Buzzi Unicem

Interim report as at

September 30, 2014

Buzzi Unicem S.p.A.
Registered Office in Casale Monferrato (AL) - Via Luigi Buzzi 6
Share Capital euro 123,636,658.80
Company Register of Alessandria no.00930290044

CONTENTS

Interim management review

After lower-than-expected growth in the first half, world economy recovery appears rather moderate, uncertain and restricted to some areas. Economic situation is gaining strength in the United States and the United Kingdom, has weakened in the emerging markets and has remained rather anemic in Europe. The risks of a further slowdown are increasing, following the geopolitical tensions and the possible deepening of structural imbalances in some emerging economies. World trade which increased less than forecast in the first part of the year, showed a modest recovery in the second quarter and maintained positive dynamics in the third one. Overall, estimates of trade growth for the full year have been gradually revised downwards.

In Europe the waning of foreign demand was not offset by a sufficient recovery in the domestic one. Capital expenditures continued to contract and consumer price inflation dropped to 0.3% in September, the lowest level since November 2009, as an evidence of the large margins of unused production capacity. In the second quarter economic activity virtually stagnated and in the third one growth was moderate. As for the main EU countries, since the second quarter economy has declined in Germany and Italy, ground to a halt in France and shown some signs of growth in Spain and in the Netherlands. In the United States, after the first-quarter contraction, GDP began to grow again in the second (+4.6% on an annual basis), thanks to domestic demand, and continued to expand in the third one.

Recently volatility has been back on financial markets, which had remained quiet for a long time. Investors turned to safer assets, such as the German government bonds, whose yield fell to an all-time low. Market volatility reflected also on stock exchange indices which from the end of the second quarter to October fell 9% in the euro area and 14% in Italy. To counter the risk of a prolonged period of excessively low inflation and to boost credit and economic activity, the EU monetary policy was made even more expansionary while the United States continued its gradual tapering. The tensions between Russia and Ukraine, whose repercussions on the European economy have been modest so far, could have a significant impact especially for the effects on the energy supplies.

During the third quarter of 2014, the construction sector showed a satisfactory development in the United States of America vs. a stable trend in Germany and in most Eastern Europe countries. Conversely we witnessed slowdown in Poland, greater difficulties in Italy, both on the domestic market and in export shipments, and sales contraction in Luxembourg.
Cement and clinker sales achieved by the group in the first nine months of 2014 stood at 19.0 million tons, up 2.1% compared with the same period of 2013. A positive variance was reported in all geographical areas, except for Poland and Italy. Ready-mix concrete output equaled 9.1 million cubic meters, up 3.7% from 9M-13. Such increase, quite widespread, was still above average in Poland, the United States and the Czech Republic; volumes decline instead continued in the Netherlands and Luxembourg closed with a negative sign.

In the first nine months, the trend of cement prices in local currency was clearly on the

rise in the United States and positive in Russia and Ukraine. Modest but basically negative changes occurred in Germany, Luxembourg and the Czech Republic while in Italy price decrease was more marked. Ready-mix concrete prices showed a buoyant trend in the United States, a slight increase in Germany, weakness in the Czech Republic and Luxembourg and a more marked decline in Italy and the Netherlands.
Thanks to an overall positive trend in electric power and fuel prices, production costs could be kept under control. Capacity utilization was higher than in the previous year, apart from Italy and Poland, thus translating into a lower incidence of fixed costs per unit. The controllable costs savings and efficiency projects have progressed according to planning and with special regard to the most critical markets.

Consolidated net sales increased by 0.2% from €1,894.4 million to €1,898.7 million and EBITDA stood at €302.5 million, up €29.4 million (+10.8%); the 9M-14 figure was penalized by non-recurring costs for €4.6 million (€1.9 million non-recurring costs in the same period of 2013). Net of non-recurring items, EBITDA would have increased by €32.2 million (+11.7%). Thus recurring EBITDA to sales margin improved from 14.5% to 16.2%. Foreign exchange fluctuations had a sizeable effect and accounted for a decrease of €80.3 million in net sales and €20.0 million in EBITDA. Like-for-like, net sales would have been up by 4.5% while EBITDA would have increased by 17.9%. After depreciation, amortization and impairment charges of €166.5 million (€154.9 million in 9M-13), EBIT amounted to €136.1 million (€118.2 million in 2013). Net finance costs decreased from €81.8 million to €50.7 million; higher was the contribution from equity-accounted associates (€36.2 million vs. €29.5 million). As a consequence of the above, profit before tax stood at €121.8 million vs. €68.7 million at September 2013 (+77.3%). The non-recognition of deferred tax assets on fiscal losses accrued in Italy meant a quite high average tax rate, nonetheless, income statement closed with a net profit for the period up by about 98% to €55.4 million, of which €51.4 million attributable to owners of the company (vs. €21.8 million in 9M-13).

Cash flow was equal to €221.8 million (€182.8 million at September 2013). Net debt as at September 30, 2014 amounted to €1,010.5 million, down €86.7 million over year-end 2013. In the first nine months, the group invested a total of €125.6 million in property, plant and equipment, €34.4 million thereof for expansion or special projects As at September 30, 2014, shareholders' equity, inclusive of non-controlling interests, stood at €2,382.6 million vs. €2,298.7 million as at December 31, 2013. Consequently debt/equity ratio was equal to 0.42 (0.48 at 2013 year-end).

Italy
After a temporary stabilization in the second half of 2013, Italian economy started to weaken again in spring 2014. In the second quarter of the year GDP decreased by 0.2% QoQ and a further slight contraction is expected in the third quarter. While household spending showed a modest improvement, investment was penalized by demand uncertainty and by the still large margins of unused capacity, to such an extent that inflation was marginally negative in August and September. Investment contraction was especially steep in the construction industry, despite the slower decline of home prices. Foreign demand prospects became more uncertain, as geopolitical tensions intensified and the recovery of household and business confidence, under way since the

end of last year, came to a halt in summer. Employment rate marginally decreased, but the low intensiveness of labor input and firms' expectations point to a still very uncertain outlook. There are signs of credit conditions improvement, but they are not widespread: loan prices have fallen, following the reduction in official interest rates, lending to households has stabilized, but the contraction of bank credit to firms, especially the smaller ones, has continued. Against such a backdrop, cement consumption is estimated in decline for the eighth consecutive year (-8% approx. in the current period) and a similar recession trend is expected for ready-mix concrete output.

Our sales volumes of cement and clinker, including exports, reported a 7.6% decline from the same period a year earlier. The huge availability of product in countries located, like Italy, on the Mediterranean rim (such as Spain, Greece, Turkey) made exports, which in the previous year had partly mitigated the domestic market decline, even more difficult and less sustainable. Average selling prices posted a decrease of 5.8%, largely due to a different sales mix (increasing portion of semi finished clinker). In the ready-mix concrete sector output progressed by 3.3% with prices down by 6.6% compared with September 2013. On the costs front, energy factors showed a favorable trend, both fuel and especially electric power, thanks to the discount on system charges for energy-intensive firms applied as from the second half of 2013. Management is focusing strongly on profitability recovery. Although the difficulty to collect from customers is still exceptional, losses on trade receivables stood at lower and hardly reducible levels, given the deep and long crisis the construction industry is struggling with. Overall net sales in Italy came in at €294.7 million, down 9.0% vs. €323.8 million in the previous year while EBITDA, remained negative at -€9.0 million vs. -€13.3 million in 2013. To be reminded however that staff costs include non-recurring restructuring expenses for €2.8 million (€1.1 million in 2013) and other income is inclusive of €6.3 million for the gain on the sale of the Cadola (Belluno) cement plant to Wietersdorfer. Net of non-recurring items, EBITDA decreased by €0.2 million. In the period the company realized other operating revenues for €4.6 million from the swap of CO_2 emission rights (€4.5 million from the sale of CO_2 emission rights in 2013).

Central Europe

At the beginning of the year German economy was buoyant, driven by the growth of the construction sector, also thanks to a very mild winter climate, and favored by the recovery of exports and investment spending which had already begun in the previous year. Expansion was sustained by domestic demand, thanks to the rise of employment income in a low inflation environment, which fuelled consumer spending. In the second quarter exports started to slow down, industrial output marked time and the construction sector's pace of growth went back to more consistent and recurring levels, causing a GDP contraction (-0.2%) and a rather modest recovery in the third quarter. Forecasts of GDP growth for the full year (+1.4%) have recently been revised downwards because of the higher risks arising from the geopolitical tensions existing between Russia and Ukraine.

In the first nine-month period, cement volumes sold increased by 6.6% from the same period a year earlier, with stable prices (-0.7%). The pace of our sales deliveries in the second and third quarter was very consistent with the one posted in the previous year. The ready-mix concrete sector recorded a similar output progress (+4.1%), with slightly stronger prices. Overall net sales improved to €466.3 million from €443.8

million in 2013 (+5.1%) and EBITDA decreased to €52.7 million from €59.9 million in the previous year. The 2014 figure includes non-recurring costs relating for €0.5 million to restructuring expenses and for €3.4 million to impairment of financial receivables. Net of non-recurring costs and income, EBITDA decreased by €5.0 million (-8.2%). Among operating costs, fuel decreased (-2.8%) and electric power trend was favorable (-3.4%).

Since 2013 Luxembourg has showed an economic growth among the most brilliant in Europe. The financial sector, especially export of services, and the manufacturing industry underpinned recovery while growth of domestic spending was eased by rising employment, disposable income and low inflation. Estimates of GDP growth for the full year are set at +2.7%, Construction investments are recovering, which keeps outlook for cement consumption in the country positive. After a beginning of the year when mild weather enhanced deliveries, they subsequently resumed a pace more in line with the previous year's, while export volumes slowed down starting from the second quarter. In the nine months, cement and clinker sales, including internal sales, were virtually unchanged from the previous year as did average unit revenues (-0.3%). Ready-mix concrete output was down 5.4% in a weak price environment. Overall net sales came in at €80.7 million, down 1.0% from €81.5 million in the same period a year earlier. EBITDA decreased to €13.0 million vs. €14.3 million in 2013 (-8.9%). However the 2013 figure included non-recurring income for €2.5 million, hence net of non-recurring items EBITDA increased by €1.2 million (+10.1%). As for production costs, the trend of energy factors was favorable for both electric power (-3.3%) and fuels (-5.0%).

In the Netherlands, after a two-year recession, the economy began to show some signs of development. For full year 2014 GDP growth has been recently revised upwards at +0.6%, thanks to export and investment recovery. Investment in the construction industry instead continued to be rather flat. Volumes sold totaled 0.4 million cubic meters of ready-mix concrete, down 14.1% from the same period a year earlier. Net sales plunged to €42.7 million from €53.1 million in 9M-13. Recurring EBITDA, although negative, was in improvement from -€5.6 million to -€0.7 million thanks to the costs savings and efficiency projects implemented by the management to bring the company back to balance.

Eastern Europe

In the first nine months the economies of Poland and the Czech Republic were resilient and projections of GDP growth for the full year improved from the previous estimates in early 2014, while in Russia forecasts were revised downwards, assuming the growth would be modest. The economic and social situation remained critical in Ukraine, for lack of a clear political solution regarding the disputed territories.

In the Czech Republic, where signs of discontinuity in the prolonged stagnation had already emerged at the end of 2013, export recovery and domestic demand support sustained growth. For the current year, GDP is estimated to grow by +2.5%, in improvement from the early 2014 estimates. After three consecutive years of decline, investment in the construction industry began to increase.
Our cement volumes, after the very buoyant start of the year, maintained a good pace

of growth, thus posting an increase of 14.7% from the same period a year earlier, with average selling prices in local currency slightly down (-2.4%). The ready-mix concrete sector, which includes also Slovakia operations, despite a weaker third quarter, showed an equally positive trend, with volumes up 6.5% and slightly lower prices (-1.6%). Overall net sales, which were penalized also by a weaker koruna, amounted to €100.1 million, up 4.3% from €95.9 million in the previous year and EBITDA increased by €7.3 million, from €11.9 million to €19.2 million (+61.2%). Net of foreign exchange effect and non-recurring items, net sales and EBITDA would have increased by 10.5% and 76.4% respectively. Among operating costs in local currency, the price trend was favorable for both fuels (-11.0%) and electric power (-16.5%).

Also in Poland, forecasts of GDP growth have been revised upwards and recently set at +3.2% for the full year 2014 thanks to the promising trend of domestic demand sustained by household disposable income, decreasing unemployment rate and low inflation. Moreover the country continues to make the most of the huge flux of funds granted by the EU in the framework of the economic cohesion policy to promote infrastructure investment projects.
After a brilliant start of the year, the introduction of a new price list in April faced difficulty in being applied. Despite the subsequent revision, the influence of that sales action heavily penalized our deliveries. Moreover, the slowdown of cement demand during summer months, made the adjustment path towards customers more complicated. Consequently, cement volumes sold in the nine months posted a 22.2% decline from 9M-13, with prices in local currency slightly higher (+1.3%). Conversely, ready-mix concrete output confirmed a good trend (+9.6%), with marginally weak prices (-2.5%). Net sales, on which foreign exchange fluctuations had little impact, came in at €68.1 million, down 14.2% from €79.3 million in 2013. Recurring EBITDA decreased by 23.1% to €15.5 million vs. €20.1 million in 9M-13. Among operating costs, fuels price decreased by 13.5% and the trend of electric power cost was favorable too (-12.6%).

In Ukraine, tensions with Russia remain high, despite some signs of normalization. The geopolitical situation continues to be intricate and possible developments are uncertain. Recent estimates on GDP contraction in the current year indicate a fall higher than 6.5%, in a scenario of growing spending for security, capital outflow abroad, inflation jumped to over 12% in the last months, disruptions of fuel deliveries, growing concern and further depreciation of the local currency. To date fortunately the worrisome dramatic context has not had a material impact on our industrial operations. In the first nine months, cement volumes sold rose by 6.0% and average prices were higher than in 2013 (+1.7% in local currency). Net sales at €71.9 million were down 23.9% from €94.5 million in 9M-13 while recurring EBITDA stood at €11.8 million vs. €10.5 million in the same period a year earlier. The hryvnia sharp depreciation heavily penalized the translation of the results into euro: at constant exchange rate, net sales variance would have been positive (+8.1%) and recurring EBITDA would have increased by €3.8 million. As for the main operating costs in local currency, the trend was unfavorable for both fuels (+2.9%) and electric power (+12.5%).

Russian economy, in spite of its strong fundamentals, is not free from vulnerability risks for the connections existing with the West both at political and international trade level

and it could thus be affected by the climate of tension and contrast with the European Union and the United States, following the difficult relations with Ukraine. The latest estimates on GDP growth for the full year have been revised downwards (+0.2), given the reduced investment activity and the inflation fuelled by ruble devaluation. Despite an expected slight contraction of construction investment, cement consumption is poised to exceed the previous peak for the third consecutive year.
Volumes sold in the first nine months, which benefited also from the contribution of the mixing and shipping terminal in Omsk, increased by 2.8% from 9M-13, with prices in local currency higher by 2.8%. Net sales were down 9.2% from €194.0 million to €176.2 million while EBITDA stood at €64.8 million vs. €70.8 million in the previous period (-8.6%). The 2014 figure includes however non-recurring costs of €4.2 million for provisions referring to an intricate lawsuit concerning the sale and subsequent insolvency of the former subsidiary ZAO Akmel. Ruble devaluation negatively impacted the results translation into euro. Net of foreign exchange effect, net sales and EBITDA would have increased by 4.6% and 5.3% respectively. The inflation rate on the two main energy factors, fuels and electric power, was remarkable, at +9.5% and +7.7% respectively. In September an agreement was entered into to acquire from Lafarge a full cycle cement plant, located by the town of Korkino, with a production capacity of 1.1 million ton/year. The integration of Korkino plant with Sukhoy Log factory aims at strengthening our position in the Urals region and achieving interesting synergies. Execution of the contract is progressing as scheduled and will probably occur in the first week of December next.

United States of America
After the first-quarter contraction, GDP showed strong dynamics in the second one (+4.6% on an annual basis) underpinned by domestic demand. Positive signals came also from labor market where employment grew and unemployment rate fell to 5.9% in September. Inflation was down to 1.7% in August, mainly as a consequence of the decrease in energy products prices. GDP growth for the full 2014 (+2.2%) was revised upwards from the early year estimates. The remarkable hike in construction investment is likely to translate into a corresponding increase in cement consumption, estimated at +8% for the whole year.
Cement volumes sold in the nine months of the year were up 7.9% from the same period 2013, thanks to Midwestern regions resilience and the always strong stimulus coming from the South-West of the Country. Ready-mix concrete output, mainly located in the Southwestern regions, benefited as well from the buoyant demand (+7.2%.) The trend in average selling prices in local currency continued to be positive for cement (+5.9%) and showed a very neat improvement for ready-mix concrete (+12.2%). Overall net sales totaled €619.0 million vs. €552.6 million and EBITDA increased from €103.4 million to €135.2 million (+30.7%). Dollar weakness, although softening, negatively impacted net sales for €17.8 million and EBITDA for €3.9 million. Our operations' capacity utilization continued to improve, favoring fixed costs absorption. Fuels increased by about 2%, with an indirect impact on logistics too, whereas electric power price fell by around 2.5%.

Mexico (valued by the equity method)
Economic activity, after a rather weak start, entered into a more expansionary phase, in tune with the trend showed by the United States, with which it primarily interacts

and by which it is rather influenced. The expected GDP growth for the current year has been recently confirmed at +2.4%, more consistent with the country's potential compared with the result posted in 2013 (+1.2%)
Cement sales trend remained favorable also in the third quarter. Average prices in local currency in the first nine months were slightly higher than in the same period a year earlier. The Mexican peso depreciation negatively impacted the translations of the results into euro. With reference to 100% of the associate, net sales stood at €376.8 million (+6.4%) and EBITDA improved to €138.4 million from €124.6 million in 2013. As for the main operating costs in local currency, the trend was favorable for fuels (-4.5%) while electric power increased (+7.6%). The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €28.0 million (€24.6 million in 2013).

Outlook

In Italy, due to the ongoing recession phase, results will continue to be unsatisfactory, with no significant variances from the 2013 ones.
Central Europe, thanks mostly to the brilliant performance achieved in the first part of 2014, should close the year with operating results in line with those posted in 2013.
In Eastern Europe, we estimate that demand will be rather favorable also in the last quarter, but the sizeable impact of foreign exchange trend will lead to lower operating results in Ukraine and Russia. An unfavorable variance is expected also in Poland while the Czech Republic should confirm the improvement posted in the nine months.
In the United States of America, we expect demand to be robust also in the fourth quarter and hence operating results to confirm a remarkable progress.
Overall, the best assumption that can be set forth at present does not differ from the one already disclosed to the market in the half-yearly financial report and points to a recurring EBITDA for full year 2014 in improvement from the previous financial year and slightly over €400 million in absolute value.

***

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

Casale Monferrato, November 7, 2014

For the Board of Directors
The Chairman
Enrico BUZZI

CONSOLIDATED BALANCE SHEET

(thousands of euro)	Sep 30, 2014	Jun 30, 2014	Dec 31, 2013 restated*	Jan 01, 2013 restated*
ASSETS				
Non-current assets				
Goodwill	504,286	502,080	532,752	584,199
Other intangible assets	10,655	10,808	11,527	9,362
Property, plant and equipment	2,842,689	2,738,273	2,796,537	3,016,639
Investment property	23,592	23,574	25,207	16,441
Investments in associates	384,932	332,651	330,229	373,314
Available-for-sale financial assets	2,466	2,501	2,557	3,513
Deferred income tax assets	59,602	56,812	44,529	66,037
Other non-current assets	41,910	41,412	54,737	55,089
	3,870,132	**3,708,111**	**3,798,075**	**4,124,594**
Current assets				
Inventories	371,460	369,670	386,177	413,870
Trade receivables	419,097	422,809	368,933	388,517
Other receivables	88,957	92,862	91,528	100,938
Available-for-sale financial assets	724	730	730	86,989
Derivative financial instruments	-	-	-	2,307
Cash and cash equivalents	542,803	447,628	527,931	526,171
	1,423,041	**1,333,699**	**1,375,299**	**1,518,792**
Assets held for sale	6,647	18,618	2,113	11,546
Total Assets	**5,299,820**	**5,060,428**	**5,175,487**	**5,654,932**

* restated data following adoption of IFRS 11 Joint arrangements

(thousands of euro)	Sep 30, 2014	Jun 30, 2014	Dec 31, 2013 restated*	Jan 01, 2013 restated*
EQUITY				
Equity attributable to owners of the company				
Share capital	123.637	123.637	123.637	123.637
Share premium	458.696	458.696	458.696	458.696
Other reserves	112.521	9.844	41.219	156.324
Retained earnings	1.658.152	1.589.285	1.642.079	1.694.273
Treasury shares	(4.768)	(4.768)	(4.768)	(4.768)
	2.348.238	**2.176.694**	**2.260.863**	**2.428.162**
Non-controlling interests	34.316	36.727	37.875	91.897
Total Equity	**2.382.554**	**2.213.421**	**2.298.738**	**2.520.059**
LIABILITIES				
Non-current liabilities				
Long-term debt	1.332.625	1.312.801	1.356.016	1.384.679
Derivative financial instruments	32.397	70.861	77.118	22.310
Employee benefits	422.093	409.252	381.784	435.843
Provisions for liabilities and charges	87.509	91.646	88.179	125.476
Deferred income tax liabilities	387.915	350.493	355.843	366.749
Other non-current liabilities	15.416	15.289	13.914	16.651
	2.277.955	**2.250.342**	**2.272.854**	**2.351.708**
Current liabilities				
Current portion of long-term debt	174.595	170.068	196.324	287.872
Short-term debt	202	426	-	70.685
Derivative financial instruments	401	400	677	4.994
Trade payables	216.738	214.268	217.893	229.271
Income tax payables	40.597	9.904	8.039	11.223
Provisions for liabilities and charges	48.239	42.560	45.529	40.251
Other payables	157.099	157.452	135.433	138.869
	637.871	**595.078**	**603.895**	**783.165**
Liabilities held for sale	1.440	1.587	-	-
Total Liabilities	**2.917.266**	**2.847.007**	**2.876.749**	**3.134.873**
Total Equity and Liabilities	**5.299.820**	**5.060.428**	**5.175.487**	**5.654.932**

* restated data following adoption of IFRS 11 Joint arrangements

CONSOLIDATED INCOME STATEMENT

(thousands of euro)	July-September 2014	July-September 2013 restated*	January-September 2014	January-September 2013 restated*
Net sales	**717.982**	**744.720**	**1.898.703**	**1.894.433**
Changes in inventories of finished goods and work in progress	(12.860)	(21.323)	(22.335)	(38.405)
Other operating income	23.091	17.291	52.189	49.318
Raw materials, supplies and consumables	(273.827)	(279.330)	(778.466)	(782.624)
Services	(164.024)	(166.366)	(469.911)	(453.543)
Staff costs	(106.727)	(114.924)	(319.070)	(333.777)
Other operating expenses	(19.577)	(15.453)	(58.567)	(62.303)
Operating cash flow (EBITDA)	**164.058**	**164.615**	**302.543**	**273.099**
Depreciation, amortization and impairment charges	(42.093)	(49.431)	(166.472)	(154.858)
Operating profit (EBIT)	**121.965**	**115.184**	**136.071**	**118.241**
Gains on disposal of investments	122	2.629	149	2.640
Finance revenues	51.570	12.755	70.974	33.460
Finance costs	(55.203)	(46.928)	(121.634)	(115.220)
Equity in earnings of associates	14.416	11.027	36.209	29.546
Profit before tax	**132.870**	**94.667**	**121.769**	**68.667**
Income tax expense	(56.685)	(31.813)	(66.400)	(40.717)
Profit for the period	**76.185**	**62.854**	**55.369**	**27.950**
Attributable to:				
Owners of the company	74.062	59.091	51.431	21.756
Non-controlling interests	2.123	3.763	3.938	6.194

* restated data following adoption of IFRS 11 Joint arrangements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of euro)	July-September 2014	July-September 2013 restated*	January-September 2014	January-September 2013 restated*
Profit for the period	**76,183**	**62,854**	**55,369**	**27,950**
Items that will not be reclassified to profit or loss				
Actuarial gains (losses) on post-employment benefits	(7,761)	11,003	(35,928)	37,266
Income tax relating to items that will not be reclassified	2,006	(4,168)	10,800	(13,898)
Total items that will not be reclassified to profit or loss	**(5,755)**	**6,835**	**(25,128)**	**23,368**
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	96,056	(67,843)	63,193	(82,164)
Income taxes relating to items that may be reclassified	4,446	1,040	6,008	1,023
Total items that may be reclassified subsequently to profit or loss	**100,502**	**(66,803)**	**69,201**	**(81,141)**
Other comprehensive income for the period, net of tax	**94,747**	**(59,968)**	**44,073**	**(57,773)**
Total comprehensive income for the period	**170,930**	**2,886**	**99,442**	**(29,823)**
Attributable to:				
Owners of the company	170,987	(158)	98,472	(33,830)
Non-controlling interests	(56)	3,044	970	4,007

* restated data following adoption of IFRS 11 Joint arrangements

CONSOLIDATED NET FINANCIAL POSITION

(thousands of euro)	Sep 30, 2014	Jun 30, 2014	Dec 31, 2013 restated*
Cash and short-term financial assets:			
- Cash and cash equivalents	542.803	447.628	527.931
- Short-term monetary investments	130	130	130
- Other current financial receivables	8.976	9.261	8.935
Short-term financial liabilities:			
- Current portion of long-term debt	(174.595)	(170.068)	(196.325)
- Short-term debt	(190)	(426)	-
- Derivative financial instruments	(401)	(400)	(677)
- Other current financial liabilities	(30.200)	(38.796)	(18.573)
Net short-term cash	**346.522**	**247.329**	**321.421**
Long-term financial assets:			
- Other non-current financial receivables	11.154	11.903	17.585
Long-term financial liabilities:			
- Long-term debt	(1.332.625)	(1.312.801)	(1.356.015)
- Derivative financial instruments	(32.397)	(70.861)	(77.118)
- Other non-current financial liabilities	(3.149)	(3.079)	(3.075)
Net debt	**(1.010.494)**	**(1.127.509)**	**(1.097.202)**

* restated data following adoption of IFRS 11 Joint arrangements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This interim report for the nine months ended 30 September 2014 has been drawn up in compliance with art. 154 ter of Legislative Decree 58/1998. It has been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission and the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2013, to which please refer for additional information.

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

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

- IAS 27 (revised) Separate financial statements. The revised standard contains only accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity presents separate financial statements. The adoption of this standard has had no impact on this interim report.
- IAS 28 (revised) Investments in associates and joint ventures. The revised standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. Following the adoption jointly controlled entities, which were previously accounted for using the proportionate consolidation method, are now valued by the equity method.
- IFRS 10 Consolidated financial statements replaces parts of IAS 27 Consolidated and separate financial statements and SIC 12 Consolidation – special purpose entities. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The adoption of this standard has had no impact on this interim report.
- IFRS 11 Joint arrangements, supersedes IAS 31 Interests in joint ventures and SIC 13 Jointly controlled entities – non monetary contributions by venturers. The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a

single method to account for interests in jointly controlled entities: the equity method, removing the option to account for jointly controlled entities using proportionate consolidation. The impact of IFRS 11 retrospective adoption is presented in the tables below.

- IFRS 12 Disclosure of interests in other entities. It is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard is applicable to the annual financial statements, therefore its adoption has had no impact on this interim report.
- Consolidated financial statements, Joint arrangements and Disclosure of interests in other entities: transition guidance, amendments to IFRS 10, IFRS 11 and IFRS 12 (effective from 1 January 2014). The amendments clarify the transition guidance in IFRS 10 and also provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.
- Investment entities, amendments to IFRS 10, IFRS 12 and IAS 27 (effective from 1 January 2014). The amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The adoption has had no impact on this interim report.

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

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

CONSOLIDATED BALANCE SHEET

(thousands of euro)	Dec 31, 2013 reported	IFRS 11 adjustments	Dec 31, 2013 restated	Dec 31, 2012 reported	IFRS 11 adjustments	Dec 31, 2012 restated
ASSETS						
Non-current assets						
Goodwill	532,752	-	532,752	584,199	-	584,199
Other intangible assets	14,129	(2,602)	11,527	12,425	(3,063)	9,362
Property, plant and equipment	2,973,736	(177,199)	2,796,537	3,208,706	(192,067)	3,016,639
Investment property	29,249	(4,042)	25,207	19,299	(2,858)	16,441
Investments in associates	174,449	155,780	330,229	202,944	170,370	373,314
Available-for-sale financial assets	2,557	-	2,557	3,513	-	3,513
Deferred income tax assets	44,604	(75)	44,529	66,244	(207)	66,037
Other non-current assets	54,941	(204)	54,737	55,284	(195)	55,089
	3,826,417	**(28,342)**	**3,798,075**	**4,152,614**	**(28,020)**	**4,124,594**
Current assets						
Inventories	408,378	(22,201)	386,177	437,565	(23,695)	413,870
Trade receivables	410,419	(41,486)	368,933	439,383	(50,866)	388,517
Other receivables	107,106	(15,578)	91,528	116,085	(15,147)	100,938
Available-for-sale financial assets	730	-	730	86,989	-	86,989
Derivative financial instruments	-	-	-	2,307	-	2,307
Cash and cash equivalents	554,745	(26,814)	527,931	556,193	(30,022)	526,171
	1,481,378	**(106,079)**	**1,375,299**	**1,638,522**	**(119,730)**	**1,518,792**
Assets held for sale	2,113	-	2,113	11,546	-	11,546
Total Assets	**5,309,908**	**(134,421)**	**5,175,487**	**5,802,682**	**(147,750)**	**5,654,932**
EQUITY						
Equity attributable to owners of the company						
Share capital	123,637	-	123,637	123,637	-	123,637
Share premium	458,696	-	458,696	458,696	-	458,696
Other reserves	41,219	-	41,219	156,324	-	156,324
Retained earnings	1,642,079	-	1,642,079	1,694,273	-	1,694,273
Treasury shares	(4,768)	-	(4,768)	(4,768)	-	(4,768)
	2,260,863	**-**	**2,260,863**	**2,428,162**	**-**	**2,428,162**
		-				
Non-controlling interests	113,332	(75,457)	37,875	174,461	(82,564)	91,897
Total Equity	**2,374,195**	**(75,457)**	**2,298,738**	**2,602,623**	**(82,564)**	**2,520,059**
LIABILITIES						
Non-current liabilities						
Long-term debt	1,356,335	(319)	1,356,016	1,385,154	(475)	1,384,679
Derivative financial instruments	77,118	-	77,118	22,310	-	22,310
Employee benefits	382,214	(430)	381,784	437,640	(1,797)	435,843
Provisions for liabilities and charges	89,018	(839)	88,179	126,239	(763)	125,476
Deferred income tax liabilities	390,152	(34,309)	355,843	403,282	(36,533)	366,749
Other non-current liabilities	13,917	(3)	13,914	16,655	(4)	16,651
	2,308,754	**(35,900)**	**2,272,854**	**2,391,280**	**(39,572)**	**2,351,708**
Current liabilities						
Current portion of long-term debt	196,617	(293)	196,324	288,146	(274)	287,872
Short-term debt	-	-	-	70,685	-	70,685
Derivative financial instruments	677	-	677	4,994	-	4,994
Trade payables	230,333	(12,440)	217,893	244,713	(15,442)	229,271
Income tax payables	8,045	(6)	8,039	11,223	-	11,223
Provisions for liabilities and charges	45,840	(311)	45,529	40,342	(91)	40,251
Other payables	145,447	(10,014)	135,433	148,676	(9,807)	138,869
	626,959	**(23,064)**	**603,895**	**808,779**	**(25,614)**	**783,165**
Total Liabilities	**2,935,713**	(58,964)	**2,876,749**	**3,200,059**	(65,186)	**3,134,873**
Total Equity and Liabilities	**5,309,908**	**(134,421)**	**5,175,487**	**5,802,682**	**(147,750)**	**5,654,932**

CONSOLIDATED INCOME STATEMENT

(thousands of euro)	July-September 2013 reported	IFRS 11 adjustments	2013 restated	January-September 2013 reported	IFRS 11 adjustments	2013 restated
Net sales	**804,805**	**(60,085)**	**744,720**	**2,078,520**	**(184,087)**	**1,894,433**
Changes in inventories of finished goods and work in progress	(20,598)	- (725)	(21,323)	(38,516)	111	(38,405)
Other operating income	17,389	(98)	17,291	49,557	(239)	49,318
Raw materials, supplies and consumables	(298,990)	19,660	(279,330)	(841,563)	58,939	(782,624)
Services	(182,286)	15,920	(166,366)	(501,251)	47,708	(453,543)
Staff costs	(119,291)	4,367	(114,924)	(347,068)	13,291	(333,777)
Other operating expenses	(15,912)	459	(15,453)	(63,856)	1,553	(62,303)
Operating cash flow (EBITDA)	**185,117**	**(20,502)**	**164,615**	**335,823**	**(62,724)**	**273,099**
Depreciation, amortization and impairment charges	(53,077)	3,646	(49,431)	(166,006)	11,148	(154,858)
Operating profit (EBIT)	**132,040**	**(16,856)**	**115,184**	**169,817**	**(51,576)**	**118,241**
Gains on disposal of investments	2,629	-	2,629	2,640	-	2,640
Finance revenues	13,432	(677)	12,755	35,235	(1,775)	33,460
Finance costs	(47,214)	286	(46,928)	(116,652)	1,432	(115,220)
Equity in earnings of associates	2,490	8,537	11,027	3,993	25,553	29,546
Profit (loss) before tax	**103,377**	**(8,710)**	**94,667**	**95,033**	**(26,366)**	**68,667**
Income tax expense	(36,676)	4,863	(31,813)	(54,946)	14,229	(40,717)
Profit (loss) for the period	**66,701**	**(3,847)**	**62,854**	**40,087**	**(12,137)**	**27,950**
Attributable to:						
Owners of the company	59,091	-	59,091	21,756	-	21,756
Non-controlling interests	7,610	(3,847)	3,763	18,331	(12,137)	6,194

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit (loss) for the period	**66,701**	**(3,847)**	**62,854**	**40,087**	**(12,137)**	**27,950**
Items that will not be reclassified to profit or loss		**(28,167)**	**(28,167)**			
Actuarial gains (losses) on post-employment benefits	11,003	-	11,003	37,266	-	37,266
Income tax relating to items that will not be reclassified	(4,168)	-	(4,168)	(13,898)	-	(13,898)
Total items that will not be reclassified to profit or loss	**6,835**	**-**	**6,835**	**23,368**	**-**	**23,368**
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	(71,725)	3,882	(67,843)	(85,058)	2,894	(82,164)
Income taxes relating to items that may be reclassified	1,040	-	1,040	1,023	-	1,023
Total items that may be reclassified subsequently to profit or loss	**(70,685)**	**3,882**	**(66,803)**	**(84,035)**	**2,894**	**(81,141)**
Other comprehensive income for the period, net of tax	**(63,850)**	**3,882**	**(59,968)**	**(60,667)**	**2,894**	**(57,773)**
Total comprehensive income for the period	**2,851**	**35**	**2,886**	**(20,580)**	**(9,243)**	**(29,823)**
Attributable to:						
Owners of the company	(158)	-	(158)	(33,830)	-	(33,830)
Non-controlling interests	3,009	35	3,044	13,250	(9,243)	4,007

CONSOLIDATED NET FINANCIAL POSITION

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

The changes occurred in the scope of consolidation during the first nine months of 2014 do not alter, overall, in a material way, the comparability with the previous period.

For the outlook please refer to the section “Interim management review”.

* * *

Equity attributable to owners of the company increased by €87.4 million from 31 December 2013. The change is mainly the result of the following developments: an increase due to profit for the period (€51.4 million) and translation differences (€72.1 million); a decrease due to actuarial losses on post-employment benefits (€24.9 million) and dividends paid (€10.3 million).

* * *

The increase of 0.2% in net sales compared with the same period of 2013 is due to unfavorable currency effect for 4.3% and to favorable trading conditions (volumes and prices effect) for 4.5%.

Segment information

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

thousands of euro	*Italy*	*Central Europe*	*Eastern Europe*	*United States of America*	*Unallocated items and adjustments*	*Total*	*Mexico 100%*
Nine months ended 30 September 2014							
Segment revenue	293.643	575.413	413.758	615.891	(2)	1.898.703	376.837
Intersegment revenue	(1.034)	-	-	-	1.034	-	-
Revenue from external customers	292.609	575.413	413.758	615.891	1.032	1.898.703	376.837
Operating cash flow	(8.972)	65.090	111.269	135.156	-	302.543	138.412
Operating profit	(45.593)	31.605	61.444	88.615	-	136.071	117.646

thousands of euro	*Italy*	*Central Europe*	*Eastern Europe*	*United States of America*	*Unallocated items and adjustments*	*Total*	*Mexico 100%*
Nine months ended 30 September 2013 restated							
Segment revenue	318.775	561.875	461.173	552.634	(25)	1.894.433	354.271
Intersegment revenue	(268)	-	-	-	268	-	-
Revenue from external customers	318.507	561.875	461.173	552.634	243	1.894.433	354.271
Operating cash flow	(13.068)	68.675	114.330	103.414	(252)	273.099	124.577
Operating profit	(43.149)	33.876	78.023	49.703	(213)	118.241	102.408

* * *

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

Casale Monferrato, November 7, 2014

For the Board of Directors

The Chairman

Enrico BUZZI