499**	**64,548**	**11,459**	**71,991**	**1,466,046**

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

Group

Year ended 31 December 2018	Land	Quarries	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**236,117**	**134,572**	**177,860**	**769,365**	**52,143**	**11,459**	**71,991**	**1,453,507**
Additions	471	7,083	648	5,354	446	677	89,406	104,085
Fair value adjustments due to joint venture acquisition (note 29)	396	-	26,963	80,536	-	-	-	107,895
Additions due to acquisition of joint venture (note 29)	1,441	-	4,950	14,413	63	217	150	21,234
Disposals (NBV) (note 28)	-170	-212	-13	-951	-30	-	-460	-1,836
Reclassification of assets from/to other PPE categories	3,508	-30	6,825	39,348	20,552	3,219	-73,409	13
Transfers to other accounts	-	-	-	-	-	-	-814	-814
Transfers to intangible assets (note 13)	-	-	-	-408	-	-	-459	-867
Transfer to investment property after revaluation (note 12)	-	-	-	-	-	-	-71	-71
Depreciation charge (note 28)	-3,805	-8,955	-10,555	-69,230	-11,945	-3,046	-	-107,536
Impairment of PPE (note 28)	-659	-	-	-	-	-	-	-659
Exchange differences	8,868	5,236	7,441	36,471	2,386	141	2,315	62,858
Ending balance	**246,167**	**137,694**	**214,119**	**874,898**	**63,615**	**12,667**	**88,649**	**1,637,809**
Leased assets under finance leases								
Opening balance	**-**	**-**	**-**	**134**	**12,405**	**-**	**-**	**12,539**
Additions	-	-	-	240	-	-	-	240
Additions due to acquisition of joint venture (note 29)	-	-	-	-	107	-	-	107
Reclassification of assets to other PPE categories	-	-	-	-16	3	-	-	-13
Depreciation charge (note 28)	-	-	-	-54	-3,353	-	-	-3,407
Exchange differences	-	-	-	1	616	-	-	617
Ending balance	**-**	**-**	**-**	**305**	**9,778**	**-**	**-**	**10,083**
At 31 December 2018								
Cost	291,288	223,075	426,386	1,851,656	252,723	58,757	88,649	3,192,534
Accumulated depreciation	-42,108	-85,381	-212,264	-970,320	-179,330	-46,078	-	-1,535,481
Accumulated losses of impairment of PPE	-3,013	-	-3	-6,133	-	-12	-	-9,161
Net book value	**246,167**	**137,694**	**214,119**	**875,203**	**73,393**	**12,667**	**88,649**	**1,647,892**

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

Company

Year ended 31 December 2017

	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**747**	**4,695**	**52,463**	**163,722**	**953**	**6,589**	**13,608**	**242,777**
Additions	-	214	185	15,413	60	785	11,267	27,924
Disposals/write-offs (NBV) (note 28)	-	-	-	-4	-62	-8	-	-74
Reclassification of assets from/to other PPE categories	-	-	761	6,453	-	1,531	-8,745	-
Reclassification of assets to intangible assets (note 13)	-	-	-	-	-	-	-8	-8
Depreciation charge (note 28)	-63	-	-2,435	-11,970	-161	-984	-	-15,613
Impairment of PPE (note 28)	-	-	-	-2,145	-	-5	-	-2,150
Provisions for restoration	-	-	5	118	-	12	-47	88
Ending balance	**684**	**4,909**	**50,979**	**171,587**	**790**	**7,920**	**16,075**	**252,944**
At 31 December 2017								
Cost	1,656	4,909	100,754	370,648	3,244	29,843	16,075	527,129
Accumulated depreciation	-972	-	-49,772	-196,430	-2,454	-21,918	-	-271,546
Accumulated losses of impairment of PPE	-	-	-3	-2,631	-	-5	-	-2,639
Net book value	**684**	**4,909**	**50,979**	**171,587**	**790**	**7,920**	**16,075**	**252,944**

Year ended 31 December 2018

	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**684**	**4,909**	**50,979**	**171,587**	**790**	**7,920**	**16,075**	**252,944**
Additions	-	238	329	4,603	348	440	6,298	12,256
Disposals/write-offs (NBV) (note 28)	-	-	-	-72	-7	-3	-69	-151
Reclassification of assets from/to other PPE categories	-	-	2,627	10,495	-	1,187	-14,309	-
Reclassification of assets to intangible assets (note 13)	-	-	-	-	-	-	-13	-13
Depreciation charge (note 28)	-63	-	-1,980	-12,753	-154	-1,129	-	-16,079
Provisions for restoration	-	-	202	115	-	20	-	337
Ending balance	**621**	**5,147**	**52,157**	**173,975**	**977**	**8,435**	**7,982**	**249,294**
At 31 December 2018								
Cost	1,656	5,147	101,276	382,747	3,437	27,250	7,982	529,495
Accumulated depreciation	-1,035	-	-49,116	-206,141	-2,460	-18,811	-	-277,563
Accumulated losses of impairment of PPE	-	-	-3	-2,631	-	-4	-	-2,638
Net book value	**621**	**5,147**	**52,157**	**173,975**	**977**	**8,435**	**7,982**	**249,294**

11. Property, plant and equipment (continued)

Disposal of assets

Group

During 2018, the Group received €1,850 thousand (2017: €1,467 thousand) from the disposal of tangible assets with total net book value of €1,836 thousand (2017: €3,542 thousand). Thus, the Group recognized €14 thousand gains (2017: €2,075 thousand losses) on disposal of PPE in the consolidated income statement (note 4).

Company

During 2018, the Company received €57 thousand (2017: €95 thousand) from the disposal of tangible assets with total net book value of €11 thousand (2017: €74 thousand). Thus, the Company recognized €46 thousand gain (2017: €21 thousand) on disposal of PPE in the income statement (note 4).

Impairments of property, plant and equipment

During 2018, the Group recognized an impairment to a parcel of land in North America amounting to €0.7 mil..

The aforementioned land was impaired as its recoverable amounts was lower than its carrying amounts. The recoverable amount is the fair value less costs to sell and is determined using a sale price quote from an unrelated third party as the amount that the buyer would purchase this tangible asset. This quote is not from an active market and represents a level 3 in the valuation hierarchy.

During 2017, the Group recorded an impairment amounting to €2.2 mil. due to machinery impairment in Greece and Western Europe segment and €0.6 mil. due to a parcel of land in North America.

Property, plant and equipment pledged as security

The assets of the Company have not been pledged. On the Turkish subsidiaries Adocim Cimento Beton Sanayi ve Ticaret A.S. and Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S. assets, there are mortgages of €39.0 mil. and €4.6 mil. respectively, securing bank credit facilities. As at 31.12.2018, utilization under these credit facilities amounted to €11.6 mil. and €2.1 mil. respectively.

12. Investment property

Property that is leased among Group subsidiaries is not included in investment property but in property, plant and equipment in the Group statement of financial position. Investment property is measured at fair value by external, independent, certified valuators, members of the institute of the certified valuators and certified from the European Group of Valuers' Associations (TEGoVA) & RICS (Royal Institution of Chartered Surveyors).

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Opening balance	**12,130**	**9,820**	**8,937**	**9,126**
Net (loss)/gain from measurement at fair value (note 4)	-159	863	-194	-339
Transfer from own-used property after revaluation	231	1,447	-	150
Ending balance	**12,202**	**12,130**	**8,743**	**8,937**

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Rental income derived from investment property	428	406	179	155
Direct operating expenses (including repair and maintenance) that did not generate rental income	-2	-7	-	-
Net profit arising from investment properties carried at fair value	**426**	**399**	**179**	**155**

The fair value measurement of the investment property of the Company has been mainly conducted in accordance with the comparative method or the current market values of similar properties. The main factors that were taken into consideration, are the property location, the surface area, the local urban planning, the bordering road networks, the regional infrastructure, the property maintenance status and merchantability, the technical construction standards in the case of buildings and the impact of environmental issues if any.

13. Intangible assets and Goodwill

(all amounts in Euro thousands)

Group	Initial goodwill	Goodwill impairment	Total goodwill	Licences	Development expenditure	Trade-marks	Customer relation-ships	Other intangible assets	Total
Balance at 1 January 2017	**334,428**	**-15,492**	**318,936**	**16,948**	**315**	**19,461**	**12,112**	**7,344**	**375,116**
Additions	-	-	-	6,470	8	-	-	2,470	8,948
Disposals (NBV) (note 28)	-	-	-	-	-	-	-	-6	-6
Additions due to acquisition	3	-	3	-	-	-	-	-	3
Reclassification of assets from/to other intangible assets categories	-	-	-	58	-	-	-	-58	-
Transfers from/to property, plant & equipment (note 11)	-	-	-	2	-255	-	-	785	532
Other reclassifications	-	-	-	-	-	-	-	1,634	1,634
Impairment (note 28)	-	-1,396	-1,396	-	-	-	-	-	-1,396
Amortization charge (note 28)	-	-	-	-487	-	-855	-3,131	-800	-5,273
Exchange differences	-29,874	-	-29,874	-436	-	-2,033	-1,059	-185	-33,587
Balance at 31 December 2017	**304,557**	**-16,888**	**287,669**	**22,555**	**68**	**16,573**	**7,922**	**11,184**	**345,971**
Balance at 1 January 2018	**304,557**	**-16,888**	**287,669**	**22,555**	**68**	**16,573**	**7,922**	**11,184**	**345,971**
Additions	-	-	-	5,656	704	-	-	3,645	10,005
Additions due to acquisition of joint venture (note 29)	35,638	-	35,638	34	-	2	-	6	35,680
Transfers from/to property, plant & equipment (note 11)	-	-	-	-	-	-	-	867	867
Impairment (note 28)	-	-629	-629	-	-	-	-	-	-629
Amortization charge (note 28)	-	-	-	-741	-	-828	-1,495	-819	-3,883
Exchange differences	15,992	-270	15,722	441	-	664	280	103	17,210
Balance at 31 December 2018	**356,187**	**-17,787**	**338,400**	**27,945**	**772**	**16,411**	**6,707**	**14,986**	**405,221**

Other intangible assets include mainly computer software.

13. Intangible assets and Goodwill (continued)

(all amounts in Euro thousands)

Company

	Trade-marks	Development expenditur	Other intangible assets	Total
Balance at 1 January 2017	**1**	**-**	**4,457**	**4,458**
Additions	-	-	2,930	2,930
Reclassification of assets from property, plant & equipment (note 11)	-	-	8	8
Other reclassifications	-	-	986	986
Amortization charge (note 28)	-	-	-289	-289
Balance at 31 December 2017	**1**	**-**	**8,092**	**8,093**
Balance at 1 January 2018	**1**	**-**	**8,092**	**8,093**
Additions	-	704	3,319	4,023
Disposals (NBV)	-	-	-873	-873
Reclassification of assets from property, plant & equipment (note 11)	-	-	13	13
Amortization charge (note 28)	-	-	-149	-149
Balance at 31 December 2018	**1**	**704**	**10,402**	**11,107**

Impairment testing of goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash-generating-unit (CGU) or to a group of cash generated units that are 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 on the basis of the geographical market.

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 post-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:
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 that have been taken into consideration involve inflation, brand loyalty, growth rate of the regional economy, competition, production cost increases, etc.

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.

13. Intangible assets and Goodwill (continued)

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.

Key assumptions used for value in use calculations in respect of goodwill 2018

(all amounts in Euro thousands)	Carrying amount of goodwill	Perpetual Growth rates	Discount rates
North America	191,022	2% - 3%	5.1% - 5.7%
Bulgaria	45,440	2%	3.5%
Egypt	43,910	6%	18,1%
Turkey	40,969	7,5%	18%
Other	17,059	2%	6.2% - 7.6%
Total	**338,400**		

Key assumptions used for value in use calculations in respect of goodwill 2017

(all amounts in Euro thousands)	Carrying amount of goodwill	Perpetual Growth rates	Discount rates
North America	182,383	2% - 3%	5.1% - 5.8%
Bulgaria	45,440	2%	3.1%
Egypt	42,289	4%	16.5%
Other	17,557	2% - 3%	5.9% - 6.7%
Total	**287,669**		

Sensitivity of recoverable amounts

On 31 December 2018, the Group analyzed the sensitivities of the recoverable amounts of each CGU or a group of CGUs to a reasonable possible change of key assumptions. Management believes that except for one CGU located in Greece as mentioned below, a possible change in the discount rate of 1.0 percentage point, and a 0.5 percentage point change in long-term growth rate, would not cause the carrying amount of a cash-generating unit or a group of cash-generating units to materially exceed its recoverable amount.

Impairment of Goodwill

The 2018 annual goodwill impairment testing process resulted in an impairment of €0.6 mil. in a CGU located in Greece, as the carrying amount of a ready mix plant exceeded its recoverable amount. The calculation of value in use was based on a discount rate of 6.2% .

Nevertheless, prior year annual goodwill impairment testing process resulted in an impairment of €1.4 million being recorded in South Eastern Europe, as the carrying amount of a trading company of the Group exceeded its recoverable amount. The calculation of value in use was based on a discount rate of 3.1%.

14. Principal subsidiaries, associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2018 % of investment (*)		2017 % of investment (*)	
			Direct	Indirect	Direct	Indirect
Full consolidation method						
Titan Cement Company S.A	Greece	Cement producer	Parent company		Parent company	
Aeolian Maritime Company	Greece	Shipping	100.000	-	100.000	-
Aitolika Quarries S.A.	Greece	Quarries & aggregates	-	63.723	-	63.723
Albacem S.A.	Greece	Trading company	99.996	0.004	99.996	0.004
Arktias S.A. (1)	Greece	Quarries & aggregates	-	-	-	100.000
Interbeton Construction Materials S.A.	Greece	Ready mix & aggregates	99.910	0.090	99.910	0.090
Intertitan Trading International S.A.	Greece	Trading company	99.999	0.001	99.999	0.001
Porfirion S.A. (1)	Greece	Production and trade of electricity	-	-	-	100.000
Gournon Quarries S.A.	Greece	Quarries & aggregates	54.930	45.070	54.930	45.070
Quarries of Tagaradon Community S.A. (2)	Greece	Quarries & aggregates	-	67.587	-	79.928
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 & Commercial S.A.	Greece	Investment holding company	43.947	56.053	43.947	56.053
Titan Cement International Trading S.A.	Greece	Trading company	99.960	0.040	99.960	0.040
Brazcem Participacoes S.A.	Brazil	Investment holding company	-	100.000	-	100.000
Double W & Co OOD	Bulgaria	Port	-	99.989	-	99.989
Granitoid AD	Bulgaria	Trading company	-	99.760	-	99.760
Gravel & Sand PIT AD	Bulgaria	Quarries & aggregates	-	99.989	-	99.989
Trojan Cem EOOD (2)	Bulgaria	Trading company	-	83.625	-	83.599
Zlatna Panega Cement AD	Bulgaria	Cement producer	-	99.989	-	99.989
Green Alternative Energy Assets EAD	Bulgaria	Alternative fuels	-	100.000	-	100.000
Titan Investment EAD	Bulgaria	Own/develop real estate	-	99.989	-	99.989
Cementi ANTEA SRL	Italy	Trading company	-	80.000	-	80.000
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	Processing of fly ash	-	100.000	-	100.000
Aemos Cement Ltd (3)	Cyprus	Investment holding company	-	-	100.000	-
Alvacim Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
East Cement Trade Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Feronia Holding Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Iapetos Ltd	Cyprus	Investment holding company	100.000	-	100.000	-
KOCEM Limited	Cyprus	Investment holding company	-	100.000	-	100.000
Themis Holdings Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Titan Cement Cyprus Limited	Cyprus	Investment holding company	-	88.151	-	88.151
Alexandria Portland Cement Co. S.A.E (2)	Egypt	Cement producer	-	90.186	-	82.513
Beni Suef Cement Co.S.A.E. (2)	Egypt	Cement producer	-	90.186	-	82.513
GAEA -Green Alternative Energy Assets (2)	Egypt	Alternative fuels	-	64.902	-	64.825
Titan Beton & Aggregate Egypt LLC (2)	Egypt	Quarries & aggregates	-	90.457	-	83.118
Sharr Beteiligungs GmbH	Germany	Investment holding company	-	88.151	-	88.151
Arresa Marine Co	Marshall Islands	Shipping	-	100.000	-	100.000
Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S.	Turkey	Processing and trading of cement	-	100.000	-	100.000
Adocim Cimento Beton Sanayi ve Ticaret A.S. (4)	Turkey	Cement producer	-	75.000	-	-

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

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2018 % of investment (*) Direct	2018 % of investment (*) Indirect	2017 % of investment (*) Direct	2017 % of investment (*) Indirect
Full consolidation method						
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 LLC	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.	Processing of 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.	Processing of fly ash	-	100.000	-	100.000
ST Equipment & Technology LLC	U.S.A.	Sales of fly ash processing equipment	-	100.000	-	100.000
ST Equipment & Technology Trading Company LLC	U.S.A.	Trading company	-	100.000	-	100.000
Summit Ready-Mix LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Titan Florida LLC	U.S.A.	Cement producer	-	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
Cementara Kosjeric AD	Serbia	Cement producer	-	88.151	-	88.151
Stari Silo Company DOO	Serbia	Trading company	-	88.151	-	88.151
TCK Montenegro DOO	Montenegro	Trading company	-	88.151	-	88.151
Esha Material DOOEL	North Macedonia	Quarries & aggregates	-	88.151	-	88.151
GAEA Zelena Alternative Enerjia DOOEL	North Macedonia	Alternative fuels	-	100.000	-	100.000
MILLCO-PCM DOOEL	North Macedonia	Renting and leasing of machines, equipment and material goods	-	88.151	-	88.151
Rudmak DOOEL	North Macedonia	Trading company	-	88.151	-	88.151
Usje Cementarnica AD (2)	North Macedonia	Cement producer	-	83.625	-	83.599
Vesa DOOL	North Macedonia	Trading company	-	100.000	-	100.000
Cement Plus LTD	Kosovo	Trading company	-	57.297	-	57.297
Esha Material LLC	Kosovo	Quarries & aggregates	-	88.151	-	88.151
Kosovo Construction Materials L.L.C.	Kosovo	Quarries & aggregates	-	88.151	-	88.151
Sharrcem SH.P.K.	Kosovo	Cement producer	-	88.151	-	88.151
Alba Cemento Italia, SHPK	Albania	Trading company	-	80.000	-	80.000
Antea Cement SHA	Albania	Cement producer	-	80.000	-	80.000
GAEA Enerjia Alternative e Gjelber Sh.p.k.	Albania	Alternative fuels	-	100.000	-	100.000
Dancem APS (1)	Denmark	Trading company	-	-	-	100.000
Aeas Netherlands B.V.	Holland	Investment holding company	-	88.151	-	88.151
Colombus Properties B.V.	Holland	Investment holding company	100.000	-	100.000	-
Salentijn Properties1 B.V.	Holland	Investment holding company	100.000	-	100.000	-
Titan Cement Netherlands BV	Holland	Investment holding company	-	88.151	-	88.151

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

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2018 % of investment (*) Direct	2018 % of investment (*) Indirect	2017 % of investment (*) Direct	2017 % of investment (*) Indirect
Equity consolidation method						
Adocim Cimento Beton Sanayi ve Ticaret A.S. (4)	Turkey	Cement producer	-	-	-	50.000
Companhia Industrial De Cimento Apodi S.A.	Brazil	Cement producer	-	50.000	-	50.000
Apodi Concretos Ltda	Brazil	Ready mix	-	50.000	-	50.000
Apodi Distribuição e Logistica Ltda (5)	Brazil	Trading company	-	50.000	-	-
ASH Venture LLC	U.S.A.	Processing of fly ash	-	33.000	-	33.000
Ecorecovery S.A.	Greece	Engineering design services for solid and liquid waste facilities	48.000	-	-	48.000
Nordeco S.A. (6)	Greece	Engineering design services for solid and liquid waste facilities	-	47.388	-	-
Karierni Materiali Plovdiv 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

The annual financial statements, the independent auditor's reports and the board of directors reports of the consolidated non-listed entities, which cumulatively represent more than 5.0% of the consolidated total revenues, or consolidated total assets, or consolidated total net profit excluding non-controlling interest (according to the par. 1c of the decision 8/754/14.4.2016), are available in the following website: http://ir.titan.gr/en/financialfigures.financial.accounts.subsidiaries

Significant Group structure changes

1) Liquidation

2) Change in percentage ownership

3) Merger

4) Obtaining control and changing in consolidation method of Adocim Cimento Beton Sanayi ve Ticaret A.S. (note 15.2)

5) Company's establishment (note 15.2)

6) Company's acquisition (note 15.1)

Movement of the Company's participation in subsidiaries

(all amounts in Euro thousands)	2018	2017
Participation in subsidiaries on 1st January	**778,805**	**862,657**
Share capital (decrease)/increase in subsidiaries	-77,485	-84,133
Provision for impairment of investments	-1,038	-178
Other	755	459
Participation in subsidiaries on 31st December	**701,037**	**778,805**

15. Investments in associates, joint ventures and subsidiaries

15.1 Investment in associates

The Group financial statements incorporate the following companies with the equity method of consolidation:

a) Karierni Materiali Plovdiv AD with ownership percentage 48.711% (31.12.2017: 48.711%), Karierni Materiali AD with ownership percentage 48.764% (31.12.2017: 48.764%), Vris OOD with ownership percentage 48.764% (31.12.2017: 48.764%). The aforementioned companies are based in Bulgaria and operate in the aggregates business.
b) ASH Venture LLC with ownership percentage 33% (31.12.2017: 33%) which beneficiates, markets and sells fly ash. ASH Venture LLC is based in USA.
c) Ecorecovery S.A. with ownership percentage 48% (31.12.2017: 48%) that processing, managing and trading solid waste for the production of alternative fuels. The company is based in Greece.
d) On 23.2.2018, Ecorecovery S.A., an associate of the Group, acquired the 97% of the voting rights of the Greek company Nordeco S.A., which also processes, manages and trades solid waste for the production of alternative fuels. On 31.12.2018, the company was consolidated in the Group's financial statements with the equity method of consolidation and percentage ownership 47.388%.

None of the aforementioned companies is listed on a public exchange market.

Based on their contribution in its profit before taxes, the Group decided that each one of the aforementioned associates is individually immaterial and thus it discloses in aggregate its interests in these associates as follows:

(all amounts in Euro thousands)

Summarized statement of financial position as at 31 December	**2018**	**2017**
Non-current assets	40,530	39,526
Current assets	9,241	7,160
Total assets	**49,771**	**46,686**
Non-current liabilities	2,353	2,039
Current liabilities	8,967	10,523
Total liabilities	**11,320**	**12,562**
Equity	**38,451**	**34,124**
Group's carrying amount of the investment	**9,432**	**7,702**
Summarized income statement and statement of comprehensive income for the year ended 31 December		
Turnover	**22,459**	**20,172**
Profit after taxes	**4,509**	**3,850**
Other comprehensive income/(losses) for the year	7	-11
Total comprehensive income for the year net of tax	**4,516**	**3,839**
Reconciliation of summarized financial information		
Carrying amount of the investment as at 1st of January	**7,702**	**8,614**
Profit for the year	1,772	1,540
Other comprehensive income/(losses) for the year	3	-5
Change in ownership interest	-	209
Share capital increase	2,442	-
Dividends received	-2,594	-2,168
Foreign exchange differences	107	-488
Carrying amount of the investment as at 31st of December	**9,432**	**7,702**

15. Investments in associates, joint ventures and subsidiaries (continued)

15.2 Investment in joint ventures

On 31 December 2018, the Group incorporated in its financial statements the company Companhia Industrial De Cimento Apodi with ownership percentage 50% (31.12.2017: 50%). The Group has joint control over the joint venture and therefore applies the equity method of consolidation. Apodi is based in Brazil and operates in the production of cement.

In September 2018, the aforementioned joint venture Companhia Industrial De Cimento Apodi established the company Apodi Distribuição e Logistica Ltda, which is based in Brazil and operates in the ready-mix industry. The Group owns 50% of the company's voting rights, has joint control over the newly established company and incorporates it in the consolidated financial statements with the equity method of consolidation.

Until 10 October 2018, the Group owned 50% (31.12.2017: 50%) of Adocim Cimento Beton Sanayi ve Ticaret A.S. (Adocim) and incorporated it in the consolidated financial statements with the equity method. Adocim is based in Turkey, owns a modern cement plant, a grinding unit and 3 ready-mix concrete units.

On 11 October 2018, the Group acquired an additional 25% of Adocim, while at the same time disposing of its 50% participation in the grinding plant with the selling price of €4.6 mil.. Thereafter, Group consolidates Adocim with the full consolidation method (note 29).

None of the aforementioned companies is listed on a public exchange market.

Summarised financial information of the joint ventures, based on its IFRS financial statements, are set out below:

(all amounts in Euro thousands)

Summarized statement of financial position as at 31 December	**Companhia Industrial De Cimento Apodi**		**Adocim Cimento Beton Sanayi ve Ticaret A.S.**	
	2018	**2017**	**2018**	**2017**
Non-current assets	187,132	212,004	-	37,996
Other current assets	32,913	25,356	-	31,752
Cash and cash equivalents	624	4,665	-	73
Total assets	**220,669**	**242,025**	**-**	**69,821**
Long-term borrowings	83,413	110,890	-	12,948
Deferred income tax liability	6,024	4,126	-	-
Other non-current liabilities	716	635	-	697
Short-term borrowings	39,103	48,249	-	19,569
Other current liabilities	13,776	11,361	-	12,973
Total liabilities	**143,032**	**175,261**	**-**	**46,187**
Equity	**77,637**	**66,764**	**-**	**23,634**
Summarized income statement and statement of comprehensive income	**1.1 - 31.12.2018**	**1.1 - 31.12.2017**	**1.1 - 10.10.2018**	**1.1 - 31.12.2017**
Turnover	**74,543**	**74,735**	**31,754**	**57,202**
Depreciation, amortization and impairments of assets	-9,023	-9,806	-1,489	-2,658
Finance income	1,250	2,210	22	39
Finance expense	-12,171	-17,813	-3,027	-3,685
Income tax	-2,596	-1,619	1,658	-223
(Loss)/profit after taxes	-5,066	-20,089	-5,912	906
Total comprehensive (loss)/income for the year net of tax	**-5,066**	**-20,089**	**-5,912**	**906**
Reconciliation of summarized financial information	**2018**	**2017**	**2018**	**2017**
Carrying amount of the investment as at 1st of January *	**110,772**	**107,844**	**42,371**	**54,345**
(Loss)/profit for the year	-2,575	-9,515	-2,964	488
Intra-group eliminations	-	-	26	-1
Dividends	-	-	-	-2,358
Share capital increase	12,573	28,678	-	-
Disposal of joint ventures (note 29)	-	-	-4,335	-
Change in consolidation method (note 29)	-	-	-20,809	-
Foreign exchange differences	-12,635	-16,235	-14,289	-10,044
Carrying amount of the investment as at 31st of December	**108,135**	**110,772**	**-**	**42,430**

** Restated on 1/1/2018 for IFRS 9 - transition adjustments (note 1)*

15. Investments in associates, joint ventures and subsidiaries (continued)

15.3 Subsidiaries with significant percentage of non-controlling interests

On 31 December 2018, the non-controlling interest of the Group is €77,157 thousand (31.12.2017: €62,459 thousand), of which €20,850 thousand (31.12.2017: €35,726 thousand) is for Alexandria Development Co Ltd and its subsidiaries, €27,570 thousand (31.12.2017: €27,209 thousand) is attributed to Titan Cement Cyprus Limited and its subsidiaries and €29,175 thousand (31.12.2017: Consolidation with equity method, note 15.2) if for Adocim Cimento Beton Sanayi ve Ticaret A.S.. The remaining non-controlling interest is not material.

In December 2018, the Group's subsidiary in Egypt, Alexandria Portland Cement Co. S.A.E. (APCC), finalized its share capital increase by issuing new shares . The majority of non-controlling interests did not participate in the share capital increase, resulting in its dilution. Consquently, the Group's ownership percentage to APCC from that date is 90,186% (note 14).

The following table summarizes the financial information of subsidiaries, in which the non-controlling interests held significant portion (note 14).

(all amounts in Euro thousands)	Alexandria Development Co.Ltd -Consolidated *		Titan Cement Cyprus Limited - Consolidated *		Adocim Cimento Beton Sanayi ve Ticaret A.S.
	2018	2017	2018	2017	2018
Summarized statement of financial position as at 31 December					
Non-current assets	361,391	389,588	115,526	115,107	150,605
Current assets	101,823	63,313	75,350	66,416	20,893
Total assets	**463,214**	**452,901**	**190,876**	**181,523**	**171,498**
Non-current liabilities	81,375	158,344	5,894	4,140	33,477
Current liabilities	178,288	88,000	21,048	16,650	21,322
Total liabilities	**259,663**	**246,344**	**26,942**	**20,790**	**54,799**
Equity	**203,551**	**206,557**	**163,934**	**160,733**	**116,699**
Attributable to:					
Equity holders of the parent	**182,701**	**170,831**	**136,364**	**133,524**	**87,524**
Non-controlling interests	**20,850**	**35,726**	**27,570**	**27,209**	**29,175**
Summarized income statement and statement of comprehensive income	**1.1 - 31.12.2018**	**1.1 - 31.12.2017**	**1.1 - 31.12.2018**	**1.1 - 31.12.2017**	**11.10 - 31.12.2018**
Turnover	**135,240**	**142,564**	**154,036**	**141,745**	**5,357**
(Loss)/profit after taxes	**-19,185**	**-18,569**	**29,024**	**31,393**	**-676**
Other comprehensive income/(losses) for the year	2,856	-25,902	231	1,302	16,330
Total comprehensive (losses)/income for the year net of tax	**-16,329**	**-44,471**	**29,255**	**32,695**	**15,654**
Total comprehensive (losses)/income attributable to non-controlling interests	**-2,416**	**-7,668**	**4,441**	**4,182**	**3,877**
Dividends distributed to non-controlling interest	**-**	**-**	**3,936**	**3,867**	**-**
Summarized cash flow information					
Cash flows from operating activities	787	9,131	41,932	35,961	-5,060
Cash flows from investing activities	-24,821	-16,635	-7,444	-9,395	-1,222
Cash flows from financing activities	44,015	11,974	-26,108	-25,543	-1,099
Net increase in cash and cash equivalents	**19,981**	**4,470**	**8,380**	**1,023**	**-7,381**
Cash and cash equivalents at beginning of the period	14,061	11,046	31,941	30,821	7,369
Effects of exchange rate changes	544	-1,455	6	97	203
Cash and cash equivalents at end of the year	**34,586**	**14,061**	**40,327**	**31,941**	**191**

** Consolidated figures before elimination with the broader Group*

16. Available-for-sale financial assets

(all amounts in Euro thousands)	2017	
	Group	Company
Opening balance	**1,065**	**122**
Additions	30	-
Disposals	-1	-
Revaluations	-577	-
Ending balance	**517**	**122**
Analysis of available-for-sale financial assets:		
Non-current portion	517	122
	517	**122**

The available-for-sale financial assets were mainly shares of non-listed capital markets and funds in property. After the adoption of IFRS 9 on 1.1.2018, these financial assets are classified as financial assets measured at fair value through profit and loss (see note 1).

17. Other non-current assets

(all amounts in Euro thousands)	Group		Company	
	2018	2017	2018	2017
Utility deposits	2,847	2,966	2,564	2,575
Excess benefit plan assets (note 24)	3,510	4,169	-	-
Other non-current assets	6,739	4,307	731	800
	13,096	**11,442**	**3,295**	**3,375**

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)	Group		Company	
	2018	2017	2018	2017
Deferred tax assets to be recovered:				
after more than 12 months	-99,971	-112,462	-15,829	-14,162
within 12 months	-11,637	-19,281	-1,718	-9,563
Deferred tax liabilities to be used:				
after more than 12 months	167,408	165,335	23,458	27,677
within 12 months	29,899	3,126	1,451	2,126
Deferred tax liability (net)	**85,699**	**36,718**	**7,362**	**6,078**

18. Deferred income taxes (continued)

(all amounts in Euro thousands)

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
Opening balance, net deferred liability *	**36,679**	**35,626**	**6,078**	**12,438**
Income statement charge (note 8)	21,730	12,784	1,714	-6,233
Effect of change in USA federal tax rate (note 8)	-	-7,905	-	-
Tax charged to equity through other comprehensive income	159	-1,715	-430	-127
Fair value adjustments due to joint venture acquisition (note 29)	22,210	-	-	-
Exchange differences	4,921	-2,072	-	-
Ending balance, net deferred liability	**85,699**	**36,718**	**7,362**	**6,078**

Analysis of deferred tax liabilities (before set - offs)

	Group		Company	
	2018	**2017**	**2018**	**2017**
Property, plant and equipment	144,963	122,894	24,830	29,609
Mineral deposits	20,723	19,802	-	-
Intangible assets	35,186	32,132	-	26
Unrealized foreign exchange differences	-6,106	-8,841	-	-
Provisions	-339	-342	-	-
Investments	379	584	-	-
Receivables and prepayments	351	351	-	-
Trade and other payables	4	161	4	156
Prepaid expenses	1,044	860	-	-
Cash and cash equivalents	52	12	52	12
Other	1,065	565	23	-
	197,322	**168,178**	**24,909**	**29,803**
Analysis of deferred tax assets (before set - offs)				
Intangible assets	-1,782	-3,188	-12	-
Investments & other non-current receivables	-3,575	-3,611	-2,873	-3,031
Inventories	-3,267	-4,039	-2,062	-3,054
Post-employment and termination benefits	-7,572	-7,996	-4,237	-4,469
Receivables and prepayments *	-9,227	-8,248	-1,998	-2,354
Tax losses carried forward (note 8)	-63,066	-80,833	-	-4,490
Interest expense tax carried forward	-2,328	-2,057	-2,330	-2,006
Deferred income	-749	-866	-	-
Long-term debt/lease obligations	-2,933	-3,439	-	-
Government grants and other non current liabilities	-879	-1,070	-879	-1,070
Provisions and accrued expenses *	-15,458	-15,392	-3,156	-3,251
Trade and other payables	-115	-14	-	-
Other	-672	-707	-	-
	-111,623	**-131,460**	**-17,547**	**-23,725**
Net deferred tax liability	**85,699**	**36,718**	**7,362**	**6,078**

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.

** Restated on 1/1/2018 for IFRS 9 - transition adjustments (note 1)*

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, 2018	Fair value adjustments due to joint venture acquisition (note 29)	Acquisition of joint venture (note 29)	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Exchange differences	December 31, 2018
Deferred tax liabilities (before set - offs)							
Property, plant and equipment	122,894	23,670	329	-8,861	-142	7,073	144,963
Mineral deposits	19,802		-	-17	-	938	20,723
Intangible assets	32,132	-	-	1,633	-	1,421	35,186
Unrealized foreign exchange differences	-8,841	-	-	2,341	657	-263	-6,106
Provisions	-342	-	-	3	-	-	-339
Investments	584	-	-	-225	-	20	379
Receivables and prepayments	351	-	-	-	-	-	351
Trade and other payables	161	-	-	-157	-	-	4
Prepaid expenses	860	-	-	139	-	45	1,044
Cash and cash equivalents	12	-	-	40	-	-	52
Other	565	-	-	834	-	-334	1,065
	168,178	**23,670**	**329**	**-4,270**	**515**	**8,900**	**197,322**
Deferred tax assets (before set - offs)							
Intangible assets	-3,188	-	-	1,506	-	-100	-1,782
Investments & other non-current receivables	-3,611	-	-	36	-	-	-3,575
Inventories	-4,039	-	-	824	-	-52	-3,267
Post-employment and termination benefits	-7,996	-	-50	930	-356	-100	-7,572
Receivables and prepayments *	-8,283	-	-1,714	1,018	-	-248	-9,227
Tax losses carried forward (note 8)	-80,833	-	-	20,581	-	-2,814	-63,066
Interest expense tax carried forward	-2,057	-	-	-271	-	-	-2,328
Deferred income	-866	-	-	154	-	-37	-749
Long-term debt/lease obligations	-3,439	-	-	648	-	-142	-2,933
Government grants and other non current liabilities	-1,070	-	-	191	-	-	-879
Provisions and accrued expenses *	-15,396	-	-25	426	-	-463	-15,458
Trade and other payables	-14	-	-	-101	-	-	-115
Other	-707	-	-	58	-	-23	-672
	-131,499	**-**	**-1,789**	**26,000**	**-356**	**-3,979**	**-111,623**
Net deferred tax liability	**36,679**	**23,670**	**-1,460**	**21,730**	**159**	**4,921**	**85,699**

** Restated on 1/1/2018 for IFRS 9 - transition adjustments (note 1)*

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, 2017	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Exchange differences	December 31, 2017
Deferred tax liabilities (before set - offs)					
Property, plant and equipment	167,061	-32,163	73	-12,077	122,894
Mineral deposits	33,866	-10,578	-	-3,486	19,802
Intangible assets	47,461	-10,439	-	-4,890	32,132
Unrealized foreign exchange differences	-62	-7,102	-1,969	292	-8,841
Provisions	1,455	-1,797	-	-	-342
Investments	1,392	-679	-	-129	584
Receivables and prepayments	351	-	-	-	351
Trade and other payables	635	-474	-	-	161
Prepaid expenses	1,476	-464	-	-152	860
Cash and cash equivalents	131	-119	-	-	12
Other	1,471	-937	-	31	565
	255,237	**-64,752**	**-1,896**	**-20,411**	**168,178**
Deferred tax assets (before set - offs)					
Intangible assets	-8,125	4,201	-	736	-3,188
Investments & other non-current receivables	-3,598	-13	-	-	-3,611
Inventories	-4,213	59	-	115	-4,039
Post-employment and termination benefits	-10,133	1,565	181	391	-7,996
Receivables and prepayments	-8,364	-208	-	324	-8,248
Tax losses carried forward (note 8)	-156,206	61,094	-	14,279	-80,833
Interest expense tax carried forward	-222	-1,836	-	1	-2,057
Deferred income	-1,280	275	-	139	-866
Long-term debt/lease obligations	-7,070	2,946	-	685	-3,439
Government grants and other non current liabilities	-1,123	53	-	-	-1,070
Provisions and accrued expenses	-19,007	1,981	-	1,634	-15,392
Trade and other payables	-8	-6	-	-	-14
Other	-262	-480	-	35	-707
	-219,611	**69,631**	**181**	**18,339**	**-131,460**
Net deferred tax liability	**35,626**	**4,879**	**-1,715**	**-2,072**	**36,718**

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)

Company

	January 1, 2018	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	December 31, 2018
Deferred tax liabilities (before set - offs)				
Property, plant and equipment	29,609	-4,637	-142	24,830
Intangible assets	26	-26	-	-
Trade and other payables	156	-152	-	4
Cash and cash equivalents	12	40	-	52
Other	-	23	-	23
	29,803	**-4,752**	**-142**	**24,909**
Deferred tax assets (before set - offs)				
Intangible assets	-	-12	-	-12
Investments & other non-current receivables	-3,031	158	-	-2,873
Inventories	-3,054	992	-	-2,062
Receivables and prepayments	-2,354	356	-	-1,998
Government grants and other non current liabilities	-1,070	191	-	-879
Provisions and accrued expenses	-3,251	95	-	-3,156
Post-employment and termination benefits	-4,469	520	-288	-4,237
Interest expense tax carried forward	-2,006	-324	-	-2,330
Tax losses carried forward (note 8)	-4,490	4,490	-	-
	-23,725	**6,466**	**-288**	**-17,547**
Net deferred tax liability	**6,078**	**1,714**	**-430**	**7,362**

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

	January 1, 2017	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	December 31, 2017
Deferred tax liabilities (before set - offs)				
Property, plant and equipment	32,567	-3,001	43	29,609
Intangible assets	52	-26	-	26
Provisions	1,800	-1,800	-	-
Trade and other payables	632	-476	-	156
Cash and cash equivalents	131	-119	-	12
	35,182	**-5,422**	**43**	**29,803**
Deferred tax assets (before set - offs)				
Investments & other non-current receivables	-2,979	-52	-	-3,031
Inventories	-2,615	-439	-	-3,054
Receivables and prepayments	-1,584	-770	-	-2,354
Government grants and other non current liabilities	-1,123	53	-	-1,070
Provisions and accrued expenses	-3,037	-214	-	-3,251
Post-employment and termination benefits	-4,602	303	-170	-4,469
Interest expense tax carried forward	-222	-1,784	-	-2,006
Tax losses carried forward (note 8)	-6,582	2,092	-	-4,490
	-22,744	**-811**	**-170**	**-23,725**
Net deferred tax liability	**12,438**	**-6,233**	**-127**	**6,078**

19. Inventories

(all amounts in Euro thousands)

Inventories	Group		Company	
	2018	**2017**	**2018**	**2017**
Raw materials-maintenance stores	200,124	180,665	60,456	57,406
Provision for obsolete raw materials & maintenance stores	-4,053	-6,206	-3,075	-4,300
Finished goods	93,636	87,968	11,071	13,542
Provision for obsolete finished goods	-3,146	-3,990	-778	-1,238
	286,561	258,437	67,674	65,410
Transfer to property, plant and equipment (note 11)	-	-233	-	-
	286,561	**258,204**	**67,674**	**65,410**

Analysis of provision for impairment of inventories	Group		Company	
	2018	**2017**	**2018**	**2017**
Balance at 1 January	**10,196**	**8,332**	**5,538**	**3,989**
Charge for the year (note 4, 28)	1,116	2,095	430	1,647
Unused amounts reversed (note 4, 28)	-848	-138	-19	-98
Utilized	-3,339	-106	-2,096	-
Reclassification from inventory accounts	-	213		-
Exchange differences	74	-200	-	-
Balance at 31 December	**7,199**	**10,196**	**3,853**	**5,538**

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

20. Receivables and prepayments

(all amounts in Euro thousands)

	Group		Company	
	2018	**2017**	**2018**	**2017**
Trade receivables	120,215	109,220	19,919	16,804
Cheques receivables	26,528	31,590	5,657	10,863
Trade receivables from related parties (note 31)	-	-	14,487	12,466
Allowance for doubtful debtors	-26,544	-25,381	-2,237	-2,250
Total trade receivables	120,199	115,429	37,826	37,883
Creditors advances	3,582	3,250	355	159
Income tax receivables	7,664	2,993	2,612	1,323
V.A.T. and other tax receivables	8,537	12,599	1,384	7,665
Prepayments and other receivables	68,793	47,133	9,952	7,584
Other receivables from related parties (note 31)	-	11	6,539	14,514
Allowance for doubtful debtors	-1,989	-1,781	-1,279	-1,279
Total other receivables	86,587	64,205	19,563	29,966
	206,786	**179,634**	**57,389**	**67,849**

20. Receivables and prepayments (continued)

As at 31 December 2018, the balances of trade receivables and impairment are as follows:

(all amounts in Euro thousands)

	Group		Company	
	Trade receivables	Impairements	Trade receivables	Impairements
Current	63,965	1,089	26,293	72
More than 30 days past due	29,791	648	2,532	17
More than 60 days past due	8,137	228	448	69
More than 120 days past due	44,850	24,579	10,790	2,079
	146,743	**26,544**	**40,063**	**2,237**

Trade receivables and other receivables from related parties are non-interest bearing and are normally settled on 30-170 days for the Group and the Company.

After the adoption of IFRS 9 on 1.1.2018, the Group and the Company apply the IFRS 9 simplified approach for measuring expected credit losses. The approach uses a lifetime expected loss allowance for all trade and other receivables.

On that basis, an impairment analysis is performed as at 31.12.2018 using provisional rates that are based on days past due for groupings of various customer segments with similar characteristics. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, forecasts of future economic conditions, in addition with specific information for individual receivables.

Moreover, the Group and the Company hold collaterals amounting to €33,315 thousand (31.12.2017: €26,500 thousand) and €8,650 thousand (31.12.2017: €8,463 thousand) respectively (note 30).

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model.

Allowance for doubtful and other debtors analysis	Group		Company	
	2018	**2017**	**2018**	**2017**
Balance at 1 January *	**27,599**	**28,721**	**3,529**	**3,528**
Charge for the year (note 28)	2,317	2,599	193	151
Unused amounts reversed (note 28)	-1,157	-2,239	-206	-150
Utilized	-1,530	-1,454	-	-
Additions due to acquisitions	771	-	-	-
Exchange differences	533	-465	-	-
Balance at 31 December	**28,533**	**27,162**	**3,516**	**3,529**

The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.

** Restated on 1/1/2018 for IFRS 9 - transition adjustments (note 1)*

21. Cash and cash equivalents

(all amounts in Euro thousands)

	Group		Company	
	2018	**2017**	**2018**	**2017**
Cash at bank and in hand	51	96	13	24
Short-term bank deposits	170,949	154,151	13,697	29,299
	171,000	**154,247**	**13,710**	**29,323**

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)

	Group & Company	
The total number of the authorized ordinary shares is:	**2018**	**2017**
Ordinary shares of €3.45 each (2017: €3.00)	77,063,568	77,063,568
Preference shares of €3.45 each (2017: €3.00)	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)

Shares issued and fully paid	Ordinary shares Number of shares	Ordinary shares €'000	Preference shares Number of shares	Preference shares €'000	Share premium €'000	Total Number of shares	Total €'000
Balance at 1 January 2017	**77,063,568**	**308,254**	**7,568,960**	**30,276**	**22,826**	**84,632,528**	**361,356**
Share capital decrease	-	-77,064	-	-7,569	-	-	-84,633
Balance at 31 December 2017	**77,063,568**	**231,190**	**7,568,960**	**22,707**	**22,826**	**84,632,528**	**276,723**
Share capital increase	-	73,210	-	7,190	-	-	80,400
Share capital decrease	-	-38,531	-	-3,784	-	-	-42,315
Balance at 31 December 2018	**77,063,568**	**265,869**	**7,568,960**	**26,113**	**22,826**	**84,632,528**	**314,808**

Treasury shares	Ordinary shares Number of shares	Ordinary shares €'000	Preference shares Number of shares	Preference shares €'000	Total Number of shares	Total €'000
Balance at 1 January 2017	**3,871,677**	**100,408**	**85,514**	**1,045**	**3,957,191**	**101,453**
Treasury shares purchased	222,356	4,564	24,959	387	247,315	4,951
Treasury shares sold	-39,787	-1,020	-	-	-39,787	-1,020
Balance at 31 December 2017	**4,054,246**	**103,952**	**110,473**	**1,432**	**4,164,719**	**105,384**
Treasury shares purchased	351,151	7,092	86,837	1,523	437,988	8,615
Treasury shares sold	-44,226	-1,115	-	-	-44,226	-1,115
Balance at 31 December 2018	**4,361,171**	**109,929**	**197,310**	**2,955**	**4,558,481**	**112,884**

For the year 2018, the average stock price of Titan Cement Company S.A. ordinary shares was €21.05 (2017: €23.01) and the closing price of the ordinary shares on 31 December 2018 was €19.38 (31.12.2017: €22.90).

Share options

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

	2017 scheme	2014 scheme
Balance at 1 January 2017	**-**	**860,020**
Granted	263,680	-
Exercised	-	-39,787
Non vested	-	-125,378
Cancelled	-5,570	-48,073
Balance at 31 December 2017	**258,110**	**646,782**
Granted	402,370	-
Exercised	-	-44,226
Non vested	-	-161,305
Cancelled	-1,510	-34,526
Balance at 31 December 2018	**658,970**	**406,725**

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

	2017 scheme		2014 scheme	
Exercise price	€ 10		€ 10	
Expiration date	**2018**	**2017**	**2018**	**2017**
2020	-	-	47,311	55,482
2021	-	-	70,134	301,020
2022	-	-	289,280	290,280
2023	257,270	258,110	-	-
2024	401,700	-	-	-
	658,970	**258,110**	**406,725**	**646,782**

22. Share capital and premium (continued)

2014 Programme

On 20 June 2014, the General Meeting approved the introduction of a new, three-year Stock Option Programme. According to this Programme, the Company's Board of Directors can grant option up to 1,000,000 ordinary shares of the Company at a sale price equal to €10.00 per share. Beneficiaries of the Stock Option Plan are the executive members of the Board of Directors of the Company, the managers and the employees who have the same rank in affiliated companies inside and outside Greece and finally a limited number of the other employees who stand out on a continuous basis for their good performance and have a high potential for advancement.

The vesting period of the stock options that were granted in 2014, 2015 and 2016 is three years. Therefore, the relevant option rights become mature in December of 2016, 2017 and 2018 respectively, provided that the beneficiaries are still employees of the Group. After the completion of the three-year vesting period, the final option rights number, which the beneficiaries will be entitled to exercise, shall be determined by the Board of Directors, within the first four months of 2017, 2018 and 2019 respectively and shall depend:

a) By 50% on the average three year Return on Average Capital Employed (ROACE) compared to the target of each year period, as this will be determined by the Board of Directors before granting the relevant option rights.

b) By 50% on the overall performance of the Company's common share compared to the average overall performance of the shares of predefined international cement producing companies.

The Beneficiaries shall be entitled to exercise their stock option rights, either in whole or in part, within the first five working days of each month, paying the Company the relevant amounts until the expiration date of their stock options, i.e. until December of the third year after these stock options have been vested.

The options granted under the 2014 Programme have been accounted for in terms of the requirements of IFRS 2 "Share based payments".

The number of Share Options that were granted was: 250,190 during 2014, 313,080 during 2015 and 303,150 during 2016.

The fair value of the options granted in 2014 was €7.39 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €25.32, the employee forfeiture rate 9.2%, the volatility of the share price estimated at 47.2%, the dividend yield of 0.376% and the yield of the 3 year EU Benchmark (Deutsche Bund) Government bond yield rate of 0.083%.

The fair value of the options granted in 2015 was €4.14 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €19.55, the employee forfeiture rate 9.2%, the volatility of the share price estimated at 40.61%, the dividend yield of 0.59% and the yield of the 1 year EURIBOR rate of 0.166%.

The fair value of the options granted in 2016 was €5.17 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €20.38, the employee forfeiture rate 9.2%, the volatility of the share price estimated at 42.80%, the dividend yield of 0.87% and the yield of the 1 year EURIBOR rate of -0.15%.

On 31 December 2018, the number of the cancelled share options that were granted during 2014, 2015 and 2016 was 4.300, 12.060 and 13.870 respectively. Out of the options that were granted in 2014, the share options that were not vested are 125.378.

Out of the share options that were granted during 2014, 25,856 vested and cancelled while 47,311 remain unexercised. Out of the remaining 47,345 share options, that represent 0.06% of Company's total shares of the paid up share capital, were exercised during 2017 by 66 Group executives respectively, including 1 executive Board member of the Company. Out of the share options that were granted during 2015, 32,913 vested and cancelled while 70,134 remain unexercised. Out of the remaining 36,668 share options, that represent 0.04% of Company's total shares of the paid up share capital, were exercised during 2018 by 47 Group executives respectively. Total purchase cost of common treasury shares of the Company amounted €1,115 thousand. The sale price of the Company's common treasury shares (over-the-counter-transaction) equaled to the nominal value of each Company share, i.e. €10.00. The total share price amounted €442 thousand. The loss caused by this transaction amounted to €675 and were attributed to the equity holders of the Company.

22. Share capital and premium (continued)

2017 Programme

On 12 May 2017, the General Meeting approved the introduction of a new, three-year Stock Option Programme. According to this Programme, the Company's Board of Directors can grant option up to 1,000,000 ordinary shares of the Company at a sale price equal to €10.00 per share. Beneficiaries of the Stock Option Plan are the executive members of the Board of Directors of the Company, the managers and the employees who have the same rank in affiliated companies inside and outside Greece and finally a limited number of the other employees who stand out on a continuous basis for their good performance and have a high potential for advancement.

The vesting period of the stock options that were granted in 2017 and those will be granted in 2018 and 2019 shall be three years. Therefore, the relevant option rights shall become mature in December of 2019, 2020 and 2021 respectively, provided that the beneficiaries are still employees of the Group. After the completion of the three-year vesting period, the final option rights number, which the beneficiaries will be entitled to exercise, shall be determined by the Board of Directors, within the first four months of 2020, 2021 and 2022 respectively and shall depend:

a) by 50% on the average three year Return on Average Capital Employed (ROACE) compared to the target of each year period and

b) by 50% on the overall performance of the Company's common share compared to the average overall performance of the shares of the predefined international cement producing companies.

The Beneficiaries shall be entitled to exercise their stock option rights, either in whole or in part, within the first five working days of each month, paying the Company the relevant amounts until the expiration date of their stock options, i.e. until December of the third year after these stock options have been vested.

The options granted under the 2017 Programme have been accounted for in terms of the requirements of IFRS 2 "Share based payments".

The number of Share Options that were granted during 2017 was 263.680.

The fair value of the options granted in 2017 was €6.6 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €25.8, the employee forfeiture rate 4.5%, the volatility of the share price estimated at 42.82%, the dividend yield of 0.9% and the yield of the 1 year EURIBOR rate of -0.127%.

On 1 June 2018, 402,370 share options were granted to Group executives under the three-year Stock Option Programme of 2017. The exercise price of the options is €10.0. The final option rights number, which the beneficiaries will be entitled to exercise will depend: a) by 50% on the average three year Return on Average Capital Employed (ROACE) compared to the target of each year period and b) by 50% on the overall performance of the Company's common share compared to the average overall performance of the shares of the eight predefined international cement producing companies.

The fair value of the options granted in 2018 was €5.99 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €21.00, the employee forfeiture rate 2.5%, the volatility of the share price estimated at 42.71%, the dividend yield of 0.86% and the yield of the 1 year EURIBOR rate of -0.184%.

On 31 December 2018 the number of the cancelled share options that were granted during 2017 is 6,410 and the number of the cancelled share options that were granted during 2018 is 670.

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 2017	**96,501**	**572,870**	**333,294**	**93,754**	**45,545**	**138**	**41,115**	**-343,853**	**839,364**
Other comprehensive losses	-	-	-	-	-398	-299	-	-112,144	-112,841
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-1,532	-	-	-	-1,532
Transfer among reserves	-2,682	7	1,408	4,780	-4,334			-454	-1,275
Balance at 31 December 2017	**93,819**	**572,877**	**334,702**	**98,534**	**39,281**	**-161**	**41,115**	**-456,451**	**723,716**
Opening balance 1/1/2018 - Restated *	**93,819**	**572,877**	**334,702**	**98,534**	**40,169**	**-161**	**41,115**	**-456,451**	**724,604**
Other comprehensive income/(losses)	-	-	-	-	276	-1,248	-	9,811	8,839
Share Capital increase	-	-834	-202	-79,364	-	-	-	-	-80,400
Taxes and expenses relevant to share capital increase	-	-	-80	-2,864	-	-	-	-	-2,944
Acquisition of non-controlling interest (note 29)	-	-	-	-	-	-	-	64,540	64,540
Acquisition of joint venture (note 29)	2,490	2,001	-31	31	398	-	-	6,246	11,135
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	1,150	-	-	-	1,150
Transfer from retained earnings	358	-	-	-	-	-	-	-	358
Transfer among reserves	20	-26	1,016	8,271	-3,430	-	-	5,354	11,205
Balance at 31 December 2018	**96,687**	**574,018**	**335,405**	**24,608**	**38,563**	**-1,409**	**41,115**	**-370,500**	**738,487**

** IFRS 9 - transition adjustments (note 1)*

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 2017	**72,950**	**3,550**	**321,404**	**90,379**	**2,409**	**-636**	**48,347**	**538,403**
Other comprehensive income/(losses)	-	-	-	-	106	-418	-	-312
Transfer from retained earnings	789	-	-	-	-	-	-	789
Transfer from share options	-	-	1,408	-	-	-	-	1,408
Balance at 31 December 2017	**73,739**	**3,550**	**322,812**	**90,379**	**2,515**	**-1,054**	**48,347**	**540,288**
Other comprehensive income/(losses)	-	-	-	-	142	-1,103	-	-961
Transfer from retained earnings	358	-	-	-	-	-	-	358
Share Capital increase	-	-834	-202	-79,364	-	-	-	-80,400
Taxes and expenses relevant to share capital increase	-	-	-80	-2,864	-	-	-	-2,944
Transfer from share options	-	-	1,016	-	-	-	-	1,016
Balance at 31 December 2018	**74,097**	**2,716**	**323,546**	**8,151**	**2,657**	**-2,157**	**48,347**	**457,357**

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 "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.

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. Depending on whether they are capitalized or distributed, some of these reserves have different tax charge. 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) €38.3 million (2017: €40.3 million) 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 and b) the €0.2 million (2017: €1.4 million) 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 re-measurement gains and losses (actuarial gains and losses) arising from the actuarial studies performed by the Group's subsidiaries for various benefit, pension or other retirement schemes (note 24).

The "Foreign Currency Translation Reserve" is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Moreover, it includes the currency translation differences reserve on transactions designated as part of net investment in foreign operations. During the last quarter of 2016, the Group subsidiary Titan Egyptian Investment Ltd (TEIL) decided to renew the loan of €76.9 million that had entered into with its subsidiary in Egypt, Alexandria Portland Cement Co. S.A.E. (APCC) in 2010. According to its accounting policy, the Group recognizes in its consolidated financial statements the aforementioned intergroup loan as part of the net investment in the Egyptian operation. On 31 December 2018, this reserve has a debit balance of €27.1 million (2017: €25.3 million).

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. Retirement and termination benefit obligations

Greece

Greek labor legislation requires that the payment of retirement and termination indemnities is 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 2018. The principal actuarial assumptions used were a discount rate of 1.7% (2017: 1.5%), future salary increases of 1.75% (2017: 1.75%) and pension regulated by Laws 2112/1920 and 4093/2012.

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. subsidiaries' 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 31 December 2018 the plan assets of the Group's subsidiaries in the US have invested approximately 54% (2017: 58%) in equity instruments quoted in US and international stock markets and 46% (2017: 42%) in fixed investments (US and international bonds). The discount rate that has been adopted for the study of the pension plans of the Group's subsidiaries in the U.S. was 4% (2017: 3.5%).

Non-qualified deferred compensation 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. On 31 December 2018 and 2017, plan assets totaled €3,510 thousand and €4,169 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, 2018 or 2017.

24. 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:

(all amounts in Euro thousands)

	Group		Company	
	2018	2017	2018	2017
Current service cost	1,508	2,490	826	763
Interest cost	785	909	232	238
Provision of past service cost for the following year due to the voluntary resignation plans	545	1,565	-	806
Return on plan assets	-367	-399	-	-
	2,471	**4,565**	**1,058**	**1,807**
Additional post retirement and termination benefits paid out, not provided for	299	347	224	228
Post retirement and termination benefits paid out, not provided for due to the voluntary resignation plans	1,890	9,453	18	2,440
	4,660	**14,365**	**1,300**	**4,475**
Amounts recognized in profit before interest, taxes, depreciation, amortization and impairment	4,242	13,855	1,068	4,237
Amounts recognized in finance cost (note 6)	418	510	232	238
Amounts recognized in the income statement	**4,660**	**14,365**	**1,300**	**4,475**
Actuarial losses recognized in other comprehensive income	1,607	112	1,391	589
Amount charged to statement of total comprehensive income	**6,267**	**14,477**	**2,691**	**5,064**
Present value of the liability at the end of the period	**45,903**	**46,833**	**16,946**	**15,410**
Minus fair value of US plans assets	-13,162	-14,393	-	-
	32,741	**32,440**	**16,946**	**15,410**

Liabilities' movement recognized in the statement of financial position:

	Group		Company	
	2018	2017	2018	2017
Opening balance	**32,440**	**33,961**	**15,410**	**15,870**
Total expense	4,660	14,365	1,300	4,475
Re-measurement losses recognized immediately in other comprehensive income/(losses)	1,607	112	1,391	589
Additions due to acquisition of joint venture (note 29)	281	-	-	-
Other	791	-719	791	-838
Exchange differences	-398	-390	-	-
Benefits paid during the year	-6,640	-14,889	-1,946	-4,686
Ending balance	**32,741**	**32,440**	**16,946**	**15,410**

Changes in the fair value of US plan assets:

	Group	
	2018	2017
Fair value of plan assets at the beginning of the period	14,393	15,336
Expected return	-409	1,460
Company contributions	510	605
Administrative expenses	-206	-207
Benefits paid	-1,822	-936
Exchange difference	696	-1,865
Fair value of plan assets at the end of the period	**13,162**	**14,393**

24. Retirement and termination benefit obligations (continued)

A quantitative sensitivity analysis for significant assumptions is shown below:

(all amounts in Euro thousands)

Assumptions	Group		Company	
	1.0% increase	1.0% decrease	1.0% increase	1.0% decrease
	Year ended 31 December 2018			
Impact on the net defined benefit obligation:				
Discount rate	-3,244	3,835	-1,721	2,039
Salary	2,384	-2,059	2,016	-1,736
Health care costs	90	-78	-	-
Impact on the current service costs:				
Discount rate	-117	144	-112	138
Salary	162	-133	146	-118
Healthcare costs	3	-3	-	-
	Year ended 31 December 2017			
Impact on the net defined benefit obligation:				
Discount rate	-3,252	3,581	-1,556	1,844
Salary	2,163	-1,867	1,820	-1,566
Health care costs	91	-78	-	-
Impact on the current service costs:				
Discount rate	-61	61	-101	124
Salary	165	-136	130	-108
Healthcare costs	3	-3	-	-

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 payments to be made in the future years out of the defined benefit plan obligation:

	Group		Company	
	2018	2017	2018	2017
Not later than 1 year	2,567	3,403	1,194	1,940
Later than 1 year and not later than 5 years	7,619	6,856	2,447	1,659
Later than 5 years and not later than 10 years	11,054	11,334	4,542	4,422
Beyond 10 years	32,074	31,177	12,915	11,496
Total expected payments	**53,314**	**52,770**	**21,098**	**19,517**

The components of actuarial losses that re-calculated and recognized immediately in the other comprehensive income for the years ended December 31, 2018 and 2017 are as follows:

	Group		Company	
	2018	2017	2018	2017
Due to experience	-1,183	1,139	-277	589
Due to assumptions (financial)	-298	132	-325	-
Due to assumptions (demographic)	2,309	-76	1,993	-
Re-measurement losses on DBO	828	1,195	1,391	589
Re-measurement gains on plan assets	779	-1,083	-	-
Re-measurement losses for the period	**1,607**	**112**	**1,391**	**589**

25. Provisions

(all amounts in Euro thousands)

Group

		1 January 2018	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	Exchange differences	31 December 2018
Provisions for restoration of quarries	a	15,830	3,320	-1,656	274	-106	390	18,052
Provisions for other taxes	b	3,966	1,188	-	-	-	31	5,185
Litigation provisions	c	7,289	10,930	-	-	-12,775	326	5,770
Other provisions	d	11,645	7,041	-7,435	7	-339	213	11,132
		38,730	**22,479**	**-9,091**	**281**	**-13,220**	**960**	**40,139**

		1 January 2017	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	Exchange differences	31 December 2017
Provisions for restoration of quarries	a	17,191	1,369	-1,786	237	-75	-1,106	15,830
Provisions for other taxes	b	1,784	2,277	-	-	-	-95	3,966
Litigation provisions	c	1,055	7,115	-442	-	-322	-117	7,289
Other provisions	d	9,619	8,381	-1,105	3	-4,998	-255	11,645
		29,649	**19,142**	**-3,333**	**240**	**-5,395**	**-1,573**	**38,730**

	2018	2017
Non-current provisions	28,373	30,172
Current provisions	11,766	8,558
	40,139	**38,730**

Company

		1 January 2018	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	31 December 2018
Provisions for restoration of quarries	a	2,398	-51	-	36	-18	2,365
Litigation provisions	c	2,368	150	-	-	-	2,518
Other provisions	d	10,446	6,299	-2,592	7	-5,396	8,764
		15,212	**6,398**	**-2,592**	**43**	**-5,414**	**13,647**

		1 January 2017	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	31 December 2017
Provisions for restoration of quarries	a	2,433	51	-10	37	-113	2,398
Litigation provisions	c	132	2,236	-	-	-	2,368
Other provisions	d	7,748	8,503	-974	3	-4,834	10,446
		10,313	**10,790**	**-984**	**40**	**-4,947**	**15,212**

	2018	2017
Non-current provisions	7,781	6,944
Current provisions	5,866	8,268
	13,647	**15,212**

a. This provision represents the present value of the estimated costs to rehabilitate quarry sites and other similar post-closure obligations. It is expected that this amount will be used over the next 1 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 1 to 20 years.

26. Other non-current liabilities

(all amounts in Euro thousands)

	Group		Company	
	2018	2017	2018	2017
Government grants	4,604	4,636	3,769	3,669
Other non-current liabilities	1,065	2,075	129	126
	5,669	**6,711**	**3,898**	**3,795**

Analysis of Government grants:

	Group		Company	
	2018	2017	2018	2017
Non - current	4,604	4,636	3,769	3,669
Current (note 27)	69	78	-	-
	4,673	**4,714**	**3,769**	**3,669**

	Group		Company	
	2018	2017	2018	2017
Opening balance	**4,714**	**4,768**	**3,669**	**3,646**
Additions	276	209	276	208
Amortization (note 28)	-317	-263	-176	-185
Ending balance	**4,673**	**4,714**	**3,769**	**3,669**

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.

27. Trade payables, other liabilities and current contract liabilities

(all amounts in Euro thousands)	Group		Company	
	2018	2017	2018	2017
Trade payables	178,841	131,885	39,684	20,811
Amounts due to related parties (note 31)	68	79	8,340	16,643
Other payables	16,480	15,650	6,257	5,172
Accrued expenses	44,193	41,808	2,736	1,424
Accrued interest	8,930	7,163	783	680
Social security	3,635	3,623	2,657	2,660
Customer down payments/advances	13,086	8,614	366	378
Deferred Income	2,858	2,913	-	-
Dividends payable	983	965	274	268
Government grants (note 26)	69	78	-	-
Other taxes	12,004	15,655	2,049	2,945
	281,147	**228,433**	**63,146**	**50,981**

Other payables include liabilities relating to transportation of 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 10-180 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.

28. Cash generated from operations

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Profit after taxes	55,984	44,297	33,347	13,391
Adjustments for:				
Taxes (note 8)	26,578	18,929	1,714	-1,510
Depreciation (note 11)	110,943	107,284	16,079	15,613
Amortization of intangibles (note 13)	3,883	5,273	149	289
Amortization of government grants received (note 26)	-317	-263	-176	-185
Impairment of assets (note 11,13)	1,288	4,135	-	2,150
Net loss/(profit) on disposals of tangible and intangable assets (note 4)	-14	2,075	-17,685	-21
Provision for impairment of debtors charged to income statement (note 20)	1,160	360	-13	1
Cost of inventory obsolescence (note 19)	268	1,957	117	1,549
Provision for restoration of quarries (note 25a)	-269	-180	-33	-35
Provision for litigation (note 25c)	196	293	150	151
Other provisions	-387	7,279	-1,226	1,770
Provision for retirement and termination benefit obligations (note 24)	2,471	4,565	-646	317
Decrease of investment property (note 12)	159	-863	194	339
Impairment of investments	-	-	1,038	178
Loss from participations and investments	123	-	123	-
Fair value losses from financial assets	184	-	-	-
Losses from acquisition of joint venture	3,075	-	-	-
Dividend income	-55	-162	-38,490	-34,377
Finance income (note 6)	-1,917	-869	-378	-2
Interest expense and related expenses (note 6)	64,793	64,283	14,779	15,883
Losses/(gains) on financial instruments (note 6)	25,665	-33,611	-	-
(Gains)/losses from foreign exchange differences (note 6)	-34,926	55,907	-564	1,869
Share stock options (note 7)	1,755	1,433	998	974
Share in losses of associates and joint ventures (note 15)	3,741	7,488	-	-
Changes in working capital:				
Increase in inventories	-14,248	-28,520	-2,382	-9,192
(Increase)/decrease in trade and other receivables	-913	-7,037	11,963	10,760
(Increase)/decrease in operating long-term receivables and payables	-1,923	1,350	105	-2
Increase/(decrease) in trade payables	23,181	-14,950	3,880	9,349
Cash generated from operations	**270,478**	**240,453**	**23,043**	**29,259**

In the cash flow statement, proceeds from the disposals of tangible and intangible assets, and investment property are as follows:

Net book amount	1,836	3,542	1,024	74
Net gains/(losses) on disposals (note 4)	14	-2,075	17,685	21
Net proceeds from disposals	**1,850**	**1,467**	**18,709**	**95**

29. Business combinations

Year ended 31 December 2018

On 11 October 2018, the Group acquired an additional 25% of the joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. (Adocim) with a consideration of €24 million. Since the acquisition date, the Group's ownership percentage is 75% and the company is consolidated in the Group’s financial statements with the full consolidation method instead of the equity method.

The Group has elected to measure the non-controlling interests at the proportionate share of the Adocim's identifiable net assets.

The assets and liabilities of the Adocim Cimento Beton Sanayi ve Ticaret A.S. as they were recorded at the date of acquisition, are as follows:

(all amounts in Euro thousands)	Fair value on acquisition
Assets	
Non-current assets	129,699
Inventory	5,954
Receivables and prepayments	15,373
Cash and cash equivalents	7,368
Total assets	**158,394**
Liabilities	
Long-term borrowings	5,537
Short-term borrowings	22,704
Deferred tax liabilities	22,202
Other liabilities and taxes payable	14,086
Total liabilities	**64,529**
Total identifiable net assets at fair value	**93,865**
Non-controlling interest measured at fair value	-23,466
Goodwill arising on acquisition (note 13)	35,638
Total investment	**106,037**
Cash flow on acquisition:	
Purchase consideration for additional 25% stake settled in cash	24,037
Net cash acquired with the subsidiaries	-7,369
Net cash flow on acquisition of additional percentage	**16,668**
Accounting of net result from business combination	
Fair value of previously held stake in joint venture	82,000
Selling price of Adocim's grinding plant (note 15.2)	4,609
Carrying amount of Adocim's grinding plant at 11.10.2018 (note 15.2)	-4,335
Carrying amount of investment in Adocim (excluding grinding plant) at 11.10.2018 (note 15.2)	-20,809
Reclasified foreign exchange differences (note 23)	-64,540
Net loss form business combination	**-3,075**

For the calculation of the fair value measurement of the company’s existing 50% participation, an income approach, and more specifically a Discounted Cash Flows method was employed considering macroeconomic conditions and industry specific characteristics. The key assumptions adopted for the above valuation included a discount rate of 18% and a perpetuity growth rate of 7.5%

Year ended 31 December 2017

On 1 January 2017, the Group completed the acquisition of all the voting rights of the company Titan Investment EAD, which is based in Bulgaria and operates in the construction and trade of real estate, by derecognizing receivables of €980 thousand and recognizing goodwill of €2 thousand. At the date of the acquisition, the company had net assets of €978 thousand. The aforementioned company is incorporated in the consolidated financial statements with the full method.

On 8 March 2017, the Group acquired 100% of the Arresa Marine CO company by paying consideration of €0,5 thousand and recognizing an equal amount of goodwill. The newly acquired company is a shipping company based in the Marshall Islands and it is incorporated in the consolidated financial statements with the full method from the date of acquisition.

Finally, on 30 August 2017, the Group has completed the acquisition of the non-controlling interest of the subsidiary Brazcem Participacoes S.A. for a total consideration of €7.6 million.

30. Contingencies and commitments

Contingent liabilities

(all amounts in Euro thousands)	Group		Company	
	2018	2017	2018	2017
Guarantees to third parties on behalf of subsidiaries	-	-	963,879	641,497
Bank guarantee letters	18,469	27,906	4,926	3,375
Other	1,020	947	-	-
	19,489	**28,853**	**968,805**	**644,872**

Litigation matters in Egypt

A. Privatization cases

1. In 2011, two former employees of Beni Suef Cement Company SAE (BSCC) filed an action before the Administrative Court of Cairo, seeking the nullification of the privatization of BSCC that took place in 1999, when BSCC was sold to Financière Lafarge in a public auction, before being subsequently acquired by Titan Group. The Administrative Court of Cairo rejected in 2014 the plaintiffs' claim in connection with BSCC's privatization, however ruled that BSCC was under the obligation to re- instate all employees the employment of whom had been terminated, including employees who had left the company in the framework of voluntary staff reduction programs. Both the plaintiffs and BSCC have appealed the ruling issued by the first instance Court before the Supreme Administrative Court, which on 19 January 2015 suspended the case until the Supreme Constitutional Court of Egypt issues a final ruling on the constitutionality of Law no. 32/2014. The case is still suspended and no further action has been taken until now. The view of BSCC's lawyers is that the plaintiffs' action is devoid of any legal or factual ground.

2. In June 2013 another action was filed before the Administrative Court of Cairo seeking as in the above case to nullification of the privatization of BSCC. The Administrative Court of Cairo issued on 25 June 2015 a first instance ruling referring the case to the Investment Circuit no. 7, which has recently referred the case to the commissioners' panel where no hearing date has been scheduled until now. The view of BSCC's lawyers is that the action is devoid of any legal or factual ground.

3. In 2012, an ex-employee of Alexandria Portland Cement Company SAE (APCC) 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 (but not against Alexandria Portland) seeking the nullification of the privatization of APCC through its sale to Blue Circle Cement Group in 1999, before APCC was subsequently acquired by Titan Group. The Administrative Court of Alexandria issued on 31 January 2015 a first instance ruling suspending the case initially until 28 May 2016 and subsequently until 15 October 2016, provided that by such date the Supreme Constitutional Court of Egypt would have ruled on the constitutionality of the above Law no. 32/2014. The case was subsequently referred to the Administrative Court of Cairo, Investment Circuit no.1 but no hearing has been scheduled until now. The view of APCC's lawyers is that the action is devoid of any legal and factual ground.

4. In May 2013, a new action was filed by three ex-employees of APCC seeking, as in the above case, the nullification of the sale of APCC to Blue Circle Cement Group. The case has been repeatedly adjourned and, as in the above cases, no judgment will be handed down from the competent Administrative Court until the Supreme Constitutional Court of Egypt decides on the constitutionality of Law no. 32/ 2014. The view of APCC's lawyers is that the action is devoid of any legal and factual ground.

30. Contingencies and Commitments (continued)

B. Other cases

1.An individual residing in the vicinity of the plant of Alexandria Portland has filed a claim 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 plant of APCC in Alexandria, alleging violations of environmental and related regulation. On 18.4.2018 the Court decided in favor of APCC and rejected the case. The plaintiff has not appealed the decision within the time period provided for lodging an appeal. Therefore, the case has been finally concluded.

2. In 2007, BSCC obtained the license for the construction of a second production line at the company's plant in Beni Suef through a bidding process run by the Egyptian Trading and Industrial Authority(IDA) for a license fee of EGP 134.5 million. IDA subsequently unilaterally raised the license fee to EGP 251 million. In October 2008 BSCC filed a case before the Administrative Court refusing the price increase and requesting the license price to be set at EGP 500 EGP, or alternatively to EGP 134.5 million, as had been originally determined through the bidding process. The Administrative Court dismissed BSCC's action and BSCC filed an appeal in June 2018 before the High Administrative Court. Until today no appeal hearing has been scheduled.

BSCC has also lodged an action against IDA requesting the calculation of the payable interest, which is accruing on the EGP 251 million fee that IDA is claiming, on the basis of the legal interest of 4% per annum and not on the basis of the CBE interest (varying from 9% to 19%) as calculated by IDA.

In June 2018, BSCC and IDA entered into an agreement, pursuant to which BSCC paid to IDA the amount of EGP 251 million for the value of the license plus the amount of EGP 24,9 million, as down payment for interest, calculated on the basis of the CBE interest. Moreover, BSCC agreed to pay the remaining amount of interest amounting to EGP 224 million, in 12 monthly instalments, under the express agreement that, in case the Egyptian Courts accept the appeal of BSCC on the value of the license and/or the action of BSCC on the calculation of the payable interest, IDA will pay back to BSCC the relevant amounts. The view of BSCC's lawyers is that there is high probability that the High Administrative Court will adopt the price of EGP 134.5 million for the license. Likewise, the view of BSCC's lawyers is that there is very high probability that BSCC's action on the calculation of the payable interest will be accepted by the Court.

3. A non-governmental organization, the Nile Agricultural Organization, raised a court case against BSCC claiming that the latter illegally occupied the plaintiff's land and seeking compensation amounting to EGP 300 million. The contested land however had 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 case was fully rejected by the court by virtue of decision 263/2018 and the plaintiff has not appealed the decision within the time period provided for lodging an appeal. Therefore, the case has been finally concluded.

Put option in Antea

The Group had granted to non controlling interest shareholder (International Finance Corporation - IFC) the option, which expires in 2019, to sell its shares in ANTEA Cement SHA (Antea) at predetermined conditions. On 31 December 2018, the option's fair value of €12.5 mil. (31.12.2017: €12.1 mil.) is recognized as a current liability in the statement of financial position.

Contingent tax liability

The financial years, referred to in note 35, 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

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Bank guarantee letters for securing trade receivables (note 20)	24,481	19,440	8,650	8,463
Other collaterals against trade receivables (note 20)	8,835	7,060	354	354
	33,316	26,500	9,004	8,817
Collaterals against other receivables	1,635	1,410	1,635	1,410
	34,951	**27,910**	**10,639**	**10,227**

30. Contingencies and Commitments (continued)

Commitments

Capital commitments

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

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Property, plant and equipment	1,945	2,227	-	-

Purchase commitments

Energy supply contracts (Gas, electricity, etc.)

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
	-	**1,019**	**-**	**-**

In addition to the aforementioned purchase commitments, the Group's US subsidiaries have entered a contract to purchase raw materials and manufacturing supplies as part of their on-going operations in Florida. This includes a contract to buy construction aggregates through a multi-year agreement at prevailing market prices.

Operating lease commitments - where the Group or the Company is the lessee

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

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Not later than 1 year	14,453	11,679	643	737
Later than 1 year and not later than 5 years	29,127	27,356	1,024	1,354
Beyond 5 years	7,715	7,462	-	-
	51,295	**46,497**	**1,667**	**2,091**

31. 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 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:

(all amounts in Euro thousands)

	Year ended 31 December 2018			
Group	Sales to related parties	from related parties	owed by related parties	owed to related parties
Other related parties	-	810	-	63
Executives and members of the Board	-	-	-	5
	-	**810**	**-**	**68**

31. Related party transactions (continued)

(all amounts in Euro thousands)

Company	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
	Year ended 31 December 2018			
Interbeton Construction Materials S.A.	27,129	6,405	6,915	6,675
Intertitan Trading International S.A.	6,656	-	2,256	-
Gournon Quarries S.A.	3	-	1	-
Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S.	37	-	33	-
Adocim Cimento Beton Sanayi ve Ticaret A.S.	314		312	
Titan Cement International Trading S.A.	2	-	-	-
Fintitan SRL	6,594	-	1,958	-
Cementi Crotone S.R.L.	252	-	-	-
Titan Cement U.K. Ltd	18,637	-	3,607	-
Usje Cementarnica AD	3,355		723	-
Beni Suef Cement Co.S.A.E.	2,099	-	714	-
Alexandria Portland Cement Co. S.A.E	1,229	4	277	8
Cementara Kosjeric AD	1,115	-	207	-
Zlatna Panega Cement AD	974	-	221	-
Titan America LLC	8,298	-	1,709	4
Essex Cement Co. LLC	33,705	-	-	1,018
Roanoke Cement Co. LLC	5,755	-	-	221
Titan Florida LLC	17,587	-	56	-
Antea Cement SHA	2,334	-	1,397	-
Titan Global Finance PLC	13,460	14,427	595	293,715
Sharrcem SH.P.K.	1,374	-	269	-
Titan Beton & Aggregate Egypt LLC	11	-	35	-
Iapetos Ltd	18,798	-	136	-
Salentijn Properties1 B.V.	2,401	-	-	-
Aemos Cement Ltd	19,594	-	-	-
Other subsidiaries	15	-	7	-
Other related parties	-	810	-	63
Executives and members of the Board	-	-	-	5
	191,728	**21,646**	**21,428**	**301,709**

Receivables from related parties include €14,487 thousand (2017: €12,467 thousand) due to sale of products (note 20), and €3,088 thousand (2017: €6,834 thousand) due to management services provided to other entities of the Group included in other receivables from related parties (note 20). Relative transactions are by majority executed under specific contracts, are of short term nature and bear no interest.

Group	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
	Year ended 31 December 2017			
Other related parties	-	284	11	64
Executives and members of the Board	-	-	-	15
	-	**284**	**11**	**79**

31. Related party transactions (continued)

(all amounts in Euro thousands)

Company	Year ended 31 December 2017			
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Aeolian Maritime Company	1	-	-	252
Albacem S.A.	2	-	-	-
Interbeton Construction Materials S.A.	26,488	18,908	9,038	16,173
Intertitan Trading International S.A.	6,048	-	2,176	-
Gournon Quarries S.A.	5	12	3	-
Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S.	619	-		-
Adocim Cimento Beton Sanayi ve Ticaret A.S.	271		221	
Titan Cement International Trading S.A.	2	-	-	-
Fintitan SRL	294	-	-	-
Cementi Crotone S.R.L.	-	-	-	-
Titan Cement U.K. Ltd	15,125	-	-	1
Usje Cementarnica AD	7,988	-	829	-
Beni Suef Cement Co.S.A.E.	2,087	-	3,403	-
Alexandria Portland Cement Co. S.A.E	1,215	4	1,516	4
Cementara Kosjeric AD	980	-	279	-
Zlatna Panega Cement AD	1,054	-	222	-
Titan America LLC	5,619	-	1,481	2
Essex Cement Co. LLC	39,640	-	1,369	12
Roanoke Cement Co. LLC	4,690	-	-	-
Titan Florida LLC	12,281	1	-	-
KTIMET Quarries S.A.	-	3	-	-
Antea Cement SHA	3,964	-	1,053	-
Titan Global Finance PLC	-	15,525	788	380,203
Sharrcem SH.P.K.	1,469	-	356	-
Titan Beton & Aggregate Egypt LLC	6	-	25	-
Iapetos Ltd	4,816	-	4,799	-
Salentijn Properties1 B.V.	2,100			
Aemos Cement Ltd	28,267		3	
Other subsidiaries	15	-	3	-
Other related parties	-	284	11	64
Executives and members of the Board	-	-	-	15
	165,046	**34,737**	**27,575**	**396,726**

Directors	2018	2017
Executive members on the Board of Directors	6	7
Non-executive members on the Board of Directors	9	8

Key management compensation	Group		Company	
	2018	2017	2018	2017
Salaries and other short-term employee benefits	6,239	6,621	6,239	6,621
Other long term benefits	412	413	412	413
	6,651	**7,034**	**6,651**	**7,034**

Key management includes executive committee members.

32. Borrowings

(all amounts in Euro thousands)

	Group		Company	
Current	**2018**	**2017**	**2018**	**2017**
Bank borrowings	15,132	11,035	3	32
Bank borrowings in non euro currency	19,328	43,186	-	-
Debentures	160,298	-	-	-
Finance lease liabilities	2,879	2,604	-	-
	197,637	**56,825**	**3**	**32**
Non-current				
Bank borrowings	24,849	24,901	-	-
Bank borrowings in non euro currency	66,014	61,812	-	-
Debentures	645,365	722,569	-	-
Loans from related parties	-	-	292,385	379,218
Finance lease liabilities	8,994	11,100	-	-
	745,222	**820,382**	**292,385**	**379,218**
Total borrowings	**942,859**	**877,207**	**292,388**	**379,250**

The Company has the following loan facility agreements with the Group subsidiary Titan Global Finance PLC :

-Revolving Facility Agreement €184.0 mil. (maturity: 2022, floating interest rate, outstanding balance €35.3 mil.)
-Loan Agreement €150.0 mil. (maturity: 2021, fixed interest rate)
-Loan Agreement €110.2 mil. (maturity: 2024, fixed interest rate)

Maturity of non-current borrowings:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Between 1 and 2 years	20,969	177,968	-	-
Between 2 and 3 years	323,631	17,734	147,848	-
Between 3 and 4 years	42,559	317,478	34,972	146,189
Between 4 and 5 years	-	28,716	-	123,725
Over 5 years	349,069	267,386	109,565	109,304
	736,228	**809,282**	**292,385**	**379,218**

Maturity of non-current finance lease liabilities:

	Group	
(all amounts in Euro thousands)	**2018**	**2017**
Between 1 and 2 years	38	14
Between 2 and 3 years	4,809	68
Between 3 and 4 years	4,033	6,057
Between 4 and 5 years	114	4,961
	8,994	**11,100**

In January 2018, Titan Global Finance PLC issued Additional Guaranteed notes of nominal value €100 mil.. This was in connection with the reopening of €250 mil. issue of November 2017 with 2.375% coupon per annum and raised the total amount of the issue to €350 mil. due in November 2024.

On 19 February 2018, the Group's subsidiary in USA, Titan America LLC (TALLC), submitted to the Bank of New York Mellon Trust Company, N.A. the required notification to call for redemption the Miami-Dade County Industrial Revenue Bonds, Series 2004 on April 2, 2018. These bonds, amounting to $21.8 mil.. had an original maturity date of 26 April 2034.

32. Borrowings (continued)

The weighted average effective interest rates that affect the Income Statement are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Borrowings (USD)	5.04%	4.44%	-	-
Borrowings (EGP)	20.25%	19.78%	-	-
Borrowings (BGN)	2.34%	2.51%	-	-
Borrowings (LEK)	4.50%	3.96%	-	-
Borrowings (TRY)	24.29%	14.47%	-	-
Borrowings (€)	2.91%	3.43%	3.24%	3.63%
Finance lease liabilities (USD)	2.93%	3.07%	-	-
Finance lease liabilities (CAD)	-	4.00%	-	-
Finance lease liabilities (EUR)	2.91%	2.89%	-	-

Bank borrowings in foreign currencies (including finance leases):

	Group	
	Amounts in Euro equivalent	
	2018	**2017**
USD	413,643	208,710
TRY	9,896	3,255
EGP	58,592	78,116
BGN	7,024	14,439
LEK	16,836	23,622
GBP	145	30

The Group has the following undrawn borrowing facilities:

(all amounts in Euro thousands)	Group		Company	
	2018	**2017**	**2018**	**2017**
Floating rate:				
- Expiring within one year	232,662	188,057	96,953	96,814
- Expiring beyond one year	323,991	314,330	148,716	59,826

The present value of the finance lease liabilities may be analyzed as follows:

(all amounts in Euro thousands)	Group	
Finance lease liabilities - minimum lease payments	**2018**	**2017**
Not later than 1 year	3,220	2,997
Later than 1 year and not later than 5 years	9,661	12,019
	12,881	15,016
Future finance charges on finance leases	-1,008	-1,312
Present value of finance lease liabilities	**11,873**	**13,704**

During 2018, the Group subsidiary in U.S.A., Titan America LLC (TALLC) entered into two new finance leases in the principal amount of €263 thousand with a term of one year and an average interest rate of 4.5%. During 2017, the Group subsidiaries did not enter into new finance lease agreements.

32. Borrowings (continued)

(all amounts in Euro thousands)

Group

Year ended 31 December 2017	Long-term borrowings	Short-term borrowings	Finance leases	Derivative financial instruments	Other financial liabilities	Total
Opening balance	**695,165**	**126,272**	**18,551**	**-1,387**	**12,060**	**850,661**
Cash flows	203,713	-149,427	-2,790	31,067	-61,744	20,819
Changes in fair value	-	-	-	-33,581	-	-33,581
Transfer among financial liabilities	-82,290	82,650	-	-	-360	-
Charged in the finance expenses	3,319	-	-	-	57,399	60,718
Other changes	-2,113	-	-		-	-2,113
Currency translation differences on transactions designated as part of net investment in foreign operation	8,753	-	-	-	-	8,753
Exchange differences	-17,337	-5,272	-2,057	454	-193	-24,405
Ending balance	**809,210**	**54,223**	**13,704**	**-3,447**	**7,162**	**880,852**

Year ended 31 December 2018	Long-term borrowings	Short-term borrowings	Finance leases	Derivative financial instruments	Other financial liabilities	Total
Opening balance	**809,210**	**54,223**	**13,704**	**-3,447**	**7,162**	**880,852**
Cash flows	111,684	-79,656	-2,391	-21,351	-57,346	-49,060
Changes due to acquisition of joint venture	5,537	22,576	-	-	329	28,442
Changes in fair value	-	-	-	25,607	-	25,607
Transfer among financial liabilities	-195,269	195,862	-	-	-593	-
Charged in the finance expenses	2,372	-	-	-	59,336	61,708
Other changes	-	-	-	-2,029	-	-2,029
Currency translation differences on transactions designated as part of net investment in foreign operation	-2,918	-	-	-	-	-2,918
Exchange differences	5,457	1,753	560	331	43	8,144
Ending balance	**736,073**	**194,758**	**11,873**	**-889**	**8,931**	**950,746**

Company

Year ended 31 December 2017	Long-term borrowings	Short-term borrowings	Finance leases	Derivative financial instruments	Other financial liabilities	Total
Opening balance	**310,678**	**42,442**	**-**	**-**	**4,408**	**357,528**
Cash flows	103,698	-78,449	-	-	-17,887	7,362
Transfer between financial liabilities	-36,000	36,000	-	-	-	-
Charged in the finance expenses	842	39	-	-	14,159	15,040
Ending balance	**379,218**	**32**	**-**	**-**	**680**	**379,930**

Year ended 31 December 2018	Long-term borrowings	Short-term borrowings	Finance leases	Derivative financial instruments	Other financial liabilities	Total
Opening balance	**379,218**	**32**	**-**	**-**	**680**	**379,930**
Cash flows	-88,890	-36	-	-	-12,376	-101,302
Charged in the finance expenses	1,111	7	-	-	12,479	13,597
Other	946	-	-	-	-	946
Ending balance	**292,385**	**3**	**-**	**-**	**783**	**293,171**

33. 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 financial risk is managed by Group Finance and Treasury units, aiming to minimize the potential unfavorable impact arising from the markets' fluctuations on Group's financial performance. The Group does not engage in speculative transactions or transactions which are not related to its commercial, investing or borrowing activities.

a) Liquidity risk

The Group, in addition to its operating cash flows, maintains sufficient cash and other liquid assets, as well as extensive committed credit lines with several international banks to ensure the fulfilment of its financial obligations. Group Treasury controls Group funding as well as the management of liquid assets.

The table below summarizes the maturity profile of financial liabilities at 31 December 2018 & 2017 based on contractual undiscounted payments.

(all amounts in Euro thousands)

Group	Year ended 31 December 2018					
	< 1 month	**1 to 6 months**	**6 to 12 months**	**1 to 5 years**	**>5years**	**Total**
Borrowings	7,216	33,463	183,655	484,240	355,444	1,064,019
Other non-current liabilities	-	-	-	1,065	-	1,065
Trade and other payables	143,905	100,138	5,571	-	-	249,614
	151,121	133,601	189,226	485,305	355,444	1,314,698
	Year ended 31 December 2017					
Borrowings	5,680	49,423	26,176	652,886	281,607	1,015,772
Other non-current liabilities	-	-	-	2,394	-	2,394
Trade and other payables	132,656	55,035	9,859	-	-	197,550
	138,336	104,458	36,035	655,280	281,607	1,215,716

Company	Year ended 31 December 2018					
	< 1 month	**1 to 6 months**	**6 to 12 months**	**1 to 5 years**	**>5years**	**Total**
Borrowings	108	4,644	4,749	207,723	111,005	328,228
Other non-current liabilities	-	-	-	44	85	129
Trade and other payables	18,734	39,340	-	-	-	58,074
	18,842	43,984	4,749	207,767	111,090	386,431
	Year ended 31 December 2017					
Borrowings	374	5,822	6,202	313,584	112,932	438,914
Other non-current liabilities	-	-	-	61	65	126
Trade and other payables	17,278	27,718		-	-	44,996
	17,652	33,540	6,202	313,645	112,997	484,036

Borrowings include the floating and fixed rate outstanding principal at year-end plus accrued interest up to maturity.
The amounts that are described as "less than 1 month" are as usual on demand short-term uncommitted facilities and interest accruals.

b) Market risk

Market risk comprises three main types of risk: currency risk, price risk, such as commodity risk and interest rate risk.

Group exposure to exchange rate (FX) risk derives from existing or expected cash flows denominated in currencies other than the Euro (imports / exports) and from international investments.

FX risks are managed using natural hedges, FX derivatives / swaps and FX forwards. Borrowings denominated in the same currency as the assets that are being financed and these create a natural hedge for investments in foreign subsidiaries exposed to FX conversion risk.

However, part of the financing of Group activities in the USA, Egypt, Albania and Turkey, is in different currencies (Euro) than their functional ones. Their refinancing in local currencies along with FX hedging transactions are examined at regular intervals.

33. Financial risk management objectives and policies (continued)

In July 2014, Titan America LLC (TALLC) borrowed €177 million with five year maturity and fixed interest rate from Titan Global Finance PLC (TGF) and entered into cross currency interest rate swap agreements (CCS) with two financial institutions, essentially converting the fixed rate Euro-loan to a US dollar-floating rate based on 6-month LIBOR. The transactions were undertaken in order to hedge the foreign currency risk (€/$) on both the notional amount and the interest payments associated with the Euro denominated borrowing.

In July 2016, TALLC entered into interest rate swap agreements (IRS), essentially converting the US dollar-6 month LIBOR floating rate loan to a US dollar fixed rate loan. The agreements were undertaken in order to hedge the fluctuation of the US dollar-6 month LIBOR interest rate payments. In conclusion, the terms of the CCS and the IRS agreements result to the conversion of the fixed rate Euro-loan to a US dollar fixed rate loan with effective date 10 January 2017 and maturity at 10 July 2019.

In addition, TALLC entered into new cross currency interest rate swap agreements (CCS) that expire in November 2024. The derivatives hedge the interest payments and the foreing currency exposure created by the new €150 million 7-year, fixed rate loan that TALLC borrowed from TGF in December 2017.

During the year, TALLC entered into various short-term forward contracts expiring in 2018, in order to hedge foreign currency risk arising from financial liabilities in Euro. In addition, EUR-USD forward contracts are in force since December 2018 and with expiry in March 2019 in order to hedge exchange rate risk from a €75 million loan agreement granted by TGF to TALLC in March 2018.

Finally, in April 2018, Titan Global Finance (TGF) entered into €/TRY fx forward agreements until July 2018 in order to hedge the relative equity exposure of the Group.

As at 31 December 2018, the total exposure (mark to market valuations and CSA agreements) of all derivatives (CCS/IRS/FX Forwards) was recorded as an asset of €890 thousand and a liability of €2 thousand (31.12.2017: asset amounted to €3,446 thousand) in the statement of financial position.

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, Albanian Lek and Brazilian Real 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 2018	USD	5%	4,776	26,499
		-5%	-4,321	-23,975
	RSD	5%	744	1,812
		-5%	-673	-1,639
	EGP	5%	-1,318	13,872
		-5%	1,192	-12,551
	GBP	5%	63	202
		-5%	-57	-183
	TRY	5%	-501	6,866
		-5%	453	-6,212
	ALL	5%	274	2,996
		-5%	-248	-2,710
	BRL	5%	-64	8,292
		-5%	58	-7,503
Year ended 31 December 2017	USD	5%	4,304	28,198
		-5%	-3,894	-25,513
	RSD	5%	714	1,800
		-5%	-646	-1,629
	EGP	5%	-940	11,793
		-5%	851	-10,670
	GBP	5%	153	318
		-5%	-139	-288
	TRY	5%	-72	1,431
		-5%	65	-1,294
	ALL	5%	199	2,564
		-5%	-180	-2,319
	BRL	5%	-473	8,354
		-5%	428	-7,559

Note: 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.

33. Financial risk management objectives and policies (continued)

The ratio of fixed to floating rates of the Group's net borrowings is determined by market conditions, Group strategy and financing requirements. Occasionally interest rate derivatives may be used to mitigate the relevant risk and balance the mix of fixed and floating rates of the Group's borrowings.

On 31 December 2018, the Group's ratio of fixed to floating interest rates, taking into account outstanding cross currency swaps and interest rate swaps, stood at 89%/11% (31 December 2017: 82%/18%).

The impact of interest rate volatility is limited in the income statement and cash flow from 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 2018	EUR	1.0%	192
	USD	1.0%	-
	BGN	1.0%	71
	EGP	1.0%	594
	ALL	1.0%	163
	TRY	1.0%	54
Year ended 31 December 2017	EUR	1.0%	189
	USD	1.0%	184
	BGN	1.0%	146
	EGP	1.0%	792
	ALL	1.0%	240
	TRY	1.0%	16

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

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.

c) Credit Risk

The Group has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an on-going basis.

When considered necessary, additional collateral is requested to secure credit. Provisions for impairment losses are made for special credit risks. As at 31 December 2018, there are no outstanding doubtful significant credit risks which are not already covered by a provision for doubtful receivables.

Credit risk arising from financial institutions' inability to meet their obligations towards the Group deriving from placements, investments and derivatives, is mitigated by pre-set limits on the degree of exposure to each individual financial institution. These pre-set limits are set in accordance to the Group Treasury policies. At 31 December 2018, the Group's majority financial assets and derivative financial instruments were held with investment grade financial institutions.

As at 31 December 2018, the Group's cash and cash equivalents were held at time deposits and current accounts in highly rated financial institutions. Note 21 includes an analysis on cash & cash equivalents.

33. Financial risk management objectives and policies (continued)

d) 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 total liabilities and total equity as well as net debt and profit before interest, taxes, depreciation, amortization and impairment. Titan's policy is to maintain leverage ratios in line with an investment grade profile.

The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(all amounts in Euro thousands)	Group		Company	
	2018	2017	2018	2017
Long term borrowings (note 32)	745,222	820,382	292,385	379,218
Short term borrowings (note 32)	197,637	56,825	3	32
Debt	**942,859**	**877,207**	**292,388**	**379,250**
Less: cash and cash equivalents (note 21)	171,000	154,247	13,710	29,323
Net Debt	**771,859**	**722,960**	**278,678**	**349,927**
Profit before interest, taxes, depreciation, amortization and impairment.	**259,741**	**273,441**	**27,233**	**14,804**
Total liabilities	**1,398,640**	**1,225,795**	**397,387**	**470,726**
Total equity	**1,471,290**	**1,369,672**	**719,662**	**744,132**

34. Financial instruments and 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 financial instruments.

Financial assets	Group				Company			
(all amounts in Euro thousands)	Carrying amount		Fair value		Carrying amount		Fair value	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
At amortised cost								
Other non-current financial assets	5,852	7,273	5,852	7,273	-	-	-	-
Trade receivables	120,199	115,429	120,199	115,429	37,826	37,883	37,826	37,883
Cash and cash equivalents	171,000	154,247	171,000	154,247	13,710	29,323	13,710	29,323
Other current financial assets	36,329	28,118	36,329	28,118	7,921	15,307	7,921	15,307
Fair value through other comprehensive income								
Available for-sale financial assets	-	517	-	517	-	122	-	122
Fair value through profit and loss								
Derivative financial instruments - non current	94	1,434	94	1,434	-	-	-	-
Other non-current financial assets	181	-	181	-	-	-	-	-
Derivative financial instruments - current	796	2,012	796	2,012	-	-	-	-
Other current financial assets	30	-	30	-	-	-	-	-
Financial liabilities								
At amortised cost								
Long term borrowings (note 32)	745,222	820,382	733,786	849,276	292,385	379,218	289,951	388,995
Other non-current financial liabilities	1,220	2,394	1,220	2,394	-	-	-	-
Short term borrowings (note 32)	197,637	56,825	200,200	56,825	3	32	3	32
Other current financial liabilities	235,075	184,239	235,075	184,239	57,198	44,473	57,198	44,473
Fair value through profit and loss								
Derivative financial instruments - current	2	-	2	-	-	-	-	-
Other current financial liabilities - put option (note 30)	12,499	12,054	12,499	12,054	-	-	-	-

Note: Derivative financial instruments consist of fx forwards, cross currency interest rate swaps (CCS) and interest rate swaps (IRS).

The management assessed that the cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities (excluding the put option) approximate their carrying amounts largely due to the short-term maturities of these instruments.

34. Financial instruments and fair value measurement (continued)

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 and includes quoted prices for identical or similar assets or liabilities in markets that are not so much actively traded.

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.

	Group		Company		
(all amounts in Euro thousands)	Fair value				Fair value hierarchy
	2018	2017	2018	2017	
Assets					
Investment property	12,202	12,130	8,743	8,937	Level 3
Available for-sale financial assets	-	517	-	122	Level 3
Other financial assets at fair value through profit and loss	211	-	-	-	Level 3
Derivative financial instruments	890	3,446	-	-	Level 2
Liabilities					
Long-term borrowings	733,786	849,276	289,951	388,995	Level 2
Short-term borrowings	200,200	56,825	3	32	Level 2
Put option (note 22)	12,499	12,054	-	-	Level 3

There were no transfers between level 1 and 2 fair value measurements during the period and no transfers into or out of level 3 fair value measurements during 2018.

The fair value of level 3 investment property is estimated by the Group and the Company by external, independent, certified valuators. The fair value measurement of the investment property of the Company has been mainly conducted in accordance with the comparative method or the current market values of similar properties. The main factors that were taken into consideration, are the property location, the surface area, the local urban planning, the bordering road networks, the regional infrastructure, the property maintenance status and merchantability, the technical construction standards in the case of buildings and the impact of environmental issues if any.

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

Level 2

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 2 derivative financial instruments comprise fx forwards, cross currency interest rate swaps 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. The aforementioned contracts have been fair valued using: a) forward exchange rates that are quoted in the active market and b) forward interest rates extracted from observable yield curves.

34. Financial instruments and fair value measurement (continued)

Level 3

Level 3 financial assets at fair value through profit and loss 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. Until 31.12.2017, these financial assets at fair value through profit and loss were classified into the category of available-for-sale financial assets.

Level 3 put option consists of the put option that the Group has granted to non-controlling interest shareholder of its subsidiary in Albania, ANTEA Cement SHA. The put option, which expires in 2019, 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:

	2018	**2017**
Gross margin growth rate	2.5%	-4.3%
Discount rate	8.0%	8.0%

In addition to the above, forecast cash flows for the following one year is 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 of the forecast cash flows or the change in gross margin for cash flows in the subsequent period 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 fluctuation of the change in gross margin, as described in the following table:

Sensitivity analysis of Group's gross margin growth changes:

(all amounts in Euro thousand)

	Effect on the fair value
Increase by half the gross margin growth rate:	22
Decrease by half the gross margin growth rate:	-21

35. Fiscal years unaudited by tax authorities

(1)	Titan Cement Company S.A	2013-2018		Aeas Netherlands B.V.	2010-2018
(2)	Aeolian Maritime Company	-		Titan Cement U.K. Ltd	2017-2018
(1)	Albacem S.A.	2013-2018	(3)	Titan America LLC	2014-2018
(1)	Arktias S.A.	-		Separation Technologies Canada Ltd	2014-2018
(1)	Interbeton Construction Materials S.A.	2013-2018		Stari Silo Company DOO	2008-2018
(1)	Intertitan Trading International S.A.	2013-2018		Cementara Kosjeric AD	2006-2018
(1)	Porfirion S.A.	-		TCK Montenegro DOO	2007-2018
(1)	Vahou Quarries S.A.	2013-2018		Double W & Co OOD	2018
(1)	Gournon Quarries S.A.	2013-2018		Granitoid AD	2007-2018
(1)	Quarries of Tagaradon Community S.A.	2013-2018		Gravel & Sand PIT AD	2005-2018
(1)	Aitolika Quarries S.A.	2013-2018		Zlatna Panega Beton EOOD	2008-2016
(1)	Sigma Beton S.A.	2013-2018		Zlatna Panega Cement AD	2010-2018
(1)	Titan Atlantic Cement Industrial and Com	2013-2018		Titan Investment EAD	2017-2018
(1)	Titan Cement International Trading S.A.	2013-2018		Cement Plus LTD	2014-2018
(1)	KTIMET Quarries S.A.	-		Rudmak DOOEL	2006-2018
	Aemos Cement Ltd	2012-2018		Esha Material LLC	2016-2018
	Alvacim Ltd	2012-2018		Esha Material DOOEL	2016-2018
	Balkcem Ltd	2012-2017		Usje Cementarnica AD	2009-2018
	Iapetos Ltd	2007-2018		Titan Cement Netherlands BV	2010-2018
	Rea Cement Ltd	2012-2016		Alba Cemento Italia, SHPK	2012-2018
	Themis Holdings Ltd	2012-2018		Antea Cement SHA	2017-2018
	Tithys Ltd	2012-2017		Sharr Beteiligungs GmbH	2014-2018
	Feronia Holding Ltd	2007-2018		Kosovo Construction Materials L.L.C.	2010-2018
	Vesa DOOL	2006-2018		Sharrcem SH.P.K.	2011-2018
	Trojan Cem EOOD	2010-2018	(2)	Alexandria Development Co.Ltd	-
	Titan Global Finance PLC	2007-2018		Alexandria Portland Cement Co. S.A.E	2010-2018
	Terret Enterprises Ltd	2012-2017		Gaea Green Alternative Energy Assets Limited	2012-2016
	Salentijn Properties1 B.V.	2007-2018		Beni Suef Cement Co.S.A.E.	2011-2018
	Titan Cement Cyprus Limited	2011-2018		East Cement Trade Ltd	2006-2018
	KOCEM Limited	2007-2018		Titan Beton & Aggregate Egypt LLC	2010-2018
	Fintitan SRL	2015-2018	(2)	Titan Egyptian Inv. Ltd	-
	Cementi Crotone S.R.L.	2013-2018		Green Alternative Energy Assets EAD	2012-2018
	Cementi ANTEA SRL	2010-2018		GAEA Zelena Alternative Enerjia DOOEL	2013-2018
	Colombus Properties B.V.	2010-2018		GAEA Enerjia Alternative e Gjelber Sh.p.k.	2014-2018
	Brazcem Participacoes S.A.	2016-2018		GAEA -Green Alternative Energy Assets	2016-2018
	Holtitan B.V.	2010-2016		MILLCO-PCM DOOEL	2016-2018
	Adocim Cimento Beton Sanayi ve Ticaret A.S.	2018		Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S.	2018

(1) For the fiscal year 2013, Certified Auditors Accountants tax audited the above companies and issued tax certificates without qualifications, according to the terms of article 82, par. 5 of the Law 2238/1994. For the fiscal years 2014-2017 the tax audit was conducted again by the Certified Auditors Accountants and tax certificates without qualifications have also been issued according to the article 65A, par. 1 of L. 4174/2013.

(2) Under special tax status.

(3) Companies operating in the U.S.A. are incorporated in the Titan America LLC subgroup (note 14).

36. Events after the reporting period

On 28 January 2019, the Group announced that during the acceptance period of the voluntary share exchange offer submitted by TITAN Cement International S.A. to the shareholders of TITAN Cement Company S.A. (TITAN), approximately 87% of the ordinary and 92% of the preference shares of TITAN were tendered. Thus, the tender offer has lapsed as the prerequisite regarding the minimum number (90%) of ordinary TITAN shares which also had to be tendered has not been met.

Independent Assurance Statement to TITAN Cement Company S.A.

ERM Certification and Verification Services (ERM CVS) was engaged by TITAN Cement Company S.A. (TITAN) to provide assurance in relation to the information set out below and presented in TITAN's Integrated Annual Report 2018 (the Report). The assurance relates to the English language version of the Report.

<table>
<tr><th colspan="2">Engagement Summary</th></tr>
<tr><td>Assurance Scope</td><td>1. Whether the non-financial disclosures presented in Section 1: Annual Report of the Board of Directors and the performance data relating to the period January 1 to December 31 2018, indicated with * in Section 7: Non-financial Statements: in the tables 'Environmental Performance Index' and 'Social Performance Index' are fairly presented, in all material respects, with the reporting criteria.
2. Whether the relevant non-financial disclosures in the Report (http://www.titan-cement.com/integrated_report_2018_EN.pdf) are aligned with:
▪ WBCSD/CSI CO_2 and Energy Accounting and Reporting Standard for the Cement Industry (version 3.1 May 2011)
▪ CSI guidelines for Emission Monitoring and Reporting in the Cement Industry (version 2 March 2012 for SOx, NOx and dust)
▪ WBCSD/CSI Safety in the Cement Industry Guidelines for Measuring and Reporting (version 4 May 2013)
▪ WBCSD/CSI Protocol for Water Reporting (2014)
3. Whether the Integrated Annual Report 2018 meets the UN Global Compact criteria relating to a Communication on Progress (COP) Advanced Level</td></tr>
<tr><td>Reporting Criteria</td><td>WBCSD/CSI Guidelines included in scope referenced above
UN Global Compact COP Advanced Level
TITAN Sustainability Glossary and Guidelines for Non-Financial Reporting in Section 7 of the Report</td></tr>
<tr><td>Assurance Standard</td><td>ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements (ISAE 3000).</td></tr>
<tr><td>Assurance Level</td><td>Reasonable Assurance.</td></tr>
<tr><td>Respective Responsibilities</td><td>TITAN is responsible for preparing the Report and for the collection and presentation of the information in them.
ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</td></tr>
</table>

Our opinion

We have audited selected sustainability information in TITAN's Annual Financial Report 2018 and Titan's Integrated Annual Report 2018 as detailed under 'Assurance Scope' above. In our opinion:

- The non-financial performance disclosures and data covered by our engagement are fairly presented, in all material respects, in accordance with the reporting criteria;
- The relevant non-financial disclosures in the Report are aligned with:
  - WBCSD/CSI CO_2 and Energy Accounting and Reporting Standard for the Cement Industry (version 3.1 May 2011);
  - CSI guidelines for Emission Monitoring and reporting in the Cement Industry (version 2 March 2012 for SOx, NOx and dust);
  - WBCSD/CSI Safety in the Cement Industry Guidelines for Measuring and Reporting (version 4 May 2013);
  - WBCSD/CSI Protocol for Water Reporting (2014);
- The Integrated Annual Report 2018 meets the UN Global Compact criteria relating to a Communication on Progress (COP) Advanced Level.

Our reasonable assurance activities

A multi-disciplinary team of sustainability, GHG and assurance specialists performed the following activities:

- A review of external media reports to identify relevant sustainability issues in the reporting period;
- A review of the internal reporting guidelines, including conversion factors, estimates and assumptions used;
- An initial visit to TITAN Head Office in Athens, Greece to understand any changes to TITAN's sustainability strategy, reporting systems, processes, internal controls and responsibilities during 2018;
- Visits to TITAN production operations in Kosovo (Sharrcem), North Macedonia (Usje) and USA (Roanoke Cement) to verify the source data underlying the performance information and review local activities regarding environmental and safety management, labour and human rights and stakeholder/community engagement. These three sites contributed c.19% of the Group's cement production and c.18% of net CO_2 emissions for the reporting year;
- An assessment of the conclusions of accredited third-party verification bodies relating to the verification of Scope 1 GHG emissions that fall within the scope of the EU emissions trading scheme (EU ETS). These provided coverage of an additional c.31% of TITAN Group's net CO_2 emissions;

- An analytical review and desktop testing of the year end data submitted by all sites included in the consolidated performance information;
- A second visit to TITAN Head Office in Athens, Greece to:
    - Review the activities and results of stakeholder engagement and TITAN's materiality assessment;
    - Test the effectiveness of internal controls in relation to the accuracy and completeness of the corporate consolidated data for the relevant indicators;
    - Collect additional evidence through interviews with management (including Environment, Safety, HR, Legal Dept., Internal Audit and Procurement) and documentation review to support management assertions covered by our engagement;
- A review of the presentation of information relevant to the scope of our work in the Report to ensure consistency.

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

The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context. The baseline values used for presenting performance against 2020 targets have not been subject to our assurance.

Our independent assurance statement provides no assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular, whether any changes may have occurred to the information since it was first published.

J Rogers

ERMCVS

Jennifer Iansen-Rogers
Partner, Head of Corporate Assurance
7 March 2019

ERM Certification and Verification Services, London
www.ermcvs.com; Email: post@ermcvs.com

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to TITAN Cement Company S.A in any respect.

Principles and boundaries of Non-Financial Performance review

General NFP reporting standards and principles

TITAN's annual non-financial performance reporting complies with the Greek Law (4403/2016), which specifies the requirements of the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

The review of non-financial performance of TITAN Group is presented in the Annual Report of the Board of Directors 01.01.2018 – 31.12.2018 (Section 1, 2018 IAR), with reference to the issues identified and prioritized as material for the Group and its key stakeholders.

The annual report is directed to shareholders and other key stakeholders, particularly employees, customers, suppliers, government and regulatory authorities, local communities and NGOs.

TITAN also adheres to the following internationally recognized voluntary reporting standards and principles:

1. The guiding principles of International Integrated Reporting Framework, <IR>, developed by the International Integrated Reporting Council.
2. The UN Guiding Principles Reporting Framework, the only comprehensive guidance for companies to report on how they respect human rights. TITAN's implementation of the Guiding Principles on Business and Human Rights is summarized in "2018 TITAN Group Communication on Progress" (Section 7 of the 2018 TITAN Group Integrated Annual Report).
   The UN Global Compact, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment, anti-corruption and broader UN Goals. TITAN's obligation as a participant in the UN Global Compact to provide a Communication on Progress is met by inclusion of material information in the Annual Report and additional information at TITAN's web page and submitted to the UN Global Compact database unglobalcompact.org
3. The WBCSD/CSI sectoral guidelines for measuring, monitoring and reporting on non-financial performance, related to specific issues namely :
   - CSI Cement CO_2 & Energy Protocol, v.3.1 (2011)
   - CSI Guidelines for Quarry Rehabilitation (2011)
   - CSI Guidelines for Emissions Monitoring and Reporting in the Cement Industry, v.2.0 (2012)
   - CSI Guidelines for Measuring and Reporting on Safety, amended version 2013; Also the CSI Guidance Documents on Recommended Good Practices for: (a) Contractors Management (2009), and (b) Driving Safety (as amended in 2012)
   - CSI Guidelines for Co-Processing Fuels and Raw Materials in Cement Manufacturing, v.2.0 (2014) and companion document: Creating solutions for safe, resource-efficient waste management (CSI, 2014)
   - CSI Biodiversity Management Plan (BMP) Guidance (2014)
   - CSI Protocol for Water Reporting (2014), and companion document: Guidance on Good Practices for Water Accounting (CSI, 2016)
   - CSI Health Management Handbook, 2015
   - CSI Guidelines for Environmental & Social Impact Assessment (2016)
   - Sustainable Supply Chain Management Principles and Guides (2016)
   - Also the best available references and guidance documents and 'tools', produced by the WBCSD other major coalitions of expert bodies, in specific:
   - The WBCSD Natural Capital Protocol (2015-2016), and the Natural Capital Protocol Toolkit
   - The WBCSD Global Water Tool (co-developed by WBCSD and CH2M), and the WRI Aqueduct Water Risk Atlas Global Maps (World Resources Institute)
   - The Integrated Biodiversity Assessment Tool (IBAT Alliance incl. IUCN, Birdlife Intl. etc.)

   And:
4. The "Guidance on Core Indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals" (UNCTAD, 10.19.2018).

TITAN has designed processes to ensure that the qualitative and quantitative information that

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The Guidance was co-developed in 2018 by the United Nations Conference on Trade and Development (UNCTAD) and the International Integrated Reporting Council (IIRC), and is a tool to assist businesses and other private entities to provide baseline performance data on sustainability issues in a consistent and comparable manner that would meet common needs of many different stakeholders of the SDG agenda. Details on the guidance and approach can be provided here:

http://integratedreporting.org/news/core-indicators-launched-at-united-nations-for-integrated-reporting-by-enterprises-on-sustainable-development-goals/

http://isar.unctad.org/wp-content/uploads/2018/10/Guidance-on-Core-Indicator_ISAR-35.pdf

The UNCTAD Guidance is applied in connection with the latest developments under the SDGs framework of the UN: In September 2018, the UN Statistics Division [UN(SD)] launched their 'E-Handbook on Sustainable Development Goals Indicators', which provides a clear framework of performance indicators, supplementing the 17 SDGs and their respective Targets, in pursue of more meaningful, integrated reporting.

Source: https://unstats.un.org/wiki/display/SDGeHandbook/Home documents the social and environmental dimensions of performance is assured, as well as the systems that underpin the data and performance.

The review of non-financial performance in the Annual Report of the Board of Directors 2018 is independently verified against the above voluntary guidelines and UNGC Communication on Progress criteria by ERM CVS. An Independent Assurance Statement to TITAN Cement S.A. is available in this section.

TITAN declares that this Report meets the "Advanced" level criteria for the UN Global Compact Communication on Progress (COP), as well as the WBCSD/CSI guidelines for reporting on non-financial performance related to specific issues. The report incorporates the criteria for the 'advanced' level in this Section and will be also available through the UN GC web site at www.unglobalcompact.org, after June 2019.

It is also directed to potential investors, analysts and any other interested parties. Feedback related to non-financial performance is welcome and should be addressed to the following email address: csr@titan.gr

For more information, please visit our website: www.titan-cement.com or contact: Maria Alexiou, TITAN Group CSR Director, at csr@titan.gr, or at Halkidos Street, 111 43 Athens, Greece.

Defining the content of non-financial performance review

The content of the Annual Report of the Board of Directors 2018 follows the outcomes of Group materiality assessment and material issues are presented for consistency purpose with the title and in the order that has been determined and prioritized through the assessment. The boundaries of reporting for each material issue are defined by the principles of materiality, relevance and inclusiveness, so as to meet expectations of stakeholders, provide adequate information comparable with performance achieved in previous years and ensure consistency, balance and accuracy.

General principles of reporting non – financial performance

Materiality (IIRC framework)
A matter is material if it is of such *relevance* and *significance13* that it could substantively influence the assessments and decisions of the organization's highest governing body, or change the assessments and decisions of intended users with regard to the organization's ability to create value over time. In determining whether or not a matter is material, senior management and those charged with governance consider whether the matter substantively impacts, or has the potential to substantively impact, the organization's strategy, its business model, or one or more of the capitals it uses or affects.

Relevance (IIRC framework)
Relevant matters are past, present or future matters that impact or may impact the organization's strategy, its business model or one or more of the capitals and thus ultimately affect the organization's ability to create value over time. Identifying relevant matters for inclusion in the integrated report includes identifying the population of potentially relevant matters, and narrowing these down to matters that are relevant for inclusion in the integrated report. Information about relevant matters will have either, or both, predictive value or confirmatory value with respect to intended users' decisions.

Conciseness (IIRC framework)
Disclosures about material matters should include concise information that provides sufficient context to make the disclosures understandable and should avoid information that is redundant in nature.

Consistency (IIRC framework)
Reporting policies should be followed consistently from one period to the next unless a change is needed to improve the quality of information reported. This includes using the same KPIs to report on the same matters if they continue to be material across reporting periods. When a significant change has been made, the organization explains the reason for the change, describing (and quantifying, if practicable and material) its impact.

Changes in the content and structure of the 2018 Integrated Annual Report

New elements in this Report compared to 2017 IAR related to non-financial performance disclosures are mainly the following:

- Additional information in Section 1, related to economic value created and distributed to stakeholders.
- Changes in contents and additional information in Section 7 related to voluntary guidelines and scope of reporting non - financial performance data.
- Group Environmental Performance Index with 5 year consolidated data related to relevant SDGs 2030, and Targets for these SDGs.
- Group Social Performance Index presenting 5 year consolidated and per country data related to relevant SDGs 2030, and Targets for these SDGs.
- Value creation Core Indicators Index
- Governance Core Indicators Index

- Changes in the contents of the UNGC Communication on Progress Review 2018.

TITAN's integrated system for non-financial reporting

Reporting on social and environmental performance is based in an integrated internal system developed by TITAN Group and updated within 2018, which facilitates the process of collecting, compiling, reporting non-financial performance throughout the Group, in accordance to TITAN's sustainability strategy and commitments and more specifically UNGC COP criteria for advanced level and WBCSD/CSI Guidelines.

Scope of the 2018 non-financial performance review and indicators

TITAN Group non-financial performance review covers all activities and operating subsidiaries, excluding joint ventures associates where TITAN has no operating control.

Value Creation Core Indicators

A dedicated Index of key disclosures for providing information related to the social product and overall economic value created and distributed to Stakeholders in 2018 on Group level, is included under Section 7. See Index with title: '*Value Creation Core Indicators*'. These indicators are essential to reporting on progress with respect to TITAN Group commitments for the UNGC Ten Principles, and follow the requirements of the latest Guidance on reporting of the UNCTAD (Oct. 2018), mentioned in the above.

Glossary terms for value creation core indicators

Investments for training of direct employees: Total expenditures for direct and indirect costs of training (including costs such as trainers' fees, training facilities, training equipment, related travel costs etc.). The UNCTAD Guidance leverages this Core Indicator as: "Expenditure on employee training per year per employee, possibly broken down by employee category". TITAN uses the verified and disclosed Financial Statements for the same reporting period.

Green investments: Total amount of expenditures for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment. The UNCTAD Guidance leverages this Core Indicator in absolute amount and in % terms (of total investments in the reporting period). TITAN uses the verified and disclosed Financial Statements for the same reporting period.

Support to community projects: Total amount of charitable/voluntary donations and investments of funds (both capital expenditure and operating ones) in the broader community where the target beneficiaries are external to the enterprise incurred in the reporting period. The UNCTAD Guidance leverages this Core Indicator in absolute amount and in % term (of total investments in the reporting period). TITAN discloses this amount as "Donations", as equivalent to "charitable/voluntary donations and investments of funds", based on the verified and disclosed Financial Statements for the same reporting period.

Total expenditures on R&D and Innovation: Total amount of expenditures on research and development (R&D) and Innovation by the reporting entity during the reporting period. The UNCTAD Guidance provides this Core Indicator in absolute amount and in % term (of total investments); TITAN's approach is to accrue all expenditures for the R&D and Innovation activities, and projects, and incl. salaries, participations, travelling and other expenses of our employees which are related directly and indirectly, and other expenditure for promoting innovative technologies and products. TITAN uses the verified and disclosed Financial Statements for the same reporting period.

Value added: Revenue minus costs of bought-in materials, goods and services (Gross Value Added, GVA). TITAN's approach is based on the verified and disclosed Financial Statements for the same reporting period, acc. to the IFRS.

Net value added: Revenue minus costs of bought-in materials, goods and services and minus depreciation on tangible assets (Net Value Added, NVA). TITAN's approach is based on the verified and disclosed Financial Statements for the same reporting period, acc. to the IFRS.

Environmental Performance Indicators

Data aggregations and indicators on environmental performance are calculated according to the definitions provided by the Cement Sustainability Initiative Guidelines for air and CO_2 emissions, water withdrawal and consumption, and energy consumption. The basis of calculation is presented in the tables 2-3 of this Section.

The calculation of figures for the key indicators of the Group's environmental performance is based on consolidated data from cement production and cement grinding plants and their attached quarries.

The dedicated Index for the Environmental Performance on Group level includes 74 KPIs (coded from EP01 to EP74) and is part of Section 7. The 'EP' KPIs are connected inside the Index with the most relevant SDGs and specific Targets for each SDG.

For committing on Targets 2020 and reporting on progress, TITAN's approach is: (a) In line with the Kyoto Protocol; 1990 is the base year for CO_2 emissions. And: (b) For all other environmental performance indicators, the selected base year is 2003, the year in which TITAN Group reported for the first time consolidated non-financial performance indicators, and the first year when TITAN became a Core Member of the WBCSD/CSI.

Avoided emissions and consumption of natural resources were calculated by following the same approach of TITAN as in the IAR 2017, based on historical information regarding annual production and performance for each one of our cement and grinding plants. Missing information was substituted, on a-case-by-case basis, with estimates either using linear interpolation between available data or maintaining other years' performance in relation to information regarding equipment upgrades. Facilities operating during the base year were taken into account in our calculations using the equity TITAN held at the end of 2018. For any specific period (until a specific year under the disclosure in the Index), accumulated quantities were calculated by summing yearly avoided quantities. Each yearly avoided quantity was calculated as the difference between the actually emitted quantity and the quantity that would have been emitted if the performance was that of the base year multiplied by the production of the respective year.

The same approach was expanded in 2018 in order to cover the disclosures for avoided quantities (in total t) of alternative raw materials and alternative fuels, which would have – otherwise – been handled as waste and would have been landfilled, with subsequent impacts to the local environment, land, water resources, and ecosystems.

Social Performance Indicators

Social performance aggregations and indicators are calculated according to TITAN's integrated reporting management system, which comprises of an in-house developed software platform, the CSR Databank, for all data collection and consolidation processes, as well as a glossary which includes the basic terms and definitions, which are the basis of the calculation of the social performance data and which can be found in this Section.

The dedicated Index of the KPIs for the Social Performance on Group level includes 74 KPIs (coded from SP01 to SP74) and is part of Section 7. The 'SP' KPIs – like the 'EP' KPIs – are connected inside the Index with the most relevant SDGs 2030 and specific Targets for each SDG.

The two Indexes for the Environmental and Social Performance KPIs were developed with the same structure, and follow the same logic of grouping the disclosures (KPIs) acc. to areas of 'materiality' for the Group, which are related to impact, and reporting accountability for the Group. The two Indexes provide a 5-year history of data (2014-2018) in a standardized and concise manner, leveraging on the robustness of TITAN's integrated reporting since 2014, and can ensure the consistency and clarity of reporting to the larger audience.

Governance Core Indicators

Disclosures concerning Governance for the TITAN Group operations are covered in full under Section 2 of this Report.

There is a dedicated Index of *'Governance Core Indicators'* in Section 7, for providing key disclosures related to the board of directors and the audit committee, and also fines and training hours for anti-corruption in 2018. These KPIs are in line with the requirements of the latest Guidance on reporting of the UNCTAD (Oct. 2018), mentioned in the above, and are connected inside the Index with the most relevant SDGs and specific Targets for each SDG. Some selected KPIs in this Index are also essential to reporting on progress with respect to TITAN Group commitments for the UNGC Ten Principles.

Glossary terms for environmental, social performance & governance core indicators

Circular economy: The WBCSD *(Factor 10 - Circular Economy project 2018)* defines circular economy as *"a new economic model that is regenerative by design. The goal is to retain the value of the circulating resources, products, parts and materials by creating a system with innovative business models that allow for long life, optimal (re)use, renewability, refurbishment, remanufacturing and recycling. By applying these principles, companies can collaborate to design out waste, increase resource productivity and maintain resource use within our planetary boundaries."* This vision offers new insights for the sector in meeting its broad objectives covering the entire construction life cycle, sourcing, manufacturing, construction, operation, repair/maintenance, refurbishment, reuse and end-of-life of materials.

Cost center: Cost center is the smallest organizational unit that represents a clearly defined location where costs occur and where all expenses are collected. The definition of a cost center can be based on functional requirements, allocation criteria, physical location or responsibility for costs. Each cost center generally has a single business owner who is responsible for managing actual costs. Cost Centers are typically used to capture the cost of overheads.

Employment. Special notes on employment for TITAN Group:
Specifically, on indicators related to Social Performance, the coverage of Group operations in 2018 was complete (100%) for all Subsidiaries,

whereas the Joint Ventures were out of the scope. For more details, see notes below.

employees: An employee is an individual who is, according to national law or practices, recognized as an employee of the reporting organization, holding either a full-time, part-time or temporary job for a specified payroll period. TITAN Group tracks various information around employment, covering its reporting requirements as follows:

- full-time employee is defined according to national legislation and practice regarding working time (such as national legislation defines that "full-time" means a minimum of nine months per year and a minimum of 30 hours per week). The number of full-time employees should be taken from the BU's data (employees charged to the facility's cost center);
- part-time employee is an employee whose working hours per week, month, or year are less than 'full-time' as defined above. The number of part-time employees should be taken from the operations' personnel data (employees charged to the facility's cost center). For the annual data, FTEs should be taken into consideration estimated as definition given above. In respect to health and safety issues and according to WBCSD/CSI guidelines, the number of part-time employees should be taken from the operations' personnel data (employees charged to the operations' cost center). For the annual data, Full Time Equivalents (FTEs) should be taken into consideration.
- employment end year also called 'headcount end-of-year' is the number of employees as of 31 December of the reporting year; it is used in the calculation of the employees turnover (as percentage), the employees new hires (as percentage) and the number of unionized employees which is reported at the end of the reporting period (year). The general rule is that the in the employment end year the company counts all employees with valid contract until, and including in effect, the 31st of December of the year.
- average employment in the CSR Databank: (a) this is the average number of employees for the year, including employees leaving within the month and employees entering the payroll as new hires; It is calculated as follows: the number of employees at the end of each month is recorded. Then the sum of these monthly records is divided by 12. The resulted figure, rounded in the largest integer, is the average employment of the 12-month reporting period. The average number of employees is used for calculating all other disclosures and key performance indicators for social performance, except the ones mentioned under the employment end year; (c) for safety performance indicators, average employment is calculated as full-time equivalent (see below full-time equivalent) of the average number of full-time and temporary employees and not as headcount.
- employee category is a breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production); For TITAN, the following employee categories apply: (a) Senior Managers: Regional Directors, BU heads or General Managers, Direct Reports of BU Heads or General Managers (i.e. VPs or Functional Directors/Managers); (b) Managers: Supervisors, Professionals (i.e. Internal Audit Managers, Maintenance Managers); (c) Administration/Technical roles (incl. logistics): Office Personnel, Engineers (i.e. Production Engineers, Sales Representative, Accountant etc.); (d) Semi-skilled/Unskilled Labor.
- local employee is an individual who lives in the same location (municipality, regional, country) as the operational sites. For reporting purposes, TITAN defines (discloses) in each country whether local means: i) Municipality, ii) Regional, iii) Country.
- employee turnover is the number of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service; employee turnover should be reported by 'age group' and gender. Calculation: the employee turnover is equal to the number of employees leaving, divided by the total number of employees (headcount) at the end of period recorded, multiplied by 100 (in order to give a percentage value). The number of employees leaving and the total number of employees are measured over one calendar year.
- full-time equivalent: Sometimes abbreviated as FTE, is a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week. The figure is calculated by dividing an employee's average number of hours worked by the average number of hours of a full-time

- Disclosures for Bulgaria employment and other areas under Social Performance do not include Karieri Materiali AD, Karieri AD and Vris OOD.
- Disclosures for Greece do not include Ecorecovery SA. Also, the use of the term "Greece" refers to the operations in the country (Greece) and includes the Corporate Center of TITAN, the cement terminals in Western Europe (as regional operations), and the offices of Iapetos Ltd in Cyprus.
- Turkey includes Adocim Cemento Beton Sanayi ve Ticaret AS, and Adocim Marmara Cemento Beton Sanayi ve Ticaret AS, both operations with 100% equity for consolidating data on Employment and People Development.
- USA includes Ash venture LLC.

worker. The number of hours of a full-time worker will be defined as per the local legislation.

- new employee hires are new employees joining the organization for the first time; total new hires should be reported by age group and gender.
- parental leave: Leave granted to men and women employees on the grounds of the birth of a child. This must not be confused with the short-term leave granted due to the actual birth of the child (example given: in the case of Greece the short-term leave is a three-day leave).

Local: "Local" refers to the administrative region within which lies a cement plant, Ready-Mix unit, a quarry, a terminal, company offices or other premises that belong to the Group or one of its subsidiaries.

local community: Individuals or groups of people living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by the organization's operations. The local community can range from people living adjacent to operations (likely for cement plants) through to isolated settlements at large distances from operations that may experience the impacts of these operations. In addition, the definition of local community could be extended to cover regional geographic areas when referring to ready mix sites, quarries for the production of aggregates and raw materials in general, and others facilities such as terminals etc.

reporting period: Specific time span covered by the information reported. For TITAN, the reporting period the year starting from January and ending December.

stakeholders: are individuals and groups who have an interest in any decision or activity of an organization, and/or who see themselves as potentially affected by, or who may affect, the group's operations at local, national or international scale. For TITAN, stakeholders may include employees and/or labor unions, government agencies, regulators, non-government organizations (NGOs), academic institutions, research groups, customers, suppliers, religious groups, indigenous people, youth, and the media.

Health and Safety

Occupational Health and Safety performance indicators are calculated following respective WBCSD/CSI Guidelines. The following definitions are used for measuring safety performance :

absentee: A worker who is absent from work because of incapacity of any kind, not just as the result of work-related injury or disease; permitted leave absences such as holidays, study, maternity or paternity leave ('parental leave'), and compassionate leave are excluded. TITAN tracks the number of man-days lost as follows: (a) Man-days lost due to occupational health problem – medically justified, (b) Man-days lost due to an LTI, (c) Man-days lost due to occupational health problem – medically unjustified, (d) Other. In the CSR Databank, the user has to record the (absolute) number of the days that were lost.

contract is a formal agreement between a TITAN company and a contractor to carry out an agreed scope of specified work or jobs, regardless of payment type (such as lump sum, turnkey, unit price, time and materials or cost plus). Excluded from this definition are independent external services where there is no TITAN management control exercisable in the safety aspects of that service provision

contractor is a company or an individual who is not a TITAN company or employee but has been engaged by a TITAN company to carry out specified work, either on a short-term (specific job) or long-term basis (such as drivers or maintenance crews). This definition includes all levels of subsequent subcontractors. Specifically related to the works carried by a contractor, in the majority of cases these are carried within the areas of operations and/or control of ownership by the Company. Works performed by contractors on company premises and transportation activities performed everywhere are under TITAN's supervision regarding the health and safety aspect.

lost days are "calendar days". They are calculated as the difference between the date of leaving work and the date of returning to work (as a result of an injury/LTI), less one calendar day. There is general agreement that the counting of lost days' ceases with a return of the injured person to restricted (or light) work or normal work (provided that it is legally acceptable in the country concerned and medically approved). If the return is the day/ shift immediately after an injury, then there is no LTI as no days are lost. It should be noted however that national 'incident and/or accident' reporting requirements might be different from the CSI definitions described here above. In such cases, the national reporting requirements should always be met.

occupational disease: Disease arising from a work situation or activity, or from a work-related injury. Note: Examples of work situations or activities that can cause 'occupational diseases' can include stress or regular exposure to harmful chemicals.

occupational disease rate: Frequency of occupational diseases relative to the total time worked by all workers during the reporting period. Occupational disease rate can be calculated for a specific category of workers (e.g., employees).

subcontractor is a company or an individual who is not a TITAN company or employee but has been engaged by a contractor to carry out specified work as part of the contract for a TITAN company. There can be more than one level of subcontractor, all deemed to the contractors.

worked hours by employees: Total actual hours by the personnel are defined as all the worked hours of all personnel engaged in the scope of the CSI safety reporting, including all overtime and excluding vacation days. Training hours should be included in the number of hours reported. National holidays, maternity leaves, illnesses and occupational diseases and strikes should not be included in the number of hours reported. Data should be taken from the facility's records kept by the personnel department.

worked hours by contractors/subcontractors are all worked hours of all personnel of contractors and subcontractors engaged in activities on company premises, including all overtime and excluding vacation days. Notes: (a) Training hours should be included in the number of hours reported, (b) the reporting of working hours of contracted truck drivers due to loading or unloading activities for in/or outbound logistic activities is excluded, even if performed on the premises of the company. If a truck driver has a lost-time injury (LTI) during such activities, this LTI has to be counted as an on-site LTI, even if no hours are related to this activity. (c)national holidays, maternity leaves, illnesses or occupational diseases and strikes should not be included in the number of hours reported, (e) data should be taken from the plant's kept data. If exact hours worked are not recorded, then these should be estimated to the best possible accuracy.

People development

Training refers to:

1) All types of vocational training and instruction
2) Paid educational leave provided by the reporting organization for its employees
3) Training or education pursued externally and paid for in whole or in part by the reporting organization; and
4) Training on specific topics such as health and safety.
5) Training does not include on-site coaching by supervisors

Training activities are all the in class and on the job programs, e-learning training programs (calculated by the documented hours to the HR Department), the induction (in classroom) days, and post-graduate studies covered by the company.

Training activities are all the in class and on the job programs, e-learning training programs (calculated by the documented hours to the HR Department), the induction (in classroom) days, and post-graduate studies covered by the company.

Trained employees is the absolute number of employees trained does not take into account the number of participations (repetition) for each employee. The absolute number of employees trained does not take into account the number of participations (repetition) for each employee

Training hours are calculated based on the principle that one training hour is 45-60 minutes. Anything less than 45 minutes is not considered a training hour.

Training hours: Time measured in hours dedicated to training. Calculation: participants multiplied by the total duration (hours) of training programs. The duration of a training program is calculated from the time the training starts until it finishes (breaks are not deducted). Training hours should be reported by "gender" and "employee category".

total investment in training programs addressed to employees: It includes the trainer's cost (including the trainer's travel expenses), hospitality cost of the training participants (e.g. coffee, snacks), the participants' travel expenses (transfer, accommodation, meals), the training material cost (e.g. manuals), any other training material or equipment cost (e.g. audiovisual) relevant to the training execution. It does not include the payroll cost of the participants (this should always be indicated when the data is presented). It must be reported by gender.

total Investment in training programs addressed to contractors: It includes the trainer's cost (including his/her travel expenses), hospitality cost of the training participants (e.g. coffee, snacks), the participants' travel expenses (transfer, accommodation, meals), the training material cost (e.g. manuals), any other training material or equipment cost (e.g. audiovisual) relevant to the training execution. Report per gender.

employees or contractors trained is the absolute number of people trained. It does not take into account the number of participations (repetition) for each employee.

Sustainability of communities: All kind of social investments such as training and donations presented in the report do not include operational and administration costs.

apprenticeship: Apprenticeships are those forms of Initial Vocational Education and Training (IVET) that formally combine and alternate company based training (periods of practical work experience at a workplace) with school-based education (periods of theoretical/practical education followed in a school or training center) and whose successful completion leads to nationally recognized IVET certification degrees. Most often there is a contractual relationship between the employer and the apprentice. It can be at both secondary and tertiary level (high school or higher education). The duration has to be from three months up to a year.

donations are reported by each business unit in cash and in kind. The conversion to euros was calculated to the currency rates as of 31 December 2018, as in Table 1. In-kind donations are calculated at sale prices for own products, at purchase cost for trees and other plants, at market value for full depreciated equipment and at net book value (acquisition cost minus depreciations) for partially depreciated equipment as specified by local accounting systems and laws.

Internships/traineeships can be described as work practice (either as part of a study curriculum or not), including an educational/training component which is limited in time. They allow to document practical work experience as part of the individual CV and/or as requested in educational curricula or to gain work practice for the purpose of facilitating the transition from education and training to the labor market. They are predominantly short to middle-term (a month and up to 6 months, and in certain cases one year). An internship that lasts less than a month is considered a traineeship.

Supply chain management

supplier is a person or organization providing goods or services. The term 'contractor' can be used for denoting the same subject matter, but in specific related to services provided by a person or organization, and where in the majority of cases these services are provided within the areas of operations and/or control of ownership by the company. The term 'supplier', under the current terminology, is broader and in principle covers also the contractors.

global suppliers: Suppliers are considered global when they provide goods or services around different geographic areas. Most global suppliers work with local suppliers to perform the job, creating a multiple-tier supply chain.

local suppliers: Suppliers are considered local when they provide goods or services to the company within a limited scope of geographic area, such as a country, or state as in the case of the USA, or a locality which is neighboring to the operations of the company (municipality or other). In this context local suppliers are all suppliers which are not considered as global. In addition, local suppliers are the suppliers who are headquartered for their business activity and have their tax registration in the same area of operations of the company or in the same geographic area where they provide services to the company, in line with this definition.

sustainable supply chain management: The management of environmental, social and economic impacts and the encouragement of good governance practices throughout the life cycles of goods and services.

third party is considered any person not categorized as directly employed or contractor/subcontractor. Third parties typically include but are not limited to customers and visitors to company locations (whether specifically invited or not), drivers or passengers or other road users involved in off-site motor accidents with company vehicles. These accidents are reported only if there is company or employee (employees or contractors/ subcontractors) culpability, workers at someone else's premises, for example construction sites, involved in accidents but only if there is company or employee (directly employed or contractors/ subcontractors) culpability. Where transport is carried out as an independent service (for example by a courier) for goods such as parcels or spare parts for equipment, the related drivers may be regarded as third parties.

Table 1: Currency rates as of 31 December 2018

Albania – Lek	123.4200
Egypt – EGP	20.5498
Euro	1.0000
North Macedonia – Denar	61.4950
Serbia – Denar	118.1946
Turkey – Lira	6.0588
USA – Dollar	1.1450
Kosovo	1.0000
Bulgaria	1.0000

Table 2: TITAN Group basis for calculating environmental performance indicators 2017-2018

Region	Country	Plant	2017 equity	2018 equity
USA		Pennsuco	100.00%	100.00%
		Roanoke	100.00%	100.00%
Greece and Western Europe	Greece	Elefsis	100.00%	100.00%
		Kamari	100.00%	100.00%
		Patras	100.00%	100.00%
		Thessaloniki	100.00%	100.00%
Southeastern Europe	Albania	Antea	100.00%	100.00%
	Bulgaria	Zlatna	100.00%	100.00%
	North Macedonia	Usje	100.00%	100.00%
	Kosovo	Sharr	100.00%	100.00%
	Serbia	Kosjeric	100.00%	100.00%
Eastern Mediterranean	Egypt	Alexandria	100.00%	100.00%
		Beni Suef	100.00%	100.00%
	Turkey	Tokat	50.00%	50.00%
		Antalya	50.00%	50.00%
		Marmara	100.00%	100.00%

Table 3: TITAN Group production units 2018

	Greece and Western	USA	South Eastern	Eastern	Total
Cement plants	3	2	5	3	**13**
Grinding plants	1	0	0	2	**3**
Quarries	26	8	20	16	**70**
for raw materials used by cement plants	*13*	*2*	*18*	*15*	***48***
for aggregates production	*13*	*6*	*2*	*1*	***22***
Ready-mix plants	27	78	6	7	**118**
Distribution terminals	8	14	1	1	**24**
for cement	*8*	*10*	*1*	*1*	***20***
for aggregates	*0*	*4*	*0*	*0*	***4***
Concrete block plants	0	10	0	0	**10**
Dry mortar plants	1	0	0	0	**1**
Fly ash processing plants	0	6	0	0	**6**
Processed engineered fuel plants	0	0	1	2	**3**
Total	**66**	**118**	**33**	**31**	**248**

Value Creation Core Indicators Index

SDGs 2030 and Targets	Value Creation Core Indicators for Sustainability	TITAN's Global Sectoral Approach
	People Management and Development	
SDGs 3,4,5 and 17	Salaries, pensions, and social benefits, incl. additional benefits[1]	TITAN Standards and IFRS
	Investments for Training of direct employees, as total expenditures[2]	UNCTAD 4.3.1 and IFRS - connected with SP59, SP60, and SP61
SDGs 6, 7,13,15 and 17	**Environmental Sustainability**	
	Green investment[3]	TITAN Standards and UNCTAD 7.b.1 - connected with EP74
SDGs 4, 9, 11 and 17	**Sustainability of Communities**	
	Total spend to Suppliers, local and international, for goods and services[4]	TITAN Standards and IFRS
	Taxes to national and local authorities[5]	TITAN Standards and IFRS
	Support to community projects, as Donations[6]	UNCTAD 17.17.1 and IFRS - connected with SP70, SP71, and SP72
SDGs 4, 8, 12 and 17	**Financial Sustainability**	
	Payments in cash, to shareholders and minorities[7]	TITAN Standards and IFRS
	Investments for R&D and Innovation as total expenditures[8]	TITAN Standards and UNCTAD 9.5.1
	Value added[9]	UNCTAD 8.2.1, 9.4.1, 9.b, and IFRS
	Net value added[10]	UNCTAD 8.2.1, 9.b, and IFRS

All respective figures are reported in Section 1, See Table 1

Notes:

(1) According to TITAN Standards and the application of the IFRS, see Section 6.
(2) According to the UNCTAD Guidance, 2018: Direct and indirect costs of training (including costs such as trainers' fees, training facilities, training equipment, related travel costs etc.) per employee per year possibly broken down by employee category. This Core Indicator is provided in Section 1, in absolute amount.
(3) According to the UNCTAD Guidance, 2018: Total amount of expenditures (capital and also operational) for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment.
(4) According to TITAN Standards and the application of the IFRS, see Section 6.
(5) According to TITAN Standards and the application of the IFRS, see Section 6.
(6) According to the UNCTAD Guidance, 2018: Total amount of charitable/voluntary donations and investments of funds (both capital expenditures and operating ones) in the broader community where the target beneficiaries are external to the enterprise incurred in the reporting period, in absolute amount.
(7) According to TITAN Standards and the application of the IFRS, see Section 6.
(8) According to the UNCTAD Guidance, 2018: Total amount of expenditures on research and development (R&D) by the reporting entity during the reporting period, in absolute amount.
(9) According to the UNCTAD Guidance, 2018: Revenue minus costs of bought-in materials, goods and services, in absolute amount (Gross Value Added, GVA).
(10) According to the UNCTAD Guidance, 2018: Revenue minus costs of bought-in materials, goods and services and minus depreciation on tangible assets, in absolute amount (Net Value Added, NVA).

General Note: All above descriptions for the Value Creation Core Indicators were adopted from the "*Guidance on Core Indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals*" (UNCTAD, 10.19.2018). Details are provided in Section 7, including the references inside the above Index to the Indicators 'SP' and 'EP', which are included in the Social Performance Index, and Environmental Performance Index, respectively (also under Section 7).

Environmental performance Index

SDGs 2030 and Targets	Key Performance Indicators, and Codes		2014	2015	2016	2017	2018
TITAN Group – Performance of all activities, acc. to the Sectoral Approach adopted by TITAN							
Local Impacts							
Impact on natural raw materials recourses, and waste management							
SDG 12.2	**Raw materials extracted (total, wet), EP01**	**million t**	**29.5**	**30.3**	**32.2**	**33.7**	**33.2**
	Raw materials extracted for clinker and cement production, EP02	million t	18.2	19.0	19.5	20.7	19.7
	Raw materials extracted for aggregates, EP03	million t	11.3	11.3	12.7	13.0	13.5
	Raw materials consumed (total)						
	Raw materials consumed for clinker and cement production (dry), EP04	million t	19.6	21.2	22.8	23.9	22.1
	Raw materials consumed for ready mix, dry mortar and block production[2] (wet), EP05	million t	6.9	8.0	8.7	10.7	8.8
SDG 12.4 SDG 12.5	**Externally recycled waste materials (total, wet), EP06**	**t**	**353,600**	**294,000**	**426,674**	**259,704**	**200,429**
	Recycled	t	353,600	294,000	413,553	255,228	198,578
	Reused	t	n/a	n/a	9,683	4,395	1,832
	Recovered	t	n/a	n/a	3,438	81	18
Impact on water recourses							
SDG 6.3 SDG 6.4 SDG 6.5	***Water consumption (total), EP07**	**million m³**	**8.4**	**9.1**	**9.1**	**10.5**	**10.6**
	***Water withdrawal (total, by source), EP08**	**million m³**	**30.4**	**31.8**	**30.5**	**35.4**	**39.1**
	Ground water	million m³	27.0	28.0	26.8	31.4	35.4
	Municipal water	million m³	0.9	1.0	1.0	1.3	1.1
	Rain water	million m³	0.2	0.2	0.2	0.2	0.2
	Surface water	million m³	1.0	1.2	1.0	1.0	0.9
	Quarry water used (from quarry dewatering)	million m³	0.0	0.0	0.1	0.1	0.1
	Ocean or sea water	million m³	1.3	1.3	1.3	1.3	1.3
	Waste water	million m³	0.0	0.1	0.1	0.1	0.1
	Water discharge (total, by destination), EP09	**million m³**	**22.0**	**22.7**	**21.4**	**24.9**	**28.5**
	Surface (river, lake)	million m³	20.6	21.3	20.0	23.5	27.0
	Ocean or sea	million m³	1.3	1.3	1.3	1.3	1.3
	Off-site treatment	million m³	0.1	0.1	0.1	0.1	0.1
Impact on biodiversity and land stewardship							
SDG 15.3 SDG 15.4 SDG 15.5 SDG 15.9 SDG 15.a	**Active quarry sites with biodiversity issues[3,5], EP10**		**8**	**8**	**8**	**10**	**10**
	Active quarry sites with biodiversity management plans[4,5], EP11		**3**	**6**	**6**	**8**	**9**
	Active quarry sites with biodiversity management plans, EP12	**%**	**37.5**	**75.0**	**75.0**	**80.0**	**90.0**
	Sites with community engagement plans, EP13	**%**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
	Sites with quarry rehabilitation plans[5], EP14	**%**	**80.0**	**82.0**	**87.0**	**81.0**	**78.0**
	Active quarry sites (wholly owned) with ISO14001 or similar, EP15	**%**	**94.0**	**96.0**	**93.0**	**81.0**	**80.0**
Fuels and Energy							
Impact on energy recourses							
SDG 7.2	**Thermal energy consumption (total), EP16**	**TJ**	**40,093**	**44,333**	**47,316**	**49,192**	**44,949**
	Electrical energy consumption (total), EP17	**TJ**	**5,698**	**6,101**	**6,652**	**6,805**	**6,462**
TITAN Group – Performance of cement plants and attached and related quarries, acc. to the Sectoral Approach adopted by TITAN							
Climate change							
Impact on Green House Gas Emissions							
SDG 9.4	***Gross direct CO_2 emissions (total), EP18**	**million t**	**9.5**	**10.5**	**11.4**	**11.9**	**10.9**
	***Net direct CO_2 emissions (total), EP19**	**million t**	**9.4**	**10.3**	**11.1**	**11.6**	**10.5**
	***Specific gross direct CO_2 emissions, EP20**	**$kg/t_{Cementitious\ Product}$**	**674.4**	**706.1**	**718.0**	**715.5**	**707.6**
	***Specific net direct CO_2 emissions EP21**	**$kg/t_{Cementitious\ Product}$**	**662.3**	**691.6**	**699.5**	**698.9**	**684.6**
	Indirect CO_2 emissions (total)[6], EP22	**million t**	**1.1**	**1.1**	**1.2**	**1.2**	**1.2**
Alternative fuels and materials							
SDG 7.2 SDG 7.3 SDG 7a	***Alternative fuel substitution rate, EP23**	**$\%_{Heat\ Basis}$**	**6.7**	**6.8**	**8.6**	**9.1**	**12.1**
	***Biomass in fuel mix, EP24**	**$\%_{Heat\ Basis}$**	**2.2**	**1.6**	**2.1**	**2.6**	**3.4**
	Clinker to cement ratio, EP25		**0.831**	**0.847**	**0.844**	**0.837**	**0.836**

SDGs 2030 and Targets	Key Performance Indicators, and Codes		2014	2015	2016	2017	2018
Impact on energy recourses							
	Thermal energy consumption						
	***Cement and grinding plants and attached quarries, EP26**	**TJ**	**39,506**	**43,965**	**46,855**	**48,786**	**44,385**
	Cement and grinding plants, attached and related quarries	TJ	39,512	43,970	46,862	48,792	44,393
SDG 7.2 SDG 7.3 SDG 7a	***Energy efficiency related to clinker production, EP27**	**$kcal/kg_{Clinker}$**	**840.1**	**856.0**	**848.0**	**848.2**	**836.7**
	Alternative fuels consumption (total), EP28	**t**	**122,790**	**127,665**	**163,537**	**202,757**	**243,052**
	Electrical energy consumption (total)						
	***Cement plants and attached quarries, EP29**	**GWh**	**1,481.0**	**1,600.0**	**1,751,0**	**1,796.0**	**1,699.9**
	Cement plants, attached and related quarries	GWh	1,481.0	1,600.0	1,752.0	1,796.0	1,700.0
Local Impacts							
Impact on natural raw materials recourses							
	Materials consumption (total, dry), EP30	**million t**	**19.6**	**21.2**	**22.8**	**23.9**	**22.1**
	Extracted (natural) raw materials consumption (dry)	million t	18.2	20.1	21.7	22.6	20.9
SDG 12.2	Alternative raw materials consumption (dry)	million t	1.4	1.2	1.2	1.3	1.2
	Alternative raw materials substitution (clinker & cement), EP31	**$\%_{Dry}$**	**7.0**	**5.5**	**5.1**	**5.5**	**5.4**
Impact on water recourses							
SDG 6.4 SDG 6.5	***Water consumption (total), EP32**	**million m^3**	**3.8**	**3.9**	**3.8**	**4.3**	**3.9**
	***Specific water consumption, EP33**	**lt/t_{Cement}**	**305.4**	**287.1**	**255.1**	**273.1**	**256.2**
Other air emissions							
	***Overall coverage rate, EP34**	**%**	**61.8**	**75.1**	**82.5**	**77.6**	**79.4**
	***Coverage rate continuous measurement, EP35**	**%**	**80.9**	**53.5**	**52.8**	**81.7**	**80.6**
	***Dust emissions (total), EP36**	**t**	**416.0**	**438.0**	**316.0**	**273.0**	**153.2**
	***Specific dust emissions, EP37**	**$g/t_{Clinker}$**	**37.0**	**35.7**	**23.9**	**19.9**	**12.1**
	***Coverage rate for dust emissions, EP38**	**%**	**100.0**	**92.9**	**100.0**	**100.0**	**100.0**
	***NOx emissions (total), EP39**	**t**	**18,088.0**	**20,927.0**	**22,473.0**	**18,409.0**	**16,494.5**
	***Specific NOx emissions, EP40**	**$g/t_{Clinker}$**	**1,610.4**	**1,705.8**	**1,702.9**	**1,340.0**	**1,301.8**
	***Coverage rate for NOx emissions, EP41**	**%**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
	***SOx emissions (total), EP42**	**t**	**2,969.0**	**2,527.0**	**2,713.0**	**2,733.0**	**2,631.5**
	***Specific SOx emissions, EP43**	**$g/t_{Clinker}$**	**264.3**	**206.0**	**205.6**	**199.0**	**207.7**
	***Coverage rate for SOx emissions, EP44**	**%**	**88.9**	**100.0**	**100.0**	**100.0**	**100.0**
	TOC emissions (total), EP45	t	325.0	394.0	607.0	708.0	543.3
	Specific TOC emissions, EP46	$g/t_{Clinker}$	29.0	32.1	46.0	51.5	42.9
SDG 3.9 SDG 9.4	Coverage rate for TOC emissions, EP47	%	89.0	98.7	100.0	100.0	100.0
	PCDD/F emissions (total), EP48	mg	366.0	253.0	160.0	342.0	227.4
	Specific PCDD/F emissions, EP49	$ng/t_{Clinker}$	32.6	20.6	12.1	24.9	18.0
	Coverage rate for PCDD/F emissions, EP50	%	81.6	96.7	100.0	89.1	100.0
	Hg emissions (total), EP51	kg	514.0	522.0	760.0	477.0	492.8
	Specific Hg emissions, EP52	$mg/t_{Clinker}$	45.7	42.6	57.6	34.7	38.9
	Coverage rate for Hg emissions, EP53	%	91.9	100.0	90.0	95.9	100.0
	Cd and Tl emissions (total), EP54	kg	190.0	208.0	351.0	243.0	267.7
	Specific (Cd and Tl) emissions, EP55	$mg/t_{Clinker}$	16.9	16.8	26.6	17.7	21.1
	Coverage rate for (Cd and Tl) emissions, EP56	%	72.2	78.5	82.5	77.6	80.6
	Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V emissions (total), EP57	kg	2.485.0	5.378.0	4.804.0	3.734.0	2.477.7
	Specific (Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V), EP58	$mg/t_{Clinker}$	221.3	439.2	364.0	271.8	195.6
	Coverage rate for (Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V) emissions, EP59	%	72.2	78.5	82.5	77.6	80.6
TITAN Group – Detailed disclosures concerning materials, fuels and waste							
Impact on natural raw materials (extracted), cement activities							
SDG 12.2	**Raw materials consumed in total, for clinker and cement production (dry), EP60**	**t**	**18,225,630**	**20,058,805**	**21,672,426**	**22,575,224**	**20,872,348**
	Limestone	t	13,245,617	14,721,808	15,616,909	16,109,179	15,109,317
	Marl	t	1,751,575	1,776,227	2,138,764	2,158,694	2,237,451
	Clay	t	1,014,826	1,652,751	1,462,161	2,022,399	1,590,755

SDGs 2030 and Targets	Key Performance Indicators, and Codes		2014	2015	2016	2017	2018
SDG 12.2	Clay/Marl mix	t	52,864	0	185,870	46,497	0
	Silica-aluminates	t	954,704	653,755	792,341	832,581	658,305
	Kaoline	t	3,907	3,597	2,982	1,618	1,139
	Gypsum	t	548,521	591,654	628,114	678,015	579,278
	Iron oxide	t	77,117	100,169	174,995	170,007	135,767
	Natural pozzolanes	t	276,238	205,524	244,807	236,843	225,169
	Bauxite	t	65,139	80,854	85,074	73,393	97,274
	Lime	t	0	0	1,499	1,679	1,853
	Sand	t	202,757	258,169	327,191	224,925	204,320
	Mineralizers (e.g. CaF_2)	t	0	0	162	4,736	8,412
	Other	t	32,366	14,297	11,557	14,658	23,309
Substitution of natural raw materials by alternative materials (byproducts), cement activities							
SDG 12.4	**Alternative materials consumed in total, for clinker and cement production (dry), EP61**	**t**	**1,379,902**	**1,175,523**	**1,153,644**	**1,313,778**	**1,182,800**
	Industrial gypsum	t	54,101	54,143	56,962	64,424	75,269
	Iron lamination scale	t	47,155	1,960	15,884	9,685	17,991
	Fayalite	t	5,992	8,938	7,943	8,409	16,706
	Limestone (waste/by-product)	t	33,690	46,133	31,723	39,166	24,017
	Fly ash (wet)	t	261,999	117,315	42,456	132,023	127,196
	Fly ash (dry)	t	399,167	438,673	484,028	434,980	422,117
	Bottom ash	t	817	42,331	35,411	82,101	66,504
	Pyrite-ash	t	23,571	19,313	20,415	26,557	25,370
	Blast furnace slag	t	30,290	48,636	53,541	47,472	65,799
	Air Cooled Slag	t	66,266	50,817	17,247	69,827	70,633
	Water Cooled Slag	t	67,085	10,192	73,095	46,530	10,031
	Lead slag	t	12,394	19,822	16,267	1,180	0
	Steel slag	t	6,025	108,397	122,039	107,210	95,304
	Slag (other)	t	72,557	51,896	35,108	35,632	6,003
	Bauxite (waste)	t	80,363	0	0	0	17,359
	Red mud	t	2,913	0	0	0	7,734
	Cement kiln dust	t	0	0	4,165	8,232	15,641
	Cement by-pass dust	t	26,823	2,673	0	7,786	5,033
	Demolition wastes/concrete returns	t	0	71,886	56,513	49,814	18,191
	$FeSO_4*7H_2O$	t	0	5,842	7,883	6,463	4,779
	$FeSO_4*4H_2O$	t	4,916	0	0	0	1,471
	$FeSO_4*H_2O$	t	0	492	1,034	2,989	1,863
	Cupper Powder	t	440	7,160	9,129	7,499	8,648
	Mineralizers (e.g. CaF_2)	t	7,336	0	0	0	1,851
	Other	t	176,001	68,904	62,801	125,799	77,291
Impact on fuels and energy resources), cement activities							
SDG 7.2 SDG 12.2	**Fuel mix, energy consumption for clinker and cement production, EP62**	**%Heat Basis**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
	Conventional fossil fuels, EP63	**%Heat Basis**	**93.4**	**93.3**	**91.4**	**91.0**	**87.9**
	Coal, anthracite, and waste coal	%Heat Basis	26.5	27.7	31.6	29.7	34.5
	Petrol coke	%Heat Basis	43.9	46.2	52.6	56.8	49.2
	Lignite	%Heat Basis	0.6	0.6	0.6	1.5	1.0
	Other solid fossil fuel	%Heat Basis	1.8	1.5	0.9	1.1	1.4
	Natural gas	%Heat Basis	12.8	1.9	0.9	0.6	0.5
	Heavy fuel (ultra)	%Heat Basis	7.0	10.7	2.2	0.7	0.8
	Diesel oil	%Heat Basis	0.7	4.7	2.6	0.6	0.5
	Gasoline, LPG (Liquified petroleum gas or liquid propane gas)	%Heat Basis	0.1	0.1	0.1	0.1	0.1
	Alternative fossil and mixed fuels, EP64	**%Heat Basis**	**5.3**	**6.1**	**7.7**	**8.4**	**11.6**
	Tyres	%Heat Basis	1.2	1.4	1.7	2.1	2.8
	RDF including plastics	%Heat Basis	0.3	0.2	0.4	0.8	1.7
	Impregnated saw dust	%Heat Basis	0.6	0.5	0.5	0.5	0.7
	Mixed industrial waste	%Heat Basis	0.5	0.5	0.8	1.1	1.8

SDGs 2030 and Targets	Key Performance Indicators, and Codes		2014	2015	2016	2017	2018
	Other fossil based and mixed wastes (solid)	%Heat Basis	2.8	3.4	4.3	4.0	4.6
	Biomass fuels, EP65	**%Heat Basis**	**1.3**	**0.7**	**0.8**	**0.6**	**0.5**
	Dried sewage sludge	%Heat Basis	0.7	0.2	0.1	0.1	0.0
	Wood, non-impregnated saw dust	%Heat Basis	0.5	0.4	0.5	0.5	0.4
	Agricultural, organic, diaper waste, charcoal	%Heat Basis	0.0	0.1	0.2	0.1	0.0
	Other	%Heat Basis	0.1	0.0	0.0	0.0	0.0
Management of waste, all activities							
SDG 12.4 SDG 12.5	**Waste disposal (total, wet), EP66**	**t**	**436,120**	**384,160**	**527,952**	**321,232**	**257,777**
	Non-hazardous waste	t	n/a	n/a	527,213	320,432	255,706
	Hazardous waste	t	n/a	n/a	739	800	2,071
	Waste disposal, break down by destination-usage (wet), EP67	**%By mass**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
	Reuse	%By mass	n/a	n/a	1.8	1.4	0.7
	Recycled	%By mass	81.1	76.5	78.3	79.5	77.0
	Recovered (including energy recovery)	%By mass	n/a	n/a	0.7	0.0	0.0
	Incineration	%By mass	n/a	n/a	n/a	0.0	0.0
	Landfilled	%By mass	18.7	20.7	19.1	19.0	22.2
	Other (incl. storage)	%By mass	0.2	2.7	0.1	0.1	0.1
TITAN Group - Performance acc. to TITAN's Approach for Avoided emissions, consumption of natural resources, and landfilling, cement activities							
Climate change							
SDG 9.4	**Avoided net direct CO_2 emissions(7), EP68**	**million t**	**21.1**	**22.5**	**23.7**	**25.0**	**26.5**
Local Impacts							
SDG 3.9 SDG 9.4	**Avoided dust emissions(8), EP69**	**t**	**33,350**	**37,450**	**42,000**	**46,850**	**51,400**
	Avoided NOx emissions(8), EP70	**t**	**141,600**	**157,100**	**173,800**	**196,200**	**217,300**
	Avoided SOx emissions(8), EP71	**t**	**20,330**	**22,900**	**25,750**	**28,770**	**31,420**
SDG 6.4	**Avoided water consumption(9), EP72**	**million m^3**	**11.0**	**14.0**	**17.7**	**21.3**	**25.0**
SDG 3.9 SDG 12.2 SDG 12.5	**Avoided consumption of natural resources and landfilling of alternative materials and fuels, EP73**	**million t**	**16.8**	**18.1**	**19.5**	**21.0**	**22.4**
TITAN Group - Investments for the Environment, all activities							
SDG 7b SDG 9.4	**Environmental expenditures across all activities, EP74**	**million €**	**30.1**	**67.8**	**60.7**	**27.5**	**28.8**
	Environmental management	million €	14.5	14.8	19.4	15.8	16.1
	Reforestation	million €	0.4	0.4	0.3	0.5	0.5
	Rehabilitation	million €	0.4	0.5	0.8	0.5	0.5
	Environmental training and awareness building	million €	0.1	0.2	0.2	0.2	0.2
	Application of environmental friendly technologies	million €	12.2	49.9	37.9	8.6	9.5
	Waste management	million €	2.5	2.0	2.1	1.9	1.9

NOTES:

* Data calculated acc. to guidelines of WBSCD/CSI. 2018 Data included in scope of ERM Certification and Verification Services (ERM CVS) assurance engagement (ERM CVS' "Independent assurance statement" is available in this section).

(1) All Environmental Performance KPIs (all disclosures) are based on the specific year equity. Especially for 2018, the assumption was that the equity used for calculating the KPIs was kept the same as of 2017. The reason was to maintain consistency and clarity, and to avoid any unnecessary complication related to calculated figures of performance. This affected the aggregation of performance data related only to Adocim Cimento Beton Sanayi ve Ticaret A.S operations in Turkey. In this respect, reported figures are based on the following:

- Tokat cement plant and attached quarry data were incorporated with equity of 50,0% for the whole year (our equity in reality was increased to 75,0% since October 2018).
- Antalya grinding plant data were incorporated with equity of 50,0% for the whole year (our equity in reality was decreased to 0,0% since October 2018), although limited data was available after September of 2018.

(2) Figures for years before 2015 were revised to reflect only natural material consumed.

(3) Active quarries within, containing or adjacent to areas designated for their high biodiversity value.

(4) Sites with high biodiversity value where biodiversity management plans are actively implemented.

(5) Coverage includes both quarries attached to cement plants and quarries for aggregates production.

(6) Indirect CO_2 emissions are related to emissions released for the production of the electrical energy consumed at TITAN's facilities. For their calculation we use emission factors provided by the supplier of the electrical energy or other publicly available data. If no such data are available, the most recent data provided by CSI are used.

(7) Avoided CO_2 emissions is total accumulated quantity for the period between the specific year and the base year which in the case of CO_2 emissions is 1990 in accordance to the Kyoto protocol. Details on the approach and methodology used can be found in Section 7. The base year (1990) performance, adjusted for the equity of year 2018, for specific net direct CO_2 emissions was 778.3kg/cementitious product.

(8) Avoided air emissions are total accumulated quantities (for each specific emission separately) for the period between the specific year and the base year which in the case of air emissions is 2003, the year of publishing the first sustainability report of TITAN Group. Details on the approach and methodology used can be found in Section 7. The base year (2003) performance, adjusted for the equity of year 2018, for specific dust emissions was 370.3g/t clinker, for specific NOx emissions was 2,969.2g/t clinker and for specific SOx emissions was 418.8g/t clinker.

(9) Avoided natural resources consumption is total accumulated quantity for the period between the specific year and the base year which in the case of air emissions is 2003, the year of publishing the first sustainability report of TITAN Group. Details on the approach and methodology used can be found in Section 7. The base year (2003) performance, adjusted for the equity of year 2018, for specific water consumption was 503.9lt/t cement.

Table 4: TITAN Group quarry sites with high biodiversity value[1]

Site	Country	Location	Size (km^2)	Type of operation	Status
Pennsuco Quarry	USA	Miami Dade, Florida	24.69	Raw materials extraction for cement and aggregates production	Inside area for protection of freshwater ecosystems (wetlands) on local/state level
Center Sand Quarry	USA	Clermont, Florida	2.75	Raw materials extraction for aggregates production	Adjacent to area for preservation of terrestrial ecosystems on local/state level
Corkscrew Quarry	USA	Naples, Florida	2.44	Raw materials extraction for aggregates production	Adjacent to area for protection of freshwater ecosystems (wetlands) on local/state level
Zlatna Panega Quarry	Bulgaria	Zlatna Panega, Lovech	0.95	Raw materials extraction for cement production	Partly inside NATURA 2000 area for protection of terrestrial ecosystems (SAC)
Xilokeratia Quarry	Greece	Milos Island, Cyclades	0.64	Raw materials extraction for cement production	Inside/adjacent to NATURA 2000 area for protection of terrestrial ecosystems (SAC/SPA)
Apsalos (west and east) Quarries	Greece	Apsalos, Pella	0.08	Raw materials extraction for cement production	Inside NATURA 2000 area for protection of terrestrial ecosystems (SPA)
Aspra Homata Quarries	Greece	Apsalos, Pella	0.14	Raw materials extraction for cement production	Inside NATURA 2000 area for protection of terrestrial ecosystems (SPA)
Rethymno Quarry	Greece	Rethymno, Crete Island	0.34	Raw materials extraction for aggregates production	Inside area for protection of terrestrial ecosystems on national level
Leros Quarry	Greece	Leros Island, Dodecanese	0.23	Raw materials extraction for aggregates production	Inside area for protection of terrestrial ecosystems on national level
Agrinio Quarry	Greece	Aitoloakarnania	0.96	Raw materials extraction for aggregates production	Inside area for protection of terrestrial ecosystems on national level

Notes:

(1) In 2018, TITAN Group had 54 active quarries in total, for producing raw materials for use in cement, and aggregates. Out of those:

(a) All quarry sites (100%) have been assessed for the value of biodiversity on site with the help of available tools (IBAT and respective designation references).

(b) 10 quarries have been identified as having 'high biodiversity value' (or 19% of the total number); ref: EP10 in the Environmental performance Index.

(c) 9 quarries (or 90% of the ones with high biodiversity value) had Biodiversity Management Plans in place; ref: EP11 and EP12.

(d) 43 quarries (or 80% of the total) operate according to an Environmental Management System, such as ISO14001 or similar, and:

(e) 42 quarries (or 78% of the total) have rehabilitation plans. EP14 and EP15, respectively.

Social Performance Index

SDGs 2030 and Targets	Key Performance Indicators, and Codes	2014	2015	2016	2017	2018
Health and Safety						
	All activities performance acc. to the TITAN Global Sectoral Approach					
	*Employee fatalities, SP01	0	1	0	0	0
	*Employee fatality rate, SP02	0.00	1.80	0.00	0.00	0.00
	*Contractors fatalities, SP03	1	1	0	0	2[1]
	Third-party fatalities, SP04	1	0	1	0	0
SDG 3.6	*Employee Lost Time Injuries (LTIs), SP05	18	23	22	27	17
SDG 8.8	*Employee Lost Time Injuries Frequency Rate (LTIFR), SP06	1.65	2.00	1.92	2.41	1.54
	*Employee lost working days, SP07	1,481	1,624	897	1,220	615
	*Employee Lost Time Injuries Severity Rate, SP08	135.6	141.4	78.2	109.0	55.7
	*Contractors Lost Time Injuries (LTIs), SP09	8	11	7	7	9
	Contractors Lost Time Injuries Frequency Rate (LTIFR), SP10	0.87	1.10	0.73	0.82	1.12
	All activities performance leading indicators					
SDG 3.6	Near Misses, SP11	1,383	1,793	1,304	1,185	2,169
SDG 8.8	Training man-hours on health and safety per employee, SP12	10.50	8.60	12.30	12.30	12.98
	Cement operations performance acc. to the TITAN Global Sectoral Approach					
	*Employee fatalities, SP13	0	1	0	0	0
	*Employee fatality rate, SP14	0.00	2.68	0.00	0.00	0.00
	*Contractors fatalities, SP15	1	1	0	0	2[1]
SDG 3.6	Third-party fatalities, SP16	1	0	0	0	0
SDG 8.8	*Employee Lost Time Injuries (LTIs), SP17	8	13	11	16	8
	*Employee Lost Time Injuries Frequency Rate (LTIFR), SP18	1.10	1.75	1.54	2.41	1.25
	Employee lost working days, SP19	494	936	313	1.014	416
	*Employee Lost Time Injuries Severity Rate, SP20	67.6	126.0	43.8	152.8	65.0
	*Contractors Lost Time Injuries (LTIs), SP21	8	7	2	6	6

SDGs 2030 and Targets	Health and safety data by region, 2018 Performance	Greece and Western Europe	USA	SEE	EM
	Employee fatalities, SP22	0	0	0	0
	Emplyohee Fatality rates, SP23	0	0	0	0
	Contractors fatalities, SP24	0	0	2[1]	0
	Third-party fatalities, SP25	0	0	0	0
SDG 3.6	Employee Lost Time Injuries (LTIs), SP26	2	9	5	1
SDG 8.8	Employee Lost Time Injuries Frequency Rate (LTIFR), SP27	0.96	1.79	2.19	0.61
	Employee lost working days, SP28	187	210	159	59
	Employee Lost Time Injuries Severity Rate, SP29	89.7	41.8	69.7	36.0
	Contractors Lost Time Injuries (LTIs), SP30	1	0	5	3
	Contractors Lost Time Injuries Frequency Rate (LTIFR), SP31	0.76	0.00	2.89	0.66

SDGs 2030 and Targets	Health and safety data by activity, 2018 Performance	Cement	Aggregates	Ready Mix	Other
	Employee fatalities, SP32	0	0	0	0
	Employee fatality rate, SP33	0.00	0.00	0.00	0.00
	Contractors fatalities, SP34	2[1]	0	0	0
	Third-party fatalities, SP35	0	0	0	0
SDG 3.6	Employee Lost Time Injuries (LTIs), SP36	8	1	8	0
SDG 8.8	Employee Lost Time Injuries Frequency Rate (LTIFR), SP37	1.25	1.38	2.33	0.00
	Employee lost working days, SP38	416	23	176	0
	Employee Lost Time Injuries Severity Rate, SP39	65.0	31.7	51.3	0.0
	Contractors Lost Time Injuries (LTIs), SP40	6	0	3	0
	Contractors Lost Time Injuries Frequency Rate (LTIFR), SP41	0.86	0.00	6.30	0.00

SDGs 2030 and Targets	Key Performance Indicators, and Codes	2014	2015	2016	2017	2018
Employment						
SDG 5.1 SDG 5.4 SDG 5.5 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3	**Number of employees as of 31 December, Group total, SP42**	**5.501**	**5.654**	**5482**	**5.432**	**5.365**
	Albania	198	199	201	193	195
	Bulgaria	288	287	290	282	273
	Egypt	767	767	661	508	492
	North Macedonia	314	301	284	275	258
	Greece	1,165	1,176	1,185	1,157	1,159
	Kosovo	408	406	289	284	282
	Serbia	236	233	218	219	195
	Turkey	258	289	305	316	288
	USA	1,867	1,996	2,049	2,198	2,223
	Employment per gender as of 31 December, Group total[2], SP43					
	Females	n/a	n/a	n/a	649	635
	Males	n/a	n/a	n/a	4,783	4,730
SDG 5.1 SDG 5.4 SDG 5.5 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3	**Employee turnover, Group total, SP44**	**11.60%**	**11.44%**	**13.57%**	**13.94%**	**11.03%**
	Albania	14%	13%	10%	16%	9.23%
	Bulgaria	6%	8%	4%	14%	15.02%
	Egypt	5%	4%	20%	35%	6.50%
	North Macedonia	11%	10%	15%	8%	10.08%
	Greece	8%	3%	1%	5%	2.16%
	Kosovo	25%	3%	46%	2%	1.77%
	Serbia	18%	2%	9%	5%	22.56%
	Turkey	14%	10%	9%	9%	9.72%
	USA	13%	23%	17%	17%	16.78%
	Employees left, Group total, SP45	638	647	744	757	592
SDG 5.1 SDG 5.4 SDG 5.5 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3	**Employee new hires (%), Group average, SP46**	**12.45%**	**10.86%**	**10.40%**	**13.02%**	**10.27%**
	Employee new hires, Group total, SP47	**685**	**614**	**570**	**707**	**551**
	Albania	18	28	21	22	20
	Bulgaria	14	20	16	32	33
	Egypt	34	31	27	26	16
	North Macedonia	16	17	35	12	9
	Greece	119	37	16	34	21
	Kosovo	16	9	12	2	3
	Serbia	11	1	4	13	20
	Turkey	52	60	43	41	17
	USA	405	411	396	525	412
	New hires per age group, SP48					
	Under 30	238	167	168	201	157
	Between 30-50	354	333	282	366	294
	Over 50	93	114	120	140	100
	New hires per gender, SP49					
	Females	95	70	72	123	76
	Males	590	544	498	584	475
	Average employment, Group total, SP50	**5,513**	**5,584**	**5,612**	**5,552**	**5,424**
SDG 5.1 SDG 5.4 SDG 5.5 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3	Albania	206	199	200	196	194
	Bulgaria	285	286	289	295	277
	Egypt	763	769	748	606	504
	North Macedonia	322	307	291	277	264
	Greece	1,165	1,189	1,185	1,186	1,152
	Kosovo	485	405	345	286	285
	Serbia	248	235	225	218	213
	Turkey	251	265	302	310	323
	USA	1,788	1,929	2,027	2,178	2,212

SDGs 2030 and Targets	Key Performance Indicators, and Codes	2014	2015	2016	2017	2018
	Employment per type, SP51					
	Full time	5,429	5,500	5,526	5,461	5,342
	Part Time	25	25	27	35	28
	Temporary	59	59	59	56	54
	Employment per category[2], SP52					
	Managers	n/a	n/a	464	473	481
	Senior managers	n/a	n/a	121	126	121
	Administration/technical	n/a	n/a	1,655	1,654	1,616
	Semi skilled/unskilled	n/a	n/a	3,372	3,294	3,214
	Employment per gender, SP53					
	Females	613	643	641	653	641
	Males	4,900	4,941	4,971	4,899	4,783
	Share of women in employment, Group average, SP54	**11.12%**	**11.52%**	**11.42%**	**11,.6%**	**11.82%**
	Albania	14%	12%	13%	11%	10.31%
	Bulgaria	37%	28%	27%	27%	27.08%
	Egypt	6%	4%	4%	5%	5.75%
	North Macedonia	33%	17%	16%	15%	15.15%
SDG 5.1	Greece	14%	17%	15%	16%	16.06%
SDG 5.4	Kosovo	5%	5%	5%	6%	5.61%
SDG 5.5	Serbia	18%	15%	16%	17%	19.49%
SDG 8.5	Turkey	19%	8%	9%	8%	8.67%
SDG 8.6	USA	13%	11%	10%	10%	9.49%
SDG 8.8	**Share of women in management, Group average, SP55**	**15.70%**	**15.07%**	**16.24%**	**15.69%**	**16.53%**
SDG 10.3	Albania	14%	14%	14%	10%	9.09%
	Bulgaria	37%	37%	35%	32%	29.73%
	Egypt	6%	6%	3%	3%	8.57%
	North Macedonia	33%	35%	31%	28%	25.93%
	Greece	14%	14%	15%	15%	16.88%
	Kosovo	5%	5%	10%	11%	11.11%
	Serbia	18%	19%	37%	36%	32.14%
	Turkey	19%	17%	21%	22%	25.00%
	USA	13%	10%	12%	10%	10.76%
	Share of women in Senior Management, Group average[2], SP56	n/a	n/a	**17.69%**	**16.67%**	**19.01%**
	Employees from local community, Group average, SP57	**79.11%**	**78.77%**	**81.20%**	**80.00%**	**80.79%**
	Albania	42%	43%	43%	44%	45.36%
	Bulgaria	78%	84%	85%	85%	88.09%
	Egypt	94%	94%	92%	90%	88.69%
SDG 8.5	North Macedonia	33%	32%	32%	26%	30.68%
SDG 10.3	Greece[3]	99%	94%	98%	98%	97.40%
	Kosovo	54%	56%	62%	65%	65.26%
	Serbia	92%	91%	92%	91%	90.14%
	Turkey	69%	68%	71%	66%	72.76%
	USA[4]	n/a	n/a	n/a	n/a	n/a
	Unionized employees, Group total, SP58	**43.30%**	**43.58%**	**40.93%**	**33.82%**	**30.94%**
	Albania	30%	33%	29%	49%	41.54%
	Bulgaria	35%	35%	32%	33%	32.23%
	Egypt	89%	88%	88%	50%	31.10%
SDG 8.8	North Macedonia	78%	76%	78%	79%	75.97%
	Greece	46%	45%	46%	45%	44.69%
	Kosovo	87%	83%	96%	78%	79.43%
	Serbia	70%	74%	73%	71%	67.69%
	Turkey[5]	0%	n/a	n/a	n/a	54.51%
	USA	13%	11%	9%	8%	4.99%

SDGs 2030 and Targets	Key Performance Indicators, and Codes	2014	2015	2016	2017	2018
People Development						
	Training investment per employee (euros), Group total, SP59					
	Albania	373	139	566	385	359
	Bulgaria	187	268	412	226	325
	Egypt	388	405	226	184	358
	North Macedonia	91	146	156	148	152
	Greece	380	454	470	290	447
SDG 4.3	Kosovo	228	193	137	141	112
	Serbia	253	347	324	307	372
	Turkey	133	95	33	38	13
	USA	120	27	67	53	31
	Training investment (Euros), Group total[2], SP60	n/a	n/a	**1,269,410**	**871,992**	**1,035,398**
	Training investment per gender (Euros), Group total[2], SP61					
	Females	n/a	n/a	200,687	191,633	187,153
	Males	n/a	n/a	1,068,723	680,359	848,245
	Trained employees, Group total, SP62	**4,063**	**4,661**	**4,824**	**4,717**	**5,064**
	Albania	195	219	200	214	204
	Bulgaria	268	263	296	314	291
SDG 4.3	Egypt	584	424	671	547	397
SDG 5.1	North Macedonia	316	300	285	268	264
SDG 5.5	Greece	1,021	1,048	1,140	1,128	1,129
	Kosovo	380	266	356	287	285
	Serbia	293	236	234	225	226
	Turkey	261	274	253	234	291
	USA	745	1,631	1,389	1,500	1,977
	Share of trained employees (in total workforce), Group average, SP63	**73.70%**	**83.47%**	**85.96%**	**84.96%**	**93.36%**
	Share of trained female employees (in total trained), Group average, SP64	**13.32%**	**14.48%**	**13.64%**	**17.00%**	**15.26%**
	Albania	10%	11%	14%	11%	10.78%
	Bulgaria	26%	27%	26%	29%	27.84%
	Egypt	4%	7%	5%	5%	6.05%
	North Macedonia	17%	19%	15%	13%	15.15%
	Greece	13%	12%	14%	15%	15.68%
SDG 4.3	Kosovo	3%	7%	5%	6%	5.26%
SDG 4.4	Serbia	15%	16%	15%	17%	18.58%
SDG 4.5	Turkey	8%	8%	10%	7%	8.93%
SDG 5.1	USA	23%	18%	17%	26%	17.50%
SDG 5.5	**Trained employees per category, Group total[2], SP65**					
	Managers	n/a	n/a	644	595	643
	Senior managers	n/a	n/a	130	178	142
	Administration/technical	n/a	n/a	1623	1,852	2,007
	Semi skilled/unskilled	n/a	n/a	2427	2,092	2,272
	Trained employees per age group, Group total[2], SP66					
	Under 30	n/a	n/a	432	444	510
	Between 30-50	n/a	n/a	2,867	2,725	2,982
	Over 50	n/a	n/a	1,525	1,548	1,572
SDG 4.3	**Training hours, Group total, SP67**	**130,067**	**110,776**	**158,210**	**155,587**	**138,114**
SDG 4.4	Albania	6,459	5,736	10,046	10,538	7,190
SDG 4.5	Bulgaria	10,435	12,244	18,359	18,379	14,166
SDG 5.1	Egypt	19,701	13,152	18,640	17,959	13,754
SDG 5.5	North Macedonia	6,546	8,014	14,926	11,259	10,431
SDG 8.5	Greece	30,345	34,267	43,867	42,168	42,730
SDG 10.2	Kosovo	6,882	6,094	12,027	9,884	7,560
SDG 10.3	Serbia	8,368	7,946	8,178	7,964	8,745
SDG 16.5	Turkey	10,223	8,664	15,520	12,803	12,105
	USA	31,108	14,659	16,647	24,633	21,433

SDGs 2030 and Targets	Key Performance Indicators, and Codes	2014	2015	2016	2017	2018
	Average training hours per employee, and breakdown per gender, Group total, SP68	**24**	**20**	**28**	**28**	**25**
	Average, females	31	28	36	37	36
	Average, males	23	19	27	27	24
SDG 4.3	**Training hours per subject, Group total, SP69**					
SDG 4.4	Environment: care and management systems	3,413	3,182	3,647	4,801	3,136
SDG 4.5	Foreign languages	10,229	5,527	12,493	6,772	3,929
SDG 5.1	Health and safety	58,322	47,073	69,317	68,200	69,591
SDG 5.5	Human Rights	47	197	55	211	955
SDG 8.5	Management and managerial skills	14,190	19,338	23,248	19,883	15,223
SDG 10.2	Non-technical skills and specialization	15,544	15,008	18,517	27,725	23,152
SDG 10.3	Other	6,712	5,695	8,885	4,716	2,440
SDG 16.5	Security	0	0	653	754	761
	Technical know-how and core competence	21,611	13,566	21,331	22,217	17,497
	TITAN Group Code of Conduct	0	1,190	64	308	1,430
Stakeholder Engagement						
	Donations (Euros), Group total, SP70	**2,221,006**	**2,362,370**	**2,643,703**	**2,083,370**	**2,263,920**
	Albania	356,444	65,909	50,773	103,076	119,268
	Bulgaria	115,000	122,000	111,797	124,675	73,828
	Egypt	565,131	1,026,624	432,642	502,161	434,408
	North Macedonia	73,441	120,388	107,194	98,011	130,257
	Greece	380,277	414,579	649,923	508,535	502,123
	Kosovo	315,503	417,537	490,973	258,256	295,285
	Serbia	212,768	120,361	146,243	133,643	149,482
	Turkey	109,835	74,972	419,408	113,126	119,531
	USA	92,607	n/a	234,750	241,887	439,738
	Donations in cash (Euros), Group total[2], SP71	n/a	n/a	**1,053,426**	**1,498,483**	**1,626,390**
SDG 2.1	**Donations in kind (Euros), Group total[2], SP72**	n/a	n/a	**1,590,278**	**584,887**	**637,530**
SDG 2.3	**Internships, Group total, SP73**	**379**	**432**	**730**	**910**	**477**
SDG 4.3	Albania	4	16	5	16	5
SDG 4.4	Bulgaria	19	0	13	15	12
SDG 8.5	Egypt	211	220	342	610	222
SDG 8.6	North Macedonia	28	15	166	42	43
SDG 9.1	Greece	65	117	110	143	114
SDG 9.5	Kosovo	2	28	40	3	7
SDG 11.4	Serbia	16	11	13	11	10
SDG 16.5	Turkey	20	10	19	36	28
SDG 17.17	USA	14	15	22	34	36
	New entry level jobs from internships/traineeships, Group total[2], SP74	**n/a**	**107**	**101**	**39**	**23**
	Albania	n/a	2	1	1	1
	Bulgaria	n/a	1	3	2	0
	Egypt	n/a	0	0	2	1
	North Macedonia	n/a	49	49	1	2
	Greece	n/a	19	6	15	10
	Kosovo	n/a	21	24	0	1
	Serbia	n/a	4	4	7	1
	Turkey	n/a	6	9	11	0
	USA	n/a	5	5	0	7

NOTES:

* Data calculated acc. to guidelines of WBSCD/CSI. 2018 Data included in scope of ERM Certification and Verification Services (ERM CVS) assurance engagement (ERM CVS' "Independent assurance statement" is available in this section).

(1) The reported figure includes 1 fatality that took place in an incident out-site our facilities related to logistics operations.

(2) These disclosures were not under the scope of Reporting in years before the first 'record' in this Index of KPIs (previous years are noted as 'n/a')

(3) The 2017 figure for Greece was corrected, in order to reflect additional info from two facilities, previously not accounted in this disclosure;
For this reason the Group total was increased to 80%.

(4) This disclosure is not available for the USA, and the percentages for the Group Average are calculated excluding USA employment.

(5) The information about the number of Unionized employees became available only in 2018 for the first time, since Adocim became a Subsidiary after Oct. 2018. The figures for the Group level percentage (SP58) were adjusted, in order to exclude Turkey from the scope of calculation for years 2015, 2016, and 2017.

Governance and Group sustainability policies update

Governance Core Indicators Index

SDGs 2030 and Targets	Governance Core Indicators	2018	TITAN's Global Sectoral Approach
SDG 5.5	**Number and percentage of female board members**	Number of females: 4; Contribution to the total (15): 27%	UNGC & UNCTAD 5.5.2.
SDG 16.7	**Board members by age range**		UNGC & UNCTAD 16.7.1
	Under 30	0	
	Between 30-50	0	
	Over 50	15	
SDG 16.6	**Number of independent board members**	7	TITAN Standards
	Number of board meetings and attendance rate[1]	Number of board meetings: 10; Attendance rate: 94%	UNGC & UNCTAD 16.6
	Number of meetings of audit committee and attendance rate[2]	Number of audit committee: 5; Attendance rate: 100%	UNGC & UNCTAD 16.6
	Compensation: total and compensation per board member and executive[3]	Total compensation amounts to app. 6 million Euros The detailed figures, as compensation for each board member, is provided in Section 2	UNGC & UNCTAD 16.6
	Other disclosures related to Governance		
SDG 16.5	**Amount of fines paid or payable due to convictions (in Euros)[4]**	0	UNGC & UNCTAD 16.5.2
	Average number of hours of training on anti-corruption issues, per year per employee[5]	0.47	UNGC & UNCTAD 16.5.2

Notes:

(1) Number of board meetings during the reporting period and number of Board members who participate at each Board meeting during the reporting period divided by the total number of directors sitting on the Board multiplied by the number of Board meetings during the reporting period.

(2) Number of board meetings during the reporting period and number of Audit committee members who participate at each Audit committee meeting during the reporting period divided by the total number of members sitting on the Audit committee multiplied by the number of Audit committee meetings during the reporting period

(3) Total annual compensation (including base salary and variable compensation) for each executive and non-executive director.

(4) Total monetary value of paid and payable corruption-related fines imposed by regulators and courts in the reporting period.

(5) Average number of hours of training in anti-corruption issues per employee per year (as total hours of training in anti-corruption issues per year divided by total employees). TITAN categorizes as such training the subjects of 'Human Rights' and Code of Conduct'. Connected with the Index for Social Performance (included in Section 7), see KPI SP69.

General Note: All above disclosed descriptions for the Governance Core Indicators are adopted from *the "Guidance on Core Indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals"* (UNCTAD, 10.19.2018). Details are provided in Section 7.

Table 5: Policies related to NFP (Non-Financial Performance)

Percentage of coverage in TITAN key operations (cement plants, RM, aggregates, terminals)

	Launched		Implementation		
	Communicated to managers	Translated and sent to employees	Training @ Managers	Training @ Employees	Training @ Other stakeholders (suppliers/contractors)
Group Human Rights Policy (Freedom of association, child labor)	●	●	○	○	○
Group Anti-Bribery and Corruption Policy (Compliance, grants, donations and contributions)	●	●	◒	◉	○
Group People Management Framework (Labor rights and freedom of association, equal opportunities)	●	●	○	○	○
Group CSR Policy	●	●	○	○	○
Group Code of Conduct (Labor rights, freedom of association, equal opportunities, compliance, human rights, environment, donations, bribery and corruption, conflict of interest)	●	●	◉	◉	○
Group Code of Conduct for Procurement (Supply chain/Procurement issues)	●	n/a	◒	◒	◒
Group Occupational Health and Safety Policy	●	●	◒	◒	◒
Group Occupational Health and Safety Framework	●	●	○	○	○
Group Social Media Policy for Employees	●	●	◉	◉	○
Conflict of Interest Policy	●	●	◉	◉	○
Group Competition Law Compliance Policy and Guidelines (compliance, customers and suppliers)	●	●	◉	◉	○
Group Sanctions Policy	●	●	◉	◉	○
Group Environmental and Climate mitigation policy (update, 2018)	●	●	◒	◒	○

● 75%-100%
◉ 50%-75%
◒ 25%-50%
○ 0-25%

Material Issues and Boundaries for reporting NFP

SDGs 2030	Material issues and topics	Boundaries Internal	Boundaries External
SDG4 SDG8 SDG17	**Financial liquidity and access to funding** Access to bank credit facilities and capital markets financing provides liquidity to meet current obligations and grow business sustainably and potential for growth. • Access to bank credit facilities and capital markets financing is essential to run and grow operations sustainably • Safeguard market presence	TITAN Group, all TITAN operated sites	Employees, contractors, suppliers, investors, local communities, governments
SDG4 SDG8 SDG17	**Governance, transparency and ethics** Ensuring good governance integrity and transparency, promoting ethical business practices, lobbying responsibly and engagement with stakeholders do the same. • Procurement practices • Security practices • Human rights grievance mechanism • Anti-corruption • Public policy • Anti-competitive behavior • Supplier assessment for impact on environment • Supplier assessment for labor practices • Supplier human rights assessment	TITAN Group, all TITAN operated sites	Joint venture partners, contractors, security personnel, customers, suppliers, local communities and organizations, governments, NGOs
SDG4 SDG9 SDG11 SDG17	**Sustainability of communities** TITAN is working toward building an inclusive relationship, through ongoing engagement with stakeholders at all levels. At site level, building strong relationships with local communities is part of this and is key to value creation for stakeholders. • Indirect economic impacts • Market presence • Compliance • Environmental grievance mechanisms • Grievance mechanisms for impacts on society • Economic performance	TITAN Group, all TITAN operated sites	Employees, contractors, suppliers, costumers, regulators, governments, local communities and organizations, NGOs
SDG7 SDG13 SDG17	**Climate change** TITAN operations and the cement industry as a whole contribute to climate change. Reducing CO_2 emissions in line with the Kyoto Protocol and the Paris Agreement (2015) and working with our peers to meet specific targets is a priority for business and society. • Energy • Emissions	All TITAN operated sites	Suppliers, customers, local communities, governments, NGOs
SDG12 SDG17	**Circular economy** A number of resources is used to serve TITAN's purpose, such as raw materials, traditional and alternative fuels, water and energy, and waste materials. A circular economy will enable business and consumption models focused on re-using and recycling use of alternative fuels, Innovation and out-of-the-box thinking. • Effluents and waste • Materials	All TITAN operating sites, GAEA	Suppliers, customers, local communities, regulators, NGOs
SDG3 SDG17	**Health and safety** TITAN is committed to provide employees, contractors and any third-party safe and healthy workplace. Health and Safety is crucial for customers and TITAN ensures that products are safe to use and that they are delivered safely to customers. • Occupational health and safety • Customers health and safety	All TITAN employees, TITAN Group	Contractors, suppliers, customers, third parties
SDG4 SDG5 SDG17	**People management and development** Being a responsible employer means providing training and development opportunities, and equal remuneration between men and women, embracing diversity with a work environment free from discrimination or harassment while supporting employees in exercising their right to freedom of association and collective bargaining.	All TITAN employees All TITAN operated	Join ventures partners, contractors, suppliers, local communities, governments

SDGs 2030	Material issues and topics	Boundaries Internal	External
	It also means ensuring that there is no child labor or compulsory labor in TITAN operations in the supply chain. • Employment • Training and education • Diversity and equal opportunities • Market presence • Labor practices grievance mechanisms • Non-discrimination • Freedom of association and collective bargaining • Child labor and compulsory labor • Ongoing assessment	sites, TITAN Group	
SDG6 SDG7 SDG15 SDG17	**Environmental management** TITAN ensures that it adheres to international best practices and is focused on contributing to improve its performance and keep its license to operate. • Biodiversity • Compliance • Environmental grievance mechanisms • Water • Transport of goods and services	All TITAN operated sites	Suppliers, customers, areas potentially affected by our activities outside of our operations, quarries, communities local to TITAN operations, representative organizations of the local community, governments
SDG8 SDG17	**Social and political risks, and instability** TITAN has plans in place to maintain control and normal operations during political instability, riots, uprisings and various conditions that lead to extreme volatility. We work to safeguard TITAN's local investments by protecting our people, business partners and the communities near our operations. • Local communities • Public policy	All TITAN operated sites TITAN Group	Local communities, governments
	Recognizing stakeholders' interest on specific topics, TITAN reports on the following aspect in addition to material impacts.		
	Other issues – not material		
	Sustainable products and services: We collaborate with stakeholders to develop more sustainable products to create value through our cement such as ProAsh, • Products and services	GAEA, TITAN group	Customers, NGOs, regulators, society

Table 6: Stakeholder engagement 2018

stakeholders	Key areas of interest	Key methods of engagement	Typical frequency of engagement	Outcomes
Employees	Business performance Health & Safety Employee wellbeing Employee relationships Corporate governance Human and labor rights Potential local impact	Employee communication days Employee surveys TITAN Magazines Town Hall meetings CEO webcast Performance reviews One-to-one meetings Union meetings and events Ethics Point and other wish blowing system	Ongoing	Strengthen and improve employee engagement, effective communication and engagement of loyalty and the sense of dual citizenship in both their operating company and TITAN Group
Local communities	Community issues Operating impacts Employment opportunities Health and well being Education and youth unemployment	One-to-one meetings Open days Site tours Participation in local events TITAN Magazines Local stakeholder forums	Ongoing	Pro-active communication and collaboration with key stakeholders Community engagement plans Buildings and maintaining effective partnerships Contribute to identify new challenges and solutions
Investors	Business performance Environment & climate Sustainability Acquisition integration Board independence and executive remuneration	Annual General Meeting One-to-one meetings and calls Surveys Investor conferences and roadshows Ratings B2B meetings Interviews	Quarterly	More pro-active engagement with investors on sustainability topics, including participation in environmental, social and governance (SDGs) investments roadshows
Customers	Relations and contracts Quality and delivery Product quality Sustainable products Product innovations Partnership	Negotiations Customer surveys Formal market research Social media Company and corporate websites Product information on packaging Customer relationship development	On going	Continuing good and trustworthy relationships, ensuring that needs are served and collaborate to deliver affordable and sustainable products and solutions
Suppliers	Quality and delivery Health & safety Contract performance Local impacts Corporate governance	Supplier surveys Contractual meetings Tender quotations Information requests	On going	Maximizing opportunities throughout the value chain, ensuring sustainability is integrated into procurement decisions
Government & regulators	Potential local impact Health & safety Environment & climate Corporate governance Planning matters Natural capital	Briefings and direct meetings Multi-stakeholder forums Industry associations Audits Open days Collaborative efforts	As required	Building relationships to encourage individuals to consider using their talents in building materials industry as well as developing strong partnerships with research institutions to further progress innovation

Academic & scientific Community	Eco-efficiency Environment & climate Product innovation Human and labor rights Natural capital Graduates and apprentices	One-to-one meetings Seminars and lectures Graduate and apprenticeship programmes Presentations Round table discussions Public forums Open days Private partnerships Study visits	As required	Building relationships to encourage individuals to consider using their talents in our industry as well as developing strong partnerships with research institutions to further progress innovation
Other (media & NGO's)	Business performance Health & safety Employee relationships Environment & climate Product innovation Corporate governance Eco-efficiency Human and labor rights	Media surveys Interviews Media briefings Press releases Social media One-to-one meetings Presentations Participation in events Open days	Ongoing / As required	Improving the understanding of the building materials industry's positive impact on sustainability and climate change and the drivers for further development, providing additional stakeholder insight into emerging and established sustainability topics

Table 7: Memberships in 2018

Country	Memberships	Website
Albania	Foreign Investment Association	www.fiaalbania.al
Albania	Union association of Albanian producers	www.prodhuesit.org
Albania	Hellenic Albanian Business Association	www.hbaa.al
Bulgaria	Bulgarian Association of Cement Industry	www.bacibg.org
Bulgaria	Bulgarian Federation of Industrial Energy Consumers	www.bfiec.org
Bulgaria	Hellenic Business Council in Bulgaria	www.hbcbg.com
Bulgaria	Bulgarian Association Labor Health Safety	www.healthandsafetybg.com
Bulgaria	National Association for Health and Safety at Work	www.nahsw.com
Bulgaria	Bulgarian Chamber of Mining and Geology	www.bmgk-bg.org
Bulgaria	Education Bulgaria 2030 Association	www.edu2030.bg
Egypt	The Egyptian Exchange (EGX)	www.egx.com.eg/arabic/homepage.aspx
Egypt	Real Estate Publicity District and Documentation	-
Egypt	General Authority For Investment and Free Zones (GAFI)	www.gafi.gov.eg
Egypt	Egyptian Chamber of Building Materials Industries - Federation of Egyptian Industries	www.fei.org.eg
Egypt	Egyptian Business Men Association (EBA)	www.eba.org.eg
North Macedonia	Chamber of Commerce of RM	www.mchamber.org.mk
North Macedonia	Organization of Employers	www.orm.org.mk
North Macedonia	Macedonian Occupational Health & Safety Association (MOSHA)	www.mzzpr.org.mk
North Macedonia	Foreign Investors Council	www.mchamber.org.mk
North Macedonia	Macedonian HR Association	www.mhra.mk
North Macedonia	Business Council of Municipality of Kisela Voda	www.kiselavoda.gov.mk
Greece	Association of SAs and LTDs	www.sae-epe.gr
Greece	Athens Chamber of Commerce and Industry (ACCI)	www.acci.gr
Greece	CSR Hellas	www.csrhellas.net/
Greece	DIAZOMA	www.diazoma.gr
Greece	Federation of Industries of Northern Greece (FING)	www.sbbe.gr
Greece	Federation of Recycling and Energy Recovery Industries and Enterprises (SEPAN)	www.sepan.gr
Greece	Foundation for Economic & Industrial Research (IOBE)	www.iobe.gr
Greece	Greece-Saudi Arabia Business Council	www.greecesaudiarabiabc.org
Greece	Greece-UAE Business Council	www.greeceuaebc.org
Greece	Greek Mining Enterprises Association	www.sme.gr
Greece	Hellenic Cement Industry Association	www.hcia.gr
Greece	Hellenic Federation of Enterprises (SEV)	www.sev.org.gr
Greece	Hellenic Foundation for European and Foreign Policy (ELIAMEP)	www.eliamep.gr
Greece	Hellenic Management Association (EEDE)	www.eede.gr/
Greece	Hellenic Recovery-Recycling Corporation SA (HERRCo)	www.herrco.gr
Greece	Hellenic Solid Waste Management Association	www.eedsa.gr
Greece	Hellenic Union of Industrial Consumers of Energy (UNICEN)	www.unicen.gr
Greece	SEV Council for Sustainable Development	www.sevbcsd.org.gr
Group	World Business Council for Sustainable Development (WBCSD)	www.wbcsd.org
Group	Global Cement and Concrete Association (GCCA)	www.gccassociation.org/
Group	European Cement Association (CEMBUREAU)	www.cembureau.be
Group	CSR EUROPE	www.csreurope.org
Group	European Round Table of Industrialists (ERT)	www.ert.eu
Group	Conseil de Coopération Economique (CCE)	N/A
Group	World Economic Forum	www.weforum.org
Group	Young Presidents' Organisation (YPO)	www.ypo.org
Group	Marine Traffic	www.marinetraffic.com/gr
Kosovo	EIC - (European Investors Council)	www.eic-ks.eu
Kosovo	German-Kosovo Chamber of Commerce	www.kdwv.eu

Country	Memberships	Website
Kosovo	Kosova Chamber of Commerce	www.oek-kcc.org
Kosovo	Kosovo CSR Network	www.csrkosovo.org
Kosovo	CIGRE Kosovo	www.cigre.org
Serbia	Association of Cement Industry of Serbia	www.cis.org.rs/en
Serbia	Foreign Investors Council	www.fic.org.rs
Serbia	Hellenic Business Association of Serbia	www.en.hba.rs
Serbia	National Alliance for Local Economic Development	www.naled-serbia.org/en
Serbia	Responsible Business Forum	www.odgovornoposlovanje.rs
Turkey	Cement Industry Employers' Union	www.ceis.org.tr
Turkey	İstanbul Chamber of Commerce	www.ito.org.tr
Turkey	Central Anatolian Exporters Union	www.oaib.org.tr/en
Turkey	Turkish Cement Manufacturers' Association	www.tcma.org.tr
Turkey	Turkish Ready Mix Concrete Association	www.thbb.org/Default.aspx?language=EN
USA	Portland Cement Association	www.cement.org
USA	NRMCA (National Ready Mix Concrete Association)	www.nrmca.org
USA	AIA (American Institute of Architects)	www.aia.org
USA	Wildlife Habitat Council	www.wildlifehc.org
USA	Florida Limerock Association	www.myflai.org
USA	Florida Home Builders Association	www.fhba.com
USA	Home Builders Association of Virginia	www.hbav.com
USA	National Sand Stone and Gravel Association	www.NSSGA.org
USA	National Concrete Masonry Association (NCMA)	www.ncma.org
USA	Roanoke Valley Cool Cities Coalition	www.rvccc.org
USA	US Green Building Council	www.usgbc.org
USA	Cement Employers Association (CEA)	n/a

Table 8: Cooperation, Participation in 2018

Country	Cooperation, participations	website
Albania	College of Business Academy	www.kub.edu.al
Albania	Polytechnic University of Tirana	www.upt.al
Albania	United Nations Development Programme (UNDP)	www.undp.org.al
Albania	University of Agriculture	www.ubt.gov.al
Albania	SOS Children's village	www.soskd.org.al
Albania	Albanian Roads Association	www.aace.al
Albania	Albanian Banks Association	www.aab.al
Albania	Junior Achievement Albania	www.junior-albania.org/
Albania	Regional Environmental Agency	www.albania.rec.org
Albania	Aarhus Center	www.aic.org.al
Albania	Albanian Institute for Corporate Governance	www.cgi-albania.org
Albania	Institute of Calibration	www.dpm.gov.al
Albania	National Agency for Natural resources	www.akbn.gov.al
Albania	Liburnetik Organisation	www.liburnetik.org
Albania	Social Service Center DDAER	www.ddaer.org
Albania	Faculty of Geology	www.fgjm.edu.al
Egypt	Sustainability Center For Development (SCD)	-
Egypt	United Nations Global Compact Local Network (UNGC)	www.gcnetworkegypt.com
Egypt	Egyptian-Greek Business Council	-
North Macedonia	Faculty of Electrical Engineering & Information Technologies	www.feit.ukim.edu.mk
North Macedonia	Faculty of Economics	www. eccf.ukim.edu.mk
North Macedonia	NGO Konekt	www.konekt.org.mk
North Macedonia	NGO Go-Green	www.bidizelen.org
North Macedonia	Institute for cleaner production (within the Faculty of Mechanical Engineering)	www.mk.edu.mk
North Macedonia	NGO Eco Logic	www.ecologic.mk

Country	Cooperation, participations	website
North Macedonia	University American College Skopje	www.uacas.edu.mk
North Macedonia	Faculty of Technology and Metalurgy	www.arh.ukim.edu.mk
North Macedonia	BEST-Board of European Students of Technology	www.best.org.mk
North Macedonia	UN Global Compact Local Network	www.konekt.org.mk/web
North Macedonia	IAESTE	MACEDONIA@IAESTE.ORG
North Macedonia	Red cross organization in Macedonia	www.ckrm.org.mk
North Macedonia	Responsible business club	www.konekt.org.mk/web
North Macedonia	MaSWA - Macedonian Solid Waste Association	maswa.org
North Macedonia	BEnA - Balcan Environmental Association	benaweb.gr
Greece	Hellenic Ornithological Society	www.ornithologiki.gr
Greece	Global Companct Network Hellas	www.csrhellas.net/network/global-compact/to-elliniko-diktyo-gc/
Greece	Hellenic Society for the Protection of Nature	www.eepf.gr
Greece	Center of Bone Marrow Donor Volunteer of the University of Patras	www.xarisezoi.gr
Greece	Board of European Students of Technology (BEST) of the University of Patras, Thessaloniki, Athens	www.bestpatras.gr
Greece	ReGeneration by Global Shapers Athens Hub	www.regeneration.gr
Greece	Endeavor Greece	www.endeavor.org.gr/
Greece	École Polytecnhique de Lausanne (EPFL)	www.epfl.ch
Greece	Katholieke Universiteit Leuven (KULeuven)	www.kuleuven.be
Greece	Aristotle University of Thessaloniki	www.auth.gr
Greece	National Technical University of Athens	www.ntua.gr
Greece	Deree – The American College of Greece	www.acg.edu
Greece	Athens University of Economics and Business	www.aueb.gr
Greece	University of Piraeus	www.unipi.gr
Greece	National and Kapodistrian University of Athens	www.uoa.gr
Greece	University of Macedonia	www.uom.gr
Greece	International Hellenic University	www.ihu.edu.gr
Greece	Anatolia College	www.anatolia.edu.gr
Greece	Democritus University of Thrace	www.duth.gr
Greece	ICBS Business College	www.icbs.gr
Greece	University of the Aegean - Department of Business Administration	www.ba.aegean.gr
Greece	National Technical University of Athens - School of Chemical Engineering	www.chemeng.ntua.gr
Greece	ALBA Graduate Business School	www.alba.edu.gr
Greece	Athens Univeristy of Applied Sciences	www.teiath.gr
Greece	Piraeus University of Applied Sciences	www.teipir.gr
Greece	Alexander University of Applied Sciences	www.teithe.gr
Greece	Technological Educational Institute of Central Macedonia	www.teicm.gr
Greece	Western Macedonia University of Applied Sciences	www.teiwm.gr
Greece	Eastern Macedonia and Thrace Institute of Technology	www.teikav.edu.gr
Greece	Western Greece University of Applied Sciences	www.teiwest.gr
Greece	Technological Educational Institute of Crete	www.teicrete.gr
Group	UN Global Compact	www.unglobalcompact.org/
Kosovo	EIC - (European Investors Council)	www.eic-ks.eu
Kosovo	German-Kosovo Chamber of Commerce	www.kdwv.eu
Kosovo	Kosova Chamber of Commerce	www.oek-kcc.org
Kosovo	Kosovo CSR Network	www.csrkosovo.org
Kosovo	CIGRE Kosovo	www.cigre.org
Kosovo	Trade Union of Sharrcem	-
Kosovo	Municipality of Hani i Elezit	www.kk.rks-gov.net/hanielezit
Kosovo	LAB	www.lab-ks.org
Kosovo	BOPAL	-
Kosovo	Children's Board	-
Kosovo	ICMM	www.kosovo-mining.org
Kosovo	ERO	www.ero-ks.org
Kosovo	KOSTT	www.kostt.com
Kosovo	University of Prishtina	www.fna.uni-pr.edu

Country	Cooperation, participations	website
Kosovo	University of Mitrovica	www.umib.net
Kosovo	REC	www.kos.rec.org
Kosovo	RDA	www.arda-kosovo.eu
Kosovo	GIZ	www.giz.de
Kosovo	IADK	www.iadk.org
Kosovo	AFS	www.afs.edu.gr
Kosovo	UBT	www.ubt-uni.net
Kosovo	RIINVEST	www.riinvest.net
Kosovo	HELVETAS	www.easterneurope.helvetas.org
Kosovo	NOA KOS	www.usaid.gov
Kosovo	UNDP	www.ks.undp.org
Kosovo	UNICEF	www.unicef.org
Kosovo	CEED	www.ceed-kosovo.org
Kosovo	Kosovo Banking Association	www.bankassoc-kos.com
Kosovo	AL TRADE	www.altrade-ks.com
Kosovo	THE WORLD BANK	www.worldbank.org
Kosovo	IFC	www.ifc.org
Kosovo	EBRD	www.ebrd.com
Kosovo	KOSHA	www.oshkosova.webs.com
Kosovo	Kosovo Manufacturing Club	www.klubiprodhuesve.org
Kosovo	TOKA	www.toka-ks.org
Kosovo	Handikos	www.handi-kos.org
Kosovo	SOS Children's Village	www.sos-childrensvillages.org
Serbia	UN Global Compact in Serbia	www.ungc.rs
Turkey	Cement Industry Employers' Union	www.ceis.org.tr
Turkey	Central Anatolian Exporters Union	www.oaib.org.tr/en
Turkey	Turkish Cement Manufacturers' Association	www.tcma.org.tr
Turkey	Turkish Ready Mix Concrete Association[3]	www.thbb.org/Default.aspx?language=EN

Note: Memberships, partnerships and co-operations: A membership is the company's paid participation in an organization, institution or network. A cooperation is a formal or informal commitment to work or take specific actions jointly with other companies or organizations, without the precondition of a fee.

Table 9: Awards and recognitions 2018

Country	Award, Recognition or other	Who was awarded	Name of the award or recognition	Why this award/recognition was awarded
Bulgaria	Award	Zlatna Panega Cement AD	CSR Award as a Company giving wings to the Bulgarian education	Activities with Local Schools
Bulgaria	Recognition	Zlatna Panega Cement AD	Certificate of Excellence	Two Case Studies Included in First Bulgarian CSR Textbook
FYROM	Certificate of Appreciation	USJE	Certificate of Appreciation of contribution	Certificate of Appreciation of great contribution to the Project - The usage of Agricultural Waste Materials as Additives in Concrete
GREECE	Business Excellence Award (6 February 2018)	TITAN CEMENT S.A.	Growth Awards 2018	TITAN received the "Business Excellence Award" for its overall performance and its significant contribution to the growth of the Greek economy. The awards recognize Greek compnaies which combine high financial performance, unique corporate history, domestic presence with outward-looking potential and business ethics and work culture.
GREECE	5th place in Fortune Greece's "Most Admired Companies" (19 July 2018)	TITAN CEMENT S.A.	Most Admired Companies in Greece 2018	TITAN landed a place among the top Most Admired Companies, having been distinguished based on performance in nine criteria: Innovation, Human Resources Management, Social Responsibility, Resource Management, Characteristics-Quality of Administration, Financial Soundness, Long-term Investment value, Product and Service Quality, Outreach/Competitiveness.
GREECE	1st Investor Relations Award (1 November 2018)	TITAN CEMENT S.A.	Ethos Award - HRIMA Business Awards	This award acknowledges the Company's interactiion with the investment community (quality and adequacy of information, quality/efficiency of website, service provided to shareholders, attitude of core shareholders towards the share and smaller shareholders)
GREECE	15th place in the Forbes 100+ list of Greatest Greek Businesses (18 December 2018)	TITAN CEMENT S.A. / TITAN Group	Forbes 100+ The Greatest Greek Businesses	Ranking (highest to lowest) of greek companies or group of companies with turnover of more than 100 million euros, according to latest published data.
Serbia	Recognition for contribution to the development of Corporate Social Responsability in Serbia	TITAN Cementara Kosjerić	"Ten Years First"	As an active member of Responsible Business Forum - Serbia's CSR network, TCK recived an award for the contribuation of CSR developement in Serbia
Serbia	Award was given in the category of Bussiness Leader	Miroslav Gligorijević	Bussiness Leader	It is a recognition for the contribution to the economic development of Serbia
Turkey	award	ADOÇİM	ARTOVA 3. CHILDREN'S FESTIVAL	For the sponsorship for Artova 3. Children's Festival for preschool students
Turkey	award	ADOÇİM / MESRUR BÜYÜKAŞIK	THE CONTRIBUTON FOR THE LOCAL ECONOMY	For ADOÇİM's contribution to the economy and being on the list of first ISO 500 Companies
USA	EPA Announces 2018 ENERGY STAR® Certified Manufacturing Plants	Roanoke Cement / Pennsuco Plant	Energy Star Certified	The EPA announced that 93 manufacturing plants in the U.S. qualified as ENERGY STAR® Certified in 2018. We are pleased to share that Roanoke Cement Company in Virginia and the Pennsuco Plant in Florida were both included in that list.
USA	S&W Castle Hayne Plant Awarded CRMCA Environmental Excellence Award	S&W Ready Mix	Environmental Excellence Award	S&W Ready Mix Concrete Company's Castle Hayne Plant was recently named as first place winner of the 2018 Carolina Ready Mix Concrete Association's Environmental Excellence Award. The award recognizes companies that provide environmental leadership for the ready mix concrete industry and make outstanding contributions to preserving and protecting the environment.
USA	Zero Waste Certification	Roanoke Cement	Zero Waste Certification	Roanoke Cement achieved Silver Level Zero Waste Certification. The consumption of plant waste and CKD in the process is what allows us to maintain the diversion of over 90% of waste from landfills.

UNGC Communication on Progress Review 2018

The TITAN Group Communication on Progress Review 2018 summarizes and updates TITAN actions as a participant to the UN Global Compact. It is an integral part of the 2018 TITAN Group Integrated Annual Report and provides to the interested parties references to TITAN commitments, policies and practices for all the criteria that are relevant to the implementation of the ten principles.

"Our commitment to doing business in a financially, socially and environmentally responsible way is reflected in our renewed participation in the UN Global Compact and the endorsement of its principles. We are making good progress towards meeting our environmental and social targets set for 2020, as an intermediate step in our collaborative effort to achieve the Sustainable Development Goals."

Dimitri Papalexopoulos, TITAN Group CEO

Implementing the Ten Principles		
Criterion 1 **The Review describes mainstreaming into corporate functions and business units**	**TITAN Commitments** a. TITAN Group Code of Conduct b. TITAN Group CSR Policy c. TITAN Group Human Rights Policy d. TITAN Group People Management Framework e. TITAN Group Environmental Policy and Climate Mitigation Strategy f. TITAN Group Anti-Bribery and Corruption Policy	**Reference** CEO message Section 1: Value creation; Risks and uncertainties; Environmental management, Health and safety, People development; Sustainability of communities; Governance, transparency and ethics, Supply chain and sustainability Section 2: Corporate Governance Statement; Composition and operation of the Board of Directors, Conflicts of interests; Internal audit and risk management systems; Information required by Article 10(1) of European Parliament and Council Directive 2004/25/EC Section 7: Principles and boundaries of non-financial performance review; Environmental Performance Index; Social Performance Index; Governance and Group sustainability policies update Notes: An overview of TITAN Governance and management structure is presented in detail in Section 2 of the IAR, "Corporate Governance Statement". The Sustainability Working Group operating under the Executive Committee and the Sustainability Advisory Council operating at Board level demonstrate how sustainability is incorporated in governance and decision making.
Criterion 2 **The Review describes value chain implementation**	**TITAN commitments** a. TITAN Group CSR Policy b. TITAN Group Code of Conduct c. TITAN Group Code of Conduct for Procurement d. TITAN Group Human Rights Policy **TITAN Website:** Corporate Social Responsibility; suppliers and business partners, Corporate Governance	

Robust Human Rights Management policies and procedures

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Businesses should make sure they are not complicit in human rights abuses

Criterion 3 **The Review describes robust commitments, strategies or policies in the area of human rights**	**TITAN commitments** a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Code of Conduct for Procurement e. TITAN People Management Framework f. TITAN Occupational Health and Safety Vision and Policy Charter of the TITAN Occupational Health and Safety Council g. TITAN Group Anti-Bribery and Corruption policy	**TITAN IAR2018** Section 1: Value creation; Material issues; People management and development; Sustainability of communities; Governance, Transparency and ethics; Section 7: Social Performance Index; Governance and Group sustainability Policies update

<table>
<tr><th colspan="3">Implementing the Ten Principles</th></tr>
<tr><td></td><td></td><td rowspan="3">Notes:
Unions, where established, operate freely according to each country's laws and regulations.
TITAN' s procurement manual mandates that all contractors must provide official proof of payment and paid insurance of their employees, to be paid for their services.
Security is consider as fundamental for a safe working environment as well as for the protection of assets and intellectual property. All third parties providing or interested to provide security services should ensure that their employees are trained appropriately and respect the international standards and principles.</td></tr>
<tr><td>Criterion 4

The Review describes effective management systems to integrate the human rights principles</td><td>TITAN commitments
a. TITAN Group CSR Policy
b. TITAN People Management Framework
c. TITAN Group Code of Conduct
d. TITAN Group Code of Conduct for Procurement</td></tr>
<tr><td>Criterion 5

The Review describes effective monitoring and evaluation mechanisms of human rights integration</td><td>TITAN commitments
a. TITAN Group CSR Policy
b. TITAN Group Code of Conduct
c. TITAN Group Code of Conduct for Procurement
d. TITAN People Management Framework</td></tr>
</table>

Robust labor management policies and procedures

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation

<table>
<tr><td>Criterion 6

The Review describes robust commitments, strategies or policies in the area of labor</td><td>TITAN commitments
a. TITAN Group CSR Policy
b. TITAN Corporate Values
c. TITAN Group Code of Conduct
d. TITAN Group Code of Conduct for Procurement
e. TITAN People Management Framework
f. TITAN Occupational Health and Safety Vision and Policy
g. Charter of the TITAN Occupational Health and Safety Council
h. TITAN Occupational Health and Safety Framework
i. TITAN Group Human Rights policy</td><td rowspan="3">TITAN IAR 2018

CEO message

Section 1: Business model; Material issues; Health and safety (training); People management and development; Sustainability of communities; Governance, transparency and ethics; Risks and uncertainties

Section 2: Board committees

Section 6: Employee benefits (Note to the financial statements 1.16); Retirement and termination benefit obligation (Note to the financial statements 25)

Section 7: Social Performance Index

TITAN Website: Group profile, Business activities

Notes:
Collective bargaining agreements are applicable to TITAN employees in all countries that such agreements exist. The continuous increase of TITAN operations in countries with limited union presence led to a relevant decrease of the number of TITAN employees covered by collective bargaining agreements the last 5 years. The percentage (%) of employees who are covered by Collective bargaining agreements is connected to UNCTAD guidance (core indicator 8.8.2), Oct 2018 under social area.
TITAN respects the right to parental leave and to job retention after parental leave. All employees are entitled to parental leave according to local legislation. In 2018, 245 employees (197 male and 48 female) were entitled to parental leave and 14 female took parental leave. 7 female who took parental leave returned to work.
Regular meetings with union representatives are conducted with the management</td></tr>
<tr><td>Criterion 7

The Review describes effective management systems to integrate the labor principles</td><td>TITAN commitments
a. TITAN Group Code of Conduct
b. TITAN Group Code of Conduct for Procurement
c. TITAN People Management Framework
d. TITAN Occupational Health and Safety Vision and Policy
e. TITAN Occupational Health and Safety Framework</td></tr>
<tr><td></td><td></td></tr>
</table>

Implementing the Ten Principles		
Criterion 8 **The Review describes effective monitoring and evaluation mechanisms of labor principles**	**TITAN commitments** a. TITAN Group CSR Policy b. TITAN Group Code of Conduct c. TITAN People Management Framework d. Charter of the TITAN Occupational Health and Safety Council e. The Company Charter **TITAN Website:** Suppliers and business partners	throughout the year. Main topics cover among else wages and additional benefits, proposals to improve health and safety conditions at work and other topics raised by employees. Health and Safety Councils or Committees comprising of management and employee representatives are formed at plant level to ensure employee engagement in efforts to improve health and safety performance. 4. A health surveillance program focused on potential impacts like noise, dust and crystalline silica is implemented according to TITAN Group Guidelines. 5. There are no fines (over 10,000 euros) related to noncompliance of TITAN operations with labor laws. (A total amount of $7,951 was the total amount of penalties imposed in TITAN America for citations by local safety inspectors). See more regarding hours of training per subject at Social Performance Index, SP69.

Robust environmental management policies and procedures

Principle 7: Business should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Criterion 9 **The Review describes robust commitments, strategies or policies in the area of environmental stewardship**	**TITAN commitments, strategies or policies** a. TITAN Corporate Values b. TITAN Group CSR Policy c. TITAN Group Code of Conduct d. The Company Charter of the Cement Sustainability Initiative e. TITAN Group Environmental Policy and Climate Change Mitigation Strategy (update 2018)	**TITAN IAR2018** Section 1: Non-financial performance review; Environmental management; Forward looking; Strategic and operational risks Section 7: Independent Assurance Statement, Principles and boundaries of non-financial performance review; Environmental Performance Index **Notes :** There are no significant fines related to noncompliance of TITAN operations with environmental laws. **Fine** is a monetary or non-monetary type of sanction imposed by an authority to the company. Whereas: significant fine is a fine over 10,000€.
Criterion 10 **The Review describes effective management systems to integrate the environmental principles**		
Criterion 11 **The Review describes effective monitoring and evaluation mechanisms for environmental stewardship** TITAN commitments a. TITAN Climate Change Mitigation Strategy b. The Company Charter of the Cement Sustainability Initiative	**TITAN commitments** a. TITAN Group CSR Policy b. The Company Charter of the Cement Sustainability Initiative c. TITAN Group Environmental Policy and TITAN Climate Change Mitigation Strategy (2018)	

Robust anti-corruption management policies and procedures

Principle 10: Business should work against corruption in all its forms, including extortion and bribery

Criterion 12 **The Review describes robust commitments, strategies, or policies in the area of anti-corruption**	**TITAN commitments** a. TITAN Corporate Values b. TITAN Group CSR Policy c. TITAN Group Code of Conduct d. TITAN Group Code of Conduct for Procurement e. TITAN Group Anti-Bribery and Corruption Policy	**TITAN IAR2018** CEO message Section 1: Business model; Non-financial performance review; Risks and uncertainties; Section 6: Financial statements

Implementing the Ten Principles		
Criterion 13 **The Review describes effective management systems to integrate the anti-corruption principle**	**TITAN commitments** a. TITAN Group Code of Conduct b. TITAN Group Code of Conduct for Procurement	Section 7: Principles and boundaries of non-financial performance review; Independent Auditors' Assurance Statement; Tables: 34-35, 45
Criterion 14 **The Review describes effective monitoring and evaluation mechanisms for the integration of anti-corruption**	**TITAN commitments** a. TITAN Group Code of Conduct b. TITAN Group Code of Conduct for Procurement	**TITAN Website: Business activities, Group profile, Global locations, Suppliers and business partners** Notes 1) No incidents of corruption have been recorded 2) TITAN Group defines as significant all fines over €10,000. 3) Public policy: TITAN continues to engage with governments and take public positions on different business issues through business associations and business driven initiatives such as the GCCA. 4) An amount of $27,000 was given to : (i) Treasure Florida (supporting candidate Jimmy Patronis; Rebeca Sosa Campaign; Jose Pep Diaz Campaign); (ii) We the People PC (supporting Pepe Diaz) and (iii) Transportation Solutions for Miami-Dade (supporting candidate Estaban Bovo) 5) There have been no incidents of legal action for anti-competitive behavior, anti-trust or monopoly practices during 2017 6) Grievance mechanisms about impacts on society: All TITAN operations have mechanisms for members of the community to report grievances. Communities in the USA have access to ETHICS POINT as TITAN employees. In 2018, 40 complaints were recorded in total through other than the ETHICS POINT system (18 written, 11 telephone calls and 11 through other means) from six countries (Albania, Egypt, North Macedonia, Kosovo, Serbia Turkey). 7) For core indicators related to policies implementation, see Governance Core Indicators Index and Social Performance Index, SP69.

Taking action in support of broader UN goals and issues

Criterion 15 **The Review describes core business contributions to UN goals and issues**	**TITAN commitments** a. TITAN Corporate Values b. TITAN Group CSR Policy c. TITAN CSR pledges and commitments d. TITAN Group Code of Conduct e. TITAN Group Code of Conduct for Procurement	**TITAN IAR2018** CEO message Section 1: Business model; Non-financial performance review; Risks and uncertainties; Sustainability of communities, Governance, transparency and ethics Section 6: Financial statements; Section 7: Principles and boundaries of non-financial performance review; Independent Auditors' Assurance Statement; Social Performance Index TITAN Website: TITAN IAR2018, TITAN History, TITAN pledges and commitments, TITAN Stakeholder engagement; Communication policy and dialogue, Collaborative action, CSR in action
Criterion 16 **The Review describes strategic social investments and philanthropy**	**TITAN commitments** a. TITAN Group CSR Policy	
Criterion 17 **The Review describes advocacy and public policy engagement**	**TITAN commitments** a. TITAN Group CSR Policy b. TITAN Group Code of Conduct	
Criterion 18 **The Review describes partnerships and collective action**	**TITAN commitments** a. TITAN Group CSR Policy b. The Company Charter of the Cement Sustainability Initiative	

Implementing the Ten Principles		
	c. TITAN Environmental Policy and Climate Change Mitigation Strategy d. TITAN Occupational Health and Safety Framework	

Corporate sustainability governance and leadership

Criterion 19 **The Review describes CEO commitment and leadership**	**TITAN commitments** a. TITAN Group CSR Policy b. The Company Charter of the Cement Sustainability Initiative c. TITAN Climate Change Mitigation Strategy d. TITAN Group Code of Conduct	**TITAN IAR2018** CEO message Section 1: Business model; Non-financial performance review; Risks and uncertainties; Section 2: Corporate Governance Statement; Section 7: Independent Auditors' Assurance Statement; Non-financial performance review according to the UNGC criteria (see criteria 2-14) TITAN Website: TITAN IAR2018, TITAN History, TITAN pledges and commitments, TITAN Stakeholder engagement, Communication policy and dialogue, CSR in action, Care for our people, Occupational health and safety, Human rights and labor relations, Sustainable development Notes See above, criteria 1-18
Criterion 20 **The Review describes Board adoption and oversight**	**TITAN commitments** a. TITAN Group CSR Policy b. TITAN Group Code of Conduct	
Criterion 21 **The Review describes stakeholder engagement**	**TITAN commitments** a. TITAN Group CSR Policy b. TITAN Group Code of Conduct c. TITAN People Management Framework	

Business and peace

Criterion 22 **The Review describes policies and practices related to the Company's core business operations in high-risk conflict-affected areas stewardship**	**TITAN commitments** a. TITAN Group CSR Policy b. TITAN Group Code of Conduct c. TITAN Group Code of Conduct for Procurement	**TITAN IAR2018** CEO message Section 1: Business model; Non-financial performance review; Risks and uncertainties; Section 2: Corporate Governance Statement; Section 7: Independent Auditors' Assurance Statement; Non-financial performance review according to the UNGC criteria (see criteria 2-14) Tables: 34-35, 45 TITAN Website: TITAN pledges and commitments, TITAN Stakeholder engagement, Communication policy and dialogue, Collaborative action, CSR in action, Care for our people, Occupational health and safety, Human rights and labor relations, Sustainable development Notes See above, criteria 1-21
Criterion 23 **The Review describes policies and practices related to the Company's government relations in high-risk or conflict-affected areas stewardship**	**TITAN commitments** a. TITAN Group CSR Policy b. TITAN Group Code of Conduct c. TITAN Group Code of Conduct for Procurement	
Criterion 24 **The Review describes local stakeholder engagement and strategic social investment activities of the Company in high-risk or conflict-affected areas stewardship**	**TITAN commitments** a. TITAN Group CSR Policy b. TITAN Group Code of Conduct c. TITAN Group Code of Conduct for Procurement	

Appendix: Consolidated Report on Payments to Governments for the year ended 31 December 2018

Titan Cement Company S.A. announces pursuant to article 156 of L.4548/2018 and in implementation of Directive 2013/34/EU, that Titan Group has paid during 2018 to Governments (i.e. national, regional or municipal authorities of EU Member States and 3rd countries) the total amount of Euro for extracting operations as specified below:

Group of Companies	Country	Payment type	Amount (€)
TITAN CEMENT S.A.	Greece	Quarry Rental Fees	546,982.59
		Municipality Taxes	107,637.15
INTERBETON S.A.	Greece	Quarry Rental Fees	1,643,290.35
		Municipality Taxes	442,370.45
Alexandria Portland Cement Co	Egypt	Clay Tax	1,831,232.00
		Quarry Royalties	2,677,136.00
Beni Suef Cement Co	Egypt	Clay Tax	2,448,961.00
		Quarry Royalties	91,686.00
Cementi Antea Sha	Albania	Extraction Fees	366,668.00
Titan America LLC	USA	Sales/Mitigation Fees	572,983.15
SHARRCEM SH.P.K.	Kosovo	Extraction Royalties	303,164.00
Titan Cementarnica Usje A.D.	North Macedonia	Concession Fees	186,771.00
Titan Cementara Kosjeric A.D.	Serbia	Concession Fees	175,745.00
ZLATNA PANEGA Cement A.D.	Bulgaria	Concession Fees	111,000.00
ADOCIM A.S.	Turkey	Quarry Fees	256,272.00
TOTAL			**11,761,898.69**

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
Condensed financial information for the period of 1 January 2018 until 31 December 2018

The following financial data provide summary information about the financial position and the results of operations of Titan Cement Co. S.A. (the Company) and, its subsidiaries (collectively the Group). We advise the reader, before making any investment decision or other transaction with the Group or the Company, to visit the Company's web site where the consolidated and separate financial statements, according to the IFRS, together with the review report of the external auditor are presented.

Company's web address:	www.titan-cement.com
Board of Directors approval date:	***March 20, 2019***
Name of the auditor:	Konstantinos Michalatos (SOEL R.N. 17701)
Auditing firm:	PricewaterhouseCoopers S.A.
Type of Auditor's Review Report:	Without qualification

CONDENSED STATEMENT OF FINANCIAL POSITION
(Amounts in € thousand)

	GROUP		COMPANY	
ASSETS	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Tangible assets	1,647,892	1,466,046	249,294	252,944
Investment properties	12,202	12,130	8,743	8,937
Intangible assets	405,221	345,971	11,107	8,093
Other non current assets	139,472	177,223	709,132	782,302
Inventories	286,561	258,204	67,674	65,410
Trade receivables	120,199	115,429	37,826	37,883
Other current assets	87,383	66,217	19,563	29,966
Cash and cash equivalents	171,000	154,247	13,710	29,323
TOTAL ASSETS	**2,869,930**	**2,595,467**	**1,117,049**	**1,214,858**
SHAREHOLDERS EQUITY AND LIABILITIES				
Share Capital 84,632,528 shares of €3.45 (2017: €3.00)	291,982	253,897	291,982	253,897
Share Premium	22,826	22,826	22,826	22,826
Share stock options	3,742	3,003	3,742	3,003
Treasury Shares	-112,884	-105,384	-112,884	-105,384
Retained earnings and other reserves	1,188,467	1,132,871	513,996	569,790
Total share capital and reserves (a)	**1,394,133**	**1,307,213**	**719,662**	**744,132**
Non-controlling interests (b)	77,157	62,459	-	-
Total Equity (c)=(a)+(b)	**1,471,290**	**1,369,672**	**719,662**	**744,132**
Long-term borrowings	745,222	820,382	292,385	379,218
Provisions and other long-term liabilities	161,215	108,967	35,987	32,227
Short-term borrowings	197,637	56,825	3	32
Other short-term liabilities	294,566	239,621	69,012	59,249
Total liabilities (d)	**1,398,640**	**1,225,795**	**397,387**	**470,726**
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)	**2,869,930**	**2,595,467**	**1,117,049**	**1,214,858**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2018	**1/1-31/12/2017**	**1/1-31/12/2018**	**1/1-31/12/2017**
Revenue	1,490,097	1,505,803	229,038	233,805
Cost of sales	-1,089,489	-1,070,349	-192,728	-182,851
Gross profit before depreciation,amortization and impairment	**400,608**	**435,454**	**36,310**	**50,954**
Other operating income/(expenses)	6,395	-13,984	32,574	8,629
Administrative expenses	-124,975	-125,459	-41,395	-44,526
Selling and marketing expenses	-22,287	-22,570	-256	-253
Profit before interest, taxes, depreciation, amortization and impairment	**259,741**	**273,441**	**27,233**	**14,804**
Depreciation, amortization and impairment of tangibles/ intangibles assets	-115,797	-116,429	-16,052	-17,867
Profit/(loss) before interest and taxes	**143,944**	**157,012**	**11,181**	**-3,063**
(Expenses)/income from participations and investments	-3,143	162	37,329	34,199
Finance costs	-54,498	-86,460	-13,449	-19,255
Share of loss of associates and joint ventures	-3,741	-7,488	-	-
Profit before taxes	**82,562**	**63,226**	**35,061**	**11,881**
Income tax	-26,578	-18,929	-1,714	1,510
Profit after taxes (a)	**55,984**	**44,297**	**33,347**	**13,391**
Attributable to:				
Equity holders of the parent	53,847	42,680	33,347	13,391
Non-controlling interests	2,137	1,617	-	-
Other comprehensive income/(loss) net of tax (b)	16,671	-117,710	-961	-312
Total comprehensive income/(loss) net of tax (a)+(b)	**72,655**	**-73,413**	**32,386**	**13,079**
Attributable to:				
Equity holders of the parent	62,686	-70,161	32,386	13,079
Non-controlling interests	9,969	-3,252	-	-
Basic earnings per share (in €)	0.6706	0.5292		

CONDENSED STATEMENT OF CHANGES IN EQUITY
(Amounts in € thousand)

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Equity balance at beginning of the year (1/1/2018 and 1/1/2017 respectively)	1,369,672	1,552,816	744,132	827,269
Change in accounting policy	-468	-	-946	-
Restated balance at 1 January 2018	**1,369,204**	**1,552,816**	**743,186**	**827,269**
Total comprehensive income/(loss)	72,655	-73,413	32,386	13,079
Share capital decrease	-42,315	-84,633	-42,315	-84,633
Dividends distributed to ordinary and preferred shares	-4,231	-8,463	-4,231	-8,463
Dividends distributed to non-controlling interests	-3,936	-3,867	-	-
Purchase of treasury shares	-8,614	-4,951	-8,614	-4,951
Sale - disposal of treasury shares for option plan	439	398	439	398
Non-controlling interest's participation in share capital increase of subsidiary	2,183	807	-	-
Share based payment transactions	1,755	1,433	1,755	1,433
Non-controlling interest's put option recognition	-444	-2,396	-	-
Acquisition of non-controlling interest	-	-7,578	-	-
Costs for share capital increase in subsidiaries	-1,100	-481	-	-
Acquisition of join venture	88,638	-	-	-
Taxes and expenses relevant to share capital increase	-2,944	-	-2,944	-
Equity balance at year end (31/12/2018 and 31/12/2017 respectively)	**1,471,290**	**1,369,672**	**719,662**	**744,132**

CONDENSED CASH FLOW STATEMENT
(Amounts in € thousand)

	GROUP		COMPANY	
	1/1-31/12/2018	**1/1-31/12/2017**	**1/1-31/12/2018**	**1/1-31/12/2017**
Profit before taxes	82,562	63,226	35,061	11,881
Adjustments for:				
Depreciation	114,509	112,294	16,052	15,717
Impairment of tangible and intangible assets	1,288	4,135	-	2,150
Impairment of inventories	-	-	117	1,549
Provisions	3,439	14,274	-1,768	2,204
Dividend income	-55	-162	-38,490	-34,377
Exchange differences	-34,926	55,907	-564	1,869
Interest (income)/expense	62,876	63,414	14,401	15,881
Other adjustments	34,688	-23,478	-15,332	1,470
	264,381	**289,610**	**9,477**	**18,344**
Increase in inventories	-14,248	-28,520	-2,382	-9,192
(Increase)/decrease in trade and other receivables	-2,836	-5,687	12,068	10,758
Increase/(decrease) in trade and other payables (excluding banks)	23,181	-14,950	3,880	9,349
Cash generated from operations	270,478	240,453	23,043	29,259
Income tax paid	-9,198	-14,359	-1,289	-3,422
Net cash flows from operating activities (a)	**261,280**	**226,094**	**21,754**	**25,837**
Payments for acquisition of subsidiaries and joint ventures, net of cash acquired	-24,037	-21,106	-	-
Net cash acquired with the subsidiaries	7,369	-	-	-
Proceeds from dividends	2,649	4,686	38,490	30,458
Share capital decrease in subsidiaries	-	-	77,485	84,133
Proceeds from the sale of tangible/intangible and investment properties	1,850	1,467	18,709	95
Share capital increase in associates and joint ventures	-15,015	-28,678	-	-
Payments for tangible and intangible assets	-118,512	-122,518	-16,279	-30,854
Other proceeds from investing activities	6,465	825	241	2
Net cash flows (used in)/from investing activities (b)	**-139,231**	**-165,324**	**118,646**	**83,834**
Dividends paid	-8,152	-12,329	-4,225	-8,461
Net payments due to changes in share capital	-40,078	-83,329	-42,138	-84,136
Net payments related to treasury shares transactions	-8,175	-4,553	-8,175	-4,553
Proceeds from government grants	276	209	276	208
Interest paid	-61,620	-60,183	-12,989	-22,591
Net proceeds/(payments) of borrowings	9,362	77,621	-88,925	28,379
Net cash flows used in financing activities (c)	**-108,387**	**-82,564**	**-156,176**	**-91,154**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**13,662**	**-21,794**	**-15,776**	**18,517**
Cash and cash equivalents at beginning of the year	154,247	179,710	29,323	11,218
Effects of exchange rate changes	3,091	-3,669	163	-412
Cash and cash equivalents at end of the year	**171,000**	**154,247**	**13,710**	**29,323**