



H1 2013 Investor presentation

22 August 2013

build with ease

H+H

Forward-looking statement

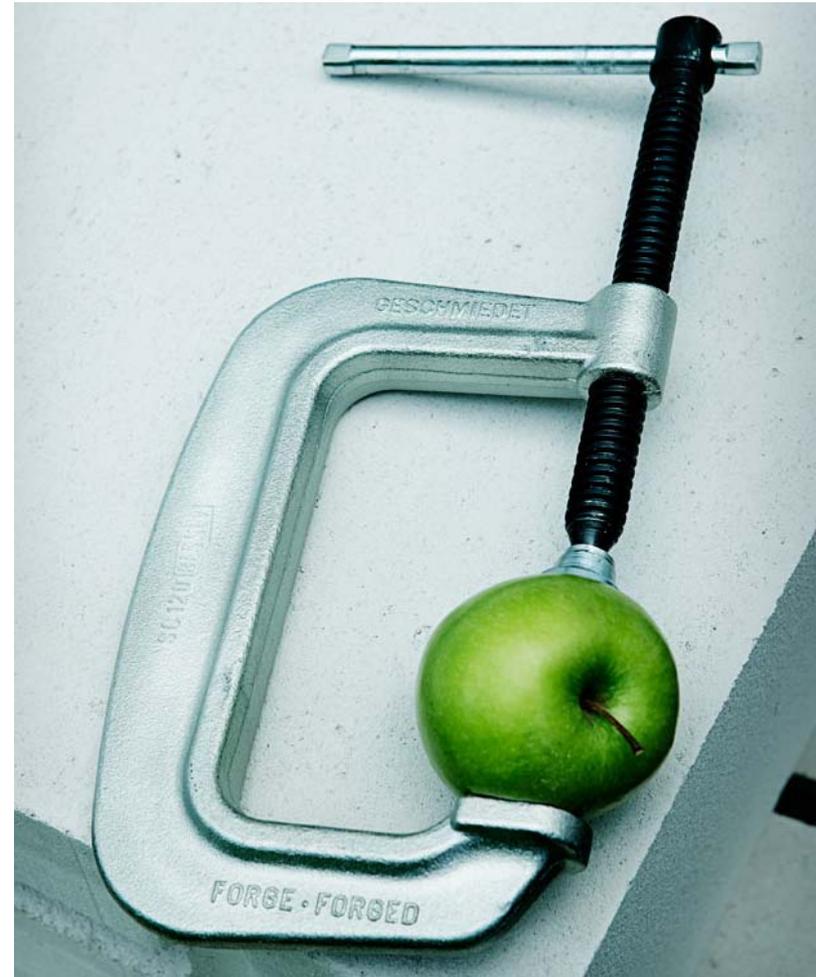
The forward-looking statements in this presentation reflect management's current expectations for certain future events and financial results.

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 Q2 2013
- Financial performance
- Segments
- Outlook for 2013
- Q&A



Highlights of Q2 2013



Financial key figures Q2 and H1

- Q2 revenue was DKK 369 million (2012: DKK 339 million). H1 revenue was DKK 602 million (2012: DKK 612 million).
- Q2 EBITDA was DKK 38 million (2012: DKK 38 million). H1 EBITDA was DKK 32 million (2012: DKK 42 million).
- Q2 brought a profit before tax of DKK 6 million (2012: DKK 4 million), and H1 a loss before tax of DKK 30 million (2012: loss of DKK 28 million).
- Equity at 30 June 2013 was DKK 320 million.
- Net interest-bearing debt at 30 June 2013 was DKK 570 million.

Some overall market developments in Q2

- The second quarter of 2013 brought an increase in sales volumes of more than 5%, average selling prices more or less on a par with the same period in 2012.
- The rise in revenue in the second quarter was driven by significantly higher sales in UK, and higher sales in Germany and the Benelux countries. The increase was due partly to sales being postponed from the first to the second quarter as a result of the cold winter, and partly to construction activity starting to pick up in the UK.
- It was mainly government initiatives that stimulated the UK market, leading to a general improvement. H+H's market share in the UK increased, due primarily to consolidation in the homebuilder market, where H+H's customers improved their market share.

Some overall market developments in Q2

- Second-quarter revenue in Russia was slightly down on last year, partly because many projects were postponed due to the cold winter, and partly because the economy has slowed in the wake of falling oil prices and larger public deficits.
- Second-quarter revenue in Poland was almost on a par with last year. Sales volumes were higher, but prices were lower, leading to a slight decrease in revenue.

H+H sells extraction rights for sand pit in Germany

- H+H entered into an agreement with CEMEX Kies & Splitt GmbH in July 2013 under which the latter will take over the extraction of raw materials from H+H's sand pit in northern Germany. CEMEX is one of the world's largest cement producers but also has extensive raw material extraction operations.
- The risk associated with the operation of the pit has been transferred to CEMEX, while H+H will continue to own the land.
- The agreement means that H+H will be paid a total of DKK 40 million over the next 12 years for the extraction of materials from the pit. The agreement will have a positive impact on EBITDA in 2013 of DKK 3.5 million.
- The parties have also entered into a supply contract under which H+H will continue to be supplied with sand from the pit.

Interest in taking over H+H International A/S

- The Bundeskartellamt decided on 14 March 2012 to prohibit a possible merger between Xella International Holdings S.à.r.l and H+H International A/S in the German market.
- Xella has subsequently lodged an appeal against the decision at the Oberlandesgericht Düsseldorf (Düsseldorf Higher Regional Court). The appeal case is still being prepared, and the first oral hearing has been postponed several times and is currently due to be held on 28 August 2013. It is difficult to predict whether the court will want to investigate certain topics further before reaching a decision, but it is possible that a decision could be rendered before the end of 2013.
- The decision by the court can be appealed if a right to appeal to the Bundesgerichtshof (Federal Supreme Court) is granted. Such an appeal could take at least another one to two years.

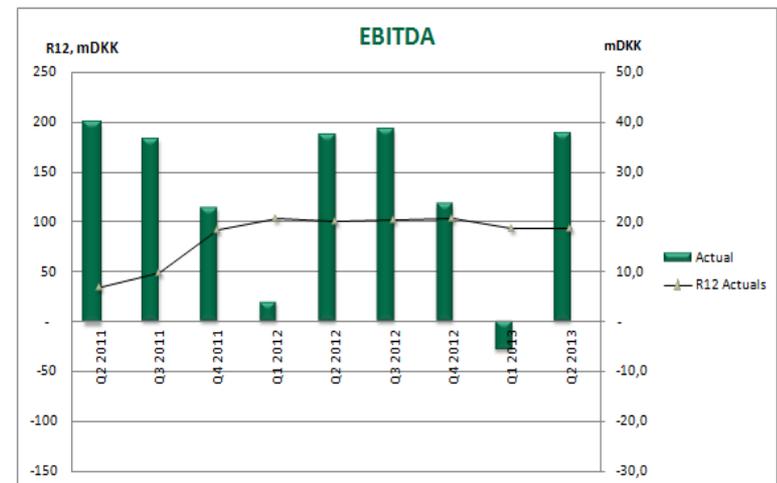
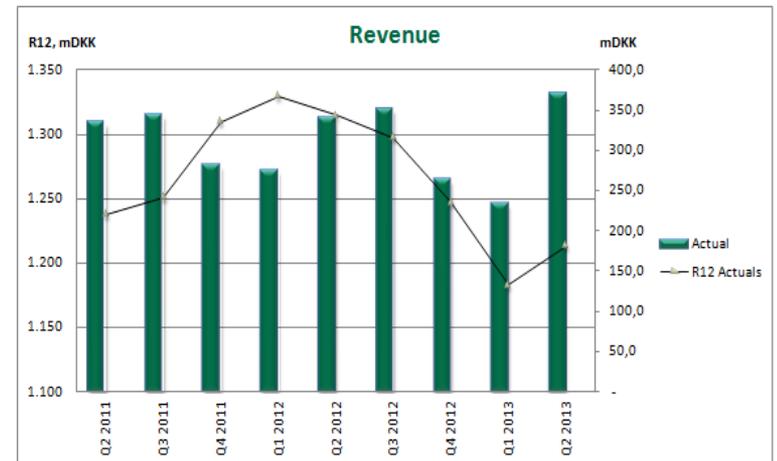
Financial performance



Group performance

Q2 2013

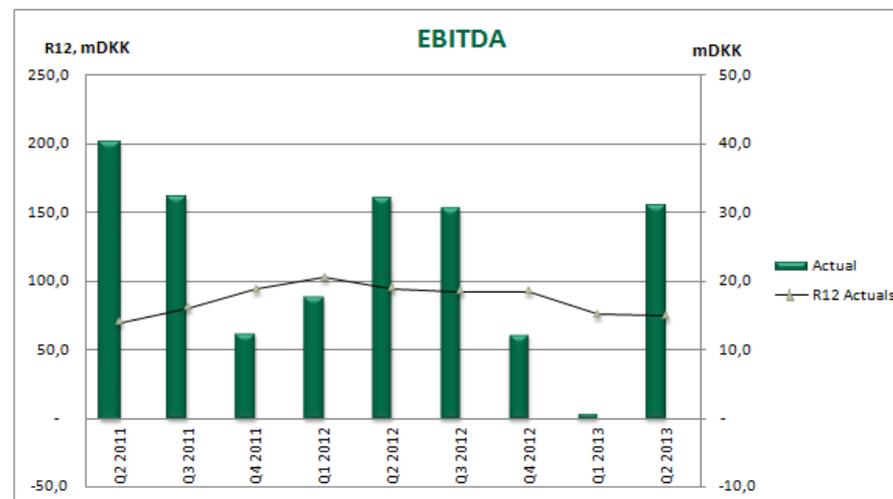
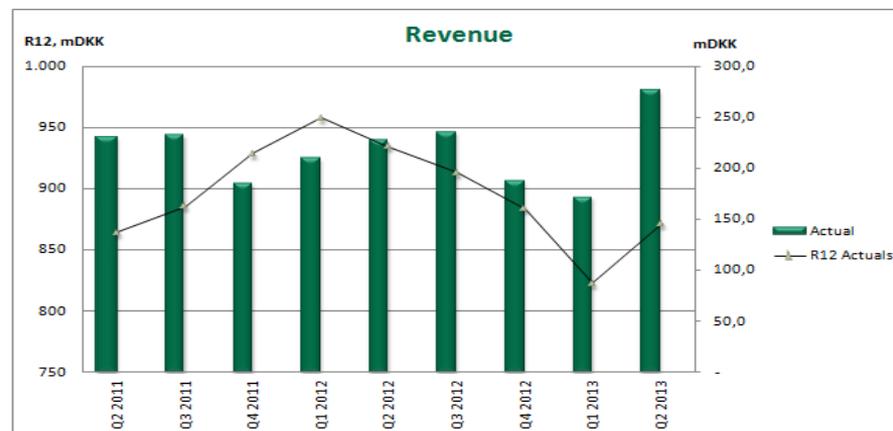
- Revenue up 9.0% in DKK and up 10.5% in local currencies on 2012.
- EBITDA of DKK 38 million, against DKK 38 million in 2012.
- Profit before tax of DKK 6 million, against DKK 4 million in 2012.
- The overall gross margin in the second quarter was 21.4% in 2013, against 24.2% in 2012.
- Sales volumes were markedly higher in the UK and also up in Germany and the Benelux countries, but lower in Russia, Denmark and Sweden.



Segments - Western Europe

Q2 2013

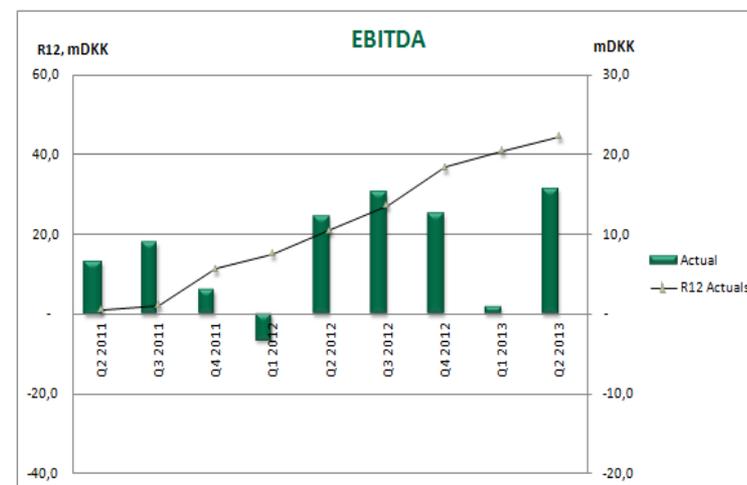
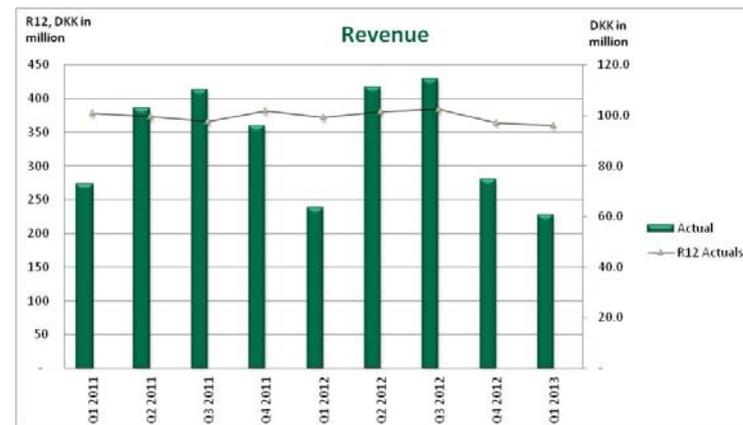
- Revenue up 21% in DKK and up 23% in local currencies on Q2 2012.
- EBITDA of DKK 31.0 million, against DKK 32.1 million in 2012.
- Profit before tax of DKK 12.7 million, against DKK 10.1 million in 2012.
- Sales volumes were affected by sales being postponed from the first to the second quarter as a result of the cold winter, and partly to construction activity starting to pick up in the UK.
- There has been a sharp fall in the construction activities in Sweden compared with last year



Segments - Eastern Europe

Q2 2013

- Revenue down 16% in DKK. Expressed in local currency and excluding the sale of H+H Česká, revenue was on a par with the second quarter of 2012.
- EBITDA of DKK 15.7 million, against DKK 12.3 million in 2012.
- Profit before tax was a profit of DKK 2.9 million, against a loss of DKK 3.3 million in 2012.
- The drop in revenue was due mainly to the sale of H+H Česká, which reduced revenue by DKK 16.4 million relative to the second quarter of 2012.
- Expressed in local currency and excluding the sale of H+H Česká, revenue was on a par with the second quarter of 2012.



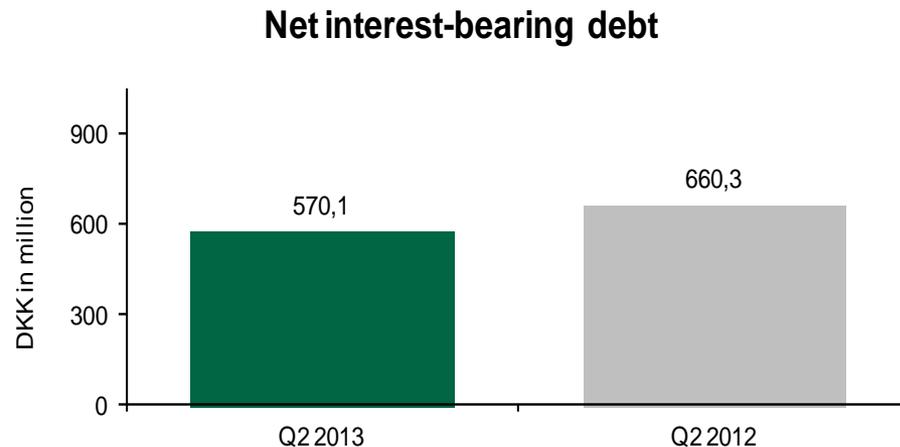
Investments

- Investments of DKK 3.9 million were made during the second quarter, against DKK 7.2 million in 2012.
- Investment levels for the second half of 2013 are expected to pick up.
- Total investments for the year are still expected to be in the region of DKK 50 million.

Investments				
	Q2		H1	
Amounts in DKK million	2013	2012	2013	2012
Western Europe	3.2	5.9	7.6	11.1
Eastern Europe	0.7	1.3	2.3	4.7
Unallocated items	0.0	0.0	0.1	0.0
Total	3.9	7.2	10.0	15.8

Net interest-bearing debt

- Net interest-bearing debt totalled DKK 570 million on 30 June 2013, an increase of DKK 31 million from the beginning of the year but a decrease of DKK 90 million since 30 June 2012.
- Debt tends to increase during the course of the year, but the rise since the beginning of this year has been smaller than previously due to the sale of H+H Česká for DKK 112 million and improvements in working capital.
- NWC has been improved during the last 12 months from NWC/sales end of June 2012 of 15.8% to 11.4% end of June 2013
- Second-quarter financing costs totalled DKK 11.0 million in 2013, against DKK 9.7 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.
 - The RUB and GBP have fallen 8% and 3% respectively against the DKK since the publication of H+H's interim financial report for the first quarter. The updated mid-August 2013 exchange rate levels will reduce EBITDA by DKK 4-5 million from mid May.
 - The negative effects from falling exchange rates are largely offset by the positive effect on EBITDA of DKK 3.5 million from the agreement with CEMEX.
- 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 still expected to be in the region of DKK 50 million.



Q&A

