Buzzi Unicem

PRESS RELEASE

Approval of the 2018 financial statements

- **Ebitda up 13.6% to €577 million (+€69 million). The improvements achieved in Italy, other European Countries and Russia offset the decline of operating profitability in the United States and the Ukrainian market difficulties**
- **Recurring Ebitda basically in line with the previous year (€569 million, down €8 million compared to 2017) and considerable increase of Ebit (+€66 million), no longer penalized by non-recurring charges as in the previous year**
- **Net debt of €891 million (+€28 million) after investments of €444 million, of which €31 million for expansion projects, €45 million for the acquisition of Seibel & Söhne in Germany and €161 million for the strategic agreement with Grupo Ricardo Brennand in Brazil**
- **Dividend proposal: 12.5 eurocents per ordinary share and 14.9 eurocents per savings share (12 per ordinary share and 20.4 per savings share in 2017)**

Consolidated data		**2018**	**2017**	**% 18/17**
Cement sales	m ton	27.9	26.8	+4.3
Ready-mix sales	m m^3	12.1	12.3	-1.6
Net sales	€m	2,873.5	2,806.2	+2.4
Ebitda	€m	577.2	508.2	+13.6
Ebitda recurring	€m	568.5	576.4	-1.4
Net profit	€m	382.8	394.6	-3.0
Consolidated net profit	€m	382.1	391.6	-2.4
		Dec 18	**Dec 17**	**Change**
Net debt	€m	890.5	862.5	(28.0)

The Board of Directors of Buzzi Unicem SpA met today to examine the statutory and consolidated financial statements for the year ended 31 December 2018.

In 2018 the group sold 27.9 million tons of cement (+4.3% compared to 2017) and 12.1 million cubic meters of ready-mix concrete (-1.6%).
In the various markets where we operate, the year 2018 was characterized by operating conditions being differentiated from each other.

In Italy expansion, which is in progress since the second quarter of 2014, came to a halt in the summer quarter following the decline in domestic demand and in investments. During the autumn months industrial production contracted and the dynamics of manufacturing activity slowed down. In the construction sector, growth expectations were disregarded due to the decline in capital spending for public works and there were signs of less optimism regarding the evolution of demand and employment rate.

As for Central European countries, economic activity, although sustained by the solid expansion of domestic demand, slowed down, partly due to temporary factors, but also to the deterioration in corporate expectations and to the weakness of foreign demand. In the last few months of the year industrial production suffered a decline which exceeded expectations, particularly in Germany, both in manufacturing and in services, and the prospects of companies on export sales worsened, in connection with the more uncertain ones of international trade. The construction sector, which was more dynamic at the beginning of the year, subsequently slowed down, nevertheless closing the period on a positive note.

As regards the Eastern European markets, Russia slightly accelerated the recovery rate, gradually regaining from the recessionary biennium of 2015-2016. Growth is sustained by domestic demand and supported by advances in available income and by the improved access to credit, that facilitates consumption and investments. Despite the recent depreciation of the ruble, inflation further slowed down. Foreign trade remained positive, both due to the robustness of exports and the decline in imports caused by the weakness of the ruble. Construction investments showed a progressive improvement, which also positively influenced the demand for building materials. The prolongation of the favorable economic cycle in Poland was supported by domestic demand, thanks to the increasing level of disposable income, unemployment rate at all-time lows and improving social spending. The value of construction investments, in particular public ones, driven by the still high use of European funds for infrastructure, remained overall favorable. In the Czech Republic and Slovakia, economic development, although slowing down compared to the brilliant growth of the previous year, remained at a very satisfactory level. Together with the recovery in investment, domestic demand continued to support development, while the slowdown in foreign demand led to a negative contribution from net trade. The favorable phase of the construction investments was encouraged by the development of public works co-financed by the European Union. In Ukraine, the pace of the moderate recovery, although improving on the previous year, remains inadequate to recover what was lost during the previous economic crisis. Despite some significant improvements in the energy and banking sectors, efforts to build a more dynamic, open and competitive economic environment were affected by enforcement difficulties and by delays in the reforms. In this situation, investments in the construction sector weakened and cement consumption in the country decreased.

In the United States, GDP growth maintained a consistent development also in the final part of the year, assisted by the stable expansion of consumption, by progress in the labor market and by the high consumer confidence index, in an economic context that started to benefit from the tax cuts and increasing public spending. Investments in the construction sector confirmed moderate growth (+0.5%) with stability in the residential sector and positive changes in the infrastructures.

Consolidated net sales increased by 2.4%, from €2,806.2 to €2,873.5 million. Changes in scope had a positive effect of €52.9 million, while the exchange rate effect had an unfavorable impact of €74.3 million. Like for like net sales would have increased by 3.2%.

Ebitda amounted to €577.2 million, +13.6% compared to €508.2 million of the previous year. The exchange rate effect was negative for €21.1 million. The figure for the year under review includes positive net non-recurring items of €8.7 million, of which revenues of €17.2 million due to gains on disposal of the packaged concrete division in the United States, €5.4 million for the release of provisions for antitrust risks, €3.9 million for contract indemnification, €1.7 million for the release of provisions for legal risks and expenses of €7.3 million for tax disputes, €3.9 million for legal claims, €6.5 million for restructuring charges and €1.8 million of other charges. In 2017, net non-recurring costs of €68.2 million were incurred. Excluding non-recurring items, Ebitda decreased from €576.4 to €568.5 million (-1.4%), with Ebitda to sales margin at 19.8% (20.5% in 2017). Overall, the improvements achieved in Italy, which finally returned to positive territory, in Central Europe, in the Czech Republic and in Russia (despite a particularly unfavorable exchange effect), mostly offset the decrease in operating profitability in the United States of America, which was amplified by the negative exchange rate effect, and the evident decline in Ukraine.

Amortization and depreciation amounted to €225.4 million, against €222.1 million in the previous year. Ebit reached €351.8 million compared to €286.0 million in 2017. Net finance costs improved from €35.0 million negative to €24.7 million positive balance, thanks to the trend of non-cash items, i.e. the valuation of derivative financial instruments, and to the reduction of interest expense on gross debt. Gains on sale of investments contributed with €0.8 million, while equity in earnings of associates, among which our joint venture operating in Mexico stands out, decreased from €96.2 million to €87.9 million. Due to the impact of the factors outlined above, profit before tax amounted to €465.3 million versus €348.7 million in 2017. The tax charge for the year was €82.5 million, compared to a revenue for income taxes of €45,9 million in the previous year. Therefore, the income statement for the financial year 2018 closed with a profit of €382.8 million (€394.6 million in 2017). Net profit attributable to the owners of the company decreased from €391.6 million in 2017 to €382.1 million in the year under review.

Net debt of the group as at 31 December 2018 stood at €890.5 million, up €28.0 million compared to €862.5 million at the end of 2017. During 2018 the group distributed dividends of €28.1 million and paid total capital expenditures of €443.8 million, of which €31.5 million allocated to capacity expansion or special projects, mainly relating to the so-called phase 2 of the new production line at Maryneal plant (TX), to the reconstruction of the filtration system at Cape Girardeau (MO) and to the modernization of the terminal in Dallas (TX). Further investments referring to strategic development projects amounted to €44.6 million for the acquisition of Seibel & Söhne in Germany and to €161.4 million for the purchase of 50% of BCPAR, which operates in Brazil through the Cimento Nacional trademark. Furthermore the completion of the share buyback program, which started at the end of September and involved 4.23% of the voting capital for €118.7 million, should be pointed out.

As at 31 December 2018, total equity, inclusive of non-controlling interests, stood at €3,143.6 million versus €2,852.1 million at 2017 year-end. Consequently the debt/equity ratio decreased to 0.28 from 0.30 in the previous year.

In 2018 the parent company Buzzi Unicem SpA reported a net profit of €97.9 million (€50.8 million in 2017) and a cash flow of €138.7 million.

Italy

Our sales of hydraulic binders and clinker increased by 13.3%, mainly thanks to the additional contribution of the shipments referring to the former Cementizillo plants (full consolidation starting from the second half of 2017), to the growth in volumes exported overseas and to clinker sales. Average prices, in a more stable market environment, confirmed the upward adjustment expectations. The ready-mix concrete sector, which was involved in a process of restructuring and rationalization of production that led, among other things, to a reduction in the number of batching plants directly managed by the group, closed with a production level that is visibly lower than the previous year (-15,6%). On the other hand, selling prices improved. This trend in volumes and prices generated net sales of €459.8 million, up 7.5% (€427.8 million in 2017). On a like-for-like basis, they would have decreased by 0.9%. Unit production costs remained stable, as the unfavorable trend in fuels was more than offset by the reduction in electricity costs and by fixed costs under control, thanks to the improvement in the operating leverage. Despite the best attention paid to the entrustment and collection of trade receivables, the recent, numerous requests to participate in bankruptcy proceedings presented by leading national construction companies forced us to book a provision for losses of the related exposure, equal to approximately €7.6 million. Ebitda, which remained in negative territory, improved from -€79.7 to -€1.7 million. However, it should be noted that the figure for the year under review includes net non-recurring costs totaling €7.6 million, consisting of charges referring to tax disputes of €7.3 million, restructuring expenses of €2.5 million, other charges of €1.7 million and non-recurring revenues for indemnification of €3.9 million (€63.0 million of non-recurring costs in 2017). The recurring Ebitda therefore finally returned to positive territory (+€5.8 million), up €22.5 million compared to -€16.7 million in 2017. It should be noted that during the year the company achieved other operating revenues of €11.8 million from the sale within the group of CO_2 emission rights (€6.0 million in 2017).

Central Europe

In **Germany** our shipments of hydraulic binders, thanks to the change in scope resulting from the acquisition of Seibel & Söhne, whose activities have been included in the consolidation area since May and favored by a lively strengthening demand for oil well cements, performed well (+7.9%), with average prices improving. Production volumes in the ready-mix concrete sector, which were rather weak in the first half, thanks to some recovery in the second half of the year closed the entire period marginally down (-0.6%), but with prices recovering. Overall net sales thus increased from €588.0 to €632.5 million (+7.6%) and Ebitda from €77.9 to €82.5 million (+5.8%). However, the figure for the year under review includes an amount of €4,0 million for restructuring charges (€1.9 million the non-recurring costs in 2017). Net of non-recurring items, Ebitda improved by €6.6 million. The unfavorable trend of electric power was offset by some savings in fuel and fixed costs. Unit production costs recorded a slight favorable change. In 2018 the business incurred other operating costs of €7.7 million for the purchase of CO_2 emission rights from the parent company (€4.2 million in 2017).

In **Luxembourg** and the **Netherlands** our cement and clinker sales, inclusive of internal sales and exports, maintained also in the second half lower deliveries compared to the previous year, closing the year down (-5.0%), with a slight improvement in average unit revenues. On the other hand, the ready-mix concrete sector recorded clearly recovering volumes (+11.1%) and also higher prices. Net sales came in at €197.1 million, up 5.5% compared to the previous year (€186.8 million). Ebitda stood at €23.1 million (€17.6 million in 2017). Unit production costs maintained overall the same level as the previous year, with unfavorable trend in electric power, which was offset by some savings in fuels as well as in fixed and overhead costs of the plant. However an accrual of €0.1 million for non-recurring expenses pertaining to the period should be recalled (€1.3 million in 2017). Net of non-recurring items, Ebitda was up €4.3 million. During the year the business incurred other operating costs of €0.8 million referring to CO_2 emission rights purchased from the parent company (€0.2 million in 2017).

Eastern Europe

In **Poland** our cement volumes sold, thanks to the more lively development in the second half, showed a robust recovery (+6.5%), accompanied by average prices, in local currency, strengthening. Ready-mix concrete output achieved even more significant progress (+11.0%), with prices also improving. Net sales increased from €97.0 to €111.4 million (+14.8%). At constant exchange rates, net sales variance would have been only slightly higher (+15.0%). Ebitda improved from €24.2 to €31.9 million (+31.5%). However, it should be pointed out that the result under review includes non-recurring income of €5.4 million, referring to the release of provisions for antitrust risks. On a like-for-like basis Ebitda would have increased by 10.1%. Unit production costs in local currency showed double-digit percentage growth, mainly due to the unfavorable trend in electric power. Moreover it should be remembered that during the year the business incurred other operating costs of €2.4 million referring to CO_2 emission rights purchased from the parent company (€1.0 million in 2017).

In the **Czech Republic** our cement sales, after a not very brilliant start to the year, subsequently accelerated, closing the financial period clearly up (+9.6%), with average selling prices in local currency marginally improving. The ready-mix concrete sector, which also includes Slovakia, achieved favorable production levels (+5.6%), at a stronger average price. Consolidated net sales therefore amounted to €164.5 million (€147.9 million in 2017, +11.2%), and Ebitda increased from €36.6 to €43.6 million (+19.2%). The strengthening of the Czech koruna had a positive impact on the translation of results into euro. Net of the exchange rate effect, net sales would have been up 9.0%, while Ebitda would have increased by 16.1%. The unfavorable trend of electrical power was offset by some savings in fuel costs and in the main fixed costs. Unit production costs thus recorded a little positive change. During the year the business incurred other operating charges of €0.9 million referring to CO_2 emission rights purchased from the parent company (€0.4 million in 2017).

In **Ukraine** cement volumes sold by our industrial plants, despite the signs of reawakening in the summer months and some recovery in the fourth quarter of the year, closed with a double-digit reduction (-11.8%) compared to the levels achieved in the last period, with prices in local currency which, again driven by inflation, grew significantly. Ready-mix concrete output, on the other hand, maintained a lively expansion (+8.3%), with average prices in local currency significantly increasing. Net sales revenues closed at €88.3 million, compared to €94.5 million reached in 2017, down 6.6%. Ebitda amounted to €7.0 million against €16.0 million in 2017, with a marked contraction in Ebitda to sales margin. The translation of results into euro was penalized by the persistent depreciation of the local currency. At constant exchange rates, net sales would have only marginally decreased (-0.1%), while Ebitda in any case would have decreased by 52.9%. The increase of unit production costs in local currency, particularly fuels and electric power, maintained a much more accentuated pace than the already high general inflation rate.

In **Russia** our sales volumes, thanks to a more robust development in the second half of the year, despite some weakness of the special oil well cements, closed the entire period with a favorable change on the previous year (+5.4%) and average prices in local currency increasing. Net sales stood at €185.5 million, compared to €184.3 million in the previous year (+0.6%). The depreciation of the ruble negatively affected the turnover by €22.8 million. At constant exchange rates, net sales would have been up 13.0%. Ebitda increased from €46.0 to €50.1 million (+9.0%): in local currency, it would have been up 22.3%. Ebitda to sales margin, on the rise, confirmed a level above the group average (27.0%). Unit production costs, in local currency, showed double-digit growth, driven by the inflation of energy factors.

United States of America
Our sales of hydraulic binders, during 2018, were very affected by the particularly adverse weather: intense cold in the first quarter and unprecedented rainfall levels in the third quarter, in particular in September. Therefore, even if the deliveries of the last quarter provided some indication of recovery, the entire year closed with volumes lower than the previous period (-1.1%) and selling prices, in local currency, which achieved a favorable variation of a few percentage points. Ready-mix concrete production, mainly present in Texas, closed marginally up (+0.3%) compared to the previous year, with prices also recovering. Overall net sales decreased from €1,110.6 to €1,069.6 million (-3.7%), and Ebitda from €369.6 to €341.2 million (-7.7%). The figure for the year includes net non-recurring income of €15.0 million, consisting of gains on the sale of the packaged concrete business for €17.2 million, of €1.7 million for the release of provisions for legal risks and of other charges referring to legal claims for €3.9 million (€2.0 million net non-recurring costs in 2017). The performance of the dollar had an unfavorable impact on the translation of results into euro. Net of the exchange rate effect and non-recurring items, net sales and Ebitda would have been +0.7% and -8.2%, respectively. Ebitda to sales margin, although declining, is confirmed at the highest levels of the group (30.5%). Among unit production costs in local currency, which grew much more than inflation did, an unfavorable trend for electric power and an even more marked one for fuels should be pointed out.

Mexico (valued by the equity method)
Cement sales of the associate Corporación Moctezuma, after a first half affected by the electoral climate, in the second part of the year, in a more serene economic and social context, tended to recover. The entire period closed with volumes lower than the previous year and average selling prices, in local currency, up by a few percentage points. Ready-mix concrete output stopped at visibly weaker levels, but with prices, in local currency, strongly progressing. Net sales and Ebitda, in local currency, posted a reduction of 3.1% and 6.6% respectively. The depreciation of the Mexican peso penalized the translation of the results into euro: with reference to 100% of the associate, net sales came in at €624.7 million (-9.0%), and Ebitda at €289.0 million (-12.2%). Unit production costs grew more than the inflation rate did, penalized by the unfavorable trend in energy factors, particularly of fuels.
The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €64.2 million (€74.1 million in 2017).

Brazil (valued by the equity method)
The joint venture BCPAR is the holding company of a group that manufactures and sells cement in the Country, with the trademark Cimento Nacional and two full cycle plants, one located in the North East region (Paraíba) and the other in the South East (Minas Gerais). The investment has been accounted for under the equity method from the acquisition date (end of November 2018), without material impact on the income statement for the period.

Outlook
In Italy, the signs of a slowdown in the economy make the performance of the construction sector still uncertain. Although expectations for 2019 refer to cement consumption being substantially stable, the less fragmented structure of the sector, the expectations of a possible upward adjustment of prices, the benefits deriving from the rationalization achieved in the ready-mix concrete sector, in addition to the belief that the level of provisions for bad debt receivables of 2018 is not repeatable in the current year, lead us to believe that a considerable improvement in the operating results can be achieved.
In Central Europe, the additional contribution of Seibel & Söhne for the entire year, which also includes the synergies deriving from the integration, in a context of a moderately expanding construction sector, suggests a favorable development and some further improvement in operating results.
In Poland and the Czech Republic, we expect the respective expansionary economic cycles to continue and the demand for cement at least to stay at 2018 levels. Increases in average selling prices are also expected, but actually they are supposed to absorb the higher energy and CO_2 emission rights costs, therefore with no clear improvements in the operating results.
In Ukraine, after the sharp contraction suffered in 2018 and despite the still fragile prospects of the recovery, some signs of upswing which glimpsed in the final part of last year lead us to cautious optimism. We expect an improvement in volumes and still robust prices to stem the very unfavorable trend in production costs. In short, this should result in a slight advancement of the results from continuing operations, assuming that the local currency does not depreciate excessively.

In Russia we expect the moderate recovery of the economic cycle to continue, which may favor some progress in demand and a gradual improvement of operating results in euro, assuming that the ruble will stabilize at the values recorded at the start to the year.
The development prospects for construction investment in the United States, in the still expansive economic context, suggest a positive trend for cement demand. On the whole, we believe a slight recovery of our volumes is possible, facilitated also by the comparison with the level of shipments made in 2018, which was strongly impacted by the adverse climate, together with the attempt to improve through better prices, depending on market areas, the inflationary pressure which already appeared last year. Ebitda in local currency should therefore reach 2018 levels.
These considerations outline, for the current year, an Ebitda improvement in Italy, slightly better operating results in Central and Eastern Europe areas and basically stable in the United States of America, assuming an average exchange rate of the dollar consistent with the year just ended. In conclusion, we expect that, for the group as a whole, the recurring Ebitda of the entire 2019 may achieve a favorable variance between 5% and 8% versus the previous year.

Consolidated non-financial statement 2018

The Board of Directors also approved the consolidated non-financial statement, which is included in the Sustainability Report 2018, in compliance with the provisions of Legislative Decree no. 254/2016.
The consolidated non-financial statement is a distinct and separate report with respect to the business review. It will be made available to the public at the same time as the publication of the draft annual financial statements and the consolidated financial statements for the year ended on 31 December 2018.

Appropriation of net income

The Board of Directors will propose to the Annual General Meeting of Buzzi Unicem SpA, convened in first call for 9 May 2019 a dividend of €0.125 per ordinary share and of €0.149 per savings share. The dividend payment, if approved by the Shareholders' Meeting, will be effected as from 22 May 2019 (with coupon detachment on 20 May 2019 and record date on 21 May 2019).

Other shareholders' meeting resolutions

The Shareholders' Meeting has also been convened to take the required resolutions:

- on the integration of the fees for the audit of the financial statements for the year ended 31 December 2018, following the additional works necessary for the adoption of the accounting standard IFRS 16;
- on the composition of the board of directors as a result of the resignation of director Luca Dal Fabbro, as well as
- on the report on remuneration ex per article 123 ter of Legislative Decree n. 58/1998.

Treasury shares

Furthermore the Board of Directors resolved to ask the Shareholders' Meeting to authorize (and thus revoke the authorization adopted on 10 May 2018) the buy-back of a maximum of #7,000,000 ordinary and/or savings shares. The authorization is asked also for the selling of the treasury shares held by the company.

The above authorization to the purchase, as well as to the disposal of treasury shares is required to allow the company to intervene in case of fluctuation of the share price beyond the normal market volatility, within the extent allowed by the law and the market rules, as well as to give the company an instrument for liquidity investment. A further reason to purchase treasury shares may be using them as a payment in extraordinary transactions, also of equity interest swap, exchange, contribution or of conversion of bonds already issued or of possible future issuance, or for distribution, for a consideration or without consideration, to directors and employees of the company or its subsidiaries as well as for allocation to shareholders without consideration.

The authorization is asked for a length of 18 months as from the Shareholders' Meeting approval.

The proposed purchase price ranges from a minimum of €0.60, equal to par value, to a maximum of no more than 10% compared to the reference price of the ordinary share or savings shares recorded in the stock market session of the day before the completion of each individual transaction.

The maximum possible purchase expense is equal to €200 million.

The treasury shares shall be purchased on the market, according to Borsa Italiana rules. Moreover the company can also avail itself of the procedure provided by the market rules approved by Consob, as well as those pursuant to art. 5 of EU Regulation no. 596/2014.

Treasury shares selling transactions can be effected at any time, wholly or partly, in one or several transactions, through sale with cash compensation or as a payment in extraordinary transactions, also of equity interest swap, or of exchange, transfer or conversion of bonds already issued or of possible future issuance, or for distribution to directors and employees of the company or its subsidiaries ex art. 2359 of the civil code as well as for allocation to shareholders also in the form of dividends.

The previous authorization issued by the ordinary Shareholders' Meeting of 10 May 2018 was completely fulfilled with the purchase of 7,000,000 ordinary shares while, based on the same authorization no treasury shares have been sold.

Therefore as of today the company owns #7,050,000 ordinary treasury shares and #29,290 savings treasury shares equal to 3.44% of capital stock.

Corporate Governance

The Board of Directors approved the annual report on the company's Corporate Governance system, which will be made available at the same time as the draft of the statutory financial statements and the consolidated financial statements of the year 2018.

The Board of Directors has also assessed that Directors Luca Dal Fabbro, Elsa Fornero, Aldo Fumagalli Romario, Antonella Musy, Linda Orsola Gilli, Gianfelice Rocca and Maurizio Sella meet the criteria of independence as per Code of Conduct approved by Borsa Italiana (such as applied by the company as stated in the Report on corporate governance and ownership structure).

Senior Notes and Bonds

In the period from 1 January 1 to 31 December 2018 no new bonds were issued.

In the 18 months subsequent to 31 December 2018, on 17 July 2019 a principal repayment of €220 million referring to the equity-linked bond "Buzzi Unicem S.p.A. €220,000,000 1.375%

Equity-Linked Bonds due 2019" shall be effected. The Company has the right to satisfy the exercise of conversion rights by delivering Buzzi Unicem SpA ordinary shares, or to pay a cash amount, or to deliver a combination of ordinary shares and cash. The bonds will be refunded in a single installment at their nominal amount, if not paid back in advance or converted.

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 press release corresponds to the document results, books and accounting records.

Casale Monferrato, 28 March 2019

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The Buzzi Unicem 2018 financial statements will be illustrated during a **conference call** to be held on Thursday, March 28 at 4:30 pm CET.
To join the conference, please dial +39 02 805 88 11.

BUZZI UNICEM SPA

CONSOLIDATED INCOME STATEMENT (in thousands of euro)

	2018	2017
Net sales	**2,873,453**	**2,806,213**
Changes in inventories of finished goods and work in progress	10,744	7,132
Other operating income	82,154	45,047
Raw materials, supplies and consumables	(1,100,591)	(1,068,182)
Services	(722,535)	(684,778)
Staff costs	(483,205)	(469,275)
Other operating expenses	(82,811)	(127,982)
EBITDA	**577,209**	**508,175**
Depreciation, amortization and impairment charges	(225,385)	(222,141)
Operating profit (EBIT)	**351,824**	**286,034**
Equity in earnings of associates and joint ventures	87,872	96,184
Gains on disposal of investments	841	1,507
Finance revenues	134,847	67,667
Finance costs	(110,110)	(102,707)
Profit before tax	**465,274**	**348,685**
Income tax expense	(82,514)	45,888
Profit for the year	**382,760**	**394,573**
Attributable to		
Owners of the company	382,133	391,622
Non-controlling interests	627	2,951

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit for the year	**382,760**	**394,573**
Items that will not be reclassified to profit or loss		
Actuarial gains on post-employment benefits	10,549	8,003
Changes in the fair value of financial assets	3,176	-
Income tax relating to items that will not be reclassified	(2,870)	(9,378)
Total items that will not be reclassified to profit or loss	**10,855**	**(1,375)**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	51,919	(301,109)
Share of currency translation differences of associates and joint ventures valued by the equity method	5,082	(18,951)
Total items that may be reclassified subsequently to profit or loss	**57,001**	**(320,060)**
Other comprehensive income for the period, net of tax	**67,856**	**(321,435)**
Total comprehensive income for the year	**450,616**	**73,138**
Attributable to		
Owners of the company	447,492	71,065
Non-controlling interests	3,124	2,073

CONSOLIDATED BALANCE SHEET

	31.12.2018	31.12.2017
ASSETS		
Non-current assets		
Goodwill	575,537	548,327
Other intangible assets	38,609	44,039
Property, plant and equipment	3,059,276	3,000,314
Investment property	20,280	22,703
Investments in associates and joint ventures	515,897	346,971
Investments at fair value	8,804	6,688
Deferred income tax assets	34,340	43,873
Other non-current assets	25,063	23,499
	4,277,806	**4,036,414**
Current assets		
Inventories	457,592	403,549
Trade receivables	399,396	410,580
Other receivables	92,355	114,822
Available-for-sale financial assets	-	-
Cash and cash equivalents	440,499	810,630
	1,389,842	**1,739,581**
Assets held for sale	6,499	7,199
Total Assets	**5,674,147**	**5,783,194**
EQUITY		
Equity attributable to owners of the company		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	5,260	(64,473)
Retained earnings	2,669,357	2,328,589
Treasury shares	(119,465)	(813)
	3,137,485	**2,845,636**
Non-controlling interests	6,120	6,490
Total Equity	**3,143,605**	**2,852,126**
LIABILITIES		
Non-current liabilities		
Long-term debt	922,394	1,119,986
Derivative financial instruments	-	92,902
Employee benefits	391,563	414,929
Provisions for liabilities and charges	69,281	85,382
Deferred income tax liabilities	335,928	331,128
Other non-current liabilities	40,515	64,208
	1,759,681	**2,108,535**
Current liabilities		
Current portion of long-term debt	328,033	369,906
Short-term debt	14,381	17,621
Derivative financial instruments	10,340	-
Trade payables	234,985	247,486
Income tax payables	8,844	6,613
Provisions for liabilities and charges	30,957	22,528
Other payables	143,321	158,379
	770,861	**822,533**
Total Liabilities	**2,530,542**	**2,931,068**
Total Equity and Liabilities	**5,674,147**	**5,783,194**

CONSOLIDATED STATEMENT OF CASH FLOWS

	2018	2017
Cash flows from operating activities		
Cash generated from operations	453,372	506,629
Interest paid	(45,384)	(43,928)
Income tax paid	(76,370)	(91,855)
Net cash generated from operating activities	**331,618**	**370,846**
Cash flows from investing activities		
Purchase of intangible assets	(3,524)	(4,685)
Purchase of property, plant and equipment	(211,747)	(178,989)
Acquisition of subsidiaries, net of cash acquired	(44,173)	(26,851)
Purchase of other equity investments	(161,477)	(4,800)
Proceeds from sale of property, plant and equipment	43,443	10,196
Proceeds from sale of equity investments	1,793	2,264
Changes in financial receivables	(812)	(181)
Dividends received from associates	80,853	85,257
Interest received	14,379	9,707
Net cash used in investing activities	**(281,265)**	**(108,082)**
Cash flows from financing activities		
Proceeds from long-term debt	114,855	279,388
Repayments of long-term debt	(370,213)	(226,758)
Net change in short-term debt	(3,240)	(46,286)
Changes in financial payables	754	2,632
Changes in ownership interests without loss of control	(22,866)	(2,282)
Purchase of treasury shares	(118,652)	-
Dividends paid to owners of the company	(28,135)	(20,553)
Dividends paid to non-controlling interests	(484)	(1,492)
Net cash used in financing activities	**(427,981)**	**(15,351)**
Increase (decrease) in cash and cash equivalents	**(377,628)**	**247,413**
Cash and cash equivalents at beginning of the year	810,630	603,333
Translation differences	7,497	(40,116)
Change in scope of consolidation	-	-
Cash and cash equivalents at end of the year	**440,499**	**810,630**

Figures as at December 31, 2018 have been approved by the Board of Directors but they have not been examined by the Statutory Auditors and the Independent Auditors have not issued their opinion yet.

BUZZI UNICEM SPA

INCOME STATEMENT

	2018	2017 pro-forma	2017
		(in thousands of euro)	
Net sales	**321,112**	**308,532**	**244,021**
Changes in inventories of finished goods and work in progress	3,819	(1,725)	(583)
Other operating income	22,607	20,751	13,464
Raw materials, supplies and consumables	(153,818)	(155,557)	(121,726)
Services	(81,341)	(82,190)	(71,626)
Staff costs	(72,077)	(70,285)	(58,513)
Other operating expenses	(15,714)	(81,500)	(68,643)
Operating cash flow (EBITDA)	**24,588**	**(61,974)**	**(63,606)**
Depreciation, amortization and impairment charges	(40,745)	(35,545)	(26,861)
Operating profit (EBIT)	**(16,157)**	**(97,519)**	**(90,467)**
Finance revenues	258,982	231,188	230,944
Finance costs	(146,250)	(116,629)	(86,191)
Profit (loss) before tax	**96,575**	**17,040**	**54,286**
Income tax expense	1,298	(4,390)	(3,446)
Profit (loss) for the year	**97,873**	**12,650**	**50,840**

STATEMENT OF COMPREHENSIVE INCOME

	2018	2017 pro-forma	2017
Profit (loss) for the year	**97,873**	**12,650**	**50,840**
Items that will not be reclassified to profit or loss			
Actuarial gains (losses) on post-employment benefits	446	(466)	(466)
Income tax relating to items that will not be reclassified	(107)	111	111
Total items that will not be reclassified to profit or loss	**339**	**(355)**	**(355)**
Total items that may be reclassified subsequently to profit or loss	-	-	-
Other comprehensive income for the year, net of tax	**339**	**(355)**	**(355)**
Total comprehensive income for the year	**98,212**	**12,295**	**50,485**

BALANCE SHEET	**31.12.2018**	**31.12.2017 pro-forma**	**31.12.2017**
ASSETS			
Non-current assets			
Goodwill	40,500	40,500	40,500
Other intangible assets	1,474	1,940	1,418
Property, plant and equipment	286,588	299,271	208,287
Investment property	8,199	8,354	8,354
Investments in subsidiaries, associates and joint ventures	2,277,415	2,299,056	2,372,166
Other equity investments	4,251	4,252	3,124
Deferred income tax assets	8,530	17,860	11,809
Other non-current assets	3,677	3,197	635
	2,630,634	**2,674,430**	**2,646,293**
Current assets			
Inventories	97,682	83,480	70,338
Trade receivables	106,443	117,802	80,324
Other receivables	202,297	89,175	140,861
Cash and cash equivalents	121,817	275,092	259,970
	528,239	**565,549**	**551,493**
Assets held for sale	1,656	1,409	1,409
Total Assets	**3,160,529**	**3,241,388**	**3,199,195**
EQUITY			
Share capital	123,637	123,637	123,637
Share premium	458,696	458,696	458,696
Other reserves	429,336	412,783	412,783
Retained earnings	582,406	531,572	534,282
Treasury shares	(119,465)	(813)	(813)
Total Equity	**1,474,610**	**1,525,875**	**1,528,585**
LIABILITIES			
Non-current liabilities			
Long-term debt	1,136,619	994,431	994,348
Derivative financial instruments	-	92,901	92,901
Employee benefits	15,037	16,628	13,163
Provisions for liabilities and charges	9,881	9,454	9,413
Deferred income tax liabilities	1,174	18,646	2,832
Other non-current liabilities	29,599	57,162	54,986
	1,192,310	**1,189,222**	**1,167,643**
Current liabilities			
Current portion of long-term debt	311,411	366,444	366,420
Short term debt	35,066	15,984	15,949
Derivative financial instruments	10,340	-	-
Trade payables	66,081	69,129	51,100
Income tax payables	5,200	300	195
Provisions for liabilities and charges	11,343	9,600	9,600
Other payables	54,168	64,834	59,703
	493,609	**526,291**	**502,967**
Total Liabilities	**1,685,919**	**1,715,513**	**1,670,610**
Total Equity and Liabilities	**3,160,529**	**3,241,388**	**3,199,195**

Figures as at December 31, 2018 have been approved by the Board of Directors but they have not been examined by the Statutory Auditors and the Independent Auditors have not issued their opinion yet.

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 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.

The reconciliation between EBITDA and EBITDA recurring, for the two comparative periods, is as follows:

(millions of euro)	*2018*	*2017*
Ebitda	**577.2**	**508.2**
Restructuring costs	6.5	0.8
Write-downs of current assets	-	1.9
Additions to provisions for risks	4.3	1.3
Dismantling costs	-	2.0
Gains on disposal of fixed assets	(17.2)	-
Other expenses	(4.0)	2.4
Antitrust fine	1.7	59.8
EBITDA recurring	**568.5**	**576.4**

- **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.