

## HY 2010 RESULTS

Date : 26-08-2010

Group turnover during the first half of 2010 amounted to €681 m., posting a marginal 0.4% decline compared to the same period in 2009. EBITDA was flat (+0.2%) at €161 m. Group net profit after taxes and minority interest increased by 14.9% compared to the same period last year, reaching €68 m.

The Group's long-term strategy of geographic diversification played a vital role in the improvement of the results. The recent start-up of the new production line in Egypt and the new plant in Albania contributed to increasing sales and operating profitability in the Eastern Mediterranean and South Eastern Europe, offsetting the negative impact from the decline of cement consumption for the fifth consecutive year in the USA and the fourth consecutive year in Greece.

The depreciation of the euro also had a positive impact on the Group's results, as it led to positive foreign exchange differences that reduced financing costs.

€ εκ.	2ο τριμ. 2010	2ο τριμ. 2009	% μεταβολής	1ο εξάμ. 2010	1ο εξάμ. 2009	% μεταβολής
Κύκλος εργασιών	394,8	375,7	5,1%	680,8	683,7	(0,4%)
Λειτ. κέρδη (EBITDA)	100,2	96,6	3,7%	161,4	161,1	0,2%
Κέρδη προ φόρων	67,5	54,7	23,4%	88,8	76,8	15,5%
Καθαρά κέρδη *	43,5	38,1	14,2%	68,3	59,4	14,9%

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\*μετά από φόρους και δικαιώματα μειοψηφίας

More specifically, in the regions Titan Group operates:

In Greece, construction activity continued to contract in the first half of 2010. The decline is primarily due to the low demand for new housing, which in turn is a consequence of the economic crisis and the oversupply of property. EBITDA in the region declined by 8% to €53 m compared to the same period in the previous year. The decline in profitability was moderated by the systematic efforts to contain costs, in conjunction with extraordinary gains of €3.6 m from the disposal of assets.

In the USA, after a tough winter season, construction activity during the second quarter of 2010 showed signs of stabilization. The Portland Cement Association (PCA) estimates that for the first half of 2010, cement consumption declined by 4.3% compared to the same period in 2009. However the decline was more pronounced in the South Eastern States, where most of the Group's operations are located. For the first half of 2010, EBITDA in the region declined by 93% to €2 m.

On 1.4.2010, the Group disposed of a quarry in Cumberland, KY, for the amount of €32.7 m, almost exactly equal to the net asset value of the operation.

In Southeastern Europe, the economic crisis continues to depress demand for building materials, although at a lower pace than in 2009. Nevertheless, EBITDA increased by 31.7% to €43 m, as a result of the new 1.5 m MT capacity plant in Albania, operating since the beginning of Q2 2010, and the expansion of operations in Kosovo.

In contrast to the situation in Europe and the US, demand for building materials in the Eastern Mediterranean increased. In Turkey, the economic recovery led to an increase of cement demand that is estimated around 15%. In Egypt, demand increased by 7% mainly due to extensive housing development programs. The positive economic developments in the region, in conjunction with the increased production capacity of the Group,

contributed to the significant improvement of the financial results during the first half of 2010. Overall, EBITDA increased by 33.8% to €64 m.

In March 2010, the Group announced the signing of an agreement with the International Finance Corporation (IFC), under which the IFC is to invest €80 m to acquire approximately a 16% stake in Titan's Egyptian Operations. The implementation of the agreement is expected to be concluded by the end of September.

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In the first half of 2010 the selling, general and administrative expenses of the Group increased by 1% over the same period in the previous year, reaching €64 m. On a like-for-like basis and excluding the impact of foreign exchange differences, the expenses declined by 1.7%, reflecting ongoing efforts of the Group towards cost containment.

The Group continues to invest in expanding its activities, modernising its facilities and improving its environmental footprint. Capital expenditure in the first half of 2010 amounted to €36 m, a significant decrease over the same period in the previous year, following the completion of the new greenfield plant in Albania and the new cement production line in Beni Suef in Egypt.

Adapting to the prevailing conditions, the Group remains focused on free cash flow generation by prioritising capital expenditure and optimising working capital. Operating free cash flow for the first half of the year amounted to €95 m. Group net debt declined from €971 m in December 2009 to €917 m in June 2010, while financial expenses for the first half of 2010, including foreign exchange effects, amounted to €12 m, a 55.4% decline compared to the same period in 2009.

#### SIGNIFICANT POST-BALANCE SHEET EVENTS

On 1.7.2010, the Group's subsidiary in the US, Titan America LLC, prepaid and retired the remaining \$66.9 m (€54.5 m) of private placement notes which had been issued in the past to US institutional investors, with terms that were no longer favorable. The resulting one-off cost of \$9.7m (€7.9m) will impact the third quarter of 2010.

## OUTLOOK FOR THE 2nd HALF OF 2010

The hesitant and uneven global economic recovery is adversely affecting demand for building materials, particularly in developed countries.

In Greece, a further decline in private and public building activity is expected. The reduction in disposable income, in conjunction with the uncertainty arising from the economic crisis, the credit squeeze and the high housing inventory will keep demand for property at very low levels in the second half of 2010. At the same time, the cutbacks in public investment will further reduce demand for building materials.

In the USA, a significant upturn in building activity is not expected in 2010. The Portland Cement Association recently lowered its forecasts for cement consumption to a 2.4% increase (from 5%) for 2010 and a 6.7% increase (from 13%) for 2011. This estimate incorporates the impact of the US government stimulus package.

In South Eastern Europe, no substantial changes are expected in the second half of 2010 in terms of building activity, and consequently, in terms of cement consumption in the region.

In the Eastern Mediterranean, the consumption trends of the first half of 2010 are expected to continue: recovery in Turkey and a further slowdown in the rate of cement demand growth in Egypt.

Solid and liquid fuel prices as well as electricity costs, which are moving upwards, are expected to have a negative impact on Group results throughout the second half of 2010.

Under the prevailing conditions of uncertainty in the economic environment, the Group will continue in the near future to focus on reducing debt by prioritizing investments, reducing working capital and lowering costs. The Group remains committed to its four strategic priorities, which are geographic diversification in cement, continuous improvements in cost and competitiveness, vertical integration in related building materials and a focus on both human resources and corporate social responsibility.

## COMPANY FINANCIAL RESULTS

At parent company level, turnover reached €206 m, a decrease of 6% yoy, while EBITDA reached €44 m, a reduction of 18%, mainly as a result of slowing domestic sales. The decline in profitability was moderated by gains of €3.6 m from the disposal of assets. Net profit after tax and minorities decreased by 25.9% to €16 m compared to the first half of 2009. It should be noted, that the results include a provision of €7.9 m for the extraordinary social responsibility tax imposed on Greek companies on the basis of their 2009 results.

Titan is an independent cement and building materials producer with over 100 years of industry experience. Based in Greece, the Group owns 13 cement plants in 8 countries and is organized in four geographic regions: Greece & 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 2009, the Group sold over 16 m. tonnes of cement and cementitious materials, 4 m. m<sup>3</sup> of ready mixed concrete, 15 m. tonnes of aggregates and various other building materials such as concrete blocks, dry mortars etc.

Detailed financial and other information is available on the Titan Group website: [www.titan-cement.com](http://www.titan-cement.com)

The above announcement was communicated to the ASE and the HCMC, and was also posted on the website of the Athens Stock Exchange.