HeidelbergCement

2016 Half Year Results

29 July 2016

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Norcem Brevik Plant / Norway

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Restrictions on communications about Italcementi

Situation:

An offering document regarding the Mandatory Takeover Offer (MTO) of the remaining Italcementi shares has been approved by CONSOB and published to the capital markets on 28 July 2016.

Implications on communications about Italcementi:

During the time when the offering document is public and active, HeidelbergCement and Italcementi will not make any further detailed comments on the business activities of Italcementi, the first-half 2016 earnings and outlook and the synergies beyond what is published in the prospectus and Italcementi's half year report.

The half year report of Italcementi will be published on 1 August and has been incorporated in the prospectus by reference.

During the abovementioned period Italcementi will disclose to the market all the information required by applicable laws.

HeidelbergCement will start to report details on the business including the activities acquired through Italcementi with its Q3 earnings that are scheduled to be announced on 9 November 2016.

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Market and financial overview Q2 2016

- **Solid start of the year signals another strong year ahead**
  - Volumes increase in all business lines
  - Operating EBITDA up +8.5%; Operating Income up +11.2% [1)]
  - Group EBITDA margin reaches 22.1%
- **Group share of profit €m 47 above prior year (+17%)**
- **Net debt down to €bn 5.9** (prior year: €bn 6.3); **leverage at 2.2x** (prior year: 2.6x)
- LTM free cash flow generation above €bn 1 driven by strong operational result
- 45% of Italcementi shares acquired. MTO for remaining shares in Italcementi will start end of August.
- SPA signed for Belgium assets. Final bids for US assets to be received in first half August.

Solid set of figures driven by strong operational and financial performance

[1)] Like for like excluding currency and scope impacts

Key financials

Group Overview	June Year to Date 2015	2016	variance		L-f-L	Q2 2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	38.778	39.894	1.116	2,9 %	2,8 %	21.934	22.293	359	1,6 %	1,5 %
Aggregates volume ('000 t)	113.405	118.378	4.974	4,4 %	2,7 %	67.128	69.077	1.948	2,9 %	1,2 %
Ready mix volume ('000 m^3)	17.419	17.922	504	2,9 %	1,7 %	9.562	9.960	398	4,2 %	3,0 %
Asphalt volume ('000 t)	4.038	3.956	-82	-2,0 %	-2,0 %	2.470	2.575	105	4,2 %	4,2 %
Operational result (EURm)										
Revenue	6.470	6.407	-63	-1,0 %	0,7 %	3.635	3.575	-60	-1,6 %	0,6 %
Operating EBITDA	1.052	1.112	61	5,8 %	9,8 %	752	791	39	5,2 %	8,5 %
in % of revenue	*16,3 %*	*17,4 %*				*20,7 %*	*22,1 %*			
Operating income	672	739	67	9,9 %	14,9 %	557	601	44	7,8 %	11,2 %
Income Statement										
Group share of profit	148	246	98			271	318	47		
Earnings per share	0,79	1,31	0,52	66%		1,44	1,69	0,25	17%	
Cash flow										
Cash flow from operations	-15	214	228			359	475	117		
Total CapEx	-406	-444	-38			-218	-187	31		
Balance sheet										
Net Debt	6.331	5.865	-467							
Net Debt / EBITDA	2,6	2,2	-0,4							

Clear improvement in all operational and financial key figures

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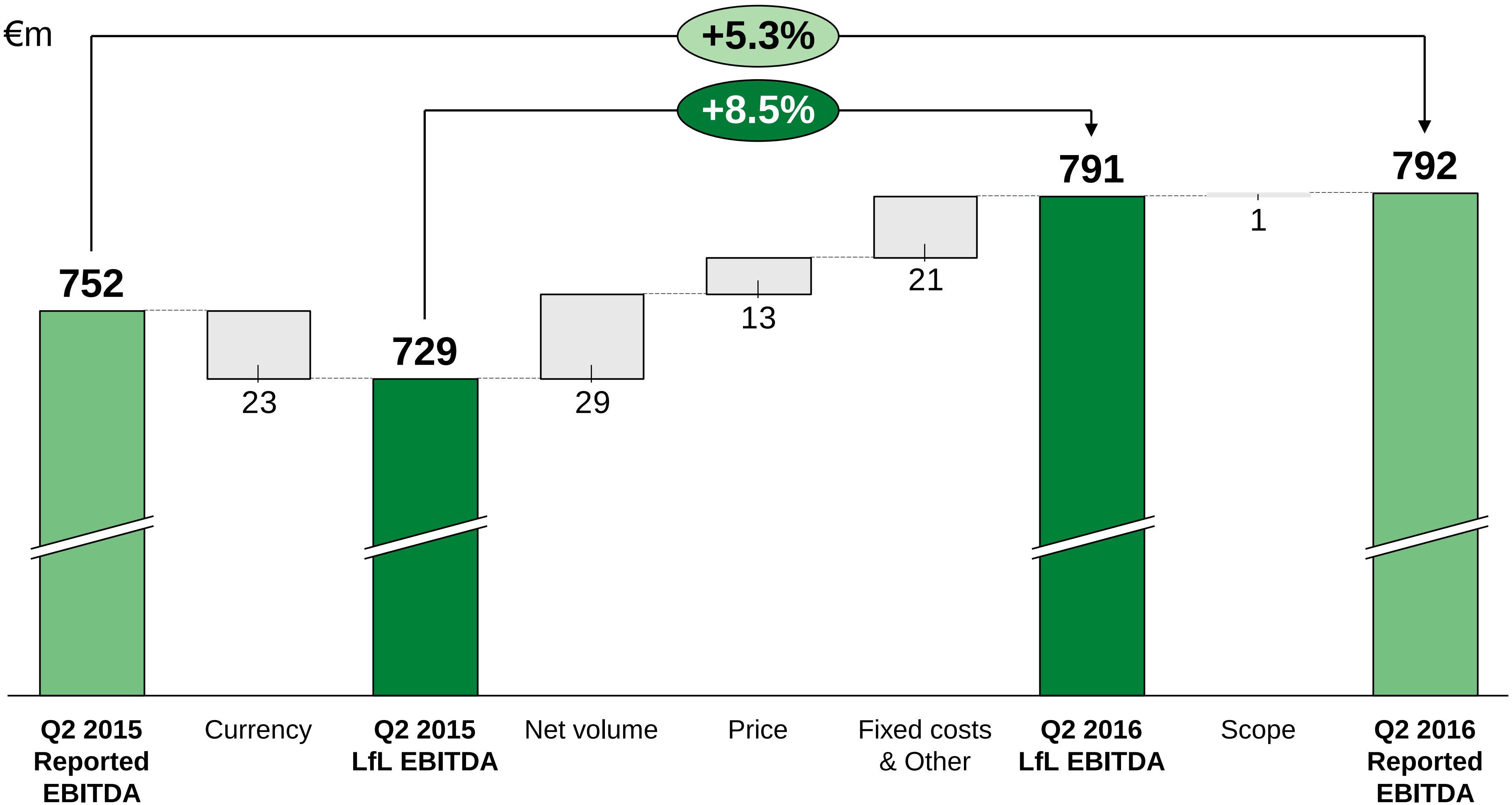
Q2 2016 EBITDA bridge



8.5% organic growth in Operating EBITDA

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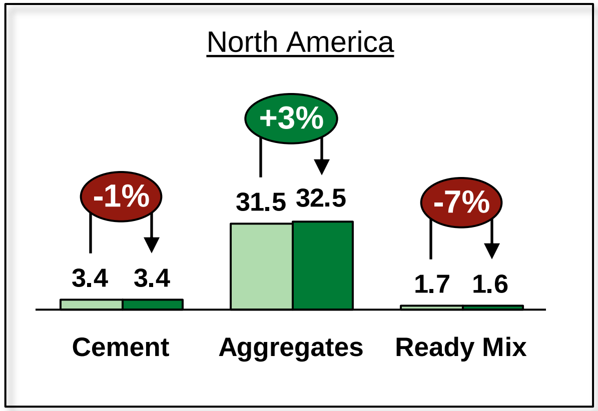
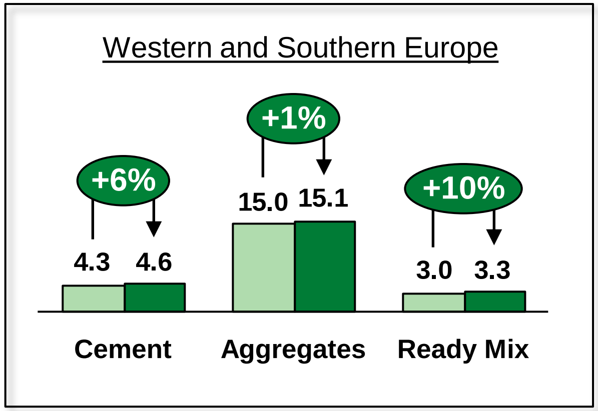
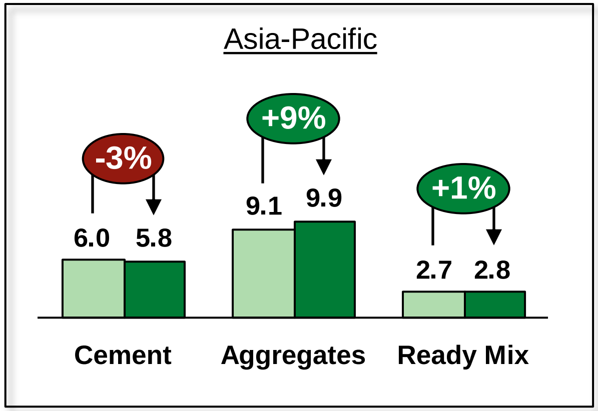
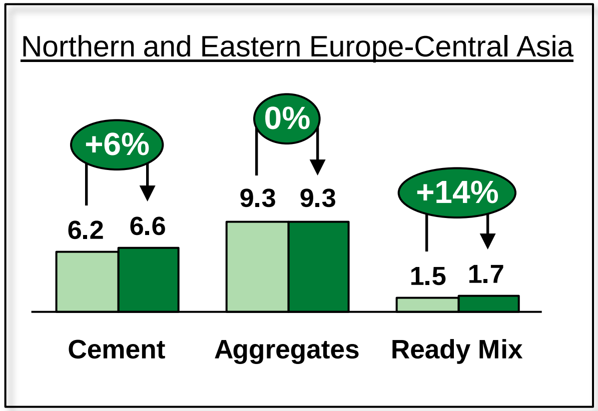
Group Sales Volumes

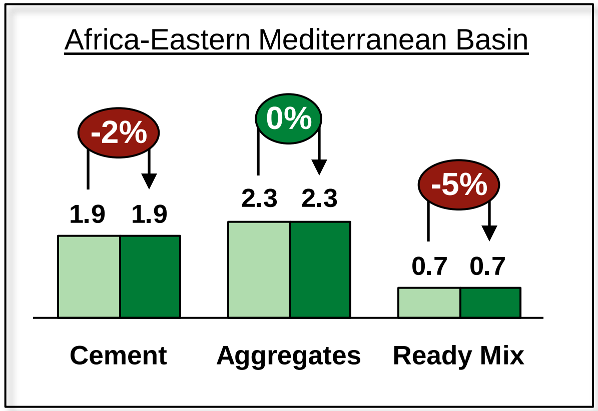
Q2 2015 Q2 2016

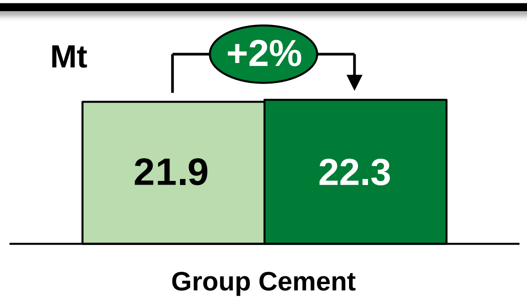


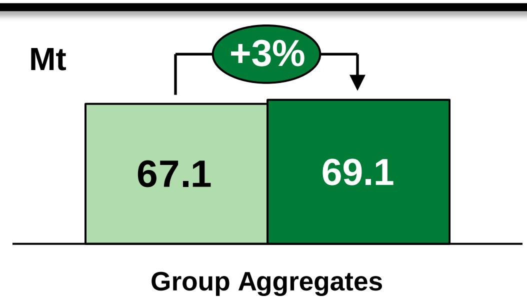


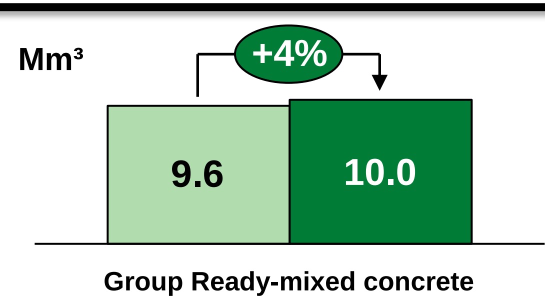












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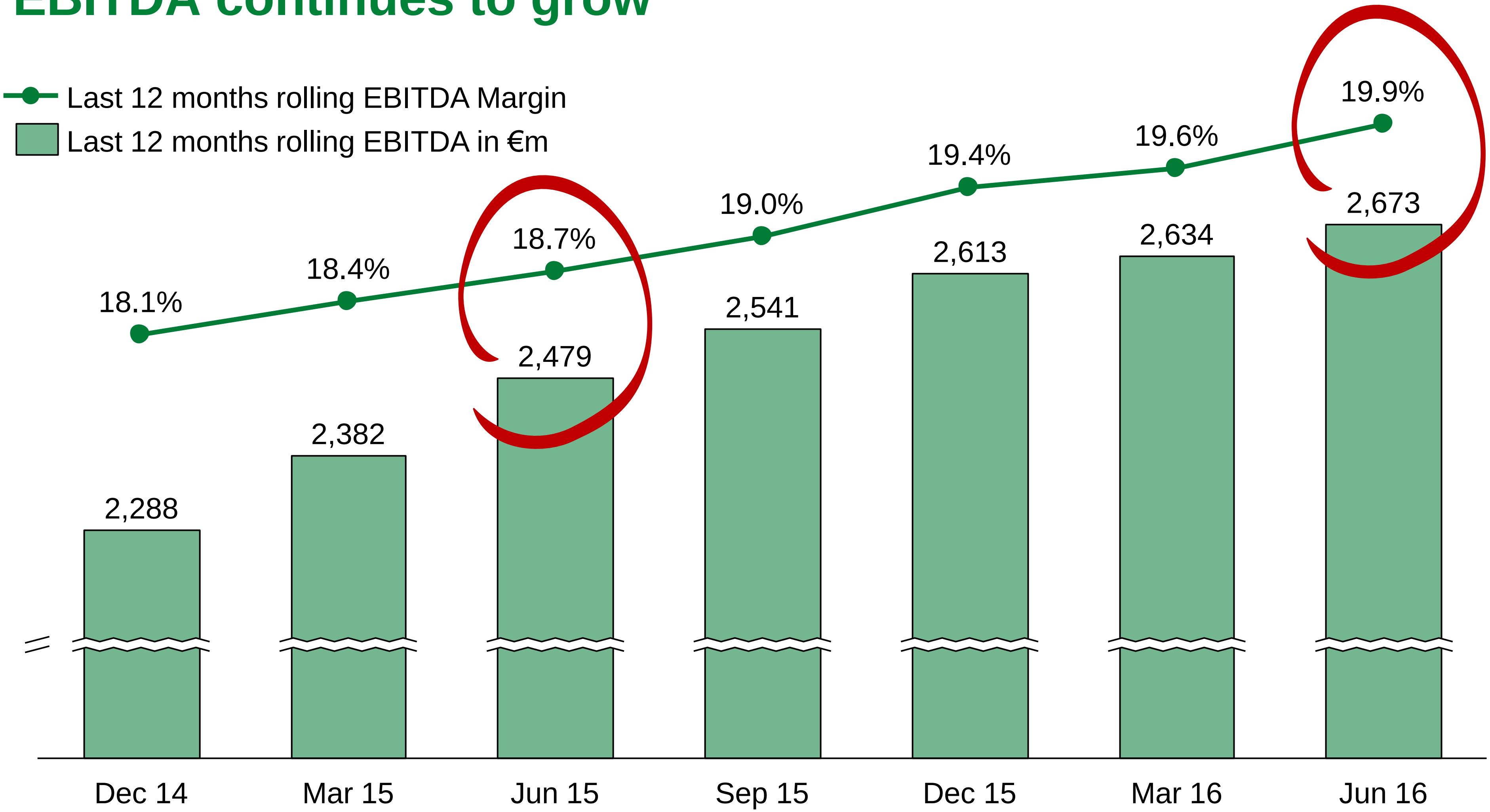
EBITDA continues to grow



Solid operational performance clearly visible in EBITDA and margin

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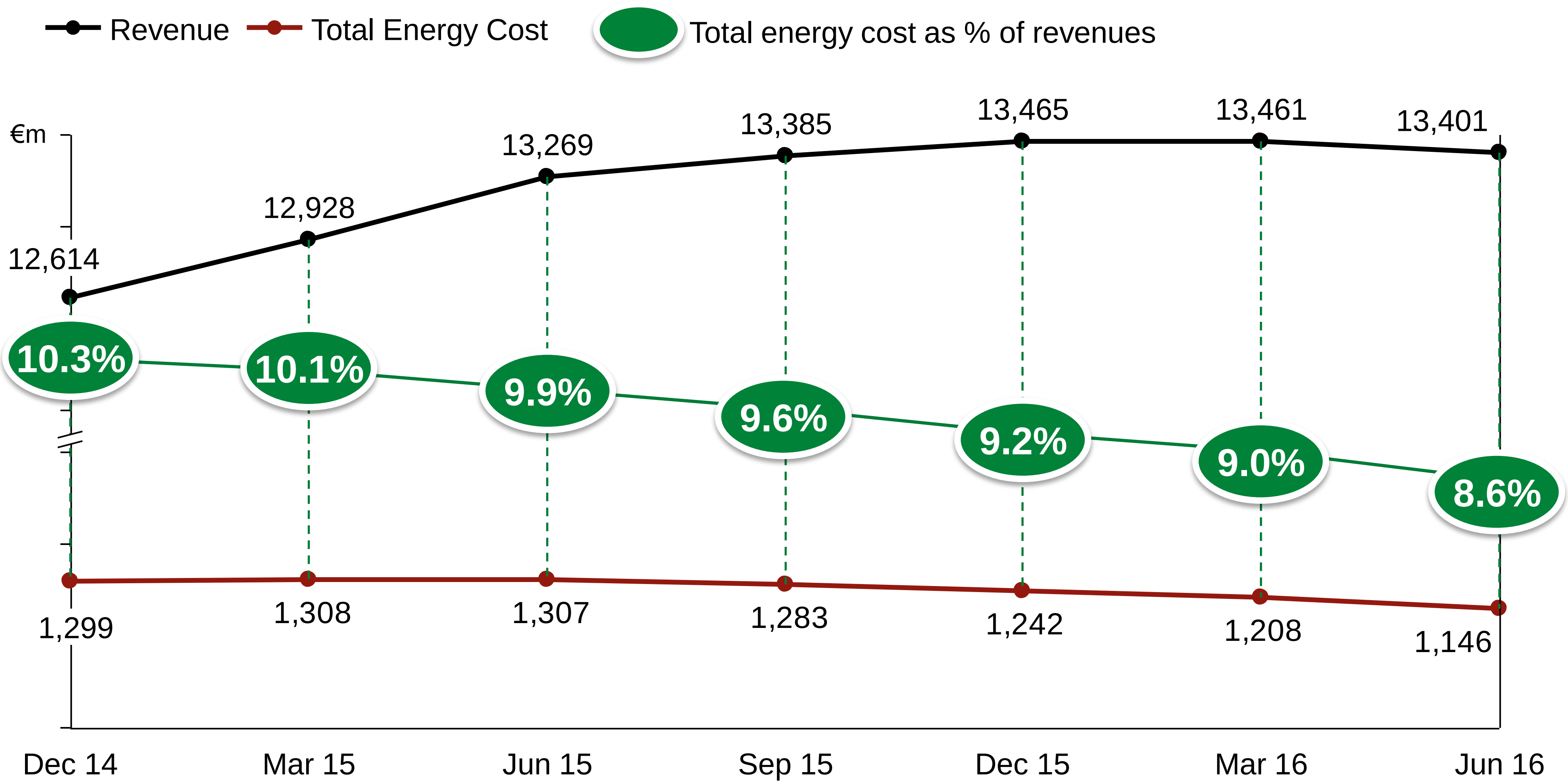
Energy costs continue to decline



We continue to benefit from low costs and structured energy management

*) All values based on last 12 months rolling figures.

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Italcementi transaction update

Closing & Divestments	MTO Process	Organization / Transaction
➢ 45% of shares acquired. Italcementi will be fully consolidated as of 1st July. ➢ Belgium assets: SPA signed for 312m€. EC approval required ➢ US assets: Strong interest. Final bids due in first half August. ➢ High confidence to achieve attractive proceeds from divestments.	➢ CONSOB approved MTO prospectus on 26th July. ➢ Acceptance period to start on 29th August and end on 30th September. ➢ Target is to delist Italcementi before the end of the year.	➢ Group organization and key personnel decisions post transaction are already announced. ➢ Management Meeting held on 4th and 5th July with Italcementi. ➢ On-site validation of the top-down synergies completed after visiting all cement plants.

Transaction on track, whole process will be finalized before year-end.

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€m 400 targeted synergies are detailed and translated into actionable measures per country and per function

	HQ	Trading	NAM	FRA	BENE	ITA	ESP	KAZ	BUL	GRE	EGY	MOR	IND	THAI	Other
SG&A															
SSC															
Blue Collar															
Operations															
Purchasing															
Logistics															
IT															
Reporting															
R&D															
Insurance															
Trading															
Other															
Tax															
Treasury															

- Value for each single box is defined by actionable measures
- €m 400 target confirmed !

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North America

- **USA:**
  - Cement: H1 volume development better than expected; in Q2, strong increase in Region South, whereas Region North and West were negatively impacted by bad weather; prices significantly above prior year in all regions; additional price increases implemented in Q2.
  - Aggregates: strong volume and price development; Region West negatively affected by bad weather; positive outlook driven by long term highway bill (FAST Act).
  - Significant margin improvements in cement and aggregates.
- **Canada:**
  - Aggregates and concrete volume virtually stable in Q2.
  - Significant drop in demand in Alberta due to low oil price is to a large extent compensated by strong demand in BC and Washington.
  - Price increases have been executed.

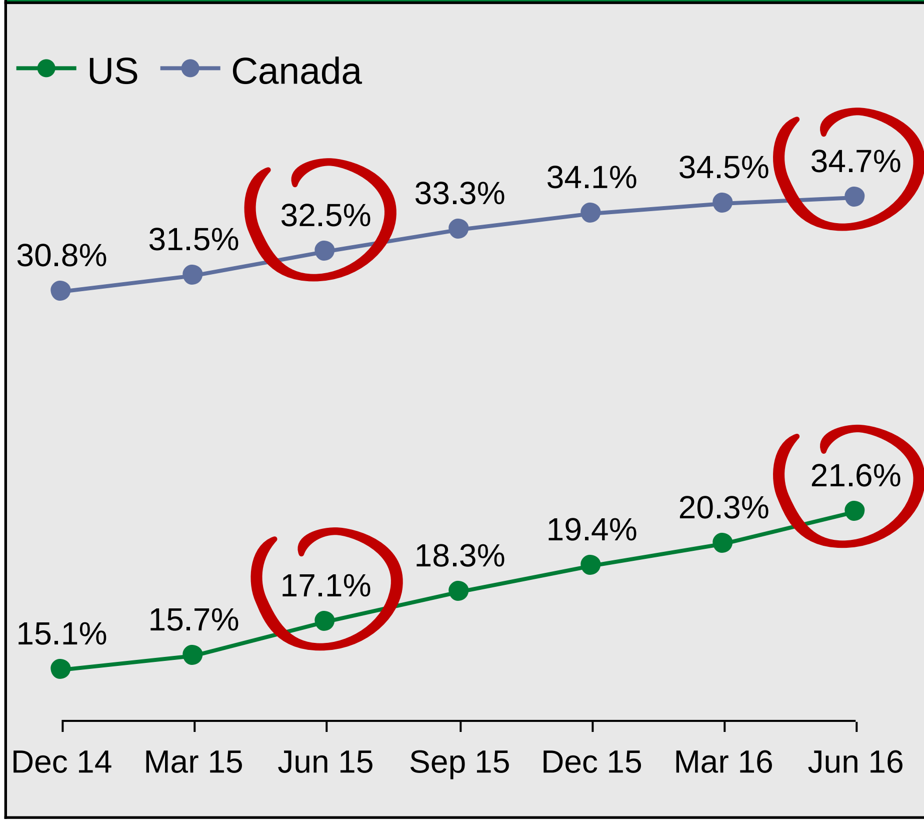
North America	June Year to Date					Q2				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	5.634	5.896	262	4,7 %	4,7 %	3.417	3.374	-43	-1,3 %	-1,3 %
Aggregates volume ('000 t)	49.651	53.775	4.124	8,3 %	8,3 %	31.514	32.519	1.005	3,2 %	3,2 %
Ready mix volume ('000 m^3)	2.969	2.898	-71	-2,4 %	-2,4 %	1.678	1.566	-111	-6,6 %	-6,6 %
Asphalt volume ('000 t)	1.246	1.459	213	17,1 %	17,1 %	990	1.227	237	23,9 %	23,9 %
Operational result (EURm)										
Revenue	1.640	1.717	77	4,7 %	6,4 %	1.017	1.003	-14	-1,4 %	1,1 %
Operating EBITDA	290	366	76	26,2 %	28,5 %	252	282	30	11,8 %	13,8 %
in % of revenue	*17,7 %*	*21,3 %*				*24,8 %*	*28,1 %*			
Operating income	173	243	70	40,7 %	43,9 %	191	219	28	14,8 %	16,6 %

Revenue (EURm)	2015	2016	variance		2015	2016	variance	
Cement	621	655	34	5,5 %	382	377	-5	-1,3 %
Aggregates	627	686	59	9,4 %	396	405	8	2,1 %
RMC + Asphalt	450	438	-12	-2,8 %	274	257	-16	-6,0 %

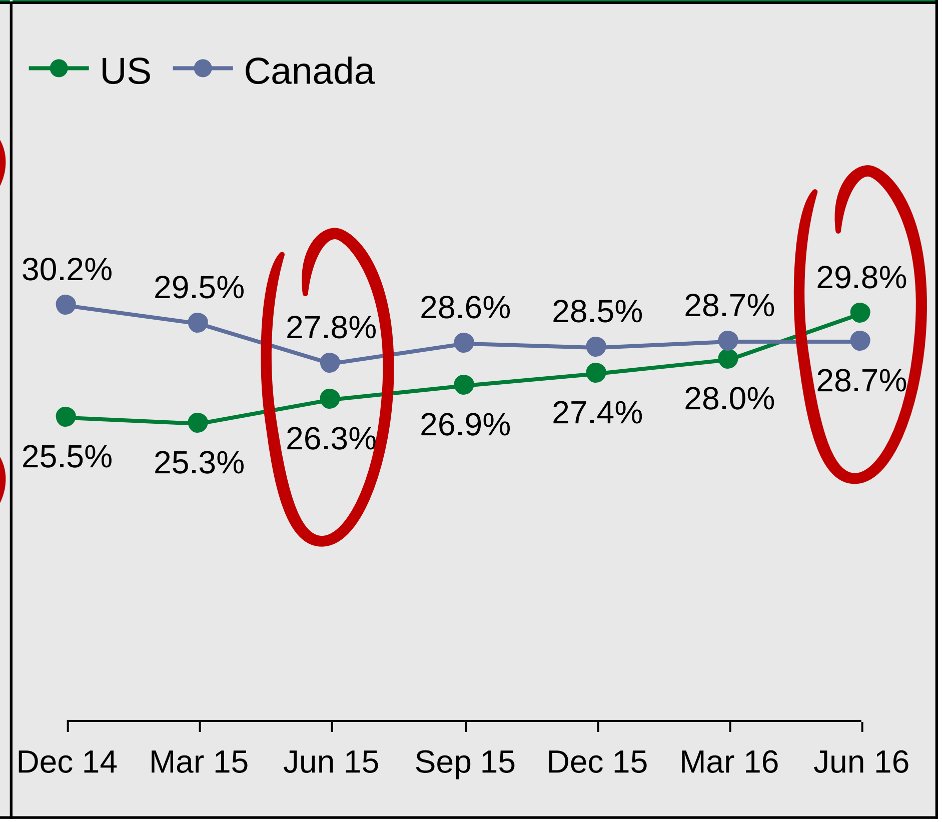
Opr. EBITDA margin (%)	2015	2016	variance	2015	2016	variance
Cement	19,6 %	23,2 %	+369 bps	26,4 %	30,3 %	+383 bps
Aggregates	22,3 %	27,4 %	+506 bps	30,8 %	36,6 %	+577 bps
RMC + Asphalt	2,9 %	4,5 %	+165 bps	6,6 %	7,9 %	+131 bps

North America: Margin improvement continues

Cement LTM EBITDA Margin (*)



Aggregates LTM EBITDA Margin (*)



Almost 100% operating leverage in North America! (**)

*) Values based on last 12 months rolling figures.

**) Based on local currency, year to date June 2016.

Western and Southern Europe

Continuation of solid result development

- **UK:** Market continues to grow; positive cement and concrete price development; no negative impact from Brexit visible so far: first two weeks of July were strong; solid order book.
- **Germany:** Sales volumes considerably above prior year in all business lines, supported by increased residential demand and higher infrastructure investments; significant increase in contribution margin due to lower variable cost.
- **Benelux:** EBITDA up clearly; increased volumes and contribution margin in cement business line; market recovery, particularly in the Netherlands.
- **Spain**: Difficult H1; political uncertainty leads to delays in investments.

West & South Europe	June Year to Date					Q2				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	7.592	7.970	379	5,0 %	5,0 %	4.298	4.572	274	6,4 %	6,4 %
Aggregates volume ('000 t)	27.220	27.207	-13	0,0 %	0,0 %	14.957	15.127	170	1,1 %	1,1 %
Ready mix volume ('000 m^3)	5.293	5.719	427	8,1 %	8,1 %	2.968	3.265	297	10,0 %	10,0 %
Asphalt volume ('000 t)	1.543	1.388	-156	-10,1 %	-10,1 %	792	745	-48	-6,0 %	-6,0 %
Operational result (EURm)										
Revenue	1.581	1.562	-19	-1,2 %	4,8 %	883	879	-4	-0,5 %	6,5 %
Operating EBITDA	196	220	23	11,9 %	23,8 %	169	185	16	9,6 %	18,6 %
in % of revenue	*12,4 %*	*14,1 %*				*19,2 %*	*21,1 %*			
Operating income	100	135	35	35,1 %	60,4 %	121	142	22	18,2 %	29,6 %

Revenue (EURm)	2015	2016	variance		Q2 2015	Q2 2016	variance	
Cement	660	668	9	1,3 %	375	378	4	1,0 %
Aggregates	387	374	-13	-3,4 %	211	204	-7	-3,3 %
RMC + Asphalt	641	640	-1	-0,1 %	350	356	6	1,7 %

Opr. EBITDA margin (%)	2015	2016	variance	Q2 2015	Q2 2016	variance
Cement	16,3 %	20,1 %	+380 bps	27,3 %	32,3 %	+504 bps
Aggregates	18,7 %	18,1 %	-63 bps	21,0 %	19,1 %	-198 bps
RMC + Asphalt	1,6 %	3,5 %	+184 bps	3,2 %	5,1 %	+192 bps

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UK and BrExit

Recent developments show early indications of stabilization

- ➢ Strong volume development in Q2 with cement volumes up more than 4%.
- ➢ The last two weeks after the political stabilization have been amongst the best this year.
- ➢ July demand is clearly ahead of our previous expectations.

Projects in the pipeline provide a positive Outlook for UK

- o More than 200,000m^3 concrete needed for the **projects already commenced so far in 2016**.
- o **Thames Tideway Tunnel**: No expectations of delay. Around 300,000m^3 concrete needed.
- o **Hinkley Power Plant**: EDF already announced BrExit is no barrier.
- o **Renaker (High towers in Manchester)**: Due to start in October and run for 3 years.
- o **High Speed Train London – Birmingham**: Huge project ; several mt aggregates needed.
- o **Road Projects**: Silvertown Tunnel, A14 project and M4 South Wales (~5mt AGG).

We are cautiously optimistic and will continue to outperform the market as a result of unique footprint, fully vertically integrated business model and strong local management team

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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, driven mainly by infrastructure projects. We are confident for the rest of the year.
- **Poland**: Stable market demand; weaker than expected growth in infrastructure and commercial segment; negative cement pricing trend stopped.
- **Czech Republic:** Strong Q2 result due to increased volumes in all business lines, cement price increase and lower energy costs.
- **Romania**: EBITDA margin improves, driven by volume increase and lower variable costs.
- **Russia:** Volume and pricing up, driven by Moscow and St. Petersburg markets.
- **Ukraine:** Positive volume and result development from in H1 from low level; strong price increase implemented.
- **Kazakhstan**: Increased demand in Q2; prices considerably above prior year.

North & East Europe - CA	June Year to Date					Q2				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	10.088	10.549	462	4,6 %	4,6 %	6.246	6.598	351	5,6 %	5,6 %
Aggregates volume ('000 t)	14.351	13.924	-427	-3,0 %	-4,7 %	9.332	9.317	-15	-0,2 %	-1,9 %
Ready mix volume ('000 m^3)	2.496	2.779	284	11,4 %	3,1 %	1.466	1.676	210	14,3 %	7,0 %
Asphalt volume ('000 t)	0	0	0	N/A	N/A	0	0	0	N/A	N/A
Operational result (EURm)										
Revenue	972	1.079	107	11,0 %	3,0 %	589	659	70	11,8 %	6,2 %
Operating EBITDA	132	147	15	11,6 %	7,9 %	123	139	17	13,7 %	13,5 %
in % of revenue	*13,6 %*	*13,6 %*				*20,8 %*	*21,1 %*			
Operating income	61	75	14	22,8 %	9,7 %	86	103	17	20,0 %	17,3 %

Revenue (EURm)	2015	2016	variance		Q2 2015	Q2 2016	variance	
Cement	631	606	-25	-4,0 %	389	381	-8	-2,2 %
Aggregates	115	101	-14	-12,2 %	73	68	-5	-7,1 %
RMC + Asphalt	236	248	12	5,0 %	135	148	13	9,3 %

Opr. EBITDA margin (%)	2015	2016	variance	Q2 2015	Q2 2016	variance
Cement	14,4 %	16,4 %	+207 bps	22,3 %	24,6 %	+231 bps
Aggregates	10,2 %	7,1 %	-313 bps	18,5 %	18,3 %	-16 bps
RMC + Asphalt	6,2 %	5,9 %	-24 bps	8,3 %	9,4 %	+110 bps

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Very well positioned for infrastructure projects in key markets

Follo Line Tunnel Oslo

22 km new double rail track, 20 km tunnel, two separate tubes

- Currently the largest infrastructure project in Norway
- 300,000 tons cement supply contract for three years won by HC
- HC well positioned around Oslo

Fehmarn Belt Link

18 km immersed road/rail PRECAST tunnel between DK and DE

- One of the largest infrastructure projects in Europe
- Major contracts awarded to contractor consortiums
- HC targeting 1mt cement and >5mt aggregates

Stockholm Bypass

21 km highway, 3 lanes in each direction, 18 km in tunnels (2 separate tubes)

- Currently the largest infrastructure project in Sweden
- HC with a strong position and product range in Stockholm
- First two contracts have been won by HC

Nord Stream 2

1200 km twin gas pipeline through Baltic Sea

- HC is targeting 450,000 t of cement required for pipe coating

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Asia-Pacific

- **Indonesia:** Cement volume down in Q2, due to delays in commercial property and infrastructure projects in our core markets; strict cost management partially compensate margin pressure from lower prices; new kiln line P14 has started production; positive impact on costs expected for H2.
- **India:** Clear result improvement driven by moderate volume increase, price increases in Q2, and lower energy costs by use of own waste heat recovery power plant.
- **China:** Demand still significantly below prior year, especially in the Northwest; price increases implemented in Q2, but prices still substantially down year-on-year.
- **Bangladesh:** EBITDA clearly above prior year due to significantly improved volumes and lower raw material costs
- **Australia:** Volume growth in all business lines driven by strong residential construction demand and integrated supply chain management; strong demand on the East Coast compensates for weaker mining sector.

Asia - Pacific	June Year to Date					Q2				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	11.613	11.656	43	0,4 %	0,4 %	6.023	5.834	-189	-3,1 %	-3,1 %
Aggregates volume ('000 t)	17.866	18.921	1.055	5,9 %	-3,3 %	9.063	9.852	789	8,7 %	-2,2 %
Ready mix volume ('000 m^3)	5.295	5.148	-147	-2,8 %	-2,8 %	2.724	2.761	37	1,4 %	1,4 %
Asphalt volume ('000 t)	1.042	878	-164	-15,7 %	-15,7 %	570	472	-98	-17,2 %	-17,2 %
Operational result (EURm)										
Revenue	1.422	1.304	-118	-8,3 %	-5,2 %	728	667	-62	-8,5 %	-5,6 %
Operating EBITDA	362	315	-47	-12,9 %	-10,5 %	181	163	-18	-10,0 %	-7,8 %
in % of revenue	*25,5 %*	*24,2 %*				*24,9 %*	*24,5 %*			
Operating income	295	250	-45	-15,3 %	-12,9 %	147	130	-17	-11,7 %	-9,6 %

Revenue (EURm)	2015	2016	variance		2015	2016	variance	
Cement	761	675	-86	-11,4 %	387	331	-56	-14,6 %
Aggregates	273	278	5	1,8 %	139	146	7	5,0 %
RMC + Asphalt	542	500	-42	-7,8 %	282	269	-13	-4,7 %

Opr. EBITDA margin (%)	2015	2016	variance	2015	2016	variance
Cement	31,3 %	29,7 %	-157 bps	30,2 %	28,2 %	-199 bps
Aggregates	28,9 %	27,7 %	-120 bps	28,8 %	29,6 %	+82 bps
RMC + Asphalt	0,3 %	-0,2 %	-49 bps	0,2 %	1,4 %	+116 bps

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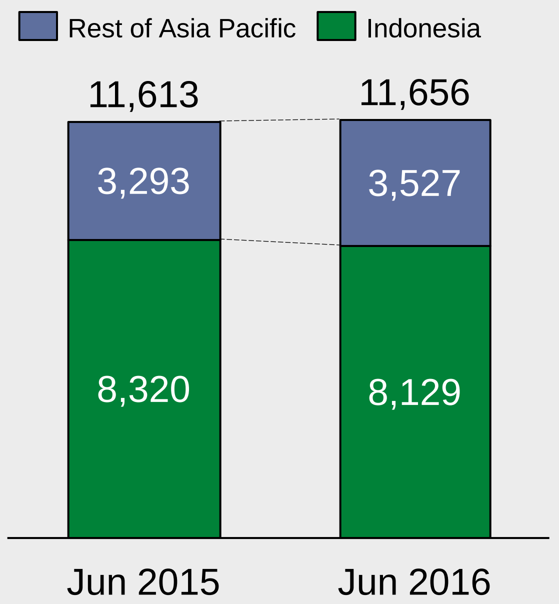
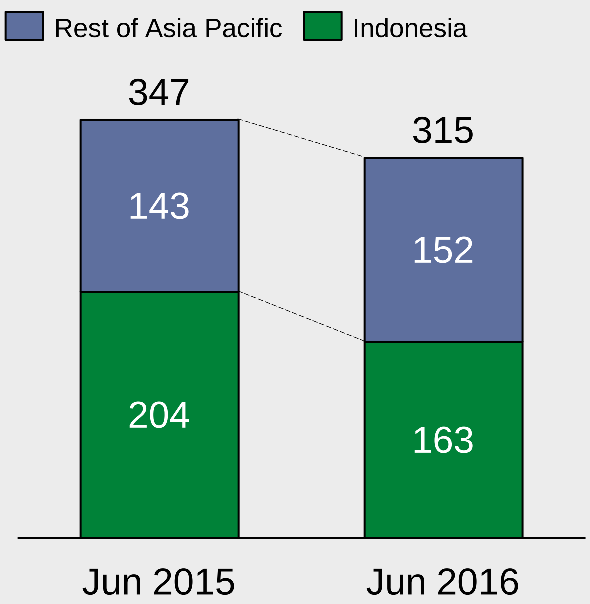
Solid performance in Asia Pacific despite pressure in Indonesia market

Cement sales volumes



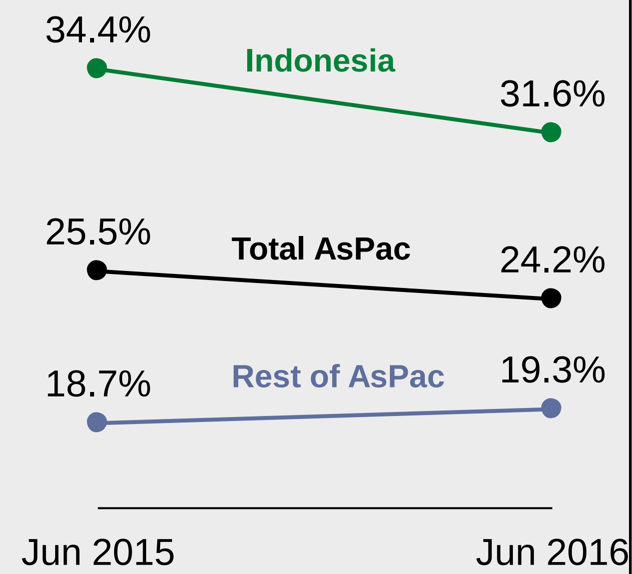
- Demand increase in India and Bangladesh more than offsets volume decline in Indonesia.

Operating EBITDA (€m)*



- Almost half of total region EBITDA is generated outside of Indonesia.

EBITDA Margin



- Solid performance in Australia and improved margins in India, Malaysia and Bangladesh limit the margin decline in region.

*) 2015 figures are adjusted for currency impact.

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Africa - Eastern Mediterranean Basin

- **Tanzania:** Moderate result improvement due to strong market growth; price pressure from increased competition.
- **Togo:** Volume increase and good production lead to improved Operating EBITDA margin.
- **Ghana:** EBITDA margin above prior year as a result of lower variable costs and resilient pricing; volumes decline due to weaker demand and increased competitive pressure.
- **DR Congo:** Volume and result below prior year due to increased import pressure.
- **Israel:** Stable result on a high level driven by solid demand and lower variable costs.
- **Turkey:** Sales volumes clearly up; stable domestic prices; export prices clearly down. Margins up driven by lower energy prices (mainly petcoke).

Africa - Eastern Med. Basin	June Year to Date					Q2				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Volumes										
Cement volume ('000 t)	3.852	3.822	-30	-0,8 %	-1,7 %	1.950	1.916	-34	-1,7 %	-3,5 %
Aggregates volume ('000 t)	4.317	4.551	235	5,4 %	5,4 %	2.262	2.262	0	0,0 %	0,0 %
Ready mix volume ('000 m^3)	1.367	1.378	11	0,8 %	0,8 %	726	691	-35	-4,8 %	-4,8 %
Asphalt volume ('000 t)	207	231	24	11,7 %	11,7 %	118	131	14	11,7 %	11,7 %
Operational result (EURm)										
Revenue	493	465	-29	-5,8 %	-0,8 %	242	224	-17	-7,2 %	-4,7 %
Operating EBITDA	132	121	-11	-8,1 %	-2,3 %	59	57	-2	-3,0 %	-0,4 %
in % of revenue	*26,7 %*	*26,1 %*				*24,2 %*	*25,3 %*			
Operating income	111	101	-11	-9,6 %	-3,1 %	48	46	-2	-4,7 %	-1,5 %

Revenue (EURm)	2015	2016	variance		2015	2016	variance	
Cement	365	335	-30	-8,2 %	172	159	-13	-7,7 %
Aggregates	40	41	2	4,1 %	21	21	0	-0,7 %
RMC + Asphalt	101	102	0	0,5 %	55	52	-3	-5,8 %

Opr. EBITDA margin (%)	2015	2016	variance	2015	2016	variance
Cement	26,9 %	26,4 %	-41 bps	23,5 %	25,3 %	+180 bps
Aggregates	24,3 %	25,3 %	+97 bps	23,2 %	25,1 %	+188 bps
RMC + Asphalt	2,7 %	3,2 %	+47 bps	3,6 %	3,4 %	-20 bps

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Group Services

- Despite competitive market conditions, international sales volumes of 11.4mt are in line with H1 2015.
- Stable EBITDA margin in H1, despite declining revenues.
- Low cost sourcing of raw materials and low freight rates continue to contribute significantly to the profitability of HC grinding units and bulk import terminals.

Group Services	June Year to Date					Q2				
	2015	2016	variance		L-f-L	2015	2016	variance		L-f-L
Operational result (EURm)										
Revenue	572	458	-114	-19,9 %	-19,9 %	290	228	-61	-21,2 %	-19,6 %
Operating EBITDA	13	11	-2	-16,8 %	-16,8 %	7	4	-3	-37,9 %	-36,7 %
in % of revenue	*2,4 %*	*2,4 %*				*2,3 %*	*1,8 %*			
Operating income	13	11	-2	-17,1 %	-17,1 %	7	4	-3	-38,4 %	-37,1 %

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Key financial messages Q2 2016

Summary

- **Profitable growth and continuous improvement of result**
  - Good operational development supported by significant improvements of items below OIBD leads to increase in Group share of profit by 17% (€m 47) to €m 318 (Q2 2015: €m 272)
  - Further improvement of financial expenses by €m 20 to €m -107 (Q2 2015: €m - 127)
- **Accelerated deleveraging continued**
  - Net debt reduced by ca. €m 466 vs. Q2 2015 and strategic target of leverage of 2,2x achieved
  - Free Cash Flow up by €m 331 over the last twelve months to €m 1,169 (Q2 2015: €m 838; LTM)
- **Italcementi acquisition**
  - Financing of acquisition concluded by issuance of bond of €m 750 in June
  - Acquisition of 45% share in Italcementi from Italmobiliare on July 1st; MTO for remaining shares in Italcementi will run from end of August until the end of September
  - SPA for sale of ITC Belgium (CCB) signed with Cementir (Caltagirone Group)
  - Strong interest in ITC assets to be disposed in North America; final bids due in first half August
  - Expectations confirmed: Disposal proceeds of at least €bn 1 achievable (slightly ahead of plan)

HC ("stand alone") well on track to achieve the ambitious targets for 2016

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Income Statement June 2016

Group share of profit increased significantly

€m	June Year to Date			Q2		
	2015	2016	Variance	2015	2016	Variance
Operating income	672	**739**	10 %	557	**601**	8 %
Additional ordinary result	11	**-16**	N/A	-5	**-12**	-132 %
Result from participations	8	**6**	-30 %	14	**11**	-25 %
Financial result	-285	**-221**	23 %	-127	**-107**	16 %
Income taxes	-142	**-131**	8 %	-108	**-95**	12 %
Net result from continued operations	**264**	**376**	**43 %**	**331**	**398**	**20 %**
Net result from discontinued operations	-22	**-22**	-3 %	-9	**-12**	-45 %
Minorities	-94	**-108**	-15 %	-51	**-67**	-31 %
Group share of profit	148	**246**	66 %	271	**318**	17 %

Strong result driven by operational performance and management of items below OI

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Cash flow statement Group June 2016

Strong operational cash flow key driver for accelerated deleveraging

€m	June Year to Date			Q2		
	2015	2016	Variance	2015	2016	Variance
Cash flow	598	**786**	188	497	**584**	87
Changes in working capital	-455	**-377**	78	-78	**-33**	45
Decrease in provisions through cash payments	-110	**-196**	-85	-58	**-75**	-17
Cash flow from operating activities - discontinued operations	-47		47	-2		2
Cash flow from operating activities	-15	**214**	228	359	**475**	117
Total investments	-406	**-444**	-38	-218	**-187**	31
Proceeds from fixed asset disposals/consolidation	55	**70**	15	31	**52**	21
Cash flow from investing activities - discontinued operations	1,231		-1,231			
Cash flow from investing activities	880	**-373**	-1,254	-188	**-135**	52
Free cash flow	866	**-160**	-1,025	171	**340**	169
Capital decrease - non-controlling shareholders	-6		6	-6		6
Dividend payments	-350	**-317**	33	-347	**-310**	37
Transactions between shareholders	-14	**-6**	8	-14	**-6**	8
Net change in bonds and loans	-497	**1,725**	2,223	-55	**505**	560
Cash flow from financing activities - discontinued operations	-5		5			
Cash flow from financing activities	-872	**1,403**	2,274	-422	**188**	611
Net change in cash and cash equivalents	-6	**1,243**	1,249	-252	**528**	780
Effect of exchange rate changes	41	**5**	-36	-45	**24**	68
Change in cash and cash equivalents	35	**1,248**	1,212	-296	**552**	848

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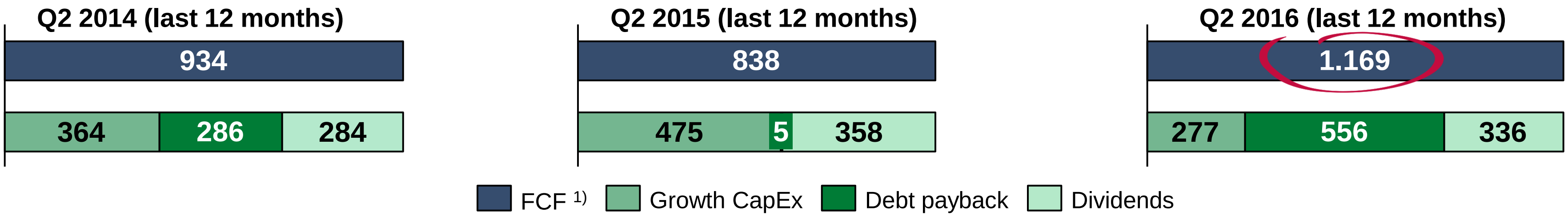
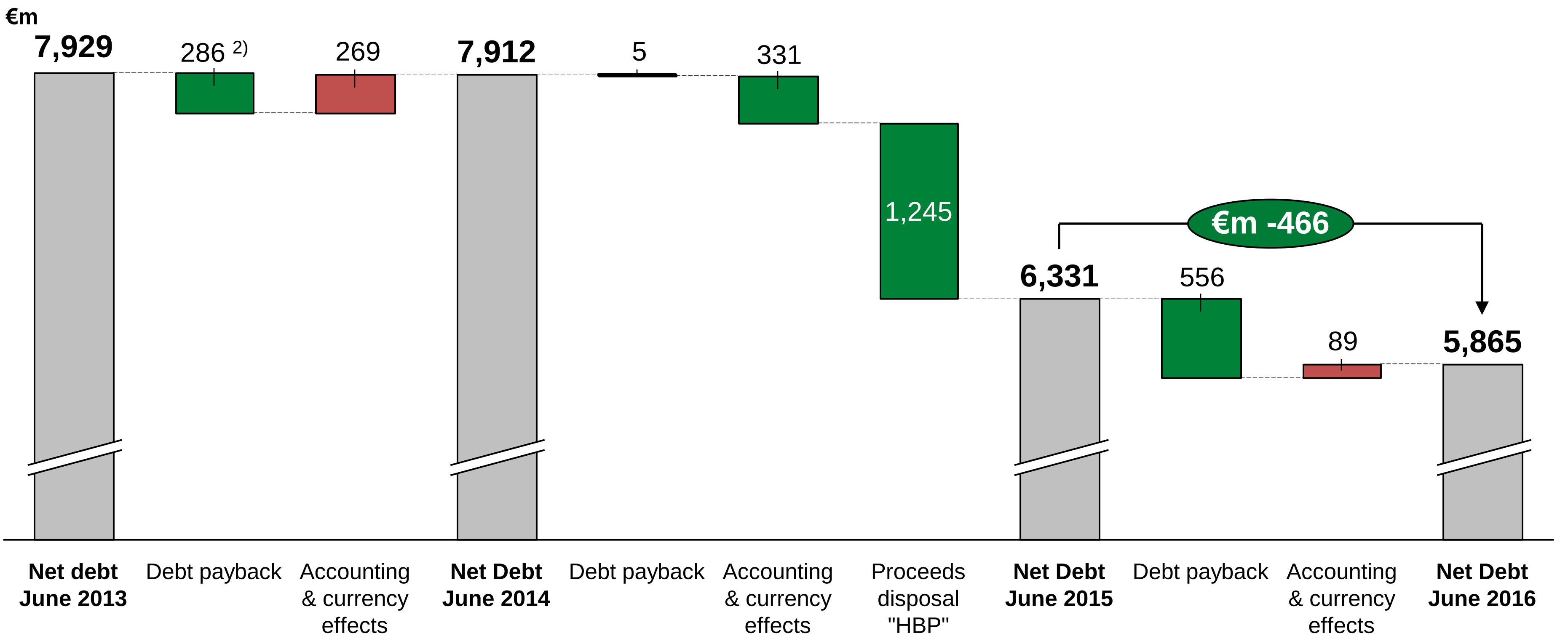
Usage of free cash flow

Net debt reduced by €m - 466 vs. Q2 2015





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

2) Before cartel fine payment

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Group balance sheet

€m	Jun 2015	Dec 2015	Jun 2016	Variance Jun 16/Jun15 €m	%
Assets					
Intangible assets	10,464	10,439	**10,212**	-251	-2 %
Property, plant and equipment	9,935	9,871	**9,665**	-270	-3 %
Financial assets	1,832	1,832	**1,785**	-47	-3 %
Fixed assets	22,230	22,142	**21,662**	-569	-3 %
Deferred taxes	811	805	**790**	-20	-3 %
Receivables	2,882	2,558	**2,936**	54	2 %
Inventories	1,457	1,444	**1,394**	-63	-4 %
Cash and short-term derivatives	1,306	1,426	**2,655**	1,349	103 %
Disposal groups held for sale	77		**3**	-74	-97 %
Balance sheet total	28,763	28,374	**29,439**	677	2 %
Equity and liabilities					
Equity attributable to shareholders	14,472	14,915	**14,273**	-199	-1 %
Non-controlling interests	982	1,061	**1,104**	122	12 %
Equity	15,454	15,976	**15,377**	-77	0 %
Debt	7,638	6,712	**8,520**	882	12 %
Provisions	2,468	2,423	**2,385**	-82	-3 %
Deferred taxes	484	436	**416**	-67	-14 %
Operating liabilities	2,694	2,827	**2,741**	47	2 %
Liabilities in disposal groups	26			-26	-100 %
Balance sheet total	28,763	28,374	**29,439**	677	2 %
Net Debt	6,331	5,286	**5,865**	-467	-7 %
Gearing	41.0 %	33.1 %	**38.1 %**		

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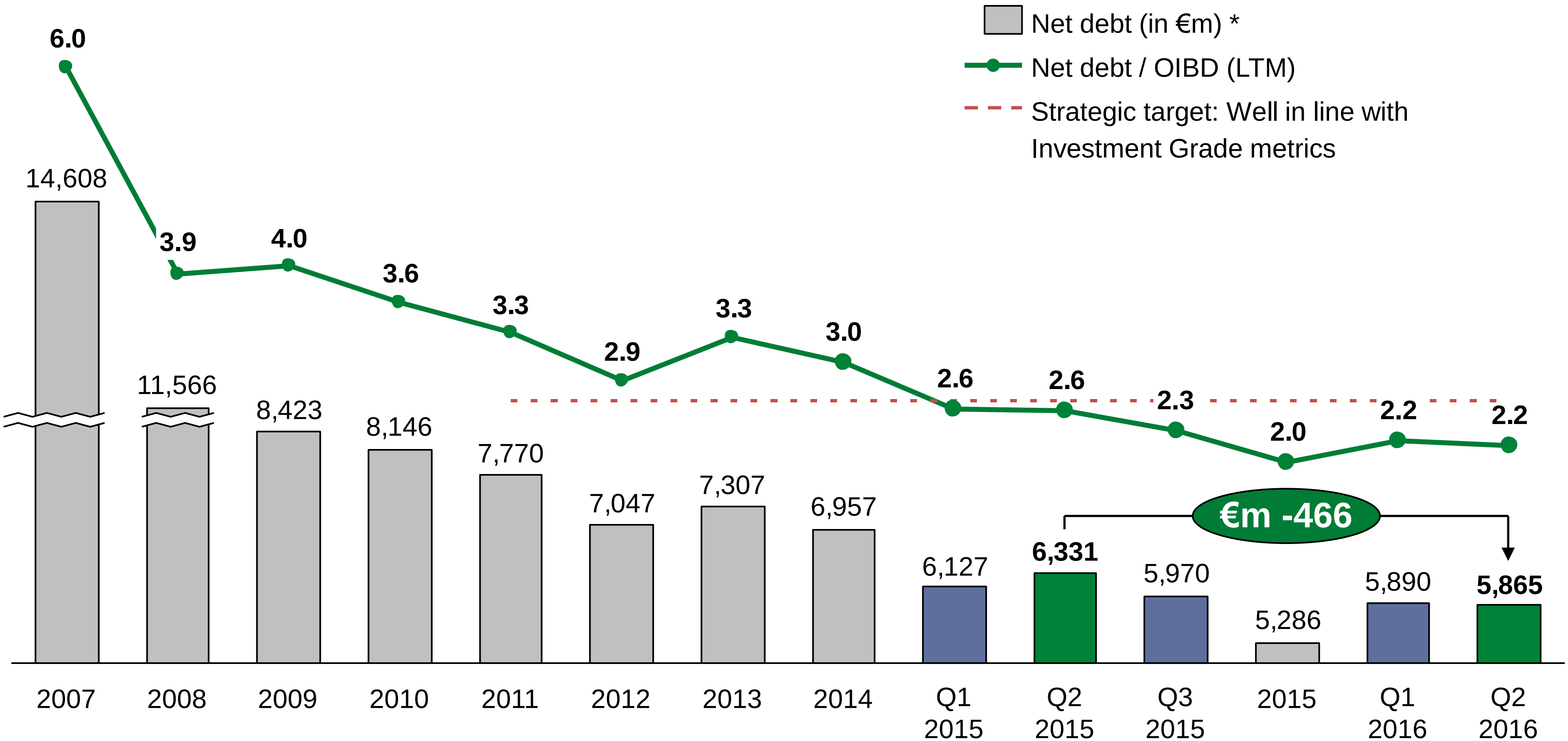
Net debt development

Net debt reduced by €m 466 in Q2 2016



Further reduction of net debt in Q2 2016

Net debt clearly in line with Investment Grade metrics

* Incl. put-option minorities from 2014 onwards

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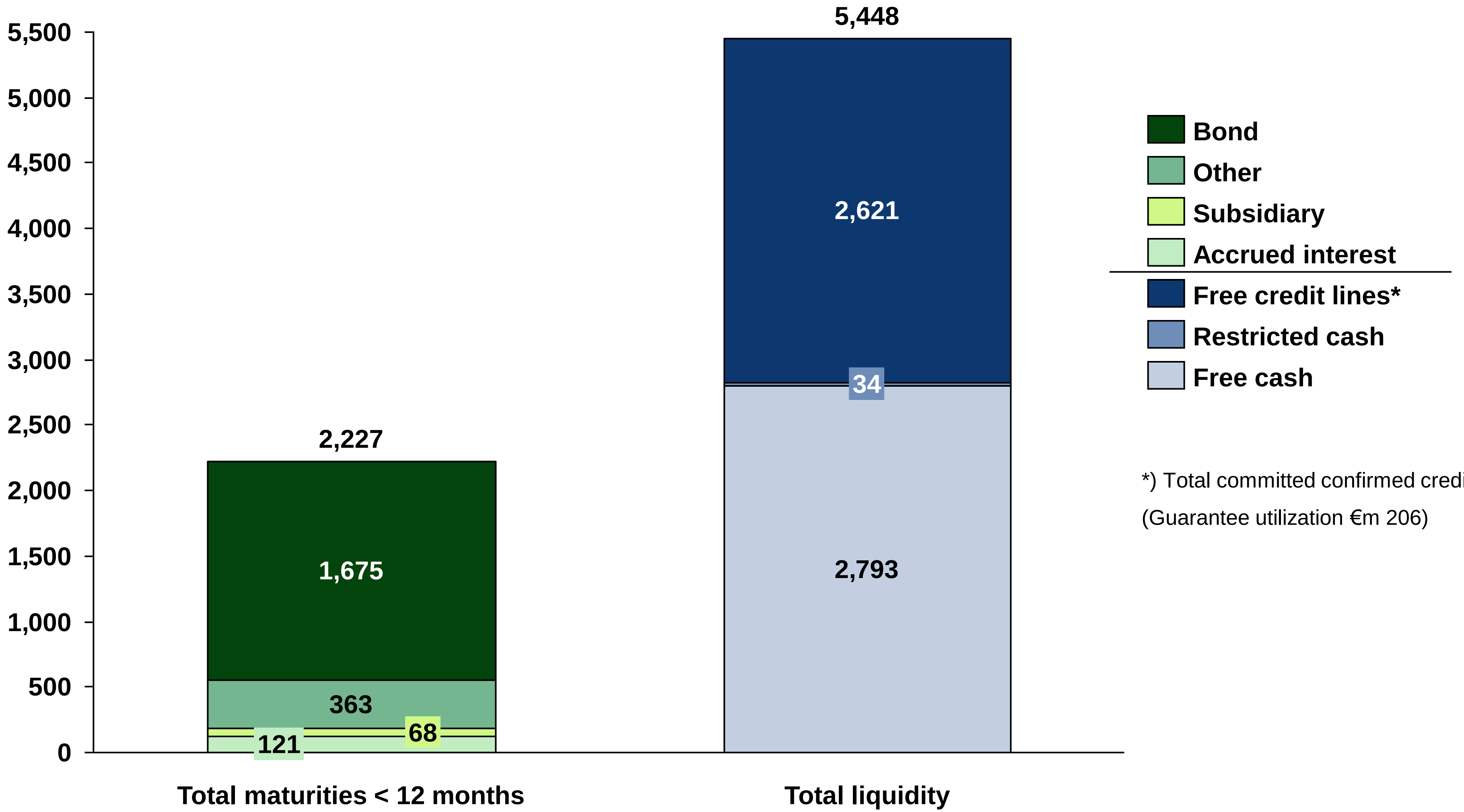
Short-term liquidity headroom

as per 30 June 2016 in €m

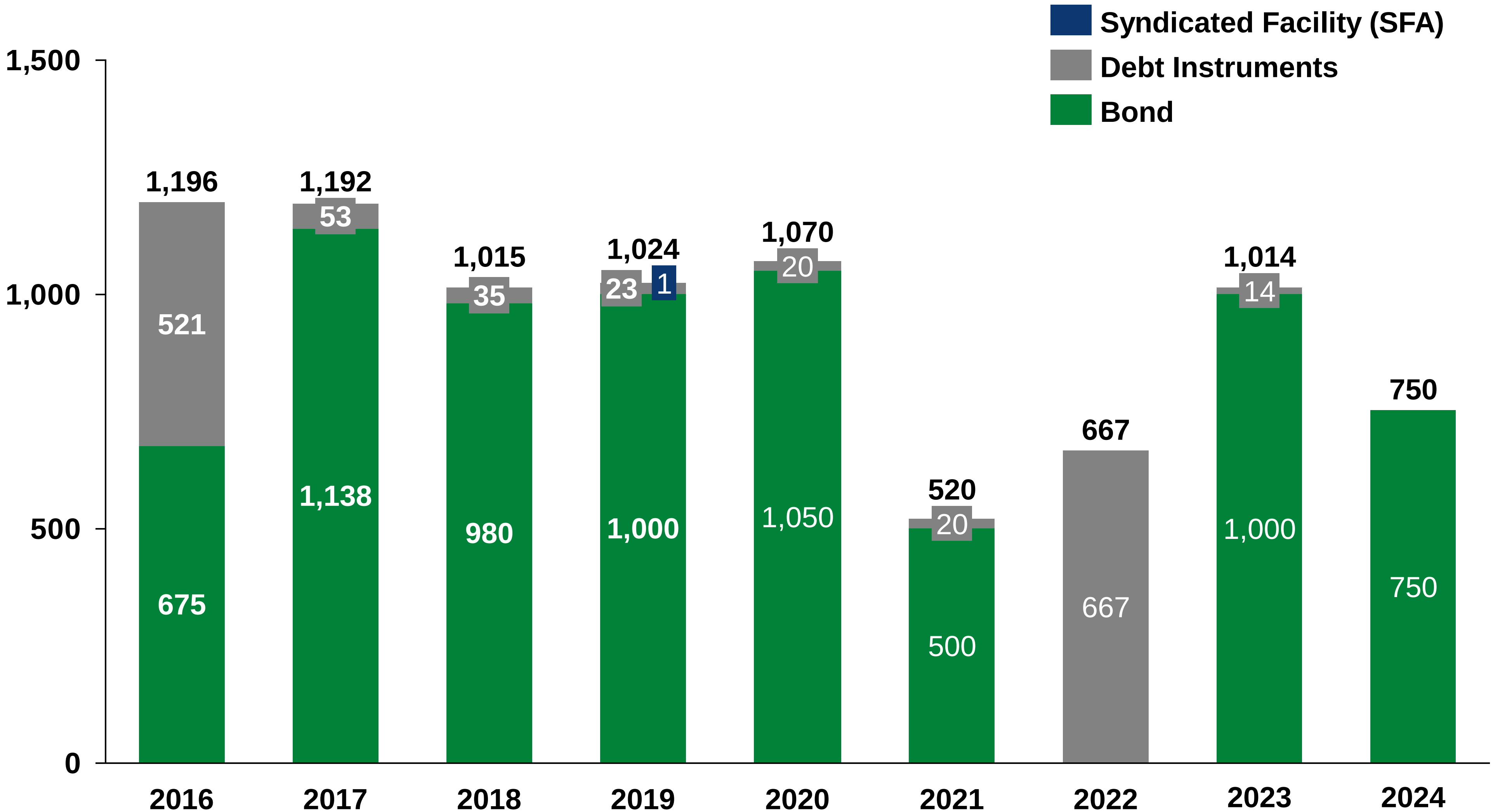


*) Total committed confirmed credit line €m 3,000
(Guarantee utilization €m 206)

- 2,050 m€ bridge financing for Italcementi acquisition is not included in the liquidity.

Debt maturity profile

as per 30 June 2016 in €m



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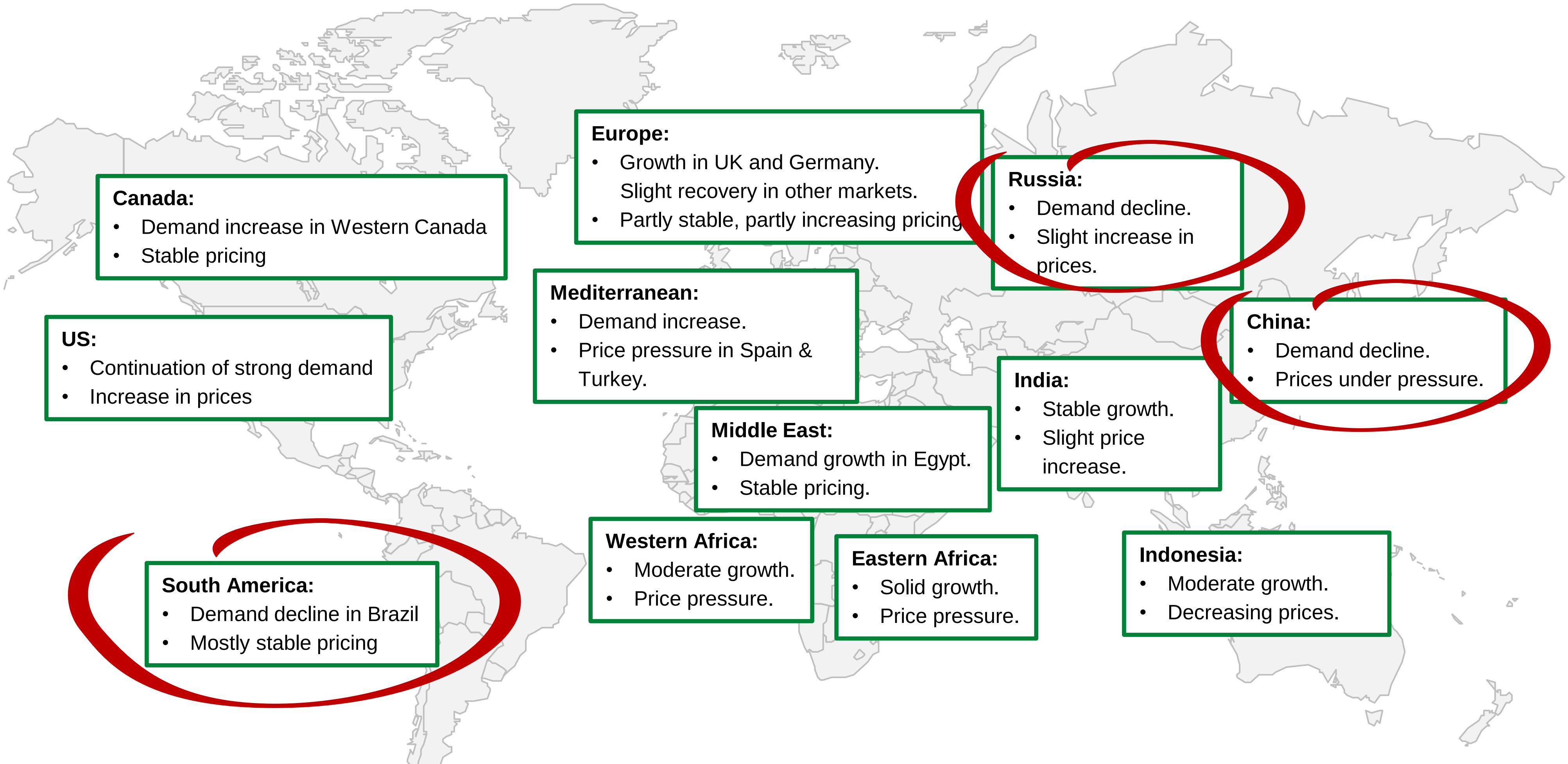
Global cement market outlook 2016



Canada:
- Demand increase in Western Canada
- Stable pricing

US:
- Continuation of strong demand
- Increase in prices

South America:
- Demand decline in Brazil
- Mostly stable pricing

Europe:
- Growth in UK and Germany.
  Slight recovery in other markets.
- Partly stable, partly increasing pricing

Mediterranean:
- Demand increase.
- Price pressure in Spain & Turkey.

Middle East:
- Demand growth in Egypt.
- Stable pricing.

Western Africa:
- Moderate growth.
- Price pressure.

Eastern Africa:
- Solid growth.
- Price pressure.

Russia:
- Demand decline.
- Slight increase in prices.

India:
- Stable growth.
- Slight price increase.

China:
- Demand decline.
- Prices under pressure.

Indonesia:
- Moderate growth.
- Decreasing prices.

- Global consumption is expected to decline (~2%) driven by slowdown in China, Russia and Brazil
- Increased export volumes from China and Iran may create pressure on pricing

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Targets 2016 (HeidelbergCement stand-alone)

	2016 Target
Volumes	**Increase in all business lines**
Operating EBITDA *(like for like, excluding FX and scope)*	**High single to double digit organic growth**
CapEx	**€bn 1.1**
Maintenance	*€m 500*
Expansion	*€m 600*
Energy cost	**Flat to slightly lower**
Current tax rate	**~25 %**

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Volume and price development (H1 2016 vs. H1 2015)

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

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Currency and Scope Impacts

Revenues	June Year to Date			Q2		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	-27	0	0	-25
West & South Europe	0	-45	-45	0	-25	-32
North & East Europe	222	-74	-66	121	-41	-42
Asia - Pacific	23	0	-70	14	0	-37
Africa - Med. Basin	3	0	-27	3	0	-9
Group Services	0	0	0	0	0	-6
TOTAL GROUP	**247**	**-119**	**-235**	**138**	**-67**	**-151**

Operating EBITDA	June Year to Date			Q2		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	-5	0	0	-4
West & South Europe	0	-12	-7	0	-7	-5
North & East Europe	16	-8	-3	10	-4	-4
Asia - Pacific	5	0	-15	3	0	-8
Africa - Med. Basin	-1	0	-7	-1	0	-1
Group Services	0	0	0	0	0	0
TOTAL GROUP	**20**	**-20**	**-37**	**12**	**-12**	**-23**

Operating Income	June Year to Date			Q2		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	0	-4	0	0	-3
West & South Europe	0	-12	-4	0	-7	-4
North & East Europe	12	-7	3	8	-4	-1
Asia - Pacific	3	0	-12	3	0	-6
Africa - Med. Basin	-1	0	-7	-1	0	-1
Group Services	0	0	0	0	0	0
TOTAL GROUP	**14**	**-18**	**-23**	**9**	**-11**	**-14**

Cement Volume	June Year to Date			Q2		
	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	35	0	0	35	0	0
Group Services	0	0	0	0	0	0
TOTAL GROUP	**35**	**0**	**0**	**35**	**0**	**0**

Aggregates Volume	June Year to Date			Q2		
	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	251	0	0	160	0	0
Asia - Pacific	1,653	0	0	991	0	0
Africa - Med. Basin	0	0	0	0	0	0
Group Services	0	0	0	0	0	0
TOTAL GROUP	**1,904**	**0**	**0**	**1,151**	**0**	**0**

RMC Volume	June Year to Date			Q2		
	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	206	0	0	108	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	**206**	**0**	**0**	**108**	**0**	**0**

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Contact information and event calendar

Event calendar

09 Nov 2016	2016 third quarter results

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