HeidelbergCement

2017 Third Quarter Results

08 November 2017

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Contents

Market and financial overview Q3 2017

Organic growth turns positive; LfL EBITDA increases by +7%; Group margin reaches 23% in the quarter

- Solid operational performance in US despite weather effects. Best market conditions since almost 10 years in Southern Europe. Strong performance in Australia, Morocco, India, Northern and Eastern European markets.
- Easing pressure in Indonesia, Thailand, Ghana and Egypt. Markets already reached bottom.
- Discussion on Brexit continues to put pressure on the UK market.
- Successfully managed flexible energy mix structure minimizes significant price increases in coal and petcoke.
- Full-year synergy target significantly over-achieved by the end of September (254 m€ vs. 175 m€ full-year target).

Systematic portfolio optimization continues

- Positive contribution from Pacific Northwest Materials (acquired with EBITDA multiple below 7.0X) already visible.
- Cementir Italia acquired for ~50 $/t cement capacity significantly improves nationwide presence in Italy.
- Sale of idle and other non-core assets will lead to >200 m€ reduction of net debt by year-end.

EPS increases by 38% to 2.42 € (PY: 1.75 €)

- 38 m€ improvement in net financial result and stable AOR on a low level despite ongoing restructuring measures.
- Group share of profit increases by 142 m€ (+42%) to 481 m€ in Q3 2017.

Free cashflow generation of 1.2 b€ (last 12 months rolling) brings net debt down to 9.6 b€

2017 Outlook confirmed. We are committed to reach our full-year targets!

Key operational and financial figures

Operational performance based on proforma figures:

m€	Sep 16	Sep 17	Change	%	LfL %	Q3 16	Q3 17	Change	%	LfL %
Cement volume ('000 t)	94,214	**94,408**	194	0.2 %	0.3 %	33,153	**33,749**	596	1.8 %	1.9 %
Aggregate volume ('000 t)	214,068	**228,990**	14,922	7.0 %	0.5 %	80,309	**86,687**	6,378	7.9 %	0.5 %
Ready Mix volume ('000 m^3)	35,985	**35,040**	-945	-2.6 %	-3.4 %	12,483	**12,419**	-63	-0.5 %	-2.0 %
Asphalt volume ('000 t)	7,071	**7,099**	29	0.4 %	-1.6 %	3,115	**3,195**	80	2.6 %	-1.9 %
Revenue	12,846	**13,004**	158	1.2 %	1.1 %	4,520	**4,610**	89	2.0 %	3.7 %
Operating EBITDA	2,377	**2,405**	28	1.2 %	2.0 %	1,009	**1,058**	49	4.8 %	6.7 %
in % of revenue	*18.5 %*	***18.5 %***	*-1 bps*		*+16 bps*	*22.3 %*	***23.0 %***	*+63 bps*		*+64 bps*
Operating income (*)	1,566	**1,578**	12	0.8 %	1.7 %	738	**787**	49	6.6 %	8.1 %
Cement EBITDA margin	22.8 %	**22.8 %**			+27 bps	25.9 %	**27.3 %**			+141 bps
Aggregates EBITDA margin	25.2 %	**24.7 %**			-52 bps	29.7 %	**30.5 %**			+89 bps
RMC+ASP EBITDA margin	2.5 %	**1.3 %**			-121 bps	3.6 %	**2.6 %**			-98 bps

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

m€	Sep 16	Sep 17	Change	Q3 16	Q3 17	Change
Group share of profit	585	**768**	31%	339	**481**	42%
Earnings per share	3.06	**3.87**	26%	1.75	**2.42**	38%
Cash flow from operations	762	**705**	-58	548	**836**	288
Total CapEx	-1,699	**-785**	914	-1,256	**-265**	990
Net Debt	8,868	**9,653**	785			
Net Debt / EBITDA	2.8	**3.0**				

LfL figures excluding currency, scope and CO_2 gain of 17 m€ in Q2 2016. (*) Operating income includes a negative impact of -14 m€ from ITC PPA in Q3 2017 (YtD: -44 m€).

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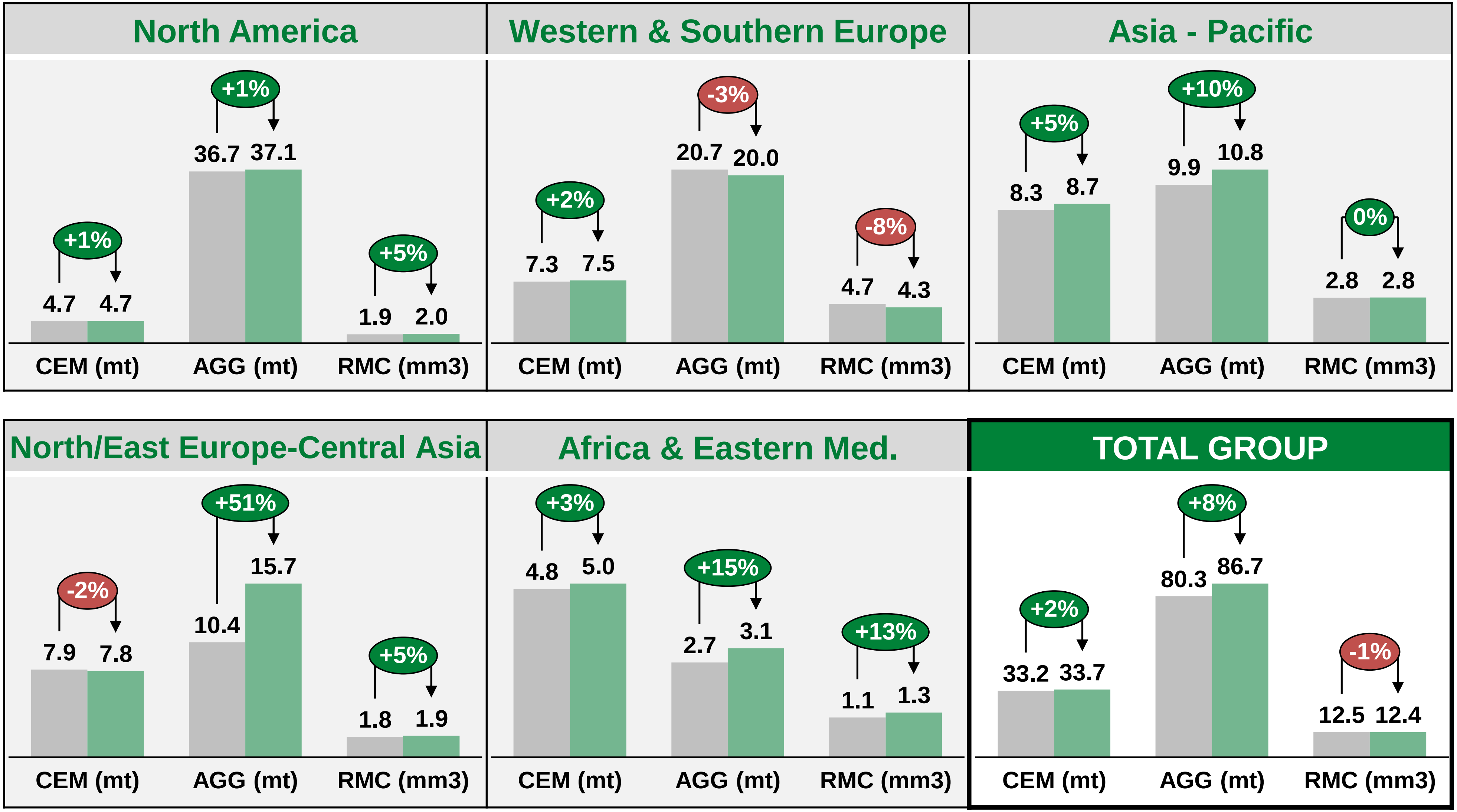
Group sales volumes

Q3 2016 Q3 2017



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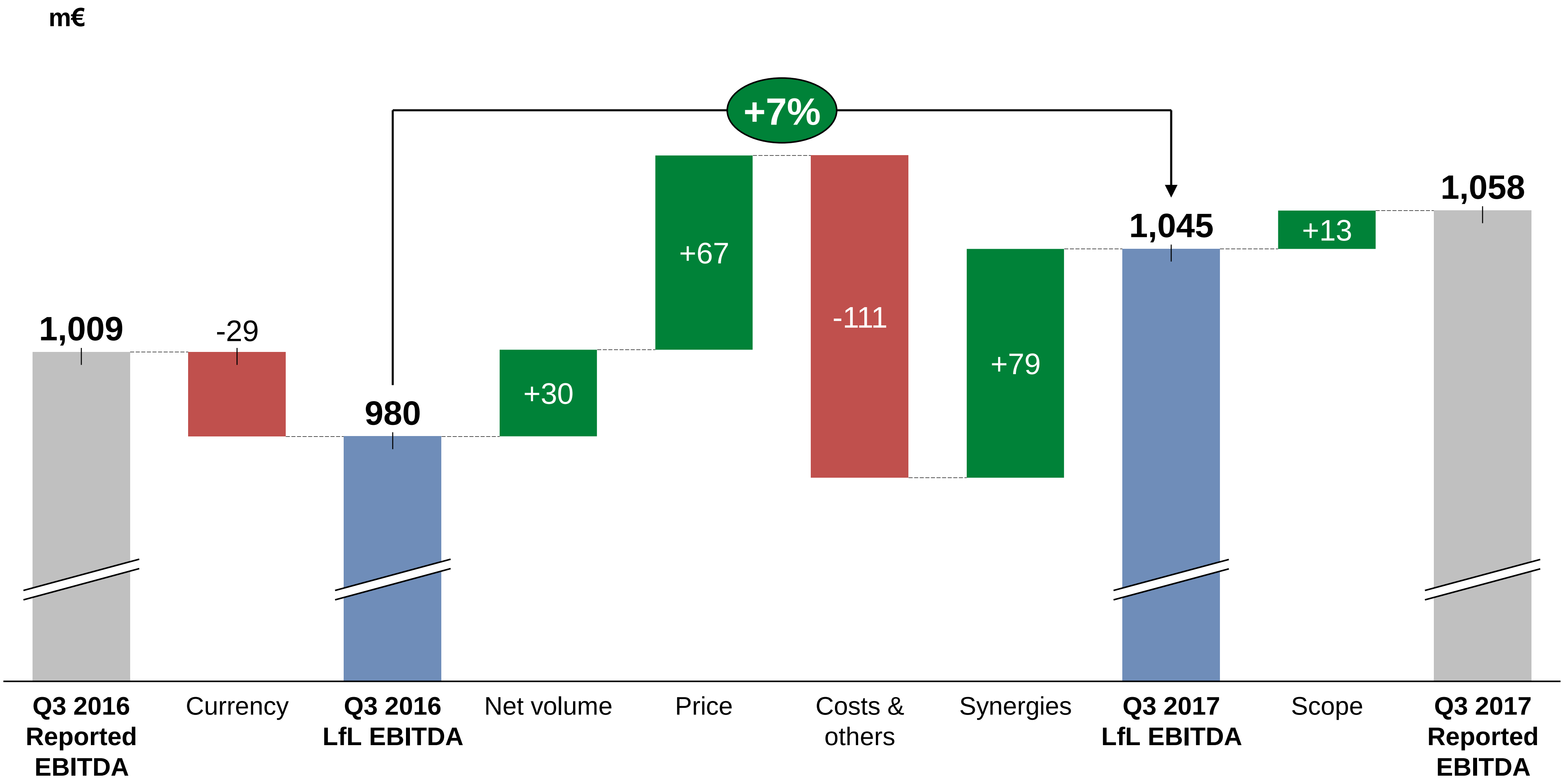
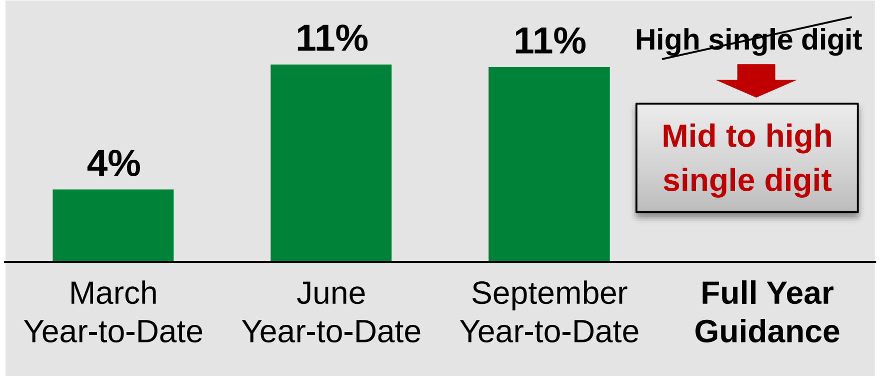
Q3 2017 operating EBITDA bridge



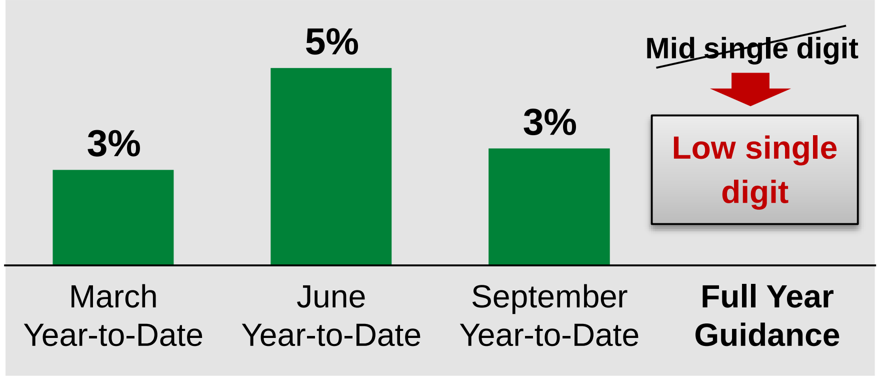
Return to solid growth path as the market pressure in emerging markets eases

Energy cost inflation mid single digit for the full year

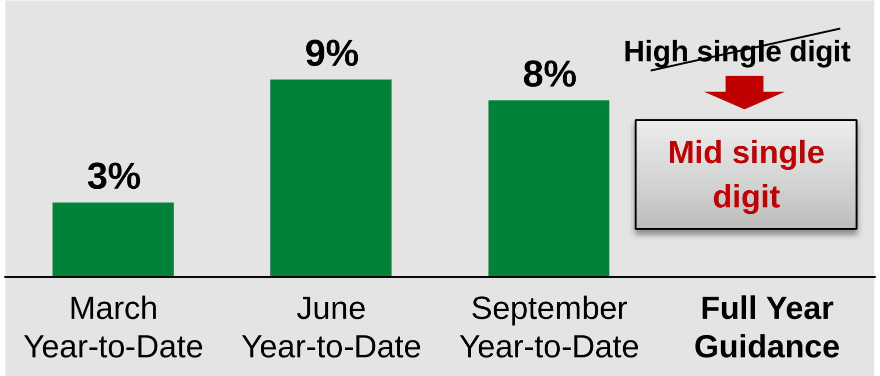
Fuel Cost (*)



Electricity Cost (*)



TOTAL ENERGY COST (*)



As a result of successful energy cost management, we now expect lower cost inflation

(*) Cement business line

Disciplined growth and increasing shareholder returns

Acquisition of Pacific North West Materials

- Price: Below 7.0X multiple
- Focus: Vertical integration in Washington and Oregon
- Synergies: 7.5 m$ per year (2016 EBITDA 14 m$)

Acquisition of Cementir Italia

- Price: Below 50 $/t cement capacity
- Focus: Improvement of nationwide presence in Italy
- Synergies: Minimum 25 m€ per year

Idle and non-core assets disposals

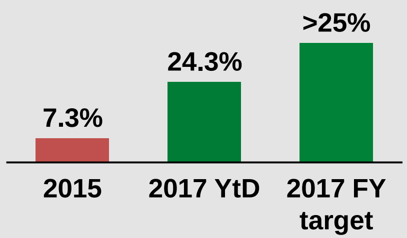
- Net debt reduction of ~200 m€
- Focus: Improvement of our asset portfolio by reducing exposure in low cashflow generating geographies and improve cash position via idle and non core asset disposals

We continue to grow, improve our market positions and optimize our asset portfolio

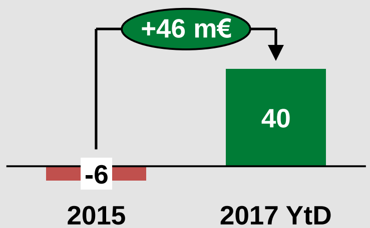
Successful ITC integration

Significant improvement in operational efficiency leads clear improvement in result

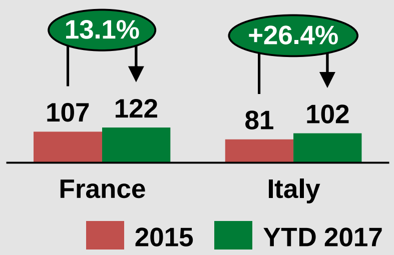
EBITDA margin USA (%)



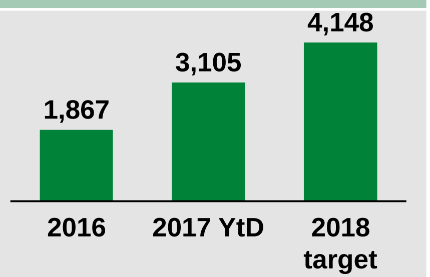
EBITDA ITALY[1] (m€)



MTBF[2] (in h)



FTE reduction (employees)



Long-term net losses of ITC Group turned into profits in a very short time

- **Very limited restructuring and integration costs** for an integration of this type and size
- **Strong cashflow from sale of non-core assets**
- **Refinancing costs** significantly **reduced**
- **Tax imbalances eliminated**
- **Further improvement** of financial performance indicators in the upcoming months **expected**

Strong EPS accretion already in 2017!

1) Profits from sale of CO_2 certificates of 40 m€ in 2015 excluded. 2) Average amount of time kiln operates between failures.

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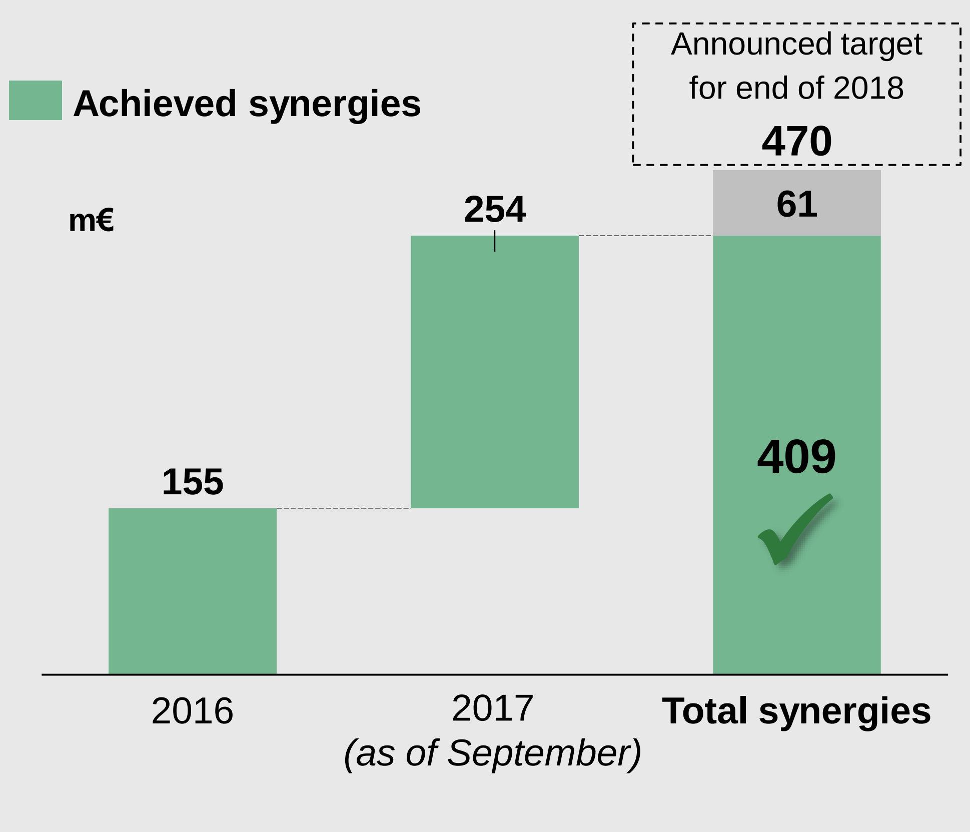
Synergy targets significantly over achieved

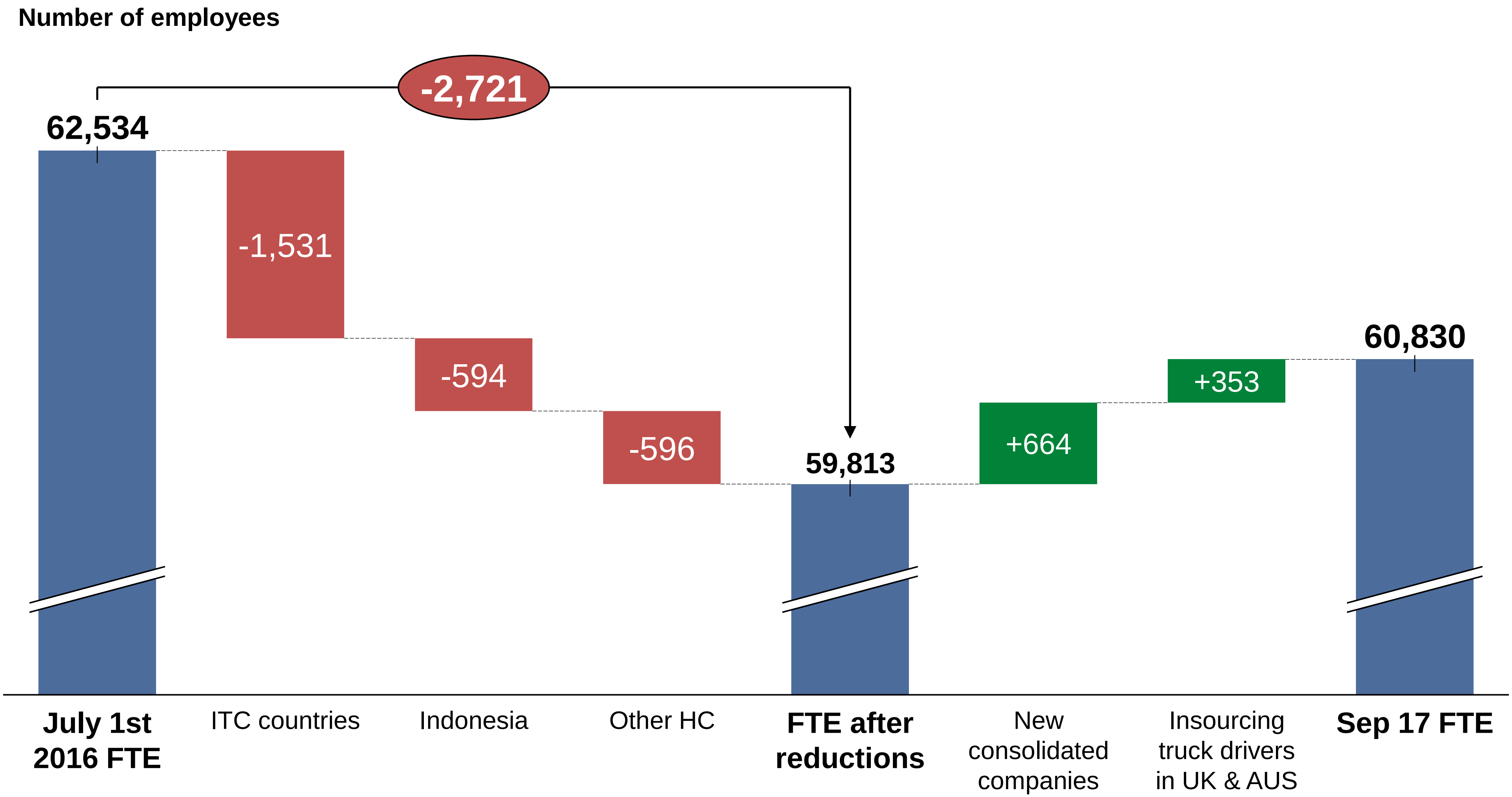
We are confident to reach 2018 targets already by the end of 2017



2017 incremental synergies	m€
Operations	101
SG&A	38
Purchasing	22
Other (trading, insurance, logistics, IT...)	53
Total EBITDA related	**214**
Treasury & tax	40
Total synergies	**254**

Synergies are clearly visible in the PL

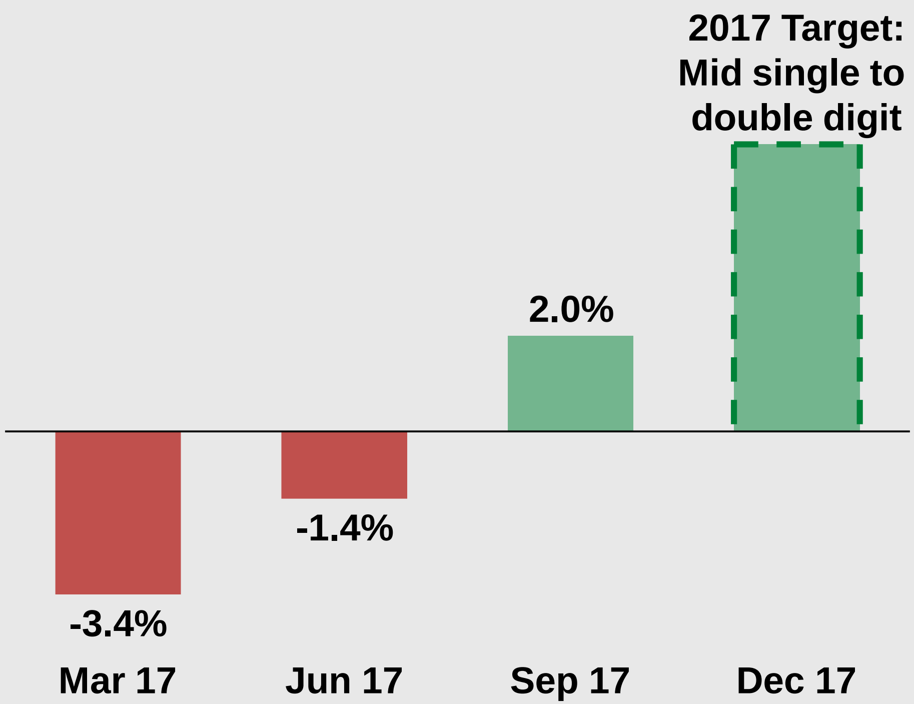
FTE reduction continues after ITC acquisition



Significant reduction in FTE further improves operational efficiency

On track to reach full-year EBITDA growth target

Year to date organic EBITDA growth



We expect a strong growth in Q4

- Continued improvement in key markets
- Comparison base for costs are easing
- Important tailwinds due to various ITC consolidation related one-offs in prior year
- Progressive positive impacts from synergies on Group results
- Focus on non-core asset disposals will further drive the cash and EBITDA

We are committed to reach our full year organic growth target

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North America

Hurricanes impact quarterly result. Pricing remains strong.

US	Improvement in Italcementi assets performance continues. EBITDA Margin at 24.6% while target is to reach above 25.0% for the full year in 2017 (vs. 7.3% in 2015 and 10.1% in 2016).
	Cement: Prices up over prior year across the US. Margin improvement is expected to continue throughout the remainder of the year. Strong markets in California and Washington.
	Aggregates: Margin driven by solid price increases, despite lower volumes due to negative weather impact especially in South due to Hurricanes Harvey and Irma.
Canada	Western Canada driven by residential and infrastructure demand. Alberta improvements on the back of increased commodity business activity.
	Solid market conditions lead to price increases in all business lines.

m€	Sep 16	Sep 17	Change	%	LfL %	Q3 16	Q3 17	Change	%	LfL %
Cement volume (‘000 t)	11,937	**12,347**	409	3.4 %	4.2 %	4,682	**4,734**	52	1.1 %	2.1 %
Aggregate volume (‘000 t)	91,042	**90,649**	-393	-0.4 %	-1.4 %	36,673	**37,069**	395	1.1 %	-1.4 %
Ready Mix volume (‘000 m^3)	5,132	**5,048**	-85	-1.7 %	-3.7 %	1,894	**1,984**	90	4.8 %	-0.7 %
Asphalt volume (‘000 t)	3,130	**3,003**	-127	-4.1 %	-8.5 %	1,671	**1,707**	36	2.2 %	-6.2 %
Revenue	3,192	**3,305**	112	3.5 %	2.2 %	1,267	**1,291**	24	1.9 %	2.7 %
Operating EBITDA	722	**802**	80	11.1 %	10.3 %	362	**394**	32	8.7 %	9.8 %
in % of revenue	*22.6 %*	***24.3 %***	*+166 bps*		*+180 bps*	*28.6 %*	***30.5 %***	*+192 bps*		*+200 bps*
Operating income (*)	506	**579**	73	14.5 %	13.6 %	288	**319**	31	10.8 %	11.3 %
Cement EBITDA margin	21.1 %	**24.6 %**			+344 bps	26.5 %	**30.1 %**			+357 bps
Aggregates EBITDA margin	31.3 %	**32.9 %**			+163 bps	37.1 %	**41.0 %**			+389 bps
RMC+ASP EBITDA margin	6.3 %	**4.4 %**			-186 bps	10.2 %	**7.1 %**			-314 bps

(*) Operating income includes a negative impact of -6m€ from ITC PPA in Q3 2017 (YtD: -20 m€).

Western and Southern Europe

UK remains trouble spot. Market recovery visible, especially in Southern Europe.

UK	Unstable market with inflation steeply rising, continued political uncertainty, adverse currency effects and bitumen cost inflation. Key infrastructure projects delayed. Positive pricing and cost cutting program showing first effects.
Germany	Strong result development continued. Higher energy costs offset by further volume increases. Outlook remains solid.
Benelux	Continued cost inflation due to adverse energy prices and raw material cost compensated by price increases versus previous year and strong volumes in cement. Positive market outlook after slow start post summer months.
Italy	Overall cement market development improving. Better results driven by positive price/volume and reduced costs.
France	Positive underlying trend in market 2017 continues. Operationally strong results due to positive volume development. Prices stabilized.
Spain	Continuously improving results with further upside due to market recovery. HC Spain exposure to Catalonian risk limited.

m€	Sep 16	Sep 17	Change	%	LfL %	Q3 16	Q3 17	Change	%	LfL %
Cement volume (‘000 t)	21,529	**21,777**	248	1.2 %	1.2 %	7,331	**7,462**	131	1.8 %	1.8 %
Aggregate volume (‘000 t)	60,168	**59,669**	-499	-0.8 %	-0.8 %	20,670	**19,996**	-673	-3.3 %	-3.3 %
Ready Mix volume (‘000 m^3)	13,484	**12,976**	-508	-3.8 %	-3.8 %	4,653	**4,282**	-371	-8.0 %	-8.0 %
Asphalt volume (‘000 t)	2,227	**2,454**	227	10.2 %	10.2 %	839	**863**	24	2.8 %	2.8 %
Revenue	3,630	**3,555**	-75	-2.1 %	0.2 %	1,227	**1,195**	-32	-2.6 %	-1.3 %
Operating EBITDA	514	**459**	-55	-10.7 %	-6.2 %	209	**202**	-6	-3.0 %	-1.2 %
in % of revenue	*14.2 %*	***12.9 %***	*-124 bps*		*-89 bps*	*17.0 %*	***16.9 %***	*-7 bps*		*+2 bps*
Operating income (*)	284	**227**	-58	-20.3 %	-14.3 %	132	**126**	-6	-4.5 %	-2.3 %
Cement EBITDA margin	20.1 %	**20.2 %**			+72 bps	23.7 %	**26.1 %**			+242 bps
Aggregates EBITDA margin	17.4 %	**15.7 %**			-171 bps	18.2 %	**19.9 %**			+168 bps
RMC+ASP EBITDA margin	0.4 %	**-2.3 %**			-267 bps	0.4 %	**-2.3 %**			-274 bps

LfL figures excluding currency, scope and CO_2 gain of 11 m€ in Q2 2016. (*) Operating income includes a negative impact of -9 m€ from Italcementi PPA in Q3 2017 (YtD: -27 m€).

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Northern and Eastern Europe - Central Asia

Strong performance continues in all countries

Nordics	Historically high activity level in the construction industry, particularly in residential building in Sweden and large infrastructure projects in Norway. Dilution in margin due to first time consolidation of Mibau.
Poland	Positive trends in sales volumes, consistent pricing policy and tough costs control leads to margin improvement.
Czech Rep.	Increase in sales volume and pricing compensates cost inflation.
Romania	Solid result performance as a result of permanent costs optimization process and improvement in residential sector.
Hungary	Increase in sales volumes, along with the cost management leads to result improvement.
Russia	Strong pricing in all markets. Volumes down except for Northwest. Repair cost savings drive profitability further up.
Kazakhstan	Solid price development, while maintaining market share. Exports to Uzbekistan and Kyrgyzstan increased.

m€	Sep 16	Sep 17	Change	%	LfL %	Q3 16	Q3 17	Change	%	LfL %
Cement volume ('000 t)	19,644	**19,787**	143	0.7 %	0.7 %	7,916	**7,781**	-135	-1.7 %	-1.7 %
Aggregate volume ('000 t)	25,286	**39,062**	13,776	54.5 %	3.9 %	10,374	**15,681**	5,307	51.2 %	2.4 %
Ready Mix volume ('000 m^3)	4,695	**5,018**	323	6.9 %	3.5 %	1,829	**1,925**	96	5.2 %	0.8 %
Asphalt volume ('000 t)	0	**0**	0	N/A	N/A	0	**0**	0	N/A	N/A
Revenue	1,826	**2,138**	312	17.1 %	3.9 %	688	**800**	112	16.2 %	3.6 %
Operating EBITDA	345	**403**	58	16.7 %	10.2 %	182	**202**	20	11.1 %	4.8 %
in % of revenue	*18.9 %*	***18.9 %***	*-6 bps*		*+110 bps*	*26.5 %*	***25.3 %***	*-117 bps*		*+28 bps*
Operating income	221	**270**	49	22.2 %	19.2 %	141	**159**	18	12.7 %	7.8 %
Cement EBITDA margin	22.7 %	**23.2 %**			+104 bps	30.5 %	**31.1 %**			+53 bps
Aggregates EBITDA margin	16.3 %	**15.2 %**			-109 bps	31.2 %	**20.9 %**			-1,034 bps
RMC+ASP EBITDA margin	6.4 %	**6.9 %**			+55 bps	7.3 %	**7.6 %**			+31 bps

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

Asia Pacific

Despite continuing price pressure in Indonesia, trend clearly turns positive

Australia	Excellent performance in Q3 with strong volume developments in AGG and price increase, especially in RMX.
Indonesia	Market showing signs of recovery with high double digit volume growth in Q3 2017 vs Q3 2016. Pricing still a challenge, however strict cost management and optimized production planning partially compensates margin pressure.
India	Robust operational results with expedited realization of synergies. Prices stable across both Central and Southern India. Volumes under slight pressure due to unavailability of sand in some markets, impacting construction.
Thailand	Prices continue recovery in Q3. Despite the price increase affecting current volume developments and the influx of Laotian cement , the market's mid term outlook remains positive with mega projects announced.
China	Government mandated production stops and stable macroeconomics support the continual market recovery. Very strong volume and price developments in HeidelbergCement markets.

m€	Sep 16	Sep 17	Change	%	LfL %	Q3 16	Q3 17	Change	%	LfL %
Cement volume ('000 t)	25,587	**25,306**	-281	-1.1 %	-1.1 %	8,287	**8,674**	387	4.7 %	4.7 %
Aggregate volume ('000 t)	29,348	**30,657**	1,309	4.5 %	4.5 %	9,865	**10,812**	946	9.6 %	9.6 %
Ready Mix volume ('000 m^3)	8,420	**7,866**	-554	-6.6 %	-6.6 %	2,827	**2,833**	6	0.2 %	0.2 %
Asphalt volume ('000 t)	1,334	**1,225**	-109	-8.2 %	-8.2 %	456	**464**	8	1.8 %	1.8 %
Revenue	2,360	**2,361**	0	0.0 %	-1.5 %	777	**794**	17	2.2 %	6.9 %
Operating EBITDA	549	**486**	-63	-11.4 %	-12.4 %	182	**169**	-14	-7.4 %	-2.5 %
in % of revenue	*23.3 %*	***20.6 %***	*-266 bps*		*-258 bps*	*23.5 %*	***21.3 %***	*-221 bps*		*-205 bps*
Operating income	419	**342**	-76	-18.3 %	-19.1 %	138	**123**	-15	-10.7 %	-5.7 %
Cement EBITDA margin	26.3 %	**20.9 %**			-534 bps	25.2 %	**19.9 %**			-532 bps
Aggregates EBITDA margin	27.3 %	**25.1 %**			-222 bps	26.8 %	**25.5 %**			-129 bps
RMC+ASP EBITDA margin	-0.1 %	**1.1 %**			+114 bps	0.1 %	**2.8 %**			+263 bps

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Africa - Eastern Mediterranean Basin

Solid organic growth and margin improvement as demand picks up in key markets

Egypt	Market demand is significantly below prior year. New coal mill in Helwan allows for lower production costs and benefits from inter-company volume switches. The usage of alternative fuels increasing. FTE reduction program is better than planned.
Morocco	Sales volumes have picked-up after Ramadan period. Stable pricing throughout the quarter.
Tanzania	Price increase was implemented. Sales volumes better than expected.
Ghana	Market demand remains robust. Sales volumes are significantly above prior year, compensating lower sales prices.
Togo	Increase in sales volumes despite overall stable market demand.
Israel	Strong volumes in aggregates, while RMX business experienced slight price declines due to increased competition.
Turkey	Price increase was implemented and sales volumes were significantly up compared to prior year. Major infrastructure projects continue.

m€	Sep 16	Sep 17	Change	%	LfL %	Q3 16	Q3 17	Change	%	LfL %
Cement volume (‘000 t)	15,109	**14,860**	-249	-1.6 %	-2.0 %	4,840	**4,999**	159	3.3 %	3.3 %
Aggregate volume (‘000 t)	8,224	**9,097**	873	10.6 %	10.6 %	2,726	**3,135**	409	15.0 %	15.0 %
Ready Mix volume (‘000 m^3)	3,770	**3,717**	-53	-1.4 %	-1.4 %	1,142	**1,286**	143	12.5 %	12.5 %
Asphalt volume (‘000 t)	380	**418**	38	9.9 %	9.9 %	149	**161**	11	7.7 %	7.7 %
Revenue	1,377	**1,179**	-197	-14.3 %	2.1 %	426	**376**	-50	-11.7 %	9.7 %
Operating EBITDA	333	**278**	-55	-16.4 %	-8.3 %	99	**93**	-7	-6.7 %	5.0 %
in % of revenue	*24.2 %*	***23.6 %***	*-59 bps*		*-268 bps*	*23.3 %*	***24.6 %***	*+132 bps*		*-110 bps*
Operating income	243	**208**	-35	-14.5 %	-9.9 %	70	**69**	-1	-1.2 %	5.8 %
Cement EBITDA margin	24.6 %	**26.5 %**			+182 bps	23.1 %	**27.5 %**			+442 bps
Aggregates EBITDA margin	22.2 %	**23.2 %**			+94 bps	22.8 %	**22.8 %**			-0 bps
RMC+ASP EBITDA margin	5.5 %	**2.8 %**			-269 bps	4.2 %	**3.1 %**			-116 bps

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Group Services

The growth in the international sales remains on track. HCT Revenue is up by 19%.

- Export volume of former Italcementi plants increased by 22% compared to prior year same period, synergy targets are 146% higher than plan.
- Surplus generated from Asia region has partially dried up because of capacity & production cuts in China and healthy domestic demand in some Asian countries.
- Chinese clinker exports declined by 57% YoY together with the significant increase in domestic cement prices. Exports are predicted to continue to decrease in 2018.
- Limited spot clinker exportable volume from China pushed export prices up by 12% since beginning of this year. Cement clinker price in Asia has started to increase.
- Mediterranean region will continue to be major exporter in 2018. Turkey's cement exports to USA have increased significantly.

m€	Sep 16	Sep 17	Change	%	LfL %	Q3 16	Q3 17	Change	%	LfL %
Revenue	822	**990**	167	20.4 %	20.1 %	280	**333**	53	19.0 %	25.7 %
Operating EBITDA	20	**20**	-1	-3.6 %	-3.8 %	5	**5**	0	1.5 %	11.1 %
in % of revenue	*2.5 %*	***2.0 %***	*-49 bps*		*-49 bps*	*1.8 %*	***1.5 %***	*-26 bps*		*-20 bps*
Operating income	15	**16**	2	11.3 %	11.0 %	3	**4**	1	32.7 %	48.2 %

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Key financial messages September 2017

EPS in Q3 increase by 38% to 2.42 € (PY: 1.75 €)

- Additional ordinary result stable on a low level despite ongoing restructuring measures.
- Financial result significantly improved by 38 m€ vs. Q3 2016 due to favorable refinancing of ITC debt and generally improved refinancing conditions.
- Tax imbalances of ITC reduced, current taxes in the quarter improved, higher deferred taxes as US loss carryforwards are progressively used.
- Group share of profit increased by 142 m€ (+42%) to 481 m€ in Q3 2017 and YTD September by 31% to 768 m€.

Strong free cashflow generation of 1.2 b€ in the last 12 months

- Strong increase in cashflow on the back of solid operational performance, improved working capital and lower interest payments.
- Working Capital improving but not yet on prior year´s level; normalization expected for year-end.
- CapEx discipline and sale of non-core assets further strengthen cashflow.
- Net debt reduced by almost 500 m€ to 9.6 b€ in the quarter.

On track for FY targets: Increase EPS and free cashflow, reduce net debt

Income Statement September 2017

m€	Sep 16	Sep 17	Change	Q3 16	Q3 17	Change
Revenue	10,927	**13,004**	*19 %*	4,520	**4,610**	*2 %*
Result from joint ventures	150	**141**	*-6 %*	69	**62**	*-11 %*
Result from current operations before depreciation and amortization (RCOBD)	2,121	**2,405**	*13 %*	1,009	**1,058**	*5 %*
Depreciation and amortization	-644	**-827**	*28 %*	-271	**-271**	*0 %*
Result from current operations	1,477	**1,578**	*7 %*	738	**787**	*7 %*
Additional ordinary result	-98	**-42**	*57 %*	-81	**-6**	*93 %*
Result from participations	24	**40**	*68 %*	18	**19**	*5 %*
Financial result	-363	**-285**	*21 %*	-142	**-104**	*27 %*
Income taxes	-300	**-400**	*-33 %*	-169	**-176**	*-4 %*
Net result from continued operations	740	**891**	*20 %*	364	**521**	*43 %*
Net result from discontinued operations	-2	**-11**	*-364 %*	20	**-3**	*N/A*
Minorities	-152	**-112**	*26 %*	-44	**-38**	*15 %*
Group share of profit	585	**768**	*31 %*	339	**481**	*42 %*

Improved financial result and limited restructuring costs lead to increase in Group share of profit by 42%

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Cash flow statement September 2017

m€	Sep 16	Sep 17	Change	Q3 16	Q3 17	Change
Cash flow	1,645	**1,752**	*108*	859	**982**	*123*
Changes in working capital	-560	**-784**	*-224*	-183	**-56**	*127*
Decrease in provisions through cash payments	-300	**-261**	*40*	-105	**-90**	*15*
Cash flow from operating activities – disc. operations	-22	**-3**	*19*	-22		*22*
Cash flow from operating activities	762	**705**	*-58*	548	**836**	*288*
Total investments	-1,699	**-785**	*914*	-1,256	**-265**	*990*
Proceeds from fixed asset disposals/consolidation	712	**163**	*-549*	641	**83**	*-559*
Cash flow from investing activities - discontinued operations	0	**10**	*11*	0	**9**	*9*
Cash flow from investing activities	-988	**-612**	*376*	-615	**-174**	*441*
Free cash flow	-226	**92**	*318*	-66	**662**	*728*
Capital increase - non-controlling shareholders	18	**0**	*-18*	18	**0**	*-18*
Dividend payments	-324	**-519**	*-195*	-7	**-15**	*-8*
Transactions between shareholders	-6	**-1**	*5*	0		*0*
Net change in bonds and loans	906	**114**	*-792*	-820	**-692**	*127*
Cash flow from financing activities	594	**-406**	*-1,000*	-809	**-707**	*101*
Net change in cash and cash equivalents	368	**-314**	*-682*	-875	**-45**	*830*
Effect of exchange rate changes	5	**-114**	*-119*	0	**-48**	*-48*
Change in cash and cash equivalents	373	**-428**	*-800*	-875	**-93**	*782*

Solid operational performance and working capital management lead to strong free cash flow generation

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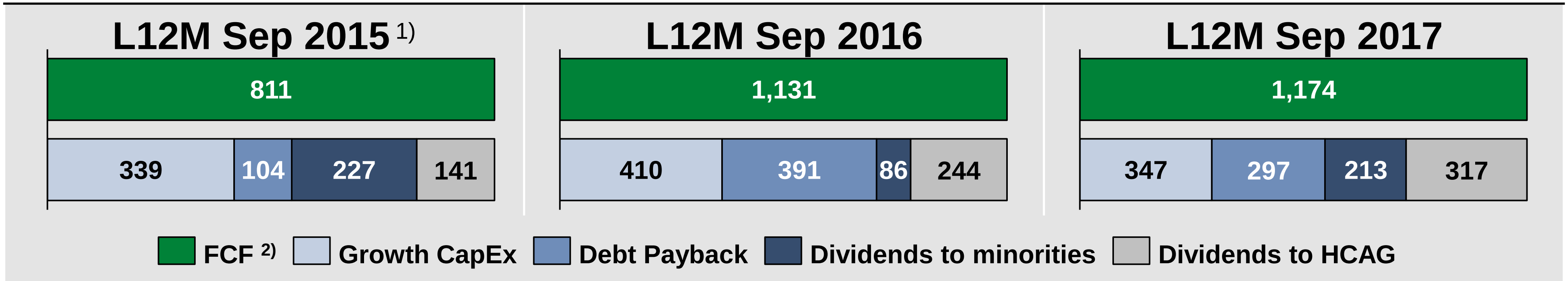
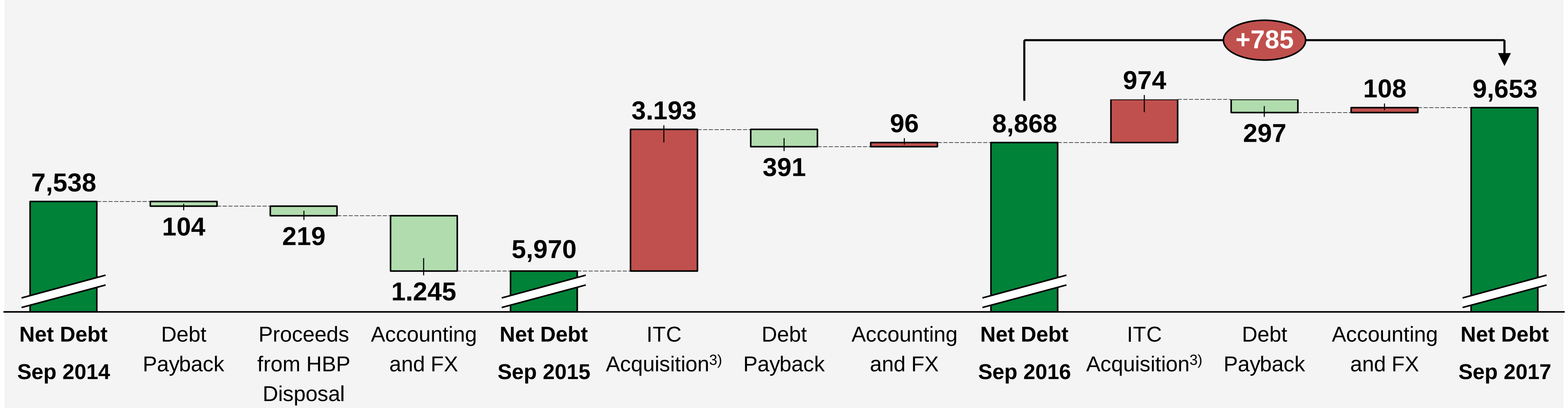
Free Cashflow increased by 4% to 1,174 m€

Usage of free cash flow (m€)





1) Values restated ; 2) Before growth CapEx and disposals (incl. cashflow from discontinued operations) ; 3)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

Group balance sheet

m€	Sep 16 (*)	Dec 16 (*)	Sep 17	Sep 17 / Sep 16 Variance (m€)	Variance (%)
Assets					
Intangible assets	12,439	12,412	**11,631**	-808	-6 %
Property, plant and equipment	12,414	13,915	**12,987**	573	5 %
Financial assets	2,312	2,383	**2,264**	-47	-2 %
Fixed assets	27,165	28,711	**26,882**	-282	-1 %
Deferred taxes	882	900	**778**	-104	-12 %
Receivables	3,532	3,396	**3,845**	312	9 %
Inventories	2,028	2,054	**1,930**	-97	-5 %
Cash and short-term financial instruments/derivatives	1,767	2,052	**1,616**	-151	-9 %
Assets held for sale and discontinued operations	1,119	9	**49**	-1,070	-96 %
Balance sheet total	36,493	37,122	**35,100**	-1,394	-4 %
Equity and liabilities					
Equity attributable to shareholders	14,921	16,057	**14,733**	-188	-1 %
Non-controlling interests	1,635	1,743	**1,527**	-108	-7 %
Equity	16,556	17,800	**16,260**	-296	-2 %
Debt	10,635	11,051	**11,269**	634	6 %
Provisions	2,729	3,102	**2,753**	24	1 %
Deferred taxes	498	643	**708**	210	42 %
Operating liabilities	5,894	4,526	**4,110**	-1,784	-30 %
Liabilities held for sale and discontinued operations	181	0	**0**	-181	N/A
Balance sheet total	36,493	37,122	**35,100**	-1,394	-4 %
Net Debt	8,868	8,999	**9,653**	785	9 %
Gearing	53.6 %	50.6 %	**59.4 %**		

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

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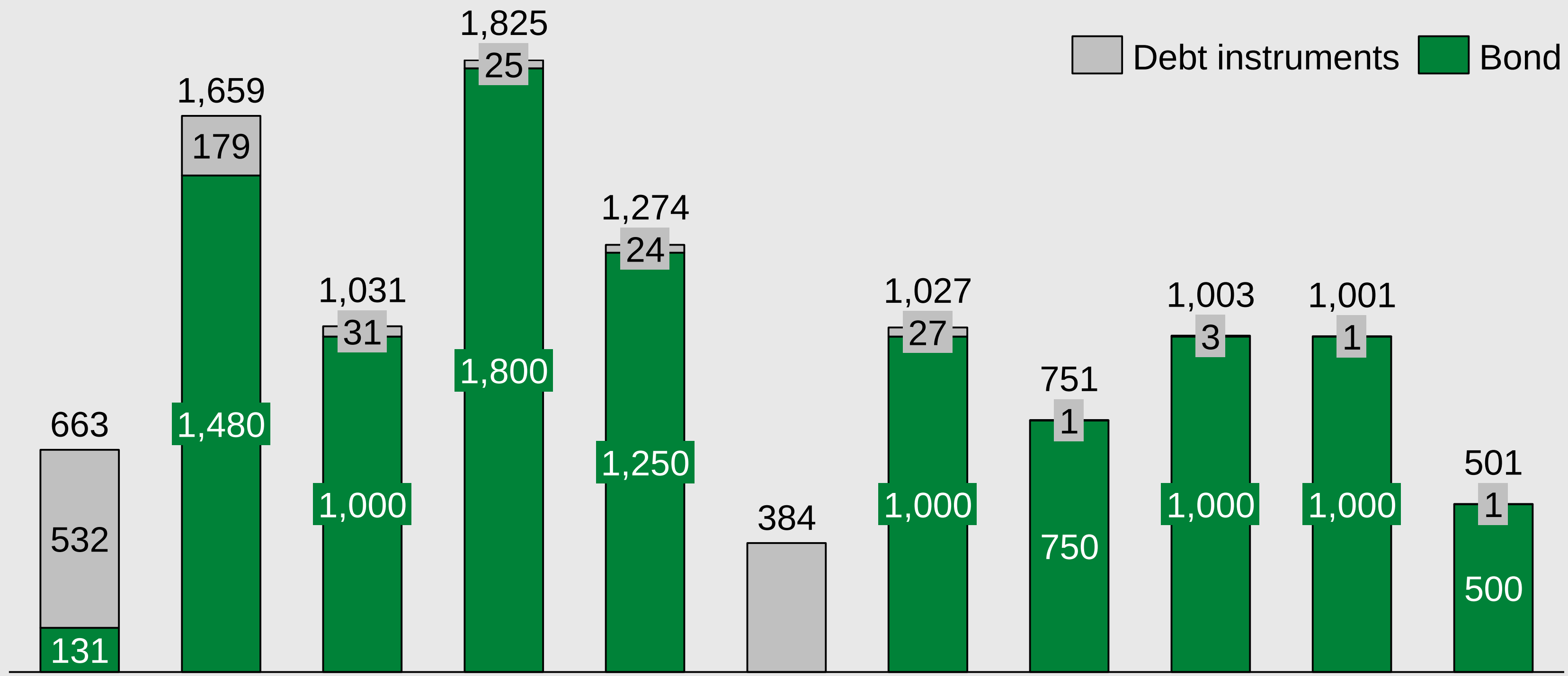
Debt maturity profile

As per 30 September 2017 (m€)



Average coupon rate :	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	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

Contents

Sustainability Commitments 2030

SUSTAINABILITY COMMITMENTS 2030

SUSTAINABLE DEVELOPMENT GOALS

Six themes signify HC's commitment to sustainable growth, to the environment and to society

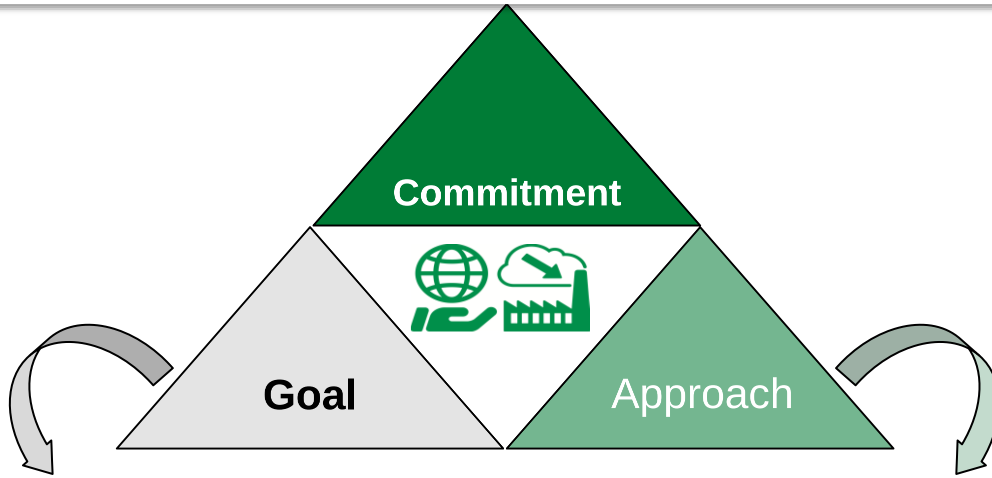
Theme	Sustainable Development Goals
Driving Economic Strength and Innovation	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
Achieving excellence in Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION
Reducing our Environmental Footprint	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND
Enabling the Circular Economy	8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Being a Good Neighbour	4 QUALITY EDUCATION; 17 PARTNERSHIPS FOR THE GOALS
Ensuring Compliance *and creating* Transparency	5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS

The Sustainability Commitments 2030 are a policy designed to actively contribute to the Sustainable Development Goals of UN

Clear goals and approach defined for each commitment

Example: Reducing our Environmental Footprint

"We are committed to fulfilling our share of the global responsibility to keep temperature rise below 2ºC, and we will continue to reduce our impacts on air, land and water"



- 30% reduction in CO_2 emissions by 2030 (vs. 1990).
- Permanently reduce all air emissions below cement industry average.
- Reduce water consumption at all operational sites.
- Implement a biodiversity management plan at extraction sites.

- ✓ Invest into CO_2 neutral energy production from waste heat recovery wherever feasible.
- ✓ Research and implement state-of-the-art technologies to reduce emissions.
- ✓ Implement and follow a Water Management Plan at all sites.
- ✓ Work close with our local communities to determine optimal after-mining-use of our sites.

Contents

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Targets 2017

	2017 Target
Volumes	**Increase in all business lines**
Operating EBITDA	**Mid single to double digit organic growth**
CapEx	**1.2 b€** ↘
Maintenance	*700 m€*
Expansion	*500 m€* ↘
Energy cost per tonne of cement produced	**Mid single digit increase** ↘
Current tax rate	**~25 %**

Contents

Volume and price development (September YtD 2017 vs. 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	++	-				++

Price decline driven by regional and product mix

Pricing already stabilized in Tanzania, improving in Ghana.

++ = >2%

\+ = 0 to +2%

\- = -2% to 0

-- = <-2%

Currency & Scope Impacts

Cement Volume	September Year to Date			Q3		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	-91	0	0	-44	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	0	0	0
Group Services	0	0	0	0	0	0
TOTAL GROUP	**47**	**-91**	**0**	**0**	**-44**	**0**

Aggregates Volume	September Year to Date			Q3		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	891	0	0	891	0	0
West & South Europe	0	0	0	0	0	0
North & East Europe	15,551	-2,654	0	6,005	-926	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	**16,442**	**-2,654**	**0**	**6,896**	**-926**	**0**

RMC Volume	September Year to Date			Q3		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	104	0	0	104	0	0
West & South Europe	0	0	0	0	0	0
North & East Europe	158	0	0	81	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	**262**	**0**	**0**	**185**	**0**	**0**

Asphalt Volume	September Year to Date			Q3		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	140	0	0	140	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	**140**	**0**	**0**	**140**	**0**	**0**

Revenues	September Year to Date			Q3		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	42	-13	14	42	-6	-45
West & South Europe	0	0	-83	0	0	-17
North & East Europe	228	-21	33	92	-7	1
Asia - Pacific	0	0	36	0	0	-34
Africa - Med. Basin	4	0	-226	0	0	-83
Group Services	0	0	2	0	0	-15
TOTAL GROUP	**274**	**-34**	**-224**	**134**	**-13**	**-193**

Operating EBITDA	September Year to Date			Q3		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	5	-3	3	5	-1	-8
West & South Europe	0	0	-13	0	0	-4
North & East Europe	35	-12	7	17	-9	3
Asia - Pacific	0	0	6	0	0	-9
Africa - Med. Basin	1	0	-31	0	0	-11
Group Services	0	0	0	0	0	0
TOTAL GROUP	**41**	**-15**	**-28**	**23**	**-9**	**-29**

Operating Income	September Year to Date			Q3		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	3	-1	2	3	0	-4
West & South Europe	0	0	-9	0	0	-3
North & East Europe	22	-10	4	12	-8	3
Asia - Pacific	0	0	4	0	0	-7
Africa - Med. Basin	1	0	-13	0	0	-5
Group Services	0	0	0	0	0	0
TOTAL GROUP	**25**	**-11**	**-12**	**15**	**-8**	**-16**

Contact information and event calendar

Event calendar

22 March 2018	2017 annual results
09 May 2018	2018 first quarter results
09 May 2018	2018 AGM
31 July 2018	2018 half year results
08 November 2018	2018 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.