

## EASTERN MEDITERRANEAN

The Eastern Mediterranean was our fastest growing and most profitable region in 2010. Momentum in the region was sustained, driven by growing demand in Egypt, the Group's enhanced production capacity, and the rebound of the Turkish economy. Turnover increased by 31% to €360 million and EBITDA increased by 34% to €138 million.

### EGYPT

TITAN has been present in the Egyptian cement market since 1997 and is today a well-established producer with an annual production capacity of more than 5 million tons of cement. The company operates two cement plants in close proximity to the main consumption regions of upper Egypt / greater Cairo and Alexandria areas.

In 2010, the construction sector in Egypt maintained its positive momentum and national cement consumption increased to 49.5 million tons. Despite capacity additions by cement producers during the year, cement supply remained tight in the market, pushing the industry's utilization rates to very high levels.

Year 2010 was the first full year of operation with two production lines in our Beni Suef cement plant, after the addition of the second 1.5 million ton production line at the end of 2009. Because of enhanced capacity, the Group was able to serve the increasing demand, as well as to expand its presence in the market. Strong market fundamentals, combined with a cost-conscious culture and commitment to corporate social responsibility, led excellent performance and

EASTERN MEDITERRANEAN 2010		EGYPT	TURKEY
GDP (real growth rate)		5.1%	8.2%
Population (million)		84.6	77.8
Cement Production (million tons)		48.3	62.7
Cement Consumption (million tons)		49.5	47.5

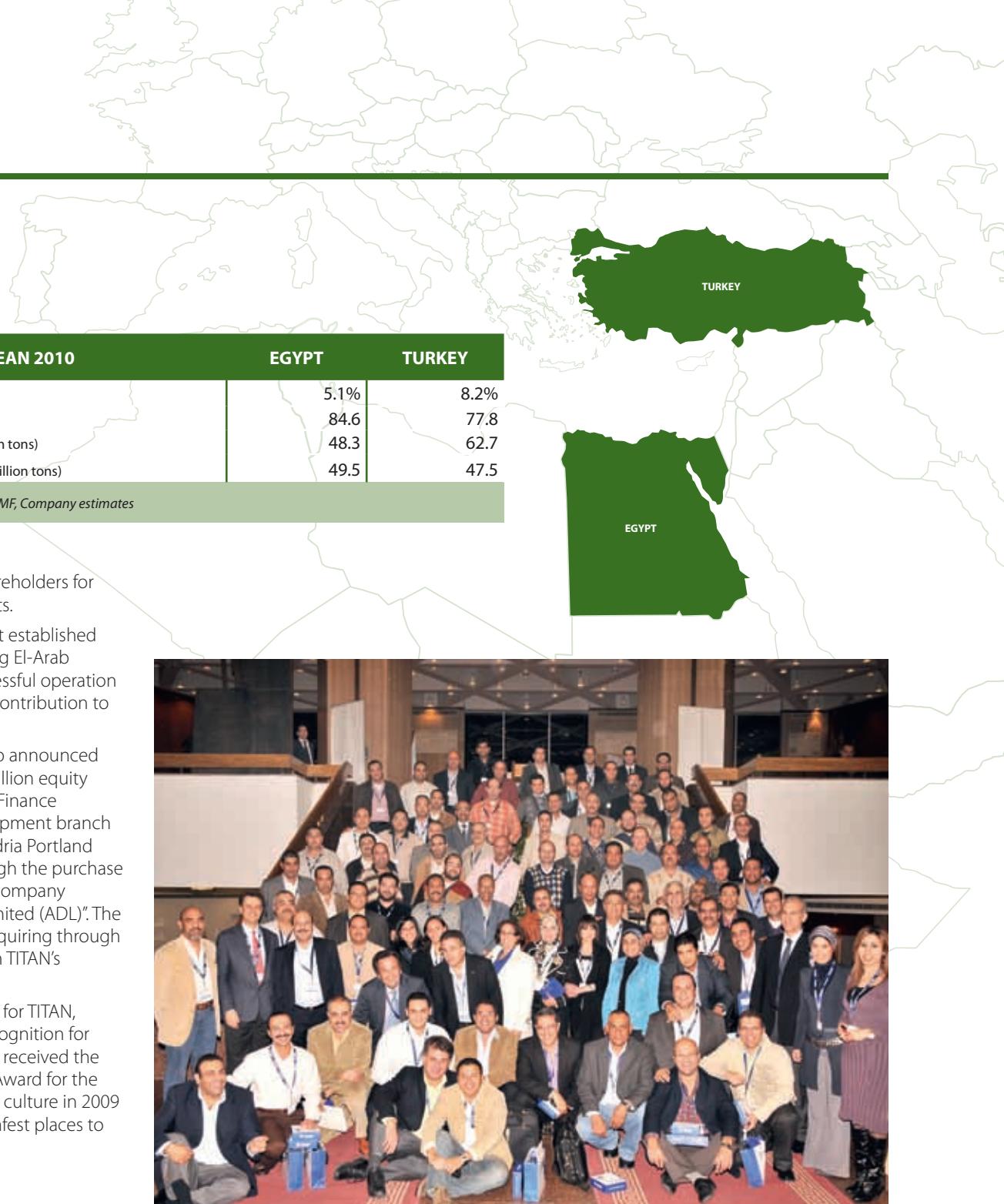
SOURCE : Local State Authorities, IMF, Company estimates

record results, rewarding shareholders for years of extensive investments.

In February 2010, TITAN Egypt established its first ready-mix plant at Borg El-Arab (Alexandria city) and its successful operation has already made a modest contribution to profitability.

In November 2010, the Group announced the completion of the €80 million equity investment by "International Finance Corporation (IFC)," the development branch of the World Bank, in "Alexandria Portland Cement Company S.A." through the purchase of a stake in TITAN's holding company "Alexandria Development Limited (ADL)". The transaction resulted in IFC acquiring through ADL a 15.2% minority stake in TITAN's Egyptian operations.

Safety, a top business priority for TITAN, continued to improve. In recognition for its efforts, the Beni Suef plant received the prestigious DuPont™ Safety Award for the successful evolution of safety culture in 2009 and was named one of the safest places to work in Egypt.



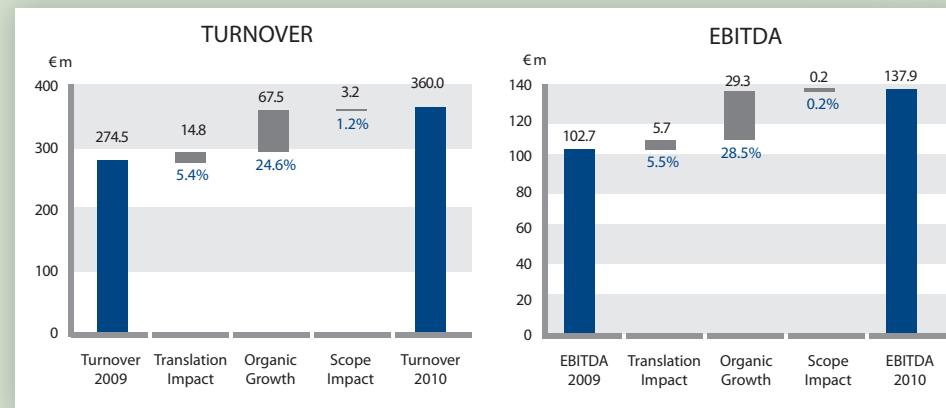
Employee communication day, Bibliotheca Alexandrina, Egypt

**TURKEY**

In 2010, Turkey experienced a strong and fast rebound from the crisis that hit in 2008 and had affected the country severely in 2009. The effects of the global financial crisis were mitigated by the proven strength of the country's financial system, the strong macroeconomic framework, and the contribution of private investments. The Turkish cement sector increased utilization rates along with domestic sales and exports.

During 2010, Adocim operations in Turkey, TITAN's 50% joint-venture in the country, benefited from strong growth in domestic cement demand. 2010 has been a record year for the company in terms of both clinker and cement production. Moreover, the joint venture compensated for the slow-down of the Black Sea export market by focusing on the growing cement market in Iraq. In parallel, two ready-mix concrete facilities were established, initiating the company's vertical integration into the market.

Given the positive momentum of the country's economy and the announced investments in infrastructure by both government and the private sector, 2011 is expected to be another year of growth. Despite the high unemployment rate in the country, the local market's growth prospects are very good, driven by a young and growing population and a relatively low level of cement consumption per capita. The company's management will also continue taking actions to cut costs, to effectively manage working capital, and to improve operating, environmental and safety performance.



Adocim Cimento, Turkey

### DuPont™ awards TITAN Group with its 2010 Safety award

Each year DuPont™ recognizes outstanding initiatives towards enhanced workplace safety and accident prevention in Europe, the Middle East and Africa.

In 2010 TITAN Group received the prestigious DuPont™ Safety Award in the category of Cultural Evolution for the program implemented during the construction of the second production line in the cement plant of BeniSuef in Egypt, which was completed on time, on budget and with no fatalities and no time lost to injuries.

TITAN Group Health and Safety performance further improved in 2010. Lost Time Injury Frequency Rate (LTIFR) of direct employees was reduced by 12% from 2.64 in 2009 to 2.33 in 2010, while Egypt continued its excellent safety track record with no Lost Time Injury.

Further information on Safety at Work is provided on Page 24 of the CSR and Sustainability Report.

