

HEIDELBERGCEMENT

Commerzbank German Investment Seminar 2014

New York, January 13-14

Dr. Bernd Scheifele, Group CEO



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■ Business strengths and strategy

1 Strong operational performance

- Well balanced asset base with superior footprint (NAM, Europe, Africa and Asia)
- Significant operating leverage in key developed markets US and UK

2 Market leading margin improvement programs

- Successful program execution with clear reflection in EBITDA margin
- CLIMB Commercial and PERFORM programs in our core divisions cement and aggregates bring above market average price increases

3 Deleveraging is still the main focus

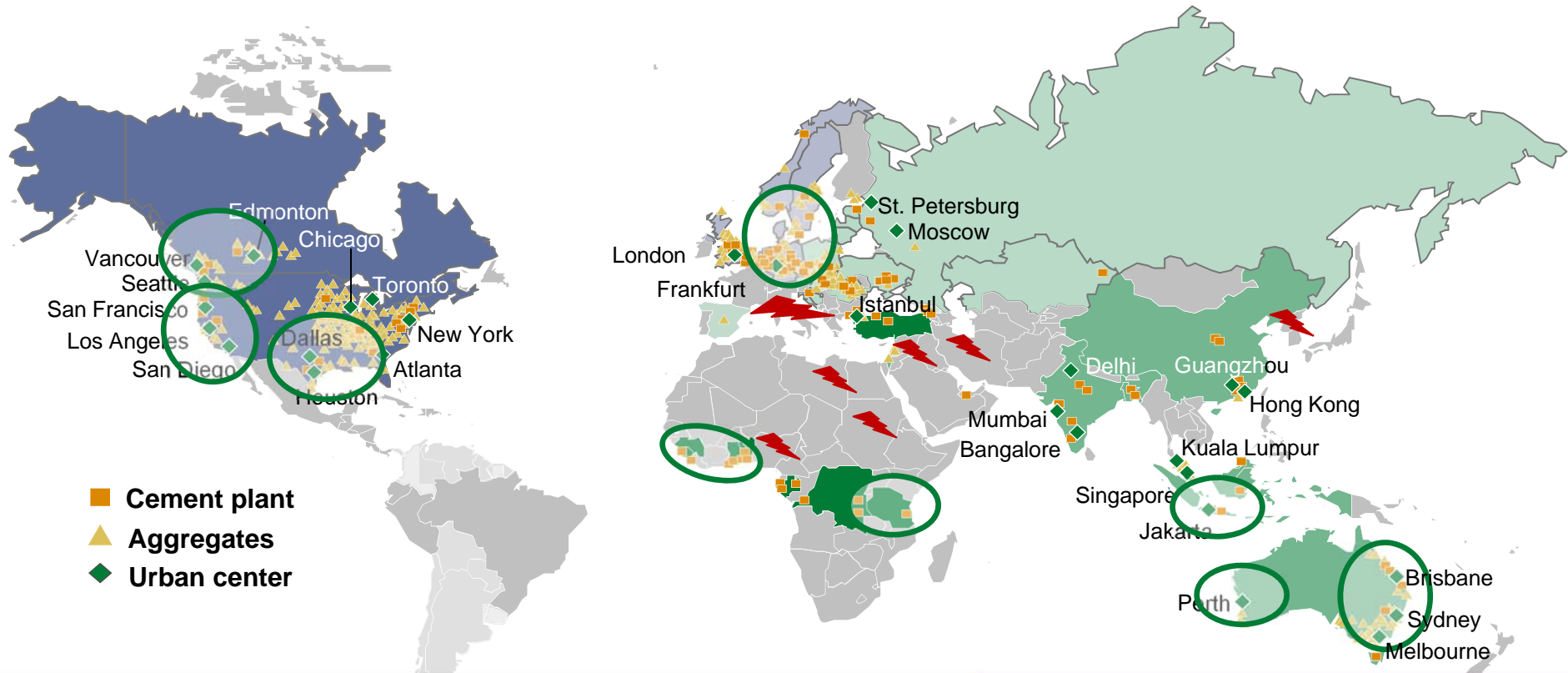
- Continued financial discipline
- Strong liquidity headroom and well balanced debt maturity profile
- Dual strategy of deleveraging and selective disciplined growth investments in cement in emerging markets continued

4 Solid steps in disposal programs

- Various disposal options are being considered and evaluated for US and UK Building Products
- Further disposals of assets (Raigad India, non-core assets in Europe, exhausted quarries in NAM)

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Benefitting from excellent footprint in attractive micro markets



Superior footprint

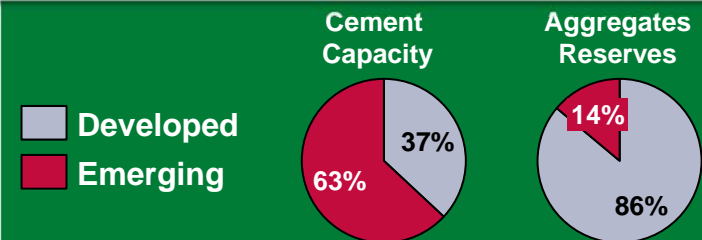
- **Strong market positions in urban centers**

(Frankfurt, Munich, London, San Francisco, LA, Jakarta, Kuala Lumpur, Hong Kong, Sydney)

- **Proximity to raw material reserves**

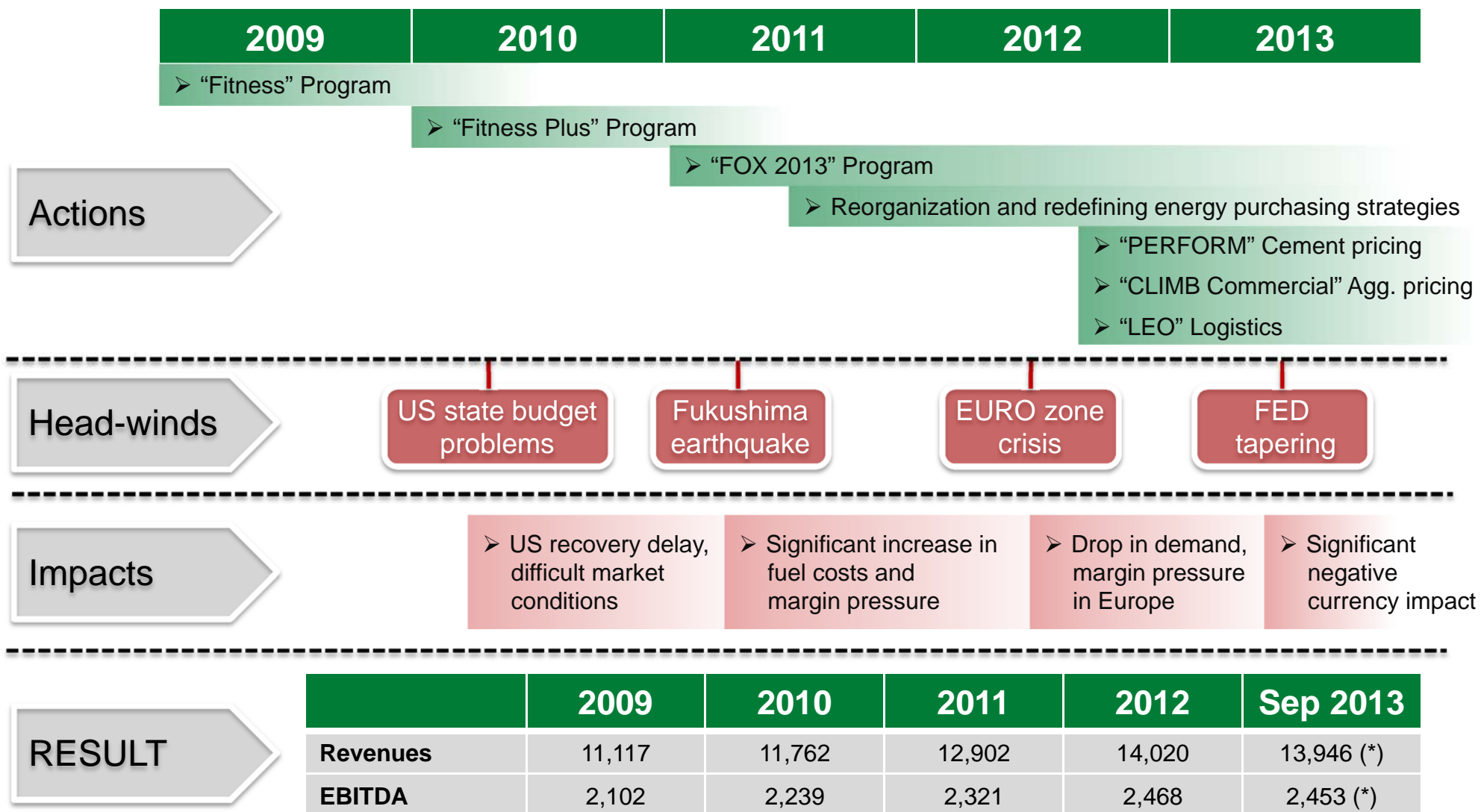
(West Canada, Texas, Norway, Ghana, Tanzania, Australia)

Well balanced asset base



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We managed to improve results in difficult environment



(*) Last 12 Months rolling values as of September 2013.

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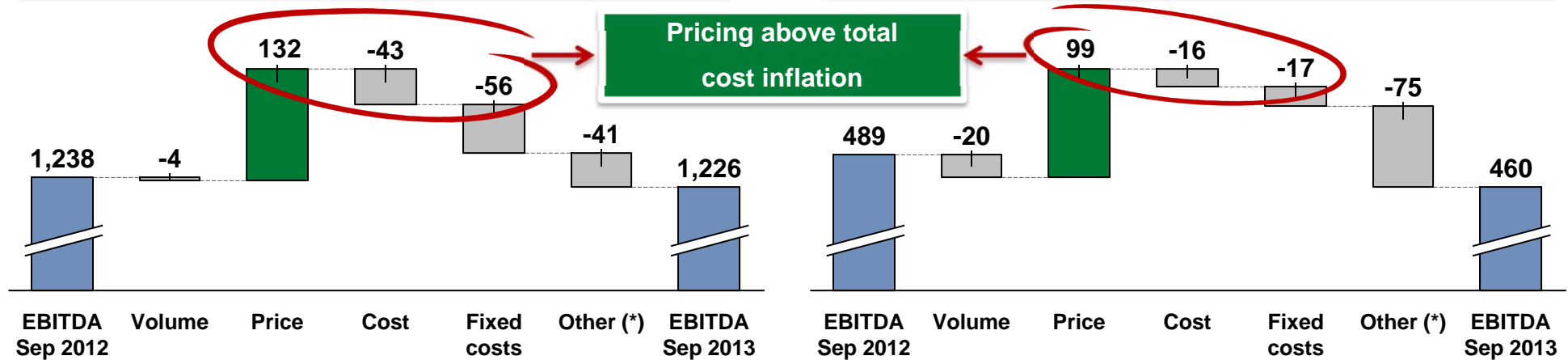
Margin improvement programs clearly pay off

- **PERFORM:** Focus on pricing
- **OPEX:** Focus on energy efficiency
- **LEO:** Focus on logistics

- **CLIMB COMMERCIAL:** Focus on pricing
- **CLIMB:** Quarry optimization
- **LEO:** Focus on logistics

CEMENT EBITDA Bridge

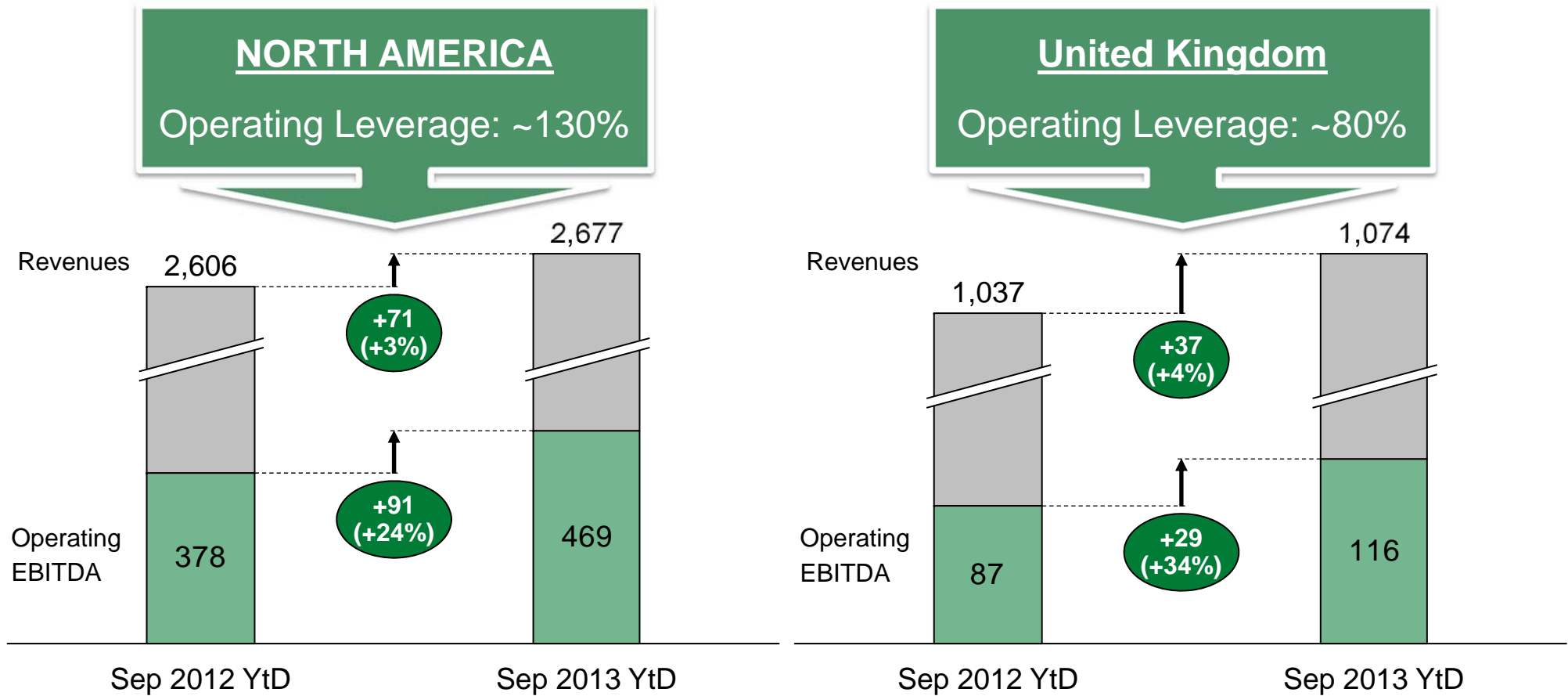
AGGREGATES EBITDA Bridge



Pricing strategy and efficiency improvement programs lead to solid operational result

(*) Other: "Other operating income/charges", "currency impact" and "change in consolidation scope".

Strong operating leverage in key developed markets

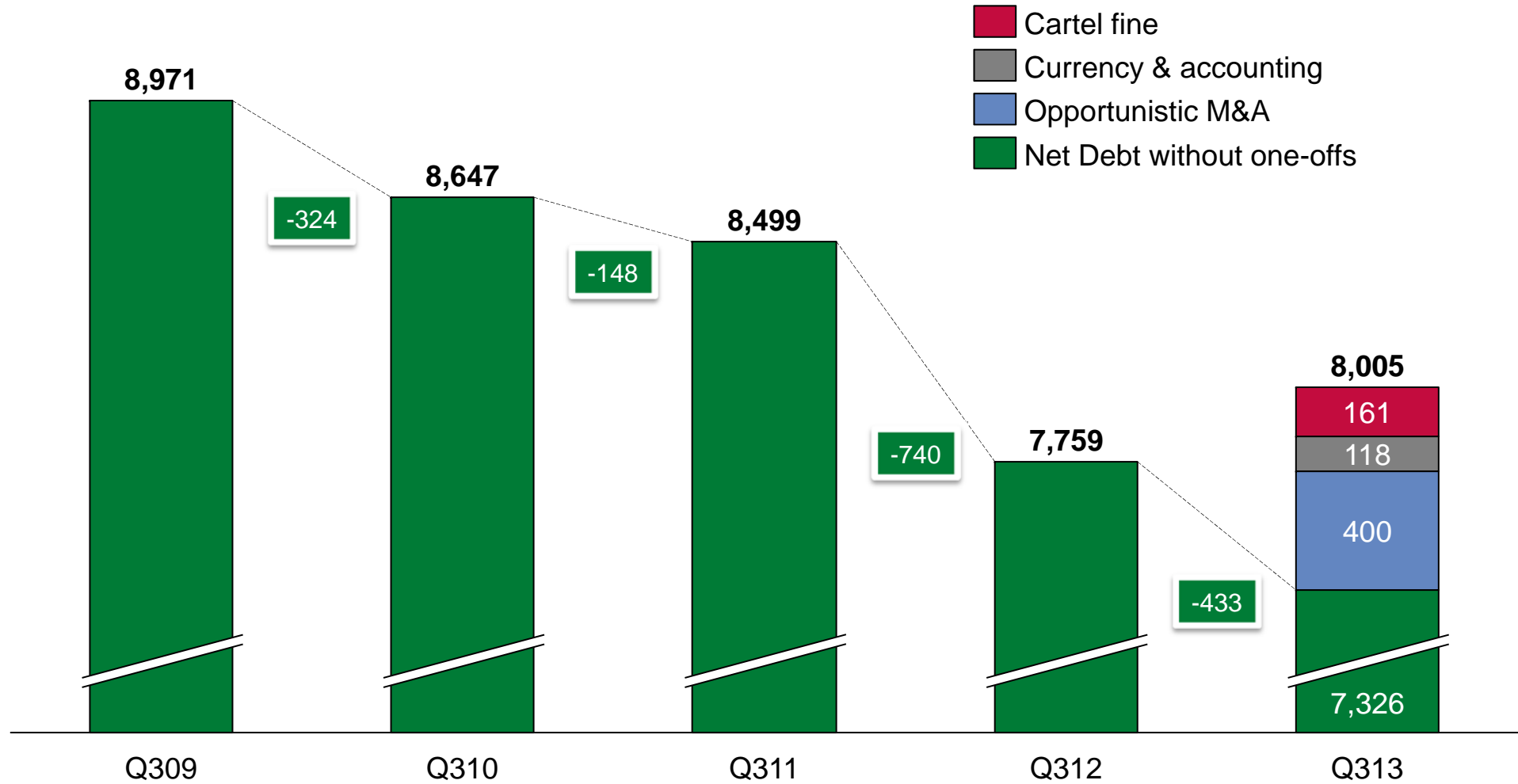


We benefit from timely implemented cost saving initiatives in developed markets

All values based on m€ excluding currency impacts and gain from exhausted quarry sales in North America.

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Net debt development



2013 Net Debt reduction impacted by cartel fine and currency. Opportunistic value adding M&A means no change in overall disciplined investment policy.

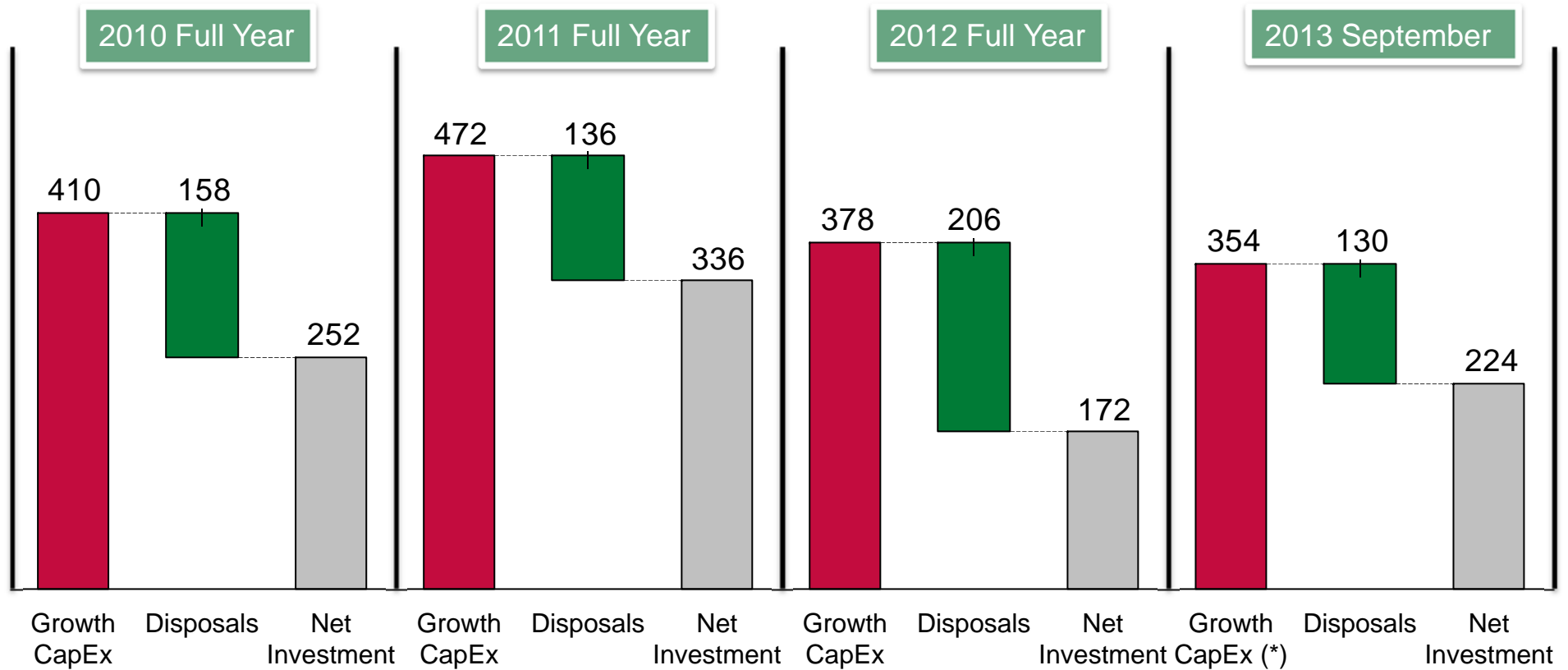
Business optimization projects and M&As improve Group margin

September Year-to-Date	Impact on Revenue	Impact on EBITDA
North America RMC portfolio optimization	- 35 m €	+ 1 m €
Asia Pacific Cement Australia	+ 101 m €	+ 27 m €
Western / Northern Europe Midland Quarry Products + Aggregates & RMC Optimization	+ 22 m €	+ 5 m €
TOTAL IMPACT from change in scope	+ 88 m €	+ 34 m €

Net EBITDA margin of change in consolidation scope is 39%

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Consistent disposal strategy for inefficient / exhausted assets



More than 600 m€ disposal of inefficient assets in the last 4 years

(*) Excluding opportunistic M&As of 400 m€

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Further focus on disposal projects

Disposal of Building Products

Geographical Presence

(Combined turnover >US\$1 bn)



US



Canada



UK

Key Products Include



Bricks



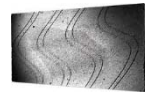
Pipe &
Precast



Pressure
Pipe



Structural
Precast



Aircrete
Blocks

Various disposal options are being considered and evaluated

Other disposal projects

■ Disposal of cement plant in Raigad / India

- Process completed in January 2014

■ Disposal of non-core assets in Europe

- Process is continuing, to be finalized in H1

■ Further disposal of unused fixed assets

- Idle and unused items being checked in all countries

■ Disposal of exhausted quarries

- Valuable land assets with high values

Optimization of asset base is a continuing process in HeidelbergCement

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Expansion of cement and clinker capacities in 2014

■ Indonesia

- 1.9 mt cement mill at Citeureup (Q1 2014)

■ Kazakhstan

- New 0.8 mt cement plant in Shetpe, Western Kazakhstan (Q1 2014)

■ Africa

- 1.5mt greenfield clinker plant in Togo
- 0.65mt grinding plant in Burkina Faso
- 0.8mt cement mill at Takoradi, Ghana
- 0.7mt cement mill in Tanzania

~5 mt cement and 1.5 mt clinker coming online in 2014

All projects with short pay-back periods and ROCE >25%



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Indonesia: Demand and Supply Dynamics

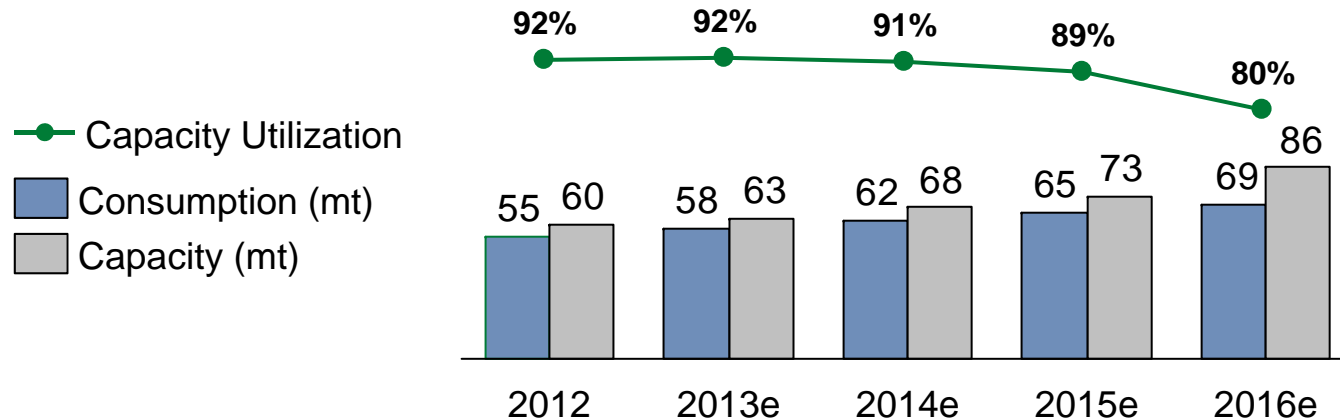
Demand potential intact

- Worldwide 4th largest population (~ 250 million) -> significant domestic demand
- GDP CAGR > 6% for 2012 - 2018 expected
- Significant upside for cement consumption: 223 kg/capita (VN ~500kg, SIN > 1,000kg)
- Large infrastructure projects (road, rail, harbour, airport) support demand

Near term supply growth limited

- Significant entry barriers for new players
 - Land ownership, Permitting process
 - Resistance from local communities
 - Distribution, Brand recognition
- Weak currency makes imports less attractive

6% Consumption growth scenario



Supply and demand balanced until at least 2016

Source: IMF, April 2013, Cement Association Indonesia, competitor announcements, own estimates

Slide 12 - Commerzbank German Investment Seminar 2014

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■ Management focus 2014

⊕ **Deleveraging** with clear goal to reach investment grade metrics

⊕ Solid steps in **disposal program**

⊕ **Margin improvement** driven by announced programs

⊕ **Targeted growth** in emerging markets

Contact information and event calendar

Event calendar

06 February 2014	Preliminary overview 2013
19 March 2014	2013 annual results
07 May 2014	2014 first quarter results
07 May 2014	2014 AGM
30 July 2014	2014 half year results
06 November 2014	2014 third quarter results

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