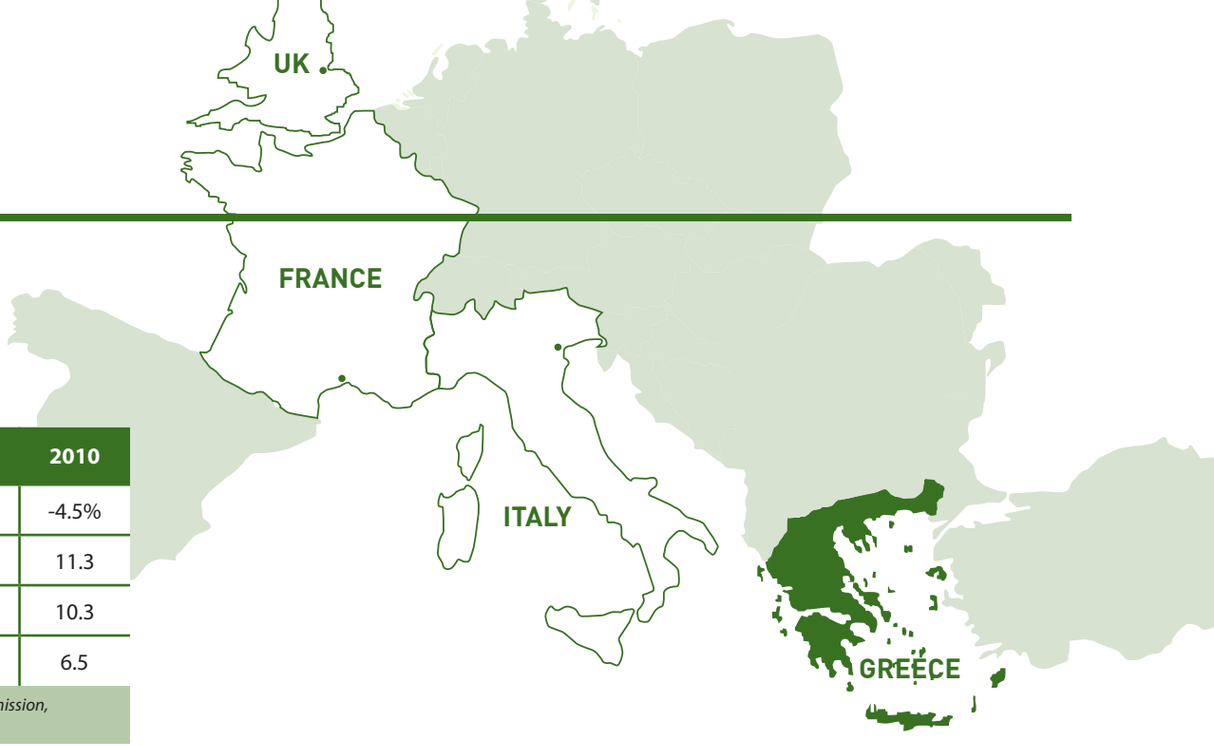
GREECE AND WESTERN EUROPE



CONSTRUCTION ACTIVITY AND THE GREEK ECONOMY

The economic situation in Greece deteriorated in 2010 in all sectors of activity.

Real GDP continued to decline, at -4.5%, as compared to -2.0% in 2009. Despite the recession, the average annual inflation rate rose to 4.7%, compared to 1.2% last year, driven mainly by an increase in indirect taxation and oil prices.At the end of the year, unemployment reached 14.2%, rising from 10.3% at the end of 2009.

Construction activity has been negatively impacted by a confluence of factors: Household expenditures were very restrained due to uncertainty regarding employment and future income ; and commercial space and housing inventory remained at historically high levels.

In parallel, the drastic restriction of the Public Investment Programme and the very low rates of implementation of public - private partnerships (PPPs) have had a further negative impact on demand for construction materials.

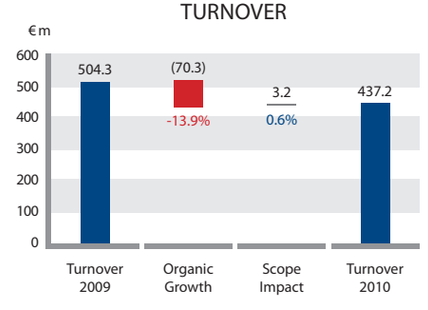
It is estimated that construction activity over the 2006-2010 five-year period has declined cumulatively by more than 50%.

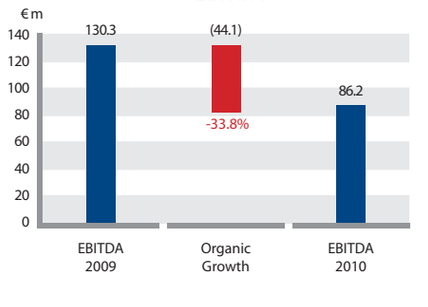
Credit expansion halted as, due to the crisis, banks issued fewer mortgage loans; as a result, mortgage loan balances to households fell by 0.4% over the year.

The Group's turnover in Greece and Western Europe fell by 13% from 2009 to 2010, reaching €437 million. Operating profits (EBITDA) amounted to €86 million, a drop of 34%, aggravated by provisions against bad debts and the higher energy cost.

GREECE	2010
GDP (real growth rate)	-4.5%
Population (million)	11.3
Cement Production (million tons)	10.3
Cement Consumption (million tons)	6.5

SOURCE : Bank of Greece, European Commission, Company estimates





Patras cement plant, Greece

CEMENT

In 2010, the economic recession had a negative impact on both private and public construction activity. Reduced demand for construction materials and the national financial crisis looming, resulted in closure of a small number of our concrete plants and an increase in bad debts.

In terms of production, the increase in prices of solid and liquid fuels, as well as the higher cost of electricity, added to the cost of cement production. This trend was counterbalanced in part by the use of alternative fuels, such as the combustion of dried sludge from biological sewage processing, tires, and other materials. We remain committed to increasing the level of substitution of conventional fuels by alternative ones, and our efforts in this area will be intensified in the years to come as we work on reducing our carbon footprint. Our objective is to increase the substitution of conventional by alternative fuels to an average level of 10% across the Group by 2017, using the best available technology and with the consent of local communities.

The cement plants used about 28,000 tons of alternative fuels (roughly the same as in 2009) which would otherwise have been disposed of, at the same time achieving a substitution rate of 3.4% of conventional fuels (in units of thermal energy).

The cement plants also used, as raw materials, almost 300,000 tons of aggregates unsuitable for sale and waste concrete, thereby preventing disposal in landfills. This was among the highest quantities recorded in the last ten years. Moreover, 300,000 tons of residual materials from other industries (electricity generation and metallurgy) were used as raw materials in cement production, increasing total quantities of alternative raw materials to 600,000 tons, with the equivalent fall in consumption of natural (primary) raw materials.

Almost all capital expenditure in 2010 was related to investments in emissions reduction, use of alternative fuels and health and safety in the workplace. Results in the health and safety field were positive, with just 5 accidents recorded involving the Group's employees; the indicators of frequency and severity of accidents per 1 million working hours fell to 1.7 and 68 respectively. The figures for 2009 had been 2.24 and 76.6. Special emphasis was placed on the safety of contractors' crews, with nearly 4,000 hours dedicated to their safety training.

CEMENT EXPORTS

Export volumes in 2010 remained flat at 2009 levels. Intense competition from exporting countries outside the European Union left little scope for increasing exports.

Exports to the U.S.A. fell further, owing to the ongoing crisis in the construction sector there.

However, this decline was offset by significant exports to Libya and Egypt.

Exports to the Group's cement import and distribution terminals in Western Europe remained stable.

READY-MIX CONCRETE

Sales of ready-mix concrete of our subsidiary INTERBETON, were only slightly down in volume, thanks to demand from specific road-construction projects. Excluding these volumes, deliveries to the rest of the market were down in line with the overall decline in activity.

AGGREGATES

The decline in sales of aggregates compared with 2009 was significant and due both to the fall in private building activity and to the decline in investment in public works projects.

Investment was completed and operations commenced at the Leros quarry. Work began on the development of the new Tanagra quarry, and smaller investments were made in modernizing various quarry facilities, with emphasis on health and safety and environmental protection.

By 2010, almost all quarries had secured the ELOT-1801 health and safety certification, the ISO-14001 certification for environmental protection and the ISO-9001 certification for quality management. Furthermore, the management systems for INTERBETON quarries were unified under a common standard, significantly reducing the overall cost of supervision and maintenance of compliance certification. The year also marked the acquisition of the CE quality symbol for all INTERBETON quarries.

MORTARS

Sales of dry mortars posted significant decline in line with the the domestic cement market trend.

New Concrete Products

The value added products initiative continued in 2010 with the industrial-scale launching of new ready-mix concrete products that provided unique solutions to specific market needs and expanded the traditional fields of core product application. Exceptional feedback was received from customers and contractors regarding the products' superiority in terms of features and benefits, ease of use, and value creation for the end user. Designed to provide durable and sustainable solutions, the new products of INTERBETON received considerable brand recognition and increased customer loyalty.

In addition to INTERFILL (a lightweight, head-insulating screed for residential and commercial sub-bases), INTERPUMP (a unique concrete with long-distance pumping capabilities, extending the capabilities of conventional concrete pumps) and GAIAFILL (a controlled low-strength fill material), INTERBETON launched in 2010 a range of fiber-reinforced concretes: INTERFIBER and INTERSTEEL. In addition, specific INTERBETON regions launched INTERTOP, a unique architectural concrete for slabs on grade that allows the architect to enhance the project's aesthetics with a natural and durable appearance.

Research and development of promising new products identified by marketing and sales will continue in 2011 through collaboration between TITAN's concrete laboratory at Kamari cement plant and INTERBETON's technical expertise.