

Impairment assessment of investments in Subsidiaries (Separate Financial Statements)

At 31 December 2017, the Company had investments of €778.805 thousand, which are accounted for at cost adjusted for any impairment where necessary.

Management annually assesses any indications of impairment of the Company's investments in subsidiaries. In order to establish whether an impairment provision is required, the Company determines the amount of impairment as the difference between the recoverable amount and carrying value of the investment.

Management has determined the recoverable amount of each investment to be the higher amount between its fair value less cost of sale and its value in use, according to the provisions of International Accounting Standard 36.

The determination of the value in use is based on management's estimates and assumptions such as the future cash flows of each company, its future performance and the discount rate used. Furthermore, these assumptions vary due to the different market conditions in the countries in which the Group operates.

We focused on this area due to the significance of investments in subsidiaries and due to the estimates and judgments applied by management in the process of impairment testing.

In the year ended 31 December 2017 an impairment charge of €178 thousand was recognized in the income statement line "Losses from participation and investments" with respect to the Company's investments in Titan Cement International Trading S.A. and Aeolian Maritime Company. (Notes 1.2 Consolidation and 14. Principal subsidiaries, associates and joint ventures)

We evaluated management's assessment and conclusions as to whether any indication of impairment of the Company's investments in subsidiaries exists.

Following the completion of the procedures applicable to the consolidated financial statements, we assessed the analysis prepared by management, by which the recoverable amounts of CGUs determined in the impairment tests of goodwill related to the corresponding investments in subsidiaries.

We performed the procedures described in the key audit matter relating to "Impairment assessment of goodwill", for the investments in subsidiaries whereby an indication of impairment exists.

From the testing procedures performed above, we noted no exceptions. Furthermore we also validated the appropriateness of the related disclosures included in Note 14 - Principal subsidiaries, associates and joint ventures.

Recoverability of Deferred Tax assets (Consolidated financial statements)

As disclosed in Note 8 «Income tax expense» and Note 18 «Deferred income taxes» to the consolidated financial statements, the Group's deferred tax positions at December 31, 2017 includes a deferred tax asset amounting to euro 80,8 million attributable to tax losses euro 284,5 million.

Management assesses at each reporting period the expected utilisation of deferred tax assets considering the likelihood of expected future taxable profits in accordance with the approved budgets.

We focused on this area due to the significance of related amounts in the consolidated financial statements and judgment required on the part of management as to the likelihood of future taxable profits.

With the assistance of PwC tax specialists we performed the following procedures with regard to the recoverability of deferred tax assets:

- We assessed the available tax losses that can be carried forward to offset future taxable profits.
- We considered the expiry periods and with any applicable restrictions in recovery of tax losses for significant tax jurisdictions.
- We assessed the future taxable profits determined by management, by testing the business plans and expected annual taxable profit growth rates, by comparing with historical achieved results and industry forecasts.

Based on our procedures we noted no exceptions in the recoverability of deferred tax assets attributable to tax losses and disclosures in the consolidated financial statements to be adequate.

Other information

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

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

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

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

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

- The information given in the the Board of Directors' report for the year ended at 31 December 2017 is inconsistent with the separate and consolidated financial statements,
- The Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

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