

TITAN CEMENT GROUP S.A.

Fiscal Year 2015 Results

Group turnover increased significantly in 2015, mainly due to the dynamic growth recorded in the US market. Consolidated turnover reached €1,397.8m, posting a 20.7% increase compared to 2014. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 19.2% reaching €216.4m. Net profit after minority interests and the provision for taxes, stood at €33.8m, compared to €30.9m in 2014, posting a 9.1% increase.

In the fourth quarter of 2015, Group results recorded a significant increase versus the corresponding period in the previous year, owing primarily to the US. Group turnover increased by 25.8% reaching €368.3m, and Group EBITDA increased by 46.7% reaching €51.2m. The net result after minority interests and the provision for taxes, stood at -€2.4m, versus €0.4m in the fourth quarter of 2014, due to an impairment charge of €12.4m recorded in 2015.

€m	Q4:2015	Q4:2014	% Change	2015	2014	% Change
Turnover	368.3	292.6	25.8%	1,397.8	1,158.4	20.7%
EBITDA	51.2	34.9	46.7%	216.4	181.6	19.2%
Profit before Tax	-0.1	-0.6		42.1	46.8	
Net Profit*	-2.4	0.4		33.8	30.9	9.1%

*after tax and minority interests

REVIEW OF OPERATIONS

In Greece, the construction sector remains in a protracted, deep recession. A hint of improvement which had appeared during 2014, was abruptly reversed from the summer of 2015 onwards with the onset of capital controls and the attendant further contraction of building activity which resulted in minimal demand for housing and considerably subdued activity in public works. It is estimated that cement demand in Greece for 2015 stood at 1962 levels, in other words, 65% lower than the average demand levels of the last 50 years. Recent data from Eurostat comes to confirm the dire state of the Greek construction industry pointing to a curtailment of housing investments from 10.8% of GDP in 2007 to 1% in 2014, while the corresponding contraction in the Eurozone is from 6% of GDP in 2007 to approximately 5.5% in 2014.

In addressing the domestic market challenges the Group has been able to shift the majority of its production to exports in recent years thanks to its plants' high competitiveness. As such, domestic cement sales in 2015 represented not much more than 6% of total volumes sold by the Group.

Total turnover for Group region Greece and Western Europe in 2015 stood at €268.8m and was 5.6% lower than 2014. EBITDA reached €44.8m versus €36.6m in 2014. The improvement in operating profitability is mostly due to the amendment of the accounting allocation methodology for certain Head Office corporate expenses to Business Segments, as per the guidance issued by the OECD, which had a net positive impact of €7m.

The recovery of the US market was the main lever of growth for the Group. The residential housing market fueled the demand for building materials, more strongly so in the South East. The extensive investment

program underway in the US, which for 2014 and 2015 combined amounted to €125m, also had a favorable effect on growth and operating profitability, as did the strengthening of the US dollar.

Total turnover in the US for 2015 increased by 45% and stood at €679.8m (a 19% increase in US\$-terms), while EBITDA more than doubled to €100.8m versus €46.5m in 2014.

Group subsidiary Titan America, decided to suspend construction of the cement plant in Castle Hayne, North Carolina, deeming that project economics no longer supported the construction of a new cement plant. As a result, the Group recorded a €12.4m impairment charge relating to the suspended investment (or €8.3m net of taxes).

In the countries of Southeastern Europe, construction activity did not register a marked change, with demand remaining at relatively low levels. Group turnover in 2015 posted a marginal increase of 0.4% and reached €208.5m while EBITDA declined by 17.3% owing to intense competition and came in at €55.8m.

In Egypt, cement demand grew by approximately 5%. Production volumes at the Group's plants recovered since the summer of 2015, following the commissioning of the first coal mill in Beni Suef with solid fuels and the securing of sufficient, albeit costly, fuel levels for the remaining production lines. Nevertheless, the lower prices prevalent in the market in the second half of the year, combined with the increased fuel costs reduced profitability. Hence, while turnover in Egypt increased by 22.3% reaching €240.7m, EBITDA declined to €15m from €31m in 2014. It should be noted that the second coal mill at Beni Suef and the first alternative fuels unit in Egypt, will be commissioned in the course of March 2016, which will allow for significantly lower production costs.

In Turkey, the Adocim joint venture in which Titan Group holds a 50% share, reaped the benefits of an increased demand for both public and private works and recorded positive results.

Group capital expenditure in 2015, excluding acquisitions and intangible assets, reached €173m, considerably higher than in recent years and €91m higher than the previous year. The increase is mainly due to the investments undertaken to expand and further develop Group activities in the US and the securing of energy self-sufficiency in Egypt.

Group net debt at the end of 2015 stood at €621m, €81m higher compared to the end of 2014, reflecting the considerable increase in capital expenditure in 2015, the acquisition of the minority stake in Antea in Albania during the course of the first quarter of the year, as well as the strengthening of the USD.

OUTLOOK FOR 2016

Prospects for the Group in 2016 appear positive, despite the significant challenges and uncertainties. At the present juncture, the recovering US market is the key driver of growth and profitability for TITAN. In 2015, Group region North America represented 49% of turnover and 47% of EBITDA for the Group.

The recovery of the construction industry in the US should continue, driven by the residential and commercial segments, and to a lesser extent, public works. Based on the growth of the market and its positive outlook, the Group intends to continue investing in the US in 2016, aiming at capturing growth and improving competitiveness.

In Egypt, despite macroeconomic imbalances, demand for building materials is projected to continue growing at a moderate pace. The Group continues with its investments which will allow for the utilization of solid and alternative fuels in Egypt, thereby ensuring the plants' energy sufficiency and improve the Group's cost competitiveness. It is expected that Beni Suef will run exclusively on solid and alternative fuels within March 2016 and the Alexandria plant by the end of 2016.



Construction activity in the countries of Southeastern Europe where the Group is present is expected to remain anemic, possibly at levels even slightly lower than those of the previous year. The region continues to be affected by the economic slowdown of neighboring Eurozone countries, subsequently posting low growth rates.

In Greece, demand should improve somewhat owing to the realization of certain public works, albeit still remain at extremely low levels. Current conditions do not offer cause for optimism, at least not in the short-term, since any recovery in the sector is directly correlated with economic growth and the attendant increase in household disposable income, the improvement in employment and the availability of bank funding. The Group has undertaken a series of measures to ensure the uninterrupted operation of its plants, whose production is expected once again in 2016, to be routed largely towards exports.

PARENT COMPANY TITAN CEMENT S.A.

In 2015 turnover at Titan Cement S.A., increased by 3.5% reaching €273.2m and EBITDA reached €43.8m versus €30.6m in 2014. Net Profit After Tax (NPAT) stood at €60.1m in 2015 versus €91.7m in 2014. In 2015, NPAT include €55.2m in dividend income from subsidiaries whereas the respective amount in 2014 was €112m.

The Board of Directors will propose to the Annual General Assembly of Shareholders, scheduled to take place on 17.6.2016, the distribution of dividend of a total amount of €25,390 thousand, i.e. €0.30 per share. Pursuant to article 16.8(b) of L. 2190/1920, the final amounts to be distributed per share will be increased by the dividend, corresponding to the treasury shares held by the Company.

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 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 2015 the Group sold 16.5m tonnes of cement and cementitious materials 4.3m m3 of ready mixed concrete, 14m 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 communicated to the ASE and the HCMC, and was also posted on the website of the Athens Stock Exchange.