Buzzi Unicem

Interim report as at

March 31, 2014

Buzzi Unicem S.p.A.
Registered Office in Casale Monferrato (AL) - Via Luigi Buzzi 6
Share Capital euro 123.636.658,80
Company Register of Alessandria no.00930290044

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Interim management review

In the first quarter 2014, in all geographical areas of group operations, cement and ready-mix concrete demand increased from the same period a year earlier. In the quarter, a quite mild climate in Europe favored deliveries while in the same period of 2013 the heavy precipitation had strongly slowed down sales. The Italian situation although still difficult highlighted some progress in the domestic market and in the sales of semi finished clinker. In Russia the good level of trading attained in the first quarter 2013 was confirmed and also in Ukraine, despite the current ongoing turbulences and big uncertainties on the development of the country's political situation, sales volumes trend was favorable. In the United States of America, activity level was similar to that of Q1-13, although many regions where we operate were hit by the coldest and harshest winter weather in the last 25 years.

In the first months of 2014 global economy and trade continued to expand, but signs of weakness appeared in some emerging countries, slowing down growth prospects. In the United States business suffered from the adverse weather conditions which impacted employment, especially in the construction sector. In Europe exports continued to be the main driver of growth which is slowly improving, while inflation drop was especially pronounced and sharper than expected. In Italy economic activity grew at a moderate pace and signs of stabilization in consumer spending emerged but labor market conditions remained difficult and inflation went down sharply, reflecting demand weakness. The impact of tensions with Russia following the events in which Ukraine is involved was so far limited; if the conflicts were to worsen, there would be repercussions for the euro area via supplies and prices of energy and on trade.
Cement sales by the group at 4.8 million tons were up 15.2% from Q1-13. The volumes favorable variance was reported in all geographical areas of operations, with an especially robust growth in Central Europe. Ready-mix concrete volumes showed an even more marked progress and totaled 2.5 million cubic meters, up 19.9% from the same period in 2013.

Price effect in local currency was positive compared with Q1-13 in the United States, Poland, Russia and Luxembourg. Conversely, net unit revenues, always in local currency, were lower in Italy, mainly as a consequence of a different mix and showed slight decreases in Germany, the Czech Republic and Ukraine.

Consolidated net sales improved by 11.6% from €444.9 million to €496.4 million, gross of a foreign exchange effect which unfavorably accounted for €18.1 million. EBITDA closed at €10.3 million, up €18.7 million from Q1-13; changes in scope of consolidation were positive for €0.2 million and foreign exchange effect was negative for €2.8 million. On a like-for-like basis, net sales would have increased by 15.7% and EBITDA would have come out at €13.1 million. The 2014 figure was penalized for €1.3 million by non-recurring costs (€1.7 million non-recurring costs in 2013). Net of non-recurring items, EBITDA went from a loss of €6.8 million to positive €11.6 million, with EBITDA to sales margin at 2.3%. After amortization and depreciation for €47.7 million (€50.1 million in Q1-13) Ebit was negative for €37.4 million (negative for €58.6 million in 2013). Net finance costs increased from the previous year (€32.7 million vs. €25.3 million in 2013), as a consequence of higher non-cash items due to the net balance from foreign exchange differences and derivative financial instruments. Equity in earnings of associates, following the retrospective adoption of the new IFRS 11, includes for the first time also the share referring to the associate Corporación Moctezuma (Mexico), which was previously consolidated at 50% by the proportional method, for a contribution €9.0 million (€7.1 million in Q1-13). Due to the impact of the factors outlined above, the first quarter 2014 closed with a loss before tax of €61.1 million vs. a loss of €76.7 million at March 2013. After taxes, net loss for the period came in at €53.4 million (€53.8 million being the share of loss attributable to the owners of the company).

Net sales and EBITDA breakdown by geographical area is as follows:

Net sales

million euro	*Q1-14*	*Q1-13*	*Change abs*
Italy	86.6	83.0	3.6
United States of America	152.5	148.8	3.7
Germany	127.8	94.5	33.3
Luxembourg	24.8	19.2	5.5
Netherlands	13.2	13.3	-0.1
Czech Republic	22.8	17.4	5.4
Poland	17.1	11.7	5.3
Ukraine	16.9	15.4	1.5
Russia	40.6	47.7	-7.1
Eliminations	-5.8	-6.2	0.4
	496.4	**444.9**	**51.5**

EBITDA

million euro	*Q1-14*	*Q1-13*	*Change abs*
Italy	-8.9	-10.1	1.2
United States of America	7.0	10.2	-3.2
Germany	0.2	-9.9	10.1
Luxembourg	0.3	-1.1	1.4
Netherlands	-0.8	-2.8	2.0
Czech Republic	-0.7	-2.7	2.0
Poland	0.3	-2.3	2.6
Ukraine	-2.4	-5.2	2.8
Russia	15.1	15.3	-0.2
	10.3	**-8.5**	**18.7**

Cash flow for the period was negative by €5.8 million (negative by €16.8 million at March 2013). Net debt as at 31 March 2014 amounted to €1,170.6 million, up €73.4 million over year-end 2013. Capital expenditures accounted for a total of €38.7 million of the figure (€37.7 million in Q1-13), €6.0 million thereof referring to special projects. As at March 31, 2014, total equity, inclusive of non-controlling interests, stood at €2,177.3 million vs. €2,298.7 million as at December 31, 2013. Consequently debt/equity ratio was equal to 0.54 (0.48 at 2013 year-end).

Italy

The first months of 2014 foreshadow the continuation of a moderate recovery in economic activity. Industrial output, which had reported a turnabout at the end of last summer, continued to expand, although Italian exporters’ competitiveness was further deteriorated by the euro appreciation. Business confidence was still in improvement and also spending on investment recovered, but the development continued to be held back by poor profitability and credit conditions. The economic activity’s positive signs have not passed on to labor market yet: unemployment rate reached 13% in February 2014 and youth unemployment was up to 42.4%. Conditions of Italian financial markets continued to improve: yields on government securities and sovereign risk premiums decreased, share prices went up and risk premiums for private-sector bonds fell. In the construction segment pessimism mitigated, but the cyclical phase remains negative.

Our sales of hydraulic binders and clinker, exports included, progressed by 15.2% from Q1-13 when deliveries pace was quite depressed. Selling prices showed a good steadiness compared with the 2013 year-end level, but they decreased by 8.4% QoQ, reflecting the different mix of products sold, i.e. higher sales of semi-finished clinker, and the negative trend occurred during the previous year. In the ready-mix concrete sector output rose by 11.5% with prices down by 8.9%. Overall, net sales came in at €86.6 million, up 4.3% from €83.0 million while EBITDA closed in negative territory for €8.9 million vs. a negative figure of €10.1 million in Q1-13.

Central Europe
Since the last quarter of 2013, this geographical area belonging to the Eurozone has benefited from a new increase in exports and investment spending. In the first months of the current year economic activity confirmed the tendency to a moderate expansion. Investment in constructions, especially residential building, showed a positive trend in Germany, a progress in Luxembourg and a slight recovery in the Netherlands.

In Germany, the comparison between especially cold and snowy weather conditions in Q1-13 and quite mild ones in the current year helped attain a growth of 32.6% in cement sales and 42.9% in ready-mix concrete volumes in the first quarter 2014. Cement selling prices were virtually stable (-0.7%) while ready-mix concrete ones slightly increased (+0.7%). Overall net sales stood at €127.8 million vs. €94.5 million in Q1-13 and EBITDA at €0.2 million went back to positive territory (loss of €9.9 million in the previous year). The 2014 figure includes €1.3 million non-recurring costs due to restructuring expenses.

In Luxembourg as well, thanks also to favorable weather conditions, our cement and clinker volumes reported a sizeable increase (+26.7%) with resilient prices (+1.6%). Net sales at €24.8 million, were up 28.8% from €19.2 million in 2013. EBITDA was positive for €0.3 million (loss of €1.1 million in the previous year).

In the Netherlands, ready-mix concrete volumes sold in the first three months were up 5.9% with prices declining by 3.8%. Net sales at €13.2 million were virtually stable (€13.3 million in 2013) and EBITDA, although improving, remained negative for €0.8 million (-€2.8 million in 2013).

Eastern Europe
In the first quarter, the countries belonging to the European Union (the Czech Republic, Slovakia, Poland) and also Ukraine benefited from a more favorable weather conditions compared with the first three months of 2013 and from a pace of economic growth slowly but gradually recovering. Russia featured normal seasonality and the expected slowdown of economic growth rate had no material impact on the construction sector.

In the Czech Republic, cement sales volumes increased by 27.1% and average prices in local currency were slightly down (-1.2%). The ready-mix concrete sector, which includes also Slovakia operations, as well opened the year with volumes in strong progress (+52.5%) but with no advantage for prices so far. Overall net sales, which were penalized for €1.4 million by a negative foreign exchange effect, amounted to €22.8 million, up 31.1% from €17.4 million in the previous year. EBITDA remained negative but improved to -€0.7 million vs. -€2.7 million in Q1-13.

In Poland, winter trading was very lively and cement deliveries reported a 57.3% increase, along with a sizeable improvement of ready-mix concrete output (+34.1%). Average prices in local currency showed an upward trend for cement (+5.8%) and a non-material negative variance in the ready-mix concrete sector.

Net sales, only marginally impacted by foreign exchange fluctuation, reached €17.1 million from €11.7 million in 2013 (+45.6%). EBITDA stood at €0.3 million (negative for €2.3 million in 2013).

The serious domestic political problems that trouble Ukraine and escalated into the street riots of the last months, raise concern on the future of the Country and its level of economic activity but, for the time being, have not had any significant effect on our industrial operations. On the opposite, thanks to the mild climate, in the first three months cement sales volumes advanced by 21.3% in an environment of declining prices (-1.5% in local currency). Net sales at €16.9 million, were up 9.4% from €15.4 million in 2013 and EBITDA increased from -€5.2 million to -€2.4 million, both affected by an abrupt devaluation of the currency (-17.4%). To be reminded that the 2013 figure included non-recurring costs for €1.7 million. Consequently, net of non-recurring items, EBITDA increased by €1.1 million.

In Russia, where the economic situation began suffering from the political frictions with Ukraine and growth prospects were downsized, our cement sales remained at the same level as in the previous period (+0.4%) with strengthened average selling prices (+1.9%). The translation of results into euro was strongly penalized by the ruble devaluation (-19.7%). Net sales stood at €40.6 million vs. €47.7 million in 2013, down by 14.9%. Expressed in local currency they would have posted a 1.9% increase. EBITDA decreased from €15.3 million to €15.1 million (-1.5%) while in local currency it would have improved by 16.5%.

United States of America
Starting from the month of February, industrial output and retail sales recovered, after a flatter start of the year due to the very adverse weather in several regions. Job creation intensified and unemployment rate in March stood at 6.7%. The most recent estimates on cement consumption for the current year confirm a good growth from 2013, driven by a lively housing demand, a resilience in the commercial sector and a return to a positive growth also in infrastructure spending.
Despite a challenging comparison with the positive results of Q1-13 and the harsh temperatures which hampered building activities also in the South-West of the Country, our cement sales, increased by 3.1% with average selling prices in local currency higher by 4.0%. Ready-mix concrete output closed the quarter down by 5.8% but with prices in clear improvement. Overall net sales thus came in at €152.5 million from €148.8 million in 2013 (+2.5%). Foreign exchange effect was unfavorable for €5.7 million. EBITDA stood at €7.0 million vs. €10.2 million in 2013, including a negative foreign exchange effect for €0.3 million. Compared with Q1-13, the result was negatively influenced by a higher concentration of maintenance programs and the destocking of clinker.

Mexico (valued by the equity method)
Expectations of a gradual return to a growth path more consistent with the Country's potential, after last year's abrupt slowdown, started to appear more well-founded. The first part of 2014 confirmed the turnabout occurred in the last quarter of 2013, showing a satisfactory rate of improvement in cement sales. Average

prices in local currency were still declining vs. Q1-13 but they showed some resilience from year 2013 exit ones. Ready-mix concrete sales decreased by few percentage points, a project having been undertaken to revise and streamline the operating structure of that business. Net sales and EBITDA in local currency increased by 12.9% and 17.4% respectively. The Mexican peso depreciation negatively impacted the translations of the results into euro. With reference to 100% of the associate, net sales in euro were up 4.0% from €113.6 million to €118.1 million and EBITDA improved by 8.2% and came in at €44.1 million vs. €40.7 million in 2013. The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €9.2 million.

Outlook

In Central Europe and in most Eastern European markets, the first quarter 2014 featured a quite mild climate which enhanced construction sites operations. Moreover, also the general economic activity is showing a gradual recovery. As for the Italian market we think that the improvement plans currently underway will bring some benefits, in a sector's outer environment (volumes, prices, production structure) troubled by still unsolved crucial points. Operating trend in the United States has shown a progressive improvement from March onwards, after the first two months penalized by bad weather. The unforeseeable developments of the political and media conflict between Ukraine and Russia instead fuel growing uncertainties and less favorable prospects. Overall the likely trend of the current year will thus be better defined only after the second quarter results. On the occasion of this first interim report, we can confirm for the full year 2014 our expectations of operating results similar or in slight improvement over those posted in 2013.

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Pursuant to articles 70 and 71 of Consob Regulation no 11971/99, the company avails itself of the faculty of making exception to the obligations to publish the Information Documents required in the event of significant transactions of mergers, spin-offs, capital increases by means of the conferral of assets in kind, acquisitions and disposals.

Casale Monferrato, May 9, 2014

for the Board of Directors

Alessandro Buzzi

(Chairman)

CONSOLIDATED BALANCE SHEET

	(thousands of euro)		
	Mar 31, 2014	Dec 31, 2013 restated*	Dec 31, 2012 restated*
ASSETS			
Non-current assets			
Goodwill	532,726	532,752	584,199
Other intangible assets	10,886	11,527	9,362
Property, plant and equipment	2,723,238	2,796,537	3,016,639
Investment property	25,144	25,207	16,441
Investments in associates	338,472	330,229	373,314
Available-for-sale financial assets	2,542	2,557	3,513
Deferred income tax assets	56,420	44,529	66,037
Other non-current assets	52,823	54,737	55,089
	3,742,251	**3,798,075**	**4,124,594**
Current assets			
Inventories	362,404	386,177	413,870
Trade receivables	366,903	368,933	388,517
Other receivables	84,707	91,528	100,938
Available-for-sale financial assets	730	730	86,989
Derivative financial instruments	-	-	2,307
Cash and cash equivalents	473,592	527,931	526,171
	1,288,336	**1,375,299**	**1,518,792**
Assets held for sale	14,237	2,113	11,546
Total Assets	**5,044,824**	**5,175,487**	**5,654,932**

* restated data following adoption of IFRS 11 Joint arrangements

	Mar 31, 2014	Dec 31, 2013 restated*	Dec 31, 2012 restated*
	(thousands of euro)		
EQUITY			
Equity attributable to owners of the company			
Share capital	123,637	123,637	123,637
Share premium	458,696	458,696	458,696
Other reserves	(10,440)	41,219	156,324
Retained earnings	1,575,708	1,642,079	1,694,273
Treasury shares	(4,768)	(4,768)	(4,768)
	2,142,833	**2,260,863**	**2,428,162**
Non-controlling interests	34,461	37,875	91,897
Total Equity	**2,177,294**	**2,298,738**	**2,520,059**
LIABILITIES			
Non-current liabilities			
Long-term debt	1,356,812	1,356,016	1,384,679
Derivative financial instruments	82,604	77,118	22,310
Employee benefits	395,796	381,784	435,843
Provisions for liabilities and charges	87,217	88,179	125,476
Deferred income tax liabilities	346,079	355,843	366,749
Other non-current liabilities	12,437	13,914	16,651
	2,280,945	**2,272,854**	**2,351,708**
Current liabilities			
Current portion of long-term debt	195,135	196,324	287,872
Short-term debt	1,091	0	70,685
Derivative financial instruments	930	677	4,994
Trade payables	194,368	217,893	229,271
Income tax payables	7,827	8,039	11,223
Provisions for liabilities and charges	44,610	45,529	40,251
Other payables	141,701	135,433	138,869
	585,662	**603,895**	**783,165**
Liabilities held for sale	923	-	-
Total Liabilities	**2,867,530**	**2,876,749**	**3,134,873**
Total Equity and Liabilities	**5,044,824**	**5,175,487**	**5,654,932**

* restated data following adoption of IFRS 11 Joint arrangements

CONSOLIDATED INCOME STATEMENT

	(thousands of euro) January-March 2014	2013 restated*
Net sales	**496,376**	**444,878**
Changes in inventories of finished goods and work in progress	(11,605)	4,006
Other operating income	10,858	13,782
Raw materials, supplies and consumables	(228,342)	(215,455)
Services	(137,141)	(128,980)
Staff costs	(104,862)	(105,416)
Other operating expenses	(15,026)	(21,299)
Operating cash flow (EBITDA)	**10,258**	**(8,484)**
Depreciation, amortization and impairment charges	(47,675)	(50,069)
Operating profit (EBIT)	**(37,417)**	**(58,553)**
Gains on disposal of investments	31	(1)
Finance revenues	8,113	17,500
Finance costs	(40,863)	(42,816)
Equity in earnings of associates	9,021	7,143
Profit (loss) before tax	**(61,115)**	**(76,727)**
Income tax expense	7,669	9,849
Profit (loss) for the period	**(53,446)**	**(66,878)**
Attributable to:		
Owners of the company	(53,844)	(66,321)
Non-controlling interests	398	(557)

* restated data following adoption of IFRS 11 Joint arrangements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(thousands of euro) January-March 2014	2013 restated*
Profit (loss) for the period	**(53,446)**	**(66,878)**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(15,648)	16,370
Income tax relating to items that will not be reclassified	5,219	(5,912)
Total items that will not be reclassified to profit or loss	**(10,429)**	**10,458**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(61,165)	58,485
Income tax relating to items that may be reclassified	5,935	(136)
Total items that may be reclassified subsequently to profit or loss	**(55,230)**	**58,349**
Other comprehensive income for the period, net of tax	**(65,659)**	**68,807**
Total comprehensive income for the period	**(119,105)**	**1,929**
Attributable to:		
Owners of the company	(117,286)	745
Non-controlling interests	(1,819)	1,184

* restated data following adoption of IFRS 11 Joint arrangements

CONSOLIDATED NET FINANCIAL POSITION

	(thousand of euro)	
	Mar 31, 2014	Dec 31, 2013 restated*
Cash and short-term financial assets:		
- Cash and cash equivalents	473,592	527,931
- Short-term monetary investments	130	130
- Derivative financial instruments	-	-
- Other current financial liabilities	7,079	8,935
Short-term financial liabilities:		
- Current portion of long-term debt	(195,135)	(196,325)
- Short-term debt	(1,091)	-
- Derivative financial instruments	(930)	(677)
- Other current financial liabilities	(27,562)	(18,573)
Net short-term cash	**256,083**	**321,421**
Long-term financial assets:		
- Other non-current financial receivables	15,758	17,585
Long-term financial liabilities:		
- Long-term debt	(1,356,812)	(1,356,015)
- Derivative financial instruments	(82,603)	(77,118)
- Other non-current financial liabilities	(2,992)	(3,075)
Net debt	**(1,170,566)**	**(1,097,202)**

* restated data following adoption of IFRS 11 Joint arrangements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This interim report for the three months ended 31 March 2014 has been drawn up in compliance with art. 154 ter of Legislative Decree 58/1998. It has 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 the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2013, to which please refer for additional information.

The preparation of the interim report requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the closing date and the reported amounts of revenues and expenses for the period. In case in the future such estimates and assumptions, based on the best knowledge of the management, should significantly differ from the actual circumstances, they would be modified accordingly in the relevant period in which they change. Income tax expense is accrued using the tax rate that would be applicable to expected total annual profit or loss.

Changes in accounting policy:
The accounting policy adopted are consistent with those of the annual financial statements for the year ended 31 December 2013 except as described below:

- 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. The adoption of this standard has had no impact on this interim report.
- 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. The adoption of the standard has impacted the consolidation of the joint ventures that were previously consolidated using the proportionate 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 impact on this interim report.
- 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 are shown 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. The adoption of this standard has had no impact on this interim report.

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

CONSOLIDATED BALANCE SHEET

(thousands of euro)	Dec 31, 2013 reported	IFRS 11 adjustments	Dec 31, 2013 restated	Dec 31, 2012 reported	IFRS 11 adjustments	Dec 31, 2012 restated
ASSETS						
Non-current assets						
Goodwill	532,752	-	532,752	584,199	-	584,199
Other intangible assets	14,129	2,602	11,527	12,425	3,063	9,362
Property, plant and equipment	2,973,736	177,199	2,796,537	3,208,706	192,067	3,016,639
Investment property	29,249	4,042	25,207	19,299	2,858	16,441
Investments in associates	174,449	(155,780)	330,229	202,944	(170,370)	373,314
Available-for-sale financial assets	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	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	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**
EQUITY						
Equity attributable to owners of the company	**2,260,863**	**-**	**2,260,863**	**2,428,162**	**-**	**2,428,162**
Non-controlling interests	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	1,356,335	319	1,356,016	1,385,154	475	1,384,679
Derivative financial instruments	77,118	-	77,118	22,310	-	22,310
Employee benefits	382,214	430	381,784	437,640	1,797	435,843
Provisions for liabilities and charges	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	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	196,617	293	196,324	288,146	274	287,872
Short-term debt	-	-	-	70,685	-	70,685
Derivative financial instruments	677	-	677	4,994	-	4,994
Trade payables	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	45,840	311	45,529	40,342	91	40,251
Other payables	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) January-March		
	2013 reported	IFRS 11 adjustments	2013 restated
Net sales	**503,135**	**(58,257)**	**444,878**
Changes in inventories of finished goods and work in progress	3,668	338	4,006
Other operating income	13,794	(12)	13,782
Raw materials, supplies and consumables	(233,664)	18,209	(215,455)
Services	(143,607)	14,627	(128,980)
Staff costs	(109,787)	4,371	(105,416)
Other operating expenses	(21,786)	487	(21,299)
Operating cash flow (EBITDA)	**11,753**	**(20,237)**	**(8,484)**
Depreciation, amortization and impairment charges	(53,781)	3,712	(50,069)
Operating profit (EBIT)	**(42,028)**	**(16,525)**	**(58,553)**
Gains on disposal of investments	(1)	-	(1)
Finance revenues	17,905	(405)	17,500
Finance costs	(43,737)	921	(42,816)
Equity in earnings of associates	(959)	8,102	7,143
Profit (loss) before tax	**(68,820)**	**(7,907)**	**(76,727)**
Income tax expense	6,034	3,815	9,849
Profit (loss) for the period	**(62,786)**	**(4,092)**	**(66,878)**
Attributable to:			
Owners of the company	(66,321)	-	(66,321)
Non-controlling interests	3,535	(4,092)	(557)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit (loss) for the period	**(62,786)**	**(4,092)**	**(66,878)**
Items that will not be reclassified to profit or loss			
Actuarial gains (losses) on post-employment benefits	16,370	-	16,370
Income tax relating to items that will not be reclassified	(5,912)	-	(5,912)
Total items that will not be reclassified to profit or loss	**10,458**	-	**10,458**
Items that may be reclassified subsequently to profit or loss			
Currency translation differences	65,866	(7,381)	58,485
Income tax relating to items that may be reclassified	(136)	-	(136)
Total items that may be reclassified subsequently to profit or loss	**65,730**	**(7,381)**	**58,349**
Other comprehensive income for the period, net of tax	**76,188**	**(7,381)**	**68,807**
Total comprehensive income for the period	**13,402**	**(11,473)**	**1,929**
Attributable to:			
Owners of the company	745	-	745
Non-controlling interests	12,657	(11,473)	1,184

CONSOLIDATED NET FINANCIAL POSITION

(thousand 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
- Derivative financial instruments	-	-	-
- Other current financial liabilities	14,302	(5,367)	8,935
Short-term financial liabilities:			
- Current portion of long-term debt	(196,617)	292	(196,325)
- Short-term debt	-	-	-
- Derivative financial instruments	(677)	-	(677)
- Other current financial liabilities	(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 changes occurred in the scope of consolidation during the first three months of 2014 do not alter, overall, in a material way the comparability with the previous period.

For the outlook please refer to the section "Interim management review".

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Equity attributable to owners of the company decreased by €118.0 million from 31 December 2013. The negative change is mainly due to translation differences (€53.0 million), actuarial losses on employee benefits (€10.4 million) and the loss for the period (€53.8 million).

* * *

The increase of 11.6% in net sales compared to the same period of 2013 is due to unfavorable trading conditions (volumes and prices effect) for 15.7% and to unfavorable currency effect for 4.1%.

Segment information

The breakdown of net sales, operating cash flow and operating profit by geographical area is the following:

thousands of euro	*Italy*	*Central Europe*	*Eastern Europe*	*USA*	*Unallocated items and adjustments*	*Total*	*Mexico 100%*
Three months ended 31 March 2014							
Segment revenue	86,645	161,648	95,644	152,456	(17)	**496,376**	116,608
Intersegment revenue	(15)	-	-	-	15	**-**	-
Revenue from external customers	86,630	161,648	95,644	152,456	(2)	**496,376**	116,608
Operating cash flow	(8,867)	(234)	12,380	7,020	13	**10,258**	42,541
Operating profit	(17,356)	(11,383)	1,332	(10,405)	59	**(37,417)**	35,731

thousands of euro	*Italy*	*Central Europe*	*Eastern Europe*	*USA*	*Unallocated items and adjustments*	*Total*	*Mexico 100%*
Three months ended 31 March 2013							
Segment revenue	83,175	123,120	91,565	147,155	(137)	**444,878**	113,596
Intersegment revenue	-	-	-	-	-		-
Revenue from external customers	83,175	123,120	91,565	147,155	(137)	**444,878**	113,596
Operating cash flow	(10,141)	(13,792)	5,168	10,238	43	**(8,484)**	40,744
Operating profit	(20,195)	(25,019)	(6,824)	(6,994)	479	**(58,553)**	33,362

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The manager responsible for preparing the company's financial reports, Silvio Picca, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this interim report corresponds to the document results, books and accounting records.