

ITALMOBILIARE AND HEIDELBERGCEMENT TO CREATE THE GLOBAL #1 IN AGGREGATES, #2 IN CEMENT AND #3 IN READY-MIX CONCRETE. ITALCEMENTI'S OPERATIONS, INNOVATION AND KNOW HOW WILL ALLOW HEIDELBERGCEMENT TO BROADEN ITS PLATFORM TO OVER 60 COUNTRIES

- *The agreement, which generates significant value for both groups, leads to the creation of a best in class player in the building materials sector, which is currently undergoing an extensive consolidation phase worldwide. The combination with Italcementi allows HeidelbergCement, thanks its perfect geographical fit, to broaden its portfolio markets adding further diversification between emerging and mature countries. The overall cement production capacity jumps to about 200 million tons, aggregates sales rise to 275 million tons and ready-mix concrete sales to 49 million m³, creating, respectively, the second largest cement producer, the market leader in aggregates and the third ready-mix concrete player globally.*
- *The agreement between Italmobiliare and HeidelbergCement contemplates:*
 - *the purchase by HeidelbergCement of Italmobiliare's stake in Italcementi at a price of € 10.60 per share, representing a premium of 70.6% based on the weighted average Stock Market price in the last 3 months, for a total amount of € 1,666 million. In case of certain unforeseen negative events before closing, customary price reduction mechanisms have been contractually agreed.*
 - *the allotment to Italmobiliare, as part of the overall price consideration paid to the company, of HeidelbergCement shares representing approximately 4.0% to 5.3% of the share capital at Italmobiliare's discretion, through a reserved share capital increase, for a value of 560-760 million euro. Accordingly, Italmobiliare will become the second industrial shareholder of HeidelbergCement with a representative on the Supervisory Board.*
 - *the completion of the transaction subject to the relevant Antitrust Authorities approvals which is expected to occur in 2016.*
- *Following closing of this agreement, HeidelbergCement will launch a mandatory tender offer in cash to the remaining shareholders of Italcementi at the same price per share paid to Italmobiliare.*
- *Italmobiliare, as part of the same agreement, has committed to acquire certain non-core assets of Italcementi, which include Italgem active in the renewable energy sector, BravoSolution which operates in the e-procurement space and certain real estate properties.*
- *At the closing, Italmobiliare's available cash will amount to approximately € 670-870 million, depending on HeidelbergCement shares allotment.*

Milan, 28 July 2015 – Italmobiliare and HeidelbergCement, following the agreement regarding the sale to HeidelbergCement of Italmobiliare's 45% stake held in Italcementi, have decided to play an active role in the ongoing consolidation of the construction materials industry by creating the leading global player in the aggregates sector, the number two in cement and the third in ready-mix concrete. The rationale of this combination is further supported by the perfect geographical fit with HeidelbergCement's existing footprint, the limited overlap of plants in Belgium and the US, the significant potential for synergies and the combination of strong Innovation and R&D capabilities of both companies. The combined group will have a production capacity of about 200 million tons of cement, 275 million tons of aggregates sales and 49 million m3 of ready-mix concrete sales with pro-forma 2014 revenues of about €16.8 billion, generated in more than 60 countries worldwide.

The relevant competent bodies of Italmobiliare and HeidelbergCement have approved the transaction.

*“Italcementi and HeidelbergCement have been operating in the construction materials sector for more than a century and a half – **recall the Chairman Giampiero Pesenti** - This long journey, including the strong technical and business know-how, is now shared with a forward-looking attitude to ensure continuity and growth for both groups. From our history, we have inherited values that together with our entrepreneurship have been the key pillars to develop a worldwide group like Italcementi. Every entrepreneur knows that preserving the future of its company is more important than protecting its mere control.”*

*“The agreement reached today, represents both for Italcementi and HeidelbergCement the best option in terms of future development and value creation, well above what the two companies could have achieved on a stand-alone basis – **highlights the CEO Carlo Pesenti** - The two groups' profile is complementary and allows unlocking synergies which will create industrial value in an increasingly consolidated market. With this transaction, we strengthen the future of Italcementi and secure the financial resources for further development of Italmobiliare investment portfolio”.*

*“The combination of HeidelbergCement and Italcementi is a natural fit. No other two major Groups in the industry have a similar geographical complementarity - **explains Bernd Scheifele , CEO of HeidelbergCement**. - Italcementi with its long tradition, its prestigious brands and its strong positions in Italy and other markets will become an important part of HeidelbergCement. By joining forces we can accelerate our growth, and we see significant potential for value creation from the realization of synergies and the combination of our proven standards of operational and commercial excellence with the state of the art R&D capabilities of Italcementi. At HeidelbergCement, we are operating in a decentralized setup with strong local management and brands and we look forward to work with the management and R&D team in Bergamo. On top, we are delighted that Italmobiliare will become the second largest industrial shareholder of HeidelbergCement”.*

The agreement between Italmobiliare and HeidelbergCement contemplates:

- the purchase by HeidelbergCement of Italmobiliare's stake in Italcementi at a price of € 10.60 per share, representing a premium of 70.6% based on the weighted average Stock Market price in the last 3 months, for a total amount of € 1,666 million. Based on this evaluation and, considering also the net financial position and the value of the minority interests, the transaction values Italcementi's Enterprise Value around € 7 billion. In case of certain unforeseen negative events before closing, customary price reduction mechanism have been contractually agreed.
- the allotment to Italmobiliare of HeidelbergCement shares, as part of the overall price consideration - through a reserved share capital increase, of approximately 4.0% to 5.3% (equal to 7.75 - 10.5 million shares at Italmobiliare's discretion) of HeidelbergCement share capital, for a value of 560 to 760 million euro. As a result, Italmobiliare will become HeidelbergCement second industrial shareholder with a representative on the Supervisory Board.
- the price of the new HeidelbergCement shares to be issued to Italmobiliare to be the highest between € 72.5 and the weighted average market price of HeidelbergCement shares during the month before the closing. Once the share price and the number of HeidelbergCement shares to be received by Italmobiliare are determined, the difference with respect to the total consideration agreed for the Italcementi shares, fixed at € 10.60 will be paid in cash by HeidelbergCement to Italmobiliare (subject to the above mentioned price adjustment mechanisms).
- the completion of the transaction subject to the relevant Antitrust Authorities approvals which is expected to occur in 2016.
- the undertaking by Italmobiliare to acquire certain non-core assets of Italcementi which include Italgen active in the renewable energy sector, BravoSolution which operates in the e-procurement space and certain real estate properties. The total value of these assets is around € 241 million.

Following the closing of the share purchase, HeidelbergCement will launch a mandatory tender offer in cash to the remaining shareholders of Italcementi at the same price per share paid to Italmobiliare.

This agreement envisages certain shareholders arrangements related to the transaction, which might be construed as a Pact; accordingly, these arrangements will be published within the terms and in accordance with article 122 of Legislative Decree 58/1998.

Italmobiliare confirms its mission as industrial holding company, maintaining a significant exposure to the construction materials sector representing approximately 37% of its NAV post transaction. Overall, the industrial sector exposure will increase further following the acquisition of Italgen and BravoSolution.

Following the closing of this transaction and together with the other simplification and reorganization initiatives already in place at Italmobiliare, the company can rely on a significant cash position of around € 670-870 million, depending on the HeidelbergCement shares allotment, which will support Italmobiliare future investment strategy.

Italmobiliare reaffirms its primary goal of creating value and returns over time for shareholders by investing and supporting its portfolio companies in their future development.

On a pro-forma basis, Italmobiliare's NAV will increase from € 1,400 million to € 2,100 million, of which 50% is represented by investments in the industrial sector, 13% in finance and banking and 37% in cash.

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