HeidelbergCement

2017 Half Year Results

01 August 2017

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Market and financial overview Q2 2017

Successful integration of Italcementi acquisition sees Group Profit increase 17% vs. H1 2016 (1)

- Group share of profit increases +17% to 288 m€ (on proforma basis, from -126 m€ to +288 m€!) (2)
- Revenue increases by 29%; Operating EBITDA increases by +22%; EPS increases by +7%
- Synergy target of 175m€ for full year already achieved in June. We are confident to over-achieve our target.

Solid result despite considerable headwinds (weather, Ramadan); change in trend since Easter (2)

- Easter and Ramadan fell into Q2, making year over year comparisons challenging
- Stable Operating EBITDA and margin development despite strong headwinds; bad weather in the US, energy cost inflation, price pressure in Indonesia, Ghana and Thailand
- Clear upward trend in result after Easter (May +8.1% and June +7.2% organic EBITDA growth)

Cashflow impacted by increased working capital and Pacific Northwest assets acquisition

- Increase in Working Capital due to higher business activity and ITC integration
- Acquisition of Pacific Northwest Materials completed with a multiple below 7X, including annual expected synergies of about 7.5 m$
- Leverage target confirmed: Net Debt / RCOBD at the end of the year at or below 2.5X

2017 Outlook confirmed

- Solid organic growth in May and June signals strong H2 performance
- Worst is already behind in difficult markets like Indonesia, Ghana and Thailand

(1) Values based on IFRS (Italcementi figures included after 1st July 2016). (2) Proforma figures including Italcementi as of 1st January 2016.

Key operational and financial figures

Operational performance based on proforma figures:

m€	Jun 16	Jun 17	Change	%	LfL %	Q2 16	Q2 17	Change	%	LfL %
Cement volume ('000 t)	61,061	**60,660**	-401	-0.7 %	-0.7 %	33,246	**32,844**	-402	-1.2 %	-1.1 %
Aggregate volume ('000 t)	133,759	**142,304**	8,544	6.4 %	0.6 %	77,376	**81,449**	4,073	5.3 %	-0.1 %
Ready Mix volume ('000 m^3)	23,503	**22,620**	-882	-3.8 %	-4.1 %	12,930	**12,197**	-733	-5.7 %	-6.3 %
Asphalt volume ('000 t)	3,956	**3,905**	-51	-1.3 %	-1.3 %	2,575	**2,442**	-133	-5.2 %	-5.2 %
Revenue	8,326	**8,394**	69	0.8 %	-0.2 %	4,583	**4,611**	28	0.6 %	-0.4 %
Operating EBITDA	1,368	**1,347**	-20	-1.5 %	-1.4 %	977	**964**	-13	-1.3 %	-0.5 %
in % of revenue	*16.4 %*	***16.1 %***	*-38 bps*		*-18 bps*	*21.3 %*	***20.9 %***	*-40 bps*		*-3 bps*
Operating income (*)	828	**791**	-37	-4.5 %	-3.9 %	704	**683**	-21	-3.0 %	-2.0 %
Cement EBITDA margin	21.1 %	**20.4 %**			-33 bps	27.1 %	**25.1 %**			-127 bps
Aggregates EBITDA margin	22.6 %	**21.4 %**			-125 bps	27.2 %	**27.4 %**			+19 bps
RMC+ASP EBITDA margin	1.9 %	**0.5 %**			-134 bps	3.9 %	**3.0 %**			-99 bps

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

m€	Jun 16	Jun 17	Change	Q2 16	Q2 17	Change
Group share of profit	246	**288**	17 %	318	**358**	12 %
Earnings per share	1.31	**1.45**	11 %	1.69	**1.80**	7 %
Cash flow from operations	214	**-132**	-345	475	**354**	-122
Total CapEx	-444	**-520**	-76	-187	**-325**	-138
Net Debt	5,865	**10,140**	4,275			
Net Debt / EBITDA	2.2	**3.2**				

LfL figures excluding currency, scope and CO_2 gain of 17m€ in Q2 2016. (*) Operating income includes a negative impact of -20m€ from Italcementi PPA in Q2 2017.

Key operational and financial figures

Difficult H1 is behind	Estimated impact
Easter timing impact in key European markets	~400k ton cement ~1.5mt aggregates
Ramadan timing impact in Indonesia, Morocco and Egypt	~600k ton cement
Extreme wet weather in US and production problem in California	Lower volumes and higher variable costs

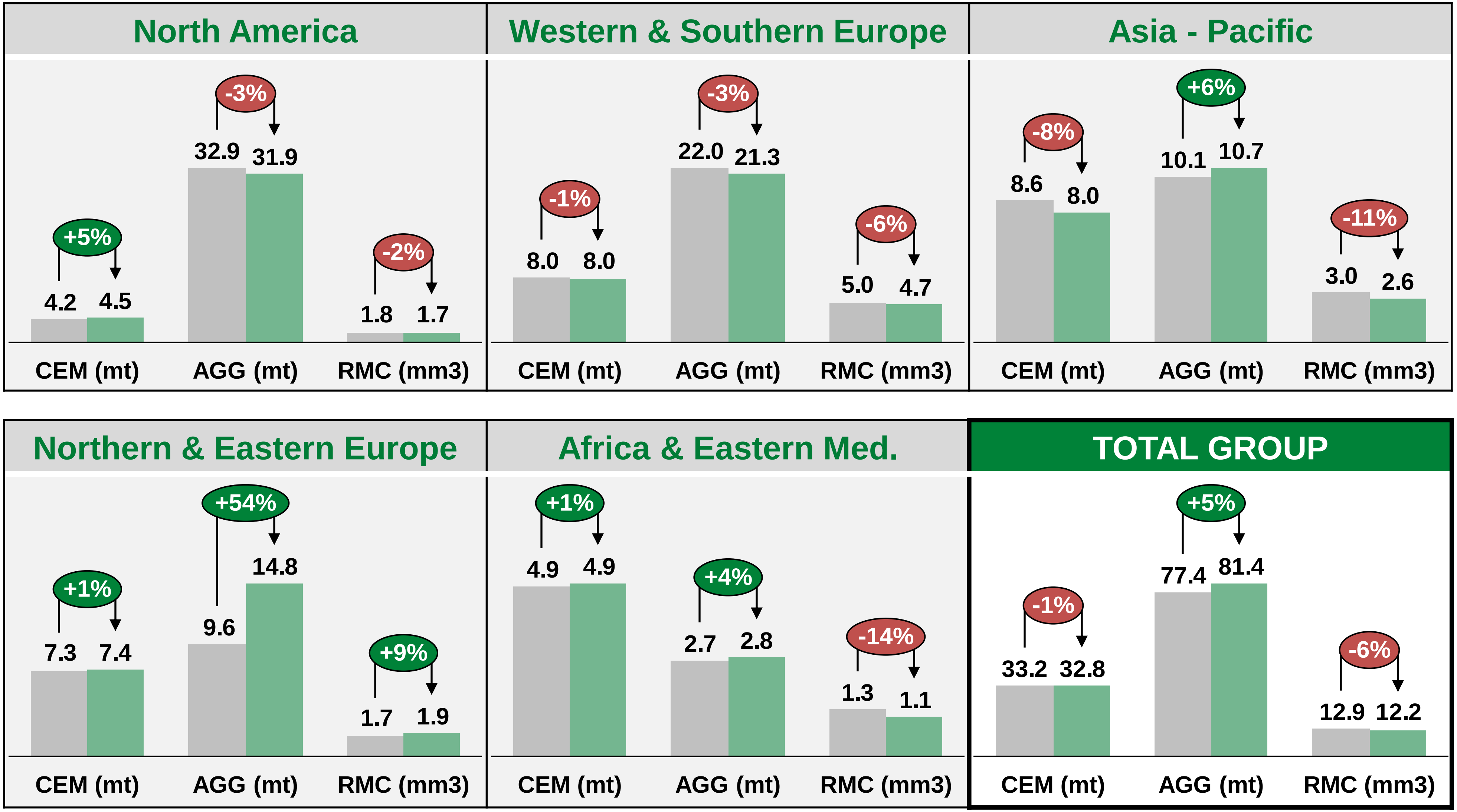
Almost 50 m€ negative impact on EBITDA

Strong earnings growth potential in the second half
➢ Weather related production problems in California solved.
➢ Much easier comparison base in H2 driven by price increases, more favorable energy cost base and reversal of Ramadan impact
➢ Full run-rate of achieved synergies
➢ Solid market outlook in US and in Europe, especially in Germany, Nordics and France

We are confident to reach our EBITDA target

Group Sales Volumes

Q2 2016 Q2 2017



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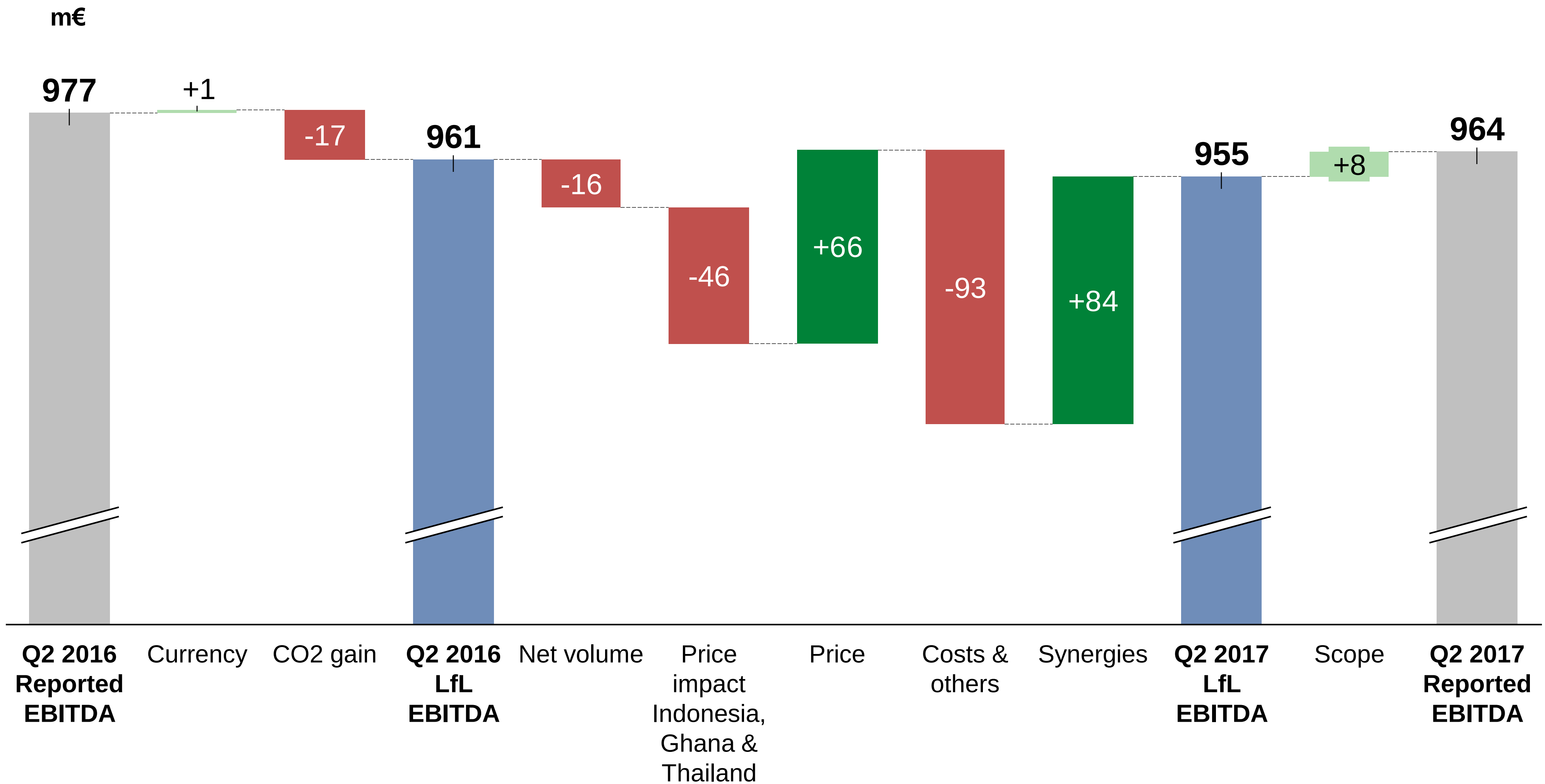
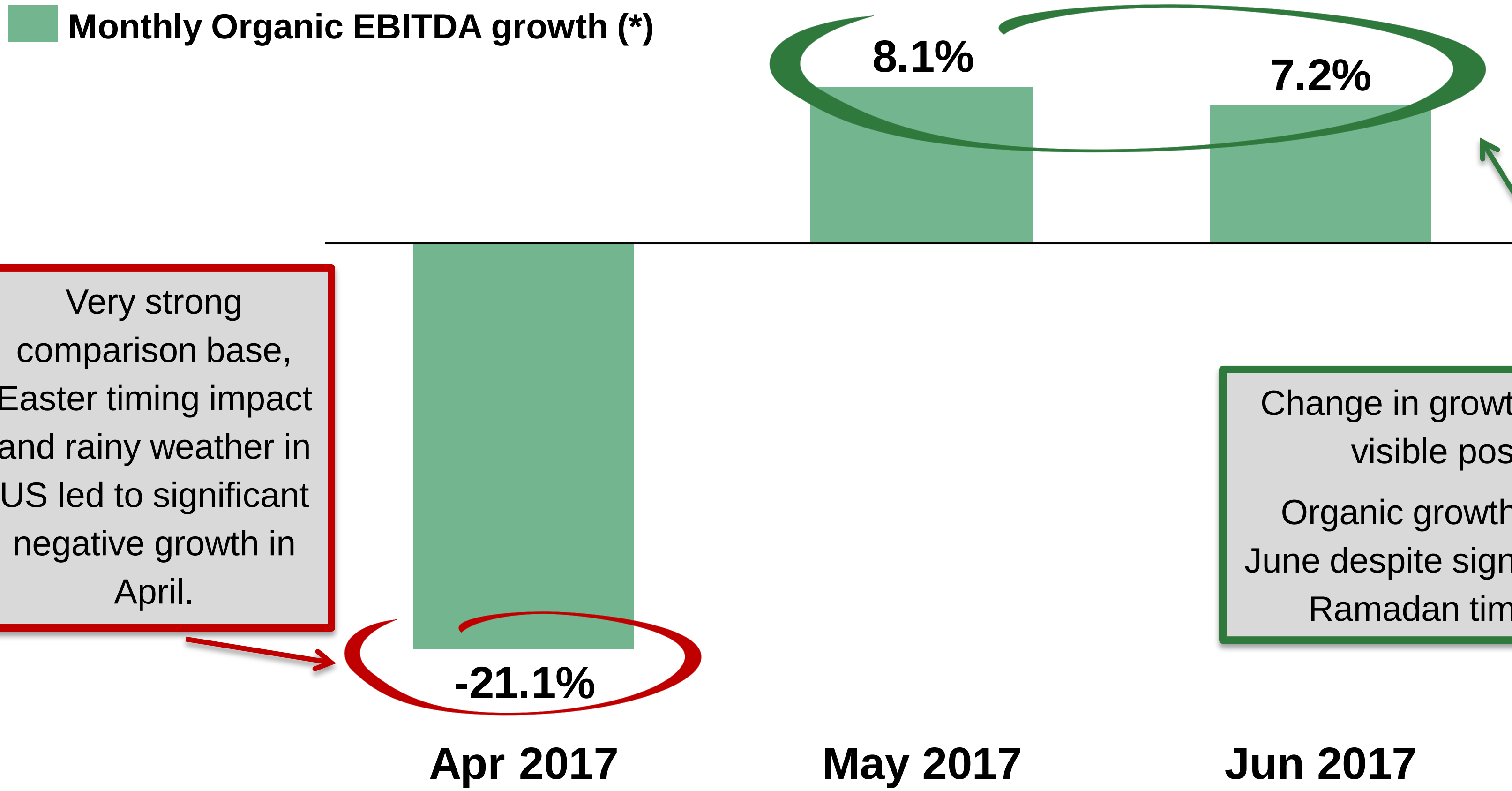
Q2 2017 Operating EBITDA Bridge



Solid result despite a very strong comparison base and price pressure in Indonesia, Ghana and Thailand

Clear change in organic EBITDA growth trend



Very strong comparison base, Easter timing impact and rainy weather in US led to significant negative growth in April.

Change in growth trend clearly visible post Easter.

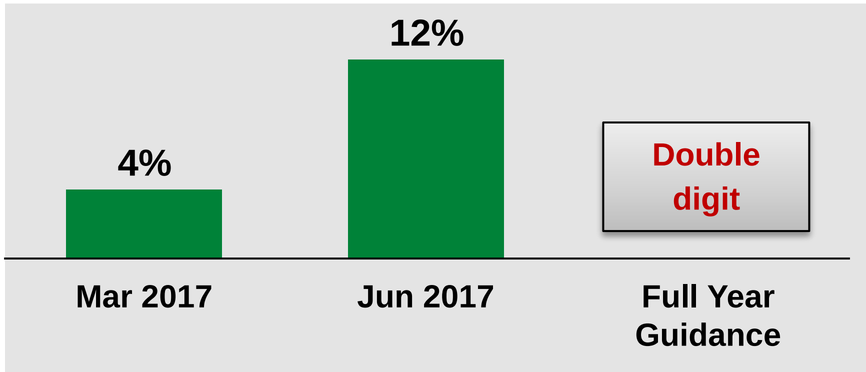
Organic growth continues in June despite significant negative Ramadan timing impact.

Continued growth expected in the second half of the year.

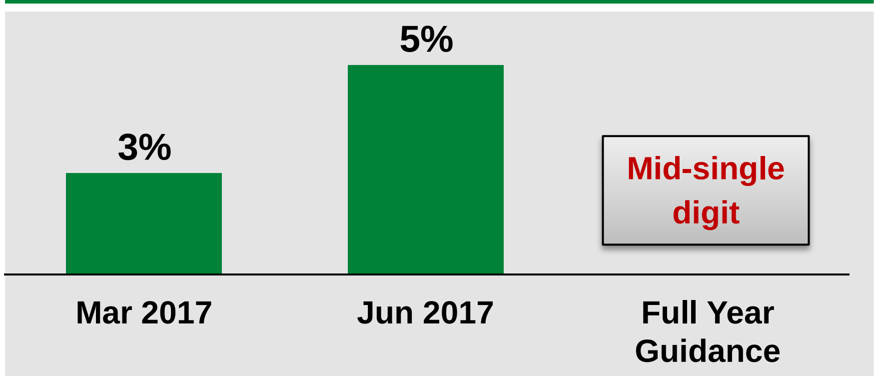
(*) Operating EBITDA growth vs. prior year same month, excluding currency, scope and CO2 gains.

Energy cost inflation expected to be high single digit for the full year

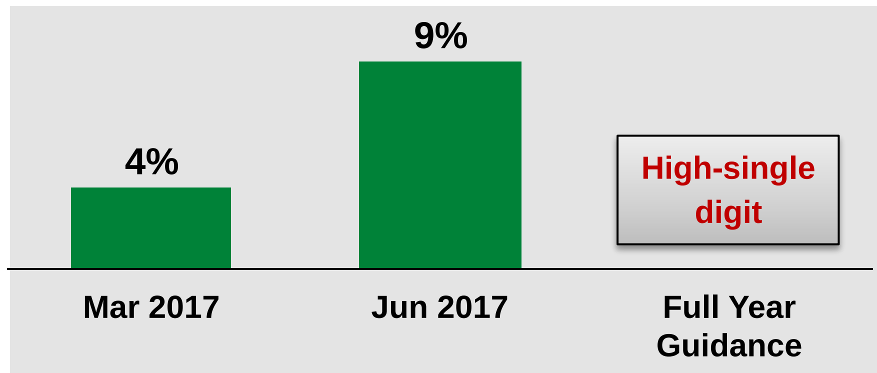
Fuel Cost (*)



Electricity Cost (*)



TOTAL ENERGY COST (*)



Cost inflation in line with spot price developments; favorable Q1 was supported by forward contracts.

(*) Cement business line

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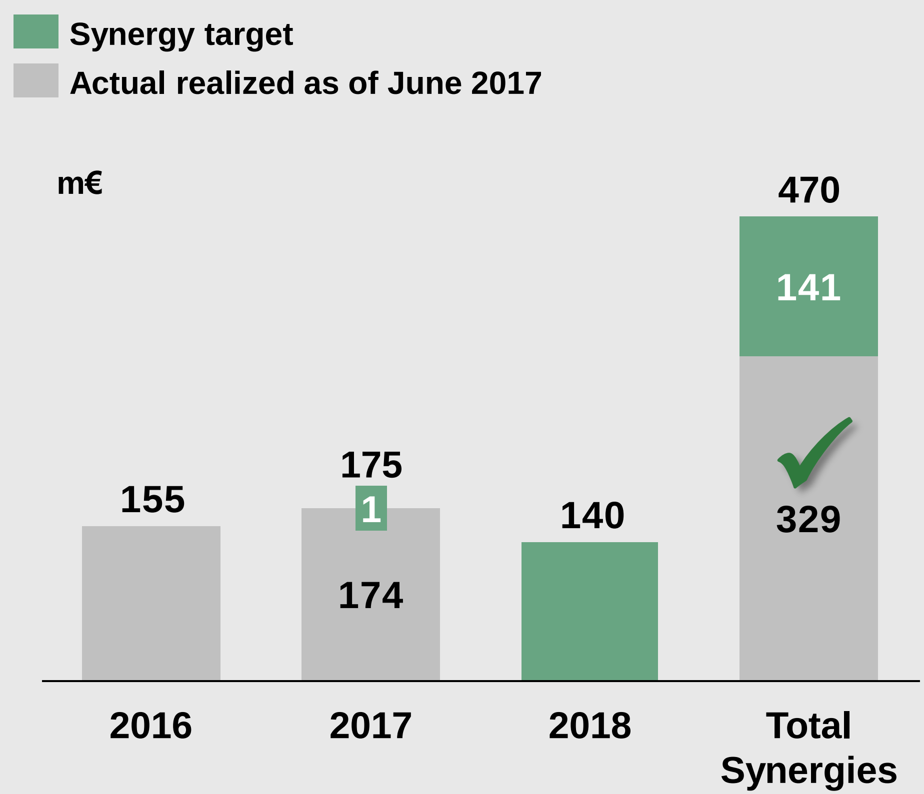
2017 full year target already achieved in H1!

We are confident to reach 500m€



2017 Incremental Target	m€
Operations	49
SG&A	26
Purchasing	14
Other (trading, insurance, logistics, IT...)	45
Total EBITDA related	**134**
Treasury & Tax	40
Total Synergies	**174**

Synergies clearly visible in the PL

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North America

Wet weather and production issue in West impact quarterly result. Backlog remains strong.

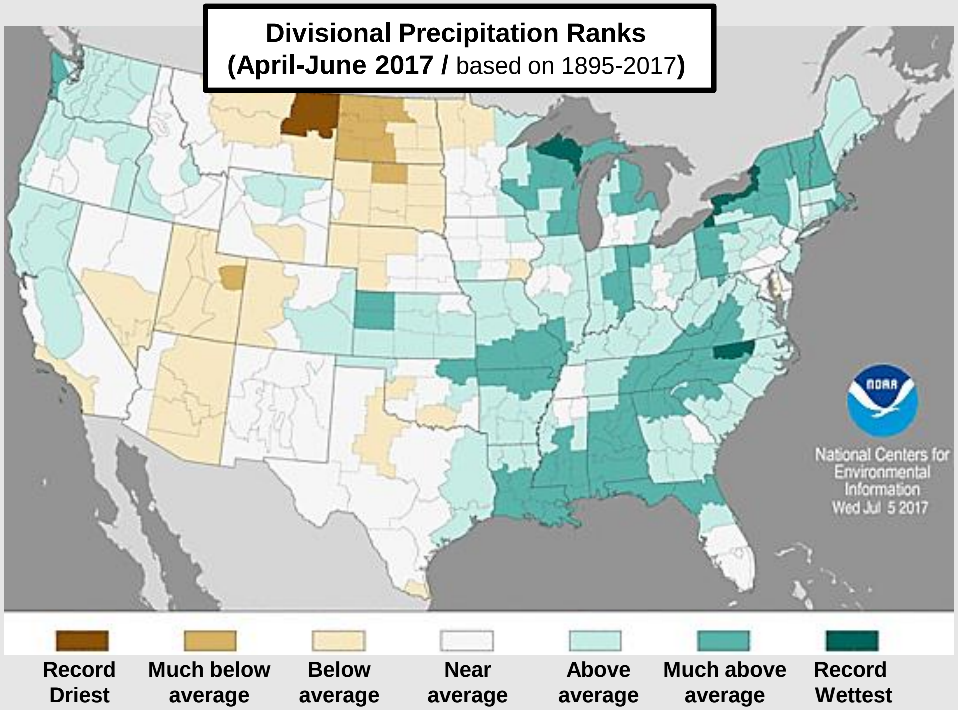
US	Improvement in Italcementi assets performance continues. Target is to reach above 25% margin level for the full year in 2017 (vs. 7.3% in 2015 and 10.1% in 2016).
	Cement: Prices up over prior year across the country. EBITDA significantly impacted by weather related production problem in Permanente Plant. Margin improvement is expected to continue throughout the second half of the year.
	Aggregates: Margin above 35% driven by solid price increases, despite lower volumes due to negative weather impact especially in South, East and Mid-West.
Canada	Clear market recovery in Western Canada driven by residential and infrastructure. Alberta coming from low levels as a result of improved commodity business activity.
	Solid market conditions lead to price increases in all business lines.

m€	Jun 16	Jun 17	Change	%	LfL %	Q2 16	Q2 17	Change	%	LfL %
Cement volume (‘000 t)	7,255	**7,612**	357	4.9 %	5.6 %	4,238	**4,466**	229	5.4 %	6.6 %
Aggregate volume (‘000 t)	54,368	**53,580**	-788	-1.4 %	-1.4 %	32,904	**31,868**	-1,036	-3.1 %	-3.1 %
Ready Mix volume (‘000 m^3)	3,239	**3,064**	-175	-5.4 %	-5.4 %	1,790	**1,747**	-42	-2.4 %	-2.4 %
Asphalt volume (‘000 t)	1,459	**1,296**	-163	-11.2 %	-11.2 %	1,227	**1,087**	-140	-11.4 %	-11.4 %
Revenue	1,925	**2,014**	89	4.6 %	1.8 %	1,134	**1,180**	46	4.0 %	2.4 %
Operating EBITDA	360	**409**	49	13.5 %	10.8 %	311	**324**	13	4.3 %	2.1 %
in % of revenue	*18.7 %*	***20.3 %***	*+159 bps*		*+164 bps*	*27.4 %*	***27.5 %***	*+7 bps*		*-7 bps*
Operating income (*)	218	**260**	42	19.4 %	16.5 %	238	**247**	9	3.7 %	1.1 %
Cement EBITDA margin	17.8 %	**21.2 %**			+347 bps	29.4 %	**27.2 %**			-212 bps
Aggregates EBITDA margin	27.3 %	**27.8 %**			+47 bps	34.8 %	**36.9 %**			+218 bps
RMC+ASP EBITDA margin	3.6 %	**2.5 %**			-106 bps	6.9 %	**5.9 %**			-104 bps

(*) Operating income includes a negative impact of -9m€ from Italcementi PPA in Q2 2017.

North America result impacted by exceptional conditions

Above average wet weather conditions in the quarter had negative impact on volumes



Unexpected problems caused by wet weather led to margin pressure in Northern CA in H1

- The exceptionally wet weather in Q1 (e.g. wet raw materials, quarry flooding, road and rail impediments) caused production problems carrying into Q2.
- We therefore started with very low clinker and cement levels in Q2. Situation is recovered by the end of June completely.
- Significant increase in energy costs due to lower production (Capacity charge and resource adequacy charge paid based on prior year production volumes)
- Negative impact of inventory change due to lower production and lower margins on imports to meet demand.

PROBLEM ALREADY SOLVED

PLANT RUNS IN FULL SPEED NOW

Exceptional conditions had an impact of almost 25m$ on EBITDA (~10% organic growth)

Western and Southern Europe

Market recovery expected for second half, especially in Southern Europe

UK	Difficult market conditions, driven by political uncertainty and bitumen cost inflation led more than 30m€ lower EBITDA in Q2. Key infrastructure projects coming in H2; ASP development is positive. New cost cutting program initiated.
Germany	Stable result despite higher energy costs and Easter impact, driven by demand growth. Outlook remains solid.
Benelux	Positive market outlook across all business lines. Higher variable costs due to energy prices, raw materials and external transport partly compensated by mostly positive price developments and higher cement volumes.
Italy	Trend in cement market clearly improving. Positive pricing in cement and concrete.
France	Overall sentiment clearly improved with good market outlook. Cost inflation and Easter impact mostly compensated by improved cost structure. Solid outlook for the rest of the year.
Spain	Results in all business lines improved due to cost efficiency and volumes. Significant market recovery expected.

m€	Jun 16	Jun 17	Change	%	LfL %	Q2 16	Q2 17	Change	%	LfL %
Cement volume (‘000 t)	14,197	**14,314**	117	0.8 %	0.8 %	8,024	**7,971**	-53	-0.7 %	-0.7 %
Aggregate volume (‘000 t)	39,498	**39,673**	174	0.4 %	0.4 %	22,006	**21,341**	-665	-3.0 %	-3.0 %
Ready Mix volume (‘000 m^3)	8,831	**8,694**	-137	-1.6 %	-1.6 %	4,975	**4,681**	-293	-5.9 %	-5.9 %
Asphalt volume (‘000 t)	1,388	**1,591**	203	14.6 %	14.6 %	745	**802**	57	7.7 %	7.7 %
Revenue	2,402	**2,360**	-43	-1.8 %	1.0 %	1,339	**1,294**	-44	-3.3 %	-1.0 %
Operating EBITDA	306	**257**	-49	-15.9 %	-9.9 %	252	**218**	-34	-13.5 %	-7.1 %
in % of revenue	*12.7 %*	***10.9 %***	*-183 bps*		*-131 bps*	*18.8 %*	***16.9 %***	*-199 bps*		*-112 bps*
Operating income (*)	152	**101**	-52	-34.0 %	-25.8 %	175	**136**	-39	-22.5 %	-14.9 %
Cement EBITDA margin	18.3 %	**17.2 %**			-13 bps	27.7 %	**25.9 %**			-13 bps
Aggregates EBITDA margin	17.0 %	**13.6 %**			-336 bps	18.2 %	**16.6 %**			-156 bps
RMC+ASP EBITDA margin	0.3 %	**-2.3 %**			-263 bps	2.0 %	**-0.8 %**			-278 bps

LfL figures excluding currency, scope and CO_2 gain of 11m€ in Q2 2016.

(*) Operating income includes a negative impact of -14m€ from Italcementi PPA in Q2 2017.

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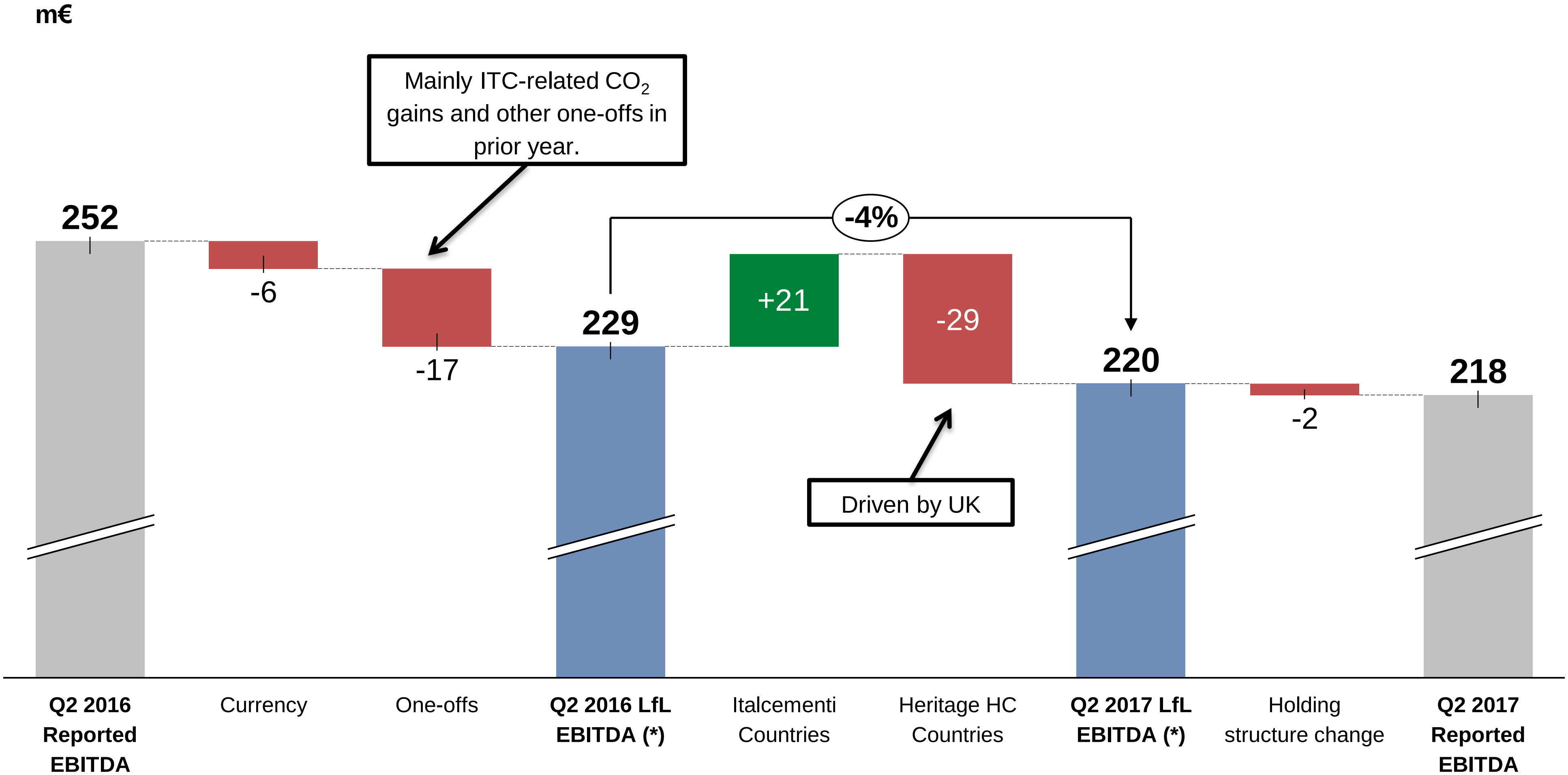
Q2 2017 Operating EBITDA Bridge – West/South Europe



Result improvement in Italcementi countries clearly visible

(*) Holding structure changes and other one-offs are not excluded from LfL figures in regional tables.

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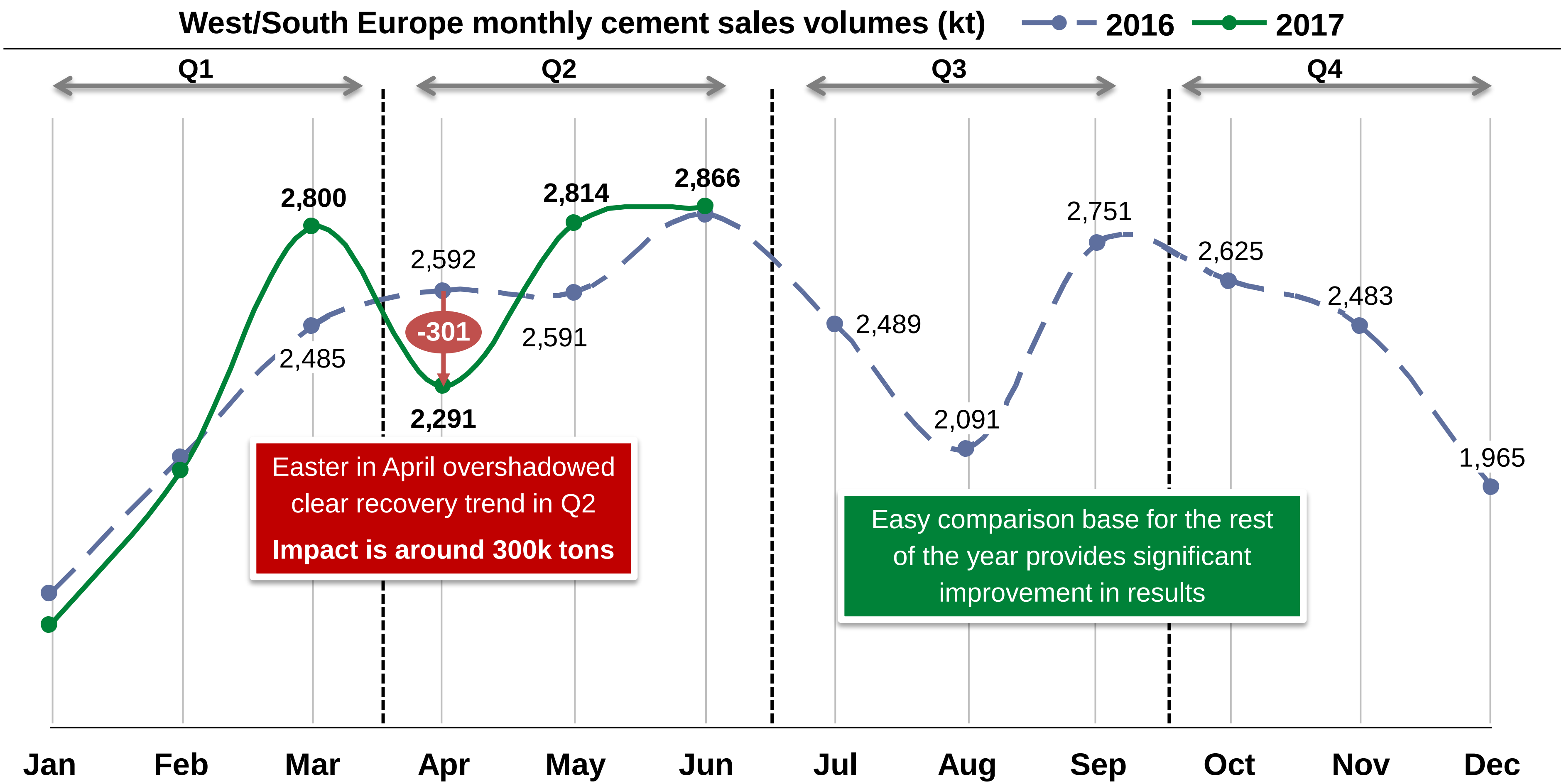
Clear business slowdown in Europe due to Easter



Strong recovery in earnings expected in the second half of the year.

Northern and Eastern Europe-Central Asia

Strong performance continues in all countries

Nordics	Strong sales volume development. The positive impact is coming from solid residential sector but also the infrastructure projects where we are very well positioned. Outlook remains strong.
Poland	Solid sales volume development; price increases launched.
Czech Rep.	Increase in sales volumes and pricing compensates cost inflation.
Romania	Following the unfavorable weather conditions by the beginning of the year, market recovered very fast in the second quarter and remains stable.
Russia	Strong price increases in all our key markets. Further price increases to come. Stable sales volume development.
Ukraine	Significant price increases achieved in the first half of the year.
Kazakhstan	Solid volume and price growth. Further price increases planned for the rest of the year.

m€	Jun 16	Jun 17	Change	%	LfL %	Q2 16	Q2 17	Change	%	LfL %
Cement volume (‘000 t)	11,728	**12,006**	278	2.4 %	2.4 %	7,306	**7,385**	80	1.1 %	1.1 %
Aggregate volume (‘000 t)	14,912	**23,381**	8,469	56.8 %	4.9 %	9,627	**14,797**	5,171	53.7 %	12.7 %
Ready Mix volume (‘000 m^3)	2,866	**3,093**	227	7.9 %	5.3 %	1,720	**1,872**	152	8.8 %	4.4 %
Asphalt volume (‘000 t)	0	**0**				0	**0**			
Revenue	1,137	**1,338**	201	17.6 %	4.1 %	694	**795**	101	14.5 %	2.4 %
Operating EBITDA	163	**201**	38	23.0 %	16.3 %	152	**173**	21	13.7 %	10.2 %
in % of revenue	*14.4 %*	***15.0 %***	*+65 bps*		*+161 bps*	*21.9 %*	***21.7 %***	*-15 bps*		*+159 bps*
Operating income	80	**112**	31	38.9 %	40.4 %	110	**128**	18	16.3 %	15.6 %
Cement EBITDA margin	17.5 %	**18.3 %**			+167 bps	25.7 %	**25.9 %**			+175 bps
Aggregates EBITDA margin	6.9 %	**11.5 %**			+463 bps	18.0 %	**18.0 %**			+0 bps
RMC+ASP EBITDA margin	5.8 %	**6.5 %**			+69 bps	9.3 %	**9.3 %**			+2 bps

LfL figures excluding currency, scope and CO_2 gain of 6m€ in Q2 2016.

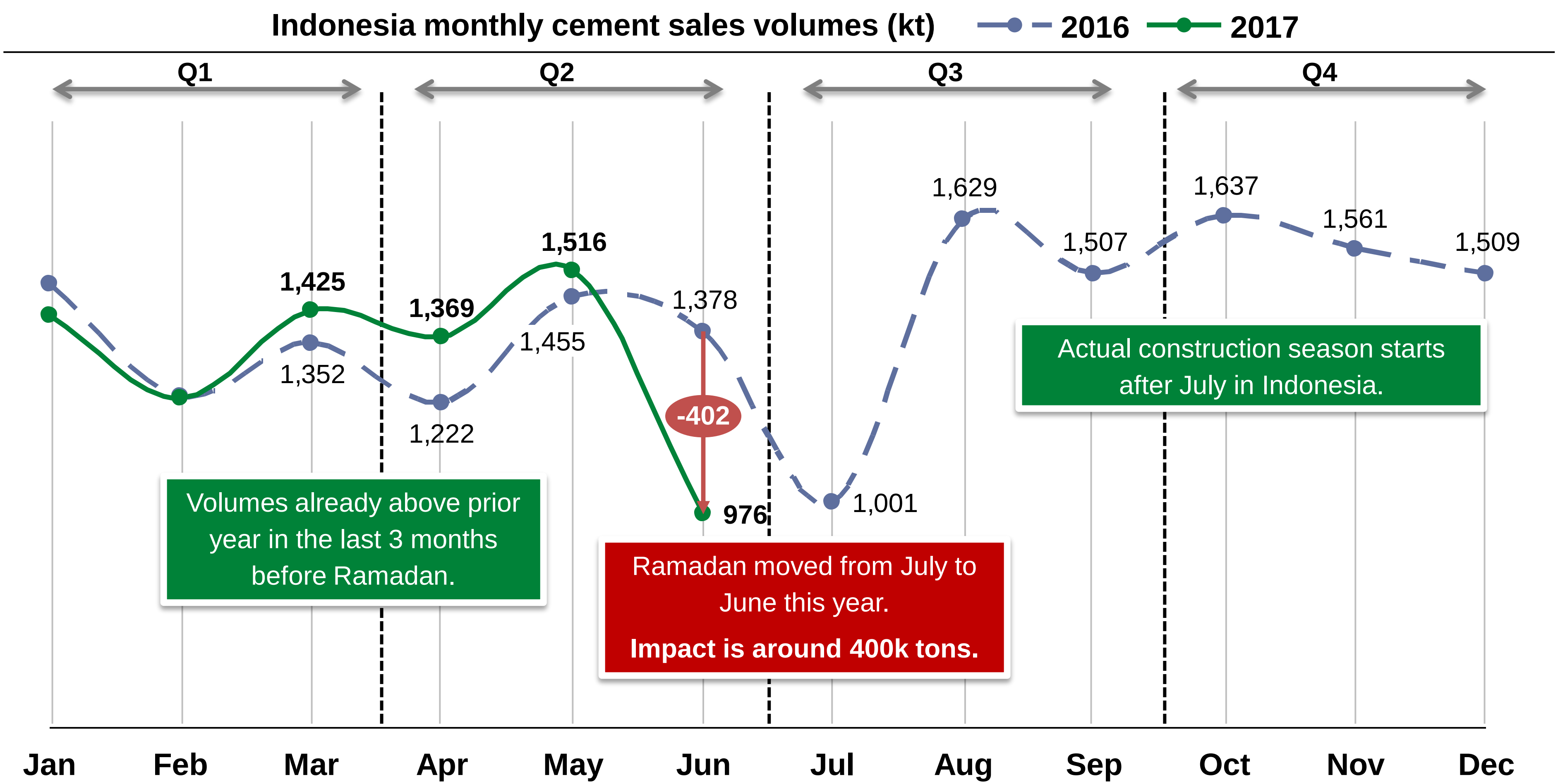
Asia Pacific

Pricing in Indonesian and Thai markets remains challenging

Australia	Strong price developments with April price increase ahead of plan. Strong volume development in Q2 especially in AGG (specialty sand). Volume losses in Q1 due to extreme weather were recovered in Q2.
Indonesia	Earlier Ramadan affected Q2 volumes. Full volume recovery, with mid single digit growth expected in H2/2017. Strict cost management and optimized production planning partially compensates margin pressure from pricing.
India	Encouraging price developments, lower energy cost, strict cost management, and expedited realization of synergies improved margins and earnings.
Thailand	Lack of public investment contributed to weak market growth; prices stabilized now and reversal of the negative trend is expected. Market mid term outlook positive with mega projects announced.
China	Stable macroeconomics with market showing obvious signs of recovery. Encouraging volume developments and significant price recovery in HC's Chinese markets in H1 had greatly improved results.

m€	Jun 16	Jun 17	Change	%	LfL %	Q2 16	Q2 17	Change	%	LfL %
Cement volume ('000 t)	17,300	**16,632**	-668	-3.9 %	-3.9 %	8,639	**7,956**	-683	-7.9 %	-7.9 %
Aggregate volume ('000 t)	19,483	**19,845**	362	1.9 %	1.9 %	10,115	**10,685**	570	5.6 %	5.6 %
Ready Mix volume ('000 m^3)	5,593	**5,033**	-560	-10.0 %	-10.0 %	2,980	**2,638**	-342	-11.5 %	-11.5 %
Asphalt volume ('000 t)	878	**761**	-117	-13.3 %	-13.3 %	472	**423**	-49	-10.4 %	-10.4 %
Revenue	1,583	**1,567**	-17	-1.0 %	-5.2 %	801	**786**	-15	-1.9 %	-5.1 %
Operating EBITDA	367	**318**	-49	-13.4 %	-16.9 %	188	**167**	-21	-11.3 %	-14.0 %
in % of revenue	*23.2 %*	***20.3 %***	*-290 bps*		*-286 bps*	*23.5 %*	***21.3 %***	*-227 bps*		*-222 bps*
Operating income	280	**219**	-62	-22.0 %	-25.0 %	145	**118**	-27	-18.5 %	-20.9 %
Cement EBITDA margin	26.8 %	**21.4 %**			-533 bps	25.9 %	**19.9 %**			-604 bps
Aggregates EBITDA margin	27.6 %	**24.9 %**			-271 bps	29.5 %	**28.2 %**			-127 bps
RMC+ASP EBITDA margin	-0.2 %	**0.1 %**			+31 bps	1.2 %	**3.4 %**			+217 bps

Ramadan impacts some key markets; especially Indonesia



Demand growth expected to continue after Ramadan.
We are confident to reach mid single digit growth for the full year.

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Africa - Eastern Mediterranean Basin

Market demand negatively impacted by Ramadan in key markets.

Egypt	Overall weak market demand further pushed down by Ramadan holidays. New coal mill in Helwan commissioned four months earlier than planned. Significant price increases planned to ease margin pressure.
Morocco	Market slowed down in June due to Ramadan. Stable pricing through out the quarter.
Tanzania	Price increase underway. Market demand is slightly growing, coming from low levels.
Ghana	Strong increase in volumes has compensated the price decline in the last months. Price recovery continues but comparison base in Q2 was still very challenging being more than 10% below prior year levels.
Togo	Stable market environment.
Israel	Strong growth in aggregates volumes, while RMX volumes are facing increased competition.
Turkey	Sales volumes are at a high level, price increases underway. Export volume remains stable.

m€	Jun 16	Jun 17	Change	%	LfL %	Q2 16	Q2 17	Change	%	LfL %
Cement volume (‘000 t)	10,268	**9,861**	-408	-4.0 %	-4.4 %	4,880	**4,945**	65	1.3 %	1.1 %
Aggregate volume (‘000 t)	5,498	**5,962**	465	8.5 %	8.5 %	2,724	**2,833**	109	4.0 %	4.0 %
Ready Mix volume (‘000 m^3)	2,627	**2,431**	-196	-7.5 %	-7.5 %	1,313	**1,124**	-189	-14.4 %	-14.4 %
Asphalt volume (‘000 t)	231	**257**	26	11.4 %	11.4 %	131	**130**	-2	-1.4 %	-1.4 %
Revenue	950	**803**	-147	-15.5 %	-1.2 %	447	**392**	-55	-12.3 %	0.9 %
Operating EBITDA	234	**186**	-48	-20.6 %	-13.8 %	112	**87**	-25	-22.5 %	-15.8 %
in % of revenue	*24.6 %*	***23.1 %***	*-147 bps*		*-340 bps*	*25.0 %*	***22.1 %***	*-291 bps*		*-436 bps*
Operating income	173	**138**	-34	-19.9 %	-16.2 %	81	**64**	-17	-20.9 %	-16.8 %
Cement EBITDA margin	25.3 %	**26.0 %**			+64 bps	25.9 %	**24.9 %**			-99 bps
Aggregates EBITDA margin	22.0 %	**23.4 %**			+141 bps	20.5 %	**21.2 %**			+76 bps
RMC+ASP EBITDA margin	6.1 %	**2.7 %**			-340 bps	6.3 %	**2.4 %**			-390 bps

Group Services

Positive signs continue in the international sales. HCT Revenue up by 30%.

- Export volume of former Italcementi plants increased by 33% compared to prior year H1, synergy targets are in line with plan.
- Surplus generated from Asia region has partially dried up because of production cuts in China and healthy domestic demand in some Asian countries such as Vietnam, S. Korea and Japan. Chinese clinker exports declined by 52% YoY together with the significant increase in domestic cement prices.
- Improvement on the demand-side and ongoing high cost inflation may lead to further price correction. FOB clinker prices are increasing - ca. US$ 1.5/t-US$ 2/t more than it was at the beginning of the year.
- Mediterranean region continues to be major exporter in 2017-H2, Turkey's cement exports to USA have increased significantly.
- Ocean freights are expected to be at around the current low levels.

m€	Jun 16	Jun 17	Change	%	LfL %	Q2 16	Q2 17	Change	%	LfL %
Revenue	542	**656**	114	21.1 %	17.4 %	274	**355**	81	29.7 %	26.4 %
Operating EBITDA	15	**15**	-1	-5.3 %	-8.1 %	5	**9**	4	75.4 %	72.1 %
in % of revenue	*2.8 %*	***2.2 %***	*-62 bps*		*-62 bps*	*1.8 %*	***2.4 %***	*+63 bps*		*+64 bps*
Operating income	12	**12**	1	5.4 %	2.2 %	3	**8**	5	165.9 %	161.6 %

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Key financial messages June 2017

➢ Improved financial result due to good refinancing conditions

- Financial result improved by 40 m€ vs. H1 2016.
- Tax expenses significantly increased due to first time consolidation of Italcementi and one-time effects in Indonesia in the prior year. Normalization expected at the end of the year.
- Good refinancing conditions for 2018 maturities secured by issuing a 500 m€ bond in June 2017.

➢ Further strengthening of cashflow and deleveraging planned for H2 2017

- Free cashflow of 892 m€ LTM due to higher Working Capital.
- Increase in Working Capital due to strong business activity in May and June.
- Higher CapEx vs. H1 2016 due to acquisition in the Northwest of the US (131 m€).
- Higher cash-out to minorities due to repatriation of high cash positions in subsidiaries (Indonesia, Morocco etc.).
- Strict spending discipline concerning CapEx, targeted asset sales and structural improvements in Working Capital to strengthen cashflow.
- Leverage target confirmed: Net Debt / RCOBD at the end of the year at or under 2.5X.

➢ Financial integration of ITC finalized

- Purchase price allocation (PPA) finalized and implemented; as a consequence, HC shows higher depreciation in the acquired assets.
- Group share of profits increased by 17% to 288 m€ in H1 2017.

We expect a reduction in net debt due to a strong cash inflow in H2 2017

Income Statement June 2017

m€	Jun 16	Jun 17	Change	Q2 16	Q2 17	Change
Revenue	6,407	**8,394**	*31%*	3,575	**4,611**	*29%*
Result from joint ventures	81	**79**	*-3%*	50	**48**	*-3%*
Result from current operations before depreciation and amortization (RCOBD)	1,112	**1,347**	*21%*	791	**964**	*22%*
Depreciation and amortization	-373	**-556**	*49%*	-190	**-282**	*48%*
Result from current operations	739	**791**	*7 %*	601	**683**	*14 %*
Additional ordinary result	-16	**-36**	*-121 %*	-12	**-20**	*-65 %*
Result from participations	6	**21**	*259 %*	11	**21**	*97 %*
Financial result	-221	**-181**	*18 %*	-107	**-99**	*7 %*
Income taxes	-131	**-224**	*-71 %*	-95	**-176**	*-85 %*
Net result from continued operations	376	**370**	*-2 %*	398	**409**	*3 %*
Net result from discontinued operations	-22	**-8**	*64 %*	-12	**-12**	*6 %*
Minorities	-108	**-74**	*31 %*	-67	**-39**	*41 %*
Group share of profit	246	**288**	*17 %*	318	**358**	*12 %*

Improved financial result leads to increase in Group share of profits by 17% in H1 2017

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Cash flow statement June 2017

m€	Jun 16	Jun 17	Change	Q2 16	Q2 17	Change
Cash flow	786	**771**	*-15*	584	**603**	*20*
Changes in working capital	-377	**-728**	*-352*	-33	**-153**	*-120*
Decrease in provisions through cash payments	-196	**-171**	*25*	-75	**-97**	*-21*
Cash flow from operating activities – disc. operations		**-3**	*-3*		**0**	*0*
Cash flow from operating activities	214	**-132**	*-345*	475	**354**	*-122*
Total investments	-444	**-520**	*-76*	-187	**-325**	*-138*
Proceeds from fixed asset disposals/consolidation	70	**80**	*9*	52	**26**	*-26*
Cash flow from investing activities - discontinued operations		**2**	*2*		**0**	*0*
Cash flow from investing activities	-373	**-438**	*-65*	-135	**-300**	*-164*
Free cash flow	-160	**-570**	*-410*	340	**54**	*-286*
Dividend payments	-317	**-504**	*-187*	-310	**-488**	*-177*
Transactions between shareholders	-6	**-1**	*5*	-6	**0**	*6*
Net change in bonds and loans	1,725	**806**	*-919*	505	**319**	*-186*
Cash flow from financing activities	1,403	**301**	*-1,101*	188	**-169**	*-358*
Net change in cash and cash equivalents	1,243	**-269**	*-1,512*	528	**-115**	*-644*
Effect of exchange rate changes	5	**-66**	*-71*	24	**-73**	*-97*
Change in cash and cash equivalents	1,248	**-335**	*-1,583*	552	**-189**	*-741*

Strong increase in Working Capital due to increased activity since May;
higher dividends (HCAG, Indocement) and CapEx reduce cash flow in H1 2017

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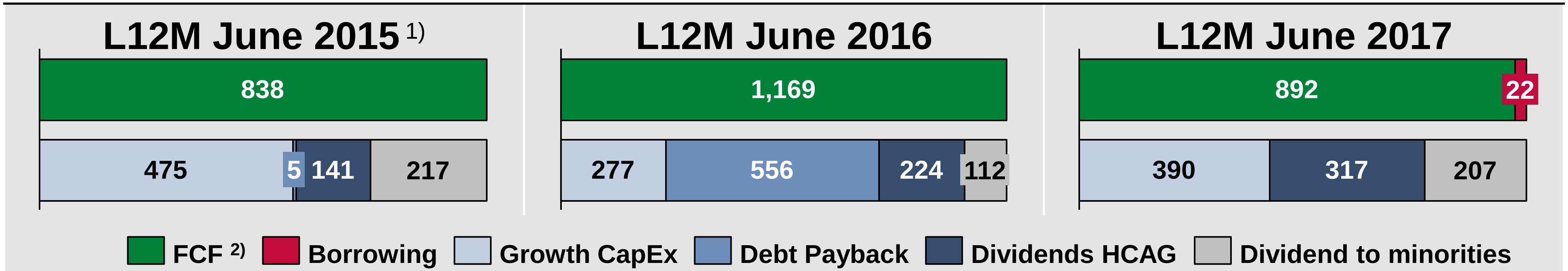
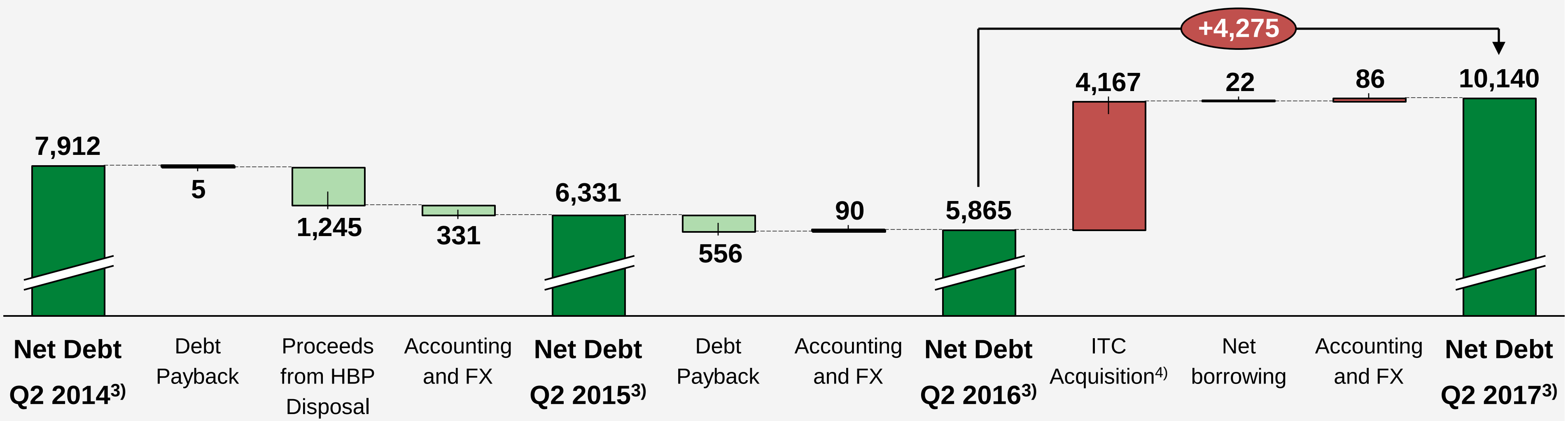
Seasonal increase in working capital impacts free cashflow generation

Usage of free cash flow *(m€)*





1) Values restated ; 2) Before growth CapEx and disposals (incl. cashflow from discontinued operations) ; 3) Incl. put-option minorities;4)Includes the cash part of the acquisition price and the net financial position of ITC less cash proceeds from disposals of ITC Belgium (CCB) and ITC US assets (Martinsburg)

Higher portion of dividends paid to minorities due to ITC Integration and reduction of cash positions in subsidiaries

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Group balance sheet

m€	June 16	Dec 16 (*)	June 17	June 17 / June 16	
				Variance (m€)	*Variance (%)*
Assets					
Intangible assets	10,212	12,416	**11,816**	*1,603*	*16 %*
Property, plant and equipment	9,665	13,880	**13,253**	*3,588*	*37 %*
Financial assets	1,785	2,383	**2,263**	*478*	*27 %*
Fixed assets	21,662	28,680	**27,331**	*5,670*	*26 %*
Deferred taxes	790	900	**832**	*42*	*5 %*
Receivables	2,936	3,396	**3,875**	*939*	*32 %*
Inventories	1,394	2,054	**1,959**	*565*	*41 %*
Cash and short-term financial instruments/derivatives	2,655	2,052	**1,701**	*-954*	*-36 %*
Assets held for sale and discontinued operations	3	9	**54**	*52*	*2060 %*
Balance sheet total	29,439	37,091	**35,752**	*6,313*	*21 %*
Equity and liabilities					
Equity attributable to shareholders	14,273	16,045	**14,738**	*465*	*3 %*
Non-controlling interests	1,104	1,734	**1,545**	*442*	*40 %*
Equity	15,377	17,778	**16,283**	*906*	*6 %*
Debt	8,520	11,051	**11,841**	*3,321*	*39 %*
Provisions	2,385	3,102	**2,797**	*411*	*17 %*
Deferred taxes	416	634	**661**	*245*	*59 %*
Operating liabilities	2,741	4,526	**4,171**	*1,430*	*52 %*
Balance sheet total	29,439	37,091	**35,752**	*6,313*	*21 %*
Net Debt	5,865	8,999	**10,140**	*4,275*	*73 %*
Gearing	38.1 %	50.6 %	**62.3 %**		

(*) Figures restated after finalization of Italcementi purchase price allocation in June 2017.

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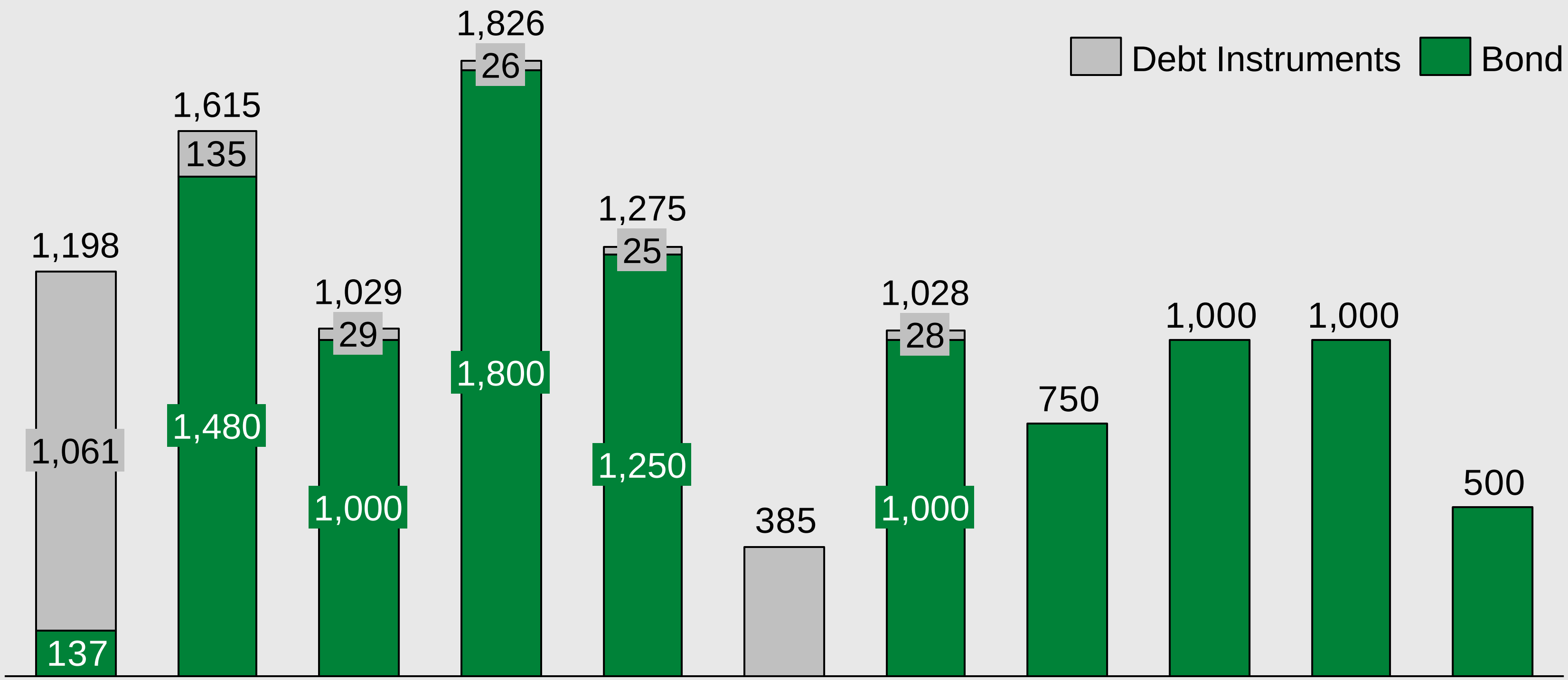
Debt maturity profile

As per 30 June 2017 (m€)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Average coupon rate :	**7.3%**	**7.1%**	**5.4%**	**5.9%**	**1.6%**	**-**	**2.3%**	**2.3%**	**1.5%**	**1.6%**	**1.5%**

Further increase in financial result expected from well balanced maturity profile and payback of high coupon bonds

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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	**High single digit increase**
Current tax rate	**~25 %**

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Volume and price development (H1 2017 vs. H1 2016)

	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 & Scope Impacts

Cement Volume	June Year to Date Cons.	June Year to Date Decons.	June Year to Date Curr.	Q2 Cons.	Q2 Decons.	Q2 Curr.
North America	0	-47	0	0	-47	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	47	0	0	11	0	0
Group Services	0	0	0	0	0	0
TOTAL GROUP	**47**	**-47**	**0**	**11**	**-47**	**0**

Aggregates Volume	June Year to Date Cons.	June Year to Date Decons.	June Year to Date Curr.	Q2 Cons.	Q2 Decons.	Q2 Curr.
North America	0	0	0	0	0	0
West & South Europe	0	0	0	0	0	0
North & East Europe	9,546	-1,728	0	5,648	-1,508	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	**9,546**	**-1,728**	**0**	**5,648**	**-1,508**	**0**

RMC Volume	June Year to Date Cons.	June Year to Date Decons.	June Year to Date Curr.	Q2 Cons.	Q2 Decons.	Q2 Curr.
North America	0	0	0	0	0	0
West & South Europe	0	0	0	0	0	0
North & East Europe	77	0	0	77	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	**77**	**0**	**0**	**77**	**0**	**0**

Asphalt Volume	June Year to Date Cons.	June Year to Date Decons.	June Year to Date Curr.	Q2 Cons.	Q2 Decons.	Q2 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	0	0	0	0	0	0
Group Services	0	0	0	0	0	0
TOTAL GROUP	**0**	**0**	**0**	**0**	**0**	**0**

Revenues	June Year to Date Cons.	June Year to Date Decons.	June Year to Date Curr.	Q2 Cons.	Q2 Decons.	Q2 Curr.
North America	0	-6	59	0	-6	25
West & South Europe	0	0	-66	0	0	-32
North & East Europe	136	-14	32	83	-12	13
Asia - Pacific	0	0	70	0	0	27
Africa - Med. Basin	4	0	-142	1	0	-59
Group Services	0	0	17	0	0	7
TOTAL GROUP	**141**	**-21**	**-31**	**84**	**-18**	**-20**

Operating EBITDA	June Year to Date Cons.	June Year to Date Decons.	June Year to Date Curr.	Q2 Cons.	Q2 Decons.	Q2 Curr.
North America	0	-2	11	0	-2	9
West & South Europe	0	0	-9	0	0	-6
North & East Europe	18	-3	3	13	-3	2
Asia - Pacific	0	0	16	0	0	6
Africa - Med. Basin	1	0	-20	0	0	-9
Group Services	0	0	0	0	0	0
TOTAL GROUP	**19**	**-5**	**1**	**13**	**-5**	**1**

Operating Income	June Year to Date Cons.	June Year to Date Decons.	June Year to Date Curr.	Q2 Cons.	Q2 Decons.	Q2 Curr.
North America	0	-1	7	0	-1	7
West & South Europe	0	0	-6	0	0	-5
North & East Europe	9	-2	1	9	-2	1
Asia - Pacific	0	0	12	0	0	4
Africa - Med. Basin	1	0	-9	0	0	-4
Group Services	0	0	0	0	0	0
TOTAL GROUP	**10**	**-3**	**4**	**9**	**-3**	**3**

Contact information and event calendar

Event calendar

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.

Unless otherwise stated, the Q1 2016 figures for sales volumes, revenue, op. EBITDA and Operating Income are based on pro-forma numbers which include the pre-merger contribution of Italcementi assets.