



Capital Markets Day 2016

US operations

John Stull, CEO US Cement



United States

Favourable US market with steady forecast growth based on solid housing fundamentals and planned acceleration in infrastructure

#1 cement producer in the country

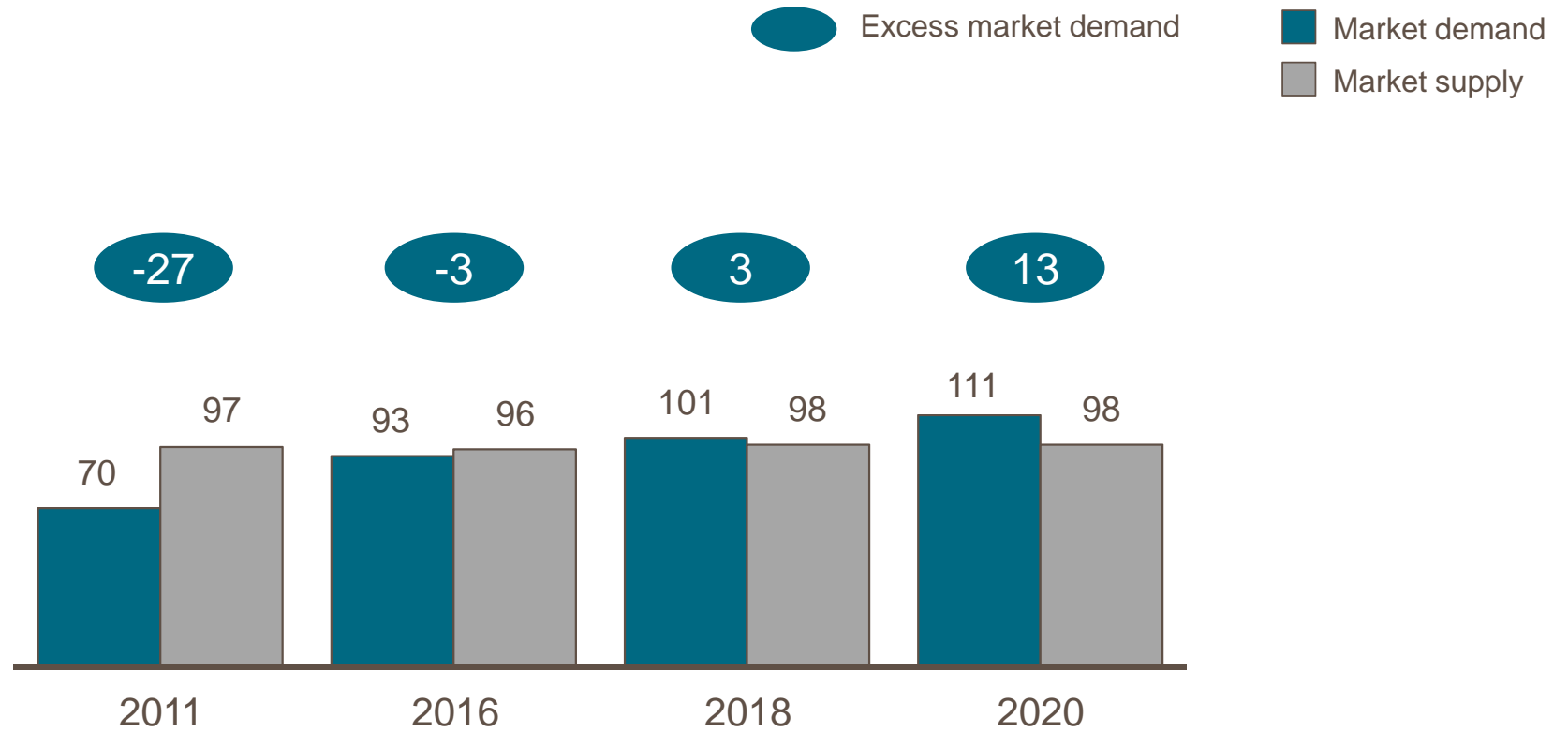
Synergies implementation ahead of plan

Unrivalled distribution network providing uninterrupted supply

Successful pricing strategy driven by customer excellence

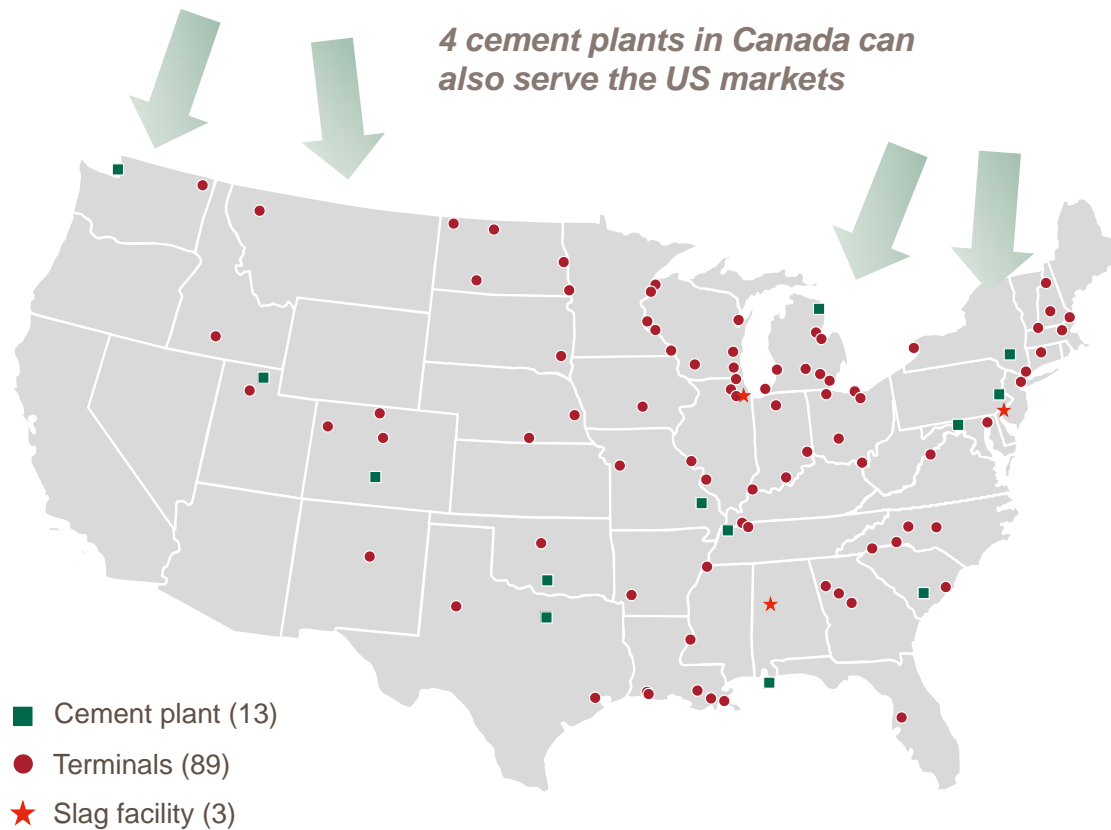
Market demand expected to exceed supply going forward

Cement volumes, Mt



Sources: Portland Cement Association, September 2016 for market demand; internal assumptions for market supply

Largest cement producer in the US Market



Strengths

- #1 Cement Producer with 6Mt available capacity
- Unrivalled distribution network to provide uninterrupted supply to all key market, including 2Mt additional free capacity from Canada
- A unique range of product offer

	<u>LTM</u>
Cement capacity (Mt)	22
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FTE # (2016)	2,800

Commercial Transformation – Uniquely positioned to address increased domestic demand

Differentiation through product and service portfolio management

- Extensive cement, blended cement, Aggregates, Asphalt, RMX, slag and fly ash product portfolio
- Unrivalled distribution network to provide uninterrupted and alternative supply plans for all key markets

Infrastructure

- integrated road offer and portable RMX deployment pulling together our cement, aggregates, asphalt and RMX offers
- New way of working with engagement at the pre-tender and design phase of projects

State-of-the-art commercial tools used for price and margin analysis

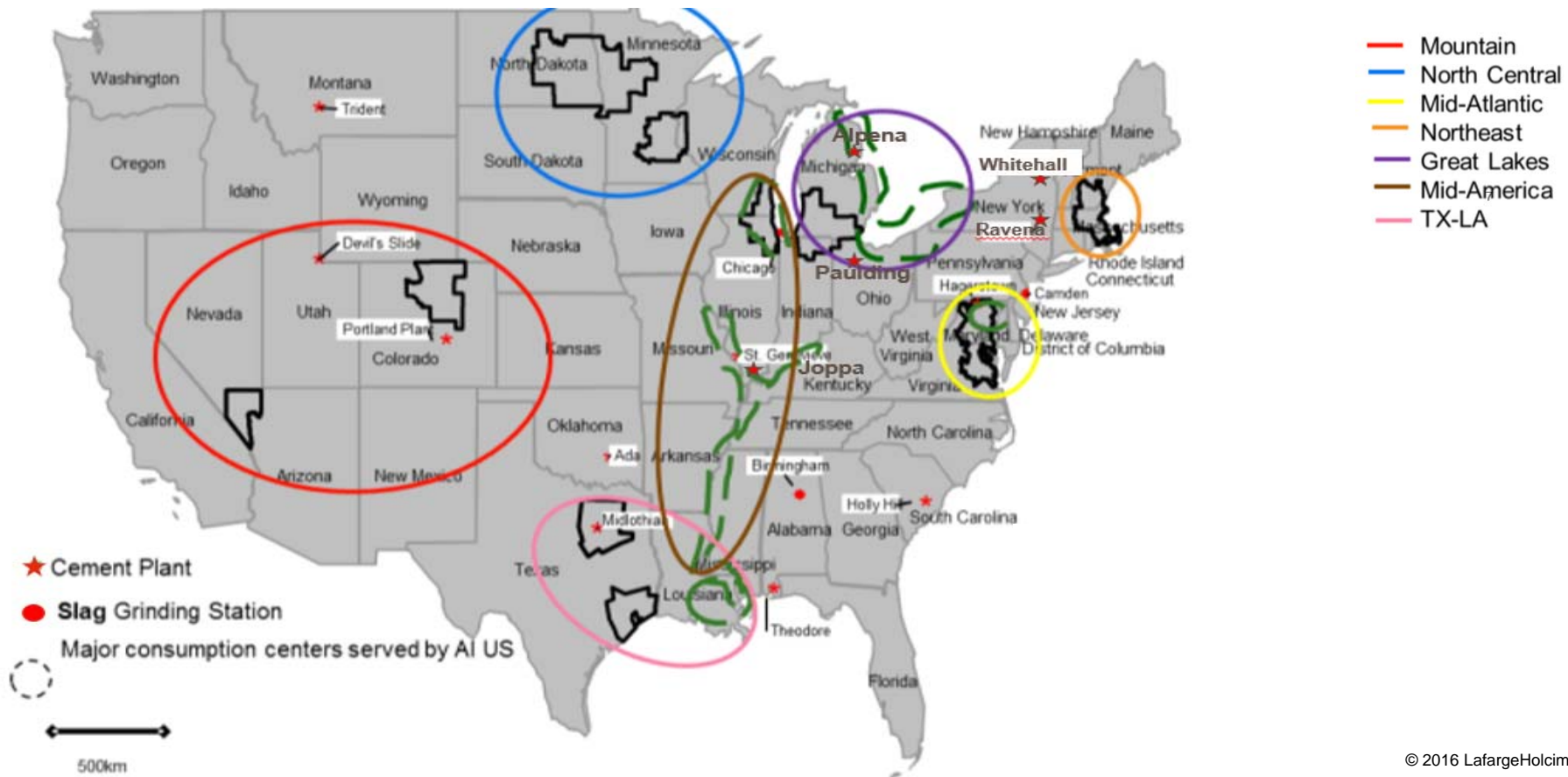
- Integrated systems allow for detailed forecasting and modeling to occur with use of current financial information; blending historical and forecast data

Creating value through targeted Infrastructure projects



Integrated solutions offered across our unique network

US ACM: Strategic positions to deliver integrated offers with additional margin



Cost Leadership - Actively optimize networks to support growing North America capacity

Synergy delivery

Deliver synergy targets through existing pipeline of initiatives in 2016

- Accelerated synergy delivery with 90% expected by end of 2016
- Supply chain synergies on track and delivering \$30m

Optimize alternative fuels and material networks post merger

- Haz waste network; sharing and implementing best practices for non-haz materials sourcing and processing

Active portfolio management

- Mothball kilns to optimize utilization rates (Joppa / Whitehall) to be potentially re-started
- Optimize sales network in the US and across the borders with our neighbors in Canada and Mexico

Ongoing cost management

Further footprint improvement

- Investment in modernizing capacities in Hagerstown (2016) and Ravenna, St Genevieve and Ada plants (2017) representing increased capacity of approximately 1.8 Mt
- Selected kiln mothballing (2016) in Joppa and Whitehall for about 0.9 Mt

Drive cost leadership

- Increase of usage of alternative fuels and materials
- Replace uncertainty of traditional fuel pricing

US Marketplace – Concluding Remarks

- **Steady growth** based on housing and expected acceleration in Infrastructure
- **Integration completed** with teams now focused on commercial transformation
- **Extensive product portfolio and expert resources** to driver commercial transformation from direct customer to end user segments
- **Optimized network** of plants, with 6Mt available capacity, and distribution terminals fully integrated and well positioned to capture new market opportunities – cost leadership
- **Cost leadership**
 - On track to achieve cost synergies for 2016
 - Completed modernization of Hagerstown plant October 2016
- **Continuation of margin improvement** and outperforming cost inflation: strong EBITDA margin growth since the beginning of the year