

## **TITAN CEMENT COMPANY S.A.**

Company's Number in the Register of Societes Anonymes: 6013/06/B/86/90 22A Halkidos Street - 111 43 Athens

SUMMARY FINANCIAL RESULTS for the year ended 31 December 2008

(in terms of article 135 of Law 2190, for companies publishing annual financial statements in accordance with IAS/IFRS)

The figures illustrated below provide summary information about the financial position of Titan Cement S.A. and its subsidiaries. We advise the reader who seeks a complete picture of the financial position to visit the Company's web site, where the full year financial statements according to International Financial Reporting Standards together with the auditor's report, are presented.

Supervising Authority: Ministry of Development (Department for limited companies) Company's web address: Andreas Canellopoulos - Chairman Dimitrios Krontiras\*-Deputy Chairman Board of Directors: Dimitrios Papalexopoulos-Managing Director, Nellos Canellopoulos, Takis-Panagiotis Canellopoulos, George David\*, Basilios Fourlis\*, Elias Paniaras, Panagiotis Marinopoulos\*, Alexandra Papalexopoulou-Benopoulou, Michael Sigalas, Apostolos Tamvakakis\*, Spyridon Theodoropoulos\*, Eftihios Vasilakis\*, Eftihimios Vidalis\*.

\*Independent non-executive directors

Date of approval of the Financial Statements : 24 February 2009 Name of the auditor: Christos Glavanis **ERNST & YOUNG** Auditing firm: Report of the Auditors:

## CONDENSED BALANCE SHEET (Amounts in € thousand)

	GROUP		COMPANY	
<u>ASSETS</u>	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Tangible assets	1.896.579	1.303.924	270.592	262.214
Investment properties	-	-	6.796	6.996
Intangible assets	545.088	301.189	-	-
Other non current assets	54.515	35.884	1.265.961	519.270
Inventories	284.852	226.253	99.994	85.250
Trade receivables	212.511	232.362	85.999	116.526
Other current assets	106.024	58.774	10.683	13.763
Cash and cash equivalents	94.521	167.478	31.263	13
TOTAL ASSETS	3.194.090	2.325.864	1.771.288	1.004.032
SHAREHOLDERS EQUITY AND LIABILITIES  Share Capital (84,546,774 shares of € 4.00)	338.187	169.065	338.187	169.065
Share Capital (84,546,774 shares of € 4.00)	338.187	169.065	338.187	169.065
Share Premium	22.826	22.826	22.826	22.826
Share stock options	10.713	7.016	10.713	7.016
Treasury Shares	-92.299	-35.945	-92.299	-35.945
Retained earnings and other reserves	1.116.629	1.009.865	516.097	642.597
Total share capital and reserves (a)	1.396.056	1.172.827	795.524	805.559
Minority interests (b)	38.078	22.112	-	-
Total Equity (c)=(a)+(b)	1.434.134	1.194.939	795.524	805.559
Long-term borrowings	945.193	589.833	759.000	3.609
Provisions and other long-term liabilities	282.918	200.839	53.915	59.815
Short-term borrowings	263.145	146.405	87.580	49.987
Other short-term liabilities	268.700	193.848	75.269	85.062
Total liabilities (d)	1.759.956	1.130.925	975.764	198.473

## CONDENSED INCOME STATEMENT

Revenue GROUP COMPANY 1/1-31/12/2008 1/1-31/12/2007 1/1-31/12/2008 1/1-31/12/2008 1.578.458 1.496.915 548.620 535.8	
Revenue 1.578.458 1.496.915 548.620 535.8	859
Cost of sales -1.046.968 -936.825 -352.691 -322.7	779
Gross profit before depreciation and amortization 531.490 560.090 195.929 213.0	080
Other operating income/(expense) -6.246 621 789 3.4	419
Administrative expenses -119.437 -108.586 -43.529 -41.3	352
Selling and marketing expenses -25.755 -24.199 -4.709 -4.50	553
Profit before interest, taxes and depreciation and amortization 380.052 427.926 148.480 170.5	594
Depreciation & amortization -109.478 -94.782 -11.019 -10.6	684
Profit before interest and taxes         270.574         333.144         137.461         159.9	910
Income from participations & investments 283 74 7.699 2.6	656
Finance costs - net -60.841 -32.872 -31.868 -2.7	778
Profit before taxes         210.016         300.346         113.292         159.7	788
Less: Income tax expense 7 -56.127 -7.328 -41.0	017
Profit after taxes         210.023         244.219         105.964         118.7	771
Attributable to:	
Shareholders 208.224 239.739 105.964 118.7	771
Minority interests <u>1.799</u> <u>4.480</u>	
Basic earnings per share (in €) 2,5336 2,8452 1,2893 1,40	096
Diluted earnings per share (in€) 2,5254 2,8360 1,2852 1,40	050

- 1. As per resolution dated 16.12.2008 of the Board of Directors, the share capital of the Company was increased in cash by €56,800 with the issuance of 14,200 new registered common shares, of a nominal value of €4.00 each, following the exercise by senior executives of Titan group of stock option rights granted to them in implementation of Stock Option Plans that have been approved by resolutions dated 8.6.2004 and 4.6.2008 of the General Meeting of Shareholders.
- 2. According to the resolutions approved by the General Meeting of May 10, 2007 and May 20, 2008 the Company acquired during the period 1.1-31.12.2008 2,101,810 of its own common shares at a value of €56,246 thousand and 5,619 of its own preference shares at a value of €108 thousand. The total number of 2,10 (10 of its own shares that the Company holds on December 31, 2008 is 3,193,616 of a value of €92,299 thousand and they have been deducted from the Shareholders Equity of the Group and the Company.
- 3. There are no pledges on the Company's assets.

Proposed dividend per issued share (in€)

TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)

- (31.12.2007 €18.4m).
- 6. The Board of Directors will propose to the Annual General Meeting of Shareholders, the distribution of dividend of €0.42 per share (2007: €0.75) for the financial year 2008.
- 7. Earnings per share have been calculated on the total weighted average number of common and preference shares, excluding the average number of treasury shares
- 8. Intercompany transactions for the fiscal year of 2008 and intercompany balances as of 31 December 2008, according to I.A.S. 24 are as follows: Amounts in€ thousand Group b) Expenses 2.044 41.568 c) Deferred expenses d) Receivables 24.450 e) Payables 665.972 f) Key management compensations 6.722 6.531 g) Receivables from key management h) Payables to key management included in above 139 139
- 9. Companies that are included in the consolidated financial statements of fiscal year 2008 are presented in note 14 in the Group's annual financial statements including locations, percentage Group ownership and consolidation method.
- 11. Other provisions' balance (short term and long term) as of 31.12.2008 amount t€26,4 m. for the Group (2007 €23,2 m.) and €2,2m. for the Company (2007 €7.3m.).
- 12. Given the reduced demand resulting from the underlyingeconomic crisis, it is estimated that the allocation of carbon dioxide emissions allowances for the period 2008-2012 will not significantly affect the Group's production levels.

13. In the consolidated financial statements at December 31, 2008 the following companies are additionally included: a) Fully consolidated: Domiki Beton SA (consolidated from January 15th, 2008), Alba Cemento Italia SPHL (consolidated from May 6th, 2008), Vahou Quarries SA (consolidated from May 14th, 2008) Thisvis Quarries SA (consolidated from October 22nd, 2008), Dnjepr Investment I BV already renamed as Holtitan BV (consolidated from November 4th, 2008), Dnjepr Investment II BV (consolidated from November 11th, 2008) and the newly established companies Porfirion SA (Jan 30th, 2008), Stari Silo Company DPP (May 14th, 2008) b) Proportionately consolidated: Adocim Cimento Beton Sanayi ve Ticaret (consolidated from April 17th, 2008)

CONDENSED STATEMENT OF CHANGES IN EQUITY

**CASH FLOW STATEMENT** (Amounts in € thousand)

Equity balance at beginning of the year (1/1/2008 and 1/1/2007 respectively)

Profit for the year Profit attributable to minority interest

Treasury shares purchased

Foreign currency translation

Asset revaluation surplus

Acquisition of minority interests

Cash flows from operating activities

Impairment of tangible and intangible assets

Income from participations & investments

Decrease in trade and other receivables

Cash generated from operations

Cash flows from investing activities Purchase of tangible and intangible assets

Acquisition of subsidiaries, net of cash

Cash flows from financing activities

Purchase of available-for-sale financial assets

Net cash flows used in investing activities (b) Net cash flows after investing activities (a)+(b)

Proceeds from the sale of investment

Proceeds from dividends

Interest received

Share capital increase

Interest paid

Dividends paid

Treasury shares purchased

Proceeds from borrowings

Payments of borrowings

Proceeds from government grants

Effects of exchange rate changes

Operating profit before changes in working capital

(Increase)/Decrease in operating long-term receivables

Net cash flows from operating activities (a)

Increase/(decrease) in trade payables (excluding banks)

Proceeds from the sale of property, plant and equipment

Proceeds from sale of available-for-sale financial assets

Net cash flows from/(used in) financing activities (c)

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)

Proceeds from minority's participation in subsidiaries' share capital increase

Profits before taxes

Depreciation

Adjustments for.

Exchange differences

Increase in inventories

Interest expense Other non cash items

Taxation paid

Dividends paid to minority

Dividends paid

Share Capital increase due to share options

Additional consideration for subsidiary acquisition

Minority interest arising on business combination

Net gains/(losses) on financial assets available for sale

Minority interest related to share capital increase in subsidiaries

Equity balance at year end (31/12/2008 and 31/12/2007 respectively)

GROUP

31/12/2007

1.100.359

239.739

4.480

3.694

-63.338

-4.280

-47.949

132

1/1-31/12/2008 1/1-31/12/2007 1/1-31/12/2008 1/1-31/12/2007

300.346

1.509

12.332

-1.738

34.406

-29.999

21.072

1.844

-15.717

419.876

-96.232

323.644

-252.399

-243.231

933

-2.193

7.589

197

-35.085

-40.224

637.704

-304.500

192.586

31.389

138.027

167.478

-1.938

-161.197

4.386

1.113

31/12/2008

1.194.939

208.224

1.799

3.754

-63.399

1.136

-179

132.932

2.670

-12.732

210.016

109.478

2.799

18.292

-283 51.846

-35.024

17.128

-9.340

42.055

411.693

-48.627

363.066

7.736

3.325

2.987

-1.400

8.859

57

24.108

-56.712

-63.406

778.326

-464.819

151.154

-75.086

167.478

2.129

-226.240

-401.708

GROUP

COMPANY

31/12/2007

781.875

118.771

3.694

-63.338

159.788

10.684

7.168

-1.857

-2.656

4.595

2.779

-17.115

1.314

-371

-2.209

162.120

-58.784

103.336

-18.383

661

157

-74

130

197

86.791

-35.085

-3.031

-63.246

95.493

-81.159

-86.806

28

2.688

-1.724

31/12/2008

805.559

105.964

3.754

-63.399

COMPANY

113.292

11.019

3.865

-7.699

23.721

6.852

-15.403

-165

12.851

177,702

-35.161

142.541

704

10.313

-118

538

57

-745.225

-611.845

-56.712

-22.424

1.167.499

-381.924

643.095

31.250

31.263

13

- 14. On May 6th 2008 the Group acquired the remaining 50% of the JV company Lafarge Titan Egyptian Inv.Ltd and its subsidiaries Alexandria Portland Cement Co. S.A.E., Beni Suef Cement Company S.A.E., Four M Titan Silo Co. LLC ( already renamed Titan Beton and Aggregates LLC), Misrieen Titan Trade & Distribution, East Cement Trade Ltd, Alexandria Development Co. Ltd. Since the above acquisition date, these companies are fully consolidated in the Group's financial statements – while previously they were consolidated proportionately.
- 4. Number of employees at the end of the reporting period: Group 6,505 (2007: 6,034), Parent Company 1,101 (2007: 1,121).

  5. Capital expenditure excluding acquisitions for the fiscal year of 2008 amounted to: Group €209.1m (31.12.2007 €252.4m), Parent Company €20.6m

  15. The €132,9 m surplus from the revaluation of the assets of the Group's participations in fiscal year 2008, represents an increase in the revaluation reserved. the participation of Titan and minorities in the joint venture Lafarge Titan Egyptian Inv Limited and its subsidiaries. This increase resulted from the fair value estimation of the above joint venture at the date of acquisition by Titan (6.5.2008) of the remaining 50% of the joint venture
  - 16. On November 11th 2008, the Group signed contract with the companies International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD), as to each of them participate with 20% in the Group's subsidiary Antea Cement Sh.A in Albania, through the increase of the share capital of the company. The increase in the share capital was held on December 30th 2008, with the payment of €24.8 m from the above mentioned
  - 17. On December 2nd 2008, the Group paid €12.7m, on an auction organized from the government authorities in Serbia, to acquire an extra 22,0675% in Group's subsidiary, KOSJERIC A.D. Serbian authorities was the owner of this minority package.
  - 18. On July 12th 2008, the Group's subsidiary Corinthias Quarries S.A. has been renamed to Transbeton-Domiki S.A. On October 30th 2008, Transbeton S.A signed contract with the Group's companies Domiki Beton S.A., Interbeton Construction Materials S.A. and Titlan Trading International S.A., in order Transbeton S.A. to participate with a percentage of 50.1% in the share capital of Transbeton-Domiki S.A, through an increase in its share capital. On November 14th 2008, the Prefecture approved the partial separation of the ready-mix segment of Domiki Beton S.A., which was offered in order to cover the Group's participation in the increase of the share capital of Transbeton-Domiki S.A. Sire that date, the company Transbeton Domiki S.A. is an asso company and it is incorporated in the Group's financial statements with the equity consolidation method (note 15 of annual financial statements).
  - 19. The goodwill which arose from the acquisitions that took place in the fiscal year 2008 was amounted to €183.1m. The finalization of the goodwill will be completed within twelve months from the dates of acquisitions
  - 20. Certain prior year amounts have been reclassified for presentation purposes (note 37 of annual financial statements).
- 10. The unaudited by the tax authorities fiscal years for the Parent Company and the Group's subsidiaries are presented in detail in note 36 in the annual financial statements. There are no material provisions accounted for the unaudited by the tax authorities fiscal years as well as for litigation issues both for the Group and the Company.

  21. The US South Florida Federal District Court issued on 30.1.2009 a ruling cancelling all permits for limestone mining in the LakeBelt area of Miami-Dade, with immediate effect. Tarmac America LLC, willappeal. Titan America LLC is well prepared to continue operations and maintain production at Pennsuco and, in the context of current depressed market conditions-, to address customer needs and meet its commitments. Separately, the US Army Corps of Engineers is continuing its administrative review of the Company's application for a permit for longer-term mining in the LakeBelt area.

Athens 24 February 2009

Chairman of the Board of Directors **Managing Director** Chief Financial Officer **Chief Accountant** Financial Consolidation Senior Manager

ANDREAS L. CANELLOPOULOS DIMITRIOS TH. PAPALEXOPOULOS CHARALAMPOS G. MAZARAKIS EMM. CH. MAVRODIMITRAKIS ATHANASIOS S. DANAS LD.No AB500997 I.D.No AE096808 I.D.No E163588 I.D.No N237613 I.D.No AB006812