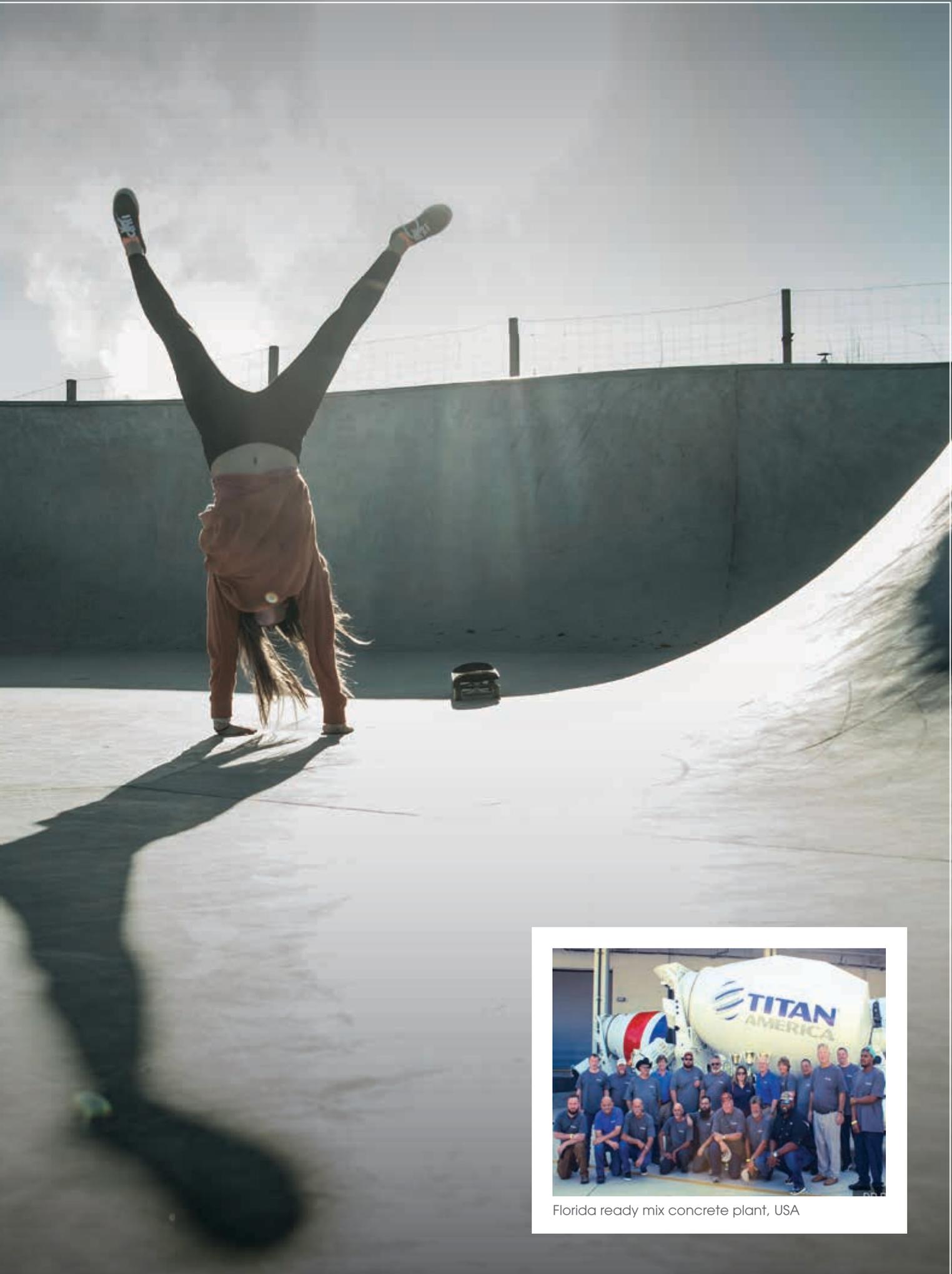


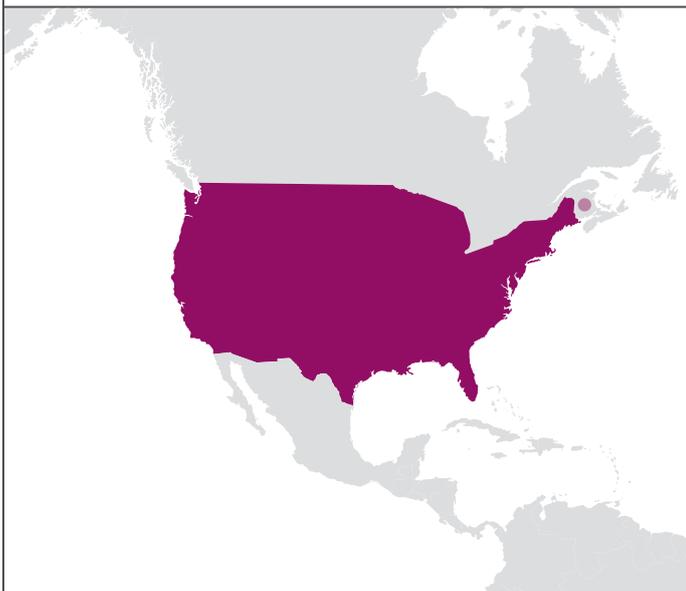
Regional performance

An overview of performance in 2017 in each of our four main regional operations. We also report on the progress of our major joint ventures in Brazil and Turkey, and highlight some of the awards and recognitions achieved across the Group during the year.



Florida ready mix concrete plant, USA

USA



TITAN is well positioned to grow in the market with a strong presence in expanding metropolitan areas and available capacity.

Market overview

2017 was a positive year for the US economy, which ended the year with good forward momentum despite relatively modest GDP growth of 2.3% overall. Lower levels of unemployment and income growth contributed to consumer confidence reaching a 15-year high by the end of the year. Increased disposable income and confidence are the base of greater demand for mortgages, and stronger prospects for the residential sector.

TITAN's presence in the South East benefits from strong demographics, particularly in Florida, where the population has doubled over the past 35 years. Demographics drive demand for construction, as housing needs grow and the requirement for new infrastructure increases. Improving state finances have also led to rising spending on infrastructure, particularly in states that are less reliant on federal funding.

Overall construction spending increased by 3.8% to \$1.23 trillion, led by a 10.6% gain in private residential construction. This helped to grow national cement consumption for the seventh consecutive year, up 2.8% to 96.8 million metric tons.

2017 PERFORMANCE HIGHLIGHTS

Financial



Non-Financial



Our operations meet country-specific regulations for **health and safety**



Environmental
Both our cement plants certified as Gold Level Zero Waste Facilities



Pennsuco cement plant, USA

PRINCIPAL PRODUCTS/ACTIVITIES

- Cement
- Ready-mix concrete
- Aggregates
- Building blocks
- Fly ash

OPERATIONAL UNITS

- 2**
Cement plants
- 7**
Quarries
- 85**
Ready-mix plants
- 14**
Distribution terminals
- 10**
Concrete block plants
- 6**
Fly ash processing plants

Regional performance

TITAN America's performance reached a ten-year high in 2017. We were well placed to take advantage of the improving markets, on the back of an extensive investment program of about €240 million undertaken over the course of the previous three years, which improved operational efficiency and expanded our capacity in concrete, aggregates and distribution.

TITAN America's financial performance was robust with revenue growth of 10% to €873 million and EBITDA growing to €185 million – a 27.5% improvement compared to 2016.

Key areas of operation

Florida

Levels of cement consumption in Florida remained flat during the year, held back by the temporary disruption to construction activity caused by hurricane Irma, as well as unfavorable weather, especially in the final quarter of the year. Despite slower growth, underlying demand and sentiment remained strong. Profitability increased on the back of improving prices and efficiency enhancements at our Miami plant. Furthermore, demand and sales prices for aggregates moved higher, fly ash availability also improved and concrete products sales increased. As a result of our extensive capital investments, vertically integrated activities were able to contribute strongly to the US region's improved financial results.

Virginia, North and South Carolina

Virginia's cement consumption increased 3.6% to nearly 2 million metric tons, while North Carolina improved by 2.7% to exceed 2.7 million metric tons for the first time since 2007. Sales of ready-mix products grew at a faster rate, supported by TITAN's position in the region's more dynamic construction markets. Improvements in unit costs and sales prices drove a significant improvement in profitability despite a reduced rate of sales growth.

New York/Metro

Cement consumption in the New York Metropolitan area increased 3.9% to over 1.8 million metric tons. This supported another strong performance for our regional import terminal at Port Newark, with sales volumes, turnover and profitability all improving year-on-year.

DEVELOPING TALENT THROUGH INTERNSHIPS



TITAN America's 12-year internship program plays a key role in building a pipeline of future talent for our business, while promoting a more educated workforce in the cement industry and driving employee engagement.

Each internship is individually designed by employees in the relevant department. They aim to tap into students' enthusiasm and bring fresh perspectives to the business. Our internships are also an opportunity to embed gender equality by introducing talented young women into roles that have been traditionally male dominated. For their part, TITAN's interns have the opportunity to learn new skills in a working environment, and several have gone on to take permanent roles at TITAN America as a result.



The success of our internship program is reflected in consistent increases in the number of applicants. In 2017, TITAN America received more than 100 applications from college students, with 24 selected to take up internships.

Looking ahead



Prospects for future growth in US construction markets remain strong. We expect the growth in the most important states in TITAN's footprint to be driven mainly by residential and infrastructure spending, on the back of healthy fiscal balances and growing populations. Tax reform is also expected to have a positive shorter-term influence on private sector investments in housing and commercial activities.

Portland Cement Association forecasts average growth in cement consumption of approximately 2.9% per year between 2018 and 2022. Growth rates in Florida, Virginia and the Carolinas are expected to moderate compared to recent years, but still outperform the USA as a whole. TITAN is well positioned to grow with the market, with strong positions in expanding metropolitan areas, expanded capacity in the vertically integrated activities and further operating leverage available from its existing asset base.

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

3	1	26	27	8	1
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.

Southeastern Europe



The region continues to deliver stability, with the construction sector improving following several years of GDP growth.

Market overview

The outlook for Southeastern Europe continues to improve. Consistent GDP growth and political stability provide strong scope for future growth. Overall building activity recovered in 2017, as demand for building materials posted an increase and cement consumption increased.

Cement consumption in 2017 was supported by a number of infrastructure projects that are in progress in the region and are due for completion in 2018–2019, and private demand.

2017 PERFORMANCE HIGHLIGHTS

Financial



Non-Financial

Social
Lost Time Injuries Frequency Rate (LTIFR) for employees in 2017 (per million man hours)
4.26
(2016: 1.98)

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

% of employees from the local community
62.11%
(2016: 62.59%)

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



Kosjeric cement plant, Serbia

PRINCIPAL PRODUCTS/ACTIVITIES

-  Cement
-  Ready-mix concrete
-  Aggregates
-  Waste management and alternative fuels

OPERATIONAL UNITS

5 Cement plants	20 Quarries	8 Ready-mix plants	1 Distribution terminal	1 Processed engineered fuel facility
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Regional performance

Sales growth for TITAN businesses kept pace with the expansion of the cement market in the region. Our turnover for the year increased by 11% to €226 million, with volume sales growth coming from both public and private construction projects, particularly in the central and western Balkans. Pricing remained broadly flat year-on-year due to competitive pressures.

Increases in energy prices had an impact on our efforts to contain costs; however, our previous investments in alternative fuels have helped to partially offset the increases.

Albania experienced its strongest rate of GDP growth since 2010. The economy grew by 3.7% on the back of increased government spending and a more flexible fiscal policy. This helped drive an estimated 20% increase in cement consumption from the historically low levels of 2016. TITAN's Antea plant benefited from increased economic activity in Albania to grow sales and significantly improve its financial performance.

In Bulgaria, our Zlatna Panega operation kept pace with a growing market, with renewed EU funding of infrastructure projects likely to support continued growth over the next few years. Cement demand in Bulgaria rebounded by 6%, spurred by a third consecutive year of GDP growth, which reached 3.7% in 2017. Cement consumption remains at just 44% of its pre-crisis level, indicating the potential for future growth.

In FYROM, the improvement of the political climate in the country helped to maintain positive GDP growth at a rate of 1.6%, with both consumers' and investors' confidence improving. However, cement consumption dropped by 5% as a result of residential and commercial construction declining from the high levels of 2016.

Kosovo's construction sector continued to grow as a result of increased residential activity, growing infrastructure investment and low interest rates. It has also benefited from the general expansion in the economy resulting from the remittances of Kosovo nationals living abroad. Cement consumption grew to reach an estimated record level of 1.4 million metric tons.

Foreign Direct Investment (FDI) continued to be the main driver of GDP growth in Serbia, with demand for infrastructure projects helping to expand cement consumption moderately. The re-emergence of private real estate and commercial construction in Belgrade supports a generally positive outlook for the market.

PROTECTING THE RIGHTS OF WHISTLEBLOWERS



Respecting human rights and protecting the rights of people who report unlawful or inappropriate behavior is a vital part of TITAN's approach to good corporate governance. All TITAN Group operations have established procedures to report grievances, incidents or issues related to TITAN's Code of Conduct and policies. In 2017, TITAN Usje took a step further by introducing a rulebook that is designed to protect the rights of both whistleblowers and an appointed authorized person, who is responsible for receiving whistleblowers' reports.

The new rulebook sets down the procedures for

whistleblowing, including the steps that should be taken to protect the anonymity of those raising concerns. Setting down procedures helps embed the right culture and ensures a supportive approach.

In 2018, Usje cement plant will introduce yellow boxes throughout the premises of the cement plant, which employees and other concerned parties can use to report any inappropriate behavior. The company will continue to train all employees, to ensure that the new guidelines are understood and that whistleblowers have the support and protection that they deserve.

Looking ahead



In Southeastern Europe, the political reengagement of the European Union, combined with the continuing economic recovery creates expectations for measured growth in the construction sector over time. The Group's plants, which are currently operating well below capacity, are well placed to address any increase in market demand.

Eastern Mediterranean



As the effects of currency devaluation are absorbed, supply-side factors create new headwinds, impacting the short-term potential of our operations in Egypt.

Market overview

Egypt's national cement consumption was 54 million metric tons in 2017, down 5% from the previous year. The decline in cement demand has been largely driven by the impact of the major devaluation of the EGP in 2016.

The cost of energy, which is mainly paid in hard currency, recorded a significant increase. This would have been much higher had TITAN's plants not converted to solid fuels and expanded the use of alternative fuels in a timely way. Selling prices increased in local currency but still recorded a substantial decline in euro terms, to levels that were insufficient to compensate for the effect of the devaluation and the resulting cost inflation.

2017 PERFORMANCE HIGHLIGHTS

Financial



Non-Financial

Social
Lost Time Injuries Frequency Rate (LTIFR) for employees in 2017 (per million man hours)
1.63
(2016: 0.91)

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

% of employees from the local community
81.55%
(2016: 86%)

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



Alexandria cement plant, Egypt

PRINCIPAL PRODUCTS/ACTIVITIES

-  Cement
-  Ready-mix concrete
-  Aggregates
-  Waste management and alternative fuels

OPERATIONAL UNITS

2 Cement plants	12 Quarries	2 Ready-mix plants	1 Distribution terminal	1 Processed engineered fuel facility
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Beni Suef cement plant, Egypt

Regional performance

Turnover in the Eastern Mediterranean region in 2017 declined by 36.5% reaching €158.2 million, while EBITDA at €13.2 million represented a 67.8% drop compared to the previous year. This was the result of the prevailing low prices, combined with high inflation and the fragile economic environment, as well as higher electricity costs and the implementation of a staff reduction program. The one-off charge for the redundancies (20% staff reduction) in Egypt was €6 million in Q3 2017.

The increased use of alternative fuels is helping to offset rising fuel prices, while continuing to reduce the environmental footprint of the business. Our Alexandria plant has increased its use of alternative fuels to over 14% of the fuel mix, and both plants in the country have completed the environmental compliance action plan agreed with the Egyptian government. At the same time, the Beni Suef plant achieved zero Lost Time Injuries (LTIs) for the first time in three years.

SUPPORTING HEALTH NEAR OUR BENI SUEF CEMENT PLANT



Hepatitis C viral infection (HCV) is a major health problem in Egypt, with the highest prevalence in the world and up to 170,000 new cases every year adding to the millions of patients already suffering from the disease.

In 2017, we supported efforts to combat HCV in the Beni Suef area. As part of the national plan for the field health survey of HCV, TITAN Cement Egypt (TCE) collaborated with the Beni Suef Health Affairs Directorate (Preventive Affairs Department - Viral hepatic management). We supported the survey initiative and contributed

to the cost of Polymerase Chain Reaction (PCR) tests, which help establish whether the virus is still active and needs treating.

The objective of the program was to identify HCV in people who were not aware that they had the virus, urge them to start treatment and ultimately to play an active role in the government initiative to defeat the virus completely. The program reached more than 5,000 people from four East of Nile villages near our Beni Suef cement plant, plus 410 contractors' employees working at the plant itself.

Looking ahead



The cement market in Egypt continues to face serious challenges, as the current oversupply is expected to be exacerbated by the opening of a new cement plant with 12 million metric tons of capacity in 2018. However, we believe that these challenges will be offset to some extent by the country's continued strong population growth of 2% per year, demand from the upcoming public works projects and the government's commitment to attracting foreign investment. TITAN Cement Egypt, already one of the most cost-efficient producers in the country, remains focused on further reducing costs and substantially improving prices. This allows us to look at 2018, when market consumption is expected to grow, with guarded optimism.

Joint ventures



PRINCIPAL PRODUCTS/ACTIVITIES



OPERATIONAL UNITS

2	3	8	8	12
Cement plants	Grinding plants	Quarries	Ready-mix plants	Distribution terminals

Improved operational performance in our Joint Ventures in Turkey and Brazil.

Market overview

Our joint ventures comprise Adocim, a Turkish cement business in which TITAN purchased a 50% share in 2008, and Cimento Apodi, a Brazilian cement manufacturer in which TITAN invested in 2016 and now owns a 50% equity share.

In Turkey, domestic cement consumption increased by 8% year-on-year, reaching 72 million metric tons on the back of strong demand from public works and projects carried out by public-private partnership schemes. The Turkish lira depreciated during the year, resulting in an upward pressure on fuel prices and lower earnings in euro terms.

Our first year of operation in Brazil provided evidence of the market's potential as it starts to emerge from deep recession. Brazil returned to positive GDP growth for the first time in three years, with the economy growing 1% year-on-year. Cement consumption continued to decline in 2017, down by 6% compared to 2016 and by 25% from the peak year of 2014. However, positive indications emerged in the second half of the year, with the slowest rate of decline in two years.

Government reforms, falling inflation and lower interest rates have helped to stimulate consumer spending, indicating the beginning of a recovery phase and likely future growth in cement consumption.

Regional performance

In Turkey, Adocim's sales were under pressure from increased competition due to an additional 2 million metric tons of new capacity in the nearby region. Production costs were affected by higher fuel prices, while the depreciation of the Turkish lira affected profitability in euro terms. Net profit of our subsidiary attributable to the Group amounted to €0.5 million in 2017, versus €3.6 million in 2016.

Despite the shrinking market, Apodi managed to increase its sales and share of the Brazilian cement market. Operational improvements and adjustments in pricing in the second half of 2017 led to an improvement in overall financial performance. Net results of our subsidiary attributable to the Group was a €9.5 million loss in 2017.



Tokat cement plant, Turkey

Looking ahead



In Turkey, domestic demand is likely to continue growing into 2018, spurred by major public investments and public-private partnership projects, with some volatility risks.

In Brazil, improvements in the key macro-economic indicators and anticipated stronger economic growth in 2018 are encouraging for the construction sector, creating expectations for the return of growth in the cement sector over the next few years.

Awards and recognitions

We are proud of the awards and external recognitions that TITAN companies received during 2017. The following are a few selected highlights from around the Group.

USA

TITAN America's ready-mix division earned the **National Ready Mix Concrete Association (NRMCA) Excellence in Quality Award**, which recognizes commitment to quality among NRMCA members in areas such as materials management, product quality control and customer satisfaction.

The **Virginia Ready Mix Concrete Association (VRMCA)** continued to recognize nine of TITAN's ready-mix plants as achieving Gold and Silver performance on safety. These awards recognize plants that avoid Lost Time Injuries (LTIs) and maintain an overall Injury Frequency Rate (IFR) below 4.0.

The **US Zero Waste Business Council** certified TITAN America's Pennsuko operation as a Gold Level Zero Waste Facility, diverting over 90% of its waste from landfill through recovery, reuse and recycling. The Pennsuko complex includes cement manufacturing aggregates, quarrying, block manufacturing and ready-mix concrete operations. It continues to be the only US facility of its kind to achieve Zero Waste certification.

GREECE AND WESTERN EUROPE

TITAN climbed from 12th to 11th in **Fortune magazine's ranking of the "Most Admired Companies in Greece 2017,"** which takes into account criteria such as Innovation, HR Management, Social Responsibility, Resource Management, Long-term Investment Value, and Product and Service Quality.

ICAP Group recognized TITAN as one of its **True Leaders of the Greek Economy** for the 5th time, acknowledging our record on revenues and profitability, increasing the number of employees and achieving a High ICAP Score.

For the 7th consecutive year TITAN's Integrated Report was ranked first in the annual evaluation of Greek corporate social responsibility reports carried out by the **University of the Aegean**.

SOUTHEASTERN EUROPE

FYROM's **National Coordinating Body for Corporate Social Responsibility and the Ministry of Economy** presented Usje cement plant with a Jubilee Award to mark the awarding body's tenth anniversary. The award recognizes TITAN USJE's ten-year commitment to CSR and the fact that it holds more national CSR awards than any other business.

The **Kosovo Chamber of Commerce** recognized the economic contribution that our Sharrcem cement plant makes to the country, with a co-operation and responsibility award that reflects TITAN's tax-paying record.

Serbia's **Responsible Business Forum** recognized TITAN's Kosjeric operation for its contribution to the development of non-financial reporting, for publishing annual reports that meet Global Reporting Initiative (GRI) standards.

EASTERN MEDITERRANEAN

The **Ministry of Labor** awarded the Alexandria cement plant in Egypt with the Health and Safety Shield, during the celebration of the World Health and Safety day.

JOINT VENTURES

The contribution of Adocim, TITAN's joint venture in Turkey, was acknowledged through two commemorative plaques. The **Zile Chamber of Commerce and Industry** recognized Adocim's economic contribution while the **Ministry of Environment and Urban Planning** recognized our efforts to protect the environment and prevent pollution.