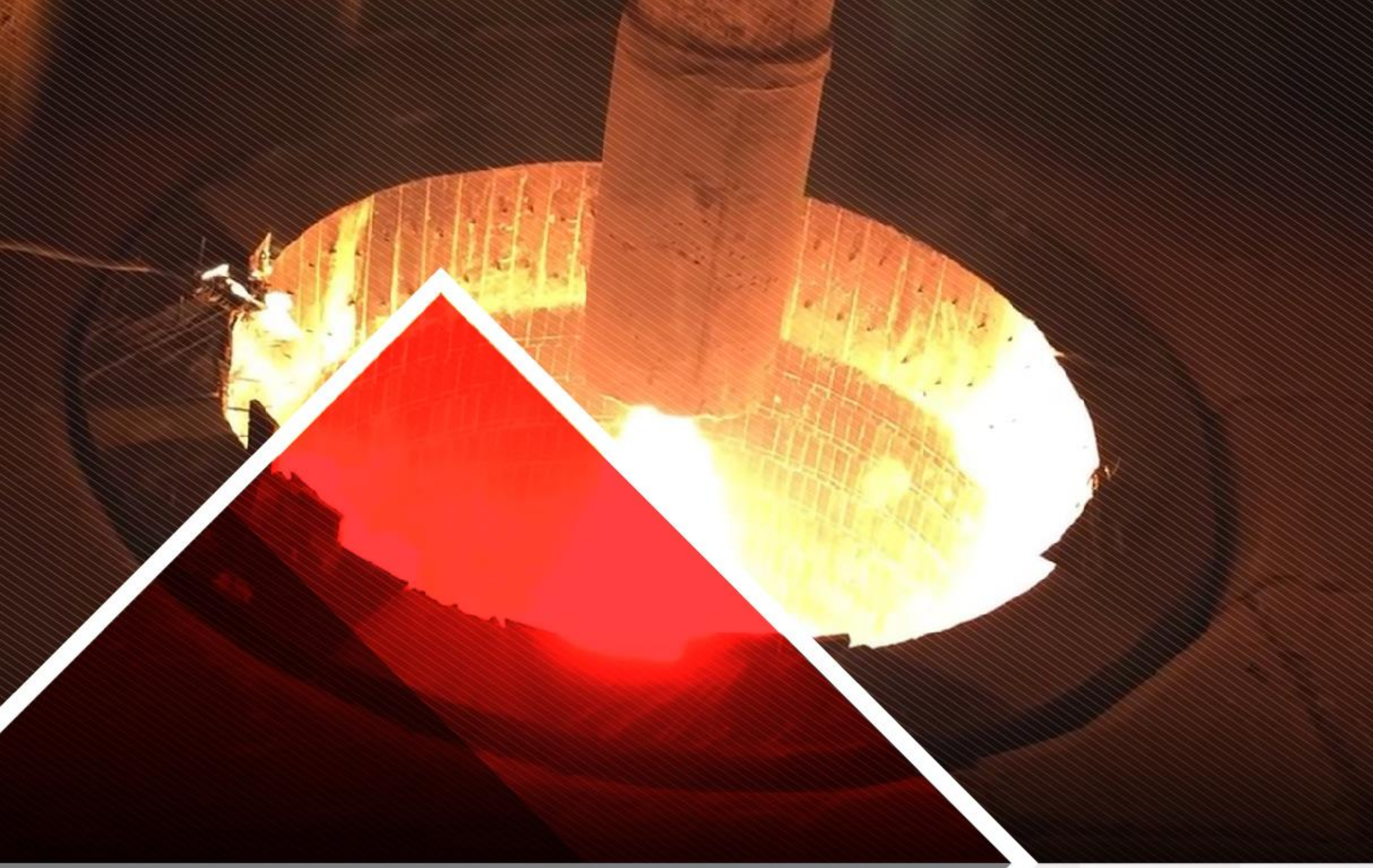

INTERIM CONSOLIDATED FINANCIAL REPORT

1st Quarter 2018

Building sustainable partnerships

InterCement

InterCement
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Volumes continued to rise y-o-y. EBITDA increased, despite Forex.

Seasonality, closing 2017 efforts and Capex pushed Net Debt.

1. 1Q18 Performance

- Cement and clinker volumes increased 3.1%, reaffirming y-o-y growth registered in the latest three quarters. Average price increased 10.6% in local currency.
- Operating currencies depreciated vs. euro, penalizing Sales (-3.7%).
- EBITDA was up by 2.5%. Even though, Adjusted EBITDA (€87.6M) set back 1.3% as per higher non-recurring effects (indemnities) on 1Q17. EBITDA margin went up 1.2 p.p. to 19.8%
- Free Cash Flow was down to - €213.1M on the back of 1Q seasonality effect, year-end cash containment efforts impact on working capital and higher Argentinian capex (L'Amali 2 project).
- Net Debt, impacted by Free Cash Flow generation, stood at €1,720.1M, 12.8% above 2017 year-end, though 37.1% below March 31, 2017.

Commenting on the financial operating performance for the first quarter of 2018, Paulo Diniz, CFO, noted: "InterCement benefitted from improving market conditions in most geographies where it operates, while Brazil still kept lagging behind.

We had a good start. Volumes grew on Q1, reverting the downward trend observed for this quarter since 2014.

Despite relevant forex depreciations, EBITDA raised 2.5%, with the special contribution from Argentina, Portugal and Africa - where Egypt recovery outstood.

EBITDA margin also improved to 19.8%, as the company focuses on higher margin clients and takes advantage of the recently implemented efficiency measures to address context challenges.

Typical seasonality of 1Q, coupled by year end cash containment efforts and the ongoing capacity increase at L'Amali, have brought FCF down to - €213.1M, leading Net Debt up to €1,720.1M, 12.8% above FY2017, though 37.1% below March 31, 2017.

InterCement will continue to firmly pursue its Deleveraging and Liability Management initiatives to reach a Net Debt /EBITDA level of around 3x, despite the recent challenges from the Argentinian and Brazilian economics".

Key Figures

Million €, unless otherwise expressed	1Q18	1Q17	Chg.
Cement and Clinker Volumes Sold (t ton)	5,790.8	5,618.0	3.1%
Sales	436.1	453.0	-3.7%
EBITDA	86.3	84.2	2.5%
Adjusted EBITDA[1]	87.6	88.7	-1.3%
FCF	-213.1	-103.5	105.9%
Net Debt (31 Mar)	1,720.1	2,736.8	-37.1%
Net Debt (31 Mar and 31 Dec)	1,720.1	1,524.5	12.8%

[1] Excludes non recurrent items

2. Profit and Loss

Income Statement			
million €	1Q18	1Q17	YoY
Sales	**436.1**	**453.0**	**-3.7%**
Net Operational Cash Costs	349.8	368.8	-5.2%
Operational Cash Flow (EBITDA)	**86.3**	**84.2**	**2.5%**
Deprec. and Amortizations	47.2	51.1	-7.7%
Operating Income (EBIT)	**39.1**	**33.1**	**18.1%**
Financial Results	-52.6	-60.9	-13.7%
Pre-tax Income	**-13.5**	**-27.8**	**-51.6%**
Income Tax	9.0	3.2	178%
Net Income	**-22.4**	**-31.0**	**-27.8%**
Attributable to:			
Shareholders	-28.3	-26.3	7.5%
Non-controling interests	5.9	-4.7	-225.5%

Volumes Sold increased, consolidating the recovery now with four quarters of consecutive y-o-y growth. Both Cement[1] and Concrete volumes were up by 3.1% and 9.0% respectively.

Supported by continued momentum in private construction and infrastructure in Argentina, Loma Negra cement and clinker sales were up by 9.5%, reaching 1.6 million tons. Portuguese volumes (+4.1%) benefited from increasing exports (+8.3%), as weather conditions prevented internal sales increase. All InterCement African geographies posted volumes growth (+11.3%).

Brazil still stood behind 1Q17, dealing with local economic constraints.

Sales, though rising on a local currency basis (+16.6%), were down 3.7% in euros.

The combined increase of volumes sold and average cement price (+10.6%), was offset by a 17.4% impact of operating currencies depreciation. Argentina Peso was down 31.1%, and so were the Brazilian Real (-16.0%), the Paraguayan Guarani (-12.3%) and the Egyptian Pound (-11.8%).

EBITDA went up 2.5 p.p. to €86.3M, benefiting from the higher contributions of Portugal[2] (+76.3%) and Africa (+17.1%). CO_2 licences sales out of Portugal mitigated the adverse forex impact, excluding the latter EBITDA would have increased 27.6%.

EBITDA margin was up 1.2 p.p. to 19.8%. The reinforced commercial approach combined with the efficiency initiatives pack undertook in 2016 – adjustments on the industrial grid, optimization of energy matrix and redesigned support to operations – came to mitigate cost inflation.

[1] Cement and clinker volumes
[2] Portugal and Cape Verde business unit

Adjusted EBITDA[3] stood at €87.6M, 1.3% down y-o-y. 1Q18 registered €1.3M of non-recurring items while 1Q17 registered €4.3M non-recurring items regarding indemnities related to the company's restructuring process.

Depreciation and Amortizations were down 7.7%, benefiting from forex.

Financial Results improved by 13.7%, 35.0% excluding forex impact. This follows the 37.1% net debt decrease vs. March 31, 2017 resulting from the execution of InterCement Deleveraging and Liability Management Plan.

Income taxes increased (€5.8M). Deferred taxes decreased, namely in Brazil as per the uncertainty regarding future income assumptions for such business unit.

Net Income improved 27.8% standing at a €22.4M loss.

3. Free Cash Flow

Unlike EBITDA, Adjusted EBITDA was down from 1Q17 (-1.3%) as per higher non-recurring items in the previous year, most of which (€4.3M) regarding indemnities from the company restructuring process.

Investments in working capital raised from higher seasonal activity, and from 2017 year end cash containment efforts.

Despite Debt decrease, Interests Paid and Derivatives compared negatively y-o-y, as derivatives effects benefitted 1Q17 figure by €26.2M and had negative impact of €8.2M in 1Q18.

CAPEX increased, namely due to disbursements related with the capacity increase project at the L'Amali plant in Argentina.

Despite the negative FCF to the company of €213.1M and the debt prepayments according to the Deleveraging and Liability Management Plan, Cash stood at €612.7M comparing favorably with 1Q17, benefitting particularly from the 2017 Loma Negra IPO and the sale of hydroelectric plants.

[3] EBITDA excluding non-recurring items

Free Cash Flow Generation Map		
million €	1Q18	1Q17
Adjusted EBITDA	87.6	88.7
Change in Working Capital	-166.5	-113.3
Others	-3.6	-4.5
Operating Activities	**-82.4**	**-29.1**
Interests Paid & Derivatives Unwinding	-55.2	-26.0
Income taxes Paid	-7.4	-6.1
Cash Flow before investments	**-145.0**	**-61.2**
CAPEX	-70.7	-44.1
Assets Sales / Others	2.7	1.8
Free Cash Flow to the company	**-213.1**	**-103.5**
Borrowings, financing and debentures	9.6	22.4
Repayment of borrowings, financ. and debent.	-324.8	-52.1
Other investment activities	38.4	31.7
Changes in cash and cash equivalents	-490.0	-101.4
Exchange differences	-34.9	1.3
Cash and cash equivalents, End of the Period	612.7	441.1

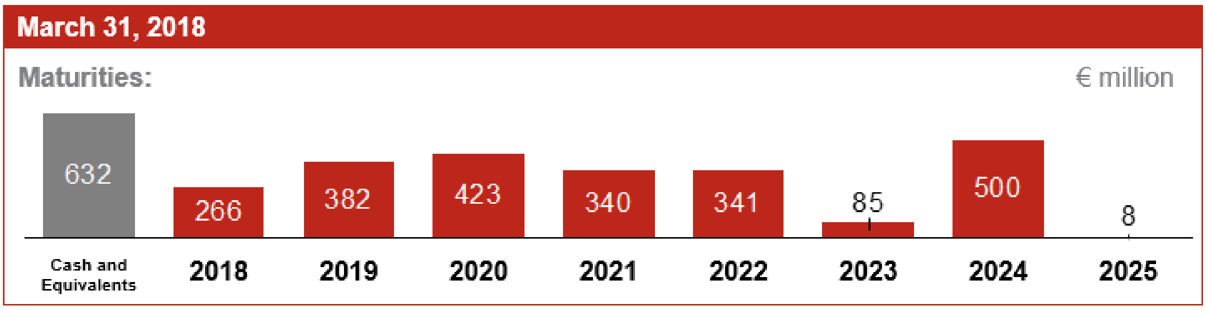
4. Balance Sheet

Total Assets stood at €4,445.0M, a 10.6% reduction from December 31, 2017, following the cash reduction used to debt prepayment and the depreciation of the booking currencies of the main assets (BRL and ARS).

Net Debt, pushed by seasonality, stood at €1,720.1M, 12.8% above December 31, 2017 year end, though 37.1% below March 31, 2017.

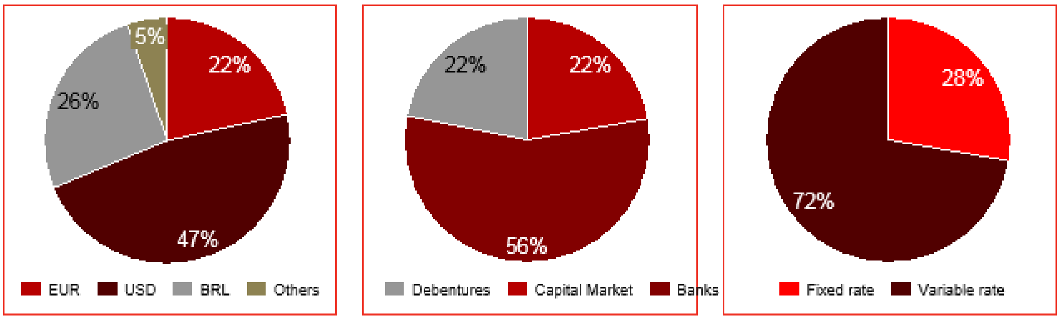
The Deleveraging and Liability Management Plan initiatives progressed with the prepayment of Debt in the amount of €263.6M up to March 31, envisaging the rebalancing of the maturity curve and expanding the average maturity. In this process, the Syndicated Loan and Bilateral Loans at holding companies were prioritized, by prepayments in the amount of €198.9M and €64.7M respectively.

Furthermore, since March 31 and according to the referred plan, loans in the amount of €133.2M maturing in 2019 were prepaid.



The profile of Debt as of March 31, 2018 was as follows.

Profile



Consolidated Balance Sheet Summary			
million €	Mar 31 '18	Dec 31 '17	Var. %
Assets			
Non-current Assets	3,212.2	3,269.3	-1.7
Derivatives	6.5	6.7	-2.8
Current Assets			
Cash, Equivalents and Securities	635.3	1,199.8	-47.1
Derivatives	3.4	3.9	-12.3
Other Current Assets	587.6	493.8	19.0
Total Assets	**4,445.0**	**4,973.5**	**-10.6**
Shareholders' Equity attributable to:			
Equity Holders	786.0	841.0	-6.5
Non-controling interests	450.3	462.5	-2.6
Total Shareholders' Equity	**1,236.3**	**1,303.5**	**-5.2**
Current Liabilities			
Loans & Obligations under finance leases	463.0	573.3	-19.2
Derivatives	0.0	0.0	n.a.
Provisions & Employee benefits	0.8	0.8	0.0
Other Current Liabilities	454.3	534.1	-14.9
Non-current Liabilities			
Loans & Obligations under finance leases	1,882.7	2,139.5	-12.0
Derivatives	16.9	16.6	1.9
Provisions & Employee benefits	130.1	138.0	-5.7
Other Non-current Liabilities	261.0	267.8	-2.5
Total Liabilities	**3,208.7**	**3,670.0**	**-12.6**
Total Liabilities & Shareholders Equity	**4,445.0**	**4,973.5**	**-10.6**

5. Operations in-depth look – 1Q18

Brazil

Despite the slower pace deceleration, cement consumption was still down by 3%[4], on a high idle capacity context, yet penalizing pricing environment.

In 1Q cement volumes sold in Brazil were impacted by less working days and a heavy rainy season in the north and northeast. InterCement exposure to highly competitive regions drew down cement and clinker volumes by 5.6%.

InterCement proceeded a strong commercial approach to targeted clients enhancing the perception of its value preposition. Assets optimization for efficiency mitigated the continued energy costs increases – MhW: +20.1%; Gcal: +10.2% - and the lower fixed cost dilution effect on EBITDA deterioration.

Argentina & Paraguay

Argentina and Paraguay business unit increased EBITDA generation by 30.3% in local currency, sustaining EBITDA margin above 25.9%. Even so, the depreciation of the ARS and PYG, reverted in a 6.8% lower EBITDA in euros.

Argentina

The momentum in private construction and infrastructure supported strong volumes growth of cement and clinker (+9.5%), concrete (+44.8%) and aggregates (+22.9%).

Through a balanced approach of growing the top line, Loma Negra has coupled expansion with due price adjustments, keeping EBITDA margin above 25%, despite de cost inflation effect.

Paraguay

Demand adjusted following continuous growth, but the reinforced commercial strategy allowed a market share increase of 1.4 p.p.. InterCement sales were down by 15.4%, though following a 17.7% increase in 2017.

Industrial operating excellence combined with higher activity – full capacity utilization - reaffirmed EBITDA margin above 40% as an internal and external benchmark.

Africa

InterCement cement and clinker volumes sold in Africa increased 11.3% in 1Q18, with all geographies posting higher sales in local currency. Furthermore, Egypt contribution drove Africa EBITDA up by 17.1%, despite adverse forex.

[4] SNIC – Brazilian National Cement Producers Association

Egypt

EBITDA generation more than doubled in Egypt.

Improving macroeconomics in Egypt drove demand up by 4%. InterCement, benefitted from lack of supply in nearby regions and took advantage of its redesigned commercial strategy and premium brand profile to tackle the market performance. Internal volumes sales increase 12.7%.

On the cost side, the operating flexibility and efficiency brought by energy matrix upgrade program, partially offset the steep increase of energy costs (+12.4% fuel, +43.7% electricity) and the consumption of stocked clinker acquired from third parties in 1Q'17.

Mozambique

Cement volumes raised 19.9% in 1Q'18. Even though the challenging political and economic context persisted, 1Q'18 recovered from 1Q'17, which was severely affected by political economical events that dragged down both cement demand and local currency.

Despite on a higher activity level, maintenance stoppages and energy costs constrained EBITDA performance.

In March, InterCement acquired a new grinding mill in the region of Matola (Mozambique) for the amount of USD 32.5M, reaffirming its commitment to the further economic development of the region.

South Africa

New political economic framework encouraged two-digit national demand growth. InterCement, as recently expanded its client base posted a 2% cement and clinker volume growth, beating its record high sales for first quarter.

Furthermore, Sales benefited from price increases rising from the new product mix and diverse client base.

Continuous growing activity has allowed InterCement to increase its capacity utilization according to this unit's industrial excellence plan. EBITDA margin was kept close to 19%.

Portugal & Cape Verde

Portuguese volumes increased backed by higher exports. Adverse weather conditions delayed demand growth in the internal market. EBITDA generation benefited from CO2 licenses sales.

Portugal

InterCement volumes grew 4.1%, moved by exports recovery (+8.3%). A redesigned exports strategy started targeting higher margin clients and geographies, allowing CO2 licenses sales of €8.6M in 2018, this combined effect resulted in a 86.6% increase of EBITDA.

Cape Verde

Major new works delay start to come back online, being expected to result in a gradual recovery.

Cement and Clinker Volumes Sold			
thousand tons	1Q18	1Q17	YoY
Brazil	1,810.7	1,917.9	-5.6%
Argentina	1,583.5	1,446.1	9.5%
Paraguay	139.8	147.5	-5.2%
Portugal	803.1	771.3	4.1%
Cape Verde	44.1	43.2	2.1%
Egypt	814.5	722.5	12.7%
Mozambique	300.9	251.0	19.9%
South Africa	357.6	350.6	2.0%
Sub-Total	**5,854.2**	**5,649.9**	**3.6%**
Intra-Group Eliminations	-63.4	-31.9	99.1%
Consolidated Total	**5,790.8**	**5,618.0**	**3.1%**

Sales			
million €	1Q18	1Q17	YoY
Brazil	100.0	121.0	-17.4%
Argentina	172.8	172.1	0.4%
Paraguay	14.3	16.9	-15.4%
Portugal	61.1	61.2	-0.2%
Cape Verde	7.3	6.9	4.7%
Egypt	27.5	24.0	14.8%
Mozambique	23.4	21.5	8.7%
South Africa	31.8	31.3	1.5%
Trading / Shipping	46.1	46.5	-0.9%
Others	11.8	10.9	7.9%
Sub-Total	**496.0**	**512.5**	**-3.2%**
Intra-Group Eliminations	-60.0	-59.5	0.8%
Consolidated Total	**436.1**	**453.0**	**-3.7%**

EBITDA			
million €	1Q18	1Q17	YoY
Brazil	7.1	8.9	-20.2%
Argentina & Paraguay	48.4	51.9	-6.8%
Portugal & Cape Verde	18.6	10.5	76.3%
Africa	13.2	11.2	17.1%
Trading / Shipping & Others	-1.0	1.6	-160.5%
Consolidated Total	**86.3**	**84.2**	**2.5%**
EBITDA margin	***19.8%***	***18.6%***	***1.2 p.p.***

6. Corporate and subsequent events

Deleveraging and Liability Management Plan

Since March 31, 2018, loans in the amount of €133.2M were prepaid, of which €108.0M concerning the syndicated loan, which matured in February 2019.

In addition, on April 13, a cross currency swap with the notional amount of USD204.4M was unwound and a new cross currency swap with the notional amount of USD102.2M to €82.9M was contracted, matching the new profile requirements of a bilateral loan according to the execution of the Deleveraging and Liability Management Plan.

Disclaimer:
This announcement contains forward-looking statements within the meaning of federal securities law that are subject to risks and uncertainties. These statements are only predictions based upon our current expectations and projections about possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," "predict," "potential," "seek," "forecast," or the negative of these terms or other similar expressions.
The forward-looking statements are based on the information currently available to us. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including, among others things: changes in general economic, political, governmental and business conditions globally, changes in inflation rates, fluctuations in the exchange rate of the peso, the level of construction generally, changes in cement demand and prices, changes in raw material and energy prices, changes in business strategy and various other factors.
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