



W E N D E L



Kerneos Wendel Investor Day

J-M. Bianchi – December 6, 2012

Aluminate Division – At a Glance

World leader
in calcium
aluminate
cement

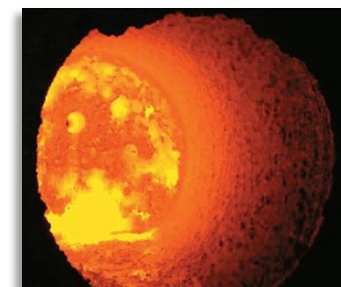
- Created the product concept in 1908
- 100+ years continuous leadership
- Market leader in all key market segments, product ranges and geographies including China



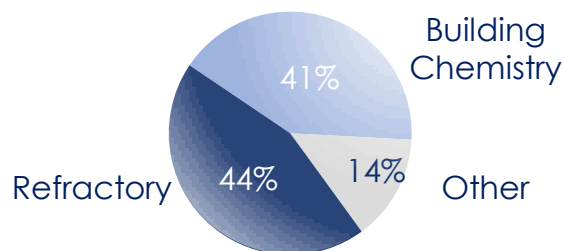
Calcium
aluminate
cement
definition

Special cements bringing high quality performance with unique properties such as :

- Heat resistance, wear and corrosion resistance of refractory concrete
- Controllable quick setting time, early strengths, fast drying of formulated dry mix mortars



Markets



Key metrics
(as of 2011)

- Net sales of €360m (+5.9% vs. 2010)
- 1,300 employees
- Specialty Products profitability maintained above 20% EBITDA margin



Focus on Aluminate Division

	CALCIUM ALUMINATE CEMENTS		OTHER PRODUCTS
	REFRACTORY	BUILDING CHEMISTRY	
2011 net sales	46% of total sales	40% of total sales	14% of total sales
% growth in 2011	8%	6%	-
END-MARKETS	Monolithic refractory manufacturers : steel / non-ferrous metals / cement / chemical industry / energy / incineration	Dry mix mortar manufacturers: Non res. construction (25-30%) / renovation (45%) / new residential construction	<ul style="list-style-type: none"> Steel refining (flux) Builders' merchants Pipes and waste water systems Mining and civil eng
SALES BY GEOGRAPHY	<p>Emerging countries 48%, Europe 30%, N. America 23%</p>	<p>America 10%, Germany Nordics 37%, Other 15%, Rest of Europe 38%</p>	
SELECTED TRADEMARKS			

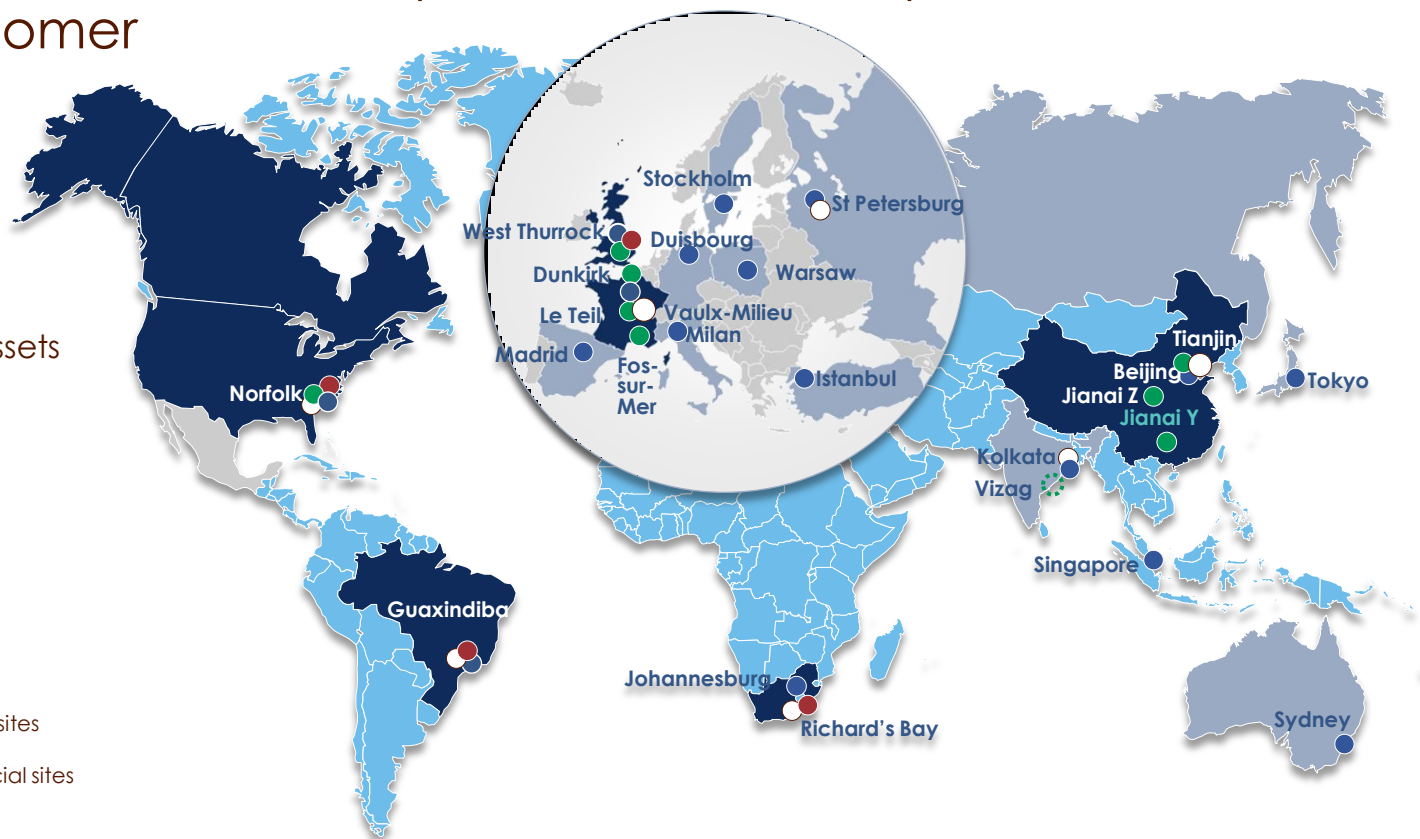
Aluminate Division Global Footprint

Optimized delivered cost competitiveness and top-notch service to customer

SELECTED FACTS

- 19 commercial companies
- 8 clinker plants
- 4 grinding facilities
- > €450m industrial assets

- Clinker plant (including grinding)
- Grinding facility
- Laboratory
- Commercial office
- Countries with industrial sites
- Countries with commercial sites



A Transforming Strategy over the Past Decade

GEOGRAPHIC EXPANSION

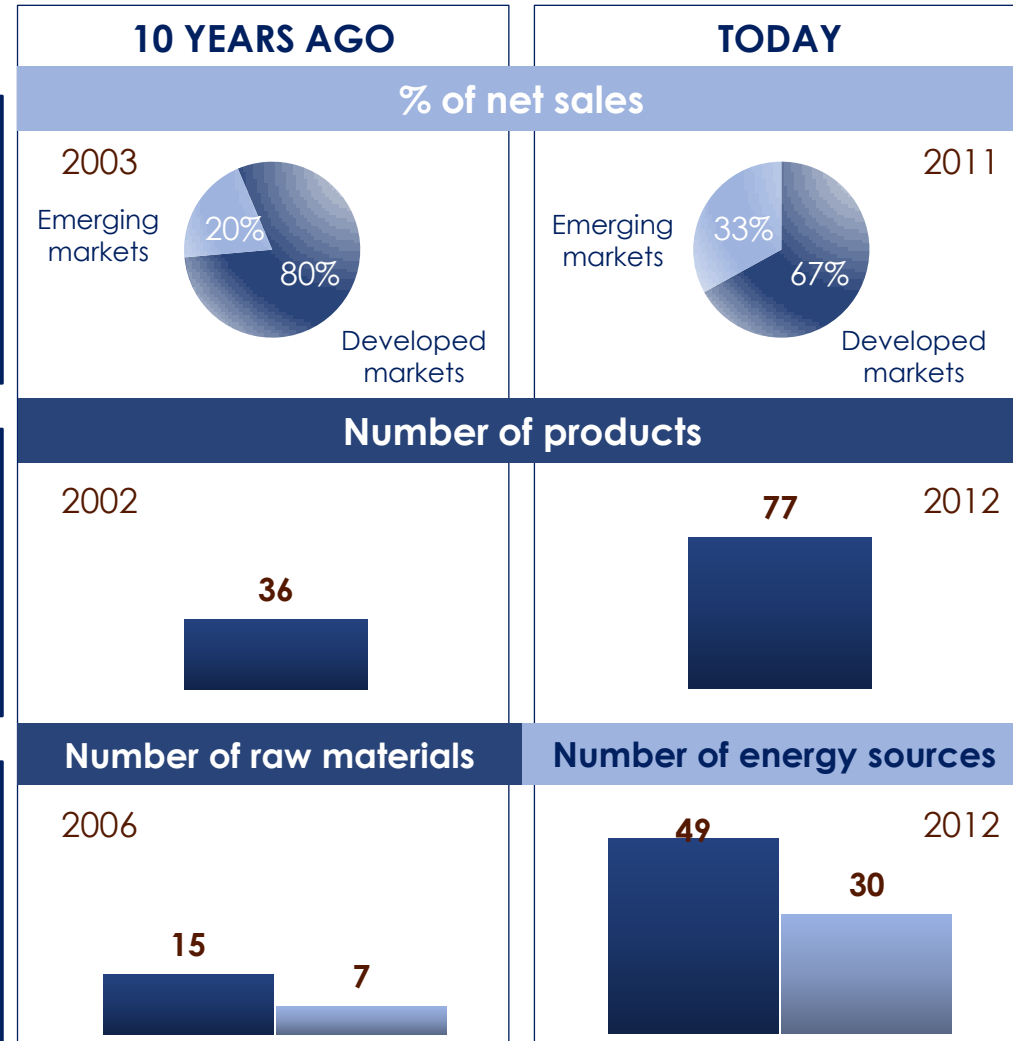
- Major development in China
- Strengthening presence in BRICS
- Adaptation of supply chain to address new markets

PRODUCT DEVELOPMENT

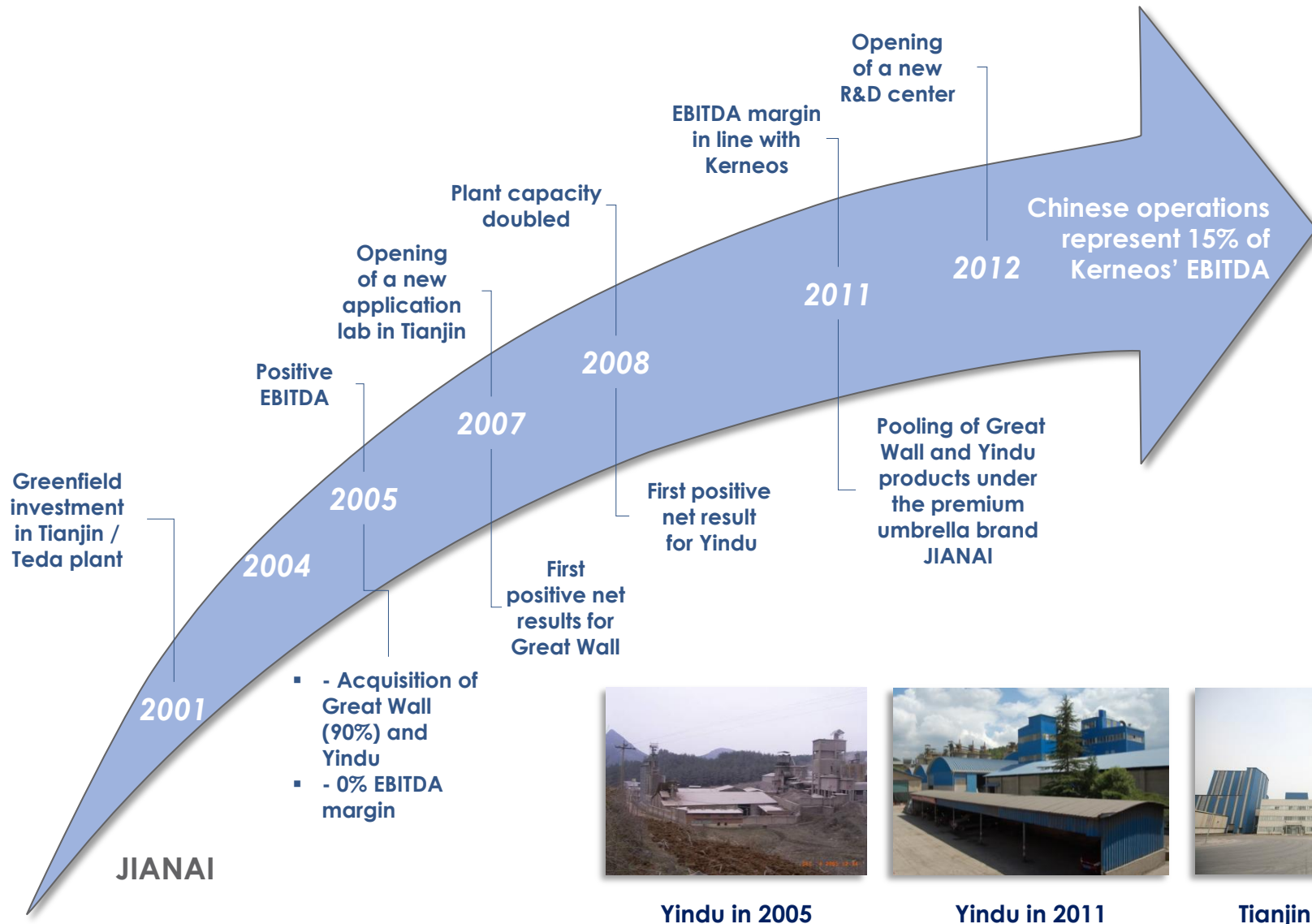
- Investments to maintain leadership
- Enlargement of product range to adapt to new needs and new market specificities

INDUSTRIAL FLEXIBILITY

- Improvement of production facilities to support largest spread of raw materials and energy sources while maintaining production regularity and quality
- Capacity increase to manufacture more specialty products



Outstanding Development in China



Major Step in Securing Bauxite Sourcing : Elmin

- April 30th, 2012 : acquisition by Kerneos of a 54% stake in Hellenic Mining Entreprises S.A. (Elmin), a Greek company, largest European exporter of non-metallurgical bauxite
- Result of a 10-year partnership between the two companies
- Reinforcing and mastering a long-term supply of red bauxite used in BTA production
- Proven reserves represent several decades at current production level

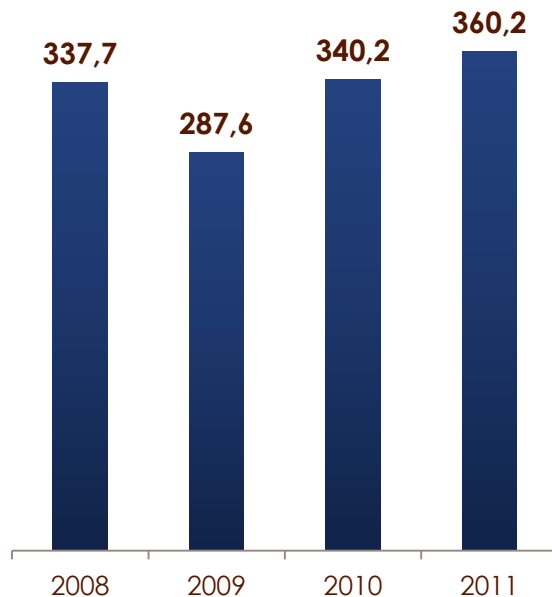


Elmin's Bauxite processing facilities and loading terminal at Aghia Marina (Greece)

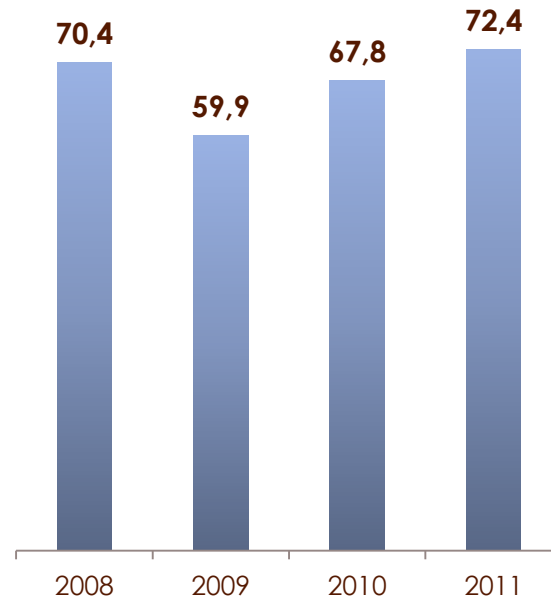
Aluminate Division

Key Financial Figures

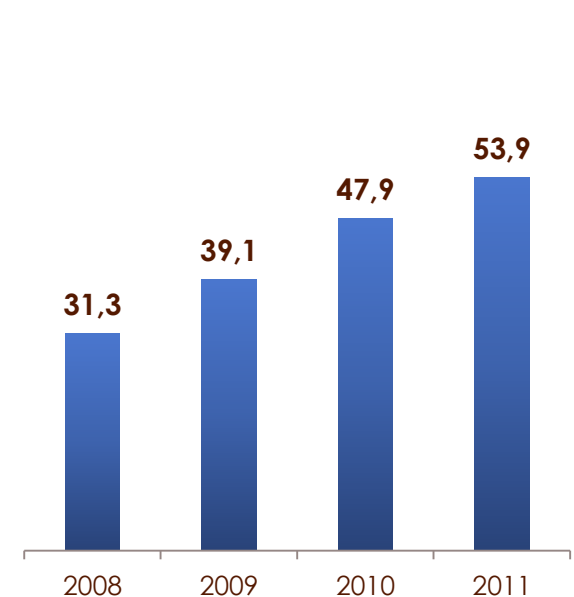
NET SALES (€M)



EBITDA (€M)



RECURRING FREE CASH FLOW BEFORE TAXES (€M)



- 1H 2012 : 103% EBITDA level with 95% volume sales vs. 2011
- EBITDA Margin above 20%
- High Cash Flow Conversion

Aluminate Division

Market Trends / Strategy

REFRACTORY



- Favorable Technical shifts
- Strong Development in Emerging Countries
- CAC = small share of the refractory total cost structure

Offer differentiated products

- For high-tech international customers
- New added functions to improve performance and robustness
- Adapted products for local productions

BUILDING CHEMISTRY



- Positive Trends : renovation markets, high rebound in USA
- Growth on addressed market segments above underlying construction demand
- Increasing CAC penetration : high performances and reduction of labor cost

Innovative product offer together with formulation technical support

- Accompany multi-local customers : international development
- Introduce CAC formulation technologies in emerging zones

Aluminate Division

Key Strengths

- **Growth industry benefiting from attractive market dynamics**
 - Refractory : 4.7% CAGR (volume) 2001-2011
 - Building Chemistry : 3.2% CAGR (volume) 2001-2011
- **Compelling exposure to emerging markets**
 - Successful entries in new markets, Unique development in China
- **Proven industrial agility**
 - More raw materials and more products manufactured while maintaining high quality and consistency
- **The innovation leader and market shaper of the industry**
 - Central lab in Lyon, Development labs in China, the U.S.A, Application labs in Russia, India, South Africa, Brazil.
 - Worldwide footprint, top-notch technical support and service levels
- **Demonstrated resilience, best-in-class profitability**

Aluminate Division

Main Strategic Orientations

OPERATIONAL EXCELLENCE

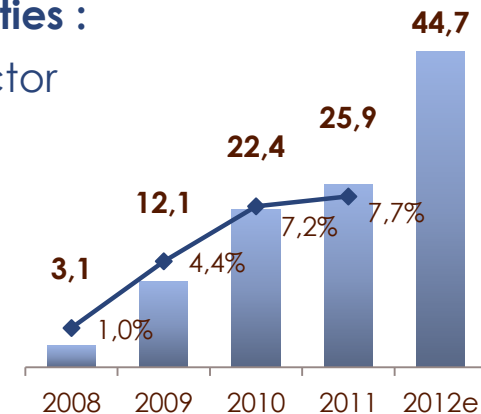
Strong bases to maintain leadership and insure future successes

- Long Term Supply
- Cost Competitiveness
- Customer-Oriented
- Expertise and Loyalty
- Quality
- Safety
- Sustainable Development Policy

PRODUCT INNOVATION

Superior R&D capabilities :

- Differentiating factor
- Growth Engine



GEOGRAPHIC DEVELOPMENT

China

- Refractory : positive technical shift
- New growth drivers : building chemistry, wastewater networks

India, next key milestone

- 2007 : Sales office opening in Kolkata
- 2011 : €5m sales
- 2012 : Land acquisition for greenfield project