



Financial Results – First Half 2011



Analysts' conference call

Athens, August 2, 2011

2/8/2011 4:15 μμ

Disclaimer

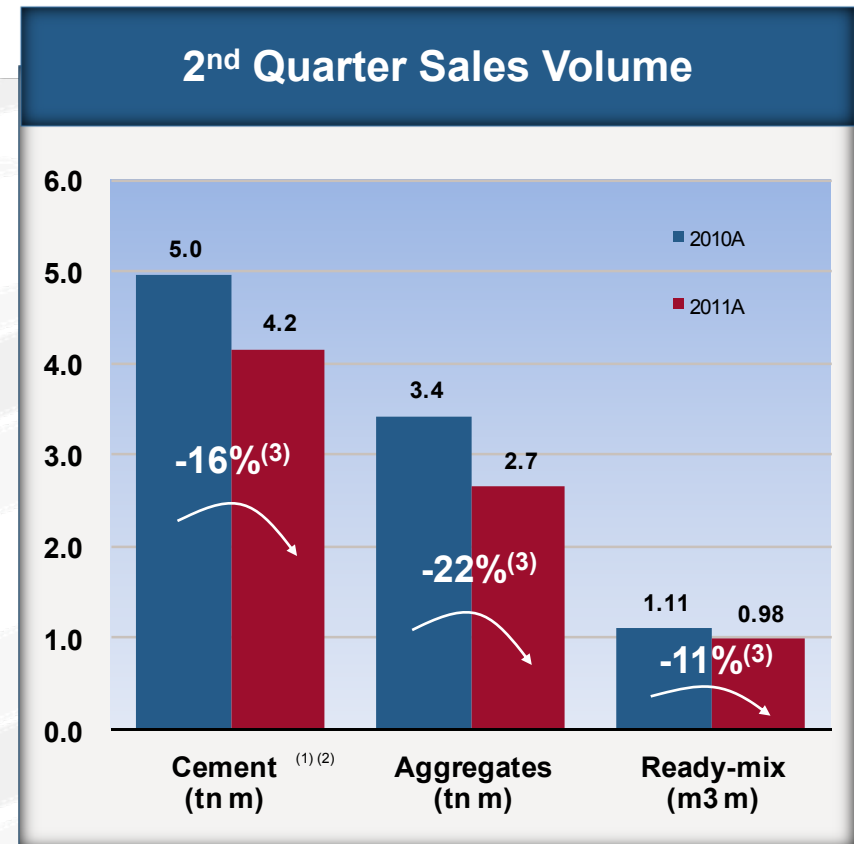
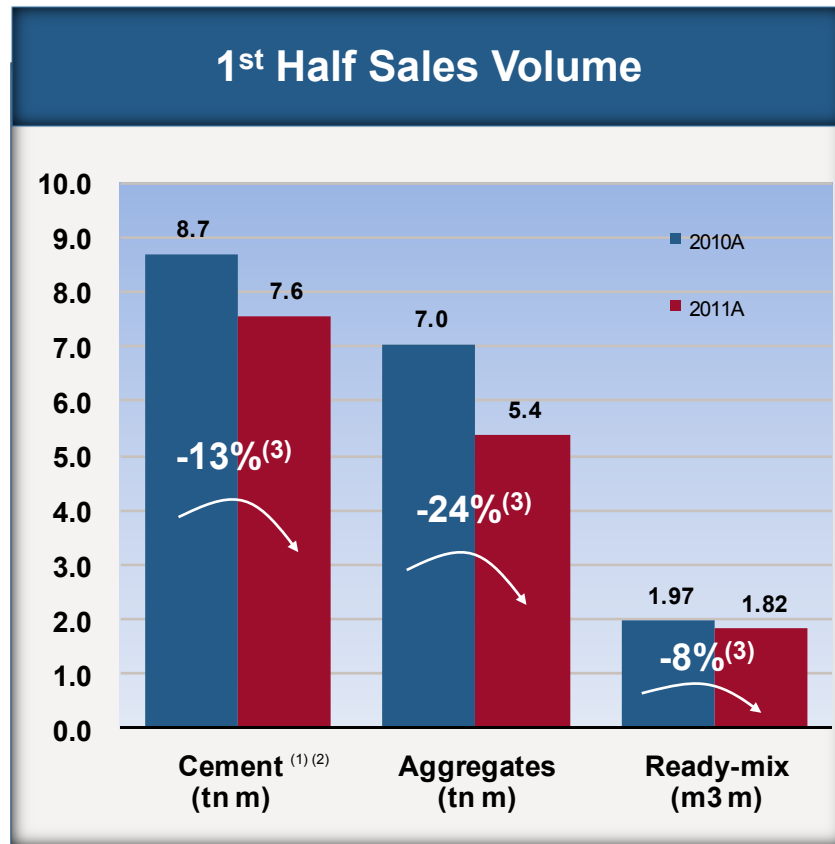
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- ❑ **Group Financial Results**
- ❑ **Market Overviews**
- ❑ **Outlook**

Severe Recession in the Greek Market and Strong Euro Take a Toll on First Half 2011 Results

<i>In Million Euro, unless otherwise stated</i>	H1 2011	H1 2010	Variance	Q2 2011	Q2 2010	Variance
Net Sales	557.0	680.8	<i>-18.2%</i>	304.1	394.8	<i>-23.0%</i>
EBITDA	141.4	161.4	<i>-12.4%</i>	93.5	100.2	<i>-6.6%</i>
<i>EBITDA excluding exceptional items and FX</i>	137.9	153.6	<i>-10.3%</i>	94.0	102.1	<i>-7.9%</i>
FX Gains/Losses	<i>-20.3</i>	11.7		<i>-6.2</i>	9.5	
Profit Before Taxes	36.6	88.8		42.9	67.5	
Net Profit after Taxes & Minorities	23.4	68.3		27.7	43.5	
Earnings per Share (€/share) – basic	0.2872	0.8386				
	30 Jun' 11	31 Dec' 10	Variance			
Share Price	16.60	16.42	<i>1.1%</i>			
ASE Index	1,279.06	1,413.94	<i>-9.5%</i>			

Sales Volume Growth in most of our Markets not Sufficient to Offset Steep Drop in Greece and Export Markets



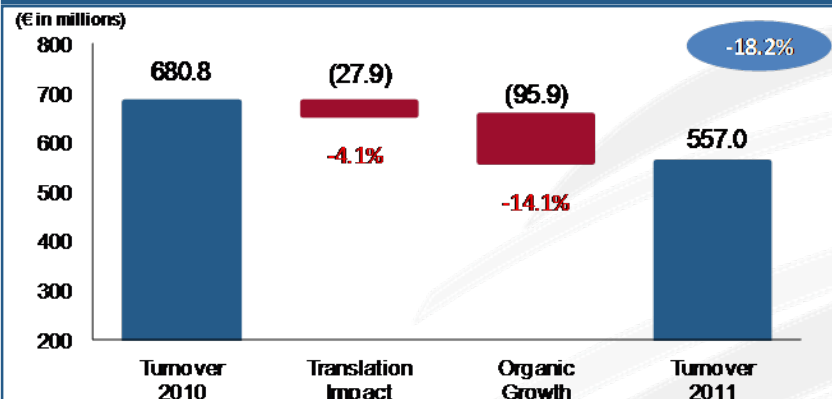
Loss of sales due to steep decline of demand in the Greek market and closure of some targeted export markets was not offset by growth experienced across all product lines in the US, most of the Balkans and Turkey.

- (1) Cement sales include clinker and cementitious materials
- (2) Includes Turkey at 100%
- (3) % represents performance versus last year

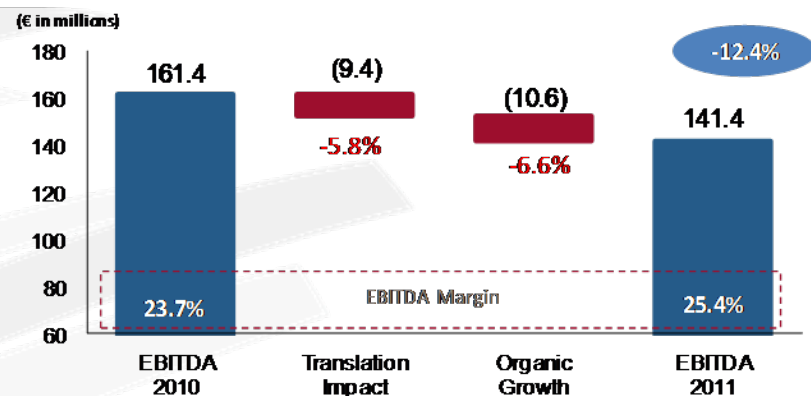
Strong Euro Exacerbates 1st Half Results Affected by Weakness in Greece

1st Half

Turnover Reconciliation

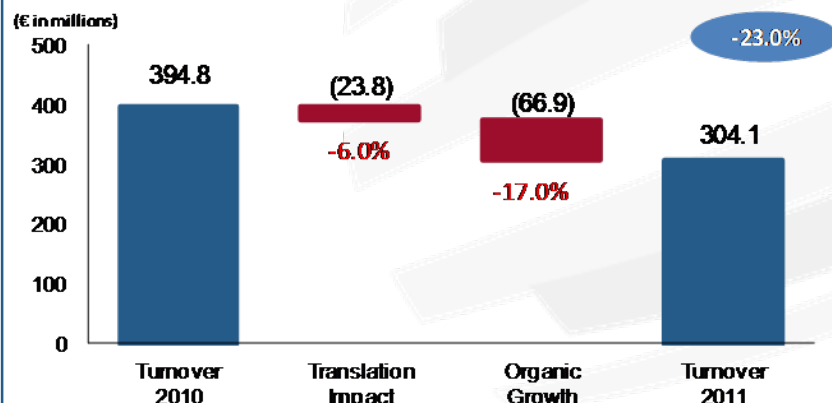


EBITDA Reconciliation

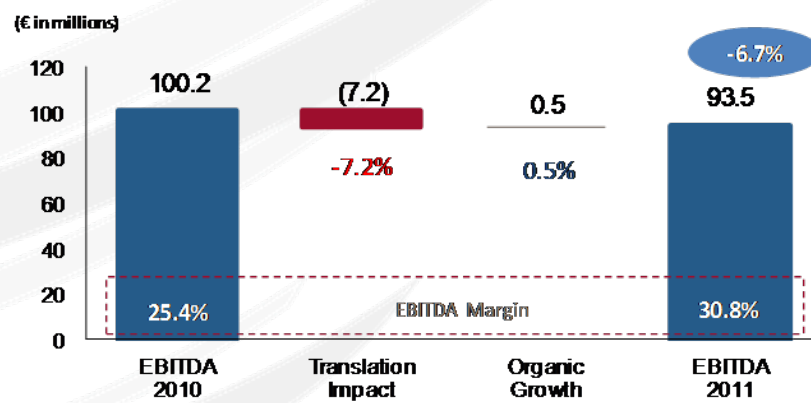


2nd Quarter

Turnover Reconciliation



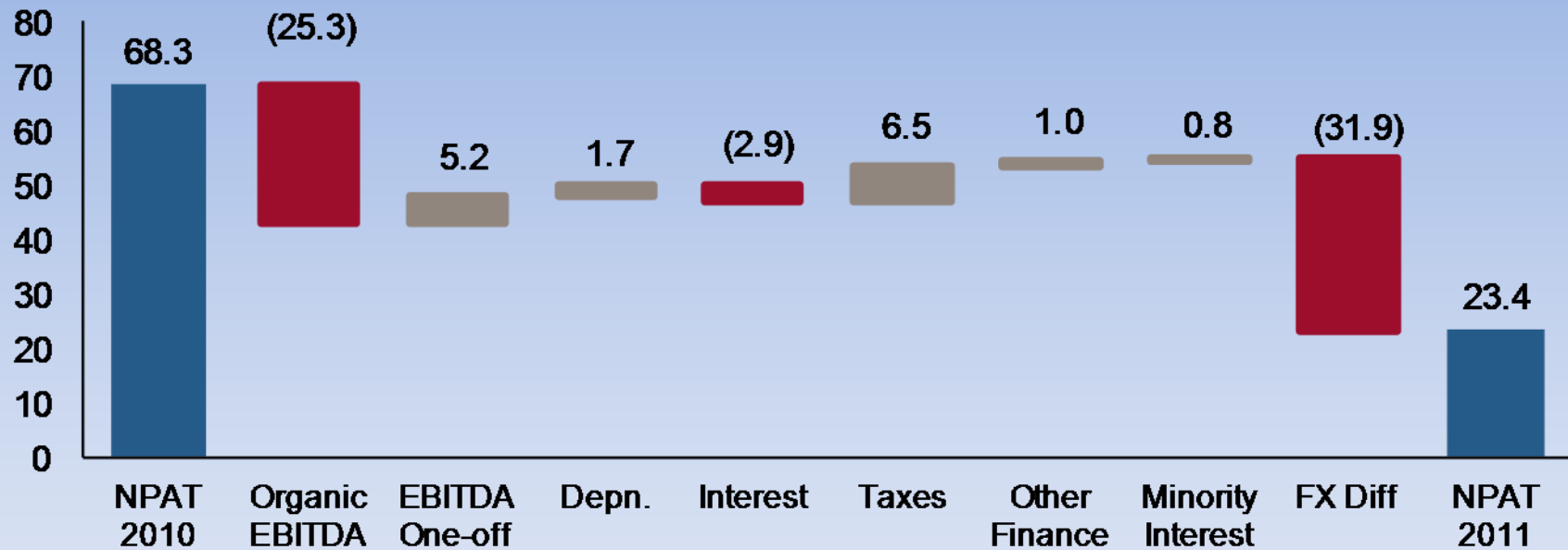
EBITDA Reconciliation



Excluding exceptional items and FX impact, decline in EBITDA driven by the Greece region and to a lesser extent US.

NPAT after Minorities Impacted by Strong Euro and Drop in EBITDA

1H 2011 Group Net Profit After Taxes and Minorities (Reconciliation vs. 1H 2010)



Strengthening of the Euro Leads to a Substantial Drop in Net Operating Profits

FX Impact in Million €			
	Q1	Q2	H1
P&L			
EBITDA	-2	-7	-9
FX Gains/Losses	-14	-6	-20
BS			
	31 st March 2011	Δ Q2	30 th June 2011
Net Equity	-69	-19	-88
Net Debt	-9	-11	-20
Working Capital	-5	-2	-7

FX Gains/Losses			
Country	Local Currency	Loan Currency	H1 2011
Egypt	EGP	EUR	-11.8
Turkey	TRY	EUR, USD	-3.4
Albania	ALL	EUR	-2.8
Other			-2.3
Total			-20.3

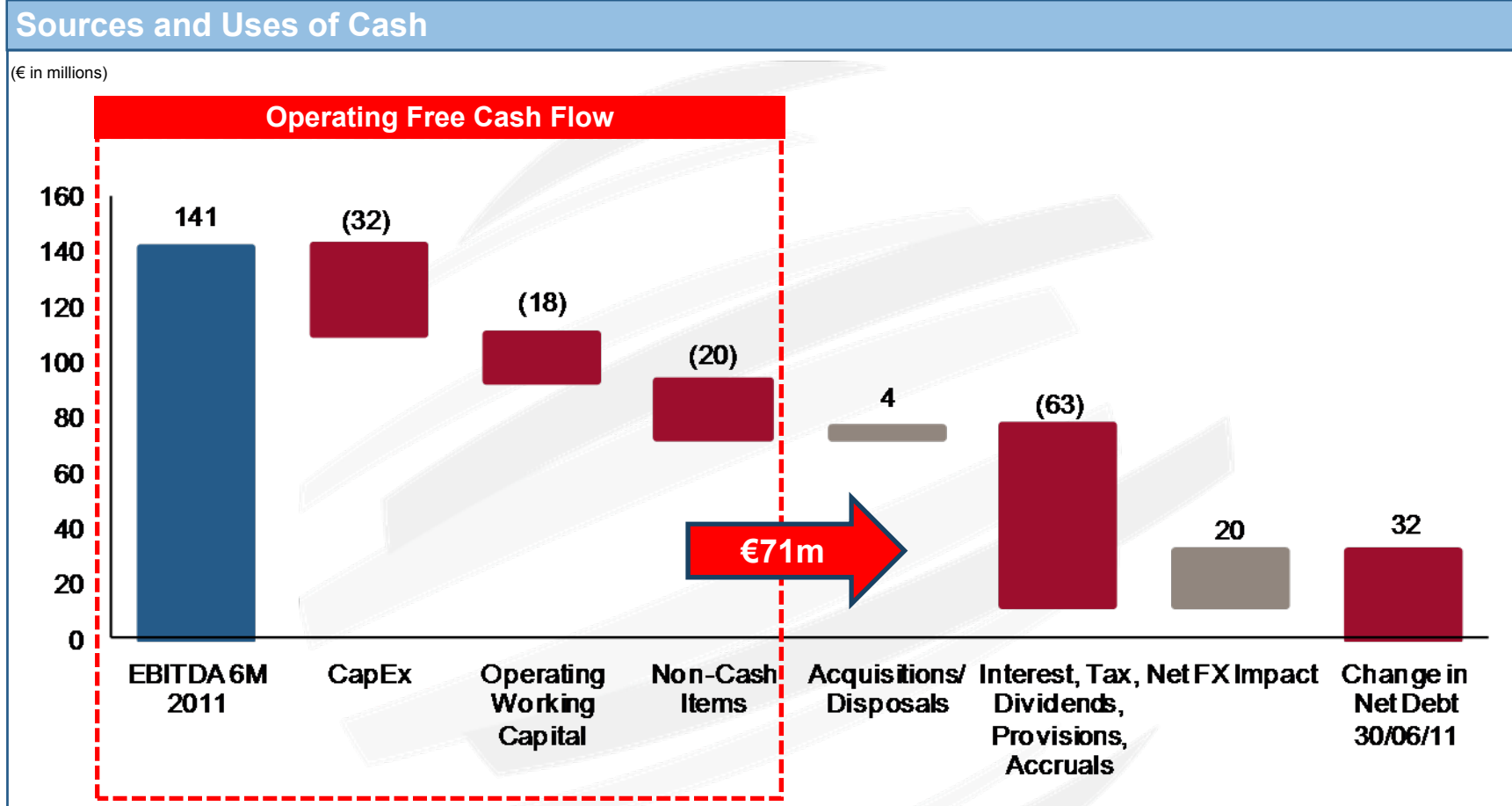
	Balance Sheet			P&L		
	Variance			Variance		
	30/6/2011	31/12/2010	30/6/11 vs 31/12/10	Avg 6M 11	Avg 6M 10	Avg 6M 11 vs 6M 10
€1 = USD	1.45	1.34	-8%	1.40	1.33	-6%
€1 = EGP	8.63	7.76	-11%	8.30	7.35	-13%
1USD=EGP	5.97	5.80	-3%	5.92	5.54	-7%
€1 = RSD	102.46	105.50	3%	101.93	99.94	-2%
€1 = ALL	141.41	138.77	-2%	140.61	137.99	-2%
€1 = TRY	2.35	2.07	-14%	2.21	2.02	-9%

Bulgarian Leva fixed at €1 = BGN 1,956

No change in €/MKD exchange rates, at €1 = 61,51

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

Group Generates €71m in Operating Free Cash Flow in 1H 2011

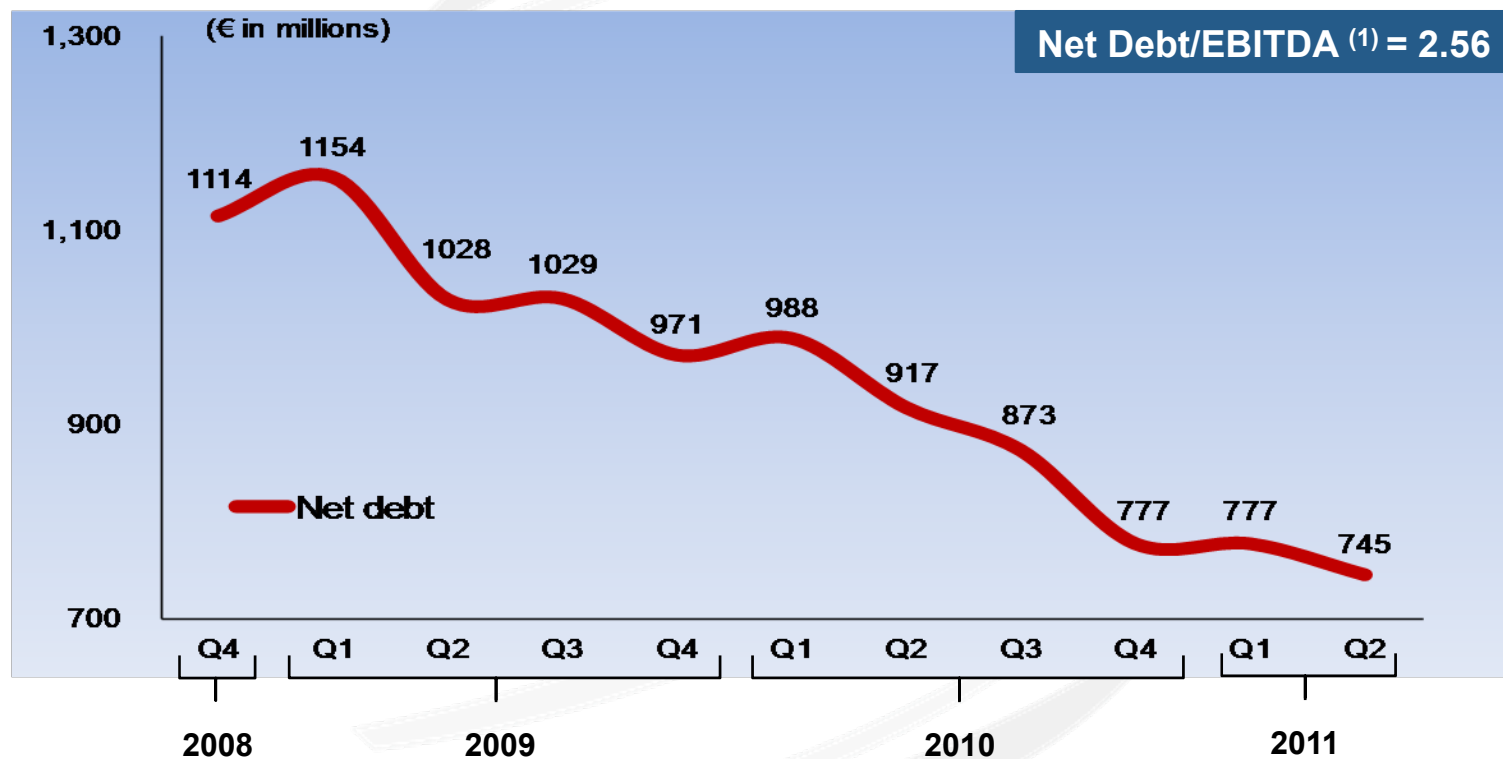


€71m Operating Free Cash Flow covers €55m of finance/tax/dividends related payments and reduces Net Debt by €32m

Note: Non-cash items includes Egypt clay fee return

Deleveraging Continues with €32m Net Debt Reduction

Group Net Debt

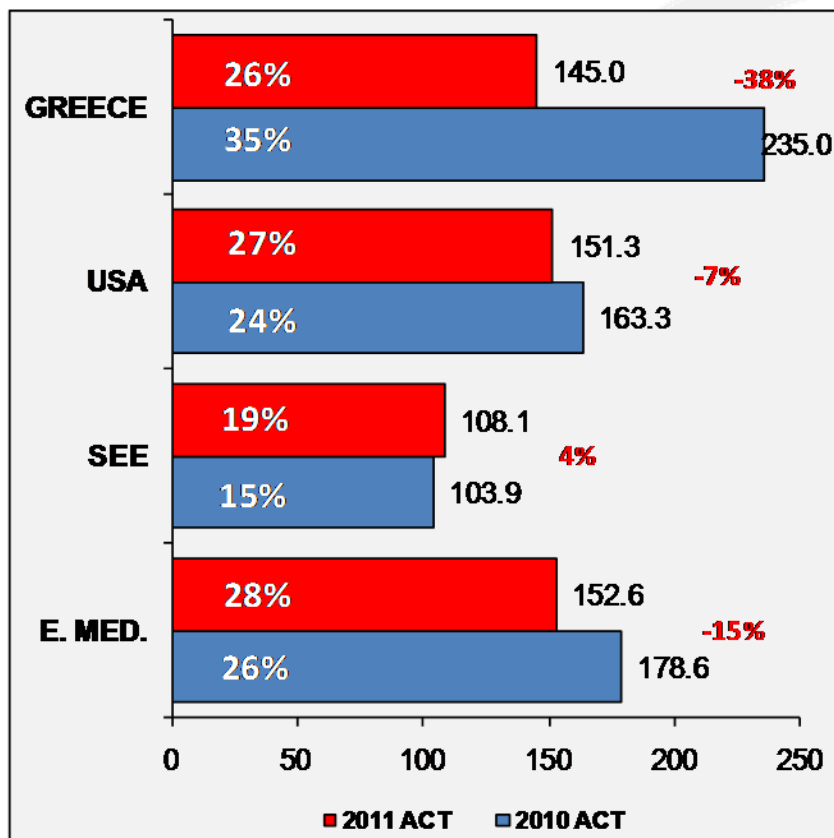


⁽¹⁾ According to covenant definition in the syndicated loan of €800m

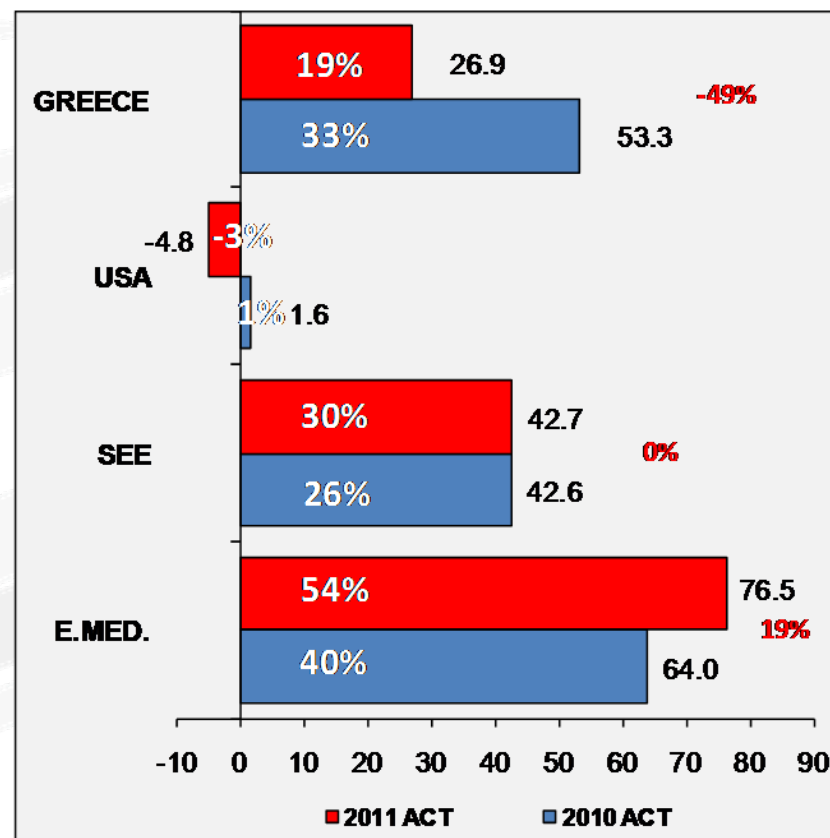
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Greece EBITDA Contribution Declines Below 20%

1st Half 2011 Turnover (€m)



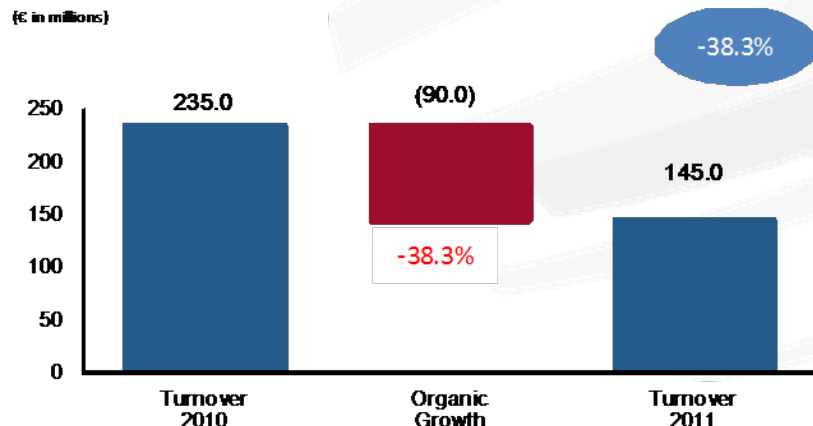
1st Half 2011 EBITDA (€m)



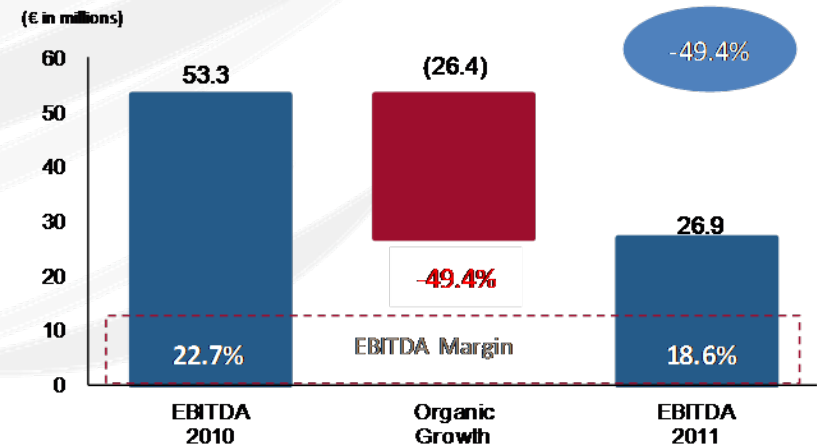
Recession and Collapse of Exports to North Africa Drive Revenue and Profit Decline in the Greece Region

- Greek recession leads building activity to a tailspin in the first half of 2011.
- Dramatic decline in sales volumes across all products and market segments.
- Export volume almost at 1/3 of last year due to collapse of North African exports.
- Selling prices under pressure in all products.
- Gross margin supported by sale of excess Carbon rights.
- SG&A reduced by 13%.

Greece Turnover Reconciliation



Greece EBITDA Reconciliation



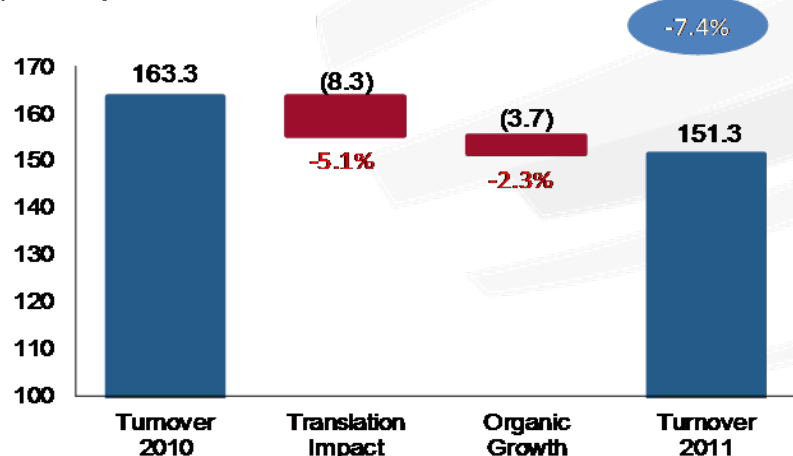
1st Half

Stability at Low Activity Levels in the US Region

- Economic recovery slow and fragile while the housing market remains weak.
- Sales volume growth across all products as a result of targeted activities.
- Selling prices stabilize at the low levels of year-end 2010 for all products.
- ST profitable growth continues with sales up by 20%.

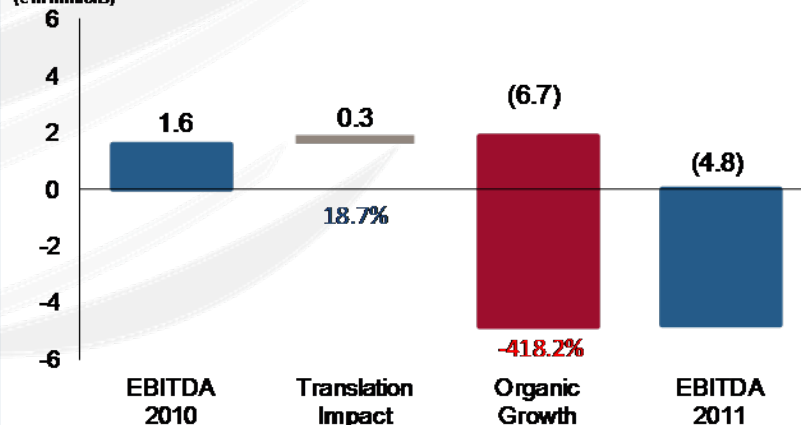
US Turnover Reconciliation

(€ in millions)



US EBITDA Reconciliation

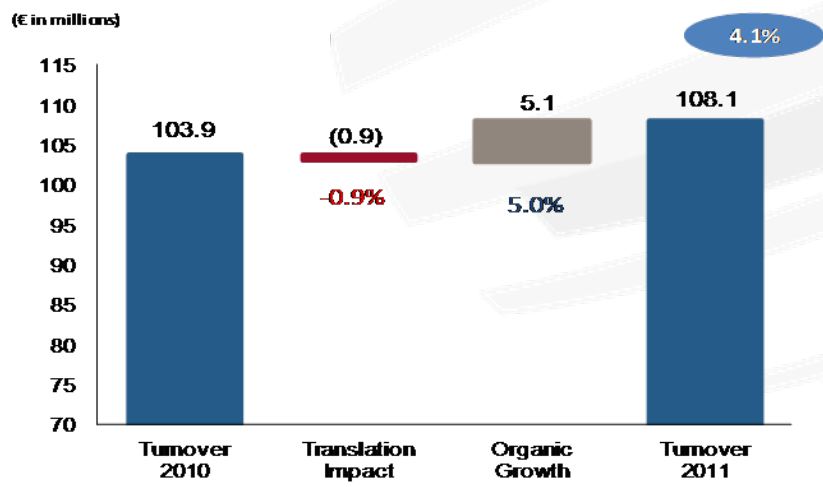
(€ in millions)



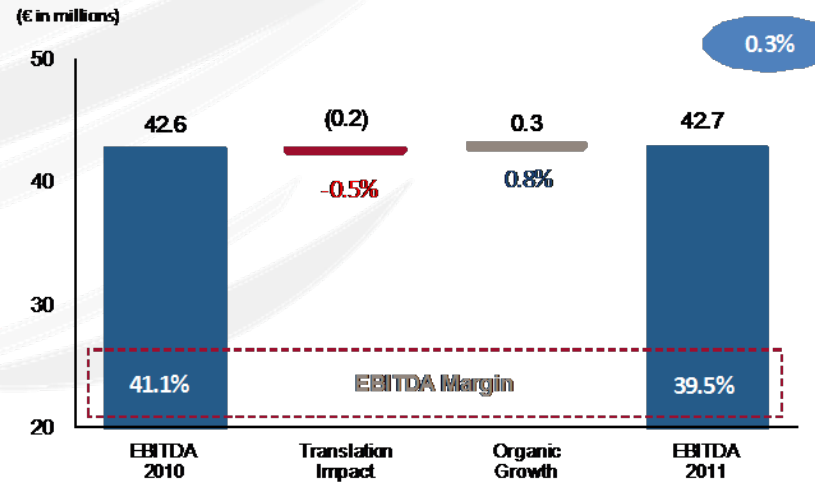
SE Europe Shows Early Signs of Renewed Growth

- Modest macroeconomic improvement in the region leads to early signs of growing demand in construction materials.
- Cement sales growth momentum in the region driven by substantial improvement in sales in FYROM and Albania.
- Completion of new alternative fuels investment in Bulgaria.
- Cement prices grow or stabilize quarter on quarter, but they are still below the levels of 1H 2010.
- Gross margin supported by sale of excess Carbon rights ex Bulgaria.

SE Europe Turnover Reconciliation



SE Europe EBITDA Reconciliation

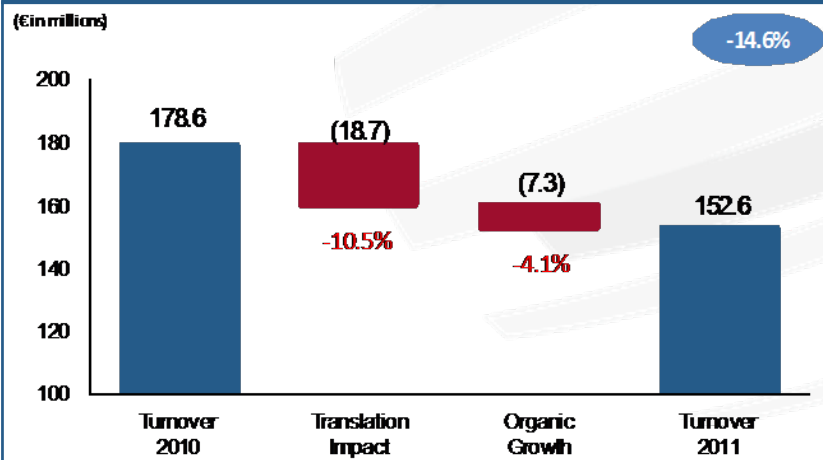


1st Half

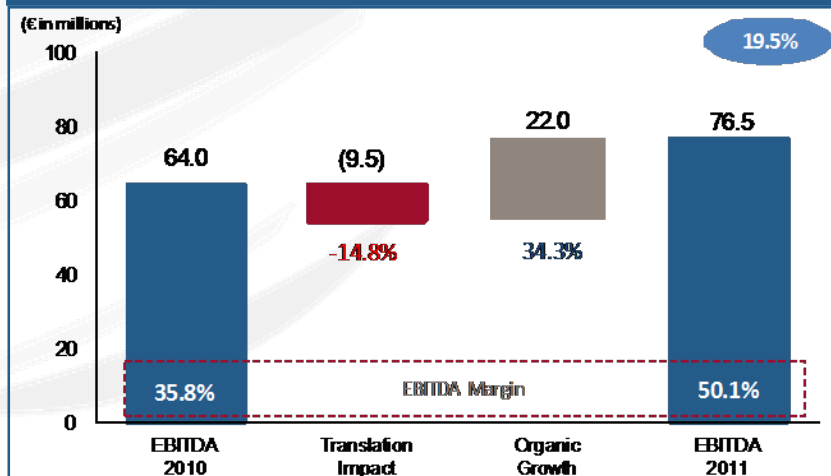
EMED Region Delivers Strong Performance amidst Weakening Market Fundamentals in Egypt

- Social unrest in Egypt starts to affect the real economy and the construction industry.
- In Egypt sales shrink by 5% in 1H, affected by 10 days of inability to ship ex Beni-Suef in June. Small price erosion in Q2.
- In Turkey double-digit sales growth further accelerates in Q2. Domestic prices continue on an upward trend.
- EBITDA in Egypt affected by €25m positive contribution of clay fee case, partly offset by increased profit sharing and settlement of legal case.
- More than 5MT new market capacity in Egypt is expected to come on stream within 2H.

EMED Turnover Reconciliation



EMED EBITDA Reconciliation



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Outlook 2011

- **Greece: Downward trend will not be reversed during 2011**
- **US: Stability at very low levels**
- **South Eastern Europe: Upside opportunity more visible**
- **Eastern Med: Growth in Turkey, short-term slowdown in Egypt**
- **Energy costs stabilizing (?)**
- **Pricing power differs by region**
- **Focus remains on:**
 - **Free cash flow generation**
 - **Productivity initiatives**
 - **Reducing carbon footprint**
 - **Bolt –on growth initiatives**