Independent Auditor's Report

To the Shareholders of "Titan Cement Company S.A."

Report on the audit of the separate and consolidated financial statements

Our Opinion

We have audited the accompanying separate and consolidated financial statements of "Titan Cement Company S.A." (Company or/and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2017, the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2017, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

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

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1st January 2017 to 31 December 2017 during the year ended as at 31 December 2017, are disclosed in Note 32 to the separate and consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

Carrying value of goodwill (Consolidated financial statements)

At 31 December 2017 Titan Cement Company S.A Group had a total of €287.669 thousand goodwill allocated to cash generating units (CGUs).

Group measures the goodwill at cost less anyaccumulated impairment losses.

Goodwill is allocated to CGUs and test for impairmentis performed annually or even more frequently, whenevents or circumstances indicate possible impairment of goodwill carrying value compared to recoverableamount, in accordance with the requirements ofInternational Accounting Standard 36. Impairment lossis charged as expense in the Group Income Statementand is not reversed subsequently.

Management determines the recoverable amount foreach CGU as the higher of fair value less costs to sell andvalue in use. The calculation of the value in use for eachCGU requires judgment on the part of Managementwith regard to the assumptions used for the calculationof the above CGUs future results, such as perpetual growth rates, forecasts on volumes and selling prices,gross margins and discount rates. These assumptionsvary due to the different market conditions in thecountries in which the Group operates.

Furthermore challenging trading and operating conditions exist in the countries in which the Group operates, increase the risk of goodwill impairment.

We focused on this area due to the significance ofrelated amount in the consolidated financial statementsand due to the estimates and judgments applied bymanagement in the process of goodwill impairmenttesting.

According to management's goodwill impairmentassessment as at 31 December 2017, an impairment ofgoodwill amounting to €1.396 thousand in relations tothe investments in South Eastern Europe operationswas recognized in the consolidated income statementline "Impairment of tangible and intangible assetsrelated to cost of sales".

Details on assumptions used are included in Notes 1.6«Intangible assets», 2.1 «Significant accountingestimates and judgments, Impairment of goodwill andother non –financial assets» and 13 « Intangible assetsand Goodwill».

How our audit addressed the key audit matters

We evaluated management's overall impairment testing process including assessing the process by which the value in use models are reviewed and approved.

We have performed a number of procedures in orderto verify that the goodwill impairment tests areperformed in accordance with generally acceptedmethods, mathematically correct calculations andare based on reasonable assumptions. Our auditapproach incorporated involving PwC valuationexperts in order to assist us with:

- Testing the Group's key assumptions for growthrates, sales volumes, selling prices and grossmargins in the future cash flow forecasts bycomparing them to locally industry trends andassumptions made in the prior years.
- Assessing the reliability of management's forecastthrough a review of actual performance againstprevious forecasts.
- We found that the discount rates were within areasonable range by evaluating the cost of capitaland debt per CGU and by comparing these withmarket and industry data.
- Testing the mathematical accuracy of the cashflows models and agreeing relevant data toapproved financial budgets.

We evaluated the impact on the recoverable amountof each CGU by using other possible assumptionssuch as growth rates, discount rates, sales volumes,selling prices and gross margins and we found thatsufficient headroom remained between the carryingvalue and recoverable amount.

Based on our procedures we noted no exception andconsider management's key assumptions to bewithin a reasonable range and related disclosures inthe consolidated financial statements to be adequate.