

## ANNOUNCEMENT: 2008 Q1 RESULTS – EXPANSION IN EGYPT

Date : 06-05-2008

### FINANCIAL RESULTS

Titan Group turnover in the first quarter of 2008 was €340m., a 1% drop compared to the first quarter of 2007. EBITDA slowed by 14%, reaching €76m. Net Profit for the Group, after minority interests and taxes, reached €43m., down by 16%.

The results were affected by the continued strength of the Euro versus both the US dollar and the Egyptian pound. At stable exchange rates, turnover would be up by 5% and EBITDA down by 11%.

The decline in financial results is mainly due to the deep crisis in the US housing market, as well as the comparison with a very strong first quarter in Greece in 2007. There is also a significant effect from the increase in fuel prices.

It should be noted that the first quarter is not necessarily representative of full year performance, due to the significant seasonality of demand for our products.

€ millions	Q1 2008	Q1 2007	% change
Turnover	340	342	1%
EBITDA	76	89	14%
Net Profit before taxes	46	63	27%
Net Profit*	43	51	16%

\* after taxes & minorities

In Greece, demand for building materials slowed compared to the historic highs of the first quarter of 2007, while fuel and electricity costs rose significantly. EBITDA dropped by 20%, compared to last year's first quarter.

The planned allocation of CO2 emission rights to the cement industry for the period 2008-12, announced by the Hellenic Ministry of the Environment, Physical Planning and Public Works on 25/2/2008, will likely lead to a curtailment of production for two companies, while offering rights well-above production requirements to a third. Such an uneven allocation of emission rights creates the reasonable expectation that the pertinent authorities will re-examine the issue.

In the USA the housing market slump continued to depress demand for building materials. In addition, our Pennsuco quarry in Florida continues to operate in a limited area on a provisional permit, in anticipation of the completion of the Supplementary Environmental Impact Assessment by the Army Corps of Engineers, which is now expected on the 31st of July 2008. In this difficult context, our effort to reduce costs and focus on the customer, limited the drop in EBITDA to 16% in US\$ terms (or 27% in Euro terms).

In South Eastern Europe, both volumes and prices were up, compensating for the increased energy costs and allowing for an EBITDA increase of 10%.

In Egypt, despite the significant increase in domestic cement demand, higher energy costs and capacity constraints limited EBITDA growth to 14% in local currency terms (or 1% in Euro terms)

#### EXPANSION OF OPERATIONS

The Group continued to focus on expanding of its activities and modernizing its facilities, investing in the first quarter a total of €37m. The most important projects under way are the construction of a new cement plant in Albania of 1.5m MT capacity and the addition of a new production line in Egypt, also of 1.5m MT capacity. Group debt remained essentially unchanged at €565m.

On April 18 2008, the Group concluded the acquisition of 50% of Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey for €85m. The capacity of Adocim stands at 1.5m MT per annum.

Today, Titan acquired Lafarge's 50% stake in the Lafarge-Titan Egyptian Investments joint venture for €330 million, on an enterprise value basis.

The joint venture consists of 2 cement plants in Egypt, Alexandria Cement Company and Beni Suef Cement Co., with combined cement production capacity of 3.3 million tons and EBITDA, in 2007, of €66 million.

A second 1.5 million-ton production line is under construction in Beni Suef, with completion expected by the end of 2009. Including debottlenecking opportunities, this will lift capacity to 5 million tons in 2010, helping meet growing cement demand in Egypt.

These acquisitions strengthen our presence in developing countries characterised by positive economic and demographic prospects.

## 2008 OUTLOOK

Recent international economic developments have led most analysts to revise short term growth prospects down, especially for developed markets.

Demand for building materials is expected to slow in the Group's two most important markets. In Greece, there are indications of a further slowdown in residential construction, which will be only partially mitigated by the increased demand from the infrastructure and commercial segments. In the USA, the housing market crisis will lead to continued depressed demand for building materials.

In contrast, demand prospects in South Eastern Europe and Egypt appear positive. In addition, recent acquisitions in Turkey and Egypt will positively impact the Group's results from the second quarter of 2008 onwards.

## PARENT COMPANY TITAN S.A.

At parent company level, turnover was €125m., down by 2%, while EBITDA reached €33m., 16% lower. Net profit was 20% lower at €23m. In the principle of long-term value creation for shareholders, 734,970 own shares were repurchased at a total cost of €21.7m.

Our Annual General Meeting of shareholders is scheduled to take place on Tuesday, May 20 2008. Our Board of Directors will recommend to shareholders a cash dividend of €0.75 per share for the FY2007, unchanged over the previous year.

Titan is an independent cement and building materials producer with over 100 years of industry experience. Based in Greece, the Group operates in 7 countries, owning 12 cement plants. Throughout its history Titan has aimed to combine operational excellence with respect for people, society and the environment.

In 2007, the Group sold over 15.5 m. tonnes of cement and cementitious materials, 5.9 m. m<sup>3</sup> of ready mixed concrete, 20 m. tons of aggregates and various other building materials like concrete blocks, dry mortars etc.

Detailed financial and other information is available on Titan Group website: ([www.titan-cement.com](http://www.titan-cement.com))