

**‘Proyecto de Fusion’
Transaction overview**

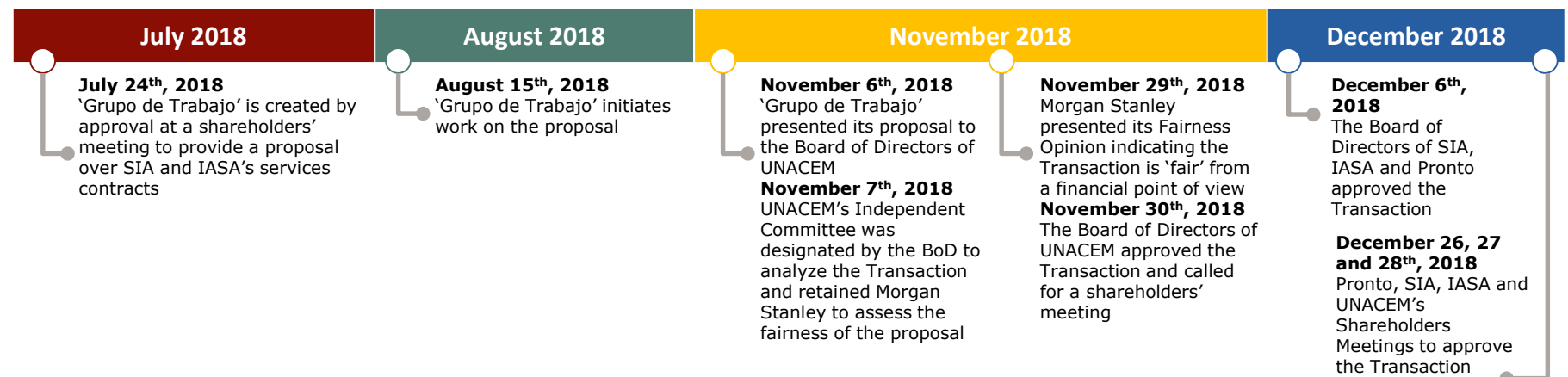
December 2018



Atocongo Plant, Lima

Executive Summary

- On November 30th, UNACEM announced that the Independent Committee of its Board of Directors (“BoD”) had approved the merger with Sindicato de Inversiones y Administración S.A. (“SIA”), Inversiones Andino S.A (“IASA”) and Inmobiliaria Pronto S.A (“Pronto”), in which UNACEM will act as the absorbing entity (the “Transaction”)
- The Transaction was presented to UNACEM’s Board of Directors by the ‘Grupo de Trabajo’, conformed by 4 members of the controlling group and the 4 CEO’s of the AFPs¹, created by approval at a shareholders’ meeting on July 24, 2018, to provide a proposal over SIA and IASA’s services contracts
- An Independent Committee was designated by the BoD to analyze the Transaction, and retained Morgan Stanley to provide a Fairness Opinion on the Transaction
 - UNACEM retained Estudio Miranda & Amado to conduct a legal due diligence on the assets to be contributed in the Transaction
- As a result of the Transaction, SIA, IASA and Pronto will be extinguished and their resulting stake in UNACEM will be held by their shareholders as of December 31st, 2018, Inversiones JRPR S.A (“JRPR”) and Nuevas Inversiones S.A (“NISA”), entities that will hold together a controlling ownership on UNACEM, with 26.55% and 25.25% stake, respectively
- The resulting free float of UNACEM will be increased by incorporating minority shareholders of SIA and IASA, totaling 48.20% of UNACEM capital (increased from 31.68% pre transaction)
- The transaction is subject to the approval of SIA, IASA and Pronto, and UNACEM’s shareholders meetings to be held on December 27th and 28th, 2018, respectively
- J.P. Morgan acted as financial advisor to SIA and IASA, and CAPIA acted as financial advisor to the AFPs

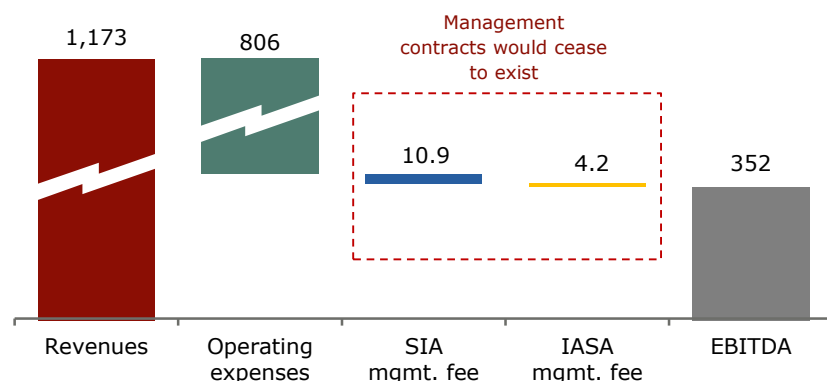


Transaction rationale

Key objectives of the Transaction

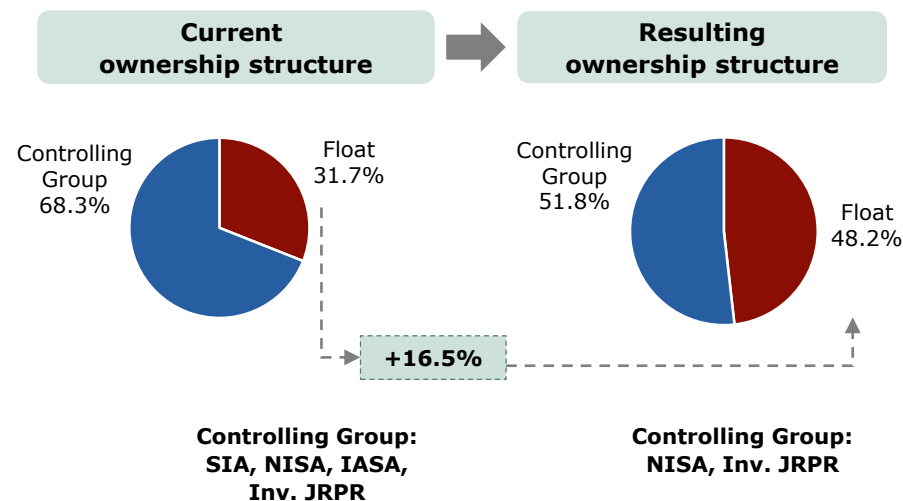
- ✓ **Simplification** of UNACEM's shareholder structure
- ✓ **Increase UNACEM's EBITDA and Cash Flows**, potentially improving its leverage ratios
- ✓ **Consolidation** at UNACEM of the knowledge, strategy, experiences, specialization, among other expertise developed, and operations managed, by the absorbed entities
- ✓ Incorporation of SIA and IASA's minorities to UNACEM's float, potentially originating an **increase in liquidity** (daily trading volume) and faster market reaction to UNACEM's performance
- ✓ **Elimination of Management Contracts** with SIA and IASA and consolidation of related-party outflows to ARPL and Vigiandina

UNACEM LTM 3Q18 EBITDA buildup (US\$mm)¹



Transaction would also allow UNACEM to capture ARPL and Vigiandina's EBITDA in its consolidated financial statements

Increase share of public float

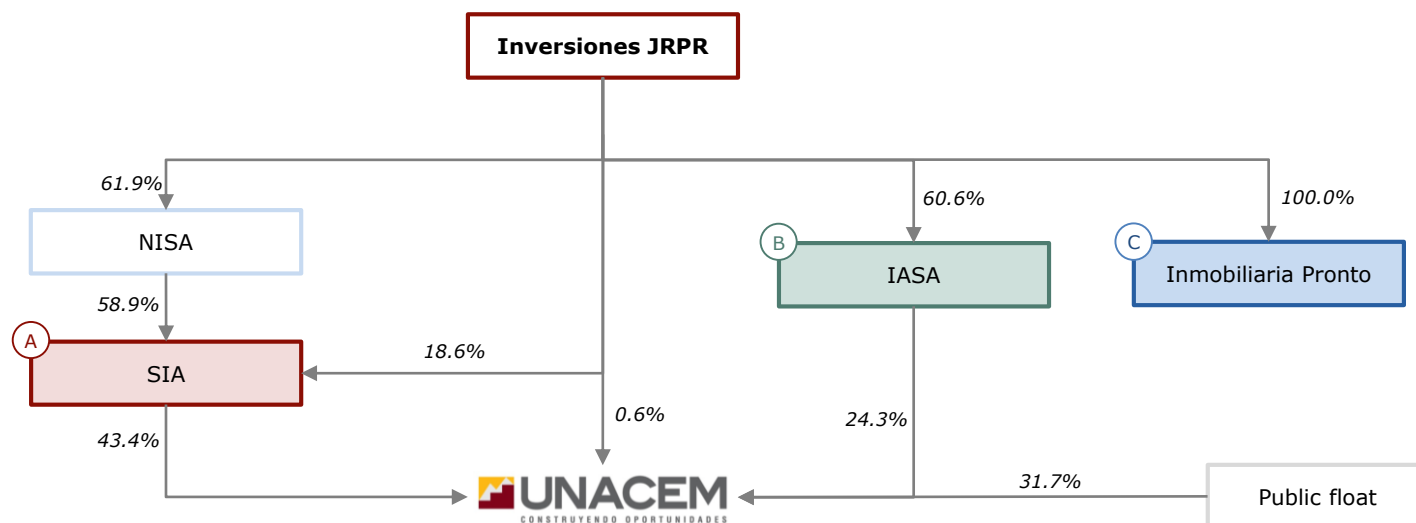


Controlling Group:
SIA, NISA, IASA,
Inv. JRPR

Controlling Group:
NISA, Inv. JRPR

Overview of corporate structure before the Transaction

Current corporate structure



A

SIA

- Holding company owned by NISA (58.9%), Inversiones JRPR (18.6%) and other minority shareholders (22.5%)
- In addition to the 43.4% stake in UNACEM, it operates a management contract with UNACEM and owns a minority stake in Skanon Investments, UNACEM's subsidiary, among other assets

B

IASA

- Holding company owned by Inversiones JRPR (60.6%) and other minority shareholders (39.4%)
- In addition to the 24.3% stake in UNACEM, it operates a services agreement with UNACEM, owns a stake in Vigilancia Andina S.A, a stake in Ferrovias Central Andina S.A, and real estate properties, among other assets

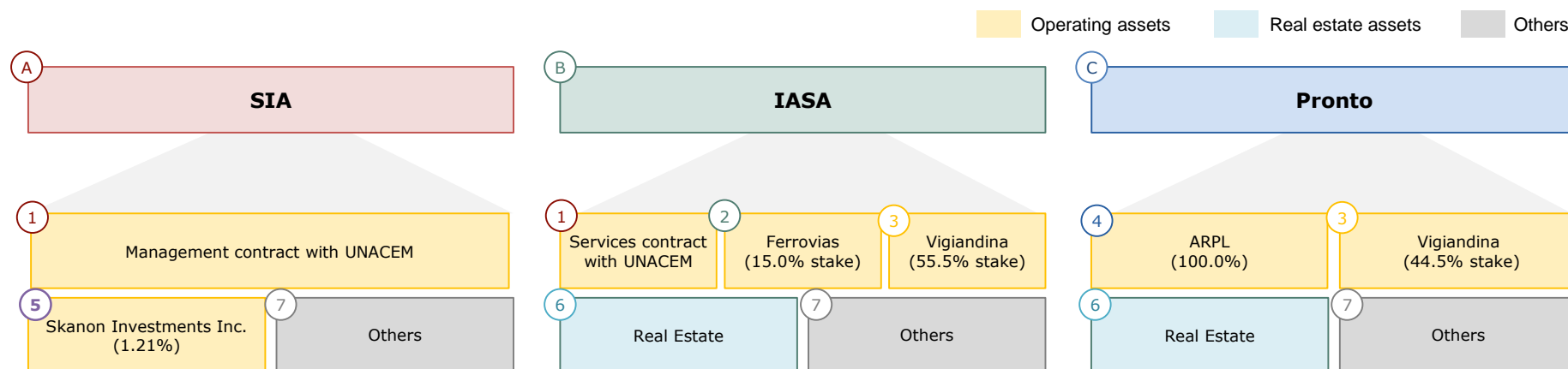
C

Inmobiliaria Pronto

- Holding company fully owned by Inversiones JRPR (100.0%)
- Owns 100.0% of ARPL, a company that provides technical and engineering services to UNACEM, a stake in Vigilancia Andina S.A, and real estate properties, among other assets

Assets to be merged into Unacem in the Transaction

SIA, IASA and Pronto would contribute their assets into UNACEM as part of the Transaction



- 1 **SIA and IASA's management contracts with UNACEM** – contracts would cease to exist on January 1st, 2019
- 2 **Ferrovias Central Andina S.A** (15.0% stake), an operational company that owns a railway concession in Peru
- 3 **Vigilancia Andina S.A** (100.0% stake), an operational company that provides security services to UNACEM and other companies in Peru
- 4 **ARPL Tecnologia Industrial S.A** (100.0% stake), an operational company that provides technical assistance and engineering consulting services to UNACEM and its subsidiaries
- 5 **Skanon Investments Inc.** (1.21% stake), a holding company that owns a majority interest in Drake Cement, LLC, a cement company in Arizona, USA, and other related investments. Skanon Investments is a subsidiary and is majority-owned by UNACEM
- 6 **Real Estate assets**, direct ownership in the properties and in the subsidiaries that own UNACEM's headquarter offices, among other properties
- 7 **Others**, cash and outstanding loans to Skanon that will be held by each holding at Transaction closing

Transaction structure

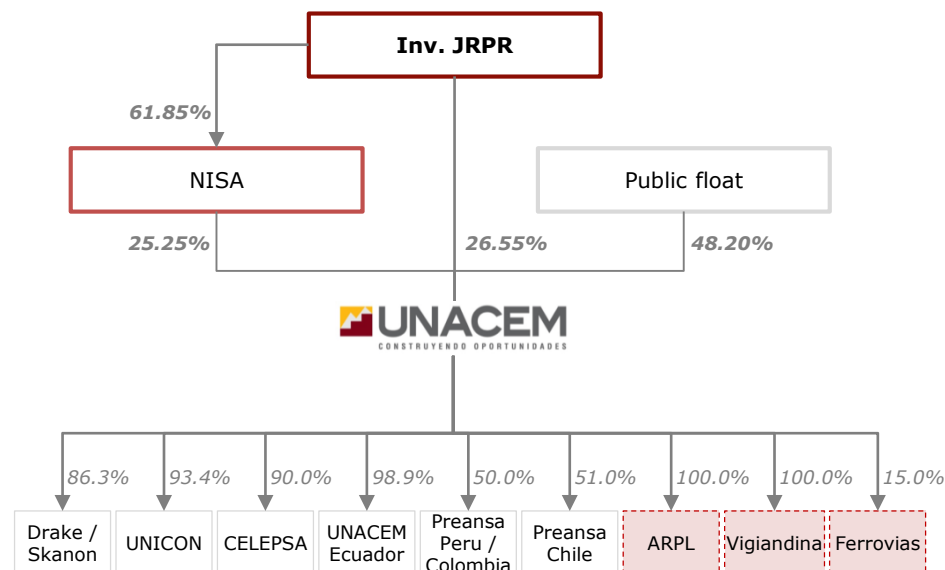
 New UNACEM's subsidiaries

Overview

- The Transaction approved by UNACEM's BoD considers the following two steps that will happen simultaneously:
 - Merger of SIA, IASA and Pronto (the "Holdings") into UNACEM
 - Capital increase by contributing various assets from the Holdings to UNACEM
- SIA, IASA and Pronto's shareholders will receive UNACEM shares in exchange for their respective shares in each of the Holdings
 - Shares received are attributable to their current stake in UNACEM and the capital increase at UNACEM
- The exchange ratio agreed considers PEN 2.20 / UNACEM share²

Holding	UNACEM shares received by the Holdings		UNACEM shares attributable to the capital increase
	Shares	% of UNACEM shares ¹	Shares
SIA	779,187,892	42.9%	64,876,584
IASA	456,281,363	25.1%	56,302,355
Pronto	50,445,265	2.8%	50,445,264

Corporate structure Post Transaction



- As a result of the Transaction, SIA, IASA and Pronto would extinguish and the resulting shareholders of UNACEM will be:
 - JRPR (26.55%)
 - NISA (25.25%)
 - Public Float (48.20%)
- ARPL, Vigiandina and a minority stake in Ferrovias will be absorbed by UNACEM as new subsidiaries

Note: ¹ Total UNACEM shares of 1,818,127,611 post capital increase; ² Share price as of November 6th, 2018 (date when 'Grupo de Trabajo' proposal was presented to UNACEM Board of Directors); ³ Considers UNACEM's share price at PEN 2.20 and a USD/PEN exchange rate of 3.332

UNACEM share price performance

Market has reacted positively to the Transaction's announcement



Next steps

Date	Event
December 26th, 2018	Pronto's shareholders meeting takes place to vote on the Transaction
December 27th, 2018	SIA and IASA's shareholders meeting takes place to vote on the Transaction
December 28th, 2018	UNACEM's shareholders meeting takes place to vote on the Transaction
December 30th, 2018	1 st publication of the Transaction
January 1st, 2019	Transaction Effective Date for accounting purposes
January 5th, 2019	2 nd publication of the Transaction
January 11th, 2019	3 rd publication of the Transaction

- The Transaction would be executed through a public deed that should be registered by SUNARP¹ approximately 30 days after the 3rd publication, after which UNACEM would issue the respective new shares to SIA, IASA and Pronto's shareholders

Appendix



Overview of assets to be contributed to UNACEM

ARPL Tecnologia Industrial S.A ("ARPL")

- Founded in 1949, ARPL provides technical assistance and engineering consulting services to UNACEM and its subsidiaries
- The Company operates through four different business segments:
 - Technical assistance & consulting services
 - Project development and management
 - Information Technology support services
 - Laboratory testing and analysis
- ARPL focuses on developing and executing industrial projects and expansions across UNACEM and subsidiaries' industrial operations

Main sources of income

Technical Assistance

- Permanent monitoring of UNACEM's operations, helping manage cost, plant productivity and product quality over time
- ARPL prepares economic, technical and quality reports on UNACEM's plant operations periodically
- Provides advisory on topics related to performance, equipment and technology, among others

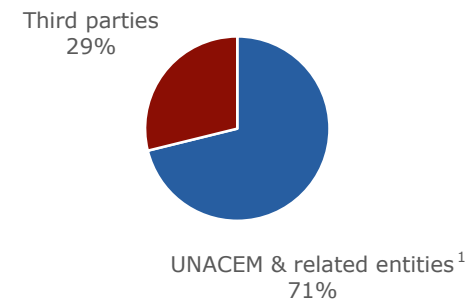
Project development and management

- ARPL develops and manages various industrial projects across UNACEM and its subsidiaries, assuming the following responsibilities:
 - Feasibility reports (technical and economic)
 - Environmental impact analysis
 - Basic and detailed engineering services
 - Procurement (supplier selection)
 - General project management

Vigilancia Andina S.A ("Vigiandina")

- Founded in 1991, Vigiandina provides surveillance, control and security services for all types of buildings and facilities, as well as security services to individuals
- Vigiandina provides security services mainly in regions of Lima, Junin and Ica in Peru and serves clients in various industries including mining, energy, commerce, and education
- Business segments:
 - Private vigilance: Surveillance and various related security services for buildings and facilities (i.e. companies, schools, etc.)
 - Personal security: Security services for individuals

2017 revenue breakdown, by client-type



Overview of assets to be contributed to UNACEM (cont'd)

Real estate assets

IASA:

- Direct ownership in the offices located at Carlos Villaran No. 508, La Victoria, Lima, Peru (UNACEM and subsidiaries' headquarters)
- 90.9% stake in Inversiones Nacionales y Multinacionales S.A. ("INMA"),
 - INMA owns a real estate property located at Carlos Villaran 400, La Victoria, Lima, Peru (adjacent to Carlos Villaran No. 508)
- 8.85% stake in Compañía de Inversiones Santa Cruz S.A.
- Santa Cruz owns real estate properties located at Carlos Villaran No. 300 and No. 200 (adjacent to Carlos Villaran No. 400)

Pronto:

- Direct ownership in the offices located at Carlos Villaran 508, La Victoria, Lima, Peru (UNACEM and subsidiaries' headquarters)
- 9.1% stake in INMA



Ferrovias Central Andina S.A. ("Ferrovias")

- Founded in 1999, Ferrovias owns the concession to operate the Ferrocarril del Centro railway, the only railway system connecting Lima/Callao with the central region of Peru
- The Ferrocarril del Centro has a total extension of 535km and is used to transport cargo mainly for mining companies
- The concession was originally awarded to Ferrovias in 1999 for a duration of 30 years by Peru's Ministry of Transportation and Communication
- The concession currently expires in 2039, but with the potential of being extended to 2059



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