



Q1 2013
Investor presentation

22 May 2013

build with ease

H+H

Forward-looking statement

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

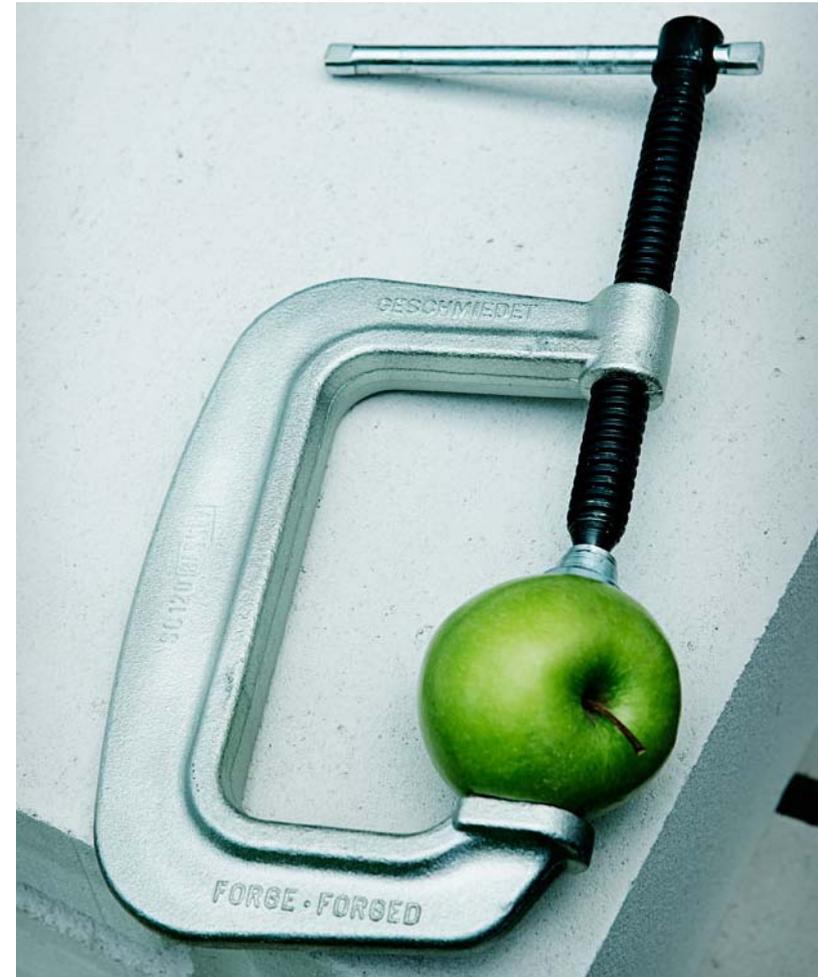
Statements regarding the future are, of course, subject to risks and uncertainties which may result in material deviations from expectations.

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

- Highlights of Q1 2013
- Financial performance
- Segments
- Outlook for 2013
- Q&A



Highlights of Q1 2013



Financial key figures Q1

- Revenue was DKK 233 million (2012: DKK 273 million)
- EBITDA was a negative DKK 6 million (2012: a positive of DKK 4 million)
- Profit before tax was a loss of DKK 36 million (2012: loss of DKK 31 million)
- Equity at 31 March 2012 stood at DKK 346 million
- Net interest-bearing debt at 31 March 2013 amounted to DKK 615 million
- Following the conclusion of negotiations with the unions, it has been decided to close H+H Finland Oy's factory in Ikaalinen in order to boost overall competitiveness and optimise the capacity utilisation of H+H's other factories. The Finnish operation has therefore been reclassified as discontinued in H+H's financial reporting.



Some overall market developments in Q1

- The first quarter of 2013 was characterised by an unusually long and cold winter, which resulted in a substantial fall in sales volumes and consequently a 14.9% decrease in revenue.
- Earnings were slightly down on last year due to lower sales volumes and production levels. It should be noticed, however, that the first quarter of 2012 was a strong quarter, when the growing financial turmoil that hit markets in 2012 had yet to impact.
- The first quarter of 2013 brought a substantial fall in sales volumes due to the cold winter, which affected all of H+H's markets, and due to there being fewer working days than in 2012. The decline in revenue was also attributable to the sale of H+H Česká republika s.r.o.

Some overall market developments in Q1

- Activity in the Western European markets was lower than expected in the first quarter. Sales volumes were affected by low temperatures throughout the quarter which complicated all construction work.
- The reduction in sales volumes in the first quarter brought on mainly by the cold winter weather reflects only a postponement of activity, and H+H believes that projects will instead start up later in 2013.
- The market in Russia is continuing being strong whereas the Polish market is still suffering from very weak market performance. The drop in revenue in Eastern Europe was partly due to the sale of H+H Česká, which reduced revenue by DKK 10.5 million relative to the first quarter of 2012.

H+H closes Finnish factory to increase efficiency and profitability

- Following the conclusion of negotiations with the unions, it has been decided to close H+H Finland Oy's factory in Ikaalinen in order to boost overall competitiveness and optimise the capacity utilisation of H+H's other factories.
- The closure will take place in the second quarter of 2013 and is not expected to affect sales volumes in H+H's European markets, but exports to Africa will be substantially reduced. The closure entails 66 redundancies at H+H Finland Oy and is expected to have a positive effect on operating profit in the region of DKK 10 million per year from 2014.
- The Finnish operation has been reclassified as discontinued in H+H International A/S's financial reporting, so the closure will not result in the reporting of special items. The entire effect of closing down the factory has been recognised under discontinued operations, which contributed an overall loss of almost DKK 40 million in the first quarter.



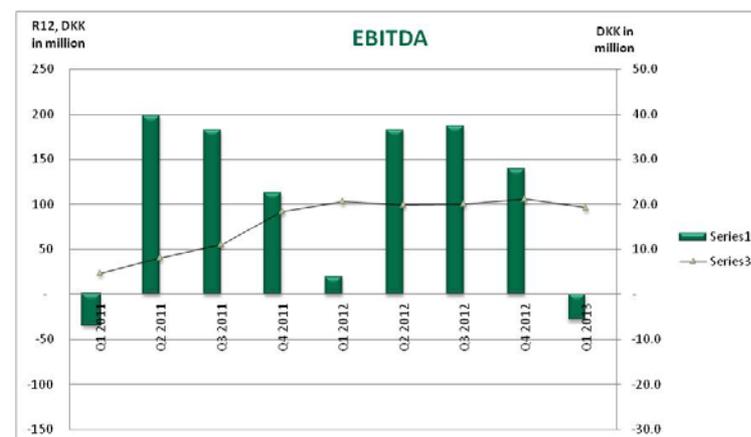
Financial performance



Group performance

Q1 2013

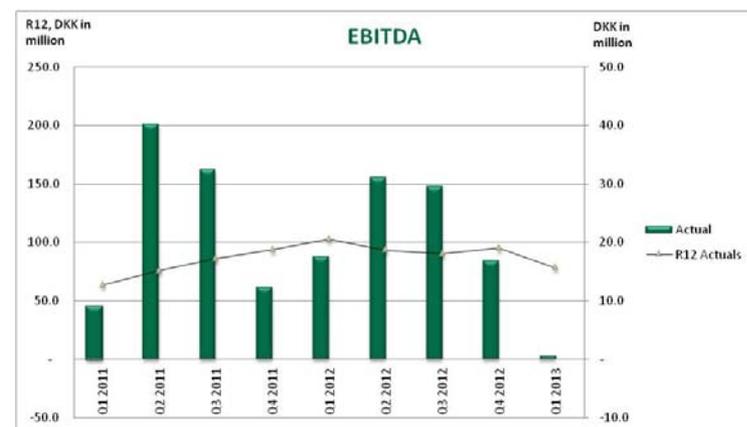
- Revenue down 14.9% in DKK and down 14.6% in local currencies on Q1 2012.
- EBITDA was a loss of DKK 6 million compared with a profit of DKK 4 million in 2012.
- Profit before tax was a loss of DKK 36 million compared with loss of DKK 31 million in 2012.
- The overall gross margin in the first quarter was 16.8% in 2013, against 19.2% in 2012.
- Sales volumes were lower in all countries due to the cold winter, which affected all off H+H's markets. The decline in revenue was also attributable to the sale of H+H Česká republika s.r.o., which contributed revenue of DKK 10.5 million in the first quarter of 2012.



Segments - Western Europe

Q1 2013

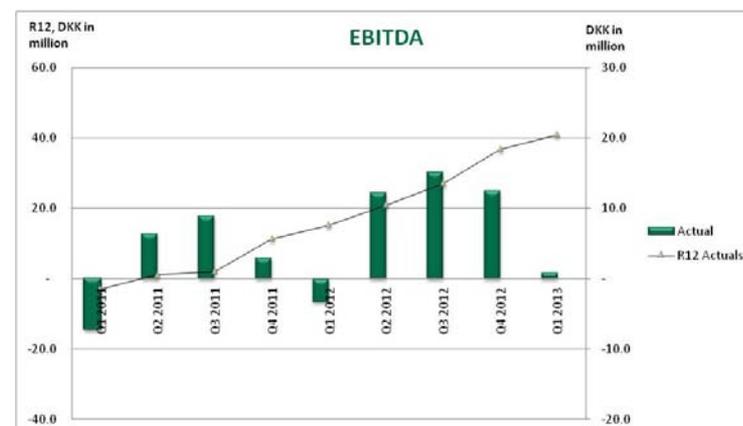
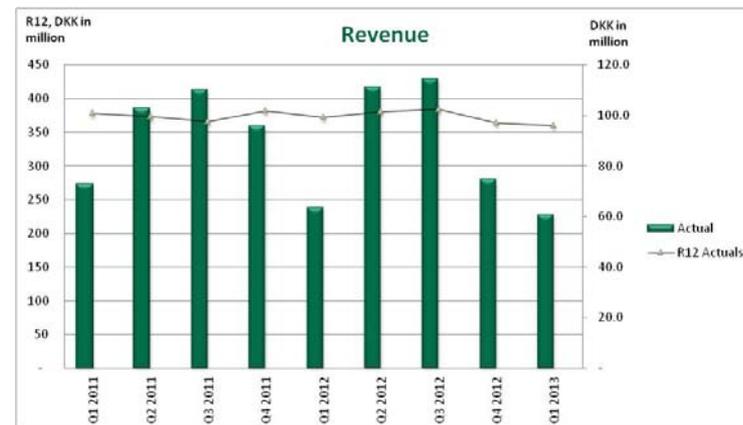
- Revenue down 18.0% in DKK and down 17.8% in local currencies on Q1 2012.
- EBITDA DKK 0.7 million compared with DKK 17.6 million in Q1 2012.
- Profit before tax loss of DKK 17.4 million compared with a loss of DKK 0.1 million in Q1 2012.
- Sales volumes were affected by low temperatures throughout the quarter which complicated all construction work.
- There has been a sharp fall in the construction of new single-family homes in Sweden compared with last year



Segments - Eastern Europe

Q1 2013

- Revenue down 4.6% in DKK and 4.1% in local currencies on Q1 2012.
- EBITDA of DKK 0.9 million compared with a loss of DKK 3.3 million in Q1 2012.
- Profit before tax loss of DKK 11.8 million compared with loss of DKK 18.6 million in Q1 2012.
- The drop in revenue was due to the sale of H+H Česká, which reduced revenue by DKK 10.5 million relative to the first quarter of 2012.
- Revenue rose in Russia but was unchanged in Poland.



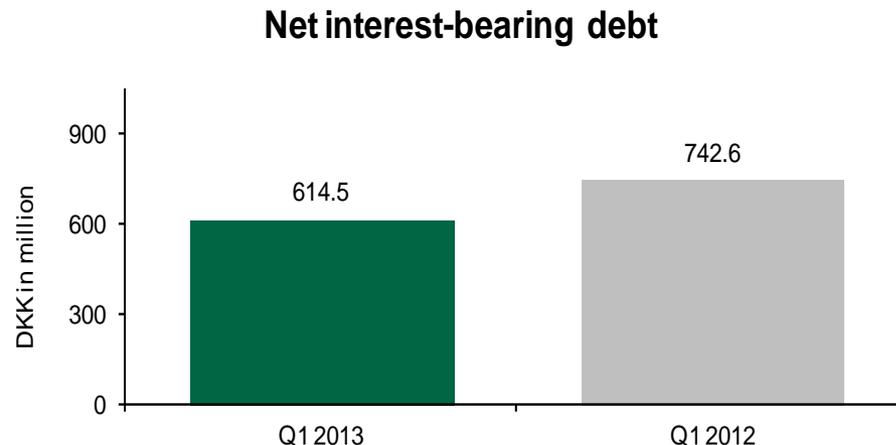
Investments

- Investments of DKK 6.2 million were made during the first quarter of 2013, against DKK 8.6 million in 2012.
- Total investments for the year are still expected to be in the region of DKK 50 million.

DKK in million	Q1 2013	Q1 2012
Westen Europe	4.4	5.2
Easten Europe	1.6	3.4
Non-allocated items	0.2	-
Total	6.2	8.6

Net interest-bearing debt

- Net interest-bearing debt totalled DKK 615 million on 31 March 2013, an increase of DKK 76 million since the beginning of the year but a decrease of DKK 128 million on the same period last year. The increase in debt during the quarter is consistent with the normal seasonal pattern.
- Financing costs totalled DKK 9.8 million, against DKK 10.9 million in 2012.



Outlook for 2013

- H+H reiterates its outlook for EBITDA before special items for the 2013 financial year of around DKK 90 million for continuing operations.
- H+H also reiterates its outlook for free cash flow in 2013, which is expected to be positive in the region of DKK 0-15 million before disposals of assets.
- Total investments are expected to be in the region of DKK 50 million.

Q&A

