

An aerial photograph of a large industrial facility, likely a refinery or chemical plant, featuring several large storage tanks and industrial buildings. The facility is situated in a flat, open area with some residential buildings visible in the background. The sky is clear, and the overall scene is brightly lit.

Investor presentation H+H Russia

Moscow, 28 October 2014

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Forward-looking statement

The forward-looking statements in this presentations reflect management's current expectations for certain future events and financial results.

Statements regarding the future are, of course, subject to risks and uncertainties which may result in material deviations from expectations.

Factors that may cause the actual results to deviate materially from expectations are: aircrete products, the market's acceptance of new products, the introduction of competing products etc.

Agenda

- H+H International in short
- Russian construction market
- North-West region construction market
- Q&A

Brief introduction

- H+H develops, manufactures and sells aircrete in standard blocks and reinforced products for the building industry in northern and eastern Europe and in the UK.
- Customers are mainly contractors, developers and builders' merchants.
- H+H is Europe's second-largest manufacturer of aircrete and holds a substantial market position relative to the size of the overall market for aircrete.
- In the financial year 2013, the Group generated a revenue of DKK 1,260 million and had on average 885 employees in 9 countries.



Aircrete – the product

Applications

- Examples of products which are handled manually without any use of lifting gear

Thermo-block

Block product with integrated insulation used in the construction of external solid walls



Multi plates

Mainly used in the construction of non-loadbearing internal partition walls



Tempoblock

Used in the construction of both inner and outer leaves of cavity walls



H+H markets



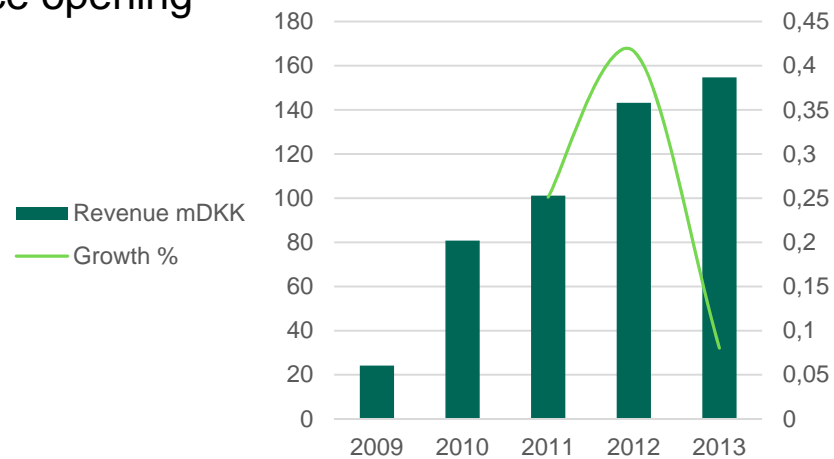
H+H factory in Kikerino, Russia



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H+H Russia in the Group accounts

- Total investment of +250 mDKK in a green field project
- Constant revenue improvements since opening



- Growth in the Russian economy
- Oil prices impact on the public budget
- RUB volatility

Market development H1 2014

Eastern Europe

- H+H has increased selling prices in Poland in second quarter which has had a negative effect on volumes. EBITDA, however, was higher than last year.
- There is still a need for restructuring in the Polish market, since overcapacity remains high and therefore selling prices are low.
- In Russia, the second quarter saw growth in both sales volumes and revenue in local currency, but average prices were lower than last year.
- No dramatic changes in market conditions in Russia as yet.



Russian construction market

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Market overview

Russia

Aircrete market size

≅12.500.000 m3

Country size

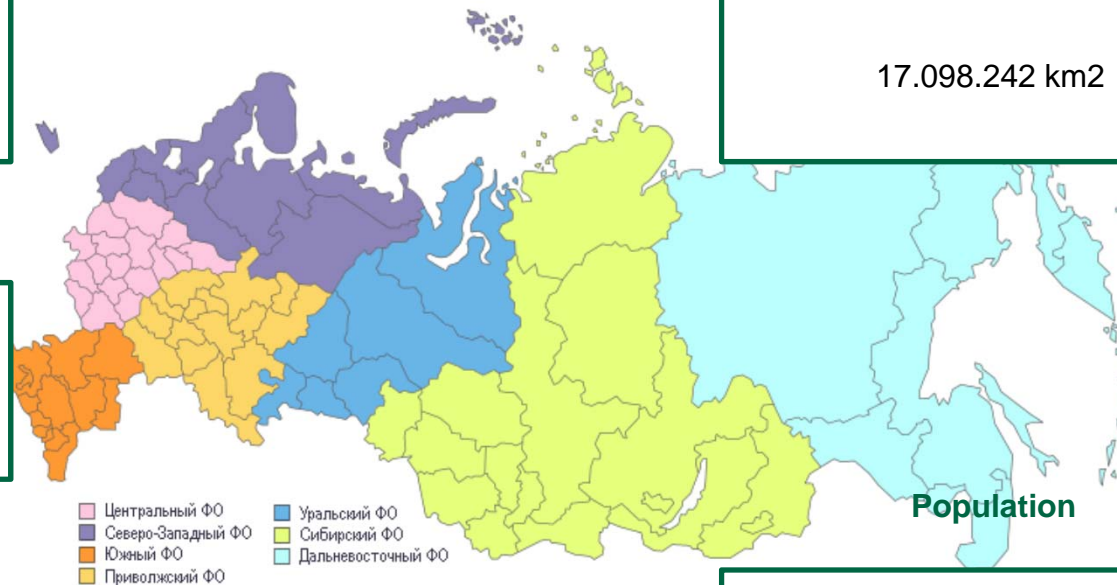
17.098.242 km2

Aircrete plants

67

Aircrete penetration 2013

38%



Population

143.666.961

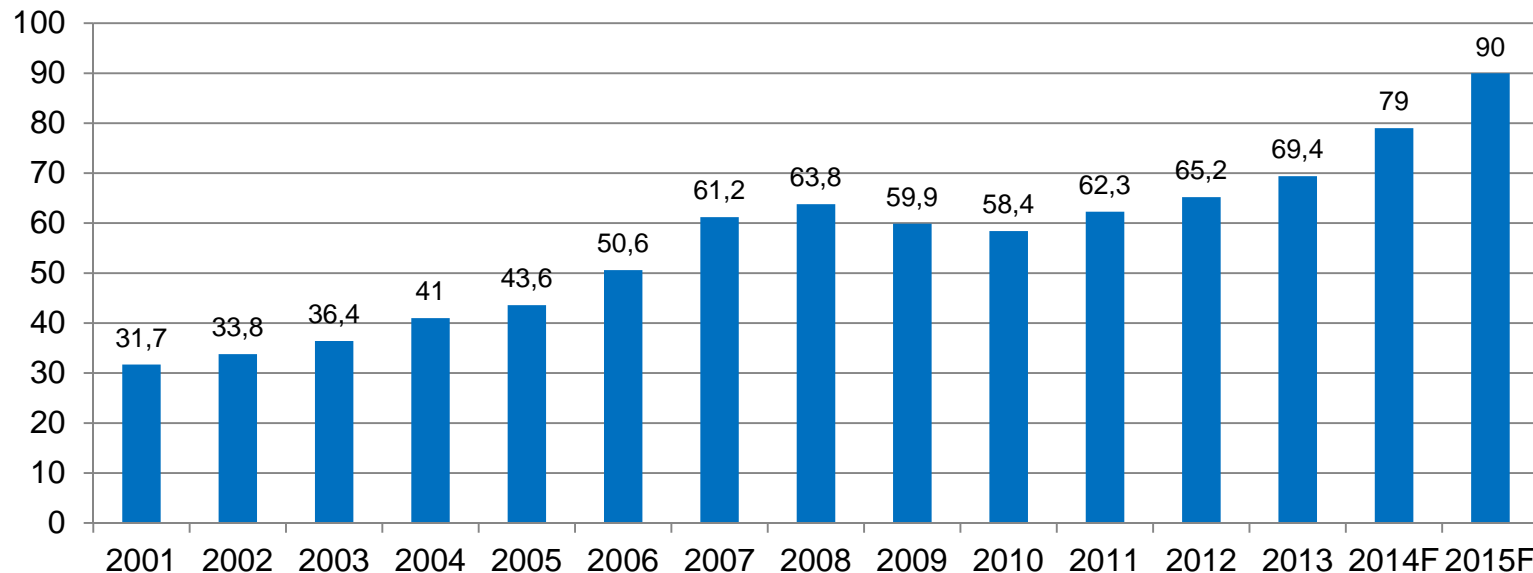


The aircrete market

General development of construction in Russia

- Vision for Russian housing market is announced in 2020 Master plan with the aim to have the same living standards as in western Europe (30-35 m²/person). In Russia – 22m²/person.

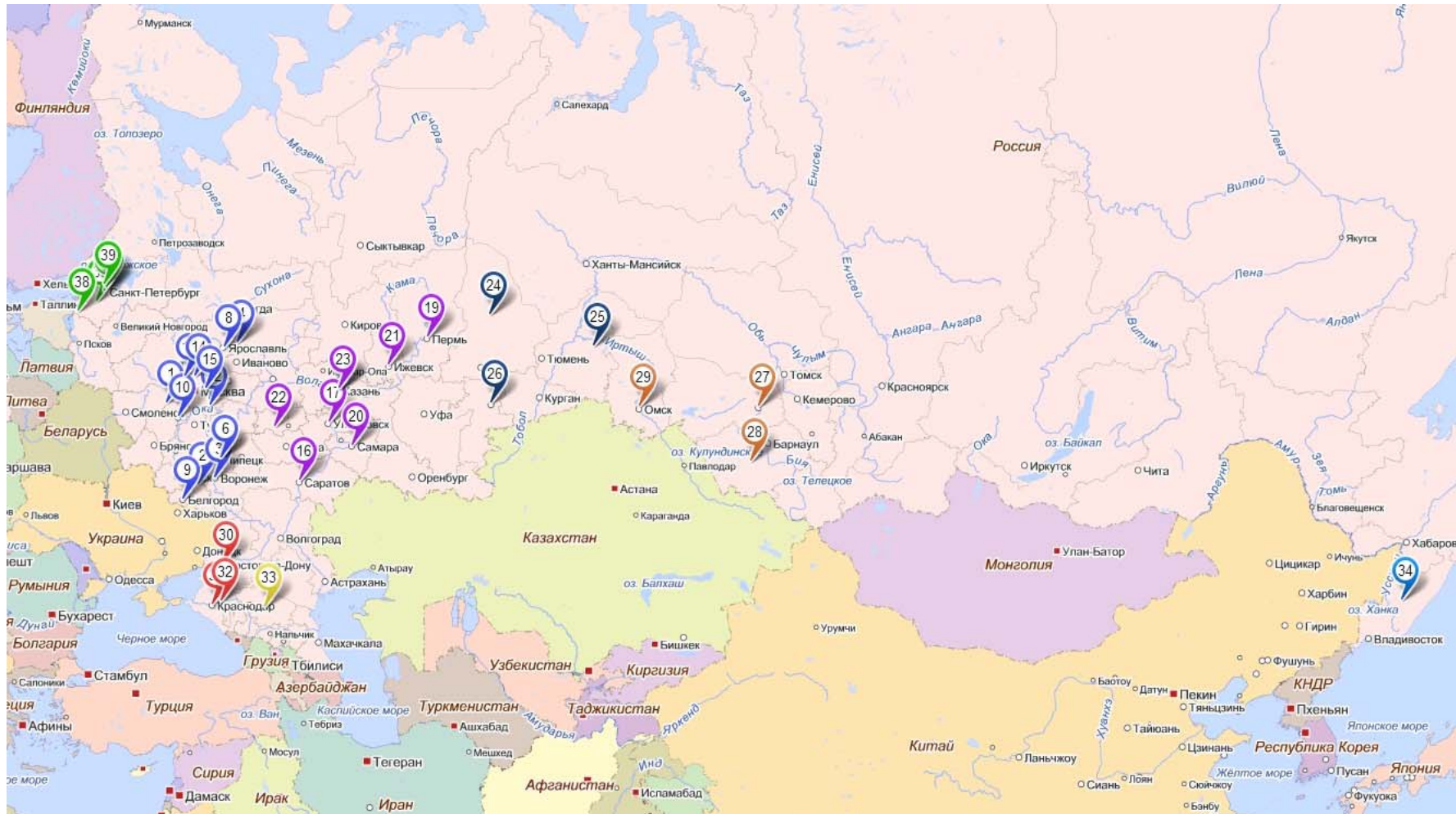
Housing completion, mln. m²



Source: Russian Ministry of Finance

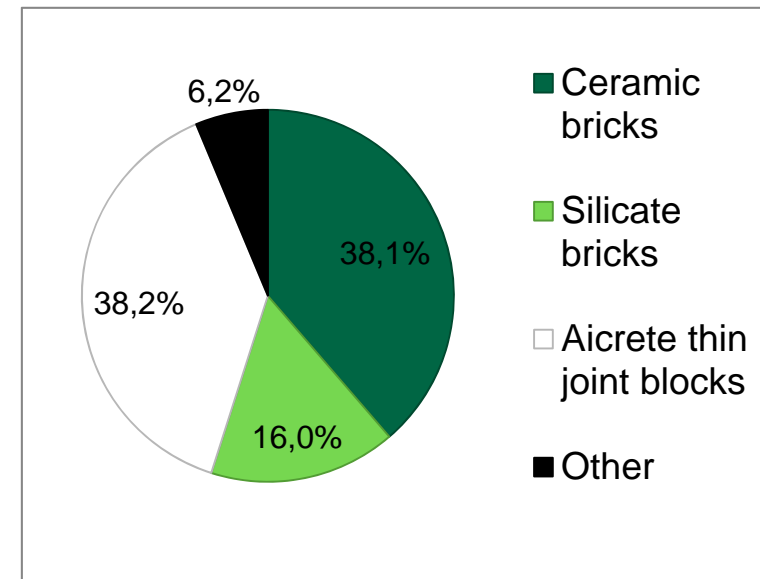


Aircrete plants with production capacity over 80.000m3 located in Russia



Russian aircrete market overview

- According to the official statistic related to 2013 aircrete was the most popular construction material among others used for outer wall solutions.
- Overall aircrete production output in Russia in 2013 exceeded 11 mln. m3, meaning +13,6% y/y.
- Total aicrete market in Russia is estimated on the level of 12,5 mln. m3.
- Aircrete was also imported, mostly from Belarus. The imported volume is estimated on the level of 1,4 mln. m3.





North-West region construction market

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Market overview

North-West region



Local market overview

Key Drivers for North-West market

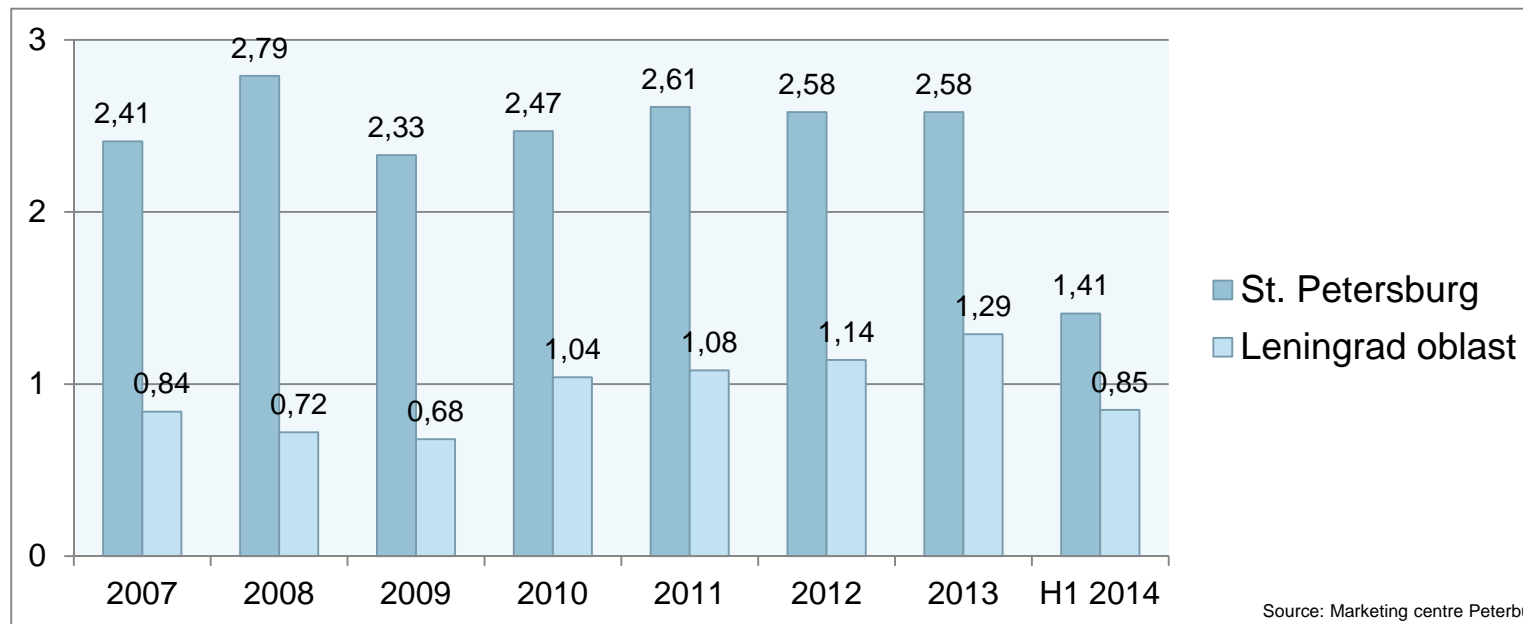
- St. Petersburg as a mega polis with its attractiveness as a job machine and cultural offers
- People with high income and access to financing (low rise, family houses)
- High amount of immigrants (1.7 million people as of 01.01.2014) with high demand for living space (high rise, multi dwelling)



Local market overview

Building statistic

Housing completion, mln. m2

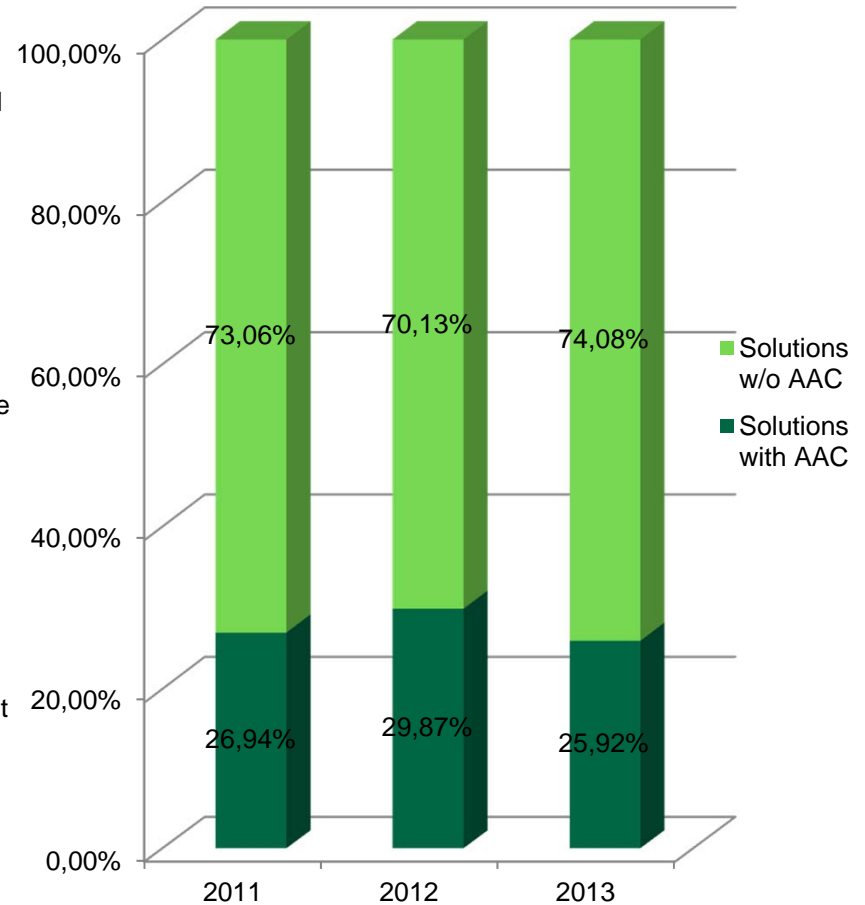
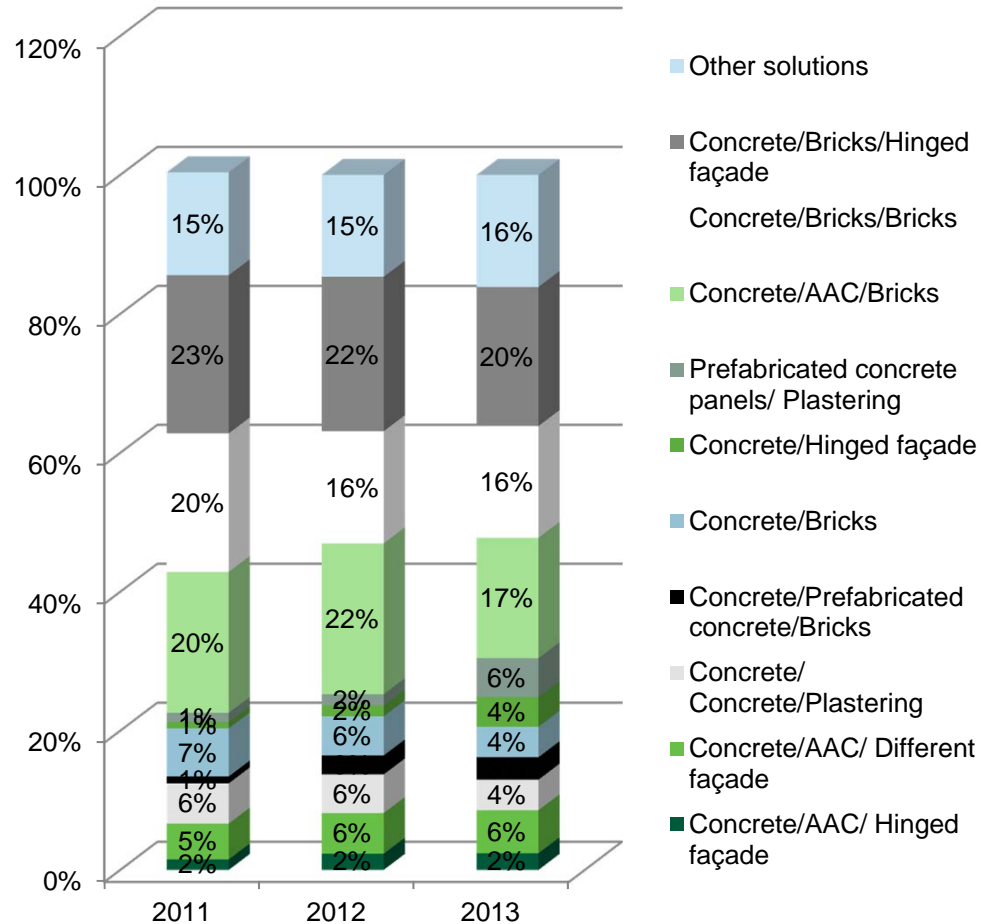


State construction committee foresees following annual results:

- St. Petersburg – 3,05 mln.m2 (+18% y/y)
- Leningrad oblast – 1,5 mln. m2 (+16% y/y)

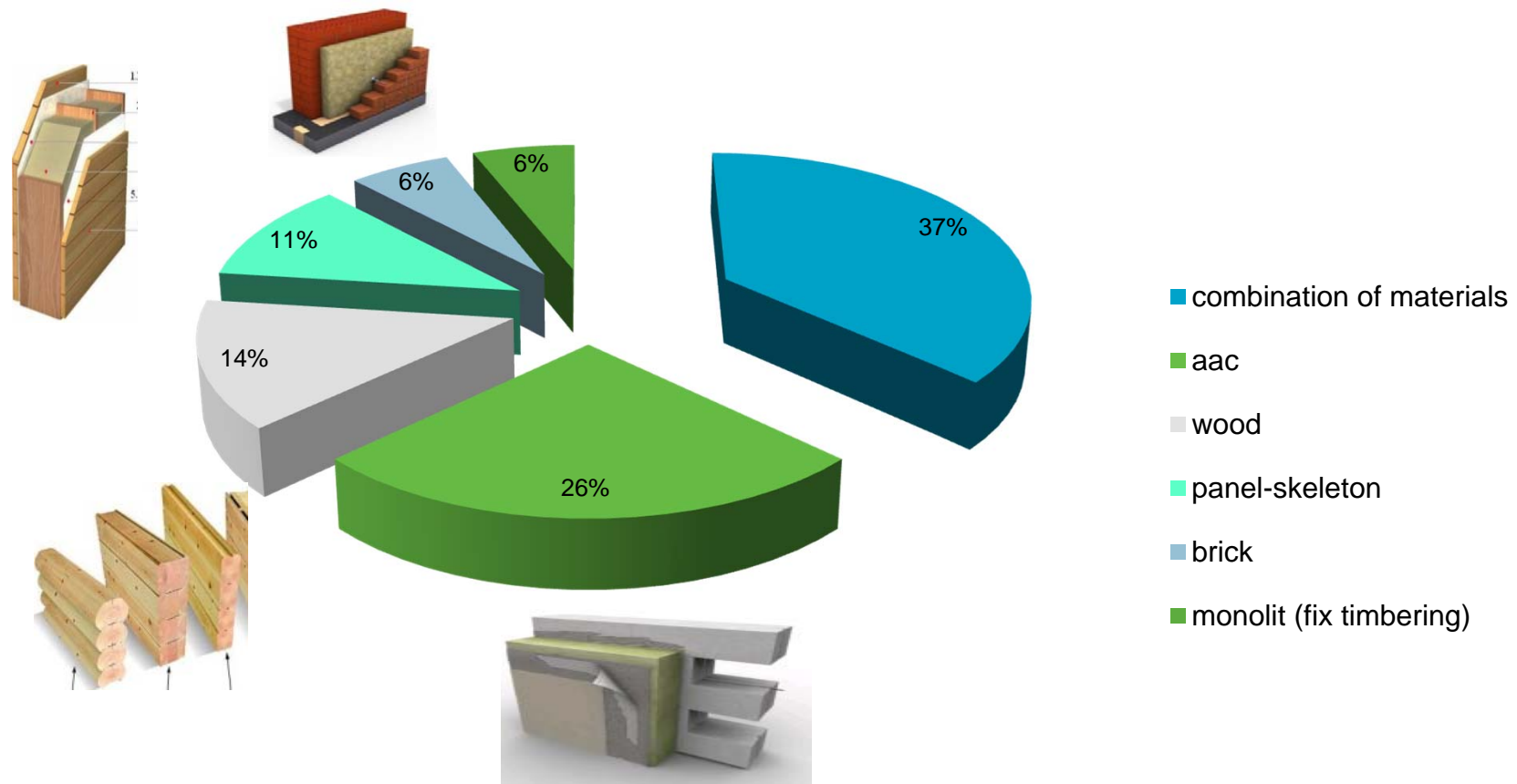


Outer wall solutions High-rise segment



Outer wall solutions

Low-rise segment





North-West region aircrete market

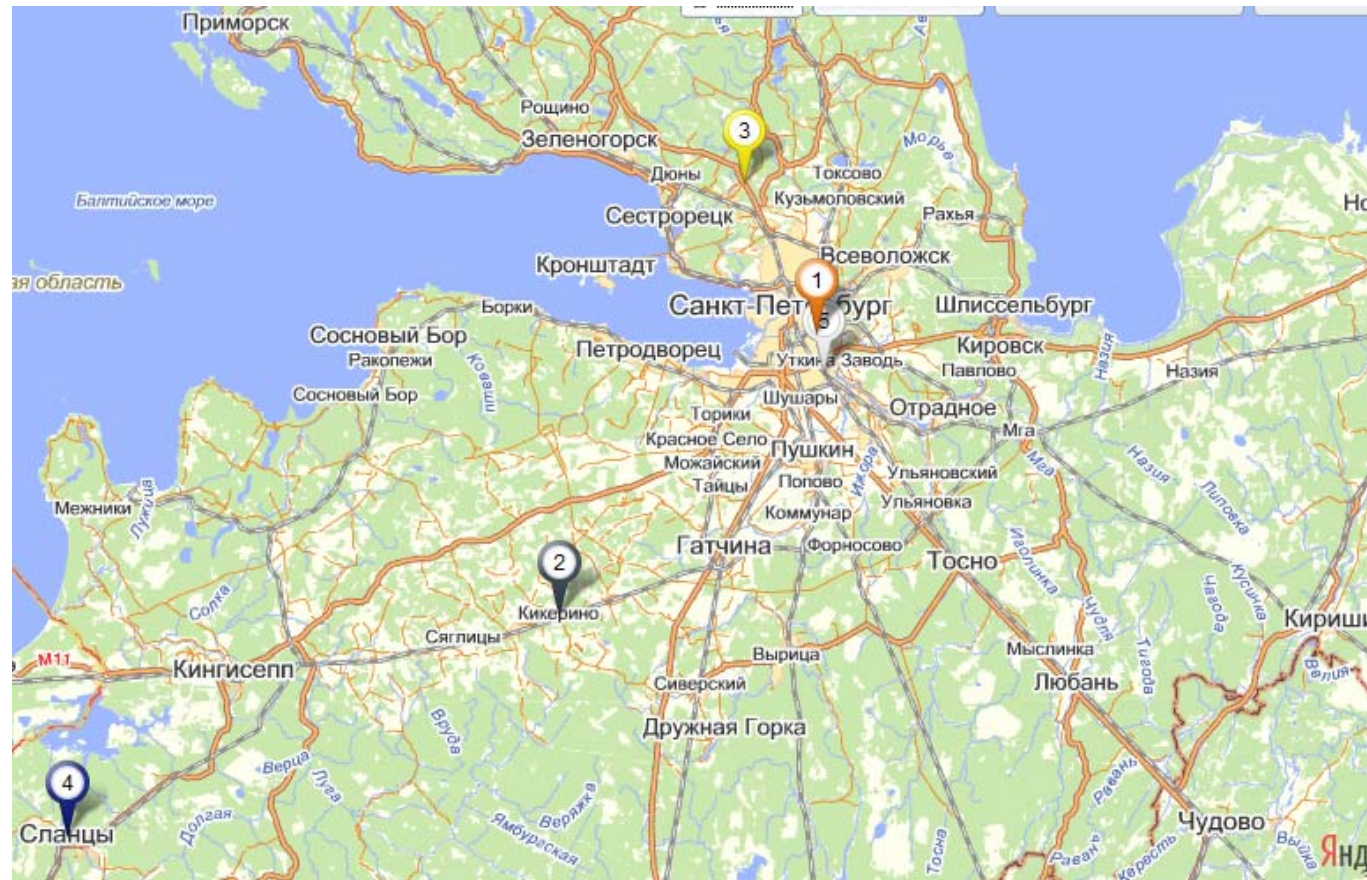
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Local market overview

Aircrete plants

- ① Aeroc
- ② H+N
- ③ KGBI 211
- ④ EAB, Slanzy
- ⑤ Stroykomplekt



H+H factory in Russia

Location

Leningrad oblast (South)

Start-up production

June 2009

Production capacity

450.000m³.

(largest in North-West)

Production

24h / 7 days

4 shifts/ 8 operators



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H+H Russia – Sales targets



High-rise

- Development of project sales through builders merchants
- Close cooperation with influencing customers



Low-rise

- Focus on low rise market segment and house builders customers
- Development of sales system for house builders segment
- Close cooperation with influencing customers



Stocks

- Preference positioning in stock sales

Q&A



Coming out of the autoclave the aircrete products are cooled and are packed ready for transport.