ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FISCAL YEAR 1.1.2010 - 31.12.2010

FINANCIAL REVIEW

FINANCIALS – BUSINESS DEVELOPMENTS – MAJOR EVENTS

2010 was a difficult year for the Group. Although the global economy showed signs of growth, it was the developing economies, notably China and India, who were the drivers of growth while developed markets appear to exit the recession at a much slower pace. Moreover, the construction industry lagged in the recovery of developed markets. In the markets in which the Group is active, the rate of growth in Southeastern Europe and the Eastern Mediterranean was not sufficient to counter the decline in the Group's major markets of Greece and Florida.

Titan Group Turnover for 2010 totaled €1,350m posting a marginal 0.7% decline compared to 2009. EBITDA reached €314m, 5.5% lower, while net profit after taxes and minority interest reached €102m, reduced by 17.2% compared to 2009.

It must be noted that operating profitability before provisions was almost the same as last year. The deterioration of the results is impacted by increased provisions mainly for bad debts by €19.4m, as well as higher depreciation, financial expenses and minority interest.

The Group's long-term strategy of geographic diversification was instrumental in achieving these results. The commencement of operation of the new production line in Egypt and the expansion of operations in the Western Balkans through the investments in Albania and Kosovo, led to increased sales and operating profitability in the developing countries of the Eastern Mediterranean and Southeastern Europe, offsetting the negative implications of the decline in cement consumption for a fifth consecutive year in the United States and for a fourth consecutive year in Greece.

The appreciation of the US$ as well as the Egyptian pound against the Euro also had a positive foreign exchange effect on Group results.

The price of solid and liquid fuels as well as power all increased, more markedly so in the second half of 2010.

In Greece, the deteriorating economic conditions led to a sharp decline in building activity in both the private and public sectors. The low levels of housing demand are to be attributed to the recession of the real economy and the attendant macroeconomic adjustments which have negatively affected household income and employment expectations as well as to the decline in the granting of mortgage loans. Group Turnover in Greece and Western Europe in 2010 was lower by 13% at €437m and EBITDA declined by 34% compared to 2009 and stood at €86m, negatively impacted by the increase in bad debt provisions and higher energy costs.

In the USA, no recovery in construction activity was visible in 2010. In the South Eastern States, where a major part of Group's operations is located, demand remained at low levels, while the Florida market declined further. Group Turnover in the USA decreased by 13% in 2010 reaching €317m, while under these unfavorable conditions operating profitability was reduced by 86% at €3.5m.

Despite the continuing decline in cement consumption in the USA, the subsidiary of the Group, Separation Technologies LLC (ST), which is engaged in the installation and running of fly ash processing units, reported a marginal increase in sales. The globally innovative, 'green' technology employed by ST converts fly ash – an industrial waste product resulting from the incineration of coal used to generate energy – into useful products.

On 1.2.2010 the US Army Corps of Engineers issued to Titan Group's subsidiary in the US, Tarmac America LLC, a permit to mine in the Lake Belt area of Miami-Dade in Florida. The new permit has a tenure of 20 years, removing a source of uncertainty and allowing Titan a long term focus on operating excellence and environmental stewardship.

In Southeastern Europe, the economic crisis continued to depress demand for building materials although to a smaller degree compared to 2009. Nevertheless, Turnover in 2010 increased by 10% to €236m and EBITDA by 17% to €87m compared to 2009, as a result of the operation of the new greenfield plant in Albania in the second quarter of the year and the consolidation of the Kosovo plant.

In contrast to the market trends in Europe and the United States, demand for building materials in the Eastern Mediterranean increased. In Turkey, it is estimated that the growth of the domestic economy led to a 15% increase in cement consumption. In Egypt, demand remained at high levels primarily due to extensive housing programs. Coupled with the Group's enhanced production capacity in the region, due to the operation of the second production line at the Beni Suef plant, the increased demand led to improved financial results. Overall, Turnover in Eastern Mediterranean increased by 31% compared to 2009 reaching €360m and EBITDA rose by 34% and stood at €138m.

In 2010, Group sales, general and administrative expenses grew by 1.1% compared to 2009 and stood at €130m. On a like-for-like basis and excluding foreign exchange fluctuations, Group sales, general and administrative expenses would have declined by 3.4%, beyond the reduction of 15% achieved in 2009, reflecting the Group's continuous effort at cost containment.

Financial expenses including foreign exchange effects and the one off cost for the early repayment of the USPP notes in the USA in July 2010, amounted to €63m, increased by 5.7% compared to last year.

The Group's continuous focus on reducing its debt position through the strict prioritization of investments and control over working capital, resulted in an operating free cash flow of €195m and helped reduce net debt by €194m in the year. The Group's net debt position continues to improve having declined from €1,114m in December 2008 to €971m in December 2009 and to €777m in December 2010.

The company's share price closed at €16.42 on 31st December 2010, a decline of 19.2% over the closing price of the previous year. This decline however is considerably smaller than that of the General Index of the Athens Exchange which posted a decline of 35.6% over the same period. On 26th May 2010, the company's common share was removed from the MSCI Standard Index and joined the MSCI Small Cap Index. On 17th September, 2010, the company's common share was removed from the FTSE Global Equity Mid Cap and FTSE All-World Indices and joined the FTSE Global Equity Small Cap Index.

In the course of the year, credit rating agency Standard & Poor's confirmed their positive outlook on the Group's prospects twice, in April and October, while in December they placed the Group on negative credit watch, following a similar downgrade of their outlook on Greece. As at year's end, the Group's credit rating stood at BB+.

The Group has granted to non controlling interest shareholders, European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) the option to have the Group to purchase their shares in ANTEA Cement SHA at predetermined conditions. On 31.12.2010 the put option's fair value recognized as liability is €21.1m.

On 1.7.2010 the Group's subsidiary in US, Titan America LLC, prepaid and retired the remaining $66.9m (€54.5m) of unsecured notes payable which was concluded through a private placement with institutional investors in the U.S. years ago and whose rate was too high, by today's data. The total pre-tax cost of repayment was $ 9.7m (€7.9m).

As per resolution dated 16.12.2010 of the Board of Directors, the share capital of the Company was increased in cash by €150,888 with the issuance of 37,722 new registered common shares, of a nominal value of €4.00 each, following the exercise by senior executives of Titan Group of stock option rights granted to them in implementation of the Stock Option Plan that has been approved by resolution dated 29.5.2007 of the General Meeting of Shareholders.

The 1st Reiterative General Meeting on 3.6.2010 approved the adoption of a new stock options plan for the acquisition of Company shares by senior executives of Titan Group. Approximately 100 beneficiaries will be granted on 2010, 2011 and 2012 stock options for the purchase of up to one million common shares from the Company's treasury stock at a nominal value of €4.00 each. The vesting period of the rights will be 3 years and the exercise of the rights will then depend on the Group's profitability and share performance in relation to that of its peers and related indices.

Pursuant to its Board of Directors resolutions dated 12.1.2010 and 26.4.2010, the Company completed between 13.1.2010 and 30.7.2010 the sale through the Athens Stock Exchange of 37,597 treasury common shares, representing 0.0445% of the Company's paid up Share Capital, at an average sale price equal to €18.77 per share, within the three year statutory period commencing from the date they were acquired by the Company. The total number of own shares that the Company holds as at 31.12.2010 is 3,137,616 of aggregate value €90,182 thousand, representing 3.71% of the Company's paid up Share Capital and they have been deducted from the Shareholders Equity of the Group and the Company.

The Board of Directors of Titan Cement Co, S.A. will recommend to the Annual General Meeting of Shareholders, which has been scheduled for June 15, 2011, a cash dividend of €0.07759 per share versus €0.18 the previous year. In addition, the Board will propose to the General Assembly the distribution of €8,665,491 corresponding to €0.10241 per share, from special reserves which have already been taxed, thus exhausting the taxation obligations of the Company and the shareholders.

BUSINESS MODEL

The Group's corporate strategy which forms the basis for our long term goals and initiatives remains focused on the following four tiers:

- Geographical diversification
- Continuous competitiveness improvement
- Vertical integration
- Focus on human capital and CSR

The Group's core competence is the production and commercialization of cement, ready-mix concrete, aggregates and related building materials.

The Group operates in 13 countries in Europe, North America and the Eastern Mediterranean and is organized in the following four operating (geographic) segments:

- Greece and Western Europe
- U.S.A.
- South East Europe
- Eastern Mediterranean

Each operating segment is a cluster of countries. The aggregation of countries is based on geographic proximity.

INVESTMENTS, DISPOSALS, MERGERS AND ACQUISITIONS

In 2010, the Group continued to invest in expanding its activities, modernizing its facilities and improving its environmental footprint. Capital expenditure, excluding acquisitions, reached €86 m significantly lower than 2009 following the completion of the new cement production line at the Beni Suef plant in Egypt (November 2009) and the new greenfield plant in Albania (March 2010).

In the last quarter of the year, specifically in December 2010, Titan Group announced the signing of a definitive agreement with the Privatization Agency of Kosovo for the purchase, through its affiliate "Sharr Beteiligungs GmbH", (owned by 51% by Titan Group) of the Sharr cement plant. The plant, with a rated capacity of 600,000 tons per annum, was already under Titan management, on the basis of a lease agreement.

In November 2010 the Group announced the completion of the €80m equity investment by the "International Finance Corporation

(IFC)" in "Alexandria Portland Cement Company S.A. (APCC)" through the purchase of a stake in Titan's holding company "Alexandria Development Limited (ADL)". The transaction resulted in IFC acquiring through ADL a 15.2% minority stake in APCC and subsequently in Titan's Egyptian operations.

In April 2010, the Group disposed the Cumberland quarry in the state of Kentucky USA, for the amount of €32.7m, the net assets of which were €32.8m.

POST BALANCE SHEET EVENTS

Titan Global Finance PLC, a Group subsidiary, announced on 5.1.2011 the conclusion of a new €585m multicurrency forward start syndicated revolving credit facility, guaranteed by Titan Cement Company S.A. The new facility will mature in January 2015 and will be used for refinancing TGF's existing syndicated multicurrency revolving credit facility maturing in April 2012 and for general corporate purposes of the Group thereafter.

On 7.1.2011, the Company executed a four year syndicated bond loan of €135m principal, aiming to further strengthen the Group's liquidity profile.

Titan Cement Co S.A. announced on 4.2.2011 the signing of an agreement between its tableware subsidiary IONIA S.A. and YALCO-S.D. CONSTANTINOU & SON S.A. for the transfer of the IONIA trade name, as well as the sale of certain merchandise and other fixed assets.

PROSPECTS FOR 2011

It is estimated that 2011 will be one more challenging year for the Group.

In Greece, a further decline in private and public construction activity is expected due to the difficult fiscal situation and the increasing consumer and business uncertainty.

In the USA demand for construction materials is expected to remain weak in 2011, despite the economic recovery. In November 2010, the Portland Cement Association forecast a 1.4% increase in cement consumption for 2011 despite the extremely low levels of 2010.

In Southeastern Europe, the gradual economic recovery is not expected to translate into a meaningful increase in cement consumption during the year.

In Egypt, recent political developments give rise to increased short-term uncertainty. It should be noted however that the Group's production and commercial activities have continued unabated.

Last, the outlook for Turkey appears positive, where the strong economic recovery is expected to contribute to the further development of domestic demand for private construction and public works.

The upward trend in solid and liquid fuel prices is expected to have a negative impact on Group results, despite the continuous efforts to reduce energy consumption and substitute conventional fuels with alternatives.

Under the prevailing conditions of uncertainty in the economic environment, the Group will continue to focus its efforts on optimizing its business and on strengthening its economic fundamentals by reducing debt and lowering costs.

Despite the adverse economic environment, the Group remains committed to its four strategic priorities, which are geographical diversification in cement, continuous improvements in cost and competitiveness, vertical integration in related building materials and a focus on both human resources and corporate social responsibility.

PARENT COMPANY FINANCIAL RESULTS

At parent company level, turnover reached €371m lower by 17.6%, while EBITDA reached €86m, a decline of 28.2%, mainly reflecting the decline in domestic sales.

Net profit after taxes and minorities decreased by 55.2% to €21m compared to 2009. It must be noted that a social responsibility tax that has been levied on all Greek companies posting a profit above €100 thousand for fiscal year 2009. The total charge for the Company amounted to €7.9m.

MAJOR TRANSACTIONS BETWEEN COMPANY AND RELATED PARTIES

Transactions between the Group and the Company and related entities, as these are defined according to IAS 24, (related companies within the meaning of Article 42e of Codified Law 2190/1920) were undertaken as per ordinary market workings.

The most important transactions between the Company and related entities are presented in the attached table.

Regarding the transactions, the following clarifications are made:

The revenue presented relates to sales of the company's finished goods (cement and aggregates) to the aforementioned subsidiaries while purchases relate to purchases of raw materials and services by the company from the said subsidiaries.

Company liabilities primarily relate to three outstanding floating rate loan agreements of €528 million maturing in 2012 at the Euribor rate plus a 1.35% spread per year, and one outstanding fixed rate loan agreement of €100 million maturing in 2013 at a fixed rate of 7.62% per year to maturity, which were concluded with the UK based subsidiary TITAN GLOBAL FINANCE PLC.

Company receivables primarily relate to receivables from cement sales to the said subsidiaries and the provision of consultancy services.

The remuneration of senior executives and members of the Group's Board of Directors for 2010 stood at €6.6 million compared to €7.4 million the same period of the previous year.