Italcementi Group

A world class local business

Business update
G. Maggiora – CFO

UniCredit - Kepler Cheuvreux
Italian Investment Conference
Milan, 10 June 2015

Agenda

Q1 2015 Group Results

2015 Outlook and Actions

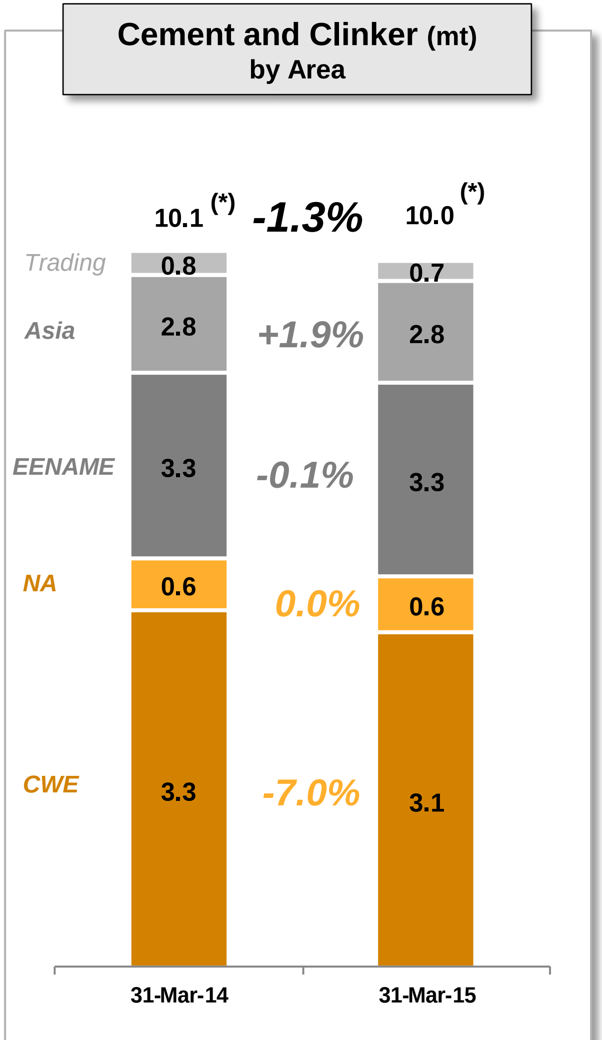
Q1 2015 in summary

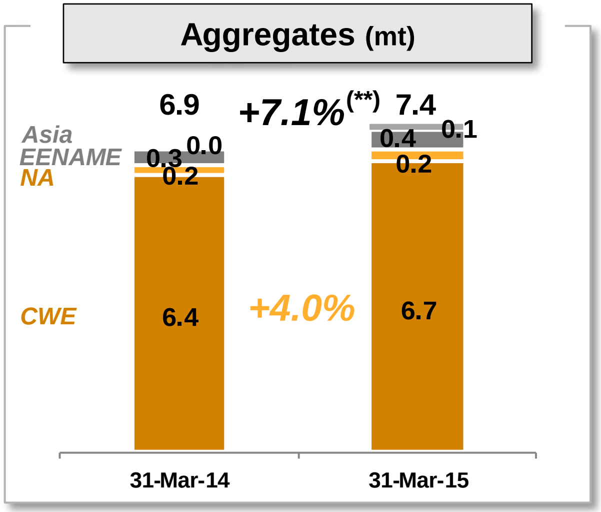
Stable cement sales volumes: European weakness, flat North America on weather conditions and mixed North Africa and Asia	**-1.3%** **cement & clinker volumes % chg**
Rec. EBITDA penalized by volume and pricing trends in C.W.Europe and Egypt. **Severe weather again, timing of maintenance expenses and adverse FX translation(*) hold back North America.** **Positive dynamics in Asia, enhanced by FX translation.** **Support from emission rights management**	**Flat** **Rec. EBITDA vs. Q1'14** **-27M€** **chg ex CO_2 & FX**
Strong seasonality effects and FX translation drive Net Financial Position to 3.6x Rec. EBITDA, in line with expectations and to be reversed by year-end	**-187M€ (-143M€ ex. FX)** **chg. in NFP vs. Dec.14**

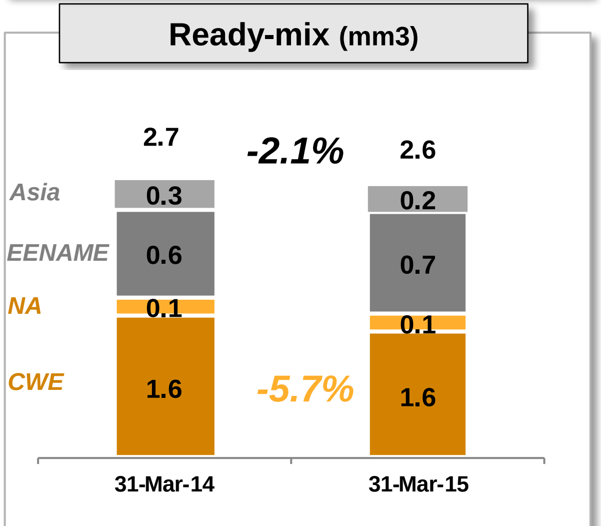
(*) Expected to reverse with positive Rec. EBITDA in Q2-Q4

Sales volumes by business

Soft Q1 for cement and ready-mix volumes in some markets. Positive start for Aggregates





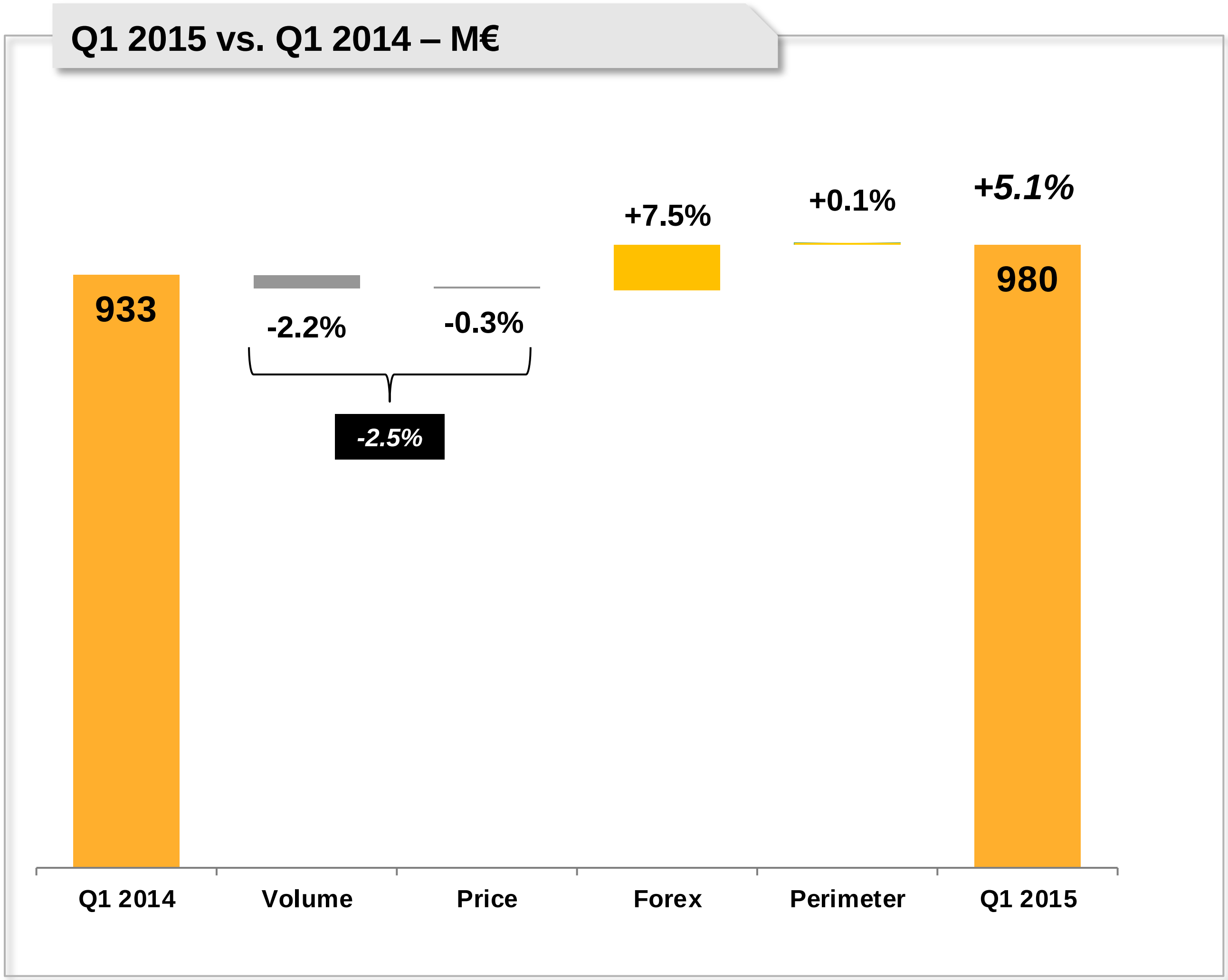


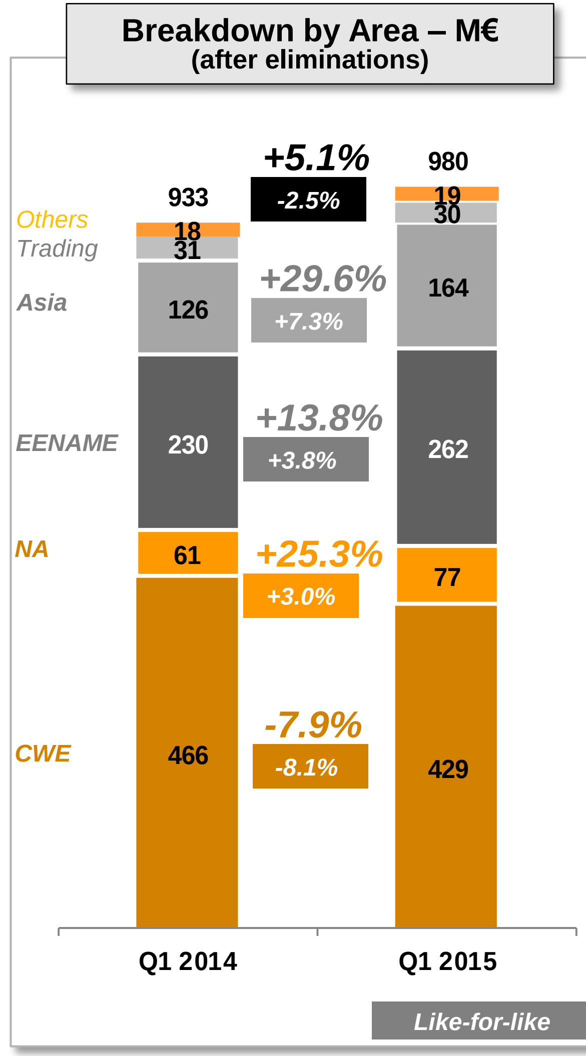
- CWE: tough comps (unusually mild winter last year) with France particularly weak
- North America: as in 2014, strongly adverse weather conditions
- EENAME: positive Morocco (pent-up demand after Q4 floods) and disappointing Egypt (delay in infrastructure projects, lower exports and bad weather)
- Asia: strength in Thailand, offsetting weak market in India

(*) Including eliminations for 0.6*mt* in 2015 and 0.8*mt* in 2014 (**) +5.5% on a like-for-like basis – 2015 perimeter

Revenue

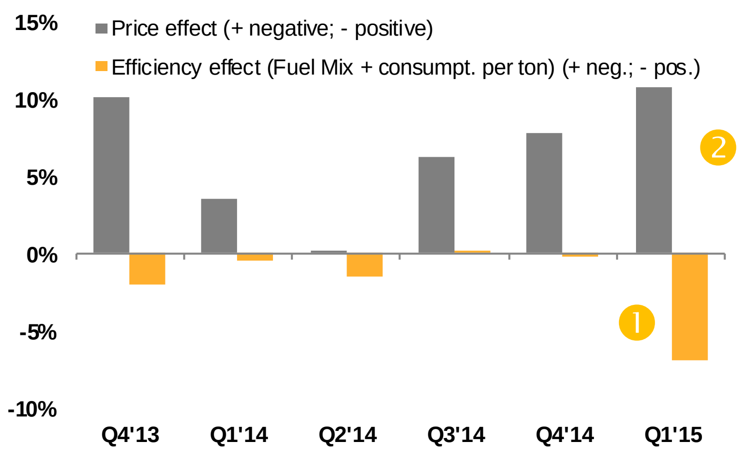
5.1% revenue increase thanks to 7.5% FX tailwind (EGP, THB, USD, INR). Positive pricing trends in NA, EENAME and Asia while CWE remains weak (adverse Y/Y comps in Italy, but sequentially stable)



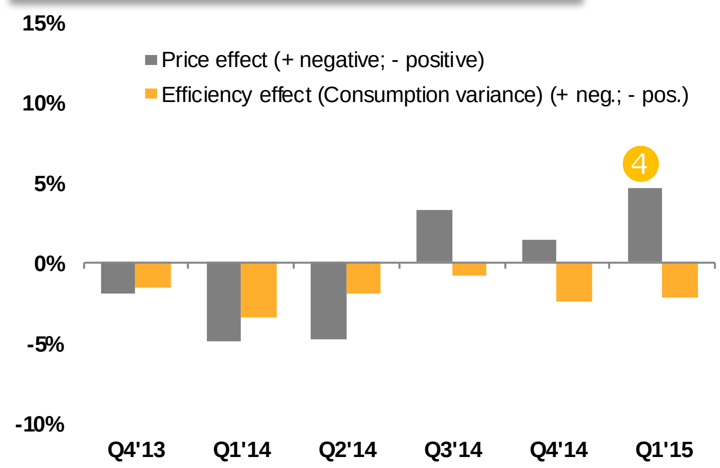


Fuel and power costs cycle (y/y %)

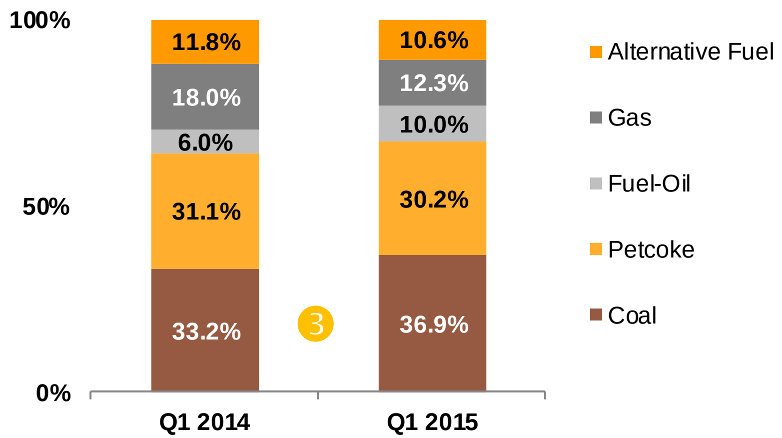
Fuel costs y/y trend



Power costs y/y trend



Fuel Mix

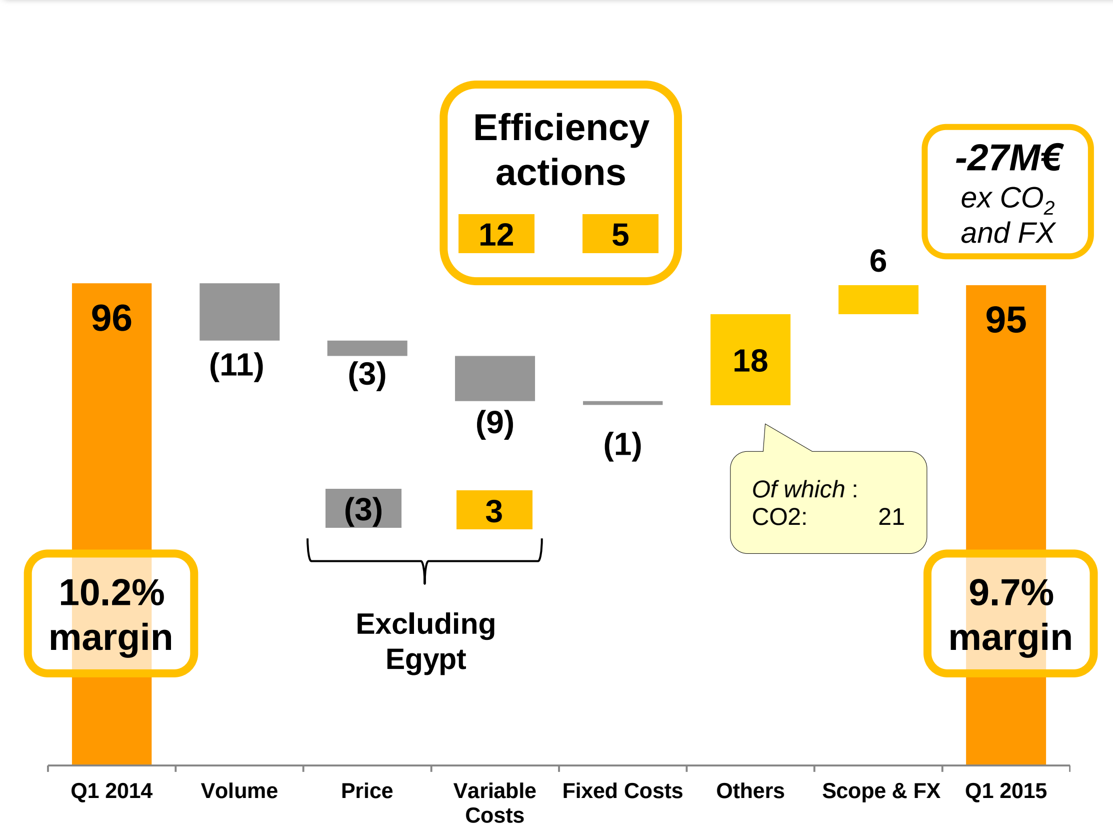


1. Initial returns on **efficiency investments** in Egypt, Bulgaria and Italy
2. **Price effect** entirely due to Egypt increase in H2'14.
   Rest of the Group: dollar strength offsets favourable price evolution
3. Group **fuel mix** reflects coal/gas substitution in Egypt
4. **Power**: price increase in Egypt and Spain, decrease in North America

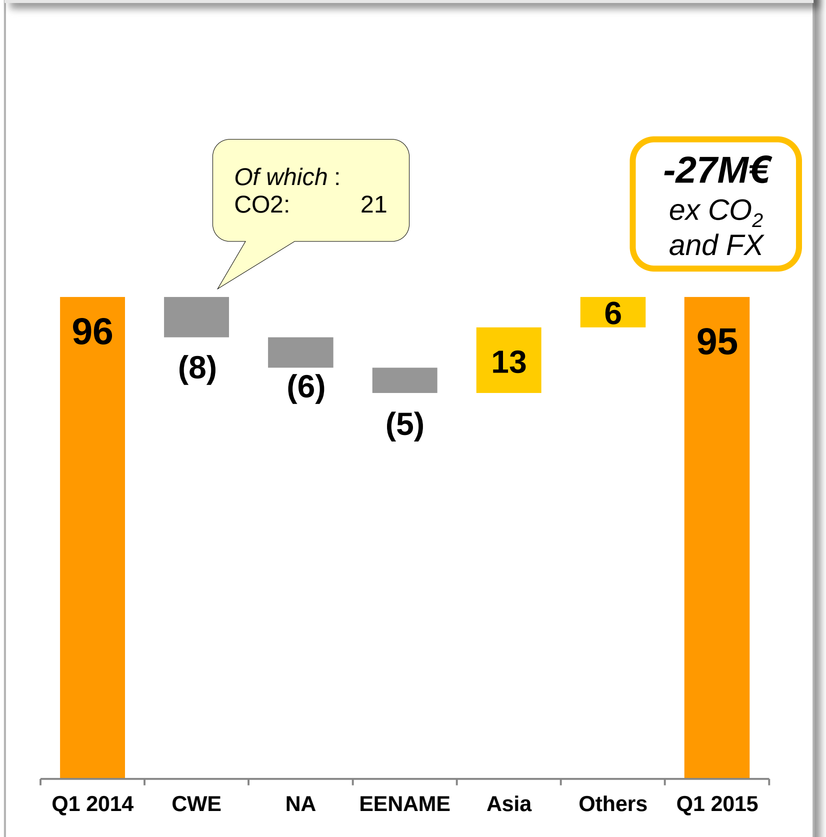
Q1 Rec. EBITDA variance analysis by driver and by area

Drag from market weakness in Europe, maintenance expenses in N. America and variable cost inflation in Egypt. Strong recovery in India. CO_2 rights support European results. Non-European portfolio boosted by FX effects

Rec. EBITDA by driver – M€

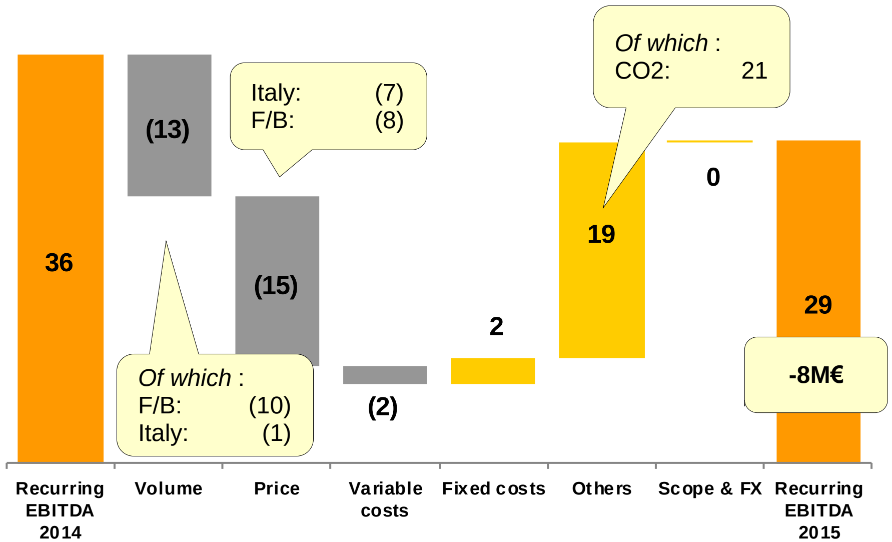


Rec. EBITDA by area – M€



Central and Western Europe

Q1 – Rec. EBITDA variance analysis M€



		% Chg	M€ Chg	
0	Italy	n.s.	+14	14
35	France/Belgium	-53%	-18	16
2	Others			-1

Italy

- No recovery in volumes yet
- Adverse comps on pricing but sequential stabilization. Price environment affected by Sacci situation
- Continuous efforts to reduce fixed costs
- CO_2 sales: 21M€ in Q1'15 (0 in Q1'14)

France / Belgium

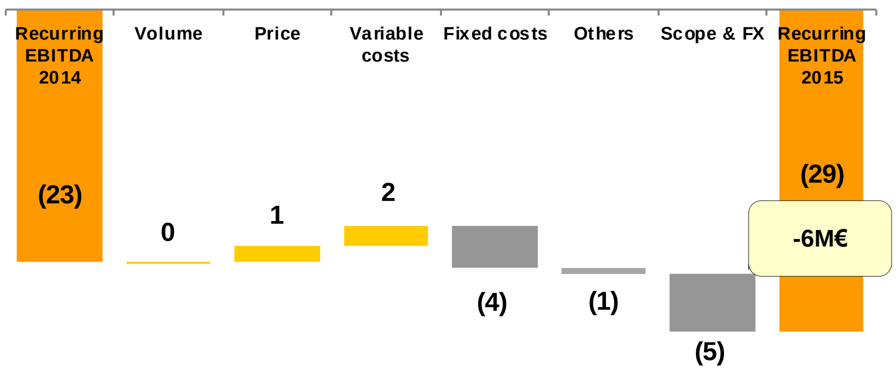
- Negative volume effect on Q1 2014 unfavorable weather comps and ongoing demand weakness
- Fixed costs reduction remains the priority

Spain and Greece

- Timing effects penalize Spain results. Greece flat

North America

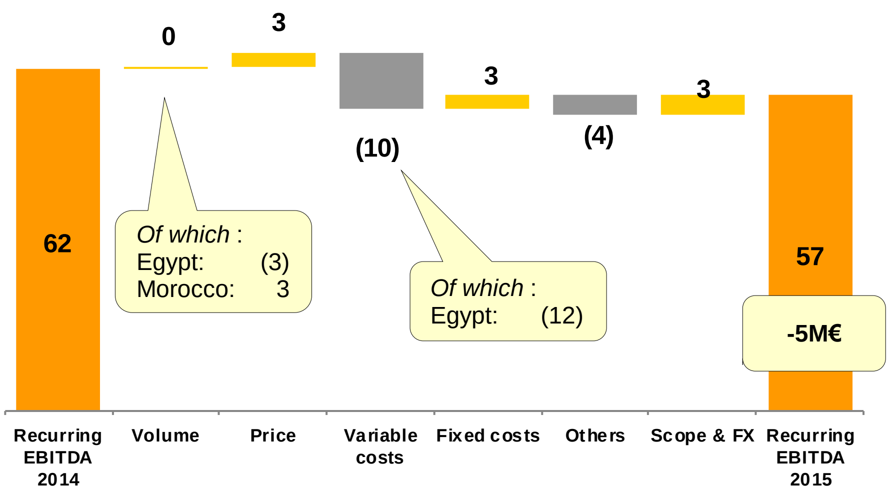
Q1 – Rec. EBITDA variance analysis M€



- Harsh winter conditions again, as in Q1 2014, lead to flat volumes
- Price increase successfully implemented
- We remain confident on market dynamics in the rest of 2015
- Fixed costs affected by timing of heavy maintenance activity
- FX translation effect is expected to turn positive starting from Q2

Emerging Europe, North Africa and Middle East

Q1 – Rec. EBITDA variance analysis M€



2014		% Chg	M€ Chg	2015
28	Egypt	-42%	-12	16
31	Morocco	23%	+7	38
3	Others			3

Egypt

- Weak market and production issues (strikes at Suez plant and interruptions at Helwan quarry)
- Prices volatility confirmed
- Higher fuel and electricity unit costs in Q1 2015 (after the increase in H2 2014)
- First efficiencies from Kattameya and Suez coal grinders

Morocco

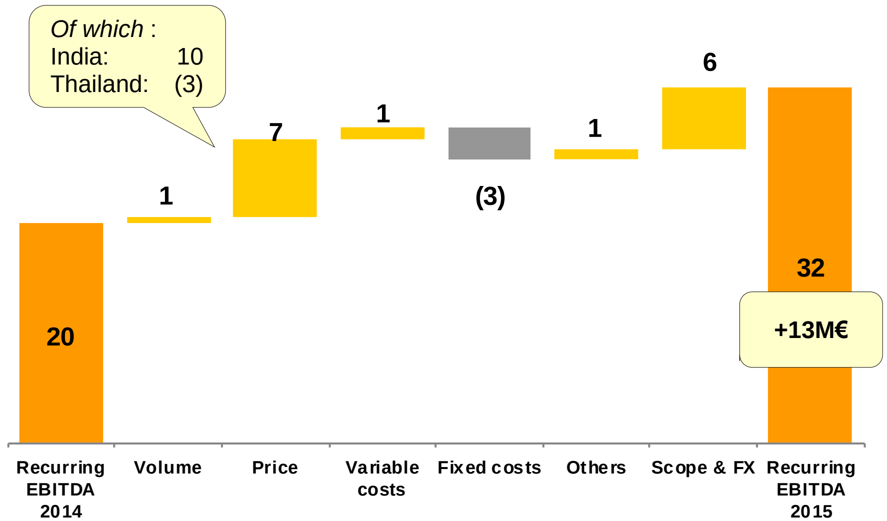
- Positive volume effect driven by catch-up on weak Q4 2014 (heavy rain in November and December)
- Price environment remains positive

Bulgaria

- Domestic market impacted by weather
- Devnya efficiencies in line with expectations

Asia

Q1 – Rec. EBITDA variance analysis M€



		% Chg	M€ Chg	
4	India	>100%	+11	15
18	Thailand	9%	+2	20
-2	Other			-2

Thailand

- Volume-driven improvement in Rec. EBITDA
- Some pressure on prices ahead of TPI capacity increase
- Overall neutral effect from the cost base
- Strong FX effect: 4M€

India

- Positive sentiment on macro expectations still not reflected in cement volumes
- Strong margin recovery driven by price increases after protracted price war
- Strong FX effect: 3M€

Kazakhstan

- Positive volume environment, in line with expectations

Non-operating P&L items

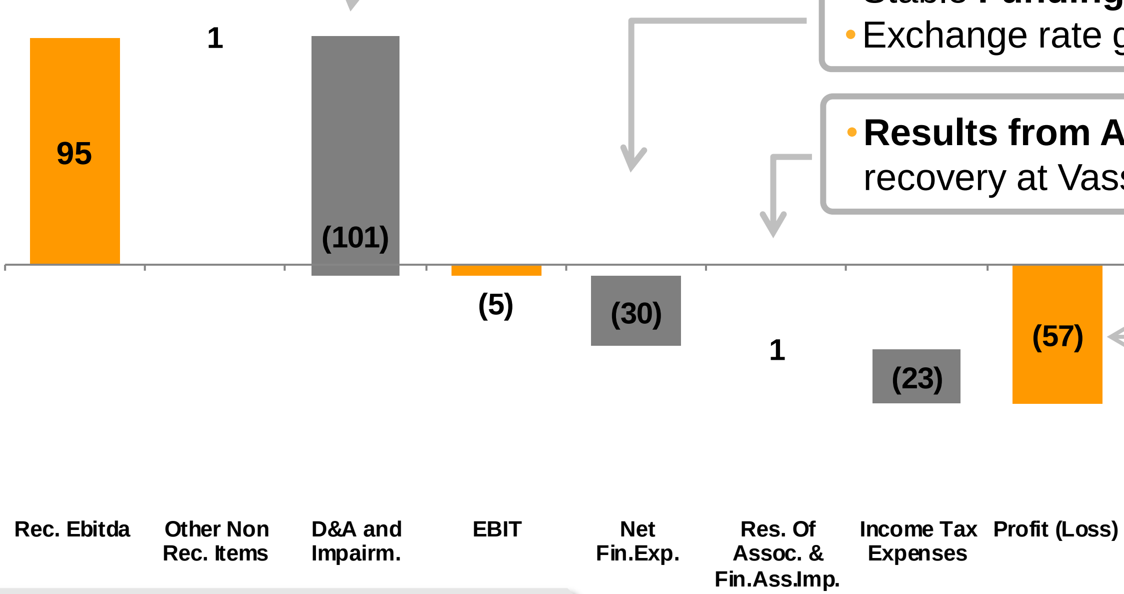
Stable EBIT and Net Loss with lower Net Financial Expenses thanks to gain on FX hedges in Europe and revaluation of USD cash reserves in Egypt. Timing effects on tax expenses

Q1 2015 – M€

- **Depreciation:** -99M€ (vs. -99M€)
- **Impairment** on non current assets: -2M€ (vs. -2M€)

- Stable **Funding costs: -24M€** vs PY -24M€
- Exchange rate gains/(losses) (+8M€ vs.-4M€)

- **Results from Associates: +1M€** (vs. -1M€), thanks to recovery at Vassiliko (Cyprus)



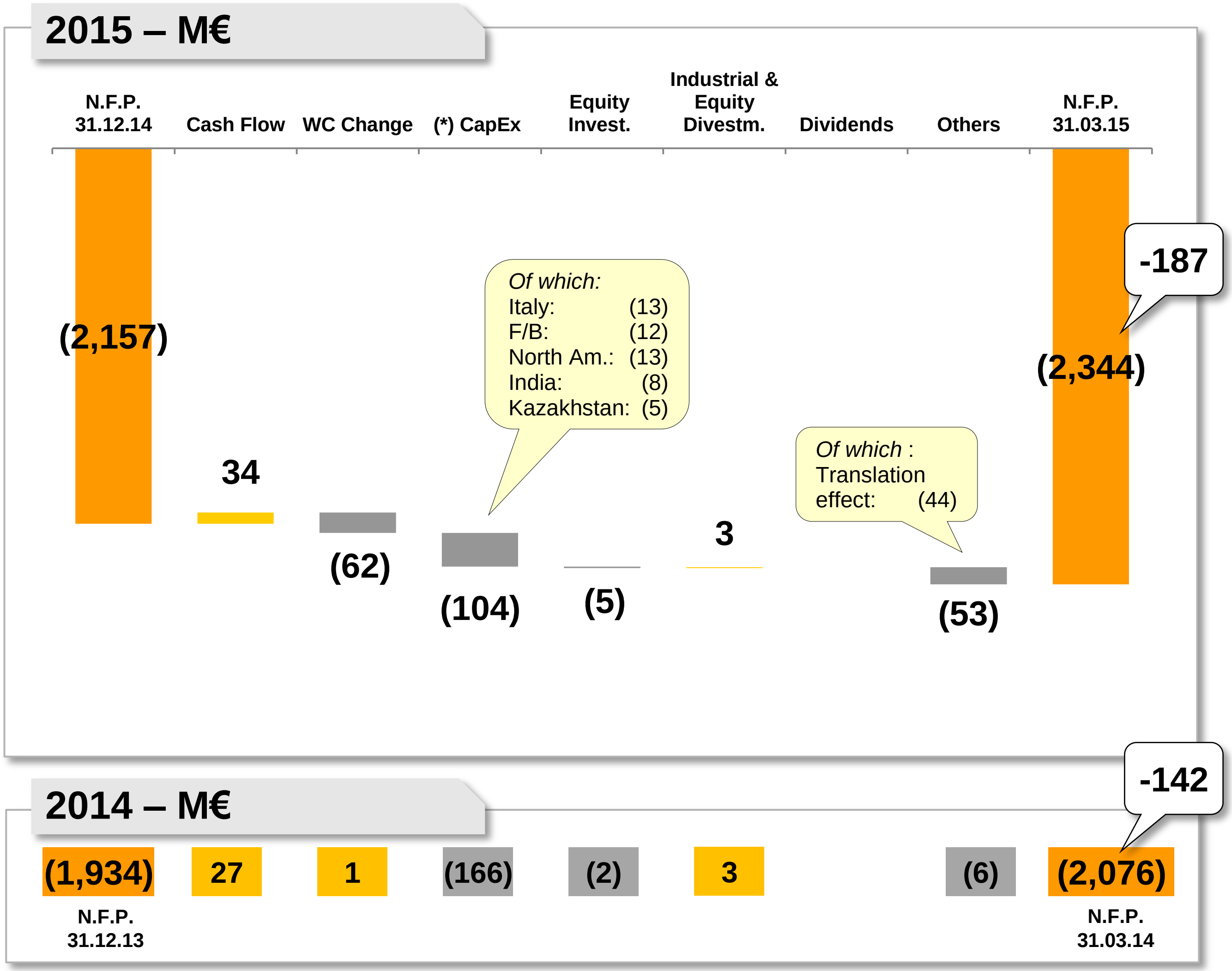
of which:
- ***Minorities:*** ***+17M€*** *(vs. 13M€)*
- ***Owners of the Parent:*** ***-73M€*** *(vs. -68M€)*

Q1 2014 – M€

Rec. Ebitda	Other Non Rec. Items	D&A and Impairm.	EBIT	Net Fin.Exp.	Res. Of Assoc. & Fin.Ass.Imp.	Income Tax Expenses	Profit (Loss)
96	1	(101)	(4)	(39)	(1)	(11)	(55)

Cash Flow

Net Financial Position moves along strong seasonal pattern, further inflated by Euro weakness

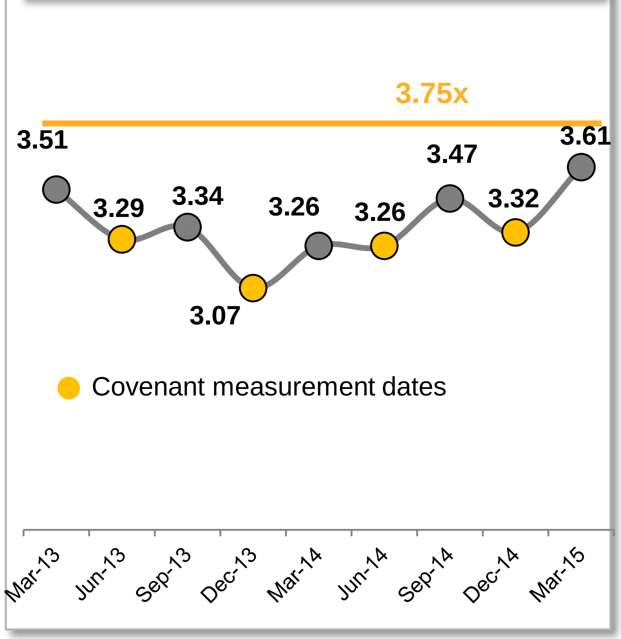


- Stable Cash Flow from Operations
- 62M€ Working Capital seasonal absorption
- In line with guidance, strong reduction in CapEx vs. 2014 (63M€ vs. 127M€ excluding change in payables)
- 44M€ negative FX translation impact

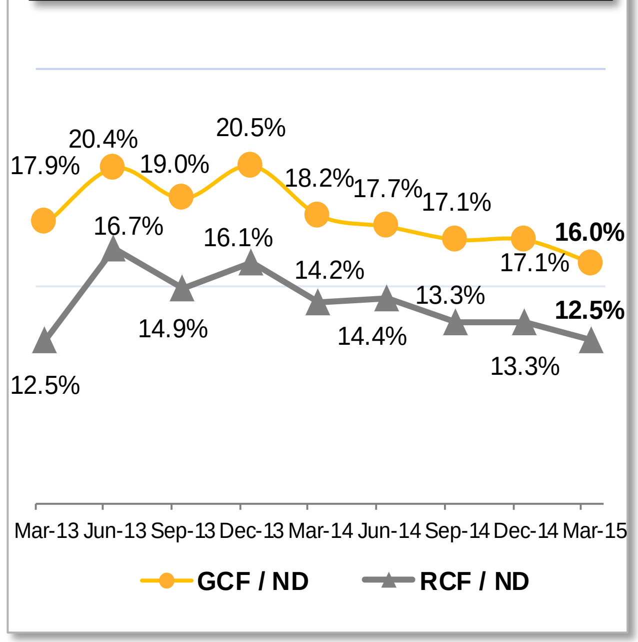
(*) Including change in payables of -41M€ as of March 15 and -39M€ as of March 14

Financial Ratios

Net Debt(*) / LTM Recurring EBITDA



LTM(**) GCF and RCF / Net Debt(*)



- Seasonal leverage increase compounded by asymmetric timing of FX effects on Debt and EBITDA. Full year FX impact to shift to positive
- Targeting 3.2x leverage ratio at year-end vs. 3.3x as of Dec. 2014

(*) June '14 ratios calculated on 2,076M€ Pro-forma NFD after completion of P150 transactions
(**) GCF and RCF based on reported figures

Ratings

	LT Rating	Outlook	Last Action
Moody's	**Ba3**	**Positive**	**31/07/14 (Outlook raised)**
S&P's	**BB**	**Stable**	**17/04/15 (Rating downgraded)**

- S&P downgrade after protracted negative outlook

Net Financial Debt

Seasonal working capital flows funded primarily with short term debt. Cash balances in emerging markets at seasonal peak before dividend distributions

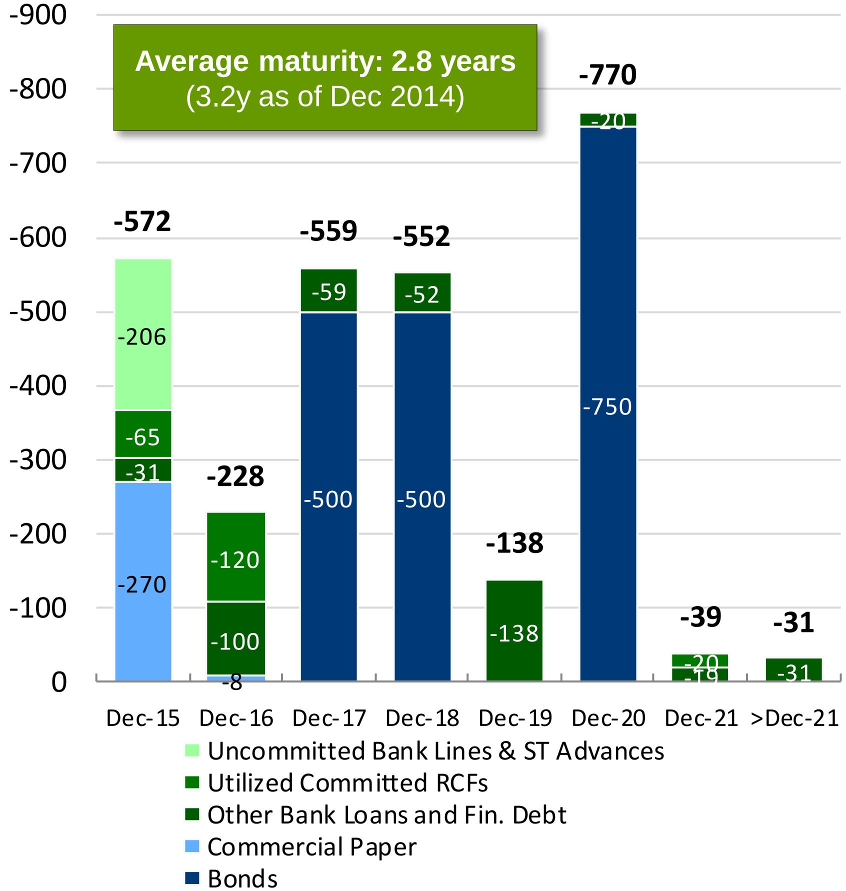
Net Financial Debt – M€

	31 March '15	31 December '14	Source/(Use)
Current financial liabilities	654	529	125
Non-current financial liabilities	2,375	2,337	38
Gross Financial Debt	**3,029**	**2,867**	**163**
Gross Financial Debt excluding fair value adjustments and MTM of derivatives	*2,890*	*2,659*	231
Current financial assets	(642)	(611)	(31)
of which available cash at holdings level including entire Italy perimeter	*(67)*	*(73)*	*6*
Non-current financial assets	(44)	(99)	55
Total financial assets	**(686)**	**(710)**	**24**
Net Financial Debt	**2,344**	**2,157**	**187**

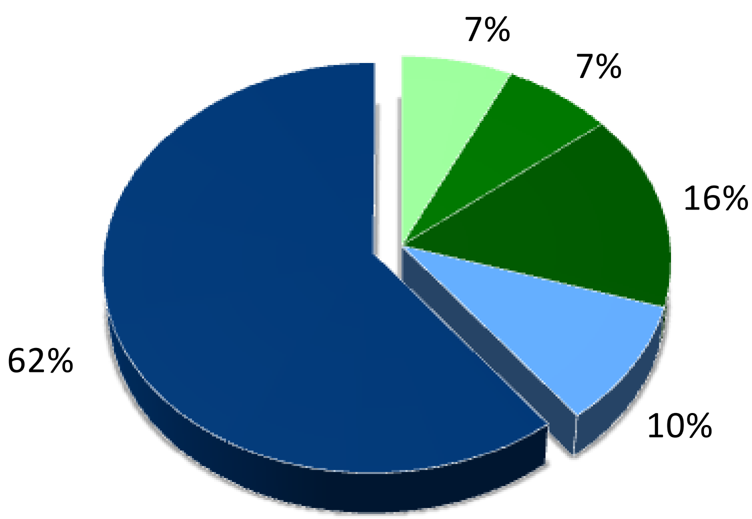
Gross debt maturity profile as of March 31, 2015

Increase in commercial paper outstandings to cover working capital requirements shortens average life of gross debt

Gross Debt* Maturity profile
Total 2,890M€ as of March 31, 2015



Gross Debt Composition
Total 2,890M€ as of March 31, 2015



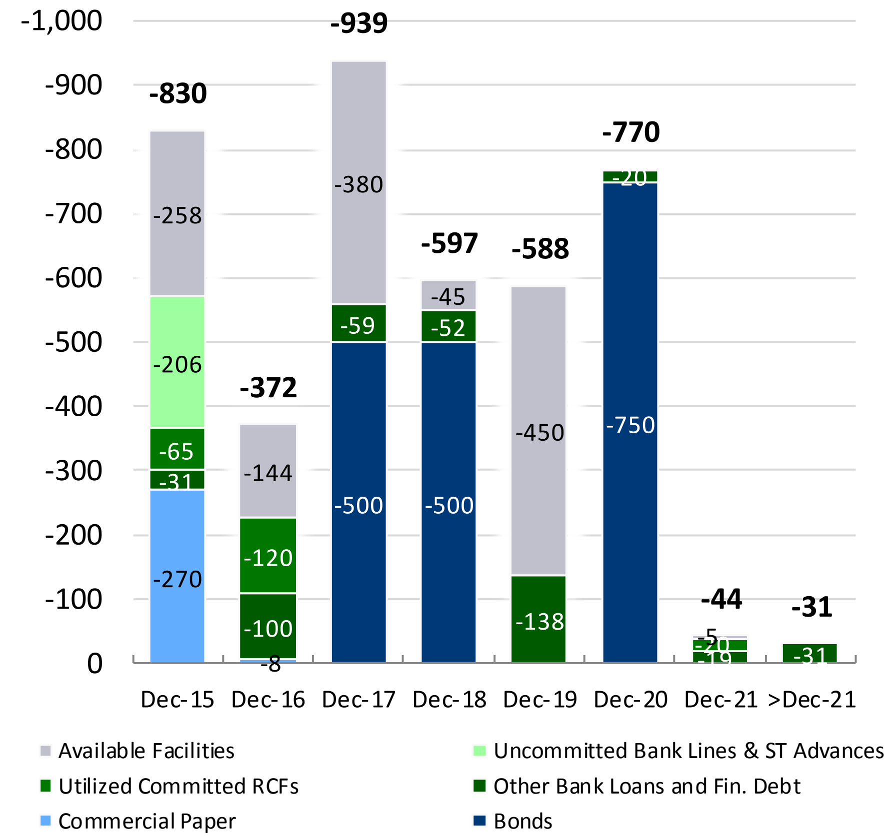
Capital market weight at 72% vs. 71% (Dec. 14)

(*) Face value of financial debt instruments, excluding accrued interests, fair value adjustments and MTM of derivatives as of March 2015
Gross debt as per balance sheet equal to 3,029M€ in March '15 vs. 2,867M€ in December '14

Liquidity profile as of March 31, 2015

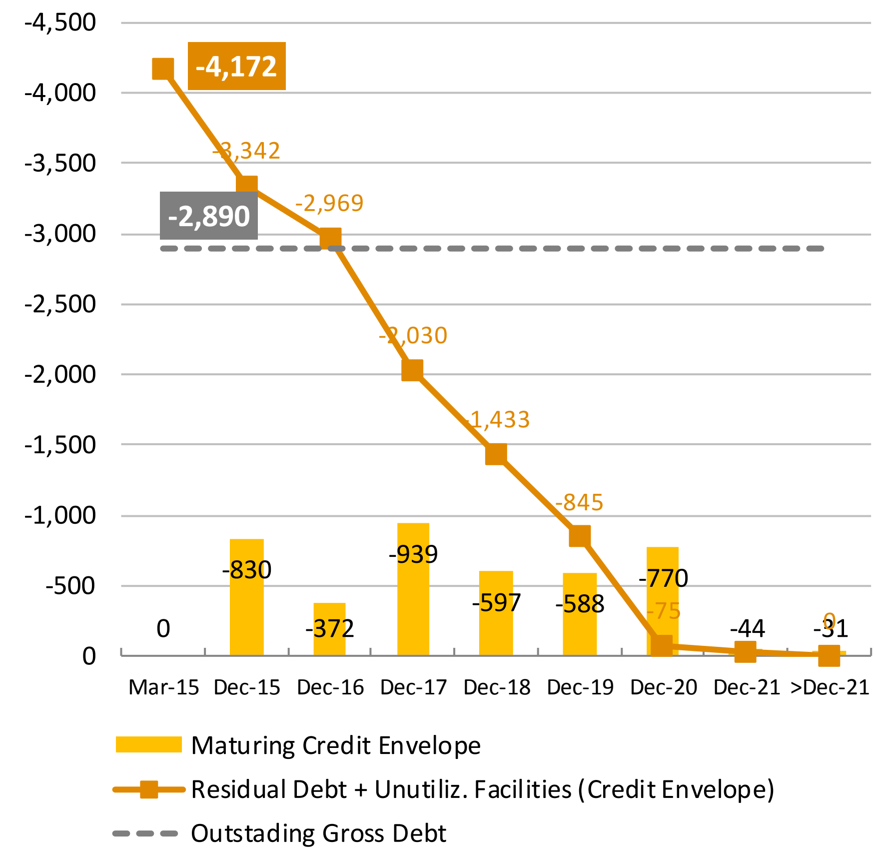
Approximately 2 years of liquidity headroom, in line with financial policies

Credit Envelope Maturity Profile | M€



Liquidity Headroom | M€ as of 03/31/2015

Unutilized RCFs: 1.28B€ vs. 1.31B€ on 12/31/14



Agenda

Q1 2015 Group Results

2015 Outlook and Actions

Outlook 2015 vs. 2014: Mature Countries

Central Western Europe

Italy Operations	Market volume -5% / -1.5%	Cement Price -10% / -5%	Rec.EBITDA ↓

- Price environment affected by Sacci situation. Timing on price recovery remains uncertain

France	Market volume -5% / -1.5%	Cement Price -5.0% / -1.5%	Rec.EBITDA ↓

- More prudent view on pricing trends

Spain (N.+S.)	Market volume +5% / +10%	Cement Price -5% / -1.5%	Rec.EBITDA →
Greece	Market volume +5% / +10%	Cement Price -1.5% / +1.5%	Rec.EBITDA →

North America

N. America (Group market area)	Market volume +1.5% / +5%	Cement Price +1.5% / +5%	Rec.EBITDA ↑

- In line with prior forecast in spite of Q1 weakness
- Camden slag grinding unit acquisition to support product mix (cement/clinker ratio) and EBITDA

Better than prior year (green) | Stable vs. prior year (grey) | Worse than prior year (red)

Outlook 2015 vs. 2014: Emerging Countries

E. Europe / N. Africa

Egypt	Market volume +1.5% / +5%	Cement Price volatile	Rec.EBITDA ↑

- More prudent view on FY outlook after Q1 performance. Medium term trends supported by projects presented at Economic Development Conference and by our energy diversification initiatives

Morocco	Market volume -5% / -1.5%	Cement Price +1.5% / +5%	Rec.EBITDA ↑

- In line with expectations

Bulgaria	Market volume -1.5% / +1.5%	Cement Price -1.5% / +1.5%	Rec.EBITDA ↑

Asia

Thailand	Market volume +1.5% / +5%	Cement Price -5% / -1.5%	Rec.EBITDA ↑

- Pricing risks compensated by variable costs reductions

South India	Market volume -1.5% / +1.5%	Cement Price +5% / +10%	Rec.EBITDA ↑

- Stronger than expected price dynamics. Upgrading outlook

Kazakhstan	Market volume +10% / +15%	Cement Price +1.5% / +5%	Rec.EBITDA ↓

Better than prior year   Stable vs. prior year   Worse than prior year

2015 in Summary

Strategic Axes on Track	Maintain healthy pressure on structural costs with targeted initiatives Strengthen market presence with selected investments (e.g. Camden slag grinding in U.S.A., terminals/grinders in Africa & Asia) Sustain innovation & integrated marketing initiatives
Slight EBITDA Growth confirmed	More prudent volume/price expectations in Europe and Egypt after early miss; dynamics remain uncertain and could provide upside Fuel costs forecast revised to reflect recent trends, FX mitigates positive EBITDA effect in Europe Other non-European markets to confirm positive performance, enhanced by FX translation effects
Leverage Control	Respect covenant limits through seasonal NFP peak and restore adequate headroom by year-end Potential support from divestiture of selected non-core assets with limited EBITDA impact

Appendix 1

FY 2014

2014 in summary

Project i.150 Completed

Simplified and strengthened Group equity structure, moving from three to one class of shares:

- ❑ Savings shares mandatory conversion
- ❑ 500M€ Capital Increase earmarked to …
- ❑ …Ciments Français minorities buy-out

Industrial Efficiency Improved

Rezzato and Devnya revampings completed

2 coal grinders in Egypt on track

Alternative Fuels at 11% (9.3% in 2013)

68M€ cost reduction in line with targets

2014 Targets Achieved

Return to Growth in Rec. EBITDA: +20M€ at 649M€

Net Financial Debt contained at 2,157M€ after ~500M€ CapEx

Innovation and marketing focus (i.nova system): Innovation Rate grows to 6.6% (5.3% in 2013), with 271M€ in revenues (+21%)

A more efficient presence in mature and emerging countries

Rezzato - Italy

- State-of-the-art core plant in Northern Italy alongside Calusco
- 1.3mt/y cement capacity (excluding white cement)
- 150M€ Capex, on time and on budget
- 75% emissions reduction and 30% variable costs reduction
- 2015 expected incremental Rec. EBITDA at 10+M€, steady-state >20M€ depending on market size

Devnya - Bulgaria

- 1.5mt/y cement capacity
- >160M€ Capex, ahead of time and on budget
- Start-up in October 2014. Full ramp-up in early 2015
- More than 30% reduction in fixed and variable costs
- Strong emissions reduction (more than 50% NO_x and more than 80% SO_x)
- 2015 expected incremental Rec. EBITDA at 10M€, steady-state >15M€

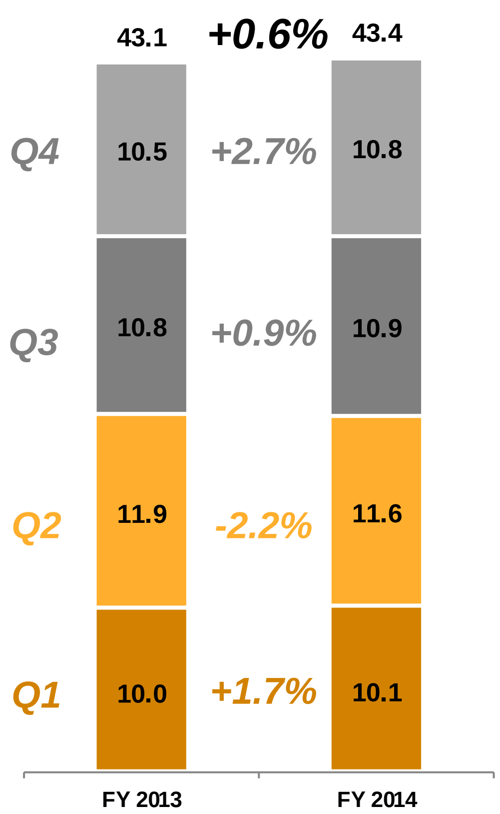
FY 2014 in summary

	FY 2014
Overall good volume recovery mitigated by weakness in France/Belgium	**+0.6%** cement & clinker volumes % chg
Favorable pricing trends in non-European markets support revenue levels. Pressure in Europe	**-0.7%** like for like revenues % chg
FY EBITDA margin up to 15.6% (vs. 14.9% in 2013) Italy, Spain and Thailand offset France/Belgium	**+17M€** rec. EBITDA chg ex CO_2 & FX
Stronger FY EBIT improvement on lower D&A and Impairments	**+67M€ (+42.3%)**
Net Debt increase on major investments. Rezzato and Devnya revampings completed, coal grinding in Egypt on track	**-223M€** Change in NFP from Dec. 31, 2013
Leverage under control	**3.3x** Net Debt / Rec. EBITDA

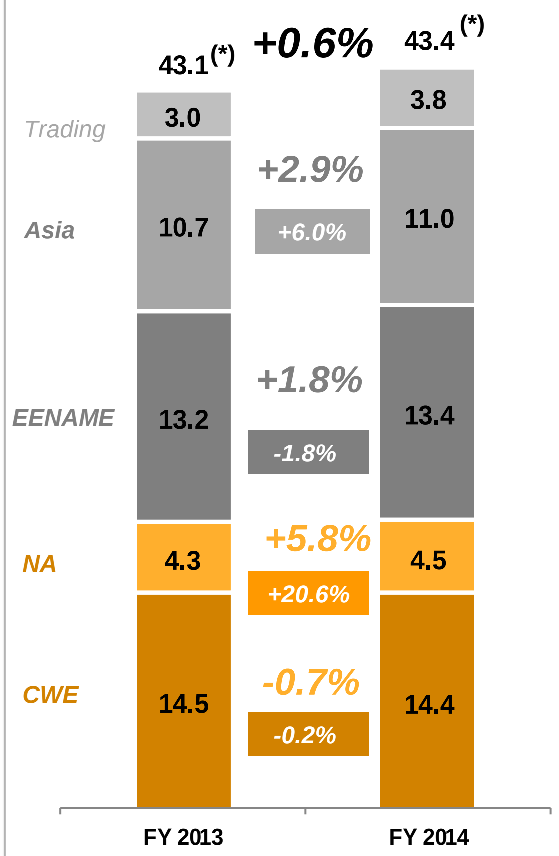
Sales volumes by business

FY14 cement volumes stabilized after 6-year downturn; good Q4. Europe still weak, more than compensated by N. America; main emerging markets positive with the exception of Morocco. Trading growth complements domestic markets sales. Contraction of aggregates and ready-mix

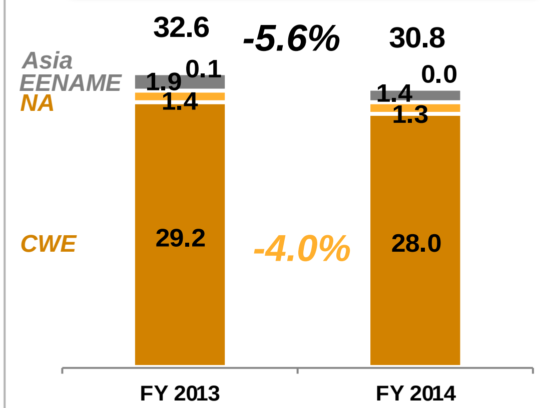
Cement and Clinker (mt) by quarter



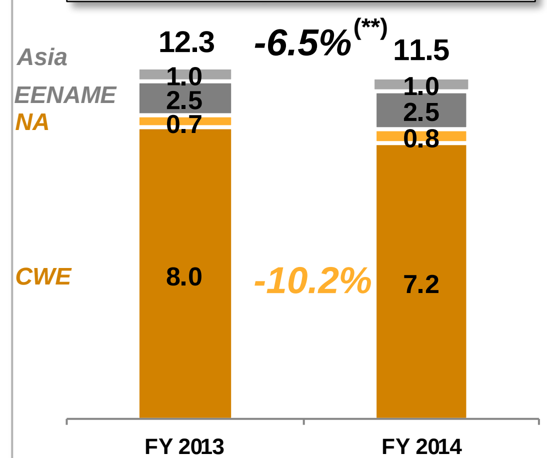
Cement and Clinker (mt) by Area



Aggregates (mt)



Ready-mix (mm3)



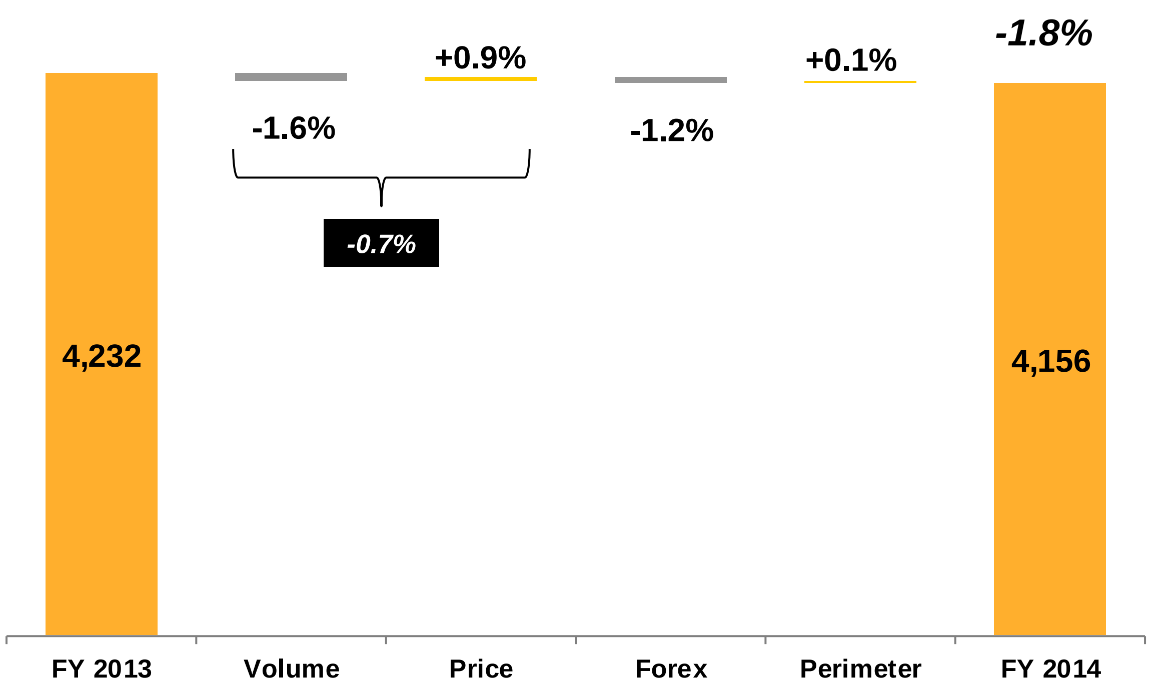
(*) Including eliminations for 3.7*mt* in 2014 and 2.5*mt* in 2013 (**) -7.0% on a like-for-like basis – 2014 perimeter

Q4 chg.

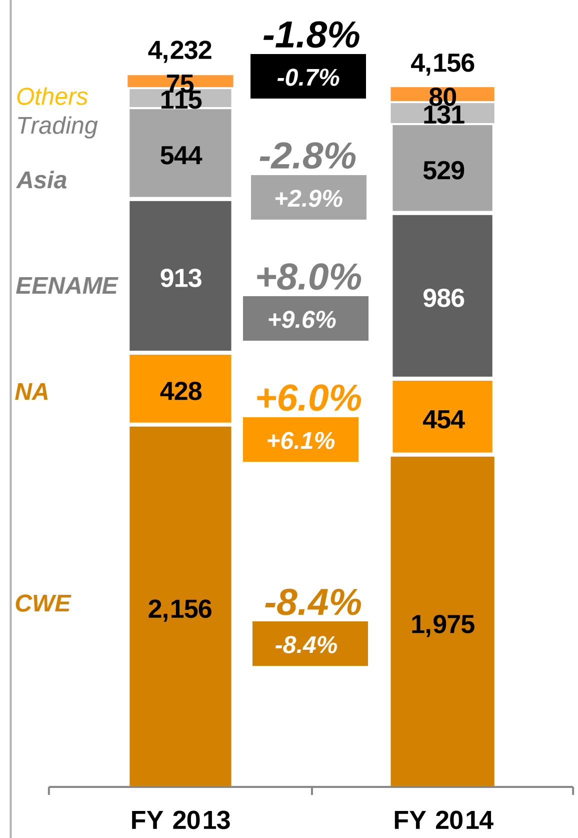
Revenue

L-f-l FY 2014 revenue slightly below 2013 level (-0.7%). Volume effect driven by cement market mix and RMC/Aggregates. Positive price trend mainly in Egypt, Thailand and Morocco offsetting pressure in Italy and France/Belgium. Negative FX effect in FY but Q4 turned positive

FY 2014 vs. FY 2013 – M€

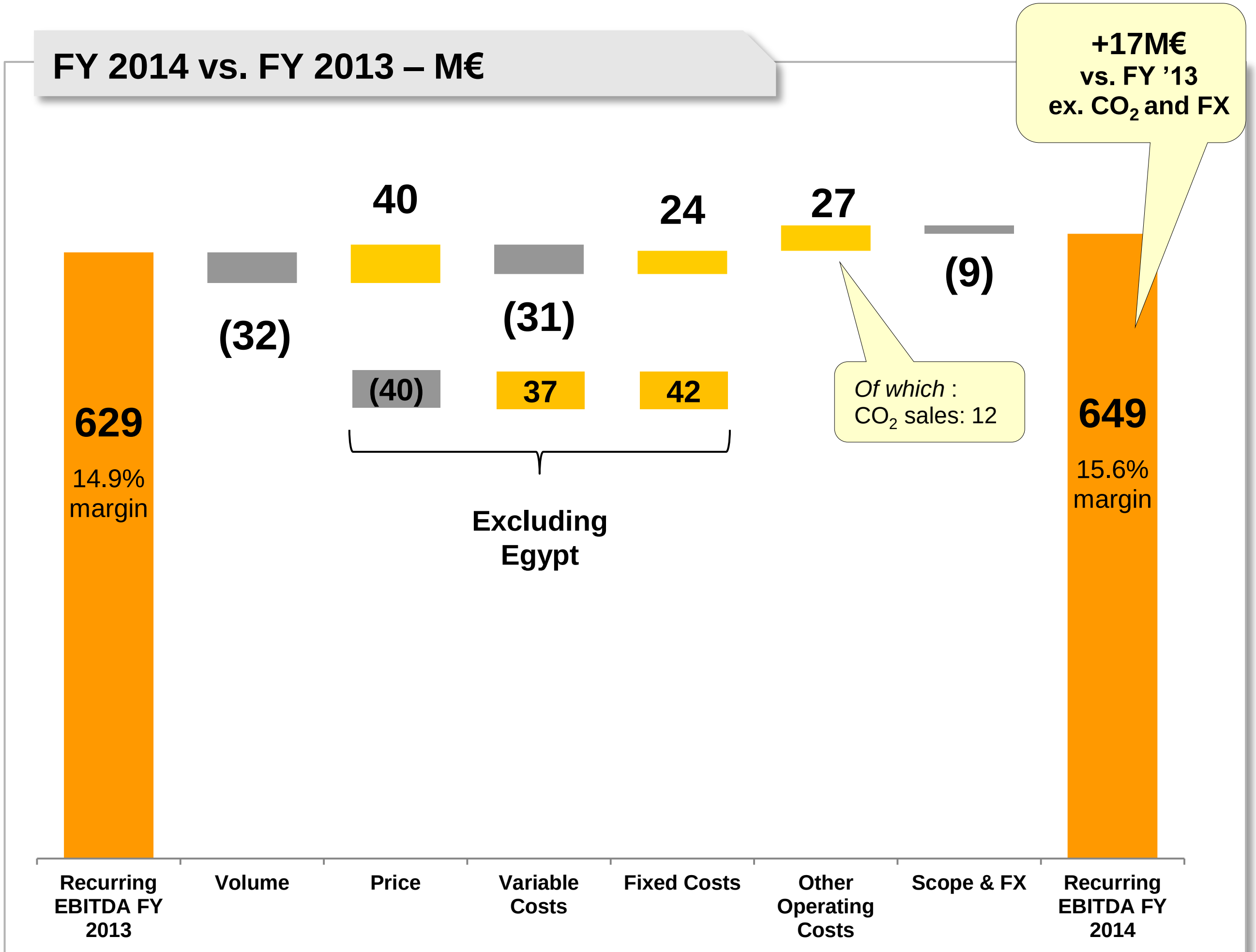


FY Breakdown by Area – M€
(after eliminations)



Like-for-like

FY Rec. EBITDA variance analysis by driver

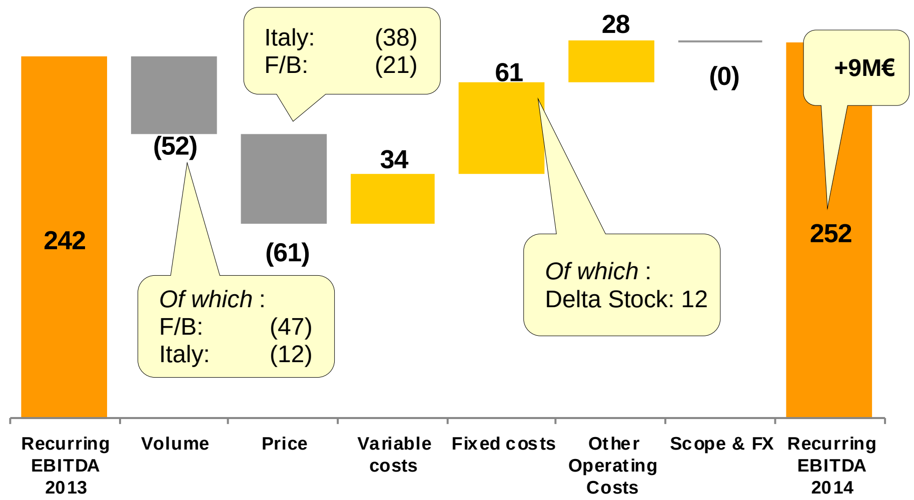


- **Volume effect** dragged down by France/Belgium but positive trends confirmed in NA and Thailand while Spain and Greece showed signs of recovery
- Excluding Egypt:
  - **Price/variable cost spread** almost neutral in 2014 reflecting efficiency actions in an overall deflationary environment
  - After the resolution of production issues, positive **fixed cost** results are now more visible
- FY **FX effect** is negative due to Thailand and Egypt, with a reversal trend in Q4

Central and Western Europe

9M€ EBITDA growth in spite of 113M€ adverse market (volume and price) effects

FY – Rec. EBITDA variance analysis M€



	of which	% Chg	M€ Chg	
-15	**Italy**	n.s.	35	19
264	**France/Belgium**	-15.8%	-42	222

Italy

- Another positive quarter in a persistently weak business environment thanks to positive impact of self-help
- Broadly flat cement volumes and partial recovery of market share
- Price decline remains at a high single digit level in Q4
- Rezzato start-up in early November

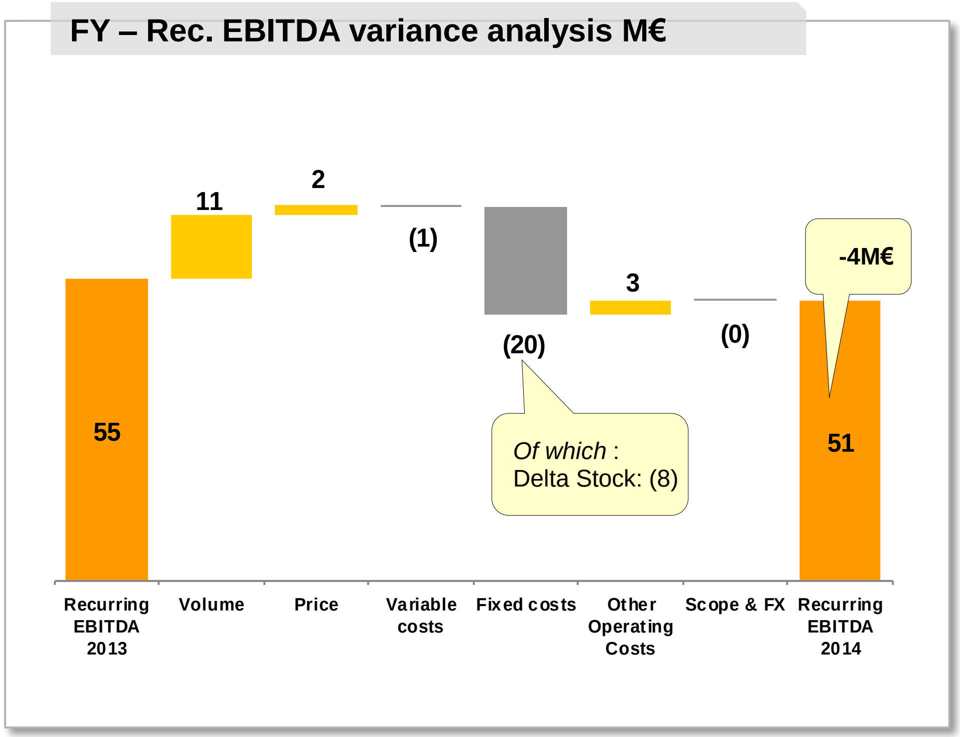
France / Belgium

- Cement consumption continues to be weak
- Competitive business environment (Holcim assets disposal)
- Strong efforts to reduce costs in Q4 2014

Spain and Greece

- Refocused on export strategy pending market recovery
- Positive Rec. EBITDA dynamics
(+6M€ vs. Q4 2013; +16M€ vs. FY 2013)

North America

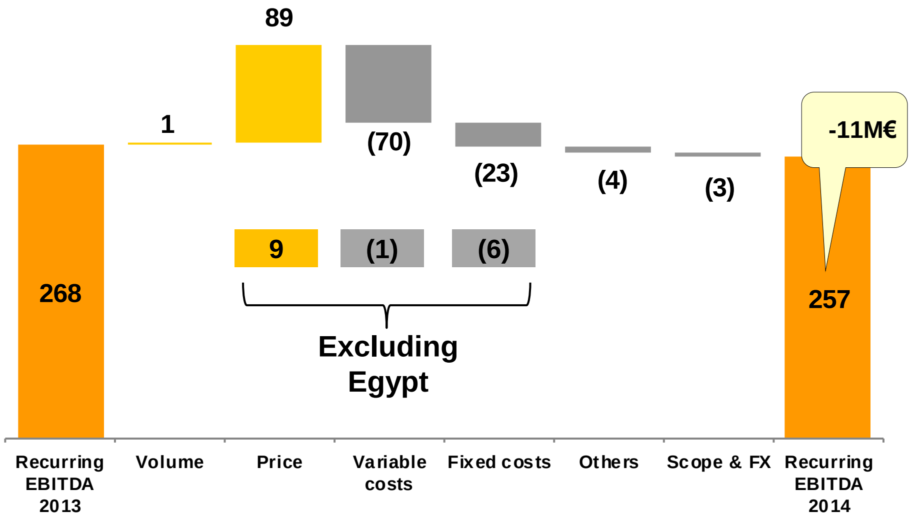


- Positive EBITDA trend since 2011 trough paused in 2014 due to
  - Weather-related volumes in Q1
  - Production issues leading to higher than expected maintenance costs
- Volume growth driven by remarkable results in Q4 (market + base effect)

Emerging Europe, North Africa and Middle East

Conditions remain volatile in Egypt and Morocco still sluggish

FY – Rec. EBITDA variance analysis M€



	of which	% Chg	M€ Chg	
110	Egypt	-4.2%	-5	106
143	Morocco	-4.3%	-6	137

Egypt

- Positive cement volume trend hampered by decline in Q4 due to unfavorable weather in December and competitive pressure
- Favorable price dynamics compensate higher variable costs (including clinker imports)
- As planned, fixed cost effect impacted by higher maintenance, after 2013 compression
- Completion of Kattameya and Suez coal mill projects (~35% of fuel mix) to lead to sharp clinker imports reduction in 2015

Morocco

- Soft market volume conditions, further hit by rain in November-December
- Positive price dynamics
- Focus on distribution network along coastal areas to consolidate customer base

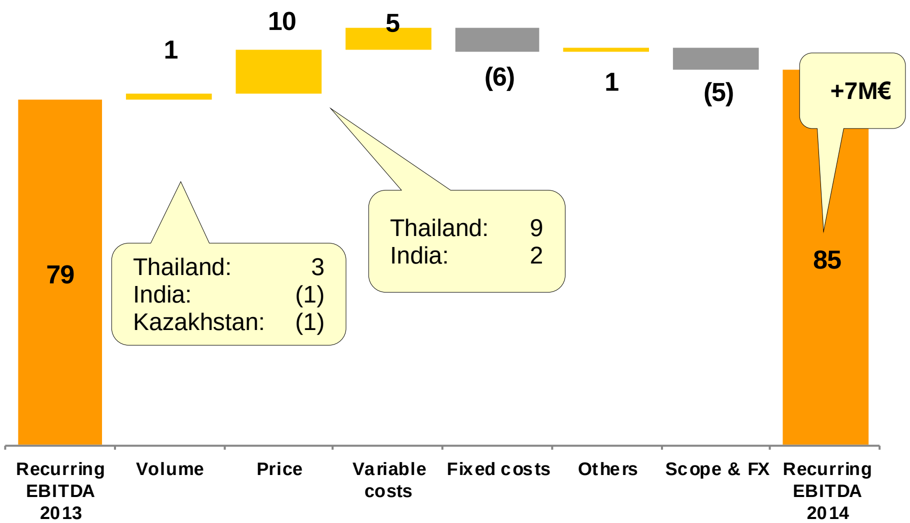
Bulgaria

- Recovery in domestic cement sales: +8.4% (FY)
- Devnya revamping completed on time in October

Asia

Strong performance in Thailand more than compensates H1 weakness in India

FY – Rec. EBITDA variance analysis M€



	of which	% Chg	M€ Chg	
27	India	-32.1%	-9	18
52	Thailand	24.4%	13	64

Thailand

- Continuing solid results with Rec. EBITDA margin above 20% also thanks to positive effects of Waste Heat Recovery System
- 1M€ positive FX effect in Q4 2014 while YTD headwind remains at 4M€

India

- After 6 quarters of disappointing performance, H2 2014 recovery driven primarily by strong price rebound
- Ongoing focus on distribution: Solapur cement grinding center and Cochin terminal expected to be operational in H2 2015

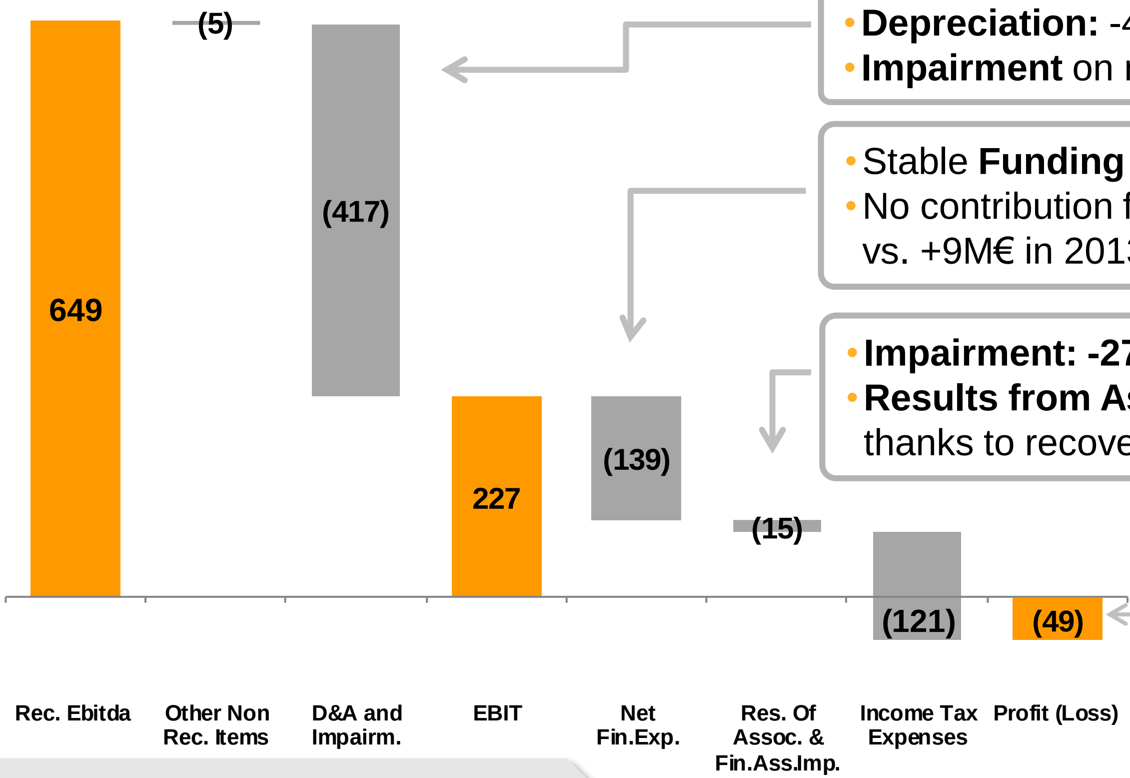
Kazakhstan

- Revamping of Shymkent wet line launched in Q3, completion in H1 2016 with EBRD financing support

Non-operating P&L items

Strong EBIT improvement (67M€) on Rec. EBITDA and lower D&A and impairments.
58M€ improvement in Owners of the Parent net result, including elimination of CF minorities

FY 2014 – M€



- **Depreciation:** -408M€ (vs. -425M€)
- **Impairment** on non current assets: -9M€ (vs. -32M€)

- Stable **Funding costs: -101M€** vs PY -98M€
- No contribution from CO_2 derivatives results (0M€ in 2014 vs. +9M€ in 2013)

- **Impairment: -27M€ (**25M€ related to WCC) vs. -16M€ PY
- **Results from Associates: +12M€** (vs. +7M€), mostly thanks to recovery at Vassiliko (Cyprus)

of which:
- ***Minorities:*** ***+58M€*** *(-19M€ vs PY)*
- ***Owners of the Parent:*** ***-107M€*** *(+58M€ vs PY)*

FY 2013 – M€

Rec. Ebitda	Other Non Rec. Items	D&A and Impairm.	EBIT	Net Fin.Exp.	Res. Of Assoc. & Fin.Ass.Imp.	Income Tax Expenses	Profit (Loss)
629	(13)	(457)	159	(123)	(9)	(116)	(88)

Core financial expenses

Cost of debt stable at 4.5% thanks to interest rate risk management, despite maturities of legacy, low-spread credit lines

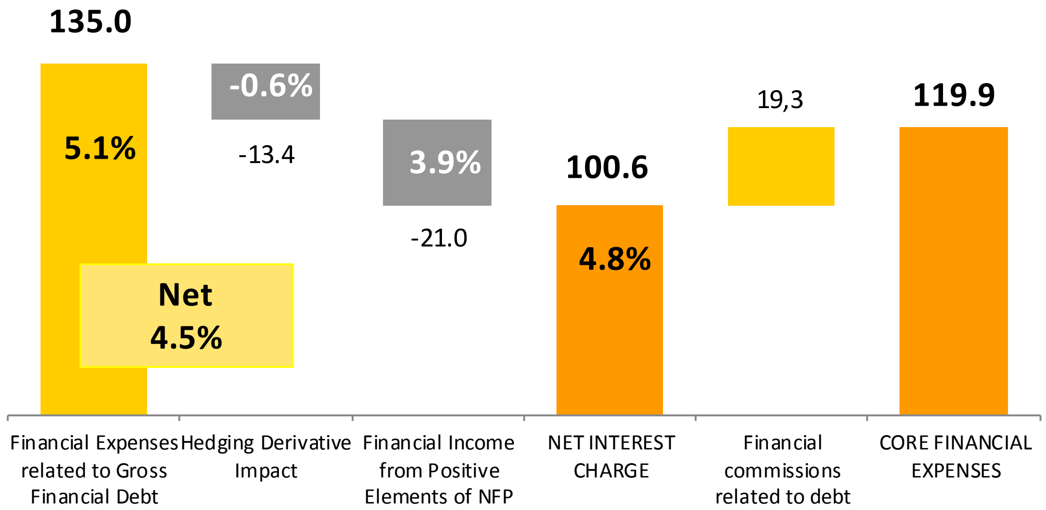
Expenses on Gross Debt, net of hedging derivatives impact grow by 6M€

- 6M€ volume effect
- 13M€ rate/spread effect (+0.6%),
- offset by 13M€ positive hedging derivative effect.

Other

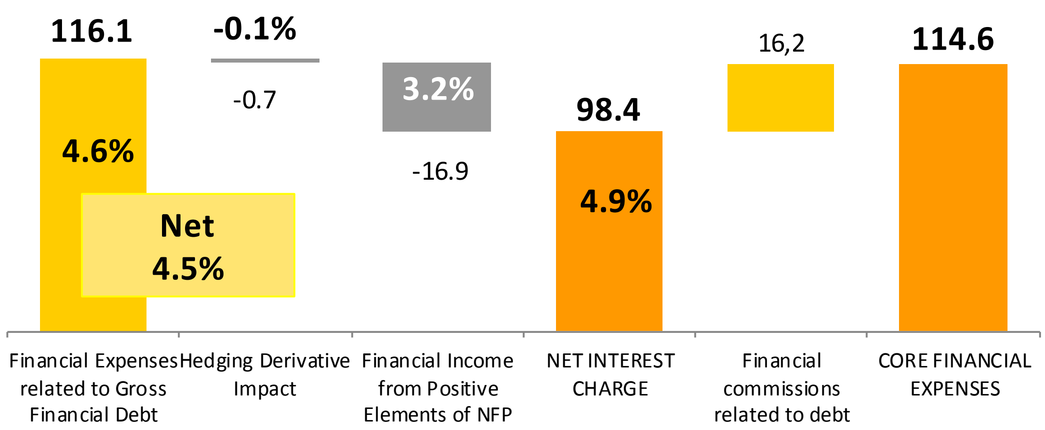
- 4M€ increase in income on positive elements of NFP (rate/mix effect)
- 3M€ increase in RCF commitment fees & other amortized upfront costs (spread effect plus upfront costs acceleration on early RCF cancellation)

FY-2014 Core Financial Expenses



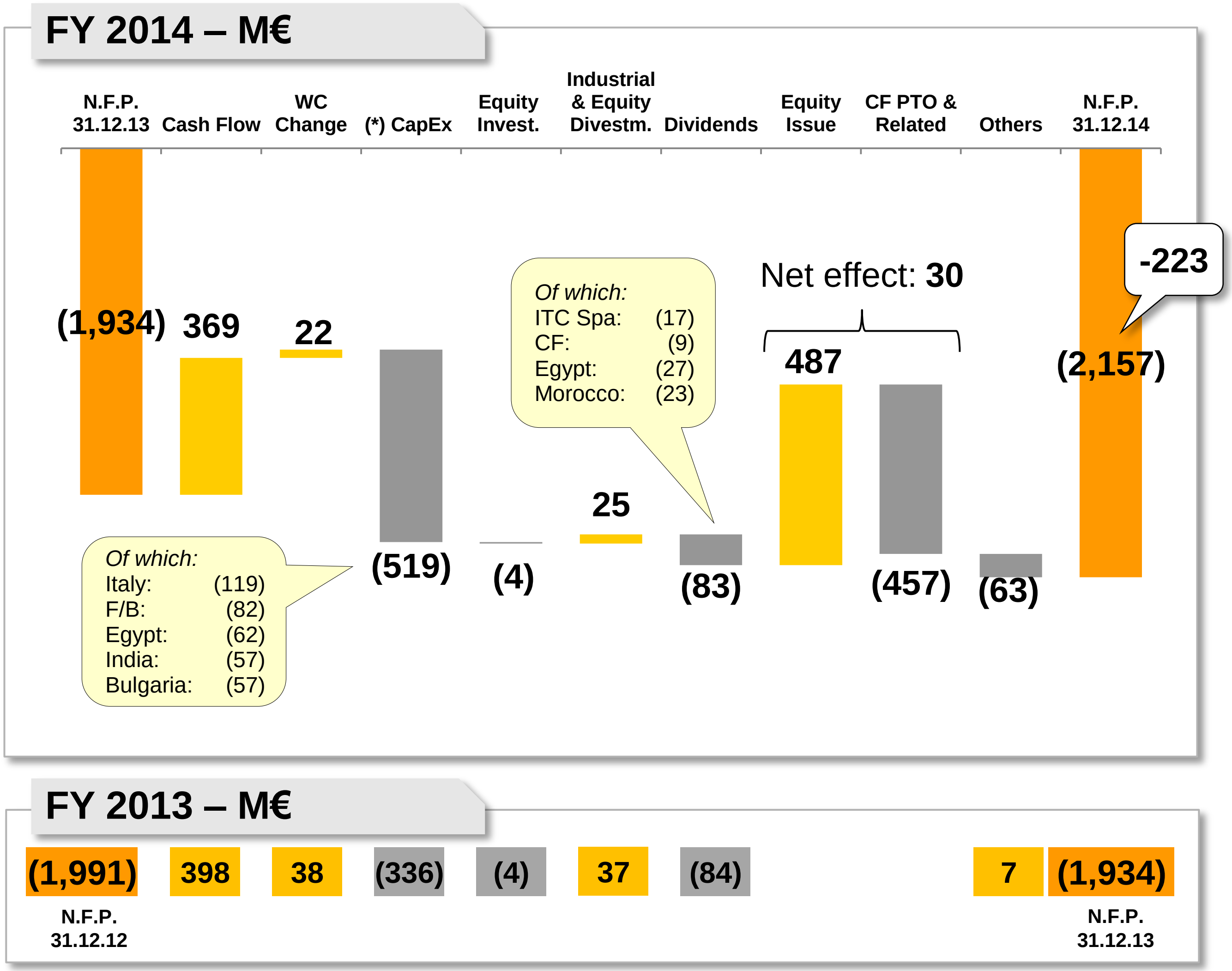
Percentages: avg rate on nominal gross debt , cash equivalents and net debt, respectively

FY-2013 Core Financial Expenses



Cash Flow

Net Debt grows on CapEx effort but contained below original target



(*) Including change in payables of -21M€ as of December 14 and +80M€ as of December 13

- Strong control on Working Capital maintained
- Increase in CapEx vs. 2013 driven by
  - Revamping in Rezzato (Italy) and Devnya (Bulgaria)
  - Coal grinding and environmental compliance in Egypt
  - Network development in India
- FX translation impacts year-end NFP by 29M€

FY 2014 cement volume sales variance by country

	Domestic + Export Cement & Clinker
Italy	-0.6%
France - Belgium	-5.8%
Spain	+22.4%
Greece	+22.5%
North America	+5.8%
Bulgaria	-7.9%
Morocco	-2.3%
Egypt	+5.5%
Kuwait	-6.1%
Thailand	+4.7%
India	+1.4%
Kazakhstan	-3.5%
Total	+0.6%

Cement Domestic Sales **+1.0%**

Cement Domestic Sales **+8.4%**

Cement Domestic Sales **-5.1%**

Cement Domestic Sales **+0.5%**

Revenue by country

M€	FY 2014	FY 2013	% Change 14-13	
			Actual	LfL
Italy	601	655	-8.3%	-8.3%
France/Belgium	1,363	1,474	-7.6%	-7.6%
Spain	108	99	8.2%	8.2%
Greece	29	24	21.1%	21.1%
Eliminations	-20	-17	-	-
Central Western Europe	**2,080**	**2,235**	**-7.0%**	**-7.0%**
North America	**455**	**429**	**6.0%**	**6.1%**
Egypt	589	499	18.0%	21.7%
Morocco	309	325	-4.8%	-4.9%
Bulgaria	57	59	-4.1%	-4.1%
Kuwait	59	57	3.4%	3.7%
Saudi Arabia	8	4	108.6%	4.4%
Emerging Europe North Africa Middle East	**1,022**	**944**	**8.2%**	**9.8%**
Thailand	271	269	0.7%	6.5%
India	228	227	0.7%	4.7%
Kazakhstan	39	49	-21.5%	-7.4%
Asia	**538**	**545**	**-1.3%**	**4.5%**
Trading Cement & Clinker	202	169	19.7%	19.8%
Others	328	308	6.2%	5.5%
Eliminations	-469	-399	-	-
Total	**4,156**	**4,232**	**-1.8%**	**-0.7%**

Recurring EBITDA by country

M€	FY 2014		FY 2013		Change 14 vs. 13	
		% on sales		% on sales		
Italy	19	3.2%	-15	-2.3%	35	n.s.
France/Belgium	222	16.3%	264	17.9%	-42	-16%
Spain	10	9.3%	-3	-2.6%	13	n.s.
Greece	0	0.4%	-4	-15.6%	4	n.s.
Central Western Europe	**252**	**12.1%**	**242**	**10.8%**	**9**	**4%**
North America	**51**	**11.2%**	**55**	**12.8%**	**-4**	**-7%**
Egypt	106	17.9%	110	22.1%	-5	-4%
Morocco	137	44.3%	143	44.0%	-6	-4%
Bulgaria	12	20.8%	9	15.9%	2	25%
Kuwait	3	4.6%	5	8.7%	-2	-46%
Others	0	3.2%	0	10.3%	0	-35%
Emerging Europe, North Africa and Middle East	**257**	**25.2%**	**268**	**28.4%**	**-11**	**-4%**
Thailand	64	23.6%	52	19.1%	13	24%
India	18	8.0%	27	11.9%	-9	-32%
Kazakhstan	3	7.9%	0	0.5%	3	n.s.
Asia	**85**	**15.9%**	**79**	**14.4%**	**7**	**9%**
Trading Cement & Clinker	10	5.1%	8	4.8%	2	28%
Others and Eliminations	-7	n.s.	-23	n.s.	16	n.s.
Total	**649**	**15.6%**	**629**	**14.9%**	**20**	**3%**

Appendix 2

Q1 2015

Q1 2015 cement volume sales variance by country

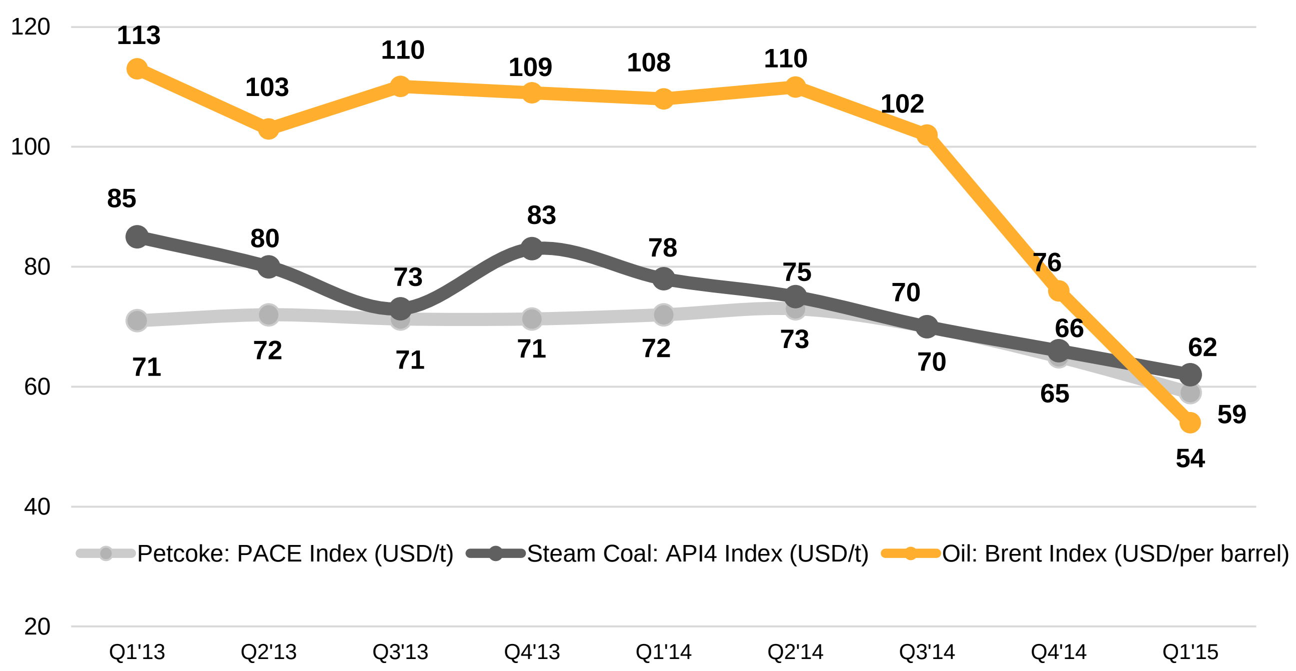
	Domestic + Export Cement & Clinker	
Italy	-3.2%	
France - Belgium	-7.6%	
Spain	-13.8%	Cement Domestic Sales **+8.1%**
Greece	-8.2%	
North America	+0.0%	
Bulgaria	+19.5%	Cement Domestic Sales **-8.5%**
Morocco	+6.7%	
Egypt	-7.2%	Cement Domestic Sales **-2.4%**
Kuwait	+64.4%	
Thailand	+11.8%	Cement Domestic Sales **+1.2%**
India	-11.1%	
Kazakhstan	+19.6%	
Total	-1.3%	Cement Domestic Sales **-2.6%**

Revenue by country

M€	Q1 2015	Q1 2014	% Change 15-14	
			Actual	LfL
Italy	130	136	-4.1%	-4.1%
France/Belgium	299	328	-8.6%	-8.9%
Spain	23	25	-7.1%	-7.1%
Greece	6	6	-13.2%	-13.2%
Eliminations	-5	-4	-	-
Central Western Europe	**454**	**490**	**-7.5%**	**-7.6%**
North America	**77**	**61**	**25.3%**	**3.0%**
Egypt	146	138	6.3%	-5.9%
Morocco	88	76	16.2%	11.9%
Bulgaria	10	10	6.3%	6.3%
Kuwait	19	13	48.0%	27.8%
Saudi Arabia	2	2	56.0%	28.3%
Emerging Europe North Africa Middle East	**267**	**238**	**12.1%**	**2.3%**
Thailand	86	69	24.0%	1.9%
India	76	55	37.6%	14.0%
Kazakhstan	5	4	45.1%	29.3%
Asia	**167**	**128**	**30.5%**	**8.0%**
Trading Cement & Clinker	40	45	-11.6%	-22.7%
Others	90	79	13.8%	5.4%
Eliminations	-114	-109	-	-
Total	**980**	**933**	**5.1%**	**-2.5%**

Petcoke, Steam Coal and Oil

Petcoke, steam coal and oil market prices – USD



Recurring EBITDA by country

M€	Q1 2015	Q1 2015 % on sales	Q1 2014	Q1 2014 % on sales	Change 15 vs. 14	
Italy	14	10.6%	0	-0.2%	14	n.s.
France/Belgium	16	5.4%	35	10.5%	-18	-53%
Spain	-1	-4.8%	2	10.0%	-4	n.s.
Greece	0	-3.2%	0	-7.0%	0	60%
Central Western Europe	**29**	**6.3%**	**36**	**7.4%**	**-8**	**-21%**
North America	**-29**	**-38.3%**	**-23**	**-37.4%**	**-6**	**-28%**
Egypt	16	11.1%	28	20.4%	-12	-42%
Morocco	38	43.0%	31	40.5%	7	23%
Bulgaria	2	21.2%	2	24.1%	0	-6%
Kuwait	1	3.6%	1	5.7%	0	-7%
Others	0	12.9%	0	8.3%	0	n.s.
Emerging Europe, North Africa and Middle East	**57**	**21.5%**	**62**	**26.1%**	**-5**	**-8%**
Thailand	20	23.0%	18	26.1%	2	9%
India	15	19.4%	4	6.4%	11	>100%
Kazakhstan	-2	-38.8%	-2	-45.5%	0	-24%
Asia	**32**	**19.4%**	**20**	**15.5%**	**13**	**63%**
Trading Cement & Clinker	8	20.6%	3	5.8%	6	>100%
Others and Eliminations	-2	n.s.	-2	n.s.	0	n.s.
Total	**95**	**9.7%**	**96**	**10.2%**	**0**	**0%**

Income statement (1/2)

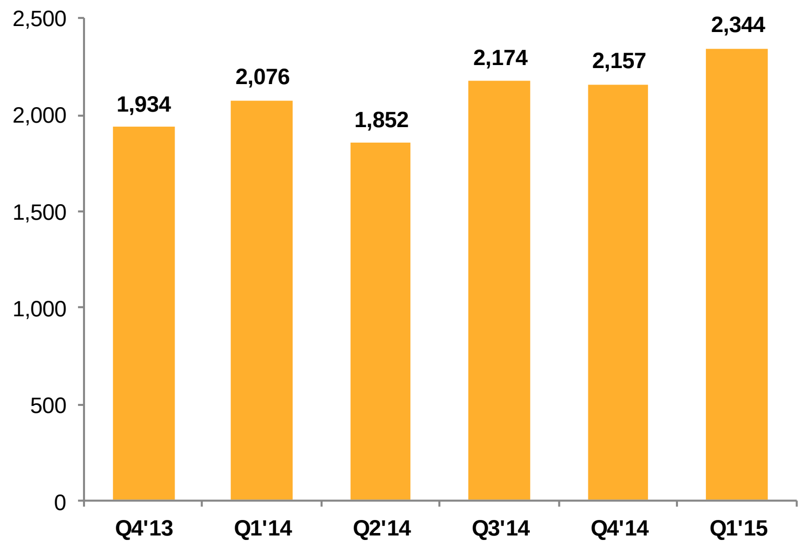
M€	Q1 2015	Q1 2014	Change	% Change
Revenue	980	933	48	5.1%
Recurring EBITDA	**95**	**96**	**-0**	-0.4%
% on revenues	9.7%	10.2%		
Other non rec. income / (expenses)	1	1	0	ns
EBITDA	**96**	**97**	**-0**	-0.3%
% on revenues	9.8%	10.3%		
Amortization and depreciation	-99	-99	-1	-0.5%
Impairment losses on non-current assets	-2	-2	0	
EBIT	**-5**	**-4**	**-1**	-13.0%
% on revenues	-0.5%	-0.4%		

Income statement (2/2)

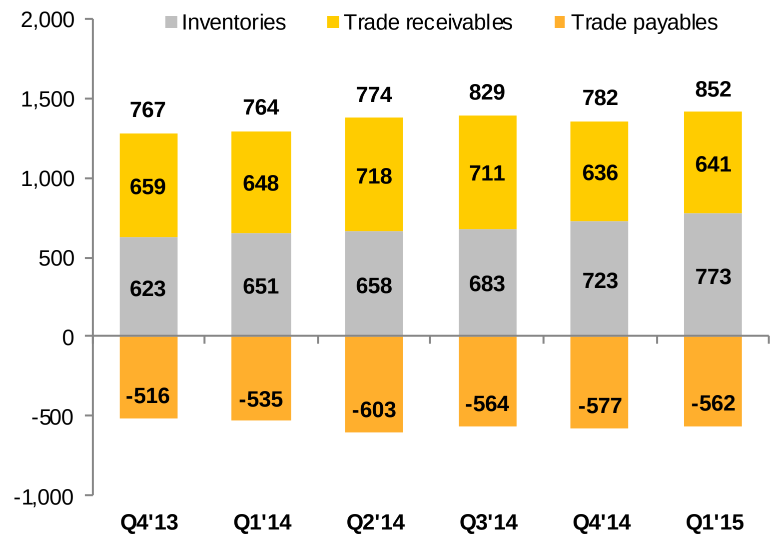
M€	Q1 2015	Q1 2014	Change	% Change
EBIT	**-5**	**-4**	**-1**	**-13.0%**
Net financial expenses	-30	-39	10	-24.3%
Impairment of financial assets	0	0	0	
Share of profit/(loss) of associates	1	-1	1	n.s.
Profit before Tax (PBT)	**-34**	**-44**	**10**	**23.1%**
Income tax expense	-23	-11	-12	n.s.
Profit (loss) for the period	**-57**	**-55**	**-2**	**-2.9%**
Of which: Owner of parent	-73	-68	-5	-7.5%
Of which: Non-controlling interests	17	13	4	26.9%

Net Debt and Operating Working Capital

Net Debt (*) – M€



Operating Working Capital – M€



(*) June '14 Pro-forma Net Debt after completion of P150 transactions: 2,076M€

Units of national currency for 1 Euro

	Average Rates			Closing Rates		
	Q1 2015	Q1 2014	% Change (*)	31 Mar. 2015	31 Dec 2014	% Change (*)
Egyptian pound	8.45	9.54	12.9%	8.20	8.69	5.9%
Indian rupee	70.09	84.58	20.7%	67.27	76.72	14.0%
Kazakh tenge	208.01	233.50	12.3%	199.82	221.46	10.8%
Moroccan dirham	10.81	11.23	3.9%	10.69	10.98	2.7%
US dollar	1.13	1.37	21.6%	1.08	1.21	12.8%
Swiss franc	1.07	1.22	14.1%	1.05	1.20	14.9%
Thai baht	36.77	44.72	21.6%	35.02	39.91	14.0%
Bulgarian Lev	1.96	1.96	0.0%	1.96	1.96	0.0%

(*)

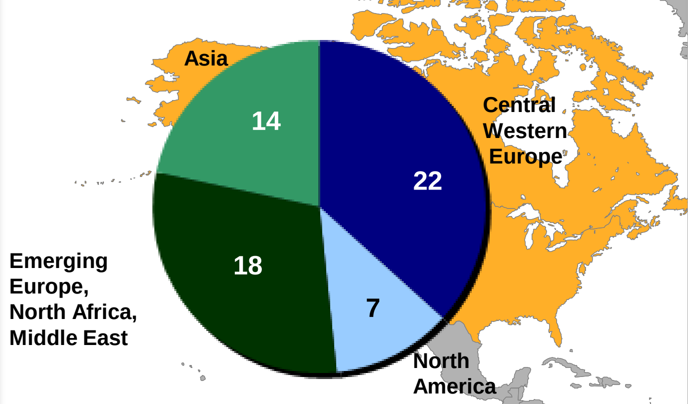
+ Local currency appreciation
- Local currency depreciation

Appendix 3

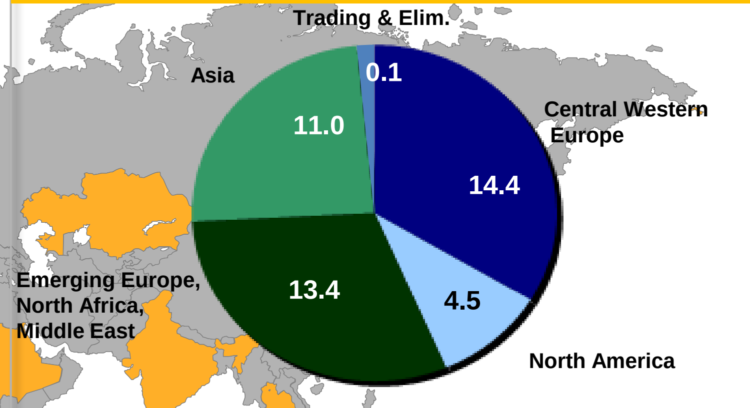
Group Overview

The Group at the end of 2014

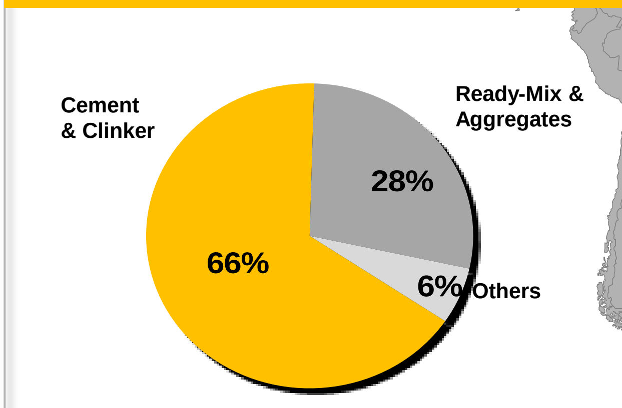
Cement Capacity: 61 mt/y(*)



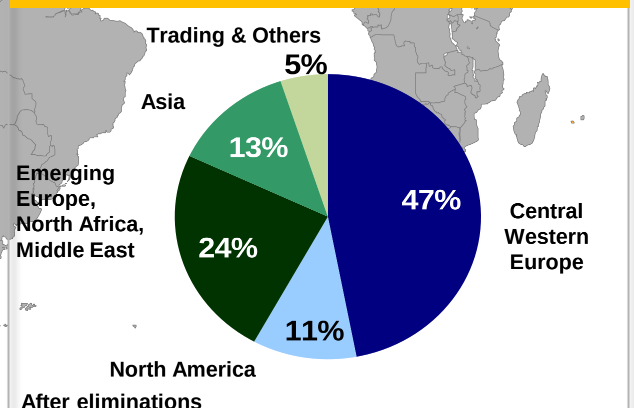
Cement & Clinker Sales Volumes: 43.4mt/y



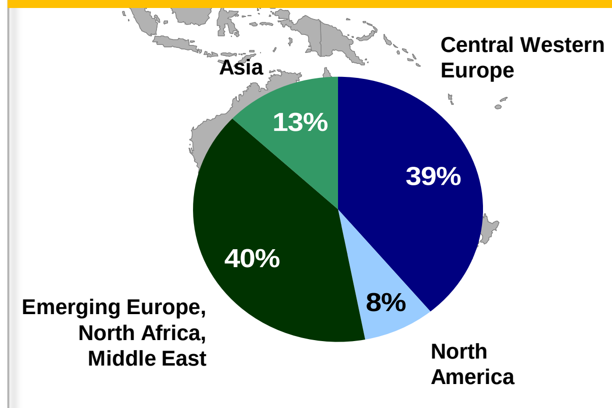
Revenues by Business: 4.2B€



Revenues by Geography

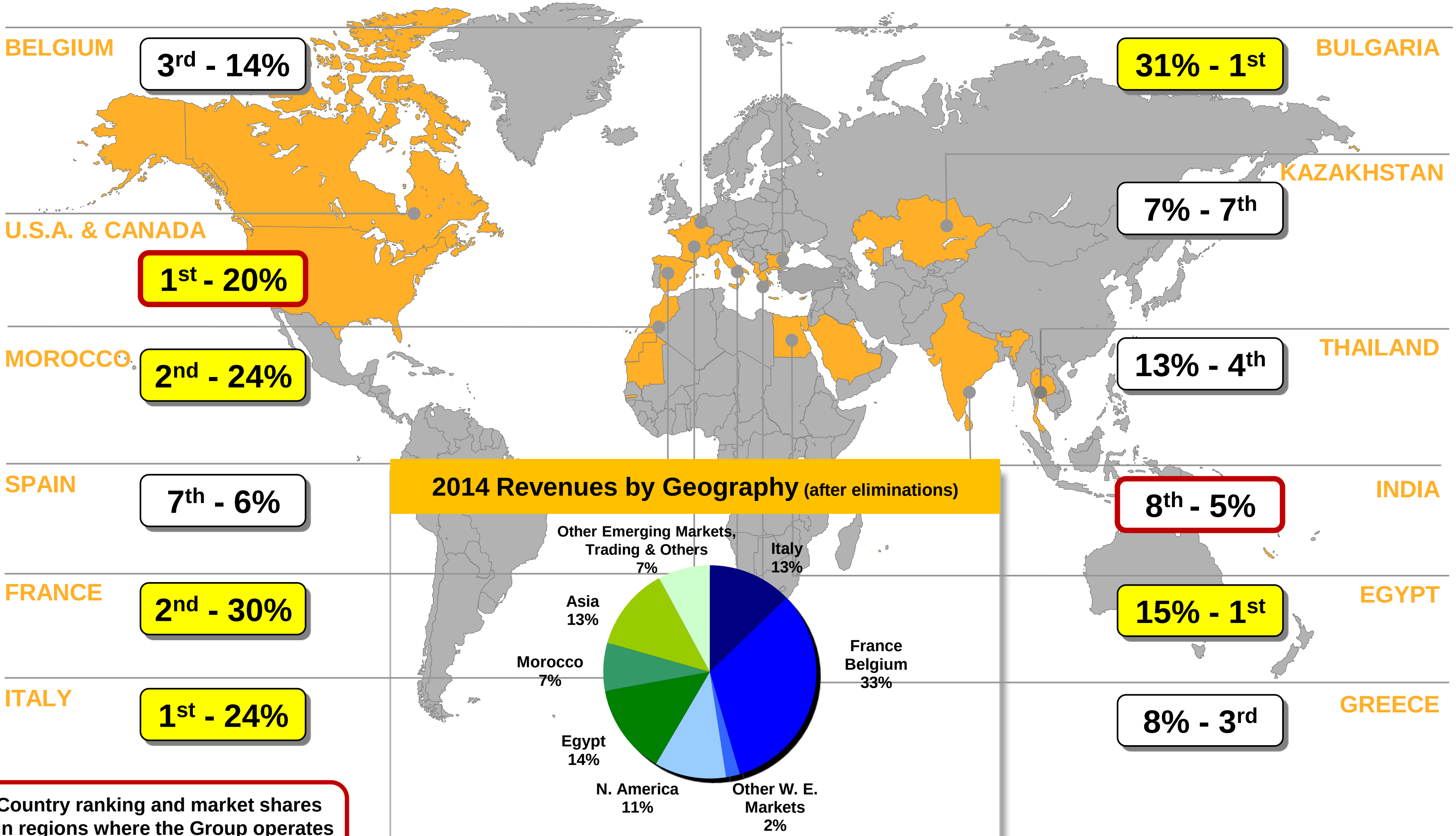


Rec. Ebitda by Geography: 649M€



(*) Excludes ~5mt/y capacity through companies consolidated at equity method

Country rankings and market shares



Country ranking and market shares in regions where the Group operates (Italcementi estimates)

Source: Italcementi estimates based on brokers' reports

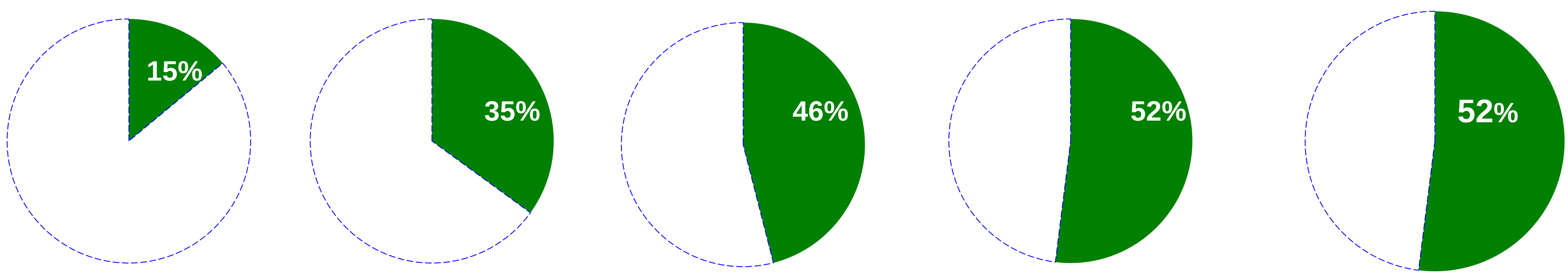
Emerging market strategy: historical milestones

Main Organic and Non-Organic Developments

1998-1999		2001-2002	2005	2007	2010	2011-2012	
2.7mt/y in Bulgaria	6.5mt/y in Thailand	8.5mt/y in Egypt	5mt/y in Egypt	2mt/y in China	1.1mt/y in Morocco		
2.0mt/y in Kazakhstan	1.3mt/y in Morocco	3.0mt/y in India			2.3mt/y in India	3.0mt/y in Turkey sold	2mt/y in China sold (**)

Capacity Breakdown Evolution

1996 2000 2004 2008 2014(*)



Mature countries Emerging countries

(*) Excludes ~5mt/y capacity through companies consolidated at equity method

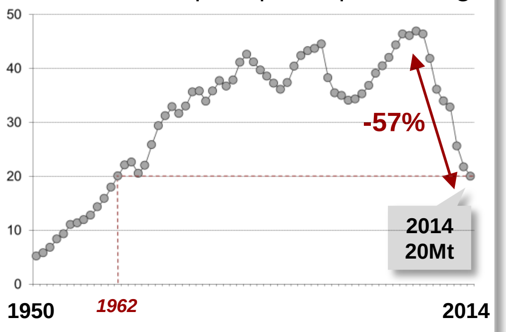
(**) In June 2012, 2mt/y capacity in China (Fuping) was sold in exchange for 6.25% stake in West China Cement

Diverging market trends in Italcementi key countries

Deep trough in some Mature Markets, ongoing growth in Emerging Markets though with some volatility

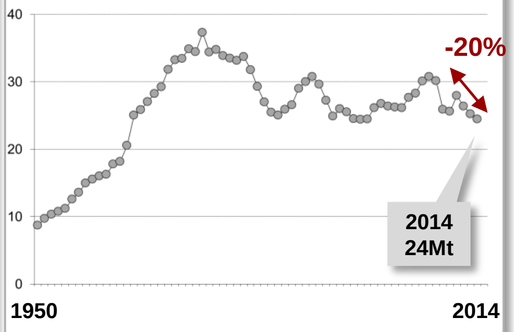
Italy – mt

2014 Consumption per Capita: **330kg**



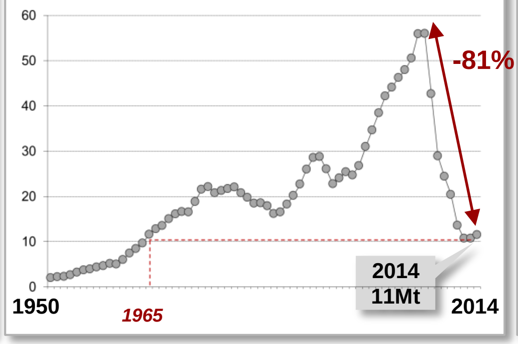
France / Belgium - mt

2014 Consumption per Capita: **320kg**



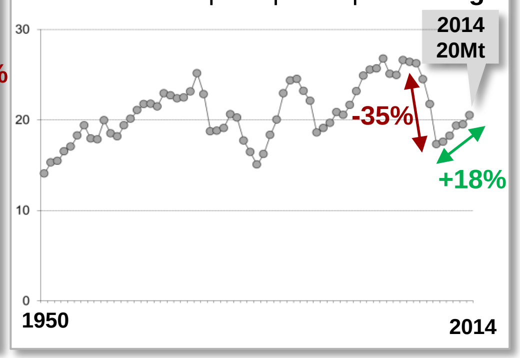
Spain - mt

2014 Consumption per Capita: **230kg**



N. America mt, Essroc area (*)

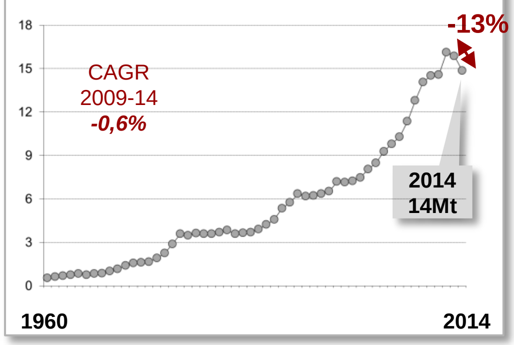
2014 Consumption per Capita: **195kg**



(*) Only Portland cement, Puerto Rico excluded. New market area adopted

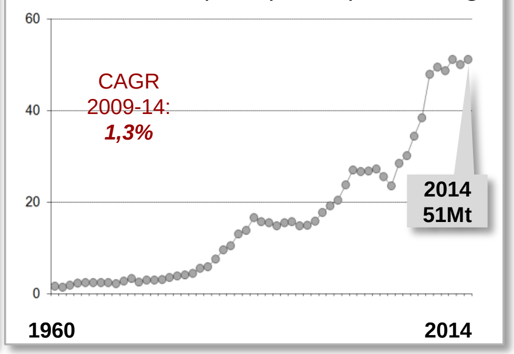
Morocco – mt

2014 Consumption per Capita: **420kg**



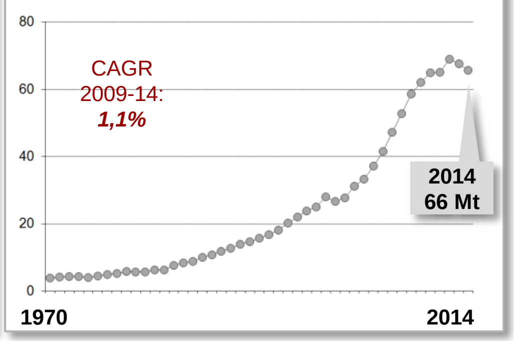
Egypt - mt

2014 Consumption per Capita: **600kg**



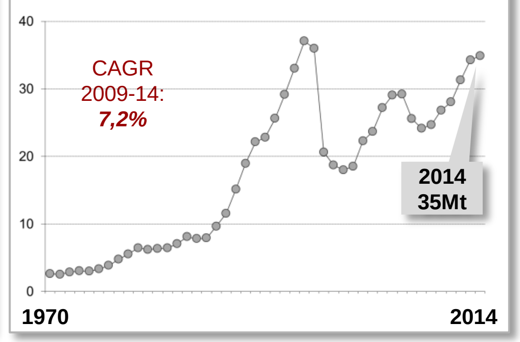
South India - mt

2014 Consumption per Capita: **250kg**



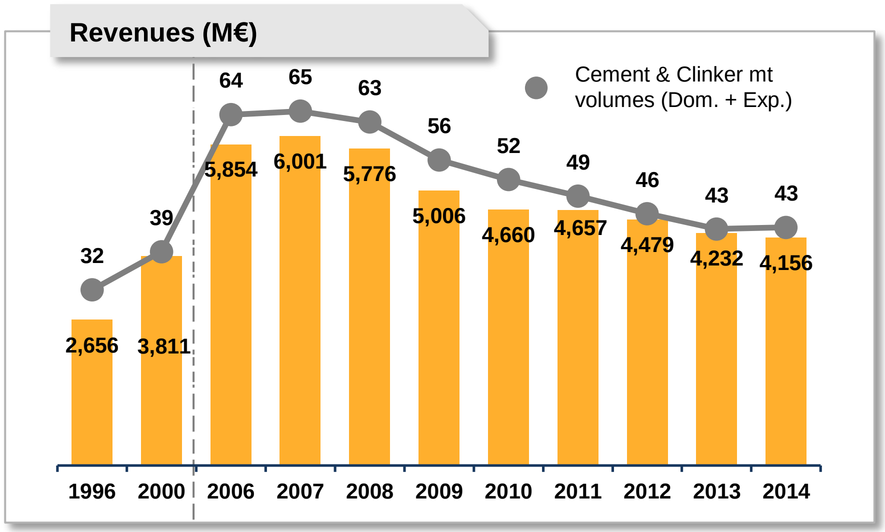
Thailand - mt

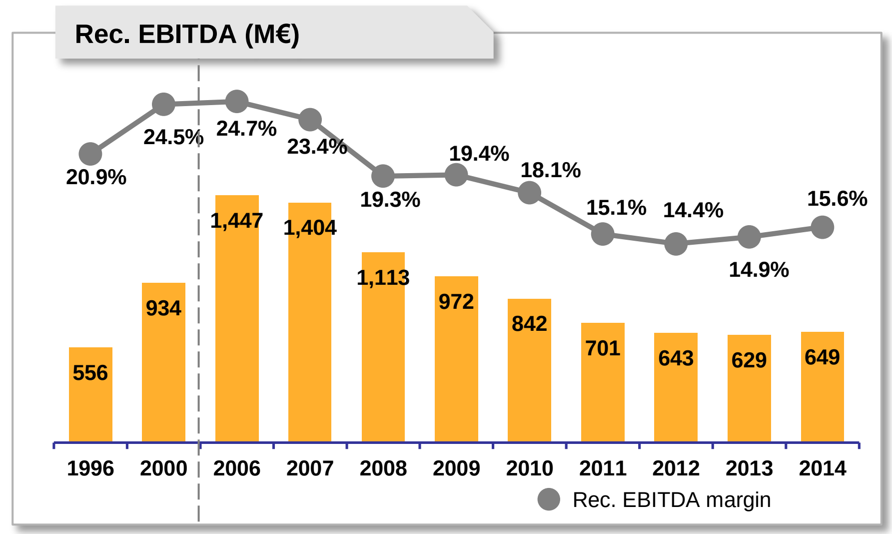
2014 Consumption per Capita: **540kg**

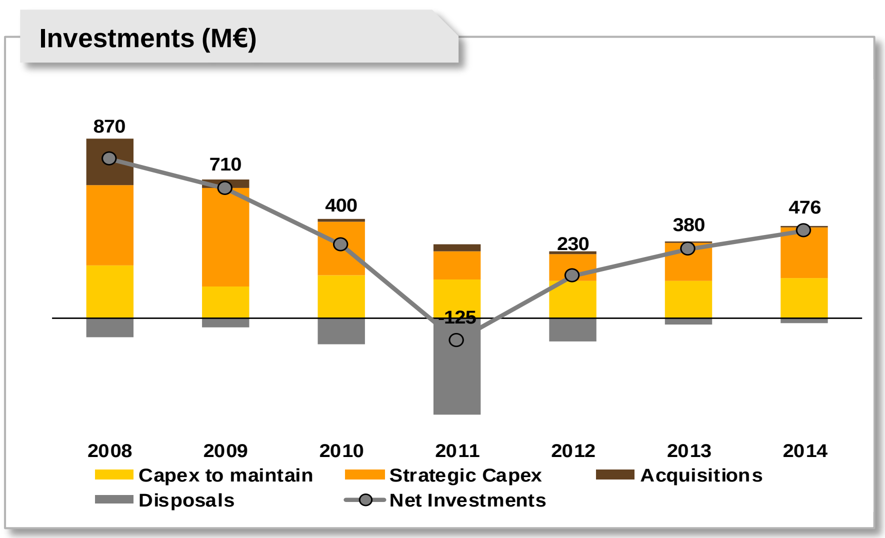


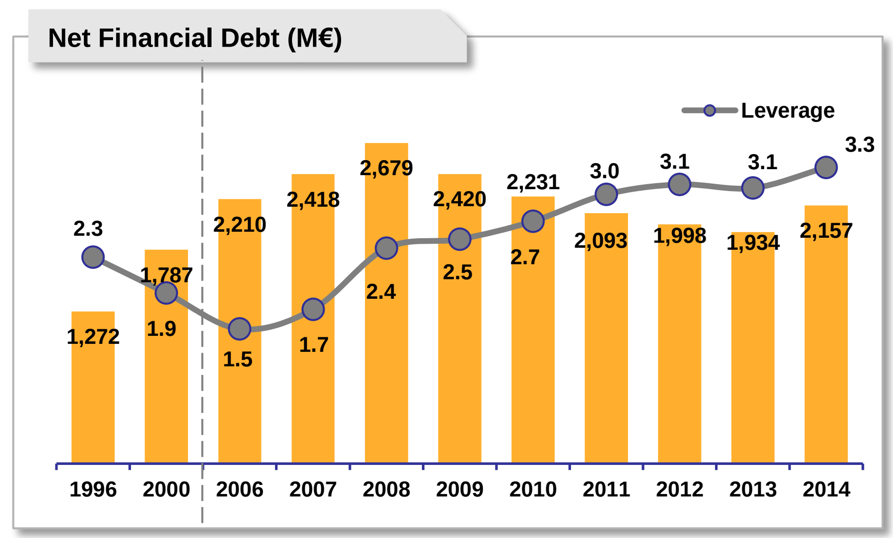
ITC estimates

Key Historical Financials through long-term cycle



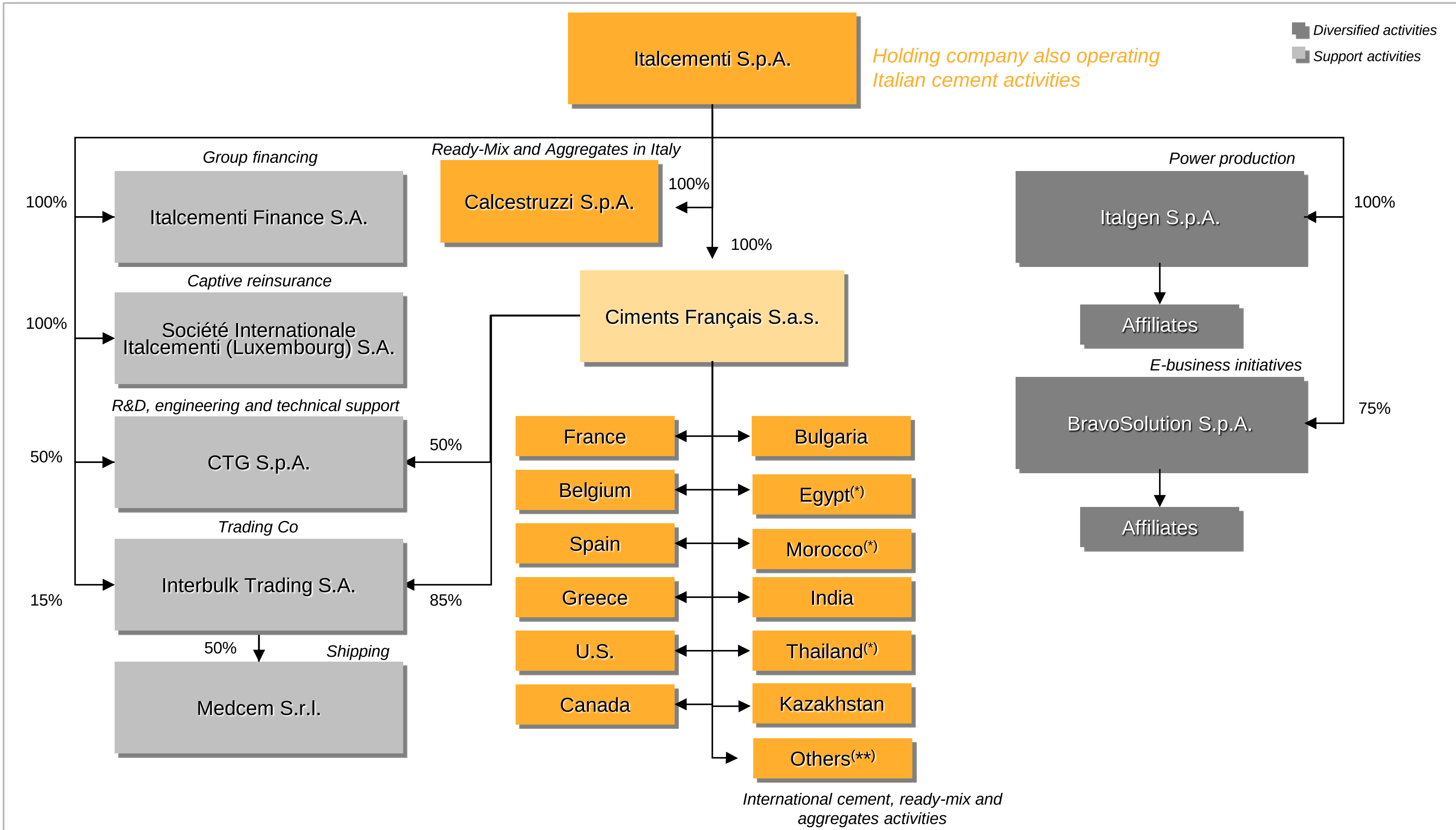






Local GAAP before 2001. 2014 figures prepared in compliance with IFRS and 2013 figures restated accordingly

Group Structure



All figures as of 31st December 2014

(*) Controlling presence with significant minority interests

(**) Italcementi is also present in Kuwait (terminals and Ready-Mix) and Mauritania (grinding centre and Ready-Mix); Albania, Gambia, Sri Lanka (terminals); Saudi Arabia (Ready-Mix); China, Syria and Cyprus (minority stakes)

Project Centocinquanta completed

From 3 to 1 class of listed shares

Previous Structure

Italmobiliare

2.8%[(3)]

Ord.: 61.7% [(1)]
Sav.: 2.9% [(2)]

Italcementi
Ord. Shares: 177.1m
Sav. Shares: 105.4m

84.0% [(3)]

Ciments Français

Savings Shares Mandatory Conversion	**0.65 Ordinary Shares** per **each Savings Share**
Capital Increase	**Rights Issue for €500 million** proceeds earmarked to
Ciments Français Minorities Buy-Out	**Voluntary Tender Offer at €79.5 per share** ex-dividend paid in May (€1.50)

Current Structure

Italmobiliare

Ord.: 45.0%

Italcementi
Ordinary Shares:
349,270,680

100%

Ciments Français

(1) Net of treasury shares (n. 3,793,029)
(2) Net of treasury shares (n. 105,500)
(3) Net of treasury shares (n. 350,187)

Project Centocinquanta completed: compelling rationale

Delivering value to all stakeholders

Industrial Rationale	Final step in longstanding ITC/CF integration process Significantly reduce governance complexity Reduce associated overhead costs Further increase equity exposure to international operations Create stronger potential currency for future growth initiatives
Equity Holders Benefits	Simplify equity structure Materially increase liquidity of traded shares Gain greater weight on SE indexes Provide exit/conversion premium for CF and ITC Savings holders of illiquid stocks
Debt Holders Benefits	Ensure net debt levels are not increased by cash offer for CF minorities Eliminate cash flow leakage to CF minorities Align equity structure with centralized debt issuance strategy initiated in 2010 Enhance flexibility of cash pooling management

Accounting policies

Consolidated Financial Statements have been drawn up in compliance with IFRS as applicable at March 31, 2015 and endorsed by the E.C. Commission.
No significant changes in the consolidation perimeter in the First Quarter 2015 vs. 2014.

Changes in IFRS

- Changes and interpretations IFRS 3 “Business combinations”, IFRS 13 “Fair value measurement”, IAS 40 “Investment property” and IFRIC 21 “Levies” have not had relevant impacts on Q1 2015 report.
- With regard to application of IAS 16 “Property, plant and equipment”, the Group has revised its industrial assets and their useful lives. The review has determined lower Depreciation for 3.2M€ in the current quarter

Disclaimer

This presentation contains forward-looking statements regarding future events and future results of Italcementi and its affiliates that are based on the current expectations, estimates, forecasts and projections about the industries in which the Italcementi Group operates, and on the beliefs and assumptions of the management of the Italcementi Group. In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management, competition, changes in business strategy and the acquisition and disposition of assets are forward-looking in nature. Words such as ‘expects’, ‘anticipates’, ‘scenario’, ‘outlook’, ‘targets’, ‘goals’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, ‘seeks’, ‘estimates’, as well as any variation of such words and similar expressions, are intended to identify such forward-looking statements. Those forward-looking statements are only assumptions and are subject to risks, uncertainties and assumptions that are difficult to predict because they relate to events and depend upon circumstances that will occur in the future. Therefore, actual results of the Italcementi Group or of its affiliates may differ materially and adversely from those expressed or implied in any forward-looking statement and Italcementi Group does not assume any liability with respect thereto. Factors that might cause or contribute to such differences include, but are not limited to, global economic conditions, the impact of competition, or political and economic developments in the countries in which the Italcementi Group operates. Any forward-looking statements made by or on behalf of the Italcementi Group speak only as of the date they are made. The Italcementi Group does not undertake to update forward-looking statements to reflect any change in their expectations with regard thereto, or any change in events, conditions or circumstances which any such statement is based on. The reader is advised to consult any further disclosure that may be made in documents filed by the Italcementi Group with the Italian Market Authorities.

The Manager in Charge of preparing Italcementi S.p.A financial reports, Carlo Bianchini, hereby certifies pursuant to paragraph 2 of art. 154-bis of the Consolidated Law on Finance (Testo Unico della Finanza), that the accounting disclosures of this document are consistent with the accounting documents, ledgers and entries.

This presentation has been prepared solely for the use at the meeting/Analyst Meeting with investors and analysts at the date shown below. Under no circumstances may this presentation be deemed to be an offer to sell, a solicitation to buy or a solicitation of an offer to buy securities of any kind in any jurisdiction where such an offer, solicitation or sale should follow any registration, qualification, notice, disclosure or application under the securities laws and regulations of any such jurisdiction.

150 YEARS
OF
FUTURE

In 2014, Italcementi celebrates its 150th anniversary. This most significant milestone has been achieved thanks to the passionate involvement and commitment of all who have worked together to make this company one of the main global player in the cement business, always ready to meet the changes holding on tightly to its historical values.

i.150
Italcementi
1864 · 2014

Investor Relations

2015 calendar

- **<u>H1 2015 Results Conference Call</u>**
  July 30th, 2015

- **<u>9M 2015 Results Conference Call</u>**
  November 9th, 2015

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