

PRESS RELEASE

Interim results at March 31, 2016

- Cement sales up 2.8%; ready-mix concrete volumes down 1.7% from last year
- Brisky start to the year in the United States of America, compared to the first quarter 2015, affected by bad weather
- Trading conditions in Central Europe and in Italy consistent with the previous period
- Sales decline in Eastern Europe due to the continuing recession in Russia and temporary weakness in Ukraine
- Net sales at €540.3 million (2015: €513.4 million)
- Ebitda at €50.8 million (in 2015: €27.2 million)
- Confirmed for the full year 2016 the outlook of recurring operating results slightly favorable versus 2015

Consolidated data		Jan-Mar 16	Jan-Mar 15	% 16/15
Cement sales	m ton	5.0	4.9	+2.8
Ready-mix sales	m m3	2.4	2.4	-1.7
Net sales	€m	540.3	513.4	+5.2
Ebitda	€m	50.8	27.2	+86.9
Net profit (loss)	€m	3.8	(41.4)	n.a.
Consolidated net profit (loss)	€m	3.6	(41.5)	n.a.
		Mar 16	Dec 15	change
Net debt	€m	1,097.9	1,029.7	68.2

The Board of Directors of Buzzi Unicem SpA met today to examine the interim report for the three-months ended 31 March 2016.

During the first quarter of the year, at consolidated level, cement demand increased by some percentage points compared to the same period last year. The intensity of the variance recorded in the United States of America, which in turn occurred thanks to more favorable weather conditions in comparison with the first quarter 2015, which was characterized by bad weather, was crucial for the results achieved. Central Europe confirmed the activity levels of 2015, as well as Italy. In Eastern Europe sales declined due to the continuation of the recession in Russia and the temporary weakness of Ukraine, while Poland and the Czech

Republic registered shipment volumes in line with the ones achieved in the same period of 2015.

In the first months of 2016 the weakness of international economy and trade accentuated, but still with differentiations according to the geographies. In Europe the modest cyclical expansion strengthened, driven by domestic demand, although with a trend of weaker exports and inflation at null values. The recovery in the United States, albeit with some uncertainty and results below expectations, continued. In emerging economies, the fragility of expectations is the main risk factor for international growth, due to a recessionary phase which is worsening in Brazil and continuing in Russia, where there are yet visible signs of mitigation, and also to the slowdown in the manufacturing sector and the sharp decline in imports and exports in China. India is the only country among the major emerging ones which recorded a GDP growth at a steady fast pace. The decrease in oil prices did not lead to a strengthening of global economy, whose growth for the whole of the year, which had been recently revised downwards, is estimated at slightly lower levels than in 2015. The consumer price inflation is on the rise in the United States, still very low in the main advanced economies, remains low in China and very high in Brazil and Russia, where, however, it was reduced compared to January. In the early months of the year fears about global growth led to a sharp drop of prices on international financial markets, which then subsided in part; the expansive character of monetary policies in advanced countries was accentuated.

Cement sales of the group were up 2.8% from the first quarter of 2015, reaching 5.0 million tons. The volume trend was favorable in the United States (+16.3%) and fairly stable in Central Europe and Italy. Eastern Europe reported a decrease of 9.2%, mainly due to the declines recorded in Russia and Ukraine. Ready-mix concrete sales posted a slight decrease (-1.7%) compared to the same period of 2015, to 2.4 million cubic meters. The additional working day due to the leap year certainly favored the sales results achieved.

The price effect in local currency, compared to the first quarter of 2015, was positive in the United States and in Ukraine (driven by inflation). In Italy, Germany and the Czech Republic no significant variances were recorded, while, in local currency, unit net sales suffered a decline in Poland, and showed a slight negative trend also in Russia and Luxembourg.

Consolidated net sales increased from €513.4 million to €540.3 million (+5.2%), gross of a foreign exchange effect which was marginally unfavorable for €0.9 million and a negative change in scope for €1.5 million. Ebitda closed at €50.8 million (+€23.6 million compared to the first quarter of 2015); changes in scope of consolidation were a decrease of €0.1 million and the exchange rate effect was positive for €0.3 million.

On a like-for-like basis net sales would have increased by 5.7% and Ebitda would have come in at €50.5 million. The result for the period includes net non-recurring income of €3.4 million related to gains on sale of fixed assets (in 2015 net non-recurring income equal to €3.8 million). Net of non-recurring items Ebitda increased from €23.4 million to €47.4 million, with Ebitda to sales margin at 8.8% (4.6% in 2015). After amortization and depreciation of €46.2 million (€46.4 million in the first quarter of 2015) Ebit stood at €4.5 million (it was negative for €19.2 million in 2015). Net finance costs for the period decreased compared to the previous year (€13.7 million against €43.0 million in 2015), also thanks to lower non-cash items included into

this category (exchange rate differences, valuation of derivative instruments). Gains on disposal of investments contributed with €0.5 million, while equity in earnings of associates amounted to €14.1 million (€16.1 million in the first quarter of 2015). As a consequence of the above, the first quarter of 2016 closed with a profit before tax of €5.4 million against a loss of €46.2 million in March 2015. After taxes, net profit for the period was €3.8 million (€3.6 million being the portion attributable to the owners of the company).

Net debt as at 31 March 2016 amounted to €1,097.9 million, up €68.2 million over year-end 2015. Total capital expenditures of €69.3 million affected this figure (€68.7 million in the same period of 2015), €30.1 million thereof related to the expansion project at Maryneal (Texas). At the end of the quarter total equity, inclusive of non-controlling interests, stood at €2,492.1 million vs. €2,579.4 million as at December 31, 2015. Consequently debt/equity ratio was equal to 0.44 (0.40 at year-end).

Italy

The performance of our cement and clinker sales recorded a slight increase from the first quarter of 2015, thanks to the favorable trend in export volumes and clinker, which allowed to offset the negative sign in the domestic market. Sales prices confirmed the level of the same period in 2015. The ready-mix concrete sector recorded a decline of some percentage points in production, but with prices up. Overall net sales increased from €84.2 million to €84.4 million; Ebitda closed with a loss of €7.5 million, compared to a figure with the same sign of €8.2 million achieved in the first quarter of 2015. To be reminded however that the figure for 2015 included net non-recurring income of €3.8 million.

Central Europe

In Germany, the building materials demand was consistent with the same period of 2015; the reduction of our cement sales volumes is mainly due to the persisting weakness of oil well special products. Sales prices did not record significant changes in comparison with the first quarter 2015, thus showing a slight recovery from the exit level. Ready-mix concrete sales showed a favorable variance, with only marginally weaker prices. Overall net sales amounted to €112.0 million (€115.1 million in 2015) and Ebitda, although slightly improving, remained in negative territory at -€0.2 million (-€0.7 million in the first quarter 2015).

In Luxembourg and the Netherlands, thanks to favorable weather conditions, cement sales volumes achieved by our operations in the first three months of the year showed a good recovery, accompanied by an unfavorable price variation, while ready-mix concrete sales started the year with an opposite development (volumes down, prices up). Net sales increased by 5.0% from €35.9 million to €37.6 million. Ebitda amounted to €7.5 million (negative by €1.9 million in 2015). The figure for 2016 includes non-recurring income of €3.4 million from gains on disposal of fixed assets relating to the ready-mix concrete sector.

Eastern Europe

In the Czech Republic cement sales softened, with substantially unchanged average prices in local currency. The ready-mix concrete sector, which also includes Slovak operations, started

the year with volumes in line with the figures of last year and no significant variance in sales prices. Net sales, which were impacted positively by the exchange rate effect for €0.4 million and negatively by the consolidation scope effect for €0.7 million, came in at €21.5 million (€20.8 million in 2015), while Ebitda stood at €0.3 million compared to €1.0 million in the first quarter 2015.

In Poland cement deliveries marked a slight positive change, while ready-mix concrete output recorded a considerable decrease. Sales prices in local currency were lower than in 2015 both for the cement and the concrete sector. Net sales, negatively affected by the exchange rate effect for €0.6 million, stood at €14.5 million compared to €17.5 million in 2015. Ebitda was zero (-€0.2 million in 2015).

In Ukraine, albeit recovering since March, cement sales in the first three months closed down sharply, with prices in local currency considerably increasing, driven by the persisting inflationary pressure. Ready-mix concrete output, not meaningful in absolute terms, were also declining and with average prices in local currency that followed inflation. Net sales and Ebitda continued to be affected by the depreciation of the local currency (-18.5%) and respectively decreased from €10.3 million to €9.0 million (-12.3%) and improved from -€1.4 million to -€1.2 million. Net sales in local currency would have increased by 4.0%.

In Russia sales in the first quarter of the year were frail, accompanied by an unfavorable variance of unit revenues in local currency as well. The translation of results into euro was still penalized by the weakness of the ruble (-16.2%). Net sales revenue stood at €26.0 million from €33.7 million in 2015, down 22.8%; in local currency they would have been down 10.4%. Ebitda amounted to €5.7 million against €8.5 million in 2015, down 32.8%, while in local currency it would have worsened by 21.9%.

United States of America

The good weather conditions in this first quarter, compared with the same period last year, which was characterized by extraordinary high rainfall in the South West regions, led to a strong improvement in volumes. Our overall cement sales increased, although the significant decline in oil well cement deliveries continued. Average prices in local currency improved by some percentage points. Ready-mix concrete output, mainly concentrated in Texas, were up on the volumes achieved in the same period last year, with a favorable price variance. Overall net sales therefore increased from €204.5 million to €243.5 million (+19.1%). The exchange rate effect was favorable for €5.2 million. Ebitda amounted to €46.1 million (€30.1 million in 2015), including a positive foreign exchange effect of €1.0 million. The modernization and expansion works of the plant in Maryneal, Texas are being completed, and the startup of the new kiln line is scheduled at the end of the current month of May.

Mexico (valued by the equity method)

Cement deliveries in the first quarter recorded a slight decrease compared to the volumes achieved in the previous year, which were yet very high, with average prices in local currency

considerably improved versus the prior period. Ready-mix concrete sales developed with a similar trend, although with a more marked reduction in volumes. Net sales and Ebitda, in local currency, increased by 6.4% and 22.7% respectively. The depreciation of the Mexican peso (-18.2%) had an unfavorable impact on the translation of results into euro; with reference to 100% of the associate, net sales decreased from €159.0 million to €143.1 million (-10.0%) and Ebitda increased from €65.7 million to €68.2 million (+3.8%). The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €15.1 million (€13.8 million in 2015).

Outlook

At the end of April the placement of a Eurobond with institutional investors had been successfully completed, having the following main terms and conditions:

- nominal amount: €500 million
- maturity: 7 years bullet
- interest rate: fixed annual coupon of 2.125%
- issue price: equal to 99.397% of par value.

The Notes are listed on the regulated market of the Luxembourg Stock Exchange. The Eurobond issue allowed to promptly renew some short-term borrowings, to further diversify the funding sources of the company and to extend the average debt maturity profile.

Compared to the trends assumed on the occasion of the approval of the financial statements 2015, we recorded a more favorable development in the United States, mainly due to weather conditions, while in the other regions the trading conditions were in line with expectations. More precise indications on the prospects for the current year will be possible following the interim results of the first six months, when the seasonality typically characterizing the levels of activity in the construction sector will likely be smoothed out. In consideration of the positive start to the year, on the occasion of this first interim financial report, we deem it appropriate to confirm the estimate that at consolidated level the recurring Ebitda for the full year 2016 will show a slightly favorable variance versus the previous year.

Legislative Decree no. 25/2016 abrogated the requirement to publish interim reports for the first and third quarter of the year, as they were provided by Article 154-ter of Legislative Decree no. 58/1998, and simultaneously assigned to Consob the power to reintroduce them. At this intermediate stage, in continuity with the past, the company resolved to publish an interim report as at March 31, 2016 consistent with the previous ones, granted that this choice is not binding for the future and will be subject to further assessments in the coming months, also in the light of the regulatory measures which will be issued in this regard.

The manager responsible for preparing the company's financial reports, Silvio Picca, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the

accounting information contained in this press release corresponds to the document results, books and accounting records.

Casale Monferrato, May 6, 2016

Company contacts:

Investor Relations Assistant

Ileana Colla

Phone. +39 0142 416 404

Email: icolla@buzziunicem.it

Internet: www.buzziunicem.it

BUZZI UNICEM SPA
CONSOLIDATED BALANCE SHEET

(in thousands of euro)

	31.03.2016	31.12.2015
ASSETS		
Non-current assets		
Goodwill	545.156	544.071
Other intangible assets	41.893	41.120
Property, plant and equipment	3.016.067	3.090.889
Investment property	22.036	22.786
Investments in associates and joint ventures	371.161	373.335
Available-for-sale financial assets	1.900	2.134
Deferred income tax assets	64.351	50.688
Other non-current assets	38.761	36.083
	4.104.201	4.165.209
Current assets		
Inventories	370.771	377.682
Trade receivables	365.263	364.342
Other receivables	94.433	88.127
Available-for-sale financial assets	2.891	2.890
Cash and cash equivalents	428.516	503.454
	1.265.404	1.344.209
Assets held for sale	10.394	11.400
Total Assets	5.379.999	5.520.818
EQUITY		
Equity attributable to owners of the company		
Share capital	123.637	123.637
Share premium	458.696	458.696
Other reserves	68.572	149.222
Retained earnings	1.819.711	1.826.238
Treasury shares	(4.768)	(4.768)
	2.465.848	2.553.025
Non-controlling interests	26.254	26.393
Total Equity	2.492.102	2.579.418
LIABILITIES		
Non-current liabilities		
Long-term debt	965.809	970.509
Derivative financial instruments	38.566	47.740
Employee benefits	438.757	432.263
Provisions for liabilities and charges	84.874	86.916
Deferred income tax liabilities	437.016	455.208
Other non-current liabilities	17.448	18.063
	1.982.470	2.010.699
Current liabilities		
Current portion of long-term debt	521.174	527.733
Short-term debt	1.673	1.701
Derivative financial instruments	-	-
Trade payables	217.938	245.237
Income tax payables	13.390	19.502
Provisions for liabilities and charges	20.079	21.267
Other payables	129.198	114.749
	903.452	930.189
Liabilities held for sale	1.975	512
Total Liabilities	2.887.897	2.941.400
Total Equity and Liabilities	5.379.999	5.520.818
CONSOLIDATED INCOME STATEMENT		
	1Q 2016	1Q 2015
Net sales		
Changes in inventories of finished goods and work in progress	540.341	513.392
Other operating income	(1.315)	3.558
Raw materials, supplies and consumables	13.455	20.350
Services	(229.786)	(231.423)
Staff costs	(145.415)	(149.899)
Other operating expenses	(111.468)	(110.182)
	(15.055)	(18.643)
Operating cash flow (EBITDA)	50.757	27.153
Depreciation, amortization and impairment charges	(46.209)	(46.391)
Operating profit (EBIT)	4.548	(19.238)
Equity in earnings of associates and joint ventures	14.137	16.084
Gains on disposal of investments	465	-
Finance revenues	24.430	34.121
Finance costs	(38.147)	(77.131)
Profit (loss) before tax	5.433	(46.164)
Income tax expense	(1.600)	4.727
Profit (loss) for the period	3.833	(41.437)
Attributable to		
Owners of the company	3.613	(41.548)
Non-controlling interests	220	111
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Profit (loss) for the period	3.833	(41.437)
Items that will not be reclassified to profit or loss		
Actuarial losses on post-employment benefits	(13.389)	(33.306)
Income tax relating to items that will not be reclassified	3.736	10.599
Total items that will not be reclassified to profit or loss	(9.653)	(22.707)
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(79.600)	243.367
Income tax relating to items that may be reclassified	-	-
Total items that may be reclassified subsequently to profit or loss	(79.600)	243.367
Other comprehensive income for the year, net of tax	(89.253)	220.660
Total comprehensive income for the period	(85.420)	179.223
Attributable to		
Owners of the company	(86.691)	176.024
Non-controlling interests	1.271	3.199