

Financial Results FY2016

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In 2016, TITAN Group recorded a significant improvement in profitability, thanks to the continuing growth of the US market and the recovery of results in Egypt. Consolidated turnover reached €1,509 million, posting an 8% increase compared to 2015. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 28.7% reaching €278.6 million. Net profit after minority interests and the provision for taxes, stood at €127.4 million, compared to €33.8 million in 2015. 2016 results include a gain from a deferred tax asset recognition of €89.6 million in the US, associated with previously unrecognized carry-forward net operating losses generated in previous years.

In the fourth quarter of 2016, the Group maintained the strong momentum prevailing during the year, owing to the contribution of the US and the improved results of its Egyptian operations. Group turnover increased by 4.5% reaching €384.9 million, while Group EBITDA increased by 43.6% reaching €73.6 million. Net profit after minority interests and the provision for taxes, stood at €5.5 million, versus a loss of €2.4million in the fourth quarter of 2015.

Based on the strong improvement of Group profitability, including the extraordinary tax results in the US, in conjunction with the positive prospects for 2017, the Board of Directors is proposing to the Annual General Assembly of Shareholders, scheduled to take place on 12.5.2017, a dividend distribution of €0.10 per share and, in addition, a return of capital of €1.00 per share. Pursuant to article 16 paragraph 8 of L. 2190/1920, the final amounts to be distributed per share will be increased by the amount corresponding to the treasury shares held by the Company.

€ m	2016	2015	% Change	Q4 2016	Q4 2015	% Change
Turnover	1,509.20	1,397.80	8%	384.9	368.3	4.50%
EBITDA	278.6	216.4	28.70%	73.6	51.2	43.60%
Profit before	63.5	42.1	50.70%	23.6	-0.1	n/a

€ m	2016	2015	% Change	Q4 2016	Q4 2015	% Change
Tax						
Net Profit *	127.4	33.8	277.60%	5.5	-2.4	n/a

*after tax and minority interests

REVIEW OF OPERATIONS

Once again in 2016, the US market was the main source of growth for the Group. The US economy's positive growth rates, low unemployment and the improvement in consumer confidence and economic sentiment, all drove demand growth leading to higher capacity utilization rates at our cement plants and vertically integrated activities. The increase in sales, in conjunction with the €200m capital expenditure program undertaken by the Group over the last three years, has led to a significant improvement in operating results.

Total turnover in the US for 2016 increased by 16.9% and stood at €794.4 million, while EBITDA increased by 44% to €145.2 million. In 2016, the US represented 53% of Group sales and 52% of operating profitability.

In Greece the construction sector remained stagnant, close to fifty year lows, with demand stemming mainly from public works. Cement consumption was roughly at par with 2015, a year during which building activity had almost come to a standstill following the imposition of capital controls in the country. At this juncture, the Greek market accounts for approximately 6% of total Group cement volumes. In order to even partly compensate for the weak domestic demand, the Group continued to export the largest share of the Greek plants' production, benefiting from low freight rates and the strong US\$, and despite increasing international competition.

Total turnover for Group region Greece and Western Europe in 2016 was €261.3 million and was 2.8% lower than 2015. EBITDA reached €36.4 million versus €44.8 million in 2015, an 18.9% decline.

In the countries of Southeastern Europe, construction activity exhibited regional variations, with demand growing in the central Balkans countries but declining in the east and west. Total sales volumes increased but prices were, on average, lower. The region has been a stable contributor to Titan's profitability over the last years, although

cement demand is considerably below the Group's plants capacity. Group turnover in 2016 posted a decline of 2% and reached €204.3 million while EBITDA increased slightly by 0.8% to €56.2 million, leading to an improvement in EBITDA margin from 26.8% in 2015 to 27.5% in 2016.

In Egypt, cement demand grew by approximately 5% in 2016 and our plants' production output recovered to high levels. Having completed the investments which allow for the local grinding and usage of solid fuels (on the investment in the third kiln to that effect was completed in November 2016), ensured both our energy sufficiency for full capacity operation, as well as a significant reduction in production costs. Operating results recorded a significant improvement for four consecutive quarters. The devaluation of the Egyptian pound, by more than 50% in 2016, had a negative impact on results, generating, among other effects, an increased volatility in market prices. In total, results in Egypt in 2016 improved, with turnover increasing by 28.3% in local currency terms, and by 3.5% in Euro-terms, reaching €249.2 million. EBITDA grew more than twofold, reaching €40.8 million in 2016 compared to €15 million the previous year.

In Turkey, Adocim in which TITAN Group holds a 50% share, reaped the benefits of strong demand for both public and private works. Net profit of the Turkish subsidiary attributable to the Group, stood at €3.6 million in 2016, versus €4.0 million in 2015, negatively impacted by a 14% decline in the value of the Turkish pound.

INVESTMENTS & FINANCING

Consistent with its strategy for geographic diversification, the Group expanded its activities to South America in the third quarter of 2016, investing in Cimento Apodi in Brazil, joining forces with established local partners. Cimento Apodi owns a modern integrated cement plant in Quixeré operating since 2015 and a grinding cement plant in Pecém port, close to the city of Fortaleza, operating since 2011. The combined production capacity exceeds 2 million tons of cement per year. Through this €99.1 million investment, Titan Group enters a market which, although currently undergoing a deep crisis, has attractive medium term prospects. The participation in Apodi is accounted for as an equity investment. The effect on 2016 results was immaterial for the Group.

In addition to acquisitions, Group capital expenditure for 2016 stood at €151 million compared to €173 million in

2015, focused mostly on the expansion of activities in the US and investments towards attaining energy self-sufficiency in Egypt. The Group is completing an ambitious investment program which reached just over €320 million over the two-year period of 2015-2016, aimed at improving cost-competitiveness and capturing growth opportunities.

Group operating free cash flow in 2016, reached €125 million compared to €64 million in the previous year, primarily as a result of the increase in EBITDA by €62 million.

Group net debt at the end of 2016 stood at €661 million, €39 million higher compared to the end of 2015. The increase in Group debt was mainly due to capital expenditure and the acquisition of the stake in Cimento Apodi. On the flip side, the devaluation of the Egyptian pound had a positive effect in the Euro value of loans taken in local currency in Egypt.

In June 2016, Titan Global Finance Plc. (TGF) issued a 5-year bond of a total nominal amount of €300 million with a coupon of 3.5% per annum. The proceeds of the notes were used to repay the €197 million notes due in January 2017 and to fund the investment expenditures of the Group.

On June 7th 2016, Standard & Poor's reconfirmed TITAN's credit rating as "BB" maintaining the positive outlook and emphasizing on the strong liquidity of the group.

In the course of 2016, the Group bought back own shares totaling €25.2 million. As at 31st December, 2016, the Group's parent company held a total of 3,871,677 common shares out of a total 77,063,568 common shares and 85,514 preference shares out of a total of 7,568,960 preference shares.

POST BALANCE SHEET EVENTS

On 19 January 2017, Group subsidiary Titan Global Finance PLC repaid at the maturity €88 million of the outstanding 8.75% guaranteed notes.

OUTLOOK FOR 2017

Prospects for the Group in 2017 appear positive, despite the considerable challenges and uncertainties around the globe. At the present juncture, the growing US market remains the main source of growth and profitability for TITAN.

The recovery of the construction industry in the US should continue, owing to a favorable mid-term outlook. The Portland Cement Association (PCA) expects cement demand to grow by 3.6% in the US in 2017, and at even higher rates in the East coast, where the Group is active, foreseeing an increase in demand across all three main market segments, i.e. residential construction, commercial real estate and public infrastructure. The growth in demand, in conjunction with the benefits accrued from the extensive investments undertaken in the US, help strengthen the Group's position in the market, and allow for an optimistic assessment of performance.

In Greece, demand is expected to remain at similar or slightly lower levels compared to 2016. New infrastructure projects do not seem sufficient to sustain demand in 2017, following the completion of the major highway projects. As regards private residential activity, which traditionally has been the main driver of demand, expectations are very low. As a result, cement production in Greece, should continue to be channeled, by and large, towards export destinations, albeit in the context of a deteriorating supply/demand balance.

Construction activity in the countries of Southeastern Europe where the Group is present is expected to remain at levels similar to those of 2016. The broader region continues to be affected by political volatility and economic weakness. Although construction activity has grown in some countries in the region, it generally lacks momentum.

In Egypt, the adoption of an extensive adjustment and structural reforms program, in conjuncture with the devaluation of the Egyptian Lira by over 50% create short term difficulties and volatility. At the same time however, the program lays the foundations for sustainable longer term growth. Despite uncertainties and short term pressures, demand for building materials will likely remain resilient, owing to the requirements of an ever increasing population, urbanization trends, as well as the realization of large scale public works. Having

completed the investments for the utilization of solid fuels at its plants, the Group has ensured fuel sufficiency and improved its cost structure and plant performance. Aiming to reduce costs even further and also curtail its environmental footprint, the Group is also moving ahead with investments for the use of alternative fuels

In Turkey, following several years of continued economic growth and the attendant increase in construction activity, it is expected that the challenges the country is facing, in combination with the existing surplus of installed capacity, will negatively impact the cement sector.

In Brazil the political and economic crisis is still running its course. Following a decrease of over 10% in 2016 cement demand is expected to begin to stabilize in 2017.

PARENT COMPANY TITAN CEMENT S.A.

In 2016, turnover at Titan Cement S.A. declined by 3.9% to €262.5 million while EBITDA stood at €30.1 million versus €43.8 million in 2015. Net Profit after Tax (NPAT) for 2016 reached €16.8 million versus €60.1 million in 2015 and includes €29 million received from subsidiaries abroad; the corresponding amount in 2015 was €55 million.