Capital Markets Day
Examples Operational Excellence – Asia

Martin Kriegner, India & South East Asia
Increased Fuel Flexibility generated CHF 60 million savings YTD

- Usage of petcoke doubled, from 30% to 60% of total fuel mix, Cement Kilns and Captive Power Plants combined
- Favorable pricing by leveraging centralized Group’s Solid Fuels Purchasing entity
- Overall weighted average cost of fuels went down by 21% YTD versus last year

Fuel Mix
9M Sep 2015

- Domestic Coal: 41%
- Imported Coal: 25%
- Petcoke: 41%
- AFR: 4%

Fuel Mix
9M Sep 2016

- Domestic Coal: 59%
- Imported Coal: 13%
- Petcoke: 24%
- AFR: 4%
Optimization in Raw Material cost delivered CHF 10 million savings YTD

Overall reduction in Clinker Factor led to a saving of CHF 10 million YTD versus last year
- Increased share of sustainable blended cements
- Increased addition of Fly Ash and Slag
- Fly Ash and Slag cost lower thanks to reduced freight rates and long-term contract

Savings of CHF10+ million YTD versus last year
- Alternative raw materials
- Gypsum optimization

Alignment with our sustainability ambitions
Logistics Optimization Project in Indonesia lead to a saving of CHF 13 million YTD

Distribution Costs (CHF/ton)

Baseline (2015)  | Transportation costs | Warehousing costs | Packaging costs | Current line of sight

| 14.8 | 3.3 – 3.7 | 0.2 – 0.3 | 0.3 – 0.4 | 10.3 – 11.1 |

-30%

Transportation initiatives

1. Optimize product flow: Direct vs. indirect, pick-up vs. delivered
2. Refine product flow for inter-island

Planning & Execution

4. Implement strategic sourcing: Freight tariff, should-cost model
6. Improve truck transport ops: Optimal truck type and utilization
9. Streamline processes at port, vessel size

Warehousing initiatives

3. Refine footprint of warehouses and silos

Packaging initiatives

5. Implement strategic sourcing: Packaging materials
8. Improve operations at pack house

Strategy

10. Streamline current S&OP (Sales & Operations Planning) processes
11. Supply Chain KPI dashboard

With the aim to serve customers better