Italcementi Group

A world class local business

Business update
G. Berera – Head of IR

Borsa Italiana – Citi – Intermonte
Kepler Cheuvreux | Unicredit

Italian Infrastructure Day
Milan, 8 September 2015

Agenda

H1 2015 Group Results

2015 Outlook and Actions

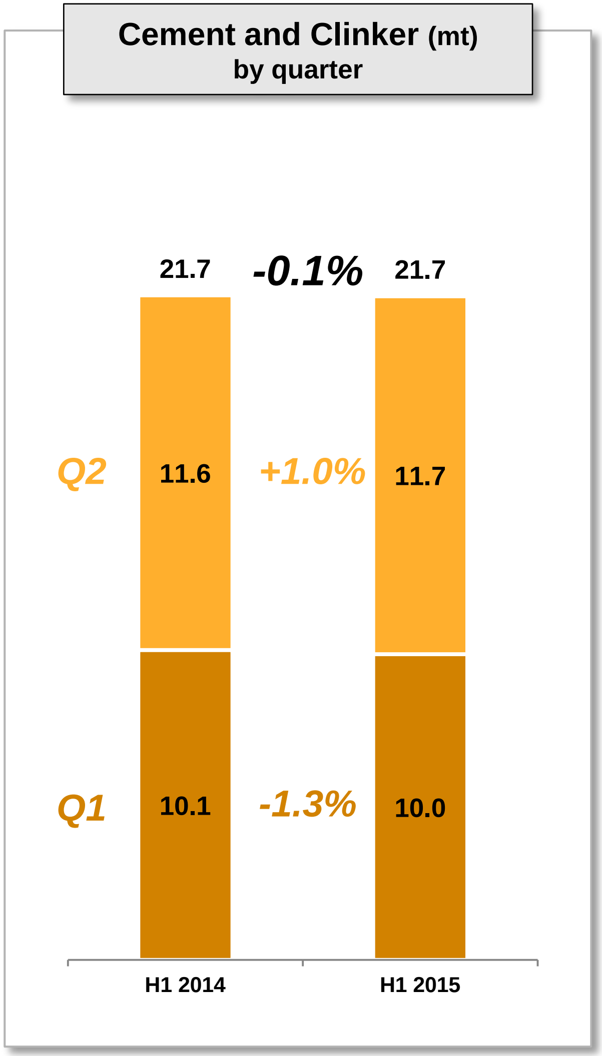
Q2/H1 2015 in summary

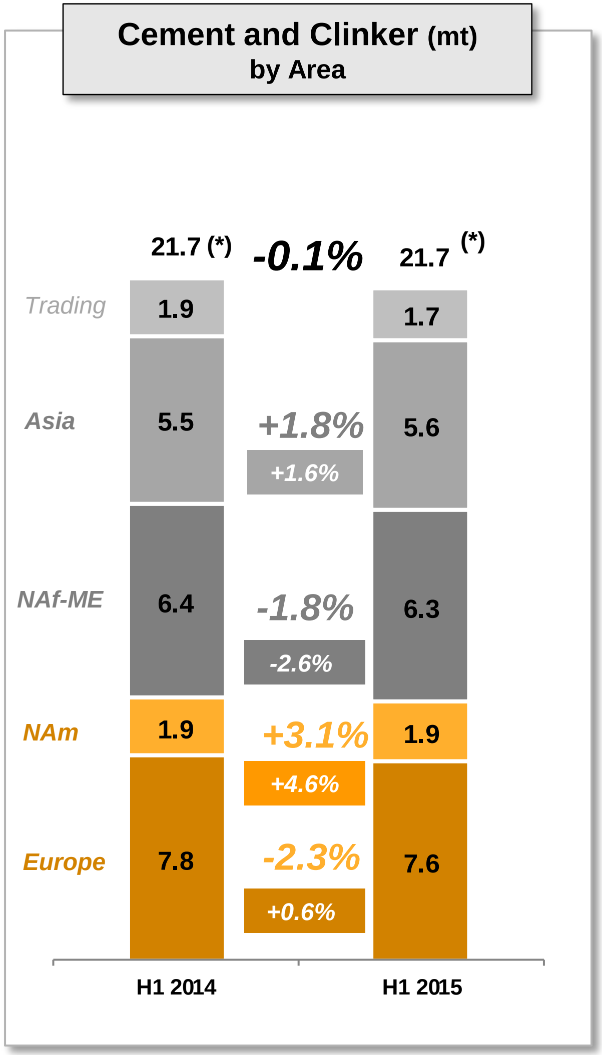
Volatility in Egypt and sluggish market in Europe offset positives in North America and Asia.
Price increase in June in Italy not yet reflected in results. Good performance on cash flow drivers

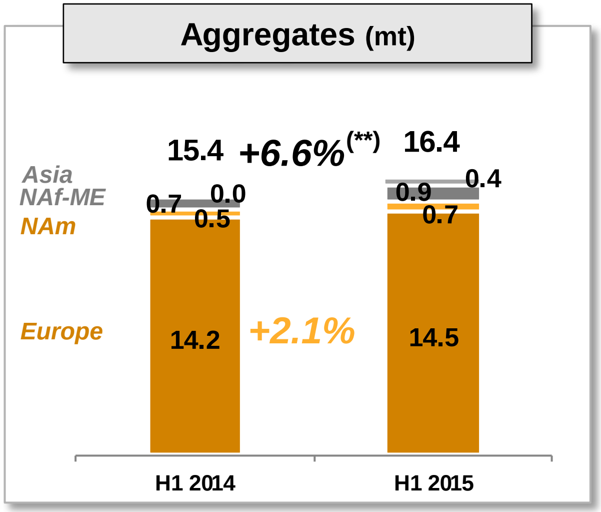
	Q2 (y/y chg.)	**H1** (y/y chg.)
Q2 cement volume growth in most markets, offsetting Q1 weak start	**+1.0%** cement & clinker volumes	**-0.1%** cement & clinker volumes
FX supports Q2 and H1 top line. Unfavorable y/y price trends drag l-f-l revenue growth.	**+6.4%** revenue -1.8% l-f-l	**+5.8%** revenue -2.1% l-f-l
Non-European markets positive performance boosted by FX translation. Europe ex CO_2 and Egypt feel overall price pressure	**+17M€** Rec. EBITDA -1M€ ex CO_2	**+16M€** Rec. EBITDA -22M€ ex CO_2
Net results benefit from reduction in financial and tax expenses and no impairments vs. PY	**+86M€** Net Income (Owners of Parent)	**+81M€** Net Income (Owners of Parent)
Strong improvement in cash flow from operating activities and lower capex. Leverage contained to 3.3x		**+120M€** Industrial FCF

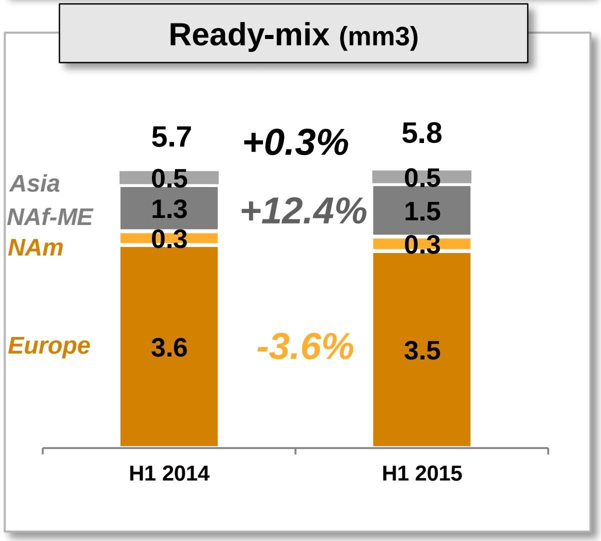
Sales volumes by business

Q2 cement volumes resume growth trend after Q1 weather effect in North America and Europe. Strongest growth in North America and Asia. North Africa dragged by Egypt









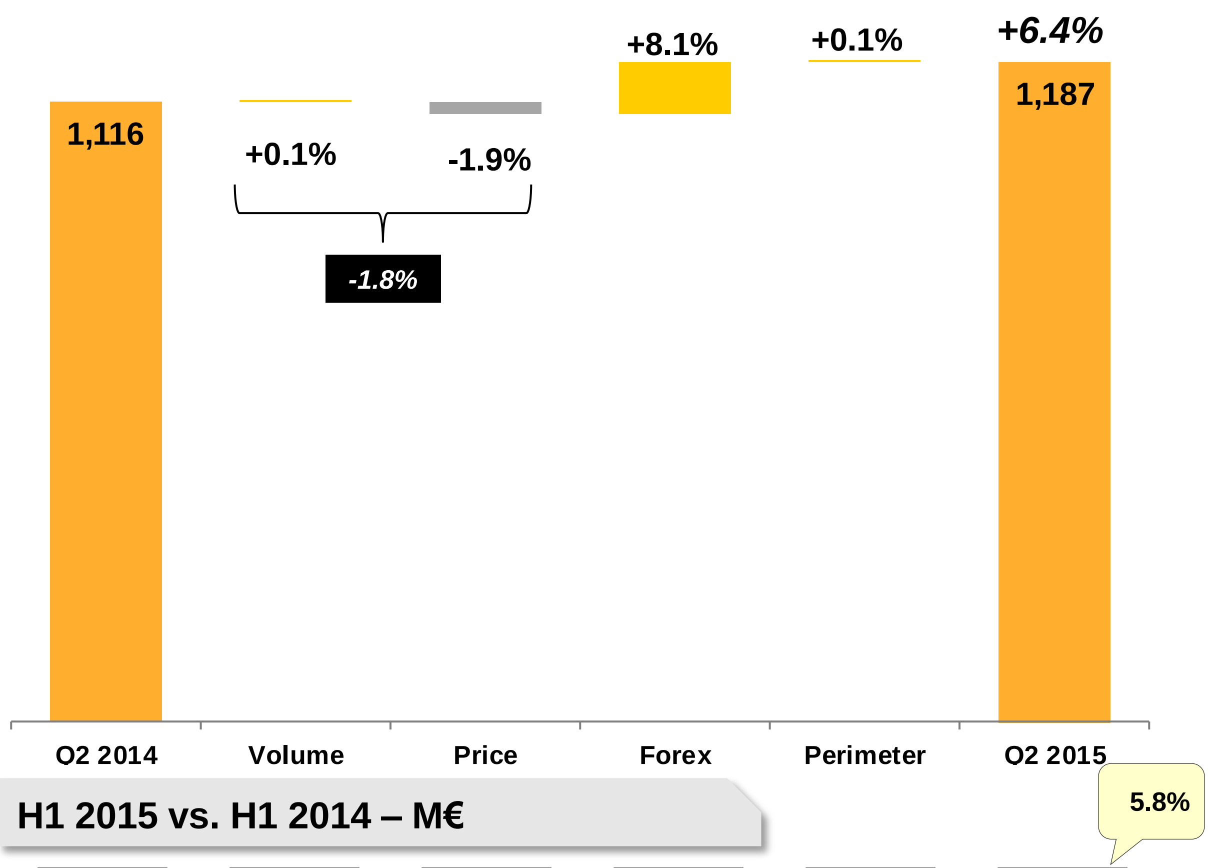
(*) Including eliminations for 1.4*mt* in 2015 and 1.8*mt* in 2014 (**) +4.8% on a like-for-like basis – 2015 perimeter

Q2 chg.

Revenue

6.4% revenue increase in Q2 thanks to strong FX tailwind (USD, EGP, THB,INR).
Weak price environment in Europe overall. Volatility in Egypt with strong Y/Y reduction in Q2.
Positive price performance in India, North America and Morocco

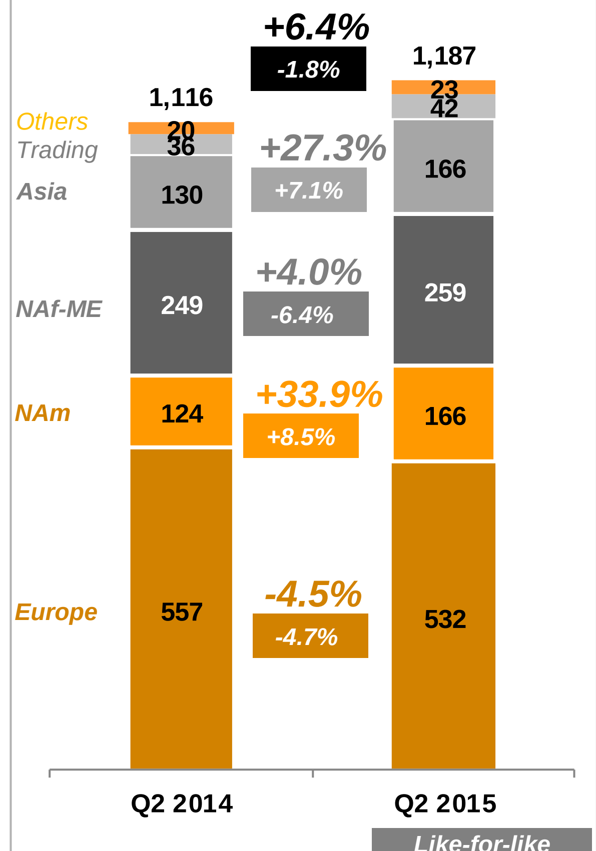
Q2 2015 vs. Q2 2014 – M€



H1 2015 vs. H1 2014 – M€

2,048	-0.9%	-1.2%	+7.8%	+0.1%	2,167

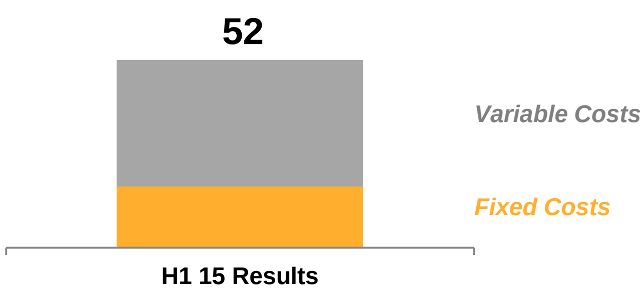
Breakdown by Area – M€
(after eliminations)



H1 2015 Cost Reduction results

~70M€ FY 2015 target confirmed

H1 2015 Cost Reduction results

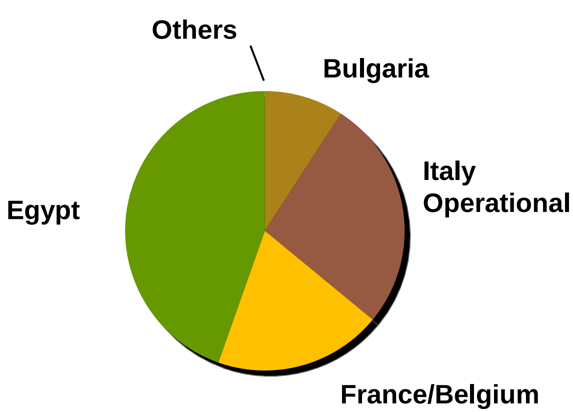


Variable Costs

Returns on 2013-14 efficiency investments:

- Fuel and power savings in **Italy and Bulgaria** from clinker lines revampings
- Fuel, clinker and logistic savings in **Egypt** thanks to coal grinding capacity in Kattameya and Suez

H1 2015 Savings: Breakdown by country



Fixed Costs

Group-wide Labor costs:

- 2.6% positive impact from -520 (-3.0%) FTE variation vs. H1 2014

Italy, France/Belgium

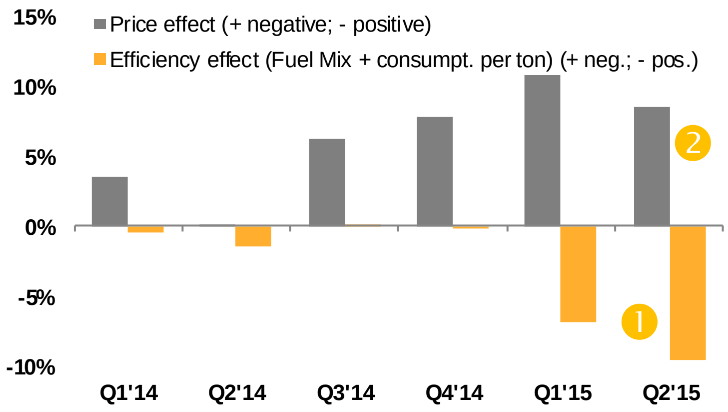
- Reduction on labor costs, maintenance and other fixed costs

North America

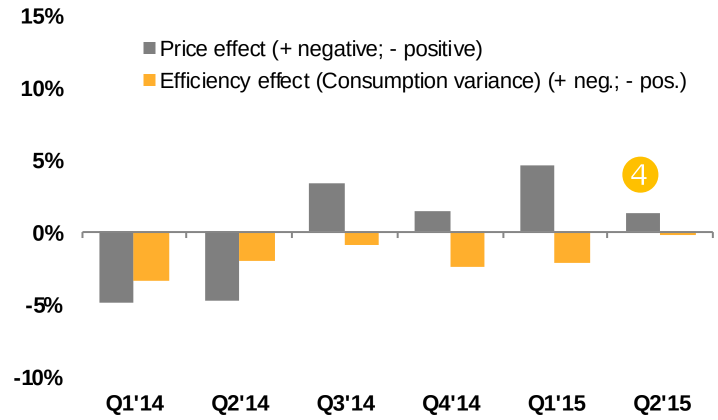
- Higher maintenance and staff costs

Fuel and power costs cycle (y/y %)

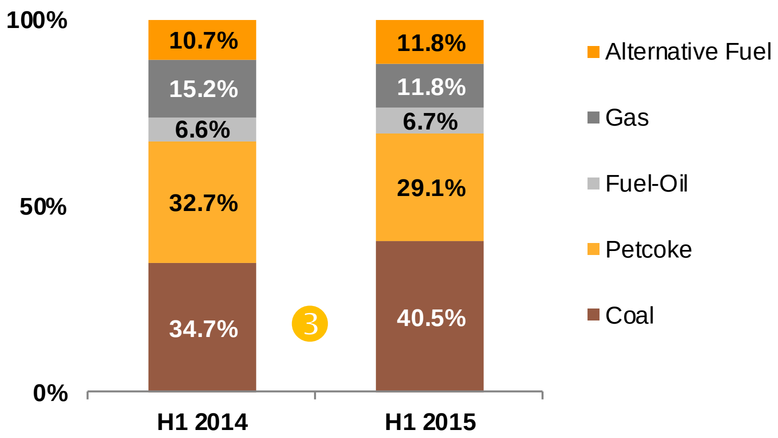
Fuel costs y/y trend



Power costs y/y trend

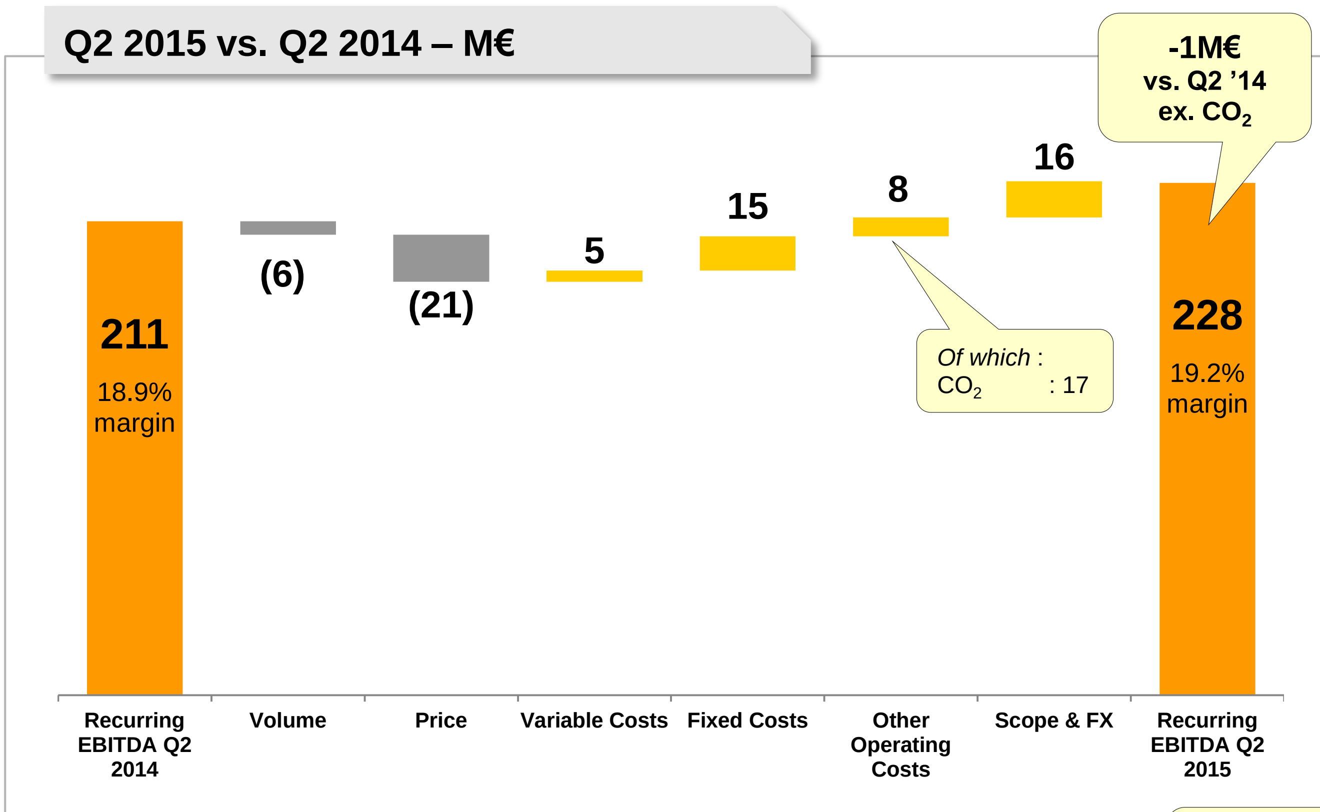


Fuel Mix



1. Increasing return on **efficiency investments** in Egypt, Bulgaria and Italy (17M€ in H1'15)
2. **Price effect** entirely due to Egypt gas increase in H2'14. Ex-Egypt, positive 7M€ impact in H1'15
3. Group **fuel mix** reflects coal/gas substitution in Egypt
4. **Power**: price increase in Egypt, Morocco and Spain, decrease in North America

Rec. EBITDA variance analysis by driver



H1 2015 vs. H1 2014 – M€

Recurring EBITDA H1 2014	Volume	Price	Variable Costs	Fixed Costs	Other Operating Costs	Scope & FX	Recurring EBITDA H1 2015
308	(17)	(25)	(4)	14	26	22	325

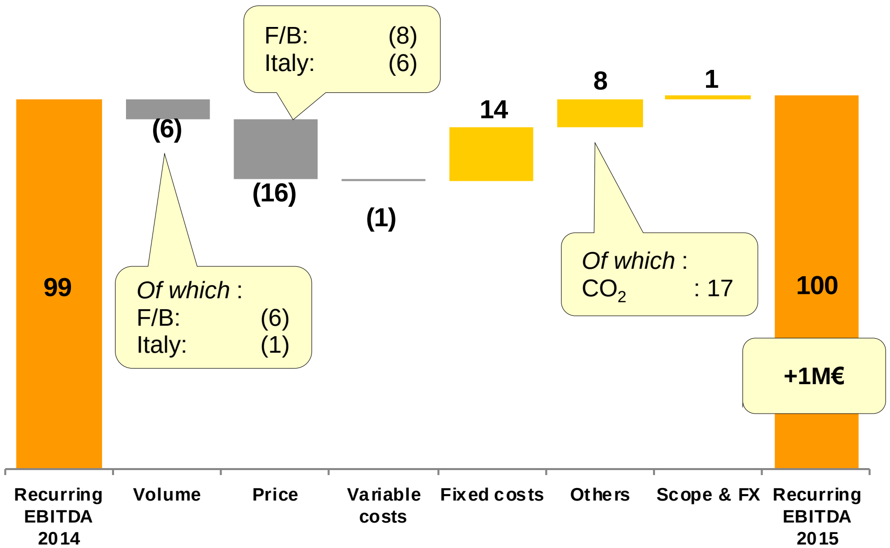
Of which : CO_2 : 39

-22M€ vs. H1 '14 ex. CO_2

- Slightly negative **volume effect** in Q2, primarily in Europe and N.Africa, part offset by N.America and Asia
- **Price effects** driven by Egypt, Europe and Thailand. Good India and N. America performance
- **Variable costs** continue to benefit from favorable input price trends (ex-Egypt) and efficiency investments in Europe and Egypt
- **Fixed cost** savings actions continue (HQ, Italy, France)
- **FX translation** on non-European portfolio
- **CO_2** rights monetization plan completed

Europe

Q2 – Rec. EBITDA variance analysis | M€



2014		% Chg	M€ Chg	2015
15	Italy	37.8%	+6	21
74	France/Belgium	-16%	-12	62
10	Others			18

H1 – Rec. EBITDA variance analysis | M€

YTD							
140	-19	-31	-1	17	26	1	133

2014		% Chg	M€ Chg	2015
15	Italy	>100%	+20	34
110	France/Belgium	-27%	-30	80
15	Others			19

Italy

- Stable volumes in Q2
- Y/Y adverse price comparison. June price increase will support H2 results
- Continuing benefits from fixed costs reduction
- CO_2 rights monetization: 19M€ in Q2'15 vs. 6M€

France / Belgium

- Cement volumes down 3% in Q2 after -7% in Q1
- Prices continue to be weak
- Increasing benefits from fixed costs reduction

Spain / Greece

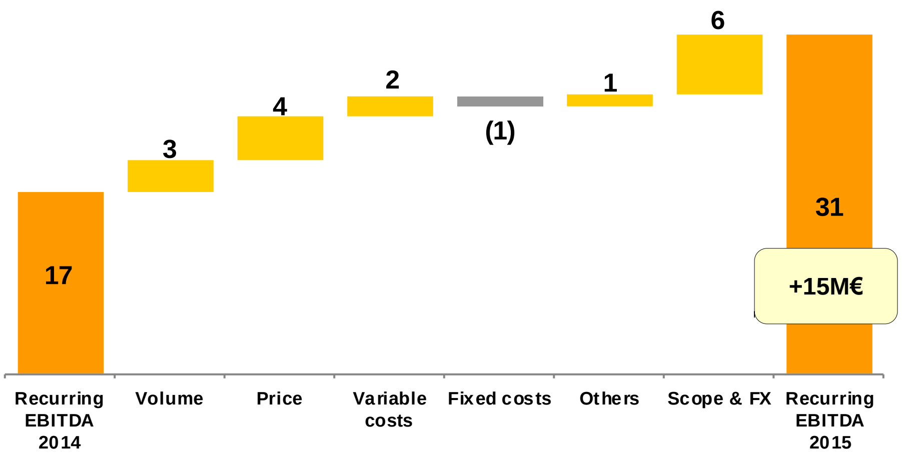
- Weak price environment in Spain continues
- Ongoing focus on exports, all plants are sea-facing

Bulgaria

- After a weak Q1 (weather), domestic volumes up 11% in Q2, complemented by exports
- Devnya efficiencies in line with expectation
- CO2 rights monetization: 10M€ in Q2'15 vs. 1M€

North America

Q2 – Rec. EBITDA variance analysis | M€



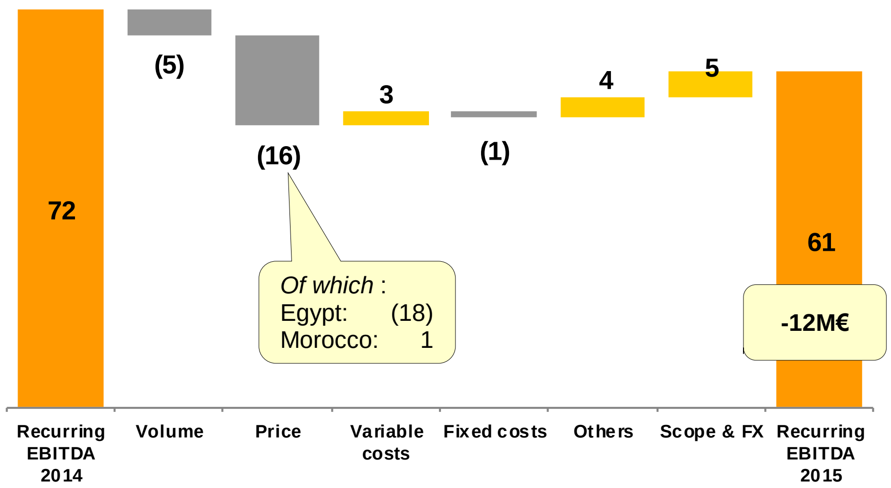
H1 – Rec. EBITDA variance analysis | M€

YTD							
-6	3	6	4	-5	0	0	2

- +5% volume growth in Q2 after flat, weather-driven Q1
- Supportive price environment: +4% effect in H1 vs PY
- Ongoing maintenance effort while manufacturing excellence program is implemented
- FX translation boosts region's contribution to consolidated results

North Africa and Middle East

Q2 – Rec. EBITDA variance analysis | M€



2014		% Chg	M€ Chg	2015
36	Egypt	-33%	-12	24
36	Morocco	0%	+0	36
1	Others			1

H1 – Rec. EBITDA variance analysis | M€

YTD							
132	-4	-14	-9	1	1	8	116

		% Chg	M€ Chg	
64	Egypt	-37%	-24	40
67	Morocco	11%	+7	74
2	Others			2

Egypt

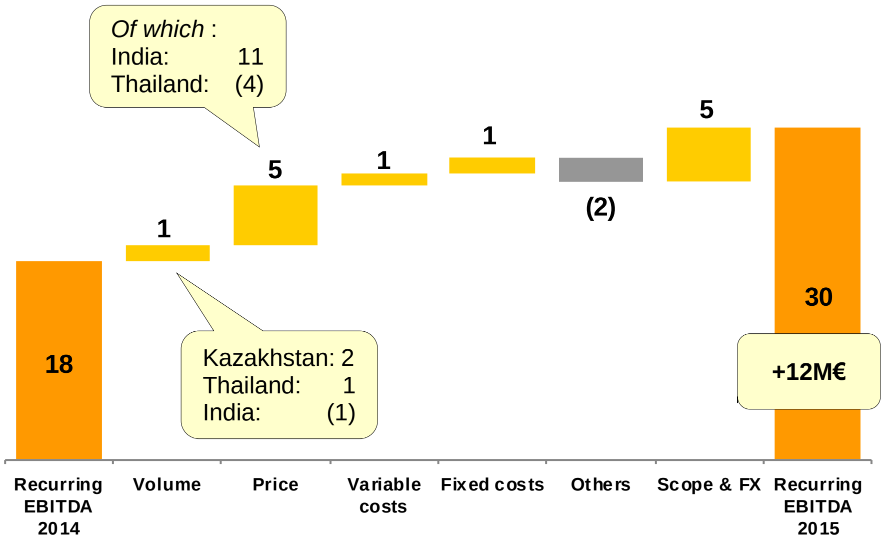
- Key volatility source for Group results in 2015
- Soft sales environment with -3% volume drop in Q2 (-5% in H1), also due to shifting Ramadan seasonality
- Price levels -8% below PY on market oversupply (coal capacity, imports pipeline), with strong sequential volatility, stressed in June by usual Ramadan effect
- Variable costs efficiencies from coal investments thanks to clinker import substitution and lower gas utilization
- Labor relations remain key management focus

Morocco

- Volumes remain weakish (total cement sales +1.4% in H1, but -6% domestically in Q2, part offset by exports)
- Price levels solid, with +4% y/y improvement in H1 and sequential stability

Asia

Q2 – Rec. EBITDA variance analysis | M€



2014		% Chg	M€ Chg	2015
3	India	>100%	+9	12
14	Thailand	35%	+5	19
1	Other			-1

H1 – Rec. EBITDA variance analysis | M€

YTD							
38	2	13	2	-2	-1	11	63

		% Chg	M€ Chg	
7	India	>100%	+20	27
32	Thailand	21%	+7	39
-1	Others			-3

Thailand

- Volumes remain solid domestically (+2% in Q2 and H1 vs/PY) and supported by export activity
- Pricing weaker than PY on new capacity (-6% in H1) but sequentially stable
- Strong efficiency results continue to support margins
- Positive FX translation effect

India

- Ongoing slump in domestic volumes (-15% in H1 and -13% in Q2 vs PY)
- Pricing levels sequentially very solid if not at Q1 peak, +30% in H1 vs PY
- Strongest Q2 EBITDA performance after N.America
- Solapur grinding unit started trial-run production in June

Kazakhstan

- Revamping project advancing
- Price pressure on Almaty market from ripple effect of Russian imports in Astana

Non-operating P&L items

Positives on below-EBIT lines

- **Restructuring charges:** -16M€ in HQ
- **Assets disposal gain:** +5M€ in Thailand

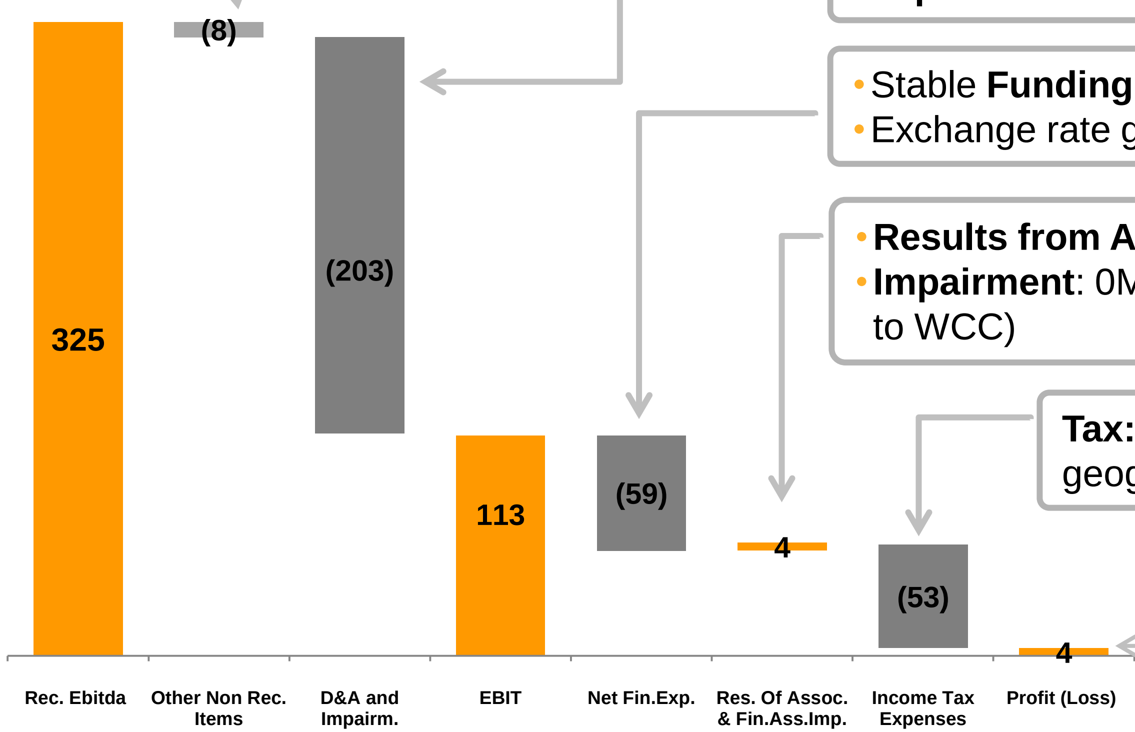
- **Depreciation:** -201M€ (vs. -199M€)
- **Impairment** on non current assets: -2M€ (vs. -5M€)

- Stable **Funding costs: -59M€** vs PY -59M€
- Exchange rate gains/(losses) (+7M€ vs.-4M€)

- **Results from Associates: 4M€** (3M€ PY)
- **Impairment**: 0M€ (-27M€ in H1 '14 of which 25M€ related to WCC)

Tax: lower tax expenses vs. H1'14 on different geographical mix and negative one-off in 2014

H1 2015–M€



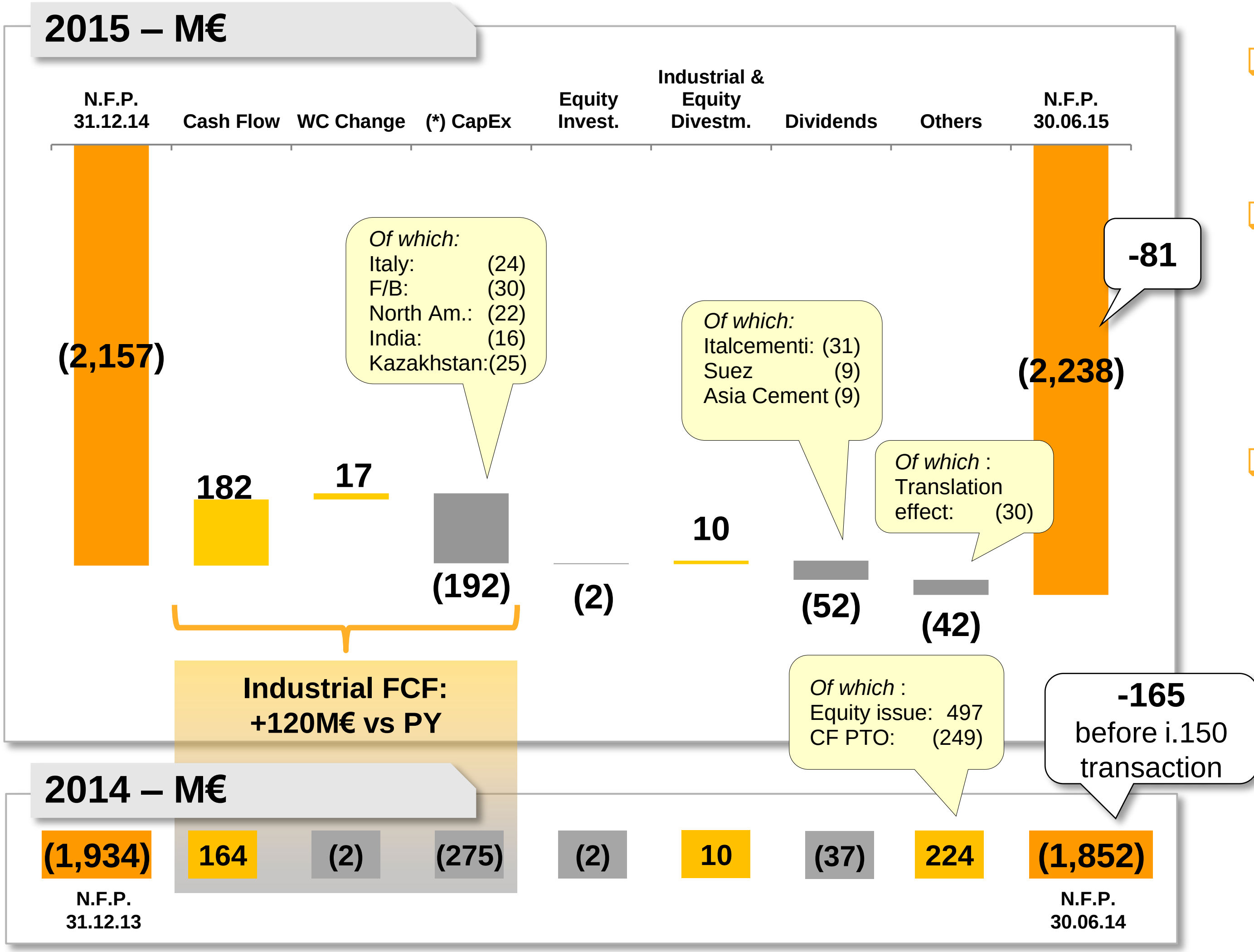
of which:
- ***Minorities:*** ***36M€*** *(vs. 34M€)*
- ***Owners of the Parent:*** ***-33M€*** *(vs. -113M€)*

H1 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)
308	(2)	(203)	103	(75)	(24)	(84)	(80)

Cash Flow

Strong control of key operational drivers after 2014 investment effort

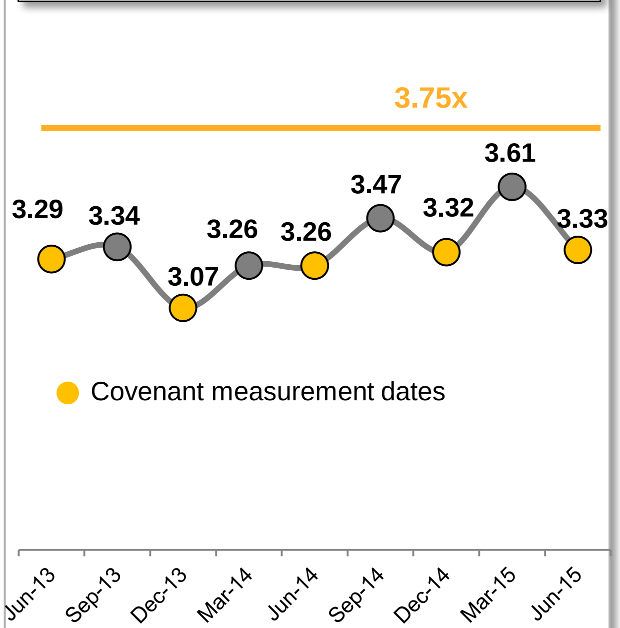


(*) Including change in payables of -44M€ as of June 15 and -55M€ as of June 14

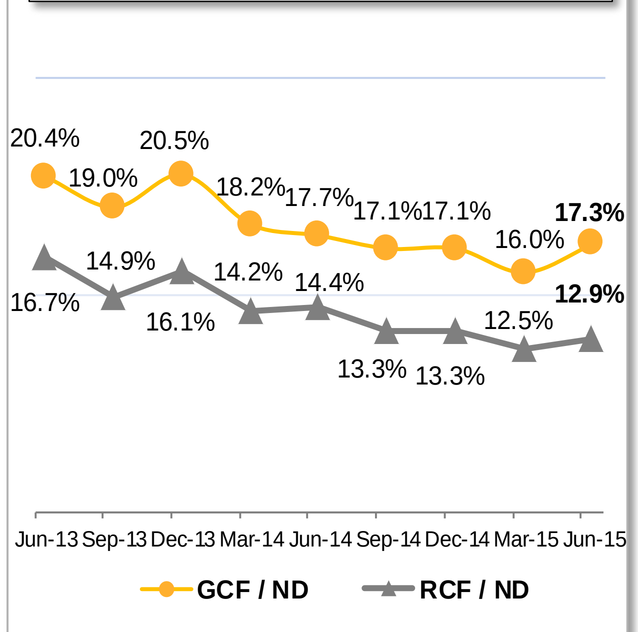
- Cash flow from operations improves on H1 2014
- Positive contribution from working capital also thanks to 30M€ seasonal securitization layer
- CapEx covered by cash flow from operating activities. In line with guidance, strong reduction vs. 2014 (-71M€)

Financial Ratios

Net Debt(*) / LTM Recurring EBITDA



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



- Leverage recovery after Q1 peak, confirming commitment to maintain adequate covenant headroom
- FX translation effects supports leverage (negative impact on NFP more than offset by higher EBITDA)
- 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)	29/07/2015 (Review for upgrade)
S&P's	BB	Developing	31/07/15

- Moody's and S&P's review on Heidelberg deal

Net Financial Position

Change in NFP nets seasonal effects on mature markets debt levels against cash buildup in emerging markets pending dividend distributions in Q3. No material changes to M/T debt profile

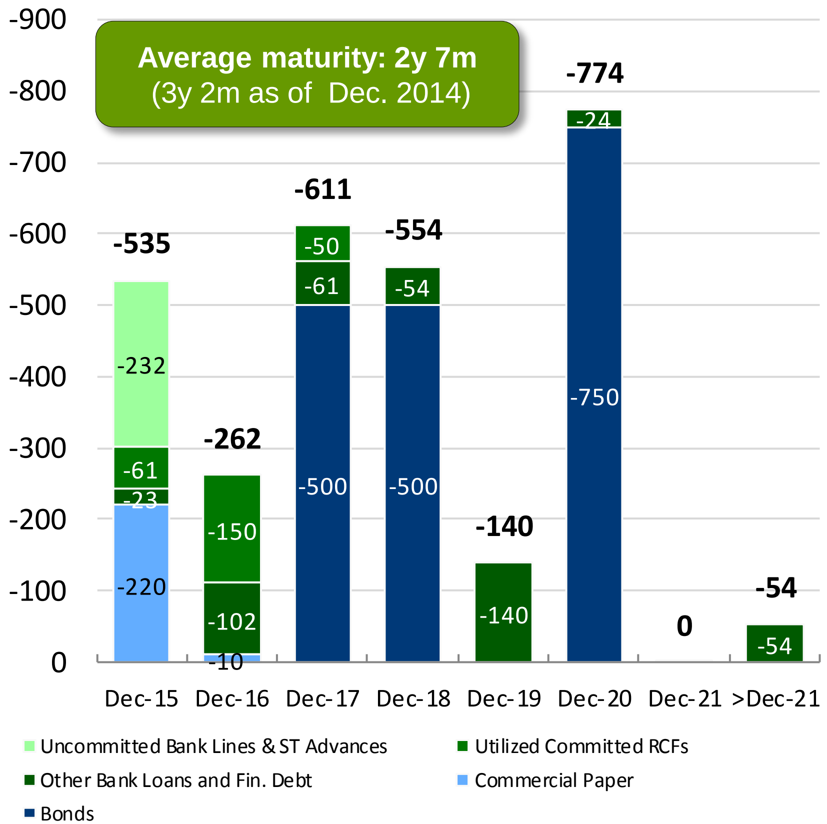
Net Financial Position – M€

	30 June '15	31 December '14	(Source) / Use
Current Financial Liabilities	-710	-529	-181
Non-Current Financial Liabilities	-2,329	-2,337	8
Total Financial Liabilities	**-3,039**	**-2,867**	**-173**
Gross Debt (Total Financial Liabilities net of accruals, FV adjustments & derivatives MTM)	-2,930	-2,659	-271
Current Financial Assets	772	611	162
of which cash & equiv. available at holdings	85	73	12
Non-Current Financial Assets	29	99	-70
Total Financial Assets	**802**	**710**	**92**
Net Financial Position	**-2,238**	**-2,157**	**-81**

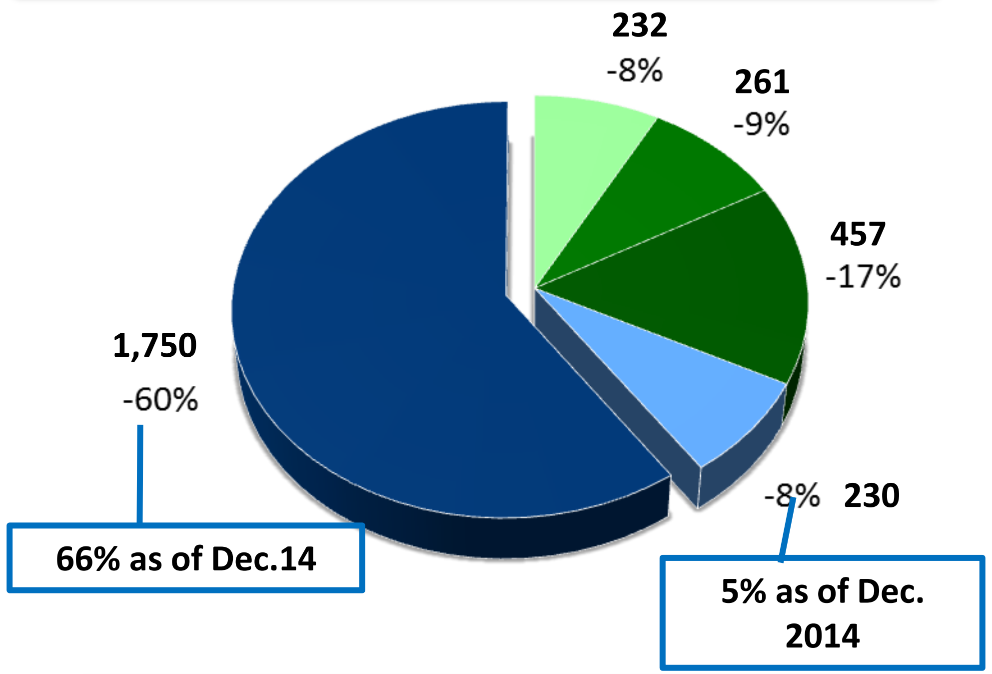
Gross debt maturity profile as of June 30, 2015

No new structural funding. Working capital cycle funded with short term debt (healthy liquidity on commercial paper issuance, and reduced cost of short term bank advances).

Gross Debt* Maturity profile
Total 2,930M€ as of June 30, 2015



Gross Debt Composition
Total 2,930M€ as of June 30, 2015



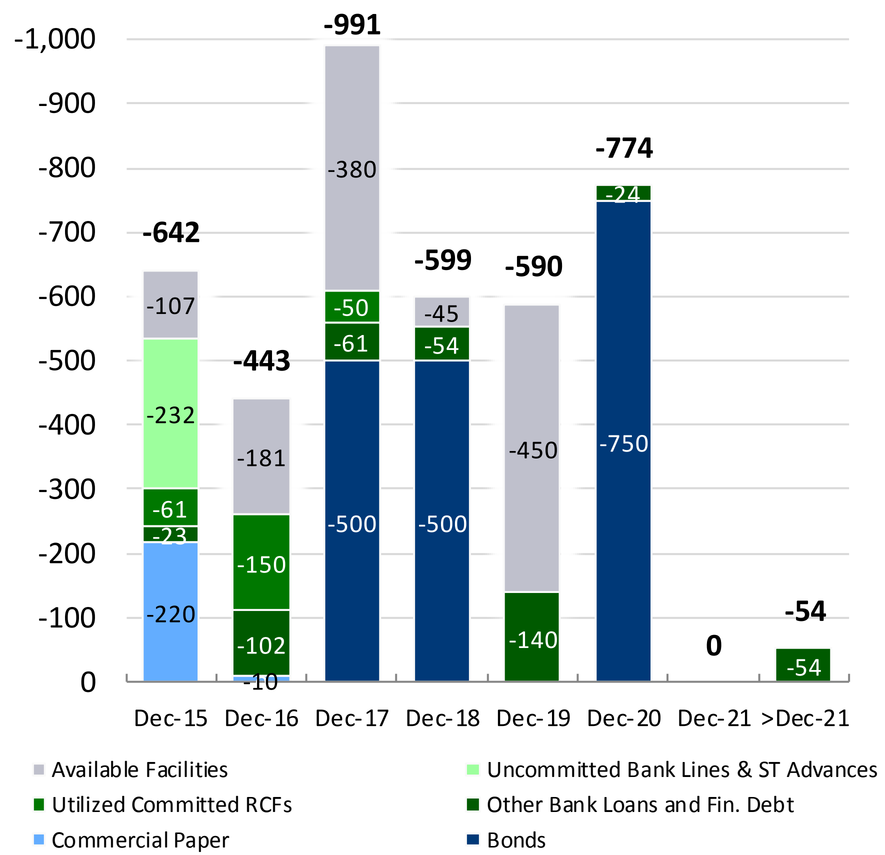
Capital market weight at 68% vs. 71% (Dec. 14)

(*) Face value of financial debt instruments, excluding accrued interests, fair value adjustments and MTM of derivatives as of June2015
Gross debt as per balance sheet equal to 3,039M€ in June '15 vs. 2,867M€ in December '14

Liquidity profile as of June 30, 2015

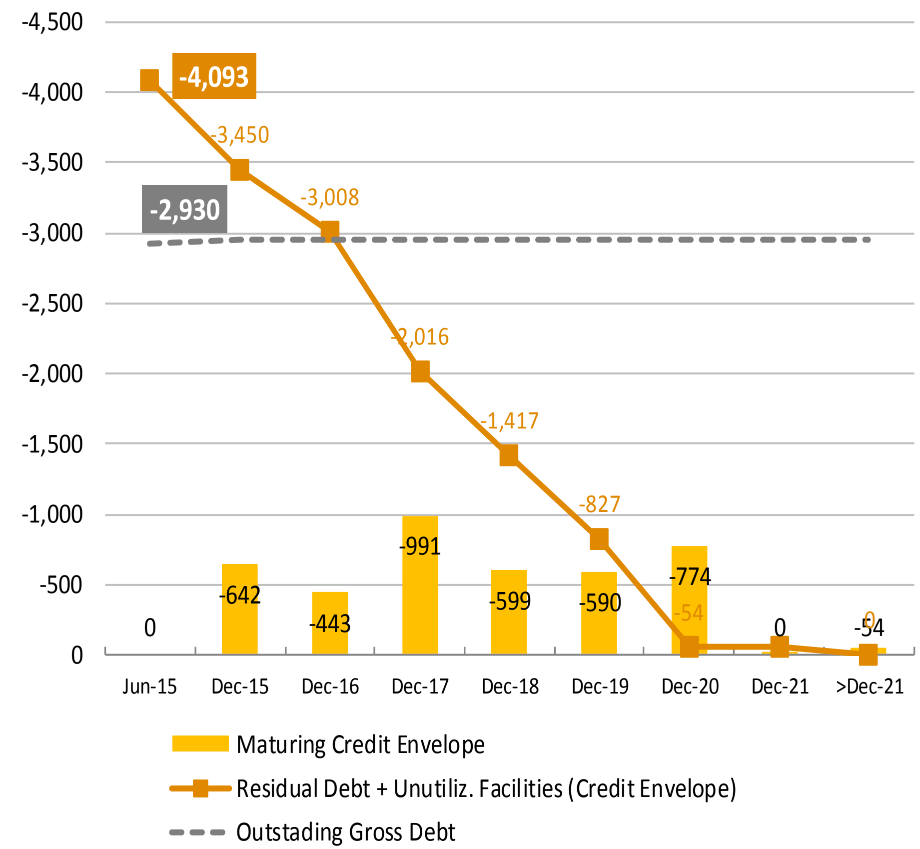
Credit envelope at 4.1B€ ensures 1.2B€ of available backstops.

Credit Envelope Maturity Profile | M€



Liquidity Headroom | M€ as of 06/30/2015

Unutilized RCFs: 1.16B€ vs. 1.31B€ on 12/31/14



Agenda

H1 2015 Group Results

2015 Outlook and Actions

Updated Outlook 2015 vs. 2014: Mature Countries

Europe

Italy Operations	Market volume -5.0% / -1.5%	Cement Price -5.0% / -1.5%	Rec.EBITDA ↑

- Upgraded outlook on cement prices after discount reduction action in June 2015.

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

- More prudent view on volume trend

Spain (N.+S.)	Market volume +5.0% / +10%	Cement Price -10% / -5.0%	Rec.EBITDA →
Greece	Market volume -1.5% / +1.5%	Cement Price +1.5% / +5.0%	Rec.EBITDA →
Bulgaria	Market volume -1.5% / +1.5%	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 ↑

- Market assumptions are basically confirmed
- Camden slag grinding unit acquisition to support product mix (cement/clinker ratio) and Ebitda

Better than prior outlook | Stable vs. prior outlook | Worse than prior outlook

Updated Outlook 2015 vs. 2014: Emerging Countries

North Africa & Middle East

Egypt	Market volume +1.5% / +5.0%	Cement Price -10% / -5.0%	Rec.EBITDA ↓

- Downgraded outlook on cement prices for the FY bring down Rec. Ebitda expectations. Medium term trends supported by projects presented at Economic Development Conference and by our energy diversification initiatives

Morocco	Market volume -5.0% / -1.5%	Cement Price +1.5% / +5%	Rec.EBITDA ↑

- Recent market development confirms prudent view on market volumes

Asia

Thailand	Market volume +1.5% / +5.0%	Cement Price -5.0% / -1.5%	Rec.EBITDA ↑

- Expectations confirmed, but pricing pressure may be mitigated

South India	Market volume -10% / -5.0%	Cement Price +10% / +15%	Rec.EBITDA ↑

- Price trends better than expected while market volumes remain subdued

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

Better than prior outlook | Stable vs. prior outlook | Worse than prior outlook

Outlook

- Moderate increase in operating results for the full year, based on most recent trends on the Group's end markets, positive returns on recent investments, and results of actions undertaken in H1
- Compared to prior outlook:
  - Improved results in Asia and positive pricing trends in Italy and North America should compensate…
  - …impacts of higher-than-expected market volatility in Egypt – albeit under mitigation – and of ongoing, even if less pronounced, market weakness in France
- Net Debt levels at year-end should increase slightly vs 2014, leading to marginally improved leverage ratio

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

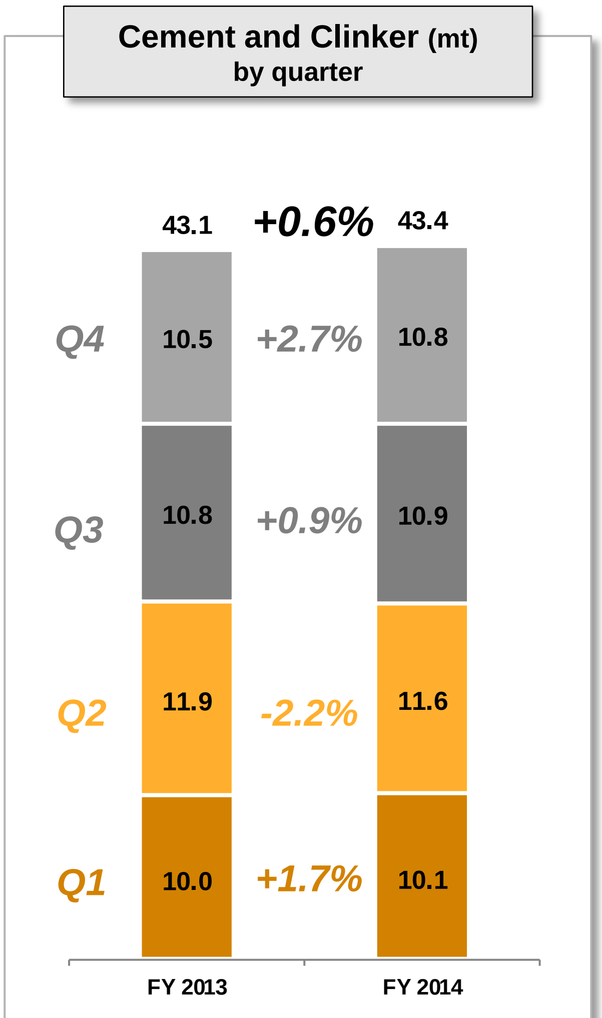
- 1.5mt/y cement capacity
- >160M€ Capex, ahead of time and on budget
- Start-up in October 2014. Full ramp-up in early 2015
- More than 30% reduction in fixed and variable costs
- Strong emissions reduction (more than 50% NO_x and more than 80% SO_x)
- 2015 expected incremental Rec. EBITDA at 10M€,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

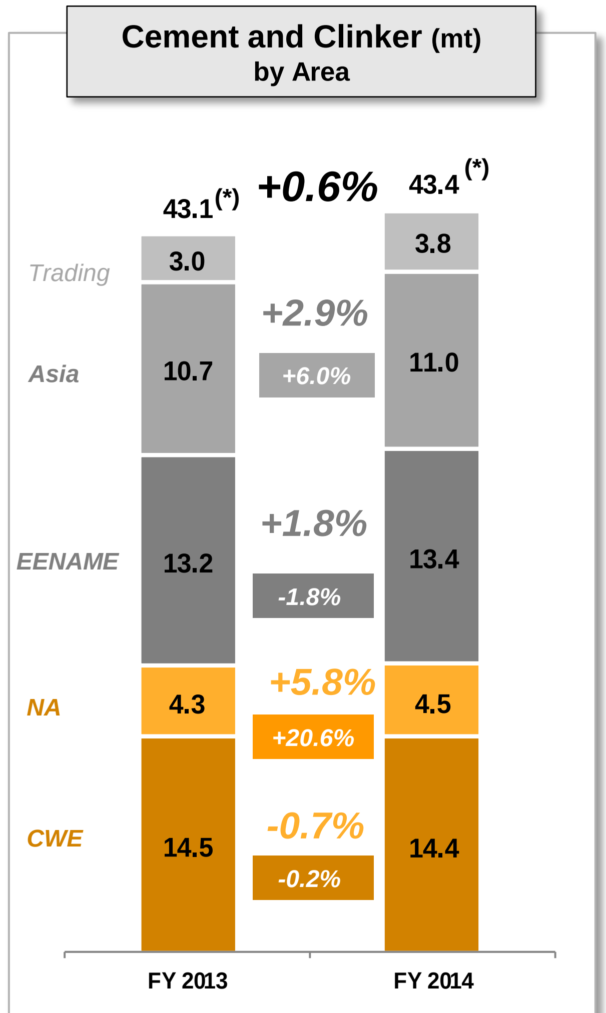
FY 2014 in summary

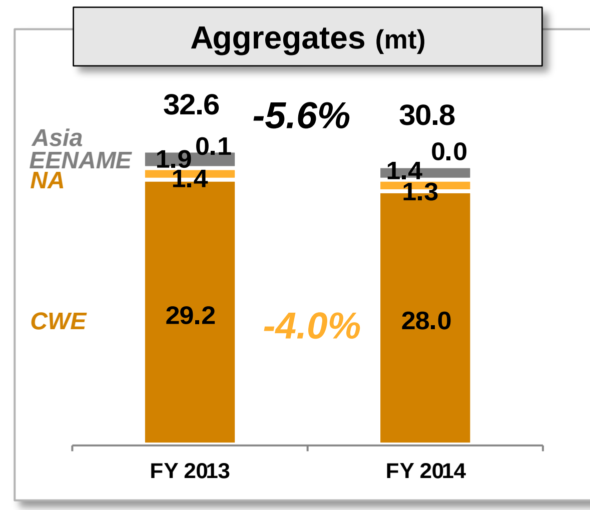
	FY 2014
Overall good volume recovery mitigated by weakness in France/Belgium	**+0.6%** cement & clinker volumes % chg
Favorable pricing trends in non-European markets support revenue levels. Pressure in Europe	**-0.7%** like for like revenues % chg
FY EBITDA margin up to 15.6% (vs. 14.9% in 2013) Italy, Spain and Thailand offset France/Belgium	**+17M€** rec. EBITDA chg ex CO2 & 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

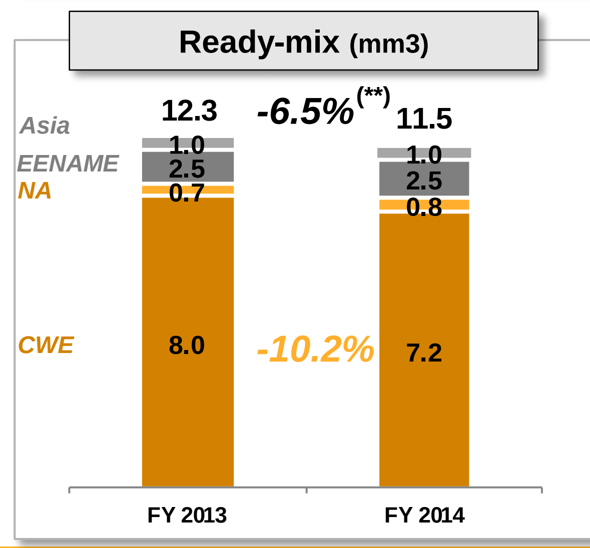
Sales volumes by business

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







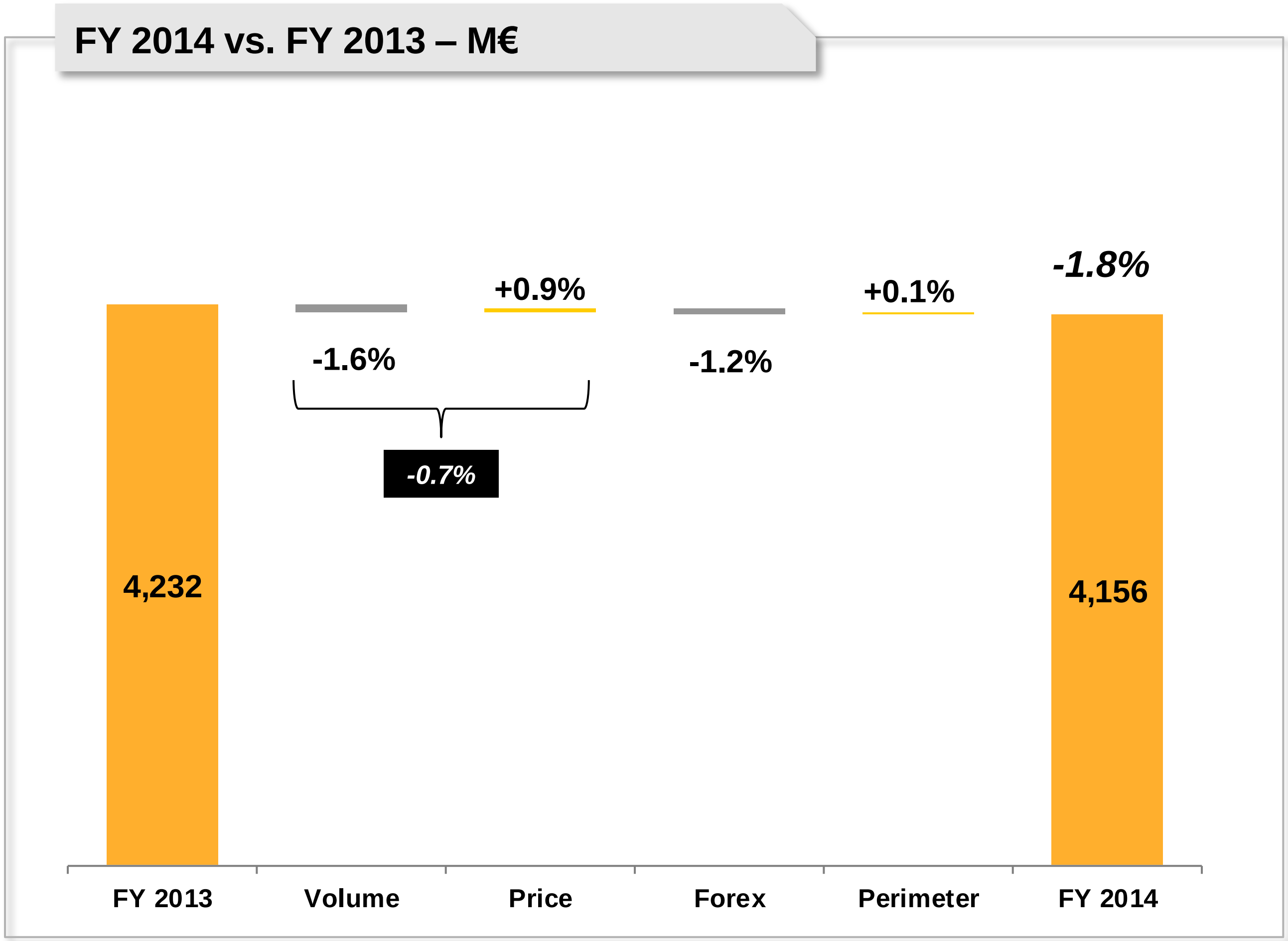


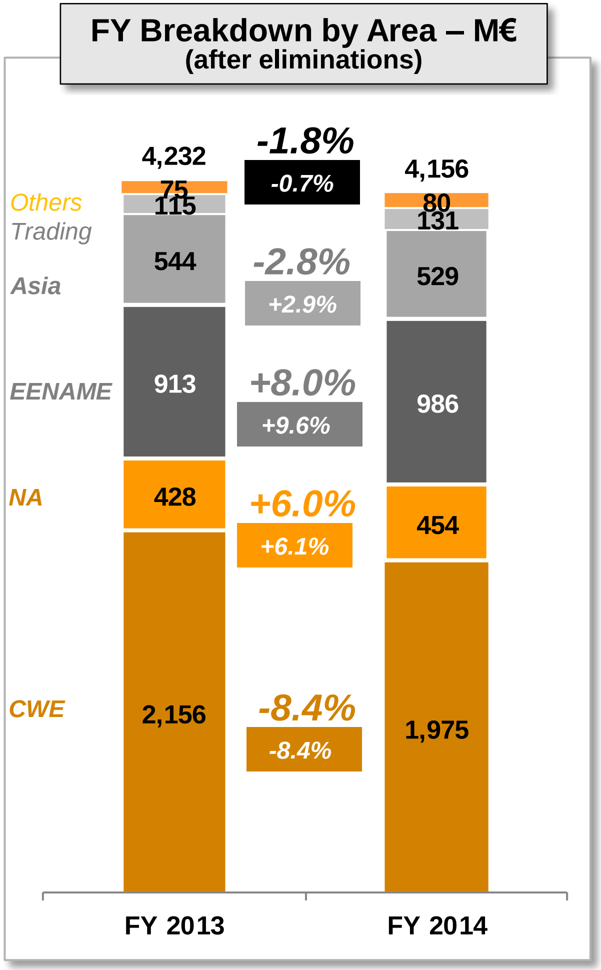
(*) Including eliminations for 3.7*mt* in 2014 and 2.5*mt* in 2013 (**) -7.0% on a like-for-like basis – 2014 perimeter

Q4 chg.

Revenue

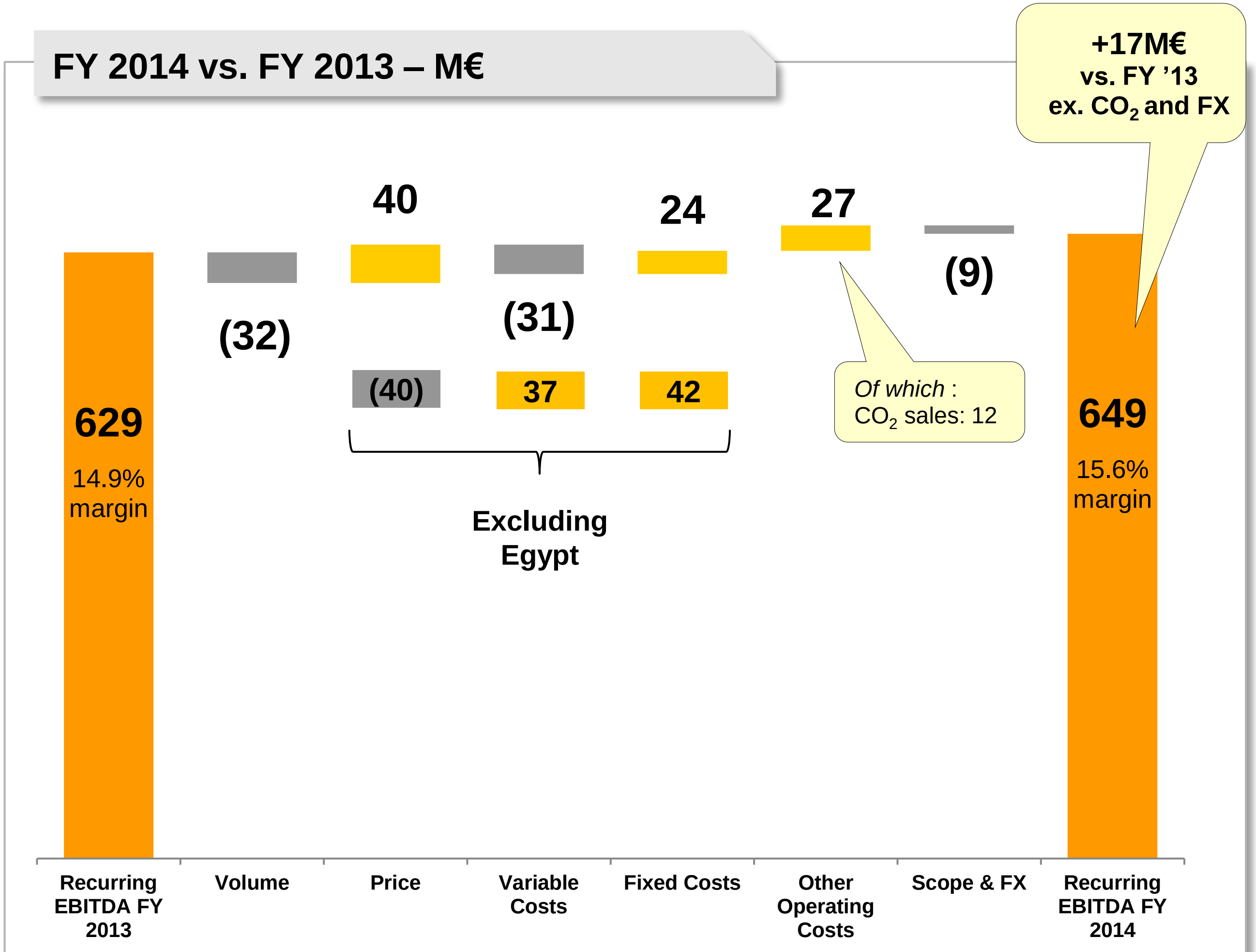
L-f-l FY 2014 revenue slightly below 2013 level (-0.7%). Volume effect driven by cement market mix and RMC/Aggregates. Positive price trend mainly in Egypt, Thailand and Morocco offsetting pressure in Italy and France/Belgium. Negative FX effect in FY but Q4 turned positive





Like-for-like

FY Rec. EBITDA variance analysis by driver

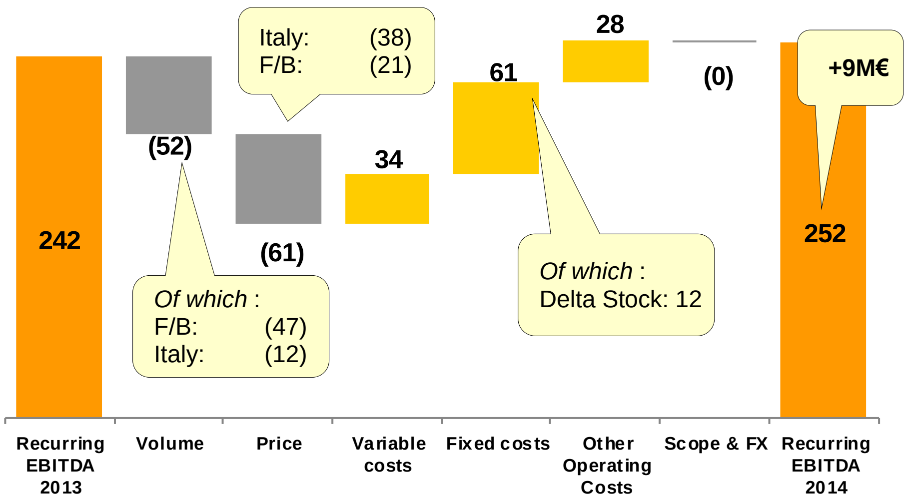


- **Volume effect** dragged down by France/Belgium but positive trends confirmed in NA and Thailand while Spain and Greece showed signs of recovery
- Excluding Egypt:
  - **Price/variable cost spread** almost neutral in 2014 reflecting efficiency actions in an overall deflationary environment
  - After 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

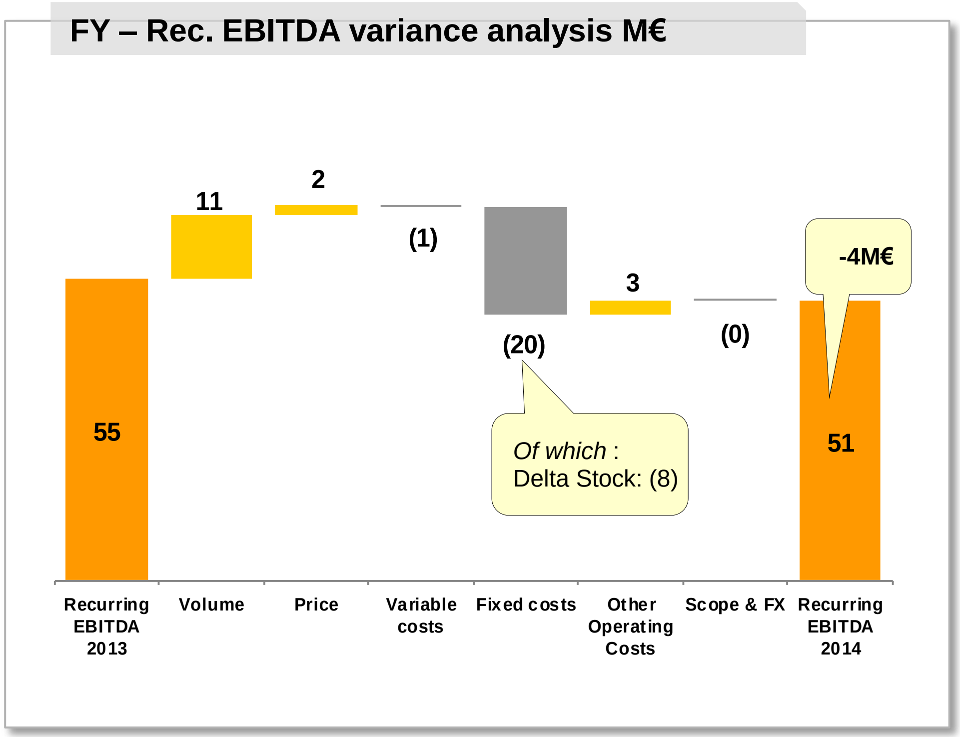
France / Belgium

- 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

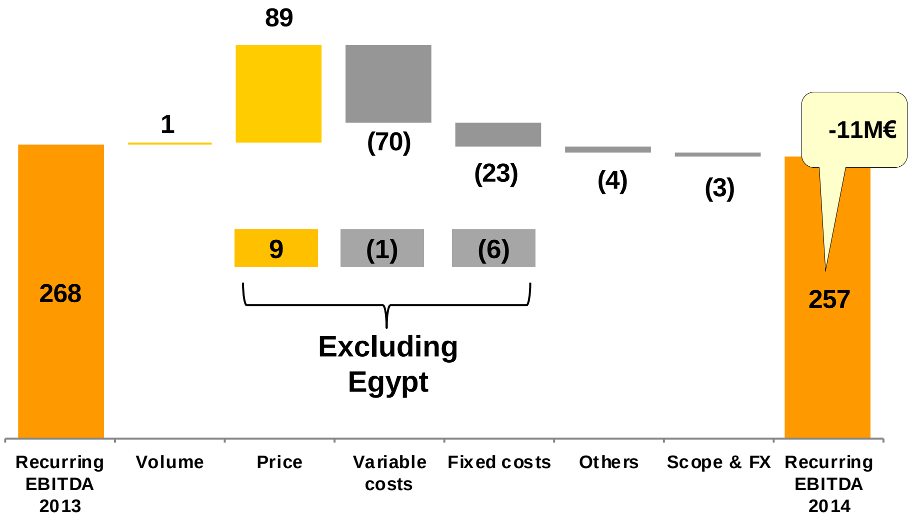


- Positive EBITDA trend since 2011 trough paused in 2014 due to
  - Weather-related volumes in Q1
  - Production issues leading to higher than expected maintenance costs
- Volume growth driven by remarkable results in Q4 (market + base effect)

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

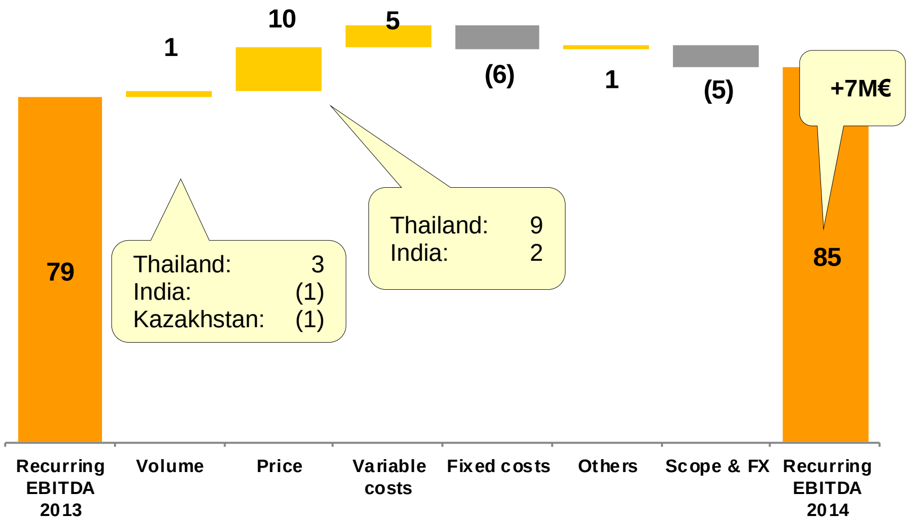
Bulgaria

- 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

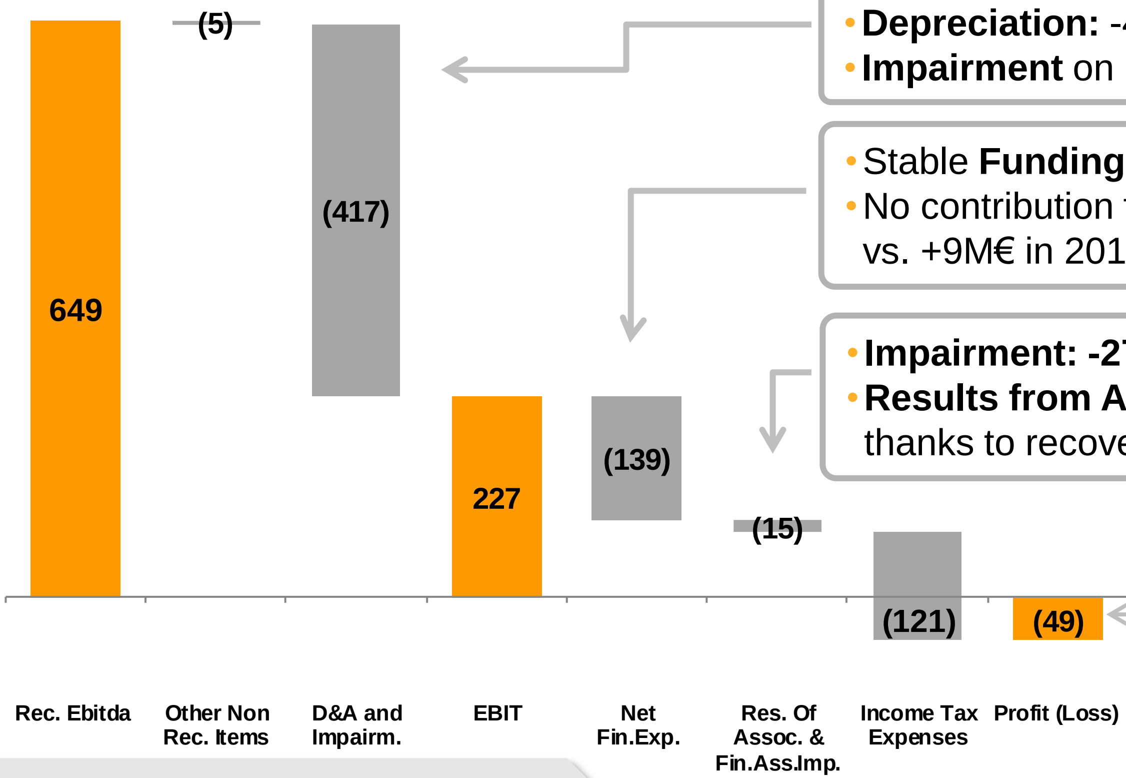
Kazakhstan

- 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€

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€

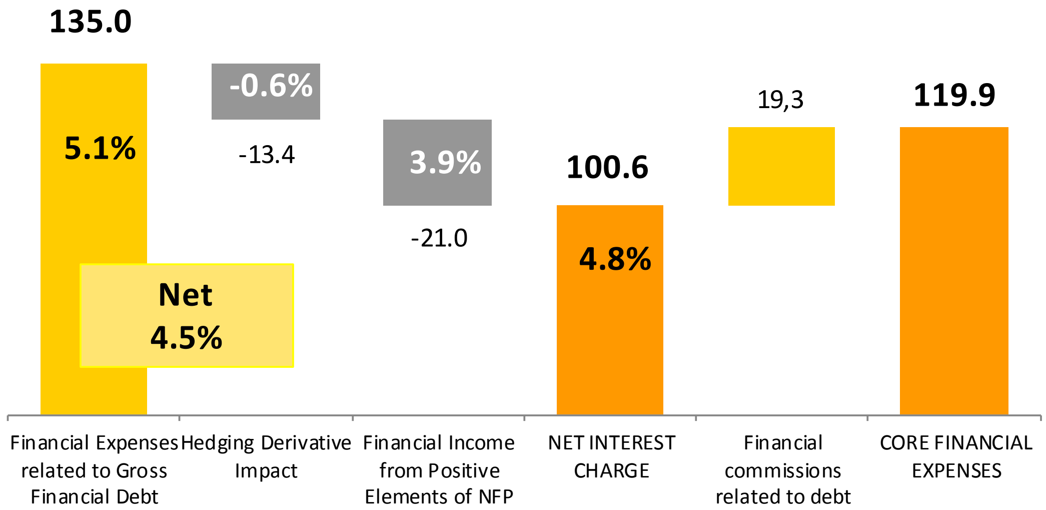
- 6M€ volume effect
- 13M€ rate/spread effect (+0.6%),
- offset by 13M€ positive hedging derivative effect.

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

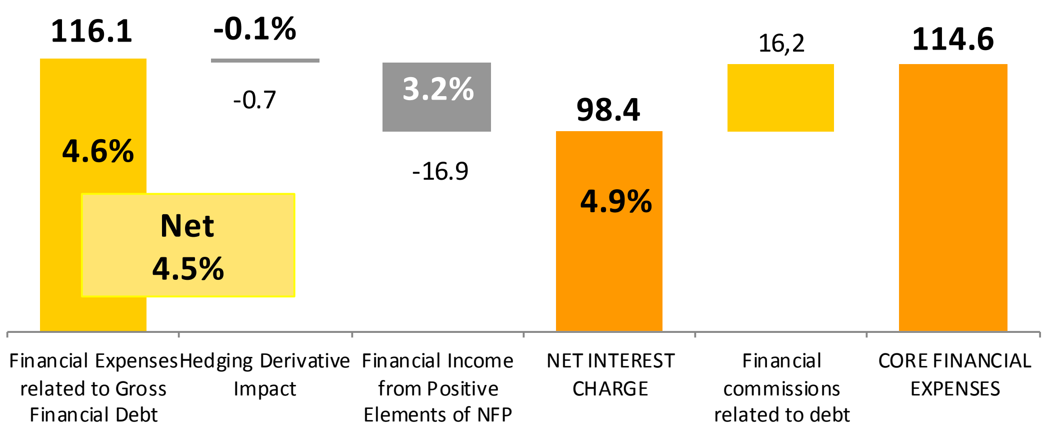
Core Financial Expenses



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

FY-2013

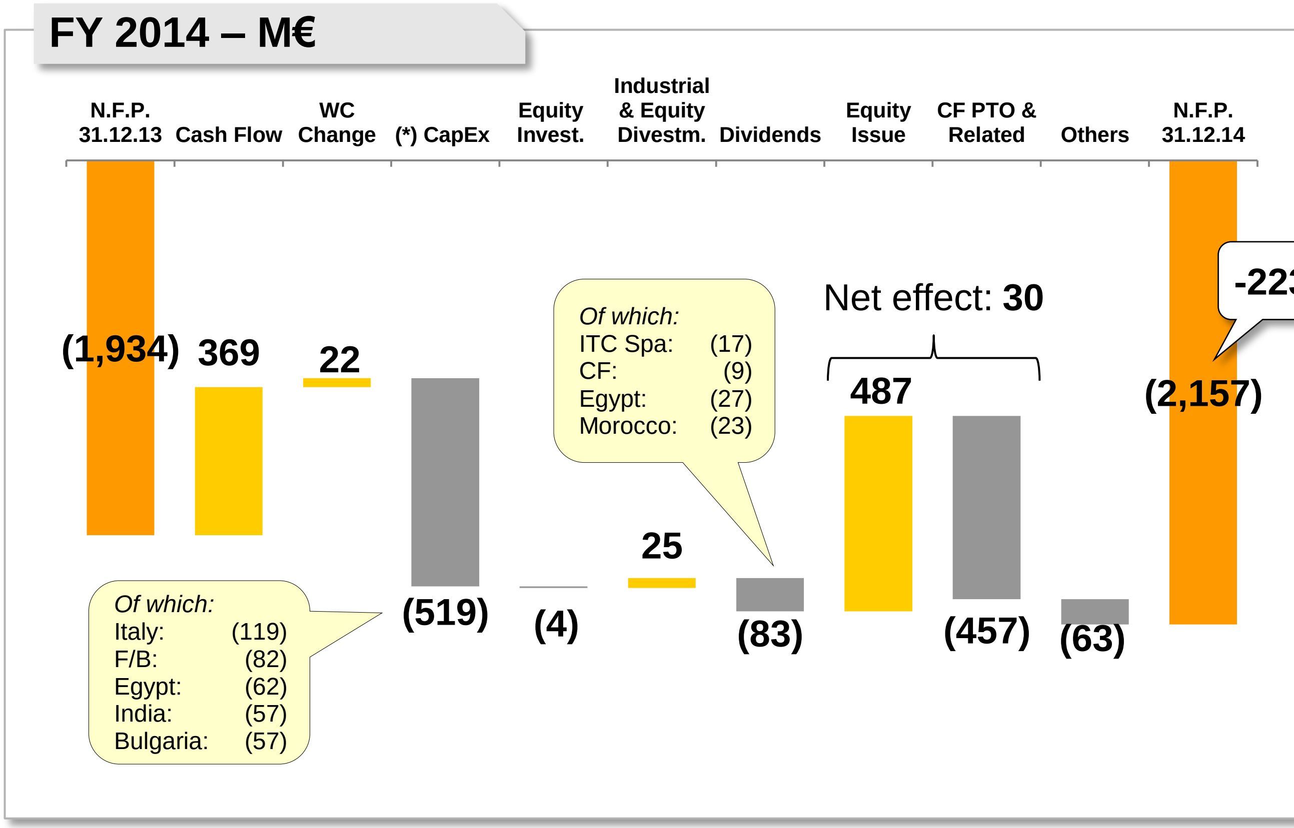
Core Financial Expenses



Cash Flow

Net Debt grows on CapEx effort but contained below original target

FY 2014 – M€



FY 2013 – M€

N.F.P. 31.12.12	Cash Flow	WC Change	CapEx	Equity Invest.	Industrial & Equity Divestm.	Dividends	Equity Issue	CF PTO & Related	Others	N.F.P. 31.12.13
(1,991)	398	38	(336)	(4)	37	(84)			7	(1,934)

- 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€

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

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	% Change 14-13 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

H1 2015

Sales volumes by business and by area

AREA	CEMENT & CLINKER (kt)											
	Q1 2015	Q1 2014	Δ	Δ L-f-L	Q2 2015	Q2 2014	Δ	Δ L-f-L	YTD 2015	YTD 2014	Δ	Δ L-f-L
Europe	3,246	3,449	- 5.9%	- 5.9%	4,342	4,318	+ 0.6%	+ 0.6%	7,588	7,767	- 2.3%	- 2.3%
North America	619	619	+ 0.0%	+ 0.0%	1,320	1,262	+ 4.6%	+ 4.6%	1,939	1,881	+ 3.1%	+ 3.1%
MATURE COUNTRIES	3,865	4,068	- 5.0%	- 5.0%	5,662	5,580	+ 1.5%	+ 1.5%	9,527	9,648	- 1.3%	- 1.3%
North Africa & Middle East	3,156	3,187	- 1.0%	- 1.0%	3,149	3,232	- 2.6%	- 2.6%	6,305	6,420	- 1.8%	- 1.8%
Asia	2,850	2,796	+ 1.9%	+ 1.9%	2,799	2,753	+ 1.6%	+ 1.6%	5,649	5,550	+ 1.8%	+ 1.8%
EMERGING COUNTRIES	6,006	5,984	+ 0.4%	+ 0.4%	5,948	5,986	- 0.6%	- 0.6%	11,953	11,969	- 0.1%	- 0.1%
Trading	699	824	- 15.2%	- 15.2%	957	1,056	- 9.4%	- 9.4%	1,656	1,880	- 11.9%	- 11.9%
Eliminations	-582	-752	n.s.	n.s.	-866	-1,033	n.s.	n.s.	-1,448	-1,785	n.s.	n.s.
TOTAL	**9,987**	**10,124**	**- 1.3%**	**- 1.3%**	**11,700**	**11,589**	**+ 1.0%**	**+ 1.0%**	**21,688**	**21,712**	**- 0.1%**	**- 0.1%**

AREA	AGGREGATES (kt)											
	Q1 2015	Q1 2014	Δ	Δ L-f-L	Q2 2015	Q2 2014	Δ	Δ L-f-L	YTD 2015	YTD 2014	Δ	Δ L-f-L
Europe	6,687	6,431	+ 4.0%	+ 2.2%	7,786	7,739	+ 0.6%	- 1.2%	14,473	14,170	+ 2.1%	+ 0.3%
North America	222	170	+ 30.3%	+ 30.3%	429	325	+ 31.9%	+ 31.9%	651	496	+ 31.4%	+ 31.4%
MATURE COUNTRIES	6,909	6,601	+ 4.7%	+ 3.0%	8,215	8,064	+ 1.9%	+ 0.1%	15,124	14,666	+ 3.1%	+ 1.4%
North Africa & Middle East	393	325	+ 21.0%	+ 21.0%	528	391	+ 35.3%	+ 31.2%	922	716	+ 28.8%	+ 26.6%
Asia	131	11	n.s.	n.s.	251	11	n.s.	n.s.	382	23	n.s.	n.s.
EMERGING COUNTRIES	524	337	+ 55.8%	+ 55.8%	779	402	+ 93.9%	+ 88.2%	1,304	738	+ 76.6%	+ 73.7%
TOTAL	**7,433**	**6,938**	**+ 7.1%**	**+ 5.5%**	**8,994**	**8,466**	**+ 6.2%**	**+ 4.3%**	**16,427**	**15,404**	**+ 6.6%**	**+ 4.8%**

AREA	READY-MIX CONCRETE (kmc)											
	Q1 2015	Q1 2014	Δ	Δ L-f-L	Q2 2015	Q2 2014	Δ	Δ L-f-L	YTD 2015	YTD 2014	Δ	Δ L-f-L
Europe	1,554	1,648	- 5.7%	- 5.7%	1,898	1,935	- 1.9%	- 1.9%	3,452	3,583	- 3.6%	- 3.6%
North America	106	108	- 1.8%	- 1.8%	221	220	+ 0.4%	+ 0.4%	327	328	- 0.3%	- 0.3%
MATURE COUNTRIES	1,661	1,756	- 5.4%	- 5.4%	2,119	2,155	- 1.7%	- 1.7%	3,779	3,911	- 3.4%	- 3.4%
North Africa & Middle East	697	630	+ 10.6%	+ 10.6%	771	676	+ 14.1%	+ 14.1%	1,468	1,306	+ 12.4%	+ 12.4%
Asia	243	272	- 10.5%	- 10.5%	265	253	+ 4.8%	+ 4.8%	508	525	- 3.1%	- 3.1%
EMERGING COUNTRIES	940	902	+ 4.3%	+ 4.3%	1,036	929	+ 11.6%	+ 11.6%	1,977	1,831	+ 8.0%	+ 8.0%
Trading	4	3	+ 40.9%	+ 40.9%	5	4	+ 22.3%	+ 22.3%	10	7	+ 30.2%	+ 30.2%
TOTAL	**2,605**	**2,661**	**- 2.1%**	**- 2.1%**	**3,160**	**3,088**	**+ 2.3%**	**+ 2.3%**	**5,766**	**5,749**	**+ 0.3%**	**+ 0.3%**

Q2/H1 2015 cement volume sales variance by country

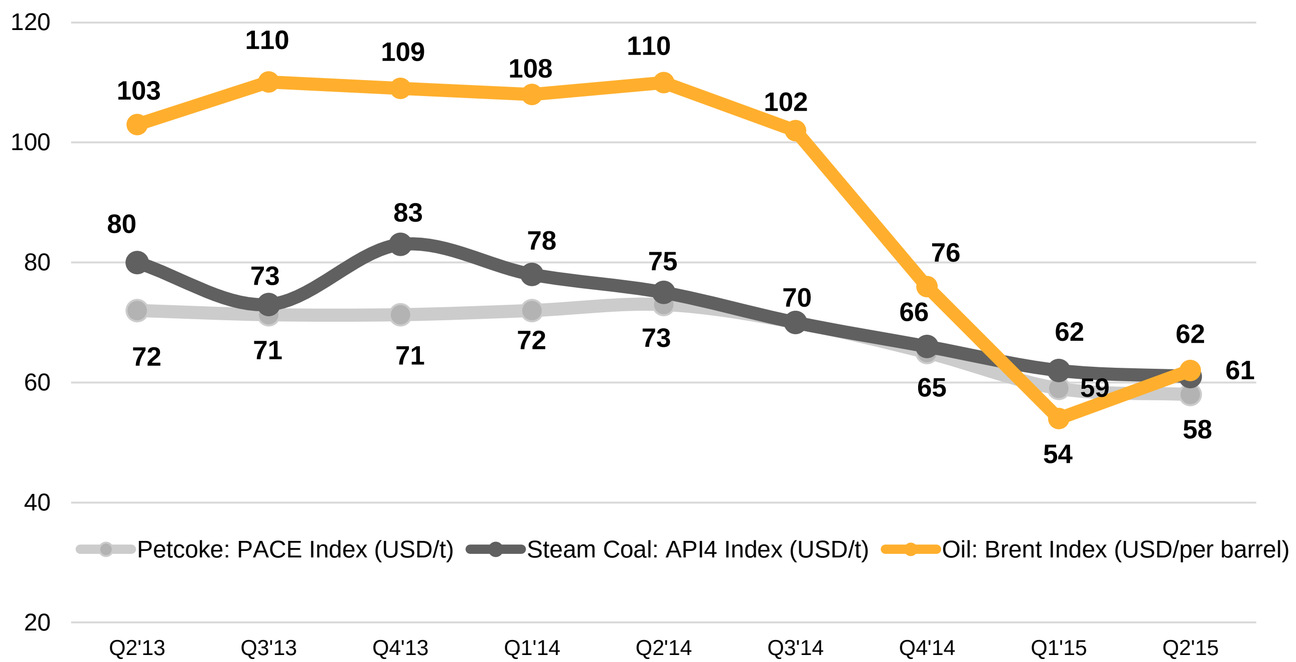
	Domestic + Export Cement & Clinker Q2	Domestic + Export Cement & Clinker H1
Italy	-0.8%	-1.8%
France - Belgium	-3.2%	-5.2%
Spain	+4.1% Cement Domestic Sales -1.3%	-4.3% Cement Domestic Sales +3.1%
Greece	-11.7%	-10.3%
Bulgaria	+28.1% Cement Domestic Sales +10.9%	+25.4% Cement Domestic Sales +3.2%
North America	+4.6%	+3.1%
Morocco	-3.5% Cement Domestic Sales -6.3%	+1.4%
Egypt	-3.6%	-5.4% Cement Domestic Sales -2.6%
Kuwait	+21.0%	+40.6%
Thailand	+7.8%	+9.9% Cement Domestic Sales +1.7%
India	-11.0%	-11.1%
Kazakhstan	+35.1%	+31.6%
Total	+1.0% Cement Domestic Sales -1.0%	-0.1%

Revenue by country

M€	Q2 2015	Q2 2014	% Chg 15-14	H1 2015	H1 2014	% Change 15-14 Actual	% Change 15-14 LfL
Italy	155	163	-5.0%	285	298	-4.6%	-4.6%
France/Belgium	357	375	-4.9%	656	703	-6.6%	-6.9%
Spain	28	29	-1.6%	52	54	-4.1%	-4.1%
Greece	8	8	-7.8%	13	15	-10.1%	-10.1%
Bulgaria	22	18	19.9%	32	28	15.2%	15.2%
Eliminations	-6	-6	-	-11	-11	-	-
Europe	**563**	**587**	**-4.1%**	**1,027**	**1,087**	**-5.5%**	**-5.7%**
North America	**166**	**124**	**33.9%**	**243**	**185**	**31.1%**	**6.7%**
Egypt	152	155	-2.0%	298	293	1.9%	-10.7%
Morocco	90	85	7.0%	179	161	11.3%	7.2%
Kuwait	18	15	21.0%	38	28	33.5%	15.3%
Saudi Arabia	2	2	-2.1%	5	4	22.8%	0.0%
North Africa Middle East	**263**	**257**	**2.3%**	**519**	**485**	**7.0%**	**-3.2%**
Thailand	77	64	20.4%	163	133	22.3%	0.8%
India	74	56	33.8%	151	111	35.7%	14.1%
Kazakhstan	17	12	45.9%	22	15	45.7%	24.6%
Asia	**168**	**131**	**28.3%**	**336**	**260**	**29.4%**	**7.9%**
Trading Cement & Clinker	51	57	-10.3%	91	102	-10.8%	-22.3%
Others	84	84	-0.6%	174	163	6.4%	-1.3%
Eliminations	-108	-125	n.s.	-221	-233	n.s.	n.s.
Total	**1,187**	**1,116**	**6.4%**	**2,167**	**2,048**	**5.8%**	**-2.1%**

Petcoke, Steam Coal and Oil

Petcoke, steam coal and oil market prices – USD



Recurring EBITDA by country

M€	Q2 2015	% on sales	Q2 2014	% on sales	Change 15 vs. 14		H1 2015	% on sales	H1 2014	% on sales	Change 15 vs. 14	
Italy	21	13.3%	15	9.2%	6	38%	34	12.0%	15	4.9%	20	135%
France/Belgium	62	17.4%	74	19.7%	-12	-16%	80	12.3%	110	15.7%	-30	-27%
Spain	2	6.8%	4	14.0%	-2	-52%	1	1.6%	7	12.2%	-6	-87%
Greece	0	-0.2%	1	16.2%	-1	n.s.	0	-1.5%	1	6.1%	-1	n.s.
Bulgaria	16	71.9%	5	27.5%	11	>100%	18	55.7%	7	26.3%	11	>100%
Europe	**100**	**17.8%**	**99**	**16.9%**	**1**	**1%**	**133**	**13.0%**	**140**	**12.9%**	**-7**	**-5%**
North America	**31**	**18.9%**	**17**	**13.6%**	**15**	**86%**	**2**	**0.8%**	**-6**	**-3.3%**	**8**	**n.s.**
Egypt	24	15.6%	36	23.0%	-12	-33%	40	13.4%	64	21.7%	-24	-37%
Morocco	36	39.7%	36	42.5%	0	0%	74	41.3%	67	41.6%	7	11%
Kuwait	1	5.5%	1	5.4%	0	23%	2	4.5%	2	5.5%	0	9%
Others	0	13.1%	0	9.2%	0	40%	1	13.0%	0	8.8%	0	82%
North Africa and Middle East	**61**	**23.2%**	**72**	**28.2%**	**-12**	**-16%**	**116**	**22.4%**	**132**	**27.3%**	**-16**	**-12%**
Thailand	19	25.0%	14	22.3%	5	35%	39	23.9%	32	24.3%	7	21%
India	12	16.1%	3	5.7%	9	>100	27	17.8%	7	6.0%	20	>100
Kazakhstan	-1	-6.2%	1	4.6%	-2	n.s.	-3	-14.0%	-1	-7.4%	-2	<-100
Asia	**30**	**17.9%**	**18**	**13.7%**	**12**	**68%**	**63**	**18.7%**	**38**	**14.6%**	**25**	**65%**
Trading Cement & Clinker	4	6.9%	3	5.1%	1	22%	12	12.9%	5	5.4%	6	>100
Others and Eliminations	1	n.s.	2	n.s.	0	n.s.	-1	n.s.	-1	n.s.	0	n.s.
Total	**228**	**19.2%**	**211**	**18.9%**	**17**	**8%**	**325**	**15.0%**	**308**	**15.0%**	**16**	**5%**

Income statement (1/2)

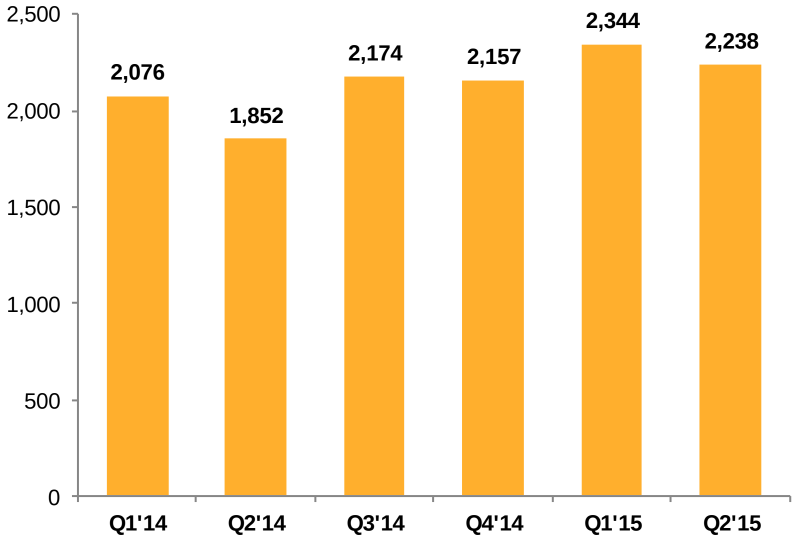
M€	H1 2015	H1 2014	Change	% Change
Revenue	2,167	2,048	119	5.8%
Recurring EBITDA	**325**	**308**	**16**	5.3%
% on revenues	15.0%	15.0%		
Other non rec. income / (expenses)	-8	-2	-7	ns
EBITDA	**316**	**306**	**10**	3.2%
% on revenues	14.6%	15.0%		
Amortization and depreciation	-201	-199	-3	1.3%
Impairment losses on non-current assets	-2	-5	3	
EBIT	**113**	**103**	**10**	9.6%
% on revenues	5.2%	5.0%		

Income statement (2/2)

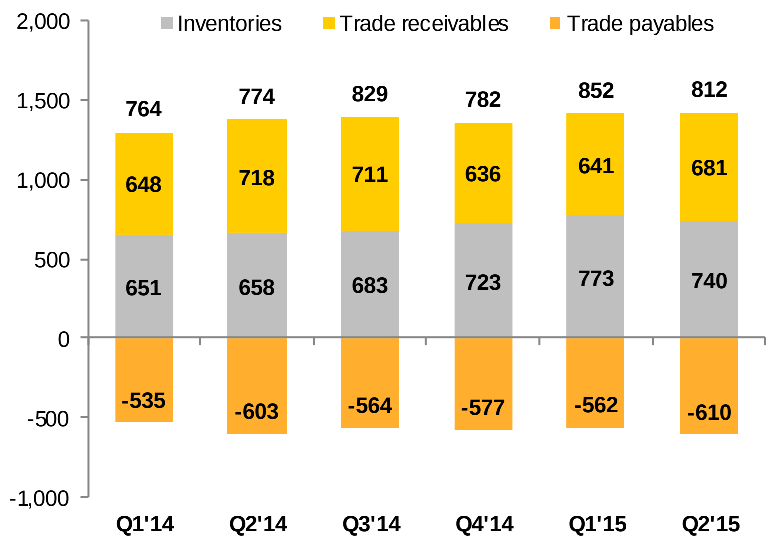
M€	H1 2015	H1 2014	Change	% Change
EBIT	**113**	**103**	**10**	**9.6%**
Net financial expenses	-59	-75	16	-21.0%
Impairment of financial assets	0	-27	27	n.s.
Share of profit/(loss) of associates	4	3	0	12.9%
Profit before Tax (PBT)	**57**	**4**	**53**	**>+100%**
Income tax expense	-53	-84	30	-36.3%
Profit (loss) for the period	**4**	**-80**	**83**	**n.s.**
Of which: Owner of parent	-33	-113	81	71.3%
Of which: Non-controlling interests	36	34	3	7.9%

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		
	H1 2015	H1 2014	% Change (*)	30 June 2015	31 Dec 2014	% Change (*)
Egyptian pound	8.44	9.62	14.1%	8.53	8.69	1.8%
Indian rupee	70.12	83.29	18.8%	71.19	76.72	7.8%
Kazakh tenge	206.76	241.93	17.0%	208.35	221.46	6.3%
Moroccan dirham	10.81	11.23	3.9%	10.85	10.98	1.2%
US dollar	1.12	1.37	22.8%	1.12	1.21	8.5%
Swiss franc	1.06	1.22	15.6%	1.04	1.20	15.5%
Thai baht	36.78	44.62	21.3%	37.80	39.91	5.6%
Bulgarian Lev	1.96	1.96	0.0%	1.96	1.96	0.0%

(*)

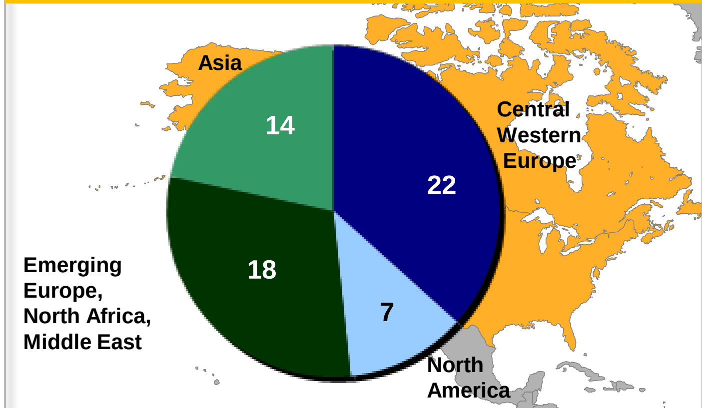
+ Local currency appreciation
- Local currency depreciation

Appendix 3

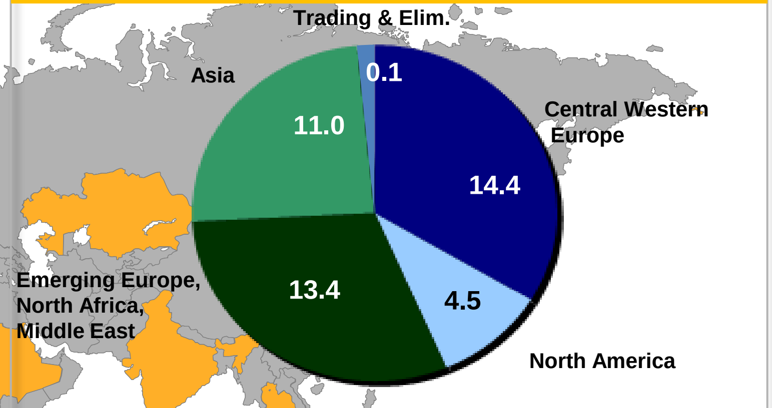
Group Overview

The Group at the end of 2014

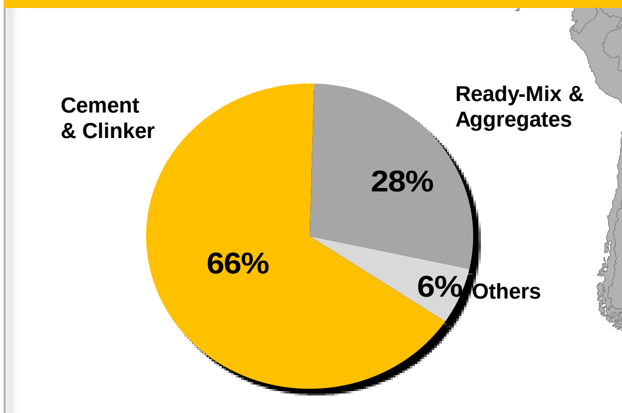
Cement Capacity: 61 mt/y(*)



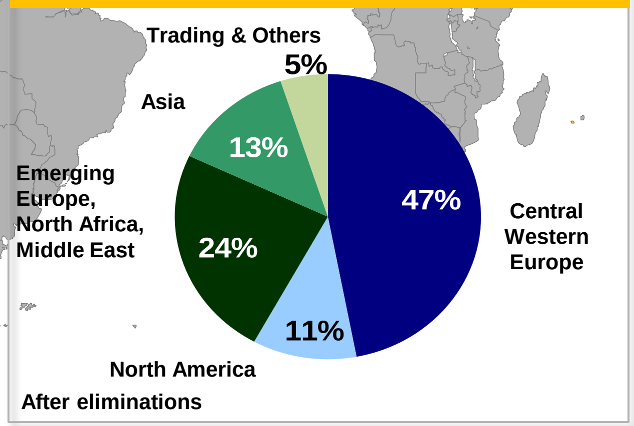
Cement & Clinker Sales Volumes: 43.4mt/y



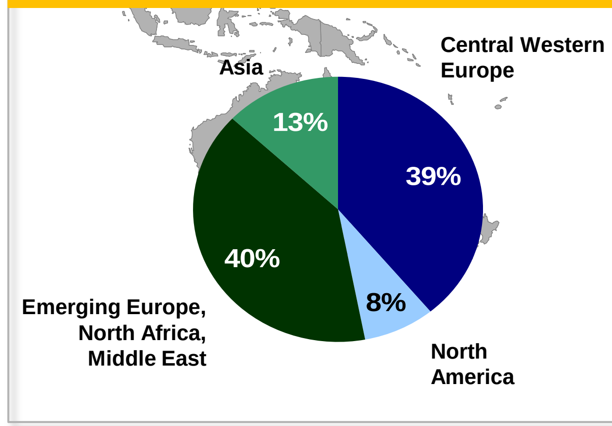
Revenues by Business: 4.2B€



Revenues by Geography

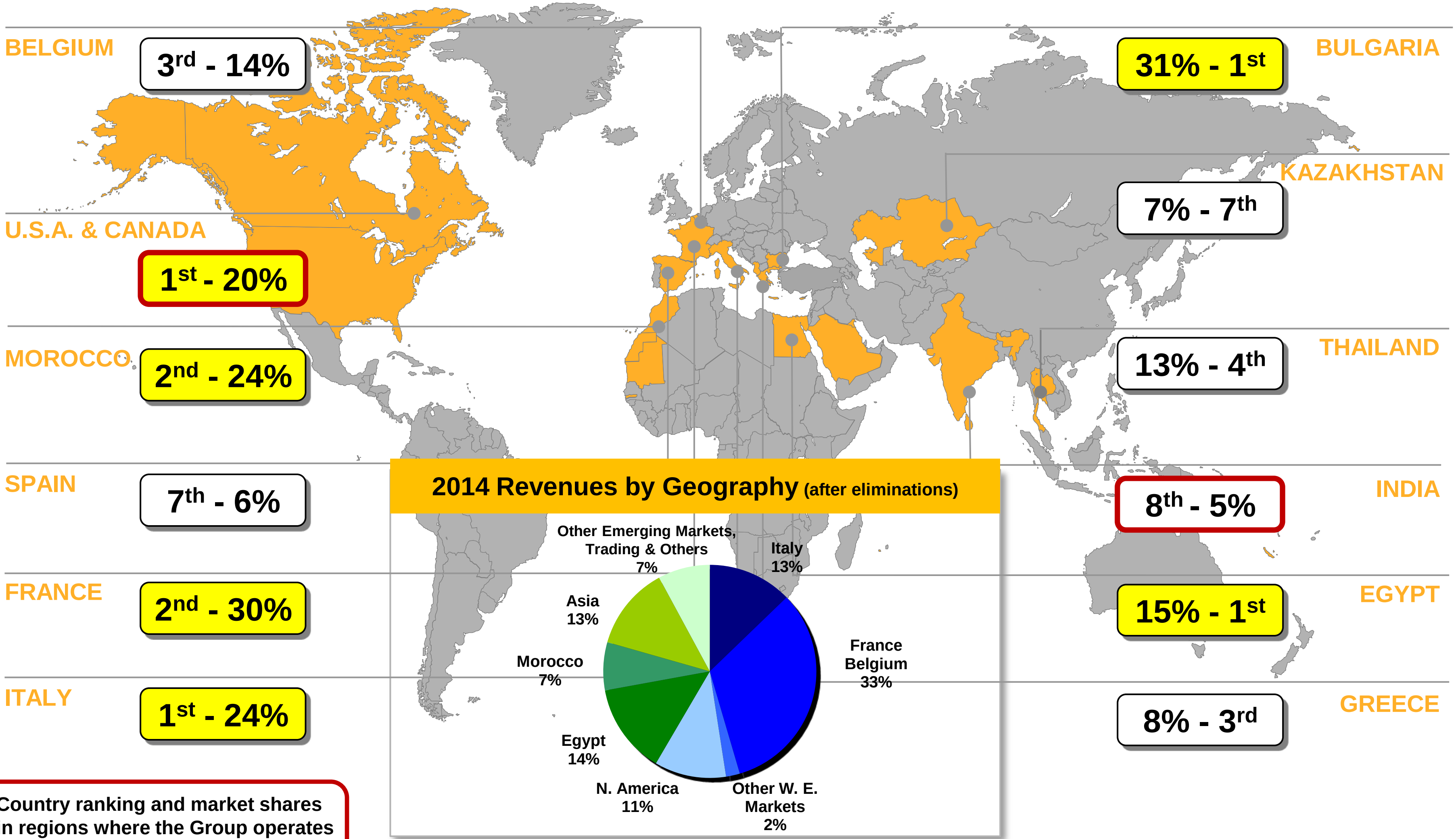


Rec. Ebitda by Geography: 649M€



(*) Based on clinker production capacity ; 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

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

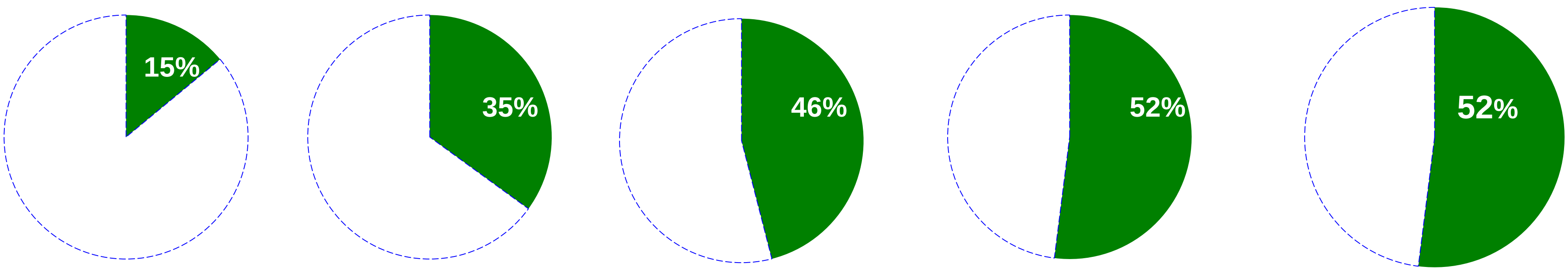
Main Organic and Non-Organic Developments

1998-1999 | 2001-2002 | 2005 | 2007 | 2010 | 2011-2012

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

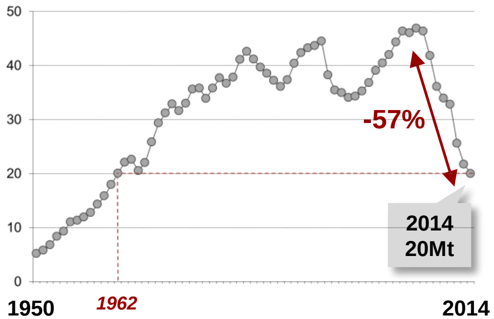
(*) Excludes ~5mt/y capacity through companies consolidated at equity method

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

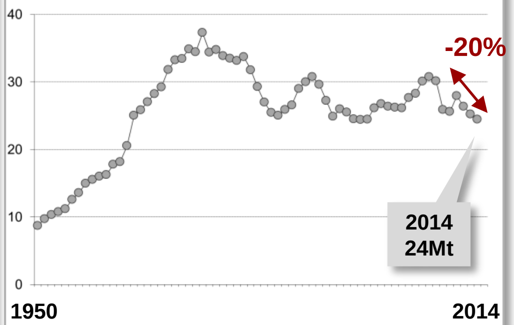
Diverging market trends in Italcementi key countries

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

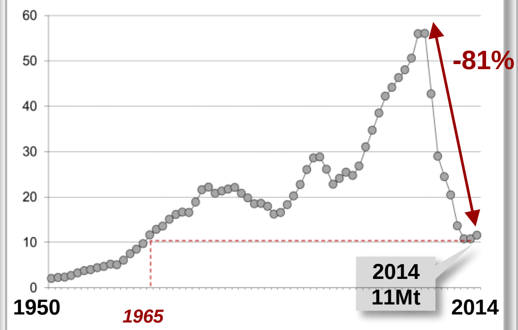
Italy – mt
2014 Consumption per Capita: **330kg**



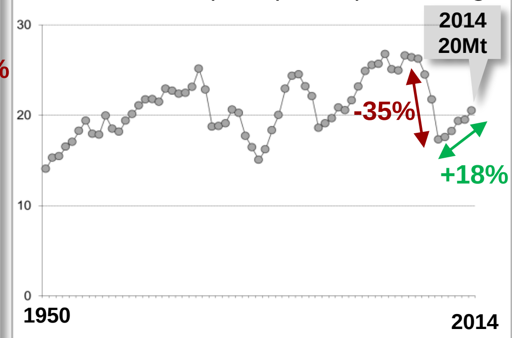
France / Belgium - mt
2014 Consumption per Capita: **320kg**



Spain - mt
2014 Consumption per Capita: **230kg**

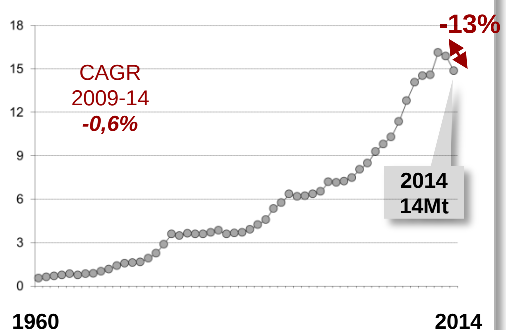


N. America mt, Essroc area (*)
2014 Consumption per Capita: **195kg**

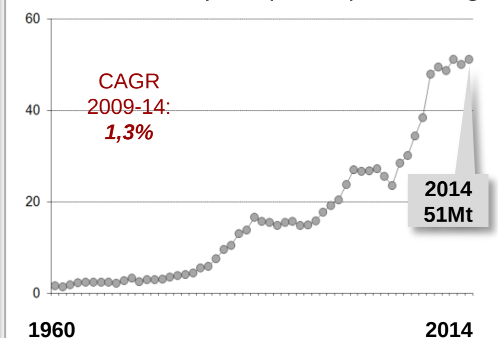


(*) Only Portland cement, Puerto Rico excluded.
New market area adopted

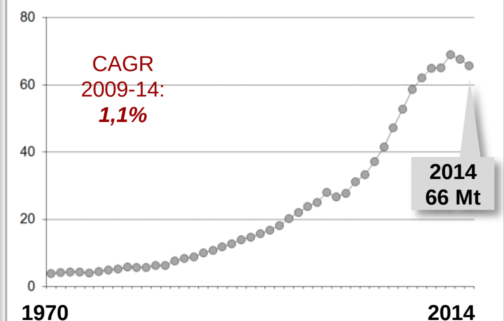
Morocco – mt
2014 Consumption per Capita: **420kg**



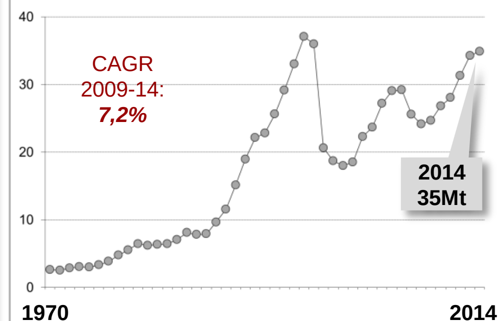
Egypt - mt
2014 Consumption per Capita: **600kg**



South India - mt
2014 Consumption per Capita: **250kg**

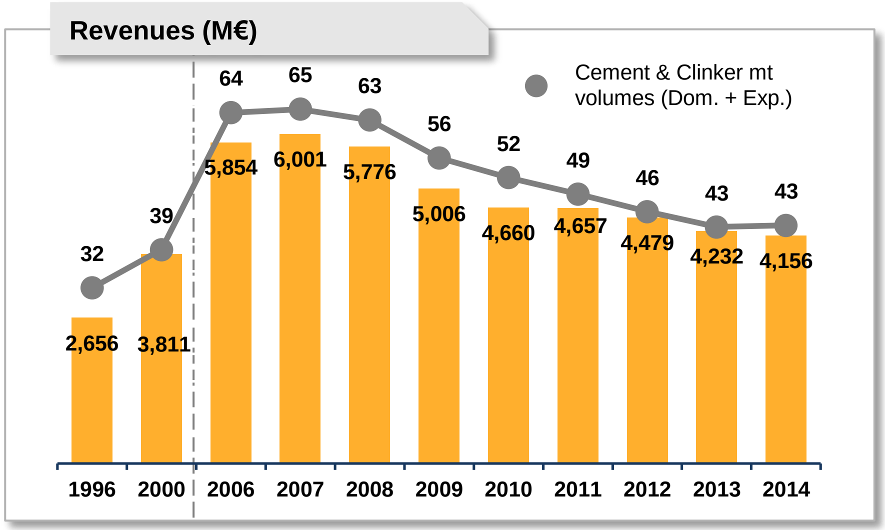


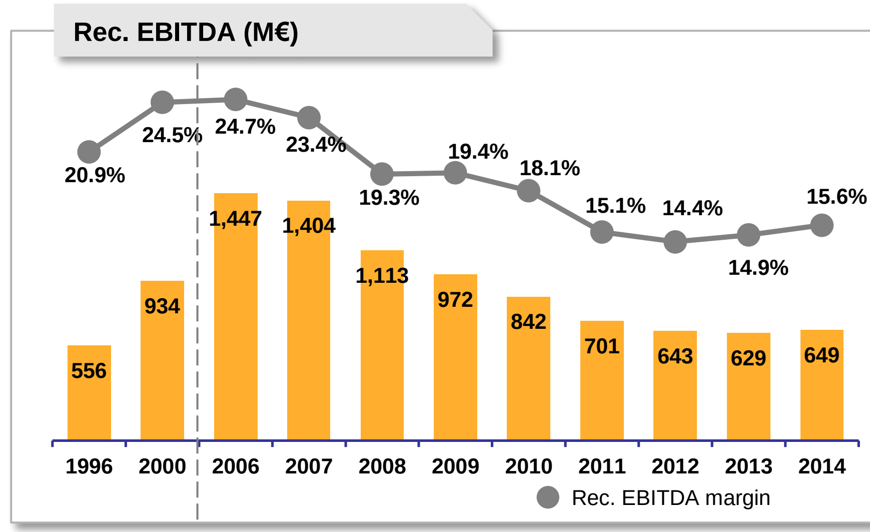
Thailand - mt
2014 Consumption per Capita: **540kg**

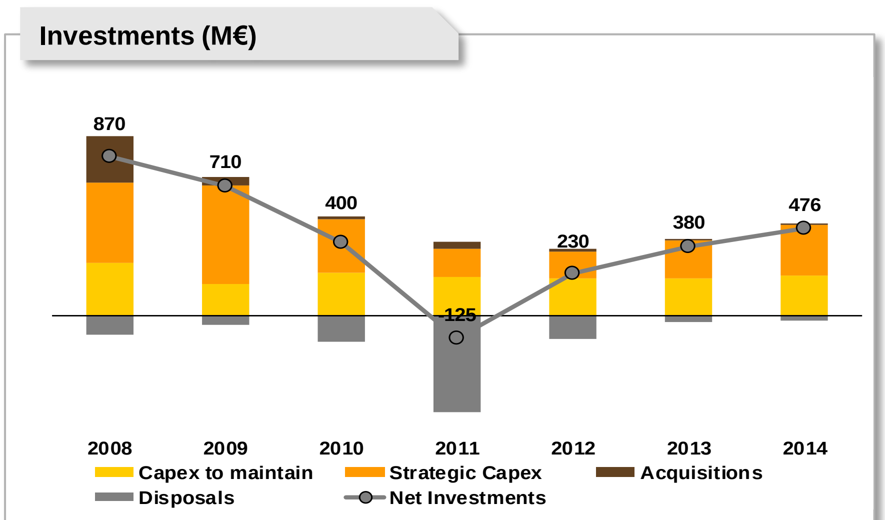


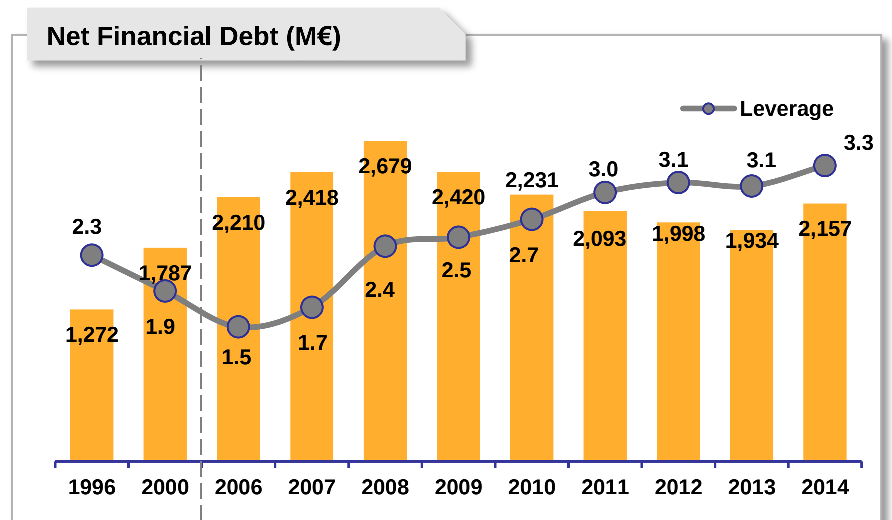
ITC estimates

Key Historical Financials through long-term cycle



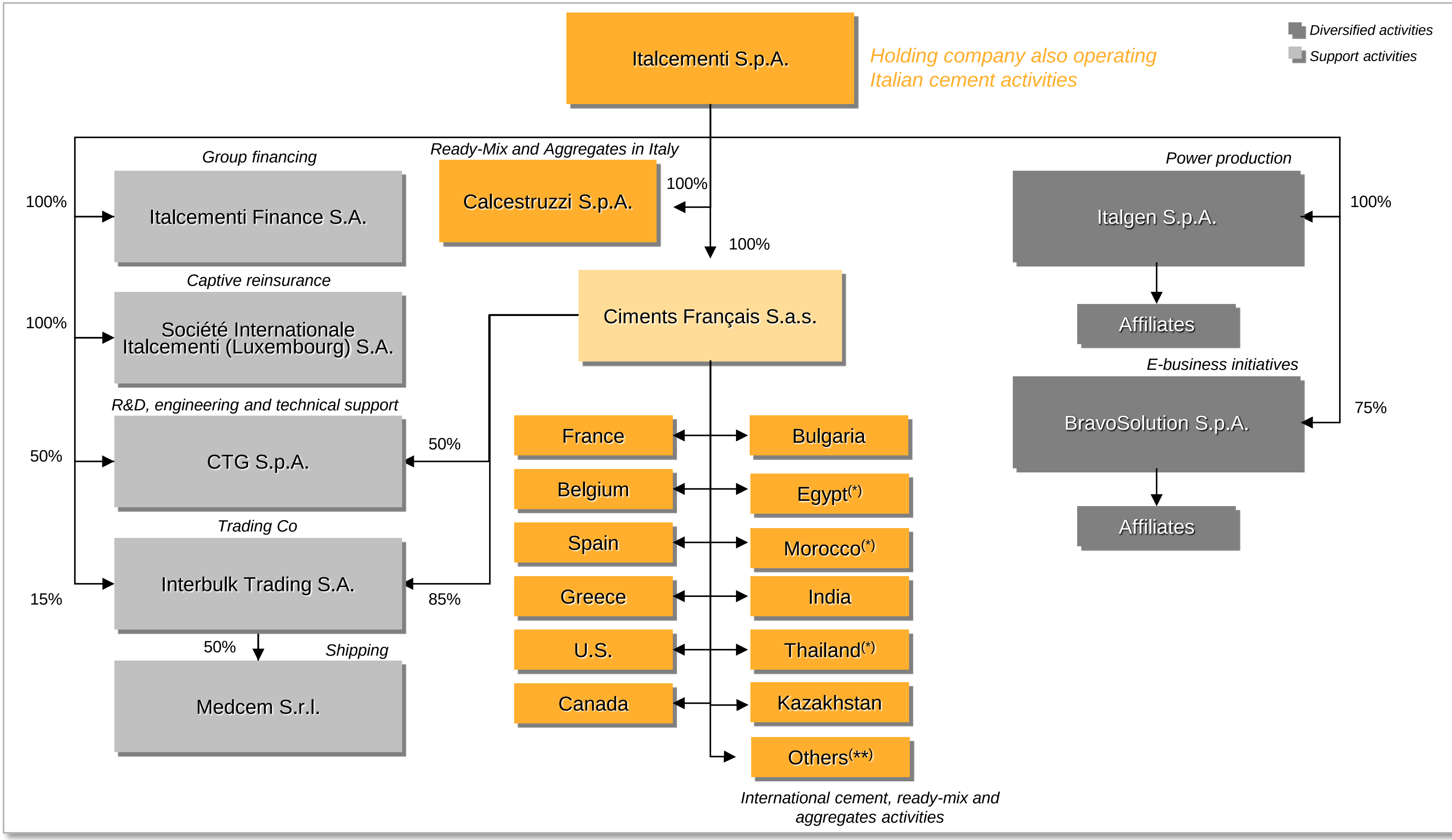






Local GAAP before 2001. 2014 figures prepared in compliance with IFRS and 2013 figures restated accordingly

Group Structure



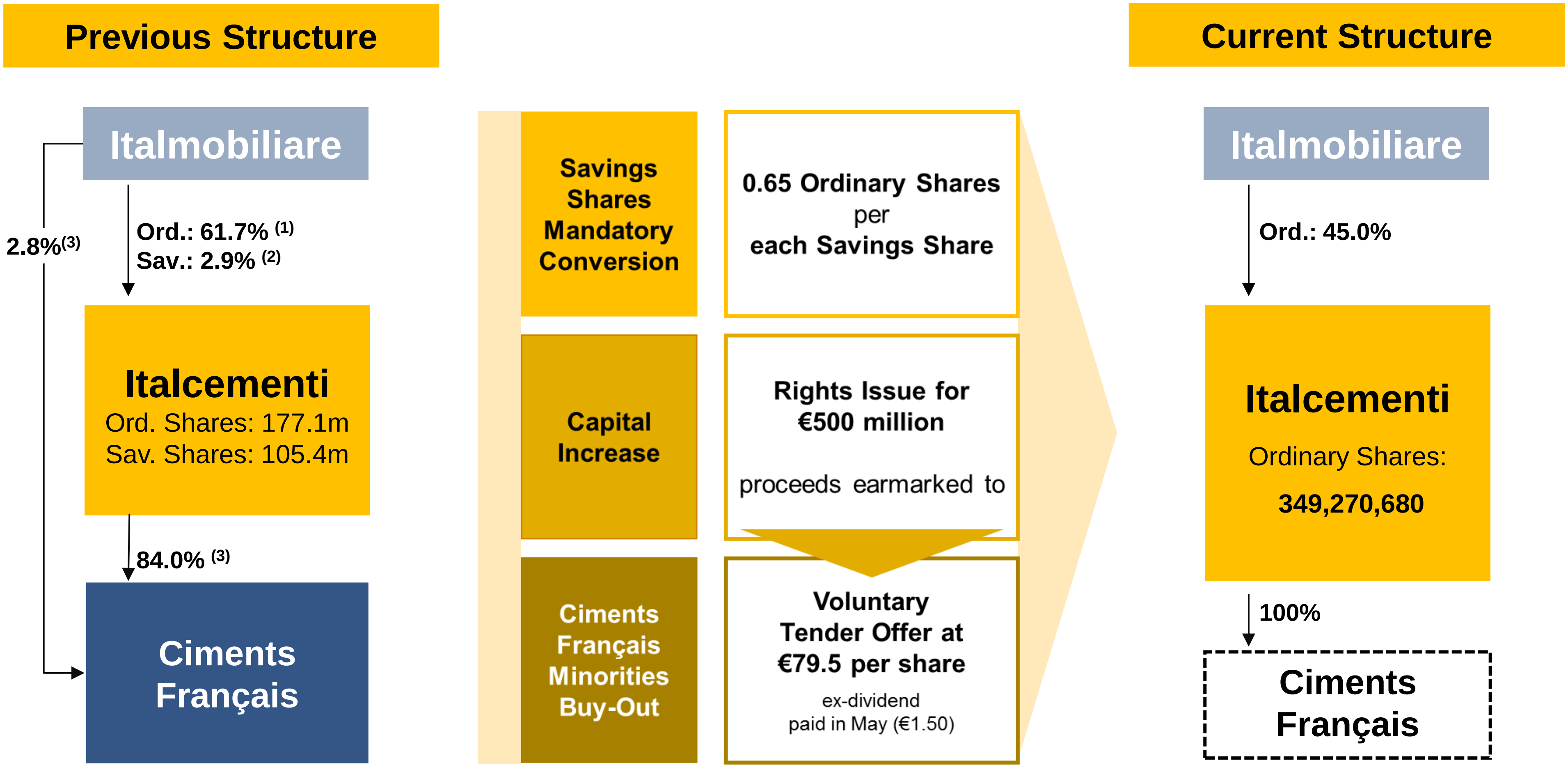
All figures as of 31st December 2014

(*) 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



(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)

Accounting policies

Consolidated Financial Statements have been drawn up in compliance with IFRS as applicable at June 30, 2015 and endorsed by the E.U. Commission. There are no significant changes in the consolidation perimeter in the First Half 2015 vs. 2014.

Changes in IFRS

- With regard to application of IAS 16 “Property, plant and equipment”, the Group has reviewed its industrial assets and revised their useful lives. The revision has determined lower Depreciation for 7.2M€ in the current semester
- Accounting for CVAE (Cotisation sur la Valeur Ajoutée des Entreprises) in France has been reviewed. CVAE is now reported consistently with similar tax items in other jurisdictions, as “Income Tax Expense” instead of “Other taxes”. The impact on Rec. EBITDA is +3.4M€ in the first half 2015, offset by higher “Income Tax Expense”

Changes in Operating segments

- With full effect since January 1, 2015, operations in Bulgaria have been reclassified to CWE from EENAME in the operating segment disclosure. After this change, the new definitions of the areas are Europe and North Africa and Middle East. 2014 data are restated accordingly.

Disclaimer

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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.

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Investor Relations

2015 calendar

- **9M 2015 Results Conference Call**
  November 9th, 2015

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