Building sustainable partnerships

Q1'2015

Results Presentation

InterCement

Disclamer

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Results recover despite Brazil challenge and Maintenance

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7M ton volumes sold: Growth in Argentina, Paraguay, South Africa and Portugal not enough to offset contraction in Brazil and Egypt.

Sales up 7% to €637M - average price increase counterpoises volume decline (5%).

€122M EBITDA, reflects Q1 seasonal lower activity, maintenance and higher energy costs. EBITDA margin (19.4%) kept as reference among peers.

Business Units:

- **Brazil** – Unfavourable economics constrains volumes sold and inflates costs; maintenance and logistics drop EBITDA;
- **Argentina** – Reaffirmed leadership. Market exceeds expectations;
- **Paraguay** – Market dynamics stimulates local complete production process, driving efficiency up;
- **Egypt** – Efficiency focus mitigates higher energy costs. Demand drop and market share adjustment;
- **Mozambique** – Commercial dynamics beats local adversity (rain + competition). Operating constraints limit results. Efficiency plan start-up.
- **South Africa** – Commercial achievements and industrial strength, translated on positive results;
- **Portugal and Cape Verde** – Portuguese domestic demand growth and high exports level boost EBITDA.

Financial Results improve €50M, favoured by Forex hedging.

Shareholders Net Income turns positive rising €29M to €18M.

Total Assets amounts to €7,182M. Registered Net Debt of €2,560M.

Seasonality, reinforced by maintenance anticipation and concentrated interest payment, prevent Free Cash Flow generation (€-99M), despite discipline and accuracy in CAPEX management.

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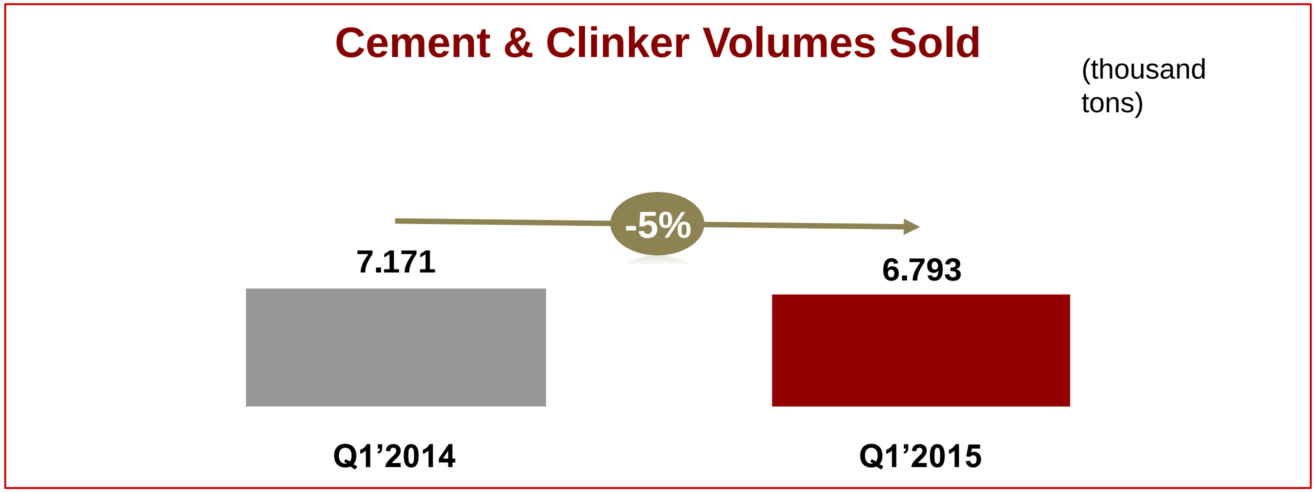
Volumes: International footprint mitigates lower volumes

Growth in Argentina, Paraguay, South Africa and Portugal, though not enough to offset slower Mozambique and contraction in Brazil and Egypt.
Commercial strategies and efficiency initiatives.



Cement and Clinker Volumes Sold			
(thousand tons)	1st Quarter		
	2015	2014	Var. %
Brazil	2,731	3,110	-12.2
Argentina	1,516	1,428	6.1
Paraguay	98	95	3.9
Portugal	1,119	1,084	3.2
Cape Verde	46	43	5.9
Egypt	872	994	-12.3
Mozambique	291	296	-1.5
South Africa	307	295	4.0
Sub-Total	**6,980**	**7,344**	**-5.0**
Intra-Group Eliminations	-186	-173	8.0
Consolidated Total	**6,793**	**7,171**	**-5.3**

Sales grow 7% on the back of price increases

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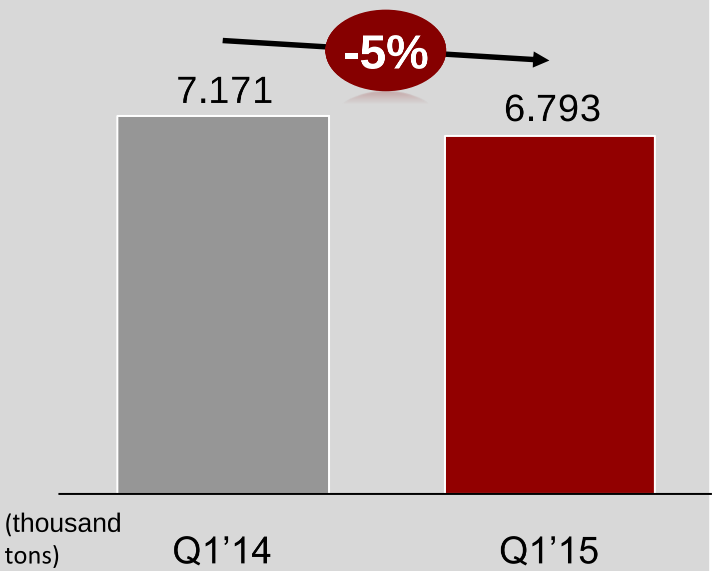
General increase of local prices for cement and clinker (+8%) offset volume contraction.

Cement and clinker Volumes Sold



Cement price contribution +7.8%

Concrete Volumes (m3) -7.7%

Aggregates Volumes (ton) -3.6%

Forex +3.3%

Reported Sales change in € +7.2%

YoY Change

Sales reveal diversified geographic portfolio merits

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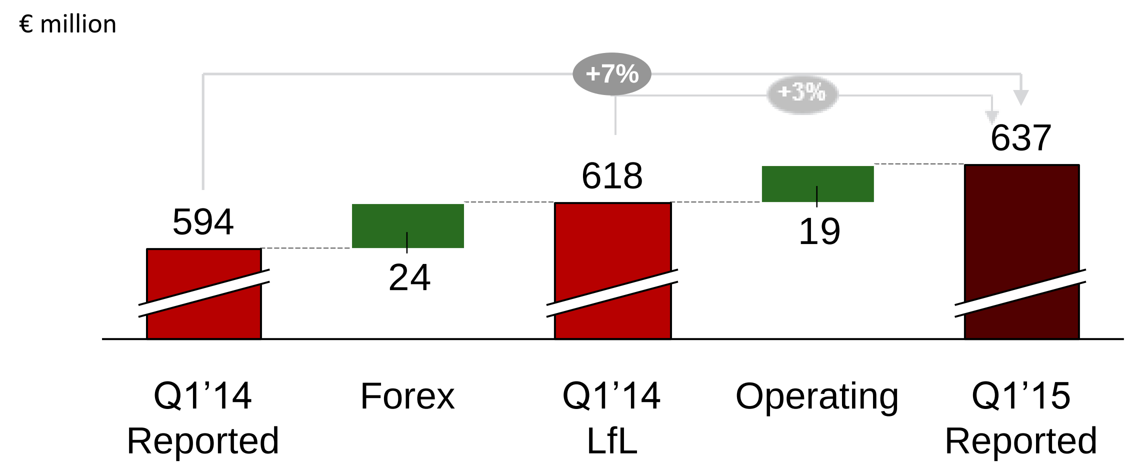
Increase in Argentina, doubles drop in Brazil.
Portugal rises, Paraguay stands-up, South Africa progresses. Mozambique overcomes one-off local correction. Egypt drops and InterCement adjusts to natural market share.

Sales - BU opening				
(€ million)	1st Quarter			
	2015	2014	Var. %	Var. % LC
Brazil	246.8	273.5	-9.7	-9.8
Argentina	168.3	117.5	43.2	34.8
Paraguay	14.1	12.2	15.3	-0.4
Portugal	70.9	66.4	6.9	6.9
Cape Verde	6.8	6.5	5.1	5.1
Egypt	60.7	59.2	2.4	-9.3
Mozambique	32.7	28.7	14.0	0.9
South Africa	29.8	24.7	20.5	7.2
Trading / Shipping	87.9	78.0	12.6	12.6
Others	12.0	12.1	-1.1	-1.1
Sub-Total	**730.0**	**678.9**	**7.5**	**3.9**
Intra-Group Eliminations	-93.4	-84.8	10.1	10.1
Consolidated Total	**636.6**	**594.1**	**7.2**	**3.0**



Brazil: volumes decrease determined by economy contraction justifies Sales slowdown.

Argentina: Q1 record high volumes. Excluding peso appreciation sales grow 35%.

Paraguay: local integrated facility addresses competition episode in dynamic market.

Portugal and Cape Verde: Portuguese demand recovers (+13%). Increasing domestic sales, and its weight vs exports, drives sales up 7%.

Africa: volume and price gains benefit from euro depreciation.

Egypt: market drops and demand adjusts to natural market share.

Mozambique: resists to local weather adversity and importers pressure.

South Africa: Commercial efforts and industrial performance, translated on positive results.

Trading: Increasing intragroup sales vs external sales decrease in Africa.

Overall EBITDA rises offset by Brazil contraction

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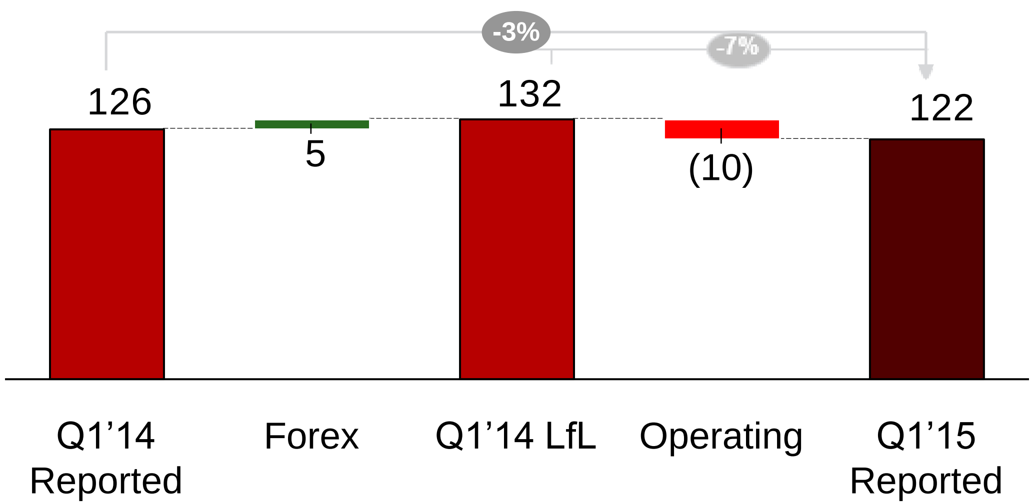
Price increase stands up against inflation, mitigating lower activity level.
Concentrated maintenance in Q1, impacts costs and requires logistic efforts to address demand.
Higher energy costs: electricity stands out.

EBITDA				
(€ million)	1st Quarter			
	2015	2014	Var. %	Var. % LC
Brazil	40.6	64.7	-37.2	-37.2
Argentina & Paraguay	44.0	30.2	45.8	36.5
Portugal & Cape Verde	9.7	4.6	109.2	109.2
Africa	26.8	26.3	2.0	-9.6
Trading & Others	0.9	0.5	74.2	74.2
Consolidated Total	**122.0**	**126.3**	**-3.4**	**-7.4**
EBITDA margin	**19.2%**	**21.3%**	**-2.1 p.p.**	**-2.2 p.p.**

€ million



Brazil: lower cement consumption difficults passing inflated costs on to prices. Maintenance concentration impacts costs and requires logistic efforts.

Argentina and Paraguay: continued positive trend. Argentina growing demand, local efficiency and forex allow 40% growth of EBITDA. Paraguay market dynamics stimulates local integrated production and doubles EBITDA margin.

Portugal and Cape Verde: Increasing internal sales, high exports and continuous efficiency improvement boost EBITDA.

Africa: 2% Growth: favorable forex offsets impact of interruption in Mozambique and overall higher electricity costs.

Egypt: Back to regular activity level; optimization of energy matrix.

Mozambique: Commercial dynamic beats local adversity (rain + competition), but maintenance production interruption and electricity local disruptions drive EBITDA down.

South Africa: Commercial achievements and industrial strength, translated on positive results.

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Improved Financial Results, offset taxes and amortization

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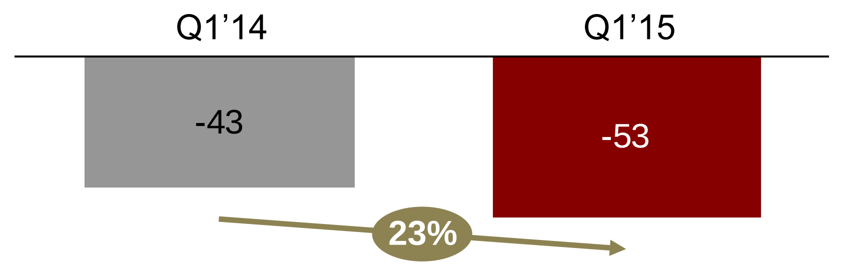
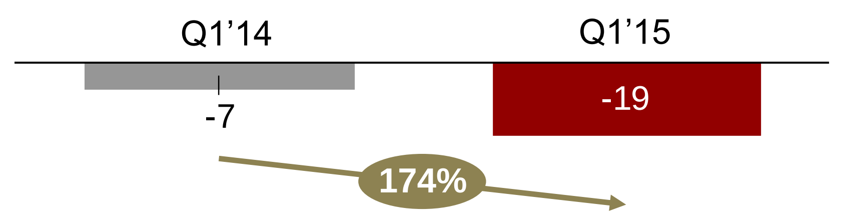
Depreciation and Amortisations



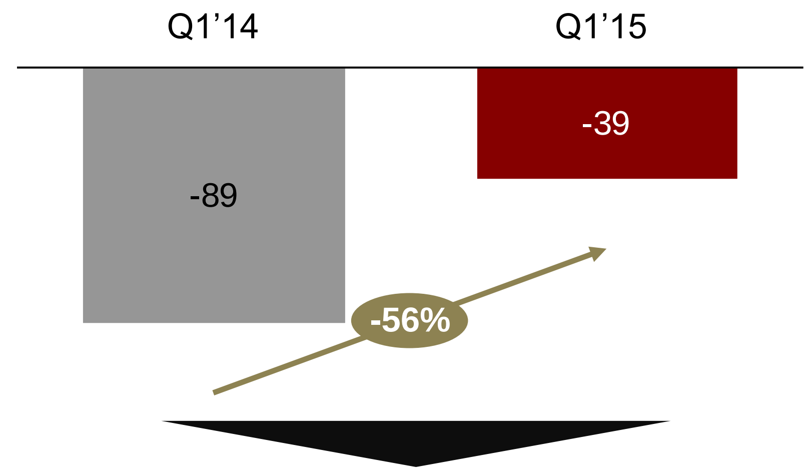
- Rise on the back of 2013/4 CAPEX

Income Taxes



- Increasing results on higher income tax jurisdictions (Argentina and South Africa);
- Higher effective tax rate in Egypt.

Financial Results



- Debt Hedging policy allows €50M benefit vs 2014:

  Forex coverage vs USD
  - Cash generation for debt commitments: €34M gains (vs €12M loss in 2014);
  - Recent hedge instruments prevent €170M losses in Q1.

€ million

YoY change

Net Income turns positive to €10M, rising €24M

Financial Results improvement offset EBITDA drop.

On top of seasonality, EBITDA reflects maintenance interventions and higher energy costs;

Financial Results show benefits of exchange rate *hedging.*

Income Statement			
(€ million)	1st Quarter		
	2015	2014	Var. %
Sales	**636.6**	**594.1**	**7.2**
Net Operational Cash Costs	514.6	467.8	10.0
Operational Cash Flow (EBITDA)	**122.0**	**126.3**	**-3.4**
Amortisations and Provisions	53.4	43.4	23.0
Operating Income (EBIT)	**68.6**	**82.9**	**-17.2**
Financial Results	-39.4	-89.4	-55.9
Pre-tax Income	**29.2**	**-6.6**	**n.m.**
Income Tax	19.2	7.0	174.4
Net Income	**10.0**	**-13.6**	**n.m.**
Attributable to:			
Shareholders	17.6	-11.1	n.m.
Minority Interests	-7.6	-2.5	n.m.

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1. Operations Review

2. Results

3. Financing Structure

Stable and Robust Balance Sheet

Total Assets amount to €7,182M, reflecting the USD appreciations vs Euro on derivatives

Consolidated Balance Sheet Summary			
(€ million)	Mar 31 2015	Dec 31 2014	Var. %
Assets			
Non-current Assets	5,095	5,192	-1.9
Derivatives	315	115	173.4
Current Assets			
Cash and Equivalents	903	892	1.2
Derivatives	22	13	63.4
Other Current Assets	846	756	12.0
Total Assets	**7,182**	**6,968**	**3.1**
Shareholders' Equity attributable to:			
Equity Holders	1,381	1,405	-1.7
Minority Interests	776	829	-6.4
Total Shareholders' Equity	**2,157**	**2,235**	**-3.5**
Liabilities			
Loans & Obligations under finance leases	3,791	3,516	7.8
Derivatives	9	6	33.4
Provisions & Employee benefits	142	145	-1.8
Other Liabilities	1,082	1,066	1.6
Total Liabilities	**5,024**	**4,733**	**6.2**
Total Liabilities and Shareholders' Equity	**7,182**	**6,968**	**3.1**

Commercial strategy, efficiency search and cost reduction, together with working capital and capex discipline, to promote cash generation **strengthening Balance Sheet.**

Debt Profile

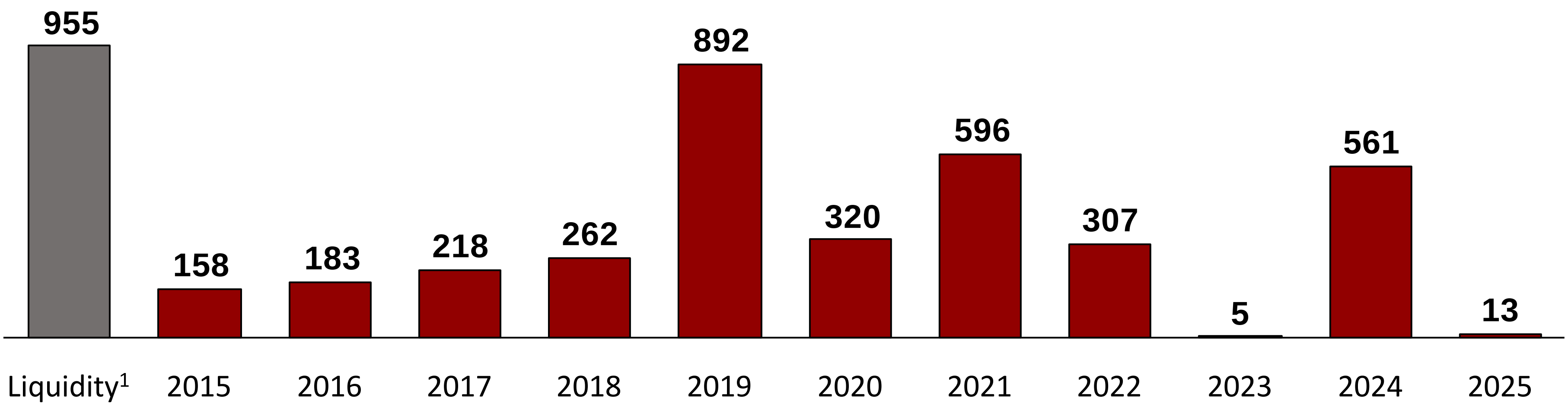
Continuous Debt Profile improvement adjusting debt to company development.

Net Debt of 2.560 M €. No material commitments before 2019. Liquidity covers 4 years. Average debt maturity of 5.7 years. €/USD hedge and more instruments with fixed rates.

March 31, 2015

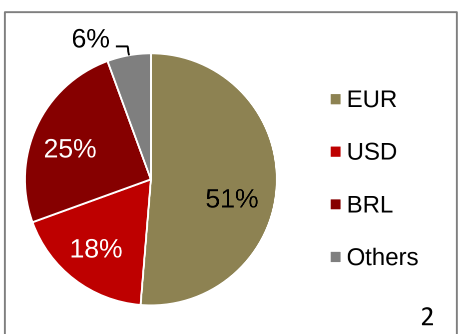
Maturities:

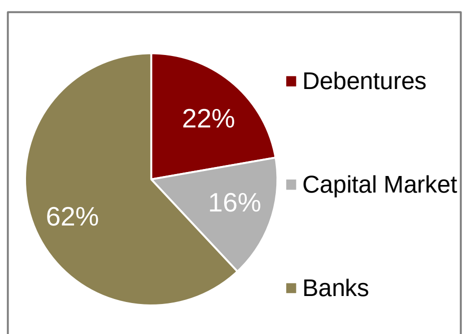
€ million

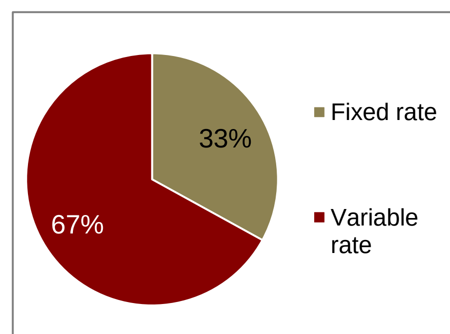


Profile:

1 - includes MTM Portfolio Adjustments of €52M reflecting interest and trading * Typo correction, where previously was 944M€ should be 955M€.







2 – According to figures and derivatives coverage reported on notes to Financial Statements

Stable Free Cash Flow. Q1 Seasonality shows.

EBITDA reveals lower activity and increasing energy costs.
Working capital reflects inventory requirements regarding maintenance interventions.
Capex discipline, benefiting from recent heavy cycle.

	2014					2015
€ million	Q1	Q2	Q3	Q4	Year	Q1
Adjusted EBITDA	128	154	171	185	638	122
Working Capital	-105	-13	3	75	-40	-124
Others	0	-2	0	-16	-18	2
Operating Activities	**23**	**139**	**173**	**244**	**579**	**0**
Interests Paid	-54	-50	-93	-37	-234	-58
Income taxes Paid	0	-13	-4	-25	-42	-1
Cash Flow before investments	**-31**	**77**	**76**	**182**	**303**	**-59**
CAPEX	-70	-32	-38	-59	-199	-48
Purchase of Subsidiaries	0	0	0	0	0	0
Assets Sales / Others	1	-1	7	3	9	8
Free Cash Flow to the company	**-100**	**43**	**45**	**126**	**113**	**-99**
Borrowings, financing and debentures	670	143	574	24	1,412	112
Repayment of borrowings, financ. and debent.	-1,029	-179	-643	-35	-1,886	-38
Capital Increases	0	0	0	0	0	0
Dividends	0	-2	0	-8	-10	0
Other financing activities	-93	-19	15	-11	-108	39
Changes in cash and cash equivalents	-552	-14	-9	96	-479	14
Exchange differences	6	11	28	8	53	38
Cash and cash equivalents, End of the Period	681	679	697	802	802	854

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