**PRESS RELEASE**

**Interim results at September 30, 2016**

- **Net sales at €1,998.5 million (2015: €1,998.1 million); Ebitda at €416.2 million (2015: €352.1 million)**
- **Sales volumes down during the summer; at the end of September favorable change confirmed for the cement sector (+1.2%) and ready-mix concrete sales stable (-0.8%)**
- **Improved demand in Central Europe, Poland and Ukraine; United States penalized by unstable weather conditions, less serious recession in Russia, in Italy the introduction of the new public procurement code "chills" the stabilization prospects**
- **Improvement of economic results in Central Europe and Ukraine, still positive trend in the United States and moderately also in Poland and the Czech Republic; Russia better than expected, but once again penalized by the exchange rate effect**
- **Confirmed, for full year 2016, a recurring Ebitda in improvement from the previous year and in absolute value equal to about €520 million (in 2015: €479 million)**

| **Consolidated data** | | **Jan-Sep 16** | **Jan-Sep 15** | **% 16/15** |
|---|---|---|---|---|
| Cement sales | m ton | 19.5 | 19.3 | +1.2 |
| Ready-mix sales | m mc | 8.8 | 8.9 | -0.8 |
| Net sales | €m | 1,998.5 | 1,998.1 | - |
| Ebitda | €m | 416.2 | 352.1 | +18.2 |
| Net profit | €m | 180.4 | 120.3 | +50.0 |
| Consolidated net profit | €m | 177.9 | 117.6 | +51.3 |
| | | **Sep 16** | **Dec 15** | **change** |
| Net debt | €m | 984.5 | 1,029.7 | (45.2) |

The Board of Directors of Buzzi Unicem SpA met on 10 November 2016 to examine the interim financial report as at 30 September 2016.

Global economy continues to grow, but the pace of development has remained low and altogether modest. The outlook has improved somewhat in the emerging economies, but some uncertainties persist in the major advanced countries, and international trade, whose growth dynamics has been further revised downwards, has shown some recovery in the developing countries, compared to a moderate trade in the mature ones.

In the United States GDP increased in the second quarter and continued its acceleration during the summer months thanks to robust growth in domestic consumption, which was however partly offset by the negative contribution provided by the changes in inventory and the deceleration in construction investments. The cyclical expansion in Europe, held back by weak international demand, continued and stabilized at a low pace, after the slight slowdown during the spring months. The major European economies have been similarly affected by the attenuation of the expansion phase during the spring and summer months, with weaker domestic consumption and sluggish investments. GDP slowed to 0.4% in Germany, marginally contracted in France and stagnated in Italy, while economic activity in the United Kingdom accelerated thanks to the good performance of domestic demand. The outcome of the Brexit referendum in June so far did not have major repercussions on economic activity and on the international financial markets.

The economic situation in the emerging countries slightly improved: in the second quarter, growth in China remained stable (+6.7%) and continued to benefit from credit expansion and the increase in infrastructure spending; in the summer months investments slowed down, but industrial activity and retail sales continued to increase at a fast pace. In India GDP growth remained strong (+7.1%), and recession in both Brazil and Russia attenuated.

Since 2012 international trade has slowed down significantly; compared to the past the weakness of investments and the greater importance in the global economic activity of the emerging countries, which are characterized by a minor trade openness, also resulted in a lower reactivity of trade compared to economic growth and consequently the prospects of trade development for the current year remain modest. During the summer months oil prices, due to an excess of supply, fluctuated between 40 and 50 dollars per barrel. The announcement of the achievement of an OPEC agreement to cut production supported the prices, which returned to around 50 dollar per barrel in early October; futures contracts foresee a slight increase in prices for the rest of 2016 and in 2017. The trend of consumer prices in the advanced economies remained weak, particularly in the euro area, it increased slightly in August in the United States (+1.1%) and remained stable in the United Kingdom. In the major emerging economies inflation was moderate in China (+1.3%), lively in India (+5.0%), Brazil (+9.0%) and Russia (+6.9%). Monetary policy remained expansionary in the advanced countries, more accommodating in China and India, while in Brazil and Russia, in view of high inflation rates, the monetary authorities maintained a tightening stance. During the summer months the conditions in financial markets gradually improved and tensions originated by the outcome of the British referendum were reabsorbed.

During the third quarter of 2016, the construction industry maintained a quite satisfactory pace of growth in the various countries of presence of the group, except for Italy and Russia, where the weakness of the sector, however, was attenuated, and the United States of America, penalized by extremely unstable weather conditions.
In the period from January to September 2016 cement and clinker sales of the group totaled 19.5 million tons, up 1.2% from the previous year. Favorable changes were recorded in Germany, Poland, Ukraine, Luxembourg and the Czech Republic, while in the United States a

somewhat weak and subdued summer quarter canceled the positive change achieved in the first half year. In Russia the strengthening signals of demand were confirmed, while in Italy the market weakness accentuated again. Ready-mix concrete sales amounted to 8.8 million cubic meters, down 0.8% compared to the first nine months of 2015, with the confirmation of a higher production in Italy, Germany, Poland and Ukraine, and a slight negative sign in the Czech Republic; on the other hand the downturn in the United States strengthened.
The trend in cement prices during the first nine months in local currency strengthened clearly above all in Ukraine and also in the United States; modest changes occurred in Russia (favorable) and in Italy and the Czech Republic (unfavorable). In Poland, in particular, and in Central Europe, the decrease in prices was more pronounced. The ready-mix concrete prices strengthened in the United States, the Czech Republic, Benelux and Poland; the change was modest, but unfavorable, in Germany. Ebitda to sales margin still benefited from the tailwind in energy costs and the improved efficiency and productivity resulting from the optimization actions developed by management, thus increasing everywhere. The capacity utilization in Poland, Ukraine, Central Europe and the Czech Republic was higher than the previous year, thus translating into a lower incidence of fixed costs per unit, while in Italy the penalization due to a low utilization has not started to decrease.

Consolidated net sales were in line with the previous year, increasing from €1,998.1 million in September 2015 to €1.998,5 million in the period under review, while Ebitda came in at €416.2 million (+64.1 million, equal to +18.2%). The 9M-16 figure benefited from non-recurring net income of €2.4 million (€3.2 million non-recurring expenses in the same period of 2015); net of non-recurring items, Ebitda would have increased by 16.5%, i.e. €58.6 million. Thus recurring Ebitda to sales margin increased from 17.8% to 20.7%. Foreign exchange fluctuations had a negative net effect characterized by the depreciation of Russian ruble, Ukrainian hryvnia and Polish zloty and the stability of the dollar. Like for like, net sales would have been up 2.0%, while Ebitda would have increased by 19.0%. After depreciation, amortization and impairment charges of €143.8 million (€145.2 million in the first nine months of 2015), Ebit amounted to €272.4 million (€206.9 million in 2015).
Net finance costs decreased from €83.7 million to €77.9 million, the outcome of the equity-accounted associates totaled €60.6 million (€50.0 million in the same period of 2015) and gains on disposal of investments amounted to €0.2 million (€5.7 million in 2015). As a consequence of the above, profit before taxes in the first nine months stood at €255.3 million compared to €178.9 million in September 2015. The income statement reported a profit for the period of €180.4 million, of which €177.9 million attributable to owners of the company (€117.6 million in 2015).

Cash flow of the period was equal to €324.2 million (€265.5 million at September 2015). Net debt as at 30 September 2016 amounted to €984.5 million, down €45.2 million over year-end 2015. In the first nine months, the group invested a total of €176.9 million in property, plant and equipment, €65.7 million thereof for expansion projects, almost all relating to the new production line in Maryneal, Texas. As at 30 September 2016, total equity, inclusive of non-controlling interests, stood at €2,670.2 million vs. €2,579.4 million as at 31 December 2015. Consequently debt/equity ratio was equal to 0.37 (0.40 at 2015 year-end).

**Italy**

Our cement and clinker sales showed a declining trend compared to the same period of 2015, with average sales prices which confirmed the level of the first nine months of 2015. Ready-mix concrete sales volumes were up compared to September 2015, also thanks to the favorable change in scope resulting from the business combination which took place in late May in the Milan area, with prices slightly positive. On the costs front, the favorable trend of fuels offset the increase in electricity prices. Bad debt expense, which in the ready-mix concrete sector had resulted in significant costs during 2015, returned to normalized and more sustainable levels. Overall net sales in Italy came in at €279.7 million, down 1.1% vs. € 282.8 million in the previous year while Ebitda, although improving, remained negative at -€16.7 million compared to -€19.7 million in 2015. However it must be pointed out that the 2016 figure includes among staff costs non-recurring restructuring expenses of €0.6 million and that the 2015 result included non-recurring net income of €1.9 million. Net of non-recurring items, Ebitda increased by €5.5 million.

**Central Europe**

In Germany in the first nine months of the year, our cement volumes sold, despite the weakness in the demand for oil well products, showed a progressive improvement starting from the spring and were higher compared to the same period of 2015, with prices however basically weak. Ready-mix concrete output recorded an increase, although less marked, also with prices marginally down. Overall net sales amounted to €429.6 million, in line with 2015 (€429.8 million), while Ebitda increased by €8.6 million (+16.3%), from €52.6 million to €61.2 million. Among operating costs, fuel decreased and electric power was basically stable. During this period the company incurred other operating costs of €0.1 million from the intercompany purchase of $CO_2$ emission quotas (€1.7 million in 2015).

In Luxembourg and the Netherlands, during this period, our cement sales, inclusive of internal sales volumes, maintained a solid growth, with average unit revenues slightly down. The ready-mix concrete sector basically confirmed the 2015 production levels, with slightly strengthening prices. Overall net sales came in at €131.7 million, up 4.8% compared to the same period last year (€125.7 million); Ebitda increased from €13.2 million to €20.5 million (+€7.3 million). However it must be pointed out that the 2016 figure includes a non-recurring income of €3.0 million, €3.3 million thereof for gains on disposal of fixed assets and €0.3 million for restructuring costs, while the 2015 result included non-recurring net costs of €0.5 million. Net of non-recurring items Ebitda increased by €3.9 million. As for production costs, the trend of energy factors was favorable in particular for fuels and to a lesser extent also for electric power.

**Eastern Europe**

In Poland cement volumes sold during the first nine months, thanks to more buoyant dynamics in spring and summer, could confirm a solid increase on the same period last year; ready-mix concrete output, which is also gradually recovering, recorded a significant improvement. The average price level in local currency, despite the strong demand, remained fairly stable since the beginning of the year, but still significantly lower than the 2015 figure for cement, while it slightly strengthened in the ready-mix concrete sector. Net sales decreased from €76.2 million to €73.4 million (-3.6%), while recurring Ebitda increased from €20.3 million to €21.9 million (+8.0%). The depreciation of the zloty (-4.8%) led to a negative exchange rate effect; like for like, revenues would have increased by 1.1% and Ebitda by 13.2%. Among the main operating costs the trend was favorable for both electric power and fuels.

In the Czech Republic our sales of hydraulic binders confirmed, with a slight improvement, the good levels achieved in the same period last year, with average sales prices in local currency marginally down. The ready-mix concrete market, which includes also Slovakia operations, showed instead somewhat lower production levels, but with recovering prices. Overall net sales, slightly influenced by the exchange rate effect, increased from €100.8 million to €101.5 million (+0.6%) and Ebitda improved by €0.9 million, from €24.7 million to €25.5 million (+3.5%). Like for like net sales and Ebitda would have increased by 4.1% and 3.3% respectively. Among operating costs in local currency the trend was favorable for both fuels and electric power. In the period the company achieved other operating revenues of €0.1 million from the intercompany transfer of $CO_2$ emission quotas, deemed in excess compared to production volumes (€0.7 million in 2015).

In Ukraine, in the first nine months, cement shipments from our plants, which maintained a regular production activity, showed some upward progress, with average prices strongly recovering, driven by inflation. Ready-mix concrete output, although not very significant in absolute value, were also improving, with average prices in local currency that followed inflation. Net sales increased from €52.4 million to €60.6 million (+15.7%), while Ebitda came in at €12.1 million compared to €4.3 million in the previous year (+€7.8 million). The depreciation of the local currency (-18.3%) penalized the translation of results into euro: at constant exchange rate net sales would have increased by 36.9% and recurring Ebitda by €10.0 million. Among the main operating costs in local currency, a further upward price trend was recorded for both fuels and electric power.

In Russia the gradual recovery of shipments from the spring months led to slightly decreasing sales for the first nine months compared to the previous year, with the category of oil well cements, used in the extraction industry, always showing a good performance. Sales prices in local currency remained stable. Net sales decreased from €136.2 million in 2015 to €118.5 million (-12.9%) while Ebitda amounted to €37.4 million compared with €40.5 million of the previous year (-7.6%). However it should be pointed out that the figure achieved in 2015 included €0.7 million non-recurring costs. The depreciation of the ruble (-14.4%) had an unfavorable impact on the translation of results into euro; net of exchange rate effects and non-recurring items net sales would have been down 0.4% and Ebitda up 3.9%. Among the main operating costs in local currency, the price trend was stable for fuels and unfavorable for electric power.

**United States of America**

Our cement sales, after the brilliant start to the year, favored by good weather conditions, and a more linear second quarter, showed a clear decline during the summer months, which resulted in the loss of the already accumulated benefit and volumes basically equal to the ones achieved in the same period last year through September. The weak demand was more marked in the Southwestern region, and in particular in the Houston area, which was already affected by the contraction of shipments of oil well cement, but it also concerned some areas of the Midwestern regions. Ready-mix concrete output, mainly located in the South-West, slowed down further. The average price trend in local currency remained favorable for cement and showed a slight improvement also for ready-mix concrete. Overall net sales increased from €823.5 million to €831.7 million and Ebitda from €216.2 million to €254.2 million (+17.6%). The stability of the dollar did not have any significant exchange rate effect. However it should be pointed out that the previous year's figure included €3.9 million of non-recurring costs; net of exchange rate effect and non-recurring items, net sales and Ebitda would have increased respectively by +1.2% and +15.7%. As for the main operating costs the trend was favorable for fuels and rather stable for electric power. The new line in Maryneal (West Texas) is now working at a fairly regular rate, although the conclusive fine tuning will require further efforts in the coming months.

**Mexico** (valued by the equity method)

Cement sales continued to trend in line with the relatively high volumes recorded in 2015, with average prices in local currency progressively improving. Ready-mix concrete sales maintained a weaker profile, but with prices in local currency clearly up. Net sales and Ebitda, in local currency, increased respectively by 11.4% and 30.8%. The depreciation of the Mexican peso (-17.6%) penalized the translation of results into euro; with reference to 100% of the associate, net sales amounted to €450.2 million (-5.3%) and Ebitda improved from €195.8 million to €217.7 million (+11.2%). Among the main operating costs in local currency both fuels and electric power had a favorable trend. The equity earnings referring to Mexico, which are included in the line item that encompasses the investments valued by the equity method, amount to €49.6 million (€41.3 million in 2015). The works for the expansion project of the production capacity at the Apazapan plant, Veracruz are being finalized; the commissioning of the new line is expected by the end of this month.

**Outlook**

In some regions of presence, the trend of the first nine months partially changed compared to the first half year and this difference affects the expected outlook for the full year.

In the United States, the progressive loss of momentum in sales volumes, more marked in the South-West regions, considering the comparison with a particularly strong last quarter of 2015, foreshadows full-year volumes sold slightly down on previous year. However we expect that, thanks to the favorable development of prices and the high operating leverage, the favorable variance of margins on the previous year will be confirmed.

In Central Europe we have been enjoying a more lively recovery in demand, which allows to look at the end of the year with optimism about the improvement in recurring operating results compared to 2015.
As for Poland and the Czech Republic, we deem to confirm for the full year similar progress as it has been achieved until now. In Ukraine the way out of recession is consolidating; therefore we foresee an improvement in operating results translated into euro higher than the initial expectations. In Russia the strengthening of the positive signs during the summer months and a less unfavorable exchange rate effect enable us to forecast a decrease in recurring operating results in euro lower than 10%.
Finally, in Italy, the continuous weakness of cement demand entails the persistence of negative operating results only marginally better than the previous year, thanks to the constant and careful monitoring of costs.
Therefore, overall, our best current estimate is consistent with that already disclosed to the market on the occasion of the half-yearly interim report, suggesting an improved recurring Ebitda for the whole of 2016 over the previous financial year and equal to about €520 million in absolute value.

***

The Company resolved to publish, consistently with the past, an interim report as at 30 September 2016 comparable with the previous ones.
Moreover, the Board of Directors, in order to ensure continuity and regularity of information to the financial community, has resolved to continue to disclose, on a voluntary basis, quarterly information adopting, as from 2017 and until otherwise decided, the following communication policy:

**a) Quarterly report contents**

The quarterly report disclosed to the market will consist of the following information:
- a general description of the trading conditions in the geographical areas of operations
- volumes and consolidated net sales trend by geographical area
- consolidated net debt and its development.

This information will be compared with that of the previous year, relating to the same period.

**b) Communication methods**

The quarterly report will be disclosed exclusively by means of a press release which will be issued after the meeting of the board of directors approving the aforementioned accounting information.

**c) Timing of approval and disclosure of quarterly information**

The quarterly report will be subject to approval by the board of directors in meetings to be held within 45 days from the end of the first and third quarter of each year and disclosed after the session with the above-mentioned procedure.

*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, November 10, 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 INCOME STATEMENT** (in thousands of euro)

| | 3Q 2016 | 3Q 2015 |
|---|---|---|
| **Net sales** | **1.998.549** | **1.998.105** |
| Changes in inventories of finished goods and work in progress | (4.129) | (19.040) |
| Other operating income | 43.681 | 51.999 |
| Raw materials, supplies and consumables | (757.882) | (796.223) |
| Services | (482.140) | (485.186) |
| Staff costs | (337.043) | (338.746) |
| Other operating expenses | (44.856) | (58.840) |
| **EBITDA** | **416.180** | **352.069** |
| Depreciation, amortization and impairment charges | (143.775) | (145.217) |
| **Operating profit (EBIT)** | **272.405** | **206.852** |
| Equity in earnings of associates and joint ventures | 60.583 | 49.959 |
| Gains on disposal of investments | 180 | 5.725 |
| Finance revenues | 33.602 | 36.096 |
| Finance costs | (111.455) | (119.773) |
| **Profit before tax** | **255.315** | **178.859** |
| Income tax expense | (74.872) | (58.584) |
| **Profit for the period** | **180.443** | **120.275** |
| **Attributable to** | | |
| Owners of the company | 177.873 | 117.599 |
| Non-controlling interests | 2.570 | 2.676 |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | | |
|---|---|---|
| **Profit for the period** | **180.443** | **120.275** |
| **Items that will not be reclassified to profit or loss** | | |
| Actuarial gains (losses) on post-employment benefits | (52.681) | 1.607 |
| Income tax relating to items that will not be reclassified | 17.213 | 64 |
| **Total items that will not be reclassified to profit or loss** | **(35.468)** | **1.671** |
| **Items that may be reclassified subsequently to profit or loss** | | |
| Currency translation differences | (9.301) | 106.136 |
| Share of currency translation differences of associates and joint ventures valued by the equity method | (27.071) | (21.947) |
| **Total items that may be reclassified subsequently to profit or loss** | **(36.372)** | **84.189** |
| **Other comprehensive income for the period, net of tax** | **(71.840)** | **85.860** |
| **Total comprehensive income for the period** | **108.603** | **206.135** |
| **Attributable to** | | |
| Owners of the company | 103.363 | 203.808 |
| Non-controlling interests | 5.240 | 2.327 |

**CONSOLIDATED BALANCE SHEET**

| | 30.09.2016 | 31.12.2015 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Goodwill | 554.634 | 544.071 |
| Other intangible assets | 43.265 | 41.120 |
| Property, plant and equipment | 3.069.422 | 3.090.889 |
| Investment property | 22.102 | 22.786 |
| Investments in associates and joint ventures | 374.199 | 373.335 |
| Available-for-sale financial assets | 1.874 | 2.134 |
| Deferred income tax assets | 63.842 | 50.688 |
| Derivative financial instruments | - | 4.103 |
| Other non-current assets | 35.265 | 36.083 |
| | **4.164.603** | **4.165.209** |
| **Current assets** | | |
| Inventories | 375.336 | 377.682 |
| Trade receivables | 420.042 | 364.342 |
| Other receivables | 89.891 | 88.127 |
| Available-for-sale financial assets | 8.511 | 2.890 |
| Derivative financial instruments | 3.550 | 7.714 |
| Cash and cash equivalents | 864.935 | 503.454 |
| | **1.762.265** | **1.344.209** |
| Assets held for sale | 5.459 | 11.400 |
| **Total Assets** | **5.932.327** | **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 | 111.385 | 149.222 |
| Retained earnings | 1.951.178 | 1.826.238 |
| Treasury shares | (4.768) | (4.768) |
| | **2.640.128** | **2.553.025** |
| Non-controlling interests | 30.113 | 26.393 |
| **Total Equity** | **2.670.241** | **2.579.418** |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Long-term debt | 1.403.540 | 970.509 |
| Derivative financial instruments | 58.698 | 47.740 |
| Employee benefits | 470.364 | 432.263 |
| Provisions for liabilities and charges | 84.234 | 86.916 |
| Deferred income tax liabilities | 433.212 | 455.208 |
| Other non-current liabilities | 14.681 | 18.063 |
| | **2.464.729** | **2.010.699** |
| **Current liabilities** | | |
| Current portion of long-term debt | 385.889 | 527.733 |
| Short-term debt | 1.876 | 1.701 |
| Trade payables | 213.338 | 245.237 |
| Income tax payables | 27.491 | 19.502 |
| Provisions for liabilities and charges | 19.972 | 21.267 |
| Other payables | 148.791 | 114.749 |
| | **797.357** | **930.189** |
| Liabilities held for sale | - | 512 |
| **Total Liabilities** | **3.262.086** | **2.941.400** |
| **Total Equity and Liabilities** | **5.932.327** | **5.520.818** |

**Alternative performance measures**

Buzzi Unicem uses in its financial disclosure some alternative performance measures that, although widespread, are not defined or specified by the accounting standards applicable to the preparation of the annual financial statements or interim consolidated reports. Pursuant to Consob Communication n. 92543/2015 and the guidelines ESMA/2015/1415 set out below are the definitions of such measures.

- **EBITDA:** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **EBITDA recurring**: it is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the following adjustments (non-recurring income/expense):

  - restructuring costs, in relation to defined and significant plans
  - write downs/ups of current assets except trade receivables greater than €1 million
  - addition to/release of provisions for legal, fiscal or environmental risks greater than €1 million
  - dismantling costs greater than €1 million
  - gains/losses from the sales of fixed assets and non-instrumental real estate greater than €3 million
  - other sizeable non-recurring income or expense (greater than €3 million), that is attributable to significant events unrelated to the usual business.

The reconciliation between EBITDA and EBITDA recurring, for the two comparative periods, is as follows:

| (millions of euro) | *Sep 30, 2016* | *Sep 30, 2015* |
|---|---|---|
| **EBITDA** | **416.2** | **352.1** |
| Restructuring costs | 0.9 | 2.0 |
| Additions (releases) of provisions for liabilities | - | (5.3) |
| Dismantling costs | - | 6.5 |
| Gains on sale of fixed assets | (3.3) | - |
| **EBITDA recurring** | **413.8** | **355.2** |

- **Operating profit (EBIT);** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **Net debt:** it's a measure of the capital structure determined by the difference between financial liabilities and assets, both short and long term; under such items are included all interest-bearing liabilities or assets and those connected to them, such as derivatives and accruals.