Ciments Français S.A.
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CIMENTS FRANÇAIS
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Share capital: 143,432,944 euros
divided into 35,858,236 shares at 4 euros each

QUARTERLY FINANCIAL INFORMATION AS OF MARCH 31, 2014

Data related to 2013 has been restated pursuant to IFRS 10, 11 and 12 applicable retrospectively as of 1 January 2014 (see page 7)

FINANCIAL HIGHLIGHTS

- **CONSOLIDATED REVENUES**: 807.2 million euros
  (819.1 million euros in the first quarter of 2013)
- **RECURRING EBITDA**: 92.7 million euros
  (112.3 million euros in the first quarter of 2013)
- **EBIT**: 16.2 million euros
  (31.2 million euros in the first quarter of 2013)
- **NET CONSOLIDATED PROFIT** : -13.5 million euros
  (0.5 million euros in the first quarter of 2013)
- **NET FINANCIAL DEBT**: 845.5 million euros
  (750.4 million euros as of 31 December 2013 and 910.3 million euros as of 31 March 2013)

SIGNIFICANT EVENTS FOR THE QUARTER

Traditionally, the first quarter is influenced by the seasonal character of the business activity and is therefore not representative of the trend for the whole year.

On 6 March 2014, Italcementi S.p.A. announced that it was contemplating a simplified tender offer on Ciments Français shares. During its meeting on 10 March, the Board of Directors of Ciments Français examined the main terms of the project; it also mandated its independent directors to review the terms and conditions of the proposed transaction and to supervise the work of the independent expert. On 12 March, the Board of Directors ratified the appointment of FINEXSI as the independent expert by the independent directors; its mission is to prepare a report on the financial conditions of the project the conclusions of which will take the form of a fairness opinion. Following its filing, the simplified tender offer will be opened upon approval of the *Autorité des marchés financiers*; it will be followed by a delisting procedure towards Ciments Français in the event that Italcementi S.p.A. would hold more than 95% of Ciments Français share capital and voting rights at the end of the offer.

FINANCIAL STATEMENTS AS OF MARCH 31, 2014

At a meeting on 6 May chaired by Jean-Paul Méric, the Board of Directors of Ciments Français (Italcementi Group), examined and approved the unaudited consolidated accounts as of 31 March 2014.

Income statement	**31 March 2014**		**31 March 2013**		**2014/2013 % change**
(in millions of euros)	**Amounts**	**%**	**Amounts**	**%**	
Revenues	**807.2**	100%	**819.1**	100%	-1.5%
Other revenues	2.8		4.2		
Change in inventories	(0.5)		6.1		
Internal work capitalized	1.7		2.1		
Raw materials and utilities	(332.7)		(341.0)		
Service expense	(224.8)		(217.2)		
Personnel expense	(145.8)		(146.2)		
Other operating income (expense)	(15.1)		(14.7)		
Recurring EBITDA	**92.7**	11.5%	**112.3**	13.7%	-17.4%
Net capital gains (losses) on sale of fixed assets	0.6		1.9		
Other non-recurring income (expense)	ns		(1.8)		
EBITDA	**93.3**		**112.3**	13.7%	-17.0%
Amortization and depreciation	(77.6)		(81.2)		
Impairment	0.5		ns		
EBIT	**16.2**	2.0%	**31.2**	3.8%	-48.1%
Finance income	4.0		6.2		
Finance costs	(19.9)		(19.4)		
Gains (losses) on derivatives and exchange rates	(4.3)		6.7		
Finance income (costs), net	**(20.3)**		**(6.5)**		
Share of profit (loss) of associates	(0.5)		(1.3)		
Profit (loss) before tax	**(4.6)**	-0.6%	**23.4**	2.9%	
Tax expense	(8.8)		(22.9)		
Net profit (loss)	**(13.5)**	-1.7%	**0.5**	0.1%	
- attributable to owners of the parent	(31.0)		(22.8)		
- attributable to non-controlling interests	17.5		23.3		

Financial position	**31 March 2014**	**31 December 2013**	**31 March 2013**
Net financial debt	845.5	750.4	910.3
Total equity	3,471.9	3,515.4	3,778.1

Cement sales showed a slight recovery in the **first quarter of 2014** in all the areas of activity, except for North America which was penalized by particularly adverse weather conditions. The improvement in the economic situation echoed more favorably in the countries of Western Europe than in the emerging countries. The demand remained sustained in the countries of Asia and, to a lesser extent, in North Africa.

In such an environment and given a global price level in line with the previous quarter, with a significant increase in Thailand and in Egypt - where prices followed the costs of fuels -, revenues for the first quarter of 2014 amounted to 807.2 million euros, however down 1.5% on the year-earlier period because of a very negative foreign exchange impact (essentially Egyptian pound, Thai baht and Indian rupee). Excluding that impact, revenues were up 2.5%.

Additionally, operating results for the period were affected by the temporary change in inventories. The overall impact of higher costs was only offset in part by price trend and efficiency measures.

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Cement and **clinker** sales volumes were up 1.9% at 9.0 million tonnes. Sales volumes increased in all the countries of the Western Europe zone (+14.3%). Sales remained stable in Morocco (+0.1%) and Egypt (+2.8%) but strongly declined in Bulgaria (-15.0%). North America was affected by adverse weather conditions resulting in a decrease of 15.3% in sales volumes. The price trend was particularly favorable in Thailand (+9.4%) and Egypt (+8.3%).

Aggregates sales volumes amounted to 6.5 million tonnes, slightly down (-2.7%). The slowdown mainly affected North America (-41.2%), Morocco (-40.5%), Spain (-39.6%) and Thailand (-27.5%).

Ready mix concrete sales volumes were up 3.8% at 2.2 million cubic meters primarily due to a significant increase in Thailand (+43.7%) which compensated for the drop in Morocco (-21.7%).

Consolidated **revenues** for the quarter amounted to 807.2 million euros, down 1.5% (+2.5% at comparable exchange rates) on the year-earlier period.

Recurring EBITDA was down 17.4% at 92.7 million euros despite a slight recovery in volumes and margins, due to the temporary change in inventories and the negative foreign exchange effect (-13.3% excluding foreign exchange).

EBIT declined by 48.1% at 16.2 million euros after recognition of 78 million euros in amortization and depreciation (81 million euros in the first quarter of 2013).

After recognition of 20.3 million euros in net interest expenses (6.5 million euros in the first quarter of 2013), affected by the negative impact in 2014 of foreign exchange movements of -4.1 million euros (as against +7.5 million euros in the first quarter of 2013), the **net consolidated profit/loss** amounted to -13.5 million euros as against 0.5 million euros in the first quarter of 2013.

The **share of profit/loss attributable to owners of the parent** was -31.0 million euros as against -22.8 million euros in the first quarter of 2013. The **share of profit/loss attributable to non-controlling interests** amounted to 17.5 million euros (23.3 million euros in the first quarter of 2013).

Investments in industrial assets over the first three months of 2014 amounted to 118.6 million euros up on the first quarter of 2013 (68.5 million euros). They related mainly to India, Bulgaria, France/Belgium and Egypt.

As of 31 March 2014 **net financial debt** reported a slight increase of 95.0 million euros at 845.5 million euros as against 750.4 million euros as of 31 December 2013 (but was down 64.8 million euros from 31 March 2013).

Total equity amounted to 3,471.9 million euros as against 3,515.4 million at the end of December 2013. The **debt to equity ratio** (net financial debt/total equity) was 24.4% compared to 21.3% as of 31 December 2013.

OUTLOOK

Despite a difficult start to the year, the Group confirms its objectives to maintain a stable EBITDA (excluding foreign exchange effect and costs related to the new commercial program launched at the end of September 2013).

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BUSINESS TREND FOR THE FIRST QUARTER OF 2014

Sales volumes by geographical segment and by business segment

Sales and internal transfers [(1)]	**Cement & clinker** *(millions of tonnes)*			**Aggregates** *(millions of tonnes)*			**Ready mix concrete** *(millions of m^3)*		
	Q1 2014	**% change vs. Q1 2013**		**Q1 2014**	**% change vs. Q1 2013**		**Q1 2014**	**% change vs. Q1 2013**	
		A	B		A	B		A	B
Western Europe	2.2	+14.3	+14.3	6.0	+2.8	+2.8	1.2	+3.6	+3.6
North America	0.6	-15.3	-15.3	0.2	-41.2	-41.2	0.1	-6.1	-6.1
Emerging Europe, North Africa & Middle East	3.3	-0.2	-0.2	0.3	-40.5	-40.5	0.6	-4.4	-9.6
Asia	2.8	+1.9	+1.9	ns	ns	ns	0.3	+35.7	+35.7
Cement/clinker trading	0.8	+30.3	+30.3	-	-	-	ns	ns	ns
Eliminations	(0.7)	-	-	-	-	-	-	-	-
Total	**9.0**	**+1.9**	**+1.9**	**6.5**	**-2.7**	**-2.7**	**2.2**	**+3.8**	**+2.0**

Western Europe: France, Belgium, Spain & Greece **North America**: U.S.A., Canada & Puerto Rico
Emerging Europe, North Africa & Middle East: Egypt, Morocco, Bulgaria, Kuwait & Saudi Arabia
Asia: Thailand, India & Kazakhstan
(1) Amounts given relate to fully consolidated companies and companies consolidated using the proportionate consolidation method up to Group share.
A: at historical consolidation scope B: at comparable consolidation scope ns: not significant

ECONOMIC TREND FOR THE FIRST QUARTER OF 2014

Breakdown by business segment

Revenues *(M€)*	**Q1 2014**	**Q1 2013**	**% changes vs. Q1 2013** Historical basis	**% changes vs. Q1 2013** Comparable basis & exchange rates
Cement & clinker	541.3	555.8	-2.6%	+2.8%
Aggregates / RMC	231.0	231.3	-0.1%	+0.7%
Others	34.9	32.0	+9.1%	+10.7%
Total	**807.2**	**819.1**	**-1.5%**	**+2.5%**

Breakdown by geographical segment

Western Europe

(M€)	**Revenues**		**Recurring EBITDA**		**EBITDA**		**EBIT**	
	Q1 2014	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013
France/ Belgium	327.7	319.8	34.6	37.2	35.0	36.3	12.7	14.0
Spain	24.9	21.7	2.5	(0.5)	2.5	(0.6)	(0.7)	(4.4)
Other country*	6.4	5.0	(0.5)	(1.4)	(0.5)	(1.4)	(1.6)	(2.0)
Intra-zone eliminations	(3.0)	(2.5)	-	-	-	-	-	-
Total	**356.0**	**344.0**	**36.6**	**35.4**	**37.0**	**34.4**	**10.5**	**7.7**

* Greece

North America

(M€)	**Revenues**		**Recurring EBITDA**		**EBITDA**		**EBIT**	
	Q1 2014	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013
Total	**61.3**	**74.1**	**(23.0)**	**(11.7)**	**(22.9)**	**(11.3)**	**(39.2)**	**(27.8)**

Emerging Europe, North Africa & Middle East

(M€)	**Revenues**		**Recurring EBITDA**		**EBITDA**		**EBIT**	
	Q1 2014	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013
Egypt	137.6	136.4	28.0	37.6	27.9	37.4	16.0	24.0
Morocco	76.1	80.1	30.9	37.1	30.9	37.9	21.7	28.9
Other countries*	24.3	25.3	3.1	1.6	3.2	1.9	13.9	0.3
Total	**238.1**	**241.7**	**62.0**	**76.3**	**61.9**	**77.1**	**39.0**	**53.1**

* Bulgaria, Kuwait & Saudi Arabia.

Asia

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2014	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013
Thailand	69.1	66.5	18.0	9.1	18.1	9.0	13.3	2.9
India	52.3	61.3	3.6	10.9	3.7	10.9	(0.4)	5.9
Other country*	3.7	8.2	(1.7)	(0.3)	(1.7)	(0.3)	(3.1)	(2.0)
Total	**125.1**	**136.0**	**20.0**	**19.7**	**20.1**	**19.6**	**9.7**	**6.8**

* Kazakhstan

Cement/clinker trading

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2014	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013
Total	**46.6**	**39.0**	**2.5**	**1.8**	**2.5**	**1.8**	**1.9**	**1.1**

Group total

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2014	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013	**Q1 2014**	Q1 2013
Others & eliminations*	(20.0)	(15.6)	(5.4)	(9.3)	(5.4)	(9.3)	(5.7)	(9.7)
Group Total	**807.2**	**819.1**	**92.7**	**112.3**	**93.3**	**112.3**	**16.2**	**31.2**

* Others: fuel trading, headquarters & holding companies

Revenues and recurring EBITDA in "Other countries"

(in millions of euros)	Revenues		Recurring EBITDA	
	Q1 2014	Q1 2013	**Q1 2014**	Q1 2013
Greece	6.4	5.0	(0.5)	(1.4)
Western Europe	**6.4**	**5.0**	**(0.5)**	**(1.4)**
Bulgaria	9.7	10.5	2.2	0.4
Kuwait	13.0	14.8	0.7	1.3
Saudi Arabia	1.6	-	0.1	-
Emerging Europe, North Africa & Middle East	**24.3**	**25.3**	**3.1**	**1.6**
Kazakhstan	3.7	8.2	(1.7)	(0.3)
Asia	**3.7**	**8.2**	**(1.7)**	**(0.3)**

Statement of change in net financial debt

(in millions of euros)	**31 March 2014**	**31 March 2013**
Cash flow from operating activities	51.3	88.0
Change in working capital requirement	(9.6)	(75.9)
Total cash flow from operating activities	**41.7**	**12.1**
Investments in PPE and intangible assets	(97.4)	(59.5)
Change in PPE and intangible assets payables	(21.2)	(8.9)
Cash flow from operating activities net of capital expenditure	**(76.9)**	**(56.3)**
Equity investments	(0.8)	(0.6)
Disinvestments	1.9	2.3
Dividends paid	0.2	(0.7)
Change in foreign exchange on NFP and others	(19.4)	(16.3)
Change in net financial debt	**(95.0)**	**(71.6)**

IFRS accounting standards

The first application of IFRS 10, 11 and 12 has mainly led to consolidate joint ventures using the equity method as opposed to the proportionate method previously used. This change in method, which has no impact on either equity nor on the net profit/loss attributable to owners of the parent, affects the presentation of assets, liabilities, income statement and cash flow statement. For the Group, these impacts are limited. 2013 financial statements restated show a reduction of 4.1 million euros in revenues, of 1.6 million euros in EBITDA and of 5.2 million euros in net financial debt compared to the published 2013 financial statements.

Paris, 14 May 2014