

A large, stylized graphic of the Titan Group logo, consisting of several overlapping, curved, light blue and grey bands that form a globe-like shape.

# **Titan Group**

## **Financial Results – Full Year 2008**

**Analyst Conference Call**  
**Athens – 24<sup>th</sup> February 2009**



- **This document contains forward-looking statements relating to the Group's future business, development and economic performance. It also includes statements from sources that have not been independently verified by the Company.**
- **Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to:**
  - **Competitive pressures**
  - **Legislative and regulatory developments**
  - **Global, macroeconomic and political trends**
  - **Fluctuations in currency exchange rates and general financial market conditions**
  - **Delay or inability in obtaining approvals from authorities**
  - **Technical development**
  - **Litigation**
  - **Adverse publicity and news coverage, which would cause actual development and results to differ materially from the statements made in this document**
- **TITAN assumes no obligation to update or alter such statements whether as a result of new information, future events or otherwise.**



## Agenda

- Performance Highlights
- Market Overviews
- Group Financial Results
- Outlook

# Performance Highlights Full 2008



- Q4 turnover +11.8%; +8% excl. FX; -2% excl. FX and acquisitions
- Q4 EBITDA grew by +8.0%; +6% excl. FX; -10% excl. FX and acquisitions
- Full year turnover + 5.4% to €1.578m; +8% excl. FX
- Full year like-for like turnover (excl. FX & acquisitions) flat; organic growth in SE Europe & East Med., offset the decline in the US and Greece
- Full year EBITDA down by -11.2% to €380m ; -10% excl. FX; -17% excl. FX and acquisitions
- Reported income tax close to zero due to extraordinary positive items
- Net Profit after tax and minority interests down by -13% to €208m
- Annual 2008 EPS at €2.53 (-11%)
- Recommended dividend at €0.42 per share (-44% vs. last year), reflecting cash preservation
- Management focus emphasizes cash management; working capital needs reduced by €57m in Q4

## Agenda

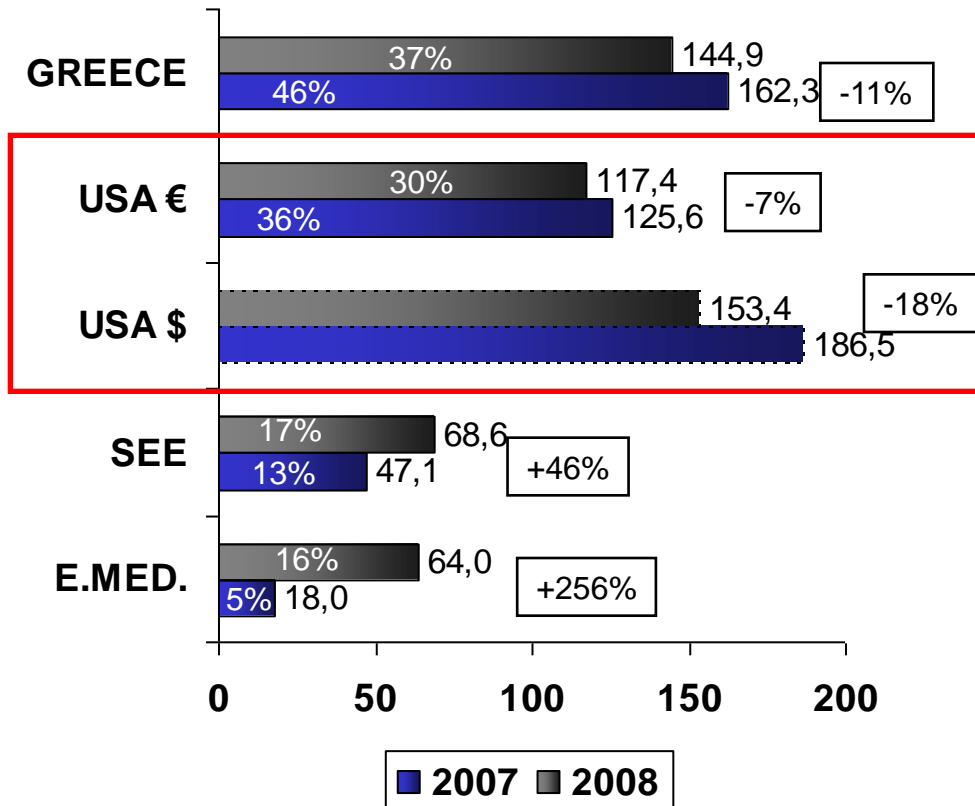
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# Turnover & EBITDA by Region Q4 2008

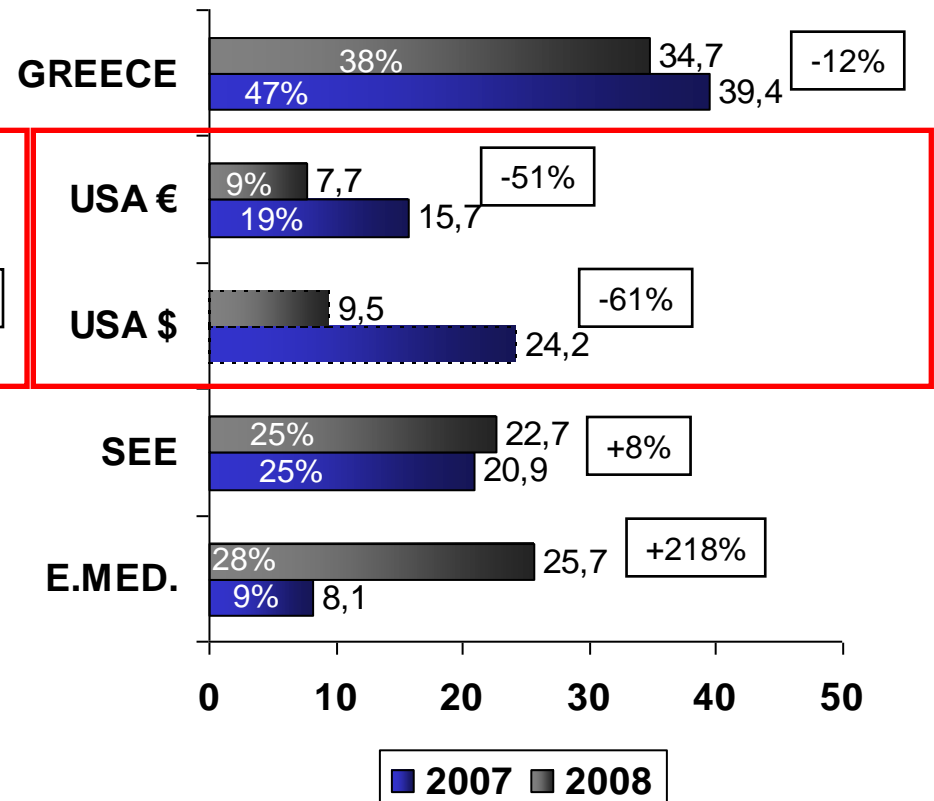


Operating profitability in Q4 more than doubled in East Med., grew in SE Europe and declined in the US and Greece

TURNOVER (€m)



EBITDA (€m)

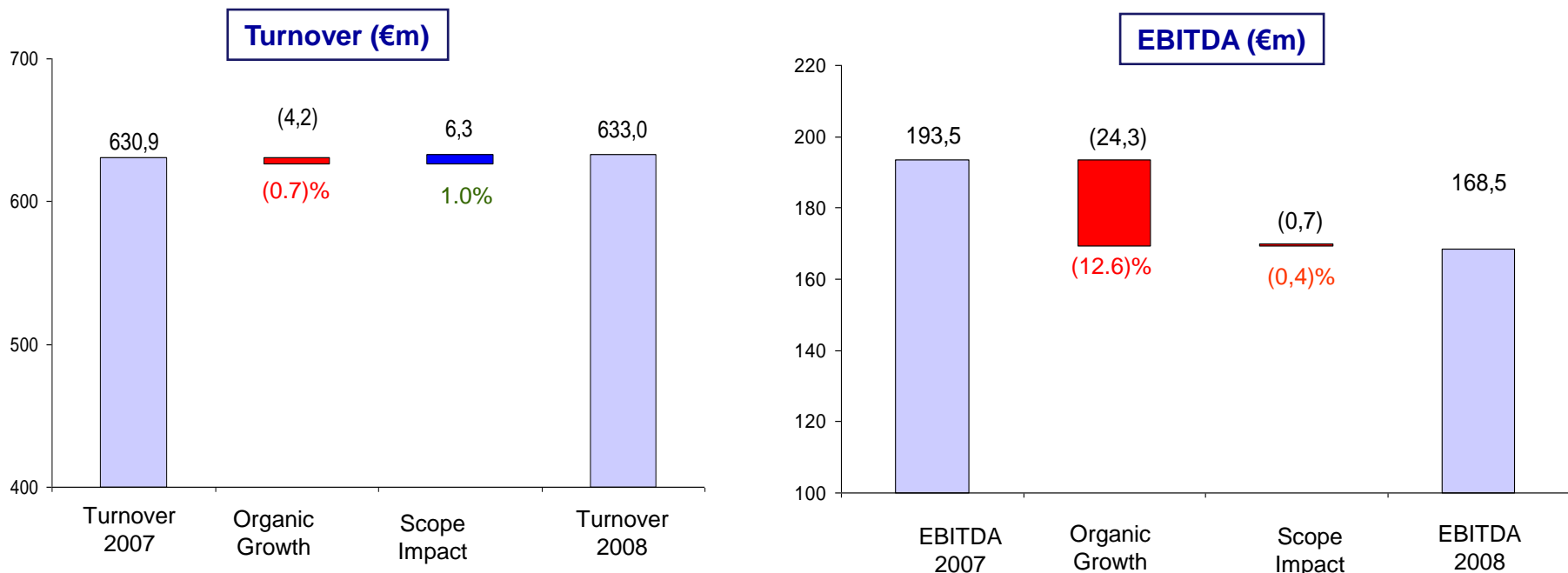


• Egypt presented on a proportionate basis

# Market Overview, Greece & W. Europe Financial Results Full Year 2008



- Moderate decline of domestic cement volumes continues
- Aggregates & ready mix volumes supported by minor acquisitions
- Excess housing inventory weighs on demand
- Record increases in energy costs partially offset by better prices
- Final allocation of CO<sub>2</sub> emission rights for 2008-12 will not affect production in current conditions



(1) Percentage change: 08 vs 07

# PCA Cement & Construction Market, USA 2008



## Cement consumption continues to deteriorate in the US and particularly in Florida

	FLORIDA	VIRGINIA	N. CAROLINA	USA
<u>Cement Market Volumes<sup>(1)</sup></u>				
Cement Consumption (PCA) YTD December '08 vs '07	-26%	-15%	-21%	-15%
Cement Consumption (PCA) YTD December '07 vs 06	-29%	-10%	-4%	-10%

<sup>(1)</sup> Source: PCA Consumption Trends report, data to end December '08

**N.B.:** PCA data are not necessarily representative of trends prevailing for Titan's operations

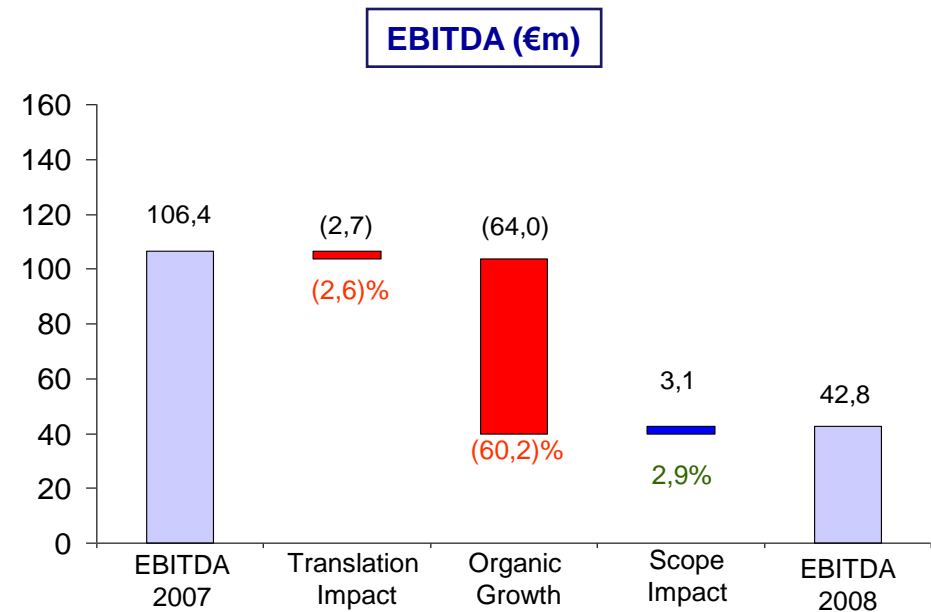
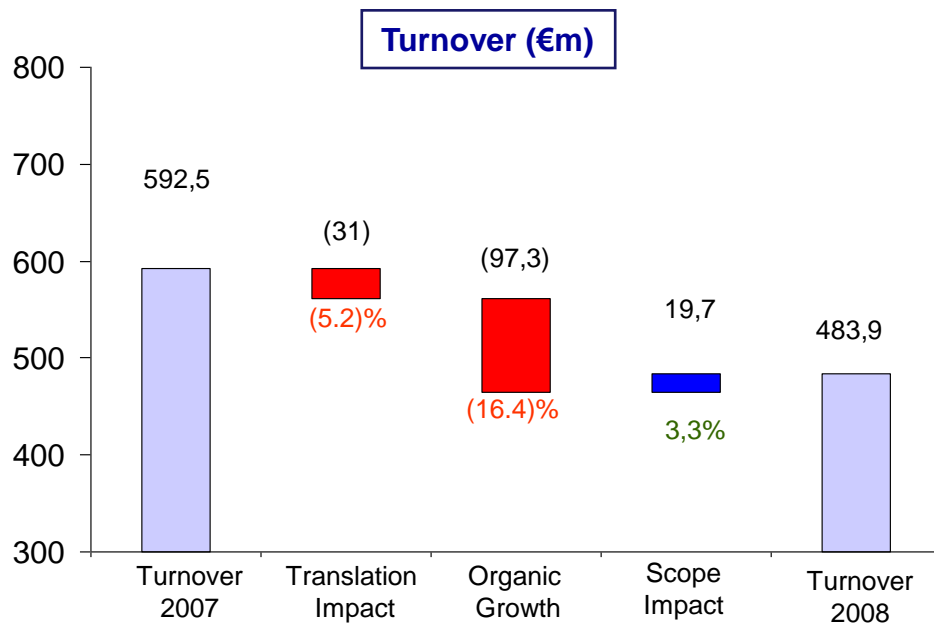


# Market Overview, USA

## Financial Results Full Year 2008



- Cement volumes decline continued
- Deepening of the crisis of housing market affects volumes across all products
- Uncertain time of recovery – no signs of stabilization in key markets
- Moderate price erosion in \$ terms
- Positive contribution from Ready Mix and aggregates acquisitions



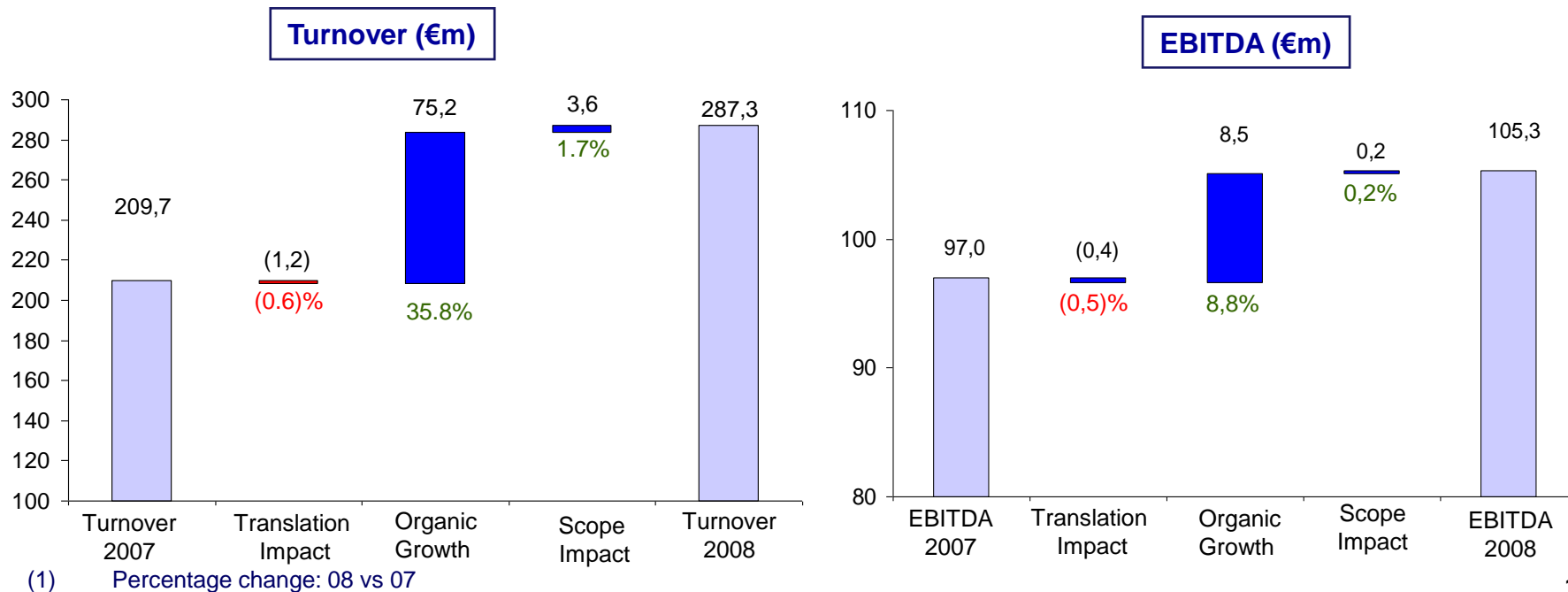
(1) Percentage change: 08 vs 07

- In 2007, the US District Court for the Southern District of Florida invalidated permits for mining Lake Belt
- In May 2008, the Court of Appeals in Atlanta reversed that order and remanded the case back to the District Court for reconsideration
- In January 2009, the same District Court still found basis to cancel all 2002 permits
- Decision affects all competitors in the area; Titan plans to appeal again
- Impact on Titan's 2009 results mitigated by inventory position and sluggish demand
- Cost effective contingency plans to maintain Pennsuco production
- The US Army Corps of Engineers is continuing to develop its Environmental Impact Study (EIS) – expected to be issued in 2009, as a basis for a longer term permit in Lake Belt

# Market Overview, SE Europe Financial Results Full Year 2008



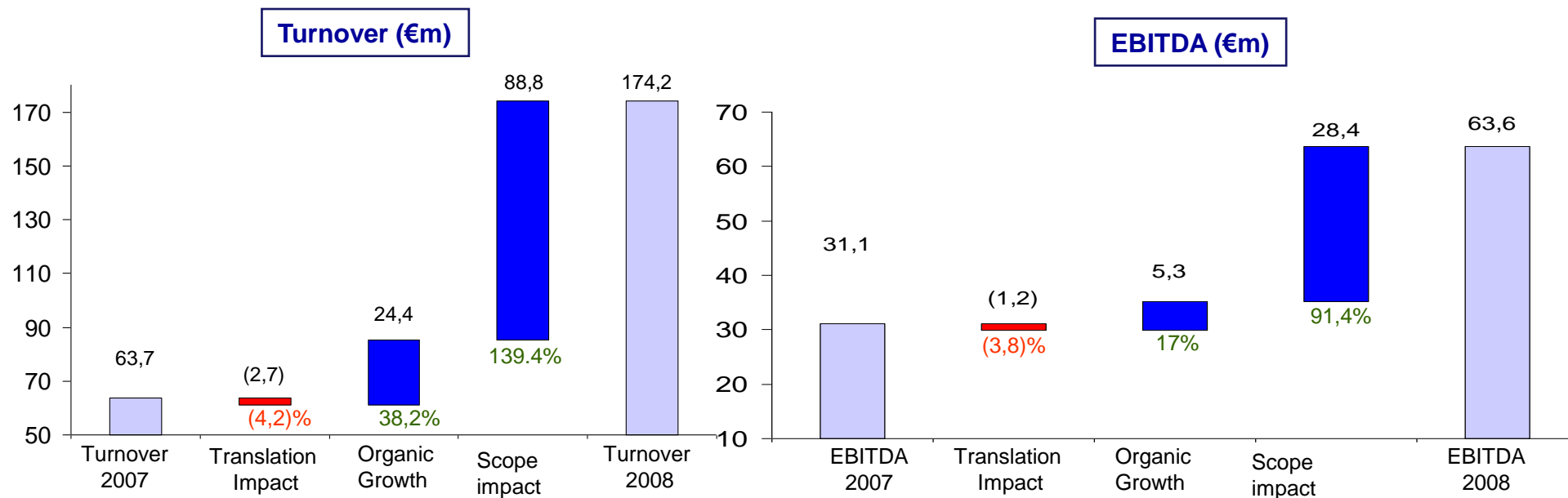
- Demand grew in major markets
- Continued expansion in Albania in preparation for completing new cement plant in early 2010
- Prices increases followed energy costs surge
- Draft CO<sub>2</sub> emission rights allocation in Bulgaria likely to have no impact in production



# Market Overview, Eastern Med. Financial Results Full Year 2008



- Scope expansion boosts turnover and profitability
- Volume growth maintained in Egypt
- In Egypt prices covered increased costs of energy and raw material
- Exports slowdown from Turkey challenges surplus absorption and applies downward pressure on export prices and potentially on domestic prices



(1) Percentage change: 08 vs 07



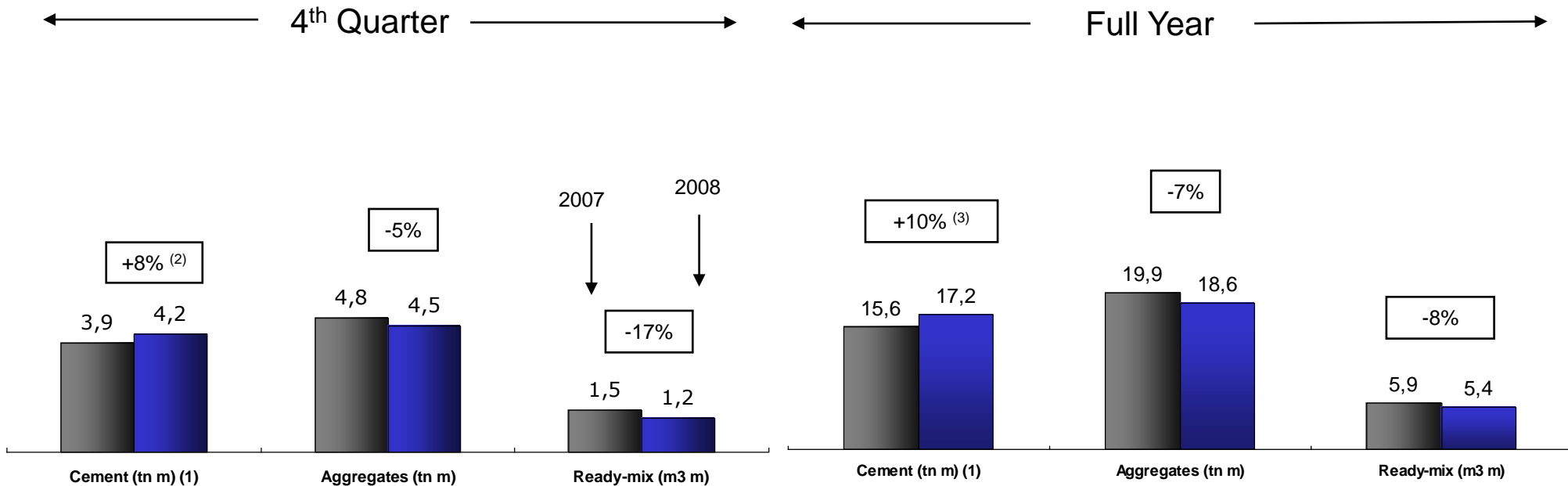
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# Key Sales Volume Full Year 2008



**Cement volume growth is driven by SE Europe (organic) & East Med (organic + acquisitions). Volumes decline in other segments reflects downturn in the USA & Greece**

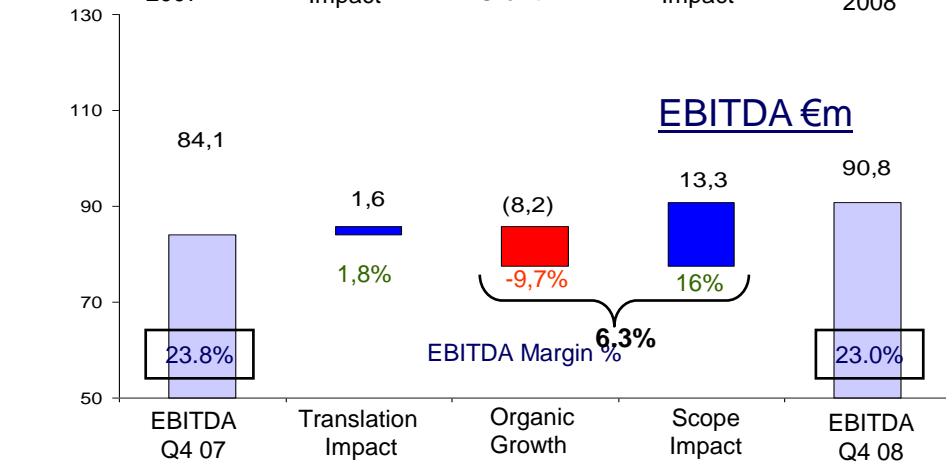
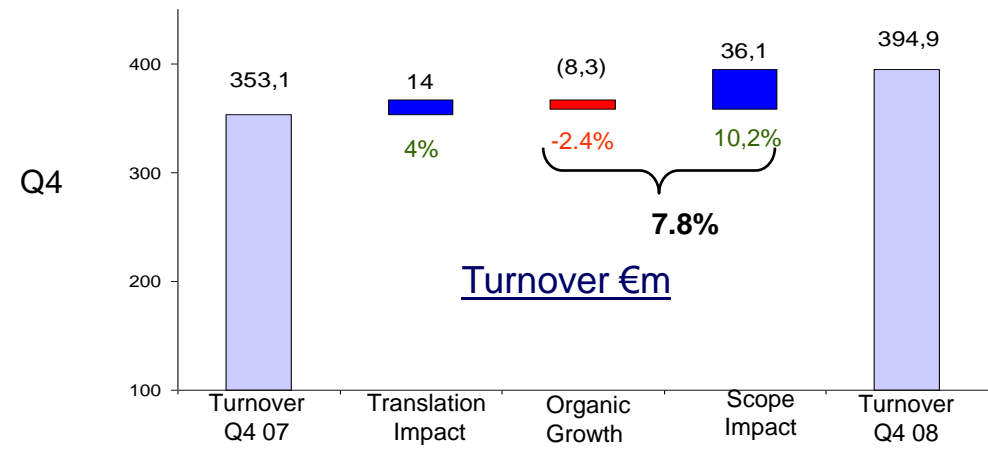
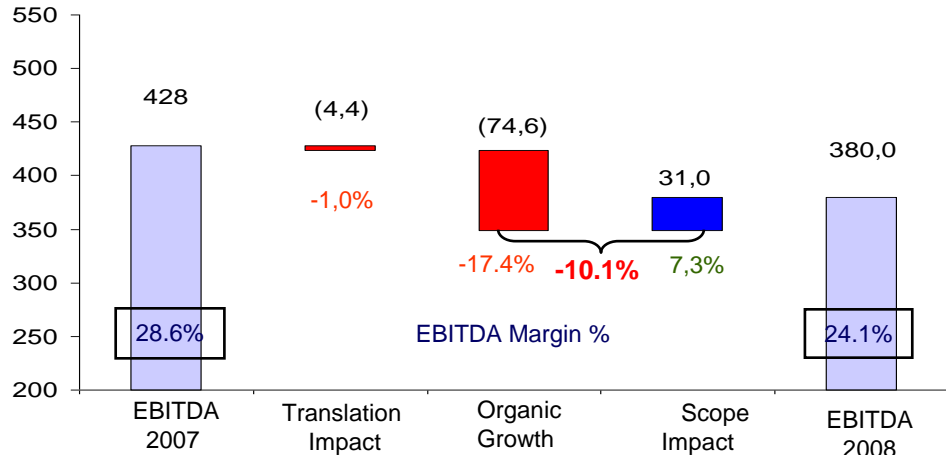
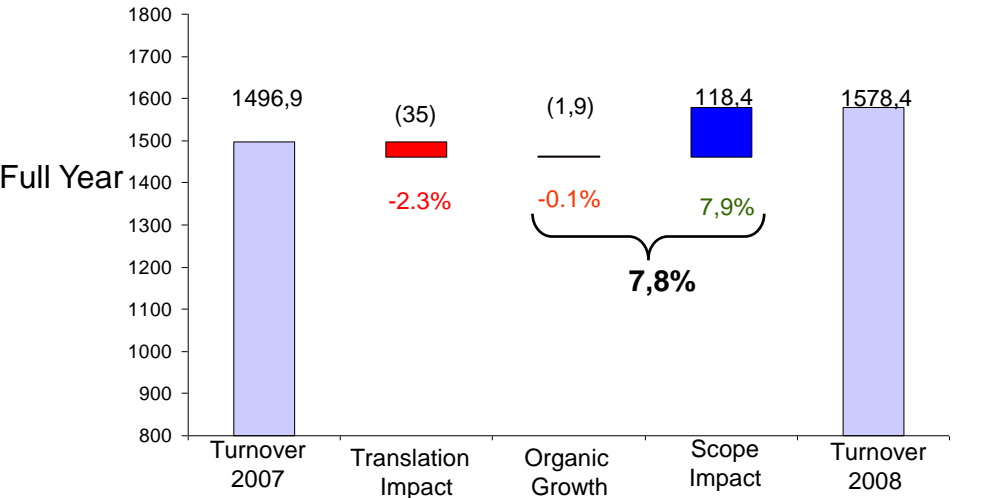


- (1) Cement sales include clinker and cementitious materials
- (2) % in boxes represents performance versus last year
- (3) Includes Egypt and Turkey at 100%, even when accounted for on a proportionate basis

# Group Turnover and EBITDA – Full Year & Q4 2008



**Group Turnover and EBITDA benefited by organic growth in S.E. Europe/Egypt and by acquisitions in East Med., despite the negative organic growth in the US and Greece**



# Financial Highlights

## Full Year & Q4 2008



**Net profit after tax for full year has been impacted negatively by the increased D&A and financing costs, offset by the zeroed income tax due to one-off items (reversal of provision in Greece, tax credits in Bulgaria, lower tax expense from the US and lower deferred taxes in Greece because of new lower tax rates in 2010-14)**

Q4 2008			Full Year 2008	
2008	Var 08 vs 07		2008	Var 08 vs 07
394,9	11,8%	Turnover	1.578,5	5,4%
90,8	8,0%	EBITDA	380,0	-11,2%
23,0	-0,8pts	<i>EBITDA Margin (%)</i>	24,1	-4,5pts
30,6	-41,3%	Earnings Before Tax and minorities	210,0	-30,1%
45,0	-3,1%	Net Profit after Taxes and Minorities	208,2	-13,2%
		Share Price <sup>(1)</sup>	13,9	-55,4%
		ASE Index <sup>(2)</sup>	1.786,51	-65,5%
		Dividend per share	0,42	-44,0%

Notes:

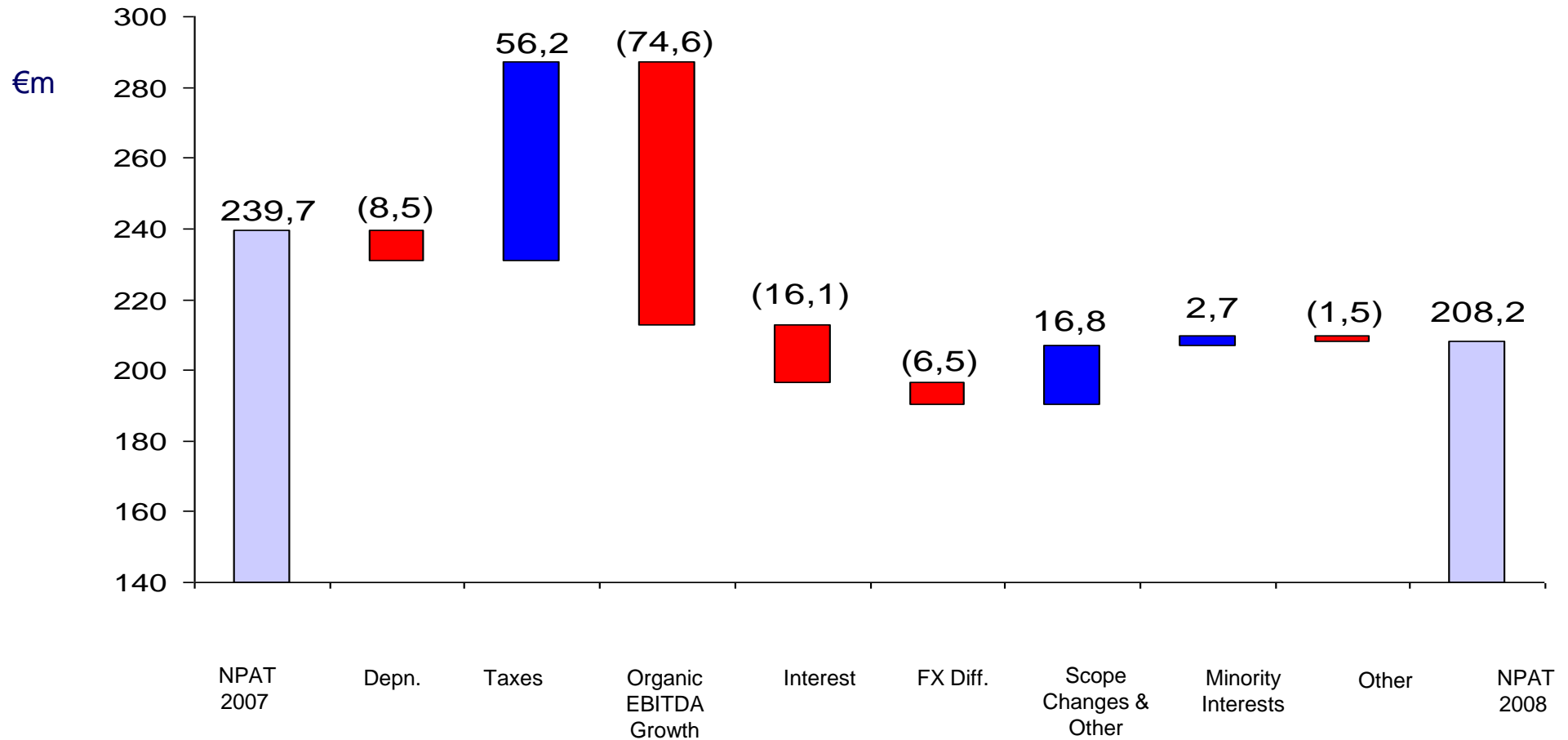
(1)+(2) Share Prices and Index Value on 31/12/08



# Group Net Profit after Tax Full Year 2008



**Group benefits from significantly lower taxes reflecting lower earnings in US and one-off tax related items with positive impact**



# Foreign Currency Rates Full Year 2008



## Balance Sheet and P&L impacted by USD vs Euro variance

<u>BALANCE SHEET</u>	<u>31/12/2008</u>	<u>31/12/2007</u>	Variance
			<u>31/12/08 vs 31/12/07</u>
€1 = USD	1,39	1,47	5%
€1 = EGP	7,68	8,12	6%
1USD=EGP	5,51	5,52	0%
€1 = RSD	88,60	79,24	-12%
1USD=JPY	90,64	112,04	19%
€1 = TRY	2,15	1,72	-25%

<u>P&amp;L</u>	<u>Ave 12M 08</u>	<u>Ave 12M 07</u>	Ave 12M 08 vs
			<u>12M 07</u>
€1 = USD	1,47	1,38	-7%
€1 = EGP	8,02	7,77	-3%
1USD=EGP	5,45	5,64	3%
€1 = RSD	81,91	80,09	-2%
1USD=JPY	102,66	117,63	13%
€1 = TRY	1,91	1,78	-7%

<u>P&amp;L</u>	<u>Ave Q4 08</u>	<u>Ave Q4 07</u>	Ave Q4 08 vs Q4
			<u>07</u>
€1 = USD	1,32	1,45	9%
€1 = EGP	7,30	8,01	9%
1USD=EGP	5,54	5,53	0%
€1 = RSD	84,87	78,84	-8%
1USD=JPY	96,15	113,13	15%
€1 = TRY	2,03	1,73	-17%

Bulgarian Leva fixed at €1 = BGN 1,956

No change in €/MKD exchange rates

A negative variance represents a devaluation of the base currency vs. the Euro

€/TRY budget rates were provided for RP1 2008

# Consolidated Balance Sheet

## Full Year 2008



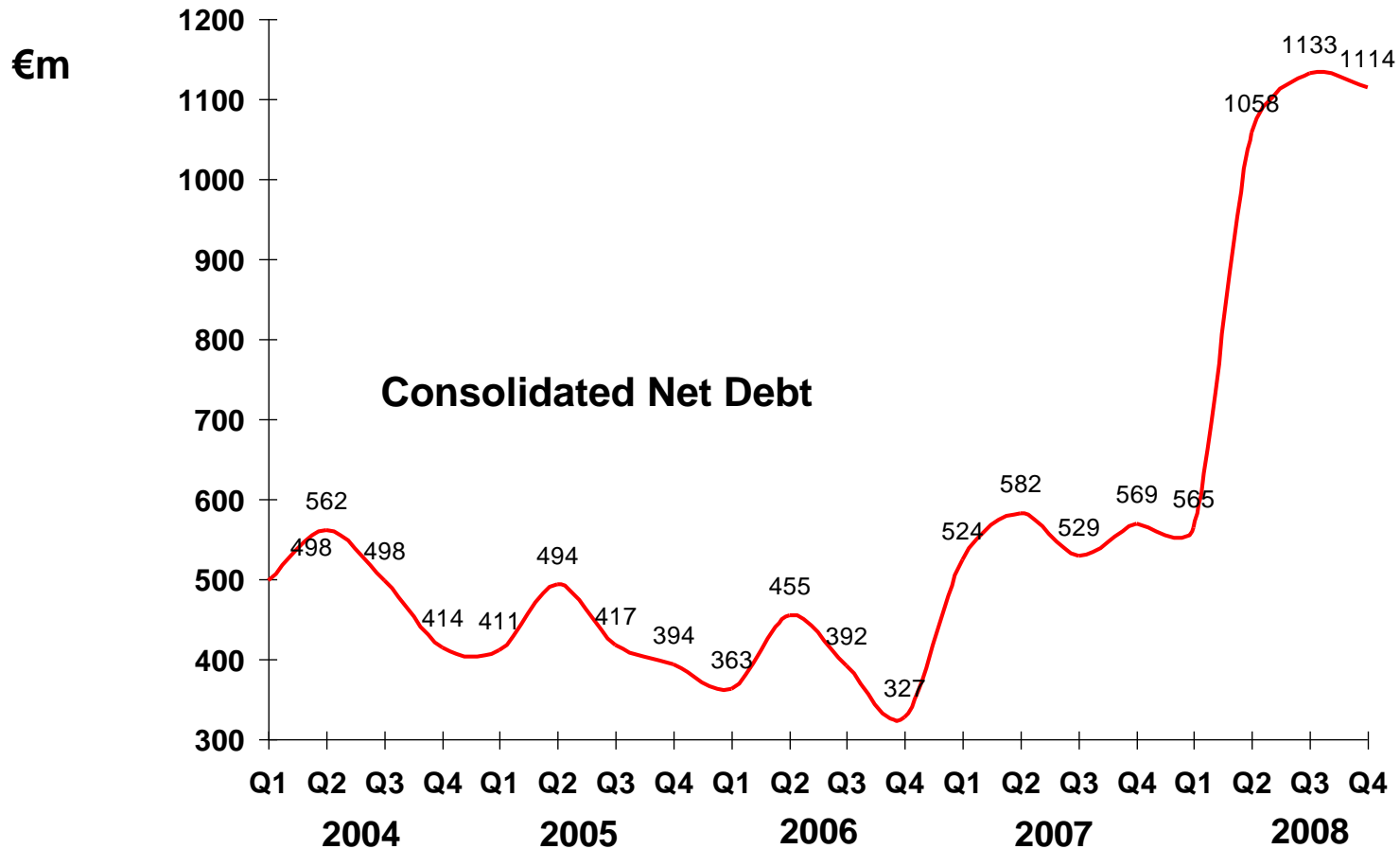
**CAPEX and Acquisitions were the most significant impacts on the Balance Sheet, funded through increase in Net Debt**

	(€ m)		
Balance Sheet	2008	2007	08 vs 07
<b>Fixed Assets and Investments</b>	<b>2496</b>	<b>1641</b>	<b>855</b>
<b>Net Current Assets</b>			
Inventories	285	226	59
Receivables and Other Prepayments	316	288	28
Securities	3	3	(0)
Other short term liabilities	<u>(269)</u>	<u>(194)</u>	<u>(75)</u>
	<b>335</b>	<b>323</b>	<b>11</b>
<b>Net Debt</b>			
Cash	95	167	(73)
Long Term due to Banks	(945)	(590)	(355)
Short term bank liabilities	<u>(263)</u>	<u>(146)</u>	<u>(117)</u>
	<b>(1.114)</b>	<b>(569)</b>	<b>(545)</b>
<b>Long Term Liabilities and Provisions</b>			
Provisions	(64)	(60)	(4)
Deffered tax provision	(204)	(124)	(80)
Other long term liabilities	<u>(14)</u>	<u>(16)</u>	<u>2</u>
	<b>(283)</b>	<b>(200)</b>	<b>(83)</b>
<b>Minorities</b>	<b>(38)</b>	<b>(22)</b>	<b>(16)</b>
<b>Shareholders Equity</b>	<b>1396</b>	<b>1173</b>	<b>223</b>

# Net Debt as of 31.12.08



Increase of Net Debt by € 545m since the beginning of 2008 mainly due to financing acquisitions and capex

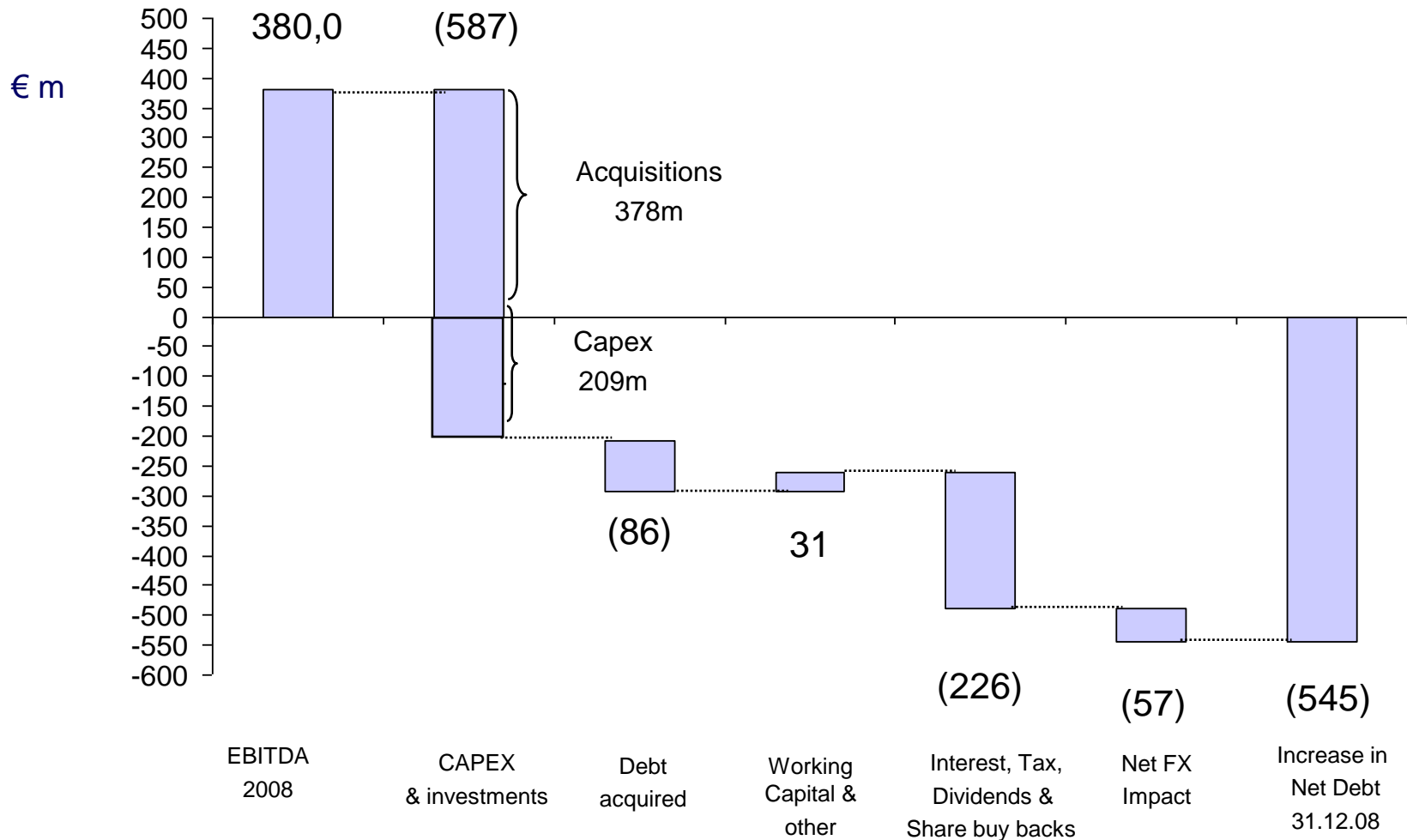


# Sources and Uses of Cash

## Full Year 2008



**Acquisitions and Capex and represent the main use of cash in 2008**  
**In Q4, working capital needs decreased by €57m**



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- **The unprecedented global financial crisis spills over into the real economy**
- **The world has changed and we are adapting to the new realities**
- **Focus on generating positive free cash flow and repaying debt**
- **Drive production costs and SG&A expenses down**
- **Limit new capex; complete investment in value generating sites in Egypt & Albania**
- **US demand outlook remains negative; PCA forecasts cement consumption -13% vs. 2008**
- **Greek demand expected to decline faster vs. 2008**
- **Volumes in Egypt likely to increase moderately; 2<sup>nd</sup> line in Egypt goes live in Q4 09**
- **Demand in SEE markets will slow down sharply and could decline**
- **Short-term market outlook in Turkey is challenging**
- **Fuel prices decline, if sustained, will have a positive impact**