

## Swiss Roadshow

Genève & Zurich, Sep 30 - Oct 01 , 2010

# Executive summary

## ▪ Volumes

- Relevant improvement in Q2: cement volumes increase by 8.0%
- Italy still below last year's level despite Q2 recovery (+13.1%)
- USA continue to experience difficult trading conditions, also due to adverse climate
- Central Europe shows some positive growth, especially in Luxembourg
- Eastern Europe: strong rebound in Russia and Ukraine, moderate recovery in Poland  
Czech Republic still at the bottom of the cycle
- Mexico lags behind in reason of a difficult comparison base

## ▪ Prices

- Positive development in Luxembourg and Mexico only
- Italian prices declining sharply in Q2
- Worsening scenario in Eastern Europe; US is stabilizing on Q1 levels

## ▪ Foreign Exchange

- Strengthening of emerging countries' currencies provides positive contributions to results

## ▪ Costs

- Deflationary environment still in place, but negative trend throughout the six months

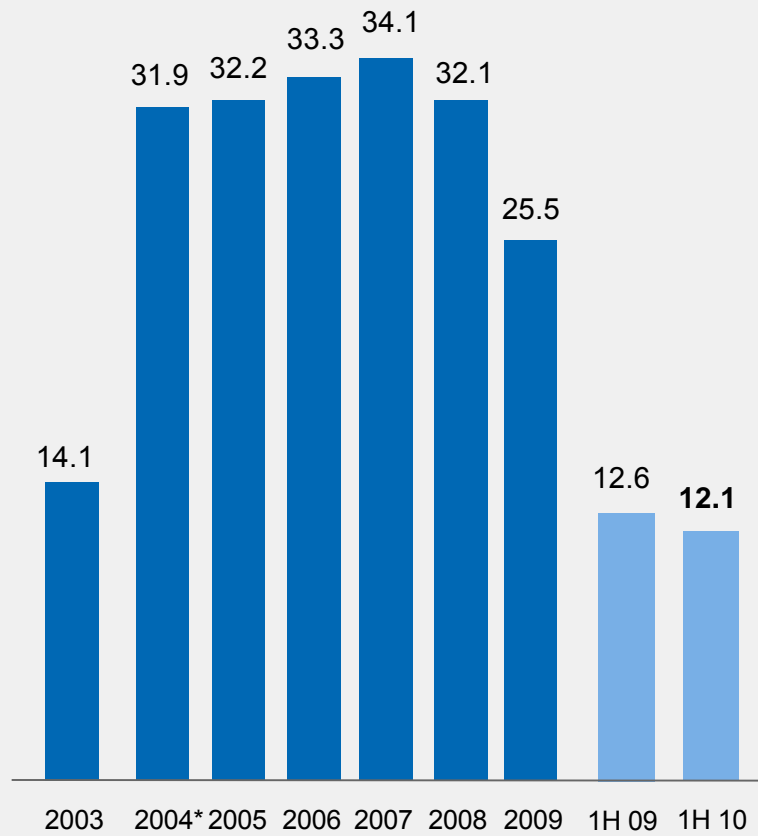
## ▪ Results

- Revenues at €m 1,227.2 versus €m 1,346.0 in 1H 09 (-8.8%)
- EBITDA at €m 189.3 (-24.0%) and Net Profit at €m 17.0 (-69.5%)

# Volumes

## Cement

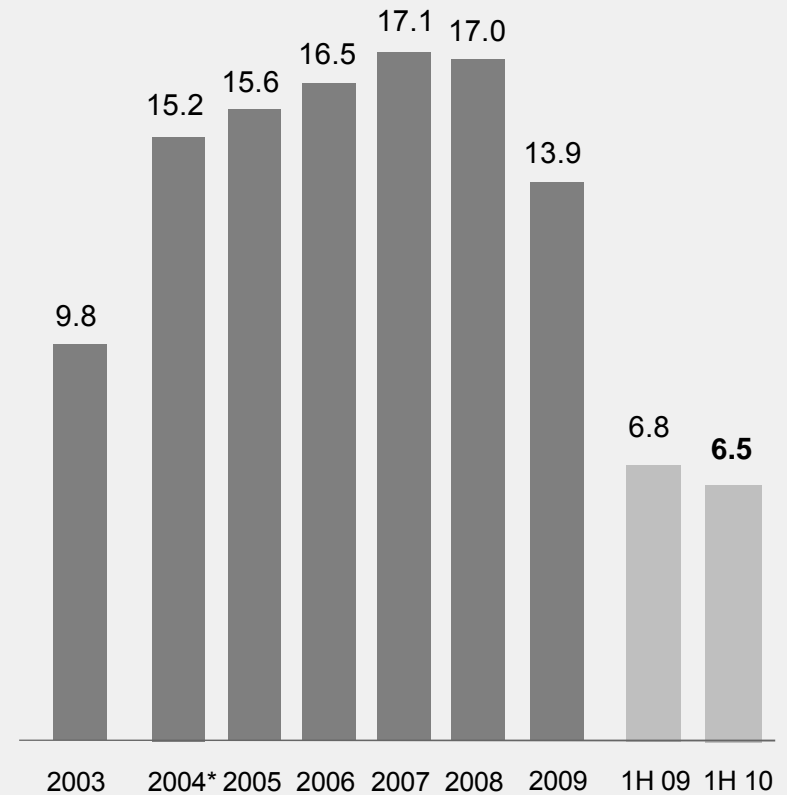
(m ton)



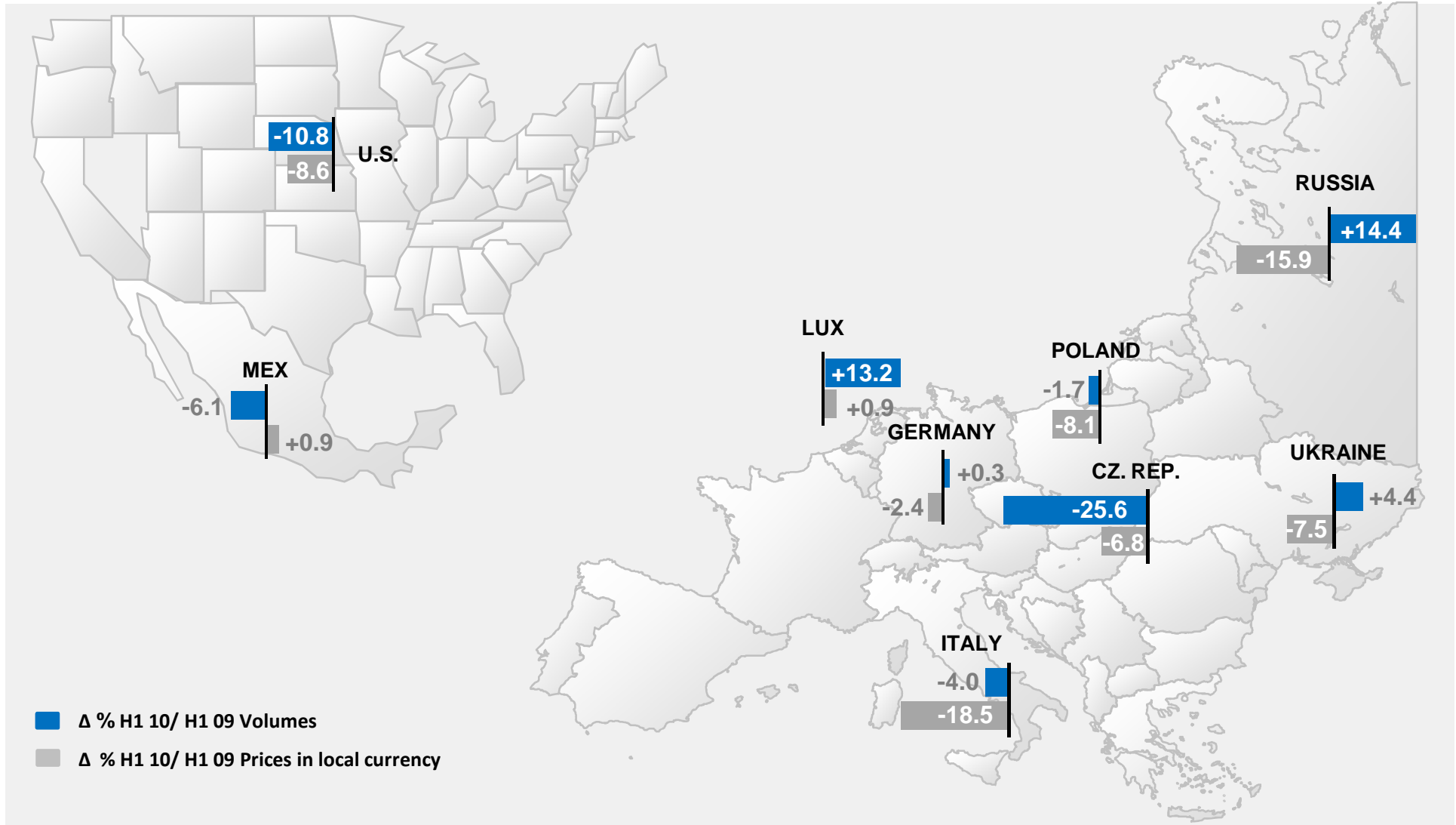
\* First time consolidation of Dyckerhoff

## Ready-mix concrete

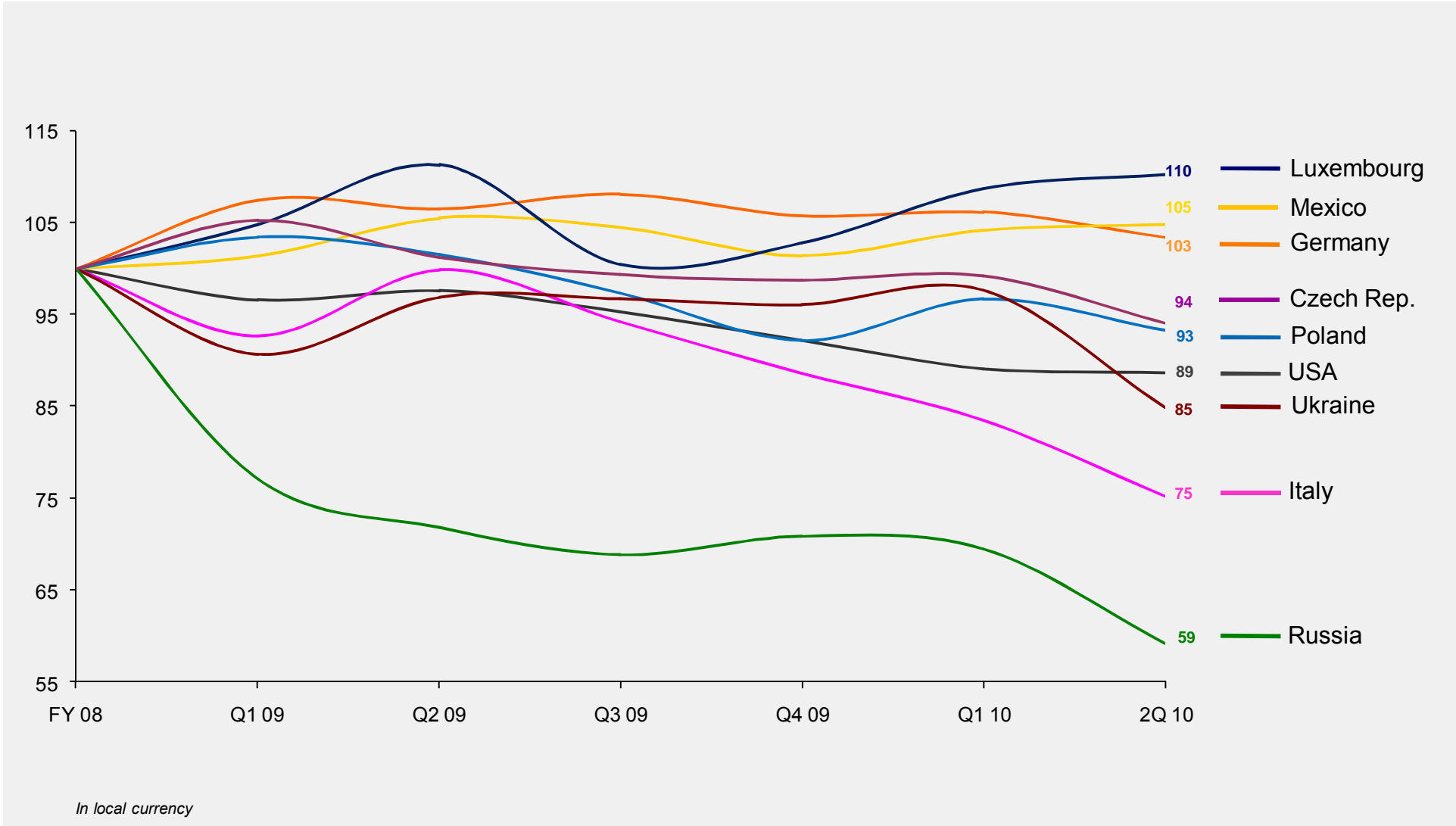
(m m3)



# Cement volumes and prices



# Cement prices by country



## FX changes

	1H 10	1H 09	Δ
EUR 1 =	avg	avg	%
USD	1.33	1.33	+0.3
MXN	16.83	18.43	+8.7
CZK	25.73	27.15	+5.2
PLN	4.00	4.47	+10.6
UAH	10.59	10.50	- 0.9
RUB	39.92	44.10	+9.5

## Net sales by country

EURm	1H 10	1H 09	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
Italy	308.1	372.1	(64.0)	-17.2	-	(2.2)	-16.7
United States of America	281.4	326.7	(45.2)	-13.8	0.8	-	-14.1
Germany	242.2	247.1	(5.0)	-2.0	-	1.5	-2.6
Luxembourg	45.4	39.7	5.7	+14.5	-	-	+14.5
Netherlands	52.0	54.9	(2.9)	-5.2	-	1.5	-7.9
Czech Republic/Slovakia	63.8	80.2	(16.4)	-20.4	2.9	-	-24.1
Poland	56.0	56.7	(0.6)	-1.1	5.9	-	-11.5
Ukraine	32.4	33.5	(1.1)	-3.4	(0.3)	-	-2.6
Russia	55.7	49.5	6.1	+12.3	5.3	-	+1.7
Mexico	101.7	96.1	5.6	+5.8	8.9	-	-3.4
<i>Eliminations</i>	(11.4)	(10.4)	(1.0)				
<b>Total</b>	<b>1,227.2</b>	<b>1,346.0</b>	<b>(118.8)</b>	<b>-8.8</b>	<b>23.5</b>	<b>0.8</b>	<b>-10.7</b>

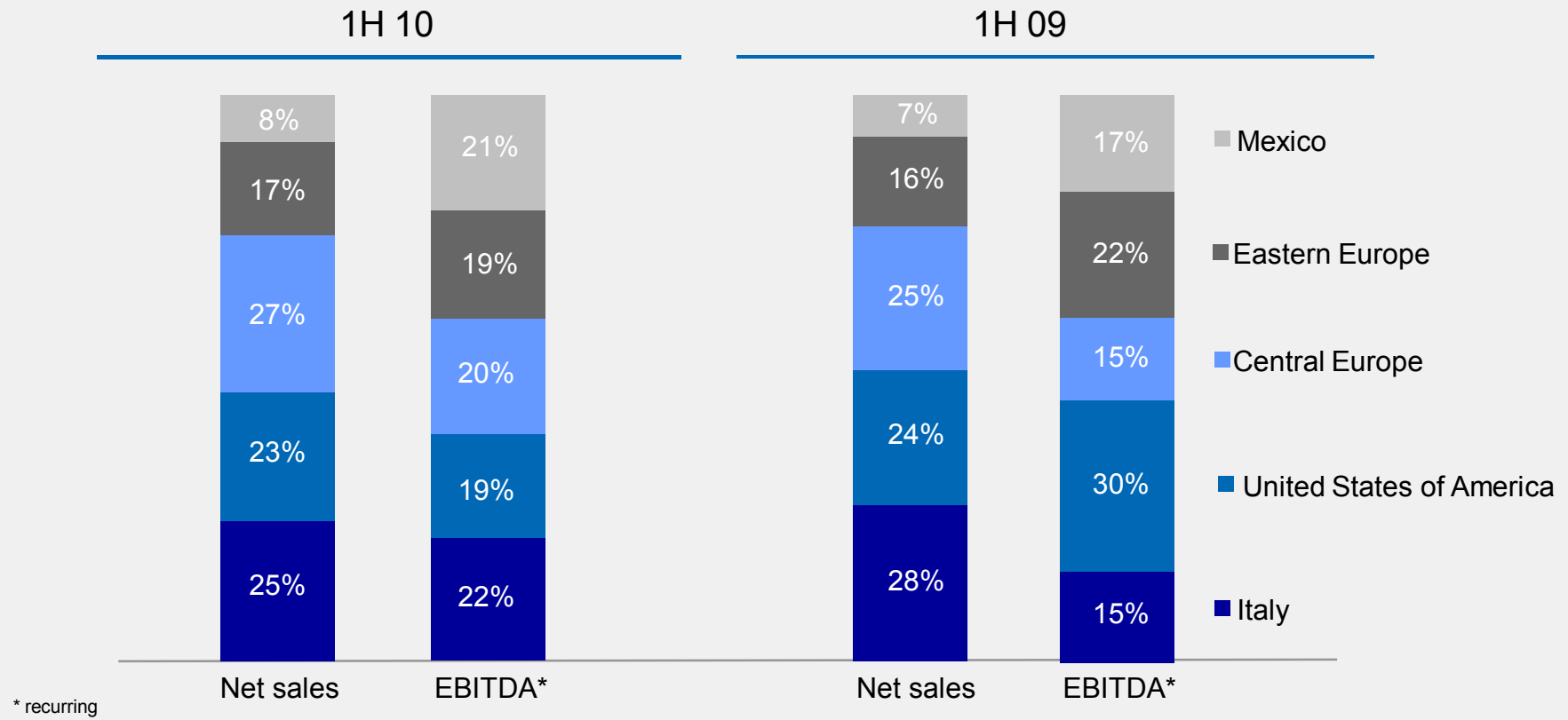
## EBITDA by country

EURm	1H 10	1H 09	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
Italy	40.9	33.6	7.3	+21.6	-	1.6	+16.1
United States of America	35.1	60.4	(25.3)	-41.9	0.1	-	-42.1
recurring	35.1	66.2	(31.1)	-47.0	0.1	-	-47.1
Germany	32.3	62.6	(30.3)	-48.4	-	0.4	-49.1
recurring	32.3	25.2	7.1	+28.2	-	0.4	+26.5
Luxembourg	5.6	5.6	0.01	-0.2	-	-	-0.2
Netherlands	0.6	0.9	(0.3)	-33.7	-	(0.02)	-31.8
Czech Republic/Slovakia	11.7	18.7	(7.0)	-37.4	0.7	-	-41.3
Poland	12.7	17.7	(5.0)	-28.2	1.3	-	-35.7
Ukraine	-7.2	-9.2	2.0	22.2	0.1	-	+21.5
Russia	18.5	21.1	(2.6)	-12.4	1.7	-	-20.7
Mexico	39.0	37.6	1.5	+3.9	3.4	-	-5.2
<b>Total</b>	<b>189.3</b>	<b>249.0</b>	<b>(59.7)</b>	<b>-24.0</b>	<b>7.4</b>	<b>2.0</b>	<b>-27.6</b>
recurring	189.3	217.4	(28.1)	-12.9	7.4	2.0	-17.1

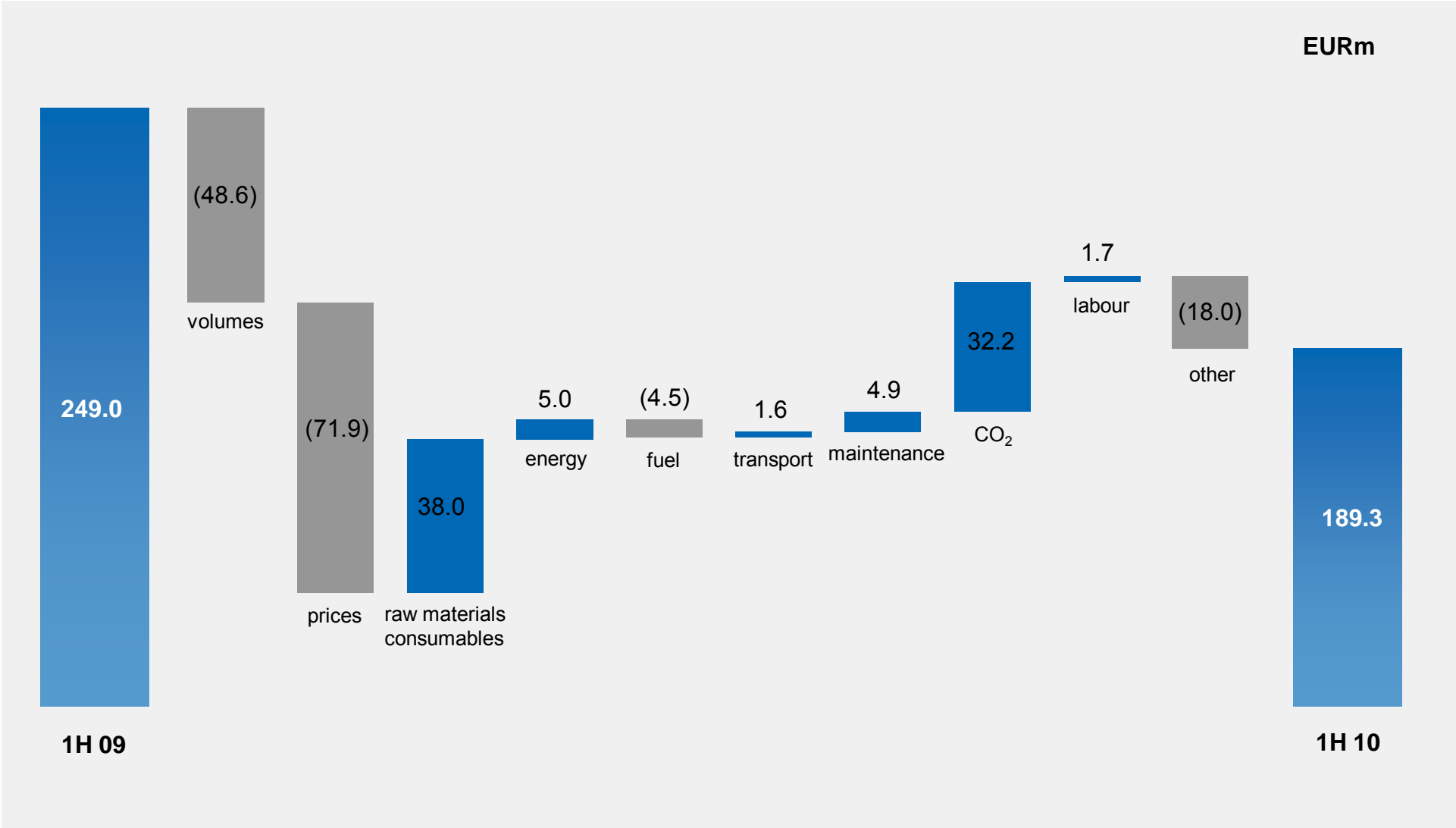


# Net sales and EBITDA development

- Italy improves its EBITDA only thanks to CO<sub>2</sub> sales (€m 28.0)
- US and Eastern Europe suffering from lower EBITDA margins
- Increased profitability in Germany (from 10.2% to 13.3%) drives higher contribution of Central Europe



# EBITDA Variance Analysis



## Energy cost – cement business

- Still favorable overall energy cost vs. H1 09 despite negative trend during the period
- Italy continues to enjoy cost deflation both in energy and fuel
- Mexico penalized by increases in power cost per ton
- Poland and Russia lead the poor performance of Eastern Europe



*Δ % H1 10/H1 09 energy cost / ton*

# Consolidated Income Statement

EURm	1H 10	1H 09	Δ	Δ
			abs	%
<b>Net Sales</b>	<b>1,227.2</b>	<b>1,346.0</b>	<b>(118.8)</b>	<b>-8.8</b>
<b>Operating cash flow (EBITDA)</b>	<b>189.3</b>	<b>249.0</b>	<b>(59.7)</b>	<b>-24.0</b>
of which, non recurring	0.0	31.6	(31.6)	
% of sales (recurring)	15.4%	16.2%		
Depreciation and amortization	(116.2)	(112.3)	(4.0)	
<b>Operating profit (EBIT)</b>	<b>73.0</b>	<b>136.8</b>	<b>(63.7)</b>	<b>-46.6</b>
% of sales	6.0%	10.2%		
Net finance cost	(49.9)	(59.4)	9.5	
Equity earnings	3.0	3.0	0.1	
<b>Profit before tax</b>	<b>26.3</b>	<b>80.3</b>	<b>(54.0)</b>	<b>-67.3</b>
Income tax expense	(9.3)	(24.7)	15.4	
<b>Net profit</b>	<b>17.0</b>	<b>55.6</b>	<b>-38.6</b>	<b>-69.5</b>
Minorities	(11.8)	(15.0)	3.2	
<b>Consolidated net profit</b>	<b>5.1</b>	<b>40.6</b>	<b>(35.5)</b>	<b>-87.4</b>
<b>Cash flow <sup>(1)</sup></b>	<b>133.2</b>	<b>167.9</b>	<b>(34.7)</b>	<b>-20.6</b>

(1) Net Profit + amortization & depreciation

# Consolidated Cash Flow Statement

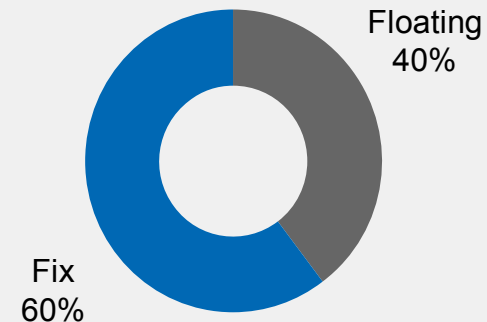
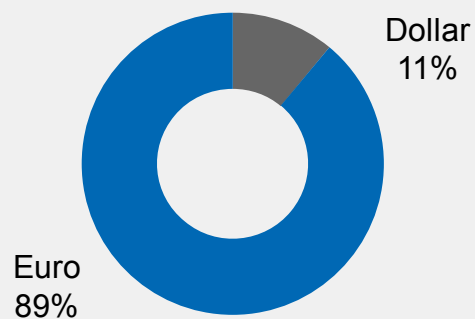
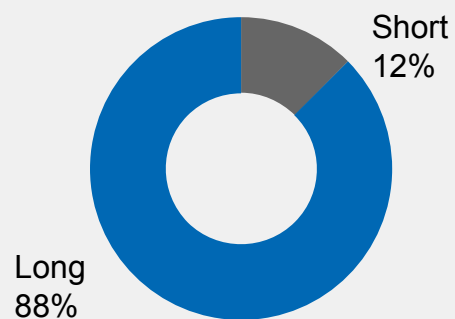
EURm	1H 10	1H 09	2009
<b>Cash flow <sup>(1)</sup></b>	<b>133.2</b>	<b>167.9</b>	<b>390.1</b>
% of sales	10.9%	12.5%	14.6%
Changes in working capital	6.9	(79.6)	(4.4)
Equity earnings	(3.0)	(3.0)	(5.9)
Other non-cash items <sup>(2)</sup>	(21.6)	(39.3)	(121.4)
<b>Net cash by operating activities</b>	<b>115.5</b>	<b>46.0</b>	<b>258.5</b>
% of sales	9.4%	3.4%	9.7%
Capital expenditures	(163.7)	(197.2)	(383.9)
Equity investments	(4.0)	(4.5)	(6.1)
Dividends paid	(28.6)	(92.2)	(96.2)
Dividends from associates	4.4	3.1	6.4
Disposal of fixed assets and investments	6.9	4.9	19.1
Translation differences	4.4	1.3	36.5
Other	11.6	14.6	16.1
<b>Change in net debt</b>	<b>(53.5)</b>	<b>(224.1)</b>	<b>(149.5)</b>
<b>Net financial position (end of period)</b>	<b>(1,262.8)</b>	<b>(1,283.8)</b>	<b>(1,209.3)</b>

(1) Net Profit + amortization & depreciation (2) Capital gains, change in deferred tax, provisions, share based payments

# Net Financial Position

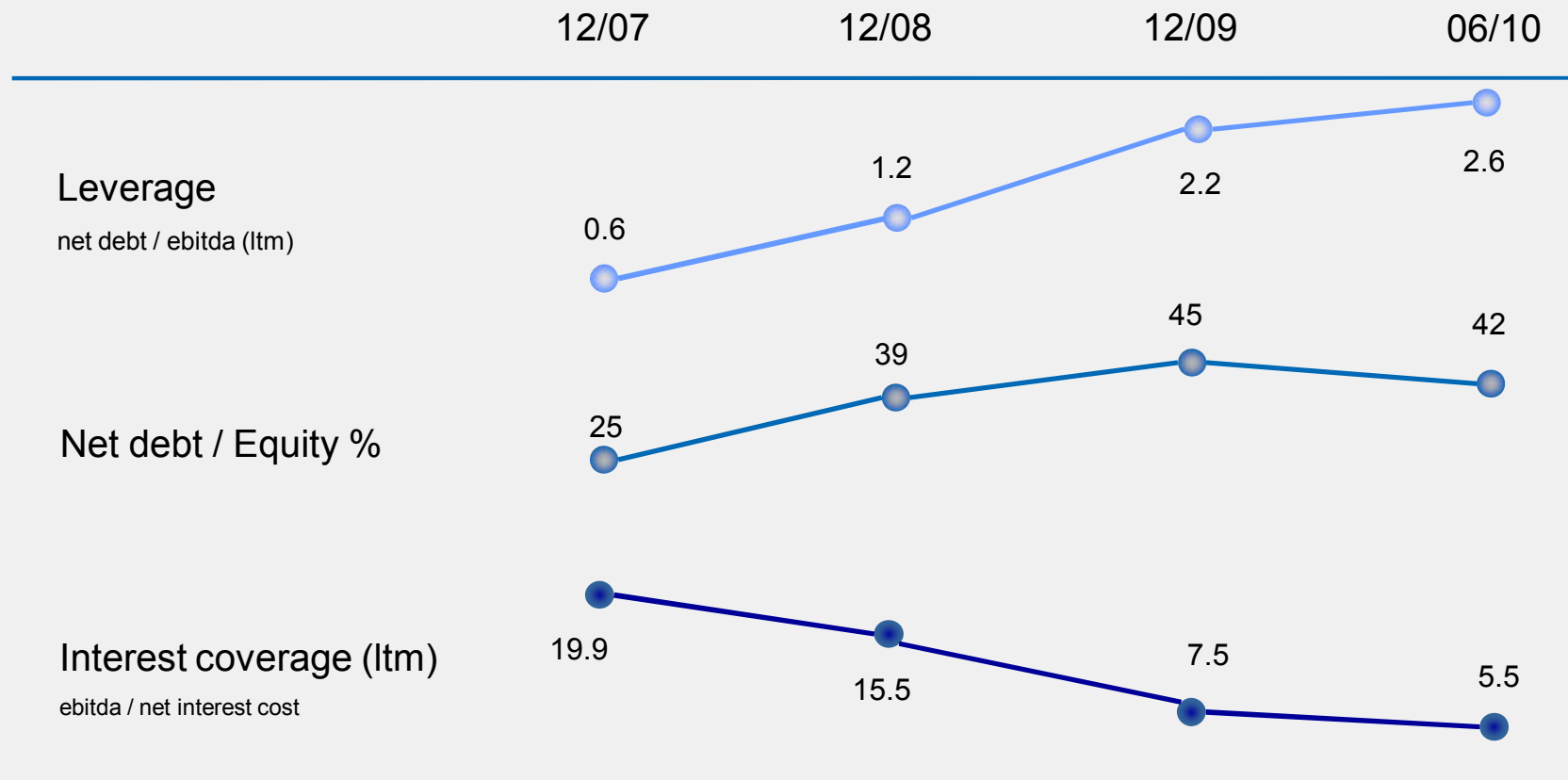
	Jun 10	Dec 09	Δ	Jun 09
<b>EURm</b>			abs	
Cash and other financial assets	503.2	706.3	(203.1)	409.8
Short-term debt	(224.5)	(419.9)	195.3	(638.5)
<b>Net short-term cash</b>	<b>278.6</b>	<b>286.5</b>	<b>(7.9)</b>	<b>(228.7)</b>
Long-term financial assets	36.0	16.1	19.9	19.7
Long-term debt	(1,577.5)	(1,511.8)	(65.6)	(1,074.8)
<b>Net debt</b>	<b>(1,262.8)</b>	<b>(1,209.3)</b>	<b>(53.5)</b>	<b>(1,283.8)</b>

Gross debt breakdown (€m 1,802.0)



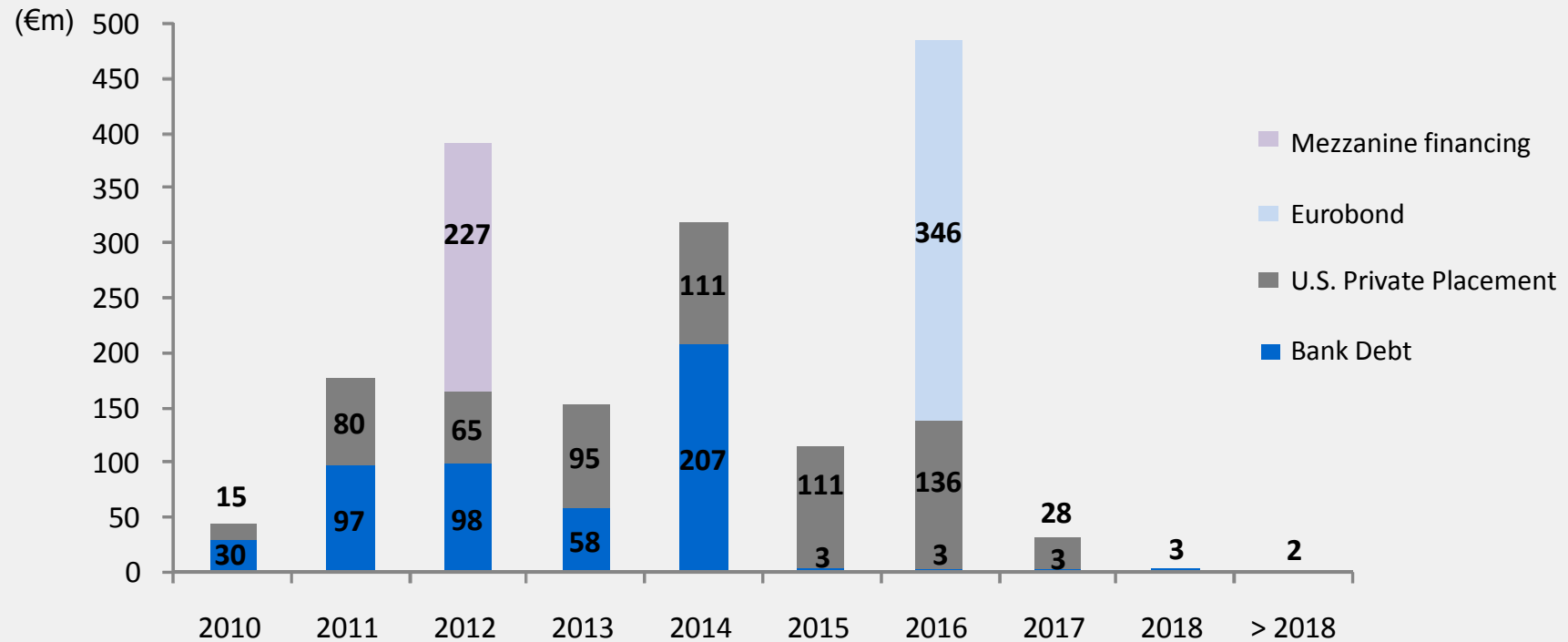
# Financial condition

- Weakening of financial ratios' performance due to declining economic results and sizable capex commitment
- Relevant improvement already from 2011 thanks to strengthening of trading conditions and full completion of expansion projects






























# Debt maturity profile

- Bank debt and financing stood at €1,720m at June end
- As of June 2010 the Group had €787m of undrawn facilities (€511m at Buzzi Unicem, €276m at Dyckerhoff)
- In April 1, 2010 the \$200m USPP at RC Lonestar was funded; \$170m are due between 2014-2016 (fixed rate), while \$30m are due 2016 (floating rate)





# Expected trading in 2010

		$\Delta$ Volume	$\Delta$ Price
	Italy		
	United States of America		
	Germany		
	Luxembourg		
	Czech Republic		
	Poland		
	Ukraine		
	Russia		
	Mexico		

Note: Prices in local currency

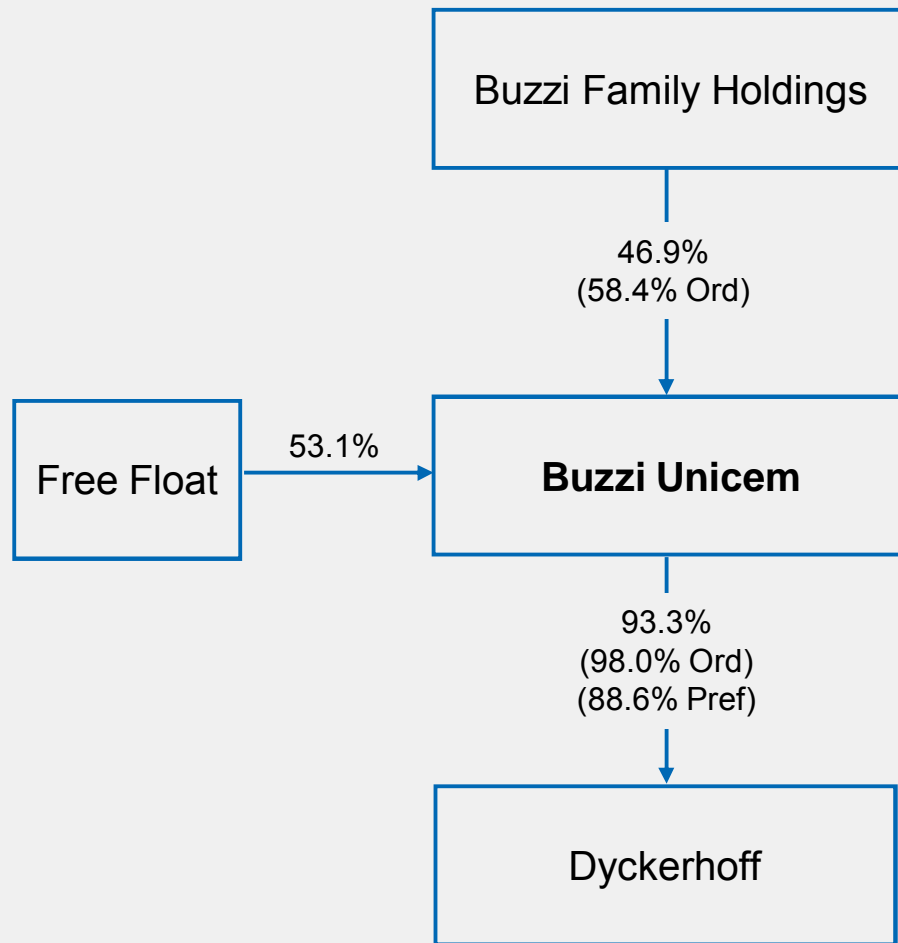
# Company profile & strategies

## Buzzi Unicem at a Glance

- International multi-regional, “heavy-side” group, focused on cement, ready-mix and aggregates
- Dedicated management with long-term vision for the business
- Highly efficient, low cost producer with strong and stable cash flows
- Successful geographic diversification with leading positions in attractive markets
  - Italy (# 2 cement producer, 16% market share), US (# 5 cement producer, 9% market share), Mexico (# 4 cement producer, 11% market share), Germany (# 2 cement producer, 15% market share)
  - Significant positions in Luxembourg, The Netherlands, Poland, Czech Republic, Slovakia, Russia and Ukraine, as well as entry point in Algeria
- High quality and environmentally friendly assets
- Leading product and service offering
- Conservative financial profile and balanced growth strategy

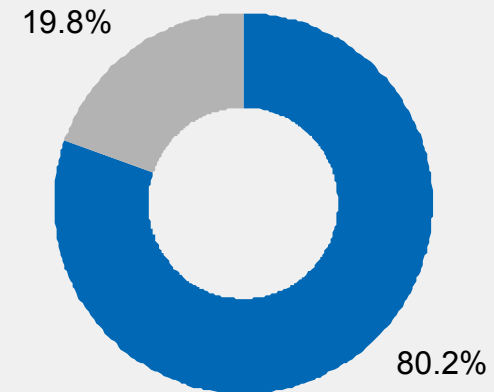
***“Value creation through lasting, experienced know-how and operating efficiency”***

# Ownership structure



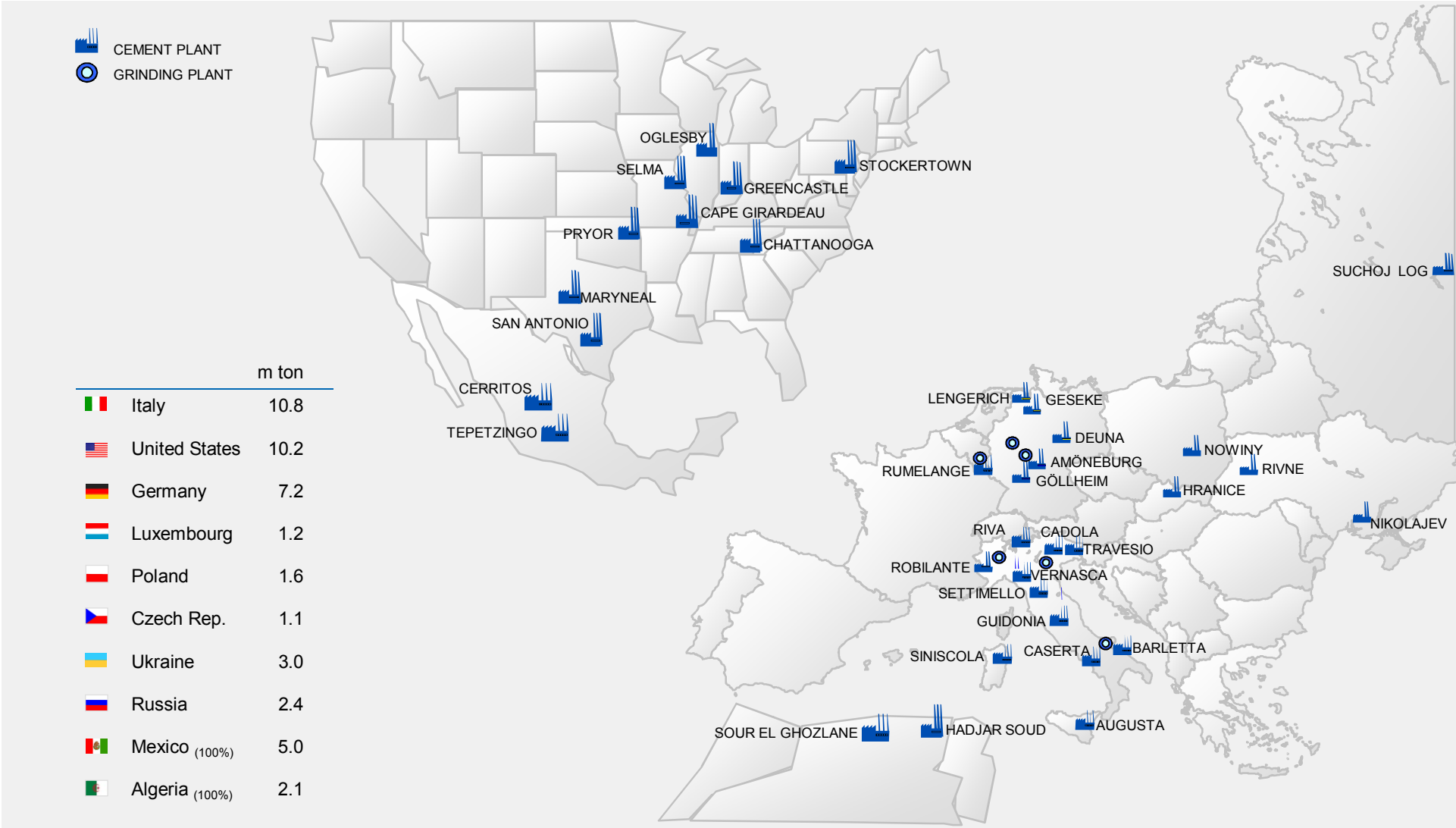
Share capital

■ Ordinary	165,349,149
■ Savings	40,711,949
<b>Total shares</b>	<b>206,061,098</b>

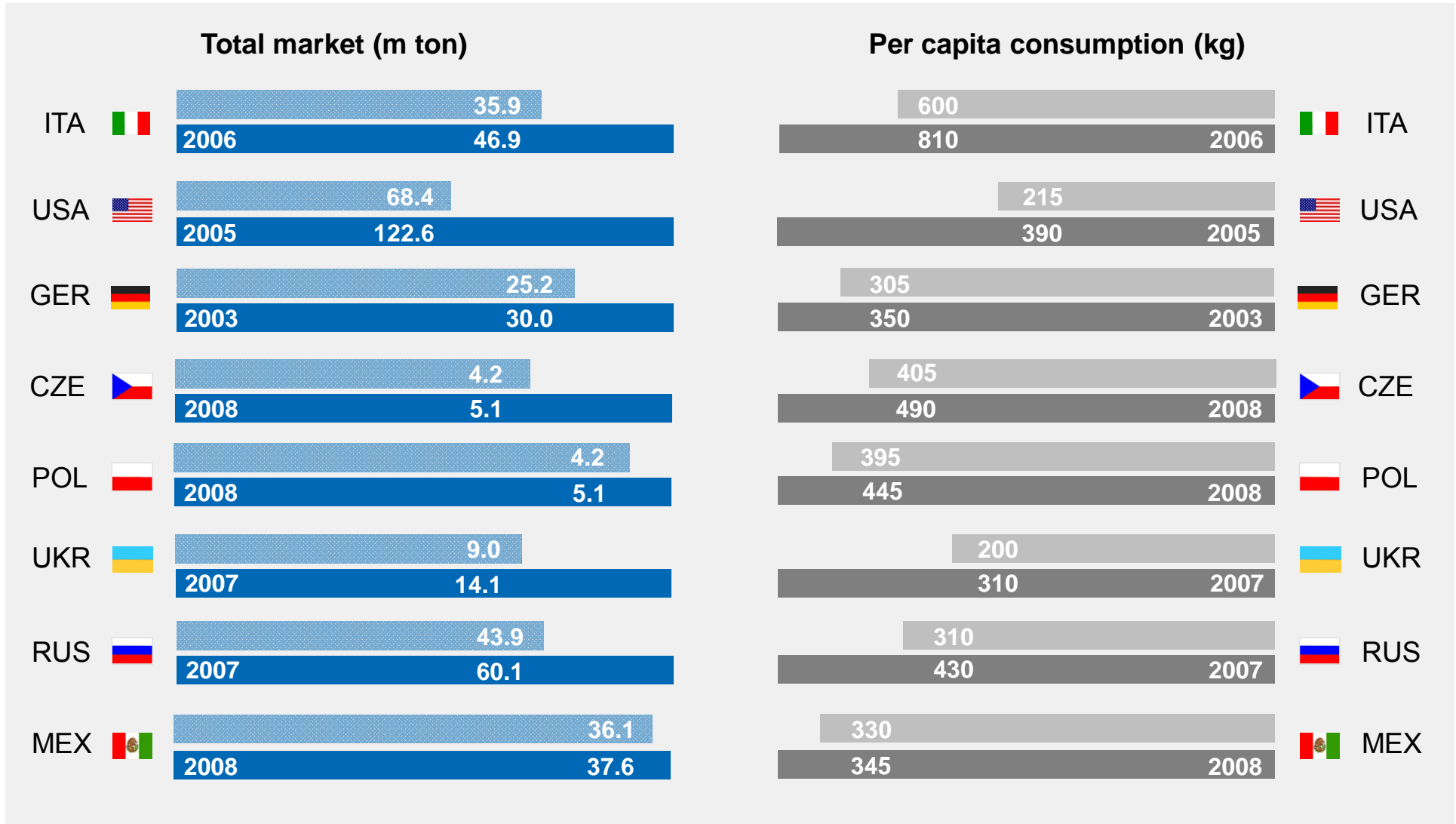


As of August 31, 2010











# Cement plants location and capacity



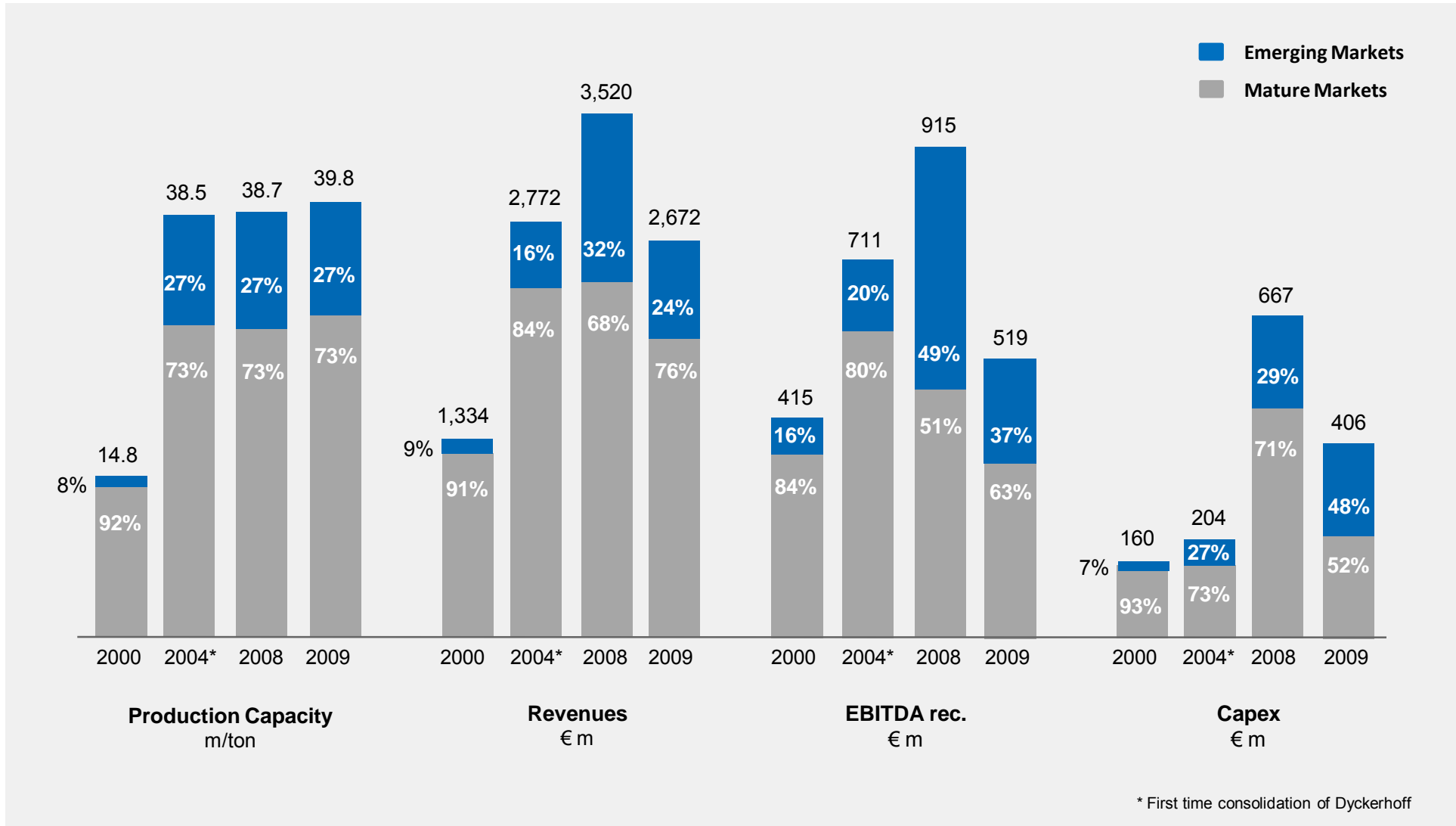
# 2009 Consumption vs. Peak (2003-2009)



# Historical EBITDA evolution by country

		EURm	2005	2006	2007	2008	2009	1H 2010
 Italy	EBITDA		239.8	235.8	206.4	143.4	92.7	40.9
	margin		25.5%	23.5%	21.5%	16.9%	13.1%	13.3%
 Germany	EBITDA		51.4	91.2	138.9	102.7	116.3	32.3
	margin		10.6%	19.0%	27.0%	17.3%	22.0%	13.3%
 Luxembourg	EBITDA		29.6	25.0	21.5	17.4	14.1	5.6
	margin		20.2%	29.9%	23.5%	19.5%	17.0%	12.4%
 Netherlands	EBITDA		-	-	8.1	7.2	4.5	0.6
	margin		-	-	5.8%	5.4%	4.0%	1.2%
 Czech Rep.	EBITDA		53.5	61.8	70.3	73.2	44.2	11.7
	margin		36.3%	33.9%	32.6%	28.1%	25.2%	18.4%
 Poland	EBITDA		22.9	33.5	52.1	70.0	31.2	12.7
	margin		28.9%	30.4%	36.5%	38.1%	25.7%	22.7%
 Ukraine	EBITDA		10.6	15.3	58.1	49.9	-4.5	-7.2
	margin		14.7%	14.2%	32.4%	23.8%	-6.0%	-22.1%
 Russia	EBITDA		33.3	53.2	94.7	173.2	42.1	18.5
	margin		36.7%	42.9%	47.9%	64.8%	42.6%	33.2%
 USA	EBITDA		283.5	322.5	304.1	205.8	131.3	35.1
	margin		34.0%	34.9%	35.7%	27.4%	21.4%	12.5%
 Mexico	EBITDA		76.1	92.8	91.9	79.9	69.9	39.0
	margin		46.7%	47.1%	43.4%	38.9%	38.7%	38.4%
<b>Group</b>	<b>EBITDA</b>		<b>800.8</b>	<b>931.1</b>	<b>1046.3</b>	<b>922.7</b>	<b>541.7</b>	<b>189.3</b>
	<b>margin</b>		<b>27.1%</b>	<b>29.1%</b>	<b>29.9%</b>	<b>26.2%</b>	<b>20.3%</b>	<b>15.4%</b>

# Group exposure to emerging markets





## Expansion capex – Completed



### River 7000 – USA

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- On stream since August, 2009
- 2.3 m tons total capacity (+1.0m new capacity)
- 1H 2010 Capex €m0.2, total Capex spent €m 263
- Total cost: €m 263
- Strong distribution system
- Cost saving thanks to increased efficiency



### Esch - LUX

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- On stream since October, 2009
- Expansion of grinding capacity
- 1H 2010 Capex €m 1.4, total Capex spent €m48
- Total cost: €m 48
- Higher revenues per ton thanks to increased added value

# Expansion capex – Completed



## Suchoi Log - RUS

- On stream since October, 2010
- Brownfield project, adding 1.2m tons
- 1H 2010 Capex €m 23.0, total Capex spent €m 175
- Estimated total cost: €m 200
- Dry technology enhances efficiency and profitability in the country



## Yug & Volyn - UKR

- On stream since June, 2010
- Change in fuel source, from natural gas to coal
- 1H 2010 Capex €m 1.4, total Capex spent €m69
- Reestablish positive EBITDA already in 2010
- Estimated total cost: €m 85

# Expansion capex – Ongoing key project



## Apazapan - MEX

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- To be completed in 4Q 10
- Greenfield project, 1.3m tons
- 1H 2010 Capex €m 36 , total Capex spent €m 125 (100%)
- Increase position in growing emerging market
- Estimated total cost: €m 100 (50%)

# Roll-out of additional capacity by project

			2010	2011	2012	2013	2014	> 2014	Add	Replace
			mt	mt	mt	mt	mt	mt	mt	mt
Start-up										
<b>COMPLETED</b>	USA Selma	Aug-09	0.9	0.2	0.1	0.2	0.2	0.7	1.0	1.3
	LUX Esch	Oct-09	0.2	0.1	0.1				0.4	
	RUS Suchoi Log (1)	Oct-10		0.4	0.5	0.3			1.2	
<b>ONGOING</b>	MEX Apazapan	4Q10		0.2	0.3	0.1			0.6	
<b>POSTPONED</b>	RUS Akbulak	tbd							2.2	
	GER Amöneburg (white)	tbd							0.2	
	UKR Volyn 2 (brownfield)	tbd							1.2	0.9
<b>Total</b>			1.1	0.9	1.0	0.6	0.2	0.7	6.8	2.2

(1) The new kiln will initially replace existing capacity and run close to full capacity from commissioning date.