Building our future together

Integrated Annual Report 2016

Contents

About this Report

The 2016 TITAN Group Integrated Annual Report has been compiled in accordance with the International Integrated Reporting Council Standards, the UK Corporate Governance Code, the International Financial Reporting Standards and in compliance with the relevant obligations stipulated by Greek Law and the European Directives.

This Report is available online at http://www.titan-cement.com/en/

CEO Message

Dear Shareholders and Stakeholders,

Over the past year, marked by mixed but on balance favorable market developments, TITAN made further progress along its key priorities of balancing profitability and growth, building operational excellence and nurturing the long term sustainability of its business.

Strong results in the US drive organic growth

TITAN turnover and profitability continued growing for a third consecutive year, driven primarily by market growth in the USA and to a lesser extent operational improvements in Egypt. Consolidated turnover increased by 8% to €1,509 million and Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 28.7% to €279 million. Net Profit after minority interest and the provision for taxes (NPAT) rose to €127 million, which includes a gain from a deferred tax asset recognition of €90 million in the US, associated with previously unrecognized carry-forward net operating losses generated in previous years.

In the US, demand for building materials continued to grow within a generally positive economic environment of low unemployment, consumer confidence and infrastructure development. TITAN, having implemented a €200 million investment program over the last three years, was able to capitalize on the market growth to increase sales volumes, plant utilization and profitability, both in cement and in its vertically integrated activities.

Egypt enjoyed a growth in demand and benefited significantly from a decline in production costs as it progressed towards its goal of solid fuel self-sufficiency; the last component of the relevant capital expenditure program, the coal mill in Alexandria plant, commenced operations in December. As a consequence, in spite of the devaluation of the Egyptian pound by more than 50% in the course of the year, our operations managed to improve profitability, even in EUR terms, albeit from a low comparative basis.

In Greece, now in its seventh year of austerity, the construction market remains in deep recession, with limited spending on infrastructure projects and a virtual halt in private housing construction. Our Greek operations continued their strong export performance in volume terms, but profitability was negatively affected by competitive pressures in the international trade destinations.

The markets of Southeastern Europe provided a mixed picture, with our operations showing an overall stable performance. Our joint venture in Turkey benefited from the increased local demand for infrastructure and private housing, but was negatively affected, in EUR terms by the Turkish lira devaluation.

Investing for organic growth and regional expansion

In line with our objective of geographical diversification in selected regions, we extended our geographical footprint in South America through the acquisition of an equity stake in Cimento Apodi, a Brazilian cement manufacturer. Cimento Apodi operates an integrated cement plant and a grinding plant in the state of Ceara in Northeast Brazil, with a production capacity of over 2 million tons of cement per year. Current demand for building materials in Brazil is low; however, the fundamentals in terms of urban population growth indicate stronger longer term prospects.

Investments in existing operations stood at €151 million, primarily in relation to our activities in the US and the solid fuel conversion project in Egypt. Investment programs continued in the other regions as well, mainly linked to sustaining business and environmental improvements.

On the funding side, TITAN was able to raise a 5-year, €300 million bond with a 3.5% coupon; Standard & Poor's reconfirmed the company's "BB" rating, with a positive outlook, highlighting the strong liquidity of the Group.

Group initiatives towards operational excellence

We continuously invest in improving our competitiveness, both through local initiatives led by our regional management teams and centrally at Group level. Current areas of focus include excellence in operational maintenance, new digital and IT infrastructure, enhanced product and process innovation capacity, as well as two major Group-wide initiatives, on procurement and people development.

Our Group Procurement Transformation program, which went through its first phase of implementation in 2016, aims to optimize the number of suppliers and build on long term value-added supplier relationships with an emphasis on "total cost" reduction, transparency and enhancement of our sustainability impact on the supply chain.

The "Titan Leadership Platform", a major program addressing our employees announced in 2015, was rolled out to all countries, promoting the behaviors that drive strong leadership performance, through a new personal development process. The program addresses the most material issues raised by our employees in the 2015 survey and provides an effective conduit through which our core values can be further disseminated.

Aligning with the UN Sustainable Development Goals

Supporting the United Nations Agenda 2030 for sustainable development, launched in late 2015, we proceeded to complete materiality or social impact assessments at local level in all countries with majority owned operations, including a first alignment with the SDGs, which we will support through our existing and new local and global partnerships. On the basis of the regional inputs, the corporate materiality matrix was reviewed and re-confirmed as an up-to-date record of the priority issues that TITAN aims to address through its sustainability strategy.

Our sustainability governance has been further enhanced through the establishment of a Sustainability Committee, comprising members of the TITAN Board and its Executive Committee, overseeing our long term commitment to sustainable development.

Indicative highlights of our sustainability efforts in 2016 include the Group's continuing focus on safety, which resulted in a reduction in lost time incidents; the increased use of waste or by-products as raw materials; the recognition of our Pennsuco operations in Florida for their "zero waste" performance; and the enhancement of the Group's partnerships with academia and educational-support programs, in line with our European "Pact for Youth" commitment.

Our investment in emission control and reduction, where needed, continued, leading to a further significant improvement in dust emissions; on the other hand, CO_2 emissions increased marginally, as the improvement achieved through the increased use of alternative fuels was not sufficient to counteract an unfavorable fuel and product mix. In the process of detailing our strategy in alignment with the UN Agenda 2030, we will define within 2017 our new long-range emissions targets.

A positive outlook for 2017

Prospects for TITAN in 2017 appear positive, despite the considerable challenges and uncertainties around the globe. The USA business is expected to remain the main driver of growth and profitability, thanks to the growth in demand and the benefits accrued from our extensive investments.

In Greece, demand may decrease further due to a timing gap in the infrastructure projects pipeline; exports will continue, but under increasingly competitive pressures. Southeastern Europe, in a broader region of political instability and economic weakness, will remain at its current levels of activity. In Egypt, in spite of volatility in the short term, demand is likely to be sustained and our operations will benefit from the impact of the investment program completed in late 2016. In Turkey, the positive trend is likely to be reversed, as additional cement production capacity comes on stream and domestic challenges may affect demand. Finally, in Brazil, demand is expected to begin to stabilize in 2017.

Based on the 2016 results and the outlook for 2017, the Board of Directors is proposing to the General Assembly of Shareholders the payment of a dividend distribution of €0.10 per share and, in addition, a return of capital of €1.00 per share.

We would like to thank our shareholders and stakeholders for their support in the execution of our strategy to deliver on growth and profitability, to strengthen our competitiveness and to secure the long term sustainability of our business.

Dimitri Papalexopoulos

Chief Executive Officer

Annual Report of the Board of Directors for the year 01.01.2016-31.12.2016

Business model

About TITAN Group

TITAN is an international cement and building materials producer, with a history of more than 110 years. The Group's business activities include the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials.

The Group is headquartered in Athens, Greece and has operations in 14 countries, which are managed under four geographic regions: USA; Greece and Western Europe; Southeastern Europe; and Eastern Mediterranean.

In 2016 TITAN generated a consolidated turnover of €1,509 million and EBITDA of €279 million. At year-end TITAN employed 5,482 people in total (2015: 5,654).

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

Value creation

TITAN is creating value through its products and services; they serve the need for safe, durable, resilient, affordable and sustainable housing and infrastructure. The related core activities of the Group include the extraction of raw materials and their transformation into building products, the distribution of the products to customers and the transfer of know-how and expertise through collaborations with customers and business partners, local communities and academia.

Main raw materials used include limestone, clay, gypsum, mineral aggregates, energy and water. TITAN also operates systems for recycling, processing and utilizing waste as alternative raw materials and alternative fuels, thereby preserving valuable resources and reducing the carbon footprint.

TITAN's Research & Development activities include the monitoring, integration and application within TITAN Group of the global trends regarding the environmental footprint reduction, the improvement of cement and concrete products' properties and the development of new products.

In 2016, TITAN invested €150.6 million, of which €60.7 million were spent on environmental improvements.

The economic value created and distributed directly to key stakeholders in 2016 was as follows:

- €272.6 million to employees for salaries, pensions and social benefits, including additional benefits beyond those provided by law
- €938.7 million to local and international suppliers.
- €80.6 million in taxes to national and local authorities.
- €30.5 million to shareholders and minorities in cash payments.
- €2.6 million in community projects.

Financial review

Development of activities and significant financial events

In 2016, TITAN Group recorded a significant improvement in profitability, thanks to the continuing growth of the US market and the recovery of results in Egypt. Consolidated turnover reached €1,509 million, posting an 8.0% increase compared to 2015. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 28.7% reaching €279 million. Net profit after minority interests and the provision for taxes, stood at €127 million, compared to €34 million in 2015. 2016 results include a gain from a deferred tax asset recognition of €90 million in the US, associated with previously unrecognized carry-forward net operating losses generated in previous years.

Group operating free cash flow in 2016, reached €125 million compared to €64 million in the previous year primarily as a result of the increase in EBITDA by €62 million.

Group net debt at the end of 2016 stood at €661 million, €39 million higher compared to the end of 2015. The increase in Group debt was mainly due to capital expenditure and the acquisition of the stake in Cimento Apodi. On the flip side, the devaluation of the Egyptian pound had a positive effect in the Euro value of loans taken in local currency in Egypt.

In June 2016, Titan Global Finance Plc. (TGF) issued a 5-year bond of a total nominal amount of €300 million with a coupon of 3.5% per annum. The proceeds of the notes were used to repay the €197 million notes due in January 2017 and to fund the investment expenditures of the Group.

On June 7th 2016, Standard & Poor's reconfirmed TITAN's credit rating as "BB" maintaining the positive outlook and emphasizing on the strong liquidity of the group.

Based on the strong improvement of Group profitability, including the extraordinary tax results in the US, in conjunction with the positive prospects for 2017, the Board of Directors is proposing to the Annual General Assembly of Shareholders, scheduled to take place on 12.5.2017, a dividend distribution of €0.10 per share and, in addition, a return of capital of €1.00 per share. Pursuant to article 16 paragraph 8 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.

The common stock price of the Company closed at €22.30 a share on 31 December 2016, increasing by 26.6% since 31 December 2015. During the same period, the Athens Stock Exchange (ASE) General Index posted a 1.9% increase.

Market overviews

Once again in 2016, the US market was the main source of growth for the Group. The US economy's positive growth rates, low unemployment and the improvement in consumer confidence and economic sentiment, all drove demand growth leading to higher capacity utilization rates at our cement plants and vertically integrated activities. The increase in sales, in conjunction with the €200m capital expenditure program undertaken by the Group over the last three years, has led to a significant improvement in operating results.

Total turnover in the US for 2016 increased by 16.9% and stood at €794 million, while EBITDA increased by 44.0% to €145 million. In 2016, the US represented 53% of Group sales and 52% of operating profitability.

It is noted that in the 3rd Quarter of 2016, US recorded a deferred income tax credit of approximately €90 million associated with the recognition of a deferred tax asset for previously unrecognized net operating losses carry-forward generated in periods prior to 2016.

In Greece the construction sector remained stagnant close to fifty year lows, with demand stemming mainly from public works. Cement consumption was roughly at par with 2015, a year during which building activity had almost come to a standstill following the imposition of capital controls in the country. At this juncture, the Greek market accounts for approximately 6% of total Group cement volumes. In order to even partly compensate for the weak domestic demand, the Group continued to export the largest share of the Greek plants' production, benefiting from low freight rates and the strong US$, and despite increasing international competition.

Total turnover for Group region Greece and Western Europe in 2016 was €261 million and was 2.8% lower than 2015. EBITDA reached €36 million versus €45 million in 2015, an 18.9% decline.

In the countries of Southeastern Europe, construction activity exhibited regional variations, with demand growing in the central Balkans countries but declining in the east and west. Total sales volumes increased but prices were, on average, lower. The region has been a stable contributor to Titan's profitability over the last years, although cement demand is considerably below the Group's plants capacity.

Group turnover in Southeastern Europe in 2016 posted a decline of 2.0% and reached €204 million while EBITDA increased slightly by 0.8% to €56 million, leading to an improvement in EBITDA margin from 26.8% in 2015 to 27.5% in 2016.

In Egypt, cement demand grew by approximately 5% in 2016 and our plants' production output recovered to high levels. Having completed the investments which allow for the local grinding and usage of solid fuels (on the investment in the third kiln to that effect was completed in November 2016), ensured both our energy sufficiency for full capacity operation, as well as a significant reduction in production costs. Operating results recorded a significant improvement for four consecutive quarters. The devaluation of the Egyptian pound, by more than 50% in 2016, had a negative impact on results, generating, among other effects, an increased volatility in market prices.

In total, results in Egypt in 2016 improved, with turnover increasing by 28.3% in local currency terms, and by 3.5% in Euro-terms, reaching €249 million. EBITDA grew more than twofold, reaching €41 million in 2016 compared to €15 million in the previous year.

In Turkey, Adocim in which TITAN Group holds a 50% share, reaped the benefits of strong demand for both public and private works.

Net profit of the Turkish subsidiary attributable to the Group, stood at €3.6 million in 2016, versus €4.0 million in 2015, negatively impacted by a 14% decline in the value of the Turkish pound.

Prospects for 2017

Prospects for the Group in 2017 appear positive, despite the considerable challenges and uncertainties around the globe.

The recovery of the construction industry in the US should continue, owing to a favorable mid-term outlook. The Portland Cement Association (PCA) expects cement demand to grow by 3.6% in the US in 2017, and at even higher rates in the East coast, where the Group is active, foreseeing an increase in demand across all three main market segments, i.e. residential construction, commercial real estate and public infrastructure. The growth in demand, in conjunction with the benefits accrued from the extensive investments undertaken in the US, help strengthen the Group's position in the market, and allow for an optimistic assessment of performance.

In Greece, demand is expected to remain at similar or slightly lower levels compared to 2016. New infrastructure projects do not seem sufficient to sustain demand in 2017, following the completion of the major highway projects. As regards private residential activity, which traditionally has been the main driver of demand, expectations are very low. As a result, cement production in Greece, should continue to be channeled, by and large, towards export destinations, albeit in the context of a deteriorating supply/demand balance.

Construction activity in the countries of Southeastern Europe where the Group is present is expected to remain at levels similar to those of 2016. The broader region continues to be affected by political instability and economic weakness. Although construction activity has grown in some countries in the region, it generally lacks momentum.

In Egypt, the adoption of an extensive adjustment and structural reforms program, in conjuncture with the devaluation of the Egyptian Lira by over 50% create short term difficulties and volatility. At the same time however, the program lays the foundations for sustainable longer term growth. Despite uncertainties and short term pressures, demand for building materials will likely remain resilient, owing to the requirements of an ever increasing population, urbanization trends, as well as the realization of large scale public works. Having completed the investments for the utilization of solid fuels at its plants, the Group has ensured fuel sufficiency and improved its cost structure and plant performance. Aiming to reduce costs even further and also curtail its environmental footprint, the Group is also moving ahead with investments for the use of alternative fuels

In Turkey, following several years of continued economic growth and the attendant increase in construction activity, it is expected that the challenges the country is facing, in combination with the existing surplus of installed capacity, will negatively impact the cement sector.

In Brazil the political and economic crisis is still running its course. Following a decrease of over 10% in 2016 cement demand is expected to begin to stabilize in 2017.

Investments and disposals

Group capital expenditure for 2016 stood at €151 million compared to €173 million in 2015, focused mostly on the expansion of activities in the US and investments towards attaining energy self-sufficiency in Egypt.

The Group is completing an ambitious investment program which reached just over €320 million over the two year period of 2015-2016, aimed at improving cost-competitiveness and capturing growth opportunities.

Consistent with its strategy for geographic diversification, the Group expanded its activities to South America in the third quarter of 2016, investing in Cimento Apodi in Brazil, joining forces with established local partners. Cimento Apodi owns a modern integrated cement plant in Quixeré operating since 2015 and a grinding cement plant in Pecém port, close to the city of Fortaleza, operating since 2011. The combined production capacity exceeds 2 million tons of cement per year. Through this €99 million investment, Titan Group enters a market which, although currently undergoing a deep crisis, has attractive medium term prospects. The participation in Apodi is accounted for as an equity investment. The effect on 2016 results was immaterial for the Group.

Parent company financial results

In 2016, turnover at Titan Cement S.A. declined by 3.9% to €262 million while EBITDA stood at €30 million versus €44 million in 2015. Net Profit after Tax (NPAT) for 2016 reached €17 million versus €60 million in 2015 and includes €29 million dividend received from subsidiaries abroad; the corresponding amount in 2015 was €55 million.

Treasury shares

The total number of treasury shares held by the Company on 31st December 2016 was 3,957,191 of which 3,871,677 were common shares and 85,514 were preferred shares. The corresponding nominal value was €15,828,764, representing 4.68% of the share capital of the Company. Voting rights held by the Company represented 5.02% of total voting rights.

Purchase of own shares

In implementation of the decision dated 17th June 2016 of the Annual General Meeting of Shareholders and resolution dated 17th June 2016 of the Board of Directors, the Company purchased in 2016 1,219,658 own common shares at a total purchase price of €24,264,346 and 79,595 own preference shares at a total purchase price of €928,266. The corresponding nominal value of the total own shares purchased in 2016 was €5,197,012 representing 1.54% of the share capital of the company.

Sale of treasury stock in the framework of Stock Option Plans

In 2016, in 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 108,574 representing 0.13% of the share capital of the Company and of a total nominal value and sales price of €434,296.

Post balance sheet events

On 19 January 2017, Group subsidiary Titan Global Finance PLC repaid at the maturity €88 million of the outstanding 8.75% guaranteed notes.

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 2016, and the balances of payables and receivables as at 31 December 2016 for the Group and the Company, arising from transactions between related parties are presented in Note 32 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 four loans of total nominal amount of €356 million (out of which the €42 million matured in January 2017) 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 2016 was at €8.2 million versus €6.2 million last year.

Going concern disclosure

The Board of Directors having taken into account:

- the Company's financial position;
- the risks facing the Company that could impact on its business model and capital adequacy; and
- 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.

Viability statement

The Board of Directors has 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. Therefore, the Board has 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 2016

The Board of Directors considers that the Annual Report and the Financial Accounts for the fiscal year 2016, 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

Material issues

Materiality assessment is used as a basis for aligning TITAN's business priorities with stakeholders' needs, thereby ensuring the long-term sustainability of the Group's strategy.

Stakeholder engagement is an important element of TITAN's corporate social responsibility policy which builds trust, improves understanding of the impacts of operations and addresses stakeholder concerns, while at the same time providing input to the materiality assessment process. The method of stakeholder communication and interaction varies from operation to operation depending on local practices.

In 2016, all regional operations except for Antea cement plant (TITAN Albania) and Adocim cement plant (TITAN Turkey) reviewed – and updated where needed – their materiality assessments also taking into consideration the outcomes of employee opinion surveys, (completed in 2015), stakeholder consultations (through sustainability initiatives like Cement Sustainability Initiative (CSI), investors roadshows, and meetings with local stakeholders.

The results have been collected by the CSR Department to serve as a basis for the next review of the Group Materiality Assessment in 2017. For 2016, the Group material issues were determined to remain the same as in 2015. They have been mapped in accordance with the SDGs of the UN Agenda 2030 and indicative KPIs and references in the Report as follows:

Material issue for TITAN Group and key stakeholders	Selected by TITAN SDGs relevant to Group Material issues	Indicative KPIs and references in the Report
Financial liquidity and access to funding	SDG4, SDG8, SDG17	Cash flow; Cost of debt
Environmental management	SDG6, SDG7, SDG15, SDG17	CO_2; Dust and air emissions; water and biodiversity
Climate change	SDG7, SDG13, SDG17	CO_2; Dust and air emissions; water and biodiversity;
Circular economy	SDG12, SDG17	Alternative fuels and raw materials
Health and safety	SDG3, SDG17	LTIFR; Safety training man-hours
People management and development	SDG4, SDG5, SDG17	Training man-hours per employee category, gender and age group; Titan Leadership Platform
Sustainability of communities	SDG4, SDG9, SDG11, SDG17	Community engagement plans; Internships and partnerships with educational institutions
Governance, transparency and ethics	SDG4, SDG8, SDG17	Group Policies integration Non-financial performance indicators, Section 7
Social and political risks and instability	SDG8, SDG17	Business model Corporate governance

Based on the review of materiality assessment, this section of the Report presents TITAN's performance with respect to the relevant key environmental and social issues. A more detailed presentation of all relevant, non–financial performance indicators is included in section 7.

As reported in the Group's 2015 Integrated Annual Report, following the assessment of Group 5-year-long targets as set in 2010, it has been decided to maintain the same targets for 2016, in order to proceed with a comprehensive update of performance targets in alignment with the SDGs 2030 in 2017. More details on Stakeholder engagement are available at the Company's website: http://www.titan-cement.com/en/corporate-social-responsibility/stakeholders-engagement/.

Environmental management

Environmental management systems

All Group cement plants have an environmental management system, ISO14001 or similar. In 2016, a revision of environmental management systems was launched so as to fulfill new certification standards defined by ISO14000/2015. All three TITAN cement plants in Greece and one cement plant in Bulgaria have already integrated those requirements and have been certified accordingly.

Air emissions[1]

Aligning with WBCSD/CSI recommendations, main pollutants like dust, NOx and SOx are covered with continuous monitoring devices, while all minor pollutants are measured by spot measurements.

TITAN Group invested heavily in new technologies to reduce its air emission footprint. In 2016, Group specific dust emissions decreased by about 33.0%, compared to previous year, to 23.9g/$t_{Clinker}$ (2015: 35.7g/$t_{Clinker}$)

Both NOx and SOx specific emissions remained at the same level as 2015, at 1,702.9g/$t_{Clinker}$ (2015: 1,705.8g/$t_{Clinker}$) and 205.6g/$t_{Clinker}$ (2015: 206.0g/$t_{Clinker}$) respectively.[2]

Quarry rehabilitation and biodiversity

Quarry rehabilitation and biodiversity management are a key focus area for TITAN, in the effort to mitigate the adverse impacts from the extraction process and to have a positive effect on biodiversity where possible.

In 2016, new rehabilitation plans were developed for the quarries of Beni Suef cement plant in Egypt, increasing the percentage of the Group's quarry sites, where Quarry Rehabilitation Plans are in place and implemented, to 87% (2015: 82%).

TITAN focuses also on assessing biodiversity at its quarry sites, aiming at developing specific management plans for the preservation of biodiversity. Eight quarries (or 16%) of the Group sites have been recognized as areas of high biodiversity value and in six of these sites (or 75% of them) a Biodiversity Management Plan (BMP), in line with the WBCSD/CSI Biodiversity Management Plan (BMP) Guidance, has been developed and is being implemented. BMPs for the remaining two quarry sites will start to be developed in 2017.

As of 31 December 2016, 93% of the wholly-owned active quarries have an environmental management system, ISO14001 or similar.

Water management

TITAN implements water management systems on its sites to monitor and optimize the water use and report water data in a consistent way, according to the WBCSD/CSI. In 2016, specific water consumption at the Group cement and grinding plants and their attached quarries showed a further 11% decrease compared to the previous year, reaching 255.1lt/t_{Cement} (2015: 287.1lt/t_{Cement}).

At Group level, 30.5 million m^3 (2015: 31.8 million m^3) of water were withdrawn in total, out of which 9.1 million m^3 (2015: 9.1 million m^3) were consumed and 21.4 million m^3 (2015: 22.7 million m^3) were discharged.

For the cement plants in particular, in 2016 the total water withdrawal was 7.9 million m^3 (2015: 8.2 million m^3), consumption was 3.8 million m^3 (2015: 3.9 million m^3), and discharge was 4.1 million m^3 (2015: 4.3 million m^3).

Water recycling facilities are operating in 92% of the cement plants. Approximately 30% of the Group's aggregates sites use water in their production process and 80% of these sites operate water recycling systems. Furthermore, 25.0 million m^3 (2015: 23.6 million m^3) of water were recycled at Group level in 2016, which is equivalent to 82% of the total water withdrawn. The total volume of recycled water in the cement plants' operations reached 18.1 million m^3 (2015: 17.4 million m^3), which corresponds to about 230%, more than twice the amount of water withdrawn.

A new Waste Water Treatment Plant (WWTP) was constructed at Sharr cement plant in Kosovo and has been successfully in operation since March 2016. The aim of this project is to improve the quality of the water effluents before their discharge in the nearby river. In addition to the Sharr cement plant needs, the WWTP serves also part of the local community, who have their sewage water treated by the plant.

Climate change

Climate change is among the most significant global challenges today. As early as 2006, TITAN Group adopted a climate change mitigation strategy to address issues related to CO_2 emissions and their impact on sustainable development. Specific areas relating to the CO_2 mitigation strategy include energy efficiency, use of alternative fuels and clinker content in cement.

TITAN augmented its efforts and harmonized its actions across all operations, in order to increase the use of alternative fuels, preferably biomass, and reduce the thermal energy consumption of the facilities. In 2016, the thermal energy consumption of the Group marginally improved, with a 1.0%

[1] For CO_2 emissions see "Climate change"

[2] Further emission data provided in Section 7

decrease of the average specific consumption to 848.0kcal/$kg_{Clinker}$ (2015: 856.0kcal/$kg_{Clinker}$). The use of alternative fuels increased to about 8.6%$_{Thermal\ basis}$ (2015: 6.8%$_{Thermal\ basis}$) including the biomass use that increased to about 2.1%$_{Thermal\ basis}$ (2015: 1.6%$_{Thermal\ basis}$). New business activities, in the form of subsidiary companies, GAEA Bulgaria and Egypt, were initiated with the objective of sourcing and producing suitable alternative fuels for TITAN's plants.

In 2016, in spite of the significant increase of the overall alternative fuels use and the marginal decrease in the specific thermal energy consumption, specific CO_2 emissions increased marginally by about 1.7% to 718.0kgCO_2/$t_{Product}$ (2015: 706.1kgCO_2/$t_{Product}$), mainly due to the forced change of fuel mix in Egypt, as well as the reduction in the sales of processed fly-ash, a cement substitute material produced by US-based Separation Technologies (ST) subsidiary.

Circular economy

Using alternative raw materials (2016: 5.1% of the total raw materials for the production of clinker and cement) helps to reduce the consumption of extracted (natural) raw materials as well as the amounts of by-products that have to be landfilled. In Greece and USA, TITAN implemented programs to collect ready-mix concrete wastes and use them as alternative raw materials for clinker and block production, as aggregates for pavements, and in other uses.

Similarly, using alternative fuels (2016: 163,357 t) helps to conserve non-renewable fossil fuels, allows for energy recovery and minimizes the landfilling of waste while reducing the net amount of CO_2 emissions. Dried sewage sludge, refinery sludge, tires, RDF, agricultural wastes are alternative fuels used in different Group cement plants.

US-based Separation Technology (ST) subsidiary provides solutions for the management of fly ash, thus minimizing the need, cost and risk associated with landfilling and producing products that can be used either as alternative raw materials or for energy recovery.

In 2016, 80.8% of the waste produced by the Group as part of everyday activities was collected, stored and disposed of through authorized contractors for reuse, recycling or recovering. In addition, TITAN America's Pennsuco Complex was certified by Zero Waste Council as a Gold Level Zero Waste Facility, becoming the only facility of its kind in USA to demonstrate a greater than 90% diversion of wastes from landfill use through reduction, reuse, recycling or composting of discarded material.

More details on the Company's sustainable development can be found on its website: http://www.titan-cement.com/en/corporate-social-responsibility/sustainable-development/

Health and safety

TITAN constantly strives to raise the health and safety performance of direct employees and contractors and to urge suppliers and third parties to adopt similar practices.

The management of TITAN, from top management to field level, is actively engaged in the application of the Group Health and Safety Policy. A process of assessing the current situation, proactively planning, setting targets and monitoring progress at all levels has led to significant improvements in the last decade. TITAN aims to join the top quartile of WBCSD/CSI members in terms of Lost Time Injury Frequency Rate.

In 2016 there were in total 29 Lost Time Injuries (LTIs) (2015: 34 LTIs), a 14.7% decrease from 2015. The Lost Time Injuries Frequency Rate (LTIFR) for own personnel decreased to 1.92 LTIs per million hours (2015: 2.00 LTIs per million hours), a 4% improvement over 2015. LTIFR for contractors further improved to 0.73 LTIs per million hours (2015: 1.10 LTIs per million hours), a 33.6% decrease relative to 2015.

The Group regrets that, despite its focus on safety, there has been one third party fatality, in a road accident involving a mixer-truck driven by a contractor in Greece.

Committed to the continuous improvement of the health and safety performance in all its activities, TITAN pursued a variety of Group wide initiatives in 2016.

The decision to adopt in all business units a Group-wide health surveillance system for dust, respirable crystalline silica and noise is an important landmark. Efforts, until recently made independently by individual business units, will be streamlined in 2017 under a new Group guideline.

Spurred by a number of incidents related to the need for isolation of energy sources in previous years, TITAN ran a Group-wide Lock-out Tag-out (LOTO) campaign aiming at raising awareness, while at the same time producing practical, site-specific work instructions. The campaign helped to reduce the number of LOTO related LTIs from 9 in 2015 to 2 in 2016.

Safety training was enhanced by the addition of "*Training for the prevention of serious accidents*", a series of narrative sessions dedicated to the analysis of the series of actions and decisions, which contributed to the occurrence of serious incidents or serious near misses at various TITAN locations over the years. The program, which is addressed at all plant employees, commenced in 2016 and is expected to extend into 2018.

"*Equipment for high level safety*", a compendium of safety equipment covering the entire plant operation, has been completed as planned and distributed to all BUs for application.

In order to guide business units to better prepare themselves before executing any task, existing procedures regarding safety were complemented with a new guideline on written Safe Work Plans. Application of the guideline for selected tasks will commence in 2017.

TITAN constantly strives to mine as much information as possible from LTIs and near misses. To assist the business units with this task, the Group produced and distributed a step-by-step guide to root cause analysis and will proceed with training and application in 2017.

Audits by local, regional and Group safety teams continued in 2016. Special emphasis was placed on driving safety and on civil structures maintenance programs.

In 2016, 1,304 (2015: 1,793) near misses were reported by employees and contractors.

Training on health and safety in 2016 averaged 12.3 hours (2015: 8.6) per employee.

TITAN's efforts to promote health and safety in society at large continued in 2016, with activities addressed especially at students. TITAN cement plants in Greece hosted further safety training sessions for engineering students, continuing the well-established collaboration with the "*Board of European Students of Technology – BEST*". The "*Safety at Home Program*", directed towards students up to junior high school level, continued in 2016, reaching a total of more than 50,000 children. All trainers were TITAN volunteers.

More details on the Company's policies on Occupational Health and Safety are available on its website: http://www.titan-cement.com/en/corporate-social-responsibility/care-for-our-people/occupational-health-and-safety/

People management and development

TITAN recognizes the importance of being a responsible employer and building long-term relationships with employees founded on mutual trust, reliability and shared values. For this reason, TITAN has responded to the key areas identified by the 2015 employee engagement survey, namely leadership and performance management.

To address these two areas, the new leadership platform "*Leading the TITAN Way*", announced in 2015, was launched in 2016. The platform describes the fundamental behaviors that define good leadership within TITAN and helps its people develop their skills accordingly. The rollout and embedding in the everyday operations was a main corporate initiative throughout 2016.

A new Performance Development Process was also designed, incorporating the principles of "*Leading the TITAN Way*". All managers were trained in the implementation of the process.

Creating opportunities for the long-term employment of competent and talented people is good for TITAN as a business, but also contributes to the sustainable development of local communities. Within this context, initiatives benefiting young people, established for many years in TITAN, were further reinforced to strengthen collaborative initiatives with educational institutions and academia.

The conditions of employment provided by TITAN, the level of engagement with its employees and the continuous effort to improve their skills and capacities are the elements that differentiate TITAN in its local markets. In 2016, the overall turnover rate was 14% (2015: 11%) mainly due to reorganization and relocation of local services.

TITAN Group, as an employer, aims to promote life-long learning among its people and enhance the professional skills and competencies they need to meet local and global challenges. For this reason, training hours have increased in TITAN Group by 43%, resulting to an overall number of 158,210 training hours (compared to 110.776 in 2015). Beyond a great emphasis on health and safety and on technical skills, training programs that improve management capabilities reached 15% of the total training hours in 2016.

TITAN's commitment to international standards for diversity and equal opportunities triggered the update of relevant practices regarding recruitment and people development. Particular focus was given to women empowerment in specific markets, where gender equality is not safeguarded by local legislation, in order to provide them with skills to enhance their employability and support self-employment.

Labor rights are a material issue for all employees, regulators and communities. TITAN Group policies aim to ensure the freedom of association of employees. The Group's induction training program raises awareness of this issue. Unions established by employees participate in bilateral meetings with the management on a yearly basis, as well as stakeholder dialogue that addresses important issues within the framework of sustainable development. In cases of operations such as Adocim in Turkey, where there is no local union, TITAN ensures that the national legislation and collective bargaining agreements are implemented.

Union representatives have the right to meet with line management to discuss their concerns, suggest improvements, and negotiate agreements on various issues. Their suggestions on health and safety conditions carry particular weight.

Sustainability of communities

Understanding global issues but taking action at local level in each country of operation is decisive in the implementation of TITAN's business model. TITAN shares know-how, experience and other available resources with local stakeholders in order to contribute to the long-term sustainability and well-being of neighboring communities.

The assessment of material issues at local level underlined the importance of quality education and new skills requested for employment and economic growth. This is a common area of interest among stakeholders due to the high rates of unemployment in some countries, such as Greece, Kosovo and Egypt, while the gap of skills remains an issue in all markets, including the USA. To address this issue, TITAN engaged with the European Pact for Youth, a collaborative effort engaging businesses, social partners, education and training providers, youth organizations, teachers, trainers and academic institutions to promote dialogue and partnerships in support of youth employability and inclusion.

During 2016, a full mapping of all related activities initiated by TITAN was developed identifying examples of best practice that could be further exploited. Indicative examples include the collaboration with academic institutions and students' associations in Greece (such as the "*BEST*"), in Bulgaria with the "*Leaders Academy*", in Egypt with the "*Vocational Educational and Training Center*" of Alexandria and the federation of local business associations. Further details on the Group's memberships and cooperation with stakeholders and peers are available in the related table in section 7 of this Report.

Moreover, through "*REGENERATION*", the innovative program designed by The Global Shapers Community and supported by the World Economic Forum, TITAN offered cumulatively 54 months of training employment to promising graduates. TITAN also contributed with experts in the implementation of "*RELOAD GREECE*", focused on mentoring and training students of top UK universities, in order to initiate the creation of new ventures with a social or economic impact for Greece.

In total, from November 2015, when TITAN engaged with the European Pact for Youth, until September 2016, when the first progress report was completed, more than 400 partnership agreements (most with Universities), were recorded focused on providing opportunities for work-related experience, internships, apprenticeships and training for 730 young people who benefitted from programs implemented in nine countries during the reported period.

Apart from the above Group-wide efforts, a number of other community engagement programs, addressing material issues with high priority at local level were also pursued. One such case is the LAB program in Kosovo (http://www.titan-cement.com/en/corporate-social-responsibility/csr-in-action/?entryID=601&pageNo=1), while another was TITAN's participation in the successful effort to nominate Elefsis, the town where the Group's first plant was built in 1902, as the European Capital of Culture 2021.

In 2016, the Group donated a total of €2,643,704 (2015: 2,674,316[3]) in cash and in kind for community development programs, primarily in the areas of: education, health and safety, the environment, poverty and unemployment.

Governance, transparency and ethics

Good corporate governance is synonymous with ethical business practices, transparency, open communication, accountability and sustainable development. TITAN is committed to follow international standards in reporting annually financial and non-financial performance to stakeholders. Further information is provided in the Corporate Governance Statement Section.

Policies update

Following a review of all Group policies in 2015, a comprehensive Human Rights Policy was issued in 2016, expanding on the Group's Code of Conduct. Additional Group policies issued in 2016 are the revised Anti-bribery and Corruption Policy, the Competition Law Compliance Policy and Guidelines and the Sanctions Policy.

The TITAN "*Principles Day program*", launched in 2015 to emphasize TITAN's Corporate Values and Principles, continued to be rolled out in 2016 with participants from Egypt and Turkey. As an on-going program, it links TITAN's Code of Conduct to its values and Policies, while providing direction on ethical dilemmas, increasing awareness and facilitating dialogue on issues related to business ethics. So far, the program has reached around 40% of the management teams and will be continued across the remaining operations in 2017. Further details on the Group's policies, are available in section 7, "*Non-financial performance review*" according to the UN Global Compact Criteria and related table of Group policies.

Human Rights

Commitment to the rule of law and respect for human rights are fundamental preconditions for sound business and social progress. TITAN has been

[3] Including the US, which was not included in the 2015 Integrated Annual Report

committed to protecting and advancing human rights as defined in the "*Universal Declaration of Human Rights (UNDHR)*" and the "*International Labor Organization (ILO)*" conventions.

The TITAN Group Code of Conduct and the related policy safeguard TITAN's commitments and aim to promote respect for human rights within the areas of TITAN's influence and, in particular, respect for the freedom of association, the value of diversity, equal opportunities and elimination of all forms of discrimination.

The responsibility to regularly examine in each operation the potential risks for human rights abuse is a responsibility of management at all levels and employees are encouraged to report any potential misconduct.

All significant suppliers - either global or local - are expected to understand the significance of human and labor rights and comply with respective laws and international standards. In 2016, Sharr cement plant (TITAN Kosovo) became the second TITAN subsidiary after Antea cement plant (TITAN Albania) to be certified according to SA8000. In addition, the launch of the new Group Human Rights Policy triggered a full review and update of contract agreements in Egypt, an initiative which will be rolled out to other countries by the end of 2017.

All TITAN Group operations have mechanisms for employees to report grievances. In Greece and in the USA, where 59% of TITAN employees are located, anonymous grievance mechanisms are provided in the form of email and telephone hotlines that enable employees to raise concerns in confidence directly to senior management. In 2016, ten cases were reported through the Ethics Point in the US operations, two of them related to misconduct and inappropriate behavior. Nine of them were resolved before the end of the year and one is still under examination. Three cases, all related to human rights and equal opportunities, were recorded and resolved in Greece. During safety audits that are conducted regularly by health and safety internal and external experts, safety conditions and main aspects of human rights concerns, such as working hours, are examined.

Diversity and equal opportunities

Creating a culture of equal opportunities is not only a prerequisite for meeting TITAN's voluntary commitment to the standards defined by the UNGC principles and the UNDHR, but also an important part of implementing its business strategy. Diversity and multicultural development is also recognized as a material issue for key stakeholders at both Group and local level.

The Group Human Rights Policy and the Employee Management Framework ensure equal opportunities and fair treatment regardless of gender, age, ethnicity, nationality, social origin and status, religion or sexual orientation in the recruitment and people development.

Women managers increased by 8% in 2016 resulting in a total of 16% overall throughout the Group, with the highest rates recorded in Serbia (37%), Bulgaria (35%) and F.Y.R. of Macedonia (30%) and the lowest in Egypt (just below 3%). Almost 13% of the new hires were women and in total, the percentage of women employed by TITAN remains stable at 11% of total employment, as in 2015. Wages are aligned in line with the rule of non-discrimination and equal opportunities for all.

Further to the support of diversity, TITAN continued to invest in employee development regardless of age. In 2016, more than 30% of employees trained were over 50 years old. TITAN's employment policy focuses on building long-term relationships with employees, valuing the know-how, skills, competencies and experience that come from an employee's long tenure with TITAN.

Value chain management

TITAN is committed to building strong and lasting relationships with customers and suppliers, founded on trust and mutual benefit. The Group actively seeks out and favors business partners who have been also committed to apply the UNGC principles within their sphere of influence. Supporting local communities in the areas where TITAN plants are located constitutes an integral part of TITAN's corporate philosophy. To this end, we seek to maximize the collaboration with local suppliers and contractors.

As part of its continuing efforts to enhance its competitive position of each of its businesses, TITAN Group has embarked on a Group Procurement Transformation program. The objective is to address both procurement spend, as well as overall business effectiveness, through improved processes, specifications, and quality and risk management. More specifically, the target is to optimize the number of suppliers and establish and maintain long term value-added supplier relationships with an emphasis on "total cost" reduction, transparency and enhancement of the sustainability impact into the supply chain.

The Group's annual spend is about one billion euros. Using a typical categorization, approximately 30-35% of the Group's spend base could be assigned to "Global "categories (e.g. some solid fuels, packaging material, shipping, etc.), 30-35% to "Regional" (e.g. electrical power, certain spare parts, etc.), and 30-35% to "Local" ones (e.g. road transport, alternative fuels, contractors, etc.). In 2016, approximately 4,500 people have been employed by local suppliers to support TITAN operations throughout the year.

Group Purchasing Manual provides a guide for the selection of potential candidates and the recommendation for the preferred bids. The awarding process includes a list of specific criteria, which take into consideration, beyond the standards conditions of health and safety, also additional aspects of environmental legislation, quality, compliance with specifications and reliability, and clauses regarding sustainability and localization.

Transparency

TITAN Group was among the first 500 signatories of the United Nations Global Compact (UNGC) and is also involved in local UNGC networks in Greece, Egypt, F.Y.R. of Macedonia and Serbia. TITAN has been a core member of the Cement Sustainability Initiative (CSI) since its inception. CSI, a unique and collaborative business-led initiative focused on sustainable development, was launched by leading cement companies under the auspices of the World Business Council for Sustainable Development (WBCSD). Since 2004, TITAN is also active through its commitment to CSR Europe, the European business network for corporate social responsibility and its national partner organizations in Albania, Greece, Kosovo and Serbia.

Independent verification of TITAN's voluntary commitments within the framework of UNGC and WBCSD/CSI is a commitment underlining the priority given to build trust with stakeholders, incorporate their feedback and continue to improve sustainability performance. From 2007 to 2015, TITAN invited Det Norske Veritas (DNV) to undertake the responsibility of independent assessment of its non-financial performance. In 2016, the task was assigned to ERM Certification and Verification Services Ltd. (ERM CVS), another global, highly respected, specialized in sustainability Assurance Company.

TITAN Cement Company S.A., the parent company of TITAN Group, was included as a constituent of the FTSE4Good Emerging Index, following an assessment based on social, environmental and governance criteria.

In relation to IFC's investment in TITAN's operations in Egypt, in 2016 the Compliance Advisor Ombudsman (CAO) conducted an investigation of IFC's compliance with its environmental and social performance standards regarding TITAN Group's cement plant in Alexandria. The investigation is ongoing. TITAN is supporting the CAO compliance investigation process and continues working closely with IFC in designing and implementing action plans and initiatives that promote its environmental and social performance in Egypt.

Risks and uncertainties

Principal risks in 2016

In 2016 the Board held in-depth discussions and conducted a robust assessment of the principal strategic, operational and financial risks that the Group faces and which could significantly affect its operations and financial statements.

These risks, outlined below, are closely monitored at business unit and Group level and are managed through policies and systems approved by the Executive Committee.

Risk management is built into the daily activities of TITAN and is an integral part of how TITAN works and operates. As a result, principal risks can be identified from multiple sources.

Accountability and clear division of roles and responsibilities throughout the organization is part of TITAN's risk management. Business units and functions are accountable for identifying and managing risks in line with the Group management policies. In parallel, though the ethics and compliance programs implemented throughout TITAN's operations, 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 business unit and Group level are systematically reviewed, including in terms of compliance with relevant standards of the Group. Whenever weaknesses are identified, corrective measures are taken.

During 2016, the Board regularly monitored Titan's risk management and internal control systems and reviewed their effectiveness.

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

Financial risks

The Group, due to the nature of its business and its geographical positioning, is exposed to financial risks, which are managed by Group Finance and Treasury.

The Group does not engage in speculative transactions or transactions which are not related to its commercial and business activities.

Liquidity risk

In order to manage liquidity risks 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.

As previously mentioned, in June 2016, TITAN Global Finance Plc issued a 5-year bond of a total nominal amount of €300 million with a coupon of 3.50% per annum, guaranteed by TITAN Cement Company S.A. These notes are traded on the Global Exchange Market (GEM), the exchange–regulated market of the Irish Stock Exchange.

Group Treasury oversees Group funding as well as the management of liquid assets.

Interest rate risk

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. Occasionally, interest rate derivatives may be used to minimize the relevant risk and balance the mix of fixed and floating rates of the Group's borrowings.

On 31 December 2016, following the issuance of €300 million notes, by which part of existing fixed rate notes of 8.75% coupon rate were refinanced prior to their maturity, the Group's ratio of fixed to floating interest rates, taking into account outstanding cross currency swaps, stood at 62%/38% (31 December 2015: 43%/57%). As of today, taking into account the effectiveness of the interest rate swaps (from dollar floating loan to dollar fixed loan) as well as the repayment, at their maturity, of the remaining €88 million guaranteed notes of 8.75% coupon rate , the ratio of fixed to floating interest rates stands at 75%/25%.

In 2016, the Group's sensitivity to interest rates was lower than it was in 2015, mainly due to lower floating debt in absolute amount and the sharp devaluation of the Egyptian Pound.

(For further details please refer to Note 33 on Financial Statements)

Foreign currency risk

Group exposure in foreign currency derives from existing or expected cash flows and from acquisitions/investments denominated in currencies other than the euro.

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, create a natural hedge for investments in foreign subsidiaries exposed to FX conversion risk. Nonetheless, part of the financing of Group activities in USA, Egypt and Albania, is in euro and not in the local currencies. For this reason, refinancing in local currencies along with FX hedging transactions is regularly examined.

The Group's net foreign currency transaction risk mainly arises from USD, EGP, RSD, LEK, GBP, BRL and TRY.

(For further details please refer to Note 33 on Financial Statements)

Credit risk

The Group is not exposed to major credit risks relating to customer receivables. Customer receivables primarily derive from a large, widespread customer base. The financial status of customers is constantly monitored at business unit level and, where it is deemed necessary, additional security is requested to cover credit exposure. On 31 December 2016, all outstanding doubtful receivables were adequately covered by relevant provisions.

Credit risk relating to financial institutions' inability to meet their obligations towards the Group, is mitigated by pre-set limits on the degree of exposure to each individual financial institution. On 31 December 2016, 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.

Strategic and operational risks

Geopolitical risk

The Group operates and may seek new opportunities in countries and regions that at times experience political instability and consequent changes to the operating and regulatory environment. These changes may cause risks over the control, normal operation and return on the Group's investments.

The aforementioned risks are managed through ad-hoc measures aiming at maximum protection of TITAN's regional investments.

Climate change and carbon pricing

Changes in legislation and public policies relating to climate change could increase capital expenditure and reduce future revenue and strategic growth opportunities.

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.

(For more details on TITAN's climate mitigation strategy please refer to our website: http://www.titan-cement.com/UserFiles/File/csr/145211_TITAN_Group_Climate_Mitigation_Strategy.pdf.

Risks arising from natural disasters

The Group operates in countries and regions such as Greece, Egypt, Turkey and Florida in the USA which are exposed to natural hazards (climate and geological) such as typhoons, sandstorms, earthquakes, etc.

Among the measures adopted by the Group to mitigate the disastrous effects of these phenomena, is the adoption of stricter designing standards for the Group's plants than the ones stipulated in the relevant legislation. In addition, the Group has in place emergency plans to safeguard its industrial infrastructure and protect the lives of the Company's employees.

Health and safety

Ensuring health and safety and preventing accidents at work is a priority for TITAN. The effort to improve safety across the Group is continuous and includes among other measures the recruitment of an adequate number of safety engineers in 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. As a result, there was a further reduction in lost time incidents in 2016.

Among other preventive measures, production and construction sites are regularly audited by the Group's safety specialists. (For more details on Health and Safety please refer to our website: http://www.titan-cement.com/en/corporate-social-responsibility/care-for-our-people/occupational-health-and-safety/.

Environmental impact risk

With a view to continuous improvement of the environmental impact of its operations, TITAN applies in all its plants environmental 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.

(For more details on the Group's environmental management please refer to our website: http://www.titan-cement.com/UserFiles/File/csr/144931_Group_Environmental_policy.pdf)

Production cost risk

Thermal energy, electricity and raw materials constitute the most important elements of the Group's cost base. The fluctuation in the price of fossil fuels poses a risk which affects production cost. In order to reduce costs and also curtail its environmental footprint, the Group is investing in low energy-requirement equipment and in the use of alternative fuels.

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 lessen 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, such as natural waste.

Corruption risk

According to the Corruption Perceptions Index issued by Transparency International, the risk of corruption in a number of countries where the Group operates is increasing.

This index and the relevant reports per country are monitored systematically by both the local management and the Sustainability Committee at Group level, so that appropriate policies are designed and all necessary measures are taken to effectively address the relevant risk.

The explicit provisions that have been included in the Group Code of Conduct, the adoption and implementation in 2016 of a specific Anti- Bribery and Corruption Policy, the systematic training of employees, the operation of hotlines for the reporting of corruption cases and the internal auditing of operations, are among the policies implemented to effectively address these risks.

Corporate Governance Statement

This Corporate Governance Statement constitutes a special part of the Board of Directors' Annual Report pursuant to the provisions of article 43bb of Law 2190/20 as it is now in force.

TITAN Cement Company S.A. (the Company), by virtue of its Board of Directors' resolution dated 16 December 2010, has voluntarily adopted the UK Corporate Governance Code (the Code). A copy of the Code (September 2014 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 2016 with the provisions of the Code except in the cases listed below under the paragraph: "Deviations from the Corporate Governance Code"; for any deviation from a particular provision an explanation is included.

The Company, in addition to the provisions of the Code, has complied throughout 2016 with all relevant provisions of the Greek law (namely, Law 2190/1920 as it is now in force and Law 3016/2002).

Deviations from the Corporate Governance Code

1. Board evaluation by external facilitator (Provision B.6.2 of the Code)

The Board of Directors, to date, has not assigned the evaluation of its performance to external consultants, because it holds the view that the existing procedure for the evaluation of the Board's performance by its members, including the self-assessment of each member's individual performance, has proven to be both effective and efficient. More specifically, the Board of Directors believes that the anonymous self-assessment process allows its members to answer openly and identify without any reservations the weaknesses and malfunctions that they see and to suggest the adoption of measures for the improvement of the performance of the Board of Directors and that of its members. Despite the aforesaid, the Board of Directors has decided, starting from the term in office of the current Board, to appoint once every three years an external consultant to conduct an evaluation of its performance. Given that the Board of Directors was elected in June 2016 and as a result three new directors have very recently joined the Board, the Board decided to use an external facilitator either for the year 2017 or for the year 2018.

2. Performance-related remuneration schemes for executive directors do not include provisions that would enable the Company to recover bonuses paid or withhold the payment of any bonus. Furthermore, share option plans do not include a requirement on executive directors to hold shares for a period after leaving the Company (Provision D.1.1 of the Code).

The Company's view is this is not necessary, as it pays such sums following the assessment of each executive director's individual performance and such sums cannot exceed the fixed upper limits set in relation to their annual salary.

Moreover, the Company's stock option plans including the current one (Plan 2014) require directors and senior officers of the Company to hold a significant number of shares based on their hierarchical level, for as long as they remain in the Company; if they are in breach of this term, they receive a smaller amount of option rights in the next grant period.

The Plan 2014 does not include a requirement for executive directors to hold shares for a period after leaving the Company. This has not been deemed relevant given that four out of seven executive directors are core shareholders in the Company, whilst the other executive directors have a long service as senior officers in the Group. It should also be noted that all relevant plans adopted by the Company grant such rights sparingly and under serious consideration and they include a long maturity period and further strict requirements in relation to their maturity and exercise.

Composition and modus operandi of the Board and of other bodies and committees

Board of Directors

Resumes of the BOARD OF DIRECTORS

EFSTRATIOS - GEORGIOS ARAPOGLOU

CHAIRMAN

Non-executive Director since 17 June 2016

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

Member of the Nominations and Corporate Governance Committee

Mr. 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 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 is Chairman and non-executive member of the Board of Directors of Tsakos Energy Navigation (TEN) LIMITED, a company listed on the New York Stock Exchange, non-executive director of EFG Hermes Holding SAE, listed on the stock exchanges of Cairo and London, and 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. His age is 66 and his nationality Greek.

NELLOS CANELLOPOULOS

VICE CHAIRMAN

Executive Director since 24 June 1992

Mr. Canellopoulos held the position of External Relations Director of TITAN Group from 1996 until May 2016.

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

Mr. Canellopoulos is Chairman of the Board of Directors of the Paul and Alexandra Canellopoulos Foundation and member of the Board of Directors of the Hellenic Cement Industry Association. His age is 53 and his nationality Greek.

DIMITRI PAPALEXOPOULOS

CHIEF EXECUTIVE OFFICER

Executive Director since 24June 1992

Chief Executive Officer since 1996

Mr. Papalexopoulos started his career as a business consultant of McKinsey & Company Inc. in USA and Germany. Subsequently, he joined TITAN in 1989.

He is Vice-Chairman of the Board of Directors of the Hellenic Federation of Enterprises (SEV) and of the SEV Committee for Sustainable Development (SEV VIAN) and member of the Board of Directors of the Foundation for Economic and Industrial Research (IOBE), the Hellenic Foundation for European and Foreign Policy (ELIAMEP) and of the European Round Table for Industrialists (ERT).

He studied Electrical Engineering (Dip. EL-Ing. ETH, 1985) at the Swiss Federal Institute of Technology Zurich (FTH) and Business Administration (MBA 1987) at Harvard University. His age is 55 and his nationality Greek.

MICHAEL COLAKIDES

Executive Director- TITAN Group CFO

Executive Director since 12 January 2016

Mr. Colakides is TITAN Group CFO and Senior Strategic Advisor since 2014.

He 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 served as 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 Board 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 has a B.Sc. degree in Economics from the London School of Economics and an MBA from the London Business School. His age is 63 and his nationality Cypriot.

DOROS CONSTANTINOU

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

Senior Independent Director

Chairman of the Audit Committee

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

He was appointed Managing Director of Coca-Cola Hellenic Group (2003-2011) and of Frigoglass S.A.I.C. (2001-2003).

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

He studied economics in the University of Piraeus, from which he graduated in 1974, specializing in Business Administration. His age is 67 and his nationality Cypriot.

HIRO ATHANASSIOU

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

Chairman of the Remuneration Committee

Member of the Nominations and Corporate Governance Committee

Mrs. Athanassiou is Chairman and Managing Director of Unilever in Greece and Cyprus since 1 December 2013. She is the first woman to lead the company, since its establishment, after a 28-year successful career in Marketing, Sales and Exports, both in Greece and abroad.

She is an independent non-executive director on the Board of Directors of Piraeus Bank, director on the Board of the Foundation for Economic and Industrial Research (IOBE), director on the Board of the Association of Greek Commercial Food Companies (SEET), director on the Board of the Hellenic-Dutch Association (HEDA), member of the Board of the Hellenic Management Association (EEDE), and member of the Hellenic Institute of Marketing (EIM), the Women's Organization of Managers and Entrepreneurs (TOGME), the Leadership Sector (THGE), and the Association of Chief Executive Officers (EASE).

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. Her age is 57 and her nationality Greek.

TAKIS-PANAGIOTIS CANELLOPOULOS

Executive Director since 10 May 2007

Mr. Canellopoulos was Investor Relations Director of TITAN Group from 2001 until May 2016

From 1995 to 2001, he was a senior officer in the Finance Department of TITAN Group. He had worked previously as a financial analyst in AIG and the Financing Division of EFG Eurobank.

He is member of the Board of Directors of Canellopoulos Adamantiadis Insurance Co. (AIG Hellas) and Grivalia Properties REIC and member 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.

His age is 49 and his nationality Greek.

ALEXANDER MACRIDIS

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

Member of the Remuneration Committee

Mr. Macridis is Chairman and managing Director of Chryssafidis S.A., a construction materials distribution company founded in 1882 and operating in the Balkans and Africa.

He is a member of the Board of Aegean Airlines, IOBE, The American College of Greece and Alba. He is currently the Treasurer 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. His age is 55 and his nationality Greek.

DOMNA MIRASYESI-BERNITSA

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

Chairman of the Nominations and Corporate Governance Committee

Mrs. 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 is also a member of the Board of Directors of St. Catherine's British School.

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. Her age is 57 and her nationality Greek.

IOANNA PAPADOPOULOU

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

Member of the Audit Committee.

Mrs. Papadopoulou is Chairman and Managing Director of E.J. Papadopoulos S.A., Biscuit & Food Products Manufacturing Company, which was founded in 1922. She also holds the position of Chairman and Managing Director of Greek Food Products S.A. and IKE Akinita S.A.

She has studied Food Chemistry in England. Her age is 65 and her nationality Greek.

ALEXANDRA PAPALEXOPOULOU – BENOPOULOU

Executive Director since 23 May 1995

Strategic Planning Director of TITAN Group since 1997

From 1992 to 1997 she worked as a senior officer in the Group Exports Division. Previously, she had 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 the National Bank of Greece (from 2010 until July 2015), of Frigoglass (from 2003 until February 2015) and of Emporiki Bank (from 2007 until 2009).

Mrs. Papalexopoulou-Benopoulou is serving as member of the Board of Directors in Coca-Cola HSC AG, the Paul and Alexandra Canellopoulos Foundation and ALBA Graduate Business School and as trustee in The American College of Greece.

She has studied Economics at the Swarthmore College, USA, and Business Administration (MBA) at INSEAD, Fontainebleau, France. Her age is 51 and her nationality Greek.

PLUTARCHOS SAKELLARIS

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

Member of the Audit Committee.

Mr. Sakellaris is a Professor of Economics and Finance at the 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 has graduated from Brandels University, in USA (BA) in Economics and Computer Science. He also holds a PhD in Economics from Yale University. His age is 53 and his nationality Greek.

PETROS SABATACAKIS

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

Member of the Remuneration Committee.

Mr. Sabatacakis is member of the Board of Directors of National Bank of Greece since 2010. He was Chief Risk Manager for Citigroup Inc. (1999-2004) and member of the Management Committee and Director of Citicorp and Citibank, N.A. From 1992 to 1997, he was in charge of the financial services subsidiaries of the American International Group, its treasury operations, as well as the market and credit risk activities. He was a member of the executive committee and partner of C.V. STARR. He has also worked at Chemical Bank (now 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 Chairman 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. His age is 71 and his nationality Greek.

EFTHYMIOS VIDALIS

Executive Director since 15 June 2011

Group's consultant on matters of Strategy and Sustainable Development

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

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

He is a member of the Board of Directors of ALPHA BANK and of Future Pipe Industries in Dubai.

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

He has studied Political Sciences (BA) and Business Administration (MBA) at Harvard University. His age is 63 and his nationality is Greek.

BILL ZARKALIS

Executive Director since 14 June 2013

Head of TITAN Group's US Region

Mr. 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). His age is 56 and his nationality Greek.

The Board of Directors' role and competences

The Board of Directors is the Company's supreme administrative body, which is responsible to shareholders for the strategic direction and performance of the Company. The Board of Directors' 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 that may arise for 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 financial statements to be submitted to the General Meeting; the approval of the annual budget; increases in the Company's share capital where required by law or the Company's Articles of Association; the approval of issuing corporate bonds, a power exercisable concurrently with the power of the General Meeting and subject to the provisions of Articles 8 and 9 of Law 3156/2003; convening the General Meeting of Shareholders; making recommendations on 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 internal auditors and appointing the Company's legal representatives and special representatives and agents; and recommending to the General Meeting the approval of stock options schemes for executive directors and senior Group employees.

Based on the Company's Articles of Association, the Board of Directors may delegate part of its powers to the Executive Committee, whose scope of tasks and responsibilities are stated herein below, as well as to Company representatives, who are empowered to represent the Company always acting jointly by two. No individual has unfettered powers of decision or representation of the Company.

The Company maintains directors' and officers' liability insurance cover for all Board directors and Company officers. The cover also extends to directors of subsidiary companies.

Composition of the Board of Directors

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

The majority of the directors, namely eight out of 15 are non-executive directors and seven of them are independent. Seven directors are executive directors.

The duties of the Chairman of the Board and those of the Managing Director are exercised by different individuals, and the division of their responsibilities is clearly established and expressly set out in the Company's Articles of Association and the Company's Internal Regulation.

Independent non-executive directors

The Independent non-executive directors were elected as independent directors by the Annual General Meeting dated 17 December 2016, following relevant nomination by the Nomination and Corporate Governance Committee and subsequently by the Board.

The independent non-executive directors meet all the independence requirements stipulated in 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 non-executive directors must not hold a larger than 0.1% stake in the share capital of the Company.

In total, the independence criteria followed by the Company are stated below. They can also be found on the Company's website http://www.titan-cement.comhttp://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, an independent non-executive director of the Company:

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

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

3. Is not and has not been Chairman or Chief Executive Officer (CEO) or executive director or

officer or employee in the Company or the Group in the last five years.

4. Does not have and had not in the last three years any material business or employment relationship, directly or indirectly, with the Company.

5. Does not have and had not received any additional remuneration from the Company apart from the director's fee for participating in Company board.

6. Does not have close family ties with any of the Company's advisers, directors or senior employees.

7. Is not executive director in a company, in which executive directors of the Company serve as independent non-executive directors and does not have significant ties with other directors through involvement in other companies or bodies.

8. Does not represent a significant shareholder.

9. Has not served on the board of the Company for more than nine years from the date of first election.

The independent, non-executive directors of the Board do not have executive or managerial duties, however they contribute to the Board and its Committees by: participating in the determination of the Company's strategy; monitoring the suitability and effectiveness of the management, the internal audit and the risk management systems; determining the remuneration of the executive directors of the Board; participating in the selection process of suitable new candidates for the Board; and ensuring the existence of a succession plan.

Independent non-executive directors meet, as stated in the Code, 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.

Such meetings with the non-executive directors were actually held on 16 December 2016 and were led by the Senior Independent Director and the Chairman.

Non-executive directors – Executive directors

As already mentioned, the majority of the Board of Directors, namely eight members out of fifteen, consists of non-executive directors.

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 and Mr. Petros Sabatacakis.

Although the non-executive directors do not have executive or managerial duties, they contribute to the Board and its Committees by: participating in the determination of the Company's strategy; monitoring the suitability and effectiveness of the management, the internal audit and the risk management systems through their participation in the Audit Committee; determining the remuneration of the executive directors of the Board through their participation in the Remuneration Committee; participating in the selection process of suitable new candidates for the Board, in the existence of a succession plan and in the promotion of corporate governance through their participation in the Nomination and Corporate Governance Committee.

The Board of Directors, in accordance with provision B.1.1 of the Code, considers the following seven out of a total of eight non-executive directors as independent directors: Mrs. Hiro Athanassiou, Mr. Doros Constantinou, Mr. Alexander Macridis, Mrs. Domna Mirasyesi-Bernitsa, Mrs. Ioanna Papadopoulou, Mr. Plutarchos Sakellaris and Mr. Petros Sabatacakis.

The Chairman Mr. Efstratios- Georgios Arapoglou (non-executive director), met on appointment the independence criteria set out in provision B.1.1. of the Code.

The seven (7) executive directors in the Board are: Mr. Efthimios Vidalis, Mr. Michael Colakides, Mr. Bill Zarkalis, Mr. Nellos Canellopoulos, Mr. Takis-Panagiotis Canellopoulos, Mr. Dimitri Papalexopoulos and Mrs. Alexandra Papalexopoulou-Benopoulou.

Six out of a total of seven executive directors, including the managing director, come from the shareholding core or senior management and provide their services pursuant to employment agreements with the Company.

The Board of Directors, in accordance with provision E.1.2.of the Code, states that all members of the Board including the non-executive directors, have developed an understanding of the views of the major shareholders and of all investors in general through detailed presentations to the Board made by Messrs. Takis–Panagiotis Canellopoulos who has served for a number of years as Investor Relations Director and Mr. Michael Colakides, Group CFO, and in their capacities have regularly met with institutional investors and have participated in various roadshows representing the Company.

Chairman

Mr. Efstratios-Georgios Arapoglou 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, the UK, Egypt, Turkey and Greece.

The Chairman met on appointment the independence criteria set out in provision B.1.1. of the Code.

The Chairman's main task is to ensure the efficient operation of the Board, to facilitate a constructive collaboration between the Board directors and to ensure that decisions taken by the Board reflect the principles and values adopted by the Company. The Chairman also ensures that a satisfactory dialogue with shareholders takes place and that all directors are made aware of the Company's major shareholders' issues and concerns.

The Chairman directs the Board meetings and is responsible for setting the Board's agenda, arranging for the agenda, supporting documents and other necessary information to be sent to directors in good time before the meeting, ensuring that non-executive directors are kept fully updated so that they can effectively perform their monitoring and decision-making role, and facilitating effective communication with shareholders.

Mr. Arapoglou is also a member of the Nomination and Corporate Governance Committee.

Vice-Chairman

By virtue of the resolution of the Board of Directors dated 17 June 2016, Mr. Nellos Canellopoulos, executive director, was appointed as Vice-Chairman of the Board of Directors.

Mr. Canellopoulos comes from the shareholding core and has also served for almost twenty years as Head of Group External Relations.

Senior independent director

The Board has appointed Mr. Doros Constantinou, who had already served on the board (2013-2016) as independent director and chairs the Audit Committee, as Senior Independent Director pursuant to provision A.4.1 of the Code. 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 Board of Directors has appointed the Company's in-house counsel, Mrs. Eleni Papapanou, as the Company Secretary, who provides governance, advisory and legal support to all Board directors. The Company Secretary acts as secretary to the Board and its committees and ensures compliance with corporate governance requirements. The Company Secretary, when acting in such capacity, reports to the Board of Directors and, in hierarchical terms, does not report to any other department of the Company.

Board of Directors meetings

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

The schedule of the Board meetings is confirmed during the last months of the previous year, in order to ensure the highest possible attendance by the directors.

Decisions are taken by the Board when more than half of the directors are either present or represented at the meeting and there is an absolute majority of the directors present or represented approving the decision. In any event, there must be at least three directors physically present at the meeting.

Directors who are absent or unable to attend the meeting for any reason are entitled to appoint as proxy another director to vote in their name and on their behalf.

Each director can be appointed as proxy only for one director and vote in respect of her/him.

Independent members of the Board of Directors can only be represented by other independent members.

Senior officers of the Company or the Group are allowed to attend meetings of the Board of Directors without voting rights, following an invitation by the Chairman, when issues within their remit are being discussed.

The agenda for the meeting of the Board is prepared by the Chairman and is sent to directors in good time ahead of the meeting, along with any necessary information about the topics to be discussed and the decisions to be taken by the directors.

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

Nomination of board candidates

The Nominations and Corporate Governance Committee is responsible for leading the process for the selection of Board candidates and 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, recommends the role and capabilities required for a particular candidate nomination. It also considers the need for progressive refreshing of the Board.

The Committee ensures that the non-executive candidates will have sufficient time to fulfill their duties. The letter of their appointment as candidates sets out their expected time commitment.

The candidates are carefully selected among a pool of candidates, on the basis of their skills, experience, knowledge, independence, time availability and character and the value they are reasonably expected to bring to the Board. For the selection of the most suitable candidates, the Committee is entitled, if it deems it necessary, to use the services of external search consultants or open advertising. However, to date the Committee has proceeded on its own for the selection of appropriate candidates.

The Board applies on the nomination of candidates and its composition the following rules:

A. The maximum number of directors on the Board is fifteen (15);

B. At least ½ of the directors, without counting the Chairman, must meet the independence criteria laid down in the Greek laws and the Code. In addition, they must not hold, directly or indirectly, a stake larger than 0.1% in the Company's share capital;

C. An independent director may not serve for more than nine years in total;

D. Should the Chairman meet on appointment the independence criteria of the Code, the Vice Chairman may be elected among the executive directors. Should the Chairman not meet on appointment the independence criteria of the Code, there should be at least one Vice Chairman elected among the independent non-executive directors.

E. Non-executive directors should undertake that they will have sufficient time to fulfill their duties.

Board diversity

TITAN recognizes the importance of promoting 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 age, educational and professional background, place of domicile, 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 (see also page 27 under Nominations and Corporate Governance Committee). As a result, during 2016 the number of women in the Board was doubled from 2 to 4 and one out of the three members of each Board committee is a woman. Diversity at 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. During its annual evaluation the Board considers diversity as part of its performance and effectiveness review.

Obligations of Board 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 satisfactorily discharge their duties. To that 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 as well as of any subsequent changes.

The executive directors, who offer their services to the Company on the basis of an employment relationship or a contract for the provision of services, are not allowed to serve on the Board of more than two other listed companies.

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

Conflicts of interests

All directors must immediately disclose to the Board whether they have any personal interest that conflicts, or it is possible to conflict, with the interests of the Company or its affiliates in relation to a transaction or arrangement with the Company or its affiliates. Given their access to privileged information, they must not use such information to directly or indirectly purchase or sell shares in the Company or its affiliates, which are traded on a regulated market, for their own benefit or for members of their family. They must also not disclose that information to other persons or induce third parties to purchase or sell shares in the Company or its 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 on the Boards, or as officers or employees of business entities that are competitors to the Company or the Group's companies, 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 objectives, without the approval of the General Meeting of Shareholders. In the event that they acquire any such status, they need to inform immediately the Chairman of the Board of Directors and resign from the Company's Board of 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, to which the Chairman, a non- executive director, is a member.

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 Board member

Members:

- Plutarchos Sakellaris, independent, non-executive Board member
- Ioanna Papadopoulou, independent, non-executive Board member

Alternate members:

- Alexander Macridis, independent, non-executive Board member
- Petros Sabatacakis, independent, non-executive Board member

The Audit Committee consists exclusively of independent members of the Board of Directors who have extensive management, accounting and auditing knowledge and experience. The ordinary and alternate members were elected by the General Meeting of Shareholders on 17 June 2016.

The Committee's extensive auditing powers include monitoring the financial reporting process, monitoring the effectiveness of the internal control, internal audit and risk management systems, monitoring the statutory audit of the annual Company and consolidated accounts and reviewing and monitoring the independence of the statutory auditor, and in particular the provision of additional services to the Company. The Committee is also responsible to monitor and review the implementation of the confidential reporting procedure; this procedure involves employees reporting any infringement of the Company's Corporate Values or the Company's Code of Conduct to management via the "direct telephone line of communication" (Hotline) which is in operation.

The Audit Committee's duties and competences and its internal regulation have been posted to the Company's website (http://www.titan-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 per year. It also holds unscheduled meetings whenever this is considered necessary.

In 2016, the Audit Committee held five meetings on 8 March, 10 May, 26 July, 31 October and 1 December 2016.

During 2016, the Audit Committee also held two separate meetings (8 March and 26 July 2016) with the external auditors without any executive directors or other Company employees present. During the aforesaid meetings, the Audit Committee confirmed the effectiveness of the audit process applied by the external auditors and confirmed their objectivity and independence.

Consequently, the Audit Committee recommended the re-appointment for a second consecutive year of PwC as external auditors for the financial year 2016. The Board unanimously agreed with the Audit Committee's recommendation and the reappointment of PWC as external auditors for the financial year 2016 was approved by the Annual General Meeting on 17 June 2016. The remuneration of the external auditors for the financial year 2016, following relevant recommendation by the Audit Committee and the Board, was set by the Annual General Meeting as follows:

- For the statutory audit of the Company's financial statements, up to the amount of €105,000 plus VAT;

- For the statutory audit of consolidated financial statements, up to the amount of €105,000, plus VAT; and

- For the tax audit of the Company, up to the amount of €70,000 plus VAT.

During 2016, PwC also undertook the statutory audit of 45 subsidiaries of TITAN Group established both in Greece and worldwide.

The total cost for the statutory audit of the Company and the above 45 subsidiaries and the statutory tax audit of the Company and its subsidiaries in Greece for the year 2016, under the exchange rates prevailing at the time of agreement, is estimated to amount to €1,196,000 compared to €1,220,000 paid in 2015.

Following prior approval by the Audit Committee, PwC provided, in 2016, additional audit related services, of a total amount of €61,000 (for bond assurance as well as due to increased scope following the acquisitions in Brazil and Turkey) as well as non audit related services, of a total amount of €82,350, representing in total 11.98% of PwC's total fees for conducting the statutory audit for the Company and the Group's subsidiaries worldwide. The additional non audit related services involved tax and accounting services provided to the Company and its subsidiaries for their needs in the financial year 2016. For the financial year 2015, the total amount of fees paid to PwC for their additional auditing and consulting services was 156,505 euros.

The Audit Committee decided that the objectivity and independence of the external auditors for the 2016 audit has been fully safeguarded. The independence of the external auditors has been also confirmed in writing by the external auditors themselves in a letter addressed to the Audit Committee.

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 virtue of a Board decision dated 17 June 2016.

The Committee's task 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 one meeting on 6 May 2016. The main subject of the meeting was to make a recommendation regarding the total remuneration (annual salary, bonus, stock grant and retirement fund contributions) during 2016 of the Chief Executive Director and the other executive members of the Board as well as of the senior Group officers including the Group Internal Audit Director.

The Remuneration Committee also made a recommendation on the level of retirement compensation of the previous Chairman, Mr. Andreas Canellopoulos, who completed his term in office in June 2016. The level of his retirement compensation was recommended in accordance with the Remuneration Policy of the Company and on the basis of his years of service in the Company.

The Remuneration Committee also recommended the level of the annual remuneration of the new Chairman of the Board and of the other non-executive directors for the year 2016, on the basis of their performance, the time commitment and the responsibilities of their role.

The above recommendations of the Remuneration Committee were subsequently approved by the Board. The recommendations of the Remuneration Committee on the level of remuneration of the Board members (executive and non-executive directors) for their participation in the Board and the Board committees in 2016 was subsequently submitted for pre-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/

Nominations 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 Nominations 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 virtue of the Board of Directors' decision dated 17 June 2016.

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

The main tasks of this Committee is to search and recommend suitable Board candidates, to ensure that plans are in place for orderly succession for appointments to the Board and to senior management, to evaluate the balance of skills, experience, independence and knowledge on the Board and to ensure its progressive and appropriate refreshing.

In view of the end of the three-year term of the Board and the election of a new Board by the 2016 Annual General Meeting for a new three year term, during 2016 the Committee successfully led a formal, rigorous and transparent process for the selection and nomination of three new independent directors to replace an equal number of directors who would not be nominated for a new term (two of whom due to completion of nine years of service on the board and one, the ex-Chairman, due to retirement after 45 years of service on the Board and 20 as Chairman).

The Committee, after evaluating the balance of skills, experience, independence and knowledge on the board, prepared a description of the role and capabilities required for the three new directors. In brief, all three new directors should meet the independence criteria in accordance with the Code, the Greek legislation and the Company (see above in page 22 under Independent non-executive

directors). They should also have distinguished careers, business experience and a global perspective and they should be able to allocate sufficient time to the Company in order to discharge their responsibilities effectively.

The search for suitable candidates was conducted on merit, against objective criteria. Given the importance of diversity, the Committee recommended the increase of the number of women on Board from two to four and as a result two of the three new members were women. The Committee was satisfied that diversity on the Board was also promoted through the different educational and professional backgrounds of the directors and also through the participation in the Board of two directors with permanent domicile in the U.S. Finally, given the geographical presence of TITAN, the Board has set the goal to pursue, at the next Board election, the participation of more non-Greek directors on the Board.

The Committee was also actively involved in the nomination of the new non-executive Chairman, Mr. Arapoglou, who undertook responsibility for leadership of the Board in June 2016. Mr. Arapoglou was already serving as Vice Chairman and Senior Independent Director and, for this reason, the Committee had adequate evidence of his commitment and availability. His global perspective and sound business judgment provided a solid foundation for his nomination by the Committee.

In 2016, in addition to the various meetings with the candidates, the Committee held two meetings, on 22 February and 7 March, with the following agenda:

a. Performance evaluation of the Board and its Committees in 2015 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 2015;
c. Completion of the search and selection process of new board candidates and nomination of three new directors; and
d. Review of the existing plans for the orderly succession of the Chairman, the Managing Director and the senior officers of the Company.

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/

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, Chief Executive Officer

Members: Michael Colakides, Executive Director, Group Chief Financial Officer

Bill Zarkalis, executive director, Head of U.S. Region

Alexandra Papalexopoulou-Benopoulou, executive director, Strategic Planning Director

Sokratis Baltzis, Head of Egypt region and Group Trading

Konstantinos Derdemezis, Head of Serbia, F.Y.R. of Macedonia, Albania and Kosovo Region

John Kollas, Head of TITAN Group Human Resources

Christos Panagopoulos, Head of Turkey and Bulgaria Region

Yanni Paniaras, Group Corporate Affairs Executive Director, Head of Greek Region,

Fokion Tasoulas, Head of TITAN Group Technology and Engineering

The day-to-day management 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 Company'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 Board Director

Takis-Panagiotis Canellopoulos, Executive Board Director

Efthymios Vidalis, Executive Board Director

Fokion Tasoulas, Group Engineering &Technology & Director

John Kollas, Group Human Resources Director

Convener: Yanni Paniaras, Group Corporate Affairs Executive Director, Head of Greek Region

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

MEMBERS: Nellos Canellopoulos, Vice Chairman, Executive Board director

Takis-Panagiotis Canellopoulos, Executive Board Director

Efthymios Vidalis, Executive Board Director

Michael Sigalas, ex Executive Board 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 managing Director (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/

Attendances of directors in board and committee meetings and in general meetings during year 2016

In 2016, the Company's Board of Directors held six (6) scheduled meetings on 10 March, 12 May, 17 June, 28 July, 2 November and 16 December and five unscheduled meetings on 12 January, 2 February, 22 February, 6 June and 7 July). Below is a table showing which members attended these meetings of the Board of Directors and its Committees, as well as the AGM during 2016:

	Board	Committees	AGM
ANDREAS CANELLOPOULOS	6/6	2/2	1/1
EFSTRATIOS-GEORGIOS ARAPOGLOU	10/11	1/1	1/1
NELLOS CANELLOPOULOS	11/11		1/1
DIMITRI PAPALEXOPOULOS	11/11		1/1
MICHAEL COLAKIDES	10/10		1/1
DOROS CONSTANTINOU	10/11	5/5	1/1
HIRO ATHANASIOU	4/5		
TAKIS-PANAGIOTIS CANELLOPOULOS	11/11		1/1
VASSILIOS FOURLIS	5/6	2/2	
ALEXANDER MACRIDIS	5/5		
DOMNA MIRASYESI-BERNITSA	11/11	2/2	1/1
IOANNA PAPADOPOULOU	3/5	3/3	
ALEXANDRA PAPALEXOPOULOU-BENOPOULOU	11/11	2/2	1/1
PLOUTARCHOS SAKELLARIS	9/11	5/5	1/1
PETROS SABATACAKIS	6/11	1/1	
EFTYCHIOS VASILAKIS	5/6	3/3	
EFTHYMIOS VIDALIS	11/11	1/1	
BILL ZARKALIS	9/11		

Annual evaluation of Board performance

The Board undertook in 2016 an annual self-evaluation of its performance and that of its committees and individual directors by filling out a special, detailed questionnaire which had been prepared by the Company Secretary. The questionnaire was divided into eight units under the titles Leadership, Composition-Effectiveness, Operation of Board-Information and Support, Financial and Business Reporting – Relations with Shareholders, Remuneration, Performance of Board Committees, Directors' Attendance at the Board and committee meetings and the Shareholders Meetings and Directors' Individual Performance evaluation. Each member's contribution to the Board was evaluated with a score, ranging from one to four, corresponding to poor, average, very good and excellent contribution.

The questionnaires were filled out anonymously and sent to the Company Secretary.

Remuneration of Board members for their participation in the Board and its committees in 2016

The Annual General Meeting of 17June 2016, following the same recommendation of the Board and the Remuneration Committee decided, in accordance with article 24 section 2 of Law 2190/1920, the increase by 25% of the annual remuneration paid to Board directors during 2016, given that there was no increase during the last two years (2014 and 2015) and that the level of the remuneration was low compared with the peer companies.

More specifically, the AGM decided the payment of a total gross amount of €580,000 (€464,000 in 2015) as follows:

- gross amount of €450,000 as remuneration for participation on the Board, i.e. gross amount of €30,000 for each director;

- gross amount of €65,000 for the 3 members of the Audit Committee, i.e. gross amount of €25,000 for the Chairman and gross amount of €20,000 for each member;

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

- gross Amount of €32,500 for the 3 members of the Nomination and Corporate Governance Committee, i.e. gross amount of €12,500 for the Chairman and gross amount of €10,000 for each member.

The AGM of 17 June 2016 also preapproved, following relevant Board recommendation, in accordance with article 24 section 2 of Law 2190/1920:

-the payment of additional annual remuneration of a gross amount of €168,000 plus stamp tax to the new non-executive Chairman Mr. Arapoglou (i.e. €84,000 plus stamp tax gross for the semester June 2016-December 2016) and

-the payment of additional remuneration of a gross amount of €135,000 plus stamp duty to the executive director Mr. Vidalis, who does not provide his services under an employment contract with the Company, as a result of his increased duties mainly in the areas of sustainable development and strategy.

Pursuant to article 24 section 2 of Law 2190/1920, all aforementioned payments will be submitted for final approval to the Annual General Meeting for the financial year 2016 which will be held within the first semester of 2017.

Remuneration of executive directors during 2016

In 2016, the salaries and all kinds of gross remuneration paid to 6 executive directors who provided their services on the basis of employment contracts amounted to the gross amount of €3,987,357 (€3,422,000 in 2015).

In 2016, the additional amount of €918,478 (€520,000 in 2015) was paid for the retirement plans of the six above executive directors.

In 2016, the gross remuneration paid to the ex-Chairman, Mr A. Canellopoulos, who was a non-executive director, was €151,220. Mr Canellopoulos also received a retirement compensation of a gross amount of €336,000.

The executive directors who were released to serve as non-executive directors in other companies and to retain their relevant earnings, received in 2016 remuneration as follows:

Mrs. Alexandra Papalexopoulou-Benopoulou, gross remuneration of €83,500 for serving on the board of Coca-Cola HBC AG;

Mr. Takis-Panagiotis Canellopoulos, gross remuneration of €10,000 for serving on the board of "Grivalia Properties REIC"; and

Mr. Efthimios Vidalis, gross remuneration of €46,000 for serving on the board of Alpha Bank.

Mr. Michael Colakides, gross remuneration of €17,500 for serving on the board of Eurobank Cyprus LTD.

Remuneration policy for executive directors and senior officers

The levels of remuneration of the executive directors and senior officers are decided by the Board following 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 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. 120% 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 Chief Executive Officer and the assessment of the performance of the Managing Director is carried out by the Board of Directors.

The executive directors do not participate in discussions relating to the determination of their individual remuneration.

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 members of the Board of Directors and senior officers of the Company and Group

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 and 2014 Plans) have been approved by the General Meeting of Shareholders, had a three-year maturity period and their beneficiaries were executive directors and senior Group officers. Non-executive directors were not eligible to participate in these plans.

Under the 2000 Plan, 48 beneficiaries exercised their stock option rights and purchased 119,200 ordinary shares at a sale price of €29.35 per share, as well as 451,900 ordinary shares at a sale price of €14.68 per share.

Under the 2004 Plan, 63 beneficiaries exercised their stock option rights and purchased 186,000 ordinary shares at a purchase price equal to the nominal price of the share, namely €4 per share.

Under the 2007 Plan, 103 beneficiaries exercised their stock option rights and purchased 61,804 ordinary shares of the Company at a price equal to the nominal price of each share, namely €4 per share.

Finally, under the 2010 Plan, 104 beneficiaries exercised their stock option rights and purchased 459,678 ordinary shares of the Company were exercised at a price equal to the nominal price of each share, namely €4 per share.

In total, to date under the aforesaid Plans 1,278,582 ordinary shares have been acquired by the beneficiaries representing 1.51% of the Company's paid capital.

To date, only the 2014 Plan is still running.

The 2014 Plan, as did the previous Plans, favors the long-term holding of a significant number of Company shares by the executive directors and the Group officers; it also includes as a vesting requirement the holding of a minimum number of Company shares depending on the officer's rank; any breach of this requirement will result in a decrease of the number of share option rights for the next grant period.

All Plans were designed to prevent high-risk behaviors of their beneficiaries, executive directors and 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/titan/app/cms?lang=en&page=programma.paroxis.dikaiomaton.proairesis.metoxon

Internal audit 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 Company and consolidated accounts 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, which is an independent department with its own written regulation, reporting directly to the Board of Directors' Audit Committee.

Internal audit consists of 17 executives who have the necessary training and experience to duly carry out their work.

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

- monitoring implementation and compliance with the Company's Internal Regulation, Code of Conduct, Articles of Association and applicable laws in all jurisdictions in which the Group operates;
- reporting to the Board of Directors any conflict of interest situations relating to the members of the Board of Directors or the Company's executives towards the Company's interests, as such situations may be identified in the frames of the internal audit;
- monitoring the relationship and transactions of the Company with the related parties, as defined in the International Accounting Standard 24, as well the audit of the Company's dealings with companies with a higher than 10% participation in their capital by members of the Board of Directors or shareholders of the Company with more than 10%.

During the year 2016, 42 written reports from the Internal Audit Division relating to all audits of Group functions were submitted to the Audit Committee, and via it to the Board of Directors. From the audits conducted, 27 were scheduled, 5 were special and 10 were recurring.

A three-month progress and an annual report of the work of the Internal Audit Department with reference to the most important audit findings, was submitted to the Audit Committee.

During the year 2016, 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 about the audit systems currently in place, their effectiveness and the progress of audits. Following a report from the Audit Committee, the Board of Directors approved the audit schedule for 2017 and specified the functions and points on which internal audit must 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 Shareholders' Rights

The General Meeting's modus operandi-Powers

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

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

a. Amendments to the Articles of Association, other than those which are decided on by the Board of Directors pursuant to law (Article 11(5), Article 13(2) and (13), and Article 17b (4) of Codified Law 2190/1920).
b. Increases or reductions in the share capital, with the exception of those cases where that power lies with the Board of Directors pursuant to Law or the Articles of Association, and increases or reductions required by the provisions of other laws.
c. The distribution of the annual profits, save for the case referred to in Article 34(2)(f) of Codified Law 2190/1920.
d. The election of members and stand-in members of the Board of Directors, apart from the cases cited in Article 25 of the Articles of Association, relating to the election of members by the Board of Directors to replace members who have resigned, passed away or been removed from their post, for the remainder of the term in office of the members being replaced and provided that said members cannot be replaced by the stand-in members elected by the General Meeting.
e. Approval of the annual accounts (annual financial statements).
f. The issuing of corporate bonds, in parallel with the right of the Board of Directors to issue such bonds in accordance with Article 28 of the Articles of Association.
g. The election of auditors.
h. The extension of the Company's term, merger, split, conversion, revival, or winding up of the Company.
i. The appointment of liquidators.
j. The filing of actions against members of the Board of Directors for acting ultra vires or for infringing the law or the Articles of Association and
k. All other issues relating to the Company for which the General Meeting is granted competence by the law or the Articles of Association.

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

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

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

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

The Company arranges for the notice of the Annual General Meeting and related papers to be sent to shareholders at least 20 working days before the meeting and published pursuant to the provisions above. For other general meetings the notice and related papers are sent and published at least 14 working days in advance.

The full text of the notice is 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.

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

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

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

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

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

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

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

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

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

The Company has forms available on its website, which must be filled out and sent by shareholders in order to appoint a representative. These forms allow shareholders to authorize their proxies to exercise their voting rights at the meeting and to direct them to vote for or against, or to abstain from voting on each item of the agenda. Abstentions do not count in tallying the vote negatively or positively in relation to a decision.

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

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

Conflicts of interest may arise in cases where the representative:

a. is a shareholder who controls the Company or is another legal entity or person controlled by that shareholder;
b. is a member of the Board of Directors or of the management team of the Company or a shareholder who controls the Company, or another legal person or entity controlled by a shareholder who controls the Company;
c. is an employee or certified public accountant of the Company or a shareholder who controls the Company, or another legal person or entity controlled by a shareholder who controls the Company;
d. is the spouse or a first degree relative of one of the natural persons referred to above.

All Board directors should attend the General Meeting and the chairmen of the Board committees should be available to answer questions.

Quorum – Majority

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

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

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

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

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

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

Shareholders' Rights

Right to attend General Meetings

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

Right to vote at General Meetings:

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

Rights of preferred shareholders

According to the decision of the Company's Annual General Meeting of Shareholders of 27 June 1990, which decided to increase the Company's share capital by issuing preferred shares without voting rights, the privileges granted to preferred shares without voting rights are:

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

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

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

Priority rights

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

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

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

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

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

Minority rights

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

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

A. The Board of Directors shall be obliged to convene an extra-ordinary General Meeting within a time period of 45 days from the date of service of the relevant request on the Chairman of the Board of Directors. This application must contain the items on the agenda of the requested Meeting. Where the General Meeting is not convened by the Board of Directors within 20 days from service of the request, it shall be convened by the applicant shareholders at the Company's expense by decision of the Single-Member Court of First Instance at the seat of the Company, which decision shall be issued in line with the injunctive relief procedure. This decision shall state the time and place of the meeting and the items on the agenda.
B. The Board of Directors shall be obliged to enter additional items on the agenda of the General Meeting that has already been convened, provided that it receives the relevant request within at least 15 days prior to the General Meeting. The additional items shall be published or notified by the Board of Directors at least 7 days before the General Meeting. That request to have additional items included in the agenda shall be accompanied by the reasons for such inclusion or a draft decision for approval by the General Meeting and the revised agenda shall be published in the same manner as the previous agenda, 13 days before the date of the General Meeting, and shall also be made available to shareholders on the Company's website, along with the reasoning or draft decision submitted by the shareholders.
C. At least 6 days before the date of the General Meeting, the Board of Directors is obliged to provide shareholders with drafts of decisions on the items which have been included in the initial or revised agenda, by uploading the same on the Company's website, if a request to that effect is received by the Board of Directors at least 7 days before the date of the General Meeting.

   The Board of Directors is not obliged to include items in the agenda or publish or disclose them along with the reasoning and drafts of decisions submitted to shareholders in accordance with the aforementioned two sections if the content thereof is clearly in conflict with the law and morals.
D. The Chairman of the General Meeting shall be obliged – only once – to postpone the making of decisions by the General Meeting, whether ordinary or extraordinary, on all or certain items, setting a new date for the General Meeting as per the shareholders' request, provided it is not more than 30 days from the date of the postponed General Meeting. A postponed General Meeting which reconvenes shall be deemed a continuation of the previous one and for this reason no repetition of the publication requirements shall be required, and new shareholders may also participate, provided that they comply with the obligations for participation in the General Meeting.
E. The Board of Directors shall be obliged to announce to the Annual General Meeting the amounts that have in the last two-year period been paid to each member of the Board of Directors or to the Company directors, as well as any benefits granted to these persons due to any reason or contract concluded between them and the Company. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920. Any doubts about the validity or otherwise of the reasons for refusal to provide information may be decided by the Single-Member Court of First Instance at the company's seat.
F. Decisions on any item on the agenda of the General Meeting shall be taken by a call of names.
G. In addition, shareholders representing 1/20 of the paid-up share capital are entitled to request that the Single-Member Court of First Instance at the Company's seat audit the Company in the manner specified in Article 40 of Codified Law 2190/1920. In any event, the request for an audit must be submitted within three years from the approval of the financial statements of the fiscal year in which the contested transactions were effected.

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

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

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

Right to dividends

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

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

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

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

Right to the product of liquidation

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

Shareholders' liability:

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

Exclusive jurisdiction of the courts – applicable law:

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

Shareholder information and services

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

- Investor relations department

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

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

- Shareholder services department

This Department is responsible for providing timely information to shareholders and for facilitating them when exercising the rights granted to them by the law and Articles of Association of the Company.

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 department

This Department is responsible for communications between the Company and the Hellenic Capital Market Commission and the Athens Exchange, Company compliance with the obligations set forth in Laws 4443/2016 and 3556/2007, compliance with the relevant decisions of the Hellenic Capital Market Commission and for sending published Company reports to all competent authorities and the media.

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

Reuters code: TTNr.AT, TTNm.AT

Bloomberg code: TITK GA, TITP GA.

Explanatory Report of the Board of Directors

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

1. Structure of the Company's share capital

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

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

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

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

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

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

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

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

2. Restrictions on transfer of Company shares

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

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

On 31 December 2016 the following shareholders held more than 5% of the total voting rights in the Company including voting rights relating to shares which are co-owned by some of them and are held in a joint investment account:

- "E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited", holding 11.03% of the total voting rights in the Company;
- Mr. Andreas L. Canellopoulos, holding 10.72% of the total voting rights in the Company;
- The "Paul and Alexandra Canellopoulos Foundation" holding 9.96% of the total voting rights in the Company; and
- Mr. Leonidas A. Canellopoulos, holding 6.25% of the total voting rights in the Company.
- TITAN Cement Company S.A., holding 5.02% of the voting rights in the Company. These shares are treasury stock and, therefore, their voting rights are suspended.
- FMR LLC (Fidelity), holding 5% of the voting rights in the Company

On 22 March 2017 the shareholders who held more than 5% of the total voting rights in the Company were as above.

4. Shares conferring special control rights

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

5. Restrictions on voting rights

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

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

It is known to the Company that the Statutes of "E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited" of Nicosia - Cyprus, holding in total 8,498,847 common Company shares, which represent 11.03% of the total voting rights in the Company and which have been contributed to it

(E.D.Y.V.E.M.) by the Company Directors Messrs. Andreas Canellopoulos, Dimitri Papalexopoulos, Nellos Canellopoulos, Alexandra Papalexopoulou-Benopoulou, Panagiotis (Takis) Canellopoulos and other Company shareholders, include restrictions on the transfer of the Company (TITAN Cement Company S.A.) shares held by it.

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

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

a. The Board of Directors may elect Directors to replace any of its members who have resigned, are deceased or lost their status in any other way, provided that the replacement of the aforementioned Directors is not possible by substitute Directors elected by the General Meeting. The above-mentioned election by the Board of Directors is effected by a decision of at least seven of the remaining Directors and is valid for the remaining term of office of the Director being replaced.
b. The remaining Directors may continue to manage and represent the Company even if the missing Directors are not replaced as per the previous paragraph, provided that they are more than half the number of Directors prior to the occurrence of the above-mentioned events.
c. In any case, the remaining Directors, irrespective of their number, may convoke the General Meeting for the sole purpose of electing a new Board of Directors.

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

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

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

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

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

In line with the above provisions, the General Meeting of Shareholders by virtue of its decision dated 17.6.2016, has approved the share buy-back of common and preferred treasury shares by the Company 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 18 June 2016 until 17 June 2018, at a maximum purchase price of €40 per share and at a minimum purchase price equal to the nominal value of the Company share, namely €4 per share, provided that the Board of Directors considers such share buy-back to be beneficial compared to any other available investment opportunity and provided that the Company has sufficient liquidity.

To date, in implementation of the abovementioned resolution of the General Meeting dated 17 June 2016, the Company has bought back 1,303,641 treasury shares (1,219,658 common shares and 83,983 preferred shares without voting rights).

On 22.3.2017, the total number of own shares held by the Company in implementation of the above resolution of the General Meeting of Shareholders dated 17.6.2016 as well as of relevant past resolutions of the General Meeting of Shareholders amounts to 3,871,677 common shares representing 5.02% voting rights in the Company and to 89,902 preferred shares without voting rights. The total number of own shares (3,961,579) currently held by the Company represent in total 4.68%, of the Company's paid up share capital.

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

The Company has no agreements which become effective, are amended or terminated in the event of a change in the control of the Company specifically following a public offer.

It should be noted, though, that there are loan and other agreements in place, which provide, as it is common in such agreements, the right of the counterparty, lending bank or bond holder, to request, under certain conditions, the early repayment of the loan or bond or their exit from the Group companies where they participate, as the case may be, in the event of a change of control in the Company. However, this right is not granted specifically in case the change of control in the Company results from a public offer.

The most significant agreements which include a change of control clause are the following:

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 €300 million (on 31 December 2016 €287.17 million outstanding), issued by the TITAN Global Finance PLC and guaranteed by the Company
c. A euro Bond issue of a nominal amount of €300 million (on 31 December 2016 €300 million outstanding), issued by the TITAN Global Finance PLC and guaranteed by the Company
d. A Revolving Facility Agreement up to the amount of USD 50 million entered into among the Group's subsidiary TITAN America LLC, HSBC and the Company as Guarantor;
e. A Revolving Committed Facility Agreement up to the amount of USD 15 million entered into among the Group's subsidiary TITAN America LLC, Wells Fargo and the Company as Guarantor;
f. A Revolving Facility Agreement for an amount up to Egyptian Pounds 670 million entered into among the Group's subsidiary Beni Suef Cement Company S.A., a syndicate of lending banks and the Company as Guarantor;
g. A Revolving Committed Facility Agreement for an amount up to Egyptian Pounds 150 million entered into among the Group's subsidiary Alexandria Portland Cement Company S.A., HSBC Egypt and the Company as Guarantor;
h. A Shareholders' Agreement entered into among TITAN Egyptian Investments Limited, Alexandria Development Limited, TITAN Cement Company S.A. and International Finance Corporation (IFC) relating to the purchase by the latter of a minority interest in TITAN's investments in Egypt and
i. A Shareholders' Agreement entered into among TITAN Cement Cyprus Limited, Aemos Cement Limited, TITAN Cement Company S.A. and International Finance Corporation (IFC) relating to the purchase by the latter of a minority interest in TITAN's investments in Serbia, FYROM and Kosovo.

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

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

Statement of Members of the Board of Directors

(In accordance with article 4 par. 2 of Law 3556/2007)

We,

1. Efstratios-Georgios Arapoglou, Chairman,
2. Dimitri Papalexopoulos, Chief Executive Officer and
3. Takis-Panagiotis Canellopoulos, Director, as designated by the Board of Directors

hereby declare that, to the best of our knowledge:

A. the enclosed Financial Statements of TITAN Cement Company S.A. for the period of 1 January 2016 to 31 December 2016 which have been drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of TITAN Cement Company S.A. as well as of the businesses included in the Group consolidation taken as a whole.

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

Athens, 22 March 2017

Efstratios-Georgios Arapoglou	Dimitri Papalexopoulos	Takis-Panagiotis Canellopoulos
Chairman	Chief Executive Officer	Director

[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

We have audited the accompanying separate and consolidated financial statements of "Titan Cement Company S.A." which comprise the separate and consolidated statement of financial position as of 31 December 2016 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the “Titan Cement Company S.A.” and its subsidiaries as of December 31, 2016, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration, that management is responsible for the preparation of the Board of Directors’ report and Corporate Governance Statement that is included to this report according to provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

a) In the Board of Directors’ Report is included the Corporate Governance Statement that contains the information that is required by article 43bb of Codified Law 2190/1920.

b) In our opinion, the Board of Directors’ report has been prepared in accordance with the legal requirements of articles 43a and 107A and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors’ report is consistent with the accompanying financial statements for the year ended 31/12/2016.

c) Based on the knowledge we obtained from our audit for the Company “Titan Cement Company S.A.” and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, 23 March 2017
The Certified Auditor Accountant

Kifissias Av. 268,
153 32 Halandri
SOEL Reg. 113

Konstantinos Michalatos
SOEL Reg. No 17701

Financial Statements

The Annual Financial Statements presented on pages on pages 45 to 123 both for the Group and the Parent Company, have been approved by the Board of Directors on 22 March 2016.

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 Senior Manager
MICHAEL H. COLAKIDES Passport No K00215552	GRIGORIOS D. DIKAIOS ID No AB291692	ATHANASIOS S. DANAS ID No AN023225

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Income Statement

(all amounts in Euro thousands)

		Group		Company	
		Year ended 31 December		Year ended 31 December	
	Notes	2016	2015	2016	2015
Turnover	3	1,509,153	1,397,818	262,475	273,193
Cost of sales	5	-1,072,139	-1,039,425	-199,836	-202,442
Gross profit before depreciation, amortization and impairment		**437,014**	**358,393**	**62,639**	**70,751**
Other income	4	8,972	9,508	15,470	16,651
Administrative expenses	5	-122,108	-114,169	-43,276	-37,048
Selling and marketing expenses	5	-21,628	-21,236	-271	-128
Other expenses	4	-23,651	-16,074	-4,476	-6,458
Profit before interest, taxes, depreciation, amortization and impairment		**278,599**	**216,422**	**30,086**	**43,768**
Depreciation and amortization related to cost of sales	11,13,27	-109,421	-107,442	-13,572	-12,285
Depreciation and amortization related to administrative and selling expenses	11,13,27	-6,872	-6,208	-1,181	-1,256
Impairment of tangible and intangible assets related to cost of sales	11.13	-10,814	-17,045	-	-
Profit before interest and taxes		**151,492**	**85,727**	**15,333**	**30,227**
Income from participations and investments		1,926	1,565	29,379	55,246
Losses from participations and investments		-	-2,805	-	-
Finance income	6.i	2,900	1,767	24	52
Finance expense	6.ii	-67,303	-67,360	-22,333	-23,383
(Losses)/gains from foreign exchange differences	6.iii	-25,982	17,435	303	1,477
Share of profit of associates and joint ventures	15	492	5,815	-	-
Profit before taxes		**63,525**	**42,144**	**22,706**	**63,619**
Plus/(less): Income tax	8	63,805	-6,848	-5,887	-3,477
Profit after taxes		**127,330**	**35,296**	**16,819**	**60,142**
<u>Attributable to:</u>					
Equity holders of the parent		127,444	33,754		
Non-controlling interests		-114	1,542		
		127,330	**35,296**		
Basic earnings per share (in €)	9	**1.5612**	**0.4126**		
Diluted earnings per share (in €)	9	**1.5521**	**0.4103**		

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	2016	2015	2016	2015
Profit for the year		**127,330**	**35,296**	**16,819**	**60,142**
Other comprehensive (losses)/income:					
Other comprehensive (losses)/income to be reclassified to profit or loss in subsequent periods:					
Exchange (losses)/gains on translation of foreign operations		**-200,509**	**45,298**	**-**	**-**
Currency translation differences on transactions designated as part of net investment in foreign operation		-40,174	-	-	-
Income tax effect		9,039	-	-	-
		-31,135	**-**	**-**	**-**
Net (losses)/gains on available-for-sale financial assets		-556	-79	-461	139
Reclassification to income statement		322	1,468	322	-
Income tax effect		40	-40	40	-40
		-194	**1,349**	**-99**	**99**
Net other comprehensive (losses)/income to be reclassified to profit or loss in subsequent periods:		**-231,838**	**46,647**	**-99**	**99**
Items not to be reclassified to profit or loss in subsequent periods:					
Asset revaluation surplus	12	577	-	-	-
Tax adjustment due to change in income tax rates		-	-253	-	-253
		577	**-253**	**-**	**-253**
Re-measurement (losses)/gains on defined benefit plans	25	-1,475	2,767	-2,067	1,601
Tax adjustment due to change in income tax rates		-	-140	-	-140
Income tax effect	18	624	-953	599	-464
		-851	**1,674**	**-1,468**	**997**
Share of other comprehensive losses of associates and joint ventures		-13	-18	-	-
Income tax effect		1	2	-	-
		-12	**-16**	**-**	**-**
Net other comprehensive (losses)/income not to be reclassified to profit or loss in subsequent periods:		**-286**	**1,405**	**-1,468**	**744**
Other comprehensive (losses)/income for the year net of tax		**-232,124**	**48,052**	**-1,567**	**843**
Total comprehensive (losses)/income for the year net of tax		**-104,794**	**83,348**	**15,252**	**60,985**
Attributable to:					
Equity holders of the parent		-61,137	80,470		
Non-controlling interests		-43,657	2,878		
		-104,794	**83,348**		

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	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Property, plant & equipment	11	1,573,235	1,805,720	242,777	237,424
Investment property	12	9,820	9,548	9,126	9,461
Intangible assets and goodwill	13	375,116	456,342	4,458	3,612
Investments in subsidiaries	14	-	-	862,657	844,762
Investments in associates and joint ventures	15	170,803	82,508	-	-
Derivative financial instruments	33,34	1,386	-	-	-
Available-for-sale financial assets	16	1,065	1,209	122	172
Other non-current assets	17	12,638	14,830	3,219	3,063
Deferred income tax asset	18	20,971	806	-	-
Non-current assets		**2,165,034**	**2,370,963**	**1,122,359**	**1,098,494**
Inventories	19	248,924	286,793	57,768	70,682
Receivables and prepayments	20	196,108	167,148	75,892	68,387
Derivative financial instruments	33,34	1	-	-	-
Available-for-sale financial assets	16	-	2,110	-	2,109
Cash and cash equivalents	21	179,710	121,733	11,218	8,626
Current assets		**624,743**	**577,784**	**144,878**	**149,804**
Total Assets		**2,789,777**	**2,948,747**	**1,267,237**	**1,248,298**
Equity and Liabilities					
Share capital (84,632,528 shares of € 4.00)	22	338,530	338,530	338,530	338,530
Share premium	22	22,826	22,826	22,826	22,826
Share options	22	2,978	1,807	2,978	1,807
Treasury shares	22	-101,453	-79,077	-101,453	-79,077
Other reserves	23	839,364	1,017,304	538,403	519,750
Retained earnings		374,106	285,504	25,985	56,708
Equity attributable to equity holders of the parent		**1,476,351**	**1,586,894**	**827,269**	**860,544**
Non-controlling interests		76,465	118,391	-	-
Total equity (a)		**1,552,816**	**1,705,285**	**827,269**	**860,544**
Long-term borrowings	24	710,965	716,766	310,678	300,712
Derivative financial instruments	33,34	-	924	-	-
Deferred income tax liability	18	56,597	163,786	12,438	7,518
Retirement benefit obligations	25	33,961	31,018	15,870	13,087
Provisions	26	22,498	21,481	4,215	2,221
Other non-current liabilities	27	5,952	6,572	3,788	4,005
Non-current liabilities		**829,973**	**940,547**	**346,989**	**327,543**
Short-term borrowings	24	129,499	26,313	42,442	9,324
Trade and other payables	28	266,584	265,308	44,439	45,204
Income tax payable		3,754	4,959	-	-
Provisions	26	7,151	6,335	6,098	5,683
Current liabilities		**406,988**	**302,915**	**92,979**	**60,211**
Total liabilities (b)		**1,236,961**	**1,243,462**	**439,968**	**387,754**
Total Equity and Liabilities (a+b)		**2,789,777**	**2,948,747**	**1,267,237**	**1,248,298**

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 2015	**308,254**	**22,826**	**30,276**	**1,620**	**-83,516**	**-117**	**939,525**	**288,137**	**1,507,005**	**120,590**	**1,627,595**
Profit for the year	-	-	-	-	-	-	-	33,754	33,754	1,542	35,296
Other comprehensive income	-	-	-	-	-	-	46,716	-	46,716	1,336	48,052
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**46,716**	**33,754**	**80,470**	**2,878**	**83,348**
Dividends distributed to ordinary and preferred shares (note 10)	-	-	-	-	-	-	-	-12,695	-12,695	-	-12,695
Special reserve distributed to shareholders (note 10, 23)	-	-	-	-	-	-	-12,695	-	-12,695	-	-12,695
Dividends distributed to non-controlling interests (note 15.3)	-	-	-	-	-	-	-	-	-	-9,156	-9,156
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	4,556	-	-	-3,918	638	-	638
Non-controlling interest's participation in establishment of subsidiary	-	-	-	-	-	-	-	-	-	344	344
Share based payment transactions (note 22)	-	-	-	1,010	-	-	-	-	1,010	-	1,010
Non-controlling interest's put option recognition (notes 31)	-	-	-	-	-	-	4,262	-	4,262	-656	3,606
Acquisition of non-controlling interest	-	-	-	-	-	-	4,422	-3,643	779	551	1,330
Deferred tax adjustment due to change in income tax rates on revaluation reserves (note 18)	-	-	-	-	-	-	20,793	-2,673	18,120	3,840	21,960
Transfer between reserves (note 23)	-	-	-	-823	-	-	14,281	-13,458	-	-	-
Balance at 31 December 2015	**308,254**	**22,826**	**30,276**	**1,807**	**-78,960**	**-117**	**1,017,304**	**285,504**	**1,586,894**	**118,391**	**1,705,285**
Balance at 1 January 2016	**308,254**	**22,826**	**30,276**	**1,807**	**-78,960**	**-117**	**1,017,304**	**285,504**	**1,586,894**	**118,391**	**1,705,285**
Profit for the year	-	-	-	-	-	-	-	127,444	127,444	-114	127,330
Other comprehensive losses	-	-	-	-	-	-	-188,581	-	-188,581	-43,543	-232,124
Total comprehensive (losses)/income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-188,581**	**127,444**	**-61,137**	**-43,657**	**-104,794**
Dividends distributed to ordinary and preferred shares (note 10)	-	-	-	-	-	-	-	-25,390	-25,390	-	-25,390
Dividends distributed to non-controlling interests (note 15.3)	-	-	-	-	-	-	-	-	-	-4,500	-4,500
Purchase of treasury shares	-	-	-	-	-24,265	-928	-	-	-25,193	-	-25,193
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	2,817	-	-	-2,381	436	-	436
Non-controlling interest's participation in share capital increase of subsidiary	-	-	-	-	-	-	-	-	-	6,695	6,695
Share based payment transactions (note 22)	-	-	-	1,620	-	-	-	-	1,620	-	1,620
Non-controlling interest's put option recognition (notes 31)	-	-	-	-	-	-	-1,254	-	-1,254	-89	-1,343
Acquisition of non-controlling interest	-	-	-	-	-	-	5	370	375	-375	-
Transfer between reserves (note 23)	-	-	-	-449	-	-	11,890	-11,441	-	-	-
Balance at 31 December 2016	**308,254**	**22,826**	**30,276**	**2,978**	**-100,408**	**-1,045**	**839,364**	**374,106**	**1,476,351**	**76,465**	**1,552,816**

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 2015	**308,254**	**22,826**	**30,276**	**1,620**	**-83,516**	**-117**	**496,236**	**47,722**	**823,301**
Profit for the year	-	-	-	-	-	-	-	60,142	60,142
Other comprehensive income	-	-	-	-	-	-	843	-	843
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**843**	**60,142**	**60,985**
Dividends distributed to ordinary and preferred shares (note 10)	-	-	-	-	-	-	-	-12,695	-12,695
Special reserve distributed to shareholders (note 10, 23)	-	-	-	-	-	-	-12,695	-	-12,695
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	4,556	-	-	-3,918	638
Share based payment transactions (note 22)	-	-	-	1,010	-	-	-	-	1,010
Transfer between reserves	-	-	-	-823	-	-	35,366	-34,543	-
Balance at 31 December 2015	**308,254**	**22,826**	**30,276**	**1,807**	**-78,960**	**-117**	**519,750**	**56,708**	**860,544**
Balance at 1 January 2016	**308,254**	**22,826**	**30,276**	**1,807**	**-78,960**	**-117**	**519,750**	**56,708**	**860,544**
Profit for the year	-	-	-	-	-	-	-	16,819	16,819
Other comprehensive losses	-	-	-	-	-	-	-1,567	-	-1,567
Total comprehensive (losses)/income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-1,567**	**16,819**	**15,252**
Dividends distributed to ordinary and preferred shares (note 10)	-	-	-	-	-	-	-	-25,390	-25,390
Purchase of treasury shares	-	-	-	-	-24,265	-928	-	-	-25,193
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	2,817	-	-	-2,381	436
Share based payment transactions (note 22)	-	-	-	1,620	-	-	-	-	1,620
Transfer between reserves	-	-	-	-449	-	-	20,220	-19,771	-
Balance at 31 December 2016	**308,254**	**22,826**	**30,276**	**2,978**	**-100,408**	**-1,045**	**538,403**	**25,985**	**827,269**

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	2016	2015	2016	2015
Cash flows from operating activities					
Cash generated from operations	29	**275,283**	**237,641**	**41,840**	**29,357**
Income tax paid		-6,065	-18,128	-326	-798
Net cash generated from operating activities (a)		**269,218**	**219,513**	**41,514**	**28,559**
Cash flows from investing activities					
Payments for property, plant and equipment	11.12	-148,294	-172,465	-20,115	-16,420
Payments for intangible assets	13	-2,262	-1,011	-1,080	-224
Proceeds from sale of PPE, intangible assets and investment property	29	1,024	1,305	220	356
Proceeds from dividends		5,266	2,218	28,579	55,012
Payments for acquisition of subsidiaries, net of cash acquired	30	-11,781	-	-	-
Payments for investing in associates and joint ventures		-84,953	-400	-	-
Share capital (increase)/decrease in subsidiaries		-	-	-18,000	1,180
Share capital increase in associates and joint ventures		-2,234	-	-	-
Net proceeds/(payments) from the sale/(acquisition) of available-for-sale financial assets		2,128	-1,836	2,128	-1,836
Interest received		1,059	1,767	24	52
Net cash flows (used in)/from investing activities (b)		**-240,047**	**-170,422**	**-8,244**	**38,120**
Net cash flows after investing activities (a)+(b)		**29,171**	**49,091**	**33,270**	**66,679**
Cash flows from financing activities					
Proceeds from non-controlling interest's participation in subsidiary's establishment		-	35	-	-
Payments for shares bought back	22	-25,193	-	-25,193	-
Proceeds from sale of treasury shares	22	436	638	436	638
Proceeds from government grants		-	227	-	-
Interest paid		-64,713	-56,318	-23,774	-22,441
Dividends written-off and paid to the Greek State		-24	-36	-24	-36
Dividends & reserves paid to shareholders		-25,243	-25,316	-25,243	-25,316
Dividends paid to non-controlling interests		-5,281	-5,635	-	-
Acquisition of non-controlling interests		-	-10,591	-	-
Proceeds from borrowings		674,505	396,812	220,601	93,421
Payments of borrowings		-511,820	-370,366	-177,906	-121,862
Net cash flows from/(used in) financing activities (c)		**42,667**	**-70,550**	**-31,103**	**-75,596**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)		**71,838**	**-21,459**	**2,167**	**-8,917**
Cash and cash equivalents at beginning of the year	21	121,733	142,946	8,626	16,971
Effects of exchange rate changes		-13,861	246	425	572
Cash and cash equivalents at end of the year	21	**179,710**	**121,733**	**11,218**	**8,626**

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

Notes to the Financial Statements

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 32.

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 March 22, 2017.

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 issued by the IFRS Interpretations Committee.

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

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

The financial statements have been prepared with the same accounting policies of the prior financial year, except for the adoption of the new or revised standards, amendments and/or interpretations that are mandatory for the periods beginning on or after 1 January 2016.

1.1.1 New standards, amendments to standards and interpretations issued and effective for the current financial year that have no significant impact on the financial statements of the Group and the Company

IAS 19R (Amendment) "Employee Benefits"

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) "Joint Arrangements"

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 27 (Amendment) "Separate financial statements"

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements.

IAS 1 (Amendments) "Disclosure initiative"

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of sub-totals, the structure of financial statements and the disclosure of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment entities: Applying the consolidation exception"

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

Annual Improvements to IFRSs 2012

The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project.

IFRS 2 "Share-based payment"

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations"

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 "Operating segments"

The amendment requires disclosure of the judgments made by management in aggregating operating segments.

IFRS 13 "Fair value measurement"

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 "Related party disclosures"

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2014

The amendments set out below describe the key changes to four IFRSs.

IFRS 5 "Non-current assets held for sale and discontinued operations"

The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 "Financial instruments: Disclosures"

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 "Employee benefits"

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 "Interim financial reporting"

The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

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 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principle-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. At this stage the Group is not able to estimate the impact of the adoption of the new standard on the financial statements, as it has not yet finalized its detailed assessment of the application of IFRS 9. The Group plans to adopt the new standard on the required effective date (1.1.2018).

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

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 will recognise 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. At this stage, the Group is not able to estimate the impact of the new standard on the financial statements and it will make more detailed assessments of the impact over the next twelve months. The Group plans to adopt the new standard on the required effective date (1.1.2018).

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 recognise 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 Group is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017)

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

IAS 7 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2017)

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been endorsed by the EU.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018)

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 not yet been endorsed by the EU.

IFRS 4 (Amendments) "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts" (effective for annual periods beginning on or after 1 January 2018)

The amendments introduce two approaches. The amended standard will: a) give 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) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39. The amendments have not yet been endorsed by the EU.

IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018)

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 not yet been endorsed by the EU.

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018)

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 not yet been endorsed by the EU.

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle) (effective for annual periods beginning on or after 1 January 2017)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 12 "Disclosures of Interests in Other Entities"

The amendement clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information.

IAS 28 "Investments in associates and Joint ventures"

The amendements clarified that when venture capital organisations, 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.

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

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

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

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

Interest income is recognised using the effective interest method. 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

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

Financial assets at fair value through profit or loss

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

Loans and receivables

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

Available-for-sale financial assets

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

Recognition and measurement

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

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

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

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

1.25 Offsetting financial instruments

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

Assets carried at amortised cost

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

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

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

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

Assets classified as available-for-sale

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

1.27 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently 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.

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 Asset 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, when there is evidence or indication that the full or part of a receivable collection is not probable. 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 four operating segments: Greece and Western Europe, North America, South Eastern Europe and Eastern Mediterranean. Each operating segment is a set of countries. The aggregation of countries is based mostly 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

(all amounts in Euro thousands)	For the year ended 31 December 2016				
	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Gross revenue	327,726	794,575	204,610	249,201	1,576,112
Inter-segment revenue	-66,400	-223	-336	-	-66,959
Revenue from external customers	261,326	794,352	204,274	249,201	1,509,153
Profit before interest, taxes, depreciation, amortization and impairment	36,366	145,174	56,215	40,844	278,599
Depreciation, amortization and impairment of tangible and intangible assets	-27,990	-55,913	-25,446	-17,758	-127,107
Profit before interest and taxes	8,378	89,260	30,769	23,085	151,492
ASSETS					
Property, plant & equipment	304,544	686,354	308,612	273,725	1,573,235
Intangible assets and goodwill	23,392	223,843	63,458	64,423	375,116
Other non-current assets	121,479	31,894	8,649	54,661	216,683
Current assets	217,362	216,450	108,330	82,601	624,743
Total Assets	666,777	1,158,541	489,049	475,410	2,789,777
LIABILITIES					
Non-current liabilities	189,664	380,638	95,361	164,310	829,973
Current liabilities	127,004	140,672	49,827	89,485	406,988
Total Liabilities	316,668	521,310	145,188	253,795	1,236,961
Capital expenditures (note 11,12,13)	24,608	78,458	16,240	31,250	150,556
Impairment of property, plant and equipment (note 11)	-5,162	-	-	-	-5,162
Impairment of intangible assets-excluding goodwill (note 13)	-376	-	-	-	-376
Impairment of Goodwill (note 13)	-2,510	-	-2,766	-	-5,276
Allowance/(reversal of allowance) for doubtful debtors (note 20)	-917	-433	487	276	-587
Investment in associates & joint ventures (note 15)	108,585	4,321	3,551	54,346	170,803
Defined benefit assets (note 17,25)	-	4,364	-	-	4,364

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 between segments are performed as described in note 32.

3. Operating segment information (continued)

Information by business activities

(all amounts in Euro thousands)	For the year ended 31 December 2016			
	Cement	Ready mix concrete, aggregates and building blocks	Other	Total
Turnover	907,451	592,880	8,822	1,509,153

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.731/10.13.14 License Electricity from the Regulatory Authority for Energy and achieved electricity sales of €1,726 thousand in 2016 (2015: €238 thousand) to the Electricity Market Operator.

The Company sold cement and aggregates, representing in 2016 7.35% (2015: 7.21%) 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 2015				
	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Gross revenue	332,219	679,972	213,899	240,749	1,466,839
Inter-segment revenue	-63,385	-222	-5,414	-	-69,021
Revenue from external customers	268,834	679,750	208,485	240,749	1,397,818
Profit before interest, taxes, depreciation, amortization and impairment	44,839	100,842	55,782	14,959	216,422
Depreciation, amortization and impairment of tangible and intangible assets	-22,693	-64,672	-22,091	-21,239	-130,695
Profit/(loss) before interest and taxes	22,146	36,170	33,691	-6,280	85,727
ASSETS					
Property, plant & equipment	306,229	645,434	311,464	542,593	1,805,720
Intangible assets and goodwill	25,139	213,854	67,878	149,471	456,342
Other non-current assets	13,788	11,353	6,844	76,916	108,901
Current assets	213,051	135,635	109,994	119,104	577,784
Total Assets	558,207	1,006,276	496,180	888,084	2,948,747
LIABILITIES					
Non-current liabilities	170,203	442,575	100,185	227,584	940,547
Current liabilities	15,040	83,858	47,287	156,730	302,915
Total Liabilities	185,243	526,433	147,472	384,314	1,243,462

3. Operating segment information (continued)

Information by operating segment

(all amounts in Euro thousands)	For the year ended 31 December 2015				
	Greece and Western Europe	**North America**	**South Eastern Europe**	**Eastern Mediterranean**	**Total**
Capital expenditures (note 11,12,13)	17,812	91,819	13,826	50,019	173,476
Impairment of property, plant and equipment (note 11)	-	-12,548	-	-507	-13,055
Impairment of Goodwill (note 13)	-3,990	-	-	-	-3,990
Allowance/(reversal of allowance) for doubtful debtors (note 20)	176	-89	411	295	793
Investment in associates & joint ventures (note 15)	398	5,047	3,069	73,994	82,508
Defined benefit assets (note 17, 25)	-	4,578	-	-	4,578

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 2015			
	Cement	**Ready mix, aggregates and blocks**	**Other**	**Total**
Turnover	886,198	507,626	3,994	1,397,818

Reconciliation of profit

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

(all amounts in Euro thousands)	Group	
	2016	**2015**
Profit before interest and taxes	**151,492**	**85,727**
Income from participations and investments	1,926	1,565
Losses from participations and investments	-	-2,805
Finance income	2,900	1,767
Finance expense	-67,303	-67,360
(Losses)/gains from foreign exchange differences	-25,982	17,435
Share of profit of associates and joint ventures	492	5,815
Profit before taxes	**63,525**	**42,144**

4. Other income and expenses

(all amounts in Euro thousands)	Group		Company	
	2016	2015	2016	2015
Scrap sales	901	1,136	338	489
Compensation income	301	398	-	-
Income from subsidies	198	137	198	137
Income from services	2,460	1,434	762	1,615
Rental income	2,662	1,628	1,265	1,213
Gains on disposal of PPE, intangible assets and investment property (note 29)	-	-	63	140
Income from administrative services to subsidiaries	-	-	12,217	12,098
Exceptional items	441	3,675	-	-
Various recurrent taxes - fees	895	-	-	-
Other income	1,114	1,100	627	959
Other income total	**8,972**	**9,508**	**15,470**	**16,651**
Other provisions	-4,362	-5,659	-903	219
Losses on disposal of PPE, intangible assets and investment property (note 29)	-3,337	-2,166	-11	-
Fair value loss from investment property (note 12)	-243	-300	-335	-286
Staff leaving indemnities	-3,067	-1,245	-1,416	-1,296
Restructuring cost	-6,749	-5,068	-	-3,504
Exceptional items	-1,229	-	-	-
Various recurrent taxes - fees	-1,470	-	-	-
Other expenses	-3,194	-1,636	-1,811	-1,591
Other expenses total	**-23,651**	**-16,074**	**-4,476**	**-6,458**

For the year ended 31.12.2016

The exceptional items-income represents compensation that Titan America LLC in USA received under the BP Oil Spill Claim Program for companies affected by the oil spill in the Gulf of Mexico in 2010.

The exceptional items-expenses are related to expenditures made due to a scaffold collapse during scheduled maintenance in the Group's Pennsuco cement plant, Florida USA.

The restructuring costs include voluntary retirement incentive programs in all Group operating segments.

For the year ended 31.12.2015

The exceptional items-income are comprised mainly of insurance proceeds related to the collapse of a concrete silo roof at the Group's Pennsuco cement plant, Florida USA, in 2012.

The restructuring costs include: a) provision of obsolete inventory amounting to €3,504 thousand of an abandoned plant in Greece and b) additional personal allowance amounting to €1,564 thousand from the voluntary retirement program of a Group subsidiary in Southeast Europe.

5. Expenses by nature

(all amounts in Euro thousands)	Group		Company	
	2016	2015	2016	2015
Staff costs and related expenses (note 7)	-275,161	-260,497	-53,912	-50,510
Raw materials and consumables used	-376,242	-316,546	-52,389	-46,887
Energy cost	-228,795	-271,143	-55,750	-63,035
Changes in inventory of finished goods and work in progress	5,497	-144	-3,452	-3,290
Distribution expenses	-149,343	-144,214	-40,056	-42,207
Third party fees	-129,451	-114,262	-25,760	-23,051
Other expenses	-62,380	-68,024	-12,064	-10,638
Total expenses by nature	**-1,215,875**	**-1,174,830**	**-243,383**	**-239,618**
Included in:				
Cost of sales	-1,072,139	-1,039,425	-199,836	-202,442
Administrative expenses	-122,108	-114,169	-43,276	-37,048
Selling and marketing expenses	-21,628	-21,236	-271	-128
	-1,215,875	**-1,174,830**	**-243,383**	**-239,618**

6. Finance expense

(all amounts in Euro thousands)

i) Finance income	Group		Company	
	2016	**2015**	**2016**	**2015**
Interest income and related income	1,569	1,767	24	52
Fair value gains on derivatives	1,331	-	-	-
Finance income	**2,900**	**1,767**	**24**	**52**

ii) Finance expenses	Group		Company	
	2016	**2015**	**2016**	**2015**
Interest expense and related expenses	-65,992	-65,044	-22,041	-23,105
Finance costs of actuarial studies (note 25)	-533	-554	-249	-238
Unwinding of discount of rehabilitation and other provisions	-268	-277	-43	-40
Finance lease interest	-510	-226	-	-
Fair value losses on derivatives	-	-1,259	-	-
Finance expense	**-67,303**	**-67,360**	**-22,333**	**-23,383**

iii) (Losses)/gains from foreign exchange differences	Group		Company	
	2016	**2015**	**2016**	**2015**
Net exchange (losses)/gains	-24,367	38,097	303	1,477
Fair value losses on derivatives	-1,615	-20,662	-	-
(Losses)/gains from foreign exchange differences	**-25,982**	**17,435**	**303**	**1,477**

7. Staff costs

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Wages, salaries and related expenses	249,461	235,263	44,334	41,471
Social security costs	24,080	22,808	8,890	8,519
Fair value of share options granted to directors and employees (note 29)	1,620	1,010	1,376	876
Other post retirement and termination benefits - defined benefit plans (note 4,6,25)	5,127	4,779	1,665	1,534
Total staff costs	**280,288**	**263,860**	**56,265**	**52,400**

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
Greece and Western Europe	1,185	1,176	842	829
North America	2,049	1,996	-	-
South Eastern Europe	1,282	1,426	-	-
Eastern Mediterranean	966	1,056	-	-
	5,482	**5,654**	**842**	**829**

8. Income tax expense

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Current tax	7,737	11,635	-	-
Deferred tax (note 18)	-71,869	-5,678	5,559	3,256
Non deductible taxes and differences from tax audit	327	891	328	221
	-63,805	**6,848**	**5,887**	**3,477**

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	
	2016	**2015**	**2016**	**2015**
Profit before tax	**63,525**	**42,144**	**22,706**	**63,619**
Tax calculated at the statutory tax rate of 29% (2015: 29%)	18,422	12,222	6,585	18,450
Tax adjustments in respect of:				
Income not subject to tax	-2,962	-3,372	-8,490	-15,983
Expenses not deductible for tax purposes	6,301	8,958	1,715	766
Other taxes	327	891	328	221
Re-measurement of deferred tax - tax rate change in Greece and Egypt	-	-8,547	-	92
Effect of unrecognized deferred tax asset on tax carry forward losses	1,165	1,169	-	-
Utilization of tax losses against prior years tax exempted reserves	4,350	-	4,350	-
Tax incentives	-4,615	-5,395	-	-
Effect of different tax rates in other countries that the Group operates	1,638	-3,427	-	-
Over-provision: prior years	799	4,984	786	386
Utilization of prior years unrecognized losses	-89,635	-68	-	-
Other	405	-567	613	-455
Effective tax charge	**-63,805**	**6,848**	**5,887**	**3,477**

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 determination of the amount of tax attribute carry-forward to recognize requires management judgment in assessing future profitability and recoverability (note 2.3).

On 31 December 2016, certain Group entities had tax carry forward losses of €441.2 million (2015: €499.9 million). These entities have recognized deferred tax assets amounting to €156.2 million (2015: €74.1 million), attributable to losses amounting to €393.7 million (2015: €206.1 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 tax carry forward losses €47.5 million, 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 €45.6 million expire up to 2021, while losses amounting to €1.9 million may be carried forward indefinitely.

The Group subsidiary in USA, Titan America LLC (TALLC), recorded a deferred income tax benefit and related deferred tax asset of €89.6 million in 2016 financial statements. The majority of this benefit was associated with the recognition of a deferred tax asset for previously unrecognized net operating losses carry-forward generated in periods prior to 2016. Following consistent year on year profitability improvements in 2016 and a favourable outlook for 2017-2019, management concluded that profitability trends and projections for TALLC provide sufficient and objectively verifiable evidence to conclude that future profitability overcomes the weight of negative evidence generated by successive loss years prior to 2016.

On 31 December 2016, the Company recognized deferred tax assets amounting to €6.6 million (2015: €13.9 million) on tax carry forward losses which met the recognition criteria. The tax losses of the Company can be utilized up to (and including) 2018.

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	
	2016	2015	2016	2015
Net profit for the year attributable to Titan S.A. shareholders	127,444	33,754	16,819	60,142
Weighted average number of ordinary shares in issue	74,088,601	74,238,724	74,088,601	74,238,724
Weighted average number of preferred shares in issue	7,543,158	7,563,041	7,543,158	7,563,041
Total weighted average number of shares in issue for basic earnings per share	81,631,759	81,801,765	81,631,759	81,801,765
Basic earnings per ordinary and preferred share (in €)	**1.5612**	**0.4126**	**0.2060**	**0.7352**

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 a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to net profit (numerator).

(all amounts in Euro thousands unless otherwise stated)	Group		Company	
	2016	2015	2016	2015
Net profit for the year attributable to Titan S.A. shareholders for diluted earnings per share	127,444	33,754	16,819	60,142
Weighted average number of ordinary shares for diluted earnings per share	74,088,601	74,238,724	74,088,601	74,238,724
Share options	477,658	473,682	477,658	473,682
Weighted average number of preferred shares in issue	7,543,158	7,563,041	7,543,158	7,563,041
Total weighted average number of shares in issue for diluted earnings per share	82,109,417	82,275,447	82,109,417	82,275,447
Diluted earnings per ordinary and preferred share (in €)	**1.5521**	**0.4103**	**0.2048**	**0.7310**

10. Dividends

For the year ended 31.12.2016

The Annual General Meeting of Shareholders of the Titan Cement Company S.A., which was held on 17 June 2016, approved the distribution of dividend from the profits of the financial year 2015 of a total amount of €25,390 corresponding to €0.30 per share (ordinary or preference). This amount was proportionally increased by the dividend corresponding to the treasury stock held by the Company and became €0.30989 per share. From this amount the Company withheld on behalf of the Shareholder a 10% tax and, therefore, the net amount paid was €0.27890 per share.

The Board of Directors will propose to the Annual General Assembly of Shareholders, scheduled to take place on 12 May 2017 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 to be distributed per share will be increased by the amount, corresponding to the treasury shares held by the Company.

For the year ended 31.12.2015

The Annual General Meeting of Shareholders of the Titan Cement Company S.A., which was held on 19th June 2015, approved:

a) the distribution of dividend from the profits of the financial year 2014 of a total amount of €12,695, amounting to €0.15 per share (ordinary or preference). This amount was proportionally increased by the dividend corresponding to the treasury stock held by the Company and became €0.15509 per share. From this amount the Company withholds on behalf of the Shareholder a 10% tax and, therefore, the net amount payable is €0.13958 per share.

b) the distribution of special reserves from previous financial years, and more specifically of reserves from the profits of subsidiary maritime companies of a total amount of €12,695, corresponding to €0.15 per share (ordinary or preference). This amount was proportionally increased by the relevant amount corresponding to treasury shares held by the Company and the net amount of €0.15509 per share. The distribution of the aforesaid reserves is not subject to taxation.

11. Property, plant and equipment

(all amounts in Euro thousands)

Group

Year ended 31 December 2015	Land	Quarries	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**283,070**	**127,016**	**209,968**	**917,694**	**31,995**	**10,483**	**94,611**	**1,674,837**
Additions	2,465	2,885	413	4,266	236	511	149,571	160,347
Disposals (NBV) (note 29)	-37	-661	-298	-1,018	-511	-39	-602	-3,166
Reclassification of assets from/to other PPE categories	6,649	5,636	9,173	70,001	20,972	1,572	-111,774	2,229
Transfers from inventories (note 19)	-	3,164	-	334	-	-	-	3,498
Transfers from other non-current assets	-	723	-	-	-	-	-	723
Reclassification of assets from/to intangible assets (note 13)	-	107	-	-	-	-	-1,367	-1,260
Transfers to government grants (note 27)	-	-	-231	-	-	-	-	-231
Depreciation charge (note 29)	-3,335	-5,664	-11,694	-71,741	-9,485	-2,325	-	-104,244
Impairment of PPE (note 29)	-3,999	-185	-	-458	-	-	-8,413	-13,055
Exchange differences	16,609	12,040	5,531	32,854	2,005	159	5,432	74,630
Ending balance	**301,422**	**145,061**	**212,862**	**951,932**	**45,212**	**10,361**	**127,458**	**1,794,308**
Leased assets under finance leases								
Opening balance	**-**	**-**	**-**	**603**	**1,506**	**-**	**-**	**2,109**
Additions	-	-	-	-	12,087	-	-	12,087
Reclassification of assets to other PPE categories	-	-	-	-378	-1,851	-	-	-2,229
Depreciation charge (note 29)	-	-	-	-60	-867	-	-	-927
Exchange differences	-	-	-	18	354	-	-	372
Ending balance	**-**	**-**	**-**	**183**	**11,229**	**-**	**-**	**11,412**
At 31 December 2015								
Cost	338,441	187,146	407,420	1,807,292	233,314	58,702	135,862	3,168,177
Accumulated depreciation	-33,023	-42,085	-194,324	-854,587	-176,873	-48,341	-	-1,349,233
Accumulated losses of impairment of PPE	-3,996	-	-3	-821	-	-	-8,404	-13,224
Net book value	**301,422**	**145,061**	**213,093**	**951,884**	**56,441**	**10,361**	**127,458**	**1,805,720**

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

Group

Year ended 31 December 2016	Land	Quarries	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**301,422**	**145,061**	**212,862**	**951,932**	**45,212**	**10,361**	**127,458**	**1,794,308**
Additions	416	5,575	421	6,014	750	691	127,423	141,290
Fair value adjustments due to joint venture acquisition (note 30)	3,242	-	4,399	5,099	-	-	-	12,740
Additions due to acquisition of joint venture (note 30)	1,585	-	1,562	10,113	-	33	87	13,380
Disposals (NBV) (note 29)	-56	-	-169	-2,587	-172	-26	-1,194	-4,204
Reclassification of assets from/to other PPE categories	309	2,680	13,073	81,640	13,499	1,683	-114,643	-1,759
Transfers from inventories (note 19)	-	-	-	667	24	-	-	691
Transfer to investment property after revaluation (note 12)	-11	-	-	-	-	-	-	-11
Transfers from/to other accounts	-	-	-	47	-	-	-39	8
Reclassification of assets to intangible assets (note 13)	-	-	-	-	-	-17	-3,083	-3,100
Depreciation charge (note 29)	-3,433	-7,568	-11,550	-72,390	-8,983	-2,474	-	-106,398
Impairment of PPE (note 29)	-	-	-738	-3,502	-	-7	-915	-5,162
Exchange differences	-53,053	2,790	-35,704	-173,517	324	-354	-26,800	-286,314
Ending balance	**250,421**	**148,538**	**184,156**	**803,516**	**50,654**	**9,890**	**108,294**	**1,555,469**
Leased assets under finance leases								
Opening balance	**-**	**-**	**-**	**183**	**11,229**	**-**	**-**	**11,412**
Additions	-	-	-	91	6,913	-	-	7,004
Reclassification of assets to other PPE categories	-	-	-	-	1,759	-	-	1,759
Depreciation charge (note 29)	-	-	-	-58	-3,094	-	-	-3,152
Exchange differences	-	-	-	-19	762	-	-	743
Ending balance	**-**	**-**	**-**	**197**	**17,569**	**-**	**-**	**17,766**
At 31 December 2016								
Cost	289,445	221,782	381,369	1,694,682	242,693	57,514	109,210	2,996,695
Accumulated depreciation	-37,127	-73,244	-196,457	-886,982	-174,470	-47,617	-	-1,415,897
Accumulated losses of impairment of PPE	-1,897	-	-756	-3,987	-	-7	-916	-7,563
Net book value	**250,421**	**148,538**	**184,156**	**803,713**	**68,223**	**9,890**	**108,294**	**1,573,235**

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

Company

Year ended 31 December 2015

	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**873**	**4,048**	**53,933**	**153,030**	**750**	**7,206**	**16,292**	**236,132**
Additions	-	241	250	2,767	97	393	12,672	16,420
Disposals (NBV) (note 29)	-	-	-	-6	-36	-13	-	-55
Reclassification of assets from/to other PPE categories	-	-	527	9,418	-	-	-9,945	-
Reclassification of assets to intangible assets (note 13)	-	-	-	-	-	-	-1,354	-1,354
Transfers to government grants (note 27)	-	-	-231	-	-	-	-	-231
Depreciation charge (note 29)	-63	-	-2,270	-10,041	-155	-959	-	-13,488
Reversal of impairment of PPE due to disposal (note 29)	-	-	-3	3	-	-	-	-
Ending balance	**810**	**4,289**	**52,206**	**155,171**	**656**	**6,627**	**17,665**	**237,424**
At 31 December 2015								
Cost	1,656	4,289	97,256	328,898	3,419	26,693	17,665	479,876
Accumulated depreciation	-846	-	-45,047	-173,241	-2,763	-20,066	-	-241,963
Accumulated losses of impairment of PPE	-	-	-3	-486	-	-	-	-489
Net book value	**810**	**4,289**	**52,206**	**155,171**	**656**	**6,627**	**17,665**	**237,424**

Year ended 31 December 2016

	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**810**	**4,289**	**52,206**	**155,171**	**656**	**6,627**	**17,665**	**237,424**
Additions	-	411	290	8,385	474	444	10,111	20,115
Disposals/write-offs (NBV) (note 29)	-	-5	-	-	-12	-33	-	-50
Reclassification of assets from/to other PPE categories	-	-	2,259	11,340	-	509	-14,108	-
Reclassification of assets to intangible assets (note 13)	-	-	-	-	-	-	-60	-60
Depreciation charge (note 29)	-63	-	-2,292	-11,221	-165	-958	-	-14,699
Provisions for restoration	-	-	-	47	-	-	-	47
Ending balance	**747**	**4,695**	**52,463**	**163,722**	**953**	**6,589**	**13,608**	**242,777**
At 31 December 2016								
Cost	1,656	4,695	99,805	348,671	3,740	27,534	13,608	499,709
Accumulated depreciation	-909	-	-47,339	-184,463	-2,787	-20,945	-	-256,443
Accumulated losses of impairment of PPE	-	-	-3	-486	-	-	-	-489
Net book value	**747**	**4,695**	**52,463**	**163,722**	**953**	**6,589**	**13,608**	**242,777**

11. Property, plant and equipment (continued)

Disposal of assets

Group
During 2016, the Group received €0.9 million (2015: €1.1 million) from the disposal of tangible assets with total net book value of €4.2 million (2015: €3.2 million). Thus, the Group recognized €3.3 million losses (2015: €2.2 million) on disposal of PPE in the consolidated income statement (note 4).

Company
During 2016, the Company received €102 thousand (2015: €356 thousand) from the disposal of tangible assets with total net book value of €50 thousand (2015: €55 thousand). Thus, the Company recognized €52 thousand gains (2015: €124 thousand) on disposal of PPE in the income statement (note 4).

Impairments of property, plant and equipment

During 2016, the Group recorded an impairment amounting to €5.2 million mainly due to machinery impairment in Greece and Western Europe segment. The machinery was impaired as its recoverable amount was lower than its carrying amount. The recoverable amount is the fair value less costs to sell and was determined using a sale price quote from an unrelated third party as the amount that the buyer would purchase this machinery. This quote is not from an active market and represents a level 3 in the valuation hierarchy.

During 2015, the Group's subsidiary in U.S.A., Titan America LLC (TALLC), decided to suspend of development activities at the site of a proposed cement plant in Eastern North Carolina, USA (the "Castle Hayne" project). As a result of this, TALLC recorded an impairment provision of €12.4 million to bring the asset to its recoverable amount of €1.0 million within the December 31, 2015 financial statements. The fair value was obtained through an independent valuator and represents a level 3 in the valuation hierarchy.

Property, plant and equipment pledged as security

The assets of the Company have not been pledged. On the Turkish subsidiary Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S. assets, there is mortgage of €4.6 million, securing its bank credit facilities.

12. Investment property

The Group's investment property does not include certain investment properties of the Company, which are leased to Group subsidiaries, and as a result, are included 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	
	2016	**2015**	**2016**	**2015**
Opening balance	**9,548**	**9,267**	**9,461**	**9,908**
Additions	-	31	-	-
Disposals	-77	-161	-	-161
Net loss from measurement at fair value (note 4)	-243	-300	-335	-286
Transfer from own-used property after revaluation	588	-	-	-
Transfer from inventories (note 19)	-	715	-	-
Exchange differences	4	-4	-	-
Ending balance	**9,820**	**9,548**	**9,126**	**9,461**

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Rental income derived from investment property	326	212	135	57
Direct operating expenses (including repair and maintenance) that did not generate rental income	-45	-24	-22	-
Net profit arising from investment properties carried at fair value	**281**	**188**	**113**	**57**

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 intangibl e assets	Total
Balance at 1 January 2015	**363,734**	**-6,226**	**357,508**	**21,663**	**368**	**26,507**	**29,719**	**6,379**	**442,144**
Additions	-	-	-	152	54	-	-	805	1,011
Disposals (NBV)	-	-	-	-	-	-	-	-144	-144
Reclassification of assets to/from property, plant & equipment (note 11)	-	-	-	-	-107	-	-	1,367	1,260
Impairment (note 29)	-	-3,990	-3,990	-	-	-	-	-	-3,990
Amortization charge (note 29)	-	-	-	-561	-	-1,741	-4,604	-1,867	-8,773
Exchange differences	22,888	-	22,888	185	-1	1,537	416	-191	24,834
Balance at 31 December 2015	**386,622**	**-10,216**	**376,406**	**21,439**	**314**	**26,303**	**25,531**	**6,349**	**456,342**
Balance at 1 January 2016	**386,622**	**-10,216**	**376,406**	**21,439**	**314**	**26,303**	**25,531**	**6,349**	**456,342**
Additions	-	-	-	305	-	-	-	1,957	2,262
Disposals (NBV)	-	-	-	-	-	-80	-	-	-80
Additions due to acquisition	86	-	86	-	-	-	-	-	86
Other reclassifications	-	-	-	91	-	-	-	-	91
Reclassification of assets from/to other intangible assets categories	-	-	-	-119	-	-	-	119	-
Reclassification of assets from property, plant & equipment (note 11)	-	-	-	-	-	-	2,043	1,057	3,100
Impairment (note 29)	-	-5,276	-5,276	-	-	-	-	-376	-5,652
Amortization charge (note 29)	-	-	-	-553	-	-1,465	-4,182	-834	-7,034
Exchange differences	-52,280	-	-52,280	-4,215	1	-5,297	-11,280	-928	-73,999
Balance at 31 December 2016	**334,428**	**-15,492**	**318,936**	**16,948**	**315**	**19,461**	**12,112**	**7,344**	**375,116**

Other intangible assets include mainly computer software.

(all amounts in Euro thousands)

Company	Trade-marks	Other intangible assets	Total
Balance at 1 January 2015	**81**	**2,228**	**2,309**
Additions	-	224	224
Reclassification of assets from property, plant & equipment (note 11)	-	1,354	1,354
Amortization charge (note 29)	-	-275	-275
Balance at 31 December 2015	**81**	**3,531**	**3,612**
Balance at 1 January 2016	**81**	**3,531**	**3,612**
Additions	-	1,080	1,080
Disposals (NBV)	-80	-38	-118
Reclassification of assets from property, plant & equipment (note 11)	-	60	60
Other reclassifications	-	91	91
Amortization charge (note 29)	-	-267	-267
Balance at 31 December 2016	**1**	**4,457**	**4,458**

13. Intangible assets and Goodwill (continued)

Impairment testing of goodwill

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

Carrying amount of goodwill (by geographical segment):

(all amounts in Euro thousands)	**2016**	**2015**
Greece and Western Europe	10,209	12,719
North America	207,489	200,896
South Eastern Europe	53,923	56,673
Eastern Mediterranean	47,315	106,118
	318,936	**376,406**

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

Key assumptions

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

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

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

Sales volumes:

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

Selling prices:

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

Sales Growth	**2016**	**2015**
Greece and Western Europe	2.7% - 18.2%	5.5% - 27.6%
North America	4.2% - 9.4%	6.8% - 12.2%
South Eastern Europe	4.5% - 5%	6.5% - 8.9%
Eastern Mediterranean	12.7%	7.8%

13. Intangible assets and Goodwill (continued)

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

Gross margin Growth	**2016**	**2015**
Greece and Western Europe	2.9% - 25.4%	6.2% - 59.6%
North America	5.6% - 12.4%	12.3% - 18.8%
South Eastern Europe	9.5% - 16.6%	11.6% - 24.5%
Eastern Mediterranean	23.7%	28.2%

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.

Perpetual Growth rates	**2016**	**2015**
Greece and Western Europe	3%	3%
North America	2% - 4%	3% - 3.5%
South Eastern Europe	2%	2%
Eastern Mediterranean	3.5%	3.5%

Discount rates:
Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Country-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Discount rates	**2016**	**2015**
Greece and Western Europe	9.5%	11.6%
North America	4.7% - 5.6%	7.9%
South Eastern Europe	4.8% - 15.4%	6.4%-15.4%
Eastern Mediterranean	17.7%	16.5%

Sensitivity of recoverable amounts

On 31 December 2016, the Group analyzed the sensitivities of the recoverable amounts of each CGU to a reasonable possible change of a key assumption (notably to a change of one point in the discount rate or the perpetual growth rate).

Impairment of Goodwill

In Greece, a significant reduction in demand of construction materials due to the persisting economic recession led to the reduced revenues compared to the last year forecasts. As a result, the Group recorded an impairment loss of €2.5 million (2015: €4.0 million) on the goodwill, based on the respective value in use as calculated using a discount rate of 9.5% (2015: 11.6%).

In South Eastern Europe, the significant decrease of a terminal's commercial viability resulted in the recognition of an impairment loss of €2.8 million. The calculation of value in use was based on a discount rate of 8.2%.

14. Principal subsidiaries, associates and joint ventures

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2016 % of investment (*) Direct	2016 % of investment (*) Indirect	2015 % of investment (*) Direct	2015 % of investment (*) Indirect
Full consolidation method						
Titan Cement Company S.A	Greece	Cement producer	Parent company		Parent company	
Aeolian Maritime Company	Greece	Shipping	100.000	-	100.000	-
Aitolika Quarries S.A.	Greece	Quarries & aggregates	-	63.723	-	63.723
Albacem S.A.	Greece	Trading company	99.996	0.004	99.996	0.004
Arktias S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Interbeton Construction Materials S.A.	Greece	Ready mix & aggregates	99.910	0.090	99.892	0.108
Intertitan Trading International S.A.	Greece	Trading company	99.999	0.001	99.995	0.005
KTIMET Quarries S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Porfirion S.A.	Greece	Production and trade of electricity	-	100.000	-	100.000
Gournon Quarries S.A.	Greece	Quarries & aggregates	54.930	45.070	54.930	45.070
Quarries of Tagaradon Community S.A.	Greece	Quarries & aggregates	-	79.928	-	79.928
Vahou Quarries S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Sigma Beton S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Titan Atlantic Cement Industrial and Commercial S.A	Greece	Investment holding company	43.947	56.053	43.947	56.053
Titan Cement International Trading S.A.	Greece	Trading company	99.960	0.040	99.960	0.040
Brazcem Participacoes S.A. (1)	Brazil	Investment holding company	-	94.000	-	-
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	Bulgaria	Trading company	-	83.599	-	83.599
Zlatna Panega Beton EOOD	Bulgaria	Ready mix	-	99.989	-	99.989
Zlatna Panega Cement AD	Bulgaria	Cement producer	-	99.989	-	99.989
Green Alternative Energy Assets EAD	Bulgaria	Alternative fuels	-	100.000	-	100.000
Cementi ANTEA SRL	Italy	Trading company	-	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	Cyprus	Investment holding company	100.000	-	100.000	-
Alvacim Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Gaea Green Alternative Energy Assets Limited (2)	Cyprus	Investment holding company	-	-	-	100.000
Balkcem Ltd	Cyprus	Investment holding company	-	88.151	-	88.151
East Cement Trade Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Feronia Holding Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Iapetos Ltd	Cyprus	Investment holding company	100.000	-	100.000	-
KOCEM Limited	Cyprus	Investment holding company	-	100.000	-	100.000
Rea Cement Ltd (2)	Cyprus	Investment holding company	-	-	-	100.000
Terret Enterprises Ltd	Cyprus	Investment holding company	-	88.151	-	88.151
Themis Holdings Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Titan Cement Cyprus Limited	Cyprus	Investment holding company	-	88.151	-	88.151
Tithys Ltd	Cyprus	Investment holding company	-	88.151	-	88.151
Alexandria Portland Cement Co. S.A.E	Egypt	Cement producer	-	82.513	-	82.513
Beni Suef Cement Co.S.A.E.	Egypt	Cement producer	-	82.513	-	82.513
GAEA -Green Alternative Energy Assets	Egypt	Alternative fuels	-	64.825	-	64.825
Titan Beton & Aggregate Egypt LLC	Egypt	Quarries & aggregates	-	83.118	-	83.118
Sharr Beteiligungs GmbH	Germany	Investment holding company	-	88.151	-	88.151
Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S. (3)	Turkey	Processing and trading of cement	-	100.000	-	-

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

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2016 % of investment (*) Direct	2016 % of investment (*) Indirect	2015 % of investment (*) Direct	2015 % 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
Tyson Material Transport LLC	U.S.A.	Transportation	-	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 (1)	F.Y.R.O.M	Quarries & aggregates	-	88.151	-	-
GAEA Zelena Alternative Enerjia DOOEL	F.Y.R.O.M	Alternative fuels	-	100.000	-	100.000
MILLCO-PCM DOOEL	F.Y.R.O.M	Renting and leasing of machines, equipment and material goods	-	88.151	-	88.151
Rudmak DOOEL	F.Y.R.O.M	Trading company	-	88.151	-	88.151
Usje Cementarnica AD	F.Y.R.O.M	Cement producer	-	83.599	-	83.599
Vesa DOOL	F.Y.R.O.M	Trading company	-	100.000	-	100.000
Cement Plus LTD	Kosovo	Trading company	-	57.297	-	57.297
Esha Material LLC (1)	Kosovo	Quarries & aggregates	-	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	Denmark	Trading company	-	100.000	-	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	-
Holtitan B.V.	Holland	Investment holding company	-	88.151	-	88.151
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	2016 % of investment (*) Direct	2016 % of investment (*) Indirect	2015 % of investment (*) Direct	2015 % of investment (*) Indirect
Equity consolidation method						
Adocim Cimento Beton Sanayi ve Ticaret A.S.	Turkey	Cement producer	-	50.000	-	50.000
Companhia Industrial De Cimento Apodi (4)	Brazil	Cement producer	-	47.000	-	-
Apodi Concretos Ltda (4)	Brazil	Ready mix	-	47.000	-	-
ASH Venture LLC	U.S.A.	Processing of fly ash	-	33.000	-	33.000
Ecorecovery SA	Greece	Engineering design services for solid and liquid waste facilities	-	40.000	-	40.000
Karieri AD	Bulgaria	Quarries & aggregates	-	48.711	-	48.711
Karierni Materiali AD	Bulgaria	Quarries & aggregates	-	48.764	-	48.764
Vris OOD	Bulgaria	Quarries & aggregates	-	48.764	-	48.764

(*) Percentage of investment represents both percentage of shareholding and percentage of control

Significant Group structure changes

Fiscal year 2016

(1) Acquired companies incorporated in the consolidated financial statements with full consolidation method

(2) Absorbed subsidiaries

(3) On 31 May 2016, the Group formed the company Adocim Marmara Cimento Beton Sanayi ve Tikaret A.S. with ownership percentage 50% and on 22 August 2016, it acquired the remaining 50%.

(4) Acquired companies incorporated in the consolidated financial statements with equity consolidation method

Movement of the Company's participation in subsidiaries

(all amounts in Euro thousands)	2016	2015
Participation in subsidiaries on 1st January	**844,762**	**845,807**
Share capital increase/(decrease) in subsidiaries	17,651	-1,180
Other	244	135
Participation in subsidiaries on 31st December	**862,657**	**844,762**

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) Karieri AD with ownership percentage 48.711% (31.12.2015: 48.711%), Karierni Materiali AD with ownership percentage 48.764% (31.12.2015: 48.764%), Vris OOD with ownership percentage 48.764% (31.12.2015: 48.764%). The aforementioned companies are based in Bulgaria and operate in the aggregates business.

b) ASH Venture LLC with ownership percentage 33% (31.12.2015: 33%) which beneficiates, markets and sells fly ash. ASH Venture LLC is based in USA.

c) Ecorecovery S.A. with ownership percentage 40% (31.12.2015: 40%) that processing, managing and trading solid waste for the production of alternative fuels. The company is based in Greece.

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	**Aggregation of associates**	
	2016	**2015**
Non-current assets	44,558	47,699
Current assets	7,588	7,193
Total assets	**52,146**	**54,892**
Non-current liabilities	2,105	2,277
Current liabilities	10,547	12,519
Total liabilities	**12,652**	**14,796**
Equity	**39,494**	**40,096**
Group's carrying amount of the investment	**8,614**	**8,515**
Summarized income statement and statement of comprehensive income for the year ended 31 December		
Turnover	**19,549**	**21,913**
Profit after taxes	**3,717**	**4,280**
Other comprehensive loss for the year	-23	-38
Total comprehensive income for the year net of tax	**3,694**	**4,242**
Reconciliation of summarized financial information		
Carrying amount of the investment as at 1st of January	**8,515**	**7,981**
Profit for the year	1,577	1,768
Other comprehensive loss for the year	-12	-16
Investment in associate	-	400
Share capital increase	400	-
Dividends received	-1,984	-2,217
Foreign exchange differences	118	599
Carrying amount of the investment as at 31st of December	**8,614**	**8,515**

15. Investments in associates, joint ventures and subsidiaries (continued)

15.2 Investment in joint ventures

On 31 December 2016, the Group incorporated in its financial statements with the equity method of consolidation the company Adocim Cimento Beton Sanayi ve Ticaret A.S. with ownership percentage 50% (31.12.2015: 50%). The Group has joint control over the joint venture and therefore applies the equity method of consolidation. The Adocim Cimento Beton Sanayi ve Ticaret A.S. is based in Turkey, operates in the production of cement.

On 31 May 2016, Adocim Cimento Beton Sanayi ve Ticaret A.S formed the company Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S. (Adocim Marmara) in which the Group was granted ownership percentage 50%. The Group incorporated the newly formed company with the equity method of consolidation in the Group financial statements up to 22 August 2016, date on which the Group acquired the remaining 50% of the Adocim Marmara shares (note 14).

On 20 September 2016, the Group's subsidiary Brazcem Participacoes S.A. (note 30) acquired 50,0% ownership percentage of the company Companhia Industrial De Cimento Apodi (Apodi) with a consideration of €105.7 million. Given that there is a non-controlling interest participating in the company Brazcem Participacoes S.A. (note 14), the Group's share in the Apodi consideration was €99.4 million.

Apodi is based in Brazil, operates in the production of cement and it is incorporated in the Group financial statements with the equity method of consolidation since 30.9.2016 as the Group has joint control. On 31 December 2016, the Group ownership percentage was 47.0%.

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	**Adocim Cimento Beton Sanayi ve Ticaret A.S.**		**Adocim Marmara Cimento Beton Sanayi ve Tikaret A.S.**	**Companhia Industrial De Cimento Apodi**
	2016	**2015**	**2016**	**2016**
Non-current assets	47,590	69,034	-	241,467
Other current assets	34,284	41,814	-	41,088
Cash and cash equivalents	98	198	-	907
Total assets	**81,972**	**111,046**	**-**	**283,462**
Long-term borrowings	21,374	15,968	-	153,501
Deferred income tax liability	-	1,177	-	3,003
Other non-current liabilities	662	706	-	1,643
Short-term borrowings	16,188	29,301	-	73,420
Other current liabilities	10,089	12,347	-	12,661
Total liabilities	**48,313**	**59,499**	**-**	**244,228**
Equity	**33,659**	**51,547**	**-**	**39,234**
Summarized income statement and statement of comprehensive income	**1.1 - 31.12.2016**	**1.1 - 31.12.2015**	**1.6 - 21.8.2016**	**1.10 - 31.12.2016**
Turnover	**72,787**	**87,629**	**2,865**	**18,612**
Depreciation, amortization and impairments of assets	-3,460	-3,877	-116	-2,143
Finance income	2,078	4,135	-	652
Finance expense	-11,016	-13,706	-186	-5,689
Income tax	-1,769	-2,066	44	-2,981
Profit/(loss) after taxes	7,169	8,026	-175	-9,236
Total comprehensive income/(loss) for the year net of tax	**7,169**	**8,026**	**-175**	**-9,236**
Reconciliation of summarized financial information	**2016**	**2015**	**2016**	**2016**
Carrying amount of the investment as at 1st of January	**73,993**	**78,552**	**-**	**-**
Profit/(loss) for the year	3,585	4,013	-88	-4,617
Dividends	-2,934	-	-	-
Acquisition of joint ventures	-	-	-	105,705
Share capital increase	-	-	-	1,834
Change in ownership interest	-	-	-	87
Change in consolidation method	-	-	-10,222	-
Restructuring	-10,348	-	10,348	-
Intra-group eliminations	35	34	-	-
Foreign exchange differences	-9,986	-8,606	-38	4,835
Carrying amount of the investment as at 31st of December	**54,345**	**73,993**	**-**	**107,844**

On 31 December 2016, Adocim Cimento Beton Sanayi ve Ticaret A.S. had contingent liabilities in the form of bank guarantee letters amounting to €714 thousand (31.12.2015: €857 thousand).

15. Investments in associates, joint ventures and subsidiaries (continued)

15.3 Subsidiaries with significant percentage of non-controlling interests

On 31 December 2016, the non-controlling interest of the Group is €76,465 thousand (31.12.2015: €118,391 thousand), of which €43,345 thousand (31.12.2015: €91,710 thousand) is for Alexandria Development Co Ltd and its subsidiaries and €26,928 thousand (31.12.2015: €26,625 thousand) is attributed to Titan Cement Cyprus Limited and its subsidiaries. The remaining non-controlling interest is not material.

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 *	
	2016	2015	2016	2015
Summarized statement of financial position as at 31 December				
Non-current assets	414,064	805,491	115,140	116,270
Current assets	73,474	119,614	63,528	62,934
Total assets	**487,538**	**925,105**	**178,668**	**179,204**
Non-current liabilities	148,293	227,419	4,029	4,146
Current liabilities	94,333	169,203	16,923	18,305
Total liabilities	**242,626**	**396,622**	**20,952**	**22,451**
Equity	**244,912**	**528,483**	**157,716**	**156,753**
Attributable to:				
Equity holders of the parent	**201,567**	**436,773**	**130,788**	**130,128**
Non-controlling interests	**43,345**	**91,710**	**26,928**	**26,625**
Summarized income statement and statement of comprehensive income for the year ended 31 December				
Turnover	**244,341**	**240,749**	**134,101**	**127,850**
(Loss)/profit after taxes	**-21,018**	**-16,673**	**26,105**	**21,663**
Other comprehensive (losses)/income for the year	-252,395	5,951	-374	-273
Total comprehensive (losses)/income for the year net of tax	**-273,413**	**-10,722**	**25,731**	**21,390**
Total comprehensive (losses)/income attributable to non-controlling interests	**-48,660**	**-1,893**	**4,069**	**4,031**
Dividends distributed to non-controlling interest	**644**	**4,481**	**3,856**	**4,675**
Summarized cash flow information for the year ended 31 December				
Cash flows from operating activities	45,539	30,540	39,270	36,064
Cash flows from investing activities	-29,579	-53,768	-9,087	-5,762
Cash flows from financing activities	-9,330	23,513	-28,889	-26,930
Net increase in cash and cash equivalents	**6,630**	**285**	**1,294**	**3,372**
Cash and cash equivalents at beginning of the year	17,796	17,159	29,555	26,139
Effects of exchange rate changes	-13,380	352	-28	44
Cash and cash equivalents at end of the year	**11,046**	**17,796**	**30,821**	**29,555**

** Consolidated figures before elimination with the broader Group*

16. Available-for-sale financial assets

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Opening balance	**3,319**	**1,469**	**2,281**	**172**
Additions	-	4,320	-	4,320
Disposals	-2,020	-2,350	-2,020	-2,350
Revaluations	-234	-79	-139	139
Exchange differences	-	-41	-	-
Ending balance	**1,065**	**3,319**	**122**	**2,281**

Analysis of available-for-sale financial assets:

Non-current portion	1,065	1,209	122	172
Current portion	-	2,110	-	2,109
	1,065	**3,319**	**122**	**2,281**

During 2015, the Company acquired Banks' listed securities through the Greek Banks Recapitalization procedure of €4,320 thousand out of which €2,350 thousand have been disposed. During 2016, the Company sold: a) the remaining Banks' listed securities of €1,970 thousand and b) other securities of €50 thousand.

The rest of the available-for-sale financial assets are mainly shares of non-listed capital markets and funds in property.

Available-for-sale investments are fair valued annually at the close of business on 31 December (note 34).

17. Other non-current assets

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Utility deposits	2,987	3,218	2,597	2,640
Excess benefit plan assets (note 25)	4,364	4,578	-	-
Notes receivable- trade	459	630	-	-
Other non-current assets	4,828	6,404	622	423
	12,638	**14,830**	**3,219**	**3,063**

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	
	2016	**2015**	**2016**	**2015**
Deferred tax assets to be recovered:				
after more than 12 months	-201,834	-113,371	-18,941	-21,315
within 12 months	-17,737	-30,432	-3,803	-8,637
Deferred tax liabilities to be recovered:				
after more than 12 months	248,755	302,524	30,122	34,578
within 12 months	6,442	4,259	5,060	2,892
Deferred tax liability (net)	**35,626**	**162,980**	**12,438**	**7,518**

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	
	2016	**2015**	**2016**	**2015**
Opening balance, net deferred liability	**162,980**	**181,568**	**7,518**	**3,365**
Income statement charge (note 8)	-71,869	-5,678	5,559	3,166
Tax charged to equity through other comprehensive income	-9,704	1,386	-639	897
Deferred tax adjustment due to change in income tax rates	-	-21,960	-	90
Additions due to acquisition of joint venture (note 30)	1,605	-	-	-
Fair value adjustments due to joint venture acquisition (note 30)	2,062	-	-	-
Exchange differences	-49,448	7,664	-	-
Ending balance, net deferred liability	**35,626**	**162,980**	**12,438**	**7,518**

Analysis of deferred tax liabilities (before set - offs)

	Group		Company	
	2016	**2015**	**2016**	**2015**
Property, plant and equipment	167,061	212,717	32,568	35,055
Mineral deposits	33,866	33,588	-	-
Intangible assets	47,461	47,372	52	127
Unrealized foreign exchange differences	-62	9,149	-	-
Provisions	1,455	1,454	1,800	1,800
Long term borrowings	-	31	-	31
Investments	1,392	2,756	-	-
Receivables and prepayments	351	351	-	-
Trade and other payables	635	417	631	416
Available for sale financial assets	-	40	-	40
Prepaid expenses	1,476	1,367	-	-
Cash and cash equivalents	131	-	131	-
Other	1,471	1,948	-	-
	255,237	**311,190**	**35,182**	**37,469**

Analysis of deferred tax assets (before set - offs)

Intangible assets	-8,125	-10,534	-	-
Investments & other non-current receivables	-3,598	-3,500	-2,979	-2,979
Inventories	-4,213	-4,169	-2,615	-2,549
Post-employment and termination benefits	-10,133	-10,225	-4,602	-3,794
Receivables and prepayments	-8,364	-8,352	-1,584	-1,144
Tax losses carried forward (note 8)	-156,206	-74,146	-6,582	-13,913
Interest expense tax carried forward	-222	-13,336	-222	-2,094
Deferred income	-1,280	-938	-	-
Lease obligations	-7,070	-4,941	-	-
Government grants and other non current liabilities	-1,123	-1,186	-1,123	-1,186
Provisions and accrued expenses	-19,007	-16,630	-3,037	-2,292
Trade and other payables	-8	-25	-	-
Other	-262	-228	-	-
	-219,611	**-148,210**	**-22,744**	**-29,951**
Net deferred tax liability	**35,626**	**162,980**	**12,438**	**7,518**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

18. Deferred income taxes (continued)

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same tax jurisdiction) during the year is as follows:

(all amounts in Euro thousands)

Group

	1 January 2016	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Additions due to acquisition of joint venture (note 30)	Fair value adjustments due to joint venture acquisition (note 30)	Exchange differences	31 December 2016
Deferred tax liabilities (before set - offs)							
Property, plant and equipment	212,717	189	-	1,605	2,062	-49,512	167,061
Mineral deposits	33,588	-785	-	-	-	1,063	33,866
Intangible assets	47,372	3,432	-	-	-	-3,343	47,461
Unrealized foreign exchange differences	9,149	-1,254	-9,039	-	-	1,082	-62
Provisions	1,454	2	-	-	-	-1	1,455
Long term borrowings	31	-31	-	-	-	-	-
Investments	2,756	-1,403	-	-	-	39	1,392
Receivables and prepayments	351	-	-	-	-	-	351
Trade and other payables	417	218	-	-	-	-	635
Available for sale financial assets	40	-	-40	-	-	-	-
Prepaid expenses	1,367	61	-	-	-	48	1,476
Cash and cash equivalents	-	131	-	-	-	-	131
Other	1,948	-431	150	-	-	-196	1,471
	311,190	**129**	**-8,929**	**1,605**	**2,062**	**-50,820**	**255,237**
Deferred tax assets (before set - offs)							
Intangible assets	-10,534	2,624	-	-	-	-215	-8,125
Investments & other non-current receivables	-3,500	-98	-	-	-	-	-3,598
Inventories	-4,169	-20	-	-	-	-24	-4,213
Post-employment and termination benefits	-10,225	973	-775	-	-	-106	-10,133
Receivables and prepayments	-8,352	85	-	-	-	-97	-8,364
Tax losses carried forward (note 8)	-74,146	-82,684	-	-	-	624	-156,206
Interest expense tax carried forward	-13,336	12,930	-	-	-	184	-222
Deferred income	-938	-296	-	-	-	-46	-1,280
Lease obligations	-4,941	-1,873	-	-	-	-256	-7,070
Government grants and other non current liabilities	-1,186	63	-	-	-	-	-1,123
Provisions and accrued expenses	-16,630	-3,734	-	-	-	1,357	-19,007
Trade and other payables	-25	17	-	-	-	-	-8
Other	-228	15	-	-	-	-49	-262
	-148,210	**-71,998**	**-775**	**-**	**-**	**1,372**	**-219,611**
Net deferred tax liability	**162,980**	**-71,869**	**-9,704**	**1,605**	**2,062**	**-49,448**	**35,626**

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	1 January 2015	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Deferred tax adjustment due to change in income tax rates	Exchange differences	31 December 2015
Deferred tax liabilities (before set - offs)						
Property, plant and equipment	228,010	-3,752	253	-20,058	8,264	212,717
Mineral deposits	29,476	718	-	-1,902	5,296	33,588
Intangible assets	44,914	607	-	-	1,851	47,372
Unrealized foreign exchange differences	5,010	3,564	-	-	575	9,149
Provisions	1,456	-3	-	-	1	1,454
Long term borrowings	-	31	-	-	-	31
Investments	1,817	730	-	-	209	2,756
Receivables and prepayments	444	-72	-	-	-21	351
Trade and other payables	54	363	-	-	-	417
Available for sale financial assets	-	-	40	-	-	40
Prepaid expenses	1,099	142	-	-	126	1,367
Cash and cash equivalents	-	-	-	-	-	-
Other	1,936	-	-	-	12	1,948
	314,216	**2,328**	**293**	**-21,960**	**16,313**	**311,190**
Deferred tax assets (before set - offs)						
Intangible assets	-11,619	2,420	-	-	-1,335	-10,534
Investments & other non-current receivables	-3,551	51	-	-	-	-3,500
Inventories	-1,733	-2,358	-	-	-78	-4,169
Post-employment and termination benefits	-9,590	-1,202	1,093	-	-526	-10,225
Receivables and prepayments	-6,019	-2,585	-	-	252	-8,352
Tax losses carried forward (note 8)	-78,291	9,476	-	-	-5,331	-74,146
Interest expense tax carried forward	-5,705	-7,642	-	-	11	-13,336
Deferred income	-3,060	2,477	-	-	-355	-938
Lease obligations	-	-4,946	-	-	5	-4,941
Government grants and other non current liabilities	-1,114	-72	-	-	-	-1,186
Provisions and accrued expenses	-11,074	-4,321	-	-	-1,235	-16,630
Trade and other payables	-113	88	-	-	-	-25
Other	-779	608	-	-	-57	-228
	-132,648	**-8,006**	**1,093**	**-**	**-8,649**	**-148,210**
Net deferred tax liability	**181,568**	**-5,678**	**1,386**	**-21,960**	**7,664**	**162,980**

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

	1 January 2016	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	31 December 2016
Deferred tax liabilities (before set - offs)				
Property, plant and equipment	35,055	-2,488	-	32,567
Intangible assets	127	-75	-	52
Provisions	1,800	-	-	1,800
Trade and other payables	416	216	-	632
Long term borrowings	31	-31	-	-
Available for sale financial assets	40	-	-40	-
Cash and cash equivalents	-	131	-	131
	37,469	**-2,247**	**-40**	**35,182**
Deferred tax assets (before set - offs)				
Investments & other non-current receivables	-2,979	-	-	-2,979
Inventories	-2,549	-66	-	-2,615
Receivables and prepayments	-1,144	-440	-	-1,584
Government grants and other non current liabilities	-1,186	63	-	-1,123
Provisions and accrued expenses	-2,292	-745	-	-3,037
Post-employment and termination benefits	-3,794	-209	-599	-4,602
Trade and other payables	-	-	-	-
Interest expense tax carried forward	-2,094	1,872	-	-222
Tax losses carried forward (note 8)	-13,913	7,331	-	-6,582
	-29,951	**7,806**	**-599**	**-22,744**
Net deferred tax liability	**7,518**	**5,559**	**-639**	**12,438**

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same tax jurisdiction) during the prior year is as follows:

	1 January 2015	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	31 December 2015
Deferred tax liabilities (before set - offs)				
Property, plant and equipment	32,421	2,381	253	35,055
Intangible assets	135	-8	-	127
Receivables and prepayments	72	-72	-	-
Provisions	1,800	-	-	1,800
Trade and other payables	54	362	-	416
Long term borrowings	-	31	-	31
Available for sale financial assets	-	-	40	40
	34,482	**2,694**	**293**	**37,469**
Deferred tax assets (before set - offs)				
Investments & other non-current receivables	-2,671	-308	-	-2,979
Inventories	-168	-2,381	-	-2,549
Receivables and prepayments	-769	-375	-	-1,144
Government grants	-1,114	-72	-	-1,186
Provisions and accrued expenses	-596	-1,696	-	-2,292
Post-employment and termination benefits	-3,647	-751	604	-3,794
Trade and other payables	-85	85	-	-
Interest expense tax carried forward	-5,705	3,611	-	-2,094
Tax losses carried forward (note 8)	-16,362	2,449	-	-13,913
	-31,117	**562**	**604**	**-29,951**
Net deferred tax liability	**3,365**	**3,256**	**897**	**7,518**

19. Inventories

(all amounts in Euro thousands)

Inventories	Group 2016	Group 2015	Company 2016	Company 2015
Raw materials-Maintenance stores	182,470	214,446	53,034	62,603
Provision for obsolete raw materials & maintenance stores	-5,102	-6,261	-3,297	-3,458
Finished goods	75,477	86,047	8,723	12,229
Provision for obsolete finished goods	-3,230	-3,226	-692	-692
	249,615	291,006	57,768	70,682
Transfer to investment property (note 12)	-	-715	-	-
Transfer to property, plant and equipment (note 11)	-691	-3,498	-	-
	248,924	**286,793**	**57,768**	**70,682**

Analysis of provision for impairment of inventories	Group 2016	Group 2015	Company 2016	Company 2015
Balance at 1 January	**9,487**	**5,490**	**4,150**	**646**
Charge for the year (note 4, 29)	425	3,943	81	3,504
Unused amounts reversed (note 29)	-303	-	-150	-
Utilized	-1,374	-	-92	-
Reclassification from inventory accounts	939	-	-	-
Exchange differences	-842	54	-	-
Balance at 31 December	**8,332**	**9,487**	**3,989**	**4,150**

The Group and the Company have not pledged their inventories as collateral.

20. Receivables and prepayments

(all amounts in Euro thousands)	Group 2016	Group 2015	Company 2016	Company 2015
Trade receivables	123,175	119,711	28,657	28,931
Cheques receivables	27,190	9,608	11,041	4,700
Trade receivables from related parties (note 32)	-	-	16,568	13,776
Allowance for doubtful debtors	-26,899	-27,363	-2,194	-2,351
Total trade receivables	123,466	101,956	54,072	45,056
Creditors advances	11,337	7,038	139	150
Income tax receivables	1,227	2,389	382	285
V.A.T. and other tax receivables	7,126	11,308	2,519	6,078
Prepayments and other receivables	54,759	46,909	10,472	10,122
Other receivables from related parties (note 32)	15	35	9,642	8,591
Allowance for doubtful debtors	-1,822	-2,487	-1,334	-1,895
Total other receivables	72,642	65,192	21,820	23,331
	196,108	**167,148**	**75,892**	**68,387**

20. Receivables and prepayments (continued)

As at 31 December, the ageing analysis of trade receivables is as follows:

(all amounts in Euro thousands)

	Group		Company	
	2016	**2015**	**2016**	**2015**
Neither past due but not impaired	69,135	56,421	34,651	24,770
Past due nor impaired :				
< 30 days	15,910	11,061	3,213	3,441
30-60 days	7,508	5,539	1,289	2,537
60-90 days	4,867	6,196	1,137	4,185
90-120 days	2,477	3,907	74	1,947
>120 days	23,569	18,832	13,708	8,176
	123,466	**101,956**	**54,072**	**45,056**

The above mentioned trade receivables are secured by guarantees/collaterals, amounting to €27,100 thousand (31.12.2015: €27,819 thousand) for the Group and €10,390 thousand (31.12.2015: €10,716 thousand) for the Company (note 31).

On 31 December 2016, the aforementioned guarantees/collaterals secure effective credit risk of €9,981 thousand (2015: €9,384 thousand) for the Group and €4,748 thousand (2015: €3,779 thousand) for the Company.

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.

Allowance for doubtful and other debtors analysis	Group		Company	
	2016	**2015**	**2016**	**2015**
Balance at 1 January	**29,850**	**29,136**	**4,246**	**4,466**
Charge for the year (note 29)	2,316	3,062	47	276
Unused amounts reversed (note 29)	-2,903	-2,269	-275	-284
Utilized	-905	-774	-490	-212
Reclassification from other receivables/payables	17	71	-	-
Additions due to acquisitions	344	-	-	-
Exchange differences	2	624	-	-
Balance at 31 December	**28,721**	**29,850**	**3,528**	**4,246**

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.

21. Cash and cash equivalents

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Cash at bank and in hand	245	428	144	281
Short-term bank deposits	179,465	121,305	11,074	8,345
	179,710	**121,733**	**11,218**	**8,626**

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:	**2016**	**2015**
Ordinary shares of €4.00 each	77,063,568	77,063,568
Preference shares of €4.00 each	7,568,960	7,568,960
	84,632,528	**84,632,528**

22. Share capital and premium (continued)

(all amounts are shown in Euro thousands unless otherwise stated)

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 2015	**77,063,568**	**308,254**	**7,568,960**	**30,276**	**22,826**	**84,632,528**	**361,356**
Balance at 31 December 2015	**77,063,568**	**308,254**	**7,568,960**	**30,276**	**22,826**	**84,632,528**	**361,356**
Balance at 31 December 2016	**77,063,568**	**308,254**	**7,568,960**	**30,276**	**22,826**	**84,632,528**	**361,356**

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 2015	**2,919,912**	**83,516**	**5,919**	**117**	**2,925,831**	**83,633**
Treasury shares sold	-159,319	-4,556	-	-	-159,319	-4,556
Balance at 31 December 2015	**2,760,593**	**78,960**	**5,919**	**117**	**2,766,512**	**79,077**
Treasury shares purchased	1,219,658	24,265	79,595	928	1,299,253	25,193
Treasury shares sold	-108,574	-2,817	-	-	-108,574	-2,817
Balance at 31 December 2016	**3,871,677**	**100,408**	**85,514**	**1,045**	**3,957,191**	**101,453**

For the year 2016, the average stock price of Titan Cement Company S.A. ordinary shares was €19.63 (2015: €20.40) and the closing price of the ordinary shares on 31 December 2016 was €22.30 (31.12.2015: €17.61).

Share options

Share options are granted to members of senior management. Movements in the number of share options outstanding are as follows:

	2014 scheme	2010 scheme
Balance at 1 January 2015	**250,190**	**385,209**
Granted	313,080	-
Exercised	-	-159,319
Non vested	-	-61,112
Cancelled	-4,750	-17,545
Balance at 31 December 2015	**558,520**	**147,233**
Granted	303,150	-
Exercised	-	-108,574
Cancelled	-1,650	-38,659
Balance at 31 December 2016	**860,020**	**-**

Share options outstanding at the end of the year have the following terms:

	2014 scheme		2010 scheme	
Exercise price	€ 10		€ 4	
Expiration date	2016	2015	2016	2015
2016	-	-	-	147,233
2020	245,890	247,540	-	-
2021	310,980	310,980	-	-
2022	303,150	-	-	-
	860,020	**558,520**	**-**	**147,233**

22. Share capital and premium (continued)

2010 Programme

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

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

1) One-third of options granted vest based on the financial results of the Company.

2) One-third of options granted vest based on Titan Cement's stock performance relative to three Athens Stock Exchange indices during the three year period.

3) One-third of options granted vest based on Titan Cement's stock performance relative to that of ten predefined international cement producing companies during the three year period.

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

The number of Share Options that were granted during 2010, 2011 and 2012 was 267,720, 301,200 and 376,290 respectively.

The fair value of the options granted in 2010, determined using the Monte Carlo Simulation valuation model, was €5.36 per option. The significant inputs used in the application of the valuation model were share price at grant date of €15.90, standard deviation of share price of 39.42%, dividend yield of 2.68% and the rate of the three-year fixed EUR swap interest rate of 2.25%.

The fair value of the options granted in 2011 was €6.86 per option, determined using the Monte Carlo Simulation valuation model. The significant inputs used in the application of the valuation model were share price at grant date of €17.88, standard deviation of share price of 43.98%, dividend yield of 2.74% and the rate of the three-year fixed EUR swap interest rate of 1.89%.

The fair value of the options granted in 2012 was €3.05 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodology were the share price at grant date of €14.72, the volatility of the share price estimated at 37.4%, the dividend yield of 0.7% and the yield of the 3 year EU Benchmark (Deutsche Bund) Government bond yield rate of 0.32%.

On 31 December 2016, the number of the cancelled share options that were granted during 2010, 2011 and 2012 is 13,380, 17,910 and 16,710 respectively whereas the respective number of the share options that were not vested is 190,746, 118,977 and 61,112.

Out of the share options that were granted during 2010, 8,684 vested and cancelled. The remaining 54,910 share options, that represent 0.06% of Company's total shares of the paid up share capital, were exercised (2013: 50,282 / 2014: 4,628) by 75 Group executives , including 5 executive Board members of the Company. Total purchase cost of common treasury shares of the Company amounted €1,898 thousand (2013: €1,766 thousand / 2014: €132 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. €4.00. The total share price amounted €220 thousand. The loss caused by this transaction amounted to €1,678 thousand (2013: €1,565 thousands / 2014: €113 thousands) and were attributed to the equity holders of the Company.

Out of the share options that were granted during 2011, 15,494 vested and cancelled. The remaining 148,819 share options, that represent 0.17% of Company's total shares of the paid up share capital, were exercised (2014:136,875 / 2015:11,944) by 87 Group executives, including 6 executive Board members of the Company. Total purchase cost of common treasury shares of the Company amounted €4,257 thousand (2014: €3,915 thousand / 2015: €342 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. € 4.00. The total share price amounted € 595 thousand. The loss caused by this transaction amounted to €3,662 thousand (2014: €3,368 thousands / 2015: €294 thousands) and were attributed to the equity holders of the Company.

Out of the share options that were granted during 2012, 42,519 vested and cancelled. Out of the remaining 255,949 share options, that represent 0.3% of Company's total shares of the paid up share capital, were exercised during 2016 and 2015 by 13 and 69 Group executives respectively, including 1 executive Board member of the Company. Total purchase cost of common treasury shares of the Company amounted €7,373 thousand (2015: €4,214 thousand / 2016: €2,817 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. €4.00. The total share price amounted €1,026 thousand (2015: €590 thousand / 2016: €436 thousand). The loss caused by this transaction amounted to €6,005 (2015: €3,624 / 2016: €2,381 thousand) and were attributed to the equity holders of the Company.

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 those that will be granted in 2016 shall be three years. Therefore, the relevant option rights shall 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 the ten 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 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 during 2014, 2015 and 2016 was 250,190, 313,080 and 303,150 respectively.

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 2016 the number of the cancelled share options that were granted during 2014, 2015 was 4.300 and 2.100 respectively.

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 2015	**92,587**	**593,523**	**266,525**	**118,875**	**26,504**	**-657**	**41,115**	**-198,947**	**939,525**
Other comprehensive income	-	-	-	-	1,096	1,658	-	43,962	46,716
Special reserve distributed to shareholders (note 10)	-	-12,695	-	-	-	-	-	-	-12,695
Deferred tax adjustment due to change in income tax rates on revaluation reserves	-	-	-	-	20,793	-	-	-	20,793
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	4,262	-	-	-	4,262
Acquisition of non-controlling interest	20	52	-	-	5,657	-	-	-1,307	4,422
Transfer between reserves	505	-11,653	34,550	-1,312	-7,926	-	-	117	14,281
Balance at 31 December 2015	**93,112**	**569,227**	**301,075**	**117,563**	**50,386**	**1,001**	**41,115**	**-156,175**	**1,017,304**
Other comprehensive income/(losses)	-	-	-	-	289	-863	-	-188,007	-188,581
Acquisition of non-controlling interest	1	-	-	-	-	-	-	4	5
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-1,254	-	-	-	-1,254
Transfer between reserves	3,388	3,643	32,219	-23,809	-3,876	-	-	325	11,890
Balance at 31 December 2016	**96,501**	**572,870**	**333,294**	**93,754**	**45,545**	**138**	**41,115**	**-343,853**	**839,364**

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 2015	**68,650**	**16,245**	**254,632**	**105,865**	**2,662**	**-165**	**48,347**	**496,236**
Other comprehensive (losses)/income	-	-	-	-	-154	997	-	843
Special reserve distributed to shareholders (note 10)	-	-12,695	-	-	-	-	-	-12,695
Transfer from retained earnings	1,302	-	33,727	198	-	-	-	35,227
Transfer from share options	-	-	823	-	-	-	-	823
Transfer between reserves	-	-	-	-684	-	-	-	-684
Balance at 31 December 2015	**69,952**	**3,550**	**289,182**	**105,379**	**2,508**	**832**	**48,347**	**519,750**
Other comprehensive losses	-	-	-	-	-99	-1,468	-	-1,567
Transfer from retained earnings	2,998	-	31,773	-	-	-	-	34,771
Transfer from share options	-	-	449	-	-	-	-	449
Transfer between reserves	-	-	-	-15,000	-	-	-	-15,000
Balance at 31 December 2016	**72,950**	**3,550**	**321,404**	**90,379**	**2,409**	**-636**	**48,347**	**538,403**

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. Based on the decision of the General Meeting of 17 June 2016 the "special & contingency reserves" have increased by €31.8 million due to the transfer from "retained earnings".

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. 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) €42.8 million (2015: €48.2 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 (2015: €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 25).

The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Moreover, Foreign Currency Translation Reserve 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 2016, this reserve has a debit balance of €23.2 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. Borrowings

(all amounts in Euro thousands)

	Group		Company	
Current	**2016**	**2015**	**2016**	**2015**
Bank borrowings	6,915	14,564	13	9,324
Bank borrowings in non euro currency	31,746	9,930	-	-
Debentures (note 37)	87,938	-	-	-
Loans from related parties	-	-	42,429	-
Finance lease liabilities	2,900	1,819	-	-
	129,499	**26,313**	**42,442**	**9,324**
Non-current				
Bank borrowings	30,766	35,902	-	-
Bank borrowings in non euro currency	62,655	170,443	-	-
Debentures	601,893	499,181	-	-
Loans from related parties	-	-	310,678	300,712
Finance lease liabilities	15,651	11,240	-	-
	710,965	**716,766**	**310,678**	**300,712**
Total borrowings	**840,464**	**743,079**	**353,120**	**310,036**

The Company has the following loan facility agreements with the Group subsidiary Titan Global Finance PLC :

-Revolving Facility Agreement €184.0 million. Maturity: 2018, floating interest rate
-Loan Agreement €42.5 million. Maturity: 2017, fixed interest rate
-Loan Agreement €110.2 million. Maturity: 2019, fixed interest rate
-Loan Agreement €150.0 million. Maturity: 2021, fixed interest rate

Maturity of non-current borrowings:

	Group		Company	
	2016	**2015**	**2016**	**2015**
Between 1 and 2 years	39,588	247,434	51,736	94,388
Between 2 and 3 years	300,672	90,058	109,535	96,396
Between 3 and 4 years	17,492	296,067	-	109,928
Between 4 and 5 years	316,899	33,907	149,407	-
Over 5 years	20,663	38,060	-	-
	695,314	**705,526**	**310,678**	**300,712**

Maturity of non-current finance lease liabilities:

	Group	
(all amounts in Euro thousands)	**2016**	**2015**
Between 1 and 2 years	83	-
Between 2 and 3 years	39	235
Between 3 and 4 years	96	-
Between 4 and 5 years	8,498	-
Over 5 years	6,935	11,005
	15,651	**11,240**

On 17 June 2016 was completed the offering of a total nominal amount of €300 million guaranteed notes due 2021, with a coupon of 3.50% per annum, which were issued by Group subsidiary Titan Global Finance PLC (the "Issuer") and guaranteed by the Company. The notes are traded on the Global Exchange Market (GEM), the exchange –regulated market of the Irish Stock Exchange.

Part of the proceeds of the notes was used by the Issuer to purchase €109 million of its outstanding 8.75% guaranteed notes due January 2017 (the "2017 Notes") prior to maturity pursuant to the tender offer memorandum dated 6 June 2016 and for general corporate purposes.

24. Borrowings (continued)

The weighted average effective interest rates that affect the Income Statement are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
Borrowings (USD)	4.49%	3.82%	-	-
Borrowings (JPY)	-	2.70%	-	-
Borrowings (EGP)	13.81%	11.97%	-	-
Borrowings (BGN)	2.73%	3.25%	-	-
Borrowings (LEK)	4.85%	4.78%	-	-
Borrowings (TRY)	12.13%	-	-	-
Borrowings (€)	5.22%	6.09%	4.80%	5.31%
Finance lease liabilities (USD)	3.06%	3.22%	-	-
Finance lease liabilities (CAD)	4.00%	4.00%	-	-

Bank borrowings in foreign currencies (including finance leases):

	Group	
	Amounts in Euro equivalent	
	2016	**2015**
USD	215,538	208,111
TRY	1,915	-
EGP	62,141	132,368
BGN	15,421	11,586
LEK	30,516	36,093
CAD	2	6
GBP	73	135

The Group has the following undrawn borrowing facilities:

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Floating rate:				
- Expiring within one year	192,154	155,710	98,105	89,645
- Expiring beyond one year	319,944	316,730	130,654	87,190

The present value of the finance lease liabilities may be analyzed as follows:

(all amounts in Euro thousands)	Group	
	2016	**2015**
Finance lease liabilities - minimum lease payments		
Not later than 1 year	3,452	2,184
Later than 1 year and not later than 5 years	15,271	8,370
Later years	1,789	3,998
	20,512	14,552
Future finance charges on finance leases	-1,961	-1,493
Present value of finance lease liabilities	**18,551**	**13,059**

In 2016, Group subsidiary in U.S.A., Titan America LLC (TALLC), entered into new finance leases in the principal amount of €7.5 million with terms of six years and an average interest rate of 3.19%. In 2015, TALCC had entered into eight new finance leases for the purchase of motor vehicles in 2015. The total principal amount of these leases is €12.3 million with terms of six years and an average interest rate of 3.08%.

25. 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 2016. The principal actuarial assumptions used were a discount rate of 1.5% (2015: 1.9%), future salary increases of 1.75% (2015: 2%) and no change in future pensions.

USA

The Group's U.S. subsidiaries operate defined benefit plans and other post-retirement benefit plans. The method of accounting for the latter, as well as the valuation assumptions and the frequency of valuations are similar to those used for defined benefit plans.

All of the Group's U.S. 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 2016 the plan assets of the Group's subsidiaries in the US have invested approximately 58% (2015: 57%) in equity instruments quated in US and international stock markets and 42% (2015: 43%) 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% (2015: 4%).

Multi-employer plan

Certain employees participate in a union sponsored, defined benefit multi-employer pension plan. This plan is not administered by the Group's U.S. subsidiaries and contributions are determined in accordance with the provisions of the negotiated labor contract. These contributions are affected by the funded status of the plan.

Excess benefit plan

This plan is intended to constitute an unfunded plan of deferred compensation for a selected group of highly compensated employees under the Employee Income Security Act of 1974 ("ERISA"). For this purpose the Group's U.S. subsidiary created an irrevocable trust to facilitate the payment of deferred compensation to participants under this plan. Under this plan the participants are eligible to defer from 0% to 20% of eligible compensation for the applicable plan year. In 2012, the Group's U.S. subsidiary suspended its matching amounts for all contributions. On 31 December 2016 and 2015, plan assets totaled €4,364 thousand and €4,578 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 31 December 2016 or 2015.

25. Retirement and termination benefit obligations (continued)

The amounts relating to defined benefit pension plans and other post retirement and termination benefits (defined benefit plans) recognized in the statement of comprehensive income in the account other expenses are as follows:

(all amounts in Euro thousands)

	Group		Company	
	2016	**2015**	**2016**	**2015**
Current service cost	4,149	3,436	994	843
Interest cost	964	996	249	238
Return on plan assets	-431	-442	-	-
	4,682	**3,990**	**1,243**	**1,081**
Additional post retirement and termination benefits paid out, not provided for	445	789	422	453
	5,127	**4,779**	**1,665**	**1,534**
Amounts recognized in profit before interest, taxes, depreciation, amortization and impairment	4,594	4,225	1,416	1,296
Amounts recognized in finance cost (note 6)	533	554	249	238
Amounts recognized in the income statement	**5,127**	**4,779**	**1,665**	**1,534**
Re-measurement losses/(gains) recognized immediately in other comprehensive (loss)/income	1,475	-2,767	2,067	-1,601
Amount charged to statement of total comprehensive income	**6,602**	**2,012**	**3,732**	**-67**
Present value of the liability at the end of the period	**49,297**	**46,428**	**15,870**	**13,087**
Minus fair value of US plans assets	-15,336	-15,410	-	-
	33,961	**31,018**	**15,870**	**13,087**

Liabilities' movement recognized in the statement of financial position:

	Group		Company	
	2016	**2015**	**2016**	**2015**
Opening balance	**31,018**	**31,727**	**13,087**	**14,029**
Total expense	5,127	4,665	1,665	1,534
Re-measurement losses/(gains) recognized immediately in other comprehensive (loss)/income	1,475	-2,767	2,067	-1,601
Other	59	-	-	-
Exchange differences	26	1,451	-	-
Benefits paid during the year	-3,744	-4,058	-949	-875
Ending balance	**33,961**	**31,018**	**15,870**	**13,087**

Changes in the fair value of US plan assets:

	Group	
	2016	**2015**
Fair value of plan assets at the beginning of the period	15,410	14,854
Expected return	664	81
Company contributions	423	596
Employee contributions	-	-
Administrative expenses	-245	-191
Benefits paid	-1,411	-1,653
Exchange difference	495	1,723
Fair value of plan assets at the end of the period	**15,336**	**15,410**

25. 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 2016			
Impact on the net defined benefit obligation:				
Discount rate	-3,366	3,996	-1,557	1,845
Salary	2,171	-1,873	1,820	-1,567
Health care costs	-96	111	-	-
Impact on the current service costs:				
Discount rate	-30	35	-86	108
Salary	147	-122	113	-91
Healthcare costs	6	-5	-	-
	Year ended 31 December 2015			
Impact on the net defined benefit obligation:				
Discount rate	-3,229	3,853	-1,334	1,588
Salary	1,873	-1,609	1,569	-1,345
Health care costs	-152	179	-	-
Impact on the current service costs:				
Discount rate	-12	29	-119	146
Salary	131	-107	150	-124
Healthcare costs	8	-7	-	-

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**	
	2016	**2015**	**2016**	**2015**
Not later than 1 years	2,821	2,992	1,428	1,516
Later than 1 years and not later than 5 years	7,441	7,037	1,868	1,585
Later than 5 years and not later than 10 years	11,767	11,217	4,777	4,178
Beyond 10 years	33,521	32,562	11,145	9,263
Total expected payments	**55,550**	**53,808**	**19,218**	**16,542**

The components of re-measurement (gains)/losses recognized immediately in the other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	Group		**Company**	
	2016	**2015**	**2016**	**2015**
Due to experience	-619	-231	41	316
Due to assumptions (financial)	2,635	-2,710	2,026	-1,917
Due to assumptions (demographic)	-308	-146	-	-
Re-measurement losses/(gains) on DBO	1,708	-3,087	2,067	-1,601
Re-measurement (gains)/losses on plan assets	-230	336	-	-
Re-measurement losses/(gains) for the period	**1,478**	**-2,751**	**2,067**	**-1,601**

26. Provisions

(all amounts in Euro thousands)

Group

		1 January 2016	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	Exchange differences	31 December 2016
Provisions for restoration of quarries	a	16,155	2,072	-1,613	265	-38	350	17,191
Provisions for other taxes	b	2,830	249	-72	-	-250	-973	1,784
Litigation provisions	c	1,421	172	-	-	-40	-498	1,055
Other provisions	d	7,410	7,709	-4,971	3	-68	-464	9,619
		27,816	**10,202**	**-6,656**	**268**	**-396**	**-1,585**	**29,649**

		1 January 2015	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	Exchange differences	31 December 2015
Provisions for restoration of quarries	a	13,585	3,077	-1,340	274	-97	656	16,155
Provisions for other taxes	b	802	2,153	-	-	-176	51	2,830
Litigation provisions	c	917	497	-	-	-10	17	1,421
Other provisions	d	4,754	7,066	-4,376	3	-68	31	7,410
		20,058	**12,793**	**-5,716**	**277**	**-351**	**755**	**27,816**

	2016	2015
Non-current provisions	22,498	21,481
Current provisions	7,151	6,335
	29,649	**27,816**

Company

		1 January 2016	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	31 December 2016
Provisions for restoration of quarries	a	2,119	319	-	40	-45	2,433
Litigation provisions	c	-	132	-	-	-	132
Other provisions	d	5,785	6,796	-100	3	-4,736	7,748
		7,904	**7,247**	**-100**	**43**	**-4,781**	**10,313**

		1 January 2015	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	31 December 2015
Provisions for restoration of quarries	a	2,153	73	-87	37	-57	2,119
Other provisions	d	3,750	4,800	-12	3	-2,756	5,785
		5,903	**4,873**	**-99**	**40**	**-2,813**	**7,904**

	2016	2015
Non-current provisions	4,215	2,221
Current provisions	6,098	5,683
	10,313	**7,904**

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.

27. Other non-current liabilities

(all amounts in Euro thousands)

	Group		Company	
	2016	**2015**	**2016**	**2015**
Government grants	4,690	5,059	3,646	3,859
Other non-current liabilities	1,262	1,513	142	146
	5,952	**6,572**	**3,788**	**4,005**

Analysis of Government grants:

	Group		Company	
	2016	**2015**	**2016**	**2015**
Non - current	4,690	5,059	3,646	3,859
Current (note 28)	78	-	-	-
	4,768	**5,059**	**3,646**	**3,859**

	Group		Company	
	2016	**2015**	**2016**	**2015**
Opening balance	**5,059**	**5,357**	**3,859**	**4,312**
Additions	-	227	-	-
Grand settlements	-	-231	-	-231
Amortization (note 29)	-291	-294	-213	-222
Ending balance	**4,768**	**5,059**	**3,646**	**3,859**

Government grants are recognized at fair value when it is certain that the grant will be received and that the Group will comply with the terms and conditions of the grant.

Government grants relating to capital expenses are reflected as long-term liabilities and are amortized on a straight line basis, based on the estimated useful life of the asset for which the grant was received.

Government grants received in respect of expenses are reflected in the income statement when the related expense is incurred so that the expense is matched to the income received.

28. Trade and other payables

(all amounts in Euro thousands)

	Group		Company	
	2016	**2015**	**2016**	**2015**
Trade payables	148,530	150,580	23,924	22,726
Amounts due to related parties (note 32)	344	194	10,093	7,873
Other payables	15,573	17,776	4,055	4,228
Deferred consideration for investment in joint venture (note 15)	12,772	-	-	-
Accrued expenses	54,367	59,745	750	4,719
Social security	3,623	3,350	2,603	2,378
Customer down payments/advances	18,054	16,947	445	670
Dividends payable	969	3,697	266	156
Government grants (note 27)	78	-	-	-
Other taxes	12,274	13,019	2,303	2,454
	266,584	**265,308**	**44,439**	**45,204**

Other payables consists mainly of liabilities relating to transportation for cement and raw materials as well as employee benefit payables.

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled in 10-180 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.

29. Cash generated from operations

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Profit after taxes	127,330	35,296	16,819	60,142
Adjustments for:				
Taxes (note 8)	-63,805	6,848	5,887	3,477
Depreciation (note 11)	109,550	105,171	14,699	13,488
Amortization of intangibles (note 13)	7,034	8,773	267	275
Amortization of government grants received (note 27)	-291	-294	-213	-222
Impairment of assets (note 11,13)	10,814	17,045	-	-
Net loss/(profit) on sale of property, plant and equipment (note 4)	3,337	2,166	-52	-140
Provision for impairment of debtors charged to income statement (note 20)	-587	793	-719	-220
Provision for inventory obsolescence (note 19)	122	3,943	-161	3,504
Provision for restoration of quarries (note 26a)	724	2,011	314	-34
Provision for litigation (note 26c)	172	497	132	-
Other provisions	4,655	5,975	2,092	2,035
Provision for retirement and termination benefit obligations	4,306	3,362	716	660
Decrease of investment property (note 12)	243	300	335	286
Expenses from participations and investments	-	2,805	-	-
Income from participations and investments	-1,580	-1,565	-107	-134
Dividend income	-346	-	-29,272	-55,112
Finance income (note 6)	-1,569	-1,767	-24	-52
Interest expense and related expenses (note 6)	66,502	65,270	22,041	23,105
Net losses on financial instruments (note 6)	284	21,921	-	-
Losses/(gains) from foreign exchange differences (note 6)	24,367	-38,097	-1,021	-628
Share stock options (note 7)	1,620	1,010	1,376	876
Share in profit of associates and joint ventures (note 15)	-492	-5,815	-	-
Changes in working capital:				
(Increase)/decrease in inventories	-5,091	-8,402	13,075	-1,356
Increase in trade and other receivables	-48,341	-5,876	-5,589	-15,367
(Increase)/decrease in operating long-term receivables and payables	-344	-3,128	37	-
Increase/(decrease) in trade payables	36,669	19,399	1,208	-5,226
Cash generated from operations	**275,283**	**237,641**	**41,840**	**29,357**

In the cash flow statement, proceeds from the sale of tangible and intangible assets, and investment property

Net book amount	4,361	3,471	168	216
Net (losses)/gains on sales (note 4)	-3,337	-2,166	52	140
Proceeds from disposals	**1,024**	**1,305**	**220**	**356**

30. Business combinations and acquisition of non-controlling interest

Year ended 31 December 2016

On 22 August 2016, the Group acquired the remaining 50% of the joint venture Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S. with a consideration transferred of €11.7 million. Since the acquisition date, the company is consolidated in the Group's financial statements with the full consolidation method, instead of equity method.

On 1 September 2016, the Group acquired the companies Esha Material DOOEL in FYROM and Esha Material LLC in Kosovo with a consideration of €89.0 thousand. At the date of acquisition, the net assets of the two companies were €5.0 thousand and as a result the Group has recognized goodwill of €84.0 thousand. Since the acquisition date, the companies are consolidated in the Group's financial statements with the full consolidation method.

Moreover, on 1 September 2016, the Group acquired the Brazilian company Benim Empreendimentos e Patricipacoes S.A. for the consideration of €2.0 thousand that equals the net assets of the company at the date of acquisition. The above company, which was renamed to Brazcem Participacoes S.A. on 2 September 2016, is consolidated in the Group's financial statements with the full consolidation method.

The assets and liabilities of the Adocim Marmara 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	26,143
Inventory	1,010
Receivables and prepayments	7,006
Cash and cash equivalents	28
Total assets	**34,187**
Liabilities	
Short-term borrowings	5,041
Deferred tax liabilities	3,667
Other liabilities and taxes payable	2,031
Total liabilities	**10,739**
Total identifiable net assets at fair value	**23,448**
Goodwill arising on acquisition (note 13)	2
Total consideration	**23,450**
Cash flow on acquisition:	
Cost of initial investment	10,245
Gain on re-measuring initial investment to fair value (*)	1,480
Fair value of previously held stake in joint venture	11,725
Purchase consideration for remaining 50% stake settled in cash	11,725
Net cash acquired with the subsidiaries	-28
	11,697
Total consideration	**23,422**

(*) Included in the Income Statement in the account "Income from participations and investments"

31. Contingencies and commitments

Contingent liabilities

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Guarantees to third parties on behalf of subsidiaries	-	-	874,835	728,819
Bank guarantee letters	24,740	45,077	4,499	4,429
Other	7,580	5,831	-	-
	32,320	**50,908**	**879,334**	**733,248**

Litigation matters in Egypt

A. Privatization cases

1. In 2011, two former employees of Beni Suef, filed an action before the Administrative Court of Cairo, seeking the nullification of the privatisation of Beni Suef which took place in 1999 through the sale of Beni Suef's shares to Financiere Lafarge after a public auction. Titan Group acquired in 1999 50 per cent and in 2008 the balance of Lafarge's interest in Beni Suef. Approximately 99.98 per cent in the share capital of Beni Suef is held today by Alexandria Portland. The Administrative Court of Cairo issued on 15 February 2014 a first instance judgment which entirely dismissed the request for cancellation of the privatisation of Beni Suef. The Court further judged the re-employment of ex-employees who had left the company in the framework of voluntary redundancy schemes. Beni Suef and the plaintiffs have already appealed against the judgment of the first instance court. On 19 January 2015, the Supreme Administrative Court issued a judgment suspending the case until the issuance of a ruling by the Supreme Constitutional Court on a lawsuit challenging the constitutionality of Law no. 32/2014 (''Appeal Procedures on State Contracts Law''). The case is still suspended and no further action has been taken until now. The view of Beni Suef's lawyers is that the plaintiffs' action is devoid of any legal or factual ground.

2. In June 2013, Beni Suef was notified of another action filed before the Administrative Court of Cairo seeking as in the above case to cancel the sale of the shares of Beni Suef to Financiere Lafarge. The Administrative Court of Cairo issued on 25 June 2015 a first instance judgment referring the case to the Investment Circuit no. 7. The latter has recently referred the case to the commissioners' panel and no hearing date has been scheduled until now. The view of Beni Suef's lawyers is that the action is devoid of any legal or factual ground.

3. In 2012, an ex-employee of Alexandria Portland brought an action before the Administrative Court of Alexandria against the President of the Republic of Egypt, the Prime Minister, the Minister of Investments, the Minister of Industry, the Governor of Alexandria, the Manager of the Mines and Salinas Project in Alexandria and the Manager of the Mines and Quarries Department in Alexandria seeking the annulment of the sale of the shares of Alexandria Portland to Blue Circle Cement Group in 1999. Alexandria Portland was not named defendant in the action. Following a capital market transaction concluded in 2001, Blue Circle Cement Group was acquired by Lafarge Group, which subsequently sold its interest in Alexandria Portland through two private transactions to Titan Group in 2002 and 2008. The Administrative Court of Alexandria issued on 31 January 2015 a first instance judgment which suspended the case initially until 28 May 2016 and subsequently until 15 October 2016, provided that by such date the Supreme Constitutional Court had ruled on the lawsuit challenging the constitutionality of Law no. 32/2014 (''Appeal Procedures on State Contracts Law''). The case has been referred to the Administrative Court of Cairo, Investment Circuit no.1 but no hearing has been scheduled until now. The view of Alexandria Portland'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 Alexandria Portland seeking as in the above case the annulment of the sale of the shares of Alexandria Portland to Blue Circle Cement Group. The action has been raised against the Prime Minister, the Minister of Investment, and the Chairman of the holding company for chemical industries, the President of the Central Auditing Organization, the legal representative of Alexandria Portland and the legal representative of Blue Circle industries. The case has been repeatedly adjourned and no judgment will be handed down from the administrative Court until the issuance of a ruling by the Supreme Constitutional Court on the lawsuit challenging the constitutionality of Law no. 32/ 2014. The view of Alexandria Portland's lawyers is that the action is devoid of any legal and factual ground.

31. 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 Alexandria Portland, seeking the abolition of the administrative decision of the competent Egyptian authority which issued the operating license for the Alexandria Portland plant in Alexandria, alleging violations of environmental and related regulation. On 25 May 2014 the court decided to refer this case to the Cairo Administrative Court due to lack of jurisdiction. The case has been repeatedly adjourned and on 24 October 2015 it was referred to another division of the Court for deliberation. The case has been again repeatedly adjourned and a new hearing has been scheduled on 3 May 2017. Alexandria Portland's view is that the plant's operating license has been issued lawfully and in full compliance with the relevant Egyptian laws and regulations.

2. In 2007, Beni Suef obtained the license for the construction of a second production line at the company's plant through a bidding process run by the Egyptian Trading and Industrial Authority for the amount of EGP 134.5 million. The Egyptian Industrial Development Authority subsequently raised the value of the license to EGP 251 million. In October 2008 Beni Suef filed a case before the Administrative Court against the Minister of Trade and Industry and the chairman of the Industrial Development Authority requesting an order obliging the Industrial Development Authority to grant the expansion license to Beni Suef for EGP 500. Alternatively, if the court rejects this request, Beni Suef is requesting the price to be the EGP134.5 million offered by Beni Suef in the bid. The case was referred to the State Commissioners in August 2014 and it has been postponed until 24 May 2017 for reviewing. The view of Beni Suef's lawyers is that the outcome of the case will be positive.

3. A non-governmental organisation, the Nile Agricultural Organization, has raised a court case against Beni Suef claiming that Beni Suef has illegally occupied the plaintiff's land and is seeking compensation to the amount of EGP 300 million. The contested land however had been legally allocated to Beni Suef many years ago by the relevant authority, the New Urban Communities Agency, and since 1988 Beni Suef has held the licenses for the exploitation of the quarries on this land. A new hearing of the case has been scheduled for 26 September 2016. The case was then postponed until 27 March 2017 for reporting. The view of Beni Suef's lawyers is that the case has a high probability of being won.

Put option in Antea

The Group had granted to non controlling interest shareholders, European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) the option to sell their shares in ANTEA Cement SHA (Antea) at predetermined conditions.

On 5 February 2015, the Group acquired from EBRD the 20% of its share in Antea. Instead, IFC continues to have the aforementioned exercisable option to sell an equivalent percentage. On 31 December 2016, the option's fair value of €9.7 million (31.12.2015: €8.3 million) 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	
	2016	**2015**	**2016**	**2015**
Bank guarantee letters for securing trade receivables (note 20)	20,904	19,486	10,390	8,569
Other collaterals against trade receivables (note 20)	6,385	8,333	354	2,147
	27,289	27,819	10,744	10,716
Collaterals against other receivables	1,421	2,348	1,421	2,348
	28,710	**30,167**	**12,165**	**13,064**

31. 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	
	2016	**2015**	**2016**	**2015**
Property, plant and equipment	702	1,616	-	-

Purchase commitments

Energy supply contracts (Gas, electricity, etc.)

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Not later than 1 year	600	81,481	-	-
Later than 1 year and not later than 5 years	-	402,808	-	-
Beyond 5 years	-	368,486	-	-
	600	**852,774**	**-**	**-**

The Group's subsidiaries in Egypt had entered into agreements for the purchases of certain minimum quantities of gas in the subsequent years. As of 2014, the state company of natural gas in Egypt does not supply gas, due to lack of reserves. In the last two years, the Group's subsidiaries had no obligation to pay and they did not pay the agreed minimum quantities. There is no indication that the gas supplier will have the capacity to supply gas in the foreseeable future.

Also, 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 a Group company is the lessee

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

(all amounts in Euro thousands)	Group		Company	
	2016	**2015**	**2016**	**2015**
Not later than 1 year	9,517	11,760	672	594
Later than 1 year and not later than 5 years	25,040	27,916	1,367	1,111
Beyond 5 years	7,864	10,322	-	-
	42,421	**49,998**	**2,039**	**1,705**

32. Related party transactions

Titan Cement Company S.A. is the parent company of the Group. The Company and its subsidiaries enter into various transactions with related parties are during the year. The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured and settlement occurs in cash. Intra-group transactions are eliminated on consolidation. Related party transactions exclusively reflect transactions between the companies of the Group.

The following is a summary of transactions that were carried out with related parties during the year:

(all amounts in Euro thousands)

	Year ended 31 December 2016			
Group	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
Other related parties	-	624	-	344
Executives and members of the Board	-	-	15	-
	-	**624**	**15**	**344**

32. Related party transactions (continued)

(all amounts in Euro thousands)

Company	Year ended 31 December 2016			
	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.	19,994	8,024	8,368	4,838
Intertitan Trading International S.A.	6,543	-	1,265	-
Gournon Quarries S.A.	3	-	1	-
Adocim Cimento Beton Sanayi ve Ticaret A.S.	2,208	-	7	-
Titan Cement International Trading S.A.	2	-	-	-
Fintitan SRL	8,378	-	2,990	-
Cementi Crotone S.R.L.	336	-	84	-
Titan Cement U.K. Ltd	21,358	35	2,499	-
Usje Cementarnica AD	8,239	-	730	-
Beni Suef Cement Co.S.A.E.	1,852	-	3,592	-
Alexandria Portland Cement Co. S.A.E	1,053	11	2,126	-
Cementara Kosjeric AD	937	-	188	-
Zlatna Panega Cement AD	887	-	143	-
Titan America LLC	5,058	7	1,499	2
Essex Cement Co. LLC	34,888	105	1,054	12
Roanoke Cement Co. LLC	2,420	-	299	-
Titan Florida LLC	6,614	-	-	-
KTIMET Quarries S.A.	-	2	-	-
Antea Cement SHA	1,617	-	265	-
Titan Global Finance PLC	-	21,490	459	357,996
Sharrcem SH.P.K.	1,476	-	268	-
Titan Beton & Aggregate Egypt LLC	11	-	19	-
Iapetos Ltd	-	-	795	-
Other subsidiaries	13	-	3	-
Other related parties	-	624	-	344
Executives and members of the Board	-	-	15	-
	123,890	**30,298**	**26,669**	**363,444**

Receivables from related parties include €16,568 thousand due to sale of products (note 20), and €6,975 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	Year ended 31 December 2015			
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Other related parties	-	596	-	194
Executives and members of the Board	-	-	35	-
	-	**596**	**35**	**194**

32. Related party transactions (continued)

(all amounts in Euro thousands)

Company	Year ended 31 December 2015			
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Aeolian Maritime Company	1	-	-	257
Albacem S.A.	2	-	-	350
Interbeton Construction Materials S.A.	20,222	5,025	7,050	755
Intertitan Trading International S.A.	5,550	-	750	-
Gournon Quarries S.A.	3	-	1	-
Adocim Cimento Beton Sanayi ve Ticaret A.S.	38	-	-	-
Titan Cement International Trading S.A.	2	-	-	-
Fintitan SRL	8,425	-	3,681	-
Cementi Crotone S.R.L.	420	-	-	-
Titan Cement U.K. Ltd	18,015	53	3	-
Usje Cementarnica AD	7,794	-	852	-
Beni Suef Cement Co.S.A.E.	1,869	-	2,758	-
Alexandria Portland Cement Co. S.A.E	1,036	10	1,191	-
Cementara Kosjeric AD	973	4	312	-
Zlatna Panega Cement AD	1,110	-	1,074	-
Titan America LLC	4,621	7	1,506	-
Essex Cement Co. LLC	37,240	57	2,341	-
KTIMET Quarries S.A.	-	2	-	2
Antea Cement SHA	1,550	3	284	-
Titan Global Finance PLC	-	22,301	-	307,105
Sharrcem SH.P.K.	1,327	-	403	-
Other subsidiaries	34	-	126	-
Other related parties	-	596	-	194
Executives and members of the Board	-	-	35	-
	110,232	**28,058**	**22,367**	**308,663**

Key management compensation

	Group		Company	
	2016	**2015**	**2016**	**2015**
Salaries and other short-term employee benefits	8,187	6,248	8,187	6,248

Key management includes executive committee members.

Directors	**2016**	**2015**
Executive members on the Board of Directors	7	7
Non-executive members on the Board of Directors	8	8

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 2016 and 2015 based on contractual undiscounted payments.

(all amounts in Euro thousands)

Group	Less than 1 month	1 to 6 months	6 to 12 months	1 to 5 years	>5years	Total
Year ended 31 December 2016						
Borrowings	100,579	36,979	20,891	848,027	31,172	1,037,648
Other non-current liabilities	-	-	-	1,262	-	1,262
Trade and other payables	162,378	63,798	4,276	-	-	230,452
	262,957	100,777	25,167	849,289	31,172	1,269,362
Year ended 31 December 2015						
Borrowings	29,097	5,545	22,100	794,435	20,182	871,359
Derivative financial instruments (non-current)	-	-	-	924	-	924
Other non-current liabilities	-	-	-	1,505	8	1,513
Trade and other payables	165,416	62,554	4,937	-	-	232,907
	194,513	68,099	27,037	796,864	20,190	1,106,703

Company	Less than 1 month	1 to 6 months	6 to 12 months	1 to 5 years	>5years	Total
Year ended 31 December 2016						
Borrowings	46,881	3,340	5,846	341,721	-	397,788
Other non-current liabilities	-	-	-	142	-	142
Trade and other payables	25,484	9,197		-	-	34,681
	72,365	12,537	5,846	341,863	-	432,611
Year ended 31 December 2015						
Borrowings	16,267	1,472	8,355	325,945	-	352,039
Other non-current liabilities	-	-	-	138	8	146
Trade and other payables	28,264	6,139	156	-	-	34,559
	44,531	7,611	8,511	326,083	8	386,744

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 plus interest accruals, and also including the €87.9 million outstanding Notes due 19 January 2017 plus coupon payments.

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 and Albania, 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) (use of proceeds of the €300 million bond due July 2019) 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 loan. 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.

TALLC in July 2016 entered into interest rate swap agreements (IRS) with two financial institutions, essentially converting the US dollar-6 month LIBOR floating rate loan to a US dollar fixed rate loan. The transactions 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. As at 31 December 2016, the total exposure (mark to market valuation and CSA agreement) of both derivatives was recorded as an asset of €1,386 thousand (31.12.2015: liability amounted to €764 thousand) in the statement of financial position.

TALLC in August 2015 entered into oil swap agreement, essentially converting the floating prices of the US oil to fixed oil prices on a monthly basis and up to December 2016, with termination date 9 January 2017. This transaction was undertaken in order to hedge the flactuation of oil prices on US diesel payments. As at 31 December 2016, the mark to market valuation of the oil swap was recorded as an asset of €1 thousand (31.12.2015: liability amounted to €160 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 2016	USD	5%	3,517	33,082
		-5%	-3,182	-29,932
	RSD	5%	610	1,647
		-5%	-552	-1,491
	EGP	5%	-1,130	14,674
		-5%	1,023	-13,276
	GBP	5%	86	204
		-5%	-78	-184
	TRY	5%	204	1,973
		-5%	-185	-1,785
	ALL	5%	3	2,333
		-5%	-3	-2,111
	BRL	5%	-152	6,006
		-5%	138	-5,434
Year ended 31 December 2015	USD	5%	1,084	24,633
		-5%	-981	-22,287
	RSD	5%	485	1,558
		-5%	-439	-1,410
	EGP	5%	-1,609	37,263
		-5%	1,456	-33,715
	GBP	5%	97	475
		-5%	-88	-430
	TRY	5%	274	1,357
		-5%	-248	-1,227
	ALL	5%	166	2,306
		-5%	-151	-2,086

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 2016, following the issuance of €300 million notes, by which part of existing fixed rate notes of 8.75% coupon rate were refinanced prior their maturity, the Group's ratio of fixed to floating interest rates, taking into account outstanding cross currency swaps, stood at 62%/38% (31 December 2015: 43%/57%).

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 2016	EUR	1.0%	187
	USD	1.0%	2,487
	BGN	1.0%	156
	EGP	1.0%	630
	ALL	1.0%	309
	TRY	1.0%	19
Year ended 31 December 2015	EUR	1.0%	512
	USD	1.0%	2,412
	BGN	1.0%	117
	EGP	1.0%	1,342
	ALL	1.0%	366

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 2016, 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 2016, the Group's majority financial assets and derivative financial instruments were held with investment grade financial institutions.

On 31 December 2016, the Group's cash and cash equivalents were held at time deposits and current accounts. Note 21 includes an analysis on cash and 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	
	2016	**2015**	**2016**	**2015**
Long term borrowings (note 24)	710,965	716,766	310,678	300,712
Short term borrowings (note 24)	129,499	26,313	42,442	9,324
Debt	**840,464**	**743,079**	**353,120**	**310,036**
Less: cash and cash equivalents (note 21)	179,710	121,733	11,218	8,626
Net Debt	**660,754**	**621,346**	**341,902**	**301,410**
Profit before interest, taxes, depreciation, amortization and impairment.	**278,599**	**216,422**	**30,086**	**43,768**
Total liabilities	**1,236,961**	**1,243,462**	**439,968**	**387,754**
Total equity	**1,552,816**	**1,705,285**	**827,269**	**860,544**

34. 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, that are carried in the statement of the financial position:

(all amounts in Euro thousands)	Group				Company			
	Carrying amount		Fair value		Carrying amount		Fair value	
	2016	2015	2016	2015	2016	2015	2016	2015
Financial assets								
Available-for-sale financial assets (note 16)	1,065	3,319	1,065	3,319	122	2,281	122	2,281
Other non-current assets (note 17)	8,274	10,252	8,274	10,252	2,727	2,768	2,727	2,768
Derivative financial instruments	1,387	-	1,387	-	-	-	-	-
Financial liabilities								
Long-term borrowings (note 24)	710,965	716,766	737,873	725,075	310,678	300,712	322,419	305,087
Short-term borrowings (note 24)	129,499	26,313	129,843	26,313	42,442	9,324	42,608	9,324
Derivative financial instruments	-	924	-	924	-	-	-	-
Other non-current liabilities (note 27)	1,492	964	1,492	964	142	146	-	146
Put option (note 31)	9,658	8,315	9,658	8,315	-	-	-	-

Note: Derivative financial instruments consist of cross currency interest rate swaps (CCS), interest rate swaps (IRS) and commodity swaps.

The management assessed that the cash and short-term deposits, 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.

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 as at 31 December 2016 and 2015.

(all amounts in Euro thousands)	Group		Company		Fair value hierarchy
	Fair value		Fair value		
Assets	2016	2015	2016	2015	
Investment property	9,820	9,548	9,126	9,461	Level 3
Available-for-sale financial assets					
Quoted equity shares	-	2,110	-	2,109	Level 1
Other available-for-sale financial assets	1,065	1,209	122	172	Level 3
Liabilities					
Long-term borrowings	737,873	725,075	322,419	305,087	Level 2
Short-term borrowings	129,843	26,313	42,608	9,324	Level 2
Derivative financial instruments	-	924	-	-	Level 2
Put option (note 31)	9,658	8,315	-	-	Level 3

During the reporting period there were no transfers into and out of level 3.

34. Fair value measurement (continued)

The fair value of level 3 investment property is estimated by the Group and the Company by external, independent, certified valuators (note 12).

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

Level 1

Level 1 available-for-sale financial assets are Banks' listed securities acquired by the Company through the Greek Banks Recapitalization, during 2015. Part of these shares has been disposed in the fiscal year of 2015 and the remaining part has been disposed in the 1st half of 2016.

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 cross currency interest rate swaps, interest rate swaps and oil swaps (note 33).

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, b) forward interest rates extracted from observable yield curves, c) oil prices extracted from observable yield curves, which are quoted in the active market.

Level 3

Level 3 available-for-sale financial assets refer mainly to investments in foreign property funds in which the Group owns an insignificant percentage. Their valuation is made based on their financial statements, which present the assets at fair value.

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 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:

	2016	2015
Gross margin growth rate	26.0%	35.4%
Discount rate	8.2%	10.6%

In addition to the above, forecast cash flows for the first five years are a significant unobservable input. The management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

An increase of the forecast cash flows or the change in gross margin for cash flows in the subsequent periods would lead to an increase in the fair value of the put option. On the other hand, an increase in the discount rate used to discount the forecast cash flows would lead to a decrease in the fair value of the put option.

The significant unobservable inputs are not interrelated. The fair value of the put option is not significantly sensitive to a reasonable change in the forecast cash flows or the discount rate; however it is sensitive to a reasonable 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 thousands)	Effect on the fair value
Increase by 5 percentage points in the gross margin growth rate:	+227
Decrease by 5 percentage points in the gross margin growth rate:	-207

35. Fiscal years unaudited by the tax authorities

[1] Titan Cement Company S.A	2010-2016	Holtitan B.V.	2010-2016
[2] Aeolian Maritime Company	-	Aeas Netherlands B.V.	2010-2016
[1] Albacem S.A.	2012-2016	[2] Titan Cement U.K. Ltd	2015-2016
[1] Arktias S.A.	2010-2016	[5] Titan America LLC	2013-2016
[1] Interbeton Construction Materials S.A.	2007-2016	Separation Technologies Canada Ltd	2014-2016
[1] Intertitan Trading International S.A.	2012-2016	Stari Silo Company DOO	2008-2016
[1] Porfirion S.A.	2010-2016	Cementara Kosjeric AD	2006-2016
[1] Vahou Quarries S.A.	2010-2016	TCK Montenegro DOO	2007-2016
[1] Gournon Quarries S.A.	2010-2016	Double W & Co OOD	2007-2016
[1] Quarries of Tagaradon Community S.A.	2010-2016	Granitoid AD	2007-2016
[1] Aitolika Quarries S.A.	2010-2016	Gravel & Sand PIT AD	2007-2016
[1] Sigma Beton S.A.	2010-2016	Zlatna Panega Beton EOOD	2008-2016
[1] Titan Atlantic Cement Industrial and Com	2010-2016	Zlatna Panega Cement AD	2010-2016
[1] Titan Cement International Trading S.A.	2010-2016	Cement Plus LTD	2014-2016
[1] KTIMET Quarries S.A.	2010-2016	Rudmak DOOEL	2006-2016
Aemos Cement Ltd	2010-2016	Usje Cementarnica AD	2009-2016
Alvacim Ltd	2010-2016	Titan Cement Netherlands BV	2010-2016
[3] Balkcem Ltd	2008, 2010-2016	Alba Cemento Italia, SHPK	2012-2016
Iapetos Ltd	2007-2016	Antea Cement SHA	2015-2016
Rea Cement Ltd	2008-2016	Sharr Beteiligungs GmbH	2011-2016
Themis Holdings Ltd	2008-2016	Kosovo Construction Materials L.L.C.	2010-2016
[4] Tithys Ltd	2006, 2008-2016	Sharrcem SH.P.K.	2011-2016
Feronia Holding Ltd	2007-2016	[2] Alexandria Development Co.Ltd	-
Vesa DOOL	2006-2016	Alexandria Portland Cement Co. S.A.E	2010-2016
Trojan Cem EOOD	2010-2016	Gaea Green Alternative Energy Assets Limited	2007-2016
Dancem APS	2010-2016	Beni Suef Cement Co.S.A.E.	2009-2016
Titan Global Finance PLC	2007-2016	East Cement Trade Ltd	2006-2016
Terret Enterprises Ltd	2009-2016	Titan Beton & Aggregate Egypt LLC	2010-2016
Salentijn Properties1 B.V.	2010-2016	[2] Titan Egyptian Inv. Ltd	-
Titan Cement Cyprus Limited	2007-2016	Green Alternative Energy Assets EAD	2012-2016
KOCEM Limited	2007-2016	GAEA Zelena Alternative Enerjia DOOEL	2013-2016
Fintitan SRL	2011-2016	GAEA Enerjia Alternative e Gjelber Sh.p.k.	2014-2016
Cementi Crotone S.R.L.	2011-2016	GAEA -Green Alternative Energy Assets	2015-2016
Cementi ANTEA SRL	2010-2016	Ecorecovery SA	2015-2016
Colombus Properties B.V.	2010-2016	MILLCO-PCM DOOEL	2016

(1) For the fiscal years 2011-2013, 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 2014-2015 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) Fiscal year of 2009 has been audited.

(4) Fiscal year of 2007 has been audited.

(5) Companies operating in the U.S.A., are incorporated in the Titan America LLC subgroup (note 14).

36. Reclassifications

The amounts of €1,758 thousand and €231 thousand were transferred from "property, plant and equipment" to "intangible assets and goodwill" and "other non-current liabilities" respectively and the amount of €497 thousand was trasnferred from "other receivables and prepayments" to "trade and other payables" in the statement of financial positions as at 31.12.2015 of the Group and the Company in order to be comparable with the statement of financial positions as at 31.12.2016.

37. Events after the reporting period

On 19 January 2017, Group subsidiary Titan Global Finance PLC repaid at the maturity €88 million of the outstanding 8.75% guaranteed notes.

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 Annual Financial Report 2016 and Integrated Annual Report 2016 (the Reports). The assurance relates to the English language versions of the documents.

Engagement Summary	
Scope:	1. Whether the non-financial disclosures presented in *Section 1: Annual Report of the Board of Directors* and performance data related to the period between January and December 2016 and indicated with * in the *Section 7: Non-financial Performance Indicators, Table: WBCSD/CSI Non-financial performance indicators* of the Reports are fairly presented in all material respects. 2. Whether the non-financial disclosures referenced in *Section1: Annual Report of the Board of Directors* and *"GRI Index 2016"* (www.titan-cement.com/gri_index_2016.pdf) relating to 'Identified Material Aspects and Boundaries' and 'Stakeholder Engagement' have been prepared in accordance with the Standard Disclosures G4-17 to G4-27 of the GRI G4 Sustainability Reporting Guidelines (the 'GRI G4 Guidelines') 3. Whether the relevant non-financial disclosures in the Reports (http://www.titan-cement.com/integrated_report_2016_EN.pdf) are aligned with: a) WBCSD/CSI CO_2 and Energy Accounting and Reporting Standard for the Cement Industry (version 3.0 May 2011) b) CSI guidelines for Emission Monitoring and reporting in the Cement Industry (version 2 March 2012 for SOx, NOx and dust c) WBCSD/CSI Safety in the Cement Industry Guidelines for Measuring and Reporting (version 4 May 2013) d) WBCSD/CSI Protocol for Water Reporting (2014) 4. Whether the Integrated Annual Report 2016 meets the UN Global Compact criteria relating to a Communication on Progress (COP) Advanced Level
Reporting Criteria:	GRI's G4 Sustainability Reporting Guidelines WBCSD/CSI Guidelines included in scope referenced above UN Global Compact
Assurance Standard:	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements (ISAE 3000).
Assurance level:	Reasonable Assurance
Respective responsibilities:	TITAN is responsible for preparing the Report and for the collection and presentation of the information in it. ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusions

In our opinion:

- the non-financial performance disclosures and data detailed in the Scope above are fairly presented, in all material respects, in accordance with the reporting criteria;
- the disclosures relating to 'Identified Material Aspects and Boundaries' and 'Stakeholder Engagement' have been prepared in accordance with the Standard Disclosures G4-17 to G4-27 of the 'GRI G4 Guidelines';
- the relevant non-financial disclosures in the Reports are aligned with:
  a) WBCSD/CSI CO_2 and Energy Accounting and Reporting Standard for the Cement Industry (version 3.0 May 2011);
  b) CSI guidelines for Emission Monitoring and reporting in the Cement Industry (version 2 March 2012 for SOx, NOx and dust;
  c) WBCSD/CSI Safety in the Cement Industry Guidelines for Measuring and Reporting (version 4 May 2013);
  d) WBCSD/CSI Protocol for Water Reporting (2014).
- the Integrated Annual Report 2016 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:

- Interview relevant staff to understand TITAN's strategy, policies, management and reporting systems for the non-financial performance;
    - Interview relevant staff to understand and evaluate the data management systems and processes (including internal review processes) used for collecting and reporting performance information.
- Visits to TITAN operations in Albania (Antea Cement) and Egypt (Cairo and Beni Suef) 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.
- An analytical review and desktop testing of the year end data submitted by all sites included in the consolidated performance information, including 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).
- A second visit to TITAN Head Office in Athens, Greece to:
    - review the activities and results of stakeholder engagement and evidence underlying Titan's updated 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 and documentation review to support management assertions covered by our engagement.
- Reviewing selected evidence related to the design, information collection, and production of the Report in accordance with the report criteria.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency.

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. 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.

Our Observations

We have provided TITAN with a separate detailed management report. Without affecting the conclusions presented above, we have the following key observations:

- TITAN has a comprehensive set of Group policies and has strengthened and revised a number of these in 2016 including Human Rights, Anti-bribery and Corruption, and Competition Law. TITAN should consider enhancing the implementation of Group policies by developing performance standards to provide operations with a set of comparable and auditable performance expectations (beyond local legislation and market norms) through which alignment with Group policies can be measured.
- TITAN identifies corruption as a strategic and operational risk in a number of countries in which it operates. While TITAN has implemented whistleblowing hotlines in Greece and the USA, employees in other countries have limited mechanisms to anonymously report potential non-compliances with the company's Code of Conduct and related group policies. We recommend that priority is given to an early extension of an anonymous local language hotline system to all countries of operation in order to improve corporate monitoring of possible non-compliances with the Group policies.

ERMCVS

Jennifer Iansen-Rogers
Partner, Head of Corporate Assurance
21 March 2017

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

The review of non-financial performance of TITAN Group is presented in the Annual Report of the Board of Directors, with reference to the issues identified as material for the Group and its key stakeholders. To identify, prioritize and report material issues, TITAN applies international standards and in particular the related principles and guidelines of the Global Reporting Initiative (GRI), the respective guidelines and protocols of the Cement Sustainability Initiative (CSI), which operates in the framework of the World Business Council for Sustainable Development (WBCSD) and the "Advanced" level criteria for Communication on Progress (COP) of the UN Global Compact (UNGC) initiative.

The disclosures relating to "Identified material aspects and boundaries" and "Stakeholder engagement" have been prepared in accordance with the Standard Disclosures G4-17 to G4-27 of the GRI G4 Guidelines. An integral part of this Report is the 2016 TITAN Group GRI Index that has been developed in accordance with the GRI G4 Principles. The TITAN Group GRI Index 2016 is available at: www.titan-cement.com/gri_index_2016.pdf

The review of non-financial performance in the Annual Report of the Board of Directors 2016 is independently verified against the above standards by ERM CVS (ERM CVS's Independent assurance statement to TITAN Cement S.A. is available in this section).

Defining the content of Non-financial performance review and indicators

The content of the Annual Report of the Board of Directors with respect to the non-financial performance follows the outcomes of materiality assessment for the Group, which takes under consideration feedback provided by the relevant key stakeholders. The Group 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 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.

Independent assurance

TITAN is committed to raising its level of transparency and improving reporting to stakeholders. For this reason, since 2007, independent assessment and report verification have been a core part of TITAN's strategy. In 2016, independent assessment of the non-financial review and indicators has been assigned to ERM CVS and the detailed assurance statement is included in this section of the Report.

Scope of the 2016 non-financial performance review and indicators

Performance data from all TITAN Group subsidiaries, except that of the new joint venture in Brazil, form the basis of this Report.

Data aggregations and relevant indicators 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 table below:

TITAN Group basis for calculating environmental performance indicators 2015-2016

Region	Country	Plant	2015 equity	2016 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 Panega	100.00%	100.00%
	F.Y.R. of 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%

TITAN Group basis for calculating environmental performance indicators 2015-2016				
	Turkey	Tokat	50.00%	50.00%
		Antalya	50.00%	50.00%
		Marmara	50.00%	100.00%

TITAN Group units 2016	Greece and Western Europe	USA	South Eastern Europe	Eastern Mediterranean	Total
Cement plants	3	2	5	3	**13**
Grinding plants	1	0	0	2	**3**
Quarries	26	6	17	16	**65**
for raw materials used by cement plants	*13*	*2*	*16*	*15*	*46*
for aggregates production	*13*	*4*	*1*	*1*	*19*
Ready-mix plants	27	84	8	6	**125**
Distribution terminals	7	15	1	2	**25**
for cement	*7*	*11*	*1*	*2*	*21*
for aggregates	*0*	*4*	*0*	*0*	*4*
Concrete block plants	0	9	0	0	**9**
Dry mortar plants	1	0	0	0	**1**
Fly ash processing plants	0	8	0	0	**8**
Processed engineered fuel plants	0	0	1	1	**2**
Total	**65**	**124**	**32**	**30**	**251**

The calculation of key indicators of the Group's environmental performance is based on consolidated data from cement production and cement grinding plants and their attached quarries.

In line with the Kyoto Protocol, 1990 is the base year for CO_2 emissions. 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.

All indicators related to safety and social performance are calculated on a "control basis".

Safety performance indicators are also calculated following the respective CSI reporting Guidelines.

All other environmental and social indicators are calculated in accordance to GRI G4 Reporting Guidelines.

"Local" refers to the administrative region within which lies a cement plant, RM unit, a quarry, a terminal, company offices or other premises that belong to the Group or one of its subsidiaries. Locally based suppliers are the providers of materials, products, and services that are based in the same geographic market as the reporting organization (i.e. no transnational payments to the supplier are made).

Changes in the structure

The structure of the Report continues to evolve. The objective is to give all stakeholders a clearer, complete view of TITAN's policies along with relevant information and data for the performance achieved from year to year in respect to material issues.

Reporting and feedback expected from stakeholders

The Report is directed to key stakeholders, namely shareholders, employees, customers, suppliers, government and regulatory authorities, local communities and NGOs. It is also directed to potential investors, analysts and any other interested party. 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 Senior Manager, at csr@titan.gr, or at Halkidos Street, 111 43 Athens, Greece.

GRI and UN Global Compact

TITAN declares that this Report and information provided in the GRI Index fulfils GRI G4 principles and is in accordance with Core. This Report has been externally verified against the GRI principles including the GRI Index 2016.

TITAN has followed GRI Reporting Guidelines since 2003 when the first Group CSR and Sustainability Report was issued. Following the GRI Guidelines has supported overall improvements in both internal and external communications, measuring long-term performance and expanding the scope of engagement with stakeholders.

The Report also meets the "Advanced" level criteria for the UN Global Compact Communication on Progress (COP), as well as the WBCSD/CSI guidelines for reporting non-financial performance related to specific issues.

More detail on the scope and boundaries of the assurance is included in the "*Independent Auditors Assurance Statement*" in this section.

Non-financial Performance Review according to the United Nations Global Compact Criteria

Implementing the Ten Principles		
Criterion 1	The Review describes mainstreaming into corporate functions and business units	TITAN commitments a. TITAN Group CSR Policy b. TITAN Commitments GRI Index: G4-1, G4-2, G4-34-55
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 GRI Index: G4-1, G4-12-13, G4-41, G4-EC9, Aspect-specific DMA on Supplier Environmental Assessment, G4-EN4, G4-EN17, G4-EN32, G4-EN33, Aspect-specific DMA on Supplier Assessment for Labor practices, G4-LA6, G4-LA14, G4-LA15, G4-HR4, G4-HR6, G4-HR10, Aspect-specific DMA on Supplier Human Rights Assessment, Aspect-specific DMA on Supplier Assessment for impacts on society, G4-SO9, G4-SO10
Robust Human Rights Management policies and procedures		
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 g. Charter of the TITAN Occupational Health and Safety Council GRI Index: G4-DMAs on Human Rights, G4-HR1 – G4-HR12, G4-SO1- G4-SO2, G4-SO9 – G4-SO11
Criterion 4	The Review describes effective management systems to integrate the human rights principles	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 GRI Index: G4-1, G4-DMAs on Human Rights, G4-HR1 – G4-HR12, G4-SO1- G4-SO2, G4-SO9 – G4-SO11
Criterion 5	The Review describes effective monitoring and evaluation mechanisms of human rights integration	TITAN commitments a. TITAN Group CSR Policy b. TITAN Group Code of Conduct c. TITAN Group Code of Conduct for Procurement GRI Index: G4-1, G4-DMAs on Human Rights, G4-HR1 – G4-HR12, G4-SO1- G4-SO2, G4-SO9 – G4-SO11
Robust labor management policies and procedures		
Criterion 6	The Review describes robust commitments, strategies or policies in the area of labor	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

Implementing the Ten Principles		
		g. Charter of the TITAN Occupational Health and Safety Council GRI Index: G4-4, G4-11, G4-DMAs on Labor Practices and Decent Work, G4-LA1 – G4-LA16, G4-HR1 – G4-12, G4-SO1 – G4-SO2, G4-EC5, G4-EC6
Criterion 7	The Review describes effective management systems to integrate the labor principles	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 GRI Index: G4-4, G4-11, G4-DMAs on Labor Practices and Decent Work, G4-LA1 – G4-LA16, G4-HR1 – G4-12, G4-SO1 – G4-SO2, G4-EC5, G4-EC6
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 of the Cement Sustainability Initiative GRI Index: G4-4, G4-11, G4-DMAs on Labor Practices and Decent Work, G4-LA1 – G4-LA16, G4-HR1 – G4-12, G4-SO1 – G4-SO2, G4-EC5, G4-EC6
Robust environmental management policies and procedures		
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 f. TITAN Climate Change Mitigation Strategy GRI Index: G4-1, G4-DMAs on Environment, G4-EN1 – G4-EN34, G4-EC1, G4-EC7
Criterion 10	The Review describes effective management systems to integrate the environmental principles	TITAN commitments a. TITAN Group CSR Policy b. The Company Charter of the Cement Sustainability Initiative c. TITAN Group Environmental Policy d. TITAN Climate Change Mitigation Strategy GRI Index: G4-1, G4-DMAs on Environment, G4-EN1 – G4-EN34, G4-EC1, G4-EC7
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 GRI Index: G4-1, G4-DMAs on Environment, G4-EN1 – G4-EN34, G4-EC1, G4-EC7
Robust anti-corruption management policies and procedures		
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

Implementing the Ten Principles		
		c. TITAN Group Code of Conduct d. TITAN Group Code of Conduct for Procurement GRI Index: G4-3 - G4-13, G4-33, G4-56 – G458, G4-DMAs on Society, G4-SO1 – G4-SO11
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 GRI Index: G4-3 - G4-13, G4-33, G4-56 – G458, G4-DMAs on Society, G4-SO1 – G4-SO11
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 GRI Index: G4-3 - G4-13, G4-33, G4-56 – G458, G4-DMAs on Society, G4-SO1 – G4-SO11
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 GRI Index: G4-1, G4-DMAs on Economic, Environmental and Social (Labor Practices and Decent Work, Human Rights, Society, Product Responsibility)
Criterion 16	The Review describes strategic social investments and philanthropy	TITAN commitments a. TITAN Group CSR Policy GRI Index: G4-DMAs on Economic, Environmental and Social (Labor Practices and Decent Work, Human Rights, Society, Product Responsibility)
Criterion 17	The Review describes advocacy and public policy engagement	TITAN commitments a. TITAN Group CSR Policy b. TITAN Group Code of Conduct GRI Index: G4-1, G4-DMAs on Economic, Environmental and Social (Labor Practices and Decent Work, Human Rights, Society, Product Responsibility)
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 c. TITAN Climate Change Mitigation Strategy d. TITAN Occupational Health and Safety Framework GRI Index: G4-DMAs on Economic, Environmental and Social (Labor Practices and Decent Work, Human Rights, Society, Product Responsibility)
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

Implementing the Ten Principles		
		GRI Index: G4-1 and G4-2
Criterion 20	The Review describes Board adoption and oversight	TITAN commitments a. TITAN Group CSR Policy b. TITAN Group Code of Conduct GRI Index: G4-1, G4-34 – G4-55
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 GRI Index: G4-1, G4-24 – G4-27
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 GRI Index: G4-1, G4-DMAs on Economic, Environmental and Social (Labor Practices and Decent Work, Human Rights, Society, Product Responsibility)
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 GRI Index: G4-DMAs on Economic, Environmental and Social (Labor Practices and Decent Work, Human Rights, Society, Product Responsibility)
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 GRI Index: G4-DMAs on Economic, Environmental and Social (Labor Practices and Decent Work, Human Rights, Society, Product Responsibility)

Group policies 2016	Albania	Bulgaria	Egypt	FYROM	Greece	Kosovo	Serbia	Turkey	USA
Group Human Rights Policy (Freedom of association, child labor)	X	X	X	X	X	X	X	X	X
Group Anti-Bribery and Corruption Policy (Compliance, grants, donations and contributions)	X	X	X	X	X	X	X	X	X
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 Environmental Policy	*	*	*	*	*	*	*	*	*
Group Climate Mitigation Strategy	*	*	*	*	*	*	*	*	*
Group Occupational Health and Safety Policy	*	*	*	*	*	*	*	*	*
Group Occupational Health and Safety Framework	*	*	*	*	*	*	*	*	*
Group Code of Conduct for Procurement (Supply chain/Procurement issues)	*	*	*	*	*	*	*	*	*
Group Purchasing Manual	*	*	*	*	*	*	*	*	*
Preference to locally based suppliers	-	*	*	-	*	*	*	-	
Preference to local residents, when hiring	-	*	-	-	-	*	*	-	-
Hiring local contractors/subcontractors	-	*	-	-	*	*	*	-	-
Group Social Media Policy for Employees	*	*	*	*	*	*	*	*	*
Conflict of Interest Policy	*	-	-	-	-	-	-	-	*
Group Competition Law Compliance Policy and Guidelines (compliance, customers and suppliers)	X	X	X	X	X	X	X	X	X
Group Sanctions Policy	X	X	X	X	X	X	X	X	X

Note: All policies marked with an asterisk (*) are already implemented within the Group, while the rest of them are new ones.

WBCSD/CSI Non-financial performance indicators

TITAN Group – All activities performance[1]						
WBCSD/CSI	**Description**	**2012**	**2013**	**2014**	**2015**	**2016**
Impact on natural recourses	Raw material extracted	28.0	29.2	29.5	30.3	32.2
	for cement production, million metric tons (wet)	18.5	20.5	18.2	19.0	19.5
	for aggregates, million metric tons (wet)	9.5	8.7	11.3	11.3	12.7
	Raw material consumed					
	for cement production, million metric tons (dry)	19.0	20.2	18.2	20.0	21.7
	for ready mix. dry mortar and block production, million metric tons (wet)[(2)]	6.0	6.0	6.9	8.0	8.7
	Total heat consumption, TJ	41,152	43,907	40,093	44,333	47,316
	Total electrical energy consumption, TJ	5,848	6,113	5,698	6,101	6,652
	*Total water consumption, million m^3	11.1	9.4	8.4	9.1	9.1
	Recycled (externally) waste materials, metric tons	267,800	248,940	353,600	294,000	413,553
	Reused (externally) waste materials, metric tons					9,683
	Recovered (externally) waste materials, metric tons					3,438
Water withdrawal by source million m^3	Ground water	27.7	26.0	27.0	28.0	26.8
	Municipal water	1.0	0.9	0.9	1.0	1.0
	Rain water	0.2	0.2	0.2	0.2	0.2
	Surface water	1.6	1.7	1.0	1.2	1.0
	Quarry water used (from quarry dewatering)	0.0	0.0	0.0	0.0	0.1
	Ocean or sea water	1.7	1.1	1.3	1.3	1.3
	Waste water	0.0	0.0	0.0	0.1	0.1
	***Total**	**32.2**	**29.9**	**30.4**	**31.8**	**30.5**
Water discharge by destination million m^3	Surface (river, lake)	19.2	19.3	20.6	21.3	20.0
	Ocean or sea	1.8	1.1	1.3	1.3	1.3
	Off-site treatment	0.1	0.1	0.1	0.1	0.1
	Total	**21.1**	**20.5**	**22.0**	**22.7**	**21.4**

Notes
1) Figures based on specific year equity
2) Figures for years before 2015 were revised to reflect only natural material consumed.
*** 2016 Data included in scope of ERM Certification and Verification Services (ERM CVS) assurance engagement for 2016 (ERM CVS' "*Independent assurance statement*" is available in this section).**

TITAN Group - Cement plants, attached and related quarries performance						
WBCSD/CSI	**Description**	**2012**	**2013**	**2014**	**2015**	**2016**
Climate change	*Total gross direct CO_2 emissions, million metric tons	9.6	10.2	9.5	10.5	11.4
	*Specific gross direct CO_2 emissions, kg/$t_{Product}$	658.7	664.3	674.4	706.1	718.0
	Total indirect[4] CO_2 emissions, million metric tons	1.0	1.1	1.1	1.1	1.2
Alternative fuels and materials	*Alternative fuel substitution rate, $\%_{HB}$	2.98	4.30	6.65	6.75	8.58
	*Biomass in fuel mix, $\%_{HB}$	1.86	1.63	2.22	1.57	2.14
	Alternative raw materials (clinker & cement), $\%_{Dry}$	6.0	6.1	7.0	5.5	5.1
	Clinker to cement ratio	0.850	0.844	0.831	0.847	0.844
Other air emissions	*Overall coverage rate, %	-	-	61.8	75.1	82.5
	*Coverage rate continuous measurement, %	-	-	80.9	53.5	52.8
	*Total dust particulates, metric tons	972	524	416	438	316
	*Specific dust particulates, g/$t_{Clinker}$	83.5	42.2	37.0	35.7	23.9
	*Coverage rate, %	-	-	100,0	92,9	100,0
	*Total NOx, metric tons	21,361	22,785	18.088	20.927	22.473
	*Specific NO_x, g/$t_{Clinker}$	1,835.0	1,832.5	1,610.4	1,705,8	1,702.9
	*Coverage rate, %	-	-	100,0	100,0	100,0
	*Total SOx, metric tons	2,277	2,351	2,969	2,527	2,713
	*Specific SO_x, g/$t_{Clinker}$	195.6	189.1	264.3	206.0	205.6
	*Coverage rate, %	-	-	88.9	100.0	100.0
	Total TOC, metric tons	-	-	325	394	607
	Specific TOC, g/$t_{Clinker}$	-	-	29.0	32.1	46.0
	Coverage rate, %	-	-	89.0	98.7	100.0
	Total PCDD/F, mg	-	-	366	253	160
	Specific PCDD/F, ng/$t_{Clinker}$	-	-	32.6	20.6	12.1
	Coverage rate, %	-	-	81.6	96.7	100.0
	Total Hg, kg	-	-	514	522	760
	Specific Hg, mg/$t_{Clinker}$	-	-	45.7	42.6	57.6
	Coverage rate, %	-	-	91.9	100.0	90.0
	Total (Cd and Tl), kg			190	208	351
	Specific (Cd and Tl), mg/$t_{Clinker}$	-	-	16.9	16.8	26.6
	Coverage rate, %	-	-	72.2	78.5	82.5
	Total (Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V), kg	-	-	2,485	5,378	4,804
	Specific (Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V), mg/$t_{Clinker}$	-	-	221.3	439.2	364.0
	Coverage rate, %	-	-	72.2	78.5	82.5
Local impact	Active quarry sites with biodiversity issues[1,3]	8	8	8	8	8
	Active quarry sites with biodiversity management plans[2,3]	3	3	3	6	6
	Active quarry sites with biodiversity management plans[2,3], %	37.5	37.5	37.5	75.0	75.0
	Sites with community engagement plans, %	100.0	100.0	100.0	100.0	100.0
	Sites with quarry rehabilitation plans[3], %	65.0	79.0	80.0	82.0	87.0

TITAN Group - Cement plants, attached and related quarries performance						
WBCSD/CSI	**Description**	**2012**	**2013**	**2014**	**2015**	**2016**
	Active quarry sites (wholly owned) with ISO14001 or similar, %	88.0	94.0	94.0	96.0	93.0
Impact on natural recourses	Total thermal energy consumption, TJ					
	*Cement and grinding plants and attached quarries	40,765	43,497	39,506	43,965	46,855
	Cement and grinding plants, attached and related quarries	40,768	43,504	39,512	43,970	46,862
	*Energy efficiency, $kcal/kg_{Clinker}$	836.1	835.5	840.1	856.0	848.0
	Total alternative fuels, metric tons	68,050	89,170	122,790	127,665	163,537
	Total electrical energy consumption, GWh					
	*Cement plants and attached quarries	1,536	1,581	1,481	1,600	1,751
	Cement plants, attached and related quarries	1,536	1,581	1,481	1,600	1,752
	*Total water consumption, million m^3	3.9	4.3	3.8	3.9	3.8
	*Specific water consumption, lt/t_{Cement}	300.0	315.5	305.4	287.1	255.1
	Materials consumption, million metric tons					
	Total extracted raw materials	19.0	20.2	18.2	20.0	21.7
	Total alternative raw materials	1.2	1.3	1.4	1.2	1.2

NOTES
1) Active quarries within, containing or adjacent to areas designated for their high biodiversity value.
2) Sites with high biodiversity value where biodiversity management plans are actively implemented.
3) Since 2011, coverage of wholly owned active quarries has expanded, to include both quarries attached to TITAN's cement plants and quarries for aggregates production.
4) 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.

*** 2016 Data included in scope of ERM Certification and Verification Services (ERM CVS) assurance engagement for 2016 (ERM CVS' "*Independent assurance statement*" is available in this section).**

TITAN Group – All activities performance						
WBCSD/CSI	**Description**	**2012**	**2013**	**2014**	**2015**	**2016**
Health and Safety	*Employee fatalities	1	0	0	1	0
	*Employee fatality rate	1.92	0.00	0.00	1.80	0.00
	*Contractors fatalities	0	1	1	1	0
	Third-party fatalities	0	1	1	0	1
	*Employee Lost Time Injuries (LTIs)	14	5	18	23	22
	*Employee Lost Time Injuries Frequency Rate (LTIFR)	1.38	0.47	1.65	2.00	1.92
	*Employee lost working days	1,117	191	1,481	1,624	897
	*Employee Lost Time Injuries Severity Rate	110.3	17.8	135.6	141.4	78.2
	*Contractors Lost Time Injuries (LTIs)	16	7	8	11	7
	Contractors Lost Time Injuries Frequency Rate (LTIFR)	1.91	0.76	0.87	1.10	0.73

TITAN Group – Cement operations performance						
WBCSD/CSI	**Description**	**2012**	**2013**	**2014**	**2015**	**2016**
Health and Safety	*Employee fatalities	1	0	0	1	0
	*Employee fatality rate	2.69	0.00	0.00	2.68	0.00
	*Contractors fatalities	0	1	1	1	0
	Third-party fatalities	0	1	1	0	0
	*Employee Lost Time Injuries (LTIs)	8	2	8	13	11
	*Employee Lost Time Injuries Frequency Rate (LTIFR)	1.13	0.28	1.10	1.75	1.54
	*Employee lost working days	905	110	494	936	313
	*Employee Lost Time Injuries Severity Rate	127.7	15.3	67.6	126.0	43.8
	*Contractors Lost Time Injuries (LTIs)	12	6	8	7	2

*** 2016 Data included in scope of ERM Certification and Verification Services (ERM CVS) assurance engagement for 2016 (ERM CVS' "*Independent assurance statement*" is available in this section).**

Group memberships and cooperations 2016

Memberships and cooperations 2016		
Country	**Name/Title**	**website**
Albania	Albanian Banks Association	www.aab.al
	Albanian CSR Network	www.albaniancsrnetwork.org
	Albanian Institute for Corporate Governance	www.cgi-albania.org
	Albanian Roads Association	www.aace.al
	American Chamber of Commerce	www.amcham.com.al
	Embassy of Netherlands	www.albania.nlembassy.org
	Faculty of Geology	www.fgjm.edu.al
	Foreign Investment Association	www.fiaalbania.al
	Hellenic Albanian Business Association	www.hbaa.al
	Institute of Calibration	www.dpm.gov.al
	Junior Achievement Albania	www.junior-albania.org/
	Labor Inspectorate	www.inspektoriatipunes.gov.al
	National Agency for Natural resources	www.akbn.gov.al
	Polytechnic University of Tirana	www.upt.al
	Regional Environmental Agency	www.albania.rec.org
	United Nations Development Programme (UNDP)	www.undp.org.al
	University of Agriculture	www.ubt.gov.al
Bulgaria	American Chamber of Commerce and Industry	www.amcham.bg
	Bulgarian Association of Aggregates Producers	www.bapim.org
	Bulgarian Association of Cement Industry	www.bacibg.org
	Bulgarian Chamber of Mining and Geology	www.bmgk-bg.org
	Bulgarian Federation of Industrial Energy Consumers	www.bfiec.org
	Hellenic Business Council in Bulgaria	www.hbcbg.com
Egypt	Alexandria Businessmen Association	www.aba.org.eg
	Cooperation agreement with the Technische Universität Berlin and Sawiris Foundation for Social Development re TITAN Annual Scholarship Program to support the graduates from Beni Suef and Alexandria Universities in post-graduate studies	www.campus-elgouna.tu-berlin.de
	Egyptian Bar Association	www.baegypt.org
	Egyptian Business Men Association (EBA)	www.eba.org.eg
	Egyptian Environment Affairs Agency	www.eeaa.gove.eg
	Egyptian Junior Business Men Association (EJBA)	www.ejb.org.eg
	Egyptian-Greek Business Council	-
	Energy Committee - Federation of Egyptian Industries	www.fei.org.eg
	Federation of Egyptian Industries	www.fei.org.eg
	General Authority For Investment and Free Zones (GAFI)	www.gafi.gov.eg
	National Astronomical Research Institute	www.nriag.sci.eg
	Protocol of Cooperation between Alexandria Portland Cement Company and Arab Contractors Company	-
	Sustainability Center For Development (SCD)	-
	Tabbin Institute for Metallurgy Studies	www.tims.gov.eg

Memberships and cooperations 2016

Country	Name/Title	website
	The American Chamber of Commerce	www.amcham.org.eg
	The Egyptian Financial Supervisory Authority (EFSA)	www.efsa.gov.eg
	United Nations Global Compact Local Network (UNGC)	www.gcnetworkegypt.com
F.Y.R. of Macedonia	American Chamber of Commerce	www.amcham.com.mk
	BEST-Board of European Students of Technology	www.best.org.mk
	Chamber of Commerce	www.mchamber.org.mk
	Foreign Investors Council	www.mchamber.org.mk
	IAESTE – International Association of the Exchange of Students for Technical Experience	macedonia@iaeste.org
	Institute of Internal Auditors of F.Y.R. of Macedonia	www.aiam.org.mk
	Macedonian HR Association	www.mhra.mk
	Macedonian Occupational Health and Safety Association (MOSHA)	www.mzzpr.org.mk
	Organization of Employers	www.orm.org.mk
	Red Cross Organization in F.Y.R. of Macedonia	www.ckrm.org.mk
	Standardization Institute of F.Y.R. of Macedonia	www.isrm.gov.mk
	UN Global Compact	www.unglobalcompact.org
	UN Global Compact Local Network of F.Y.R. of Macedonia	www.konekt.org.mk/web
Greece	Alliance for Greece	www.symmaxiagiatinellada.gr
	American-Hellenic Chamber of Commerce (AMCHAM)	www.amcham.gr
	Arab-Hellenic Chamber of Commerce and Development	www.arabhellenicchamber.gr
	Association of SAs and LTDs	www.sae-epe.gr
	Athens Chamber of Commerce and Industry (ACCI)	www.acci.gr
	British Safety Council	www.britsafe.org
	Chambre de Commerce et d'Industrie Franco-Hellénique (CCIFH)	www.ccifhel.org.gr
	Deutsch-Griechische Industrie und Handelskammer	www.griechenland.ahk.de/gr/
	DIAZOMA	www.diazoma.gr
	Federation of Industries of Northern Greece (FING)	www.sbbe.gr
	Federation of Recycling and Energy Recovery Industries and Enterprises (SEPAN)	www.sepan.gr
	Foundation for Economic and Industrial Research (IOBE)	www.iobe.gr
	Greece-Serbia Business Council	n/a
	Greek Mining Enterprises Association	www.sme.gr
	Greek-Turkish Chamber of Northern Greece	www.grtrchamber.org
	Hellenic Cement Industry Association	under construction
	Hellenic Federation of Enterprises (SEV)	www.sev.org.gr
	Hellenic Federation of Enterprises of the Peloponnese and Western Greece	www.sevpde.gr
	Hellenic Foundation for European and Foreign Policy (ELIAMEP)	www.eliamep.gr
	Hellenic Management Association (EEDE)	www.eede.gr/
	Hellenic Network for Corporate Social Responsibility	www.csrhellas.org
	Hellenic Ornithological Society	www.ornithologiki.gr
	Hellenic Recovery-Recycling Corporation SA (HERRCo)	www.herrco.gr
	Hellenic Society for the Protection of Nature	www.eepf.gr/

Memberships and cooperations 2016		
Country	**Name/Title**	**website**
	Hellenic Solid Waste Management Association	www.eedsa.gr
	Hellenic Union of Industrial Consumers of Energy (UNICEN)	www.unicen.gr
	I.V.EP.E - Vocational Training Center: Industrial and Business Education and Training Institute - SEV (Hellenic Federation of Enterprises)	www.ivepe.gr
	Junior Achievement Greece (JA Greece)	www.senja.gr
	Panhellenic Exporters Association (PEA)	www.pse.gr
	Pediatric Trauma Care	www.pedtrauma.gr/el
	Piraeus Chamber of Commerce and Industry	www.pcci.gr
	Professional Chamber of Piraeus	www.eep.gr
	SEV Council for Sustainable Development	www.sevbcsd.org.gr
	Sustainable Greece 2020	www.sustainablegreece2020.com
	Thessaloniki Chamber of Commerce and Industry (TCCI)	www.ebeth.gr
	Union of Industrial Export Milos Business	v/a
	Union of Listed Companies	www.eneiset.gr
Group	CSR EUROPE	www.csreurope.org
	European Cement Association (CEMBUREAU)	www.cembureau.be
	European Round Table of Industrialists (ERT)	www.ert.eu
	Marine Traffic	www.marinetraffic.com/gr
	World Business Council for Sustainable Development (WBCSD)	www.wbcsd.org
	World Economic Forum	www.weforum.org
	Young Presidents' Organization (YPO)	www.ypo.org
Kosovo	American Farm School	www.afs.edu.gr
	Association of Regional Development Agencies	www.arda-kosovo.eu
	EIC - (European Investors Council)	www.eic-ks.eu
	Embassy of France	www.ambafrance-kosovo.org
	German Embassy	www.pristina.diplo.de
	German-Kosovo Chamber of Commerce	www.kdwv.eu
	Initiative for Agricultural Development	www.iadk.org
	International Finance Corporation (IFC)	www.ifc.org
	Kosovo Chamber of Commerce	www.oek-kcc.org
	Kosovo CSR Network	www.csrkosovo.org
	LAB	www.lab-ks.org
	Municipality of Hani i Elezit	www.kk.rks-gov.net/hanielezit
	ProCredit Bank	www.procreditbank-kos.com
	Raiffeisen BANK	www.raiffeisen-kosovo.com
	Regional Environmental Center (REC)	www.kos.rec.org
	University for Business and Technology	www.ubt-uni.net
	University of Mitrovica	www.umib.net
	University of Pristina	www.fna.uni-pr.edu
	US Agency for International Development	www.usaid.gov
Serbia	American Chamber	www.amcham.rs

Memberships and cooperations 2016

Country	Name/Title	website
	Association of Cement Industry of Serbia	www.cis.org.rs/en
	Foreign Investors Council	www.fic.org.rs
	Hellenic Business Association of Serbia	www.en.hba.rs
	National Alliance for Local Economic Development	www.naled-serbia.org/en
	Responsible Business Forum	www.odgovornoposlovanje.rs
	UN Global Compact in Serbia	www.ungc.rs
Turkey	Antalya Chamber of Commerce and Industry	www.atso.org.tr
	Cement Industry Employers' Union	www.ceis.org.tr
	Central Anatolian Exporters Union	www.oaib.org.tr/en
	Corlu Chamber of Commerce and Industry	www.eng.corlutso.org.tr
	Istanbul Chamber of Commerce	www.ito.org.tr
	Samsun Chamber of Commerce and Industry	www.samsuntso.org.tr
	Sivas Chamber of Commerce and Industry	www.sivastso.org
	Tokat Chamber of Commerce and Industry	www.tokattso.org.tr
	Turkish Cement Manufacturers' Association	www.tcma.org.tr
	Turkish Ready Mix Concrete Association	www.thbb.org/default.aspx?language=en
	Zile Chamber of Commerce and Industry	www.ziletso.org.tr
USA	AIA (American Institute of Architects)	www.aia.org
	FLA (Florida Limerock Association)	www.myflai.org
	Florida Home Builders Association	www.fhba.com
	Home Builders Association of Virginia	www.hbav.com
	International Association of Business Communicators	www.iabc.org
	National Concrete Masonry Association (NCMA)	www.ncma.org
	National Sand Stone and Gravel Association	www.nssga.org
	NRMCA (National Ready Mix Concrete Association)	www.nrmca.org
	Portland Cement Association	www.cement.org
	Public Relations Society of America	www.prsa.org
	Roanoke Valley Cool Cities Coalition	www.rvccc.org
	Society for Human Resource Management	www.shrm.org
	US Green Building Council	www.usgbc.org
	Wildlife Habitat Council	www.wildlifehc.org

TITAN Cement Company S.A.
22A Halkidos Str.
11143 Athens, Greece
Tel: +30 210 2591111
www.titan-cement.com