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Photocover:

*"Branching out and adding value":
Titan's logo which defines
all relevant practices throughout this Report*

ABBREVIATIONS/CODES ETC. FULL EXPLANATION

TITAN	<i>Titan Cement Company, the parent company of the Titan Group.</i>
TITAN GROUP	<i>An independent, multi-regional, vertically integrated cement producer, comprizing Titan Cement and its affiliates</i>
CSR	<i>Corporate Social Responsibility</i>
SD	<i>Sustainable Development</i>
GRI	<i>Global Reporting Initiative</i>
WBCSD	<i>World Business Council for Sustainable Development</i>
FAOS	<i>A non-profit association devoted to promoting accident prevention and raising awareness in primary and secondary education of the Prefecture of Achaia, Greece. It began as an initiative of the Titan Group</i>
ACCI	<i>Athens Chamber of Commerce and Industry</i>
EBITDA	<i>Earnings Before Interest, Taxes, Depreciation and Amortization</i>
CSR EUROPE	<i>The European Business Network for Corporate Social Responsibility, established as the European Business Network for Social Cohesion in 1995</i>
CSR and SD Report	<i>Corporate Social Responsibility and Sustainability Report</i>
U.N. G. C. Initiative	<i>United Nations' Global Compact Initiative</i>
GC Principles	<i>Global Compact Principles</i>
IFRS	<i>International Financial Reporting Standards</i>
IVEPE	<i>Corporate Association Center for Vocational Training</i>
ALBA	<i>Athens Laboratory of Business Administration</i>
MBA	<i>Management and Business Administration</i>
OHSAS	<i>Occupational Health and Safety Assessment Series</i>
ILO	<i>International Labor Organization</i>
NGOs	<i>Non-Governmental Organizations</i>
CPI	<i>Corruption Perception Index</i>
TI Report	<i>Transparency International Report</i>
BAT	<i>Best Available Techniques</i>
MIO-ECSDE	<i>Mediterranean Information Office for Environment, Culture and Sustainable Development</i>
ECO-SERVE	<i>European Construction in Service of Society</i>
HERRCO	<i>Hellenic Recovery and Recycling Corporation</i>
CSI	<i>Cement Sustainability Initiative</i>
UNICE	<i>Union of Industrial and Employers' Confederation of Europe</i>
WRI	<i>World Resources Institute</i>

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FROM THE MANAGING DIRECTOR



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In recent years Corporate Social Responsibility (CSR) and sustainable development have risen in prominence. At Titan they have been part of its culture for decades. We have embedded them into our corporate strategy not only out of a sense of responsibility, but primarily because we are convinced that they benefit both the societies in which we operate and our stakeholders.

This publication reflects Titan's long CSR tradition -continuously adapting to change- and builds on a 20-year record of annual Social Reports. In its present form, initiated last year, it aims to provide more detailed, concrete information on our endeavors and practices, combined with a transparent progress evaluation, which will allow our stakeholders to have a complete and accurate picture of our overall CSR performance.

Titan, a multi-regional Group, faces a number of relevant challenges. The most important, due to the nature of our business, relates to environmental sustainability: The cement industry has a significant impact on the local and global environment. In 2003 Titan joined the World Business Council for Sustainable Development reaffirming its commitment to be actively engaged in defining and implementing best practices. Within the context of the WBCSD, work is progressing on the Cement Sustainability Initiative, a comprehensive effort undertaken jointly by leading cement groups to tackle the issues head-on. Closely related to sustainable development is our active care for the human element in both our business and social activities. Ensuring high standards of work conditions, of health and safety in our operations, as well as partaking in the improvement of the quality of life in neighboring communities are top priorities of Titan, as is education, not only a major interest area in itself, but also a means of supporting and enriching our overall social contribution. It is for this reason that we chose to focus this year's Report on education and training including a special chapter on that theme.

Education and training are also interwoven with the concept of “branching out and adding value” introduced in this Report. This twin concept aims at making the most and best out of our Company’s accumulated experience and expertise by building on them, expanding their implementation in all countries and all regions in which we have a presence and in different areas of business and social activity, maximizing the impact of and adding value to the benefits accruing for our stakeholders and for society.

Take our “FAOS” initiative, for example. As an outreaching expression of our special interest in safety and utilizing our decade-long experience in this field, we initiated a school safety pilot project in Patras Greece, five years ago. Following its success, we are now transplanting it in other communities.

As a multi-regional Group we are also “branching out” with regard to participation in international collective CSR-related efforts, sharing our experience and best practices with other companies and joining forces with them in pursuing common goals. Besides its membership in WBCSD, Titan is a co-signatory of the United Nations’ Global Compact since 2002 and last year joined the CSR EUROPE.

Although we are proud of our track record in CSR and sustainable development, we appreciate that much remains to be done and that significant challenges still lie ahead. Yet we are confident that we will succeed in our efforts because of the strength and depth of commitment within our organization. This commitment emanates from top management but it has grown into a broad-based faith at all levels, a core element of our corporate culture and our Group’s set of fundamental values and guiding principles. That, we believe, is the sturdiest pillar for continuity, perseverance and achievement.



Employees’ children day dedicated to the Environment

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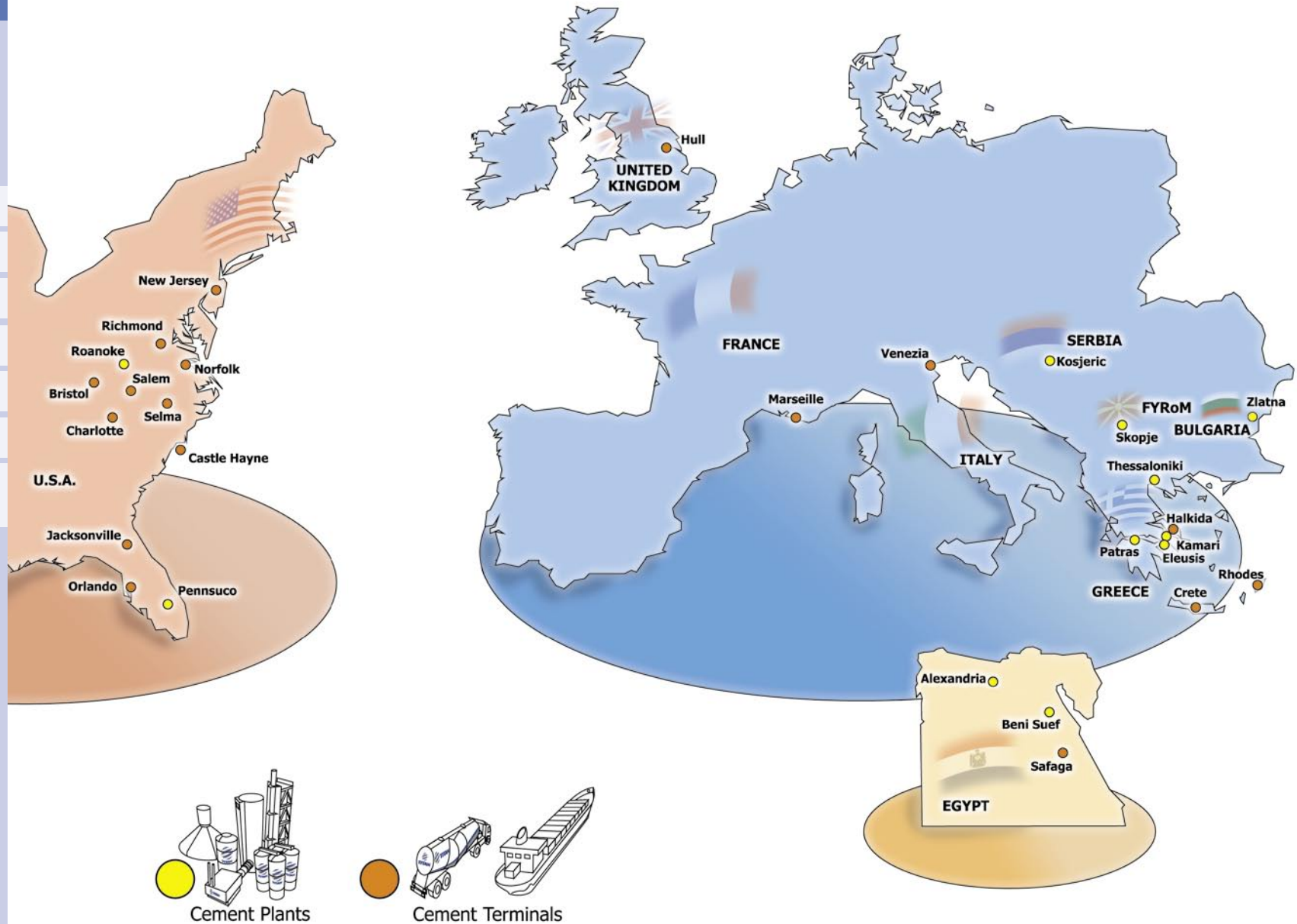
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“The Rion-Antirion Bridge is a mega-project comprising more than 200,000m³ of the structural concrete. The quality of cement was of paramount importance as we were seeking to ensure both longevity of the bridge in its marine environment and low hydration heat due to the thickness of structural elements... After examining various options we took Titan as our exclusive supplier. The regularity in the production and in the quality of this cement showed undoubtedly that it was the right choice ... Since the opening of the bridge in August 2004, traffic has increased 30% compared to the traffic on ferries a year before ... while local communities living on both sides of the bridge seem to be much closer to one another and more united ... Another consequence of the bridge, less predictable, is the increasing number of long distance trip users, specially during the week-ends ... It is too early to say what the consequences will be in terms of development, but one thing is sure: communication brings development”

J.-P. Teyssandier,
Chairman and Managing Director
of “Gefyra S.A.”

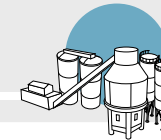
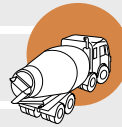
In 2004 the Titan Group operated in **6** countries (Greece, U.S., FYRoM, Serbia, Bulgaria, and Egypt*)

11 cement plants

77 ready-mix plants

16 cement terminals

7 Pro Ash plants and **10** plants producing grey blocks



Activities

The Titan Group increased its turnover from € 1,036 million to € 1,104 million (6.6%) and its operating EBITDA from 296 million in 2003 to € 323 million in 2004 (9.3%).

Total production at Group level amounted to 14.3* million tons of cement and cementitious, 20.8 million tons of aggregates, 5.0 million cubic meters of ready mix concrete and 55.4 million of 8 inch concrete blocks.

Group products cover mainly local and domestic demands for housing and public services, including hospitals, schools, malls, etc., as well as basic infrastructures, such as roads and bridges.

In 2004 direct employment at Group level reached 6,005* while indirect employment was 1,727 not including the additional labor force of 900 people employed for the construction of the new plants at Pennsuco (U.S.) and Thessaloniki (Greece).

In Bulgaria a new plant, Zlatna Panega, located close to Sofia, was acquired by the Titan Group, while the Group's share in the plant at Plevenski was sold.

Two major, long-term investments were successfully completed in 2004 at the Pennsuco and the Thessaloniki plants where Best Available Techniques were used in line with the Group's commitment to continuously improve environmental performance.



*In Egypt where Titan has a joint venture with Lafarge, Group interests are included in the annual results of the Titan Group by the equity method of accounting while employment statistics cover total personnel.

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CSR and Sustainability

The Titan Group's strategic objective is to be an independent, multi-regional, vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with respect and care for people, society and the environment. Corporate Social Responsibility is for the Titan Group inherent to its way of doing business.

Any company dealing with the challenges of social responsibility and sustainable development, must address two critical issues: how to recognize the responsibility to behave in a trustworthy manner toward its various stakeholders and how to build the capacity to predict and respond to society's changing concerns on particular issues.

To meet these challenges, special efforts were made by Titan, in 2004, to enhance a two-way communication with stakeholders, as well as to increase awareness among stakeholders, particularly employees, shareholders, suppliers and contractors.

Titan Suppliers' Survey, 2004

64% are aware of the Group's Environmental Policy; 51% are also aware of its CSR Policy; 98% agree on joining forces to meet common environmental and social concerns. The key priorities for CSR partnerships are: Labor relations, human resources development, occupational health and safety and environmental protection.

In this respect, results provided by national and cross-regional opinion surveys have been used as benchmarks while an internal opinion survey on Titan contractors' and suppliers' CSR perceptions and expectations was used for developing new initiatives in 2005. At the same time an employee opinion survey in U.S was conducted by independent agencies to facilitate an overall assessment on corporate policies; and a similar survey for employees in Greece will be conducted in 2005.



The Titan Group has joined forces with 15 other cement companies -which together represent more than half of the worldwide industry outside China- to develop in the framework of Cement Sustainability Initiative a standard protocol for measuring and reporting CO₂ emissions. The protocol was finalized in 2004.



The positive experience from participating in business networks, such as WBCSD and the Hellenic Network for CSR, has led to Titan's membership in CSR EUROPE, the leading CSR business network at E.U. level, as of December 2004.



As mentioned in Titan's 2003 CSR and SD Report particular efforts have been made to gradually integrate Global Reporting Initiative guidelines and core indicators in shaping our internal reporting system.

The task accomplished referenced particularly to key environmental performance indicators and occupational safety. In line with commitments undertaken with the signing of the U.N. G. C. Initiative in 2002, this year's Report describes specific practices by the Titan Group conforming with G.C. Principles and with the "Communication of Progress" guidelines adopted in 2004.



Titan actively participated in the United Nations' consultation process and welcomed the addition of a tenth principle (against corruption) to the existing nine ones (on human rights, labor rights and protection of the environment) of the Global Compact Initiative.

10th Principle: "Business should work against corruption in all its forms, including extortion and bribery"

Three key issues have been identified as important in the field of CSR in Greece, according to a survey conducted by the Institute of Communication at national level: Facing poverty, preserving the environment and education and training.

GLOBSCAN CSR and Consumers' Survey 2004

> In 2004 the Athens Chamber of Commerce and Industry awarded Titan the prize for CSR initiatives particularly for its efforts to link business with the academic community through its Post-Graduate Students' Forum.



Mr. N. A. Canellopoulos receives the ACCI-CSR 2004 Prize by the Greek Minister of Economy and Finance, Mr. G. Alogoskoufis

> For a second time Titan was included among the 10 Best Places to Work in Greece and the 100 Best Places to Work in Europe, according to the relevant annual survey conducted in 2004 .

> Titan was ranked among the ten Most Respected Companies in Greece according to a survey conducted by the Financial Times and PricewaterhouseCoopers in 2004.

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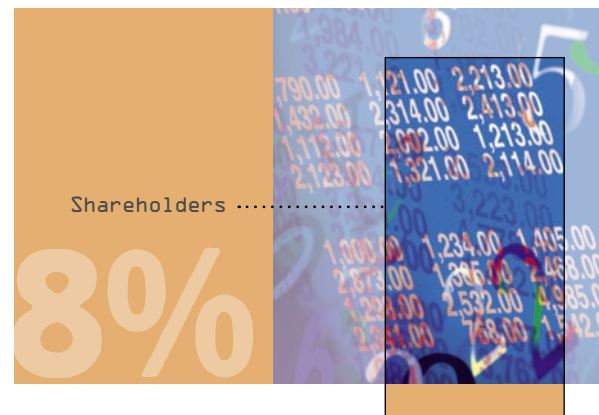
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DISTRIBUTION OF TITAN GROUP'S SOCIAL PRODUCT - 2004

(In thousand Euros)

Group Turnover	1,104,381
Social Product	567,100
Public Sector	211,104
Group (Non-distributed Profits/Reserves)	122,526
Personnel	189,723
Shareholders (Net dividend)	43,747



View from the sea of the rehabilitation of Artimes' quarry in Achaia, Greece

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Corporate Governance

In the framework of increasing transparency and ensuring confidence in the Group, corporate governance has been further improved since 2003, with the formal adoption of the following:

- > The number of independent, non-executive members of the Board of Directors increased from 5 out of 14 to 7 out of 15.
- > Two new Board Committees were established:
 - Succession Planning and Corporate Governance Committee comprising 3 members of whom two are independent, non-executive Directors.
 - Corporate Social Responsibility Committee comprising 3 members.

Implementing International Financial Reporting Standards

In 2004 the Titan Group, ahead of the mandatory deadline set by the Greek Government, fully implemented the International Financial Reporting Standards .

IFRS narrow existing differences in national financial reporting requirements, by seeking to harmonize regulations, accounting standards and procedures relating to the preparation and presentation of financial statements. They also provide shareholders with more detailed, easier-to-understand relevant information.

Internal Audit

Commissioning Internal Auditing to an independent function has been a standard Company practice for many years. Additionally, today, a Group Internal Audit Department operates and reports directly to the Board's Audit Committee.

The Titan Group Internal Audit function comprises two departments: the Department of Internal Auditing of Greece and the Department of Internal Auditing of International Operations.

The Audit Committee at Board level consists of three independent and non-executive Directors vested with a wide range of auditing powers, including the auditing of financial results before their submission for approval by the Board.

In 2004 the fees for the external auditors were 63% for providing auditing services and 37% for providing services regarding acquisitions and the implementation of IFRS.

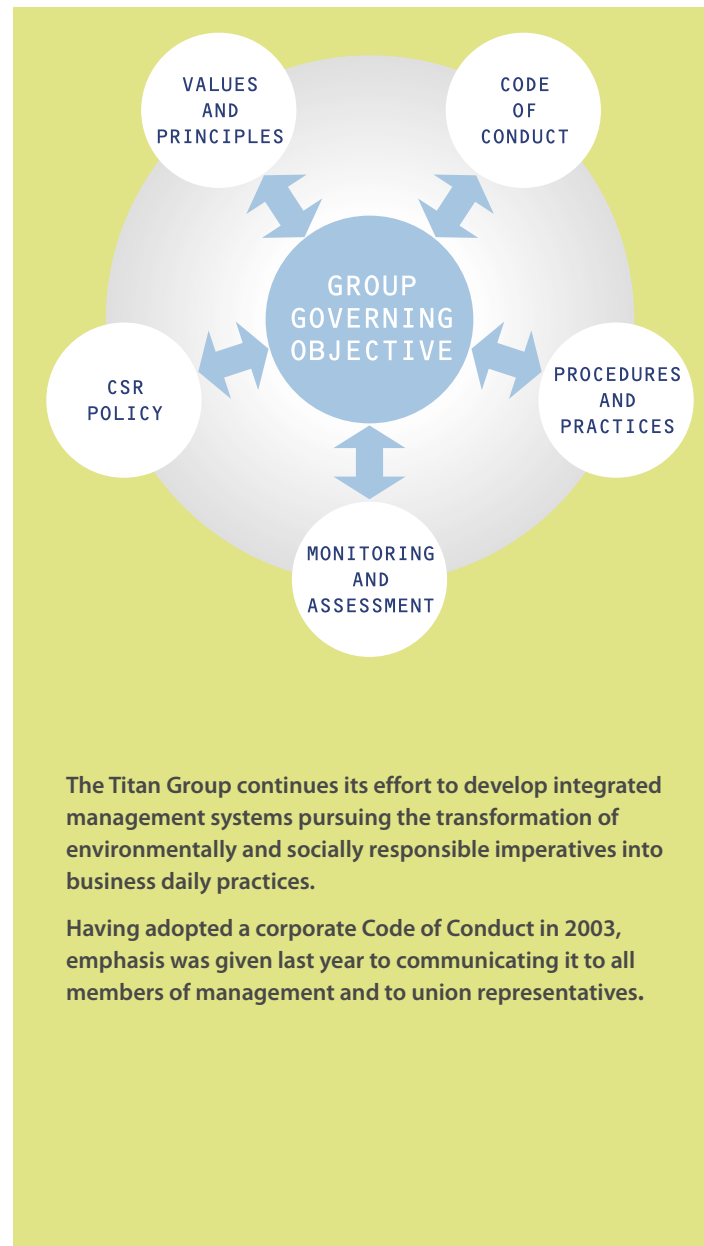
CSR Management and Objectives

The Titan Group's governing objective must be pursued within a framework of agreed principles and values, which determine our everyday conduct and practices. They explicitly define our responsibilities towards our stakeholders who are affected -directly and indirectly- by our business activities.

Employees and shareholders, customers and contractors, local communities and society at large represent our main stakeholders. The main objective of the Group's Code of Conduct is to safeguard Titan's way of operating.

To ensure that our policies and guidelines are implemented throughout the Group, responsibilities for CSR have been assigned at corporate and local levels for both line and functional management.

At corporate level, a CSR Committee, chaired and staffed by current and ex-members of Titan's Board, supports the overall decision making process and directs proposals on key issues to Titan's Executive Committee. The CSR Department, functioning at Group level, has operational responsibility for the coordination, prioritization and integration of CSR into the daily decision making process and serves as secretariat to the CSR Committee. Recently local CSR Taskforces were set up on a pilot basis. Furthermore, a number of seminars and workshops addressed to all Group employees were initiated last year and will continue in 2005 and 2006.



Local CSR Taskforces

The branching out and adding value concept can only be implemented by people who share a common culture.

In an effort to enhance the understanding and involvement of employees in taking action and transferring know-how and experience to fellow citizens and local communities, local CSR Taskforces were formed. They operate on a pilot basis at the four production cement plants in Greece.

Their goal is to develop local CSR programs.

Social Taskforces are cross-functional teams including the plant's manager, finance and administration manager, environmental engineer, safety engineer, social worker and occupational physician. In addition, other members of its local labor force have been invited to participate on a voluntary basis.

Branching out and adding value

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As a multi-regional corporation, Titan Group functions in diverse markets and diverse cultural environments spanning three continents. Therefore one of the major challenges it faces is to transfer its fundamental values and principles, its practices, skills, technology and standards to all its affiliates, to all its geographically dispersed activities; at the same time respecting and adapting to local social conditions,

without making concessions on its fundamental tenets. This is true with regard to both the business side and the CSR aspect of operations. To a very large extent our overall success depends on meeting properly, effectively this multifaceted challenge, bringing added value to all involved.

For many years Titan has been following this course in its business strategy and practice. More recently it has adopted this “branching out and adding value” concept as a guiding element and basic tool in its global, national and local CSR initiatives.

The branching out and adding value concept is an expression of corporate social “extraversion”. It aims at optimizing and maximizing the impact and benefits of CSR policies, initiatives and specific programs through the transfusion of Titan’s accumulated experience, skills and expertise in various fields (usually with the active involvement of Company employees) on a larger scale beyond the confines of the Company or of a specific geographical area, to local stakeholders and communities.

This CSR approach can be described as a three-prong exercise:

> From inside the parent Company to newly acquired affiliates or from one company unit to another; ultimately to the whole Group.

Example: Since 1979 Titan has been publishing in Greece a magazine titled “Titans” as a medium of communication with employees and other stakeholders. In 2001 Titan began publication of an English-language house organ (“In Touch”) for its employees in affiliates outside Greece. Last year the Group -utilizing the knowledge acquired in this field- went ahead with the production of a similar magazine (“Salama News”), this time a bilingual one (English-Arabic) addressed to employees and associates in Egypt.

> From the Company to third parties –mainly its close associates, i.e. its customers, its suppliers, its contractors.

Example: Titan systematically shares its technical and environmental know-how with customers and assists its contractors and suppliers in such matters as safety (organizing special defensive driving courses for them), business ethics, etc.

> From the Company to local communities and, furthermore, to society.

Example: In the early ‘90s, Titan –capitalizing on its long employee training record –initiated a pilot technical program to train unemployed young people in Patras, Greece. Titan is planning to replicate this program in the communities near Titan’s plant at Usje, FYRoM.

This CSR approach is beneficial in many ways:

> It makes best utilization of Titan’s experience and know-how in such key areas as education-training, health and safety, environmental protection and rehabilitation etc. both within the Group and on a broader scale.

> It not only adds value, but also has a kind of “multiplier effect” (in good-will and substance) on the Company’s total “social product”, on its relations with stakeholders and the society.

> It allows sharing and learning from what we have achieved, thus enriching our experience and helping, through feedback, to further improve CSR practices and accordingly devise and develop new ones.



Education and Training

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Group Policy Priority

Education and training constitute a cornerstone of the Group's strategy and a major long-term investment.

The Titan Group offers a wide range of training programs aimed to:

- > Help employees acquire a more complete knowledge of the Company, its culture, its objectives, its operations, and improve their skills and professional development opportunities
- > Enable Titan to better utilize its human resources thus enhancing their key role in increasing the Company's productivity and competitiveness

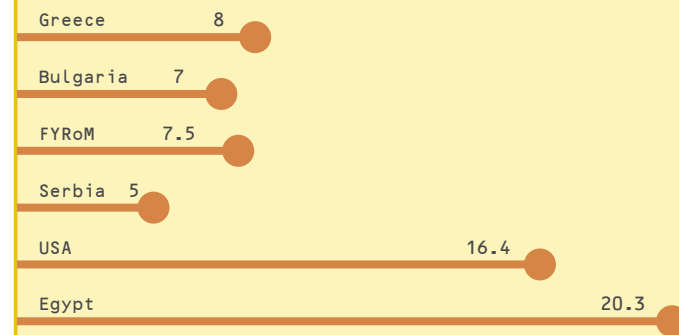
Training at Titan is an on-going, continuous process. It covers a wide range of subjects and is addressed to all personnel, at all levels, all sectors, all locations.

Special emphasis is given to training our people at newly acquired plants in regions outside Greece, in order to facilitate their full integration in the Group environment.

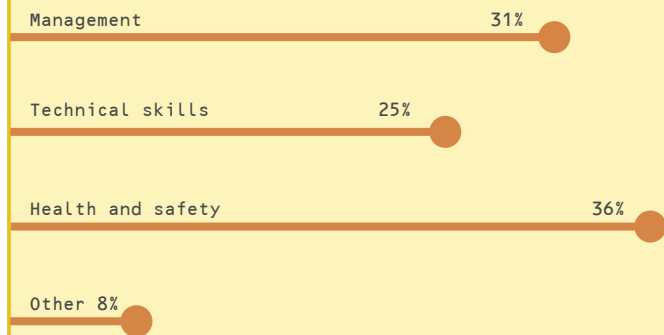


To help align Titan's personnel at newly acquired facilities with Group philosophy, strategy and practices, and to learn from their feedback and aspirations the MENTOR, Knowledge Management Program was launched in 2004, as a three-year human resources development action plan. MENTOR is an integrated program, initially directed to our South-East European affiliates' employees. It is designed to promote the culture of preserving, advancing, documenting and disseminating the Group's core competencies. MENTOR as a learning process is following a holistic approach and is thus, implemented through a variety of training activities both on a multi-regional and on a local scale.

Average number of training hours per employee, 2004



Average of training hours per subject, 2004



Timeline of Titan's Education and Training initiatives over and above legal requirements

2005	Branching out of the Technical Program for Young Unemployed to FYROM
2004	Branching out of the Post-Graduate Students' Forum to Thessaloniki and launching of the MENTOR Program in South East Europe
2003	Defensive Driving Training Program for Contractors
2002	Launching of the Post-Graduate Students' Forum (Athens)
2001	E.U. Award to Titan for Innovative Training Programs for Preventing Accidents
2000	Establishment of the TITAN-INSEAD Visiting Professors Program, ALBA
1997	Subsidization of MBA studies for employees
1994	Launching of Vocational Orientation Program for employees' children
1991	Support of the establishment of ALBA
1990	1 st Pilot Technical Program for Young Unemployed in Patras
1981	Participation in the establishment of IVEPE
1980	Implementation of Life-Long Learning policy for all employees
1977	Financial support to employees' children for University studies
1974	Educational material to employees' children in primary schools
1964	Introduction of Continuous Vocational Training systems



The development of technical skills and the application of health and safety management systems in accordance with international standards have been the main priorities in training programs offered by the Titan Group to its contractors.

"Defensive Driving" is a specialized training program which started in 2003 and has covered all Titan contractors in Greece, transporting products either on behalf of Titan or on behalf of its customers. A total of 520 persons participated in this training program in 2004.

Following up commitments in the framework of the Cement Sustainability Initiative, a new multi-phase program for the Group contractors will be launched in 2005, aimed at "zero accident".



"A critical challenge that faces human society at the start of the twenty-first century is to attain full employment and sustained economic growth in the global economy and social inclusivity. Human resources development, education and training contribute significantly to promoting the interests of individuals, enterprises, economy and society... Education and skills formation could lead to less unemployment and to more equality in employment..."

ILO Resolution, 2000, concerning human resources training and development

"Globalization, economic integration and technological innovation are changing the way Europe lives and works... Europe needs to invest more in human capital... The productivity of enterprises and the overall competitiveness of our economy are directly dependent on building and maintaining a well-educated, skilled and adaptable workforce that is able to embrace change... All stakeholders must be mobilized to make lifelong learning a reality..."

Report of the E.U. Employment Taskforce chaired by Wim Kok, November 2003

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Supporting Education and Training

Regarding Education and Training, particular care is reflected in the initiatives undertaken by Titan for the children of its employees and the communities neighboring its plants:

- > From kindergarten to the last year of high school, employees' children partake in the school material distribution program, which includes school bags and other essentials for the student.

950 children benefited from the program in school year 2004-05.

- > A Vocational Orientation Program has been developed to meet relevant requirements for children from the 10th Grade through high school graduation. Combining interviews with specialized career consultants and information packages for professional career paths selected by children and their parents, this program is supplementary to services provided according to school programs.

750 children and 330 parents have attended the Vocational Orientation Program since 1994.

- > Admission of employees' children to higher-education institutions is celebrated at Titan's Head Office in Athens.
- > All employees' children attending tertiary-education institutions receive an annual grant to help them meet the cost of their studies.

234 students were granted a total amount of € 170,000 for 2004.

- > On-the-job training during summer months is provided by Titan at its plants and other facilities for students, thus helping them to acquire practical experience in a business environment.

140 students had their on-the-job training at Titan in 2004.



Faos, Thessaloniki, March 2004



Employees' children in front of the Head Office, Athens

TITAN – IVEPE : The Partnership Approach

In the late 70's, when Greece was preparing to join the Common Market, Greek industry was readying up to meet international competition in a new environment devoid of customs duties or protection. However, gearing up technically was not enough. Something had to be done to upgrade the labor force and the whole training infrastructure.

The Federation of Greek Industries then raised the flag of education and life-long learning. The challenge was taken up by a small number of private and public sector companies which, in 1980, set up a not-for-profit partnership named the Corporate Association Center for Vocational Training (IVEPE for short). Titan was among the pioneers of this effort.

Titan as a founding member fully supported not only the establishment and development of the IVEPE partnership, but also the organization, management and administration of the Center. Throughout these years, Titan has provided IVEPE with know-how, expertise and human and financial resources so as to facilitate the development of advanced professional services for the national training programs and curricula.

Expanding demand for IVEPE's services had to be met in other parts of the country. Thessaloniki acquired its IVEPE training center in 1985, Volos in 1987 and Patras in 2000.

The main areas in which IVEPE has specialized are:

- > Technical skills and know-how
- > Information and Technology
- > Quality Control
- > Environmental Protection
- > Production Management and Control

In order to meet growing demand, IVEPE kept on improving its own performance. Thus in 1996 it was certified as a Center for Continuous Professional Training and in 1997 as a Center for Professional Training of National Importance for all specialties. It was further certified as a Center for Non-Destructive Testing. The European Union, from the very moment that IVEPE's professionalism and earnest intentions became known, assisted it financially.

Titan's commitment to voluntary involvement within the frame of its "branching out and adding value" understanding has lead Titan executives and managers to voluntarily offer their know-how and expertise to support IVEPE in both administration and planning. Today three executives of the Titan Group are members of the Board of Directors of the Center, chaired by one of Titan's representatives.

Developing core work skills and ensuring life-long learning for those wishing to participate is a challenging undertaking in any country, even the wealthiest, and can only be achieved over a very long time span. Partnerships like IVEPE are necessary for enhanced efficiency and effectiveness, and branching them out to countries in need of value-adding initiatives is included in Titan's plans.

Since 1980 more than 11,000 persons from more than 250 companies have been trained at IVEPE for a total of 300,000 teaching hours. IVEPE participates in pilot research projects on behalf of the Social Fund of the European Union.

Education and Training

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The Post-Graduate Students' Forum:

Enhancing a constructive dialogue between the academic and business communities

This program aims to offer future managers and entrepreneurs the opportunity to exchange views on topics selected by themselves with distinguished businessmen and academics.

The program was launched in 2002 and ran successfully for three consecutive years in the Attica region, with a total participation of 500 post-graduate students from 9 MBA programs. In 2004 the Titan Group in cooperation with the local MBA programs organized the first Post-Graduate Students' Forum in Thessaloniki.

The Forum initiative and its link with Titan's CSR policy have provided the ground for the creation of closer links with the academic community, and at the same time for enriching dialogue on CSR issues.

More than 600 post-graduate students from eleven different MBA programs, in two regions in Greece (Attica and Thessaloniki) have actively participated in the Forum, since 2002.

Last year, 40 post-graduate students sponsored by Titan attended the 1st Economist Conference on CSR which took place in Athens.



In 2005 Titan will sponsor a new initiative enabling young people at FYRoM to follow MBA studies in Greece.



Post - Graduate Students' Forum, Thessaloniki, 2004



"The TITAN-INSEAD Visiting Professors Program" is a five-year program, running since 2000, which brings professors from world-renowned INSEAD to teach in MBA programs at the Athens Laboratory of Business Administration (ALBA).



VOCATIONAL TRAINING PROGRAM FOR YOUNG UNEMPLOYED

Employment is a main social concern in the majority of the areas where the Titan Group operates. In the early 1990s, Patras was entering a de-industrialization phase evolving into a rapid increase of the unemployment rate and at the same time into a migration of technical personnel to other cities. Titan introduced then a pilot Technical Program for Young Unemployed which offered the opportunity to 15 low-skilled young people to specialize in technical jobs, by attending a long-term theoretical and on-the-job training program. Half of the attendees found employment while the rest were supported to seek new jobs. The success of this pilot program has led to its bi-annual implementation in the same region.

Aiming to meet similar challenges faced in FYRoM, where the Titan Group operates since 1998, and in line with the "branching out and adding value" concept, a new initiative has been undertaken to replicate the Technical Program for Young Unemployed as a pilot program in the outskirts of Skopje.

"Titan is one of the largest and most successful companies in Greece and it could play a major role in upgrading education of local people in the communities where it operates by organizing lectures and presentations on current and relevant issues. Titan's initiative to organize the Post-Graduate Students' Forum in Thessaloniki, in 2004, was unique for Greek reality and was received with great enthusiasm and excitement by both faculty and MBA students. I think that Titan's initiative is a commendable effort of great value for our MBA students and I hope that other Greek companies will follow Titan's example..."

I. Hatzidimitriou,

*Assistant Professor,
Chairman of the MBA Program,
University of Macedonia*



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Employment, wages and benefits

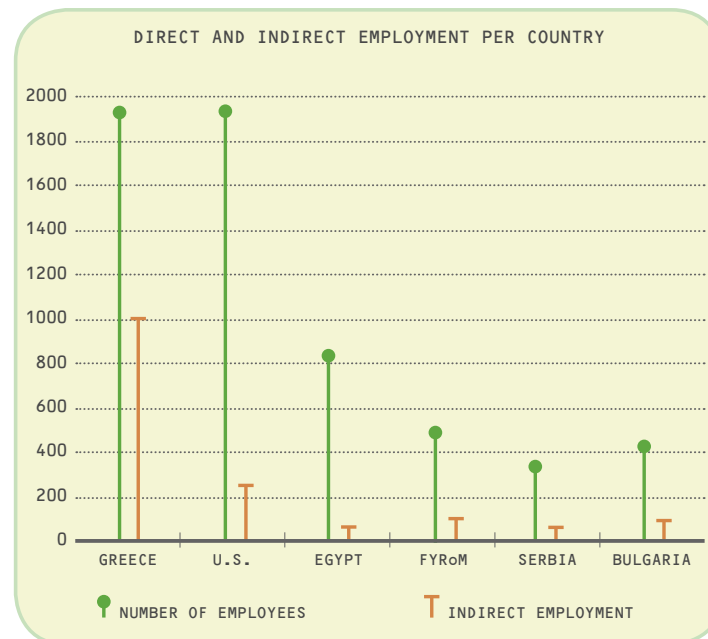
Most of the Titan Group operations are located in countries which, according to the U.N.'s Development Index, are mature economies with a high development rate.

Total employment in the Titan Group was higher in 2004, due to the increase of employment in U.S. with the opening of the new plant in Pennsuko and new acquisitions in the concrete division.

Fair remuneration, open communication, continuous learning and non-regulatory additional benefits for all are parts of the Group's policy regarding human resources.

Communication – Employee involvement

Two different surveys have been conducted in 2004 to evaluate corporate policies for employees and workers. The first was an opinion survey directed to all staff in U.S. plants and the second a pilot benchmarking study on non-regulatory employee benefits in Greece. Direct feedback has also been given to the top management regarding corporate policies with the use of new technologies -digit vote system- in the framework of internal training workshops. These efforts will continue in 2005. An important role in Titan's communication with its employees (and other stakeholders) is played by Company magazines such as "Titans" and "In Touch", and most recently "Salama News" (in Egypt).



Social Benefits to the Titan Group employees beyond statutory requirements

- > Additional vacation days
- > Supplementary medical care and life insurance programs to employees and their families
- > Easter and Christmas gift vouchers
- > Annual grants to students
- > Career counseling for high school graduates, etc.

Titan has subsidized the additional cost of heating for its labor force in Greece resulting from the sharp oil price increase.



2004 Health Race, Kamari plant, Greece

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Health and Safety

All cement plants in Greece are certified according to OHSAS standards (ELOT 1401). Plants in the United States follow accordingly U.S. standards. Our plan is to secure the application of international standards in all our plants by 2010.

Moreover, in 2005 a new long-term action plan will be launched to support the integration of OHSAS into all our contractors' operations in Greece and abroad. Particular efforts have been undertaken in Serbia to develop both the management systems and the culture of preventing accidents among employees.

No fatalities were reported by our contractors in 2004.



Caring for health

The rapidly increasing number of heart problems led our U.S. plants to introduce three years ago additional equipment (defibrillators) to improve the quality of first aid and emergency services. This equipment was recently acquired by Titan facilities in Greece. The four cement production plants and the Head Office have been equipped with defibrillators, devices detecting cardiac function and tracing the potential need for electric shock application. Titan employees are annually trained so as to be able to provide first aid and emergency services to anyone. Particularly in remote areas, Titan volunteers, occupational physicians and safety managers can provide significant support in urgent cases.

Group Safety statistics per country 2004

	Accident frequency rate	Accident severity rate
Greece	5.30	0.29
Egypt	2.97	0.16
Bulgaria	3.60	0.11
FYRoM	3.10	0.15
Serbia	19.5	0.22
U.S.	5.4	0.12
Total 2004	6.8	0.17

The table presents Titan Group's frequency and severity of accidents per country

Chromium VI

Chromium is a chemical component present in cement, which -when exposed to water- may cause minor skin irritations. It has been observed that such irritations mainly affect construction workers during the concrete production process and not cement production workers.

Taking into account a European Union directive specifying the additional measures which must be taken to prevent chromium-related skin irritations, Titan proceeded with the addition of iron sulphate (FeSO₄) into the cement production process, reducing hexavalent chromium (CrVI) to trivalent (CrIII), thus excluding any allergical hazards.

Human Rights

Titan's approach to human rights is based on internationally recognized conventions and declarations and particularly the Universal Declaration of Human Rights and relevant ILO conventions, which provide a comprehensive coverage of these issues in the complex modern environment. The Group Code of Conduct explicitly sets the standards both internally and for our contractors.

Bearing in mind that in each country issues regarding human rights may differ, emphasis is given in embedding respect for fundamental rights in the core values and culture of the Titan Group.

To meet this aim we focus upon supporting education and raise awareness on the significance of the application of international standards, as well as the U.N.'s Global Compact principles, not only internally among the Group employees and contractors but also among other stakeholders.

Labor Rights

Titan has always respected the freedom of association and the labor rights within the framework of the given national legislation. The Company in Greece has introduced and organised since the early 1980's special seminars for the members of the unions in order to support through the development of relevant skills and know-how the social dialogue at Company levels. In Titan, meetings with the unions' representatives are hold regularly to negotiate annual wage increases and agreements on other issues.

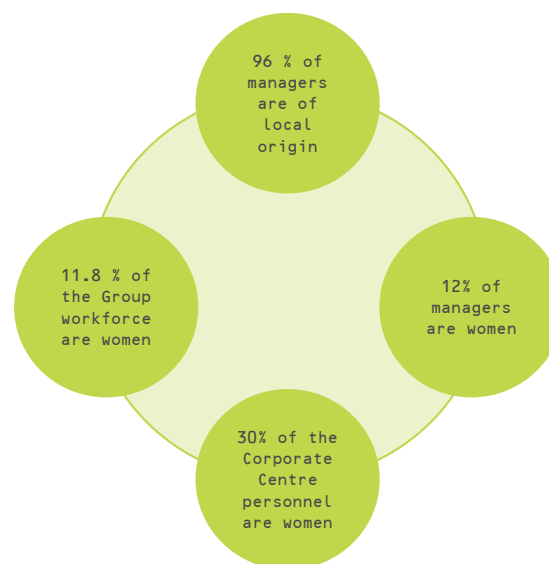
50 % of Titan Group employees are members of unions or labor associations

Use of security services

Private security services are used only in very special cases such as guarding explosive warehouses in quarries. Security services are carried out by contractors. Our policy is to make sure no guard carry firearms except in Egypt where our sites have been attacked 3 times. In this case, on contracts signed with all suppliers, there is reference to the UN code of conduct about the use of security forces. This Code of Conduct recommends that all guards are screened for past human rights violations and that they attend training programs in order to avoid misuse of security services.

Diversity and equal opportunities

Due to the nature of its operations, the Titan Group has a relatively low percentage of female employees (11.8% of total employment in 2004). The increasing number of female managers at both local and corporate level and the very high percentage of managers of local origin reflect the Group Values and Practices in respect to diversity and equal opportunities.



“I would expect Titan to identify very clearly its human rights impacts and the human rights issues around its value chain. The company’s activity, mainly operating quarries, suggests a need to identify the main related human rights issues, such as working conditions, people resettlement when opening a new quarry, etc. Another issue could be related to the use of products, since cement products should be handled with precaution to protect human health. Also the communities living around cement plants could be facing problems related to dust emissions that can be harmful.

In terms of performance, I would expect Titan to communicate stories that demonstrate how the company is actually protecting human rights. I would want a company like Titan to report on particular cases and then follow up on these cases the next year in order to show how the situation improved. I would expect the company to be particularly wary in countries where grave human rights abuses are prevalent, to ensure that it is not complicit in violations committed by other parties, such as security forces.”

Chris Marsden

Chairman of the Business Group at Amnesty International, UK.

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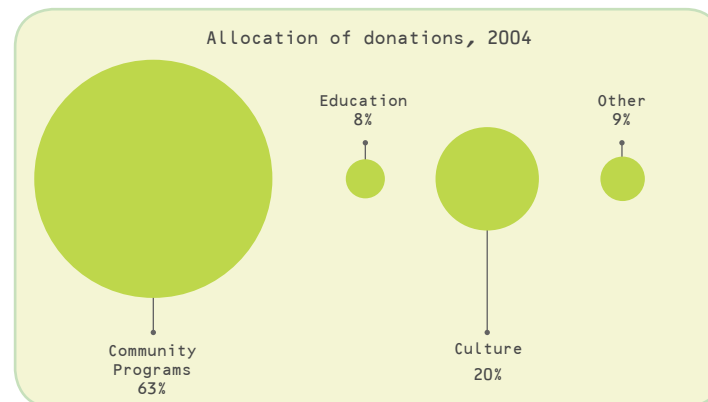
Local communities provide the Titan Group with what can be called "social license to operate". The level of development in countries where the Group operates differs significantly. Identifying differences as well as priorities in each case helps in assessing the different challenges and choosing the most efficient approach to contribute to local development by increasing added value through the application of good practices.

The Titan Group is committed to play a leading role within its sphere of influence by being a contributor to solutions in response to local needs and by enhancing long-term relationships based on mutual trust and common objectives.

Delivering Economic Value

The Titan Group brings added value to local economies by a variety of means. Our investments provide emerging economies with foreign capital, employment and taxes paid to local governments.

At the same time, through its CSR policy, the Group has been engaged in longer-term activities focusing on community development projects. Such activities take the form not only of financial aid or assistance in kind, but also involvement of Company personnel and technical support in a spirit of creative partnership with local authorities and stakeholders.



Solidarity and Community Involvement Programs

In 2004 Titan set up a three-year cooperation with the «Goulandris Natural History Museum» which gives employees and their families as well as public school students the opportunity to visit the museum and attend organized presentations.

Another cooperation with the "Paediatric Trauma Care" aims to promote a new program for children titled "Road Safety" running at national level.

As 2004 was the year of the Athens Olympic Games, Titan actively supported the efforts of the Municipality of Athens to renovate the facades of buildings, squares and public infrastructure in the context of the preparation of the city for the Games.

> TITAN AMERICA

Titan America supported the aims of Habitat for Humanity, a non-profit organization which builds houses for homeless people, by offering the cement as well as volunteering personnel. In 2004, Titan's offer to this aim was equal to the building of nine houses.

A new gymnasium for underprivileged youth was built last year with concrete donated by Titan America to the West Volusia Police Athletic League in Florida.

> TITAN CEMENTARA KOSJERIC

A children day-care municipal center has been among the community projects supported by Titan Cementara Kosjeric (Serbia) which also provided assistance, in 2004, for refurbishing a residential building damaged by fire. Financial and material assistance has also been given to local football and basketball teams, a local fishing club, a sport association, a club for disabled persons, the local folk dance group, etc.

Since 1967 Titan has actively supported blood donation as an expression of social responsibility and human solidarity. In 2004 the Company was honored by the Volunteers Blood Donation Association of Achaia, Greece, for its continuous commitment regarding blood donation.

Supporting the PARALYMPIC GAMES - ATHENS 2004

Olympic and Paralympic Games in Athens 2004 were among the most outstanding events of 2004 both at national and at international level.

Titan supported this event - a stirring example of human strength and determination - by purchasing more than 7,500 tickets which were distributed among employees and pensioners, but also through cooperation with NGOs to charitable organizations, schools, etc.



Athens Paralympic Games, 2004

“I would like first of all to point out that by reading Titan’s CSR and SD Report for 2003, I was surprised to find out that only very limited reference was made to the Company’s work in the social and cultural fields, as I have some personal knowledge of Titan’s work in these areas and I don’t feel they have received sufficient promotion. For this reason, I consider that it would be useful –in fact essential- for a big corporation like Titan to set up an independent foundation, which would concentrate exclusively on carrying out community projects and bringing them to the attention of the broader audience...The invitation I have received this year by Titan as Chair of the organization “Together for the Children” to support the Paralympics was really unexpected and I was impressed by the genuine interest shown by the Company in this area. The collaboration that has started with the Paralympics may in the future extend to the support of groups within the so-called disadvantaged populations; the Company could help strengthen the infrastructures available for these people, a step towards eventually achieving equal rights for all members of our society”

John Papadatos
 Paediatrician, Director Paediatric Intensive Care Unit “Aglaia Kyriakou” Childrens’ Hospital,
 Chair of “Together for the Children”

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Engagement with Local Stakeholders

The Case of Elefsina

The town of Elefsina was home of the first Titan plant and for more than 100 years the history of the Company has been inseparably linked with that of the town.

Last year, the Elefsina Municipal Council accepted the Company's offer to fund a series of projects designed to improve the quality of life and promote the history of the community. These projects continue a long tradition of Titan social contribution initiatives in this area.

Over the years the Company's community involvement in Elefsina has included the following:

- > Support of the archaeological site and history of the town through the production and dissemination of relevant educational audio-visual material and a publication on the "Ancient Site of Elefsinian Mysteries".
- > Cultural and social events, such as the sponsoring of theatrical plays.
- > The creation of children playgrounds, the donation of a Company building to be used as municipal cultural centre, etc.
- > Upgrading and aesthetic improvement of the environment including planting and remodelling of public schoolyards and recreation areas.
- > A temporary lighting system for the archaeological site, in view of a permanent installation that has already been designed, the cost of which will be covered by the Company.
- > Technical and infrastructure projects, such as the full renovation of the Elefsina Fire Department which after the earthquake of 1999 was seriously damaged. The new building, offered by Titan has been decided to be used as a central station to service not only the town of Elefsina but the whole western Attica region.

For the next three years, Titan has drawn up a comprehensive program - in association with the local Council - featuring the following projects:

- > The Company will provide expertise and will cover the costs for the rehabilitation of an old quarry, in order to completely transform it into a recreational field for the people of Elefsina.
- > It will also provide an area of about 16,000 m² of Company-owned land for the establishment of a facility for the collection, sorting and recycling of non-hazardous waste and discarded electrical appliances.
- > Titan will also donate to the community 560 m² of land with the necessary equipment for the creation of a new open playground.

Titan -in cooperation with the local government- donated 2,500 plants to the Elefsina citizens in June, 2004.

Elefsina Action Plan

- > Lighting of archaeological site study and installation
- > Support to local Municipal Council's waste recycling program
- > Planting of trees in all local public schoolyards and support for the creation of a new open playground
- > Commitment to support the establishment of the New Archaeological Museum

“Titan is the oldest industrial concern in the region...The plant was established at a location adjacent to the archaeological site and the main residential area. A century ago, the principles of town planning and good land use were still unknown...The dust emitted from the plant was a serious environmental problem but -to be fair- Titan was also the first cement producer in Greece to install electrostatic filters to reduce these emissions. Whenever local people raised concerns about these environmental issues, Titan was ready to sit down and talk with them...For over a hundred years the Company has been a major employer, providing valuable jobs for the local community... Fostering positive dialogue with the local community is also an important step forward. Full and frank discussion has led to the gradual development of trust and confidence between the Company and the community, helping us to work towards a solution of the problems that might still exist.”



Planting of trees in local public schoolyards, 2004



Distribution of plants, 2004

G. Ampatzoglou
Mayor of Elefsina

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Combating Bribery and Corruption

Business investment decisions and day-to-day operations can be challenged by risks of bribery especially when dealing with representatives of the public sector or in countries where such practices are endemic. Global companies experience increasing pressure to tackle this issue.



The Titan Group has welcomed the decision to include a 10th Principle in the Global Compact Initiative of the Secretary General of the U.N. Mr. Kofi Annan. The Group Code of Conduct issued in 2003, had already stated the Company's approach toward this issues. The official launching of the 10th Principle and the use of the Group's Code of Conduct as a tool in decision making has been the focus of meetings and training sessions with all managers, members of the unions and employees at all levels last year. To increase the impact at Group level, the Global Compact Initiative as well as the Group's Code of Conduct will be translated in all local languages.

Risk Exposure Analysis

Transparency International, the leading anti-corruption international organization, defines two categories of risk exposure: the country risk and the industry risk.

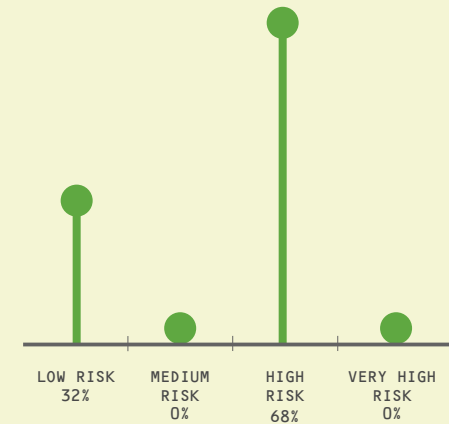
According to the Corruption Perception Index developed by Transparency International, Group's exposure in country risk has changed since 2003. Countries which were previously classified in the "very high risk" category have been turned to the "high risk" category in 2004.

Regarding specific industry risk -compared to the construction sector- the cement industry is less exposed to bribery as it does not have major customers in the public sector. Main risks for the sector might occur in respect to the opening of new mines and moreover with the problem of the -so called- facilitation payments or "petty corruption".

Our Objectives

Given the risk level in the countries where the Titan Group operates and the current development of new initiatives and management tools, we aim at strengthening our policies and the means of enforcement. We have based our approach on the Code of Business Principles for Countering Bribery developed by Transparency International and Social Accountability International. Going further toward this objective, last year we developed the first phase of what will become a consistent system for monitoring our performance. Additional efforts have been made - in the framework of Titan's membership in the Hellenic Network for Corporate Social Responsibility - to promote a business partnership with Transparency International in Greece. It will focus on organizing seminars and awareness sessions so as to enhance a wider understanding and commitment in facing these risks.

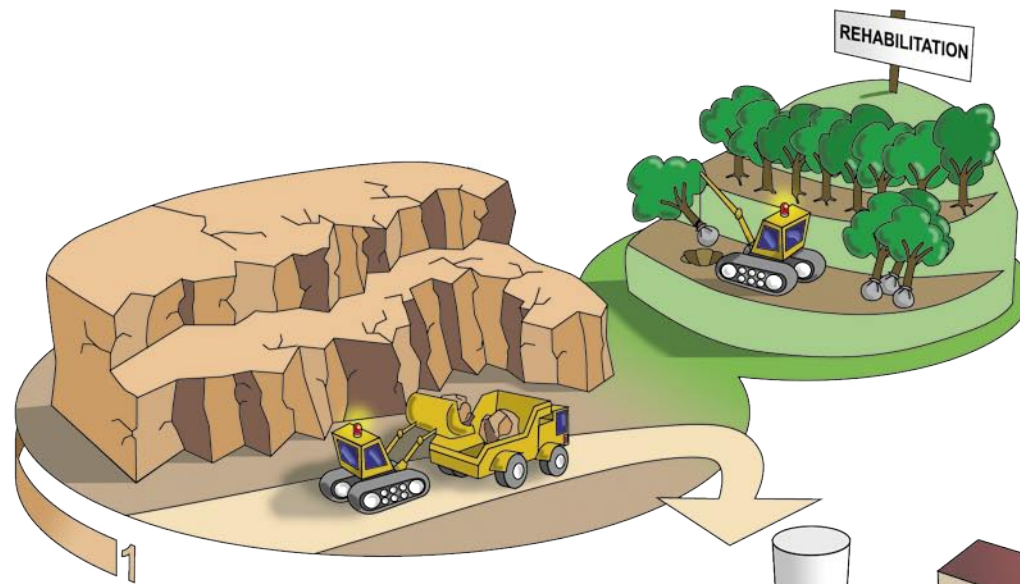
Staff breakdown according to T.I. Corruption Perception Index (CPI) per country, 2004





The Olympic flame in front of the building of Head Office

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1. Extraction of raw materials

In 2004 the Titan Group's 41 quarries produced 18.6 million tons of raw material for cement and 20.8 million tons of aggregates.

The environmental impacts of quarry operations include the use of natural resources such as water, landscape alterations, fugitive dust emissions and noise. The environmental impacts are mitigated through the application of modern mining techniques and systematic, carefully planned quarry rehabilitation.

2. Cement production

The production of cement is resource- and energy-intensive. In 2004 the Titan Group operated 11 cement plants with an annual capacity of 16 million tons. The environmental impacts of plants included:

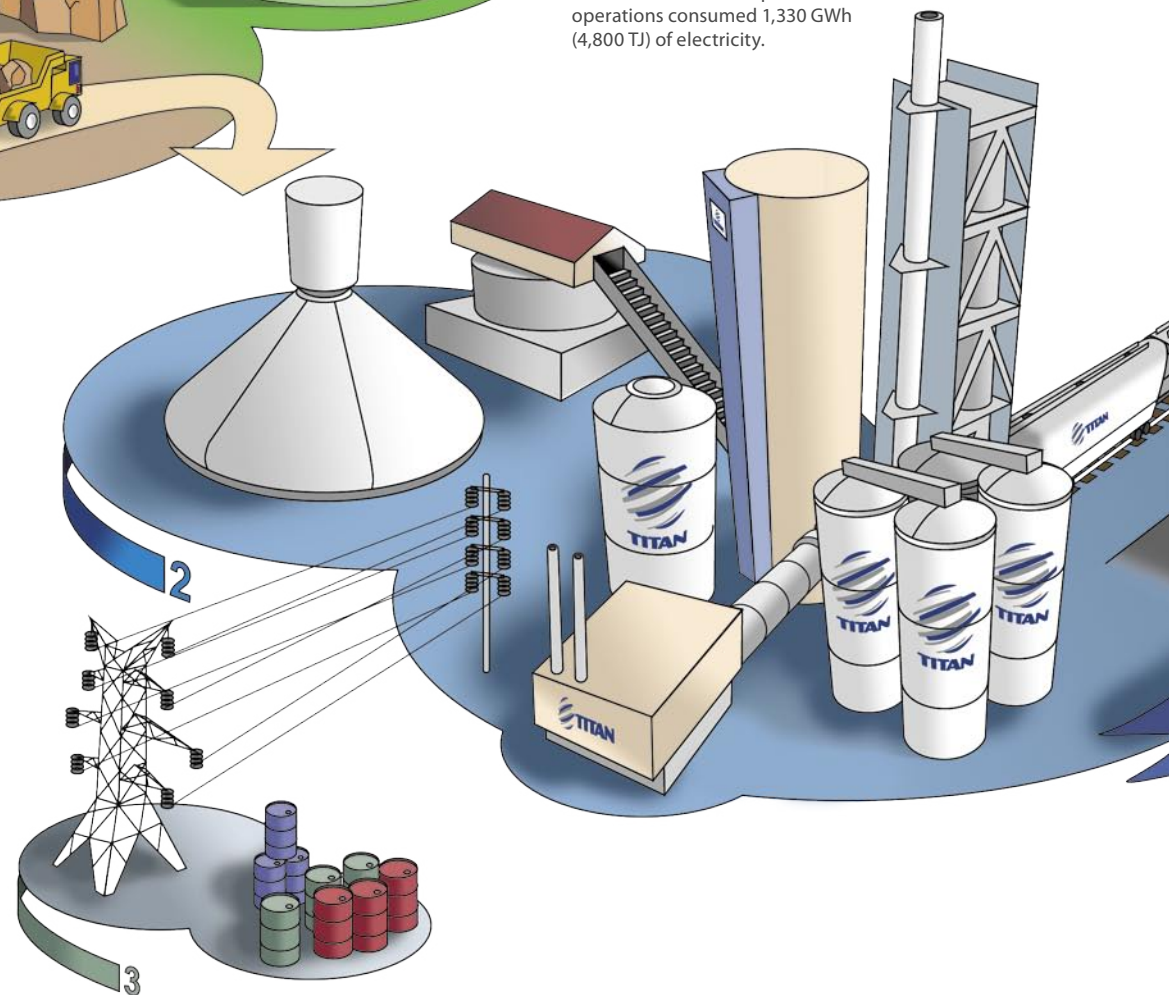
- An estimated total of 8.5 million tons of CO₂ emitted from cement kiln stacks, 3.3 million tons of which came from fuel combustion and the rest from the calcination of limestone into clinker.
- Other stack emissions, such as dust, NO_x and SO_x, as well as fugitive dust.

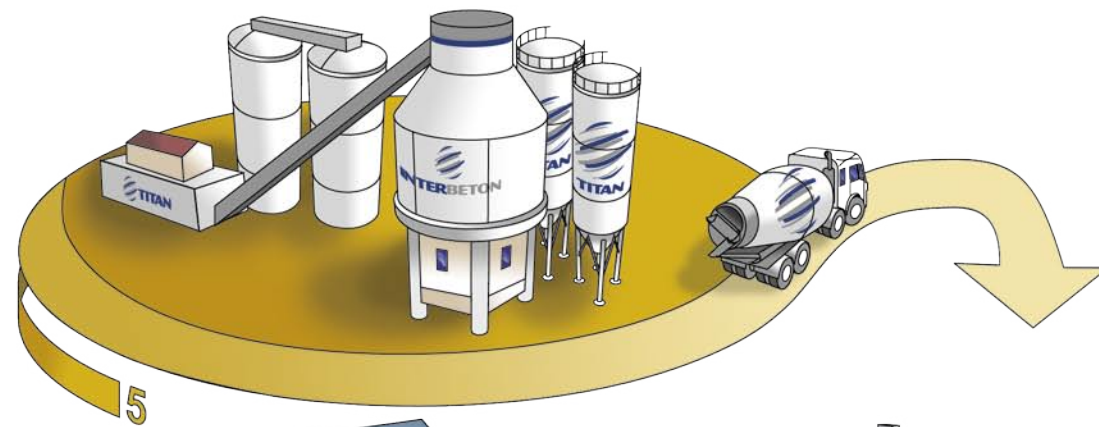
3. Raw material and energy consumption

A total of 20.2 million tons of raw materials were used in cement production. The use of industrial by-products as raw material substitutes helps to reduce environmental impacts. Such by-products include industrial gypsum and fly ash from power plants, slag from steel mills, and other industries' waste materials.

The thermal energy consumed for clinker production amounted to 36,100 TJ. Coal, petcock, heavy fuel oil and natural gas were mostly used as fuels. However, alternative fuels, especially used car and truck tires and oil sludge, replaced small quantities of fossil fuels.

In 2004 the Titan Group's cement operations consumed 1,330 GWh (4,800 TJ) of electricity.



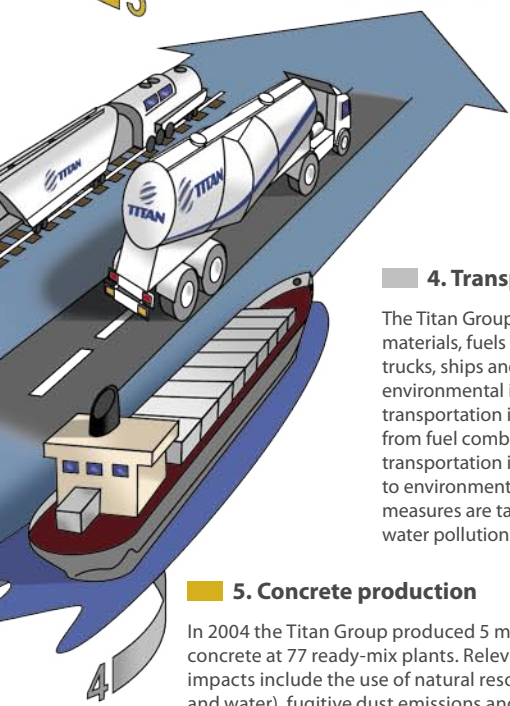


6. Use of our products in construction and end-of-life

Cement and concrete, the Group's main products, contribute to meeting society's needs for housing and basic infrastructure.

The use of our products may influence the health of construction workers, construction costs and operation schedules, safety, energy consumption, indoor air quality of buildings, as well as the quality of water supply.

Lifespan of buildings, roads, bridges and other types of construction vary significantly in each case as well as in each country. According to an OECD Report (2003), the lifespan of buildings can vary from 10 to 100 years, with a European average of 45 years. After that, constructions are pulled down or rehabilitated. In Europe 28% of the construction and demolition waste are re-used and recycled as aggregates, while in Greece the respective percentage is less than 5%.



4. Transportation

The Titan Group transports raw materials, fuels and products by trucks, ships and rail. The main environmental impact of land transportation is CO₂ emission from fuel combustion. Marine transportation is as a rule friendlier to environment, provided that all measures are taken to prevent sea water pollution.

5. Concrete production

In 2004 the Titan Group produced 5 million m³ of concrete at 77 ready-mix plants. Relevant environmental impacts include the use of natural resources (aggregates and water), fugitive dust emissions and noise. The environmental footprint of the Group's ready-mix plants is limited through systematic plant maintenance, waste reduction measures and water recycling.



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Respect for the environment has been an important Titan principle since the late 1950s when the first electrostatic filters were installed in the Company's kilns.

The Titan Group is striving to reduce its footprint on the environment by monitoring and integrating developments in environmental technologies and practices and by applying Best Available Techniques. The new cement plants, which replaced old ones in Thessaloniki and Pennsuco, are re-affirming this strong long-term commitment.

To further improve our environmental performance we focus on building knowledge, networking with other businesses and stakeholders for the development and integration of new policies, specialized tools and mechanisms, as well as enhancing environmental consciousness among the newly acquired members of the Titan Group.



Titan was among the first industries in Greece to replace fuel oil with other types of fuel, such as pet coke.

In the early 1980s Titan sponsored a national campaign aiming at increasing awareness among stakeholders for the need of energy conservation and respect for the environment.

Moreover, in 1987 Titan hosted in its cement plant in Kamari, the first open discussion among various stakeholders regarding sustainable development in the region of Attica.



WBCSD – CEMENT SUSTAINABILITY INITIATIVE

Working toward a more sustainable future was identified as a common objective by cement companies which committed themselves to the Cement Sustainability Initiative, a sector program supported by the World Business Council for Sustainable Development since 2002.

The Titan Group has joined forces with major cement producers, together accounting for more than half of the global manufacturing capacity (excluding China) to tackle such major issues as:

- Climate protection and CO₂ management
- Responsible use of fuels and raw materials
- Employee health and safety
- Emissions monitoring and reporting
- Local impacts on land and communities

Progress made thus far collectively and by individual companies has been impressive.

A standard protocol for measuring and reporting CO₂ emissions has been developed and is now endorsed by the United Nations Framework Convention on Climate Change and the World Resources Institute, among others. Although the protocol is still undergoing minor technical corrections, it is used by more than 600 cement plants worldwide. An interim report summarizing progress achieved collectively will be presented in 2005 at a stakeholders' event to take place in Japan.



Watering Elefsinas' plant parc, Attica, Greece

“I sincerely congratulate Titan for its initiatives in CSR. However, as a company which has chosen to play a leading role - at least at national and Mediterranean level - in implementing the principles of CSR, and in the relatively new field of social reporting, the challenges Titan faces are many.

First of all there is precisely this specific point, that the social report is a new concept in Greece and will remain so for some years at least.

Issuing a social report will not establish automatically a more meaningful dialogue with stakeholders. It is not what the usual NGO audience expects, nor can it be regarded as appropriate material for the policy makers. They are not familiar with the issues involved and don't find it easy to read a report like this, which goes into fairly complex ideas and arguments... The Company definitely needs to continue the good work it began with the 2003 Report but, at the same time, develop new channels of communication with stakeholders. I think Titan still has a lot of important work to do in this area...”

Prof. M. Skoullou,

Mediterranean Information Office for Environment, Culture and Sustainable Development (MIO-ECSDE)

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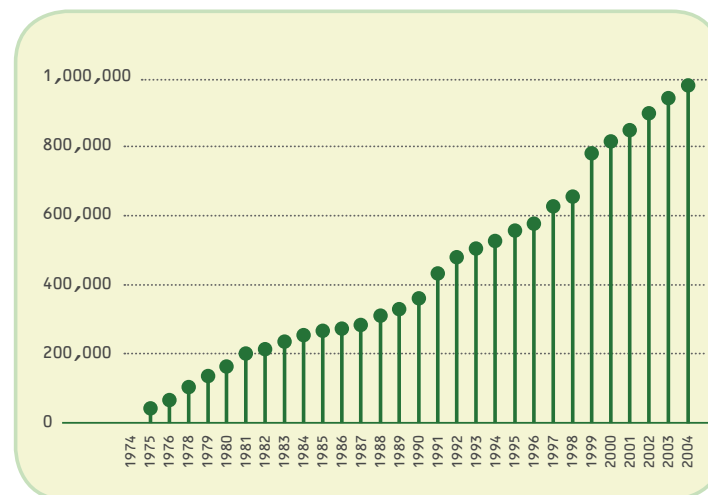
Quarries Management and Rehabilitation

The Titan Group is committed to protect the environment by carefully restoring natural landscapes that have been "disturbed" by quarrying activities. A rehabilitation plan is part of the quarry management plan, from the beginning of operations. In recently acquired quarries where the rehabilitation plants do not meet our requirements we are in the process of re-examining them.

The most common rehabilitation approach is the reforestation and revegetation of exploited quarry sites with local flora. In certain sites and in response to local community requests, depleted quarry pits may be converted into water reservoirs.

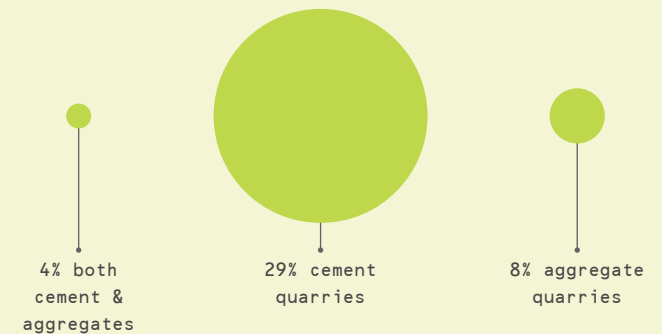
Since 1975 Titan has planted more than 1,000,000 trees in Greece, which continue to flourish to date. Apart from the two nurseries in Greece (Patras and Milos), a new nursery opened last year near Titan's plant in Usje (FYRoM), and another one is scheduled to fully operate in Elefsina this year. The experience on quarry restoration Titan has accumulated over the years is transferred to all its newly acquired affiliates.

Number of Trees Planted in Greece (cumulative)



Quarrying Activities

Total number of active quarries for 2004: 41



Organizing the plant nursery in Elefsina

Quarry Activities - Impacts and Risks

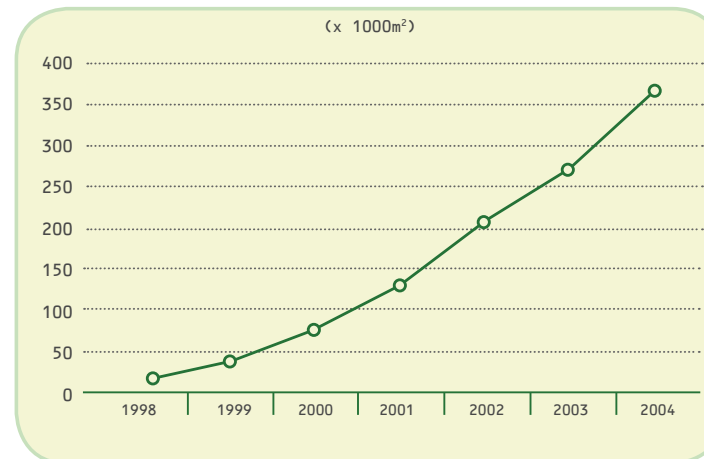
Quarrying activities have various environmental impacts including landscape alterations, dust emission and noise. In addition, raw materials are non-renewable resources and therefore part of our natural wealth.

In 2004 the Titan Group operated 41 quarries, which produced 20.8 million tons of aggregates and 18.6 million tons of cement raw materials. According to Titan's policy, Group quarries must have all necessary mining licenses, conform to local legislation, but also operate in a way that minimizes environmental impacts and disturbance to local communities. With respect to the latter, Titan requires that its quarry operators follow the Company's established operating practices. If any public objections arise, they must be promptly and thoroughly addressed.

To reduce the environmental impacts of its quarries Titan carries out comprehensive studies and assessments for the whole operational phase. The measures taken by the Titan Group to ensure mitigation of environmental impacts from quarrying activities include the following:

- Proper selection of quarries with respect to their location and quality of raw material reserves
- Use of sophisticated extracting methods and material handling techniques to ensure responsible exploitation of natural resources
- Implementation of effective environmental protection technologies, practices and emission monitoring procedures.

Area Revegetated by Hydroseeding (cumulative)



Quarry Rehabilitation, in Achaia, Greece

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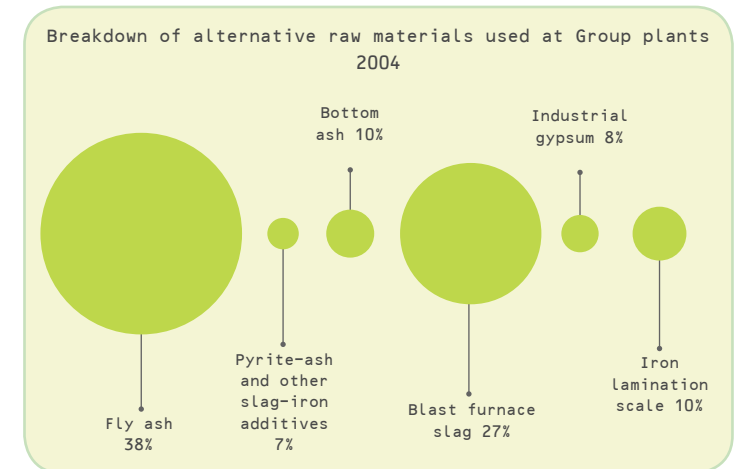
Cement Plants

The Titan Group operates 11 cement plants, with an annual capacity of over 16 million tons. The environmental impacts of cement plants are related to raw material quarrying, grinding and pyroprocessing. Measurable impacts include the use of natural resources, such as raw materials, fuel, electricity and water, and the emission of dust and gases. Titan has never used asbestos in its products and prior to acquiring new cement plants systematic audits are carried out to ensure the absence of asbestos.

All Group operations abide by the Company's established Environmental Policy, which stresses the care for society and nature. Environmental management systems according to ISO 14001 have been implemented in all Greek cement plants and at the Company's Head Office since 1998. The new plant acquired by the Titan Group in Bulgaria is also certified according to ISO 14001, while the cement plant in FYRoM was certified according to ISO 9000/2000 last year and it is planned to acquire certification for environmental management systems in the near future. In 2004, all Group's cement plants were in full compliance with environmental regulations.

Raw Materials Consumption

In 2004 Titan's total cement production used 20.2 million tons of raw materials, of which 1.3 million tons or 6.4% of total raw material consumption consisted of other industries' by-products and waste. The use of alternative raw materials in cement manufacturing, including fly ash, pyrite ash, bottom ash, iron lamination scale, blast furnace slag and industrial gypsum, is a practice fully aligned with the concept of industrial ecology. It also helps other industries, like steel mills and power plants to solve their disposal problems and reduce their environmental impacts.



ECO-SERVE

For many years the Titan Group has encouraged the use of alternative raw materials in cement production. However, in addition to in-house research and development efforts, in 2002 Titan partnered with other cement and concrete companies and research institutions to work on a European Commission project titled “European Construction in Service of Society” or ECO-SERVE. Titan’s participation in this project involves the production and application of blended cements, and aims at developing cement types with reduced clinker participation. Natural and alternative raw materials, such as blast furnace slag, fly ash, natural and industrial pozzolanas or limestone, can substitute clinker in cement. Besides increasing alternative raw material usage without compromising product quality, blended cements are also associated with lower gaseous emissions, including CO₂ and lower thermal and electrical energy consumption.

Water Consumption

In 2004 the Group’s average water consumption was approximately 385 litres per ton of cement.

With the modernization of the Pennsuco cement plant in Florida last year, all of the Group’s cement plants now use the dry process instead of the old wet process. This resulted in annual water consumption savings of more than 125,000 m³.

In a dry-process cement plant, water is mainly used for the cooling of kiln exhaust gases by evaporation and the cooling of main equipment by heat transfer. In the latter case, closed recirculation systems are used to limit water usage, while plants located near the sea may use seawater. Overall, dry-process cement plants generate very little, if any, water effluents.



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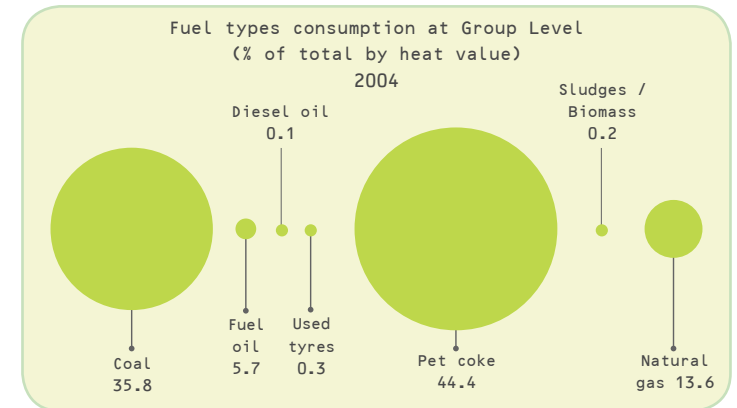
Thermal and Electrical Energy Consumption

In 2004 the Group's cement plants consumed 36,100 TJ (34,500 TJ in 2003) of thermal energy for clinker production using primarily coal, petcoke, fuel oil and natural gas. Even though the contribution of alternative fuels to total thermal energy was small (0.5%), Titan plans to increase their use in the future. Currently, oil sludge/biomass and used tires substitute fossil fuels. Titan has been experimenting with alternative fuels for over a decade. However, only recently the Company began to use alternative fuels consistently and only in Greece. Titan has acquired experience and knowledge in the handling and use of such materials, having developed detailed quality and process control procedures for using alternative fuels, as well as organizing emission measurements at kiln stacks, in accordance with the European legislation.

Despite the fact that clinker production increased by 12.7% in 2004, total thermal consumption increased by only 4.6%, as a result of the Group's improved thermal efficiency of 3.7 MJ/kg clinker in 2004 compared to 4.0 MJ/kg clinker in 2003.

The decrease in average specific heat consumption was largely due to the modernization of two cement plants, in Thessaloniki, Greece and Pennsuco, U.S. Apart from major capital investment projects that involve the commissioning of modern clinker production lines to replace old ones, the Group continuously replaces older equipment with new to take advantage of their higher productivity and energy efficiency, and further improve its environmental performance. To this effect, in 2004 the Patras plant replaced one of its old clinker coolers with a new one to take advantage of its substantially higher energy recuperation efficiency.

Last year the Group's cement plants consumed 1,330 GWh (4,800TJ) of electricity. Equipment upgrades usually contribute to lower electrical energy consumption. A new vertical cement mill installed in Thessaloniki in 2004 achieved at least a 30% reduction in electrical energy consumption. This is Titan's second vertical cement mill in Greece. The first one was installed in Kamari in 1998.



Alternative Fuels - Waste Management

By introducing alternative fuels into cement production, Titan offers an environmentally friendly alternative to waste disposal in Greece. The need for landfilling is being alleviated, as in the case of used car and truck tires, and the proper disposal of oil sludge, a hazardous waste, is ensured.



Furthermore, Titan cooperates with an independent waste management company to turn waste into alternative fuel. Since the beginning of this partnership, Titan has been offering free know-how and technical support that this company could use in other waste management applications in Greece.

Group's operations in other parts of the world are currently in the process of obtaining licenses for the use of alternative fuels.

All Titan Group plants implement waste management and recycling programs. Industrial waste, consisting mainly of packing materials, is collected for disposal by licensed contractors. Hazardous wastes, such as used oil and batteries, are also disposed of by licensed contractors. Titan is a founding member of the Hellenic Recovery and Recycling Corporation (HERRCO).

Environmental Performance

Dust

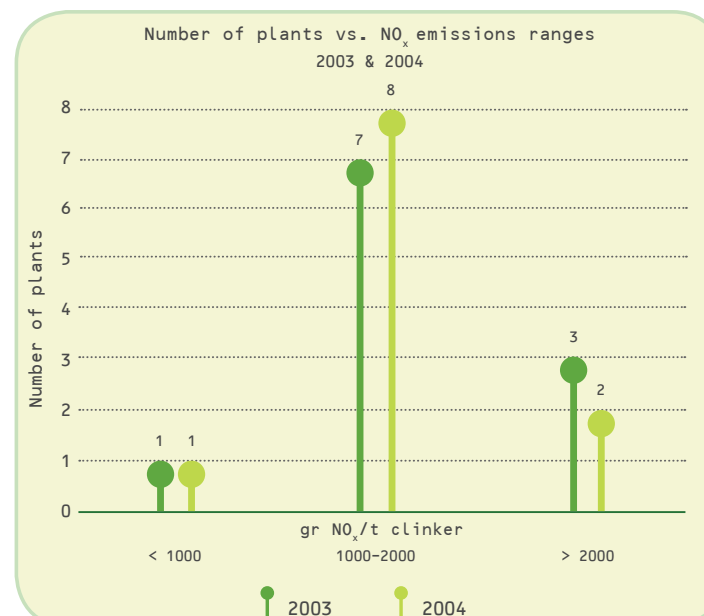
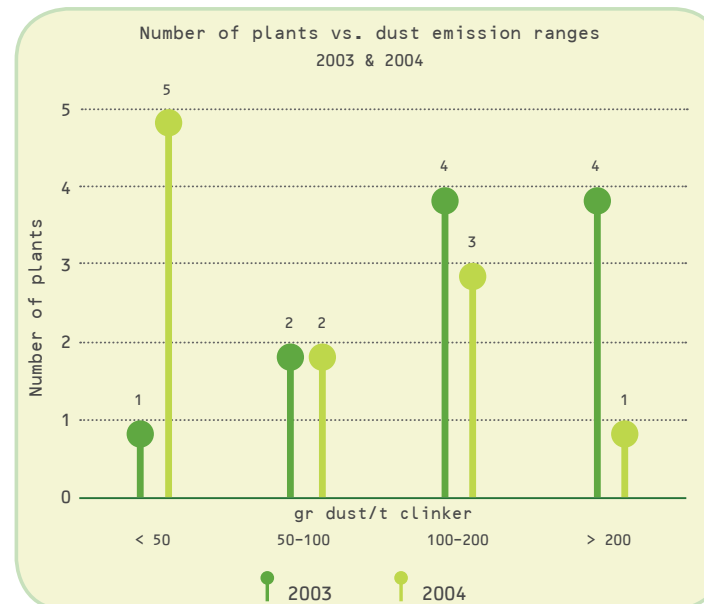
In cement plants dust emission monitoring and control is mainly focused on particulate emissions from stacks and fugitive dust from process equipment and material handling. The Group monitors dust stack emissions in all its 11 cement plants. In all Group plants dust stack emissions are well below the respective regulatory limits.

Apart from plant modernizations, as in Pennsuco and Thessaloniki, where new bag-filters were installed, other cement plants have upgraded their existing kiln-filters. At the Usje plant (FYRoM) and Patras' plant (Greece), old electrostatic filters were replaced with bag-filters. In 2005, the Kamari plant (Greece) will also install a new bag-filter in one of its kilns, despite the fact that current dust emissions are below the emission limit by about 50%. The Kosjeric plant in Serbia also upgraded its old electrostatic precipitator, thus drastically improving the filter's dedusting efficiency.

These improvements contributed to a reduction of the average specific dust emission by 60% from 272 g/t n clinker in 2003 to 109 g/t n clinker in 2004. Total dust emissions in 2004 were 1,054 tn. Unlike stack emissions, fugitive emissions are hard to contain. For this reason, all Group plants rely on systematic equipment maintenance and careful material handling procedures.

Nitrogen oxides (NO_x)

NO_x emissions are generated by fuel combustion at high temperatures and are potential contributors to the formation of acid rain and smog. The replacement of old kiln lines, the use of low NO_x burners and the control of pyroprocessing to ensure stable operating conditions are the measures primarily employed by Titan to limit NO_x emissions. The introduction of alternative fuels in the burning zone also contributes to lower NO_x emissions. In 2004 the Group's average specific NO_x emission was approximately 15% lower than the previous year, largely due to Thessaloniki's new kiln, while total NO_x emissions were 15,262 tn (1,684 gr/t clinker).



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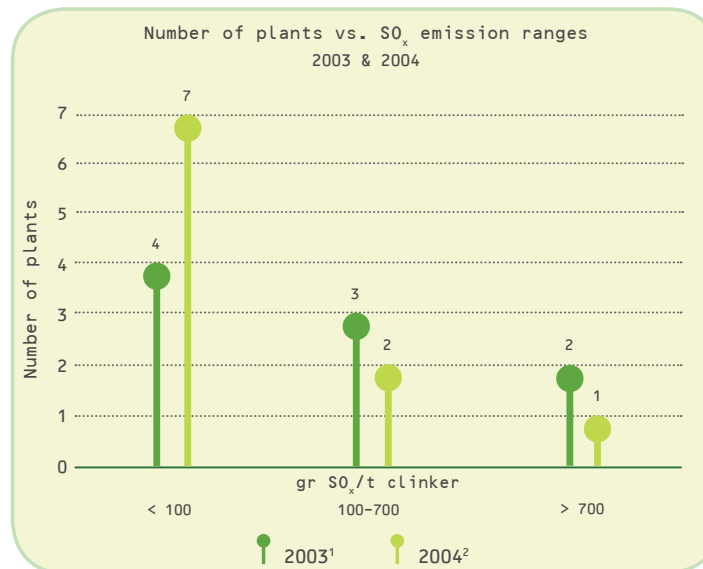
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Sulphur oxides (SO_x)

SO_x stack emissions in clinker production occur only when there is sulphur in the raw materials. SO_x must be contained since it is the main gas responsible for acid rain. SO_x emissions are reduced by optimizing kiln operating conditions, controlling raw material and fuel chemistry, or employing secondary measures, such as capturing SO_x in the exhaust gas through lime injection.

In 2004 the Group's average specific SO_x emissions were 343 gr/t clinker, while its total emissions were 3,111 tons.



Notes :

¹ Excluding Alexandria and Beni Suef plants

² Excluding Beni Suef plant

CO₂ Emissions and Climate Change

The cement industry contributes to greenhouse emissions (GHG) by emitting carbon dioxide (CO₂), which is responsible for climate change. Emissions of methane (CH₄) and nitrous oxide (N₂O) from cement kilns are relatively small. Other GHG covered by the Kyoto Protocol (PFC, HFC, SF₆) are not relevant to the cement industry. The cement industry is also responsible for indirect CO₂ emissions, resulting from the generation and distribution of purchased electricity consumed by cement plants.

The cement industry's contribution to total CO₂ emissions is substantial. Worldwide -excluding China- it accounts for approximately 5% of total CO₂ emissions.

Origins of the Titan Group's CO₂ Emissions.

Our cement plants' direct CO₂ emissions originate from two main sources:

- Calcination, the chemical decomposition of calcium carbonates (e.g. limestone) into lime that causes the release of carbon dioxide during pyroprocessing (i.e. CaCO₃ + heat → CaO + CO₂).
- Fuel burning, since most kiln fuels, such as coal, petcoke or oil, have a high carbon emission factor.

Since 2003 the Titan Group has been reporting its direct CO₂ emissions following the WBCSD / WRI protocol for cement.

In 2004 the Titan Group emitted a total of 8.5 million tons of direct CO₂ (approximately 0.6% of the cement industry's global CO₂ emissions).¹

¹ The equity share approach is used for calculating CO₂ emissions from plants in Egypt where Titan has a joint venture with Lafarge

Titan's direct CO₂ emissions for the period 1990-2004

Since 1990 the Titan Group's CO₂ annual emissions have increased from 3.9 million tons to 8.5 million tons. This reflects Titan's higher clinker production due to the acquisition of new cement plants, as well as the increased production of its Greek cement plants.

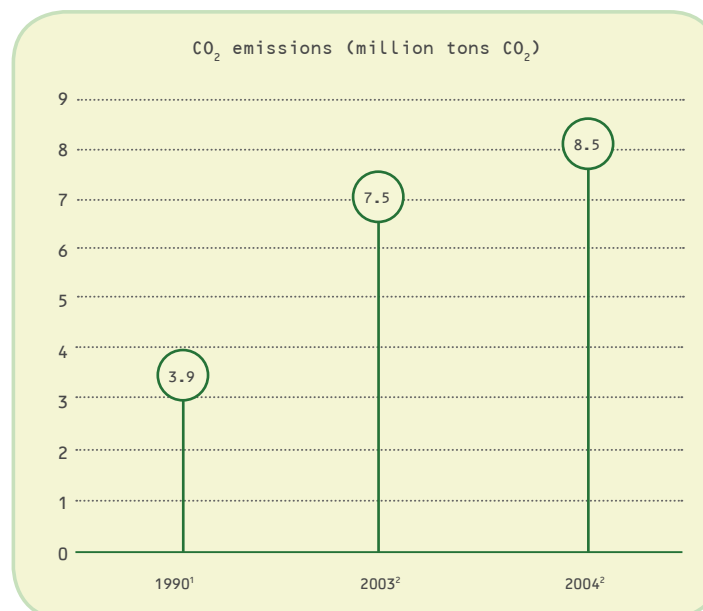
In 2004 the Group's average specific CO₂ emissions were 733 kg CO₂/tn cement. Titan's CO₂ abatement strategy comprises two steps:

- Investing heavily in fuel efficiency improvements through plant modernizations, including the commissioning of new clinker production lines in Thessaloniki, Greece (2003) and in Pennsuco, U.S. (2004) and the replacement of planetary coolers or older technology clinker coolers with new high efficiency coolers (two in Kamari and one in Patras, Greece).

Besides cutting fuel costs these projects have helped Titan's plants to reduce CO₂ emissions from fuel. The systematic maintenance as well as the stable operation of cement kilns have also contributed to improved energy efficiency.

- Reducing the clinker-to-cement ratio, hence reducing specific CO₂ emissions. The average clinker-to-cement ratio at Titan's Greek plants was 86% in 1990 and 77% in 2004. The Group's average clinker-to-cement ratio averaged 81% in 2004. Titan's participation in ECO-SERVE's "Production and Application of Blended Cements" is expected to further enhance our Company's efforts towards lower CO₂ emissions.

The Group has also been making systematic efforts to reduce its indirect CO₂ emissions. The Group has achieved improvements in electric power consumption by replacing old equipment with new, more energy efficient. It should be noted that the two new vertical cement mills installed in Kamari in 1999 and Thessaloniki in 2004 have reduced electricity consumption for cement grinding by at least 30%.



Notes :

¹ In 1990 Titan was operating only in Greece

² Increase of CO₂ emissions from 1990 through 2004 is due to the increased number of the Group's plants worldwide from 4 to 11.

Case study:

Thessaloniki plant, Greece

The first full year of operation of Titan's new clinker production line in Thessaloniki was completed in 2004. The new line, equipped with a highly efficient 5-stage preheater and a precalciner, replaced the plant's three original long-dry process kilns, which had been operating for almost four decades.

Compared to the old ones, the new kiln has a significantly lower fuel and electrical energy consumption (30% and 15% respectively). By replacing the old electrostatic precipitators with bagfilters, dust emission was reduced by at least 80%. Furthermore, the new kiln's much improved fuel efficiency has resulted in 11% lower CO₂ emissions.



Why Reporting

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Why Reporting - What Others Say

“To be transparent and communicate in a meaningful way about CSR practices is a major challenge that companies which develop ambitious CSR approaches face. There are different answers and different tools companies opt for to respond to this challenge. To voluntarily choose reporting demonstrates the high commitment with which Titan addresses the CSR issue. It is also an important sign vis-à-vis relevant stakeholders. If Titan is among the first companies in Greece to opt for a sustainability report then this step is even more remarkable, may help secure a competitive advantage, reinforce its position as a leading company and be an example that other companies might follow. On the other hand, reporting is not an easy road to go down: many companies that have opted for a sustainability report would say that it is a permanent learning process. Also, companies that are transparent may be under increasing scrutiny from other stakeholders and will be continuously challenged on the information they disclose. Generally, sustainability reports would cover a company’s engagements vis-à-vis its employees, local communities, the environment.

There is growing attention which is being paid not only to the economic/financial results that companies generate but also to how sustainable a company’s operations are, how it deals with employees, interacts with local communities, etc. A serious commitment to CSR may help secure a competitive advantage, help the reputation and brand, help to attract and retain employees, have a positive impact with regard to institutional investors, policy makers and civil society.”

Philippe de Buck

Secretary General of UNICE



“Compared with the majority of CSR and SD Reports written

by multinational corporations, the Titan Report is not heavy. This has both advantages and disadvantages depending, of course, on the audience in question. In general, the information given is relevant and to the point... The writing style of the Report is good. It is clear and a consistent style is held throughout the Report which helps make it easy to read...”

Feedback from CSR Europe on Titan’s 2003 CSR and Sustainability Report.



Aquifer at Patras' plant, Achaia, Greece

“As far as reporting of CSR data and information is concerned, Greek companies are still in early stages, with only a small number communicating relevant information on a regular basis. The number of Greek companies issuing a separate social, environmental or sustainability report is even smaller. However, survey results suggest that CSR reporting by Greek companies will be on a positive trend during the next 2-5 years.”

M. Kontaxi
Sustainable Business Solutions
PricewaterhouseCoopers Greece

In 2004, PricewaterhouseCoopers Greece conducted a survey regarding Corporate Social Responsibility (CSR) aimed at the largest Greek companies. The purpose of this quantitative survey was to assess the companies' level of CSR understanding, the drivers and obstacles of CSR's integration into corporate strategies and practices, the various approaches of Greek companies' to manage CSR, reporting and accountability and present as well as future trends for CSR in Greece.

The survey found that the majority of Greek companies consider CSR a very important issue.

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Preparation of the Report

This is the Titan Group’s second Corporate Social Responsibility and Sustainability Report. It was prepared by the CSR committee with assistance from numerous internal departments and support from Utopies, a French consultancy specialized in CSR. The Titan Group is striving to meet national and international reporting requirements and to follow the guidelines of the Global Reporting Initiative (GRI). The GRI’s mission is to “develop and disseminate globally applicable sustainability reporting guidelines”. These guidelines are basically a framework for reporting on an organization’s economic, environmental and social performance.

The Group’s reporting methodology is increasingly based on stakeholders consultations carried out by various means such as interviews, supplier surveys, employee satisfaction digit vote or national CSR studies. This process helps in identifying stakeholders’ expectations and provides answers through both reporting and management systems.

Choice of Indicators

This framework also provides a set of core indicators against which all reporting organizations can assess their performance. If an organization is publicly referring to the GRI framework for its sustainability report, it is required to publish a table identifying location of each element of the GRI report content, by section and indicator. This Reports’ table of contents (site map) provides this information. In addition, the following table gives details on the reasons why some indicators are not covered.

GRI core indicators not covered	Not relevant to the business	Partially covered	No reporting system	Confidential information	See Annual Report or website	Nothing to mention on this topic
Social performance	PR3	LA5, LA10, SO2, HR4, PR1	LA2, LA4, LA6, HR1, HR2, HR3, HR6, HR7, SO3, PR2		LA11	LA8
Environmental performance	EN9, EN 12	EN10, EN8	EN4, EN6, EN7, EN11, EN16		2.9	EN13
Profile and economic performance	EC15	3.13, EC8, EC10	3.9, EC4, EC5, EC9	EC6	EC7	3.5

Scope of Analysis

This Report concerns Titan Group performance in 2004. Unless otherwise stated, the quantitative data presented reflects the performance of the Group's cement plants and quarries in Greece, U.S.A., Bulgaria, Serbia, FYRoM and Egypt. Equity share approach was used for Egypt where we hold 50% in joint venture with Lafarge.

As a member of the Global Compact we integrate examples of practice and initiatives undertaken towards the principles in this Report according to Global Compact Guidance packet on Communication on Progress. All relevant references are identified throughout this Report by the Global Compact logo.



Achievements and Main Priorities for next year

Many indicators which in the 2003 Report covered only Titan's operations in Greece, are presented for the whole Group in this Report (e.g. core indicators related to the environment, particularly on energy use and greenhouse gas emissions). Regarding social performance, new indicators were introduced into this year's Report.

Areas for improvement so as to meet external verification needs include a more formalized and regular stakeholder consultation and monitoring of social indicators. These are goals that remain into our scope of continuous improvement for next year. So far, we have achieved a better fine-tuning in data collection at Group level, however emphasis will be given to upgrade this process in order to provide more data on local scale.

Acknowledgements:

We would like to address our special thanks to the experts who contributed to this report:

Mr. J.-P. Teyssandier

Chairman and Managing Director of "Gefyra S.A."

Mr. Ioannis Hatzidimitriou

Assistant Professor, Chairman of the MBA Program, University of Macedonia

Mr. Chris Marsden

Chairman of the Business Group at Amnesty International, U.K.

Mr. John Papadatos

Paediatrician, Director Paediatric Intensive Care Unit "Aglaia Kyriakou" Childrens' Hospital, Chair of "Together for the Children"

Mr. George Ampatzoglou

Mayor of Elefsina

Prof. Michael Skoullas

Head of the Mediterranean Information Office for Environment, Culture and Sustainable Development (MIO-ECSD)

Mr. Philippe de Buck

Secretary General of Unicef



