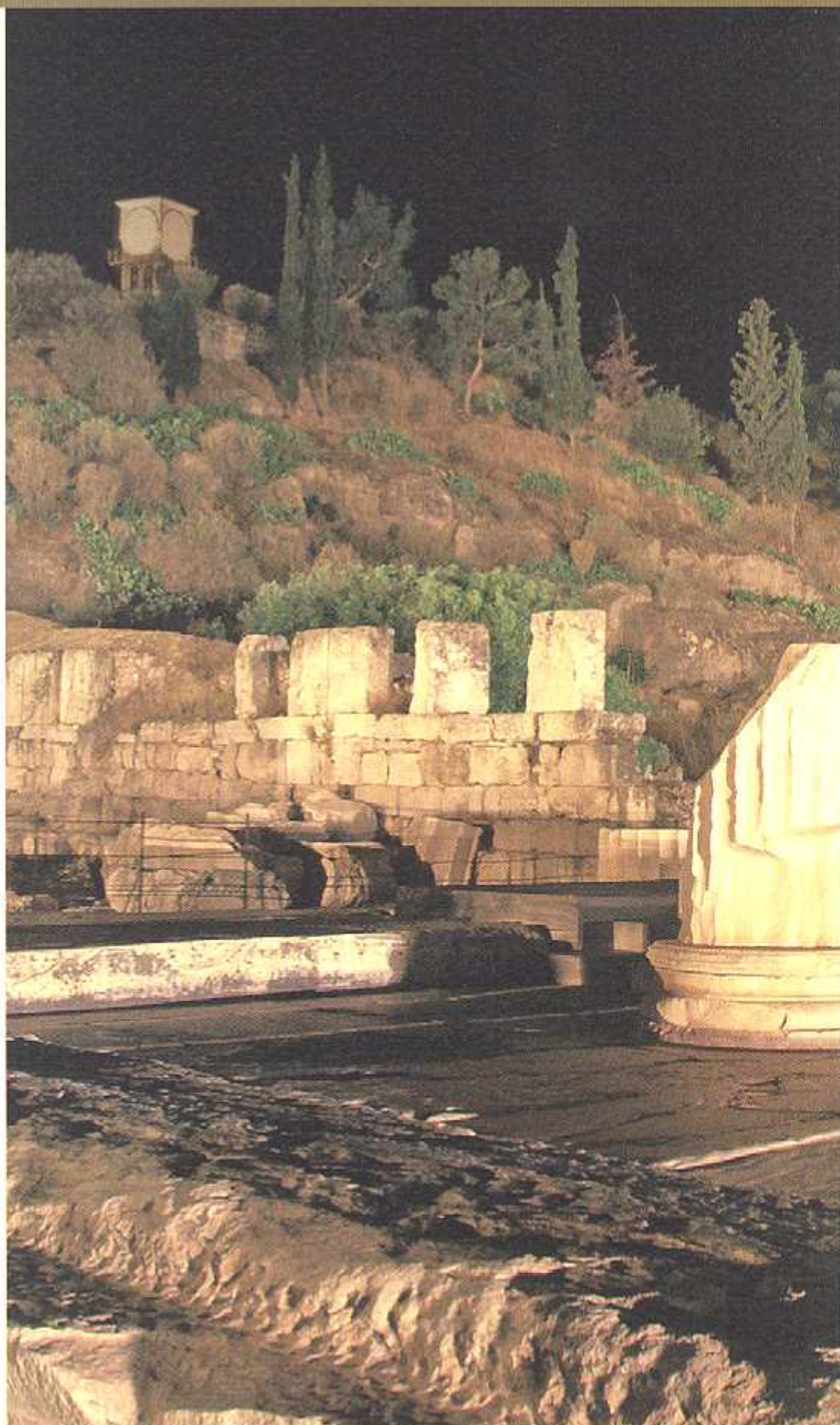


**Corporate Social Responsibility
and Sustainability Report 2005
Concise edition**



Message from the Managing Director



Corporate Social Responsibility and Sustainable Development are strategically important for TITAN. Any progress or achievement in these areas is the result of collective endeavour; every advance depends on the vital contribution of our employees.

2005 was an exceptionally successful year for the Group. We believe it is only fair that corporate profitability and social responsibility should advance hand-in-hand and in no circumstances should success be taken for granted. No achievement can be relied on to last indefinitely, and this is why we can never afford to be complacent.

TITAN Group Corporate Social Responsibility and Sustainability Report, issued each year since 1983, has recently been expanded and enriched with new information and data from across the whole Group, as well as special analyses of particular issues. It is designed to meet the need for information not only of our own workforce but also of the general public, and especially market analysts and representatives of economic agencies and organizations.

We have decided this year to issue the Report for the first time in a concise version, in both English and Greek. It is intended primarily to reflect the priorities of our employees and meet their particular information needs.

The concise Report contains key information of economic, social and environmental interest. It focuses on the results of programs and initiatives developed and implemented in 2005. More information on these matters is, of course, to be found on our website (www.titan-cement.com).

Any employee wishing to obtain the full version of the 2005 Report may request a copy from the Human Resources Division by filling in the attached form.

We would value any comments, observations or proposals for future editions of the Report, whether the concise or the full version. Feedback from readers will be invaluable in designing future editions.

Dimitri Papalexopoulos
Managing Director

Key Figures for 2005

Financial Results 2005

Turnover	€ 1,342 mil.
Net profits*	€ 210 mil.
Operating profits	€ 391 mil.
Investment	€ 146 mil.

* after tax and minority rights

Distribution of social product

The Group's activities substantially contribute to economic and social development in the areas we operate.

The distribution of our income in 2005 was as follows:

- > To employees (salaries, pensions and additional social benefits, beyond those obligatory by law) / Total: € 232.1m
- > Payments to our suppliers: € 712m
- > Spending on new investment: € 145.7m
- > Taxes to central and local government: € 153.5m
- > Dividends to shareholders: € 50.6m

In 2005 TITAN Group produced:

- > At eleven cement plants more than 15m tons of cement;
- > At 37 quarries more than 34m tons of aggregates;
- > At 78 production units 5.5m cubic metres of concrete;
- > For production we consumed 35,220 Tj of thermal energy and 5,180 Tj of electric power in the production of clinker and cement.



The Raanoke plant, USA - 2005

TITAN's Governing objective:

'We aim to grow as a multi-regional, vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with respect for people, society and the environment'.

The most important Corporate Social Responsibility and Sustainable Development initiatives - 2005

- > Completion of the installation of lighting at the Eleusis' archaeological site, creation of a Cultural Centre, and construction of new building to host W. Attika's Fire Department at Eleusis
- > Launching and implementation of the 1st long – term vocational technical training program for young unemployed and granting of scholarships to outstanding students at Usje, FYROM.
- > Extension of social benefits programs for our employees in Serbia and Bulgaria
- > Introduction of new programmes to raise US employees' awareness of workplace safety and accident prevention

We have also participated and contributed to activities related to:



> United Nations' Global Compact Initiative (www.globalcompact.org)



> World Business Council for Sustainable Development initiative for sustainable development in the cement sector (www.wbcsd.org)



> CSR Europe's endeavours to promote joint actions at European level and in cooperation with the European Commission (www.csreurope.org)



> Hellenic Network for Corporate Social Responsibility efforts at national level and particularly the publication and promotion of the first directory of examples of good CSR practices (www.csrhellas.gr)



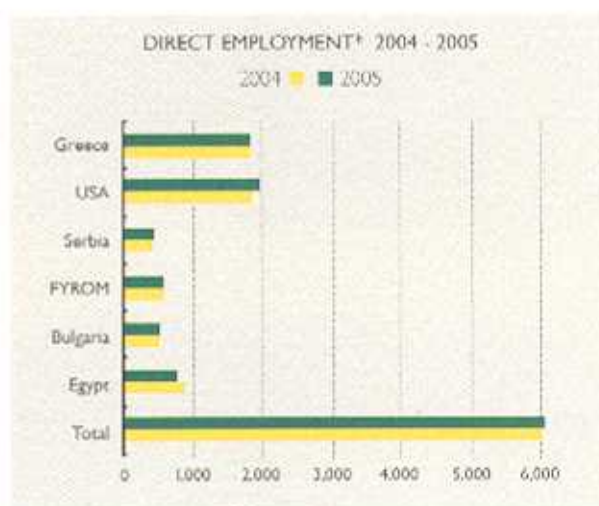
Eleusis' Archaeological Site, Greece July 2005

People and Society

Employment – Human Resources Development

Direct Employment

In whatever part of the world the Group is present, our top priority in human resources policy is respect for people and their needs. Our goal is to maintain a high level of employee satisfaction, safe working conditions and a work environment enhancing constructive cooperation, productivity and a climate of mutual trust.

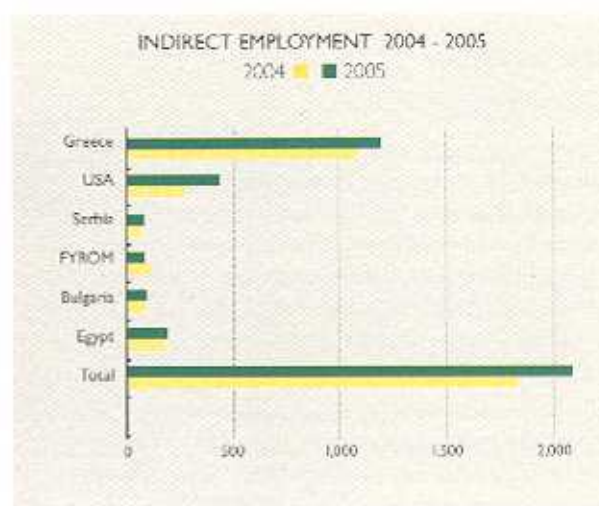


* total workforce employed for all subsidiaries

Indirect Employment

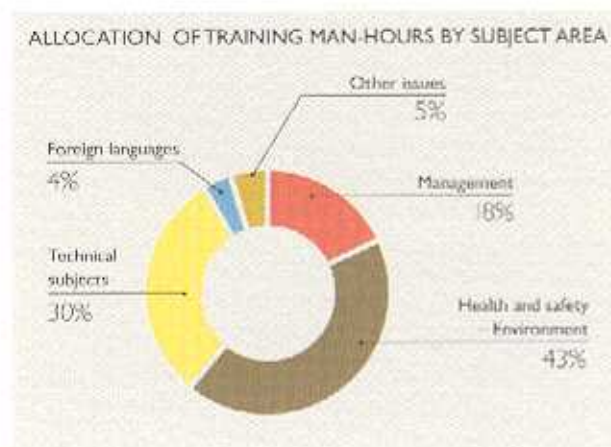
In 2005 contractors' staff (indirect personnel) accounted for 25 % of total employment, mainly in the following main activities:

- > Quarrying
- > Plant maintenance and cleanliness of facilities
- > Transportation of raw materials and products
- > Surveillance and security of facilities



Education and training

In 2005 more than 90,000 man-hours were allocated to training our employees (average number of training hours per employee at Group level amounted to 15).



New initiatives

'Career Preheater'

TITAN's expansion in new regions has created a new dimension in the process of attracting and employing new staff. The need, on one hand, to transmit valuable knowledge and experience to newly hired staff and, on the other, to integrate new employees into our corporate culture and practices has led to the formulation of an integrated training system titled "Career Preheater" launched as a pilot process in Greece this year.

Its purpose is to develop structurally, effectively and equally the technological skills, leadership competencies and behaviours of new professionals. Group experts –active and retired- as well as external organizations cooperate in the implementation of this new initiative.

Accident prevention

The Group's overall performance in accident prevention is set out in the table below, compiled using a set of safety metrics recently adopted by the World Business Council for Sustainable Development, in response to the Agenda for Action undertaken by the members of the Cement Sustainability Initiative (CSI).

The overall performance of our plants in terms of accident frequency and severity was better than that of the previous year, still Group's safety record for 2005 was overshadowed by three fatal accidents*. In two plants – at Eleusis and Patra – the goal for zero accidents had been achieved. Our philosophy of treating near-misses as seriously as actual accidents has determined our priorities for 2006, which will include a broader utilization of programmes of good practice.

* Two in the USA (one involving a member of our own workforce, the other a worker employed by a contractor) and one in Serbia (a contractor's employee).

"Occupational Safety" TITAN Group Performance Indicators according to CSI standards

Total number of employees (directly employed)	6,000
Total number of man-hours worked in million hours (directly employed)	12,094
Number of LTI's, directly employed	71
LTI Frequency rate* directly employed (per million man-hours)	5.87
Number of fatalities (directly employed)	1
Fatality rate (per 10,000 directly employed)	1.6
Number of fatal accidents (contractors' employees)	2

Frequency indicator: number of accidents multiplied by 1,000,000 and divided by the total number of hours worked



Bagged cement loading, Kaman plant, Greece 2005

Initiatives for education – 2005

Outside the Group

- > Staging of two further events in the Leadership Forum series, at our Thessaloniki and Karamani plants. A total of 320 students from 11 postgraduate programmes attended the events, which were addressed by 11 university professors and 8 representatives of businesses.
- > Continuation and expansion of the TITAN Distinguished Visiting Professors Programme, in which internationally respected academics are invited to lecture in the postgraduate programmes run by ALBA in Greece.
- > Launching of a scholarship programme to allow young people from FYRoM to attend postgraduate courses in business administration in Greece.
- > Provision of funding to cover the expenses of 40 postgraduate students attending a conference organized in Athens by The Economist, on the subject Making Europe more competitive through CSR.
- > Further support for the Step up for Students programme, which grants scholarships to children from low-income families to study at schools in Florida, USA.
- > Support for initiatives mounted by the Centre for Democracy and Reconciliation in South-Eastern Europe, which seeks to help establish peace and cooperation in the region by adopting the principles of democracy and social responsibility.

The year 2005 also saw the first comprehensive programme of Technical Training for unemployed young people from the Usje region in FYRoM. The programme (total duration 500 hours; attended by 14 unemployed young persons) was financed entirely by TITAN.



Neda Tozija

Civil engineer,

ALBA post-graduate student:

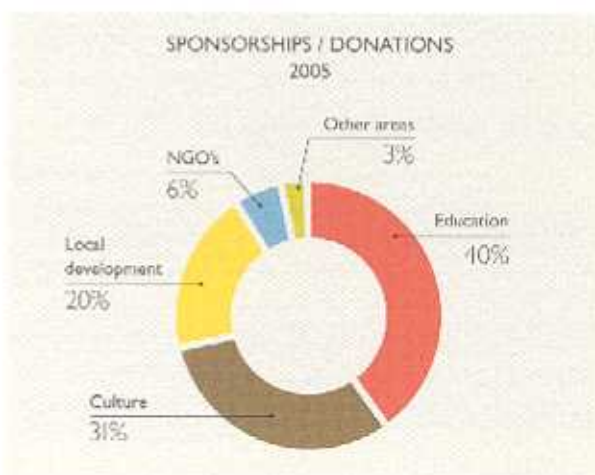
"I think that the scholarship program that TITAN runs is a great help to society, especially to young people in my country. At a time, when the job market is saturated and it is difficult for young people to find employment, it is very important to have a relevant and quality education. Therefore I consider it an excellent opportunity and privilege to be given the chance to study at ALBA, one of the most prestigious graduate schools in Greece. Moreover, I have about the Greek culture and way of life."

Social solidarity – Voluntarism

In 2005 our employees' voluntarism manifested itself in many ways. In addition to the on going voluntary blood donation program, our employees participated and substantially contributed to the completion of the lighting project at Eleusis Archaeological Site, supported Salvation Army's Christmas campaign and the Habitat for Humanity program in the States.

Social solidarity initiatives that have been undertaken by TITAN Group in 2005 include among else:

- > TITAN America's assistance for the hurricane victims in the States.
- > Support for flood victims in Bulgaria.
- > Financial aid (through UNICEF) for the victims of the earthquake and tsunami in parts of south-east Asia.
- > Donations –both financial and in kind- to meet local community needs in all areas where the Group has facilities.



Goce Serafimov

Electrical engineer

ALBA post graduate student:

"I used to think that having an engineering degree would be enough to be competitive on the job market. I was wrong. TITAN, through the scholarship program at ALBA, gave me a tremendous opportunity to broaden my knowledge and get an insight into the soft skills that are becoming a decisive factor in today's job market. Together with the financial, I also received moral support, which was even more important to me."

People and Culture

Cultural heritage is the entirety of significant achievements of humanity in the realms of thought, ideals, the arts and the many monuments of civilization.

Since its earliest days TITAN has been a keen supporter of initiatives to preserve and promote the cultural heritage, and an enthusiastic sponsor of contemporary cultural activities.

For TITAN, 2005 was a very productive year in cultural activities among which two were particularly notable :

- > The installation of a permanent lighting system at the Eleusis Archaeological Site
- > The inauguration of Cultural Centre, also in Eleusis – donated by TITAN to its native city

Both initiatives bear the name of Leonidas Canellopoulos, Chairman of the company for many years whose life and work were closely linked with Eleusis.

Other significant cultural initiatives taken up by the Group were:

- > The conservation-restoration of four historic churches and a Byzantine monastery in Serbia
- > Continuing support for the project to restore the columns of the Temple of Nemean Zeus
- > Support for the 7th International Conference on Hellenistic Ceramic Art and sponsoring the publication of a special volume, Hellenistic Ceramic Art from the Peloponnese, in association with the VI Ephorate of Prehistoric and Classical Antiquities.

People and Environment

Environmental Targets – 2010

	1990	2003	2010
CO ₂ (kg/ton cement)	805	721	-15%
Dust emissions (gr/ton clinker)		272	-50%
NO _x emissions (gr/ton clinker)		3,034	-35%
SO _x emissions (gr/ton clinker)		494	-30%

One of TITAN Group core values – at the very heart of our business policy and practice – is respect and concern for the environment. Environmental protection is an essential element of sustainable development.

This respect is manifested in a whole complex of measures designed to prevent, where possible, or minimize the environmental impact of all our activities – from quarrying through to final distribution of our products.

Environmental management systems

Since 1996 all the Group cement production plants in Greece and the ten quarries from which it extracts raw materials have applied ISO14001 environmental management systems. The Zlatna Panega plant in Bulgaria is also certified according to ISO14001 standard, while the Usje cement plant in FYROM is currently awaiting certification. Environmental management systems are also in place at the Group's two facilities in the States – at Pennsuco and Roanoke.

These systems do not just cover the Group's own activities; they imply that all our suppliers and associates too, have to meet the environmental requirements required by the new standards.

Group investment solely in environmental protection amounted to 18m Euro in 2005.

In all, 78% of the Group's cement output in 2005 was produced at plants with full environmental management systems in place.

Main activities – environmental impacts and management



1 Extraction of raw materials - Quarries

Environmental impact:

- > Landscape alteration and impact on flora
- > Dust emissions, noise and vibrations
- > Nuisance to local communities

Environmental management:

- > Selecting of quarry locations to minimize environmental and social impacts
- > Operating quarries to make the most efficient use of natural resources in a way that facilitates full landscape restoration
- > Rehabilitating gradually quarry site as operations proceed
- > Using new technologies for abatement of noise and vibrations during quarrying
- > Applying measures to limit fugitive dust

2 Cement production

Environmental impact:

- > Use of natural resources (raw materials, carbon fuels, water)
- > Use of electricity
- > Emissions of carbon dioxide, dust and other air pollutants
- > Noise
- > Transportation (road and sea)

Environmental management:

- > Use of by-products and waste from other industries as alternative raw materials

- > Improve thermal efficiency of production plants and use of alternative fuels
- > Save electricity and water
- > Reduce carbon dioxide emissions through thermal and electric energy saving programs and production of blended cements
- > Limit dust emissions by use of state-of-the-art filters
- > Use of new technologies to reduce specific emissions of NO_x and SO_x
- > Reduce noise through the use of state-of-the-art equipment and appropriate planning of activities to reduce noise
- > Introduce de-dusting measures during loading and transportation of materials

3 Production of ready-mix concrete

Environmental impact:

- > Use of natural resources (aggregates and water)
- > Dust emissions during handling of aggregates
- > Noise
- > Liquid waste disposal

Environmental management:

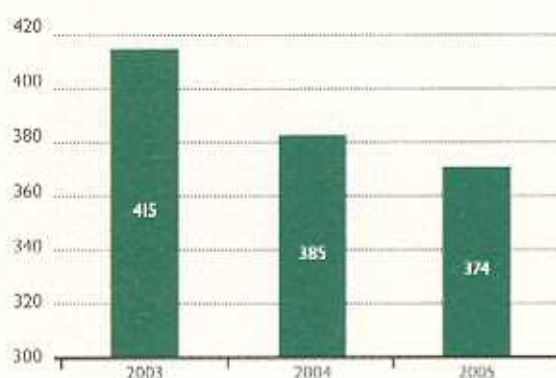
- > Maximum efficiency in exploitation of natural resources
- > Limiting dust emission through careful handling of aggregates, sprinkling of vehicle movement areas and planting of trees
- > Use of special filters
- > Regular maintenance of all fixed and moving equipment
- > Water recycling

CSR and Sustainability – Challenges and Priorities

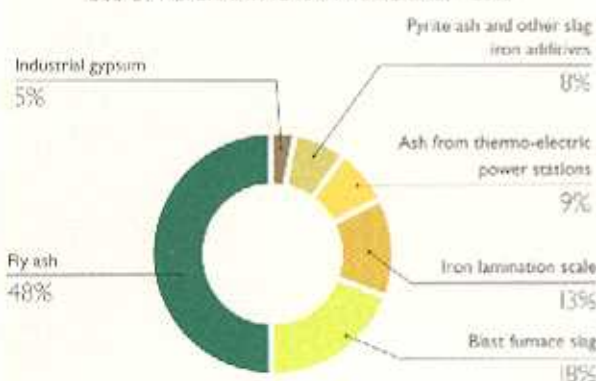
- > Dissemination of knowledge, experience and good practices to all stakeholders and, especially, our employees and external service providers
- > Improvement of existing communication policies and systems within the Group; upgrading of our programs designed to transfer know-how and evaluate our permanent associates (contractors, HGV drivers, etc.)
- > Extension of inter-business and inter-departmental action groups to enhance our effectiveness in specific areas, such as accident prevention
- > Emphasis on strengthening our employees' health and safety awareness and practices throughout the Group so as to generate a "zero accident" objective
- > Enrichment of our knowledge and experience through networking and learning from other companies' good-practice examples as well as from our own actions and initiatives
- > Continuation of our efforts to effectively incorporate our business principles as well as our CSR and sustainable development principles at all levels of Group activities

Group Environmental Performance 2003-2005

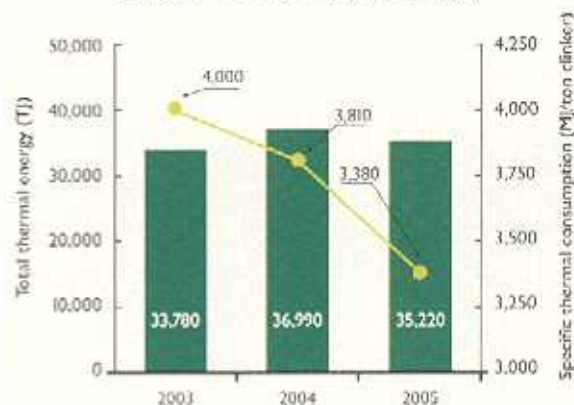
CONSUMPTION OF WATER (lit. water/ton cement)



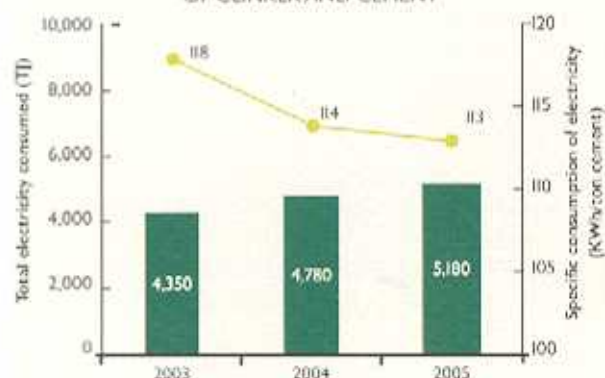
USE OF ALTERNATIVE RAW MATERIALS - 2005



CONSUMPTION OF THERMAL ENERGY



CONSUMPTION OF ELECTRICITY IN PRODUCTION OF CLINKER AND CEMENT



CO₂ EMISSIONS



* CO₂ emissions for 1990 were calculated for all plants now part of the Group, in accordance with the principles of the Kyoto agreement.

Reforestation results

Between 1976 and 2005 in our plant nurseries a total of more than one million saplings and shrubs have been grown.

Of these, 940,000 have been planted at our own production facilities and quarries, while the remainder were donated to our clients and by local councils.

A total of 700,000 trees are now thriving at locations supervised by the Group: the remainder sadly failed to survive – victims of fires, grazing animals and interventions by state agencies.

With the passage of time the areas first planted have thinned out and matured into Mediterranean woodland with thick undergrowth. The average density of vegetation is about 220-280 trees/shrubs per quarter acre.

The areas more recently planted have a density of around 250-300 young trees and shrubs per quarter acre, and are well on the way to restoring the natural landscape.

NUMBER OF TREES PLANTED BY TITAN (CUMULATIVE)

