

Financial Results Q1 2016

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Titan Group posted robust growth in sales and operating performance in the first quarter of the year, primarily as a result of the continuing healthy growth of the US market, as well as the improved operation of the plants in Egypt. Results were further supported by the much milder winter in 2016, compared to the particularly harsh weather conditions which had characterized the first quarter of 2015. Sales were higher across all geographies in which the Group engages, bar Greece.

Consolidated turnover reached €337.8m, posting a 19% increase compared to the same period the previous year. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 86% reaching €43.3m. Net profit after minority interests and the provision for taxes were negatively impacted by foreign exchange translation effects, particularly those resulting from the devaluation of the Egyptian pound against the Euro by 19%, resulting in a bottom line loss of €18.6m in the quarter versus a €6.6m profit booked in the same period the previous year.

Foreign exchange losses result mainly from the translation of locally-held Euro debt (including intercompany debt), of subsidiaries operating in Egypt and the US. Foreign exchange losses amounted to €25.1m in the first quarter of 2016 versus gains of €27m in the same period in 2015.

€ m.	Q1 2016	Q1 2015	% Change
Turnover	337.8	283.8	19.00%
EBITDA	43.3	23.2	86.40%
Profit before tax	-25	7.6	
Net profit*	-18.6	6.6	

*after minority interests and the provision for taxes

REVIEW OF OPERATIONS

The US market remains the main engine of growth for the Group. The continued recovery of building activity and the mild weather conditions prevalent in the first quarter of the year, in tandem with the efficiencies achieved as a result of the extensive investments undertaken, led to a significant increase in Group results.

Turnover in the US posted a 34% increase and reached €174.4m (a 32% increase in US\$-terms), while EBITDA tripled, reaching €17.9m versus €5.8m in the same period in 2015.

In Greece, private building activity remained practically dormant, deeply affected by the crisis of the Greek economy and the attendant continued uncertainty. The imposition of capital controls further encumbered already challenging conditions. Domestic consumption, at its current low levels, was mostly related to public works. Total consumption decreased versus the first quarter of 2015.

The emphasis placed on exports, together with lower energy costs, mitigated to a large extent the impact of the decline in the domestic market. Total turnover in Group region Greece and Western Europe, in the course of the first quarter of the year declined by 4.5% and stood at €62.4m. EBITDA reached €8.3m versus €9.2m in the same period in 2015.

Markets in southeastern Europe were favorably affected by the milder winter compared to the previous year, posting a seasonal spike in results. Turnover increased by 27.6% reaching €35.8m and EBITDA reached €6.3m versus €4.2m in the first quarter of 2015.

In Egypt, demand continued to grow. Performance of the Group's subsidiaries in Egypt recorded a marked improvement. Plant production levels were far higher than those of the corresponding quarter the previous year, owing to a large extent, to the use of solid fuels, which allowed production levels to reach the pre-fuel crisis levels of 2013. Investments undertaken by the Group have begun to bear fruit. The second coal mill at the Beni Suef plant has entered operation since the end of March, thereby ensuring the regular and competitive performance of

the plant at a considerably lower production cost.

Turnover in Egypt in the first quarter of 2016 increased by 8.3% reaching €65.2m and EBITDA reached €10.8m versus €4m the same period the previous year.

In Turkey, results at Adocim (in which Titan Group holds a 50% stake) were higher compared to the same period the previous year due to the much milder winter, with corresponding profit attributable to Titan settling at €0.7m.

Group net debt at the end of the first quarter of 2016 stood at €605m, €17m lower than at the end of the first quarter of 2015.

The Group is currently in the second year of implementation of its €350m 'Titan Growth Capex Program' which consists of a series of investments aimed at expanding activities (primarily in the US), reducing production cost (including investments to allow the utilisation of solid and alternative fuels in Egypt) and, finally, safeguarding the production facilities' competitive performance.

Group capex in the first quarter of 2016 stood at €27.3m versus €34.9m in the same period in 2015.

2016 OUTLOOK

Market trends recorded in the beginning of the year are compatible with our positive outlook for the Group in 2016, despite the considerable uncertainties and challenges. This reserved optimism is attributed to the improvement expected in operating results coming out of the Group's two most important markets today: the US and Egypt.

The recovery of the construction industry in the US is expected to continue, fueled by the residential and commercial segments and to a lesser extent, public works. Considering the market's growth rates and positive prospects, the Group has budgeted for an extensive investment program in the US for 2016 as well, aiming at

strengthening the Group's competitive position and further improving operational performance.

In Egypt, despite macroeconomic imbalances, demand for building materials is projected to continue to grow. The Group continues with its investments for the utilization of solid and alternative fuels at the group's plants so as to ensure fuel self-sufficiency and improve the plants' cost base. The Beni Suef has already been operating entirely on solid fuels since the end of March 2016 while work which will allow for the utilization of solid fuels at the Alexandria plant should be concluded in the fourth quarter of 2016.

In the countries of Southeastern Europe, economic recovery is still being affected by the economic weakness of its Eurozone neighbors, which are its main trading and investment partners. Nevertheless, signs of a timid recovery from the low levels of construction activity in recent years are emerging.

Demand in Greece should improve marginally for the year as a whole, with the second half of the year being expected to outperform last year's trough, but will still remain at extremely low levels. Current conditions do not lend themselves to optimism, at least in the short term, since any recovery in the sector is directly correlated with economic growth and the attendant increase in household disposable income. The Group has undertaken a series of measures to ensure the continuing operation of its plants, whose output is expected, once again in 2016, to be geared towards exports.

PARENT COMPANY TITAN S.A. RESULTS

Turnover at parent company Titan Cement S.A. for the first quarter of 2016 declined by 2.8% and stood at €63.3m while EBITDA reached €9.1m versus €8.4m in the first quarter of 2015. Net profit after tax reached €19.6m versus €0.3m in the same period in 2015. Compared to 2015, net profit after tax for 2016 includes €20.6m received in the form of dividends from subsidiaries abroad.