

NEWSLETTER

3Q15

UNACEM S.A.A. AND SUBSIDIARIES CONSOLIDATED

I. EXECUTIVE SUMMARY

- ▶ Accumulated consolidated revenues as of 3Q15 were PEN 2,752 million, 24.1% higher than accumulated consolidated revenues as of 3Q14. Excluding UNACEM Ecuador, acquired in November 2014, accumulated consolidated revenues were 5% higher than the same period of 2014.
- ▶ Accumulated consolidated EBITDA as of 3Q15 was PEN 957 million, 38.3% higher than 3Q14. Accumulated consolidated EBITDA excluding UNACEM Ecuador was 14.0% higher than the same period of 2014.
- ▶ The accumulated consolidated net profit as of 3Q15 fell 30.9%, mainly explained by the effect of Exchange Rate losses and higher financial expenses.

The most important figures for the quarter are shown below:

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

	As of 3Q14	As of 3Q15	LTM 3Q15	Var. % 3Q15 - 3Q14
Net Revenues	2,752	2,218	3,630	24.1%
EBITDA	692	957	1,303	38.3%
EBITDA Margin	31%	35%	36%	---
Net Income	153	106	252	-30.9%
Net Margin	7%	4%	7%	---

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
	I - III	4,316	4,209	4,197	8,386
	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	2,813
	I-III	3,898	4,141	4,126	8,091
Variation					
15-I-III/14-I-III		-9.7%	-1.6%	-1.7%	-3.5%
15-III/14-III		-15.7%	-1.6%	-2.6%	-3.6%
15-III/15-II		7.0%	6.4%	6.6%	7.6%

Source: UNACEM, ASOCEM, SUNAT.

■ **Production**

Clinker production of UNACEM in Peru during the first nine months of the year totaled 3.9 million tons, 9.7% lower than the production recorded during the first nine months of 2014. This decrease was due to a scheduled annual shutdown of Kiln 2 in Atocongo for a programmed maintenance during 1H15 and the shutdown of Kiln 1 for the same purposes during 3Q15. It should be noted that we keep an important stock of clinker in order to meet market demand.

Accumulated cement production of UNACEM in Peru rose 4.1 million tons as of 3Q15, a 1.6% decreased with respect to the same period of 2014, this result follows the same trend of the domestic market dynamics.

As of September 30th 2015, the combined utilization rate of clinker production was 77.6% and for cement production was 72.7% of installed capacity.

■ Peruvian Domestic Market

UNACEM's local cement dispatches during the first nine months of the year totaled 4.1 million tons, 1.7% lower than cement dispatches of the same period of 2014. Total dispatches in the 3Q15 increased 6.6% compared to the 2Q15.

As of September 30th 2015, total cement dispatches in the Peruvian market reached 8.0 million tons, approximately, as per UNACEM's market research.

Consequently, UNACEM's market share in the Peruvian market was 51.0%, higher than the 50.0% market share reached in the first nine months of 2014.

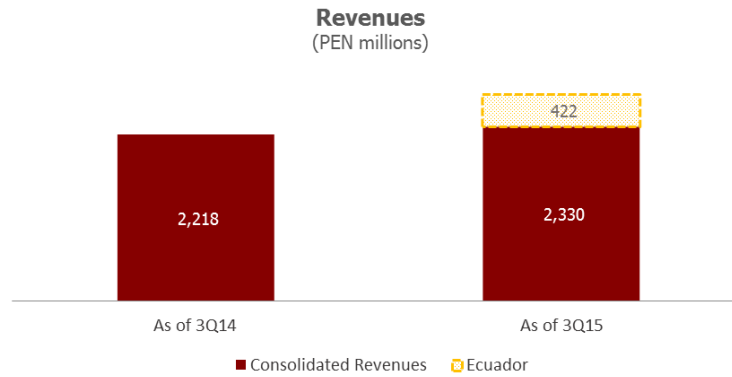
■ Exports and Port Operations

Accumulated as of 3Q15, 10 shipments of clinker exports were carried out, with a total volume of 270 thousand tons. This volume was 11.2% lower than the accumulated volume exported during 2014, due to a reduction in our international client's orders.

Port operations increased by 11.4% compared with the first nine months of 2014; the total volume handled was 763 thousand tons. This is due to higher gypsum, coal and grains shipments handled by our Conchan pier.

III. UNACEM AND SUBSIDIARIES CONSOLIDATED - FINANCIAL RESULTS

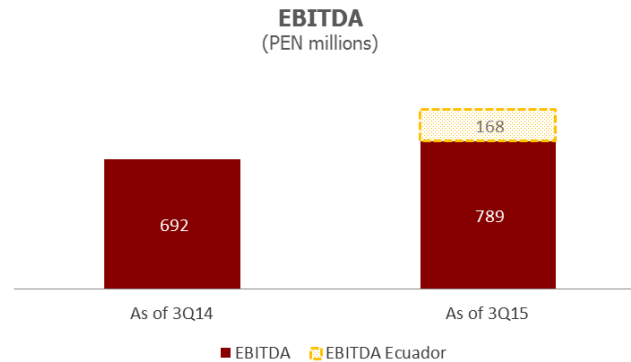
■ Consolidated revenues



Accumulated consolidated revenues as of 3Q15 were PEN 2,752 million, 24.1% higher than the 3Q14.

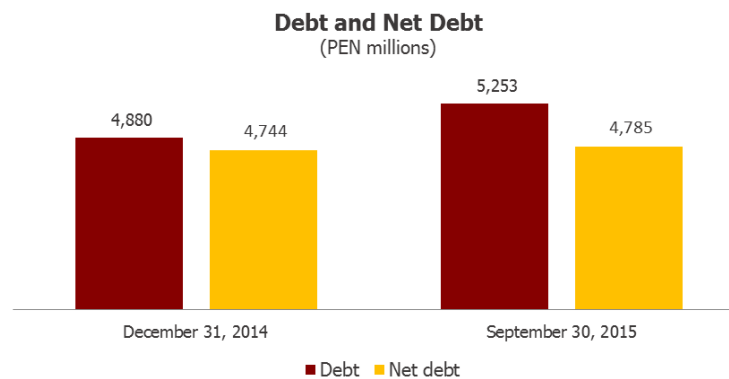
This significant increase is explained by the incorporation of UNACEM Ecuador in our consolidated figures, together with an increase in revenues from UNACEM stand-alone which were 6.4% higher, due to higher average prices and despite lower volume sold of 2.0%.

■ Accumulated EBITDA



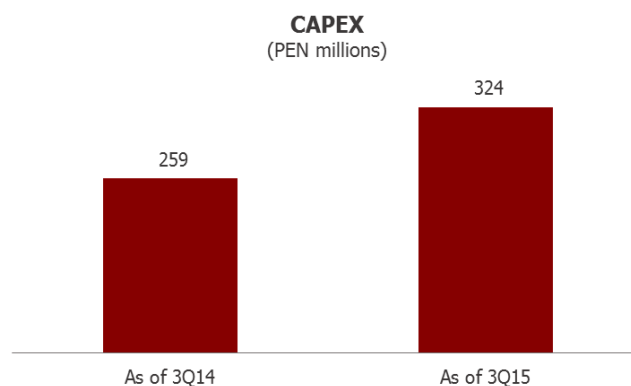
Accumulated as of 3Q15, EBITDA was PEN 957 million, a figure 38.3% higher than that of 3Q14. This increase is explained by the consolidation of UNACEM Ecuador and by improvements in our operating results in UNACEM stand-alone in Peru.

■ Debt



As of September 30th, 2015, Net Debt/EBITDA ratio was 3.7x and Proforma Net Debt/EBITDA ratio, including 12 months from Ecuador, was 3.6x. Our Debt in PEN increased due to FX effect.

■ CAPEX



As of September 30th 2015, CAPEX totaled PEN 324 million, 25.1% higher than 3Q14. 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 is developing the Hidro Marañon power plant and Preansa started the construction of its plant in Colombia.

IV. MAJOR SUBSIDIARIES AND AFFILIATES

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

■ UNICON Consolidated

UNICON Consolidated

		As of 3Q14	As of 3Q15	Var. %
Volume of ready mix sold	(m3 million)	2.16	2.12	-2.0%
Revenues	(PEN million)	743	731	-1.6%

Includes Firth and all of UNICON’s business units.

As of September 30th 2015, UNICON's revenues decreased by 2.0% compared to 2014, due to lower volumes sold during the period.

■ Celepsa

Celepsa

		As of 3Q14	As of 3Q15	Var. %
Energy sold	(MWh)	929	1,067	14.8%
Revenues	(PEN million)	201	237	17.6%

Celepsa's sales recorded a 14.8% increase as of 3Q15 compared to the same period of 2014. On the other hand, its operating profit decreased 12.1% due energy purchases that affected its margins.

■ UNACEM Ecuador

UNACEM Ecuador

		As of 3Q14	As of 3Q15	Var. %
Volume sold	(tons)	1,081	1,040	-3.8%
Sales	(PEN million)	391	422	8.0%

UNACEM Ecuador's volume sold fell by 3.8% as of 3Q15 with respect to 3Q14. However, due to operational efficiencies, EBITDA in USD recorded an increase of 0.7% at the close of 3Q15.

V. SHARES AND BONDS

UNACEMC1

Shares	Number	1,646,503,430
Market capitalization	PEN million	2,914
Current quote	PEN	1.770
Minimum quote	PEN	1.740
Maximum quote	LTM	2.510
Return		-39.1%

Source: Bloomberg.

UNACEM 2021 5 7/8 Corp	September 30,	Since Issuance	
	2015	Min.	Max
Price	97.35	96.25	103.60
Yield	6.41%	6.63%	5.25%

Source: Bloomberg.

VI. SIGNIFICANT EVENTS

- ▶ According to the dividend policy adopted at the General Shareholders' Meeting held on March 31st 2015, the Board of Directors' declared on July 18th 2015, a cash dividend of PEN 0.013 per common share, a total of PEN 21,404,544 that was paid on August 24th, 2015, and will be charged to the Retained Earnings FY 2008.
- ▶ At the Board meeting held on September 23th, 2015, it was agreed to pay a cash dividend of PEN 0.013 per ordinary share, payable on November 25th, 2015. This total dividend will be PEN 21,404,544 and will be charged to the Retained Earnings FY 2008.
- ▶ On October 30th 2015, Standard & Poor's confirmed its 'BB+' corporate credit and issue-level ratings on Union Andina de Cementos S.A.A. and Subsidiaries (UNACEM). The outlook on the corporate credit rating remains stable.

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