

Financial Results First Half 2015

Date : 30-07-2015

Titan Group turnover and profitability increased, during the first half of 2015, largely due to an improved contribution from the US operations. Consolidated turnover was up by 19.9% compared to the first half of 2014, reaching €672.8m. Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 18.3% reaching €105.3m. Net profit after minority interests and the provision for taxes (NPAT) was €24.2m, compared to a €2.9m profit in the same period the previous year.

The positive trend in operating results became more apparent in the second quarter of the year, after a first quarter which was adversely impacted by weather conditions. Group turnover increased by 25.8% and reached €389m and EBITDA increased by 40.2% to €82.1m. Net profit after minority interests and the provision for taxes reached €17.6m versus €13.9 in the second quarter of 2014.

Year to date results were boosted by the strengthening of the US\$ against the Euro, compared to last year.

€ m.	Q2 2015	Q2 2014	% change	HY 2015	HY 2014	% change
Turnover	389	309.2	25.80%	672.8	561	19.90%
EBITDA	82.1	58.5	40.20%	105.3	89	18.30%
Profit before tax	23.3	16.4	42.30%	30.9	6.7	361.50%
NPAT *	17.6	13.9	26.10%	24.2	2.9	732.30%

*Net profit after minority interests and the provision for taxes

REVIEW OF OPERATIONS

In Greece, consumption of building materials in the first half of the year was sustained mainly by public works, while private construction activity remained depressed. It should be noted that cement sales volumes in Greece, correspond to c.7% of total Group cement sales.

Results were augmented through cost cutting initiatives and increased exports. Export revenue, moreover, was enhanced by the strengthening of the US\$ versus the Euro. Group turnover in Greece and Western Europe in the first half of the year increased by 4.2% and stood at €146.7m. EBITDA increased to €28m versus €16m in the corresponding period of 2014.

In the US, the recovery of the construction sector continued. The corresponding increase in demand for building materials, coupled with the Group's considerable investments in vertical integration as well as the strengthening of the US\$, resulted in a significant improvement of results. In total, for the first half of the year, Group turnover in the US increased by 42.5% and stood at €313.7m while EBITDA more than doubled to €42.1m versus €18.3m the previous year.

Construction activity in Southeastern Europe managed to recover some lost ground in the second quarter after the setbacks of a harsh winter in the first quarter. However, overall demand remained weak. Turnover for the first half therefore declined by 8.5% to €90.9m, while EBITDA declined by 16.6% to €25.2m.

In Egypt, cement demand posted a slight increase. Capacity utilization rates at our production facilities improved considerably compared to the low levels of the second half of 2014, as a result of the employment of solid fuels by one of our production lines at the Beni Suef plant. However, the continuing disruption of the supply of energy to our other production lines, coupled with the increased cost of those supplies, curtailed profitability margins. Turnover in Egypt increased by 20.6% to €121.6m while EBITDA declined to €10m from €24.6m in the first half of 2014.

In Turkey, results for the first half of 2015 at Adocim, which is 50% owned by Titan Group, were broadly in line with those of the previous year.

Group capital expenditure in the first half of 2015, excluding acquisitions and intangible assets, stood at €82m,

considerably higher than the amounts recorded in previous years and by €53m higher than the corresponding period the previous year. The increase is mainly due to the investments undertaken in the US to help capture growth and in Egypt to ensure final sufficiency.

Group net debt as at the end of the first half of the year stood at €630m increased by €89m compared to the end of 2014, reflecting the substantial increase in investments in the current year, the acquisition of a minority stake in our Albanian subsidiary, Antea, increased working capital requirements in our growing markets as well as foreign exchange movements.

On 29th June 2015, Standard & Poor's confirmed Titan's credit rating as 'BB' and improved its outlook from 'stable' to 'positive'.

OUTLOOK FOR 2015

-

The pursuit of Titan's long-term goal of geographic diversification, has allowed the Group to have a positive growth outlook today, despite the adverse conditions prevalent in Greece. Titan's international footprint allows us to project an increase in operating results in 2015, spearheaded by the US.

The recovery in the construction sector in the US continues, driven by the residential segment, commercial real estate and, to a lesser extent, public infrastructure. In order to address growing demand levels, the Group has been investing in equipment capacity as well as efficiency improvements.

Demand for building materials in Egypt should continue to increase, driven by public infrastructure works as well as private demand. The Group is undertaking investments which will allow for the eventual restoration of full productive capacity, through the utilization of solid and alternative fuels. The attainment of energy self-sufficiency will allow the Group to take full advantage of the increase in demand.

Construction activity in Southeastern Europe is likely to remain depressed, possibly at levels slightly below those of the previous year. The region continues to be affected by the weakness experienced by neighbouring Eurozone economies, thereby posting subdued growth rates.

In Greece, demand is forecast to post a further considerable decline in the second half of the year from the already depressed levels of the first half of the year. The preexisting severe liquidity crunch has been exacerbated by the temporary closing of the Greek banks and the imposition of capital controls, effecting both public works and private construction. Against these very challenging conditions, the Group has taken the necessary safeguards to ensure the continued operation of its plants in Greece, whose production is, for the time being at least, almost exclusively channeled towards exports.

PARENT COMPANY TITAN S.A.

Turnover at Titan Cement S.A. in the first half of 2015 grew by 8.4% to €145m while EBITDA stood at €22m versus €12m in the corresponding period in 2014. Net profit stood at €1.6m versus €8.2m in the first half of 2014 which included €20m in dividends received from subsidiaries abroad.