Buzzi Unicem

ANNUAL REPORT 2014

Buzzi Unicem is an international multiregional “heavy-side” group, focused on cement, ready-mix concrete and aggregates.

The company’s dedicated management has a long-term view of the business and commitment towards a sustainable development, supported by high quality and environmentally friendly assets.

Buzzi Unicem pursues value creation through lasting, experienced know-how and operating efficiency.

Vision

Contents

Dear Shareholders:

I am pleased and honored to introduce myself, in my capacity as new Chairman, here at the 2015 Annual General Meeting.
Taking the "baton" from Sandro Buzzi, who was Chairman during some of the best years of this company is not, and will not, be easy, given the results achieved during his multiple appointments, and given his "professional caliber".
With the long crisis persisting, unabated, since 2008, some of you, esteemed stakeholders, might have begun to have doubts, but the structure of the group, by now perfectly consolidated, provides the strongest guarantee of continuity and solidity. The contribution of the Dyckerhoff subsidiary, whose 100% acquisition was completed in the fall of 2013, followed by its delisting from the Frankfurt Stock Exchange, has been relevant to that status.
The new corporate structure resulting from this operation has made possible a deep internal re-organization and strengthened relations with the parent company. In Germany, therefore, but also in the Unites States and in Italy, our three main markets, some managers who had by now accumulated substantial experience at the international level have been promoted to top management, a rotation which has placed young people of undisputed worth in key positions in the organization. To guarantee the future of the company, we have relied on internal talent growth.

The Italian cement market has fallen by more than 50% from its peak, going from 46-47 million tons to about 20 million tons in 2014, with a strong contraction in margins due partly to cost increases that could not be offset by the dynamics of sale prices.
Your company is certainly not new to these difficulties, but thanks to its geographic diversification we are fighting back, especially in the Unites States and in Mexico. In these two countries, good economic performance and demographic growth are supporting demand, and the cement market is staging a strong recovery.
Dyckerhoff, for its part, continues to report good results in the markets of Germany, Czech Republic, and Luxembourg. Some difficulties were reported in Poland and the Netherlands in the first half of the year, but are now being resolved. In Ukraine and Russia, where the political crisis and the fall in oil prices have resulted in a substantial devaluation of the local currency, the market remains fairly positive, even if results in Euros were worse than expected due to the unfavorable exchange rate.
In Russia, it is worth mentioning the acquisition from Lafarge of Uralcement, a company with a production plant in Korkino, carried out at the end of the year. Its market contribution, around 1 million ton per year, will be especially useful to improve results in that country.

Meanwhile, Buzzi Unicem is moving ahead with its industrial strengthening plan, through two very significant projects:
- The first, in the Unites States, completely revamping the Maryneal cement plant in Texas, will be fully operational at the beginning of 2016 and will bring production capacity from its current level of 0.5 million tons to almost 1.2 million tons per year. This will almost halve costs, and supply a Texas market that is growing fast, partly due to the boom of the shale gas industry.

- The second, in Mexico, at Corporación Moctezuma, concerns the construction of a second line at the cement plant of Apazapan (Veracruz), whose commissioning is scheduled for spring 2017.

Ready-mix concrete continues to be a significant outlet and remains a growth opportunity for the cement market. However, due to the well-known difficulties of the construction industry and reduced investments in public and private infrastructure, everyday operations are much more complex than in the past. In Italy, even in these difficult circumstances, the subsidiary Unical stands out for its recognized and reliable high quality, and again this year has established itself as the supplier in some very prestigious works.
The Turin skyscrapers that are destined to become the new headquarters of Intesa Sanpaolo, in a project designed by Renzo Piano, and of the Piedmont Region, in a project designed by Massimiliano Fuksas, as well as the Isozaki Tower in Milan. These are evidence of the undisputed excellence achieved by our ready-mix concrete, whose level of innovation continues to outpace the competition.
The consistently high quality levels achieved, both in the cement and in the ready-mix concrete sector, are the result of years of constant and painstaking work by our technical and managerial staff, who devote themselves to their work with great passion.
I give my thanks to them and I urge them to carry on with renewed diligence.

The 2014 financial figures presented here only marginally reflect this effort because of the well-known difficulties of the sector, but I can assure you that Buzzi Unicem is today younger, leaner, and more competitive than ever, and that it will face future challenges with renewed strength, confident in a coming Italian economic recovery.

Enrico Buzzi

Enrico Buzzi
Chairman

"The future is born of tradition" 150th anniversary of Dyckerhoff

Neuwied plant

Walk of history

HOHNE military band

Lengerich plant

Palm prints on mortar

Deuna plant

Celebrative bulk cement truck

Meeting with the mayor of Wiesbaden

Lengerich plant

Wiesbaden Headquarters

Last September, Dyckerhoff celebrated one hundred and fifty years of business, with the motto “The future is born of tradition”.

For 150 years, the company has provided innovative construction materials and put forward modern solutions, helping to “shape” the future.

Walk of history

History of Dyckerhoff

The company began its activity during the second industrial revolution, halfway through the XIX century. At that time, businessmen created companies focused on independence and innovation, investing in new and promising economic sectors, in which a fundamental role was played by commercial and technical development, besides specific engineering competencies. On 4 June 1864, Wilhelm Gustav Dyckerhoff, with his sons Gustav and Rudolf, opened the Portland cement factory Dyckerhoff & Söhne (Dyckerhoff & Sons) in the Amöneburg district of Wiesbaden, on the Rhine.

The next day the company hired fifteen workers and, in the first year of activity, it produced 272 tons of cement, with a kiln round chamber, a crusher, four small mills and a steam engine.
Five years later the number of workers had increased to 100 and cement production to 7,056 tons. Twenty years after its foundation, Dyckerhoff employed 500 people, whose number doubled over the next fourteen years.

Over the years, the name Dyckerhoff became well known in the whole country for the high quality of its cement and for its great reliability: the strategy of going for an excellent quality proved to be a winning one.

Celebrative bulk cement truck

Expansion

The company began then to expand: Dyckerhoff extended its area of operation beyond Wiesbaden, Magonza and Frankfurt, expanding into Luxembourg, Northern France, the Netherlands, and the US. Cement supplied by Dyckerhoff was even used to build the base of the Statue of Liberty, which became the symbol of the company's history during that period.

Beginning in 1963, Dyckerhoff intensified the process of internationalization, gradually extending its activity to Spain, Luxembourg, USA, Russia, Poland, Czech Republic and Ukraine. In 2001, it became part of Buzzi Unicem.

The strong social commitment of Dyckerhoff, towards its workers and towards the communities in the areas where its plants are located, is part of the DNA of the company.
The founders of the company, Wilhelm Gustav Dyckerhoff and his sons, were indeed well aware of their responsibility towards the community. From the very beginning, the Dyckerhoff family created a system of health insurance, the so-called "workers' sickness fund", into which employees could pay a small percentage of their salary and in this way be guaranteed medical care and drugs if they became ill, as well as financial support if they became unable to work.

HOHNE Military Band

It should be pointed out that Dyckerhoff promoted many social initiatives well before the law made them mandatory. The founder, Wilhelm Gustav, believed in fact that the wellbeing of the workers should be the basis of Dyckerhoff corporate identity and on this element he built the success of the company. The wives of the founders were also involved: they took care of the welfare of the families of the workers, setting up a school of domestic economy for the girls and a nursery school for the boys.

In 1881 the company began building the first houses for its workers; it later built residential buildings for state employees, an elementary school, a school of domestic economy, a gym, a nursery school, and other structures. Many of the workers lived in these houses: the life of whole generations has revolved around the plant. Soon a small town grew nearby the factory, and, together with the industrial infrastructure and the administration buildings, influenced the development of the Amöneburg and Biebrich districts.

Today this area is recognizable for the presence of the two preheater towers and the headquarters building, both of them designed by the famous architect Ernst Neufert. It is the unmistakable image that Wiesbaden shows to those who arrive from the Rhine side.

Palm prints on mortar

Focus on the individual

The company's focus on the individual has gone much further over the years. Very soon employees obtained "co-decision" rights, at the same level as the members of the Dyckerhoff family, which started a long tradition of participation within the company. The first factory council was elected in 1920 and joined the committee of workers, founded during the First World War.

The family atmosphere is even now a distinctive trait of Dyckerhoff and one of the reasons why workers stay with the company for a long time.

Today the employees of Dyckerhoff in Germany have on average about twenty years of service: some can remember their parents or grandparents already working for Dyckerhoff. Even today, the company stands out for its social, economic and political commitment, sponsoring social activities and associations in the surrounding area. Dyckerhoff supports charities, above all in favor of children, sport clubs and local groups in Wiesbaden, it is part of trade associations and contributes to the development of the town.

Meeting with the mayor of Wiesbaden

"Dyckerhoff is as much part of Wiesbaden as the lily in the coat of arms of the town," said the mayor, Sven Gerich, during the celebrations for the one hundred and fifty years of the company.

"The future is born of tradition". There was never a better motto for the company. These few words sums up the commitment, the high quality product, the responsibility for its employees and for the community that even today are the values on which Dyckerhoff is building its future.

Group profile

Boards of Directors

Alessandro Buzzi
Honorary Chairman (not member)

Born in 1933. Chairman until 2014.
He has built up years of outstanding experience in the industry, developing special knowledge of cement technology and its applications. For many years, he was President of the Italian Cement Association (AITEC), Deputy Vice Chairman of UNI (Italian Standards Organization) and President of Cembureau (European Cement Association) from 2005 to 2006. From 2001 to 2013 he was a member of Dyckerhoff AG's Supervisory Board in the position of Vice Chairman. He is a member of the Governing Council of Assonime (Association of Italian joint-stock companies).

Michele Buzzi
Chief Executive Operations

Born in 1963. Director since 2005.
After joining Buzzi Cementi in 1990, he has held various management positions, at first in the ready-mix concrete division and then in marketing and sales for the cement division. In 2002 he became Chief Operating Officer of Cemento Italia.
For several years he was Vice President of the Italian Cement Association (AITEC). From 2004 to March 2014 he was a member of Dyckerhoff AG's Board of Management. He was appointed Chief Executive Operations in 2006.

Enrico Buzzi
Executive Chairman

Born in 1938. Director since 1999.
He has held various senior management positions in Buzzi Cementi, mainly related to plant management, strategic procurement, ready-mix concrete business, and the development of new industrial projects in Italy and Mexico.
From October 2001 to March 2014 he was a member of Dyckerhoff AG's Supervisory Board. He is the current Chairman of the associate Corporación Moctezuma SAB de CV.

Oliviero Maria Brega
Non-executive Independent Director

Born in 1944. Director since 2014.
Self-employed professional since 2010. He built up various experiences in management planning and control.
Since 1981 in family holding listed companies and earlier in industrial firms. Director of listed companies, among which Sogefi from 1998 to 2009, group Editoriale l'Espresso from 2000 to 2005, and earlier in insurance and industrial firms. He was in charge of Internal Control at Cir from 1999 to 2009 and at Cofide from 1999 to 2004.

Veronica Buzzi
Non-executive Vice-Chairman

Born in 1971. Director since 2011.
Degree in Business Administration from University of Turin. From 1996 to 1997 she was an auditor at Arthur Andersen & Co. From 1998 to 2001 she worked at McKinsey & Co., in the area of Financial Institutions and Corporate Finance. She also gained experience in Buzzi Unicem from 2001 to 2002, in the Investor Relations and Financial Planning department. From 2013 she has been a member of Dyckerhoff GmbH's Supervisory Board and of the Governing Council of AIdAF (Italian Association of Family Businesses).

Paolo Burlando
Non-executive Director

Born in 1962. Director since 2008.
Since 1997 he has worked as a chartered accountant, specializing in extraordinary corporate finance.
He is a member of the boards and supervisory bodies for different companies; among the others he is a statutory auditor for Mutui Online SpA, a company listed on the Italian Stock Exchange. From 1987 to 1997, he worked as a private equity analyst and executive manager.

Pietro Buzzi
Chief Executive Finance

Born in 1961. Director since 2000.
After some external experiences, he joined Buzzi Cementi in 1989 first as a Controller and then with growing operating responsibilities mainly within the finance, administration and information system functions. In 1999, he became Chief Financial Officer and in 2006 he was appointed Chief Executive Finance. He has been a member of Dyckerhoff GmbH's Supervisory Board since May 2007, currently holding the position of Vice-Chairman. Director of Banco Popolare Scrl from 2011 to 2014.

York Dyckerhoff
Non-executive Independent Director

Born in 1963. Director since 2008.
He manages his own companies, Dyckerhoff International in Hamburg, Green Aqua Farming in Wismar and Garnelen Farm GVM GmbH & Co. KG. International work experience with Man Ferrostaal: 1990 – 1994 Project Manager in Germany, 1994 – 2000 General Manager of Ferrostaal Bolivia, 2000 – 2004 General Manager of Ferrostaal Argentina, 2004 – 2006 Area Manager for South America. Managing Partner of Komrowski Maritime GmbH from 2006 to 2009. From 2010 to 2011 Director of United Food Technologies AG.

Elsa Fornero
Non-executive Independent Director

Born in 1948. Director since 2008 to 2011 and again from 2014. Professor of Political Economy at the University of Turin. Scientific coordinator of CeRP (Centre for Research on Pensions and Welfare Policies) and Vice President of SHARE-ERIC (Survey of Health, Aging and Retirement in Europe). Member of the Board of Directors of CINTIA, Honorary Senior Fellow Collegio Carlo Alberto, research fellow of Netspar and Policy Fellow of IZA in Bonn, of INFE at the OECD and of the Scientific Committee of the Observatoire de l' Epargne Européenne in Paris. From 2011 to 2013 she was part of the Monti cabinet and since 2014 she sits in the board of Centrale del Latte in Turin.

Aldo Fumagalli Romario
Non-executive Independent Director

Born in 1958. Director since 2011.
Chairman and Chief Executive Officer of Sol Group, multinational operating in the sector of the production and distribution of industrial and medicinal gases and in the home care sector. Vice-President of Assolombarda, with a permanent seat on the Executive Committee and Board of Governors of Confindustria, and a member of the General Council of the Aspen Institute. He was Vice Chairman of Credito Valtellinese, Chairman of IOMA, Vice-President of Federchimica, President of Assogastecnici and President of Confindustria Young Entrepreneurs from 1990 to 1994.

Linda Orsola Gilli
Non-executive Independent Director

Born in 1953. Director since 2014.
Degree in Business Administration from Bocconi University in Milan. Chairwoman and CEO of INAZ. Director (2006-09) and member of the Board of Evaluation of the Bicocca University (2009-13). Knight of the Order of Merit for Labor, since 2009 she has sat in the Commission for Training Activities of the Domestic Federation, of which she has been Chairwoman since 2014. Director of the Domestic Federation of the Order of Merit for Labor (2010-16), and currently its Vice Chairwoman. Member of Assinform Governing Council (2009-13), board member of ISPI (2013-15), ISVI Association and UCID (2013-16).

Gianfelice Rocca
Non-executive Independent Director

Born in 1948. Director since 2003.
Chairman of the Techint Group and of the Humanitas Medical Institute in Milan. Since June 2013, President of Assolombarda. From 2004 to 2012, Vice-President for Education of Confindustria. Member of the Governing Board of EIT (European Institute of Innovation and Technology).
Director of Allianz SpA, Brembo SpA, and a member of Allianz Group's Advisory Board, Aspen Institute Executive Committee, European Advisory Board at Harvard Business School, and the Trilateral Commission.

Maurizio Sella
Non-executive Independent Director

Born in 1942. Director since 1999.
Chairman of Banca Sella Holding (Banca Sella Group), Banca Sella SpA and Banca Patrimoni Sella & C. He was Chairman of ABI (1998 – 2006) where he sits on the Executive Committee. He has been Director of Assonime (Association of Italian joint-stock companies) since 2003, Vice-Chairman since 2011 and Chairman since 2013. He was Chairman of S.I.A. (Società Interbancaria per l'Automazione) from 1988 to 1999 and President of the Banking Federation of the European Union from 1998 to 2004.

Marco Weigmann
Non-executive Director

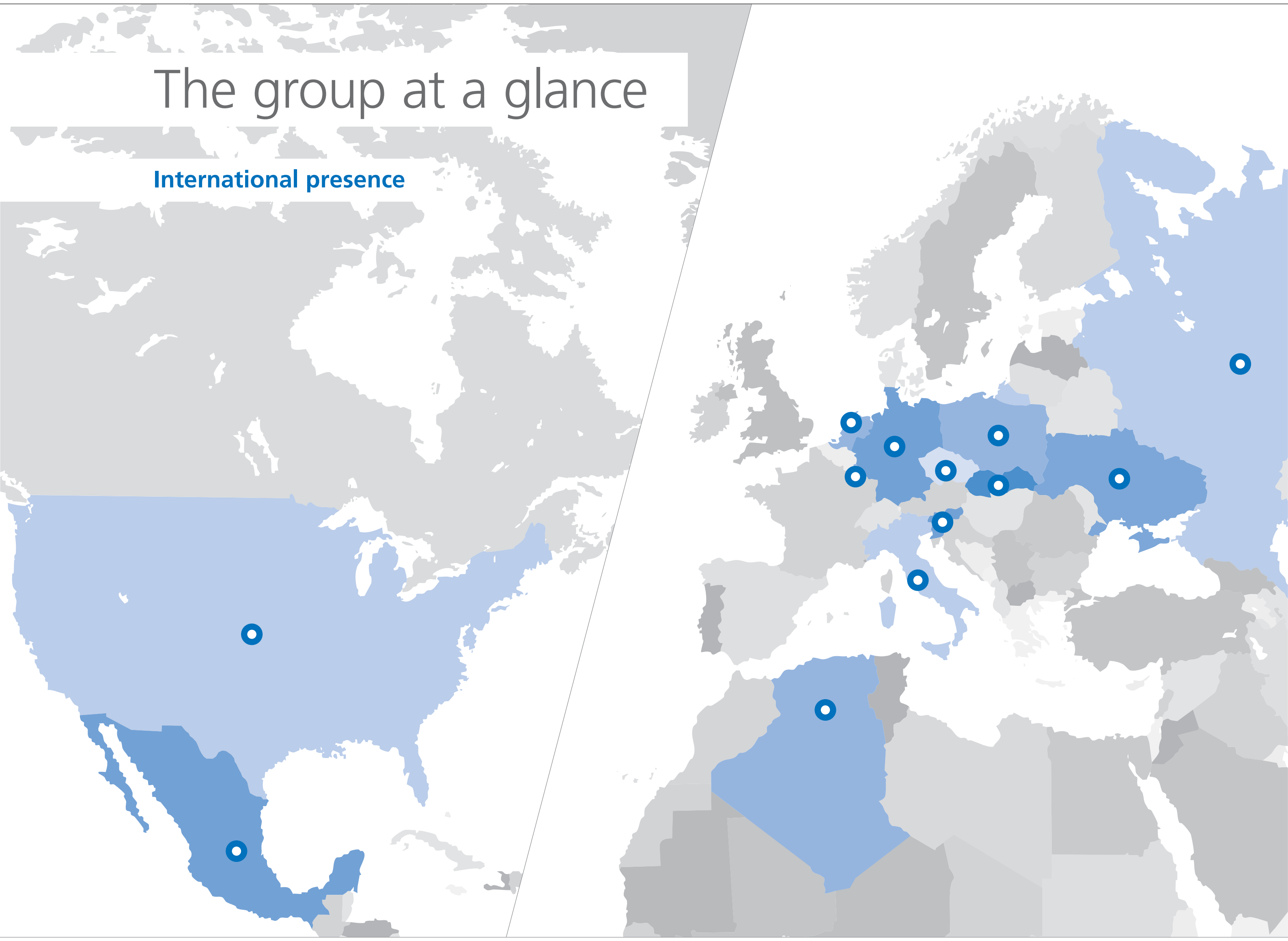
Born in 1940. Director since 1999.
Leading partner of Tosetto, Weigmann and Associati, a law firm founded in 1877 and currently including around 40 professionals, carrying out legal activity in Turin and Milan. Formerly a member of the Domestic and International Arbitration Chamber of Milan, he is now a member of the Arbitration Chamber of Piedmont region. Director of several companies: Reale Mutua di Assicurazioni, Italiana Assicurazioni SpA, Reale Immobili SpA, Banca Reale SpA, Auchan Italia SpA, ASTM SpA.

Board of Statutory Auditors

Fabrizio Riccardo Di Giusto	Chairman
Mario Pia	Statutory Auditor
Paola Lucia Giordano	Statutory Auditor
Margherita Gardi	Alternate Auditor
Massimo Cremona	Alternate Auditor

The group at a glance

International presence



Europe

Italy	Buzzi Unicem, Unical, Cementi Moccia (50%), Laterlite (33%), Addiment Italia (50%)
Germany	Dyckerhoff, Deuna Zement, Dyckerhoff Beton
Luxembourg	Cimalux
Netherlands	Dyckerhoff Basal Nederland
Poland	Dyckerhoff Polska
Czech Republic and Slovakia	Cement Hranice, ZAPA beton
Ukraine	Volyn-Cement, YUGcement, Dyckerhoff Ukraina
Slovenia	Salonit Anhovo (25%)

Asia

Russia	Sukholozhskcement, Dyckerhoff Korkino Cement

America

USA	Buzzi Unicem USA, Alamo Cement, Kosmos Cement (25%)
Mexico	Corporación Moctezuma (50%)

Africa

Algeria	Société des Ciments de Hadjar Soud (35%) Société des Ciments de Sour El Ghozlane (35%)

Operating structure

		ITA	GER	LUX	NLD	POL	CZE SVK	UKR	RUS	USA	MEX[1]	TOTAL
Cement plants	no.	12	7	2	-	1	1	2	2	8	3	**38**
of which grinding	no.	4	2	1	-	-	-	-	-	-	-	**7**
Cement production capacity	m tons/ year	10.0	7.2	1.4	-	1.6	1.1	3.0	4.7	9.8	6.3	**45.1**
Ready-mix batch plants	no.	128	122	3	14	28	80	5	-	78	45	**503**
Aggregate quarries	no.	10	3	-	1	-	10	-	-	4	3	**31**
Deposits and terminals	no.	2	3	-	-	1	-	2	1	33	-	**42**

ITA/Italy, GER/Germany, LUX/Luxembourg, NLD/Netherlands, POL/Poland, CZE/Czech Republic, SVK/Slovakia, UKR/Ukraine, RUS/Russia, USA/Unites States of America, MEX/Mexico.

[1] Figures at 100%.

Key Figures

		2008	2009	2010	2011	2012	2013	2014
Cement sales	t/000	32,093	25,548	26,570	28,218	27,263	23,852	**24,156**
Concrete sales	m^3/000	16,996	13,893	14,379	15,066	13,641	11,887	**12,048**
Aggregate sales	t/000	12.280	10,031	10,651	9,708	8,642	7,869	**7,558**
Sales revenues	€ m	3,520.2	2,671.8	2,648.4	2,787.4	2,813.4	2,510.1	**2,506.4**
Capital expenditure	€ m	853.3	389.9	268.2	156.6	234.1	221.5	**318.1**
Headcount at year end	no.	11,845	11,269	11,316	10,956	10,837	9,938	**10,117**

The years from 2008 to 2012 include Mexico at 50%.

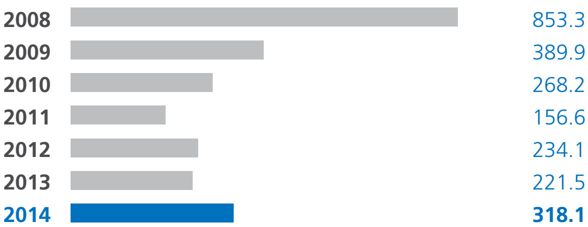
Sales revenue

(millions of euro)

The years from 2008 to 2012 include Mexico at 50%.

Capital expenditures

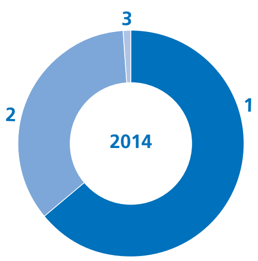
(millions of euro)



The years from 2008 to 2012 include Mexico at 50%.

Sales revenue by line of business

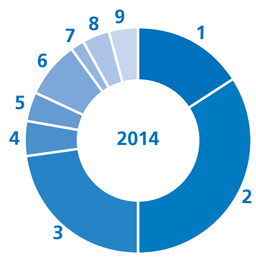
(in %)



1	Cement and clinker	**64**
2	Ready-mix concrete and aggregates	**35**
3	Related activities	**1**

Sales revenue by geographic area

(in %)



1	Italy	**16**
2	USA	**34**
3	Germany	**23**
4	Czech Republic and Slovakia	**5**
5	Poland	**4**
6	Russia	**8**
7	Netherlands	**2**
8	Luxembourg	**4**
9	Ukraine	**4**

Cement plant locations

as at 31 December 2014

Europe and Africa

Caption

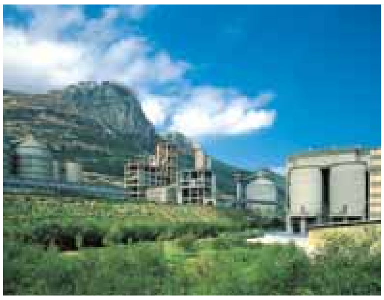
- Cement plants
- Grinding plants

America and Asia

Italy

12 plants	10.0 (million tons) cement production capacity	128 concrete batch plants	10 aggregate quarries	2 deposits and terminals

		2014	2013	var% 14/13
Cement production	t/000	3,744	4,143	-9.6%
Concrete sales	m^3/000	2,539	2,521	+0.7%
Aggregate sales	t/000	1,180	1,153	+2.3%
Aggregate sales	€ m	391.5	431.6	-9.3%
Capital expenditures	€ m	42.4	94.6	-55.2%
Headcount at year end	no.	1,488	1,677	-11.3%



Germany, Luxembourg and Netherlands

9 plants	8.6 (million tons) cement production capacity	139 concrete batch plants	4 aggregate quarries	3 deposits and terminals

		2014	2013	var% 14/13
Cement production	t/000	6,212	6,016	+3.3%
Concrete sales	m^3/000	4,536	4,625	-1.9%
Aggregate sales	t/000	2,854	3,210	-11.1%
Aggregate sales	€ m	747.4	753.8	-0.8%
Capital expenditures	€ m	150.0	41.2	na
Headcount at year end	no.	2,131	2,289	-6.9%

Poland

1
plant

1.6
(million tons) cement production capacity

28
concrete batch plants

1
deposit and terminal

		2014	2013	var% 14/13
Cement production	t/000	1,080	1,327	-18.6%
Concrete sales	m³/000	664	626	+6.1%
Aggregate sales	€ m	89.0	101.0	-11.9%
Capital expenditures	€ m	7.7	5.4	+42.3%
Headcount at year end	no.	371	374	-0.8%

Czech Republic and Slovakia

1
plant

1.1
(million tons) cement production capacity

80
concrete batch plants

10
aggregate quarries

		2014	2013	var% 14/13
Cement production	t/000	818	682	+19.9%
Concrete sales	m³/000	1,574	1,544	+2.0%
Aggregate sales	t/000	1,244	1,243	+0.1%
Aggregate sales	€ m	133.6	131.8	+1.4%
Capital expenditures	€ m	6.5	5.4	+20.0%
Headcount at year end	no.	784	803	-2.4%

Ukraine

2
plants

3.0
(million tons) cement production capacity

5
concrete batch plants

2
deposits and terminals

		2014	2013	var% 14/13
Cement production	t/000	1,694	1,655	+2.4%
Concrete sales	m³/000	150	206	-27.5%
Aggregate sales	€ m	88.1	123.8	-28.9%
Capital expenditures	€ m	8.1	7.8	+3.5%
Headcount at year end	no.	1,420	1,506	-5.7%

Russia

2
plants

4.7
(million tons) cement production capacity

1
deposit and terminal

		2014	2013	var% 14/13
Cement production	t/000	3,010	3,068	-1.9%
Aggregate sales	€ m	209.9	248.6	-15.6%
Capital expenditures	€ m	12.8	15.3	-16.8%
Headcount at year end	no.	1,611	1,015	+58.7%

United States of America

8	9.8	78	4	33
plants	(million tons) cement production capacity	concrete batch plants	aggregate quarries	deposits and terminals

		2014	2013	var% 14/13
Cement production	t/000	7,598	6,961	+9.2%
Concrete sales	m³/000	2,586	2,366	+9.3%
Aggregate sales	t/000	2,280	2,263	+0.8%
Aggregate sales	$ m	1,137.3	969.3	+17.3%
Capital expenditures	$ m	120.4	68.6	+75.5%
Headcount at year end	no.	2,312	2,274	+1.7%

Mexico[1]

3	6.3	45	3	27
plants	(million tons) cement production capacity	concrete batch plants	aggregate quarries	deposits and terminals

		2014	2013	var% 14/13
Cement production	t/000	6,191	5,378	+15.1%
Concrete sales	m³/000	1,804	1,889	-4.5%
Aggregate sales	t/000	502	490	+2.4%
Aggregate sales	$ m	693.3	620.9	+11.7%
Capital expenditures	$ m	14.8	26.5	-44.3%
Headcount at year end	no.	1,105	1,156	-4.4%

[1] Figures at 100% - valued by the equity method.

Review of operations

Shares and Shareholders

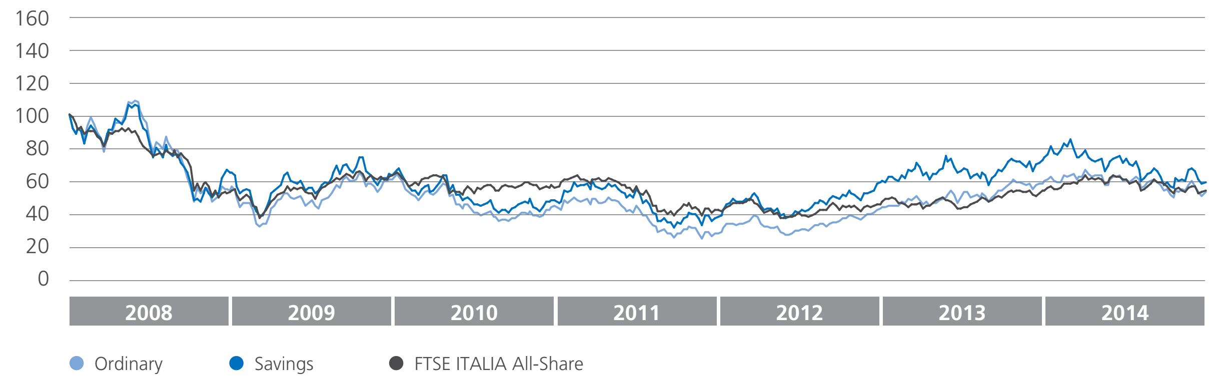
Since September 1999, Buzzi Unicem SpA ordinary and savings shares have been listed on the Borsa Italiana (Milan Stock Exchange). Market capitalization as at 31 December 2014 was €1,997 million.
At that date, share capital consisted of 165,349,149 ordinary shares and 40,711,949 savings shares, both with a par value of €0.60. Each ordinary share is entitled to one vote. Savings shares, which grant no voting rights, may be registered or bearer, according to the shareholder's preference.

Trading in Buzzi Unicem shares

	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Reference period	**number**	**number**	**€ m**	**€ m**
Year 2008	217,560,057	31,688,570	3,194.2	321.5
Year 2009	278,784,704	53,467,061	2,960.0	308.9
Year 2010	365,608,536	31,748,299	3,277.7	171.9
Year 2011	303,044,199	20,525,035	2,546.1	96.4
Year 2012	254,566,236	16,188,731	2,115.5	65.5
Year 2013	169,691,396	18,222,273	1,996.0	111.9
Year 2014	**239,192,676**	**31,296,705**	**2,899.9**	**224.5**

Price trend of Buzzi Unicem shares

(base January 2008 = 100)



Main Shareholders

as at 31 December 2014

	Ordinary shares	% of total capital	% of ordinary capital
Presa SpA (Buzzi Family)	79,200,000	38.44	47.90
Fimedi SpA (Buzzi Family)	17,750,000	8.61	10.73
Greenlight Capital Inc.	3,488,000	1.69	2.11
Assicurazioni Generali SpA	3,311,890	1.61	2.00

Distribution of shareholdings

as at 31 December 2014 (ordinary shares)

	No. shareholders	in %	No. shares	in %
1 - 1,000	10,247	81.52	3,121,290	1.88
1,001 - 10,000	1,862	14.81	5,207,600	3.15
10,001 - 100,000	341	2.71	10,774,167	6.52
100,001 -	121	0.96	146,246,092	88.45

A total of 51,468,431 ordinary shares, corresponding to 31.13% of voting capital, are held by foreign investors.

Market capitalization

as at 31 December 2014 (millions of euro)

Capital structure

as at 31 December 2014 (in %)

no. of ordinary shares	165,349,149	80.2 %
no. of savings shares	40,711,949	19.8 %
Total no. of shares	**206,061,098**	**100.0 %**

Key per-share data

(euro)	2008	2009	2010	2011	2012	2013	2014
Basic eps (ordinary)	1.92	0.67	-0.31	0.13	-0.18	-0.31	**0.56**
Cash flow per share	3.39	1.90	1.68	1.45	1.26	1.47	**1.77**
Shareholders' equity per share	12.14	12.16	12.48	12.44	11.79	10.98	**11.33**
Price/earnings ratio	6.0x	16.8x	n/a	51.9x	n/a	n/a	**18.8x**
Price at year-end							
ordinary shares	11.58	11.28	8.62	6.75	10.55	13.07	**10.51**
savings shares	6.57	7.24	5.36	3.37	5.16	7.04	**6.35**
Dividend per share[1]							
ordinary shares	0.36	0.18	-	0.05	0.05	0.05	**0.05**
savings shares	0.38	0.20	0.03	0.05	0.10	0.05	**0.05**
Yield							
ordinary shares	3.1%	1.6%	-	0.7%	0.5%	0.4%	**0.5%**
savings shares	5.8%	2.8%	0.6%	1.5%	2.0%	0.7%	**0.8%**

[1] 2014: proposed to shareholders at the Annual General Meeting.

Performance Indicators

(in %)	2014	2013	2012
EBITDA margin[1]	**16.9**	16.1	14.1
Return on Sales (ROS)	**7.1**	3.4	4.4
Return on Equity (ROE)[2]	**5.1**	-1.9	-0.7
Return on Capital Employed (ROCE)[3]	**3.9**	1.9	2.3
Nedebt/Equity	**45**	48	46

[1] Ratio between EBITDA and sales, it expresses the result of a company's typical business operations
[2] Ratio between Net profit and Shareholders' Equity, it expresses the latter's profitability
[3] Ratio between Operating Profit (EBIT) and the difference between Total Assets and Current Liabilities. It indicates the efficiency and the profitability of a company's invested capital

Business review

The recovery of the world economy in 2014 was gradual, weaker than initially expected and, despite the support provided by the drop in oil prices under way since June, reported some loss of momentum in the last months of the year. Similarly the trend of world trade showed signs of improvement, although, after a sharp strengthening occurred in the summer months, the progress slowed down due to a new weakening of demand in Europe and Asia.

In the United States, economic activity, supported by employment dynamics and consumption, which also benefited from the positive effects on the available income resulting from the drop in oil prices, accelerated beyond expectations in the third quarter and continued to expand at a just slightly slower pace in the fourth.

The economic recovery in Europe, held back by lacks and delays in investments, still proved unsatisfactory and consistent with a by now semi-structural phase of moderate growth, generated mainly by the rise in consumption, by some improvement in employment, as well as by measures of expansionary monetary policy.

In Italy during the last quarters consumer spending began to rise again at a moderate rate and, despite some fluctuations, international trade supported the GDP dynamics. Economic growth, however, is slowed down by the continuing decline in capital expenditures, both in construction and capital goods, held back by a large margin of spare capacity and the still uncertain outlook for demand.

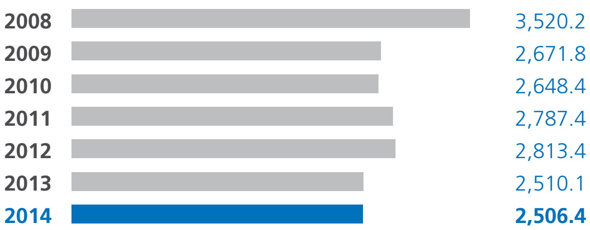
The dynamics of emerging country economies was overall weaker, with a slowdown in China, stagnation in Brazil and rapid deterioration in Russia, whose economy was impacted by the sudden fall of oil prices, the collapse of the ruble, and the sanctions imposed by the West; the situation in India was better, with growth regaining momentum.

Global inflationary pressure further decreased. The US Federal Reserve launched the normalization of monetary conditions, thus interrupting, as announced, the stimulus program, while to contrast deflation the governing council of the ECB confirmed its intention to expand the Eurosystem's balance sheet, and to increase the composition, size and pace of its measures.
The outlook for an acceleration of global GDP growth is burdened by the persistent structural problems of some emerging economies and uncertainty over the timing and strength of the recovery in Europe.

A more in-depth analysis of our reference markets highlights that the construction investments, to which cement and ready-mix concrete demand is closely related, showed a very positive trend in the United States, particularly as regards the commercial and residential segment. In Germany the growth of the construction sector, after a vigorous upswing at the beginning of the year, favored by good weather conditions, returned to a more linear pace, ending the year with a slightly positive sign.
In Russia, the activity was fairly strong, although declining in the last months of the year, and in the Czech Republic the production levels in the building sector finally began to recover in Poland, despite the resilient economic environment and the increase in investments, our sales were penalized by endogenous choices. The Ukraine market was characterized by a worrisome, complex and uncertain economic and social context, but the trading conditions in the Western regions showed, after all, a satisfactory trend.

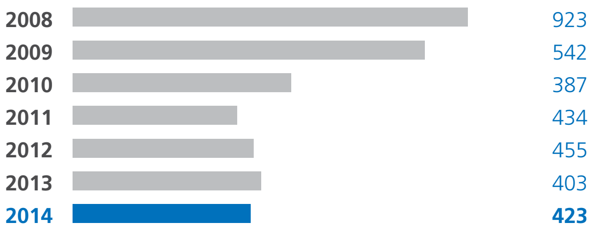
Net sales

(millions of euro)



EBITDA

(millions of euro)



Finally, Italy did not show any signs of recovery and the reduction in construction investment affected all sectors.

In 2014, the group sold 25.1 million tons of cement (+1.8% versus 2013) and 12.0 million cubic meters of ready-mix concrete (+1.4%).
Consolidated net sales were down 0.1% to €2,506.4 million from €2,510.1 million in 2013.
Changes in scope were favorable for €2.4 million while foreign exchange rates negatively impacted for €91.1 million. Like for like, net sales would have increased by 3.4% from the previous year. Ebitda increased by 4.8% from €403.2 million in 2013 to €422.7 million.

The figure reported in 2014 is inclusive of non-recurring revenues of €18.0 million (€25.3 million in 2013). After depreciation and impairment charges for €244.0 million, Ebit stood at €178.7 million versus €86.5 million in 2013. Rather positive the trend in net financial charges, which went from €110.8 to €53.1 million, and therefore profit before taxes was €175.6 million against €16.0 million achieved in 2013. After current and deferred income taxes for €55.1 million (€59.2 million in the previous year), the income statement reported a profit of €120.5 million, of which €116.6 million attributable to the owners of the company.

As at 31 December 2014, net debt of the group amounted to €1,062.7 million, down €34.5 million from €1,097.2 million at 2013 year-end, after industrial capital expenditures and equity investments for €314.6 million and dividend distribution for €11.9 million.
Consequently debt/equity ratio decreased to 0.45 from 0.48 in the previous year.

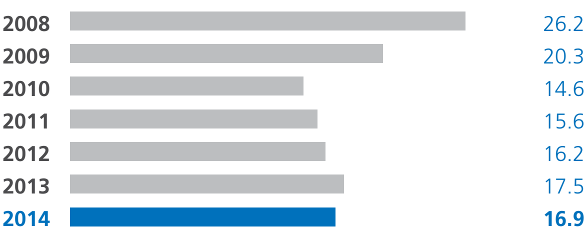
In the various markets of presence, the year 2014 featured very different operating conditions.
In Italy, the second recession since the beginning of the crisis has not ended yet and, although domestic product in the last two quarters only marginally contracted, economic activity was held back by the further fall in investments, especially in the construction industry.
In the cement sector, production capacity was strongly downsized by many players in order to adjust the supply to the changed demand, but, due to the further fall during the year, in many areas of the country it was not possible to reach a sustainable utilization rate of existing capacity.

In Central Europe countries, economic activity, after a brilliant start to the year, driven by higher exports and investments in the construction industry, also due to a particularly mild winter, slowed down and returned, especially in Germany, to a more consistent growth rate.

Eastern Europe featured more differing trends: in Russia the economic and financial situation deteriorated rapidly during the last quarter, however with no immediate impact on cement domestic consumption, which exceeded the record set in 2013.
In Ukraine our industrial operations showed a regular trend, despite the climate of economic recession and geopolitical instability; in the Czech Republic investments in construction returned to grow after a long period of sluggish activity, while in Poland, in spite of a slight progress of investments, our cement sales contracted due to some commercial decisions which had unintended effects.

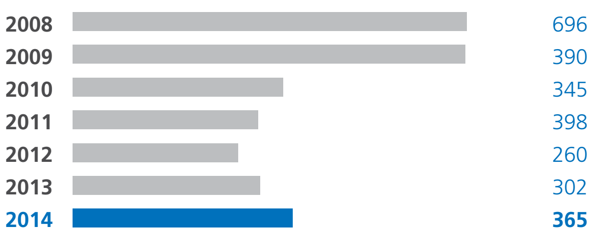
In the United States, GDP growth was higher than expected and the expansion dynamics in the con-

EBITDA Margin[1]
(in %)



[1] EBITDA/net sales.

Cash Flow[1]
(millions of euro)



[1] Profit for year+ depreciation, amortization and impairment charges.

struction sector strengthened particularly in the residential and commercial building segments.

Operating and financial performance

In 2014, the group sold 25.1 million tons of cement, +1.8% compared to 2013. The dynamics of volumes was rather positive in the United States and the Czech Republic, against a modest improvement in Central Europe and Ukraine, and no change in Russia. On the other hand, the level of activity in Italy continued to fall and there was a drop in Poland too, due to specific endogenous factors.
Sales of ready-mix concrete were 12.0 million cubic meters (+1.4%). In the United States, volumes grew satisfactorily; a positive trend was observed also in Poland and in the Czech Republic; Germany and Italy did not show significant changes. The most affected markets were the Netherlands and Luxembourg.

Consolidated net sales decreased by 0.1%, from €2,510.1 to €2,506.4 million; changes in the scope of consolidation had a positive effect for €2.4 million, while the exchange rate effect was negative for €91.1 million; like-for-like, net sales would have been 3.4% higher.

In Italy, consumption grew, but investments have not taken off yet. Since the summer months, the employment figures improved, after a long difficult period; nevertheless, the recovery of the labor market remains fragile.
Credit conditions gradually improved, nevertheless, demand factors related to the weakness of investments, as well as the perception of high risk for some categories of companies, held back lending activity.

Since the last months of 2014, we have begun to notice the benefits, also prospective, of falling oil prices, of the gradual acceleration of international trade, underpinned by a more accommodating attitude of the monetary policy, reflected in the depreciation of the euro, and of the measures to decrease the tax wedge introduced in the Stability Act. Investments in construction, which are down 32% from 2008, were still decreasing in all segments, excluding residential property renovation, which have maintained their former levels.

The fall in investment concerned especially the new homes and the public works segments. In the year under review, the decrease in sales of hydraulic binders on the domestic market could not be partially offset by an increase in exports, as it had happened in 2013.
Prices fell, due in part to the mix of products sold, where the weight of semi-finished clinker increased; unfavorable also the trend of prices in the ready-mix concrete sector. Overall, net sales went from €431.6 to €391.5 million, a decrease of 9.3%.

Central European countries had an excellent start to the year, led by the construction sector, which benefited from good weather conditions; later in the year, growth returned to a pace more consistent with their being mature countries. In this situation, then, with volumes slightly up and prices stable in the cement sector, and with volumes down and slightly lower prices in the concrete sector, net sales went from €753.8 to €747.4 million, with a 0.8% decrease. In Germany turnover increased by 1.7% (from €593.4 to €603.4 million), while in Luxembourg it fell by 3.2% (from €109.1 to €105.7 million).

In the Netherlands, our operations in ready-mix concrete and aggregates produced net sales for €57.9 million, a noticeable decrease from the previous year (€73.2 million), due to a volume/price combination still rather unfavorable.

In the markets of Eastern Europe, the slowdown of deliveries in Russia in the last part of the year kept total sales of cement at the same level as in the previous year, with average prices in local currency somewhat higher.
Shipments benefited from the positive contribution of the new terminal at Omsk; also, since December, the cement plant of Korkino has been brought into the scope of consolidation.

Net sales were equal to €209.9 million (-15.6%). The loss of value of the ruble (-20.3%) had a negative effect on revenues; had the scope of consolidation and the exchange rate remained constant, net sales would have gone up by 0.6%.
In Ukraine, despite the heavily recessionary economic scenario, business in the "western" regions, away from the fighting, proved fairly resilient and the quantity of cement sold was above the level of the previous year, with prices also increasing.

The strong devaluation of the local currency (-47.1%) depressed the translation of sales revenue into euro, which decreased by 28.9%.
Had the exchange rate remained unchanged, net sales would have gone up by 4.6%. The level of activity in Poland was penalized by an attempt to increase prices in April, after an excellent first quarter.

The production of ready-mix concrete, on the other hand, maintained a positive trend. Net sales closed 11.9% down on the previous year; had the exchange rate remained the same, the decrease would have been 12.2%. In the Czech Republic and Slovakia, after a long period of stagnation, there were clearer signs of economic recovery and construction investments have started to grow again.

The trend for our sales of cement and ready-mix concrete was rather positive, but price trends had a dynamics opposite to that of demand. Total net sales, affected by the weakening of the local currency, grew by 1.4%. At constant exchange rate the increase would have been 6.7%. Overall, net sales in Eastern Europe were €517.6 million (€601.9 in 2013); the exchange rate effect in the area was negative for €90.8 million. Under unchanged conditions, net sales would have increased by 0.6%.

In the United States, the stimulus to the growth of construction projects came mainly from the commercial property sector and from the resilience of the residential property segment, while public spending in infrastructure recorded a slight decrease.
The rather positive trend for our sales of hydraulic binders was supported by both Midwest and South-West regions, and the production of ready-mix concrete, concentrated in Texas, also did well.
The price trend in local currency was again positive in the cement sector and even more so in the ready-mix concrete sector. The increase of net sales in euro (from €729.9 to €856.1 million, +17.3%) was not influenced by currency movements, as the average exchange rate of the dollar was the same as in 2013.

Ebitda increased from €403.2 million to €422.7 million, +4.8% on the previous year.
Changes in scope of consolidation had a positive effect of €0.3 million and the exchange rates a negative one for €21.8 million.

The figure reported for 2014 includes net non-recurring income for €18.0 million, of which with plus sign €26.1 million for gains on the sale of land and industrial properties and €3.5 million for partial release of provisions for environmental risk; with a minus sign €5.2 million for provisions for legal claims, €4.2 million for restructuring charges and €3.3 million for dismantling and moving equipment to other production sites of the group. In 2013, net non-recurring income was equal to €25.3 million. Excluding non-recurring items, Ebitda went up 7.1%, from €377.9 million to €404.8 million, with Ebitda to sales margin at 16.1% (15.1% in 2013).

A remarkable progress was posted in the United States where the positive trend of the cement sector added to the excellent results achieved in the ready-mix concrete division. In Central Europe operating profitability was slightly down basically due to a change in the allocation criteria of Dyckerhoff central services which put more burden on Germany.

In Eastern Europe, operating cash flow weakened especially due to the very unfavorable foreign exchange effect in Russia and Ukraine, in addition to the slowdown occurred in Poland for the already mentioned reasons; within the division an improvement was instead achieved by the Czech Republic.
In Italy, the ongoing difficulties and further decline in demand led to an Ebitda unfortunately still negative, at the same level as last year.

Depreciation and impairment charges amounted to €244.0 million versus €316.7 million in the previous year. The figure for 2014 includes impairment of fixed assets for €55.9 million (€114.2 million in 2013) mainly due to write-off of plants and goodwill in Ukraine for €33.1 million and in Italy for €13.8 million. Ebit stood at €178.7 million versus €86.5 million in 2013.
Net finance costs decreased to €53.1 million from €110.8 million in 2013 thanks to a lower average interest rate on loans and above all to the non-monetary items falling into this category, such as unrealized foreign exchange differences and the valuation of derivative financial instruments.

Gains on disposal of investments accounted for €0.1 million while equity in earnings of associates, which include the joint venture operating in Mexico, impro-

ved the contribution from the previous year (€49.9 million versus €35.9 million in 2013).
As a consequence of the above, profit before taxes stood at €175.6 million versus €16.0 million in 2013.

The tax rate for the year, at a nominal rate equal to 31.4%, was impacted, as in 2013, by the review and/or the non-recognition of deferred tax assets on fiscal losses accrued in some jurisdictions.

Consequently, after income taxes for €55.1 million (€59.2 million in 2013), the income statement for the year 2014 reported a profit of €120.5 million versus a loss of €43.2 million in the previous year.

The result attributable to owners of the company is a profit of €116.6 million (loss of €50.7 million in 2013).
Cash flow, gross of negative and/or positive non-recurring items, stood at €364.5 million versus €273.6 million in 2013.
As at 31 December 2014, net debt amounted to €1,062.7 million, down by €34.5 million from €1,097.2 million at the end of 2013.

During 2014 the group paid out dividends for €11.9 million and carried out capital expenditures of €314.6 million overall, €140.4 million thereof in equity interests, referred for €109.5 million to the purchase of 100% of Uralcement (owner of the Korkino cement plant in Russia), and for €26.0 million to the acquisition of 25% of Salonit Anhovo and w&p Cement, which respectively own a full-cycle cement plant in Slovenia and a grinding plant in Triveneto (Italy).

The amount referring to capacity expansion or special projects was equal to €55.5 million.

The assets and liabilities of the net financial position, broken down by degree of liquidity, are shown in the following table:

Net financial position

(millions of euro)	Dec 31, 2014	Dec 31, 2013 restated
Cash and short-term financial assets:		
Cash and cash equivalents	412.6	527.9
Short-term monetary investments	0.1	0.1
Other current financial receivables	9.0	8.9
Short-term financial liabilities:		
Current portion of long-term debt	(158.2)	(196.3)
Derivative financial instruments	(2.7)	(0.7)
Other current financial liabilities	(14.6)	(18.6)
Net short-term cash	**246.3**	**321.4**
Long term financial assets:		
Other not-current financial receivables	17.3	17.6
Long-term financial liabilities:		
Long-term debt	(1,304.4)	(1,356.0)
Derivative financial instruments	(18.6)	(77.1)
Other not-current financial liabilities	(3.3)	(3.1)
Net debt	**(1,062.7)**	**(1,097.2)**

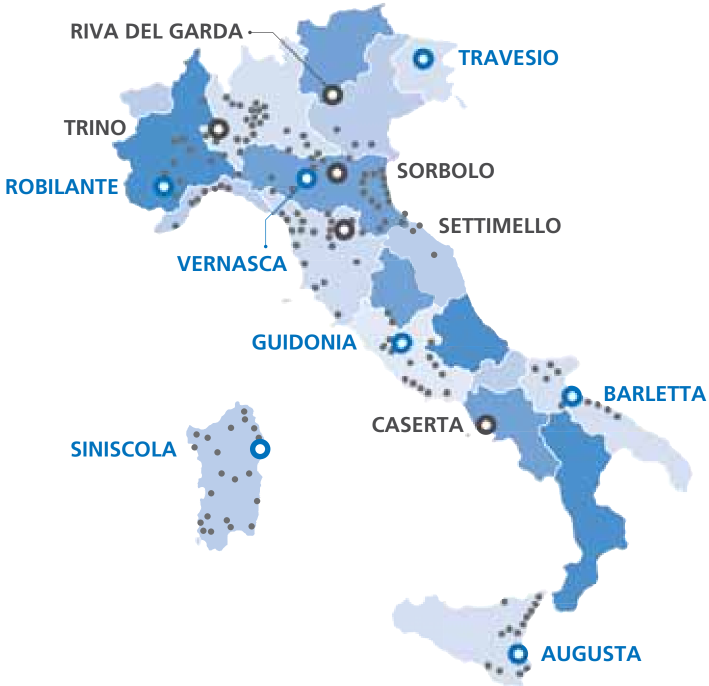
Shareholders' equity as at 31 December 2014, including non-controlling interests, stood at €2,362.1 million versus €2,298.7 at 2013 year-end. Consequently debt/equity ratio decreased to 0.45 from 0.48 in the previous year.

Italy

Trading cement business

Volumes	-7.6%
Prices	-6.6%

- Cement plants
- Grinding plants
- Ready-mix concrete plants



(millions of euro)	2014	2013	14/13
Net sales	391.5	431.6	-9.3%
EBITDA	-18.7	-18.5	-1.6%
EBITDA recurring	-18.3	-16.2	-12.9%
% of net sales	-4.7	-3.8	
Capital expenditures	42.4	94.6	-55.2%
Headcount end of period n.	1,488	1,677	-11.3%

During the summer, GDP fell by 0.1% and such trend carried over also to the last quarter of 2014. The slow recovery of household consumption, started in the summer of 2013, went on and foreign trade continued to support the dynamics of the production, which however is still held back by the fall in investments, both in construction and in capital goods. The recovery of disposable income, which benefited from measures in favor of lower income families, was accompanied by an increase in the propensity to save, confirming that consumption spending is still hindered by difficult conditions on the labor market and general uncertainty.

The trade balance, back in the black already in 2013, continued to improve, thanks to a smaller deficit in the energy commodities. The change in consumer prices for the year was -0.1% and also net of the energy goods inflation remained very low. The supply of credit to companies improved, but access to borrowing continues to be difficult for small companies. Given this economic background, GDP in 2014 fell by 0.4% and industrial production by 0.8%, while the unemployment rate increased to 12.7%.

The ratio of government debt to GDP worsened further and reached 133%. During the year, construction investments were still falling (-3.5% in real terms) in all segments, excluding the renovation of residential property.
More specifically, new residential buildings fell by 10.2%, non-residential private construction by 4.3% and public works by an estimated 5.1%.
Since 2008, the production level of new residential construction has fallen by more than 62%, and that of public works by 48%. Renovations are supported by tax incentives, private non-residential construction was held back by the still unfavorable economic cycle and by the difficulties to access credit, public works continue to be penalized by constraints on the government budgetary position.

The industry association (AITEC) estimated that domestic deliveries of cement fell by 8% on the previous year. In eight consecutive years of decline, domestic consumption contracted by over 57% from the all-time high recorded in 2006.
Our cement and clinker volumes, exports included, decreased by 7.6%.
Export sales, which in 2013 had partially mitigated

the decline in the domestic market, suffered from the difficulties due to oversupply in the Mediterranean area, which made this choice less sustainable. Selling prices posted a decline of 6.6%, partly due to the change in sales mix, with a higher portion of clinker. In the ready-mix concrete sector, volumes trend was more favorable (+0.7%), with prices however equally decreasing (-5.3%).

This trend in volumes and prices led to net sales of €391.5 million, down 9.3% (€431.6 million in 2013). The unit production costs remained stable (-0.4%) thanks to the favorable swing in energy factors, especially for electric power.

Such benefits mitigated the higher unit incidence of fixed production costs resulting from the reduced level of capacity utilization. In the ready-mixed concrete sector the actions aimed at profitability recovery through better efficiencies continued and, although there were still difficulties in collecting receivables, credit losses, which had been huge in the previous year, reached values that may be considered as "physiological" due to the situation of extreme crisis in the industry. Ebitda remained in negative territory at -€18.7 million versus -€18.5 million in 2013.
To be reminded however that the figure for 2014 includes non-recurring income of €6.3 million for the gain on the sale of the Cadola (BL) cement plant, that staff costs include non-recurring restructuring expenses for €3.4 million and that non-recurring costs amounting to €3.3 million were incurred for the removal and transfer of equipment to other group markets.

The recurring Ebitda stood then at -€18.3 million versus -€16.2 million in 2013. In the year the company achieved other operating revenues for €10.8 million from the sale or swap of CO_2 emission rights which were in excess (€4.5 million in 2013).

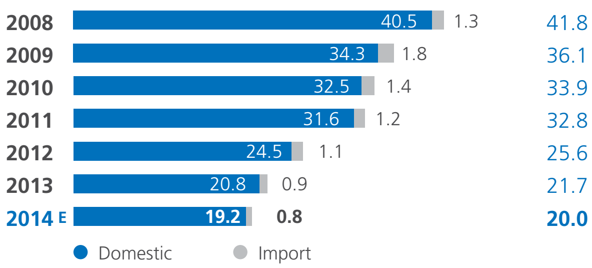
At the end of July an agreement was signed with the Austrian group Wietersdorfer, which led to a deep reorganization of our industrial activity in the North-East regions. The agreement, concerning the transfer of the plant in Cadola (BL) and the contextual acquisition of a 25% share in Salonit Anhovo, company that owns a powerful and modern plant in Slovenia, a few kilometers from the border, has allowed us to maintain an indirect presence in the Triveneto, which, combined with the one in Slovenia, will produce benefits in terms of logistics, technology integration and sales.

The investment activity aimed at improving technological and environmental efficiency and workplace safety continued throughout the year.

We should especially mention the structural restructuring of the jetty and the cement silos at Augusta, as well as of other structures, for a total €1.9 million; the upgrade of the feeding, crushing and transport equipment in the Robilante quarry for €1.3 million; road improvements at Guidonia for €1.1 million; additional raw material reserves plus stripping and consolidation of the quarry front at Robilante, Barletta, Augusta and Guidonia for €0.8 million; upgrade to raw mill, kiln fan and a new system for the handling of secondary materials (fly ash) at Vernasca for €0.5 million; installation of an analyzer and better management of dust emissions at the alternative fuel department of Robilante for €0.4 million.

Cement consumption

(millions of tons)

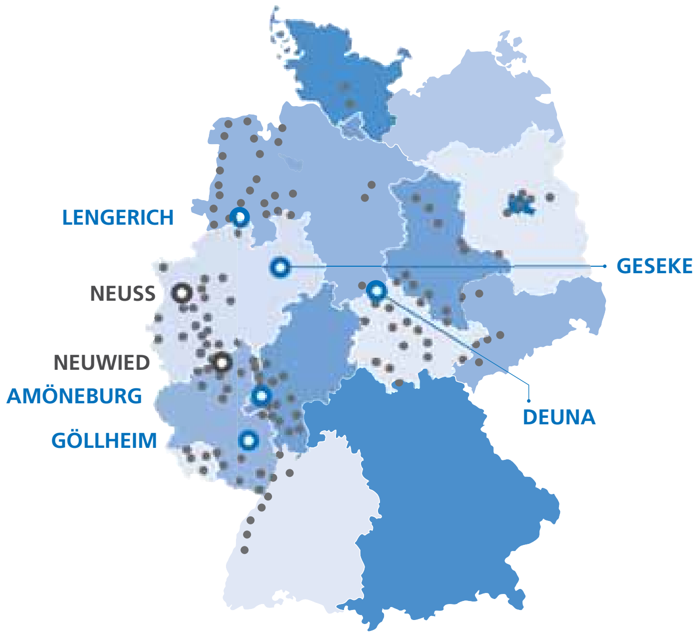


Germany

Trading cement business

Volumes	+3.7%
Prices	+0.2%

- Cement plants
- Grinding plants
- Ready-mix concrete plants



An excellent start to the year, then a slowdown, and a slight recovery from the second half characterized the development of the German economy during the period.
The acceleration of the first quarter was led by the growth in the construction sector, which benefited from an especially mild weather.
Domestic demand, supported by the good trend of labor income, modest interest rates, growing employment and low inflation, was supported by private consumption, while the exports, despite some wobble, kept a good momentum. GDP growth for 2014 (+1.5%) was revised downward with respect to the original estimates, also in consideration of the generalized impacts resulting from the ongoing geopolitical tensions. The construction sector, after a strong push at the beginning of the year, reverted to a more consistent pace of growth, closing the period slightly positive with a modest increase in cement consumption in the country (+2.3%).

In Germany, our cement deliveries showed a positive trend (+3.7% versus last year), in a stable pricing environment (+0.2%). On the rise were exports and sales of white cement, while those of oil well binders closed in slight decline. Ready-mix concrete volumes confirmed the same values as in 2013 with similar prices (-0.3%).
Thus overall net sales increased from €593.4 million to €603.4 million, up 1.7% and Ebitda decreased from €108.0 million to €88.6 million (-18.0%).

(millions of euro)	2014	2013	14/13
Net sales	603.4	593.4	+1.7%
EBITDA reported	88.6	108.0	-18.0%
EBITDA recurring	68.5	80.9	-15.3%
% of net sales	11.4	13.6	
Capital expenditures	144.4	33.4	na
Headcount end of period n.	1,763	1,851	-4.8%

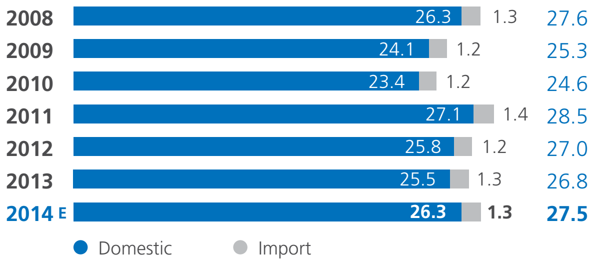
It should be noted that the figure for 2014 includes non-recurring income of €22.1 million mainly due to a gain on disposal of land and former industrial properties as well as non-recurring costs for €2.1 million for restructuring expenses and provisions referring to an intricate lawsuit concerning the sale and subsequent insolvency of the former subsidiary ZAO Akmel. The 2013 figure was inclusive of €27.1 million non-recurring net income.
Net of non-recurring items, Ebitda decreased by €12.4 million (-15.3%), sharpened by a change in the allocation criteria for Dyckerhoff central services, which put more burden on Germany. Among operating costs, fuel slightly decreased (-2.6%) and so did electric power (-2.6%).

The total invested in 2014 was equal to €144.4 million, of which €109.5 million for the purchase of the Korkino cement plant in Russia.

Significant investments were made, among the others, to complete the storage and feeding systems for alternative fuels at Lengerich and Göllheim for €3.2 million, the transport and dosing of limestone and filter dust in the finish grinding at Deuna for €3.2 million, the conversion to bag filter and the system for storing and dosing additives (fly ash and limestone) in the production of blended cements at Göllheim for €1.4 million, optimizations of the cement mill and of process automation for €0.7 million at Neuwied, the system for dosing secondary raw materials for white clinker at Amöneburg for €0.5 million, upgrade of the kiln inlet seal at Lengerich for €0.3 million.

Cement consumption

(millions of tons)



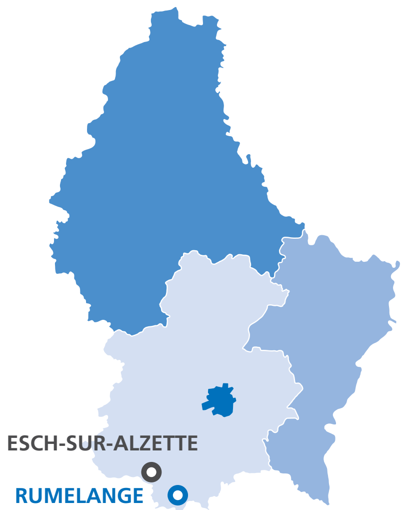
Luxembourg

Trading cement business

Volumes	-1.6%
Prices	-0.9%

Cement plants

Grinding plants



The economic recovery begun in 2013 carried over to the current year and growth remained among the best among the European nations. The development of the economy of the country, extremely open and based on the exploitation of a sovereignty niche, is supported by the financial sector, especially the export of services, while domestic growth benefits from the increase in employment, from the disposable income, among the highest in the world per capita, and from low inflation.

In 2014 GDP is estimated to have grown by 2.7%, faster with respect to 2013. Investments in the construction sector, after the drop of the previous years, have begun to recover. Such trend was reflected by domestic cement consumption, which was on an upward trend. Our cement and clinker sales, intercompany transfers and exports included, after a start to the year with deliveries favored by good weather conditions resumed a pace more in line with the previous year, with a decline in exports starting from the second quarter. The year closed with volumes lower by 1.6% versus 2013 and marginally weaker average unit revenues. Ready-mix concrete output posted a decrease of 6.6% in a declining price environment.

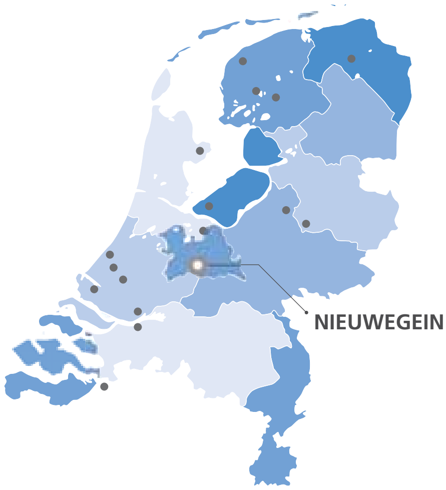
(millions of euro)	2014	2013	14/13
Net sales	105.7	109.1	-3.2%
EBITDA reported	17.8	19.7	-9.7%
EBITDA recurring	17.8	17.2	+3.2%
% of net sales	16.8	15.8	
Capital expenditures	4.1	6.1	-32.6%
Headcount end of period n.	188	185	+1.6%

Net sales amounted to €105.7 million, down 3.2% from the previous year (€109.1 million). Ebitda stood at €17.8 million (€19.7 million in 2013).
To be remarked however that the 2013 figure included non-recurring income for €2.5 million, therefore, net of non-recurring items, Ebitda increased by €0.5 million.
On the production costs front, the trend was favorable for both fuels (-5,4%) and electric power (-3,0%).

The total invested in 2014 was equal to €4.1 million, of which €0.5 million for the storing and dosing of alternative fuels, €0.4 million for the bypass and €0.4 million for a new online slag analyzer, always at the Rumelange plant.

The Netherlands

- **Ready-mix concrete plants**



After two years of recession, which penalized especially the construction sector, economic activity began to show some signs of recovery.

GDP growth, estimated for the whole year to +0.6%, was accompanied by higher business investments and by the recovery of private consumption. The recovery, even if a pick-up in the construction sector was detected and unemployment seemed to stabilize, remained anyway fragile and there are still downside risks and the possibility that the upturn may be delayed.
With this background, investment in the construction sector remained weak.

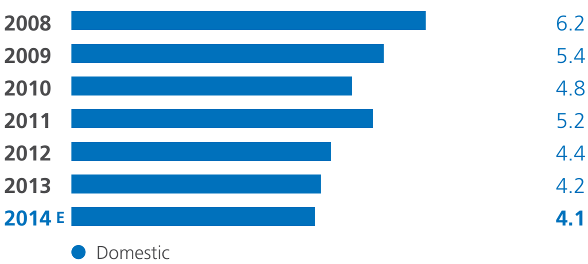
Our ready-mix concrete volumes at 0.59 million cubic meters were remarkably lower than in the previous year (0.67 million cubic meters) with prices falling by 2.8%. Net sales amounted to €57.9 million versus €73.2 million in 2013.

Ebitda, although negative, improved from -€8.2 million to -€1.9 million, thanks to the savings and efficiency measures implemented by the management in order to bring the business into balance.

(millions of euro)	2014	2013	14/13
Net sales	**57.9**	73.2	-20.9%
EBITDA reported	**-1.9**	-8.2	+76.9%
EBITDA recurring	**-0.7**	-4.9	+85.9%
% of net sales	**-1.2**	-6.7	
Capital expenditures	**1.5**	1.8	-15.5%
Headcount end of period n.	**180**	253	-28.9%

Cement consumption

(millions of tons)

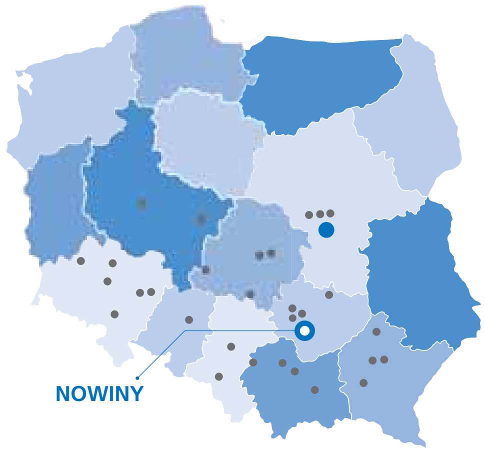


The 2014 figure includes €0.5 million non-recurring income for the release of pension provision and €1.7 million non-recurring costs related to an expansion project in the aggregate sector which was later dropped; in 2013 staff costs included non-recurring restructuring expenses of €3.4 million.
Net of non-recurring items, Ebitda posted a €4.2 million improvement.

Poland

Trading cement business

Volumes	-17.6%
Prices	-1.3%



(millions of euro)	2014	2013	14/13
Net sales	89.0	101.0	-11.9%
EBITDA reported	18.2	27.1	-32.9%
EBITDA recurring	18.2	23.6	-23.0%
% of net sales	20.4	23.4	
Capital expenditures	7.7	5.4	+42.3%
Headcount end of period n.	371	374	-0.8%

The country continues to benefit from growing international trade and financial integration, reflecting a gradual structural transformation into a more open and dynamic economy, with a growing share of exports going to the European Union.
The manufacturing sector remains firmly integrated into the German procurement cycle and the financial and banking sector is strongly interconnected with the international one.
GDP growth for the year in question, estimated at +3.2%, in net improvement with respect to 2013, was underpinned by the positive trends in domestic demand that found support in higher disposable income of households, growing employment and low inflation.
Building activity showed some sign of recovery, and so did cement consumption.

The introduction of a new price list in April penalized our cement shipments whose trend until then had been buoyant.
Thanks to the subsequent revision and although the demand slowdown in summer made the adjustment path for customers more complex, the last part of the year highlighted a promising recovery.

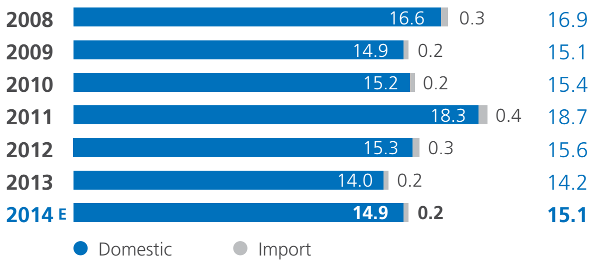
Our production unit's cement deliveries declined by 17.6% compared with 2013, with an average price level in local currency slightly down (-1.3%).

Conversely ready-mix concrete volumes maintained a good trend (+6.1%), with prices down by 1.1%.
Net sales amounted to €89.0 million compared with €101.0 million in 2013 (-11.9%), favorably affected for €0.3 million by the appreciation of the zloty.
Ebitda stood at €18.2 million versus €27.1 million in 2013 (-32.9%).
To be reminded however that the 2013 figure included €3.5 million non-recurring income. Net of non-recurring items, Ebitda decreased by €5.4 million (-23.0% over 2013), with Ebitda to sales margin declining from 23.4% to 20.4%.
Among operating costs, in local currency, to be remarked an interesting benefit resulting from the fall in prices of fuels (-16%) and electric power (-12%) unfortunately offset by an increase in fixed unit costs due to lower production.

Total capital expenditures in 2014 were equal to €7.7 million, of which €2.3 million for the upgrade to the alternative fuels feeding system and the by-pass, €0.5 million for the new water supply system, €0.5 million for the installation of the SNCR equipment to decrease emissions and €0.4 million for the modernization of the finish mill separator.

Cement consumption

(millions of tons)



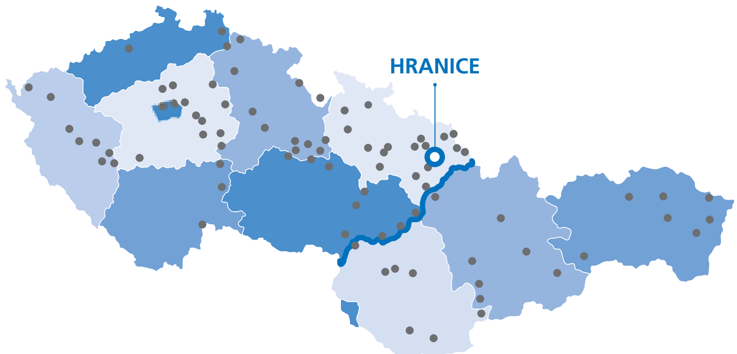
Czech Republic and Slovakia

Trading cement business

Volumes	+14.6%
Prices	-2.9%

Cement plants

Ready-mix concrete plants



A recovery in exports and the support of domestic demand have underpinned growth, which has become clearer versus signs of discontinuity from the protracted stagnation observed in the last part of 2013.

Investments are recovering at a good pace, thanks also to the growing utilization of the European funds for infrastructure development.

The new government coalition, in power since January, has shown a more positive attitude towards integration and convergence with the European Union, approving in March the so-called Fiscal Compact and allowing for the possibility of adopting the euro before 2020.
Unemployment dropped under 7% and inflation rate, albeit decreasing, remained at around 1%, partly due to the devaluation of the local currency.

GDP growth, revised upwards during the year, is estimated at +2.5%. Investments in construction, after three years of consecutive decreases, have been growing again, and so was cement consumption.

(millions of euro)	2014	2013	14/13
Net sales	133.6	131.8	+1.4%
EBITDA reported	27.0	19.2	+40.9%
EBITDA recurring	27.0	18.9	+42.8%
% of net sales	20.2	14.4	
Capital expenditures	6.5	5.4	+20.0%
Headcount end of period n.	784	803	-2.4%

The Slovakian economy grew by 2.4% in 2014, a noticeable improvement with respect to 2013 (+0.9%).

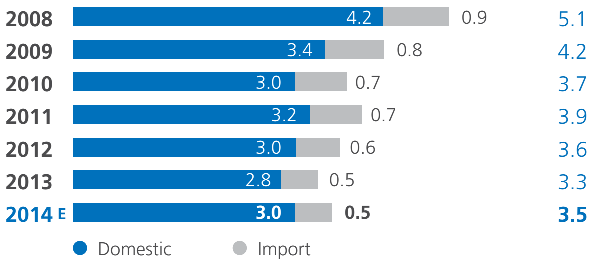
Our cement sales volumes increased by 14.6% from 2013, while average prices in local currency showed an unfavorable trend (-2.9%). In the ready-mix concrete sector, which includes also Slovakia operations, the trend showed signs of improvement with volumes up 2.0% and prices rather stable (-1.2%). Overall net sales, which were also penalized by a slight devaluation of the koruna, amounted to €133.6 million, up 1.4% from €131.8 million in the previous year. Ebitda stood at €27.0 million versus €19.2 million in 2013 (+40.9%). Ebitda to sales margin improved significantly to 20.2% from 14.4%.

The Czech koruna devaluation negatively impacted the translation of the results into euro; net of foreign exchange effect, net sales and Ebitda would have increased by 6.7% and 51.5% respectively. Among operating costs, in local currency, the trend was favorable for both fuels (-9%) and electric power (-17%).

Total investments in 2014 were equal to €6.5 million, of which €1.1 million for the filter of the bypass system, €0.7 million for the upgrade of the precalciner and €0.5 million for the installation of the SNCR system to decrease emissions.

Cement consumption

(millions of tons)



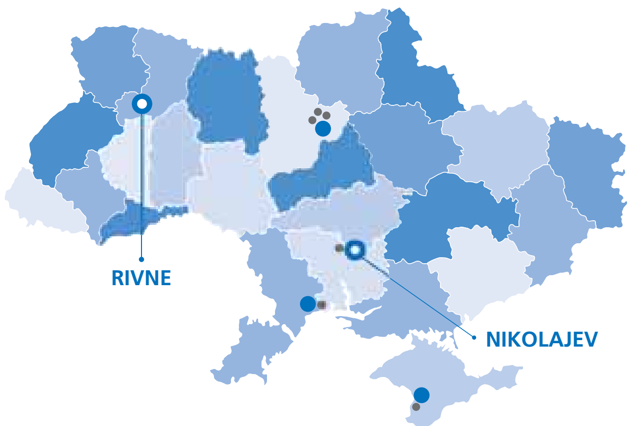
Ukraine

Trading cement business

Volumes	+2.3%
Prices	+3.1%

Cement plants

Ready-mix concrete plants



Geopolitical tensions and uncertainty on possible developments remain rather critical, but the country, with the help of international diplomacy, is trying to move towards normalization.

The International Monetary Fund is about to launch an important plan of medium-term financial support to reinforce economic stability and promote structural reforms and growth.

The areas of intervention concern the reform of the energy sector, the incentives to increase local gas production, as well as initiatives to improve the economic and production climate with anticorruption and antimonopoly measures finalized to bring investments back to a level consistent with the potential attractiveness of the country to foreign investors.

The most recent estimates about GDP shrinking indicate a decline of more than 7%, with losses of industrial activity in the conflict areas, growing unemployment, difficulties in fuel procurement, capital flowing abroad, high inflation and further serious loss of value of the local currency.

Despite such climate of recession and the significant fall in the construction investments (-7.5%), the economy of the "western" regions, far from the military operations, has proved fairly resilient and the quantity of cement sold increased by 2.3%, with average prices in local currency also improving (+3.1%). The ready-mix concrete output, of little significance in absolute value, confirmed a negative trend with volumes showing an unfavorable variance of 27.5% and average prices in local currency lower by 1.4%.

Net sales at €88.1 million, were down 28.9% from €123.8 million in 2013 and Ebitda decreased from €12.3 million to €11.0 million (-10.6%).

To be reminded that the 2013 figure included non-recurring costs for €2.5 million. Therefore, net of non-recurring items, Ebitda decreased by €3.8 million (-25.5% over 2013) with an improved Ebitda to sales margin (12.5% versus 11.9% in 2013). The high depreciation of the local currency strongly penalized the translation of the results into euro: at constant exchange rate, net sales and Ebitda would have increased by 4.6% and 9.6% respectively.

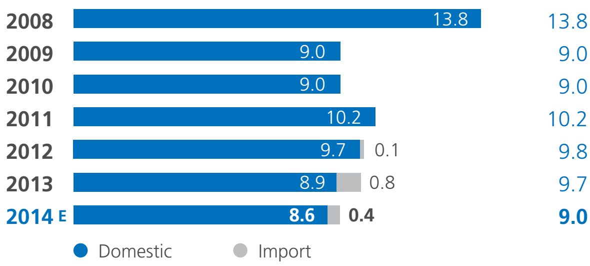
As for the main operating costs, the trend in fuels (+10.3%) and electric power (+14.9%), expressed in local currency, reflects the country's high inflation level.

The total investment in 2014 was equal to €8.1 million, of which €2.5 million at the Yug plant for the palletizer, work on kiln 1 filter and cooler, upgrade of the raw meal grinding, quarry explorations, kiln 2 dust collector and lab equipment; €0.5 million for improvement of the internal roads and the safety systems at the Volyn plant.

(millions of euro)	2014	2013	14/13
Net sales	88.1	123.8	-28.9%
EBITDA reported	11.0	12.3	-10.6%
EBITDA recurring	11.0	14.8	-25.5%
% of net sales	12.5	11.9	
Capital expenditures	8.1	7.8	+3.5%
Headcount end of period n.	1,420	1,506	-5.7%

Cement consumption

(millions of tons)

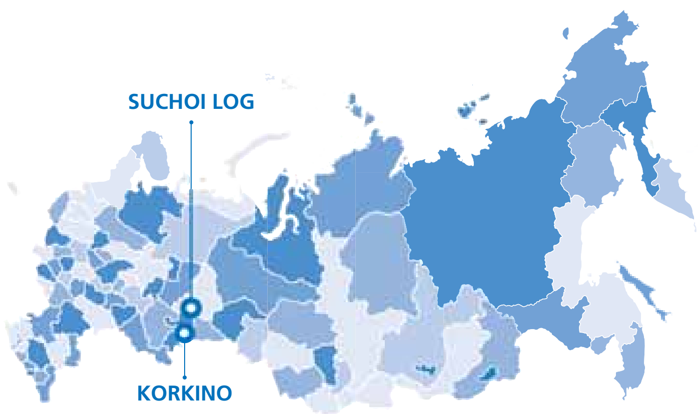


Russia

Trading cement business

Volumes	=
Prices	+2.7%

Cement plants



In the last months of the year the economic and financial situation of the country rapidly worsened, due to the sudden fall in oil prices, the collapse of the ruble and the sanctions imposed by the West.

The geopolitical tensions and the climate of confrontation with the European Union and the United States have amplified the uncertainty and depressed the propensity to invest and the mood of confidence in the country, which at any rate hasstrong macroeconomic fundamentals, such as high reserves, public sector debt under control and a low budget deficit.

Due to the increase in the price of food, caused by the decision of responding with counter-sanctions to the sanctions incurred, and to the devaluation of the currency, inflation exceeded 11% and towards the end of the year the central bank increased interest rates substantially.

GDP growth for the year in question (+0.6%) was considerably reduced. Despite the cooling down of demand, the situation for production should remain fairly in balance, considering the well-known structural impediments to the investments for growth that characterize a manufacturing sector already operating at the top of its production capacity.
Trends in the construction sector were negative, although domestic cement demand exceeded the record levels of 2013. The slowdown in deliveries, occurred in the last months of the year, caused total cement sales to come in at the same level as in 2013 (-1.4% at constant scope), with average prices in local currency up 2.7%. The category of oil well cements, used by the extraction industry, posted an unfavorable variance equal to 10.2%.

Shipments benefited from the additional contribution of the new terminal in Omsk and moreover, starting from December, the full cycle plant in Korkino, acquired from Lafarge, entered the consolidation scope. Net sales stood at €209.9 million versus €248.6 million in 2013 (-15.6%).

The depreciation of the ruble (-20.3%) had a negative impact of almost €43 million on the translation of the results into euro; at constant exchange rate, net sales would have increased by 0.6%. Ebitda decreased from €92.6 million to €73.4 million (-20.7%); in local currency it would have contracted by 4.6%. The 2014 figure includes however non-recurring costs of €3.9 million for provisions referring to an intricate lawsuit concerning the sale and subsequent insolvency of the former subsidiary ZAO Akmel.
Our operations in the country, unfortunately penalized by the foreign exchange effect, confirmed however an Ebitda to sales margin at the top level within the group (36.9%), although lower than in the previous year (37.2%).

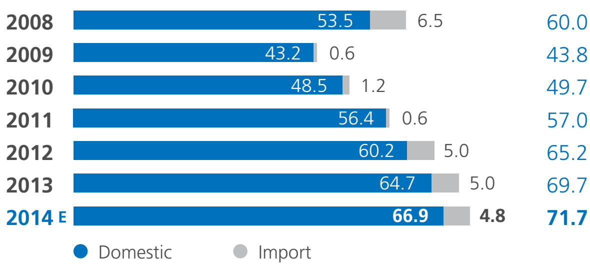
(millions of euro)	2014	2013	14/13
Net sales	**209.9**	248.6	-15.6%
EBITDA reported	**73.4**	92.6	-20.7%
EBITDA recurring	**77.4**	92.4	-16.3%
% of net sales	**36.9**	37.2	
Capital expenditures	**12.8**	15.3	-16.8%
Headcount end of period n.	**1,611**	1,015	+58.7%

Among the main operating costs, energy factors trend was negative both for fuels (+7.5%) and electric power (+8.7%) expressed in local currency.

Total investments in 2014 was €12.8 million, of which €2.4 million refer to a new department for bag palletization and storage, €0.5 million for the dosing and weighing system at the number 3 and 4 finish mills and €0.8 million for mobile quarry equipment.

Cement consumption

(millions of tons)

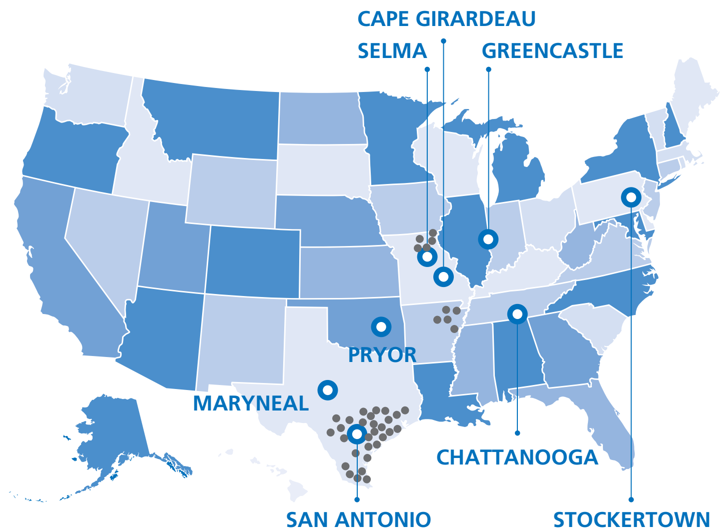


United States of America

Trading cement business

Volumes	+9.5%
Prices	+6.7%

- Cement plants
- Ready-mix concrete plants



(millions of euro)	2014	2013	14/13
Net sales	856.1	729.9	+17.3%
EBITDA reported	207.3	151.0	+37.3%
EBITDA recurring	203.8	151.0	+35.0%
% of net sales	23.8	20.7	
Capital expenditures	90.6	51.7	+75.3%
Headcount end of period n.	2,312	2,274	+1.7%

After a fall in the first quarter and an excellent recovery in the second, GDP growth was above expectations in the third quarter and economic expansion continued in the fourth, thanks to the strong support of domestic demand.
The drop in energy commodities and raw material prices brought inflation down to 0.8% in December, an effect strengthened by the downward pull of the stronger dollar. Employment growth is well established and the rate of unemployment was stable under 6%.

Overall, the positive effects on consumer income from the fall in oil prices have more than offset the negative impact of the further appreciation of the dollar. GDP growth for 2014 is estimated at 2.4%.

The strong growth in construction investments concerned especially the commercial (+7.3%) and residential (+3.9%) segment, while public spending in infrastructure fell slightly (-2.0%). Domestic consumption of cement increased for the fifth year in a row, to achieve 86.3 million tons (+8.2%).

Our hydraulic binder sales, thanks to the support coming from both the Midwestern regions and the South-West of the country, also considering a particularly favorable trend of oil well binders deliveries, closed the year up by 9.5%; also ready-mix concrete output, mainly located in the South-West, kept up with regional demand development (+9.3%).
Selling prices trend in local currency continued to be positive for cement (+6.7%) and even more remarkably so for ready-mix concrete (+12.3%). Overall net sales stood at €856.1 million, up 17.3% from €729.9 million in the previous year and the Ebitda progress was very satisfactory, from €151.0 million to €207.3 million (+37.3%).

Revenues and Ebitda were not impacted by local currency trend, since the dollar average rate of exchange was virtually the same as in 2013.
The figure for 2014, however, includes non-recurring income of €3.5 million referring to a partial release of the provision for environmental risks, linked to the issue of silica or asbestos containing materials (see note 47).

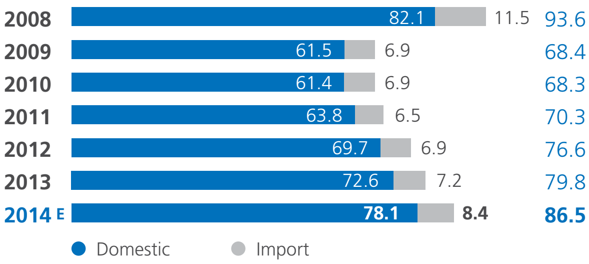
Net of non-recurring items, Ebitda showed a progress of €52.8 million. Volumes and selling prices increase, together with an overall stable situation of production costs, enhanced profitability, with Ebitda margin improving from 20.7% to 23.8%.

The main investments in the period in question were €55.5 million for the initial stage of the upgrade and expansion project at the Maryneal (Texas) plant, which will double its current production capacity, from 0.6 to 1.2 million ton/year, with installation of the most modern production, environment and safety management systems; the commissioning of the new production line is scheduled for the first months of 2016.

The completion of the projects to comply with the new environmental standards (National Emission Standards for Hazardous Air Pollutants) required investments for €10.2 million; also €4.3 million were allocated to the construction of a new terminal at Wichita (Kansas) and €9.3 million to the purchase of new concrete mixers.

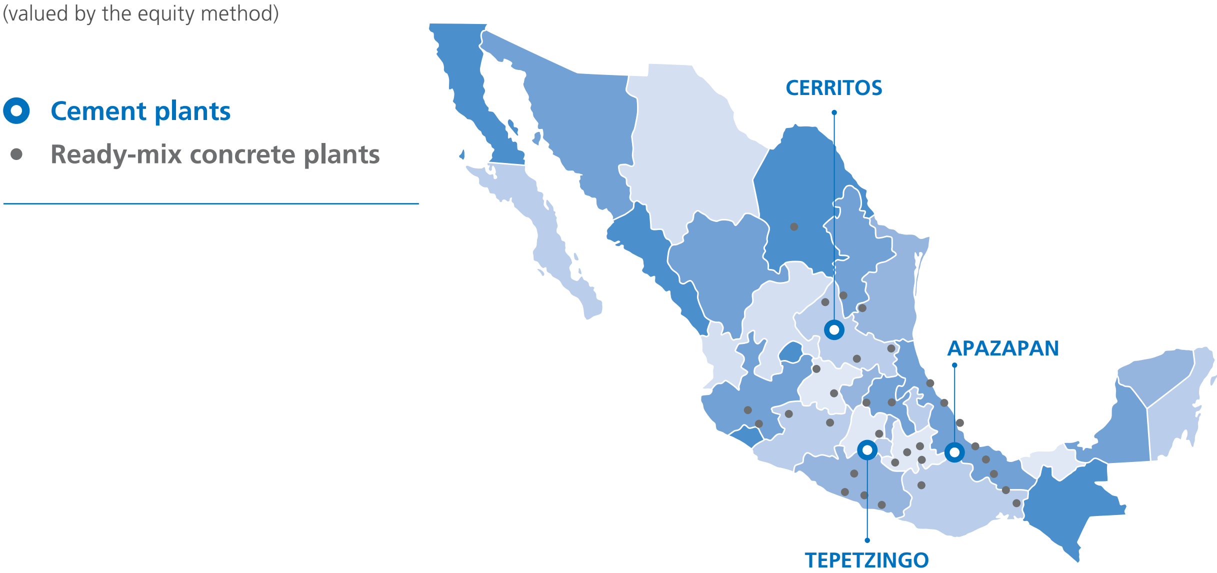
Cement consumption

(millions of tons)



Mexico

(valued by the equity method)



After an unexpected deceleration in 2013, caused by the weakness of foreign demand and the decline in the construction sector, the country rapidly went back to economic growth.

The manufacturing and export sector, especially the automotive industry, led by the growth of demand in the United States, gave the largest contribution to the recovery, besides the construction sector, which was well supported by investments in residential property and higher public spending in connection with an ambitious infrastructure plan.

In the last two years, important reforms, addressing energy market, telecommunications, labor market, educational system and financial markets have been implemented, aimed at ending monopoly positions and encouraging foreign investment by creating a more efficient and competitive landscape. GDP growth in 2014 (+2.4%) was revised upwards with respect to the estimates at the beginning of the year. The cement sales of the associate Corporación Moctezuma showed a favorable and consistent trend for the whole 2014, with average prices in local currency a few points higher than the previous year.

The ready-mix concrete output showed a slight decline, but prices reported a positive change, thanks to a new strategic positioning and the reduction of the number of active batch plants. Net sales and Ebitda, in local currency, posted an increase by 16.2% and 26.1% respectively. The weakening of the Mexican peso negatively affected the translation of results into euro; however, with reference to 100% of the associate, net sales amounted to €521.9 million (+11.6%) and Ebitda increased from €155.0 million to €187.8 million (+21.2%).

As for the main operating costs, the trend was stable

(millions of euro)	2014	2013	14/13
Net sales	521.9	467.5	+11.6%
EBITDA reported	187.8	155.0	+21.2%
EBITDA recurring	187.8	155.0	+21.2%
% of net sales	36.0	33.2	
Capital expenditures	22.2	20.0	+11.1%
Headcount end of period n.	1,105	1,156	-4.4%

Figures at 100% - valued by equity method.

Cement consumption

(millions of tons)

for fuels (-0.7%) and quite favorable for electric power (-5.6%). At the end of the year in the cement plant of Apazapan (Veracruz) the preliminary works to double production capacity started.

The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €38.8 million (€28.9 million in 2013).

Algeria

(valued by the equity method)

In 2014 the Algerian cement market recorded another increase, despite a stop due to the reset of the five-year plan for the new initiatives in connection with infrastructural works chosen and funded by the government.

Domestic production could not satisfy the demand of the market, which made necessary to turn to imports. In 2014, cement consumption was estimated to be around 25 million tons, with a 14% increase on the previous year. Cement imports were estimated around 5.4 million tons, against 4.3 million in 2013 (23% increase).
Several new production lines are at the design and partial construction stage, which will bring capacity in line with market demand.
Net income for the two companies in which Buzzi Unicem holds 35% increased with respect to the previous year.

The cement plant of Hadjar Soud produced 1.1 million ton with a 5.1% increase; clinker production reached 0.84 million ton, 8% above the year before. The cement plant of Sour El Ghozlane produced 1.0 million ton, with a 18% increase, while clinker production was 0.81 million ton, 20% more than the previous year, thanks to lower technical and management difficulties.

With reference to 100% of both associates and the separate financial statements thereof, 2014 had a positive outcome, with net sales equal to €114.2 million (+19% with respect to 2013) and Ebitda equal to €49 million (+33% on 2013).

The outlook for 2015 sees production, sales and profitability in line with 2014.

Human resources

The multi-regional structure of Buzzi Unicem requires a more international approach also to human resource management functions, and in this sense the year 2014 was very significant.

We started indeed and expanded professional development programs for our employees, especially Italian ones, who were given tasks of increasing responsibility in companies of different countries.

Cooperation among operating activities was also intensified, both in regard to the sharing of experiences and skills within the technical and production functions and in regard to institutional activities such as the sustainability report, the internal audit department and the consolidated financial statements themselves. Such evolution required significant changes in the organization, the most substantial of which was the revision of the top management structure at Dyckerhoff.
That said, the programs and the initiatives of management and development of our human resources have, as usual, reflected, for each country, the trends of productivity and profitability in the respective markets.

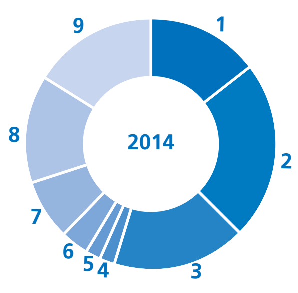
In 2014, conditions in the Italian construction sector worsened further.

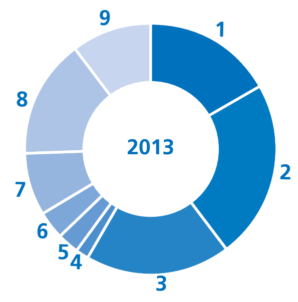
In the absence of real prospects of recovery, with welfare support provisions running out and the pension age being raised, this unfortunately made inevitable to resort to collective redundancies, both in the cement and the ready-mix concrete sector, with a decrease in the Italian workforce equal to 11% versus 2013. We continued the training programs, aimed both at improving workplace safety and increasing professional and linguistic skills.

In the Unites States, the recovery of the economy continued and strengthened. Demand for cement grew in 2014, to the extent that the main objective of human resource management was to put together and consolidate, in the different production units, teams of people with technical and managerial skills adequate to meet the new requirements of the markets. There were two main difficulties: the advanced average age of the workforce, with the resulting increase in retirements, and the general lack of specialized staff.

In 2014 Buzzi Unicem USA hired 75 white collar employees and 121 specialized blue collar employees, with a net increase in the workforce of 38 units.
In order to identify high-potential individuals, a development plan was devised in every factory, with quarterly revisions.

Headcount by region at year end





		2014
1	Italy	1,488
2	Unites States of America	2,312
3	Germany	1,763
4	Luxembourg	188
5	Netherlands	180
6	Poland	371
7	Czech Republic and Slovakia	784
8	Ukraine	1,420
9	Russia	1,611
Total		**10,117**

		2013
1	Italy	1,677
2	Unites States of America	2,274
3	Germany	1,851
4	Luxembourg	185
5	Netherlands	253
6	Poland	374
7	Czech Republic and Slovakia	803
8	Ukraine	1,506
9	Russia	1,015
Total		**9,938**

The integration between Buzzi Unicem USA and the Alamo Cement division involves also the human resource management area: in 2014 we completed the project concerning the labor force of the cement operations, during 2015 we will finalize it with the inclusion of the ready-mix operations.
A significant company-level employment agreement was negotiated with the unions at the cement plant of Stockertown, PA. The previous renewal had been accompanied by a three weeks' strike, largely disobeyed by the workers; this time, the agreement was concluded without unrest. In 2014 we began, with the coordination of the human resources management function, a program of support to social services foundations and organizations in the locations where the company operates; the staff has responded generously and participation continues to grow.

The transformation of Dyckerhoff into a limited liability company has freed the firm, since 2014, from a series of obligations and activities, especially in the legal and administrative areas; this has encouraged a deeper integration with the structure of the parent company Buzzi Unicem SpA.
We adopted all possible measures to limit the impact on the personnel, however we identified a structural excess of 47 people who were gradually made redundant following a very precise plan agreed upon through lengthy negotiations with the employee representatives. The agreement provides economic compensation as well as outplacement services that were successful in 60% of the cases. Once again the good level of dialog with the stakeholders, which is in Dyckerhoff's habit, proved very effective.

In 2014, the cement and ready-mix concrete divisions concluded agreements with the employee representatives about the programs to improve health and safety on the workplace, this time aimed at preserving professional skills over time, also in consideration of the potential necessity to find alternative positions. The persistent crisis of the constructions sector in the Netherlands has forced the subsidiary Dyckerhoff Basal to cut its workforce by 73 units (-29%).

The total headcount of the group, at the end of 2014, was 179 units up with respect to the previous year. The acquisition of Uralcement meant by itself an addition of 596 employees in Russia. An increase of headcount occurred in the Unites States too; instead, besides Italy, Germany and the Netherlands, already mentioned, Ukraine faced a reduction around 6%. The number of employees in the other countries was substantially unchanged.

A few significant indicators concerning our staff can be found in the following table:

	2014	2013
Turnover[1]	**14.68%**	12.24%
Days of absence[2]	**72,072**	78,791
Training days[3]	**48,358**	46,982

[1] Ratio of outgoing employees to workforce at Dec 31, 2014
[2] Total days of illness
[3] Total days of internal and external training

Research and development

Buzzi Unicem has a special focus on applied research and thanks to continuous and intense experimental activity aspires to potential innovations of both production process and products.
To this purpose the company takes part, as industrial partner, in national and international research projects, contributing to the development of new materials and technologies and to the creation of knowledge network with centers of excellence in the field of scientific research.

Buzzi Unicem is steering its R&S activity towards the study and development of hydraulic binders characterized by lower CO2 emissions with respect to Portland cements, for an equal or even superior performance. After obtaining the CE marking in 2013 on some formulations of sulpho-aluminate binder (Buzzi Unicem Next), we have continued to study the behavior of these cements both in structural terms and in their durability features, co-operating with Politecnico di Milano on a special project, which will continue also in 2015. The study is especially focused on testing the ability to protect rebars from corrosion: the preliminary results are positive and confirm that Next binders' behavior is comparable to that of traditional cements. We are now trying to extend the validity of the CE marking obtained in 2013 also to European countries, such as Germany, where there are legal restrictions on the use of innovative cements for structural applications.

In 2014 we also carried out some interesting experiments that led to the production at pilot scale of an innovative clinker, characterized by lower CO_2 emission and by the use of raw materials less expensive with respect to Portland cement. These experiments will continue for the next few years with internal research activities and joint projects with external organizations.

Since 2010 Buzzi Unicem has joined the Research and Development Network of the Piedmont Region, consisting of the so-called "Poles of Innovation", i.e. clusters of companies, research organizations and management bodies working in synergy to provide infrastructure and high value-added services.

In this context, the "Dualcem" project, co-funded by the Piedmont Region, coordinated by Buzzi Unicem, has just come to an end: it was an innovative project with very ambitious objectives, whose focus is the prototyping of ready-mix concrete with self-healing properties.

Self-healing materials are in fact becoming increasingly widespread, from biological fields (e.g. the bones of animal skeletons) to the industrial sphere, where numerous polymers possess these properties. Self-healing concrete will be able to prevent the appearance of cracks and the penetration of aggressive chemicals, thanks to the presence of special additives or technical processes that are triggered when needed, granting a "second life" in case of mechanical shock, and ensuring lasting durability and greater safety for users. The prototypes created within the project showed indicators of performance recovery after cracking, as measured by the "*three point bending test*", exceeding 25%, confirming that it is possible to give self-healing properties to ready-mix concrete and to quantify their entity.
The company continues to study the feasibility of the use of supplementary cementitious materials, derived from natural raw materials or industrial processes, with the objective of further decreasing the clinker/cement factor without compromising performance and durability.

Work on the fine tuning of the so-called "CEM X" continues. These are cements with a low content of Portland clinker, which will be incorporated in the next revision of the European Standard EN 197/1, whose study has involved the company in terms of both lab experiments and regulatory developments, together with the major European technical/scientific institutes.

Such cements can be formulated with specific properties such as low hydration heat, high resistance to chemical attacks, prolonged workability time, and are characterized by higher environmental sustainability by virtue of a lower clinker content.

Buzzi Unicem is represented in all main bodies, national and international, that deal with standards and certifications.
The Research, Development and Technology fuction has responsibility for all projects in the R&D area as well as for the coordination of the central laboratories of Guidonia and Trino (Buzzi Unicem) and Wiesbaden (Dyckerhoff).

The ready-mix concrete sector, research activity in 2014 has continued to develop the so-called Unical Smart System, a project begun the previous year.
It consists of a new model of classification, design and sale of ready-mix concretes based on a unique definition of technical performance, properties and applications through the iconography of the "smarties".
In this context we have conceived and realized an innovative system of technological indicators that will allow us to centrally guide, restrict and monitor, using a shared corporate software, the design choices carried out by the areas during the preparation of the mixes for the batch plants.

Another main focus of research was the implementation of new instruments to modulate the mix design of our ready-mix concrete offer, based on the constant control of the rheological parameters and on the re-formulation of the paste in real time, which can ensure stable performances and properties also when the system of production and delivery is affected by physiological sources of variability (components of mix or recycle, changing environmental and operative conditions).
We also continued the development and the standardization of new ready-mix concretes for special applications (plastic barriers, drainage components, architectural surfaces, screeds), which successfully enriched the traditional product range of the company.

We also continued this year our technical and scientific cooperation with the engineering practices in charge of the major Italian jobs and the collaboration, in different forms, with academic research structures (among which the Universities of Florence, Milan, Turin, Rome, and Cagliari).

Ecology, Environment and Safety

Buzzi Unicem is firmly convinced that the protection of the environment and of social values must be considered an unquestionable value paradigm and an essential challenge to be faced day by day, setting the priorities required to make a "*sustainable future*" a concrete reality.
In this context, there were tangible and proven results in the areas that for years have been the priority objectives of our "Environment and Safety Policy", such as the initiatives finalized to the implementation of more sustainable models of production and organization, through the gradual sensitization and direct participation of our clients, suppliers and all personnel in the search for the most eco-friendly corporate processes and in the mitigation of the impacts of our products, based on the principle of "shared responsibility", essential for a consistent management of human resources and to integrate technical and production requirements with legal prescriptions.

With regard to workplace safety, in 2014 we saw positive trends in accident indicators, with values in line with the best in class for the sector, in particular with no accidents at eight out of ten Italian production units; these gratifying results prove the importance of the commitment and cooperation of all Buzzi Unicem employees and of the contractors operating at our production sites, whose constant support will be necessary to maintain and raise even further our already high performance standards.

Moreover, to further encourage the ambitious participation project and the requirement to move "*from obligation to sharing*", the integrated environment and safety management system was perfected and developed, in compliance with the requirements set in the international standards UNI EN ISO 14001 and OHSAS 18001, by obtaining the corresponding certification for the cement plants in Barletta and Guidonia and for the Dyckerhoff Beton concrete-mixing plant in Rhein-Main-Taunus, and also by promoting an articulated program of continuous improvement in workplace safety at our cement plants in Ukraine and Russia, with the direct involvement of management.

Precisely in this difficult economic context, Buzzi Unicem is fully aware that the safety and health of its workers represent an occasion of essential and unavoidable growth of the right culture of "doing business", a social and corporate value and, above all, a constant commitment in all its possible articulations, from the organization to the workplace, from the diffusion of good practices to the involvement and active participation of the employees.

As for the protection of the ecosystems (air, water, soil, etc.), we reassert our strategic priorities in terms of "sustainable development" and "circular economy", on which efforts and energies will be directed: climate and emission factors, energy consumption and natural resources, fuel sources other than fossil, biodiversity.
Despite the difficulties originated by the global crisis of recent years, once again in 2014 we allocated significant technical and financial resources to maximize eco-efficiency, productivity, quality, technology research, by implementing, and sometimes even improving upon, the current laws and regulations and the most advanced environmental technologies (so-called BAT).

The main initiatives at the technical/operational level carried out by the companies of the group were the optimization of the calciner of kiln 2 at Robilante, the upgrade of the cyclone tower of the kiln at Hranice (Czech Republic), the recovery of hot air from the clinker cooler for thermal and civil services at Geseke (Germany), the improvement of the clinker dryer for white cement at Amöneburg (Germany) to allow the use of pulverized petcoke, the installation and set-up of modern pulse-jet bag filters, for the kiln 4 at Deuna (Germany) and for the clinker cooler at Stockertown (Pennsylvania), the increase in energy recovered from alternative fuels (up to 65% of heat replacement) in the kiln of Cape Girardeau (Missouri), the terminal of Orange (Texas), scheduled to receive about 220.000 ton/year of cement, transported by barges from the cement plant of Selma (Missouri).

We shall also mention the important research project, carried out by the CNR - Istituto Nazionale Ricerche in Rome, whose objective is to calculate the nanoparticles (<50 nm) emitted by the Italian clinker burning lines with different set-ups, corresponding to different types of raw materials and fuels, conventional and not, used to feed the system.
As far as the environmental performance is concer-

ned, the company received significant recognitions, to confirmation of its constant commitment in this area, such as the "*Carbon Disclosure Project*", which for the third year running placed Buzzi Unicem among the best companies for its success in decreasing climate-changing gas emissions and its awareness in the use of water resources, and the "*Cement Industry Energy & Environmental Awards*", which was awarded by the PCA (Portland Cement Association) to the cement plant of Maryneal (Texas) for the development of technical innovations promoting environmental protection and energy conservation, related to the installation of a new Horomill grinding equipment.
In this context, we have adequately enhanced the eco-efficiency and the eco-compatibility of the environmental profiles associated to cement and concrete, pursuing the primary objectives of the "*green economy*", through the diffusion of technologies and the development and the choice of products with the lowest possible impact on the environment throughout the whole "life cycle".

Indeed, besides the full disclosure of our environmental performance, resulting mainly from the EPD (*Environmental Product Declaration*) certification of the cements produced in Italy, Germany and Luxembourg, with objective and verifiable data provided through the *Life Cycle Assessment*, we "design" and guarantee excellent performance in the ready-mix concrete product range, fully compliant with stringent quality and performance standards.
We shall mention, for example, the positive results achieved in supplying special ready-mix concrete for the most different uses: from the tower (166 m) of the Intesa Sanpaolo headquarters in Turin, designed by Renzo Piano, to the skyscraper designed by Isozaki for Expo 2015 in Milan (202 m high), to the Miyana development in the Polanco district of Mexico City; from the Goethe University development in Frankfurt to the 130 m four spans bridge on the roundabout of Wiesbaden and to the prefabricated tanks that make up "Mose", the system of mobile bulkheads used to protect Venice from high tide, as well as the *lightweight and very bright concrete* surface used for the reconstruction of some external walls of the "Houses of the Masters" in Dessau (Germany), a UNESCO World Heritage site.

Similarly, we implemented new marketing approaches, through the promotion of "smart" sales of ready-mix concrete, based on a wide range of products and on *multiple offers customized* to meet the specific requirements of the client; of the "conscious concrete" quality mark in Germany that guarantees compliance with the requirements of corporate social responsibility; or, as in Mexico, searching for the right balance between the strict technical language and the most attractive packaging of cement bags inspired by the Aztec culture, as evidence of the Mexican identity and historic tradition expressed by the name of the company "*Cementos Moctezuma*".

Internal control and risk management system

At Buzzi Unicem, the internal control and risk management system is the set of rules, procedures and organizational structures designed to ensure sound and proper business conduct through a proper process of identification, measurement, management and monitoring of the main risks, in a manner consistent with set objectives, so as to ensure the safeguarding of assets, the efficiency and effectiveness of business operations, the reliability of financial reporting and the compliance with laws and regulations.

The Board of Directors has ultimate responsibility for the system of internal control and risk management, and performs the duties provided by the new Code of Conduct, availing itself of the support of its internal bodies, such as the control and risk committee, the director responsible for the internal control and risk management system, and the internal audit function.

Buzzi Unicem is a group operating in Italy and also in several foreign countries, through subsidiaries and associates. Given the complexity of the group, the structure of the internal audit function has been adapted to local requirements. It is organic and balanced, not subject to restrictions, and granted unlimited access to information. The methods and audit techniques used are aligned with international standards.
To reduce the risk of a breach of regulations, laws or contractual agreements, Buzzi Unicem and its subsidiaries apply compliance tools, including the code of conduct, code of ethics, antitrust code, training courses, controls on procedures and in certain subsidiaries, the use of databases for the recording of any contacts with the competition. These instruments are used in the different local businesses based on the assessment of the specific risks.

In accordance with the principles of modern corporate governance, governing bodies, such as the Board of Directors of Buzzi Unicem, as well as those of its main subsidiaries, regularly inform the supervisory bodies on the functionality and the need for updates to the system of internal control and management risks.
In the context of the internal control system, corporate risk management takes the concrete form of a semi-annual process of inventory, control and reporting of risks, based on a global risk strategy, known and accepted.

The approach to risk in Buzzi Unicem is not directed at the absolute elimination of all potential risks, but instead takes into account corporate objectives, and seeks to provide a systematic methodology that enables the informed evaluation of risks on the basis of ready information about the risks and their correlations. The risks themselves can then be avoided, reduced, transferred or assumed as part of the overall management process of risk control.

The operational responsibility for risk limitation is assigned to the heads of central offices and group divisions identified as significant for risk management. The respective executives are responsible for all material risks foreseeable in their areas, regardless of the fact that the risks may have been identified in the risk management system.

Risks are assessed in consideration of their probability of occurrence and impact on company assets, in accordance with standard criteria, taking into account their relative importance and significance. Risk assessments carried out by managements and divisions of the group are recorded in a central database. Analysis is performed on the categories of risk that underlie all the activities of our operating companies in production, financial, legal and tax matters.

For the sake of completeness, it should be noted that the risk highlighted by the enterprise risk management (ERM) system and the financial statements provisions are not necessarily mutually consistent, because of the differing purposes of the two instruments (the first concerns prevention and management, the second correct accounting records). In fact, the ERM necessarily takes account of risks not included in the budget and also those whose estimate (from the point of view of probability of occurrence and impact) is not sufficient to determine their recognition in the financial statements. In any case, the ERM, despite being a tool available to senior management for the evaluation and control of risks, also has an important use for the determination of provisions, allowing more direct and comprehensive knowledge of management operations and more accurate assessments during the provisioning process.

In 2014 we observed a downward trend of operational risks after actual containment measure, not considering the potential mitigation effect from accounting and/or budgeting. Risk has fallen in 8 out of 16 categories, across all the geographic areas in which Buzzi Unicem operates, with the exception of Eastern Europe where risks are increasing.

In Italy the risk of losses on the capital invested at financial institutions has diminished, reflecting the decrease in average liquid assets held with the banking system. There was also a decline in the risk related to the cash repayment option of the convertible bond, assuming the price of the Buzzi Unicem share exceeds the given threshold and the company chooses that option. There is some risk related to the interest rate at which the loans coming due in the period 2015 - 2016 can be refinanced.
On the currency front, there was a decrease in the risk of negative exchange rate effects deriving from the translation into euro of the financial statements denominated in foreign currency, for the dollar area. Instead in Ukraine and Russia, the risk of higher cost for purchases denominated in non-domestic currencies and the risk of a negative exchange rate effect from translation of the financial statements became higher. In Italy, there is still some risk of a contraction in cement consumption following a downturn of the domestic economy and especially of the construction sector. Operational risk (prices and volumes) related to our activities in Russia increased for the potential drop in demand due to the economic slowdown.
The risk related to cement volumes sold in Poland decreased, but this was partially offset by an increase of the risk related to a worsening price trend. In the United States, the risk of a decrease in public spending on infrastructure was basically stable. Our estimates of the costs of the antitrust proceedings started by the European Commission remain unchanged.

For the parent company, there is still a risk that it will be forced to pay Dyckerhoff minority shareholders a higher price for the shares bought through the squeeze-out procedure.
In the United States, the risk of legal suits was basically stable. In Russia, we saw an increase in the risk of legal claims due to the insolvency proceedings of the former subsidiary ZAO Akmel.
Country risk increased mainly for Russia and Ukraine, which has an impact on profitability and on the credit/funding capacity of the local companies. On the other hand, there was a decrease in tax risks for Dyckerhoff.

Following the containment measures already adopted, or envisaged, by the managment and divisions of the group by taking out insurance policies and making provisions in the financial statements, the total residual risk is a very small fraction of net worth, even if the appreciation of the dollar has increased the amounts at risk for natural catastrophes at the United States plants that are not covered by insurance.

Related-party transactions

Transactions with related parties, including intercompany transactions, are considered neither atypical nor unusual.
These transactions are regulated in accordance with market conditions, taking into account the characteristics of the goods and services supplied.

Information on transactions with related parties are given in note 48 of these consolidated financial statements.

Outlook

In Italy, expectations for the trend of construction investments remain negative, especially in the residential and commercial property sector.
A stabilization might occur with a positive contribution from public works if the government made available the necessary resources.
We will continue to address our efforts to the search of the best efficiencies and industrial rationalization, together with possible extraordinary initiatives aimed at consolidating the supply structure.
Profitability shift will depend mainly on whether sales prices can be brought back to 2013 levels; falling this, no improvement in operating results is foreseen.
In Central Europe, we expect moderately favorable volume and price variance in Germany and the Netherlands and a more penalizing situation in Luxembourg, which is affected by the weakness of some neighboring countries. Recurring operating results should however improve.
Trading in Poland and the Czech Republic will likley be similar to that projected for Central Europe but with possibly a more lively development. In Poland we expect to report a better operating result by stabilizing our market share. In the Czech Republic, Ebitda should at least confirm the level reached in 2014.
In Ukraine, the political crisis is moving towards a gradual stabilization but the economic situation remains worrisome and, specifically the dramatic devaluation of the local currency knocks down all financial statements items when translated into euro. Therefore, despite trading conditions expected quite in line with 2014, operating results are doomed to be considerably lower.
The economic situation in Russia, following the drop in oil prices, the renewal of the sanctions and the collapse of the ruble, has weakened and shows less propensity to invest. We expect a slowdown in demand, both for traditional cement and, more markedly, for oil well products.
A further, sizeable penalization stems from the strong depreciation of the ruble. The inclusion in the scope of consolidation of the Korkino cement plant helps to compensate for those negative elements, nevertheless it is fair to assume for 2015 the attainment of operating results expressed in euro neatly lower than those posted in the previous year.
The US economy continues to grow much faster than the European one and forecasts point to a good progress of investment in the residential segment, a slight increase in the commercial one and a positive sign also in infrastructure spending. In the current year, volumes and price trend should continue to be favorable, in spite of some concern about Texas, market in which the weight of the oil industry is very significant. We expect an important improvement of results in euro, in this case boosted by the strengthening of the dollar, if confirmed in the next months too.
The above considerations outline for the current year 2015 a level of profitability in visible improvement only in the United States, joint with an appreciation of the dollar that amplifies the effects on results. In the EU countries other than Italy, we deem that the results attained in 2014 can be repeated or, in some cases, even improved; however the overall variances versus the previous year will be of little significance. The results referred to Russia and Ukraine are expected in clear decline, being affected by a likely slowdown of demand and, mainly, by a very penalizing foreign exchange effect. Of all the markets where we operate, Italy will continue to be the most critical and the one on which we are focusing our utmost attention in the search for a stable economic equilibrium. The extraordinary transaction recently announced, which we hope will have a positive outcome, represents an important step towards such an objective.

In conclusion, at consolidated level we assume that recurring Ebitda for the full financial year 2015 can turn out slightly higher than in the previous year.

Financial Information

Consolidated balance sheet

(thousands of euro)	Note	Dec 31, 2014	Dec 31, 2013 restated*	Jan 01, 2013 restated*
Assets				
Non-current assets				
Goodwill	7	571,213	532,752	584,199
Other intangible assets	7	10,326	11,527	9,362
Property, plant and equipment	8	2,835,410	2,796,537	3,016,639
Investment property	9	23,822	25,207	16,441
Investments in associates and joint ventures	10	371,914	330,229	373,314
Available-for-sale financial assets	11	2,377	2,557	3,513
Deferred income tax assets	27	61,470	44,529	66,037
Derivative financial instruments	12	4,204	-	-
Other non-current assets	13	44,561	54,737	55,089
		3,925,297	**3,798,075**	**4,124,594**
Current assets				
Inventories	14	377,003	386,177	413,870
Trade receivables	15	360,499	368,933	388,517
Other receivables	16	87,982	91,528	100,938
Available-for-sale financial assets	11	3,595	730	86,989
Derivative financial instruments	12	-	-	2,307
Cash and cash equivalents	17	412,590	527,931	526,171
		1,241,669	**1,375,299**	**1,518,792**
Assets held for sale	18	2,636	2,113	11,546
Total Assets		**5,169,602**	**5,175,487**	**5,654,932**

* following adoption of IFRS 11 Joint arrangements.

(thousands of euro)	Note	Dec 31, 2014	Dec 31, 2013 restated*	Jan 01, 2013 restated*
Equity				
Equity attributable to owners of the company				
Share capital	19	123,637	123,637	123,637
Share premium	20	458,696	458,696	458,696
Other reserves	21	46,465	41,219	156,324
Retained earnings	22	1,711,064	1,642,079	1,694,273
Treasury shares		(4,768)	(4,768)	(4,768)
		2,335,094	**2,260,863**	**2,428,162**
Non-controlling interests	23	27,038	37,875	91,897
Total Equity		**2,362,132**	**2,298,738**	**2,520,059**
Liabilities				
Non-current liabilities				
Long-term debt	24	1,304,359	1,356,016	1,384,679
Derivative financial instruments	12	18,588	77,118	22,310
Employee benefits	25	441,569	381,784	435,843
Provisions for liabilities and charges	26	86,959	88,179	125,476
Deferred income tax liabilities	27	402,882	355,843	366,749
Other non-current liabilities	28	19,137	13,914	16,651
		2,273,494	**2,272,854**	**2,351,708**
Current liabilities				
Current portion of long-term debt	24	158,156	196,324	287,872
Short-term debt	24	-	-	70,685
Derivative financial instruments	12	2,687	677	4,994
Trade payables	29	226,399	217,893	229,271
Income tax payables	30	8,240	8,039	11,223
Provisions for liabilities and charges	26	17,266	45,529	40,251
Other payables	31	120,018	135,433	138,869
		532,766	**603,895**	**783,165**
Liabilities held for sale		1,210	-	-
Total Liabilities		**2,807,470**	**2,876,749**	**3,134,873**
Total Equity and Liabilities		**5,169,602**	**5,175,487**	**5,654,932**

* following adoption of IFRS 11 Joint arrangements.

Consolidated income statement

(thousands of euro)	Note	2014	2013 restated*
Net sales	32	**2,506,354**	**2,510,090**
Changes in inventories of finished goods and work in progress		(5,519)	(3,243)
Other operating income	33	101,787	107,233
Raw materials, supplies and consumables	34	(1,037,483)	(1,058,117)
Services	35	(633,134)	(613,194)
Staff costs	36	(426,087)	(451,324)
Other operating expenses	37	(83,200)	(88,246)
Operating cash flow (EBITDA)		**422,718**	**403,199**
Depreciation, amortization and impairment charges	38	(244,035)	(316,745)
Operating profit (EBIT)		**178,683**	**86,454**
Gains on disposal of investments	39	123	4,563
Finance revenues	40	112,928	48,034
Finance costs	40	(166,025)	(158,874)
Equity in earnings of associates and joint ventures	41	49,914	35,852
Profit before tax		**175,623**	**16,029**
Income tax expense	42	(55,131)	(59,184)
Profit (loss) for the year		**120,492**	**(43,155)**
Attributable to:			
Owners of the company		116,588	(50,678)
Non-controlling interests		3,904	7,522
(euro)			
Earnings per share	43		
basic			
ordinary		0.56	(0.31)
savings		0.59	0.03

* following adoption of IFRS 11 Joint arrangements.

Consolidated statement of comprehensive income

(thousands of euro)	2014	2013 restated*
Profit (loss) for the year	**120,492**	**(43,155)**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(49,988)	50,682
Income tax relating to items that will not be reclassified	15,195	(19,265)
Total items that will not be reclassified to profit or loss	**(34,793)**	**31,417**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(14,221)	(124,227)
Income tax relating to items that may be reclassified	8,643	1,316
Total items that may be reclassified subsequently to profit or loss	**(5,578)**	**(122,911)**
Other comprehensive income for the year, net of tax	**(40,371)**	**(91,494)**
Total comprehensive income for the year	**80,121**	**(134,649)**
Attributable to:		
Owners of the company	87,845	(138,730)
Non-controlling interests	(7,724)	4,081

* following adoption of IFRS 11 Joint arrangements.

Consolidated statement of cash flows

(thousands of euro)	Note	2014	2013 restated*
Cash flows from operating activities			
Cash generated from operations	44	390,686	343,965
Interest paid		(87,237)	(97,595)
Income tax paid		(58,864)	(52,915)
Net cash generated from operating activities		**244,585**	**193,455**
Cash flows from investing activities			
Purchase of intangible assets	7	(3,716)	(5,410)
Purchase of property, plant and equipment	8	(174,044)	(149,706)
Acquisition of subsidiaries, net of cash acquired		(105,915)	(58)
Purchase of other equity investments	10	(26,312)	(396)
Proceeds from sale of property, plant and equipment		56,956	10,229
Proceeds from sale of equity investments		1,685	27,795
Capital grants received		-	502
Changes in available-for-sale financial assets	11	(3,623)	87,898
Changes in financial receivables		(11,540)	6,197
Dividends received from associates	10. 40	40,274	42,605
Interest received		10,952	19,066
Net cash used in investing activities		**(215,283)**	**38,722**
Cash flows from financing activities			
Proceeds from long-term debt	24	200,652	219,801
Repayments of long-term debt	24	(344,877)	(284,765)
Net change in short-term debt	24	-	(70,666)
Changes in financial payables		(9,878)	7,566
Changes in ownership interests without loss of control		(4,580)	(66,650)
Dividends paid to owners of the company	45	(10,277)	(12,473)
Dividends paid to non-controlling interests		(1,658)	(3,273)
Net cash used in financing activities		**(170,618)**	**(210,460)**
Increase (decrease) in cash and cash equivalents		**(141,316)**	**21,717**
Cash and cash equivalents at beginning of year		**527,931**	**526,418**
Translation differences		26,842	(20,201)
Change in scope of consolidation		(867)	(3)
Cash and cash equivalents at end of year	17	**412,590**	**527,931**

* following adoption of IFRS 11 Joint arrangements.

Consolidated statement of changes in equity

(thousands of euro)	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total	Non-controlling interests	Total Equity
	Attributable to owners of the company							
Balance as at January 1, 2013 restated*	**123,637**	**458,696**	**156,324**	**1,694,273**	**(4,768)**	**2,428,162**	**91,897**	**2,520,059**
Profit (loss) for the year	**-**	**-**	**-**	**(50,678)**	**-**	**(50,678)**	**7,522**	**(43,156)**
Other comprehensive income for the year, net of tax	-	-	(119,469)	31,416	-	**(88,053)**	(3,441)	**(91,494)**
Total comprehensive income for the year		**-**	**(119,469)**	**(19,262)**	**-**	**(138,731)**	**4,081**	**(134,650)**
Dividends paid	-	-	-	(12,473)	-	**(12,473)**	(3,273)	**(15,746)**
Withholding tax on foreign dividends	-	-	-	(3,474)	-	**(3,474)**	-	**(3,474)**
Acquisition of non-controlling interests	-	-	-	(12,748)	-	**(12,748)**	(54,835)	**(67,583)**
Other changes	-	-	4,364	(4,237)	-	**127**	5	**132**
Balance as at December 31, 2013 restated*	**123,637**	**458,696**	**41,219**	**1,642,079**	**(4,768)**	**2,260,863**	**37,875**	**2,298,738**
Profit (loss) for the year	**-**	**-**	**-**	**116,588**	**-**	**116,588**	**3,904**	**120,492**
Other comprehensive income for the year, net of tax	-	-	6,098	(34,841)	-	**(28,743)**	(11,628)	**(40,371)**
Total comprehensive income for the year		**-**	**6,098**	**81,747**	**-**	**87,845**	**(7,724)**	**80,121**
Dividends paid	-	-	-	(10,277)	-	**(10,277)**	(1,658)	**(11,935)**
Withholding tax on foreign dividends	-	-	-	(1,957)	-	**(1,957)**	-	**(1,957)**
Acquisition of non-controlling interests	-	-	-	(1,533)	-	**(1,533)**	(1,455)	**(2,988)**
Other changes	-	-	(852)	1,005	-	**153**	-	**153**
Balance as at December 31, 2014	**123,637**	**458,696**	**46,465**	**1,711,064**	**(4,768)**	**2,335,094**	**27,038**	**2,362,132**

* following adoption of IFRS 11 Joint arrangements.

Notes to consolidated financial statements

1. General information

Buzzi Unicem SpA ('the company') and its subsidiaries (together 'the group' or 'Buzzi Unicem') manufacture, distribute and sell cement, ready-mix concrete and aggregates. The group has manufacturing plants in several countries, which also represent the natural outlet for its goods and services. The operations are located mainly in Italy, the United States of America, Germany, Luxembourg, the Netherlands, Poland, the Czech Republic and Slovakia, Ukraine, Russia and Mexico.

Buzzi Unicem SpA is a stock corporation organized under the laws of Italy. The address of its registered office is via Luigi Buzzi 6, Casale Monferrato (AL). The company has its primary listing on the Borsa Italiana stock exchange.

These consolidated financial statements were authorized for issue by the board of directors on 27 March 2015.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission and with the provisions implementing article 9 of Legislative Decree no. 38/2005. The definition of IFRS also encompasses all valid International Accounting Standards (IAS) as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), including those formerly issued by the Standing Interpretations Committee (SIC).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets/liabilities (including derivative instruments) at fair value through profit or loss, as well as on the going concern basis. In this respect, despite operating in a difficult economic and financial environment, it is the group's assessment that no material uncertainties exist about its ability to continue as a going concern.

The format of the financial statements selected by Buzzi Unicem is the following: for the balance sheet implementation of the current/non-current classification, which is generally applied by industrial and commercial firms; for the income statement application of the nature of expense method and the presentation of two separate schemes, i.e. a traditional income statement and a statement of comprehensive income; for the statement of cash flows adoption of the indirect method. Where necessary, comparability of content entails a restatement of the prior year amounts. The items presented in these consolidated financial statements, have been adjusted and integrated compared with those previously published, following the adoption of IAS 27 (revised), IAS 28 (revised), IFRS 10, IFRS 11, IFRS 12, as better described hereafter.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

The IASB withdrew IFRIC 3 Emission Rights in its June 2005 session. Awaiting new interpretations, the accounting method followed provides not to value as assets the free emissions allowances allocated, any surplus and to recognize only the effects of emission rights purchasing and/or selling transactions. Moreover a liability is recognized only when emissions exceed the allowances allocated and the deficit will have to be remedied through the purchase of the rights at fair value. Considering the operating conditions expected for the near future, under the third phase of the Emissions Trading Scheme (2013-2020), we expect the allowances allocated to Buzzi Unicem's manufacturing units in the EU countries other than Italy to become gradually in short supply versus the foreseen emissions. On the other hand, the emissions produced by the Italian cement plants should continue to fall behind the allocated rights.

Standards, amendments and interpretations effective in 2014

- IAS 27 (revised) Separate financial statements. The revised standard contains only accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity presents separate financial statements. Its adoption of has had no impact on the consolidated financial statements.
- IAS 28 (revised) Investments in associates and joint ventures. The revised standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. Following the adoption jointly controlled entities, which were previously accounted for using the proportionate consolidation method, are now valued by the equity method.
- IFRS 10 Consolidated financial statements replaces parts of IAS 27 Consolidated and separate financial statements and SIC 12 Consolidation – special purpose entities. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The adoption of this standard has had no significant impact on the consolidated financial statements.
- IFRS 11 Joint arrangements, supersedes IAS 31 Interests in joint ventures and SIC 13 Jointly controlled entities – non monetary contributions by venturers. The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities: the equity method, removing the option to account for jointly controlled entities using proportionate consolidation. The impact of IFRS 11 retrospective adoption is presented in the tables below.
- IFRS 12 Disclosure of interests in other entities. It is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. Its adoption only had an impact on the scope and the degree of disclosures in the notes.
- Consolidated financial statements, Joint arrangements and Disclosure of interests in other entities: transition guidance, amendments to IFRS 10, IFRS 11 and IFRS 12. The amendments clarify the transition guidance in IFRS 10 and also provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.
- Investment entities, amendments to IFRS 10, IFRS 12 and IAS 27. The amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments are not relevant for the group and have had no impact on the consolidated financial statements presented herein.

As from 1 January 2014 the group adopted IFRS 11 Joint arrangements and as a consequence the joint ventures Corporación Moctezuma, SAB de CV, Addiment Italia Srl, Fresit BV and Lichtner-Dyckerhoff Beton GmbH & Co. KG, previously consolidated by the proportional method, are now valued by the equity method.

The following tables show the effect of IFRS 11 retrospective application on balance sheet, income statement, comprehensive income, cash flows and net financial position.

Consolidated balance sheet

(thousands of euro)	Note	Dec 31, 2013 reported	IFRS 11 adjust-ments	Dec 31, 2013 restated	Jan 1, 2013 reported	IFRS 11 adjust-ments	Jan 1, 2013 restated
Assets							
Non-current assets							
Goodwill	8	532,752	-	532,752	584,199	-	584,199
Other intangible assets	8	14,129	(2,602)	11,527	12,425	(3,063)	9,362
Property, plant and equipment	9	2,973,736	(177,199)	2,796,537	3,208,706	(192,067)	3,016,639
Investment property	10	29,249	(4,042)	25,207	19,299	(2,858)	16,441
Investments in associates and joint ventures	11	174,449	155,780	330,229	202,944	170,370	373,314
Available-for-sale financial assets	12	2,557	-	2,557	3,513	-	3,513
Deferred income tax assets		44,604	(75)	44,529	66,244	(207)	66,037
Other non-current assets	14	54,941	(204)	54,737	55,284	(195)	55,089
		3,826,417	**(28,342)**	**3,798,075**	**4,152,614**	**(28,020)**	**4,124,594**
Current assets							
Inventories		408,378	(22,201)	386,177	437,565	(23,695)	413,870
Trade receivables		410,419	(41,486)	368,933	439,383	(50,866)	388,517
Other receivables		107,106	(15,578)	91,528	116,085	(15,147)	100,938
Available-for-sale financial assets		730	-	730	86,989	-	86,989
Derivative financial instruments		-	-	-	2,307	-	2,307
Cash and cash equivalents		554,745	(26,814)	527,931	556,193	(30,022)	526,171
		1,481,378	**(106,079)**	**1,375,299**	**1,638,522**	**(119,730)**	**1,518,792**
Assets held for sale	19	2,113	-	2,113	11,546	-	11,546
Total Assets		**5,309,908**	**(134,421)**	**5,175,487**	**5,802,682**	**(147,750)**	**5,654,932**

(thousands of euro)	Note	Dec 31, 2013 reported	IFRS 11 adjust-ments	Dec 31, 2013 restated	Jan 1, 2013 reported	IFRS 11 adjust-ments	Jan 1, 2013 restated
Equity							
Equity attributable to owners of the company							
Share capital	20	123,637	-	123,637	123,637	-	123,637
Share premium		458,696	-	458,696	458,696	-	458,696
Other reserves	21	41,219	-	41,219	156,324	-	156,324
Retained earnings		1,642,079	-	1,642,079	1,694,273	-	1,694,273
Treasury shares		(4,768)	-	(4,768)	(4,768)	-	(4,768)
		2,260,863	**-**	**2,260,863**	**2,428,162**	**-**	**2,428,162**
Non-controlling interests	22	113,332	(75,457)	37,875	174,461	(82,564)	91,897
Total Equity		**2,374,195**	**(75,457)**	**2,298,738**	**2,602,623**	**(82,564)**	**2,520,059**
Liabilities							
Non-current liabilities							
Long-term debt	23	1,356,335	(319)	1,356,016	1,385,154	(475)	1,384,679
Derivative financial instruments	13	77,118	-	77,118	22,310	-	22,310
Employee benefits	24	382,214	(430)	381,784	437,640	(1,797)	435,843
Provisions for liabilities and charges	25	89,018	(839)	88,179	126,239	(763)	125,476
Deferred income tax liabilities		390,152	(34,309)	355,843	403,282	(36,533)	366,749
Other non-current liabilities	26	13,917	(3)	13,914	16,655	(4)	16,651
		2,308,754	**(35,900)**	**2,272,854**	**2,391,280**	**(39,572)**	**2,351,708**
Current liabilities							
Current portion of long-term debt	23	196,617	(293)	196,324	288,146	(274)	287,872
Short-term debt	23	-	-	-	70,685	-	70,685
Derivative financial instruments	13	677	-	677	4,994	-	4,994
Trade payables	27	230,333	(12,440)	217,893	244,713	(15,442)	229,271
Income tax payables		8,045	(6)	8,039	11,223	-	11,223
Provisions for liabilities and charges	25	45,840	(311)	45,529	40,342	(91)	40,251
Other payables	28	145,447	(10,014)	135,433	148,676	(9,807)	138,869
		626,959	**(23,064)**	**603,895**	**808,779**	**(25,614)**	**783,165**
Total Liabilities		**2,935,713**	**(58,964)**	**2,876,749**	**3,200,059**	**(65,186)**	**3,134,873**
Total Equity and Liabilities		**5,309,908**	**(134,421)**	**5,175,487**	**5,802,682**	**(147,750)**	**5,654,932**

Consolidated income statement

(thousands of euro)	Note	2013 reported	IFRS 11 adjustments	2013 restated
Net sales	29	**2,753,050**	**(242,960)**	**2,510,090**
Changes in inventories of finished goods and work in progress		(4,905)	1,662	(3,243)
Other operating income	30	107,405	(172)	107,233
Raw materials, supplies and consumables	31	(1,137,536)	79,419	(1,058,117)
Services	32	(678,904)	65,710	(613,194)
Staff costs	33	(466,695)	15,371	(451,324)
Other operating expenses	34	(91,255)	3,009	(88,246)
Operating cash flow (EBITDA)		**481,160**	**(77,961)**	**403,199**
Depreciation, amortization and impairment charges	35	(331,401)	14,656	(316,745)
Operating profit (EBIT)		**149,759**	**(63,305)**	**86,454**
Gains on disposal of investments		4,563	-	4,563
Finance revenues	36	51,571	(3,537)	48,034
Finance costs	36	(162,022)	3,148	(158,874)
Equity in earnings of associates and joint ventures	37	6,385	29,467	35,852
Profit (loss) before tax		**50,256**	**(34,227)**	**16,029**
Income tax expense	38	(79,233)	20,049	(59,184)
Profit (loss) for the period		**(28,977)**	**(14,178)**	**(43,155)**
Attributable to:				
Owners of the company		(50,678)	-	(50,678)
Non-controlling interests		21,701	(14,179)	7,522

Consolidated statement of comprehensive income

(thousands of euro)	2013 reported	IFRS 11 adjustments	2013 restated
Profit (loss) for the period	**(28,977)**	**(14,178)**	**(43,155)**
Items that will not be reclassified to profit or loss			
Actuarial gains (losses) on post-employment benefits	50,674	8	50,682
Income tax relating to items that will not be reclassified	(19,355)	90	(19,265)
Total items that will not be reclassified to profit or loss	**31,319**	**98**	**31,417**
Items that may be reclassified subsequently to profit or loss			
Currency translation differences	(127,909)	3,682	(124,227)
Income tax relating to items that may be reclassified	1,316	-	1,316
Total items that may be reclassified subsequently to profit or loss	**(126,593)**	**3,682**	**(122,911)**
Other comprehensive income for the period, net of tax	**(95,274)**	**3,780**	**(91,494)**
Total comprehensive income for the period	**(124,251)**	**(10,398)**	**(134,649)**
Attributable to:			
Owners of the company	(138,730)	-	(138,730)
Non-controlling interests	14,479	(10,398)	4,081

Consolidated statement of cash flows

(thousands of euro)	Note	2013 reported	IFRS 11 adjustments	2013 restated
Cash flows from operating activities				
Cash generated from operations	40	430,637	(86,672)	343,965
Interest paid		(97,595)	-	(97,595)
Income tax paid		(76,400)	23,485	(52,915)
Net cash generated from operating activities		**256,642**	**(63,187)**	**193,455**
Cash flows from investing activities				
Purchase of intangible assets	8	(5,542)	132	(5,410)
Purchase of property, plant and equipment	9	(158,848)	9,142	(149,706)
Acquisition of subsidiaries, net of cash acquired		(58)	-	(58)
Purchase of other equity investments	11	(396)	-	(396)
Proceeds from sale of property, plant and equipment		11,399	(1,170)	10,229
Proceeds from sale of equity investments		27,795	-	27,795
Capital grants received		502	-	502
Changes in available-for-sale financial assets	12	87,898	-	87,898
Changes in financial receivables		2,039	4,158	6,197
Dividends received from associates	11	6,470	36,135	42,605
Interest received		19,778	(712)	19,066
Net cash used in investing activities		**(8,963)**	**47,685**	**38,722**
Cash flows from financing activities				
Proceeds from long-term debt	23	219,951	(150)	219,801
Repayments of long-term debt	23	(285,014)	249	(284,765)
Net change in short-term debt	23	(70,666)	-	(70,666)
Changes in financial payables		7,568	(2)	7,566
Changes in ownership interests without loss of control		(66,650)	-	(66,650)
Dividends paid to owners of the company	41	(12,473)	-	(12,473)
Dividends paid to non-controlling interests		(20,780)	17,507	(3,273)
Net cash used in financing activities		**(228,064)**	**17,604**	**(210,460)**
Increase (decrease) in cash and cash equivalents		**19,615**	**2,102**	**21,717**
Cash and cash equivalents at beginning of year		**556,193**	**(29,775)**	**526,418**
Translation differences		(21,060)	859	(20,201)
Change in scope of consolidation		(3)	-	(3)
Cash and cash equivalents at end of year	18	**554,745**	**(26,814)**	**527,931**

Consolidated net financial position

(thousands of euro)	Dec 31, 2013 reported	IFRS 11 adjustments	Dec 31, 2013 restated
Cash and short-term financial assets:			
Cash and cash equivalents	554,745	(26,814)	527,931
Short-term monetary investments	130	-	130
Other current financial receivables	14,302	(5,367)	8,935
Short-term financial liabilities:			
Current portion of long-term debt	(196,617)	292	(196,325)
Derivative financial instruments	(677)	-	(677)
Other current financial receivables	(18,573)	-	(18,573)
Net short-term cash	**353,310**	**(31,889)**	**321,421**
Long-term financial assets:			
Other non-current financial receivables	17,585	-	17,585
Long-term financial liabilities:			
Long-term debt	(1,356,335)	320	(1,356,015)
Derivative financial instruments	(77,118)	-	(77,118)
Other non-current financial liabilities	(3,075)	-	(3,075)
Net debt	**(1,065,633)**	**(31,569)**	**(1,097,202)**

The following standards, amendments and interpretations are mandatory for the first time effective from 1 January 2014, but they are not relevant for the group and/or have had no impact on the consolidated financial statements presented herein.

- IAS 32 (amendment) Financial instruments: presentation, offsetting financial assets and financial liabilities.
- IAS 36 (amendment) Impairment of assets, recoverable amount disclosures for non-financial assets.
- IAS 39 (amendment) Financial instruments: recognition and measurement, Novation of derivatives and continuation of hedge accounting.

Standards, amendments and interpretations that are not yet effective and have not been early adopted

- IFRIC 21 Levies (effective from 1 January 2014 but endorsed by the European Union in June 2014 and thus effective for the group from 1 January 2015), an interpretation on the accounting for levies imposed by governments. It clarifies what the obligating event is that gives rise to pay a levy and when should a liability be recognized.
- IFRS 9 Financial instruments and subsequent amendments (effective from 1 January 2018, early adoption is permitted). The complete version of IFRS 9 was issued in July 2014. The standard replaces IAS 39 Financial instruments: recognition and measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. IFRS 9 introduces a new expected credit losses model that replace the incurred loss impairment model used in IAS

39. For financial liabilities the main change relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated at fair value through profit or loss, which shall be presented directly in other comprehensive income, without affecting the income statement. The standard reformed approach for hedge accounting too. IFRS 9 is likely to affect accounting of financial assets/liabilities and the group is yet to assess its full impact. At the date of this report the European Union has not yet endorsed the standard.

- IAS 19 (amendment) Employee Benefits, defined benefit plans: employee contributions (effective from 1 January 2015). The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary.
- Annual Improvements 2010–2012 Cycle (effective from 1 January 2015); a collection of amendments to IFRSs, in response to eight issues addressed during the 2010–2012 cycle. They relate largely to clarifications, therefore their adoption will not material impact the group's financial statements.
- Annual Improvements 2011–2013 Cycle (effective from 1 January 2015); a collection of amendments to IFRSs, in response to four issues addressed during the 2011–2013 cycle. They relate largely to clarifications, therefore their adoption will not have a material impact on the group.

At the date of this report the European Union has not yet endorsed the following amendments and interpretations.

- IFRS 11 Joint arrangements (amendment): Accounting for acquisitions of interests in joint operations (effective from 1 January 2016). The amendment clarifies the accounting for acquisitions of an interest in a joint operation that constitutes a business.
- IAS 16 Property, plant and equipment and IAS 38 Intangible assets (amendments) clarification of acceptable methods of depreciation and amortization (effective from 1 January 2016). The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. This is because such methods reflect a pattern of generation of economic benefits that arise from the operation of the business of which an asset is part, rather than the pattern of consumption of an asset's expected future economic benefits.
- IFRS 15 Revenue from contracts with customers (effective from 1 January 2017). The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The standard results in enhanced disclosures about revenue, provides guidance for transactions that were not previously addressed comprehensively and improves guidance for multiple-element arrangements.
- IAS 16 Property, plant and equipment and IAS 41 Agriculture (amendments): bearer plants (effective from 1 January 2016). Bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. The amendments include them in the scope of IAS 16 rather than IAS 41.
- IAS 27 Separate financial statements (amendment): equity method in separate financial statements (effective from 1 January 2016). The amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures (amendments): sale or contribution of assets between an investor and its associate

or joint venture (effective from 1 January 2016). A full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

- Annual improvements 2012-2014 Cycle (effective from 1 January 2016); it is a series of amendments to IFRSs in response to four issues raised during the 2012-2014 cycle. They relate largely to clarifications, therefore their adoption will not have a material impact on the group.
- IAS 1 Presentation of financial statements (amendment): disclosure initiative (effective from 1 January 2016), it is designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendment makes clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.
- Investment entities (amendments to IFRS 10, IFRS 12 and IAS 28): applying the consolidation exception (effective from 1 January 2016). The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. Control over an entity exists when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Intercompany receivables and payables, costs and revenues are eliminated. Significant profits and losses resulting from transactions between consolidated companies and not yet realized with third parties are also eliminated. Dividends distributed within the group are eliminated from the consolidated income statement. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with those adopted by the group.

Subsidiaries either dormant or immaterial, both from an investment point of view and in terms of their net equity and results, are not consolidated and are valued at cost less any provision for impairment.

Changes in ownership interests in subsidiaries
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is as transactions with the owners in their capacity as owners.

The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity as long as control continues to exist.

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to the income statement.

Non-controlling interests in fully consolidated partnerships are included with the line item Other non-current liabilities.

Joint arrangements
Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Buzzi Unicem has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

Associates
Associates are entities over which the group has significant influence but not control or joint control. Generally a holding of between 20% and 50% of the voting rights indicates

significant influence. Investments in associates are usually valued by the equity method, i.e. the initial carrying amount of the investment is increased or decreased at each reporting date to reflect the investor's share of the associate's net profit or loss, less any dividends received. The investment in associates includes goodwill identified on acquisition.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the entire carrying amount of the investment is tested for impairment as a single asset, that is goodwill is not tested separately. Accounting policies of associates have been adjusted where necessary to ensure consistency with those adopted by the group.

Associates either dormant or immaterial, both from an investment point of view and in terms of their net equity and results, are valued at cost less any provision for impairment.

Investments in other companies

Other corporations or partnerships, normally not listed companies below 20% ownership, are carried at fair value (available-for-sale financial assets), when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in other comprehensive income until the assets are sold or impaired, when the accumulated fair value adjustments previously recognized in other comprehensive income are included in the income statement of the period. Impairment losses recognized in the income statement on available-for-sale equity instruments are not reversed through the income statement.

Those unquoted equity instruments for which fair value is not available and it cannot be measured reliably are carried at cost less any provision for impairment.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.
The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors. Buzzi Unicem's segments are organized based on the geographical areas of operations, featuring similar types of products and services from which revenues are earned.

2.4 Foreign currency translation

Items included in the financial statements of each consolidated entity are measured using the functional currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in euro, which is the company's functional and presentation currency.

Transactions in foreign currency are translated into the functional currency using the exchange rate prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement. Monetary assets, monetary liabilities, derivative contracts denominated in foreign currencies are translated at the exchange rate ruling at the end of the year. Positive and/or negative differences between the amounts translated at the year-end exchange rate and those recorded at the date of the transactions are also booked to the income statement.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss, are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

The translation of financial statements denominated in foreign currencies is done at the current rate method. Such method entails translating assets and liabilities at the rates of exchange ruling at the balance sheet date; income statement and cash flows figures are translated at the average exchange rates for the year. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. The difference that arises from converting the balance sheet and the income statement at different exchange rates is also booked to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

The results and financial position of all the group entities that have a functional currency different from the presentation currency have been translated using the following exchange rates:

	Year-end		Average	
(euro 1 = Currency)	**2014**	**2013**	**2014**	**2013**
US Dollar	1.2141	1.3791	1.3285	1.3281
Czech Koruna	27.7350	27.4270	27.5359	25.9797
Ukrainian Hryvnia	19.2060	11.3292	15.8643	10.7877
Russian Ruble	72.3370	45.3246	50.9518	42.3370
Polish Zloty	4.2732	4.1543	4.1843	4.1975
Hungarian Forint	315.5400	297.0400	308.7061	296.8730
Mexican Peso	17.8679	18.0731	17.6550	16.9641
Algerian Dinar	106.6070	107.7870	106.8672	105.6136

2.5 Intangible assets

Intangible assets, acquired externally or internally generated, are recognized only if they are identifiable, controlled by the company and able to produce future economic benefit. Intangible assets with definite useful life are booked at the purchase or production cost and amortized on a straight-line basis over their useful lives. Intangible assets with indefinite useful life are not amortized but tested for impairment at least annually and whenever there is an indication of a potential impairment loss.

Goodwill represents the excess of the consideration transferred over the group's interest in the fair value of the net identifiable assets acquired and the fair value of the non-controlling interest in the acquiree. Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortized and its recoverable amount is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill is allocated to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Separately acquired trademarks and licenses are capitalized on the basis of the costs incurred and amortized over their estimated useful lives. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are amortized using the straight-line method over their estimated useful lives.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of five years. Costs associated with developing or maintaining computer software are recognized as an expense as incurred.

Development costs are capitalized only if and when demonstration of the ability to generate future economic benefits is established.

Mining rights are amortized in the ratio of quarried volumes to available mineral reserves under concession.

2.6 Property, plant and equipment

They are booked at purchase or production cost, including overheads, less accumulated depreciation and any accumulated impairment losses. Production cost includes the reasonably attributable portion of the direct and indirect costs incurred to bring the asset into service. Subsequent costs are capitalized or recognized as a separate asset, as appropriate, only when future economic benefits will flow to the group. The carrying amount of the replaced part is derecognized. Repairs and maintenance are charged to the income statement during the period in which they are incurred; the most relevant strategic spare parts are capitalized when acquired and their depreciation starts when being brought into service.

Land is not depreciated. Raw material reserves (quarries) are depleted in the ratio of the quarried material during the period to extractable minerals.

Costs incurred to gain access to raw materials deposits (stripping costs) are capitalized and depreciated using the units of production method over the expected useful life of the identified component of the core body that becomes accessible as a result of the stripping activity.

Depreciation on other property, plant and equipment is calculated under the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives, as follows:

Buildings	10 – 40 years
Plant and machinery	5 – 20 years
Transportation equipment	3 – 14 years
Furniture, fittings and others	3 – 20 years

An asset’s carrying amount is written down to its recoverable amount if the book value is greater than its estimated recoverable amount.

2.7 Investment property

Investment property, comprising land and buildings non-strictly pertinent to the business held to earn rental income and/or for capital appreciation, is carried at cost less accumulated depreciation and impairment losses.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When it is not possible to determine the recoverable amount of a single item, the group tests the recoverable value of the cash-generating unit to which the asset belongs.

Where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written-down to their recoverable amount and the impairment loss is charged to income statement. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows expected to be derived through the continued use of an asset or cash-generating unit including its eventual disposal. Cash flows are based on budgets and reasonable and documented assumptions on the future company's results and macro-economic conditions. The discount rate takes into account the specific risks of industry and countries.

If there is an indication that an impairment loss recognized in prior years on an asset other than goodwill may have decreased, the impairment write-down is reversed. After reversal, the carrying amount of the asset shall not exceed the carrying amount that would have been determined (net of depreciation and amortization) had the impairment loss not been recognized.

2.9 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.10 Financial assets

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

A financial asset at fair value through profit or loss is a financial asset that is classified as held for trading or upon initial recognition it is designated as such by the entity. Assets held for trading are included within current assets. Other assets at fair value through profit or loss, like a derivative that is not held for trading purposes or is a designated hedging instrument, are presented as current or non-current on the basis of their settlement date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Financial assets at fair value through profit or loss and financial assets available-for-sale are initially recognized and subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains and losses arising from changes in the fair value of financial assets at fair value through profit and loss are included in the income statement in the period in which they arise. Fair value changes of securities classified as available-for-sale are recognized in other comprehensive income, except for impairment losses, interest calculated using the effective interest method and foreign exchange gains or losses. The cumulative fair value adjustments are included in the income statement when an available-for-sale financial asset is derecognized.

The group assesses at each balance sheet date whether there is objective evidence of impairment relating to financial assets carried at amortized cost or as available-for-sale. If any such evidence exists, a detailed calculation is carried out to determine whether an impairment loss should be recognized in the income statement. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired.

2.11 Derivative financial instruments

The group makes use of derivative contracts only for hedging purposes, to reduce currency, interest rate and market price risks.

Derivative financial instruments are initially recognized and subsequently measured in the balance sheet at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as hedging instrument and, if so, the nature of the item being hedged. Certain derivative instruments, while providing effective economic hedges, do not qualify for hedge accounting. Changes in the fair value of any these derivative instruments are recognized immediately in the income statement.

Hedge accounting is allowed only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective both at inception and on an ongoing basis. The full fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve months, and as a current asset or liability if the remaining maturity of the hedged item is less than twelve months. Trading derivatives are classified as a current asset or liability. Derivatives not held for trading purposes (such as a derivative that is not a designated hedging instruments) are presented as current or non-current on the basis of their settlement date.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction ultimately affects the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.12 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost includes all expenditures incurred in acquiring the inventories and bringing them to their present location and condition. In the case of finished goods and work in progress, cost comprises direct materials, direct labor, other direct costs and attributable production overhead based on normal operating capacity; it excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Inventories include the emission rights acquired against payment and not yet returned, stated at the lower of cost and net realizable value, which matches the market price at the balance sheet date.

2.13 Trade receivables and payables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are recognized at fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The allowance covers collection risks, calculated on individual doubtful accounts, as well as on the basis of past experience and the level of solvency of debtors or classes of debtors. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized at fair value.

2.14 Cash and cash equivalents

They include cash on hand, deposits held at call with banks, money market securities and other highly liquid investments with original maturities of three months or less, which are readily convertible to a known amount of cash and are subject to a very low risk of change in value.

2.15 Treasury shares

When the parent or its subsidiaries purchase the company's share capital, the consideration paid is deducted from equity attributable to owners of the company until the shares are cancelled or disposed of. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Where such shares are subsequently reissued, the consideration received, net of the related income tax effects, is recognized in equity attributable to owners of the company.

2.16 Debt and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Convertible bonds are accounted for as a compound financial instrument made of two components, which are treated separately only if relevant: a liability and a conversion option. The liability is the present value of the future cash flows, based on the market interest rate at the time of issue for an equivalent non-convertible bond. The amount of the option is defined as the difference between the net proceeds and the amount of the liability component and included in equity. The value of the conversion option is not changed in subsequent periods.

The conversion features of the equity-linked bond issued by the company during 2013 fail equity classification because they contain contractual terms where both the number of shares and the amount of cash converted into shares vary. Upon exercise of a conversion right the company is entitled to deliver shares, or pay an amount of money or deliver a combination of shares and cash. Therefore, the option is accounted for as an embedded derivative liability, measured at fair value through profit or loss, while the debt host loan is carried at amortized cost as above stated.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement for at least twelve months after the balance sheet date.

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement except to the extent that it relates to items of other comprehensive income or directly in equity. In this case the related income tax effect is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group operates and generate taxable income. The tax rates applied vary according to the jurisdiction and fiscal situation of each consolidated company. Income tax payables for the period are credited to current liabilities. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Some Italian companies are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA (majority shareholder of the group) acting as the parent.

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit (loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and current tax liabilities are offset only if the enterprise has the legal right and the intention to settle on a net basis. Deferred income tax assets and deferred income tax liabilities are offset when the enterprise has the legal right to settle on a net basis and when they are levied by the same taxation authority on the same taxable entity or different taxable entities that intend to realize the asset and settle the liability at the same time.

2.18 Employee benefits

Pension plans
The companies of the group operate several defined benefit and/or defined contribution pension schemes.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually as a function of one or more factors such as age, years of service and compensation. The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. Independent actuaries calculate the defined benefit obligation and the service cost annually, using the projected unit credit method. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. If the calculation of the balance sheet amount results in an asset, the amount recognized is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan. The expense related to the discounting of pension liabilities for defined benefit plans are reported separately within finance costs. All other expenses associated with pension plans are allocated to staff costs.

A defined contribution plan is a pension plan under which a company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis, and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all accrued benefits. The contributions are recognized as employees render their services and are included in staff costs.

Other post-employment benefits
Post-retirement life insurance and health coverage plans are considered defined benefit programs. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as for defined benefit pension plans.

The scheme underlying the Italian employee severance indemnities (TFR) was classified as a defined benefit program, until 31 December 2006. The legislation regarding this scheme was amended by the "Financial Law 2007" and subsequent regulations issued in the first part of 2007. Following these changes, for legal entities with at least 50 employees, the TFR only continues to be classified as a defined benefit plan for those benefits accrued up to 31 December 2006, while after that date the scheme is classified as a defined contribution plan.

2.19 Provisions for liabilities and charges

They are liabilities of uncertain timing or amount. A provision is recognized when the group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, the amount can be estimated reliably. Amounts provided for are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Restructuring provisions are recognized in the period in which the company formally defines the plan and creates a valid expectation in the interested parties that the restructuring will occur.

Provisions are measured on a present value basis where the effect of discounting is material. The increase in the provision due to passage of time is recognized as interest expense.

2.20 Revenue recognition

The group recognizes revenue when it is probable that future economic benefits will flow to the entity and the amount of revenue can be reliably measured. Revenue from the sale of goods and services is reported net of value-added tax, returns, rebates and discounts.

Sales of goods are recognized when a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

2.21 Finance revenues

Interest income is recognized on a time-proportion basis, using the effective interest method. Dividend income from equity investments that are not consolidated is recognized when the right to receive payment is established.

2.22 Finance costs

They include interest and other costs, such as amortization of premiums or discounts, amortization of ancillary costs incurred in the arrangement of borrowings, finance charges on leases. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets and, therefore, are capitalized until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.23 Leases

Leases of property, plant and equipment where the group retains substantially all the risks and rewards of ownership are classified as finance leases. Leased assets are capitalized at the lease's commencement at the lower of the fair value and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in financial debt. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate on the financial balance outstanding. Property, plant and equipment acquired under finance leases are depreciated over their useful life.

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term.

2.24 Dividend distribution

Dividend distribution is recorded as a liability in the financial statements of the period in which the dividends are approved by the company's shareholders. Disclosure of dividends proposed but not formally approved for payment is made in the notes.

3. Financial risk management

3.1 Financial risk factors

The group's activities are exposed to a variety of financial risks such as market risk (including currency and price), credit risk and liquidity risk. The group uses derivative financial instruments to hedge certain risk exposures. A central treasury department carries out risk management and identifies, evaluates and possibly hedges financial risks in close co-operation with the group's operating units.

Market risk

Buzzi Unicem operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the currencies of Russia, Ukraine and Poland. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The foreign subsidiaries or joint ventures enjoy a natural hedging on market risk, since all major commercial transactions are made in their functional currency and are not suffering from the foreign exchange fluctuations. Management has set up a policy to require entities in the group to manage their residual exposure to currency risk, by using mainly forward contracts, transacted locally. The policy is to hedge between 40% and 60% of anticipated cash flows in each major foreign currency for the subsequent twelve months.

The net investments in foreign operations are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed partially through borrowings denominated in the relevant foreign currency.

The recognition of exchange rate risks concerning the financial instruments to which IFRS 7 is applicable, shows the following net exposure to foreign currencies:

(thousands of euro)	2014	2013
Euro	(92,302)	(93,275)
US Dollar	38,852	20,853
Czech Koruna	(1,452)	(1,095)
Russian Ruble	(28,823)	22,447
Polish Zloty	(28,756)	(23,646)

At 31 December 2014, with reference to the same data reported above, if the euro had strengthened/weakened by 10% against the major foreign currencies to which Buzzi Unicem is exposed, profit before tax for the year would have been €3,021 thousand lower/higher (2013: €1,071 thousand lower/higher). The figures referring to net exposure to foreign currencies and the sensitivity calculation of last year have been restated for comparative reasons, since the criteria for assessing exposure to exchange rate risk within the group, especially in relation to intra-group exposures, have been adjusted, and the companies previously consolidated by the proportional method have been removed. Profit is especially sensitive to movement in Euro/US dollar and in Euro/Russian Ruble exchange rates, where the associated exposures have changed considerably versus last year.

Buzzi Unicem has a very limited exposure to equity securities price risks because of investments classified on the balance sheet as available for sale representing less than 0.1% of total assets. The group is exposed to commodity price risk, mainly because of the repercussions that the trend of the oil price can have on the cost of fuels, power and logistics. To cope with this risk the group diversifies its sources of supply and stipulates fixed price contracts over a sufficiently long time frame, sometimes greater than one year, at a level that management thinks it convenient.

As the group has no significant interest-bearing assets, income and operating cash flows are substantially independent of changes in market interest rates. Changes in market interest rates can affect the cost of the various forms of financing or the return on investments in monetary instruments, causing an impact at the level of net finance costs incurred.
The interest rate risk arises mainly from long-term debt. Borrowings issued at variable rates expose the group to cash flow interest rate risk, which is partially offset by cash invested at variable rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk. Buzzi Unicem's policy is to maintain about 60% of its long-term borrowings in fixed rate instruments. At the balance sheet date, the share of indebtedness at fixed rate is higher, close to 85%. Borrowings at variable rate at the end of 2014 were denominated in euro and in US dollar.

The group analyses its interest rate exposure on a dynamic basis, taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on the simulations performed, the impact on profit before tax of a 1% interest rate rise would be a decrease of €341 thousand (2013: increase of €1,039 thousand), while the impact of an interest rate reduction of 1% or equal to the amount of the actual rate in case of values between 0 and 1%, would cause an increase of €3,252 thousand (2013: increase of €2,242 thousand). For each simulation, the same interest rate shift is used for all currencies. The sensitivity scenarios are run only for liabilities that represent the major interest-bearing positions and for the fair value of interest rate derivatives. The 2013 comparative amounts changed slightly, due to the removal from the consolidated financial statements of the companies previously consolidated by the proportional method.

Generally, the group raises long-term borrowings at fixed rates; sometimes, the group also enters into fixed-to-floating interest rate swaps to hedge the fair value interest rate risk arising where it has borrowed at fixed rates in excess of the target mix.

At 31 December 2014, if interest rates on euro-denominated financial assets and financial liabilities had been 1% higher with all other variables held constant, profit before tax for the year would have been €1,889 thousand lower (2013: €718 thousand higher); if instead interest rates had been lower by 1% or by an amount equal to the actual rate in case of values between 0 and 1%, profit before tax for the year would have been €2,986 thousand higher (2013: €2,316 thousand higher). These fluctuations are mainly a result of financial debt that is denominated in euro at the parent company level, partly offset by cash and equivalents euro denominated across the group. At 31 December 2014, if interest rates on cash and equivalents denominated in US dollars at that date had been 1% higher with all other variables held constant, profit before tax for the year would have been €1,204 thousand higher (2013: €1,093 thousand higher), mainly as a result of higher interest income on such liquid assets; if instead interest rates had been lower by 1% or by an amount equal to the actual rate in case of values between 0 and 1%, profit before tax for the year would have been €501 thousand higher (2013: €474 thousand higher).

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only primary national and international entities with high credit quality are accepted as counterparts. Policies are in place that limit the amount of credit exposure to any financial institution.

The credit management functions assess the quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilization of credit limits is regularly monitored. Customer credit risk in Italy remained significant during the year. Due to its widespread customer base, typical of the industry, and to active credit management, Buzzi Unicem has no significant concentration of credit risk in trade receivables. In some countries there are insurance policies or equivalent instruments to cover trade credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed and uncommitted credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the central treasury department aims to maintain flexibility in funding by keeping availability under committed credit lines.

Cash flow forecasting is performed in the operating subsidiaries and aggregated by the group treasury department. Group finance monitors rolling forecasts to ensure there is sufficient cash to meet operational needs while maintaining sufficient headroom on the undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its facilities.

Estimates and projections, considering the changes that may occur in the profitability trend, show that the group is in a position to operate at the present level of financing. Buzzi Unicem will start negotiations with the banks for loans renewal in due time and for the time being it has not required a written commitment that the loans will be renewed. A regular relationship exists with the usual and prospective financing institutions about the future needs, from which it appears that renewal may take place under acceptable terms. The maturity analysis for financial liabilities showing the remaining contractual maturities is included within note 24.

3.2 Capital management

Buzzi Unicem's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, make purchases of treasury shares or sell assets to reduce debt.

The capital expenditure program for the group is aligned with the long term objectives and the operating necessities of different geographical units. The executive directors and key managers prioritize the expenditure requirements that are determined by the divisions. Measures aimed at improving efficiency, capacity expansion or new market entries are subject to in-depth profitability analysis to derive their future contribution to operating income.

Consistent with other players in the industry, which is highly capital intensive, the group monitors capital on the basis of the Gearing ratio and the Net debt to EBITDA ratio. The first ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt. The second ratio uses the same numerator as gearing and the EBITDA figure as shown in the income statement as the divisor.

During 2014, the group's long term strategy, which was unchanged from the previous year, was to maintain a gearing ratio below 40%, to aim at a Net debt/EBITDA ratio of about 2 times and to regain as soon as possible its investment grade credit rating (currently BB+).

The ratios as at 31 December 2014 and 31 December 2013 were as follows:

(thousands of euro)	**2014**	**2013 restated**
Net debt	1,062,733	1,097,202
Equity	2,362,132	2,298,738
Total Capital	3,424,865	3,395,940
Gearing	**31%**	**32%**
Net debt	1,062,733	1,097,202
Operating cash flow (EBITDA)	422,718	403,199
Net debt/EBITDA	**2.51**	**2.72**

The change in the two ratios during 2014 resulted primarily from an improvement in the generation of operating cash flow, which, however, continued to suffer from the difficult trading conditions faced in some of our major markets, and the close monitoring of capital expenditures, which in the period were mainly directed to the acquisition of a cement plant in Russia, besides the recurring maintenance and compliance projects.

3.3 Fair value estimation

Hereunder an analysis of financial instruments carried in the balance sheet at fair value. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the assets and liabilities that are measured at fair value at 31 December 2014:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments (non-current)	-	4,204	-	4,204
Derivative financial instruments (current)	-	-	-	-
Available-for-sale financial assets (current)*	3,464	16	-	3,480
Total Assets	**3,464**	**4,220**	**-**	**7,684**
Liabilities				
Derivative financial instruments (non-current)	-	(18,588)	-	(18,588)
Derivative financial instruments (current)	-	(2,337)	(350)	(2,687)
Total Liabilities	**-**	**(20,925)**	**(350)**	**(21,275)**

* temporary monetary investments equal to € 115 thousand are not included.

The following table presents the assets and liabilities that are measured at fair value at 31 December 2013:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments (non-current)	-	-	-	-
Derivative financial instruments (current)	-	-	-	-
Available-for-sale financial assets (current)	576	24	-	600
Total Assets	**576**	**24**	**-**	**600**
Liabilities				
Derivative financial instruments (non-current)	-	(77,118)	-	(77,118)
Derivative financial instruments (current)	-	(327)	(350)	(677)
Total Liabilities	**-**	**(77,445)**	**(350)**	**(77,795)**

* temporary cash investments equal to € 130 thousand are not included.

During 2014, there were no transfers between the different levels of fair value measurement.

The net fair value of derivatives, amounting to €17,071 thousand (2013: €77,795 thousand), considers the adjustment for credit risk and/or counterparty risk, also taking into account the presence of guarantees granted.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price. These instruments, when they exist, are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These methods maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. Other techniques, such as discounted cash flows analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts of trade receivables, less provision for impairment, and of trade payables are used to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

4. Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. By definition the actual results seldom equal the estimated results, above all in the situation caused by the present economic and financial crisis.

The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates can have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, relate primarily to impairment of assets, current and deferred income tax, employee benefits, provision for receivables impairment, other provisions and contingencies and are documented in the relevant accounting policies above. Estimates are continually evaluated according to management's best knowledge of the business and other factors reasonably assumed under the circumstances.

5. Scope of consolidation

The consolidated financial statements as at and for the year ended 31 December 2014 include the company and 93 consolidated subsidiaries. The total number of consolidated subsidiaries decreased by 12 compared with that at the end of the previous year. Excluded from consolidation are 13 subsidiaries that are either dormant or immaterial. During the year some mergers took place within the group, to continue streamlining and simplifying the organizational structure, and without any material effect on the consolidated financial statements.

The following main acquisitions were made in 2014:

- purchase of a 100% interest in Uralcement (later renamed OOO Dyckerhoff Korkino Cement) and line-by-line consolidation of the new subsidiary from 1 December 2014;
- purchase of a 25% interest in Salonit Anhovo Gradbeni Materiali dd and valuation by the equity method of the new associate from 1 August 2014;
- purchase of a 25% interest in w&p Cementi SpA and valuation by the equity method of the new associate from 1 August 2014.

The above mentioned scope changes are not, overall, material for comparative purposes. However, the disclosures provided in the course of these notes point out the relevant impacts following the changes in the consolidation area.

6. Segment information

The chief operating decision-maker identifies with the executive directors, who review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on those reports.

The executive directors consider the business by geographical area of operations and from a product perspective they assess in a combined way the performance of "cement" and "ready-mix concrete and aggregates", since the two businesses, vertically integrated, are strictly interdependent. In particular, ready-mix concrete represents essentially a distribution channel for cement and does not require, for the chief operating decision-maker, evidence of separate results. The executive directors assess the performance of the reportable operating segments based, as main reference, on a measure of operating profit. Net finance costs and income tax expense are not included in the result of each operating segment reviewed by the executive directors.

The measurement of segment profit or loss and of capital expenditures by segment is consistent with that of the financial statements.

The segment named Central Europe consists of Germany, Luxembourg and the Netherlands; Eastern Europe covers Poland, Czech Republic, Slovakia, Ukraine and Russia.

2014

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico
Segment revenue	389,288	747,436	517,615	851,826	189	**2,506,354**	520,326
Intersegment revenue	(2,017)	(38)	-	-	2,055	**-**	-
Revenue from external customers	387,271	747,398	517,615	851,826	2,244	**2,506,354**	520,326
Operating cash flow	(18,858)	104,438	129,691	207,332	115	**422,718**	187,053
Depreciation	(32,399)	(44,480)	(40,880)	(70,392)	(1)	**(188,152)**	(27,869)
Impairment charges	(28,090)	(13,684)	(18,893)	(540)	-	**(61,207)**	-
Write-ups	1,156	-	-	4,168	-	**5,324**	-
Operating profit	(78,191)	46,274	69,918	140,568	114	**178,683**	159,184
Equity earnings	48,741	1,031	168	(26)	-	**49,914**	(519)
Purchase of intangible and tangibles assets	15,850	38,172	33,971	108,037	(2,043)	**193,987**	22,220
Purchase of equity investments	26,311	111,812	1,938	-	82	**140,143**	-

2013 restated

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico
Segment revenue	430,459	753,759	601,923	723,982	(33)	**2,510,090**	469,156
Intersegment revenue	(1,218)	-	-	-	1,218	**-**	-
Revenue from external customers	429,241	753,759	601,923	723,982	1,185	**2,510,090**	469,156
Operating cash flow	(18,548)	119,560	151,219	150,995	(27)	**403,199**	155,496
Depreciation	(37,331)	(46,172)	(47,230)	(71,939)	82	**(202,590)**	(29,146)
Impairment charges	(91,956)	(2,426)	(19,197)	(463)	(113)	**(114,155)**	-
Operating profit	(147,835)	70,962	84,792	78,593	(58)	**86,454**	126,350
Equity earnings	32,867	2,269	368	348	-	**35,852**	(594)
Purchase of intangible and tangibles assets	27,342	40,302	34,648	51,804	171	**154,267**	18,734
Purchase of equity investments	65,922	943	52	725	1,232	**68,874**	-

Revenues from external customers are derived from the sale of cement or concrete and aggregates and are detailed as follows:

2014

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallo-cated items and adjust-ments	Total	Mexico
Cement	201,833	396,302	381,133	594,546	1,824	**1,575,638**	410,347
Concrete and aggregates	185,438	351,096	136,482	257,280	420	**930,716**	109,980
						2,506,354	520,326

2013 restated

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallo-cated items and adjust-ments	Total	Mexico
Cement	235,582	383,858	457,997	512,690	(33)	**1,590,094**	351,254
Concrete and aggregates	194,877	369,901	143,926	211,292	-	**919,996**	117,902
						2,510,090	469,156

The group is domiciled in Italy. The result of its revenue from external customers in Italy is €367,888 thousand (2013: €401,049 thousand) and the total of revenue from external customers from other countries is €2,138,466 thousand (2013: €2,109,041 thousand).

The total of non-current assets, other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising under insurance contracts), located in Italy is €679,470 thousand (2013: €713,453 thousand), while the total of such non-current assets located in other countries is €3,175,810 thousand (2013: €3,037,536 thousand).

As for the dependence degree from major customers, no customers exist generating revenues equal or greater than 10% of Buzzi Unicem consolidated net sales.

7. Goodwill and Other intangible assets

(thousands of euro)	Goodwill	Other intangible assets: Industrial patents, licenses and similar rights	Assets in progress and advances	Others	Total
Net book amount at 1 January 2013 restated	584,199	5,881	174	3,307	9,362
Year ended 31 December 2013 restated					
Translation differences	(1,324)	(172)	(11)	(2)	(185)
Amortization and impairment charges	(50,059)	(3,737)	-	(288)	(4,025)
Additions	-	4,376	298	-	4,674
Change in scope of consolidation	(64)	-	-	-	-
Reclassifications	-	1,834	(115)	17	1,736
Disposals and other	-	-	(35)	-	(35)
Net book amount at 31 December 2013 restated	**532,752**	**8,182**	**311**	**3,034**	**11,527**
Year ended 31 December 2014					
Translation differences	(4,719)	(1,015)	(25)		(1,040)
Amortization and impairment charges	(39,253)	(3,776)	-	(257)	(4,033)
Additions	-	3,625	-		3,625
Change in scope of consolidation	82,433	(70)	121	-	51
Reclassifications	-	339	(134)	-	205
Disposals and other	-	(9)	-	-	(9)
Net book amount at 31 December 2014	**571,213**	**7,276**	**273**	**2,777**	**10,326**

At 31 December 2014, the caption industrial patents, licenses and similar rights is made up of application software for plant and office automation (€3,409 thousand), mining rights (€1,104 thousand), trademarks (€366 thousand), industrial patents (€522 thousand) industrial licenses (€1.875 thousand).

The change in scope of consolidation of €82,433 thousand stems from the first-time consolidation of OOO Dyckerhoff Korkino Cement. The positive differential resulting from the initial accounting of the business combination was provisionally classified as goodwill, while waiting to proceed, during 2015, to the final measurement of all assets acquired and liabilities assumed at acquisition-date fair value. The alignment to the year-end exchange rate, caused a decrease of the same goodwill equal to €8,046 thousand.

Amortization and impairment charges include impairment losses on goodwill for an amount of €39,253 thousand, related to the Ukraine business' (€30,922 thousand) and the cement sector in Italy (€8,303 thousand).

Goodwill and impairment test

Goodwill at 31 December 2014 amounts to €571,213 thousand and is broken-down as follows:

- €328,796 thousand allocated to the segment Eastern Europe and €165,164 thousand to Central Europe;
- €40,500 thousand resulting mostly from the merger with Unicem SpA in 1999 and consequently attributable to the sector cement Italy;
- €36,753 thousand refer to the cement sector of Alamo Cement Company, thereof €29,771 thousand emerging from the acquisition of Dorsett Brothers in 2008 and South-Tex Concrete in 2007.

For the purpose of impairment testing, the cash generating units ("CGUs") to which goodwill has been allocated are consistent with management's strategic vision and have been identified by country of operations, considering in a combined way the performance of cement and ready-mix concrete, since the two businesses, vertically integrated, are strictly interdependent. An exception is made for the United States of America and Italy. In particular:

- in Italy, considering both the corporate structure (two separate legal entities) and the business organization, two CGUs (cement and ready-mix concrete) have been identified;
- the group operates in the US market through two subsidiaries: Alamo Cement and Buzzi Unicem USA, which are considered separate CGUs, taking into account both the different geography of the served markets and the independent distribution network.

The other CGUs correspond to the remaining markets, that are Germany, Luxembourg, the Netherlands, Czech Republic/Slovakia, Poland, Ukraine and Russia.

The recoverable amount of the CGUs, to which goodwill and intangible assets with indefinite useful lives have been allocated, is determined on the basis of their value in use, defined as the discounted value of the expected future cash flows at a rate that incorporates the risks associated with the particular cash-generating units as at the valuation date. The key assumptions used for the calculation primarily concern:

- **cash flows estimation:**
  The cash flows estimate for each single CGU is based on 5-year plans approved by the board of directors. The management approach in determining the plans is based on sustainable and reasonable assumptions, which ensure consistency among prospective and historical flows and external information. Specifically, due to the lasting global financial crisis and the changed economic and market conditions, the management has adapted the risk of the countries of Buzzi Unicem's operations on the basis of the recent sector studies, adjusting similarly the average discount rates. The cash flow used is net of theoretical income tax, changes in working capital and capital expenditures.

- **terminal value:**
  The terminal value is calculated assuming that, at the end of the projection period, the CGU generates a constant cash flow (perpetual). The annual rate of perpetual growth (g) to deduce the terminal value is based on the long-term growth expected for the industry in the country of operation. The development of the cement and ready-mix concrete business, especially, is strictly linked to average per capita consumption, population growth and GDP of the respective country (or where the asset is used).

Such parameters are reflected on the (g) factor, which has been determined for each market as follows:

(in %)	ITA	GER	NLD	CZE	POL	UKR	LUX	RUS	USA
g									
2014	0.72%	1.28%	1.64%	2.68%	2.90%	8.53%	1.98%	5.48%	2.46%
2013	0.88%	1.38%	1.34%	1.84%	4.08%	5.08%	1.80%	5.50%	2.50%

- **discount rate:**
  The discount rate represents the return expected by the company's lenders and shareholders to invest their capitals in the business; it is calculated as the weighted average between the equity cost and the cost of debt increased by the country-specific risk (WACC). The discount rates, after tax, applied to the main CGUs are as follows:

(in %)	ITA	GER	NLD	CZE	POL	UKR	LUX	RUS	USA
WACC									
2014	8.32%	5.87%	6.00%	7.08%	7.29%	26.84%	5.87%	12.20%	6.68%
2013	8.65%	6.26%	6.43%	7.52%	7.72%	20.35%	6.26%	12.50%	7.08%

In some cases the value has encompassed also the fair value of the owned raw material reserves, of some investment properties and of banked emission allowances.

Looking at the different CGUs, the comparison between the recoverable amount resulting from the calculation and the carrying amount did not indicate the need to recognize an impairment loss on goodwill, except for the CGU cement Italy, which shows a value in use lower than the carrying amount. Therefore its carrying amount has been aligned with the value in use, through a partial goodwill impairment for an amount of €8,303 thousand.

In addition, following the impairment test results, considering the uncertainties of the political situation, the currency weakness and the following negative development of the country risk, in the 2014 half-yearly report the remaining goodwill allocated to the CGU Ukraine had been already written off for an amount of €30,922 thousand.

Finally, a sensitivity analysis was performed on the recoverable amount of the different CGUs, in order to verify the effects of reasonably possible changes, if any, in the key assumptions. Specifically we reasoned upon changes in the cost of money (and consequently WACC discount rate) and net operating cash flow. In general we can assert that only in the event of a significant cash flow decrease or an increase of discount rate by some percentage points, the recoverable amount would come out lower than the carrying amount at the balance sheet date, despite the presence of some CGUs more sensitive to changes in the above assumptions. In particular, for the CGU ready-mix Italy, a modest change of the above mentioned parameters would make the value insufficient to cover the carrying amount of the assets.

8. Property, plant and equipment

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Assets in progress and advances	Other	Total
At 1 January 2013 restated						
Cost/deemed cost	2,422,764	4,026,805	383,992	147,936	100,518	7,082,015
Accumulated depreciation	(883,649)	(2,809,575)	(293,155)	-	(78,920)	(4,065,299)
Net book amount	**1,539,115**	**1,217,230**	**90,837**	**147,936**	**21,598**	**3,016,716**
Year ended 31 December 2013 restated						
Opening net book amount	1,539,115	1,217,230	90,837	147,936	21,598	3,016,716
Translation differences	(58,397)	(37,948)	(4,839)	(4,179)	(855)	(106,218)
Additions	13,790	38,427	21,731	64,222	2,291	140,461
Change in scope of consolidation	815	46	131	66	21	1,079
Disposals and other	(2,463)	(1,906)	(1,217)	(107)	(568)	(6,261)
Depreciation and impairment charges	(43,812)	(171,039)	(25,655)	(16,923)	(4,945)	(262,374)
Reclassifications	23,498	77,883	12,969	(95,657)	(5,559)	13,134
Closing net book amount	**1,472,546**	**1,122,693**	**93,957**	**95,358**	**11,983**	**2,796,537**
At 31 December 2013 restated						
Cost/deemed cost	2,369,313	4,001,386	388,518	95,358	89,676	6,944,251
Accumulated depreciation	(896,767)	(2,878,693)	(294,561)	-	(77,693)	(4,147,714)
Net book amount	**1,472,546**	**1,122,693**	**93,957**	**95,358**	**11,983**	**2,796,537**
Year ended 31 December 2014						
Opening net book amount	1,472,546	1,122,693	93,957	95,358	11,983	2,796,537
Translation differences	89,564	(29,688)	(9,159)	(567)	(751)	49,399
Additions	9,510	40,111	27,689	110,647	2,258	190,215
Change in scope of consolidation	3,595	13,822	(378)	2,541	449	20,029
Disposals and other	(12,641)	(7,190)	(958)	1,201	(142)	(19,730)
Depreciation and impairment charges	(34,695)	(128,907)	(21,035)	(11,122)	(4,638)	(200,397)
Reclassifications	4,617	37,495	(640)	(48,321)	6,206	(643)
Closing net book amount	**1,532,496**	**1,048,336**	**89,476**	**149,737**	**15,365**	**2,835,410**
At 31 December 2014						
Cost/deemed cost	2,446,644	3,995,612	371,491	149,737	106,184	7,069,668
Accumulated depreciation	(914,148)	(2,947,276)	(282,015)	-	(90,819)	(4,234,258)
Net book amount	**1,532,496**	**1,048,336**	**89,476**	**149,737**	**15,365**	**2,835,410**

Additions of €190,215 thousand in 2014 are shortly described in the review of operations to which reference is made. In the cash flow statement and in the review of operations, capital expenditures are reported according to the actual outflows. The change in scope is mainly driven by the first-time consolidation of OOO Dyckerhoff Korkino Cement. The change in scope in the year 2013 was mainly due to adjustments made to the assets of business combinations occurred in 2012.

Positive translation differences of €49,399 thousand reflect the strengthening in the dollar/euro exchange rate, counterbalanced by the weakness versus the euro of the other currencies used for the translation of the foreign financial statements. In 2013, the trend in the exchange rates of the dollar and other currencies had given rise to overall negative translation differences of €106,218 thousand.

Disposals and other include €11,186 thousand resulting from the execution of the agreement with Wietersdorfer, which led to the transfer of the Cadola plant (BL) to w&p Cementi SpA.

During the year the group has capitalized borrowing costs amounting to €2,093 thousand on qualifying assets (2013: €1,264 thousand). Borrowing costs were capitalized at the rate of 6.0% (2013: same rate).

Real guarantees on assets of consolidated companies are represented by liens on industrial and commercial equipment for the amount of €156 thousand at 31 December 2014 (2013: €162 thousand).

The line item includes the following amounts where the group is a lessee under a finance lease. The average lease term is five years. Purchase options exists, but there are no renewal options. Purchase options are exercised if the strike price is more favorable than or equivalent to the market price at the time the contract expires:

(thousands of euro)	**2014**	**2013 restated**
Cost - capitalized finance leases	3,462	3,751
Accumulated depreciation	(1,507)	(2,029)
	1,955	**1,722**

Rent expenses amounting to €34,577 thousand (2013: €37,394 thousand) relating to the operating lease of property and machinery are included in the income statement among services (note 35).

During 2009, Buzzi Unicem USA entered into a series of agreements with Jefferson County, Missouri, related to the new Selma, MO plant. Legal title to the property was transferred to the County and the County then leased the same property back to the company, for a period of 15 years. Correspondingly Buzzi Unicem USA has subscribed bonds issued by the County, with the same maturity for an amount of €76,434 thousand at 31 December 2014. Our subsidiary is responsible for all operation and maintenance of the leased assets and has the option to purchase the personal property at the conclusion of the lease term for $1. Should Buzzi Unicem USA not exercise the option, it shall be obliged to pay 125% of the personal property taxes that would normally apply. The plan provides for 50% abatement of personal property taxes for approximately 15 years. Based upon the substance of the agreements, the company has not recorded the bond or capital lease in its consolidated financial statements. The company recorded the original cost of the personal property within property, plant, and equipment and is depreciating the property over the appropriate useful lives. The carrying amount at the balance sheet date is €53,276 thousand.

9. Investment property

The line item amounts to €23,822 thousand and shows an increase of €1,385 thousand versus last year. It is accounted for using the cost model; the corresponding fair value, on the basis of internal appraisals, amounts to €40,274 thousand at 31 December 2014 (2013: €37,350 thousand) and is classifiable as level 2, because based on observable data.

(thousands of euro)	2014	2013 restated
At 1 January	25,207	16,440
Translation differences	139	(47)
Additions	50	9,131
Reclassifications	(950)	9
Disposals and other	(624)	(326)
At 31 December	**23,822**	**25,207**

Reclassifications identify the transfer to inventories of an area of land associated with the real estate initiative in Piacenza, following the completion of the construction works assigned to the contractor.

10. Investments in associates and joint ventures

The amounts recognized in the balance sheet are as follows:

(thousands of euro)	2014	2013
Associates valued by the equity method	203,681	169,850
Joint ventures valued by the equity method	168,155	160,288
Associates and joint ventures valued at cost	78	91
	371,914	**330,229**

Since 1 January 2014 the group adopted IFRS 11 Joint arrangements and, as a result of this, the joint ventures Corporación Moctezuma, SAB de CV, Addiment Italia Srl, Fresit BV and Lychtner-Dyckerhoff Beton GmbH & Co. KG, previously consolidated by the proportional method, are now valued by the equity method.

The net increase of €41,686 thousand was affected to the extent of €27,514 thousand by the acquisition of w&p Cementi SpA and Salonit Anhovo Gradbeni Materiali dd.

The translation differences related to the investments in the Algerian companies Société des Ciments de Hadjar Soud EPE SpA and Société des Ciments de Sour El Ghozlane EPE SpA, were positive for €1,172 thousand (2013: negative for €4,324 thousand). The translation differences referring to the investment in the associate Corporación Moctezuma, SAB de CV were positive for €1,348 thousand (2013: negative for €7,385 thousand).

The full book value of the main investments in associates has been tested for impairment. Management measured the value in use as the group's share in the present value of estimated future cash flows. In some cases, the assessment has encompassed the fair value of property owned by the associates. The comparison between the recoverable amount resulting from the calculation and the carrying amount did not indicate the need to recognize an impairment loss on these assets.

Based on the recent macro-economic developments and the uncertainties about the future growth prospects, a sensitivity analysis was performed on the recoverable amount of the investments, in order to verify the effects of reasonably possible changes, if any, in the key assumptions. Specifically we reasoned upon changes in the cost of money (and consequently WACC discount rate) and net operating cash flow. In general we can assert that only in the event of a significant cash flow decrease or an increase of discount rate by some percentage points, the recoverable amount would come out lower than the carrying amount at the balance sheet date, despite the presence of some investments more sensitive to changes in the above assumptions. We can conclude that the sensitivity analysis performed has confirmed that no material impairments exist and consequently we have deemed it not necessary to proceed with impairment charges.

10.1 Investments in associates

Set out below are the associates as at 31 December 2014, which, in the opinion of the directors, are material to the group. These associates have share capital consisting solely of ordinary shares, which are held directly or indirectly by the company. The country of incorporation is also their principal place of business.

Nature of investment in associates 2014 and 2013:

Name of entity	Nature of the relathionship	Place of business/ country of incorporation	% of ownership interest	Measurement method
Société des Ciments de Hadjar Soud EPE SpA	Note 1	Algeria	35,0	equity
Société des Ciments de Sour El Ghozlane EPE SpA	Note 1	Algeria	35,0	equity
Kosmos Cement Company	Note 2	United States of America	25,0	equity
Salonit Anhovo Gradbeni Materiali dd	Note 3	Slovenia	25,0	equity

Note 1
Buzzi Unicem holds 35% in Société des Ciments de Sour El Ghozlane EPE SpA and Société des Ciments de Hadjar Soud EPE SpA, two cement plants operating in Algeria. They are strategic partnerships for the group presence in emerging markets, where the remaining majority stake is owned by the Algerian State through the industrial holding GICA.

Note 2
The group holds a 25% stake in Kosmos Cement Company, which operates a cement plant in Louisville, Kentucky and has a distribution network in Kentucky, Indiana, Ohio, Pennsylvania and West Virginia.

Note 3
In 2014 the group acquired 25% of Salonit Anhovo Gradbeni Materiali dd, a company owning a powerful cement plant in Slovenia, located a few kilometers away from the Italian border. Through this associate, Buzzi Unicem maintains an indirect presence in the North-East of Italy in addition to the one in the Slovenian market, in which Salonit Anhovo is the main actor.

All four companies are private and there are no quoted market prices available for their shares. There are no contingent liabilities relating to the group's interest in the associates.

Summarized financial information for associates

Set out below are the summarized financial information for the associates that are material to the group, all valued by the equity method.

	Société des Ciments de Hadjar Soud EPE SpA		Société des Ciments de Sour El Ghozlane EPE SpA		Kosmos Cement Company		Salonit Anhovo Gradbeni Materiali dd	
(thousands of euro)	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Summarized balance sheet								
Current assets								
Cash and cash equivalents	31,448	21,763	31,562	24,550	3,342	9,758	4,008	354
Other current assets (excluding cash)	23,238	31,598	20,425	26,043	29,325	23,299	20,489	24,944
	54,686	53,361	51,987	50,592	32,667	33,057	24,497	25,298
Non-current assets	**108,914**	**107,622**	**109,332**	**102,785**	**116,283**	**97,677**	**109,812**	**120,862**
Current liabilities								
Financial liabilities (excluding trade and other payables and provisions)		-	-	-	-	-	16,352	15,586
Other current liabilities (including trade and other payables and provisions)	14,520	14,432	14,460	14,461	16,598	7,479	6,432	6,556
	14,520	**14,432**	**14,460**	**14,461**	**16,598**	**7,479**	**22,784**	**22,142**
Non-current liabilities								
Financial liabilities (excluding other payables and provisions)		-	6,281	849	-	-	23,499	37,311
Other non-current liabilities (including other payables and provisions)	149,081	146,551	140,518	138,067	1,956	1,663	344	8
	149,081	**146,551**	**146,799**	**138,916**	**1,956**	**1,663**	**23,843**	**37,319**
Summarized income statement								
Revenue	57,792	52,281	54,579	43,585	85,229	71,598	48,138	42,708
Depreciation, amortisation and impairment charges	(13,504)	(11,607)	(12,339)	(10,588)			(9,162)	(14,900)
Finance revenues	77	4	41	15	218		1,202	3,423
Finance costs	(24)	(25)	(12)	(42)	(1,274)	(178)	(2,238)	(22,613)
Income tax expense	(4,015)	(2,383)	(3,881)	(377)			-	(17)
Profit (loss) for the year	**7,867**	**10,678**	**10,513**	**1,206**	**20**	**1,330**	**1,094**	**(24,639)**
Other comprehensive income	-	-	-	-		-	-	-
Total comprehensive income	**7,867**	**10,678**	**10,513**	**1,206**	**20**	**1,330**	**1,094**	**(24,639)**
Dividends received	-	-	-	-	-	-	-	-

The above information reflects the amounts presented in the financial statements of each associate (not Buzzi Unicem's share of those amounts) adjusted for possible differences in the accounting policies between the group and the associates'.

Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented to the carrying amount of its interest in associates:

	Société des Ciments de Hadjar Soud EPE SpA		Société des Ciments de Sour El Ghozlane EPE SpA		Kosmos Cement Company		Salonit Anhovo Gradbeni Materiali dd
(thousands of euro)	2014	2013	2014	2013	2014	2013	2014
Opening net assets 1 January	146,203	147,325	139,137	148,183	121,592	125,755	93,215*
Profit (loss) for the year	7,867	10,678	10,513	1,206	20	1,330	54
Dividends	(5,722)	(5,555)	(2,865)	(4,142)	(7,076)	-	
Translation differences	1,731	(6,245)	1,616	(6,110)	15,860	(5,493)	
Closing net assets	**150,079**	**146,203**	**148,401**	**139,137**	**130,396**	**121,592**	**93,269**
% of ownership (35%; 35%; 25%; 25%)	52,528	51,171	51,940	48,698	32,599	30,398	23,317
Goodwill	-	-	6,163	6,163	-	-	-
Carrying value	**52,528**	**51,171**	**58,103**	**54,861**	**32,599**	**30,398**	**23,317**

* net assets as at 31 July 2014 (acquisition date).

10.2 Investment in joint venture

Set out below is the only joint venture as at 31 December 2014, which, in the opinion of the directors, is material to the group. The joint venture has share capital consisting solely of ordinary shares, which is held indirectly by the company. The country of incorporation is also its main place of business.

Nature of investment in joint ventures 2014 and 2013:

Name of entity	Place of business/ country of incorporation	% of ownership interest	Measurement method
Corporación Moctezuma, SAB de CV	Mexico	33.3	equity

Corporación Moctezuma, SAB de CV is the industrial holding of a group which manufactures and sells cement, ready-mix concrete and natural aggregates. It's a strategic partnership for the group, whose operations are located in Mexico.

As at 31 December 2014, the fair value of our interest in Corporación Moctezuma, SAB de CV, which is listed on the Bolsa Mexicana de Valores, was €758,314 thousand (2013: €655,376 thousand); the corresponding book value was €158,346 thousand (2013: €151,295 thousand). There are no contingent liabilities relating to the group's interest in the joint venture.

Summarized financial information for joint ventures

Set out below are the summarized financial information for Corporación Moctezuma, SAB de CV, which is accounted for using the equity method.

(thousands of euro)	2014	2013
Summarized balance sheet		
Current assets		
Cash and cash equivalents	99,242	47,160
Other current assets (excluding cash)	137,246	153,128
	236,488	**200,287**
Non-current assets	**363,451**	**367,732**
Current liabilities		
Financial liabilities (excluding trade and other payables and provisions)	(453)	(585)
Other current liabilities (including trade and other payables and provisions)	(57,500)	(42,732)
	(57,953)	**(43,317)**
Non-current liabilities		
Financial liabilities (excluding other payables and provisions)	(332)	(640)
Other non-current liabilities (including other payables and provisions)	(541,654)	(524,062)
	(541,986)	**(524,702)**
Summarized income statement		
Revenue	521,876	467,508
Depreciation, amortisation and impairment charges	(27,869)	(29,147)
Finance revenues	3,448	4,439
Finance costs	(1,462)	(3,651)
Income tax expense	(45,715)	(39,778)
Profit (loss) for the year	115,677	86,256
Other comprehensive income	(8)	(590)
Total comprehensive income	**115,669**	**85,666**
Dividends received	-	-

The above information reflects the amounts presented in the financial statements of the joint venture (not Buzzi Unicem's share of those amounts) adjusted for possible differences in accounting policies between the group and the joint venture.

Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented to the carrying amount of its interest in the joint venture.

(thousands of euro)	2014	2013 restated
Opening net assets 1 January	451,551	468,994
Result (loss) for the yar	115,781	86,398
Other comprehensive income	(8)	(590)
Dividends	(98,754)	(104,862)
Translation differences	4,024	1,611
Closing net assets	**472,594**	**451,551**
% of ownership (33%)	158,346	151,295
Goodwill	-	-
Carrying value	**158,346**	**151,295**

11. Available-for-sale financial assets

The non-current portion refers to the investments in unconsolidated subsidiaries and other companies, all of which are unlisted.

(thousands of euro)	Subsidiaries	Other	Total
At 1 January 2014	473	2,084	2,557
Additions	(29)	(2)	(31)
Write-downs	-	(132)	(132)
Disposals and other	(59)	42	(17)
At 31 December 2014	**385**	**1,992**	**2,377**

The equity investments included in this line item are all carried at cost less any provision for impairment. In fact, these are immaterial companies both from an investment point of view and in terms of their net equity and results, for which a reliable determination of the fair value would only be possible as part of specific sale negotiations.

Based on the economic result and the financial position, the 16.7% interest in the share capital of Romana Calcestruzzi SpA has been written down for €79 thousand and the 16.7% interest in the share capital of Fratelli Bianchi fu Michele e C. SpA has been written down for €19 thousand.

The current portion refers to temporary liquidity placements in time deposits with over three-month maturity for €115 thousand and in short-term or marketable securities for €3,480 thousand.

12. Derivative financial instruments

The derivative contracts, entered into to mitigate currency, interest rate and market price risks, are all "plain vanilla" type. They do not qualify for hedge accounting under IFRS.

	2014		2013	
(thousands of euro)	Assets	Liabilities	Assets	Liabilities
Non-current				
Not designated as hedges	4,204	18,588	-	77,118
Current				
Not designated as hedges	-	2,687	-	677

The value of the contracts set up by the company to reduce foreign exchange and interest rate risk on the dollar denominated long-term debt (forward foreign exchange, cross currency swaps), is included within assets for €4,204 thousand and liabilities for €2,191 thousand (at 2013 closing: €28,803 thousand within liabilities). Interest rate swaps on euro borrowings amount to €2,337 thousand within liabilities (at 2013 closing: €4,411 thousand always within liabilities). Liabilities include the value of the cash settlement option related to the equity-linked convertible bond issued by the company, for a total amount of €16,397 thousand (2013: €44,231 thousand).

The notional principal amount and the fair value of the outstanding derivative instruments is summarized as follows:

	2014		2013	
(thousands of euro)	Notional	Fair value	Notional	Fair value
Interest rate swaps	100,000	(2,337)	125,000	(4,411)
Currency swaps	-	-	900	(11)
Cross currency swaps	131,784	1,301	174,027	(26,508)
Forward foreign exchange	28,828	712	25,379	(2,284)
Takeover commitments (put writer)	710	(350)	3,509	(350)
Takeover options (call)	1,517	-	3,231	-
Cash settlement option on convertible bond	220,000	(16,397)	220,000	(44,231)

The options and commitments, for a total amount of €2,227 thousand, mainly refer to lands.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

During 2014, the changes in the fair value of derivative financial instruments recognized in the income statement are positive for €57,314 thousand (2013: €11,898 thousand negative).

13. Other non-current assets

(thousands of euro)	2014	2013 restated
Receivables from associates	1,468	610
Tax receivables	983	1,011
Advances to suppliers	-	7,863
Receivables from personnel	746	741
Loans to customers	3,228	7,468
Guarantee deposits	21,202	17,842
Other	16,934	19,202
	44,561	**54,737**

With the construction of residential buildings in the former industrial site of Piacenza (Italy) being completed, the caption advances to suppliers has been reclassified to inventories.

Receivables from personnel include loans to employees equal to €709 thousand (2013: €523 thousand).

Loans to customers are made up for €2,100 thousand by loans granted to some major accounts in the United States; they bear interests at market rates, are adequately secured and are performing regularly.

The guarantee deposits mainly represent assets held in trust to secure the payment of benefits under certain executive pension plans and insurance deposits.

The caption other includes loans to third parties, for an amount of €12,777 thousand (2013: €14,017 thousand), mostly interest-bearing and adequately secured.

The receivables included in this item expiring after more than five years amount to €22,749 thousand (2013: €19,266 thousand). The maximum exposure to credit risk is the carrying value of each class of receivable mentioned above.

14. Inventories

(thousands of euro)	2014	2013 restated
Raw materials, supplies and consumables	232,568	232,829
Work in progress	67,874	85,888
Finished goods and merchandise	75,304	64,982
Advances	1,257	2,478
	377,003	**386,177**

Increases and decreases of the various categories depend on the trend in production and sales, on the price of the factors employed, as well as changes in exchange rates used for the translation of foreign financial statements. The amount shown is net of an allowance for obsolescence of €25,703 thousand (2013: €22,136 thousand).
The increase in finished goods and merchandise consists of a €9,697 thousand reclassification of the cost related to the real estate project in Piacenza (Italy) following the completion of the construction works.

15. Trade receivables

(thousands of euro)	2014	2013 restated
Trade receivables	394,466	401,057
Less: Provision for receivables impairment	(43,665)	(46,508)
Trade receivables, net	**350,801**	**354,549**
Other trade receivables:		
From associates	9,677	14,363
From parent companies	21	21
	360,499	**368,933**

The year-end balances from associates arise from normal and regular business transactions entered into mostly with firms operating in the ready-mix concrete segment.

At the balance sheet date, trade receivables that are past due but not impaired amount to €110,939 thousand (2013: €114,033 thousand). The ageing analysis of these trade receivables is as follows:

(thousands of euro)	2014	2013 restated
Past due up to 2 months	84,670	82,436
Past due between 2 and 6 months	21,388	23,720
Past due over 6 months	4,881	7,877
	110,939	**114,033**

The carrying amounts of net trade receivables are denominated in the following currencies:

(thousands of euro)	2014	2013 restated
Euro	197,609	232,813
US Dollar	120,924	80,556
Russian Ruble	2,090	9,295
Other currencies	30,178	31,885
	350,801	**354,549**

Changes in the provision for receivables impairment during the year are as follows:

(thousands of euro)	2014	2013 restated
At 1 January	46,508	42,115
Translation differences	(679)	(901)
Provision for impairment	16,112	27,744
Receivables written off as uncollectible	(14,372)	(17,127)
Unused amounts reversed and other	(3,904)	(5,323)
At 31 December	**43,665**	**46,508**

The creation of provision for impaired receivables has been included in Other operating expenses (note 37); the release of the same provision has been included in Other operating income (note 33).

The carrying amount of trade receivables is considered in line with their fair value at the date. The maximum exposure to credit risk at the reporting date is the carrying value of the line item.

16. Other receivables

(thousands of euro)	2014	2013 restated
Tax receivables	46,946	54,378
Receivables from social security institutions	944	622
Receivables from unconsolidated subsidiaries and associates	2,689	1,452
Loans to customers	307	1,464
Receivables from suppliers	4,812	5,512
Receivables from personnel	406	568
Receivables from sale of equity investments	177	177
Accrued income and prepaid expenses	11,152	8,988
Other	20,549	18,367
	87,982	**91,528**

Tax receivables include income tax payments in advance and the debit balance of periodic value added tax liquidation. The decrease is due for €9,225 thousand to a refund of tax relating to prior years in the United States.

Receivables from unconsolidated subsidiaries and associates are in the nature of short-term loans.

Loans to customers represent the current portion of the interest bearing lending granted in the United States (note 13).

Receivables from suppliers include mainly advances on procurement of gas, electricity and other services.

Accrued income totals €2,320 thousand (2013: €1,831 thousand) and is made up primarily of interest income on marketable securities and time deposits. Prepaid expenses amount to €8,831 thousand (2013: €7,157 thousand) relating to operating expenses pertaining to the following period.

Other receivables include the discount on electric power costs granted in Italy to the energy-intensive enterprise, so-called system charges bonus, for an amount of €12,120 thousand (2013: €6,643 thousand).

At the balance sheet date the carrying amount of other receivables is considered to be in line with their fair value.

17. Cash and cash equivalents

(thousands of euro)	2014	2013 restated
Cash at banks and in hand	267,391	428,789
Short-term deposits	145,199	99,142
	412,590	**527,931**

Foreign operating companies hold about 74% of the balance of €412,590 thousand (69% in 2013). At the closing date, short-term deposits and securities earn interest at about 0.4% on average (1.0% in 2013): yield in euro is around 0.17%, in dollar 0.02%, and in other currencies 3.89%. The average maturity of such deposits and securities is lower than 60 days.

The cash flows, the working capital and the available liquidity of the subsidiaries are handled locally but under a central finance function, to ensure an efficient and effective management of the resources generated and/or of the financial needs.

Cash and equivalents are denominated in the following currencies:

(thousands of euro)	2014	2013 restated
Euro	106,964	224,634
US Dollar	271,677	221,555
Russian Ruble	10,957	47,019
Other currencies	22,992	34,723
	412,590	**527,931**

18. Assets held for sale

The amount relates for €1,150 thousand to some equipment and machinery of the inactive plant in Santarcangelo di Romagna, for €900 thousand to the Travesio plant and for €494 thousand some lots of land in the United States.

At year-end 2013 the amount related to the residual fair value of equipment and machinery originally purchased to expand production capacity in Russia and in Ukraine (€428 thousand), to the inactive plant of Santarcangelo di Romagna (€1,150 thousand), and to some lots of land in the United States (€535 thousand).

19. Share capital

At the balance sheet date the share capital of the company is as follows:

(number of shares)	2014	2013
Shares issued and fully paid		
Ordinary shares	165,349,149	165,349,149
Savings shares	40,711,949	40,711,949
	206,061,098	**206,061,098**
Share capital (*thousands of euro*)	123,637	123,637

All categories of shares have a par value of €0.60 each. Each ordinary share gives right to one vote, without any restrictions whatsoever. Savings shares are not entitled to vote and they can be either registered or bearer, at the shareholder's preference.

Savings shares are entitled to a preferential dividend equal to 5% of par value and a total dividend equal to ordinary shares' dividend plus 4% of par value. In case of no dividend distribution, the right to the preference dividend is carried forward over the two following years.

If the savings shares are delisted, they shall be converted into preference shares, without changing their dividend and asset distribution rights, with features and in ways to be resolved upon by an extraordinary meeting of shareholders that will convene within three months from the date of delisting.
If the ordinary shares are delisted, the greater dividend payable to savings shares versus the dividend payable to ordinary shares shall be automatically increased to 4.5% of par value.

The number of shares outstanding did not change during 2014 and at the balance sheet date is the following:

(number of shares)	Ordinary	Savings	Total
At 31 December 2014	**164,849,149**	**40,682,659**	**205,531,808**
Shares issued	165,349,149	40,711,949	206,061,098
Less: Treasury shares	(500,000)	(29,290)	(529,290)
Shares outstanding	**164,849,149**	**40,682,659**	**205,531,808**

20. Share premium

It consists of the overall premium on shares issued over time. The line item amounts to €458,696 thousand as at 31 December 2014 and it is unchanged versus last year.

21. Other reserves

The line item encompasses several captions, which are listed and described here below:

(thousands of euro)	2014	2013 restated
Translation differences	(406,410)	(412,508)
Revaluation reserves	88,286	88,286
Merger surplus	247,530	247,530
Other	117,059	117,911
	46,465	**41,219**

The translation differences reflect the exchange rate variations that were generated starting from the first time consolidation of financial statements denominated in foreign currencies. The decrease in the balance of €6,098 thousand is the result of four separate effects: an increase of €179,855 thousand due to the strengthening of the US dollar, an increase of €1,348 thousand due to the strengthening of the Mexican peso, a decrease of €176,313 thousand due to the weakening of the Eastern European currencies and an increase of €1,208 thousand due to the strengthening of the Algerian dinar.

22. Retained earnings

The line item contains both retained earnings and profit for the financial year attributable to owners of the company. It also includes the legal reserve from the statutory financial statements of Buzzi Unicem SpA, changes in shareholders' equity of consolidated companies pertaining to the parent company that took place after the first consolidation and the revaluation reserves accrued by the Mexican companies that used inflation accounting up to the year 2001.

During the year, some transactions with non-controlling interests were carried out after acquisition of control. Specifically, the purchase of the residual 25% of Dyckerhoff Transportbeton Hamburg GmbH, which brought to a decrease in retained earnings equal to €1,571 thousand.

The changes in gains and losses generated by the actuarial valuations of liabilities for employee benefits, net of related deferred tax, in 2014 brought to a decrease in retained earnings equal to €34,842 thousand.

23. Non-controlling interests

The balance as at 31 December 2014 refers to OAO Sukholozhskcement for €20,179 thousand, to Cimalux SA for €2,852 thousand, to Betonmortel Centrale Groningen (B.C.G.) BV for €1,387 thousand.

Summarized financial information on subsidiaries with material non-controlling interests

Set out below is the summarized financial information for OAO Sukholozhskcement before intercompany eliminations. The company operates in the cement industry in Russia. In the opinion of the directors, it is the only subsidiary with non-controlling interests that are material to the group.

Name of the subsidiary	Place of business/ country of incorporation	Non-controlling interests		Profit attributable to non-controlling interests		Equity attributable to non-controlling interests	
		2014	2013	2014	2013	2014	2013
OAO Sukholozhskcement	Russia	9.62%	9.62%	4,276	5,909	20,179	29,581

(thousands of euro)	2014	2013
Summarized balance sheet		
Non-current assets	191,843	265,181
Current assets	41,347	71,613
Non-current liabilities	3,278	5,286
Current liabilities	10,091	13,999
Net assets	**219,821**	**317,509**
Summarized income statement		
Revenue	72,036	88,781
Depreciation, amortisation and impairment charges	(13,565)	(16,747)
Finance revenues	2,144	751
Finance costs	(137)	(30)
Income tax expense	(13,177)	(15,535)
Profit (loss) for the yar	**44,426**	**61,427**
Other comprehensive income	(81,895)	(23,091)
Total comprehensive income attributable to non controlling interests	(12,258)	(3,149)
Dividends paid to non-controlling interests	2,203	2,680
Summarized cash flows		
Cash flows from operating activities		
Cash generated from operations	65,618	83,128
Interest paid	(137)	-
Income tax paid	(12,291)	(15,519)
Net cash generated from operating activities	**53,190**	**67,609**
Net cash used in investing activities	**(54,991)**	**(37,220)**
Net cash generated (used) in financing activities	**(14,217)**	**(13,876)**
Increase (decrease) in cash and cash equivalents	**(16,018)**	**16,513**
Cash and cash equivalents at beginning of year	**24,325**	**9,133**
Translation differences	(4,315)	(1,321)
Change in scope of consolidation		-
Cash and cash equivalents at end of year	**3,992**	**24,325**

24. Debt and borrowings

(thousands of euro)	2014	2013 restated
Long-term debt		
Senior notes and bonds	862,915	940,849
Convertible bonds	186,604	180,180
Finance lease obligations	1,477	2,305
Unsecured term loans	253,363	232,682
	1,304,359	**1,356,016**
Current portion of long-term debt		
Senior notes and bonds	112,478	99,014
Finance lease obligations	529	214
Unsecured term loans	45,149	97,096
	158,156	**196,324**

During 2014, the average interest rate on financial indebtedness was equal to 4.65% (2013: 4.78%).

The exposure of the group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

(thousands of euro)	2014	2013 restated
6 months or less	54,669	76,206
6-12 months	103,487	120,118
1-5 years	1,301,988	1,172,059
Over 5 years	2,371	183,957
	1,462,515	**1,552,340**

Senior notes and bonds

The change in the year is mainly due to a decrease of €112,566 thousand for principal repayments and an increase of €46,739 thousand for foreign exchange effect.

They include:

- The so-called Eurobond "Buzzi Unicem €350,000,000 6.250% Notes due 2018". The notes, placed with institutional investors only, are listed on the Luxembourg Stock Exchange, have a minimum denomination of €100,000, pay a fixed annual coupon of 6.250% and their due date is 28 September 2018. This bond is carried at amortized cost, corresponding to an effective interest rate of 6.38% and to an amount of €348,062 thousand in the balance sheet.

- The so-called Eurobond "Buzzi Unicem €350,000,000 5.125% Notes due 2016". The notes, listed on the Luxembourg Stock Exchange, have a minimum denomination of €50,000, pay a fixed annual coupon of 5.125% and their due date is 9 December 2016. This bond is carried at amortized cost, corresponding to an effective interest rate of 5.32% and to an amount of €348,757 thousand in the balance sheet.

- Senior Unsecured Notes placed privately in the US market (USPP). The issuer is our subsidiary RC Lonestar, Inc. and the company guarantees the obligations of the issuer. These fund-raising operations are partially backed by interest rate swaps, cross currency swaps and forward foreign exchange contracts entered into by Buzzi Unicem SpA. The income statement 2014 benefits from net finance revenues associated with interest rate swap contracts to the extent of €3,853 thousand (in 2013, net finance revenues of €3,906 thousand). The Senior Unsecured Notes privately placed in the US market (USPP) include covenants by the issuer and by the company as the guarantor, which require compliance with certain financial ratios. Such commitments are common in the international practice for bond issues of this type. In particular the most significant financial conditions consist of a minimum consolidated net worth and a ratio of consolidated net debt to EBITDA not exceeding 3 times. In November 2010 the company entered into an agreement with the USPP investors, which provides, among other things, for an increase in the interest rate, which can fluctuate from 15 up to a maximum of 150 basis points, thereof 125 basis points applicable only in case the corporate rating should be lower than "investment grade" category. This occurrence happened in September 2011 when Buzzi Unicem's rating was revised downward from investment grade to BB+. At the balance sheet date, such contractual covenants are all complied with.

Convertible bonds

They comprise the so-called "Buzzi Unicem €220,000,000 1.375% Equity-Linked Bonds due 2019" with a 6-year maturity, placed with institutional investors only. The notes, listed on the "Third Market" – non-regulated market of Vienna Stock Exchange, have a minimum denomination of €100,000 and carry a fixed coupon of 1.375% per year, payable semi-annually. The conversion option combined with the loan is American style; the issuer has the right to elect to settle any exercise of conversion rights in Buzzi Unicem SpA ordinary shares, in cash or a combination of ordinary shares and cash. At the final maturity on 17 July 2019 the notes will be redeemed in one lump sum at their principal amount unless previously redeemed or converted. This bond is carried at amortized cost, corresponding to an effective interest rate of 1.522% and an amount of €186,604 thousand in the balance sheet. The conversion option represents an embedded derivative instrument and has been booked in the corresponding balance sheet item under liabilities. The fair value changes of this instrument are immediately charged to income statement; at the balance sheet date, the fair value of the option amounts to €16,397 thousand (note 12).

The following table summarizes the main terms of bond issues outstanding at 31 December 2014:

(Issue)	Outstanding nominal amount	Maturity	Coupon	Notes
Buzzi Unicem SpA				
Eurobond				
December 2009	€ m 350.0	2016	5.125%	
Buzzi Unicem SpA				
Eurobond				
September 2012	€ m 350.0	2018	6.250%	
Buzzi Unicem SpA				
Equity-linked				
July 2013	€ m 220.0	2019	1.375%	
RC Lonestar, Inc.				
Senior Notes				
May 2002 Series C	$ m 35.0	2017	7.12%*	FX forward on principal
RC Lonestar, Inc.				Cross currency swap on principal and coupons
Senior Notes				Interest rate swap from fix to floating Euribor
September 2003 Series A	$ m 113.3	2015-2016	5.08%*	6M+1.025%
RC Lonestar, Inc.				
Senior Notes				
September 2003 Series A	$ m 46.7	2015-2016	5.08%*	Cross currency swap on principal and coupons
RC Lonestar, Inc.				
Senior Notes				
April 2010 Series A	$ m 113.3	2015-2016	4.90%*	
RC Lonestar, Inc.				
Senior Notes				
April 2010 Series B	$ m 30.0	2016		Floating rate Libor 3M+2.45%*

* a 125 basis points step-up to the coupon is currently being applied.

Term loans and other borrowings

During 2014 new term loans were obtained for €200,652 thousand and principal payments on long-term debt amounted to €232,311 thousand.

In July 2014, the subsidiary Dyckerhoff concluded with investors an exchange transaction of the Schuldschein loan for €134,500 thousand, issued on 29 July 2011 and with maturity on 29 July 2015. Following the exchange, investors underwrote a new Schuldschein for €117,000 thousand, split-up into two tranches: a €15,000 thousand tranche with maturity in September 2017 and a €102,000 thousand tranche with maturity in September 2019. In September 2014 the original investors, with the addition of new investors, exercised the option to increase their investment and so two new tranches were issued respectively for €68,000 thousand and €15,000 thousand, both with maturity in September 2019.

As at 31 December 2014 the group has undrawn committed facilities for €584,292 thousand (2013: €726,898 thousand), thereof €500,000 thousand available to the company, at floating rate with maturity beyond the year 2014, and the remaining €84,292 thousand to Dyckerhoff GmbH, always at floating rate, with maturity in 2015.

In respect of interest rate and currency, the gross indebtedness at 31 December 2014 is roughly split as follows (after hedging): 17% floating and 83% fix; 8% dollar-denominated and 92% euro-denominated.

At the balance sheet date, the fair value of the fix rate borrowings is equal to €1,353,096 thousand (2013: €1,396,467 thousand), exceeding the carrying amount by about €103,000 thousand (2013: fair value greater than carrying amount by about €80,000 thousand). The carrying amount of short-term and floating rate borrowings approximate their fair value, as the impact of discounting is not significant. The fair values are based on the cash flows discounted at current borrowing rates for the group and are within level 2 of the specific hierarchy.

Finance lease obligations

The following table shows the reconciliation of future minimum lease payments with their present value and the residual contractual maturities:

(thousands of euro)	2014	2013 restated
Gross finance lease liabilities-minimum lease payments		
No later than 1 year	632	282
Later than 1 year and no later than 5 years	1,536	2,517
	2,168	**2,799**
Future finance charges on finance lease liabilities	(162)	(280)
Present value of finance lease liabilities	**2,006**	**2,519**

The present value of finance lease liabilities is as follows:

(thousands of euro)	2014	2013 restated
No later than 1 year	529	214
Later than 1 year and no later than 5 years	1,477	2,305
	2,006	**2,519**

25. Employee benefits

The line item includes post-employment benefits and other long-term benefits.

Post-employment benefits

They consist of pension plans, life insurance and healthcare plans, employee severance indemnities and other. Group companies provide post-employment benefits for their employees either directly or indirectly, by paying contributions to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which Buzzi Unicem operates. The obligations relate both to active employees and to retirees. Liabilities for contributions accrued but not yet paid are included within other payables.

DEFINED CONTRIBUTION PLANS

They primarily relate to public plans and/or supplemental private plans in Germany, the Netherlands, Luxembourg, Poland, Czech Republic, Slovakia, Russia, Ukraine and the United States of America. Defined contribution plans for post-employment benefits exist also in Italy (employee severance indemnities or TFR for companies with at least 50 employees, after 31 December 2006). Expenses associated with defined contribution plans are charged to the income statement together with social security contributions under staff costs. No further commitments on the part of the employer exist over and above the payment of contributions to public plans or private insurance policies.

DEFINED BENEFIT PLANS

Defined benefit plans may be unfunded, or they may be wholly or partly funded by the contributions paid by the company and, sometimes, by its employees to an entity or fund legally separate from the employer by which the benefits are paid.

ITALY

The obligation for employee severance indemnities (TFR) is considered a defined benefit plan and is unfunded. It consists of the residual obligation that was required until 31 December 2006 under Italian legislation to be paid by companies with more than 50 employees, or accrued over the employee's working life for other companies. The obligation is remeasured every year, according to national employment laws. The provision is settled upon retirement or resignation and may be partially paid in advance if certain conditions are met. The level of benefits provided depends on the date of hire, length of service and salary. The commitments that amount to €22,805 thousand (2013: €23,243 thousand) have a weighted average duration of approximately 9 years.

GERMANY AND LUXEMBOURG

These pension arrangements provide for retirement benefits, early-retirement benefits, widows/widowers' benefits, orphans' allowances and generally also include long-term disability benefits. The level of benefits provided depends on the date of hire, salary and length of service. The commitments have a weighted average duration of approximately 14 years.

The pension obligations in Germany totaling €281,914 thousand (2013: €242,814 thousand) are partly funded through a contractual trust agreement. The value of trust assets is €26,312 thousand (2013: €25,728 thousand) and reduces the amount to be recognized as a liability. All other commitments in Germany and Luxembourg are exclusively funded by accounting provisions.

Obligations for post-employment medical costs in Germany are unfunded and contain a commitment on the part of the employer to reimburse 50% of private healthcare insurance premiums to former employees and co-insured spouses or to widows/widowers. This healthcare plan was closed in 1993 and has a remaining weighted average duration of approximately 7 years.

NETHERLANDS

In the Netherlands, commitments for retirement or early-retirement benefits, totaling €18,118 thousand (2013: €13,676 thousand) are dependent on salaries and length of service and generally also encompass surviving dependents' benefits. They are funded by contributions to an insurance policy, however the company retains certain payment obligations. The value of plan assets by the insurance policy amounts to €16,737 thousand (2013: €12,585 thousand) and reduces the amount to be recognized as a liability. The commitments have a weighted average duration of approximately 19 years.

UNITED STATES OF AMERICA

Pension plans are mainly funded, while healthcare obligations are unfunded in nature. Pension arrangements provide for retirement and early-retirement benefits, surviving dependents' benefits (for the surviving spouse or, alternatively, children) as well as long-term disability benefits. Benefits to white-collar employees or their dependents are linked to salary and length of service. For blue-collar workers, pension benefits are determined on the basis of length of service as well as a fixed, periodically re-negotiated multiple. The major part of pension obligations (€260,242 thousand; 2013: €211,239 thousand) is covered by an external pension fund; its fair value of €229,185 thousand (2013: €189,573 thousand) reduces the amount to be recognized as a liability. These pension plans have been closed since 1 January 2011 and the weighted average duration is approximately 13 years. There are also unfunded obligations for a small group of individuals, whose weighted average duration is between 11 and 17 years.

Healthcare plans cover the portion of medical costs that is not covered by state plans or the costs of a private supplementary health insurance policy. The allowances paid to employees and, if relevant, their spouses depend on the length of service and do not include surviving dependents' benefits. These commitments have a weighted average duration of approximately 10 years.

Other long-term benefits

The group grants also other long-term benefits to its employees, which include those generally paid when the employee attains a specific seniority. In this case the valuation reflects the probability that payment is required and the length of time for which payment is likely to be made. These schemes are unfunded and the amount of the obligation is calculated on an actuarial basis, in accordance with the projected unit credit method. Actuarial gains and losses arising from this obligation are recognized in the income statement.

In the United States the group sponsors a deferred compensation plan for certain employees. Amounts deferred are funded into a trust and the earnings in the trust accrue to the benefit of the participants. The asset and liability are reported at fair value (the net asset value of each investment fund).

The obligations for employee benefits are analyzed as follows:

(thousands of euro)	2014	2013 restated
By category		
Post-employment benefits:		
Pension plans	314,843	263,827
Healthcare plans	93,242	85,808
Employee severance indemnities	22,805	23,243
Other long-term benefits	10,679	8,906
	441,569	**381,784**
By geographical area		
Italy	23,781	24,295
Germany, Luxembourg, Netherlands	282,049	242,020
United States of America	132,843	112,335
Other Countries	2,896	3,134
	441,569	**381,784**

The amounts recognized in the balance sheet for post-employment benefits are determined as follows:

	Pension plans		Healthcare plans		Employee severance indemnities	
(thousands of euro)	2014	2013	2014	2013	2014	2013
Present value of funded obligations	549,407	459,171	-	-	-	-
Fair value of plan assets	(272,234)	(227,886)	-	-	-	-
	277,173	**231,285**	**-**	**-**	**-**	**-**
Present value of unfunded obligations	37,670	32,542	93,242	85,808	22,805	23,243
Liability in the balance sheet	**314,843**	**263,827**	**93,242**	**85,808**	**22,805**	**23,243**

The movement in the defined benefit obligation for post-employment benefits is illustrated below:

(thousands of euro)	Pension plans		Healthcare plans		Employee severance indemnities	
	2014	2013	2014	2013	2014	2013 restated
At 1 January	491,713	531,256	85,808	104,228	23,243	25,020
Current service cost	7,740	9,906	1,947	2,326	-	-
Past service cost	(444)	6,211	-	-	-	-
Other costs	(28)	1,292	-	-	-	-
	7,268	**17,409**	**1,947**	**2,326**	**-**	**-**
Interest expense	19,526	17,855	3,889	3,511	719	762
(Gains) losses from changes in demographic assumptions	(3,949)	(24)	(8,614)	(4,567)	-	-
(Gains) losses from changes in financial assumptions	69,612	(34,379)	5,961	(5,511)	2,393	-
Experience (gains) losses	2,332	351	(739)	(3,806)	(286)	(144)
	67,995	**(34,052)**	**(3,392)**	**(13,884)**	**2,107**	**(144)**
Employee contributions	62	76	596	621	-	-
Benefits paid	(29,784)	(30,462)	(6,363)	(7,242)	(3,212)	(2,395)
Translation differences	29,867	(10,609)	10,696	(3,752)	-	-
Other changes	430	240	61	-	(52)	-
At 31 December	**587,077**	**491,713**	**93,242**	**85,808**	**22,805**	**23,243**

The present value of the defined benefit obligations is composed of the following at the end of each reporting period:

(thousands of euro)	Pension plans		Healthcare plans	
	2014	2013	2014	2013
Active members	190,962	157,336	34,567	32,223
Deferred members	45,477	30,401	-	-
Pensioners	350,637	303,976	58,675	53,585
At 31 December	**587,077**	**491,713**	**93,242**	**85,808**

Changes in the fair value of plan assets are as follows:

	Pension plans	
(thousands of euro)	**2014**	**2013**
At 1 January	227,886	236,077
Interest income	10,361	8,415
Employer contributions	4,411	6,022
Employee contributions	62	76
Benefits paid	(14,914)	(14,588)
Settlements	(1,288)	(1,288)
Actuarial gains (losses)	17,844	2,032
Translation differences	27,872	(8,860)
At 31 December	**272,234**	**227,886**

Plan assets are comprised as follows:

(thousands of euro)	Germany 2014	Germany 2013	United States of America 2014	United States of America 2013
Cash and cash equivalents	**1,131**	**2,720**	**3,286**	**2,851**
Equity instruments	**-**	**5,361**	**-**	**-**
Euro investment grade	-	1,094	-	-
Euro non-investment grade	-	735	-	-
Euro non-rated	-	978	-	-
Other investment grade	-	839	-	-
Other non-investment grade	-	1,592	-	-
Other non-rated	-	123	-	-
Debt instruments	**16,735**	**9,691**	**6,900**	**4,970**
Euro corporate investment grade	124	483	-	-
Euro corporate non-rated	110	107	-	-
Euro corporate non-investment grade	927	350	-	-
Euro sovereign investment grade	14,333	8,094	-	-
Euro sovereign non-investment grade	1,241	657	-	-
Dollar sovereign investment grade	-	-	6,900	4,970
Derivatives financial instruments	**211**	**(162)**	**-**	**-**
Interest rate swap	136	(6)	-	-
Equity swap	75	(156)	-	-
Investment funds	**8,234**	**8,118**	**219,000**	**181,752**
Euro corporate bonds	1,934	-	-	-
Dollar corporate bonds	-	-	81,682	66,942
Dollar sovereign bonds	461	-	27,796	22,917
Other corporate bonds	-	1,245	-	-
Other sovereign bonds	-	754	-	-
Euro indexed equities	-	-	-	-
Dollar indexed equities	-	-	55,502	42,895
Other indexed equities	402	1,820	50,481	45,956
Other equities	5,198	4,299	-	-
Euro sundries	-	-	-	-
Dollar sundries	-	-	3,539	3,042
Other sundries	239	-	-	-
	26,311	**25,728**	**229,186**	**189,573**

The fair values stated above exclusively relate to quoted market prices in active markets (level 1). For pension assets in the Netherlands no breakdown is available due to the local insurance policy model.

Plan assets of Germany are administered by a trustee. The asset allocation strategy is aimed at optimizing returns on fund assets and is subject to an annual limit of losses. One member of the board of management, the head of finance department and a representative from a bank form the "investment committee" that oversees the administration of these separate assets. In regular meetings, the committee determines the allocation of fixed and current assets on the basis of a long-term asset/liability study. Independent of its payment obligations to beneficiaries, Buzzi Unicem has a reimbursement right versus the trustee to the annual earnings arising on the plan assets. With a view to the medium term, the group intends to return the annual reimbursements to plan assets in order to underpin them in the current financial market situation or to increase these assets, should the financial markets recover. Apart from the reimbursement rights, the local company currently does not intend to make further contributions to plan assets. Buzzi Unicem will adhere to a strategy of funding benefit obligations in Germany and in Luxembourg out of the company's current cash flow. The conditions linked to commitments have been continually adapted over the past years; benefits paid to beneficiaries will therefore decline further. Reimbursement rights versus the trustee for unpaid benefits that are returned to plan assets are shown in their gross amounts in the development of the fair value of plan assets, i.e. they are included within benefits paid for the period and in employers' contributions.

In the United States, plan assets are administered by a trustee. The asset allocation strategy is aimed at optimizing returns on fund assets and is subject to an annual limit of losses. Three members of local management form the "benefit committee" that determines the long and short-term investment strategy and oversees the work of the trustee. Regular meetings of the "benefit committee" with the trustee are also attended by a representative from a consultancy firm who advises the company on risk-adequate investments of its assets while taking the obligation structure into account. All pension payments to beneficiaries are made from those plan assets. For funded pension obligations, full coverage through plan assets is to be achieved in the long-term; for the short to medium-term, coverage must not fall short of 80% in order to avoid legally prescribed benefit curtailments. Healthcare plan benefits are exclusively funded by provisions. Annual payments to beneficiaries are made out of the company's operating cash flow.

Expected contributions to post-employment benefits plans (including reimbursement rights on the part of the German entity) for 2015 amount to €11,419 thousand. The maturity analysis for the same type of benefits is as follows:

(thousands of euro)	Pension Plans	Healthcare plans	Employee severance indemnities
Year 2015	36,396	7,015	2,893
Year 2016	31,839	7,013	1,013
Year 2017	30,902	7,107	1,084
Year 2018	30,753	6,995	995
Year 2019	31,890	6,956	1,319
Year 2020-2024	169,143	39,615	8,721
	330,923	**74,700**	**16,025**

In addition to mortality forecasts and employee turnover based on current statistical insight, post-employment benefits and other long-term benefits are computed according to the following main actuarial assumptions, identified on the basis of independent sources that are constant over time:

	2014					2013				
(in %)	ITA	GER	LUX	NLD	USA	ITA	GER	LUX	NLD	USA
Pension plans discount rate	1.5	1.9	1.9	3.6	4.0	3.2	3.3	3.3	3.6	4.8
Salary growth rate	1.5	2.8	2.8	4.3	4.0	3.3	2.8	2.5	4.3	4.0
Pension growth rate	-	1.8	-	2.0	-	-	2.0	-	-	-
Healthcare discount rate	-	-	-	-	4.0	-	-	-	-	4.5
Medical cost growth rate	-	1.8	-	-	7.5	-	2.0	-	-	8.0

The assumptions listed above reflect the actual economic period and/or realistic expectations in each territory. The discount rate adopted is the rate applicable at the end of the reporting period for high quality fixed-interest securities or for corporate bonds with a term corresponding to the respective obligations for employee benefits.

The sensitivity of the defined benefit obligation to changes in the main assumptions is presented here below:

(thousands of euro)	Pension Plans	Healthcare plans	Employee severance indemnities
Salary growth rate			
Increase 1%	6,902	-	-
Decrease 1%	(7,330)	-	-
Discount rate			
Increase 1%	(70,525)	(8,503)	(2,015)
Decrease 1%	84,076	10,134	2,234
Pension growth rate			
Increase 1%	32,754	-	-
Decrease 1%	(24,512)	-	-
Medical cost growth rate			
Increase 1%	-	6,370	-
Decrease 1%	-	(5,509)	-
Mortality			
Increase 1%	18,953	766	-
Decrease 1%	(19,104)	(769)	-

26. Provisions for liabilities and charges

(thousands of euro)	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
At 1 January 2014 restated	57,968	22,259	35,120	18,360	133,707
Additional provisions	3,799	-	1,743	7,725	13,267
Discount unwinding	4,671	419	1,280	45	6,415
Unused amounts released	(5,302)	-	(60)	(528)	(5,890)
Used during the year	(2,798)	(1,190)	(27,973)	(13,468)	(45,429)
Translation differences	430	(322)	396	941	1,445
Reclassifications	726	-	-	-	726
Change in scope of consolidation	(9)	-	-	(7)	(16)
At 31 December 2014	**59,485**	**21,166**	**10,506**	**13,068**	**104,225**

Total provisions can be analyzed as follows:

(thousands of euro)	2014	2013 restated
Non-current	86,959	88,179
Current	17,266	45,529
	104,225	**133,708**

The environmental restoration provision includes the obligations for site remediation, which are applicable to the locations where the extraction of raw materials takes place and for the fulfillment of related requirements concerning quarries, safety, health and environment. Additional provisions for environmental risks refer for €3,770 thousand to the future quarry remediation costs. The unused amounts released include an amount of €3,822 thousand, due to the adjustment of the silicosis provision in the United States, following a change to the local law that, caused the exclusion of many legal claims.

The antitrust provision is associated with the cartel fines inflicted in Italy (ready-mix concrete) and Poland (cement), which are currently under litigation.

The provision for tax risks amounts to €6,569 thousand and reflects liabilities that are considered probable as a result of tax audits and adjustments to tax returns. At the end of 2014 a lengthy tax litigation against the German authority, resulting from the disputed use of tax losses from companies merged in 1997, was closed. Following the settlement, the concerning provision has been used for an amount of €25,450 thousand.

The provision for other risks represents the amounts set aside by the individual companies in connection with miscellaneous contractual and commercial risks and disputes, among which are included €1,497 thousand for restructuring costs and workers compensation claims not covered by insurance for €1,697 thousand. Additional provisions include €2,899 thousand for restructuring costs, €967 thousand for workers compensation claims and €1,222 thousand for other risks.

Uses during the year include the payment of workers compensation for €1,487 thousand, besides restructuring costs in Italy, Germany and the Netherlands for €9,294 thousand.

27. Deferred income tax

Net deferred tax liability as at 31 December 2014 consists of deferred tax liabilities, net of deferred tax assets, which have been offset, where possible, by the individual consolidated companies.

The net balance may be analyzed as follows:

(thousands of euro)	2014	2013 restated
Deferred income tax assets:		
To be recovered after more than 12 months	(212,355)	(187,228)
To be recovered within 12 months	(24,708)	(24,047)
	(237,063)	**(211,275)**
Deferred income tax liabilities:		
To be recovered after more than 12 months	556,682	508,461
To be recovered within 12 months	21,793	14,128
	578,475	**522,589**
Net deferred income tax liabilities	**341,412**	**311,314**

Temporary differences and carryforwards that give rise to deferred tax assets and liabilities are analyzed as follows:

(thousands of euro)	2014	2013 restated
Deferred income tax assets related to:		
Provisions for liabilities and charges	(16,829)	(14,905)
Trade receivables	(7,579)	(8,103)
Employee benefits	(90,287)	(70,053)
Long-term debt	(7,924)	(6,290)
Derivative financial instruments	(4,972)	(6,116)
Property, plant and equipment	(11,211)	(12,289)
Inventories	(6,873)	(8,831)
Tax loss carryforwards (theoretical benefit)	(170,721)	(225,771)
Other	(11,528)	(11,168)
Total deferred income tax assets	**(327,924)**	**(363,526)**
Valuation allowances	90,861	152,252
Net deferred income tax assets	**(237,063)**	**(211,274)**
Deferred income tax liabilities related to:		
Accelerated depreciation	125,413	116,987
Employee benefits	5	5
Property, plant and equipment	410,205	369,675
Inventories	4,223	4,901
Financial assets	8,615	10,193
Other	27,507	20,827
Total deferred income tax liabilities	**578,475**	**522,588**
Net deferred income tax liabilities	**341,412**	**311,314**

The deferred tax liability related to property, plant and equipment refers mainly to the positive differential that in 1999, year of the acquisition, Dyckerhoff allocated to the raw material reserves of Lone Star Industries.

Deferred tax assets on tax loss carryforwards were maintained within the limits of an updated judgment on their future utilization in the next five years.

The movement in deferred tax assets and liabilities during the year, taking into consideration the offsetting of balances within the same tax jurisdiction, is summarized in the following table:

(thousands of euro)	2014	2013 restated
At 1 January	311,314	300,712
Income statement charge (credit)	3,271	4,975
Statement of comprehensive income charge (credit)	(23,830)	17,765
Translation differences	50,035	(13,499)
Change in scope of consolidation	622	1,361
At 31 December	**341,412**	**311,314**

The amount allocated to the statement of comprehensive income does not include the items related to the companies valued by the equity method, that is €8 thousand (2013: €184 thousand).

28. Other non-current liabilities

(thousands of euro)	2014	2013 restated
Purchase of equity investments	3,347	3,075
Non-controlling interests in partnerships	3,376	5,686
Payables to personnel	940	866
Other	11,474	4,287
	19,137	**13,914**

A former manager has an obligation to sell his minority interest in the subsidiary OAO Sukholozhskcement. The liability for purchase of equity investments recognizes the present value of this obligation, which is due in 2017.

All non-current liabilities are due within five years from the balance sheet date, except for the caption non-controlling interests in partnerships whose maturity is indefinite. The carrying amount of the line item is deemed to approximate its fair value.

29. Trade payables

(thousands of euro)	2014	2013 restated
Trade payables	221,762	213,185
Other trade payables:		
To unconsolidated subsidiaries	108	250
To associates	4,529	4,458
	226,399	**217,893**

30. Income tax payables

It reflects current income tax liabilities, net of advances, withholdings and tax credits and including amounts owed to the ultimate parent Fimedi SpA by certain Italian companies that are members of the controlled group of corporations for domestic income tax purposes.

31. Other payables

(thousands of euro)	2014	2013 restated
Advances	3,653	4,060
Purchase of equity investments	25	1,796
Payables to social security institutions	13,628	15,057
Payables to personnel	48,120	49,199
Payables to customers	7,083	6,530
Accrued expenses and deferred income	22,211	25,475
Other	25,298	33,316
	120,018	**135,433**

Accrued expenses total €16,640 thousand (2013: €19,635 thousand) and include interest expense on bank loans, finance lease and bonds. Deferred income amounts to €5,571 thousand (2013: €5,840 thousand) relating to operating income pertaining to the following period.

The caption other consists of sundry elements, among which the credit balance of periodic valued added tax for €7,796 thousand (2013: €7,537 thousand).

32. Net sales

Net sales breakdown is as follows:

(thousands of euro)	2014	2013 restated
Cement and clinker	1,597,396	1,612,565
Ready-mix concrete and aggregates	890,038	879,855
Related activities	18,920	17,670
	2,506,354	**2,510,090**

The 0.1% decrease compared with the year 2013 is due to unfavorable currency effects for 3.6%, to additions in the scope of consolidation for 0.1% and to favorable market trends for 3.4%. Reference is made to the operating segment information for additional disclosure (note 6).

33. Other operating income

This line item consists of income arising both from the ordinary and the non-recurring course of business that is not attributable to sales of goods and rendering of services.

(thousands of euro)	2014	2013 restated
Recovery of expenses	7,725	8,737
Indemnity for damages	2,043	2,780
Revenue from leased properties	9,245	8,057
Gains on disposals of property, plant and equipment	33,077	6,656
Capital grants	559	666
Release of provisions	6,016	36,594
Internal work capitalized	3,863	5,582
Sale of emission rights	10,771	4,507
Other	28,488	33,654
	101,787	**107,233**

The caption gains on disposals of property, plant and equipment includes a non-recurring amount of €19,795 thousand related to the sale of a property used in the past as a quarry in Amöneburg, Germany and of €6,272 thousand related to the sale of the Cadola plant (BL), within the Wietersdorfer agreement executed at the end of July.

The caption release of provisions includes a €3,822 thousand non-recurring debit to the silicosis allowance in the United States, following changes occurred in the local regulations (see note 26). In 2013 it included a non-recurring amount of €31,626 thousand related to the release of the antitrust provision in Germany and Poland.

34. Raw materials, supplies and consumables

(thousands of euro)	2014	2013 restated
Raw materials, supplies and consumables	590,459	563,701
Finished goods and merchandise	41,608	51,851
Electricity	184,541	205,169
Fuels	199,048	214,563
Other goods	21,827	22,832
	1,037,483	**1,058,116**

35. Services

(thousands of euro)	2014	2013 restated
Transportation	356,536	349,588
Maintenance and contractual services	112,203	106,308
Insurance	12,024	12,110
Legal and professional consultancy	16,572	18,219
Operating leases of property and machinery	34,577	37,394
Travel	5,620	5,922
Sales commissions	771	994
Other	94,831	82,659
	633,134	**613,194**

36. Staff costs

(thousands of euro)	2014	2013 restated
Salaries and wages	317,346	325,874
Social security contributions and defined contribution plans	93,098	93,267
Employee severance indemnities and defined benefit plans	9,994	20,079
Other long-term benefits	544	258
Other	5,105	11,846
	426,087	**451,324**

In 2014 other costs include restructuring expenses of €2,899 thousand (2013: €10,165 thousand) related to Italy and Germany.

In 2013, the costs for defined benefit plans included an integration of pension plans allowances in Germany for €5,211 thousand.

The average number of employees is the following:

(numero)	2014	2013 restated
White collar and executives	3,780	3,855
Blue collar and supervisors	6,074	6,154
	9,854	**10,009**

37. Other operating expenses

Other operating expenses, related to both the ordinary and the non-recurring course of business, are composed as follows:

(thousands of euro)	2014	2013 restated
Write-down of receivables	18,968	29,578
Provisions for liabilities and charges	10,541	5,657
Association dues	5,287	5,153
Indirect taxes and duties	30,429	32,415
Losses on disposal of property, plant and equipment	1,006	1,414
Other	16,969	14,029
	83,200	**88,246**

The provision for environmental restoration (quarries) accrued during the year is €3,770 thousand (2013: €2,686 thousand). Provisions also include €1,250 thousand allocated to cover restructuring costs associated with the sale of the Cadola plant (BL), €1,250 thousand referred to a complex lawsuit related to the sale and the following insolvency of the ex-subsidiary ZAO Akmel, €1,346 thousand set aside for penalties inflicted by the environmental authority for an event regarding the concrete slimes transportation in Italy dated 2009.

38. Depreciation, amortization and impairment charges

(thousands of euro)	2014	2013 restated
Amortization of intangible assets	4,033	4,017
Depreciation of property, plant and equipment	184,119	198,573
Impairment losses of non-current assets	55,883	114,155
	244,035	**316,745**

The impairment losses of fixed assets include: the write-off (€4,505 thousand) of the residual assets originally purchased for the expansion projects in Volyn (Ukraine) and Akbulak (Russia), the write-down for €6,000 thousand of equipment and machinery destined to the white cement production line in Amönebourg (Germany), the impairment recognized on some equipment of the cement and ready-mix sector in Italy for an amount of €6,664 thousand. The caption also includes the elimination of the residual goodwill referred to Ukraine CGU (€30,922 thousand) and the partial write-down of goodwill allocated to the cement sector in Italy for €8,303 thousand. On the contrary, the impairment losses recognized in prior years on some assets of the Oglesby (Illinois) and Travesio (Italy) cement plants were reversed for an aggregate amount of €5,068 thousand.

In 2013 the impairment losses included: €10,993 thousand related to the residual assets originally purchased to build a new plant in Volyn (Ukraine) and the reduction for €5,501 thousand of heating systems for coal wagons in Ukraine. In Italy, the plant facilities of Riva del Garda, Manfredonia and Travesio were impaired, for €1,844 thousand, €11,752 thousand and €11,683 thousand respectively, due to changes or cessation of industrial

operations. Furthermore, the residual value of Cairo Montenotte plant was adjusted to its appraisal value, with a write-down of €15,795 thousand.
The caption also included impairment losses recognized on goodwill of the Ukraine CGU for an amount of €34,395 thousand and the write-off of goodwill referred to the ready-mix concrete sector in Italy (€15,664 thousand).

39. Gains on disposal of investments

This line item consists of non-recurring income arising mainly from the sale of the ownership interest in the associates DBW Recycling Verwaltungs GmbH and DBW Recycling GmbH & Co.KG.

40. Finance revenues and Finance costs

(thousands of euro)	2014	2013 restated
Finance revenues		
Interest income on liquid assets	4,668	10,784
Interest income on interest rate swap contracts	3,853	6,368
Interest income on plan assets of employee benefits	10,362	8,288
Changes in the fair value of derivative instruments	63,050	6,377
Foreign exchange gains	21,782	12,957
Dividend income	726	632
Other	8,487	2,628
	112,928	**48,034**
Finance costs		
Interest expense on bank borrowings	(18,230)	(29,802)
Interest expense on senior notes and bonds	(67,984)	(70,060)
Interest expense on employee benefits	(23,982)	(22,160)
Interest expense on interest rate swap contracts	(230)	(1,145)
Changes in the fair value of derivative instruments	(5,735)	(18,275)
Discount unwinding on liabilities	(5,481)	(647)
Foreign exchange losses	(40,087)	(10,205)
Other	(4,296)	(6,580)
	(166,025)	**(158,874)**
Net finance costs	**(53,097)**	**(110,840)**

The decrease in net finance costs from the previous year is mainly due to a considerable improvement of the net balance resulting from the valuation of derivative instruments, to which is added the impact due to the reduction of gross financial indebtedness.

41. Equity in earnings of associates and joint ventures

The line item includes the share of profit (loss) of investments accounted for under the equity method and possible write-downs, set out in detail below:

(thousands of euro)	2014	2013 restated
Associates		
Société des Ciments de Hadjar Soud EPE SpA	2,753	3,737
Société des Ciments de Sour El Ghozlane EPE SpA	3,679	422
Kosmos Cement Company	5	333
w&p Cementi SpA	3,362	-
Other associates	801	3,864
	10,600	**8,356**
Joint ventures		
Corporación Moctezuma, SAB de CV	38,811	28,948
Other joint ventures	503	(1,452)
	39,314	**27,496**
	49,914	**35,852**

42. Income tax expense

(thousands of euro)	2014	2013 restated
Current tax	58,834	48,638
Deferred tax	3,271	4,975
Tax relating to prior years	(6,974)	5,571
	55,131	**59,184**

The increase in current tax is ascribable essentially to a higher taxable income produced in those geographical areas of operations where trading conditions were favorable. Moreover, the impairment losses on fixed assets described at note 38, have only partially reduced profit from a tax standpoint.

Deferred taxes in 2014 include assets recognized in view of the likely use of tax loss carryforwards in Germany, for a total of about €24,000 thousand. Besides, they are negatively affected by the non-recognition and by the impairment of deferred tax assets on tax losses accrued in Italy for about €31,000 thousand (2013: about €41,000 thousand) due to a rigorous judgment on their future utilization in the next five years.

Tax relating to prior years includes income or charges resulting from the settlement, or probable settlement, with tax authorities of the claims that arose during tax audits and by the review or supplement of income tax returns referring to prior periods. Specifically, in fiscal 2014, the caption refers for €4,531 thousand to refunds ordered by the German tax agency.

The reconciliation of income tax computed at the theoretical tax rate applicable in Italy to income tax expense recorded in the income statement, is the following:

(thousands of euro)	**2014**	**2013 restated**
Profit before tax	175,623	16,028
Italian income tax rate (IRES)	27.50%	27.50%
Theoretical income tax expense	**48,296**	**4,408**
Tax effect of permanent differences	(5,187)	6,541
Tax relating to prior years	(6,974)	5,571
Effect of difference between Italian and foreign tax rates	3,547	4,805
Effect of a rate change on deferred income tax	(2,841)	649
Use of tax losses for which no deferred income tax assets was recognized	(1,129)	-
Adjustments to deferred income tax	18,197	35,701
Italian regional income tax on production activities (IRAP)	696	1,647
Other differences	(178)	(138)
Income tax expense	**55,131**	**59,184**

The tax rate for the year (31.4% of profit before taxes) is negatively affected by the non-recognition and the write-down of deferred tax assets on tax losses for the period and on loss carryforwards, partially balanced by the refund of tax relating to previous years.

In 2013 the tax rate was particularly high, higher than profit before tax, having been impacted by the non-recognition and the write-down of deferred tax assets on tax losses for the period and on loss carryforwards, in addition to the inability to deduct some sizeable impairment losses.

43. Earnings per share

Basic

Basic earnings per share is calculated, per each class of shares, by dividing net profit attributable to equity owners of the company by the weighted average number of shares outstanding during the period, excluding treasury shares. To calculate basic earnings per share attributable to ordinary shares, net profit is adjusted for the amount of the preferential dividend to which savings shares are entitled.

		2014	2013
Net profit attributable to owners of the company	thousands of euro	116,588	(50,678)
attributable to ordinary shares	thousands of euro	92,728	(51,898)
attributable to savings shares	thousands of euro	23,860	1,220
Average number of ordinary shares outstanding		164,849,149	164,849,149
Average number of savings shares outstanding		40,682,659	40,682,659
Basic earnings per ordinary share	euro	0.56	(0.31)
Basic earnings per savings share	euro	0.59	0.03

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume conversion of all dilutive potential shares. As for the convertible bond "Buzzi Unicem €220,000,000 1.375% Equity-Linked Bonds due 2019", the conversion option is effective from 1 January 2014; nevertheless, being Buzzi Unicem share price currently lower than the strike price, no dilution effect exists and so basic and diluted earnings per share are equivalent in both periods.

44. Cash generated from operations

(thousands of euro)	2014	2013 restated
Profit before tax	**175,623**	**16,028**
Adjustments for:		
Depreciation, amortization and impairment charges	244,035	316,745
Equity in earnings of associates	(49,914)	(35,852)
Gains on disposal of fixed assets	(32,194)	(9,805)
Net change in provisions and employee benefits	(24,137)	(14,853)
Net finance costs	53,097	110,843
Other non-cash movements	6,957	(28,490)
Changes in operating assets and liabilities:		
Inventories	7,870	11,791
Trade and other receivables	1,655	4,208
Trade and other payables	7,694	(26,650)
Cash generated from operations	**390,686**	**343,965**

45. Dividends

The dividends paid in 2014 and 2013 were €10,277 thousand (€0.05 per ordinary share and per savings share) and €12,473 thousand (€0.05 per ordinary share and €0.104 per savings share) respectively. As for the year ended 31 December 2014 the board of directors will propose to the Annual General Meeting of 8 May 2015 to distribute out of reserves available a dividend of €0.05 per ordinary share and per savings share. Therefore expected dividend distribution amounts to a total of €10,277 thousand. These financial statements do not reflect this dividend payable.

46. Commitments

(thousands of euro)	2014	2013
Guarantees granted	13,407	16,505
Guarantees received	18,418	9,881
Other commitments and guarantees	87,581	45,319

Guarantees granted include commitments toward banks in favor of investee companies. Guarantees received include bank and insurance guarantees in favor of various entities, public administration, etc.

Capital expenditure contracted for at the balance sheet date to acquire property, plant and equipment, but not yet incurred, amounts to €79,410 thousand (2013: €17,234 thousand). It can be basically traced back to the erection of a new production line at the Maryneal plant (Texas), replacing the existing one, with a production capacity of 1.2 million tons/year (€45,416 thousand), besides various refurbishing and regulatory compliance projects in Italy and Germany (€5,542 thousand).

Buzzi Unicem entered into operating lease contracts for the right to use land, industrial buildings, offices, vehicles and computer equipment. The leases have various terms, duration, escalation clauses and renewal rights. In the cancellable agreements, normally the group is required to give a six-month notice for the termination. The lease expenditure charged to the income statement during the year is disclosed in note 35. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(thousands of euro)	2014	2013
No later than 1 year	18,260	17,808
Later than 1 year and no later than 5 years	42,057	40,186
Later than 5 years	20,519	20,028
	80,836	**78,022**

47. Legal claims and contingencies

Buzzi Unicem is exposed to legal risks, stemming from the variety and complexity of the norms and regulations that apply to the industrial operations of the group, particularly in the areas of environment, safety, product liability, taxation and competition. There are claims arising in the normal course of business that are pending against the group. While it is not feasible to predict the outcome of any case, it is the opinion of management that the ultimate dispositions will not have a material adverse effect on the group's financial condition. Instead, when it is likely that an outflow of resources is required to settle obligations and the amount can be reliably estimated, the group recognized specific provisions for this purpose.

As regards the two notices of assessment on the year 2000 related to the deductibility of the antitrust fines inflicted to the group by the European authority, the company has fully paid the tax-assessment bills received. To date the appeal with the Supreme Court has not been discussed yet.

As regards the litigation with the Italian Revenue Service (€2.2 million), referring to the purchase in 2008 of the 100% ownership interest in Cementi Cairo Srl and requalified by the financial administration as purchase of a line of business, the Tax Courts rejected the appeal. The company, deeming that the defense elements are well-grounded, has appealed to the Supreme Court. The additional taxes with interests and sanctions due have been fully paid.

About the litigation with the Italian Revenue Service (for a total amount of €0,4 million, of which €0.2 million pertaining to the subsidiary Unical), referring to the purchase in October 2008 of the 100% ownership interest in Calcestruzzi Nord Ovest Srl and requalified by the financial administration as purchase of a line of business, the Provincial Tax Court ruled in our favor. Against that judgment the Italian Revenue Service filed an appeal with the Regional Tax Court. To date the appeal has not been discussed yet.

At the end of 2011 and in 2012, the company underwent a tax audit by the Revenue Service; the audit concerned income tax and value added tax of the years 2006, 2007, 2008, 2009, 2010 and 2011. The minutes of the assessment contain a single remark on the fair market value of the intra-group interest expense in each of the fiscal years from 2006 to 2011. The higher taxable income notified for all the years from 2006 to 2011 amounts to €19,6 million approx. So far the company received four notices of assessment for the years 2006, 2007, 2008 and 2009. The higher taxes assessed, the sanctions inflicted and the legal interests accrued amount to approximately €9,6 million for all the four notices of assessment. The above notices of assessment have been impugned before the Provincial Tax Court of Turin.
The case was discussed at the hearing on 10 February 2015, but so far no decision has been given yet. The company's advisors deem that the defense elements are well-grounded and sound and the losing risk is remote; consequently the company has not set aside any provision in the financial statements.

As regards the measures adopted for the remediation of the Augusta (SR) roadstead, the land areas and the respective underneath aquifers, Buzzi Unicem is involved in a legal suit and had to institute a number of proceedings before the Regional Administrative Court (TAR) of Sicily – Catania division – against the Ministry and various public and private entities. The TAR of Sicily, Catania, with judgment dated 11 September 2012, not appealed by the Ministry, acknowledged that the company was not involved at all in the pollution of the Augusta roadstead. Conversely, no jurisprudential pronouncements and major developments in the proceedings have been recorded as regards the final project for the remediation and safety of the land areas and underneath aquifer, against which the company has appealed before the competent jurisdiction authorities, together with some subsequent implementation acts. Finally the company has maintained a technical confrontation with the Ministry for Environment in order to evaluate the feasibility, fairness and sustainability of an out-of-court settlement, which however would imply the acceptance of the Plan Agreement. However this option was not pursued, because of both uncertainties on the ensuing economic charges and the questionable compliance with the EC regulations in force about environmental damages. As an alternative to the acceptance of the Plan Agreement, the company has instead brought forward on its own the procedural fulfillments aimed at the characterization, risk analysis and remediation and/or permanent safety of its land areas and portions of the underneath aquifer affected. These requirements are currently being evaluated by the Ministry for Environment which has already ruled favorably on certain aspects through decision-making conference, with requirements that the company has not opposed. Awaiting the development of the above proceedings, the company prudentially maintains in the books the relevant provision of €3.0 million.

As regards the €11.0 million fine inflicted by the Italian antitrust authority to the subsidiary Unical SpA for alleged anti-competitive practices in the Milan market, the Antitrust Authority, by judgment of 10 December 2013, reassessed the fine reducing it to about €7.0 million and required to settle the amount within 30 days from the date the order was notified (occurred on 8 January 2014). The Authority moreover ordered Unical to pay within the same deadline the additional charges due ex art. 27, paragraph 6, of law no 689/81 for a total of about €6.3 million. The subsidiary Unical, deeming that the new assessment of the fine was excessive and not consistent with the precepts of the ruling of the Council of State and the additional charges were not due, appealed the assessment judgment before the TAR of Lazio, by claim filed on 28 January 2014. On 13 February 2014 a court order was obtained suspending the payment till the first-instance judgment is pronounced. The hearing for the discussion on the merits was held on 19 November 2014 but to date no judgment has been filed yet. The original fine has been fully provided for in the financial statements, net of the installments already paid.

Regarding the investigation begun in December 2010 by the European Commission (the "Commission"), and aimed to ascertain the existence of anticompetitive practices in the European Economic Area (EEA), and also, possibly through restrictions to imports toward EEA, in the market for cement and other related products, Buzzi Unicem answered all the requests sent by the Commission from the end of 2009 but impugned the last one notified on 1 April 2011 deeming it groundless and in any case disproportionate. However, the European Court, on 14 March 2014 rejected the appeal of the company; Buzzi Unicem challenged such judgment before Court of Justice; the proceeding are currently pending. At the present stage of the survey we deem that no evidence exists that could constitute an infringement of the antitrust laws and consequently no provision has been recognized.

In relation to the procedure for the purchase of all outstanding common and preferred shares of the subsidiary Dyckerhoff held by minority shareholders (squeeze-out), a total of 94 requests for price revision have been notified to Buzzi Unicem. The price of the shares was determined based on the evaluation of two different external auditors (one of them appointed by the Court of Frankfurt), pursuant to the current German law. Consequently, the company deems that the minority shareholders claims are groundless and has disputed all claims notified in front of the Court. The first hearing is scheduled for 28 April 2015.

The process of a Belgian company against Dyckerhoff and other German cement producers, in front of the Court of Düsseldorf for damages to customers arising from an alleged cartel agreements at the national level, closed in December 2013 with the rejection of the merits of claim. The claimants appealed against the first instance judgment in front of the Higher Regional Court of Düsseldorf that on 18 February 2015 rejected the appeal deciding also to the ineligibility of further appeals on his decision, although there remains the possibility of the claimants to appeal such judgment. On 9 March, 2015 Dyckerhoff received from CDC a conciliatory proceedings request for three damage claims. These claims are based on three regional cartels and not anymore on a national cartel. The conciliation request was rejected but it cannot be excluded that CDC will now try to file its claims with the relevant courts. As things stand we do not expect a negative financial impact from these proceedings.

Furthermore, we confirm that the final decision of the Polish Cartel Office, which inflicted a monetary penalty to six cement producers, including the subsidiary Dyckerhoff Polska that has been fined around €15 million, has been appealed before the Warsaw Regional Court, which issued its pronouncement in December 2013 reducing the penalty to an amount of approximately €11.3 million. Our subsidiary Dyckerhoff Polska appealed against the reassessment of the fine. The revised fine has been fully provided for in the financial statements.

In February 2012, the Antitrust Authority in the Netherlands opened a preliminary investigation on the domestic ready-mix concrete market, where the company operates through a subsidiary. The findings are not available yet since the investigation is still in progress. However, from our point of view, its outcome will have no material impact on the economic and financial position of the group.

Our Dutch subsidiary Dyckerhoff Basal Toeslagstoffen has received in 2015 a damage-claim in the amount of €7.4 million for an alleged failure to comply with some of its contractual obligations related to a sand quarry. The claimant has obtained adequate security measures on the amount sued for. The company did not create any provision as the risk of an adverse outcome is deemed to be remote.

In Ukraine there are pending litigations concerning claims filed by the Revenue Service that relate to value-added tax and deductibility of operating expenses for production plants. After closing some of the proceedings with judgments in favor of the company during 2014 and considering the significant devaluation of the local currency, the total amount of outstanding litigations decreased to approximately €1.1 million. The claims by the Revenue Service seem not to be supported by the enacted legislation and an appeal was lodged against the requests that are still unresolved.

In relation to the sale of the Russian subsidiary ZAO Akmel in 2013, several claims were presented in 2014 against our subsidiaries OAO Sucholoszhkcement and Dyckerhoff GmbH, for which a provision in the financial statements was recognized. Moreover, as regards the cancellation request of a contract between the sold company and OAO Sucholoszhskcement, following an unfavorable second instance judgment an amount of 199,94 million ruble (approximately €2.8 million) had to be paid; however, an appeal was lodged to the cassation court against such sentence.

In the United States of America, numerous lawsuits and claims exists that have been filed against Lone Star Industries, Inc. (LSI) regarding silica-containing or asbestos containing materials sold or distributed by the company or its subsidiaries in the past and used primarily in construction and other industries. The plaintiffs allege that the use of such materials caused work-related injuries. LSI maintained product liability and comprehensive general liability insurance coverage, to the extent available, for most of the time that it sold or distributed silica-containing and asbestos-containing materials. Further, between 2009 and 2010, LSI and its major insurance carriers entered into settlement agreements that define the parties responsibilities and cost shares for these liabilities until 2019. Estimating the costs associated with silica-related and asbestos-related claims involves many uncertainties that may affect the amount and timing of the losses. The Company however maintains a provision for the liabilities not expected to be covered by insurance.

48. Related-party transactions

Buzzi Unicem SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 58.6% of the voting rights. The company assembles the professional skills, the human resources and the equipment that allow it to provide assistance to other subsidiaries and associates.

Buzzi Unicem SpA regularly carries out trading transactions with a number of associates and/or joint ventures, which mainly consist of sales of goods to entities operating in the business of cement, ready-mix concrete and admixtures. Furthermore the company provides upon request to the same entities technical and engineering services. Goods are sold on the basis of the price lists in force with non-related parties. Services are usually negotiated with related parties on a cost-plus basis. There are also some transactions of financial nature with the same entities; equally, they have normal terms and interest rate conditions. The main relationship with the parent company Fimedi SpA and its subsidiaries or other entities that are significantly influenced by individuals with significant voting power in Fimedi SpA, consists of sales of services in the area of administration, taxation, legal affairs, payroll and information systems, for limited amounts. The company and its Italian subsidiaries are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA acting as the parent.

Set out below are the main transactions carried out with related parties and the correspon-ding year-end balances:

(thousands of euro)	2014	in % of reported balance	2013 restated	in % of reported balance
Sales of goods and services:	39,307	1.5	39,122	1.5
Associates and unconsolidated subsidiaries	28,124		27,668	
Joint ventures	11,086		11,343	
Parent companies	17		17	
Other related parties	80		94	
Purchases of goods and services:	34,550	2.0	25,672	1.5
Associates and unconsolidated subsidiaries	24,395		16,906	
Joint ventures	9,396		8,321	
Parent companies	-		1	
Other related parties	759		444	
Internal works capitalized:	-	-	939	16.8
Joint ventures	-		939	
Finance revenues:	1,510	1.3	456	0.9
Associates and unconsolidated subsidiaries	62		86	
Joint ventures	1,239		9	
Other related parties	209		361	
Finance costs:	2	-	3	-
Associates and unconsolidated subsidiaries	1		1	
Joint ventures	1		-	
Other related parties	-		2	
Trade receivables:	9,546	2.6	14,540	3.9
Associates and unconsolidated subsidiaries	7,043		8,144	
Joint ventures	2,418		6,291	
Parent companies	21		21	
Other related parties	64		84	
Loans receivable:	1,745	9.4	1,732	6.7
Associates and unconsolidated subsidiaries	1,455		693	
Joint ventures	290		1,039	
Other receivables:	21,866	16.5	20,748	14.2
Associates and unconsolidated subsidiaries	229		32	
Joint ventures	1,968		46	
Parent companies	19,669		20,670	
Cash and cash equivalents:	558	0.1	360	0.1
Other related parties	558		360	
Trade payables:	8,912	4.0	6,695	3.1
Associates and unconsolidated subsidiaries	6,232		3,151	
Joint ventures	2,680		3,544	
Other payables:	820	0.6	719	0.5
Associates and unconsolidated subsidiaries	811		719	
Joint ventures	9		-	
Guarantees granted:	-		1,937	
Associates and unconsolidated subsidiaries	-		1,937	

Key management includes the directors of the company (executive and non-executive), the statutory auditors and seven other senior executives (of which one has ceased his relationship with the group during the year). The compensation paid or payable to key management for employee services, not included in the previous table, is shown below:

(thousands of euro)	2014	2013
Salaries and other short-term employee benefits	5,198	4,653
Post-employment benefits	786	713
Other long-term benefits	-	-
Termination benefits	1,706	96
Share-based payments	-	-
	7,690	**5,462**

49. Business combinations

On 1 December 2014 the group acquired 100% of **Uralcement** (now OOO Dyckerhoff Korkino Cement), for a simultaneous consideration of €104 million (enterprise value), plus cash acquired. Uralcement is located by the town of Korkino (Russia), about 40 km south of Chelyabinsk, and it operates in the cement sector. With the bolt-on addition of Uralcement, Buzzi Unicem aims at strengthening its position in the Urals region and leveraging the benefits of the combined production network with the existing Suchoi Log plant. Interesting synergies and opportunities are expected in the area of logistics, product mix and business administration.

The initial accounting of the business combination could be determined only provisionally by the end of the financial year. Hence, the fair values assigned to the acquiree's assets, liabilities or contingent liabilities represent management's best estimate of likely values. The provisional goodwill resulting from the acquisition amounts to €82,433 thousand. The subsequent alignments to the year-end exchange rate caused a reduction of the same goodwill equal to €8,046 thousand. The final measurement will be determined in the financial statements for the year 2015 and will be in whole or in part allocated to the assets of the company according to a specific appraisal. None of the goodwill recognized is expected to be deductible for income tax purposes.

The consideration paid, the provisional fair value of the assets acquired and liabilities assumed at the acquisition date, are as follows:

(thousands of euro)	Importo
Cash	109,492
Equity instruments	-
Total consideration transferred	**109,492**
Barter transaction	-
Fair value of equity interest held before the business combination	-
Total consideration	**109,492**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Other intangible assets	74
Property, plant and equipment	21,638
Inventories	3,504
Trade and other receivables	2,664
Cash and cash equivalents	3,553
Provisions and employee benefits	(100)
Deferred income tax liabilities	(1,022)
Trade and other payables	(3,253)
Total identifiable net assets	**27,059**
Goodwill	**82,433**
	109,492
Acquisition-related costs	-

Had Uralcement (now Dyckerhoff Korkino Cement) been consolidated from 1 January 2014, the consolidated income statement would show pro-forma net sales of €2,556,225 thousand and profit of €125,492 thousand.

50. Events after the balance sheet date

On 18 March Buzzi Unicem has submitted to the controlling shareholders a binding offer for to acquire a 99.5% interest in the share capital of Sacci SpA (SACCI), one of the major players of the cement sector in Italy, operating in the Central and Northern parts of the country with an adequate vertical integration in the ready-mix concrete industry, especially in the Central regions. The target company is currently involved in a debt restructuring agreement pursuant to article 182-bis of the Bankruptcy Law, endorsed by the Court of Rome in July 2013. The offer provides the simultaneous relief of all outstanding liabilities resulting from the previous debt restructuring agreement.

On 26 March 2015 the controlling shareholders of Sacci have accepted the offer. The execution of the contract is subject both to the approval by the Italian Antitrust Authority and to the endorsement of the banks and creditors that take part in the above mentioned debt restructuring agreement. The financial commitment to complete the transaction amounts €120 million, which will be paid with available liquidity and/or existing credit facilities. A further outlay may be payable on top of the original commitment upon the occurrence of specific future events (earn-out clause), including in particular the achievement of a certain level of aggregate turnover by Buzzi Unicem and SACCI together in Italy and the possible subsequent disposal of facilities that are no longer used for industrial operations.

As far as the trading outlook is concerned, reference is made to the appropriate chapter in the review of operations.

Casale Monferrato, 27th March 2015

On behalf of the Board of Directors
The Chairman
Enrico Buzzi

List of companies included in the consolidated financial statements and of equity investments

Name	Registered office		Share capital	Ownership interest held by	% of owner-ship	% of voting rights
Companies consolidated on a line-by-line basis						
Buzzi Unicem S.p.A.	Casale Monferrato (AL)	EUR	123,636,659			
Unical S.p.A.	Casale Monferrato (AL)	EUR	130,235,000	Buzzi Unicem S.p.A.	100.00	
Dyckerhoff GmbH	Wiesbaden DE	EUR	105,639,816	Buzzi Unicem S.p.A.	100.00	
Buzzi Unicem International S.à r.l.	Luxembourg LU	EUR	37,529,900	Buzzi Unicem S.p.A.	100.00	
Buzzi Unicem Algérie S.à r.l.	Draria - Alger DZ	DZD	3,000,000	Buzzi Unicem S.p.A.	70.00	
Deuna Zement GmbH	Deuna DE	EUR	5,113,000	Dyckerhoff GmbH	100.00	
Dyckerhoff Beteiligungsverwaltung GmbH	Wiesbaden DE	EUR	26,000	Dyckerhoff GmbH	100.00	
Tubag GmbH	Kruft DE	EUR	3,836,000	Dyckerhoff GmbH	100.00	
Dyckerhoff Beton GmbH & Co. KG	Wiesbaden DE	EUR	18,000,000	Dyckerhoff GmbH	100.00	
GfBB prüftechnik GmbH & Co. KG	Flörsheim DE	EUR	50,000	Dyckerhoff GmbH	100.00	
Dyckerhoff Basal Nederland B.V.	Nieuwegein NL	EUR	18,002	Dyckerhoff GmbH	100.00	
Cimalux S.A.	Esch-sur-Alzette LU	EUR	29,900,000	Dyckerhoff GmbH	98.40	
Dyckerhoff Polska Sp. z o.o.	Nowiny PL	PLN	70,000,000	Dyckerhoff GmbH	100.00	
Cement Hranice a.s.	Hranice CZ	CZK	510,219,300	Dyckerhoff GmbH	100.00	
ZAPA beton a.s.	Praha CZ	CZK	300,200,000	Dyckerhoff GmbH	100.00	
TOB Dyckerhoff Ukraina	Kyiv UA	UAH	230,943,447	Dyckerhoff GmbH	100.00	
PAT YUGcement	Olshanske UA	UAH	6,237,414	Dyckerhoff GmbH TOB Dyckerhoff Ukraina	99.14 0.16	
PAT Volyn-Cement	Zdolbuniv UA	UAH	1,402,422	Dyckerhoff GmbH TOB Dyckerhoff Ukraina	98.44 0.28	
OOO Russkiy Cement	Ekaterinburg RU	RUB	350,000	Dyckerhoff GmbH	100.00	
OOO Dyckerhoff Korkino Cement	Pervomaysky settlement RU	RUB	30,000,000	Dyckerhoff GmbH	100.00	
OAO Sukholozhskcement	Suchoi Log RU	RUB	30,625,900	Dyckerhoff GmbH	90.38	
Presa International B.V.	Amsterdam NL	EUR	4,000,000	Buzzi Unicem International S.à r.l.	100.00	
Alamo Cement Company	San Antonio US	USD	200,000	Buzzi Unicem International S.à r.l.	100.00	
RC Lonestar Inc.	Wilmington US	USD	10	Buzzi Unicem International S.à r.l. Dyckerhoff GmbH	51.50 48.50	
Dyckerhoff Gravières et Sablières Seltz S.A.S.	Seltz FR	EUR	180,000	Dyckerhoff Beton GmbH & Co. KG	100.00	
Dyckerhoff Kieswerk Trebur GmbH	Trebur-Geinsheim DE	EUR	125,000	Dyckerhoff Beton GmbH & Co. KG	100.00	
Kieswerk Leubingen GmbH	Erfurt DE	EUR	101,000	Dyckerhoff Beton GmbH & Co. KG	100.00	
SIBO-Gruppe GmbH & Co. KG	Osnabrück DE	EUR	1,148,341	Dyckerhoff Beton GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Hamburg GmbH	Wiesbaden DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00	
MKB Mörteldienst Köln-Bonn GmbH & Co. KG	Hückelhoven DE	EUR	125,500	Dyckerhoff Beton GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	Erfurt DE	EUR	100,000	Dyckerhoff Beton GmbH & Co. KG	95.00	
sibobeton Osnabrück GmbH & Co. KG	Osnabrück DE	EUR	5,368,565	Dyckerhoff Beton GmbH & Co. KG	88.02	
sibobeton Wilhelmshaven GmbH & Co. KG	Osnabrück DE	EUR	920,325	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	85.44 14.56	

List of companies included in the consolidated financial statements and of equity investments

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Companies consolidated on a line-by-line basis (continued)						
sibobeton Ems GmbH & Co. KG	Osnabrück DE	EUR	2,300,813	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	68.21 19.51	
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR	306,900	Dyckerhoff Beton GmbH & Co. KG	66.67	
TB Rheinland GmbH & Co. KG	Remagen DE	EUR	795,356	Dyckerhoff Beton GmbH & Co. KG	55.00	
sibobeton Enger GmbH & Co. KG	Osnabrück DE	EUR	337,453	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	50.00 50.00	
Lichtner-Dyckerhoff Beton Niedersachsen GmbH & Co. KG	Berlin DE	EUR	200,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Ostfriesische Transport-Beton GmbH & Co. KG	Osnabrück DE	EUR	1,300,000	Dyckerhoff Beton GmbH & Co. KG sibobeton Ems GmbH & Co. KG sibobeton Wilhelmshaven GmbH & Co. KG	45.13 24.20 10.67	
Dyckerhoff Basal Toeslagstoffen B.V.	Nieuwegein NL	EUR	27,000	Dyckerhoff Basal Nederland B.V.	100.00	
Dyckerhoff Basal Betonmortel B.V.	Nieuwegein NL	EUR	18,004	Dyckerhoff Basal Nederland B.V.	100.00	
Béton du Ried S.A.S.	Krautergersheim FR	EUR	500,000	Cimalux S.A.	100.00	
Cimalux Société Immobilière S.à r.l.	Esch-sur-Alzette LU	EUR	24,789	Cimalux S.A.	100.00	
Beton Union Plzen s.r.o.	Plzen CZ	CZK	31,600,000	ZAPA beton a.s.	71.20	
ZAPA beton SK s.r.o.	Bratislava SK	EUR	11,859,396	ZAPA beton a.s. Cement Hranice a.s.	99.97 0.03	
TOB Dyckerhoff Transport Ukraina	Kyiv UA	UAH	51,721,476	TOB Dyckerhoff Ukraina	100.00	
OOO CemTrans	Suchoi Log RU	RUB	20,000,000	OAO Sukholozhskcement	100.00	
OOO Dyckerhoff Suchoi Log obshestvo po sbitu tamponashnich zementow	Suchoi Log RU	RUB	4,100,000	OAO Sukholozhskcement	100.00	
OOO Omsk Cement	Omsk RU	RUB	779,617,530	OAO Sukholozhskcement	100.00	
Alamo Concrete Products Company	San Antonio US	USD	1	Alamo Cement Company	100.00	
Alamo Transit Company	San Antonio US	USD	1	Alamo Cement Company	100.00	
Buzzi Unicem USA Inc.	Wilmington US	USD	10	RC Lonestar Inc.	100.00	
Midwest Material Industries Inc.	Wilmington US	USD	1	RC Lonestar Inc.	100.00	
Lone Star Industries, Inc.	Wilmington US	USD	28	RC Lonestar Inc.	100.00	
River Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
River Cement Sales Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
Signal Mountain Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
Heartland Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
Heartland Cement Sales Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00	
Hercules Cement Holding Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00	
Hercules Cement Company LP	Harrisburg US	USD	n/a	RC Lonestar Inc. Hercules Cement Holding Company	99.00 1.00	
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Erfurt DE	EUR	512,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55	
BTG Beton-Transport-Gesellschaft mbH	Osnabrück DE	EUR	500,000	sibobeton Osnabrück GmbH & Co. KG	100.00	

List of companies included in the consolidated financial statements and of equity investments

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Companies consolidated on a line-by-line basis (continued)						
sibobeton Papenburg GmbH & Co. KG	Osnabrück DE	EUR	300,000	sibobeton Ems GmbH & Co. KG	52.00	
Harex Nederland B.V.	Nieuwegein NL	EUR	18,151	Dyckerhoff Basal Toeslagstoffen B.V.	100.00	
BSN Beton Service Nederland B.V.	Franeker NL	EUR	113,445	Dyckerhoff Basal Betonmortel B.V.	100.00	
Megamix Basal B.V.	Nieuwegein NL	EUR	27,227	Dyckerhoff Basal Betonmortel B.V.	100.00	
Wolst Transport B.V.	Dordrecht NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	100.00	
Friesland Beton Heerenveen B.V.	Heerenveen NL	EUR	34,487	Dyckerhoff Basal Betonmortel B.V.	80.26	
Betonmortel Centrale Groningen (B.C.G.) B.V.	Groningen NL	EUR	42,474	Dyckerhoff Basal Betonmortel B.V.	66.03	
ZAPA beton HUNGÁRIA k.f.t.	Zsujta HU	HUF	88,000,000	ZAPA beton SK s.r.o.	100.00	
PAT Kyivcement	Kyiv UA	UAH	277,536	TOB Dyckerhoff Transport Ukraina TOB Dyckerhoff Ukraina	79.73 14.63	
Buzzi Unicem Ready Mix, L.L.C.	Nashville US	USD	n/a	Midwest Material Industries Inc.	100.00	
RED-E-MIX, L.L.C.	Springfield US	USD	n/a	Midwest Material Industries Inc.	100.00	
RED-E-MIX Transportation, L.L.C.	Springfield US	USD	n/a	Midwest Material Industries Inc.	100.00	
Lone Star Properties, Inc.	Wilmington US	USD	100	Lone Star Industries, Inc.	100.00	
Utah Portland Quarries, Inc.	Salt Lake City US	USD	378,900	Lone Star Industries, Inc.	100.00	
Rosebud Real Properties, Inc.	Wilmington US	USD	100	Lone Star Industries, Inc.	100.00	
Compañia Cubana de Cemento Portland, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00	
Transports Mariel, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00	
Proyectos Industries de Jaruco, S.A.	Havana CU	CUP	186,700	Compañia Cubana de Cemento Portland, S.A.	100.00	
Investments in joint ventures valued by the equity method						
Addiment Italia S.r.l.	Casale Monferrato (AL)	EUR	10,400	Buzzi Unicem S.p.A.	50.00	
Cementi Moccia S.p.A.	Napoli	EUR	7,398,300	Buzzi Unicem S.p.A.	50.00	
Serenergy S.r.l.	Milano	EUR	25,500	Buzzi Unicem S.p.A.	50.00	
E.L.M.A. S.r.l.	Sinalunga (SI)	EUR	15,000	Unical S.p.A.	50.00	
S. Paolo S.c.r.l.	Calenzano (FI)	EUR	50,000	Unical S.p.A.	50.00	
Zentramont Baustoffmischanlage GmbH	Völklingen DE	EUR	460,200	Dyckerhoff GmbH	50.00	
Fresit B.V.	Amsterdam NL	EUR	6,795,000	Buzzi Unicem International S.à r.l.	50.00	
Lichtner-Dyckerhoff Beton GmbH & Co. KG	Berlin DE	EUR	200,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
ZAPA UNISTAV s.r.o.	Brno CZ	CZK	20,000,000	ZAPA beton a.s.	50.00	
EKO ZAPA beton a.s.	Praha CZ	CZK	1,008,000	ZAPA beton a.s.	50.00	
Hotfilter Pumpendienst GmbH & Co. KG	Nordhorn DE	EUR	100,000	sibobeton Ems GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	25.00 25.00	
Ravenswaarden B.V.	Lochem NL	EUR	18,000	Dyckerhoff Basal Toeslagstoffen B.V.	50.00	

List of companies included in the consolidated financial statements and of equity investments

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Investments in joint ventures valued by the equity method (continued)						
Roprivest N.V.	Grimbergen BE	EUR	105,522	Dyckerhoff Basal Toeslagstoffen B.V.	50.00	
Aranykavics k.f.t.	Budapest HU	HUF	11,500,000	Dyckerhoff Basal Toeslagstoffen B.V.	50.00	
Betoncentrale Haringman B.V.	Goes NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	50.00	
B.V. Betonmortel Centrale Leeuwarden (B.C.L.)	Leeuwarden NL	EUR	10,891	Dyckerhoff Basal Betonmortel B.V.	50.00	
Eljo Holding B.V.	Groningen NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	50.00	
Megamix-Randstad B.V.	Gouda NL	EUR	90,756	Dyckerhoff Basal Betonmortel B.V.	50.00	
Corporación Moctezuma, S.A.B. de C.V.	Mexico MX	MXN	171,376,652	Presa International B.V. Fresit B.V.	7.58 51.51	
Cementos Moctezuma, S.A. de C.V.	Mexico MX	MXN	1,127,317,866	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Cementos Portland Moctezuma, S.A. de C.V.	Emiliano Zapata MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Cemoc Servicios Especializados S.A. de C.V.	Mexico MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Comercializadora Tezuma S.A. de C.V.	Mexico MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Agregados y Concretos, S.A. de C.V.	Mexico MX	MXN	10,929,252	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Comercio, S.A. de C.V.	Emiliano Zapata MX	MXN	10,775,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Lacosa Concretos, S.A. de C.V.	Emiliano Zapata MX	MXN	11,040,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Proyectos Terra Moctezuma, S.A. de C.V.	Jiutepec MX	MXN	3,237,739	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Concretos, S.A. de C.V.	Mexico MX	MXN	12,670,821	Corporación Moctezuma, S.A.B. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98.01 1.99	
Inmobiliaria Lacosa, S.A. de C.V.	Mexico MX	MXN	50,068,500	Corporación Moctezuma, S.A.B. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98.00 2.00	
Concretos Moctezuma de Durango, S.A. de C.V.	Mexico MX	MXN	100,000	Latinoamericana de Concretos, S.A. de C.V. Cementos Moctezuma, S.A. de C.V.	99.00 1.00	
Concretos Moctezuma del Pacifico S.A. de C.V.	Mexico MX	MXN	29,472,972	Latinoamericana de Concretos, S.A. de C.V.	85.00	
Latinoamericana de Concretos de San Luis, S.A. de C.V.	Mexico MX	MXN	15,676,550	Latinoamericana de Concretos, S.A. de C.V.	60.00	
Concretos Moctezuma de Xalapa, S.A. de C.V.	Xalapa MX	MXN	10,000,000	Latinoamericana de Concretos, S.A. de C.V.	60.00	
Concretos Moctezuma de Torreón, S.A. de C.V.	Mexico MX	MXN	14,612,489	Latinoamericana de Concretos, S.A. de C.V.	55.00	
Maquinaria y Canteras del Centro, S.A. de C.V.	Mexico MX	MXN	5,225,000	Latinoamericana de Concretos, S.A. de C.V.	51.00	
Concretos Moctezuma de Jalisco S.A. de C.V.	Mexico MX	MXN	100,000	Latinoamericana de Concretos, S.A. de C.V.	51.00	
CYM Infraestructura, S.A.P.I. de C.V.	Mexico MX	MXN	100,000	Latinoamericana de Concretos, S.A. de C.V.	50.00	

List of companies included in the consolidated financial statements and of equity investments

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Investments in associates valued by the equity method						
Premix S.p.A.	Melilli (SR)	EUR	3,483,000	Buzzi Unicem S.p.A.	40.00	
Société des Ciments de Sour El Ghozlane EPE S.p.A.	Sour El Ghozlane DZ	DZD	1,900,000,000	Buzzi Unicem S.p.A.	35.00	
Société des Ciments de Hadjar Soud EPE S.p.A.	Azzaba DZ	DZD	1,550,000,000	Buzzi Unicem S.p.A.	35.00	
Laterlite S.p.A.	Solignano (PR)	EUR	22,500,000	Buzzi Unicem S.p.A.	33.33	
Salonit Anhovo Gradbeni Materiali d.d.	Anhovo SI	EUR	36,818,921	Buzzi Unicem S.p.A.	25.00	
w&p Cementi S.p.A.	San Vito al Tagliamento (PN)	EUR	2,000,000	Buzzi Unicem S.p.A.	25.00	
Edilcave S.r.l.	Villarfocchiardo (TO)	EUR	72,800	Unical S.p.A.	30.00	
Calcestruzzi Faure S.r.l.	Salbertrand (TO)	EUR	53,560	Unical S.p.A.	24.00	
NCD Nederlandse Cement Deelnemingsmaatschappij B.V. i.L.	Nieuwegein NL	EUR	82,750	Dyckerhoff GmbH	63.12	
Warsteiner Kalksteinmehl GmbH & Co. KG	Warstein DE	EUR	51,129	Dyckerhoff Beteiligungsverwaltung GmbH	50.00	
Nordenhamer Transportbeton GmbH & Co. KG	Nordenham DE	EUR	322,114	Dyckerhoff Beton GmbH & Co. KG	51.59	
TRAMIRA Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden-Dankersen DE	EUR	1,000,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Niemeier Beton GmbH & Co. KG	Diepholz DE	EUR	766,938	Dyckerhoff Beton GmbH & Co. KG	33.33	
Transass S.A.	Schifflange LU	EUR	50,000	Cimalux S.A.	41.00	
S.A. des Bétons Frais	Schifflange LU	EUR	2,500,000	Cimalux S.A.	41.00	
Cobéton S.A.	Differdange LU	EUR	100,000	Cimalux S.A.	33.32	
Bétons Feidt S.A.	Luxembourg LU	EUR	2,500,000	Cimalux S.A.	30.00	
OOO Sukholozhskcemremont	Suchoi Log RU	RUB	10,000	OAO Sukholozhskcement	49.00	
Houston Cement Company LP	Houston US	USD	n/a	Alamo Cement Company	20.00	
Van Zanten Holding B.V.	Zuidbroek NL	EUR	18,151	Dyckerhoff Basal Betonmortel B.V.	25.00	
V.O.F. "Bouwdok Barendrecht"	Barendrecht NL	EUR	n/a	Dyckerhoff Basal Betonmortel B.V.	22.65	
Kosmos Cement Company	Louisville US	USD	n/a	Lone Star Industries, Inc.	25.00	
Cooperatie Megamix B.A.	Almere NL	EUR	80,000	Megamix Basal B.V.	37.50	

List of companies included in the consolidated financial statements and of equity investments

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Other investments in subsidiaries, associates and joint ventures						
Siefic Calcestruzzi S.r.l.	Isernia	EUR	3,176,000	Unical S.p.A.	-	50.00
Cave di Carpenosa S.r.l.	Molini di Triora (IM)	EUR	100,000	Unical S.p.A.	33.50	
S.A.F.I. S.r.l.	Mezzana Bigli (PV)	EUR	14,786	Unical S.p.A.	-	33.33
GfBB prüftechnik Verwaltungs GmbH	Flörsheim DE	EUR	25,600	Dyckerhoff GmbH	100.00	
Dyckerhoff Beton Verwaltungs GmbH	Wiesbaden DE	EUR	46,100	Dyckerhoff GmbH	100.00	
Lieferbeton Odenwald Verwaltungs GmbH	Flörsheim DE	EUR	25,000	Dyckerhoff GmbH	100.00	
Projektgesellschaft Warstein-Kallenhardt Kalkstein mbH	Warstein DE	EUR	25,200	Dyckerhoff GmbH	25.00	
Köster/Dyckerhoff Vermögensverwaltungs GmbH	Warstein DE	EUR	25,000	Dyckerhoff GmbH	24.90	
Köster/Dyckerhoff Grundstücksverwaltungs GmbH & Co. KG	Warstein DE	EUR	10,000	Dyckerhoff GmbH	24.90	
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH	Warstein DE	EUR	25,600	Dyckerhoff Beteiligungsverwaltung GmbH	50.00	
Bildungs-Zentrum-Deuna Gemeinnützige GmbH	Deuna DE	EUR	25,565	Dyckerhoff Beteiligungsverwaltung GmbH	50.00	
sibobeton Hannover Beteiligungsgesellschaft mbH	Osnabrück DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00	
SIBO-Gruppe Verwaltungsgesellschaft mbH	Osnabrück DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	100.00	
Nordenhamer Transportbeton GmbH	Nordenham DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	56.60	
TB Rheinland Verwaltungs GmbH	Neuwied DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	55.00	
Lichtner-Dyckerhoff Beton Niedersachsen Verwaltungs-GmbH	Berlin DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Lichtner-Dyckerhoff Beton Verwaltungs GmbH	Berlin DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Liefergemeinschaft Transportbeton Rollwege West GbR	Wiesbaden DE	EUR	n/a	Dyckerhoff Beton GmbH & Co. KG	50.00	
Niemeier Beton GmbH	Sulingen DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	33.20	
ARGE Betonüberwachung Nesserlander Schleuse GbR	Haren DE	EUR	n/a	GfBB prüftechnik GmbH & Co. KG	50.00	
Dyckerhoff Transportbeton Thüringen Verwaltungs GmbH	Erfurt DE	EUR	25,565	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Schmalkalden Verwaltungs GmbH	Erfurt DE	EUR	25,600	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.58	
ARGE Betonversorgung ICE Feste Fahrbahn Erfurt-Halle GbR	Erfurt DE	EUR	n/a	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	37.00	
MKB Mörteldienst Köln-Bonn Verwaltungsgesellschaft mbH	Hürth DE	EUR	25,000	MKB Mörteldienst Köln-Bonn GmbH & Co. KG	100.00	
Hotfilter Pumpendienst Beteiligungsgesellschaft mbH	Nordhorn DE	EUR	25,000	sibobeton Ems GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	25.00 25.00	
sibobeton Papenburg Beteiligungsgesellschaft mbH	Osnabrück DE	EUR	25,000	sibobeton Ems GmbH & Co. KG	52.00	
Westerwald-Beton Verwaltungs GmbH	Westerburg DE	EUR	25,565	TB Rheinland GmbH & Co. KG	100.00	

For the German partnerships in the legal form of a GmbH & Co. KG consolidated on a line-by-line basis, the exemption according to Article 264b German Commercial Code is applicable.

Information required under article 149-duodecies of the CONSOB Regulation for listed companies

The following table, prepared in accordance with article 149-duodecies of the CONSOB Regulation no. 11971/99, reports the amount of fees charged in 2014 for audit and audit related services provided by the same audit firm and by entities that are part of its network.

(thousands of euro)	Service provider	Service recipient	Fees Charged in 2014
Audit	Reconta Ernst & Young S.p.A.	Parent – Buzzi Unicem S.p.A.	190
	Reconta Ernst & Young S.p.A.	Subsidiaries	54
	Rete Ernst & Young	Subsidiaries	1,040
Attestation	Reconta Ernst & Young S.p.A.	Parent – Buzzi Unicem S.p.A.[1]	-
	Reconta Ernst & Young S.p.A.	Subsidiaries[2]	-
	Rete Ernst & Young	Parent – Buzzi Unicem S.p.A.[3]	28
	Rete Ernst & Young	Subsidiaries[4]	86
Total			**1,398**

[1] Audit procedures agreed on the annual financial information the company must provide to the sub-scribers of the secured senior notes (in compliance with covenants) and for statements for income tax purpose;
[2] Statements for income tax purposes;
[3] Agreed upon procedures on the annual financial information of the Algerian associates Société des Ciments de Sour El Ghozlane and Société des Ciments de Hadjar Soud;
[4] Certifications required under German law, Czech Republic, Ukraine law and Luxembourg law.

Certification of the consolidated financial statements pursuant to article 154-bis of legislative decree 58/98

- The undersigned Pietro Buzzi, as Chief Executive Finance, and Silvio Picca, as Manager responsible for preparing Buzzi Unicem's financial reports, hereby certify, pursuant to the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, that the administrative and accounting procedures for the preparation of consolidated financial statements during the year 2014:

  – are adequate with respect to the company structure and
  – have been effectively applied.

- The undersigned also certify that:

  a) the consolidated financial statements
  – have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel dated 19 July 2002;
  – correspond to the results documented in the books and the accounting records;
  – provide a true and correct representation of the financial conditions, results of operations and cash flows of the issuer and of the entities included in the scope of consolidation.

  b) the management report includes a reliable operating and financial review as well as the situation of the issuer and of the entities included in the scope of consolidation, together with a description of the major risks and uncertainties to which they are exposed.

Casale Monferrato, 27 March 2015

Chief Executive Finance
Pietro Buzzi

Manager responsible for preparing financial reports
Silvio Picca

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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders
of Buzzi Unicem S.p.A.

1. We have audited the consolidated financial statements of Buzzi Unicem S.p.A. and its subsidiaries, (the "Buzzi Unicem Group") as of December 31, 2014 and for the year then ended, comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes of cash flows, the consolidated statement of changes in equity and the related notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Buzzi Unicem S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   With respect to the comparative data related to the consolidated financial statements of the prior year and the consolidated balance sheet at January 1, 2013, derived from the consolidated financial statements at December 31, 2012, all restated as a result of the retrospective application of the newly issued IFRS 11 - Joint arrangements, as described in the related notes, reference should be made to the reports of other auditors respectively issued on April 4, 2014 and April 5, 2013. We have examined the methods used to restate the comparative financial data and the information presented in the notes in this respect for the purposes of issuing this review report.

3. In our opinion, the consolidated financial statements of the Buzzi Unicem Group as of December 31, 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the Buzzi Unicem Group for the year then ended.

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4. The Directors of Buzzi Unicem S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Review of Operations and the Report on Corporate Governance and ownership structure published in the section "Investor relations/Corporate governance" of Buzzi Unicem S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Review of Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance and ownership structure, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Review of Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance and ownership structure , are consistent with the consolidated financial statements of the Buzzi Unicem Group at December 31, 2014.

Turin, April 9, 2015

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, partner

This report has been translated into the English language solely for the convenience of international readers.

Notes

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Milan

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Share Capital € 123,636,658.80

Company Register of Alessandria no. 00930290044

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