First Quarter 2012 Results

Date : 03-05-2012

Titan Group turnover in the first quarter of 2012 stood at €225m., posting an 11% decrease compared to the first quarter of 2011. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) declined by 29% to €34m. The Group posted a net loss, after minority interests and the provision for taxes, of € 19m., versus a net loss of € 4m. in the first quarter of the previous year.

The general disclaimer that first quarter results are not necessarily indicative of full year performance, applies.

The severe and extended winter period this year across the Balkans, Turkey and Greece significantly affected building activity in these regions. The Group's operating results were also negatively affected by the continuing collapse of the Greek building materials' market. The improvement, witnessed in the USA, albeit from very low levels, was not sufficient to compensate for the aforementioned factors.

€ m.	Q1 2012	Q1 2011	% Change
Turnover	225.4	252.9	-10.90%
EBITDA	34.1	48.2	-29.30%
Profit (loss) before tax	-17.6	-6.3	
Net profit (loss) *	-19.4	-4.3	

*after tax and minority interests

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OPERATING RESULTS

In Greece, the deep recession has brought the construction sector to a standstill and driven sales of building materials to extremely low levels. Turnover reached €46m., posting a 37% decline. In the context of adverse market conditions, operating results were supported by the reduction in fixed costs resulting from the Group's restructuring plan in conjunction with revenue from surplus carbon rights. EBITDA grew to €13m., versus €7.5m. in the first quarter of 2011.

In the USA, demand for building materials grew, supported to some extent by favorable weather conditions. However, sales and plant capacity utilization rates remain at levels far below normal. EBITDA ended up once again in negative territory at €1.5m., slightly ahead of last year's 6m. loss.

In Southeastern Europe, adverse weather conditions in the course of the first quarter of the year affected sales and led to low levels of plants' operation. Operating profitability declined by 68% to €4m.

The Eastern Mediterranean region posted a 4% decline in sales. Cement volume sales in Egypt edged upwards compared to the previous year's levels, while demand in Turkey was affected by weather conditions. EBITDA for the region declined, compared to the previous year, to €19m. The decline is largely due to the payout of the employee profit sharing scheme in Egypt which took place in the first quarter of the year, whereas in 2011, the equivalent expense was booked in the second quarter.

Group net debt as at the end of the first quarter stood at €788m., posting a 11% increase compared to the end of 2011, largely due to the seasonality in sales and the increase in working capital requirements.

Foreign exchange differences negatively affected results by €3m.

PROSPECTS FOR 2012

In Greece, the uncertainty associated with the ongoing crisis and the worsening economic recession, form a particularly challenging backdrop for private building activity. Furthermore, it is doubtful whether the expected

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benefits from a restarting of stalled public works will affect demand for building materials during the current year.

In the USA, overall economic growth and the upward trend in new building permits, underpin expectations of an improvement in building activity, albeit from the lowest levels of the last thirty years. In their recent publication, the Portland Cement Association revised upwards their estimates for cement consumption in 2012 to +4%.

In Southeastern Europe, the expansion of Group activities coupled with the gradual rebound of construction activity, are expected to progressively lead to an increase in sales.

In Egypt, despite the transition the country is undergoing, the social unrest and resulting economic uncertainty, estimates on the outlook for cement demand remain cautiously optimistic. In Turkey, demand remains at high levels, both for private and public works.

The Group continues its efforts at curtailing operating costs, completing the restructuring plan launched in 2011 which is expected to result in €26m. of savings on an annual basis. At the same time, the Group is implementing innovative solutions for the reduction of energy consumption and the substitution of conventional by alternative fuels.

In the prevailing environment of economic uncertainty, the Group continues to focus on improving its financial flexibility.

PARENT COMPANY FINANCIAL RESULTS

Turnover of the parent company amounted to €42m., reduced by 29%, while EBITDA amounted to €12m., compared to €5m. in 2011.

Titan Cement Co. S.A. posted a net gain after tax and minorities of €0.2m. for the first quarter of 2012 versus a €6m. loss the previous year.

TITAN is an independent cement and building materials producer with over 100 years of industry experience.

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Based in Greece, the Group owns cement plants in 9 countries and is organized in four geographic segments: Greece and Western Europe, USA, Southeastern Europe and Eastern Mediterranean. Throughout its history TITAN has aimed to combine operational excellence with respect for people, society and the environment.

In 2011, the Group sold 15.3 m. tonnes of cement and cementitious materials, 3.7 m. m3 of ready mixed concrete, 10.9 m. tonnes of aggregates and various other building materials like concrete blocks, dry mortars etc.

Detailed financial and other information is available on the TITAN Group website: www.titan-cement.com

The above announcement was notified to the Athens Exchange, the Hellenic Capital Markets Commission and was also posted on the Athens Exchange website.

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