HeidelbergCement

2015 Results and 2016 Outlook

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London Crossrail Tunnel

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HeidelbergCement continues to grow and deliver

- **2015: Best year since financial crisis**
  - EBITDA reaches €bn 2.6 (+14%) as a result of solid operational performance
  - Group share of profit increases to €m 800 (EPS: € 4.26)
  - Net debt at €bn 5.3 brings leverage down to 2.0x, significantly below the target 2.5x
  - First company in the sector to earn premium on cost of capital with ROIC 7.2%
  - Italcementi transaction on track; synergy potential target taken up to €m 400
  - Proposed dividend increased by 73% to € 1.30 per share; payout ratio reaches 30%

- **Outlook 2016**
  - Volume improvement in all business lines
  - Mid to high-single digit organic growth in revenues, EBITDA and Operating Income
  - Focus on timely completion and integration of Italcementi assets

Solid start of the year confirms our Outlook

Key financials

€m	Full Year				Q4			
	2014	2015	Variance	L-f-L	2014	2015	Variance	L-f-L
Volumes								
Cement (Mt)	81,847	**81,105**	-1 %	-1%	20,597	**20,525**	0 %	0 %
Aggregates (Mt)	243,604	**249,244**	2 %	2%	62,849	**63,257**	1 %	1 %
Ready-Mix Concrete (Mm3)	36,591	**36,708**	0 %	0%	9,546	**9,585**	0 %	-1 %
Asphalt (Mt)	9,309	**9,122**	-2 %	-2%	2,360	**2,202**	-7 %	-7 %
Income statement								
Revenue	12,614	**13,465**	7 %	0%	3,309	**3,389**	2 %	-2 %
Operating EBITDA	2,288	**2,613**	14 %	8%	625	**696**	11 %	10 %
in % of revenue	*18.1%*	***19.4%***			*18.9%*	***20.5%***		
Operating income	1,595	**1,846**	16 %	10%	441	**499**	13 %	13 %
Group share of profit	486	**800**	65 %		31	**172**	450 %	
Earnings per share in € (IAS 33)	2.59	**4.26**	65 %		0.17	**0.92**	451 %	
Dividend per share in € [1)]	0.75	**1.30**	73 %					
Statement of cash flows								
Cash flow from operating activities	1,480	**1,449**	-31		828	**912**	84	
Total investments	-1,125	**-1,002**	123		-422	**-371**	52	
Balance sheet								
Net debt	6,957	**5,286**	-1,671					
Gearing	48.8%	**33.1%**						

1) Proposal of Managing Board and Supervisory Board to Annual General Meeting

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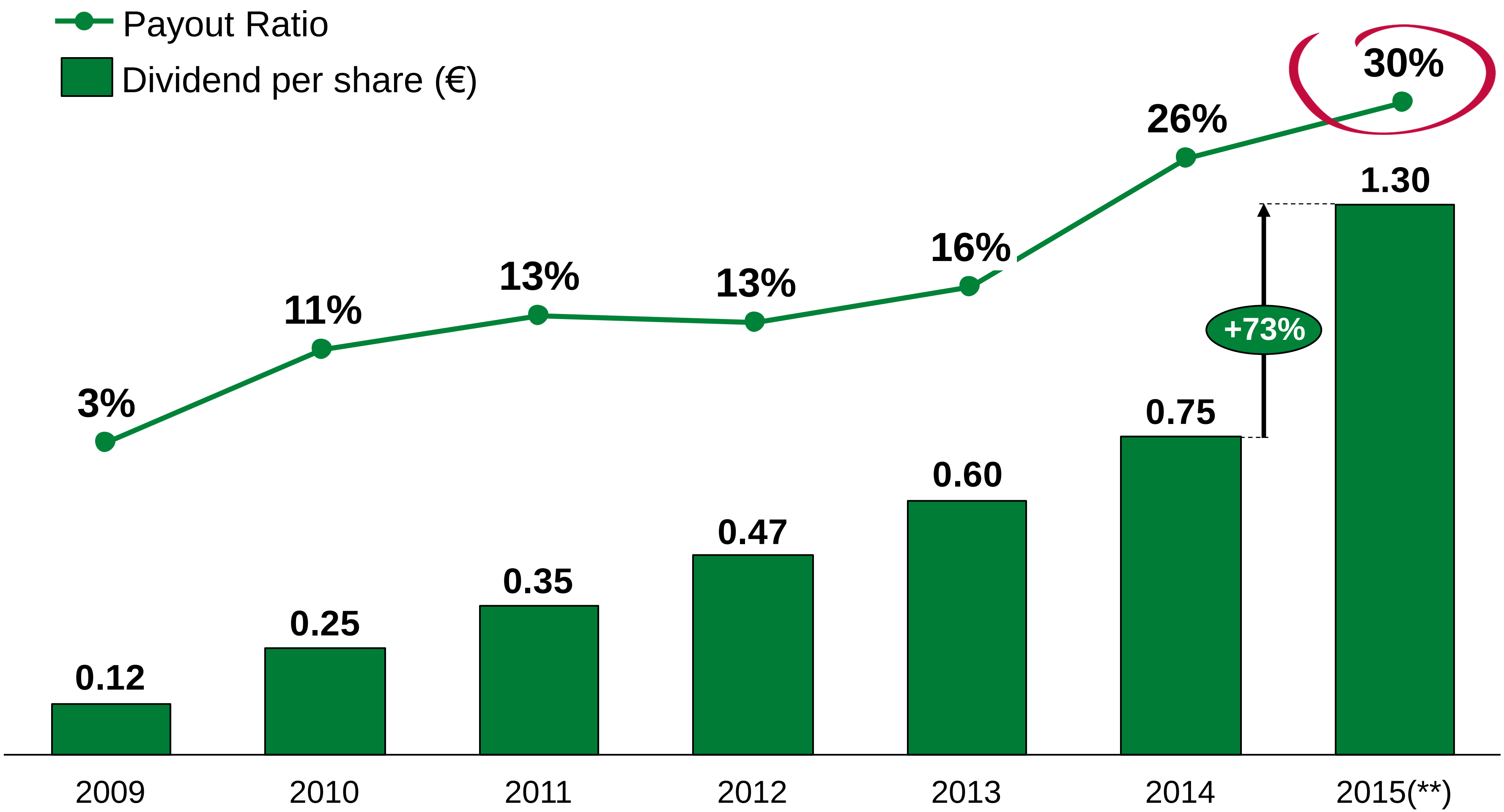
Payout ratio increases to 30% (*)



(*) Payout ratio calculated based on clean EPS, excluding "Additional Ordinary Result".

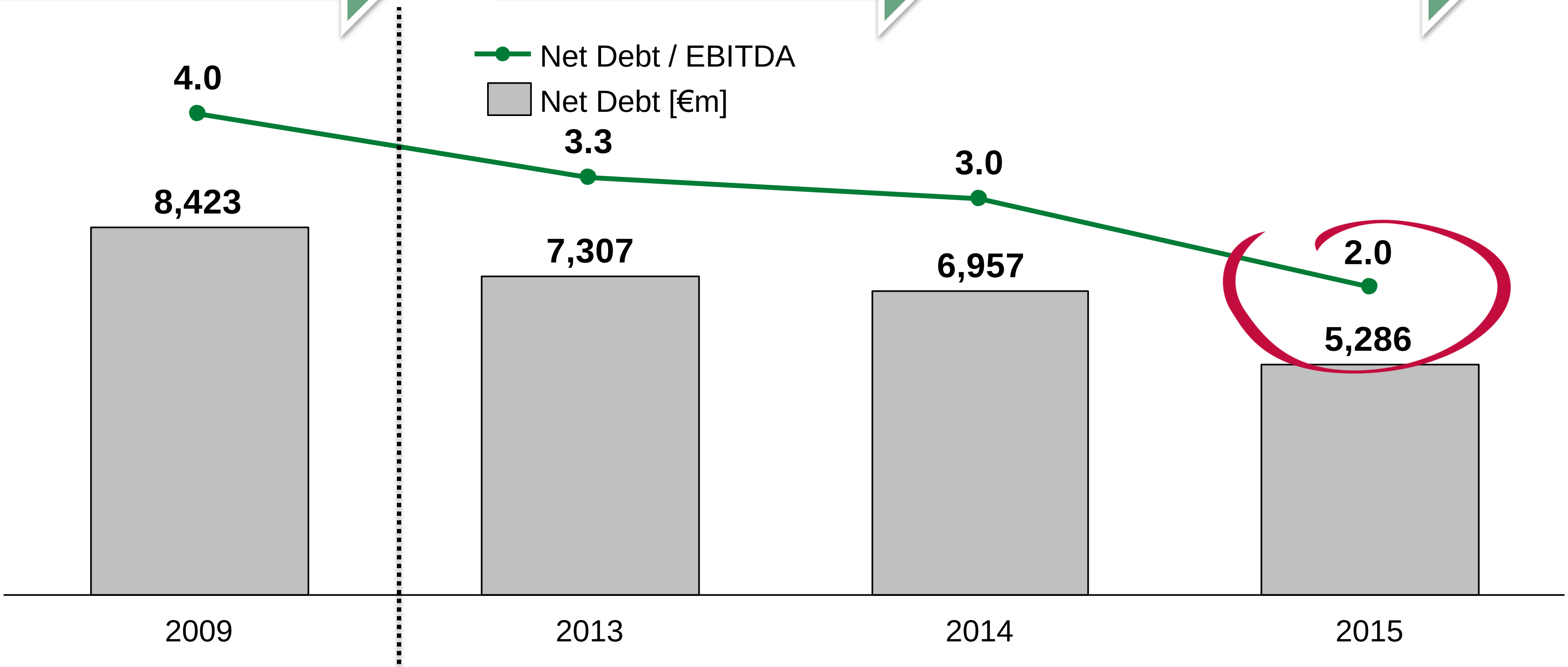
(**) Proposal of Managing Board and Supervisory Board to Annual General Meeting

Strategic targets for net debt and leverage fully met

Target defined in 2009:
"Mid-cycle leverage target 2.8x"

Target re-defined in 2013:
"Leverage target below 2.8x"
"Net debt below €bn 6.5"

Target announced during CMD 2015:
"Leverage between 1.5x and 2.5x"



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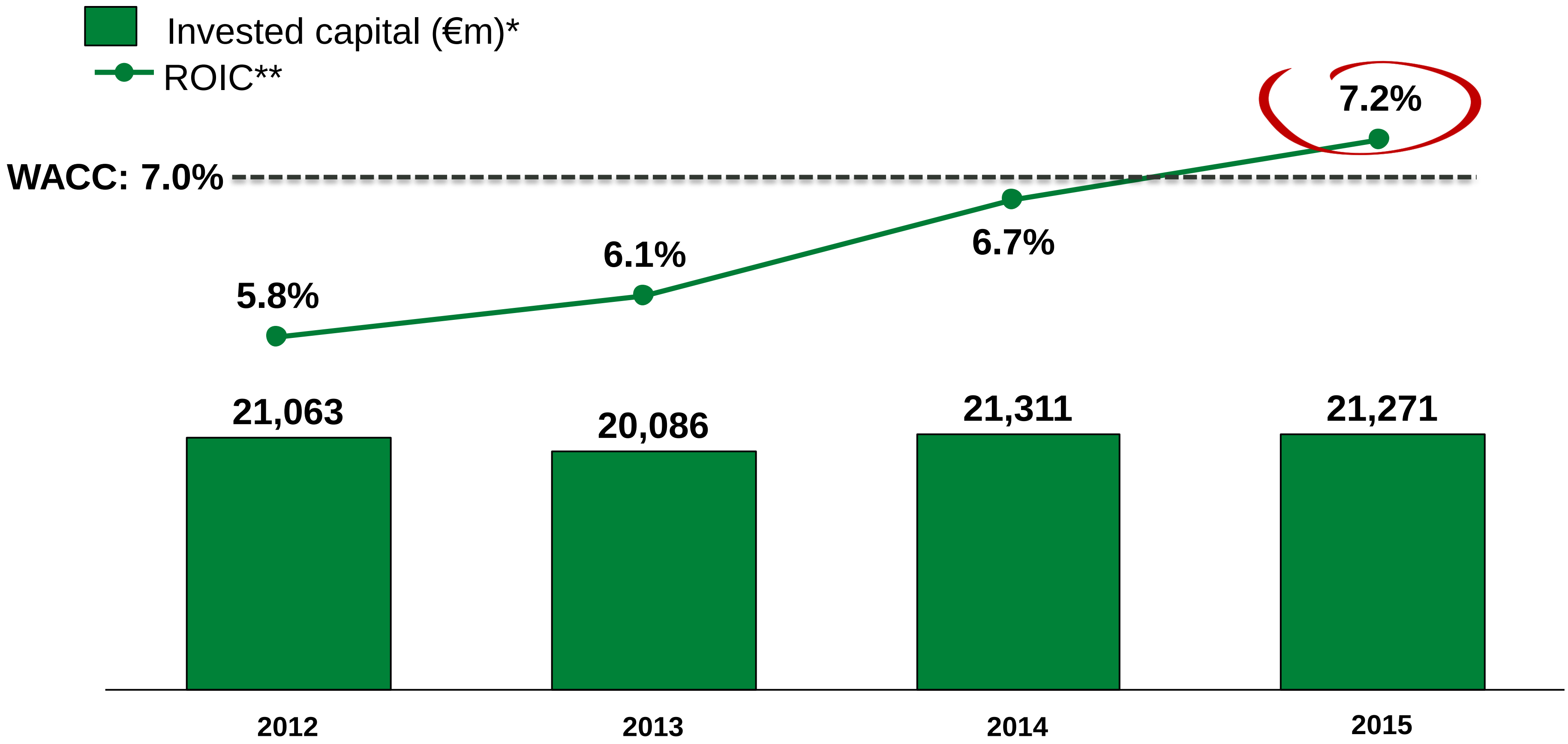
Premium earned on cost of capital in 2015



* Total shareholder's equity and Net Debt

** Adjusted for exceptional items

ROIC reaches 7.2% and is above cost of capital of 7.0% (WACC)

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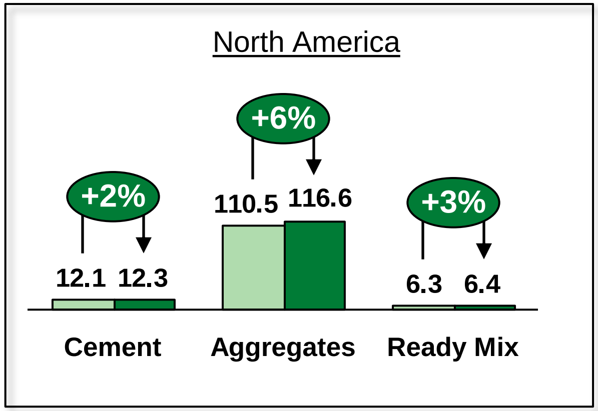
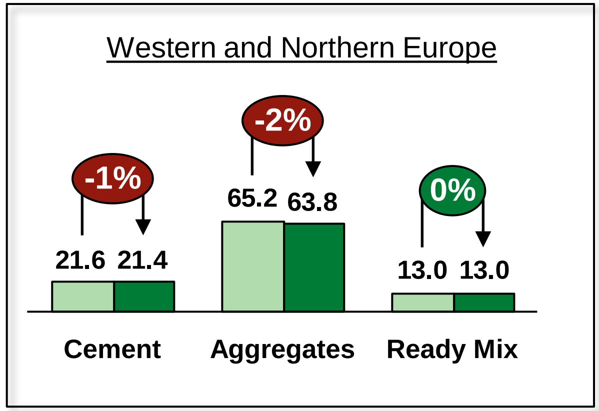
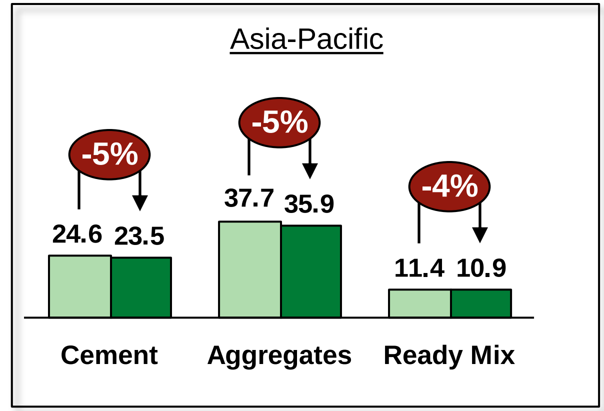
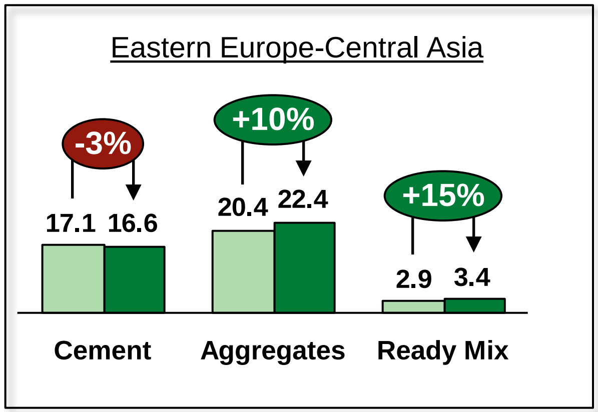
Group Sales Volumes Full Year

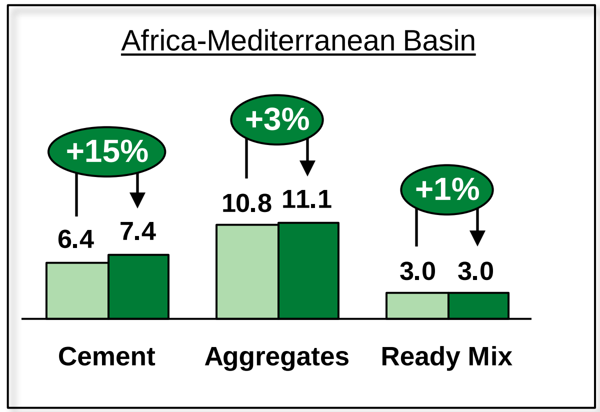
2014 2015

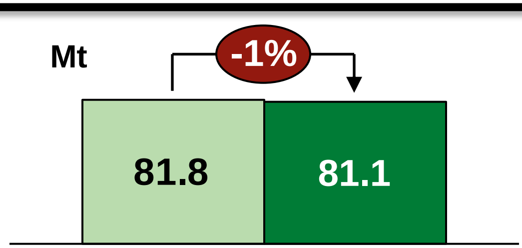




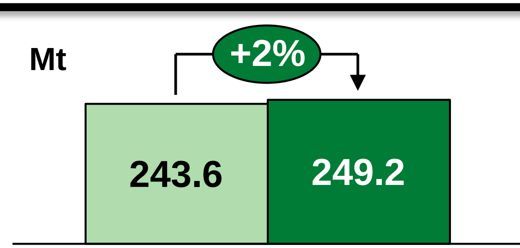




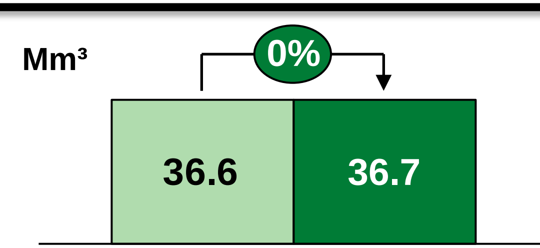




Group Cement



Group Aggregates



Group Ready-mixed concrete

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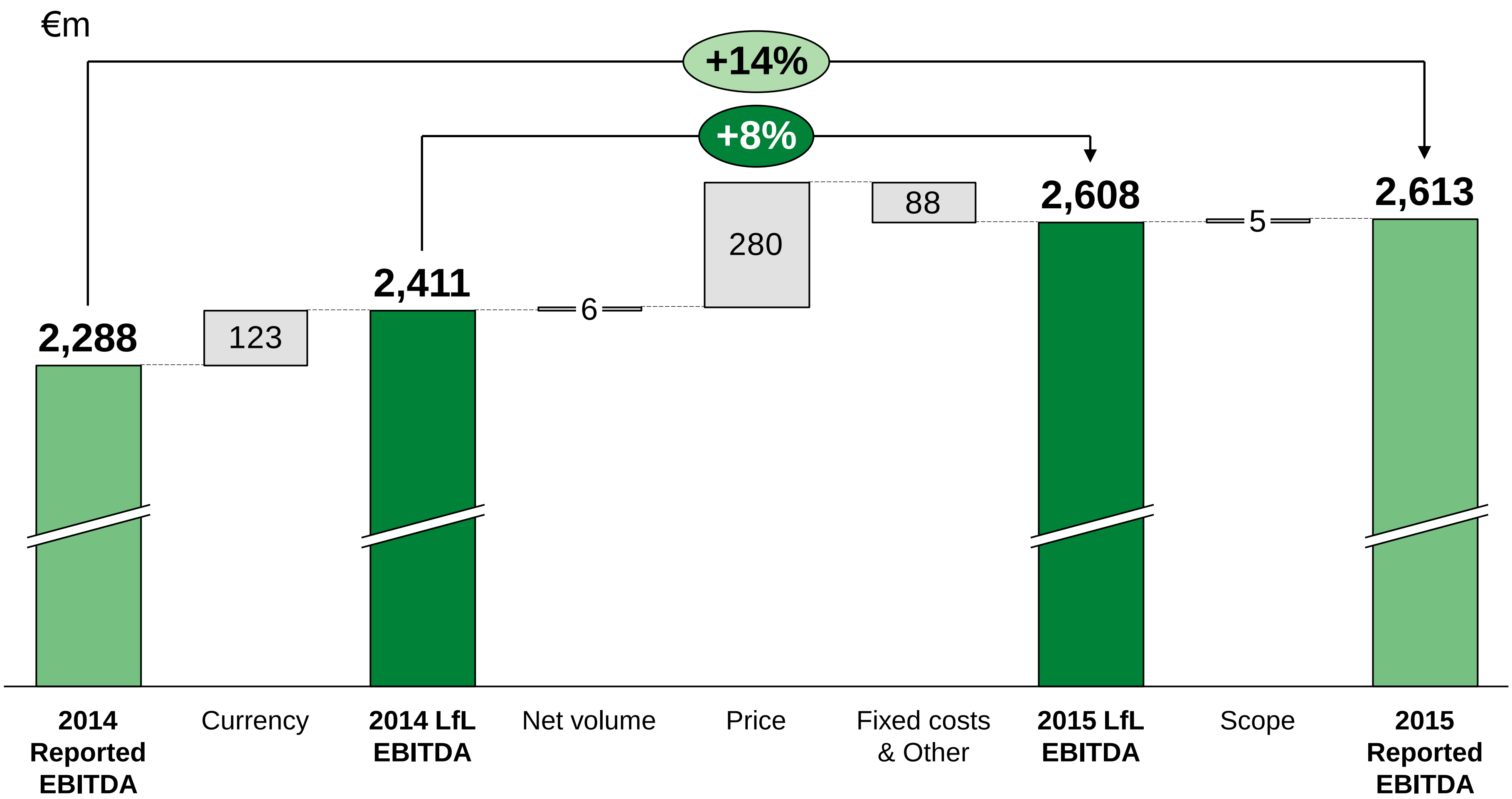
2015 EBITDA bridge



Strong organic growth driven by solid operational performance

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Italcementi synergy target increased to €m 400

	Immediate impact on EBITDA	Mid term impact on operational result	Impact on margin	Business combination and strategy	TOTAL
€m	• SG&A • Organization • Shared services	• Purchasing • Insurance • IT	• Operational improvement • Logistics	• Trading • Tax • Treasury	
JUL'15 Top-bottom approach	85	25	65		**175**
Further analysis on synergy potentials	+30	+45	+45	+105	**+225**
CURRENT SYNERGY TARGET	**115**	**70**	**110**	**105**	**400***

STILL WORK IN PROCESS	• Plant optimizations • Excess inventory analysis • Network optimization • White cement business analysis • Aggregates business analysis • Excess land analysis • CO_2 rights analysis • Tax planning and detailing……

Detailed implementation plans in development by project teams

* Out of which direct EBITDA impact is €m 325

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Italcementi transaction update

- **Anti-trust discussions / filings**
  - Clearance received from India, Canada, Morocco and Kazakhstan authorities
  - Phase 2 discussions going on with FTC in US
  - Drafting the official filing and discussions continue with EU Commission for Belgium assets
  - Definite decisions expected to be formalized until the end of May
- **Disposals**
  - Very strong interest in US for first class assets
  - Significant interest in fully vertically integrated market positions in Belgium
  - High confidence to achieve attractive proceeds from disposals

Transaction on track, expected closing in H2 in line with initial plans

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North America

- **More than 100% operating leverage for the full year (*)**
- **EBITDA margin up significantly in all business lines, driven by good pricing, disciplined cost management and solid volume growth**
- **USA:**
  - Cement: North and West continue to be strong; South is negatively impacted by timing of large projects and inclement weather
  - High single digit cement price growth in all regions
  - Strong aggregates demand and pricing
- **Canada:** Drop in demand in Alberta due to low oil price is to a large extent compensated by strong markets in BC and Washington; solid pricing in all business lines and good cost management lead to full year and Q4 EBITDA margin growth

North America	Full Year 2014	Full Year 2015	Full Year variance		Full Year L-f-L	Q4 2014	Q4 2015	Q4 variance		Q4 L-f-L
Volumes										
Cement volume ('000 t)	12,081	12,311	230	1.9 %	1.9 %	2,891	3,023	132	4.6 %	4.6 %
Aggregates volume ('000 t)	110,492	116,595	6,103	5.5 %	5.5 %	28,352	29,899	1,547	5.5 %	5.7 %
Ready mix volume ('000 m^3)	6,263	6,430	167	2.7 %	2.7 %	1,500	1,594	94	6.2 %	8.4 %
Asphalt volume ('000 t)	3,551	3,675	125	3.5 %	3.5 %	891	929	38	4.2 %	4.2 %
Operational result (€m)										
Revenue	3,049	3,746	697	22.9 %	6.7 %	800	943	144	18.0 %	9.6 %
Operating EBITDA	610	829	219	35.9 %	19.5 %	161	214	53	32.9 %	25.0 %
in % of revenue	*20.0 %*	*22.1 %*			*+237 bps*	*20.1 %*	*22.7 %*			*+278 bps*
Operating income	412	583	170	41.3 %	25.9 %	107	147	40	37.2 %	31.6 %

Revenue (€m)	Full Year 2014	Full Year 2015	Full Year variance		Q4 2014	Q4 2015	Q4 variance	
Cement	1,115	1,366	251	22.5 %	284	337	53	18.8 %
Aggregates	1,150	1,471	321	28.0 %	311	381	70	22.6 %
RMC + Asphalt	874	1,039	164	18.8 %	230	261	32	13.8 %

Opr. EBITDA margin (%)	Full Year 2014	Full Year 2015	Q4 2014	Q4 2015
Cement	19.6 %	22.7 %	21.6 %	24.6 %
Aggregates	26.5 %	27.6 %	26.8 %	28.4 %
RMC + Asphalt	4.6 %	6.5 %	4.6 %	5.5 %

(*) Based on USD values.

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Western and Northern Europe

- **UK:** Increased residential demand and large infrastructure projects in the London area continue to drive the growth, albeit at a slower rate in H2; good price development; result significantly above prior year; EBITDA margin up significantly due to strong operating leverage and good cost management
- **Germany:** Positive pricing compensates slightly lower volumes leading to full year EBITDA margin improvement
- **Benelux:** EBITDA up for the year; gradual market recovery in Belgium; Netherlands expected to improve in 2016
- **Northern Europe**: Increased building materials demand in Sweden, primarily driven by residential construction in Stockholm; lower demand in Norway, mainly due to weaker oil related activity in Western Norway

Western & Northern Eur.	Full Year					Q4				
	2014	2015	variance		L-f-L	2014	2015	variance		L-f-L
Volumes										
Cement volume ('000 t)	21,608	21,396	-212	-1.0 %	-1.1 %	5,330	5,372	42	0.8 %	1.1 %
Aggregates volume ('000 t)	65,217	63,840	-1,377	-2.1 %	-2.3 %	16,373	15,349	-1,024	-6.3 %	-2.7 %
Ready mix volume ('000 m^3)	12,999	12,963	-36	-0.3 %	-1.1 %	3,435	3,336	-99	-2.9 %	-3.1 %
Asphalt volume ('000 t)	3,096	2,994	-102	-3.3 %	-3.3 %	783	714	-69	-8.8 %	-8.8 %
Operational result (€m)										
Revenue	4,012	4,196	184	4.6 %	0.1 %	1,021	1,074	53	5.2 %	-0.6 %
Operating EBITDA	562	672	111	19.7 %	17.3 %	157	192	35	22.5 %	25.8 %
in % of revenue	*14.0 %*	*16.0 %*			*+236 bps*	*15.3 %*	*17.9 %*			*+400 bps*
Operating income	329	434	105	31.9 %	31.7 %	96	131	35	36.4 %	45.4 %
Revenue (€m)										
Cement	1,780	1,796	17	0.9 %		431	434	3	0.6 %	
Aggregates	843	887	44	5.2 %		214	207	-7	-3.1 %	
RMC + Asphalt	1,539	1,627	88	5.7 %		413	409	-4	-0.9 %	
Opr. EBITDA margin (%)										
Cement	19.9 %	21.8 %				24.3 %	26.3 %			
Aggregates	17.5 %	17.9 %				17.2 %	16.4 %			
RMC + Asphalt	2.3 %	3.8 %				3.9 %	5.2 %			

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Eastern Europe-Central Asia

- **Poland**: Cement volume decline as a result of fierce competition is partly compensated by lower variable costs
- **Czech Republic:** Full year cement and aggregates volume growth and good cost control lead to higher EBITDA
- **Romania**: Full year EBITDA margin improvement despite increased competition
- **Russia:** Significant decline in sales volumes and result due to slowdown of economy and depreciation of the Ruble
- **Ukraine:** Margin pressure from increased variable costs due to high inflation and depreciation of local currency; stabilization of result
- **Kazakhstan**: Strong volume development as a result of our new Shetpe plant; profit negatively affected by margin pressure from imports and substantial depreciation of local currency

Eastern Eur. - Cent. Asia	Full Year 2014	Full Year 2015	Full Year variance		Full Year L-f-L	Q4 2014	Q4 2015	Q4 variance		Q4 L-f-L
Volumes										
Cement volume ('000 t)	17,113	16,554	-559	-3.3 %	-3.3 %	3,865	3,868	3	0.1 %	0.1 %
Aggregates volume ('000 t)	20,403	22,417	2,015	9.9 %	9.2 %	5,763	6,148	385	6.7 %	3.8 %
Ready mix volume ('000 m^3)	2,945	3,394	448	15.2 %	11.2 %	840	988	147	17.5 %	3.3 %
Asphalt volume ('000 t)	0	0	0	N/A	N/A	0	0	0	N/A	N/A
Operational result (€m)										
Revenue	1,182	1,097	-86	-7.2 %	1.1 %	264	248	-16	-6.1 %	1.8 %
Operating EBITDA	230	207	-23	-9.9 %	-4.4 %	41	49	8	19.0 %	25.9 %
in % of revenue	*19.5 %*	*18.9 %*			*-110 bps*	*15.4 %*	*19.6 %*			*+383 bps*
Operating income	129	114	-15	-11.9 %	-8.8 %	16	26	10	62.3 %	63.8 %

Revenue (€m)	Full Year 2014	Full Year 2015	Full Year variance		Q4 2014	Q4 2015	Q4 variance	
Cement	987	878	-109	-11.1 %	209	187	-22	-10.5 %
Aggregates	104	116	12	11.9 %	29	32	3	9.6 %
RMC + Asphalt	163	183	20	12.3 %	47	51	5	10.2 %

Opr. EBITDA margin (%)	Full Year 2014	Full Year 2015	Q4 2014	Q4 2015
Cement	21.1 %	19.8 %	18.6 %	22.7 %
Aggregates	13.0 %	15.3 %	10.7 %	14.2 %
RMC + Asphalt	2.4 %	3.9 %	1.3 %	1.1 %

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Asia-Pacific

- **Indonesia:** Full year market demand below expectations as a result of delayed infrastructure projects; volume pick up has started in H2; disciplined pricing and strict cost management leads to resilient EBITDA margin
- **India:** Soft cement demand in all market segments and weak pricing lead to EBITDA margin decline
- **China:** Lower variable costs cannot offset substantial price declines and lower market demand
- **Bangladesh:** EBITDA margin improves, helped by lower raw material costs
- **Australia:** Result up vs. prior year; concrete and aggregates volumes increase driven by residential construction growth and pull-through of own aggregates into concrete enabled by integrated supply chain management

Asia - Pacific	Full Year					Q4				
	2014	2015	variance		L-f-L	2014	2015	variance		L-f-L
Volumes										
Cement volume ('000 t)	24,615	23,507	-1,108	-4.5 %	-4.5 %	6,854	6,474	-379	-5.5 %	-5.5 %
Aggregates volume ('000 t)	37,687	35,949	-1,738	-4.6 %	-4.3 %	9,823	9,139	-684	-7.0 %	-7.8 %
Ready mix volume ('000 m^3)	11,379	10,890	-489	-4.3 %	-4.3 %	3,031	2,882	-149	-4.9 %	-4.9 %
Asphalt volume ('000 t)	2,265	2,045	-220	-9.7 %	-9.7 %	602	469	-133	-22.1 %	-22.1 %
Operational result (€m)										
Revenue	2,818	2,775	-43	-1.5 %	-5.6 %	785	716	-69	-8.8 %	-8.9 %
Operating EBITDA	743	719	-24	-3.2 %	-8.1 %	221	188	-33	-14.8 %	-16.1 %
in % of revenue	*26.4 %*	*25.9 %*			*-71 bps*	*28.1 %*	*26.3 %*			*-226 bps*
Operating income	623	588	-35	-5.6 %	-10.6 %	189	155	-34	-17.8 %	-19.2 %
Revenue (€m)										
Cement	1,481	1,463	-18	-1.2 %		430	388	-42	-9.9 %	
Aggregates	530	537	7	1.3 %		139	133	-7	-4.8 %	
RMC + Asphalt	1,103	1,086	-18	-1.6 %		297	274	-24	-7.9 %	
Opr. EBITDA margin (%)										
Cement	32.5 %	30.8 %				34.1 %	30.6 %			
Aggregates	27.3 %	28.3 %				26.4 %	25.8 %			
RMC + Asphalt	1.9 %	0.9 %				2.9 %	0.9 %			

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Africa-Mediterranean Basin

- **Tanzania:** Significant volume growth supported by capacity increase in Q3'2014; increased competitive pressure
- **Togo:** Significant volume and result increase driven by the start up of our new clinker plant
- **Ghana:** Result negatively affected by increasing competitive pressures and depreciation of local currency, however, full year result still above prior year
- **Israel:** Stable full year result on high level
- **Turkey:** Result improvement supported by exports and better pricing
- **Spain:** Recovery in market is clearly visible; outlook for 2016 is positive

Africa - Med. Basin	Full Year					Q4				
	2014	2015	variance		L-f-L	2014	2015	variance		L-f-L
Volumes										
Cement volume ('000 t)	6,441	7,428	986	15.3 %	16.1 %	1,644	1,835	191	11.6 %	11.6 %
Aggregates volume ('000 t)	10,843	11,127	284	2.6 %	3.7 %	2,677	2,862	184	6.9 %	6.9 %
Ready mix volume ('000 m^3)	3,005	3,031	26	0.9 %	0.9 %	739	786	47	6.4 %	6.4 %
Asphalt volume ('000 t)	397	408	11	2.7 %	2.7 %	84	91	7	8.1 %	8.1 %
Operational result (€m)										
Revenue	910	1,008	98	10.8 %	11.4 %	231	244	13	5.8 %	5.6 %
Operating EBITDA	213	260	48	22.5 %	23.9 %	55	68	13	22.8 %	29.9 %
in % of revenue	*23.4 %*	*25.8 %*			*+259 bps*	*23.8 %*	*27.6 %*			*+517 bps*
Operating income	184	216	33	17.8 %	19.8 %	46	57	11	22.9 %	32.0 %

Revenue (€m)	FY 2014	FY 2015	variance		Q4 2014	Q4 2015	variance	
Cement	622	701	79	12.8 %	161	168	7	4.2 %
Aggregates	86	93	7	8.1 %	21	23	2	11.1 %
RMC + Asphalt	207	221	14	7.0 %	49	56	7	14.8 %

Opr. EBITDA margin (%)	FY 2014	FY 2015	Q4 2014	Q4 2015
Cement	25.2 %	28.6 %	28.0 %	31.7 %
Aggregates	19.6 %	17.7 %	13.1 %	18.3 %
RMC + Asphalt	1.2 %	1.0 %	-0.1 %	0.5 %

Group Services

- Despite a slowdown in Q3, full year international trading volumes are 1% above 2014
- Low cost sourcing of raw materials and low freight rates contributed significantly to the profitability of HC grinding units and bulk import terminals in 2015
- Recovery in trade volumes and profitability in Q4 partially compensated deterioration of commodity markets in Q3
- Full Year EBITDA is negatively affected by fierce competition and rising margin pressure in addition to unexpected costs resulting from the instability of shipments to North Africa (Algeria and Libya)

Group Services	Full Year					Q4				
	2014	2015	variance		L-f-L	2014	2015	variance		L-f-L
Operational result (€m)										
Revenue	1,077	1,060	-17	-1.6 %	-17.8 %	314	270	-44	-14.0 %	-25.3 %
Operating EBITDA	27	25	-2	-6.6 %	-21.9 %	6	7	1	10.3 %	-2.8 %
in % of revenue	*2.5 %*	*2.4 %*			*-13 bps*	*2.0 %*	*2.6 %*			*+60 bps*
Operating income	27	25	-2	-6.8 %	-22.1 %	6	7	1	10.6 %	-2.6 %

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Key financial messages 2015

Full year results demonstrate underlying strength in profit and cashflow generation

- **All key financial ratios substantially improved and ahead of targets:**
  - ROIC at 7.2% exceeds the average cost of capital of HC (WACC: 7.0%)
  - Leverage at 2.0x and significantly below target of 2.5x
  - Net debt at €bn 5.3; down by €bn 1.7, thereof €bn 0.5 from operations
- **Solid earnings performance and profitable growth**
  - Interest expense decrease significantly; further improvement expected as expensive bonds mature
  - Cash tax rate at 26%, in line with targets
  - Group result increases 65% to €m 800 (2014: €m 486)
- **Strong cashflow, significant part used for deleveraging**
  - Improved operating cashflow before discontinued operations
  - High cash proceeds from disposal of Building Products of €m 1,245
  - Free cashflow partly used for cash repatriation from Indonesia
- **Significant liquidity reserve, well-balanced maturity profile and high financing flexibility**

Noticeable improvement of all financial performance indicators

Income Statement 2015

€m	December Year to Date			Q4		
	2014	2015	Variance	2014	2015	Variance
Revenue	12,614	**13,465**	7 %	3,309	**3,389**	2 %
Result from joint ventures	171	**201**	18 %	42	**55**	30 %
Operating EBITDA	2,288	**2,613**	14 %	625	**696**	11 %
in % of revenue	18.1%	**19.4%**		18.9%	**20.5%**	
Depreciation and amortisation	-693	**-767**	-11 %	-183	**-197**	-8 %
Operating income	1,595	**1,846**	16 %	441	**499**	13 %
Additional ordinary result	-63	**-12**	80 %	-70	**-12**	82 %
Result from participations	28	**30**	5 %	11	**-3**	N/A
Financial result	-629	**-550**	13 %	-174	**-123**	30 %
Income taxes	-65	**-295**	-356 %	129	**-78**	N/A
Net result from continued operations	866	**1,019**	18 %	337	**283**	-16 %
Net result from discontinued operations	-179	**-36**	80 %	-249	**-62**	75 %
Minorities	-202	**-183**	9 %	-57	**-49**	15 %
Group share of profit	486	**800**	65 %	31	**172**	450 %

Sustainable growth and strong increase in profit by 65% to 800 Mio €

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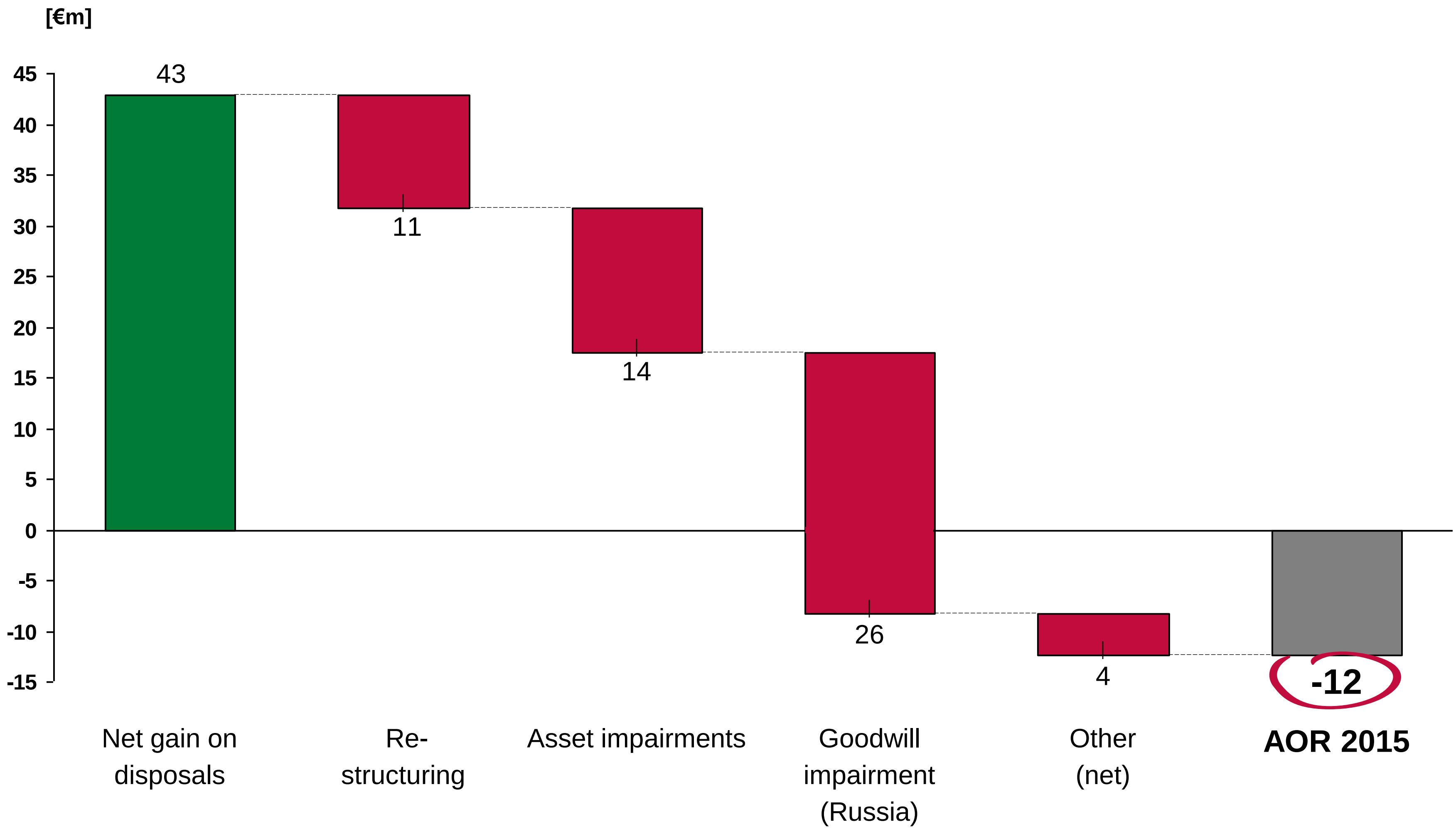
Additional ordinary result 2015



Additional ordinary income and expenses largely balanced in 2015

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Taxes on income 2015

Increased pretax profit and higher withholding tax from cash repatriation from Indonesia lead to moderately higher taxes

Income taxes from continuing operations Mio €	2014	2015
Current taxes	-330	-342
Deferred taxes	265	47
	-65	**-295**

Taxes paid (Statement of cashflow) Mio €	2014	2015
Taxes paid	-315	-353

Tax position in 2014 largely determined by the capitalization of deferred taxes in North America

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Cash flow statement Group 2015

€m	December Year to Date			Q4		
	2014	2015	Variance	2014	2015	Variance
Cash flow	1,624	**1,777**	153	430	**505**	75
Changes in working capital	-27	**-22**	5	419	**485**	66
Decrease in provisions through cash payments	-223	**-244**	-21	-66	**-71**	-5
Cash flow from operating activities - discontinued operations	106	**-61**	-167	45	**-7**	-52
Cash flow from operating activities	1,480	**1,449**	-31	828	**912**	84
Total investments	-1,125	**-1,002**	123	-422	**-371**	52
Proceeds from fixed asset disposals/consolidation	165	**249**	84	67	**95**	28
Cash flow from investing activities - discontinued operations	-14	**1,245**	1,259	-14		14
Cash flow from investing activities	-973	**493**	1,466	-370	**-276**	93
Free cash flow	507	**1,942**	1,435	458	**636**	178
Capital increase / decrease - non-controlling shareholders	1	**-3**	-4	1	**0**	-1
Dividend payments	-278	**-369**	-90	-6	**-6**	0
Transactions between shareholders	-17	**-15**	3	-8	**1**	9
Net change in bonds and loans	-422	**-1,436**	-1,013	-410	**-282**	128
Cash flow from financing activities - discontinued operations	-1	**-5**	-3	-2		2
Cash flow from financing activities	-718	**-1,827**	-1,108	-425	**-287**	138
Net change in cash and cash equivalents	-211	**115**	327	33	**349**	316
Effect of exchange rate changes	88	**7**	-81	28	**29**	1
Change in cash and cash equivalents	-123	**122**	245	61	**377**	316

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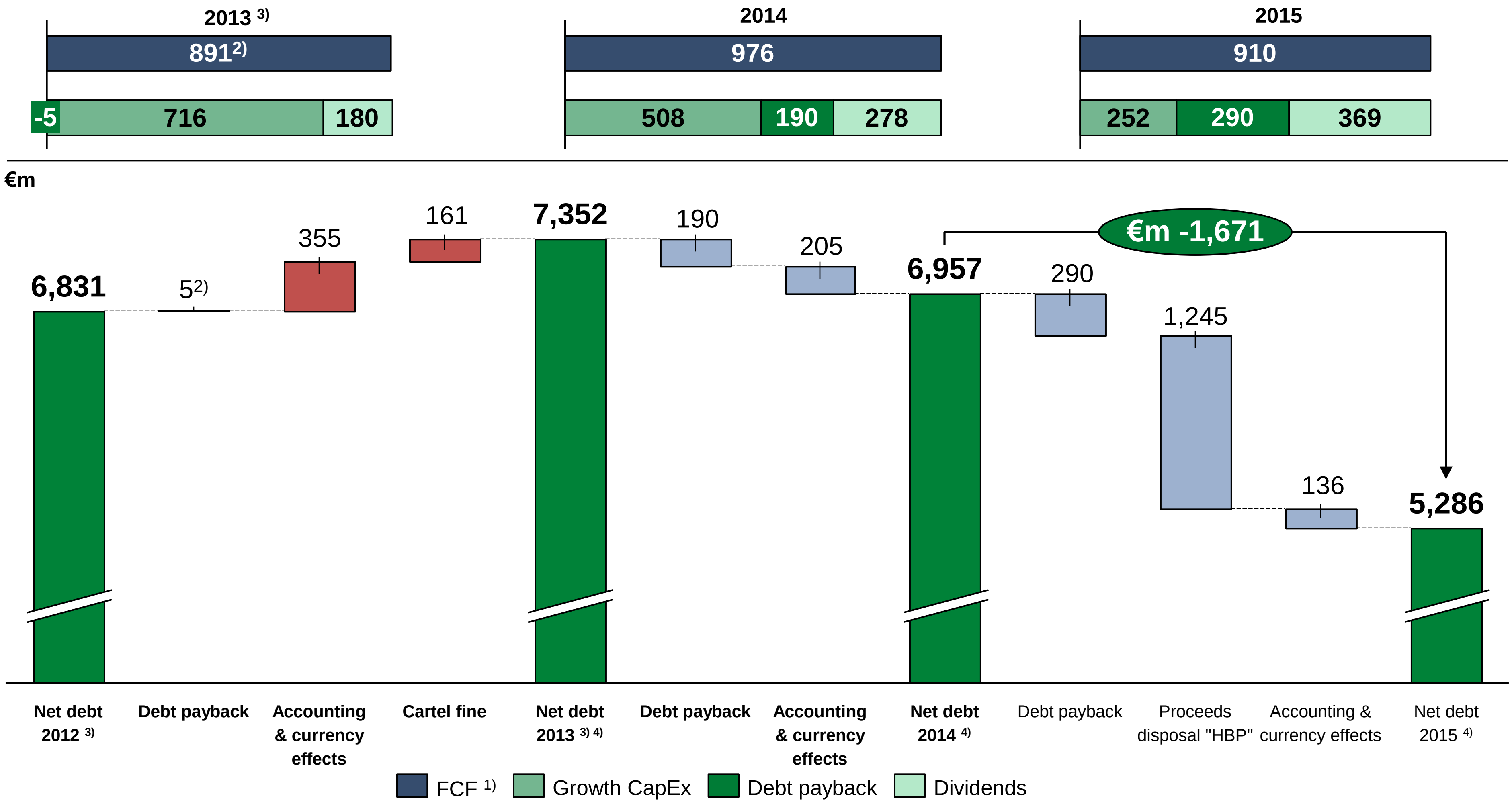
Usage of free cash flow

Net debt reduced by €m 1,671 in2015



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

2) Before cartel fine payment

3) Values restated

4) Incl. put-option minorities

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Group balance sheet

€m			Variance Dec 15/Dec14	
	Dec 2014	Dec 2015	€m	%
Assets				
Intangible assets	9,864	**10,439**	574	6 %
Property, plant and equipment	9,493	**9,871**	378	4 %
Financial assets	1,832	**1,832**	0	0 %
Fixed assets	21,190	**22,142**	952	4 %
Deferred taxes	688	**805**	117	17 %
Receivables	2,213	**2,558**	345	16 %
Inventories	1,397	**1,444**	47	3 %
Cash and short-term derivatives	1,265	**1,426**	160	13 %
Assets held for sale and discontinued operations	1,380		-1,380	-100 %
Balance sheet total	28,133	**28,374**	242	1 %
Equity and liabilities				
Equity attributable to shareholders	13,150	**14,915**	1,765	13 %
Non-controlling interests	1,095	**1,061**	-34	-3 %
Equity	14,245	**15,976**	1,731	12 %
Debt	8,222	**6,712**	-1,510	-18 %
Provisions	2,445	**2,423**	-22	-1 %
Deferred taxes	442	**436**	-6	-1 %
Operating liabilities	2,557	**2,827**	271	11 %
Liabilities associated with assets held for sale and discontinued operations	222		-222	-100 %
Balance sheet total	28,133	**28,374**	242	1 %
Net Debt	6,957	**5,286**	-1,671	-24 %
Gearing	48.8 %	**33.1 %**		

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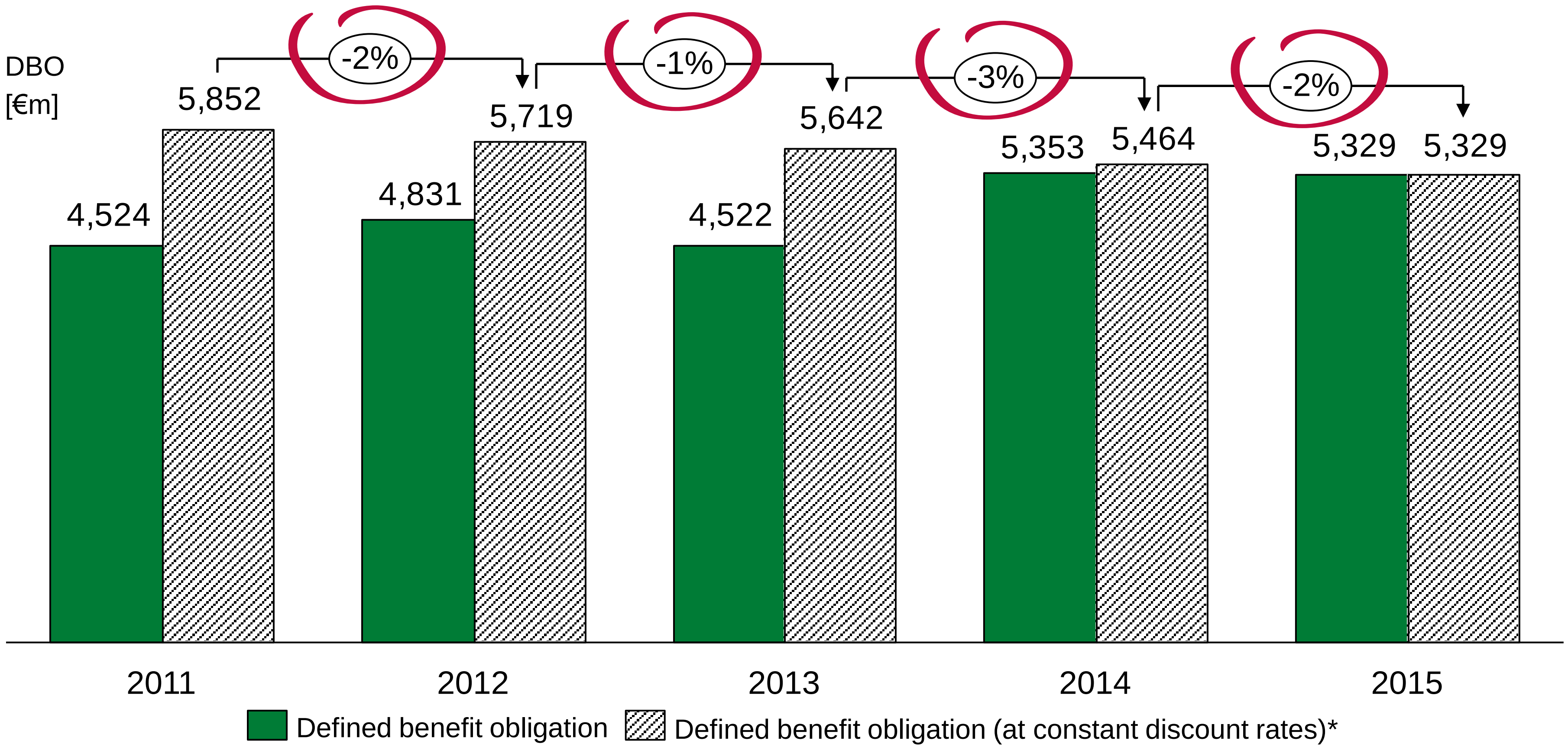
Pension obligations: Continued reduction

Further reduction in pension obligations in 2015



*) Source: Mercer calculations (12.02.2016)

At constant discount rates,
continuous decrease of Defined Benefit Obligation (DBO)

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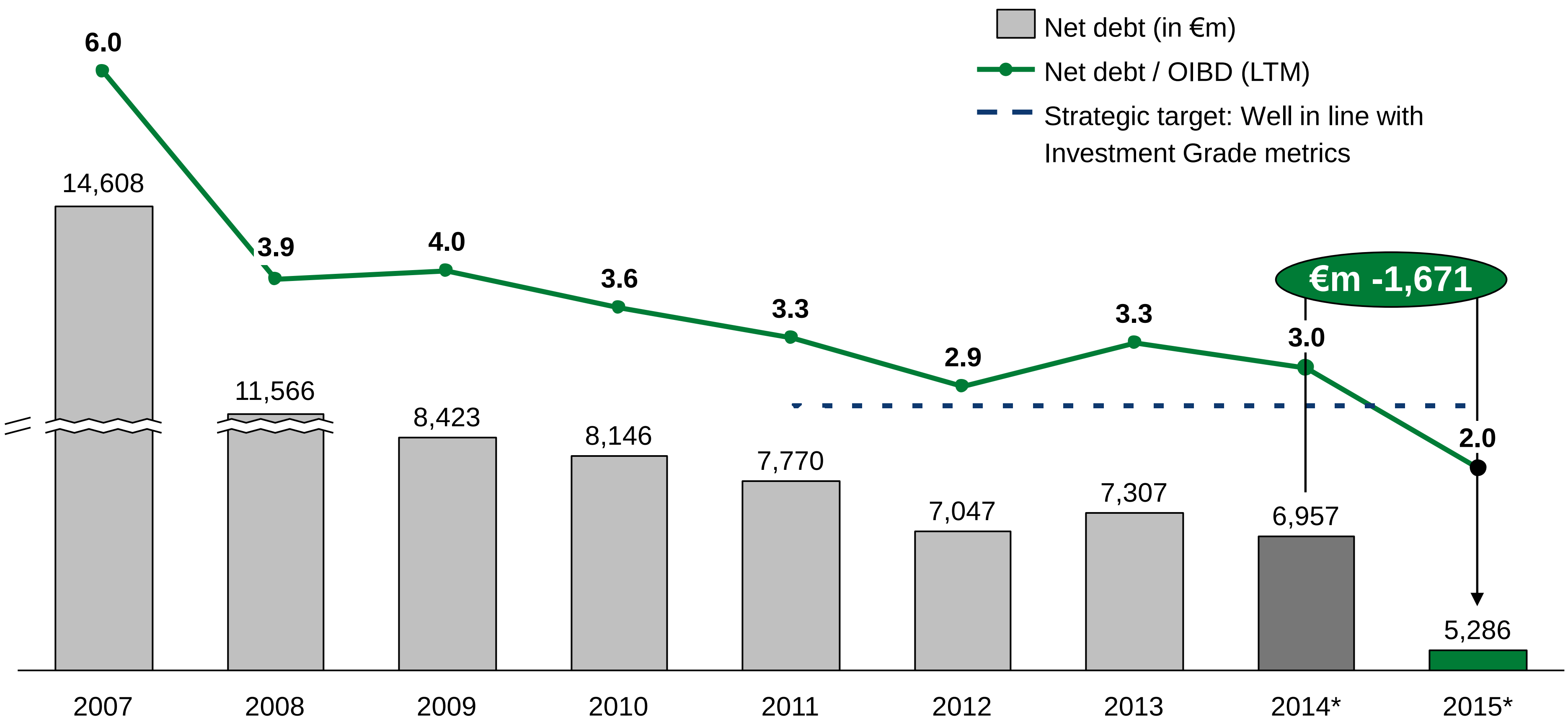
Net debt development

Net debt reduced by €m 1.671 (€m 1.245 due to disposal of HBP) in 2015



* Incl. put-option minorities

Net debt and leverage clearly within investment grade metrics

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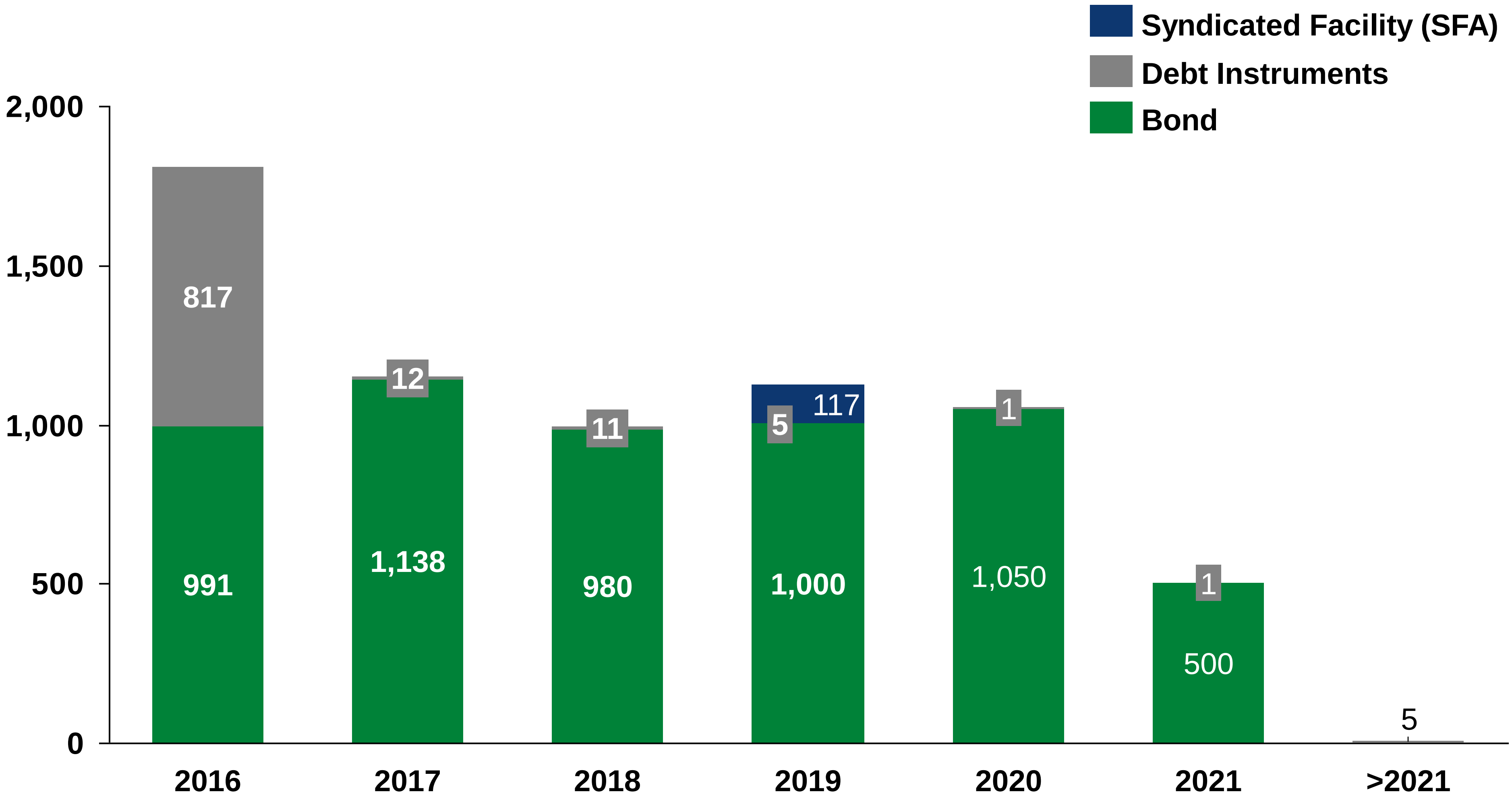
Debt maturity profile

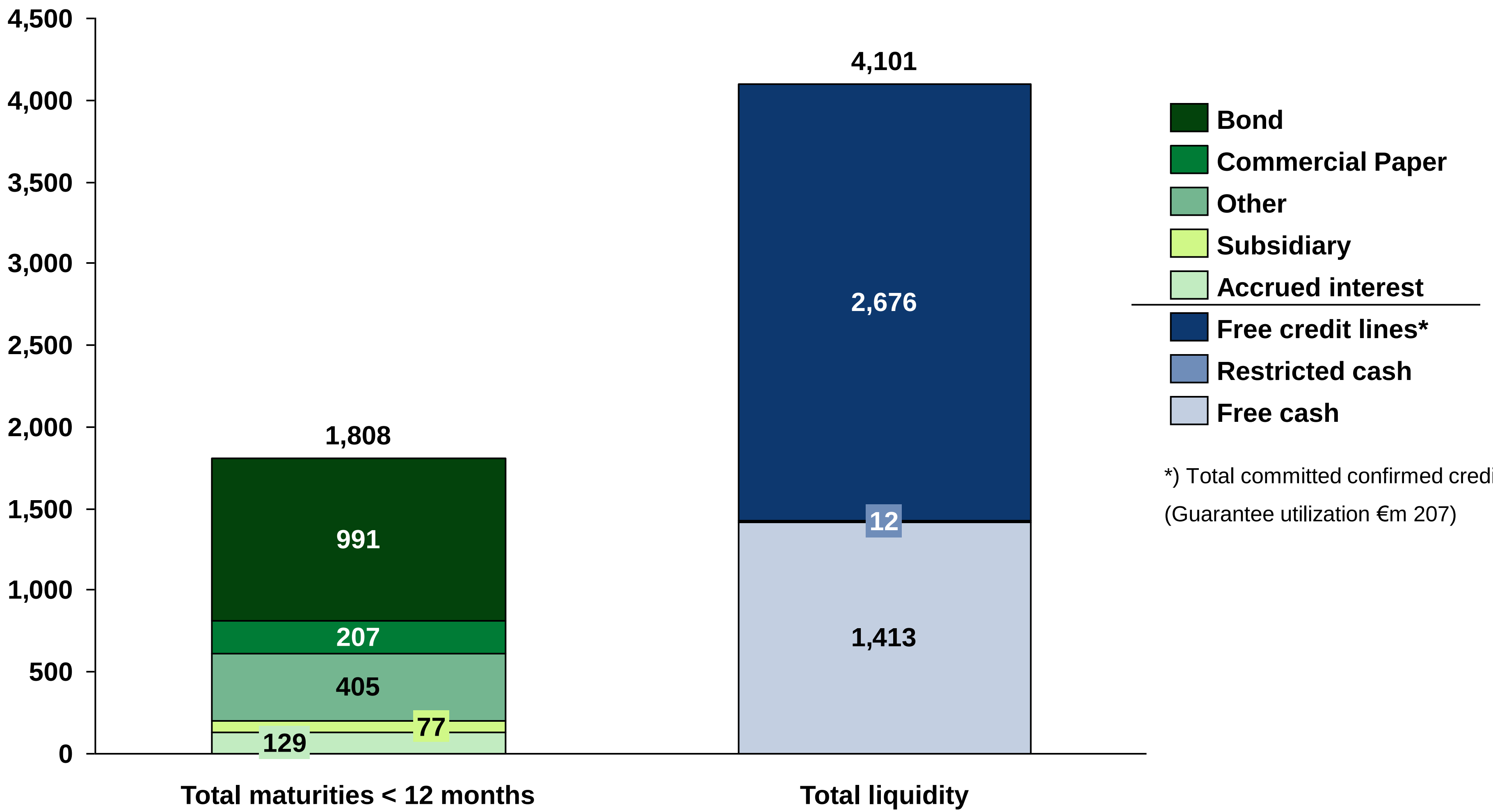
as per 31 December 2015 in €m



- Excluding reconciliation adjustments of liabilities of €m 7.6 (accrued transaction costs, issue prices and fair value adjustments) as well as derivative liabilities of €m 46.7.

Short-term liquidity headroom

as per 31 December 2015 in €m



*) Total committed confirmed credit line €m 3,000

(Guarantee utilization €m 207)

- 3,300 m€ bridge financing for Italcementi acquisition is not included in the liquidity.

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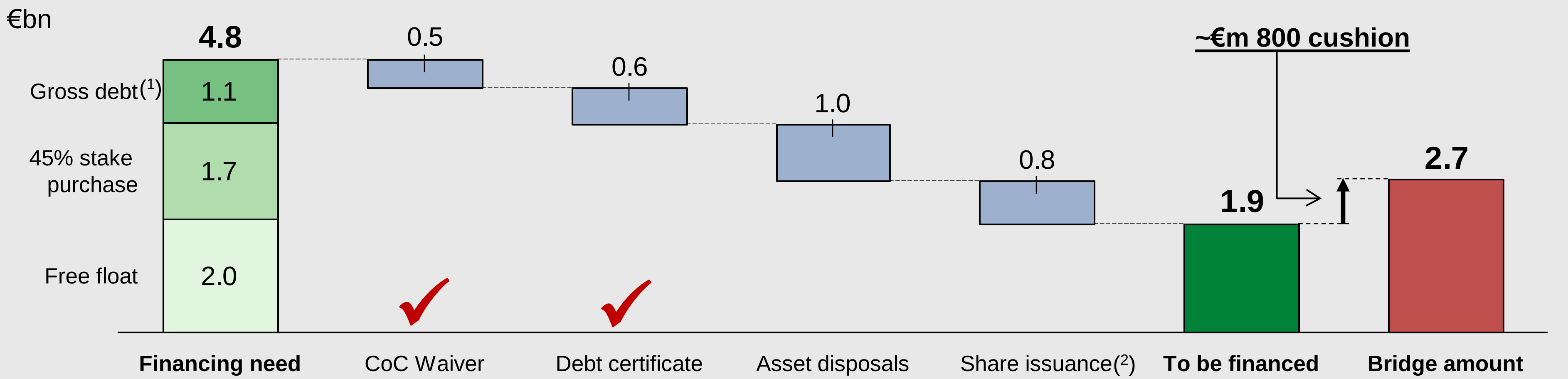
Italcementi refinancing overview and strategy

Refinancing need below €bn 2



- Availability of bridge financing ensures best strategic and pricing outcome
- Refinancing of bridge with a balanced approach of instruments, tenors and use of various funding markets
- Deleverage back to Investment Grade metrics through announced disposals, free cash flow, working capital improvements and CapEx reductions in a timely manner
- Maintain balanced maturity profile

(1) Gross debt affected by change of control, including fees.
(2) Based on 10.5m shares with price of € 72.50

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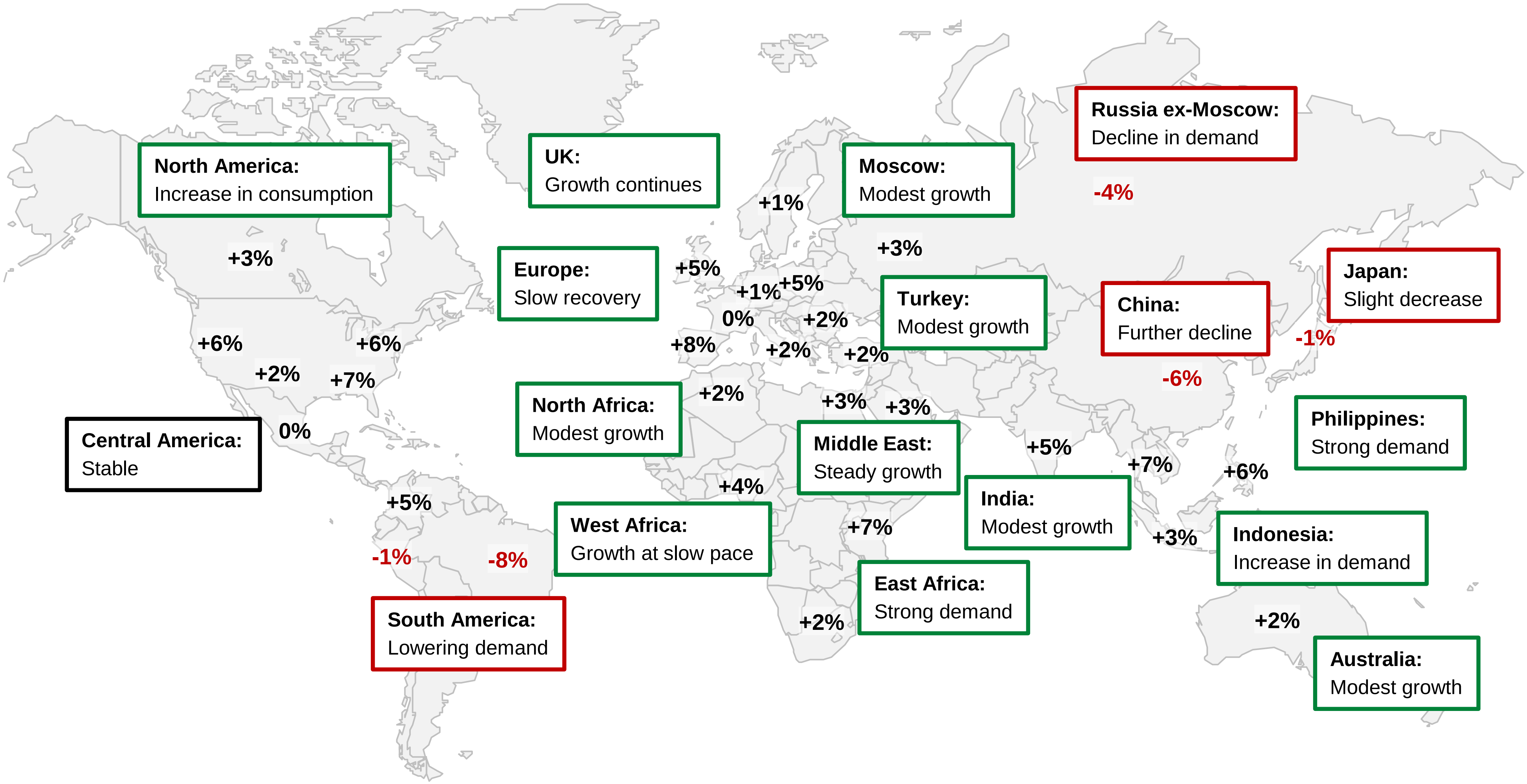
Global cement demand outlook 2016



Overall steady demand at a lower growth rate; except China, South Americas and Russia

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Overview of key markets

North America

US

- Solid underlying business trend, strong aggregates demand
- Overall stable market environment in Texas
- Lower variable costs will lead to higher gross margin
- Strong pricing in cement and aggregates leads to further increase in operating leverage
- US Highway bill will have a clear positive impact, especially on aggregates business, state DOTs

Canada

- Prairie provinces stable
- British Columbia very strong

Asia

Indonesia

- Overall better market environment expected after interest rate reduction and stable political situation
- Infrastructure projects will be the key driver for demand growth
- Lower variable costs, together with the 4.4 mt new capacity will compensate the price pressure

Australia

- Strong residential market demand and solid pricing in core markets will lead to increase in operating leverage

China & India

- Remains challenging (both demand and pricing)

West & North Europe

UK: Continues to be strong

Germany: Volume improvement (roads, residential)

Nordics: Stable business environment

Netherlands: Clear market recovery

Belgium: Coming back from low levels

Eastern Europe

Poland & Romania: Better pricing environment expected

Czech Rep. & Hungary: Growth continues

Russia &Ukraine: Positive market trends from low levels; good price development

Africa

Lower costs compensate price pressure in the region

Ghana: Coming back from low levels

Togo: Continues to be strong

Tanzania: Solid development

Other countries: Stable business

Continued growth in developed markets will offset the pressure in emerging world

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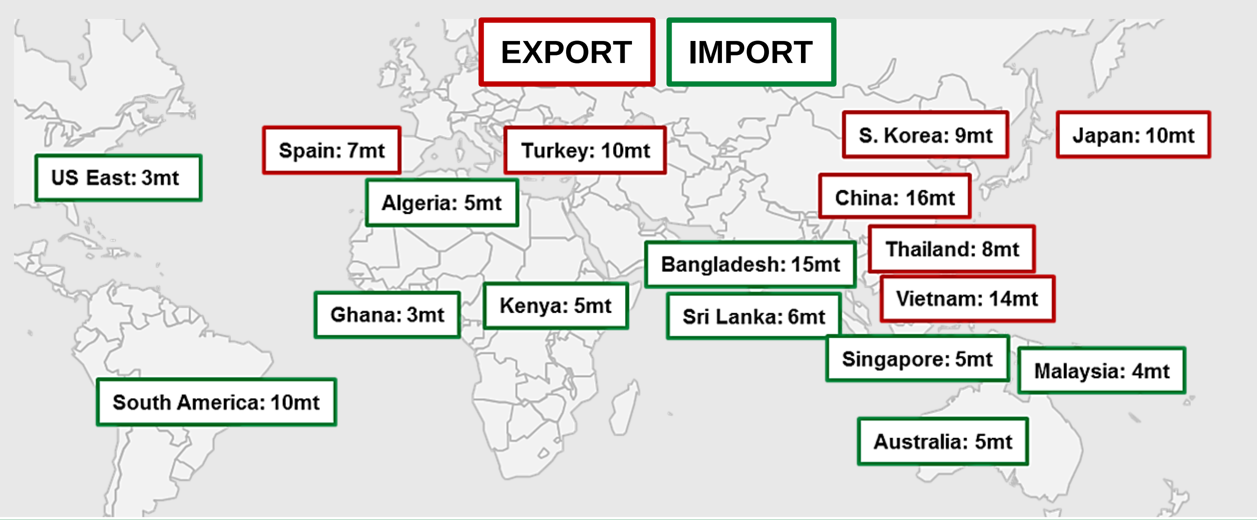
Supply/Demand balance and China exports

Major Export & Import Countries / 2016 estimates



- Exportable volume is mainly in Asia and Mediterranean.
- Most of the exported volumes stay within the region.
- Increase in demand in US, in Africa and low freight rates will be the drivers for the imports.

Impact of Chinese excess capacity and possible imports are limited

- Available amount for imports will be limited as large amount of excess capacity is located inlands.
- Chinese import prices may be able to compete with Mediterranean producers on spot but not on long term basis.
- International major players have very well established trading operations with their trade flows.
- Import terminals are usually owned by domestic producers in US and in Europe. Ports in emerging countries are often congested.

CEMENT IS NOT STEEL

- Huge difference in price and profitability. Value to weight ratio much higher in steel.
- Cement markets away from the terminals are protected .
- Unlike cement, steel import terminals and global trade flows are handled by mix of independent wholesalers & producers.
- Active workforce in steel is twice as many people as the cement industry in China.

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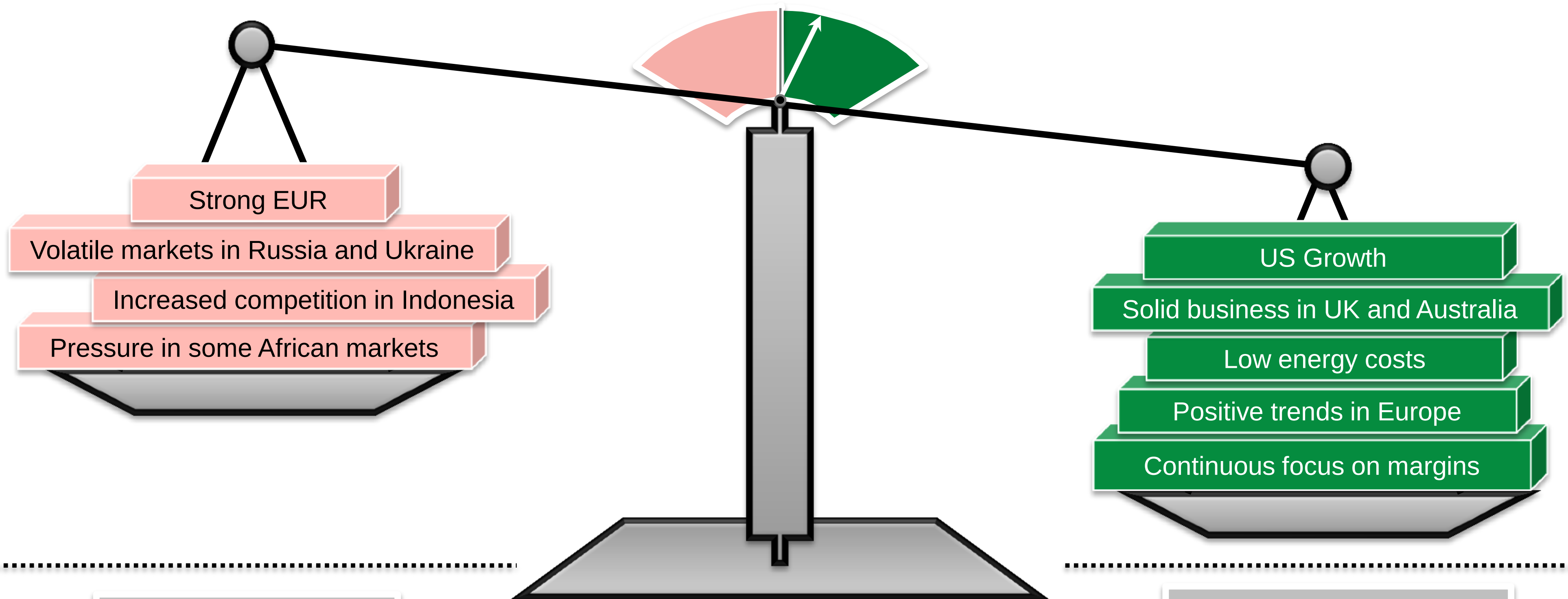
Major drivers for business environment in 2016



DOWNSIDE RISKS

- Political risks in Middle-East
- Depressed economy in Europe (?)
- Slowdown in US economy (?)

UPSIDE POTENTIALS

- EUR getting weaker
- Further decline in energy costs
- Stronger Indonesia infrastructure

Overall challenging but still positive business environment is expected in 2016

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Targets 2016

	2016 Target
Volumes	**Increase in all business lines**
Operating EBITDA	**Mid to high-single digit organic growth**
CapEx	**€bn 1.1**
Maintenance	*€m 500*
Expansion	*€m 600*
Energy cost per tonne of cement produced	**Flat to slightly lower**
Current tax rate	**~25 %**

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Impacts from currency and change in consolidation scope

REVENUE €m	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	462	-20	0	79
Western / Northern Europe	162	-89	106	105	-68	22
Eastern Europe / Central Asia	7	-1	-103	7	0	-27
Asia / Pacific	5	-2	118	1	0	0
Africa / Med. Basin	0	-6	1	0	0	0
Group Service	0	0	212	0	0	47
Total Group	**174**	**-98**	**795**	**92**	**-68**	**121**

OPERATING EBITDA €m	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	84	-4	0	13
Western / Northern Europe	19	-15	10	7	-12	2
Eastern Europe / Central Asia	0	0	-14	0	0	-2
Asia / Pacific	1	-1	39	0	0	3
Africa / Med. Basin	0	0	-3	0	0	-3
Group Service	0	0	5	0	0	1
Total Group	**21**	**-16**	**123**	**4**	**-12**	**13**

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Volume and price development

++Strong +Slightly up -Slightly down - -Negative

CEMENT (Gray Domestic)		
2015 vs. 2014	Volume	Price
US	+	++
Canada	- -	++
Indonesia	- -	- -
Bangladesh	+	-
Australia	-	-
India	++	- -
Germany	- -	+
Belgium	+	+
Netherlands	- -	+
United Kingdom	++	++
Norway	- -	+
Sweden	++	- -
Czech Republic	++	+
Poland	- -	-
Romania	-	- -
Russia	- -	++
Ukraine	- -	++
Kazakhstan	++	- -
Georgia	++	++
Ghana	- -	- -
Tanzania	++	- -

AGGREGATES		
2015 vs. 2014	Volume	Price
US	++	++
Canada	+	++
Australia	+	++
Indonesia	- -	++
Malaysia	- -	+
United Kingdom	-	-
Germany	-	+
Belgium	+	+
Netherlands	- -	++
Norway	- -	++
Sweden	- -	++
Czech Republic	++	++
Poland	++	++
Israel	++	-
Spain	++	- -

READY MIX		
2015 vs. 2014	Volume	Price
US	++	++
Canada	++	++
Australia	++	-
Indonesia	- -	++
Malaysia	- -	++
Germany	- -	+
Belgium	++	-
Netherlands	- -	- -
United Kingdom	++	++
Norway	- -	++
Sweden	++	+
Czech Republic	-	- -
Poland	+	- -
Israel	+	-
Spain	-	++

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Contact information and event calendar

Event calendar

04 May 2016	2016 first quarter results
04 May 2016	2016 AGM
29 July 2016	2016 half year results
09 November 2016	2016 third quarter results

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Disclaimer

Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS).

This presentation contains forward-looking statements and information. Forward-looking statements and information are statements that are not historical facts, related to future, not past, events. They include statements about our believes and expectations and the assumptions underlying them. These statements and information are based on plans, estimates, projections as they are currently available to the management of HeidelbergCement. Forward-looking statements and information therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements and information are subject to certain risks and uncertainties. A variety of factors, many of which are beyond HeidelbergCement's control, could cause actual results to defer materially from those that may be expressed or implied by such forward-looking statement or information. For HeidelbergCement particular uncertainties arise, among others, from changes in general economic and business conditions in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets; the possibility that prices will decline as result of continued adverse market conditions to a greater extent than currently anticipated by HeidelbergCement's management; developments in the financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and a further deterioration of capital markets; a worsening in the conditions of the credit business and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; the outcome of pending investigations and legal proceedings and actions resulting from the findings of these investigations; as well as various other factors. More detailed information about certain of the risk factors affecting HeidelbergCement is contained throughout this presentation and in HeidelbergCement's financial reports, which are available on the HeidelbergCement website, www.heidelbergcement.com. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement or information as expected, anticipated, intended, planned, believed, sought, estimated or projected.

In 2014 HeidelbergCement applied the new IFRS standards 10 and 11 for the first time. According to the new rules the proportionate consolidation is abolished. Instead, joint ventures are to be accounted for using the equity method. Assets and liabilities as well as income and expenses of joint ventures will no longer be shown proportionately in the relevant balance sheet or income statement items, but will only be mentioned in a separate line using the equity method: the carrying amount in the balance sheet and the result from joint ventures in the income statement. Among the joint ventures of HeidelbergCement are important operations in Turkey, Australia, China, Hungary, Bosnia and the USA (Texas), which have contributed significant results to the operating income in the past. In order to continue with a comprehensive presentation of the operational performance, HeidelbergCement will include the result from joint ventures in operating income before depreciation.

On 24 December 2014, HeidelbergCement signed an agreement for the sale of the Building Products business in North America and United Kingdom with Lone Star Fund. The building products business is summarized separately in the profit and loss accounts, in the cash flow statement, in the Group balance sheet and in the segment reporting as a discontinued operation in accordance with IFRS 5.

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