



Italcementi
Italcementi Group

ITALMOBILIARE
SOCIETA' PER AZIONI

COMUNICATO STAMPA - PRESS RELEASE

Announcement issued by HeidelbergCement

Bergamo, April 5, 2016 – With reference to the agreement signed between Italmobiliare and HeidelbergCement on July 28, 2015, Italcementi and Italmobiliare inform that today HeidelbergCement has issued the following press release.

HeidelbergCement announces the integration plan for Italcementi

- The integration will perpetuate Italcementi's history, keeping the industrial network and plants in Italy, the brand, and building upon local management.
- The re-organisation will impact about 400 of the current 2.500 jobs in Italy until 2020.
- Bergamo will remain the headquarter of the Italian country organisation of Italcementi
- i.Lab is becoming home of the product R&D division for the entire Group that will arise from the merger.
- By revamping the Italian operations, also through the streamlining of the central functions, Italcementi will return to profitability.
- HeidelbergCement has formally notified the European Commission of the Italcementi acquisition in order to obtain regulatory approval.

Today, HeidelbergCement announced the project to restructure the Italian operations of Italcementi S.p.A. On 28 July 2015, HeidelbergCement had entered into an agreement to acquire a 45% stake in Italcementi from Italmobiliare S.p.A., the holding company of the Pesenti family, which will own a significant stake in the new entity.

The integration process, which still depends on the approval of the acquisition by the competent authorities (EC and FTC), is entering the next phase with the announcement of the re-organisation of the Italian structure. The aim is twofold: preserving Italcementi's long-standing industrial tradition and history while streamlining some functions and activities.

The plan presented in Bergamo by Chairman of the Managing Board Dr. Bernd Scheifele keeps the industrial network and plants in Italy and the Italcementi brand, consistent with the Group's policy to preserve the specific local identity of its subsidiaries. In addition, HeidelbergCement builds on Italian management heading the Group's operations in Italy. The world-class R&D capabilities will be strengthened: i.Lab, based in Bergamo – where Italcementi will keep the headquarter of Italian country organisation – will become the home of the product R&D division of the whole Group.

In order to streamline the overall Group organisation, and in light of HeidelbergCement's strategy of not establishing regional headquarters, some staff and administrative functions will be centralised in Heidelberg. According to the integration plan – expected to be completed by 2020 – around 170 people will receive relocation offers to other offices within the Group. Any redundancies in Bergamo – which could potentially affect between 230 and 260 people – will be handled using Italy's temporary layoff scheme (Cassa Integrazione), which does not need to be extended beyond the figures included in the current procedure that had already been fixed by Italcementi with the government in the past. In addition, severance packages will be negotiated with the unions. At the end of the transition period in 2020 about 210 to 250 professionals will remain in Bergamo.

“The integration will combine two of the leading global industry players, which share a long-standing tradition of industrial culture, world-class innovation capabilities, and a strong leadership in their respective markets,” said Dr. Bernd Scheifele. “Following our motto “all business is local” it is important for us to preserve Italcementi's strengths and professional expertise, which have ensured its success in Italy and abroad. I am convinced that we will be

able to achieve the planned € 400 million in synergies and bring Italcementi back to profits by operational improvements, streamlining the administration and leveraging the increased size of our combined business. ”

The acquisition of Italcementi is subject to the approval of the competent authorities. On 1 April 2016, HeidelbergCement formally submitted the merger plan to the European Commission.

In order to address potential competition concerns, HeidelbergCement has decided to propose the divestment of Italcementi's entire Belgian operations, primarily consisting of Italcementi's Belgian subsidiary Compagnie des Ciments Belges S.A. (CCB). The proposed divestment would remove all overlaps between the activities of HeidelbergCement and Italcementi in Belgium and the Netherlands. Preparations of the divestment have already started and BNP Paribas has been mandated to support the process. Significant interest in the fully vertically integrated market positions in Belgium has already been recorded. The divestment process will be carried out in the framework of the relevant social processes and ongoing dialogue with the employee representatives' bodies.

HeidelbergCement expects the closing of the acquisition of the 45% stake to be finalized in early July 2016 depending on the decision of the cartel authorities in Europe and the USA. The implementation of the integration plan will start after the closing.

About HeidelbergCement

HeidelbergCement is one of the world's largest integrated manufacturers of building materials with leading market positions in aggregates, cement, and ready-mixed concrete as well as other downstream activities. The company employs some 45,000 people at 2,300 locations in more than 40 countries.

Heidelberg, 5 April 2016

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