HY 2011 Results

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Turnover for TITAN Group in the first six months of 2011 reached €557m, posting an 18.2% decline compared to the same period in 2010. Earnings before interest, tax, depreciation and amortization (EBITDA) declined by 12.4% reaching €141.4m. Net profit for the Group after minority interests and the provision for taxes reached €23.4m, posting a 65.7% decrease compared to the same period in 2010.

The weakening of the Egyptian pound and Turkish Lira, as well as the US$ versus the Euro, led to negative foreign exchange effects decreasing the Group's profit before tax by €20.3m. At stable exchange rates, the decline in Group turnover would have stood at 14.1% and the decline in EBITDA would have been 6.6%.

The deterioration in operating results is mainly due to the sharp decline in construction activity in Greece, in conjunction with the deep and persisting depression of construction activity in the USA. In contrast, Group's activities in developing countries, particularly in the Eastern Mediterranean region, increased their contribution to Group operating results.

In the course of the first six months of 2011, the price of solid and liquid fuels continued to increase, thereby adversely impacting profitability, with the exceptions of Bulgaria and Greece where the increased disposal of CO_2 emission rights allowed the containment of production costs.

€ million	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
Turnover	304.1	394.8	-23.00%	557	680.8	-18.20%
EBITDA	93.5	100.2	-6.60%	141.4	161.4	-12.40%
Earnings before tax	42.9	67.5	-36.50%	36.6	88.8	-58.70%

€ million	Q2 2011	Q2 2010	% Change	H1 2011	H1 2010	% Change
Net profit *	27.7	43.5	-36.40%	23.4	68.3	-65.70%

*after tax and minority interests

OPERATING RESULTS

The Greek market witnessed a significant contraction in building activity which has now reached an at least forty-year low. The combination of growing uncertainty regarding employment and attendant future household income, coupled with the decline in new loans issuance on the part of banks and the existing surplus housing stock, resulted in a sharp decline in demand for building materials. Moreover, the repeated cutbacks in the public investment programme and the state's inability to cover its arrears, have brought public works to a standstill.

In addition to the challenges posed in the domestic market, exports to North African markets planned for the first six months of the year did not materialize due to the conditions prevailing in that region.

EBITDA consequently declined by 49.4% compared to the first six months of 2010 and stood at €26.9m.

In the USA, construction activity continues to be faced with the worst set of circumstances of recent decades. Uncertainty regarding the timing of the economy's turnaround, in conjunction with the country's debt crisis, the containment of public expenditure and the high levels of unemployment prevent the recovery of the construction sector. Activity in the Southeastern states of the USA in particular, where the Group is primarily active, remains stagnant at the very low levels witnessed in recent years.

Despite the state of the construction industry in the USA, the Group's subsidiary Separation Technologies LLC, which is engaged in the installation and operation of fly ash processing units, continued on its growth trajectory reporting an increase in sales.

EBITDA in the USA recorded a loss of €4.8m in the first six months of 2011.

In Southeastern Europe, indications emerged that the recovery in the region's economies is gradually beginning to have a positive impact on construction activity. Within the context of its stated goal of reducing its carbon footprint, the Group completed the installation of a new unit in Bulgaria within the plant's perimeter for the pre-processing and recycling of municipal waste, which is expected to come on stream in the third quarter of 2011.

EBITDA in the region of Southeastern Europe recorded marginal growth, reaching €42.7m.

The social upheaval in Egypt is gradually affecting the country's growth rates and subsequently also pulling down the construction sector. In contrast, the growth of the Turkish economy has led to higher demand in the construction sector as well. EBITDA in the Eastern Mediterranean region grew by 19.5% to €76.5m, including the recognition of €25m relating to the refund of the clay tax fee in Egypt.

Group net debt at the end of the first six months of 2011 stood at €745m recording a continuous de-escalation, having declined from €1,114m in December 2008 to €971m in December 2009 and €777m at the end of 2010. Capital expenditure was further reduced following the completion of the Group's major investments in Egypt and Albania.

PROSPECTS FOR THE SECOND HALF OF 2011

The prospects for Greece in the second half of 2011 remain adverse. Due to the deterioration of the fiscal crisis and the uncertainty surrounding its resolution, the construction sector – both private and public – is expected to continue its downward trend. Cement demand for the full year is forecast to stand at levels roughly 65% below those of 2006 / 2007.

The expected support from the European Union, aiming at kick-starting investments and public works, is not expected to lead to a meaningful improvement in the demand for building materials in the course of the current year.

In the USA, due to the anemic and unstable economic recovery, demand for building materials is expected to remain at depressed levels. The Portland Cement Association recently revised its forecasts downwards once again, thereby placing the sector's substantial recovery beyond 2012. The new forecasts foresee a lower number of new housing starts than those forecast last quarter and reflect a generally cautious stance as regards the implementation of public works due to the stated goal of curtailing public expenditures as well as the fiscal challenges faced by many States.

In Southeastern Europe, the expansion of Group activities, coupled with the gradual return of the region to growth, are expected to lead to a gradual increase in sales.

In Egypt, developments are pointing, in the short-term at least, towards a decline in demand for building materials, as the effects of the social upheaval gradually become evident in all facets of the country's economy.

The prospects for Turkey appear positive, where owing to the country's strong economic development, domestic demand for building materials has increased substantially.

Under these current conditions of uncertainty, TITAN will continue to focus its efforts on the generation of free cash flow aiming at improving its financial flexibility.

PARENT COMPANY FINANCIAL RESULTS

Turnover at parent company TITAN Cement Company S.A. in the first six months of 2011, stood at €116.9m, a decrease of 43.3% compared to the same period in 2010, while EBITDA reached €28.3m, posting a 39.7% decline, reflecting the collapse of building and construction activity.

Net profit for the first six months of 2011, stood at €0.3m, posting a decline of 98% compared to the same period in 2010.

TITAN is an independent cement and building materials producer with over 100 years of industry experience. Based in Greece, the Group operates in 9 countries, owning 14 cement plants 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 2010, the Group sold 17.4 m. tonnes of cement and cementitious materials, 4 m. m3 of ready mixed concrete, 13.3 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 HCMC and was also posted on the Athens Exchange website.