

TITAN CEMENT GROUP

Annual Results 2012

Titan Group turnover in 2012 reached €1,131 m, posting a 3.6% increase compared to 2011. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) declined by 19.8% reaching €196m. The Group posted a net loss, after minority interests and the provision for taxes, of €24.5m compared to a net profit of €11m in 2011.

The deterioration in Group results is due to the collapse of building activity in Greece, as well as the slowdown in Southeastern European markets, which suffered the spillover effects of the Eurozone crisis. On the other hand, the Eastern Med markets once again had a significant positive contribution, in particular Egypt, where despite the backdrop of challenging circumstances, construction activity remains robust. Also on the positive front, signs of improvement became evident in the United States.

For comparison purposes, it should be noted that 2011 EBITDA included €25m relating to the refund of the clay tax fee in Egypt.

The weakening of the Euro against the national currencies of the countries in which the Group operates had a positive impact of about €4m on operating results in 2012.

Group turnover and EBITDA in the fourth quarter of 2012 increased by 12% and 46% respectively while the Group posted a net loss, after minority interests and taxes, of €26.5m compared to a net loss of €42.9m in the fourth quarter of 2011.

It should be noted that fourth quarter results in 2011 included implementation charges of €9m related to the Group's restructuring plan.

€ m.	Q4:12	Q4:11	% change.	2012	2011	%change
Turnover	283.6	252.5	12.3%	1,130.7	1,091.4	3.6%
EBITDA	33.3	22.8	46.3%	195.8	244.1	(19.8%)
Profit/(Loss) before tax	(27.4)	(38.3)		(1.3)	37.7	
Net profit/(loss)*	(26.5)	(42.9)		(24.5)	11.0	

*after tax and minority interests

OPERATING RESULTS

More specifically, looking at operating results by geographic region:

In Greece, demand for building materials is estimated to have declined by around 35% in 2012 compared to 2011. The severe recession of the Greek economy has directly affected the building industry, which, after five years of continuous decline, has practically collapsed. It is estimated that cement demand has shrunk to less than a quarter of the levels recorded in 2006. The combination of limited availability of mortgage loans, the squeeze on household disposable income, negative expectations on real-estate prices, the surplus housing stock, and the significant increase in real-estate taxes have considerably weakened demand for housing. In addition, consecutive cuts in public investment and the State's lengthy delays in settling its arrears have brought construction activity to a standstill.

Despite the adverse conditions prevailing in international markets, Titan managed to more than double exports in 2012, reversing the decline noted in 2011. This served to at least partially compensate for the decline in domestic sales.

Group turnover in region Greece, which includes exports and the Group's terminals in Europe, stood at €240m posting an 11% decline compared to 2011. EBITDA stood at €32m, posting a 9% decline compared to the previous year.

In the USA, despite the slow pace of economic recovery in the country, activity in the construction sector increased. The improvement stemmed primarily from the increasingly evident recovery in housing. The Portland Cement Association (PCA) estimates that total cement consumption grew by 8.9% in 2012, albeit from a low base.

Group turnover in the USA in 2012 stood at €369m, posting a 22% increase in € terms while, EBITDA improved to a positive €6m versus a €6m operating loss in 2011.

In Southeastern Europe, demand for building materials posted a gradual decline, as the state of local economies deteriorated affected by developments in the Eurozone. As a result, Group turnover declined by 7% to €255m and EBITDA fell by 26% reaching €64m. In June 2012, Titan Group expanded its strategic cooperation with the International Finance Corporation (IFC) in the Balkans, with the latter acquiring an 11.5% stake in the Group's subsidiaries operating in the F.Y.R.O.M., Serbia and Kosovo for €50m.

In Egypt, despite the prevailing political uncertainty, cement consumption in 2012 reached new highs, thereby facilitating the absorption of the new capacity introduced in the market in the course of the last eighteen months. Group turnover therefore posted only a mild decline compared to the previous year despite the greater total supply of cement in the market. Operating margins, however, were adversely affected by the considerable increase in the cost of natural gas and electrical power.

In Turkey, the economy posted healthy growth. Demand for building materials remained at high levels.

Total turnover for the Eastern Mediterranean region in 2012 increased by 7% versus 2011 reaching €296m while EBITDA declined by 26% to €94m, a decline, which for comparative purposes, should be mostly attributed to the additional amount of €25m included in 2011 EBITDA from the refund of the clay tax fee in Egypt.

The Group's focus on cash flow generation continued to bear fruit. Free cash flow from operating activities in 2012 reached €140m. Net debt was reduced by €112m in 2012, closing the year at €596m. Over the course of the last four years (2008-2012), and amidst a severe recession in the building and construction sectors in its most important markets, the Group almost halved its net debt, a reduction of over €550m since the end of 2008.

In the context of continuous efforts at cost containment, selling, general and administrative expenses declined by 7.4% in 2012, compared to the previous year and stood at €113m. Compared to 2008, SG&A expenses have been reduced by 22%.

In 2012 the Group continued with the implementation of its two-year restructuring plan which commenced in 2011 and which aims to improve operational efficiency and generate €26m annual savings. The restructuring plan should be completed in 2013. The Group has already achieved €25m in savings since the launch of the programme and until the end of 2012, thereby surpassing the initial target of €23m set for this period.

Financial expenses, excluding foreign exchange differences, increased by 23% compared to 2011, reaching €67m. The increase is to a large extent due to the increase in Group borrowings denominated in Egyptian Pounds which is more expensive.

In December 2012, Group subsidiary Titan Global Finance PLC announced the completion of the issue of a new bond, of €200m, guaranteed by the Parent Company, with a coupon of 8.75% and maturity in January 2017, which is to be utilized for the refinancing of the €200m July 2013 bond. The issue involved an exchange of €102.34m of existing July 2013 notes and the issuance of an additional €97.65m worth of new notes.

INVESTMENTS – DISPOSALS

In the course of 2012, the Group's capital expenditure, excluding acquisitions, stood at €51m, a decrease of 11% compared to 2011.

On 27.6.2012, the Group announced the investment by the International Finance Corporation (IFC), to the amount of €50m, in the Group's subsidiaries operating in the F.Y.R.O.M., Serbia and Kosovo. Following the completion of the said transaction, the IFC acquired, through its participation in Titan Group subsidiary Cement Cyprus Limited, an 11.49% minority stake in the Group's activities in the aforementioned countries.

POST BALANCE SHEET EVENTS

According to the new tax law 4110/2013, the tax rate of the Societies Anonymes in Greece has changed from 20% to 26%, for the fiscal years beginning on the 1st of January 2013.

It is estimated that if such a change had been applied in 2012, it would have increased the deferred tax liability by €6.1m for the Group and €5m for the Company.

PROSPECTS FOR 2013

2013 is expected to be another challenging year for Titan Cement.

The economy in Greece will contract for the sixth consecutive year. Both housing and infrastructure spending face significant headwinds. It is therefore anticipated that there is scope for further decline in demand for building materials from current low levels, at least for the first half of 2013.

Markets in Southeastern Europe will continue to be adversely impacted by the Eurozone crisis. Demand for building materials is not expected to recover soon.

In Egypt, political and economic woes appear to be escalating in recent months and uncertainty is high. Against such a backdrop, the smooth operation of the plants is challenging and production costs have been increasing. Although current estimates suggest a marginal increase in cement demand in 2013, the increase in the cost of production and the weakening of the Egyptian Pound are expected to negatively affect results.

In Turkey, market conditions remain positive.

In the USA, the residential market is now clearly recovering, thereby benefiting the market for building materials. Despite forecasts calling for a slow recovery of the American economy as a whole, the Portland Cement Association (PCA) expects that cement demand will grow by more than 8% in 2012 and continue to grow strongly in coming years.

Facing up to the challenges of the times, Titan Group will continue to focus on reducing debt and cutting costs while remaining firmly committed however to the achievement of its longer term strategic goals.

PARENT COMPANY TITAN S.A.

Turnover for Titan Cement S.A. stood at €221m in 2012, posting a 2% increase compared to 2011, while EBITDA stood at €38m, posting an 8% decline. The Company's net result in 2012 was a €16m loss, a €2m increase compared to 2011.

The Board of Directors of Titan Cement S.A., has decided to propose to the Annual General Meeting of Shareholders scheduled for 14th June, 2013, that no dividend be distributed for fiscal year 2012.

TITAN is an independent cement and building materials producer with over 100 years of industry experience. Based in Greece, the Group own cement plants in 9 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. m3 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: 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.

04.03.2013