Ciments Français
Italcementi Group

Press release

The Board of Directors examines results for the year 2013

- **CONSOLIDATED REVENUES**: 3,591.5 million euros
(3,727.4 million euros in 2012)
- **RECURRING EBITDA**: 642.9 million euros
(661.9 million euros in 2012)
- **NET GROUP CONSOLIDATED PROFIT**: 114.7 million euros
(-84.4 million euros in 2012)
- **NET PROFIT ATTRIBUTABLE TO OWNERS OF PARENT**: 48.1 million euros
(-141.7 million euros in 2012)
- **NET FINANCIAL DEBT**: 755.7 million euros as of 31 December 2013,
down 90.5 million euros on year-end 2012
- **DIVIDEND PROPOSED:** 3 euros per share, of which 1.50 euro paid on 7 August 2013 as interim dividend, balance dividend payable as from 5 May 2014

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Paris, 6 March 2014 - At a meeting held on 4 March 2014 and chaired by Jean-Paul Méric, the Board of Directors of Ciments Français (Italcementi Group), examined and approved the audited annual and consolidated accounts as of 31 December 2013.

In the countries where the Group operates, 2013 was another year affected by the repercussions of the economic crisis, which had a particularly notable impact on demand for construction materials in Western Europe; meanwhile, the Asian markets continued to make a positive contribution, while a recovery emerged in North America, although trends were not uniform in all areas. The situation remained difficult in Egypt, where limited energy availability reduced cement production capacity despite domestic demand.

Against a still difficult background, Ciments Français consolidated operating results for 2013 improved on 2012 (recurring EBITDA: +4.8%) excluding very negative exchange effects and CO_2 sales. The positive trend, already noticed in the second and third quarters, was also confirmed in the fourth quarter (recurring EBITDA: +5.8%).

With steady revenues (+0.2% at constant exchange rates), Group profitability improved due to the positive effects of the measures towards industrial efficiency and cost containment (75.7 million euros) carried out by the Group throughout the year and to the increase in sales prices. The net financial position was also strengthened thanks to improved cash flow and control of working capital requirements; net debt dropped by more than 90 million euros.

In view of the much lower impact of impairment of assets vs. 2012, net profit for 2013 was clearly positive (114.7 million euros) as opposed to a loss in 2012.

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Cement & clinker sales volumes for the full year dropped by 3.8% at 37.9 million tonnes due in part to the decline in the Emerging Europe, North Africa and Middle-East zone, and more specifically Egypt. Consumption continued to be flat in Western Europe. The trend in sales remained positive in Thailand (+5.5%) and India (+1.6%) while the recovery took hold in North America. **Aggregates** sales volumes were down 2.6% at 30.4 million tonnes. The drop in activity levels was observed in every country apart from Morocco and France/Belgium. **Ready mix concrete** sales volumes were up 3.1% at 9.5 million cubic meters. The increase was particularly significant in Thailand, Morocco and Kazakhstan.

In 2013, Group **consolidated revenues** totaled 3,591.5 million euros, down 3.6% (+0.2% at constant exchange rates).

Recurring EBITDA amounted to 642.9 million euros as of 31 December 2013, down 2.9%. Net of the unfavorable exchange-rate effects (particularly Egyptian pound, Indian rupee and US dollar) and impact of the absence of sale of CO_2 emission rights, recurring EBITDA increased by more than 30 million euros (+4.8%) compared to 2012. The most significant improvements related to Thailand, France/Belgium, North America and Morocco. The highest declines related to Egypt and India.

After recognition of 332.8 million euros in amortization & depreciation and much lower impairment (12.9 million euros) compared to 2012, **EBIT** considerably increased at 288.2 million euros (45 million euros in 2012).

Finance costs, net of finance income, totaled 76.1 million euros in 2013 (46.0 million euros in 2012), including 57.7 million euros related to net costs on financing operations (up 8.9 million euros from 2012). After recognition of 8.5 million euros in profit from associates (-24.4%) and 106.0 million euros in tax expense (+3.0%), **net Group consolidated profit** amounted to 114.7 million euros (-84.4 million euros in 2012).

The **share of profit attributable to the owners of the parent** was 48.1 million euros, while the share attributable to non-controlling interests (mainly in Egypt and Morocco) amounted to 66.6 million euros.

Group **investments in industrial and intangible assets** amounted to 295.2 million euros as of 31 December 2013, up 11.3% as opposed to 2012; they related to the completion of strategic industrial projects.

Despite those investments, **net consolidated financial debt** improved by 90.5 million euros at 755.7 million euros at the end of December 2013 (846.2 million euros as of 31 December 2012).

Total equity was 3,508.9 million euros (3,782.9 as of 31 December 2012); the decrease was primarily due to the exchange effect (237 million euros). The **gearing ratio** was 21.5% compared to 22.4% at the end of December 2012.

Ciments Français SA net profit amounted to 47.7 million euros (50.2 million euros in 2012).

The next General Meeting to be held on 11 April 2014 will be asked to approve a **dividend** of **3 euros** per share, for which an interim dividend of 1.50 euro was paid on 7 August 2013. The balance dividend will be payable as from 5 May 2014.

OUTLOOK

The economic evolution of Group countries together with newly emerging trends in 2013 tend to suggest a smaller decrease in Western Europe, a moderate increase in the United States and Asia and a consolidation in North Africa with a recovery in Egypt.

As such, the Group expects EBITDA for 2014 to be in line with that of 2013. The volume effect should be globally neutral while cost inflation should be offset by a future price improvement and the pursuit of our cost-efficiency actions.

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Fourth quarter 2013

During the **fourth quarter of 2013** Group revenues remained steady (+0.7% at constant exchange rates) despite lower volumes while EBITDA increased by 5.8%, excluding CO_2 and exchange effects.

Quarterly trend	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Total
Revenues	819.4	1,011.7	899.0	861.4	**3, 591.5**
% change vs. 2012	-7.3 %	-1.6 %	-1.5 %	-4.5 %	
Recurring EBITDA	112.3	195.0	174.5	161.0	**642.9**
% change vs. 2012	-14.8 %	+1.4 %	+2.0 %	-3.4 %	
% in revenues	13.7 %	19.3 %	19.4 %	18.7 %	
EBITDA	112.4	193.0	172.6	156.0	**633.9**
% change vs. 2012	-14.9 %	+0.8 %	+0.6 %	-9.0 %	
% in revenues	13.7 %	19.1 %	19.2 %	18.1 %	
EBIT	31.0	108.2	80.6	68.5	**288.2**
% change vs. 2012	-32.5 %	+4.3 %	-4.3 %	ns	
% in revenues	3.8 %	10.7 %	+9.0 %	8.0 %	
Group consolidated net profit	0.6	47.9	31.0	35.3	**114.7**
% change vs. 2012	-43.6 %	-36.0 %	-44.7 %	ns	
% in revenues	0.1 %	4.7 %	3.4 %	+4.1 %	
of which attributable to:					
- owners of the parent	(22.8)	30.8	20.7	19.4	
- Non-controlling interests	23.4	17.1	10.3	15.9	
Net financial debt (end of period)	917.9	808.0	851.0	755.7	

ns: not significant

BUSINESS TREND FOR 2013

Western Europe

(in millions of euros)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
France/Belgium	1,473.4	1,501.7	265.5	266.5	263.7	267.7	169.5	172.6
Spain	99.4	111.3	(2.6)	(1.3)	(14.0)	(4.4)	(44.8)	(177.4)
Other segment*	24.2	28.4	(3.8)	(3.8)	(3.8)	(3.8)	7.0	(43.3)
Intra-zone eliminations	(11.4)	(17.4)	-	-	-	-	-	-
TOTAL	**1,585.6**	**1,623.9**	**259.1**	**261.4**	**245.9**	**259.5**	**131.6**	**(48.2)**

** Greece*

North America

(in millions of euros)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
TOTAL	**428.7**	439.5	**55.0**	48.8	**61.1**	55.6	**(3.8)**	(12.1)

Emerging Europe, North Africa & Middle East

(in millions of euros)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Egypt	498.9	563.9	110.1	126.9	106.0	127.1	52.0	(17.9)
Morocco	325.2	325.4	143.1	137.3	147.3	137.7	107.2	100.6
Other segments*	116.3	115.6	14.1	22.5	14.5	22.6	2.1	13.0
Intra-zone eliminations	-	-	-	-	-	-	-	-
TOTAL	**940.4**	**1,004.9**	**267.3**	**286.7**	**267.9**	**287.3**	**161.3**	**95.7**

** Bulgaria, Kuwait*

Asia

(in millions of euros)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Thailand	269.2	227.9	51.5	30.3	52.5	30.1	28.4	5.6
India	213.5	248.6	28.4	52.0	28.9	51.4	10.0	32.5
Other segment*	49.4	44.4	0.3	3.5	-	3.5	(7.0)	(2.9)
TOTAL	**532.1**	**520.9**	**80.2**	**85.8**	**81.4**	**84.9**	**31.4**	**35.2**

** Kazakhstan*

Cement/clinker trading

(in millions of euros)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
TOTAL	**176.2**	213.0	**6.8**	9.0	**6.8**	9.0	**(1.9)**	5.8

Group total

(in millions of euros)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	2013	2012	2013	2012	2013	2012	2013	2012
Others* and eliminations	(71.6)	(74,9)	(25.6)	(29.7)	(29.2)	(29.7)	(30.5)	(31.5)
GROUP TOTAL	**3,591.5**	**3,727.4**	**642.9**	**661.9**	**633.9**	**666.6**	**288.2**	**45.0**

** Others: fuel trading, headquarters and holding companies*

Revenues and recurring EBITDA in "Other countries"

(in millions of euros)	Revenues		Recurring EBITDA	
	2013	2012	2013	2012
Greece	24.2	28.4	(3.8)	(3.8)
Western Europe	**24,2**	**28.4**	**(3.8)**	**(3.8)**
Bulgaria	59.5	59.7	9.3	17.9
Kuwait	56.9	56.0	4.9	4.6
Emerging Europe, North Africa & Middle East	**116.3**	**115.6**	**14.1**	**22.5**
Kazakhstan	49.4	44.4	0.3	3.6
Asia	**49.4**	**44.4**	**0.3**	**3.6**

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The results of Italcementi and Ciments Français for the year 2013 will be illustrated during an **Analysts Meeting** to be held in **Milan**, on **Friday 7 March 2014 at 09:30 am**. The presentation will also be available on webcast and audio conference on the www.italcementigroup.com and www.cimfra.com websites.

ON THE INTERNET: www.cimfra.com & www.italcementigroup.com

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Appendix

Ciments Français Group - Statement of Financial Position

(in millions of euros)	31 December 2013	31 December 2012 *
Property. plant & equipment	3,158.8	3,356.6
Investment property	7.1	10.4
Goodwill	1,102.9	1,196.0
Intangible assets	59.4	44.6
Investments in associates	183.9	202.0
Other equity investments	39.7	65.3
Deferred tax assets	11.1	10.2
Other non-current assets	74.6	73.1
Total non-current assets	**4,637.5**	**4,958.2**
Inventories	511.0	556.7
Trade receivables	355.6	379.1
Other current assets	200.9	233.1
Tax assets	22.3	18.5
Equity investments. bonds and financial assets	16.7	17.6
Cash and cash equivalents	450.5	539.1
Total current assets	**1,557.1**	**1,744.2**
Total assets	**6,194.6**	**6,702.4**
Share capital	143.2	143.2
Share premium	947.0	947.0
Reserves	(134.6)	33.1
Treasury shares	(16.5)	(17.1)
Retained earnings	1,841.4	1,890.6
Equity (attributable to owners of parent)	**2,780.4**	**2,996.8**
Non-controlling interests	728.5	786.1
Total equity	**3,508.9**	**3,782.9**
Financial liabilities	1,128.7	1,270.3
Employee benefits	175.5	201.7
Provisions	142.7	148.1
Deferred tax liabilities	196.9	184.7
Other non-current liabilities	7.5	10.1
Total non-current liabilities	**1,651.3**	**1,814.9**
Loans and borrowings	57.6	54.9
Financial liabilities	70.6	122.6
Trade payables	439.5	476.4
Provisions	1.7	0.6
Tax liabilities	36.1	31.0
Other current liabilities	428.9	419.2
Total current liabilities	**1,034.4**	**1,104.6**
Total equity and liabilities	**6,194.6**	**6,702.4**

* For comparative purposes, data for 2012 has been retreated in accordance with IAS 19 revised (Employee benefits) which is applied by the Group as from 1 January 2013 with retrospective effect to 1 January 2012.

Ciments Français Group - Income statement

(in millions of euros)	31 December 2013		31 December 2012 *		2013/2012 % change
	Amounts	**%**	**Amounts**	**%**	
Revenues	**3 591.5**	**100.0%**	**3 727.4**	**100.0%**	**-3.6%**
Other revenues	19.3		16.5		
Change in inventories	1.9		8.4		
Internal work capitalized	19.4		12.8		
Raw materials and utilities	(1,407.0)		(1,511.4)		
Service expense	(934.0)		(957.6)		
Personnel expense	(593.5)		(610.5)		
Other operating income (expense)	(54.5)		(23.6)		
Recurring EBITDA	**642.9**	**17.9%**	**661.9**	**17.8%**	**-2.9%**
Net capital gains (losses) on sale of fixed assets	11.0		9.2		
Other non-recurring income (expense)	(20.0)		(4.5)		
EBITDA	**633.9**	**17.7%**	**666.6**	**17.9%**	**-4.9%**
Amortization and depreciation	(332.8)		(350.7)		
Impairment	(12.9)		(270.9)		
EBIT	**288.2**	**8.0%**	**45.0**	**1.2%**	
Finance income	23.8		45.9		
Finance costs	(84.1)		(93.2)		
Fair value gains (losses) on derivatives and exchange rates	1.2		1.5		
Impairment on financial assets	(17.0)		(0.2)		
Finance income (costs). net	**(76.1)**		**(46.0)**		
Share of profit of associates	8.5		11.3		
Profit (loss) before tax	**220.6**	**6.1%**	**10.3**	**0.3%**	
Tax expense	(106.0)		(102.8)		
Net profit (loss) from continuing operations	**114.7**	**3.2%**	**(92.5)**	**-2.5%**	
Net profit (loss) from discontinued operations	-		8.2		
Net profit (loss)	**114.7**	**3.2%**	**(84.4)**	**-2.3%**	
Of which share attributable to:					
- Owners of the parent	48.1		(141.7)		
- Non-controlling interests	66.6		57.4		

* For comparative purposes, data for 2012 has been retreated in accordance with IAS 19 revised (Employee benefits) which is applied by the Group as from 1 January 2013 with retrospective effect to 1 January 2012.

Ciments Français Group - Consolidated Statement of Comprehensive Income

(in millions of euros)	31 December 2013	31 December 2012 *
	Amounts	Amounts
Profit for the period	**114.7**	**(84.4)**
Actuarial gains (losses) on employee benefits	**23.1**	**(18.6)**
Income tax on items with no possible reclassification in profit or loss	(3.7)	9.0
Total items with no possible reclassification in profit or loss	**19.4**	**(9.6)**
Translation differences on foreign operations	(237.2)	(93.5)
Fair value gains (losses) on cash flow hedging	1.6	(9.6)
Changes in available-for-sale financial assets	(4.5)	(23.8)
Income tax on items with possible reclassification in profit or loss	(0.7)	2.1
Total items with possible reclassification in profit or loss	**(240.8)**	**(124.8)**
Total other comprehensive income (expense) net of tax effect	**(221.3)**	**(134.3)**
Total comprehensive income (expense)	**(106.7)**	**(218.7)**
Attributable to:		
- Owners of the parent	(100.5)	(244.1)
- Non-controlling interests	(6.2)	25.4

* For comparative purposes, data for 2012 has been retreated in accordance with IAS 19 revised (Employee benefits) which is applied by the Group as from 1 January 2013 with retrospective effect to 1 January 2012.

Statement of change in net financial debt

(in millions of euros)	2013	2012
Cash flow from operating activities	497.6	467.6
Change in working capital requirement	(2.2)	66.6
Change in operating assets and liabilities	22.5	(18.9)
Total cash flow from operating activities	**517.8**	**515.3**
Investments in PPE and intangible assets	(295.2)	(265.2)
Cash flow from operating activities net of capital expenditure	**222.6**	**250.1**
Equity investments	(1.3)	(0.3)
Disinvestments	19.8	59.6
Dividends paid	(156.3)	(169.3)
Net cash flows from discontinued operations	-	44.2
Change in foreign exchange and others	5.7	(9.1)
Change in net financial debt	**90.5**	**175.2**

Financial position	31 December 2013	31 December 2012	30 September 2013	30 June 2013
Net financial debt	755.7	846.2	851.0	808.0
Total equity	3,508.9	3,782.9	3,541.3	3,623.3