

Regional performance: U.S.A.

Construction recovery drives strong performance

With the market recovery well underway, turnover and profitability continue to grow. The U.S.A. now accounts for over a third of Group turnover and a rapidly increasing share of operating profitability.



Performance summary

- Growth in construction reported for second consecutive year
- Above national average growth recorded in TITAN's regions of operation
- Total revenue of 411 million euros, up 11% year-on-year
- EBITDA of 32.1 million euros, up 453% year-on-year
- Numerous awards for environmental and community practices

Management review

Market overview

Construction spending in the U.S.A. grew for the second year in a row, increasing in 2013 by 4.9% to \$899 billion. Within the sector, private construction increased by 8.6%, with private residential construction up 18.2%. On the back of this recovery, cement consumption increased by an estimated 4.5% in 2013 to 82 million metric tons.

According to the Portland Cement Association (PCA), cement consumption in the South Atlantic States (including Virginia, the Carolinas and Florida), where TITAN's U.S. plants are located, rose 8.9% in 2013, 3.5% ahead of the national average. Demand was even higher in Florida, where both residential and non-residential construction trends were positive.

Financial performance

Group turnover in the U.S.A. in 2013 stood at 411 million euros, up 11% year-on-year, while EBITDA improved to 32.1 million euros, up 453% vs 2012. This region now accounts for over a third of Group turnover and a rapidly increasing share of operating profitability. TITAN's American subsidiary, Separation Technologies LLC (ST),

reported a record performance, owing to strong demand for its fly ash product, ProAsh®. In late 2013, ST entered into a partnership arrangement to secure additional sources of fly ash in the Mid-Atlantic region. This will extend and strengthen ST's position in a growing market in 2014.

Non-financial performance

In 2013, TITAN's operations in the U.S.A. have been targeting safer driving as part of a Health and Safety program. We have established a Drivers' Council for ready-mix delivery professionals, who meet quarterly with senior management to address safety and production issues.

Numerous awards for environmental and community practices were received in 2013. Both the Roanoke Cement and Pennsuko Cement plants were recognized at the Annual Cement Industry Environment and Energy Awards. Six Company sites were recognized at the 25th Wildlife Habitat Council Annual Symposium and the National Ready-Mix Association (NRMCA) bestowed Green Star Certifications on 15 TITAN America facilities in 2013. These facilities were among the first in the nation to be awarded the certification.

Regional performance

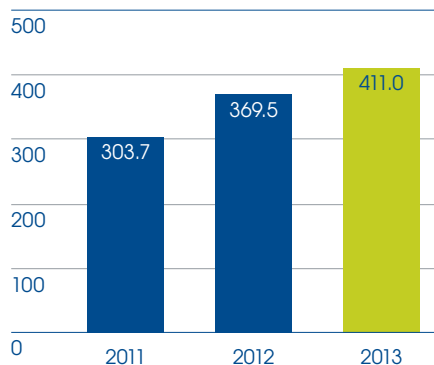
Regional revenue % of Group

35%

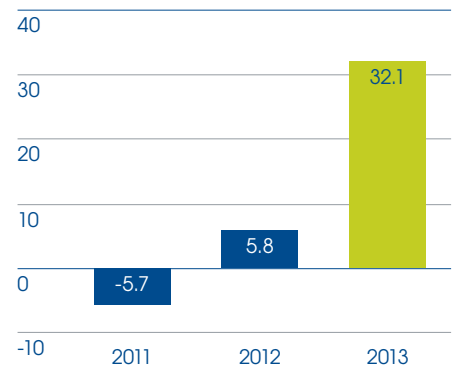
Regional EBITDA % of Group

16%

Turnover €m



EBITDA €m



TITAN America's Florida concrete business became the first in the state and only the second in the U.S. to produce Environmental Product Declarations (EPDs). These have been created to help building designers make educated decisions about the products they use.

These awards reflect the strong engagement of our people in the region. They have lived up to TITAN's corporate values, implementing the concept of enduring commitment even during a time of prolonged economic downturn.

Outlook for 2014

Growth in U.S. cement consumption is expected to maintain its momentum as house building starts and permits for future projects return to levels last seen in 2007. According to the Portland Cement Association (PCA), all construction sectors will expand in 2014 and cement demand will rise by approximately 8%. Cement consumption is expected to grow at an even higher rate in the Southeast of the country, where the majority of TITAN's U.S. operations are located.

Regional reviews

Florida

According to the U.S. Geological Survey, cement consumption in Florida increased by 19.5% to 4.9 million metric tons in 2013. Demand for aggregates also improved in line with the strong growth in cement.

Mid-Atlantic

Cement consumption in Virginia increased by a modest 0.5% to 1.7 million metric tons according to the U.S. Geological Survey, while demand in North Carolina improved by 5.0% to 2.1 million metric tons.

New York/New Jersey

According to the U.S. Geological Survey, cement consumption in the New York Metropolitan area was 1.3 million metric tons in 2013, an increase of 4.8% over 2012. In the context of an improved construction environment, TITAN America's Metro New York business made a positive contribution to the U.S.A. region's performance.

In focus: Addressing community concerns through open dialogue

TITAN's Carolinas Cement plant in New Hanover County, U.S.A. has responded to the concerns of a grassroots group, Stop TITAN Action Network. The Group objects to plans for a new cement manufacturing and mining facility because of the impact they believe it will have on the local environment and community at large.

To ensure open dialogue on the project, we launched an informative website (www.carolinascement.com) to provide facts about the project and a blog so that concerned citizens can ask questions and receive factual responses. The website is supported by a Carolinas Cement Facebook page.

Recognizing the need for face-to-face engagement, TITAN also organized a series of workshops for the local community to speak to our staff and experts on a range of issues. In addition, we offered free visits to our Roanoke cement plant in Troutville, Virginia, 900km away from the Carolinas cement plant, for those wanting to see first-hand how TITAN ensures environmental stewardship and creates community benefit.

Lost Time Injury Frequency Rate LTIFR

