Integrated Annual Report 2017
SUMMARY

TITAN

Building our future together

This is the Summary of TITAN Group's 2017 Integrated Annual Report (IAR 2017), 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's (IIRC) principles for integrated reporting.

The IAR 2017 is 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 2017 and the ERM CVS Assurance Statement are available online at integratedreport2017.titan.gr
We welcome your feedback, which you can provide to us through the above url.

Photos on pages 8, 13 and 25: Y. Kontos

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2017 highlights

Turnover
€1,505.8m

EBITDA
€273.4m

Profit after taxes
€42.7m

Total assets
€2,595.5m

Capital expenditure
€122.6m

Employees
5,432
(as at 31 December 2017)

Chairman's message

Dear Shareholders and Stakeholders,

In the post-industrial age companies need to be able to adapt to a faster pace of change. Operating models need to be continuously tweaked to face the challenges presented by the effect of technological and demographic changes which seriously test the validity of the traditional relationships between employment, growth, capital and profitability, to name just a few.

Moreover, major geopolitical events, social and political developments and more importantly continuous regulatory changes add more complexity and risks, even to the most prudent strategies and business plans. Systemically important economies across the developed and the emerging world, seem to be experiencing a simultaneous, yet not necessarily synchronized, recovery for different reasons each. The duration and magnitude of these recoveries is very difficult to predict, as rising income inequality, drastic changes in spending habits and record high personal, corporate and government debt around the world, add to the unpredictability going forward.

Because of these reasons, companies need to place an ever increasing emphasis on maintaining their values, enhancing their corporate governance and strengthening their social and sustainability footprint.

In this very challenging global environment, TITAN executive management and employees need to be congratulated for delivering, for yet another year, quality results on all fronts, benefiting its shareholders, its employees, its customers and the communities TITAN is operating in. We will ensure that management will continue being vigilant and proactive to further improve revenue growth as well as operating and capital efficiency.

I also wish to use this opportunity to congratulate and thank my fellow board members for supporting and guiding executive management, especially through their work in the board committees, in the design and effective execution of our strategic plan, while promoting the high values and governance standards of TITAN, a company we're all very proud to being part of.

Moving forward, we all commit to continue focusing on the long-term sustainability of our business and to adapting as quickly and efficiently as possible to change. Financial results will always be a derivative of all of the above and we are confident that we will continue to deliver great value to our shareholders and stakeholders.

Dear Shareholders,

For calendar year 2017 the Board is proposing for your approval a dividend of euro 0.05 and a return of capital of euro 0.50 per share, for common and preference shares.

Thank you for your continued confidence and support of TITAN and best wishes to all for an equally successful 2018.

Takis Arapoglou
Chairman

CEO message

Dear Shareholders and Stakeholders,

In 2017, operating in a business environment of strong regional disparities, we were able to deliver a solid, stable performance. Working together with you, we built further on our enduring commitment to a balanced, responsible and sustainable long-term growth, in a world of growing environmental and social tensions and rapid technological change.

Stable performance thanks to continuing growth in the US

Consolidated turnover for 2017 stood at €1,506 million, at the same level as 2016, whereas Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) decreased by 1.9% and reached €273 million. Net Profit after minority interest and the provision for Taxes (NPAT) was €43 million, the main difference being the extraordinary gain of €90 million recognized in 2016. This stable performance reflects our ability to capitalize on the opportunities offered by the continuing growth in the US market and to minimize the impact of adverse developments in Egypt and Greece.

The US construction market growth was driven primarily by increased private residential construction activity, albeit at a slower pace than in 2016. Having invested significantly, €238 million, in our operations over the last three years, we were well positioned to serve the growing demand with increasing profitability, leveraging our scale-economies and improved operating efficiencies.

Egypt, following the sharp devaluation of the EGP, faced a bigger challenge than originally anticipated, both in terms of volumes and margins. Construction activity slowed down, while costs, particularly those dependent on imports, rose significantly ahead of pricing.

The construction market in Greece posted, as expected, a new record low in 2017 due to the slowdown in infrastructure project construction. With residential construction activity remaining heavily subdued, the only positive trend was registered in hotel construction. Exports remained the main contributor to the Greek plants' utilization, albeit at lower margins due to increased competition and the weakening USD.

To address the sharp drop in profitability in both Egypt and Greece, cost reduction programs have been designed and implemented, encompassing energy, raw materials, transportation and spare parts. Voluntary employee leave programs were also offered under fair, favorable terms and were taken up accordingly.

In Southeastern Europe, the construction market was marked by a slow recovery which benefited our turnover and profitability in the region. With regards to our joint ventures: in Turkey demand growth largely compensated for increased supply in our areas of operation; in Brazil, with the market declining at a slower pace than in 2016, our operations managed to improve margins and cash flow.

The strengthening of the euro resulted in a negative translation effect for our businesses outside the euro area, mainly the US and Egypt. At stable exchange rates, Group turnover for 2017 would have been higher by €148 million and EBITDA higher by €18 million.

We continue to invest in our operations to ensure future growth and competitiveness. Investment for 2017 reached €123 million, covering a wide range of initiatives: a new quarry started operations in the US; the Group re-entered the maritime transportation business; efforts to improve energy efficiency, increase alternative fuels usage and reduce our carbon footprint progressed; upgrading our IT infrastructure, embracing digital initiatives and enhancing innovation capability became areas of increased focus.

Having successfully established our position in the capital markets over time, we were able to issue a €350 million seven-year bond (including the supplementary issue of January 2018) with a coupon at 2.375%, thereby further extending the maturity profile and lowering the cost of debt.

The Group's prospects for 2018 are mixed, with growth anticipated in the US, renewed headwinds in Greece, and the anticipation of a supply shock in Egypt.

In the US, the construction market stands to benefit from infrastructure development and continuing growth of private building investment. The US tax reform is also expected to have a positive effect, enabling further investment and growth.

On the other end of the construction cycle, Greece is expected to reach a new low in building activity. The investment activity in hotels and tourism is not sufficient to counterbalance the lack of residential investments and infrastructure projects, at least during the current year.

Egypt will benefit from stronger economic growth, as well as increased building activity linked to megaprojects, such as the construction of the New Capital. At the same time, the substantial increase in the supply of cement as major new plants come on-stream will exacerbate the oversupply in the market.

The markets of our operations in Southeastern Europe and our joint ventures in Brazil and Turkey are expected to move on a stable to positive trend.

Building our future together

At the same time as we are implementing initiatives to drive growth, restore profitability and take operating excellence to higher level, we also continue to focus on the long-term sustainability of the business.

The sustainability of our business is nurtured by our active engagement with all our stakeholder groups, guided by the principles of transparency, open dialogue and collaboration. This is an ongoing process with a long history and a long-term perspective; 2017 marks our 15th year of annual reporting on issues material to our stakeholders, covering, in addition to financial results, our impact on the environment and society. In 2017, we renewed our commitment to the UN Global Compact under its new operating model, as Participant, having also aligned our objectives with the UN Sustainable Development Goals covering the next years through to 2030.

We have set and published specific sustainability KPIs for our next milestone, 2020. Among those, we recognize climate change and greenhouse gas emissions as a top priority for our industry; we are on track to meet our 2020 target for reduced CO_2 emissions by 20% v. 1990 and have a longer-term action plan in place for further substantial reductions, within the limits inherent in the cement making process, by 2030.

Our engagement with local communities continued unabated in 2017; in addition to the various site-specific initiatives, a common theme remains our support for youth education and employability. The collaborative effort at EU level under the "Pact for Youth" came to a successful conclusion; new scholarship programs were launched in the US; Bulgaria expanded its "Teach for All" program; Egypt completed the restoration of a local school; and Greece launched a project providing support to local start-ups.

For our employees, the TITAN Leadership Platform has been the base for a revised performance and development process, which aims to enhance meritocracy and facilitate constructive feedback for personal development. Health and safety remain unwaveringly at the top of our priorities. We implemented, with good results, targeted campaigns addressing two of our major causes of accidents, namely LOTO and slips-trips-falls.

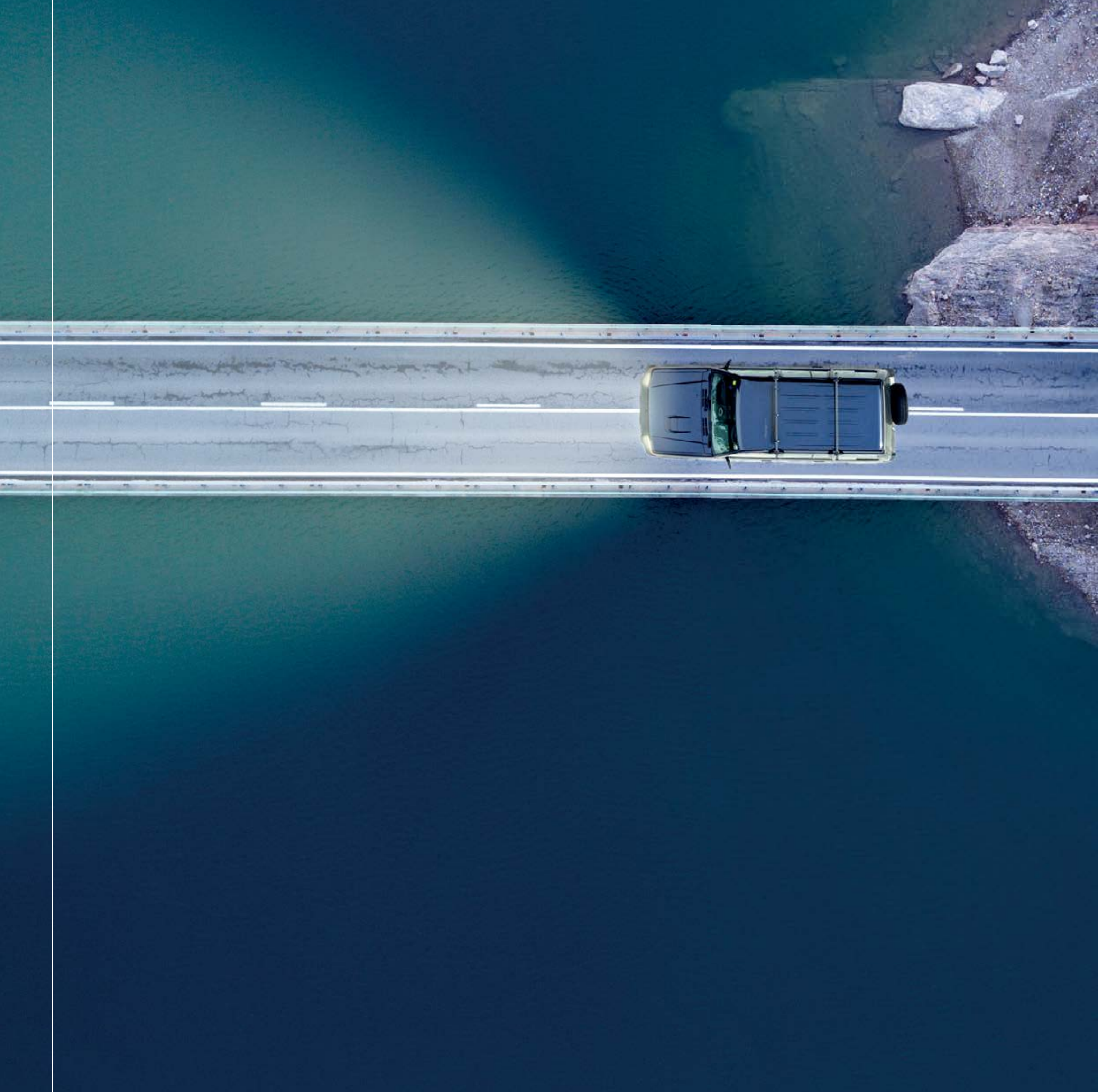
Our collaboration with suppliers, under the Group Procurement Transformation project, expanded to a second wave of materials' categories. Our aim is to create synergies, develop stronger supply chain relationships, promote sustainability and improve competitiveness. The same principle applies to our collaboration with our customers.

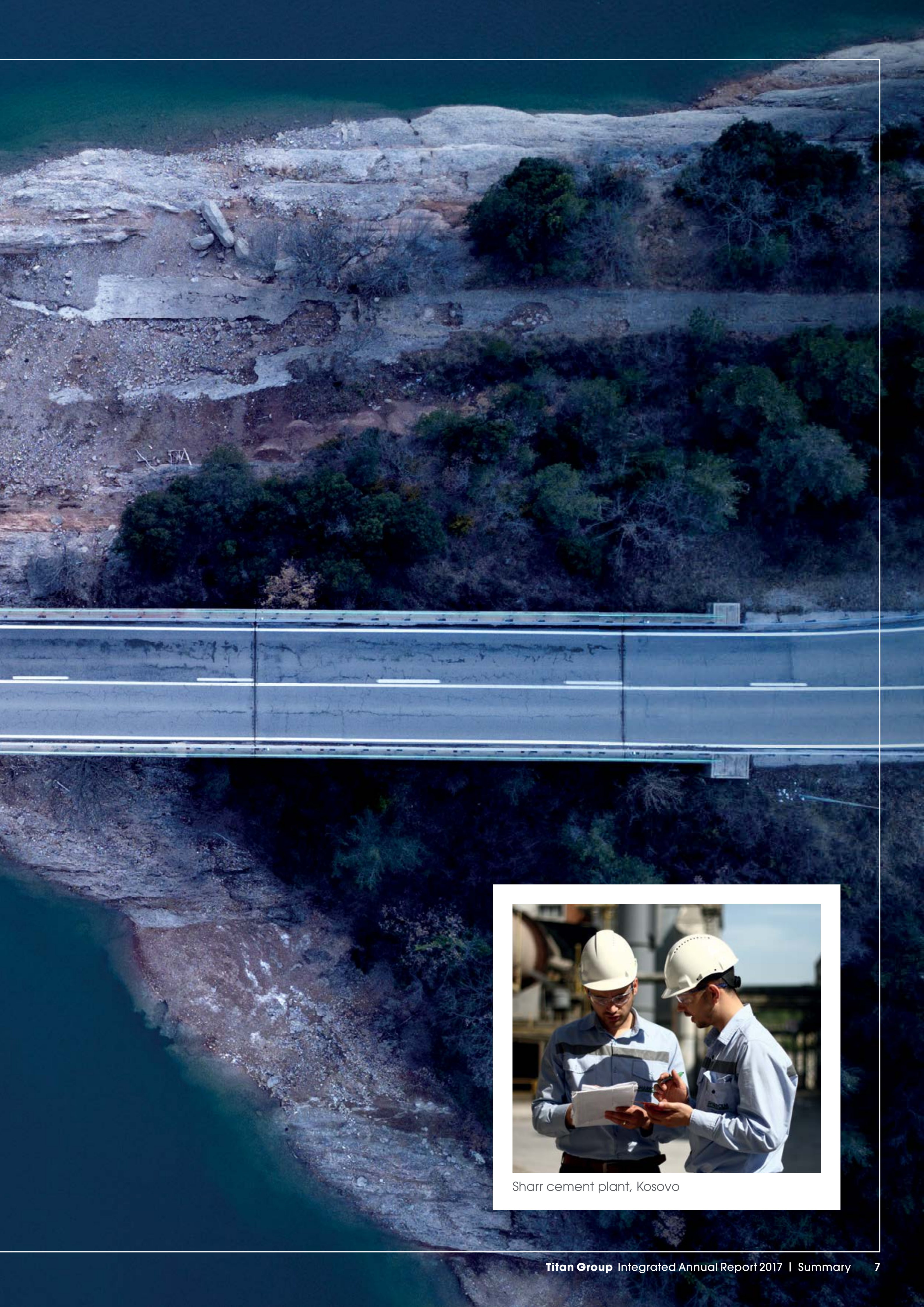
We are grateful for the trust of our stakeholders and shareholders as we work to build our future together, focusing on balanced profitability and growth, operational excellence and long-term sustainability.

Dimitri Papalexopoulos
Chief Executive Officer

Business overview

An overview of our Group and how we build value, assess our material issues and engage with stakeholders, along with a presentation of our 2020 sustainability performance targets and how these are aligned with the UN Sustainable Development Goals (SDGs).





Sharr cement plant, Kosovo

Business overview

Founded in 1902, TITAN Group has expanded beyond its Greek roots to become an international, vertically integrated building materials company that is committed to serving society's most fundamental needs, while contributing to sustainable growth with responsibility and integrity.

We provide the materials to build the structures and physical infrastructures which, in turn, provide shelter, enable commerce and foster connectivity.

Our business activities are carried out by both wholly owned companies and joint ventures with well-established partners; they cover the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials.

Our success depends on employing the best available techniques, our systematic research and constantly updated know-how. Above all, we rely on our highly skilled and experienced people who live the values of the Group.

Aiming to multiply the value we create, we engage in partnerships and collaborative action to share our know-how, experience and best practices. While taking action at local level, promoting solutions that safeguard sustainable growth for our business, communities and key stakeholders, we also seek to contribute meaningfully to global initiatives.

In 2017, we delivered a solid financial performance, while following an inclusive strategy that enabled us to remain agile, dynamic and committed to identifying and responding to the needs of our stakeholders.

The following are our most important partnerships and memberships for sustainable development:

UN GLOBAL COMPACT
WE SUPPORT

We were among the first 500 signatories, and now a Participant, of the UN Global Compact (UNGC), and are also involved in local UNGC networks in Egypt, FYROM, Greece and Serbia.

wbcsd

We have been a core member of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development since 2003.

CSR EUROPE

We became a member of CSR Europe in 2004, and founding members of national partner organizations in Albania, Greece, Kosovo and Serbia.

Patras cement plant, Greece

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

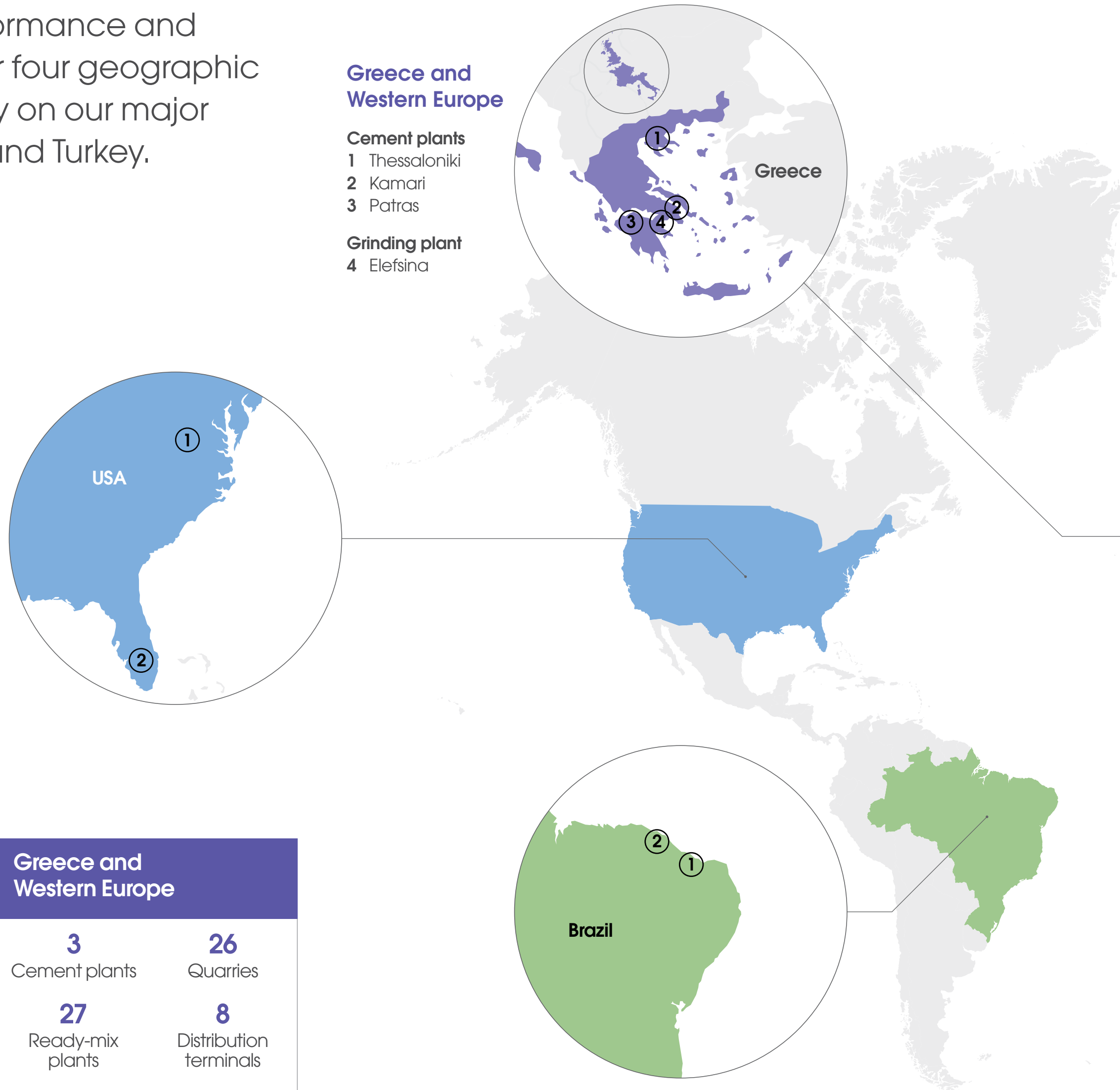
Corporate Social Responsibility

- 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.

Where we operate

We report on our performance and activities based on our four geographic regions and separately on our major joint ventures in Brazil and Turkey.



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

Joint ventures

Cement plant
1 Quixere

Grinding plant
2 Pecem

USA

2 Cement plants	**7** Quarries
85 Ready-mix plants	**14** Distribution terminals
10 Concrete block plants	**6** Fly ash processing plants

Principal products/activities

Turnover **€873m** 58%*

EBITDA **€185m** 68%

Assets **€997m** 38%

Greece and Western Europe

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

Principal products/activities

Turnover **€249m** 17%

EBITDA **€18m** 7%

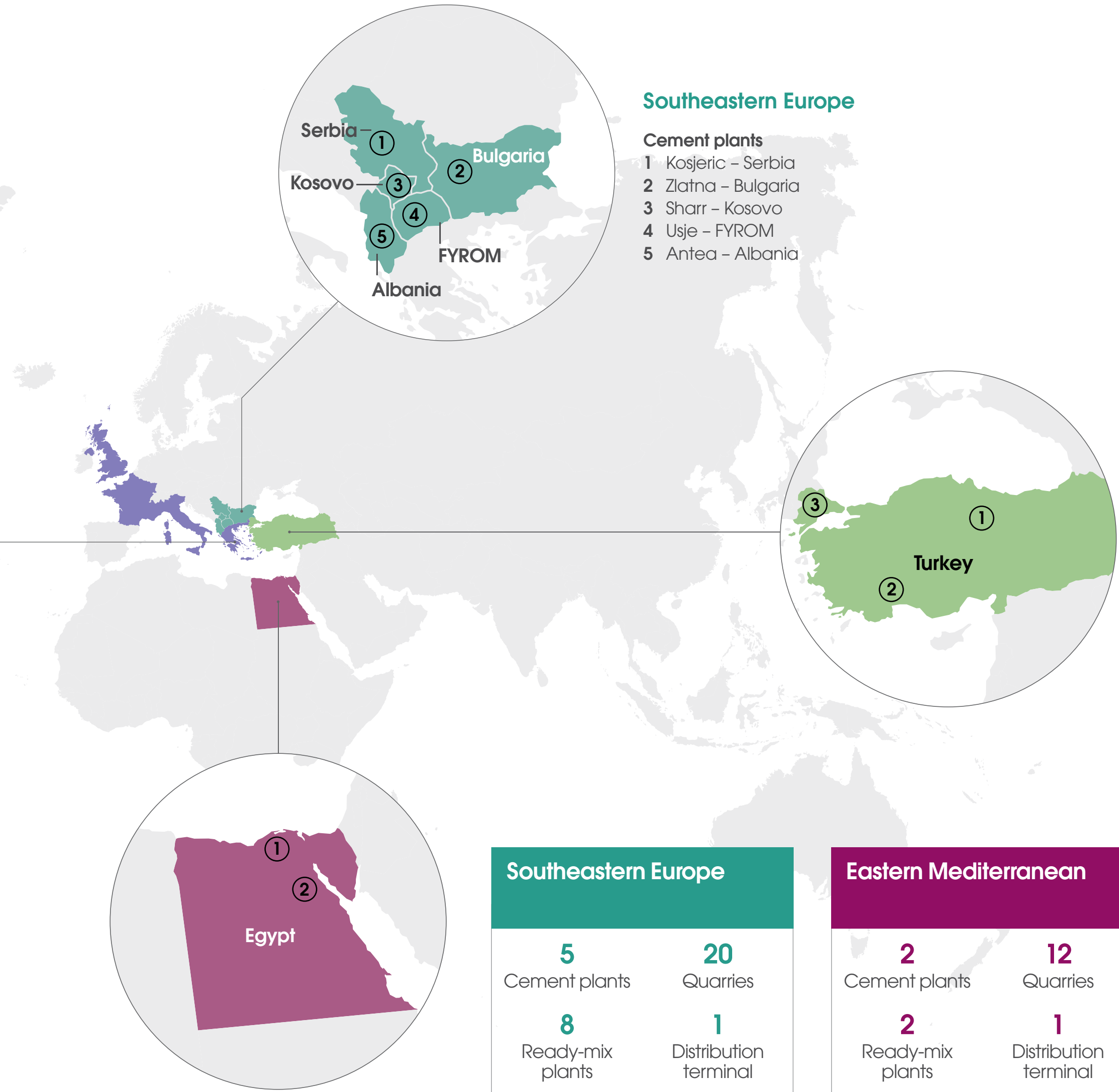
Assets **€581m** 22%

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 – FYROM
5 Antea – Albania

Joint ventures

Cement plant
1 Tokat

Grinding plants
2 Antalya
3 Marmara

Eastern Mediterranean

Cement plants
1 Alexandria
2 Beni Suef

Southeastern Europe

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

Principal products/activities

Turnover: €226m 15%

EBITDA: €57m 21%

Assets: €482m 19%

Eastern Mediterranean

2 Cement plants
12 Quarries
2 Ready-mix plants
1 Distribution terminal
1 Processed engineered fuel facility

Principal products/activities

Turnover: €158m 10%

EBITDA: €13m 5%

Assets: €382m 15%

Joint ventures**

2 Cement plants
8 Quarries
8 Ready-mix plants
12 Distribution terminals
3 Grinding plants

Principal products/activities

** The joint ventures in Brazil and Turkey are incorporated in the financial statements using the equity method of consolidation.

Delivering value for all

We use our unique strengths, resources and relationships to create sustainable value at every stage of our operations. We focus not just on what we do, but also on how we do it, ensuring that we make a meaningful contribution to all our stakeholders.

TITAN is creating value through its products and services, which serve the need for safe, durable, resilient, affordable and sustainable housing and infrastructure.

The Group's core activities include: the extraction of raw materials and their transformation into building products; the distribution of products to customers, and the transfer of know-how and expertise through collaborations with customers, business partners, local communities and academia.

Main raw materials used include limestone, clay, gypsum, mineral aggregates, energy and water.

1

Raw materials

We apply rehabilitation practices and implement Biodiversity Management Plans at sites recognized as areas of high biodiversity value.

2

Manufacturing

We crush, grind, heat, cool, mix and mold materials to produce cement, RMC and other building products, using best available techniques, in a safe and healthy environment.

We operate systems for recycling, processing and utilizing waste as alternative raw materials and alternative fuels, thereby contributing to the preservation of valuable resources and the minimization of waste.

Our Research & Development activities include the monitoring, integration and application of the global trends regarding environmental footprint reduction, with a particular focus on CO_2, both through process improvements and the development of low carbon products.

We provide a safe and healthy environment for our employees and promote their lifelong learning.

Moreover, we focus on delivering social value through our commitment to support the sustainable development of communities near our operations.

We build on collaborations with key stakeholders and implement programs focused on the most material local issues. Typically, such programs include employment creation in agriculture and other areas, incentives for education, safety training for schoolchildren and university students, health and wellness programs, and environmental awareness initiatives.

3

Distribution

We operate dedicated distribution terminals for our products across our regions, ensuring secure supply to our customers.

4

Customers and partners

We work closely with partners and customers at a local level, sharing our know-how to enhance the value our business creates.

5

Society and environment

We take special actions and engage in collaborative projects to ensure that our business has a positive impact on society and the local communities close to our operations.

Focus on material issues

For us, engagement with stakeholders is an ongoing and inclusive process. It helps us build trust and improves our understanding of their diverse needs, expectations and concerns, empowering our collaboration.

Our approach to stakeholder engagement and materiality

We report annually, focusing on the issues material to us and our stakeholders, at Group and local business level. The materiality assessment cycle takes between three and five years, in a process designed to ensure local stakeholder engagement, providing feedback that helps shape our strategy and improve our long-term results.

Our latest materiality assessment

In 2017, we completed materiality assessments at Antea cement plant in Albania and Tokat cement plant in Turkey. We also reviewed the outcomes of the materiality assessment that was conducted by TITAN America in early 2015, with the aim to align their Sustainability Strategy 2020 with the Sustainable Development Goals (SDGs). We have followed the same approach for all TITAN operations since September 2015, when we voluntarily adopted the UN 2030 Agenda for Sustainable Development. These latest updates to our ongoing materiality process confirmed that the issues identified as material by the Group remain the same.

This table summarizes the outcomes of the materiality assessment process 2015–2017

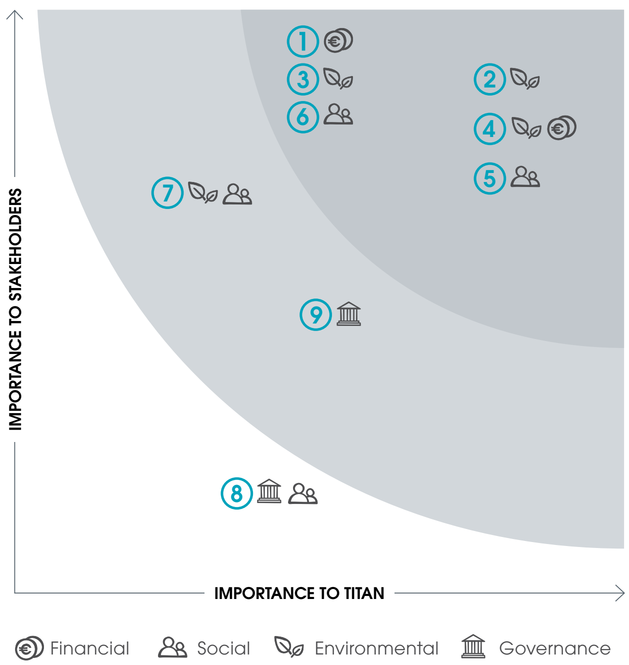
We seek feedback from key stakeholders through:

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

Our key stakeholders:

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

Materiality matrix



	Our most material issues	SDGs most relevant to TITAN Group
Financial	1 Financial liquidity and access to funding	8, 17
Environmental	2 Environmental management	6, 7, 15, 17
	3 Climate change	7, 13, 17
	4 Circular economy	12, 17
Social	5 Health and safety	3, 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
Governance	9 Governance, transparency and ethics	4, 8,17

Our 2020 targets

TITAN first began reporting on non-financial performance in Greece in 1983 and as a Group in 2003. Since then, we have demonstrated significant progress across all three areas of sustainability: economic, environmental and social. While proud of our achievements, we recognize that there is still work to do, and we are committed to continuing to set stretch targets that will drive further improvement.

In 2017, we extended our sustainability targets for 2020 and set new ones that reflect our ambition to be in line with global leaders of the industry on the environmental pillar and build on our distinctive approach to social engagement at a local level. Our new targets underline TITAN's commitment to maintain our advanced level of performance on minimizing SOx, NOx and dust emissions, while continuing to focus on further reducing CO_2 emissions. To meet this aim, in 2017 we developed a new, structured, quantitative, group-wide methodology, the "TITAN CO_2 Initiative." We have also set additional targets addressing the need for a holistic approach to environmental sustainability, including efforts to improve energy efficiency and maintain a robust performance on biodiversity and land management.

We also reaffirmed our commitment to reduce our Lost Time Injuries Frequency Rate (LTIFR), aiming to be in the top 25% of WBCSD/CSI members.

To support the Group's long-term commitment to the UN's 2030 Agenda for Sustainable Development, TITAN directly links its 2020 targets and priorities with the SDGs that have been identified by the materiality assessment process as the most relevant to the business. This is presented in the table below.

SUSTAINABILITY PERFORMANCE 2020 TARGETS

Specific net direct CO_2 emissions
(kg/t$_{Product}$)*
↓**20%**
(comp. to 1990** level)

Specific dust particulates
(g/t$_{Clinker}$)
↓**92%**
(comp. to 2003*** level)

Specific NOx emissions
(g/t$_{Clinker}$)
↓**53%**
(comp. to 2003*** level)

Specific SOx emissions
(g/t$_{Clinker}$)
↓**43%**
(comp. to 2003*** level)

SDGs: 12, 13, 17

Specific water consumption
(lt/t$_{Cement}$)
↓**40%**
(comp. to 2003*** level)

Biodiversity and land stewardship
100%
Active wholly owned sites with quarry rehabilitation plans
Active wholly owned sites of biodiversity value with Biodiversity Management Plans

SDGs: 6, 11, 15, 17

Energy efficiency
50%
of the Group's total clinker capacity to be covered by ISO 50001

SDGs: 7, 17

0
Fatalities
Employees, contractors and third parties

To be in the top
25%
of WBCSD/CSI members' performance in Lost Time Injuries Frequency Rate (LTIFR) for employees

SDGs: 3, 17

All key operations with Community Engagement Plans related to material issues and Group priorities

SDGs: 3, 4, 9, 11, 17

SDG key

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

Our commitment to the UN SDGs

Since 2015, TITAN has declared its support for the UN Sustainable Development Goals (SDGs), the global sustainability priorities and aspirations for 2030, driving global efforts and collaboration for this common cause.

Below are some examples of our alignment with the SDGs.

ENGAGING LOCALLY FOR THE SDGS

Since signing the UN Global Compact in 2002, TITAN focused on the establishment and development of business-driven networks that are working to integrate the ten Principles of the UNGC in Albania, Egypt, FYROM, Greece, Kosovo and Serbia.

Through our participation and leadership of local networks, we interact with more than 500 local companies, while we support stakeholder dialogue with relevant reports in local languages. Since 2008, we have systematically communicated our progress on implementing the ten Principles within our sphere of influence to more than 10,000 local stakeholders in the countries where we operate.

In 2015, we took a step further by aligning stakeholder dialogue with global trends based on the UN SDGs 2030. Accordingly, during 2016–2017, all our operations reviewed and updated their materiality assessments in light of the SDGs 2030, thereby contributing to making their global goals a common language and framework for sustainability.

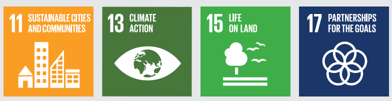
TITAN Group is also represented by CSR Europe in the EU multi-stakeholder platform on SDGs, while supporting relevant consultations for the development of Voluntary National Action Plans.

PROTECTING AND PROMOTING BIODIVERSITY

Respect and preservation of biodiversity is vital to TITAN and we work in partnerships with local stakeholders to achieve a net positive impact of our operations where possible, through advanced scientific methods.

The following are examples of how we engage with communities to protect biodiversity and preserve local flora and fauna:

- In Albania, a vineyard was developed in 2014, in the TITAN Antea cement plant, as part of an effort to cultivate food crops. In 2017, the vineyard was able to contribute 1,500kg of grapes to local red wine producers.
- In Virginia, USA, more than 600 school children have participated in TITAN's outdoor classroom where students learn to assess the health of local waterways that feed into the James River and Chesapeake Bay.
- In Zlatna Panega, Bulgaria, TITAN joined forces with academics to relocate and monitor protected species of flowers and plants and establish a tree nursery. The plan was identified as best practice by the CSI and featured in the Biodiversity Management Plan (BMP) Guidance, WBCSD/CSI edition 2014.
- Adocim in Turkey relocated 1,300 pine trees from Keslikkaya quarry and re-planted them in Tokat plant premises, in order to preserve them. Another 350 cherry trees were planted in the plant and surrounding area.



STRENGTHENING COMMUNITIES BY SUPPORTING YOUTH

Empowering young people with skills for jobs has been identified as a material issue for our local stakeholders. We initiated the European Pact for Youth at Group level in 2015 to further support sustainability of communities and provide opportunities for quality education for all.

The following are some examples of our ongoing efforts and commitment to youth:

- For the third year, our Antea cement plant in Albania worked on the Strengthening Families initiative with SOS Village, which has provided support and opportunities to 19 families and 47 children living in poverty in the villages of Borizana and Thumana.
- TITAN America has added an annual Solid Foundation Scholarship Program, which offers up to six scholarships each year and helps young people to further their education and unlock opportunities, alongside existing programs with academia and educational organizations dedicated to quality internships.
- Our partnership with "Teach for All" Bulgaria Foundation has helped the transformation of elementary education in the villages surrounding our Zlatna Panega cement plant. By the end of 2017, 13 new teachers were working with more than 500 schoolchildren of low socio-economic status in five elementary schools.
- TITAN was pleased to undertake the renovation of the Wadi El Kamar elementary school in Egypt. The renovation work was completed this year, benefiting more than 1,200 students, while efforts continue to provide technical skills and empower women.
- In Greece, TITAN launched Youth Matters, underlining the importance of young people as stakeholders and providing a system to help youth benefit from new skills development opportunities.

LAB: TRANSFORMING PROSPECTS THROUGH INNOVATION AND ENTREPRENEURSHIP

The Hani I Elezit region of Kosovo is one of the country's most deprived areas, with youth unemployment at 70% and limited opportunities for employment and economic development. To enhance the sustainability of communities around its operations, TITAN Kosovo created the Laboratori për Aktivitete të Biznesit (LAB), the first private–public institution in the country operating to international governance standards and promoting entrepreneurship, quality education and access to finance.

LAB is the incubator for new and innovative ideas, primarily for agro-forestry businesses, and for introducing modern farming techniques that can intensify production to meet market demand. During the last two years, LAB has already started to show tangible positive results, particularly on employment and income creation in the region.

By December 2017, LAB had helped to establish 78 new businesses across ten different agro-forestry sectors, including beekeeping, vineyards and herb production, as well as forestry, livestock farming, greenhouse production and other agricultural sub-sectors. Equality of opportunity is a priority for LAB, with 20% of the investments made so far going to female entrepreneurs. The flow of investment is increasing, with 28 new start-ups supported in 2017 alone.

LAB is recognized as a unique and innovative example of social engagement in the region, and its success in developing a more sustainable economy for Hani I Elezit has attracted the interest of well-respected organizations and stakeholders. This has included the United States Agency for International Development (USAID), who joined forces with LAB to expand the positive impacts of their efforts in the region.

Group performance

An overview of the Group's overall performance in 2017, focusing on our financial, social and environmental pillars.

Antea cement plant, Albania

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

Turnover
Revenue received from the sale of goods and services to customers

€1,505.8m

(2016: €1,509.2m)

EBITDA
Earnings before interest, tax, depreciation and amortization

€273.4m

(2016: €278.6m)

NPAT
Net profit after minority interests and taxes

€42.7m

(2016: €127.4 m)

ROACE
Return on average capital employed

Earnings before interest and taxes (EBIT)/Average capital employed

7.5%

(2016: 6.9%)

CAPEX
Expenditure on capital investment projects across the Group

€122.6m

(2016: €150.6 m)

Earnings per share
Net earnings attributable to shareholders/ weighted average number of common and preference shares

€0.53/share

(2016: €1.56/share)

Non-financial*

SOCIAL

New hires across the Group

707

(2016: 570)

Lost Time Injuries Frequency Rate (LTIFR) for employees

2.41

(2016: 1.92)

ENVIRONMENTAL

Specific water consumption**
(lt/t_{Cement})

273.1

(2016: 255.1)

Specific dust emissions**
(g/$t_{Clinker}$)

19.9

(2016: 23.9)

Specific net direct CO_2 emissions**
(kg/$t_{Product}$)***

698.9

(2016: 699.5)

* 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

In a business environment with strong regional disparities, TITAN Group delivered a solid, stable performance in 2017.

Solid fundamental metrics

TITAN Group continued to register strong and stable fundamental metrics in 2017. Turnover remained practically stable at €1,506 million and EBITDA reached €273 million, a marginal drop of 1.8% versus 2016. EBIT at €157 million was up by 3.6%. The significant devaluation of the EGP in late 2016 and the strengthening of the euro against the USD had a marked negative effect on 2017 results. At stable exchange rates, consolidated turnover would have been higher by €148 million and EBITDA by €18 million. Furthermore, one-off adverse events caused a reduction in EBITDA of about €17 million, compared to €7 million of such costs in 2016. Net profit after tax was €43 million, compared to €127 million in 2016, which had included a one-off €90 million gain from the recognition of deferred tax credits arising from past losses in the USA.

Group results were led by US growth and profitability, despite the weaker USD and unfavorable weather in the second half of the year. Market fundamentals in the USA are strong and TITAN is well placed to benefit from the improving demand, capitalizing on the extensive investments of about €240 million undertaken over the previous three years.

In Greece, as expected, domestic demand weakened further, and exports absorbed more than two thirds of the production. Performance was negatively affected by lower export prices in euro terms, higher energy costs and a staff reduction restructuring charge taken in the last quarter of 2017.

In Southeastern Europe, building activity recovered and demand for building materials posted an increase. Operating margins were supported by increased volumes but were hit by higher fuel costs.

In Egypt, cement prices remained weak, with the increases achieved during the year being insufficient to offset the over 50% devaluation of the EGP in 2016 and inflation of over 30%. The overall market volume shrank, while our profitability contracted, further impacted by the staff restructuring charge taken in the third quarter.

For more information, see "Regional Performance" on page 28.

Net debt/EBITDA ratio

2.64

(2016: 2.37)

Shareholder equity ratio

Total shareholder equity over total assets

52.8%

(2016: 55.6%)

Volume growth across all product lines

In 2017, the Group registered volume growth across all countries and products, with the exception of cement sales in Greece. On a consolidated level, cement and cementitious materials sales were up by 10%, reaching 19.2 million metric tons, driven by larger volume sales mainly in the USA and Southeastern Europe. As of September 2016, volume sales include sales from our joint venture in Cimento Apodi in Brazil, of about 1.2 million metric tons in 2017.

Group aggregates volumes grew in the US market but contracted in the Greek market, resulting in a small overall increase of 1% compared to 2016.

Ready-mix volumes posted gains of 14% year-on-year, with the growth coming mainly from the US market.

	2016	**2017**	+/-
Cement (metric tons)	17.5m	**19.2m**	+10%
Ready-mix concrete (m^3)	4.90m	**5.58m**	+14%
Aggregates (metric tons)	15.9m	**16.0m**	+1%

Stable cash flow generation

Operating free cash flow was €118 million, benefiting from reduced capital expenditures but counterbalanced by higher working capital needs. Group CAPEX amounted to €123 million, with the majority of investments targeting business growth in the USA. Operating free cash flow was used to fund equity investments of €48 million, mainly in Cimento Apodi in Brazil and payments of interest expenses, taxes and dividends, which amounted to €169 million, out of which €92 million was distributed to shareholders in June.

Strong liquidity – Group net debt

At the end of December 2017, net debt stood at €723 million and was €62 million higher year-on-year, affected by distributions to shareholders and equity investments for the recent expansion in Brazil. Thanks to stable profitability and closely managed debt, the net debt/EBITDA ratio stood at a healthy 2.64 times and shareholder equity ratio stood at 52.8% at the end of 2017.

At year-end, 82% of Group debt was in bonds and 18% in bank loans. Total facilities, including capital markets, amount to €1.385 billion, while gross debt as of 31 December 2017 stood at €877 million, leaving over €500 million of unutilized bank facilities.

The Group has ample liquidity and over the last few years has succeeded in diversifying its sources of funding, while consistently reducing its cost of debt.

The Group had €154 million in cash at year-end. Out of the total, about 60% is kept in the operating companies and €64 million is kept by holding companies and deposited with international European banks.

Financial performance

Credit rating upgraded

In May 2017, Standard & Poor's acknowledged the improvement in Group results and prospects by upgrading TITAN's credit rating to "BB+" on a stable outlook, from "BB" positive outlook.

Debt issuance

In November 2017, TITAN Global Finance issued notes of €250 million at par, due in 2024, with an annual coupon of 2.375%, guaranteed by TITAN Cement S.A. The notes are traded on the Global Exchange Market, the exchange regulated market of the Irish Stock Exchange. Pursuant to a tender offer in November 2017, the proceeds were used to purchase, prior to maturity, €127 million of outstanding July 2019 notes, which had a coupon of 4.25%. The remaining proceeds were used for general corporate purposes, including the repayment of bank and other debt.

The Group's next important maturity is in mid-2019 for the €160 million remaining notes of the 2014 issue and, after that, in mid-2021 for another €300 million notes.

Improved return on capital employed

Return on capital employed improved year-on-year. ROACE in 2017 stood at 7.5% compared to 6.9% in 2016.

The Board of Directors intends to propose to the Annual General Meeting of shareholders a dividend distribution of €0.05 and a return of capital of €0.50 per issued share.

Parent company financial results

In 2017, turnover at TITAN Cement S.A. declined by 10.9% to €234 million, while EBITDA dropped to €15 million versus €30 million in 2016. Net profit after tax for 2017 reached €13 million versus €17 million in 2016 and includes a €34 million dividend received from international subsidiaries; while the corresponding amount in 2016 was €29 million.

Post balance sheet events

In January 2018, TITAN Global Finance issued €100 million additional notes following a reopening of the €250 million notes issuance of November 2017, resulting in a total issue of €350 million notes due in November 2024.

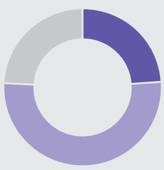
Credit rating by Standard & Poor's

BB+ stable outlook

(2016: BB positive outlook)

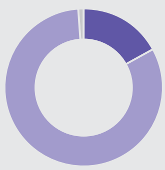
FACILITIES/UTILIZATION BY LENDER

TOTAL FACILITIES €1,385m



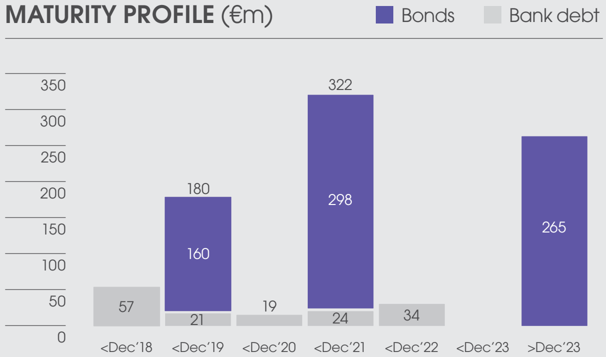
International banks	24%
Bonds	52%
Greek banks	24%

TOTAL UTILIZATION €877m



International banks	17%
Bonds	82%
Greek banks	1%

MATURITY PROFILE (€m)



GROUP NET DEBT EVOLUTION (€m)

Equity market information

We build trust within the financial markets and long-term relationships with investors by demonstrating solid financial performance, a consistent strategy and the ability to deliver sustainable shareholder value.

Our shares

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

TITAN's stock price closed at €22.90 per common share at the end of 2017, an increase of 2.7% in the year, while the ATHEX General Index increased by 24.7%, and the MSCI Emerging Markets Index and the S&P 350 increased by 34% and 7% respectively. TITAN common shares have posted compound growth of 13% per annum over the last five years. The closing price of TITAN's preference shares at the end of 2017 was €15.70 per share, which represents a 15% increase for 2017.

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

The total number of treasury shares held by the Company on 31 December 2017 was 4,164,719, of which 4,054,246 were common shares and 110,473 were preference shares. Voting rights held by the Company represented 5.26% 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 Index.

SRI Investors

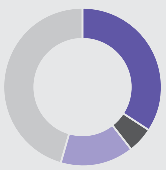
TITAN has been recognized as an "Advanced" level reporter in line with the United Nations Global Compact principles. TITAN is included in the FTSE4Good Emerging Index for its enduring commitment to sustainable development.

More information

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

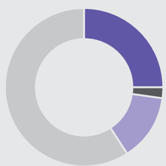
Symbols	TITAN Common	TITAN Preference
Oasis	TITK	TITP
Reuters ticker	TTNr.AT	TTNm.AT
Bloomberg ticker	TITK GA	TITP GA

TITAN COMMON SHARES as at 31 December 2017



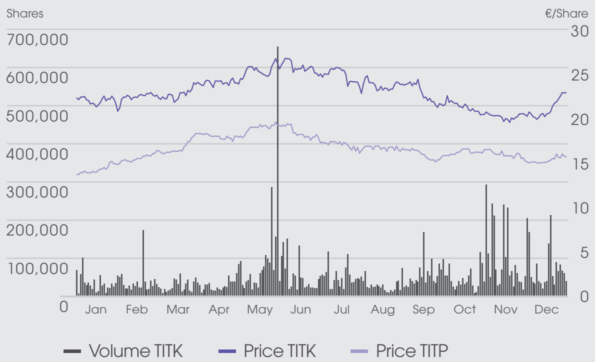
Private investors	34.3%
Treasury stock	5.3%
Greek legal entities	14.9%
Foreign legal entities	45.6%

TITAN PREFERENCE SHARES as at 31 December 2017



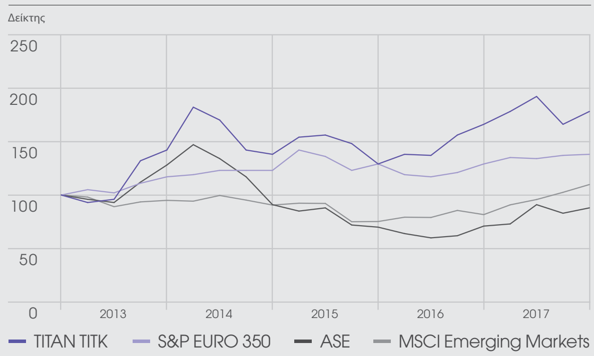
Private investors	25.3%
Treasury stock	2.0%
Greek legal entities	13.8%
Foreign legal entities	59.0%

2017 Daily volume of transactions and price evolution of TITAN's common and preference shares



Source: Bloomberg

Share price performance of TITAN common shares relative to the ASE General Index, the MSCI Emerging Markets Index and the S&P Euro 350 Index
(31 December 2012 = 100)



Source: Bloomberg

Social performance

We empower our people across the business, so that they can reach their full potential by continuously developing their skills. We promote our health and safety standards throughout the value chain and collaborate to address local community needs.

Monitoring our health and safety performance

Health and safety are material issues that affect the lives of our employees and contractors every day, as well as their families and communities. We focus on continuous improvement in our own health and safety performance and urge our suppliers and other business partners to adopt similar policies. We monitor performance and trends to address emerging issues and design and implement safety programs that target specific risks.

In 2017, while Lost Time Injuries (LTIs) among our employees and contractors increased from 29 to 34, we launched a new safety campaign and continued with others that are having a measurable impact in reducing our LTIFR. For example, our Group-wide Lock-out Tag-out (LOTO) campaign, launched in 2016, has succeeded in reducing the number of LOTO-related LTIs from nine in 2015 to just one in 2017. Based on this success, we have now launched a similar initiative to reduce slip-trip-fall LTIs in our ready-mix concrete operations.

We continued the Group-wide "Training for the Prevention of Serious Accidents" program, which is expected to be completed by the end of 2018.

At the start of the year, we launched a new Group-wide health surveillance system for dust, respirable crystalline silica and noise. This streamlines the way that our business units collect and categorize this data, helping to ensure a healthy working environment.

Streamlining our people management and development processes

TITAN is a people-focused organization. Its performance and future growth depend on the talent, skills, character and creativity of its employees. Building long-term relationships with them includes integrating new technologies and performance management systems that can enhance the experience of working at TITAN.

In 2017, we focused on designing and implementing the new Group Human Resources Management System. The system streamlines talent management and performance processes and engages all employees in everyday people-related matters. We also rolled out additional building blocks of our Performance Development Process based on the leadership platform "Leading the TITAN Way," launching specialized training courses and a new performance calibration process.

To enhance our support for lifelong learning, we added experts to our HR team, focused on addressing our employees' development needs, and created a new Group learning and development function.

More than 80% of our employees participated in training courses during 2017, with the majority of our training man-hours focused on non-managers. Most of the training involved safety, while we also increased the training given on the environment, on compliance with our Code of Conduct and on sustainability-related policies.

TITAN GROUP LTIFR
Employees and contractors (all activities)

New hires (gender)
17.5%
women

Internships resulting in new hires
39

Training man-hours
155,587
(2016: 158,210)

Contributing to sustainable communities

Developing and sustaining a working relationship with the communities where we operate is fundamental to building trust with local stakeholders and generating opportunities to support local prosperity, creating value for all.

We have acknowledged the sustainability of communities as a material issue and have set a 2020 target to develop and update our Community Engagement Plans in all key TITAN operations.

Our aim is to continue building on our distinctive approach, through a common global framework that is agile and can be adapted to local requirements.

Helping young people to build the skills they need for employment remains a focus area for us. Over the last two years, we have increased our efforts to support quality education, employment and entrepreneurship in our sphere of influence. In 2017, we launched the new Group Quality Internships Guide, which was built on the know-how and expertise we gained as co-initiators of the European Pact for Youth. The Guide emphasizes the importance of providing quality training and addresses the need to cover skills gaps. We also strengthened our collaboration with educational institutions and we now have more than 300 partnership agreements in place that have resulted in 910 offers for internships. Of these internships, 39 resulted in new hires.

TITAN Group donated in cash and in-kind the equivalent of €2.1 million to local communities in 2017 in support of community development programs focused on education, health and safety, the environment, poverty alleviation and unemployment.

Supply chain sustainability

We acknowledge that through supply chain sustainability we can deliver long-term environmental, social and economic value for all stakeholders involved in the value chain. In 2017, we continued the Group Procurement Transformation program that was launched in 2016. The program aims to optimize the number of TITAN suppliers, build longer-term and more value-adding relationships, focusing on the "total cost of ownership" concept and driving greater focus on sustainability. We selected one of the world's leading providers of supply chain risk management solutions to pilot and test a standardized approach to supplier prequalification, including sustainability criteria, in our operations in the United States, in preparation for further rollouts in 2018.

Roanoke cement plant, USA

Kamari cement plant, Greece

Environmental performance

TITAN is continuously improving its environmental performance, contributing to the sustainable use of natural resources as an active participant in the circular economy.

Investing in environmental management

Over the last 15 years, TITAN has invested more than €220 million in best available techniques (BAT) to manage its environmental impact and has achieved advanced levels of environmental performance. This has included upgrading and modernizing all plants the Group has acquired, often introducing advanced industry standards to new markets. All our cement plants are certified under the ISO 14001 environmental management system, or, in the USA, a system aligned with local regulatory requirements.

Achieving long-term reduction of emissions

TITAN's ongoing self-improvement efforts in the field of environmental management have also resulted in reducing air emissions significantly. Between 2003 and 2017, this has resulted in the avoidance of dust emissions of 46,850 tons, equivalent to 12 years' emissions (at 2003 emissions levels). Similarly, we have avoided NOx and SOx emissions of 196,200 tons and 28,770 tons respectively, representing 6.5 years' emissions (at 2003 emissions levels).

In 2017, we continued to drive significant reductions in each of these emissions types. Dust emissions were reduced from 23.9 to 19.9 $g/t_{Clinker}$, NOx emissions dropped from 1,702.9 to 1,340 $g/t_{Clinker}$ and SOx emissions declined from 205.6 to 199 $g/t_{Clinker}$.

Preserving natural resources and biodiversity at our quarries

Regarding life on land, we aim to create a net positive impact on biodiversity in our quarries where possible, by mitigating the impacts of the extraction process. Quarry rehabilitation plans are developed and implemented for the majority of our quarries, aiming to protect and preserve natural capital and resources.

Since 2012, we have elaborated scientific-based methods to assess the status and biodiversity value of our quarries. TITAN has developed and is currently implementing Biodiversity Management Plans (BMPs) for eight quarries and is working to complete the assessment process and relevant Biodiversity Management Plans for the remaining two quarries that have been identified as sites of high biodiversity value.

Optimizing water use across our sites

As a precious natural resource, water is a highly material issue both for our business and our key stakeholders. Since 2010, we have introduced tools such as an Integrated Water Management System (IWMS) to monitor and optimize water use across our sites, and report on water data in a consistent way. All of our operations have active continuous improvement plans and, while in 2017 specific water consumption increased slightly compared to 2016 (from 255.1 lt/t_{Cement} to 273.1 lt/t_{Cement}) due to increased production needs from our American operations, significant decreases in water consumption have been achieved since 2003.

Avoided CO_2 emissions

25m t

Avoided emissions 1990–2017
(Equivalent to 3.5 years at 1990 emissions levels*)

Avoided dust emissions

46,850 t

Avoided emissions 2003–2017
(Equivalent to 12 years at 2003 emissions levels**)

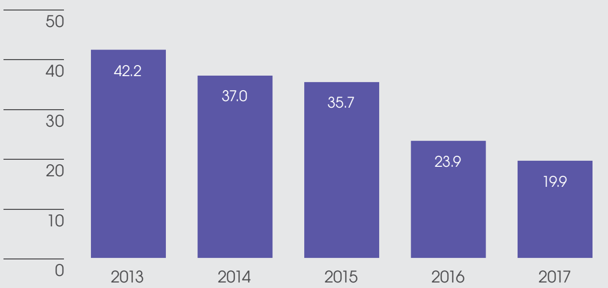
Avoided water consumption

21.3m m^3

Avoided consumption 2003–2017
(Equivalent to 3.5 years at 2003 consumption levels**)

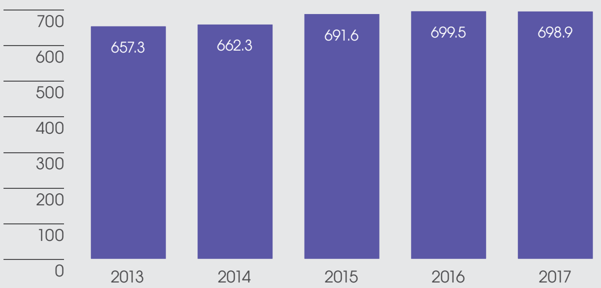
* 1990 is the base year for CO_2 emissions, in line with the Kyoto protocol.
** 2003 is the base year for environmental data other than CO_2 emissions.

SPECIFIC DUST EMISSIONS
($g/t_{Clinker}$)*



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

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.

Accelerating our efforts to tackle climate change

Climate change is one of the most significant challenges that the world faces, and undoubtedly a material issue for TITAN and its key stakeholders. We have long recognized the importance of improving the energy efficiency of cement production and reducing our carbon footprint with the use of alternative fuels and raw materials.

Since 2003, we have reported on the CO_2 emissions of our cement plants , using 1990 as the base year for comparisons, in line with the Kyoto Protocol. The avoided net CO_2 emissions between 1990 and 2017 were calculated to about 25.0 million tons of CO_2, equivalent to about 3.5 years at 1990 emissions levels. In 2017, our net specific CO_2 emissions remained at almost the same levels as in 2016 (698.9 $kgCO_2/t_{Product}$ in 2017 vs. 699.5 $kgCO_2/t_{Product}$ in 2016).

In 2017, we launched the Group CO_2 Initiative, in order to develop, prioritize and implement solutions for additional CO_2 reduction. Through collaboration in research and development programs, we are also testing new technologies, including carbon capture and conversion, low-CO_2 binders, calcined clays and cementitious materials with improved insulation properties.

Supporting the circular economy

TITAN has adopted the circular economy as a material issue for sustainable growth, which promotes the "reduce, reuse, recycle, recover" approach over the traditional "take, make, use, dispose" approach.

STET and GAEA, two TITAN businesses, are good examples of how we put the circular economy at the heart of our operations.

ST Equipment & Technology (STET) is a developer and supplier of specialized processing equipment for the beneficiation of fine particle materials, such as fly ash, which are by-products from coal-burning thermal power plants. The company develops and promotes the use of waterless, energy-efficient and low-emission technologies replacing water-intensive mineral processes.

Our joint venture with the Evolution Environmental Group, GAEA Green Alternative Energy EAD, also supports the circular economy. Originally established in Bulgaria, GAEA works with local businesses to come up with solutions to waste management, environmental protection, waste use and alternative fuel production. It develops "win-win" scenarios that reduce costs, conserve fossil fuels, and enable safe and sustainable waste management.

Since then, GAEA launched GAEA Egypt, which supplies cement plants with fuel made from Alexandria's municipal solid waste.

In 2017, we increased the use of alternative raw materials to 5.5% of the total materials input for the production of clinker and cement (2016: 5.1%). In Greece and the USA, TITAN continued the implementation of programs to collect ready-mix concrete wastes, as an alternative raw material. More than 80% of the waste produced by Group operations was reused, recycled or recovered through authorized contractors in 2017.

Specific dust emissions*

$19.9\ g/t_{Clinker}$

(2016: $23.9\ g/t_{Clinker}$)

Specific NOx emissions*

$1{,}340.0\ g/t_{Clinker}$

(2016: $1{,}702.9\ g/t_{Clinker}$)

Specific SOx emissions*

$199.0\ g/t_{Clinker}$

(2016: $205.6\ g/t_{Clinker}$)

Percentage of alternative fuels in the total fuel mix*

$9.1\%_{Thermal\ basis}$

(2016: $8.6\%_{Thermal\ basis}$)

Externally recycled waste material*

255,228
metric tons

(2016: 413,553 metric tons)

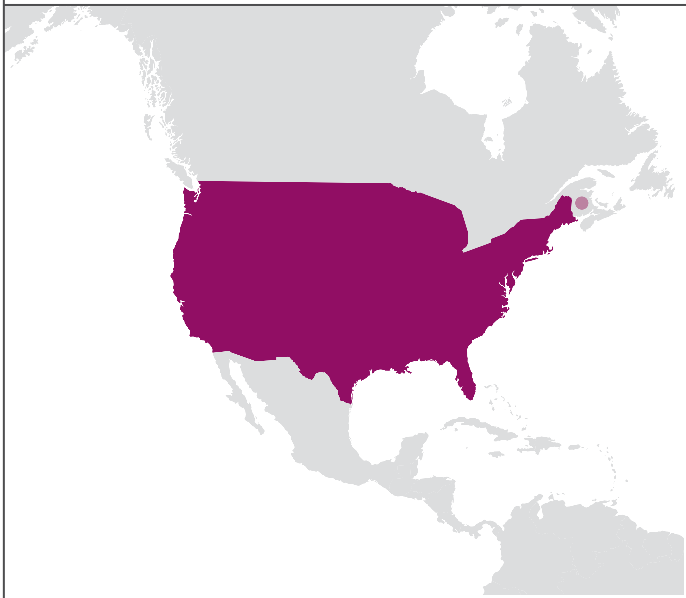
* Figures are calculated based on the equity of the specific year.

Regional performance

An overview of performance in 2017 in each of our four main regional operations. We also report on the progress of our major joint ventures in Brazil and Turkey, and highlight some of the awards and recognitions achieved across the Group during the year.

Florida ready mix concrete plant, USA

USA



TITAN is well positioned to grow in the market with a strong presence in expanding metropolitan areas and available capacity.

Market overview

2017 was a positive year for the US economy, which ended the year with good forward momentum despite relatively modest GDP growth of 2.3% overall. Lower levels of unemployment and income growth contributed to consumer confidence reaching a 15-year high by the end of the year. Increased disposable income and confidence are the base of greater demand for mortgages, and stronger prospects for the residential sector.

TITAN's presence in the South East benefits from strong demographics, particularly in Florida, where the population has doubled over the past 35 years. Demographics drive demand for construction, as housing needs grow and the requirement for new infrastructure increases. Improving state finances have also led to rising spending on infrastructure, particularly in states that are less reliant on federal funding.

Overall construction spending increased by 3.8% to $1.23 trillion, led by a 10.6% gain in private residential construction. This helped to grow national cement consumption for the seventh consecutive year, up 2.8% to 96.8 million metric tons.

Pennsuco cement plant, USA

2017 PERFORMANCE HIGHLIGHTS

Financial

Turnover
58% of Group
€873m
(2016: €794m)

EBITDA
68% of Group
€185m
(2016: €145m)

Total assets
38% of Group
€997m
(2016: €1,159m)

Non-Financial

Social

Lost Time Injuries Frequency Rate (LTIFR) for employees in 2017 (per million man hours)
2.47
(2016: 1.73)

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

Total training hours
24,633
(2016: 16,647)

Environmental

Both our cement plants have received the **Energy Star** certification by the U.S. Environmental Protection Agency (EPA) *

PRINCIPAL PRODUCTS/ACTIVITIES

Cement
Ready-mix concrete
Aggregates
Building blocks
Fly ash

OPERATIONAL UNITS

2	7	85	14	10	6
Cement plants	Quarries	Ready-mix plants	Distribution terminals	Concrete block plants	Fly ash processing plants

* Constitutes correction of relevant text in the previous electronic and printed version of the IAR 2017 Summary

Regional performance

TITAN America's performance reached a ten-year high in 2017. We were well placed to take advantage of the improving markets, on the back of an extensive investment program of about €240 million undertaken over the course of the previous three years, which improved operational efficiency and expanded our capacity in concrete, aggregates and distribution.

TITAN America's financial performance was robust with revenue growth of 10% to €873 million and EBITDA growing to €185 million – a 27.5% improvement compared to 2016.

Key areas of operation

Florida

Levels of cement consumption in Florida remained flat during the year, held back by the temporary disruption to construction activity caused by hurricane Irma, as well as unfavorable weather, especially in the final quarter of the year. Despite slower growth, underlying demand and sentiment remained strong. Profitability increased on the back of improving prices and efficiency enhancements at our Miami plant. Furthermore, demand and sales prices for aggregates moved higher, fly ash availability also improved and concrete products sales increased. As a result of our extensive capital investments, vertically integrated activities were able to contribute strongly to the US region's improved financial results.

Virginia, North and South Carolina

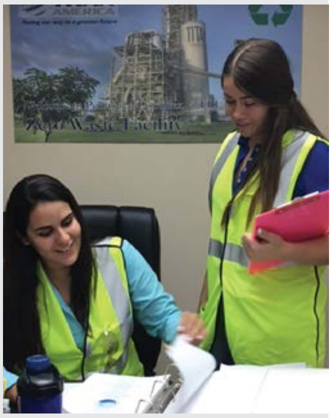
Virginia's cement consumption increased 3.6% to nearly 2 million metric tons, while North Carolina improved by 2.7% to exceed 2.7 million metric tons for the first time since 2007. Sales of ready-mix products grew at a faster rate, supported by TITAN's position in the region's more dynamic construction markets. Improvements in unit costs and sales prices drove a significant improvement in profitability despite a reduced rate of sales growth.

New York/Metro

Cement consumption in the New York Metropolitan area increased 3.9% to over 1.8 million metric tons. This supported another strong performance for our regional import terminal at Port Newark, with sales volumes, turnover and profitability all improving year-on-year.

DEVELOPING TALENT THROUGH INTERNSHIPS

TITAN America's 12-year internship program plays a key role in building a pipeline of future talent for our business, while promoting a more educated workforce in the cement industry and driving employee engagement.



Each internship is individually designed by employees in the relevant department. They aim to tap into students' enthusiasm and bring fresh perspectives to the business. Our internships are also an opportunity to embed gender equality by introducing talented young women into roles that have been traditionally male dominated. For their part, TITAN's interns have the opportunity to learn new skills in a working environment, and several have gone on to take permanent roles at TITAN America as a result.

The success of our internship program is reflected in consistent increases in the number of applicants. In 2017, TITAN America received more than 100 applications from college students, with 24 selected to take up internships.

Looking ahead

Prospects for future growth in US construction markets remain strong. We expect the growth in the most important states in TITAN's footprint to be driven mainly by residential and infrastructure spending, on the back of healthy fiscal balances and growing populations. Tax reform is also expected to have a positive shorter-term influence on private sector investments in housing and commercial activities.

Portland Cement Association forecasts average growth in cement consumption of approximately 2.9% per year between 2018 and 2022. Growth rates in Florida, Virginia and the Carolinas are expected to moderate compared to recent years, but still outperform the USA as a whole. TITAN is well positioned to grow with the market, with strong positions in expanding metropolitan areas, expanded capacity in the vertically integrated activities and further operating leverage available from its existing asset base.

Greece and Western Europe

In Greece, slightly improving macro-economic factors have not yet spurred construction activity. Exports continue to partly offset weak domestic demand.

Market overview

Building activity in Greece weakened further in 2017, following the completion of several major motorway construction projects in the first half of the year and a delay in the commissioning of new infrastructure projects. Despite tourism-related activity in some specific areas of the country, private construction remained stagnant overall at extraordinarily low levels.

Thessaloniki cement plant, Greece

2017 PERFORMANCE HIGHLIGHTS

Financial

Turnover
17% of Group
€249m
(2016: €261m)

EBITDA
7% of Group
€18m
(2016: €36m)

Total assets
22% of Group
€581m
(2016: €559m)

Non-Financial

Social

Lost Time Injuries Frequency Rate (LTIFR) for employees in 2017 (per million man hours)

0.93

(2016: 3.27)

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

% of employees from the local community

89.54%

(2016: 98.14%)

Environmental

All cement plants and most of the installations related to our other activities 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

Regional performance

TITAN continued to hold a strong position in the Greek market during 2017 and maintained its export levels. Through our ready-mix network, we participated in most major public and private construction projects taking place in the country. Our investment in upgraded cement-loading facilities helped increase loading rates and contributed to a strong export performance. However, export sales were subject to reduced margins in 2017 due to competitive pressures and unfavorable foreign exchange rates.

Financial performance was affected by the decline in domestic volumes, the reduction of export margins coupled with an increase in energy costs and a staff reduction restructuring charge of €4 million in the last quarter of the year. Overall, turnover declined by 5% to €249 million and EBITDA declined by 50% to €18 million.

We are addressing the challenges of the market by taking steps to reduce costs across our operations, leveraging alternative raw materials to offset increases in energy prices, improving transportation efficiencies, and reducing fixed costs, partly through a voluntary employee leave program.

The adverse circumstances have not compromised TITAN Greece's strong focus on health and safety, environmental management and product quality.

We doubled the number of safety walks and launched new initiatives to promote awareness and behavioral changes, including slip-trip-fall prevention, road safety and hearing protection campaigns, as well as a new health monitoring protocol. We succeeded in substantially reducing our number of Lost Time Injuries (LTIs) during the year.

We continued to drive down emissions and promote the principles of a circular economy across our operations. We fully complied with new air emission limits that came into effect in March and invested in enhancing our capacity to use alternative raw materials and secondary fuels at our plants. Our ready-mix operations were among the first to deliver concrete in accordance with the new national concrete technology regulation (KTS 2016).

Our strong commitment to sustainability and social responsibility continued throughout the year, with a special focus on promoting youth employability and supporting the local communities where we operate.

SUPPORTING START-UPS

8 DECENT WORK AND ECONOMIC GROWTH
17 PARTNERSHIPS FOR THE GOALS

The transfer of know-how and expertise to young professionals and new entrepreneurs is an important part of nurturing start-up businesses through their early stages. TITAN invests significantly in sharing valuable knowledge and experiences with stakeholders at a local level. Following an invitation by "StartUpGreece", a government initiative that asks established businesses to support new start-ups by sharing human and intellectual capital, TITAN was among the first companies to respond by adopting the start-up business "Spiti Experts," an online platform that offers home refurbishment services.

TITAN's Health and Safety team worked with ten "Spiti Experts," technicians who provide services through the platform. We used our expertise to train these entrepreneurs on health and safety issues related to electrical installations. Our employees raised awareness of risks and hazards, suggested solutions and shared practical advice.

Looking ahead

Delays in recently announced infrastructure projects and low levels of residential construction mean that domestic demand is anticipated to slip even further in 2018. Greek production will once again be directed mainly towards exports. On the macro level, the return of GDP growth and the drop of unemployment, combined with increased tourism-related construction, indicate a potentially more positive outlook over the longer term.

Southeastern Europe

The region continues to deliver stability, with the construction sector improving following several years of GDP growth.

Market overview

The outlook for Southeastern Europe continues to improve. Consistent GDP growth and political stability provide strong scope for future growth. Overall building activity recovered in 2017, as demand for building materials posted an increase and cement consumption increased.

Cement consumption in 2017 was supported by a number of infrastructure projects that are in progress in the region and are due for completion in 2018–2019, and private demand.

Kosjeric cement plant, Serbia

2017 PERFORMANCE HIGHLIGHTS

Financial

Turnover
15% of Group
€226m
(2016: €204m)

EBITDA
21% of Group
€57m
(2016: €56m)

Total assets
19% of Group
€482m
(2016: €489m)

Non-Financial

Social

Lost Time Injuries Frequency Rate (LTIFR) for employees in 2017 (per million man hours)

4.26

(2016: 1.98)

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

% of employees from the local community

62.11%

(2016: 62.59%)

Environmental

All cement plants and some of the installations related to our other activities are certified under **ISO 14001**

PRINCIPAL PRODUCTS/ACTIVITIES

Cement   Ready-mix concrete   Aggregates

Waste management and alternative fuels

OPERATIONAL UNITS

5	20	8	1	1
Cement plants	Quarries	Ready-mix plants	Distribution terminal	Processed engineered fuel facility

Regional performance

Sales growth for TITAN businesses kept pace with the expansion of the cement market in the region. Our turnover for the year increased by 11% to €226 million, with volume sales growth coming from both public and private construction projects, particularly in the central and western Balkans. Pricing remained broadly flat year-on-year due to competitive pressures.

Increases in energy prices had an impact on our efforts to contain costs; however, our previous investments in alternative fuels have helped to partially offset the increases.

Albania experienced its strongest rate of GDP growth since 2010. The economy grew by 3.7% on the back of increased government spending and a more flexible fiscal policy. This helped drive an estimated 20% increase in cement consumption from the historically low levels of 2016. TITAN's Antea plant benefited from increased economic activity in Albania to grow sales and significantly improve its financial performance.

In Bulgaria, our Zlatna Panega operation kept pace with a growing market, with renewed EU funding of infrastructure projects likely to support continued growth over the next few years. Cement demand in Bulgaria rebounded by 6%, spurred by a third consecutive year of GDP growth, which reached 3.7% in 2017. Cement consumption remains at just 44% of its pre-crisis level, indicating the potential for future growth.

In FYROM, the improvement of the political climate in the country helped to maintain positive GDP growth at a rate of 1.6%, with both consumers' and investors' confidence improving. However, cement consumption dropped by 5% as a result of residential and commercial construction declining from the high levels of 2016.

Kosovo's construction sector continued to grow as a result of increased residential activity, growing infrastructure investment and low interest rates. It has also benefited from the general expansion in the economy resulting from the remittances of Kosovo nationals living abroad. Cement consumption grew to reach an estimated record level of 1.4 million metric tons.

Foreign Direct Investment (FDI) continued to be the main driver of GDP growth in Serbia, with demand for infrastructure projects helping to expand cement consumption moderately. The re-emergence of private real estate and commercial construction in Belgrade supports a generally positive outlook for the market.

PROTECTING THE RIGHTS OF WHISTLEBLOWERS

Respecting human rights and protecting the rights of people who report unlawful or inappropriate behavior is a vital part of TITAN's approach to good corporate governance. All TITAN Group operations have established procedures to report grievances, incidents or issues related to TITAN's Code of Conduct and policies. In 2017, TITAN Usje took a step further by introducing a rulebook that is designed to protect the rights of both whistleblowers and an appointed authorized person, who is responsible for receiving whistleblowers' reports.

The new rulebook sets down the procedures for whistleblowing, including the steps that should be taken to protect the anonymity of those raising concerns. Setting down procedures helps embed the right culture and ensures a supportive approach.

In 2018, Usje cement plant will introduce yellow boxes throughout the premises of the cement plant, which employees and other concerned parties can use to report any inappropriate behavior. The company will continue to train all employees, to ensure that the new guidelines are understood and that whistleblowers have the support and protection that they deserve.

Looking ahead

In Southeastern Europe, the political reengagement of the European Union, combined with the continuing economic recovery creates expectations for measured growth in the construction sector over time. The Group's plants, which are currently operating well below capacity, are well placed to address any increase in market demand.

Eastern Mediterranean

As the effects of currency devaluation are absorbed, supply-side factors create new headwinds, impacting the short-term potential of our operations in Egypt.

Market overview

Egypt's national cement consumption was 54 million metric tons in 2017, down 5% from the previous year. The decline in cement demand has been largely driven by the impact of the major devaluation of the EGP in 2016.

The cost of energy, which is mainly paid in hard currency, recorded a significant increase. This would have been much higher had TITAN's plants not converted to solid fuels and expanded the use of alternative fuels in a timely way. Selling prices increased in local currency but still recorded a substantial decline in euro terms, to levels that were insufficient to compensate for the effect of the devaluation and the resulting cost inflation.

Alexandria cement plant, Egypt

2017 PERFORMANCE HIGHLIGHTS

Financial

Turnover
10% of Group
€158m
(2016: €249m)

EBITDA
5% of Group
€13m
(2016: €41m)

Total assets
15% of Group
€382m
(2016: €421m)

Non-Financial

Social

Lost Time Injuries Frequency Rate (LTIFR) for employees in 2017 (per million man hours)
1.63
(2016: 0.91)

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

% of employees from the local community
81.55%
(2016: 86%)

Environmental

All cement plants and some of the installations related to our other activities are certified under **ISO 14001**

PRINCIPAL PRODUCTS/ACTIVITIES

Cement · Ready-mix concrete · Aggregates · Waste management and alternative fuels

OPERATIONAL UNITS

2	12	2	1	1
Cement plants	Quarries	Ready-mix plants	Distribution terminal	Processed engineered fuel facility

Beni Suef cement plant, Egypt

SUPPORTING HEALTH NEAR OUR BENI SUEF CEMENT PLANT

Hepatitis C viral infection (HCV) is a major health problem in Egypt, with the highest prevalence in the world and up to 170,000 new cases every year adding to the millions of patients already suffering from the disease.

In 2017, we supported efforts to combat HCV in the Beni Suef area. As part of the national plan for the field health survey of HCV, TITAN Cement Egypt (TCE) collaborated with the Beni Suef Health Affairs Directorate (Preventive Affairs Department – Viral hepatic management). We supported the survey initiative and contributed to the cost of Polymerase Chain Reaction (PCR) tests, which help establish whether the virus is still active and needs treating.

The objective of the program was to identify HCV in people who were not aware that they had the virus, urge them to start treatment and ultimately to play an active role in the government initiative to defeat the virus completely. The program reached more than 5,000 people from four East of Nile villages near our Beni Suef cement plant, plus 410 contractors' employees working at the plant itself.

Regional performance

Turnover in the Eastern Mediterranean region in 2017 declined by 36.5% reaching €158.2 million, while EBITDA at €13.2 million represented a 67.8% drop compared to the previous year. This was the result of the prevailing low prices, combined with high inflation and the fragile economic environment, as well as higher electricity costs and the implementation of a staff reduction program. The one-off charge for the redundancies (20% staff reduction) in Egypt was €6 million in Q3 2017.

The increased use of alternative fuels is helping to offset rising fuel prices, while continuing to reduce the environmental footprint of the business. Our Alexandria plant has increased its use of alternative fuels to over 14% of the fuel mix, and both plants in the country have completed the environmental compliance action plan agreed with the Egyptian government. At the same time, the Beni Suef plant achieved zero Lost Time Injuries (LTIs) for the first time in three years.

Looking ahead

The cement market in Egypt continues to face serious challenges, as the current oversupply is expected to be exacerbated by the opening of a new cement plant with 12 million metric tons of capacity in 2018. However, we believe that these challenges will be offset to some extent by the country's continued strong population growth of 2% per year, demand from the upcoming public works projects and the government's commitment to attracting foreign investment. TITAN Cement Egypt, already one of the most cost-efficient producers in the country, remains focused on further reducing costs and substantially improving prices. This allows us to look at 2018, when market consumption is expected to grow, with guarded optimism.

Joint ventures

PRINCIPAL PRODUCTS/ACTIVITIES

Cement
Ready-mix concrete

OPERATIONAL UNITS

2	3	8	8	12
Cement plants	Grinding plants	Quarries	Ready-mix plants	Distribution terminals

Improved operational performance in our Joint Ventures in Turkey and Brazil.

Market overview

Our joint ventures comprise Adocim, a Turkish cement business in which TITAN purchased a 50% share in 2008, and Cimento Apodi, a Brazilian cement manufacturer in which TITAN invested in 2016 and now owns a 50% equity share.

In Turkey, domestic cement consumption increased by 8% year-on-year, reaching 72 million metric tons on the back of strong demand from public works and projects carried out by public–private partnership schemes. The Turkish lira depreciated during the year, resulting in an upward pressure on fuel prices and lower earnings in euro terms.

Our first year of operation in Brazil provided evidence of the market's potential as it starts to emerge from deep recession. Brazil returned to positive GDP growth for the first time in three years, with the economy growing 1% year-on-year. Cement consumption continued to decline in 2017, down by 6% compared to 2016 and by 25% from the peak year of 2014. However, positive indications emerged in the second half of the year, with the slowest rate of decline in two years. Government reforms, falling inflation and lower interest rates have helped to stimulate consumer spending, indicating the beginning of a recovery phase and likely future growth in cement consumption.

Regional performance

In Turkey, Adocim's sales were under pressure from increased competition due to an additional 2 million metric tons of new capacity in the nearby region. Production costs were affected by higher fuel prices, while the depreciation of the Turkish lira affected profitability in euro terms. Net profit of our subsidiary attributable to the Group amounted to €0.5 million in 2017, versus €3.6 million in 2016.

Despite the shrinking market, Apodi managed to increase its sales and share of the Brazilian cement market. Operational improvements and adjustments in pricing in the second half of 2017 led to an improvement in overall financial performance. Net results of our subsidiary attributable to the Group was a €9.5 million loss in 2017.

Tokat cement plant, Turkey

Looking ahead

In Turkey, domestic demand is likely to continue growing into 2018, spurred by major public investments and public–private partnership projects, with some volatility risks.

In Brazil, improvements in the key macro-economic indicators and anticipated stronger economic growth in 2018 are encouraging for the construction sector, creating expectations for the return of growth in the cement sector over the next few years.

Awards and recognitions

We are proud of the awards and external recognitions that TITAN companies received during 2017. The following are a few selected highlights from around the Group.

USA

TITAN America's ready-mix division earned the **National Ready Mix Concrete Association (NRMCA) Excellence in Quality Award**, which recognizes commitment to quality among NRMCA members in areas such as materials management, product quality control and customer satisfaction.

The **Virginia Ready Mix Concrete Association (VRMCA)** continued to recognize nine of TITAN's ready-mix plants as achieving Gold and Silver performance on safety. These awards recognize plants that avoid Lost Time Injuries (LTIs) and maintain an overall Injury Frequency Rate (IFR) below 4.0.

The **US Zero Waste Business Council** certified TITAN America's Pennsuco operation as a Gold Level Zero Waste Facility, diverting over 90% of its waste from landfill through recovery, reuse and recycling. The Pennsuco complex includes cement manufacturing aggregates, quarrying, block manufacturing and ready-mix concrete operations. It continues to be the only US facility of its kind to achieve Zero Waste certification.

GREECE AND WESTERN EUROPE

TITAN climbed from 12th to 11th in **Fortune magazine's ranking of the "Most Admired Companies in Greece 2017,"** which takes into account criteria such as Innovation, HR Management, Social Responsibility, Resource Management, Long-term Investment Value, and Product and Service Quality.

ICAP Group recognized TITAN as one of its **True Leaders of the Greek Economy** for the 5th time, acknowledging our record on revenues and profitability, increasing the number of employees and achieving a High ICAP Score.

For the 7th consecutive year TITAN's Integrated Report was ranked first in the annual evaluation of Greek corporate social responsibility reports carried out by the **University of the Aegean.**

SOUTHEASTERN EUROPE

FYROM's **National Coordinating Body for Corporate Social Responsibility and the Ministry of Economy** presented Usje cement plant with a Jubilee Award to mark the awarding body's tenth anniversary. The award recognizes TITAN USJE's ten-year commitment to CSR and the fact that it holds more national CSR awards than any other business.

The **Kosovo Chamber of Commerce** recognized the economic contribution that our Sharrcem cement plant makes to the country, with a co-operation and responsibility award that reflects TITAN's tax-paying record.

Serbia's **Responsible Business Forum** recognized TITAN's Kosjeric operation for its contribution to the development of non-financial reporting, for publishing annual reports that meet Global Reporting Initiative (GRI) standards.

EASTERN MEDITERRANEAN

The Ministry of Labor awarded the Alexandria cement plant in Egypt with the Health and Safety Shield, during the celebration of the World Health and Safety day.

JOINT VENTURES

The contribution of Adocim, TITAN's joint venture in Turkey, was acknowledged through two commemorative plaques. **The Zile Chamber of Commerce and Industry** recognized Adocim's economic contribution while the **Ministry of Environment and Urban Planning** recognized our efforts to protect the environment and prevent pollution.

Corporate governance

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

Kamari cement plant, Greece

Corporate governance

One of the key roles of TITAN's Board is to establish the culture, values and ethics that guide us through every aspect of our business.

For us, 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	Nomi nation and Corp.Gov. Committee
Chairman: Efstratios-Georgios (Takis) Arapoglou		●				●
Vice Chairman: Nellos Canellopoulos	●					
Chief Executive Officer: Dimitri Papalexopoulos	●					
Delegated Officer and CFO: Michael Colakides	●					
Senior Independent Director: Doros Constantinou		●	●	●		
Directors:						
Hiro Athanassiou		●	●		●	●
Takis-Panagiotis Canellopoulos	●					
Alexander Macridis		●	●		●	
Domna Mirasyesi-Bernitsa		●	●			●
Ioanna Papadopoulou		●	●	●		
Alexandra Papalexopoulou-Benopoulou	●					
Petros Sabatacakis		●	●		●	
Ploutarchos Sakellaris		●	●	●		
Efthimios Vidalis	●					
Vassilios Zarkalis	●					

Other committees with Board members' participation

Executive Committee	**Chairman:** Dimitri Papalexopoulos - CEO **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 - CEO **Members:** Nellos Canellopoulos, Takis-Panagiotis Canellopoulos, John Kollas, Yanni Paniaras, Fokion Tasoulas, Efthymios Vidalis
Advisory Council	**Chairman:** Andreas Canellopoulos – Former Chairman of the BoD **Members:** Nellos Canellopoulos, Takis-Panagiotis Canellopoulos, Michael Sigalas, Efthymios Vidalis

Meeting our obligations

We comply with all relevant provisions set by 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 a special part of the Annual Report of the Board.

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, prepare a description of the role and capabilities required for a particular candidate nomination. It also considers the need for the progressive renewal of the Board.

Role of the Board

The main role of the Board is to determine the Group's long-term objectives, strategy and risk appetite; provide entrepreneurial leadership; set the Company's values and standards; assess the principal risks facing the Group and ensure the establishment and operation of effective internal control and risk management systems.

Composition of the Board

The following rules govern the composition of the Board:

- The roles of Chairman and CEO should not be held by the same person;
- Excluding the Chairman, at least one-half of all directors should be independent;
- Independent directors should not serve for more than nine years on the Board.

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 are independent directors.

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 met upon his election and still meets today 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 which has been set by the Company, according to which, independent directors must not hold more than 0.1% of the share capital of the Company. However, given that, as provided by the Greek Law 3016/2002, the Chairman has a "dependency relationship" with the Company, the Chairman of the Board cannot be considered as an independent director.

The Chairman holds, at least once a year, 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 when necessary.

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

Board performance evaluation

Performance evaluation of the Board, its committees and its individual directors is conducted annually. The Board has decided, starting from the term in office of the current board, that board evaluation should be externally facilitated once every three years.

The non-executive directors, led by the Senior Independent Director, are responsible for the performance evaluation of the Chairman, taking into account the views of executive directors.

Summary financial statements

SUMMARY INCOME STATEMENT

(all amounts in euro thousands)	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
Turnover	1,505,803	1,509,153	233,805	262,475
Cost of sales	-1,070,349	-1,072,139	-182,851	-199,836
Gross profit before depreciation, amortization and impairment	**435,454**	**437,014**	**50,954**	**62,639**
Other income	10,631	8,972	15,847	15,470
Administrative expenses	-125,459	-122,108	-44,526	-43,276
Selling and marketing expenses	-22,570	-21,628	-253	-271
Other expenses	-24,615	-23,651	-7,218	-4,476
Profit before interest, taxes, depreciation, amortization and impairment	**273,441**	**278,599**	**14,804**	**30,086**
Depreciation and amortization	-112,294	-116,293	-15,717	-14,753
Impairment of tangible and intangible assets	-4,135	-10,814	-2,150	-
Profit/(loss) before interest and taxes	**157,012**	**151,492**	**-3,063**	**15,333**
Net income from participations and investments	162	1,926	34,199	29,379
Net finance expense	-64,134	-64,403	-16,159	-22,309
(Losses)/gains from foreign exchange differences	-22,326	-25,982	-3,096	303
Share of (loss)/profit of associates and joint ventures	-7,488	492	-	-
Profit before taxes	**63,226**	**63,525**	**11,881**	**22,706**
(Less)/plus: Income tax	-18,929	63,805	1,510	-5,887
Profit after taxes	**44,297**	**127,330**	**13,391**	**16,819**

Attributable to:

	2017	2016
Equity holders of the parent	42,680	127,444
Non-controlling interests	1,617	-114
	44,297	**127,330**
Basic earnings per share (in €)	**0.5292**	**1.5612**
Diluted earnings per share (in €)	**0.5256**	**1.5521**

SUMMARY STATEMENT OF FINANCIAL POSITION

(all amounts in euro thousands)	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Assets				
Property, plant & equipment and investment property	1,478,176	1,583,055	261,881	251,903
Intangible assets and goodwill	345,971	375,116	8,093	4,458
Investments in subsidiaries	-	-	778,805	862,657
Investments in associates and joint ventures	160,904	170,803	-	-
Other non-current assets	13,393	15,089	3,497	3,341
Deferred income tax asset	2,926	20,971	-	-
Non-current assets	**2,001,370**	**2,165,034**	**1,052,276**	**1,122,359**
Inventories	258,204	248,924	65,410	57,768
Receivables, prepayments and other current assets	181,646	196,109	67,849	75,892
Cash and cash equivalents	154,247	179,710	29,323	11,218
Current assets	**594,097**	**624,743**	**162,582**	**144,878**
Total assets	**2,595,467**	**2,789,777**	**1,214,858**	**1,267,237**
Equity and liabilities				
Share Capital 84,632,528 shares of €3.00 (2016: €4.00)	253,897	338,530	253,897	338,530
Share premium	22,826	22,826	22,826	22,826
Other equity	-102,381	-98,475	-102,381	-98,475
Other reserves	723,716	839,364	540,288	538,403
Retained earnings	409,155	374,106	29,502	25,985
Equity attributable to equity holders of the Parent	**1,307,213**	**1,476,351**	**744,132**	**827,269**
Non-controlling interests	62,459	76,465	-	-
Total equity (a)	**1,369,672**	**1,552,816**	**744,132**	**827,269**
Long-term borrowings	820,382	710,965	379,218	310,678
Deferred income tax liability	39,644	56,597	6,078	12,438
Retirement benefit obligations	32,440	33,961	15,410	15,870
Provisions	30,172	22,498	6,944	4,215
Other non-current liabilities	6,711	5,952	3,795	3,788
Non-current liabilities	**929,349**	**829,973**	**411,445**	**346,989**
Short-term borrowings	56,825	129,499	32	42,442
Trade, income tax and other payables	231,063	270,338	50,981	44,439
Provisions	8,558	7,151	8,268	6,098
Current liabilities	**296,446**	**406,988**	**59,281**	**92,979**
Total liabilities (b)	**1,225,795**	**1,236,961**	**470,726**	**439,968**
Total equity and liabilities (a+b)	**2,595,467**	**2,789,777**	**1,214,858**	**1,267,237**

Summary financial statements

SUMMARY CASH FLOW STATEMENT

(all amounts in euro thousands)	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
Cash flows from operating activities				
Cash generated from operations	**240,453**	**275,283**	**29,259**	**41,840**
Income tax paid	-14,359	-6,065	-3,422	-326
Net cash generated from operating activities (a)	**226,094**	**269,218**	**25,837**	**41,514**
Cash flows from investing activities				
Payments for property, plant and equipment	-119,950	-148,294	-27,924	-20,115
Payments for intangible assets	-2,568	-2,262	-2,930	-1,080
Proceeds from sale of PPE, intangible assets and investment property	1,467	1,024	95	220
Proceeds from dividends	4,686	5,266	30,458	28,579
Net (payments)/proceeds from (increase)/decrease in investments to affiliates and other investing activities	-48,959	-95,781	84,135	-15,848
Net cash flows (used in)/from investing activities (b)	**-165,324**	**-240,047**	**83,834**	**-8,244**
Net cash flows after investing activities (a)+(b)	**60,770**	**29,171**	**109,671**	**33,270**
Cash flows from financing activities				
Payments from share capital decrease of the Parent Company	-84,136	-	-84,136	-
Payments for shares bought back	-4,951	-25,193	-4,951	-25,193
Other proceeds from financing activities	1,414	436	606	436
Payments of interest and other related charges	-60,183	-64,713	-22,591	-23,774
Dividends and reserves paid	-8,461	-25,267	-8,461	-25,267
Dividends paid to non-controlling interests	-3,868	-5,281	-	-
Net proceeds from borrowings	77,621	162,685	28,379	42,695
Net cash flows (used in)/from financing activities (c)	**-82,564**	**42,667**	**-91,154**	**-31,103**
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)	**-21,794**	**71,838**	**18,517**	**2,167**
Cash and cash equivalents at beginning of the year	179,710	121,733	11,218	8,626
Effects of exchange rate changes	-3,669	-13,861	-412	425
Cash and cash equivalents at end of the year	**154,247**	**179,710**	**29,323**	**11,218**

WBCSD/CSI non-financial performance indicators

TITAN GROUP – ALL ACTIVITIES PERFORMANCE

WBCSD/CSI	Description	2013	2014	2015	2016	2017
Impact on natural resources[1]	Raw material extracted	29.2	29.5	30.3	32.2	**33.7**
	for cement production, million metric tons (wet)	20.5	18.2	19.0	19.5	**20.7**
	for aggregates, million metric tons (wet)	8.7	11.3	11.3	12.7	**13.0**
	Raw material consumed					
	for cement production, million metric tons (dry)	20.2	18.2	20.0	21.7	**22.6**
	for ready-mix, dry mortar and block production, million metric tons (wet)[2]	6.0	6.9	8.0	8.7	**10.7**
	Total heat consumption, TJ	43,907	40,093	44,333	47,316	**49,192**
	Total electrical energy consumption, TJ	6,113	5,698	6,101	6,652	**6,805**
	Total water consumption, million m^3	9.4	8.4	9.1	9.1	**10.5**
	Recycled (externally) waste materials, metric tons	248,940	353,600	294,000	413,553	**255,228**
	Reused (externally) waste materials, metric tons				9,683	**4,395**
	Recovered (externally) waste materials, metric tons				3,438	**81**
Local impact and biodiversity	Active quarry sites with biodiversity issues[3,5]	8	8	8	8	**10**
	Active quarry sites with Biodiversity Management Plans[4,5]	3	3	6	6	**8**
	Active quarry sites with Biodiversity Management Plans[4,5], %	37.5	37.5	75.0	75.0	**80.0**
	Sites with Community Engagement Plans, %	100.0	100.0	100.0	100.0	**100.0**
	Active sites with Quarry Rehabilitation Plans[5], %	79.0	80.0	82.0	87.0	**81.0**
	Active quarry sites (wholly owned) with ISO 14001 or similar, %	94.0	94.0	96.0	93.0	**81.0**
Health and safety	Employee fatalities	0	0	1	0	**0**
	Employee fatality rate	0.00	0.00	1.80	0.00	**0.00**
	Contractors fatalities	1	1	1	0	**0**
	Third-party fatalities	1	1	0	1	**0**
	Employee Lost Time Injuries (LTIs)	5	18	23	22	**27**
	Employee Lost Time Injuries Frequency Rate (LTIFR)	0.47	1.65	2.00	1.92	**2.41**
	Employee lost working days	191	1,481	1,624	897	**1,220**
	Employee Lost Time Injuries Severity Rate	17.8	135.6	141.4	78.2	**109.0**
	Contractors Lost Time Injuries (LTIs)	7	8	11	7	**7**
	Contractors Lost Time Injuries Frequency Rate (LTIFR)	0.76	0.87	1.10	0.73	**0.82**

Notes

1 Figures are calculated based on the equity of the specific year.
2 Figures for years before 2015 were revised to reflect only natural material consumed.
3 Active quarries within, containing or adjacent to areas designated for their high biodiversity value.
4 Sites with high biodiversity value where Biodiversity Management Plans are actively implemented.
5 Since 2011, coverage of wholly owned active quarries has expanded, to include both quarries attached to TITAN's cement plants and quarries for aggregates production.

WBCSD/CSI non-financial performance indicators
(cont.)

TITAN GROUP – CEMENT PLANTS, ATTACHED AND RELATED QUARRIES PERFORMANCE

WBCSD/CSI	Description	2013	2014	2015	2016	2017
Climate change [1]	Total gross direct CO_2 emissions, million metric tons	10.2	9.5	10.5	11.4	**11.9**
	Total net direct CO_2 emissions, million metric tons	10.1	9.4	10.3	11.1	**11.6**
	Specific gross direct CO_2 emissions, kg/$t_{Product}$[2]	664.3	674.4	706.1	718.0	**715.5**
	Specific net direct CO_2 emissions, kg/$t_{Product}$[2]	657.3	662.3	691.6	699.5	**698.9**
	Total indirect[3] CO_2 emissions, million metric tons	1.1	1.1	1.1	1.2	**1.2**
Alternative fuels and materials [1]	Alternative fuel substitution rate, $\%_{HB}$	4.30	6.65	6.75	8.58	**9.05**
	Biomass in fuel mix, $\%_{HB}$	1.63	2.22	1.57	2.14	**2.59**
	Alternative raw materials (clinker and cement), $\%_{Dry}$	6.1	7.0	5.5	5.1	**5.5**
	Clinker to cement ratio	0.844	0.831	0.847	0.844	**0.837**
Emissions [1]	Overall coverage rate, %	-	61.8	75.1	82.5	**77.6**
	Coverage rate continuous measurement, %	-	80.9	53.5	52.8	**81.7**
	Total dust particulates, metric tons	524	416	438	316	**273**
	Specific dust particulates, g/$t_{Clinker}$	42.2	37.0	35.7	23.9	**19.9**
	Coverage rate, %	-	100.0	92.9	100.0	**100.0**
	Total NOx, metric tons	22,785	18,088	20,927	22,473	**18,409**
	Specific NOx, g/$t_{Clinker}$	1,832.5	1,610.4	1,705.8	1,702.9	**1,340.0**
	Coverage rate, %	-	100.0	100.0	100.0	**100.0**
	Total SOx, metric tons	2,351	2,969	2,527	2,713	**2,733**
	Specific SOx, g/$t_{Clinker}$	189.1	264.3	206.0	205.6	**199.0**
	Coverage rate, %	-	88.9	100.0	100.0	**100.0**
Impact on natural resources [1]	Total thermal energy consumption, TJ	43,504	39,512	43,970	46,862	**48,792**
	Energy efficiency, kcal/$kg_{Clinker}$	835.5	840.1	856.0	848.0	**848.2**
	Total alternative fuels, metric tons	89,170	122,790	127,665	163,537	**202,757**
	Total electrical energy consumption, GWh	1,581	1,481	1,600	1,752	**1,796**
	Total water consumption, million m^3	4.3	3.8	3.9	3.8	**4.3**
	Specific water consumption, lt/t_{Cement}	315.5	305.4	287.1	255.1	**273.1**
	Total extracted raw materials consumption, million metric tons	20.2	18.2	20.0	21.7	**22.6**
	Total alternative raw materials consumption, million metric tons	1.3	1.4	1.2	1.2	**1.3**
Health and safety	Employee fatalities	0	0	1	0	**0**
	Employee fatality rate	0.00	0.00	2.68	0.00	**0.00**
	Contractors fatalities	1	1	1	0	**0**
	Third-party fatalities	1	1	0	0	**0**
	Employee Lost Time Injuries (LTIs)	2	8	13	11	**16**
	Employee Lost Time Injuries Frequency Rate (LTIFR)	0.28	1.10	1.75	1.54	**2.41**
	Employee lost working days	110	494	936	313	**1,014**
	Employee Lost Time Injuries Severity Rate	15.3	67.6	126.0	43.8	**152.8**
	Contractors Lost Time Injuries (LTIs)	6	8	7	2	**6**

Notes
1 Figures are calculated based on the equity of the specific year.
2 Product equals cementitious product as defined by WBCSD/CSI.
3 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.

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