

Analysts' Conference Call Note Financial Results 9M 2013

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Company Profile

Established in 1902, Titan S.A. is an international building materials and cement producer with operations in the US, Greece, Western Europe, South Eastern Europe and Eastern Mediterranean region. The Company is based in Athens, Greece, and is listed on Athens Exchange.

Com. Stock Price (18/11/2013)	€ 20.10
# of Com. Shares (,000)	77,064
Market Cap (in € mn)	1,548.98
A.D. Volume (p)	71,016
Beta Co-efficient	0.89
Statistical Data	
Max 52 week	20.20 €
Min 52 week	12.01 €
1-M Rtn	8.65%
6-M Rtn	45.13%
12-M Rtn	45.65%

Source: VRS Calculations, Athens Exchange.

Common Stock Price Performance (1 year, in €)



Note: Share price performance based on share price closes on Athens Exchange.

TITAN CEMENT S.A. [Bloomberg Ticker: TITK:GA, Reuters Ticker: TTNr.AT]

Business Sector: Cement Industries, Building Materials

Major Highlights from the 9M 2013 Results Presented on Tuesday, November 12th, 2013, by Dimitris Papalexopoulos, CEO, and Bill Zarkalis, CFO.

- Regarding the Group's financial performance and capital structure, Titan's management pointed out the following among others:
 - (1) 3rd quarter 2013 was the 6th consecutive quarter of top line growth. Overall in 9M 2013, top line growth reflected volume growth driven by the US market and increased export sales mainly from Greece. The Group proceeded with the first successful price increase in 6 years in the US market and also took price initiatives in Egypt in response to a surge in fuel and energy costs. The US market contributed approximately 1/3 to the Group's turnover during the 9M 2013 period.
 - (2) Net debt accounted for EUR 594 million decreased by nearly 50% from Q1 2009. Next major maturity for the Group accounts for EUR 585 million and is expected in FY 2015. Titan Group has so far utilized 59% out of EUR 1.4 billion of funding facilities with available lines of EUR 575 million.
 - (3) Operating working capital needs were curtailed by EUR 29 million in 9M 2013 versus 9M 2012. During 9M 2013 there was an adverse impact of currency fluctuations.
- At the closing of the 9M 2013 financial results presentation, Titan's management showed a very cautious optimism on the Group's outlook pointing out the following with regard to its major geographic markets of operations:
 - **US market:** Volumes and prices remained positively oriented. The positive trend was more pronounced to the geographic areas where Titan operates. The Group announced price increases in product categories such as cement and ready mix. According to the management "...rising home prices and tightening house inventory supported the case of a sustained and strong residential construction recovery" in the areas where the Group operates.
 - **Greece:** The management underlined that the data they were looking at were consistent with demand stabilizing at very low levels after 7 years of decline. The cumulative contraction of the market was estimated at approximately 80% versus its peak. The recent announcement of public road works is not a "game changer" according to the management.
 - **South East European market:** Countries / markets in this region were still "held back" by the European crisis. Volume outlook remained mixed with prices showing slight improvement.
 - **Turkey:** Demand seemed to be holding up well as growth in construction activity continued.
 - **Egypt:** Despite the recent turmoil, market declined by 3%. Demand for building materials was appearing resilient and it would be of no surprise if it grew again in the next year but not to a significant pace. A major problem in Egypt was the shortage of natural gas supply which it will probably continue during next year. In general, Egypt is a market that finds difficulties in moving things quickly.
- Titan's management finally noticed that the risks of the above presented outlook of the Group were probably on the downside, pointing out the political and macro risks in Egypt and Greece.

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