FY 2011 Results

Date : 01-03-2012

Titan Group turnover in 2011 stood at €1,091m, posting a 19% decrease compared to 2010. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) declined by 23% to €243m. Group net profit, after minority interests and the provision for taxes, reached €11m, an 89% decrease compared to 2010.

The deterioration in the Group's financial results is due to the collapse of the construction sector in Greece, the stagnation in building activity in the USA at very low levels, as well as the effect of the difficult current situation in the Egyptian market. Counterbalancing forces were the stable contribution of the developing markets of Southeastern Europe and the positive contribution of Turkey.

In addition to market dynamics, results were also impacted by higher fuel costs, while there was a positive contribution from the increased disposal of carbon emission rights.

The strengthening of the Euro during the year also had a negative effect on results, leading to negative foreign exchange differences which reduced EBITDA by €13m. At constant exchange rates, turnover would have declined by 16% and EBITDA would have declined by 19%.

For the fourth quarter of 2011, turnover posted a 22% decrease. EBITDA declined by 58%, while, after accounting for minority interests and taxes, the Group posted a net loss of €42m, versus a net profit of €5m in the fourth quarter of 2010.

It should be noted that fourth quarter results include a €19m asset impairment charge and €9m restructuring charges arising from the implementation of the Group's two-year restructuring plan.

€ million.	Q4 2011	Q4 2010	% Change	2011	2010	% Change
Turnover	252.5	322	-21.60%	1,091.40	1,350.50	-19.20%
EBITDA	22.8	54.8	-58.30%	242.7	315.1	-23.00%
Profit (loss) before tax	-36.7	11.5		37.7	130	-71.00%
Net profit (loss) *	-41.9	4.8		11	103.1	-89.30%

*after tax and minority interests

OPERATING RESULTS

Specifically, as regards operating results by geographic region:

In Greece, the construction sector has collapsed. Investment in private housing has declined by approximately 70% since 2006, while the repeated cutbacks in the public investment program and the state's inability to cover its arrears, have brought public works to a standstill. In addition to the sharp decline of the domestic market, in 2011 the social upheaval in the countries of North Africa prevented cement exports to the region.

Turnover in Group region Greece and Western Europe, including exports, stood at €269m, posting a 39% decline compared to 2010. EBITDA reached €35m, posting a 60% decline.

The construction sector in the USA remained in recession for yet another year. The growth in public debt and the uncertainty over the rationalization of public finances in tandem with limited job creation and lack of consumer confidence in a tangible improvement of the economy, hindered the recovery of the construction sector.

Under the current highly challenging conditions, turnover in Group region USA recorded a slight decrease and stood at €304m, while EBITDA recorded a €6m loss.

In Southeastern Europe, the recovery in the region's economies began to have a positive impact on construction activity. Cement sales volumes posted a slight increase but the growth in competitive pressure and the increase in fuel prices capped profit margins in the region. Turnover increased by 2% reaching €241m. EBITDA declined by 1% to €86m.

In Egypt, political uncertainty and social upheaval affected the country's economy including the construction sector. In addition to the decline in domestic demand, the commissioning of new cement production capacities affected market prices and raised supply levels above those of current demand. In contrast, the growth of the Turkish economy has led to higher demand in the construction sector as well. In total, turnover in Group region Eastern Mediterranean contracted by 23% to €278m, a decline partly attributable to the appreciation of the Euro against the Egyptian Pound and Turkish Lira. EBITDA declined by 7% to €128m, despite the inclusion of €26m relating to the refund of the clay tax fee in Egypt.

In keeping with the Group's continuous efforts at cost containment, administrative, operating and selling expenses declined by 6% in 2011 compared to the previous year and stood at €122m.

Aiming at further curtailing fixed costs, the Group adopted a two-year restructuring plan in the course of 2011 which, it is estimated, will accrue €26m in fixed cost savings annually. The cost of implementing this plan affected EBITDA for the year by €12m.

Financial expenses increased by 6% compared to the previous year, reaching €66m mainly due to the increase in interest rates and expenses incurred in obtaining new credit facilities. In the course of 2011, the Group refinanced its existing syndicated credit facility maturing in April 2012 with two new four-year syndicated credit facilities maturing in 2015. As at year-end 2011, the ratio of the Group's committed long term unutilized facilities and cash over short term debt stood at 3.2 times.

Titan's focus on the strict prioritization of investments and the containment of working capital contributed to the generation of €206m of free cash flow from operating activities in 2011. As a result, Group net debt was further reduced by €69m in 2011 and stood at €708m at the end of the year. In the last three years, the Group's net debt has been reduced by a total of €406m.

INVESTMENTS – DISPOSALS

In the course of 2011, Titan's Group capital expenditure was further curtailed following the completion of major investments undertaken in Egypt and Albania. Consequently capital expenditure, excluding acquisitions, stood at €58m a decrease of 33% compared to 2010.

In February 2011, the Group's tableware subsidiary Ionia S.A. entered into an agreement with Yalco S.D. Constantinou & Son S.A. for the transfer of the Ionia trade name, as well as the sale of certain merchandise and other fixed assets. Subsequently, the company was dissolved and its liquidation was completed in the course of 2011.

SIGINIFACT EVENTS POST 31/12/2011

There have seen no reportable events post 31st December, 2011, which may be deemed to alter the financial state of the Company and the Group.

PROSPECTS FOR 2012

In Greece, there is no visibility at this time on either a reversal of the downward trend in private construction or the much anticipated restarting of infrastructure works. Demand for the Group's products will record a further considerable decline in 2012. It is estimated that consumption will be approximately a quarter of the levels witnessed five years ago. The continuing operation of the country's installed surplus cement production capacity is predicated on higher export volumes.

In the USA, the Portland Cement Association expect cement consumption to increase by a mere 1.3% in 2012, from the depressed levels of recent years. However, there is increasing optimism that the market may be beginning to recover.

In Southeastern Europe, economic growth is expected to gradually translate into increased cement consumption.

In Turkey, construction activity is expected to continue growing in 2012, albeit at a lower pace. In Egypt, despite the transition which the country is going through politically, the social unrest and the economic uncertainty, expectations for cement demand remain guardedly optimistic.

In this context, the Group continues to focus its efforts on the strengthening of its financial fundamentals and the containment of costs. The two-year reorganization plan underway is expected to yield material benefits in reducing operating expenses, as will the continuous effort to further improve energy efficiency and increase the rate of alternative fuel substitution.

Despite the economic challenges, Titan remains focused on achieving the long-term strategic goals set and commitments undertaken in the context of the worldwide initiative on sustainable development in the cement industry, CSI (Cement Sustainability Initiative).

PARENT COMPANY FINANCIAL RESULTS

Turnover at Titan Cement Company S.A. in 2011, stood at €217m, a decrease of 41% compared to 2010, while EBITDA reached €41m, posting a 53% decline, reflecting the collapse of building and construction activity in the domestic market. The Company posted a €13m net loss for the year. It should be noted that the Company’s results include €0.3m which is the balance between the tax charge of €2.3m resulting from the statutory tax audit for fiscal years 2008 and 2009 and the provision made by the Company for the said tax charge.

The Board of Directors of Titan Cement Company S.A. taking into account the losses recorded by the parent Company and the outlook for 2012, unanimously decided to recommend to the Annual General Meeting of Shareholders, scheduled for 31st May 2012, that no dividend be distributed for the year 2011. This interrupts a 58-year run of continuous dividend payouts between 1953 and 2010.

TITAN is an independent cement and building materials producer with over 100 years of industry experience. 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. m^3 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.