

Financial Results for the Nine Months 2018

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In the third quarter of 2018 TITAN Group improved its performance compared to the same period of the previous year. Turnover in the third quarter increased by 5.0%, reaching €389.4m. Earnings before Interest, Depreciation and Amortization (EBITDA) increased by 3.2% reaching €74.7m. Net profit after minority interests and the provision for taxes increased by 32.5% to €25.4m, compared to €19.2m in the third quarter of 2017.

Consolidated turnover in the nine months stood at €1,101.9m, recording a 3.7% decline compared to the same period in 2017. EBITDA declined by 8.2% and stood at €196.9m. Net profit after minority interests and the provision for taxes increased by 51.8% reaching €50.2m.

€ m	Q3:18	Q3:17	% change	Nine months 2018	Nine months 2017	% change
Turnover	389.4	370.7	5.00%	1,101.90	1,144.50	3.70%
EBITDA	74.7	72.4	3.20%	196.9	214.5	8.20%
Profit before tax	30.7	27.4	12.10%	65.9	59.1	11.50%
Net profit*	25.4	19.2	32.50%	50.2	33.1	51.80%

*after tax and minority interests

In the US, despite the particularly wet weather, which has prevailed on the Eastern seaboard this year, demand for cement continues to trend upwards, providing a supportive backdrop for price increases. In the third quarter, turnover improved by 6.6% and EBITDA increased by 2.8%, despite hurricane Florence which struck the Southeastern and Mid-Atlantic US in September 2018. The extreme meteorological phenomena held back sales, much like hurricane Irma, which struck Florida in 2017. Moreover, in the first semester of 2018, production challenges at the Group's Florida operations necessitated an increase of imports into the Group's terminal in Tampa in order to satisfy customer commitments, albeit at lower margins. In total, nine months 2018 turnover recorded a 4.2% decline and stood at €639.3m (it is worth noting that in US Dollars turnover recorded a 2.7% increase), while EBITDA declined by 7.9% and stood at €127.9m.

In Greece, building activity remains at low levels. There are positive trends in areas driven by growth in tourism. Domestic sales in the third quarter posted modest growth compared to the previous year. In the course of 2018 operating margins were impacted by higher energy costs, which could not be passed on through higher pricing. Exports remained strong with the US representing the Group's single biggest export market. Turnover in Group's Greece and Western Europe region declined by 3.1% in the third quarter and stood at €58.9m (in the nine months turnover reached €173.4m recording an 8.7% decline). EBITDA in the third quarter declined by 18.8% and stood at €5.4m (for the nine months EBITDA reached €10.7m recording a 47.7% decline).

In the markets of Southeastern Europe, demand increased in the third quarter and margins were impacted by higher energy costs. Turnover in the third quarter increased by 10.4% and reached €72.1m (for the nine months turnover posted a marginal increase of 1.1% reaching €175.2m). EBITDA in the third quarter reached €20.5m recording a marginal decline of 0.3% (for the nine months EBITDA stood at €44.5m, a 0.6% increase).

In Egypt, cement demand was at levels similar to those of 2017. Competition intensified, following the entry of new capacity in the market during the second quarter of the year although prices improved somewhat, against the extremely low levels recorded a year ago. However, the spike in electricity costs witnessed since July, as well as the additional levies applied to each tonne of cement produced, have eroded margins. In total, in the third quarter, turnover in the Eastern Mediterranean remained essentially flat at €33.5m (for the nine months turnover was also flat at €114m). EBITDA in the third quarter reached €1.1m versus losses of €1.3m last year, which included extraordinary restructuring costs (for the nine months EBITDA reached €13.9m, posting a 25.4%

increase compared to 2017).

In Turkey, in the shadow of the rapid deterioration of the macroeconomic situation, the construction sector witnessed an abrupt slowdown in the third quarter. The decline by 53% in the value of the Turkish Lira against the Euro in the nine months and the increase in energy costs in the third quarter have negatively affected Adocim results.

In Brazil, demand has been showing encouraging signs in 2018 although in recent months the election put the market temporarily on hold. Apodi results improved, at both sales and EBITDA level.

Group capital expenditure in the nine months of 2018 stood at €77m, €14m less than in the same period in 2017. Group free operating cash flow stood at €62m and was €10m higher compared to the nine months of 2017, reflecting lower EBITDA levels but also lower capital expenditure and lower working capital requirements. Group net debt as at 30 September 2018, stood at €784m, representing an increase of €26m versus net debt at 30 September 2017.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 18 October 2018, TITAN Cement International S.A. (TCI) announced, in accordance with Law 3461/2006, the submission of a voluntary share exchange tender offer to acquire all of the ordinary and preference shares of the Company (the TITAN shares), in consideration for new shares issuable by TCI at an exchange ratio of one TCI share for each TITAN share. The purpose of the share exchange offer is to facilitate the listing and the admission of shares of TITAN Group for trading on Euronext Brussels through the primary listing of all the shares of TCI on Euronext Brussels. TCI seeks to become the direct parent company of the Company and the ultimate parent company of TITAN Group. TCI will also apply for the secondary listing and admission for trading of its shares on the Athens Exchange and Euronext Paris.

On 11 October 2018, following the completion of the corporate and regulatory procedures required, the closing of

the agreement which was signed in August 2018 between Titan Group and Cem Sak Group was concluded. As of the above date, Titan Group holds 75% of Adocim Cimento Beton Sanayi ve Ticaret A.S. (Adocim), which owns an integrated cement plant in Tokat – Turkey, with a production capacity of 1.5 million tons of cement and three ready-mix concrete units. At the same time, Titan disposed of its participation in a separate grinding unit, which is now solely owned by the Cem Sak Group.

OUTLOOK FOR 2018

In the US, the outlook for the construction sector remains positive. The Portland Cement Association (PCA) recently confirmed its estimates for an increase in demand over the period 2018-2023. TITAN Group is well positioned to take advantage of this growth, having a strong presence in expanding metropolitan areas and the operating leverage to meet growing demand.

In Greece, the restart of major projects, which would energize the construction sector, is not anticipated before the end of 2018, while private building activity remains at low levels.

In the countries of Southeastern Europe, there are expectations for a mild, longer-term growth of the construction sector. The Group's plants are currently operating at levels well below their nominal capacity and thanks to recent investments are increasing their competitiveness through the expansion of the use of alternative fuels, to the benefit of the Group's operations as well as of the local communities.

In Egypt, the entry into operation of the Egyptian army's new 12m MT cement plant increases the pre-existing surplus capacity, resulting in the contraction of operating margins of existing plants. Furthermore, the increases applied to the cost of electricity and additional levies imposed on each tonne of cement produced as of 1st July, 2018, necessitate an increase in prices which, however, appears challenging in the short-term.

In Turkey, the deterioration in macroeconomic indicators (inflation, interest rates, and foreign exchange rates) in tandem with the pressure on the banking system is expected to lead to a significant further reduction in cement

demand in the near term. Adocim is well prepared to face the anticipated downturn, owing to its modern asset base, competitive cost structure and low gearing.

In Brazil, the conclusion of the pre-election period increases expectations for the advent of a new growth cycle in the cement market.

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