

ITALMOBILIARE IMPROVES THE PROPOSAL ON SAVINGS SHARES

- **The Board of Directors approves the Reports on the items on the agenda of the Extraordinary General Shareholders' Meeting and on the items on the agenda of the Special Savings shareholders' Meeting.**
- **Increase from Euro 5.62 to Euro 8.00 of the amount of the extraordinary privileged dividend in cash attributed to each savings share in the context of the proposal of extraordinary privileged dividend to savings shareholders and simultaneous mandatory conversion of the savings shares into ordinary shares approved by the Board of Directors on July 1st 2016.**
- **The extraordinary privileged dividend in kind to savings shareholders and the conversion ratio of the savings shares into ordinary shares approved on July 1st, 2016 remain unchanged.**
- **The proposal to the Extraordinary General Shareholders' Meeting and Special Savings Shareholders' Meeting of August 4th, 2016 is therefore as follows:**
 - (a) **distribution to savings shareholders of an extraordinary privileged dividend to be paid once and for all, as follows:**
 - (i) **in part in cash, for an amount of Euro 80.00 per each group of no. 10 savings shares; and**
 - (ii) **in part in kind, with the assignment of no. 3 ordinary shares of HeidelbergCement AG per each group of no. 10 savings shares;**
 - (b) **simultaneous mandatory conversion of savings shares into ordinary shares according to a conversion ratio of no. 1 ordinary share for each group of no. 10 savings shares;**
- **Based on the official prices of the securities concerned by the Transaction registered as at June 30th, 2016 (last trading day before the first announcement of the Transaction) the aggregate countervalue in cash and in kind attributed to savings shareholders corresponds to a premium equal to respectively 25.09% and 27.67% on the official price of the Italmobiliare saving shares registered on such date and on the relevant means of the last month preceding the first announcement of the Transaction.**
- **Filing of the reports on the items on the agenda of the Extraordinary General Shareholders' Meeting and on the items on the agenda of the Special Savings Shareholders' Meeting.**

Milan, July 13th, 2016 – Board of Directors of Italmobiliare S.p.A. (“**Italmobiliare**” or the “**Company**”) while approving the reports for the Shareholders’ Meetings of August 4th resolved today to increase from Euro 5.62 to Euro 8.00 the amount to be distributed to each savings share as extraordinary privileged dividend in cash and therefore to increase the aggregate countervalue to be attributed to savings shareholders under the proposal of extraordinary privileged dividend to savings shareholders and simultaneous mandatory conversion of the savings shares into ordinary shares approved by the Board of Directors on July 1st, 2016 without changing the extraordinary privileged dividend in kind and the conversion ratio of the savings shares into ordinary shares approved by the Board of Directors on July 1st, 2016.

As a result, the proposal, which will be submitted for approval to the Extraordinary General Shareholders’ Meeting and to the Special Savings Shareholders’ Meeting convened for August 4th, 2016 in a single call, respectively, at 11.00 a.m. and 4.00 p.m., is as follows:

- (a) distribution to savings shareholders only of an extraordinary privileged dividend to be paid once and for all (the “**Extraordinary Privileged Dividend**”), as follows:
 - (i) in part in cash, for an amount of Euro 80.00 per each group of no. 10 savings shares and, therefore, for a maximum amount of Euro 130,437,296.00, to be fully taken from the “*Retained earnings*” reserve accounted for in the annual financial statements of the Company as at December 31st, 2015 approved by the Ordinary General Shareholders’ Meeting on April 21st, 2016 and in the “*Pro-forma Consolidated and Separate Financial Statements as at December 31st, 2015*” approved by the Board of Directors on July 13th, 2016 attached to the explanatory report drawn up in accordance with article 72 of the Consob Regulation no. 11971/1999 (the “**Pro-forma Statements**”); and
 - (ii) in part in kind, with the assignment of no. 3 ordinary shares of HeidelbergCement AG per each group of no. 10 savings shares and, therefore, for maximum 4,891,399 ordinary shares of HeidelbergCement AG (the “**HC Shares**”), accounted for in the Pro-Forma Statements at fair value, for an amount of Euro 68.34 per share and, therefore, for an aggregate amount of Euro 334,278,207.66, to be fully taken from the “*Retained earnings*” reserve, as resulting from the Pro-forma Statements;
- (b) simultaneous mandatory conversion of the savings shares into ordinary according to the conversion ratio of no. 1 ordinary share per each group of no. 10 savings shares (the “**Conversion Ratio**” and together with the Extraordinary Privileged Dividend the “**Transaction**”).

The aggregate countervalue in cash and in kind attributed to savings shareholders in the context of the Transaction (the “**Assignment Ratio**”) has been determined by the Board of Directors with the support of the independent expert Prof. Enrico Laghi, taking into account the indivisibility and necessary simultaneousness of the distribution of the Extraordinary Privileged Dividend and of the Mandatory Conversion.

On the basis of the official prices (source: Bloomberg) of the ordinary and savings shares of Italmobiliare and of the HC Shares registered as at June 30th, 2016 (last

trading day before the first announcement of the Transaction), the Assignment Ratio corresponds to a premium on the official price of the savings shares of Italmobiliare registered on such date and on the relevant means as indicated below:

Period	Extraordinary Privileged Dividend (€ p/s)		Mandatory Conversion (€ p/s)	Assignment Ratio per each ITM sav. share (€ p/s)	Implied premium Assignment Ratio vs. ITM sav. share price (%)
	HC component	Cash component	ITM ord. component		
30th June 2016	20.20	8.00	3.20	31.40	+25.09%
Last month	21.83	8.00	3.43	33.26	+27.67%
Last 3 months	22.41	8.00	3.62	34.03	+26.15%
Last 6 months	21.30	8.00	3.62	32.92	+25.10%

As indicated above, the Extraordinary Privileged Dividend will be attributed to savings shareholders only and will involve the distribution of a part of the “*Retained earnings*” reserve. This circumstance, in light of the provision of article 8 of the Company’s By-laws and article 2437, paragraph 1, lett. g) of the Italian Civil Code, led the Board of Directors, on the basis of an interpretation very carefully considering the reasons of minority shareholders and the rights of class shareholders, to grant the right of withdrawal to ordinary shareholders who will not take part in the approval of the Extraordinary Privileged Dividend and Mandatory Conversion proposal, which will be submitted to the approval of the Extraordinary General Shareholders’ Meeting convened for August 4th, 2016 as second item on the agenda. Pursuant to the law the liquidation value of the ordinary shares for the purpose of the right of withdrawal will correspond to the arithmetic mean of the closing prices of the ordinary shares on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. in the six months prior to the publication of the notice of call of the Extraordinary General Shareholders’ Meeting whose resolutions give rise to the right of withdrawal.

Therefore, the liquidation value per share of the shares for which the right of withdrawal will be exercised is equal to:

- Euro 26.24 for each savings share;
- Euro 36.51 for each ordinary share.

The implementation of the resolution approving the Extraordinary Privileged Dividend and Mandatory Conversion will be conditional upon the circumstance that the aggregate amount to be paid by the Company pursuant to article 2437-quater of the Italian Civil Code – in relation to the possible exercise of the right of withdrawal by those ordinary shareholders and savings shareholders who do not take part in the approval of the resolutions approving the Extraordinary Privileged Dividend and Mandatory Conversion, respectively, in the Extraordinary General Shareholders’

Meeting and in the Special Savings Shareholders' Meeting – does not exceed the aggregate amount of Euro 30,000,000.00 in respect of each class of shares (the “**Maximum Amount Condition**”). The Maximum Amount Condition has been established in the exclusive interest of the Company, which shall have the right to waive it. Therefore, if further to the exercise of the right of withdrawal: (i) the Maximum Amount Condition is not fulfilled in relation to both classes of shares and the Company does not waive such condition; or (ii) the Maximum Amount Condition is not fulfilled in relation to a single class of share only and the Company does not waive such condition, the Extraordinary Privileged Dividend and Mandatory Conversion resolution will not be implemented and thus all the withdrawal notices received by the Company will have no effect.

In connection with the Transaction, Leonardo & Co. – Houlihan Lokey and Banca IMI are financial advisors to Italmobiliare.

Furthermore, please be informed that:

- the reports of the Board of Directors on all of the items on the agenda of the Extraordinary General Shareholders' Meeting called for August 4th, 2016 at 11.00 a.m. on a single call and
- the reports of the Board of Directors and of the Common Representative of the Savings Shareholders on all of the items on the agenda of the Special Savings Shareholders' Meeting called for August 4th, 2016 at 4.00 p.m. on a single call

will be made available at the registered office of Italmobiliare S.p.A., in Milan, at Via Borgonuovo 20, on the company's website at www.italmobiliare.it, in the section “*Investor/Extraordinary Transactions/Mandatory Conversion of Saving Shares – 2016*” and on the authorized storage system “SDIR-STORAGE” managed by Bit Market Services S.p.A., at www.emarketsorage.com. within the term provided for in the applicable laws and regulations.

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