



1 January – 30 September 2018

**Group of Titan Cement Company S.A.
Financial Summary Update**



Summary of Interim Consolidated Income Statement

(all amounts in Euro thousands)

	For the nine months ended 30/9	
	2018	2017
Turnover	1,101,905	1,144,533
Cost of sales	-800,840	-812,404
Gross profit before depreciation, amortization and impairment	301,065	332,129
Other income	12,362	8,865
Administrative expenses	-91,509	-92,829
Selling and marketing expenses	-16,450	-17,149
Other expenses	-8,520	-16,496
Profit before interest, taxes, depreciation, amortization and impairment	196,948	214,520
Depreciation and amortization related to cost of sales	-80,000	-79,070
Depreciation and amortization related to administrative and selling expenses	-3,596	-4,725
Impairment of tangible and intangible assets related to cost of sales	-	-1,589
Profit before interest and taxes	113,352	129,136
Expenses from participations and investments	-123	-
Finance income	1,335	862
Finance expense	-48,998	-42,519
Gains/(losses) from foreign exchange differences	5,321	-20,797
Share of loss of associates and joint ventures	-4,987	-7,602
Profit before taxes	65,900	59,080
Income tax	-14,118	-24,194
Profit after taxes	51,782	34,886
<u>Attributable to:</u>		
Equity holders of the parent	50,239	33,101
Non-controlling interests	1,543	1,785
	51,782	34,886
Basic earnings per share (in €)	0.6254	0.4103
Diluted earnings per share (in €)	0.6201	0.4072

Summary of Interim Consolidated Statement of Comprehensive Income

(all amounts in Euro thousands)

For the nine months ended 30/9

	2018	2017
Profit for the period	51,782	34,886
Other comprehensive loss:		
Exchange differences on translation of foreign operations	-17,354	-88,648
Other comprehensive income/(loss)	2,170	-7,183
Deferred tax	-488	1,514
	1,682	-5,669
Net other comprehensive loss	-15,672	-94,317
Total comprehensive income/(loss) for the period net of tax	36,110	-59,431
Attributable to:		
Equity holders of the parent	33,179	-57,029
Non-controlling interests	2,931	-2,402
	36,110	-59,431

Summary of Interim Consolidated Statement of Financial Position

(all amounts in Euro thousands)

	30/09/2018	31/12/2017
Assets		
Property, plant & equipment and investment property	1,490,193	1,478,176
Intangible assets and goodwill	359,829	345,971
Investments in associates & joint ventures	136,947	160,904
Other non-current assets	11,608	13,393
Deferred tax asset	6,123	2,926
Non-current assets	2,004,700	2,001,370
Inventories	281,122	258,204
Receivables, prepayments and other current assets	230,346	181,646
Cash and cash equivalents	161,955	154,247
Current assets	673,423	594,097
Total Assets	2,678,123	2,595,467
Equity and Liabilities		
Share Capital 84,632,528 shares of €3.45 (2017: €3.00)	291,982	253,897
Share premium	22,826	22,826
Other equity	-106,850	-102,381
Other Reserves	549,023	723,716
Retained earnings	529,281	409,155
Equity attributable to equity holders of the parent	1,286,262	1,307,213
Non-controlling interests	60,763	62,459
Total equity (a)	1,347,025	1,369,672
Long-term borrowings	754,054	820,382
Deferred tax liability	55,709	39,644
Retirement benefit obligations	30,839	32,440
Provisions	26,742	30,172
Other non-current liabilities	6,187	6,711
Total non-current liabilities	873,531	929,349
Short-term borrowings	191,907	56,825
Trade, income tax and other payables	249,399	231,063
Provisions	16,261	8,558
Total current liabilities	457,567	296,446
Total liabilities (b)	1,331,098	1,225,795
Total Equity and Liabilities (a+b)	2,678,123	2,595,467

Summary of Interim Consolidated Cash Flow Statement

(all amounts in Euro thousands)

	For the nine months ended 30/9	
	2018	2017
Cash flows from operating activities		
Profit before taxes	65,900	59,080
Non-cash adjustments	131,187	162,790
Adjusted profit before changes in working capital	197,087	221,870
Increase in inventories	-16,480	-34,979
Increase in trade and other receivables	-33,608	-18,338
Decrease in trade and other payables (excluding banks)	-6,610	-25,511
Cash generated from operations	140,389	143,042
Income tax paid	-7,045	-10,595
<i>Net cash flows from operating activities</i>	133,344	132,447
Cash flows from investing activities		
Payments for tangible and intangible assets	-77,310	-90,886
Proceeds from sale of tangible and intangible assets	984	587
Proceeds from dividends	2,022	1,847
Net payments from increase in investments to affiliates or equity instruments and other investing activities	-19,143	-41,505
<i>Net cash flows used in investing activities</i>	-93,447	-129,957
Cash flows from financing activities		
Net payments of interest and other related charges	-38,478	-44,237
Net (payments)/proceeds for purchase/sale of treasury shares	-5,218	126
Other payments of financing activities	-48,542	-100,124
Net proceeds from borrowings	57,193	31,825
<i>Net cash flows used in financing activities</i>	-35,045	-112,410
Net increase/(decrease) in cash and cash equivalents	4,852	-109,920
Cash and cash equivalents at start of period	154,247	179,710
Effects of exchange rate changes	2,856	-2,525
Cash and cash equivalents at end of period	161,955	67,265

1. Summary of Segment information

(all amounts in Euro thousands)

Information by operating segment

	Greece and Western Europe		North America		Southeastern Europe		Eastern Mediterranean		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Period from 1/1-30/9										
Gross revenue	219,841	241,476	639,414	667,323	176,279	179,476	114,014	114,275	1,149,548	1,202,550
Inter-segment revenue	-46,403	-51,615	-155	-167	-1,085	-6,235	-	-	-47,643	-58,017
Revenue from external customers	173,438	189,861	639,259	667,156	175,194	173,241	114,014	114,275	1,101,905	1,144,533
Profit before interest, taxes, depreciation, amortization and impairment	10,664	20,409	127,927	138,842	44,453	44,183	13,904	11,086	196,948	214,520
Depreciation, amortization and impairment	-15,046	-16,958	-44,040	-43,190	-16,710	-17,487	-7,800	-7,749	-83,596	-85,384
(Loss)/profit before interest and taxes	-4,382	3,451	83,887	95,652	27,743	26,696	6,104	3,337	113,352	129,136

	Greece and Western Europe		North America		Southeastern Europe		Eastern Mediterranean		Total	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017	30/9/2018	31/12/2017	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Total assets of segments excluding Joint Ventures	575,169	580,878	1,064,851	996,778	489,081	481,987	420,890	382,622	2,549,991	2,442,265
Total assets of Joint Ventures									128,132	153,202
Total assets									2,678,123	2,595,467
Total liabilities	344,701	375,486	545,117	461,473	138,820	137,395	302,460	251,441	1,331,098	1,225,795

Information by business activities

	Cement		Ready mix concrete, aggregates and building blocks		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Period from 1/1-30/9								
Turnover	626,609	639,241	471,291	499,840	4,005	5,452	1,101,905	1,144,533

2. Summary financial information for Joint Ventures

(all amounts in Euro thousands)

	Adocim Cimento Beton Sanayi ve Ticaret A.S.		Companhia Industrial De Cimento Apodi	
	2018	2017	2018	2017
Period from 1/1-30/9				
Turnover	31,754	42,443	51,750	53,483
Profit before interest, taxes, depreciation, amortization and impairment	4,517	7,224	8,792	1,953

3. Expenses by nature

(all amounts in Euro thousands)

Staff costs and related expenses	
Raw materials and consumables used	
Energy cost	
Changes in inventory of finished goods and work in progress	
Distribution expenses	
Third party fees	
Other expenses	
Total expenses by nature	

For the nine months ended 30/9

	2018	2017
	-205,601	-213,936
	-266,089	-283,947
	-174,303	-179,775
	2,722	21,900
	-125,966	-124,153
	-90,972	-93,864
	-48,590	-48,607
Total expenses by nature	-908,799	-922,382

Included in:

Cost of sales	
Administrative expenses	
Selling and marketing expenses	

	-800,840	-812,404
	-91,509	-92,829
	-16,450	-17,149
	-908,799	-922,382

4. Summary of borrowings

(all amounts in Euro thousands)

Current

Bank borrowings	
Bank borrowings in non euro currency	
Debentures	
Finance lease liabilities	

	30/09/2018	31/12/2017
	7,495	11,035
	20,893	43,186
	160,613	-
	2,906	2,604
	191,907	56,825

Non-current

Bank borrowings	
Bank borrowings in non euro currency	
Debentures	
Finance lease liabilities	

	22,843	24,901
	76,666	61,812
	645,079	722,569
	9,466	11,100
	754,054	820,382
Total borrowings	945,961	877,207

Maturity of non-current borrowings and non-current finance lease liabilities:

(all amounts in Euro thousands)

Between 1 and 2 years	
Between 2 and 3 years	
Between 3 and 4 years	
Between 4 and 5 years	
Over 5 years	

	30/09/2018	31/12/2017
	27,688	177,982
	333,553	17,802
	45,802	323,535
	-	33,677
	347,011	267,386
	754,054	820,382

The Group has the following undrawn borrowing facilities:

(all amounts in Euro thousands)

Floating rate:	
- Expiring within one year	
- Expiring beyond one year	

	30/09/2018	31/12/2017
	188,398	188,057
	310,862	314,330

On 30.9.2018, Group's ratio of fixed to floating interest rates, taking into account outstanding cross currency swaps and interest rate swaps, stood at 86%/14% (31 December 2017: 82%/18%).

5. Foreign exchange differences

The variance of €26.1 mil. in the account "Gains/(losses) from foreign exchange differences" in the summary of interim consolidated income statement for the period ended 30 September 2018 compared to the nine months of the previous year is mainly due to the valuation of loans and other liabilities (including intercompany loans) in Euro, recorded by the Group's subsidiaries that operate in Egypt and US and have other functional currency. The volatility arising from foreign exchange rate fluctuations will continue to affect the Group's performance until the full repayment of the respective loans.

6. Summary of contingencies and commitments

(all amounts in Euro thousands)

	30/09/2018	31/12/2017
Contingent liabilities		
Bank guarantee letters	16,558	27,906
Other	1,127	947
	17,685	28,853
Contingent assets		
Bank guarantee letters for securing trade receivables	19,575	19,440
Other collaterals against trade receivables	5,943	7,060
	25,518	26,500
Collaterals against other receivables	1,680	1,410
	27,198	27,910

Capital commitments

Capital commitments contracted for at the balance sheet date but not recognized in the financial statements are as follows:

(all amounts in Euro thousands)

	30/09/2018	31/12/2017
Property, plant and equipment	2,594	2,227

Purchase commitments

Energy supply contracts (electricity etc.)

(all amounts in Euro thousands)

	30/09/2018	31/12/2017
Not later than 1 year	-	1,019

In addition to the aforementioned purchase commitments, the Group's US subsidiaries have entered a contract to purchase raw materials and manufacturing supplies as part of their on-going operations in Florida. This includes a contract to buy construction aggregates through a multi-year agreement at prevailing market prices.

Operating lease commitments - where a Group company is the lessee

The Group leases motor vehicles, properties and other equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

(all amounts in Euro thousands)

	30/09/2018	31/12/2017
Not later than 1 year	11,481	11,679
Later than 1 year and not later than 5 years	28,376	27,356
Beyond 5 years	8,122	7,462
	47,979	46,497

7. Events after the reporting period

On 18.10.2018, TITAN Cement International S.A. (TCI) announced, in accordance with Law 3461/2006, the submission of a voluntary share exchange tender offer to acquire all of the ordinary and preference shares of the Company (the TITAN shares), in consideration for new shares issuable by TCI at an exchange ratio of one TCI share for each TITAN share. The purpose of the share exchange offer is to facilitate the listing and the admission of shares of TITAN Group for trading on Euronext Brussels through the primary listing of all the shares of TCI on Euronext Brussels. TCI seeks to become the direct parent company of the Company and the ultimate parent company of TITAN Group. TCI will also apply for the secondary listing and admission for trading of its shares on the Athens Exchange and Euronext Paris.

On 11.10.2018, following the completion of the corporate and regulatory procedures required, the closing of the agreement which was signed in August 2018 between Titan Group and Cem Sak Group was concluded. As of the above date, Titan Group holds 75% of Adocim Cimento Beton Sanayi ve Ticaret A.S. (Adocim), which owns an integrated cement plant in Tokat – Turkey, with a production capacity of 1.5 million tons of cement and three ready-mix concrete units. At the same time, Titan disposed of its participation in the grinding unit in Antalya, which is now solely owned by the Cem Sak Group.