

## **TITAN CEMENT GROUP**

### **2003 FULL YEAR RESULTS**

Titan Group turnover totaled € 1.036 m., in-line with last year and operating EBITDA reached € 296 m., an increase of 1% versus 2002. Net profit for the Group, after minority interests and taxes, was up by 10% at € 125 m.

The Group's results were affected by the weakening of the Dollar against the Euro of 21%. This resulted in correspondingly lower revenues and operating profits from the U.S.A. However, in terms of the Group's net profits, these losses were substantively offset by positive exchange rate gains from dollar loan repayments. On a like for like basis, Group sales rose by 9% and operating EBITDA by 6%.

Looking more specifically at each market:

- In Greece, the strength of public works activity and private construction drove demand for cement, ready-mixed concrete and aggregates to a new high, which, however, seems unlikely to prove sustainable in the future.
- In the U.S.A. the positive market conditions in the state of Florida were offset by some market softness in the states of Virginia and N. Carolina. During the fourth quarter, improved activity was noted as a result of the recovery of the American economy.
- In Egypt, following the devaluation of the local currency in the beginning of the year, production surpluses were reoriented towards exports, allowing the price of cement in the domestic market to gradually recover from early year lows.
- In Bulgaria market conditions continued to improve while they remained broadly stable in the other Balkan countries where the Group operates.

The Group in 2003 continued to invest in operational improvements. The new production line in Thessaloniki became operational last August and the modernization and expansion of Pennsuco in Florida is expected to be completed towards the mid of this year. Total capital expenditure of the Group reached € 222 m., funded almost entirely by the operating profits of 2003.

Last December, within the framework of its strategy to expand internationally in cement, the Group signed agreements for the acquisition of 99.9% of the shares ZLATNA PANEGA CEMENT A.D. in Bulgaria, the acquisition of an additional 46.5% stake in USJE Cementarnica A.D. in the F.Y.Republic of Macedonia, taking ownership to 94.8% of the company and finally, the sale of PLEVENSKI CEMENT A.D. The transactions above are expected to close within the next few weeks, following the relevant approvals of the Bulgarian antitrust authorities.

Sales of the parent company, Titan Cement Company S.A., were € 430 m. for 2003 representing an increase of 5% versus the prior year. Operating EBITDA at € 156 m. was up by 7%. Net profits, after minority interests and provisions for taxes, reached € 111 m. increased by 24%, including income from participations of € 14 m.

The Board of Directors of Titan Cement Co. S.A. will recommend to the Annual General Meeting of Shareholders, which has been scheduled for May 24, 2004, a cash dividend of € 0.95 per share, versus € 0.85 for the year 2002.

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