HeidelbergCement

ANNUAL GENERAL MEETING 2017

10 May 2017




Contents

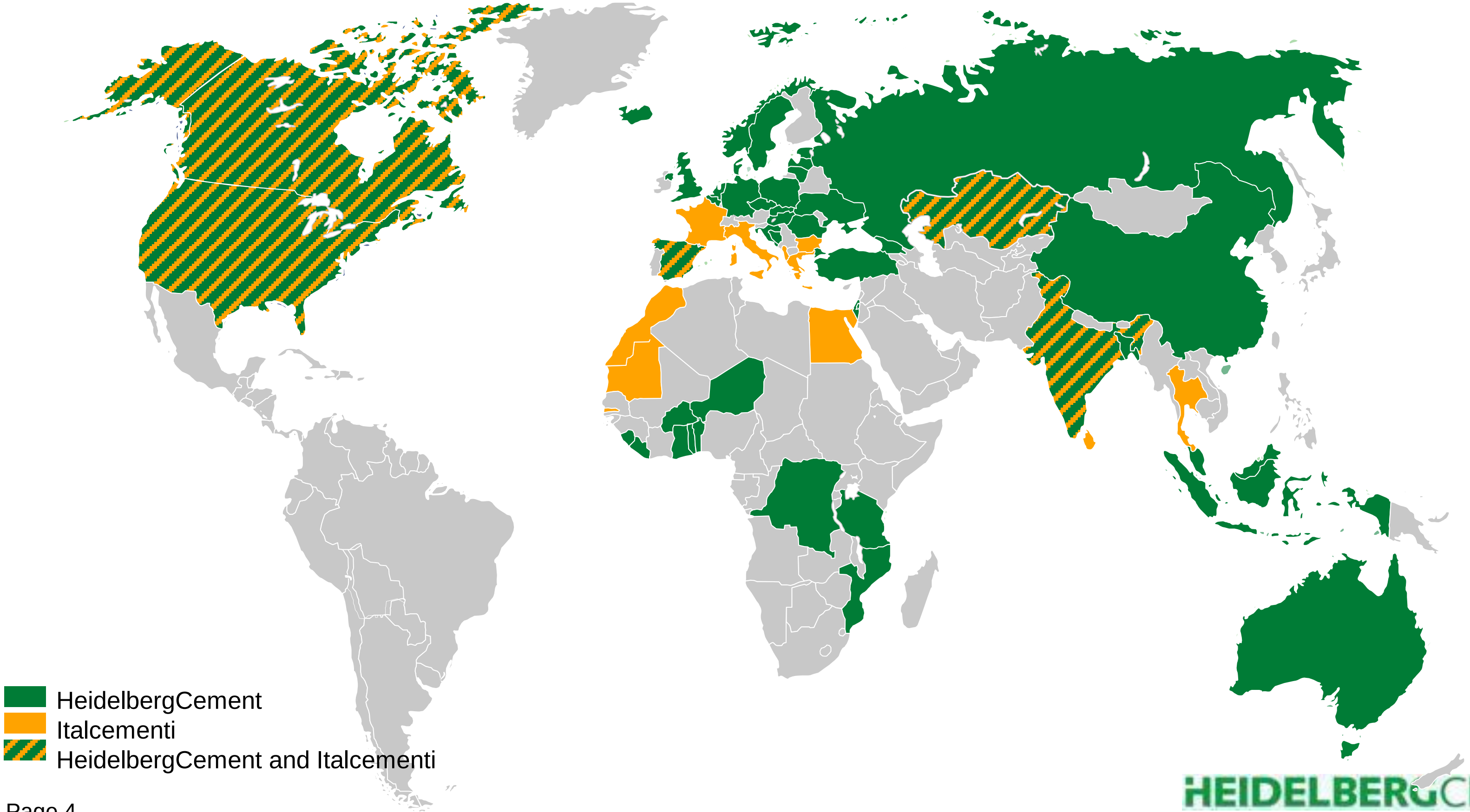
The most important points at a glance...

- **HeidelbergCement strengthened by acquisition of Italcementi**
- **Strategic target reached: investment grade rating**
- **Significant increase in result from current operations, cash flow, and profit for the financial year adjusted for non-recurring effects (+28%)**
- **Dividend proposal noticeably increased by 23%**
- **Positive outlook for 2017, but demanding conditions**

HEIDELBERGCEMENT

HeidelbergCement strengthened by acquisition of Italcementi

- **HeidelbergCement gains leading market positions**
  - **Market leader in Italy, number 2 in France**
  - **Strong market position in Morocco, Egypt, and Thailand**
  - **High synergies in North America and India**



Takeover of Italcementi successfully and rapidly concluded

- ✓ Transfer of control on 1 July 2016 following the approval of the antitrust authorities
- ✓ Appointment of new top managers in most Italcementi countries
  - France, Italy, Spain, India, North America, Morocco, Egypt, Thailand, und Kazakhstan
- ✓ Mandatory tender offer to the remaining shareholders succesful straight away
- ✓ Delisting of Italcementi from the stock exchange on 12 October 2016
- ✓ Sale of production sites in the USA and Belgium (required by the antitrust authorities) achieved better prices than anticipated

Integration of Italcementi faster than expected

- ✓ **Closing of redundant headquarters in Bergamo, Paris, Brussels, and Madrid**
  - **Relocation of all essential functions to Heidelberg**
- ✓ **Rapid staff reduction**
  - **1,870 people by year-end 2016**
- ✓ **Introduction of proven HeidelbergCement efficiency programmes**
- ✓ **Synergy goals increased to €m 470**
  - **Operational improvements, selling, general & administrative, procurement, treasury, and tax**

HeidelbergCement with strong track record in integration processes

Strategic target reached: investment grade rating

Rating agency	Long-term rating	Outlook
Moody's Investors Service	Baa3	stable
Fitch Ratings	BBB-	stable
S&P Global Ratings	BBB-	stable

Much more favourable refinancing conditions on the capital markets lead to lower interest costs and higher cash flow

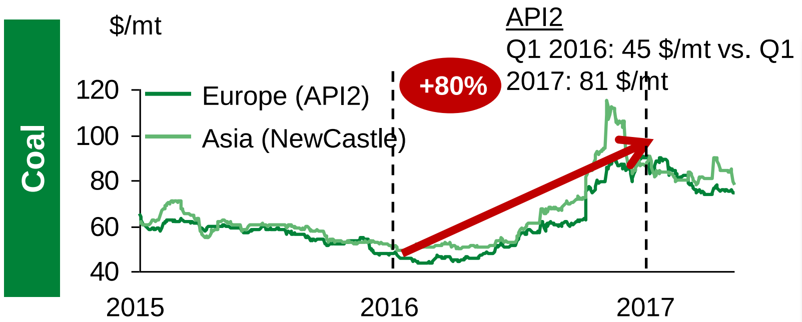
HEIDELBERGCEMENT

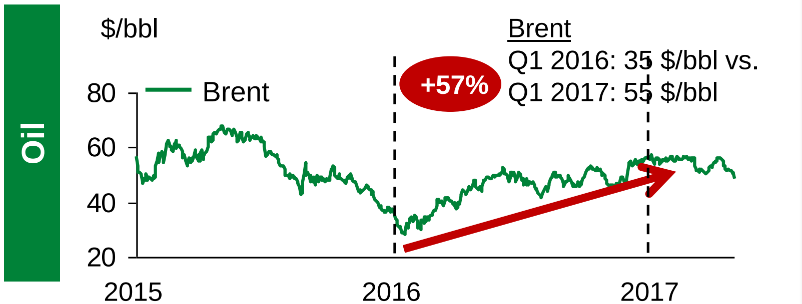
Review of economy in 2016

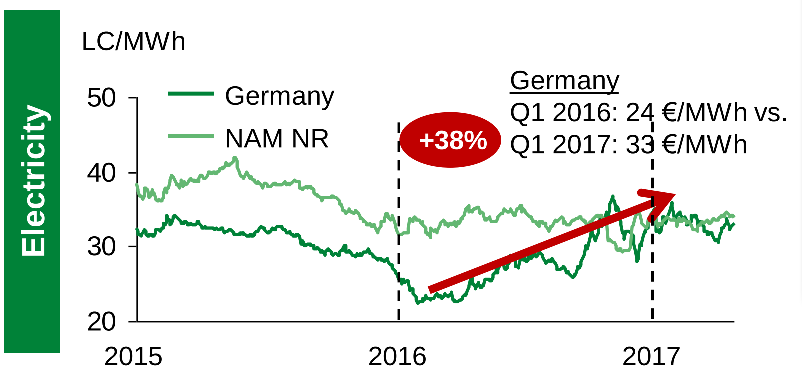
- **With 3.1%, worldwide economic growth was weaker than in 2015**
  - **Slowdown in China, recession in Russia and in the emerging countries in South America**
  - **Overall, weak development in growth markets due to lower commodity prices**
  - **Recovery in the USA and Europe continued**
- **Unexpected developments**
  - **Brexit: economic recovery in the UK continued albeit at a weaker pace; British pound, however, depreciated significantly against the euro**
  - **Presidential election in the USA: consumer confidence grew after initial uncertainty**
- **Euro strengthened in relation to numerous currencies**
- **After its low at the beginning of the year, the oil price rose again but remained on average below the previous year**

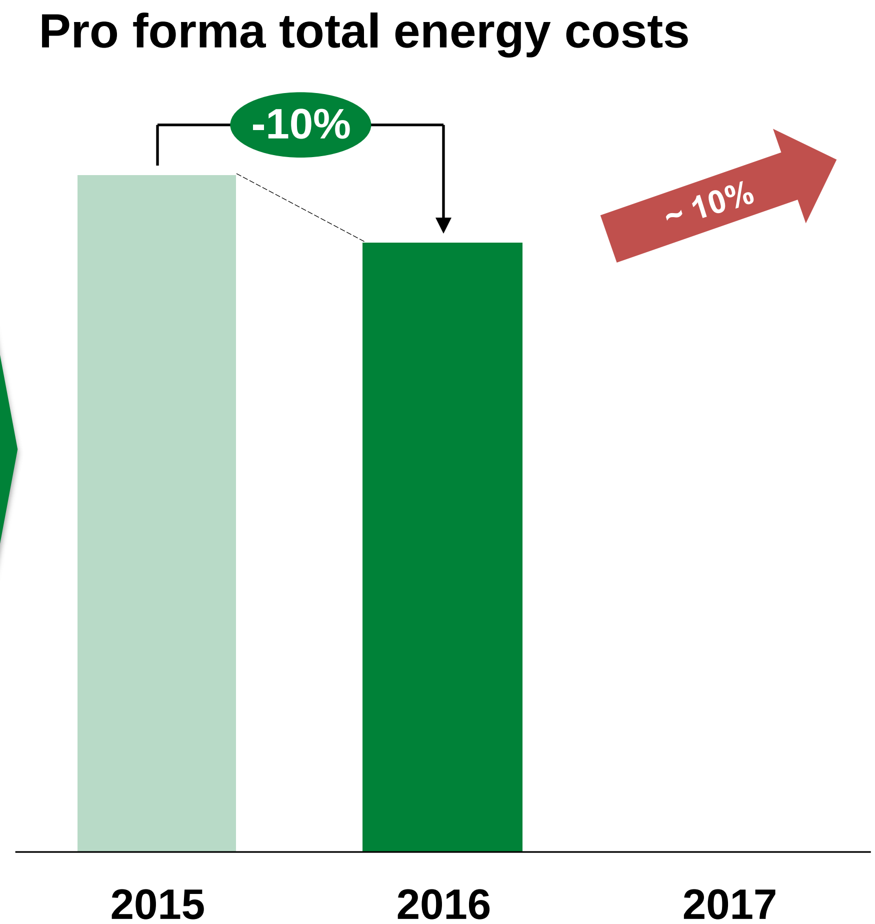
2016 – trend reversal in energy costs

Price increase in electricity and coal, especially in Q4 2016









Cost increase could be avoided in 2016,
higher market prices will influence costs in 2017

HEIDELBERGCEMENT

HeidelbergCement has reached important targets…

Target / Outlook 2016	Actual 2016		
Moderate increase in revenue; moderate to significant increase in result from current operations (RCO)[1]	Revenue: Pro forma like-for-like[2] RCO:	-2% +6%	✓
Moderate to significant increase in profit for the financial year before non-recurring effects	Profit for the financial year before non-recurring effects:	+28%	✓
Earning of cost of capital (ROIC > WACC)	ROIC: WACC:	7.2% 7.0%	✓
Progressive dividend policy	Dividend:	1.60 € (+23%)	✓

… but not everything developed to our full satisfaction:

- Weaker than expected sales volumes and revenue (Indonesia and Africa)
- Weaker market development in France, Italy, Spain, and Egypt
- Significant rise in oil price in the course of the year

HeidelbergCement has delivered despite challenging framework

1) Corresponds to operating income reported in previous years
2) Taking into account Italcementi for the full year 2015; adjusted for currency and consolidaten effects, and proceeds from the sale of CO_2 emission rights

HEIDELBERGCEMENT

2016 key financial figures as reported

Key financial figures	January-December			
€m	2015	2016	Variance	Like-for-like[1)]
Revenue	13,465	15,166	13%	-2%
Result from current operations before depreciation and amortisation (RCOBD)[2)]	2,613	2,939	13%	2%
in % of revenue	*19.4%*	*19.4%*		
Result from current operations (RCO) [2)]	1,846	1,984	7%	3%
Profit for the financial year	983	896	-9%	
Group share of profit	800	706	-12%	
Earnings per share in € (IAS 33) [3)]	4.26	3.66	-14%	
Adjusted earnings per share (IAS 33) [4)]	4.32	5.34	23%	
Cash flow from operating activities	1,449	1,874	29%	
Net debt	5,286	8,999	3,713	
Leverage[5)]	2.02x	3.06x		

1) Adjusted for currency and consolidation effects
2) Result from current operations before /after depreciation and amortisation corresponds to operating income before depreciation (OIBD)/operating income (OI) reported in previous years. The change of name occured in the context of the application of an ESMA directive (European Securities and Markets Authority)
3) Attributable to the shareholders of HeidelbergCement AG
4) Excluding additional ordinary result of €m-324
5) Net debt/RCOBD

Significant growth due to the takeover of Italcementi

HEIDELBERGCEMENT

Pro forma key financial figures
Inclusion of Italcementi since beginning of 2015

Pro forma key financial figures	January-December			
€m	2015	2016	Variance	Like-for-like[1)]
Revenue	**17,331**	**17,084**	**-1%**	**-1%**
Result from current operations before depreciation and amortisation (RCOBD)[2)]	**3,153**	**3,195**	**1%**	**5%**
in % of revenue	***18.2%***	***18.7%***		
Result from current operations (RCO)[2)]	**2,037**	**2,073**	**2%**	**6%**
in % of revenue	***11.8%***	***12.1%***		

1) Adjusted for currency and consolidation effects, and proceeds from the sale of CO_2 emission rights of €m 50 in 2015 (Q1: €m 21 and Q2: €m 29) and €m -3 in 2016 (Q2: €m 17 and Q4: €m -20)

2) Result from current operations before/after depreciation and amortisation corresponds to operating income before depreciation (OIBD)/operating income (OI) reported in previous years. The change of name occured in the context of the application of an ESMA directive (European Securities and Markets Authority)

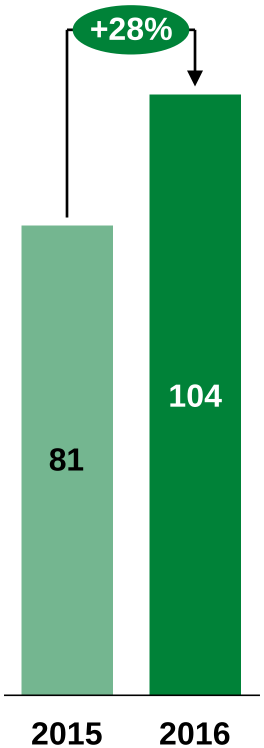
Operational improvement in demanding market environment

HEIDELBERGCEMENT

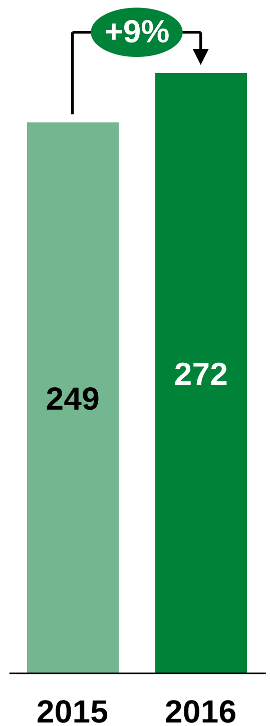
Sales volumes 2016

January–December

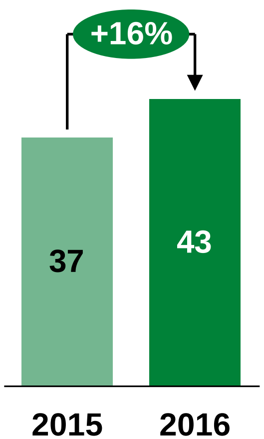
Cement (mt)



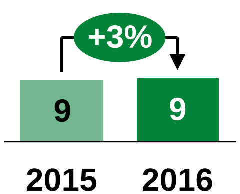
Aggregates (mt)



Ready-mixed concrete (mm^3)



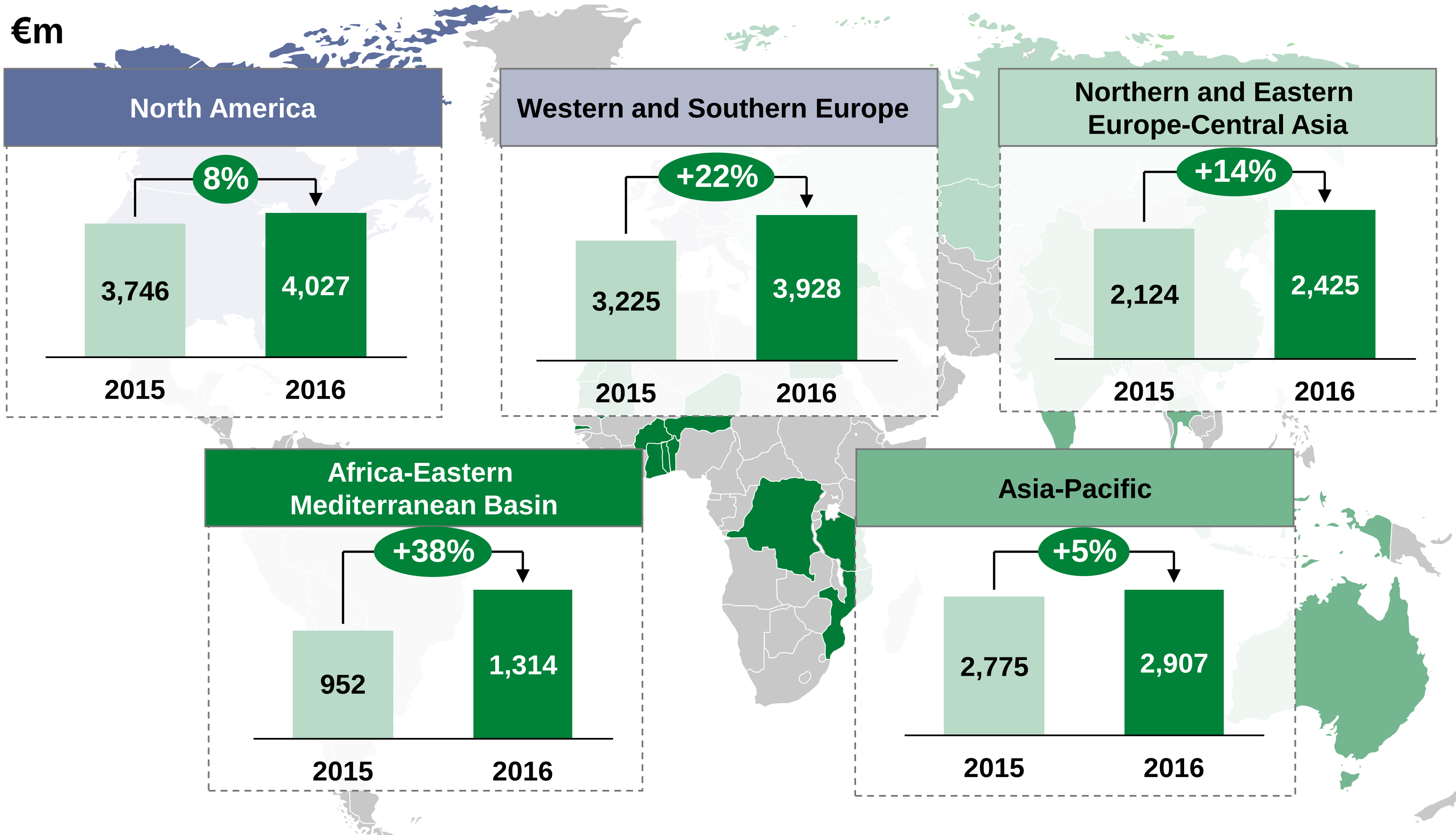
Asphalt (mt)



Significant increase in sales volumes due to consolidation of Italcementi since 1 July 2016

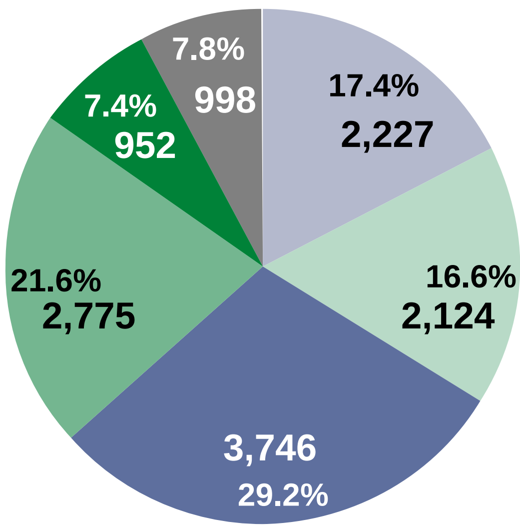
HEIDELBERGCEMENT

Revenue by Group areas

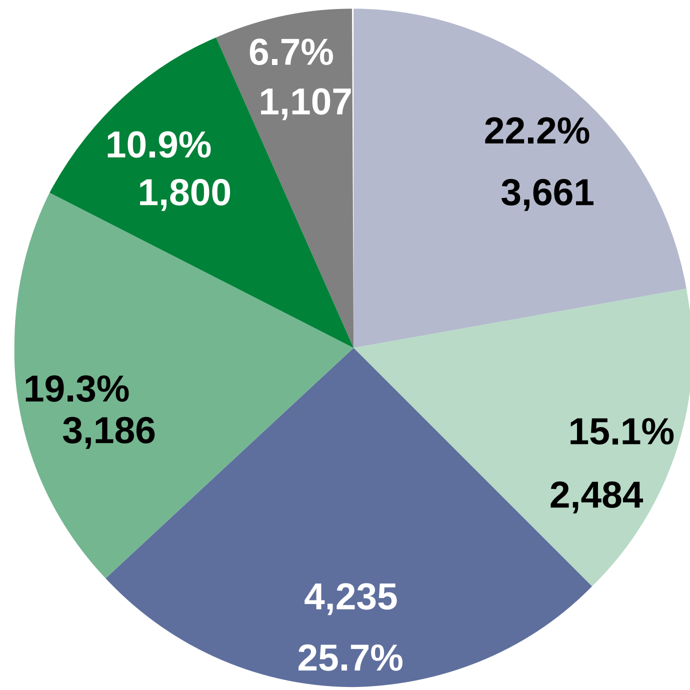


Italcementi acquisition strengthens market position esp. in Europe and Africa but also in North America and Asia

- **Revenue 2015: €m 13,465**
  (in % and €m)



- **Pro forma revenue 2016*: €m 17,084 (in % and €m)**

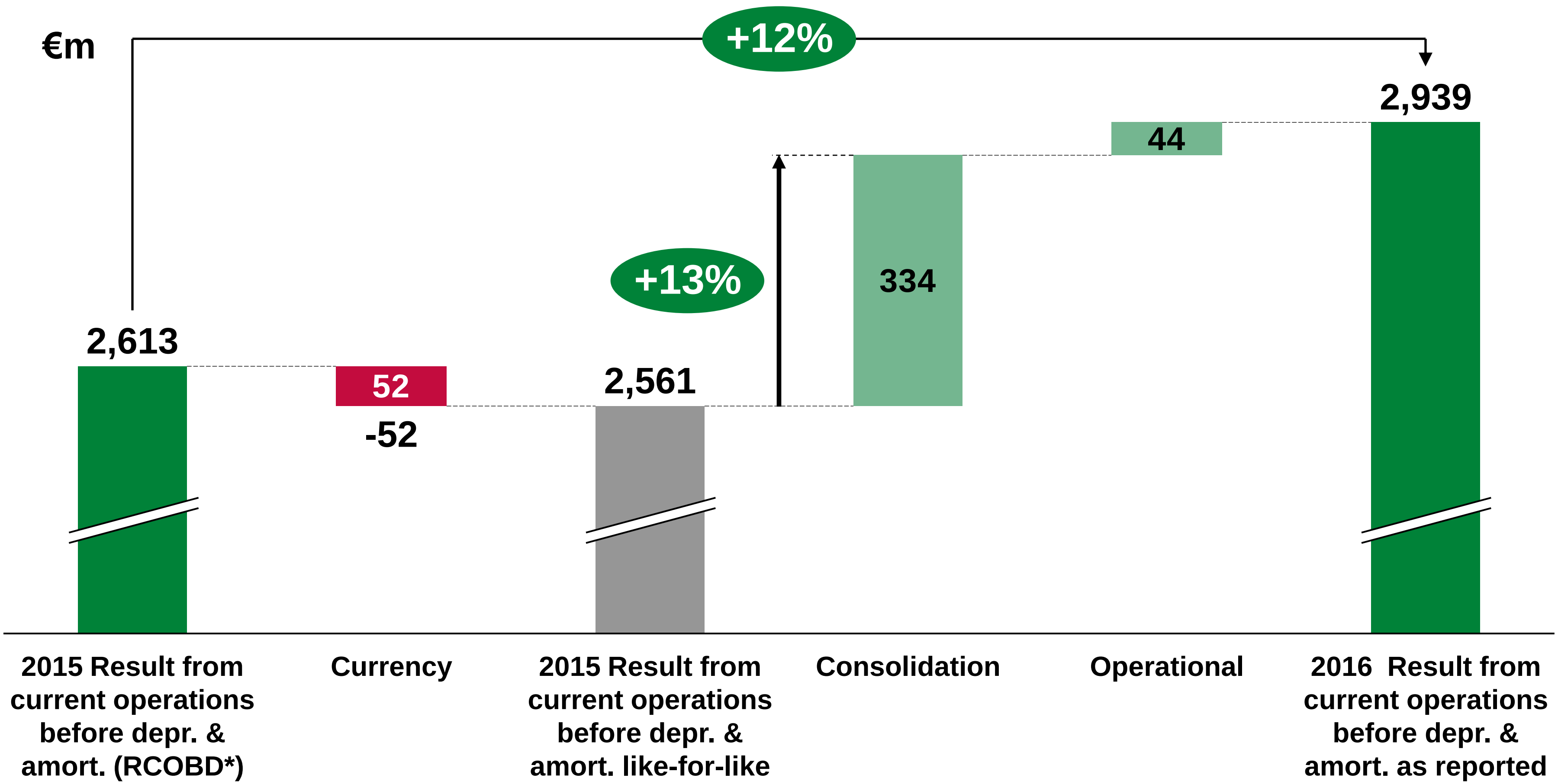


- Germany
- Rest of Western and Southern Europe
- Northern and Eastern Europe-Central Asia
- North America
- Asia-Pacific
- Africa-Eastern Mediterranean Basin

* Taking into account Italcementi for the full year 2016

HEIDELBERGCEMENT

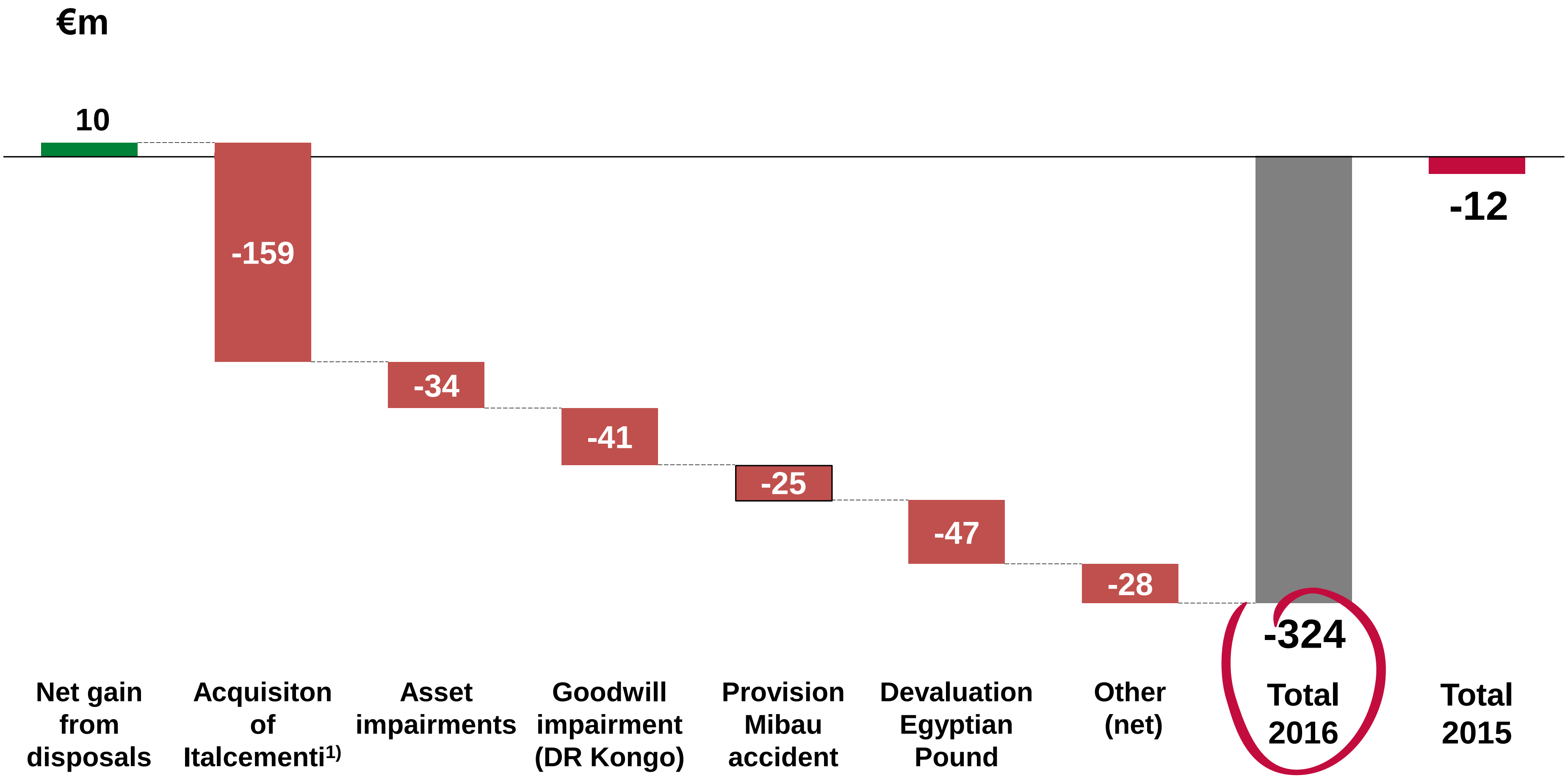
Strong growth of result after consolidation of Italcementi



Significant increase in result from current operations before depreciation and amortisation (RCOBD*) after consolidation of Italcementi in the second half of 2016

* RCOBD: result from current operations before depreciation and amortisation, corresponds to operating income before depreciation reported in previous years

Additional ordinary result 2016



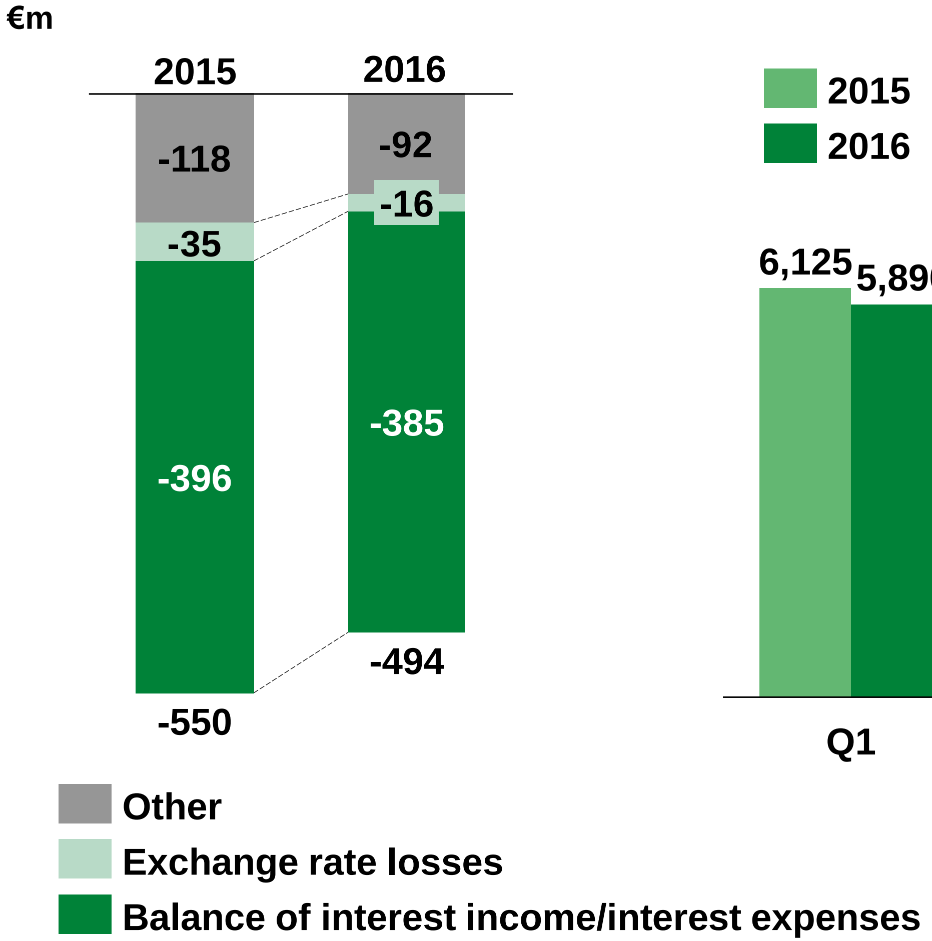
Additional ordinary result impacted by high non-recurring effects in context with the Italcementi acquisition

1) Includes expenses for restructuring, transcation costs etc.

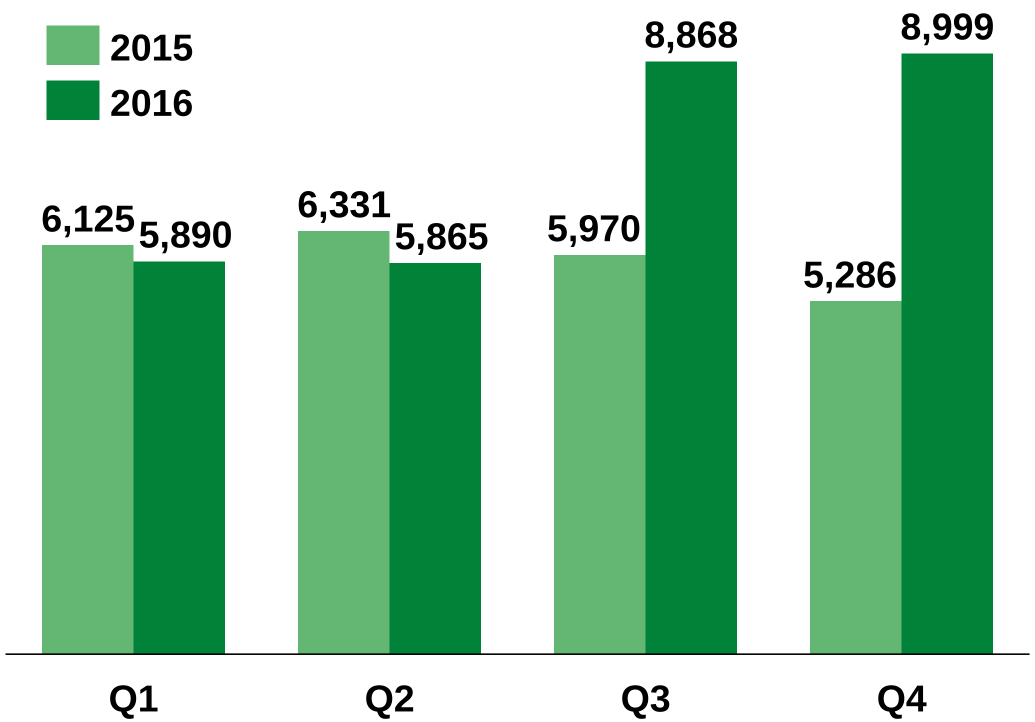
HEIDELBERGCEMENT

Reduction of financing costs despite acquisition of Italcementi and increasing net debt

Development of financial result

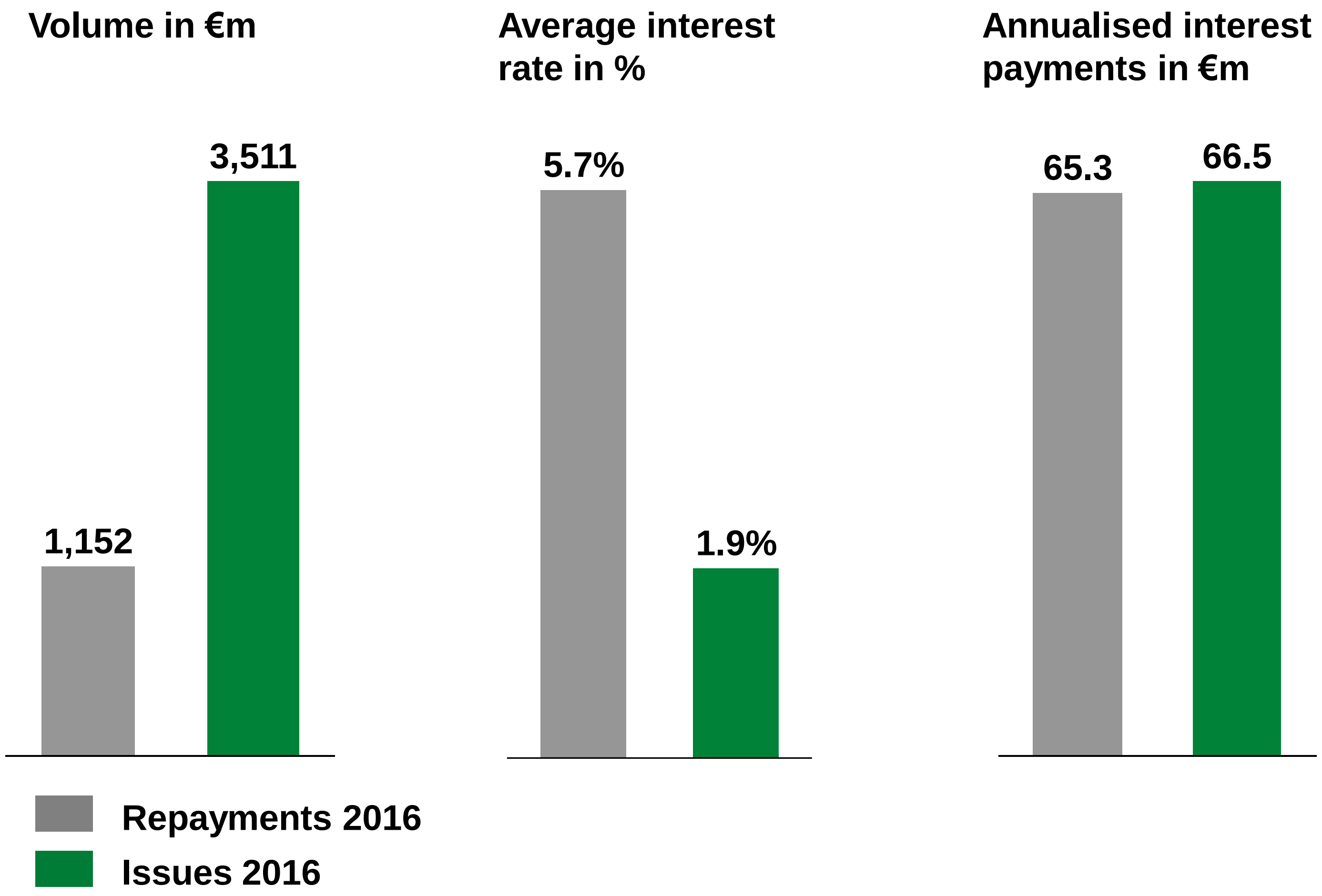


Net debt per quarter



HEIDELBERGCEMENT

Significant decrease in interest rate for refinancing

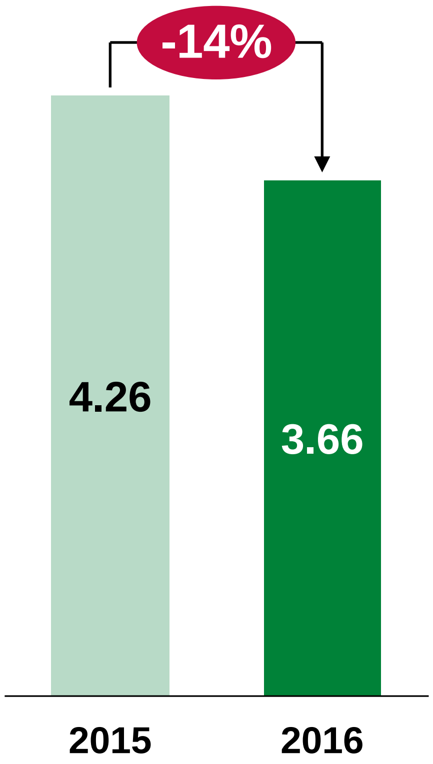


Significant decrease in interest rate for refinancing contributes to improved financial result

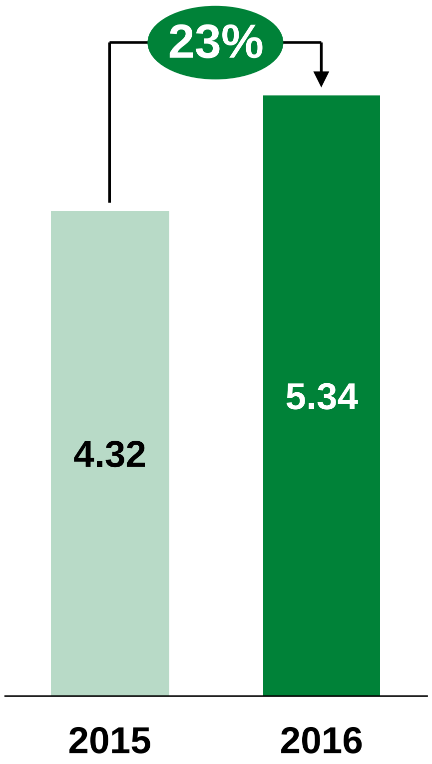
HEIDELBERGCEMENT

Earnings per share

- **Earnings per share as reported[1)] (€)**



- **Adjusted earnings per share[2)] (€)**



1) Attributable to the shareholders of HeidelbergCement AG
2) Without additional ordinary result of €m-324

Balance sheet (short form)

Consolidated balance sheet			
€m	31 Dec. 2015	31 Dec. 2016	Part of balance sheet total 2016
Intangible assets and property, plant, and equipment	20,310	26,284	71 %
Financial assets	1,832	2,387	6 %
Other non-current assets	1,526	1,774	5 %
Current assets	4,707	6,701	18 %
Assets held for sale and discontinued operations		7	0 %
Shareholders' equity and non-controlling interests	15,976	17,873	48 %
Non-current liabilities	7,531	12,271	33 %
Current liabilities	4,867	7,010	19 %
Balance sheet total	28,374	37,154	100 %
Equity/total capital	56.3%	48.1%	
Ned debt (€m)	5,286	8,999	
Gearing (net debt/equity)	33.1%	50.4%	

Increase in balance sheet total due to consolidation of Italcementi and appreciation of US dollar at end of 2016 (5% above the average exchange rate)

Statement of cash flows (short form)

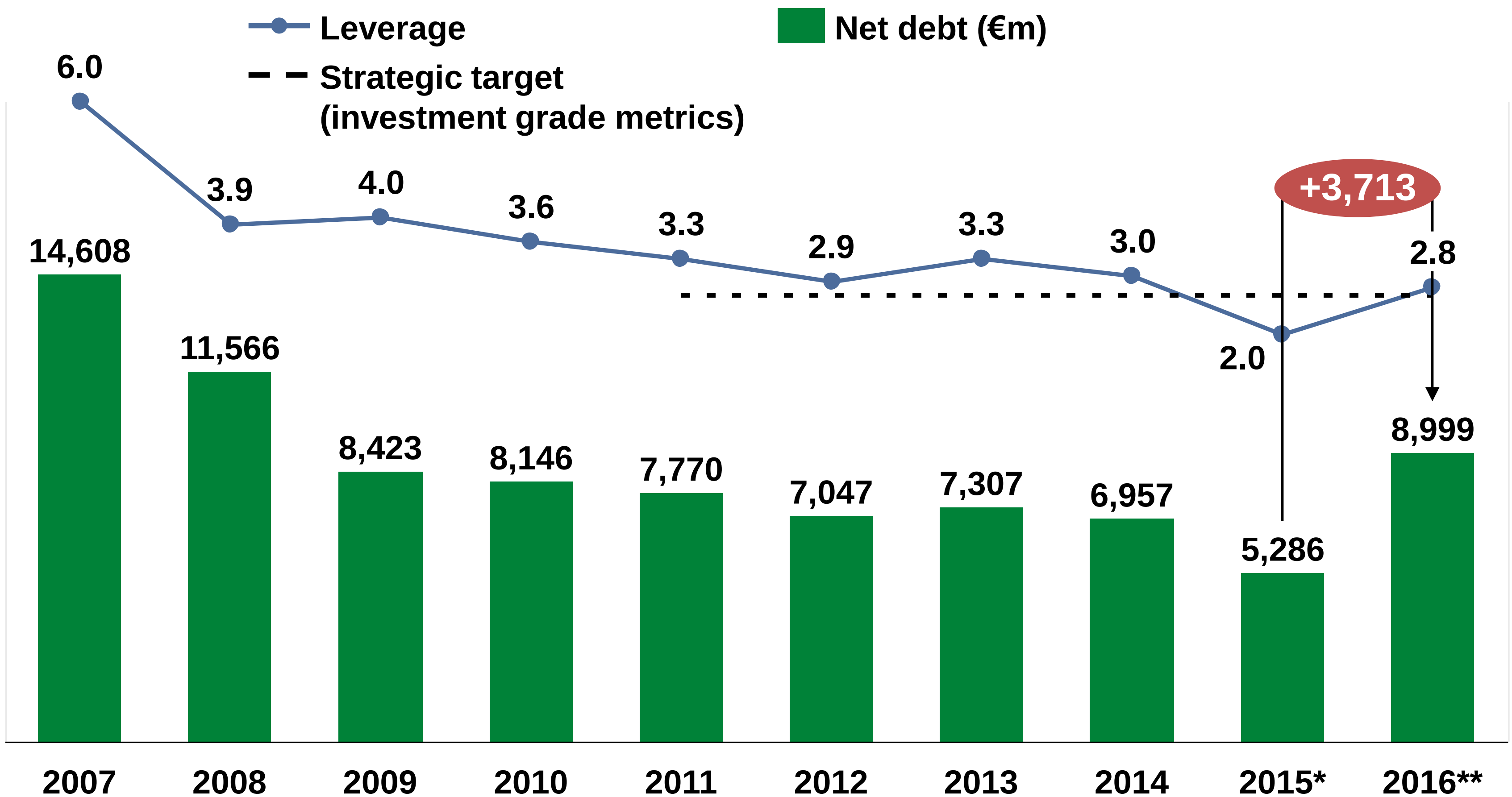
Consolidated statement of cash flows			
€m	**2015**	**2016**	**Difference**
Cash flow	**1,777**	**2,188**	**411**
Changes in working capital	**-22**	**97**	**119**
Decrease in provisions through cash payments	**-244**	**-383**	**-138**
Cash flow from operating activities – continuing operations	**1,511**	**1,902**	**392**
Cash flow from operating activities – discontinued operations	**-61**	**-28**	**33**
Cash flow from operating activities	**1,449**	**1,874**	**425**
Investments (cash outflow)	**-1,002**	**-4,039**	**-3,037**
Other inflows of cash and cash equivalents	**249**	**817**	**567**
Cash flow from investing activities – continuing operations	**-752**	**-3,222**	**-2,470**
Cash flow from investing activities – discontinued operations	**1,245**	**901**	**-344**
Cash flow from investing activities	**493**	**-2,321**	**-2,813**
Cash flow from financing activities – continuing operations	**-1,822**	**1,056**	**2,878**
Cash flow from financing activities – discontinued operations	**-5**	**0**	**5**
Cash flow from financing activities	**-1,827**	**1,056**	**2,883**
Effect of exchange rate changes	**7**	**13**	**6**
Change in cash and cash equivalents	**122**	**622**	**500**

Noticeable increase in cash flow from operating activities

HEIDELBERGCEMENT

Net debt development 2016

Acquisition-related increase in net debt to just below € 9 billion



* Includes non-controlling interests with put-options ** Calculated on pro forma basis

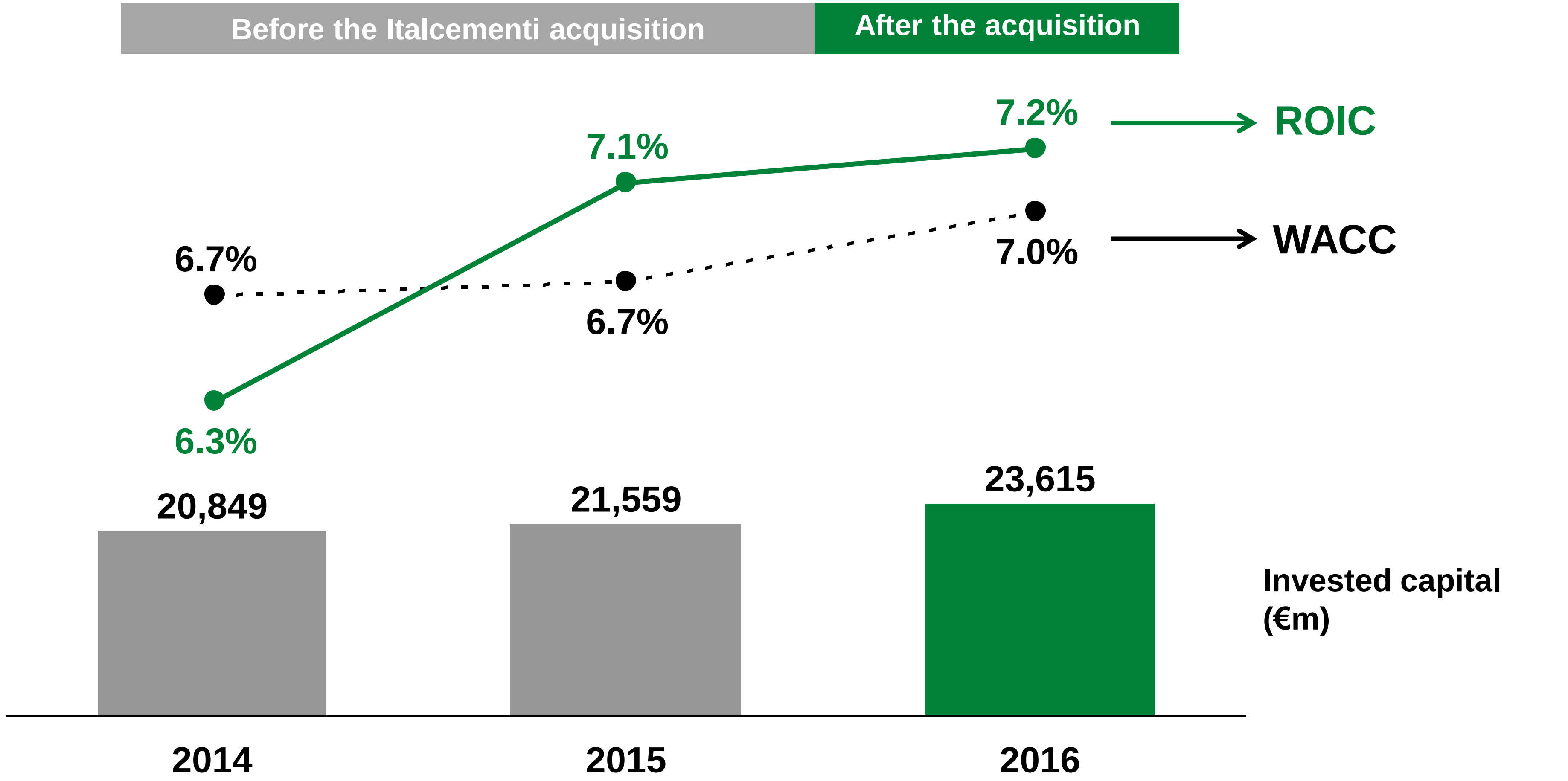
Key metric: leverage (net debt / RCOBD*) of 2.8x after major acquisition on acceptable level**

*** RCOBD: result from current operations before depreciation and amortisation, corresponds to operating income before depreciation reported in previous years

HEIDELBERGCEMENT

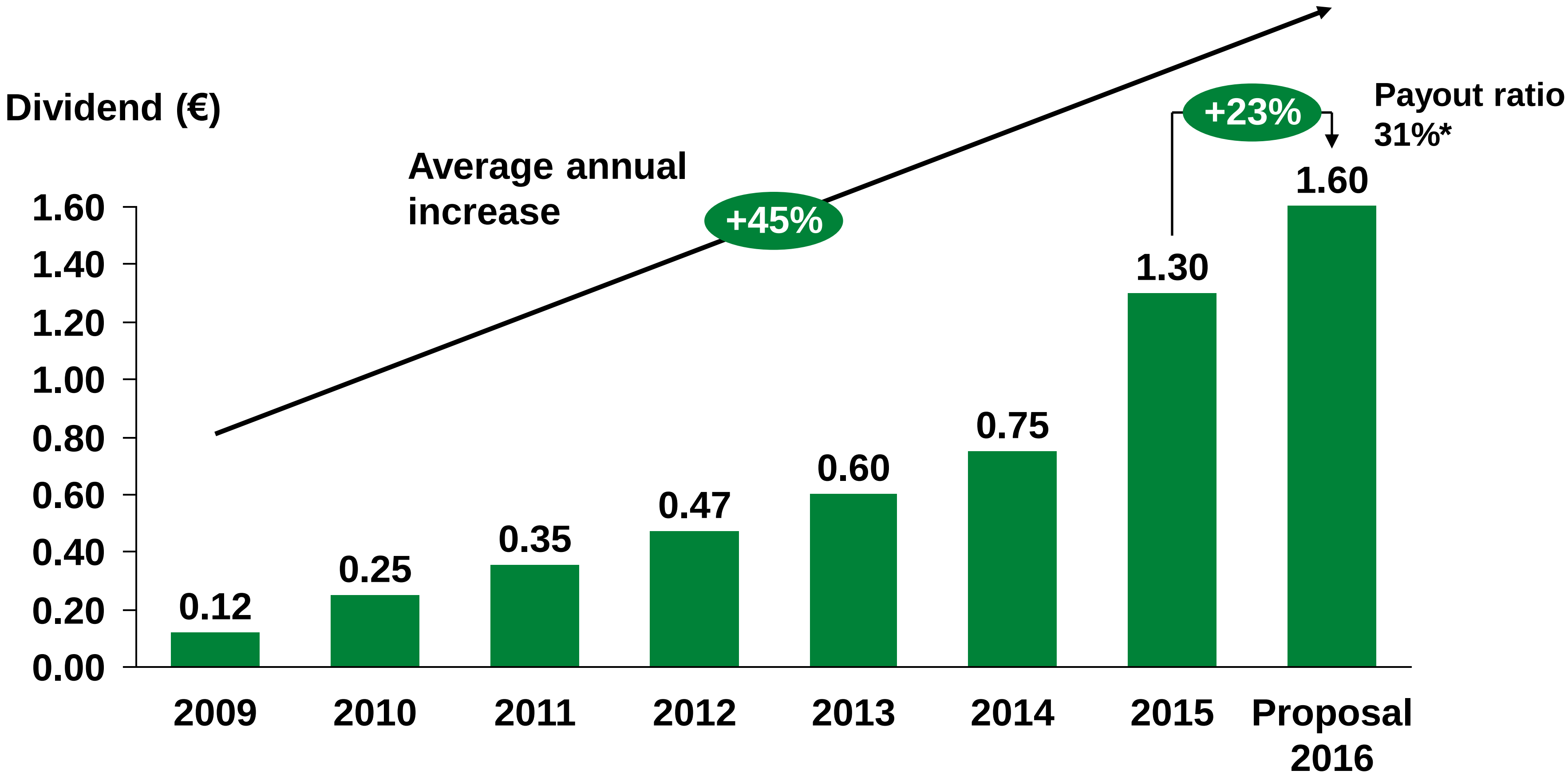
Premium earned on cost of capital

ROIC of 7.2% exceeds capital costs (WACC) of 7.0%



HeidelbergCement earned premium on cost of capital even after the Italcementi acquisition

Dividend proposal: increase by 23% to €1.60



Strategic priority to increase shareholder return is reflected in the progressive increase in dividend proposal

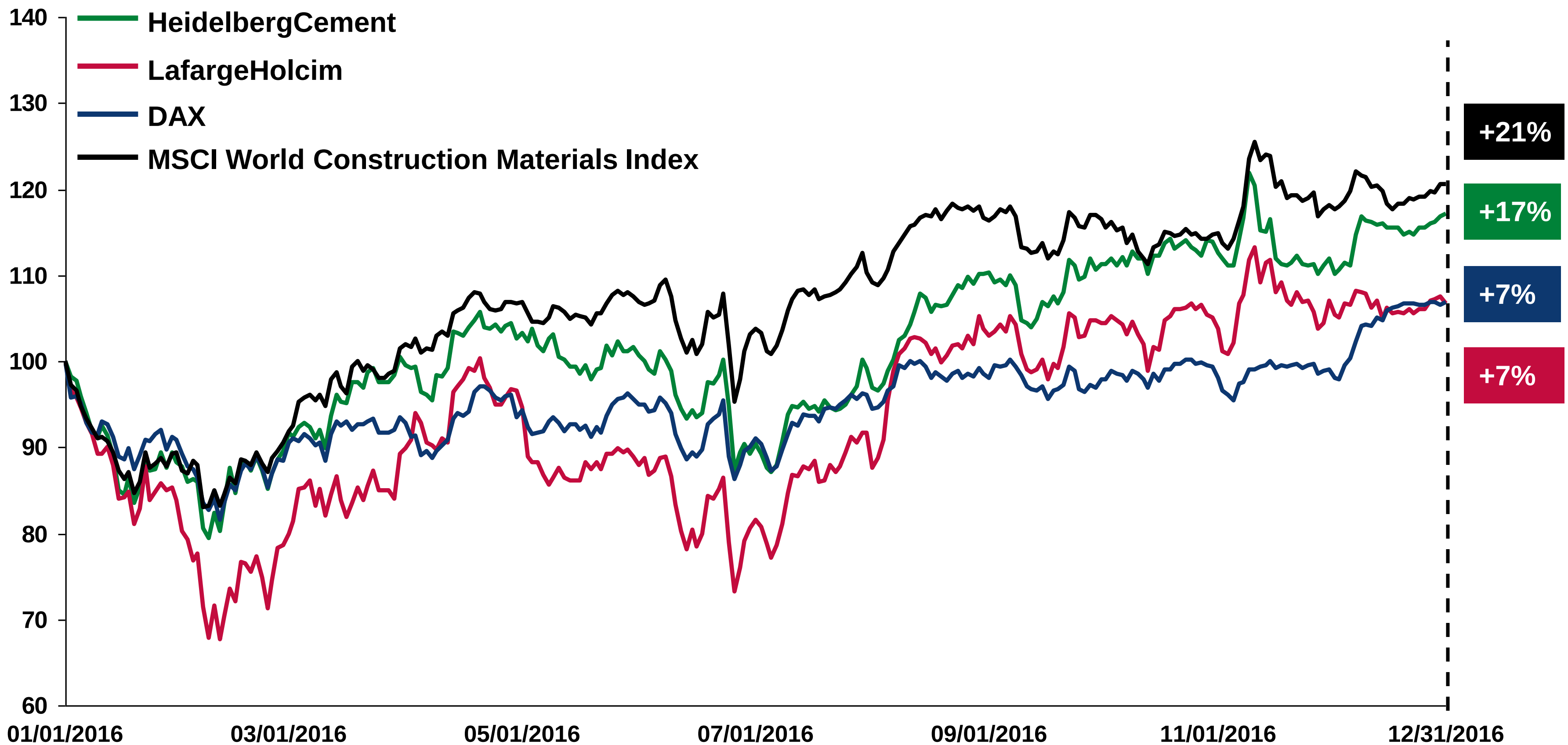
* Adjusted for the additional ordinary result of €m -324 and with regard to 198,416,477 shares

HEIDELBERGCEMENT

Contents

Share price 2016

Index price (Base 1 January 2016 = 100)



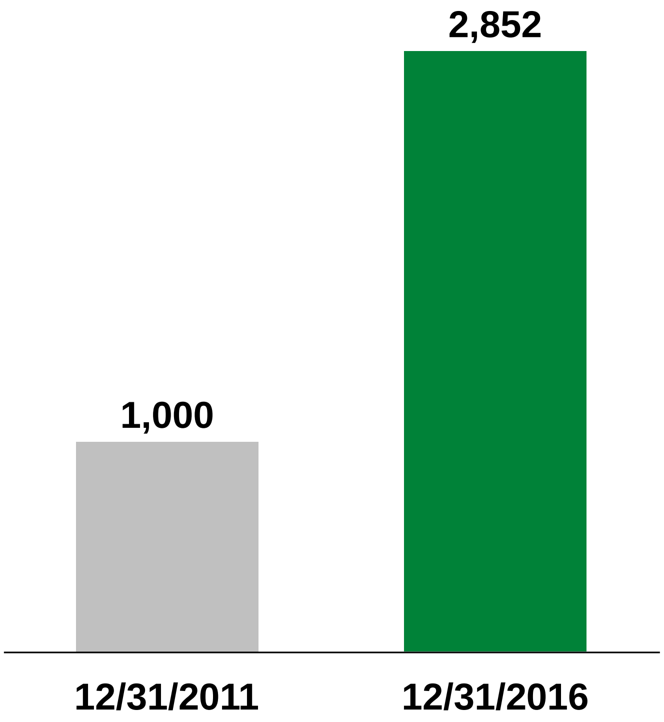
HeidelbergCement share price has beaten DAX for the 3rd year in a row

HEIDELBERGCEMENT

Source: Bloomberg

High return over five-year period

Invested capital in €

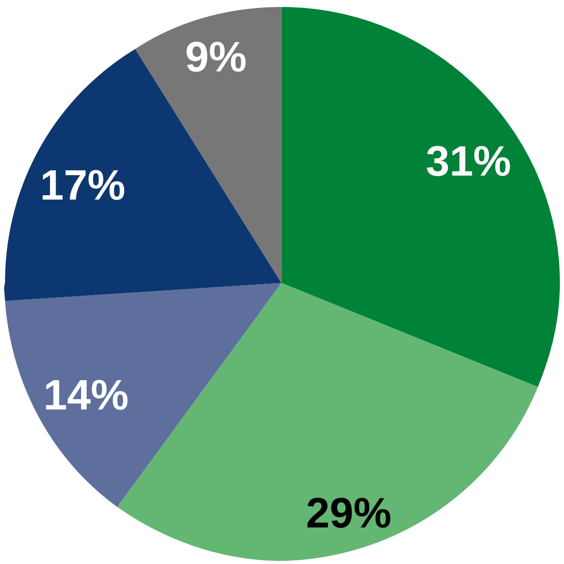


- A shareholder who invested €1,000 in HeidelbergCement shares at the end of 2011 generated a total return of about 185% by the end of 2016 (reinvested dividends).
- With 23.3%, the annual total return is thus significantly higher than that of the DAX with 13.6%.

An investment in HeidelbergCement shares almost tripled over a five-year period

Shareholder structure of HeidelbergCement

Geographical distribution of shareholders (as of Dec. 2016)



Germany
North America
Europe (excl. UK + Germany)
Rest of the world, retail investors
UK + Republic of Ireland

Shareholder structure (latest notifications)

- 25.52% Ludwig Merckle via participations
- 10.01% The Capital Group Companies, Inc., Los Angeles/USA
- 7.34% Stephen A. Schwarzman und Maximilian Management LLC, Wilmington/USA (via First Eagle Investment Management, LLC, New York/USA)
- 4.995% BlackRock, Inc., Wilmington/USA
- 3.84% Société Générale S.A., Paris/Frankreich

Shareholder structure further enlarged: share of institutional investors in USA and Italy increased

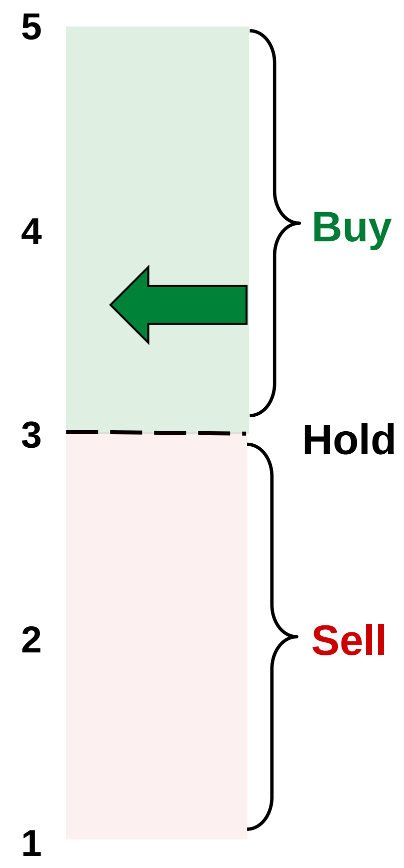
HEIDELBERGCEMENT

IR work and recommendations by financial analysts

Focus & success of investor relations work

- **Geographical enlarged shareholder structure:**
  → share of American and Italian investors increased
- **Reduction of share price volatility:**
  → share of long-term investors increased
- **Extel IR survey 2016: HeidelbergCement‘s IR work is the best in the construction sector in all categories: CEO, CFO, IR work, and IR employees**

Average recommendation by analysts (as of 28 April 2017)



Source: Bloomberg

HEIDELBERGCEMENT

CDP Ranking 2016

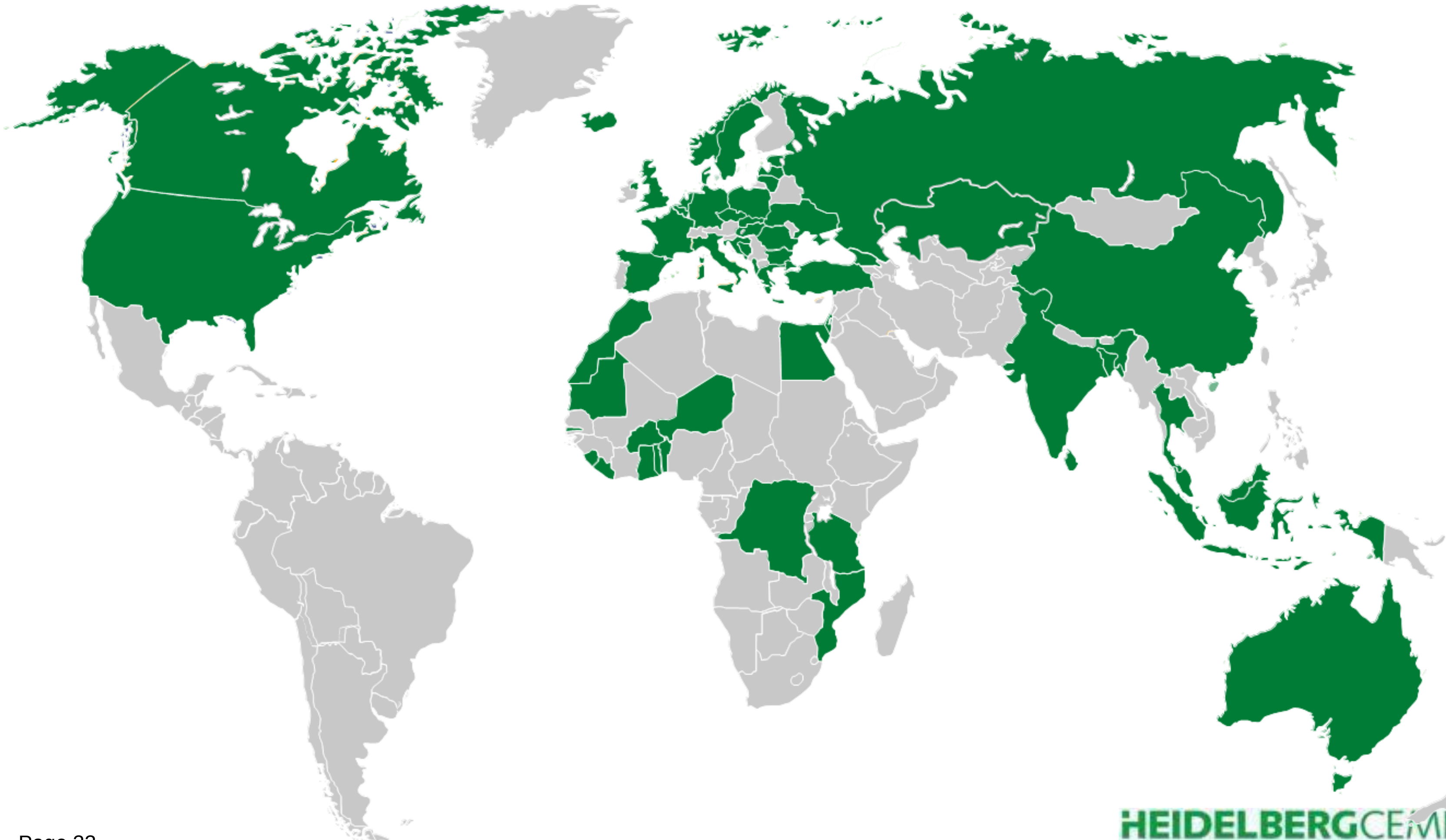
- **HeidelbergCement was identified by CDP (Carbon Disclosure Project) as one of the global leaders regarding actions and strategies against climate change and has been awarded a position on the “Climate A List”**

- **HeidelbergCement was also recognised as “Sector Leader Energy & Materials” in the DACH region (Germany, Austria, Switzerland) and as “Index/Country Leader DAX”**

Contents

HeidelbergCement worldwide: 3,000 locations in around 60 countries on five continents

No. 1 in aggregates, no. 2 in cement, and no. 3 in ready-mixed concrete

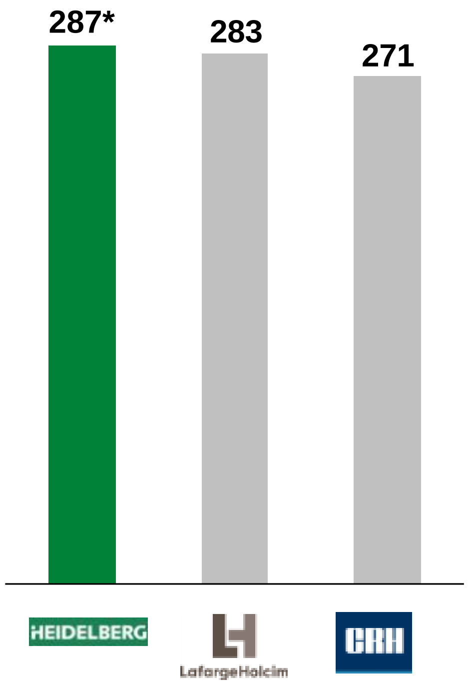


HEIDELBERGCEMENT

Expansion of strong market positions

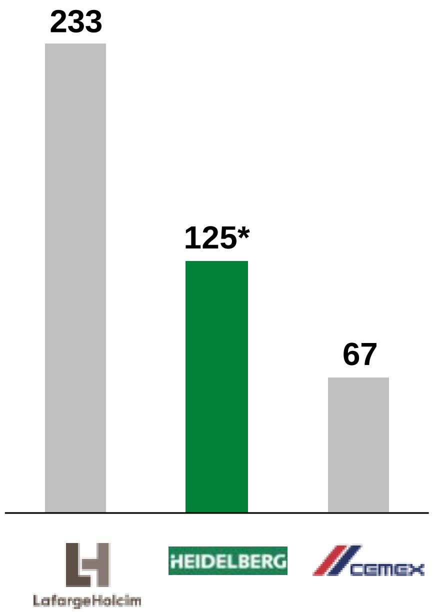
Aggregates sales volumes 2016

(mt)



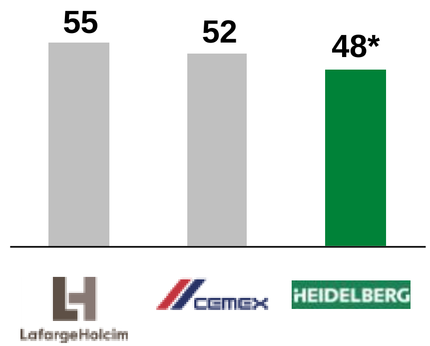
Cement sales volumes 2016

(mt)



Ready-mixed concrete sales volumes 2016

(mm^3)

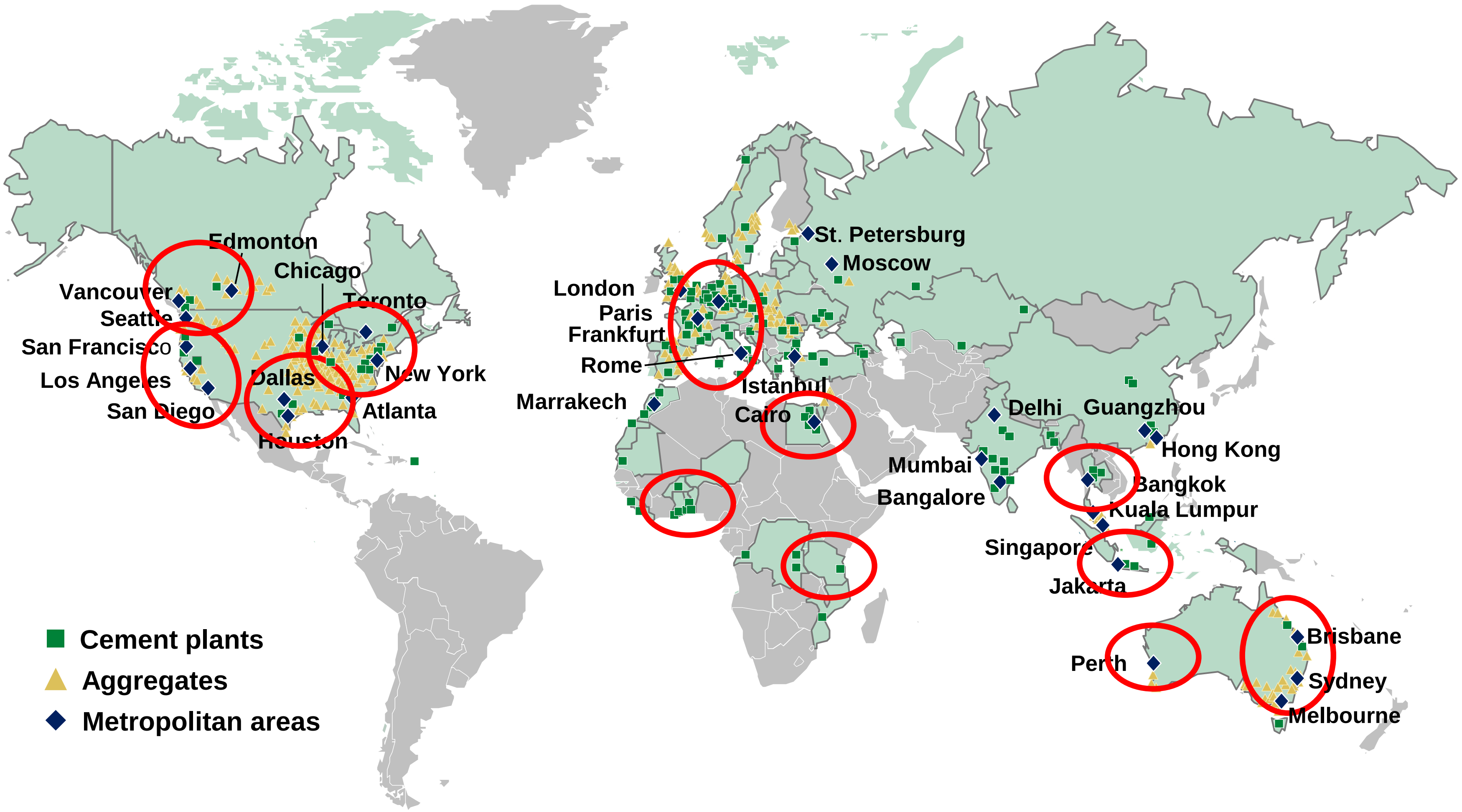


Acquisition creates global no. 1 in aggregates no. 2 in cement, and no. 3 in ready-mixed concrete

HEIDELBERGCEMENT

*All 2016 figures of HeidelbergCement are pro-forma figures

HeidelbergCement is well positioned in important urban centers



HEIDELBERGCEMENT

Our target: increasing shareholder value

- Continuous growth
- Increased cash flow
- Attractive shareholder returns

HEIDELBERGCEMENT

Our target: increasing shareholder value

- **Benefit from recovery of mature markets, especially aggregates**
- **Pricing above inflation rate**
- **Targeted and disciplined growth**
- **Expanding vertical integration in urban centers**
- **Culture of continuous efficiency improvements**
- **Digitisation of value chain**
- **Focus on cash generation**

Targets in 2019

Revenue in €bn

>20

Result from current operations before depreciation and amortisation in €bn

>5

HEIDELBERGCEMENT

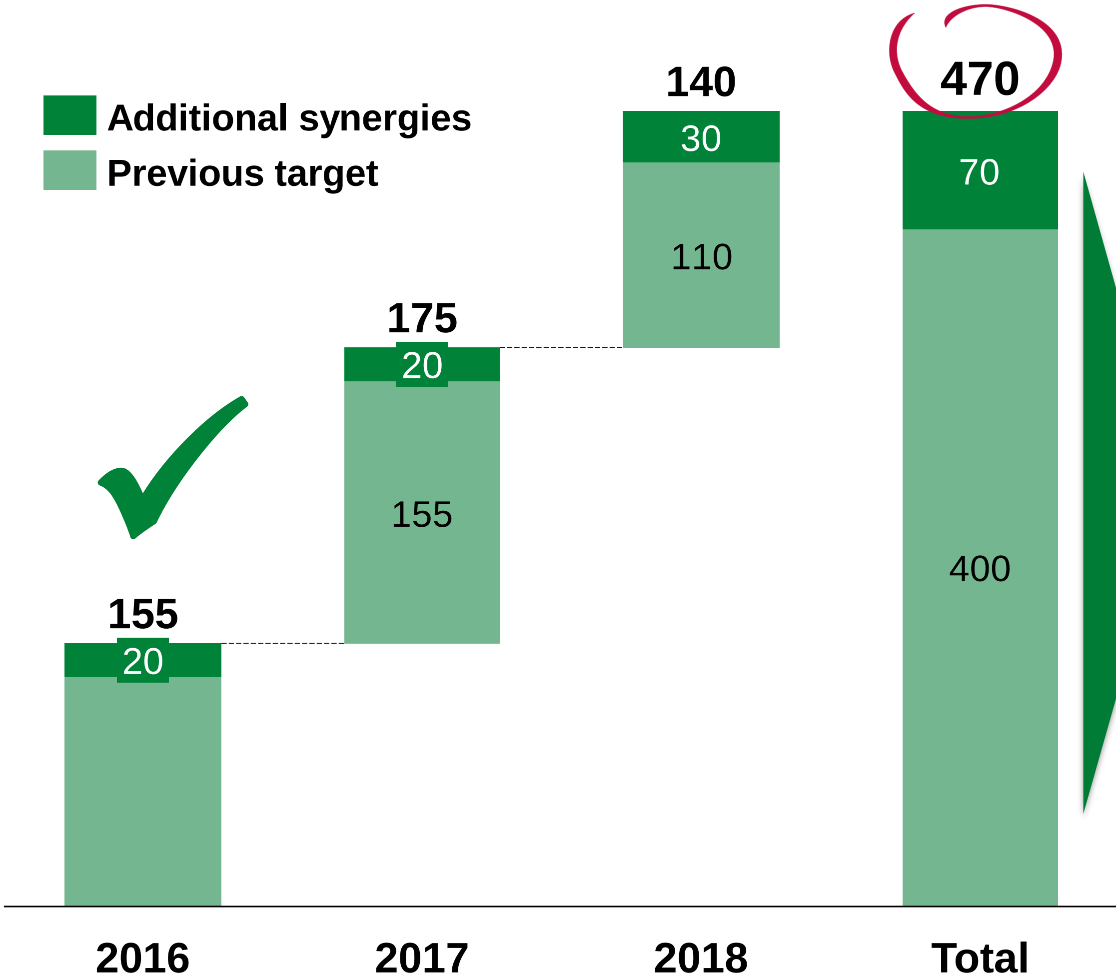
Continuous portfolio optimisation also in 2016

- **Australia: purchase of Rocla Quarry Products (RQP)**
  - **RQP operates mainly 12 sand pits in the metropolitan areas of Perth, Adelaide, Melbourne, and Sydney with an annual production of 6 million tonnes**
- **Northern Europe: share in Mibau increased from 50% to 60% (full consolidation)**
  - **Mibau operates 4 aggregates quarries in Norway with an annual production of 10-12 million tonnes**
- **Africa: market entry in Mozambique with the purchase of Austral Cimentos Sofala (ACS)**
  - **ACS operates a grinding plant close to the port of Beira with an annual production capacity of 0.35 million tonnes**



HEIDELBERGCEMENT

Italcementi: synergy target increased to €m 470



Split	€m
Operational	165
Sales, general & administrative	115
Procurement	50
Other	95
Total RCOBD*	425
Treasury & Tax	45
Total synergies	470

Synergy target increased due to faster than planned reduction of staff and higher potential to improve efficiency

* RCOBD: result from current operations before depreciation and amortisation, corresponds to operating income before depreciation reported in previous years

Continuous improvement of efficiency and margins

Intensified use of modern IT systems (Industry 4.0)

“CIP” – Cement

- Promote entrepreneurial thinking of employees and culture of continuous improvement
- 2016: active in 67 cement plants

€m 120 sustainable results improvement 2015-2017

“Aggregates CI” – Aggregates

- Increasing professionalism & efficiency in operational and commercial areas through continuous improvement
- Implementation at all locations
- Digitisation of operational processes

€m 120 sustainable results improvement 2016-2018

“LEO” – Logistics

- Centralised order intake/dispatch planning
- Real-time monitoring of delivery processes: telematics, electronic delivery note
- Demand-oriented inventory management
- Fully automatic loading processes

€m 150 reduction in logistic costs

“FOX”– Procurement

- Continuation of successful cost savings initiative
- Standardisation and optimisation of procurement processes
- Digitisation of supplier management

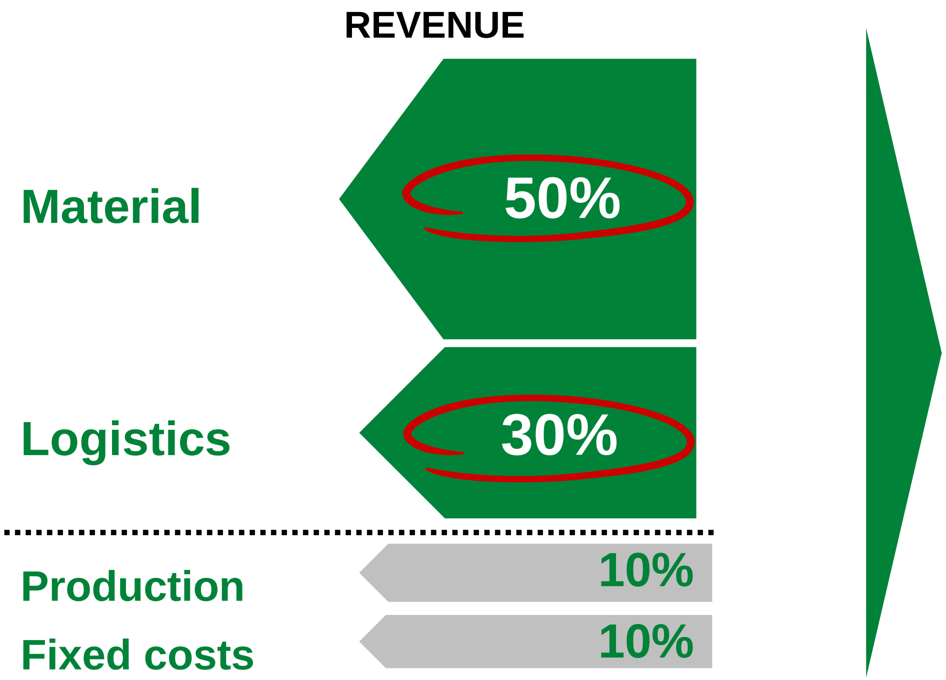
> €m 100 annual savings

Continuous efficiency and margin improvement is part of HeidelbergCement‘s DNA

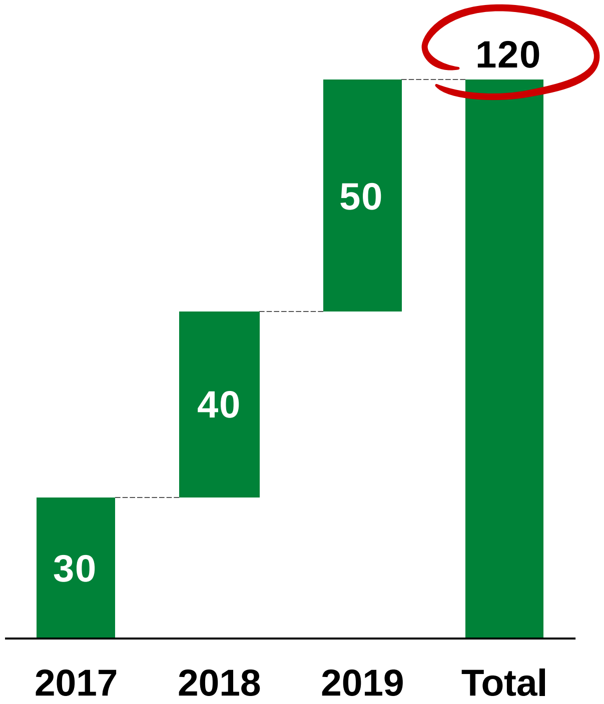
RMC: CCR – “Competence Center Readymix”

New programme	
	■ Margin in ready-mixed concrete of large cement companies are normally lower compared to independent competitors ■ Priorities for improvements are: material (concrete recipes) and logistics (80% of costs)

Room for improvement



Savings targets in €m



HEIDELBERGCEMENT

Sales: "Sales is a Science"– digitisation and standardisation of processes (Industry 4.0)

New Group function

"Market Intelligence and Sales Processes"

Market Intelligence

- Combination of external and internal information to develop a model for future market trends
- Estimation based on micro markets
- Detailed segmentation of markets and customers (size, growth, margins)
- Global approach and development of model by data experts, but local responsibility for maintenance and usage

Sales Processes

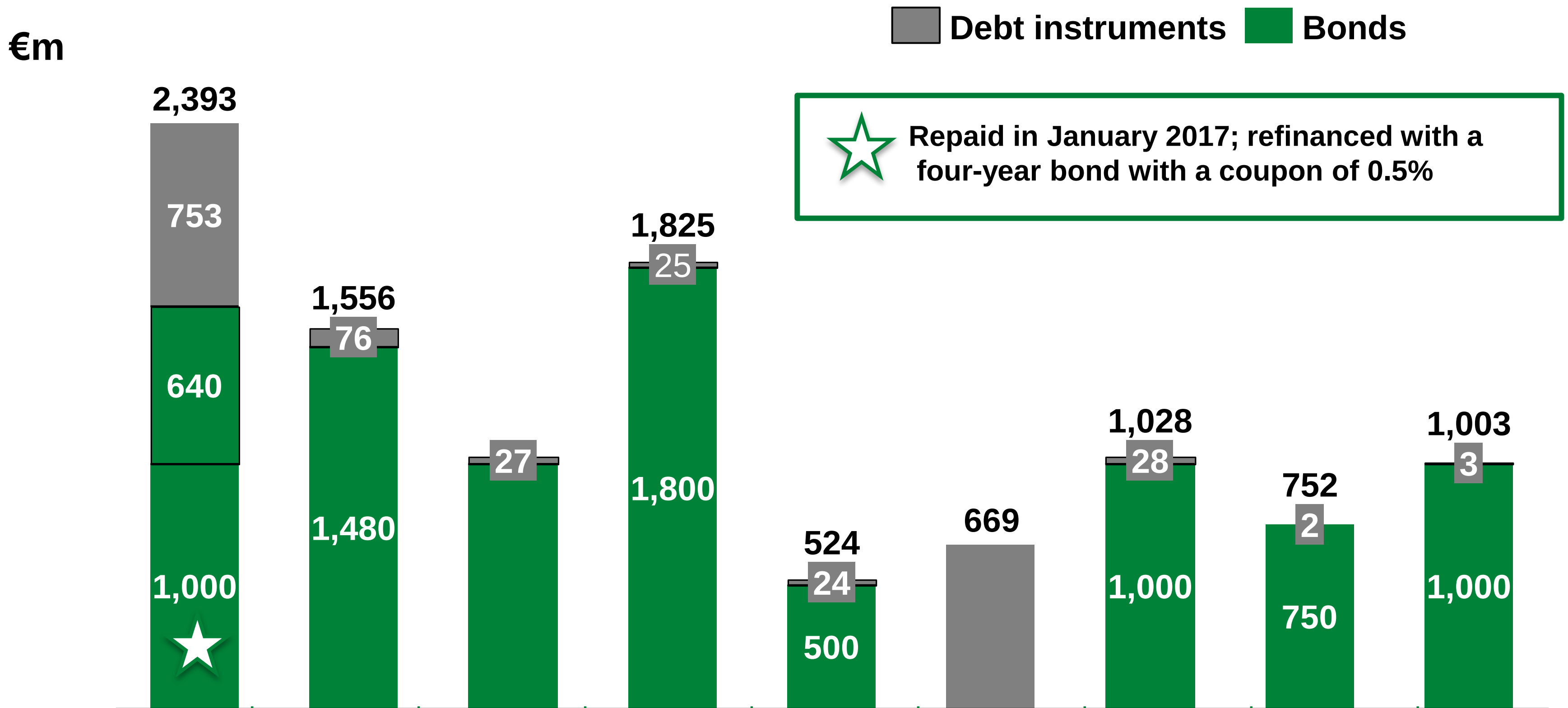
- Structured sales planning:
  - Daily, weekly, monthly, and quarterly planning of tasks
  - Sales meetings every Friday (review of the week, planning of the next week)
- Quarterly deviation analysis of planned and actual data (per segment and customer)
- Digitisation through CRM Tools that are easy to use

Really knowing the market → Understanding the customer better than anyone else → Manage each market individually → Selling the right volumes → At a better price

HEIDELBERGCEMENT

Financing costs: high cash flow potential

Debt maturity profile as of 31 December 2016



	2017	2018	2019	2020	2021	2022	2023	2024	2025
Average coupon:	6.9%	7.1%	5.4%	5.9%	3.3%	1.8%	2.3%	2.3%	1.5%

Significant cash flow potential due to favourable refinancing of bonds

HEIDELBERGCEMENT

Our target: achieve attractive returns for shareholders

	HeidelbergCement 2019
Revenue	> €20 billion
Result from current operations before depreciation and amortisation	> €5 billion
ROIC	> 10%
Leverage	1.5x – 2.5x
Earnings per share	€ ~11
Payout ratio	40% – 45%

Contents

Opening of new R&D center in Leimen

- **Opening on 26 October 2016 after only 15 months of construction time**
- **190 high-quality workplaces and 7,200 m² floor space**
- **Innovative use of concrete: thermal activation of the concrete ceilings for climate control**
- **Location of HeidelbergCement Technology Center (HTC) with its engineering and R&D departments**

Leading in innovation for climate protection

- **Research projects for CO_2 capture**
  - **Tests with 4 different technologies at Brevik cement plant in Norway completed**
  - **Participation in “CEMCAP” and “LEILAC” research cooperations (EU funded by “Horizon 2020” programme)**
- **Research projects on CO_2 recycling**
  - **“Power to Gas”: transformation of CO_2 with excess of alternative energies into methane**
  - **Carbonisation: absorption of CO_2 by geogenic minerals**
  - **Production of biomass from CO_2 (e.g. microalgae) for manufacturing of bio fuels or animal feed**
- **Alternative clinker technology Ternocem®**
  - **Saving of around 30% of CO_2 emissions and 18% of energy due to changes in chemical composition; development for marketability on track**

algoland
CEMENTA
HEIDELBERGCEMENT Group

Sustainability: focus on species protection

- **Quarry Life Award**
  - **International scientific and educational competition to promote biodiversity in quarries**
  - **Target group: students, researchers, NGOs**
  - **2016: 94 projects in 21 countries**

- **Partnership with BirdLife International (since 2011)**
  - **Better biodiversity management due to cooperation with experts of BirdLife and their partner organisations in Europe and Africa**

R&D activities complemented by new Group function

- Optimising costs
- Consistent analyses
- Concrete recipes

Global R&D
(Heidelberg)

New

Product innovation
(Bergamo)

- Focus on innovation
- Concrete applications
- Go-to-market approach

HEIDELBERGCEMENT

Italcementi Group

HEIDELBERGCEMENT

Example: innovative concrete solutions

Italcementi
The Photocatalytic Active Principle

- **Facade of the Dior branch in Miami realised by using the biodynamic cement i.active, based on TX Active technology.**
- **TX Active-based building materials improve air quality and have an aesthetic look.**
- **TX Active is based on the photocatalytic effect: Exposed to sunlight, organic and inorganic substances oxidise in the air and transform into innocuous substances.**
- **The facade received the silver American Architecture Prize in the Commercial Architecture category.**

Barbaritobancel Architectes,
Photo with the kind permission of Alessandra Chemollo

Contents

HEIDELBERGCEMENT

Market and financial overview in Q1 2017

- **Italcementi acquisition strengthens revenue and result**
  - **Marked increase in sales volumes in all business lines**
  - **Revenue up 34% to €m 3,784 (Q1 2016: €m 2,832)**
  - **Result from current operations before depreciation and amortisation rose by 19% to €m 383**
  - **Earnings per share improved by 7% compared to Q1 2016**
- **Higher result contributions in mature markets – price pressure in emerging markets**
  - **Operational result improvement in mature markets despite bad weather almost compensates for pressure on margins in Asia and Africa and rise in energy costs**
- **Successful cash flow management**
  - **More than €bn 1 free cash flow in the last 12 months**
  - **Improved financial result due to more favourable refinancing**
- **Outlook for year 2017 confirmed**

Solid result despite strong comparative basis, cost inflation, and bad weather

Key financial figures in Q1 2017

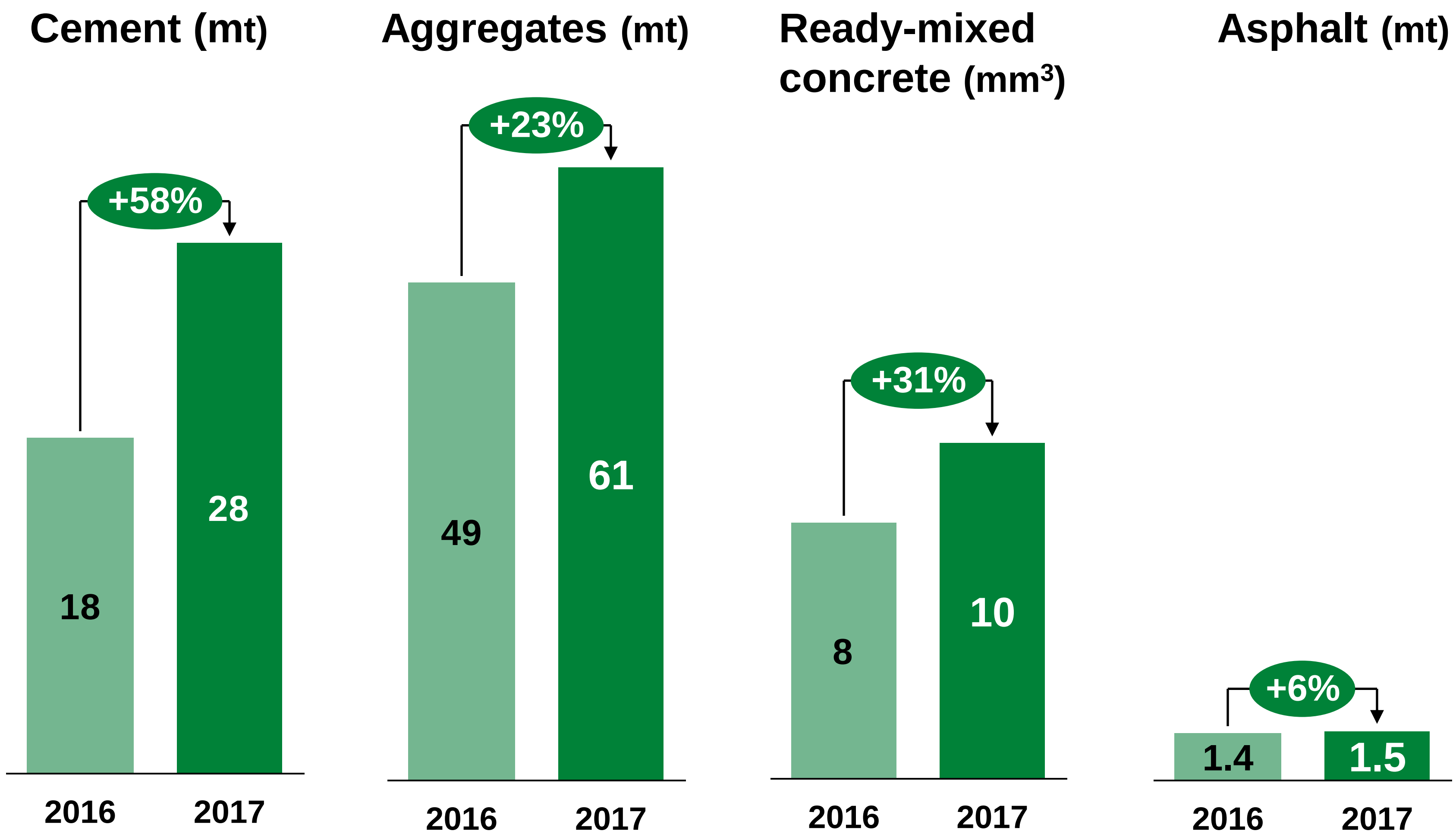
Key financial figures	January-March reported			January-March pro forma[1]			
€m	2016	2017	Variance in %	2016	2017	Variance in %	Like-for-like[2] in %
Consolidated income statement							
Revenue	2,832	3,784	34 %	3,743	3,784	1 %	0%
Result from joint ventures	31	30	-2 %				
Result from current operations before depreciation and amortisation (RCOBD)	321	383	19 %	391	383	-2 %	-3%
RCOBD margin in %	11.3%	10.1%		10.4%	10.1%		
Result from current operations	138	108	-21 %	124	108	-13 %	-14%
Loss for the period	-31	-35	-13 %				
Group share of loss	-72	-70	2 %				
Earnigs per share in € [3]	-0.38	-0.35	7 %				

	January - March		
€m	2016	2017	Variance
Consolidated statement of cash flows			
Cash flow from operating activities	-262	-485	-224
Total investments	-257	-195	62
Consolidated balance sheet			
Net debt	5,890	9,601	3,711
Gearing	38.7%	53.8%	

1) Including Italcementi in Q1 2016
2) Like-for-like: adjusted for currency and consolidation effects
3) Attributable to the shareholders of HeidelbergCement AG

HEIDELBERGCEMENT

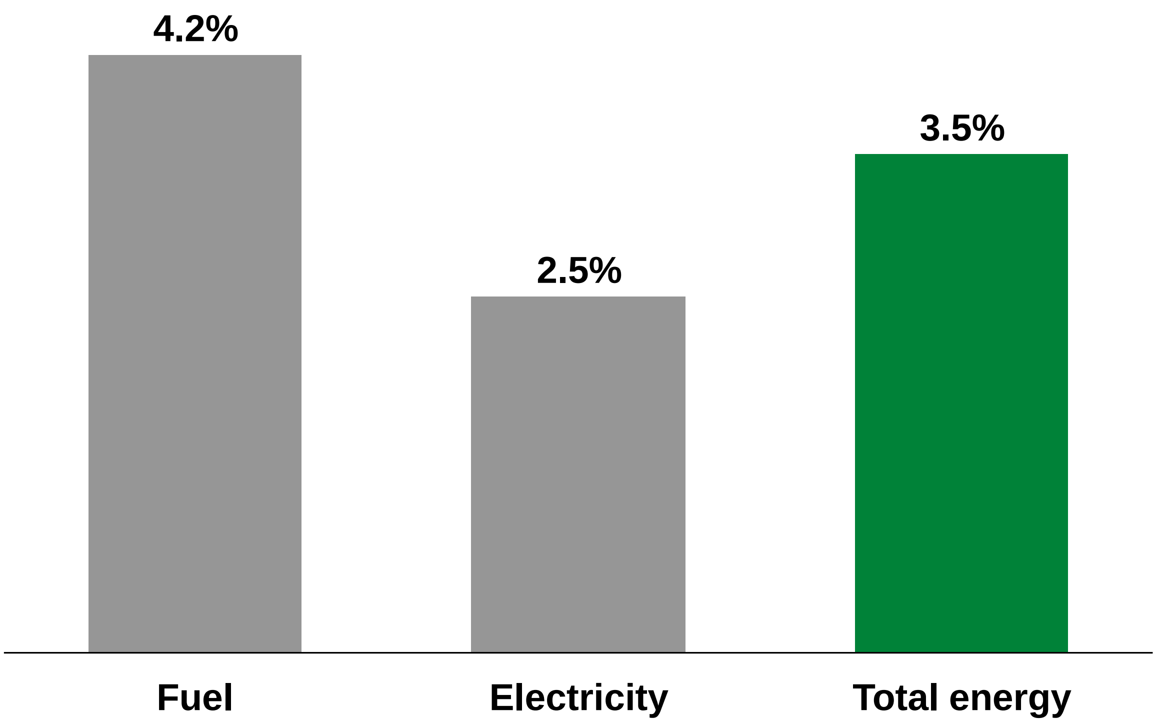
Sales volumes in Q1 2017
(Italcementi included since 1 July 2016)



HEIDELBERGCEMENT

Moderate increase in energy costs in Q1 2017

Development of energy costs in the cement business line in Q1 2017 vs. Q1 2016

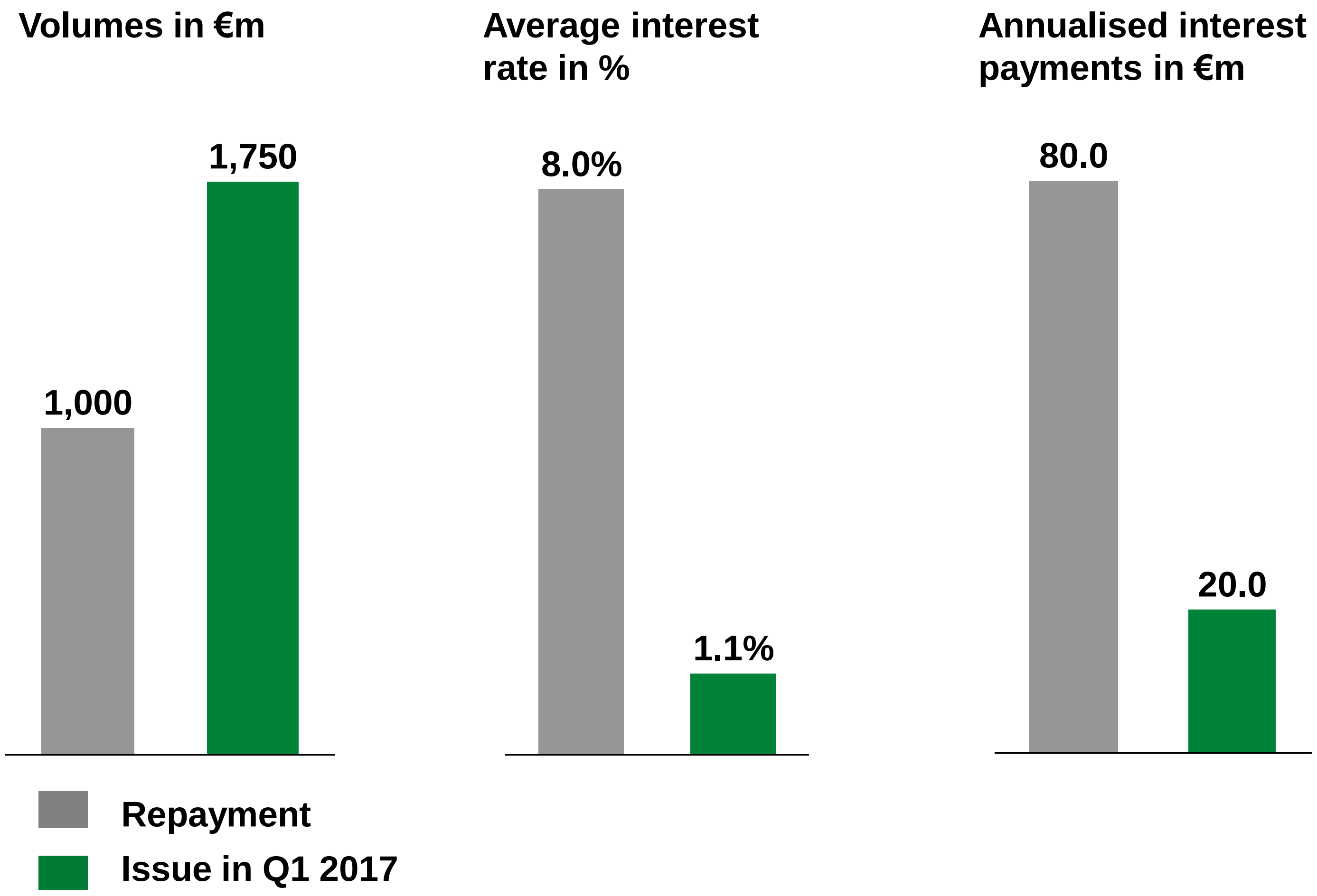


Increase in energy costs of almost 10% expected on annual level

HEIDELBERGCEMENT

Successful refinancing measures in Q1 2017

Placement of two euro bonds with a volume of €bn 1 and €m 750 in January and March

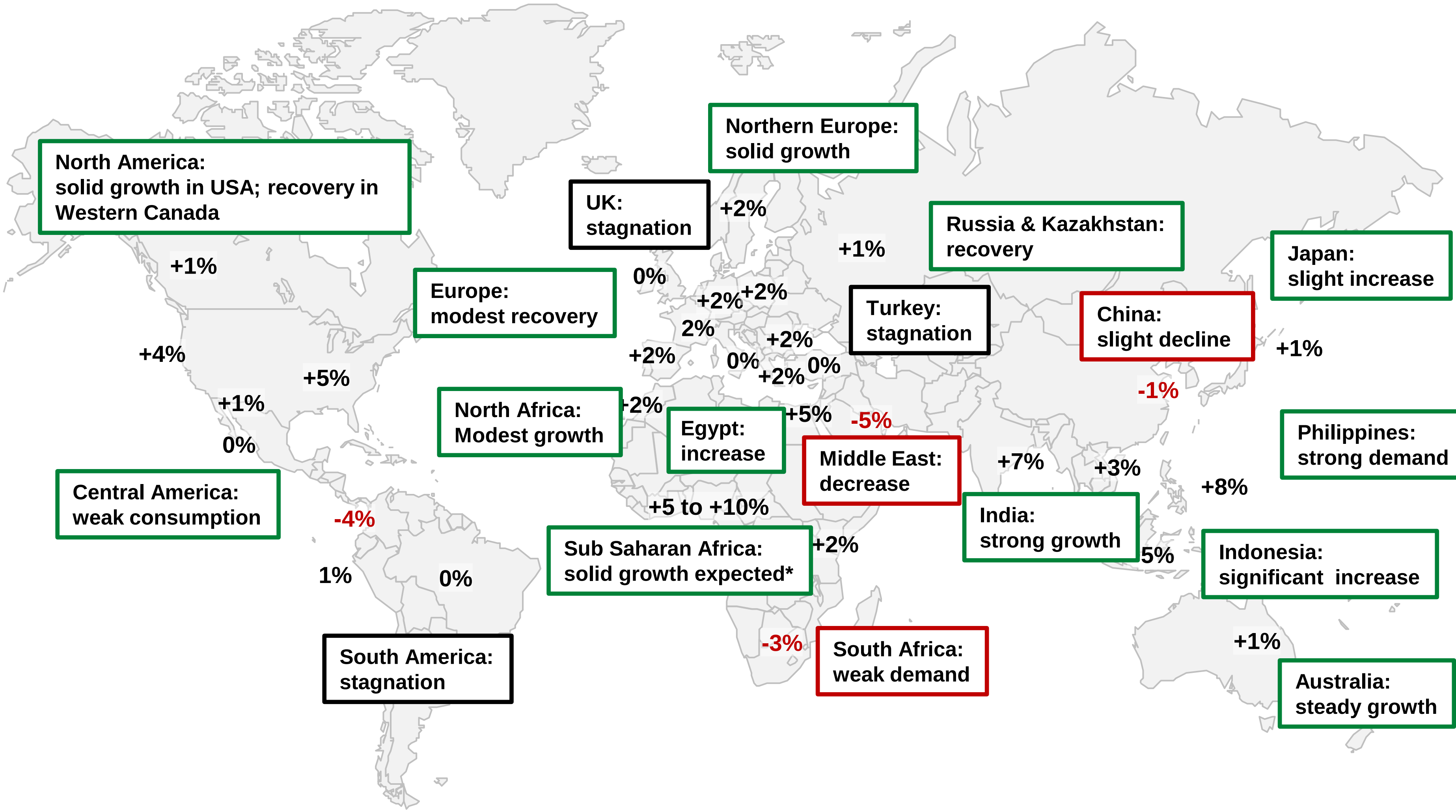


Refinancing with significantly lower interest rate contributes to improvement of financial result and cash flow

HEIDELBERGCEMENT

Contents

Global cement demand outlook in 2017

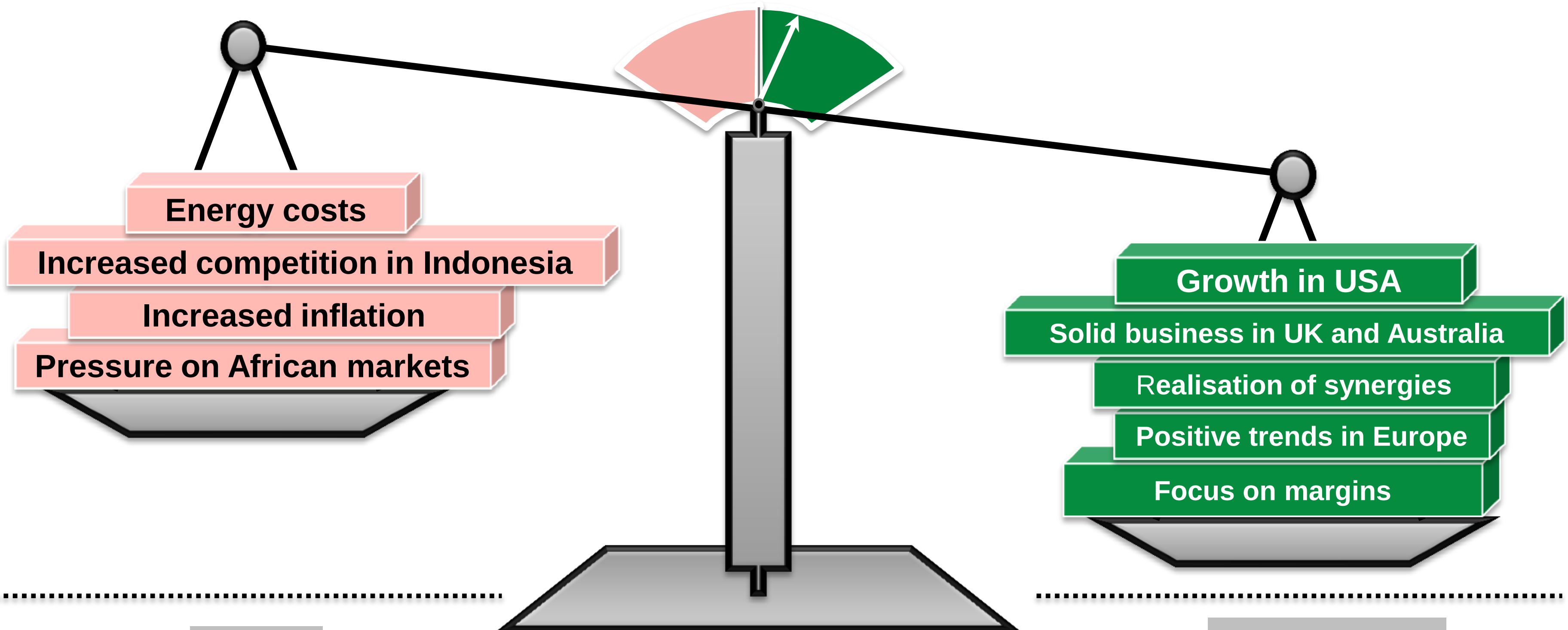


Solid demand and steady growth expected in our key markets

* Except oil producing countries Nigeria, Gabon, and Angola

HEIDELBERGCEMENT

Major drivers for business development in 2017



RISKS

- Political risks in the Middle East
- Course of Brexit negotiations
- Outcome of elections in Europe

POTENTIALS

- Weakening of the euro
- Investments in energy projects
- Infrastructure projects in Indonesia

Overall challenging but positive business environment expected in 2017

HEIDELBERGCEMENT

Outlook 2017

- Growth of sales volumes in all Group areas on pro forma basis*
  - Continuing growth in the USA (increasing sales volumes and prices)
  - Rising demand in the United Kingdom (strong vertical integration)
  - Continuing market growth in Germany, Northern Europe, and Australia
  - Higher demand in Italy, France, Morocco, and Egypt
  - Increasing sales volumes in Indonesia, India, and the African countries due to rising demand
- Significantly increasing energy costs
- Decreasing financing costs

Improved operational and financial results

- ➢ Growth of sales volumes in all Group areas
- ➢ Moderate increase in revenue and result from current operations*
- ➢ Significant increase in profit before non-recurring effects*

* Adjusted for currency and consolidation effects and inclusion of Italcementi for full year 2016

Management focus in 2017

- **Successful realisation of synergies resulting from the Italcementi acquisition**
- **Containment of cost inflation and compensation through price increases**
- **Further improvement of margins through efficiency improving programmes**
- **Disciplined cash management to decrease leverage**

Next Annual General Meeting on 9 May 2018



HEIDELBERGCEMENT