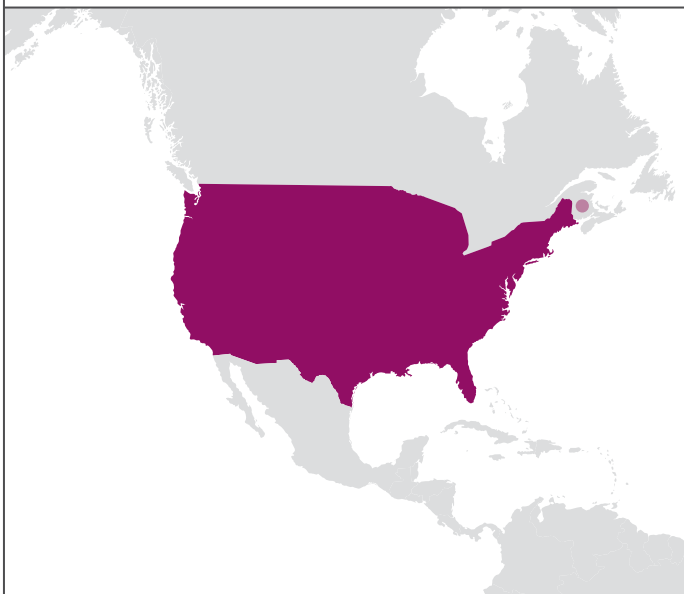


USA



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

Market overview

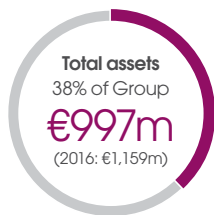
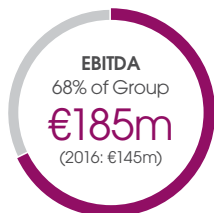
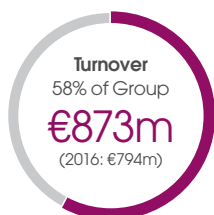
2017 was a positive year for the US economy, which ended the year with good forward momentum despite relatively modest GDP growth of 2.3% overall. Lower levels of unemployment and income growth contributed to consumer confidence reaching a 15-year high by the end of the year. Increased disposable income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

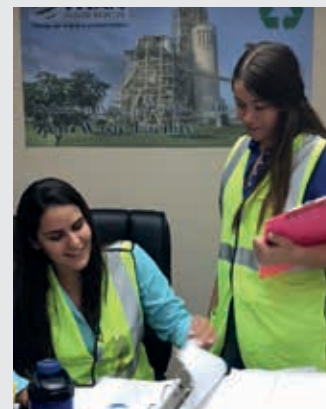
Cement consumption in the New York Metropolitan area increased 3.9% to over 1.8 million metric tons. This supported another strong performance for our regional import terminal at Port Newark, with sales volumes, turnover and profitability all improving year-on-year.

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.