

## An Insight Into Our Strategy

### GEOGRAPHIC DIVERSIFICATION

Cement is a global business comprising countless local markets, making geographical diversification important.

Gaining a foothold in an increasing number of markets gives the opportunity for sales growth, mitigates the high transport cost of this heavy, low-value material and spreads the risk of decline across multiple regional markets. For example in 2007, decline in the USA was largely offset by growth in the other regions of operations, enabling TITAN to successfully offset the risks of over-reliance on too few regional markets.

### CONTINUOUS COMPETITIVENESS IMPROVEMENT

The most effective route to improved productivity and profitability is the greater efficiency that enables us to produce more at less cost. This in turn enables better price-competitiveness and business growth in our local markets. There are two main ways for us to achieve this. First, we continually invest in modernization and introduce new technologies. That means that we can reduce our consumption of costly and environmentally sensitive resources.

Second, we leverage our expertise to continuously introduce smarter, more efficient working practices across our operations throughout the Group. For example, whenever we acquire or develop new plants, senior TITAN staff with many years' experience shoulder the responsibility to develop and refine processes and procedures in order to ensure the effective sharing of expertise throughout the Group.

### VERTICAL INTEGRATION

Cement is at the base of an integrated value-chain of closely related products, in which it is either an ingredient (as in concrete) or a "production-partner" (as with aggregates).

For TITAN, it is important to participate in as many aspects of the cement value-chain as possible. Doing so gives better access to new margins in areas where our financial strength and sector expertise give us an advantage. This enables us to spread the risk inherent in being a single-product business, as well as enabling us to compete successfully with local and global players. Today, some 41% of TITAN's Turnover is in non-cement products sales, such as ready-mix concrete, aggregates, cement blocks, mortars and porcelain.

### FOCUS ON HUMAN CAPITAL AND CSR

For TITAN, our reputation as a good employer and corporate citizen are valuable business assets that continue to serve us well, enhancing sustainable growth as part of our Group overall vision and policy.

Developing our people and focusing on CSR are intrinsic elements of our business strategy and we always take into account the needs and concerns of our stakeholders to the greatest extent possible.

### Code of Conduct

*Our Governing Objective and Corporate Values explicitly define our responsibilities towards all the groups which are affected – directly or indirectly – by our business activities. For example:*

**1. Shareholders:** *We strive to ensure a satisfactory return on their capital, to protect their investment and to be transparent in all our dealings.*

**2. Customers:** *We do our utmost to provide quality products and services with competitive terms, tailored to their needs and supported with the necessary technological, environmental and commercial expertise.*

**3. Employees:** *Our workforce is our most valued resource. Respect for their rights and an emphasis on employee development are essential for the TITAN Group to attain its objectives.*

**4. Business Associates:** *We believe in mutually beneficial relationships with our contractors and suppliers and will use our influence to the best of our abilities to promote the application of similar codes.*

**5. Society:** *It is our belief that socially responsible businesses contribute to the prosperity and progress of society as a whole. The community policies of the Group focus primarily on initiatives in the fields of education, health and safety and environmental protection.*

