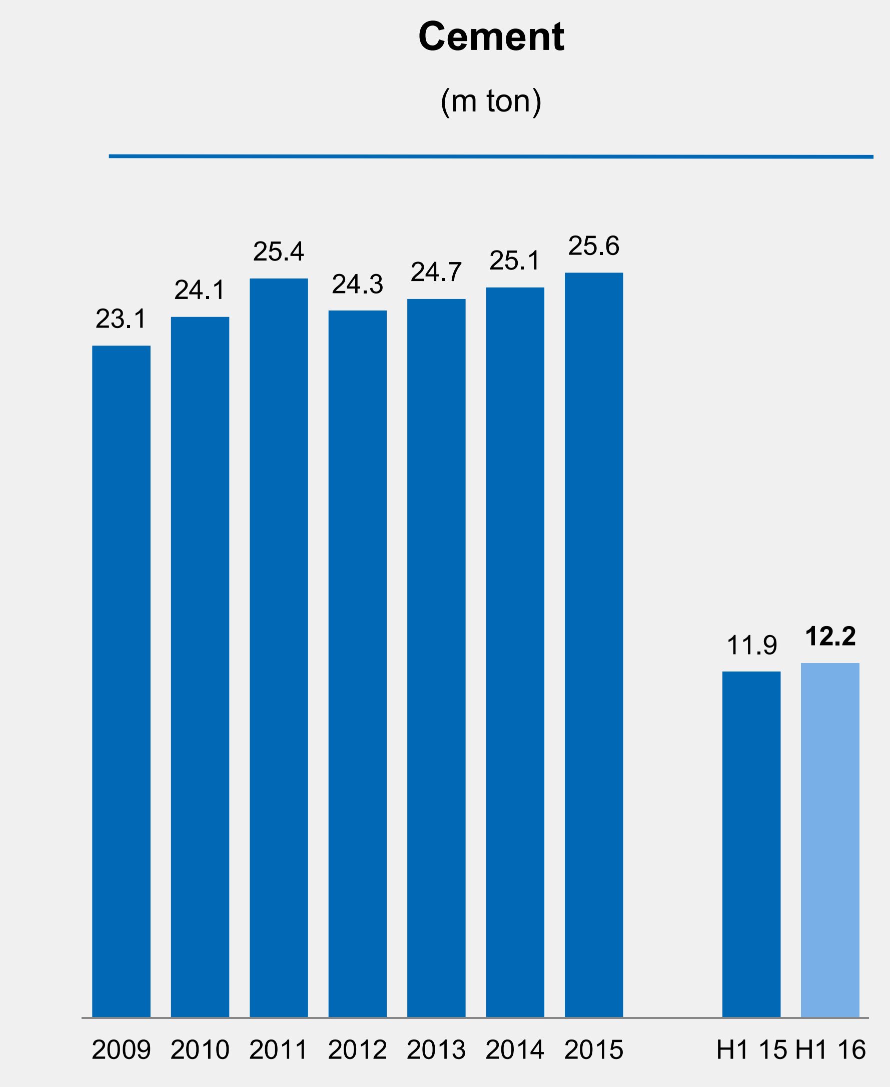
Italian Conference 2016

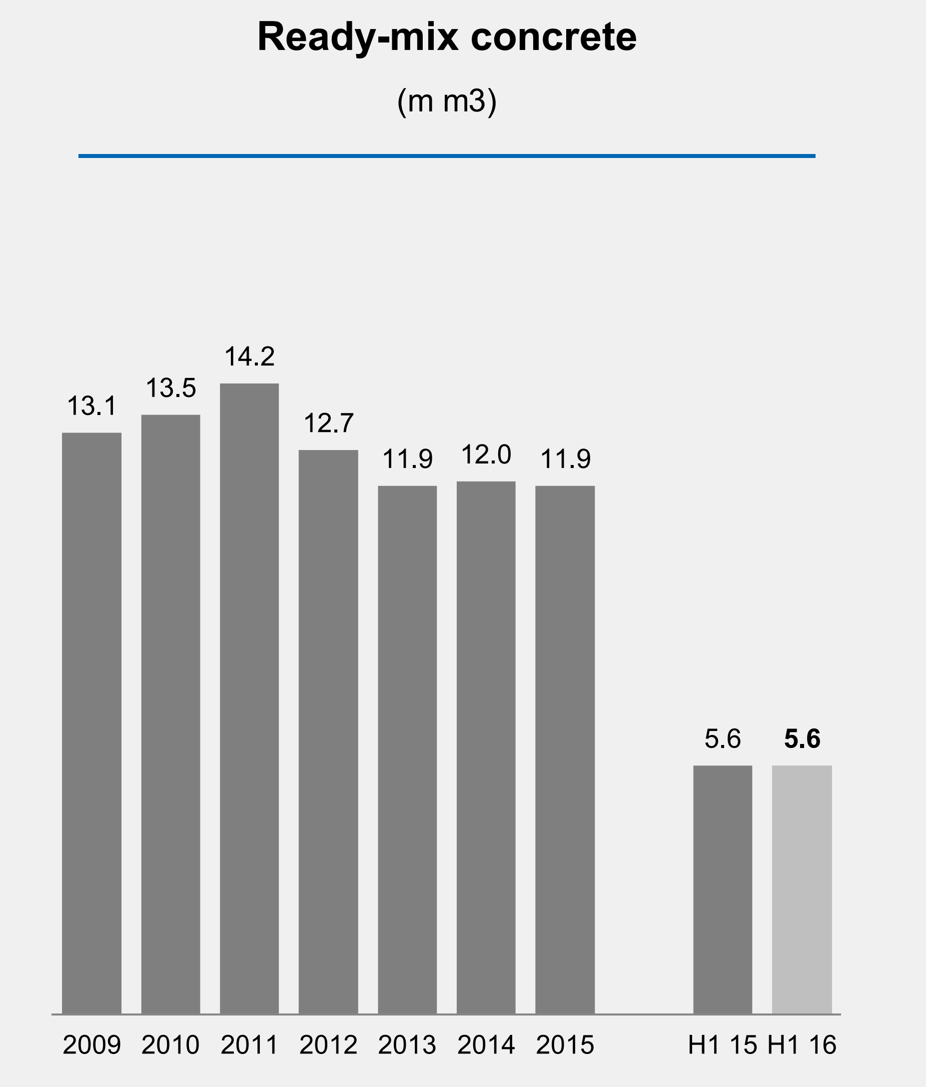
Milan – 30 September 2016

Executive summary H1 2016

- **Volumes**
  - Cement up 2.7% in Q2 and YTD, thanks mainly to a good start to the year in the United States and a positive Q2 in Central and Eastern Europe; ready-mix concrete stable (-0.6%)
  - Italy: poor results in Q2 (cement -6.8%) with export suffering; YTD cement down 3.1% and stable ready-mix (+0.2%)
  - United States: stable volumes in Q2 (cement -0.7%) but favorable YTD (cement +6.1%) thanks to the strong start to the year; central Texas still positive despite continuing slowdown in oil-well cement shipments; ready mix down 6.6%
  - Central Europe: sound Q2 (cement +8.3%; ready-mix concrete +7.0%) and positive YTD (cement +4.8%), with both Germany and Luxembourg up
  - Eastern Europe: favorable trend in Q2 (cement +7.6%) in all the markets and notably in Poland and Ukraine; YTD stable sales (cement +1.0%), mainly due to Poland (+8.1%) and Ukraine (+2.2%); Czech Republic resilient (+0.7%) and Russia down 2.4%
- **Prices**
  - Sound increase in USA and Ukraine (local currency); still unfavorable variance in Poland, to a minor extent also in Luxembourg and Germany; stable or marginal weakness in other markets
- **Foreign Exchange**
  - Negative impact on sales (€m 21.9) due to weaker ruble and hryvnia
- **Results**
  - Revenues at €m 1,261.3 versus €m 1,238.2 (+1.9%)
  - EBITDA at €m 222.5 (recurring €m 219.3) versus €m 166.6 (recurring €m 165.2), boosted by favorable cost variance
  - Fine tuning of the outlook for financial year 2016

Volumes





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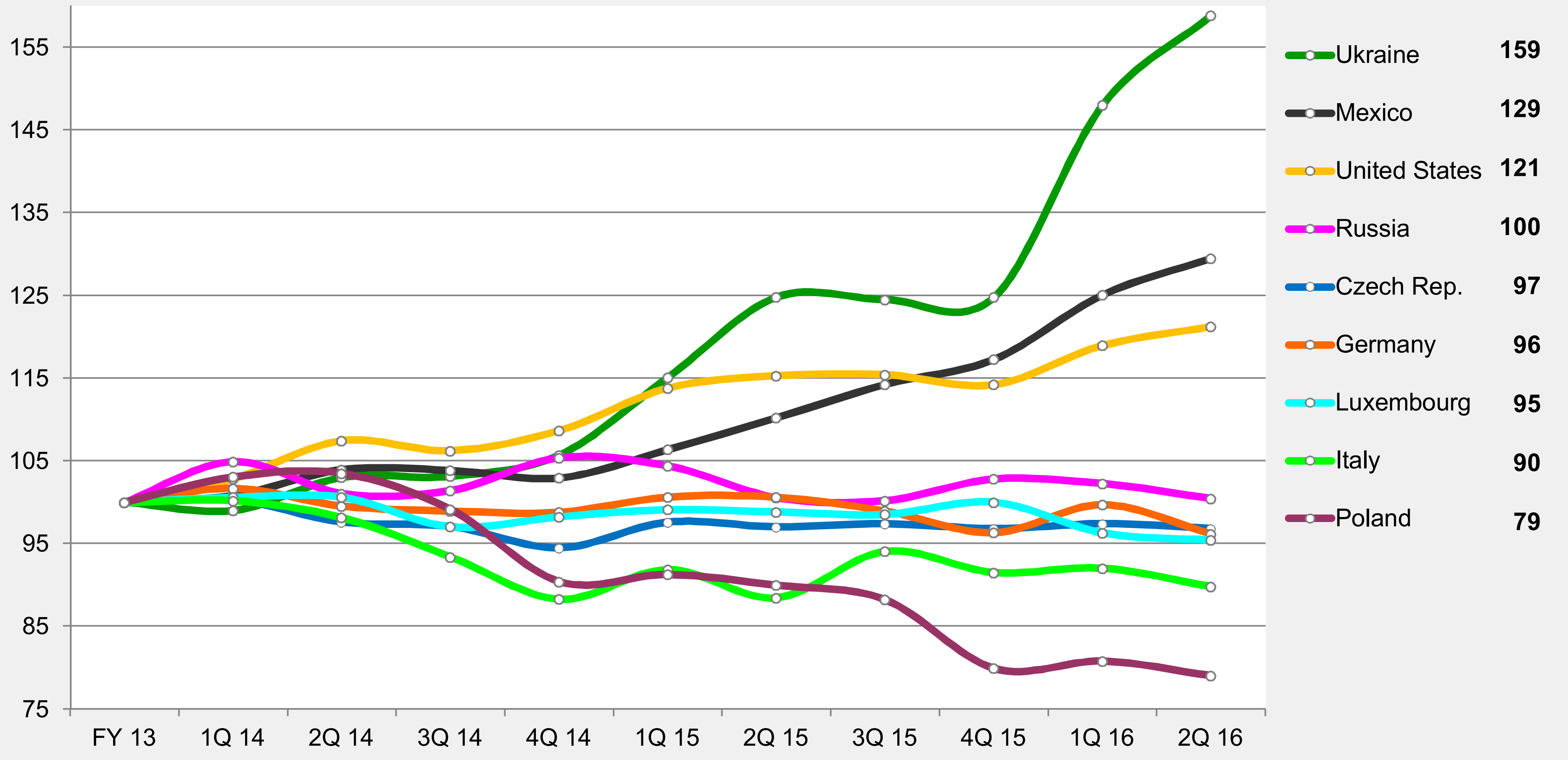
Price trends by country



In local currency; FY13 = 100

FX changes

EUR 1 =	H1 16 avg	H1 15 avg	Δ %	2015 avg
USD	1.12	1.12	0.0	1.11
RUB	78.30	64.64	-21.1	68.07
UAH	28.42	23.87	-19.1	24.28
CZK	27.04	27.50	+1.7	27.28
PLN	4.37	4.14	-5.6	4.18
MXN	20.17	16.89	-19.4	17.62

Net sales by country

EURm	H1 16	H1 15	Δ abs	Δ %	Forex abs	Scope abs	Δ l-f-l %
Italy	187.7	188.8	(1.1)	-0.6	-	-	-0.6
United States	530.2	494.0	36.2	+7.3	(0.1)	-	+7.3
Germany	271.2	269.4	1.8	+0.7	-	(1.9)	+1.4
Lux/Netherlands	87.8	83.5	4.4	+5.2	-	-	+5.2
Czech Rep/Slovakia	60.6	60.1	0.4	+0.7	0.8	(2.5)	+3.6
Poland	43.6	48.2	(4.6)	-9.5	(2.4)	-	-4.5
Ukraine	31.6	29.2	2.4	+8.2	(6.0)	-	+28.8
Russia	67.2	83.4	(16.2)	-19.4	(14.2)	-	-2.4
Eliminations	(18.6)	(18.3)	(0.3)				
Total	**1,261.3**	**1,238.2**	**23.1**	**+1.9**	**(21.9)**	**(4.4)**	**+4.0**
Mexico (100%)	301.5	320.8	(19.2)	-6.0	(58.6)	-	+12.3

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EBITDA by country

EURm	H1 16	H1 15	Δ abs	Δ %	Forex abs	Scope abs	Δ l-f-l %
Italy	(9.3)	(15.1)	5.8	+38.5	-	-	+38.5
USA	142.7	104.8	37.8	+36.1	0.0	-	+36.1
Germany	29.7	24.1	5.7	+23.5	-	0.1	+23.0
Lux/Netherlands	13.5	5.7	7.7	>100	-	-	>100
Czech Rep/Slovakia	12.8	12.4	0.5	+4.0	0.2	-	+2.6
Poland	11.7	10.0	1.6	+16.2	(0.6)	-	+22.6
Ukraine	4.6	1.5	3.1	>100	(0.9)	-	>100
Russia	16.8	23.2	(6.4)	-27.6	(3.6)	-	-12.3
Total	**222.5**	**166.6**	**55.9**	**+33.5**	**(4.9)**	**0.1**	**+36.4**
recurring	219.3	165.2	54.1	+32.8	(4.9)	0.1	+28.2
Mexico (100%)	146.6	131.4	15.2	+11.6	(28.5)	-	+33.3

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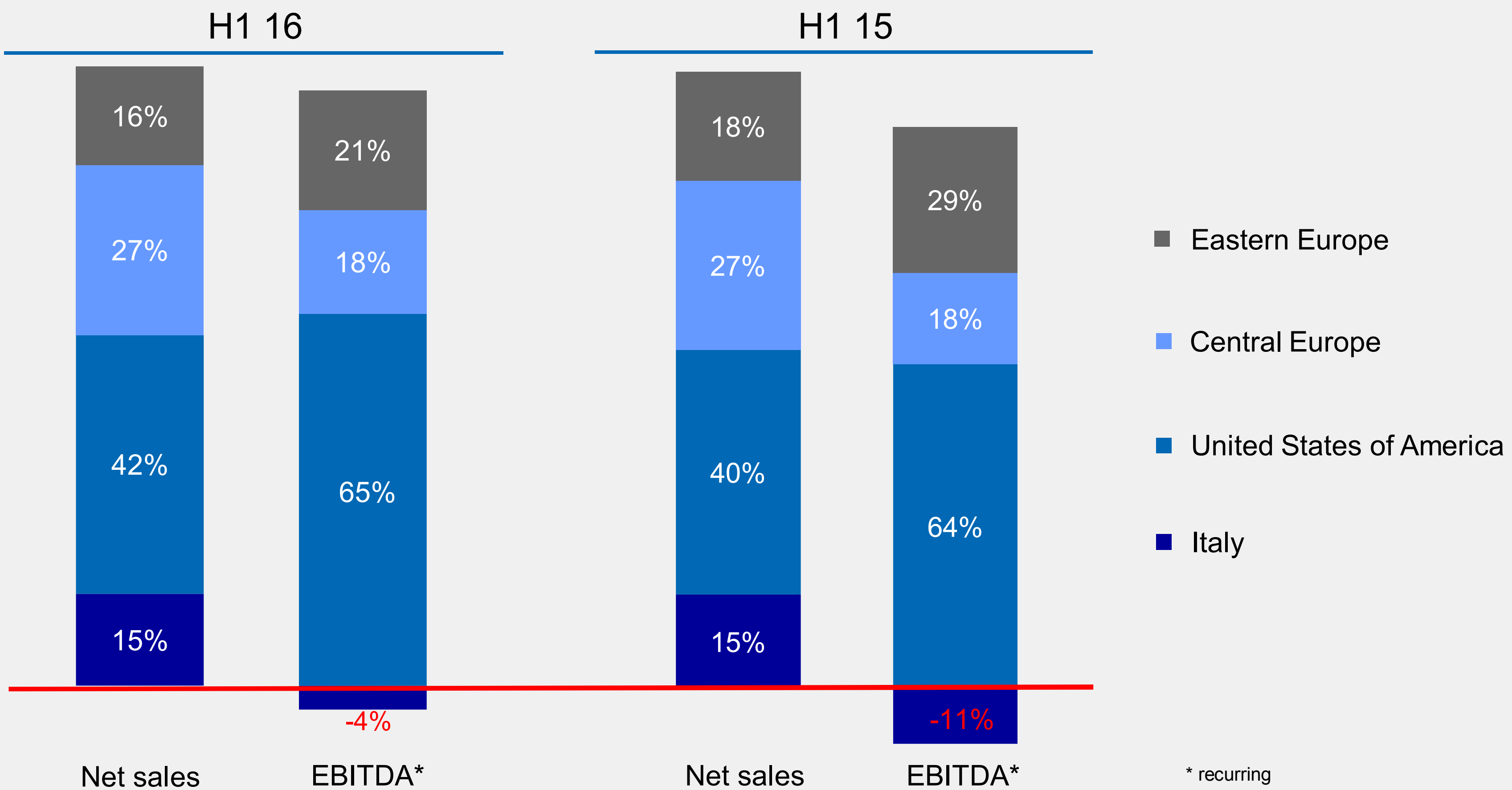
Net sales and EBITDA development

- United States account for 2/3 of the consolidated EBITDA
- Decreasing contribution from emerging markets, from 29% to 21% of EBITDA in H1 16 vs H1 15 (was 40% in H1 14) due to forex and economic troubles



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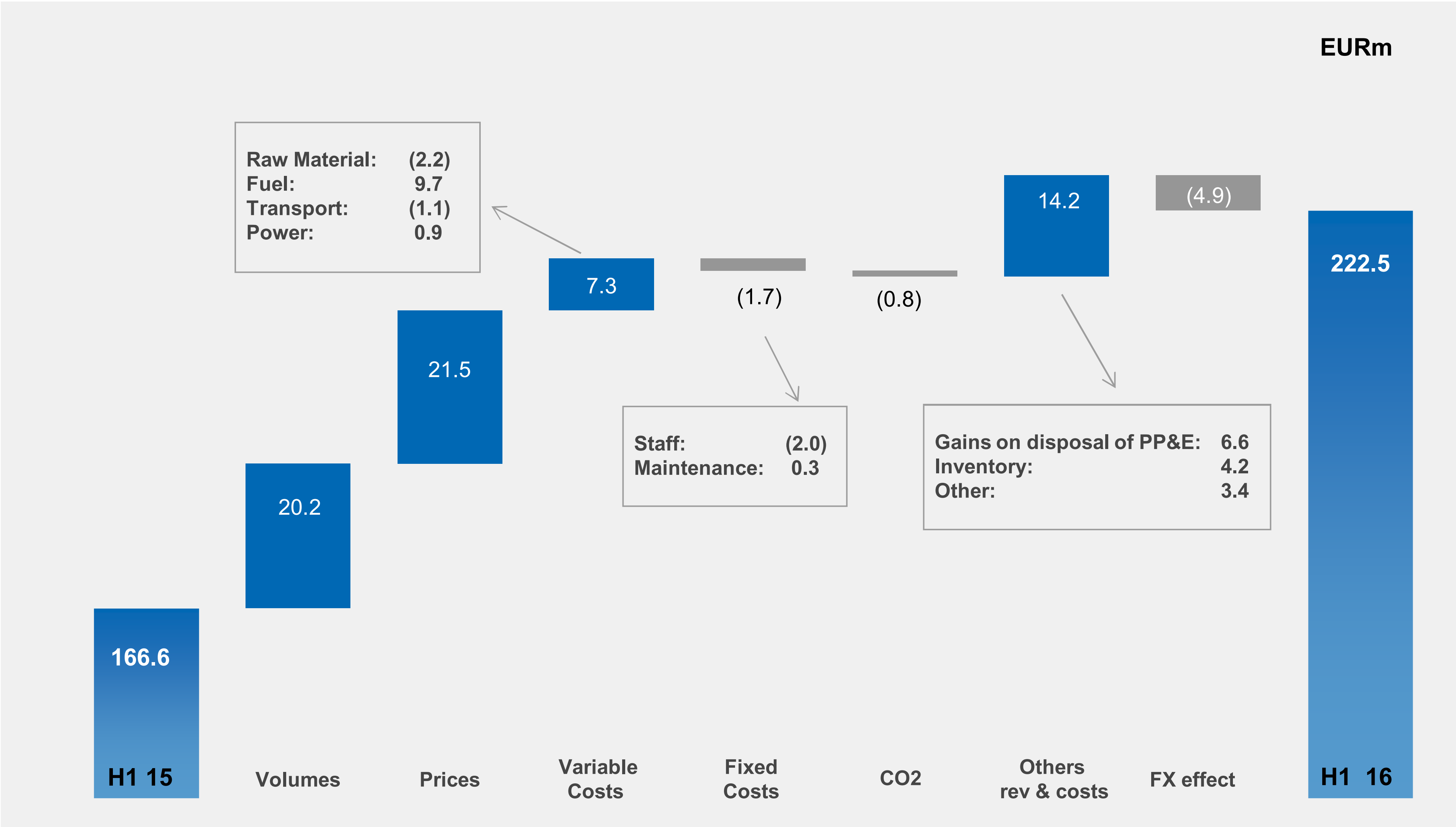
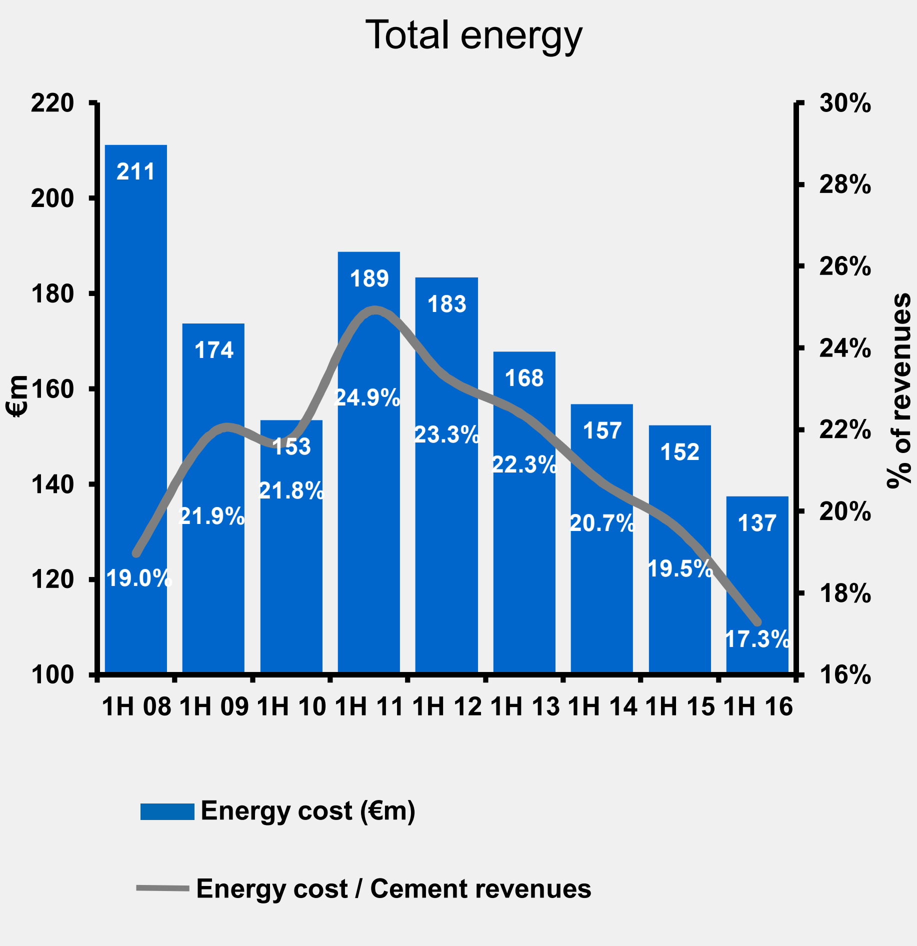
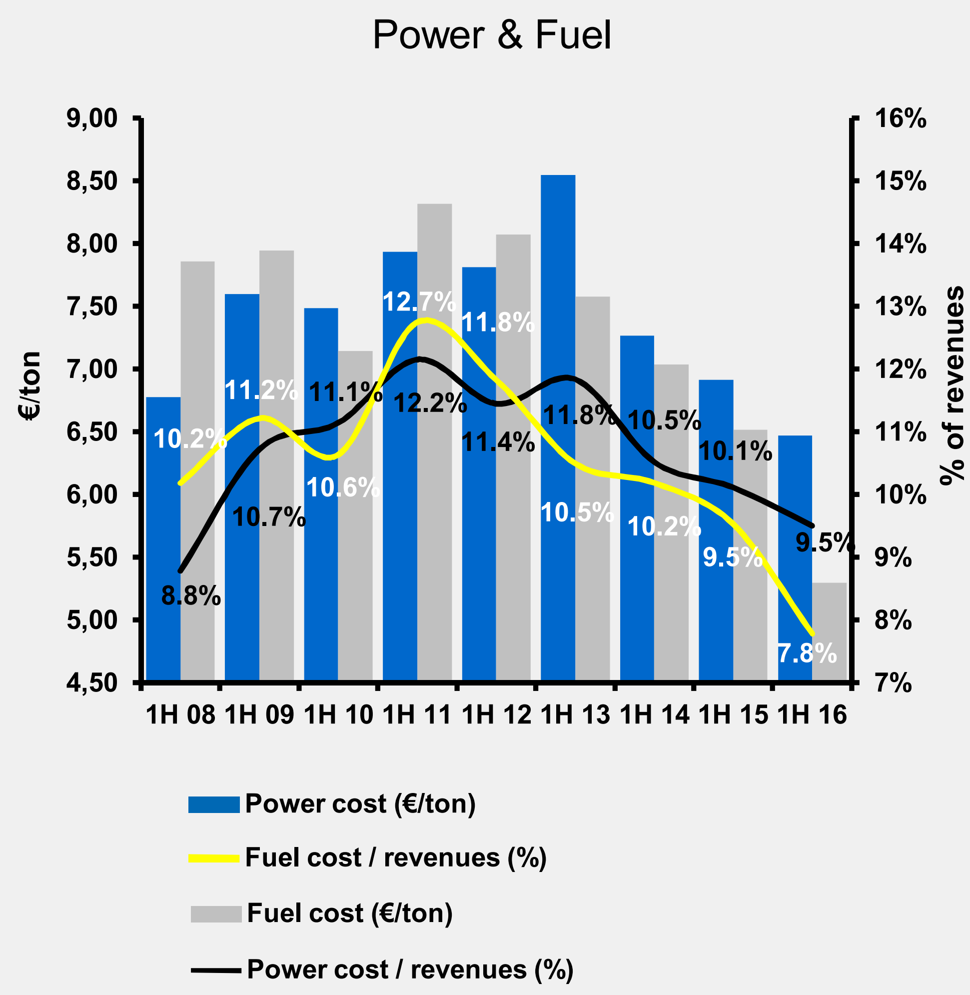
EBITDA variance analysis



Energy costs impact





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Consolidated Income Statement

EURm	H1 16	H1 15	Δ abs	Δ %
Net Sales	**1,261.3**	**1,238.2**	**23.1**	**+1.9**
EBITDA	**222.5**	**166.6**	**55.9**	**+33.5**
of which, non recurring	(3.2)	(1.5)		
% of sales (recurring)	17.4%	13.3%		
Depreciation and amortization	(93.5)	(96.5)	3.0	
Operating profit (EBIT)	**129.0**	**70.1**	**58.9**	**+84.0**
% of sales	10.2%	5.7%		
Equity earnings	36.6	35.9	0.7	
Net finance costs	(36.4)	(51.8)	15.4	
Profit before tax	**129.2**	**54.1**	**75.0**	**>100**
Income tax expense	(37.7)	(17.7)	(20.0)	
Net profit	**91.5**	**36.4**	**55.0**	**>100**
Minorities	(1.1)	(1.5)	0.4	
Consolidated net profit	**90.3**	**34.9**	**55.4**	**>100**
Cash flow (1)	**185.0**	**132.9**	**52.0**	**+39.1**

(1) Net Profit + amortization & depreciation

Consolidated Cash Flow Statement

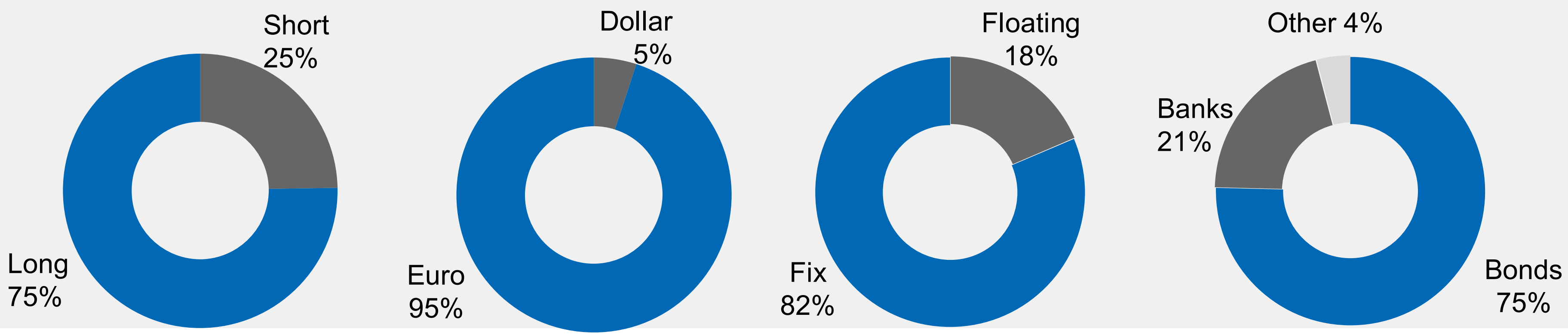
EURm	H1 16	H1 15	2015
Cash generated from operations	**136.5**	**115.4**	**444.9**
% of sales	*10.8%*	*9.3%*	*16.7%*
Interest paid	(14.7)	(18.1)	(74.9)
Income tax paid	(38.8)	(16.3)	(68.4)
Net cash by operating activities	**83.0**	**81.0**	**301.6**
% of sales	*6.6%*	*6.5%*	*11.3%*
Capital expenditures[1)]	(127.0)	(152.9)	(304.7)
Equity investments	-	-	0.5
Dividends paid	(16.2)	(11.2)	(10.7)
Dividends from associates	27.8	22.6	39.9
Disposal of fixed assets and investments	13.0	11.8	19.3
Translation differences and derivatives	4.8	5.9	(30.6)
Accrued interest payable	(20.8)	(19.7)	1.7
Interest received	3.1	4.5	8.6
Other	(2.5)	1.1	7.4
Change in net debt	**(34.8)**	**(56.9)**	**33.0**
Net financial position (end of period)	**(1,064.6)**	**(1,119.7)**	**(1,029.7)**

1) of which expansion projects 51.6 (82.4 in H1 15; 164.3 in 2015)

Net Financial Position

EURm	Jun 16	Dec 15	Δ abs	Jun 15
Cash and other financial assets	863.6	517.6	346.0	401.5
Short-term debt	(478.5)	(541.7)	63.1	(233.4)
Net short-term cash	**385.1**	**(24.0)**	**409.2**	**168.1**
Long-term financial assets	12.5	16.4	(3.9)	27.4
Long-term debt	(1,462.1)	(1,022.0)	(440.1)	(1,315.1)
Net debt	**(1,064.6)**	**(1,029.7)**	**(34.8)**	**(1,119.7)**

Gross debt breakdown (€m 1,940.6)



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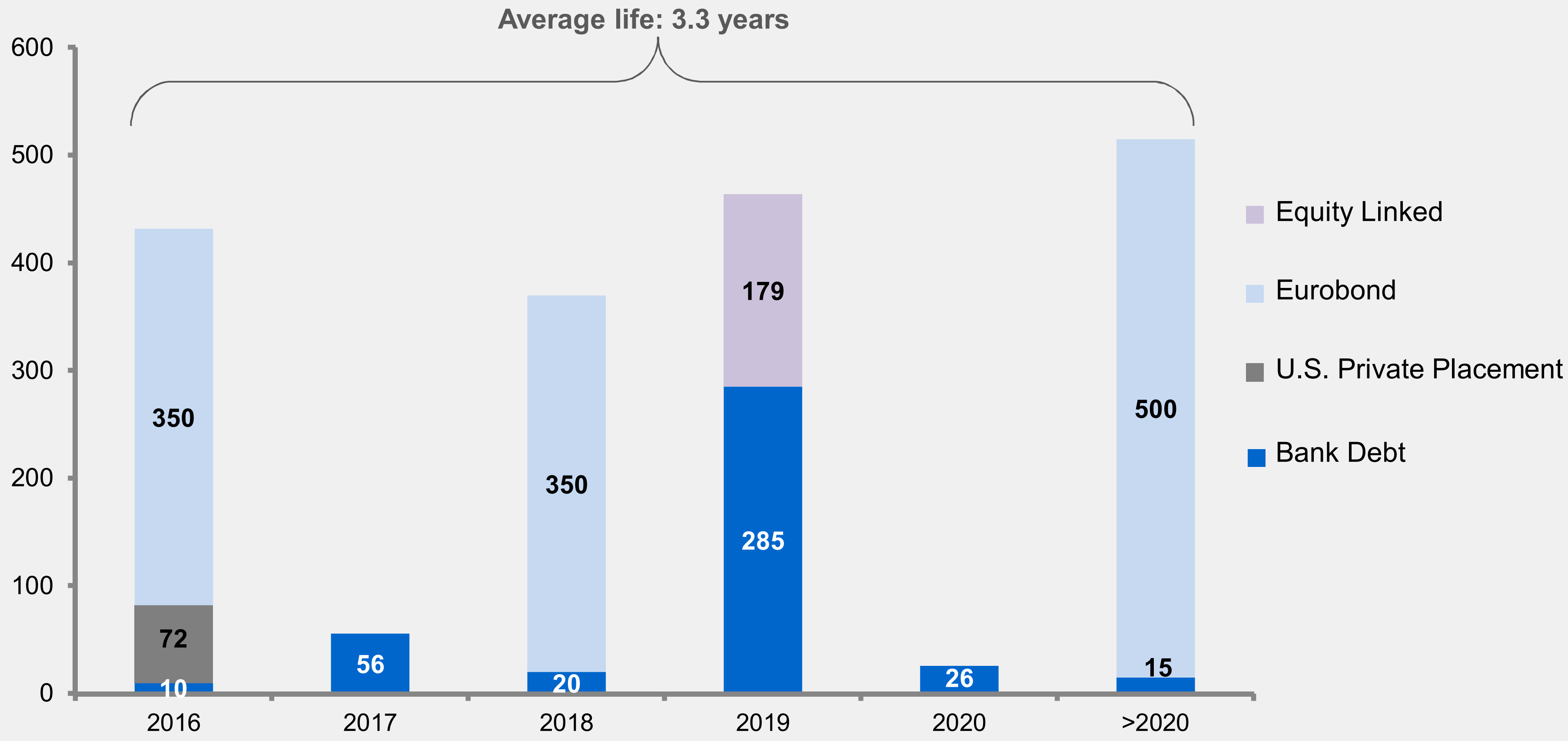
Debt maturity profile

- Total debt and borrowings stood at €m 1,863 at June 2016
- As at June 2016 available €m 337 of undrawn committed facilities (€m 300m for Buzzi Unicem, €m 37 for Dyckerhoff)



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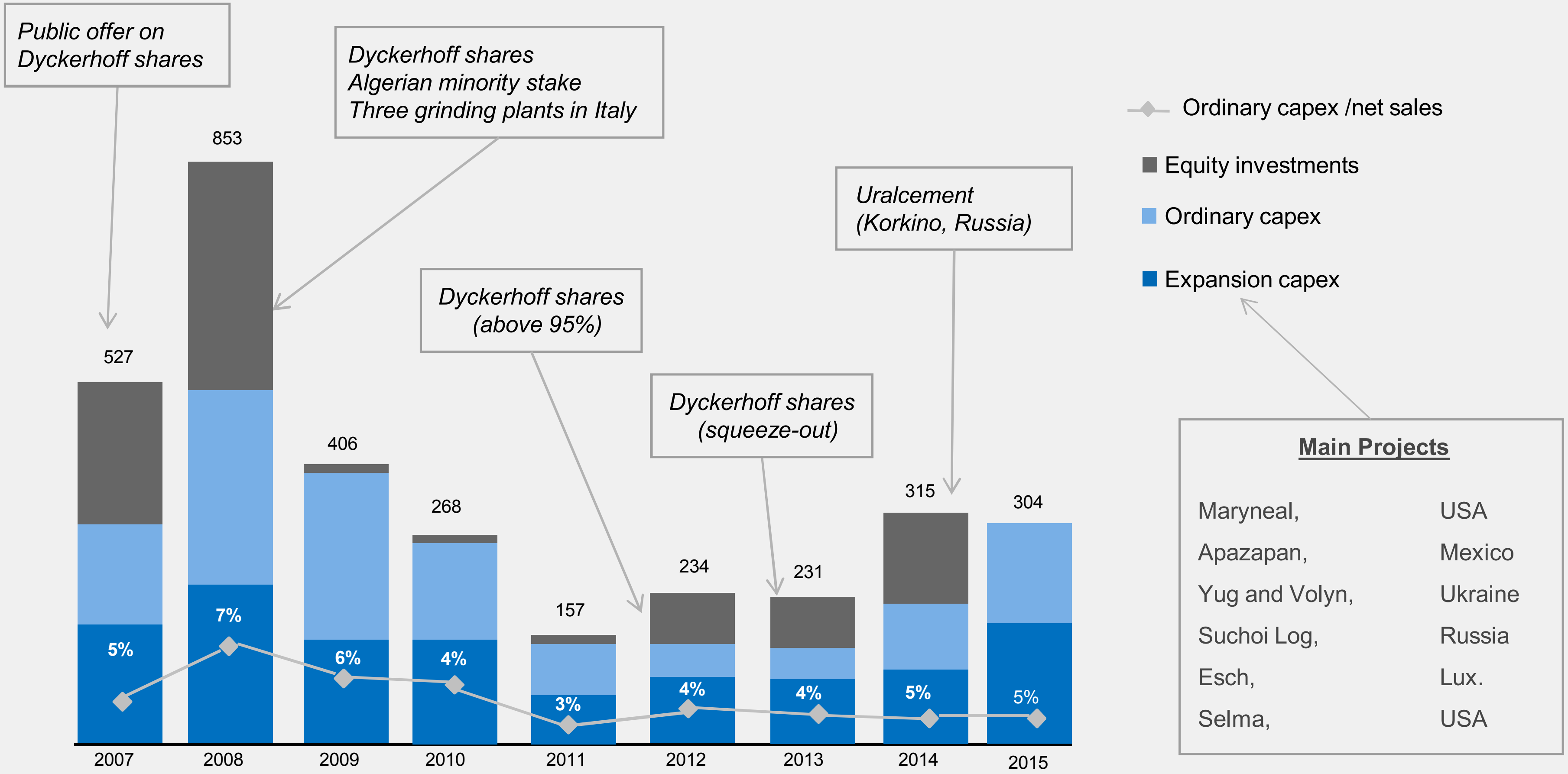
Focus on industrial capex

- In the period 2007-2015 equal to €m 3,296, of which €m 1,174 for expansion projects(1)
- Regular maintenance capex program to guarantee optimal efficiency levels



Main Projects

Maryneal,	USA
Apazapan,	Mexico
Yug and Volyn,	Ukraine
Suchoi Log,	Russia
Esch,	Lux.
Selma,	USA

(1) Includes 50% of Corporación Moctezuma up to 2013.

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Expansion projects

Maryneal, Texas – USA

- On stream since July 2016
- New line with a capacity of 1.2m tons per year (versus 0.6m currently)
- Total cost: about $m 315
- Aimed at capturing demand coming from oil and gas, residential and infrastructure in Texas
- Cost saving thanks to increased efficiency and environmental footprint reduction

Apazapan, Veracruz - Mexico

- On stream end 2016/ beginning 2017
- Second line with a capacity of 1.3m tons per year, to double the current 1.3m
- Aimed at preserving market share in a growing consumption trend
- Total cost: $m 200

Expected trading in 2016

	∆ Volume	∆ Price
Italy	−	=
United States of America	+	+
Germany	+	=
Luxembourg	+	=
Czech Republic	+	+
Poland	+	−
Ukraine	+	++
Russia	−	=
Mexico	−	+

Note: Prices in local currency

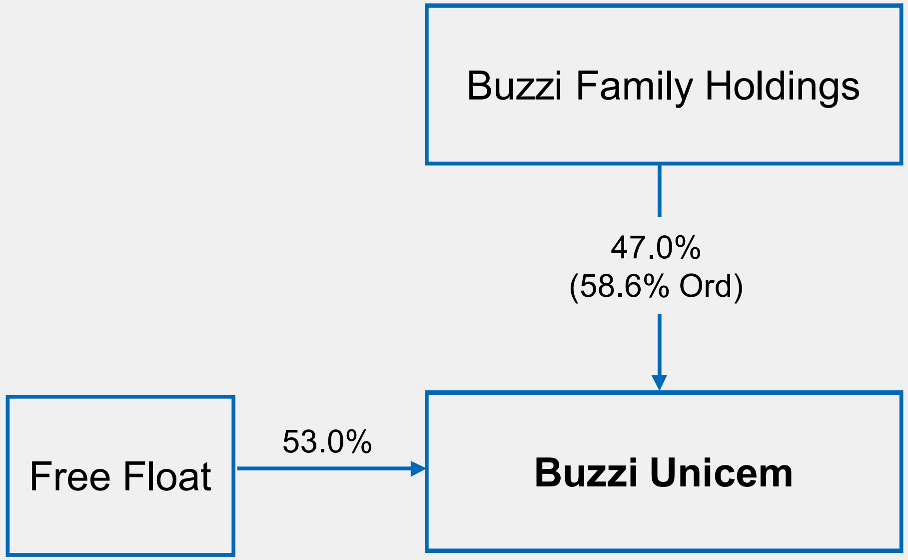
Appendix

Buzzi Unicem at a Glance

- International multi-regional, “heavy-side” group, focused on cement, ready-mix and aggregates
- Dedicated management with a long-term vision of the business
- Highly efficient, low cost producer with strong and stable cash flows
- Successful geographic diversification with leading positions in attractive markets
  - Italy (# 2 cement producer), US (# 4 cement producer), Germany (# 2 cement producer), joint venture in Mexico (# 4 cement producer)
  - Significant positions in Luxembourg, The Netherlands, Poland, Czech Republic, Slovakia, Russia and Ukraine, as well as entry point in Slovenia and Algeria
- High quality and environmentally friendly assets
- Leading product and service offering
- Conservative financial profile and balanced growth strategy

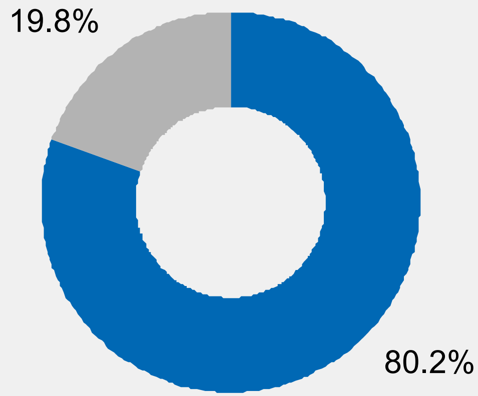
“Value creation through lasting, experienced know-how and operating efficiency”

Ownership structure



Share capital

Ordinary	165,349,149
Savings	40,711,949
Total shares	206,061,098



As at 31 December 2015

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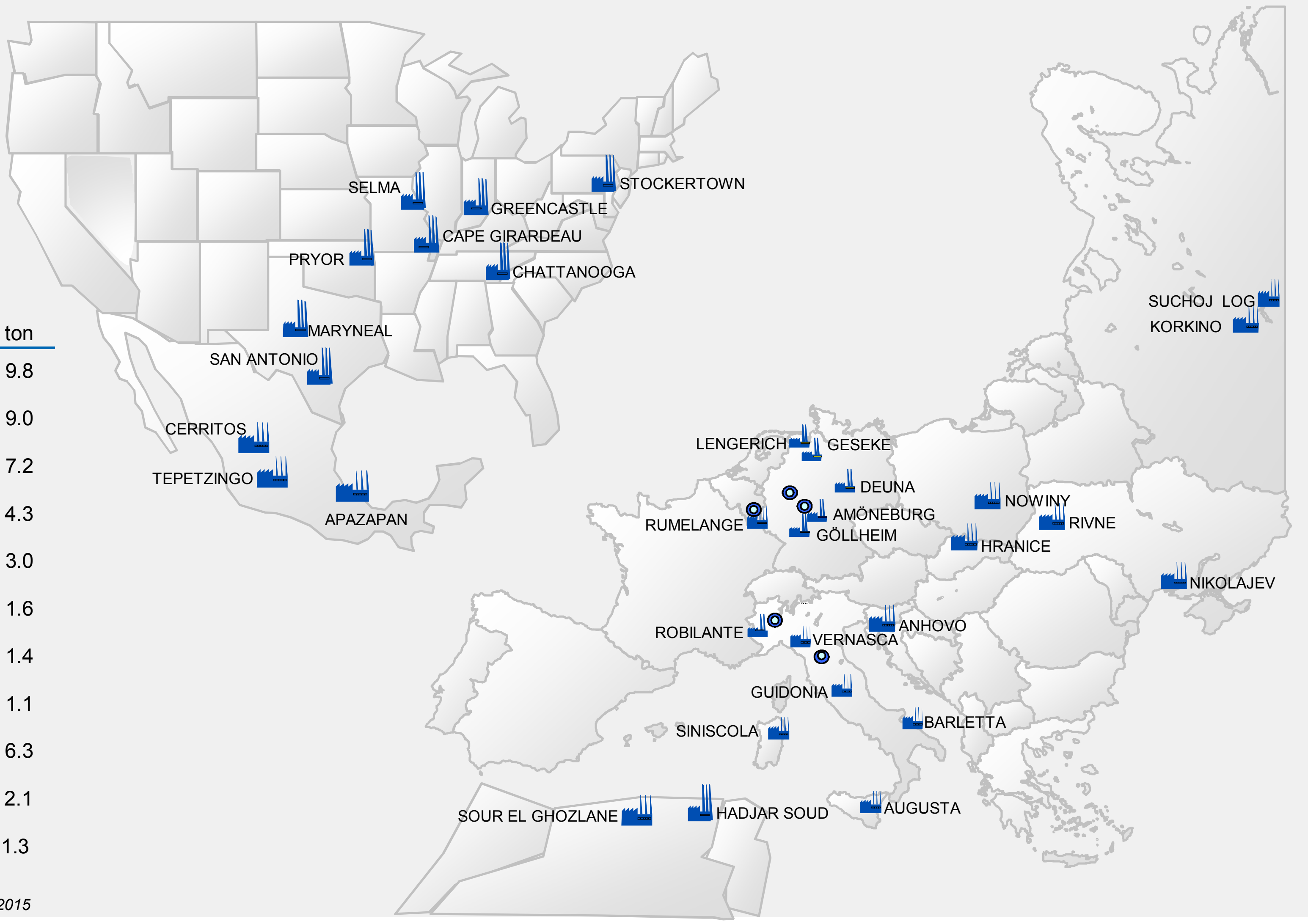
Cement plants location and capacity

CEMENT PLANT
GRINDING PLANT



	m ton
United States	9.8
Italy	9.0
Germany	7.2
Russia	4.3
Ukraine	3.0
Poland	1.6
Luxembourg	1.4
Czech Rep.	1.1
Mexico (100%)	6.3
Algeria (100%)	2.1
Slovenia (100%)	1.3

As at 31 December 2015

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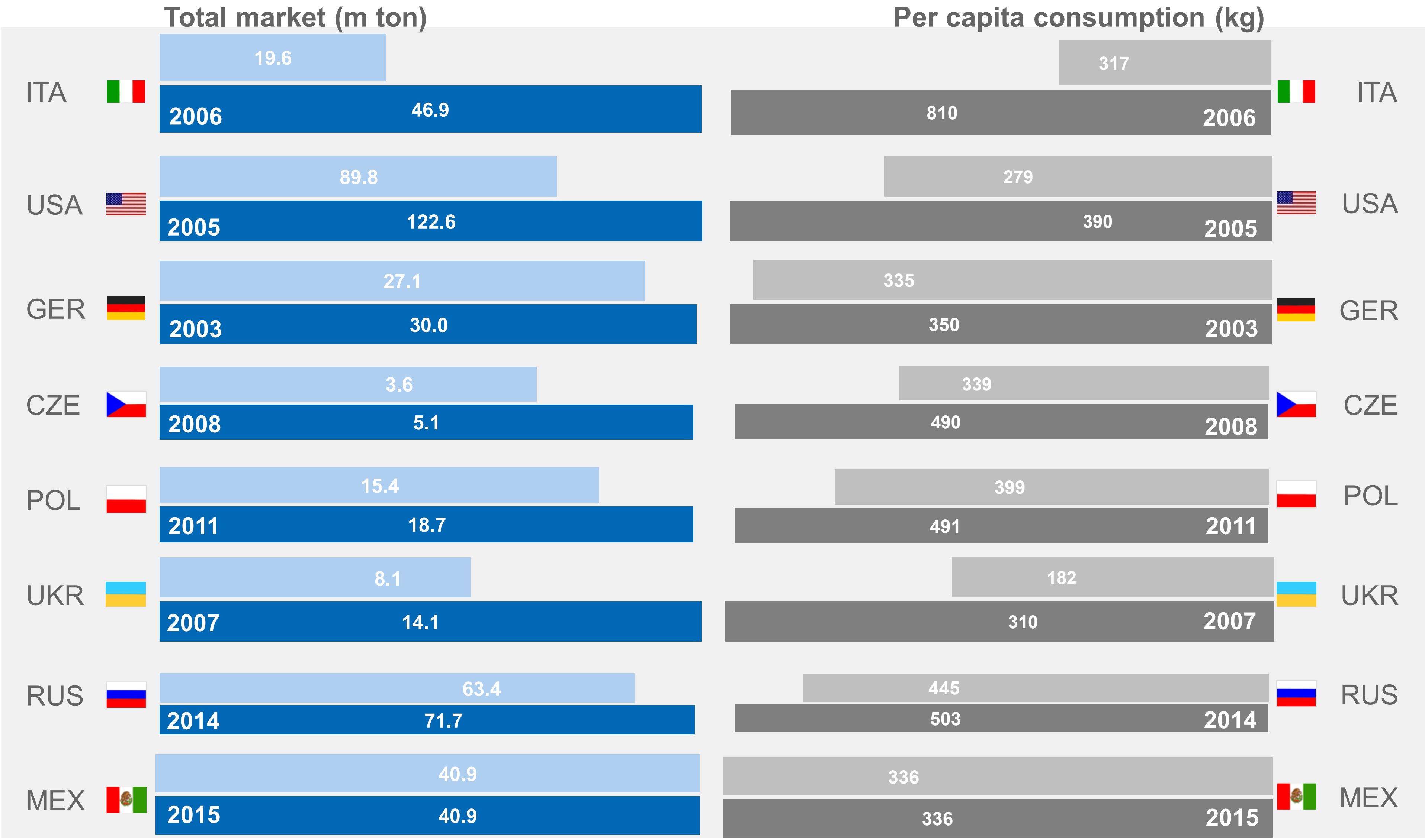
2015 Consumption vs. Peak



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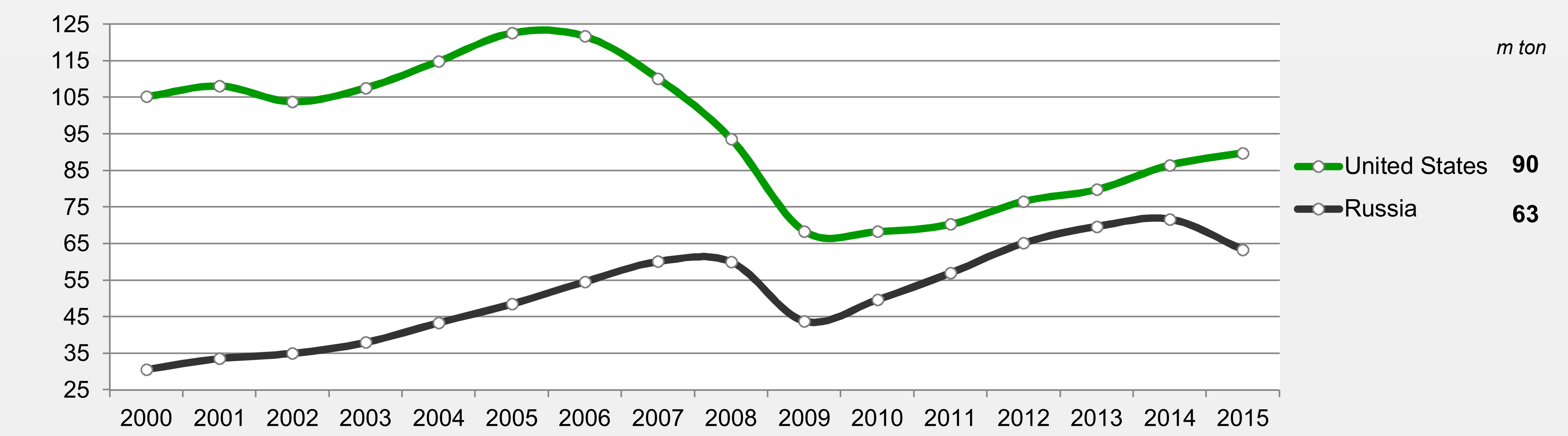
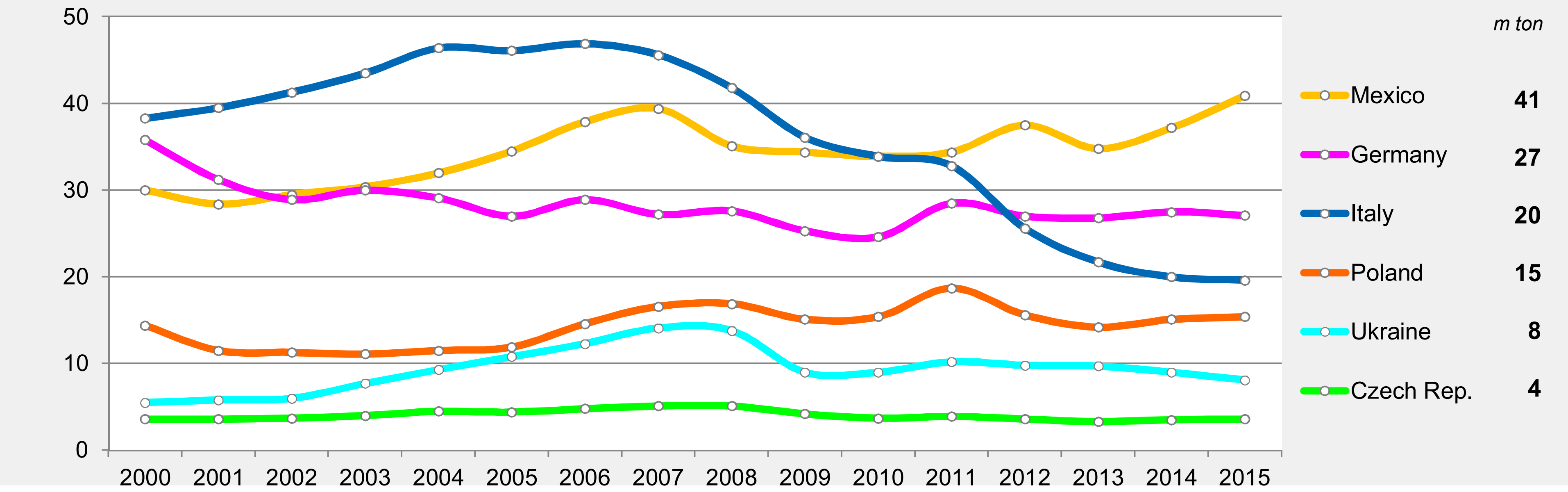
Historical series of cement consumption by country





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Historical EBITDA development by country

EURm		2008	2009	2010	2011	2012	2013	2014	2015
Italy	EBITDA	143.4	92.7	32.5	10.3	-5.9	-18.1	-18.7	-37.2
	margin	*16.9%*	*13.1%*	*5.3%*	*1.8%*	*-1.2%*	*-4.2%*	*-4.8%*	*-9.8%*
Germany	EBITDA	102.7	116.3	76.3	90.3	72.2	108.1	88.6	72.1
	margin	*17.3%*	*22.0%*	*13.9%*	*14.2%*	*12.0%*	*18.0%*	*14.7%*	*12.6%*
Lux/ Netherlands	EBITDA	24.6	18.6	17.0	35.0	8.3	11.5	15.9	19.7
	margin	*11.1%*	*9.5%*	*8.3%*	*15.7%*	*4.3%*	*6.3%*	*9.7%*	*11.7%*
Czech Rep/ Slovakia	EBITDA	73.2	44.2	32.8	35.2	25.4	19.2	27.0	32.6
	margin	*28.1%*	*25.2%*	*20.5%*	*20.5%*	*17.0%*	*14.6%*	*20.2%*	*24.0%*
Poland	EBITDA	70.0	31.2	33.4	36.9	21.8	27.1	18.2	22.7
	margin	*38.1%*	*25.7%*	*25.8%*	*26.6%*	*20.0%*	*26.8%*	*20.4%*	*20.4%*
Ukraine	EBITDA	49.9	-4.5	-10.5	6.9	15.8	12.3	11.0	4.0
	margin	*23.8%*	*-6.0%*	*-12.8%*	*6.2%*	*11.8%*	*10.0%*	*12.5%*	*5.7%*
Russia	EBITDA	173.2	42.1	39.7	65.7	96.1	92.6	73.4	48.4
	margin	*64.8%*	*42.6%*	*32.0%*	*37.4%*	*41.0%*	*37.2%*	*35.0%*	*29.0%*
USA	EBITDA	205.8	131.3	88.7	71.4	123.9	151.0	207.3	311.7
	margin	*27.4%*	*21.4%*	*14.8%*	*12.8%*	*18.2%*	*20.7%*	*24.2%*	*28.1%*
Mexico	EBITDA	79.9	69.9	77.2	82.6	97.5	77.5	Adoption of IFRS 11	
	margin	*38.9%*	*38.7%*	*36.2%*	*34.7%*	*36.2%*	*33.2%*		
Consolidated	**EBITDA**	**922.7**	**541.7**	**387.0**	**434.3**	**455.1**	**481.2**	**422.7**	**473.2**
	margin	**26.2%**	**20.3%**	**14.6%**	**15.6%**	**16.2%**	**17.5%**	**16.9%**	**17.8%**