# HeidelbergCement

# ANNUAL GENERAL MEETING 2016

**4 May 2016**




HEIDELBERGCEMENT

# Contents

# HeidelbergCement has reached important targets…

| Target / Outlook 2015 | Actual 2015 | | |
|---|---|---|---|
| Significant increase in operating income and earnings per share | Operating income<br>Earnings per share | +16%<br>+65% | ✓ |
| Significant reduction of net debt and leverage <2.5x | Net debt<br>Leverage | €bn -1.7<br>2.0x | ✓ |
| Earning of cost of capital (ROIC > WACC) | ROIC<br>WACC | 7.2%<br>7.0% | ✓ |
| Increase in payout ratio to 30%-35% | Dividend per share<br>Payout ratio | €1.30<br>30.5% | ✓ |

… but not everything developed to our full satisfaction:

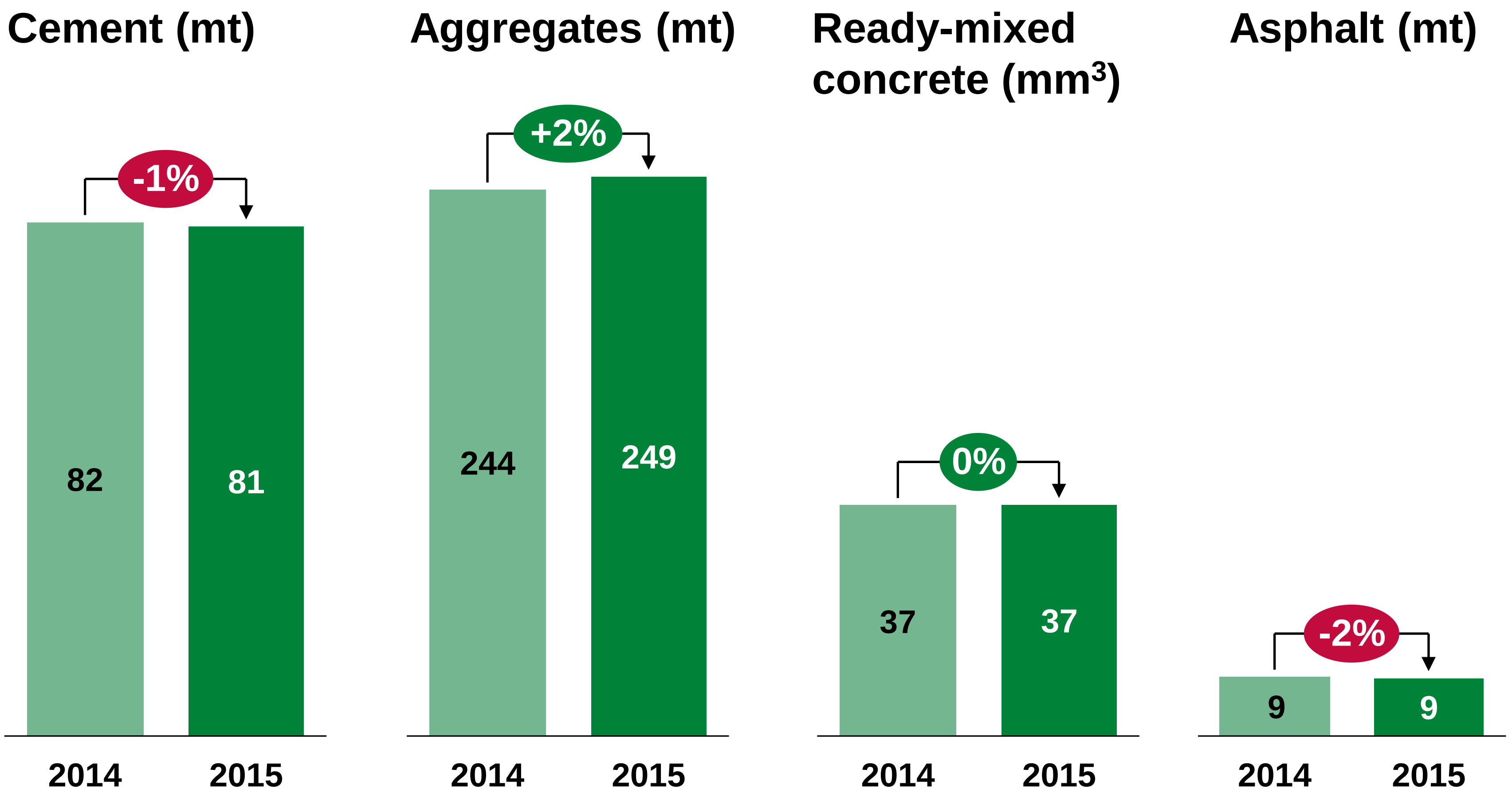
- Weaker than expected sales volumes and revenue (Indonesia & China)
- Commissioning of new capacities in Indonesia delayed (costs developed as planned)
- New plant in Kazakhstan significantly affected by oil crisis

**HeidelbergCement has delivered despite challenging framework conditions**

# Review of economy in 2015

- **With 3.1%, worldwide economic growth was weaker than in 2014**
  - **Slowdown in China, Russia, and Brazil**
  - **Significant deterioration of the oil price**
  - **Appreciation of the US dollar**
- **Weakening of the euro compared to other currencies**
  - **Increase in interest rates by the US FED in 2014 led to appreciation of US dollar**
  - **The ongoing low interest rate policy of the ECB is weakening the euro compared to the British pound and Asian currencies**
  - **Currencies of commodity-exporting countries under pressure: Russia, Ghana, Norway**
- **Declining costs for fuels**
  - **Weakness of the oil price continued in 2015**
  - **Prices for coal decreased, they remained stable for electricity**

# Sales volumes remained stable



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# Key financial figures 2015

| Key financial figures | | | | |
|---|---|---|---|---|
| €m | 2014 | 2015 | Variance in % | like for like[1] in % |
| Revenue | 12,614 | 13,465 | 7 % | 0% |
| Operating EBITDA | 2,288 | 2,613 | 14 % | 8% |
| as % of revenue | 18.1% | 19.4% | | |
| Operating income | 1,595 | 1,846 | 16 % | 10% |
| Profit for the financial year | 687 | 983 | 43 % | |
| Group share of profit | 486 | 800 | 65 % | |
| Earnings per share in €[2] | 2.59 | 4.26 | 65 % | |
| Net debt | 6,957 | 5,286 | -24 % | |
| Leverage[3] | 3.04x | 2.02x | | |

1) Adjusted for currency and consolidation effects
2) Attributable to parent entity
3) Net debt/operating EBITDA

**HeidelbergCement achieves profitable growth**
**increase in result significantly higher than in revenue**



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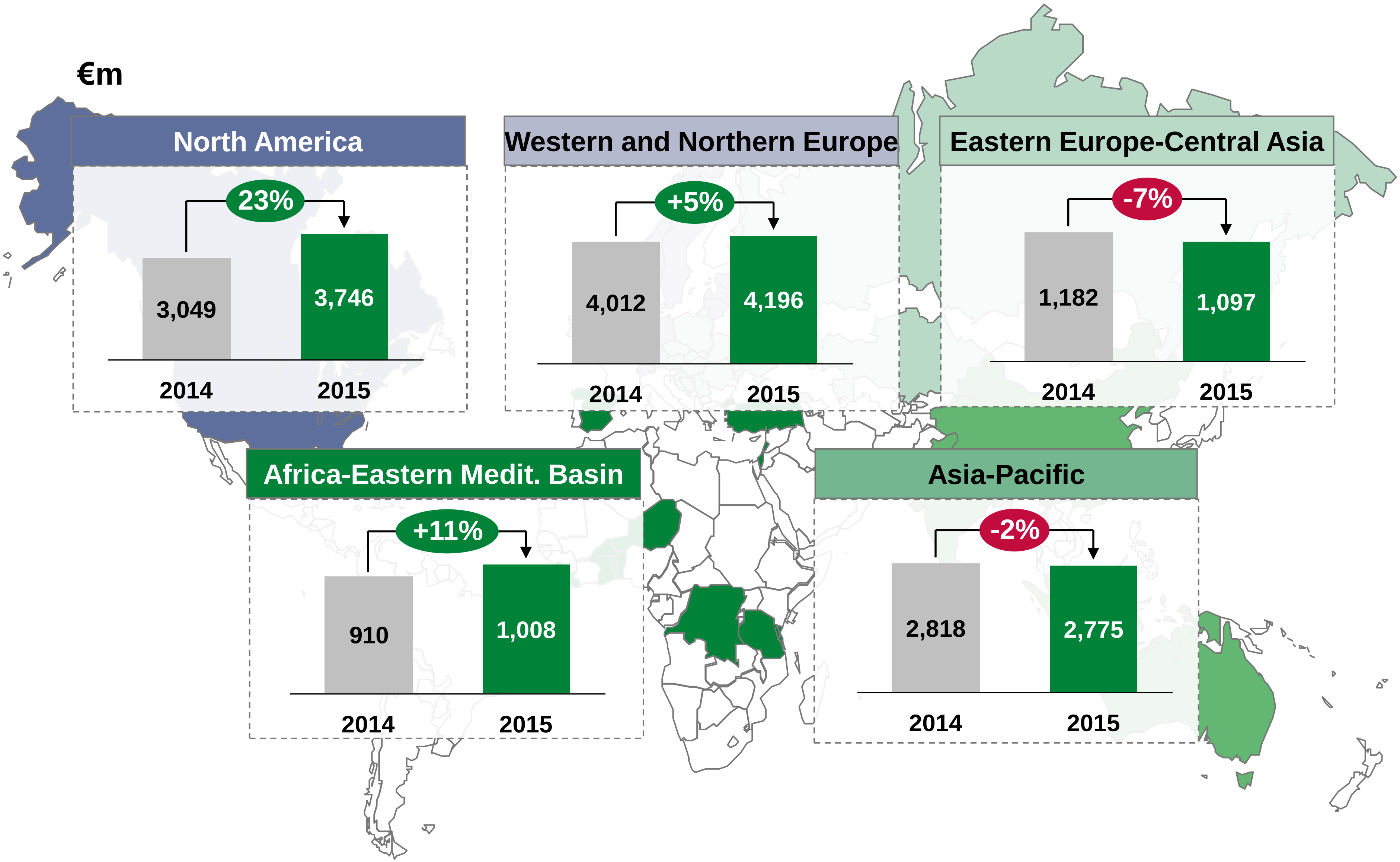
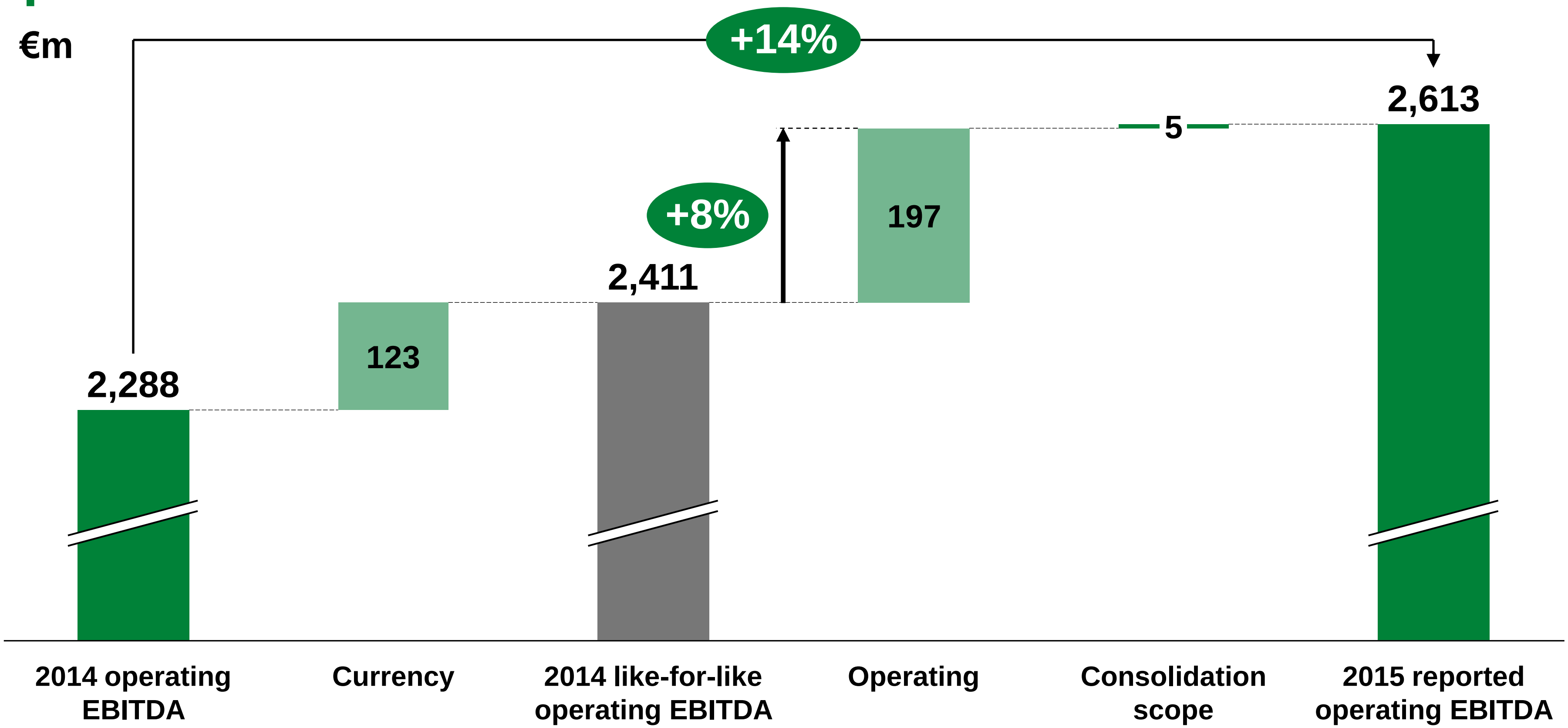
# Revenue by Group areas



# Strong organic growth driven by solid operational performance




**Significant improvement of operating EBITDA driven by successful efficiency and margin improvement programmes, lower energy costs, and currency effects**



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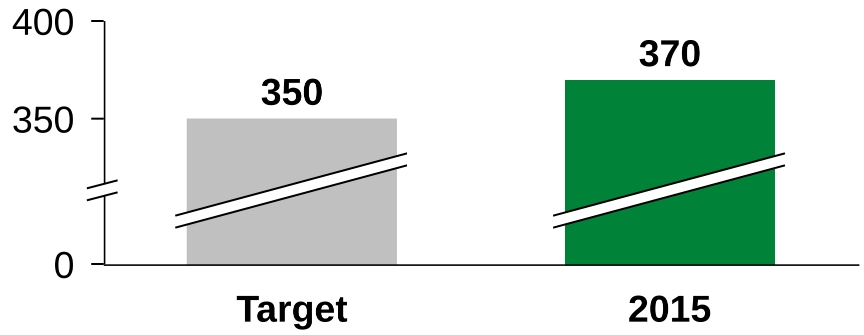
# Successful programmes contribute to margin improvement

**Margin improvement 2013-2015 (€m)**




## "CLIMB Commercial" – Aggregates

- Focus on price niches in aggregates
- Focus on unprofitable / small customers
- Comprehensive market research
- Pricing according to product costs

**€m 120 margin improvement* in aggregates until 2015**

## "PERFORM" – Cement

- Consistent pricing policy
- Energy, transport, and service surcharges
- Intensive and regular trainings of sales staff
- Sales enhancing measures

**€m 230 margin improvement* in cement until 2015**

**Margin improvement programmes exceed target**

* Adjusted for currency and consolidation effects



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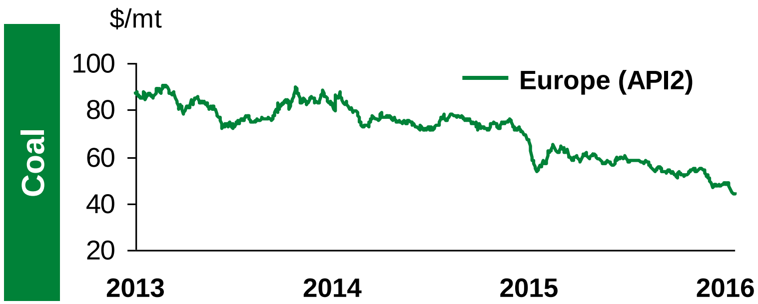
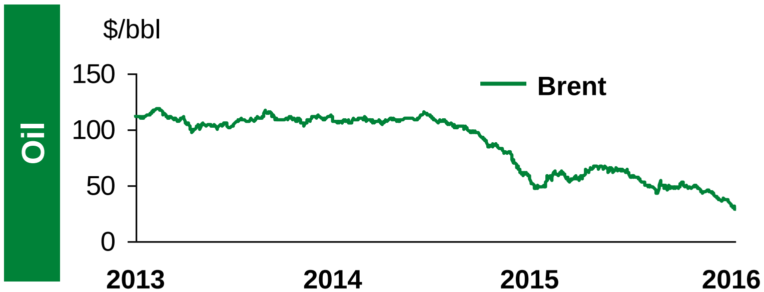
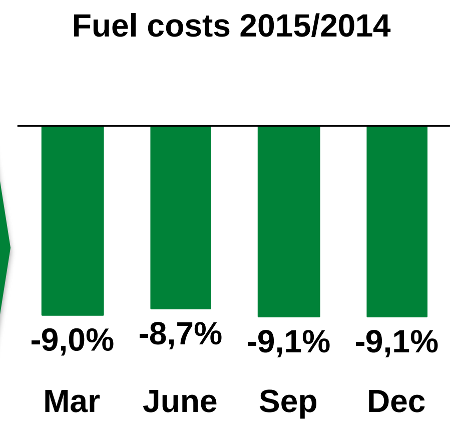
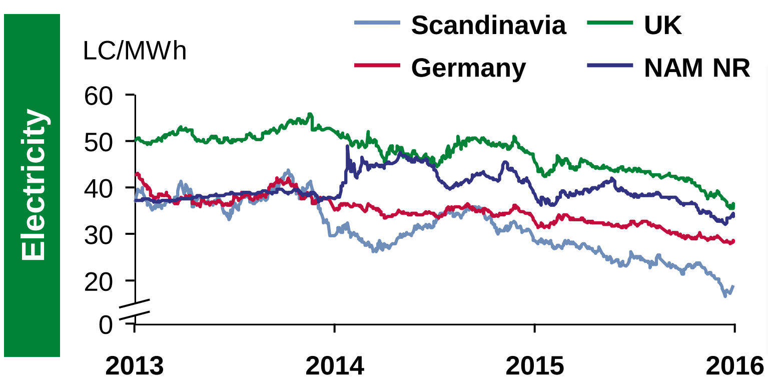
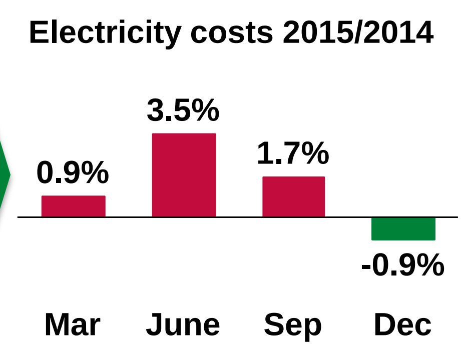
# Lower energy costs due to declining oil and coal prices




**Declining fuel prices and stable Electricity prices**

**Current trend: declining energy prices expected in 2016**



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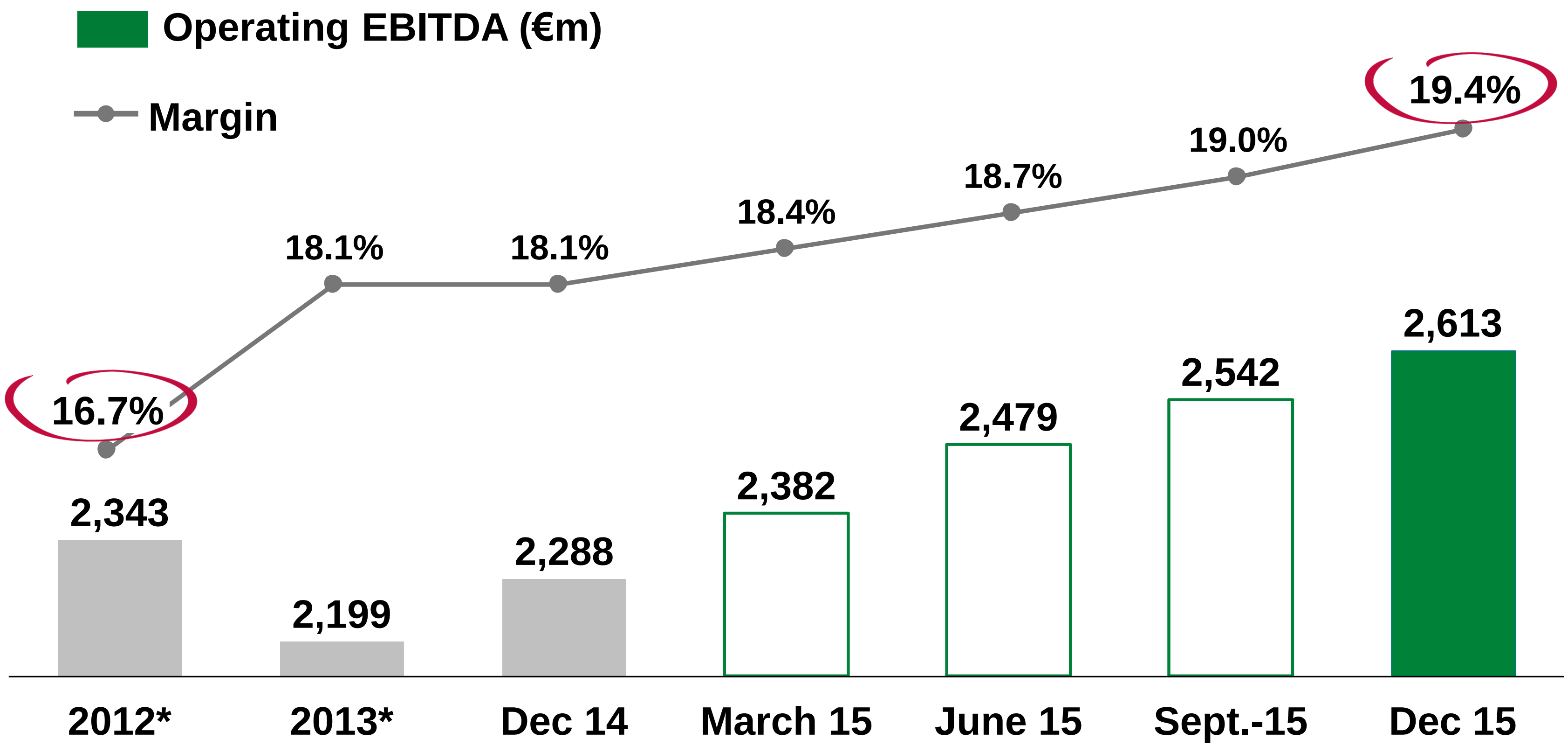
# Margins improved noticeably to 19.4%

**In 2015, very positive margin development especially in North America, Western and Northern Europe, as well as Africa**




**Operating EBITDA margin rose continuously since 2012, by ~130 basis points to 19.4% only in the course of 2015**



* Before special effects; in 2012, excluding new accounting standards IFRS 10 and 11

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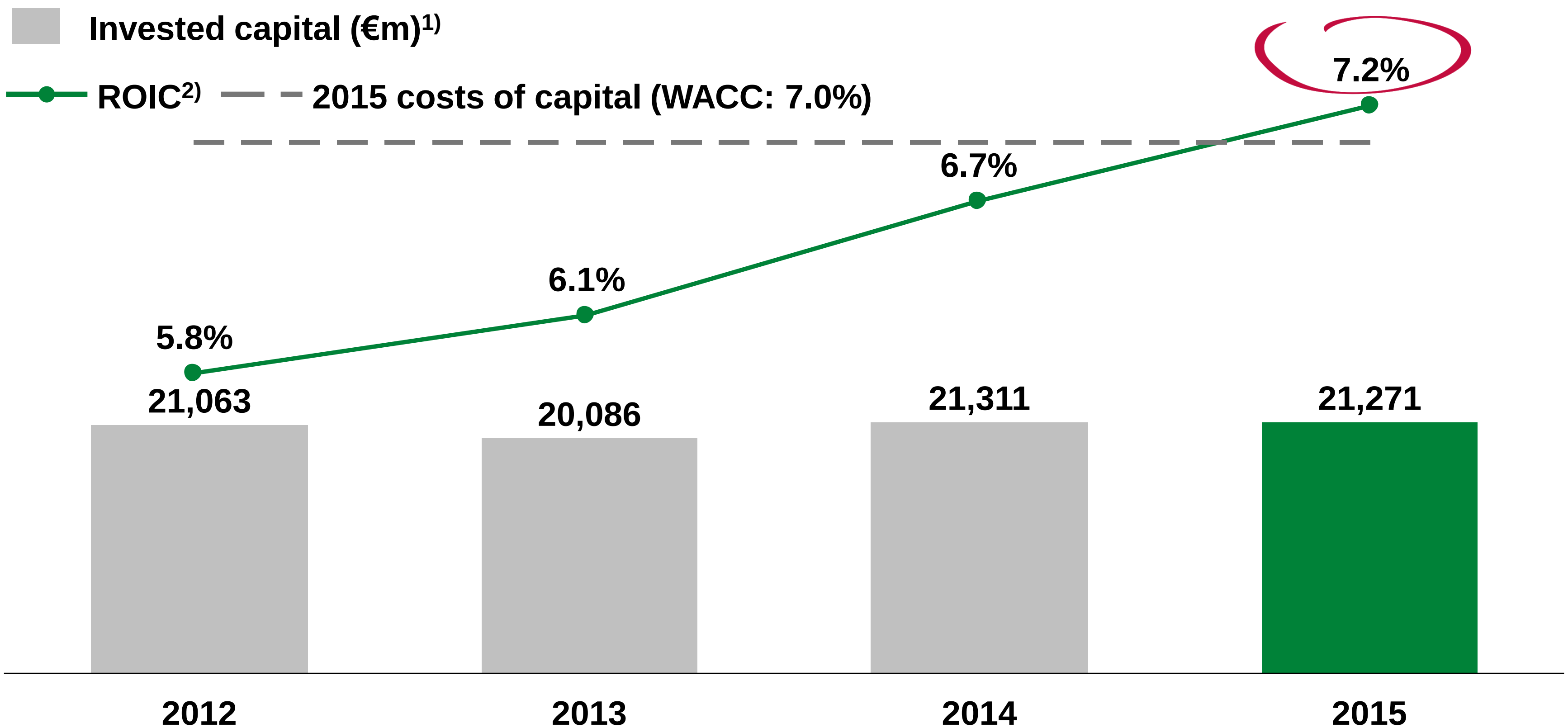
# Premium earned on costs of capital in 2015

## With 7.2%, ROIC exceeds HeidelbergCement‘s cost of capital amounting to 7.0% (WACC)




**Premium earned on the costs of capital for the first time since the financial crisis – very good result compared to competitors**

1) Total shareholder's equity and net debt (at the end of the year)
2) Adjusted for exceptional items

# Balance sheet (short version)

## Stable development – capital structure improved

| Consolidated balance sheet | | | |
|---|---|---|---|
| €m | 31 Dec. 2014 | 31 Dec. 2015 | Part of balance sheet total 2015 |
| Intangible assets and property, plant, and equipment | 19,358 | 20,310 | 72 % |
| Financial assets | 1,832 | 1,832 | 6 % |
| Other non-current assets | 1,319 | 1,526 | 5 % |
| Current assets | 4,244 | 4,707 | 17 % |
| Assets held for sale and discontinued operations | 1,380 | | |
| | | | |
| Shareholders' equity and non-controlling interests | 14,245 | 15,976 | 56 % |
| Non-current liabilities | 8,638 | 7,531 | 27 % |
| Current liabilities | 5,028 | 4,867 | 17 % |
| Liabilities associated with assets held for sale and discontinued operations | 222 | | |
| Balance sheet total | 28,133 | 28,374 | 100 % |
| | | | |
| Equity/total capital | 50.6% | 56.3% | |
| Ned debt (€m) | 6,957 | 5,286 | |
| Gearing (net debt/equity) | 48.8% | 33.1% | |



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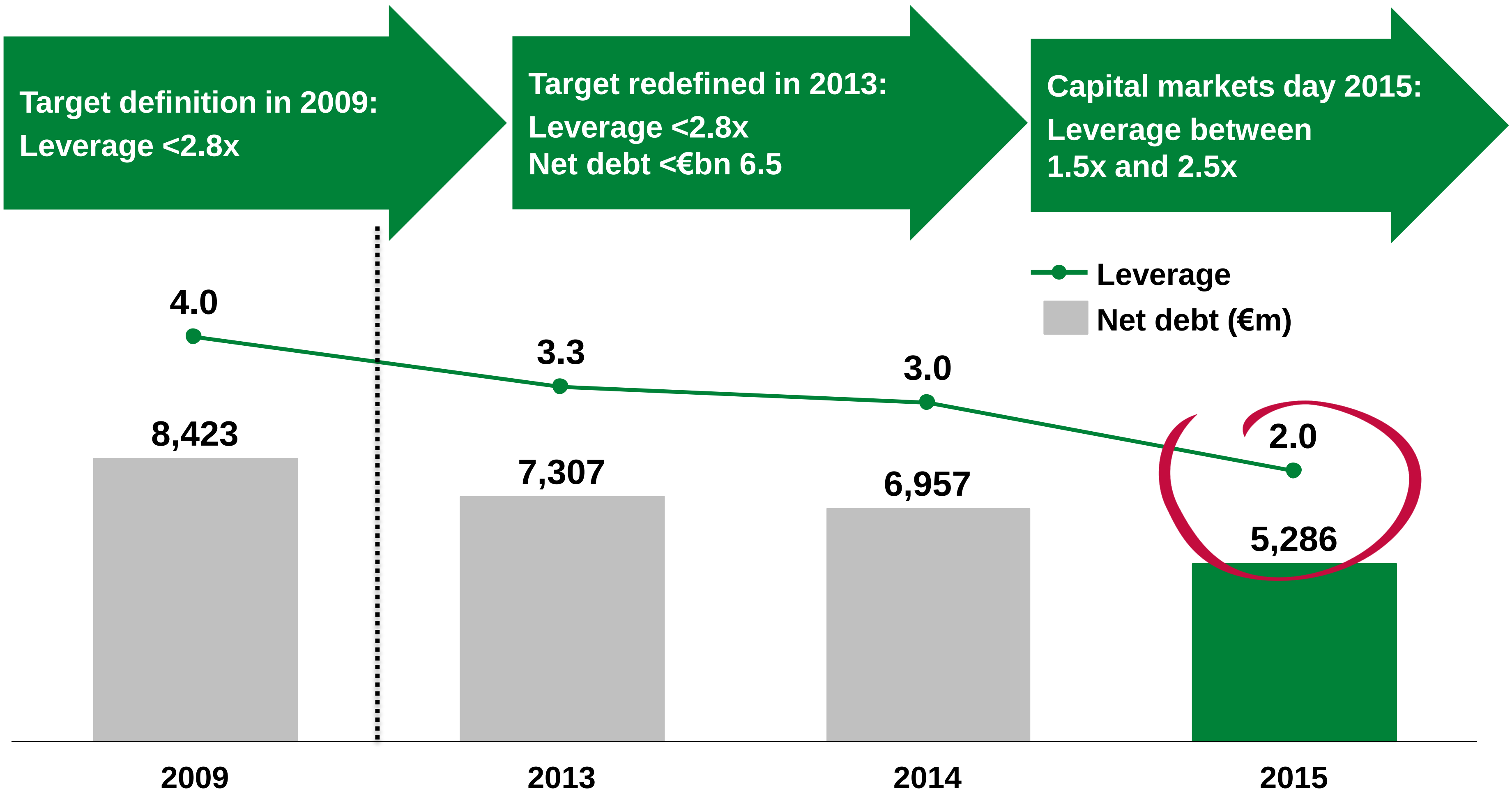
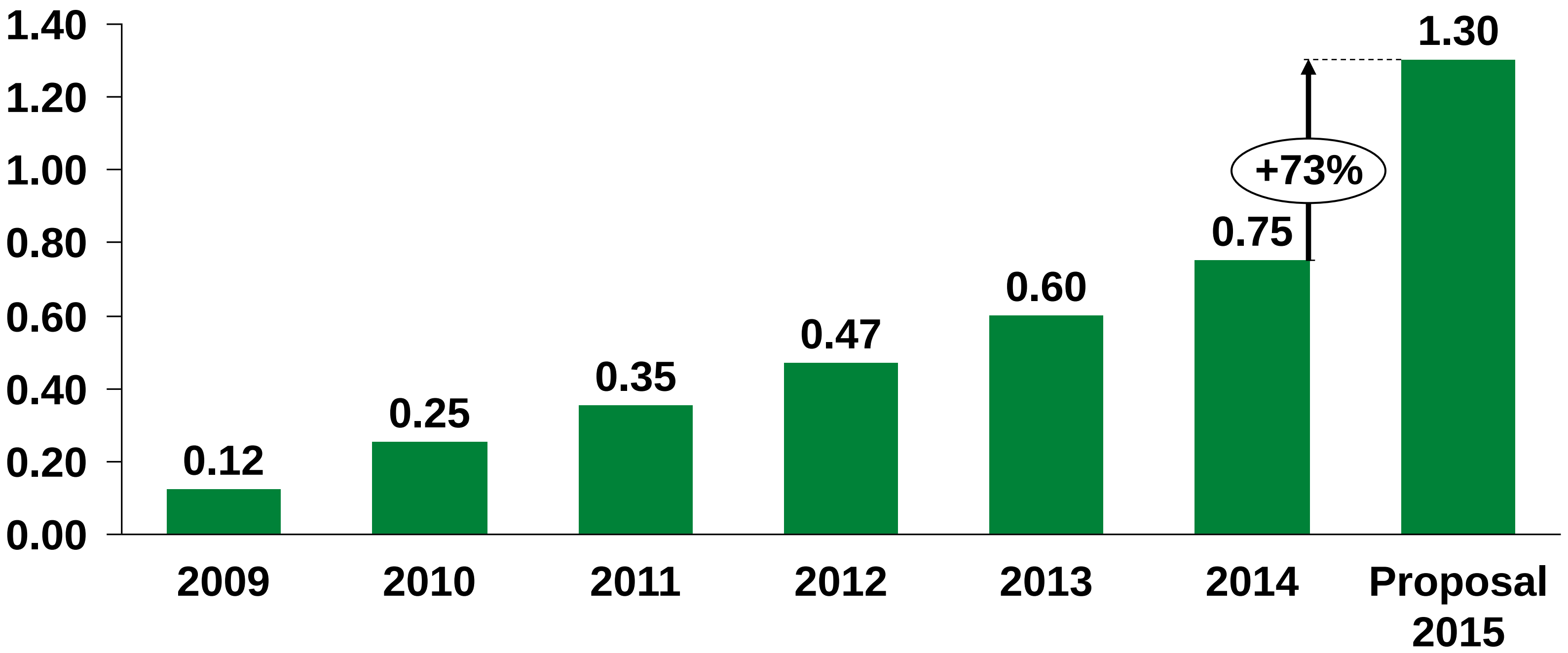
# Net debt and leverage significantly below target values




**We have reached our targets. Investment grade remains a priority.**

# Proposal to increase dividend payment by 73% to €1.30

**Dividend payment (€)**




- The significantly increased proposal for dividend payment reflects the new strategic priority of shareholder returns
- Dividend payment proposal in accordance with the target of a payout ratio between 30% and 35%, which was published for 2015

# Inhalt

1. **HeidelbergCement reached important targets in 2015**
2. **The capital markets honour the positive development**
3. **HeidelbergCement is well prepared for the future**
    a. New strategic priorities
    b. Increased growth with acquisition of Italcementi
    c. Focus on sustainable business activities
4. **The positive development continued in Q1 2016**
5. **Outlook for 2016: further increase in results**



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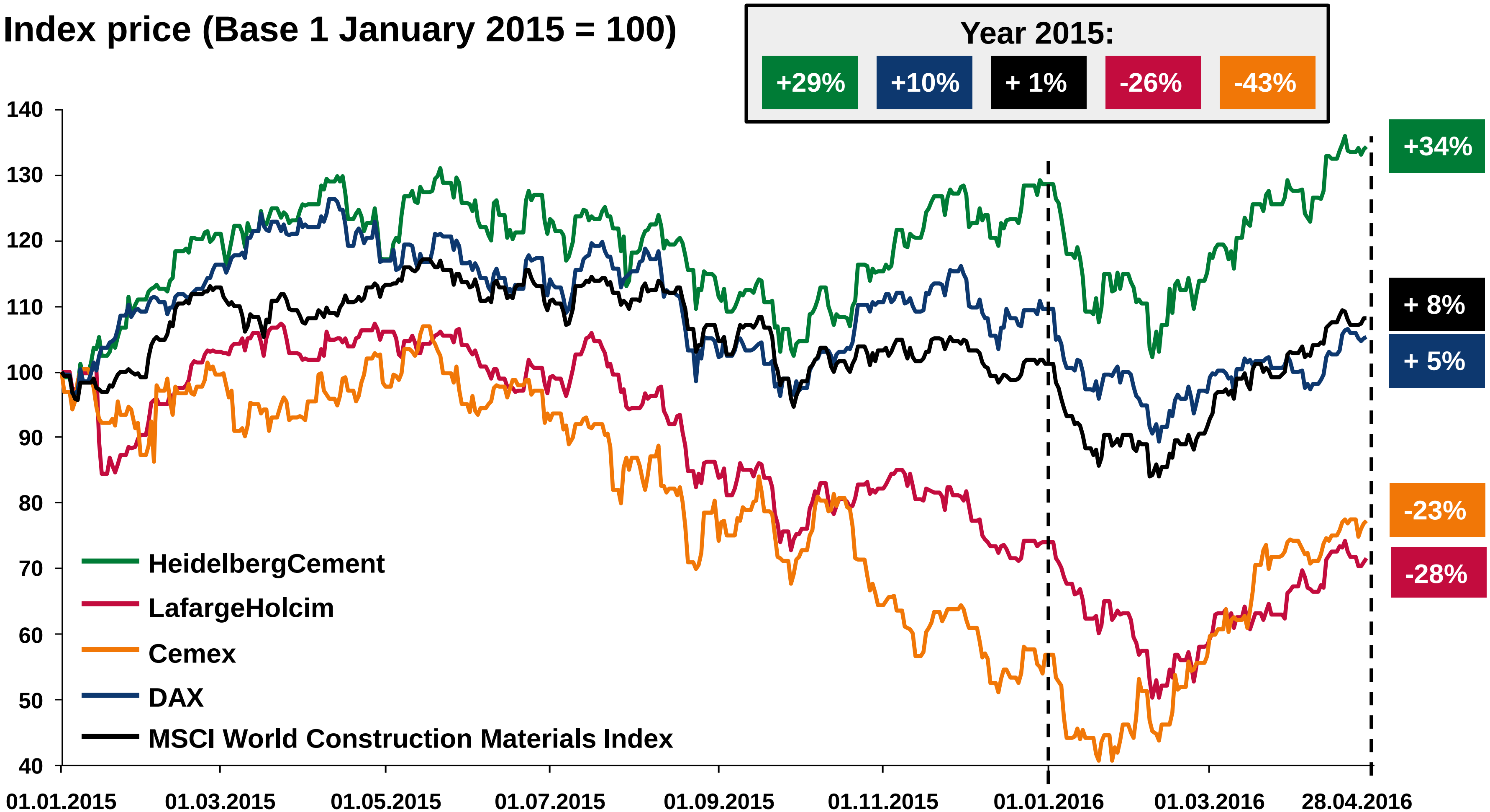
# Successful development is reflected in the share price




**HeidelbergCement share price has clearly beaten DAX for the 2nd time and MSCI for the 3rd time in a row**

Source: Bloomberg



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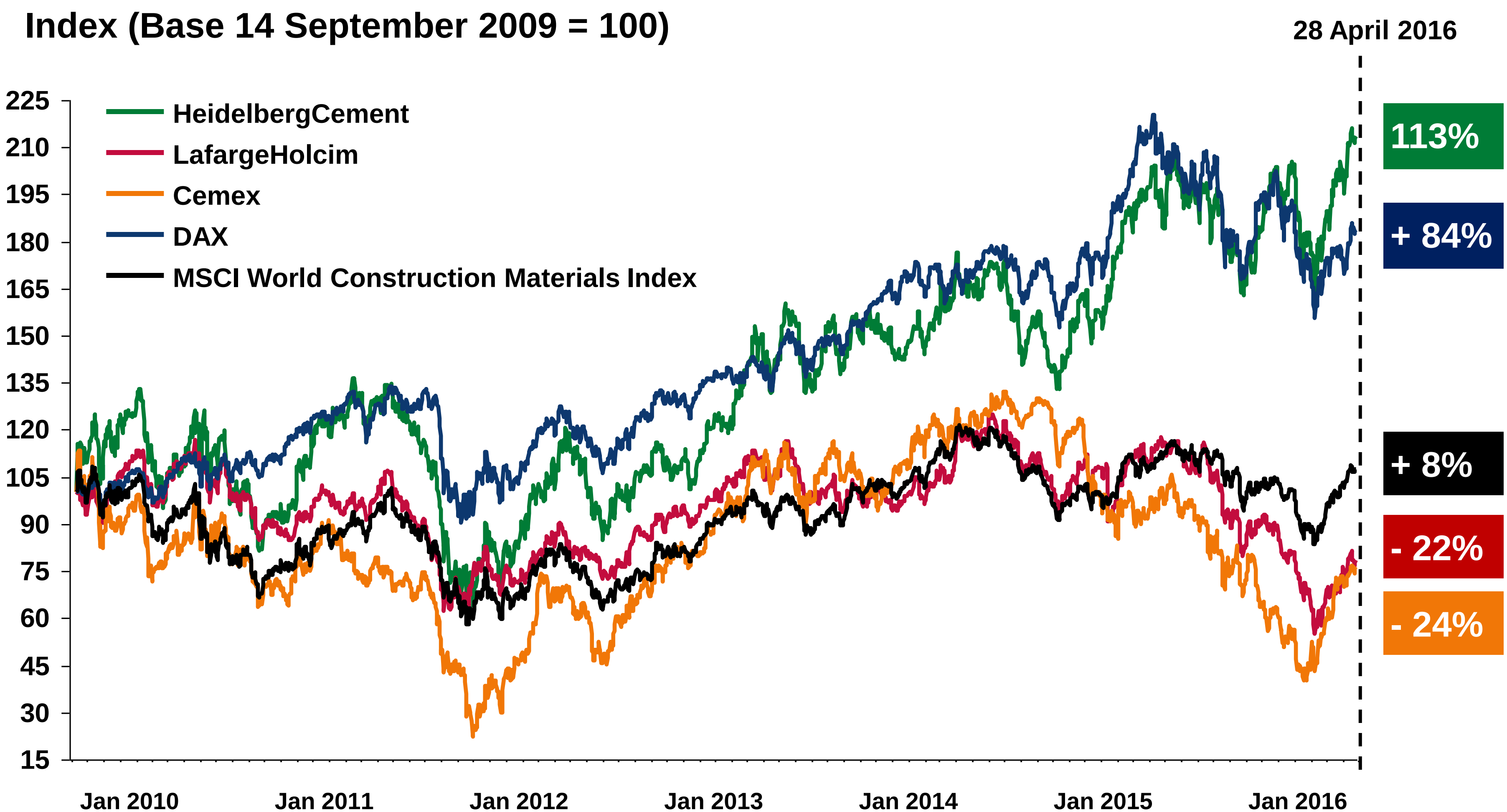
# Share price since announcement of capital increase 2009




**HeidelbergCement share price developed much better than that of competitors since the announcement of the capital increase**



Source: Bloomberg; includes reinvested dividends

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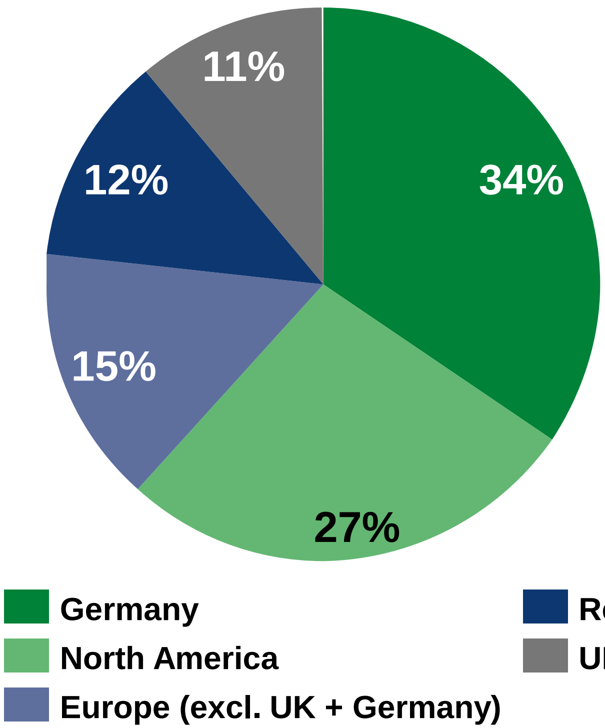
# Shareholder structure of HeidelbergCement

## Geographical distribution of shareholders (as of Dec. 2015)




## Shareholder structure
(latest notifications)

- 26.94% Ludwig Merckle via participations
- 7.34% Stephen A. Schwarzman and Maximilian Management LLC, Wilmington/USA (via First Eagle Investment Management, LLC, New York/USA)
- 5.07% The Capital Group Companies, Inc. Los Angeles/USA
- 4.10% Black Rock, Inc., New York/USA
- 3.84% Société Générale S.A., Paris/France

**Shareholder structure further enlarged: share of institutional investors in Germany, Switzerland, Sweden, and North America increased**



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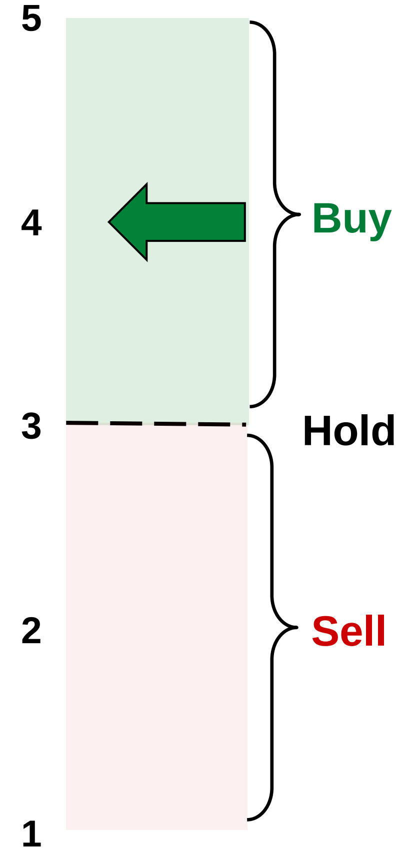
# IR work and recommendations by financial analysts

## Focus & success of investor relations work

- **Geographical enlarged shareholder structure:**
  **→ share of German, Swiss, Swedish, French, and British investors increased**
- **Reduction of share price volatility:**
  **→ share of long-term investors increased**
- **Institutional Investor Magazine: according to a survey of >760 investors, HeidelbergCement's IR-work is the best in the European construction sector**

## Average recommendation by analysts (as of 26 April 2016)




Source: Bloomberg

# CDP (Carbon Disclosure Project) 2015

- **Result:**
  - **In November 2015, HeidelbergCement was recognised by CDP as Sector Leader Energy & Materials in the DACH region (Germany, Austria, Switzerland) for the transparency and integrity of its climate reporting**

- **Climate Disclosure Score: 99 points out of 100**
  - **Leading position in the Climate Disclosure Leadership Index (CDLI) of the DACH region und among the top ten in DAX**

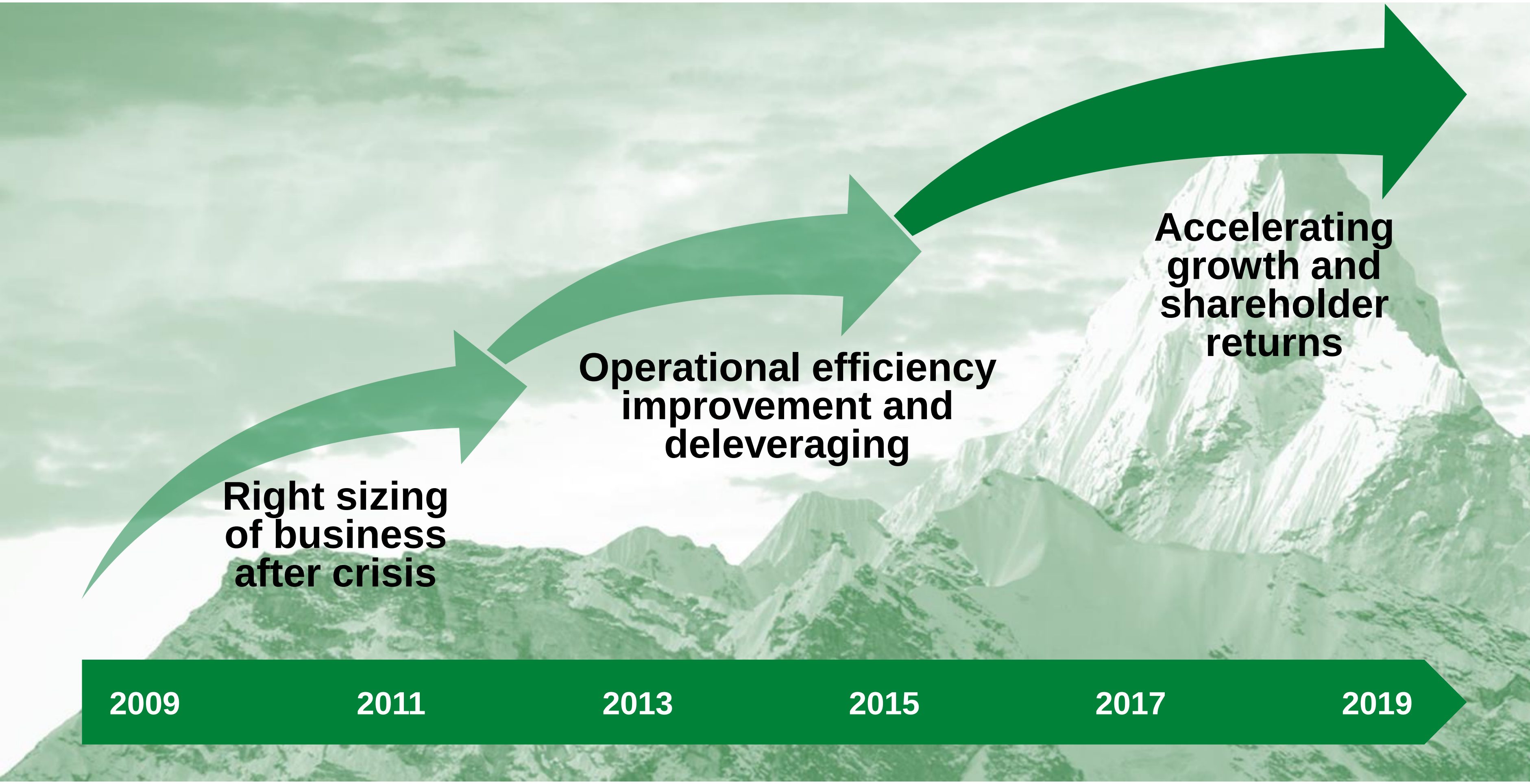
- **Climate Performance Score: A-**

# Further sustainability indices

- **In 2015, HeidelbergCement was included in:**
  - **FTSE4Good Index family**
  - **MSCI Global Sustainability Indexes**
  - **STOXX Global ESG Leaders Index**

# Inhalt

# Increasing shareholder value



# Our target: Increasing shareholder value

- Increased cash generation
- Continuous growth
- Attractive shareholder returns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# Our target: Increasing shareholder value

- **Benefit from recovery of mature markets, especially aggregates**
- **Focused and disciplined growth**
- **Pricing above inflation rate**
- **Increasing vertical integration in urban centres**
- **Digitalisation of value chain**
- **Culture of continuous efficiency improvements**
- **Focus on cash generation**

**Targets in 2019**
(without Italcementi)

**Revenue in €bn**

**>17**

**Operating EBITDA in €bn**

**>4**

# Strategic levers

| | |
|---|---|
| Operating leverage | Cost leadership |
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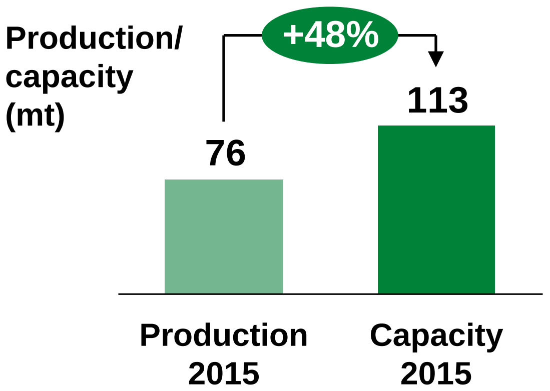
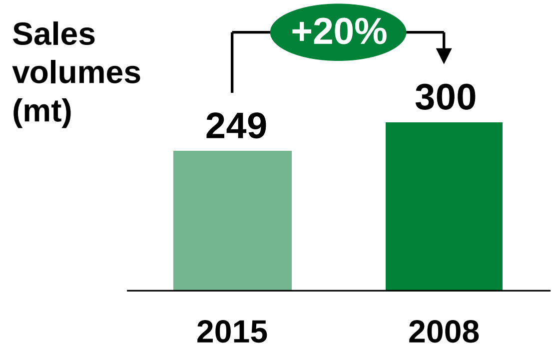
| Vertical integration | Optimal geographic footprint |

# Significant potential for increasing sales volumes

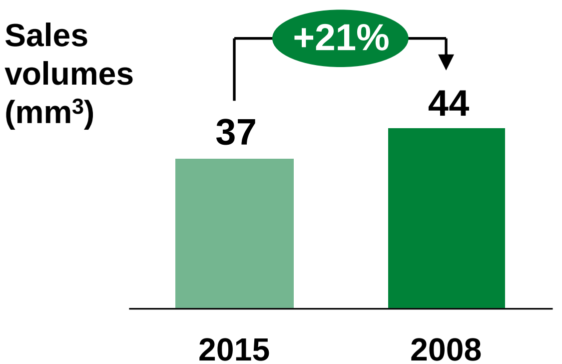
## Cement



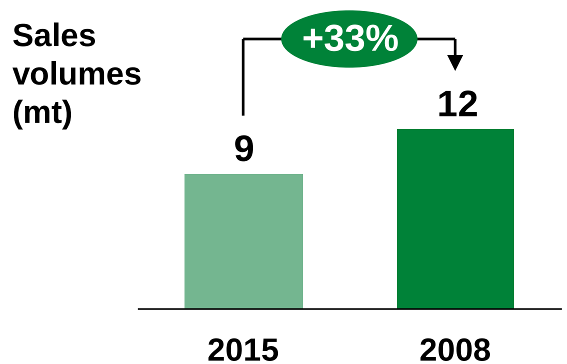

## Aggregates




## Ready-mixed concrete



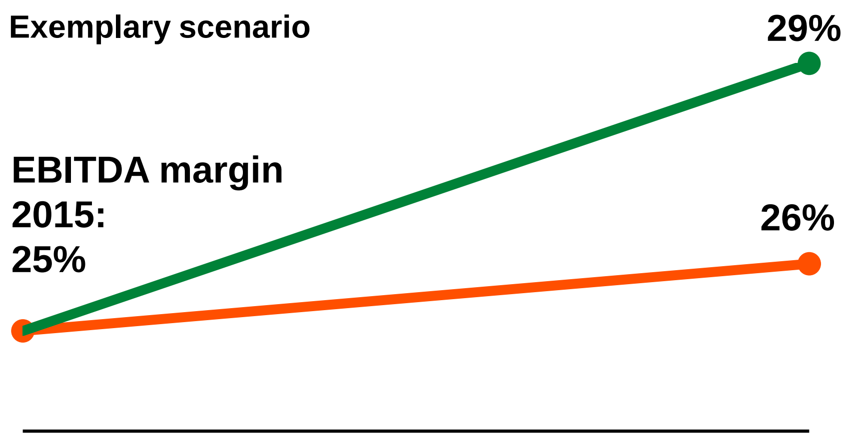

## Asphalt




**Recovery in mature markets – emerging countries in Asia and Africa on growth track**

# Significant operating leverage potential as markets improve

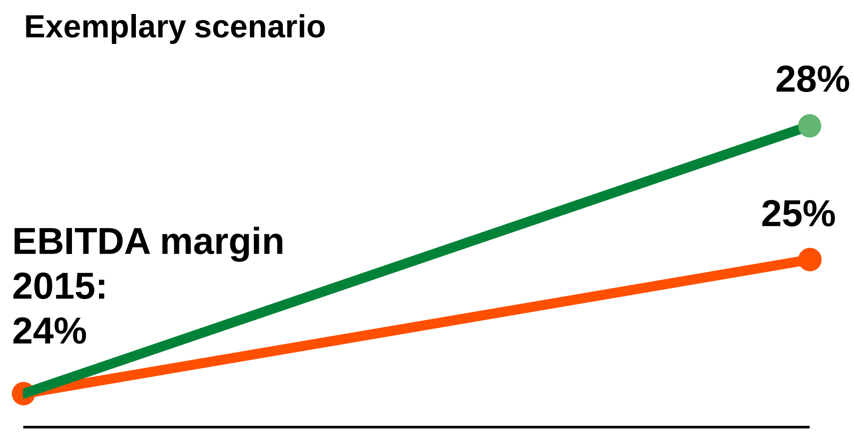
## Cement gross margin: ~45%




**EBITDA margin development when:**

- Prices increase by 5%
- Volumes increase by 5%

## Aggregates gross margin: ~55%




**EBITDA margin development when:**

- Prices increase by 5%
- Volumes increase by 5%

**Operating leverage enhanced by focus on efficiency**



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# Continuous improvement of efficiency and margins

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## "CIP" – Cement

- Safeguard the achieved efficiency improvements in 65 cement plants
- Promote entrepreneurial thinking of employees and culture of continuous improvement

**€m 120 sustainable results improvement until 2017**

## "Aggregates CI"

- Safeguard the achieved efficiency improvements of the "CLIMB" programme
- Implementation at all 600 locations
- Increasing professionality & efficiency in operational and commercial areas

**€m 120 sustainable results improvement until 2018**

## "LEO" – Logistics

- Centralised dispatching system
- Integrated replenishment
- Fleet optimisation
- Bundling and sourcing of trucks

**€m 150 reduction in logistic costs**

## "FOX" – Procurement

- Continuation of successful cost savings initiative
- Standardisation and optimisation of procurement processes

**€m 100 savings in 2016**

**Continuous efficiency and margin improvement is part of HeidelbergCement's DNA**

# Urbanisation – an important growth driver

# Vertical integration

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## Aggregates

- Focus on mature markets and industrialisation
- Reserves: 18 bnt
- 86% of reserves in mature markets

## Cement

- Focus on growth markets
- Capacity*: 129 mt
- 64% of capacities in growth markets

## Asphalt

- Focus on urbanisation
- 114 plants*
- Sales volumes: 9.1 mt

## Ready-mixed concrete

- Focus on urbanisation
- 1,320 plants*
- Sales volumes: 36.7 mm³

**Infrastructure**
Cement: 50%
Aggregates: 50%-60%

**Commercial**
Cement: 20%
Aggregates: 20%-25%

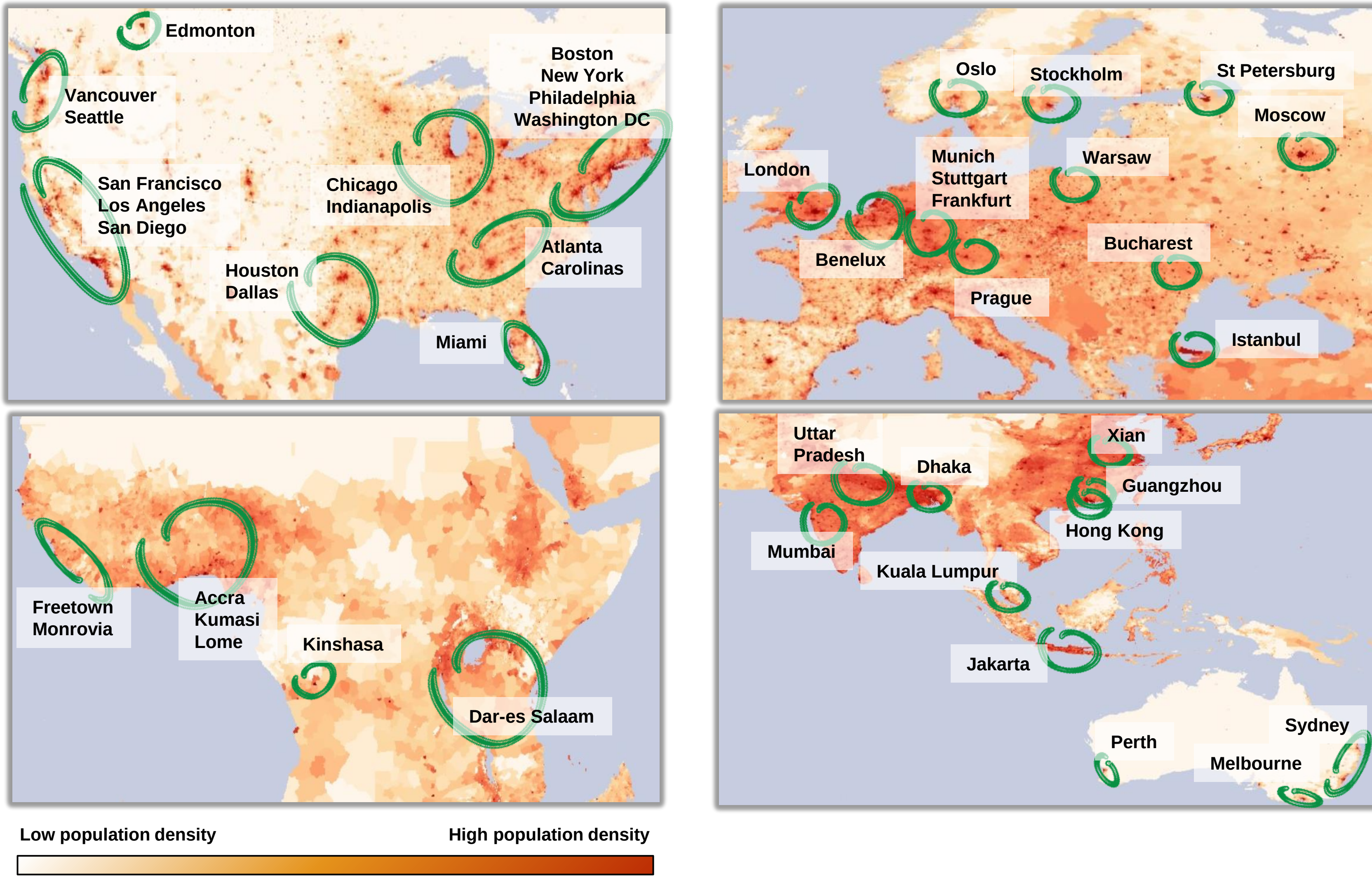
**Residential**
Cement: 30%
Aggregates: 20%-25%

**Integrated management – key value driver**

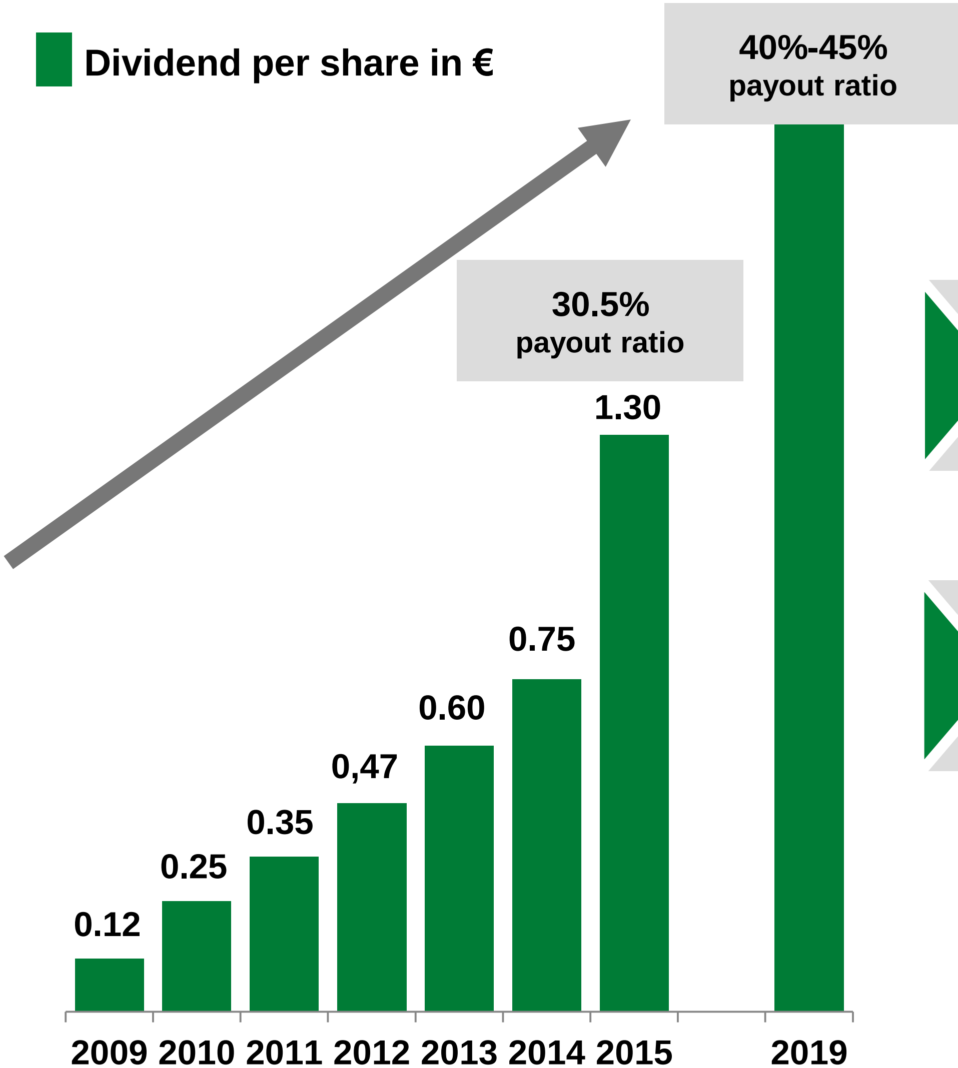


* Including joint ventures

# HeidelbergCement is well positioned in urban centre hot spots



# Dividend policy




**Dividend payout ratio 40%-45% by the end of 2019**

**Progressive increase based on affordability and sustainability**

# Share buy-backs

**Achieve and maintain solid investment grade rating**

**Assessment of key projects with high return expectations**

**Assessment of unallocated free cash flow and consideration of capital need for other projects**

**Deployment of excess cash to shareholders through share buy-backs***

* Approval of share buy-backs by Annual General Meeting is required

# Inhalt

1. **HeidelbergCement reached important targets in 2015**
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# HeidelbergCement and Italcementi – a natural fit

Unique opportunity to accelerate growth and achieve mid-term goals

Acquiring high quality assets with excellent geographical fit

Right time for transaction to capitalise on recovery in key markets

Significant value creation potential through synergies and operational efficiency

Fully aligned with the strategy, announced in June, of accelerated growth and increased shareholder returns

# Italcementi overview

**Major global building materials group**

- 150-year-old family owned company
- More than €bn 4 revenue generation
- 71 million tonnes of cement capacity
- Operations in 22 countries

**Strong market positions**

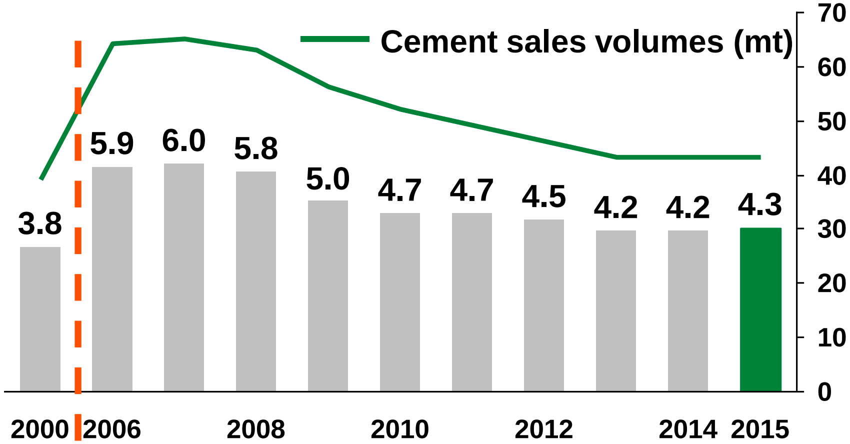
- Mature markets: France, Italy, USA, Canada, Spain
- Emerging markets: India, Egypt, Morocco, Thailand, Kazakhstan
- Urban centres: Paris, Milan, Chennai, Cairo, Bangkok

**High quality assets, brands & know-how**

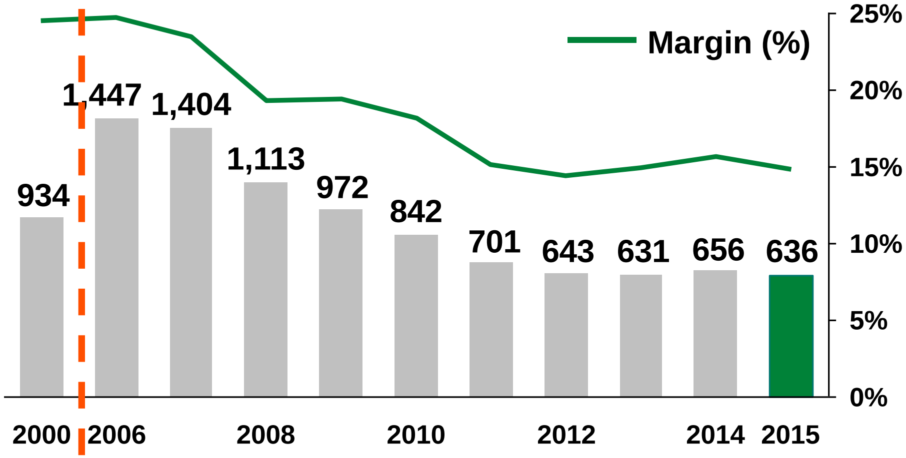
- No CapEx backlog
- Well established local brands
- Fully deployed central IT platform
- Leading R&D capabilities

# Italcementi: Financial overview

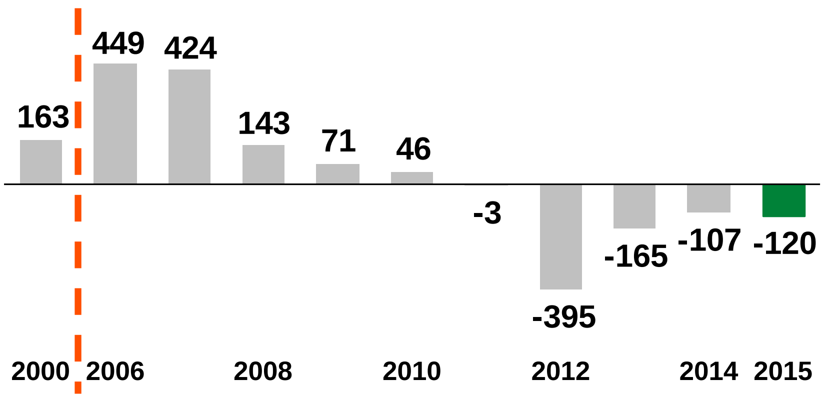
## Revenue (€bn)



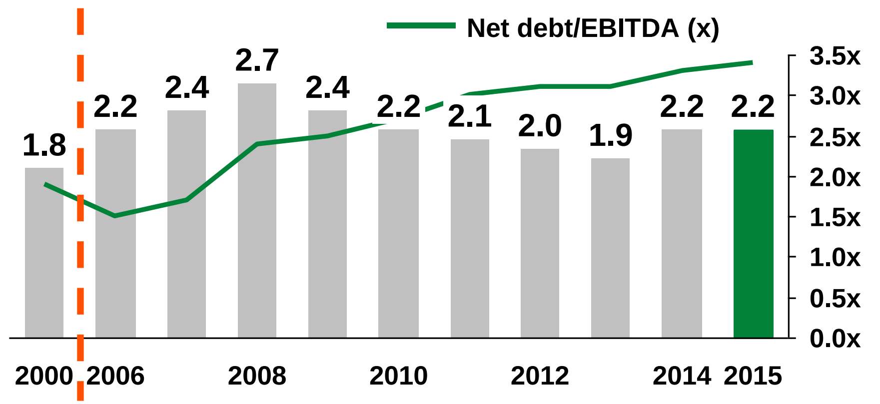

## Recurring EBITDA (€m)




## Net result (€m)




## Net financial debt (€bn)




**Significant recovery potential ahead**



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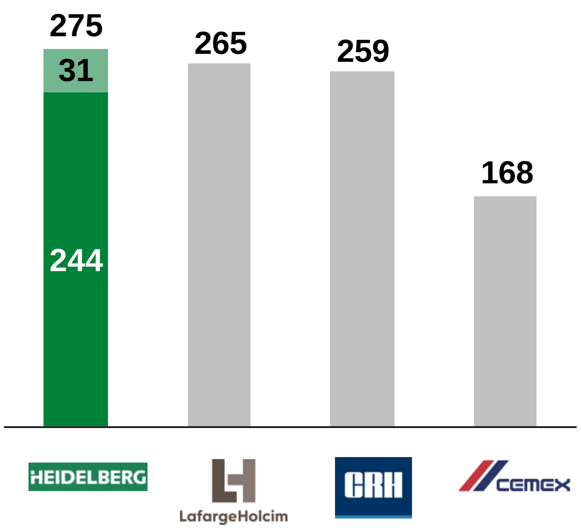
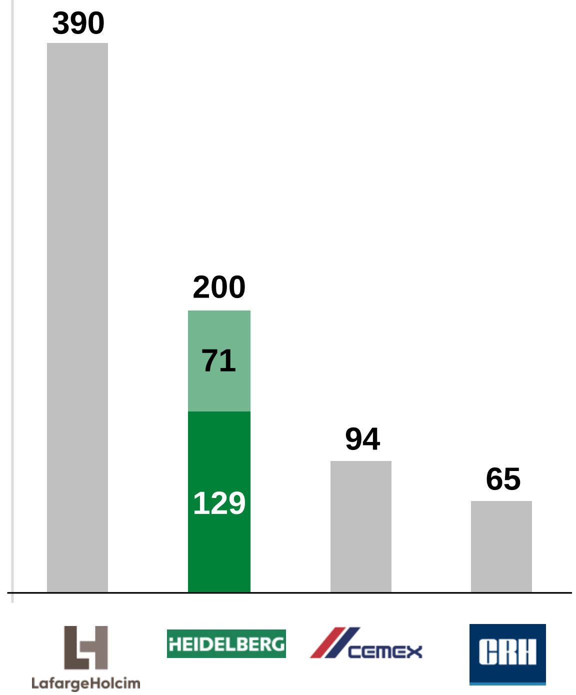
# Expansion of strong global market positions

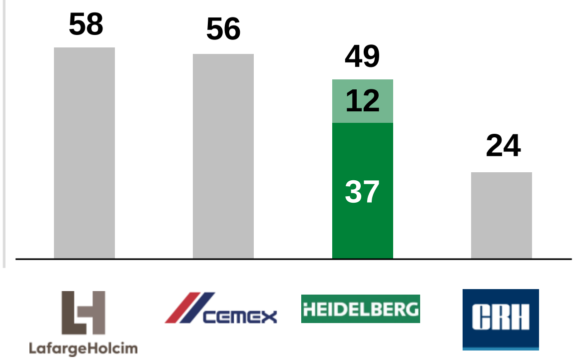
## Aggregates sales volume 2014 (mt)




## Cement capacity* (mt)




## Ready-mixed concrete sales volume 2014 ($mm^3$)




**Combination creates a global no 1 in aggregates, no 2 in cement and no 3 in ready-mixed concrete**

* All figures are as of end of 2014, except CRH capacities which are as of latest disclosure, including minorities

# Key transaction terms

**Two-step transaction: acquisition of 45% stake followed by mandatory offer to remaining shareholders**

- **Contractual agreement to acquire a 45% stake owned by Italmobiliare S.p.A.**
- **€10.6 per share; combination of cash and HeidelbergCement shares**
- **Maximum of 10.5 million HeidelbergCement shares to be issued at the higher of floor price of €72.50 and price at closing[1)]**
- **Customary representations and warranties**
- **Mandatory offer to acquire remaining shares at an offer of € ~10.60 per share in cash after completion of 45% stake acquisition**

**Implied equity value of €bn 3.7**

**Enterprise value of €bn 6.7[2)]**

**EV/EBITDA multiple of 7.0x[3)]**

**Valuation of cement capacity US$/t ~85**

**€bn 1.0 cash generation from asset disposals expected**

1) The new shares shall be issued at €72.50 or at an average price of a 30 days period prior to closing, if the latter is higher.
2) Based on Italcementi's net debt of €bn 2.2, and the net balance of minorities, associates and pension obligations of €bn 0.8 as of 31 December 2014
3) Based on EBITDA of €m 636 for 2015 and expected synergies.

# HeidelbergCement with excellent track record in value creation

| | |
|---|---|
| **Integration excellence** | **Successful Hanson integration and unique organisational structure** |
| **Operational excellence** | **Timely implemented and executed programmes leading to visible margin improvements** |
| **Commercial excellence** | **Sales excellence and revenue growth across all business lines** |
| **Financial excellence** | **Clear success in working capital management and financial discipline** |

**Significant potential for improved results and enhanced value from Italcementi's assets**

# Italcementi synergy target increased from €m 175 to €m 400

| | Immediate impact | Mid-term impact | Margin improvement | Business combination and strategy | TOTAL |
|---|---|---|---|---|---|
| €m | ▪ Administration<br>▪ Organisation<br>▪ Shared services | ▪ Purchasing<br>▪ Insurance<br>▪ IT | ▪ Operational improvement<br>▪ Logistics | ▪ Trading<br>▪ Tax<br>▪ Treasury | |
| **July 2015** Top-down approach | 85 | 25 | 65 | | **175** |
| **Further analysis on synergy potentials** | 30 | 45 | 45 | 105 | **+225** |
| **Current synergy target** | **115** | **70** | **110** | **105** | **400*** |

**Detailed implementation plans in development by project teams**

* Including direct EBITDA impact of €m 325



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# Achieve attractive returns for shareholders

## Maintain the long-term targeted payout ratio

| | 2015 | Stand-alone 2019 | Combined 2019 |
|---|---|---|---|
| Revenue | €bn 13.5 | > €bn 17 | > €bn 20 |
| OIBD | €bn 2.6 | > €bn 4 | > €bn 5 |
| ROIC | 7.1% | > 10% | > 10% |
| Leverage | 2.0x | 1.5x – 2.5x | 1.5x – 2.5x |
| Earnings per share | € 4.26 | ~ € 10 | ~ € 11 |
| Payout ratio | 30.5% | 40% – 45% | 40% – 45% |



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# Italcementi transaction update

- **Anti-trust discussions/filings**
  - Approval received from Canada, India, Kazakhstan, and Morocco authorities
  - Agreement reached in principle with FTC in the USA on the divestment package
  - Formal filing of transaction with the EU Commission was made; discussions about sale of Belgian operations continue
  - Decisions of EC and FTC expected by the end of May/early June
- **Divestments**
  - Banks have been mandated for the divestments in the USA and Belgium
  - USA: very strong interest in first class assets
  - Belgium: very strong interest in fully vertically integrated market positions
  - High confidence in achieving attractive proceeds from disposals
- **Organisation/transaction**
  - New Group organisation announced: valid after transaction
  - “Day 1 Readiness” plan will be implemented immediately after the closing

**Italcementi transaction on track – closing expected in the second half of 2016 in line with initial plans**

# Inhalt





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# Long-term commitment for sustainability

- **The HeidelbergCement Sustainability Ambitions 2020 define 6 key action areas and respective goals**
  - **Occupational health and safety**
  - **Energy and $CO_2$ management**
  - **Alternative fuels and raw materials**
  - **Biodiversity management**
  - **Pollutant emissions**
  - **Sustainable construction**

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# Sustainability: Focus on carbon capture and utilisation

- **Tests at Brevik cement plant in Norway**
  - **Four different technologies for $CO_2$ capture from combustion exhaust gases**
  - **Start of a comprehensive feasibility study on the construction of a large-scale facility for $CO_2$ capture**
- **EU funded “Horizon 2020” programme**
  - **“CEMCAP” project:  further development of Oxyfuel technology**
  - **“LEILAC” project: separate the $CO_2$ released from limestone in the calciner**
- **Strategic partnership with Joule**
  - **Research and generate biofuels from $CO_2$ emissions**

JOULE®



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# Sustainability: Focus on species protection

- **Quarry Life Award**
  - **International scientific and educational competition to promote biodiversity in quarries**
  - **Target group: students, researchers, NGOs**
  - **Status 2016: more than 450 projects submitted in 22 countries**

- **Partnership with BirdLife International (since 2011)**
  - **Better biodiversity management due to cooperation with experts of BirdLife and their partner organisations**
  - **Since 2015, expansion to Africa and Asia**
  - **Status 2016: 15 projects in Europe und Africa**

THE QUARRY LIFE AWARD

BirdLife INTERNATIONAL

# Inhalt

1. **HeidelbergCement reached important targets in 2015**
2. **The capital markets honour the positive development**
3. **HeidelbergCement is well prepared for the future**
   a. New strategic priorities
   b. Increased growth with acquisition of Italcementi
   c. Focus on sustainable business activities
4. **The positive development continued in Q1 2016**
5. **Outlook for 2016: further increase in results**



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# New split of Group areas in 2016

| Group areas in 2015 | Group areas in 2016 |
| --- | --- |
| North America | North America  Jon Morrish |
| Western and Northern Europe (Northern Europe) | Western and Southern Europe (Spain)  Dr. Dominik v. Achten |
| Eastern Europe-Central Asia | Northern and Eastern Europe-Central Asia (Northern Europe)  Dr. Albert Scheuer |
| Africa-Mediterranean Basin (Spain) | Africa-Eastern Mediterranean Basin  Hakan Gurdal |
| Asia-Pacific | Asia-Pacific  Kevin Gluskie |



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# Market and financial overview in Q1 2016

- **Best first quarter since financial crisis – good omen for 2016**
  - **Increase in sales volumes of cement, aggregates, and ready-mixed concrete**
  - **Operating EBITDA up 7% to €m 321 (like-for-like[1] +13%)**
  - **Strong operating leverage leads to margin improvement in all business lines**
- **Group share of profit rises by €m 51**
- **Net debt down to €bn 5.9 (previous year: €bn 6.1); leverage[2] at 2.2x (previous year: 2.6x)**
- **More than €bn 1 free cash flow in the last 12 months**
- **Italcementi acquisition well on track: first-time consolidation expected in July**

**Outlook increased to: high single to double-digit growth of operating income[1] and profit for the financial year[3]**

1) Adjusted for currency and consolidation effects
2) Net debt/operating EBITDA
3) Net income for the financial year before non-recurring items

# Key financial figures in Q1 2016

| Key financial figures | January - March | | | |
|---|---|---|---|---|
| €m | 2015 | 2016 | Variance in % | like for like[1] in % |
| **Consolidated income statement** | | | | |
| Revenue | 2,835 | 2,832 | 0 % | 1% |
| Result from joint ventures | 38 | 31 | -19 % | |
| Operating EBITDA | 299 | 321 | 7 % | 13% |
| Operating EBITDA margin in % | 10.6% | 11.3% | | |
| Operating income | 115 | 138 | 20 % | 35% |
| Loss for the period | -80 | -31 | 61 % | |
| Group share of loss | -123 | -72 | 41 % | |
| Earnigs per share in € [2] | -0.65 | -0.38 | 41 % | |

| Key financial figures | January - March | | |
|---|---|---|---|
| €m | 2015 | 2016 | Variance |
| **Consolidated statement of cash flows** | | | |
| Cash flow from operating activities | -373 | -262 | 112 |
| Total investments | -188 | -257 | -69 |
| **Consolidated balance sheet** | | | |
| Net debt | 6,127 | 5,890 | -237 |
| Gearing | 38.5% | 38.7% | |

1) Adjusted for currency and consolidation effects
2) Attributable to the parent entity



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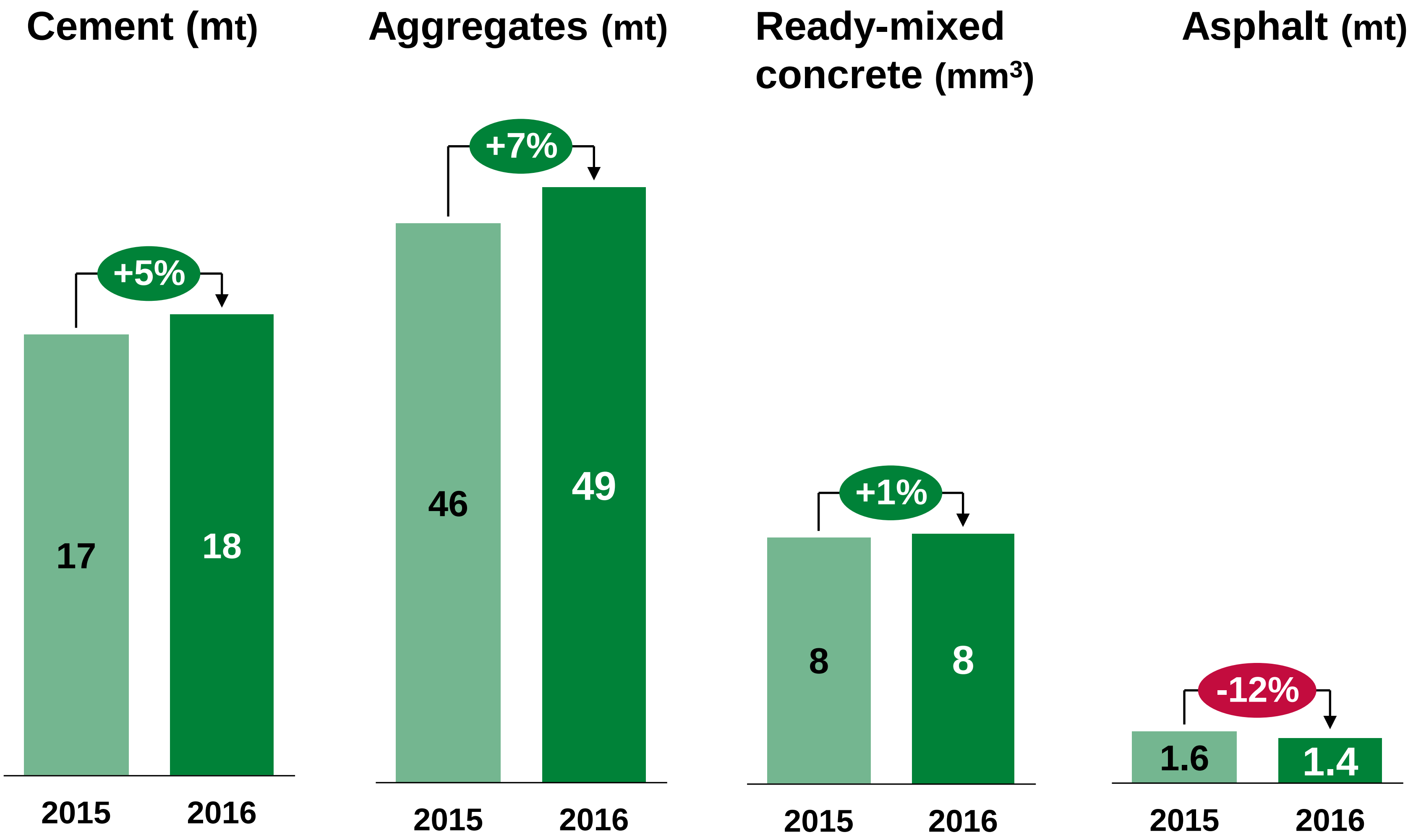
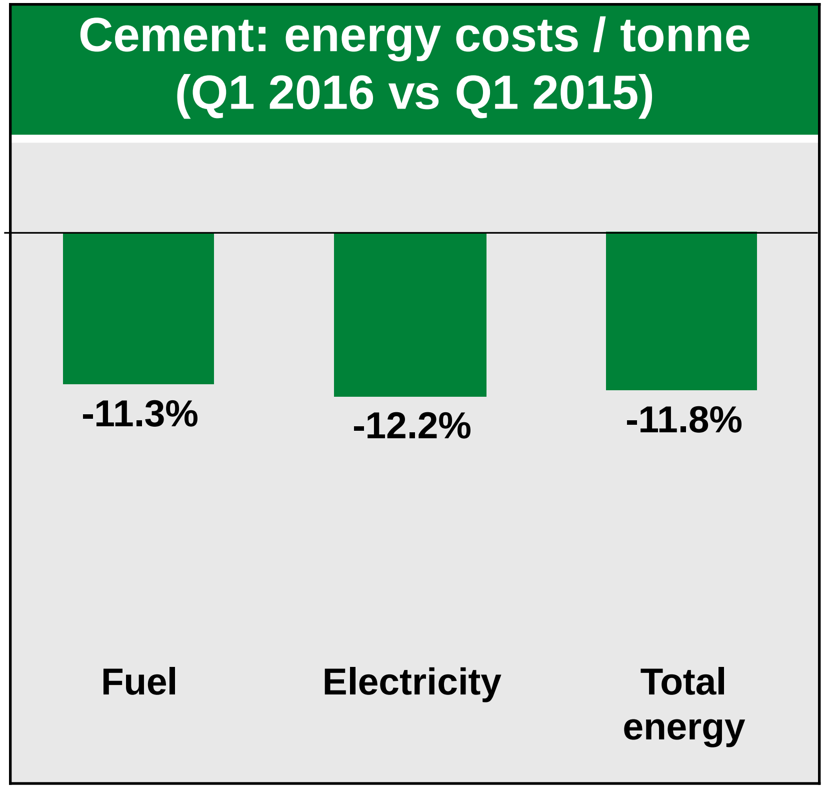
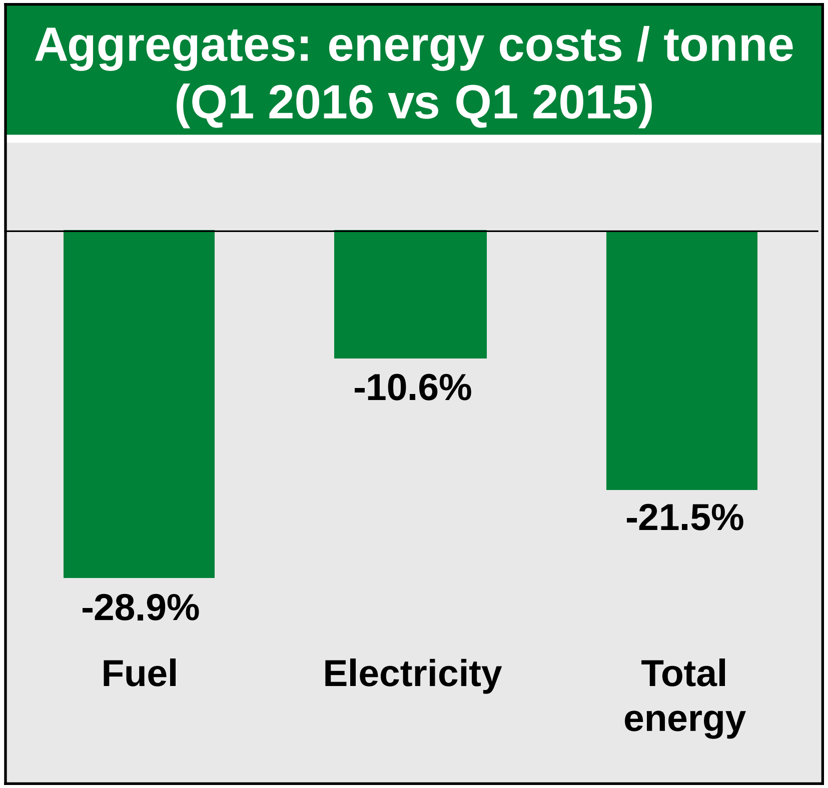
# Sales volumes in Q1 2016




**Pleasing sales vloumes development in Q1 2016**

# Energy costs below previous year in Q1 2016




**Siginificantly reduced energy costs in Q1 2016, but lower decrease for aggregates expected in 2016 (oil price)**

The figures include exchange rate effects and refer to production volumes for cement and sales volumes for aggregates



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# Successful refinancing measures

1. **Successful issue of €645 million debt certificates (January/February 2016)**
   - 6-year term (January 2022)
   - One tranche with a fixed rate of 1.85%
   - One tranche with a floating rate of 1.5% over 6-month Euribor
   - The proceeds will be used to pre-fund the Italcementi acquisition and reduce the bridge financing
2. **Successful placement of a Eurobond with a volume of €1 billion (March 2016)**
   - 7-year term (March 2023)
   - Most attractive terms HeidelbergCement could ever secure in this maturity segment
   - Fixed coupon: 2.25%; yield to maturity: 2.31%
   - The proceeds will be used for general corporate purposes and pre-funding the Italcementi acquisition

**Reduction of bridge financing to €2 billion**

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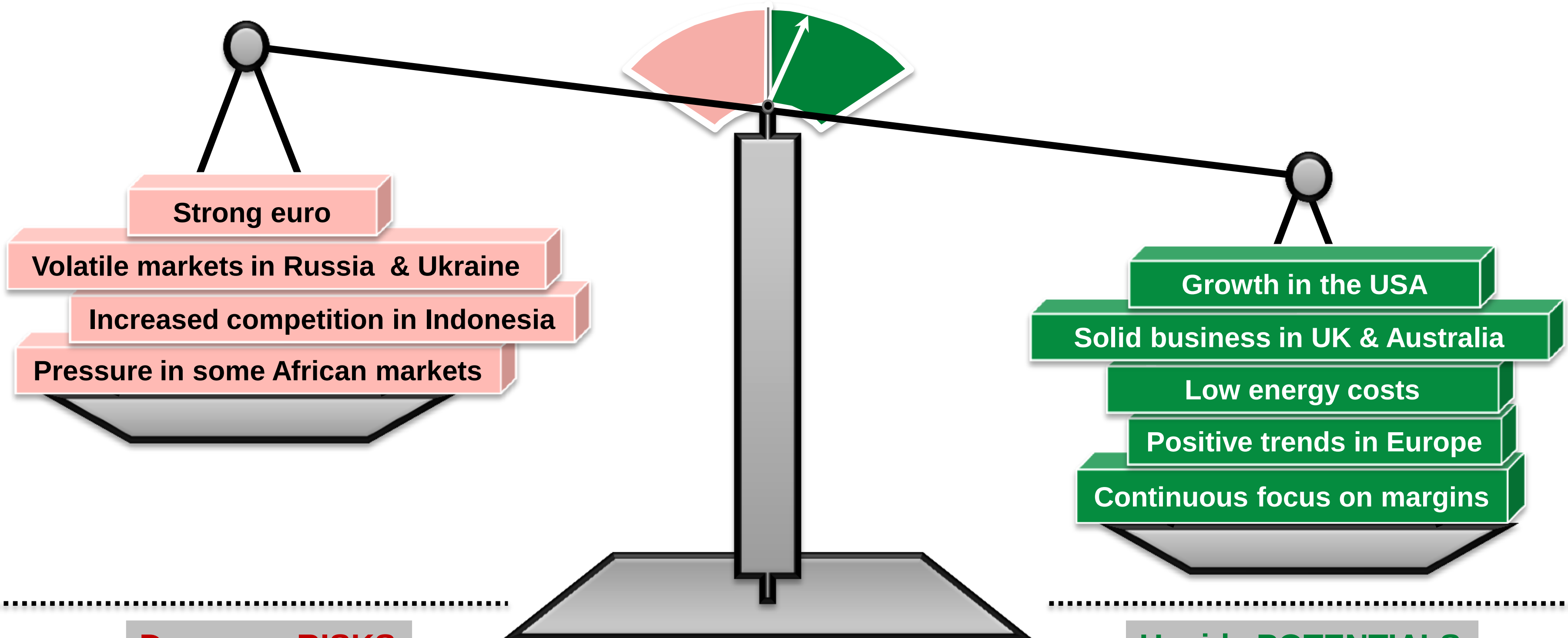
# Major drivers for business environment in 2016




**DOWNSIDE RISKS**

- Political risks in the Middle East
- Depression in Europe / Brexit
- Slowdown of US economy

**Upside POTENTIALS**

- Further weakening of the euro
- Further decrease in energy costs
- Infrastructure construction in Indonesia

**Overall challenging but positive business environment expected in 2016**

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# Outlook 2016

- **Growth of sales volumes in all Group areas**
  - **Continuing growth in the USA (increasing sales volumes and prices)**
  - **Further recovery and rising demand in the United Kingdom**
  - **Solid market conditions in Germany and Australia**
  - **Increasing sales volumes in Indonesia, India, and the African countries due to rising demand and expanded capacities**
- **Stable energy costs**

| **Improved operational and financial results** |
| --- |
| ➢ **Growth of sales volumes in all Group areas** |
| ➢ **Moderate increase in revenue*** |
| ➢ **High single to double-digit increase in operating income and profit for the financial year*** |

* Adjusted for currency and consolidation effects; profit for the financial year before non-recurring items

# Management focus in 2016

- **Successful closing of the Italcementi acquisition**
  - **Immediate start of the integration and realisation of synergies**
  - **Quick improvement of financial key figures to reach investment grade metrics**
- **Further improvement of margins through efficiency improving programmes**

# Next Annual General Meeting on 10 May 2017


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