

NEWSLETTER

4Q15

UNACEM S.A.A. AND SUBSIDIARIES CONSOLIDATED

I. EXECUTIVE SUMMARY

- ▶ Accumulated consolidated revenues as of 4Q15 were PEN 3,664 million, 18.3% higher than accumulated consolidated revenues as of 4Q14.
- ▶ Accumulated consolidated EBITDA as of 4Q15 was PEN 1,257 million, 21.1% higher than accumulated consolidated EBITDA as of 4Q14.
- ▶ The accumulated consolidated net profit at the end of 2015 fell by 81.7%, mainly explained by the higher FX losses and financial expenses.

The most important figures for the quarter are shown below:

UNACEM S.A.A and subsidiaries consolidated (PEN million)

	2014	2015	Var. % 2015 - 2014
Net Revenues	3,096	3,664	18.3%
EBITDA	1,038	1,257	21.1%
EBITDA Margin	34%	34%	-
Net Income	299	55	-81.7%
Net Margin	10%	1%	-

UNACEM Ecuador was incorporated on November 24th 2015

II. OPERATIONS AND MARKET

Variations in cement and clinker production, as well as cement dispatches in Peru are shown in the table below.

Production and Dispatches- Peru
(in thousand tons)

Period		Production		Dispatch	
Year	Qtr.	Clinker	Cement	UNACEM	Peru
2014	I	1,541	1,357	1,354	2,763
	II	1,210	1,401	1,376	2,704
	III	1,566	1,452	1,467	2,918
	IV	1,635	1,508	1,504	3,039
	I-IV	5,951	5,718	5,701	11,424
2015	I	1,343	1,369	1,357	2,664
	II	1,234	1,343	1,340	2,614
	III	1,320	1,429	1,428	2,839
	IV	1,619	1,424	1,420	3,064
	I-IV	5,517	5,565	5,546	11,181
Variation					
15-I-IV/14-I-IV		-7.3%	-2.7%	-2.7%	-2.1%
15-IV/14-IV		-1.0%	-5.6%	-5.6%	0.8%
15-IV/15-III		22.6%	-0.4%	-0.6%	7.9%

Source: UNACEM, ASOCEM, SUNAT.

■ **Production**

Clinker production of UNACEM in Peru during the twelve months of the year totaled 5.5 million tons, figure 7.3% lower than the production recorded at the end of 2014. This decrease was due to the programmed annual shutdown of Kiln 2 in Atocongo plant for maintenance, which prolonged for 60 days due to a ferrule change in that same Kiln.

Accumulated cement production of UNACEM in Peru rose 5.6 million tons as of 4Q15, a 2.7% decreased with respect to the same period of 2014. This decrease responds to a lower demand of the local market in result of the contraction in the construction sector during the year.

Whereas the production of both plants, the combined utilization rate, as of December 31st 2015, was 82.6% of clinker and 71.6% of cement.

■ **Peruvian Domestic Market**

UNACEM's local cement dispatches during the twelve months of the year totaled 5.5 million tons, figure 2.7% lower than the production recorded at the end of 2014. This decrease was due to the contraction in the construction sector throughout the year, which impact was lower in our area of influence compared to other regions.

As of December 31st 2015, total cement dispatches in the Peruvian market reached 11.1 million tons, approximately, by UNACEM's market research. This demand includes national producer's dispatches and an estimate of imported cement entering the country.

Consequently, UNACEM's market share in the Peruvian market was 49.6%, slightly below the 49.9% market share reached at the end of 2014.

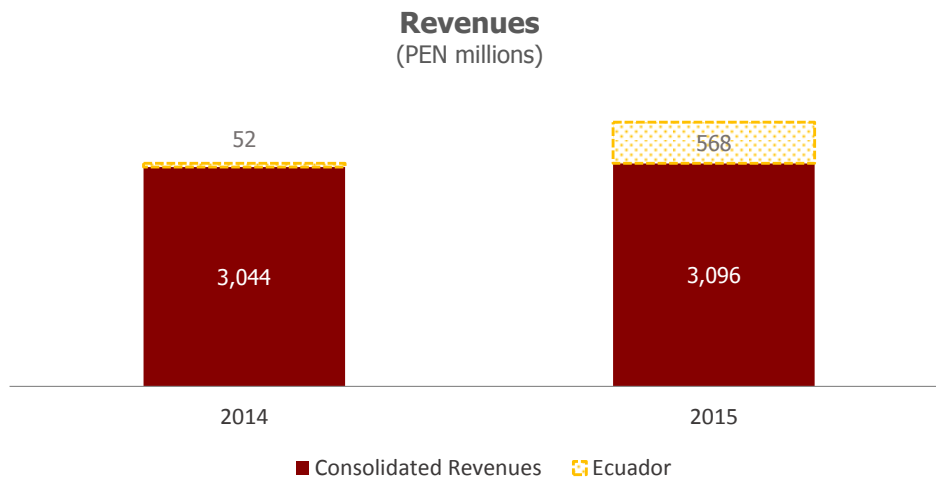
■ **Exports and Port Operations**

At the end of 2015, the total volume of clinker exported through our Conchan pier was 317 thousand tons, representing revenues of USD 13.6 million for the Company.

In addition, the tonnage of bulk solids operated by the Conchan pier decreased 5.2% compared to 2014. During the past twelve months, in addition to the clinker exports, the main products handled in the Conchan pier were gypsum and coaled, summed with some grain operations for third parties.

III. UNACEM AND SUBSIDIARIES CONSOLIDATED - FINANCIAL RESULTS

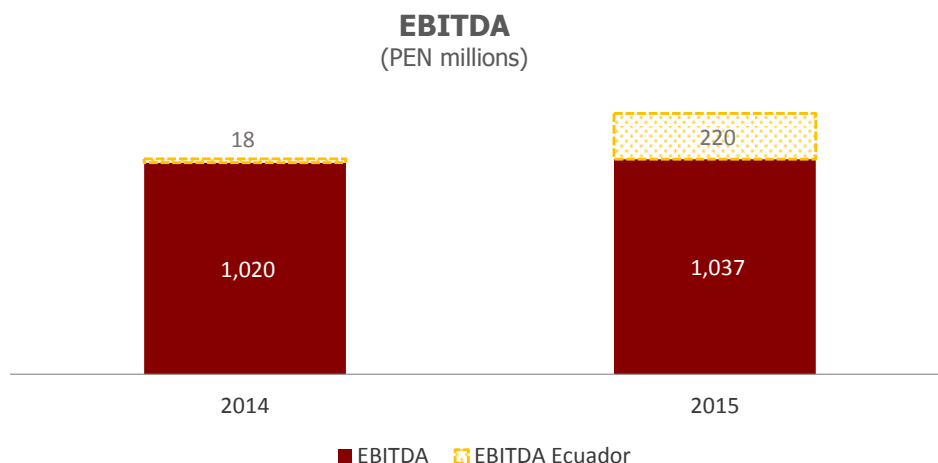
■ Consolidated revenues



Accumulated consolidated revenues as of 4Q15 were PEN 3,664 million, 18.3% higher than the 4Q14.

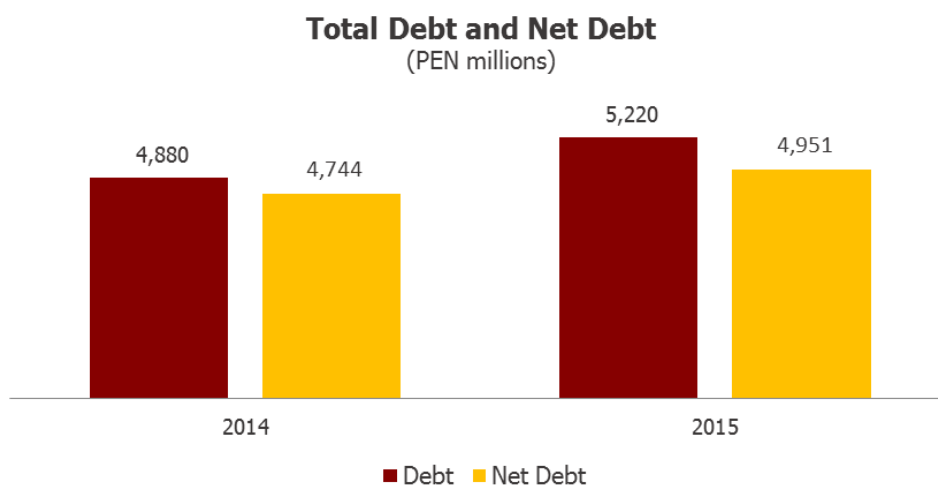
This significant increase is explained by the incorporation of UNACEM Ecuador in our consolidated figures, together with an increase in revenues from UNACEM stand-alone which were 3.5% higher, due to higher average prices and despite lower accumulated volume sold of 2.7%.

■ Accumulated EBITDA



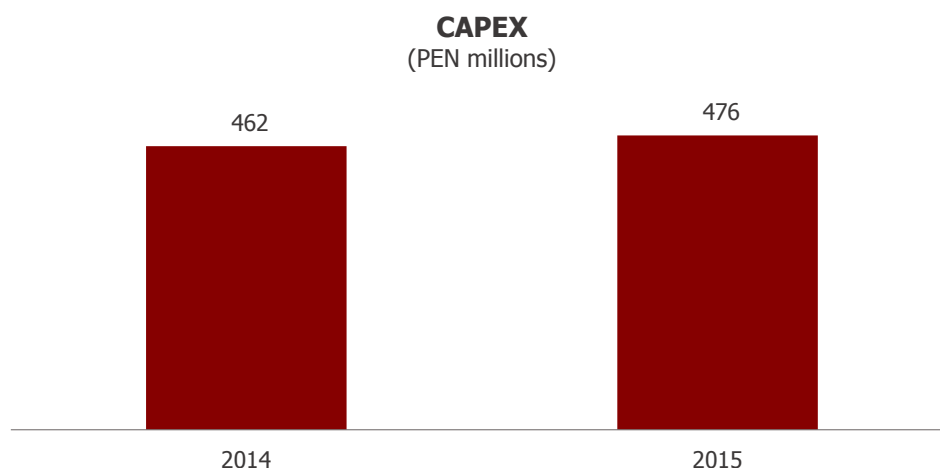
Accumulated as of 4Q15, EBITDA was PEN 1,257 million, a figure 21.1% higher than that of 4Q14. This increase is explained by the consolidation of UNACEM Ecuador and by improvements in our operating results in UNACEM stand-alone in Peru.

■ Debt



As of December 31st, 2015, Net Debt/EBITDA ratio was 3.9x. Our Debt in PEN increased due to FX effect.

■ CAPEX



As of December 31st 2015, CAPEX totaled PEN 476 million, 3.0% higher than as of December 31st 2014. Of the total figure, the main disbursements correspond to UNACEM’s stand-alone investments on Mill N°8, Bagging Line N°5 and Carpapata III Hydroelectric Power plant, located in Condorcocha. Additionally, Celepsa’s work in progress due to the development of the Hidro Marañon power plant and the construction of Preansa’s plant in Colombia.

IV. MAJOR SUBSIDIARIES AND AFFILIATES

Below is a summary of the results of our major subsidiaries:

■ UNICON Consolidated

UNICON Consolidated

		2014	2015	Var. %
Volume of ready mix	(millions of m3)	2.95	2.84	-4%
Revenues	(PEN million)	1,026	962	-6%

Includes Concremax and all business units of UNICON

As of December 31st 2015, UNICON's revenues decreased by 6.0% compared to 2014, due to lower volumes sold during the period, explained by the conclusion of important mining projects.

■ Celepsa

Celepsa

		2014	2015	Var. %
Sales of energy	(GWh)	1,265	1,360	8%
Revenues	(PEN million)	271	308	13%

Celepsa's energy sales recorded a 13% increase as of 2015 compared to the same period of 2014. On the other hand, its operating profit decreased 8.6% due to energy purchases and the unfavorable trade situation of the electricity market.

■ UNACEM Ecuador

UNACEM Ecuador

		2014	2015	Var. %
Sales of cement	(in million tons)	1.453	1.381	-5%
Sales	(PEN million)	532	568	7%

UNACEM Ecuador’s volume sold fell by 5% in 2015 with respect to 2014. In addition, EBITDA in USD recorded a decrease of 4.8% at the end of the year, due to lower volume sold and higher diesel costs.

V. SHARES AND BONDS

UNACEMC1		
Shares	Number	1,646,503,430
Market capitalization	PEN million	2,223
Current quote	PEN	1.350
Minimum quote – LTM	PEN	1.300
Maximum quote - LTM	PEN	2.930
Return		-42.7%

Source: Bloomberg.

UNACEM 2021 5 7/8 Corp	December 31	Since Issuance	
	2015	Min.	Max
Price	96.72	96.25	103.60
Yield	6.56%	6.63%	5.25%

Source: Bloomberg as of 12.31.2015

VI. SIGNIFICANT EVENTS

- ▶ At the Board meeting held on October 23th, 2015, it was agreed to pay a cash dividend of PEN 0.013 per ordinary share, paid from November 25th, 2015. This total dividend was PEN 21,404,544 and was charged to the Retained Earnings FY 2008.
- ▶ At the Board meeting held on January 29th, 2016, it was agreed to pay a cash dividend of PEN 0.013 per ordinary share, payable on March 2nd, 2016. This total dividend will be PEN 21,404,544 and will be charged to the Retained Earnings FY 2008 and 2009.
- ▶ On February 19th, 2016, the Board call to the Annual Shareholder’s Meeting that will take place on March 29th, 2016.

UNACEM and subsidiaries consolidated Financial Statements and their respective notes are available in accordance with the scheduled dates of publish in our website: www.unacem.com/ir

If you wish to contact the Investor Relations team of UNACEM or you have any request, please send us an email at: ir@unacem.com