HeidelbergCement

2016 Results and 2017 Outlook

16 March 2017

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Union Bridge Cement Plant / MD, USA

Contents

HeidelbergCement continues to grow and deliver

- **2016: Significant increase in all key financial figures**
  - Cash flow from operations increases by **+29%** to 1.9b€
  - Adjusted EPS increases by **+23%** to 5.34€ [1]
  - Proposed dividend increases by **+23%** to € 1.60 per share [2]
- **Italcementi integration ahead of plan: Synergies up to 470 million EUR.**
- **Premium on cost of capital earned in the first year of Italcementi acquisition**

OUTLOOK

- Strong market in US
- Solid growth in Europe, Canada and Australia
- Mixed picture in Asia & Africa
- Continuous focus on efficiency
- Solid cash flow generation

➢ **Volume improvement in all business lines [3]**

➢ **Mid single to double digit EBITDA growth**

➢ **Leverage at around or below 2.5X**

1) Excluding additional ordinary result
2) Proposal of Managing Board and Supervisory Board to Annual General Meeting
3) Based on proforma figures

Key financials

Operational performance based on proforma figures:

Group Overview	Full Year 2015	Full Year 2016	Full Year variance		Full Year L-f-L	Q4 2015	Q4 2016	Q4 variance		Q4 L-f-L
Volumes										
Cement volume ('000 t)	121,929	124,983	3,054	3 %	2 %	31,155	30,769	-386	-1 %	-1 %
Aggregates volume ('000 t)	278,452	287,405	8,953	3 %	0 %	70,653	73,337	2,685	4 %	-5 %
Ready mix volume ('000 m^3)	47,433	48,117	684	1 %	1 %	12,379	12,131	-247	-2 %	-2 %
Asphalt volume ('000 t)	9,122	9,371	249	3 %	3 %	2,202	2,300	98	4 %	4 %
Operational result (EURm)										
Revenue	17,331	17,084	-247	-1 %	-1 %	4,358	4,238	-119	-3 %	-4 %
Operating EBITDA	3,153	3,195	42	1 %	5 %	818	818	0	0 %	2 %
in % of revenue	*18.2 %*	*18.7 %*				*18.8 %*	*19.3 %*			
Operating income	2,037	2,073	37	2 %	6 %	530	507	-23	-4 %	-3 %

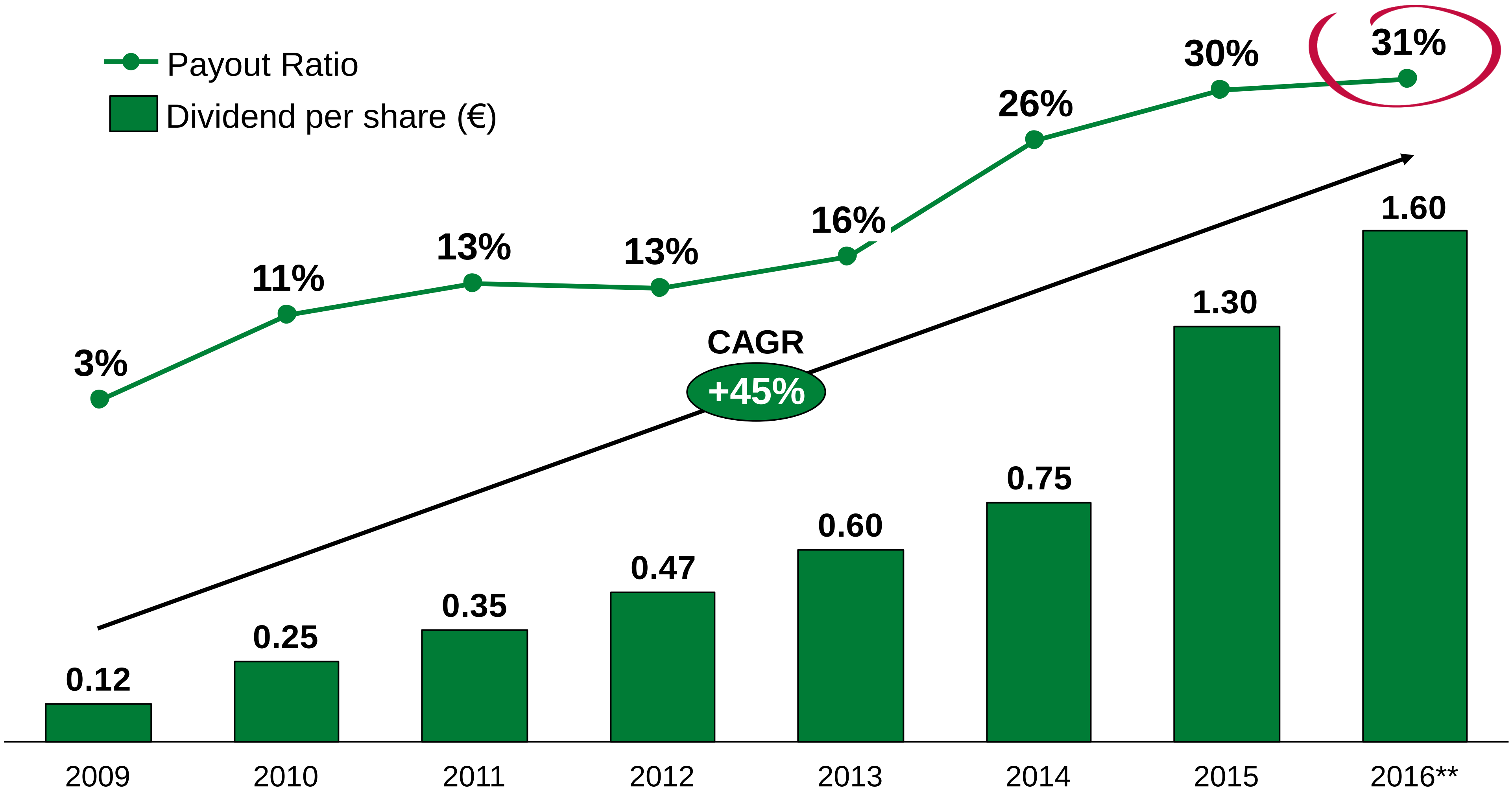
Key financial figures based on IFRS (Italcementi consolidated from 1st July 2016):

Group Overview	Full Year 2015	Full Year 2016	Full Year variance		Full Year L-f-L	Q4 2015	Q4 2016	Q4 variance		Q4 L-f-L
Income Statement										
Group share of profit	800	706	-94	-12%		172	121	-52	-30%	
EPS	4.26	3.66	-0.60	-14%		0.92	0.60	-0.32	-35%	
EPS adjusted [1)]	4.32	5.34	1.02	23%		0.98	1.95	0.97	98%	
Dividend per share[2]	1.30	1.60	0.30	23%						
Cash flow										
Cash flow from operations	1,449	1,874	425			912	1,112	199		
Total CapEx	-1,002	-4,039	-3,037			-371	-2,339	-1,969		
Balance sheet										
Net Debt	5,286	8,999	3,713							
Net Debt / EBITDA	2.0	2.8	0.8							

(*) LfL figures excluding currency, scope impacts and CO_2 gains in Q115: 21m€ ; Q215: 29m€ ; Q216: 17m€ ; Q416: -20m€

1) Excluding additional ordinary result. 2) Proposal of Managing Board and Supervisory Board to Annual General Meeting.

Payout ratio increases to 31% (*)

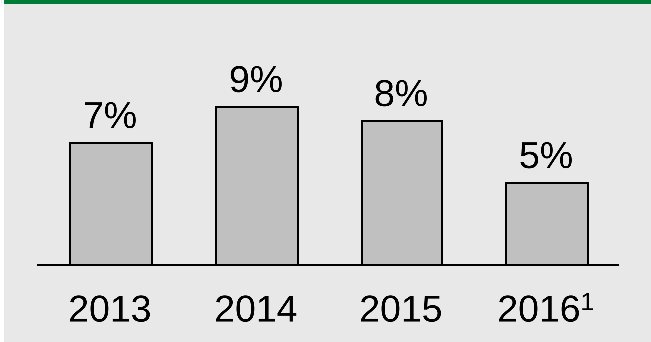


(*) Payout ratio calculated based on adjusted EPS and total number of outstanding shares

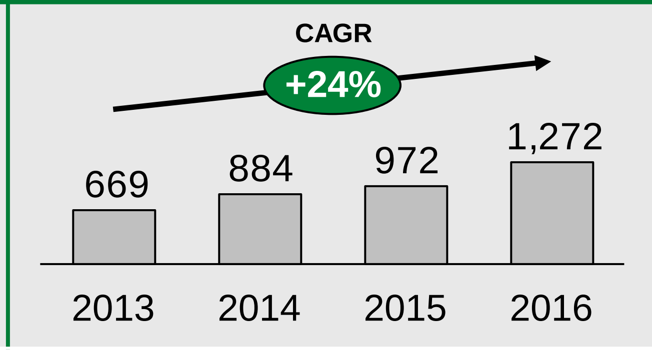
(**) Proposal of Managing Board and Supervisory Board to Annual General Meeting

Reliable earnings growth leads to higher shareholder returns

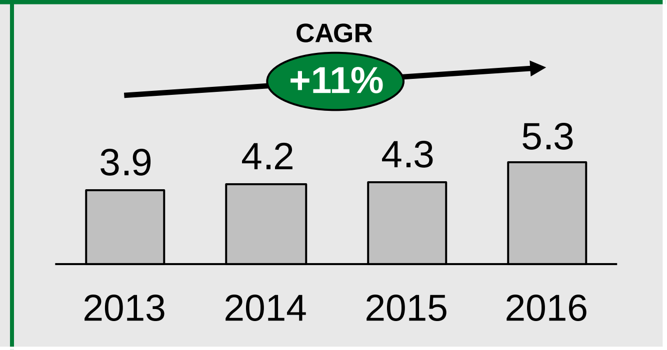
Organic EBITDA growth



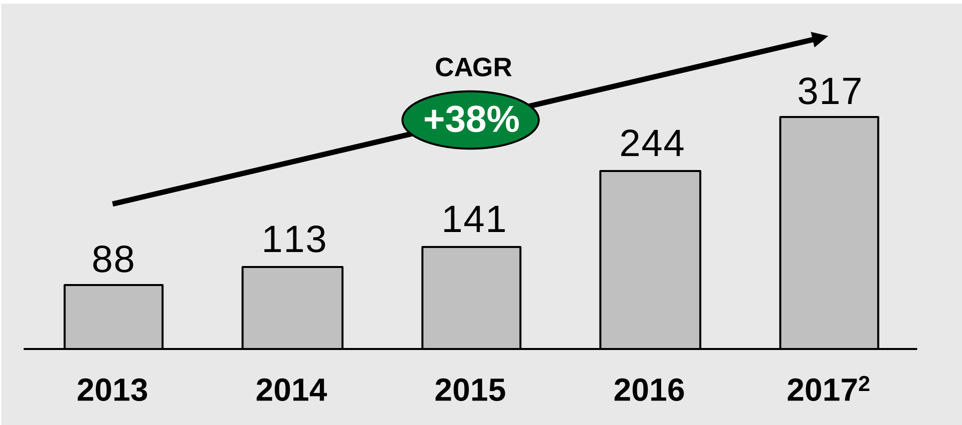
Free cash flow (m€)



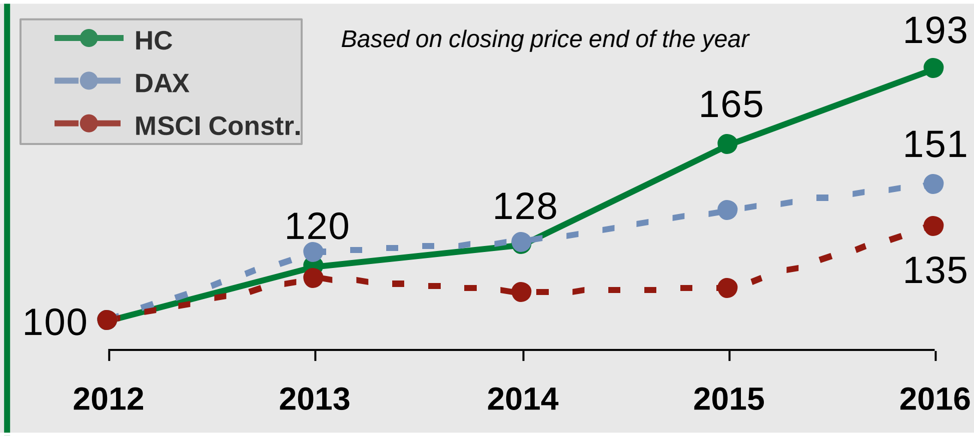
Clean EPS (€)



Dividend payments (m€)

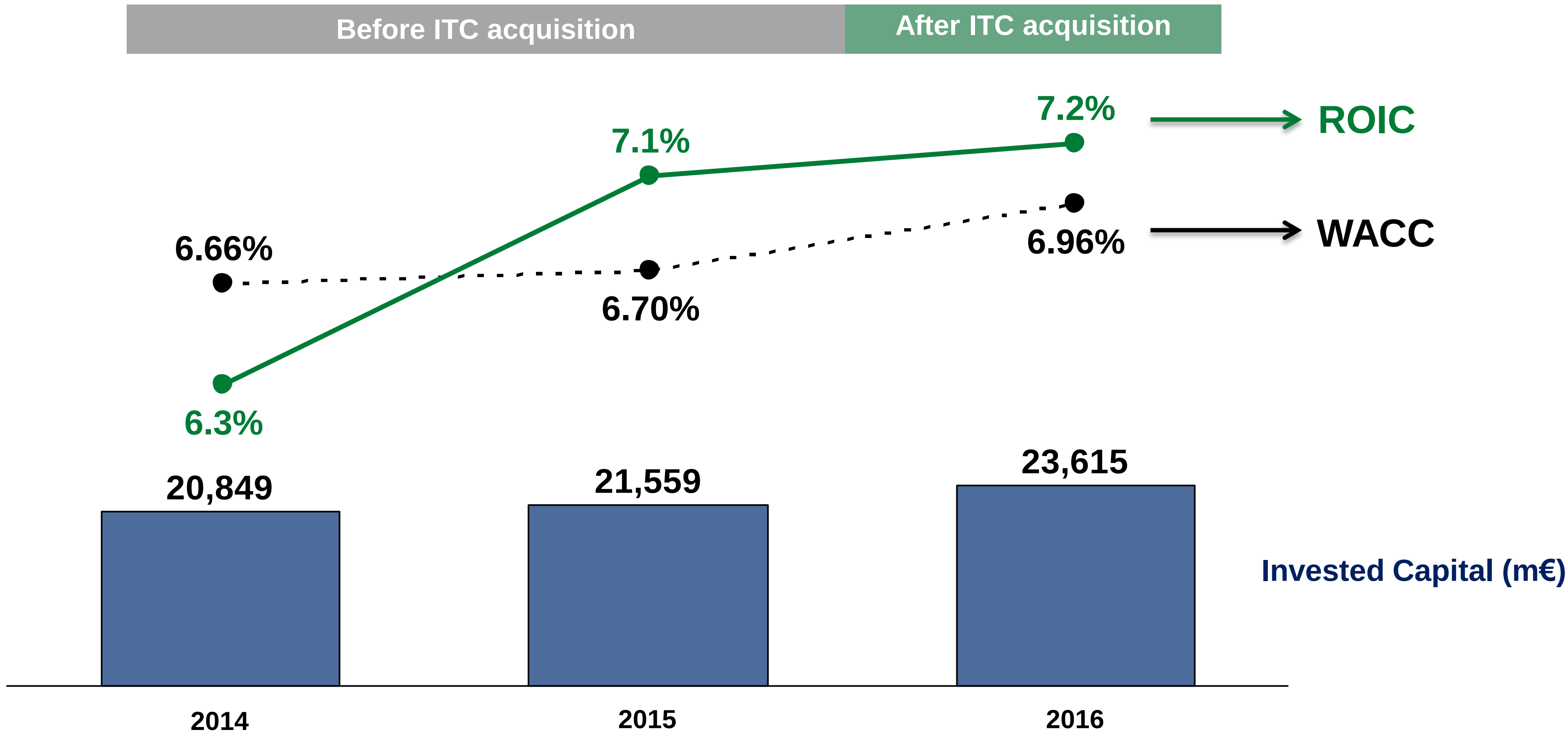


Share price development



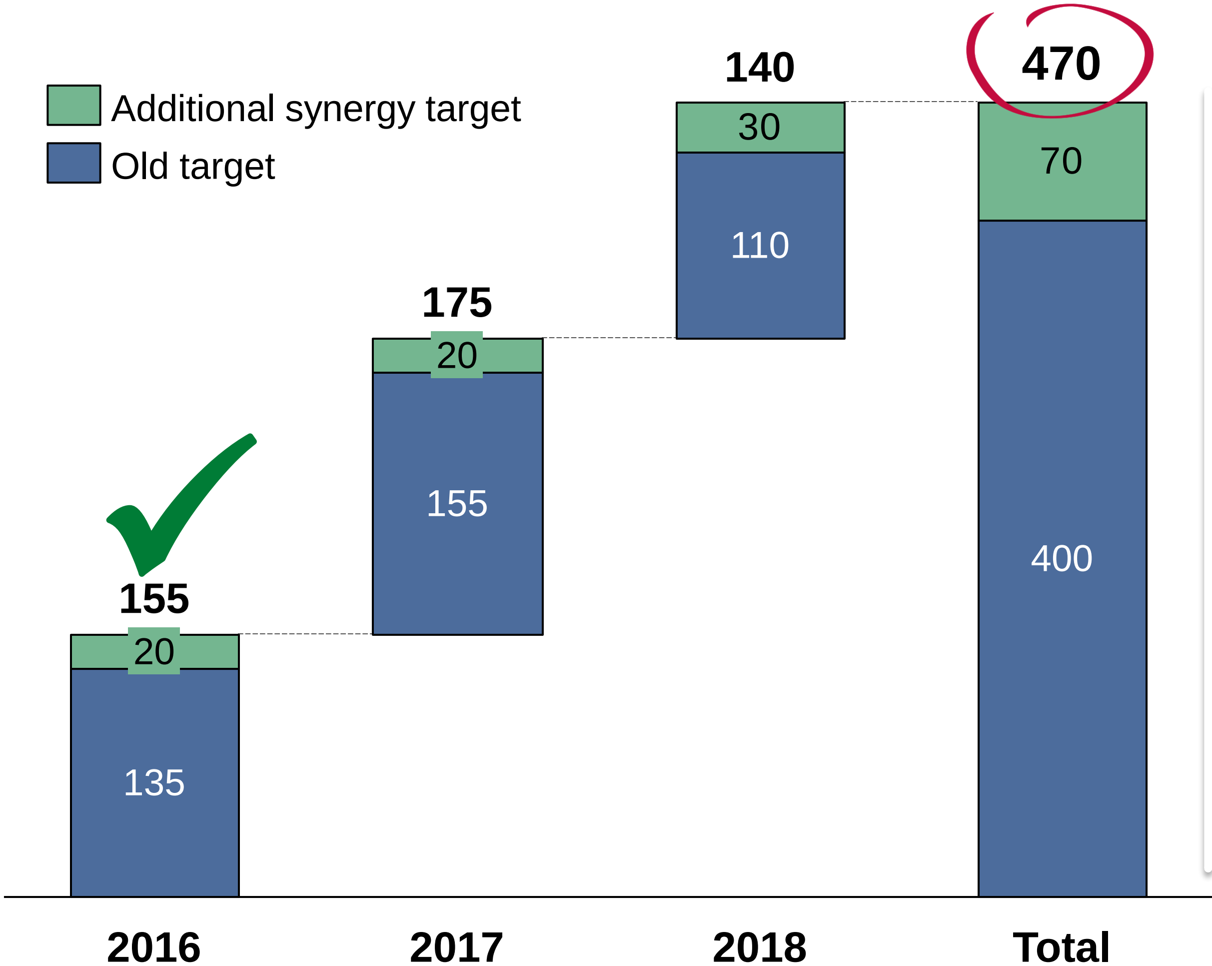
1) Based on proforma figures. 2) Based on 1.60€ per share proposal of Managing Board and Supervisory Board to Annual General Meeting.

We continue to create value and earn cost of capital



We continue to earn premium on cost of capital after Italcementi acquisition!

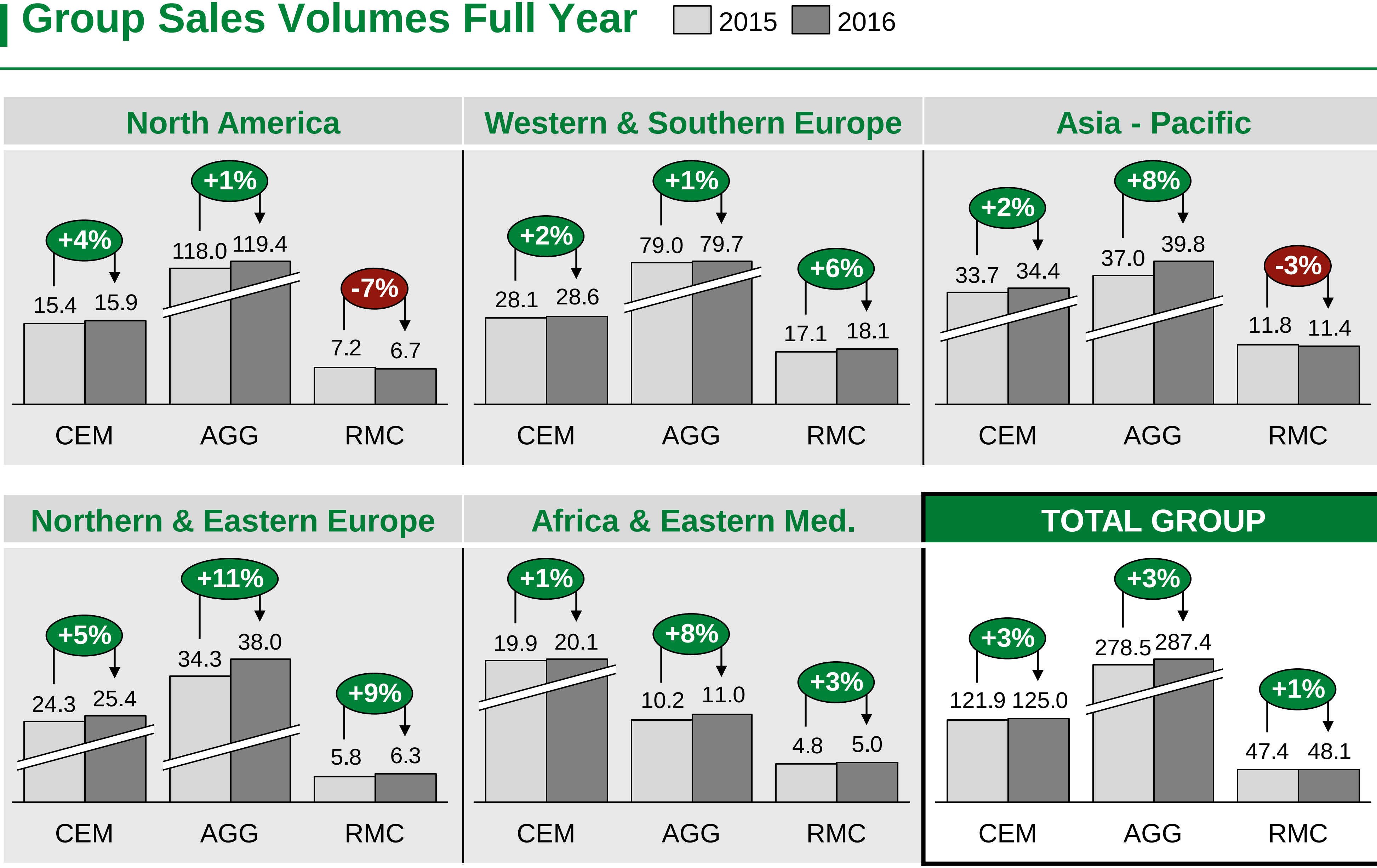
Synergies ahead of original plan / Target increased to 470m€ !



Breakdown	m€
Operations	165
SG&A	115
Purchasing	50
Other	95
Total EBITDA	425
Treasury & Tax	45
TOTAL SYNERGIES	**470**

Synergy target increase driven mainly by faster than initially planned FTE reductions and higher than originally foreseen increase in efficiency improvements

Group Sales Volumes Full Year



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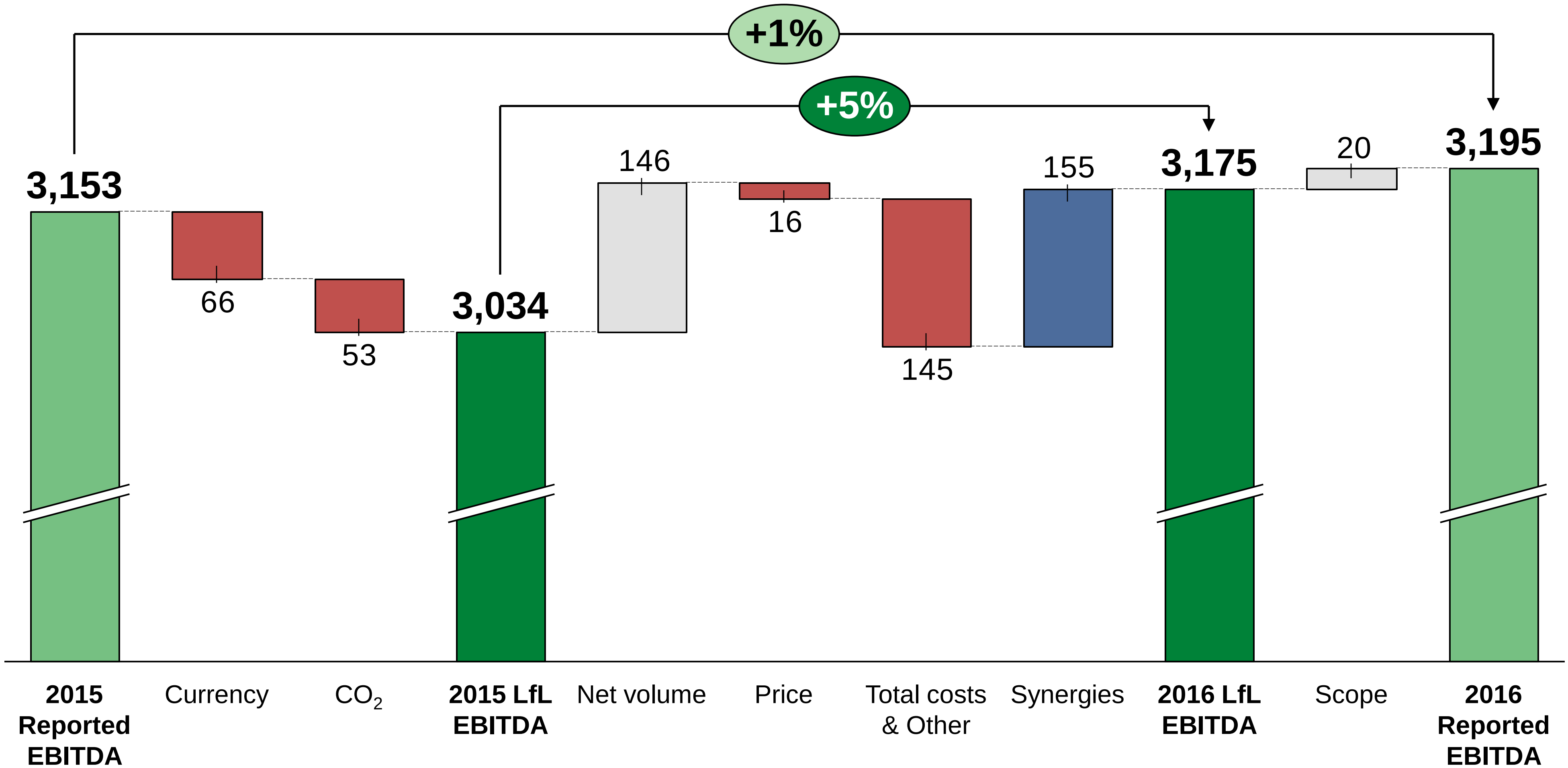
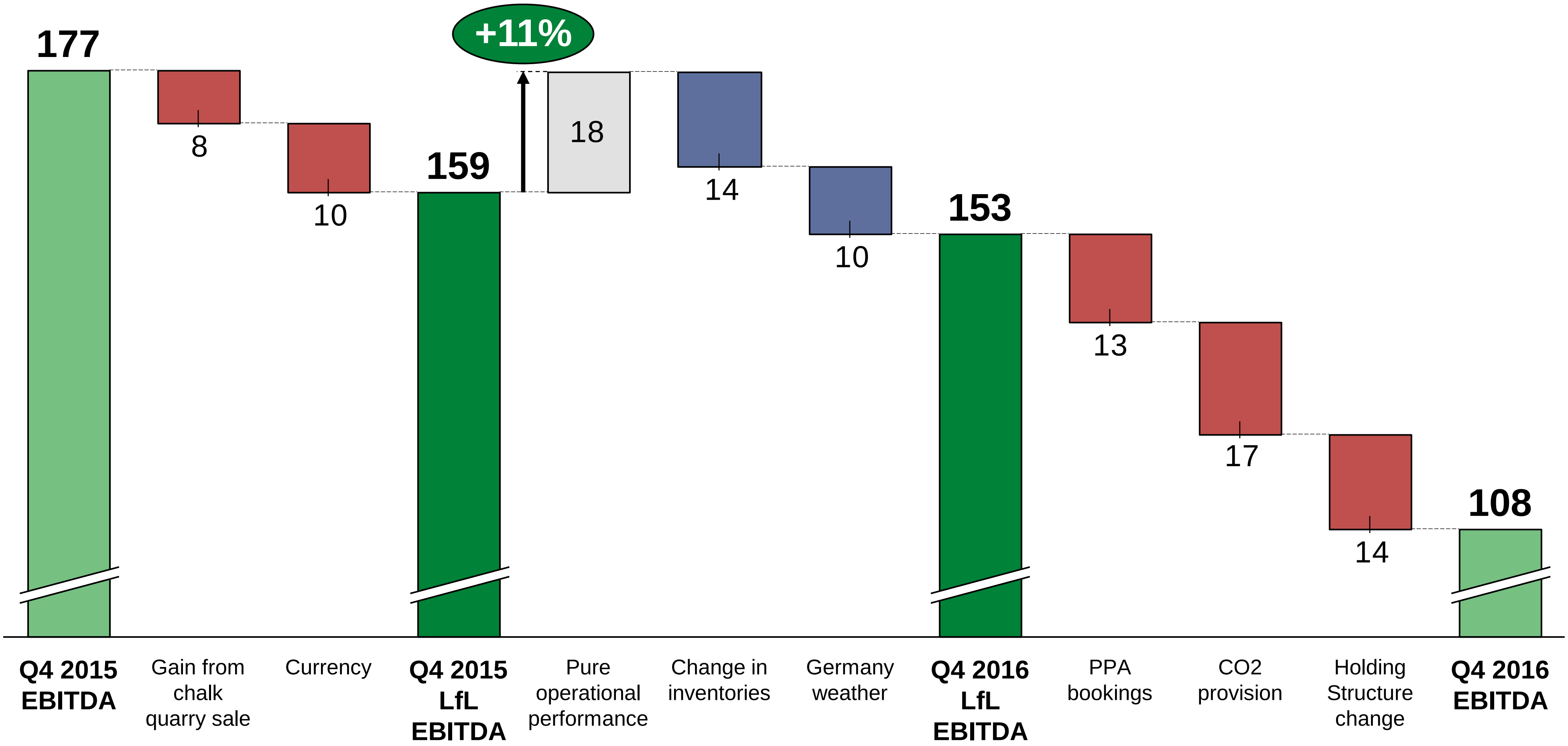
2016 Operating EBITDA Bridge



Organic growth continues

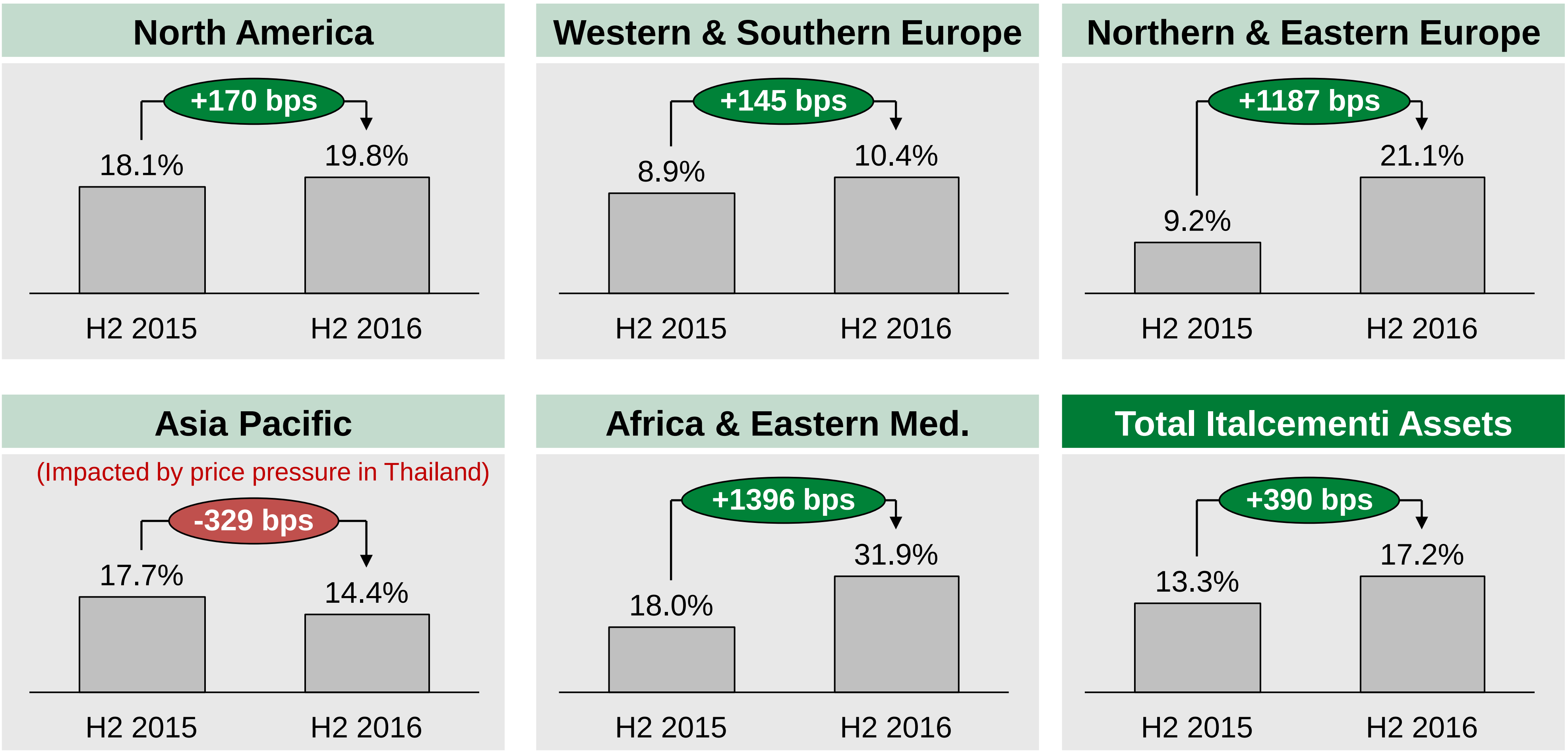
Western & Southern Europe negatively impacted by one-offs



Solid organic growth achieved in the region

Efficiency improvement in Italcementi assets already clearly visible

EBITDA margin of Italcementi assets

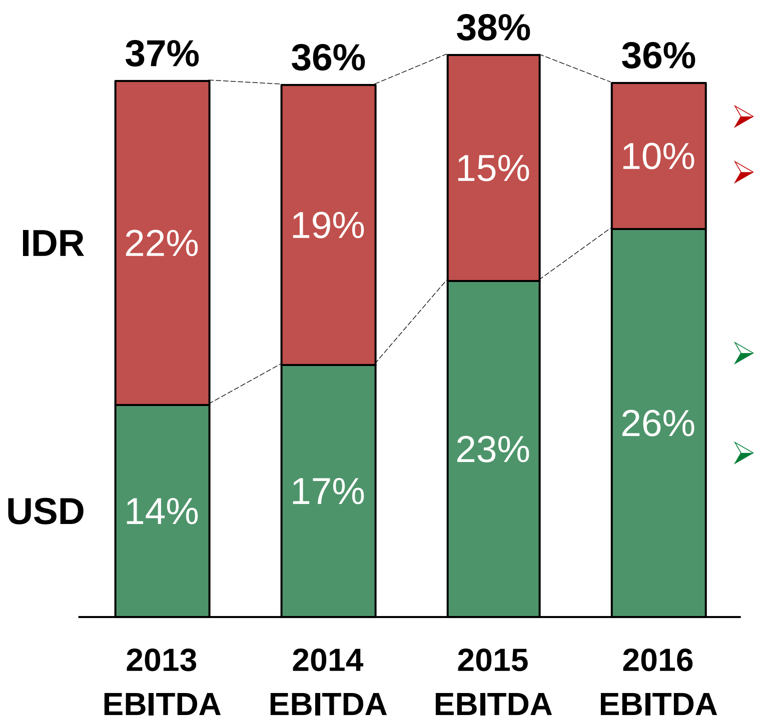


More than 30% EBITDA increase (335m€ vs.253m€) in the second half of the year

Based on proforma figures excluding CO_2 gains.

Quality of free cash flow generation improves

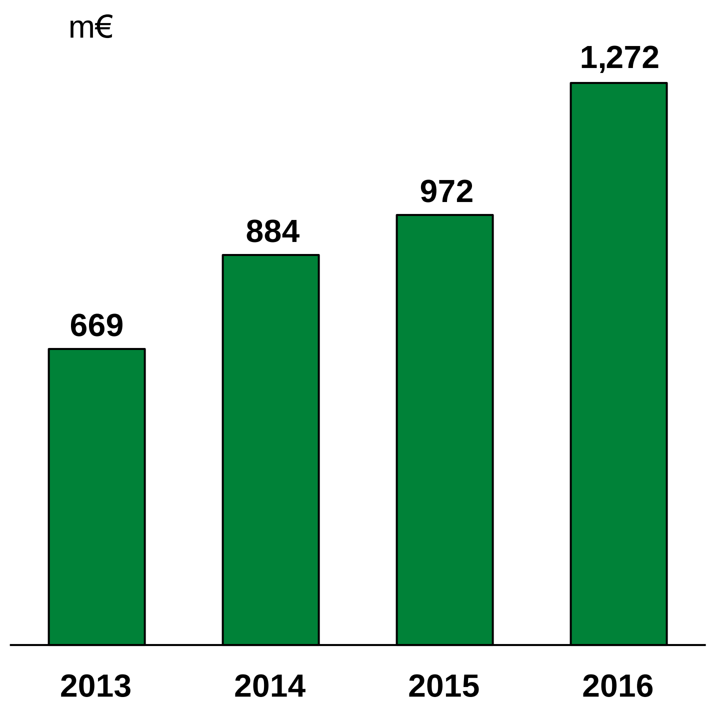
EBITDA generation (as % of Total Group)



- 49% minorities.
- Withholding tax on dividends.

- 100% belongs to Group.
- No / limited tax.

Free Cash Flow *



Shift of earnings from Indonesia to US clearly improves free cash flow generation

* Before growth CapEx and disposals

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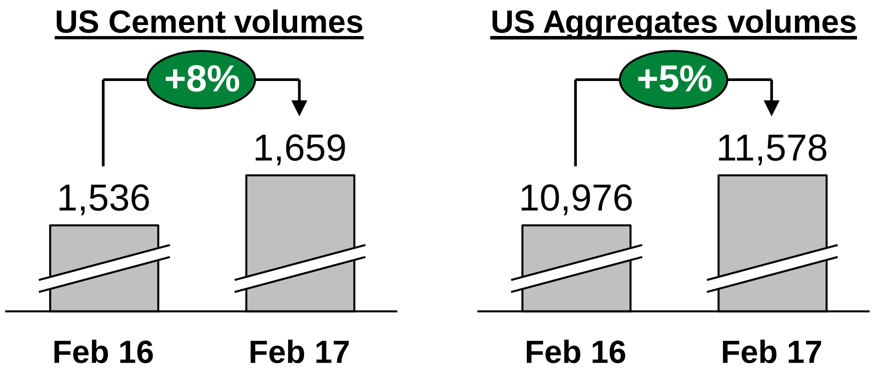
US will continue to deliver strong results and free cash flow generation

Clear signs of construction cycle being prolonged for at least another 2 years

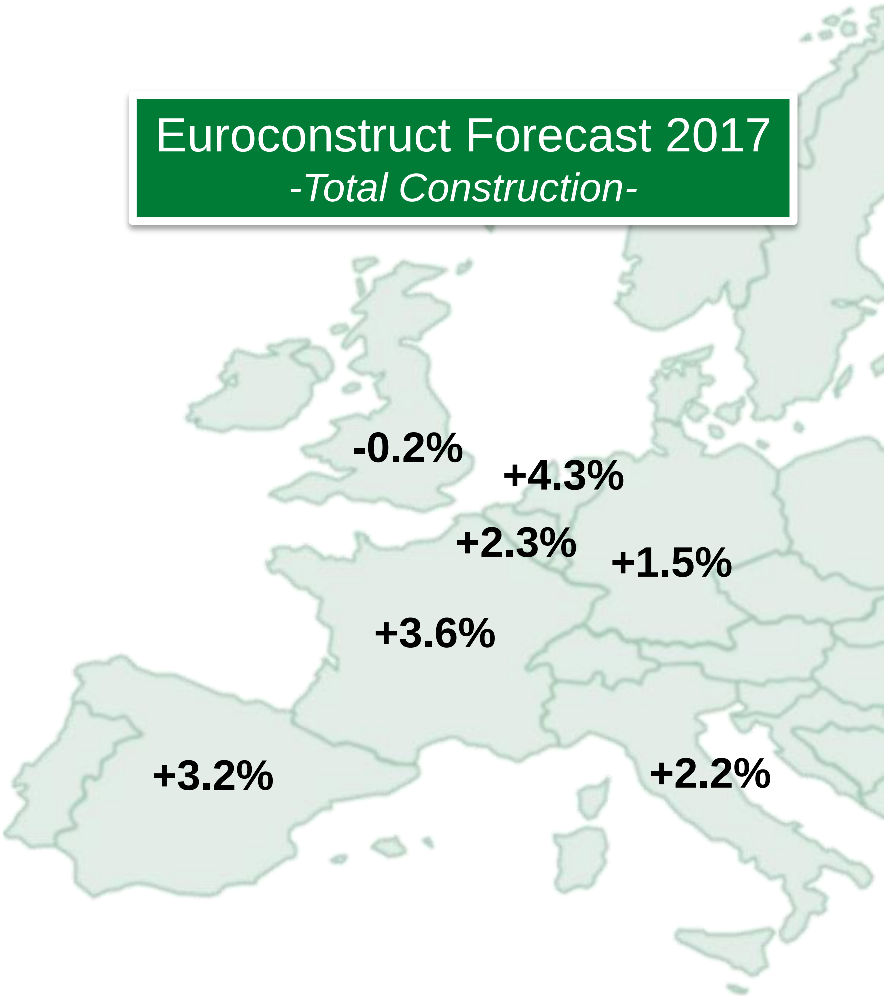
First two months signal another solid year ahead, despite a strong prior year comparison base



- Further increase in margins in all business lines.
- Solid EBITDA growth driven by volume, price increases and improved efficiency in ITC assets.
- HC is the best positioned company for infrastructure projects with the superior footprint and vertically integrated asset base.

2017 will be a solid year with further improvement in all key metrics.
Outlook for 2018 and 2019 is strong.

Clear economic recovery and solid growth in West/South Europe



– In 2016 Euro zone GDP growth of 1.7% outpaced the US (+1.6%) for the first time since the 2008 crisis.

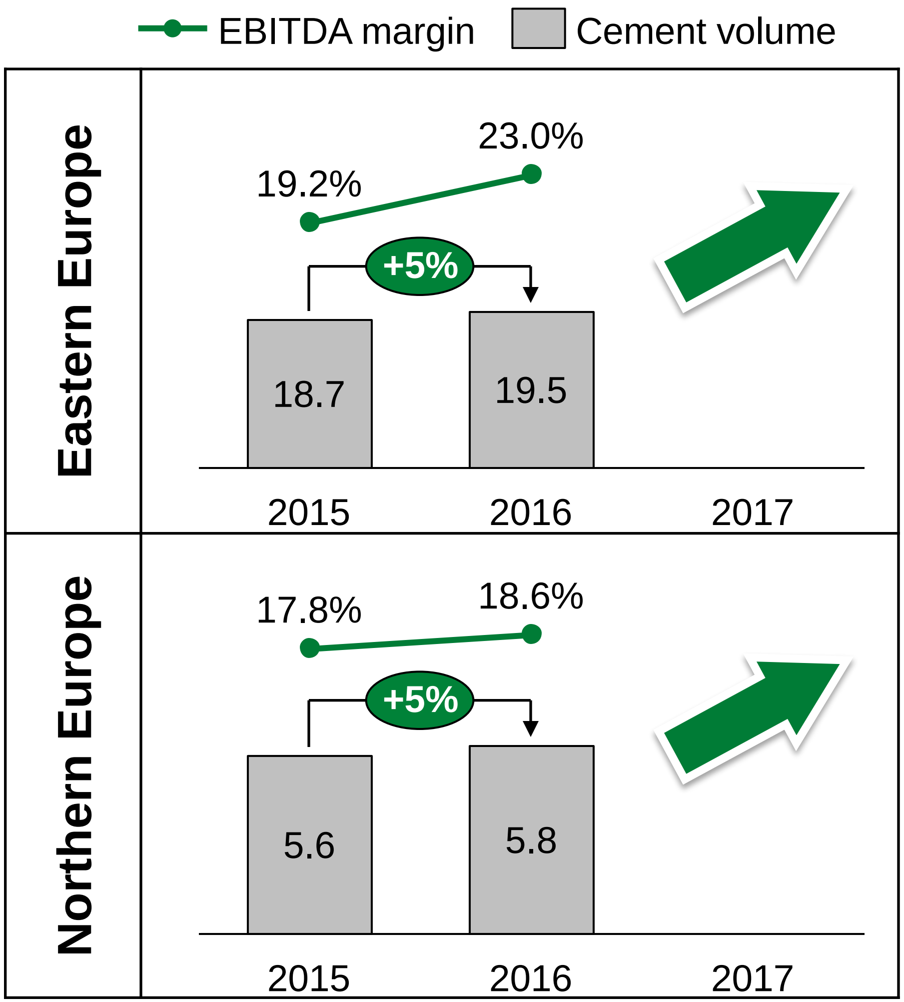
– Solid demand growth expected in 2017, especially in our key markets Benelux and Germany.

– We will continue to outperform the markets in UK as a result of superior footprint and fully integrated business.

– Positive change in trend is expected in Southern Europe, mainly driven by France and Spain.

Economic recovery in EUR zone will continue. Further result and margin improvement.

Demand and margin improvement to continue in North/East Europe



- Recovery expected to continue in all our markets in Eastern Europe.
- Positive pricing momentum in Poland, Romania, Czech Rep. and Hungary. Strong pricing in Russia, Ukraine and Kazakhstan.
- EU money from the infrastructure budget will further increase the demand in the second half of 2017, and also in 2018.
- Solid demand growth continues in Nordics, driven by huge infrastructure projects in Norway and Sweden.
- Residential boom in Sweden due to recovery of large backlog piled up over last 10 to 15 years.

Margin improvement driven by solid demand growth.

Contents

North America

- **USA:**
  - Unfavourable weather conditions leads to early stop of construction season compared to last year.
  - Cement: solid volume development in all regions; prices significantly above prior year.
  - Aggregates: strong price development; volumes below prior year driven mainly by Pennsylvania, Indiana, California and Illinois due to very strong comparison base.
  - Margin improvement continues in all business lines.
- **Canada:**
  - Early winter impacted the sales volumes.
  - Result is overall down. Profit improvement in BC and BC market area can not compensate the significant drop in demand in Alberta due to low oil price.
  - Concrete volumes negatively impacted by Foreign Buyers Tax in British Columbia.

North America	Full Year					Q4				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	15,357	15,931	574	3.7 %	3.7 %	3,845	3,994	149	3.9 %	3.9 %
Aggregates volume ('000 t)	117,999	119,369	1,370	1.2 %	1.2 %	30,250	28,327	-1,922	-6.4 %	-6.4 %
Ready mix volume ('000 m^3)	7,194	6,680	-515	-7.2 %	-7.2 %	1,796	1,547	-249	-13.9 %	-13.9 %
Asphalt volume ('000 t)	3,675	3,991	315	8.6 %	8.6 %	929	861	-68	-7.3 %	-7.3 %
Operational result (EURm)										
Revenue	4,157	4,235	78	1.9 %	2.3 %	1,053	1,043	-10	-1.0 %	-2.5 %
Operating EBITDA	859	990	131	15.3 %	16.0 %	236	268	32	13.7 %	12.3 %
in % of revenue	*20.7 %*	*23.4 %*				*22.4 %*	*25.7 %*			
Operating income	572	690	119	20.8 %	21.8 %	158	185	27	16.9 %	15.5 %

Opr. EBITDA margin (%)	FY 2015	FY 2016	variance	Q4 2015	Q4 2016	variance
Cement	19.9 %	23.0 %	+309 bps	24.3 %	28.6 %	+426 bps
Aggregates	27.1 %	30.0 %	+287 bps	26.3 %	25.9 %	-47 bps
RMC + Asphalt	5.8 %	6.5 %	+68 bps	5.1 %	7.1 %	+207 bps

All values based on proforma figures. LfL figures excluding currency and scope impacts.

Western and Southern Europe

- **UK:** Continued market growth despite Brexit uncertainties, solid result improvement but currency impact.
- **Germany:** Solid demand on high level as particular residential investments were key growth driver. Operational result clearly due to good cost management.
- **Benelux:** Overall, very positive volumes developments; clear recovery particularly in our Cement business.
- **Italy:** Market demand trend still negative; significant result improvement due to reduced fixed and variable costs.
- **France:** Continued sluggish market demand; result stabilized on low level; improvement measures underway.
- **Spain:** Continued difficult market due to constraint investment activity; efficiency gains from integrating businesses.

West & South Europe	Full Year					Q4				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	28,099	28,601	502	1.8 %	1.8 %	7,052	7,073	20	0.3 %	0.3 %
Aggregates volume ('000 t)	78,971	79,654	683	0.9 %	0.9 %	19,349	19,486	137	0.7 %	0.7 %
Ready mix volume ('000 m^3)	17,069	18,080	1,010	5.9 %	5.9 %	4,379	4,596	216	4.9 %	4.9 %
Asphalt volume ('000 t)	2,994	3,044	51	1.7 %	1.7 %	714	818	104	14.5 %	14.5 %
Operational result (EURm)										
Revenue	4,907	4,768	-139	-2.8 %	1.8 %	1,192	1,138	-54	-4.5 %	0.7 %
Operating EBITDA	688	622	-66	-9.6 %	3.9 %	177	108	-69	-39.1 %	-25.2 %
in % of revenue	*14.0 %*	*13.1 %*				*14.9 %*	*9.5 %*			
Operating income	352	310	-42	-12.0 %	13.1 %	92	25	-67	-72.6 %	-50.6 %

Opr. EBITDA margin (%)										
Cement	20.3 %	19.2 %		-107 bps	+89 bps	21.9 %	16.4 %		-547 bps	-242 bps
Aggregates	16.6 %	15.5 %		-118 bps	-118 bps	15.2 %	9.2 %		-605 bps	-605 bps
RMC + Asphalt	-0.2 %	-0.2 %		+4 bps	+4 bps	0.1 %	-1.9 %		-202 bps	-202 bps

All values based on proforma figures. LfL figures excluding currency, scope impacts and CO_2 gains in Q115: 21m€ ; Q215: 19m€ ; Q216: 11m€ ; Q416: -17m€

Northern and Eastern Europe-Central Asia

- **Northern Europe:** Increased building materials demand in Sweden, especially in residential; volumes in Norway up clearly and better than expected as a result infrastructure projects we are involved in.
- **Poland**: Solid volume increase mainly driven by residential and commercial building activities.
- **Czech Republic:** Strong result performance as a result of increased cement volumes and lower variable costs.
- **Romania**: EBITDA margin improvement driven by variable costs optimization, especially lower energy costs.
- **Russia & Ukraine:** Volumes impacted by harsh weather conditions; very strong comparison base last year.
- **Kazakhstan**: Positive demand development continues; prices and result considerably above prior year.

North & East Europe - CA	Full Year					Q4				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	24,250	25,388	1,138	4.7 %	4.7 %	5,736	5,744	9	0.2 %	0.2 %
Aggregates volume ('000 t)	34,336	38,034	3,698	10.8 %	-5.4 %	9,092	12,748	3,656	40.2 %	-15.9 %
Ready mix volume ('000 m^3)	5,819	6,324	506	8.7 %	3.8 %	1,609	1,629	20	1.3 %	1.3 %
Asphalt volume ('000 t)	0	0	0	N/A	N/A	0	0	0	N/A	N/A
Operational result (EURm)										
Revenue	2,257	2,484	227	10.0 %	0.1 %	586	658	72	12.3 %	-11.2 %
Operating EBITDA	402	461	58	14.5 %	12.4 %	100	115	15	15.1 %	9.9 %
in % of revenue	*17.8 %*	*18.6 %*				*17.1 %*	*17.5 %*			
Operating income	243	293	49	20.3 %	17.1 %	57	72	14	25.2 %	13.2 %

Opr. EBITDA margin (%)										
Cement	20.0 %	23.0 %		+293 bps	+341 bps	22.1 %	23.7 %		+164 bps	+253 bps
Aggregates	13.6 %	14.8 %		+121 bps	+121 bps	12.1 %	12.5 %		+47 bps	+47 bps
RMC + Asphalt	6.8 %	6.5 %		-22 bps	-22 bps	5.9 %	6.9 %		+98 bps	+98 bps

All values based on proforma figures. LfL figures excluding currency, scope impacts and CO_2 gains in Q215: 10m€ ; Q216: 6m€ ; Q416: -3m€

Asia Pacific

- **Australia:** Solid result development driven by strong residential construction demand and integrated supply chain management; strong demand on the East Coast compensates for weaker mining sector.
- **Indonesia:** Volume and price erosion stabilized through the end of the year; strict cost management partially compensates margin pressure from lower prices; New cement brand introduced enabled the maintaining of Indocement's leading market position. Market is still weak in Q4.
- **India:** Strong volume development in Southern India despite demonetization. Improved earnings as a result of positive pricing and cost efficiency.
- **Thailand:** Market was still under pressure in Q4 due to moaning period after the death of the king. Establishment of effective distribution network enabled positive volume development despite contraction of domestic market; Price pressure due to increasing competitive pressures affected operational results.
- **China:** Price increases and strict cost management offset negative result impact from lower demand.

Asia - Pacific	Full Year					Q4				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	33,696	34,386	691	2.0 %	2.0 %	8,944	8,799	-144	-1.6 %	-1.6 %
Aggregates volume ('000 t)	36,986	39,807	2,821	7.6 %	-2.3 %	9,458	10,458	1,000	10.6 %	-0.2 %
Ready mix volume ('000 m^3)	11,773	11,434	-339	-2.9 %	-2.9 %	3,112	3,015	-98	-3.1 %	-3.1 %
Asphalt volume ('000 t)	2,045	1,840	-205	-10.0 %	-10.0 %	469	506	37	7.9 %	7.9 %
Operational result (EURm)										
Revenue	3,350	3,186	-164	-4.9 %	-5.4 %	844	826	-19	-2.2 %	-6.8 %
Operating EBITDA	832	756	-76	-9.2 %	-10.1 %	205	206	2	0.9 %	-4.4 %
in % of revenue	*24.8 %*	*23.7 %*				*24.2 %*	*25.0 %*			
Operating income	657	573	-85	-12.9 %	-13.9 %	161	154	-7	-4.6 %	-9.7 %

Opr. EBITDA margin (%)	FY 2015	FY 2016	FY variance	Q4 2015	Q4 2016	Q4 variance
Cement	28.0 %	25.6 %	-241 bps	26.7 %	23.6 %	-312 bps
Aggregates	28.2 %	28.8 %	+59 bps	25.6 %	32.7 %	+709 bps
RMC + Asphalt	1.0 %	0.4 %	-52 bps	0.8 %	1.8 %	+99 bps

All values based on proforma figures. LfL figures excluding currency and scope impacts.

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Africa - Eastern Mediterranean Basin

- **Egypt:** Slightly higher cement demand and reorganization have contributed positive to the results.
- **Morocco:** Strong growth in cement volumes supported by infrastructure projects; solid result development.
- **Tanzania:** Good market demand; price pressure from increased competition; stable result development.
- **Ghana:** EBITDA down due to increased competition and slightly lower volumes compared to last year.
- **DR Congo:** Volume and result below prior year due to high illegal imports & instability.
- **Israel:** Improved result on a high level driven by good demand and lower variable costs.
- **Turkey:** Good market demand; stable domestic prices; export prices clearly down; stable result on high level.

Africa - Eastern Med. Basin	Full Year					Q4				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	19,910	20,148	238	1.2 %	0.4 %	5,413	5,039	-374	-6.9 %	-8.1 %
Aggregates volume ('000 t)	10,161	11,005	845	8.3 %	8.3 %	2,503	2,782	278	11.1 %	11.1 %
Ready mix volume ('000 m^3)	4,804	4,955	151	3.1 %	3.1 %	1,248	1,185	-63	-5.1 %	-5.1 %
Asphalt volume ('000 t)	408	496	88	21.6 %	21.6 %	91	116	25	27.7 %	27.7 %
Operational result (EURm)										
Revenue	1,919	1,800	-119	-6.2 %	2.5 %	492	423	-69	-14.0 %	4.5 %
Operating EBITDA	465	462	-3	-0.6 %	4.6 %	109	129	20	18.2 %	27.8 %
in % of revenue	*24.2 %*	*25.7 %*				*22.2 %*	*30.6 %*			
Operating income	334	338	4	1.2 %	4.7 %	77	95	18	23.2 %	24.3 %

Opr. EBITDA margin (%)	FY 2015	FY 2016	FY variance	Q4 2015	Q4 2016	Q4 variance
Cement	25.1 %	26.7 %	+167 bps	23.0 %	33.6 %	+1,057 bps
Aggregates	19.7 %	21.8 %	+207 bps	20.0 %	20.5 %	+50 bps
RMC + Asphalt	4.7 %	5.7 %	+94 bps	4.2 %	6.1 %	+190 bps

All values based on proforma figures. LfL figures excluding currency and scope impacts.

Group Services

- International sales volumes reach above 20mt.
- EBITDA is negatively affected by fierce competition and rising margin pressure.

Group Services	Full Year					Q4				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Operational result (EURm)										
Revenue	1,236	1,162	-74	-6.0 %	-6.3 %	320	340	20	6.1 %	4.5 %
Operating EBITDA	39	28	-12	-29.7 %	-29.9 %	11	7	-4	-33.5 %	-34.4 %
in % of revenue	*3.2 %*	*2.4 %*				*3.4 %*	*2.1 %*			
Operating income	32	20	-12	-37.1 %	-37.3 %	9	5	-4	-42.7 %	-43.5 %

All values based on proforma figures. LfL figures excluding currency and scope impacts.

Contents

Key financial messages 2016

➢ Successful integration of ITC

- ITC holding functions integrated into HC organization at lower costs
- Expensive loans and financial instruments of ITC terminated
- Refinancing done at lower costs (average interest rate: 1,7%)

➢ Improved financial metrics

- Cash flow improved through strict financial discipline (operating Cash Flow up 29%)
- Successful management of pension obligations by decreasing DBO and high return on pension assets (12% annual return of plan assets in the last years)
- Financial result improved despite financing of ITC acquisition increased
- Cost of capital earned - ROIC increased to 7.2% (WACC: 7%)

➢ Investment Grade Rating as a result

- Investment Grade Rating achieved in November 2016
- Target: Comfortably in Investment Grade corridor

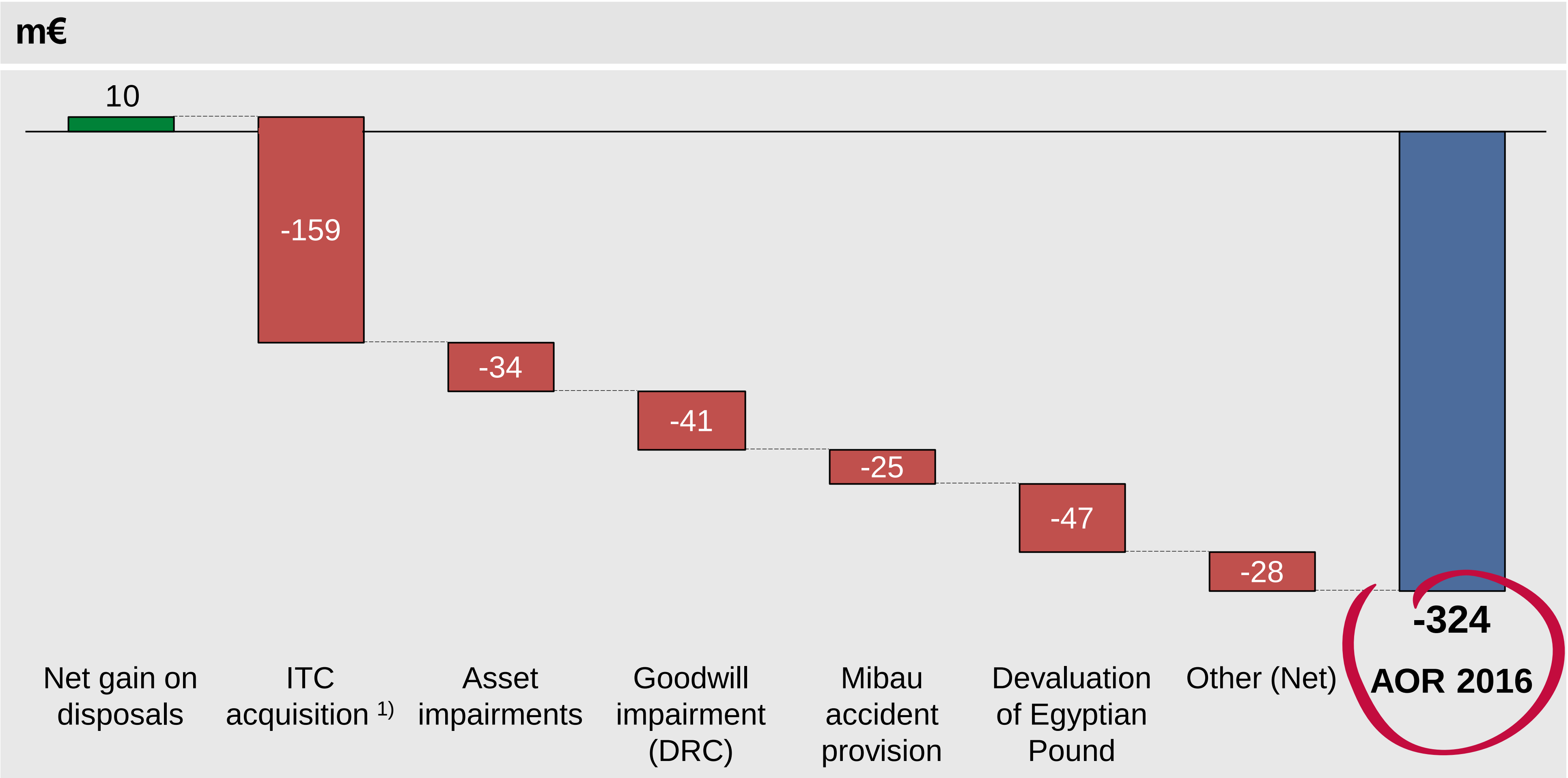
Significant liquidity reserve, well-balanced maturity profile and high financing flexibility

Income Statement 2016

m€	Full Year			Q4		
	2015	**2016**	*variance*	**2015**	**2016**	*variance*
Revenue	13,465	**15,166**	*13%*	3,389	**4,238**	*25%*
Result from joint ventures	201	**211**	*5%*	55	**61**	*11%*
Result from current operations before depreciation and amortization (RCOBD)	2,613	**2,939**	*13%*	696	**818**	*18%*
Depreciation and amortization	-767	**-955**	*25%*	-197	**-311**	*58%*
Result from current operations	1,846	**1,984**	*7%*	499	**507**	*2%*
Additional ordinary result	-12	**-324**	*-2,525%*	-12	**-226**	*-1,742%*
Result from participations	30	**38**	*30%*	-3	**15**	*N/A*
Financial result	-550	**-494**	*10%*	-123	**-131**	*-6%*
Income taxes	-295	**-305**	*-4%*	-78	**-5**	*94%*
Net result from continued operations	1,019	**899**	*-12%*	283	**160**	*-44%*
Net result from discontinued operations	-36	**-3**	*91%*	-62	**-1**	*99%*
Minorities	-183	**-190**	*-4%*	-49	**-38**	*21%*
Group share of profit	800	**706**	*-12%*	172	**121**	*-30%*

Solid result improvement despite negative impacts from restructuring costs

Additional ordinary result 2016



1) Includes expenses for restructuring, transaction costs etc.

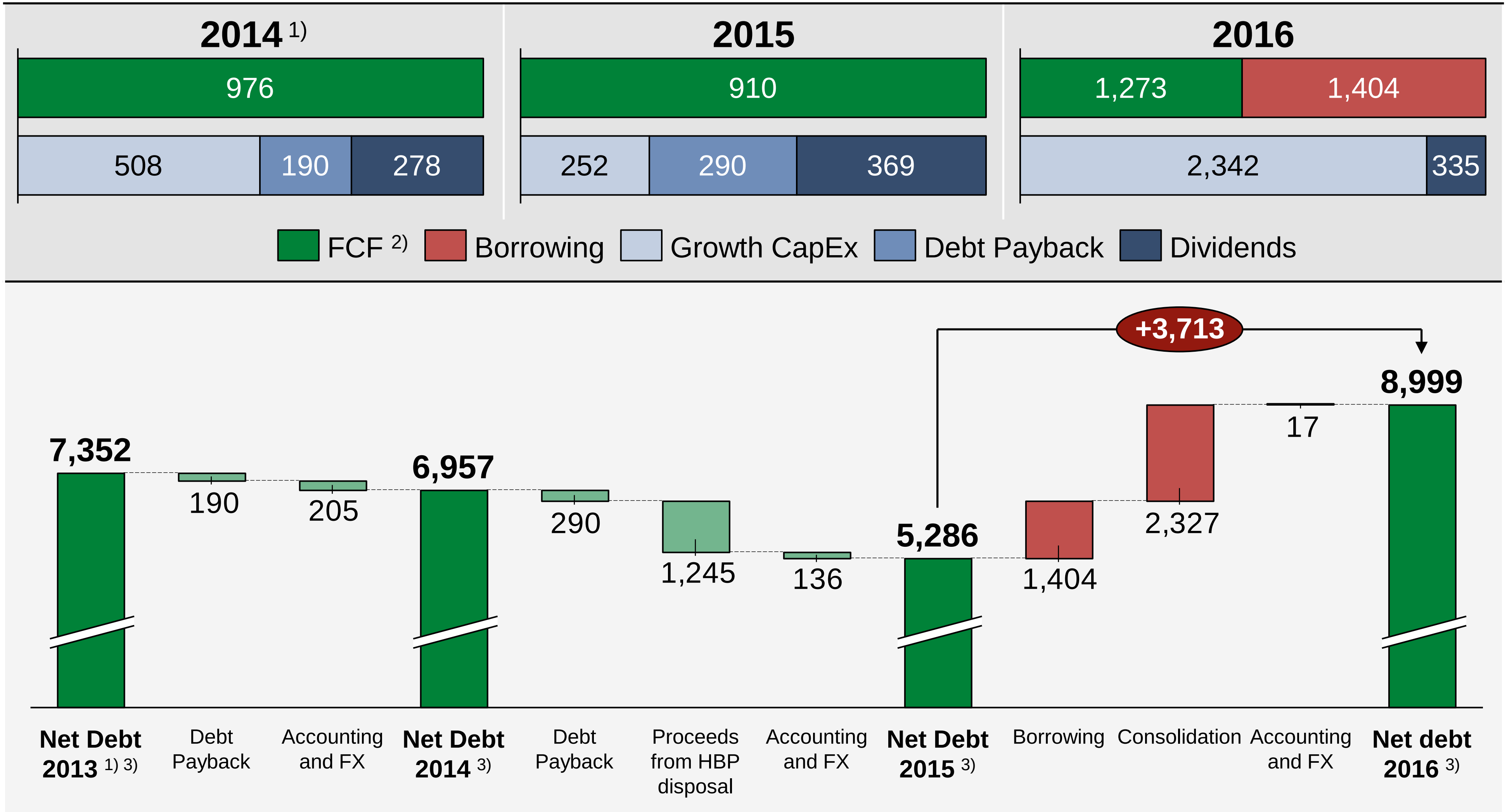
Additional ordinary result strongly influenced by restructuring costs for ITC

Cash flow statement 2016

m€	Full Year			Q4		
	2015	2016	variance	2015	2016	variance
Cash flow	1,777	**2,188**	*411*	505	**544**	*38*
Changes in working capital	-22	**97**	*119*	485	**656**	*171*
Decrease in provisions through cash payments	-244	**-383**	*-138*	-71	**-82**	*-11*
Cash flow from operating activities - discontinued operations	-61	**-28**	*33*	-7	**-6**	*1*
Cash flow from operating activities	1,449	**1,874**	*425*	912	**1,112**	*199*
Total investments	-1,002	**-4,039**	*-3,037*	-371	**-2,339**	*-1,969*
Proceeds from fixed asset disposals/consolidation	249	**817**	*567*	95	**105**	*10*
Cash flow from investing activities - discontinued operations	1,245	**901**	*-344*		**902**	*902*
Cash flow from investing activities	493	**-2,321**	*-2,813*	-276	**-1,333**	*-1,057*
Free cash flow	1,942	**-447**	*-2,389*	636	**-221**	*-857*
Capital decrease - non-controlling shareholders	-3	**-2**	*1*	0	**-20**	*-20*
Dividend payments	-369	**-335**	*34*	-6	**-11**	*-5*
Transactions between shareholders	-15	**12**	*26*	1	**18**	*17*
Net change in bonds and loans	-1,436	**1,381**	*2,816*	-282	**475**	*757*
Cash flow from financing activities - discontinued operations	-5	**0**	*5*		**0**	*0*
Cash flow from financing activities	-1,827	**1,056**	*2,883*	-287	**462**	*750*
Net change in cash and cash equivalents	115	**609**	*494*	349	**241**	*-108*
Effect of exchange rate changes	7	**13**	*6*	29	**8**	*-21*
Change in cash and cash equivalents	122	**622**	*500*	377	**249**	*-128*

Significant increase in cash flow from operating activities

Usage of free cash flow



1) Values restated

2) Before growth CapEx and disposals (incl. cashflow from discontinued operations)

3) Incl. put-option minorities

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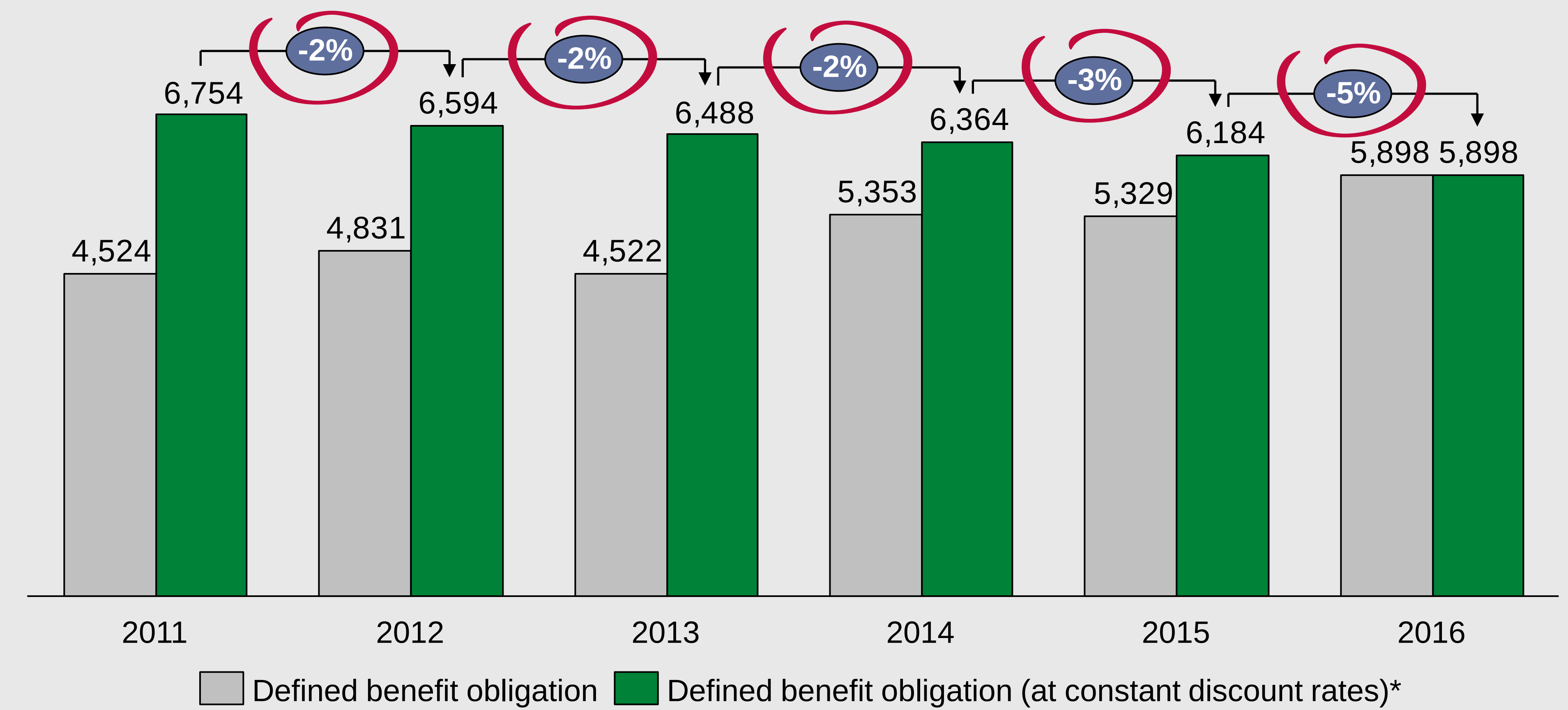
Group balance sheet

m€	Dec 2015	Dec 2016	*Change (m€)*	*Change (%)*
Assets				
Intangible assets	10,439	**12,320**	*1,881*	*18%*
Property, plant and equipment	9,871	**13,965**	*4,093*	*41%*
Financial assets	1,832	**2,387**	*556*	*30%*
Fixed assets	22,142	**28,672**	*6,530*	*29%*
Deferred taxes	805	**946**	*141*	*18%*
Receivables	2,558	**3,394**	*836*	*33%*
Inventories	1,444	**2,083**	*639*	*44%*
Cash and short-term financial instruments/derivatives	1,426	**2,052**	*626*	*44%*
Assets held for sale and discontinued operations		**7**	*7*	
Balance sheet total	28,374	**37,154**	*8,779*	*31%*
Equity and liabilities				
Equity attributable to shareholders	14,915	**16,093**	*1,178*	*8%*
Non-controlling interests	1,061	**1,780**	*719*	*68%*
Equity	15,976	**17,873**	*1,896*	*12%*
Debt	6,712	**11,051**	*4,339*	*65%*
Provisions	2,423	**3,095**	*671*	*28%*
Deferred taxes	436	**657**	*221*	*51%*
Operating liabilities	2,827	**4,478**	*1,651*	*58%*
Balance sheet total	28,374	**37,154**	*8,779*	*31%*
Net Debt	5,286	**8,999**	*3,713*	*70%*
Gearing	33.1%	**50.4%**		

Favorable development of pension obligations continues

DBO (m€)

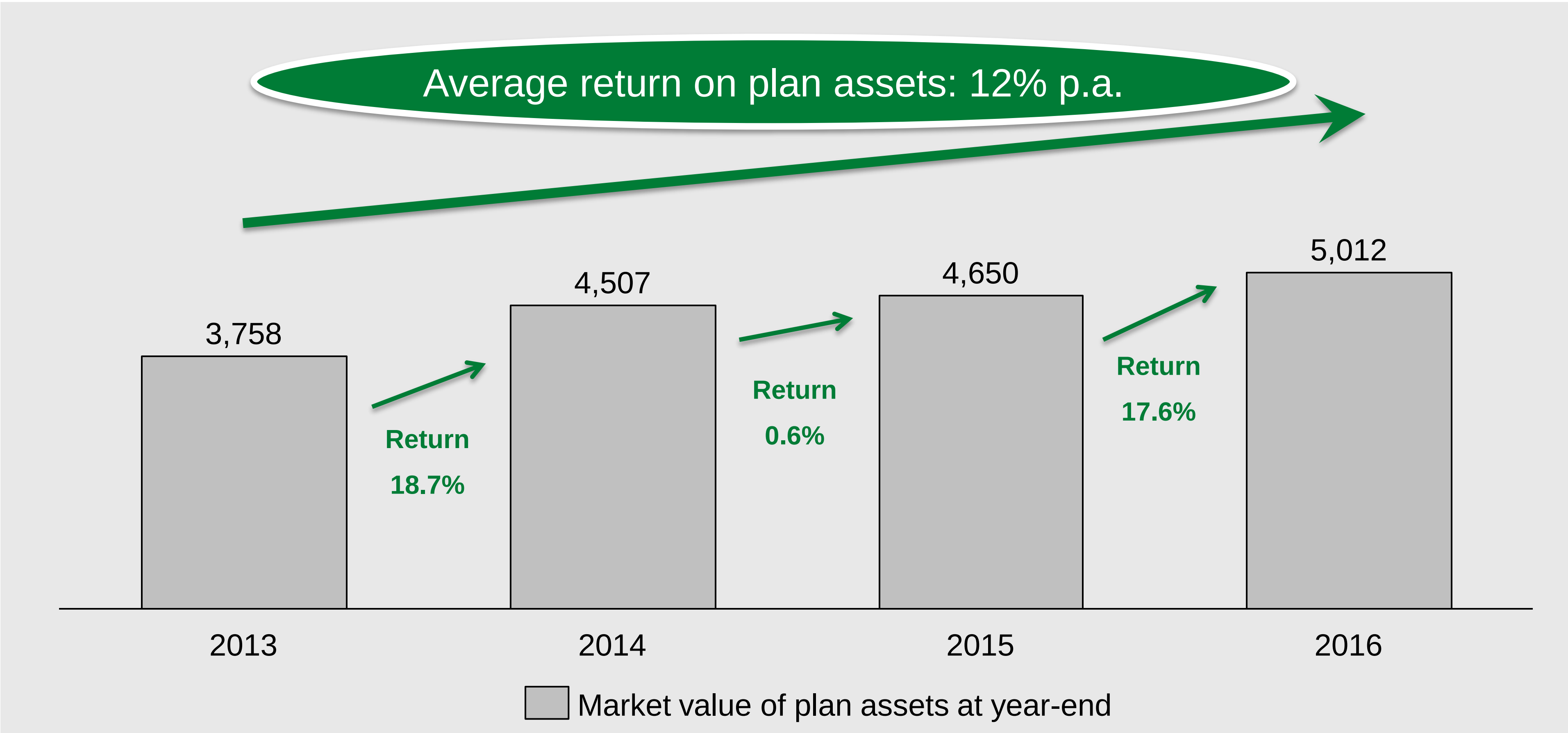


*) Source: Mercer calculations (January 2017)

Continuous decrease of Defined Benefit Obligation (DBO) at constant discount rates

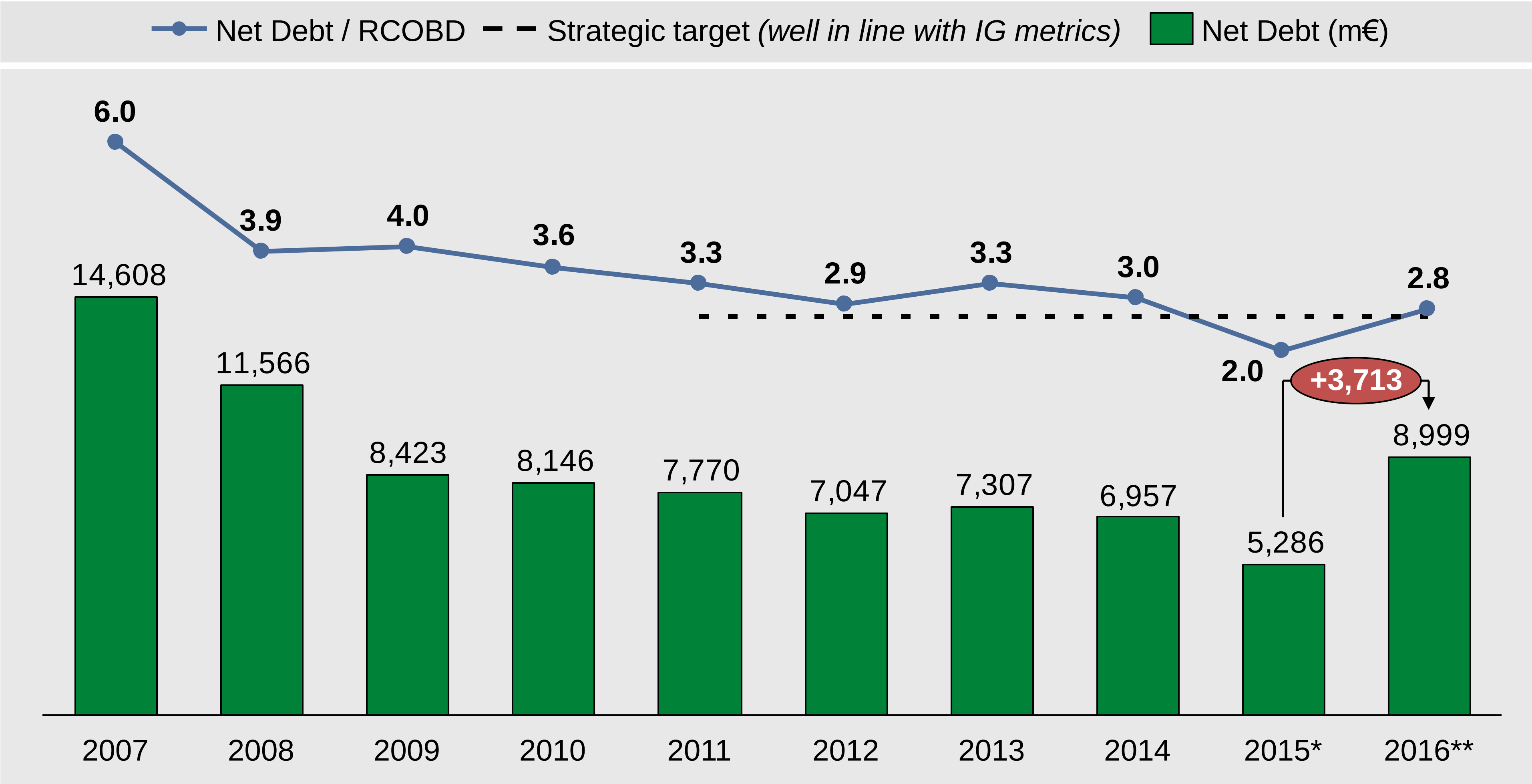
Good management of plan assets pays-off

Development of plan assets (m€)



The good performance of the plan assets (12% return p.a.) is one of the main reasons for the positive development pension obligations over the last years

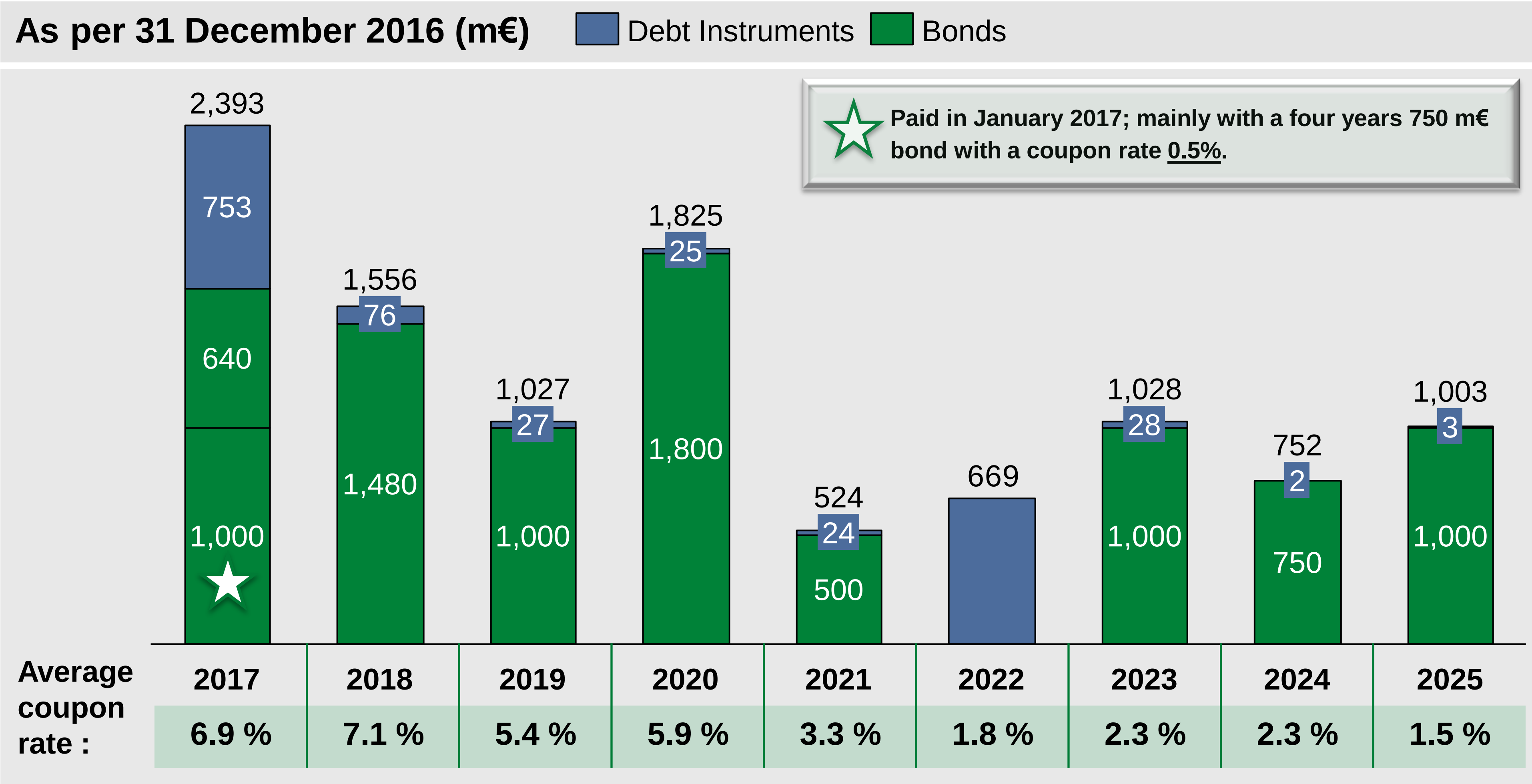
Net Debt development



* Includes put-option minorities ** Calculated on pro-forma RCOBD basis.

Key metric Net debt / RCOBD after major acquisition on acceptable level

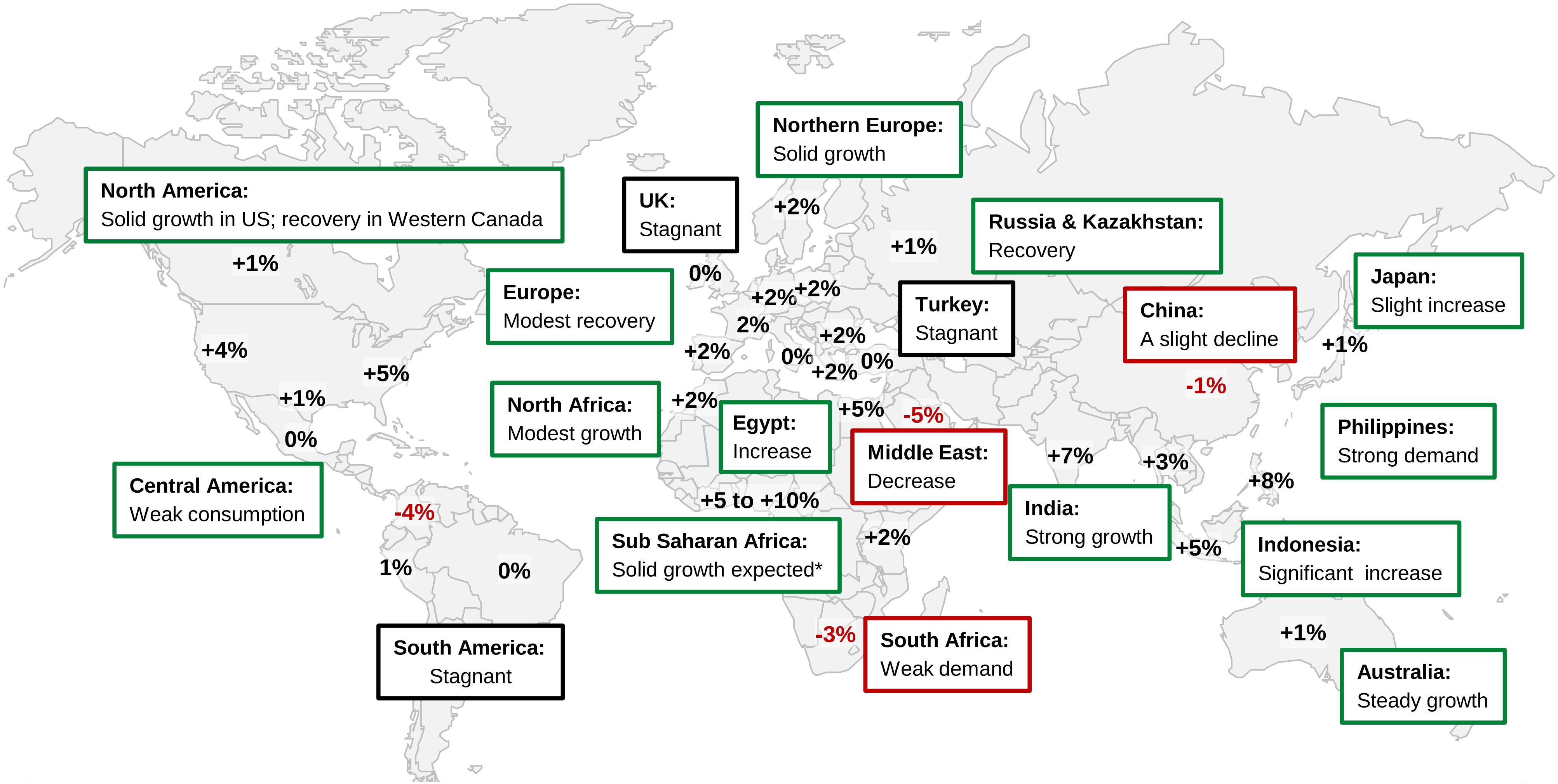
Debt maturity profile



Significant decrease potential in interest expense as we pay back high coupon bonds

Contents

Global cement demand outlook 2017



Solid demand and steady growth expected in our key markets

*) Except for oil countries Nigeria, Gabon and Angola.

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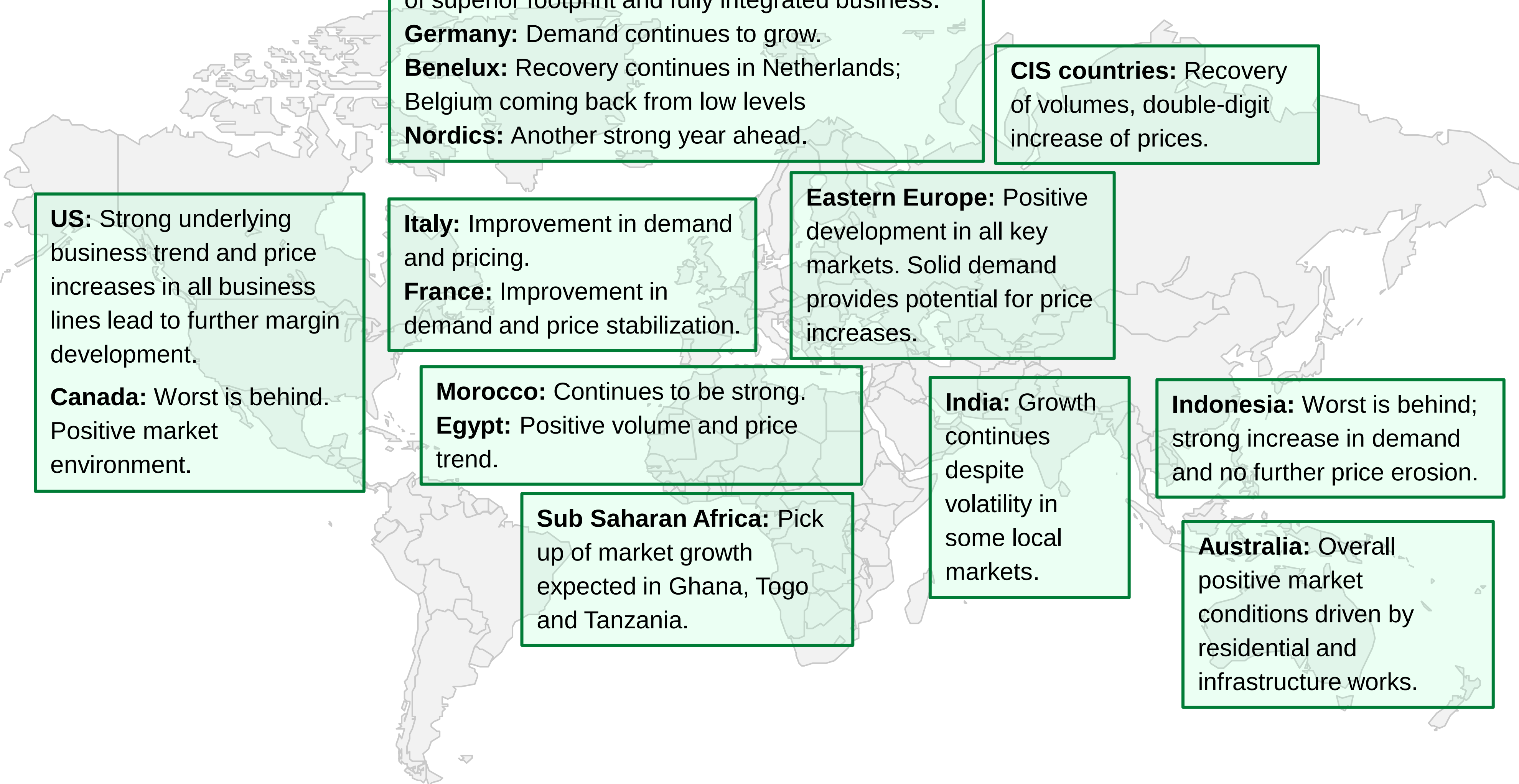
Overview of our key markets



UK: Continue to outperform the markets as a result of superior footprint and fully integrated business.
Germany: Demand continues to grow.
Benelux: Recovery continues in Netherlands; Belgium coming back from low levels
Nordics: Another strong year ahead.

CIS countries: Recovery of volumes, double-digit increase of prices.

US: Strong underlying business trend and price increases in all business lines lead to further margin development.

Canada: Worst is behind. Positive market environment.

Italy: Improvement in demand and pricing.
France: Improvement in demand and price stabilization.

Eastern Europe: Positive development in all key markets. Solid demand provides potential for price increases.

Morocco: Continues to be strong.
Egypt: Positive volume and price trend.

Sub Saharan Africa: Pick up of market growth expected in Ghana, Togo and Tanzania.

India: Growth continues despite volatility in some local markets.

Indonesia: Worst is behind; strong increase in demand and no further price erosion.

Australia: Overall positive market conditions driven by residential and infrastructure works.

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Targets 2017

	2017 Target
Volumes	**Increase in all business lines**
Operating EBITDA	**Mid single to double digit organic growth**
CapEx	**€bn 1.4**
Maintenance	*€m 700*
Expansion	*€m 700*
Energy cost per tonne of cement produced	**Low double digit increase**
Current tax rate	**~25 %**

Contents

Volume and price development (Full Year)

	Domestic gray cement		Aggregates		Ready Mix	
	Volume	Price	Volume	Price	Volume	Price
Total US	++	++	+	++	- -	++
Canada	- -	+	-	- -	- -	-
Belgium	-	+	- -	-	- -	+
Netherlands	++	+	- -	++	- -	++
Germany	++	-	++	+	++	-
France	-	- -	-	-	+	- -
Italy	- -	-	- -	++	-	- -
Spain	- -	- -	- -	++	++	- -
United Kingdom	++	++	++	-	+	+
Norway	++	++	- -	- -	++	+
Sweden	++	+	- -	++	+	+
Czech Republic	++	+	- -	+	++	+
Georgia	++	+				
Hungary	++	+				
Kazakhstan	+	++				
Poland	++	- -	++	- -	++	- -
Romania	++	- -	- -	- -	- -	-
Russia	+	++				
Ukraine	- -	++				
Australia	+	+	++	+	++	++
Indonesia	- -	- -	++	+	- -	- -
India	++	- -				
Thailand	++	- -			++	- -
China North	- -	++				
China South	- -	- -				
Bangladesh	++	- -				
Malaysia			- -	- -	- -	- -
Ghana	- -	- -				
Tanzania	++	- -				
Egypt	- -	++			- -	++
Morocco	+	+			++	++
Turkey	++	-				++

Currency and Scope Impacts

Cement Volume	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	0	0	0	0
West & South Europe	0	0	0	0	0	0
North & East Europe	0	0	0	0	0	0
Asia - Pacific	0	0	0	0	0	0
Africa - Med. Basin	165	0	0	62	0	0
Group Services	0	0	0	0	0	0
TOTAL GROUP	**165**	**0**	**0**	**62**	**0**	**0**

Aggregates Volume	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	0	0	0	0
West & South Europe	0	0	0	0	0	0
North & East Europe	5,552	0	0	5,098	0	0
Asia - Pacific	3,663	0	0	1,016	0	0
Africa - Med. Basin	0	0	0	0	0	0
Group Services	0	0	0	0	0	0
TOTAL GROUP	**9,215**	**0**	**0**	**6,114**	**0**	**0**

RMC Volume	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	0	0	0	0
West & South Europe	0	0	0	0	0	0
North & East Europe	282	0	0	0	0	0
Asia - Pacific	0	0	0	0	0	0
Africa - Med. Basin	0	0	0	0	0	0
Group Services	0	0	0	0	0	0
TOTAL GROUP	**282**	**0**	**0**	**0**	**0**	**0**

Revenues	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	-17	0	0	17
West & South Europe	0	-55	-169	0	0	-61
North & East Europe	426	-94	-107	137	0	1
Asia - Pacific	47	0	-33	10	0	30
Africa - Med. Basin	12	0	-174	4	0	-91
Group Services	0	0	4	0	0	5
TOTAL GROUP	**485**	**-149**	**-496**	**151**	**0**	**-100**

Operating EBITDA	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	-5	0	0	3
West & South Europe	0	-16	-28	0	0	-10
North & East Europe	35	-10	-7	8	0	0
Asia - Pacific	10	0	-3	3	0	8
Africa - Med. Basin	0	0	-23	1	0	-9
Group Services	0	0	0	0	0	0
TOTAL GROUP	**45**	**-25**	**-66**	**11**	**0**	**-7**

Operating Income	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	-5	0	0	2
West & South Europe	0	-15	-18	0	0	-7
North & East Europe	24	-9	3	9	0	1
Asia - Pacific	7	0	-1	2	0	7
Africa - Med. Basin	-1	0	-10	0	0	-1
Group Services	0	0	0	0	0	0
TOTAL GROUP	**30**	**-24**	**-31**	**11**	**0**	**3**

Contact information and event calendar

Event calendar

10 May 2017	2017 first quarter results
10 May 2017	2017 AGM
01 August 2017	2017 half year results
08 November 2017	2017 third quarter results

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“Operating EBITDA” definition included in this presentation represents “Result from current operations before depreciation and amortization (RCOBD)” and “Operating Income” represents “Result from current operations (RCO)” lines in the annual and interim reports.