2014

Results Presentation

InterCement

Building sustainable partnerships

Disclamer

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Reinforced footprint. Africa potential takes off.

Growing cement and clinker sales volume (+6%) reaches record high 30 million tons. Market positions increase across geographies.

Africa grows weight in business portfolio, growth and returns reveal trend and potential.

Depreciations of Brazilian Real (8%), Argentinian Peso (33%) and South Africa's Rand (11%) **impact Sales by €326M and EBITDA by €79M**, flatting Sales and lowering EBITDA (-8%).

Sales reaches **€2,604M** and **EBITDA €633M.**

Superior EBITDA margin of 24.3% outstands among top international players.

Net Income reaches €50M – Forex and higher financial expenses (LATAM interest rates) penalize.

More stable and robust Balance Sheet:

- Improved Debt profile: maturity increase, fixed interest higher exposure and FX hedging.
- **Free Cash Flow turns positive to €91M, following a €115M Q4 generation.** Focus on operations delivers. Working capital improvement and capex discipline.

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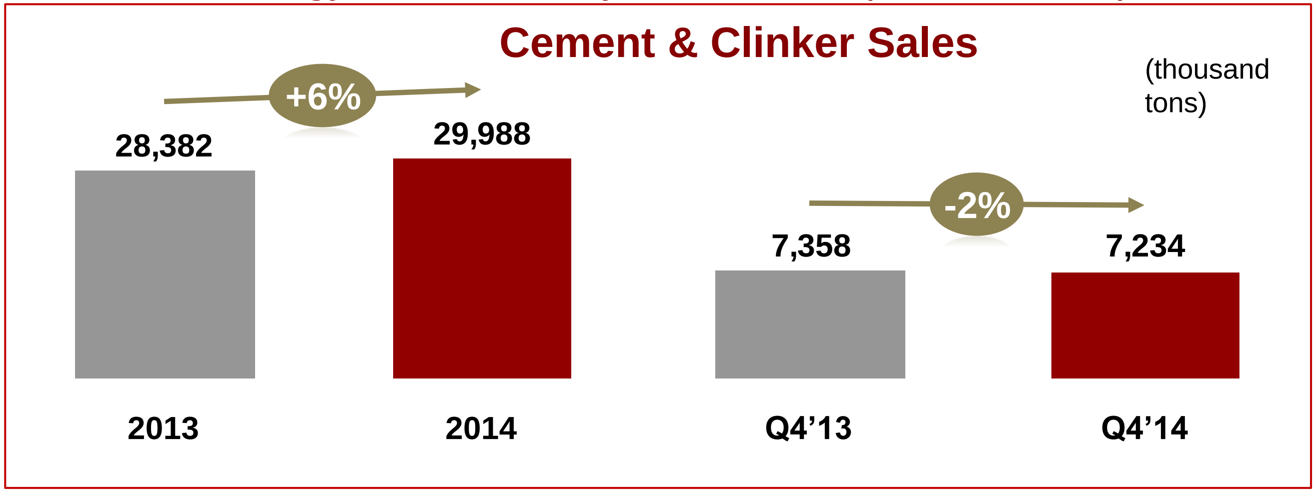
Growing Footprint. Record high sales volumes.

Volume increase in all geographies, except Argentina. Brazil slows. Africa grows 17% despite Ebola effects on H2.
Boosted commercial strategy and efficiency initiatives expand market penetration.



Cement and Clinker Sales						
(thousand tons)	Jan - Dec			4th Quarter		
	2014	2013	Var. %	2014	2013	Var. %
Brazil	12,601	12,533	0.5	2,951	3,192	-7.5
Argentina	6,178	6,383	-3.2	1,670	1,692	-1.3
Paraguay	422	280	50.6	129	76	68.4
Portugal	4,371	4,053	7.9	930	970	-4.1
Cape Verde	182	176	3.7	43	37	15.0
Egypt	3,761	3,192	17.8	884	846	4.5
Mozambique	1,520	1,299	17.0	404	372	8.5
South Africa	1,502	1,281	17.3	344	329	4.8
Sub-Total	**30,539**	**29,197**	**4.6**	**7,354**	**7,514**	**-2.1**
Intra-Group Eliminations	-551	-815	-32.4	-120	-156	-22.7
Consolidated Total	**29,988**	**28,382**	**5.7**	**7,234**	**7,358**	**-1.7**

Stable Sales in € despite forex impacts

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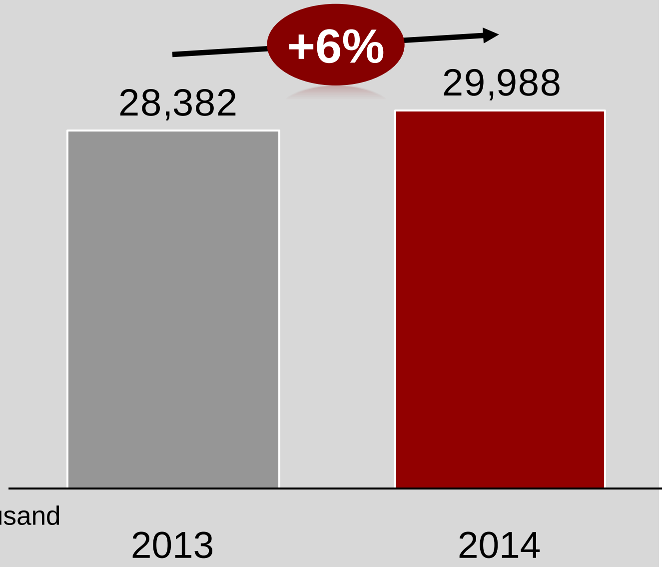
InterCement stands out with 6% volume growth.
Increase of local prices for cement and clinker (+12%) offset by fx impact.
Depreciation of BRL (8%), ARS (33%) e ZAR (11%).

YoY Change

Cement and clinker sales

(thousand tons)



Cement price contribution +11.9 %

Concrete Sales (m3) -6.1%

Aggregates Sales (ton) -0.4%

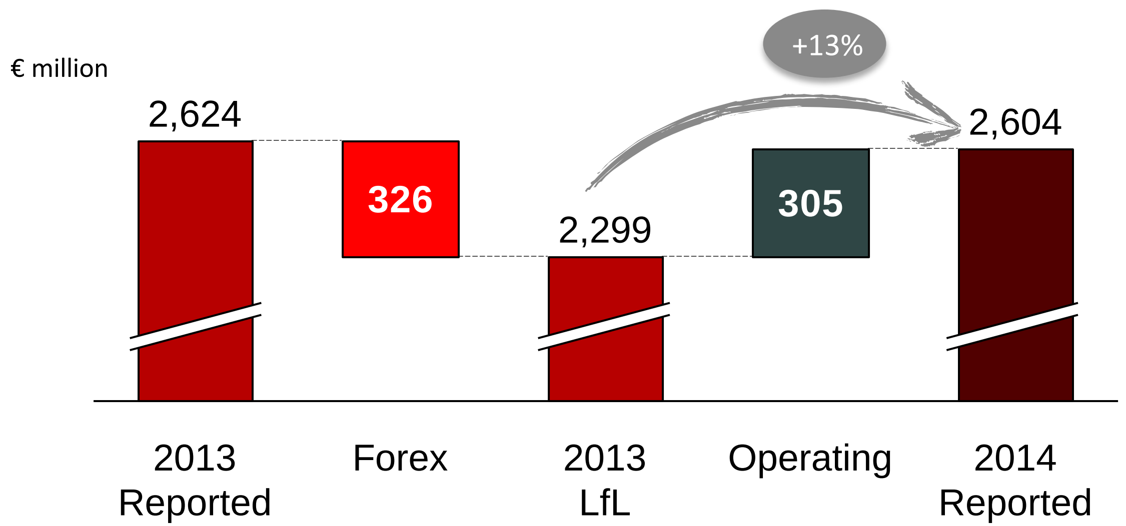
Forex -13.3%

Reported Sales change in € -0.8%

Local currency Sales increases 13% (8% in Q4)

Reported Sales in € affected by €326M fx impact; Q4 rises 2% despite fx.
Brazil slows. Argentina, Paraguay and Egypt stand out in local currency. Southern Africa reacts to competition.

Sales - BU opening								
(€ million)	Jan - Dec				4 th Quarter			
	2014	2013	Var. %	Var. % LC	2014	2013	Var. %	Var. % LC
Brazil	1,168	1,239	-5.7	2.7	273	296	-7.8	-5.9
Argentina	545	613	-11.1	31.9	161	154	4.3	35.7
Paraguay	56.2	38	47.2	49.9	17	10	74.1	65.7
Portugal	274	283	-3.2	-3.2	62	67	-8.2	-8.2
Cape Verde	27	24	12.6	12.6	6	5	19.8	19.8
Egypt	247	181	36.6	40.4	62	48	29.6	23.7
Mozambique	149	142	5.0	9.5	41	39	6.1	4.1
South Africa	126	125	0.7	13.1	31	30	5.9	6.9
Trading / Shipping	305	277	10.3	10.3	73	66	10.5	10.5
Others	49	35	40.7	40.7	11	6	68.1	68.1
Sub-Total	**2,947.4**	**2,956.8**	**-0.3**	**12.0**	**737**	**721**	**2.2**	**7.9**
Intra-Group Eliminations	-343	-332	3.3	3.3	-85	-81	4.9	s.s.
Consolidated Total	**2,604.0**	**2,624.4**	**-0.8**	**13.3**	**651.8**	**639.9**	**1.8**	**8.3**



Brazil: reinforced local position and price increase offset by fx. Uncertainty on election period penalizes Q4.

Argentina volume slight contract after record high sales in 2013. Positive signs on Q4. Housing prevails. High fx impact.

Paraguay new mill increase market share in a 14% growth market. Recent new kiln at full capacity.

Egypt: commercial and operational strategy focused on client retention.

Mozambique: Commercial strategy fights imports and delivers sales increase. Fx penalizes.

South Africa: successful market share recovery strategy drives sales up 17%. Sales affected by product mix and fx.

Portugal and Cape Verde: exports mitigate Portuguese market contraction.

Trading increases activity.

EBITDA: stronger footprint, efficiency efforts and inflation

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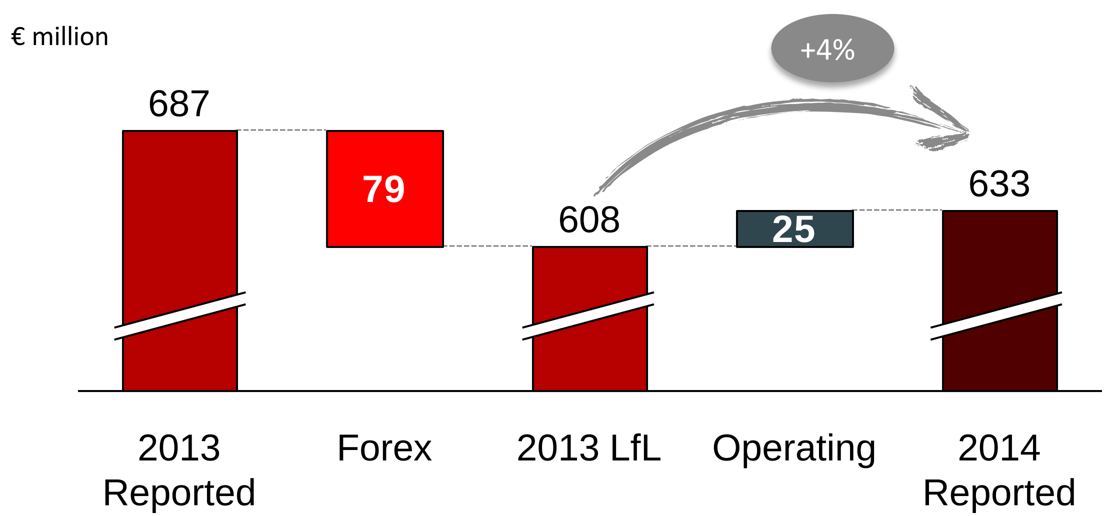
EBITDA rises 4% ex forex. Reported EBITDA in € affected (-8%) by €79 M fx impact. Africa EBITDA increases 33%. Brazil improves logistics and operations to address demand. Price increase stands up against inflation. Energy costs constrain.

EBITDA								
(€ million)	Jan - Dec				4th Quarter			
	2014	2013	Var. %	Var. % LC	2014	2013	Var. %	Var. % LC
Brazil	323.9	411.2	-21.2	-14.2	91.6	107.0	-14.4	-12.1
Argentina & Paraguay	127.2	124.2	2.4	49.4	42.6	44.9	-5.3	28.7
Portugal & Cape Verde	33.3	35.3	-5.8	-5.8	12.1	15.3	-20.9	-20.9
Africa	148.2	118.0	25.7	33.2	40.1	30.4	31.9	28.5
Trading & Others	0.0	-1.8	n.m.	n.m.	-1.6	3.4	n.m.	n.m.
Consolidated Total	**632.6**	**686.9**	**-7.9**	**4.1**	**184.9**	**201.1**	**-8.1**	**-1.2**
EBITDA margin	***24.3%***	***26.2%***	***-1.9 p.p.***	***-3.4 p.p.***	***28.4%***	***31.4%***	***-3.1 p.p.***	***-3.8 p.p.***



Brazil: reinforced footprint requires logistic and operational efforts. Slower Q4 (Elections) and energy costs penalize.

Argentina and Paraguay: operations improvement penalized by Peso depreciation. *Anti-trust* fine (€25M) in 2013 in Argentina. Paraguay new production facilities (mill+ late kiln): EBITDA grows and margin increases.

Portugal and Cape Verde: though affected by restructuring costs, 2013 benefited from assets and CO2 sales.

Egypt: Dynamic commercial and industrial approach positively affects volumes and EBITDA margin. Higher energy costs while company adjusts energy matrix.

Mozambique: increased competitive edge; operating improvements, mainly in limestone supply.

South Africa: reinforced footprint, commercial strategy and productivity improvements allow EBITDA growth.

Trading: efficient expansion of business.

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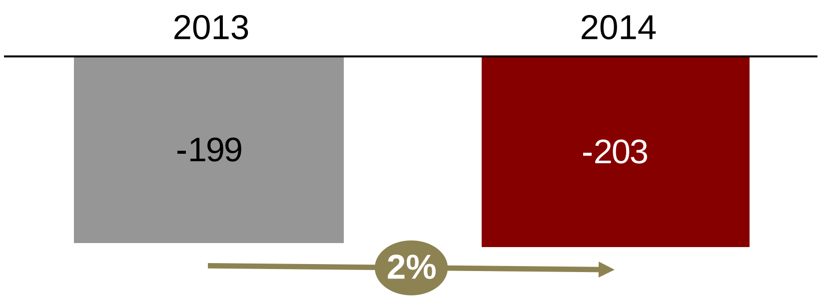
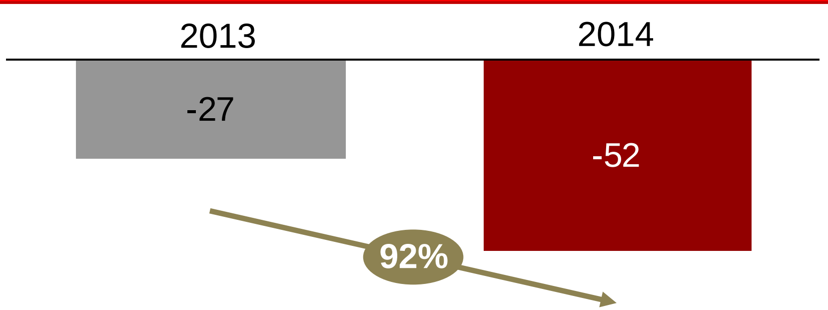
Flat Depreciation, contained Financial losses and flat Tax

Depreciation and Amortisations



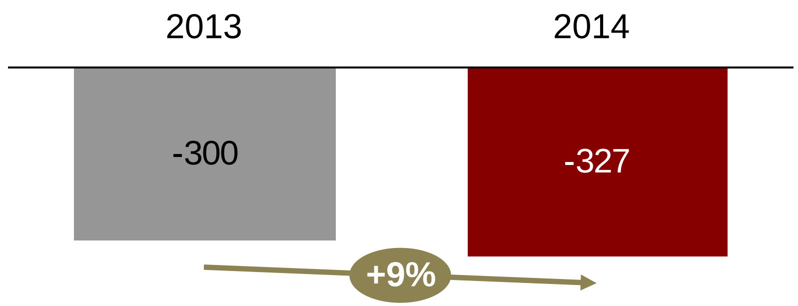
Income Taxes



2013 tax credit from Austrian subsidiary (€64M), justifies increase.

Undergoing tax structure improvement - income tax rate still not reflecting positive impacts of losses at holding levels

Financial Results



Debt profile improvement costs: fees for earlier debt settlement;

Interest rate increase in South America;

Recent hedging instruments on USD/€ already stabilizing Financials - €100M losses prevented in Q4.

€ million YoY change

Net Income: €50M

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Forex offsets growth: increasing footprint returns counterbalanced by translation costs to euro.
South America **interests** and improving **debt profile investments** affect.
Income tax, **2013 non recurring credit penalizes comparison**.

Income Statement						
(€ million)	Jan - Dec			4 th Quarter		
	2014	2013	Var. %	2014	2013	Var. %
Sales	**2,604.0**	**2,624.4**	**-0.8**	**651.8**	**639.9**	**1.8**
Net Operational Cash Costs	1,971.4	1,937.5	1.8	466.9	438.8	6.4
Operational Cash Flow (EBITDA)	**632.6**	**686.9**	**-7.9**	**184.9**	**201.1**	**-8.1**
Amortisations and Provisions	203.1	199.3	1.9	58.7	47.3	24.1
Operating Income (EBIT)	**429.6**	**487.6**	**-11.9**	**126.2**	**153.8**	**-18.0**
Financial Results	-327.5	-300.1	9.1	-63.2	-70.8	-10.6
Pre-tax Income	**102.1**	**187.5**	-45.6	**63.0**	**83.1**	-24.2
Income Tax	52.0	27.0	92.5	-0.2	-24.4	n.m.
Net Income	**50.1**	**160.5**	**-68.8**	**63.1**	**107.5**	**-41.3**
Attributable to:						
Shareholders	41.0	170.9	-76.0	51.4	105.2	-51.1
Minority Interests	9.1	-10.4	n.m.	11.7	2.3	n.m.

Building sustainable partnerships

More Stable and Robust Balance Sheet

Debt profile improvements:

- Maturity increase, higher fixed rate exposure and €/USD hedge.
- Debt prepayment requirements result in 3% decrease of Total Assets.

Net Debt (€2.5b), increases €44M yoy, despite decreasing €182M on the back of €115M FCF in Q4

CONSOLIDATED BALANCE SHEET SUMMARY			
(Million Euros)	31 Dec 2014	31 Dec 2013	Change%
Assets			
Non-current Assets	5,307	5,155	2.9
Current Assets			
Cash and Equivalents	802	1,228	-34.7
Other Current Assets	859	811	6.0
Total Assets	**6,968**	**7,194**	**-3.1**
Shareholders' Equity attributable to:			
Equity Holders	1,405	1,348	4.2
Minority Interests	829	911	-8.9
Total Shareholders' Equity	**2,235**	**2,259**	**-1.1**
Liabilities			
Loans	3,613	3,821	-5.4
Provisions	145	143	1.5
Other Liabilities	975	971	0.4
Total Liabilities	**4,733**	**4,934**	**-4.1**
Total Liabilities and Shareholders' Equity	**6,968**	**7,194**	**-3.1**

Operations expansion and efficiency search, together with working capital and capex discipline, to promote cash generation **strengthening Balance Sheet.**

Debt Profile Improvement

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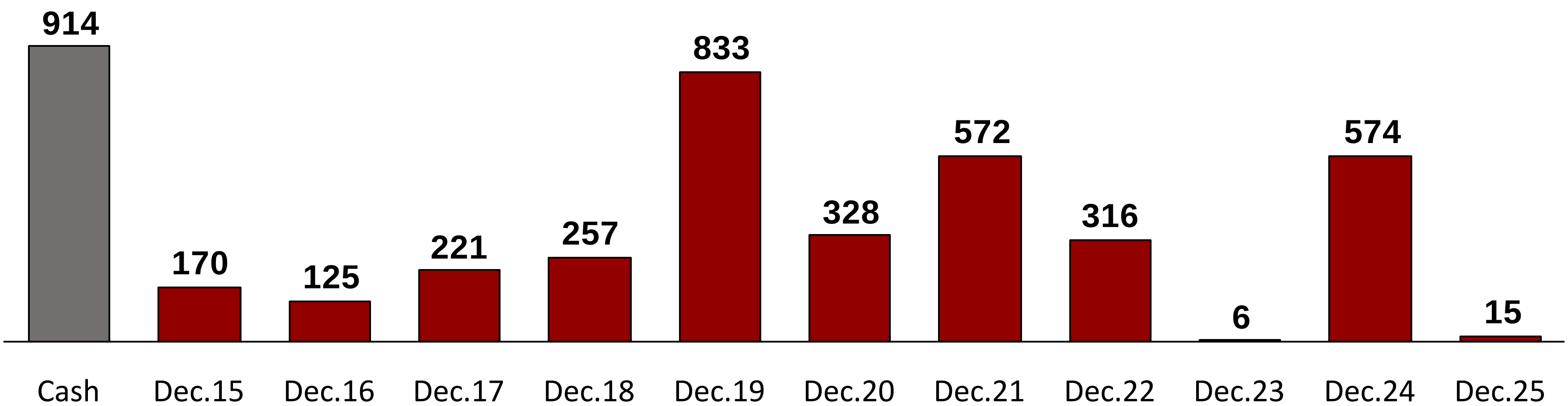
Progresses on restructuring adjust debt to company development and delivers attractive profile

- No material commitments before 2019. Liquidity covers 4 years.
- Average debt maturity of 6.1 years.
- €/USD hedge and more instruments with fixed rates.

December 31, 2014

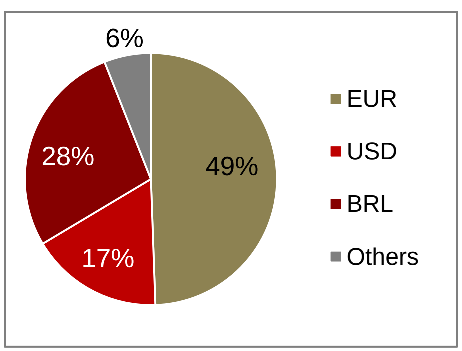
Maturities:

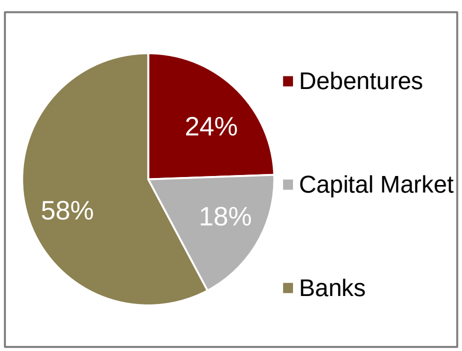
€ million

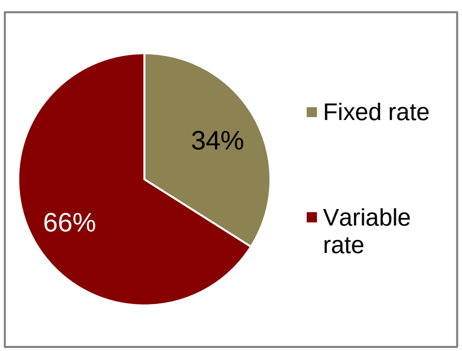


Note: includes derivatives

Profile







Net Debt/ EBITDA of 3.95 (in covenants)

Note: Net Debt = Gross Debt – Cash – MTM hedge

Comfortable Interest Coverage of 3.12

Note: Figures reported on notes to Financial Statements (no. 9 and 10), therefore not considering Derivatives coverage

Free Cash Flow of €91M

€175M Free Cash Flow generation on H2

- EBITDA affected by forex;
- Working capital program shows strong results in H2;
- Capex discipline, benefiting from recent heavy cycle.

€ million	2013 1H	2013 2H	2013 FY	2014 1H	2014 2H	2014 FY
Adjusted EBITDA	332	410	742	278	355	633
Working Capital [1]	-191	73	-118	-118	78	-40
Others	-20	-10	-30	2	-15	-13
Operating Activities	**121**	**473**	**594**	**163**	**417**	**579**
Interests Paid	-114	-113	-227	-104	-130	-234
Income taxes Paid [2]	-27	-79	-106	-13	-29	-42
Cash Flow before investments	**-20**	**281**	**260**	**45**	**258**	**303**
CAPEX	-179	-152	-331	-102	-97	-199
Assets Sales / Others	-10	55	45	-27	13	-13
Free Cash Flow to the company	**-209**	**183**	**-26**	**-84**	**175**	**91**
Borrowings, financing and debentures	220	253	473	813	599	1,412
Repayment of borrowings, financ. and debent.	-200	-243	-443	-1,208	-678	-1,886
Capital Increases	0	534	534	0	0	0
Dividends	-7	-10	-17	-2	-8	-10
Other financing activities	0	-100	-100	-85	0	-85
Changes in cash and cash equivalents	-196	618	421	-566	87	-479
Exchange differences	-56	-128	-184	17	36	53
Cash and cash equivalents, End of the Period	737	1,228	1,228	679	802	802

(1) Includes payments to Capex suppliers , from capacity expansions in progress in 2013
(2) H2'13 affected by tax prepayment in benefits program in Portugal

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1. Operations Review
2. Results
3. Financing Structure

4. Outlook

Grabbing growth. Focus on efficiency and deleveraging.

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Geographic diversification to deliver its merits with growing Africa contribution to consolidated returns.

Volumes growth for next 3 years, though short term eventual contract in Brazil. Price increase trend, specially in Africa.

Continuous **focus on client and market approach strengthening positions where operating.** Ongoing **efficiency programs:** commercial and industrial - additives upgrade and improved energy matrix – co-processing

Brazil	Debottleneck infrastructure and housing gap. 3% demand CAGR 2016-2018. Challenging 2015. Hydro crisis constraints. InterCement buys 50% of electricity to participated hydroelectric plants. InterCement capacity increases to follow market pace. Imports from other company sites complement its offer.
Argentina	Infrastructure and housing deficit. Robust market - real state is best inflation protection. Local leadership advantage. Elections in 2015 to favor demand and determine future prospects. Prices to follow inflation. Forex determines.
Paraguay	Capture high growth cycle – new integrated production capacity at full usage. Addressing local demand feeds growth. EBITDA margin may double in short term.
Egypt	Favorable demographics and lack of infrastructures. Refrained demand to show. InterCement challenged to retain new clients while adjusting energy matrix. New coal mill and co-processing.
Mozambi-que	Strong economic dynamics to feed local cement demand. ICP project for new kiln. InterCement: production stabilization, cost reduction and reinforced market intelligence will increase EBITDA margin.
South Africa	Recent positive demand signs. InterCement commercial dynamics progressing in increasing competitive environment. Expected EBITDA increase.
Portugal & Cape Verde	Market to invert contraction trend. Benchmarking units to deliver and share best practices with other company sites. EBITDA improvement.
Trading	Optimize company capacity allocation. Flexibility to investments chronogram. Find new market opportunities.

Free Cash Flow Generation for 2015

Growth prospects and cost reduction to sustain EBITDA.

Working capital program to progress – reducing net revenues days and offseting investment requirements.

Following a heavy investment cycle (5 units under expansion in 2013), capex levels slowdown to *2015 - 2017 Plan*: €440 M (3 year period) addressing expansion and revamping projects – focus on co-processing and alternative raw materials.

Flat interests and taxes

Free Cash Flow generation **increase**

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