

## TITAN CEMENT GROUP

### 2011 Q1 Results

Group Turnover for the first quarter of 2011 reached €253 m, down by 12% compared to the first quarter of 2010. EBITDA fell by 22% to €48 m. The Group posted a net loss after taxes and minority interest amounting to €4 m, versus a profit of €25 m in the previous year.

The deterioration of our operating results is mainly due to the sharp contraction in construction activity in Greece. On the positive side, the contribution from the Group's operations in developing countries continued to increase.

Results were also negatively impacted by the depreciation of the Euro during the first quarter, which led to negative exchange rate differences of €14 m.

€ m.	Q1 2011	Q1 2010	% change
Turnover	252.9	286.1	(11.6%)
EBITDA	47.8	61.2	(21.9%)
Earnings before taxes	(6.3)	21.2	
Net Profit after taxes and minority interest	(4.3)	24.8	

### OPERATING RESULTS

In Greece, building activity posted an unexpectedly sharp decline. The drying up of the housing loan market, the contraction in disposable income and the prevalent sense of insecurity on the part of potential buyers, coupled with the high inventory of unsold homes have all led to a sharp decline in housing activity. The continuing cutbacks to public investment programs and government's payment arrears have practically frozen public infrastructure works. Cement demand shrunk to about 6.5m. tons in 2010 from 11.7m. tons in 2006 and it is estimated that during the first months of 2011 cement demand declined by an estimated 35%, reaching consumption levels last seen in the 1960s.

Furthermore, costs were burdened by the increase in energy prices, while the planned cement exports to the markets of North Africa could not be realized due to the political situation in the region.

As a result, EBITDA for the first quarter of 2011, declined by 84% to €4 m.

In the U.S. the economic recovery has not yet meaningfully impacted the construction industry. Demand for building materials showed a slight improvement, although it still remains at exceptionally low levels. EBITDA was negative by € 5 m, posting a marginal improvement versus 2010.

In Southeastern Europe, the expansion of our operations and the gradual economic recovery in certain countries led to an increase in operating profitability by 21% to €15 m.

In the Eastern Mediterranean, the positive dynamic continued, despite the political and social turbulence in Egypt in the early part of the year, during which the Group's production and commercial activities continued uninterrupted. Turkey posted a higher contribution to results, on the back of a strongly growing economy. EBITDA for the region increased by 4% reaching €35 m, despite the negative effect of the depreciation of the Egyptian pound against the Euro.

The Group's net debt at the end of the first quarter amounted to €777 m. versus €988 m. in the same period in 2010, remaining unchanged compared to the end of 2010. Capital expenditure declined further, following the completion of major investments in Egypt and Albania.

In January 2011, the Group concluded a new € 585m. multicurrency forward start syndicated revolving credit facility. The new facility will mature in January 2015 and will be used for the refinancing of the existing syndicated multicurrency revolving credit facility maturing in April 2012 and for general Group financing purposes.

In February 2011, Titan Cement Co S.A. announced the signing of an agreement between its tableware subsidiary IONIA S.A. and YALCO S.D. CONSTANTINO & SON S.A. for the transfer of the IONIA trade name, as well as the sale of certain merchandise and other fixed assets.

## 2011 OUTLOOK

As previously stated, 2011 will be another challenging year for the Group.

In Greece, the measures taken to improve public finances and the cutbacks to public investment programs are expected to lead to a further substantial decline in construction activity.

In the USA, only a small recovery in building activity is expected from last years' levels, the lowest in 30 years. No significant improvement in operating results is anticipated.

In Southeastern Europe, the expansion of our operations, combined with the gradual economic recovery under way, are expected to progressively lead to increased volumes, although market conditions remain challenging.

In Egypt, despite the increased uncertainty due to political developments, the positive performance of the first months of the year offer a basis for cautious optimism.

The prospects for Turkey appear positive as the strong economic development has led to an increased demand for building materials.

In terms of operating costs, the upward trend in solid and liquid fuel prices is expected to have a negative impact on Group results, despite the continuous efforts to reduce energy consumption and increase the use of alternative fuels.

The Group will continue to focus its efforts on free cash flow generation, the further increase in financial flexibility, efforts at cost and productivity improvement and smaller bolt-on growth initiatives.

Despite the adverse economic environment, the Group remains committed to its four strategic

priorities, which are geographical 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.

#### PARENT COMPANY FINANCIAL RESULTS

Turnover of the parent company amounted to €59 m, reduced by 38%, while EBITDA amounted to €5 m, reduced by 73%, mainly due to the decline in domestic sales.

Titan Cement Co. S.A. posted a net loss after tax and minorities of €6 m. for the first quarter of 2011 versus a €7 m. profit the previous year.

*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. m<sup>3</sup> 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](http://www.titan-cement.com)*

*The above announcement was notified to the Athens Exchange, the HCMC and was also posted on the Athens Exchange website.*

5.5.2011