Building our future together

Integrated Annual Report 2018
SUMMARY

TITAN

This is the Summary of TITAN Group's 2018 Integrated Annual Report (IAR 2018), which has been prepared in accordance with the legal requirements at national and European level, the UK Corporate Governance Code, the International Financial Reporting Standards (IFRS) and the International Integrated Reporting Council (IIRC) principles for integrated reporting.

The IAR 2018 was independently verified for non-financial disclosures at a reasonable level, in accordance with the guidelines and protocols of the Cement Sustainability Initiative (CSI), which operates within the framework of the World Business Council for Sustainable Development (WBCSD), as well as the "advanced" level criteria for Communication on Progress of the UN Global Compact (UNGC).

The IAR 2018, its summary and the ERM CVS Assurance Statement are available online at www.integratedreport2018.titan.gr

We welcome your feedback, which you can provide to us through the url above.

Photo at page 23: Y. Kontos

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2018 highlights

€1,490.1m
Turnover

€259.7m
EBITDA

€53.8m
Net profit after taxes

€2,869.9m
Total assets

€119m
Capital expenditure

5,365
Employees
(as at 31 December 2018)

Chairman's message

Dear Shareholders and Stakeholders,

Last year my message underlined the urgent need for companies to adapt to a faster pace of change in order to face the challenges of the post-industrial age, while maintaining their values, enhancing their corporate governance and strengthening their social and sustainability footprint.

In 2018, in line with the above, promoting the international footprint of the Group and embracing change and innovation were among our major strategic objectives, despite an increasingly volatile global geopolitical and financial background.

Last October, the shareholders of TITAN Cement S.A. received a voluntary share exchange tender offer from TITAN Cement International S.A., owned by core shareholders of our Group. The purpose of this tender offer, which had the full support of the Board, was to facilitate the admission of TITAN Group to a primary listing on Euronext Brussels and to secondary listings on the Athens Exchange and Euronext Paris. Although the transaction did not finally materialize, the long-term objective of a strategic re-positioning of the Group, in a way that better reflects its international footprint and strengthens its financial competitiveness, remains a top priority going forward.

I am grateful for the continued support of my fellow Board members, in making decisions that promote our strategic goals and continue to deliver value, actively contributing in the design and execution of our strategic plan, while promoting a balanced, responsible and sustainable long-term growth.

2019 will be another important year for TITAN.

I have great confidence in our management, our executives and employees remaining focused and delivering again on the strategic plan, despite the challenging times, ensuring the long-term success of the Company for the benefit of all.

Takis Arapoglou
Chairman

"In 2018, promoting the international footprint of the Group and embracing change and innovation were among our major strategic objectives, despite an increasingly volatile global geopolitical and financial background".

CEO's message

"We remained focused on our enduring objective of balanced, responsible and sustainable long-term growth, embracing change as an organization and innovating at an accelerated pace".

Dear Shareholders and Stakeholders,

2018 was another year of stable, solid performance for TITAN. We navigated successfully the challenges of subdued demand and margin pressure in several of our regions and capitalized on the opportunities that the US market continues to offer. At the same time, we remained focused on our enduring objective of balanced, responsible and sustainable long-term growth, embracing change as an organization and innovating at an accelerated pace.

Stable performance, tracking market demand in each region

Our markets in 2018 developed along the trends of the previous year: growth in Florida and the Mid-Atlantic in the USA, stable demand in SE Europe and Greece, a softening in Egypt and a recovery in Brazil. A major shift occurred in Turkey, with a sharp deceleration of the economy and a drop in construction activity in the second half of the year. Costs, notably energy, both solid fuels and electricity, as well as raw materials prices increased in most of our regions and were partly compensated by efficiency gains in our plants. Prices firmed up in the USA and remained broadly stable in the remaining regions, with a negative tendency in Turkey and Egypt towards the end of the year. The operation of a new 12 million tons cement plant in Egypt and the sharp demand drop in Turkey contributed to a growing overcapacity in the Mediterranean.

In the first half of the year, our performance was affected by exceptionally poor weather and prolonged maintenance shutdowns in the USA, as well as a slow start in the Greek domestic market. The second half showed a marked improvement, with turnover and EBITDA increasing and exceeding the performance of the second half of 2017, providing a positive momentum as we head into 2019.

The strengthening of the euro in 2018 in relation to the US dollar and the Egyptian pound, as well as the devaluation of the Turkish lira, had a negative translation impact on the Group's euro-reported results.

In this environment, TITAN closed the year at slightly lower consolidated turnover and EBITDA levels than in 2017, but with improved Net Profit, mainly due to an improved non-operating result from forex gains. The full year turnover was €1,490.1 million (down 1%), EBITDA was €259.7 million (down 5%) and NPAT €53.8 million (up 26%).

We continued to invest in our operations, with the implementation of a CapEx program of €119 million, mainly in our US business.

The market outlook for 2019 remains positive for the USA, where our plants are well positioned to serve the continuing growth. Growth should also return in Brazil. We expect stable to positive demand in South Eastern Europe and Greece, the latter depending heavily on whether new infrastructure projects will commence as planned. On the negative side, we anticipate some softness in demand in Egypt. The sharp slowdown in Turkey should continue over the next few months.

Investing in our international footprint

In line with our strategy of international growth, TITAN acquired in October 2018 control of our joint venture in Turkey, raising our participation in the Adocim cement plant to 75% while disposing of our 50% stake in the company's former grinding plant. Even though the short-term outlook for Turkey is negative, we believe that the macro trends fully justify our position in the country.

In December, the shareholders of the Group parent company, TITAN Cement S.A., received a voluntary share exchange offer from a new Belgian entity, TITAN Cement International, owned by core shareholders of our Group. The aim of the offer was to facilitate the primary listing of the Group in Euronext Brussels and the provision of improved access to funding. While the offer received the support of TITAN's Board of Directors and the majority of its shareholders, the 90% acceptance threshold was narrowly missed for the ordinary shares; as a result, the transaction did not materialize. The long term objective, however, of a strategic positioning of the Group, in a way that reflects its international footprint and strengthens its financial competitiveness, remains a priority.

Embracing change to deliver on our enduring commitment to a sustainable future

Looking beyond the horizon of the next few years, major shifts are occurring, which will affect our business. Climate change, the related transformation of the energy sector and the digital revolution are already sharply on our radar screen, for all our operations. At the same time, we are observing closely the shifting geopolitical situation, and in particular two factors affecting cement trade flows and investments: the continuously expanding role of China in the world market and the protectionist tendencies in world trade.

We have embraced the opportunities offered by the 4th industrial revolution, piloting the new technological possibilities in a wide range of applications. We have invested in extensive operational data capture, storage and connectivity infrastructure and have run successful, long range trials to improve the operational performance of specific production lines, to extend the scope of preventive maintenance, to apply Building Information Modeling to our own CapEx projects and to optimize the management of our supply chain. At the same time, we are improving the efficiency of our internal processes by rolling out globally a single enterprise management system and have launched a new digital platform supporting our HR management processes worldwide.

In 2018, we showed progress on several fronts related to the reduction of CO_2 emissions, contributing to the global effort to reduce global warming. We increased the usage of alternative fuels and expanded it to new plants. In energy efficiency, we achieved the certification of plants representing ca. 40% of our clinker capacity under the Energy Management ISO 50001. We are participating in several collaborative R&D projects aiming to reduce the CO_2 footprint and ran a successful large-scale pilot production of low CO_2 clinker. Finally, we updated our environmental policy, rolled out a uniform approach across all regions to drive CO_2 reduction through to 2030 and introduced the requirement to assess all new major projects from the additional perspective of an internal CO_2 price, thereby highlighting the relevant risks and opportunities.

Continuing our long history of active engagement with the local communities, TITAN implemented new initiatives in its areas of operation, primarily related to the promotion of health and well-being, the support of quality education and the development of the skills required in today's workplaces. In parallel to wellness and personal development programs developed specifically for our employees, we reached out to tens of thousands of children and young adults, hosting them at events on our premises, in internships and in programs at their schools and universities.

We made good progress in our safety efforts through targeted campaigns, extensive training, increased near miss reporting and the launch of new tools for hazard identification. The fact that our safety performance indicators places us among the leading companies in our industry was unfortunately overshadowed by two contractor fatalities, one in road transportation and one in a quarrying operation. We will continue our efforts with ever greater resolve.

Our commitment to doing business in a financially, socially and environmentally responsible way is reflected in our renewed participation in the UN Global Compact and the endorsement of its principles. We are making good progress towards meeting our environmental and social targets set for 2020, as an intermediate step in our collaborative effort to achieve the Sustainable Development Goals.

Instead of treating the global shifts as part of a cycle that will revert to the old equilibrium, we are embracing change, to successfully adapt as an organization to the emerging new challenges and opportunities. We remain constant in our values and our respect for every individual, society and the environment.

Dimitri Papalexopoulos
Chief Executive Officer

Business overview

An overview of our Group and how we create shared value, along with a presentation of our progress towards our 2020 sustainability targets.

Business overview

TITAN is an international cement and building materials producer, with operations in 14 countries and a history of more than 115 years. The Group's business activities include the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials.

We create value through the transformation of raw materials into building products, their distribution to customers and the provision of related services, serving the societal need for safe, durable, resilient and affordable housing and infrastructure. Through collaboration and know-how sharing with customers, business partners, local communities and academia, we increase the shared value and we contribute to the advancement of material issues relevant to us and our stakeholders at global, regional and local level.

We invest in research, development and innovation, with a primary focus on areas related to the long-term sustainability of the business and in particular climate change mitigation and CO_2 emissions; applications of the circular economy model; and digital transformation. With regards to digital transformation, we launched in 2018 a "Digital Initiative", aiming to apply digital best practices at our cement plants, improving operational efficiency, product quality as well as energy and environmental performance. We are also engaged in key research partnerships between industrials and academics for quality research in cement-based materials.

By actively participating in global collaborations and international organizations we aim to address global sustainability challenges, under the framework of the UN Sustainable Development Goals for 2030. We are a participant of the UN Global Compact (UNGC) and a core member of CSR Europe and the World Business Council for Sustainable Development (WBCSD).

In 2018, we joined the newly established Global Cement and Concrete Association which, among other priorities, will also incorporate the sustainable development activities of the former Cement Sustainability Initiative (CSI) of the WBCSD, following a strategic partnership between the two parties.

Roanoke cement plant, USA

One governing objective, one set of strong values

Our governing objective

We aim to grow as a multiregional, vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with respect for people, society and the environment.

Strategic priorities

To achieve our governing objective, we focus on four strategic priorities:

Geographical diversification

We expand our business through acquisitions and greenfield developments into attractive new markets, to diversify our earnings base and mitigate the reliance on few markets.

Continuous competitive improvement

We implement new efficiencies throughout our business to reduce costs and compete more effectively.

Vertical integration

We extend our business into other product areas in the cement value chain, serving our customers better and accessing new profit opportunities.

Focus on human capital and corporate social responsibility

We care for and develop our employees, and continuously improve our good relationships with all internal and external stakeholders, always aiming for mutual respect and understanding.

Underpinning these priorities is our approach to sharing best practice and leveraging expertise. Applying this approach across the Group helps the development of our capabilities and the efficient delivery of our governing objective.

Our values

Our values are at the core of who we are; they guide our strategy and provide the foundations for all our operations. They have provided our people with a strong bond and supported the growth that has sustained us for over a century, stemming directly from the principles, beliefs and vision of our founders back in 1902. They remain the solid basis of our culture and family spirit.

Integrity

- Ethical business practices
- Transparency
- Open communication

Know-how

- Enhancement of our 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

Our values are ingrained in the Group's ethos – the Greek word for 'character' or 'spirit' – that guides the way we conduct our business with respect, accountability and responsibility.

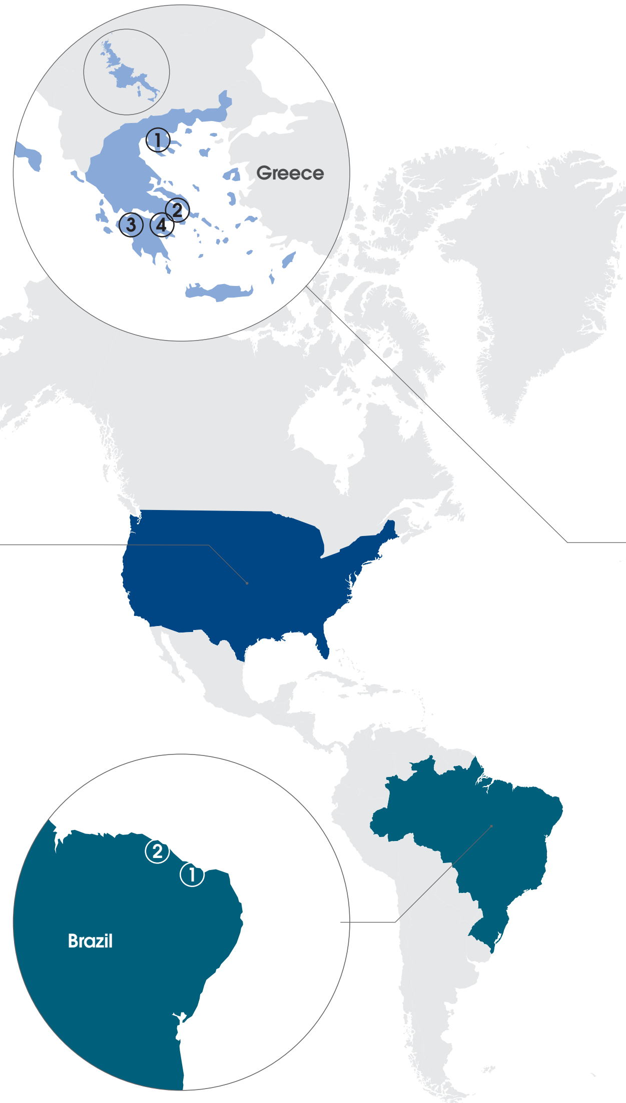
Global presence

We report on our performance and activities based on our four geographic regions, and separately on our joint venture in Brazil.

Greece and Western Europe

Cement plants
1 Thessaloniki
2 Kamari
3 Patras

Grinding plant
4 Elefsina



USA

Cement plants
1 Roanoke – Virginia
2 Pennsuco – Florida

Brazil (Joint venture)

Cement plant
1 Quixere

Grinding plant
2 Pecem

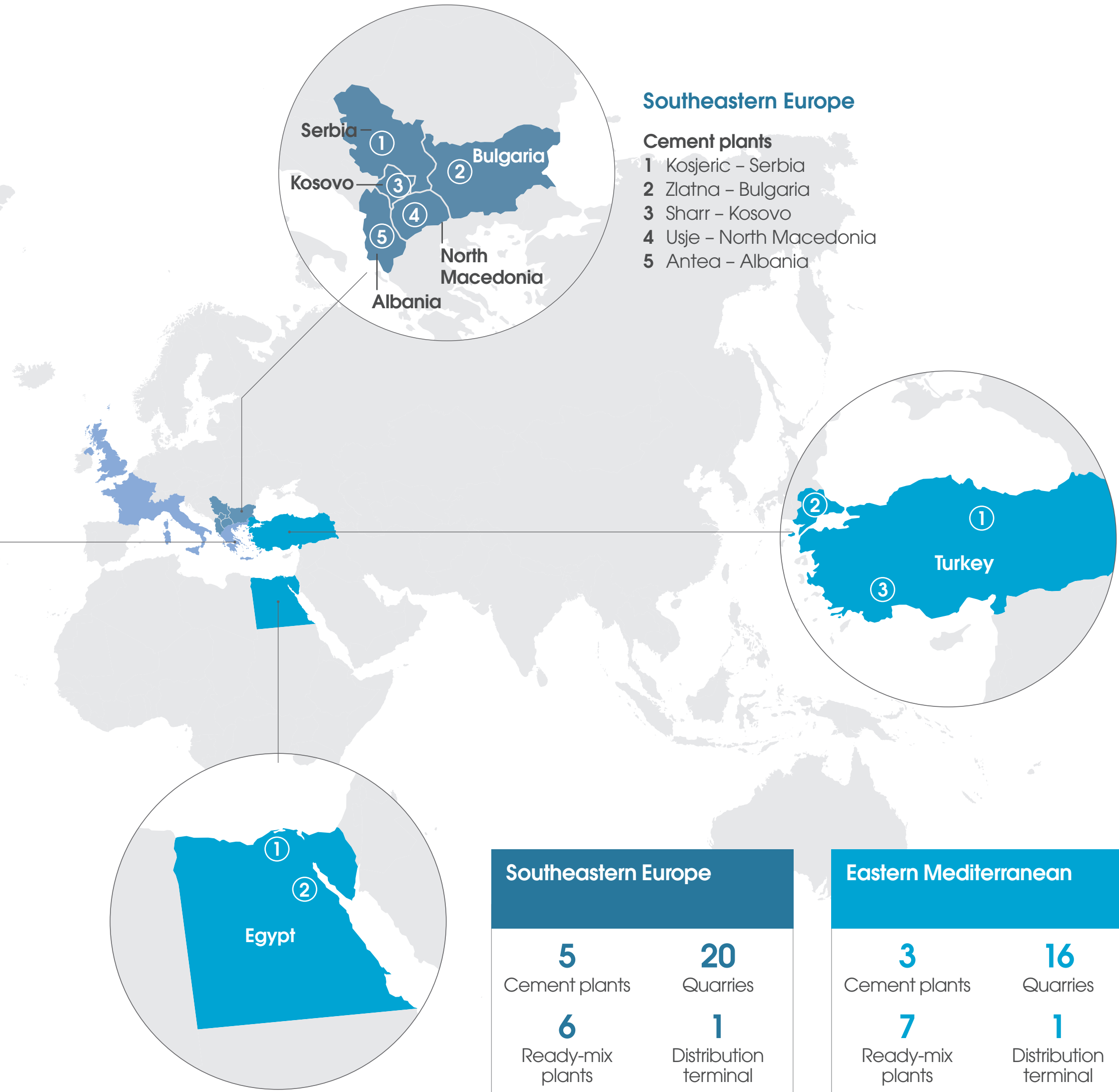
USA		Greece and Western Europe	
2 Cement plants	**8** Quarries	**3** Cement plants	**26** Quarries
78 Ready-mix plants	**14** Distribution terminals	**27** Ready-mix plants	**8** Distribution terminals
10 Concrete block plants	**6** Fly ash processing plants	**1** Grinding plant	**1** Dry mortar plant
Principal products/activities		Principal products/activities	
Turnover: **€860m** 58%*		Turnover: **€237m** 16%	
EBITDA: **€178m** 68%		EBITDA: **€11m** 4%	
Assets: **€1,055m** 37%		Assets: **€564m** 20%	

Principal products/activities key:

Cement, Ready-mix concrete, Aggregates, Dry mortars, Building blocks, Fly ash, Waste management and alternative fuels

Number of operational units as calculated for non-financial performance reporting purposes at Group level.

*All percentages indicate the percentage of the Group total.



Southeastern Europe

Cement plants
1 Kosjeric – Serbia
2 Zlatna – Bulgaria
3 Sharr – Kosovo
4 Usje – North Macedonia
5 Antea – Albania

Eastern Mediterranean

Cement plant
1 Tokat

Grinding plants
2 Marmara
3 Antalya*

*Part of TITAN Group until the end of September 2018

Eastern Mediterranean

Cement plants
1 Alexandria
2 Beni Suef

Southeastern Europe

5 Cement plants
20 Quarries
6 Ready-mix plants
1 Distribution terminal
1 Processed engineered fuel plant

Principal products/activities

Turnover: €239m, 16%

EBITDA: €60m, 23%

Assets: €493m, 17%

Eastern Mediterranean

3 Cement plants
16 Quarries
7 Ready-mix plants
1 Distribution terminal
2 Processed engineered fuel plants
2 Grinding plants

Principal products/activities

Turnover: €154m, 10%

EBITDA: €11m, 5%

Assets: €651m, 23%

Brazil (Joint venture)**

1 Cement plant
3 Quarries
5 Ready-mix plants
10 Distribution terminals
1 Grinding plant

Principal products/activities

**The joint venture in Brazil is incorporated in the financial statements using the equity method of consolidation.

Delivering value for all

We serve the societal need for safe, durable, resilient and affordable housing and infrastructure. We create value through the transformation of raw materials into building products, their distribution to customers and the provision of related services.

Driven by our Governing Objective

we draw on our resources...

External

- Financial
- Social
- Natural

Internal

- Human
- Intellectual
- Manufacturing

and apply our capabilities...

- Engineering and R&D activities
- Efficient, large scale production lines
- Global commercial reach
- Deep knowledge of building materials industry

to provide our products and services...

Products

Cement

Ready-mix concrete

Aggregates

Dry mortars

Building blocks

Fly ash

Services and solutions

Production, transportation, distribution of building materials

Solutions for circular economy:

Separation technologies

Alternative fuel and waste management solutions

How we do it

Sourcing materials responsibly.

Manufacturing, using best available techniques in a safe and healthy environment.

Distributing reliably to our customers through dedicated terminals.

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

The value we create contributes to the following UN SDGs 2030:

and to create value...

Economic

- Company's growth
- Tax contributions
- Return to shareholders
- Value chain

Examples of value created[1]

- **€118.5 million** in investments for the Group's future growth
- **€5.8 million** in investments for R&D and innovation as total expenditures at Group level
- **€77.5 million** in taxes to national and local authorities
- **€50.5 million** payments in cash, as dividends and other type, to shareholders and minorities
- **€950.2 million** total spend to suppliers, local and international, for goods and services

- **€551.0 million** value added[2]
- **€435.0 million** net value added[3]

Environmental

- Avoided emissions/ avoided resource consumption
- Contribution to circular economy

Examples of value created

- **€28.8 million** in Green Investment
- **243,052 tons** of alternative fuels

Social

- Jobs, professional skills and productivity
- Contribution to communities

Examples of value created

- **€276.7 million** in salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law
- **€1.0 million** in investments for training of direct employees, as total expenditures at Group level
- **551** new hires (10.27% of total employment)
- **477** internships
- **€2.3 million** in support to community projects, as donations, at Group level

for our stakeholders

- Business partners and suppliers
- Customers
- Capital lenders
- Employees
- Local communities
- Non-governmental organizations (NGOs)
- Regulators, authorities and governments
- Shareholders – investor community

Servicing our customers and partners. Sharing expertise to enhance the value we create.

Engaging in collaborative projects and sharing know-how to make a positive impact on society and local communities.

Contributing to circular economy, by applying the principles of "reduce, recycle, reuse, recover".

[2] Revenue minus costs of bought-in materials, goods and services (Gross Value Added, GVA).

[3] Revenue minus costs of bought-in materials, goods and services and minus depreciation on tangible assets (Net Value Added, NVA).

Focus on material issues

We engage with our stakeholders to improve our understanding of their diverse needs, expectations and concerns. This enduring and inclusive process helps us to build trust, foster collaboration and deliver on our sustainability commitments.

Our approach to stakeholder engagement and materiality

Our materiality assessment is an ongoing, inclusive process based on stakeholder dialogue and desktop research. The feedback received from key stakeholders of the Group in 2018 reaffirmed that the process we follow provides reliable results and that the issues currently addressed in the Annual Integrated Report meet stakeholders' expectations. Moreover, stakeholders responded positively to our efforts to align future sustainability targets with our material issues and the UN SDGs 2030.

In 2018, three TITAN operations (19% of the Group's total cement production) invited local stakeholders to provide feedback as part of the independent assessment process. The three operations were Roanoke Cement Company in Virginia, USA; Sharrcem in Kosovo; and TITAN Cement Usje in North Macedonia.

The information below summarizes the outcomes of the materiality assessment process:

Our key stakeholders:

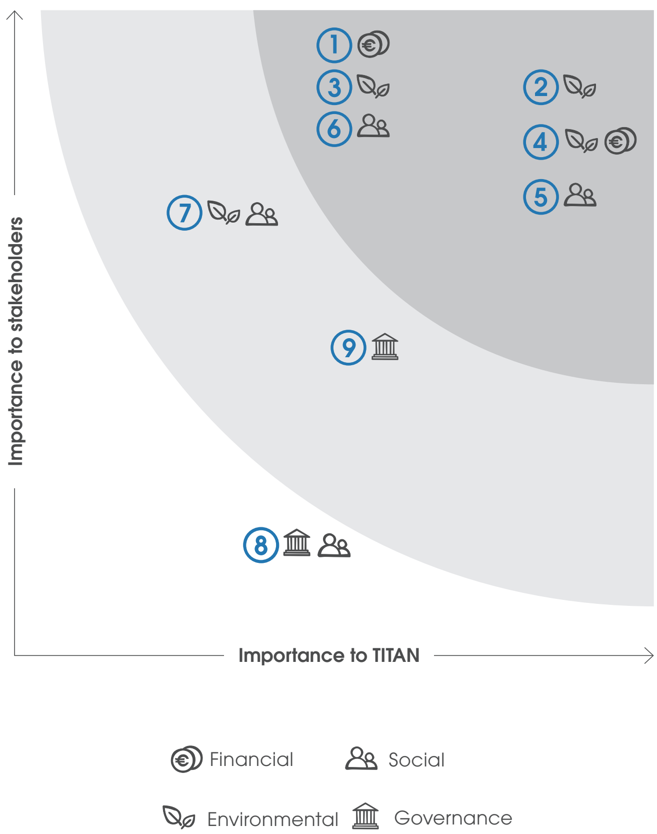
- business partners and suppliers
- customers
- capital lenders
- employees
- local communities
- non-governmental organizations (NGOs)
- regulators, authorities and governments
- shareholders and investor community

We seek feedback from key stakeholders through:

- desktop research
- one-to-one meetings
- online surveys
- opinion surveys
- roadshows
- thematic forums

Our most material issues	SDGs
1 Financial liquidity and access to funding	8, 17
2 Environmental management	6, 7, 15, 17
3 Climate change	7, 13, 17
4 Circular economy	12, 17
5 Health and safety	3, 8, 17
6 People management and development	4, 5, 17
7 Sustainability of communities	4, 9, 11, 17
8 Social and political risks and instability	8, 17
9 Governance, transparency and ethics	4, 8, 17

Materiality matrix



Relevant SDGs

Performance towards our 2020 targets

Our 2020 sustainability targets provide a roadmap for us to address our main impacts, monitor our performance and tackle global challenges.

This reflects our ambition to be at par with our Cement Sustainability Initiative (CSI) peers in environmental performance and to have a distinctive approach to social engagement. They are linked with the UN SDGs that have been identified by our materiality assessment process as the most relevant to our business, supporting our long-term commitment to the UN's 2030 Agenda for Sustainable Development.

KPIs and 2020 targets			2018 performance	Progress	Relevant SDGs
Environmental management	Specific net direct CO_2 emissions	20% reduction comp. to 1990 level	12% reduction comp. to 1990 level	●●○	12, 13, 17
	Specific dust emissions	92% reduction comp. to 2003 level	97% reduction comp. to 2003 level	●●●	
	Specific NOx emissions	53% reduction comp. to 2003 level	56% reduction comp. to 2003 level	●●●	
	Specific SOx emissions	43% reduction comp. to 2003 level	50% reduction comp. to 2003 level	●●●	
	Specific water consumption	40% reduction comp. to 2003 level	49% reduction comp. to 2003 level	●●●	6,11,15,17
	Biodiversity and land stewardship	100%	78% Active wholly-owned sites with quarry rehabilitation plans	●●○	
		100%	90% Active wholly-owned sites of biodiversity value with Biodiversity Management plans		
	ISO 50001 coverage	50% Clinker production	40% Clinker production	●●○	7,17
Occupational health and safety	Fatalities	0	2	●○○	3,17
	LTIs frequency rate (direct employees)	To be in the top 25% of WBCSD/CSI members' performance (LTIFR < ~0.50%)	1.54 (LTIFR)	●○○	
Social engagement	Implementation of engagement plans at all key operations.	100% by the end of 2020	100%	●●●	3,4,9,11,17
	Implementation of engagement plans related to material issues and Group policies at all key operations.	14/14 operations by the end of 2020	3/14 operations	●○○	

Progress key:

●●● Met

●●○ On track

●○○ More to do

Note: The base year performance of 1990 and 2003 are presented in detail in the Integrated Annual Report 2018, section 7 "Environmental performance Index".

Group performance

An overview of the Group's overall performance in 2018, focusing on our financial, social and environmental pillars.

Group key performance indicators

Our Integrated Group Performance is measured and assessed against a set of key performance indicators (KPIs), based on our financial and non-financial results.

Financial

€1,490.1m
Turnover
Revenue received from the sale of goods and services to customers
(2017: €1,505.8m)

€259.7m
EBITDA
Earnings before interest, tax, depreciation and amortization
(2017: €273.4m)

€53.8m
NPAT
Net profit after minority interests and taxes
(2017: €42.7m)

7.3%
ROACE
Return on average capital employed

Earnings before interest and taxes (EBIT)/Average capital employed
(2017: 7.5%)

€119m
CAPEX
Expenditure on capital investment projects across the Group
(2017: €123m)

Non-Financial*

Social

551
New hires across the Group
(2017: 707)

1.54
Lost time injuries frequency rate (LTIFR) for employees
(2017: 2.41)

Environmental

256.2
Specific water consumption**
(lt/t_{Cement})
(2017: 273.1)

12.1
Specific dust emissions**
($g/t_{Clinker}$)
(2017: 19.9)

684.6
Specific net direct CO_2 emissions**
($kg/t_{Product}$)***
(2017: 698.9)

* Non-financial performance and statements of the Report do not include Brazil.
** Figures are calculated based on the equity of the specific year.
*** Product equals cementitious product as defined by WBCSD/CSI.

Financial performance

TITAN Group delivered a stable, solid financial performance in 2018.

Solid financial performance

2018 was characterized by a stable, solid performance by TITAN Group, with a marked improvement in results in the second half of the year. Group consolidated turnover for 2018 stood at €1,490.1 million, a marginal 1% decline compared to 2017 (€1,506 million). EBITDA declined by 5% to €259.7 million, largely due to higher energy costs across the Group and lower profitability in the USA. After a slow first half, turnover and EBITDA both improved in the second half of the year by 6.2% and 4.7% respectively, compared to 2017. Group net profit, after minority interests and the provision for taxes, reached €53.8 million, a 26% increase from 2017.

Regional performance

Once again, in 2018, the USA was the main profit generator for the Group, with US operations exceeding the $1 billion sales mark with a 3% sales increase. EBITDA in euro terms, recorded a 3.9% decline, while in US$ terms remained stable.

Building activity in Greece remained at very low levels in 2018, with several major projects slipping into 2019. Domestic demand exhibited some positive trends in regions with tourism development but on the whole, private building activity remained subdued. Cement exports were close to 2017 levels, with the USA being the main destination. Both turnover and EBITDA fell, impacted by higher energy costs and pressure on prices.

Most markets in Southeastern Europe recorded an increase in sales volumes and improved profitability, in the context of the mild economic upturn experienced by the region in recent years. Turnover increased by 6% and EBITDA rose by 5%. However, results were affected by increased energy costs, but partially mitigated by the investments in the use of alternative fuels undertaken by the Group over the last few years.

Conditions in the Eastern Mediterranean region were challenging, with turnover down by 3% and EBITDA 14% lower. In Egypt, cement consumption declined by an estimated 6%, while a new state owned 12 million ton cement plant entered the market, resulting in considerable over-capacity. The resulting decrease of capacity utilization by TITAN Cement Egypt, combined with the inability to pass on the steep increase in electricity costs and the imposition of additional levies per ton of cement produced, limited profitability significantly.

Under the shadow of the recession in Turkey, Group activity declined following the sharp downturn in construction in the second half of the year. In the autumn of 2018 TITAN acquired a 25% stake on Adocim from our local partner, thus taking TITAN shareholding to 75%. The 38% slide in the Turkish lira against the euro, and the increase in energy costs, further impacted results.

Demand in Brazil gradually improved during 2018, and the market almost stabilized following four years of consecutive decline. The operational results of our joint venture show increased sales volume and profitability.

For more detailed information, please see Regional Performance on page 28.

57.25%

Shareholder equity ratio

Total shareholder equity over total assets (2017: 52.8%)

€0.67/share

Earnings per share

Net earnings attributable to shareholders/weighted average number of ordinary and preference shares (2017: €0.53/share)

Mixed sales performance across product lines

Trends in sales volumes during 2018 were mixed across markets and product lines. The Group recorded a 6% decline in cement sales volumes, with increases in the USA and Southeastern Europe, and flat performance in Greece. This was countered by a significant decline in sales in Egypt, where a new state-owned plant entered the market, and decline of volumes in Turkey.

Ready-mix volumes declined by 5%, mainly due to US operations in Virginia and the Carolinas being impacted by record rainfall and, to a lesser degree, because of lower sales in Greece.

However, aggregates volumes were 7% higher compared to last year, reaching 17.1 million tons, driven largely by growth in the USA and Greece.

	2017	2018	+/-
Cement (metric tons)	19.3m	**18.2m**	-6%
Ready-mix concrete (m^3)	5.58m	**5.29m**	-5%
Aggregates (metric tons)	16.0m	**17.1m**	+7%

Stronger cash flow generation

Group operating cash flow stood at €148 million, an increase of €30 million compared to 2017. Cash flow generation benefited from the stabilization of working capital requirements.

Group capital expenditure in 2018 stood at €119 million, €4 million less than in 2017. About half of that was directed to the USA. The CAPEX total also includes €12 million paid as a one-off retroactive license fee for the Beni Suef cement plant in Egypt.

	2017	2018
Operating free cash flow	€118m	**€148m**
Capital expenditure	€123m	**€119m**
Net debt at the year end	€723m	**€772m**

In 2019, the impact of the IFRS 16 on the Group's financial statements, will bring an estimated increase of right-of-use assets by approximately €54 million, an increase of lease liabilities by €59 million and an increase of deferred tax liability by €1.5 million. EBITDA is expected to be positively impacted by approximately €13 million.

Financial performance

Acquisition of control stake in joint venture in Turkey

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

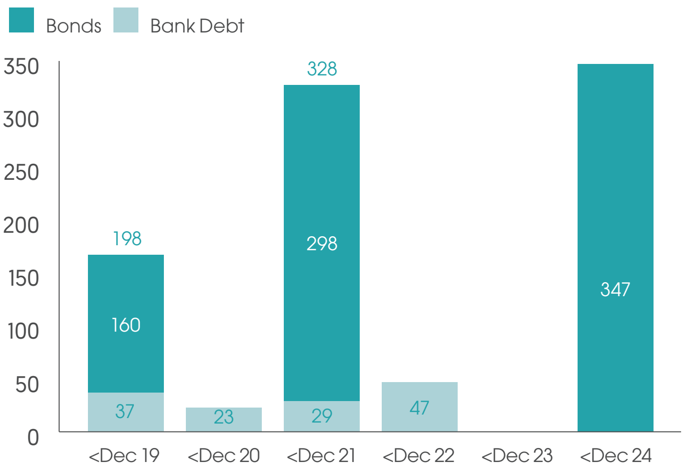
Diversified funding sources

Group net debt as at 31 December 2018 stood at €772 million, an increase of €49 million against 2017. Net debt levels were affected by foreign exchange variations, as well as the acquisition and consolidation of Adocim in Turkey.

At year end, 85% of Group debt was in bonds and 15% in bank loans. Total facilities, including capital markets, amount to €1.286 billion, leaving over €560 million of unutilized bank facilities and providing ample liquidity for the Group. Over the last few years TITAN has succeeded in establishing itself in the capital markets, by diversifying its sources of funding and consistently reducing the average cost of debt.

In this context, in January 2018, TITAN Global Finance Plc. completed the issuance of €100 million of additional notes, in connection with the reopening of the 2.375% notes of nominal value €250 million it issued in November 2017. This resulted in a total issue of €350 million notes due in November 2024.

Maturity profile (€m) as at 31 December 2018



The Group's next important maturity is in mid-2019 for the remaining €160 million notes issued in 2014 and which will be redeemed with the cash that Group is holding for that purpose.

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

Parent company financial results

Turnover for TITAN Cement S.A. in 2018 declined by 2% to €229 million while EBITDA increased to €27.2 million (2017: €14.8 million). Net profit after tax (NPAT) reached €33.3 million in 2018 (2017: €13.4 million) and includes €38.5 million of dividends received from subsidiaries abroad.

Public Tender Offer

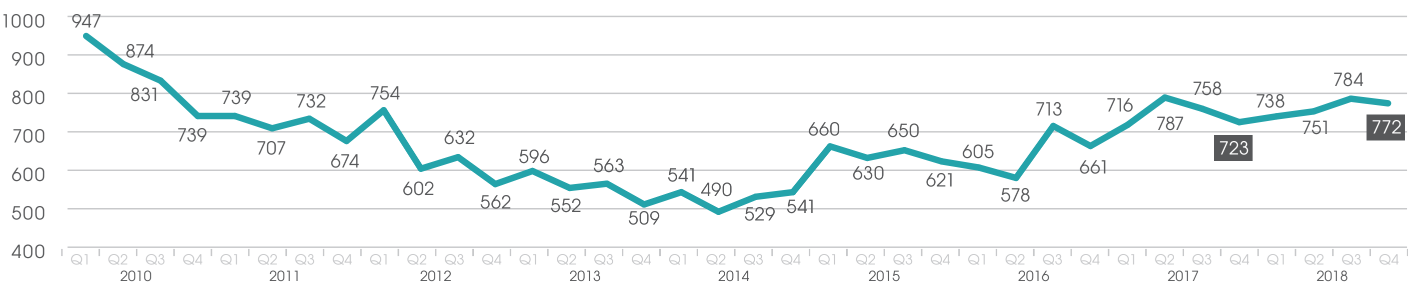
On 18 October 2018, TITAN Cement International S.A. (TCI), a Belgian company, founded by members of TITAN core shareholder family, announced the submission of a voluntary share exchange tender offer to acquire all of the ordinary and preference shares of the Company, in consideration for new shares issuable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

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

BB+ on a negative outlook

Credit rating by Standard & Poor's
(2017: BB+ stable outlook)

Group net debt evolution (€m)



Equity market information

We build trust within the financial markets and long-term relationships with the investor community by demonstrating the strength of our financial profile and consistent strategy, and by delivering sustainable shareholder value.

Our shares

TITAN's ordinary shares have been traded on the Athens Exchange since 1912 and preference shares since 1990.

TITAN's stock price closed at €19.38 per ordinary share at the end of 2018, a decline of 15.4% in the year, but was still ahead of the ATHEX General Index, which declined by 23.6% and the MSCI Emerging Markets Index, which declined by 16.6%. It underperformed the S&P 350, which declined by 13%. The closing price of TITAN's preference share at the end of 2018 was €18.25, an increase of 16% in the year.

TITAN ordinary shares have posted compound growth of 2% per annum over the last five years and 5% per annum over the last ten years.

The share capital of TITAN Cement Company S.A. consists of 77,063,568 ordinary shares and 7,568,960 preference shares without voting rights.

The total number of treasury shares held by the Company on 31 December 2018 was 4,558,481 of which 4,361,171 were ordinary shares and 197,310 were preference shares. Voting rights held by the Company represented 5.66% of total voting rights.

TITAN's shares are components of the FTSE/ATHEX Large Cap Index, the MSCI Emerging Markets Index, the FTSE Emerging Markets Index and the FTSE4Good Emerging.

SRI investors

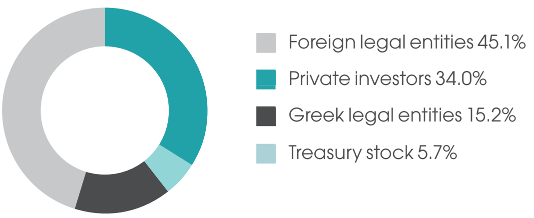
Since 2010, TITAN has achieved and maintained the "Advanced" level reporter in line with the United Nations Global Compact principles. TITAN is also included in the FTSE4Good Emerging Index since December 2016 for its enduring commitment to sustainable development.

More information for investors

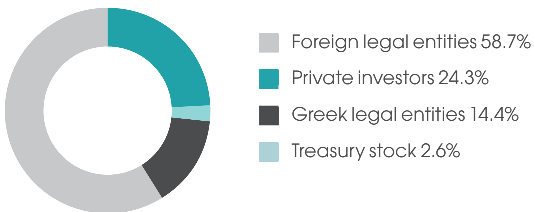
There is comprehensive information on the TITAN website for both debt and equity investors. It includes the Group's latest announcements, investor relations calendar, share price analysis tools and quarterly financial results. For details, visit: http://ir.titan.gr or contact us at ir@titan.gr

Symbols	Ordinary	Preference
Oasis	TITK	TITP
Reuters ticker	TTNr.AT	TTNm.AT
Bloomberg ticker	TITK GA	TITP GA

TITAN ordinary shares as at 31 December 2018



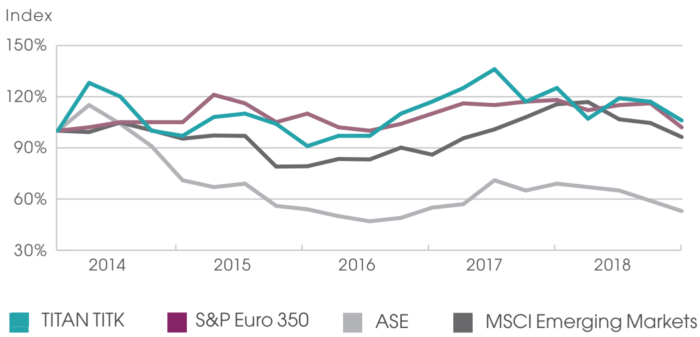
TITAN preference shares as at 31 December 2018



2018 Daily transactions volume and price evolution of TITAN's ordinary and preference shares

Source: Bloomberg

Share price performance of TITAN's ordinary shares relative to the ASE General index, the MSCI Emerging Markets index and the S&P Euro 350 index (31 December 2013 = 100)



Source: Bloomberg

Social performance

We accelerate our efforts to promote sustainability throughout our value chain, empowering our people to grow within an inclusive and safe environment and fostering collaborations to address local community needs.

Committed to a healthy and safe workplace

Health and safety is a material issue, affecting our employees and contractors every day, as well as their families and communities. We concentrate our efforts on continuously monitoring and improving our health and safety performance, ensuring that all our employees and contractors have the correct knowledge, skills and experience to perform their jobs safely. We also urge our suppliers and other business partners to adopt a similar approach.

Our Group Occupational Health & Safety (OH&S) Policy covers all activities within our management control, with clear responsibilities and accountabilities at all levels of management. Meeting quarterly, the CEO and Executive Committee oversee the policy's application, assess progress and design strategy.

In 2018, we improved our Lost Time Injury Frequency Rate (LTIFR) among TITAN personnel by 36% from 2.41 to 1.54, while contractors' LTIFR increased to 1.12 from 0.82 in the previous year. Our continuous efforts to improve our safety performance were unfortunately overshadowed by two contractor fatalities: a driving accident and an accident in quarrying operations.

During the year, we launched our "Essential Rules for Health and Safety in Cement Plants" campaign to promote a set of 11 life-saving rules for safe work at the plant and safe driving. In addition, we issued a new Group Guideline to help our sites identify and mitigate driving-related risks, produced a Guide to Hazard Identification in the Workplace and enriched near-miss reporting by including Process Near Misses.

Creating an engaging and inclusive workplace

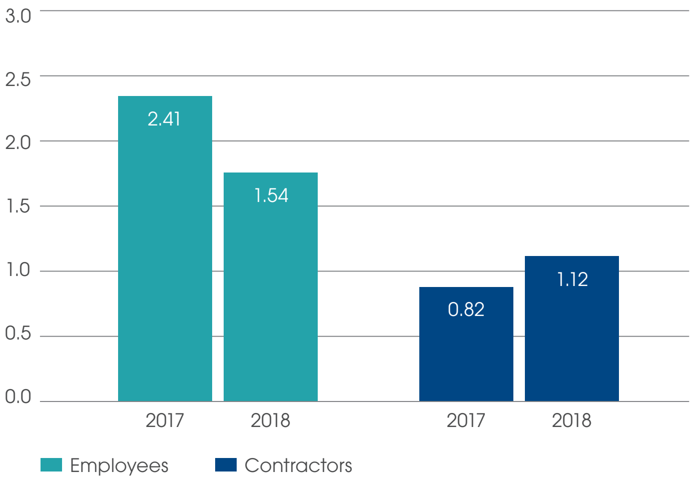
Our business benefits greatly from the diverse range of people who work for us. We actively seek to attract and retain employees with a range of backgrounds and experiences, fostering a high performing and rewarding culture.

In 2018, we implemented "unITe people", our digital Group-wide Human Resources Management System (GHRMS) that aspires to simplify people management operations.

Continuing to invest in lifelong training, we offered targeted training and development programs to more than 93% of our employees, with the majority of training hours dedicated to health and safety. We also invested in the development of non-technical skills, including digital skills, managerial skills, technical know-how and core competence.

Furthermore, we created the TITAN Diversity and Inclusion (D&I) taskforce, an internal committee tasked with embedding diversity in our culture and people practices. We also joined the European Round Table of Industrialists' (ERT) pledge to support its D&I campaign #EmbraceDifference, strengthening communication with stakeholders on diversity and inclusion in the workplace.

TITAN Group LTIFR
Employees and contractors (all activities)



138,114
Training man-hours
(2017: 155,587)

69,591
Training man-hours in H&S
(2017: 68,200)

Making a positive impact on communities

We aspire to build transparent, long-term relationships with our local communities and create shared value. Through initiatives that include our people's participation and volunteerism, collaborations and know-how sharing, we aim to develop our distinctive approach to social engagement further.

In 2018, we continued to implement initiatives and participate in collaborative efforts that promote health and well-being, support quality education and develop the skills required in today's workplaces. Over the last three years, we have strengthened our efforts to enable partnerships and collaborations with educational institutions in all countries and, since our Group's engagement with the European Pact for Youth began, we have implemented approximately 2,500 internships, apprenticeships and traineeships. As part of our efforts to support local communities, approximately 81% of our employees come from the communities in which we operate. In addition, we collaborated with local suppliers and contractors for 65% of our total Group procurement spend.

Supply chain sustainability

TITAN recognizes that supply chain sustainability is a key component of corporate responsibility and can contribute significantly to value creation and distribution at local, regional and global levels. Consequently, we promote the inclusion of sustainability requirements for the evaluation of our suppliers aspiring to cover all sustainability areas, including environment, health and safety, as well as human rights, labor rights and working conditions. We actively seek business partners that have also committed to apply the UNGC Ten Principles within their sphere of influence.

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

80.8%

Percentage of employees from local communities

(2017: 80.0%)

Environmental performance

We are continuously improving our environmental performance, concentrating our efforts on tackling climate change, improving our energy efficiency, using natural resources responsibly and contributing to the circular economy.

Our approach to environmental management

Protecting the environment and preserving natural resources are key to our sustainable business model. We are always looking to make our operations as efficient as possible, and to continuously improve in areas with potential environmental impacts, such as water and energy use, local biodiversity protection, waste management and emissions abatement.

All our cement plants are certified to ISO 14001, the international standard that specifies the requirements for an effective environmental management system (EMS) or, in the USA, implement a system aligned with local regulatory requirements. We have established a standard practice for quarry rehabilitation and biodiversity management at sites of high biodiversity value, and made investments in water management and consumption, such as our Integrated Water Management System (IWMS) to monitor and optimize water use. This has resulted in substantial improvements in recent years.

In 2018, we published a revised Group Environmental Policy, including climate change mitigation and adaptation, signifying a more holistic approach towards environmental sustainability. Moreover, an independent third party, engaged by WBCSD/CSI, benchmarked and assured that our environmental performance has improved since our previous assessment in 2014, achieving the best performers' rating in a number of areas.

Our Group-wide efforts to tackle climate change

Climate change is a pressing global challenge and a material issue for TITAN and our stakeholders. We have adopted a strategy to mitigate our CO_2 emissions by investing in innovative technologies and alternative materials.

In 2018, we rolled out the TITAN CO_2 Initiative, establishing a unified approach and introducing a consistent methodology to align all our mitigation activities. These activities focus on energy efficiency; the increased use of alternative fuels; the evaluation and prioritization of activities related to CO_2 abatement at a Group and local level; and the monitoring and leveraging of new technologies.

26.5 million t

Avoided CO_2 emissions

Avoided emissions 1990–2018 (equivalent to 2.5 years at 1990 emissions levels*)

51,400 t

Avoided dust emissions

Avoided emissions 2003–2018 (equivalent to 13.4 years at 2003 emissions levels**)

25.0 million m^3

Avoided water consumption

Avoided consumption 2003–2018 (equivalent to 4.0 years at 2003 consumption levels**)

* 1990 is the base year for CO_2 emissions, in line with the Kyoto protocol.

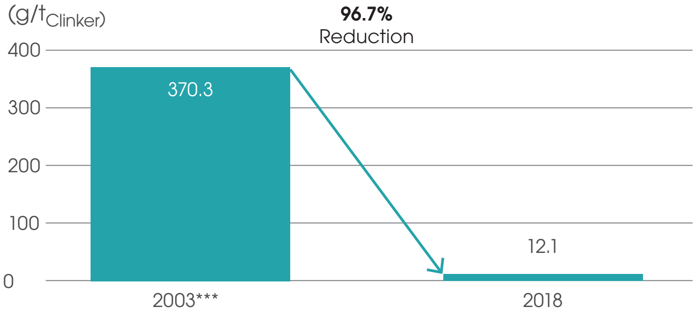
** 2003 is the base year for environmental data other than CO_2 emissions.

During the year, our net specific CO_2 emissions improved slightly, with a 2.0% reduction compared to 2017. This was primarily the result of continuous efforts in energy efficiency improvement and alternative fuel utilization.

We expanded the use of energy efficiency management systems, increasing the number of cement plants certified to ISO 50001. Today, the clinker capacity covered by ISO 50001 represents 39.5% of the Group's total clinker production, putting us on track to reach or exceed our target of 50% coverage by 2020. Our three cement plants in Greece, and the Roanoke cement plant in the USA, were certified to ISO 50001 in 2018.

Specific dust emissions*

(g/$t_{Clinker}$)



Specific CO_2 emissions (net)*

(kg/$t_{Product}$)**

* Specific emissions in each year are calculated based on the equity held by TITAN Group in that year.

** Product equals cementitious product as defined by WBCSD/CSI.

*** 2003 is the base year for environmental data other than CO_2 emissions.

**** 1990 is the base year for CO_2 emissions, in line with the Kyoto protocol.

Supporting the circular economy

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

The use of alternative raw materials in the production of clinker and cement remained stable in 2018 (5.4% of total consumption), following a 'plateaued' performance over the last four years, mainly due to the unavailability of such alternative sources in the countries and markets where we operate. TITAN continued to implement programs to collect ready-mix concrete wastes and use them as alternative raw materials for clinker, cement, concrete and concrete block production, as aggregates for pavements and for other uses. The cumulative consumption of a variety of alternative raw materials, and alternative fuels like dried sewage sludge, refinery sludge, tires, RDF and agricultural wastes, exceeded 22.4 million metric tons between the base year 2003 and 2018. We expect it to reach 25 million metric tons by 2020.

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

90%

Active quarry sites with biodiversity management plans

(2017: 80.0%)

198,578 metric tons

Externally recycled waste material*

(2017: 255,228 metric tons)

12.1% heat basis

Percentage of alternative fuels in the total fuel mix*

(2017: 9.1% heat basis)

* Figures are calculated based on the equity of the specific year.

Commitment to long-term sustainable growth

We continuously invest in environmental management initiatives, social programs, new technologies, as well as in research and development, to increase the value we share with our stakeholders and ensure balanced and responsible growth.

Here are some examples.

An industrial site open to the local community

Located between the Blue Ridge and Appalachian Mountains in the United States, the Roanoke Cement Company operates in an area of natural beauty. TITAN acquired the company in the early 1990s and has followed a strategy for sustainable growth ever since.

The industrial site has an open-to-all approach, with strong ties to the local community. The company's support for and engagement with local agriculture is illustrated by its efforts to drive energy efficiency, reduce emissions, improve the quality and quantity of water for farmers and invest in biodiversity to preserve the natural landscape. A mitigation plan to rehabilitate a long-abandoned limestone quarry into a 24,000m^2 lake was fully supported by local stakeholders, as they felt their community would benefit from the restoration. Sharing the value created, the lake is now enjoyed by employees and their children, and is used for education and training.

In recognition of Roanoke's enduring commitment to environmental excellence, youth support and inclusive stakeholder engagement, Roanoke received the Portland Cement Association's Outreach Award in 2018, and won the Environmental Performance category in 2019. The plant has also been ENERGY STAR® certified by the US Environmental Protection Agency for its energy performance for the last 12 years.

Implementing a new methodology to assess biodiversity impact

At TITAN we have established standard practices for quarry rehabilitation and biodiversity management at sites of high biodiversity value, and closely cooperate with our stakeholders at a global and local level to continuously improve our performance with additional tools and methods.

In 2018, TITAN chaired a WBCSD/CSI Project Group tasked with developing a methodology for calculating the Net Impact Assessment (NIA) of Biodiversity in the Cement Sector, which was issued at the end of the year.

Zlatna cement plant in Bulgaria is now applying the new methodology at its quarry and its expansion areas. The assessment, due to be completed in 2019, aims to evaluate the quarry's positive and negative impacts on biodiversity; research the on-site habitats, using a specialist botanist to assess the baseline conditions before mining activities commence; assess the result of the biodiversity management plan and any rehabilitation activities implemented; and adjust the plans to mitigate negative impacts and achieve no net loss on biodiversity (or net positive impact if possible) at the quarry area.

Leveraging new technologies in people development

Built on mutual trust, reliability and shared values, our business is a place that enables people to develop, work together, create solutions and implement positive change. Our priority is to equip our people with the skills, competencies and mindset they need to be successful in an ever-changing environment.

In 2018, this priority, combined with the demands of our era of rapid technological developments, translated into the implementation of "unITe people", a digital Group-wide Human Resources Management System (GHRMS). The aim of the GHRMS is to improve the employee experience and simplify people management operations; promote information sharing and global networking among employees; provide learning resources that accelerate progress; enhance employee development; and ensure organizational alignment that contributes to the Group's growth.

Accelerating our efforts for CO_2 reduction

To deliver on our long-term objective of CO_2 reduction, we continuously invest in research, development and innovation. An example of our efforts is the successful industrial production of low-carbon cement at the Patras cement plant in Greece. The new product exhibits equivalent performance to conventional products, but with direct CO_2 emissions reduced by 30%.

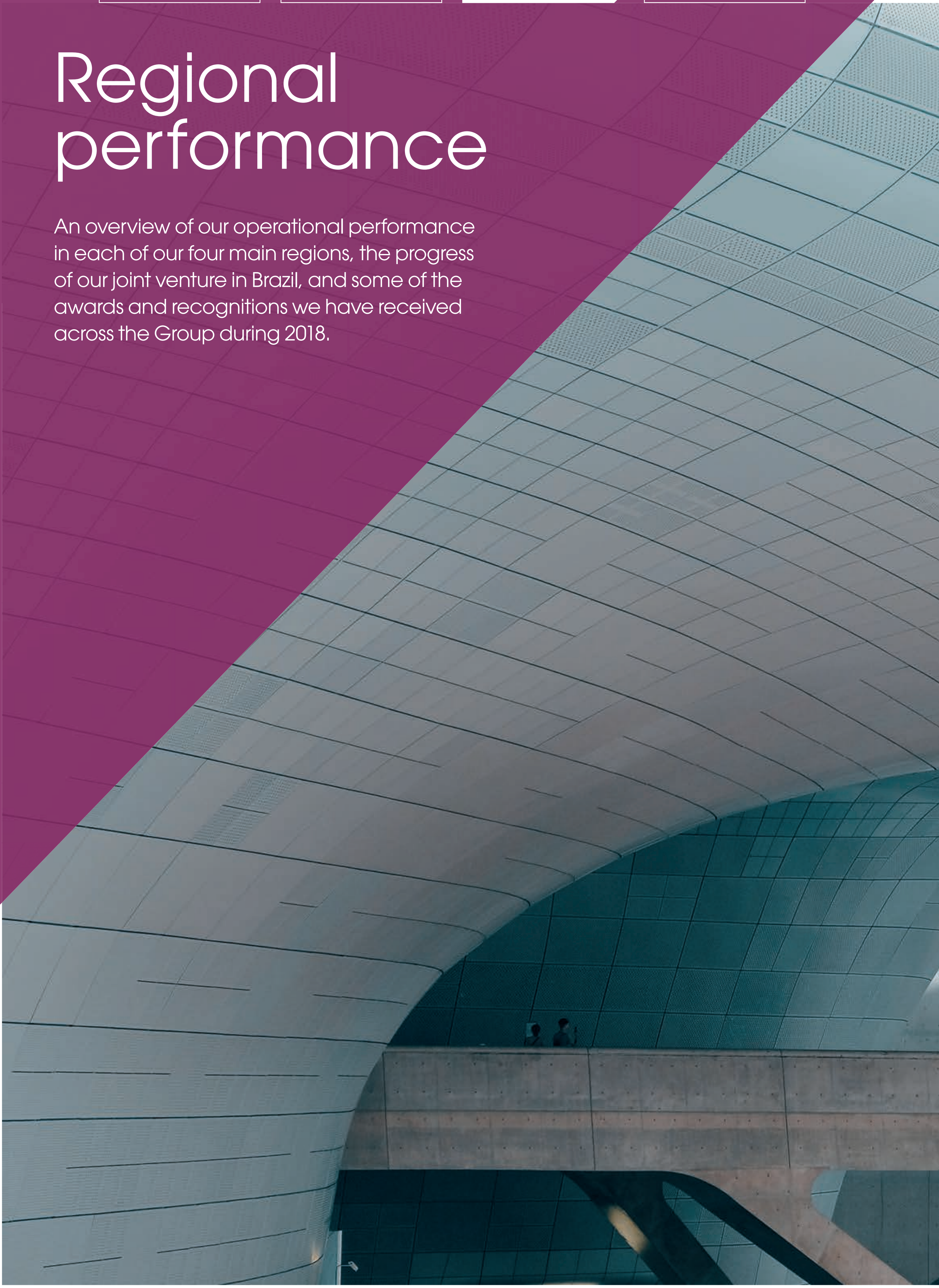
Our efforts are supported by our participation in multi-stakeholder collaborative initiatives. As a member of the European Cement Research Academy (ECRA), we participate in its carbon capture and storage project, aiming to scale-up relevant technologies for reducing the CO_2 emissions associated with cement production.

We are engaged in key research partnerships such as the Nanocem consortium, a unique collaboration between industrials and academics that is recognized as the world reference for quality research in cement-based materials. We also participate in European collaborative research projects, which aim to test and develop new approaches on carbon mitigation:

- RECODE aims to demonstrate how CO_2 captured from cement plants can be converted into materials for direct use in cement production;
- CARMOF focuses on utilizing nanotechnology and 3D printing methods to develop novel sorbents for industrial CO_2 capture;
- SOLCEMENT examines the use of solar power in the reduction of fossil fuel burning.

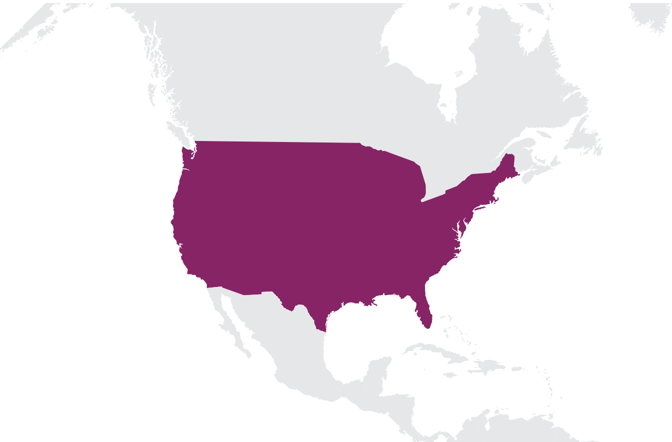
Regional performance

An overview of our operational performance in each of our four main regions, the progress of our joint venture in Brazil, and some of the awards and recognitions we have received across the Group during 2018.




apM PLACE

USA



The USA was again the main profit generator for the Group, with US operations exceeding the $1 billion sales mark.

Market overview

More than nine years into an economic expansion, the US economy grew more quickly in 2018. With real GDP growth of approximately 3%, the USA benefited from a strong labor market, income growth and fiscal stimulus provided by tax reform. Already-high consumer sentiment grew again and with unemployment at its lowest in nearly 50 years, wages and consumer spending ramped up. Inflation, however, remained muted and interest rates, while rising, did not impact negatively on economic growth.

US construction spending increased by 4.1% to $1.30 trillion in 2018, while public construction, residential construction and private non-residential construction grew by 6.6%, 3.3% and 3.5% respectively. Against this backdrop, national cement consumption was up the eighth consecutive year, up 2.3% to 100.1 million metric tons.

2018 PERFORMANCE HIGHLIGHTS

Financial

Turnover
58% of Group
€860m
(2017: €873m)

EBITDA
68% of Group
€178m
(2017: €185m)

Total assets
37% of Group
€1,055m
(2017: €997m)

Non-Financial

Social

Lost time injuries frequency rate (LTIFR) for employees in 2018 (per million man hours)

1.79

(2017: 2.47)

Our operations meet country-specific regulations for **health and safety**

Total training hours

21,433

(2017: 24,633)

Environmental

Both our cement plants have received the US Environmental Protection Agency (EPA) **ENERGY STAR**® certification

Roanoke cement plant, USA

PRINCIPAL PRODUCTS/ACTIVITIES

Cement
Ready-mix concrete
Aggregates
Building blocks
Fly ash

OPERATIONAL UNITS

2	8	78	14	10	6
Cement plants	Quarries	Ready-mix plants	Distribution terminals	Concrete block plants	Fly ash processing plants

Regional performance

TITAN's presence continued to benefit from stronger population and economic growth in the regions in which the Group is active. Demand for housing, commercial and infrastructure development outpaced the country as a whole.

Despite some challenges, TITAN America's financial performance remained strong. In US dollar terms, turnover crossed the US$1 billion threshold, increasing by 3% to $1,015 million and EBITDA was stable. In euro terms, turnover stood at €860.1 million, a 1.5% decrease compared to 2017, and EBITDA reached €177.9 million, down 3.9%.

Key areas of operation

In 2018, improved results recorded in Florida counterbalanced the lower profitability of the Mid-Atlantic region, which was affected by protracted bad weather and an increase in competition in the broader New York area.

Florida

In 2018, the Florida cement market grew by more than 10%, following a year impacted by Hurricane Irma. Benefiting from stronger market conditions, profitability improved. This was driven by higher sales and improved pricing but held back by higher logistics costs and a protracted maintenance program at our Miami cement plant. Underlying demand was also strong across aggregates, fly ash and concrete.

Virginia, North and South Carolina

Virginia's cement consumption fell by an estimated 2.9% to 1.9 million metric tons, while North and South Carolina decreased by an estimated 1.5% and 1.2% (to 2.7 million metric tons and 1.7 million metric tons) respectively. Sales of cement and ready-mix concrete in the Mid-Atlantic region were subdued by record wet weather (the worst in 124 years), which delayed projects and limited construction material sales. Higher prices partially offset the impact on profitability.

New York/Metro

Cement consumption in the New York Metropolitan area increased by 0.8% to more than 1.8 million metric tons. However, sales volumes at our cement terminal in Port Newark declined due to additional competitive supply. Combined with higher ocean freight costs, lower sales volumes eroded profitability and were only partially offset by higher prices.

Enhancing effective leadership

TITAN America recognizes that developing employees through training complements the TITAN Group Leadership Platform "Leading the TITAN way" and helps it to successfully implement its business strategy.

The company enriched its leadership training by offering to its management team the FranklinCovey® leadership development program, which was launched in October 2017.

In 2018, new instructor-led sessions and webinars were added, aiming to equip managers and frontline supervisors in the USA with the skills they need to improve business performance and achieve sustainable results through their teams. The training modules include communication skills, planning and prioritization, productivity, accountability, effective coaching, fostering innovation and creativity, and resolving conflict.

TITAN America's leadership program aspires to foster a culture that values all people and empowers them to contribute to the company's future growth.

Looking ahead

Construction trends remain favorable in the US regions where the Group is active. The Portland Cement Association (PCA) expects cement consumption to increase by 2.3% in 2019, and by approximately 1.6% per year between 2019 and 2023. TITAN Group looks well positioned to take advantage of this growth, having a strong presence in expanding metropolitan areas as well as the operating leverage to meet rising demand.

Greece and Western Europe

2018 PERFORMANCE HIGHLIGHTS

Financial

Turnover
16% of Group
€237m
(2017: €249m)

EBITDA
4% of Group
€11m
(2017: €18m)

Total assets
20% of Group
€564m
(2017: €581m)

Non-Financial

Social

Lost time injuries frequency rate (LTIFR) for employees in 2018 (per million man hours)

0.96

(2017: 0.93)

All plants and installations are certified under **OHSAS 18001**

% of employees from the local community

97.40%

(2017: 98.00%*)

Environmental

All cement plants are certified under **ISO 14001**

PRINCIPAL PRODUCTS/ACTIVITIES

Cement | Ready-mix concrete | Aggregates | Dry mortars

OPERATIONAL UNITS

3	1	26	27	8	1
Cement plants	Grinding plant	Quarries	Ready-mix plants	Distribution terminals	Dry mortar plant

*The 2017 figure for Greece was corrected, in order to reflect additional info from two facilities, previously not accounted in this disclosure.

Investment in tourism sustained demand, but residential construction remains subdued at less than 1% of GDP.

Market overview

Building activity in Greece remained at historic low levels in 2018, largely due to the fact that a number of large-scale infrastructure projects were postponed to the end of 2018 or early 2019.

Exports remained strong with the USA representing Greece's single biggest export market.

Kamari cement plant, Greece

Regional performance

TITAN demonstrated resilience through another year of adverse circumstances. Investment in construction was generally very low, while private building activity was practically non-existent.

Rising energy costs, in particular electricity, as well as the high cost of solid fuels and other raw materials, which could not be passed on through higher pricing in the market due to low levels of demand, exercised pressures on margins.

These extenuating circumstances, together with unfavorable foreign exchange rates, affected our financial performance. Overall turnover for the region declined by 4.7% to €237.1 million and EBITDA declined by €7.4 million to €10.9 million.

TITAN took up the challenges and resisted market pressures. Our cement and ready-mix concrete teams worked closely with the supply chain to improve competitiveness and keep a high level of service to the customers in Greece and abroad, while remaining focused on key priorities in the areas of health and safety, operational excellence, and environmental management.

We kept the momentum of our health and safety campaigns and added awareness raising and education initiatives for employee and contractor safety in driving, an activity that leads to the majority of fatalities in our industry. One such initiative was the collaboration with the Road Safety Institute "Panos Mylonas" to provide training in defensive driving.

As the pilot country, we successfully completed preparations for the rollout of unITe, the group-wide program whose main objective is to unify our Group's systems, data and processes. This will help improve operational efficiency, provide better control over business, facilitate business growth and promote innovation.

We also continued to promote circular economy principles, putting into operation new investments in alternative fuels and raw materials, further decreasing CO_2 emissions.

Commitment to sustainability and social responsibility remained at the core of our efforts in 2018, as well. Closely working with local communities and our employees, we implemented activities that promote health and wellbeing with emphasis on preventive medicine, nutrition and physical activity.

At the same time, we built on our long-standing tradition of providing and facilitating learning and skill-enhancing opportunities, reaching out to more than 20,000 school children, university students and young professionals.

Promoting good health and well-being

TITAN invests in promoting health and well-being, focusing on employees as well as local communities.

TITAN Greece employee wellness program, implemented at its Headquarters and in its plants in the country, highlights the concerted efforts being made to achieve a good level of physical and mental well-being. The project aims to foster a healthy and supportive work environment and encourage healthy behaviors. The first pillar of the program, which will run over the next few years, is nutrition. Almost 500 employees participated in educational sessions, body fat composition analysis, individual counseling and nutritional intervention programs during 2018, supported by the distribution of information and changes to the work environment.

TITAN Greece undertook additional initiatives in local communities, offering a series of health screening sessions for specific age groups, in collaboration with organizations like the Hellenic Cancer Society and Doctors of the World – Greece. It also organized hands-on first-aid workshops for school teachers. Approximately 600 children and adults benefited from the activities, which will continue in 2019.

3 GOOD HEALTH AND WELL-BEING

17 PARTNERSHIPS FOR THE GOALS

Looking ahead

The restart of major projects, which would energize the construction sector, is not anticipated before the second half of 2019 and while tourism-related building activity will most likely maintain the upward trend, residential construction is expected to remain at low levels.

In spite of strong pressures from global competition and rising energy costs, we will focus on achieving production and export agility, energy efficiency, enhanced use of alternative fuels and optimal application of digital technologies for operational excellence.

Southeastern Europe

The increase in building activity led to improved results in the region of Southeastern Europe.

Market overview

The markets of Southeastern Europe saw an increase in building activity and higher cement consumption in the context of the mild economic upturn over recent years.

Usje cement plant, North Macedonia

2018 PERFORMANCE HIGHLIGHTS

Financial

Turnover
16% of Group
€239m
(2017: €226m)

EBITDA
23% of Group
€60m
(2017: €57m)

Total assets
17% of Group
€493m
(2017: €482m)

Non-Financial

Social

Lost time injuries frequency rate (LTIFR) for employees in 2018 (per million man hours)

2.19

(2017: 4.26)

All plants are certified under **OHSAS 18001**

% of employees from the local community

63.91%

(2017: 62.11%)

Environmental

All cement plants are certified under **ISO 14001**

PRINCIPAL PRODUCTS/ACTIVITIES

Cement
Ready-mix concrete
Aggregates
Waste management and alternative fuel

OPERATIONAL UNITS

5	20	6	1	1
Cement plants	Quarries	Ready-mix plants	Distribution terminal	Processed engineered fuel facility

Regional performance

Reflecting sales growth in most markets of Southeastern Europe, turnover in 2018 increased by 5.7% to €238.6 million and, due to improved revenues, EBITDA improved by 4.9% to €59.7 million. Results were affected by higher energy costs, but partially mitigated by investments in alternative energy in recent years.

During 2018, Albania demonstrated stable economic growth, with GDP growing by 3.7%, the same as 2017. The construction sector, especially public spending on infrastructure projects, was impacted by a contraction, mainly due to over-activity in 2017 and the completion of several large projects. This resulted in a 9% drop in domestic cement consumption, impacting negatively on sales. Results were also affected by high energy prices. Nonetheless, TITAN has increased efficiency and delivered products to both domestic and export markets.

Bulgaria recorded GDP growth above 3% for the fourth consecutive year, and the outlook remains positive, driven mainly by exports and EU-funded infrastructure projects. Demand for cement grew by about 15% compared to 2017, due to private consumption and residential investments in Bulgaria's largest cities.

North Macedonia's GDP grew by 2.5% during 2018 through improved exports, private investment and consumption. Although the political situation is improving, the time spent revising public construction contracts and licenses led to a 3.4% drop in demand compared to 2017. Increases in kiln fuel and electricity prices over 2018 softened results further.

In 2018, Kosovo achieved 4% GDP growth, the same as 2017. The construction sector continued to expand, with cement demand rising by 5% to a new high. This was driven by residential construction, positive migration trends, road infrastructure projects and low interest rates. TITAN Group's cement sales volumes increased, and the company invested in property, plant and equipment to improve its operational and environmental performance.

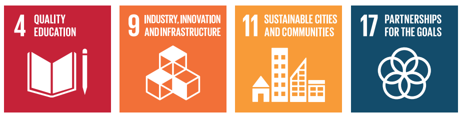
The estimated 4.5% growth in real GDP in Serbia was driven by wage increases, higher public and foreign investment, and previous monetary easing. The domestic cement market benefited, recording estimated growth of 12% in 2018, mainly from real estate and commercial projects, and ongoing major infrastructure schemes. Profitability remained healthy in 2018, despite rising energy prices. In Montenegro - the main export market of Serbia - cement consumption saw double-digit growth.

Students' contest to improve visual impact

Partnering with local communities to effectively address their material issues is a vital part of TITAN's approach to sustainable growth.

In 2018, TITAN North Macedonia cooperated with the Faculty of Architecture, inviting its students to a contest for the reconstruction of the company's facade surfaces, in order to visually improve industrial buildings and installations that are more visible from the surrounding area.

Working in teams or individually, 25 students participated in the contest, which lasted from November 2017 to February 2018. A committee, composed of representatives from the Faculty of Architecture and TITAN North Macedonia, selected the four winning projects and awarded the winners a monetary prize, while all other participants received a symbolic prize. In addition, the company invited the four winners to propose solutions for the future restoration of its silos, aiming to establish a long-term cooperation with the students and the University.



Looking ahead

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

Eastern Mediterranean

Conditions in the Eastern Mediterranean region were challenging, especially in the second half of 2018. Group activity was affected by the significant increase of capacity in Egypt, as well as the recession in Turkey.

Market overview

In 2018, the construction sector in Egypt was affected by the continued fragile post-devaluation economic environment. Cement consumption fell by an estimated 6% compared to 2017, to around 51 million metric tons.

In Turkey, 2018 was a year of intense market volatility and rising economic stress. A sharp contraction in construction activity in the second half of the year occurred as the country was hit by an economic crisis, which saw a sharp slowdown in economic growth, currency devaluation and high inflation.

Alexandria cement plant, Egypt

2018 PERFORMANCE HIGHLIGHTS

Financial

Non-Financial

Social

Lost time injuries frequency rate (LTIFR) for employees in 2018 (per million man hours)

0.61

(2017: 1.63)

All plants are certified under **OHSAS 18001**

% of employees from the local community

82.80%

(2017: 81.55%)

Environmental

All cement plants are certified under **ISO 14001**

PRINCIPAL PRODUCTS/ACTIVITIES

- Cement
- Ready-mix concrete
- Aggregates
- Waste management and alternative fuel

OPERATIONAL UNITS

3	2*	16	7	1	2
Cement plants	Grinding plants	Quarries	Ready-mix plants	Distribution terminal	Processed engineered fuel facility

*Antalya grinding plant was part of TITAN Group until the end of September 2018.

Regional performance

The Eastern Mediterranean region faced significant challenges in 2018 and operating results declined. Turnover reached €154.3 million, a 2.5% drop (or 5% on a like-for-like basis, before full consolidation of our Turkish operations), while EBITDA stood at €11.4 million, 13.8% lower than in 2017.

The cement industry in Egypt continued to suffer from oversupply, exacerbated by a new state-owned, 12 million tons cement plant which entered the market in the second half of 2018. As a result, capacity utilization rates at our plants fell significantly, in particular during the second half of the year. Furthermore, oversupply is hindering the sector's ability to pass on the steep increase in electricity tariffs which was implemented in July and the imposition of additional levies per each ton of cement produced. Due to market dynamics, these cost base increases did not lead to an adjustment of prices and practically wiped out the profitability of our Egyptian operations.

The entire cement sector in Egypt is experiencing hardship which is reflected in poor financial performance. Closure of some more of the old capacity may relieve some of the pressure but an increase in prices is imperative for the sector to recover.

In Turkey, to support the company at a challenging time for the local industry, TITAN agreed to acquire an additional 25% of Adocim, while disposing of its 50% participation in the Antalya grinding plant.

Adocim operations in Turkey – TITAN's 75% ownership of the Adocim cement plant and 100% ownership of Adocim Marmara – were affected by the economic recession. Cement consumption decreased by 10% year on year, reaching 68 million tons. A 38% slide in the Turkish lira against the euro and the increase in energy costs further impacted results.

The net result attributed to the Group from our subsidiary in Turkey for the period from 1 January 2018 to 30 September 2018 was a loss of €2.9 million, against a €0.5 million profit in 2017. It should be noted that results from the Group's Turkish operations are accounted for with the equity method until 30 September 2018, while the final quarter of 2018 is fully consolidated.

Supporting the neighboring community in Wadi El Kamar, Alexandria

Improving living conditions is a material issue for the 50,000 residents of Wadi El Kamar, the neighboring community of our Alexandria plant. In 2018, TITAN Egypt, for the fourth consecutive year, partnered with the non-governmental organization "Sustainability Center for Development" and other local NGOs in Alexandria to clean, disinfect, repair and improve public spaces in the Wadi El Kamar area. As part of the project, it rented several loaders and trucks to assist the authorities in the monthly road cleaning. To further support the community, local residents were mainly employed for the project.

Aspiring to promote a healthier way of living, TITAN Egypt also funded the construction, equipment and furnishing of a sports playground for the children and youth of Wadi El Kamar. The playground was officially opened in early 2019 and its construction was implemented under the supervision of the Ministry of Youth & Sports, in coordination with several members of parliament in Alexandria.

Looking ahead

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

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

Joint venture in Brazil

PRINCIPAL PRODUCTS/ACTIVITIES

Cement

Ready-mix concrete

OPERATIONAL UNITS

1 Cement plant

1 Grinding plant

3 Quarries

5 Ready-mix plants

10 Distribution terminal

Our joint venture in Brazil shows increased sales and improved results.

Market overview

Cement demand in Brazil exhibited encouraging trends in 2018, as the economy grew by 1% for a second consecutive year. Cement consumption almost stabilized, reaching 52.7 million tons. This marks a year-on-year decline of just 1.2%, the slowest decline since 2014 (72 million tons).

Regional performance

Cement consumption in the north and northeast, the natural market of the Apodi joint venture, has recovered more slowly than the rest of Brazil and was driven by residential construction. Apodi increased its sales volumes for the third consecutive year. Price increases and operational efficiencies have helped increase operating profitability, EBITDA more than doubled, and net losses attributable to the Group stood at €2.6 million, a marked improvement compared to the €9.5 million loss in 2017.

Looking ahead

The National Union of Cement Industry (SNIC) expects that 2019 will see growing cement demand and the start of a growth cycle, driven by both residential projects and government investments in infrastructure in Northeastern Brazil, where the Group is present.

Other business activities

STET: Separation technologies

STET is the global leader in industrial tribo-electrostatic separation offering its unique technology and services to customers in industries such as construction, mining, food & nutrition, and animal feed. STET technologies and services provide unique solutions to customers, who seek to generate value by converting waste into useful products thus improving their environmental footprint.

For example, STET technology can separate highly valued plant protein in the form of very fine discrete particles from plant fiber, generating solutions that help meet the increasing needs for protein to help feed the world. Industries focused on sustainable resources rely on STET technology for water free separation and beneficiation of industrial minerals including calcium carbonate, talc and barite. In addition, STET's separation technology is efficient and cost effective at recycling fly ash from coal combustion, thereby reducing landfill deposits and their associated environmental risk factors.

The strong technical capability of STET is centered around the multidisciplinary concept of a contemporary research center and a team of scientists, design engineers and technical research staff committed to working with knowledgeable commercial partners.

STET designed and constructed a laboratory-scale version of the tribo-electrostatic separator that is useful for small-scale experimentation and evaluating the separability of new candidate materials. The company also introduced a containerized mini-separator, which allows prospective customers to "try-before-you-buy" and test STET's technology on their own site.

During 2018, STET technology was utilized to process over 1.2 million tons of fly ash and industrial minerals. STET's global coverage has expanded with business development representation on six continents to service customers anywhere in the world.

GAEA: Contributing to the circular economy

Green Alternative Energy Assets (GAEA) is a company that offers solutions for waste management and environmental protection, waste utilization and alternative fuels production. Established in 2011 in Bulgaria, GAEA has been recognized as a reliable solutions provider in the Bulgarian waste market.

During its seven years of operation in Bulgaria, GAEA has provided solutions to a wide range of industries in the country, contributing to the circular economy. Supporting the cement business, too, in 2018, it enabled Zlatna cement plant to achieve a peak monthly thermal substitution rate (TSR) of 33% per kiln and an annual average TSR of 26% for both kilns.

GAEA has also expanded its operations in Egypt since 2016, commencing co-processing and producing refuse-derived fuel from municipal solid waste in Alexandria to supply the local cement plant, and dried sewage sludges and biomass for the Beni Suef plant.

Awards and recognitions

We are proud of the awards and external recognition that TITAN companies received during 2018. The following are a few selected highlights from around the Group.

USA

TITAN America's Roanoke cement plant in Virginia and Pennsuco cement plant in Florida received the ENERGY STAR® certification from the US Environmental Protection Agency for their energy efficiency performance.

The Roanoke cement plant was also awarded with the Silver-level Zero Waste Certification from the Green Business Certification Inc., for diverting more than 90% of its waste from landfill through plant waste management and the cement kiln dust (CKD) process.

The Roanoke Cement Company plant's commitment to its community earned recognition in the Outreach category of the Portland Cement Association's 2018 Energy and Environment Awards.

The S&W Ready Mix Castle Hayne plant was named the winner of the 2018 Environmental Excellence Award organized by the Carolina Ready Mix Concrete Association. The award recognizes companies that provide environmental leadership for the ready-mix concrete industry and make substantial contributions to preserving and protecting the environment.

Greece and Western Europe

TITAN Greece climbed from 11th to 5th in Fortune magazine's ranking of the Most Admired Companies in Greece 2018. The index takes into account criteria such as innovation, human resources management, financial soundness, long-term investment value, product and service quality, outreach and competitiveness.

It also received the Business Excellence Award at the Eurobank and Grant Thornton's Growth Awards 2018, for its overall performance and significant contribution to the growth of the Greek economy.

Acknowledging its interaction with the investment community, TITAN Greece received an Investor Relations award from Hrima magazine, for the quality and efficiency of the information provided to shareholders through traditional and digital channels.

Southeastern Europe

Zlatna Panega Cement AD in Bulgaria received a corporate social responsibility (CSR) Award from the Center for Inclusive Education for its initiatives to support education. The company was also recognized by CSR Advice Box, receiving a Certificate of Excellence after two of its case studies were included in the first Bulgarian CSR textbook.

TITAN Usje in North Macedonia was recognized by the Association of Mining and Geological Engineers for providing expert counselling in mining and geology.

In Serbia, TITAN Cementara Kosjeric received a Ten Years First award from the Responsible Business Forum, in recognition of the company's contribution to the development of CSR in the country.

Eastern Mediterranean

The Ministry of National Education in Turkey recognized Adocim for its support of the "Artova 3" children's festival for pre-school students.

Adocim was also honored by the Zile Chamber of Industry and Trade for its contribution to the local economy, and for being one of the first ISO 50001-certified companies.

Corporate governance

Our approach to corporate governance, the roles of our directors and an overview of how our Board of Directors ensures oversight of our operations.

Corporate governance

The Board of Directors is responsible for establishing and overseeing the culture, values and ethics that guide how we operate every day.

At TITAN, corporate governance is synonymous with ethical business practices, transparency, accountability and sustainability. We believe that high-quality corporate governance creates long-term value for our shareholders, customers, employees and suppliers. Our aim is that all stakeholders benefit from the way we do business.

Our Board of Directors and Board Committees

Name	Executive Director	Non-executive Director	Independent Director	Audit Committee	Remuneration Committee	Nomination and Corp.Gov. Committee
Chairman: Efstratios-Georgios (Takis) Arapoglou		●				●
Vice Chairman: Nellos Canellopoulos	●					
Chief Executive Officer: Dimitri Papalexopoulos	●					
CFO and Delegated Officer: Michael Colakides	●					
Senior Independent Director: Doros Constantinou		●	●	●		
Directors: (in alphabetical order)						
Hiro Athanassiou		●	●		●	●
Takis-Panagiotis Canellopoulos	●					
Alexander Macridis		●	●		●	
Domna Mirasyesi-Bernitsa		●	●			●
Ioanna Papadopoulou		●	●	●		
Alexandra Papalexopoulou-Benopoulou	●					
Petros Sabatacakis		●	●		●	
Plutarchos Sakellaris		●	●	●		
Efthymios Vidalis		●				
Bill Zarkalis	●					

Other committees with Board member participation

Executive Committee	**Chairman:** Dimitri Papalexopoulos **Members:** Sokratis Baltzis, Michael Colakides, Konstantinos Derdemezis, John Kollas, Christos Panagopoulos, Yanni Paniaras, Alexandra Papalexopoulou-Benopoulou, Fokion Tasoulas, Bill Zarkalis
Sustainability Committee	**Chairman:** Dimitri Papalexopoulos **Members:** Nellos Canellopoulos, Takis-Panagiotis Canellopoulos, John Kollas, Yanni Paniaras, Fokion Tasoulas, Efthymios Vidalis
Advisory Council	**Chairman:** Andreas Canellopoulos – Former Chairman of the Board of Directors **Members:** Nellos Canellopoulos, Takis-Panagiotis Canellopoulos, Michael Sigalas, Efthymios Vidalis

Meeting our obligations

We comply with all corporate governance provisions of the Greek law. Furthermore, since 2010, we have voluntarily adopted the UK Corporate Governance Code with the deviations explained in the Corporate Governance Statement, which constitutes part of the Annual Report.

Nomination of Board members

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

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

Composition of the Board

The following principles govern the composition of the Board:

- The roles of Chairman and CEO are not held by the same person;
- Excluding the Chairman, at least half the board should be non-executive directors whom the board considers to be independent;
- Non-executive directors should have sufficient time to meet their board responsibilities.

Conforming with the above rules, the roles of Chairman and CEO of TITAN are not held by the same person and a clear division of the responsibilities of the two roles is expressly set out in the Company's Internal Regulation and agreed by the Board. The majority of directors, namely eight out of 15, are non-executive directors and seven of them the Board considers to be independent. The role of non-executive directors is to constructively challenge and help develop proposals on strategy, scrutinize the performance of the management against agreed goals and objectives, and monitor the reporting of performance.

The Chairman

The Chairman of the Board is a non-executive director who, upon his election, met all the independence criteria set out in provision B.1.1. of the UK Corporate Governance Code. The Chairman also meets the additional independence requirement set by the Company, according to which, independent directors must not hold more than 0.1% of the share capital of the Company. At least once a year, the Chairman holds separate meetings with the independent directors without the presence of the executive directors.

Senior Independent Director

The Senior Independent Director has a duty, when required, to assist the Chairman with his tasks and serve as an intermediary for the other directors and shareholders when necessary. Led by the Senior Independent Director, the non-executive directors meet without the chair present at least annually to appraise the chair's performance, and other occasions as necessary.

Board performance evaluation

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

The evaluation of the effectiveness of the Board in 2018 was externally facilitated by Nestor Advisors Ltd. Other than the Board evaluation, Nestor Advisors Ltd. have no other connection with TITAN.

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

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

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

Summary of financial statements

SUMMARY INCOME STATEMENT

(all amounts in euro thousands)	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2018	**2017***	**2018**	**2017***
Turnover	1,490,097	1,505,803	229,038	233,805
Cost of sales	-1,089,489	-1,070,349	-192,728	-182,851
Gross profit before depreciation, amortization and impairment	**400,608**	**435,454**	**36,310**	**50,954**
Other income	15,405	10,631	37,177	15,847
Administrative expenses	-124,975	-125,459	-41,395	-44,526
Selling and marketing expenses	-22,287	-22,570	-256	-253
Other expenses	-9,010	-24,615	-4,603	-7,218
Profit before interest, taxes, depreciation, amortization and impairment	**259,741**	**273,441**	**27,233**	**14,804**
Depreciation and amortization	-114,509	-112,294	-16,052	-15,717
Impairment of tangible and intangible assets	-1,288	-4,135	-	-2,150
Profit/(loss) before interest and taxes	**143,944**	**157,012**	**11,181**	**-3,063**
Net (loss)/income from participations, investments and equity instruments	-68	162	37,329	34,199
Losses of obtaining control in joint venture	-3,075	-	-	-
Net finance expense	-63,817	-64,134	-14,676	-16,159
Gains/(losses) from foreign exchange differences	9,319	-22,326	1,227	-3,096
Share of loss of associates and joint ventures	-3,741	-7,488	-	-
Profit before taxes	**82,562**	**63,226**	**35,061**	**11,881**
(Less)/plus: Income tax	-26,578	-18,929	-1,714	1,510
Profit after taxes	**55,984**	**44,297**	**33,347**	**13,391**

Attributable to:

Equity holders of the parent	53,847	42,680
Non-controlling interests	2,137	1,617
	55,984	**44,297**
Basic earnings per share (in €)	**0.6706**	**0.5292**
Diluted earnings per share (in €)	**0.6653**	**0.5256**

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

SUMMARY STATEMENT OF FINANCIAL POSITION

(all amounts in euro thousands)	Group		Company	
	31/12/2018	31/12/2017*	31/12/2018	31/12/2017*
Assets				
Property, plant & equipment and investment property	1,660,094	1,478,176	258,037	261,881
Intangible assets and goodwill	405,221	345,971	11,107	8,093
Investments in subsidiaries	-	-	701,037	778,805
Investments in associates and joint ventures	117,567	160,904	4,800	-
Other non-current assets	13,190	13,393	3,295	3,497
Deferred income tax asset	8,715	2,926	-	-
Non-current assets	**2,204,787**	**2,001,370**	**978,276**	**1,052,276**
Inventories	286,561	258,204	67,674	65,410
Receivables, prepayments and other current assets	207,582	181,646	57,389	67,849
Cash and cash equivalents	171,000	154,247	13,710	29,323
Current assets	**665,143**	**594,097**	**138,773**	**162,582**
Total assets	**2,869,930**	**2,595,467**	**1,117,049**	**1,214,858**
Equity and liabilities				
Share Capital 84,632,528 shares of €3.45 (2017: €3.00)	291,982	253,897	291,982	253,897
Share premium	22,826	22,826	22,826	22,826
Treasury shares	-112,884	-105,384	-112,884	-105,384
Other reserves	742,229	726,719	461,099	543,291
Retained earnings	449,980	409,155	56,639	29,502
Equity attributable to equity holders of the parent	**1,394,133**	**1,307,213**	**719,662**	**744,132**
Non-controlling interests	77,157	62,459	-	-
Total equity (a)	**1,471,290**	**1,369,672**	**719,662**	**744,132**
Long-term borrowings	745,222	820,382	292,385	379,218
Deferred income tax liability	94,414	39,644	7,362	6,078
Retirement benefit obligations	32,741	32,440	16,946	15,410
Provisions	28,373	30,172	7,781	6,944
Other non-current liabilities	5,687	6,711	3,898	3,795
Non-current liabilities	**906,437**	**929,349**	**328,372**	**411,445**
Short-term borrowings	197,637	56,825	3	32
Trade, income tax and other payables	282,800	231,063	63,146	50,981
Provisions	11,766	8,558	5,866	8,268
Current liabilities	**492,203**	**296,446**	**69,015**	**59,281**
Total liabilities (b)	**1,398,640**	**1,225,795**	**397,387**	**470,726**
Total equity and liabilities (a+b)	**2,869,930**	**2,595,467**	**1,117,049**	**1,214,858**

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

CASH FLOW STATEMENT

(all amounts in euro thousands)	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2018	2017*	2018	2017*
Cash flows from operating activities				
Cash generated from operations	**270,478**	**240,453**	**23,043**	**29,259**
Income tax paid	-9,198	-14,359	-1,289	-3,422
Net cash generated from operating activities (a)	**261,280**	**226,094**	**21,754**	**25,837**
Cash flows from investing activities				
Payments for property, plant and equipment	-102,118	-119,950	-12,256	-27,924
Payments for intangible assets	-16,394	-2,568	-4,023	-2,930
Proceeds from sale of PPE, intangible assets and investment property	1,850	1,467	18,709	95
Proceeds from dividends	2,649	4,686	38,490	30,458
Net (payments)/proceeds from (increase)/decrease in investments to affiliates and other investing activities	-25,218	-48,959	77,726	84,135
Net cash flows (used in)/from investing activities (b)	**-139,231**	**-165,324**	**118,646**	**83,834**
Net cash flows after investing activities (a)+(b)	**122,049**	**60,770**	**140,400**	**109,671**
Cash flows from financing activities				
Payments from share capital decrease of the Parent Company	-42,138	-84,136	-42,138	-84,136
Payments for shares bought back	-8,614	-4,951	-8,614	-4,951
Other proceeds from financing activities	2,775	1,414	715	606
Payments of interest and other related charges	-61,620	-60,183	-12,989	-22,591
Dividends & reserves paid	-4,225	-8,461	-4,225	-8,461
Dividends paid to non-controlling interests	-3,927	-3,868	-	-
Net proceeds from/(payments of) borrowings	9,362	77,621	-88,925	28,379
Net cash flows used in financing activities (c)	**-108,387**	**-82,564**	**-156,176**	**-91,154**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**13,662**	**-21,794**	**-15,776**	**18,517**
Cash and cash equivalents at beginning of the year	154,247	179,710	29,323	11,218
Effects of exchange rate changes	3,091	-3,669	163	-412
Cash and cash equivalents at end of the year	**171,000**	**154,247**	**13,710**	**29,323**

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

Summary of non-financial statements

TITAN GROUP – Performance of all activities, acc. to the Sectoral Approach adopted by TITAN

	SDGs 2030 and Targets	Key Performance Indicators		2014	2015	2016	2017	2018
Impact on natural raw materials resources and waste management								
Local impacts	SDG 12.2 SDG 13	Raw materials extracted (total, wet)	million t	29.5	30.3	32.2	33.7	**33.2**
		Raw materials consumed for clinker and cement production (dry)	million t	19.6	21.2	22.8	23.9	**22.1**
		Extracted (natural) raw materials consumption (dry)	million t	18.2	20.1	21.7	22.6	**20.9**
		Alternative raw materials consumption (dry)	million t	1.4	1.2	1.2	1.3	**1.2**
		Alternative raw materials substitution (clinker & cement)	%	7.0	5.5	5.1	5.5	**5.4**
		Raw materials consumed for ready mix, dry mortar and block production[1] (wet)	million t	6.9	8.0	8.7	10.7	**8.8**
	SDG 12.4 SDG 12.5	Externally recycled waste materials (total, wet)	t	353,600	294,000	426,674	259,704	**200,429**
		Recycled	t	353,600	294,000	413,553	255,228	**198,578**
		Reused	t	n/a	n/a	9,683	4,395	**1,832**
		Recovered	t	n/a	n/a	3,438	81	**18**
Impact on biodiversity and land stewardship								
Local impacts	SDG 15.3 SDG 15.4 SDG 15.5 SDG 15.9 SDG 15.a	Active quarry sites with biodiversity issues[2,4]		8	8	8	10	**10**
		Active quarry sites with biodiversity management plans[3,4]		3	6	6	8	**9**
		Active quarry sites with biodiversity management plans	%	37.5	75.0	75.0	80.0	**90.0**
		Sites with community engagement plans	%	100.0	100.0	100.0	100.0	**100.0**
		Sites with quarry rehabilitation plans[4]	%	80.0	82.0	87.0	81.0	**78.0**
		Active quarry sites (wholly owned) with ISO14001 or similar	%	94.0	96.0	93.0	81.0	**80.0**
Impact on energy resources								
Fuels and Energy	SDG 7.2 SDG 13	Thermal energy consumption (total)	TJ	40,093	44,333	47,316	49,192	**44,949**
		Electrical energy consumption (total)	TJ	5,698	6,101	6,652	6,805	**6,462**

TITAN GROUP – Performance of cement plants and attached and related quarries, acc. to the Sectoral Approach adopted by TITAN

	SDGs 2030 and Targets	Key Performance Indicators		2014	2015	2016	2017	2018
Impact on Green House Gas Emissions								
Climate change	SDG 9.4 SDG 13	*Gross direct CO_2 emissions (total)	million t	9.5	10.5	11.4	11.9	**10.9**
		*Net direct CO_2 emissions (total)	million t	9.4	10.3	11.1	11.6	**10.5**
		*Specific gross direct CO_2 emissions	kg/t	674.4	706.1	718.0	715.5	**707.6**
		*Specific net direct CO_2 emissions	kg/t	662.3	691.6	699.5	698.9	**684.6**
		Indirect CO_2 emissions (total)[5]	million t	1.1	1.1	1.2	1.2	**1.2**
Alternative fuels and materials								
Climate change	SDG 7.2 SDG 7.3 SDG 7a SDG 13	*Alternative fuel substitution rate	$\%_{heat\ basis}$	6.7	6.8	8.6	9.1	**12.1**
		*Biomass in fuel mix	$\%_{heat\ basis}$	2.2	1.6	2.1	2.6	**3.4**
		Clinker to cement ratio		0.831	0.847	0.844	0.837	**0.836**
		*Energy efficiency related to clinker production	kcal/kg	840.1	856.0	848.0	848.2	**836.7**
		Alternative fuels consumption (total)	t	122,790	127,665	163,537	202,757	**243,052**

	SDGs 2030 and Targets	Key Performance Indicators		2014	2015	2016	2017	2018
Impact on water resources								
Local impacts	SDG 6.4 SDG 6.5	*Water consumption (total)	million m^3	3.8	3.9	3.8	4.3	**3.9**
		*Specific water consumption	lt/t_{Cement}	305.4	287.1	255.1	273.1	**256.2**
Other air emissions								
Local impacts	SDG 3.9 SDG 9.4	*Overall coverage rate	%	61.8	75.1	82.5	77.6	**79.4**
		*Coverage rate continuous measurement	%	80.9	53.5	52.8	81.7	**80.6**
		*Dust emissions (total)	t	416.0	438.0	316.0	273.0	**153.2**
		*Specific dust emissions	$g/t_{Clinker}$	37.0	35.7	23.9	19.9	**12.1**
		*NOx emissions (total)	t	18,088.0	20,927.0	22,473.0	18,409.0	**16,494.5**
		*Specific NOx emissions	$g/t_{Clinker}$	1,610.4	1,705.8	1,702.9	1,340.0	**1,301.8**
		*SOx emissions (total)	t	2,969.0	2,527.0	2,713.0	2,733.0	**2,631.5**
		*Specific SOx emissions	$g/t_{Clinker}$	264.3	206.0	205.6	199.0	**207.7**

TITAN GROUP – Performance acc. to TITAN's Approach for Avoided emissions, consumption of natural resources, and landfilling, cement activities

				2014	2015	2016	2017	2018
Climate change	SDG 9.4 SDG 13	Avoided net direct CO_2 emissions[6]	million t	21.1	22.5	23.7	25.0	**26.5**
Local impacts	SDG 3.9 SDG 9.4 SDG 13	Avoided dust emissions[7]	t	33,350	37,450	42,000	46,850	**51,400**
		Avoided NOx emissions[7]	t	141,600	157,100	173,800	196,200	**217,300**
		Avoided SOx emissions[7]	t	20,330	22,900	25,750	28,770	**31,420**
	SDG 6.4	Avoided water consumption[8]	million m^3	11.0	14.0	17.7	21.3	**25.0**
	SDG 3.9 SDG 12.2 SDG 12.5 SDG 13	Avoided consumption of natural resources and landfilling of alternative materials and fuels	million t	16.8	18.1	19.5	21.0	**22.4**

TITAN GROUP – Investments for the Environment, all activities

				2014	2015	2016	2017	2018
	SDG 7b SDG 9.4 SDG 13	Environmental expenditures across all activities	m €	30.1	67.8	60.7	27.5	**28.8**

All activities performance acc. to the TITAN Global Sectoral Approach

			2014	2015	2016	2017	2018
Health and Safety	SDG 3.6 SDG 8.8	*Employee fatalities	0	1	0	0	**0**
		*Employee fatality rate	0.00	1.80	0.00	0.00	**0.00**
		*Contractors fatalities	1	1	0	0	**2[9]**
		Third-party fatalities	1	0	1	0	**0**
		*Employee Lost Time Injuries (LTIs)	18	23	22	27	**17**
		*Employee Lost Time Injuries Frequency Rate (LTIFR)	1.65	2.00	1.92	2.41	**1.54**
		*Employee lost working days	1,481	1,624	897	1,220	**615**
		*Contractors Lost Time Injuries (LTIs)	8	11	7	7	**9**
		Contractors Lost Time Injuries Frequency Rate (LTIFR)	0.87	1.10	0.73	0.82	**1.12**
		Near Misses	1,383	1,793	1,304	1,185	**2,169**
		Training man-hours on health and safety per employee	10.50	8.60	12.30	12.30	**12.98**

	SDGs 2030 and Targets	Key Performance Indicators	2014	2015	2016	2017	2018
Employment		Number of employees as of 31 December, Group total	5.501	5.654	5482	5.432	**5.365**
	SDG 5.1 SDG 5.4 SDG 5.5 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3	Employee turnover, Group total	11.60%	11.44%	13.57%	13.94%	**11.03%**
		Employee new hires (%), Group average	12.45%	10.86%	10.40%	13.02%	**10.27%**
		Employee new hires, Group total	685	614	570	707	**551**
		Share of women in employment, Group average	11.12%	11.52%	11.42%	11.76%	**11.82%**
		Share of women in management, Group average	15.70%	15.07%	16.24%	15.69%	**16.53%**
		Share of women in Senior Management, Group average[10]	n/a	n/a	17.69%	16.67%	**19.01%**
	SDG 8.5 SDG 10.3	Employees from local community, Group average	79.11%	78.77%	81.20%	80.00%	**80.79%**
	SDG 8.8	Unionized employees, Group total	43.30%	43.58%	40.93%	33.82%	**30.94%**
People development	SDG 4.3	Training investment (Euros), Group total[10]	n/a	n/a	1,269,410	871,992	**1,035,398**
	SDG 4.3 SDG 5.1 SDG 5.5	Trained employees, Group total	4,063	4,661	4,824	4,717	**5,064**
	SDG 4.3 SDG 4.4 SDG 4.5 SDG 5.1 SDG 5.5	Share of trained employees (in total workforce), Group average	73.70%	83.47%	85.96%	84.96%	**93.36%**
		Share of trained female employees (in total trained), Group average	13.32%	14.48%	13.64%	17.00%	**15.26%**
	DG 4.3 SDG 4.4 SDG 4.5 SDG 5.1 SDG 5.5 SDG 8.5 SDG 10.2 SDG 10.3 SDG 16.5	Training hours, Group total	130,067	110,776	158,210	155,587	**138,114**
		Average training hours per employee, Group total	24	20	28	28	**25**
		Training hours per subject, Group total					
		Health and safety	58,322	47,073	69,317	68,200	**69,591**
		Non-technical skills and specialization	15,544	15,008	18,517	27,725	**23,152**
Stakeholder engagement	SDG 2.1 SDG 2.3 SDG 4.3 SDG 4.4 SDG 8.5 SDG 8.6 SDG 9.1 SDG 9.5 SDG 11.4 SDG 16.5 SDG17.17	Donations (Euros), Group total	2,221,006	2,362,370	2,643,703	2,083,370	**2,263,920**
		Donations in cash (Euros), Group total[10]	n/a	n/a	1,053,426	1,498,483	**1,626,390**
		Donations in kind (Euros), Group total[10]	n/a	n/a	1,590,278	584,887	**637,530**
		Internships, Group total	379	432	730	910	**477**
		New entry level jobs from internships/traineeships, Group total[10]	n/a	107	101	39	**23**

Notes

* Data calculated acc. to guidelines of WBSCD/CSI. 2018 Data included in scope of ERM Certification and Verification Services (ERM CVS) assurance engagement (ERM CVS' "Independent assurance statement" is available in this section).

1 Figures for years before 2015 were revised to reflect only natural material consumed.

2 Active quarries within, containing or adjacent to areas designated for their high biodiversity value.

3 Sites with high biodiversity value where biodiversity management plans are actively implemented.

4 Coverage includes both quarries attached to cement plants and quarries for aggregates production.

5 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.

6 Avoided CO_2 emissions is total accumulated quantity for the period between the specific year and the base year which in the case of CO_2 emissions is 1990 in accordance to the Kyoto protocol. Details on the approach and methodology used can be found in Section 7 of the Integrated Annual Report 2018. The base year (1990) performance, adjusted for the equity of year 2018, for specific net direct CO_2 emissions was 778.3 kg/$_{\text{Cementitious}}$ product.

7 Avoided air emissions are total accumulated quantities (for each specific emission separately) for the period between the specific year and the base year which in the case of air emissions is 2003, the year of publishing the first sustainability report of TITAN Group. Details on the approach and methodology used can be found in Section 7. The base year (2003) performance, adjusted for the equity of year 2018, for specific dust emissions was 370.3 g/t_{Clinker}, for specific NOx emissions was 2,969.2 g/t_{Clinker} and for specific SOx emissions was 418.8 g/t_{Clinker}.

8 Avoided natural resources consumption is total accumulated quantity for the period between the specific year and the base year which in the case of air emissions is 2003, the year of publishing the first sustainability report of TITAN Group. Details on the approach and methodology used can be found in Section 7. The base year (2003) performance, adjusted for the equity of year 2018, for specific water consumption was 503.9 lt/t_{Cement}.

9 The reported figure includes 1 fatality that took place in an incident out-site our facilities related to logistics operations.

10 These disclosures were not under the scope of Reporting in years before the first 'record' in this Index of KPIs (previous years are noted as 'n/a').

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TITAN Cement Company S.A.
22A Halkidos Str.
11143 Athens, Greece
Tel: +30 210 2591111
www.titan-cement.com