



Titan Group
Financial Results - Full Year 2003
Analysts Presentation

Year End Results Conference Call
Athens – 26 February 2004

Financial Results 2003 – Financial Highlights (Full Year)



Despite the adverse effect of the US dollar, Turnover and Op. EBITDA were flat and marginally ahead of last year respectively. Net Profit after Taxes was 9,6% better than last year as a result of lower extraordinary expenses and lower interest expense, this includes the impact of accelerated depreciation of €11m from our Thessalonica plant.

Excluding the impact of exchange Turnover was +9% and Op. EBITDA +6% versus last year

| (€m) | Actual 2003 | Actual 2002 | Variance 03 vs 02 |
|--------------------------------------|----------------|----------------|----------------------|
| Turnover | 1.036 | 1.036 | 0,0% |
| Operating EBITDA | 296 | 293 | 1,1% |
| Operating EBITDA Margin | 28,5% | 28,2% | 0,3 pts |
| Earnings Before Tax after minorities | 184 | 169 | 8,5% |
| Net Profit After Taxes | 125 | 114 | 9,6% |
| Earnings per Share | 2,98 | 2,72 | 9,6% |
| Share Price | 32,46 | 36,46 | -11,0% |
| ASE Index | 2.263,6 | 1.748,4 | 29,5% |

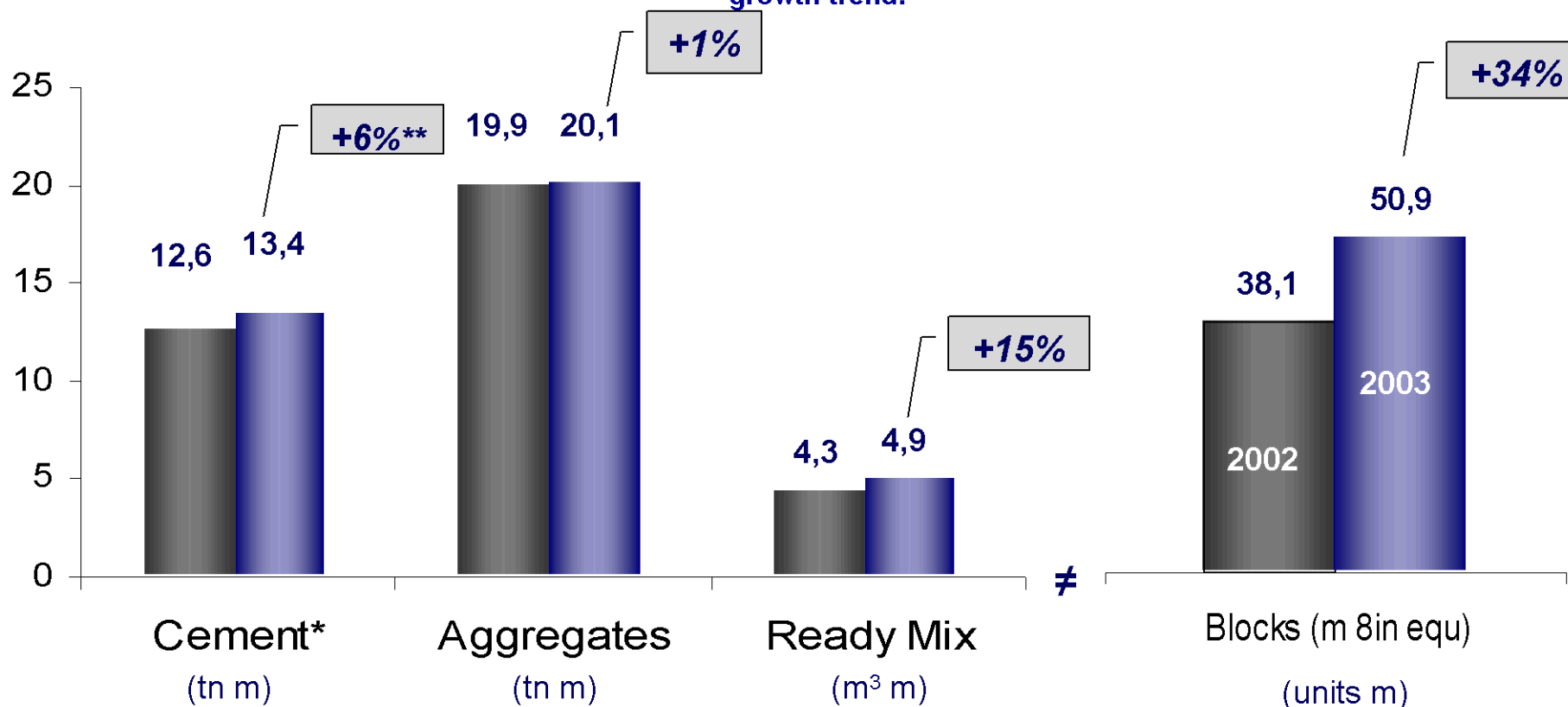
1) Operating EBITDA includes operating results of Beni Suef and Alexandria on equity basis and excludes Extraordinary income and expenses

2) Share Prices and Index Value on 31 December 2002 and 2003

Financial Results 2003 – Key Sales Volume (Full Year)



Cement sales recovered during the second half of the year. Ready Mix and Block volumes continued their strong growth trend.



*Cement sales include clinker and cementitious materials

**Excluding acquisitions: +5%

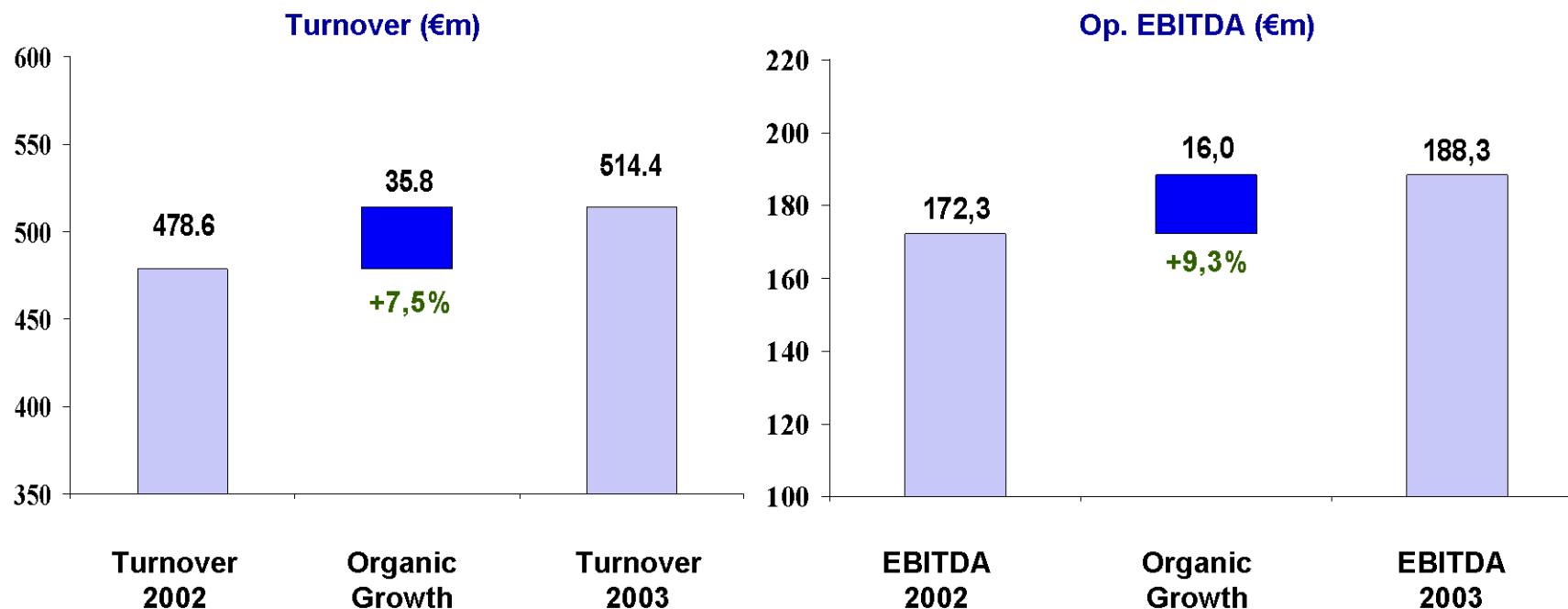
Includes Egyptian JV's at 100%

STI accounted for from 01.08.02, Alexandria from 01.07.02 and Kosjeric from 01.04.02

Financial Results 2003 - Greece



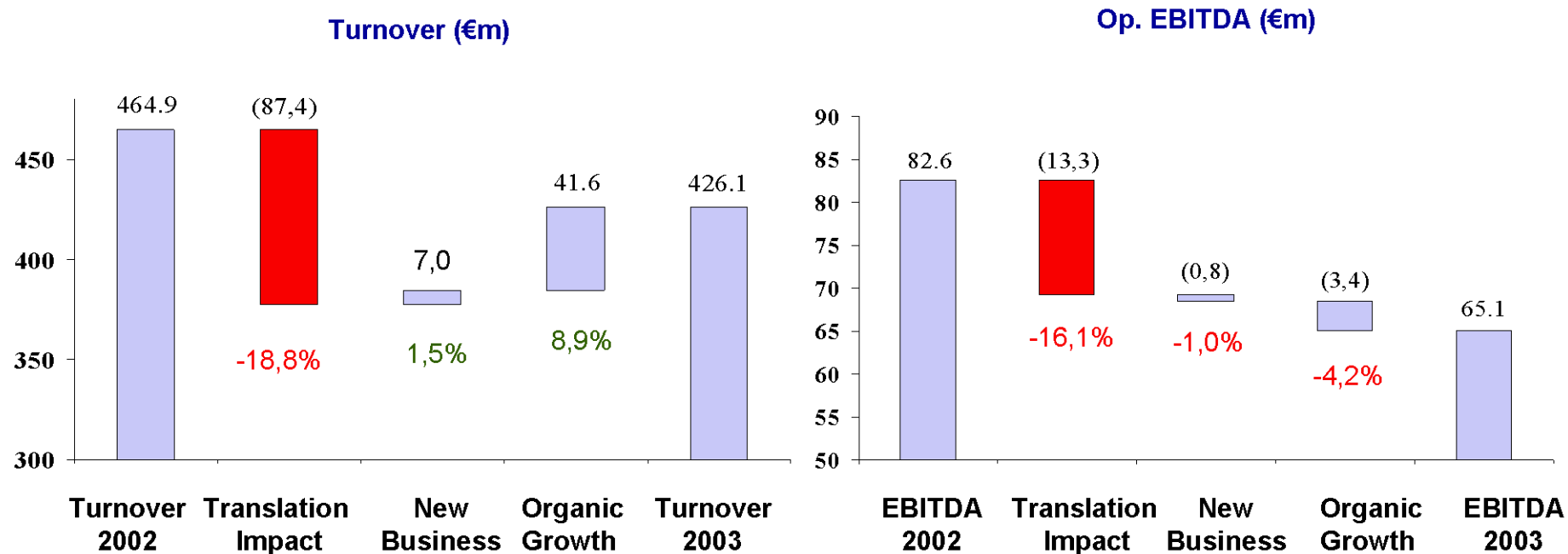
- Thessalonica commissioned and in full operation, already exceeding rated capacity
- Volumes recovered from first half of year (weather and conversion shutdown)
- Strong Ready-Mix performance as a result of pre-Olympics completion deadlines



Financial Results 2003 - USA



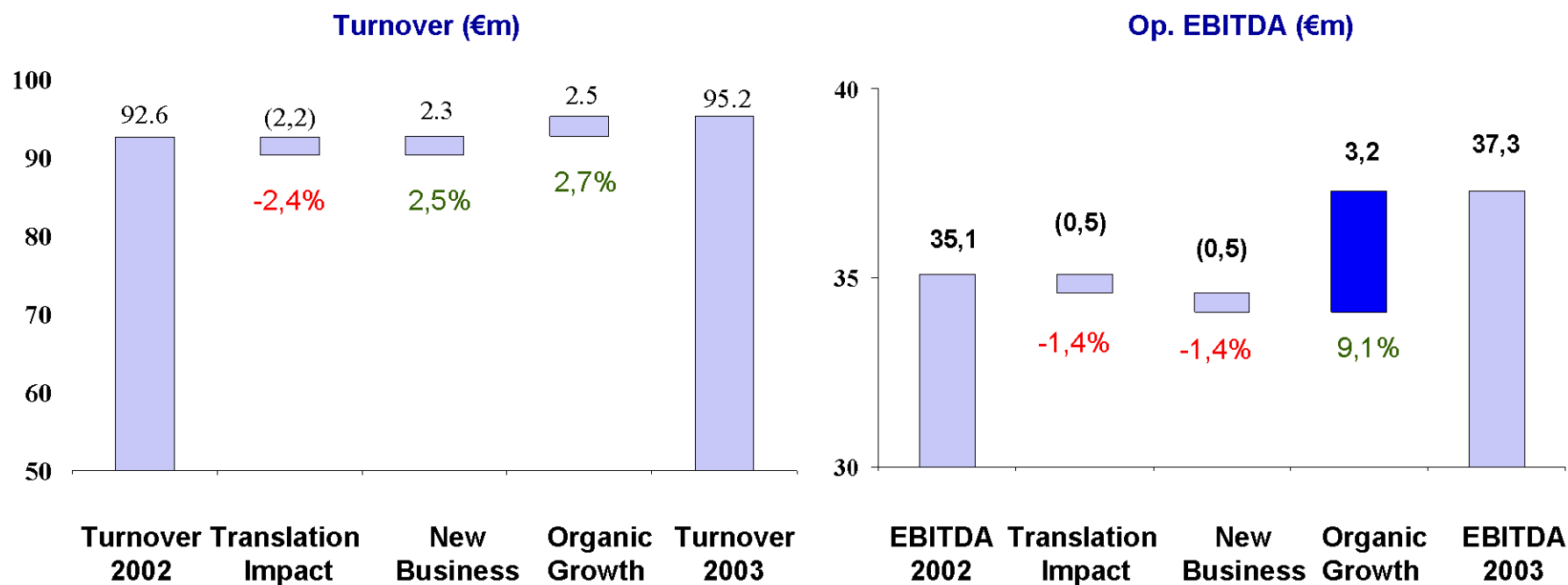
- Weakness of US dollar had a significant impact on the translation of USA Regions Turnover and Op. EBITDA
- Continued strong commercial performance in Florida across all sectors
- Some pick-up in demand for Mid-Atlantic in the second half of year
- Pennsuco modernization progressing well and on schedule
- STI picking up momentum after difficult transition year



Financial Results 2003 - Balkans



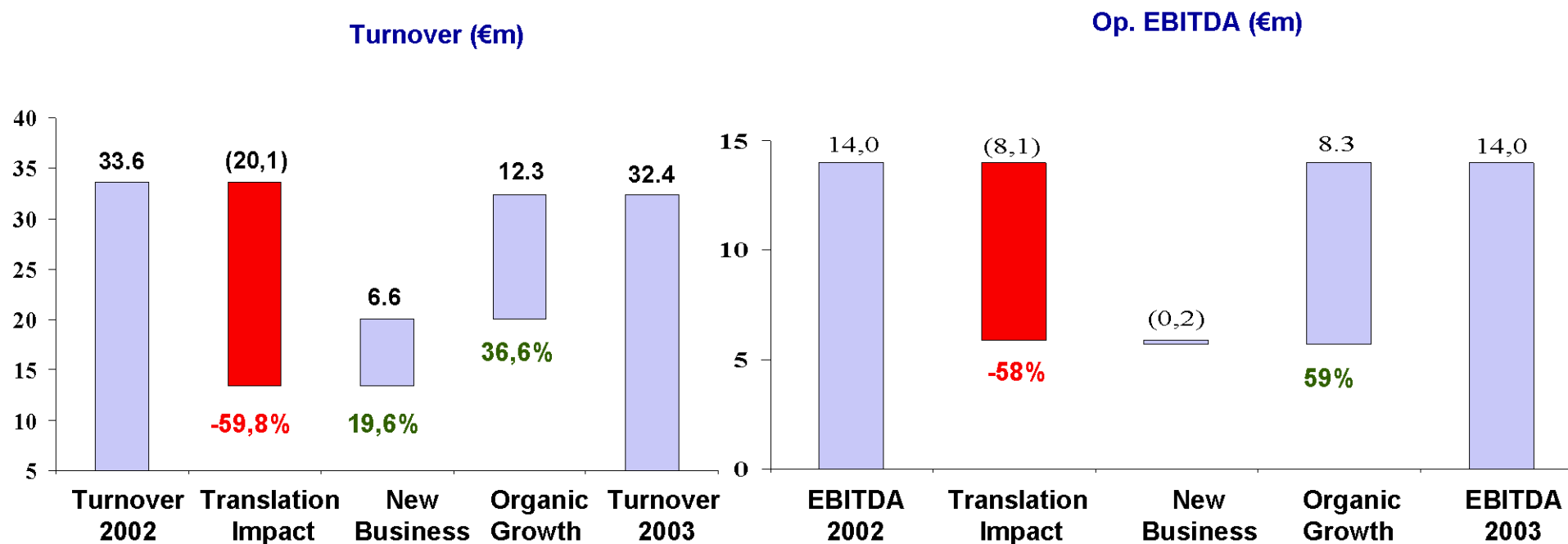
- Volumes marginally down versus last year, mainly as a result of lower clinker sales
- Early retirement programs implemented for Kosjeric
- Improved Op. EBITDA as a result of cost improvements



Financial Results 2003 - Egypt



- Domestic volume was -6% against last year. Total volume was +6% as a result of a reorientation to export sales.
- The devaluation of Egyptian pound impacted results for the year (P&L -55% vs. Euro)
- Cement price in local currency showed some recovery from a low at the beginning of the year
- Early retirement programs implemented in both Alexandria and Beni Suef

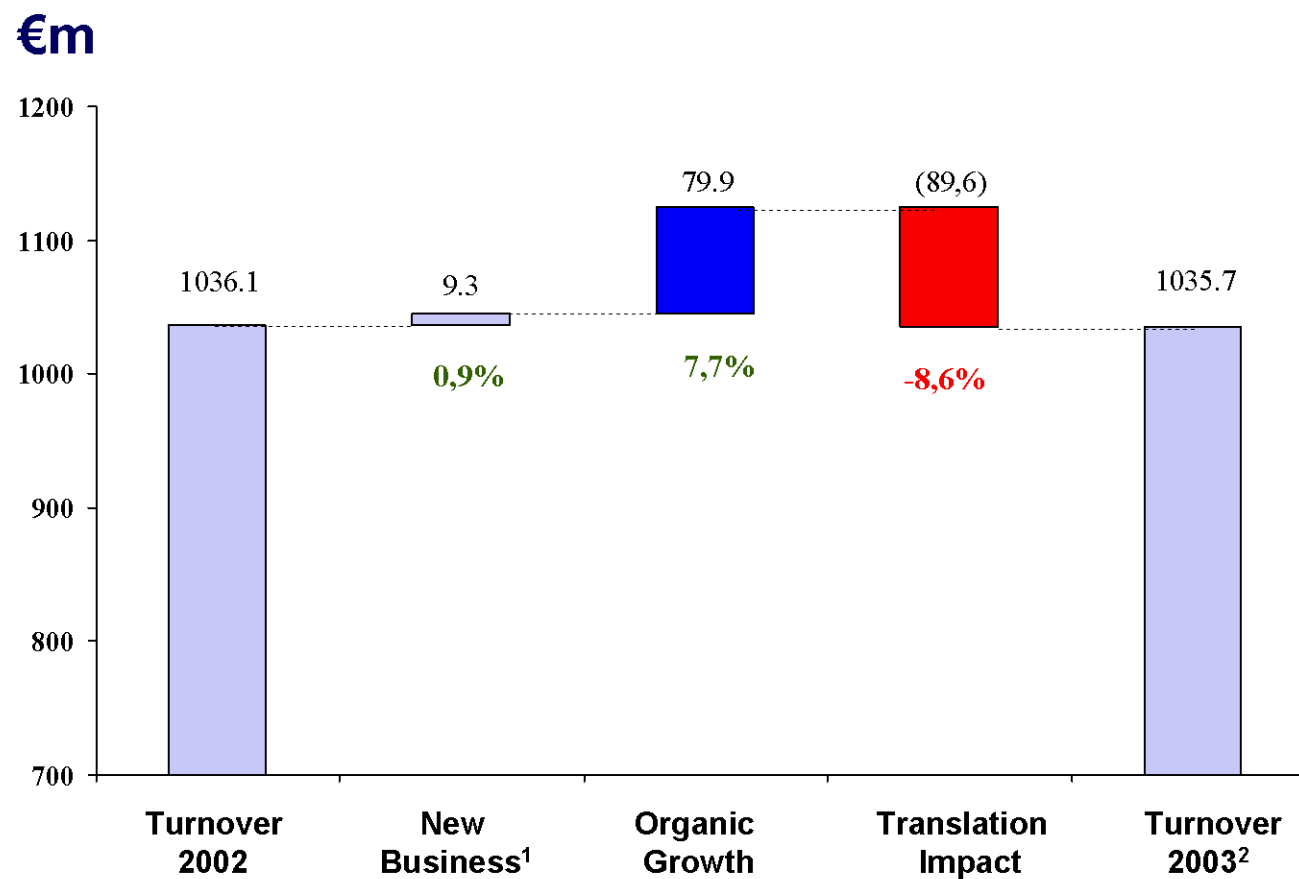


Note: Egypt represented on a proportionate basis. Reported on an equity basis in published results

Financial Results 2003 - Group Turnover



Organic growth was +8% ahead of last year despite translation impact.

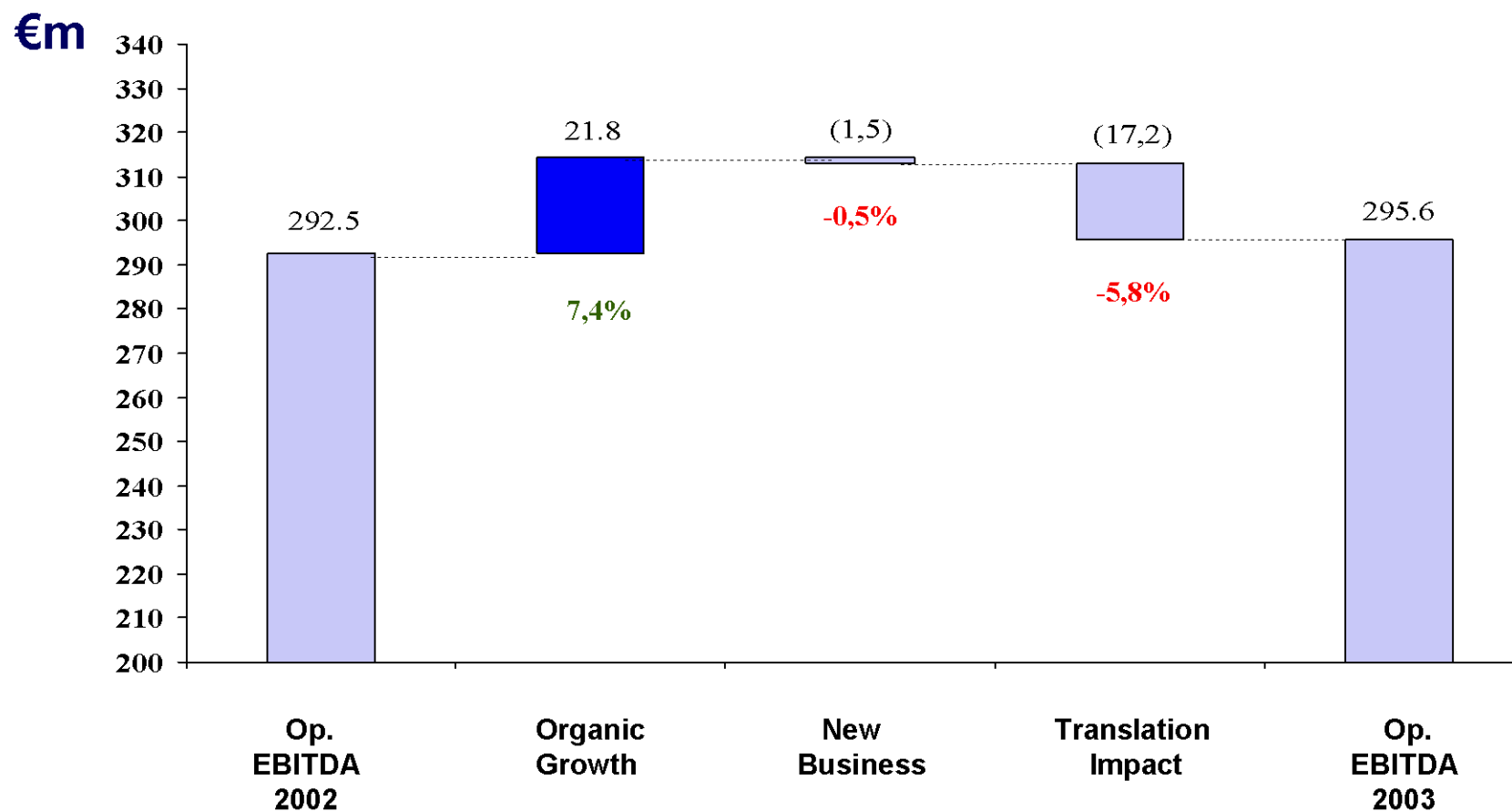


1. Includes STI (consolidated from 1.10.02) and Kosjeric (consolidated from 1.04.02)
2. Group Turnover do not include Egypt as consolidated on an equity basis

Financial Results 2003 - Group Operating EBITDA



Like for like Op. EBITDA growth was +7% for the year



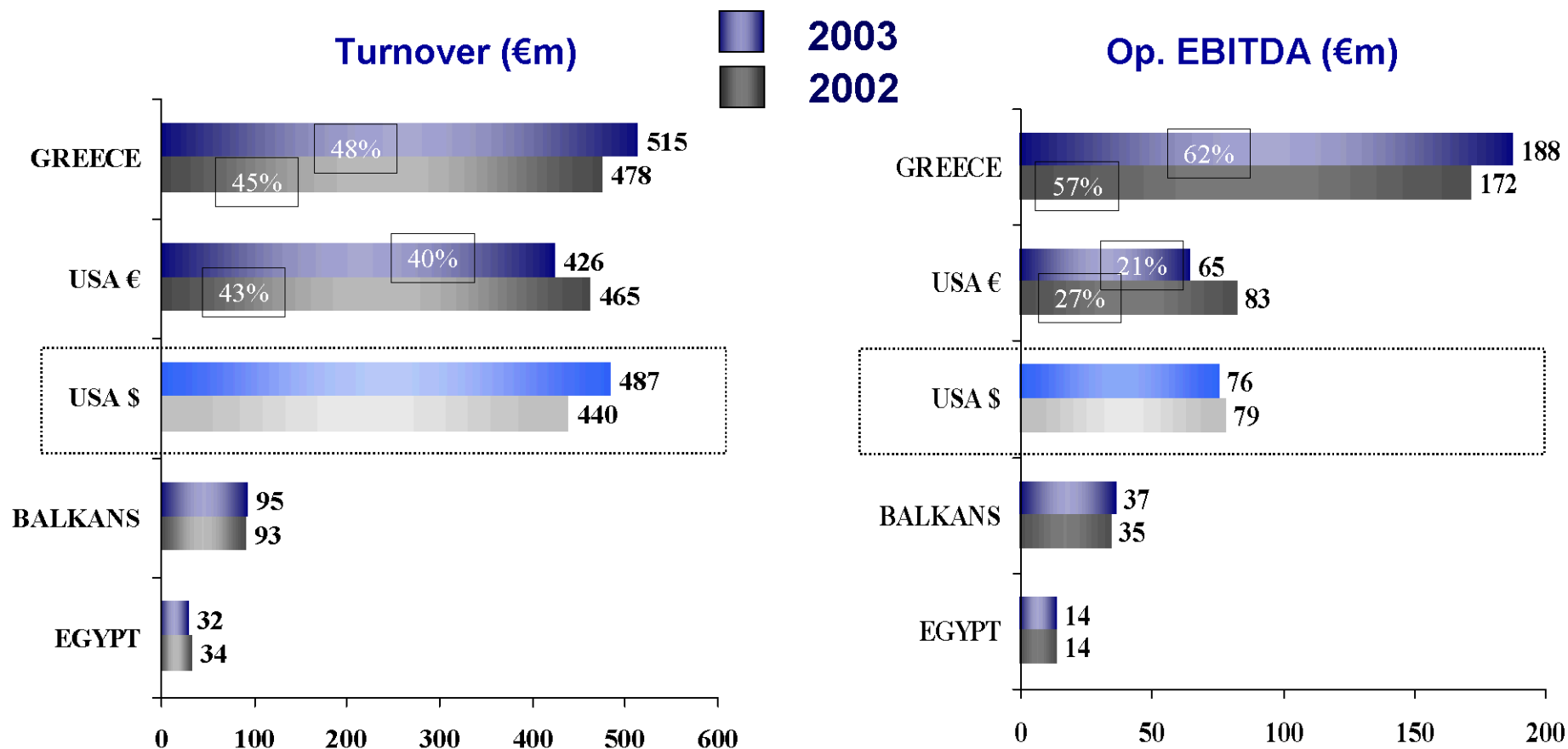
Note: Egypt accounted on an equity basis

Financial Results 2003 - Group

Turnover & Operating EBITDA by Region



For the full year Greece represented 48% of Turnover and 62% of Op. EBITDA, increasing its share of the Group's results. USA hit by the weakness of the US dollar

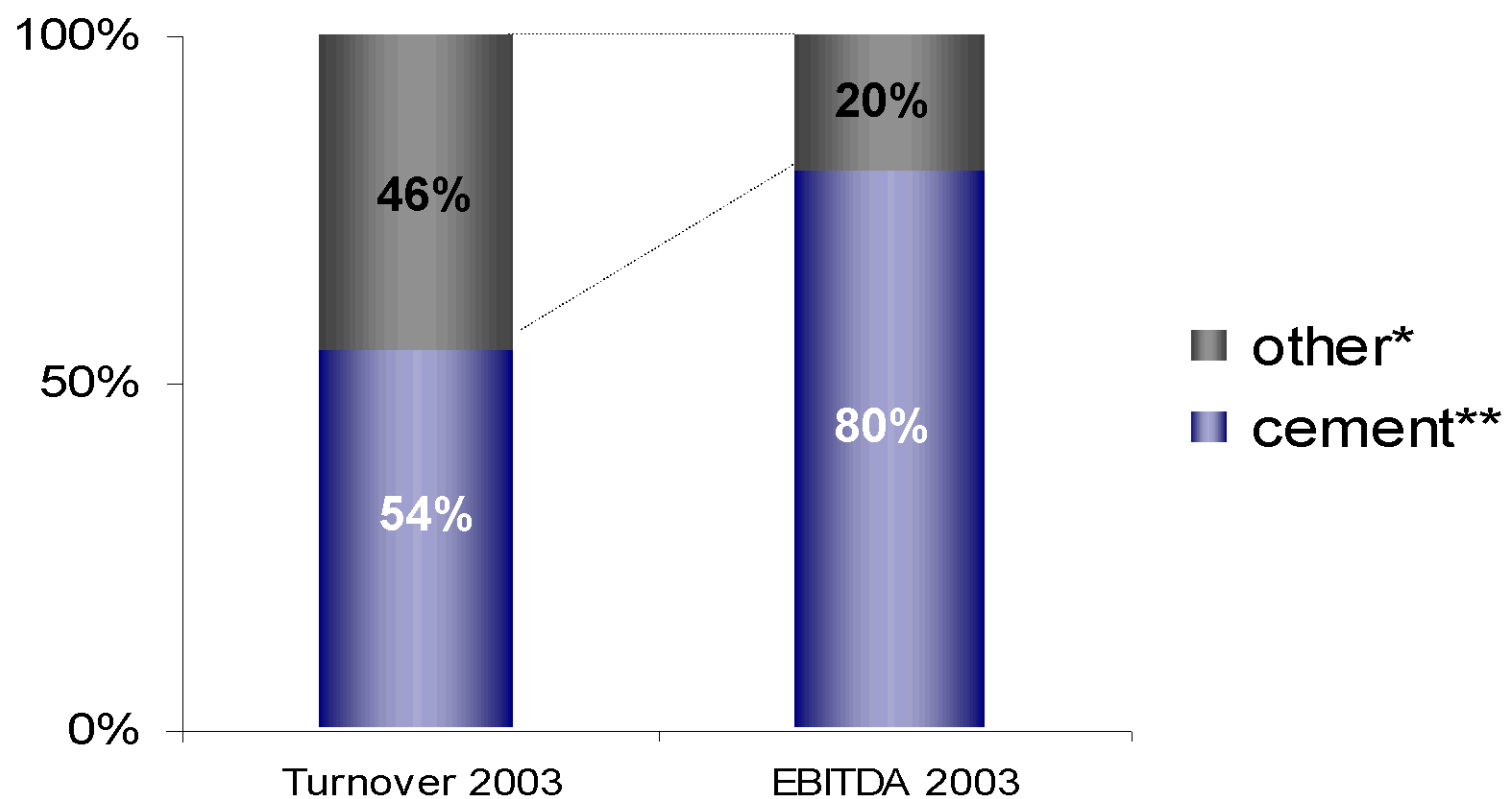


Note: Egypt presented on a proportionate basis, whereas in reported results is consolidated on an equity basis

Financial Results 2003- Group Turnover & Operating EBITDA by Activity



Cement accounts for 54% of turnover and 80% of EBITDA



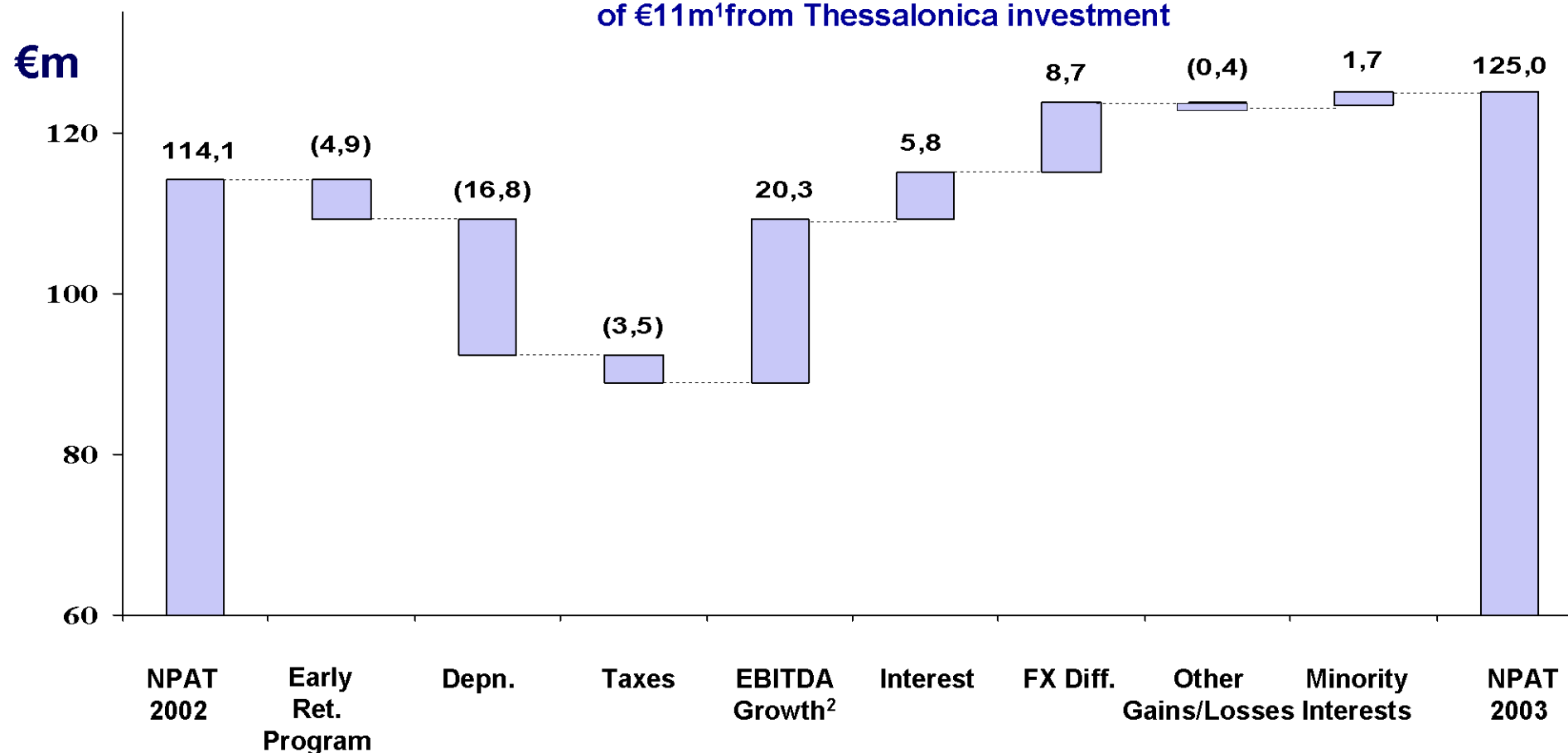
* Includes Ready-Mix, Aggregates, Blocks, Mortars, Porcelain

** Cement sales include clinker and cementitious materials

Financial Results 2003 - Group Net Profit after Taxes



Net Profit after Taxes for the Group has benefited from EBITDA growth year on year, Interest rate decreases and positive FX impact despite the accelerated depreciation of €11m¹ from Thessalonica investment



¹ Greek GAAP allows tax accelerated depreciation of 45% in the first year of operation

² excluding exchange differences

Financial Results 2003- Net Extraordinary Income and Expenses



Net Extraordinary income and expenses in the 4th quarter were € 3,2m positive, bringing full year charge to €12m versus €20m in the previous year. The benefit of the weakness of the dollar partially offset losses from the devaluation of EGP

| €m | 2003 Actual | 2002 Actual | ACTUAL vs LY |
|--|----------------|----------------|-----------------|
| Net Forex Differences ⁽¹⁾ | -6,6 | -17,4 | 10,8 |
| Thessaloniki Land Compensation | 1,6 | - | 1,6 |
| Staff leaving indemnities ⁽²⁾ | -7,5 | -2,6 | -4,9 |
| Net Other | 0,3 | -0,4 | 0,7 |
| Net Extraordinary Income and Expense | -12,2 | -20,4 | 8,2 |

1) Egypt figures presented proportionately

2) 2003 includes release of provision for staff leaving indemnities of €1.5m established in 2002

Financial Results 2003 - FX Rates



Significant weakness of US dollar and devaluation of EGP affects results

| | Actual 31/12/2003 | Actual 31/12/2002 | Variance 31.12.03 vs 31.12.02 |
|---|----------------------|----------------------|----------------------------------|
| <u>BALANCE SHEET</u> | | | |
| €1 = USD | 1,26 | 1,05 | -20% |
| €1 = EGP | 7,77 | 4,82 | -61% |
| 1EGP=YEN | 17,45 | 25,83 | 32% |
| 1USD=EGP | 6,15 | 4,59 | -34% |
| €1 = YUD | 68,31 | 61,61 | -11% |
| No significant variances of the rest of Balkan Currencies | | | |

| <u>P&L</u> | <u>Ave 03</u> | <u>Ave 02</u> | <u>Q3 03 vs 02</u> |
|---|---------------|---------------|--------------------|
| €1 = USD | 1,14 | 0,95 | -21% |
| €1 = EGP | 6,81 | 4,38 | -55% |
| 1EGP=YEN | 19,34 | 26,96 | 28% |
| 1USD=EGP | 5,97 | 4,63 | -29% |
| €1 = YUD | 65,15 | 60,47 | -8% |
| No significant variances of the rest of Balkan Currencies | | | |

Financial Results 2003 - FX Risk Management



1. Titan S.A., \$ 150 million medium term loans, against US subsidiary equity

Per Greek GAAP unrealized gains to provisions on Balance Sheet and gains (realized)/losses to P&L. Provision at 31.12.03 is € 42,2m positive

Per IAS, FX movements reported in Equity. P&L only affected upon disposal of the investment.

2. Beni Suef, Yen 10.5 billion long term debt (Titan's share)

100% swapped to USD through YEN/\$ forward (at avg. spot \$1 = Yen 110 -109)

EGP risk uncovered due to high interest rate differential and lack of forward market

3. Balkan markets – currencies pegged to a large extent to the Euro.

Equity exposure uncovered. No significant local debt required

4. Translation risk not hedged through derivatives as investments held for long term.

Financial Results 2003 - Group Year End Balance Sheet



| ASSETS | 2003 | 2002 | 03 vs 02 | LIABILITIES | 2003 | 2002 | 03 vs 02 |
|------------------------------|-------------|-------------|-----------|----------------------------------|-------------|-------------|-----------|
| Fixed Assets and Investments | 866 | 848 | 18 | Shareholders' Equity | 447 | 430 | 17 |
| Inventories | 112 | 115 | (3) | Minority Interest | 52 | 47 | 5 |
| Accounts Receivable | 189 | 179 | 10 | Provisions | 164 | 175 | (11) |
| Debtors and Other Payments | 97 | 38 | 59 | Long Term Liabilities | 327 | 273 | 54 |
| Securities | 7 | 9 | (2) | Short term bank liabilities | 119 | 94 | 25 |
| Cash | 48 | 43 | 5 | Dividends payable | 41 | 36 | 5 |
| | | | | Other short term liabilities | 169 | 176 | (7) |
| TOTAL CURRENT ASSETS | 453 | 384 | 69 | TOTAL CURRENT LIABILITIES | 329 | 306 | 23 |
| Transitory Accounts | 4 | 4 | (0) | Transitory Accounts | 4 | 5 | (1) |
| TOTAL ASSETS | 1323 | 1236 | 87 | TOTAL LIABILITIES | 1323 | 1236 | 87 |

Note: Provisions include:

| | <u>2003</u> | <u>2002</u> |
|-------------------------------|-------------|-------------|
| 1) Prov. for SLI | 16 | 16 |
| 2) Prov for doubtful debts | 17 | 18 |
| 3) Prov for FOREX differences | 42 | 28 |
| 4) Deffered tax provision | 72 | 90 |
| 5) Environmental provision | 6 | 8 |
| 6) Other provisions | 11 | 15 |
| | 164 | 175 |

Financial Results 2003 - Net Debt



Net debt increased by €59m during the year...

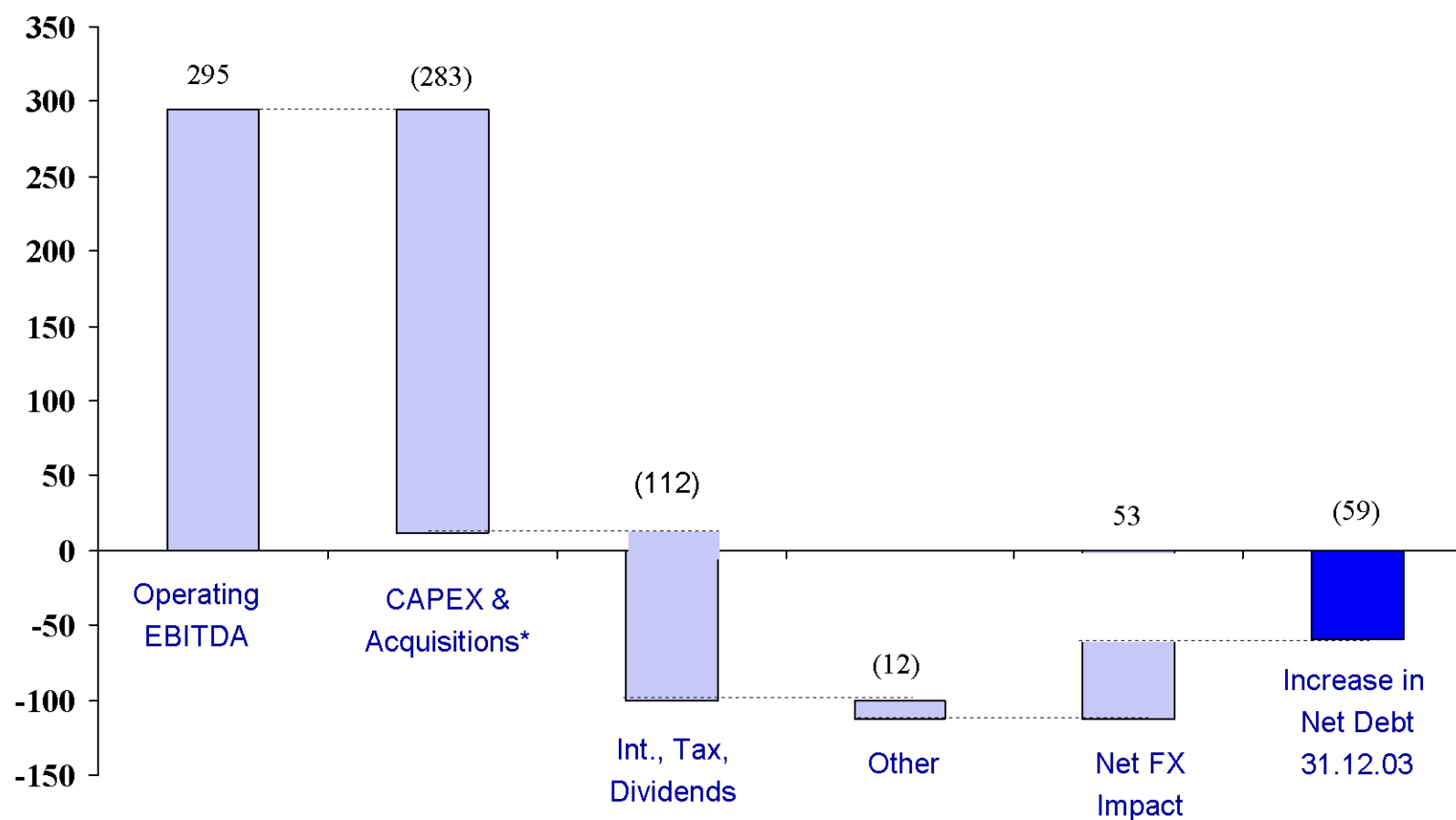
| (€m) | 31.12.03 | 31.12.02 | 2003 vs 2002 |
|--------------------------------|----------|----------|-----------------|
| | | | |
| Cash on hand and time deposits | 52 | 50 | 2 |
| Total Debt | (439) | (361) | (78) |
| Net Debt per Balance Sheet | (387) | (311) | (76) |
| Net Debt - Egypt | (88) | (106) | 18 |
| Total Net Debt | (475) | (417) | (59) |

Financial Results 2003 - Source & Uses of Cash



... as a result of major Capex and Acquisition funding of €283m

€m

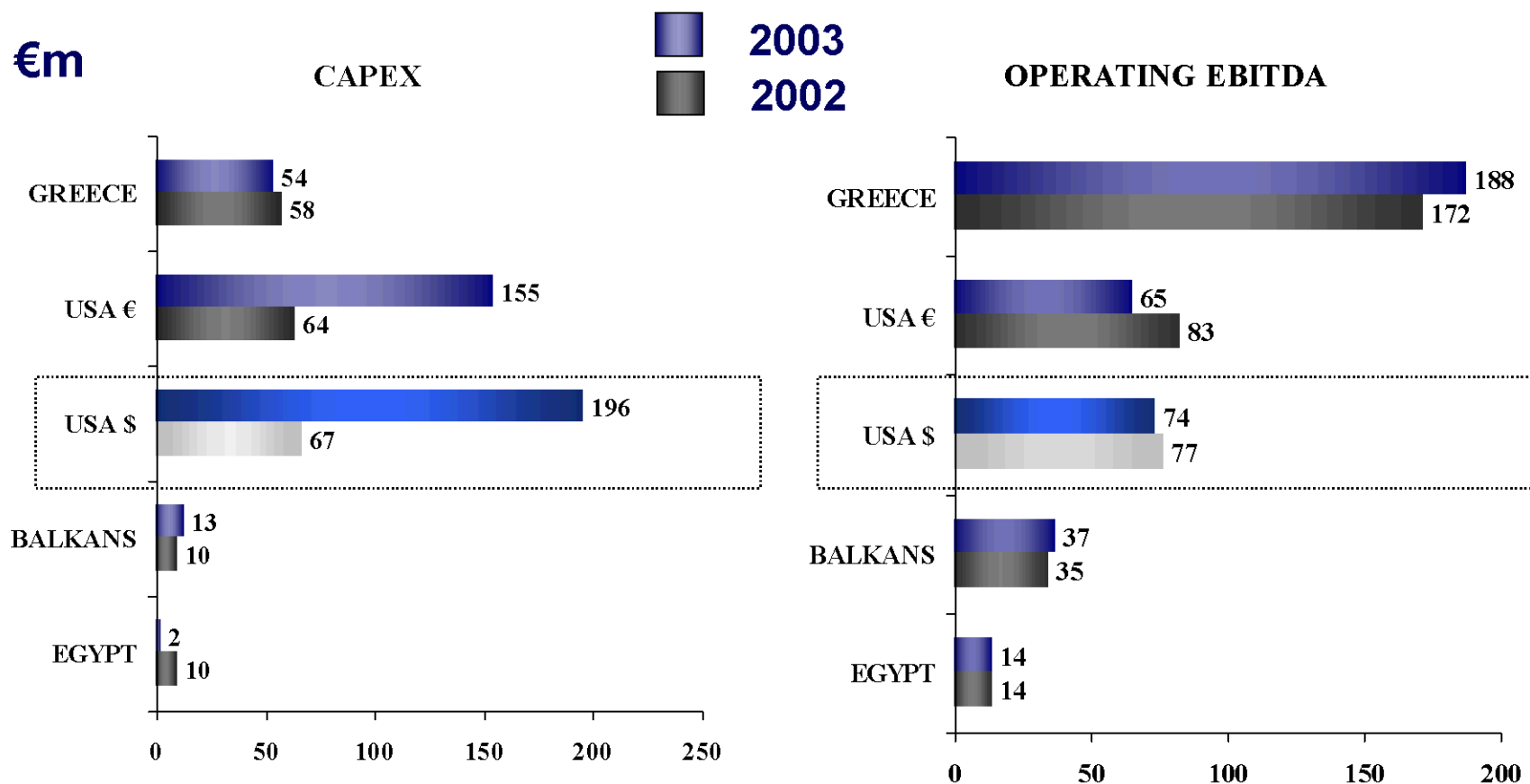


* Includes conditional prepayment on Balkan deal announced in December 2003

Financial Results 2003- Group CAPEX and Operating EBITDA by Region



Capital spending driven by key Pennsuco (USA) and Thessalonica (Greece) projects



Note: Egypt presented on a proportional basis

Financial Results 2003- Movement of Shareholder Equity



Shareholders Equity held back by translation impact

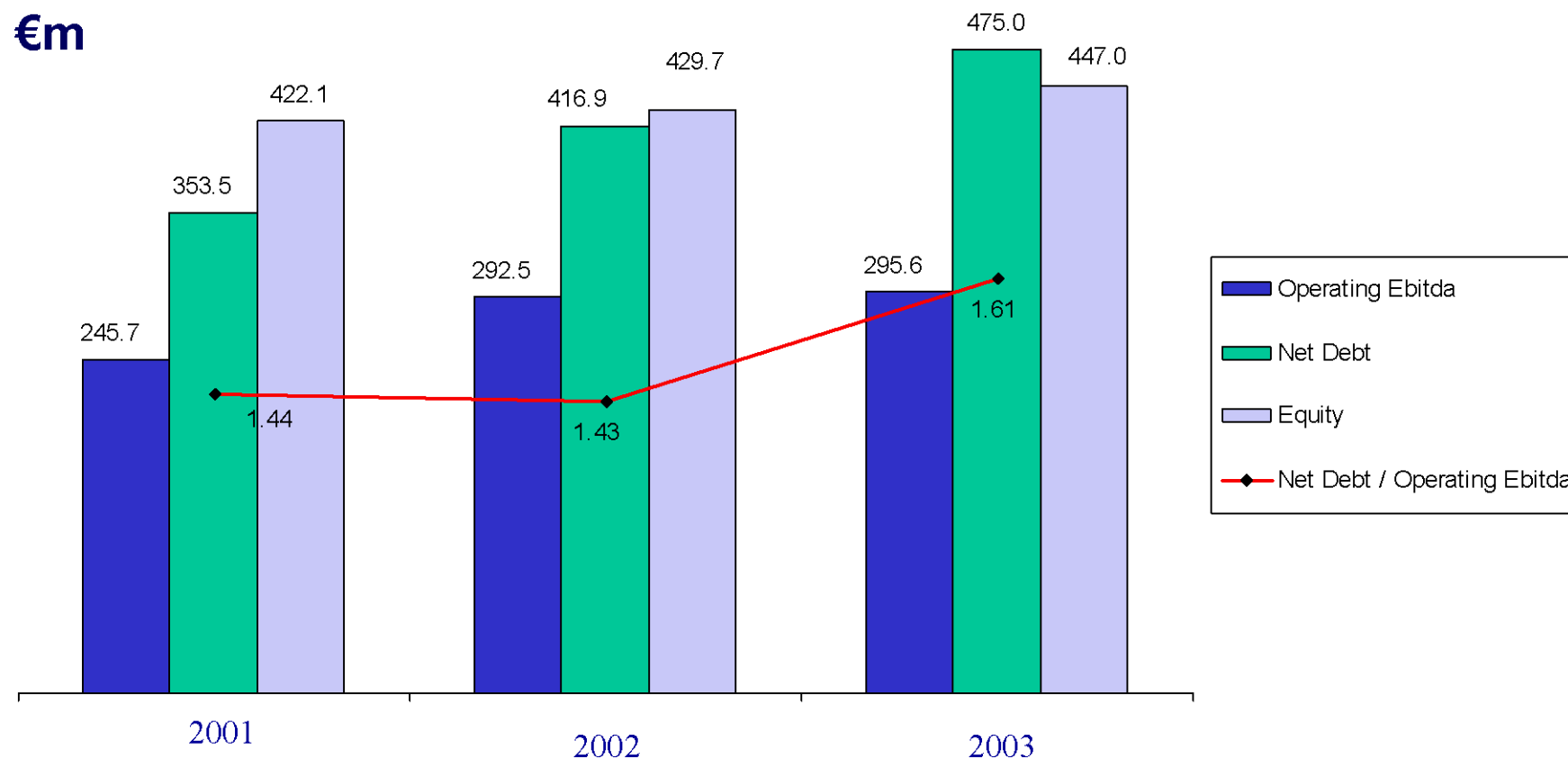
| €m | <u>31.12.02</u> <u>vs</u> <u>31.12.03</u> |
|--|---|
| Shareholders Equity on 31.12.02 | 430 |
| Increase in Reserves and Retained Earnings | 75 |
| Increase in Goodwill | (2) |
| Translation Impact (USA/Egypt)* | <u>(56)</u> |
| Shareholder Equity at 31.12.03 | <u>447</u> |

*Partially offset by the increase of positive provision against US dollar loans of € 14m (unrealized gain in provisions at 31.12.03 = € 42,2m)

Financial Results 2003- Gearing and Debt Coverage



Debt levels have increased by only €122m over the period 2001 through 2003 despite extensive Capital and Acquisition expenditure of € 599m



Financial Results 2003- Shareholder Value Creation



The Group continues to provide a healthy return on Invested Capital

| (€m) | 2001 | 2002 | 2003 |
|-------------------------------|-------|-------|-------|
| Invested Capital | 776 | 847 | 922 |
| Net Profit after tax | 103 | 114 | 125 |
| Return on invested Capital | 13,3% | 13,5% | 13,6% |

Financial Results 2003- Outlook 2004



Greece

- Slow down in demand post Olympics (2nd half 2004)
- Realization of benefits from cost/operational improvements
- Negligible operating exposure to USD/€ rate movements (USD fuel costs offset by USD export revenues)
- Exposure to shipping rate increases on both exports and fuel imports, partially mitigated by FOB contracts of exports, CIF contracts of fuel and € strength relative to USD

USA

- Positive demand outlook in Florida
- Limited Mid-Atlantic market up-turn
- High shipping freight rates and weak USD underpin announced April price increases
- Pennsuco operational 3rd quarter 2004, on schedule
- STI new management focus on operating excellence

Balkans

- Fragile stability in FYROM
- Bulgaria – prospect of EU entry supports growth
- Zlatna joins Group (awaiting competition authorities approval in Bulgaria)
- Political uncertainty holding back growth in Serbia

Egypt

- Continued uncertainty with regard to volumes, prices and exchange rates
- Increased cement and clinker exports



Titan Group
Financial Results – 4th Quarter 2003
Analysts Presentation

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Financial Results 2003- Key Sales Volume (4th Quarter)



Cement sales in the 4th quarter performed better than last year in Greece, USA and Egypt. Ready Mix and Block both continued to perform well.

| | Actual Q4 2003 | Actual Q4 2002 | Act 03 vs 02 |
|-------------------------------|-------------------|-------------------|-----------------|
| Cement* | 3,4 | 3,2 | 9% |
| Aggregates (tn m) | 5,0 | 5,1 | -2% |
| Ready Mix (m ³ m) | 1,2 | 1,1 | 15% |
| Block (m 8 ⁱⁿ Equ) | 12,7 | 10,0 | 26% |

Includes Egyptian JV's at 100%

STI accounted for from 01.08.02, Alexandria from 01.07.02 and Kosjeric from 01.04.02

*Cement sales include clinker and cementitious materials

Financial Results 2003- Financial Highlights (4th Quarter)



A strong performance in the 4th quarter despite the continued impact of exchange differences. Excluding this Turnover was +14% and Op. EBITDA +20%

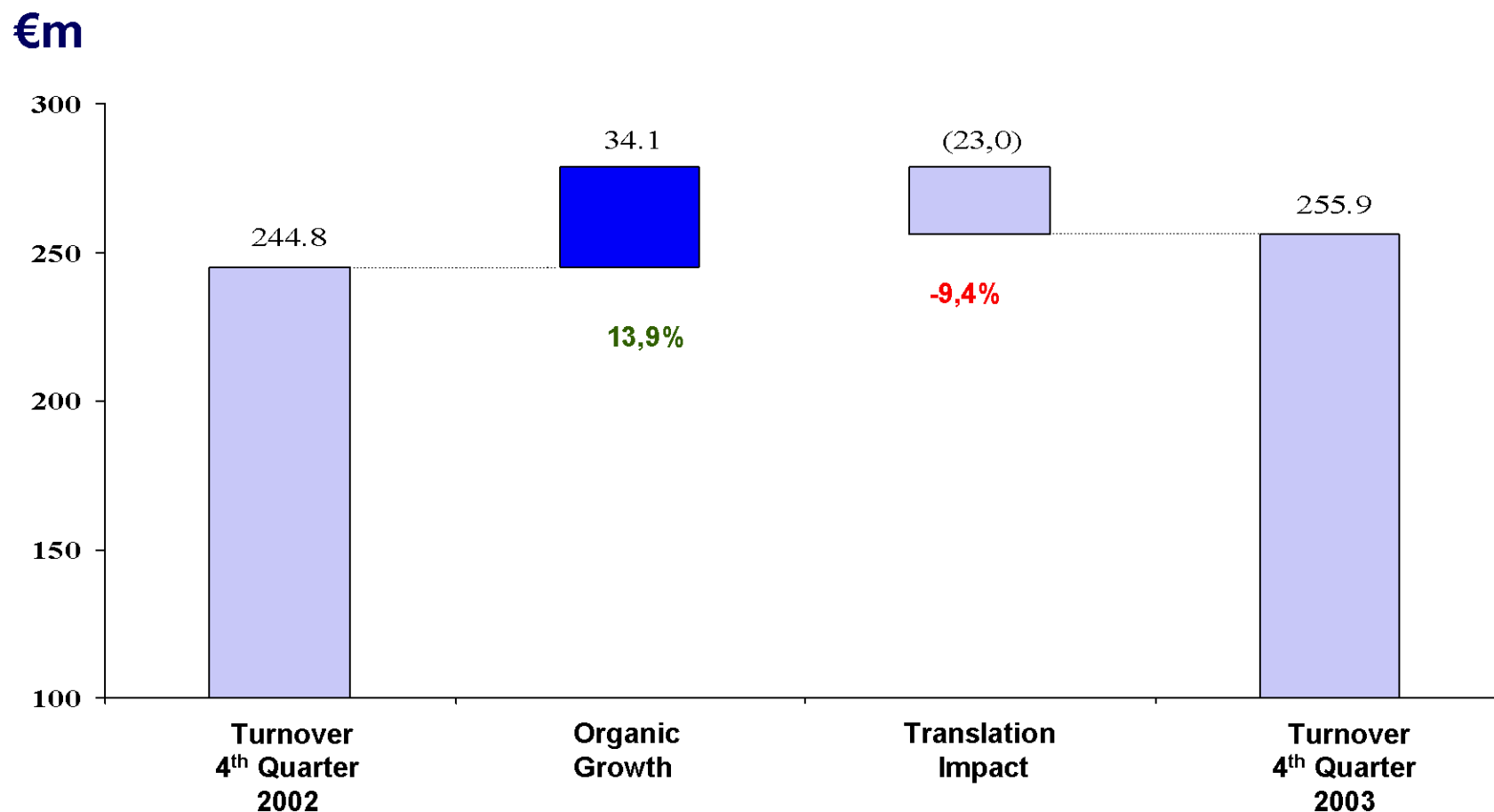
| (€m) | 2003 | 2002 | Var |
|--|-------|-------|---------|
| Turnover | 256 | 245 | 4,5% |
| Operating EBITDA | 81 | 71 | 14,0% |
| Operating EBITDA Margin | 31,5% | 28,9% | 2,6 pts |
| Earnings Before Tax after minority interests | 56 | 42 | 32,8% |
| Net Profit After Taxes | 38 | 31 | 23,3% |

Note: EBITDA includes operating results of BSCC and APCC on equity basis

Financial Results 2003- Group Turnover (4th Quarter)



Group Turnover for the 4th quarter was up 14% excluding the impact of exchange differences

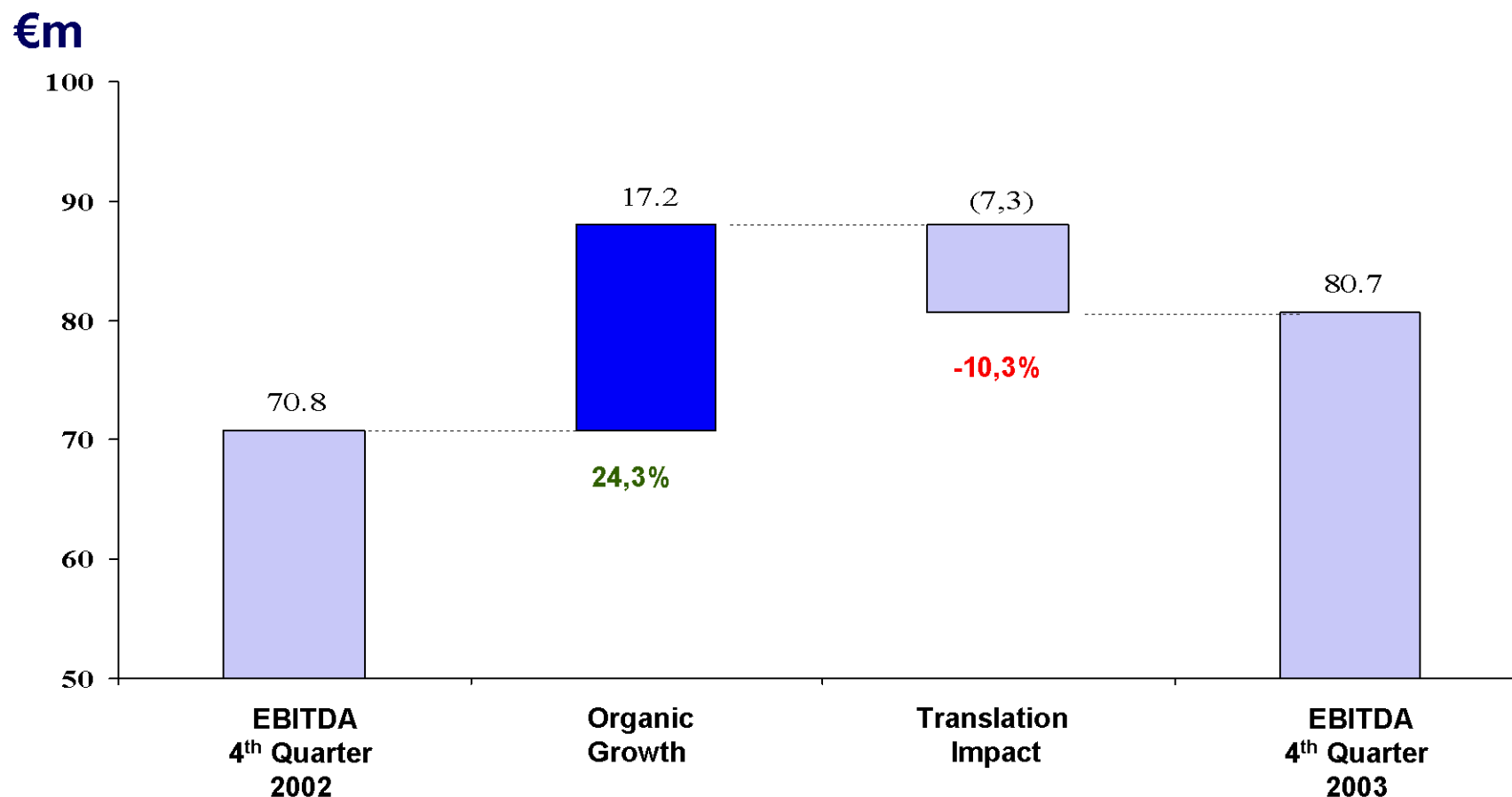


Group sales do not include Egypt as consolidated on an equity basis

Financial Results 2003- Group Operating EBITDA (4th Quarter)



**4th quarter Op. EBITDA growth fuelled by a strong performance in Greece.
Excluding the impact of exchange Op. EBITDA was 24% ahead of last year**



Note : Egypt accounted on an equity basis