

ANNUAL REPORT 2015

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.

Contents

Letter to the Shareholders	4
Group profile	7
Directors and statutory auditors	8
The group at a glance	10
Regional overview	14
Review of operations	19
Shares and Shareholders	20
Business review	23
Human resources	42
Research and development	44
Ecology, Environment and Safety	46
Internal control and risk management system	48
Related-party transactions	49
Outlook	50
Financial Information	53
Consolidated financial statements	54
Notes to consolidated financial statements	60
Appendixes	136
Certification of the consolidated financial statements	143
Auditors' report	144

Dear Shareholders,

Last year I concluded my first opening letter to the 2014 Annual Report with a message of confidence in the upturn of the industry.

At that time, I hoped I would be able to continue our dialog in a climate of optimism, driven by better results and a greater comfort in the overall outlook for both our sector and the world economy.

The data reported in a company's Annual Report serve to highlight aspects that can be perceived either more or less positive, depending upon how we each view and interpret the figures. Annual Reports are prepared because they are required by law, and their purpose is to reflect the health of a company within a certain context. Unfortunately, they do not reflect the spirit with which a company is managed and the efforts made by every individual to achieve their business and personal goals.

The figures in an Annual Report, particularly for those who are not well-versed in the subject, are like the notes of a musical score that remains lifeless until it is played by the orchestra. The score only comes alive when the notes are produced by the individual instruments and altogether create the harmonic effect desired by the composer of the music itself. Similarly, a company must avail itself of each individual employee and his/her specific professional skills to achieve a completely satisfactory result. Unfortunately, the score is not always easy to interpret and so occasionally the result doesn't achieve the musical effect proffered by the orchestra.

In 2015, Buzzi Unicem could be equated to an orchestra which, despite using its best instruments, was not able to express itself in the most effective way to obtain all the results it set to achieve due to the lack of resonance in the environment. The overall global economy is still very shaky due to difficult economic situations and geopolitical disturbances. In Italy, our industry continues to mark time. It has been eight years since the crisis began and the longed-for turnaround is still a long way off, with the cement market in Italy having declined 60% since 2007.



Internationally, we are seeing very different situations. We are transitioning from a flat market in Europe (Germany and surrounding countries) to strong downturns due to the crises in Russia and Ukraine, contrasted with very favorable trends in the United States and Mexico. Our company has a strong market presence in these regions as a result of years of improving and strengthening our production plants. The new production line in Maryneal (Texas), scheduled to go into operation in April 2016, and the second line at Apazapan (Veracruz), which will start producing by November, are good examples of efficiency and competitiveness.

The report that we present to you today is therefore a reflection of the very different situations in our national and international markets. Nonetheless, the figures are positive when viewed within the framework of the sector as a whole.

I would like to take this opportunity to thank, on my and the company's behalf, all of our coworkers and stakeholders who have faithfully followed us all through these years.

A handwritten signature in black ink that reads "Enrico Buzzi". The signature is written in a cursive, flowing style.

Enrico Buzzi
Chairman



Group profile

Directors and statutory auditors	8
The group at a glance	10
Regional overview	14

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 has been 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).

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 Supervisory Board. He is the current Chairman of the associate Corporación Moctezuma SAB de CV.

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. Since 2013 she has been a member of Dyckerhoff GmbH's Supervisory Board and of the Governing Council of AldAF (Italian Association of Family Businesses).

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.

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 has been Vice President of the Italian Cement Association (AITEC). From 2004 to March 2014 he was a member of Dyckerhoff AG Board of Management. He was appointed Chief Executive Operations in 2006.

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.

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.

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. Board member from 2008 until 2011, and since 2014. Full Professor of Political Economics at the University of Turin. Scientific Coordinator of the CeRP and Vice President of SHARE-ERIC. Honorary Senior Fellow of Collegio Carlo Alberto, Research Fellow of Netspar and Policy, Fellow of IZA of Bonn, INFE, OCSE and the Scientific Committee of the Observatoire de l'Épargne Européenne of Paris. Vice President of the Supervisory Board of Intesa Sanpaolo (2010-2011) and the Compagnia di San Paolo (2008-2010). Member of the Monti Government from 2011 until 2013, and board member of the Centrale del Latte of Turin since 2014.

Aldo Fumagalli Romario

Non-executive Independent Director

Born in 1958. Board member since 2011. President and CEO of Gruppo SOL, multinational company in the industrial gases and pharmaceuticals production and distribution sector, and home medical care. Member of the Board of Directors of Confindustria and the Aspen Institute. Former Vice President of Assolombarda, Vice President of Credito Valtellinese, President of IOMA, Vice President of Federchimica, President of Assogestecnici and the Giovani Imprenditori Confindustria from 1990 until 1994.

Linda Orsola Gilli

Non-executive Independent Director

Born in 1953. Board member since 2014. Bachelor's Degree in Business Economics from Bocconi University in Milan. President and CEO of INAZ. Board of Directors (2006-2009) and member of the Evaluation Team of Bicocca University (2009-12). Order of Merit for Labor, member of the Training Activities Board of the National Federation since 2009, and President since 2014. Member of the Board of Directors of the Order of Merit for Labor National Federation (2010-16), currently Vice President. Board member of ISPI, President of ISVI, member of Giunta di Assinform (2009-2013), member of the Advisory Board - "Centesimus Annus" Vatican Foundation and the Board of Directors of UCID, Milan.

Gianfelice Rocca

Non-executive Independent Director

Born in 1948. Board member since 2003. President of the Gruppo Techint of the Istituto Clinico Humanitas in Milan. President of Assolombarda since June 2013. Vice President of Confindustria with responsibilities for Education from 2004 until 2012. Member of the Board of Directors of EIT (European Institute for Innovation and Technology). Board member of Allianz SpA, Board of Directors of Bocconi, Brembo SpA and member of the Advisory Board of Allianz Group, the Executive Committee of Aspen Institute, The European Advisory Board of 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 has been 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 has been 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

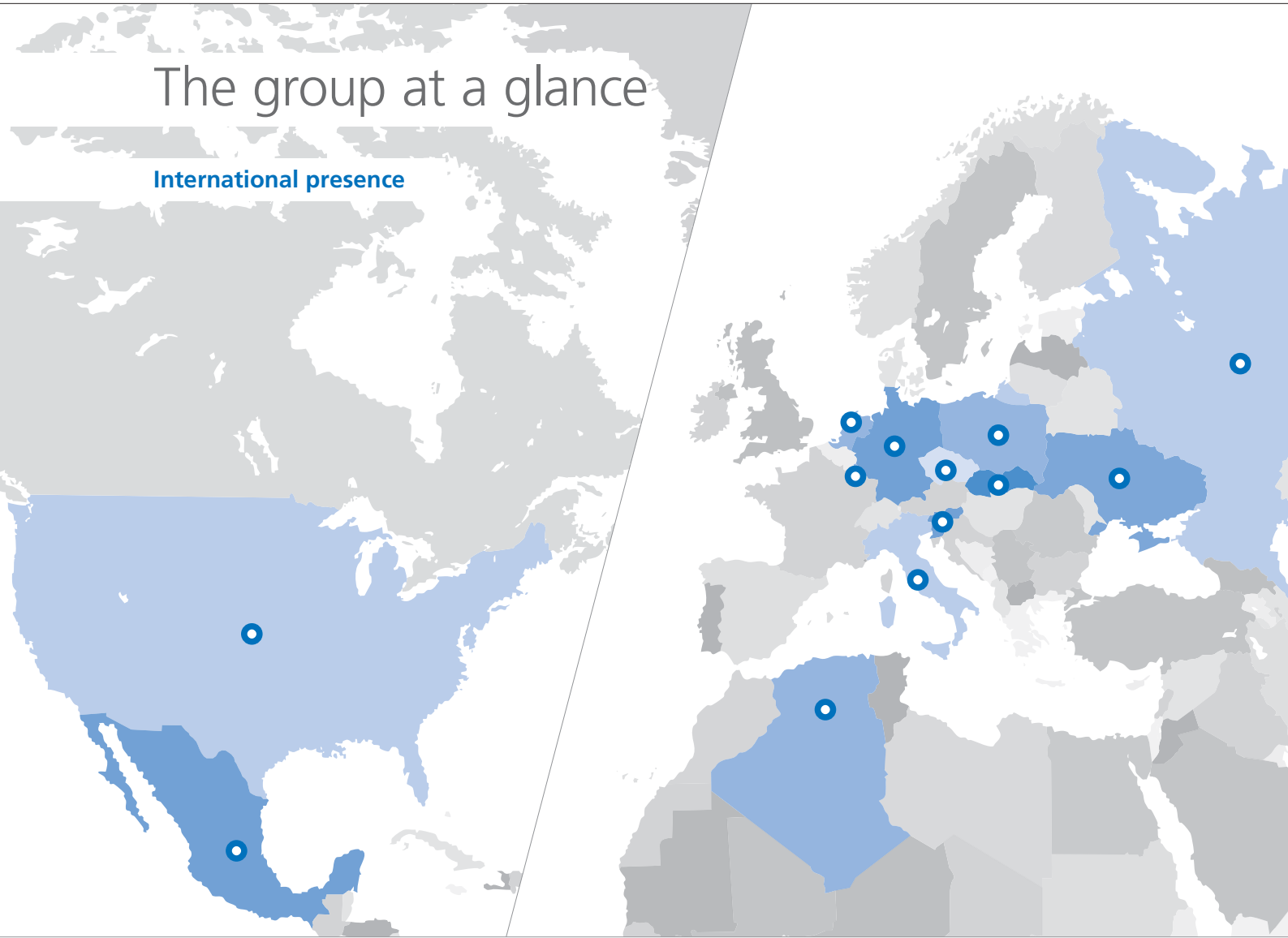
Born in 1940. Board member since 1999. Leading partner of Tosetto, Weigmann & Associati, law firm founded in 1877 and currently comprising approximately 40 professionals, with operations in Turin and Milan. Former member of the Milan Court of National and International Arbitration and the Piedmont Court of Arbitration. Board member of various 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%)
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 Ukraine
Slovenia	Salonit Anhovo (25%)

Asia

Russia	Sukholozhskcement, Dyckerhoff Korkino Cement
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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%)
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Operating structure

		ITA	GER	LUX	NLD	POL	CZE SVK	UKR	RUS	USA	TOTAL	MEX ¹
Cement plants	no.	9	7	2	-	1	1	2	2	8	32	3
of which grinding	no.	3	2	1	-	-	-	-	-	-	6	-
Cement production capacity	m tons/year	9.0	7.2	1.4	-	1.6	1.1	3.0	4.3	9.8	37.4	6.3
Ready-mix batch plants	no.	134	121	3	13	27	75	5	-	80	458	43
Aggregate quarries	no.	6	3	-	1	-	9	-	-	3	22	3
Deposits and terminals	no.	3	3	-	-	1	-	2	1	35	45	-

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

¹ Figures at 100%.

Key Figures

		2009	2010	2011	2012	2013	2014	2015
Cement sales	t/000	25,548	26,570	28,218	27,263	23,852	24,280	24,857
Concrete sales	m ³ /000	13,893	14,379	15,066	13,641	11,887	12,048	11,936
Aggregate sales	t/000	10,031	10,651	9,708	8,642	7,869	7,558	8,120
Sales revenues	€ m	2,671.8	2,648.4	2,787.4	2,813.4	2,510.1	2,506.4	2,662.1
Capital expenditure	€ m	389.9	268.2	156.6	234.1	221.5	318.1	304.2
Headcount at year end	n.	11,269	11,316	10,956	10,837	9,938	10,117	9,738

The years from 2009 to 2012 include Mexico at 50%. The years from 2013 to 2015 do not include Mexico.

Sales revenue

(millions of euro)

2009	2,671.8
2010	2,648.4
2011	2,787.4
2012	2,813.4
2013	2,510.1
2014	2,506.4
2015	2,662.1

The years from 2009 to 2012 include Mexico at 50%.
The years from 2013 to 2015 do not include Mexico.

Capital expenditures

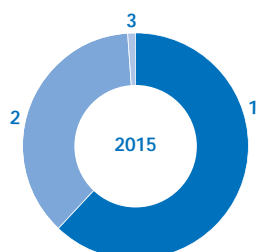
(millions of euro)

2009	389.9
2010	268.2
2011	156.6
2012	234.1
2013	221.5
2014	318.1
2015	304.2

The years from 2009 to 2012 include Mexico at 50%.
The years from 2013 to 2015 do not include Mexico.

Sales revenue by line of business

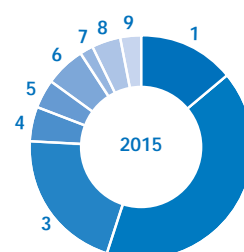
(in %)



1	Cement and clinker	62
2	Ready-mix concrete and aggregates	37
3	Related activities	1

Sales revenue by geographic area

(in %)

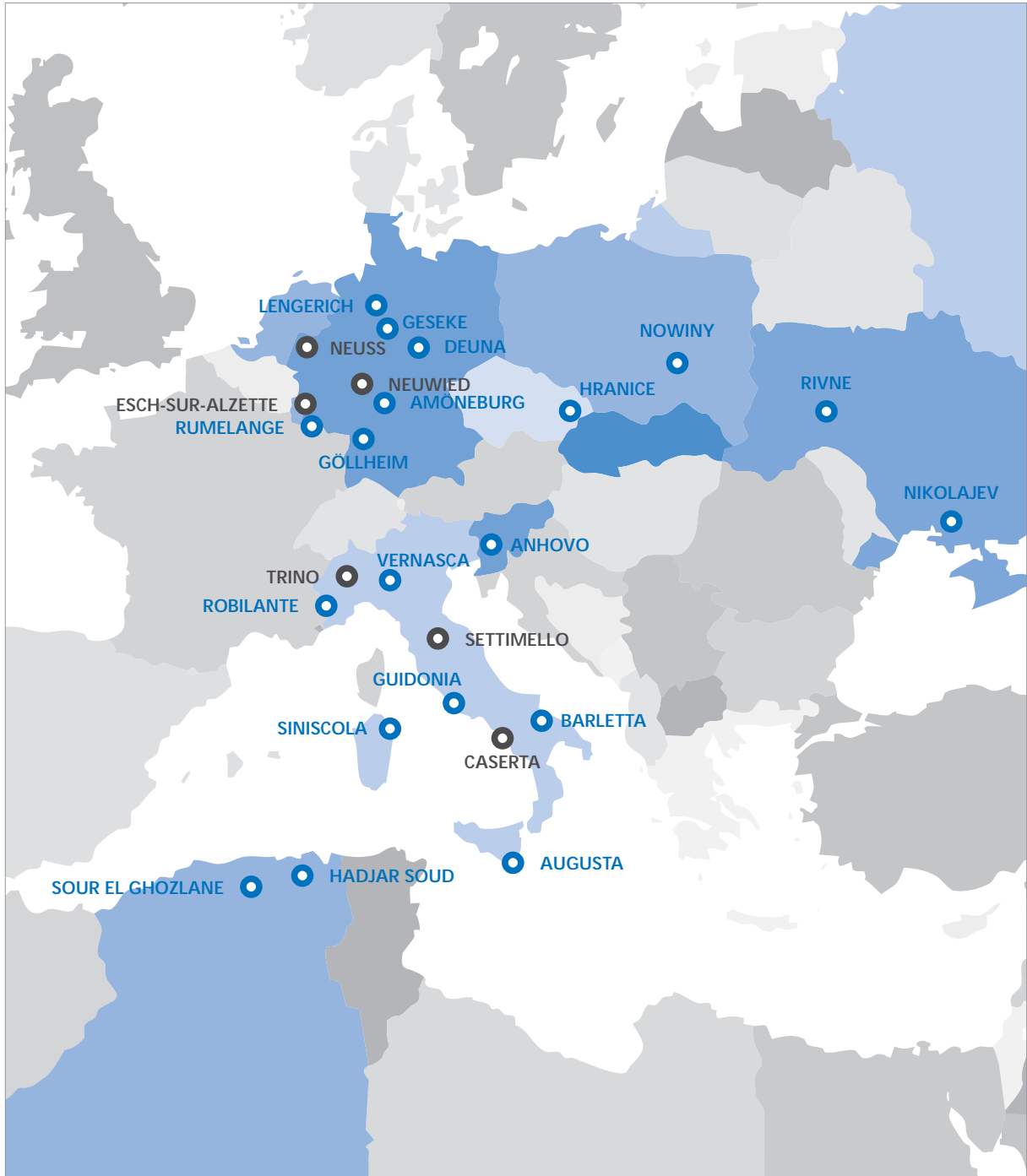


1	Italy	14
2	USA	41
3	Germany	21
4	Czech Republic and Slovakia	5
5	Poland	4
6	Russia	6
7	Netherlands	2
8	Luxembourg	4
9	Ukraine	3

Cement plant locations

as at 31 December 2015

Europe and Africa



Caption

- Cement plants
- Grinding plants

America and Asia



Italy

9

plants

9,0

(million tons)
cement production
capacity

134

concrete
batch plants

6

aggregate
quarries

3

deposits
and terminals

		2015	2014	var% 15/14
Cement production	t/000	3,682	3,744	-1.7%
Concrete sales	m ³ /000	2,569	2,539	+1.2%
Aggregate sales	t/000	1,153	1,180	-2.3%
Aggregate sales	€ m	381.1	391.5	-2.7%
Capital expenditures	€ m	18.6	42.4	-56.0%
Headcount at year end	no.	1,435	1,488	-3.6%



Germany, Luxembourg and Netherlands

9

plants

8,6

(million tons)
cement production
capacity

137

concrete
batch plants

4

aggregate
quarries

3

deposits
and terminals

		2015	2014	var% 15/14
Cement production	t/000	6,099	6,327	-3.6%
Concrete sales	m ³ /000	4,452	4,536	-1.9%
Aggregate sales	t/000	3,067	2,854	+7.5%
Aggregate sales	€ m	720.1	747.4	-3.7%
Capital expenditures	€ m	39.1	150.0	-73.9%
Headcount at year end	no.	2,113	2,131	-0.8%



Poland

1
plant

1,6
(million tons)
cement production
capacity

27
concrete
batch plants

1
deposit
and terminal

		2015	2014	var% 15/14
Cement production	t/000	1,350	1,080	+25.0%
Concrete sales	m ³ /000	729	664	+9.8%
Aggregate sales	€ m	96.8	89.0	+8.7%
Capital expenditures	€ m	4.6	7.7	-40.3%
Headcount at year end	no.	365	371	-1.6%



Czech Republic and Slovakia

1
plant

1,1
(million tons)
cement production
capacity

75
concrete
batch plants

9
aggregate
quarries

		2015	2014	var% 15/14
Cement production	t/000	836	828	+1.0%
Concrete sales	m ³ /000	1,621	1,574	+3.0%
Aggregate sales	t/000	1,524	1,244	+22.5%
Aggregate sales	€ m	135.6	133.6	+1.5%
Capital expenditures	€ m	5,0	6,5	-23.0%
Headcount at year end	no.	747	784	-4.7%



Ukraine

2

plants

3,0

(million tons)
cement production
capacity

5

concrete
batch plants

2

deposits
and terminals

		2015	2014	var% 15/14
Cement production	t/000	1,710	1,694	+0.9%
Concrete sales	m ³ /000	115	150	-23.1%
Aggregate sales	€ m	69.8	88.1	-20.8%
Capital expenditures	€ m	6.5	8.1	-18.8%
Headcount at year end	no.	1,304	1,420	-8.2%



Russia

2

plants

4,3

(million tons)
cement production
capacity

1

deposit
and terminal

		2015	2014	var% 15/14
Cement production	t/000	3,363	3,010	+11.7%
Aggregate sales	€ m	166.7	209.9	-20.6%
Capital expenditures	€ m	9.9	12.8	-22.3%
Headcount at year end	no.	1,469	1,611	-8.8%



United States of America

8

plants

9,8

(million tons)
cement production
capacity

80

concrete
batch plants

3

aggregate
quarries

35

deposits
and terminals

		2015	2014	var% 15/14
Cement production	t/000	7,817	7,598	+2.9%
Concrete sales	m ³ /000	2,451	2,586	-5.2%
Aggregate sales	t/000	2,376	2,280	+4.2%
Aggregate sales	\$ m	1,230.1	1,137.3	+8.2%
Capital expenditures	\$ m	244.5	120.4	+103.1%
Headcount at year end	no.	2,305	2,312	-0.3%



Mexico¹

3

plants

6,3

(million tons)
cement production
capacity

43

concrete
batch plants

3

aggregate
quarries

		2015	2014	var% 15/14
Cement production	t/000	6,879	6,191	+11.1%
Concrete sales	m ³ /000	1,996	1,804	+10.6%
Aggregate sales	t/000	1,113	502	+121.7%
Aggregate sales	\$ m	694.4	693.3	+0.2%
Capital expenditures	\$ m	51.3	29.5	+73.8%
Headcount at year end	no.	1,121	1,105	+1.4%



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



Review of operations

Shares and Shareholders	20
Business review	23
Human resources	42
Research and development	44
Ecology, Environment and Safety	46
Internal control and risk management system	48
Related-party transactions	49
Outlook	50

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 2015 was €3,134 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

Reference period	Ordinary shares	Savings shares	Ordinary shares	Savings shares
	number	number	€ m	€ m
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
Year 2015	310,480,095	27,239,050	4,326.8	244.3

Price trend of Buzzi Unicem shares

(base January 2009 = 100)



Main Shareholders

as at 31 December 2015

	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

Distribution of shareholdings

as at 31 December 2015 (ordinary shares)

	No. shareholders	in %	No. shares	in %
1 - 1.000	7,172	79.85	2,366,764	1.43
1.001 - 10.000	1,410	15.7	3,989,482	2.41
10.001 - 100.000	298	3.32	9,886,991	5.98
100.001 -	102	1.13	149,105,912	90.18

A total of 51,242,403 ordinary shares, corresponding to 31% of voting capital, are held by foreign investors.

Market capitalization

as at 31 December (millions of euro)

2009	2,160
2010	1,644
2011	1,254
2012	1,954
2013	2,448
2014	1,997
2015	3,134

Capital structure

as at 31 December 2015 (in %)

	80.2	
	19.8	
	100.0	
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)	2009	2010	2011	2012	2013	2014	2015
Basic eps (ordinary)	0.67	-0.31	0.13	-0.18	-0.31	0.56	0.75
Cash flow per share	1.90	1.68	1.45	1.26	1.47	1.77	1.64
Shareholders' equity per share	12.16	12.48	12.44	11.79	10.98	11.33	12.40
Price/earnings ratio	16.8x	n/a	51.9x	n/a	n/a	18.8x	21.9x
Price at year-end							
ordinary shares	11.28	8.62	6.75	10.55	13.07	10.51	16.50
savings shares	7.24	5.36	3.37	5.16	7.04	6.35	10.10
Dividend per share ¹							
ordinary shares	0.18	-	0.05	0.05	0.05	0.05	0.075
savings shares	0.20	0.03	0.05	0.10	0.05	0.05	0.075
Yield							
ordinary shares	1.6%	-	0.7%	0.5%	0.4%	0.5%	0.4%
savings shares	2.8%	0.6%	1.5%	2.0%	0.7%	0.8%	0.6%

¹ 2015: proposed to shareholders at the Annual General Meeting.

Performance Indicators

(in %)	2015	2014	2013
EBITDA margin ¹	17.8	16.9	16.1
Return on Sales (ROS)	9.9	7.1	3.4
Return on Equity (ROE) ²	5.0	5.1	-1.9
Return on Capital Employed (ROCE) ³	5.8	3.9	1.9
Net debt/Equity	40	45	48

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

World economy growth during 2015 was modest and uneven: in mature economies the activity expansion was slightly improving and strengthened at the turn of the year, despite some signs of a slow-down in the United States, while in the emerging market economies as a whole the trends remained overall disappointing. International trade was weak and below expectations in the first half of the year, while in the second one, if in the advanced countries a slow recovery in global trade strengthened thanks to some momentum, in the emerging markets the contraction was still confirmed.

In the United States of America the expansion of economic activity in the fourth quarter attenuated, after the solid GDP growth in the second and third quarter of the year, which was higher than expected. Retail sales showed some signs of deceleration, as well as some indicators of the manufacturing sector, while adverse external factors such as the modest global growth and the dollar appreciation continue to weigh on exports. Nonetheless, the continuous strong improvements in the labor market and the macroeconomic fundamentals confirm the general strength, thus reminding that the recent weakening in domestic demand should be largely temporary.

In Europe private consumption offset the rapid weakening of boosting exports, thus being the main factor of a recovery that has been continuing gradually. The situation of the labor market showed some signs of awakening, but investment growth remained weak and overall inflation was affected by new downward pressure due to the further decline in oil prices. To support and strengthen the development of economic activity as a whole, the ECB's governing council further enhanced the monetary stimulus and, although the consolidation of balance sheets in the bank industry and the level of non-per-

forming loans, still high in certain jurisdictions, continued to hinder its growth, the loan supply to the private sector further improved.

In Italy, in 2015 the sign of GDP variance, though modest and below expectations for the first time since 2011, is back into positive territory. The slow and gradual expansion of the business, since last summer, was supported by domestic consumption, which replaced the boost from exports. The recovery of the manufacturing cycle was accompanied by signals of improvement in the services and, after a dramatic and sustained decrease, of stabilization in construction activities.

From Q2 the macroeconomic picture of emerging economies has been dominated by China's slow-down, which contributed to weaken international raw material prices. As a whole the dynamics of emerging economies has remained weak and diverse, with more resilience in importing countries of raw materials, including India and Turkey, and a significant slowdown in exporting countries such as Brazil, where the recession worsened, and Russia, which nonetheless showed modest signs of improvement in Q3.

Inflation remained at low levels in most advanced countries and China, while some major economies, including Russia, Brazil and Turkey, recorded significantly higher levels. In the context of an oil market characterized by excess supply and weaker demand, the Brent crude oil prices have continued to slow down since mid-October until dropping below US\$30 in January 2016, with futures contracts indicating that price rises are expected to be very limited in the coming months. Such developments, together with the raw materials trends, are intended to further curb inflationary pressures.






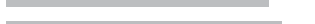

Net sales

(millions of euro)

2009		2,671.8
2010		2,648.4
2011		2,787.4
2012		2,813.4
2013		2,510.1
2014		2,506.4
2015		2,662.1

EBITDA

(millions of euro)

2009		542
2010		387
2011		434
2012		455
2013		403
2014		423
2015		473

At year end, the interest rate hike in the United States, accompanied by the announcement that monetary conditions would remain accommodative, was started without unfavorable outcomes.

Looking more closely at our core markets, we point out that investments in buildings, to which the cement and concrete demand is closely related, maintained a good growth rate in the United States, particularly in the commercial and residential sector. In Germany investment in construction normalized, after the previous year's growth. In Italy construction investments ended the year with a further contraction in all segments, except for the renovation of residential properties. Developments in Eastern European countries continued to be unequal: in Russia the recessionary environment led to a decline in the construction activity level; in Poland the economic growth and the level of investments in construction continued to be favorable; in the Czech Republic the phase of economic recovery carried on, with improving production levels in constructions; in Ukraine finally, in the context of a severe recession and contraction in capital expenditures, the level of activity in the western regions, where our group operates, maintained a better performance than that of the eastern portion.

In 2015 the group sold 25.6 million tons of cement (+1.7% compared to 2014) and 11.9 million cubic meters of ready-mix concrete (-0.9%). Consolidated net sales increased by 6.2% to €2,662.1 million compared to €2,506.4 million in 2014. Scope changes led to an increase in net sales of €28.8 million, while the foreign exchange effect had a positive impact of €100.5 million. Like for like, net sales in 2015 would have increased by 1.0% compared to 2014.

Ebitda rose by 11.9%, from €422.7 to €473.2 million. The 2015 figure was penalized by net non-recurring costs of €5.6 million (compared to €18.0 million of net income in 2014). After amortization, depreciation and impairment charges of €209.2 million, Ebit amounted to €264.0 million, compared to €178.7 million in 2014. Net finance costs changed from €53.1 to €105.1 million, of which €26.0 million without monetary event; therefore profit before tax was €222.1 million compared to €175.6 million in 2014. After current and deferred income taxes of €94.0 million (€55.1 million in the previous year) the income statement closed with a net profit of €128.1 million, of which €125.3 million was attributable to the owners of the company.

Net debt at the end of 2015 amounted to €1,029.7 million, down from €1,062.7 million as at December 31, 2014, after capital expenditures and equity investments for €304.2 million and distributed dividends of €10.3 million. The net debt/equity ratio amounted to 0.40 (0.45 at the end of 2014).

In the various markets where we are present the year 2015 was characterized by diversified operating conditions. In Italy the economy started slowly to expand again, but the less brilliant dynamics of exports, which were affected by the slowdown in emerging countries, took momentum away from GDP growth. The higher support of domestic consumption led to a growth only marginally positive during the last two quarters of the year. The consolidation of economic activity affected all major sectors except construction, where nevertheless the prolonged recession phase stopped. Domestic cement consumption was still falling and, in many areas of the country, the production facilities did not

EBITDA Margin¹

(in %)

2009		20.3
2010		14.6
2011		15.6
2012		16.2
2013		17.5
2014		16.9
2015		17.8

¹ EBITDA/net sales.

Cash Flow¹

(millions of euro)

2009		390
2010		345
2011		398
2012		260
2013		302
2014		365
2015		337

¹ Profit for year + depreciation, ammortization and impairment charges.

reach a sustainable level of capacity utilization.

In Central European countries the growth in domestic demand more than offset the weakening of investments and the slowdown in exports. The construction industry maintained, on the whole, a slightly positive trend.

Developments in Eastern European countries continued to be unequal. In Russia the recessive dynamics resulted in a decline in domestic demand and investment, which led to a slowdown in the construction activity level and consequently in cement consumption. In Poland, where the economy development was still favorable, with investment in construction and cement consumption both increasing, our business maintained a regular pattern throughout the year. In the Czech Republic the favorable economic environment confirmed the positive performance of construction investments and our cement sales recorded as good levels as the ones achieved in the previous year. In Ukraine despite the significant contraction in GDP and investment, our industrial activities maintained a quite regular progress. In the United States the expansion phase was confirmed, despite some signs of slowdown later this year, and investments in the construction sector reported a higher growth than in 2014, especially in the commercial and residential building segments.

Operating and financial performance

In 2015, cement sales on a consolidated basis amounted to 25.6 million tons, +1.7% compared to 2014. The dynamics of volumes was rather positive in the United States as the recovery strengthens, and in Eastern Europe, due especially to the additional contribution of the Korkino cement plant in Russia and increased sales in the Polish market. On the other hand, modest declines were recorded in Italy and Central Europe.

Ready-mix concrete sales amounted to 11.9 million cubic meters (-0.9%). In Benelux, Poland and the Czech Republic volumes grew satisfactorily. In Italy the sales trend was similar to the previous year. The markets that suffered a drop in volumes were Germany and the United States.

Consolidated net sales rose by 6.2%, from €2,506.4 to €2,662.1 million; changes in scope had a positive effect of €28.8 million, and foreign exchange effect favorably impacted for €100.5 million; like for like,

net sales would have increased by 1.0%.

In Italy, in the second half of the year results of GDP growth were below expectations: +0.2% in Q3 and +0.1% in Q4. The recovery of manufacturing continued. Profitability of enterprises improved, although staying at historically low levels while confidence remained high. Household spending continued to boost the increase in GDP, but the recovery of investments proved to be slow and discontinuous. In the third quarter employment levels continued to rise, especially among young people and in services and more workers are being hired with open-ended contracts. Inflation remained very low and in the last part of the year the levels were barely positive. In the construction sector, in spite of signs of stability, the drop in investments during the year affected all segments, except for the renovation of residential properties, which showed steady production levels. The decline in investments affected the new residential sector in particular. During the year under review, the drop in sales of hydraulic binders in the domestic market was partially offset by an improvement in export volumes. Prices fell, attenuated by a rebound from the price lows of the second quarter. The trend of prices in the ready-mix concrete sector was stable. As a whole net sales decreased from €391.5 to €381.1 million, down 2.7%.

As regards the countries of Central Europe, in a moderate growth cycle driven by domestic demand, with a slowdown in exports and investments easing off, the construction sector maintained a slightly positive trend overall. Although deliveries of hydraulic binders were picking up at year-end, favored by good weather conditions, they were penalized by slowing exports and a weak demand for oil-well cement. In a situation where volumes and prices were falling slightly in both the cement and ready-mix concrete sectors, net sales decreased from €747.4 to €720.1 million, down 3.7%. Germany suffered from a 4.9% reduction in net sales (from €603.4 to €573.6 million), while Benelux rose by 3.3% (from €163.5 to €169.0 million), due to a modest recovery of volumes of ready-mix concrete and prices falling slightly.

In the markets of Eastern Europe the decline in construction investment in Russia had negative repercussions on consumption of building materials in the country. Our overall cement sales, up from the

previous year, were positively impacted by the entrance in the consolidation scope of the Korkino cement plant. At constant scope sales volumes would have been lower. Average prices in local currency were in line, bearing in mind that the products delivered by the Korkino cement plant are in a lower price bracket than those of the Suchoi-Log cement plant. Net sales amounted to €166.7 million (-20.6%). The depreciation of the ruble (-33.6%) had a negative impact on net sales; at constant scope and exchange rate, net sales would have decreased by 12.3%. In Ukraine, even with the recession worsening and a slump in investments, our operations recorded a regular trend and cement volumes sold were in line with those of the previous year, in a situation where prices in local currency were driven up by galloping inflation. The strong depreciation of the local currency (-53.1%) penalized the translation of net sales into euros, which declined by 20.8%. At constant exchange rate, net sales would have risen by 21.3%. The growth of our business activities in Poland was consistent with its geographic position and potentials rather than with the result of the previous year, marking a significant recovery, compensated by a reduction of prices in local currency. Ready-mix concrete output also rose, in a scenario of competitive prices. Net sales were up 8.7% from the previous year, without any foreign exchange effect due to the stability of the zloty. In the Czech Republic and Slovakia, the favorable trend of exports and domestic demand together with the growth in investments helped to keep GDP growth high. Construction investment performed well and our cement sales confirmed the good levels achieved in 2014. The ready-mix concrete sector, which also includes Slovak operations, showed some signs of improvement, with increasing sales and recovering prices. Overall net sales, impacted positively by the strengthening of the local currency, were up 1.5%. At constant exchange rate, net sales would have been up 0.7%. Overall, net sales in Eastern Europe came in at €466.0 million (€517.6 in 2014); the foreign exchange effect impacted negatively for €82.3 million. Like for like, net sales would have increased by 0.3%.

In the United States, investments in the construction industry showed a good growth overall, much better than in 2014, with particularly positive changes in the commercial and residential segment and public works picking up. Hydraulic binders sales of the

group rose, thanks to the good performance in the Midwest and in spite of a significant contraction in deliveries of special oil-well products. Our ready-mix concrete output, mainly located in the South-West of the country, fell from the previous year. The dynamics of sale prices in local currency was favorable both in the cement and ready-mix concrete sectors. The increase in euros of net sales from €856.1 to €1,108.7 million, (+29.5%) was definitely favored by the strengthening of the dollar. Like for like, net sales would have increased by 8.2%.

Ebitda increased from €422.7 to €473.2 million, +11.9% compared to the previous year. Changes in scope of consolidation were positive for €3.6 million and foreign exchange effect was positive for €34.5 million. The figure for the year under review includes net non-recurring costs of €5.6 million, €5.6 million thereof with positive sign, referred to the partial release of provisions for antitrust risks and, with negative sign €6.9 million related to the dismantling and transportation of equipment within the group, €4.1 million for restructuring expenses and €0.3 million for provisions for legal claims. In 2014 a net non-recurring income for €18.0 million was achieved. Excluding non-recurring items Ebitda rose from €404.8 million to €478.8 million (+18.3%), with Ebitda to sales margin at 18.0% (16.1% in 2014). The rise was marked in the United States of America, where the good operating performance was also associated with the significant positive thrust of the exchange rate. In Central Europe operating profitability was slightly improved, particularly in Benelux. In Eastern Europe, Ebitda weakened mainly due to the very unfavorable exchange rate in Russia and Ukraine; within the division instead the Czech Republic and Poland improved. In Italy falling prices in the context of a further decline in demand resulted in a still negative operating cash flow, below last year level.

Amortizations and depreciations amounted to €209.2 million, compared to €244.0 million of 2014. The figure for the year under review includes impairment losses on fixed assets amounting to €14.1 million (€55.9 million in the previous year), mainly due to write-downs of property, plant and equipment in Italy. Ebit stood at €264.0 million compared to €178.7 million in 2014. Net finance costs almost doubled to €105.1 million from €53.1 million in the previous year, mainly due to the unfolding of non-cash

items that fall into this category, such as unrealized exchange rate differences and valuation of derivative financial instruments. Gains on sale of investments contributed for €5.7 million, while equity in earnings of associates, among which our joint venture operating in Mexico stands out, improved the contribution on the previous year (€57.4 million compared to €49.9 million in 2014). Due to the impact of the factors outlined above, profit before tax amounted to €222.1 million versus €175.6 million in 2014. The tax charge for the year, nominally amounting to about 42%, in comparison with the previous period was mainly affected by the assessments of deferred tax assets on tax losses in certain jurisdictions, which are unrelated to the taxable income of the period. Therefore, after income taxes of €94.0 million (€55.1 million in 2014) the income statement for 2015 closed with a profit of €128.1 million (€120.5 million in 2014). Net profit attributable to the owners of the company increased from €116.6 million in 2014 to €125.3 million during the year under review.

Rough cash flow for the year 2015, inclusive of non-recurring positive and/or negative items, was equal to €337.3 million, compared to €364.5 million in 2014. Net debt of the group as at 31 December 2015 stood at €1,029.7 million, down €33.0 million on €1,062.7 million at year-end 2014. In 2015 the group distributed dividends of €10.3 million and paid total capital expenditures of €304.2 million, €164.3 million thereof allocated to capacity expansion or special projects, almost entirely relating to the renovation of the Maryneal plant (Texas).

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, 2015	Dec 31, 2014
Cash and short-term financial assets:		
Cash and cash equivalents	503.5	412.6
Short-term monetary investments	-	0.1
Derivative financial instruments	7.7	-
Other current financial receivables	7.2	9.0
Short-term financial liabilities:		
Current portion of long-term debt	(527.7)	(158.2)
Short-term debt	(2.0)	-
Derivative financial instruments	-	(2.7)
Other current financial liabilities	(12.7)	(14.6)
Net short-term cash	(24.0)	246.3
Long-term financial assets:		
Derivative financial instruments	4.1	4.2
Other non-current financial receivables	12.2	13.1
Long-term financial liabilities:		
Long-term debt	(970.5)	(1.304.4)
Derivative financial instruments	(47.7)	(18.6)
Other non-current financial liabilities	(3.8)	(3.3)
Net debt	(1,029.7)	(1,062.7)

Shareholders' equity as at 31 December 2015, including non-controlling interests, stood at €2,579.4 million versus €2,362.1 million at 2014 year-end. Consequently debt/equity ratio decreased to 0.40 from 0.45 in the previous year.

Italy

Trading cement business

Volumes	-2.3%
Prices	-3.7%

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



The weak demand of emerging economies influenced the performance of exports, whose growth came to a standstill in the summer months, after a long expansion period. The baton was passed on to domestic consumption, which gradually replaced the drive of exports. The overall pace of the recovery weakened, however, to levels below expectations with the GDP up 0.2% in the third quarter and 0.1% in Q4. The recovery of investments was cut short in summer caused primarily by a drop in demand for plant and machinery, while the decline in the construction segment came to a stop.

Employment levels continued to grow, especially among young people and in services and more workers are being hired with open-ended contracts. Inflation fell to 0.1% in December, feeling the effects of the new drop in energy commodities prices, as well as persistent under-use of production capacity, which helps to keep the underlying dynamics of prices at the lowest levels. Thanks to a gradual improvement in economic activity, the profitability of major banking groups increased, the flow of new non-performing loans decreased and credit to the non-financial private sector resumed. In such an economic situation, GDP in 2015 rose by 0.8%, industrial output rose by 1.0%, unemployment rate dropped to 11.4% and the public debt/GDP ratio remained at 133%. During the year, investments in construction were falling again (-1.3% in real terms) in all segments, excluding the renovation of resi-

(millions of euro)	2015	2014	15/14
Net sales	381.1	391.5	-2.7%
EBITDA	-37.2	-18.7	-98.7%
EBITDA recurring	-36.5	-18.3	-99.8%
% of net sales	-9.6	-4.7	
Capital expenditures	18.6	42.4	-56.0%
Headcount end of period n.	1,435	1,488	-3.6%

dential properties. More specifically, new residential construction fell by 6.0%, non-residential private construction by 1.2% and public works by 1.3%. Since 2008, production levels for new residential construction have decreased by more than 61% and for public works by 48%. In the building sector, however, some signs of greater optimism were seen: in the second quarter house prices climbed for the first time in four years, purchases continued to grow and the climate of confidence of construction firms was at one of the highest levels since 2008.

The Italian industry association (AITEC) estimated domestic deliveries of cement at roughly 19.6 million tons, down 2.6% from the previous year. In nine years of decline in a row, consumption has fallen by nearly 60% compared to the maximum levels recorded in 2006. Our cement and clinker volumes decreased by 2.3%, with higher export quota, which

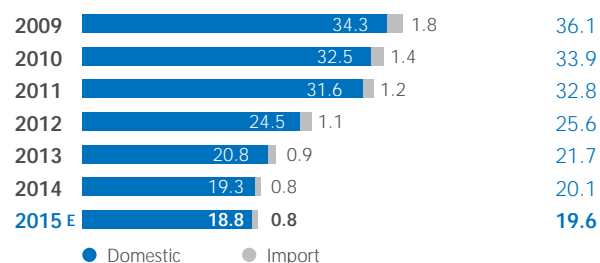
partially mitigated the decline in the domestic market. Selling prices posted a decline of 3.7%, slightly up compared to the minimum levels achieved in the summer. In the ready-mix concrete sector the sales trend was in line with the previous period (+1.2%), with stable prices (+0.2%). With such volume and price development turnover achieved a level of €381.1 million, down 2.7% (€391.5 million in 2014). The unit production costs were stable thanks to the favorable trend in fuels, which more than offset the increase in electric power.

No improvement occurred in the level of capacity utilization. In the ready-mix concrete sector some unexpected serious insolvency situations were again recorded, which exceeded the level considered normal in the situation of severe crisis of the sector and led to losses on trade receivables equal to €6.5 million (compared with €3.7 million in 2014). Ebitda remained negative at -€37.2 million (-€18.7 million in 2014). However it must be pointed out that the 2015 figure includes non-recurring income of €5.6 million referred to the partial release of provisions for antitrust risks, that staff costs include non-recurring restructuring expenses of €3.6 million and that non-recurring costs for dismantling and the transportation of equipment to other group's locations of €2.4 million as well as provisions for legal claims of €0.3 million were incurred. Recurring Ebitda amounted, therefore, to -€36.5 million compared to -€18.3 million in 2014. Moreover last year the company achieved other operating revenues of €0.6 million resulting from the sale or swap of CO₂ emission rights (€10.8 million in 2014).

Investment activities aimed at improving technological and environmental efficiency and workplace safety have continued during the year. Some noteworthy projects include the oil-well cement production project in Siniscola for €5.8 million; the expansion of mineral reserves, the overburden removal and securing of the quarry fronts in Robilante, Barletta, Augusta, Vernasca and Guidonia for a total of €1.2 million; the restoration of the Stereoduc conveyor belt in Robilante for €1.2 million; the modernization of the raw materials mill in Vernasca and Guidonia for €1.0 million; improvements in circulation in Guidonia for €0.3 million; the structural restoration of the jetty and other civil works in Augusta for a total of €0.3 million.

Cement consumption

(millions of tons)

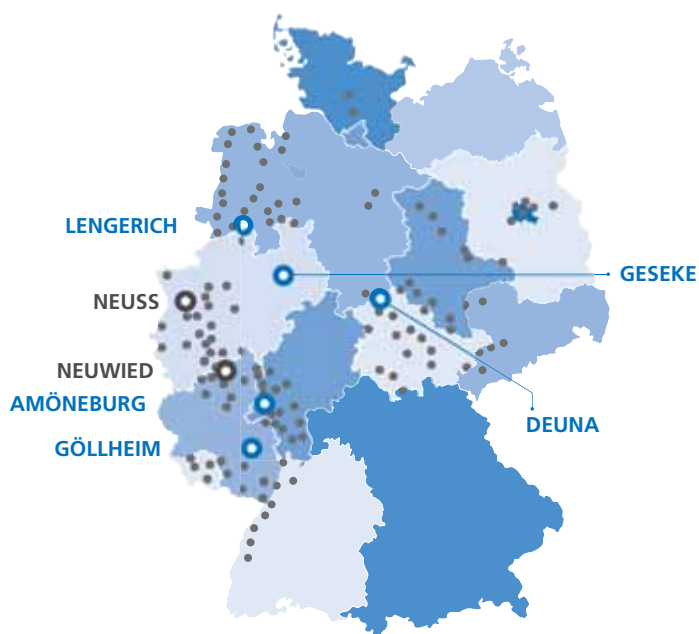


Germany

Trading cement business

Volumes	-2.8%
Prices	-1.1%

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



After a phase of modest growth at the start to the year, expansion of economic activity from spring has been invigorated by trade with foreign countries, by accelerating exports on the one hand and curbing imports on the other. In the second half of the year, with a clear slowdown in exports caused by weakness in non-European markets, the biggest boost came from domestic consumption, thanks to increased disposable income and a drop in unemployment rate, favored by a reduction in fuel cost and low interest rates. The level of investments, in construction in particular, declined and continued to weaken. GDP growth for the year under review (+1.5%), revised downwards, was in line with that of the previous year. As a whole the construction sector maintained a slightly positive trend, although lower than the previous year, and cement consumption in the country was falling (-2.6%).

Our cement deliveries, despite the recovery in the last part of the year, were penalized mainly by the weaker oil well cement demand and closed with a decrease of 2.8%, with prices marginally down (-1.1%). Ready-mix concrete sales showed a more marked decrease (-5.1%), with poor prices (-1.3%). Overall net sales therefore declined from €603.4 million to €573.6 million (-4.9%) and Ebitda decreased from €88.6 million to €72.1 million (-18.6%). It should be noted that the figure for 2014 included non-recurring net income of €20.0 million. Net of non-recurring items, Ebitda increased by €3.5 million (+5.1%).

(millions of euro)	2015	2014	15/14
Net sales	573.6	603.4	-4.9%
EBITDA	72.1	88.6	-18.6%
EBITDA recurring	72.1	68.5	+5.1%
% of net sales	12.6	11.4	
Capital expenditures	31.8	144.4	-78.0%
Headcount end of period n.	1,758	1,763	-0.3%

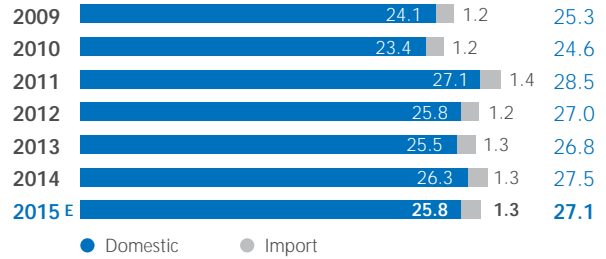
The unit production costs remained stable, with favorable trends for both fuels and electric power, which offset the increase in fixed costs. During this period the company incurred other operating costs of €3.1 million from the purchase of CO₂ emission rights.

Total capital expenditure in 2015 amounted to €31.8 million. The most significant ones involved the conversion into baghouse filter, the installation of a meal extractor and divider and the SCR system in Göllheim for €3.7 million; increasing the bypass, meal divider, frequency inverters for the clinker cooler fans and expansion of the conditioning towers in Deuna for €4.1 million; the purchase of quarry vehicles in Deuna, Göllheim and Lengerich for €3.0 million; a new stack exhaust duct, the conversion into baghouse filter at the kiln in Lengerich for €0.8 million; the fuel oil feeding system and the conversion into baghouse

filter at the kiln in Amöneburg for €0.8 million; the expansion of the Hamburg terminal for €0.7 million and the modernization of the clinker silo in Neuss for €0.5 million.

Cement consumption

(millions of tons)

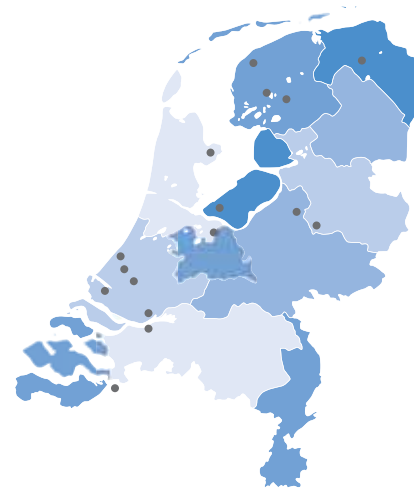
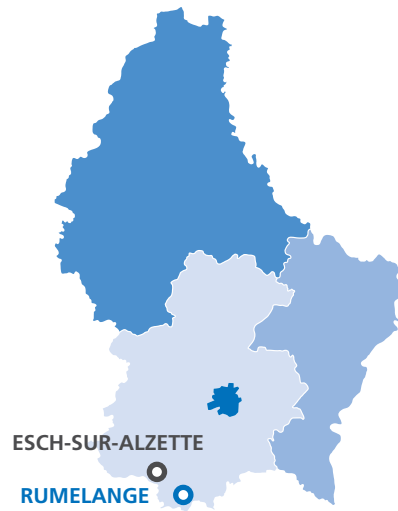


Luxembourg and the Netherlands

Trading cement business

Volumes	-1.8%
Prices	-0.1%

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



The member countries of Benelux, promoters and founders of European integration have consolidated intense cooperation amongst themselves, as a cross-border regional platform in the context of European integration. The main action themes of the 2012-2016 plan is searching for common solutions to matters regarding energy, environment, social cohesion, knowledge, mobility, safety and prevention of fraud. Within the union, the economic development of Luxembourg, which during the year has demonstrated one of the brightest dynamism in Europe, continues to rest on pillars of stability and international openness. Stability intended as efficient social and political cohesion, solid public finance with low debt level, affordable taxation levels and international openness as the primary center of advanced financial services in Europe and aggregator of commuter-labor force (over 40% of workers come from the bordering countries of Belgium, France and Germany). The estimated GDP growth for the current year, recently revised slightly downwards

and slowing since 2014, is 2.2%, thanks to stronger domestic consumption, good investment levels and export of services. Investments in the construction sector and cement domestic consumption are esti-

mated to be in line with the previous year. The gradual economic recovery in the Netherlands after two years of recession from 2012-2013 continued to strengthen in 2015. An improvement in real salaries, the rise in employment rate and low inflation supported domestic consumption growth, while the improved climate of confidence consolidated the recovery of investments. GDP growth for the whole year is estimated at +1.6%. After a prolonged period of decline, the construction sector showed real signs of a rebound in a context of strengthening of the property value on the market and increase in the investment level.

(millions of euro)	2015	2014	15/14
Net sales	169.0	163.5	+3.3%
EBITDA	19.7	15.9	+24.2%
EBITDA recurring	20.2	17.1	+18.0%
% of net sales	11.9	10.5	
Capital expenditures	7.3	5.6	+30.2%
Headcount end of period n.	355	368	-3.5%



Our cement volumes, inclusive of internal sales and export, were affected by the slowdown in neighboring countries; however, thanks to some recovery in the last quarter, they closed down 1.8% only, with stable average prices. Ready-mix concrete output recorded a significant increase (+15.7%), but lacking price momentum. Net sales amounted to €169.0 million, up 3.3% from the previous year (€163.5 million). Ebitda came in at €19.7 million (€15.9 million in 2014), mainly due to the results of the Netherlands, which were back to positive territory. The unit production costs showed an unfavorable change, following a reduction in fuels, the stability of electric power and some increases in the fixed and overhead costs of the plant. However it must be pointed out that in 2015, staff costs include non-recurring restructuring expenses of €0.5 million (€1.2 million of net non-recurring costs in 2014). Net of non-recurring items, Ebitda increased by €3.1 million. Moreover during the year the company achieved other operating revenues of €0.4 million from the sale or swap of CO₂ emission rights.

Total capital expenditure during 2015 came in at €7.3 million, of which 2.7 €million related to an al-

ternative fuel storage and dosing system and €1.7 million for modification of meal piping of the third stage cyclone and strategic spare parts.

Cement consumption

(millions of tons)

2009		11.3
2010		11.0
2011		12.2
2012		11.2
2013		10.6
2014		10.4
2015 E		10.4

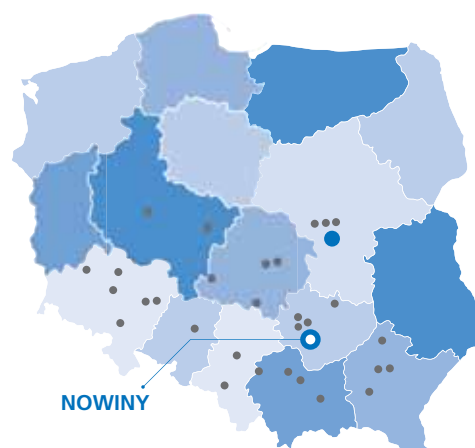
Poland

Trading cement business

Volumes	+21.1%
Prices	-11.7%

● Cement plants

- Ready-mix concrete plants



The country's economy continued its robust and stable growth, backed primarily by good domestic demand, as well as positive dynamics of investments, thanks to relatively low interest rates and the positive contribution of exports. Growth in the employment rate, particularly robust in the last two years, the rise in real salaries and low inflation kept consumption trend high. In spite of a drop in trade with Russia and Ukraine, the contribution of exports remained positive, however, thanks to the competitiveness of production factors. At the end of the year the unemployment rate (7%) was at pre-crisis levels. Moreover the country is the largest beneficiary of European structural funds aimed at improving infrastructures and making transports, communications, the energy system and public administration more efficient. GDP growth for the year in review is estimated at +3.5%, an improvement compared to 2014. Investments in the construction sector demonstrated a favorable trend and cement consumption is rising slightly.

Our business maintained a regular trend, which was more consistent with the geographical positioning and the potential than with the result of the previous year. Cement volumes sold by our plant increased by 21.1% compared to 2014, although with a decline in prices in local currency (-11.7%). Ready-mix concrete output was also up (+9.8%), in a scenario of always competitive prices (-3.1%). Net sales increased from €89.0 million to €96.8 million (+8.7%), with no exchange rate effect thanks to the zloty stability. Ebitda improved from €18.2 million to €21.9 million (+20.8%), with Ebitda to sales margin rising from 20.4% to 22.7%. Some benefit was achieved in the unit production costs in local currency thanks to the reduction of fuels and, as regards fixed costs,

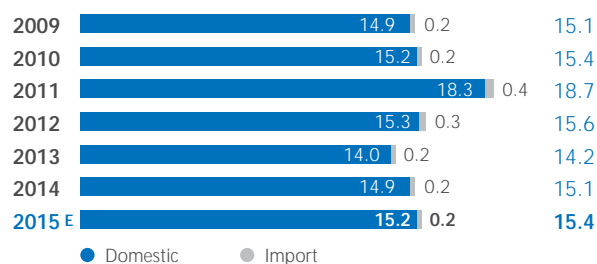
(millions of euro)	2015	2014	15/14
Net sales	96.8	89.0	+8.7%
EBITDA	21.9	18.2	+20.8%
% of net sales	22.7	20.4	
Capital expenditures	4.6	7.7	-40.3%
Headcount end of period n.	365	371	-1.6%

to the operating leverage effect, despite an increase in electric power. Moreover during the year the company achieved other operating revenues of €1.7 million from the sale or swap of CO₂ emission rights.

Total capital expenditure in 2015 amounted to €4.6 million, of which €0.6 million was related to the expansion of the alternative fuel feeding system, €0.3 million for a raw material dosing system and €0.5 million for the modernization of ready-mix concrete plants.

Cement consumption

(millions of tons)



● Domestic ● Import

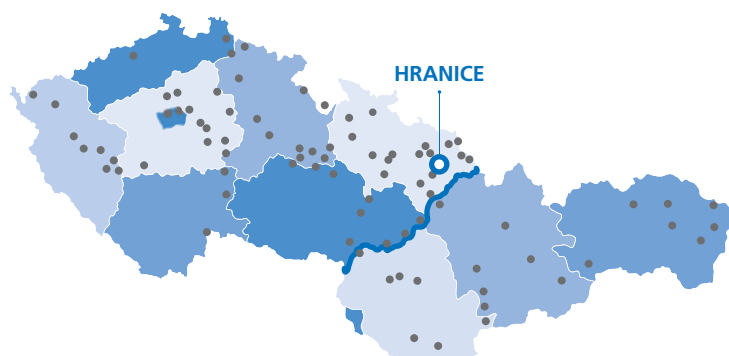
Czech Republic and Slovakia

Trading cement business

Volumes	+0.9%
Prices	+0.1%

Cement plants

- Ready-mix concrete plants



After a long period of slow growth followed by two years of recession in 2012-2013, the country was back in a phase of solid recovery, which was particularly robust in the year under review, influenced by temporary factors. GDP growth, revised upwards during the year, is estimated at +4.5%. The recovery is boosted by domestic demand, thanks to the good employment trend, one of the lowest unemployment rates in Europe (4.9%), rising real salaries and low inflation (0.3%). The most relevant temporary factor is the considerable use of European funds for development of infrastructure and convergence, enabling rapid growth of public works spending during the year. The presence of substantial amounts of foreign capital in the industrial sector (primarily in automotive and high technology) and in the banking sector demonstrated the benefits of international integration. Investments in construction maintained a good performance and cement consumption was slightly up.

The Slovak economy grew by 3.5% in 2015, a noticeable improvement with respect to the +2.4% rate of 2014.

Our cement sales were in line with the good levels achieved in 2014 (+0.9%) with stable average prices (+0.1%). The ready-mix concrete sector, which also includes Slovak operations, showed signs of improvement, with sales (+3.0%) and prices (+2.1%) up. Consolidated net sales increased from €133.6 million to €135.6 million (+1.5%), and Ebitda from €27.0 million to €32.6 million (+20.5%). Ebitda to sales margin, showing a further progress, increased from 20.2% to 24.0%. The slight strengthening of the Czech koruna had a favorable impact on the translation of results into euro; net of foreign exchange rate, turnover and Ebitda would have increased respectively by 0.7% and

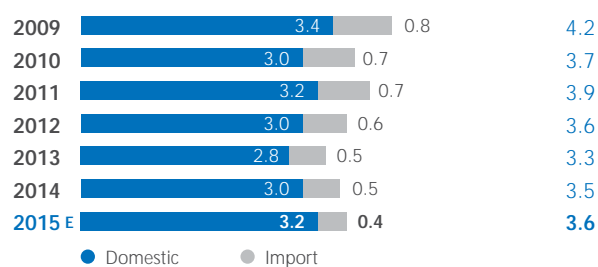
(millions of euro)	2015	2014	15/14
Net sales	135.6	133.6	+1.5%
EBITDA	32.6	27.0	+20.5%
% of net sales	24.0	20.2	
Capital expenditures	5.0	6.5	-23.0%
Headcount end of period n.	747	784	-4.7%

+19.5%. The unit production costs in local currency were virtually unchanged, with favorable trends for fuels and electric power, thus offsetting the increase in the main fixed costs. Moreover during the year the company achieved other operating revenues of €1.2 million from the sale or swap of CO₂ emission rights.

Total capital expenditures in 2015 amounted to €5.0 million, of which €0.5 million related to an alternative fuel extractor, €0.4 million for the purchase of vehicles and €0.2 million for the modernization of alternative fuel storage, and the purchase of concrete mixers and pumps in the ready-mix concrete sector for €1.0 million.

Cement consumption

(millions of tons)



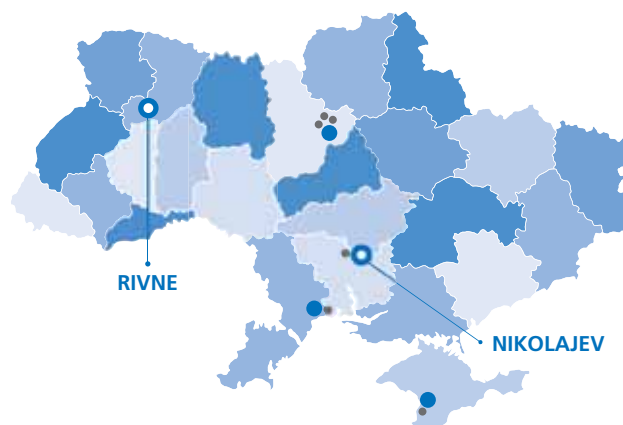
Ukraine

Trading cement business

Volumes	+0.6%
Prices	+19.5%

● Cement plants

- Ready-mix concrete plants



With a backdrop of latent territorial tensions, which came about following the geopolitical conflict, and a fragile social context, the downturn worsened. Industrial output, retail trade and investments recorded double-digit declines.

The inflation rate was higher than 40% and GDP contraction for the year under review was revised downward to -11%. The assistance plans of the International Monetary Fund, the European Union and the United States are backing the country's efforts to promote structural reforms, implement anti-corruption practices and return to a balanced and sustainable economic situation. Investments in construction marked a sharp decline (-27%) and cement consumption dropped significantly (-11%). In spite of the difficult scenario, our operations recorded a regular trend; cement volumes sold were in line with the previous year (+0.6%), with prices in local currency dragged upwards by the galloping inflation (+19.5%). Net sales were equal to €69.8 million, compared to €88.1 million achieved in 2014 (-20.8%).

Ebitda amounted to €4.0 million compared to €11.0 million in 2014 (-63.8%), with Ebitda to sales margins down (5.7% versus 12.5% in 2014). The strong depreciation of the local currency had a very negative impact on the translation of results into euro; at constant exchange rates net sales would have increased by 21.3% and Ebitda would have been down 44.6%. The strong increase (more than 30%) in unit production costs in local currency, particularly of fuels and electric power, reflects the high inflation rate in the country.

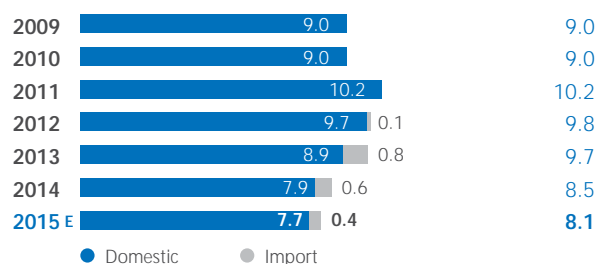
Total capital expenditure in 2015 amounted to €6.5 million, of which €3.0 million for the overburden removal at the quarry, €0.6 million for work on the

(millions of euro)	2015	2014	15/14
Net sales	69.8	88.1	-20.8%
EBITDA	4.0	11.0	-63.8%
% of net sales	5.7	12.5	
Capital expenditures	6.5	8.1	-18.8%
Headcount end of period n.	1,304	1,420	-8.2%

filter and cooler in Volyn, €0.6 million for work on the filter and cooler in Yug and €0.3 million for purchasing quarry vehicles in Volyn.

Cement consumption

(millions of tons)

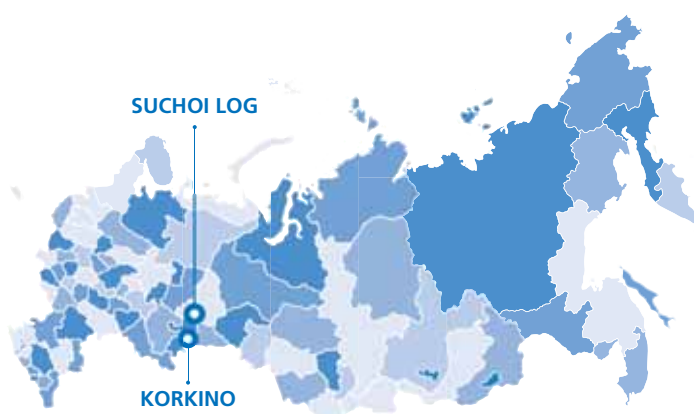


Russia

Trading cement business

Volumes	+8.4%
Prices	-1.0%

Cement plants



Slowing dynamics triggered by the effects of sanctions, the drop in the price of crude oil and by the devaluation of the ruble led to a decline in domestic demand, due to the reduction of real salaries and high inflation (approx. 15%), and a decline in investments owing to the weakening climate of confidence in the country. Net exports continued to be positive, due especially to the rapid decline in imports caused by a reduced domestic demand and the depreciation of the ruble.

The country shows proven and robust macroeconomic fundamentals with public debt being under control and sustainable, but also structural challenges such as unfavorable demographic dynamics and regulations which, by discouraging people from continuing to work, contribute to depressing consumption. In addition, the large number of state-owned companies in key economic sectors makes improvements in competitiveness and efficiency harder. Further, administrative barriers, complex regulations and lack of infrastructures slow investments and growth. The most recent estimates for 2015 are expecting a 4% decrease in the GDP. For the second year in a row the construction sector suffered a considerable contraction (-7%) which had negative repercussions on cement consumption, decreasing for the first time after four straight years of record consumption. Sales volumes, which benefited from the Korkino plant entering the consolidation scope, showed an increase of 8.4% compared to 2014; like for like sales volumes would have been lower by 14.3%.

The category of oil well cements, devoted to the extraction industry, showed a good resilience. The average prices in local currency were in line with

(millions of euro)	2015	2014	15/14
Net sales	166.7	209.9	-20.6%
EBITDA	48.4	73.4	-34.1%
EBITDA recurring	48.4	77.4	-37.4%
% of net sales	29.0	36.9	
Capital expenditures	9.9	12.8	-22.3%
Headcount end of period n.	1,469	1,611	-8.8%

last year (-1.0%); it should be remembered, though, that the products delivered by the Korkino cement plant are in lower range compared to the mix of the Suchoi Log plant. Net sales totaled €166.7 million, compared to €209.9 million in the previous year (-20.6%). The devaluation of the ruble (-33.6%) had a negative impact on sales of €46.3 million; on a like-for-like basis net revenues would have decreased by 12.3%. Ebitda stood at €48.4 million against €73.4 million in 2014, down 34.1%; in local currency it would have been down 12.0%. It should be noted that the figure for 2014 included non-recurring expenses of €3.9 million.

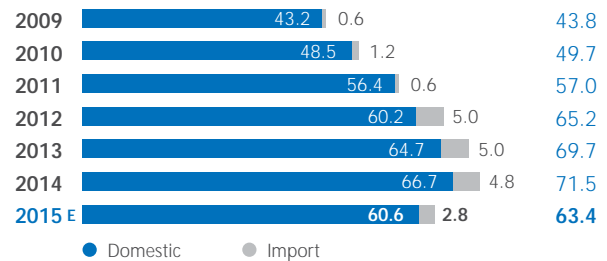
Our operations in the country, even if penalized by the exchange rate effect, have still maintained an excellent Ebitda to sales margin within the group (29.0%), although much lower than the previous year (36.9%). The unit production costs in local currency increased less than inflation, with an unfavorable variance for fuels and essentially stable electric power. The year was mainly dedicated to the integration process between the two plants as well as to the identification and creation of the best production and management organization for the country as a whole. We think we have identified all

possible synergies and we expect that from this process additional benefits and efficiencies will arise in the near future.

Total capital expenditure in 2015 was €9.9 million, of which €2.1 million related to the purchase of factory and quarry vehicles, €1.0 million to installation of filters, €0.4 million to a new palletizing and bag storage facility, €0.6 million to the modernization of cement silos in Suchoi-Log and €0.4 million for production integration in Korkino.

Cement consumption

(millions of tons)



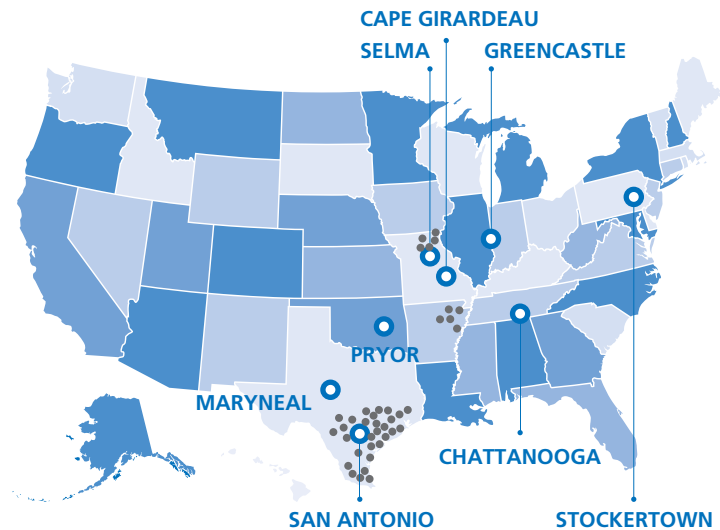
United States of America

Trading cement business

Volumes	+2.4%
Prices	+7.7%

● Cement plants

- Ready-mix concrete plants



Economic activity in the third quarter expanded beyond expectations, after the year started off slowly due to events of a temporary nature and activity picking up noticeably in the second quarter. The expansion phase continued in the fourth quarter but with a growth pace that suffered some slowdown in manufacturing, retail trade and investments. Additionally, adverse external factors continued to weigh on exports, in particular the modest growth globally and the appreciation of the dollar. Industrial output showed signs of weakness, suffering from the trend of the energy segment. Thanks to a substantial rise in employment rate, domestic consumption boosted the recovery and more recent data put the

(millions of euro)	2015	2014	15/14
Net sales	1,108.7	856.1	+29.5%
EBITDA	311.7	207.3	+50.4%
EBITDA recurring	316.2	203.8	+55.2%
% of net sales	28.5	23.8	
Capital expenditures	220.4	90.6	+143.1%
Headcount end of period n.	2,305	2,312	-0.3%

GDP for the whole of 2015 at 2.4%, similar to the levels of 2014. Consumer price inflation remained very low, at 0.5% in November (1.3% net of energy

and food products). At the end of the year, significant improvements in the employment rate drove the Federal Reserve to change its zero interest rate policy adopted in December 2008. Investments in the construction industry performed well overall (+6.1%), better than in 2014, with particularly favorable changes in the commercial and residential segment with infrastructures recovering. After five years of growth in a row, cement consumption in the country reached 89.8 million tons (+3.8%). Our hydraulic binders sales increased by 2.4%, thanks to the good performance in the Midwest regions and despite a significant contraction in deliveries of oil well special products. Ready-mix concrete output, mainly located in the South-West, was lower than the previous year (-5.2%). The trend of selling prices in local currency was favorable, resulting in an increase of 7.7% in the cement sector and of 9.7% in the ready-mix concrete one. Overall net sales increased from €856.1 million to €1,108.7 million (+29.5%).

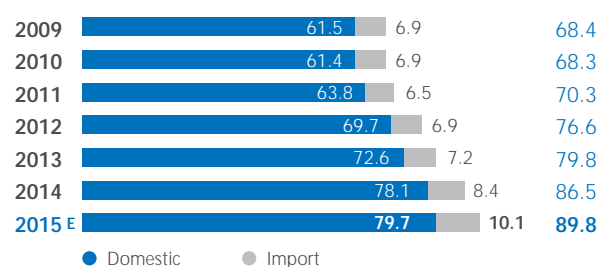
The development of Ebitda was very satisfactory, from €207.3 million to €311.7 million (+50.4%). The stronger US dollar (+16.5%) significantly impacted the trend in sales and Ebitda. The figure for the year also includes non-recurring costs of €4.5 million for the disassembling and dismantling of equipment (in 2014 a non-recurring income of €3.5 million was recorded). Net of foreign exchange and non-recurring items, net sales and Ebitda would have increased by respectively 8.2% and 29.6%. The growth in volumes and selling prices allowed to improve the Ebitda to sales margin from 23.8% to 28.5%. The unit production costs in local currency remained stable, with favorable developments for fuels and an unchanged trend for electric power. Since July the distribution network was expanded to markets which were not served yet, thanks to the acquisition of the terminals in Rock Island (Illinois), Grandville (Michigan) and Elmira (Michigan).

The main investments made in the period were €163.1 million for the modernization and expansion of the plant in Maryneal, Texas, aimed at doubling installed capacity from 0.6 to 1.2 million tons/year, with installation of the most modern production, environmental and safety management systems; the start up of the new kiln is expected in June 2016 after a phase of fine tuning. The completion of the project for the adaptation to new environmental

standards (National Emission Standards for Hazardous Air Pollutants) involved capital expenditures of €5.9 million; €8.2 million were related to the completion of the distribution terminals at Wichita (Kansas), Temple (Texas) and Rock Island (Illinois) and €5.6 million for purchase of new concrete mixers.

Cement consumption

(millions of tons)



Mexico

(valued by the equity method)

● Cement plants

- Ready-mix concrete plants



Although some exogenous factors such as a drop in oil prices and a downturn in international trade limited growth potentials, economic activity in the country continued an expansion phase benefiting from close economic relations with the United States and the good domestic demand, managing to reduce the negative impact of the drop in crude oil output. GDP growth for 2015, which is estimated at 2.5%, is in line with that of the previous year. Cement consumption in the country benefited from the preliminary tangible effects of the 2014-2018 infrastructure development plan, exceeding the previous record of 2012.

The trend of cement sales of the associate Corporación Moctezuma was brilliant for the whole of the year, with average prices in local currency higher than the previous year. Ready-mix concrete production showed similar trends. Net sales and Ebitda, in local currency, increased by respectively 19.7% and 36.1%. The Mexican peso maintained its value during the year: with reference to 100% of the associate, net sales amounted to €625.9 million (+19.9%) and Ebitda improved from €187.8 to €256.1 million (+36.4%).

Thanks to the favorable trend of energy factors and the reduced incidence of fixed costs (high level of capacity utilization), the unit production costs could be further optimized. During the year in the cement plant of Apazapan (Veracruz) the works to double the production capacity progressed as scheduled,

(millions of euro)	2015	2014	15/14
Net sales	625.9	521.9	+19.9%
EBITDA	256.1	187.8	+36.4%
% of net sales	40.9	36.0	
Capital expenditures	46.2	22.2	+108.1%
Headcount end of period n.	1,121	1,105	+1.4%

Figures at 100% - valued by the equity method.

with completion expected in 2016. The share of earnings referring to Mexico, which are included in the line item that encompasses the investments valued by the equity method, amount to €54.4 million (€38.8 million in 2014).

Cement consumption

(millions of tons)



Algeria

(valued by the equity method)

In Algeria cement consumption showed a slight progress in 2015 as well, thanks to renewed interest in the five-year plan related to infrastructure works desired and financed by the government and in spite of the trend of oil price. Different public and private initiatives are in progress for the construction of new production lines and envisage putting some in operation by the end of 2016.

Cement consumption for the year 2015 is estimated at around 25 million tons. Domestic output is insufficient and importation of significant amounts of cement, around 6 million tons, continued. From 2016 the government has introduced new restrictive rules for limiting importations in general, including that of cement.

The results of the companies in which Buzzi Unicem own 35%, stated in euros, were lower than the previous year mostly due to the slowdown of output in Sour El Ghozlane. The Hadjar Soud cement plant produced 1.1 tons of cement, slightly more than in the same period of the previous year; clinker output stood at 0.9 tons, up 2.1% from 2014. The company's board and the public sector group GICA deliberated an investment for revamping the plant

that would lead to an increase in clinker capacity of roughly 300,000 ton/year. The Sour El Ghozlane cement plant produced 0.8 million tons of cement marking a decrease of 17.4% with respect to the same period of 2014. Similarly, due to some technical and operating difficulties, clinker output was 0.7 million tons, -17.5% compared to the previous year. With reference to 100% of both subsidiaries and the separate financial statements thereof, the year 2015 closed with net sales at €101 million (-12% compared to 2014) and Ebitda at €45.5 million (-20% compared to 2014).

As regards the approaching 2016 fiscal year, forecasts indicate an improvement in output, sales and results.

Human Resources

The management and development of human resources, as in previous years, have been targeted towards meeting the company's various operational needs through the country. So, uneven priorities have once again emerged because of the different plant utilization levels, investment projects and liveliness of the respective markets.

Within this framework, efforts to expand synergies have continued not just in technical departments and research and development, but also in information technology and internal auditing.

The most significant corporate projects, ranging through technical investment, review of transnational procedures and organizational optimization, are permanently assigned to teams of specialized staff from Buzzi Unicem companies in different countries. Hiring statistics give proof that the US (Buzzi Unicem USA and Alamo Cement) currently represent the group's most important market (498 new recruitments). This is in large part a result of the highly competitive labor market with an adequate supply and unemployment rate down 5.3%. The 22% turnover figure also accurately reflects this situation. Human resources management has therefore had to engage primarily in the tasks of selection and nego-

tiation of hiring terms of candidates, who are not always equipped with the experience and professionalism required by the plants.

2015 was the first year since 2009 in which there was no need for short-term layoffs in factories.

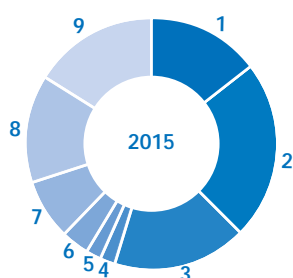
Five new collective labor agreements were signed with satisfactory results in terms both of impact on costs and staff relations.

In Germany, new legislation came into force aimed at protecting staff from the risk of mental fatigue and stress in the workplace. The new rule requires companies to carry out a thorough evaluation of working conditions, taking into account the opinion of employees concerned.

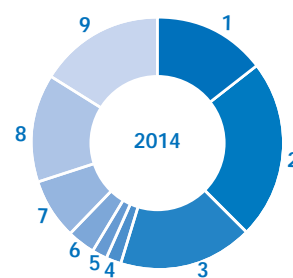
In 2015, pilot projects were launched – one for the cement business and one for concrete. The results will be evaluated by a project team consisting of representatives from the company management, the operational divisions and the internal service for health protection and workers' safety.

In Russia, the integration of the Korkino plant, acquired in late 2014, has been completed in large part. The instability of the local economy has also affected the demand for cement, so a decision was

Headcount by region at year end



1	Italy	1,435
2	United States of America	2,305
3	Germany	1,758
4	Luxembourg	188
5	Netherlands	167
6	Poland	365
7	Czech Republic and Slovakia	747
8	Ukraine	1,304
9	Russia	1,469
Total		9,738



1	Italy	1,488
2	United 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

taken to shut down line 1 and concentrate production and staff on line 2; this unfortunately resulted in a surplus of 154 people out of a total workforce of 599 employees at 31 December 2014.

Substantial efficiency gains were also made in Ukraine through the amalgamation of two operating companies in the cement sector: Yug Cement and Volyn Cement, which were merged into Dyckerhoff Cement Ukraine. The operation required a workforce reduction of 116 employees.

The construction sector in Italy has suffered further weakening; therefore, at the expiration of the Extended Layoff Fund allocated because of the crisis, there was an inevitable need for collective redundancies, with a staff reduction of 53 people in Italian operations, t.i. 3.6% compared to 2014 (moreover, new collective redundancy procedures which are currently being prepared will take effect in March 2016). In November 2015 the national collective labor agreement for the cement industry was renewed without conflict with the unions.

	2015	2014
Turnover ¹	14.87%	14.68%
Days of absence ²	83,562	72,072
Training days ³	43,244	48,358

¹ Ratio of outgoing employees to workforce at Dec 31, 2015;

² Total days of illness and accident;

³ Total days of internal and external training.

Research and development

Buzzi Unicem devotes particular attention to applied research. Its continuous and intense experimentation enables it to pursue innovation both in the production process and in products. For this purpose the company participates as an industrial partner in national and international research projects, contributing to the development of new materials and technologies and the creation of knowledge networks with structures of excellence in the field of scientific research.

The year 2015 was marked by a major overhaul of the research facility; it took on a new international dimension, with the creation of joint working groups and departments involving the laboratories of Wiesbaden (Germany) and Trino (Italy). The goal of this new organization is greater sharing of facilities, procedures, know-how, intellectual property protection and capacity for generating new ideas and academic collaborations.

R&D activity consists of five basic strategic lines:

- **New hydraulic binders**, aimed at promoting activities and studies to reduce CO₂, develop alternative binders to Portland, define technology for waste reuse and alternative materials in Portland cements and maintain close attention to technical changes in the market. This strategic line also embraces projects centering on sulphoaluminates cements (already a commercially available product called Buzzi Unicem Next), Belitic binders, alkali-activated binders and Portland low-clinker cement mixes. These activities are managed through internal research studies or in collaboration with university partners including the Politecnico di Milano and the University of Weimar, or with the support of National or European funding sources (Dyfracem project, Geomat).
- **High performance Concrete**, aimed at developing new classes of binders with unique mechanical properties (mechanical strength, modulus of elasticity, durability). The Nanodur binder (already a commercially available product on the market) falls into this strategic line and undergoes constant development and updating. The European H-House project, financed under the European Horizon 2020 research program, and the

BMBF Vakubäude and Euro Trough projects (funded by the German Research Ministry) see our research facilities involved as industrial partners with expertise in high performance concrete.

- **Multifunctional building materials**, aimed at generating new ideas and developing a broader vision of ongoing scientific research focused mainly on building materials with photo-catalytic properties for self cleaning and self repairing. The PureBau and Dualcem projects are also worthy of mention; backed by national funding in Germany and Italy, these have allowed us to acquire know-how and make strategic decisions.
- **Improved building materials**, aimed at developing new classes of building materials: characterized by improved durability, superior mechanical strength and features such as lightness, thermal insulation and resistance to chemicals; also materials that can serve to revolutionize the construction supply chain from design to casting of concrete, with the introduction of technological solutions that can provide different ways of building; for example with fiberglass reinforcement or reinforcement rods more resistant to chlorides. We can also mention the European projects Lorcenis (European Horizon 2020 call) and Seacon (EU-US Infravation call) or the 3 C project funded by the German Research Ministry.
- **Innovative production processes**, the goal is to understand how innovative technological processes can impact on the properties of cement and concrete, and how to approach new technologies aimed at developing solutions to break down, store and convert CO₂. Because of their complexity, these projects are managed in working groups that cooperate with other companies in the industry: e.g. the work groups at ECRA and the Power Ultra Sonic Cement project funded by the German Research Ministry.

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

With regard to the ready-mix concrete sector, applied research activity continues to improve the corporate technological model, increase process efficiency and above all satisfy the needs of design engineers and salespeople, who over the years have gradually become more demanding and sophisticated. In our research into components, innovative experimental methods have been developed to allow us to predict and manage the interaction - which can sometimes be negative and expensive - between mineral particles and chemical additives.

On the basis of this advancement in know-how some alternative methods of modulated or varied use of additives have been assessed and sent for industrial testing, with the aim of minimizing cost and maximizing performance adaptively in accordance with local situations. Still in the field of new technologies for the improvement of industrial processes, we have developed new mix design solutions that ensure and prolong the fluidity of the concrete even under very critical conditions. This, combined with new test methods for the effective water testing of the mixture, allows us to manage even more accurately the real amount of water in the concrete, further strengthening the already excellent guarantees of the "H2NO System" and further reducing the process parameters that historically determine the variability of results in the supplied product. During 2015, R&D activity has enhanced the Smart System with the addition of new dedicated concretes tailored for specific applications (self-repairing, water repellent, self-compacting, colored for evolved exposed walls, draining with varying degrees of water transit), which have extended the company's range of standard products.

Like every year there has been continued and intensified technical and scientific cooperation with chief professionals and design departments of the main Italian buyers, which increasingly join our research service as a qualified partner in the planning stage in order to identify the most effective technical solutions.

Ecology, Environment and Safety

Buzzi Unicem considers increased environmental awareness and the need for safety to be a pre-condition for any kind of economic activity; a need that increases year by year, along with the nascent climate of trust following on from the first signs of recovery. It is important to grasp the symbolic significance of this unassailable set of values and to consider it as evidence of an overall cultural change among all citizens who care about environmental protection and social values.

For years, without undue ideological emphasis, the group has fairly and evenly advocated a pragmatic approach to these issues through the concrete promotion of the identifying values of its Environment and Safety Policy and shared responsibility, being deeply convinced that environmental justice should be an important guiding criterion for all operators, quite apart from any practical reasons of convenience.

In fact, for the vast majority of stakeholders, environmentalism today is a heartfelt and positive opportunity to seriously and urgently promote the correct and compatible management of ecosystems, supported by the growing cultural and political change that researchers, associations, opinion leaders and institutions are developing in this sphere. Their aim is a general shared vision on climate change (see COP 21 Paris) and, above all, an ecological conversion and an increased awareness of the centrality of the environment in our behavior and daily choices.

This model of sustainability is linked to the continued efficiency and effectiveness of the company's standards, the gradual awareness-raising and direct involvement of customers, suppliers and all staff in the search for maximum eco-friendliness of business processes and in mitigating the impact of its products.

A deeply-held commitment to promote the modern culture of "doing business" as a multifaceted, social and corporate commitment covering aspects such as organizational structure, work environment, dissemination of good practices and the involvement and active participation of employees finds its application in numerous participatory initiatives, such as the national "Safety First" competition for apprentices of the German industry association for Raw Materials and Chemical Industries. This event in Deuna

saw significant participation by young people interested in learning and trying out appropriate technical and behavioral patterns for safety and health protection. Another example is the annual meeting of the EWC - European Works Council at our Casale headquarters. This convention, bringing together representatives of Buzzi Unicem employees, involved intensely active days of information, dialog and training. And finally, the renewal of the certification of the safety management system in all German cement plants.

In relation to work safety, 2015 has seen accident index trends aligning with the best classes in the industry; these findings give tangible evidence of the extent of the commitment and cooperation of all Buzzi Unicem employees and outside companies operating in our production sites. Their continued support will also be necessary for the future maintenance and improvement of already high standards and in the pursuit of optimal and balanced interaction between humans, machinery and the environment. With regard to the protection of the ecosystems (air, water, soil, etc.), we reassert our strategic priorities in terms of sustainable development and circular economy, which must be the focus of our efforts and energies: climate and emissions, energy demand and natural resources, alternatives to fossil fuels, biodiversity, quality and technological research.

The main technical and management operations include the construction of the now near-completed production line in Maryneal (Texas), consisting of a 5-stage cyclone kiln, Horomill mill and new cement mill; the installation in Selma (Missouri) of an efficient clinker cooling system with variable-speed fans as part of the EPA Energy Star program for the reduction of energy consumption and CO₂ emissions; the optimization of the cement grinding plants at Deuna and Nowiny, with modernized separators to ensure high quality and reduced costs; and the expansion of the Rumelange (Luxembourg) plants for the receipt, silo storage and dosage of "fluff" (alternative fuel).

In the environmental area, the company has attracted gratifying recognition confirming its continued commitment in this area, such as the Climate Leadership Award, awarded for the fourth conse-

cutive year to Buzzi Unicem by the CDP (Carbon Disclosure Project), an internationally important non-profit organization that assesses transparency and best performance in the management of climate change); another accolade was inclusion in the CDLI Italia sustainability index. Part of the Climate Change program, this mechanism selects Italian Stock Exchange-listed companies that have developed methodologies and tools to convey CO₂ information to stakeholders, comprehensively and transparently.

Also, the Mexican cement plants have obtained renewed "Clean Industry" certification, awarded by the federal environmental protection agency, while the Apazapan and Cerritos plants have gradually implemented the integrated management system for environment and safety, in accordance with the requirements of the UNI EN ISO 14001 and OHSAS 18001 international standards.

Excellent results have been achieved in biodiversity, with raw material extraction sites now restored and again made available and usable for local communities. One such site, at Makebo in the Netherlands, is home to a colony of flamingos.

With a view to achieving maximum transparency in disclosure of environmental performance, in line with the Environmental Product Declaration certification for cements produced in Luxembourg Germany and Italy products, high performance cements and concretes are designed and manufactured in full compliance with stringent quality standards.

For example, Solidur®, a special pre-mixed, ready-to-use product for packing self-cured plastic mixtures and designed especially for environmental remediation, was presented at RemTech (Remediation Technologies), an important event dedicated to remediation of contaminated sites and land conservation and recovery. The European Coatings Show in Nuremberg and the SAIE Smart House fair in Bologna, dedicated to building renovation and the promotion of innovative materials, cutting-edge technology, building restoration and urban regeneration projects, provided platforms for the launch of the products Rocket and Next - the first sulphoaluminate cement products in Europe to have obtained the CE marking together with the Unical Smart offer

model and the H2NO system, the quality seals of the company's work.

This recognition of technological achievement and professionalism has led to the development of special products for a wide range of uses, including: the supply of cement, produced in San Antonio, Texas, for the construction of the foundations of a skyscraper for the Green Water scheme, the largest private construction project ever undertaken in the history of the city of Austin; the development of projects in Kansas and Tennessee using roller-compacted concrete paving, a strong, durable material offering a valid alternative to traditional paving; the construction of a 4 km tunnel on the new road connecting Agrigento and Caltanissetta; the supply of concrete in preparation for the Terzo Valico dei Giovi high-speed rail line, which will strengthen links between the Ligurian port system and major European railway lines.

Internal control and risk management system

The internal control and risk management system of Buzzi Unicem 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, reliability of financial reporting and 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 Code of Conduct, availing 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 an international group active not only in Italy but also in several foreign countries through subsidiaries and associated companies. Given the complexity of the group, the structure of the Internal Audit function has been adapted to local requirements. It is organic and balanced, is not subject to restrictions, and is entitled to 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.

As part of the internal control system, our corporate risk management takes the concrete form of a 6-monthly procedure of risk inventory taking, con-

trol and reporting, all based on a strategy for overall, known and accepted risk.

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 attributed to the heads of central offices and group divisions identified as important for risk management. The respective directors are responsible for all material risks foreseeable in their areas, regardless of the fact that they 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. Analyzes are performed on the categories relating to the risks that underlie all the activities of our operating companies in terms of 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 budget 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 practice). 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 its recognition in the budget. In any case, the ERM, despite being a management tool available to senior management for the evaluation and control of risks, also has an important use for the determination of funds, allowing more direct and comprehensive knowledge of management operations and more accurate assessments during the allocation process.

In 2015 there was a slightly rising trend of residual risks, meaning risks after containment measures net of any accounting provisions. The increases belong to 13 of the 15 categories used. The main changes were seen in the risk categories of capital investment, currency, purchases, distribution and legal, and are presented below.

In Italy, as a result of greater availability of liquidity, there has been an increased risk of loss of capital invested in financial institutions due to their default, although the probability of this happening is very low. On the foreign exchange front, for the parent company the risk of negative exchange rate effects relating to the conversion in Euros of financial statements expressed in foreign currencies (dollar area) became greater.

There remain currency risks for intercompany loans, collection of dividends and impact on Ebitda referring to invested companies in Eastern Europe and Mexico; in the risks database devaluation of local currencies by 10% against the euro with respect to budget changes has been considered.

In Ukraine the risks of increased costs for purchases denominated in non-domestic currencies are getting higher.

In the United States the sales volume risk for cement is greater as a consequence of potential slowdown in the construction market and reduced public spending.

There has been a reduction of the risk of legal proceedings of the parent company and the wholly-owned subsidiary Dyckerhoff.

The proceedings brought in 2010 by the European Commission to investigate unfair competition practices within the European Economic Area, the cement industry and by-products closed without any consequences for Buzzi Unicem and the risk has been canceled.

The residual risk of having to pay some Dyckerhoff minority shareholders an adjustment of the price of shares following the squeeze-out procedure concluded in August 2013 is fully covered by an allocation on the balance sheet.

At Dyckerhoff the risk tied to law suits for breaking antitrust legislation which can be brought by the Cartel Damage Claims and/or their assignees has been canceled.

Following the containment measures already implemented or envisaged by the managements and divisions of the group, through insurance policies and budget allocations, the residual risk amount is a very limited fraction of equity.

Related-party transactions

Transactions with related parties, including inter-company 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 the expected investment trend in the construction sector shows some improvement in the civil works and in the commercial segment. Moreover the drop in the new residential buildings should attenuate. Our extraordinary initiative aimed at the consolidation of the offer (acquisition of the SACCI business unit) found obstacles in its path that hindered a successful conclusion, therefore further efforts to find solutions of industrial rationalization and improvement of efficiency become necessary in order to return to a sustainable economic situation. The profitability trend will depend largely on the development of selling prices, which could start to increase again only with a proper demand strengthening. Otherwise no significant improvements in operating results are expected.

In Central Europe we expect stable volumes and modest favorable price changes in Germany and the Benelux. The operating results should be basically in line with the previous year.

The forecast for Poland and the Czech Republic is of an improvement for both volumes and prices, which should at least translate into similar operating results versus the ones achieved in 2015.

In Ukraine, despite a very challenging economic and political context, in the western regions, where our group operates, we expect a normalization of our business operations, with a favorable variance of volumes and prices. The economic results, assuming that the exchange rate effect is not too penalizing, are expected slightly better.

In the Russian market the exit from economic recession is not predictable yet and the investment climate in construction should confirm some weakness. We expect a slowdown in demand for grey cement, and if the subdued values of oil prices continue, a decline in the oil well products. The depreciation of the ruble, if confirmed, restate a further significant penalization due to the translation effect. Although some additional benefits for production and commercial synergies between the Suchoi Log and the Korkino cement plants are likely to appear, the expectations are of a worsening of operating results expressed in euro. Should the currently outstanding economic sanctions be lifted, such a prospect would be favorably influenced.

The strength of the recovery in the United States of America and the forecast of investment resilience in

the three main activity sectors (residential, commercial and public works) allow some optimism about a further favorable trend in volumes and prices despite more uncertain prospects for the South-West regions and the weak demand in special oil well cements. We expect an improved result, that will also be influenced by the contribution of the three additional terminals acquired in the region of the Great Lakes as well as, for a good part of the year, by the higher efficiency of the new production line at Maryneal (Texas).

The foregoing considerations outline for the current year a profitability level increasing in the United States and a substantial stability in Central Europe. In Eastern European countries, Russia excluded, we expect slightly improved results on the previous year. In Russia, the weak demand and the penalizing exchange rate effect will negatively affect the profitability while in Italy the prospects for improvement are very uncertain and basically related to a positive development of the volumes/prices combination, which is not visible to the start of the year.

In conclusion, we estimate that at consolidated level the recurring Ebitda for the whole of 2016 may be able to achieve a slightly favorable variance versus the previous year.



Financial Information

Consolidated financial statements	54
Notes to consolidated financial statements	60
Appendixes	136
Certification of the consolidated financial statements	143
Auditors' report	144

Consolidated Balance Sheet

(thousands of euro)	Note	Dec 31, 2015	Dec 31, 2014
Assets			
Non-current assets			
Goodwill	7	544,071	571,213
Other intangible assets	7	41,120	10,326
Property, plant and equipment	8	3,090,889	2,835,410
Investment property	9	22,786	23,822
Investments in associates and joint ventures	10	373,335	371,914
Available-for-sale financial assets	11	2,134	2,377
Deferred income tax assets	27	50,688	61,470
Derivative financial instruments	12	4,103	4,204
Other non-current assets	13	36,083	44,561
		4,165,209	3,925,297
Current assets			
Inventories	14	377,682	377,003
Trade receivables	15	364,342	360,499
Other receivables	16	88,127	87,982
Available-for-sale financial assets	11	2,890	3,595
Derivative financial instruments	12	7,714	-
Cash and cash equivalents	17	503,454	412,590
		1,344,209	1,241,669
Assets held for sale	18	11,400	2,636
Total Assets		5,520,818	5,169,602

(thousands of euro)	Note	Dec 31, 2015	Dec 31, 2014
Equity			
Equity attributable to owners of the company			
Share capital	19	123,637	123,637
Share premium	20	458,696	458,696
Other reserves	21	149,222	46,465
Retained earnings	22	1,826,238	1,711,064
Treasury shares		(4,768)	(4,768)
		2,553,025	2,335,094
Non-controlling interests	23	26,393	27,038
Total Equity		2,579,418	2,362,132
Liabilities			
Non-current liabilities			
Long-term debt	24	970,509	1,304,359
Derivative financial instruments	12	47,740	18,588
Employee benefits	25	432,263	441,569
Provisions for liabilities and charges	26	86,916	86,959
Deferred income tax liabilities	27	455,208	402,882
Other non-current liabilities	28	18,063	19,137
		2,010,699	2,273,494
Current liabilities			
Current portion of long-term debt	24	527,733	158,156
Short-term debt	24	1,701	-
Derivative financial instruments	12	-	2,687
Trade payables	29	245,237	226,399
Income tax payables	30	19,502	8,240
Provisions for liabilities and charges	26	21,267	17,266
Other payables	31	114,749	120,018
		930,189	532,766
Liabilities held for sale	18	512	1,210
Total Liabilities		2,941,400	2,807,470
Total Equity and Liabilities		5,520,818	5,169,602

Consolidated income statement

(thousands of euro)	Note	2015	2014
Net sales	32	2,662,071	2,506,354
Changes in inventories of finished goods and work in progress		(9,035)	(5,519)
Other operating income	33	65,150	101,787
Raw materials, supplies and consumables	34	(1,066,726)	(1,037,483)
Services	35	(650,420)	(633,134)
Staff costs	36	(454,518)	(426,087)
Other operating expenses	37	(73,323)	(83,200)
EBITDA		473,199	422,718
Depreciation, amortization and impairment charges	38	(209,160)	(244,035)
Operating profit (EBIT)		264,039	178,683
Equity in earnings of associates and joint ventures	39	57,428	49,914
Gains on disposal of investments	40	5,733	123
Finance revenues	41	54,712	112,928
Finance costs	41	(159,788)	(166,025)
Profit before tax		222,124	175,623
Income tax expense	42	(94,006)	(55,131)
Profit for the year		128,118	120,492
Attributable to:			
Owners of the company		125,330	116,588
Non-controlling interests		2,788	3,904
(euro)			
Earnings per share	43		
basic			
ordinary		0.605	0.563
savings		0.629	0.587
diluted			
ordinary		0.754	-
savings		0.778	-

Consolidated statement of comprehensive income

(thousands of euro)	2015	2014
Profit for the year	128,118	120,492
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	10,996	(49,988)
Income tax relating to items that will not be reclassified	(1,924)	15,195
Total items that will not be reclassified to profit or loss	9,072	(34,793)
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	102,226	(14,221)
Income tax relating to items that may be reclassified	-	8,643
Total items that may be reclassified subsequently to profit or loss	102,226	(5,578)
Other comprehensive income for the year, net of tax	111,298	(40,371)
Total comprehensive income for the year	239,416	80,121
Attributable to:		
Owners of the company	238,855	87,845
Non-controlling interests	561	(7,724)

Consolidated statement of cash flows

(thousands of euro)	Note	2015	2014
Cash flows from operating activities			
Cash generated from operations	44	444,881	390,686
Interest paid		(74,909)	(87,237)
Income tax paid		(68,350)	(58,864)
Net cash generated from operating activities		301,622	244,585
Cash flows from investing activities			
Purchase of intangible assets	7	(4,507)	(3,716)
Purchase of property, plant and equipment	8	(300,241)	(174,044)
Acquisition of subsidiaries, net of cash acquired		1,408	(105,915)
Purchase of other equity investments	10	(13)	(26,312)
Proceeds from sale of property, plant and equipment		10,308	56,956
Proceeds from sale of equity investments		9,023	1,685
Changes in available-for-sale financial assets	11	816	(3,623)
Changes in financial receivables		10,549	(11,540)
Dividends received from associates	10, 41	39,890	40,274
Interest received		8,561	10,952
Net cash used in investing activities		(224,206)	(215,283)
Cash flows from financing activities			
Proceeds from long-term debt	24	166,455	200,652
Repayments of long-term debt	24	(168,965)	(344,877)
Net change in short-term debt	24	1,085	-
Changes in financial payables		3,724	(9,878)
Changes in ownership interests without loss of control		(874)	(4,580)
Dividends paid to owners of the company	45	(10,277)	(10,277)
Dividends paid to non-controlling interests		(460)	(1,658)
Net cash used in financing activities		(9,312)	(170,618)
Increase (decrease) in cash and cash equivalents		68,104	(141,316)
Cash and cash equivalents at beginning of year		412,590	527,931
Translation differences		22,540	26,842
Change in scope of consolidation		220	(867)
Cash and cash equivalents at end of year	17	503,454	412,590

Consolidated statement of changes in equity

(thousands of euro)	Attributable to owners of the company						Non-controlling interests	Total Equity
	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total		
Balance as at January 1, 2014	123,637	458,696	41,219	1,642,079	(4,768)	2,260,863	37,875	2,298,738
Profit 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
Profit for the year	-	-	-	125,330	-	125,330	2,788	128,118
Other comprehensive income for the year, net of tax	-	-	104,460	9,066	-	113,526	(2,228)	111,298
Total comprehensive income for the year	-	-	104,460	134,396	-	238,856	560	239,416
Dividends paid	-	-	-	(10,277)	-	(10,277)	(1,216)	(11,493)
Withholding tax on foreign dividends	-	-	-	(2,054)	-	(2,054)	-	(2,054)
Acquisition of non-controlling interests	-	-	-	(8,770)	-	(8,770)	11	(8,759)
Other changes	-	-	(1,703)	1,879	-	176	-	176
Balance as at December 31, 2015	123,637	458,696	149,222	1,826,238	(4,768)	2,553,025	26,393	2,579,418

Notes to the 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 24 March 2016.

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 of Buzzi Unicem SpA 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.

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 somewhat adjusted and integrated compared with those previously published, to give a better representation of the financial position and economic performance of the group.

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 2015

- IFRIC 21 Levies (effective from 1 January 2014 but endorsed for application in the European Union in June 2014 and thus effective for the group from 1 January 2015). This interpretation clarifies what is the obligating event that gives rise to pay a levy and when should a liability be recognized. The adoption did not have a significant impact on the consolidated financial statements.
- IAS 19 (amendment) Employee Benefits, defined benefit plans: employee contributions. The proposal is to simplify the accounting for contributions that are independent of the number of years of employee service, for example those that are calculated according to a fixed percentage of salary. The impacts of the adoption were not significant.
- Annual Improvements 2010–2012 Cycle; 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 did not have material impacts on the consolidated financial statements.
- Annual Improvements 2011–2013 Cycle; a collection of amendments to IFRSs, in response to four issues addressed during the 2011–2012 cycle. They relate largely to clarifications, therefore the adoption did not have any effect on the consolidated financial statements.

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

- IFRS 9 Financial instruments and subsequent amendments (effective from 1 January 2018, early adoption is allowed). The complete version of this standard has been published in July 2014. This new 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 other comprehensive income and fair value through profit and 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 model for expected losses that replaces the one for incurred losses 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. According to the new accounting principle, those changes shall be presented directly in other comprehensive income, without affecting the income statement. The standard revises also the approach to the so called hedge accounting. IFRS 9 is likely to affect accounting of financial assets and the group is yet to assess its full impact. At the date of this report the European Union has not yet endorsed the amendment.
- IFRS 11 Joint arrangements (amendment): Accounting of investments in jointly controlled entities (effective from 1 January 2016). The standard provides clarifications about the method to account for interests in jointly controlled entities which represents an activity segment.

- 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, because such method reflects 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 2018). 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, the payment) to which the company expects to be entitled in exchange for those goods or services. The standard results in enhanced disclosures about revenues, provides guidance for transactions that were not previously addressed comprehensively and improves guidance for multiple-element arrangements. At the date of this report the European Union has not yet endorsed the amendment.
- 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 (the date of 1 January 2016 has been postponed waiting an Exposure Draft from IASB). 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. At the date of this report the European Union has not yet endorsed the amendment.
- Annual improvements 2012-2014 Cycle (effective from 1 January 2016); 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 a professional judgment in determining which 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. At the date of this report the European Union has not yet endorsed the amendment.
- IFRS 16 Leases (effective from 1 January 2019). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 Leases. IFRS 16, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and instead, introduces a single lessee accounting model whereby a

lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of leases assets separately from interest on lease liabilities in the income statement.

- IAS 12 Income Taxes (amendment): recognition of deferred tax assets for unrealized losses (effective from 1 January 2017). The amendment clarifies how to account for deferred tax assets related to debt instruments measured at fair value.
- IAS 7 Statement of Cash Flows (amendment): disclosure initiative (effective from 1 January 2017). The amendment introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

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 value 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:

(euro 1 = Currency)	Year-end		Average	
	2015	2014	2015	2014
US Dollar	1.0887	1.2141	1.1095	1.3285
Czech Koruna	27.0230	27.7350	27.2792	27.5359
Ukrainian Hryvnia	26.1587	19.2060	24.2814	15.8643
Russian Ruble	80.6736	72.3370	68.0720	50.9518
Polish Zloty	4.2639	4.2732	4.1841	4.1843
Hungarian Forint	315.9800	315.5400	309.9956	308.7061
Mexican Peso	18.9145	17.8679	17.6157	17.6550
Algerian Dinar	116.7020	106.6070	111.3613	106.8672

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. 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 ore 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. Purchases and sales of financial assets are accounted for at settlement 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 instrument) 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 there are contractual terms entailing a change of both the number of shares and the amount of cash to be converted into shares. 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 and 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, infrequently, 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)	2015	2014
Euro	(97,538)	(92,302)
US Dollar	(5,096)	38,852
Czech Koruna	(1,550)	(1,452)
Russian Ruble	(32,474)	(28,823)
Polish Zloty	(23,279)	(28,756)

As at 31 December 2015, 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 €7,121 thousand higher/lower (2014: €3,021 thousand higher/lower). Profit is especially sensitive to movement in Euro/US dollar, Euro/Zloty and in Euro/Russian Ruble exchange rates.

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 72%. Borrowings at variable rate at the end of 2015 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 possible hedging. Based on the simulations performed, the impact on profit before tax of a 1% interest rate rise would be a decrease of €673 thousand (2014: decrease of €341 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 €3,270 thousand (2014: increase of €3,252 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.

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 2015, 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 €2,029 thousand lower (2014: €1,889 thousand lower); 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 €2,892 thousand higher (2014: €2,986 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 2015, 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 €953 thousand higher (2014: €1,204 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 €654 thousand higher (2014: €501 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 prepares the refinancing of borrowings in due time before the upcoming maturities. The company uses different debt instruments and maintains a regular relationship 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 (Leverage). 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 2015, 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 2015 and 31 December 2014 were as follows:

(thousands of euro)	2015	2014
Net debt A	1,029,734	1,062,733
Equity	2,579,418	2,362,132
Total Capital B	3,609,152	3,424,865
Gearing A/B	29%	31%
Net debt A	(1,029,734)	1,062,733
EBITDA C	(473,199)	422,718
Leverage A/C	2.18	2.51

The change in the two ratios during 2015 resulted primarily from a gradual improvement in the generation of operating cash flow, and the close monitoring of capital expenditures, which in the period were mainly directed to the expansion project of production capacity at Maryneal, Texas 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 2015:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments (non-current)	-	4,103	-	4,103
Derivative financial instruments (current)	-	7,714	-	7,714
Available-for-sale financial assets (current)	2,889	1	-	2,890
Total Assets	2,889	11,818	-	14,707
Liabilities				
Derivative financial instruments (non-current)	-	(47,740)	-	(47,740)
Total Liabilities	-	(47,740)	-	(47,740)

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
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.

During 2015, there were no transfers between the different levels of fair value measurement.

The fair value of assets and liabilities was mainly influenced by the trend of the euro/dollar exchange rate, by interest rates curves and by the development of the stock market.

The fair value of derivatives considers the adjustment for credit and/or counterparty risk, also taking into account any guarantees granted. There were no changes in the valuation techniques adopted during both periods.

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 are not based on observable market data, the instrument is included in level 3.

Level 2 derivatives comprise forward foreign exchange, interest rate swaps, cross currency swaps and the cash settlement option related to the equity linked convertible bond. Forward foreign exchange contracts have been valued considering quoted exchange rates. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves and applied to different contract maturities. Cross currency swaps have been fair valued using the quotation of currency exchange rates and the forward interest rates extracted from observable yield curves and applied to different contract maturities. The cash settlement option of the convertible bond has been fair valued using quotations of the public bonds and of Buzzi Unicem ordinary share, considering the implied volatility. Level 2 available-for-sale financial assets are fair valued at nominal value.

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 long-term 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 situations of 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 2015 include the company and 91 consolidated subsidiaries. The total number of consolidated subsidiaries decreased by 2 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 2015:

- the business combination arising from the purchase, at the end of 2014, of a 100% interest in Uralcement (now renamed OOO Dyckerhoff Korkino Cement) became final; the positive differential generated by the provisional accounting has been classified in part as rights to use subsoil and partly as goodwill;
- purchase of the residual 50% interest in Serenergy Srl and line-by-line consolidation of the former associate effective from 1 January 2015;
- disposal of the entire investment, equal to a 50% interest, in Addiment Italia Srl (formerly classified as associate).

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, the Czech Republic, Slovakia, Ukraine and Russia.

2015

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico 100%
Segment revenue	379,430	720,156	466,033	1,096,206	246	2,662,071	625,907
Intersegment revenue	(1,391)	(42)	-	-	1,432	-	-
Revenue from external customers	378,039	720,114	466,033	1,096,206	1,678	2,662,071	625,907
Ebitda	(37,427)	91,840	106,952	311,729	105	473,199	256,166
Depreciation	(30,845)	(43,990)	(38,222)	(81,969)	22	(195,004)	(28,166)
Impairment charges	(13,852)	(484)	(738)	-	-	(15,074)	-
Write-ups	918	-	-	-	-	918	-
Operating profit	(81,207)	47,366	67,992	229,761	127	264,039	228,000
Equity earnings	51,445	2,065	239	3,679	-	57,428	-
Purchase of intangible and tangibles assets	18,551	39,760	26,040	220,397	-	304,748	46,325
Purchase of equity investments	95	(662)	46	-	-	(521)	-

2014

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico 100%
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
Ebitda	(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	-

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

2015

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico 100%
Cement	193,168	379,537	326,714	778,551	(42)	1,677,928	494,133
Concrete and aggregates	186,262	340,619	139,319	317,656	287	984,143	131,794
						2,662,071	625,927

2014

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico 100%
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

The group is domiciled in Italy. The result of its revenue from external customers in Italy is €352,106 thousand (2014: €367,888 thousand) and the total of revenue from external customers from other countries is €2,309,965 thousand (2014: €2,138,466 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 €662,684 thousand (2014: €679,470 thousand), while the total of such non-current assets located in other countries is €3,447,234 thousand (2014: €3,175,810 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			Total
		Industrial patents, licenses and similar rights	Assets in progress and advances	Others	
At 1 January 2014					
Cost/deemed cost	705,706	34,623	311	4,794	39,728
Accumulated depreciation and impairment charges	(172,954)	(26,441)	-	(1,760)	(28,201)
Net book amount	532,752	8,182	311	3,034	11,527
Year ended 31 December 2014					
Opening net book amount	532,752	8,182	311	3,034	11,527
Translation differences	(4,719)	(1,015)	(25)	-	(1,040)
Depreciation 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)
Closing net book amount	571,213	7,276	273	2,777	10,326
At 31 December 2014					
Cost/deemed cost	783,373	35,394	273	4,794	40,461
Accumulated depreciation and impairment charges	(212,160)	(28,118)	-	(2,017)	(30,135)
Net book amount	571,213	7,276	273	2,777	10,326
Year ended 31 December 2015					
Opening net book amount	571,213	7,276	273	2,777	10,326
Translation differences	(1,644)	(4,100)	(2)	-	(4,102)
Depreciation and impairment charges	(112)	(4,636)	-	(258)	(4,894)
Additions	-	4,298	130	-	4,428
Change in scope of consolidation	(25,386)	35,009	-	-	35,009
Reclassifications	-	418	(65)	-	353
Closing net book amount	544,071	38,265	336	2,519	41,120
At 31 December 2015					
Cost/deemed cost	756,558	69,699	336	4,796	74,831
Accumulated depreciation and impairment charges	(212,487)	(31,434)	-	(2,277)	(33,711)
Net book amount	544,071	38,265	336	2,519	41,120

At 31 December 2015, the caption industrial patents, licenses and similar rights is made up of industrial licenses (€33,307 thousand), application software for plant and office automation (€3,227 thousand), mining rights (€1,030 thousand), industrial patents (€456 thousand), trademarks (€245 thousand).

The change in scope of consolidation, equal to a negative of €25,386 thousand referred to goodwill and a positive of €35,009 thousand referred to industrial patents, stems from to the final measurement, based on an external appraisal, of the fair value of assets and liabilities of the business combination OOO Dyckerhoff Korkino Cement, which has determined the allocation of part of the positive differential to rights to use the subsoil. It should be remembered that OOO Dyckerhoff Korkino Cement was acquired on 1 December 2014 and consolidated line-by-line from that date. The goodwill referred to the business combination amounts to €43,938 thousand, after a decrease of €10,656 thousand for the alignment to the year-end exchange rate versus the acquisition date (see note 49 for additional details).

Goodwill and impairment test

Goodwill at 31 December 2015 amounts to €544,071 thousand and is broken-down as follows:

(thousands of euro)	2015	2014
Italy (cement sector)	40,500	40,500
United States of America	40,156	36,753
Germany	95,948	95,948
Luxembourg	69,104	69,104
Netherlands	-	112
Poland	88,136	88,120
Czech Republic/Slovakia	106,699	106,699
Russia	103,528	133,977
	544,071	571,213

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 independent CGUs, taking into account both the different geography of the served markets and the partially 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									
2015	0.88%	1.58%	1.88%	2.78%	3.82%	5.84%	1.78%	5.20%	2.44%
2014	0.72%	1.28%	1.64%	2.68%	2.90%	8.53%	1.98%	5.48%	2.46%

- **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									
2015	7.53%	5.08%	5.18%	6.24%	6.43%	23.28%	5.08%	12.12%	6.42%
2014	8.32%	5.87%	6.00%	7.08%	7.29%	26.84%	5.87%	12.20%	6.68%

Where present, 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.

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.

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 2014						
Cost/deemed cost	2,540,753	4,096,346	389,234	118,097	90,137	6,944,251
Accumulated depreciation and impairment charges	(1,068,207)	(2,973,653)	(295,277)	(22,739)	(78,154)	(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	2,627,302	4,078,747	372,166	183,598	106,644	7,368,457
Accumulated depreciation and impairment charges	(1,094,806)	(3,030,411)	(282,690)	(33,861)	(91,279)	(4,533,047)
Net book amount	1,532,496	1,048,336	89,476	149,737	15,365	2,835,410
Year ended 31 December 2015						
Opening net book amount	1,532,496	1,048,336	89,476	149,737	15,365	2,835,410
Translation differences	122,554	21,529	3,937	14,261	812	163,093
Additions	13,794	54,837	22,649	215,024	1,756	308,060
Change in scope of consolidation	(1,382)	(536)	1,067	(1,178)	(219)	(2,248)
Disposals and other	(5,669)	(2,378)	(277)	(445)	(90)	(8,859)
Depreciation and impairment charges	(36,270)	(141,631)	(20,401)	(80)	(4,416)	(202,798)
Reclassifications	(17,642)	91,683	(7,806)	(68,900)	896	(1,769)
Closing net book amount	1,607,881	1,071,840	88,645	308,419	14,104	3,090,889
At 31 December 2015						
Cost/deemed cost	2,757,345	4,246,543	381,446	338,671	104,349	7,828,354
Accumulated depreciation and impairment charges	(1,149,464)	(3,174,703)	(292,801)	(30,252)	(90,245)	(4,737,465)
Net book amount	1,607,881	1,071,840	88,645	308,419	14,104	3,090,889

Total additions of €308,060 thousand in 2015 are 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.

They include the acquisition from Holcim (US) of three distribution terminals in Illinois and Michigan, which occurred in July 2015.

During the year the group has capitalized borrowing costs amounting to €5,148 thousand on qualifying assets (2014: €2,093 thousand). Borrowing costs were capitalized at the rate of 5.7% (2014: 6.0%).

The change in scope during the period is mainly driven by the final assessment of fair values deriving from the business combination of OOO Dyckerhoff Korkino Cement. The change in scope in the year 2014 was mainly due to the first-time consolidation of the same company (provisional accounting).

Positive translation differences of €163,093 thousand reflect the strengthening in the dollar/euro exchange rate, counterbalanced by the weakness versus the euro of other currencies used for the translation of the foreign financial statements. In 2014, the trend in the exchange rate of the dollar and other currencies had given rise to overall positive translation differences of €49,399 thousand.

Real guarantees on assets of consolidated companies are represented by liens on industrial and commercial equipment for the amount of €146 thousand at 31 December 2015 (2014: €156 thousand).

Property, plant and equipment include 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)	2015	2014
Cost - capitalized finance leases	4,162	3,462
Accumulated depreciation	(1,994)	(1,507)
	2,168	1,955

Rent expenses amounting to €35,381 thousand (2014: €34,577 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 plant. Legal title to the plant property was transferred to the County and at the same time the County then leased the same property back to the company, for a period of 15 years, under a sale and lease-back contract.

Correspondingly Buzzi Unicem USA has subscribed bonds issued by the County, with the same maturity for an amount of €85,238 thousand at 31 December 2015. 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. Since there was not and there will not be any financial flow between the parties, in compliance with the applicable accounting standards and based on the economic substance of the agreement, the company has not recorded the bond and the financial liability for the 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 €54,458 thousand.

During 2015, Buzzi Unicem USA entered into a series of agreements similar to the above cited ones with Bel Aire County, Kansas, regarding a new distribution terminal in the city of Wichita. The carrying amount of the assets at the balance sheet date is €6,613 thousand.

9. Investment property

It is carried at cost model and amounts to €22,786 thousand, showing a decrease of €1,036 thousand versus last year, due to the write-down of land and buildings related to the real estate initiative in Piacenza for an amount of €1,086 thousand, based on an external appraisal.

The fair value at the balance sheet date, based on both internal and external appraisals, amounts to €37,965 thousand (2014: €40,274 thousand) and is classifiable as level 2, because based on observable data.

About the real estate initiative in Piacenza, the fair value of the area was determined as the difference between the sum of the sale prices of the realizable buildings and the charges deriving from the preparation of the useful surface for each parcel.

The measurement of the market value made by internal appraisals was conducted using comparative estimates based on recent transactions for similar buildings, where available, and comparing them with information coming from estate agents operating in the same area and with other public databanks available.

(thousands of euro)	2015	2014
At 1 January		
Cost/deemed cost	35,694	36,455
Accumulated depreciation and impairment charges	(11,872)	(11,248)
Net book amount	23,822	25,207
Translation differences	134	139
Additions	243	50
Depreciation and impairment charges	(1,409)	(624)
Reclassifications	(5)	(950)
At 31 December	22,785	23,822
Cost/deemed cost	35,790	35,694
Accumulated depreciation and impairment charges	(13,004)	(11,872)
Net book amount	22,786	23,822

10. Investments in associates and joint ventures

The amounts recognized in the balance sheet are as follows:

(thousands of euro)	2015	2014
Associates valued by the equity method	187,963	203,681
Joint ventures valued by the equity method	185,294	168,155
Associates and joint ventures valued at cost	78	78
	373,335	371,914

The net increase of €1,421 thousand was affected upwards by equity earnings for €20,580 thousand, by the write-down of the investment in Société des Ciments de Hadjar Soud EPE SpA

for €5,436 thousand and by negative translation differences for €14,330 thousand.

The book value of the 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 provided evidence of a permanent loss of the assets of Société des Ciments de Hadjar Soud EPE SpA: as such, an impairment on the book value of the associate was recognized for an amount of €5,436 thousand (see above).

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.

10.1 Investments in associates

Set out below are the associates as at 31 December 2015, 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 2015 and 2014:

Name of entity	Nature of the relationship	Place of business/country of incorporation	% of ownership interest	Book value	Measurement method
Société des Ciments de Hadjar Soud EPE SpA	Note 1	Algeria	35.0	45,456	equity
Société des Ciments de Sour El Ghoulane EPE SpA	Note 1	Algeria	35.0	45,371	equity
Kosmos Cement Company	Note 2	United States of America	25.0	40,084	equity
Salonit Anhovo Gradbeni Materiali dd	Note 3	Slovenia	25.0	24,425	equity
Other				32,627	equity
Total				187,963	

Note 1

Buzzi Unicem holds 35% in Société des Ciments de Sour El Ghoulane 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

The group holds a 25% stake in 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 a presence in the North-East of Italy, which is supported by 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 price 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.

(thousands of euro)	Societe des Ciments de Hadjar Soud EPE SpA		Société des Ciments de Sour El Ghozlane EPE SpA		Kosmos Cement Company		Salonit Anhovo Gradbeni Materiali dd	
	2015	2014	2015	2014	2015	2014	2015	2014
Summarized balance sheet								
Current assets								
Cash and cash equivalents	29,169	31,448	24,630	31,562	3,726	3,342	5,308	4,008
Other current assets (excluding cash)	27,418	23,238	29,056	20,425	36,259	29,325	20,566	20,489
	56,587	54,686	53,686	51,987	39,985	32,667	25,874	24,497
Non-current assets	81,042	108,914	90,272	109,332	137,566	116,283	104,545	109,812
Current liabilities								
Financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	8,975	16,352
Other current liabilities (including trade and other payables and provisions)	22,143	22,522	9,923	14,460	16,111	16,598	7,237	6,432
	22,143	22,522	9,923	14,460	16,111	16,598	16,212	22,784
Non-current liabilities								
Financial liabilities (excluding other payables and provisions)	-	-	5,107	6,281	-	-	20,785	23,499
Other non-current liabilities (including other payables and provisions)	31,562	44,782	52,702	57,626	1,106	1,956	374	344
	31,562	44,782	57,809	63,907	1,106	1,956	21,159	23,843
Summarized income statement								
Revenue	57,210	57,792	44,290	54,579	115,426	85,229	47,062	48,138
Depreciation, amortization and impairment charges	(33,201)*	(13,504)	(11,841)	(12,339)	(9,040)	-	(8,406)	(9,162)
Finance revenues	247	77	39	41	102	218	1,526	1,202
Finance costs	(25)	(24)	(51)	(12)	(719)	(1,274)	(1,202)	(2,238)
Income tax expense	(365)	(4,015)	(1,590)	(3,881)	-	-	-	-
Profit (loss) for the year	(3,358)	7,867	(1,966)	10,513	14,639	20	5,291	1,094
Total comprehensive income	(3,358)	7,867	(1,966)	10,513	14,639	20	5,291	1,094
Dividends received	-	-	-	-	-	-	-	-

* Includes the write-down of assets value of the company following the impairment test, for a pro-quota amount of €5,436 thousand (see note 10).

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:

(thousands of euro)	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	
	2015	2014	2015	2014	2015	2014	2015	2014
Opening net assets 1 January	150,079	146,203	132,172	123,085	130,396	121,592	91,361	91,223*
Profit (loss) for the year	(3,358)	7,867	(1,966)	10,513	14,639	20	4,629	138
Dividends	(3,950)	(5,722)	(4,011)	(2,865)	-	(7,076)	-	-
Translation differences	(12,897)	1,731	(11,390)	1,439	15,299	15,860	-	-
Closing net assets	129,874	150,079	114,805	132,172	160,334	130,396	95,990	91,361
% of ownership (35%; 35%; 25%; 25%)	45,456	52,528	40,182	46,260	40,084	32,599	23,998	22,840
Goodwill	-	-	5,189	5,680	-	-	427	477
Carrying value	45,456	52,528	45,371	51,940	40,084	32,599	24,425	23,317

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

10.2 Investment in joint ventures

Set out below is the only joint venture as at 31 December 2015, 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.

Name of entity	Place of business/ country of incorporation	% of ownership interest	Measurement method
Corporación Moctezuma, SAB de CV	Mexico MX	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 2015, the fair value of our interest in Corporación Moctezuma, SAB de CV, which is listed on the Bolsa Mexicana de Valores, was €861,193 thousand (2014: €758,314 thousand); the corresponding book value was €169,032 thousand (2014: €158,346 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 group, which is accounted for using the equity method.

(thousands of euro)	2015	2014
Summarized balance sheet		
Current assets		
Cash and cash equivalents	157,111	99,242
Other current assets (excluding cash)	121,974	137,246
	279,085	236,488
Non-current assets	356,312	363,359
Current liabilities		
Financial liabilities (excluding trade and other payables and provisions)	(584)	(453)
Other current liabilities (including trade and other payables and provisions)	(66,826)	(57,500)
	(67,410)	(57,953)
Non-current liabilities		
Financial liabilities (excluding other payables and provisions)	(1,021)	(332)
Other non-current liabilities (including other payables and provisions)	(60,758)	(67,128)
	(61,779)	(67,460)
Summarized income statement		
Revenue	625,907	521,876
Depreciation, amortization and impairment charges	(28,166)	(27,869)
Finance revenues	8,609	3,448
Finance costs	(4,617)	(1,462)
Income tax expense	(69,158)	(45,715)
Profit (loss) for the year	162,240	115,677
Other comprehensive income	11	(8)
Total comprehensive income	162,251	115,669
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 material joint venture.

(thousands of euro)	2015	2014
Opening net assets 1 January	472,594	451,551
Result (loss) for the year	162,258	115,781
Other comprehensive income	11	(8)
Dividends	(100,227)	(98,754)
Translation differences	(30,148)	4,024
Closing net assets	504,488	472,594
% of ownership (33%)	169,032	158,346
Goodwill	-	-
Carrying value	169,032	158,346

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 2015	385	1,992	2,377
Additions	735	13	748
Write-downs	(517)	(365)	(882)
Disposals and other	(35)	(73)	(109)
At 31 december 2015	568	1,566	2,134

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.

The current portion, amounting to €2,890 thousand, refers to short-term or marketable securities.

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.

(thousands of euro)	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Non-current				
Not designated as hedges	4,103	47,740	4,204	18,588
Current				
Not designated as hedges	7,714	-	-	2,687

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 €11,817 thousand (at 2014 closing: assets for €4,204 thousand and liabilities for €2,191 thousand). Interest rate swaps on euro borrowings are not present at year end 2015 (at 2014 closing: €2,337 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 €47,740 thousand (2014: €16,397 thousand).

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

(thousands of euro)	2015		2014	
	Notional	Fair value	Notional	Fair value
Interest rate swaps	-	-	100,000	(2,337)
Cross currency swaps	73,481	7,714	131,784	1,301
Forward foreign exchange	32,148	-	28,828	712
Takeover commitments (put writer)	355	-	1,183	(350)
Takeover options (call)	1,044	-	1,044	-
Cash settlement option on convertible bond	220,000	(47,740)	220,000	(16,397)

The options, for a total amount of €1,044 thousand of nominal value both in 2015 and 2014 refer to lands, while the commitments (€355 thousand) relate to lease contracts for mobile equipment.

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

During 2015, the changes in the fair value of derivative financial instruments recognized in the income statement are negative for €20,393 thousand (2014: €57,315 thousand positive).

13. Other non-current assets

(thousands of euro)	2015	2014
Receivables from associates	115	1,468
Tax receivables	843	983
Receivables from personnel	467	746
Loans to customers	654	2,100
Guarantee deposits	15,465	21,202
Other	18,539	18,062
	36,083	44,561

Receivables from personnel include loans to employees equal to €431 thousand (2014: €709 thousand).

Loans to customers for €654 thousand are 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 €11,852 thousand (2014: €12,777 thousand), mostly interest-bearing and adequately secured.

The receivables included in this item expiring after more than five years amount to €18,274 thousand (2014: €22,749 thousand).

The maximum exposure to credit risk is the carrying value of each class of receivable mentioned above.

14. Inventories

(thousands of euro)	2015	2014
Raw materials, supplies and consumables	236,283	232,568
Work in progress	61,360	67,874
Finished goods and merchandise	78,840	75,304
Advances	1,199	1,257
	377,682	377,003

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 €24,795 thousand (2014: €25,703 thousand).

15. Trade receivables

(thousands of euro)	2015	2014
Trade receivables	393,828	394,466
Less: Provision for receivables impairment	(37,934)	(43,665)
Trade receivables, net	355,894	350,801
Other trade receivables:		
From associates	8,427	9,677
From parent companies	21	21
	364,342	360,499

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 €123,240 thousand (2014: €110,939 thousand). The ageing analysis of these trade receivables is as follows:

(thousands of euro)	2015	2014
Past due up to 2 months	99,288	84,670
Past due between 2 and 6 months	17,352	21,388
Past due over 6 months	6,600	4,881
	123,240	110,939

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

(thousands of euro)	2015	2014
Euro	205,804	197,609
US Dollar	125,718	120,924
Russian Ruble	9,382	2,090
Other currencies	14,990	30,178
	355,894	350,801

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

(thousands of euro)	2015	2014
At 1 January	43,665	46,508
Translation differences	557	(679)
Provision for impairment	12,697	16,112
Receivables written off as uncollectible	(16,202)	(14,372)
Unused amounts reversed and other	(2,783)	(3,904)
At 31 December	37,934	43,665

The additions to provision for impaired receivables are included among Other operating expenses, net of related releases (note 37).

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)	2015	2014
Tax receivables	40,049	46,946
Receivables from social security institutions	435	944
Receivables from unconsolidated subsidiaries and associates	1,050	2,689
Loans to customers	256	307
Receivables from suppliers	4,525	4,812
Receivables from personnel	375	406
Receivables from sale of equity investments	26	177
Accrued income and prepaid expenses	10,626	11,152
Other	30,785	20,549
	88,127	87,982

Tax receivables include income tax payments in advance and the debit balance of periodic value added tax liquidation. The decrease is due for €8,744 thousand to a refund of tax relating to prior years in Germany.

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 €1,704 thousand (2014: €2,320 thousand) and is made up primarily of interest income on marketable securities and time deposits. Prepaid expenses amount to €8,922 thousand (2014: €8,832 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 firms, so-called system charges bonus, for an amount of €22,947 thousand (2014: €12,120 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)	2015	2014
Cash at banks and in hand	445,464	267,391
Short-term deposits	57,990	145,199
	503,454	412,590

Foreign operating companies hold about 72,4% of the balance of €503,454 thousand (74% in 2014). At the closing date, short-term deposits and securities earn interest at about 0.9% on average (0.4% in 2014): yield in euro is around 0.1%, in dollar 0.4%, and in other currencies 4.9%. 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)	2015	2014
Euro	128,813	106,964
US Dollar	309,427	271,677
Russian Ruble	28,784	10,957
Other currencies	36,430	22,992
	503,454	412,590

18. Assets and Liabilities held for sale

The amount relates to some equipment and machinery of the idle plant in Santarcangelo di Romagna (€1,070 thousand), to the mothballed Travesio plant (€900 thousand), to the variable component (earn-out) of the sale price of the investment in Addiment Italia Srl (€695 thousand), to machinery and equipment originally purchased to expand production capacity in Russia (€900 thousand), to some lots of land in Italy for €959 thousand and in the United States for €409 thousand.

This item also includes the assets and liabilities of the subsidiary Beton Union Plzen sro, following the preliminary sales agreement of the investment signed on 11 January 2016, as follows:

(thousands of euro)	2015
Assets held for sale	
Property, plant and equipment	1,470
Other receivables	1,300
Cash and cash equivalents	844
	3,614
Liabilities held for sale	
Other payables	462
Deferred income tax liabilities	50
	512

Due to the fact that the data of this subsidiary are not relevant, both the income statement and the statement of cash flows do not present a separate section as relating to discontinued operations.

At year-end 2014 the balance of the line item referred to some equipment and machinery of the idle plant of Santarcangelo di Romagna (€1,150 thousand), to the Travesio plant (€900 thousand) and to some lots of land in the United States (€494 thousand).

19. Share capital

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

(number of shares)	2015	2014
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 (<i>thousands of euro</i>)	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 2015 and at the balance sheet date is the following:

(number of shares)	Ordinary	Saving	Total
At 31 December 2015	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 2015 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)	2015	2014
Translation differences	(301,950)	(406,410)
Revaluation reserves	88,286	88,286
Merger surplus	247,530	247,530
Other	115,356	117,059
	149,222	46,465

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 positive change in the balance of €104,460 thousand is the result of four separate effects: an increase of €177,567 thousand due to the strengthening of the US dollar, a decrease of €10,144 thousand due to the weakening of the Mexican peso, a decrease of €54,006 thousand due to the weakening of the Eastern European currencies and a decrease of €8,957 thousand due to the weakening 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 48% of sibobeton Papenburg GmbH & Co. KG, which brought to a decrease in retained earnings equal to €596 thousand.

Following the judgment of the Court of Frankfurt regarding the litigation filed by some minority shareholders of Dyckerhoff about the valuation for the squeeze-out procedure, the company recorded in the book a specific provision and reduced retained earnings by €7,990 thousand (see note 26 and note 47).

The changes in gains and losses generated by the actuarial valuations of liabilities for employee benefits, net of related deferred tax, in 2015 brought to an increase in retained earnings equal to €9,066 thousand.

23. Non-controlling interests

The balance as at 31 December 2015 refers to OAO Sukholozhskcement for €20,580 thousand, to Cimalux SA for €2,983 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 interest	
		2015	2014	2015	2014	2015	2014
OA0 Sukholozhskcement	Russia	9.62%	9.62%	2,918	4,276	19,605	20,179

(thousands of euro)	2015	2014
Summarized balance sheet		
Non-current assets	190,738	191,843
Current assets	35,300	41,347
Non-current liabilities	3,046	3,278
Current liabilities	9,158	10,091
Net assets	213,834	219,821
Summarized income statement		
Revenue	47,875	72,036
Depreciation, amortization and impairment charges	(10,501)	(13,565)
Finance revenues	4,450	2,144
Finance costs	(128)	(137)
Income tax expense	(8,011)	(13,177)
Profit (loss) for the year	30,317	44,426
Other comprehensive income	(17,487)	(81,895)
Total comprehensive income	12,830	(37,469)
Total comprehensive income attributable to non controlling interests	(2,493)	(12,258)
Dividends paid to non-controlling interests	1,471	2,203
Summarized cash flows		
Cash flows from operating activities		
Cash generated from operations	57,406	65,618
Interest paid	(128)	(137)
Income tax paid	(8,144)	(12,291)
Net cash generated from operating activities	49,134	53,190
Net cash used in investing activities	(35,225)	(54,991)
Net cash generated (used) in financing activities	(9,764)	(14,217)
Increase (decrease) in cash and cash equivalents	4,145	(16,018)
Cash and cash equivalents at beginning of year	3,992	24,325
Translation differences	(1,056)	(4,315)
Cash and cash equivalents at end of year	7,081	3,992

24. Debt and borrowings

(thousands of euro)	2015	2014
Long-term debt		
Senior notes and bonds	380,892	862,915
Convertible bonds	193,342	186,604
Finance lease obligations	1,143	1,477
Unsecured term loans	395,132	253,363
	970,509	1,304,359
Current portion of long-term debt		
Senior notes and bonds	502,350	112,478
Finance lease obligations	1,024	529
Unsecured term loans	24,359	45,149
Debts to banks	1,701	-
	529,434	158,156

During 2015, the average interest rate on financial indebtedness was equal to 3.80% (2014: 4.65%).

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)	2015	2014
6 months or less	89,442	54,669
6-12 months	439,992	103,487
1-5 years	969,039	1,301,988
Over 5 years	1,470	2,371
	1,499,943	1,462,515

Senior Notes and Bonds

The change in the year is mainly due to a decrease of €123,179 thousand for principal repayments and an increase of €29,700 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 6.4% and to an amount of €348,800 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 5.3% and to an amount of €349,361 thousand in the balance sheet, specifically at the line item Current portion of long-term debt, since it will expire within 12 months.
- 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 2015 benefits from net finance revenues associated with interest rate swap contracts to the extent of €3,594 thousand (in 2014, net finance revenues of €3,853 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 company 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 €193,342 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 €47,740 thousand (note 12).

The following table summarizes the main terms of bond issues outstanding at 31 December 2015:

	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.				
Senior Notes				
September 2003 Series A	\$ m 56.7	2016	5.08%*	Cross currency swap on principal and coupons Interest rate swap from fix to floating Euribor 6M+1.025%
RC Lonestar, Inc.				
Senior Notes				
September 2003 Series A	\$ m 23.3	2016	5.08%*	Cross currency swap on principal and coupons
RC Lonestar, Inc.				
Senior Notes				
April 2010 Series A	\$ m 56.7	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 2015 new term loans were obtained for €168,673 thousand and principal payments on long-term debt amounted to €45,712 thousand.

In February 2015 the company entered into a credit facility of €50 million with final maturity on 30 June 2019, at floating rate, with grace period till 31 December 2016.

In November 2015 the company also entered into a credit facility of US\$100 million with final maturity on 16 November 2019 bullet, at floating rate.

As at 31 December 2015 the group has undrawn committed facilities for €437,446 thousand (2014: €584,292 thousand), thereof €400,000 thousand available to the company, at floating rate with maturity beyond the year 2016, and the remaining €37,446 thousand to Dyckerhoff GmbH, always at floating rate, with maturity in 2016.

In respect to interest rate and currency, the gross indebtedness at 31 December 2015 is roughly split as follows (after hedging): 29% floating and 71% fix; 5% dollar-denominated and 95% euro-denominated.

At the balance sheet date, the fair value of the fix rate borrowings is equal to €1,269,356 thousand (2014: €1,353,096 thousand), exceeding the carrying amount by about €117,000 thousand (2014: fair value greater than carrying amount by about €103,000 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)	2015	2014
Gross finance lease liabilities-minimum lease payments		
No later than 1 year	1,025	632
Later than 1 year and no later than 5 years	492	1,536
	1,517	2,168
Future finance charges on finance lease liabilities	650	(162)
Present value of finance lease liabilities	2,167	2,006

The present value of finance lease liabilities is as follows:

(thousands of euro)	2015	2014
No later than 1 year	1,024	529
Later than 1 year and no later than 5 years	629	1,477
Over 5 years	514	-
	2,167	2,006

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, the 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 €19,608 thousand (2014: €22,805 thousand) have a weighted average duration of approximately 10 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 €265,894 thousand (2014: €281,914 thousand) are partly funded through a contractual trust agreement. The value of trust assets is €27,596 thousand (2014: €26,312 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 €16,387 thousand (2014: €18,118 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 €15,496 thousand (2014: €16,737 thousand) and reduces the amount to be recognized as a liability. The commitments have a weighted average duration of approximately 18 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 (€283,521 thousand; 2014: €260,242 thousand) is covered by an external pension fund; its fair value of €237,365 thousand (2014: €229,185 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 12 years. There are also unfunded obligations for a small group of individuals, whose weighted average duration is between 11 and 16 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)	2015	2014
By category		
Post-employment benefits:		
Pension plans	304,492	314,843
Healthcare plans	98,072	93,242
Employee severance indemnities	19,608	22,805
Other long-term benefits	10,091	10,679
	432,263	441,569
By geographical area		
Italy	20,554	23,781
Germany, Luxembourg, Netherlands	260,886	282,049
United States of America	148,436	132,843
Other Countries	2,387	2,896
	432,263	441,569

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

(thousands of euro)	Pension plans		Healthcare plans		Employee severance indemnities	
	2015	2014	2015	2014	2015	2014
Present value of funded obligations	554,939	549,407	-	-	-	-
Fair value of plan assets	(280,457)	(272,234)	-	-	-	-
	274,482	277,173	-	-	-	-
Present value of unfunded obligations	30,010	37,670	98,072	93,242	19,608	22,805
Liability in the balance sheet	304,492	314,843	98,072	93,242	19,608	22,805

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

(thousands of euro)	Pension plans		Healthcare plans		Employee severance indemnities	
	2015	2014	2015	2014	2015	2014
At 1 January	587,077	491,713	93,242	85,808	22,805	23,243
Current service cost	9,782	7,740	2,075	1,947	-	-
Past service cost	46	(444)	-	-	-	-
Other costs	148	(28)	-	-	-	-
	9,976	7,268	2,075	1,947	-	-
Interest expense	17,576	19,526	3,628	3,889	320	719
(Gains) losses from changes in demographic assumptions	2	(3,949)	-	(8,614)	-	-
(Gains) losses from changes in financial assumptions	(18,114)	69,612	(2,308)	5,961	(899)	2,393
Experience (gains) losses	(2,880)	2,332	(2,537)	(739)	(338)	(286)
	(20,992)	67,995	(4,845)	(3,392)	(1,237)	2,107
Employee contributions	71	62	710	596	-	-
Benefit paid	(39,357)	(29,784)	(6,835)	(6,363)	(2,280)	(3,212)
Translation differences	30,478	29,867	10,097	10,696	-	-
Other changes	120	430	-	61	-	(52)
At 31 December	584,949	587,077	98,072	93,242	19,608	22,805

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	
	2015	2014	2015	2014
Active members	186,298	190,962	36,533	34,567
Deferred members	47,789	45,477	-	-
Pensioners	350,862	350,637	61,539	58,675
At 31 December	584,949	587,077	98,072	93,242

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

(thousands of euro)	Pension plans	
	2015	2014
At 1 January	272,234	227,886
Interest income	10,585	10,361
Employer contributions	4,783	4,411
Employee contributions	71	62
Benefits paid	(16,921)	(14,914)
Settlements	(232)	(1,288)
Actuarial gains (losses)	(16,098)	17,844
Translation differences	26,035	27,872
At 31 December	280,457	272,234

Plan assets are comprised as follows:

(thousands of euro)	Germany		United States of America	
	2015	2014	2015	2014
Cash and cash equivalents	407	1,131	2,935	3,286
Equity instruments	-	-	-	-
Debt instruments	16,137	16,735	38,129	6,900
Euro corporate investment grade	1,575	124	-	-
Euro corporate non-rated	93	110	-	-
Euro corporate non-investment grade	671	927	-	-
Euro sovereign investment grade	13,200	14,333	-	-
Euro sovereign non-investment grade	598	1,241	-	-
Dollar sovereign investment grade	-	-	38,129	6,900
Derivatives financial instruments	317	211	-	-
Interest rate swap	115	136	-	-
Equity swap	202	75	-	-
Investment funds	10,735	8,234	196,301	219,000
Euro corporate bonds	-	1,934	-	-
Dollar corporate bonds	-	-	60,474	81,682
Dollar sovereign bonds	-	461	22,257	27,796
Dollar indexed equities	-	-	58,119	55,502
Other indexed equities	688	402	51,374	50,481
Other equities	5,415	5,198	-	-
Euro sundries	4,177	-	-	-
Dollar sundries	-	-	4,076	3,539
Other sundries	455	239	-	-
	27,596	26,311	237,365	229,186

The fair values stated above almost 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 limits of losses. The group treasurer, the chief financial officer and a representative from a bank form the "investment committee" that oversees the administration of these separate assets. Periodically, the committee determines the allocation of assets on the basis of a long-term asset/liability study. Independent of its payment obligations to beneficiaries, Buzzi Unicem has the to receive the annual return from plan assets. The medium term contribution to the assets does not depend on the market values of the underlying assets and bonds. 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 2016 amount to €13,807 thousand.

The maturity analysis for the same type of benefits is as follows:

(thousands of euro)	Pension Plans	Healthcare Plans	Employee severance indemnities
Year 2016	33,510	7,557	1,560
Year 2017	32,543	7,639	1,037
Year 2018	31,997	7,555	975
Year 2019	33,065	7,562	1,224
Year 2020	33,652	7,486	1,563
Year 2021-2025	159,539	36,318	8,274
	290,796	66,560	13,073

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:

(in %)	2015					2014				
	ITA	GER	LUX	NLD	USA	ITA	GER	LUX	NLD	USA
Pension plans discount rate	2.0	2.1	2.1	2.4	4.3	1.5	1.9	1.9	3.6	4.0
Salary growth rate	2.0	2.8	2.8	2.0	4.0	1.5	2.8	2.8	4.3	4.0
Pension growth rate	-	1.8	-	2.0	-	-	1.8	-	2.0	-
Healthcare discount rate	-	-	-	-	4.0	-	-	-	-	4.0
Medical cost growth rate	-	1.8	-	-	7.5	-	1.8	-	-	7.5

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%	2,025	-	-
Decrease 1%	(11,875)	-	-
Discount rate			
Increase 1%	(69,193)	(8,664)	(1,717)
Decrease 1%	86,798	10,309	1,902
Pension growth rate			
Increase 1%	18,771	-	-
Decrease 1%	(33,330)	-	-
Medical cost growth rate			
Increase 1%	-	6,605	-
Decrease 1%	-	(5,715)	-
Mortality			
Increase 1%	17,633	711	-
Decrease 1%	(17,931)	(715)	-

26. Provisions for liabilities and charges

(thousands of euro)	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
At 1 January 2015	59,485	21,166	10,506	13,068	104,225
Additional provisions	3,879	-	9,630	6,897	20,406
Discount unwinding	(1,546)	1,355	8	29	(154)
Unused amounts released	(616)	(5,600)	(224)	(753)	(7,193)
Used during the year	(3,720)	(1,475)	(3,426)	(5,334)	(13,955)
Translation differences	944	(1)	197	392	1,532
Reclassifications	-	-	622	(622)	-
Change in scope of consolidation	545	-	-	2,564	3,109
Other changes	214	-	-	(1)	213
At 31 December 2015	59,185	15,445	17,313	16,240	108,183

Total provisions can be analyzed as follows:

(thousands of euro)	2015	2014
Non-current	86,916	86,959
Current	21,267	17,266
	108,183	104,225

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 €3,393 thousand to the future quarry remediation costs.

The antitrust provision is associated with the cartel fines inflicted in Italy (ready-mix concrete) and Poland (cement), which are currently under litigation. The release of €5,600 thousand is related to the restatement of the Unical (ready-mix) fine by the Tar of Lazio, with 20 April 2015 judgment.

The provision for tax risks amounts to €4,149 thousand and reflects liabilities that are considered probable as a result of tax audits and adjustments to tax returns.

The provisions related to legal claims include €7,990 thousand referred to the judgment of the Court of Frankfurt, which accepted the appeal in the first instance filed by some minority shareholders of Dyckerhoff about the valuation for the squeeze-out procedure (see note 22 and 47).

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 €3,535 thousand for restructuring costs and workers compensation claims not covered by insurance for €1,920 thousand. The change in scope of consolidation refers to provisions regarding future dismantling costs and safety measures at the Korki-

no plant (Russia). Additional provisions include €3,108 thousand for restructuring costs, €1,768 thousand for workers compensation claims and €1,920 thousand for other risks. Uses during the year include the payment of workers compensation for €1,740 thousand, besides restructuring costs in Italy and Germany for €954 thousand.

27. Deferred income tax

Net deferred tax liability as at 31 December 2015 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)	2015	2014
Deferred income tax assets:		
To be recovered after more than 12 months	(211,642)	(212,355)
To be recovered within 12 months	(23,724)	(24,708)
	(235,366)	(237,063)
Deferred income tax liabilities:		
To be recovered after more than 12 months	620,372	556,682
To be recovered within 12 months	19,514	21,793
	639,886	578,475
Net deferred income tax liabilities	404,520	341,412

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

(thousands of euro)	2015	2014
Deferred income tax assets related to:		
Provisions for liabilities and charges	(23,338)	(16,829)
Trade receivables	(7,554)	(7,579)
Employee benefits	(92,948)	(90,287)
Long-term debt	(6,539)	(7,924)
Derivative financial instruments	(2,263)	(4,972)
Property, plant and equipment	(15,039)	(11,211)
Inventories	(8,818)	(6,873)
Tax loss carryforwards (theoretical benefit)	(167,525)	(170,721)
Other	(13,389)	(11,528)
Total deferred income tax assets	(337,413)	(327,924)
Valuation allowances	102,047	90,861
Net deferred income tax assets	(235,366)	(237,063)
Deferred income tax liabilities related to:		
Accelerated depreciation	136,930	125,413
Employee benefits	4	5
Property, plant and equipment	452,022	410,205
Inventories	3,413	4,223
Gains on disposal of fixed assets	-	2,507
Financial assets	10,786	8,615
Other	36,731	27,507
Total deferred income tax liabilities	639,886	578,475
Net deferred income tax liabilities	404,520	341,412

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)	2015	2014
At 1 January	341,412	311,314
Income statement charge (credit)	10,299	3,271
Statement of comprehensive income charge (credit)	1,917	(23,830)
Translation differences	45,238	50,035
Change in scope of consolidation	5,654	622
At 31 December	404,520	341,412

The net amount charged to the income statement includes the utilization of loss and interest expenses carryforwards for €6,170 thousand and write-downs of the same balances for €2,314 thousand in Germany.

Change in scope of consolidation relates to deferred taxes arising from the business combination of OOO Dyckerhoff Korkino Cement.

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 €9 thousand (2014: €8 thousand).

28. Other non-current liabilities

(thousands of euro)	2015	2014
Purchase of equity investments	3,791	3,347
Non-controlling interests in partnerships	2,521	3,376
Payables to personnel	763	940
Other	10,988	11,474
	18,063	19,137

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)	2015	2014
Trade payables	244,208	221,762
Other trade payables:		
To unconsolidated subsidiaries	-	108
To associates	1,029	4,529
	245,237	226,399

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)	2015	2014
Advances	2,044	3,653
Purchase of equity investments	-	25
Payables to social security institutions	13,871	13,628
Payables to personnel	45,990	48,120
Payables to customers	6,487	7,083
Accrued expenses and deferred income	20,336	22,211
Other	26,021	25,298
	114,749	120,018

Accrued expenses total €14,586 thousand (2014: €16,640 thousand) and include interest expense on bank loans, finance lease and bonds. Deferred income amounts to €5,749 thousand (2014: €5,571 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 €4,839 thousand (2014: €7,796 thousand).

32. Net sales

Net sales breakdown is as follows:

(thousands of euro)	2015	2014
Cement and clinker	1,650,545	1,597,396
Ready-mix concrete and aggregates	985,391	890,038
Related activities	26,135	18,920
	2,662,071	2,506,354

The 6.2% increase compared with the year 2014 is due to favorable currency effects for 4.0%, to additions in the scope of consolidation for 1.2% and to favorable market trends for 1.0%. 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 core sales of goods and rendering of services.

(thousands of euro)	2015	2014
Recovery of expenses	7,924	7,725
Indemnity for damages	1,335	2,043
Revenue from leased properties	10,254	9,245
Gains on disposals of property, plant and equipment	7,933	33,077
Capital grants	433	559
Release of provisions	6,929	6,016
Internal work capitalized	3,910	3,863
Sale of emission rights	798	10,771
Other	25,634	28,488
	65,150	101,787

The caption gains on disposals of property, plant and equipment includes the amounts related to the sale of fixed assets from the idle plants in Independence, Kansas, for €1,803 thousand and Oglesby, Illinois, for €397 thousand and lands in Germany for €1.770 thousand. In 2014 it included 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 €5,600 thousand referred to the restatement of the Unical (ready-mix) antitrust fine by the Tar of Lazio, with 20 April 2015 judgment (see note 26).

34. Raw materials, supplies and consumables

(thousands of euro)	2015	2014
Raw materials, supplies and consumables	630.885	590.459
Finished goods and merchandise	47.174	41.608
Electricity	182.625	184.541
Fuels	185.276	199.048
Other goods	20.766	21.827
	1.066.726	1.037.483

35. Services

(thousands of euro)	2015	2014
Transportation	364,134	356,536
Maintenance and contractual services	126,822	112,203
Insurance	12,596	12,024
Legal and professional consultancy	16,019	16,572
Operating leases of property and machinery	35,381	34,577
Travel	6,169	5,620
Sales commissions	482	771
Other	88,817	94,831
	650,420	633,134

36. Staff costs

(thousands of euro)	2015	2014
Salaries and wages	335,423	317,346
Social security contributions and defined contribution plans	100,378	93,098
Employee severance indemnities and defined benefit plans	12,331	9,994
Other long-term benefits	(308)	544
Other	6,694	5,105
	454,518	426,087

The increase in staff costs due to the exchange rate effect amounts to €25,105 thousand.

In 2015 other costs included restructuring expenses of €3,695 thousand (2014: €2,899 thousand) related to Italy and Germany.

The average number of employees is the following:

(number)	2015	2014
White collar and executives	3,740	3,780
Blue collar and supervisors	6,180	6,074
	9,920	9,854

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)	2015	2014
Write-down of receivables	8,768	18,968
Provisions for liabilities and charges	7,917	10,541
Association dues	6,198	5,287
Indirect taxes and duties	31,903	30,429
Losses on disposal of property, plant and equipment	1,416	1,006
Other	17,121	16,969
	73,323	83,200

The provision for environmental restoration (quarries) accrued during the year is €3,393 thousand (2014: €3,770 thousand).

38. Depreciation, amortization and impairment charges

(thousands of euro)	2015	2014
Amortization of intangible assets	4,894	4,033
Depreciation of property, plant and equipment	190,131	184,119
Impairment losses of non-current assets	14,135	55,883
	209,160	244,035

The impairment losses of fixed assets are related to machinery and equipment of the plants in Sorbolo (PR) for €6,248 thousand and Cairo Montenotte (SV) for €2,745 thousand. The caption also includes the impairment of various lands and quarry facilities of the ready-mix concrete sector in Italy for a total amount of €4,714 thousand.

In 2014 the impairment losses included: the write-down (€4,505 thousand) of the 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 Amöneburg (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 included 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).

39. 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)	2015	2014
Associates		
Société des Ciments de Hadjar Soud EPE SpA	(1,175)	2,753
Société des Ciments de Sour El Ghozlane EPE SpA	(688)	3,679
Bétons Feidt S.A.	1,153	586
Kosmos Cement Company	3,660	5
w&p Cementi SpA	(831)	3,362
Salonit Anhovo Gradbeni Materiali d.d.	1,108	204
Other associates	711	11
	3,938	10,600
Joint ventures		
Corporación Moctezuma, SAB de CV	54,366	38,811
Other joint ventures	(876)	503
	53,490	39,314
	57,428	49,914

40. Gains on disposal of investments

This line item consists of non-recurring income arising mainly from the sale of the ownership interest in the associate Addiment Italia Srl.

41. Finance revenues and Finance costs

(thousands of euro)	2015	2014
Finance revenues		
Interest income on liquid assets	3,563	4,668
Interest income on interest rate swap contracts	3,594	3,853
Interest income on plan assets of employee benefits	10,585	10,362
Changes in the fair value of derivative instruments	10,950	63,050
Foreign exchange gains	21,910	21,782
Dividend income	324	726
Other	3,786	8,487
	54,712	112,928
Finance costs		
Interest expense on bank borrowings	(12,689)	(18,230)
Interest expense on senior notes and bonds	(61,122)	(67,984)
Interest expense on employee benefits	(21,538)	(23,982)
Interest expense on interest rate swap contracts	-	(230)
Changes in the fair value of derivative instruments	(31,343)	(5,735)
Discount unwinding on liabilities	(279)	(5,481)
Foreign exchange losses	(27,594)	(40,087)
Other	(5,223)	(4,296)
	(159,788)	(166,025)
Net finance costs	(105,076)	(53,097)

The increase in net finance costs from the previous year is mainly due to a considerable worsening of the net balance resulting from the valuation of derivative instruments, partially offset by the favorable impact due to the reduction of gross financial indebtedness.

42. Income tax expense

(thousands of euro)	2015	2014
Current tax	89,600	58,834
Deferred tax	10,299	3,271
Tax relating to prior years	(5,893)	(6,974)
	94,006	55,131

The increase in current tax is basically ascribable to a higher taxable income achieved in those geographical areas of operations where trading conditions were favorable (especially the United States of America) and to the euro/dollar exchange rate effect for €11,899 thousand.

Deferred taxes include the utilization of loss and interest expenses carryforwards for €6,170 thousand and write-downs of the same balances for €2,314 thousand in Germany. 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 €42,184 thousand (2014: about €31,000 thousand) due to the 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 2015, the caption refers for €3,873 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 consolidated income statement, is the following:

(thousands of euro)	2015	2014
Profit before tax	222,124	175,623
Italian income tax rate (IRES)	27.50%	27.50%
Theoretical income tax expense	61,084	48,296
Tax effect of permanent differences	(29,460)	(5,187)
Tax relating to prior years	(5,893)	(6,974)
Effect of difference between Italian and foreign tax rates	12,670	3,547
Effect of a rate change on deferred income tax	1,640	(2,841)
Use of tax losses for which no deferred income tax assets was recognized	(90)	(1,129)
Adjustments to deferred income tax	52,126	18,197
Italian regional income tax on production activities (IRAP)	-	696
Other differences	1,929	526
Income tax expense	94,006	55,131

The tax rate for the year (42% of profit before taxes versus 31% in 2014) was negatively affected by the non-recognition of deferred tax assets on tax losses in Italy; furthermore in 2014 the tax rate was positively impacted by deferred tax assets on tax losses accrued in Germany (€24,000 thousand).

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.

		2015	2014
Net profit (loss) attributable to owners of the company	thousands of euro	125,330	116,588
attributable to ordinary shares	thousands of euro	99,739	92,728
attributable to savings shares	thousands of euro	25,591	23,860
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	0.605	0.563
Basic earnings per savings share	euro	0.629	0.587

Diluted

Diluted earnings per share is calculated by adjusting the earnings and weighted average number of shares for the effects of dilutive options and other potential dilutive shares. In particular, the instrument "Buzzi Unicem €220,000,000 1.375% Equity-Linked Bonds due 2019" is assumed to have been converted into ordinary shares and the net profit attributable to owners of the company is adjusted to eliminate both the mark-to-market valuation of the cash settlement option and interest expense on the bond itself.

The conversion option attached to the bond "Buzzi Unicem €220,000,000 1.375% Equity-Linked Bonds due 2019", is exercisable from 1 January 2014. As at 31 December 2015, Buzzi Unicem share price was higher than the strike price.

		2015
Net profit (loss) attributable to owners of the company	thousands of euro	166,428
attributable to ordinary shares	thousands of euro	134,757
attributable to savings shares	thousands of euro	31,670
Average number of ordinary shares outstanding		178,611,190
Average number of savings shares outstanding		40,682,659
Diluted earnings per ordinary share	euro	0.754
Diluted earnings per savings share	euro	0.778

44. Cash generated from operations

(thousands of euro)	2015	2014
Profit before tax	222,124	175,623
Adjustments for:		
Depreciation, amortization and impairment charges	209,160	244,035
Equity in earnings of associates	(57,428)	(49,914)
Gains on disposal of fixed assets	(12,251)	(32,194)
Net change in provisions and employee benefits	(33,713)	(24,137)
Net finance costs	105,075	53,097
Other non-cash movements	4,890	6,957
Changes in operating assets and liabilities:		
Inventories	3,386	7,870
Trade and other receivables	258	1,655
Trade and other payables	3,380	7,694
Cash generated from operations	444,881	390,686

45. Dividends

The dividends paid in 2015 and 2014 were €10,277 thousand (5 eurocent per ordinary share and per savings share).

As for the year ended 31 December 2015 the board of directors will propose to the Annual General Meeting of 6 May 2016 to distribute out of reserves available a dividend of 7,5 eurocent per ordinary share and per savings share. Therefore expected dividend distribution amounts to a total of €15,415 thousand. These financial statements do not reflect this dividend payable).

46. Commitments

(thousands of euro)	2015	2014
Guarantees granted	4,489	4,408
Other commitments and guarantees	80,141	87,581

Guarantees granted include commitments toward banks in favor of investee companies.

Capital expenditure contracted for at the balance sheet date to acquire property, plant and equipment, but not yet incurred, amounts to €70,390 thousand (2014: €79,410 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 (€51,325 thousand), besides various refurbishing and regulatory compliance projects in Italy and Germany (€14,362 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)	2015	2014
No later than 1 year	19,600	18,260
Later than 1 year and no later than 5 years	51,065	42,057
Later than 5 years	26,550	20,519
	97,215	80,836

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, health safety, product liability, taxation and competition. Consequently 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 (approximately €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. To date the appeal has not been discussed yet. 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. The additional taxes with interests and sanctions in charge to the subsidiary Unical have been fully paid.

At the end of 2011 and in 2012, the company underwent a tax audit by the Revenue Service concerning the years from 2006 to 2011. The inspection ended with a single remark on the fair market value of the intra-group interest expense and consequently with a notification of a higher taxable income of €19.6 million approximately, referring to all the years being audited. So far the company received notices of assessment for the years from 2006 to 2010 including a total claim of approximately €10.5 million for higher taxes assessed, sanctions and interests and paid a third of the amounts being object of the tax assessments themselves (approximately €1.7 million for higher corporate income tax and interest). The company has appealed against the notices of assessment received by the Provincial Tax Court of Turin which, in its judgment of 1 April 2015, upheld the appeals for the years 2006 to 2009 (for the appeal relating to the notice of assessment for 2010 the discussion date has not been fixed yet). The Revenue Service has appealed against that judgment and reimbursed the company only the amount paid for the years 2006 and 2007 (about €1 million compared

to the total amount paid of €1.7 million). We are waiting for reimbursements relating to the subsequent years. The company's advisors deem that the defense elements, which have been confirmed also by the judgment of the Provincial Tax Court of Turin, 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. 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 and cancelled by the Council of State by judgment of 2009, the Antitrust Authority, by judgment of 10 December 2013, reassessed the fine reducing it to about €7.0 million. The Authority moreover ordered Unical to pay 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. In the meantime Unical, for the mere purpose of preventing the accumulation of charges and without agreeing with the decision, considered appropriate to fully pay the fine. To this aim, it required and obtained from the Antitrust Authority the split-up of the penalty in 30 installments. The TAR of Lazio by judgment of 20 April 2015 no. 5758, partially accepted the appeal issue by Unical, recalculating the penalty in €3.5 million and cancelling the Antitrust Authority provision as regards the additional charges, because not due. A new installment plan for the payment of the remaining penalty was established. The Antitrust Authority appealed the judgment of TAR of Lazio to the Council of State on 20 July 2015. Unical has joined a lawsuit initiated by the Antitrust Authority and has also presented incidental appeal, in which it has requested a further reduction of the sanction which had been restated. The matter is currently pending. A specific provision has been maintained in the financial statements.

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), possibly also through restrictions to imports toward EEA, in the market for cement and other related products, the Commission closed the case by judgment of 31 July 2015, considering that there were no evidences of the alleged agreement. In the context of such investigation, Buzzi Unicem deemed it appropriate to appeal against the last of a series of information requests made by the Commission, notified on 1 April 2011, deeming it groundless and in any case disproportionate. The Court of Justice, rejecting the first degree judgment of the European Court, with judgment of 10 March 2016, has definitively accepted the appeal of Buzzi Unicem cancelling the request for information of the Commission.

On 25 November 2015, during an inspection at Buzzi Unicem offices, the Antitrust Authority notified the company of the opening of an investigation under Article 14 of Law 287/90, for infringement of Article 101 TFEU in relation to an alleged agreement between Buzzi Unicem and three other competitors for the coordination of cement sales price increases in a part of the national territory. As for the proceedings it is believed there are no factors such as to constitute cases of breach of the competition law and consequently the company did not create any provision.

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), concluded in August 2013, 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 enacted German law. On 8 June 2015, the Court of Frankfurt however decided that the price to be paid to the minority shareholders must be increased by €5.24 per share, based on a different valuation method compared to the one used by the company. The company, considering valid its assessment methodology, appealed against the decision of the Court of first instance. A specific provision was added in the books.

The appeal process of a Belgian company (CDC) against Dyckerhoff GmbH and other German cement producers in front of the Court of Düsseldorf, for damages to customers arising from an alleged cartel agreement at the national level, closed with the rejection of the claimants' requests, who did not propose a further appeal against the decision. However CDC presented in September 2015 another claim against Heidelberg Cement AG at the Court of Mannheim. The claim is based on an alleged breach of the Antitrust Law by Heidelberg Cement and other cement manufacturers including Dyckerhoff in the regions of South and East Germany. Heidelberg Cement has named Dyckerhoff as the third party jointly and severally liable, which has joined to support the defense of Heidelberg considering the CDC claims to be unfounded for procedural and substantive reasons. We do not expect a negative financial impact from these new CDC 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 (ACM) opened a preliminary investigation on the domestic ready-mix concrete market, where the company operates through its subsidiaries. The findings are not available yet since the investigation is still in progress. However the company deems that its outcome will have no material impact on the economic and financial position of the group.

Our Dutch subsidiary Dyckerhoff Basal Toeslagstoffen received on 2 March 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 arbitral tribunal rejected the claim entirely with a decision which can be appealed either by 1 May 2016 under the same arbitration or within further three months before the ordinary court. The company did not create any provision as the risk of an adverse outcome in case of appeal against the arbitration decision 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 2015 and considering the significant devaluation of the local currency, the total amount of outstanding litigations decreased to approximately €0.9 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 proceedings for the sale of the Russian subsidiary ZAO Akmel in 2013, several claims were presented in 2014 against our subsidiaries OAO Sucholozhkement and Dyckerhoff. In April 2015 a settlement agreement was signed with the plaintiff, which is now being implemented. The company excludes any other financial impact from these claims, that we foresee will be concluded in 2016.

In the United States of America, numerous lawsuits and claims exist 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 corresponding year-end balances:

(thousands of euro)	2015	in % of reported balance	2014	in % of reported balance
Sales of goods and services:	39,339	1.4	39,307	1.5
Associates and unconsolidated subsidiaries	28,723		28,124	
Joint ventures	10,502		11,086	
Parent companies	17		17	
Other related parties	97		80	
Purchases of goods and services:	32,478	1.8	34,550	2.0
Associates and unconsolidated subsidiaries	27,568		24,395	
Joint ventures	4,083		9,396	
Other related parties	827		759	
Finance revenues:	76	0.1	1,510	1.3
Associates and unconsolidated subsidiaries	54		62	
Joint ventures	12		1,239	
Other related parties	10		209	
Finance costs	1	0.0	2	0.0
Associates and unconsolidated subsidiaries	-		1	
Joint ventures	1		1	
Trade receivables:	8,445	2.3	9,546	2.6
Associates and unconsolidated subsidiaries	6,667		7,043	
Joint ventures	1,698		2,418	
Parent companies	21		21	
Other related parties	59		64	
Loans receivable:	301	2.0	1,745	9.4
Associates and unconsolidated subsidiaries	121		1,455	
Joint ventures	180		290	
Other receivables:	20,472	16.5	21,866	16.5
Associates and unconsolidated subsidiaries	602		229	
Joint ventures	174		1,968	
Parent companies	19,696		19,669	
Cash and cash equivalents:	96	0.0	558	0.1
Other related parties	96		558	
Trade payables:	2,873	1.2	8,912	3.9
Associates and unconsolidated subsidiaries	2,794		6,232	
Joint ventures	79		2,680	
Finance payables:	300	1.8	-	
Joint ventures	300		-	
Other payables:	1,609	1.2	820	0.6
Associates and unconsolidated subsidiaries	34		811	
Joint ventures	1,575		9	
Guarantees granted:	1,500		-	
Associates and unconsolidated subsidiaries	1,500		-	

Key management includes the directors of the company (executive and non-executive), the statutory auditors and six 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)	2015	2014
Salaries and other short-term employee benefits	4,185	5,198
Post-employments benefits	646	786
Other long-term benefits	-	-
Termination benefits	-	1,706
Share-based payments	-	-
	4,831	7,690

49. Business combinations

On 1 December 2014 the group acquired 100% of **OOO Dyckerhoff Korkino Cement**, for a simultaneous consideration of €107 million (enterprise value). The company 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 this company, 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 during 2014 and was finalized by the end of 2015. The goodwill resulting from the acquisition amounts to €54,594 thousand, then decreasing to €43,938 thousand after adjustment to the year-end exchange rate. The final measurement of the identifiable net assets determined in the financial statements for the year 2015 was partially allocated to the assets of the company, particularly in the intangible category, as subsoil use rights, according to a specific evaluation prepared by an independent appraiser. The evaluation was performed according to the Multi-period Excess Earnings Method. With reference to the higher value attributed to the right of the area exploitation and to corroborate the assessment carried out by the independent expert, an alternative method (replacement cost) was applied, which essentially confirmed the opinion by the appraiser. None of the goodwill recognized is expected to be deductible for income tax purposes.

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

(thousands of euro)	Amount
Cash	107,349
Equity instruments	-
Total consideration transferred	107,349
Barter transaction	-
Fair value of equity interest held before the business combination	-
Total consideration	107,349
Recognized amounts of identifiable assets acquired and liabilities assumed	
Other intangible assets	38,870
Property, plant and equipment	18,553
Inventories	3,448
Trade and other receivables	3,158
Cash and cash equivalents	2,270
Provisions and employee benefits	(3,678)
Deferred income tax liabilities	(7,700)
Trade and other payables	(2,166)
Total identifiable net assets	52,755
Goodwill	54,594
	107,349
Acquisition-related costs	-

On 2 December 2015 the group acquired the remaining 50% interest in **Serenergy Srl**, a company active in the industry of energy efficiency certificates, previously valued by the equity method. The amount paid in cash was equal to €20 thousand which, added to the fair value of the equity interest in the acquiree held before the business combination, involved a total consideration of €128 thousand. Considering that the net identifiable assets amount to €243 thousand, the resulting bargain purchase of €116 thousand was credited to the income statement.

Should the above business combination had occurred on 1 January 2015, the consolidated net sales would have amounted to €2,662,333 thousand and net profit to €128,144 thousand.

50. Events after the balance sheet date

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

Casale Monferrato, 24 March 2016

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 ownership	% 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	
Serenergy S.r.l.	Casale Monferrato (AL)	EUR	25,500	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.	El Mohammadia - 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	
Tubag GmbH	Krufft 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	99.30	
PAT Volyn-Cement	Zdolbuniv UA	UAH	1,402,422	Dyckerhoff GmbH TOB Dyckerhoff Ukraina	98.74 0.04	
PAT Dyckerhoff Cement Ukraine	Kyiv UA	UAH	277,536	Dyckerhoff GmbH	94.51	
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	
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	
Dyckerhoff 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	
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	87.63	
sibobeton Wilhelmshaven GmbH & Co. KG	Osnabrück DE	EUR	920,325	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	85.44 14.56	
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	

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)						
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR	306,900	Dyckerhoff Beton GmbH & Co. KG	66.67	
TB Rheinland GmbH & Co. KG	Neuwied 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	
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	
sibobeton Papenburg GmbH & Co. KG	Osnabrück DE	EUR	300,000	sibobeton Ems GmbH & Co. KG	100.00	
BTG Beton-Transport-Gesellschaft mbH	Osnabrück DE	EUR	500,001	sibobeton Osnabrück GmbH & Co. KG	100.00	
Harex Nederland B.V.	Nieuwegein NL	EUR	18,151	Dyckerhoff Basal Toeslagstoffen B.V.	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)						
BSN Beton Service Nederland B.V.	Franeke 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	
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	
Compañía Cubana de Cemento Portland, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00	
Transportes Mariel, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00	
Proyectos Industrias de Jaruco, S.A.	Havana CU	CUP	186,700	Compañía Cubana de Cemento Portland, S.A.	100.00	

Investments in joint ventures valued by the equity method

Cementi Moccia S.p.A.	Napoli	EUR	7,398,300	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	
Fresit B.V.	Amsterdam NL	EUR	6,795,000	Buzzi Unicem International S.à r.l.	50.00	
Presa International B.V.	Amsterdam NL	EUR	7,900,000	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	
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	

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)					
Betoncentrale Haringman B.V.	Goes NL	EUR 45,378	Dyckerhoff Basal Betonmortel B.V.	50.00	
B.V. Betonmortel Centrale Leeuwarden (B.C.L.) i.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	
VOF CBDB	Cruquius NL	EUR 1	Dyckerhoff Basal Betonmortel B.V.	50.00	
Corporación Moctezuma, S.A.B. de C.V.	Mexico MX	MXN 171,376,652	Fresit B.V. Presa Internacional B.V.	51.51 15.16	
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	
Cemec 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 Pacífico 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 Ghoulane EPE S.p.A.	Sour El Ghoulane 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.	Villarfochiardo (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 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.	Schiffflange LU	EUR	50,000	Cimalux S.A.	41.00	
S.A. des Bétons Frais	Schiffflange 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	OAD 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
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	
Zentramont Baustoffmischanlage GmbH	Völklingen DE	EUR	460,200	Dyckerhoff GmbH	100.00	
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH	Warstein DE	EUR	25,600	Dyckerhoff GmbH	50.00	
Bildungs-Zentrum-Deuna Gemeinnützige GmbH	Deuna DE	EUR	25,565	Dyckerhoff GmbH	50.00	
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	
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	Hückelhoven DE	EUR	25,000	MKB Mörteldienst Köln-Bonn GmbH & Co. KG	100.00	
sibobeton Papenburg Beteiligungsgesellschaft mbH	Osnabrück DE	EUR	25,000	sibobeton Ems 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	

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 2015 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 2015
Audit	Reconta Ernst & Young S.p.A.	Parent – Buzzi Unicem S.p.A.	155
	Reconta Ernst & Young S.p.A.	Subsidiaries	53
	Rete Ernst & Young	Subsidiaries	1,084
Attestation	Reconta Ernst & Young S.p.A.	Parent - Buzzi Unicem S.p.A. ¹	10
		Parent – Buzzi Unicem S.p.A. ²	28
	Rete Ernst & Young	Subsidiaries ³	37
Total			1,367

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 Agreed upon procedures on the annual financial information of the Algerian associates Société des Ciments de Sour El Ghoulane and Société des Ciments de Hadjar Soud;

³ Certifications required under German law, Czech law, Ukrainian 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 2015:
 - 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 Council 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, 24 March 2016

Chief Executive Finance
Pietro Buzzi

Manager responsible for preparing
financial reports
Silvio Picca

**Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January
2010**

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Buzzi Unicem Group, which comprise the consolidated balance sheet as at December 31, 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other related notes.

Directors' responsibility for the consolidated financial statements

The Directors of Buzzi Unicem S.p.A. are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11, paragraph 3 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Buzzi Unicem Group as at December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Report on other legal and regulatory requirements

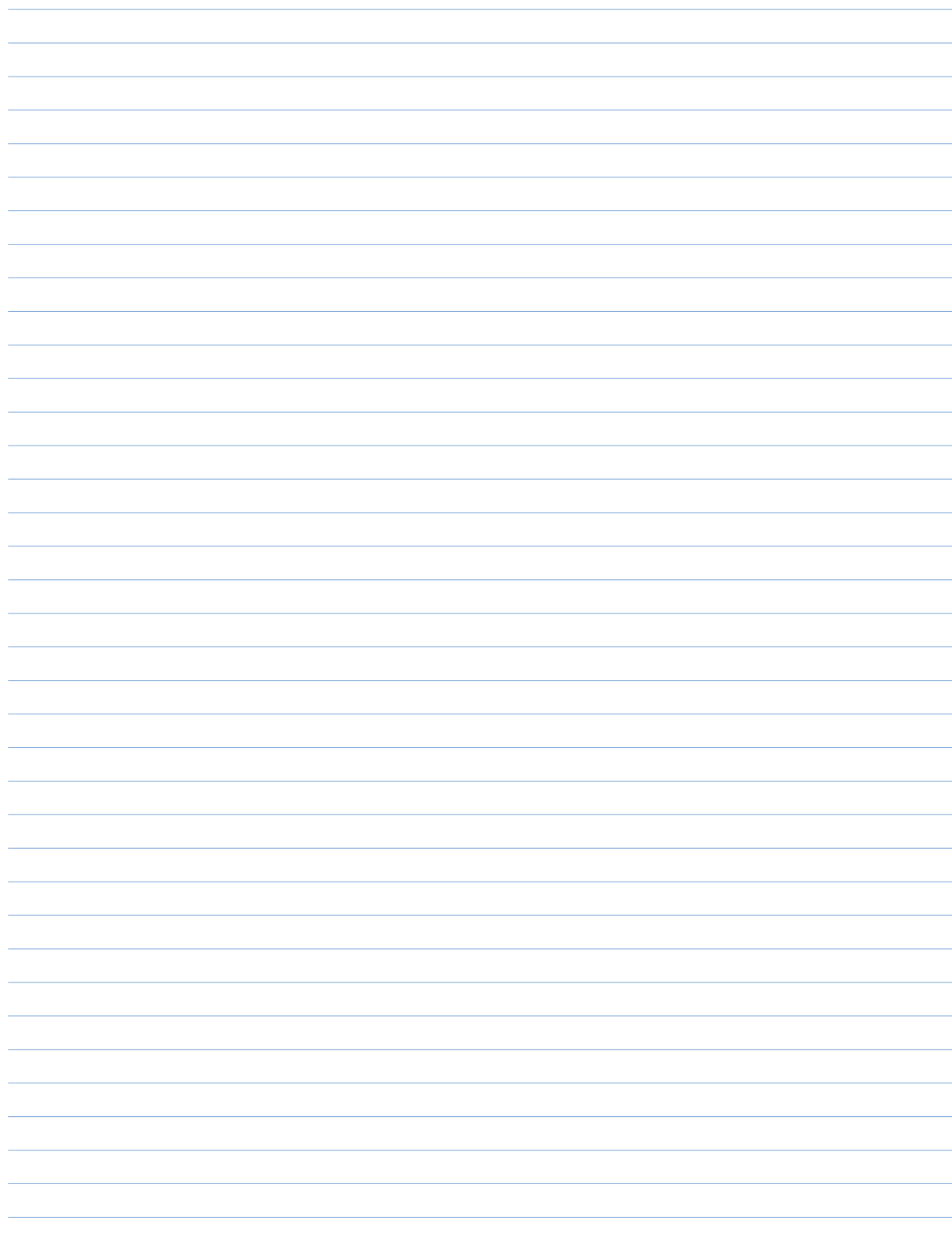
Opinion on the consistency of the Review of operations and of specific information of the Report on Corporate Governance and ownership structure with the consolidated financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law, on the consistency of the Review of operations and of specific information of the Report on Corporate Governance and ownership structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements. The Directors of Buzzi Unicem S.p.A. are responsible for the preparation of the Review of operations and of the Report on Corporate Governance and the ownership structure in accordance with the applicable laws and regulations. In our opinion the Review of operations and the specific information of the Report on Corporate Governance and the ownership structure are consistent with the consolidated financial statements of Buzzi Unicem Group as at December 31, 2015.

Turin, March 31, 2016

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.



This Annual Report appears in Italian (original version) and English (non-binding version)

Editorial coordination

SDWWG
Milan

Buzzi Unicem S.p.A.
Via Luigi Buzzi, 6
Casale Monferrato (AL)
Tel. +39 0142 416 111
buzziunicem.it

Share Capital € 123,636,658.80

Company Register of Alessandria no. 00930290044





Buzzi Unicem S.p.A.

Via Luigi Buzzi, 6
Casale Monferrato (AL)
Tel. +39 0142 416 111

buzziunicem.it