

## Nine Month Results 2013

Date : 12-11-2013

The positive trends witnessed in the course of 2013 appeared to strengthen, despite continuing uncertainties and difficult market conditions prevailing in certain Titan Group markets. The impact of a solidifying recovery in the USA and the resilient demand in Egypt, coupled with the increase in exports out of Greece, counterbalanced the continued decline of the Greek domestic market and the subdued construction activity in Southeastern Europe.

Turnover grew for the sixth consecutive quarter in the period July to September 2013, posting a 6% increase to €316m. Earnings before Interest Tax, Depreciation and Amortization (EBITDA) increased by 22% and stood at €61m, largely due to the improvement in US results. Net profit reached €7m versus a €6m loss in the third quarter of 2012.

Titan Group turnover in the first nine months of 2013 reached €888m, posting a 5% increase compared to first nine months of 2012. EBITDA declined by 5.5% to €154m. The Group's net result, after minority interests and the provision for taxes, was a loss of €15m versus a €2m profit in the same period in 2012.

Weakening currencies, in particular of the Egyptian Pound against the Euro, had a negative impact on Group nine month results. At constant exchange rates, turnover would have increased by 9%, while EBITDA would have posted a marginal 0.4% increase.

€m	Q3:13	Q3:12	% change	9M 13	9M 12	% change
Turnover	316.3	299.2	5.70%	888.3	847	4.90%
EBITDA	61.4	50.4	21.90%	153.6	162.5	-5.50%
Profit before tax	10.4	-3.4		-2	26.1	

€m	Q3:13	Q3:12	% change	9M 13	9M 12	% change
Net profit*	7.2	-6.4		-14.6	2	

\*after tax and minority interests

## OPERATING RESULTS

In Greece, the building materials sector posted a further, albeit milder, decline compared to 2012. Domestic demand for the current year corresponds to approximately only 1/6 of the Group's production capacity in Greece, the utilization rate of which largely depends on exports, in the context of a highly competitive international environment. Turnover for the Greece and Western Europe region, posted a 5% increase in the first nine months of 2013 compared to the same period in 2012 and stood at €190m. EBITDA stood at €12m posting a 63% decline compared to the same period in 2012.

In the USA, construction activity strengthened further, highlighting the potential for improvement in Group performance. Particularly in the state of Florida, where a significant share of Titan's operations is located, the housing market is improving at a rapid pace, with non-residential activity also marking a gradual recovery. In the first nine months of 2013, Group turnover in the USA reached €306m, posting a 12% rise, due to an increase in both volumes and prices. EBITDA for the first nine months of the year reached €23m, recording a 579% improvement compared to the same period in 2012.

In Southeastern Europe, demand for building materials remains subdued. In total, Group turnover for the first nine months of the year declined by 6% compared to the same period in 2012, reaching €164m. EBITDA declined by 11% compared to the first nine months of 2012, reaching €48m.

In Egypt, cement demand posted only a marginal decline, despite the political and social unrest. However, operating costs were impacted by the considerable increase in the price of natural gas. In Turkey, political unrest appeared to only fleetingly affect demand, which continued to grow. In total, Group turnover in the Eastern

Mediterranean region for the first nine months of 2013 grew by 4% compared to the same period in 2012 and stood at €228m while, EBITDA declined by 2% to €70m. As already mentioned, the weakening of the Egyptian Pound against the Euro had a considerable negative effect on the region's results.

Titan maintained its focus on strictly prioritizing capital expenditures and on containing working capital requirements despite the increase in sales. As a result, the Group generated €76m in free cash flow in the first nine months of 2013. As of the end of September 2013, Group net debt stood at €594m or, €73m lower compared to the same period in the previous year. Since the beginning of 2009, net debt has declined by approximately 50%.

#### OUTLOOK FOR THE REMAINDER OF 2013

In the USA, the recovery in the housing market is anticipated to drive construction growth, especially in markets such as Florida, which were particularly hard-hit by the crisis. According to the Portland Cement Association (PCA), growth in cement consumption in the Southeast, which is the region in which the Group is mainly active, was above the country-wide average in the first nine months of the year, a trend which is expected to continue. The PCA forecasts that cement demand will increase at double-digit rates annually for the next five years.

In Greece, demand for building materials is expected to decline further in 2013, from the already extremely low levels of 2012. Any benefits from higher infrastructure spending are not expected to materialize before 2014.

In Southeastern Europe, economic growth remains anemic. No significant changes are expected in the building materials markets.

In Egypt, despite the challenges faced by the business world due to the political uncertainty and social unrest, cement demand for housing remains strong. The government recently announced new infrastructure development plans. The increase in production costs and the weakening of the Egyptian Pound are nevertheless expected to negatively weigh on results.

Responding to the challenges of the times, Titan Group will continue pursuing the generation of positive cash flows and the curtailment of expenses while not losing sight of its longer term strategic objectives.

PARENT COMPANY TITAN S.A.

Turnover at parent entity «TITAN CEMENT S.A.» for the first nine months of 2013 reached €183m, posting a 7% increase compared to the same period in 2012. EBITDA stood at €10m, posting a 71% decline. The net result was a €32m loss, versus a loss of €5m in the first nine months of 2012, mainly reflecting the deep crisis of the construction sector in Greece.

TITAN is an independent cement and building materials producer with over 110 years of industry experience. Based in Greece, the Group owns cement plants in nine countries and is organized in four geographic regions: Greece & Western Europe, the USA, Southeastern Europe and the Eastern Mediterranean. Throughout its history TITAN has aimed to combine operational excellence with respect for people, society and the environment.

In 2012, the Group sold 16.1 m. tonnes of cement and cementitious materials, 3.4 m. m<sup>3</sup> 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: <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.

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