

# Greece and Western Europe



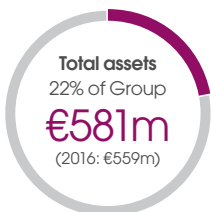
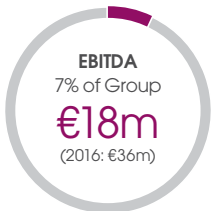
In Greece, slightly improving macro-economic factors have not yet spurred construction activity. Exports continue to partly offset weak domestic demand.

### Market overview

Building activity in Greece weakened further in 2017, following the completion of several major motorway construction projects in the first half of the year and a delay in the commissioning of new infrastructure projects. Despite tourism-related activity in some specific areas of the country, private construction remained stagnant overall at extraordinarily low levels.

## 2017 PERFORMANCE HIGHLIGHTS

### Financial



### Non-Financial

**Social**  
**Lost Time Injuries Frequency Rate (LTIFR) for employees in 2017** (per million man hours)  
**0.93**  
(2016: 3.27)

All plants and installations are certified under **OHSAS 18001**

**% of employees from the local community**  
**89.54%**  
(2016: 98.14%)

**Environmental**  
All cement plants and most of the installations related to our other activities are certified under **ISO 14001**



Thessaloniki cement plant, Greece

## PRINCIPAL PRODUCTS/ACTIVITIES



## OPERATIONAL UNITS

|               |                |           |                  |                        |                  |
|---------------|----------------|-----------|------------------|------------------------|------------------|
| <b>3</b>      | <b>1</b>       | <b>26</b> | <b>27</b>        | <b>8</b>               | <b>1</b>         |
| Cement plants | Grinding plant | Quarries  | Ready-mix plants | Distribution terminals | Dry mortar plant |

## Regional performance

TITAN continued to hold a strong position in the Greek market during 2017 and maintained its export levels. Through our ready-mix network, we participated in most major public and private construction projects taking place in the country. Our investment in upgraded cement-loading facilities helped increase loading rates and contributed to a strong export performance. However, export sales were subject to reduced margins in 2017 due to competitive pressures and unfavorable foreign exchange rates.

Financial performance was affected by the decline in domestic volumes, the reduction of export margins coupled with an increase in energy costs and a staff reduction restructuring charge of €4 million in the last quarter of the year. Overall, turnover declined by 5% to €249 million and EBITDA declined by 50% to €18 million.

We are addressing the challenges of the market by taking steps to reduce costs across our operations, leveraging alternative raw materials to offset increases in energy prices, improving transportation efficiencies, and reducing fixed costs, partly through a voluntary employee leave program.

The adverse circumstances have not compromised TITAN Greece's strong focus on health and safety, environmental management and product quality.

We doubled the number of safety walks and launched new initiatives to promote awareness and behavioral changes, including slip-trip-fall prevention, road safety and hearing protection campaigns, as well as a new health monitoring protocol. We succeeded in substantially reducing our number of Lost Time Injuries (LTIs) during the year.

We continued to drive down emissions and promote the principles of a circular economy across our operations. We fully complied with new air emission limits that came into effect in March and invested in enhancing our capacity to use alternative raw materials and secondary fuels at our plants. Our ready-mix operations were among the first to deliver concrete in accordance with the new national concrete technology regulation (KTS 2016).

Our strong commitment to sustainability and social responsibility continued throughout the year, with a special focus on promoting youth employability and supporting the local communities where we operate.

## SUPPORTING START-UPS



The transfer of know-how and expertise to young professionals and new entrepreneurs is an important part of nurturing start-up businesses through their early stages. TITAN invests significantly in sharing valuable knowledge and experiences with stakeholders at a local level. Following an invitation by "StartUpGreece", a government initiative that asks established businesses to support new start-ups by sharing human and intellectual capital, TITAN was among the first companies

to respond by adopting the start-up business "Spiti Experts," an online platform that offers home refurbishment services.

TITAN's Health and Safety team worked with ten "Spiti Experts," technicians who provide services through the platform. We used our expertise to train these entrepreneurs on health and safety issues related to electrical installations. Our employees raised awareness of risks and hazards, suggested solutions and shared practical advice.

## Looking ahead



Delays in recently announced infrastructure projects and low levels of residential construction mean that domestic demand is anticipated to slip even further in 2018. Greek production will once again be directed mainly towards exports. On the macro level, the return of GDP growth and the drop of unemployment, combined with increased tourism-related construction, indicate a potentially more positive outlook over the longer term.