

# Annual General Meeting

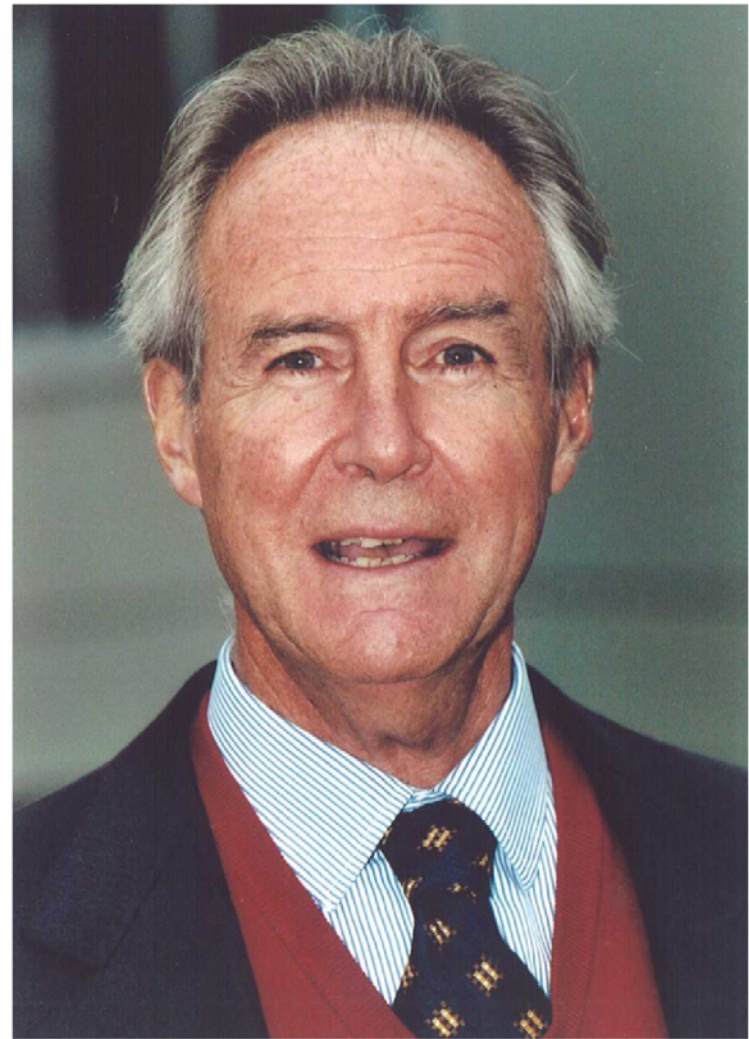
Casale Monferrato – 13 May 2011

## Franco Buzzi

1935-2011

He has been director of Buzzi Unicem SpA since its beginning in 1999. Previously, starting from the '70s, he has held the Chief Executive role of Buzzi Cementi SpA.

Franco Buzzi excelled at business administration and finance, but in reality he had a much vaster and deeper knowledge of the industry in which was born and raised. Together with the other representatives of the third family generation, he was a main architect of the stunning development our company experienced in the last 15 years, guiding it through the evolution from closely held to listed status and the further international expansion, always with a very clear strategic view. Franco's human qualities were even more marked than the professional ones: sensibility, humor, courage, morality, just to name a few. We are going to miss him dearly.



# Group structure

## BUZZI UNICEM SpA

CEMENT	READY-MIX CONCRETE & AGGREGATES	FOREIGN ACTIVITIES	RELATED ACTIVITIES
Buzzi Unicem 100%	Unical 100%	Alamo Cement USA 100%	Addiment Italia 50%
Cementi Moccia 50%	Altre partecipate 30-50%	Buzzi Unicem USA <sup>1</sup> USA 100%	Laterlite 33%
		Dyckerhoff <sup>2</sup> GER 98%	Premix 40%
		Corp. Moctezuma <sup>3</sup> MEX 50%	

As of May 2011

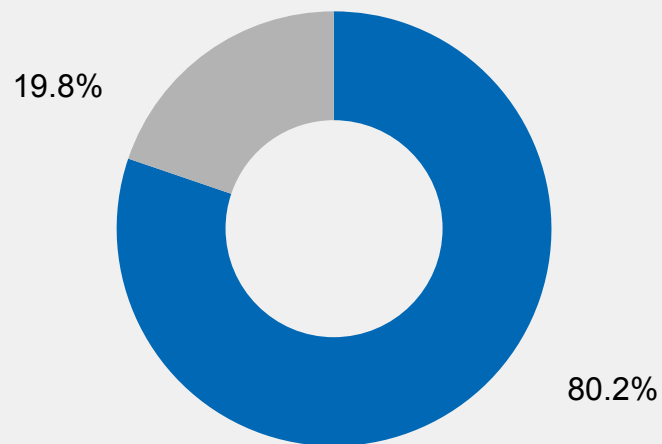
(1) 48.5% held by Dyckerhoff (2) % of voting rights (3) % ownership of controlling interest; 33% economic stake

△ Listed company

# Shares & Shareholders

## Share Capital

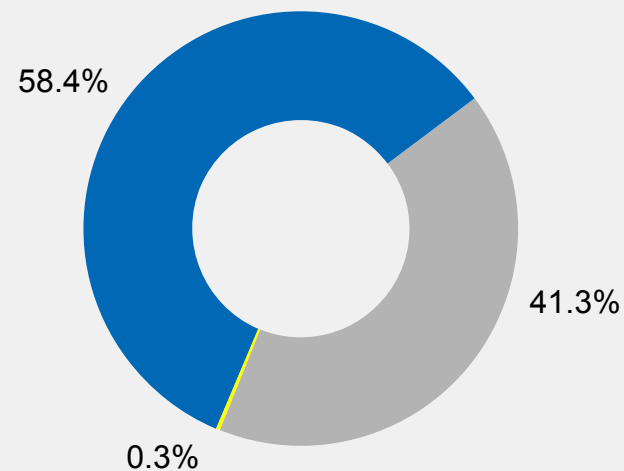
• Ordinary	165,349,149
• Savings	40,711,949
Number of shares	206,061,098



As of May 2011

## Voting Shareholders

• Buzzi family	96,550,000
• Free float	68.299.179
• Treasury shares	500,000



## Executive summary 2010 (1)

### ▪ **Volumes**

- Increase in cement volumes by 4%; relevant improvement in Q3/Q4
- Italy +5.5%, mainly due to export and clinker
- Confirmed positive growth in Central Europe, mainly in Luxembourg
- Only the USA and Czech Republic close with a decrease
- Eastern Europe +13.4%: strong rebound in Russia, Ukraine and Poland
- Mexico: +2.1% after recovery in Q3/Q4

### ▪ **Prices**

- Slight increase in Luxembourg; steady in Mexico
- Italy -22.8%: no further decline since August 2010
- Worsening scenario for Eastern Europe and USA; slight increase in Russia during Q4

### ▪ **Forex**

- Strengthening of dollar and other currencies provide favorable impact

### ▪ **Costs**

- Negative trend of fuel cost keeps on

### ▪ **Results**

- Net sales declining by 0.9 to €m 2,648 (€m 2,672 in 2009)
- Net debt at €m 1,267 following limited cash flow generation and expansion capex

## Executive summary 2010 (2)



### Suchoi Log - RUS

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- Dry line with 5 stage preheater and precalciner
- Production capacity of 1.2m tons
- Total project cost: €m 205
- On stream since end 2010
- Lower operating costs thanks to greater operating efficiency



### Yug & Volyn – UKR

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- Change in fuel source, from natural gas to coal
- Total project cost: €m 90
- On stream since second semester 2010
- Restablish positive EBITDA in 2011

## Executive summary 2010 (3)



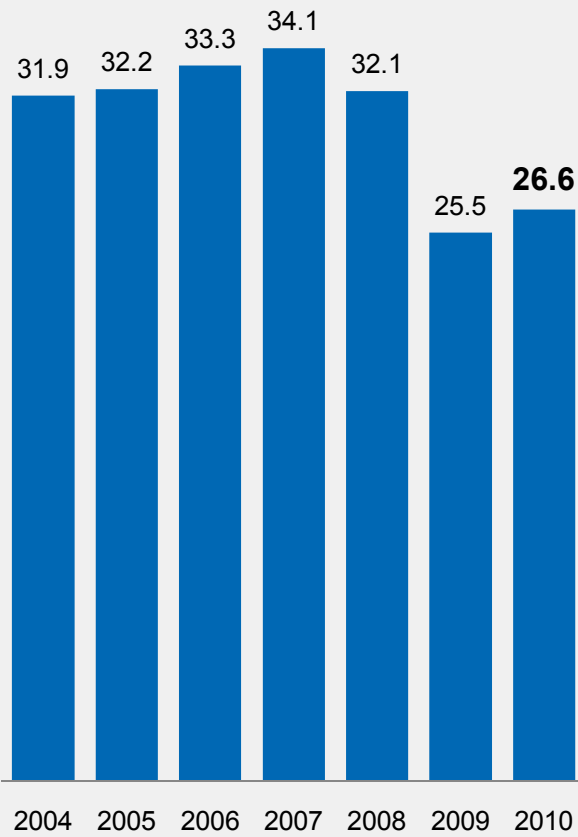
### Apazapan - MEX

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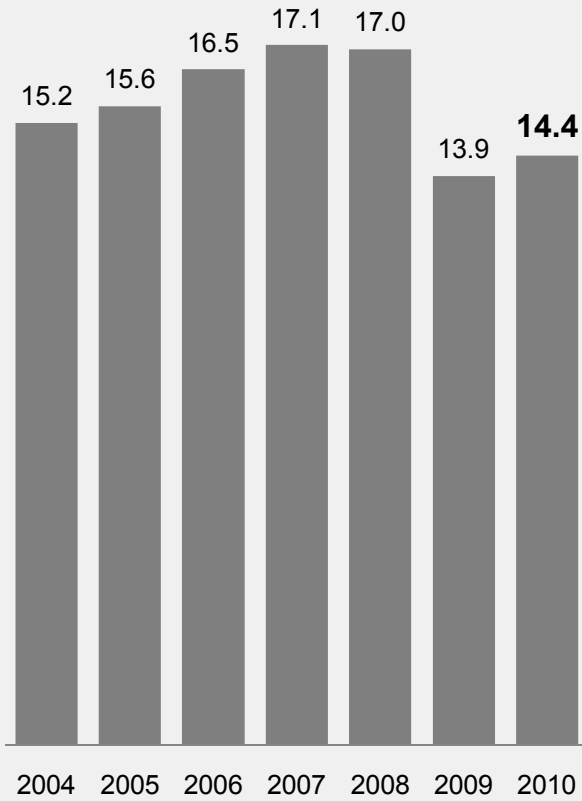
- On Stream since December 2010
- Greenfield project production capacity of 1.3m tons
- Reinforced footprint in a growing market
- Total cost project: €m 100 (50%)

# Volumes

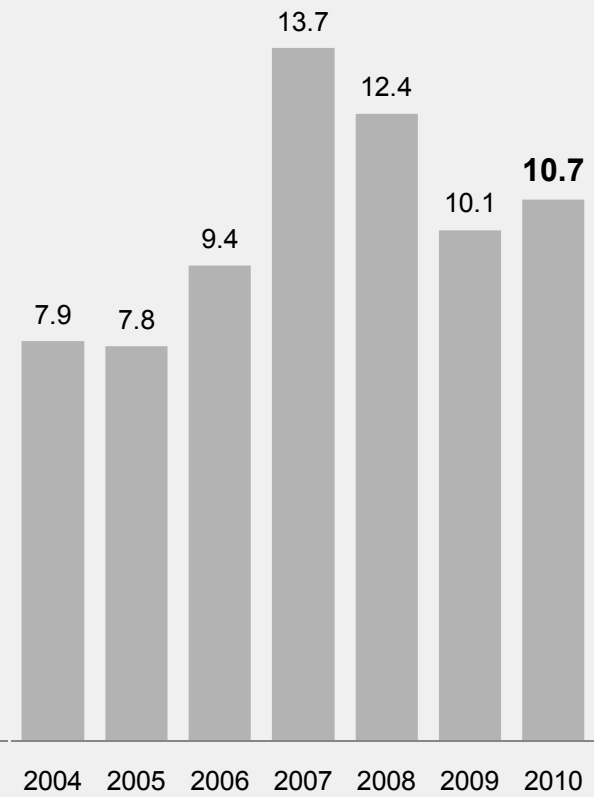
### Cement (m ton)



### Ready-mix concrete (m m3)



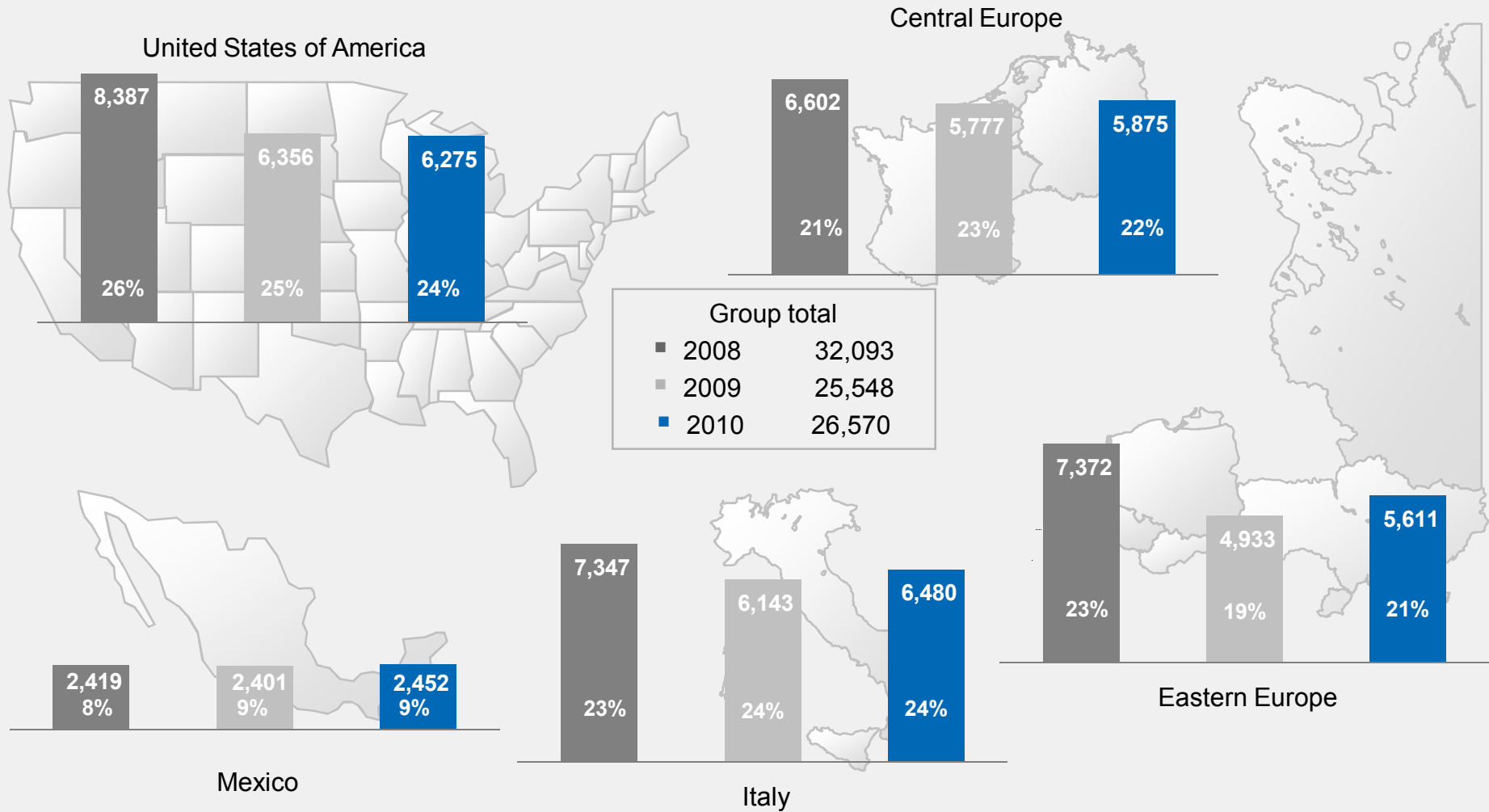
### Aggregates (m ton)



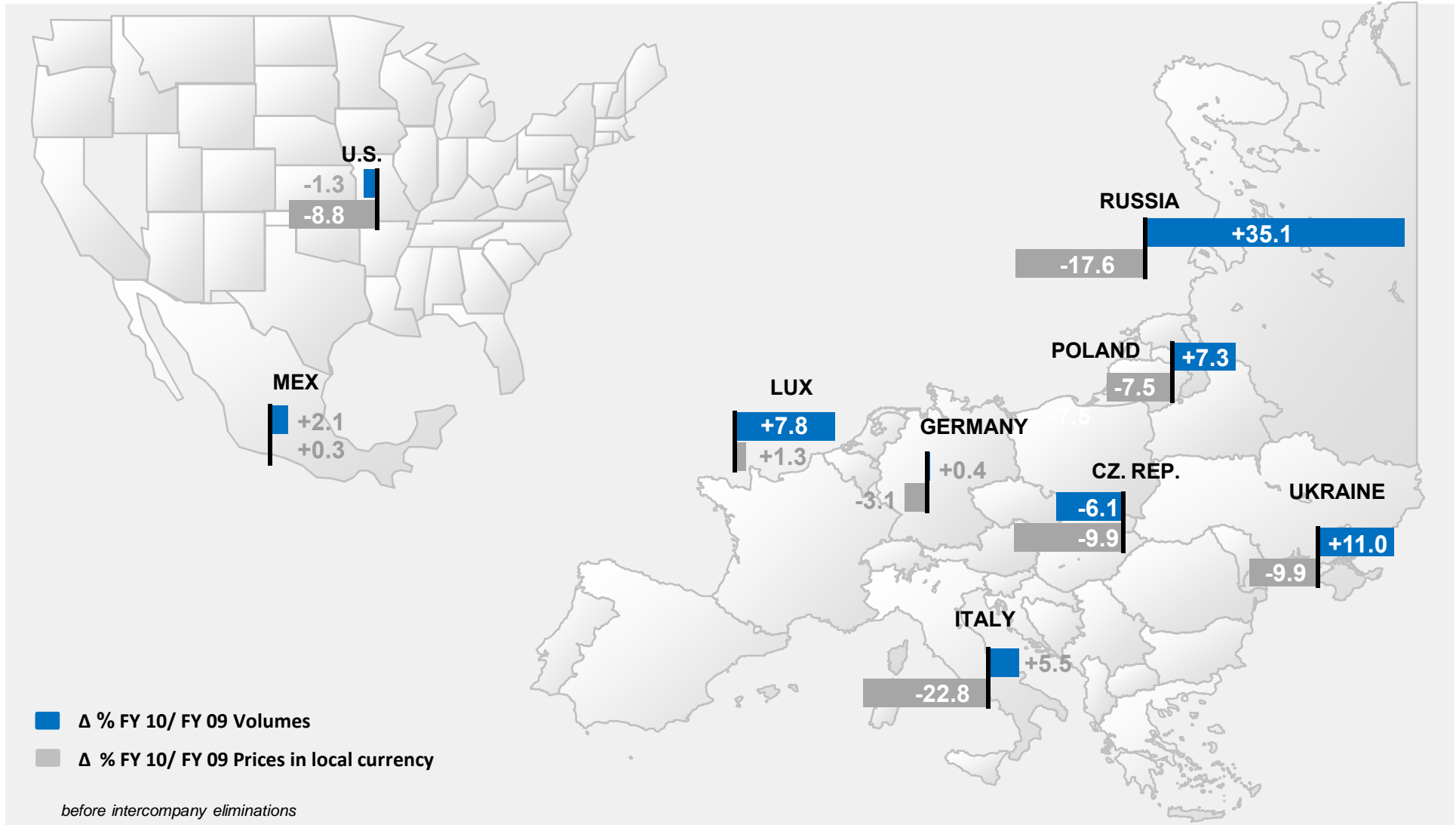


# Cement volumes by geographical area

000 ton and % of the total



# Cement volumes and prices

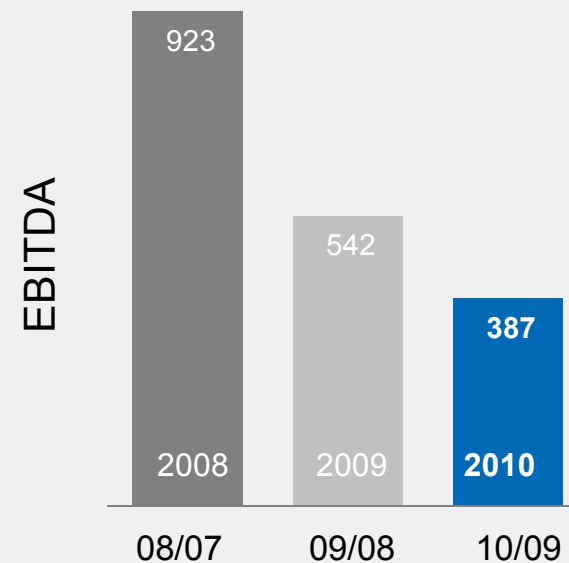
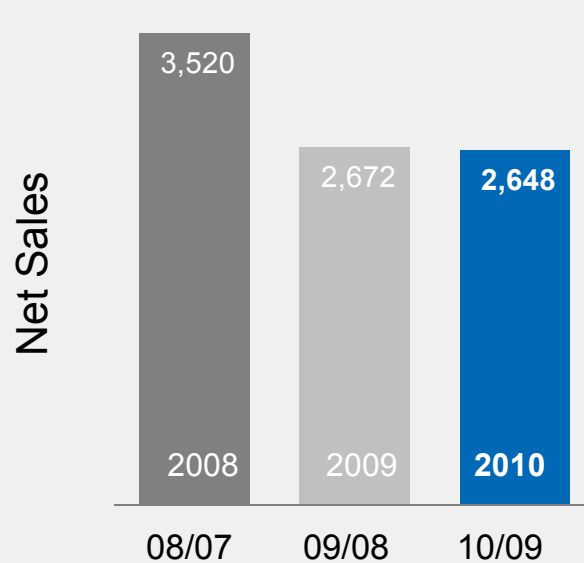


## Net sales by country

EURm	2010	2009	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
Italy	614.2	706.6	(92.4)	-13.1	-	-	-13.1
United States of America	600.9	612.8	(11.9)	-1.9	29.8	-	-6.8
Germany	548.5	528.0	20.5	+3.9	-	33.8	-2.5
Luxembourg	92.3	83.0	9.3	+11.3	-	-	+11.3
Netherlands	113.2	112.7	0.5	+0.5	-	2.5	-1.8
Czech Republic/Slovakia	159.4	175.7	(16.3)	-9.3	6.0	-	-12.7
Poland	129.3	121.1	8.2	+6.8	10.0	-	-1.4
Ukraine	81.5	75.3	6.2	+8.3	4.3	-	+2.5
Russia	124.1	98.8	25.3	+25.6	10.9	-	+14.6
Mexico	213.4	180.4	33.0	+18.3	23.4	-	+5.3
<i>Eliminations</i>	(28.4)	(22.6)					
<b>Total</b>	<b>2,648.4</b>	<b>2,671.8</b>	<b>(23.4)</b>	<b>-0.9</b>	<b>84.4</b>	<b>36.3</b>	<b>-5.4</b>

# Net Sales and EBITDA

EURm

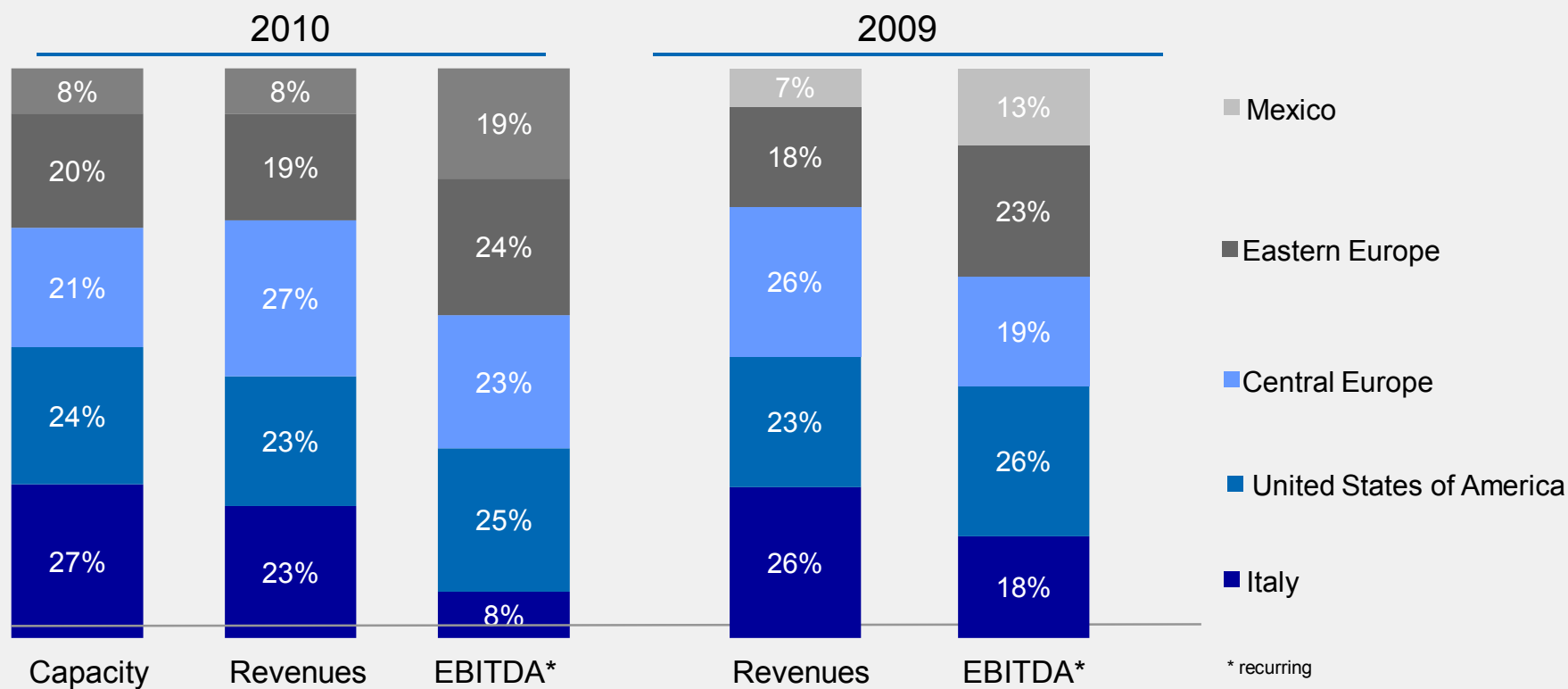


	08/07	09/08	10/09
	%	%	%
<b>Δ YoY</b>	<b>0.7</b>	<b>- 24.1</b>	<b>- 0.9</b>
Δ Operations	1.2	- 22.7	- 5.4
Δ Foreign exchange	- 1.9	- 2.5	3.2
Δ Scope	1.4	1.1	1.4

	08/07	09/08	10/09
	%	%	%
<b>Δ YoY</b>	<b>- 11.8</b>	<b>- 41.3</b>	<b>- 28.6</b>
Δ Operations	- 10.2	- 39.6	- 32.6
Δ Foreign exchange	- 2.1	- 2.3	3.8
Δ Scope	0.5	0.6	0.2

# Net sales and EBITDA development

- Italian EBITDA has been generated thanks to CO<sub>2</sub> sales (€m 31.0)
- Eastern Europe and Mexico continue to provide above average EBITDA contribution



## Consolidated Income Statement

EURm	2010	2009	Δ	Δ
			abs	%
<b>Net Sales</b>	<b>2,648.4</b>	<b>2,671.8</b>	<b>(23.4)</b>	<b>-0.9</b>
<b>Operating cash flow (EBITDA)</b>	<b>387.0</b>	<b>541.7</b>	<b>(154.7)</b>	<b>-28.6</b>
of which. non recurring	(11.3)	22.6		
% of sales (net of non recurring)	15.0%	19.4%		
Depreciation and amortization	(386.7)	(218.7)	(168.0)	
<b>Operating profit (EBIT)</b>	<b>0.3</b>	<b>323.0</b>	<b>(322.7)</b>	<b>-99.9</b>
% of sales	0.0%	12.1%		
Net finance costs	(103.6)	(99.9)	(3.7)	
Result from investments	1.2	12.1	(10.9)	
<b>Profit before tax</b>	<b>(102.1)</b>	<b>235.2</b>	<b>(337.3)</b>	<b>-143.4</b>
Income tax expense	60.6	(63.8)	124.4	
<b>Net profit</b>	<b>(41.4)</b>	<b>171.4</b>	<b>(212.9)</b>	<b>-124.2</b>
Minorities	(22.0)	(31.9)	9.9	
<b>Consolidated net profit</b>	<b>(63.5)</b>	<b>139.5</b>	<b>(203.0)</b>	<b>-145.5</b>
<b>Cash Flow</b>	<b>345.3</b>	<b>390.1</b>	<b>(44.8)</b>	<b>-11.5</b>

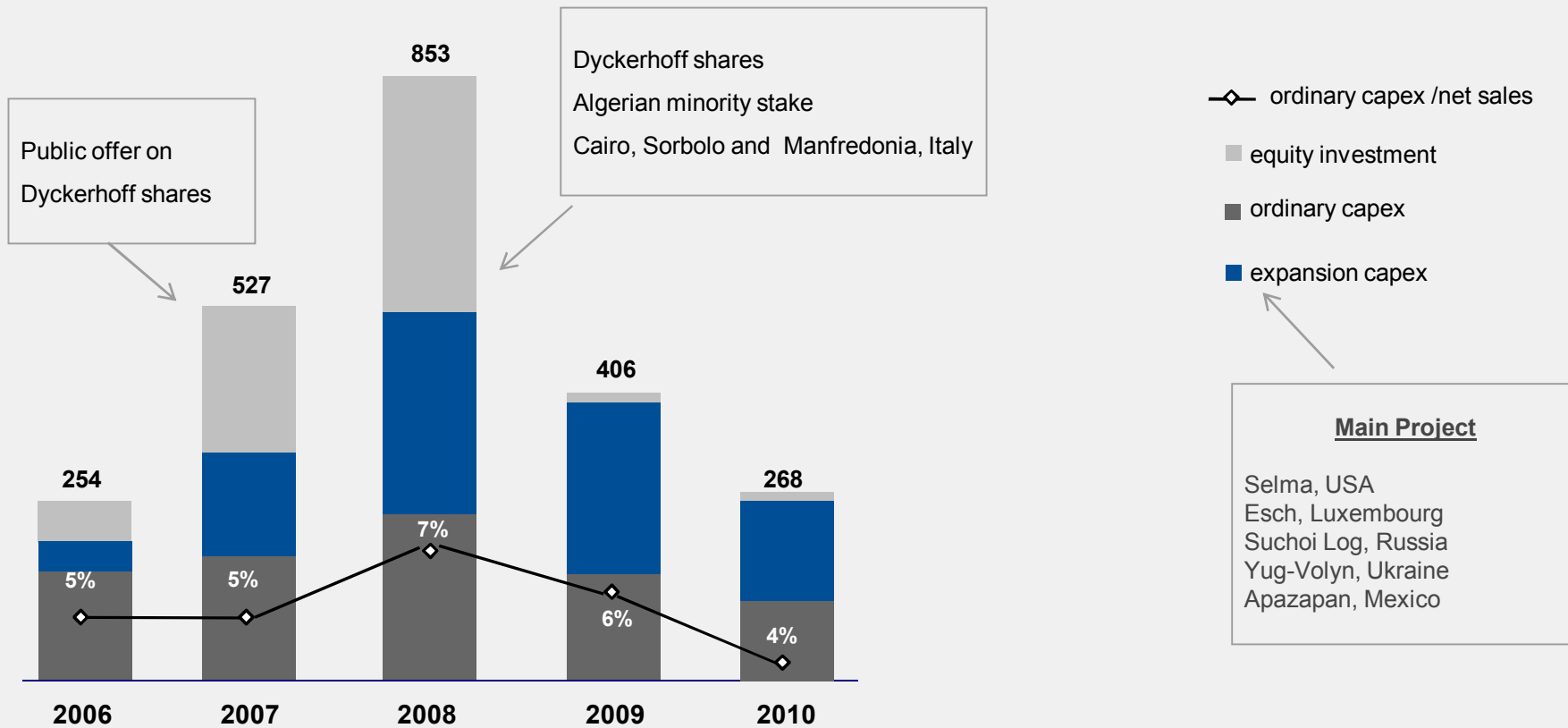
# Consolidated Cash Flow Statement

EURm	2010	2009
<b>Cash flow</b> <sup>(1)</sup>	<b>345.3</b>	<b>390.1</b>
% of sales	13.0	14.6
Changes in working capital	11.7	(29.5)
Equity earnings	(0.6)	(5.9)
Other non-cash items <sup>(2)</sup>	(131.2)	(106.7)
<b>Net cash provided by operating activities</b>	<b>225.2</b>	<b>248.0</b>
% of sales	8.5%	9.3%
Capital expenditures	(270.8)	(383.9)
Equity investments	2.5	(1.7)
Dividends paid	(46.3)	(96.2)
Dividends from associates	12.2	10.8
Disposal of fixed assets and investments	17.8	18.1
Purchase of treasury shares	-	-
Translation differences	(48.5)	(10.8)
Other	50.2	66.2
<b>Change in net debt</b>	<b>(57.7)</b>	<b>(149.5)</b>
<b>Net financial position (end of period)</b>	<b>(1,266.9)</b>	<b>(1,209.3)</b>

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

# Industrial capex

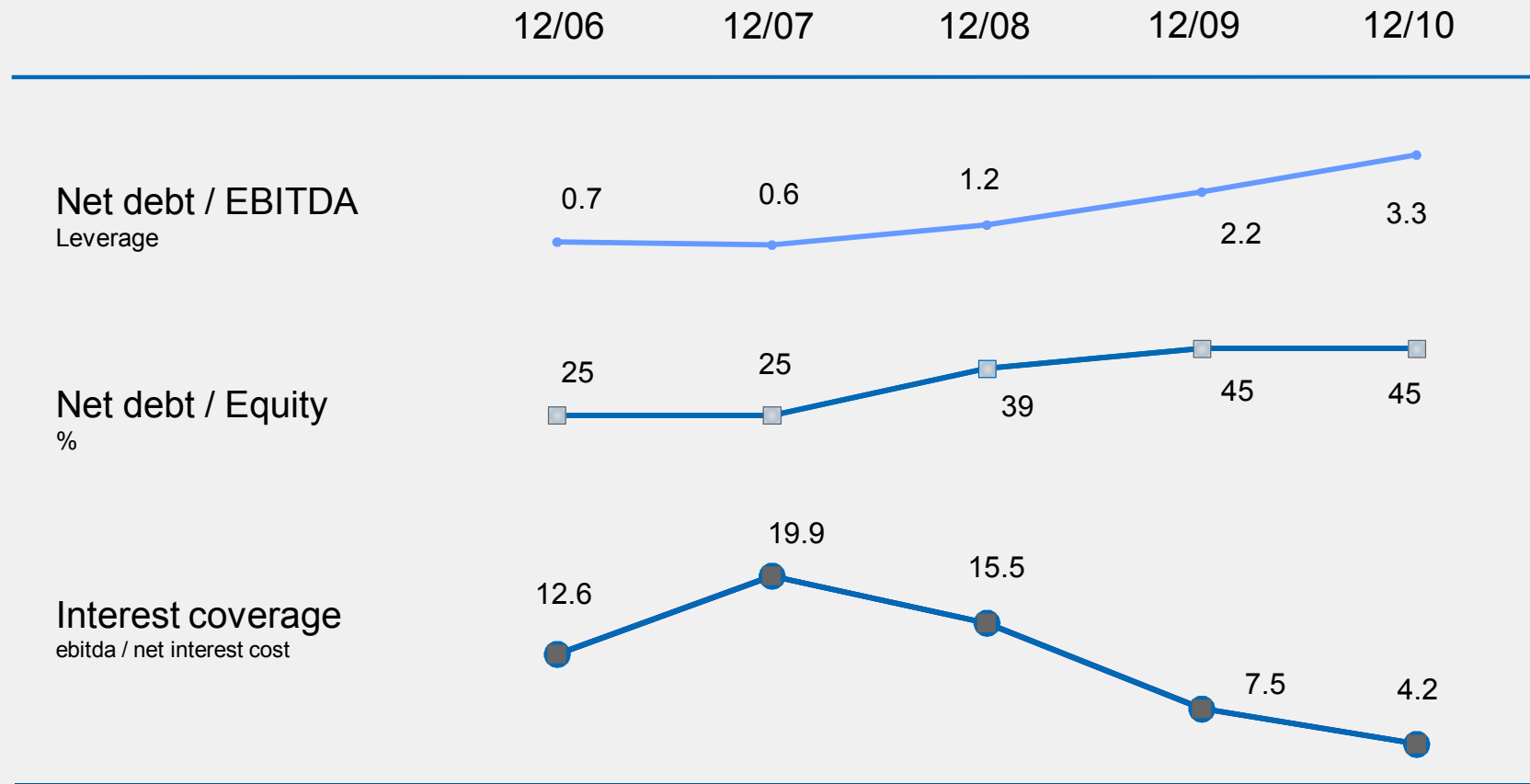
€m 2,308 total capex in the period 2006-2010, of which €m 875 for expansion projects





# Financial condition

- Deterioration of leverage indexes following economic results decline
- Net debt decrease expected in 2011



## Buzzi Unicem Spa - Income Statement

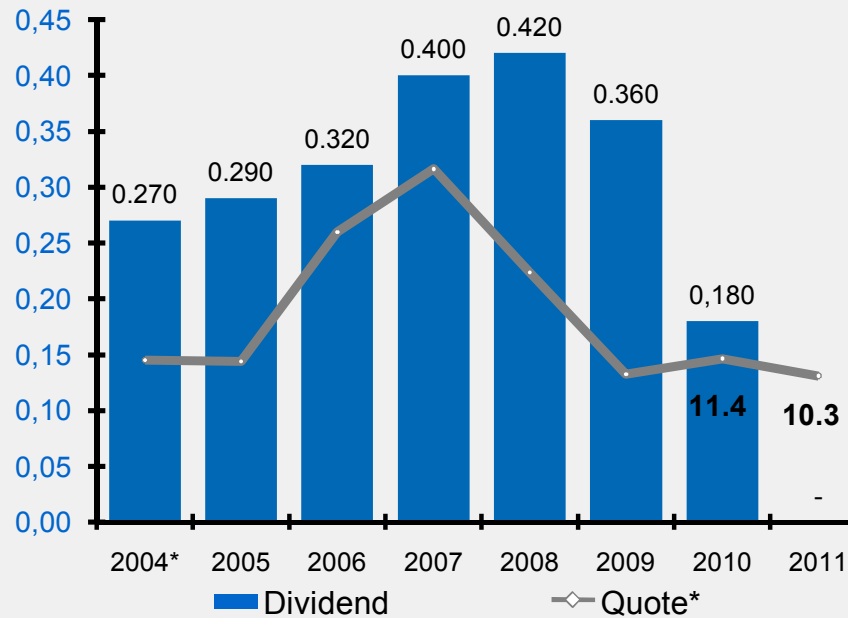
EURm	2010	2009	Δ	Δ
			abs	%
<b>Net Sales</b>	<b>367.7</b>	<b>433.4</b>	<b>(65.7)</b>	<b>-15.1</b>
EBITDA	34.0	88.2	(54.2)	-61.4
<i>% of revenues</i>	9.2	20.4		
<b>Operating income</b>	<b>(4.3)</b>	<b>42.9</b>	<b>(47.2)</b>	<b>-110.0</b>
<i>% of revenues</i>	(1.2)	9.9		
Gains on disposal of investments	--	0.4	(0.4)	-100.0
Finance revenues	36.2	74.8	(38.6)	-51.6
of which Dividends	86.7	127.0	(40.3)	-31.7
<b>Profit before tax</b>	<b>31.9</b>	<b>118.1</b>	<b>(86.2)</b>	<b>-73.0</b>
Income taxes	12.4	(5.5)	17.9	
<b>Net profit</b>	<b>44.3</b>	<b>112.6</b>	<b>(68.3)</b>	<b>-60.6</b>
<b>Cash flow <sup>(1)</sup></b>	<b>82.6</b>	<b>158.0</b>	<b>(75.4)</b>	
<i>% of revenues</i>	22.5	36.4		
<b>Shareholders' equity</b>	<b>1,804.8</b>	<b>1,798.2</b>	<b>6.6</b>	<b>+0.3</b>

(1) Net profit + depreciation and amortization

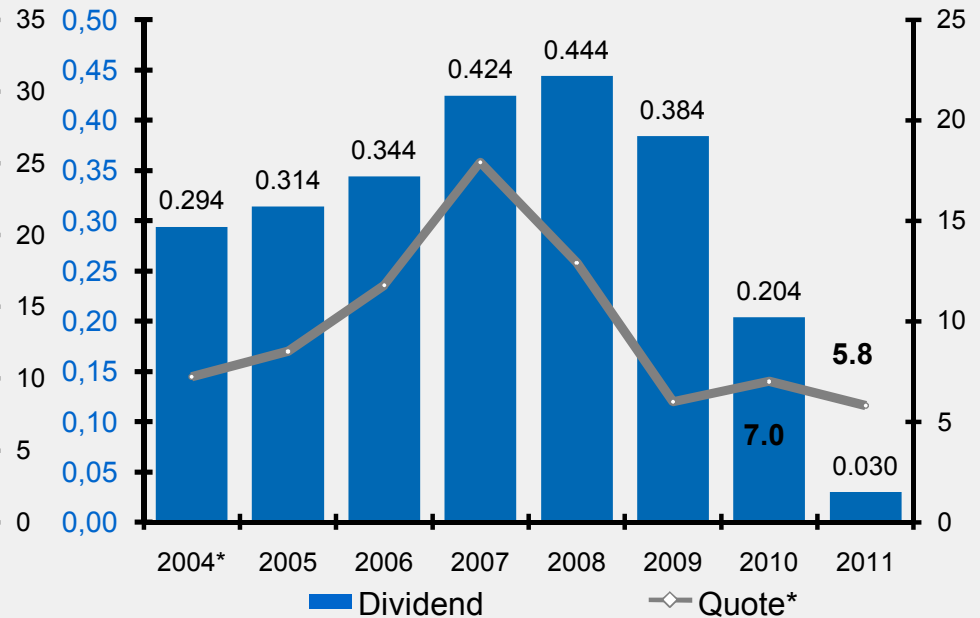
# Share quotes and dividend

- Euro 0.03 to savings shareholders only, to further strengthen the financial structure
- CAGR (2004-11) Ordinary Shares: -1.1%
- CAGR (2004-11) Savings Shares: -3.2%

### Ordinary Share






























### Savings Share



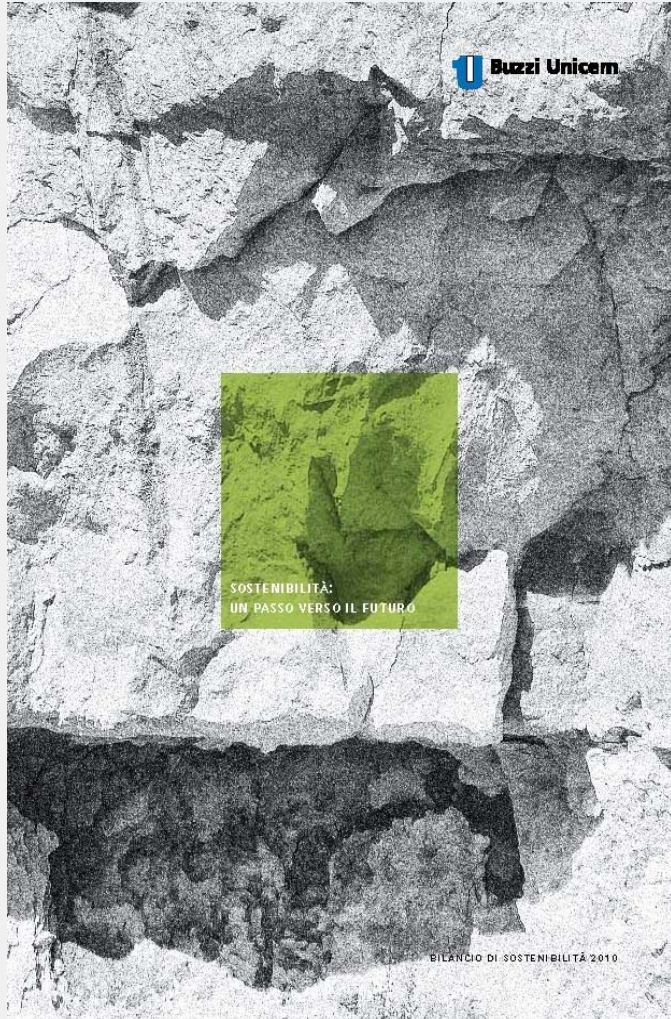
\*Share quote recorded on the days previous to the AGM CAGR: compound annual growth rate

# Expected trading in 2011

		Δ Volume	Δ Price
	Italy		
	United States of America		
	Germany		
	Luxembourg		
	Czech Republic		
	Poland		
	Ukraine		
	Russia		
	Mexico		

Note: Prices in local currency

# Sustainability: an investment for the future



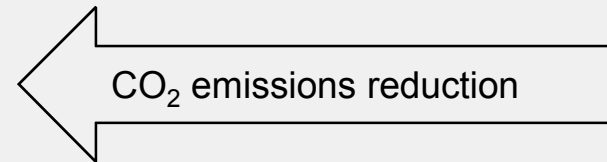
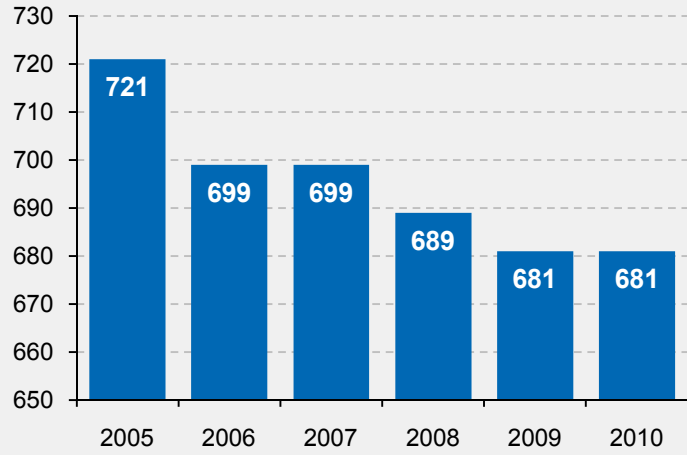
Issued for the 8<sup>th</sup> year, the 2010 Sustainability Report is in accordance with A+ Application Level of the Global Reporting Initiative (GRI)

- Economic Performance: sustainable creation of value for our stakeholders is the Buzzi Unicem's goal of its day-to-day activities
- Environmental Performance: even in economic crisis times there has been no lessening of Buzzi Unicem's efforts to reduce environmental impact
- Social Performance: taking care of social impact even in adverse economic conditions

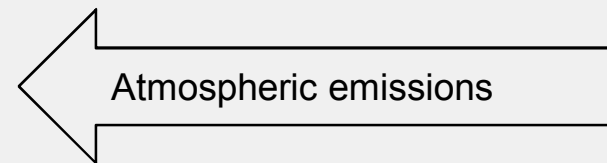
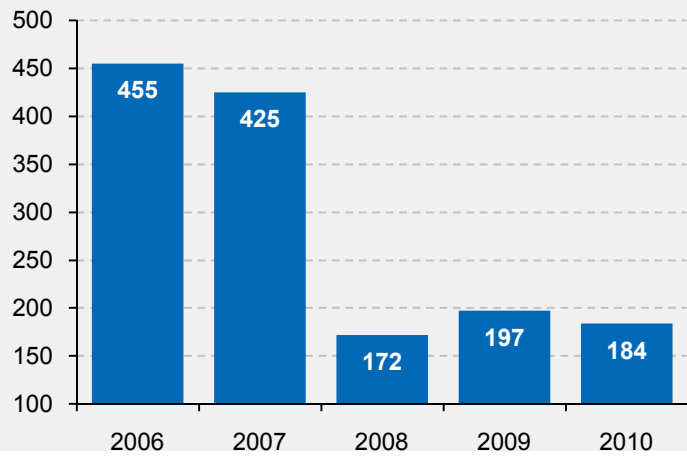


# Sustainability: Report 2010 key indicators (1)

Greenhouse gas - Kg/t of cement equivalent

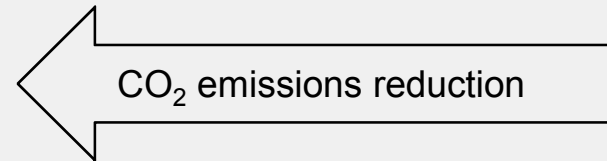
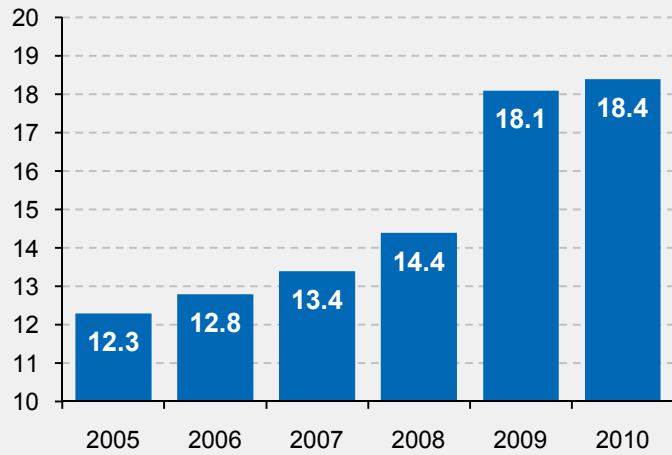


Dust – g/t of clinker

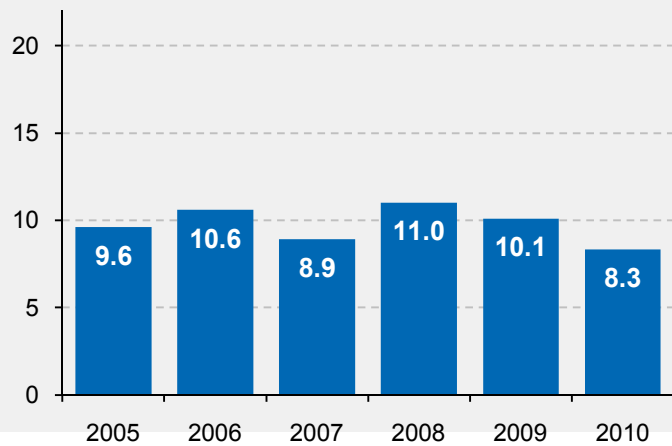


# Sustainability: Report 2010 key indicators (2)

Heat-substitution - in %

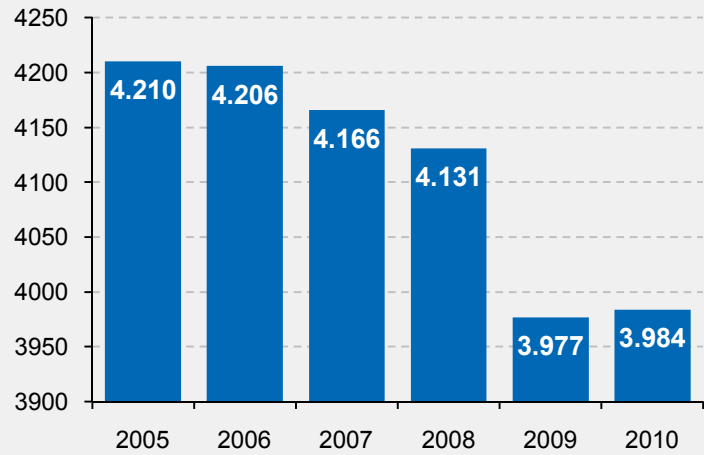


Injury frequency rate – N°x1M / hours worked



# Sustainability: Report 2010 key indicators (3)

### Kiln-specific consumption - Gj/t clinker



### Waste generation - g/t of cement equivalent

