

**TITAN CEMENT GROUP S.A.**  
**FINANCIAL RESULTS FOR THE FIRST QUARTER 2015**

The recovery in Titan Group's financial results continued in the first quarter of 2015. Consolidated turnover reached €283.8m, posting a 12.7% increase compared to the first quarter of 2014. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) declined by 23.7% to €23.2m. Net profit after minority interests and the provision for taxes grew to €6.6m versus an €11m loss recorded in the corresponding quarter the previous year.

As highlighted in previous years, first quarter results are not necessarily indicative of full-year performance, since the period is typically characterized by unfavorable weather conditions which hamper optimum operations.

The continuing recovery in the USA and the improvement in the Greek market due to the continuation of public works and the higher profit margins on exports, had positive effects on operating results. On the other hand, profitability declined significantly in Southeastern Europe and Turkey due to the heavy winter, as well as in Egypt, where prolonged gas shortages necessitated the production of cement through imported clinker in order to meet domestic demand. The Group is currently undertaking significant investments in Egypt which will enable the utilization of solid and alternative fuels, and allow for the gradual recovery of the plants' operating capability.

First quarter net results were considerably boosted by the strengthening of the US\$ and the Egyptian Pound versus the Euro.

€ m.	Q1:15	Q1:14	% Change
Turnover	283.8	251.8	12.7%
EBITDA	23.2	30.5	-23.7%
Profit before tax	7.6	-9.7	
Net profit*	6.6	-11.0	

\*after minority interests and the provision for taxes

**REVIEW OF OPERATIONS**

Cement demand in Greece continued to be driven by public works while private construction remained subdued in the context of the prevailing economic uncertainty. The continuous efforts at cost containment and the improvement of the plants' competitiveness are now bearing fruit, while exports have been favoured by the strengthening of the US\$ versus the Euro.

Total turnover for Group region Greece and Western Europe in the first quarter of the year declined by 2% and stood at €65.3m. EBITDA grew to €9.4m versus €3.9m in the same period in 2014.

In the USA, despite the severe weather witnessed in the first two months of the year, the construction industry continued to recover resulting in a tangible improvement in Titan America results. Adding to market conditions, the strengthening of the US\$, also contributed to results.



Total turnover in the USA for the first quarter of 2015, grew by 37.5% and stood at €130.2m while EBITDA reached €5.8m versus €0.9m in 2014.

In the markets of Southeastern Europe, the harsh winter considerably affected building activity, resulting in a significant decline of results compared to the favourable winter experienced in 2014.

Turnover declined by 31.2% and stood at €28.2m while EBITDA reached €4.2m versus €9.7m in 2014.

In Egypt, demand remained stable. The utilization rate of our production facilities improved compared to the second half of 2014 low levels, due to the completion of the investment in solid fuels grinding in one of our production lines at Beni Suef. However, the continuing disruptions in natural gas supply at our other production lines led to the need for lower margin imports in order to meet demand. Overall, turnover in Egypt increased by 21.9% reaching €60.2m. EBITDA improved versus Q4 2014. Compared to Q1 2014, when sales were met by domestic production, EBITDA declined from €15.9m to €3.9m.

In Turkey, due to the heavy winter demand for building materials declined. Adocim Cimento (in which Titan Group holds a 50% stake) posted lower volume sales and results versus the first quarter of 2014.

Group net debt at the end of the first quarter stood at €660m, increased by €119m compared to year-end 2014. Group debt levels reflect the increased investments undertaken primarily in the USA and in Egypt, increased working capital requirements in growth markets, the seasonality in demand, as well as the negative effect on US\$- and Egyptian pound-denominated debt owing to foreign exchange movements.

Group capital expenditure in the first quarter of 2015, excluding acquisitions and intangible assets, stood at €35m versus €14m in the corresponding period in 2014.

In February 2015, Group subsidiary Alvacim Ltd purchased the 20% stake held by the European Bank for Reconstruction and Development (EBRD) in ANTEA CEMENT SHA (ANTEA), a Titan Group subsidiary in Albania. As a result of this purchase, Titan Group holds 80% of ANTEA's share capital, whereas the remaining 20% is held by the International Finance Corporation (IFC).

## **OUTLOOK FOR 2015**

The market trends recorded in the beginning of the year, are consistent with the Group's positive outlook for 2015, despite significant uncertainties and challenges. This reserved optimism can be attributed to the expectation of improved operating results from the Group's two most important markets: the USA and Egypt.

The recovery of the US market continues unabated within the context of a broader US economic recovery. In order to meet higher demand and improve competitiveness, the Group is increasing capital spending.

In Egypt, demand for building materials is expected to remain at high levels, supported by both private and public construction. The Group expects to recover production and sales volumes in 2015, following the investments undertaken in order to ensure the gradual self-sufficiency of the plants, in terms of their fuel needs.

In Greece, private construction continues to decline with no recovery expected in the year owing to the dire economic conditions prevailing in the country. Cement consumption in 2015 is expected to remain at broadly the same levels as in 2014, mainly supported by road work activity, to the extent that this continues uninterrupted.



Construction activity in Southeastern Europe appears stable; cement demand however is considerably below the Group's plants capacity. No significant improvement is expected in the short-term since the region continues to be affected by the weakness of Eurozone neighbor countries.

**PARENT COMPANY TITAN S.A.**

In the first quarter of 2015, turnover at Titan Cement S.A. grew by 11.9% reaching €65.1m while EBITDA reached €8.4m versus €3.1m in the corresponding quarter the previous year. Net profit for the quarter stood at €0.3m, considerably lower than the first quarter of 2014 when the parent company had received €20m in dividend from subsidiaries abroad, booking a €9.1m profit.

*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 2014 the Group sold 16m tonnes of cement and cementitious materials 3.9m m<sup>3</sup> of ready mixed concrete, 14.2m 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 communicated to the ASE and the HCMC, and was also posted on the website of the Athens Stock Exchange*

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