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OPINION OF THE INDEPENDENT DIRECTORS OF ITALCEMENTI S.P.A.

IN ACCORDANCE WITH ARTICLE 39-BIS OF THE REGULATION ADOPTED BY CONSOB UNDER RESOLUTION NO. 11971 OF MAY 14, 1999, AS AMENDED AND SUPPLEMENTED (“ISSUERS’ REGULATION”), CONCERNING THE MANDATORY PTO PURSUANT TO ARTICLE 106, PARAGRAPH 1-BIS OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998, AS AMENDED (THE “TUF”), MADE BY HEIDELBERGCEMENT FRANCE S.A.S. COVERING ALL OF THE COMMON SHARES OF ITALCEMENTI S.P.A.

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I. SUBJECT MATTER OF THE OPINION

This opinion was drafted pursuant to Article 39-bis, paragraph 2, of the Issuers’ Regulation (“**Opinion**”) and contains the evaluations made by the independent directors of Italcementi S.p.A. (“**Italcementi**”, “**Issuer**”, or “**Company**”), Peter Caliceti (“**Lead Independent Director**”), Paolo Benazzo, Victoire de Margerie, Lorenzo Renato Guerini, Maria Martellini, Claudia Rossi, and Carlo Secchi (“**Independent Directors**”). To wit (i) on the mandatory PTO that HeidelbergCement France S.A.S. (“**Offeror**”) – a company wholly and indirectly controlled by HeidelbergCement – has made an offer under Article 106, paragraph 1-bis, of the TUF, for 100% of the common stock of Italcementi (“**PTO**” or “**Offer**”) and (ii) on the fairness of the consideration offered within the context of that PTO.

Note that Prof. Laura Zanetti, while having the status of an independent director of Italcementi, decided not to participate in the work of the Independent Directors in issuing this Opinion for reasons of propriety. This is connected to the fact that the independent directors are being called up-

on to express their opinion on the PTO and on the fairness of the price contained in the Offer. Those same the independent directors see the company Italmobiliare (former majority shareholder with respect to Italcementi) as an involved party, being the seller of the Total Stake (as defined below), where Prof. Laura Zanetti was and still is a member of the Board of Directors and the Executive Committee.

Terms with capital letters, unless otherwise defined in this Opinion, have the same meaning as that ascribed to them in the Offering Document (as defined below).

2. PURPOSE AND LIMITATIONS ON THE SCOPE OF THE OPINION

This Opinion is being drafted exclusively for the purposes of and within the meaning of Article 39-*bis* of the Issuers' Regulation and thus shall be made available to the Board of Directors of the Issuer only for the purposes of the release, by the latter, of the subsequent communiqué, which, pursuant to Article 103, paragraphs 3 and 3-*bis*, of the TUF and Article 39 of the Issuers' Regulation¹, the Board of Directors of Italcementi must disseminate in order to make known all data useful for the evaluation of the PTO, its reasoned valuation thereof and assessment of the fairness of the consideration, as well as an evaluation of the effects that an eventual successful PTO would have on the interests of the enterprise, on employment, and on the location of production sites (“**Issuer's Notice**”).

Therefore, the purpose of the Independent Directors' Opinion is only to elucidate the evaluations that – within the limits and for the purposes referred to in Article 39-*bis* of the Issuers' Regulation – they have made as a result of analyses, also with the assistance of the Independent Expert (as defined below at Article 3), both in relation to the Offer as a whole as well as from the point of view of the fairness of the consideration of the PTO.

¹ Note that pursuant to Article 39, paragraph 1, of the Issuers' Regulation: “*The issuer's statement shall: a) indicate the names of the members of the board of directors and control body present during the meeting for assessing the offer, as well as the names of those absent; b) indicate any members of the board of directors or the supervisory board who have notified the fact that they have a possible conflict of interest, their own or of third parties, relating to the offer, specifying the nature, terms, origin and scope thereof; c) contain all the information serving to evaluate the offer together with the reasoned opinion on the offer and the fairness of the price by the board of directors and the supervisory board, with an indication, where applicable, of its approval by majority vote and the names of those dissenting and abstaining, specifying the reasons for any dissent or abstention. The statement shall also specify, positively or negatively, any participation by any title of the members of the administrative body and supervisory board in negotiations to define the transaction; d) indicate whether, in forming their opinion on the offer, the issuer made use of independent expert opinions or specific assessment documents. In these latter cases, the methods used and the results of each criteria applied shall be indicated; e) provide information on material matters not covered in the latest annual report or the latest interim report published; f) provide information on the issuer's recent performance and prospects if they are not reported in the bid document; g) contain, for bids on securities other than those pursuant to Article 101-*bis*, subsection 3 of the Consolidated Law, an assessment of the effects that a successful bid would have on the company's interests, as well as on employment and the location of production sites; h) where a merger is envisaged that involves the issuer and one of the parties specified by article 39-*bis*, subsection 1, paragraphs a) and b) and that involves an increase in the debt of the issuer, supplies information on the company's debt resulting from the merger; in this case, it also indicates the effects of the transaction on the loan agreements in place and on the related guarantees as well as on the need to stipulate new loan agreements*”.

As a result, the Opinion – within the limits of and in line with the purposes provided for by the Italian legislation referred to above – does not in any manner replace the Issuer’s Notice or the Offering Document and in no manner does it have the purpose of (nor can it be deemed suitable for) providing guidance or soliciting, recommending, or providing assurance to anyone (whether a shareholder or a third-party investor) with respect to a decision whether or not to join the PTO (or to carry out any transaction on the financial instruments of the Issuer). Nor it does it eliminate the need for all interested parties to perform their own assessments on subscribing to the Offer and any other transaction involving the Issuer and the financial instruments issued by it, particularly on the basis of the Offering Document and of the Issuer’s Notice.

Note that, as indicated by the Offeror in the Offering Document (see paragraphs F.4.2 and F.4.3), the PTO is also being made: (i) *“in the United States of America pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act, subject to the exemptions provided by Rule 14d-1(d) under the U.S. Securities Exchange Act”* and (ii) *“in Canada pursuant to the de minimis exemption rule provided by Section 4.5 of Canadian National Instrument 62-104”*. As expressly stated in the Offering Document: *“The Offer is being made for the Shares of Italcementi, an Italian company with shares listed on the MTA, and is subject to Italian disclosure and procedural requirements, which may be different from those of the United States of America”* (see paragraph A.15).

In view of the above, it is reiterated that the Opinion – drafted exclusively on the basis of, within the meaning of, and for the purposes of Italian rules and, in particular, with the purposes and within the limits of Article 39-bis of the Issuers’ Regulation – is in no manner intended to comply with rules other than those of Italy, nor is it, under any circumstance, to be evaluated, interpreted, and/or used in light of or in application of any other rules, including those of the United States of America and/or of Canada.

3. EVALUATION PROCESS: (I) SELECTION AND APPOINTMENT OF THE INDEPENDENT EXPERT

As allowed by Article 39-bis, paragraph 2, of the Issuers’ Regulation, the Independent Directors have seen fit to avail themselves, at the expense of the Company: (i) of the assistance of an independent expert, which, as a result of a selection process, was identified as J.P. Morgan Limited (“**Independent Expert**” or “**J.P. Morgan**”) and (ii) of advice from the Pedersoli law firm of Milan.

The Independent Expert, having confirmed the absence of economic, capital, and financial relations or other circumstances that may affect its independence, on 29 July 2016 issued the fairness opinion which is attached to this Opinion as “Annex A”, the conclusions of which are described below in Paragraph 7.2 (“**Fairness Opinion**”).

4. CONTINUED: (II) DOCUMENTATION REVIEWED TO DRAFT THE OPINION

To prepare this Opinion, the Independent Directors reviewed the following documentation:

- a) the press releases published by the Issuer and by the Offeror concerning the PTO as well as several comments and news items that appeared in the press regarding the Offer, the Issuer, and the Offeror;

- b) the Offeror Notice where the applicability of the obligation to make the Offer was acknowledged, on 1 July 2016, pursuant to Article 102, paragraph 1, of the TUF and Article 37-ter of the Issuers' Regulation;
- c) the offer document provided by the Offeror in accordance with Article 102 of the TUF ("**Offering Document**"), which the Independent Directors received, after its filing with CONSOB on 12 July 2016, on 21 July 2016 and, in its latest version – as approved by CONSOB Resolution No. 19681 of 26 July 2016 – on 25 July. The Offering Document was made public on 28 July 2016;
- d) the Fairness Opinion of the Independent Expert;
- e) the Informational Document relating to transactions of major significance with related parties (drafted pursuant to Article 5 of the Regulation adopted by CONSOB under Resolution No. 17721 of 12 March 2010, as amended) that refers to the disposal of Non-Core Assets²;
- f) summary of the agreements reported to CONSOB pursuant to Article 122 of the TUF Issuers' Regulation, made public on 29 July 2015, and the amended summary thereof made public on 29 June 2016.

With reference to the transaction that led to the acquisition by the Offeror of the Total Stake, note that the latter provided an extract from the agreement (specifically Articles 2.1, 2.2, 2.3, and 2.4, as well as a portion, with omissions, of the appendix concerning the definitions used) signed between Italmobiliare and HeidelbergCement, dated 28 July 2015, relating to the acquisition by HeidelbergCement of the Contributed Shares following the execution of an in-kind capital increase reserved for Italmobiliare, resolved as indicated below in Paragraph 6.1(b) (the "**SPA**").

5. CONTINUED: (III) MEETINGS AND ACTIVITIES PERFORMED IN PREPARING THE OPINION

Since the date of JP Morgan's assignment of the task, the Independent Directors (partially through the Lead Independent Director) have maintained constant contact with the Independent Expert, which has made several presentations concerning, among other things, the reference scenario and evaluation methods used with regard to Italcementi for the formulation of the Fairness Opinion.

Furthermore, the Independent Directors themselves carried out the following investigative and valuation activities for the purposes of the preparation of the Opinion:

- a) on 6 May 2016, the Independent Directors met to examine how to proceed in the envisioned eventuality of a full or partial change in the composition of the Board of Directors as a result of the change in control. At that meeting the Independent Directors decided to request an opinion from a legal expert of clear authority and independence, later choosing Prof. Mario Notari, who was asked to provide his opinion with respect to the procedures to be followed in such circumstances as well as for the purposes of the issuance of an opinion from the Independent Directors in connection with the Offer;
- b) on 17 June 2016, the Independent Directors met for information on the contacts made be-

² For a description of the transaction that involved Non-Core Assets, see Note 4 of the Opinion, below.

tween the Lead Independent Director and Prof. Mario Notari in connection with the above-mentioned opinion. On that occasion, after appropriate selection, they also agreed to assign the task of independent expert to JP Morgan, for the purposes of preparation of the Opinion; the attorney Carlo Pedersoli was retained as legal advisor;

- c) on 29 June 2016 – following the signing by Italmobiliare and HeidelbergCement of an agreement supplementing the SPA that enabled the parties to finalize the transaction for acquiring the Total Stake on 1 July 2016 – the Independent Directors met to examine the backgrounds of possible candidates to co-opt the posts of directors of Italcementi, also in view of the conclusions expressed by Prof. Mario Notari in the opinion given to the Independent Directors on 28 June 2016;
- d) on 5 July 2016, the Independent Directors met with the Independent Expert and with the legal advisors to discuss and select the relevant documentation set to be gathered and reviewed as a priority;
- e) following the meeting referred to above at point d), on 6 July 2016 the Lead Independent Director held a conference call with the Independent Expert and the Company, in which clarifications and more detailed steps were provided regarding the relevant documentation set for the purposes of the task assigned to the Independent Expert;
- f) on 18 July 2016, the Independent Directors, the Independent Expert, and the legal advisor met and discussed the structure of the Offer – particularly the methods by which the Offeror had acquired the Total Stake directly from Italmobiliare and indirectly by conferral of shares of Italmobiliare to HeidelbergCement and the simultaneous sale to the Offeror – as well as the appropriateness of the Issuer providing additional financial documentation to the Independent Expert over and above what had been gathered up to then;
- g) also on 18 July 2016, the Lead Independent Director held a conference call with the Independent Expert, the legal adviser, and the Company. At that time, they examined and discussed several financial documents on the Italcementi group analysed by JP Morgan;
- h) on 19 July 2016, the Lead Independent Director held a conference call with the Independent Expert, the legal adviser, and the Company. At that time, they examined and discussed several financial documents on the Italcementi group analysed by JP Morgan;
- i) on 21 July 2016, the Independent Directors held a conference call with the legal advisor, during which they discussed and ultimately agreed on the appropriateness of exercising the power granted under Article 39-bis, paragraph 4³, of the Issuers' Regulation, and on making a formal request to the Offeror of the “*the information on the bid provided to the lenders;*”

³ Recall that, pursuant to Article 39-bis, paragraph 4, of the Issuers' Regulation, in the case of offers made by directors “*or by parties acting in concert with them, if said parties have contracted debts for the acquisition, the bidder shall promptly notify the independent [...], upon their request, of the information on the bid provided to the lenders, also following the publication of the opinion*”.

- j) on 22 July 2016, the Lead Independent Director, as a result of what had been agreed with the other Independent Directors, forwarded a formal communication to the Offeror requesting any relevant documentation pursuant to Article 39-bis, paragraph 4, of the Issuers' Regulation. Note that, on 28 July 2016, the Offeror received the above-mentioned communication, acknowledging that those financing the Offer had not received additional information from the HC Group over and above the information contained in the Offering Document or otherwise already known to the Independent Directors by virtue of the offices they held;
- k) on 25 July 2016, the Lead Independent Director held a conference call with the legal advisor and the Company. At that time, they examined and discussed several financial documents on the Italcementi group analysed by JP Morgan;
- l) on 28 July 2016, the Lead Independent Director held a conference call with the Independent Expert and the legal advisor. At that time, the Independent Expert described the procedures followed and the analyses carried out in connection with its own task, making reference to the principal components of the Fairness Opinion still being completed;
- m) lastly, on 29 July 2016, the Independent Directors met with the Independent Expert and with the legal advisors and examined the conclusions from the analyses and assessments made by the Independent Expert in the final version of the Fairness Opinion and, accordingly, they finalized and approved the Opinion.

6. EVALUATION OF THE OFFER.

6.1 Essential elements and nature of the Offer.

From the review of the Offering Document (see the Offering Document for a complete and detailed description of the contents of the Offer), the Independent Directors discussed the following information.

- a) The Offer, being promoted by HeidelbergCement France S.A.S. ("**HeidelbergCement France**" or "**Offeror**") (company whose share capital is held wholly and indirectly by HeidelbergCement) concerns 192,098,873 common shares of Italcementi, without indication of the par value, with regular dividend rights; included are 3,861,604 ordinary treasury shares held by the Issuer, these shares corresponding, on the publication date of the Offering Document ("**Offering Document Date**"), to approximately 1.11% of the share capital of the Issuer ("**Treasury Shares**").

All of the shares which are the subject of the PTO represent, as of the Offering Document Date, 55.00% of the share capital of Italcementi ("**Shares**"), and thus correspond to all of the common shares issued by Italcementi, having deducted the Total Stake, or – according to the Offering Document – the Issuer's 157,171,807 common shares, corresponding to 45% of the Company's capital.

The Offeror declared (see paragraph C.1), that it reserved "*the right to purchase ordinary shares of the Issuer outside of the Offer, within the Acceptance Period, which may be re-opened following the Re-opening of the Acceptance Period or extended as well as during and/or following the Obligation to Purchase pursuant to Art. 108, paragraph 2, TUF, to*

the extent permitted by law and regulation, resulting in decrease of the number of ordinary shares subject to the Offer”.

Further, as indicated in the Offering Document (see paragraph C.1), *“the Issuer has not issued convertible bonds, warrants and/or financial instruments that grant voting rights, even limited to specific topics, at ordinary and special shareholders’ meetings, and/or other financial instruments that could grant to third parties in the future rights to purchase Issuer’s shares or merely voting rights, even limited”.*

- b)** The Offeror declared that the Offer shall take the form of an obligatory offer, pursuant to Article 106, paragraph 1-bis, of the TUF and specified that *“the obligation to proceed with the Offer follows the completion, on July 1, 2016 (the “Closing Date”), of the transaction for the purchase of No. 157,171,807 ordinary shares representing 45.00% of the share capital of Italcementi (the “Total Stake”) by Offeror, at a price of EUR 10.60 for each share constituting the Total Stake (the “Acquisition”).*

It is helpful to cite what the Offeror stated in this regard: **(I)** *“On July 28, 2015 HeidelbergCement and Italmobiliare S.p.A. (“Italmobiliare”) executed a share purchase agreement (the “Contract with Italmobiliare” or “SPA”) pursuant to which HeidelbergCement agreed to purchase from Italmobiliare, which agreed to sell to HeidelbergCement, the Total Stake at a price per share of EUR 10.60. The total consideration for the Acquisition was agreed to be paid partially by exchanging a number of newly issued shares of HeidelbergCement comprised between 10,500,000 and 7,750,000 and the remaining portion in cash. The price of the shares of HeidelbergCement that would have been issued against the Contributed Shares (as defined below), would have been equal to the higher value of (i) EUR 72.5 and (ii) the volume-weighted average price of the HeidelbergCement shares based on the share prices fixed by Xetra in the thirty (30) business days period ending 10 business days prior to the Closing Date*⁴; **(II)** *on 21 June 2016, [...] (i) HeidelbergCement notified to Italmobiliare that the price of the HeidelbergCement shares to be issued in exchange of the Contributed Shares, was equal to EUR 75.06 and (ii) Italmobiliare elected to receive No. 10,500,000 shares of HeidelbergCement in exchange for 74,351,887 shares of Italcementi representing 21.29% of the share capital of Italcementi (the “Contributed Shares”);* **(III)** *on June 27, 2016 Italmobiliare was notified that, according to the SPA, the Offeror, as assignee of certain rights pursuant to the SPA, would acquire No. 82,819,920*

⁴ According to the Offering Document, *“Italmobiliare undertook also to purchase from Italcementi its participation in certain non-core assets in renewable energies (Italgen S.p.A. and its controlled and affiliated companies the “Italgen Group”) and eprocurement (Bravosolution S.p.A. and its controlled and affiliated companies the “Bravosolution Group”) businesses, as well as certain real estate assets located in Rome (Bravosolution Group, Italgen Group and the real estate assets, the “Non-Core Assets”), for a price to be EUR 241,000,000.00 in total (less the net financial position of the Italgen Group and the Bravosolution Group multiplied by the relevant participation held) or, if higher, the aggregate fair value of the Non-Core Assets determined by any one of the two experts appointed by Italcementi and Italmobiliare respectively (less the net financial position of the Italgen Group and the Bravosolution Group multiplied by the relevant participation held)”. The operation was also approved by the Committee for transactions with related parties of Italcementi with the relevant opinion, available on the Issuer's website <http://www.italcementigroup.com/NR/rdonlyres/9CD7B490-B18C-471F-A570-06224F2BE794/0/201512Documentoinformativo.pdf>).*

Italcementi Shares representing 23.71% of the share capital of Italcementi (the “Sold Shares”) at a price per share of EUR 10.60, while the purchase of the Contributed Shares would remain as an obligation of HeidelbergCement; (IV) on July 1, 2016 (the “Closing Date”) the Offeror [...], purchased the Sold Shares for a cash consideration per share of EUR 10.60, HeidelbergCement, following the contribution in kind, acquired the Contributed Shares at a price per share of EUR 10.60 in exchange for No. 10,500,000 HeidelbergCement shares. On the same date, HeidelbergCement re-transferred the Contributed Shares, purchased by way of contribution in kind, to the Offeror for a per share cash consideration equal to EUR 10.60”.

- c) Considering the obligatory nature of the Offer, the consideration of the PTO must be set in compliance with Article 106, paragraph 2 of the TUF, pursuant to which the Offer must be made at “*at a price no less than the highest price paid by the bidder, and by persons acting in concert with the bidder, in the twelve months prior to issue of the notice pursuant to article 102 subsection 1, to acquire securities of the same class*”.
- d) Because the PTO is an obligatory full PTO pursuant to Article 106, paragraph 1-bis of the TUF, no condition of efficacy can be appended to it and no distribution scenario is provided for; the Offer is not conditional to obtaining any authorization.
- e) Notwithstanding the provision of Article 2 above, the Offer shall be made, indiscriminately and at the same conditions, to all the shareholders and is being made in Italy, the United States of America and Canada.
- f) According to the Offering Document (see paragraphs C.1 and F.1.2), the Shares subject to the PTO must be freely transferrable to the Offeror and free of liens and encumbrances of every type, be they real, obligatory or personal.

6.2 Considerations on the possible, different scenario at the outcome of the Offer.

In order to be able to formulate considerations on the PTO that go beyond its compliance with the law, it would be helpful to consider the scenario that could occur at its completion, also considering the statements by the Offeror in the Offering Document, concerning the goals pursued by the Offer.

- a) In general terms, it is necessary to point out that in the Offering Document (see paragraphs 1.2 and 1.5) the Offeror expressly stated that its purpose is to “*acquire the entire share capital of the Issuer and achieve the Delisting*”, namely remove Italcementi shares from trading on the **Mercato Telematico Azionario [Screen Based Stock Exchange]**, “*in order to fully integrate Italcementi's business into the HC Group*”.
- b) In this regard, the Offeror set out in the Offering Document the different methods it plans to use to achieve Delisting based on the percent of participation in the PTO, declaring that: (i) it does not intend, in any case, to reconstitute the float, with the resulting possibility that Borsa Italiana S.p.A. order the suspension or revocation from the trading of the shares, where it is held that the conformity of trading is not guaranteed due to the insufficiency of the float; and that (ii) if Delisting is not achieved at the end of the Offer, it will consider the suitability of merging Italcementi with the Offeror or to the merger of Italcementi with an-

other unlisted company of the HC Group, with resulting Delisting of the Issuer (“**Merger**”).

- c) In light of the above, the Independent Directors believe that for the purposes of the decision on whether or not to consent to the PTO, the shareholders of Italcementi should above all consider the eventuality, in the event that they were to decide not to consent to the PTO, to be able to become, as a result of the Offer and the subsequent transactions presented by the Offeror, shareholders of an unlisted company. In particular, in case of Delisting, the shareholders of Italcementi would have to consider certain aspects and elements, including but not limited to the following:
- (i) the shareholders would become holders of Italcementi shares that could not be traded on any regulated market, with the resulting difficulty of liquidating their investment;
 - (ii) pursuant to Article 6 of the Italcementi Articles of Association currently in effect, *“the introduction or cancellation of constraints on the circulation of stocks is not a cause for the right of withdrawal by the shareholders who did not participate in approving the relevant resolution”*;
 - (iii) Article 2437-*quinquies* Civil Code provides that *“if shares traded on regulated markets the shareholders who were not involved in the resolution that entails the exclusion from listing have the right of withdrawal”*: therefore, if the exclusion from trading of the Italcementi shares is not the result of a Merger resolution, notwithstanding any additional causes for withdrawal, the shareholders would not be entitled to the right of withdrawal pursuant to Article 2437-*quinquies* Civil Code;
 - (iv) the information obligations imposed on unlisted companies are significantly less than those required for listed companies and essentially limited to financial statements. The same considerations would apply if, at the conclusion of the PTO, Italcementi could be classified as a joint stock corporation whose capital is significantly widely-held by the public, pursuant to Article 2-*bis* of the Issuers’ Regulation⁵: in this scenario, even if the information obligations are greater than those pro-

⁵ Pursuant to Article 2-*bis* of the Issuers’ Regulation: 1. *“1. Issuers of shares widely distributed among the public shall mean Italian issuers that contemporaneously: (a) have different shareholders to the majority shareholders accounting for more than five hundred, overall holding an at least 5% share in the share capital; (b) are not eligible to draw up simplified annual financial statements under the first subsection of Article 2435-bis of the Italian Civil Code. 2. The limits referred to in the previous subsection shall be considered to have been exceeded only if the shares: - have been the subject of a public subscription offer and sale or payment of an exchange tender offer; - have been the subject of placement, in any form such may have been implemented, also with regards to qualified investors only, as defined in accordance with Article 34-ter, paragraph 1, letter b); - are or have been traded on multilateral trading systems with the consent of the issuer or controlling shareholder or have been admitted to trading on regulated markets and subsequently been revoked; - are issued by banks and purchased or subscribed by their offices or dependencies. 3. Issuers whose shares are subject to legal limitations concerning their circulation, including the exercise of property rights, or whose corporate purpose is exclusively to engage in non-profit social activities or the enjoyment of a good or service by the shareholders shall not be considered issuers of widely distributed shares. 4. Italian issuers of bonds of a nominal value that totals at least 5 million euro and with bondholders numbering more than five hundred are issuers of bonds diffused amongst the public to a significant extent”*

vided for “closed” companies (or those that utilize the risk capital market), they are however significantly lower than those provided for listed companies;

- (v) The exercise of specific rights (e.g. right to object to shareholders meeting resolutions pursuant to Article 2377 Civil Code, promotion of liability actions pursuant to Article 2393-bis Civil Code, etc.) by minority shareholders of “closed” companies requires the ownership of stakes higher than those required for “open” companies (or companies that are placed on the risk capital market).
- d)** Still in general, the Offeror stated in the Offering Document that:
- (i) *“the Acquisition and the Offer represent a significant strategic transaction for the Offeror and HC Group, which aims at building sustainable growth in its business of building materials”* (see paragraph 1.5), *“creating synergies among investments, costs, production, research and development”* (see paragraph A.5);
 - (ii) even if the Italcementi shares had already stopped being traded on the market, the Offeror, in order to fully integrate Italcementi's activities in an incisive and effective fashion, should evaluate the advisability of merging the Issuer with an unlisted HC Group company and/or of other transfers, spin-offs, combinations of companies of the Italcementi Group with companies of the HC Group.
- e)** In this last respect, it should be pointed out that, based on what the Offeror has reported, on the Date of the Offering Document, the Offeror *“the Offeror has not made any decision regarding possible mergers involving the Offeror or as to how they would be accomplished”* (see paragraph A.12.2 and G.3).
- f)** With reference to the possibility of a completed Merger note (not limited to) the following profiles:
- (i) the Merger will entail the Delisting of Italcementi with, among other things, the consequences illustrated in Paragraph 6.2(c) above, notwithstanding that, if the incorporating company or the company resulting from the merger were to be a foreign company, the minority rights could be different and lesser compared to those provided for by Italian law;
 - (ii) if, when the Merger is resolved, the Italcementi shares are listed, the shareholders would be entitled to the right of withdrawal pursuant to Article 2437-quinquies Civil Code. In that case it should be pointed out that the liquidation value of the Italcementi shares, for which the right of withdrawal can be exercised, shall be determined in application of Article 2437-ter Civil Code⁶, referring only to the arithmetic average of the closing prices for the six months prior to the publication of the notice of the shareholders' meeting called to vote on the Merger. Thus it is necessary to emphasize that the liquidation value of the stake subject to withdrawal could be lower

⁶ Pursuant to Article 2437-ter, paragraph 3, of the Civil Code: *“the liquidation value of shares listed on regulated markets is determined by exclusive reference to the arithmetic mean of the closing prices in the six months that precede the publication or receipt of the notice of convocation of the shareholders meeting whose resolutions the withdrawal”*.

than the Consideration provided by the PTO;

- (iii) since the exchange rate between the Italcementi shares and the shares of the incorporating company (or the company resulting from the Merger) had not been fixed in advance by the Offeror (taking into account by the provision of Paragraph 6.2(e) above, the valuation of Italcementi could be different than the implicit valuation in the Consideration of the PTO;
- (iv) the effects of a possible future Merger on the Issuer's borrowing, the existing financing agreements and the guarantees in question, as well as the need to make new loan agreements will depend on with which unlisted HC Group company Issuer could be merged, on the method for implementing the Merger and on the fitness of the assets and the financial flows of the incorporating company or resulting from the merger to repay the debt. Currently, these methods have not been illustrated by the Offeror (taking into account the provision of Paragraph 6.2(e)) above and which therefore can in no way be considered for the purposes of the Opinion.

The Offering Document (see paragraph A.3.2. and G.1.2) states:

- the Offeror declared that *“to fully cover the financial needs arising from the payment obligations connected with the Offer, [...] the Offeror will make use, in whole or in part, of its available cash and of intragroup financing for approximately EUR 1,302,000,000.00 provided by HeidelbergCement Finance - [...] and of an additional capital contribution for approximately EUR 734,000,000.00 provided by HeidelbergCement Holding S.à r.l.”*;
- the Offeror further states in the Offering Document (see paragraph G.1.2) that *“HeidelbergCement, through HeidelbergCement Finance, provided a line of credit to cover the Offeror’s general financial needs (including those relating to the financing of the Acquisition for EUR 1,000,000,000.00 and those relating to the financing of the Offer for EUR 1,302,000,000.00) up to a maximum of EUR 2,950,000,000.00”*;
- with reference to the debt taken on by the HC Group, the Offeror claimed that *“in order to allow, inter alia, the financing (or the refinancing) of the acquisition of the Shares by the Offeror under the Offer, Heidelberg Cement may use: (i) financial resources, deriving from the Debt Issuance, for the part not used to finance the Acquisition; (ii) facilities agreement entered into on February 25, 2014 for up to EUR 3,000,000,000.00 (the “Existing Financing Agreement”) with maturity as of 28 January 2019; and/or (iii) the Bridge Financing Agreement⁷ for up to EUR 2,050,000,000.00, with maturity as of 28 January”*

⁷ The Bridge Financing Agreement is defined in the Offering Document as the *“Syndicated term loan facility agreement executed on July 28, 2015, (amended pursuant to an amendment agreement called “Syndication and Amendment Agreement” on August 21, 2015) with a duration of up to 18 months from July 28, 2015 and which may be extended at the discretion of HeidelbergCement until July 28, 2018. According to the Bridge Financing Agreements, the Lending Banks made available to HeidelbergCement a credit facility for an amount as of today of EUR 2,050,000,000.00”*.

2017 and which may be extended at the discretion of HeidelbergCement until July 28, 2018”.

In the event that the Merger is carried out (see Paragraph 6.2(e)), where the financing agreements for the purchase and the payment of the Consideration of the PTO have not been repaid at the time of the Merger, the requirements could be fulfilled for the application of the so-called “merger following purchase with debt” regime pursuant to Article 2501-bis Civil Code⁸, that sets out specific rules and controls with reference, in particular, to the suitability of the assets and financial flows of the incorporating company or resulting from the merger to the repayment of the assumed debt.

- g)** According to the Offering Document (see paragraph A.5), *“for the purpose of the integration of the activities of both Offeror and Issuer, the Offeror will evaluate other extraordinary transactions as well as other intercompany mergers or transfers of assets or companies, or companies branches involving both HeidelbergCement and Italcementi group entities”.*

Also note that, some of the aforementioned operations could be realized without the need for resolutions by the Shareholders Meeting of Italcementi and, therefore, these could be decided directly by the Italcementi Board of Directors (obviously observing, among other things, the rules concerning transactions with related parties, if applicable).

Having completed these introductory remarks, we believe it would be useful to illustrate the different scenarios that could be finalized, depending on the capital percentage that the Offeror could have at the completion of the PTO, including the possible Re-opening of the Acceptance Period, also due to the effect of purchases possibly made outside the Offer itself, within the Acceptance Period and/or during the Re-opening of the Acceptance Period as well as during and/or following the performance of the purchase obligations pursuant to Article 108 of the TUF.

It must be taken into account that the Offeror, in paragraph A.8 of the Offering Document, specifies that *“for the purpose of calculating the reaching of the thresholds provided for by Arts. 108*

⁸ Pursuant to Section 2501-bis of the Civil Code: *“In the case of a merger of companies, one of which has taken on debt to acquire control of the other, when due to effect of the merger the assets of the latter company is used to furnish a generic collateral or source of repayment of said debts, the rules of this Section shall apply. The draft merger pursuant to Section 2501-ter must specify the financial resources provided for satisfying the company's obligations resulting from the merger. The report pursuant to Section 2501-quinquies must indicate the reasons that justify the operation and contain an economic and financial plan with indication of the source of the financial resources and a description of the goals planned to be achieved. The expert report pursuant to Section 2501-sexies, proves the reasonableness of the indications contained in the proposed merger according to the second paragraph above. The draft must also contain a report by the individual charged with the statutory audit of the accounts of the target company or the acquiring company. The provisions of Sections 2505 and 2505-bis do not apply to the mergers described under paragraph one”.*

and 111 of the TUF⁹, the No. 3,861,604 Treasury Shares held by the Issuer (if they have not already been tendered in the Offer), representing 1.11% of the Issuer's share capital, will be included anyway in the shareholding of the Offeror (numerator) without being deducted from the Issuer's share capital (denominator)".

6.2.1 Stake of at least 95% of the share capital of the Issuer: squeeze out and direct delisting of Italcementi.

In this scenario:

- the law grants the Offeror the right of mandatory purchase of shares still held by parties that have not participated in the PTO. Specifically, Article 111 TUF provides that *"a bidder coming into possession following a global takeover bid of a holding of at least ninety-five per cent of the capital represented by securities in an Italian listed company shall have the right to squeeze-out on remaining securities within three months of expiry of the time limit for bid acceptance, if the intention to exercise said right was declared in the takeover bid document"* ("**Right to Purchase**");
- the shareholders of Italcementi, regardless of their intention, would be forced to transfer their shares to the Offeror if the Offeror has already stated *"its intent to exercise its Right to Purchase the remaining Shares pursuant to Art. 111 TUF"* (see paragraph G.3);
- pursuant to Article 2.5.1, paragraph 6, Rules of the Markets Organised and Managed by Borsa Italiana [Italian Stock Exchange] in force on the Offering Document Date ("**Market Rules**"), when the presuppositions set out in Article 111 TUF exist, Borsa Italiana shall order the suspension and/or removal of the listing of the Issuer's shares, taking into account the time periods provided for the exercise of the Right of Purchase;
- pursuant to Article 108, paragraph 1, TUF¹⁰, the Offeror shall also be under a symmetrical obligation of residual purchase of ordinary capital from anyone who so requests;
- the purchase price for the remaining capital, pursuant to Article 108, paragraph 3¹¹ and Article 111 TUF, shall be equal, in both cases, to the Consideration.

⁹ For the content of the provisions of Articles 108 and 111 of the TUF see notes 10, 11 and 13, below and Paragraph 6.2.1 below, respectively.

¹⁰ Article 108, paragraph 1, TUF provides that *"If as a result of a global takeover bid, the bidder becomes holder of at least ninety-five per cent of the capital represented by securities in an Italian listed company, the bidder shall be committed to squeeze-out of the remaining securities should any other party so request. Where more than one class of securities is issued, the commitment to squeeze-out shall subsist only for classes of securities for which the ninety-five per cent threshold is reached"*.

¹¹ Article 108, paragraph 3, TUF provides that *"Where the situation indicated under subsection 1 applies, and in cases referred to under subsection 2 in which the holding indicated is reached solely as a result of a global takeover bid, the price is equal to that of the previous global takeover bid provided that, in the case of a voluntary takeover bid, as a result of said bid the bidder has acquired securities that represent not less than ninety per cent of the share capital with voting rights included in the bid"*.

6.2.2 Stake ranging from 90%+ 1 share¹² to 95% of the Issuer's share capital: "Sell Out" and direct Delisting.

In this scenario:

- the Offeror shall not have the Right of Purchase, but shall likewise be required to purchase the remaining Italcementi shares, pursuant to Article 108, paragraph 2 TUF¹³, unless within ninety days it restores an adequate free float to ensure the regular progress of trading ("**Obligation to Purchase**");
- the aforesaid Purchase Obligation shall undoubtedly be operant, considering in that regard that the Offeror has already stated that "*it will not restore the float and will comply with the Obligation to Purchase pursuant to Art. 108, paragraph 2, TUF as to any shareholder so requesting*" (see paragraphs A.8 and G.3);
- the consideration for the Obligation to Purchase pursuant to Article 108, paragraph 2 of the TUF will be equal to the Consideration (see paragraph G.3);
- as provided for by Article 2.5.1, paragraph 6, of the Market Rules, whenever there is a residual purchase obligation, the Issuer's shares will be automatically removed from listing starting from the trading day after the last day of payment of the consideration for the Obligation to Purchase;
- Shareholders who decide not to participate in the Tender Offer and who do not ask the Offeror to purchase their Shares pursuant to the Obligation to Purchase will become holders of Italcementi shares not traded on any regulated market with, among other things, the consequences described in Paragraph 6.2(c) above.

6.2.3 Stake ranging from 2/3 to 90% of the Issuer's share capital; increased control at ordinary and extraordinary shareholders' meetings.

In this scenario:

- the Offeror would find itself the holder of a stake suitable for granting it legal control of the ordinary and extraordinary shareholders' meetings of Italcementi and therefore of adopting the Merger resolution with, among other things, the consequences described in Paragraph 6.2(f) above;
- in any case (regardless of any Merger), if a scarce free float should occur such as not to ensure the regular progress of trading of Italcementi shares, Borsa Italiana

¹² Or the higher percentage that may be stipulated by the CONSOB on recommendations by Borsa Italiana S.p.A., pursuant to Article 112 TUF and Article 50, paragraph 3, letter a), Issuers' Regulations.

¹³ Article 108, paragraph 2, TUF provides that "*With prejudice to the provisions of subsection 1, any party becoming holder of a quota exceeding ninety per cent of capital represented by securities admitted to trading on a regulated market shall be committed to squeeze-out the remaining securities admitted to trading on a regulated market by any holder thereof unless a float sufficient to ensure regular trading performance is not restored within ninety days. Where more than one class of security is issued, the commitment to squeeze-out shall subsist only for classes of securities for which said ninety per cent threshold is reached.*"

could order the suspension and/or removal of Italcementi shares from listing pursuant to Article 2.5.1 of the Market Rules;

- the Offeror has expressly stated in the Offering Document that in the event of scarce free float, it “*does not intend to implement any measures aimed in terms of timing and methods to restore the minimal free float conditions*” (see paragraph A.10): consequently, it must be considered that, in the event of the removal of Italcementi shares from listing, shareholders will be the holders of financial instruments not negotiated on any regulated market with, among other things, the consequences described in Paragraph 6.2(c)¹⁴ above

7. EVALUATIONS OF THE APPROPRIATENESS OF THE OFFER CONSIDERATION.

7.1 Introduction to the Consideration for the PTO.

Pursuant to Article 106, paragraph 2, TUF, the Offer must be made at “*a price no less than the highest price paid by the bidder, and by persons acting in concert with the bidder, in the twelve months prior to issue of the notice pursuant to article 102 subsection 1, to acquire securities of the same class*”.

In the instant case, the Offeror stated, in paragraph E.1 of the Offering Document:

- (i) that “*the Offeror will pay to each Adherent the Consideration of EUR 10.60 per Share tendered in the Offer (the “Consideration”)*”;
- (ii) that “[...] *taking account of the structure of the transaction triggering the obligation to launch the Offer, the Consideration was set in accordance with the provisions of Art. 106, paragraph 2, of the TUF [...]*”
- (iii) that, in fact:
 - a. “*the Consideration [...] is the same as the per share price paid by the Offeror and by HeidelbergCement for the purchase of the Sold Shares and the Contributed Shares pursuant to the Contract with Italmobiliare and as well as the consideration paid by the Offeror for the purchase of the Contributed Shares from HeidelbergCement*”
 - b. on 1 July 2016: on July 1, 2016: “*(i) the Offeror has acquired No. 82,819,920 ordinary shares representing 23.71% of the Issuer for a per share consideration of EUR 10.60 paid in cash, and therefore for a total of EUR 877,891,152.00; (ii) HeidelbergCement, according to the contribution in kind, acquired No. 74,351,887 ordinary shares representing 21.29% of the share capital of the Issuer for a per share consideration of EUR 10.60 and therefore for a total value of EUR 788,130,002.20. HeidelbergCement issued No. 10,500,000 HeidelbergCement shares and the value of each HeidelbergCement share has been set at EUR 75.06 therefore for EUR 788,130,000.00 (and therefore with a negative rounding of EUR 2.20 in respect of the total value of the Contributed Shares). The Contributed Shares have been re-*

¹⁴ Note that the Offeror, if it should come to hold a stake smaller than 2/3 of the capital of Italcementi, may not be in a position to approve the Merger by itself. If the Merger were approved anyway, the considerations set out in Paragraph 6.2(f), among others, would be valid.

transferred by HeidelbergCement to the Offeror on the Closing Date at EUR 10.60 per share”;

- c. “according to the Contract with Italmobiliare, the value of each new HeidelbergCement shares has been determined in EUR 75.06, as the higher of (i) EUR 72.5 and (ii) the volume-weighted average price of the HeidelbergCement Shares based on the share prices fixed on Xetra in the thirty business days period ending on June 17, 2016”;
- d. “the number of Contributed Shares was calculated by multiplying EUR 75.06 (the price per HeidelbergCement share) with the number of shares HeidelbergCement issued to Italmobiliare, all divided by EUR 10.60 (the price per Italcementi share)”;
- (iv) that “in determining the consideration for the Acquisition, neither HeidelbergCement nor the Offeror used appraisals from independent persons or specific evaluation documents. Such determination is based solely on the value attributed independently by HeidelbergCement to the Italcementi ordinary shares for the purchase of the Total Stake, in the context of the SPA negotiations, through the analyses performed by HeidelbergCement”;
- (v) that “with reference to the value of the Total Stake, fairness opinions by two reputable international investment banks have been provided on July 28, 2015”¹⁵;
- (vi) that, “except for what is described in the Offering Document, no other agreements were entered into, nor was any additional consideration, including in kind, agreed to, that could be relevant for purposes of determining the Consideration”;
- (vii) that “the Consideration includes a premium to the market of approximately 80.3% over the weighted arithmetic average of the Official Prices of the Issuer shares in the most recent preceding year to the announcement of the Acquisition occurred on July 28, 2015”;
- (viii) that the Consideration is understood as net of stamp duty, if owed, and of charges, fees, and expenses that will remain payable by the Offeror, while the substitute tax on capital gains, if owed, shall remain payable by the participants.

The Independent Directors, acknowledging such statements by the Offeror, state the following.

- In connection with the transaction for the acquisition of the Total Stake by the Offeror, it was also agreed for Italmobiliare to purchase the Non-core Assets (see what is stated in this regard in Note 4 above). This transaction was approved by the Board of Directors of Italcementi on 18 December 2015, on the basis of: (i) the fairness opinion issued, on 3 December 2015, by Lazard S.r.l., in the capacity of independent expert, which concluded that, on that date, the consideration agreed was appropriate, from a financial point of view, for Italcementi; and (ii) the favourable opinion expressed on 9 December 2015 by the Related-Party Transactions Committee on its interest in carrying out the transactions and on the substantial appropriateness and correctness of the respective conditions. Following confir-

¹⁵ Also note that, as stated by the Offeror in the Offering Document, “according to German law, KPMG, in its role of expert appointed by the local court, confirmed that the value of the Contributed Shares is not lower than the nominal value of the newly issued HeidelbergCement shares”.

mation of the fairness opinion of Lazard S.r.l. on 24 June 2016 and of the positive opinion of the Related-Party Transactions Committee on 28 June 2016, the Non-Core Assets were sold on 30 June 2016 by Italcementi to Italmobiliare¹⁶.

- For the transfer of the Total Stake, Italmobiliare received cash consideration in part and a contribution in kind in part according to the terms described by the Offeror and mentioned above (see Paragraph 6.1(b) above).
- The negotiations and the operations for the acquisition of the Sold Shares, the Contributed Shares and the valuations of the value of HeidelbergCement and of the shares issued by it in connection with the capital increase for contribution in kind, involving only the legal and economic sphere of Italmobiliare and the HC Group, were conducted and managed directly between the abovementioned interested parties (with the assistance and verification of their advisors) and did not involve the Issuer or its Independent Directors, who may not (cannot and could not) make any inquiry or express any evaluation or opinion in this regard.
- As was confirmed by the Offeror's advisors to the Independent Directors in the discussions held, the new shares of HeidelbergCement issued on 1 July 2016 in implementation of the capital increase for cash (and allocated to Italmobiliare against the contribution of Italcementi shares) were not entitled to profits for the year 2015, the distribution of which was decided on 4 May 2016; from an extract of the SPA (regarding the acquisition by HeidelbergCement of the Contributed Shares, following the implementation of a capital increase for cash reserved for Italmobiliare; see Paragraph 6.1(b) above), it appears that such shares would have been entitled to the possible profit for the year 2015 only if they had come into existence before the date of the shareholders' meeting that decided on the distribution¹⁷.

7.2 *The Fairness Opinion.*

The Independent Expert issued the Fairness Opinion (attached to this Opinion as Annex A, to which the reader is referred for any more in-depth analysis), dated 29 July 2016.

As noted in the Fairness Opinion, the Independent Expert: (i) used a standalone valuation approach, i.e. before taking into consideration any synergy that the Offeror could achieve following the acquisition of the Total Stake and the planned Delisting following the PTO; and (ii) using both an analytical valuation methods based on a “*DCF sum-of-the-parts approach*”, as well as

¹⁶ Furthermore, as indicated in the Offering Document, the appropriateness of the amount of the transaction for the Non-core Assets received a positive opinion from the Related-Party Transactions Committee of Italmobiliare, issued on 17 December 2015 and confirmed on 27 June 2016, on the basis of the fairness opinion issued by the independent expert commissioned for that purpose by the said committee, first on 16 December 2016 and then confirmed on 23 June 2016.

¹⁷ Specifically, the extract for Article 2.2 of the SPA provides that: “*the New Purchaser Shares shall be entitled to profits or other distributions (including the right to receive dividends) starting from 1 January 2015, provided however, the New Purchaser Shares have come into existence before Purchaser's shareholders' meeting adopts the resolution on the distribution of profits for the financial year 2015*”. Moreover, again pursuant to the SPA, “*New Purchaser Share*” “*shall mean each such new share issued according to the Purchaser Authorized Capital II*”; “*Purchaser Authorized Capital II*” “*shall mean capital Purchaser's management faculty to increase the share capital of the Purchaser once or several times until 6 May 2020 by up to a total of EUR 56,374,941 through the issuance of new no-par value bearer shares against contributions in kind*”.

empirical methods and analyses.

In any case, the Independent Expert specified that for the preparation of the Fairness Opinion, considering the specific characteristics of Italcementi, it selected a variety of valuation criteria and methodologies (both analytical and empirical). Also, note that these methodologies and analyses must not be considered individually, but only as integral parts of a combined valuation process. As indicated by the Independent Expert, the documentation used for purposes of the Fairness Opinion, where it contains future estimates, forecasts and/or projections relative to the Italcementi Group, was examined by the Company's management and represented by it as reasonable.

See the Fairness Opinion for an analytical description of the methodologies used and of the analyses made in connection with each of them, below we describe the outcome reached by the Independent Expert as a result of each of the methodologies used:

- (a) ***Historical market share prices analysis (for reference purposes only)***: with reference to this valuation methodology, the Independent Expert stated a range of values for each Italcementi share, from EUR 4.14 to EUR 7.45;
- (b) ***Broker target prices analysis (for reference purposes only)***: with reference to this valuation methodology, the Independent Expert stated a range of values for each Italcementi share, from EUR 5.70 to EUR 10.00;
- (c) ***DCF Sum-of-The-Parts valuation***: with reference to this valuation methodology, the Independent Expert stated a range of values for each Italcementi share, from EUR 6.91 to EUR 8.76;
- (d) ***Trading multiples valuation***: with reference to this valuation methodology, the Independent Expert stated a range of values for each Italcementi share, from EUR 4.94 to EUR 6.78;
- (e) ***Transaction multiples valuation***: with reference to this methodology, the Independent Expert stated a range of values for each Italcementi share, from EUR 4.83 TO EUR 9.98.

On the basis of the analyses made and considering the limitations mentioned in the Fairness Opinion, the Independent Expert concluded that the Consideration for the PTO is appropriate, from a financial point of view, for the shareholders of Italcementi.

8. CONCLUSIONS.

The Independent Directors, taking note (i) of the statements by the Offeror contained in the Offering Document; (ii) the conclusions stated in the Fairness Opinion; and (iii) that, to the best of their knowledge, on the date on which this Opinion is being prepared and issued, no elements have emerged that contrast the abovementioned conclusions by the Independent Expert and their shared endorsement, including in light of all the considerations described in the Opinion – what is already indicated in Article 2 above – believe unanimously that:

- the PTO is consistent with the provisions of the legal regime for mandatory PTOs, not containing accessory or incidental elements that would influence its essential content;
- the Consideration for the PTO – greater than the maximum value in the range indicated by the Independent Expert with reference to each valuation method and criterion used –

may be deemed appropriate.

Milan, 29 July 2016

The Independent Directors

Signed by Pietro Caliceti (*Lead Independent Director*); Paolo Benazzo; Victoire de Margerie; Lorenzo Renato Guerini; Maria Martellini; Claudia Rossi; Carlo Secchi.

Annex A
Fairness Opinion issued by JP Morgan.

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