Half-Yearly financial report as at June 30, 2017

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Share capital €123,636,658.80
Company Register of Alessandria no. 00930290044

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INTERIM MANAGEMENT REPORT

The international economic cycle is strengthening. The recovery of investments in most countries is driving trade, while growth in the advanced markets has been consolidated and the frame has remained positive in the emerging economies. Growth prospects are still favorable and have improved compared to last year.

In the United States, following a slowdown during the first quarter, a further acceleration in domestic demand led to the strengthening in growth that still benefited from good employment performance. Recovery continued to consolidate, but, since the details about the entity, composition and timing of the tax cut and stimulus measures proposed by the new administration have not yet been defined, a certain climate of uncertainty persists as well as downside risk factors for the prospects of economy.

In the Euro area, favorable development signs were highlighted, mainly driven by investments and the good dynamics of both manufacturing and service activities. GDP growth at the beginning of the year was better than initially estimated. In Germany, the favorable trend in international trade, the accelerating public spending and a labor market near to full employment, supported a strong GDP growth during the first quarter (+0.6%), which continued at similar rates also during the second. In Italy, business activity strengthened again, thanks to the clear rise in household spending and the consolidation of the tertiary sector; GDP growth during the spring months continued at the same rate, however revised upward, as in the first quarter (+0.4%).

Among the emerging countries, the boosting growth in China, driven by the recovery in foreign demand, and the exit from the recession phase of Russia and Brazil contributed to the improvement of results and prospects for development.

During the first weeks of July oil prices decreased below $45 a barrel, thus reaching their lowest level since the beginning of the year, due to the recovery of production in the United States, Nigeria and Libya and a more gradual reduction in the crude oil stocks, despite the continuing supply cuts by OPEC countries and Russia. Futures contracts outline a gradual rise in prices for the rest of the year.

Consumer price index slightly declined in the major advanced economies; in the United States by May it contracted below 2%, in Europe it surprisingly declined again (1.3% in June) compared to expectations, and in many countries it suffered from the still high unemployment rate and the wage moderation. Price dynamics remain subdued even in emerging economies.

At its June meeting, the Federal Reserve, as expected, raised the rates and presented the balance sheet reduction plan. The Governing Council of the ECB, on the other hand, confirmed the need to maintain a high level of monetary accommodation to ensure a durable adjustment of inflation towards the target. In China, the Central Bank left its benchmark rates unchanged.

Compared to the favorable outlook for growth prospects, the possible adoption of trade protection measures could have an impact on international trade, and while the UK economy continues to show substantially good performance, there is a great deal of uncertainty about the outcomes of the Brexit. Therefore there still are significant downward risks linked to the unpredictability about global economic policies and the persistence of geopolitical tensions.

In this context, the cement and ready-mix concrete sales volume of the group, after a good start to the first quarter, helped by a higher number of working days, maintained positive, albeit more moderate, dynamics. The most significant favorable changes occurred in Central Europe (particularly in Germany) and Italy, thanks to the recovery in exports. In Eastern Europe, the lively growth in the Czech Republic and Ukraine more than offset the slight decline in Russia, while deliveries to customers in the United States essentially confirmed the good levels achieved in the same period last year. Net sales revenues for the first half-year amounted to €1,353.8 million (+7.3%), compared to €1,261.3 million in 2016, while Ebitda increased by 8.4%, from €222.5 to €241.1 million. The price effect in local currency showed a favorable variance in the United States and, helped by inflation, in Ukraine too; there was a slight improvement in Poland and Luxembourg and basically no change in Germany, the Czech Republic, Russia and Italy. The volume effect, with the exception of the slight declines in Russia and the United States, was favorable or neutral in all other markets of presence. The trend of foreign currencies, which was characterized by stronger ruble and dollar, had a net positive impact of €34.4 million on turnover and €9.4 million on Ebitda. Like for like, net sales would have increased by 4.6%, and Ebitda by 4.1%. After amortization and depreciation of €108.6 million (€93.5 million in the previous year), Ebit amounted to €132.5 million (+€3.6 million compared to 2016). The half-yearly income statement closed with a net profit of €119.3 million, compared to €91.5 million in the same period of 2016.

Operating and financial results

Group cement sales in the first six months of 2017 increased by 2.3% compared to the same period of 2016, reaching 12.5 million tons. Changes were favorable or neutral in all the markets of presence, with the exception of Russia and the United States, which posted a moderate decline. Ready-mix concrete output confirmed the volume of 5.9 million cubic meters, with good recovery (+6.0%) over the previous year. In this sector, variations were favorable in all markets where the group is present, except for a slight decline in the United States and Germany; the most significant sales acceleration particularly affected Italy, the Czech Republic and Ukraine.

Italy achieved net sales of €200.2 million (+6.7%) thanks to the recovery in exports and the strengthening of the ready-mix concrete sector. In the United States, volumes in line with those achieved in the first half of 2016 and the good performance of prices accounted for €560.4 million (+5.7%). Net sales of Central Europe, growing more linearly in the second quarter, closed at €359.8 million (+3.7%). Thanks to the establishment of a recovery in Ukraine, the better performance of shipments in the Czech Republic and the positive exchange rate effect in Russia (+€17.2 million) revenues in Eastern Europe came in at €240.1 million, up €38.2 million (+18.9%) on the same period of the previous year. Consolidated Ebitda stood at €241.1 million, compared with €222.5 million in 2016 (+8.4%). The figure of the first half was penalized by non-recurring charges of €4.5 million (non-recurring revenues of €3.2 million in the same period of 2016); net of these amounts, Ebitda for the first half of 2017 would have increased by €26.3 million (+12.0%). Foreign exchange fluctuations had a positive net impact mainly thanks to the appreciation of the ruble and the dollar. Like for like Ebitda for the first half of 2017 would have increased by 7.7%. The recurring Ebitda margin over the first six months improved by over 70 basis points, with favorable changes in the United States, Russia, Ukraine and Germany, while it was stable or deteriorating in the other countries. The production costs, particularly in Eastern Europe, Italy and Luxembourg, suffered from an unfavorable trend of the main variable items (fuels, electric power).

After amortization and depreciation of €108.6 million (€93.5 million in the first half of 2016), Ebit reached €132.5 million (€129.0 million in June 2016). Profit before tax amounted to €170.1 million (€129.2 million in 2016), considering a contribution of €48.8 million from equity earnings (€36.4 million in 2016), gains on disposal of investments of €0.9 million (€0.2 million in 2016) and net financial costs of €12.2 million (€36.4 million in 2016), the reduction of which was also influenced by the valuation of derivative financial instruments. The income statement of the period closed with a net profit of €119.3 million, compared to €91.5 million in the first half of 2016; net profit attributable to the owners of the company increased from €90.3 million in the previous year to €117.6 million for the first six months of 2017.

Cash flow for the half year stood at €227.9 million, compared to €185.0 million in the same period of 2016. Net debt as at 30 June 2017 amounted to €909.2 million, down €32.4 million compared to €941.6 million at 31 December 2016. In the six months under review, the group distributed dividends of €21.8 million, of which €20.6 million by the parent company, and completed total capital expenditures of €117.7 million. Investments in property, plant and equipment referring to expansion or special projects totaled €11.9 million, almost entirely related to the completion of the new production line in Maryneal (Texas). Equity investments essentially concerned a 47.9% share in Cementizillo SpA (€22.6 million), under the agreement signed on 16 June 2017 for the purchase of 100% of Zillo group, which was closed at the beginning of July. The liability side of net debt includes the fair value of the cash settlement option attached to the outstanding convertible bond for €93.0 million (€105.4 million at year-end 2016). The assets and liabilities forming the net financial position, subdivided by their degree of liquidity, are reported in the following table:

(millions of euro)	30.06.2017	31.12.2016
Cash and short-term financial assets:		
- Cash and cash equivalents	611.7	603.3
- Other current financial receivables	23.3	6.3
Short-term financial liabilities:		
- Current portion of long-term debt	(36.5)	(56.4)
- Short-term debts	(23.8)	(16.8)
- Other current financial liabilities	(3.9)	(2.6)
Net short-term cash	**570.8**	**533.8**
Long-term financial liabilities:		
- Long-term debts	(1,397.7)	(1,381.4)
- Derivative financial instruments	(93.0)	(105.4)
- Other non-current financial liabilities	(1.7)	(1.8)
Net financial position from continuative activities	**(921.7)**	**(954.8)**
Long-term financial assets:		
- Other non-current financial receivables	12.5	13.2
Net debt	**(909.2)**	**(941.6)**

Shareholders' equity as at 30 June 2017, including non-controlling interests, amounted to €2,743.0 million vs. €2,806.9 million as at 31 December 2016. The debt/equity ratio was consequently 0.33 (0.34 at the end of 2016).

Italy

Business activity accelerated at the start to the year, driven by the sharp rise in household spending, especially in durable goods and services, which more than offset the decline in fixed investment. In the first quarter of 2017, GDP grew by 0.4%, up significantly from the first released estimates. A similar pace of growth is also expected in the second quarter, thanks to the development of industrial production, mainly due to the crucial recovery of manufacturing activity. The decline in investments occurred at the beginning of the year, for the first time since 2014, is believed to be due to temporary effects. The increase in disposable income, also thanks to the strengthening of the labor market, particularly in the term component, contributed

to growth in consumption. The unemployment rate declined and private sector wages continued to increase, albeit modestly. The improvement in exports and foreign orders continued, to a greater extent in non-EU markets, particularly Russia, the United States of America and East Asia. Inflation rose slightly in the second quarter, reaching just above 1% in June. Private sector lending, supported by the dynamics of household loans, maintained its expansion phase, while the trend in corporate lending continued to be differentiated according to the economic activity sectors and size. In the second quarter, the conditions of the Italian financial markets improved, also due to the decline in uncertainty after the French elections, the recognition of more favorable macroeconomic data than expected and the mitigation of concerns about the banking sector in Italy. The Italian National Association of Builders recently revised downwards the growth estimate of construction investments for the current year, placed on a marginal positive sign (+0.2%), with modest growth in the renovation of residential properties (+0.5%), in the non-residential private segment (+0.9%) and in public works (+0.2%), while a further contraction in new residential building (-1.5%) was confirmed. The industry association (AITEC), with regard to cement consumption for the whole 2017, foresees levels in line with 2016.
Our cement and clinker sales, which were stable on the domestic market, thanks to higher exports closed the first six months up from the same period last year (+4.6%). Selling prices were affected by the mix effect, i.e. the greater importance of exports and clinker, so that the average value did not show any variation compared to the levels achieved in the first half of 2016. In the ready-mix concrete sector, thanks also to the positive change in scope occurred in the Milan area, sales showed a remarkable growth but with prices down. In line with this trend of volumes and prices, net sales in Italy amounted to €200.2 million, up 6.7% (€187.7 million in 2016). At the end of June, Ebitda came in at a loss of €13.4 million (compared with -€9.3 million in 2016). However it should be remembered that the 2017 figure includes non-recurring expenses of €2.4 million for property tax provisions (€0.2 million in 2016) and that the inventory dynamics, determined by the pace of production and sales, had a negative impact on the result of €1.4 million. Net of non-recurring items, Ebitda worsened by €1.9 million. The unit production costs were unfavorable, mainly due to inflation related to fuels.

(millions of euro)	*1H 2017*	*1H 2016*
Net sales	200.2	187.7
Ebitda reported	-13.4	-9.3
EBITDA recurring	-11.0	-9.1
% of net sales	*-5.5*	*-4.8*
Capital expenditures	42.9	14.5
Headcount end of period n.	1,377	1,430

Germany
The country's economy, which had already shown some acceleration during the winter months of the previous year, further improved in the current period, supported by higher employment rate and consumption increase, as well as the recovery in export and construction investments. Thanks to the more favorable trend in international trade, a labor market near to full employment, improving public spending and advantageous financing conditions, the pace of expansion is expected to continue. Net job creation, also thanks to the progressive integration of asylum seekers in the previous two years, continued to grow and, consequently, public spending to support hospitality has also been expanding. GDP development for the current year is estimated at +1.8%. Expectations of investments in the construction sector for 2017 continue to show a strong trend, favored by the increasing demand for new residential building, the good performance of real estate values and low interest rates. Demand in the residential sector is driven, inter alia, from the need associated with immigration flows, while the civil engineering

strength is backed by important infrastructure plans for improving road, rail practicability and river navigation.
After the significant growth achieved at the beginning of the year, during the second quarter shipments maintained a favorable performance, but with more regular and sustainable levels, also favored by the recovery in demand for oil well special products. During the first half of the year, our cement sales increased by 6.1% compared to the same period last year, with stable average prices. The ready-mix concrete sector confirmed the production levels of 2016, with prices slightly better. Total net sales were €282.5 million (€271.2 million in 2016), up 4.2% and Ebitda stood at €32.7 million compared to €29.7 million (+10.0%).

(millions of euro)	*1H 2017*	*1H 2016*
Net sales	282.5	271.2
Ebitda reported	32.7	29.7
% of net sales	*11.6*	*11.0*
Capital expenditures	17.0	17.6
Headcount end of period n.	1,837	1,712

Luxembourg and the Netherlands
In Luxembourg, the estimate of GDP growth for 2017, in line with the results achieved in the previous two years, is slightly lower than 4%, thus confirming a development rate among the most successful ones in Europe. Strong expansion is supported by both progressive improvements in the export of financial services and the recovery in domestic demand. In particular, private consumption continued to benefit from the employment rate growth and the substantial increases in the disposable income, also favored by the adoption at the beginning of the year of a fiscal reform that mitigated taxation. Investments confirmed their pace of recovery, due to the favorable economic environment and the cost of money to its lowest levels; in particular construction activity continues to show a positive trend both in the private sector and, thanks to infrastructure projects, in the public one.

In the Netherlands, for the current year the favorable economic situation is expected to continue, in line with the remarkable results achieved in the previous year. The support to domestic demand arises from the gradual improvement in the disposable income, which benefits from a more favorable taxation and employment progress. Exports expanded and also did investments, especially the public ones, which after seven years of decline confirmed a positive recovery.

Cement deliveries, including intercompany transfers and exports, maintained a favorable performance (+2.5%) with average unit revenues marginally strengthening compared to the previous year. Ready-mix concrete output recorded a more lively recovery (+4.6%), associated with some improvement in prices. Net sales amounted to €90.7 million, up €3.2% compared to the previous year (€87.8 million). Ebitda stood at €6.2 million (€13.5 million in 2016). However it should be noted that the 2016 result included non-recurring income of €3.4 million. Among the main operating costs fuels posted a significant increase.

(millions of euro)	1H 2017	1H 2016
Net sales	90.7	87.8
Ebitda reported	6.2	13.5
EBITDA recurring	6.2	10.1
% of net sales	6.9	11.5
Capital expenditures	3.7	6.0
Headcount end of period n.	313	353

Czech Republic and Slovakia

The country's economy continues to grow solidly, driven by domestic demand, with unemployment rate estimated at 3.5% at year-end (at the lowest level in the European Union), by a significant increase in the disposable income and by improving propensity to consume. The openness to investments and the international production chain has allowed a more dynamic growth, favored by an excellent public budget environment and a particularly liquid and profitable banking system. Net exports, albeit moderated by an expansion of imports to assist the investment recovery, are continuing to support GDP growth. Inflation is expected to reach 2.3% after three years of reductions. GDP increase for the current year is estimated at 2.8%, in line with the previous year. Construction investments, particularly the private new buildings, are forecasted to rise.

Cement sales achieved in the first six months of the year confirmed a good acceleration (+11.9%), with average prices in local currency marginally down. Ready-mix concrete sector, which also includes Slovak operations, showed even livelier production levels (+13.4%) with slightly improving prices. Overall net sales, with little impact from the positive exchange rate, increased from €60.6 to €65.6 million (+8.3%) and Ebitda by €0.6 million, from €12.8 million in 2016 to €13.4 million in the period under review.

(millions of euro)	1H 2017	1H 2016
Net sales	65.6	60.6
Ebitda reported	13.4	12.8
% of net sales	*20.4*	*21.2*
Capital expenditures	3.0	3.0
Headcount end of period n.	778	706

Poland

The favorable and solid economic cycle continues in its rising phase, supported by significant improvements in the disposable income and strong consumption increase, in an economic scenario with capacity utilization at its highest levels, unemployment rate at its all-time low and a well-capitalized and liquid banking system that supports growth. While exports maintain their favorable trend, they are expected to be more than offset by a rapid increase in imports due to accelerated investments and consumption, so that the net contribution to GDP is estimated to be slightly negative. Inflation, up at 2% already in April, is estimated at 2.3% for the whole of the year. Construction investments are picking up in particular thanks to growth in the public infrastructure sector co-financed with the European Union structural funds; also private investments are expected to slightly improve on the previous year. GDP growth for the current year is estimated at 3.4%.

Cement volumes sold by our plant slightly exceeded the levels achieved in the same period of the previous year (+0.1%), while ready-mix concrete output was up (+1.2%). Average prices in local currency finally showed signs of strengthening both for cement (+3.7%) and ready-mix concrete. These market dynamics led to net sales at €45.6 million, compared to €43.6 million in 2016 (+4.6%). However Ebitda stopped at €9.2 million, compared to €11.7 million in 2016 (-€21.4%). It should be pointed out though that the 2016 result included gains on disposal of fixed assets of €2.2 million. The strengthening of the zloty (+2.3%) had a positive exchange rate effect: like for like revenues would have increased by 2.2% and Ebitda would have decreased by 23.2%.

(millions of euro)	1H 2017	1H 2016
Net sales	45.6	43.6
Ebitda reported	9.2	11.7
% of net sales	*20.1*	*26.8*
Capital expenditures	1.6	4.1
Headcount end of period n.	356	367

Ukraine
The economic recovery that began in 2016, which outlined the exit from the overwhelming recessionary economic situation of the previous two years, in the first half of 2017 reached a consolidation and stabilization phase. The gradual comeback path, which shows significant improvements in the industrial, agricultural and trade sectors, is still supported by the strong financial participation of the international community and by progress in the implementation of institutional reforms, affecting particularly the energy sector and the strengthening of the banking system. Inflation rate, which returned to more sustainable figures, is expected to achieve slightly more than 10% at year-end. GDP growth for 2017 is estimated at 2%. In July, the European Council ratified the Association Agreement between the European Union and Ukraine, the final step of the route through which the parties undertake a more stringent and lasting relationship on economic, social and political issues as well as on the respect for common values.
During the first six months, cement volumes sold by our plants showed a satisfactory increase (+5.1%), with average prices in local currency still driven by high inflation (+30.3%). Net sales increased from €31.6 million in 2016 to €42.6 million in the period under review (+34.8%) and Ebitda from €4.6 to €8.8 million (+4.1% million). The further weakening of the local currency (-2.0%) had an unfavorable impact on the translation of results into euro: at constant exchange rates the turnover variation would have been positive by 37.5%, while Ebitda would have increased by €4.3 million. Among the main operating costs in local currency power increased significantly and also did fuels, even if to a lesser extent.

(millions of euro)	1H 2017	1H 2016
Net sales	42.6	31.6
Ebitda reported	8.8	4.6
% of net sales	*20.6*	*14.6*
Capital expenditures	3.9	1.1
Headcount end of period n.	1,607	1,231

Russia
GDP growth, after the previous two years of recessionary dynamics, returned to positive territory already in the last quarter of last year. At the beginning of the current year, thanks to some stabilization of the oil price, the progress of industrial production and the improvement of business confidence, the recovery has been consolidating and achieved moderate levels. Domestic demand strengthened thanks to the evolution of disposable income, favored by the appreciation of the ruble and the slowdown in inflation, estimated at around 4% at the end of the

year. Net exports are expected to slightly improve as well as the investment level, despite the relatively high cost and limitations in the supply of debt financing. GDP growth for 2017 is estimated at +1.4%. The economic development path, even in perspective, is expected to be stable but sluggish, considering the strong dependence on the energy sector and the persistence of structural barriers such as low investment readiness, high financial costs, stiffness in the labor market and weak competitiveness.
Cement volumes sold in the first half year, despite the improvement in the category of special oil well cements, were overall slightly down (-0.6%) compared to the volumes achieved in the previous year, with average unit prices in local currency marginally improving. Net sales increased from €67.2 to €87.0 million (+29.4%), and Ebitda from €16.8 to €22.9 million, up 36.0%. The strengthening of the ruble (+19.8%) had a significant impact on the translation of results into euro; at constant exchange rates, net sales and Ebitda would have been up respectively by 3.8% and 9.1%. Among the main operating costs in local currency both fuels and power posted material unfavorable changes.

(millions of euro)	1H 2017	1H 2016
Net sales	87.0	67.2
Ebitda reported	22.9	16.8
% of net sales	*26.3*	*25.0*
Capital expenditures	3.0	6.0
Headcount end of period n.	1,526	1,457

United States of America
After a slowdown during the first quarter, the economic situation marked a strengthening driven by domestic demand. Consumption growth remained strong thanks to the increase in wages and the labor market, now near full employment. Consumer price index remained modest, decreasing in May below 2%. The expectations for a prompt economic policy agenda of expansionary measures, announced by the new administration, particularly aimed at the production sector, now seem to be downsized, especially with regard to the extent and timing of the proposed tax cut. The GDP growth forecast for 2017 (+2.1%), which has been recently revised downwards, is still above the level reached in 2016. The Federal Reserve raised rates and defined how it intends to reduce its balance sheet. Construction investments are expected to increase (+2.2%), with growth in the residential (+2.6%), commercial (+3.2%) and infrastructure (+1.1%) category. Cement consumption should improve consistently.
Our cement sales confirmed, apart from a slight decrease (-0.9%), the level achieved in the same period of the previous year. The deliveries improvement in the Midwest regions and the notable recovery of oil well cements failed to balance demand weakness in Texas, specifically in the Houston area, which continued to suffer from difficult market and climate conditions. Cement average selling prices in local currency increased by 5.0%. Ready-mix concrete production, mainly located in Texas, although recovering during the second quarter, suffered both from the weakness in demand and the weather conditions and closed with a slight contraction (-1.1%) and selling prices also decreasing. Net sales in dollar amounted to $606.9 million, up 2.6% from $591.7 million in the same period of 2016. Ebitda came in at $174.8 million (+9.8% from $159.2 million of the previous year). Net sales in euro, which benefited from the strengthening of the dollar, increased from €530.2 to €560.4 million (+5.7%) and Ebitda from €142.7 to €161.4 million (+13.1%). It should also be pointed out that the result for 2017 includes non-recurring costs of €2.1 million for disassembling and dismantling of equipment. Net of exchange rate effect and non-recurring items, net sales and Ebitda would have increased by 2.6% and 11.2% respectively.

(millions of euro)	1H 2017	1H 2016
Net sales	560.4	530.2
Ebitda reported	161.4	142.7
EBITDA recurring	163.5	142.7
% of net sales	*29.2*	*26.9*
Capital expenditures	42.7	75.9
Headcount end of period n.	2,292	2,293

Mexico (valued by the equity method)
At the start to the year, as a result of the declarations of the new US President about the renegotiation of the NAFTA, the reform of immigration and border barriers, the country was affected by a more uncertain political climate and the tightening of financial conditions, which led to capital outflows, an increase in interest rates and a sharp depreciation of the currency. Subsequently, even thanks to some more moderation in the tone of the NAFTA discussion, the tension started to ease. The country's economic activity showed strong resilience against the combination of these exogenous factors, thanks to the robustness of the fundamentals, stability of the institutional framework and appropriate monetary policy decisions. The GDP development for the whole of 2017should attain a moderate increase of +1.9%, slowing down on the previous year's level.
Cement sales trend of our joint venture, which benefited from the increased production capacity associated with the second production line at Apazapan (Veracruz), continued to grow promisingly, with average prices in local currency strongly up. Ready-mix concrete sales maintained a weaker profile, but with prices in Mexican peso significantly increasing. Net sales and Ebitda, in local currency, improved by 24.0% and 23.1%, respectively. The depreciation of the Mexican peso (-4.3%) penalized the translation of results into euro. With reference to 100% of the associate, net sales amounted to €358.5 million (+18.9%) and Ebitda increased from €146.6 to €173.0 million (+18.0%). The equity earnings referring to Mexico, which are included in the line item that encompasses the investments valued by the equity method, amount to €37.9 million (€33.6 million in 2016).

Algeria (valued by the equity method)
In Algeria, cement consumption in the first half of 2017 remained in line with the previous year. Despite the fact that the hydrocarbon market has been weak for a long time, the infrastructural works envisaged by the governmental investment plan have so far been pursued. However, domestic production is still unable to fully meet the demand of the market, despite two new production lines being put into operation and a third one expected in the current year. It should be remembered that starting from January 2016 a legal act was issued to regulate and rationalize imports of cement and other materials into the country through special licenses. Because of these strong restrictions on cement imports, clinker imports continue to be lively. In the first half of 2017, the two associates of Buzzi Unicem achieved clinker and cement volumes overall higher than those of the previous period. In particular, Hadjar Soud recorded an increase in cement (+2.4%) and clinker production (+0.5%), as well as Sour El Ghozlane, in the period under review, increased the clinker and cement output by 35% and 37% respectively. Such a significant improvement is explained by the fact that, unlike last year, no long shutdowns of the plants occurred due to capex projects. The first six months, with reference to 100% of the associates, closed with net sales at €49.0 million, up 21% at constant exchange rate compared to €40.5 million for the first half 2016. The increase is largely due to the improved productive performance of the Sour el Ghozlane plant. Ebitda was €25.6 million (+48%). The equity earnings referring to Algeria, included in the line item that encompasses the investments valued by the equity method, amount to €4.6 million (€1.9 million in 2016).

Risk management and description of main risks

The following companies, parent and subsidiaries, are included in the scope of risk assessment:

- Buzzi Unicem SpA (parent)
- Unicalcestruzzi SpA
- Dyckerhoff GmbH and its subsidiaries
- Buzzi Unicem USA, Inc. and its subsidiaries
- Alamo Cement Company and its subsidiaries

Risks are assessed by considering their likelihood of occurrence and their impact on group equity, in accordance with certain standards, as well as their respective relevance and importance. We analyze the risks categories attached to the entire business activity of our companies in terms of production, finance, law and taxation. Overall, compared with the situation as at June 2016, the amount of total residual risks has remained stable. Risks are essentially unchanged also according to their breakdown by geographical area: Italy, Central Europe, Eastern Europe and the United States of America.

Concerning the individual categories, we do include currency risks, according to IFRS guidelines, on intercompany loans, besides future collection of dividends and possible impacts on Ebitda.

The risk of loss on capital invested in banks, which fluctuates mainly in relation to the available liquidity, decreased.

About trading conditions, the risks remain balanced and slight fluctuations in sales revenues are declining in Poland and increasing in Russia.

Following the mitigation actions already implemented or envisaged, the residual risks represent a limited share of book equity.

Transactions with related parties

Information on transactions with related parties is available in note 45 of these half-yearly condensed consolidated financial statements as at June 30, 2017.

Outlook

The first six months of 2017 were characterized by operating conditions consistent with the expected ones, such as the satisfactory progress in the United States, due to the favorable performance of prices and better productive efficiency associated with the new production line in Maryneal (Texas), the improved volumes in Central Europe, the recovery of profitability in Eastern Europe, and the stabilization of demand in Italy, albeit at the trough of the cycle. Ebitda to sales margin overall improved, but the market regions in which no favorable price effect was recorded suffered from the increase in energy costs.

In the second half of the year, assuming less penalizing weather conditions, the United States should benefit from an easier comparison basis, and consequently consolidate the progress achieved. However, the recent weakness of the dollar could negatively affect the translation of results into euro.

In Italy demand is expected to be stable or possibly slightly improving, while the supply side of the industry remains unbalanced with respect to a really sustainable sector structure. The recent acquisition of the Zillo group represents a strengthening of our presence and a tangible signal of rationalization and consolidation. Unfortunately results will still remain unsatisfactory, but we trust the possibility to record anyway an improvement compared to the previous year.

In Central Europe we expect a still favorable cement demand, but in the absence of an upward trend in prices, the improvement of operating margins will probably be limited in absolute terms.

Also in Poland, the Czech Republic and Ukraine a slightly positive development is reckoned. Finally, for Russia we can confirm the assumption of operating results in local currency in line with last year.

Based on the above considerations, we believe that, for the group as a whole, the guidance disclosed at the beginning of the year on the likely outlook can still be considered valid.

Therefore, for the full financial year 2017, we expect to report an improvement of recurring Ebitda between 5% and 10% compared to the previous year, with good chances of drawing near the upper end of the range.

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

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Alternative performance measures
Buzzi Unicem uses in its financial disclosure some alternative performance measures that, although widespread, are not defined or specified by the accounting standards applicable to the preparation of the annual financial statements or interim consolidated reports.
Pursuant to Consob Communication n. 92543/2015 and the guidelines ESMA/2015/1415 set out below are the definitions of such measures.

- **EBITDA**: subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **EBITDA recurring**: it is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the following adjustments (non-recurring income/expense):

  - restructuring costs, in relation to defined and significant plans
  - write downs/ups of current assets except trade receivables greater than €1 million
  - addition to/release of provisions for legal, fiscal or environmental risks greater than €1 million
  - dismantling costs greater than €1 million
  - gains/losses from the sales of fixed assets and non-instrumental real estate greater than €3 million
  - other sizeable non-recurring income or expense (greater than €3 million), that is attributable to significant events unrelated to the usual business.

(millions of euro)	1H 2017	1H 2016
Ebitda	**241.1**	**222.5**
Restructuring costs	-	0.2
Additions to provisions for risks	2.4	-
Dismantling costs	2.1	-
Gains on disposal of fixed assets	-	(3.4)
EBITDA recurring	**245.6**	**219.3**

- **Operating profit (EBIT)** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **Net debt**: it's a measure of the capital structure determined by the difference between financial liabilities and assets, both short and long term; under such items are included all interest-bearing liabilities or assets and those connected to them, such as derivatives and accruals.

Casale Monferrato, August 3, 2017

For the Board of Directos

Enrico BUZZI
(Chairman)

CONSOLIDATED INCOME STATEMENT

(thousands of euro)	Note	Jan-Jun 2017	Jan-Jun 2016
Net sales	8	**1,353,756**	**1,261,298**
Changes in inventories of finished goods and work in progress		(5,467)	(571)
Other operating income	9	21,806	29,288
Raw materials, supplies and consumables	10	(521,476)	(494,775)
Services	11	(340,673)	(317,171)
Staff costs	12	(234,657)	(225,336)
Other operating expenses	13	(32,178)	(30,239)
EBITDA		**241,111**	**222,494**
Depreciation, amortization and impairment charges	14	(108,564)	(93,497)
Operating profit (EBIT)		**132,547**	**128,997**
Equity in earnings of associates and joint ventures	15	48,812	36,394
Gains on disposal of investments	16	876	171
Finance revenues	17	39,123	29,631
Finance costs	17	(51,284)	(66,033)
Profit before tax		**170,074**	**129,160**
Income tax expense	18	(50,777)	(37,707)
Profit for the period		**119,297**	**91,453**
Attributable to:			
Owners of the company		117,640	90,312
Non-controlling interests		1,657	1,141

(euro)			
Earnings per share	19		
basic			
- ordinary		0.570	0.437
- savings		0.582	0.449
diluted			
- ordinary		0.501	-
- savings		0.513	-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of euro)	Jan-Jun 2017	Jan-Jun 2016
Profit for the period	**119,297**	**91,453**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	15,801	(59,552)
Income tax relating to items that will not be reclassified	(5,431)	20,312
Total items that will not be reclassified to profit or loss	**10,370**	**(39,240)**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(178,861)	(6,842)
Share of currency translation differences of associates and joint ventures valued by the equity method	9,295	(17,224)
Total items that may be reclassified subsequently to profit or loss	**(169,566)**	**(24,066)**
Other comprehensive income for the period, net of tax	**(159,196)**	**(63,306)**
Total comprehensive income for the period	**(39,899)**	**28,147**
Attributable to:		
Owners of the company	(40,409)	24,626
Non-controlling interests	510	3,521

CONSOLIDATED BALANCE SHEET

(thousands of euro)	Note	Jun 30, 2017	Dec 31, 2016
ASSETS			
Non-current assets			
Goodwill	20	555,818	561,234
Other intangible assets	20	44,527	46,906
Property, plant and equipment	21	3,014,092	3,208,033
Investment property	22	21,354	21,657
Investments in associates and joint ventures	23	381,779	366,859
Available-for-sale financial assets	24	19,806	2,154
Deferred income tax assets		33,159	38,874
Other non-current assets	25	33,466	36,429
		4,104,001	**4,282,146**
Current assets			
Inventories	26	390,480	397,378
Trade receivables	27	440,246	391,937
Other receivables	28	112,281	125,984
Available-for-sale financial assets	24	20,243	3,513
Cash and cash equivalents	29	611,668	603,333
		1,574,918	**1,522,145**
Assets held for sale	30	4,556	4,594
Total Assets		**5,683,475**	**5,808,885**

(thousands of euro)	Note	Jun 30, 2017	Dec 31, 2016
EQUITY			
Equity attributable to owners of the company			
Share capital	31	123,637	123,637
Share premium		458,696	458,696
Other reserves	32	86,236	257,475
Retained earnings		2,047,678	1,939,338
Treasury shares		(4,768)	(4,768)
		2,711,479	**2,774,378**
Non-controlling interests	33	31,533	32,497
Total Equity		**2,743,012**	**2,806,875**
LIABILITIES			
Non-current liabilities			
Long-term debt	34	1,397,662	1,381,407
Derivative financial instruments	35	93,049	105,422
Employee benefits	36	416,260	444,406
Provisions for liabilities and charges	37	87,949	87,187
Deferred income tax liabilities		474,651	507,761
Other non-current liabilities	38	6,861	11,990
		2,476,432	**2,538,173**
Current liabilities			
Current portion of long-term debt	34	36,522	56,379
Short-term debt	34	23,801	16,779
Trade payables	39	248,041	237,875
Income tax payables		10,442	16,869
Provisions for liabilities and charges	37	22,562	21,873
Other payables	40	122,663	114,062
		464,031	**463,837**
Total Liabilities		**2,940,463**	**3,002,010**
Total Equity and Liabilities		**5,683,475**	**5,808,885**

CONSOLIDATED STATEMENT OF CASH FLOWS

(thousands of euro)	Note	Jan-Jun 2017	Jan-Jun 2016
Cash flows from operating activities			
Cash generated from operations	41	186,499	136,546
Interest paid		(15,515)	(14,687)
Income tax paid		(37,077)	(38,834)
Net cash generated from operating activities		**133,907**	**83,025**
Cash flows from investing activities			
Purchase of intangible assets	20	(1,652)	(801)
Purchase of property, plant and equipment	21	(88,721)	(126,199)
Purchase of other equity investments	23,24	(27,179)	(18)
Proceeds from sale of property, plant and equipment		3,871	12,566
Proceeds from sale of equity investments		1,617	402
Changes in available-for-sale financial assets	24	(16,711)	(552)
Changes in financial receivables		6,086	1,108
Dividends received from associates		32,500	27,813
Interest received		4,132	3,095
Net cash used in investing activities		**(86,057)**	**(82,586)**
Cash flows from financing activities			
Proceeds from long-term debt	34	30,020	494,007
Repayments of long-term debt	34	(30,702)	(129,404)
Net change in short-term debt	34	5,280	(375)
Changes in financial payables		(196)	4,181
Changes in ownership interests without loss of control		(172)	(2)
Dividends paid to owners of the company		(20,553)	(15,415)
Dividends paid to non-controlling interests		(1,222)	(770)
Net cash (used) generated by financing activities		**(17,545)**	**352,222**
Increase in cash and cash equivalents		**30,305**	**352,661**
Cash and cash equivalents at beginning of period		603,333	503,454
Translation differences		(21,970)	(8,292)
Change in scope of consolidation		-	(477)
Cash and cash equivalents at end of period	29	**611,668**	**847,346**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the company							
(thousands of euro)	*Share capital*	*Share premium*	*Other reserves*	*Retained earnings*	*Treasury shares*	***Total***	*Non-controlling interests*	***Total Equity***
Balance as at January 1, 2016	**123,637**	**458,696**	**149,222**	**1,826,238**	**(4,768)**	**2,553,025**	**26,393**	**2,579,418**
Profit for the period	**-**	**-**	**-**	**90,312**	**-**	**90,312**	**1,141**	**91,453**
Other comprehensive income for the period, net of tax	-	-	(26,446)	(39,240)	-	**(65,686)**	2,380	**(63,306)**
Total comprehensive income for the period	**-**	**-**	**(26,446)**	**51,072**	**-**	**24,626**	**3,521**	**28,147**
Dividends paid	-	-	-	(15,415)	-	**(15,415)**	(770)	**(16,185)**
Withholding tax on foreign dividends	-	-	-	(601)	-	**(601)**	-	**(601)**
Acquisition of non-controlling interests	-	-	-	(157)	-	**(157)**	(754)	**(911)**
Other changes	-	-	1,138	(1,154)	-	**(16)**	(8)	**(24)**
Balance as at June 30, 2016	**123,637**	**458,696**	**123,914**	**1,859,983**	**(4,768)**	**2,561,462**	**28,382**	**2,589,844**
Balance as at January 1, 2017	**123,637**	**458,696**	**257,475**	**1,939,338**	**(4,768)**	**2,774,378**	**32,497**	**2,806,875**
Profit for the period	**-**	**-**	**-**	**117,640**	**-**	**117,640**	**1,657**	**119,297**
Other comprehensive income for the period, net of tax	-	-	(168,421)	10,372	-	**(158,049)**	(1,147)	**(159,196)**
Total comprehensive income for the period	**-**	**-**	**(168,421)**	**128,012**	**-**	**(40,409)**	**510**	**(39,899)**
Dividends paid	-	-	-	(20,553)	-	**(20,553)**	(1,222)	**(21,775)**
Withholding tax on foreign dividends	-	-	-	(1,999)	-	**(1,999)**	-	**(1,999)**
Acquisition of non-controlling interests	-	-	-	74	-	**74**	(246)	**(172)**
Other changes	-	-	(2,818)	2,806	-	**(12)**	(6)	**(18)**
Balance as at June 30, 2017	**123,637**	**458,696**	**86,236**	**2,047,678**	**(4,768)**	**2,711,479**	**31,533**	**2,743,012**

NOTES TO THE HALF-YEARLY FINANCIAL REPORT

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 (part of London Stock Exchange Group).

These consolidated interim financial statements were authorized for issue by the board of directors on 3 August 2017.

2. Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with art. 154 ter of Legislative Decree 58/1998 and drawn up in compliance with International Financial Reporting Standards (IFRS), according to the provisions of IAS 34 Interim Financial Reporting. They should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016, with the exception of changes in estimates that are required in determining the income tax expense for the period.

The company does not show in the income statement, balance sheet and cash flow statement the amount of balances with related parties, separately by line item (pursuant to Consob resolution no. 15519 of 27 July 2006). This indication would not be significant for the representation of the financial and economic position of the group; furthermore, transactions with related parties are disclosed in Note 45 of this consolidated interim financial statements.

The items presented in these consolidated financial statements have been slightly adjusted and integrated compared with those previously published, to give a better representation of the financial position and economic performance of the group.

3. Accounting policies

Except as described below, the principles adopted are consistent with the recognition and evaluation criteria used in the preparation of the annual financial statements as at 31 December 2016, to which reference is made for additional information.
Some valuation procedures, especially the assessment of fixed assets impairment, if any, are generally carried out in full only during annual report preparation, when all necessary

information is available, unless there is an indication of impairment that requires an immediate impairment test. Similarly, the actuarial evaluations on employee benefits are usually only carried out during annual report preparation.
Income tax expense is accrued using the tax rate that would be applicable to expected total annual profit or loss.

There are no new standards, amendments and interpretations endorsed by the European Union and effective from 1 January 2017.

The following standards, amendments and interpretations have been issued but are not yet effective for the period beginning 1 January 2017 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 was 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. Based on the preliminary analysis that has been carried out, IFRS 9 is likely to affect mainly the presentation of financial instruments and the associated disclosures.

- 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.
  According to the nature of our business - whereas the transaction price is allocated to goods delivered or services rendered to customers where there is no condition or uncertainty implying a reversal thereof, and customers assume the risk of loss - it is expected that the adoption of IFRS 15 should not have any significant impact on the consolidated financial statements, except for the related disclosures requirements.

At the date of this interim report the European Union has not yet completed the endorsement process for the application of the following standards and amendments:

- 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. 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 deferred indefinitely the endorsement process required for the amendment to become effective and since which date.

- 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 ruled 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 leased assets separately from interest expense on lease liabilities in the income statement. Buzzi Unicem is assessing the impact that IFRS 16 will have on the accounting treatment of its lease contracts. We consider that upon simplified retrospective adoption of IFRS 16, most of the actual operating leases will be recognized on the balance sheet increasing fixed assets and financial liabilities, with no material effects on the net assets of the group. The information relating to future minimum lease payments and the nature of operating lease contracts is provided in note 46 of the consolidated financial statements for the year ended 31 December 2016.

- IAS 12 Income Taxes (amendment): recognition of deferred tax assets for unrealized losses (effective from 1 January 2017 but not yet applicable because the European Union has not completed the endorsement process). 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 but not yet applicable because the European Union has not completed the endorsement process). The amendment introduces additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.
- Clarifications to IFRS 15 Revenue from contracts with customers (effective from 1 January 2018). The amendments clarify several implementation issues discussed by the Transition Resource Group, among which how to identify a performance obligation in a contract; how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a licence should be recognized at a point in time or over time.
- IFRS 2 Share based payments (amendments): classification and measurement of share-based payment transactions (effective from 1 January 2018).The amendments eliminate diversity in the classification and measurement of particular share-based payment transactions.
- Annual Improvements 2014–2016 Cycle; is a series of amendments to three IFRSs. They relate largely to clarifications, therefore their adoption will not have a material impact on the group.
- IFRIC 22 Foreign currency transactions and advance consideration (effective from 1 January 2018). The interpretation addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.
- IAS 40 Investment property (amendment): transfers of investment property (effective from 1 January 2017). The amendment clarifies the requirements about transfers to and/or from investment property.
- IFRS 17 Insurance contracts (effective from 1 January 2019) replaces the previous standard IFRS 4 Insurance contracts, and solves the comparison problems created by the same standard, by requiring all insurance contracts to be accounted for in a consistent manner, to the benefit of both investors and insurance companies. Insurance obligations will be accounted for using current values - instead of historical cost.

− IFRIC 23 Uncertainty over income tax treatment (effective from 1 January 2019). IAS 12 Income taxes does not specify how to reflect the effects of uncertainty. In some situations it may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. IFRIC 23 provides additional requirements in respect to IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes.

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 =	*Year-end*		*Average*	
Currency	*30 June 2017*	*31 December 2016*	*1H 2017*	*1H 2016*
US Dollar	1.1412	1.0541	1.0830	1.1159
Czech Koruna	26.1970	27.0210	26.7841	27.0396
Ukrainian Hryvnia	29.7437	28.7386	28.9732	28.4164
Russian Ruble	67.5449	64.3000	62.8057	78.2968
Polish Zloty	4.2259	4.4103	4.2690	4.3688
Hungarian Forint	308.9700	309.8300	309.4213	312.7135
Mexican Peso	20.5839	21.7719	21.0441	20.1731
Algerian Dinar	123.0260	116.3790	118.5369	121.2926

4. Financial risk management and financial instruments

4.1 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.

The consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; therefore they should be read in conjunction with the consolidated annual report as at 31 December 2016. Since year end, there have been no organizational changes in the risk management department or related risk management policies.

4.2 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 30 June 2017:

(thousands of euro)	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets				
Available-for-sale financial assets (current)*	2,717	-	-	2,717
Total Assets	**2,717**	**-**	**-**	**2,717**
Liabilities				
Derivative financial instruments (non-current)	-	(93,049)	-	(93,049)
Total Liabilities	**-**	**(93,049)**	**-**	**(93,049)**

*temporary cash investments equal to €17,526 thousand, w hose nominal value approximate their fair value, are not included

The following table presents the assets and liabilities that are measured at fair value at 31 December 2016:

(thousands of euro)	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets				
Available-for-sale financial assets (current)	3,513	-	-	3,513
Total Assets	**3,513**	**-**	**-**	**3,513**
Liabilities				
Derivative financial instruments (non-current)	-	(105,422)	-	(105,422)
Total Liabilities	**-**	**(105,422)**	**-**	**(105,422)**

In the first half of 2017 there were no transfers between the various fair value levels.

The group holds several financial instruments that are not measured at fair value in the balance sheet. For the majority of these instruments (trade receivables less provision for impairment, trade payables, other receivables, other payables) the carrying amount is considered 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.

4.3 Valuation techniques used to derive level 2 fair value

Level 2 derivatives consist of the cash settlement option related to the equity-linke bond. This option has been fair valued using market quotes of the public bonds and of Buzzi Unicem ordinary share, considering the implied volatility.

5. Scope of consolidation

In the first half of 2017 there were no changes in the scope of consolidation and no mergers occurred within the group.

6. Seasonality of operations

Demand for cement, ready-mix concrete and other construction materials is seasonal because climatic conditions affect the level of activity in the building industry. Buzzi Unicem usually experiences a reduction in sales during the first and fourth quarters, reflecting the effect of the winter season, and tends to see an increase in sales in the second and third quarters, reflecting the effect of the summer season.

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

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico 100%
Six month ended 30 June 2017							
Segment revenue	199,693	359,809	240,091	554,172	(9)	**1,353,756**	358,519
Intersegment revenue	(550)	-	-	-	550	**-**	-
Revenue from external customers	199,143	359,809	240,091	554,172	541	**1,353,756**	358,519
Ebitda	(10,946)	37,092	53,554	161,411	-	**241,111**	173,042
Operating profit	(25,609)	12,993	33,772	111,391	-	**132,547**	145,964

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallocated items and adjustments	Total	Mexico 100%
Six month ended 30 June 2016							
Segment revenue	186,793	346,870	201,879	525,436	320	**1,261,298**	301,501
Intersegment revenue	(558)	(17)	-	-	575	**-**	-
Revenue from external customers	186,235	346,853	201,879	525,436	895	**1,261,298**	301,501
Ebitda	(9,377)	43,182	45,944	142,653	92	**222,494**	146,491
Operating profit	(24,174)	22,584	28,059	102,442	86	**128,997**	133,785

8. Net sales

Net sales breakdown is as follows:

(thousands of euro)	1H 2017	1H 2016
Cement and clinker	854,240	782,622
Ready-mix concrete and aggregates	483,478	463,805
Related activities	16,038	14,871
	1,353,756	**1,261,298**

The 7.3% increase compared with 2016 is due to favorable currency effects for 2.7% and to favorable market trends for 4.6%. Reference is made to the operating segment information for additional disclosure (note 7).

9. 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)	1H 2017	1H 2016
Recovery of expenses	4,216	4,898
Indemnity for damages	316	414
Revenue from leased properties	3,786	4,302
Gains on disposals of property, plant and equipment	2,498	9,720
Capital grants	224	210
Release of provisions	346	774
Internal work capitalized	1,244	989
Other	9,176	7,981
	21,806	**29,288**

10. Raw materials, supplies and consumables

(thousands of euro)	1H 2017	1H 2016
Raw materials, supplies and consumables	325,683	312,991
Finished goods and merchandise	17,358	19,064
Electricity	86,562	81,461
Fuels	83,095	73,165
Other goods	8,778	8,094
	521,476	**494,775**

11. Services

(thousands of euro)	1H 2017	1H 2016
Transportation	186,956	170,167
Maintenance and contractual services	75,066	71,896
Insurance	6,321	6,520
Legal and professional consultancy	6,835	7,056
Operating leases of property and machinery	18,107	18,367
Travel	2,944	2,832
Other	44,444	40,333
	340,673	**317,171**

12. Staff costs

(thousands of euro)	1H 2017	1H 2016
Salaries and wages	174,407	167,380
Social security contributions and defined contribution plans	51,753	50,007
Employee severance indemnities and defined benefit plans	6,849	6,727
Other long-term benefits	19	127
Other	1,629	1,095
	234,657	**225,336**

The increase in personnel costs is due to the exchange rate effect for €4,621 thousand.

The average number of employees is the following:

(number)	1H 2017	1H 2016
White collar and executives	3,607	3,704
Blue collar and supervisors	6,423	5,887
	10,030	**9,591**

13. 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)	1H 2017	1H 2016
Write-down of receivables	1,201	2,169
Provisions for liabilities and charges	4,500	1,999
Association dues	2,989	2,898
Indirect taxes and duties	17,775	16,976
Losses on disposal of property, plant and equipment	332	293
Other	5,381	5,904
	32,178	**30,239**

14. Depreciation, amortization and impairment charges

(thousands of euro)	1H 2017	1H 2016
Amortization of intangible assets	2,601	2,317
Depreciation of property, plant and equipment	102,532	91,023
Impairment losses of non-current assets	3,431	157
	108,564	**93,497**

The impairment losses of fixed assets in the first half 2017 include €3,221 thousand relating to a quarry site in the Netherlands.

15. 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)	*1H 2017*	*1H 2016*
Associates		
Société des Ciments de Hadjar Soud EPE SpA	1,768	1,208
Société des Ciments de Sour El Ghozlane EPE SpA	2,787	700
Bétons Feidt S.A.	1,957	747
Kosmos Cement Company	640	833
w&p Cementi SpA	(13)	(371)
Salonit Anhovo Gradbeni Materiali dd	1,160	385
Other associates	1,551	(834)
	9,850	**2,668**
Joint ventures		
Corporación Moctezuma, SAB de CV	37,903	33,558
Other joint ventures	1,059	168
	38,962	**33,726**
	48,812	**36,394**

16. 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 Betoncentrale Haringman BV.

17. Finance revenues and Finance costs

(thousands of euro)	1H 2017	1H 2016
Finance revenues		
Interest income on liquid assets	5,073	1,696
Interest income on interest rate swap contracts	-	1,085
Interest income on plan assets of employee benefits	4,940	4,903
Changes in the fair value of derivative instruments	12,373	7,612
Foreign exchange gains	15,753	12,594
Dividend income	133	203
Other	851	1,538
	39,123	**29,631**
Finance costs		
Interest expense on bank borrowings	(5,357)	(5,672)
Interest expense on senior notes and bonds	(21,752)	(32,400)
Interest expense on employee benefits	(9,989)	(10,602)
Changes in the fair value of derivative instruments	-	(2,495)
Discount unwinding on liabilities	(451)	(328)
Foreign exchange losses	(12,957)	(13,586)
Other	(778)	(950)
	(51,284)	**(66,033)**
Net finance costs	**(12,161)**	**(36,402)**

The decrease in net finance costs compared to the previous period is due to the improvement of the net financial position and the reduction of interest rates on financial liabilities. Moreover a favorable change also regarding non-cash items has occurred, such as the fair value estimation of the cash settlement option embedded in the equity-linked bond and the foreign exchange differences.

18. Income tax expense

(thousands of euro)	1H 2017	1H 2016
Current tax	47,242	42,755
Deferred tax	3,591	(5,380)
Tax relating to prior years	(56)	332
	50,777	**37,707**

The increase in current tax is ascribable essentially to a higher taxable income produced in those geographical areas of operations where trading conditions were favorable.

The deferred taxes related to the interim period are negatively affected, although to a lesser extent, by the non-recognition of deferred tax assets on tax losses accrued in Italy, due to the judgment on their future utilization over the next five years.

19. 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.

		1H 2017	1H 2016
Net profit attributable to owners of the company	*thousands of euro*	117,640	90,312
- attributable to ordinary shares	*thousands of euro*	93,963	72,044
- attributable to savings shares	*thousands of euro*	23,677	18,269
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*	0.570	0.437
Basic earnings per savings share	*euro*	0.582	0.449

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 30 June 2017, Buzzi Unicem share price was higher than the strike price.

		1H 2017
Net profit attributable to owners of the company	*thousands of euro*	110,393
- attributable to ordinary shares	*thousands of euro*	89,516
- attributable to savings shares	*thousands of euro*	20,877
Average number of ordinary shares outstanding		178,611,190
Average number of savings shares outstanding		40,682,659
Diluted earnings per ordinary share	*euro*	0.501
Diluted earnings per savings share	*euro*	0.513

20. Goodwill and Other intangible assets

(thousands of euro)	*Goodwill*	*Other intangible assets* Industrial patents, licenses and similar rights	Assets in progress and advances	Others	Total
At 1 January 2017					
Cost/deemed cost	767,363	78,915	931	4,664	84,510
Accumulated depreciation and write-downs	(206,129)	(35,201)	-	(2,403)	(37,604)
Net book amount	**561,234**	**43,714**	**931**	**2,261**	**46,906**
Six month ended 30 June 2017					
Opening net book amount	561,234	43,714	931	2,261	46,906
Translation differences	(4,939)	(1,838)	-	-	(1,838)
Depreciation and impairment charges	-	(2,474)	-	(126)	(2,600)
Additions	-	1,519	306	-	1,825
Reclassifications	-	1,127	(856)	-	271
Disposals and other	(477)	(35)	(2)	-	(37)
Closing net book amount	**555,818**	**42,013**	**379**	**2,135**	**44,527**
At 30 June 2017					
Cost/deemed cost	762,293	79,359	379	4,664	84,402
Accumulated depreciation and write-downs	(206,475)	(37,346)	-	(2,529)	(39,875)
Net book amount	**555,818**	**42,013**	**379**	**2,135**	**44,527**

At 30 June 2017, the caption industrial patents, licenses and similar rights is made up of industrial rights (€37,421 thousand), application software for plant and office automation (€3,230 thousand), mining rights (€921 thousand), industrial patents rights (€378 thousand), trademarks (€63 thousand).

The translation differences of the goodwill (€4,939 thousand) mainly refer to the adjustment at the final exchange rate of the amount allocated to Russia and the United States of America.

Disposals and other of €477 thousand include the adjustment to the provisional goodwill of €5,135 thousand generated in the Italian concrete sector following the business combination of the ready-mix concrete unit Monvil Beton Srl, occurred in the first half of 2016 (note 46). The final fair value of the acquired assets, which was assumed according to the replacement value method for similar assets, updated to consider the actual depreciation, has determined a definitive goodwill of €4,658 thousand.

Goodwill at 30 June 2017 amounts to €555,818 thousand and is broken-down as follows:

(thousands of euro)	30 Jun 2017	31 Dec 2016
Italy (Cement sector)	40,500	40,500
Italy (Ready mix sector)	4,658	5,135
United States of America	38,640	41,238
Germany	95,948	95,948
Luxembourg	69,104	69,104
Poland	88,201	87,894
Czech Republic/Slovakia	106,699	106,699
Russia	112,068	114,716
	555,818	**561,234**

At the balance sheet date, the company has revised the indicators of possible impairment losses, following the ongoing uncertainty of future profitability prospects of some CGUs: Cement Italy, Ready-mix Concrete Italy, Russia and Ukraine.

Based on the currently available information, there are no indicators that would require the review of the recoverable value of the assets, therefore there was no need to recognize any impairment loss.

21. 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 2017						
Cost/deemed cost	2,933,996	4,567,227	399,666	135,956	110,457	8,147,302
Accumulated depreciation and write-downs	(1,190,492)	(3,318,424)	(305,233)	(30,323)	(94,797)	(4,939,269)
Net book amount	**1,743,504**	**1,248,803**	**94,433**	**105,633**	**15,660**	**3,208,033**
Six month ended 30 June 2017						
Opening net book amount	1,743,503	1,248,803	94,433	105,633	15,660	3,208,032
Translation differences	(104,457)	(51,252)	(4,883)	(3,315)	(790)	(164,697)
Additions	7,870	17,235	10,013	42,191	1,220	78,529
Disposals and other	(902)	(388)	(124)	(6,294)	(41)	(7,749)
Depreciation and impairment charges	(22,333)	(70,521)	(10,444)	(25)	(2,644)	(105,967)
Reclassifications	29,140	31,181	2,715	(58,552)	1,460	5,944
Closing net book amount	**1,652,821**	**1,175,058**	**91,710**	**79,638**	**14,865**	**3,014,092**
At 30 June 2017						
Cost/deemed cost	2,827,128	4,494,387	389,868	109,911	108,125	7,929,419
Accumulated depreciation and write-downs	(1,174,307)	(3,319,329)	(298,158)	(30,273)	(93,260)	(4,915,327)
Net book amount	**1,652,821**	**1,175,058**	**91,710**	**79,638**	**14,865**	**3,014,092**

Additions in the first six months amount to €78,529 thousand. In the cash flow statement and in the management report, capital expenditures are reported according to the actual outflows (€88,721 thousand).

Negative translation differences of €164,697 thousand reflect the weakening in the dollar/euro and ruble/euro exchange rate at the end of the period. In the first half of 2016 the weakening of the dollar, partially offset by the strengthening of the ruble had led to overall negative translation differences of €26,656 thousand.

Real guarantees on assets of consolidated companies are represented by liens on industrial and commercial equipment for the amount of €142 thousand at 30 June 2017 (December 2016: €142 thousand).

Rent expenses amounting to €18,107 thousand (2016: €18,367 thousand) relating to the operating lease of property and machinery are included in the income statement among services (note 11).

22. Investment property

(thousands of euro)	30 Jun 2017	31 Dec 2016
At 1 January		
Cost/deemed cost	33,540	35,790
Accumulated depreciation and write-downs	(11,883)	(13,004)
Net book amount	**21,657**	**22,786**
Translation differences	(99)	41
Additions	21	46
Disposals and other	(205)	(1,161)
Depreciation and impairment charges	(20)	(99)
Reclassifications	-	44
At 30 June	**21,354**	**21,657**
Cost/deemed cost	33,216	33,540
Accumulated depreciation and write-downs	(11,862)	(11,883)
Net book amount	**21,354**	**21,657**

23. Investments in associates and joint ventures

The amounts recognized in the balance sheet are as follows:

(thousands of euro)	30 Jun 2017	31 Dec 2016
Associates valued by the equity method	196,706	208,756
Joint ventures valued by the equity method	184,995	158,025
Associates and joint ventures valued at cost	78	78
	381,779	**366,859**

The net increase of €14,920 thousand was affected upwards by equity earnings of €48,812 thousand and the acquisition of a 50% interest in Ecotrade SpA for €1,480 thousand, downwards by dividend distributions of €34,786 thousand as well as sales and liquidation of other investments for €1,379 thousand.

23.1 Investments in associates

Set out below are the associates as at 30 June 2017, 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 also corresponds to their principal place of business.

Nature of investments in associates:

Name of entity	Place of business/country of incorporation	% of ownership interest	Book value	Measurement method
Société des Ciments de Hadjar Soud EPE SpA	Algeria	35.0	45,057	equity
Société des Ciments de Sour El Ghozlane EPE SpA	Algeria	35.0	46,670	equity
Kosmos Cement Company	United States of America	25.0	34,557	equity
Salonit Anhovo Gradbeni Materiali dd	Slovenia	25.0	25,592	equity
Other			44,830	equity
Total			**196,706**	

Summarized financial information for associates

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

	Société des Ciments de Hadjar Soud EPE SpA		Société des Ciments de Sour El Ghozlane EPE SpA		Kosmos Cement Company		Salonit Anhovo Gradbeni Materiali dd	
	Jun-17	Dec-16	Jun-17	Dec-16	Jun-17	Dec-16	Jun-17	Dec-16
(thousands of euro)								
Total assets	121,215	129,715	106,257	101,172	155,937	207,372	144,801	133,201
Total liabilities	14,794	21,832	16,953	21,222	17,806	26,200	43,064	39,238

	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	
	Jun-17	Dec-16	Jun-17	Dec-16	Jun-17	Dec-16	Jun-17	Dec-16
(thousands of euro)								
Net revenues	25,270	24,045	27,047	19,361	47,129	41,779	34,291	29,423
Profit for the period	5,052	3,451	7,962	2,000	2,558	3,332	4,837	1,644

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.

23.2 Investment in joint ventures

Set out below is the only joint venture as at 30 June 2017, 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 also corresponds to 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	33.3	equity

As at 30 June 2017, the fair value of our interest in Corporación Moctezuma, SAB de CV, which is listed on the Bolsa Mexicana de Valores, was €1.005,245 thousand (at the end of 2016: €810,265 thousand); the corresponding book value was €159,399 thousand (2016: €155,018 thousand).

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)	Jun-17	Dec-16
Total assets	584,705	591,533
Total liabilities	106,807	126,942

(thousands of euro)	Jun-17	Dec-16
Revenues	358,519	301,501
Profit for the period	113,154	100,156

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.

24. 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 2017	518	1,636	2,154
Additions	-	17,724	17,724
Disposals and other	-	(72)	(72)
At 30 June 2017	**518**	**19,288**	**19,806**

On 16 June 2017, Buzzi Unicem purchased a 47.9% shares in Cementizillo SpA; the acquisition of the remaining 52.1% share occurred at the beginning of July (note 48). At the date of this report there was no significant influence on the investment yet, according to the criteria of IAS 28, therefore it has been valued at cost. The additions under other include the acquisition price of €22,655 thousand, less the pro-rata dividend of €7,975 thousand resolved by Cementizillo at the end of June.

Additions under other also include the payment of €3,043 thousand for the upcoming share capital increase of the company Energy for Growth Scarl is included, proportionally to our 9% share in the investment. It is aimed at the financing of the interconnection infrastructure for electric power with France, to be carried out by Interconnector Italia Scpa, of which the same Energy for Growth Scarl has the ownership interest.

The current portion refers to temporary cash deposits with maturity over three months as well as short-term or marketable securities.

25. Other non-current assets

(thousands of euro)	30 Jun 2017	31 Dec 2016
Loans to third parties and leasing	11,830	12,254
Loans to associates	181	259
Loans to customers	453	677
Tax receivables	700	720
Receivables from personnel	273	323
Guarantee deposits	14,384	16,201
Other	5,645	5,995
	33,466	**36,429**

Loans to third parties and leasing consist of the former for an amount of €10,134 thousand, mainly interest-bearing and adequately secured.

Loans to customers include interest bearing advances granted to some major accounts in the United States.

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

26. Inventories

(thousands of euro)	30 Jun 2017	31 Dec 2016
Raw materials, supplies and consumables	249,300	246,456
Work in progress	64,259	70,837
Finished goods and merchandise	76,006	79,164
Advances	767	921
Emission rights	148	-
	390,480	**397,378**

The amount shown is net of an allowance for obsolescence of €24,419 thousand (€25,771 thousand in the previous year).

27. Trade receivables

(thousands of euro)	30 Jun 2017	31 Dec 2016
Trade receivables	456,981	413,132
Less: Provision for receivables impairment	(28,736)	(30,626)
Trade receivables, net	**428,245**	**382,506**
Other trade receivables:		
- From associates	11,992	9,410
- From parent companies	9	21
	440,246	**391,937**

The increase of €48,309 thousand in net trade receivables is mainly attributable to the business seasonality and to increased turnover, especially in the United States, Germany and Eastern Europe.

28. Other receivables

(thousands of euro)	30 Jun 2017	31 Dec 2016
Tax receivables	43,967	61,282
Receivables from public institutions	28,193	34,315
Receivables from social security institutions	1,055	288
Receivables from unconsolidated subsidiaries and associates	765	755
Loans to customers	371	273
Receivables from suppliers	6,237	4,536
Receivables from personnel	272	377
Receivables from sale of equity investments	26	26
Loans to third parties and leasing	692	727
Accrued interest income	1,225	981
Other accrued income and prepaid expenses	11,273	11,122
Other	18,205	11,302
	112,281	**125,984**

Tax receivables includes income tax payments in advance and the debit balance of periodic value added tax liquidation.

The receivable from the energy and environmental services authority (public institution) corresponds to the rebate on electric power costs granted in Italy to the energy-intensive firms, so-called system charges bonus. At the beginning of January 2017 the balance referred to 2014 has been collected for an amount of €11,336 thousand.

Loans to customers represent the current portion of the interest bearing lending granted in the United States (note 25).

Receivables from suppliers include mainly advances on procurement of gas, electricity and other services.
Accrued interest income is made up primarily of finance revenues on marketable securities and time deposits. Prepaid expenses relate to operating costs pertaining to the following period.

29. Cash and cash equivalents

(thousands of euro)	*30 Jun 2017*	*31 Dec 2016*
Cash at banks and in hand	346,431	501,399
Short-term deposits	265,237	101,934
	611,668	**603,333**

Foreign operating companies hold about 74.5% of the balance of €611,668 thousand (71.2% in 2016). At the closing date, short-term deposits and securities earn interest at about 1.62% on average (1.59% in 2016), yield in euro is around 0.03%, in dollar 1.15%, and in other currencies 4.76%. The average maturity of such deposits and securities is lower than 60 days.

30. Assets held for sale

They relate to some equipment and machinery of the idle plant in Santarcangelo di Romagna (€1,070 thousand), to the mothballed Travesio plant (€900 thousand), to some non-instrumental lots of land of the concrete and cement business in Italy for €2,455 thousand and in the United States for €131 thousand.

In 2016, the assets held for sale related basically to the same assets.

31. Share capital

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

(number of shares)	*30 Jun 2017*	*31 Dec 2016*
Shares issued and fully paid		
- Ordinary shares	165,349,149	165,349,149
- Savings shares	40,711,949	40,711,949
	206,061,098	**206,061,098**
Share capital *(thousands of euro)*	123,637	123,637

As at 30 June 2017 the number of shares outstanding by category is the following:

number of shares	*Ordinary*	*Savings*	*Total*
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**

32. Other reserves

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

(thousands of euro)	30 Jun 2017	31 Dec 2016
Translation differences	(363,255)	(194,835)
Revaluation reserves	88,287	88,286
Merger surplus	247,530	247,530
Other	113,674	116,494
	86,236	**257,475**

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 negative change in the balance of €168,420 thousand is due to the weakening of the US dollar (€160,410 thousand), the Russian ruble, the Ukrainian hryvnia (€19,761 thousand) and, the Algerian dinar (€5,293 thousand) versus the euro, just minimally offset by the strengthening of the Mexican peso (€9,948 thousand) and of the other functional currencies (€7,096 thousand).

33. Non-controlling interests

The balance as at 30 June 2017 refers to OAO Sukholozhskcement for €26,501 thousand, to Cimalux SA for €2,921 thousand, to Betonmortel Centrale Groningen (B.C.G.) BV for €1,387 thousand.

34. Debt and borrowings

(thousands of euro)	30 Jun 2017	31 Dec 2016
Long-term debt		
Senior notes and bonds	844,389	843,784
Convertible bonds	204,060	200,447
Finance lease obligations	662	900
Unsecured term loans	348,551	336,276
	1,397,662	**1,381,407**
Current portion of long-term debt		
Finance lease obligations	383	368
Unsecured term loans	36,139	56,011
	36,522	**56,379**
Short-term debt		
Debts to banks	2,090	691
Accrued interest expense	21,711	16,088
	23,801	**16,779**

In the first half of the year new unsecured term loans were obtained for €30,020 thousand and principal repayments amounted to €30,702 thousand.

In order to give a better disclosure of the group financial situation, the caption accrued interest expense has been reclassified from other payables to debt and borrowings: being portions of matured interests based on the time already passed, it can indeed be identified and classified as a monetary liability.

The following table summarizes the carrying amounts of the borrowings compared with their fair values.

(thousands of euro)	30 Jun 2017 Carrying amount	30 Jun 2017 Fair value	31 Dec 2016 Carrying amount	31 Dec 2016 Fair value
Fix rate borrowings				
Senior notes and bonds	844,389	923,025	843,784	909,286
Convertible bonds	204,060	309,700	200,447	323,450
Unsecured term loans	72,090	79,063	71,403	74,292
	1,120,539	**1,311,788**	**1,115,634**	**1,307,028**

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.
The carrying amount of floating rates and short-term borrowings approximates their fair value, as the impact of discounting is not significant.

35. Derivative financial instruments

The non-current liabilities for derivative financial instruments include only the fair value of the cash settlement option embedded in the convertible bond issued by the company, which amounts to €93,049 thousand (€105,422 thousand at the end of 2016).
In the first half of 2017, the changes in the fair value of the above cited derivative financial instrument recognized in the income statement are positive for € 12,373 thousand.

36. Employee benefits

The obligations for employee benefits are analyzed as follows:

(thousands of euro)	30 Jun 2017	31 Dec 2016
By category		
Post-employment benefits:		
- Pension plans	301,588	318,726
- Healthcare plans	89,404	97,766
- Employee severance indemnities	17,358	18,210
Other long-term benefits	7,910	9,704
	416,260	**444,406**
By geographical area		
Italy	18,334	19,187
Germany, Luxembourg, Netherlands	265,581	277,268
United States of America	128,150	143,865
Other Countries	4,195	4,086
	416,260	**444,406**

37. Provisions for liabilities and charges

(thousands of euro)	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
At 1 January 2017	63,834	14,231	16,486	14,509	109,060
Additional provisions	659	-	2,613	2,748	6,020
Discount unwinding	422	-	-	9	431
Unused amounts released	(238)	-	(36)	(537)	(811)
Used during the year	(418)	(66)	(242)	(1,983)	(2,709)
Translation differences	(784)	537	(171)	(644)	(1,062)
Other changes	59	-	-	(477)	(418)
At 30 June 2017	**63,534**	**14,702**	**18,650**	**13,625**	**110,511**

Total provisions can be analyzed as follows:

(thousands of euro)	30 Jun 2017	31 Dec 2016
Non-current	87,949	87,187
Current	22,562	21,873
	110,511	**109,060**

The provisions for other risks include €2,192 thousand referring to workers compensation claims not covered by insurance.

The provisions related to tax risks comprise an amount of €2,435 thousand against a claim risen with the municipality of Guidonia (Rome) about to the property taxes on land where the extraction of raw materials takes place.

Amounts used under other risks mainly refer to the payment of worker compensation not covered by insurance for €531 thousand, dismantling costs of obsolete assets for €356 thousand, tax claims for €295 thousand and restructuring costs for €124 thousand.

38. Other non-current liabilities

(thousands of euro)	30 Jun 2017	31 Dec 2016
Purchase of equity investments	1,724	1,802
Non-controlling interests in partnerships	2,264	2,482
Payables to personnel	312	518
Other	2,561	7,188
	6,861	**11,990**

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.

39. Trade payables

(thousands of euro)	30 Jun 2017	31 Dec 2016
Trade payables	246,703	236,473
Other trade payables:		
- To associates	1,338	1,402
	248,041	**237,875**

40. Other payables

(thousands of euro)	30 Jun 2017	31 Dec 2016
Advances	3,993	2,385
Loans from associates	1,448	-
Purchase of equity investments	2,146	2,323
Payables to social security institutions	12,368	13,519
Payables to personnel	46,522	49,244
Payables to customers	6,560	6,606
Deferred interest income	318	241
Other accrued expenses and deferred income	9,863	7,693
Tax payables	26,361	15,657
Other	13,084	16,394
	122,663	**114,062**

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 that obligation.

In order to give a better disclosure of the group financial situation, the caption accrued interest expense on bonds and financings has been reclassified from other payables debt and borrowings.

Deferred income relates to operating revenues pertaining to the following period.

The caption tax payables includes the credit balance of periodic value added tax for €14,850 thousand (2016: €5,562 thousand).

41. Cash generated from operations

(thousands of euro)	1H 2017	1H 2016
Profit before tax	**170,074**	**129,160**
Adjustments for:		
Depreciation, amortization and impairment charges	108,564	93,497
Equity in earnings of associates	(48,812)	(36,394)
Gains on disposal of fixed assets	(3,041)	(9,598)
Net change in provisions and employee benefits	(11,723)	(12,882)
Net finance costs	12,161	36,402
Other non-cash movements	6,189	1,852
Changes in operating assets and liabilities:		
- Inventories	(3,889)	2,591
- Trade and other receivables	(55,900)	(86,070)
- Trade and other payables	12,876	17,988
Cash generated from operations	**186,499**	**136,546**

42. Dividends

The dividends distributed in 2017 and 2016 were respectively €20,553 thousand (10 eurocent per ordinary share and per savings share) and €15,415 thousand (7.5 eurocent per ordinary share and per savings share).

43. Commitments

(thousands of euro)	30 Jun 2017	31 Dec 2016
Guarantees granted	4,432	5,254
Other commitments and guarantees	52,487	49,069

44. 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.

Fiscal contingencies
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 appeal presented to the Supreme Court has been discussed and the Court has confirmed the ruling of the Regional Tax Court that considered as non-deductible the antitrust fine, but also as not applicable the penalties assuming the existence of an objective uncertainty condition on the scope and area of application of the rule. The company had already fully paid the tax-assessment of the bills received.

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 our reconsideration case. 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.

In September 2016 the Revenue Service started a tax audit concerning direct and indirect taxes for the fiscal year 2012 for Buzzi Unicem and the merged subsidiary Buzzi Unicem Investimenti Srl, which ended in December 2016. For Buzzi Unicem Investimenti the audit was closed without any remark. Concerning Buzzi Unicem the tax audit ended with proposed adjustments of €7.9 million for State income tax and €8.6 million for Regional income tax, of which €7.7 million (both at the State and Regional level) related to the missing recharge of a royalty to the subsidiaries for usage of the brand name. We deem that our defense elements are well-grounded and sound and the risk of losing is remote. Consequently the company has filed its defenses and has not set aside any provision in the financial statements. Shall the company receive notice of assessment, it will proceed against the act as provided by the law.

Between 2015 and 2017 the municipality of Guidonia Montecelio has notified Buzzi Unicem some notices of assessment related to higher ICI/IMU, penalties and interests that for the years from 2008 to 2016 totally amount to approximately €12,4 million. The municipality funds its request on the consideration that the land belonging to Buzzi Unicem which is used to quarry raw materials can be comparable to building plots. Considering this request has unfunded the company has filed and will file and appeal within the deadline against all the notices of assessment. The Regional tax Court of Rome in the course of 2017, has rejected the appeal of the company for the years 2008, 2009 and 2010; Buzzi Unicem, considering to have valid reasons, has challenged and will challenge within the deadline the unfavorable judgments. However a provision for the tax risk plus the related interests and penalties for the years 2008, 2009 and 2010 has been fully booked in the financial statements.

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 2016 and considering the significant devaluation of the local currency, the total amount of outstanding litigations decreased to approximately €0.5 million. The claims by the Revenue Service seem not to be supported by the enacted local legislation and an appeal was lodged against the requests that are still unresolved. In addition, a litigation is pending with regard to the transferability of unused tax loss carryforwards accrued before the merger of the subsidiary Dyckerhoff Cement Ukraine. The Company has challenged the decision of the Revenue Service not to permit the transfer and has won in first and second instance. However, the tax authority filed an appeal to the Supreme Court. As the outcome of the litigation remains uncertain, no deferred tax assets for unused tax loss carryforwards have been recognized in Ukraine.

Antitrust contingencies

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 interest expense 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 and in January 2017 the last installment of the plan was paid. The Antitrust Authority appealed the judgment of TAR of Lazio to the Council of State on 20 July 2015. Unical has joined the 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 hearing has been scheduled for December 2017. A specific provision has been maintained in the financial statements.

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 part of the national territory. Following other inspections in May 2016, the Authority extended its proceedings both as regards the contents (alleged information exchange through the industry association AITEC) and individually to other competitors, considering that the alleged agreement was nationally spread. The results of the enquiries have been communicated to Buzzi Unicem and to the other entities involved on 11 April 2017 and confirm the position of the Authority according to which there would be proof of the existence of a very serious infringement of the competition law, consisting of an agreement which has lasted at least from 1 June 2011 to 1 January 2016. Buzzi Unicem filed written defenses and discussed the case in a final hearing on 5 July 2017. The end of the proceeding was expected on 31 July 2017; nevertheless till now the decision of the Authority has not been notified to Buzzi Unicem yet. Despite the position assumed by the Authority with the result of the enquiry, according to the lawyers of the company the defense elements are well-founded and consistent; moreover even if the Authority would confirm the existence of an agreement, currently it is not possible to reliably quantify the possible penalty anyway. For this reason the company did not set aside any provision.

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 AG and other cement manufacturers including Dyckerhoff GmbH in the regions of South and East Germany. Heidelberg Cement AG has named as the third party jointly and severally liable Dyckerhoff GmbH, which has joined to support the defense of Heidelberg considering the CDC claims to be unfounded for procedural and substantive reasons. On 24 January 2017 the Court of Mannheim also rejected the claimants' request, who then filed an appeal against that judgment on 6 March 2017. We do not expect a negative financial impact from these new CDC proceedings.

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 Court of Appeal decided on 11 March 2016 to question the Supreme Court of Poland on the constitutional compatibility of the provision which governs the penalty computation. The Supreme Court with decision of April 2017 considered inadmissible the question and resent the proceeding to the Court of Appeal for the assessment of the penalty based on the current antitrust law. The amount of the fine, as revised in 2013, has been fully provided for in the financial statements.

Environmental contingencies

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 compliance actions 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.

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.

Other legal contingencies
In relation to the procedure for the transfer 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.

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 applicant filed an appeal against the decision of the arbitral tribunal which rejected the claim entirely. The company did not create any provision as the risk of an adverse outcome of the appeal proceedings is deemed to be unlikely.

In connection with the modernization of the cement plant in Maryneal, Texas, one of the primary contractors engaged on the project has asserted a claim for additional compensation for an amount in excess of $25 million. The contractor also filed a materialman’s lien by its unilateral declaration claiming an amount owed of $43.5 million, which can only be activated if it succeeds in the dispute and in case of non-payment of any sums owed to the contractor itself. Buzzi Unicem disputes that any additional amounts are owed. Furthermore, we have informed the Contractor that we consider it liable of additional sums to the company for failing to perform its obligations in accordance with the terms of the parties' agreement. The company and the contractor are starting the dispute resolution procedures as outlined in the contract, in order to resolve the matter. Buzzi Unicem believes that no additional amounts are owed to the contractor based upon the assertions made in the claim and, as such, did not record a provision for this claim at the balance sheet date.

45. 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 and ready-mix concrete. 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 balances at the end of the period:

(thousands of euro)	*1H 2017*	*in % of reported balance*	*1H 2016*	*in % of reported balance*
Sales of goods and services:	*29,467*	*2.1*	20,118	*1.6*
- Associates and unconsolidated subsidiaries	20,917		13,990	
- Joint ventures	8,486		6,065	
- Parent companies	9		9	
- Other related parties	55		54	
- Purchases of goods and services:	*15,519*	*1.7*	*13,688*	*1.6*
- Associates and unconsolidated subsidiaries	13,763		12,427	
- Joint ventures	1,401		807	
- Other related parties	355		454	
Finance revenues:	*11*	-	1,017	*3.4*
- Associates and unconsolidated subsidiaries	7		17	
- Joint ventures	4		1,000	
Finance costs	*1*	-	1	-
- Associates and unconsolidated subsidiaries	-		1	
- Joint ventures	1		-	
Trade receivables:	*11,790*	*2.7*	11,624	*2.7*
- Associates and unconsolidated subsidiaries	7,606		9,815	
- Joint ventures	4,132		1,723	
- Parent companies	9		9	
- Other related parties	43		77	
Loans receivable:	*885*	*3.4*	342	*1.9*
- Associates and unconsolidated subsidiaries	740		235	
- Joint ventures	145		107	
Other receivables:	*29,187*	*20.0*	22,250	*15.9*
- Associates and unconsolidated subsidiaries	11,281		1,961	
- Joint ventures	-		662	
- Parent companies	17,906		19,627	
Cash and cash equivalents:	-	-	96	-
- Other related parties	-		96	
Trade payables:	*2,661*	*1.1*	2,918	*1.3*
- Associates and unconsolidated subsidiaries	2,191		2,514	
- Joint ventures	331		261	
- Other related parties	139		143	
Loans payable:	*1,448*	*4.9*	-	-
- Associates and unconsolidated subsidiaries	1,448		-	
Other payables:	-	-	*1,540*	*0.9*
- Associates and unconsolidated subsidiaries	-		1,488	
- Joint ventures	-		52	
Guarantees granted:	*1,500*		*1,500*	
- Joint ventures	1,500		1,500	

Key management personnel include the directors of the company (executive and non-executive), the statutory auditors and 6 other senior executives (of which 1 joined the group on 1 January 2017).
The compensation paid or payable to key management personnel, not included in the previous table, is shown below:

(thousands of euro)	*1H 2017*	*1H 2016*
Salaries and other short-term employee benefits	2,303	2,023
Post-employments benefits	384	308
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	2,687	**2,331**

46. Business combinations

On 31 May 2016 the group signed with Monvil Beton Srl a lease contract of a business unit, with option to purchase within 5 years, related to 8 batching plants operating in the ready-mix concrete sector, mainly located in the Milan hinterland. With the integration of the Monvil Beton plants, Buzzi Unicem, through its subsidiary Unical, will rely on a more widespread presence in the Milan metropolitan area and on greater efficiency in the concrete distribution to customers, with more alternative distribution points.

The initial accounting for the business combination, which was determined only provisionally during 2016, become definitive in the first half of 2017.

In April 2017, by the exercise of the option right, Unical purchased from Monvil Beton Srl the business unit formed by land and equipment for a total amount of €8,168 thousand.

The final goodwill resulting from the business combination, determined after applying to property, plant and equipment the replacement value method, updated to the consider the actual depreciation, amounts to €4,658 thousand and is totally 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	8,168
Total consideration	**8,168**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	3,510
Total identifiable net assets	**3,510**
Goodwill	**4,658**
	8,168
Acquisition-related costs	-

47. Other information

Material non-recurring events and transactions
As stated in the management report, the six months period ended 30 June 2017 was affected by material non-recurring events and transactions – as defined in Consob Communication no. DEM/6064293 of 28 July 2006 – with an overall negative impact on EBITDA of €4,486 thousand.

Atypical and/or unusual transactions
Please note that Buzzi Unicem did not carry out atypical and/or unusual transactions during the six months period ended 30 June 2017, as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

Component of net debt
Set out below is the reconciliation of net debt components not directly inferable from the line items in the balance sheet scheme.

(thousand of euro)	Note	1H 2017	31 Dec 2016
- Other current financial receivables		**23,322**	**6,275**
Receivables from unconsolidated subsidiaries and associates	28	765	755
Loans to customers	28	371	273
Receivables from sale of equity investments	28	26	26
Loans to third parties and leasing	28	692	727
Deferred interest income	28	1,225	981
Available-for-sale financial assets	24	20,243	3,513
- Other current financial liabilities		**(3,912)**	**(2,564)**
Purchase of equity investments	40	(2,146)	(2,323)
Loans from associates	40	(1,448)	-
Deferred interest income	40	(318)	(241)
- Other not-current financial liabilities		**(1,724)**	**(1,802)**
Purchase of equity investments	38	(1,724)	(1,802)
- Other not-current financial receivables		**12,464**	**13,190**
Loans to third parties and leasing	25	11,830	12,254
Tax receivables	25	181	259
Guarantee deposits	25	453	677

48. Events after the balance sheet date

On 3 July 2017, Buzzi Unicem executed the agreement with the majority shareholders acquiring the remaining 52.1% of the share capital of Cementizillo SpA, thus holding now 100% of the company (47.9% of its share capital had been already purchased on 16 June 2017, with a cash out of €22.6 million).

The payment of the majority stake has been carried out for €19 million, as well as the transfer of 450,000 ordinary shares held in treasury. The remaining purchase price will be paid for an amount of €3.4 million 120 days after the closing (possibly adjusted to consider changes occurred in the working capital and in the net financial position), then €7.5 million one year after the closing date and €7.5 million three years after the closing date.

Moreover the purchase consideration foresees a variable portion, that may fluctuate from a minimum of €0 (zero) to a maximum of €21 million, depending on the trend of the average cement price achieved in Italy in the years from 2017 to 2020.

Through the acquisition of the Zillo group, Buzzi Unicem, in addition to strengthening its presence and market share in Italy, aims at contributing to the rationalization and consolidation of the domestic cement sector, which nowadays suffers from a significant surplus of production capacity coupled with permanently reduced sales volumes. The combination will also have, ceteris paribus, a positive impact on Buzzi Unicem's profitability.

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

Casale Monferrato, 3 August, 2017

On behalf of the Board of Directors
The Chairman
Enrico Buzzi

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

Companies consolidated on a line-by-line basis

Name	Registered office	ıare capital		Ownership interest held by	% of ownership
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
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	98.43
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 Dyckerhoff Cement Ukraine	Kyiv UA	UAH	7,917,372	Dyckerhoff GmbH TOB Dyckerhoff Ukraina	99,03 0,01
OOO Russkiy Cement	Ekaterinburg RU	RUB	350,000	Dyckerhoff GmbH	100.00
OOO Dyckerhoff Korkino Cement	Pervomaysky settlement - Korkino district RU	RUB	30,000,000	Dyckerhoff GmbH	100.00
OAO Sukholozhskcement	Suchoi Log RU	RUB	30,625,900	Dyckerhoff GmbH OOO Dyckerhoff Korkino Cement	90,38 0,12
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	Lengerich 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	Lengerich DE	EUR	5,368,565	Dyckerhoff Beton GmbH & Co. KG	87.63
sibobeton Wilhelmshaven GmbH & Co. KG	Lengerich DE	EUR	920,325	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	85,44 14,56
sibobeton Ems GmbH & Co. KG	Lengerich DE	EUR	2,300,813	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	74,34 19,51
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR	306,900	Dyckerhoff Beton GmbH & Co. KG	66.67
Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	Neuwied DE	EUR	795,356	Dyckerhoff Beton GmbH & Co. KG	55.00
sibobeton Enger GmbH & Co. KG	Lengerich DE	EUR	337,453	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	50,00 50,00
Ostfriesische Transport-Beton GmbH & Co. KG	Lengerich 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

Companies consolidated on a line-by-line basis (continued)

Name	Registered office	hare capital		Ownership interest held by	% of ownership
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
ZAPA beton SK s.r.o.	Bratislava SK	EUR	11,859,396	ZAPA beton a.s. Cement Hranice a.s.	99,97 0,03
TOB Dyckerhoff Transport Ukraina	Kyiv UA	UAH	51,721,476	TOB Dyckerhoff Ukraina	100.00
OOO CemTrans	Suchoi Log RU	RUB	20,000,000	OAO Sukholozhskcement	100.00
OOO Dyckerhoff Suchoi Log obshestvo po sbitu tamponashnich zementow	Suchoi Log RU	RUB	4,100,000	OAO Sukholozhskcement	100.00
OOO Omsk Cement	Omsk RU	RUB	779,617,530	OAO Sukholozhskcement	100.00
Alamo Concrete Products Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Alamo Transit Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Buzzi Unicem USA Inc.	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Midwest Material Industries Inc.	Wilmington US	USD	1	RC Lonestar Inc.	100.00
Lone Star Industries, Inc.	Wilmington US	USD	28	RC Lonestar Inc.	100.00
River Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
River Cement Sales Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Signal Mountain Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Sales Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Hercules Cement Holding Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Hercules Cement Company LP	Harrisburg US	USD	n/a	RC Lonestar Inc. Hercules Cement Holding Company	99,00 1,00
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Erfurt DE	EUR	512,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55
BTG Beton-Transport-Gesellschaft mbH	Lengerich DE	EUR	500,000	sibobeton Osnabrück GmbH & Co. KG	100.00
Harex Nederland B.V.	Nieuwegein NL	EUR	18,151	Dyckerhoff Basal Toeslagstoffen B.V.	100.00
BSN Beton Service Nederland B.V.	Franeker NL	EUR	113,445	Dyckerhoff Basal Betonmortel B.V.	100.00
MegaMix Basal B.V.	Nieuwegein NL	EUR	27,227	Dyckerhoff Basal Betonmortel B.V.	100.00
Wolst Transport B.V.	Dordrecht NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	100.00
Friesland Beton Heerenveen B.V.	Heerenveen NL	EUR	34,487	Dyckerhoff Basal Betonmortel B.V.	80.26
Betonmortel Centrale Groningen (B.C.G.) B.V.	Groningen NL	EUR	42,474	Dyckerhoff Basal Betonmortel B.V.	66.03
ZAPA beton HUNGÁRIA kft	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
Utah Portland Quarries, Inc.	Salt Lake City US	USD	378,900	Lone Star Industries, Inc.	100.00
Rosebud Real Properties, Inc.	Wilmington US	USD	100	Lone Star Industries, Inc.	100.00
Compañia Cubana de Cemento Portland, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00
Transports Mariel, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00
Proyectos Industries de Jaruco, S.A.	Havana CU	CUP	186,700	Compañia Cubana de Cemento Portland, S.A.	100.00

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

Investments in joint ventures valued by the equity method

Name	Registered office	Share capital		Ownership interest held by	%of ownership
Cementi Moccia S.p.A.	Napoli	EUR	7,398,300	Buzzi Unicem S.p.A.	50.00
Ecotrade S.p.A.	Genova	EUR	2,400,000	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
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 kft i. L.	Budapest HU	HUF	11,500,000	Dyckerhoff Basal Toeslagstoffen 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 International 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
Cemoc Servicios Especializados S.A. de C.V.	Mexico MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V.	100.00
Comercializadora Tezuma S.A. de C.V.	Mexico MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V.	100.00
Latinoamericana de Agregados y Concretos, S.A. de C.V.	Mexico MX	MXN	10,929,252	Corporación Moctezuma, S.A.B. de C.V.	100.00
Latinoamericana de Comercio, S.A. de C.V.	Emiliano Zapata MX	MXN	10,775,000	Corporación Moctezuma, S.A.B. de C.V.	100.00
Lacosa Concretos, S.A. de C.V.	Emiliano Zapata MX	MXN	11,040,000	Corporación Moctezuma, S.A.B. de C.V.	100.00
Proyectos Terra Moctezuma, S.A. de C.V.	Jiutepec MX	MXN	3,237,739	Corporación Moctezuma, S.A.B. de C.V.	100.00
Latinoamericana de Concretos, S.A. de C.V.	Mexico MX	MXN	912,670,821	Corporación Moctezuma, S.A.B. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	99,97 0,03
Inmobiliaria Lacosa, S.A. de C.V.	Mexico MX	MXN	50,068,500	Corporación Moctezuma, S.A.B. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98,00 2,00
Concretos Moctezuma de Durango, S.A. de C.V.	Mexico MX	MXN	100,000	Latinoamericana de Concretos, S.A. de C.V. Cementos Moctezuma, S.A. de C.V.	99,00 1,00
Concretos Moctezuma del Pacifico S.A. de C.V.	Mexico MX	MXN	29,472,972	Latinoamericana de Concretos, S.A. de C.V.	85.00
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
Maquinaria y Canteras del Centro, S.A. de C.V.	Mexico MX	MXN	19,597,565	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	100,100,000	Latinoamericana de Concretos, S.A. de C.V.	50.00

Partecipazioni in imprese collegate valutate con il metodo del patrimonio netto

Denominazione	Sede	Capitale		Società partecipante	% di partecipazione
Premix S.p.A.	Melilli (SR)	EUR	3,483,000	Buzzi Unicem S.p.A.	40.00
Société des Ciments de Sour El Ghozlane EPE S.p.A.	Sour El Ghozlane DZ	DZD	1,900,000,000	Buzzi Unicem S.p.A.	35.00
Société des Ciments de Hadjar Soud EPE S.p.A.	Azzaba DZ	DZD	1,550,000,000	Buzzi Unicem S.p.A.	35.00
Laterlite S.p.A.	Solignano (PR)	EUR	22,500,000	Buzzi Unicem S.p.A.	33.33
Salonit Anhovo Gradbeni Materiali d.d.	Anhovo SI	EUR	36,818,921	Buzzi Unicem S.p.A.	25.00
w&p Cementi S.p.A.	San Vito al Tagliamento (PN)	EUR	2,000,000	Buzzi Unicem S.p.A.	25.00
Edilcave S.r.l.	Villar Focchiardo (TO)	EUR	72,800	Unical S.p.A.	30.00

Investments in joint ventures valued by the equity method (continued)

Name	Registered office	Share capital		Ownership interest held by	%of ownership
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.	Schifflange LU	EUR	50,000	Cimalux S.A.	41.00
S.A. des Bétons Frais	Schifflange LU	EUR	2,500,000	Cimalux S.A.	41.00
Cobéton S.A.	Differdange LU	EUR	100,000	Cimalux S.A.	33.32
Bétons Feidt S.A.	Luxembourg LU	EUR	2,500,000	Cimalux S.A.	30.00
Houston Cement Company LP	Houston US	USD	n/a	Alamo Cement Company	20.00
Betonlogistik Rheinland-Pfalz GmbH	Rommerskirchen DE	EUR	25,000	Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	50.00
BLN Beton Logistiek Nederland B.V.	Nieuwegein NL	EUR	26,000	Dyckerhoff Basal Betonmortel B.V.	50.00
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

Other investments in subsidiaries, associates and joint ventures

Name	Registered office	hare capital		Ownership interest held by	% of ownership
Cementizillo S.p.A.	Padova	EUR	75,000,000	Buzzi Unicem S.p.A.	47.86
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
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	Lengerich DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00
SIBO-Gruppe Verwaltungsgesellschaft mbH	Lengerich DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Nordenhamer Transportbeton GmbH	Nordenham DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	56.60
Dyckerhoff Beton Rheinland-Pfalz Verwaltungs GmbH	Neuwied DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	55.00
Lichtner-Dyckerhoff Beton Verwaltungs GmbH	Berlin DE	EUR	25,000	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
OOO Sukholozhskcemremont	Suchoi Log RU	RUB	10,000	OAO Sukholozhskcement	100.00
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
Hotfilter Pumpendienst Beteiligungsgesellschaft mbH	Nordhorn DE	EUR	25,000	sibobeton Ems GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	25,00 25,00
Eaststone Kft	Budapest HU	HUF	3,000,000	ZAPA beton SK s.r.o.	100.00

CERTIFICATION OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED

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 first six months of 2017:

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

The undersigned also certify that:

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

b) the interim management report contains a reliable analysis with reference to the important events which occurred during the first six months of the current financial year and their impact on the condensed financial statements. as well as a description of the major risks and uncertainties for the remaining six months of the financial period; the interim management report also includes a reliable analysis of the information about material related party transactions.

Casale Monferrato, 3 August, 2017

Chief Executive Finance	Manager responsible for preparing financial reports
Pietro Buzzi	**Silvio Picca**

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

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

Introduction

We have reviewed the half-yearly condensed consolidated financial statements, comprising the consolidated balance sheet as of June 30, 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the period then ended and the related notes of Buzzi Unicem S.p.A. and its subsidiaries (the "Buzzi Unicem Group"). The Directors of Buzzi Unicem S.p.A. are responsible for the preparation of the half-yearly condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half-yearly condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-yearly condensed consolidated financial statements of Buzzi Unicem Group as of June 30, 2017 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Turin, August 3, 2017

EY S.p.A.
Signed by: Stefania Boschetti, Partner

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

EY S.p.A.
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