

NEWSLETTER

1Q16

UNACEM S.A.A. AND SUBSIDIARIES CONSOLIDATED

I. EXECUTIVE SUMMARY

- ▶ Consolidated revenues as of 1Q16 were PEN 855 million, 8.1% lower than consolidated revenues as of 1Q15.
- ▶ Consolidated EBITDA as of 1Q16 was PEN 288 million, 14.1% lower than consolidated EBITDA as of 1Q15.
- ▶ The consolidated net profit as of 1Q16 rose PEN 128 million versus PEN 28 million reached on 1Q15, explained mostly by FX impact.

The most important figures for the quarter are shown below:

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

	1Q15	1Q16	Var. %	Mar-15 LTM	Mar-16 LTM	Var. %
Net Revenues	930	855	-8.1%	3,342	3,587	7.3%
EBITDA	335	288	-14.1%	1,139	1,204	5.7%
EBITDA Margin	36%	34%	---	34%	34%	---
Net Income	28	128	352.8%	248	111	-55.5%
Net Margin	3%	15%	---	7%	3%	---

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
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	5,516	5,565	5,546	11,181
2016	I	1,341	1,267	1,258	2,681
	I-IV	1,341	1,267	1,258	2,681
Variation					
	16-I/15-I	-0.2%	-7.4%	-7.3%	0.6%
	16-I/15-IV	-17.2%	-11.0%	-11.4%	-12.5%

Source: UNACEM, ASOCEM, SUNAT.

■ Production

UNACEM's clinker production in Peru during 1Q16 totaled 1.3 million tons, figure 0.2% lower than the production recorded as of 1Q15. With respect to 4Q15, clinker production was 17.2% lower; this decrease was due to the programmed annual shutdown of Kiln 2 in the Atocongo plant for maintenance and kiln 3 at the Condorcocha plant.

Cement production in Peru as of 1Q16 rose 1.3 million tons, a 7.4% decrease with respect to the same period of 2015. This decrease responds to a lower demand of the local market.

Considering the production of both plants the combined utilization rate, as of March 31st 2016, was 80.1% of clinker and 61.1% of cement.

■ Peruvian Domestic Market

UNACEM's local cement dispatches during the first quarter of the year totaled 1.3 million tons, figure 7.3% lower than the production recorded at the same period of 2015. This decrease was due to the delay in the execution of important infrastructure projects and the volatile first round of the presidential campaign.

As of March 31st 2016, total cement dispatches in the Peruvian market reached 2.7 million tons, approximately, according to 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 46.9%, slightly higher than the 46.4% recorded during 4Q15; however, it was lower than the 51.0% reached on 1Q15.

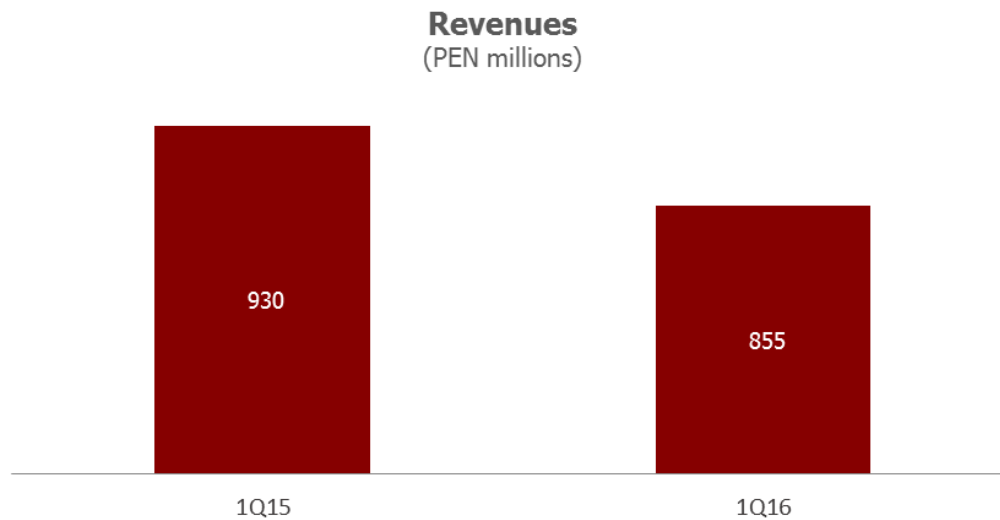
■ Exports and Port Operations

As of the 1Q16, the total volume of exported clinker through our Conchan pier was 50,000 tons, 64% lower than the volume exported on 1Q15. This decrease is explained by the global demand contraction, particularly in Asia.

In addition, the tonnage of bulk solids operated by the Conchan pier decreased 50.6% compared to 1Q15. During the first quarter, in addition to the clinker exports, the main products handled in the Conchan pier were gypsum and coal, and some grain cargo unloaded for third parties.

III. UNACEM AND SUBSIDIARIES CONSOLIDATED - FINANCIAL RESULTS

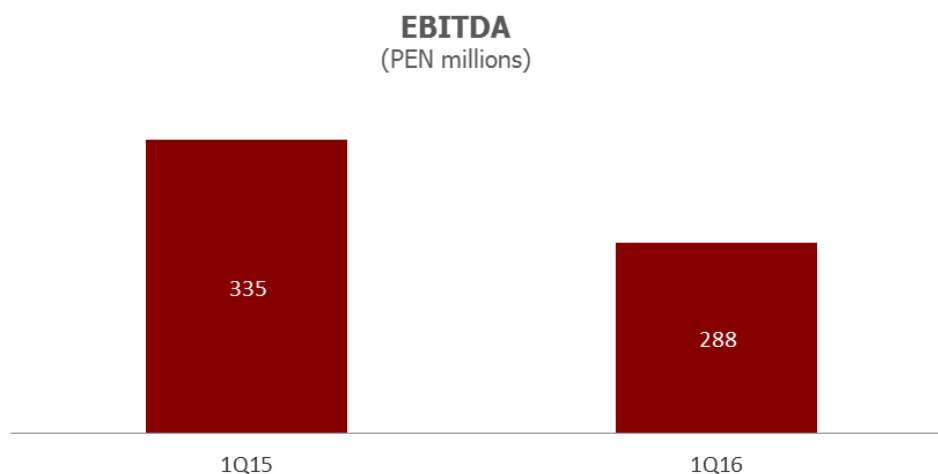
- Consolidated revenues



Consolidated revenues as of 1Q16 were PEN 855 million, 8.1% lower than the 1Q15.

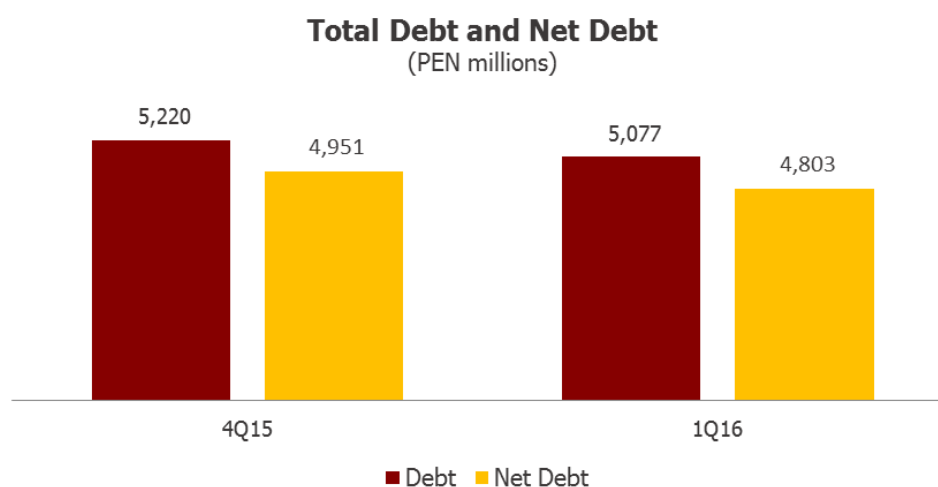
This decrease is explained by the contraction of the cement and ready mix volumes sold in Peru, net from a higher average price.

■ EBITDA



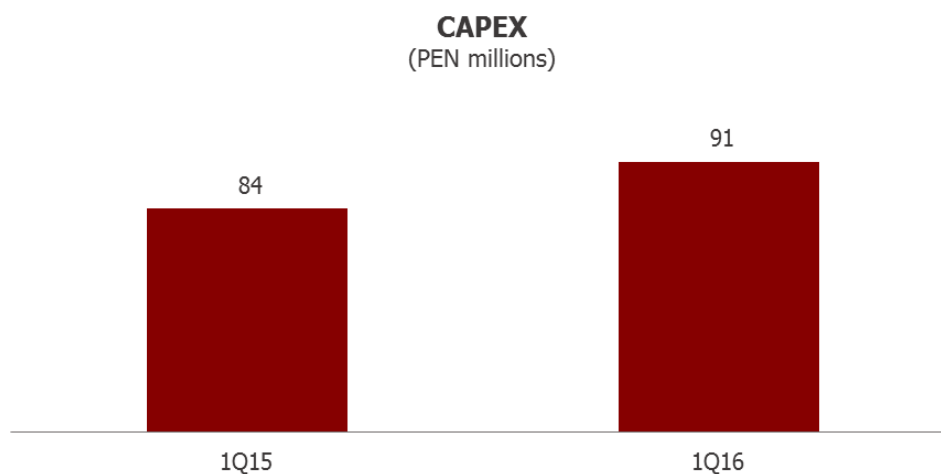
EBITDA as of 1Q16 was PEN 288 million, a figure 14.1% lower than that of 1Q15.

■ Debt



As of March 31st, 2016, Net Debt/EBITDA ratio was 4.0x. Our Debt in PEN recorded a decrease due to maturities payment and a lower FX rate.

■ CAPEX



As of March 31st 2016, CAPEX totaled PEN 91 million, 8.4% higher than similar period of 2015. Of the total figure, the main disbursements correspond to UNACEM’s stand-alone investments in Carpapata III Hydroelectric Power plant, located in Condorcocha. Additionally, we consider Celepsa’s work in progress on the development of the Hidro Marañón 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

		1Q15	1Q16	Var. %
Volume of ready mix	(thousands of m3)	679	624	-8%
Revenues	(PEN million)	245	187	-23%

Includes Concremax and all business units of UNICON

UNICON's revenues decreased by 23.0% compared to the same period of 2015, due to lower volumes sold during the period, which reached 624 thousand m³, explained by the conclusion of important mining projects that were in progress in our area of influence during the previous year.

■ Celepsa

Celepsa

		1Q15	1Q16	Var. %
Sales of energy	(GWh)	428	445	4%
Revenues	(PEN million)	91	95	5%

Celepsa's energy sales recorded a 4% increase as of 1Q16 compared to the same period of 2015, due to higher demand from our contracted clients.

■ UNACEM Ecuador

UNACEM Ecuador

		1Q15	1Q16	Var. %
Sales of cement	(in thousand tons)	328	276	-16%
Sales	(PEN million)	131	123	-6%

UNACEM Ecuador's volume sold fell by 16% with respect to 1Q15 due to a slowdown of the economy and construction sector, and a cut on the public budget explained by the impact of international oil prices. EBITDA, as

measured in USD, recorded a lower decrease of only 10% during the period, as a result of a reduction in costs and expenses.

V. SHARES AND BONDS

UNACEMC1

Shares	Number	1,646,503,430
Market capitalization	PEN million	3,705
Current quote	PEN	2.250
Minimum quote	LTM / PEN	1.300
Maximum quote	LTM / PEN	2.510
Return	YTD	4.0%

Source: Bloomberg as of 03.31.2016

UNACEM 2021 5 7/8 Corp	March 31	Since Issuance	
	2016	Min.	Max
Price	100.25	94.05	103.60
Yield	5.82%	7.16%	5.25%

Source: Bloomberg as of 03.31.2016.

VI. SIGNIFICANT EVENTS

- ▶ The Board agreed on January 29th, 2016, to pay a cash dividend of PEN 0.013 per ordinary share, to be paid from March 2nd, 2016. This dividend added PEN 21,404,544 and was charged to Retained Earnings FY 2008 and 2009.
- ▶ On March 29th, 2016, we held an Annual Shareholder´s Meeting that agreed on:
 - Appoint the Board of Directors for the 2016-2018 period,
 - Approve the 2015 Separated Financial Statements, and
 - Delegate to the Board the designation of external auditors for 2016.

- ▶ At the Board meeting held on April 29th, 2016, it was agreed to pay a cash dividend of PEN 0.013 per ordinary share, payable on June 1st, 2016. This dividend will be PEN 21,404,544 and will be charged to Retained Earnings FY 2009.

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