PRESS RELEASE

Interim results at June 30, 2016

- **In the first six months cement and clinker sales continue to trend higher than the previous year (+2.7%). Recovery in Central Europe, generally positive variance in Eastern Europe, solid demand in the United States, disappointing market signals in Italy**
- **More brilliant situation in Ukraine and first positive signs in Russia. After the clear improvement recorded at the beginning of the year, stable second quarter in the United States**
- **Net sales at €1,261 million (2015: €1,238 million); Ebitda at €223 million (2015: €167 million). Unfavorable exchange rate effect of €22 million on net sales and €5 million on Ebitda, due to the depreciation in Ukraine and Russia**
- **Second half year expected with an operating income in line with 2015. Outlook for the full year 2016: improvement of recurring Ebitda over the previous year and around €520 million in absolute value**

Consolidated data		**Jan-Jun 16**	**Jan-Jun 15**	**% 16/15**
Cement sales	m ton	12.2	11.9	+2.7
Ready-mix sales	m m3	5.6	5.6	-0.6
Net sales	€m	1,261.3	1,238.2	+1.9
Ebitda	€m	222.5	166.6	+33.5
Net profit	€m	91.5	36.4	n.s.
Consolidated net profit	€m	90.3	34.9	n.s.
		Jun 16	**Dec 15**	**Change**
Net debt	€m	1,064.6	1,029.7	34.8

The Board of Directors of Buzzi Unicem SpA has met today to examine the interim financial report as at 30 June 2016.

World economic activity was characterized by a low profile, showing similar levels to 2015, with a moderate recovery in the mature economies and a still weak economic situation in emerging countries. International trade stagnated at the beginning of the year and continued with the same trend in the second quarter, thus anticipating for the full year a declining dynamics in comparison with the previous period.

In the United States, after a slowdown at the beginning of the year as a result of the deceleration of consumption and the decline in productive investments, an upturn in growth is signaled, characterized by the expansion of the manufacturing sector, the favorable trend in consumption in the spring months and an acceleration of the employment rate. In the Eurozone, domestic demand remained the main driver of the recovery that has continued at a moderate pace even during the spring, thanks to stronger household spending and the further increase in investment, while foreign trade slowed down for the third consecutive quarter, with imports growing markedly and exports down, specifically towards the countries outside the area. In Germany, economic activity, which grew at the highest rate of the last two years, was supported by investment spending. In France, likewise, it was boosted both by the recovery in consumption and by the further acceleration in investments. In Italy the GDP strengthening benefited more moderately from the expansion of consumption and even less so from the investment recovery, which covered all the main sectors except construction, which returned to decline after two consecutive quarters of expansion. In emerging economies, growth remained high in India; China's stimulus measures taken by the government and the Central Bank countered the slowdown in economic activity, while the recession continued in Brazil and attenuated in Russia, favored by the increase in crude oil production.
Oil prices recovered from the lows reached earlier this year, thanks to drop in supply from the United States and the temporary interruption of production in major exporting countries, but the trend in futures contracts outlines a modest increase in the rest of 2016 and for next year. In advanced economies, inflation continues to fare well below targets, remains low in China (1.9% in June), in line with expectations in India (5.8%) and at high levels in Brazil (8.8%) and Russia (7.5%).
The outcome of the referendum on Brexit, which will strongly impact on the relationship between the United Kingdom and the European Union, created a situation which has never been experienced before in the Union history and which triggered intense turbulence in the financial markets. Moreover, although its consequences are difficult to assess, it increased the threats on growth prospects and fueled the risk aversion by investors. In the context of intensified uncertainty and less favorable developments, the ECB confirmed its intention to keep official interest rates at current or lower levels and is ready to intervene with all the tools available to ensure financial stability. The Bank of England prefigured a monetary slackening and the Federal Reserve a more gradual normalization. Also in the major emerging markets, the monetary policy tendency remained mostly accommodating.

Net revenues for the six months were up 1.9% to €1,261.3 million from €1,238.2 million in 2015, while Ebitda grew by 33.5%, from €166.6 to €222.5 million. The price effect in local currency was favorable in the United States and, encouraged by inflation, in Ukraine; it was basically neutral in the Czech Republic, Russia and Italy, while net unit revenues were still weak in Poland; modest negative changes occurred in Luxembourg and Germany. The volume effect, with the exception of Russia and Italy, was favorable in all markets of presence and more lively in the United States and Central Europe. The currency trend, which was characterized by further depreciations of the ruble and the hryvnia and by the stability of the dollar, had a negative net effect of €21.9 million on net sales and of €4.9 million on Ebitda. Like for like net sales would have increased by 4.0% and Ebitda by 36.4%. After amortization and depreciation of €93.5 million (€96.5 million in the previous year), Ebit was €129.0 million (+€58.9 million over 2015) and the six months period closed with a net profit of €91.5 million, compared to €36.4 million in the same period of 2015.

Operating and financial results

Cement sales of the group in the first six months of 2016 registered a 2.7% increase compared to the same period of 2015, reaching 12.2 million tons. Changes were favorable in all markets of presence, except for Italy and Russia, which achieved a moderate decline. Ready-mix concrete output confirmed the volume of 5.6 million cubic meters, slightly down (-0.6%) compared to the previous year.

The consolidated Ebitda was €222.5 million, up from €166.6 million in 2015 (+33.5%). The figure for the first half year benefited from non-recurring income of €3.2 million (€1.5 million in the same period of 2015); net of these amounts, Ebitda in the first half of 2016 would have increased by €54.1 million (+32.8%). Changes in exchange rates had a negative net impact because of the depreciation of the Russian ruble and the Ukrainian hryvnia. Like for like Ebitda for the first half of 2016 would have increased by 36.4%. The recurring Ebitda to sales margin in the first six months improved by approximately 400 basis points, with favorable changes in all markets of presence except Russia and with Italy reducing its operating loss.

After amortization and depreciation of €93.5 million (€96.5 in the first half of 2015), Ebit amounted to €129.0 million (€70.1 million in June 2015). Profit before tax stood at €129.2 million (€54.1 million in 2015), after net financial costs of €36.4 million (€51.8 million in 2015), a contribution of €36.4 million from equity earnings (€30.2 million in 2015) and gains on sale of investments of €0.2 million (€5.7 million in 2015). The income statement of the period closed with a net profit of €91.5 million, compared to €36.4 million in the first half of 2015; net profit attributable to the owners of the company increased from €34.9 million in 2015 to €90.3 million during this period.

Cash flow for the half year stood at €185.0 million, compared to €132.9 million in the same period of 2015. Net debt as at 30 June 2016 amounts to €1,064.6 million, up €34.8 million compared to €1,029.7 million at 31 December 2015. In the six months under review, the group distributed dividends of €16.2 million, of which €15.4 million from the parent company. In addition it realized total capital expenditures of €127.0 million. Investments in property, plant and equipment referring to expansion or special projects totaled €51.6 million, almost entirely related to the completion of the new kiln line in Maryneal (TX). No sizeable equity investments were made.

Italy

Our cement and clinker sales, due to a decrease in shipments during the spring months on both the domestic market and exports, closed the first six months down from the same period last year (-3.1%), with sales prices that did not show any significant changes from the levels achieved in the first half of 2015. In the ready-mix concrete sector sales were similar to last year’s volumes, with prices slightly up. In line with this trading conditions, net sales in Italy stood at €187.7 million, down 0.6% (€188.8 million in 2015). In the ready-mix concrete sector the provision for bad debts, which had led to significant losses in 2015, returned to more sustainable levels. Ebitda at the end of June came in at a loss of -€9.3 million (compared to -€15.1 million in 2015). However it must be pointed out that the 2016 figure includes, among staff costs, non-recurring restructuring expenses of €0.2 million and that the 2015 result included a non-recurring income of €3.0 million. Net of non-recurring items, Ebitda improved by €9.0 million; however, in favor of this result the dynamic of inventory changes, due to the planning and rates of production and sales, had a determining impact.

Central Europe

In **Germany**, after a start to the year virtually in line with the levels achieved in the same period of 2015, in the second quarter shipments showed a more lively performance and, despite the continuous weakness of the demand for oil well cements, in the first six months our activities in the cement sector recorded sales up 3.2% on the same period last year, with slightly deteriorated prices (-3.0%). The ready-mix concrete sector registered a more marked recovery in output (+5.3%), with prices also down. Overall net sales amounted to €271.2 million (€269.4 million in 2015), up 0.7% and Ebitda stood at €29.7 million compared with €24.1 million (+23.5%). In the period the company incurred other operating costs for €0.1 million referred to CO_2 emission rights purchased internally from other companies of the group (€1.6 million in 2015).

In **Luxembourg** and the **Netherlands** our cement deliveries maintained a favorable trend during the spring months, with average unit revenues decreasing compared to the previous year (-3.2%). The ready-mix concrete sector confirmed the output levels of 2015, associated with somehow weaker prices. Net sales amounted to €87.8 million, up 5.2% from the previous year (€83.5 million). Ebitda increased from €5.7 million in 2015 to €13.5 million. The 2016 figure includes non-recurring income of €3.4 million resulting from gains on the disposal of fixed assets.

Eastern Europe

In the **Czech Republic** and **Slovakia** cement sales in the first six months of the year confirmed the good levels achieved in the same period of 2015 (+0.7%), with average prices in local currency virtually unchanged. The ready-mix concrete sector, which also includes Slovak operations, showed instead lower production levels (-7.2%) but with recovering prices (+5.8%). Overall net sales, only moderately influenced by the exchange rate effect, increased from €60.1 million to €60.6 million (+0.7%), and Ebitda increased by €0.5 million, from €12.4 million in 2015 to €12.8 million in the current interim period. In the semester the company realized other operating revenues for €0.1 million from the transfer of CO_2 emission rights, deemed in excess compared to production volumes (€0.6 million in 2015).

In **Poland** the cement deliveries of our production unit, thanks to the more lively demand in the second quarter, recorded a positive change of 8.1%, with an improvement also of ready-mix concrete volumes compared to the previous year's level (+3.2%). The average price level in local currency still showed an unfavorable variance for cement (-11.8%) while it remained stable for the ready-mix concrete. These market dynamics led to a turnover of €43.6 million, compared to €48.2 million in 2015 (-9.5%). Ebitda increased from €10.0 million to €11.7 million (+16.2%). The depreciation of the zloty (-5.5%) led to a negative exchange rate effect: like for like, net sales would have been lower by 4.5% and Ebitda would have increased by 22.6%.

In **Ukraine** our operating activities maintained a regular trend, which was better in the second quarter than in the first one. In the first six months, cement sales were up 2.2%, with average prices in local currency driven upwards by high inflation (+28.5%). Net sales increased from €29.2 million in 2015 to €31.6 million euro in the period under review (+8.2%) and Ebitda improved from €1.5 million to €4.6 million (+€3.1 million). The further depreciation of the local currency (-19.0%) had an unfavorable impact on the translation of results into euro: at constant exchange rates the change in sales in fact would have been positive by 28.8%, while Ebitda would have increased by €4.0 million. About the main operating costs in local currency, the price increased considerably for fuels and, to a lesser extent, for electric power.

In **Russia** after a start to the year marked by rather weak sales, the recovering second quarter allowed to close the first half year with volumes down 2.4%. The category of oil-well cements, used in the extraction industry, declined slightly steeper (-5.0%) than the traditional hydraulic binders. Prices in local currency were stable. Net sales stood at €67.2 million versus €83.4 million in 2015 (-19.4%), while Ebitda came in at €16.8 million versus €23.2 million in 2015, down 27.6%. Nevertheless it should be remembered that the result achieved in the first half of 2015 included €0.5 million of non-recurring costs. The further depreciation of the ruble (-21.1%) had an unfavorable impact on the translation of results into euro; like for like the change in net sales and recurring Ebitda would have been -2.4% and -14.1% respectively. About the main operating costs in local currency, the price change was unfavorable for both fuels and electric power, in line with the inflation rate.

United States of America

After the sharp improvement in volumes achieved at the beginning of the year, favored by good weather conditions compared to the extremely rainy ones in the South West in the same period of 2015, a more linear second quarter, with some stronger shipments in June, caused the first six months of the year to close with a 6.1% growth, despite the continuing and significant decline in sales of oil well cements. Cement prices in local currency, which are strengthening more markedly in the Midwest regions, were up 6.5%. Ready-mix concrete output, mainly located in Texas, posted a weaker performance compared with the previous year (-6.6%), but with a favorable change in selling prices. Net sales stood at $591.7 million, up 7.3% from $551.2 million in the same period of 2015. Ebitda came in at $159.2 million (+36.1% versus previous $117.0 million). The stability of the dollar did not lead to any significant exchange rate effect, so that in euro net sales increased from €494.0 million to €530.2 million (+7.3%) and Ebitda from €104.8 to €142.7 million (+36.1%). It should be remembered, however, that the 2015 figure included €1.1 million of non-recurring charges. At the end of June, following the completion of the upgrade and expansion project, the new kiln line in Maryneal, Texas, was commissioned. The plant, which doubles the installed capacity from 0.6 to 1.2 million ton/year and boasts the most modern and efficient automation, environmental management and safety systems, is gradually increasing its production rate, after the necessary phase of fine tuning.

Mexico (valued by the equity method)
Cement sales trend of our joint venture was again in line with the rather high volumes achieved in the previous year, with average prices in local currency in clear improvement. Ready-mix concrete sales maintained a weaker profile, but with significantly better prices in local currency. Net sales and Ebitda, in local currency, recorded an increase of 12.3% and 33.3% respectively. The depreciation of the Mexican peso negatively affected the translation of results into euro; with reference to 100% of the associate, net sales amounted to €301.5 million (-6.0%) and Ebitda increased from €131.4 to €146.6 million (+11.6%). The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €33.6 million (€27.4 million in 2015).

Outlook
The first six months of 2016 were characterized by better operating conditions than expected, such as solid progression in the United States, a recovery in Central Europe and a minor decline of results in Eastern Europe, thanks also to the ruble exchange rate, which was less penalizing than in the first quarter of the year. In Italy, however, the expectations of a stabilization in consumption and a recovery in prices were disappointed by the sudden interruption of civil works due to the difficulties in applying the new code. Ebitda to sales margin, with the exception of Russia, was improving in all countries of presence, facilitated by a widespread reduction in energy costs, in addition to efficiency and productivity improvements resulting from the optimization actions developed by the management.
In the second half of the year, assuming normal weather conditions, the United States should secure the strong improvements of the first half of 2016.
In Italy the signals coming from the market are disappointing as regards the unfolding of demand. The results will unfortunately continue to be negative, although less than the previous period.
In Central Europe we expect resilient demand and neutral price dynamics, which translates into operating margins a little higher versus 2015.
As for Poland and the Czech Republic we expect that the slight improvement achieved in the first six months will be maintained until year end.
Greater dynamism is conceivable in Ukraine, where the growth of turnover in local currency, thanks to recovering volumes and prices clearly up, is exceeding the inflation rate.
Finally for Russia, although the second quarter showed the first positive signals, the expectation of substantially worsening operating results, expressed in euro, is confirmed.
Based on the above considerations, we believe that, for the group as a whole, the next six months will express an operating profitability in line with that of 2015. Consequently, for the full financial year 2016, we expect to report an improvement of recurring Ebitda over the previous year and around €520 million in absolute value.

Senior Notes and Bonds
In the period from January 1 to June 30, at the end of April 2016, the issuance of the bond "Buzzi Unicem S.p.A. €500,000,000 to 2.125% Notes due 28 April 2023" was completed, for a nominal amount of €500 million with a 7-year maturity. The bonds, placed with institutional investors only in a minimum denomination of €100,000, pay a fixed annual coupon of 2.125%.

In the 18 months subsequent to 30 June 2016, the following repayments of bond principals shall be effected:

- on 12 September 2016, $80.0 million referred to the Senior Notes Series A and B issued by the subsidiary RC Lonestar Inc. in 2003;
- on 9 December 2016, €350.0 million referred to the Eurobond "Buzzi Unicem €350.000.000 5,125% Notes due 2016" issued by the parent company Buzzi Unicem SpA in 2009.

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, August 3, 2016

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Buzzi Unicem H1-16 results will be illustrated during a **conference call** to be held today, Wednesday August 3, at 04:30 pm CEST. To join the conference, dial +39 02 805 8811.

BUZZI UNICEM SPA

CONSOLIDATED INCOME STATEMENT (in thousands of euro)

	1H 2016	1H 2015
Net sales	**1.261.298**	**1.238.174**
Changes in inventories of finished goods and work in progress	(571)	(5.157)
Other operating income	29.288	33.934
Raw materials, supplies and consumables	(494.775)	(516.245)
Services	(317.171)	(320.150)
Staff costs	(225.336)	(225.513)
Other operating expenses	(30.239)	(38.405)
EBITDA	**222.494**	**166.638**
Depreciation, amortization and impairment charges	(93.497)	(96.520)
Operating profit (EBIT)	**128.997**	**70.118**
Equity in earnings of associates and joint ventures	36.394	30.166
Gains on disposal of investments	171	5.705
Finance revenues	29.631	35.182
Finance costs	(66.033)	(87.031)
Profit before tax	**129.160**	**54.140**
Income tax expense	(37.707)	(17.731)
Profit for the period	**91.453**	**36.409**
Attributable to		
Owners of the company	90.312	34.876
Non-controlling interests	1.141	1.533

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1H 2016	1H 2015
Profit for the period	**91.453**	**36.409**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(59.552)	16.114
Income tax relating to items that will not be reclassified	20.312	(5.119)
Total items that will not be reclassified to profit or loss	**(39.240)**	**10.995**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(5.885)	164.964
Share of currency translation differences of associates and joint ventures valued by the equity method	(18.181)	(1.213)
Total items that may be reclassified subsequently to profit or loss	**(24.066)**	**163.751**
Other comprehensive income for the period, net of tax	**(63.306)**	**174.746**
Total comprehensive income for the period	**28.147**	**211.155**
Attributable to		
Owners of the company	24.626	206.423
Non-controlling interests	3.521	4.732

CONSOLIDATED BALANCE SHEET

	30.06.2016	31.12.2015
ASSETS		
Non-current assets		
Goodwill	553.908	544.071
Other intangible assets	43.385	41.120
Property, plant and equipment	3.082.528	3.090.889
Investment property	22.118	22.786
Investments in associates and joint ventures	361.980	373.335
Available-for-sale financial assets	1.879	2.134
Deferred income tax assets	63.572	50.688
Derivative financial instruments	-	4.103
Other non-current assets	35.919	36.083
	4.165.289	**4.165.209**
Current assets		
Inventories	374.059	377.682
Trade receivables	435.644	364.342
Other receivables	104.046	88.127
Available-for-sale financial assets	3.504	2.890
Derivative financial instruments	9.323	7.714
Cash and cash equivalents	847.346	503.454
	1.773.922	**1.344.209**
Assets held for sale	7.396	11.400
Total Assets	**5.946.607**	**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	123.914	149.222
Retained earnings	1.859.983	1.826.238
Treasury shares	(4.768)	(4.768)
	2.561.462	**2.553.025**
Non-controlling interests	28.382	26.393
Total Equity	**2.589.844**	**2.579.418**
LIABILITIES		
Non-current liabilities		
Long-term debt	1.418.029	970.509
Derivative financial instruments	40.128	47.740
Employee benefits	487.885	432.263
Provisions for liabilities and charges	84.433	86.916
Deferred income tax liabilities	441.157	455.208
Other non-current liabilities	20.950	18.063
	2.492.582	**2.010.699**
Current liabilities		
Current portion of long-term debt	443.388	527.733
Short-term debt	1.194	1.701
Trade payables	225.311	245.237
Income tax payables	20.689	19.502
Provisions for liabilities and charges	20.468	21.267
Other payables	153.071	114.749
	864.121	**930.189**
Liabilities held for sale	60	512
Total Liabilities	**3.356.763**	**2.941.400**
Total Equity and Liabilities	**5.946.607**	**5.520.818**

The interim report for the six months ended 30 June 2016 has been endorsed by the Board of Directors and is being revised by the independent auditors.

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 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:

(milions of euro)	*1H 2016*	*1H 2015*
Ebitda	**222.5**	**166.6**
Restructuring costs	0.2	0.4
Additions (releases) of provisions for liablities	-	(5.3)
Dismantling costs	-	3.4
Gains/losses on disposal of fixed assets	(3.4)	-
Ebitda recurring	**219.3**	**165.2**

- **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.