Building sustainable partnerships

Q1'2016

Results Presentation

InterCement

Disclamer

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Q1 reflects Brazil instability and Argentina new cycle

Q1 results affected by political-economic context in Brazil, specific market conditions and forex.

Adverse currencies performance vs. euro in Argentina (-38%), Brazil (-25%) and South Africa (-24%).

Cement volumes sold reflect Brazil retraction and slower Portugal. Higher cement price compensates lower sales, though insufficient to offset forex. Concrete and aggregates lower contributions.

Efficiency initiatives mitigate markets adversity impact on EBITDA decline - 15% excluding the exchange rate effect. Currency depreciation impacted consolidated EBITDA by 30 million euros. EBITDA stands at 78 million euros.

- **Brazil** – Construction contraction and capacity increases, intensifies competition and drops sales;
- **Argentina** – Market leadership supports operating margin, despite local challenges;
- **Paraguay** – Local dynamics attracts imports;
- **Egypt** – Sales adjust in the context of intense competition;
- **Mozambique** – EBITDA doubles despite political-economic uncertainty;
- **South Africa** – EBITDA harmed by local currency devaluation and maintenance;
- **Portugal** – Exports (Algeria licenses and commodity prices) and domestic market slowdown;
- **Cape Verde** - Dynamic trend.

Depreciations, Amortization and Taxes positive evolution, offset by Financial Results ('15 derivative gain).

Net income for shareholders deteriorated to negative 40 million euros.

Net Debt fell by 8% vs March'15. Assets reached 5.8 billion euros.

Despite EBITDA compression and non-recurring charges, FCF after interest payment remains stable thanks to disciplined CAPEX and working capital.

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1. Operations Review

2. Results

3. Financing Structure

Volumes: economic downturn takes its toll

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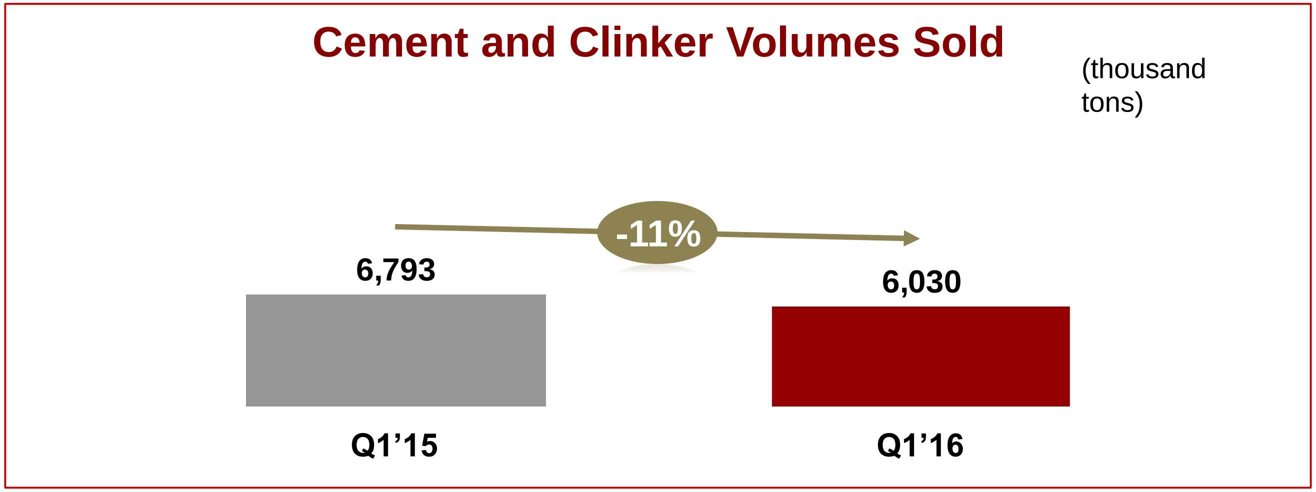
Brazil reflects local market momentum, Portugal slows with lower exports affected by commodities price, Argentina compares to a record year. Paraguay fights imports. Africa business grows 4%.



Cement and Clinker Volumes Sold			
(thousand tons)	Jan - Mar		
	2016	2015	Var. %
Brazil	2,268	2,731	-17.0
Argentina	1,408	1,516	-7.1
Paraguay	90	98	-9.0
Portugal	730	1,119	-34.8
Cape Verde	49	46	7.4
Egypt	851	872	-2.3
Mozambique	368	291	26.3
South Africa	315	307	2.8
Sub-Total	**6,079**	**6,980**	**-12.9**
Intra-Group Eliminations	-49	-186	-73.6
Consolidated Total	**6,030**	**6,793**	**-11.2**

Sales: price increase compensates volume. Forex -24%

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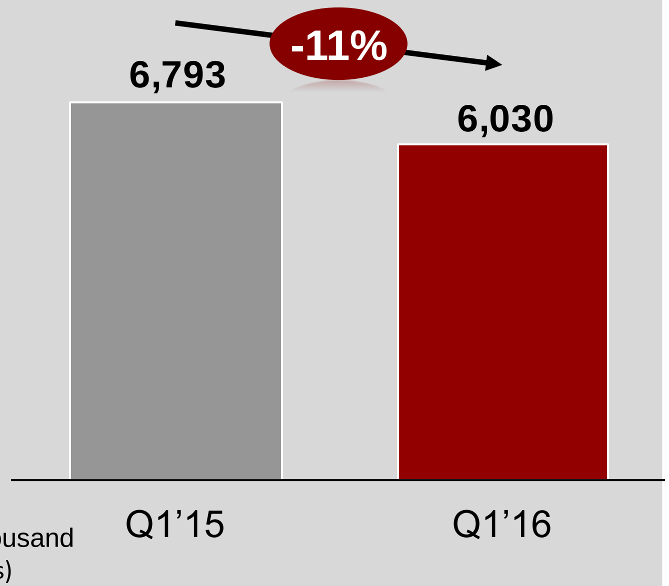
Average **Cement Price increase** neutralizes volumes slowdown.
Concrete and Aggregates lower volumes - following sale of assets - pressure Sales.
Adverse FOREX leads to 29% decrease in Sales.

YoY Change

Cement and clinker Volumes Sold



Cement price contribution	**+11.1 %**
Concrete Volumes (m3)	**-29.4%**
Aggregates Volumes (ton)	**-27.9%**

Forex -23.6%

Reported Sales change in € **-29%**

Sales: Argentina and Mozambique mitigate Brazil and Exports

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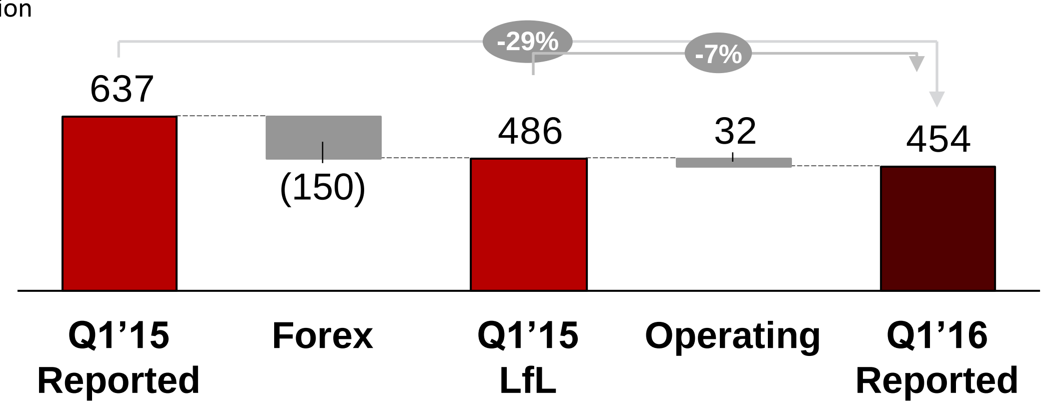
Forex penalizes by €150M. Brazil contracts. Portugal holds back (market+exports). Egypt adjusts in competitive market. Import flow in Paraguay.
Argentina reinforces local position. Mozambique outstands. South Africa delivers.

Sales - BU opening				
(€ million)	Jan - Mar			
	2016	2015	Var. %	Var. % LC
Brazil	135.5	246.8	-45.1	-26.9
Argentina	133.8	168.3	-20.5	29.3
Paraguay	10.4	14.1	-26.2	-12.3
Portugal	53.8	70.9	-24.1	-24.1
Cape Verde	8.2	6.8	20.7	20.7
Egypt	52.6	60.7	-13.3	-4.9
Mozambique	34.1	32.7	4.4	43.4
South Africa	23.2	29.8	-22.3	2.6
Trading / Shipping	48.2	87.9	-45.2	-45.2
Others	11.0	12.0	-8.6	-8.6
Sub-Total	**510.7**	**730.0**	**-30.0**	**-11.9**
Intra-Group Elimin.	-56.6	-93.4	**-39.3**	**-39.3**
Consolidated Total	**454.1**	**636.6**	**-28.7**	**-6.7**

€ million



Brazil: construction sector contraction together with competition increase drops Sales. Forex impact of €61M.

Argentina: Commercial assertiveness drives sales up, as accommodating inflation, while volumes adjust after a record high sales year.

Paraguay: import pressure.

Portugal and Cape Verde: Portuguese local market affected by weather conditions and lower public works. Export trail late attribution of Algeria import licenses.

Egypt: amid competition environment prices show recovery signs vs YE'15.

Mozambique: very strong quarter clouded by €9M forex impact.

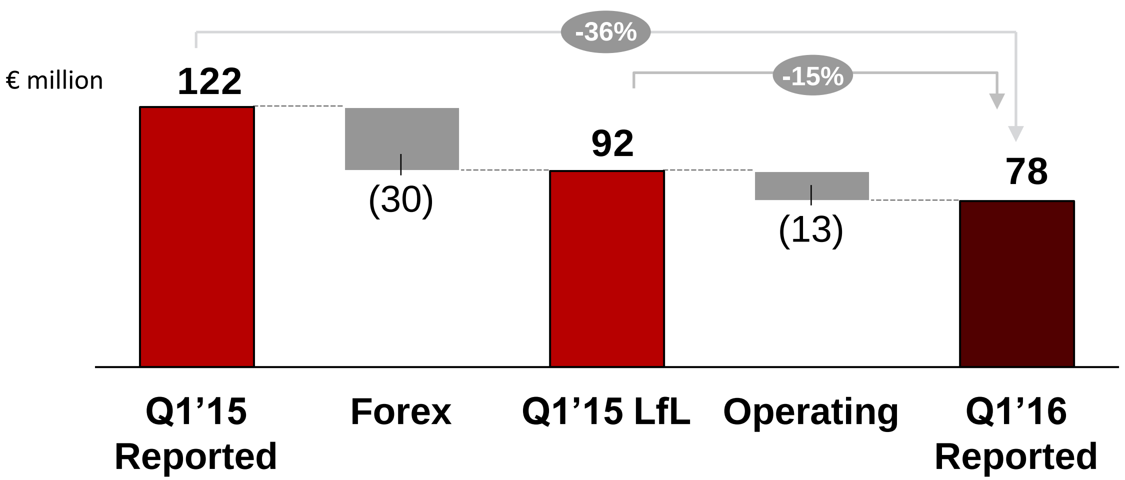
South Africa: volumes and shallow price increase offset by forex.

Trading: lower exports affect trading results.

Combination of contexts contracts EBITDA

Adjustment package addressing market challenges.
Lower fixed costs dilution.
Forex penalizes by €30M.

EBITDA - BU opening				
(€ million)	Jan - Mar			
	2016	2015	Var. %	Var. % LC
Brazil	16.8	40.6	-58.7	-45.0
Argentina & Paraguay	35.1	44.0	-20.2	24.9
Portugal & Cape Verde	8.2	9.7	-15.8	-15.8
Africa	17.5	26.8	-34.6	-22.1
Trading & Others	0.3	0.9	-64.9	-64.9
Consolidated Total	**77.9**	**122.0**	**-36.2**	**-15.1**
EBITDA margin	***17.1%***	***19.2%***	***-2.0 p.p.***	***-1.7 p.p.***



Brazil: Efficiency initiatives prepare future recovery and already drop cash costs in Q1, mitigating competition effect on prices. Lower activity and BRL depreciation drive EBITDA down.

Argentina and Paraguay: Loma Negra EBITDA rises circa 30% in LC, despite energy subsidies redraw. Peso depreciation drives EBITDA down 20%. Paraguay EBITDA margin benchmarks internally (33%), despite imports pressure on local sales and prices.

Portugal and Cape Verde: Consumption postponement, imports and constrains on exports to Algeria reduce activity. Stable EBITDA margin, despite lower fixed costs dilution.

Egypt: competitive environment does not allow price increases. Energy matrix efforts. Margin recovery expected throughout 2016. New Coal mill in Q4.

Mozambique: leadership advantage on right market momentum allows EBITDA value and margin to double Q1’15.

South Africa: punctual maintenance and raw material cost increase affect EBITDA.

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Positive Depr., Amort. and Taxes offset by Financials R.

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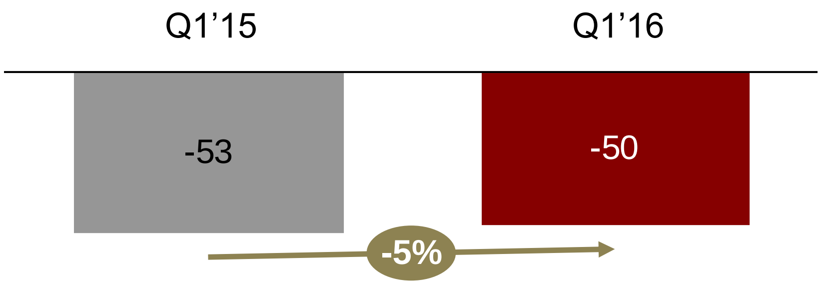
Depreciation and Amortizations

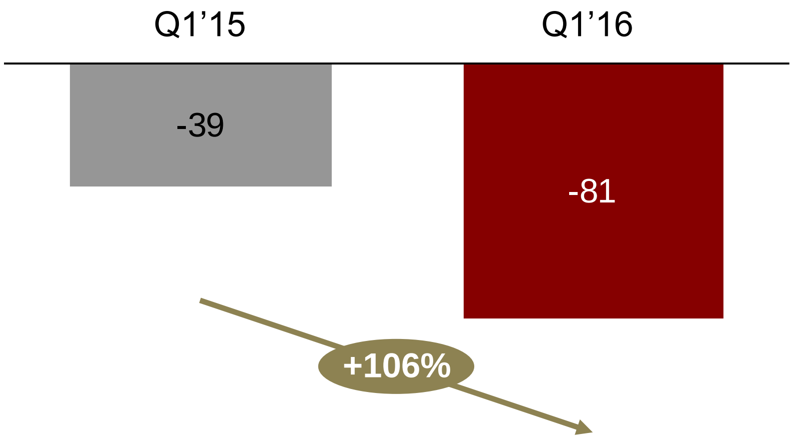


Depreciation decrease, following forex trends, is marginal. €4M one-off impairments were registered in Q1.

Income Taxes

Recognition of previous years taxes in Egypt €11M, softens magnitude of income tax improvement following Losses on Results before Income Taxes.

Financial Results



Forex differences on Operating Companies loans in hard currencies and liquidation in 2015 of hedge instrument of USD200M to BRL contracted in Brazil.

Interests in hard currency follow lower rates.

€ million

YoY change

Net Results mirrors operating contraction

Lower EBITDA and Financial Results Performance drive Net Income drop.
Non-recurrent below EBITDA €17M: €11M - Egypt; €4M - Ships; and €2M - Palanca.

Income Statement			
	Jan - Mar		
(€ million)	2016	2015	Var. %
Sales	**454.1**	**636.6**	**-28.7**
Net Operational Cash Costs	376.2	514.6	-26.9
Operational Cash Flow (EBITDA)	**77.9**	**122.0**	**-36.2**
Depreciations and amortisations	50.4	53.4	-5.5
Operating Income (EBIT)	**27.4**	**68.6**	**-60.0**
Financial Results	-81.3	-39.4	106.3
Pre-tax Income	**-53.9**	**29.2**	**n.m.**
Income Tax	-3.3	19.2	n.m.
Net Income	**-50.6**	**10.0**	**n.m.**
Attributable to:			
Shareholders	-39.6	17.6	n.m.
Minority Interests	-11.0	-7.6	44.4

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3. Financing Structure

Net Debt down 8% vs Mar'15. Forex conversion impacts

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€5,760M Total Assets. Equity reflects forex depreciation impact on portfolio assets outside euro zone.

Net Debt reaches €2.353M, +5% vs December, however -8% YoY.

Consolidated Balance Sheet Summary			
(€ million)	Mar 31 2016	Dec 31 2015	Var. %
Assets			
Non-current Assets	4,197	4,212	-0.3
Derivatives	179	239	-25.2
Current Assets			
Cash and Equivalents	667	791	-15.7
Derivatives	24	25	-4.9
Other Current Assets	694	645	7.7
Total Assets	**5,760**	**5,911**	**-2.6**
Shareholders' Equity attributable to:			
Equity Holders	1,036	1,049	-1.3
Minority Interests	451	452	-0.1
Total Shareholders' Equity	**1,487**	**1,500**	**-0.9**
Liabilities			
Loans & Obligations under finance leases	3,210	3,291	-2.5
Derivatives	11	7	57.8
Provisions & Employee benefits	123	137	-10.2
Other Liabilities	929	975	-4.8
Total Liabilities	**4,274**	**4,411**	**-3.1**
Total Liabilities and Shareholders' Equity	**5,760**	**5,911**	**-2.6**

Capital strengthening initiatives: (i) improving operating efficiency; (ii) increasing precision and discipline in working capital and capex; and (iii) disposal of non-strategic assets.

Stable Q1 Cash Requirements. Seasonality shows.

Improved working capital efficiency (+€46M);
Non-recurring charge €15M;
CAPEX discipline and austerity (+€20M): quick return investments are prioritized.

	2015					2016
(€ million)	Q1	Q2	Q3	Q4	Year	Q1
Adjusted EBITDA	122	158	117	149	545	79
Change in Working Capital	-124	21	47	67	11	-78
Others	2	-7	-4	-50	-59	-15
Operating Activities	**0**	**172**	**161**	**166**	**498**	**-14**
Interests Paid	-58	-25	-90	-49	-222	-51
Income taxes Paid	-1	-27	-4	-15	-47	-6
Cash Flow before investments	**-59**	**120**	**67**	**102**	**229**	**-71**
CAPEX	-48	-28	-33	0	-109	-28
Assets Sales / Others	8	2	1	50	61	1
Free Cash Flow to the company	**-99**	**94**	**36**	**152**	**182**	**-98**
Borrowings, financing and debentures	112	36	59	30	237	24
Repayment of borrowings, financ. and debent.	-38	-141	-137	-95	-411	-38
Dividends	0	-50	0	0	-50	0
Other investment activities	40	20	-89	86	57	-18
Changes in cash and cash equivalents	14	-42	-131	173	15	-130
Exchange differences	38	-29	-47	-11	-48	-14
Cash and cash equivalents, End of the Period	854	783	605	768	768	623

Debt Profile: no material commitments before 2019

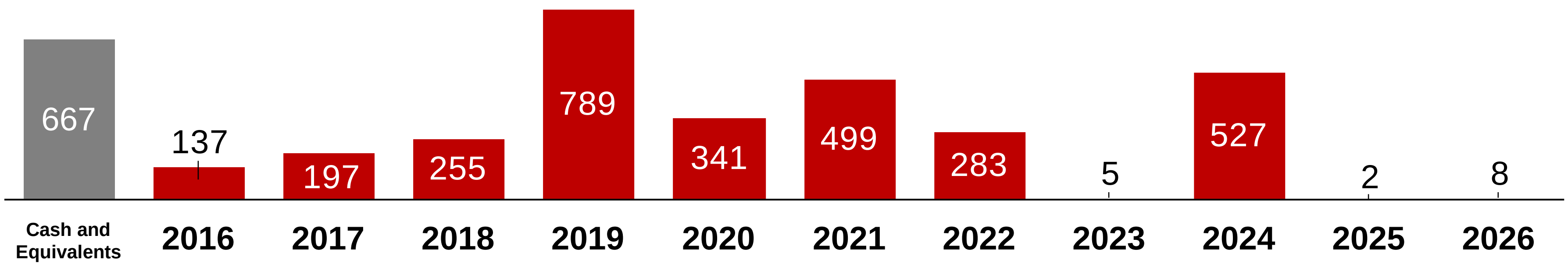
Liquidity covers 3 years.

Average debt maturity of 5 years.

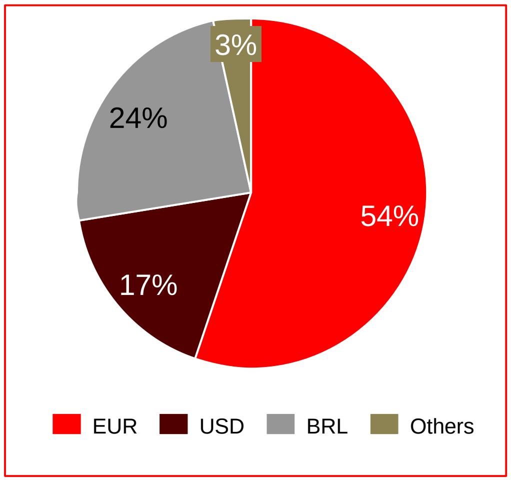
March 31, 2016

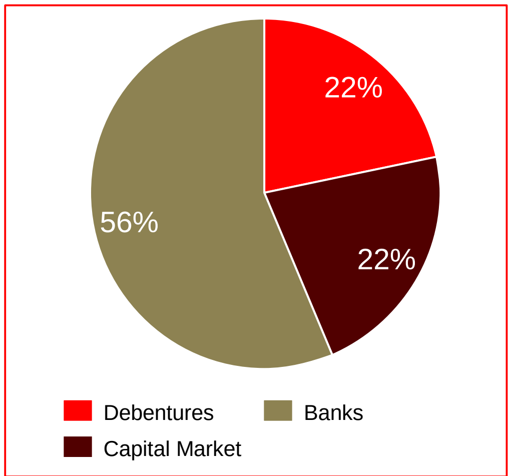
Maturities:

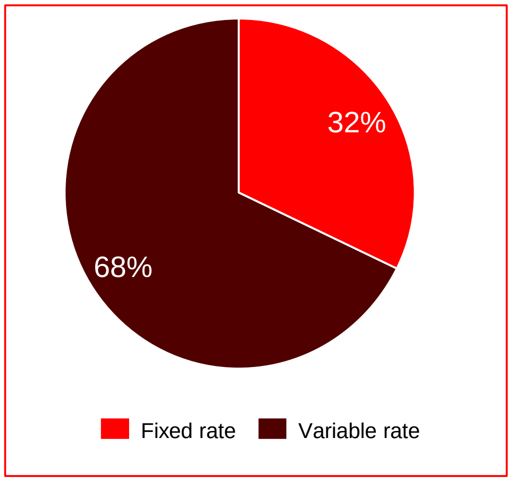
€ million



Profile:







Note: debt profile includes derivatives

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Thank you!

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