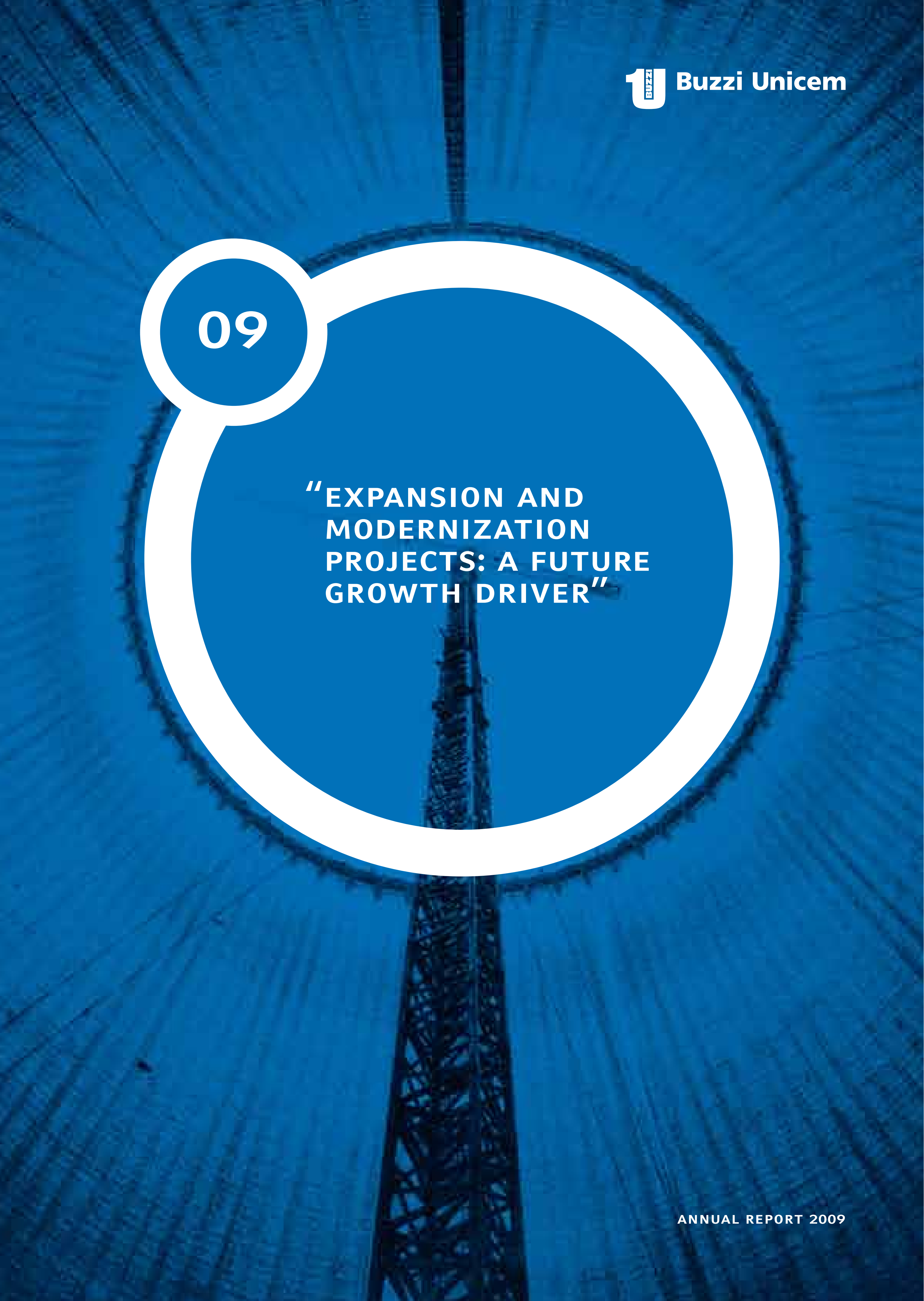


Buzzi Unicem

09

"EXPANSION AND MODERNIZATION PROJECTS: A FUTURE GROWTH DRIVER"

ANNUAL REPORT 2009

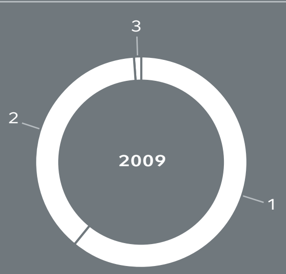
CONTENTS

Key Figures

		2003	2004[1]	2005	2006	2007	2008	2009
Cement sales	t/000	14,196	31,936	32,245	33,320	34,067	32,093	25,548
Concrete sales	cm/000	9,850	15,241	15,649	16,542	17,096	16,996	13,893
Aggregate sales	t/000	5,939	7,873	7,794	9,442	14,050	12,280	10,031
Sales revenue	€ m	1,461.6	2,771.6	2,951.4	3,205.0	3,496.1	3,520.2	2,671.8
Capital expenditures	€ m	102.1	203.9	243.1	254.0	527.4	853.3	389.9
Headcount at year end	no.	3,828	11,836	11,805	11,054	11,520	11,845	11,269

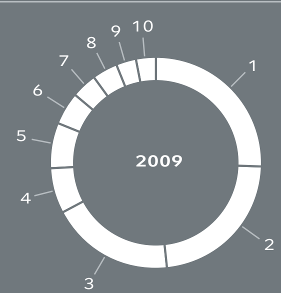
[1] first time Dyckerhoff consolidation

Sales Revenue by Line of Business
(in %)



1	Cement and clinker	61
2	Ready-mix concrete and aggregates	38
3	Related activities	1

Sales Revenue by Region
(in %)



1	Italy	26
2	USA	23
3	Germany	19
4	Czech Republic and Slovakia	7
5	Mexico	7
6	Poland	5
7	Netherlands	4
8	Russia	4
9	Luxembourg	3
10	Ukraine	3

Sales Revenue
(in million of EUR)

2003	1,461.6
2004	2,771.6
2005	2,951.4
2006	3,205.0
2007	3,496.1
2008	3,520.2
2009	2,671.8

Capital expenditures
(in million of EUR)

2003	102.1
2004	203.9
2005	243.1
2006	254.0
2007	527.4
2008	853.3
2009	389.9

International presence

ITALY	Buzzi Unicem, Unical, Cementi Moccia (50 %), Laterlite (33 %), Addiment Italia (50 %)
GERMANY	Dyckerhoff, Deuna Zement, Dyckerhoff Beton
LUXEMBOURG	Cimalux
NETHERLANDS	Dyckerhoff Basal Nederland
POLAND	Dyckerhoff Polska
CZECH REPUBLIC AND SLOVAKIA	Cement Hranice, ZAPA beton
UKRAINE	Volyn-Cement, YUGcement, Dyckerhoff Ukraina
RUSSIA	Sukholozhskcement
USA	Buzzi Unicem USA, Alamo Cement, Kosmos Cement (25 %)
MEXICO	Corporación Moctezuma (50 %)
ALGERIA	Société des Ciments de Hadjar Soud (35 %), Société des Ciments de Sour El Ghozlane (35 %)

Operating structure

		ITA	GER	LUX	NLD	POL	CZE/SVK	UKR	RUS	USA	MEX[1]	Total
Cement plants	no.	14	7	2	–	1	1	2	1	9	2	39
of which grinding	no.	3	2	1	–	–	–	–	–	–	–	6
Cement capacity	Mio t/yr	10.8	7.2	1.2	–	1.6	1.1	3.0	2.4	10.2	5.0	42.5
Ready-mix batch plants	no.	166	103	–	17	34	78	6	–	78	48	530
Aggregate quarries	no.	14	1	–	2	–	10	–	–	5	1	33
Terminals and deposits	no.	6	–	–	–	2	–	3	–	30	–	41

ITA/Italy, GER/Germany, LUX/Luxembourg, NLD/Netherlands, POL/Poland, CZE/Czech Republic, SVK/Slovakia, UKR/Ukraine, RUS/Russia, USA/United States of America, MEX/Mexico
[1] figures at 100 %

Buzzi Unicem is an international multiregional, “heavy-side“ group, focused on cement, ready-mix concrete and aggregates. The company’s dedicated management has a long-term view of the business and commitment towards a sustainable development, supported by high quality and environmentally friendly assets. Buzzi Unicem pursues value creation through lasting, experienced know-how and operating efficiency.

VISION

Dear Shareholders,

One reads in the newspapers and hears at conventions that the global crisis is coming to an end and that recovery is near. But are we relating this to the causes or to the effects of the crisis; and there is a tendency to confuse these two times – sometimes intentionally. In my opinion, while we may be at the end of the “sequence of causes” that generated the crisis, we are still right in the middle of the “effects” on the real economy and the consequences for our industry.

A difficult 2009 passed by in a rush of continuous forecasts with everyone anxious to understand what the results of the “annus horribilis” would be. Now that the year had ended, we must take stock of the past events and look at what lies ahead to decide if we are able to see the light at the end of the tunnel. We now have the possibility to interpret the economic projections of 2010 already underway and also those of 2011 more clearly, enabling us to make better decisions for the present and, above all, to prepare for the future.

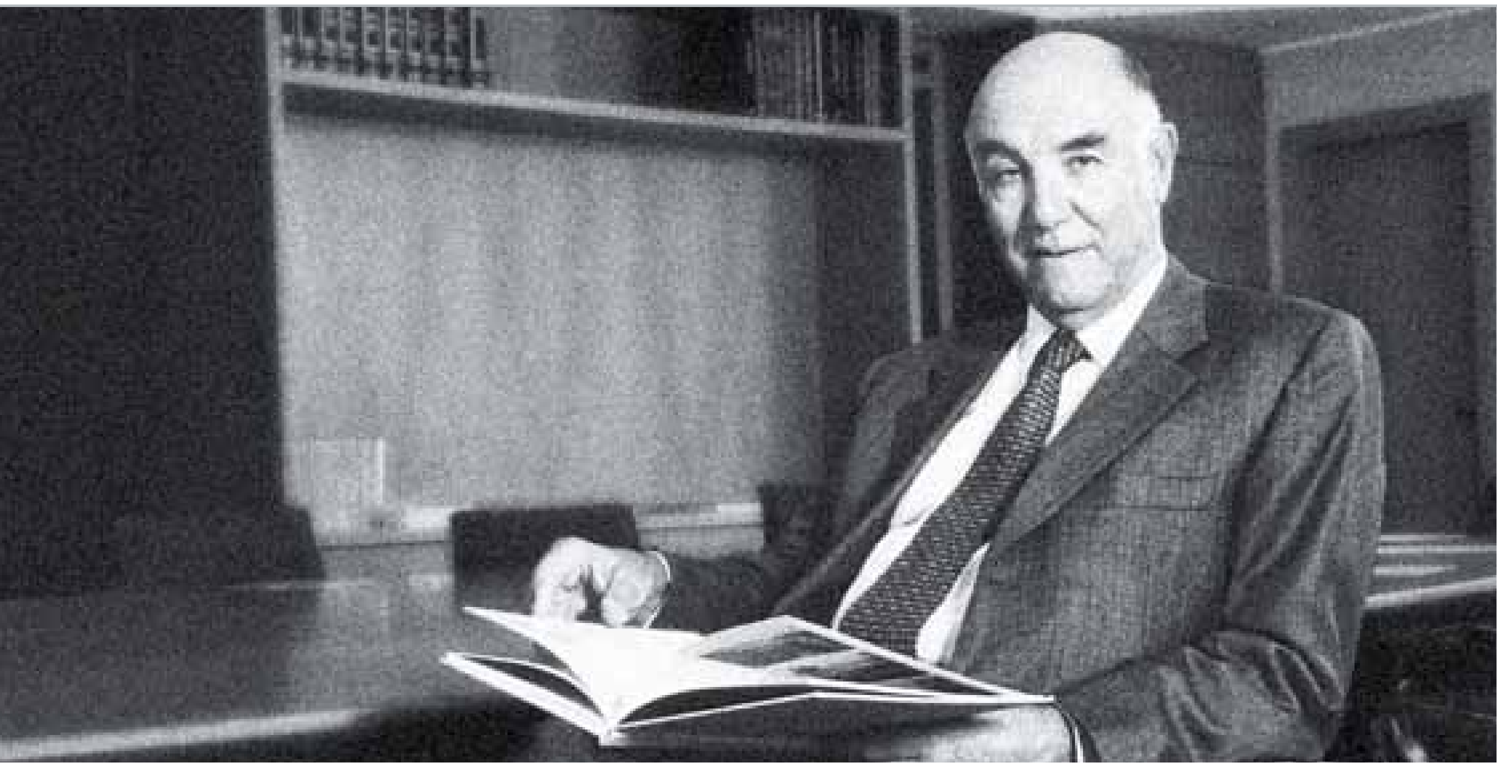
We also know that we ourselves contribute in part to give a signal of hope, at least with our fervor of “entrepreneurial confidence” which we should not hold back even during such severe crises. The advancement of society and people – to which cement is closely linked – will undeniably start again.

And I repeat to myself and to you shareholders – as a message of confidence – a fact, little known, that has always impressed me, i. e. after water, cement is the substance most used by man.

Cement is part of the formidable trio – steel, oil, and cement – with which man has built the modern world. Confidence in our product is well placed but we also need to be aware that a large part of this world, in the West, has already been built and therefore that cement consumption’s center of gravity will shift – even more so after the crisis – to the East and to another hemisphere.

Recent research to see which is the world’s most globalized industry confirms, with mathematical data, that it is the cement industry. An assertion that, on the one hand, pleases us, making us feel useful and important for the civil development of so many countries. On the other hand, it gives a measure of how challenging our métier is, of how demanding the objectives are, and of how major the financial, technical, and above all, human, investments needed to achieve them are.

And all this is made even more difficult by a truly “long-term” vision requiring us to ensure great corporate stability over time.



The thing about which I am most sorry is that – on this development path – the crisis years seem "lost" years, years of marking time, sometimes of mere survival, years when we are unable to create employment, when we are unable to capitalize on our accrued capabilities and experience. It is almost like being in prison, behind close-knit bars. However "seem" doesn't mean "are". Those years are actually not totally lost and from this crisis experience, we emerge a better company once the economy improves. It has forced us to severely examine all of our costs, change marginal perfomers to make way for better ones when we once again start hiring, better organize our maintenance, reduce excess inventories. While painful, it forces us to really learn to operate lean which I hope will bring benefits when economies improve.

The crisis in our industry consists of severe, ongoing deterioration of both sales volumes and prices plus problems with customer receivables, extending like an oil slick to nearly all international markets where Buzzi Unicem participates.

We believe this situation will continue for the whole of 2010 and probably beyond. It is a question of re-creating lost market equilibrium – and that is a long-term operation, which we can influence only partly and to a modest extent.

In 2009 our biggest effort was to reduce capital expenditures drastically, both the extraordinary and the expansions ones.

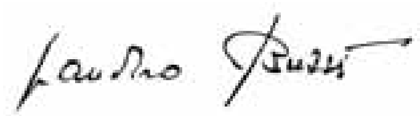
We nevertheless confirmed and continued 3 major projects concerning new high-efficiency production lines – i. e. Festus (Missouri) in the USA, Apazapan (Veracruz) in Mexico, and Suchoi Log (Ekaterinburg) in Russia – as well as conversion from gas to coal of the two Ukraine cement factories in Volyn and Yug. Today, the completion status of these plants is 100 % for the USA, already operational, 70 % for Mexico, 75 % for Russia, and 80 % for Ukraine.

Even only for the investments confirmed, the financial commitment for capital spending – around € 400 million – was truly significant in a year featuring scarce operating resources.

We are well aware that "investments mean work and employment" and that this is just our main mission. The basic choice made in 2009 was nevertheless to limit use of debt. The same objective will also be pursued in 2010: therefore only an increase in profitability and a consequent increase in operating resources will allow for renewed investment efforts and creation of new employment.

Conveying this message in all 12 countries where we operate, making it understood in a positive sense – not as a lack of attention to our plants lives but as an absolute necessity to assure stability for the Group – is, today and in the near future, our main commitment.

All this certainly requires a good mix of psychology, strength of conviction, and efficient international organization of the group – which hopefully we will succeed in achieving.



ALESSANDRO BUZZI
CHAIRMAN

Group Profile

CONTENTS

Board of Directors

ALESSANDRO BUZZI

CHAIRMAN

Born in 1933. Director since 1999.
He acquired a long and remarkable experience in the industry and enjoys a specific knowledge of cement technology and applications. He was for many years President of the Italian Cement Association (AITEC), Deputy Vice Chairman of UNI, Chairman of Cembureau (European Cement Association). Since October 2001 he has been Vice Chairman of Dyckerhoff AG's supervisory board.

MICHELE BUZZI

CHIEF EXECUTIVE OPERATIONS

Born in 1963. Director since 2005.
In Buzzi Cementi since 1990, he performed various management tasks first in the ready-mix concrete sector and then in the sales and marketing function of the cement sector. In 2002 he became Chief Operating Officer of Cement Italian Operations. Since 1999 he has been Deputy Chairman of AITEC (Italian Cement Association) and since 2004 member of Dyckerhoff AG's management board. Chief Executive Operations since 2006.

FRANCO BUZZI

VICE CHAIRMAN

Born in 1935. Director since 1999.
Since the '70s he has been appointed Chief Executive Officer of Buzzi Cementi with coordination and representation in the group's major foreign initiatives (USA, Mexico). Director of Banca del Piemonte SpA and Banca Passadore SpA, Chairman of Fimedi SpA, holding company of the Buzzi family.

WOLFGANG BAUER

EXECUTIVE DIRECTOR

Born in 1959. Director since 2008.
He starts his career with the KPMG auditing firm where he has been working for 15 years attaining also the partner status. In 2000 he joins Dyckerhoff AG as member of the Board of Management of which he becomes Chairman in 2004. As such he is responsible for the Central Europe and Eastern Europe divisions.

ENRICO BUZZI

VICE CHAIRMAN

Born in 1938. Director since 1999.
He has held senior management positions in Buzzi Cementi, especially in production management, strategic procurement, development of new industrial projects (Italy, Mexico). Former Chief Executive Officer of the ready-mix concrete operations. In October 2001 he was appointed member of Dyckerhoff AG's supervisory board. Chairman of Corporación Moctezuma SA since 2006.

PAOLO BURLANDO

NON EXECUTIVE DIRECTOR

Born in 1962. Director since 2008.
Since 1997 he is the managing partner of a public accounting and consulting firm, specializing in corporate finance transactions and investment banking. He is also a Statutory Auditor of Prysmian SpA, Gruppo Mutui Online SpA, YARPA Investimenti SGR SpA, Laterlite SpA and other smaller companies. From 1987 to 1997 he had various experiences as private equity analyst and corporate adviser.

PIETRO BUZZI

CHIEF EXECUTIVE FINANCE

Born in 1961. Director since 2000.
After some experiences outside the company, joined Buzzi Cementi in 1989 first as Controller and then with growing operating responsibilities within the administration, financial and information system functions. Chief Financial Officer of Buzzi Unicem since 1999, he became Chief Executive Finance in 2006. Since May 2007 he is member of Dyckerhoff AG's supervisory board. Director of Efibanca SpA.

ALVARO DI STEFANO

NON EXECUTIVE DIRECTOR

Born in 1930. Director since 2002.
Entrepreneur since 1955, he runs business in transportation, logistics, mechanics and industrial services. In 1986 he became a shareholder of Cementeria di Augusta SpA and then Director. Formerly Chairman of Marconi Leasing SpA and Director of Banca di Credito Popolare di Siracusa Scrl. Currently Chairman of Siracusa Industrial Employers' Association.

YORK DYCKERHOFF

NON EXECUTIVE INDEPENDENT DIRECTOR

Born in 1963. Director since 2008.
Managing Partner of Komrowski Maritime GmbH in Hamburg, a German shipping and trading company, operating worldwide. A significant international working experience within Man Ferrostaal: from 1990 to 1994 as Project Manager in Germany, from 1994 to 2000 as General Manager of Ferrostaal Bolivia, from 2000 to 2004 as General Manager of Ferrostaal Argentina and from 2004 to 2006 as Area Manager for South America of Man Ferrostaal.

ELSA FORNERO

NON EXECUTIVE INDEPENDENT DIRECTOR

Born in 1948. Director since 2008.
Professor of Economics at the University of Turin and Scientific Coordinator of CeRP (Centre for Research on Pensions and Welfare Policies). She is part of the commission for the evaluation of pension expenditure by the Ministry of Welfare and of the editorial board of the Italian Journal of Economists. Columnist of Il Sole 24 ORE, she is Vice-Chairman of Compagnia di San Paolo.

GIANFELICE ROCCA

NON EXECUTIVE INDEPENDENT DIRECTOR

Born in 1948. Director since 2003.
Chairman of the controlling Holding of Techint Group. Chairman of Humanitas Institute in Milan. Director of Tenaris SA, Ternium, Allianz SpA, RCS Quotidiani, Italian Institute of Technology (IIT). Vice Chairman of Confindustria for Education, member of the Trilateral Commission, the European Advisory Board of the Harvard Business School, the Advisory Board of Allianz Group and the Executive Committee of Aspen Institute.

MAURIZIO SELLA

NON EXECUTIVE INDEPENDENT DIRECTOR

Born in 1942. Director since 1999.
He is Chairman of Sella Holding Banca (Banca Sella group), Chairman of Banca Sella SpA and Chairman of Banca Patrimoni Sella & C. Former Chairman of ABI (Italian Banks Association (1998–2006) and Director of Toro Assicurazioni SpA and Assonime. Former Chairman of S.I.A. (Società Interbancaria per l'Automazione 1988–1999) and of Banking Federation of the European Union (1998–2004).

MARCO WEIGMANN

NON EXECUTIVE DIRECTOR

Born in 1940. Director since 1999.
Leading partner of Tosetto, Weigmann and Associates. Formerly member of the National and International Arbitration Chamber of Milan now member of the Piedmont Arbitration Chamber. Directorships in: Reale Mutua di Assicurazioni, Italiana Assicurazioni SpA, Reale Immobili SpA, Banca Reale SpA, Sara Assicurazioni SpA, Sara Vita SpA, EurizonVita SpA, Sella Holding Banca SpA, Auchan Italia SpA, Pernigotti SpA, Il Sole 24 ORE SpA.

Statutory Auditors

MARIO PIA	CHAIRMAN
GIANFRANCO BARZAGHINI	MEMBER
GIORGIO GIORGI	MEMBER
ROBERTO D'AMICO	ALTERNATE
PAOLA GIORDANO	ALTERNATE

Cement Plants Location
as of December 31, 2009

EUROPE

USA/MEXICO

RUSSIA

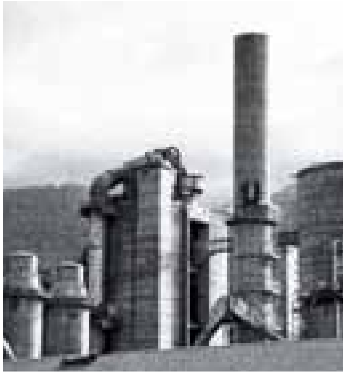
Cement plants Grinding plants

Italy

		2009	2008	09/08 var %
Cement sales	t/000	6,143	7,347	−16.4
Concrete sales	mc/000	4,860	5,632	−13.7
Aggregate sales	t/000	2,579	2,983	−13.5
Sales revenue	€ m	706.6	850.2	−16.9
Capital expenditures	€ m	51.9	177.9	−70.8
Headcount at year end	no.	2,041	2,071	−1.4

NUMBERS & FACTS

Cement production capacity 10.8 million tons, 14 plants, 6 terminals/deposits, 166 ready-mix concrete plants, 14 aggregate quarries.

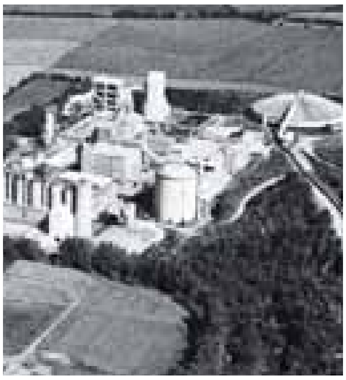


Germany

		2009	2008	09/08 var %
Cement sales	t/000	4,777	5,511	−13.3
Concrete sales	mc/000	2,631	3,281	−19.8
Aggregate sales	t/000	320	–	
Sales revenue	€ m	528.0	594.8	−11.2
Capital expenditures	€ m	43.0	63.0	−31.8
Headcount at year end	no.	1,647	1,653	−0.4

NUMBERS & FACTS

Cement production capacity 7.2 million tons, 7 plants, 103 ready-mix concrete plants, 1 aggregate quarry.



Luxembourg

		2009	2008	09/08 var %
Cement sales	t/000	1,000	1,091	−8.3
Sales revenue	€ m	83.0	89.3	−7.1
Capital expenditures	€ m	31.5	21.3	+47.6
Headcount at year end	no.	152	150	+1.3

NUMBERS & FACTS

Cement production capacity 1.2 million tons, 2 plants.

Netherlands

		2009	2008	09/08 var %
Concrete sales	mc/000	901	1,167	–22.8
Aggregate sales	t/000	3,468	4,785	–27.5
Sales revenue	€ m	112.7	132.9	–15.2
Capital expenditures	€ m	4.0	5.4	–25.5
Headcount at year end	no.	296	297	–0.3

NUMBERS & FACTS

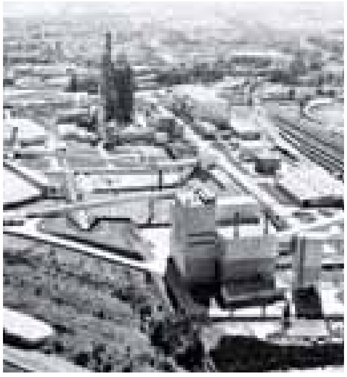
17 ready-mix concrete plants, 2 aggregate quarries.

Poland

		2009	2008	09/08 var %
Cement sales	t/000	1,396	1,553	–10.1
Concrete sales	mc/000	827	982	–15.8
Sales revenue	€ m	121.1	183.7	–34.1
Capital expenditures	€ m	15.9	13.7	+16.1
Headcount at year end	no.	423	419	+1.0

NUMBERS & FACTS

Cement production capacity 1.6 million tons, 1 plant, 2 terminals, 34 ready-mix concrete plants.

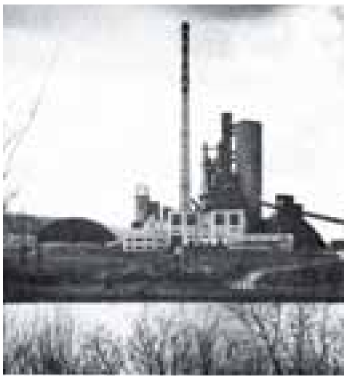


Czech Republic and Slovakia

		2009	2008	09/08 var %
Cement sales	t/000	809	1,064	–23.9
Concrete sales	mc/000	1,663	2,431	–31.6
Aggregate sales	t/000	1,554	1,917	–18.9
Sales revenue	€ m	175.7	260.8	–32.6
Capital expenditures	€ m	6.1	14.6	–58.4
Headcount at year end	no.	914	936	–2.4

NUMBERS & FACTS

Cement production capacity 1.1 million tons, 1 plant, 78 ready-mix concrete plants, 10 aggregate quarries.



Ukraine

		2009	2008	09/08 var %
Cement sales	t/000	1,381	2,495	–44.6
Concrete sales	mc/000	114	349	–67.5
Sales revenue	€m	75.3	209.4	–64.0
Capital expenditures	€m	58.1	48.9	+18.8
Headcount at year end	no.	1,672	1,782	–6.2

NUMBERS & FACTS

Cement production capacity 3.0 million tons, 2 plants, 3 terminals, 6 ready-mix concrete plants.

Russia

		2009	2008	09/08 var %
Cement sales	t/000	1,347	2,261	–40.4
Sales revenue	€m	98.8	267.3	–63.0
Capital expenditures	€m	76.7	96.8	–20.8
Headcount at year end	no.	1,279	1,549	–17.4

NUMBERS & FACTS

Cement production capacity 2.4 million tons, 1 plant.

USA

		2009	2008	09/08 var %
Cement sales	t/000	6,356	8,387	–24.2
Concrete sales	mc/000	2,087	2,306	–9.5
Aggregate sales	t/000	2,000	2,501	–20.0
Sales revenue	$m	854.8	1,103.1	–22.5
Capital expenditures	$m	119.1	287.4	–58.6
Headcount at year end	no.	2,317	2,440	–5.0

NUMBERS & FACTS

Cement production capacity 10.2 million tons, 9 plants, 30 terminals, 78 ready-mix concrete plants, 5 aggregate quarries.

Mexico[1]

		2009	2008	09/08 var %
Cement sales	t/000	4,803	4,838	–0.7
Concrete sales	mc/000	1,621	1,694	–4.3
Aggregate sales	t/000	220	186	+18.0
Sales revenue	$m	503.3	603.4	–16.6
Capital expenditures	$m	104.2	53.4	+95.3
Headcount at year end	no.	1,055	1,096	–3.7

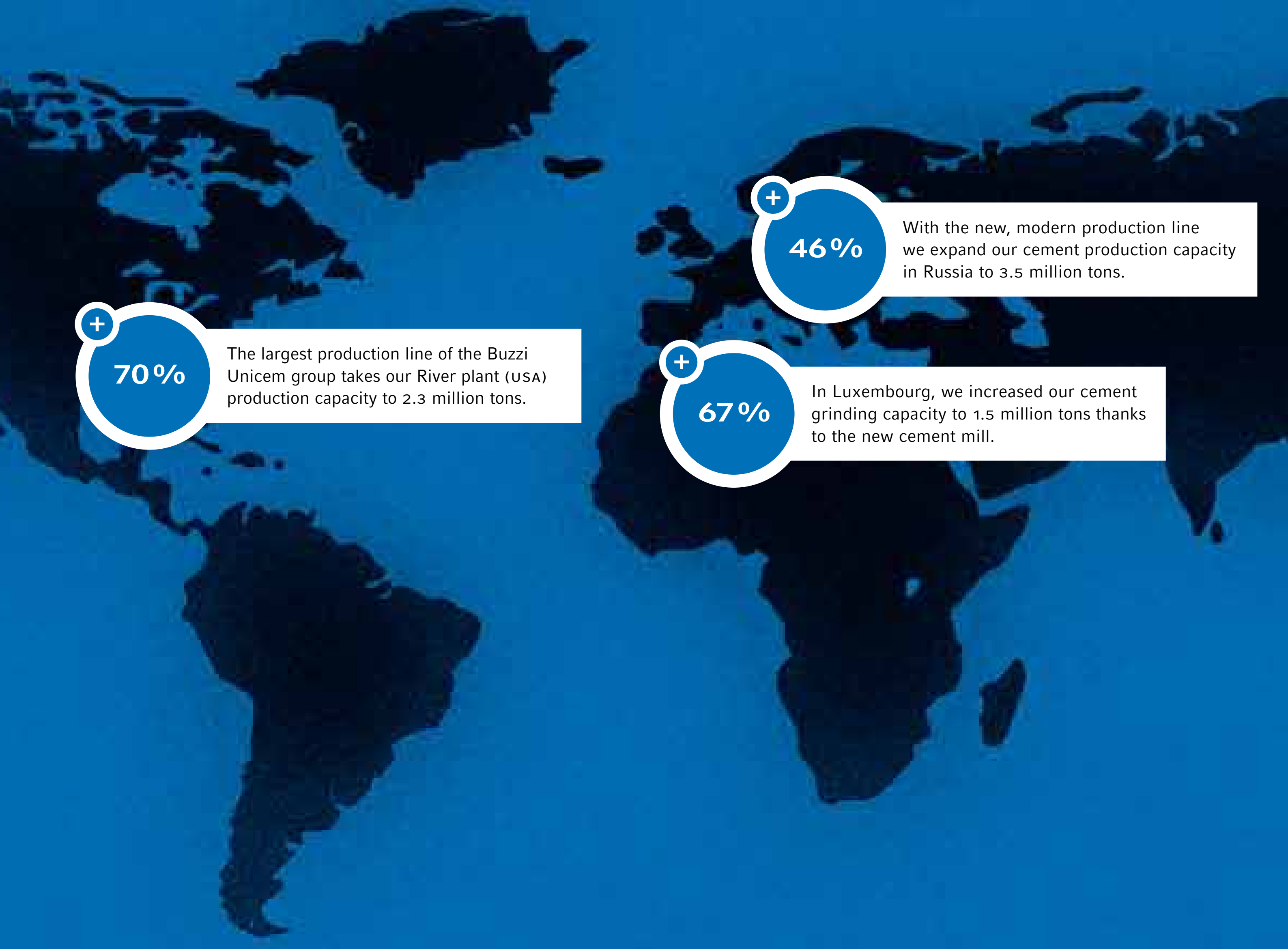
NUMBERS & FACTS

Cement production capacity 5.0 million tons, 2 plants, 48 ready-mix concrete plants, 1 aggregate quarry.

[1] figures at 100 %

INVESTING FOR THE FUTURE

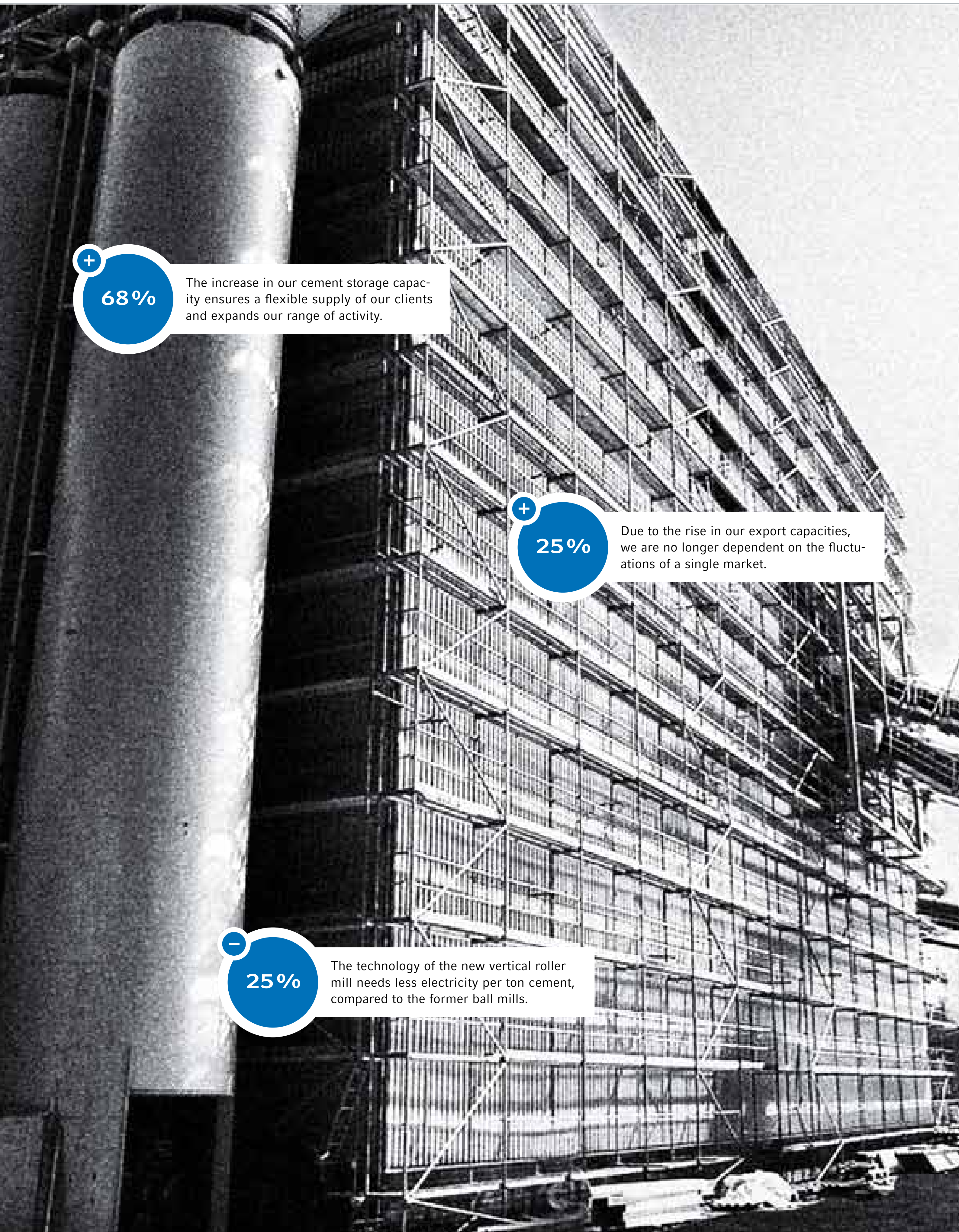
BUZZI UNICEM INVESTS IN THE STRATEGIC EXPANSION OF ITS SITES.



THE NEW CEMENT MILL AT ESCH

67 %

With the commissioning of the new cement mill, we have increased our cement grinding capacity from 0.9 to 1.5 million tons. Therewith, we made our Luxembourg cement operations viable for the future and aligned them to international competition.



+ 68 %

The increase in our cement storage capacity ensures a flexible supply of our clients and expands our range of activity.

+ 25 %

Due to the rise in our export capacities, we are no longer dependent on the fluctuations of a single market.

– 25 %

The technology of the new vertical roller mill needs less electricity per ton cement, compared to the former ball mills.

THE NEW STRUCTURE AT ESCH-SUR-ALZETTE

A new cement mill to promptly face the international market.

In the fall of 2009, a new and ultramodern cement mill, with infrastructure exactly tailored to its needs, was commissioned in Luxembourg. The effect of this investment was to make our cement operations in Luxembourg viable for the future and more strongly aligned to international competition. The new cement mill will help secure a sustainable future for the location, as the entire clinker production can now be ground to cement. It also boosts energy efficiency and thus helps to conserve resources. At the same time, it enhances the reliability of our supply of cement to our customers.

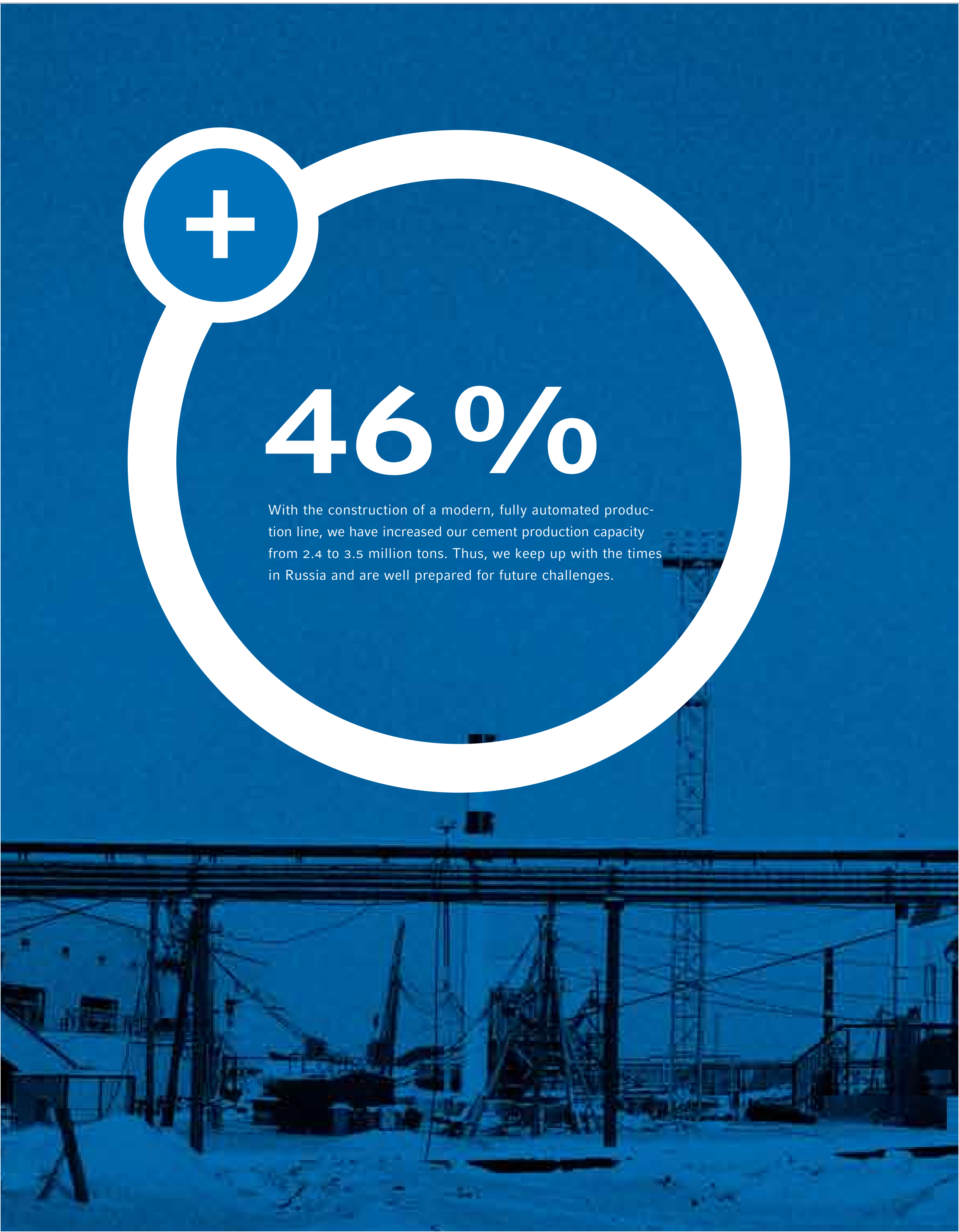
This large-scale project, which makes up nearly EUR 50 million, comprised the construction of an ultramodern Loesche vertical roller mill with hot gas generation, which can be fired with lignite, natural gas, or coal, and the erection of a storage and dosing complex for the raw materials that are fed into the mill. A mixing plant for the optimized production of various cement types was also built, plus two additional cement silos for the storage of the finished cement. One of the two silos was constructed over two existing railway tracks, to enable the cement to be sent by rail.

Due to the new cement mill the cement grinding capacity was raised by 600,000 tons, to 1,500,000 tons. It also ensured the full utilization of the existing clinker production capacity – clinker being the pre-product for cement.

The additional cement silos increase the storage capacity to 37,000 tons, which, in combination with the rail transport facility, expands our range of activity and vastly improves our export potential.

The new vertical roller mill needs far less energy and also provides us great flexibility in the composition of the cement types. In the ball mills used in the past, cement clinker and slag sand were ground together. The new vertical roller mill, however, enables us to grind and store cement clinker and slag sand separately. The separate storage ultimately makes precisely calculated mixing of cement and slag sand possible, so that cement types can be produced “à la carte”. The result is to enhance even further our ability to supply our customers with exactly the quality that is right for them.

The newly installed logistics platform, which controls and directs sending of goods both by rail and by truck, ensures rapid, safe and efficient delivery to our customers. The use of the railway line means that very large quantities can be transported and that distances of up to 1,000 km to our customers’ locations present no problem at all. Furthermore, the specific transport costs are lower than for standard road transport.



+

46%

With the construction of a modern, fully automated production line, we have increased our cement production capacity from 2.4 to 3.5 million tons. Thus, we keep up with the times in Russia and are well prepared for future challenges.


SUCHOI LOG LINE 5

SUCHOI LOG LINE 5

A CLEVER RENEWAL PROCESS AT SUCHOI LOG

Less production costs, more efficiency.

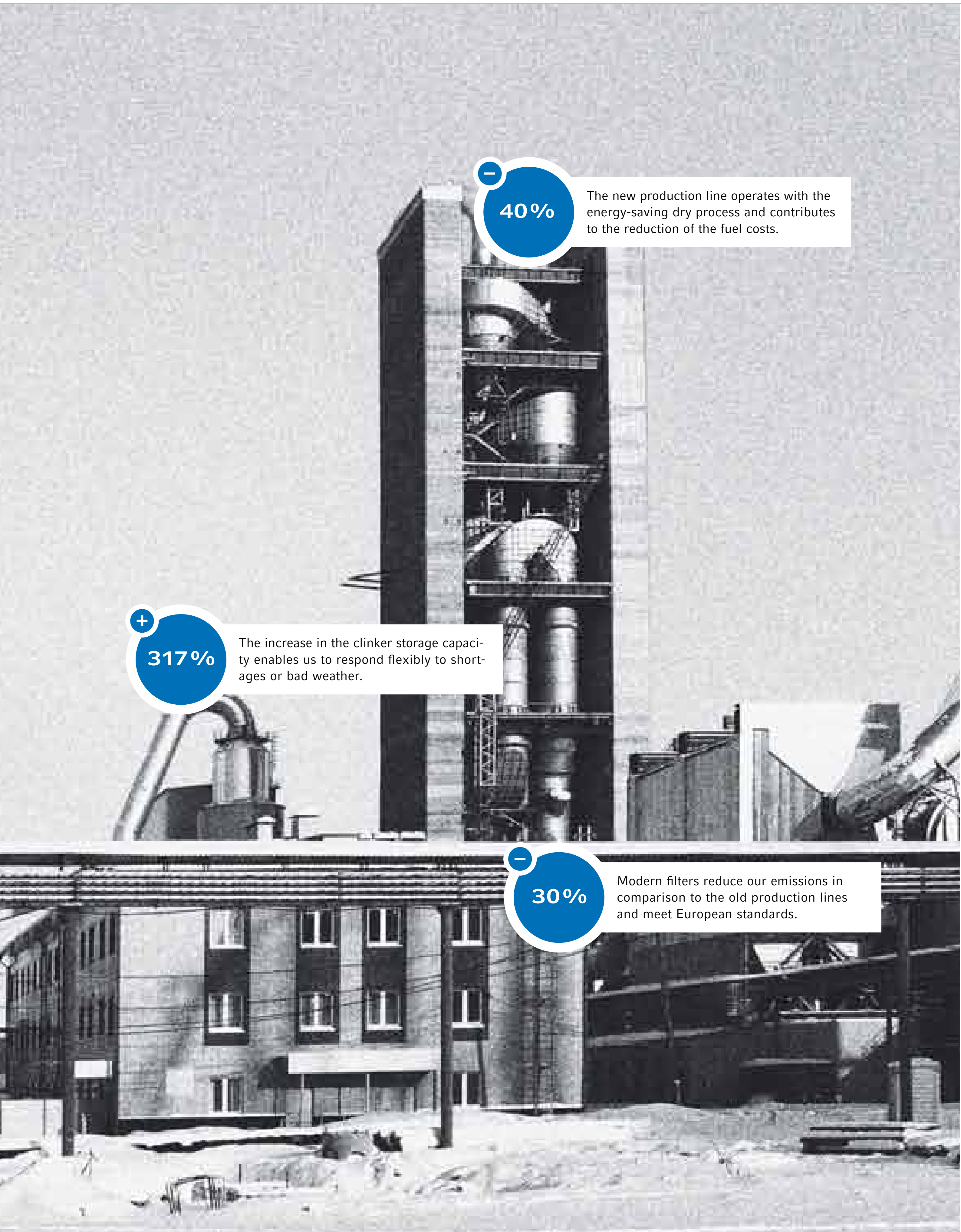
In 2010 a new, modern production line will start operation at our Suchoi Log cement plant near the provincial capital Ekaterinburg. In contrast to the production lines already existing at the plant, which were built in the late 60s, it will use an energy-saving dry production process. It will enable us to raise our cement production capacity by 1.1 million tons, from 2.4 to 3.5 million tons per year and to equip this plant too for the challenges of the future.

The new production line is fully automatic and includes the complete infrastructure needed for production, from the raw material crusher to the cement silos. One special feature is that it gave a new lease on life to plant equipment from other plants in the Buzzi Unicem Group that had been closed down. Units like crusher, raw material belt, blending bed, raw mill, kiln, electrostatic precipitators, clinker coolers and cement mills that are no longer in use were dismantled in Germany and Italy, transported to Russia by truck and by ship and there integrated in the production line. It thus became possible for us to substantially reduce the investment costs for this major project, which amount to around € 220 million.

When cement is produced with the dry process, the raw materials like lime and clay are not ground with the addition of water, as in the wet process. Instead, no water is added, so there is no longer any need for the energy-intensive drying process. The higher energy efficiency will allow us to significantly reduce our fuel consumption compared to the wet process, thus reducing energy costs and production costs as well.

A further advantage of the fifth production line is the improvement of quality. The complete production process is directed and monitored from a control center with screens. Every malfunction and deviation which affects the production process and ultimately has a negative impact on the quality of the cement clinker comes up on the screens and is immediately analyzed and corrected. The result is to ensure we have an improved and consistent cement quality. The new production line allows to fulfill all the quality requirements imposed by the new Russian cement norms, which correspond to the European cement norm. Compliance with these requirements is supported by a production laboratory which is equipped with the latest technology.

In order to make effective use of the new production capacity, we have also erected a clinker silo with a storage capacity of 150,000 tons of clinker. This provides us an important production buffer and considerably enhances the flexibility of our delivery service. The direct rail link to the six new cement silos enables the cement to be transported by road or by rail, which means we can supply even distant customers at reasonable cost.



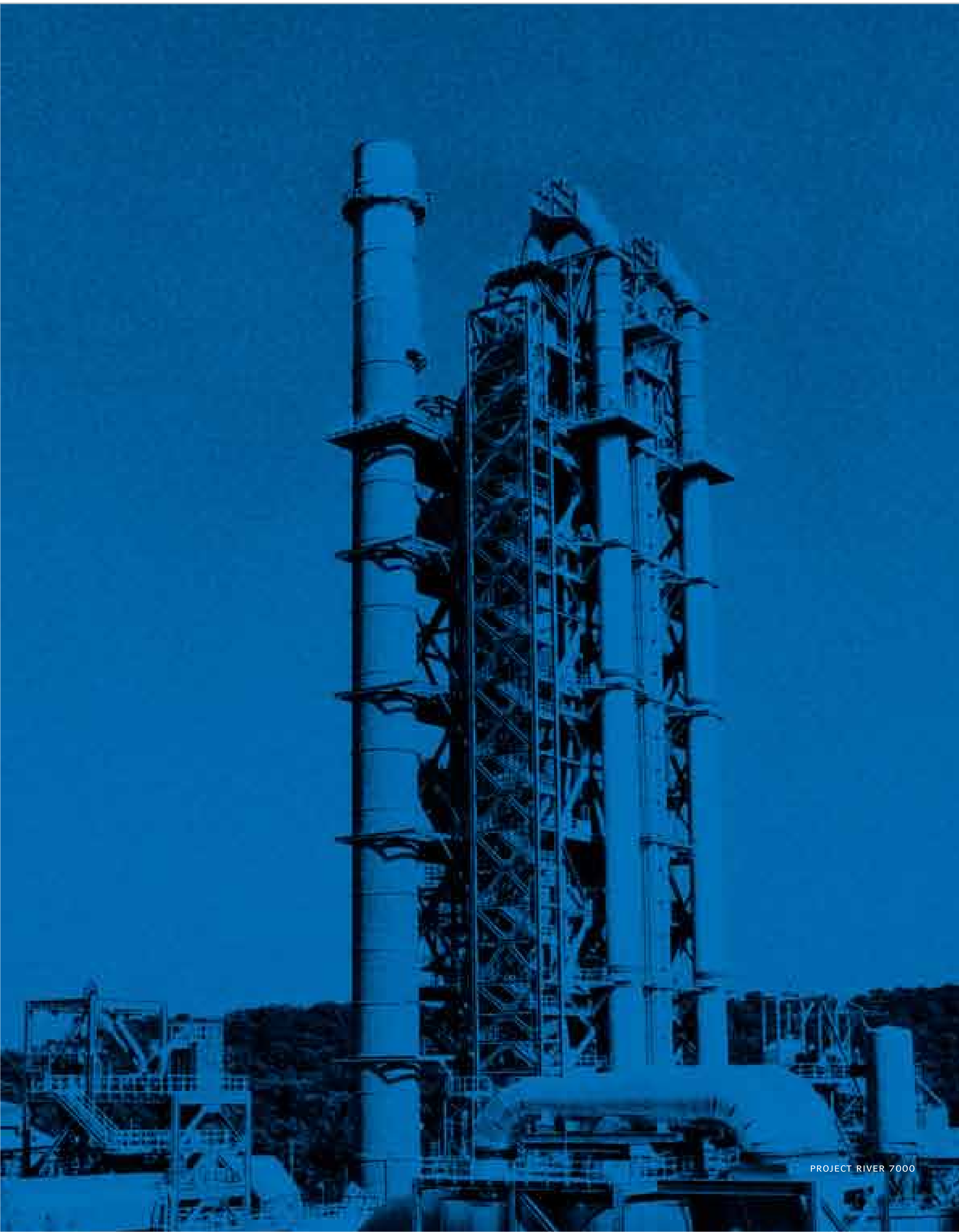
– 40 % The new production line operates with the energy-saving dry process and contributes to the reduction of the fuel costs.

+ 317 % The increase in the clinker storage capacity enables us to respond flexibly to shortages or bad weather.

– 30 % Modern filters reduce our emissions in comparison to the old production lines and meet European standards.

+ 70%

With the construction of the largest production line of the group, we increased production capacity of the River plant from 1.4 to 2.3 million tons. Thus, the competitiveness of our USA operations has been further improved.



PROJECT RIVER 7000

EVA IMPACT (ECONOMIC VALUE ADDED) OF RIVER 7000 PROJECT

Increased stocking and production capacity to tackle new markets.

In the summer of 2009 the largest production line in the Buzzi Unicem group started operation at our River Cement (Selma, Missouri) plant in the USA.

What the project achieved was to substitute cutting-edge technology for an obsolete production line dating from the 60s, to improve the plant's profitability and to raise its production capacity from 1.4 to 2.3 million tons per year. We have therefore made this location in the USA more competitive.

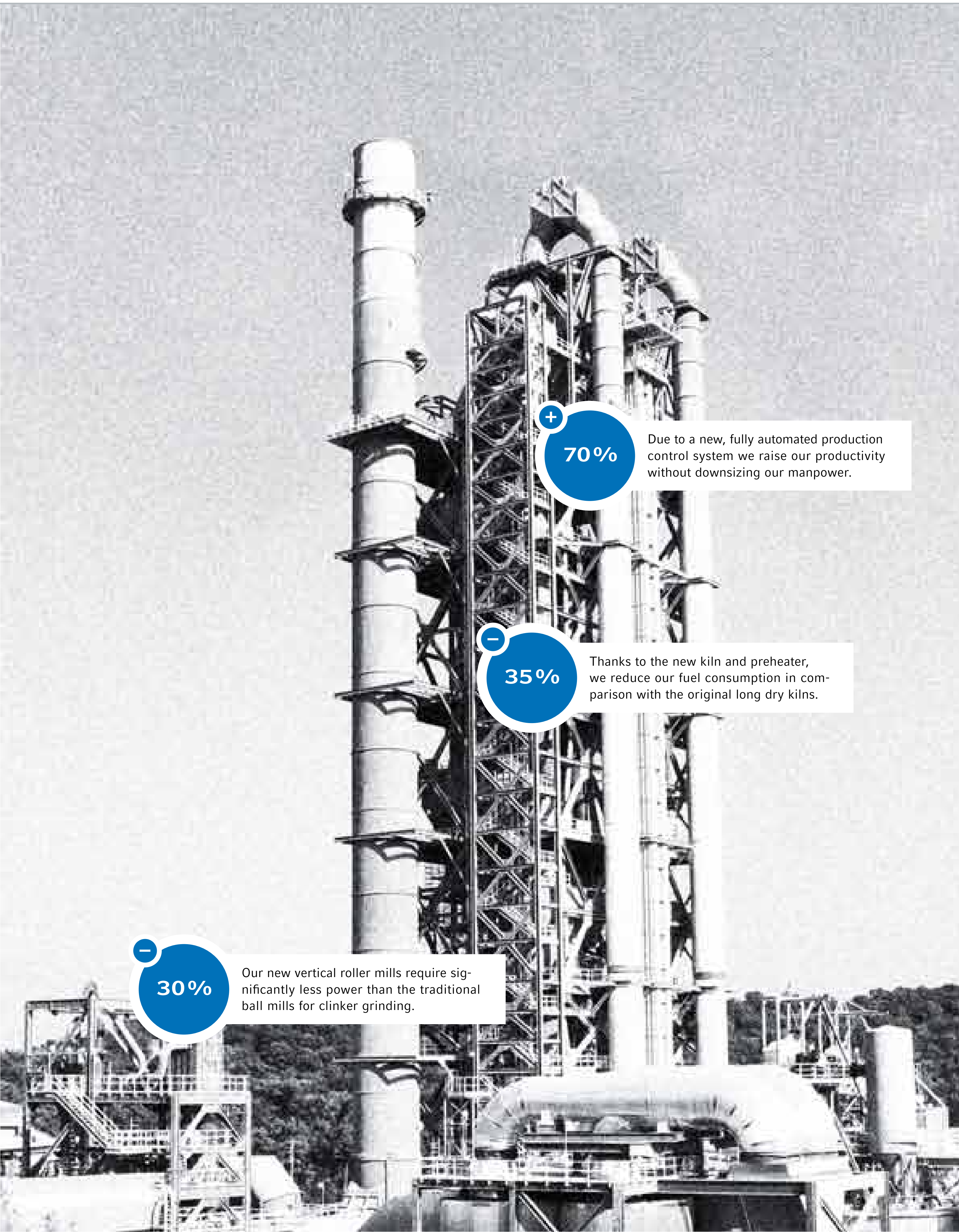
The ultramodern technology of the new production line enables us to improve our energy consumption levels and reduce production costs but also to cut down on emissions. Due to the new, fully automated production control system we are able to substantially enhance our productivity with the same number of manpower.

At a cost of 265 m/€, it was a major project that covered every work phase in the existing plant: from crushing to grinding, from the burning and fine milling of clinker to the loading of cement onto barges. One of the great challenges it posed was the integration of the production line in the existing infrastructure without interrupting ongoing operation.

The milling of the raw material and the clinker is done by two Loesche vertical roller mills, which require significantly less energy than the traditional ball mills. Whereas the original production line still used petcoke to dry the raw material, the new production line utilizes waste heat from the preheater and kiln for the purpose. Thus, we make efficient use of the energy already utilized for the clinker burning process and achieve a considerable reduction of fuel consumption.

Also the new preheater and kiln make a much more efficient use of energy than the original long kilns that had no heat exchanger. The kiln and preheater system is set up in such a way that the dust from the clinker burning process is collected by filters at the kiln exit and then fed back into the kiln. The result is that we can use the dust for production and also reduce our dust emissions.

About 90 % of the cement transportation is done by barge. The new construction gave us the chance to optimize the barge loading facility by adding two new loading installations. In addition, the cement is moved out of the existing silos and either transported to a new silo with a capacity of 3,000 tons or loaded direct onto barges via a belt conveyor at a rate of 1,000 tons per hour. The optimizing of the loading facility and the expansion of capacity enable us, on one hand, to supply our existing customers even faster and more flexibly, and, on the other, to open up new markets.



+ 70%

Due to a new, fully automated production control system we raise our productivity without downsizing our manpower.

– 35%

Thanks to the new kiln and preheater, we reduce our fuel consumption in comparison with the original long dry kilns.

– 30%

Our new vertical roller mills require significantly less power than the traditional ball mills for clinker grinding.

Review of operations

Action plans implemented to deal with the complex economic environment and sales decline had a satisfactory outcome: sound net financial position thanks to a revised investment plan and appropriate profitability through focused cost management.

CONTENTS

Shares and Shareholders

The ordinary and savings shares of Buzzi Unicem SpA have been listed on the Borsa Italiana Stock Exchange since September 1999. As at 31 December 2009 market capitalization amounted to €2,160 million. On the same date share capital consisted of 165,349,149 ordinary shares and 40,711,949 savings shares, both with a par value of €0.60 each. Each ordinary share gives the right to one vote. Savings shares, which do not have voting rights, can either be registered or bearer shares, whichever the shareholder prefers.

Trading in Buzzi Unicem shares

	Ordinary	Savings	Ordinary	Savings
Period	**number**	**number**	**€ mn**	**€ mn**
Year 2003	84,170,106	19,078,125	638.8	115.0
Year 2004	74,527,636	39,594,779	766.0	261.6
Year 2005	85,769,049	28,311,046	1,045.5	252.9
Year 2006	100,899,098	32,479,343	1,850.5	398.8
Year 2007	168,024,567	21,128,085	3,635.8	319.3
Year 2008	217,560,057	31,688,570	3,194.2	321.5
Year 2009	278,784,704	53,467,061	2,960.0	308.9

Price development of the Buzzi Unicem shares
(base January 2003 = 100)

Main shareholders
at 31 December 2009

	Ordinary shares	% of total share capital	% of ordinary share capital
Presa SpA (Buzzi family)	76,650,000	37.2	46.4
Fimedi SpA (Buzzi family)	17,100,000	8.3	10.3

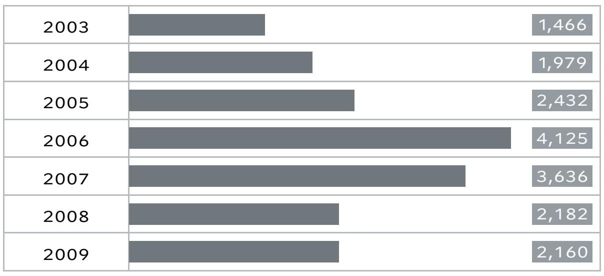
Source: Shareholders' register and additional information available to the Company

A total of 40,078,727 ordinary shares, accounting for 24.24 % of voting capital, are owned by foreign investors.

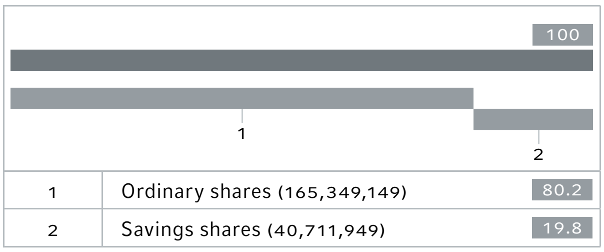
Distribution of shareholding
as at 31 December 2009 (ordinary shares)

	No. of shareholders	in %	No. of shares	in %
1 – 1,000	13,261	82.85	3,751,072	2.27
1,001 – 10,000	2,192	13.69	6,153,841	3.72
10,001 – 100,000	443	2.77	13,953,312	8.44
100,001 –	111	0.69	141,490,924	85.57

Market capitalization
as at 31 December (€ mn)



Capital structure
as at 31 December 2009 (in numbers / in %)



Highlights per share[1]

	2003	2004	2005	2006	2007	2008	2009
euro							
Basic EPS (ordinary)	1.07	0.97	1.31	1.77	2.23	1.92	0.67
Diluted EPS (ordinary)	1.01	0.93	1.26	1.71	2.23	1.92	–
Cash flow per share	2.10	2.37	2.67	3.14	3.64	3.39	1.90
Shareholders' equity per share	9.13	8.16	9.67	10.63	10.95	12.14	12.16
Price/Earnings ratio	8.7x	11.1x	10.1x	12.1x	8.5x	6.0x	16.8x
Price at year end							
ordinary	9.32	10.78	13.16	21.45	18.93	11.58	11.28
savings	6.04	7.51	9.17	14.56	12.51	6.57	7.24
Dividend per share[2]							
ordinary	0.27	0.29	0.32	0.40	0.42	0.36	0.18
savings	0.29	0.31	0.34	0.42	0.44	0.38	0.20
Yield							
ordinary	2.9 %	2.7 %	2.4 %	1.9 %	2.2 %	3.1 %	1.6%
savings	4.9 %	4.2 %	3.8 %	2.9 %	3.5 %	5.8 %	2.8%

[1] Italian GAAPS until 2003, IFRS since 2004
[2] 2009: proposed to the Annual General Meeting

Performance indicators
(in %)

	2007	2008	2009
EBITDA margin[1]	29.9	26.2	20.3
Return on Sales (ROS)	23.9	19.8	12.1
Return on Equity (ROE)[2]	21.7	18.0	6.3
Return on Capital Employed (ROCE)[3]	17.6	13.3	6.3
Debt/Equity ratio	24.7	39.2	44.6

[1] Ratio between EBITDA and sales; it expresses the result of a company's typical business operations.
[2] Ratio between net profit and shareholders' equity; it expresses the latter's profitability.
[3] Ratio between operating profit (EBIT) and the difference between total assets and current liabilities. It indicates the efficiency and profitability of a company's capital investments.

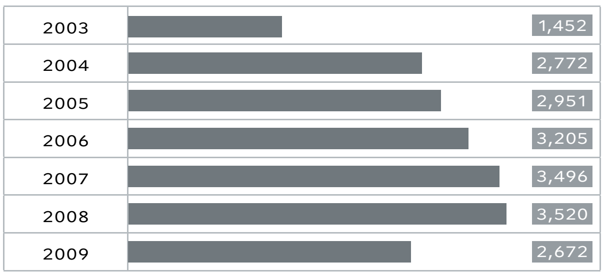
Business review

The credit crunch and the globally adverse trend of the real economy heavily affected the construction industry and demand for cement and concrete in the geographical areas where the group operates, thus significantly reducing the results achieved by the company. In the financial year 2009 the group sold 25.5 million tons of cement (– 20.4 % vs. 2008) and 13.9 million cubic meters of ready-mix concrete (– 18.3 % YoY). Consolidated net sales decreased by – 24.1 % to € 2,671.8 million (mn) vs. € 3,520.2 mn in 2008. Changes in consolidation scope increased net sales by € 37.6 mn, whereas there was a negative foreign-exchange effect of € 87.2 mn. Based on like-for-like conditions, 2009 net sales would have decreased by 22.7 % YoY. EBITDA fell by 41.3 %, decreasing from € 922.7 mn to € 541.7 mn. The 2009 figure benefited from € 22.6 mn of non-recurring income. After depreciation, amortization and impairment totaling € 218.7 mn, EBIT amounted to € 323.0 mn as opposed to € 697.7 mn in 2008 (– 53.7 %). Net finance costs increased from € 66.4 mn to € 99.9 mn. Profit before tax decreased to € 235.2 mn vs. € 650.3 mn in 2008. The average tax rate remained at the previous year's level. Given all this, after income taxes totaling € 63.8 mn (vs. € 179.6 mn in 2008), the year-end income statement showed a net profit of € 171.4 mn, of which € 139.5 mn attributable to the owners of the company (– 64.7 % YoY).

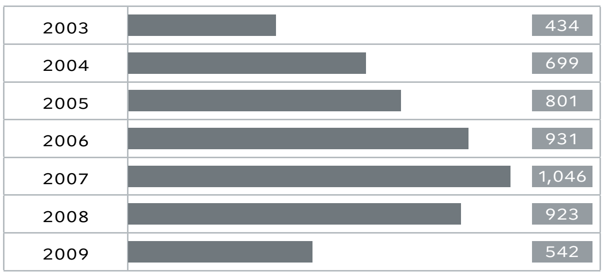
After making total investments of € 406.0 mn and distributing € 96.2 mn of dividends, 2009 year-end debt amounted to € 1,209.3 mn, increasing vs. € 1,059.7 mn as at 31 December 2008. Compared with 2008 year-end, the debt/equity ratio increased from 0.39 to 0.45.

The economic trends characterizing 2009 were exceptional in their intensity and spread. The global dimension of the crisis meant that our geographical diversification was obviously not enough to oppose the adverse economic cycles underway in the construction sector. All geographical areas featured shrinkage of demand, with repercussions on prices in several countries. Italy suffered from over-supply in the residential sector and from the lack of major infrastructure projects able to bolster demand. Notwithstanding governments' stimulus plans, Central European economies did not succeed in countering cuts in industrial building investments. In the United States, the group – although maintaining good profitability thanks to efficient plant management and production reorganization – suffered the effects of the sharpest decrease in cement consumption ever experienced in three consecutive years. Emerging East European economies, which until 2008 had contributed to

Turnover
(millions of euro)



EBITDA
(millions of euro)



the continuous progress of group performance, in some cases drastically downsized their activities, without any possibility of benefiting from lower production costs. Lastly, the results achieved by Mexico, which progressed slightly in local currency, were penalized by depreciation of the peso vs. the euro.

Operating and financial performance

In 2009 consolidated unit sales of cement totaled 25.5 mn tons, – 20.4 % YoY. Mexico's sales volume was substantially stable, whereas in all other countries it was down. The most marked decrease in demand occurred in Ukraine, Russia and the USA. Unit sales of ready-mix concrete, down in all countries, totaled 13.9 mn cubic meters (– 18.3 % YoY). The hardest hit markets were Ukraine, Czech Republic and the Netherlands. The shrinkage of production in the USA was moderate thanks to expansion of the scope of consolidation.

Consolidated **net sales** decreased by 24.1 % from € 3,520.2 mn in 2008 to € 2,671.8 mn. Changes in consolidation scope had a positive effect of € 37.6 mn, whereas the foreign exchange effect was negative by € 87.2 mn. Based on like-for-like conditions, net sales would have decreased by 22.7 % YoY.

In East European markets, the decline was particularly pronounced in Ukraine and Russia, where net sales decreased by 64.0 % and 63.0 % respectively. The crisis in these two markets involved all kinds of industries, including the construction sector. In the Czech Republic and Slovakia, the difficulties of accessing credit constrained investment projects, causing net sales to be sharply down (– 32.6 % YoY). In Poland there was a decrease of 34.1 %: here, despite the fact that the country's demand suffered less thanks to European financing for infrastructures, depreciation of the Polish zloty (– 23 %) had a decisive top-line impact. Weakening of the various national economies also caused other East European currencies to suffer major loss of value (Ukrainian hryvna – 45 %, Russian ruble – 21 %, and Czech koruna – 6 %). Overall, East European net sales decreased from € 916.7 mn to € 469.0 mn. The forex effect in the area had a negative impact of € 91.1 mn.

Central European countries featured a substantial reduction of unit sales volume. Even although the policies applied by the company made it possible to increase selling prices, 2009 ended with area net sales of € 703.4 mn, down by 11.9 % (from € 798.4 mn in 2008). Germany's net sales decreased by 11.2 % (from € 594.8 mn to € 528.0 mn) and those of Luxembourg by 7.1 % (from € 89.3 mn to € 83.0 mn). In the Netherlands, ready-mix concrete production suffered a bigger reduction, causing a 15.2 % decrease in net sales (from € 132.9 mn to € 112.7 mn).

In Italy, the market trend worsened during 2009 due to the ongoing decrease in selling prices in a scenario featuring very slack volume. Net sales amounted to € 706.6 mn vs. € 850.2 mn in 2008 (– 16.9 %).

In the USA, the residential building crisis, which had started in 2006, continued throughout 2009, also spreading to the non-residential segment. Decline of unit sales volume and selling prices caused a decrease in net sales, which ended the year at $ 854.8 mn (– 22.5 % YoY), i. e. € 612.8 mn (– 18.3 % YoY). US dollar appreciation (average exchange rate) had a positive impact of € 31.7 mn.

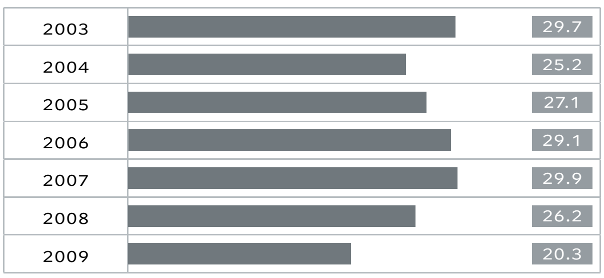
In Mexico, demand for building products featured a downward trend during 2009, due to the ongoing scaling down of infrastructure investments. Local-currency net sales showed progress (+ 1.5 % YoY), thanks to the positive trend in average prices, whereas the peso depreciation had an adverse impact on the translation of results into euros. Net sales therefore decreased by 12.1 % YoY, going down from € 205.1 mn to € 180.4 mn.

EBITDA decreased from € 922.7 mn to € 541.7 mn, – 41.3 % YoY. Changes in consolidation scope had a positive effect of € 5.6 mn, whereas there was a negative forex effect of € 20.9 mn. The 2009 figure, however, includes non-recurring income of € 22.6 mn, mainly due to partial release of the provision made several years ago in Germany for antitrust proceedings, which came to an end in 2009. Excluding non-recurring items, EBITDA decreased from € 915.4 mn to € 519.1 mn (– 43.3 %), with a 19.4 % **margin** on net sales (vs. 26.0 % in 2008). Pressure on margins was accentuated by the increase of production costs, in particular of energy factors, which hit a peak in the first half of the year (1H 09). In Ukraine, the continuous rise of natural gas prices caused operating cash flow to go into the red by € 4.5 mn. Notwithstanding the downturn of absolute EBITDA, the other East European countries maintained good operating margins (Czech Republic 25.2 % and Poland 25.7 %), with an outstanding peak in Russia (42.6 %). Recurring EBITDA also decreased in Central European countries and in Italy, mainly in the ready-mix concrete segment. Notwithstanding the sharp contraction of unit sales, the USA succeeded in achieving an EBITDA margin of over 21 %. Mexico ended with better operating performance in local currency, with an EBITDA margin on net sales of 38.7 %, much the same as the 2008 level.

Depreciation and amortization totaled € 218.7 mn vs. € 225.0 mn in 2008. Included in this P & L item was impairment of goodwill and plants in the Italian cement segment (€ 7.1 mn) and in the Italian ready-mix concrete segment (€ 1.2 mn). Conversely, in Mexico, in view of the adoption of IFRS for domestic financial reporting, property, plant and equipment was written up by € 7.3 mn.

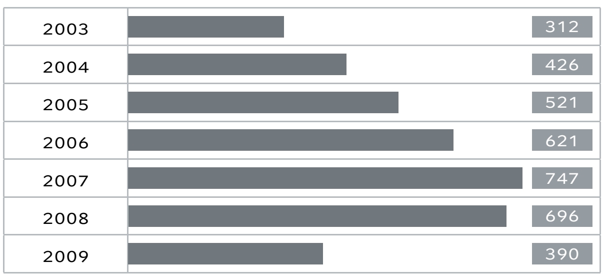
EBIT decreased by 53.7 % from € 697.7 mn to € 323.0 mn. Net finance costs totaled € 99.9 mn as opposed to € 66.4 mn in 2008. The main cause of this deterioration was the net balance of the more volatile components of finance income and expense (foreign exchange differences and derivatives valuation), which was less favorable than in 2008. Capital gains on disposal of equity interests made a positive contribution of 6.2 million, whereas the earnings in the equity associates decreased from 7.0 mn in 2008 to 5.9 mn in 2009. Due to the effect of all these items, **profit before tax** amounted to € 235.2 mn, down by 63.8 % vs. € 650.3 mn in 2008. Income taxes totaled € 63.8 mn (vs. € 179.6 mn in 2008), corresponding to virtually the same tax rate as in 2008. The yearly income statement thus ended showing a € 299.4 mn decrease in **net profit** from € 470.8 mn to

EBITDA margin[1]
(in %)



[1] EBITDA / Net sales

Cash Flow[1]
(millions of euro)



[1] Net income + amortization and depreciation

€ 171.4 mn (– 63.6 % YoY), of which € 139.5 mn attributable to owners of the company (– 64.7 %).

In 2009 **cash flow**, gross of positive and/or negative non-recurring items, amounted to € 390.2 mn vs. € 695.8 mn in 2008. As at 31 December 2009 the group's net financial debt totaled € 1,209.3 mn with an increase of € 149.5 mn vs. € 1,059.7 mn at 2008 year-end. In 2009 the group distributed **dividends** totaling € 96.2 mn, of which € 74.9 mn by the parent company Buzzi Unicem SpA, and made capital expenditures totaling € 406.0 mn, of which € 244.1 mn in expansion projects and € 8.0 mn in equity investments.

The main **industrial investments** made in Italy related to the cement plant of Robilante (province of Cuneo) for the Kiln 2 upgrading project and Guidonia (province of Rome), where new coal and clinker storages were built. In the USA, work was completed on expansion of production capacity at Selma, MO (the "River 7000" project), with an impact of € 45.1 mn during the year. In Germany, numerous projects were implemented for efficiency improvements and use of alternative fuels. In Luxembourg, completion of the program to increase clinker grinding capacity involved investments of € 27.7 mn in 2009. In Russia, the project continued to expand capacity at our Suchoi Log factory, with investments of € 56.7 mn. In addition, in Ukraine site work continued for substitution of fuel sources, i. e. the switch from natural gas to coal (€ 32.3 mn invested in 2009).

Investments in financial assets were much lower than in 2008 and primarily related to the integration of assets in the natural aggregates field in Germany (€ 2.1 mn).

The following table shows the assets and liabilities forming our **net financial position**, split according to their degree of liquidity:

Net financial position

millions of euro	Dec. 31, 2009	Dec. 31, 2008
Cash and short-term financial assets:		
Cash and cash equivalents	697.0	578.7
Derivative financial instruments	0.8	2.8
Other current financial assets	8.6	9.9
Assets held for sale	–	0.2
Short-term debt:		
Current portion of long-term debt	(354.7)	(141.3)
Short-term debt	(7.8)	(10.0)
Derivative financial instruments	(14.6)	(26.6)
Other current financial liabilities	(42.8)	(16.6)
Liabilities held for sale	–	(17.7)
Net short-term cash	**286.5**	**379.4**
Long-term financial assets:		
Derivative financial instruments	0.2	6.3
Other non-current financial assets	15.9	17.0
Long-term financial liabilities:		
Long-term debt	(1,448.7)	(1,394.7)
Derivative financial instruments	(58.6)	(34.8)
Other non-current financial liabilities	(4.6)	(32.9)
Net debt	**(1,209.3)**	**(1,059.7)**

As at 31 December 2009, shareholders' equity, including minority interest, amounted to € 2,712.4 mn vs. € 2,705.5 mn at 2008 year-end. The debt/equity ratio therefore increased from 0.39 to 0.45.

Italy

TRADING CONDITIONS CEMENT BUSINESS

Volumes	−16.4 %
Prices	−6.0 %
Mkt share	16 %

- Cement plants
- Grinding plants
- Ready-mix concrete plants
- Affiliated ready-mix concrete plants

Cement

millions of euro		2009	2008	09/08
Net sales		443.2	560.8	−21.0 %
EBITDA reported		89.3	134.8	−33.7 %
EBITDA recurring		89.3	127.8	−30.1 %
% of sales		20.2	22.8	
Capital expenditures		39.9	162.7	−75.5 %
Headcount end of period	no.	1,421	1,425	−0.3 %

before intersegment eliminations

Ready-mix concrete

millions of euro		2009	2008	09/08
Net sales		369.7	420.9	−12.2 %
EBITDA reported		1.4	6.9	−79.5 %
% of sales		0.4	1.6	
Capital expenditures		12.0	15.1	−20.5 %
Headcount end of period	no.	605	632	−4.3 %

before intersegment eliminations

Italy

The recessionary economic trend that started in 2008 (−1.0 %) intensified in 2009, with GDP down by about 5 %. The trend during the year was mixed, i.e. growth in the third quarter (+0.6 % QoQ), driven by industrial investments and consumer spending, that newly returned to slippage in the last quarter of the year. The other macroeconomic indicators highlight a very difficult year for the "Italian system" as a whole. Industrial output in fact fell by 17.5 % vs. 2008, while the unemployment rate increased by 130 bps in the January–December period, rising to 8.5 %. The public debt/GDP ratio newly topped 115 %, making it necessary to adopt restrictive budget policies. Given this, the increase in current expenditure to support social policies was accompanied by reduction of public investments.

The construction industry, tightly linked to national economic dynamics, continued to feature the negative trend that had started in 2007. The residential market – certainly the hardest hit – has shrunk year after year, hitting a decrease of 10 % YoY in 2009, i.e. the most negative peak since the beginning of the crisis. In particular, new residential buildings – which had been the main growth driver of the industry during the previous positive cycle – were drastically downsized due both to (a) the imbalance between demand and supply and (b) selling prices still too high, a legacy of the previous speculative wave. Non-residential building investments were profoundly affected by the economic environment existing in the country, which led many companies to dilute their investment decisions time-wise. On the private front, industrial building decreased by over 20 %, while retail and office building decreased by about 10 %. As anticipated, public works investments also decreased in volume, with an estimated decline in 2009 of about 5 %. Major road and rail expansion and upgrading projects completed during 2006 and 2007 were not replaced by new infrastructure works – once again postponed notwithstanding the primary need for them in terms of Italy's development.

The building market's decline caused a 15.1 % decrease in domestic cement deliveries. The first and fourth quarters of the year were hampered by particularly adverse weather but the decisive factor impacting final unit sales was the slackness of cement demand. Our unit sales of hydraulic binders and cement decreased by 16.4 %; this figure includes exports, which suffered a major slump (about – 60 % YoY) because of the crisis involving core markets in Mediterranean countries. Selling price decreased by 6.0 % vs. 2008 due to very fierce competition, which in turn was the result of the market's persistent weakness.

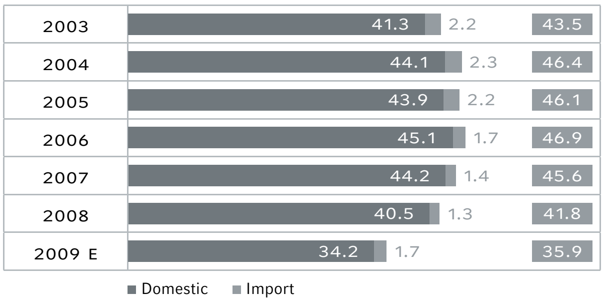
The decrease in unit sales and selling prices translated into a 21.0 % decrease in net sales of cement, which went down from € 560.8 mn to € 443.2 mn. During 2009 the company decided to sell part of the CO_2 emission rights assigned to it that were surplus to requirements due to the reduction of production output, thus achieving € 19.4 mn of other operating revenues. Regulations concerning the third regulatory period (2013 – 2020), although still liable to undergo significant changes, seem inclined to assure the cement industry the possibility of retaining – at least in part – rights not used during the period underway. Production costs featured a downward trend during the year, with a first half (1H 09) penalized by energy factors' increase and a second half (2H 09) that benefited from the reduction of raw material and fuel prices. Despite this, profitability was eroded by the loss of production efficiency linked to the reduction of production output. EBITDA consequently stopped at € 89.3 mn, – 33.7 % vs. 2008 (€ 134.8 mn), which had also benefited from non-recurring income of € 7 mn.

Among the investments made in the cement sector, particularly important ones were upgrading of the Robilante cement factory's Kiln 2 and substitution of its electro-filter with a bag filter (for a total of € 6.5 mn), while at the Guidonia factory a new coal storage (€ 2.5 mn) and a new clinker silo (€ 3.2 mn) were built.

The ready-mix concrete business reported a 13.7 % downturn in production vs. 2008. Unit sales contracted in all Italian regions where the group operates, except for Piedmont and Liguria but only thanks to the expansion of consolidation scope. Selling prices instead remained substantially unchanged (– 0.4 %). Net sales thus went from € 420.9 mn to € 369.7 mn, decreasing by 12.2 % YoY. Production and distribution costs increased by 5 %, with evident effects on the operating margin, which dipped to less than 1 %. EBITDA went down from € 6.9 mn to € 1.4 mn. The ready-mix concrete segment's ability to contribute to group results was further eroded by an impairment of € 1.2 mn of goodwill relating to assets in the Piedmont region, which became necessary after having reviewed their recoverable value.

Discretionary capital expenditures focused on strengthening our competitive position, with the purchase of some plants in Piedmont for € 3.9 mn.

Italy – Cement Consumption
(million tons)



Germany

TRADING CONDITIONS CEMENT BUSINESS

Volumes	– 13.3 %
Prices	+ 7.0 %
Mkt share	15 %

○ Cement plants
○ Grinding plants
• Ready-mix concrete plants

millions of euro	2009	2008	09/08
Net sales	528.0	594.8	–11.2 %
EBITDA reported	116.3	102.7	+13.2 %
EBITDA recurring	81.4	102.4	–20.5 %
% of sales	15.4	17.2	
Capital expenditures	43.0	63.0	–31.8 %
Headcount end of period no.	1,647	1,653	–0.4 %

Germany

Germany is certainly one of the European countries most hit by the international crisis. In 2009 German GDP decreased by 5.0 % YoY, notwithstanding the signs of improvement emerging during the year. On a sequential basis, GDP in fact grew by 0.4 % and 0.7 % respectively in the second and third quarters, whereas growth in the last quarter was zero. Industry – the traditional driver of German economic growth – was the sector hardest hit, with a negative growth rate of over 20 % in the first half of the year (1H 09). Despite the progress achieved in the second half (2H 09), thanks to better market conditions but also to a more favorable comparison base, the indicator remained negative through to the end of the period (– 5.6 % in December). The main outlet for German production in fact continues to be export, which suffered shrinkage of over 15 % during 2009. Domestic demand remained slightly positive, but is a minor market in comparison with Germany's overall production capacity.

Central government took a series of actions to stabilize the economic environment. Thanks to the moderate level of public debt, the government was able to implement policies to support the national production system. Tailor-made investment projects permitted direct stimulation of the demand for goods and services, while the reduction of taxation and actions supporting employment aided consumer spending. Labor policies permitted gradual reduction of the unemployment rate, which improved from the annual peak in March (8.6 %) to 7.8 % in December.

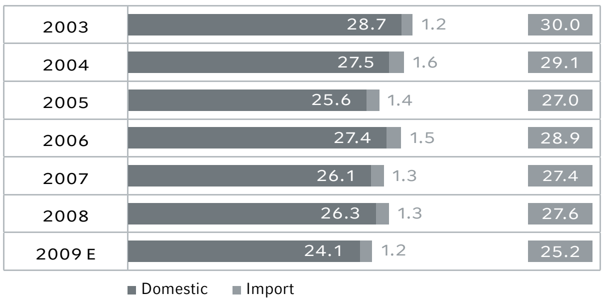
The building market suffered the repercussions of the adverse economic trends, thus experiencing a reduction of investments in the residential segment (– 0.8 %) and in the non-residential segment (– 2.5 %). New residential buildings, already profoundly scaled down in the 2-year period 2007–2008, suffered a further setback. This was the consequence of the climate of uncertainty but also of a market substantially saturated on the demand side. Investments for the refurbishment and modernization of existing buildings now account for the largest portion of the sector. The contraction of industrial output has radically affected corporate investment decisions, above all as regards the construction of new industrial buildings. Because of this, in 2009 the non-residential segment, which was still growing until 2008, declined. Public works investments were the only construction segment to expand vs. 2008 (+4.0 %). As from 2H 09, infrastructure expenditure in fact benefited from two economic stimulus plans implemented by the federal government, mainly aimed at the expansion and modernization of the road and rail networks.

The Dyckerhoff subsidiary's unit sales of cement decreased by 13.3 % YoY. Ready-mix concrete was harder hit, with unit sales volume down by 19.8 %. Conversely, on the price front the company undertook a series of commercial policies designed to improve margins, managing to achieve price increases for the cement and ready-mix concrete segments of 7.0 % and 8.5 % respectively. The effect of the volume/price trend in Germany led to net sales of € 528.0 mn, down by 11.2 % vs. 2008 (€ 594.8 mn). EBITDA totaled € 116.3 mn growing by 13.2 % vs. 2008 (€ 102.7 mn).

At the end of June the Regional High Court of Düsseldorf ruled against the main cement manufacturers in Germany, with regard to alleged price-fixing agreements in the period 1991–2001. Thanks, however, to constant co-operation with the authority, the company – which decided not to appeal against the ruling – obtained major reduction of the fine initially established, i. e. from € 95 mn to € 50 mn besides legal expenses, payable in two installments, one of which already paid before the end of 2009.

Conclusion of the dispute permitted partial release of surplus provisions amounting to € 37.4 mn. Net of non-recurring income and costs, EBITDA ended 2009 down by 20.5 % (to € 81.4 mn vs. € 102.4 mn in 2008), also because of major increases in the price of electricity (+ 22 %).

Germany – Cement Consumption
(million tons)



Investments in property, plant and equipment totaled € 43.0 mn. The most important projects included the new fly-ash storage, conveyor and dosing system at the Deuna plant and the system to convey cement from the finish mills to silos at the Lengerich factory. In addition, strengthening of the ready-mix concrete segment continued via installation of new batching units.

Luxembourg

TRADING CONDITIONS CEMENT BUSINESS

Volumes	– 8.3 %
Prices	+ 4.8 %
Mkt share	NA

Cement plants
Grinding plants

millions of euro		2009	2008	09/08
Net sales		83.0	89.3	– 7.1 %
EBITDA reported		14.1	17.4	– 18.9 %
% of sales		17.0	19.5	
Capital expenditures		31.5	21.3	+ 47.6 %
Headcount end of period	no.	152	150	+ 1.3 %

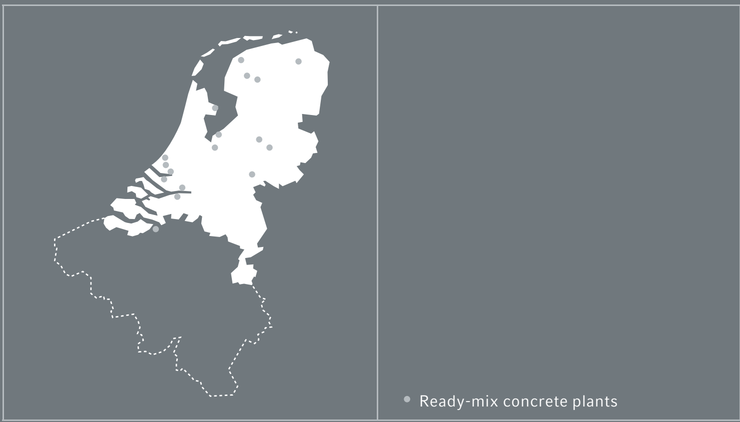
Luxembourg

The global economic and financial crisis had weakened the country's ability to grow in 2008 and did so more markedly in 2009. The year therefore ended with GDP down by 3.9 %. Investments and exports were the hardest hit components, suffering a respective decline of 11.5 % and 10.9 %. The only positive component – public expenditure – succeeded in partly counterbalancing the slowdown underway. Luxembourg, however, showed new vitality in the third and fourth quarters, suggesting a return to growth in 2010 (+2.1 % expected), driven by public and private expenditure and by foreign trade recovery.

The second semester featured steady improvement on conditions in the building market, which permitted YoY growth of unit sales of cement in the fourth quarter (4Q 09). Despite, in 2009 the unit sales of hydraulic binders and clinker leaving the country decreased by 8.3 %, whereas selling prices progressed by 4.8 %. Net sales therefore amounted to € 83.0 mn vs. € 89.3 mn in 2008 (– 7.1 %), while EBITDA decreased by 18.9 % to € 14.1 mn (vs. € 17.4 mn in 2008). EBITDA margin thus slipped to 17.0 %, dampened by the cost increases relating to fuel sources that occurred in 2009.

In October the expansion of finish grinding capacity was completed at the Esch-Sur-Alzette factory. Cement grinding lacked sufficient capacity for transformation of clinker, thus making direct sale of part of the semi-finished product necessary. With the new addition to annual production capacity, which has been increased to 1.2 million tons (+ 20 %), it will be possible to substitute part of clinker sales with cement sales, thus improving the mix of average unit revenues in 2010. Investments made in 2009 totaled € 27.7 mn.

Netherlands



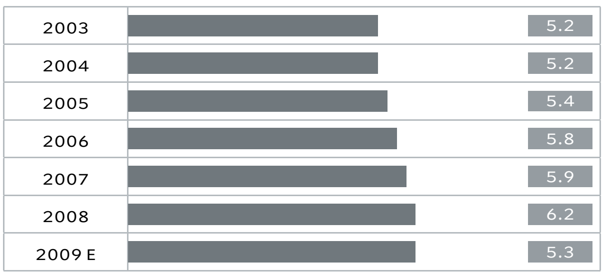
millions of euro		2009	2008	09/08
Net sales		112.7	132.9	−15.2 %
EBITDA reported		4.5	7.2	−36.9 %
% of sales		4.0	5.4	
Capital expenditures		4.0	5.4	−25.5 %
Headcount end of period	no.	296	297	−0.3 %

The Netherlands

The Dutch economy, which had grown until 2008 (+ 2.0 %), featured tangible slowdown in 2009. The decrease in GDP (– 4.0 %) was mainly the result of cuts in corporate investments (– 16.1 %), caused by decline of demand in their respective sectors, and of the downturn in exports (– 8.4 %) following the general reduction of international trade. Similarly to other European countries, the trend during the year nevertheless was substantially one showing improvement, above all thanks to the expansionary policies implemented by the government, in terms both of current spending and investments, but also as regards positive foreign trade development.

The residential building sector felt the first repercussions of the financial and credit crisis as from the second half of 2008 and the situation continued to deteriorate during 2009. Private individuals' investment propensity decreased as the pressure on employment increased. In effect, even although remaining one of the lowest in Europe, the Dutch unemployment rate grew fast, rising from 1.9 % in 2008 to 2.8 % (December 2009). The non-residential sector's 2009 data are expected to be down by about 10 %, due to cancellation of many industrial projects and to the issue of only a limited number of building permits. Lastly, spending on infrastructural works

Netherlands – Cement Consumption
(million tons)



Poland

TRADING CONDITIONS CEMENT BUSINESS

Volumes	– 10.1 %
Prices*	– 1.2 %
Mkt share	9 %

* in local currency

Cement plants
Terminals
Ready-mix concrete plants

millions of euro		2009	2008	09/08
Net sales		121.1	183.7	–34.1 %
EBITDA reported		31.2	70.0	–55.5 %
EBITDA recurring		37.9	70.0	–45.8 %
% of sales		31.3	38.1	
Capital expenditures		15.9	13.7	+16.1 %
Headcount end of period	no.	423	419	+1.0 %

was less affected by the economic recession, thanks to public investment support. Once again, however, actual annual data are expected to show slight contraction (about – 1.5 %).

Ready-mix concrete unit sales totaled 0.9 million cubic meters, – 22.8 % YoY. Net sales amounted to € 112.7 mn, down by 15.2 % (vs. € 132.9 mn in 2008). Changes in consolidation scope explain € 5.4 mn of the difference, following deconsolidation of Basal Belgie BVBA, a company active in natural aggregates in Belgium. EBITDA amounted to € 4.5 mn vs. € 7.2 mn in 2008 (– 36.9 %), with an EBITDA margin (4.0 %) just slightly lower than that of 2008.

The main investments related to 100 % purchase of the Megamix business, active in the segment of ready-to-use mortar for building sites.

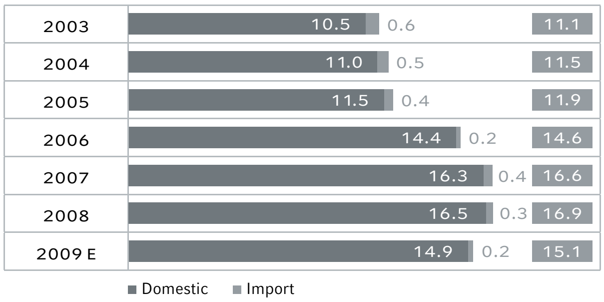
Poland

Poland is the only EU country to have achieved GDP growth in 2009 (+ 1.3 %). Private investments were the only component that decreased – a sign of the difficulty experienced by some industries due to the international economic environment. Internal consumption continued to grow, as did net exports. Depreciation of the zloty (– 23 %) abruptly slowed imports while at the same time curbing the decline of exports. Intervention by the central authorities, by means of expansionary monetary and fiscal policies, made it possible to stabilize the financial system and stimulate demand, thus safeguarding macroeconomic soundness and short-term growth. Its economic fundamentals, together with reforms implemented by the government on several fronts, make Poland one of the countries best positioned to address 2010, pending a return to more regular growth already as from 2011.

The construction industry showed some signs of slowdown, due to the decline of investments in the residential and non-residential segments. New homes completed in 2009 totaled some 180 thousand, one of the highest figures in the last 20 years. In addition, persistently high prices and the difficulties of accessing credit slowed down disposal of unsold units. Moreover, the abundance of supply in the market has increased the risk of investing in new residential buildings. In the non-residential segment, new projects were severely constrained by high financing costs. Building activities therefore focused on completing projects already underway. The building industry was therefore almost exclusively driven by infrastructure investments (+ 20 %), which, thanks to EU financing, were not affected by the credit crunch. The main finance allocations went to development of the road network, flood protection and water control, and to works connected with the 2012 European soccer championship.

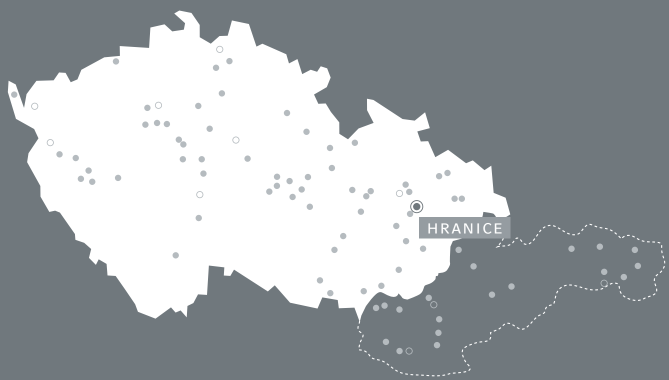
Cement consumption in Poland in any case suffered shrinkage (– 10.4 %), decreasing to 15.1 mn tons. Total quantities of cement sold by our group in the country decreased by 10.1 % and those of ready-mix concrete by 15.8 %. Average selling prices in local currency decreased slightly in the case of cement (– 1.2 %) and more markedly in the case of ready-mix concrete (– 9.2 %). Market trends led to a 34.1 % decrease of net sales to € 121.1 mn (vs. € 183.7 mn in 2008). Zloty depreciation had a heavy impact on turnover, net of which the decrease would have been 18.8 % YoY. EBITDA amounted to €31.2 mn vs. €70.0 mn in 2008 (–55.5 %). At 2009 year-end, the local antitrust authority imposed fines on seven cement manufactures for alleged anti-competition practices. The fine concerning Dyckerhoff amounts to € 15 mn. The company has filed an appeal and the fine will have to be paid only after the definitive ruling. With the last provisioning of € 6.8 mn in 2009, total provision for the fine has been made in accounts. Net of this non-recurring item, EBITDA would have been € 37.9 mn, with a lower operating margin than in 2008, due to the increased cost of electricity (+ 32 %) and fuel (+ 21 %).

Poland – Cement Consumption
(million tons)



Among the most significant investments, we highlight the new fly-ash silo (€ 2.1 mn) and the replacement of a bag filter (€ 1.7 mn). In the ready-mix concrete segment, investments instead focused on replacement of part of the truck fleet (€ 1.6 mn) and on expansion of production capacity (€ 1.1 mn).

Czech Republic and Slovakia



TRADING CONDITIONS CEMENT BUSINESS

Volumes	– 23.9 %
Prices*	+ 0.6 %
Mkt share	15 %

* in local currency

Cement plants
Ready-mix concrete plants

millions of euro		2009	2008	09/08
Net sales		175.7	260.8	–32.6 %
EBITDA reported		44.2	73.2	–39.6 %
% of sales		25.2	28.1	
Capital expenditures		6.1	14.6	–58.4 %
Headcount end of period	no.	914	936	–2.4%

Czech Republic and Slovakia

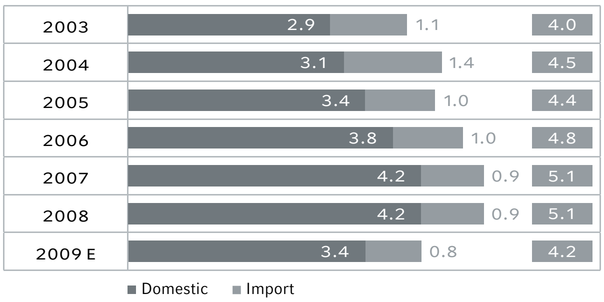
The year 2009 featured a major setback for the Czech Republic's economic performance, with an estimated GDP decrease in excess of 4 % and increase of the unemployment rate from 4.4 % to 6.8 %. The country's industrial set-up – less diversified than the one of other emerging economies in the area and heavily dependent on trade with neighboring countries – was hit very hard indeed by the decline in foreign demand. Public action, in the form of two economic stimulus plans, has weakened the country's debt position, leaving only limited room for maneuver in 2010. Slovakia also experienced a very tangible GDP decrease (– 5.7 %), in sharp contrast with the previous year's growth (+ 6.4 % in 2008). The country officially adopted the euro currency as of 1 January 2009. This is a very important step in terms of Slovakia's integration in the European economic system and should assure greater stability in the long term.

In the Czech Republic, the construction industry grew at very high rates in the period 2000 – 2007. The slowdown experienced by the various building segments during 2008, was further accentuated in 2009, leading to a decrease of 4.3 %. The residential and non-residential segments experienced decreases in the region of 10 % and 20 % respectively, whereas infrastructure expenditure grew by about 16 %. There was particularly major growth of investments in the development of transport (roads and railways), telecommunications, and the energy sector.

In this scenario, the country's cement consumption decreased by 17.6 % to 4.2 mn tons. Our group achieved unit sales of cement down by 23.9 % with prices slightly up (+ 0.6 %). The ready-mix concrete segment was heavily penalized, with volume and prices respectively down by 31.6 % and 1.3 %. Total net sales amounted to € 175.7 mn, – 32.6 % vs. 2008 (€ 260.8 mn). EBITDA totaled € 44.2 mn vs. € 73.2 mn in 2008. EBITDA margin thus decreased from 28.1 % to 25.2 %. Depreciation of the Czech koruna had a negative impact on translation of results into euros. Net of this forex effect, net sales and EBITDA would have decreased by 29.4 % and 35.8 % respectively.

Investments made in 2009 totaled € 6.1 mn and mainly related to maintenance and improvement projects. Among the most significant jobs, we highlight € 1.9 mn for modernization of ready-mix concrete plants, both in the Czech Republic and in Slovakia.

Czech Republic – Cement Consumption
(million tons)



Ukraine

TRADING CONDITIONS CEMENT BUSINESS

Volumes	−44.6 %
Prices*	−4.3 %
Mkt share	15 %

* in local currency

- Cement plants
- Terminals
- Ready-mix concrete plants

millions of euro		2009	2008	09/08
Net sales		75.3	209.4	−64.0 %
EBITDA reported		−4.5	49.9	−109.0 %
% of sales		–	23.8	
Capital expenditures		58.1	48.9	+18.8 %
Headcount end of period	no.	1,672	1,782	−6.2 %

Ukraine

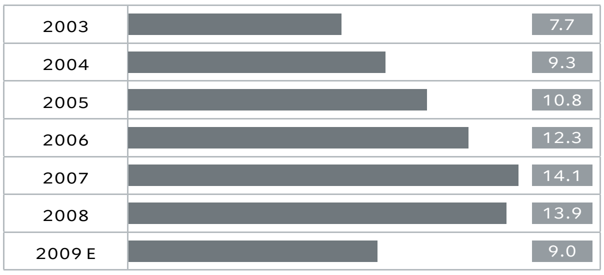
Starting in the last quarter of 2008, Ukraine was dragged into profound recession, due to its fragile economic fundamentals and to the difficulties experienced by institutions in tackling the repercussions of the crisis of international markets. After slumping by 22 % and 18 % in the first and second quarters, GDP decline slowed to −14 % on a full-year basis, thanks to gradual stabilization of the economy in the latter part of the year. With co-ordination by the International Monetary Fund (IMF), the government managed to implement a series of social reforms and reforms of financial institutions, as well as to assure assistance, support and finance plans for the industries hardest hit by the macroeconomic situation. The local currency, the hryvna, already strongly hit in the latter months of 2008, also substantially consolidated the levels reached, slowing its depreciation. Between the end of 2008 and 2009, IMF intervention led to disbursement of $ 11 billion (bn) in the form of loans to the country's central authorities. The further tranche ($ 6 bn) envisaged by the stand-by aid plan is subject to the government's ability to implement the new anti-crisis measures agreed; however, in November 2009 the instability of political institutions and disagreements between the various decision-making points had prevented disbursement of the fourth part of the loan ($ 3 bn). Given Ukraine's high public debt, without the support of international bodies opportunities for public action will be seriously jeopardized in 2010. Consequently, at present, notwithstanding the results achieved, uncertainty remains on several fronts (political, economic and social), making it impossible to see any real possibility of significant economic recovery in the short term.

The construction market featured a sharp decline in activity in 1H 09, also because of severely adverse weather conditions. Some slight improvement occurred in

2H 09, but unit sales of cement and ready-mix concrete in any case ended the year down by 44.6 % and 67.5 % respectively. Ukrainian cement consumption decreased to 9.0 mn tons vs. 13.9 mn tons in 2008. The slump of demand affected average selling prices, which were down by 4.3 % for cement and by 6.6 % for ready-mix concrete. Net sales totaled € 75.3 mn, down by 64.0 % vs. 2008 (€ 209.4 mn), also because of depreciation of the local currency (– 44.8 %). EBITDA, which in 2008 had totaled € 49.9 mn, was negative by € 4.5 mn. Profitabil-'ity was eroded both by the sharp decrease in unit sales, and thus of production efficiency, and by the trend of energy factors – headed by natural gas, whose unit cost surged by a further 81 % YoY.

March marked completion of modernization of the previously unused Kiln 6 at the Rivne factory. We believe that the consequent new production capacity (0.4 mn tons) will not be used earlier than 2012. The project required further capital expenditure of € 2.2 mn. In order to address the problem of the recurrent fuel price increases, the company has continued to invest in the project to switch from natural gas to coal at both production sites (Nikolajev and Rivne). This investment is of primary importance for the group, and not simple in terms of technical implementation. In 2009 it required capital expenditure of € 32.3 mn. Works are expected to be completed in the second quarter of 2010. The project concerning the new brownfield production line at the Rivne plant – which had already been suspended indefinitely in 2008 following the market's downturn – in any case featured consequential capital expenditure of € 14.4 mn.

Ukraine – Cement Consumption
(million tons)



Russia

TRADING CONDITIONS CEMENT BUSINESS

Volumes	– 40.4 %
Prices*	– 28.1 %
Mkt share	3 %

* in local currency

Cement plants

millions of euro		2009	2008	09/08
Net sales		98.8	267.3	– 63.0 %
EBITDA reported		42.1	173.2	– 75.7 %
% of sales		42.6	64.8	
Capital expenditures		76.7	96.8	– 20.8 %
Headcount end of period	no.	1,279	1,549	– 17.4 %

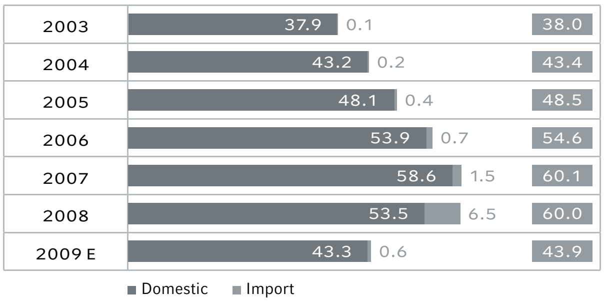
Russia

Russia's economic growth, which had continued at a smart pace until 2008, came to a halt during 2009. GDP decreased by approximately 9 % as a result of the global crisis but also of the intrinsic weaknesses of the Federation's economic system. The strength stemming from extractive commodities faded away in the first part of the year; oil remained between $ 40/bbl and $ 50/bbl until April, thus sharply reducing revenue and public entities' spending capacity. In addition, the financial crisis and the banking industry's difficulties caused the cost of consumer credit and corporate borrowing to increase, consequently triggering contraction of private expenditure and investments. In August the situation started to improve steadily, which made it possible to attenuate the crisis that had developed in previous months. Recovery of global GDP, driven by the emerging economies, led to a gradual rise in crude oil prices to over $ 70/bbl. In parallel, anti-cyclical measures partly offset the downturn in production, while the monetary policies implemented by the Central Bank of the Russian Federation helped to stabilize the banking industry and credit system.

All this had major repercussions on the construction industry. The rates of growth experienced in previous years were not sustainable in a recessionary period and the credit crunch forced postponement of innumerable projects in the various segments of the industry. The construction industry as a whole fell back by 18.0 % YoY and the country's cement consumption suffered a big decrease, going down to 43.9 mn tons vs. 60.0 mn tons in 2008 (–26.8 %).

Contrary to what had happened in the previous year, factories in the Urals and Siberia were the ones that had to reduce production output most of all. The financial year 2009 ended with unit sales of cement down by 40.4 % and prices in local currency 28.1 % lower than the 2008 average. In absolute value, prices returned to international levels after the exponential growth experienced in the 2-year period 2007 – 2008. Our net sales dropped from € 267.3 mn to € 98.8 mn (– 63.0 %). EBITDA was therefore severely downsized (– 75.7 % YoY), going down from € 173.2 mn in 2008 to € 42.1 mn in 2009. EBITDA margin nevertheless remained very positive, equal to 42.6 %, at top group levels.

Russia – Cement Consumption
(million tons)



As regards industrial investments, work continued on installation at the Suchoi Log site of a new dry-process production line. A 5-stage kiln with precalciner will be set up alongside the present 4 wet-process kilns, with expected production capacity of 1.2 mn tons in addition to the present 2.4 mn tons (+ 50 %). We expect the new plant to be completed during 2010 (second quarter) and full utilization of its capacity in subsequent months is planned. Because of the plant's greater efficiency and in order to improve the profitability of our local assets, the company will give preference to utilization of the new line as opposed to the existing wet-process line. In 2009 € 56.7 mn was booked for this project. Projected 2010 cement consumption does not yet permit reactivation of the project for a greenfield factory in Akbulak, close to the border with Kazakhstan. This expansion plan, which has thus been postponed indefinitely, required capital spending of € 12.8 mn during 2009, based on the commitments previously made.

United States of America

TRADING CONDITIONS CEMENT BUSINESS

Volumes	–24.2 %
Prices*	–4.5 %
Mkt share	9 %

* in local currency

Cement plants
Ready-mix concrete plants

millions of euro		2009	2008	09/08
Net sales		612.8	750.0	–18.3 %
EBITDA reported		131.3	205.8	–36.2 %
EBITDA recurring		136.9	205.8	–33.5 %
% of sales		22.3	27.4	
Capital expenditures		82.7	206.5	–60.0 %
Headcount end of period	no.	2,317	2,440	–5.0 %

United States of America

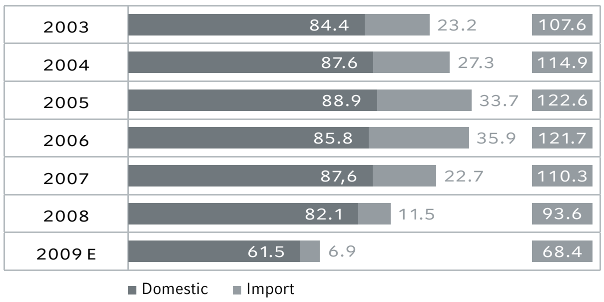
The USA – the epicenter of the real estate crisis that triggered global financial turmoil – was the first country to enter economic recession. In 2009 GDP was down by 2.4 %, but nevertheless featured continuous, gradual improvement during the various quarters. In effect, economic growth, which was still negative up to the end of June, moved back into positive ground in the last two quarters, growing by 2.2 % QoQ and 5.9 % QoQ respectively. The drivers of this inversion of trend were the GDP components hardest hit in 1H 09. There was major positive development of private investments and exports, together with slowdown of imports, also thanks to US dollar depreciation during the year. The federal government implemented a major fiscal stimulus plan to support businesses, consumer spending and employment. The monetary policy undertaken by the Federal Reserve, which took interest rates down close to zero, generated the liquidity necessary to assure the proper functioning of financial markets and access to credit by firms and individuals. Notwithstanding the evidence of positive signs on several fronts, economic recovery still seems fragile. Given this, we believe that the estimated growth forecast for 2010 (GDP +2.1 %) will be achieved no earlier than the second half of the year (2H 10).

After the drastic downsizing experienced in 2007 and 2008, the construction market ended the year with further contraction in 2009. The residential segment continued to be the one hardest hit, decreasing by 24.6 %. The non-residential segment, which was still growing through to the end of 2008, experienced its first major decrease in 2009 (–21.7 %). Lastly, new constructions relating to public works decreased by 3.7 %, notwithstanding the huge amount of anti-cyclical funds earmarked for this segment. The highway network development plan (coming under the ARRA – American Recovery & Reinvestment Act) has received financing of over $ 23 bn, of which only 20 % was spent during 2009. The budget deficit of individual States has in fact severely constrained their ability to participate in expenditure proportionally, as is instead required by the federal allocation plan. We thus believe that a good part of the plan's benefits will be forthcoming in 2010, enabling the segment to grow by an estimated 4 %.

In the scenario described, total cement consumption in the USA decreased by 26.9 % to 68.4 mn tons (– 44.2 % vs. the 2005 peak). The group's unit sales (– 24.2 %) were moderately better than the market trend, thanks to our presence in areas less hit by the excesses (boom and bust) of the real estate market. Ready-mix concrete output instead decreased moderately (– 9.5 %), also following full-year consolidation of the Dorsett subsidiary, based in Houston (Texas). In the latter months of the year demand for building materials was further penalized by particularly adverse weather conditions, even in regions of the country that normally enjoy dry, mild weather. The trend of cement selling prices was negative in the period (– 4.5 %), whereas ready-mix concrete selling prices remained stable (– 0.2 %). Total net sales thus stopped at $ 854.8 mn (– 22.5 % YoY), i.e. € 612.8 mn (– 18.3 % YoY). Notwithstanding US dollar depreciation during the year, the forex effect remained favorable, with a positive impact of € 31.7 mn on net sales. Similarly, the wider scope of consolidation had a positive effect of € 35.8 mn. Fuel prices featured a downward trend, while electricity costs remained substantially stable. The downturn in unit sales, however, was decisive in reducing capacity utilization, thus causing unit production costs to increase. Reported EBITDA margin therefore decreased to 21.4 %, causing absolute EBITDA to decrease by 36.2 % from € 205.8 mn to € 131.3 mn. Net of non-recurring costs (€ 5.5 mn of environmental risk provisioning in 2009), the decrease would have been 33.5 % and EBITDA margin 22.3 %.

Expansion of production capacity at the Selma (Missouri) factory was completed. The plant, operational since August, has increased annual capacity by 1.0 mn, taking the total up to 2.3 mn tons. Investments booked for the project in 2009 amounted to € 45.1 mn.

USA – Cement Consumption
(million tons)



Mexico

TRADING CONDITIONS CEMENT BUSINESS

Volumes	– 0.7 %
Prices*	+ 3.2 %
Mkt share	11 %

* in local currency

○ Cement plants
• Ready-mix concrete plants

millions of euro		2009	2008	09/08
Net sales		360.8	410.3	– 12.1 %
EBITDA reported		139.7	159.8	– 12.5 %
% of sales		38.7	38.9	
Capital expenditures		72.4	38.4	+ 88.5 %
Headcount end of period	no.	1,055	1,096	– 3.7 %

figures at 100 %

Mexico

The global economic slowdown has affected the growth capacity of Mexico, whose GDP decreased by 6.5 % in 2009. First and foremost, foreign trade has been hit hard by recession in the USA, the country's main trade partner and the recipient of 80 % of Mexican exports. The oil industry, the country's No. 1 industry, was penalized in 1H 09 by the fall of international oil prices. Remittances from expatriate Mexicans were severely downsized because of the increase in unemployment rates in the main industrialized countries. Lastly, the tourist industry's contribution decreased due to the decline in the number of visitors to Mexico, linked to fears of the spread of so-called swine influenza. Consequently, the main sources of funds for both public and private investments and expenditure decreased sharply, leading to the worst economic result of the last 15 years. The Mexican peso depreciated vs. the euro (– 15.4 %) and the US dollar (– 21.7 %), whereas inflation stopped at 3.6 % as opposed to 6.5 % of 2008.

In the last few years the construction industry has featured major public investments in infrastructures and housing, reflecting government policies for Mexico's development. The troubled macroeconomic environment had a negative impact on the industry in 2009 (– 7.5 % approximately) – but less so than in other countries where we operate. Annual cement consumption decreased by 4.0 % from 37.6 mn to 36.1 mn tons. President Calderón's administration has earmarked $ 50 bn for the development of major infrastructure projects relating to transport and to the energy and tourism industries, which we believe should reinvigorate the infrastructure segment as from 2010.

The associate company Corporación Moctezuma ended 2009 with substantially stable unit sales volume

(– 0.7 %) and prices up by 3.2 %, in line with inflation. Local-currency net sales and EBITDA progressed by 1.5 % and 0.9 % respectively. Weakening of the peso continued to penalize translation of results into euros. Reported net sales thus decreased by 12.1 % YoY descending (as regards the group's 50 % share) from € 205.1 mn to € 180.4 mn and EBITDA fell back by 12.5 % YoY to € 69.9 mn (vs. € 79.9 mn in 2008). EBITDA margin remained stable (38.7 % in 2009 vs. 38.9 % in 2008), thus confirming the excellent profitability of the Mexican business.

The company continued to invest in the erection of a new plant in the State of Veracruz, municipality of Apazapan. The new line, which when fully on-stream will have annual production capacity of 1.3 mn tons, will be completed in the last quarter of 2010 and will be used throughout 2011. In 2009 investments booked for the project amounted to € 32.1 mn, for our 50 % proportionate share.

Mexico – Cement Consumption
(million tons)

2003	30.4
2004	32.0
2005	34.5
2006	36.2
2007	36.6
2008	37.6
2009 E	36.1

Algeria

Once again in 2009, Algerian cement demand exceeded the production capacity of the public and private plants operating in the country. Cement consumption totaled 18.2 mn tons, up by 14.7 % YoY following the start of operation of a new privately owned production line, whereas the public sector's output remained unchanged. In order to meet the growing need for cement to execute some major public infrastructure and residential projects and to bridge the present supply/demand gap at least in part, the Algerian government has decided to restart a program to import cement from abroad, amounting to 2.5 mn tons a year in 2010 and 2011, via publicly owned companies or those also featuring private shareholders. Imports will continue in later years until Algerian production capacity is sufficient to meet the country's needs, via the construction of new production lines and optimization of existing ones to reach a target of 23–24 mn tons of capacity in 2015. The Algerian government's policy of gradually opening up public companies to foreign players has, however, taken a somewhat unfavorable turn this year, with the approval of new directives instead aiming to favor state equity investments and limit foreign direct investments.

The production and operating results achieved in 2009 by the two companies managed by Buzzi Unicem were positive and rewarded the group's efforts and determination to optimize the production plant and train personnel. More specifically, at Sour El Ghozlane, thanks to the plant's improved productivity, clinker and cement output increased by +22 % YoY and +46 % YoY, thus achieving contractual targets ahead of schedule. Production output also grew at the Hadjar Soud plant, albeit to a lesser extent. As regards 100 % of the business in which we have an equity interest, 2009 therefore ended satisfactorily, with net sales of € 74.1 mn (+14.6 %) and EBITDA of € 28.7 mn (+20.3 %).

Human resources

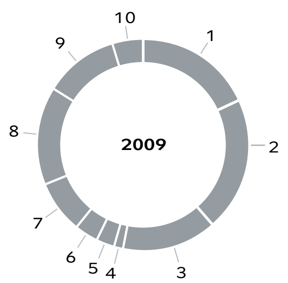
The repercussions of the great global recession on employment levels are turning out to be particularly severe in Western countries. This is true of all industries, with accentuation in labor-intensive industries, already long undermined by the ongoing loss of competitiveness to the benefit of emerging countries.

In addition, some recently reconstituted economic systems (in countries formerly part of the ex-Soviet Union) are going through a particularly weak economic phase, accentuated by political turbulence.

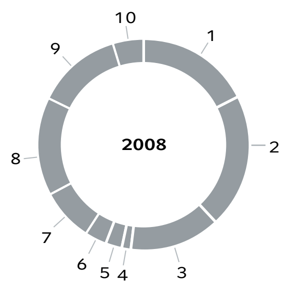
In 2009 HR operations of Buzzi Unicem in Italy featured major commitment on two main fronts, i.e. (1) personnel training, with special attention to on-the-job safety, sustainability and foreign language training, and (2) curbing of overhead costs in the face of lower production output and unit sales.

The reorganization and restructuring efforts underway go hand in hand with care to avoid dispersing the professional heritage of key people in production units, in order to increase personnel's know-how and capabilities. The company also believes it is important to enable young potential high-flyers to express themselves and grow based on theory/practice paths – international in scope as far as possible – to prepare them to take on greater and more challenging responsibilities.

Headcount by region at year end



1	Italy	2,041
2	United States of America	2,317
3	Germany	1,647
4	Luxembourg	152
5	Netherlands	296
6	Poland	423
7	Czech Republic and Slovakia	914
8	Ukraine	1,672
9	Russia	1,279
10	Mexico (50 %)	528



1	Italy	2,071
2	United States of America	2,440
3	Germany	1,653
4	Luxembourg	150
5	Netherlands	297
6	Poland	419
7	Czech Republic and Slovakia	936
8	Ukraine	1,782
9	Russia	1,549
10	Mexico (50 %)	548

Besides completing the "Objective=Safety" training program involving over 1,000 employees, Buzzi Unicem has also set up two other major projects "In-depth courses", which started in 2009 and will be completed during 2010, and "Objective Sustainable Impact", which will take place in 2010. Training activities involve all Buzzi Unicem employees and the three projects benefit from financing of the entire teaching costs by Fondimpresa (the Italian inter-professional continuous-training fund founded in 2002 by Confindustria [confederation of Italian industry] and by the top three national trade unions [CGIL, CISL, and UIL]).

In Germany, the Dyckerhoff subsidiary developed and completed a number of initiatives relating to the "continuous improvement process", with the aim of enhancing employees' involvement in corporate life. It also continued its efforts concerning safety and protection of occupational health. To do this, it has set up a "corporate health promotion" task force, dedicated to training and information concerning often neglected topics – such as the prevention of common illnesses and the importance of a good on-the-job ergonomic set-up.

In Russia, in parallel with progress on the project for revamping and upgrading of the Suchoi Log cement factory, important personnel training initiatives have been launched, particularly for service and department supervisors, in preparation for start-up of the new kiln line.

In the USA, the key focus was on updating of replacement plans and those for developing young potential high-flyers, both in factories and as regards the commercial workforce. Numerous training activities were undertaken, the most important of which concerned the Maryneal factory in Texas, which was co-financed by a State fund.

The 2009 period featured significant demanning. The biggest decreases occurred in Ukraine, Russia and the USA. At 2009 year-end the Dyckerhoff group's employee headcount was down by 491 heads, with labor costs down by –3.3 % vs. 2008.

In Italy, Buzzi Unicem reported labor costs down by –3.9 % YoY, even although employee headcount decreased only slightly (by about –1 %). There are in fact still 43 employees of the Santarcangelo factory (now closed) on the books, covered by the Italian subsidized special lay-off system.

Once again in Italy, on 18 February 2010 we signed the agreement for renewal of the national collective labor agreement for the Italian cement industry, which had expired at the end of 2009. Due to persistence of the recessionary situation, the trade association FEDERMACO requested and obtained from trade unions: (a) simplification of demands, (b) special attention to preventing renewal costs from weighing as little as possible on 2010 (the first year of the new collective contract's 3-year term), and (c) a further general 12-month extension of current company-level bargaining systems. Negotiations were conducted in a climate of correctness and awareness of the gravity of the situation – so much so that agreement was reached in just four negotiating sessions, without any form of conflict.

The following table shows some significant human-resource indicators:

	2009	2008
Turnover[1]	14.4 %	14.0 %
Absence days[2]	85,009	88,708
Training days[3]	40,783	30,153

[1] Ratio between employees who have left during the year and year-end payroll.
[2] Total days of absence for sickness, injuries, etc.
[3] Total days of internal and external training.

Research and development

Buzzi Unicem dedicates special attention to applied research. Thanks to continuous and intensive experimental work it pursues possible innovations both of production processes and of products.

To do this, the company participates, as an industrial partner, in national and international research projects, contributing to the development of new materials and technologies and to the creation of a network of contacts with outstanding organizations in the field of scientific research.

The most recent "partnerships" have been particularly dedicated to nanosciences and nanotechnologies, in which the entire construction industry is showing great interest.

Sustainable development continues to be one of the main points of reference for our R&D activities.

New materials and new processes with lower environmental impact – capable of reducing greenhouse gas emissions and curb consumption of natural resources and fossil fuels – are the challenges facing us in the immediate future.

In 2009 the market gave us positive confirmation of the rightness of our new SA cement featuring sulfur-aluminate cement. This product's production cycle, which has some distinctive features, makes it possible to reduce consumption of energy resources and CO_2 emissions per ton compared with the traditional production process for Portland cement. This binder is the main component of a whole series of special Buzzi Unicem products, with particularly appreciated characteristics – such as extraordinary strength gain combined with the possibility of calibrating setting time as desired, as well as exceptionally long-lasting durability.

Still in 2009, research work continued, with promising results, on photocatalytic systems applied to cement surfaces. Buzzi Unicem is developing its own innovative technology, for which it has already filed some patents, with the objective of obtaining more efficient products/systems than those available today. A team of Buzzi Unicem and university researchers, with specific expertise in photocatalysis, LCA (Life Cycle Assessment), climatology, and atmospheric chemistry/physics, is also working on completion of a predictive model able to provide more reliable indications on the effectiveness of the self-cleaning and pollution-reducing action over time.

Special attention was dedicated to supporting the Unical subsidiary in development of the "H2NO Project", which is intended to combat the scourge of additions of water at building sites. For this project Buzzi Unicem has developed cements featuring higher performance in terms of maintenance of workability combined with the use of new-generation concrete additives, thanks to the experience and know-how of the Addiment Italia affiliate.

As regards innovation in the field of cement production control, a point to note is the start of full operation at the Trino and Guidonia units of automatic on-line systems based on X-ray diffractometry and laser granulometry.

Buzzi Unicem is represented in all the main national and international bodies concerned with standards, regulations, and certification.

Lastly, as regards common cements coming within the UNI EN 197/1 standard and our corporate quality system, all our cements have the CE mark and Buzzi

Unicem has obtained renewal of voluntary UNI EN ISO 9001 quality system certification for all its Italian factories.

The Research & Development Division has the responsibility for all R & D projects and for co-ordination of the three central laboratories of Guidonia and Trino (in Italy) and Wiesbaden (in Germany).

Ecology, environment and safety

For years now Buzzi Unicem has followed the responsible management approach aiming for **sustainable development** of its manufacturing and organizational processes. The three pillars of this approach – economic, environmental and social – are the key underpinnings of the group's reality. They are the imperative prerequisite for the right growth and excellence of the business, allied with the constant appropriateness and effectiveness of corporate standards.

Consistently with this sustainability model, Buzzi Unicem has undertaken extensive initiatives to build the awareness of all personnel and train them in environmental and safety matters. These initiatives are based on the principle of **shared responsibility** – essential in order to achieve consistent human resources management and combine technical and production needs with regulatory requirements.

In 2009, the **environmental and safety management systems** – complying with the requirements of the international standards UNI EN ISO 14001:2004 and OHSAS 18001:2007 – made further progress. This featured receipt of integrated certification for the associate company Addiment Italia, of safety certification for the cement factories of Augusta (province of Syracuse – Sicily) and Siniscola (province of Nuoro – Sardinia), and of environmental certification for the Unical plant in Cagliari (Sardinia).

As regards **on-the-job safety**, the trend in injury indicators was positive, with levels substantially in line with the industry best-in-class rating. In order to stimulate participation – and also because of the need to evolve "from obligation to willing acceptance" – in 2009 the company once again took integrated operating and organizational, able not only to comply with regulatory technicalities but also to stimulate and spread a responsible training effort. This means training not linked to the "objectivity of legal obligation" (i.e. "it has to be done") but to the "subjectivity of the individual" (i.e. "I want to do it") – training that makes room for and invests in virtuous processes, for the benefit and well-being of everyone. Buzzi Unicem thus implemented numerous information and training modules, targeting all employees, and others dedicated to systematic, specific updating of the people who, as part of their jobs, are "on-the-job prevention & safety supervisors". The latter are essential to assure immediate supervision and direct control of work activities. The "supervisors" play a key role in spreading the safety culture, because they motivate their colleagues to behave safely and make continuous use of individual and collective protective devices. They check compliance with regulations while creating day-to-day participation and awareness of occupational risks.

As regards the **safeguarding of ecosystems** (air, water, and soil), significant improvement of relevant performance indicators was confirmed. This particularly concerned reduction of consumption of natural resources, minimization of production of waste and emission factors, and increased use of alternative energy sources as opposed to fossil fuels.

Notwithstanding the difficult economic environment, in 2009 the company once again continued to allocate significant resources for ongoing technological alignment of plants with the industry's **Best Available Techniques** (BATS). Participation in conferences, technical/scientific seminars, trade shows, and implementation of structured communication initiatives – designed to increase visibility and provide an overall view of the enterprise – help to consolidate credibility. They also help to (a) validate our work and the versatility and potential of our products (cement and concrete), (b) strengthen bonds and goodwill with "stakeholders", and (c) share our decisions and needs with them – important because "isolation is the only real risk for our future". In this respect, the group's excellent standard has also been consolidated by the rewarding recognition for our **Sustainability Report** of the A+ level of application, as per the Global Reporting Initiative guidelines (GRI G3). This assures greater wealth of content, the reliability of performance indicators, and a loyal and transparent flow of information to all stakeholders.

Risk management and description of main risks

The following companies are included in the scope of risk assessment:

_Buzzi Unicem SpA (parent company)
_Unical SpA
_Dyckerhoff AG and its subsidiaries
_Buzzi Unicem USA Inc. and its subsidiaries
_Alamo Cement Company and its subsidiaries.

The risk management system involves the Board of Directors, management, and staff with the aim of (a) identifying contingencies that might hit the companies, (b) managing risk within certain limits, and therefore of (c) providing reasonable assurance of achieving corporate objectives. As part of the internal control and audit system, our enterprise risk management (ERM) approach takes the concrete form of a 6-monthly procedure of risk inventory-taking, control and reporting. All this is based on a comprehensive, known and acceptable risk strategy.

Buzzi Unicem's approach to risk does not aim for outright elimination of all potential risks but – taking corporate objectives into account – for provision of a systematic methodology permitting knowledgeable risk assessment, based on prompt information on risks and on their implications. As part of the overall risk management and control process, risks may therefore be avoided, mitigated, transferred or taken.

Operating responsibility for limiting risks is attributed to the heads of central divisions and of group divisions identified as relevant for risk management. The respective senior managers are responsible for all material risks foreseeable in their areas, regardless of whether or not such risks have been identified in the risk management system.

Risks have been assessed considering their likelihood of occurrence and their impact in euros on group equity, in accordance with certain standards, and considering their respective relevance and importance. The risk assessments performed by the central units and divisions have been recorded in a single central database. The categories of risk analyzed are those concerning production, financial, legal, and tax risks underlying the operations of our companies.

For the sake of completeness, we point out that the risks highlighted by the ERM system and accounting provisions do not necessarily match. This is because of the different purposes of these two instruments (prevention and management in the case of the former and proper accounting representation in the case of the latter). ERM necessarily takes into account unbudgeted risks and also those whose estimate (in terms both of likelihood of occurrence and of impact) is not such as to cause their recognition in the financial statements. In any case, ERM, although it is a management tool at the disposal of top management to assess and control risks, is also very useful indeed for the calculation of provisions, permitting more direct and thorough knowledge of operational processes and more accurate calculations when making provisions.

In 2009 – the third year of our utilization of the ERM system – there was a tangible decrease of overall risk compared with 2008. More specifically:

_Trading risks are down because the previous time span considered was 2009 and 2010. In the present risk assessment, covering 2010 and 2011, more moderate downturns of unit sales and selling prices are estimated.

_Financial risks have decreased due to lower cash resources invested following higher outlays and lower operating margins.
_Insurance risks are down mainly because of the effect of EUR/USD exchange rates, which worsened for the US dollar. These rates have been used to convert the value of assets not insured against catastrophic damage into euros.
_Liability risk features reduction of the overall risk concerning the European antitrust investigation and is appropriately split between Dyckerhoff and Buzzi Unicem. In the USA, the risks relating to silicosis lawsuits have been reduced following an agreement with insurance companies permitting precise estimate of provisioning in accounts and consequent reduction of positions at risk.
_Purchasing process risks are lower due to smaller price increases for slag and gas in Germany and Ukraine.
_Plant investment risks have increased mainly for purchases and orders already issued for investments which were then postponed, i.e. for the Akbulak, Volyn and Amöneburg production sites.
_Borrowing risks, following action to mitigate them, such as diversification of banks, use of the bond market, monitoring of credit facilities and provisioning in accounts, are lower than those found during previous assessments.
_Foreign exchange risks have increased mainly because of the intercompany loans in euros paid out by Dyckerhoff to the Russian and Ukrainian subsidiaries. Due to the high cost of doing so, these loans were not hedged against exchange rate fluctuations.
_Credit collection risks have increased due to (a) the increase in insolvent customers and (b) the higher risk of insolvency among medium-large businesses.
_Tax risks have grown due to possible taxes, interest and penalties for companies in the Dyckerhoff group for the period 1998–2002 and for Alamo Cement following possible tax audits.

Following the mitigation actions implemented or planned by the group's central units and divisions, with insurance policies taken out and provisioning in the accounts, the residual risk amount is equivalent to a very small portion of the equity attributable to owners of the company.

Outlook

In the majority of countries where the group operates, the future trend of the construction industry continues to be highly uncertain, at least in the short term. In these early months of 2010 market conditions have not showed any signs of improvement compared with 2009. The economies in which we operate are still weak and a clear inversion of trend has not yet emerged. Given this, the cycle's expected and hoped-for recovery will possibly materialize only as from the second half of the year and just in some geographical areas.

In Italy we expect further slowdown of cement demand due to the slackness of the residential and non-residential segments and to the lack of major infrastructure investment projects. The market's troubles are tending to undermine selling prices, causing further erosion of margins. The first six months should continue to reflect some benefits from energy cost deflation, but these will unfortunately tend to decrease in the second half.

The trend of Central European countries will not be totally uniform. We expect demand to remain soft in Germany and the Netherlands, in a stable price environment following the increases achieved during 2009. Conversely, in Luxembourg further contraction of construction investments is less than likely and this, together with a tightly managed policy of exports to neighboring countries, means that our unit sales volume should improve.

Among East European countries, we expect Poland to continue benefiting from EU funds for infrastructural development – and it is therefore realistic to expect an increase of cement consumption in the country. On the contrary, in the Czech Republic the negative investment cycle, especially in the industrial segment, is likely to continue, with adverse impact on the sales of building materials. In Russia and Ukraine, after the drastic downsizing occurring in 2009, the local construction industry can hardly get any worse. The magnitude of any recovery, however, very much depends on the ability of these two countries to implement measures that stabilize their economies and render growth sustainable.

In the United States, the initial indicators show substantial stability of economic trends rather than real economic recovery. Investments in residential and non-residential buildings are expected to decline also in 2010. At the same time, however, economic stimulus plans for infrastructures – if they are actually implemented during the current year – should lead to greater dynamism in the construction industry and boost cement demand (+4/5 %).

In Mexico, notwithstanding the national economy's difficulties, the construction industry did not feature any significant changes in 2009. Investments in public works, supported by central government to strenghten the country's development, should permit a slight increase in cement consumption in 2010. Much will also depend on the robustness of any recovery in the USA, which would aid relaunch of the local Mexican economy.

The 2010 economic scenario is thus complex and difficult to read. Moreover, at present it is hard to make any forecasts on selling prices, which even more so than demand can determine the actual trend of results. Generally speaking, expectations concerning price levels are not positive and it is very likely that, in markets important for us – i. e. Italy and the USA – unit revenues will remain under pressure. In conclusion, we believe that, at consolidated level, the next set of accounts will show lower operating results and earnings than in 2009. The action plans that we have already implemented will enable us to weather a challenging 2010, minimizing the negative impact of the crisis and also to present ourselves at the start of the cycle recovery with an even greater degree of operating efficiency than the already particularly high level that has always been the distinctive hallmark of our group.

Financial information year 2009

CONTENTS

Consolidated Balance Sheet

	Note	Dec. 31, 2009	Dec. 31, 2008
thousands of euro			
Assets			
Non-current assets			
Goodwill	7	565,655	576,104
Other intangible assets	7	14,113	15,130
Property, plant and equipment	8	3,411,174	3,222,193
Investment property	9	14,834	15,394
Investments in associates	10	227,167	232,701
Available-for-sale financial assets	11	6,108	65,731
Deferred income tax assets	27	44,997	44,057
Defined benefit plan assets	25	46,782	48,826
Derivative financial instruments	12	250	6,281
Other non-current assets	13	81,793	89,033
		4,412,873	**4,315,450**
Current assets			
Inventories	14	387,061	382,623
Trade receivables	15	436,245	511,281
Other receivables	16	124,513	132,595
Available-for-sale financial assets	11	1,024	2
Derivative financial instruments	12	782	2,815
Cash and cash equivalents	17	696,965	578,694
		1,646,590	**1,608,010**
Assets held for sale	18	–	30,267
Total Assets		**6,059,463**	**5,953,727**

thousands of euro	Note	Dec. 31, 2009	Dec. 31, 2008
Equity			
Capital and reserves attributable to owners of the company			
Share capital	19	123,637	123,637
Share premium	20	458,696	458,696
Other reserves	21	10,604	71,568
Retained earnings	22	1,910,690	1,847,756
Treasury shares		(7,671)	(8,286)
		2,495,956	**2,493,371**
Minority interest	23	216,418	212,085
Total Equity		**2,712,374**	**2,705,456**
Liabilities			
Non-current liabilities			
Long-term debt	24	1,448,713	1,394,665
Derivative financial instruments	12	58,552	34,840
Employee benefits	25	314,754	322,490
Provisions for liabilities and charges	26	137,014	227,330
Deferred income tax liabilities	27	462,285	475,062
Other non-current liabilities	28	15,350	43,430
		2,436,668	**2,497,817**
Current liabilities			
Current portion of long-term debt	24	354,655	141,580
Short-term debt	24	7,789	10,039
Derivative financial instruments	12	14,604	26,555
Trade payables	29	265,667	310,429
Income tax payables	30	40,681	39,355
Provisions for liabilities and charges	26	49,460	64,832
Other payables	31	177,565	131,175
		910,421	**723,965**
Liabilities held for sale	18	–	26,489
Total Liabilities		**3,347,089**	**3,248,271**
Total Equity and Liabilities		**6,059,463**	**5,953,727**

Consolidated Income Statement

	Note	2009	2008
thousands of euro			
Net sales	32	**2,671,809**	**3,520,232**
Changes in inventories of finished goods and work in progress		779	18,934
Other operating income	33	137,841	97,799
Raw materials, supplies and consumables	34	(1,105,156)	(1,437,739)
Services	35	(653,506)	(761,305)
Staff costs	36	(420,828)	(429,995)
Other operating expenses	37	(89,208)	(85,251)
Operating cash flow (EBITDA)		**541,731**	**922,675**
Depreciation, amortization and impairment charges	38	(218,718)	(225,003)
Operating profit (EBIT)		**323,013**	**697,672**
Gains on disposal of investments	39	6,191	11,968
Finance revenues	40	106,828	175,979
Finance costs	40	(206,750)	(242,331)
Equity in earnings of associates	41	5,895	7,050
Profit before tax		**235,177**	**650,338**
Income tax expense	42	(63,750)	(179,557)
Profit for the year		**171,427**	**470,781**
Attributable to:			
Owners of the company		139,519	395,252
Minority interest		31,908	75,529
euro			
Earnings per share	43		
basic			
ordinary		0.67	1.92
savings		0.70	1.94
diluted			
ordinary		–	1.92
savings		–	1.94

Consolidated Statement of Comprehensive Income

	2009	2008
thousands of euro		
Profit for the year	**171,427**	**470,781**
Currency translation differences	(65,081)	(62,778)
Changes from adoption of IAS 32 for partnerships	–	(925)
Income tax relating to components of other comprehensive income	–	146
Other comprehensive income for the year, net of tax	**(65,081)**	**(63,557)**
Total comprehensive income for the year	**106,346**	**407,224**
Attributable to:		
Owners of the company	77,215	359,645
Minority interest	29,131	47,579

Consolidated Cash Flow Statement

	Note	2009	2008
thousands of euro			
Cash flows from operating activities			
Profit for the year		171,427	470,781
Depreciation, amortization and impairment charges	38	218,718	225,003
Equity in earnings of associates	10, 44	(5,895)	(7,050)
Gains on disposal of fixed assets		(7,377)	(19,120)
Deferred income taxes		(8,090)	(12,007)
Employee share grants expense	36	282	592
Other non-cash movements		2,079	5,726
Net change in provisions and employee benefits		(108,261)	23,407
Changes in operating assets and liabilities		(4,411)	(179,242)
Net cash provided by operating activities		**258,472**	**508,090**
Cash flows from investing activities			
Purchase of intangible assets	7	(2,866)	(2,053)
Purchase of property, plant and equipment	8, 9	(380,991)	(501,492)
Purchase of equity investments	10, 11	(6,070)	(333,551)
Proceeds from sale of property, plant and equipment		10,579	16,189
Proceeds from sale of equity investments		8,534	18,104
Capital grants received		994	1,578
Dividends received from associates	10	6,441	10,652
Changes in available-for-sale financial assets		(1,022)	11
Changes in financial receivables		7,231	14,865
Net cash used in investing activities		**(357,170)**	**(775,697)**
Cash flows from financing activities			
Proceeds from long-term debt	24	704,300	342,519
Principal payments on long-term debt	24	(419,376)	(114,257)
Net change in short-term debt		(3,142)	7,841
Changes in financial payables		43,438	28,233
Purchase of treasury shares		–	(2,778)
Shares issued to minority interest		–	340
Dividens paid to owners of the company	44	(74,862)	(87,231)
Dividends paid to minority interest		(21,320)	(40,335)
Net cash provided by financing activities		**229,038**	**134,332**
Increase (decrease) in cash and cash equivalents		**130,340**	**(133,275)**
Cash and cash equivalents at beginning of year		**578,694**	**760,672**
Increase (decrease) in cash and cash equivalents		130,340	(133,275)
Translation differences		(13,153)	(50,091)
Change in scope of consolidation		1,084	1,388
Cash and cash equivalents at end of year	17	**696,965**	**578,694**
Supplemental cash flow information			
Interest paid		83,314	88,876
Interest received		22,595	39,788
Income tax paid		46,918	184,300

Consolidated Statement of Changes in Equity

	Attributable to owners of the company							
	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total	Minority interest	Total Equity
thousands of euro								
Balance as of January 1, 2008	**123,532**	**457,059**	**110,150**	**1,561,249**	**(6,100)**	**2,245,890**	**267,537**	**2,513,427**
Profit for the year	**–**	**–**	**–**	**395,252**	**–**	**395,252**	**75,529**	**470,781**
Other comprehensive income for the year, net of tax	–	–	(34,882)	(725)	–	(35,607)	(27,950)	(63,557)
Total comprehensive income for the year	**–**	**–**	**(34,882)**	**394,527**	**–**	**359,645**	**47,579**	**407,224**
Shares granted to employees	–	–	–	–	592	592	–	592
Conversion of bonds	105	1,637	–	–	–	1,742	–	1,742
Dividends paid	–	–	–	(87,231)	–	(87,231)	(40,335)	(127,566)
Purchase of treasury shares	–	–	–	–	(2,778)	(2,778)	–	(2,778)
Buyout of minorities	–	–	–	(25,396)	–	(25,396)	(55,899)	(81,295)
Other changes	–	–	(3,700)	4,607	–	907	(6,797)	(5,890)
Balance as of December 31, 2008	**123,637**	**458,696**	**71,568**	**1,847,756**	**(8,286)**	**2,493,371**	**212,085**	**2,705,456**
Profit for the year	**–**	**–**	**–**	**139,519**	**–**	**139,519**	**31,908**	**171,427**
Other comprehensive income for the year, net of tax	–	–	(62,304)	–	–	(62,304)	(2,777)	(65,081)
Total comprehensive income for the year	**–**	**–**	**(62,304)**	**139,519**	**–**	**77,215**	**29,131**	**106,346**
Shares granted to employees	–	–	–	–	615	615	–	615
Dividends paid	–	–	–	(74,862)	–	(74,862)	(21,320)	(96,182)
Buyout of minorities	–	–	–	(286)	–	(286)	(1,283)	(1,569)
Other changes	–	–	1,340	(1,437)	–	(97)	(2,195)	(2,292)
Balance as of December 31, 2009	**123,637**	**458,696**	**10,604**	**1,910,690**	**(7,671)**	**2,495,956**	**216,418**	**2,712,374**

Notes to the consolidated financial statements

1. General information

Buzzi Unicem SpA ('the company') and its subsidiaries (together 'the group' or 'Buzzi Unicem') manufactures, distributes and sells cement, ready-mix concrete and aggregates. The group has manufacturing plants in several countries, which also represent the natural outlet for its goods and services. The operations are located mainly in Italy, the United States of America, Germany, Luxembourg, the Netherlands, Poland, the Czech Republic and Slovakia, Ukraine, Russia and Mexico.

Buzzi Unicem SpA is a stock corporation organized under the laws of Italy. The address of its registered office is via Luigi Buzzi 6, Casale Monferrato (AL).

The company has its primary listing on the Borsa Italiana stock exchange. These consolidated financial statements were authorized for issue by the board of directors on 23 March 2010.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Buzzi Unicem SpA have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission and with the provisions implementing article 9 of Legislative Decree no. 38/2005. The definition of IFRS also encompasses all valid International Accounting Standards (IAS) as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), including those formerly issued by the Standing Interpretations Committee (SIC).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets/liabilities (including derivative instruments) at fair value through profit or loss, as well as on the going concern assumption. In this respect, despite operating in a difficult economic and financial environment, it is the group's assessment that no material uncertainties exist about its ability to continue as a going concern. The format of the financial statements selected by Buzzi Unicem is the following: for the balance sheet implementation of the current/non-current classification, which is generally applied by industrial and commercial firms; for the income statement application of the nature of expense method; for the cash flow statement adoption of the indirect method. Where necessary, comparability of content entails a restatement of the prior year amounts. The items presented in these consolidated financial statements have been slightly adjusted and integrated compared with those previously published, to give a better representation of the financial position and economic performance of the group. The main amendment concerns the items finance revenues and finance costs, which are now shown separately on the face of the income statement. Moreover the provisions for liabilities and charges have been appropriately classified between non-current and current.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

The IASB withdrew IFRIC 3 Emission Rights in its June 2005 session. Awaiting new interpretations, the accounting method followed provides not to value as assets the free emissions allowances allocated and to recognize only the effects of emission rights purchasing and/or selling transactions. Moreover a liability is recognized only when emissions exceed the allowances allocated and the deficit will have to be remedied through the purchase of the rights at fair value. Considering the weak trading conditions expected for the near future, under the second phase of the Emissions Trading Scheme (2008–2012), the allowances allocated to Buzzi Unicem's manufacturing units in some EU countries (Germany, Poland, Czech Republic) by the respective national plans will likely be sufficient to cover the emissions foreseen in the same period. The emissions produced by the Italian cement plants are expected to fall behind the allocated rights.

Standards, amendments and interpretations effective in 2009

- IFRS 8 Operating segments in replacement of IAS 14, Segment reporting. The new standard requires the information provided in segment reporting to be based upon the components of the entity that management uses to make decisions about operational matters. The standard requires these operating segments to be identified on the basis of internal reports that are regularly reviewed by an entity's chief operating decision-maker in order to allocate resources to the segment and assess its performance. Following the adoption of the new standard, the structure of the reportable segments has remained virtually unchanged. Buzzi Unicem's segments are organized based on the geographical areas of operations, featuring similar types of products and services from which revenues are earned.
- IAS 23 (amendment) Borrowing costs. In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after 1 January 2009, the group capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The group previously recognized all borrowing costs as an expense immediately. In accordance with the transition provisions of the standard, comparative figures have not been restated. The change in accounting policy had no impact on earnings per share.

- IAS 1 (revised) Presentation of financial statements. The revised standard prohibits the presentation of items of income and expenses (that is, non-owner changes in equity) in the statement of changes in equity, requiring non-owner changes in equity to be presented separately from owner changes in equity in a statement of comprehensive income. As a result Buzzi Unicem presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been restated so that it also is in conformity with the revised standard. As the change in accounting policy only impacts presentation aspects, there is no effect on earnings per share. The other amendment to the revised version of IAS 1, published as part of the 2008 annual improvements project, clarified that the financial assets and liabilities not held for trading purposes (such as a derivative that is not a designated hedging instrument) should be presented in the balance sheet as current or non-current on the basis of their settlement date. The adoption of the amendment has led to a different classification of derivative financial instruments between current and non-current portion, with consequent restatement of the amounts reported for comparative reasons.
- IAS 32 (amendment) Financial instruments: presentation and IAS 1 (amendment), Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation. Following the adoption by the group, the associates organized as partnership can no longer be classified as puttable instruments and have been valued by the equity method.
- IFRS 7 (amendment) Financial instruments: disclosures. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

The following amendments and interpretations, whose topic was described extensively in the notes of last year, are mandatory for the first time effective from 1 January 2009, but they are not relevant for the group and/or have had no impact on the consolidated financial statements presented herein.

- IFRS 2 (amendment) Share-based payment; vesting conditions and cancellations.
- IAS 16 (amendment) Property, plant and equipment; recoverable amount and sale of assets held for rental.
- IAS 19 (amendment) Employee benefits; curtailments and negative past service cost, definition of return on plan assets, short-term and long-term benefits.
- IAS 20 (amendment) Accounting for government grants and disclosure of government assistance; government loans with a below-market rate of interest.
- IAS 23 (amendment) Borrowing costs; components of borrowing costs.
- IAS 27 (amendment) Consolidated and separate financial statements; measurement of investments held for sale in separate financial statements.
- IAS 28 (amendment) Investments in associates; impairment of investment in associate, required disclosures when investments in associates are accounted for at fair value through profit or loss.

- IAS 29 (amendment) Financial reporting in hyperinflationary economies; description of measurement basis in financial statements.
- IAS 31 (amendment) Interests in joint ventures; required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss.
- IAS 36 (amendment) Impairment of assets; disclosure of estimates used to determine recoverable amount.
- IAS 38 (amendment) Intangible assets; advertising and promotional activities, units of production method of amortization.
- IAS 39 (amendment) Financial instruments: recognition and measurement; reclassification of derivatives into or out of the fair value through profit or loss category, designating and documenting hedges at the segment level, applicable effective interest rate on cessation of fair value hedge accounting.
- IAS 40 (amendment) Investment property; property under construction or development for future use as investment property.
- IFRIC 9 (amendment) Reassessment of embedded derivatives (effective retrospectively from 31 December 2009).
- IFRIC 12 Service concession arrangements.
- IFRIC 13 Customer loyalty programs.
- IFRIC 15 Agreements for the construction of real estate.
- IFRIC 16 Hedges of a net investment in a foreign operation.

Standards, amendments and interpretations that are not yet effective and have not been early adopted

- IFRS 3 (revised) Business combinations (effective prospectively from 1 January 2010). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.
- IAS 27 (revised) Consolidated and separate financial statements (effective prospectively from 1 January 2010). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit or loss.
- IAS 32 (amendment) Financial instruments: presentation (effective from 1 January 2011). The amendment clarifies the accounting for rights issues offered for a fixed amount of foreign currency. Current practice requires such issues to be accounted for as derivative liabilities. However, the amendment states that, under certain conditions, such rights issues should be classified as equity regardless of the currency in which the exercise price is denominated.

- IFRS 5 (amendment) Non-current assets held-for-sale and discontinued operations (effective from 1 January 2010). The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.
- IFRIC 17 Distribution of non-cash assets to owners (effective from 1 January 2010). The interpretation addresses how an entity should measure distributions of assets other than cash when it pays dividends to its owners.
- IFRIC 18 Transfers of assets from customers (effective from 1 January 2010). The interpretation is only applicable to such assets that are used to connect the customer to a network or to provide ongoing access to a supply of goods or services and it is not relevant to the group.

On 16 April 2009, the IASB issued Improvements to IFRSs – a collection of amendments to twelve IFRS – as part of its program of annual improvements to its standards. The following revised versions have not yet been endorsed by the European Union at the date of this financial report.

- IFRS 2 (amendment) Share-based payment (effective from 1 January 2010). It clarifies that following the change made by IFRS 3 to the definition of a business combination, the contribution of a business on the formation of a joint venture and the combination of entities or businesses under common control are not within the scope of IFRS 2.
- IFRS 5 (amendment) Non-current assets held for sale and discontinued operations (effective from 1 January 2010). The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply.
- IFRS 8 (amendment) Operating segments (effective from 1 January 2010). The amendment requires an entity to report a measure of total assets for each reportable segment if such amount is regularly provided to the chief operating decision-maker. Previously, the disclosure of total assets for each segment was required even if that condition was not met.
- IAS 1 (amendment) Presentation of financial statements (effective from 1 January 2010). The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.
- IAS 7 (amendment) Statement of cash flows (effective from 1 January 2010). The amendment explicitly states that only expenditures that result in a recognized asset in the balance sheet are eligible for classification as cash flows from investing activities. Expenditure on advertising or promotional activities, staff training and research and development would normally be presented as operating cash flows.
- IAS 17 (amendment) Leases (effective from 1 January 2010). The amendment removes the specific guidance regarding classification of leases of land. As a result, leases of land should be classified as either finance or operating, using the general principles of IAS 17.
- IAS 36 (amendment) Impairment of assets (effective from 1 January 2010). It clarifies that the largest cash generating unit to which goodwill should be allocated for the purpose of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8, that is before the aggregation of segments with similar economic characteristics permitted by paragraph 12 of IFRS 8.

- IAS 38 (amendment) Intangible assets (effective from 1 January 2010). The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The group will apply the amendment from the date IFRS 3 (revised) is adopted.
- IAS 39 (amendment) Financial instruments: recognition and measurement (effective from 1 January 2010). The amendment clarifies that the scope exemption under paragraph 2(g) applies to binding forward contracts between an acquirer and a selling shareholder to buy or sell an acquiree in a business combination at a future date and should not apply to option contracts, whether or not currently exercisable, that on exercise will result in control of an entity. The amendment also clarifies that embedded prepayment options whose exercise price compensates the lender for the loss of interest income resulting from the prepayment of the loan shall be considered closely related to the host debt contract and therefore not accounted for separately. Finally, the amendment clarifies that the gains or losses on a hedged instrument should be reclassified from equity to profit or loss during the period that the hedged forecast cash flows affect profit or loss.
- IFRIC 9 (amendment) Reassessment of Embedded Derivatives (effective from 1 January 2010). This amendment excludes from the scope of IFRIC 9 embedded derivatives in contracts acquired in a business combination, a combination of entities or businesses under common control or the formation of a joint venture.
- IFRS 2 (amendment) Share-based payment (effective 1 January 2010). The amendments clarify the accounting for group cash-settled share-based payment transactions. In addition to incorporating IFRIC 8, Scope of IFRS 2, and IFRIC 11, IFRS 2 – Group and treasury share transactions, the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. At the date of this report the European Union has not yet endorsed the revised principle.
- IFRIC 14 (amendment) IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction (effective from 1 January 2011). Without the amendments, in some circumstances entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. At the date of this report the interpretation has not yet been endorsed by the European Union.
- IFRIC 19 Extinguishing financial liabilities with equity instruments (effective from 1 January 2011). The interpretation addresses the accounting by an entity that renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. At the date of this report the interpretation has not yet been endorsed by the European Union.
- IFRS 9 Financial instruments (effective from 1 January 2013). This standard is part of the IASB's wider project to replace IAS 39 Financial instruments: recognition and measurement by the end of 2010. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's busi-

ness model and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables, and eliminates the exception in IAS 39 that allows investments in unquoted equity instruments, and related derivatives, for which a fair value cannot be determined reliably, to be measured at cost. These instruments are now measured at fair value although the standard notes that in some limited circumstances cost may be an appropriate estimate of fair value. At the date of this report the European Union has not yet endorsed the new standard.

- IAS 24 (revised) Related party disclosures (effective from 1 January 2011). The revised standard simplifies the disclosure requirements for government-related entities; it also simplifies the definition of a related party, clarifies its intended meaning and eliminates a number of inconsistencies. In particular, the definition becomes symmetrical: if one entity is identified as a related party in another entity's financial statements, then the other entity also will be a related party in the first entity's financial statements. At the date of this report the European Union has not yet endorsed the revised principle.

2.2 Consolidation

Subsidiaries

Control exists when the group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at full fair values at the date of acquisition, irrespective of the extent of any minority interest. Minority interest is determined by multiplying the net assets at fair value by the share of minority interest in the acquiree. The excess of the investment cost over the fair value of the net assets acquired is recorded as goodwill. Negative goodwill, if any, is recognized immediately in the income statement as a gain.

Intercompany receivables and payables, costs and revenues are eliminated. Significant profits and losses deriving from transactions between consolidated companies and not yet realized with third parties are also eliminated. Dividends distributed within the group are eliminated from the consolidated income statement. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with those adopted by the group.

Subsidiaries either dormant or immaterial, both from an investment point of view and in terms of their net equity and results, are not consolidated and are valued at cost less any provision for impairment.

Transactions and minority interests

Management has elected to apply the economic entity model, a policy of treating transactions with minority interests as transactions with equity owners of the group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to minority interests are also recorded in equity as long as control continues to exist. The accounting treatment chosen by Buzzi Unicem is consistent with the revised version of IFRS 3 and IAS 27.

Minority interests in fully consolidated partnerships are included with the line item other non-current liabilities.

Joint ventures

Jointly controlled entities are accounted for using the proportionate consolidation method. In its financial statements, the group combines the joint ventures' assets, liabilities, income and expenses with similar items, on a line-by-line basis according to its share of economic ownership or ownership of the controlling interest.

Associates

Associates are entities over which the group has significant influence but not control or joint control. Generally a holding between 20 % and 50 % of the voting rights indicates significant influence. Investments in associates are usually valued by the equity method, i.e. the initial carrying amount of the investment is adjusted at each reporting date to reflect the corresponding interest of the associate's net profit or loss less any dividends received. The investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. Accounting policies of associates have been adjusted where necessary to ensure consistency with those adopted by the group. After application of the equity method, the entire carrying amount of the investment is tested following the requirements of IAS 39. Because goodwill is part of the carrying amount of an investment in an associate, it is not tested for impairment separately.

Following the adoption of IAS 32 (amendment), as described in note 2.1, the associates organized as partnership can no longer be classified as puttable instruments and are valued by the equity method.

Associates either dormant or immaterial, both from an investment point of view and in terms of their net equity and results, are valued at cost less any provision for impairment.

Investments in other companies

Other corporations or partnerships, normally not listed companies below 20 % ownership, are carried at fair value (available-for-sale financial assets), when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in equity until the assets are sold or are impaired, when the accumulated fair value adjustments previously recognized in equity are included in the income statement of the period. Impairment losses recognized in the income statement on available-for-sale equity instruments are not reversed through the income statement.

Those unquoted equity instruments for which fair value is not available and it cannot be measured reliably are carried at cost less any provision for impairment.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors. Buzzi Unicem's segments are organized based on the geographical areas of operations, featuring similar types of products and services from which revenues are earned.

2.4 Foreign currency translation

Items included in the financial statements of each consolidated entity are measured using the functional currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in euro, which is the company's functional and presentation currency.

Transactions in foreign currency are translated into the functional currency using the exchange rate prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement. Monetary assets, monetary liabilities, derivative contracts denominated in foreign currencies are translated at the exchange rate ruling at the end of the year. Positive and/or negative differences between the amounts translated at the year-end exchange rate and those recorded at the date of the transactions are also booked to the income statement.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss, are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the available-for-sale reserve in equity.

The translation of financial statements in foreign currencies is done at the current rate method. Such method entails translating assets and liabilities at the rates of exchange ruling at the balance sheet date and income statement figures at the average exchange rates for the year. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. The difference that arises from converting the balance sheet and the income statement at different exchange rates is also booked to equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

The exchange rates used for translation of the financial statements in foreign currencies are the following:

	Year-end		Average	
	2009	2008	2009	2008
euro 1 =				
Currency				
US Dollar	1.4406	1.3917	1.3948	1.4708
Mexican Peso	18.9223	19.2333	18.7989	16.2911
Czech Koruna	26.4730	26.8750	26.4349	24.9463
Slovakian Koruna	–	30.1260	–	31.2617
Ukrainian Hryvnia	11.5642	10.9596	11.1306	7.6873
Russian Ruble	43.1540	41.2830	44.1376	36.4207
Polish Zloty	4.1045	4.1535	4.3276	3.5121
Hungarian Forint	270.4200	266.7000	280.3270	251.5120
Algerian Dinar	104.1720	98.3946	101.2125	94.9078

2.5 Intangible assets

Intangible assets, acquired externally or internally generated, are recognized only if they are identifiable, controlled by the company and able to produce future economic benefit. Intangible assets with definite useful life are booked at the purchase or production cost and amortized on a straight-line basis over their useful lives. Intangible assets with indefinite useful life are not amortized but tested for impairment at least annually and whenever there is an indication of a potential impairment loss.

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortized and its recoverable amount is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The gain or loss on disposal of an entity includes the carrying amount of the related goodwill, in proportion to the disposed share. For the purpose of impairment testing, goodwill is allocated to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Separately acquired trademarks and licenses are capitalized on the basis of the costs incurred and amortized over their estimated useful lives. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Trademarks and licensed have a finite useful life and are amortized using the straight-line method over their estimated useful lives.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of five years. Costs associated with developing or maintaining computer software are recognized as an expense as incurred.

Development costs are capitalized only if and when demonstration of the ability to generate future economic benefits is established.

Mining rights are amortized in the ratio of quarried volumes to available mineral reserves under concession.

2.6 Property, plant and equipment

They are booked at purchase or production cost, including overheads, less accumulated depreciation and any accumulated impairment losses. Production cost includes the reasonably attributable portion of the direct and indirect costs incurred to bring the asset into service. Subsequent costs are capitalized or recognized as a separate asset, as appropriate, only when future economic benefits will flow to the group. The carrying amount of the replaced part is derecognized. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

Land is not depreciated. Raw material reserves are depleted in the ratio of the quarried material during the period to extractable minerals. Depreciation on other assets is calculated under the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives, as follows:

Buildings	10 – 40 years
Plant and machinery	5 – 20 years
Transportation equipment	3 – 14 years
Furniture, fittings and others	3 – 20 years

An asset’s carrying amount is written down to its recoverable amount if the book value is greater than its estimated recoverable amount.

2.7 Investment property

Investment property, comprising land and buildings non-strictly pertinent to the business held to earn rental income and/or for capital appreciation, is carried at cost less accumulated depreciation and impairment losses.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

When it is not possible to determine the recoverable amount of a single item, the group tests the recoverable value of the cash-generating unit to which the asset belongs.

Where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written-down to their recoverable amount and the impairment loss is charged to income statement. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows expected to be derived through the continued use of an asset or cash-generating unit including its eventual disposal. Cash flows are based on budgets and reasonable and documented assumptions on the future company's results and macro-economic conditions. The discount rate takes into account the specific risks of industry and countries.

If there is an indication that an impairment loss recognized in prior years on an asset other than goodwill may have decreased, the impairment write-down is reversed. After reversal, the carrying amount of the asset shall not exceed the carrying amount that would have been determined (net of depreciation and amortization) had the impairment loss not been recognized.

2.9 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.10 Financial assets

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

A financial asset at fair value through profit or loss is a financial asset that is classified as held for trading or upon initial recognition it is designated as such by the entity. Assets held for trading are included within current assets. Other assets at fair value through profit or loss, like a derivative that is not held for trading purposes or is a designated hedging instrument, are presented as current or non-current on the basis of their settlement date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Financial assets at fair value through profit or loss and financial assets available-for-sale are initially recognized and subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains and losses arising from changes in the fair value of financial assets at fair value through profit and loss are included in the income statement in the period in which they arise. Fair value changes of securities classified as available-for-sale are recognized in equity, except for impairment losses, interest calculated using the effective interest method and foreign exchange gains or losses. The cumulative fair value adjustments are included in the income statement when an available-for-sale financial asset is derecognized.

The group assesses at each balance sheet date whether there is objective evidence of impairment relating to financial assets carried at amortized cost or as available-for-sale. If any such evidence exists, a detailed calculation is carried out to determine whether an impairment loss should be recognized in the income statement. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired.

2.11 Derivative financial instruments

The group makes use of derivative contracts only for hedging purposes, to reduce currency, interest rate and market price risks.

Derivative financial instruments are initially recognized and subsequently measured in the balance sheet at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as hedging instrument and, if so, the nature of the item being hedged.

Certain derivative instruments, while providing effective economic hedges, do not qualify for hedge accounting. Changes in the fair value of any these derivative instruments are recognized immediately in the income statement.

Hedge accounting is allowed only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective both at inception and on an ongoing basis. The full fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve months, and as a current asset or liability if the remaining maturity of the hedged item is less than twelve months. Trading derivatives are classified as a current asset or liability. Derivatives not held for trading purposes (such as a derivative that is not a designated hedging instruments) are presented as current or non-current on the basis of their settlement date.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction ultimately affects the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.12 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost includes all expenditures incurred in acquiring the inventories and bringing them to their present location and condition. In the case of finished goods and work in progress, cost comprises direct materials, direct labor, other direct costs and attributable production overhead based on normal operating capacity; it excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Inventories include the emission rights acquired against payment, stated at the lower of cost and net realizable value, which matches the market price at the balance sheet date.

2.13 Trade receivables and payables

Trade receivables and payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The allowance covers collection risks, calculated on individual doubtful accounts, as well as on the basis of past experience and the level of solvency of debtors or classes of debtors.

2.14 Cash and cash equivalents

They include cash on hand, deposits held at call with banks, money market securities and other highly liquid investments with original maturities of three months or less, which are readily convertible to a known amount of cash and are subject to a very low risk of change in value.

2.15 Treasury shares

When the parent or its subsidiaries purchase the company's share capital, the consideration paid is deducted from equity attributable to equity holders of the company until the shares are cancelled or disposed of. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Where such shares are subsequently reissued, the consideration received, net of the related income tax effects, is recognized in equity attributable to equity holders of the company.

2.16 Debt and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently stated at amortized cost using the effective interest method.

Convertible bonds are accounted for as a compound financial instrument made of two components, which are treated separately only if relevant: a liability and a conversion option. The liability is the present value of the future cash flows, based on the market interest rate at the time of issue for an equivalent non-convertible bond. The amount of the option is defined as the difference between the net proceeds and the amount of the liability component and included in equity. The value of the conversion option is not changed in subsequent periods.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement for at least twelve months after the balance sheet date.

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement except to the extent that it relates to items of other comprehensive income or directly in equity. In this case the related income tax effect is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group operates and generate taxable income. The tax rates applied vary according to the jurisdiction and fiscal situation of each consolidated company. Income tax payables for the period are credited to current liabilities. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Some Italian companies are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA (majority shareholder of the group) acting as the parent.

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit (loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and current tax liabilities are offset only if the enterprise has the legal right and the intention to settle on a net basis. Deferred income tax assets and deferred income tax liabilities are offset only if the enterprise has the legal right to settle on a net basis and they are levied by the same taxation authority on the same entity or different entities that intend to realize the asset and settle the liability at the same time.

2.18 Employee benefits

Pension plans

The companies of the group operate several defined benefit and/or defined contribution pension schemes.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually as a function of one or more factors such as age, years of service and compensation. The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation and the service cost annually, using the projected unit credit method. If the calculation of the balance sheet amount results in an asset, the amount recognized is limited to the total of any cumulative unrecognized actuarial losses and past service cost, and the present value of available refunds and reductions in future contributions to the plan. The portion of the cumulative actuarial gains and losses, resulting from experience adjustments and changes in actuarial assumptions, which exceeds 10 % of the greater between the defined benefit obligation and the fair value of plan assets at the end of the previous year is amortized over the average remaining service period of the employees (corridor approach). The expense related to the reversal of discounting pension liabilities for defined benefit plans are reported separately within finance costs. All other expenses associated with pension plans are allocated to staff costs.

A defined contribution plan is a pension plan under which a company pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis, and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all accrued benefits. The contributions are recognized as employees render their services and are included in staff costs.

Other post-employment benefits

Post-retirement life insurance and health coverage plans are considered defined benefit programs. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as for defined benefit pension plans.

The scheme underlying the Italian employee severance indemnities (TFR) was classified as a defined benefit program, until 31 December 2006. The legislation regarding this scheme was amended by the "Financial Law 2007" and subsequent regulations issued in the first part of 2007. Following these changes, for companies with at least 50 employees, the TFR only continues to be classified as a defined benefit plan for those benefits accrued up to 31 December 2006, while after that date the scheme is classified as a defined contribution plan.

Share-based compensation

The company has an incentive and loyalty plan in place, based on equity compensation, which rewards the Italian executive employees according to the goals reached (MBO system). Savings shares are granted to management via a dedicated capital issue or treasury shares. A charge is made to staff costs in connection with these share grants, equal to the fair value of those instruments on the date of granting.

2.19 Provisions for liabilities and charges

They are liabilities of uncertain timing or amount. A provision is recognized when the group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Restructuring provisions are recognized in the period in which the company formally defines the plan and creates a valid expectation in the interested parties that the restructuring will occur.

The amount is on a present value basis where the effect of discounting is material. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.20 Revenue recognition

Buzzi Unicem recognizes revenue when it is probable that future economic benefits will flow to the entity and the amount of revenue can be reliably measured. Revenue from the sale of goods and services is reported net of value-added tax, returns, rebates and discounts.

Sales of goods are recognized when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

2.21 Finance revenues

Interest income is recognized on a time-proportion basis, using the effective interest method. Dividend income from equity investments that are not consolidated is recognized when the right to receive payment is established.

2.22 Borrowing costs

They include interest and other costs, such as amortization of premiums or discounts, amortization of ancillary costs incurred in the arrangement of borrowings, finance charges on leases. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and, therefore, are capitalized. Other borrowing costs are expensed in the period in which they are incurred.

2.23 Leases

Leases of property, plant and equipment where the group retains substantially all the risks and rewards of ownership are classified as finance leases. Leased assets are capitalized at the lease's commencement at the lower of the fair value and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in financial debt. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Property, plant and equipment acquired under finance leases are depreciated over their useful life.

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term.

2.24 Dividend distribution

Dividend distribution is recorded as a liability in the financial statements of the period in which the dividends are approved by the company's shareholders. Disclosure of dividends proposed but not formally approved for payment is made in the notes.

3. Financial risk management

3.1 Financial risk factors

The group's activities are exposed to a variety of financial risks such as market risk (including currency and price), credit risk and liquidity risk. The group uses derivative financial instruments to hedge certain risk exposures. A central treasury department carries out risk management and identifies, evaluates and possibly hedges financial risks in close co-operation with the group's operating units.

Market risk

Buzzi Unicem operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the currencies of Russia, Ukraine and Mexico. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The foreign subsidiaries or joint ventures enjoy a natural hedging on market risk, since all major commercial transactions are made in their functional currency and are not suffering from the foreign exchange fluctuations. Management has set up a policy to require entities in the group to manage their residual exposure to currency risk, by using mainly forward contracts, transacted locally. The policy is to hedge between 40 % and 90 % of anticipated cash flows in each major foreign currency for the subsequent twelve months.

The net investments in foreign operations are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed partially through borrowings denominated in the relevant foreign currencies. In addition, it is sometimes deemed convenient for foreign companies to convert into euro a portion of their liquid assets.

The recognition of exchange rate risks concerning the financial instruments to which IFRS 7 is applicable, shows the following net exposure to foreign currencies:

	2009	2008
thousands of euro		
Euro	(120,195)	(75,665)
US Dollar	(13,231)	39,954
Czech Koruna	(16)	(14,776)
Slovakian Koruna	–	5,052
Ukrainian Hryvnia	–	86
Russian Ruble	(7,851)	(7,810)
Polish Zloty	54	157

At 31 December 2009, with reference to the same data reported above, if the euro had strengthened/weakened by 10 % against the major foreign currencies to which Buzzi Unicem is exposed, profit before tax for the year would have been € 1,651 thousand higher/lower (2008: € 3,367 thousand lower/higher). This is mainly a result of financial liabilities denominated in US dollar (€ 869 thousand) and in Russian ruble (€ 785 thousand). Profit is especially sensitive to movement in euro/US dollar and in euro/Czech koruna exchange rates, where the associated exposures have changed considerably versus last year.

Buzzi Unicem has a very limited exposure to equity securities price risks because of investments classified on the balance sheet as available for sale representing about 0.1 % of total assets. The group is exposed to commodity price risk, mainly because of the repercussions that the trend of the oil price can have on the cost of fuels, power and logistics. To cope with this risk the group diversifies its sources of supply and stipulates fixed price contracts over a sufficiently long time frame, sometimes greater than one year, at a level that management thinks it convenient.

As the group has no significant interest-bearing assets, income and operating cash flows are substantially independent of changes in market interest rates. Changes in market interest rates can affect the cost of the various forms of financing or the return on investments in monetary instruments, causing an impact at the level of net finance costs incurred. The interest rate risk arises mainly from long-term debt. Borrowings issued at variable rates expose the group to cash flow interest rate risk, which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk. Buzzi Unicem's policy is to maintain approximately 60 % of its long-term borrowings in fixed rate instruments. During 2009 and 2008, the group's borrowings at variable rate were denominated in euro and the US dollar.

The group analyses its interest rate exposure on a dynamic basis, taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on the simulations performed, the impact on profit before tax of a 1 % interest rate rise would be an increase of € 6,258 thousand (2008: decrease of € 8,396 thousand), while the impact of an interest rate reduction of 1 % or equal to the amount of the actual rate in case of values between 0 and 1 %, would cause a decrease of € 3,385 thousand (2008: increase of € 8,514 thousand). For each simulation, the same interest rate shift is used for all currencies. The sensitivity scenarios are run only for liabilities that represent the major interest-bearing positions and for the fair value of interest rate derivatives.

Generally, the group raises long-term borrowings at fixed rates; sometimes, the group also enters into fixed-to-floating interest rate swaps to hedge the fair value interest rate risk arising where it has borrowed at fixed rates in excess of the target mix.

At 31 December 2009, if interest rates on euro-denominated borrowings had been 1 % higher with all other variables held constant, profit before tax for the year would have been € 4,123 thousand higher (2008: € 11,722 thousand lower); if instead interest rates had been lower by 1 % or by an amount equal to the actual rate in case of values between 0 and 1 %, profit before tax for the year would have been € 2,192 thousand lower (2008: € 11,840 thousand higher). These fluctuations are mainly a result of cash and equivalents that are denominated in euro across the group; other components of equity would have been basically unchanged. At 31 December 2009, if interest rates on US dollar-denominated cash equivalents at that date had been 1 % higher with all other variables held constant, profit before tax for the year would have been € 1,691 thousand higher (2008: € 1,434 thousand higher), mainly as a result of higher interest income on liquid assets. The simulation based on a 1 % interest rate reduction or equal to the amount of the actual rate in case of values between 0 and 1 %, is not presented because not meaningful under the current interest rate environment.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only primary national and international entities with high credit quality are accepted as counterparties. Policies are in place that limit the amount of credit exposure to any financial institution. The credit management functions assess the quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilization of credit limits is regularly monitored. Due to its widespread customer base, typical of the industry, Buzzi Unicem has no significant concentration of credit risk in trade receivables.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed and uncommitted credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the central treasury department aims to maintain flexibility in funding by keeping availability under committed credit lines.

Cash flow forecasting is performed in the operating subsidiaries and aggregated by the group treasury department. Group finance monitors rolling forecasts to ensure there is sufficient cash to meet operational needs while maintaining sufficient headroom on the undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its facilities.

Estimates and projections, considering the changes that may occur in the profitability trend, show that the group is in a position to operate at the present level of financing. Buzzi Unicem will start negotiations with the banks for loans renewal in due time and for the time being it has not required a written commitment that the loans will be renewed. A regular relationship exists with the usual and prospective financing institutions about the future needs, from which it appears that renewal may take place under acceptable terms. The maturity analysis for financial liabilities showing the remaining contractual maturities is included within note 24.

3.2 Capital management

Buzzi Unicem's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, make purchases of treasury shares or sell assets to reduce debt.

Consistent with other players in the industry, which is highly capital intensive, the group monitors capital on the basis of the Gearing ratio and the Net debt to EBITDA ratio. The first ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt. The second ratio uses the same numerator as gearing and the EBITDA figure as shown in the income statement as the divisor.

During 2009, the group's long-term strategy, which was unchanged from 2008, was to maintain the Gearing ratio below 40 % and a Net debt/EBITDA ratio of about 2 times. The ratios at 31 December 2009 and 2008 were as follows:

	2009	2008
thousands of euro		
Net debt	1,209,261	1,059,738
Equity	2,712,374	2,705,456
Total Capital	3,921,635	3,765,194
Gearing	**31 %**	**28 %**
Net debt	1,209,261	1,059,738
Operating cash flow (EBITDA)	541,731	922,675
Net debt/EBITDA	**2.23**	**1.15**

The change in the two ratios during 2009 resulted primarily from the sharp decline in cash flow from operations, which suffered from the difficult trading conditions faced in almost any of our markets, and the capital expenditures referred to the progress or completion of some capacity expansion projects.

3.3 Fair value estimation

Effective 1 January 2009, Buzzi Unicem adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table provides an analysis under this hierarchy of assets and liabilities that are measured at fair value at 31 December 2009:

thousands of euro	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments (non-current)	–	250	–	250
Derivative financial instruments (current)	–	782	–	782
Available-for-sale financial assets (current)[1]	–	10	–	10
Total Assets	**–**	**1,042**	**–**	**1,042**
Liabilities				
Derivative financial instruments (non-current)	–	(58,552)	–	(58,552)
Derivative financial instruments (current)	–	(7,704)	(6,900)	(14,604)
Total Liabilities	**–**	**(66,256)**	**(6,900)**	**(73,156)**

[1] assets equal to € 1,014 thousand valued at cost are not included.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price. These instruments, when they exist, are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These methods maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. Other techniques, such as discounted cash flows analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts less impairment provision of trade receivables and payables are used to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

In 2009 there were no transfers among different levels of fair value measurement. The following table provides changes in level 3 during 2009:

	Derivative financial instruments (current)
thousands of euro	
At 1 January	(7,700)
Gains and losses recognized in profit or loss	800
At 31 December	**(6,900)**

4. Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. By definition the actual results seldom equal the estimated results, above all in the situation caused by the present economic and financial crisis. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates can have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, relate primarily to impairment of assets, current and deferred income tax, employee benefits, provision for receivables impairment, other provisions and contingencies and are documented in the relevant accounting policies above. Estimates are continually evaluated according to management's best knowledge of the business and other factors reasonably assumed under the circumstances.

5. Scope of consolidation

The consolidated financial statements as of 31 December 2009 include the company and 115 consolidated subsidiaries. The total number of consolidated subsidiaries decreased by 14 compared with that at the end of the previous year. Excluded from consolidation are 17 subsidiaries that are either dormant or immaterial. Some mergers or liquidations occurred during the year, particularly within Dyckerhoff and Alamo Cement, to continue streamline and simplify the organizational structure and without any material effect on the consolidated financial statements.

The following main acquisitions were made in 2009:

- purchase of a 100 % ownership interest in "Megamix" operations, active in the ready-to-use mortars business in the Netherlands and line-by-line consolidation of the newly acquired entities effective from the beginning of 2009; the concern Megamix consists of 4 fully owned subsidiaries;
- purchase of a 100 % ownership interest in Harex Nederland BV, a company operating in the business of steel fibers for special concretes in the Netherlands, and line-by-line consolidation of the newly acquired subsidiary effective from February 2009;
- purchase of the residual 80 % interest, not already owned by Buzzi Unicem, in Beton Biella Srl and line-by-line consolidation of the newly acquired subsidiary effective October 2009;

- purchase in January 2009 of a 25 % ownership interest in Graviéres et Sablières Karl EPPLE Snc, a company operating in the aggregates business in France and Germany; the newly acquired associated is accounted for under the equity method.

In the second quarter of 2009 full consolidation began, effective retroactively from 1 January 2009, of the subsidiaries Parmacementi SpA and Escalcementi Srl, acquired in early December 2008. In the financial statements for the year ended 31 December 2008 these investments had been temporarily carried at cost, waiting to complete the process aimed at acquiring all information necessary for a comprehensive preparation of the notes at such date. On first time consolidation, the figures of the financial statements reported for comparative purposes have not been restated.

The following main disposals of investments were made during 2009:

- disposal of the 100 % interest in Dranaco NV and Dragage Mosan International SA, companies operating in the aggregates business in Belgium and consequent deconsolidation of the respective holding Basal Belgie BVBA;
- disposal of the 100 % interest in Oriónidas, SAU, a company based in Valencia (Spain) operating in the cement trade through a maritime terminal located therein, and consequent deconsolidation.

The above mentioned scope changes are not, overall, material for comparative purposes. The relevant impacts following the line-by-line consolidation and deconsolidation of the subsidiaries which were newly acquired or disposed of, is discussed in the course of these notes.

6. Segment information

The chief operating decision-maker identifies with the executive directors, who review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors consider the business by geographical area of operations and from a product perspective they assess in a combined way the performance of "cement" and "ready-mix concrete and aggregates", since the two businesses, vertically integrated, are strictly interdependent. In particular, ready-mix concrete represents essentially a distribution channel for cement and does not require, for the chief operating decision-maker, evidence of separate results.

The executive directors assess the performance of the reportable operating segments based, as main reference, on a measure of operating profit. Net finance costs and income tax expense are not included in the result for each operating segment that is reviewed by the executive directors. The measurement of segment profit or loss and segment assets is consistent with that of the financial statements.

Segment assets consist of the operating ones, allocated based on the physical location, including intangible assets and equity investments. They exclude deferred taxation and derivative financial instruments, which are managed on a central basis.

The segment named Central Europe consists of Germany, Luxembourg and the Netherlands; Eastern Europe covers Poland, Czech Republic, Slovakia, Ukraine and Russia.

	Italy	Central Europe	Eastern Europe	USA	Mexico	Unallocated items and adjustments	Total
thousands of euro							
2009							
Segment revenue	695,051	703,375	470,253	612,834	180,421	9,875	2,671,809
Intersegment revenue	(430)	(1,207)	–	–	–	1,637	–
Revenue from external customers	694,621	702,168	470,253	612,834	180,421	11,512	2,671,809
Operating profit	33,236	83,614	81,649	59,996	59,271	5,247	323,013
Depreciation	(47,991)	(51,210)	(30,042)	(70,335)	(11,026)	(2,254)	(212,858)
Impairment charges	(8,018)	(90)	(1,256)	(974)	–	(2,847)	(13,185)
Write-ups	–	–	–	–	7,325	–	7,325
Equity in earnings	3,961	380	–	1,554	–	–	5,895
Purchase of intangible assets	1,786	661	210	19	190	–	2,866
Purchase of property, plant and equipment	45,100	72,427	155,804	82,652	35,994	3,165	395,142
Purchase of equity investments	2,693	4,522	815	–	–	–	8,030
31 December 2009							
Segment operating assets	1,355,045	992,430	817,902	2,217,704	273,580	356,827	6,013,488

thousands of euro	Italy	Central Europe	Eastern Europe	USA	Mexico	Unallocated items and adjustments	Total
2008							
Segment revenue	842,954	798,430	917,276	750,329	205,148	6,095	3,520,232
Intersegment revenue	(355)	(535)	–	–	–	890	–
Revenue from external customers	842,599	797,895	917,276	750,329	205,148	6,985	3,520,232
Operating profit	92,249	74,659	334,168	129,228	67,013	355	697,672
Depreciation	(46,673)	(46,199)	(31,162)	(63,037)	(12,426)	(4,115)	(203,612)
Impairment charges	(3,818)	(3,259)	(485)	(13,698)	–	(224)	(21,484)
Write-ups	–	93	–	–	–	–	93
Equity in earnings	910	2,666	–	3,474	–	–	7,050
Purchase of intangible assets	390	878	362	–	401	22	2,053
Purchase of property, plant and equipment	75,027	83,265	168,113	174,052	17,056	219	517,732
Purchase of equity investments	288,177	5,541	5,637	32,476	1,720	–	333,551
31 December 2008							
Segment operating assets	1,336,917	907,520	803,420	2,353,496	259,885	209,032	5,870,270

Revenues from external customers are derived from the sale of cement or concrete and aggregates and are detailed as follows:

thousands of euro	Italy	Central Europe	Eastern Europe	USA	Mexico	Unallocated items and adjustments	Total
2009							
Cement	329,547	389,963	295,416	431,766	139,112	7,712	1,593,516
Concrete and aggregates	365,074	312,205	174,837	181,068	41,309	3,800	1,078,293
							2,671,809

thousands of euro	Italy	Central Europe	Eastern Europe	USA	Mexico	Unallocated items and adjustments	Total
2008							
Cement	422,009	434,584	629,672	563,152	155,802	6,984	2,212,203
Concrete and aggregates	420,590	363,311	287,604	187,178	49,345	–	1,308,028
							3,520,231

As for the dependence degree from major customers, no customers exist generating revenues equal or greater than 10 % of Buzzi Unicem consolidated net sales.

7. Goodwill and Other intangible assets

		Other intangible assets			
	Goodwill	Industrial patents, licenses and similar rights	Assets in progress and advances	Others	Total
thousands of euro					
Net book amount at 1 January 2008	550,369	7,878	2	1,835	9,715
Year ended 31 December 2008					
Translation differences	(879)	(11)	–	(163)	(174)
Amortization and impairment charges	(182)	(2,717)	–	(463)	(3,180)
Additions	40	1,644	16	353	2,013
Change in scope of consolidation	26,756	3,266	–	3,701	6,967
Reclassifications	–	(205)	–	–	(205)
Disposals and other	–	(1)	(2)	(3)	(6)
Net book amount at 31 December 2008	**576,104**	**9,854**	**16**	**5,260**	**15,130**
Year ended 31 December 2009					
Translation differences	(901)	(91)	–	(81)	(172)
Amortization and impairment charges	(9,805)	(2,471)	–	(660)	(3,131)
Additions	1,741	965	–	160	1,125
Change in scope of consolidation	(1,922)	(1)	–	(1)	(2)
Reclassifications	438	1,168	(16)	12	1,164
Disposals and other	–	(1)	–	–	(1)
Net book amount at 31 December 2009	**565,655**	**9,423**	**–**	**4,690**	**14,113**

At 31 December 2009, the item industrial patents, licenses and similar rights is made up of mining rights (€ 2,288 thousand), industrial patents (€ 2,321 thousand), application software for plant and office automation (€ 2,429 thousand), industrial licenses (€ 1,007 thousand). Reclassifications identify the transfer to industrial patents, licenses and similar rights of the differential related to Thorcem Srl joint venture.

Goodwill and impairment test

Goodwill at 31 December 2009 amounts to € 565,655 thousand and is broken-down as follows:

- € 465,226 thousand refer to Dyckerhoff , thereof € 325,256 thousand allocated to the segment Eastern Europe and the remaining € 139,970 thousand to Central Europe;
- € 49,683 thousand resulting mostly from the merger with Unicem SpA in 1999 and consequently attributable to the sector cement Italy;
- € 16,808 thousand refer to the ready-mix concrete and aggregates sector in Italy;

- € 32,107 thousand refer to the cement sector of Alamo Cement Company, thereof € 25,090 thousand emerging from the acquisition of Dorsett Brothers in 2008 and South-Tex Concrete in 2007;
- € 1,831 thousand refer to the ready-mix concrete sector in the United States of America (Dorsett Brothers).

For the purpose of impairment testing, the cash generating units ("CGUs") to which goodwill has been allocated have been identified on the basis of the group's operating segments and also according to internal management goals, i.e. to the criteria management uses to make operating decisions.

In Italy two single CGUs have been identified (cement sector and ready-mix concrete sector), which are further analyzed within geographical and operating subsets. More specifically, according to management goals, the cement CGU has been allocated to two divisions (Central-Northern and Central-Southern), in addition to nine sub-CGUs represented by the production plants. According to management goals, the ready-mix concrete CGU has been allocated to three divisions (Northern, Central-Northern and Southern), in addition to eleven sub-CGUs corresponding to the geographical areas of operations.

Within Dyckerhoff, CGUs corresponds to the two major operating segments (Central Europe and Eastern Europe), in turn assessed at single country's level and at a still lower sub-CGU's level, corresponding to the single corporate entities.

As for the United States, goodwill has been allocated to Alamo Cement Company (Texas), in turn analyzed at both cement and ready-mix business's level.

The recoverable amount of the CGUs, to which goodwill and intangible assets with indefinite useful lives have been allocated, is primarily determined on the basis of their value in use, defined as the discounted value of the expected future cash flows at a rate that incorporates the risks associated with the particular cash-generating units as of the valuation date.

The key assumptions used for the calculation primarily concern:

- **cash flows estimation:**
  the cash flows estimate for each single CGU is based on the most recent budgets and multi-annual plans (5 years) prepared by management. The management approach in determining the plans is based on sustainable and reasonable assumptions, which ensure consistency among prospective and historical flows and external information. Specifically, due to the recent global financial crisis and the changed economic and market conditions, the management has significantly lowered (compared with the previous impairment tests) the average growth expectations in the countries of Buzzi Unicem's operations.

- **terminal value:**
  the terminal value is calculated assuming that, at the end of the projection period, the CGU generates a constant cash flow (perpetual). The annual rate of perpetual growth (g) to deduce the terminal value is based on the long-term growth expected for the industry in the country of operation. The development of the cement and ready-mix concrete business, especially, is strictly linked to average per capita consumption, population growth and GDP of the respective country (or where the asset is used). Although the medium-term GDPs and growth rates expected in the emerging countries where Buzzi Unicem operates (Mexico, Eastern Europe) are much higher, given the current economic situation, the (g) factor has been conservatively assumed at 0.5 % per year for each country without distinction.

- **discount rate:**
  the discount rate represents the return expected by the company's lenders and shareholders to invest their capitals in the business; it is calculated as the weighted average between the equity cost and the cost of debt increased by the country-specific risk (WACC). The discount rates, after tax, applied to the main CGUs are as follows:

in %	ITA	GER	CZE/SVK	POL	UKR	LUX	RUS	USA
WACC	9.10	7.89	11.50	11.73	18.40	10.15	12.55	7.64

As an additional methodology, to check the market consistency of the value deriving from the approach based on the discounted cash flows, for some CGUs and sub-CGUs the relevant fair value has been determined using market multiples. Different multiples have been applied depending on the CGU to be valued, identifying each time the basket deemed more comparable for geographical area and type/size of transaction. In particular, to determine the fair value of the cement sector CGUs, the production capacity (EV/ton) and profitability (EV/EBITDA) multiples of the main transactions carried out in Italy and abroad since 2006 have been utilized. In some cases, the value has encompassed the fair value of the investment property not strictly related to the carrying out of operations. By using this control method, in no case the recoverable amount of the CGUs and sub-CGUs verified was lower than their carrying amount at the balance sheet date.

In view of the difficult trading conditions, although at level of Central-Northern division and all the more of cement Italy sector, the differential was more than sufficient, it has been decided all the same to impair goodwill referred to Travesio (PN) and Cadola (BL) for €3,617 thousand and €3,496 thousand respectively. For similar reasons the impairment charge recorded in the interim financial information for the Piedmont geographic area of the ready-mix concrete in Italy is confirmed (€1,236 thousand).

Finally, based on the recent macro-economic developments and the uncertainty of the future growth prospects, a sensitivity analysis has been performed on the recoverable amount of the different CGUs, in order to verify the effects of reasonably possible changes, if any, in the key assumptions. Specifically we reasoned upon changes in the cost of money (and consequently WACC discount rate), perpetual growth rate (g) and operating cash flow. As for the discount rate, by increasing by 1 % the cost of money in each CGUs and decreasing by 0.5 % the rate of perpetual growth (g), thus assuming a growth equal to zero, the WACCs for the sensitivity analysis are as follows:

in %	ITA	GER	CZE / SVK	POL	UKR	LUX	RUS	USA
WACC sensitivity	9.70	8.10	11.50	11.73	18.40	10.15	12.55	8.47

Instead, for the EBITDA a 10 % decrease of the perpetual flow has been assumed.

The outcome of the analysis would confirm the existence of a negative difference between the value in use and the carrying amount of Cadola (PN), Travesio (BL) and Riva del Garda (TN) plants in Italy. In the ready-mix concrete sector in Italy, the Piedmont geographical area shows a negative difference of € 2,300 thousand. The sub-CGU Ukraine reveals a potential impairment charge of about € 20,000 thousand.

In short, the sensitivity analysis performed has confirmed that no significant impairment exists and consequently we have deemed it not necessary to proceed with an additional increase of the above mentioned impairment charges.

8. Property, plant and equipment

thousands of euro	Land and buildings	Plant and machinery	Industrial and commercial equipment	Assets in progress and advances	Other	Total
At 1 January 2008						
Cost/deemed cost	2,064,203	3,360,505	326,363	252,049	101,964	6,105,084
Accumulated depreciation	(679,385)	(2,304,729)	(208,828)	–	(74,541)	(3,267,483)
Net book amount	**1,384,818**	**1,055,776**	**117,535**	**252,049**	**27,423**	**2,837,601**
Year ended 31 December 2008						
Opening net book amount	1,384,818	1,055,776	117,535	252,049	27,423	2,837,601
Translation differences	44,249	(9,337)	(7,918)	(3,813)	460	23,641
Additions	26,929	83,307	36,280	366,643	4,363	517,522
Change in scope of consolidation	27,941	50,801	9,910	710	11,406	100,768
Disposals and other	(1,982)	(2,471)	(443)	(3,892)	(4,841)	(13,629)
Depreciation and impairment charges	(37,794)	(148,354)	(28,164)	(463)	(6,641)	(221,416)
Reclassifications	11,292	37,327	19,137	(98,075)	8,025	(22,294)
Closing net book amount	**1,455,453**	**1,067,049**	**146,337**	**513,159**	**40,195**	**3,222,193**
At 31 December 2008						
Cost/deemed cost	2,166,920	3,470,841	383,054	513,159	116,258	6,650,232
Accumulated depreciation	(711,467)	(2,403,792)	(236,717)	–	(76,063)	(3,428,039)
Net book amount	**1,455,453**	**1,067,049**	**146,337**	**513,159**	**40,195**	**3,222,193**
Year ended 31 December 2009						
Opening net book amount	1,455,453	1,067,049	146,337	513,159	40,195	3,222,193
Translation differences	(33,141)	(9,451)	(2,098)	(14,661)	(994)	(60,345)
Additions	24,925	121,186	11,169	234,769	2,784	394,833
Change in scope of consolidation	16,895	38,028	4,061	5,468	1,536	65,988
Disposals and other	(1,302)	(999)	(321)	(2,834)	(459)	(5,915)
Depreciation and impairment charges	(35,351)	(134,935)	(29,559)	(108)	(5,721)	(205,674)
Reclassifications	122,135	185,932	9,700	(315,282)	(2,391)	94
Closing net book amount	**1,549,614**	**1,266,810**	**139,289**	**420,511**	**34,950**	**3,411,174**
At 31 December 2009						
Cost/deemed cost	2,319,340	3,714,580	390,897	420,511	111,395	6,956,723
Accumulated depreciation	(769,726)	(2,447,770)	(251,608)	–	(76,445)	(3,545,549)
Net book amount	**1,549,614**	**1,266,810**	**139,289**	**420,511**	**34,950**	**3,411,174**

Additions of €394,833 thousand in 2009 are shortly described in the review of operations, to which reference is made. In the cash flow statement capital expenditures are reported according to the actual outflows (€380,991 thousand). The changes in scope are mainly driven by the first time consolidation of Parmacementi SpA and of Escalcementi Srl. The changes in scope of the year 2008 were mainly attributable to the first time consolidation of the merged company Cementi Cairo Srl and of Dorsett Brothers Concrete Supply, Inc.

Negative translation differences of € 60,345 thousand, principally reflect weakness in the exchange rate of the US dollar and of the other currencies used for conversion of the foreign financial statements versus the euro. In 2008, the trend in exchange rates of the dollar and other currencies had given rise to positive translation differences of € 23,641 thousand.

The Mexican associate Corporación Moctezuma, SAB de CV, in preparation of IFRS adoption for its local financial statements, has revised the value of property, plant and equipment (increase of € 7,241 thousand for our 50 % proportionate share). The amount is included within depreciation and impairment charges.

Real guarantees on assets of consolidated companies are represented by liens on industrial and commercial equipment for the amount of € 4,303 thousand at 31 December 2009 (2008: € 7,584 thousand).

Rent expenses amounting to € 41,341 thousand (2008: € 43,268 thousand) relating to the operating lease of property and machinery are included in the income statement among services (note 35).

Effective 1 December 2008, Buzzi Unicem USA temporarily ceased production at its Oglesby plant situated in Illinois, due to a general decline in economic conditions. During the production curtailment, the shipping facility and general plant services continues to operate. Because of the temporary nature of this cessation in production, the company has determined that there is no impairment of this facility's production related assets, which have a carrying amount of € 137,944 thousand at the balance sheet date, gross of the related deferred income tax effect (€ 55,062 thousand).

Buzzi Unicem USA entered into a series of agreements with Jefferson County, Missouri, related to the new Selma, MO plant. Legal title to the property was transferred to the County and the County then leased the same property back to the company, for a period of 15 years. Correspondingly Buzzi Unicem USA has subscribed bonds issued by the County for an amount of € 130,506 thousand, with the same 15 years maturity. Our subsidiary is responsible for all operation and maintenance of the leased assets and has the option to purchase the personal property at the conclusion of the lease term. The plan provides for 50 % abatement of personal property taxes for approximately 15 years. If it does not exercise the option, Buzzi Unicem USA will be obligated to pay 125 % of the personal property taxes that would normally apply. Based upon the substance of the agreements, the company has not recorded the bond or capital lease in its consolidated financial statements. The company recorded the original cost of the personal property within property, plant, and equipment and is depreciating the property over the appropriate useful lives.

9. Investment property

The line item amounts to € 14,834 thousand and shows a decrease of € 560 thousand versus last year. It is carried at cost, being representative of its fair value at the balance sheet date.

	2009	2008
thousands of euro		
At 1 January	15,394	13,483
Translation differences	(31)	(142)
Additions	309	210
Reclassifications	169	2,797
Disposals and other	(1,007)	(954)
At 31 December	**14,834**	**15,394**

10. Investments in associates

	2009	2008
thousands of euro		
Accounted for using the equity method	222,189	229,506
Valued at cost	4,978	3,195
	227,167	**232,701**

The net decrease of € 5,534 thousand was affected to the extent of € 6,071 thousand by translation differences related to the investments in the Algerian companies Société des Ciments de Hadjar Soud EPE SpA and Société des Ciments de Sour El Ghozlane EPE SpA.

The associates valued at fair value in 2008 have been reclassified within the companies accounted for using the equity method, in compliance with the amendment to IAS 32 (€ 25,021 thousand).

	2009	2008
thousands of euro		
At 1 January	232,701	130,083
Translation differences	(7,711)	2,979
Additions	3,506	110,923
Equity in earnings	5,895	7,050
Changes in fair value recognized in equity	–	(925)
Dividends received	(6,441)	(10,652)
Disposals and other	(783)	(6,757)
At 31 December	**227,167**	**232,701**

The full book value of the main investments in associates has been tested for impairment. The company measured the value in use as the group’s share in the present value of estimated future cash flows, while used the market multiples approach for assessing the fair value. The comparison between the recoverable amount resulting from the calculation and the carrying amount did not indicate the need to recognize an impairment loss on these assets.

The main equity investments in associates valued by the equity method or at cost are detailed as follows:

thousands of euro	Registered office	Book value	% of ownership direct	% of ownership indirect
Société des Ciments de Hadjar Soud EPE S.p.A.	Azzaba DZ	53,996	35.0	
Société des Ciments de Sour El Ghozlane EPE S.p.A.	Sour El Ghozlane DZ	49,672	35.0	
Kosmos Cement Company	Louisville US	33,320		25.0
quick-mix Holding GmbH & Co. KG	Osnabrück DE	14,508		34.0
Laterlite S.p.A.	Solignano IT	13,176	33.3	
Sievert AG & Co. KG	Osnabrück DE	12,400		34.75
Cementi Moccia S.p.A.	Napoli IT	10,456	50.0	
Houston Cement Company LP	Houston US	9,324		20.0
Bétons Feidt S.A.	Luxembourg LU	7,069		30.0
S.A. des Bétons Frais	Schifflange LU	2,623		41.0
Gravières et Sablières Karl EPPLE S.n.c.	Seltz FR	2,081		25.0
Siefic Calcestruzzi S.r.l.	Isernia IT	1,771		50.0
Eljo Holding B.V.	Zuidbroek NL	1,753		50.0
Premix S.p.A.	Melilli IT	1,729	40.0	
E.L.M.A. S.r.l.	Sinalunga IT	1,405		50.0
Ciments de Balears, S.A.	Palma de Mallorca ES	1,018	35.0	
Transass S.A.	Schifflange LU	811		41.0
San Paolo S.c.r.l.	Calenzano IT	801		50.0
Normensand GmbH	Beckum DE	638		38.0
sibobeton Osnabrück GmbH & Co. KG	Osnabrück DE	584		23.25
Albenga Calcestruzzi S.r.l.	Albenga IT	561		50.0
Van Zanten Holding B.V.	Zuidbroek NL	547		25.0
TRAMIRA–Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden-Dankersen DE	533		50.0
sibobeton Hannover GmbH & Co. KG	Osnabrück DE	474		40.0
B.V. Betonmortel Centrale Leeuwarden (B.C.L.)	Leeuwarden NL	300		50.0
EKO ZAPA beton, a.s.	Praha CZ	305		50.0
Niemeier Beton GmbH & Co. KG	Diepholz DE	256		33.3
Transbeton GmbH & Co. KG	Löhne DE	286		34.5
WWB–Service+Logistik GmbH & Co. KG	Westerburg DE	255		100.0
Other < 250,000 euro		4,515		
		227,167		

In spite of the majority voting interest (63.1 %), Buzzi Unicem does not have control of NCD Nederlandse Cement Deelnemingsmaatschappij BV, rather it only has a significant influence. In accordance with Dutch corporate law, the legal form of NCD does not grant the majority shareholder a controlling influence in the company per se and the right to appoint the majority of the supervisory board members. For this reason, NCD continues to be accounted for under the equity method.

The total balance sheet and income statement items of the principal operative associates, all of which are unlisted, are as follows:

thousands of euro	Assets	Liabilities	Net sales	Net profit
2008				
Société des Ciments de Hadjar Soud EPE S.p.A.	219,685	47,485	35,735	(1,057)
Société des Ciments de Sour El Ghozlane EPE S.p.A.	200,701	47,395	28,952	(1,957)
Kosmos Cement Company	151,640	11,888	84,176	13,955
Sievert AG & Co. KG[1]	184,000	107,000	364,000	2,200
Houston Cement Company LP	79,364	4,387	104,288	(8,487)
Laterlite S.p.A.	74,197	41,140	81,647	5,864
Bétons Feidt S.A.	39,000	14,000	68,000	3,000
Cementi Moccia S.p.A.	37,527	17,564	35,933	(310)

[1] included quick-mix group.

thousands of euro	Assets	Liabilities	Net sales	Net profit
2009				
Société des Ciments de Hadjar Soud EPE S.p.A.	178,093	23,820	34,303	(733)
Société des Ciments de Sour El Ghozlane EPE S.p.A.	162,715	20,795	39,818	4,089
Kosmos Cement Company	143,358	9,892	59,577	5,548
Sievert AG & Co. KG[1]	168,642	97,652	321,923	3,971
Houston Cement Company LP	62,038	2,101	51,563	(689)
Laterlite S.p.A.	76,056	36,529	65,742	7,291
Bétons Feidt S.A.	43,263	19,700	67,000	2,000
Cementi Moccia S.p.A.	43,341	13,311	29,366	479

[1] included quick-mix group.

11. Available-for-sale financial assets

The non-current portion refers to the investments in unconsolidated subsidiaries and other companies, all of which are unlisted.

	Subsidiaries	Other	Total
thousands of euro			
At 1 January 2009	60,721	5,010	65,731
Additions	2,396	298	2,694
Change in scope of consolidation	(61,111)	–	(61,111)
Write-ups (write-downs)	–	(89)	(89)
Disposals and other	(233)	(884)	(1,117)
At 31 December 2009	**1,773**	**4,335**	**6,108**

A contribution to the balance change during the financial year came from the first time consolidation of Parmacementi SpA (€ 32,414 thousand), Escalcementi Srl (€ 20,777 thousand), and Calcestruzzi Nord Ovest Srl (€ 6,097 thousand). There were no impairment provisions on available-for-sale financial assets (non-current portion) in 2009 or 2008.

The equity investments included in this line item are all carried at cost less any provision for impairment. In fact, these are immaterial companies both from an investment point of view and in terms of their net equity and results, for which a reliable determination of the fair value would only be possible as part of specific sales negotiations.

The current portion includes temporary placements in short-term or marketable securities.

12. Derivative financial instruments

The derivative contracts, entered into to mitigate currency, interest rate and market price risks, are all "plain vanilla" type. They do not qualify for hedge accounting under IFRS.

In compliance with the amendment to IAS 1, effective from 1 January 2009, they are booked at their fair value within current assets or liabilities if their settlement date falls within twelve months and within non-current assets or liabilities if their settlement date falls beyond twelve months, with restatement of the prior year amounts.

	2009		2008	
	Assets	Liabilities	Assets	Liabilities
thousands of euro				
Non-current				
Not designated as hedges	250	58,552	6,281	34,840
	250	**58,552**	**6,281**	**34,840**
Current				
Not designated as hedges	782	7,704	2,815	18,855
Commitments and options	–	6,900	–	7,700
	782	**14,604**	**2,815**	**26,555**

The liabilities include the negative value of the contracts set up by the company to reduce the foreign exchange and interest rate risk on the dollar denominated long-term debt (forward foreign exchange, cross currency swaps, interest rate swaps), for a total of € 63,683 thousand at 31 December 2009 (€ 40,861 at closing 2008) and the assets a positive value of € 832 thousand (€ 7,258 at closing 2008).

The notional principal amount and the fair value of the outstanding derivative instruments is summarized as follows:

	2009		2008	
	Notional	Fair value	Notional	Fair value
thousands of euro				
Interest rate swaps	230,492	(1,806)	145,745	3,677
Currency swaps	6,016	169	34,374	(1,822)
Cross currency swaps	255,449	(43,110)	211,868	(26,117)
Forward foreign exchange	208,106	(20,303)	387,992	(10,315)
Interest rate options	5,000	3	5,000	33
Commodity swaps	3,163	(177)	44,038	(10,055)
Takeover commitments (option writer)	16,582	(6,900)	14,073	(7,700)
Takeover options (call)	14,058	–	13,579	–

At end of year, takeover commitments and takeover options include respectively a put agreement on a 15.1 % share of our associate Sievert AG & Co. KG and a corresponding call agreement on a 20 % stake of the same company. Under certain assumptions, the strike price of the put option has been computed at € 12,289 thousand and that of the call option at € 11,531 thousand. The put option can be exercised by the end of each month (with at least one month of notification). The call option cannot be exercised before 31 December 2010; after that it is exercisable as of 30 June and 31 December each year (with at least six months of notification).

The same commitments and options include a put option on 49 % of the subsidiary Dyckerhoff Transportbeton Hamburg GmbH, exercisable starting from 1 January 2009 until 31 December 2014, at a strike price of € 1,666 thousand, and a corresponding call option on 49 % of the same company, exercisable from 1 January 2010 until 31 December 2014, always at a strike price of € 1,666 thousand. This option has been recognized within other payables (current).

Also takeover commitments include three put options, each on 27 % of the shares in i4 Transportation GmbH & Co. KG (in total 81 %), with a nominal value of € 1,955 thousand. This option was not taken up during its exercise period, which ran between 15 January 2010 and 15 February 2010. Other commitments and options refer to property, plant and equipment; the fair value of these embedded derivatives is neither negative nor positive, hence without effect on the financial position.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

During 2009, the changes in the fair value of derivative financial instruments recognized in the income statement are negative for € 19,045 thousand (2008: € 57,803 thousand positive).

13. Other non-current assets

	2009	2008
thousands of euro		
Advances on acquisition of equity investments	–	2,111
Receivables from associates	7,421	7,264
Tax receivables	24,319	27,462
Advances to suppliers	7,173	10,065
Receivables from personnel	1,843	1,981
Loans to customers	2,476	3,256
Guarantee deposits	18,616	18,413
Other	19,945	18,481
	81,793	**89,033**

The decrease in advances on acquisition of equity investments stems from the execution of the purchase contract of a minority stake in Gravières et Sablières Karl EPPLE Snc, a company operating in the natural aggregates industry in France and Germany.

The receivables from associates are made up of mainly interest-bearing loans granted to sibobeton Hannover GmbH & Co. KG (€ 1,200 thousand) and quick-mix Holding GmbH & Co. KG (€ 5,361 thousand).

Tax receivables include the booking at present value of a corporate tax credit in Germany, which became finally collectable already in 2006 and will be cashed-in over a period of 10 years starting from 2008.

The item advances to suppliers is a down payment for construction of buildings on the former industrial site of Piacenza (Italy), in part already sold to developers. The decrease is attributable to the completion of the works on the second lot of the real estate project.

Receivables from personnel include loans to employees equal to € 1,612 thousand (2008: € 1,606 thousand).

Loans to customers are granted by Buzzi Unicem USA to some major accounts; they bear interests at market rates, are adequately secured and are performing regularly.

The guarantee deposits mainly represent assets held in trust to secure the payment of benefits under certain executive pension plans and insurance deposits.

The item other includes for the most part loans to third parties, which are adequately secured.

All non-current receivables are due within five years from the balance sheet date. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

14. Inventories

	2009	2008
thousands of euro		
Raw materials, supplies and consumables	243,249	234,780
Work in progress	72,974	76,770
Finished goods and merchandise	67,579	65,845
Advances	3,259	2,941
Emission rights	–	2,287
	387,061	**382,623**

Increases and decreases of the various categories depend on normal movements in the manufacturing operations, in line with the trend in production and sales, as well as changes in exchange rates used for the translation of foreign financial statements. The amount shown is net of an allowance for obsolescence of € 22,935 thousand (2008 € 18,509 thousand). The write-down of inventories recognized as an expense during the year includes € 1,738 thousand referred to the shut down of the older production lines at Selma, MO in the United States of America.

15. Trade receivables

thousands of euro	2009	2008
Trade receivables	458,027	529,922
Less: Provision for receivables impairment	(37,261)	(34,412)
Trade receivables, net	**420,766**	**495,510**
Other trade receivables:		
From unconsolidated subsidiaries	377	702
From associates	15,081	15,050
From parent companies	21	19
	436,245	**511,281**

The year-end balances from associates arise from normal and regular business transactions entered into mostly with firms operating in the ready-mix concrete segment.

At the balance sheet date, trade receivables that are past due but not impaired amounted to € 114,064 thousand (2008: € 137,893 thousand). The ageing analysis of these trade receivables is as follows:

thousands of euro	2009	2008
Past due up to 2 months	80,834	98,375
Past due between 2 and 6 months	22,878	32,003
Past due over 6 months	10,352	7,515
	114,064	**137,893**

The carrying amounts of net trade receivables are denominated in the following currencies:

thousands of euro	2009	2008
Euro	287,145	315,004
US Dollar	57,001	82,402
Russian Ruble	6,907	9,832
Mexican Peso	30,034	31,338
Other currencies	39,679	56,934
	420,766	**495,510**

Changes in the provision for receivables impairment during the year are as follows:

thousands of euro	2009	2008
At 1 January	34,412	29,125
Translation differences	(128)	(1,421)
Provision for impairment	18,827	17,169
Receivables written off as uncollectible	(10,237)	(7,821)
Unused amounts reversed and other	(5,613)	(2,640)
At 31 December	**37,261**	**34,412**

The creation of provision for impaired receivables has been included in other operating expenses (note 37); the release of the same provision has been included in other operating income (note 33).

The carrying amount of trade receivables is considered in line with their fair value at the date. The maximum exposure to credit risk at the reporting date is the carrying value of the line item.

16. Other receivables

thousands of euro	2009	2008
Tax receivables	84,285	74,336
Receivables from social security institutions	509	357
Receivables from unconsolidated subsidiaries and associates	4,015	3,008
Receivables from suppliers	8,047	14,861
Receivables from personnel	1,078	1,155
Receivables from sale of equity investments	1,062	3,223
Accrued income and prepaid expenses	9,649	18,427
Other	15,868	17,228
	124,513	**132,595**

Tax receivables include income tax payments in advance and the debit balance of periodic value added tax when money is to be returned; the increase of this item is due to VAT related, above all, to the capital expenditures project in Ukraine and Russia.

Receivables from unconsolidated subsidiaries and associates are in the nature of short-term loans.

Receivables from sale of equity investments concern the disposal of a 81 % interest in i4 Transportation GmbH & Co. KG.

Accrued income total € 1,140 thousand (2008: € 4,232 thousand) and is made up primarily of interest income on marketable securities and time deposits. Prepaid expenses amount to € 8,509 thousand (2008: € 14,195 thousand) relating to operating expenses pertaining to the following period.

At the balance sheet date the carrying amount of other receivables is considered to be in line with their fair value. The captions within this line item do not contain impaired assets.

17. Cash and cash equivalents

	2009	2008
thousands of euro		
Cash at banks and in hand	519,394	419,144
Short-term deposits	177,571	159,550
	696,965	**578,694**

Foreign operating companies hold about 55 % of the balance. At the closing date, short-term deposits and securities earn interest at about 0.8 % on average (3.0 % in 2008): yield in euro is around 0.4 %, in dollar 0.7 %, in Mexican peso 3.7 % and in other currencies 7.7 %. The average maturity of such deposits and securities is lower than 60 days.

The cash flows, the working capital and the available liquidity of the subsidiaries are handled locally but under a central finance function, to ensure an efficient and effective management of the resources generated and/or of the financial needs.

Cash and equivalents are denominated in the following currencies:

	2009	2008
thousands of euro		
Euro	423,093	227,979
US Dollar	225,344	209,937
Mexican Peso	25,931	34,710
Russian Ruble	7,102	61,887
Other currencies	15,495	44,181
	696,965	**578,694**

18. Assets and Liabilities held for sale

The assets and liabilities included in last year balance sheet were related to the fully owned subsidiary Oriónidas, SAU. They were presented as held for sale, following the preliminary contract on 3 October 2008 to sell that company; the transaction was closed on 29 July 2009. Since the data of the subsidiary are immaterial, it was decided not to present separately, on the face of the income statement and the cash flow statement, the profit (loss) and the net cash flows from the discontinued operation. Instead, they were consolidated line-by-line until the date of disposal to third parties.

19. Share capital

At the balance sheet date the share capital of the company is as follows:

	2009	2008
number of shares		
Shares issued and fully paid		
Ordinary shares	165,349,149	165,349,149
Savings shares	40,711,949	40,711,949
	206,061,098	**206,061,098**
Share capital (thousands of euro)	123,637	123,637

All categories of shares have a par value of € 0.60 each. Each ordinary share gives right to one vote, without any restrictions whatsoever. Savings shares are not entitled to vote and they can be either registered or bearer, at the shareholder’s preference.

Savings shares are entitled to a preferential dividend equal to 5 % of par value and a total dividend equal to ordinary shares’ dividend plus 4 % of par value. In case of no dividend distribution, the right to the preference dividend is carried forward over the two following years.

If the savings shares are delisted, they shall be converted into preference shares, without changing their dividend and asset distribution rights, with features and in ways to be resolved upon by an extraordinary meeting of shareholders that will convene within three months from the date of delisting.

If the ordinary shares are delisted, the greater dividend payable to savings shares versus the dividend payable to ordinary shares shall be automatically increased to 4.5 % of par value.

The reconciliation of the number of shares outstanding during 2009 is the following:

	Ordinary	Savings	Total
number of shares			
At 1 January 2009			
Shares issued	165,349,149	40,711,949	206,061,098
Less: Treasury shares	(500,000)	(305,475)	(805,475)
Shares outstanding	**164,849,149**	**40,406,474**	**205,255,623**
Year ended 31 December 2009			
Employee share grant scheme	–	48,295	48,295
Purchase of treasury shares	–	–	–
Closing shares outstanding	**164,849,149**	**40,454,769**	**205,303,918**
At 31 December 2009			
Shares issued	165,349,149	40,711,949	206,061,098
Less: Treasury shares	(500,000)	(257,180)	(757,180)
Shares outstanding	**164,849,149**	**40,454,769**	**205,303,918**

In June 2009, no. 48,295 savings shares out of treasury, with a fair value of € 282 thousand, were granted to the managers of the company and of its Italian subsidiaries, according to the goals reached under the existing incentive and loyalty plan (MBO system).

20. Share premium

It consists of the overall premium on shares issued over time. The line item amounts to € 458,696 thousand and is unchanged versus last year.

21. Other reserves

The line item encompasses several captions, which are listed and described here below:

	2009	2008
thousands of euro		
Translation differences	(460,512)	(398,208)
Revaluation reserves	88,286	88,286
Merger surplus	247,530	247,530
Other	135,300	133,960
	10,604	**71,568**

The translation differences reflect the exchange rate variations that were generated starting from the first time consolidation of financial statements denominated in foreign currencies. The unfavorable variance of € 62,304 thousand is the result of four separate effects: an increase of € 2,859 thousand due to the strengthening of the Mexican peso, a decrease of €46,905 thousand due to the weakness of the US dollar, a decrease of € 12,187 thousand due to the devaluation of the Eastern European currencies and a decrease of € 6,071 due to the markdown of the Algerian dinar.

Other reserves also reflect the fair value adjustments to available-for-sale financial assets and to associates classified as puttable instruments (until 2008).

22. Retained earnings

The line item contains both retained earnings and profit for the financial year attributable to owners of the company. It also includes the legal reserve from the statutory financial statements of Buzzi Unicem SpA, changes in shareholders' equity of consolidated companies pertaining to the parent company that took place after the first consolidation and the revaluation reserves accrued by the Mexican companies that used inflation accounting up to the year 2001. During the year, transactions with minority interests were carried out after acquisition of control, to which the economic entity model has been applied, i. e. the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted directly from retained earnings. The main deal has been the purchase of no. 39,117 shares of Dyckerhoff AG, with a difference equal to € 285 thousand.

23. Minority interest

The balance as of 31 December 2009 refers mainly to Dyckerhoff AG and subsidiaries (€ 104,710 thousand), RC Lonestar Inc. (€ 39,167 thousand) and Corporación Moctezuma, SAB de CV (€ 72,186 thousand). Buzzi Unicem jointly controls Corporación Moctezuma together with Cementos Molins (Spain); the company is consolidated under the proportionate method at 50 %, but the actual economic interest attributable to owners of the company is about 33 %.

24. Debt and borrowings

thousands of euro	2009	2008
Long-term debt		
Senior notes and bonds	745,753	693,625
Mezzanine loan	223,361	223,895
Finance lease obligations	1,085	1,546
Secured term loans	1,849	6,227
Unsecured term loans	476,665	469,372
	1,448,713	**1,394,665**
Current portion of long-term debt		
Senior notes and bonds	272,015	70,054
Mezzanine loan	6,117	1,179
Finance lease obligations	485	503
Secured term loans	778	6,255
Unsecured term loans	75,260	63,589
	354,655	**141,580**
Short-term debt		
Bank overdrafts and borrowings	7,789	10,039
	7,789	**10,039**

The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

thousands of euro	2009	2008
6 months or less	326,177	102,041
6–12 months	36,267	49,578
1–5 years	955,368	1,190,542
Over 5 years	493,345	204,123
	1,811,157	**1,546,284**

Senior Notes and Bonds

The change is due to issuance of new bonds for € 346,160 thousand, to principal repayments for € 68,736 thousand and to foreign exchange effect for € 23,861 thousand.

At the beginning of December 2009 it was completed the issue of the bond "Buzzi Unicem € 350,000,000, 5.125 % notes due 2016", with a 7-year maturity, placed with institutional investors only. The notes, listed on the Luxembourg Stock Exchange, have a minimum denomination of € 50,000, pay a fixed annual coupon of 5.125 % and their due date is 9 December 2016. This bond is carried at amortized cost, for an amount of € 346,160 thousand, corresponding to an effective yield rate of 5.32 %.

The other non-convertible bonds relate primarily to Senior Unsecured Notes placed privately in the US market (USPP). The issuers are our subsidiaries RC Lonestar Inc. and Alamo Cement Company; Buzzi Unicem SpA guarantees the obligations of the issuers. These fund-raising operations are partly backed by interest rate swaps, cross currency swaps and forward foreign exchange contracts, entered into by Buzzi Unicem SpA. The income statement 2009 benefits from net finance revenues associated with the interest rate swap contracts to the extent of € 5,855 thousand (2008: net financial costs of € 1,273 thousand).

The bonds issued in the US market include covenants by the issuer and by the company as the guarantor, which require compliance with certain financial ratios. Such commitments are common in the international practice for bond issues of this type. In particular, the most significant financial conditions consist of a minimum consolidated net worth and a ratio of consolidated net debt to consolidated EBITDA not exceeding 3 times. At the balance sheet date such covenants are below the contractual limits stipulated by the borrowings in question.

On 18 December 2009, the company reached a conditional agreement (pricing) with some US investors to raise a total of $ 200,000 thousand through a new private placement of Senior Unsecured Notes, with the subsidiary RC Lonestar Inc. acting as the issuer. Buzzi Unicem SpA will guarantee the obligations of the issuer and the transaction is expected to be completed by April 2010. Proceeds from the notes will be used to partially refinance the bond issued by the subsidiary Lonestar Industries, Inc. that is due in June 2010.

The following table summarizes the main terms of bond issues outstanding at 31 December 2009:

Issue	Outstanding amount	Maturity	Coupon	Notes
Buzzi Unicem SpA Eurobond December 2009	€m 346.2	2016	5.125 %	
RC Lonestar, Inc. Senior Notes May 2002 Series A	$m 58.3	2010	6.60 %	FX forward on principal Interest rate swap from fix to floating US Libor 6M +1.41 %
RC Lonestar, Inc. Senior Notes May 2002 Series B	$m 240.0	2011–2013	6.92 %	FX forward on principal
RC Lonestar, Inc. Senior Notes May 2002 Series C	$m 35.0	2017	7.12 %	FX forward on principal
RC Lonestar, Inc. Senior Notes September 2003 Series A	$m 170.0	2014–2016	5.08 %	Cross currency swap on principal and coupons Interest rate swap from fix to floating Euribor 6M + 1.025 %
RC Lonestar, Inc. Senior Notes September 2003 Series A	$m 70.0	2014–2016	5.08 %	Cross currency swap on principal and coupons
RC Lonestar, Inc. Senior Notes September 2003 Series B	€m 30.0	2013	5.05 %	
Alamo Cement Company Senior Notes October 2004 Series C	$m 36.5	2005–2011	4.90 %	Cross currency swap on principal and coupons Interest rate swap from fix to floating Euribor 6M +0.55 %
Lone Star Industries, Inc. Notes June 2000	$m 315.5	2010	9.25 %	

Mezzanine loan

It is the subordinated loan granted by the Dyckerhoff family to Dyckerhoff AG. The loan matures in 2012 and carries a fixed coupon of 4.5 % per annum plus an additional 2.5 % per annum simple interest payable in a lump sum at maturity. The lenders have the option to call the loan from 2008 onward. During the year few creditors exercised this special termination right and an amount of € 1,179 thousand was repaid. The company does not expect material repayments till the final maturity of the loan. Despite the repayment, the liability still increases as a whole due to the 2.5 % interest accrual, calculated according to the effective interest method.

Term loans and other borrowings

During 2009 new borrowings were obtained for € 358,140 thousand and principal payments on long-term debt amounted to € 350,640 thousand.

The new borrowings of € 358,140 thousand relate primarily to:

- in July, subscription by the subsidiary Dyckerhoff AG with a syndicate of seventeen banks of a "Schuldscheindarlehen" contract for an amount of € 175,000 thousand and maturity on 31 July 2013.
- in July, subscription by Buzzi Unicem SpA with Banca Popolare di Novara of a bilateral loan for an amount of € 150,000 thousand, at floating rate (last applicable rate 4.353 %) and final maturity on 30 June 2014.

At 31 December 2009 the group had undrawn committed facilities expiring after 2010 of € 736,664 thousand (2008: € 514,709 thousand), thereof € 454,508 thousand at floating rate available to the company and the remaining € 282,156 thousand to Dyckerhoff AG, always at floating rate. The committed and unsecured line of credit of € 250,000 thousand with Intesa Sanpaolo requires compliance with a ratio of consolidated net debt to consolidated EBITDA less than 3 times.

In respect of interest rate and currency the gross indebtedness at 31 December 2009 is roughly split as follows (after hedging): 34 % floating and 66 % fix; 11 % denominated in dollar and 89 % in euro and euro-zone currencies.

At the balance sheet date, the fair value of the fix rate borrowings exceeds the carrying amount by about € 136,000 thousand (2008: fair value greater than carrying amount by about € 102,000 thousand). The carrying amount of short-term and floating rate borrowings approximate their fair value, as the impact of discounting is not significant.

25. Employee benefits

The line item includes post-employment benefits and other long-term benefits.

Post-employment benefits

They consist of pension plans, life insurance and healthcare plans, employee severance indemnities and other. Group companies provide post-employment benefits for their employees either directly or indirectly, by paying contributions to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which Buzzi Unicem operates. The obligations relate both to active employees and to retirees. Liabilities for contributions accrued but not yet paid are included within other payables.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by the contributions paid by the company, and sometimes by its employees, to an entity or fund legally separate from the employer by which the benefits are paid. The defined benefit pension schemes that the group operates in Germany and, to a lesser extent, in Luxembourg are mainly unfunded. Besides, during 2007 in Germany a portion of the pension plan liability was transferred to an independently administered fund through a cash contribution of € 25,000 thousand. In USA pension plans are mainly funded, while healthcare obligations are unfunded in nature. The defined benefit plan of the companies operating in Mexico is funded to a large extent.

The obligation for employee severance indemnities (TFR) is considered a defined benefit plan and is unfunded. It consists of the residual amount that was required until 31 December 2006 under Italian legislation to be paid by companies with more than 50 employees, and accrued over the employee's working life for other companies. The provision is settled upon retirement or resignation and may be partially paid in advance if certain conditions are met.

The item other includes loyalty bonuses, which are due to employees who reach a specified seniority and are generally settled when an employee terminates its employment. In particular, a plan similar to the Italian TFR exists in Mexico and is called prima de antigüedad. The payment of such benefits is certain (subject to any vesting or minimum service requirements) but the timing of their payment is uncertain. These schemes are unfunded.

Other long-term benefits

The group grants also other long-term benefits to its employees, which include those generally paid when the employee attains a specific seniority. In this case the valuation reflects the probability that payment is required and the length of time for which payment is likely to be made. These schemes are unfunded and the amount of the obligation is calculated on an actuarial basis, in accordance with the projected unit credit method. The corridor approach is not used for actuarial gains and losses arising from this obligation.

In the United States of America the group sponsors a deferred compensation plan for certain employees. Amounts deferred are funded into a trust and the earnings in the trust accrue to the benefit of the participants. The asset and liability are reported at fair value (the net asset value of each investment fund).

The obligations for employee benefits are analyzed as follows:

	2009	2008
thousands of euro		
By category		
Post-employment benefits:		
Pension plans	171,697	175,410
Healthcare plans	101,310	105,229
Employee severance indemnities	30,473	32,508
Other	92	102
Other long-term benefits	11,182	9,241
	314,754	**322,490**
By geographical area		
Italy	31,384	33,331
Germany, Luxembourg, Netherlands	181,379	183,858
USA, Mexico	101,991	105,301
	314,754	**322,490**

The defined benefit plan assets separately recognized in the balance sheet pertain to the USA geographical area (€ 46,782 thousand).

The amounts recognized in the balance sheet for post-employment benefits are determined as follows:

	Pension plans		Healthcare plans		Employee severance indemnities		Other	
	2009	2008	2009	2008	2009	2008	2009	2008
thousands of euro								
Present value of funded obligations	372,323	387,166	–	–	–	–	–	–
Less: Fair value of plan assets	(196,041)	(206,756)	–	–	–	–	–	–
	176,282	**180,410**	**–**	**–**	**–**	**–**	**–**	**–**
Present value of unfunded obligations	16,151	22,667	91,915	92,203	30,239	32,028	92	102
Unrecognized actuarial gains (losses)	(20,736)	(27,667)	9,395	13,026	234	480	–	–
Unrecognized past service cost	–	–	–	–	–	–	–	–
Liability in the balance sheet	**171,697**	**175,410**	**101,310**	**105,229**	**30,473**	**32,508**	**92**	**102**

The movement in the defined benefit obligation for post-employment benefits is illustrated below:

	Pension plans		Healthcare plans		Employee severance indemnities		Other	
	2009	2008	2009	2008	2009	2008	2009	2008
thousands of euro								
At 1 January	409,833	403,894	92,203	94,299	32,028	34,995	102	104
Interest cost	24,427	23,379	5,756	5,079	1,463	1,531	–	–
Past service cost	309	728	–	–	–	–	–	–
Current service cost	6,761	6,938	1,621	1,658	70	26	238	129
Actuarial losses (gains)	8,295	(7,748)	1,610	(7,512)	1,083	687	–	(110)
Employee contributions	73	69	510	444	–	–	–	–
Benefits paid	(33,001)	(28,377)	(6,787)	(7,821)	(3,460)	(5,253)	(250)	–
Translation differences	(6,549)	9,987	(2,998)	4,623	–	–	2	(3)
Change in scope of consolidation	5	–	–	156	135	28	–	–
Other changes	(21,679)	963	–	1,277	(1,080)	14	–	(18)
At 31 December	**388,474**	**409,833**	**91,915**	**92,203**	**30,239**	**32,028**	**92**	**102**

Other changes in pension plans includes an adjustment to the plan of the Basal group in the Netherlands, following the related company reorganization, that determined the transfer to third parties of the obligation and the plan assets.

Changes in the fair value of plan assets are as follows:

	Pension plans	
	2009	2008
thousands of euro		
At 1 January	206,756	242,300
Expected return on plan assets	14,524	17,466
Actuarial gains (losses)	11,166	(57,737)
Translation differences	(5,836)	8,385
Employer contributions	9,673	10,696
Employee contributions	73	69
Benefits paid	(15,576)	(14,423)
Change in scope of consolidation	–	–
Other changes	(24,739)	–
At 31 December	**196,041**	**206,756**

The amounts recognized in the income statement for post-employment benefits are as follows:

	Pension plans		Healthcare plans		Employee severance indemnities		Other	
	2009	2008	2009	2008	2009	2008	2009	2008
thousands of euro								
Current service cost	6,761	6,938	1,621	1,658	70	25	238	129
Interest cost	24,427	23,379	5,756	5,079	1,463	1,531	–	–
Expected return on plan assets	(14,524)	(17,466)	–	–	–	–	–	–
Net actuarial losses recognized	4,413	1,911	(1,700)	(458)	–	3	–	–
Past service cost	410	899	–	(638)	–	–	–	–
Gains on curtailments	–	–	–	156	–	–	–	–
Other	2,733	1,198	–	290	(1)	(1)	–	–
	24,220	**16,859**	**5,677**	**6,087**	**1,532**	**1,558**	**238**	**129**

Of the total charge, € 14,519 thousand are included in staff costs (2008: € 12,062 thousand) and € 17,148 thousand in net finance costs (2008: € 12,571 thousand).

The actual return on plan assets was € 25,690 thousand negative (2008: € 40,270 thousand negative).

Post-employment benefits and other long-term benefits are computed according to the following main actuarial assumptions, identified on the basis of independent sources that are constant over time:

	2009				2008			
	Italy	UE	USA	Mexico	Italy	UE	USA	Mexico
in %								
Discount rate	4.1	5.5	6.5	8.7	4.8	5.9	6.5	8.0
Expected return on plan assets	–	3.5	8.0	9.0	–	–	8.0	9.0
Future compensation increase	3.3	2.5	5.0	5.5	3.5	2.5	5.0	6.7
Future pension increase	2.0	1.7	3.0	–	2.5	2.0	3.0	–
Healthcare cost trend	–	0.7	7.5	–	–	2.0	7.5	–

The assumptions listed above reflect the actual economic period and/or realistic expectations in each territory.

Plan assets are comprised as follows:

	Germany		USA	
	2009	2008	2009	2008
in %				
Equity instruments issued by third parties	16.6	27.0	46.0	39.0
Debt instruments issued by third parties	81.7	47.0	51.0	58.0
Other	1.7	26.0	3.0	3.0

The effects of a 1 % movement in the assumed healthcare cost trend rate of the USA plans would be as follows:

	Increase	Decrease
thousands of euro		
Effect on the aggregate of the current service cost and interest cost	574	(502)
Effect on the defined benefit obligation	4,651	(4,165)

The present value of the defined benefit obligations, the fair value of plan assets, the surplus or deficit of the plans and the experience adjustments on plan liabilities and plan assets for 2009 and at the end of the four previous years is as follows:

	2009	2008	2007	2006	2005
thousands of euro					
Present value of funded obligations:					
Pension plans	388,474	409,833	403,894	420,759	459,571
Healthcare plans	91,915	92,203	94,299	113,489	133,703
Employee severance indemnities	30,239	32,028	34,995	40,833	40,318
Other	92	102	104	104	170
Fair value of plan assets:					
Pension plans	196,041	206,756	242,300	206,317	205,433
Healthcare plans	–	–	–	–	558
Surplus (deficit) of the plan:					
Pension plans	(192,433)	(203,077)	(161,594)	(214,442)	(254,138)
Healthcare plans	(91,915)	(92,203)	(94,299)	(113,489)	(133,145)
Employee severance indemnities	(30,239)	(32,028)	(34,995)	(40,833)	(40,318)
Other	(92)	(102)	(104)	(104)	(170)
Experience adjustments on plan assets	11,166	(57,736)	(8,216)	–	–
Experience adjustments on plan liabilities	4,443	6,771	2,848	(379)	–

26. Provisions for liabilities and charges

thousands of euro	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
Non current					
At 1 January 2009	52,340	124,790	32,468	17,732	227,330
Additional provisions	8,519	6,760	600	1,933	17,812
Discount unwinding	399	823	–	276	1,498
Unused amounts released	(613)	–	(81)	(442)	(1,136)
Used during the year	(12,646)	–	(1,819)	(1,780)	(16,245)
Translation differences	(769)	694	(1,035)	(21)	(1,131)
Reclassifications	44	(83,010)	(974)	(8,387)	(92,327)
Change in scope of consolidation	16	–	–	1,197	1,213
Other changes	–	–	–	–	–
At 31 December 2009	**47,290**	**50,057**	**29,159**	**10,508**	**137,014**
Current					
At 1 January 2009	1,131	–	50,176	13,525	64,832
Additional provisions	15	–	6,160	1,090	7,265
Discount unwinding	–	2,226	–	–	2,226
Unused amounts released	–	(37,371)	(7,800)	(4,136)	(49,307)
Used during the year	(840)	(53,865)	(6,072)	(6,265)	(67,042)
Translation differences	(12)	–	(104)	15	(101)
Reclassifications	526	89,010	316	2,189	92,041
Change in scope of consolidation	–	–	–	(454)	(454)
Other changes	–	–	–	–	–
At 31 December 2009	**820**	**–**	**42,676**	**5,964**	**49,460**

The decision to adopt also for this line item the current/non-current distinction entailed a reclassification of some prior year amounts. More precisely an amount of € 23,688 thousand presented last year under other payables was reclassified to current provisions (environmental risks, legal claims and tax risks, other risks) and an amount of € 23,816 thousand was transferred from income tax payables to provisions for legal claims and tax risks (current).

The environmental restoration provision mainly includes the obligations for site remediation, which are applicable to the locations where the extraction of raw materials takes place and for the fulfillments of related requirements concerning quarries, safety, health and environment. The provision for the damage claims against Lone Star Industries, regarding possible work-related injuries caused by the exposure to silica-containing materials, was initially increased by an amount of € 5,513 thousand and then used for € 9,286 thousand, following the final settlement of the legal dispute (note 46).

The antitrust provision is associated with the cartel fines inflicted in Italy (ready-mix concrete) and Poland (cement), which are currently under litigation, and with the risks linked to the lawsuit for damages to customers arising from the alleged cartel agreements in Germany. In Poland, during the last quarter, the local antitrust authority imposed to our subsidiary a fine of € 15,000 thousand; to fully cover the risk an additional provision of € 6,760 thousand was established. To be noticed, during the year, a release equal to € 37,371 thousand of the antitrust provision related to the German fine and the reclassification to the line item other payables of the final amount decided by the court (reduction from € 95,000 thousand to € 50,000 thousand).

The provision for tax risks amounts to € 68,240 thousand and reflects liabilities that are considered probable as a result of tax audits and adjustments to tax returns.

The provision for other risks represents the amounts set aside by the individual companies in connection with miscellaneous contractual and commercial risks and disputes, among which are included € 4,232 thousand for restructuring costs.

27. Deferred income tax

Net deferred tax liability at 31 December 2009 consists of deferred tax liabilities, net of deferred tax assets, which have been offset where possible by the individual consolidated companies. The net balance may be analyzed as follows:

thousands of euro	2009	2008
Deferred income tax assets:		
To be recovered after more than 12 months	(151,332)	(150,688)
To be recovered within 12 months	(14,243)	(15,658)
	(165,575)	**(166,346)**
Deferred income tax liabilities:		
To be recovered after more than 12 months	564,312	584,050
To be recovered within 12 months	18,551	13,301
	582,863	**597,351**
Net deferred income tax liabilities	**417,288**	**431,005**

Temporary differences and carryforwards that give rise to deferred tax assets and liabilities are analyzed as follows:

	2009	2008
thousands of euro		
Deferred income tax assets related to:		
Provisions for liabilities and charges	(10,045)	(12,401)
Trade receivables	(5,328)	(3,876)
Employee benefits	(29,974)	(26,616)
Write-down of financial assets	(6,043)	(4,957)
Derivative financial instruments	(11,280)	(11,928)
Property, plant and equipment	(25,826)	(31,929)
Tax loss carryforwards (theoretical benefit)	(298,018)	(286,898)
Other	(4,479)	(4,822)
Total deferred income tax assets	**(390,993)**	**(383,427)**
Valuation allowances	225,418	217,081
Net deferred income tax assets	**(165,575)**	**(166,346)**
Deferred income tax liabilities related to:		
Accelerated depreciation	136,007	136,841
Employee benefits	300	490
Property, plant and equipment	407,869	427,207
Inventories	6,540	6,909
Gains on disposal of fixed assets	785	1,508
Derivative financial instruments	8,103	7,654
Other	23,259	16,742
Total deferred income tax liabilities	**582,863**	**597,351**
Net deferred income tax liabilities	**417,288**	**431,005**

The deferred tax liability related to property, plant and equipment refers mainly to the positive differential that in 1999, year of the acquisition, Dyckerhoff allocated to the raw material reserves of Lone Star Industries.

The movement in deferred tax assets and liabilities during the year, taking into consideration the offsetting of balances within the same tax jurisdiction, is summarized in the following table:

	2009	2008
thousands of euro		
At 1 January	431,005	411,031
Income statement charge (credit)	(7,349)	(11,778)
Tax charged to equity	–	(146)
Translation differences	(12,883)	20,234
Change in scope of consolidation	6,515	11,664
At 31 December	**417,288**	**431,005**

28. Other non-current liabilities

thousands of euro	2009	2008
Purchase of equity investments	4,575	32,944
Minority interest in partnerships	2,080	2,073
Payables to personnel	2,757	3,473
Other	5,938	4,940
	15,350	**43,430**

Some third parties and managers have an obligation to sell their minority interest (23.3 %) in the subsidiary OAO Sukholozhskcement. The liability for purchase of equity investments recognizes the present value of this obligation, spread over the years 2010–2017. The decrease of the caption compared to last year is due to the transfer within current liabilities of the present value of the deferred consideration to acquire 100 % of Dorsett Brothers Concrete Supply, which is due on 30 November 2010.

All non-current liabilities are due within five years from the balance sheet date, except for the item minority interest in partnerships whose maturity is indefinite. The carrying amount of the line item is deemed to approximate its fair value.

29. Trade payables

thousands of euro	2009	2008
Trade payables	261,764	306,760
Other trade payables:		
To unconsolidated subsidiaries	37	18
To associates	3,865	3,643
To parent companies	1	8
	265,667	**310,429**

30. Income tax payables

It reflects current income tax liabilities, net of advances, withholdings and tax credits and including amounts owed to the ultimate parent Fimedi SpA by certain Italian companies that are members of the controlled group of corporations for domestic income tax purposes.

31. Other payables

thousands of euro	2009	2008
Advances	5,243	8,653
Purchase of equity investments	30,400	2,763
Payables to social security institutions	15,938	14,001
Payables to personnel	41,882	46,410
Payables to customers	6,875	7,655
Accrued expenses and deferred income	21,667	20,222
Other	55,560	31,471
	177,565	**131,175**

The increase in purchase of equity investments stems from the transfer of the deferred consideration to acquire 100 % of Dorsett Brothers Concrete Supply, which is due on 30 November 2010.

The heading other consists of sundry elements, among which the credit balance of periodic value added tax for € 4,635 thousand (2008: € 5,389 thousand). The increase mainly relates to the transfer to this caption of the antitrust fine inflicted by the German antitrust authority (€ 28,865 thousand, second and last installment payable in 2010).

32. Net sales

Net sales breakdown is as follows:

thousands of euro	2009	2008
Cement and clinker	1,634,222	2,246,373
Ready-mix concrete and aggregates	1,013,706	1,246,511
Related activities	23,881	27,348
	2,671,809	**3,520,232**

The 24.1 % decrease compared to year 2008 is due to overall unfavorable currency effects for 2.5 %, to unfavorable market trends for 22.7 % and to additions in the scope of consolidation for 1.1 %. Reference is made to the operating segment information for additional disclosure (note 6).

33. Other operating income

This line item consists of income arising both from the ordinary and the non-recurring course of business that is not attributable to sales of goods and rendering of services.

	2009	2008
thousands of euro		
Recovery of expenses	8,601	11,741
Indemnity for damages	3,361	2,825
Revenue from leased properties	9,122	12,757
Gains on disposals of property, plant and equipment	4,037	7,721
Capital grants	709	708
Release of provisions	46,371	15,166
Internal work capitalized	11,609	9,419
Sale of emission rights	23,432	6,439
Other	30,599	31,023
	137,841	**97,799**

The caption release of provisions includes € 37,371 thousand non-recurring income, represented by a partial release of the antitrust provision recorded by the subsidiary Dyckerhoff, following the final reduction of the fine decided by the Higher Regional Court of Düsseldorf.

In 2008, the caption other included € 7,000 thousand non-recurring income, represented by a project development fee, granted by E.ON, at the end of the fruitful cooperation in the energy field which brought to the realization of a natural gas power plant at Livorno Ferraris (VC).

34. Raw materials, supplies and consumables

	2009	2008
thousands of euro		
Raw materials and merchandise	563,481	706,854
Semifinished goods	54,124	91,633
Supplies and consumables	67,868	77,778
Electricity	191,980	230,672
Fuels	198,678	286,128
Emission rights	–	8,732
Other goods	29,025	35,942
	1,105,156	**1,437,739**

35. Services

thousands of euro	2009	2008
Transportation	327,974	414,434
Maintenance and contractual services	108,173	125,950
Insurance	15,192	16,482
Legal and professional consultancy	23,699	24,640
Operating leases of property and machinery	41,341	43,268
Travel	6,739	7,433
Sales commissions	2,830	3,179
Other	127,558	125,919
	653,506	**761,305**

36. Staff costs

thousands of euro	2009	2008
Salaries and wages	309,076	315,415
Social security contributions and defined contribution plans	89,649	83,837
Employee severance indemnities and defined benefit plans	14,777	12,015
Other long-term benefits	2,796	5,208
Shares granted to employees	282	592
Other	4,248	12,928
	420,828	**429,995**

The increase in social security contribution is due to the change in scope of consolidation. Other costs include restructuring expenses of € 1,675 thousand (2008: € 3,633 thousand) related primarily to the ready-mix concrete sector in Italy.

The average number of people employed, including Buzzi Unicem's proportionate share of employees in joint venture, is the following:

number	2009	2008
White collar and executives	4,321	4,292
Blue collar and supervisors	7,304	7,479
	11,625	**11,771**

37. Other operating expenses

Other operating expenses, related to both the ordinary and the non-recurring course of business, are composed as follows:

thousands of euro	2009	2008
Write-down of receivables	20,506	19,350
Provisions for liabilities and charges	20,210	17,588
Association dues	9,279	9,336
Indirect taxes and duties	20,560	17,362
Losses on disposal of property, plant and equipment	4,236	579
Other	14,417	21,036
	89,208	**85,251**

The provision for environmental restoration (quarries) accrued during the year is € 2,852 thousand (2008: € 4,880 thousand).

38. Depreciation, amortization and impairment charges

thousands of euro	2009	2008
Amortization of intangible assets	3,131	3,362
Depreciation of property, plant and equipment	202,402	200,250
Impairment losses of non-current assets	13,185	21,391
	218,718	**225,003**

The line item includes a write-up of property, plant and equipment by the associate Corporación Moctezuma, SAB de CV for an amount of € 7,325 thousand; considering the related deferred tax liabilities, the net impact of the adjustment on the income statement is a revenue of € 5,274 thousand.

The impairment losses for the most part relate to goodwill of the Piedmont geographical area of the ready–mix concrete business in Italy (€ 1,236 thousand) and of the Travesio (PN) and Cadola (BL) cement plants, in Italy as well (€ 7,113 thousand). In the previous year the impairment losses basically related to significant restructuring plans of the production facilities, like the permanent closure of the Independence, KS cement plant and New Orleans, LA slag grinding in United States (€ 13,697 thousand), as well as the Santarcangelo (RN) cement plant in Italy (€ 3,361 thousand).

39. Gains on disposal of investments

This line item consists of non-recurring income arising from the sale of the subsidiary Oriónidas, SAU for € 5,775 thousand and other minor investments.

40. Finance revenues and Finance costs

	2009	2008
thousands of euro		
Finance revenues		
Interest income on liquid assets	9,880	31,872
Interest income on interest rate swap contracts	6,168	2,494
Expected return on plan assets of employee benefits	14,524	17,466
Changes in the fair value of derivative instruments	21,440	70,994
Foreign exchange gains	41,910	40,677
Dividend income	4,396	3,021
Other	8,510	9,455
	106,828	**175,979**
Finance costs		
Interest expense on bank borrowings	(21,404)	(23,254)
Interest expense on senior notes and bonds	(52,273)	(52,092)
Interest expense on mezzanine loan	(14,511)	(14,384)
Interest expense on employee benefits	(31,672)	(30,037)
Interest expense on interest rate swap contracts	(313)	(4,180)
Changes in the fair value of derivative instruments	(40,485)	(13,191)
Discount unwinding on liabilities	(3,724)	(7,030)
Foreign exchange losses	(34,030)	(78,632)
Other	(8,338)	(19,531)
	(206,750)	**(242,331)**
Net finance costs	**(99,922)**	**(66,352)**

Net finance costs increase versus the previous year due to the net negative balance coming from fluctuation of foreign exchange and derivative instruments, besides the disadvantage associated with the considerable reduction of interest income on liquid assets.

41. Equity in earnings of associates

The line item includes the share of profit (loss) of associates accounted for under the equity method, net of dividends received, and possible write-downs. The net results of the major companies are positive and contribute as follows: Kosmos Cement Company (€ 1,591 thousand), S. Paolo Scrl (€ 415 thousand), Laterlite SpA (€ 2,559 thousand), Société des Ciments de Sour El Ghozlane EPE SpA (€ 1,431 thousand), Eljo Holding BV (€ 489 thousand), Cementi Moccia SpA (€ 474 thousand), Premix SpA (€ 245 thousand), Bétons Feidt SA (€ 718 thousand) and Normensand GmbH (€ 334 thousand). Losses come mainly from the write-downs of the Algerian company Société des Ciments de Hadjar Soud EPE SpA (€ 256 thousand) and of NCD Nederlandse Cement Deelnemings-maatschappij BV (€ 1,326 thousand).

42. Income tax expense

	2009	2008
thousands of euro		
Current tax	64,496	179,330
Deferred tax	(7,349)	(11,778)
Tax relating to prior years	6,603	12,005
	63,750	**179,557**

The decrease in current tax is ascribable essentially to a lower taxable income.

Tax relating to prior years includes charges resulting from the settlement, or probable settlement, with tax authorities of the claims that arose during recurring tax audits. In 2008 it largely consisted of the costs arising from the assessments made in Germany for the fiscal years 1993 through 1997.

The reconciliation of income tax computed at the theoretical tax rate applicable in Italy to income tax expense recorded in the income statement, is the following:

	2009	2008
thousands of euro		
Profit before tax	235,177	650,338
Italian income tax rate (IRES)	27.5 %	27.5 %
Theoretical income tax expense	**64,674**	**178,843**
Tax effect of permanent differences	(6,668)	(5,935)
Tax relating to prior years	6,603	12,005
Effect of difference between Italian and foreign tax rates	(6,344)	(4,570)
Effect of a rate change on deferred income tax	(3,743)	(5,254)
Use of tax losses for which no deferred income tax assets was recognized	(66)	(842)
Adjustments to deferred income tax	2,365	(4,538)
Withholding tax on foreign dividends	545	2,454
Italian regional income tax on production activities (IRAP)	5,249	7,458
Other differences	1,135	(64)
Income tax expense	**63,750**	**179,557**

The weighted average tax rate of the period shows a slight decrease versus 2008 (27 % versus 28 % in 2008). The variance is explained primarily by the different relative contribution of the foreign subsidiaries to profit before tax.

43. Earnings per share

Basic

Basic earnings per share is calculated, per each class of shares, by dividing net profit attributable to equity holders of the company by the weighted average number of shares outstanding during the period, excluding treasury shares. To calculate basic earnings per share attributable to ordinary shares, net profit is adjusted for the amount of the preferential dividend to which the savings shares are entitled.

		2009	2008
Net profit attributable to owners of the company	euro thousand	139,519	395,252
attributable to savings shares	euro thousand	28,260	78,565
attributable to ordinary shares	euro thousand	111,259	316,687
Average number of ordinary shares outstanding		164,849,149	164,937,351
Average number of savings shares outstanding		40,434,646	40,412,714
Basic earnings per ordinary share	euro	0.67	1.92
Basic earnings per savings share	euro	0.70	1.94

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume conversion of all dilutive potential shares. As per above, net profit attributable to ordinary shares is adjusted for the amount of the preferential dividend to which the savings shares are entitled. Beginning from 25 February 2008, when the convertible bond has come to maturity, no more dilutive potential shares exist and thus basic and diluted earnings per share are equivalent.

		2009	2008
Net profit attributable to owners of the company	euro thousand	–	395,252
Interest expense on convertible bond (net of tax)	euro thousand	–	5
Net profit used to determine diluted earnings per share	**euro thousand**	**–**	**395,257**
attributable to savings shares	euro thousand	–	78,557
attributable to ordinary shares	euro thousand	–	316,700
Average number of ordinary shares outstanding		–	164,937,351
Adjustments for assumed conversion of bond		–	23,020
Adjusted average number of ordinary shares outstanding		**–**	**164,960,371**
Average number of saving shares outstanding		–	40,412,714
Diluted earnings per ordinary share	euro	–	1.92
Diluted earnings per savings share	euro	–	1.94

44. Dividends

The dividends paid in 2009 and 2008 were € 74,862 thousand (€ 0.360 per ordinary shares and € 0.384 per savings shares) and € 87,231 thousand (€ 0.420 per ordinary shares and € 0.444 per savings shares). A dividend in respect of the year ended 31 December 2009 of € 0.180 per ordinary share and € 0.204 per savings share is to be proposed at the annual general meeting on 28 April 2010. Therefore expected dividend distribution amounts to a total of € 37,926 thousand. These financial statements do not reflect this dividend payable.

45. Commitments

	2009	2008
thousands of euro		
Guarantees granted	18,889	19,490
Guarantees received	13,234	11,616
Other commitments and guarantees	145,682	241,000

Guarantees granted include commitments toward banks in favor of investee companies. Guarantees received include bank and insurance guarantees in favor of various entities, public administration, etc.

Capital expenditure contracted for at the balance sheet date to acquire property, plant and equipment, but not yet incurred, amount to € 133,742 thousand (2008: € 227,765 thousand). It can essentially be traced back to the expansion of production capacity in Russia (€ 41,172 thousand), to the project aimed at substitution of natural gas with coal in Ukraine (€ 43,812 thousand), to the expansion of the cement grinding capacity in Luxembourg (€ 4,784 thousand), to the modernization of the finished grinding department at Stockertown, PA and Maryneal, TX in the United States (€ 6,367 thousand), to various project in Germany (€ 8,721 thousand) and to the erection of a new cement plant in the state of Veracruz (Mexico), municipality of Apazapan (€ 22,229 thousand).

Buzzi Unicem entered into operating lease contracts for the right to use land, industrial buildings, offices, vehicles and computer equipment. The leases have various terms, duration, escalation clauses and renewal rights. In the cancellable agreements, normally the group is required to give a six-month notice for the termination. The lease expenditure charged to the income statement during the year is disclosed in note 35.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2009	2008
thousands of euro		
No later than 1 year	17,172	15,081
Later than 1 year 1 and no later than 5 years	44,369	41,493
Later than 5 years	15,444	14,844
	76,985	**71,418**

46. Legal claims and contingencies

Buzzi Unicem is exposed to legal risks, stemming from the variety and complexity of the norms and regulations that apply to the industrial operations of the group, particularly in the areas of environment, safety, product liability, taxation and competition. There are claims arising in the normal course of business that are pending against the group. While it is not feasible to predict the outcome of any case, it is the opinion of management that the ultimate dispositions will not have a material adverse effect on the group's financial condition. Instead, when it is likely that an outflow of resources will be required to settle obligations and the amount can be reliably estimated, the group recognizes specific provisions for this purpose.

As reported in the previous years, the company underwent tax audits by the Italian authorities which resulted, in August 2005, in two notices of assessment on the year 2000 related to the deductibility of the antitrust fines inflicted to the group by the European authority. On 18 July 2006 the Tax Court of Alessandria filed the verdict partially upholding the appeals made by the company. By this judgment the Court ruled as non applicable the penalties imposed with respect to corporate income tax and value added tax (for a total amount of € 3.8 million), since it recognized certain indeterminacy on the extent and the scope of the rule application. Conversely it deemed the antitrust fine expense non-deductible and pronounced that the additional taxes assessed (about € 3.7 million) and related interests were due for a total of € 4.3 million. This amount was fully provided for in the financial statements 2006 and, in the financial statements for the year ended 31 December 2009, it was reduced to about € 1 million, following the payment of the tax-assessment bills received, for which splitting into installments was granted. The Regional Tax Court of Turin, by judgment of January 2009, confirmed the ruling of the Tax Court of Alessandria; the company has recently filed an appeal with the Court of Last Resort against the verdict of the Regional Tax Court of Turin.

Following the Decision-Making Conferences promoted by the Ministry for the Environment and Land and Sea Conservation, measures have been adopted for the cleanup of the depth of the Augusta (SR) roadstead, which proved to be heavily polluted. Pursuant to the said measures, which also identify a large area facing the shore of the roadstead as a Site of National Interest (SIN), liability for pollution damage, and accordingly for reclamation costs, lies with the companies whose industrial sites are situated around the Augusta roadstead, which sites, as everybody knows, essentially belong to the petrochemical industry. For the sole reason that it operates in the area with its cement factory, Buzzi Unicem has been involved in the above liability and had to institute a number of proceedings before the Regional Administrative Court (TAR) of Sicily – Catania division – against the Ministry and various public and private entities. Within such proceedings, the technical investigation of the experts appointed by the TAR of Sicily in order to identify the roadstead's possible sources of contamination, showed a favorable outcome for the company and thus, by provision of the same Court, brought to the abeyance of some of the major proceedings impugned by the company, among which those resulting from the Conferenza dei Servizi (Conference of Services) which set the final version of the preliminary project for the roadstead clean-up. By memorandum of the Directorate General for Quality of Life of the Ministry for the Environment and Land and Sea Conservation, on 8 May 2009, Buzzi Unicem was informed of the stipulation of the Plan Agreement named "Actions of environmental reclamation aimed at the reindustrialization of the areas included in the Priolo Site of National Interest". This agreement, which the company deemed illegitimate, has been appealed, together with the applicative decrees, before the competent Courts. Being the proceedings before the TAR of Sicily and the Council of Administrative Justice of Sicily still pending, the European Court, by judgments dated 9 March 2010 regarding proceedings started by other entities based on the area, has answered the interpretative questions raised by the TAR of Sicily, ruling on the principles of attribution of pollution costs, which principles can be applied also to the company. Awaiting the development of the above proceedings, we deem that for the time being, the reasons remain valid which brought the company to prudentially set aside a provision in the amount of € 2.0 million for possible environmental works required by the public authorities.

As regards the € 11.0 million fine inflicted by the Italian antitrust authority to the subsidiary Unical SpA for alleged anti-competitive practices in the Milan market, together with other ready-mix concrete producers, we inform that on 7 July 2009 before the Council of State the appeal filed by the company was discussed and partially upheld by ruling on the same date. In this respect we remind that (i) Unical claim filed with the Regional Administrative Court (TAR) of Lazio had been partially upheld insofar as the fine inflicted had not been proportionate to the limited effects produced by the agreement; and that (ii) against such judgment, Unical had made an appeal to the Council of State with regard to the reasons not admitted by the TAR of Lazio judgment and secondarily against the evaluation of the harshness of the infraction. The Council of State with ruling issued on 7 July 2009 and published on 29 September 2009, upheld Unical's reason of appeal insofar as there was no evidence that the agreements had lasted till 2002. For the remaining part the Council of State confirmed the TAR judgment, which had assessed that the infraction at the time contested was only "harsh" and not "very harsh". As a consequence of what above, due to the ruling issued by the Council of State, the Authority shall have to reassess the fine taking into account the outcome of the judgment and specifically (i) the shorter duration of the agreements and (ii) the evaluation of the infringement as "harsh" and not "very harsh". Should the company judge that the new assessment is not consistent with the precepts of the above ruling, a new claim can be filed with the TAR of Lazio. As of today the new amount of the fine has not been notified by the Authority. The original fine has been fully provided for in the financial statements.

At the end of 2009 and on January 2010 the European Commission – DG Competition (the "Commission"), sent a request for information to Buzzi Unicem and other major European cement producers, about the markets of cement, cement related products (clinker, ready mix), cement-based products and other raw materials used in the respective production cycles (fly ash, slag, sand, gravel). Specifically, the request for information refers mostly to France, England, Germany, Belgium, the Netherlands, Luxembourg, Spain, the Czech Republic, Greece, Denmark and only partially to the Italian market. The request for information is part of an investigation on alleged anti-competitive behavior in the above markets. Buzzi Unicem, with the help of Dyckerhoff, which is the main addressee of the requests given the countries under investigation, provided the required data to the best of its knowledge and available information. At the current stage of the survey we deem that no evidence exists that could constitute an infringement of the antitrust laws and consequently no provision has been recognized.

As regards the fine inflicted on Dyckerhoff AG in early 2003 by the German antitrust authority, in the context of a wider investigation into the domestic cement industry, the main lawsuit before the Court of First Instance of Düsseldorf came to conclusion on 26 June 2009. The Court reduced the fine inflicted by the antitrust authority from € 95 million to € 50 million plus legal expenses. The appeal terms have expired. Conversely, still pending before the Düsseldorf Court is the lawsuit filed by a Belgian company against Dyckerhoff AG and five other cement producers for damages to customers arising from the alleged cartel agreements. The claim for damages was declared admissible on 9 April 2009 by the Court of last resort in Karlsruhe and it will now proceed on the merits before the Düsseldorf Court.

Furthermore the Polish Cartel Office concluded its investigation into the local cement industry and inflicted a monetary penalty to six cement producers, including the subsidiary Dyckerhoff Polska that has been fined € 15 million. The decision has been appealed and the fine has been fully provided for in the financial statements.

In the United States of America, Lone Star Industries, Inc. (LSI) is presently subject to numerous lawsuits and claims regarding silica-containing materials (primarily products used for sandblasting), which were sold or distributed by our subsidiary until 1985. Moreover at present a few lawsuits and claims also exist regarding asbestos-containing materials. The plaintiffs allege that the use of such materials caused work-related injuries, including silicosis, lung cancer and other conditions. Estimating the costs associated with silica-related and asbestos-related claims involves many uncertainties that affect the amount and timing of any losses; mere exposure to claims does not necessarily indicate that liabilities have been incurred by LSI. Currently, LSI cannot estimate the likely range of losses associated with such claims, due to uncertainties involving, among other things, demographic data, LSI's past sale or distribution of these materials within certain geographic areas or to certain industry groups, the products that may be identified or theories that may be asserted against LSI in future litigation, the number of claims that may be filed in the future, settlement costs associated with those claims (which vary widely depending upon claimants' exposure histories and alleged injuries as well as by the jurisdictions in which claims are filed), trends in jury verdicts and many other risk factors. Furthermore, specifically with respect to silica-related claims, there have been a number of federal and state tort reform efforts, and certain courts have been scrutinizing the medical bases of silica related claims more carefully (resulting in the dismissal of many more claims), making predictions about future liability extremely difficult. LSI maintained product liability and comprehensive general liability insurance coverage for most of the time that it sold or distributed silica-containing and asbestos-containing materials and believes that it has significant insurance coverage for these liabilities.

On 20 February 2004, Liberty Mutual Insurance Company ("Liberty Mutual") filed a lawsuit in Connecticut state court against LSI and 35 other insurance carriers, who also provided various levels of insurance coverage to LSI, seeking, among other things, a judgment declaring the rights and obligations of all parties with respect to the handling and payment of silica-related and asbestos-related claims in the future and repayment to Liberty Mutual of alleged overpayments for silica and asbestos claims made on behalf of the other parties. The memoranda of decision issued by the Court on 6 December 2005 and 25 January 2007 are granting all or in part certain motions filed by Liberty Mutual and denying all or in part the other such motions. Deeming that at least some of the Court's rulings were in error LSI filed an appeal on 13 February 2007. On 22 February 2007 the Court issued an order staying the trial of this case until resolution of the appeal. On 14 September 2007 LSI completed the filing of briefs in the appellate court. The oral argument on appeal took place before the Supreme Court of Connecticut on 4 December 2008. On 18 March 2009, the Supreme Court approved some and denied some others of LSI's arguments and returned the matter to the trial court, which set the trial to resume in September 2009. On 17 September 2009, LSI and Liberty Mutual settled the lawsuit between them and with certain other insurance carriers. Liberty Mutual dismissed all of its claims against all parties with prejudice; as a further result of the settlement, the participating insurance carriers are providing a substantial portion of the costs of indemnity and defense for silica-related and asbestos-related claims filed against LSI and/or its subsidiaries.

Due to the nature and number of claims asserted in the silica and asbestos actions, it is actually difficult to predict the timing and ultimate outcome of the pending legal proceedings. However, a contingency reserve has been accrued in the consolidated balance sheet.

47. Related-party transactions

Buzzi Unicem SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 56.7 % of the voting rights. The company assembles the professional skills, the human resources and the equipment that allow it to provide assistance to other subsidiaries and associates. Buzzi Unicem SpA regularly carries out trading transactions with a number of associates and/or joint ventures, which mainly consist of sales of goods to entities operating in the business of cement, ready-mix concrete and admixtures. Furthermore the company provides upon request to the same entities technical and engineering services. Goods are sold on the basis of the price lists in force with non-related parties. Services are usually negotiated with related parties on a cost-plus basis. There are also some transactions of financial nature with the same entities; equally, they have normal terms and interest rate conditions. The main relationship with the parent company Fimedi SpA and its subsidiaries or other entities that are significantly influenced by individuals with significant voting power in Fimedi SpA, consist of sales of services in the area of administration, taxation, legal affairs, payroll and information systems, for limited amounts. The company and its Italian subsidiaries are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA acting as the parent.

The following are the main transactions carried out with related parties and associated year-end balances:

	2009	2008
thousands of euro		
Sales of goods and services:		
Associates and unconsolidated subsidiaries	76,231	92,662
Parent companies	17	17
Joint ventures	2,028	343
Purchases of goods and services:		
Associates and unconsolidated subsidiaries	22,021	38,956
Joint ventures	6,499	6,003
Other related parties	11,575	15,025
Finance revenues:		
Associates and unconsolidated subsidiaries	365	722
Finance costs:		
Associates and unconsolidated subsidiaries	4	20
Parent companies	53	150
Trade receivables:		
Associates and unconsolidated subsidiaries	16,868	17,962
Parent companies	20	20
Joint ventures	685	137
Other related parties	60	50
Loans receivable:		
Associates and unconsolidated subsidiaries	10,106	7,952
Joint ventures	280	–
Other receivables:		
Associates and unconsolidated subsidiaries	–	2,543
Parent companies	22,493	28,715
Trade payables:		
Associates and unconsolidated subsidiaries	2,586	2,416
Joint ventures	2,213	1,853
Other related parties	4,019	9,447
Loans payables:		
Associates and unconsolidated subsidiaries	1	–
Parent companies	5	–
Other payables:		
Associates and unconsolidated subsidiaries	3,425	2,557

Key management includes only directors of the company (executive and non-executive). The compensation paid or payable to key management for its services is shown below:

	2009	2008
thousands of euro		
Salaries and other short-term employee benefits	2,982	3,162
Post-employment benefits	147	151
Other long-term benefits	–	–
Termination benefits	–	–
Share-based payments	14	35
	3,143	**3,348**

48. Business combinations

The total consideration to acquire 100 % of the share capital of **Escalcementi Srl**, at the end of November 2008, was equal to € 20,777 thousand.

The accounting for the acquisition could be determined only provisionally by the end of 2008 and the line-by-line consolidation basis was adopted effective 1 January 2009. The values assigned to the acquiree's assets and liabilities have been restated also to consider the adoption of IFRS in the subsidiary's separate financial statements from the date of acquisition.

The fair value of the net assets resulting from the measurement exceeds the cost of the business combination; therefore the resulting gain (€ 1,462 thousand) has been recognized in profit or loss, in compliance with IFRS 3.

The final assets and liabilities as of 1 December 2008 arising from the acquisition are as follows:

	Fair value	Acquiree's carrying amount
thousands of euro		
Intangible assets	880	898
Property, plant and equipment	18,361	18,680
Inventories	658	711
Trade and other receivables	7,028	5,147
Cash and cash equivalents	1,076	353
Other non-current liabilities	(1,335)	(72)
Trade and other payables	(4,429)	(1,636)
Fair value of net assets	**22,239**	**24,081**
Negative goodwill	(1,462)	
Total purchase consideration	**20,777**	

The total consideration to acquire 100 % of the share capital of **Parmacementi SpA**, at the end of November 2008, was equal to € 32,414 thousand.

The accounting for the acquisition could be determined only provisionally by the end of 2008 and the line-by-line consolidation basis was adopted effective 1 January 2009. The fair values assigned to the acquiree's assets and liabilities have been assessed considering the adoption of IFRS in the subsidiary's separate financial statements from the date of acquisition and on the basis of an independent appraisal.

The final assets and liabilities as of 1 December 2008 arising from the acquisition are as follows:

	Fair value	Acquiree's carrying amount
thousands of euro		
Intangible assets	–	15
Property, plant and equipment	30,574	18,893
Inventories	689	1,121
Trade and other receivables	6,804	5,410
Cash and cash equivalents	1,744	60
Deferred income tax	(3,811)	–
Other non-current liabilities	(165)	(71)
Trade and other payables	**(3,421)**	**(1,552)**
Fair value of net assets	32,414	23,876
Total purchase consideration	**32,414**	

The final accounting for the acquisition of **Barrett Holding, Inc.** was determined at the end of 2009. The fair values assigned to the acquiree's identifiable assets, liabilities or contingent liabilities are as follows:

	Fair value	Acquiree's carrying amount
thousands of euro		
Intangible assets	26	–
Property, plant and equipment	10,270	5,330
Inventories	1,900	2,949
Trade and other receivables	1,715	1,826
Cash and cash equivalents	(149)	(154)
Deferred income tax	(477)	1,581
Other non-current liabilities	(2,460)	(2,490)
Trade and other payables	(3,120)	(3,268)
Fair value of net assets	**7,705**	**5,774**
Total purchase consideration	**7,705**	

49. Events after the balance sheet date

No significant event has occurred after the balance sheet date. As far the trading outlook is concerned, reference is made to the appropriate chapter of the review of operations.

Casale Monferrato, 23 March 2010

On behalf of the Board or Directors
The Chairman
ALESSANDRO BUZZI

List of companies included in the consolidated financial statements and of equity investments

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Companies consolidated on a line-by-line basis						
Buzzi Unicem S.p.A.	Casale Monferrato (AL)	EUR	123,636,659			
Unical S.p.A.	Casale Monferrato (AL)	EUR	200,000,000	Buzzi Unicem S.p.A.	100.00	
Buzzi Unicem Investimenti S.r.l.	Casale Monferrato (AL)	EUR	300,000,000	Buzzi Unicem S.p.A.	100.00	
Dyckerhoff AG	Wiesbaden DE	EUR	105,639,816	Buzzi Unicem S.p.A. Buzzi Unicem Investimenti S.r.l.	81.11 12.12	73.79 24.19
Parmacementi S.p.A.	Casale Monferrato (AL)	EUR	8,000,000	Buzzi Unicem S.p.A.	100.00	
Escalcementi S.r.l.	Casale Monferrato (AL)	EUR	10,610,000	Buzzi Unicem S.p.A.	100.00	
Buzzi Unicem Algérie E.u.r.l.	Annaba DZ	DZD	3,000,000	Buzzi Unicem S.p.A.	100.00	
Beton Biella S.r.l.	Casale Monferrato (AL)	EUR	52,000	Unical S.p.A.	100.00	
La Rinascita Calcestruzzi S.p.A.	Casale Monferrato (AL)	EUR	2,476,800	Unical S.p.A.	80.00	
Buzzi Unicem International S.à r.l.	Luxembourg LU	EUR	37,529,900	Buzzi Unicem Investimenti S.r.l.	100.00	
Béton du Ried S.A.	Krautergersheim FR	EUR	500,000	Dyckerhoff AG	100.00	
Deuna Zement GmbH	Deuna DE	EUR	5,113,000	Dyckerhoff AG	100.00	
Dycura Versicherungs-Vermittlungs-GmbH	Wiesbaden DE	EUR	25,600	Dyckerhoff AG	100.00	
Dyckerhoff Beteiligungsverwaltung GmbH	Wiesbaden DE	EUR	26,000	Dyckerhoff AG	100.00	
Tubag GmbH	Kruft DE	EUR	3,835,000	Dyckerhoff AG	100.00	
Dyckerhoff Beton GmbH & Co. KG	Wiesbaden DE	EUR	17,800,000	Dyckerhoff AG	100.00	
GfBB Gesellschaft für Beton- und Baustoffüberwachung mbH & Co. KG	Flörsheim DE	EUR	40,000	Dyckerhoff AG	100.00	
Dyckerhoff Luxembourg S.A.	Esch-sur-Alzette LU	EUR	10,000,000	Dyckerhoff AG	100.00	
Dyckerhoff Basal Nederland B.V.	Nieuwegein NL	EUR	18,002	Dyckerhoff AG	100.00	
Dyckerhoff Polska Sp. z o.o.	Sitkówka-Nowiny PL	PLN	70,000,000	Dyckerhoff AG	100.00	
Cement Hranice a.s.	Hranice CZ	CZK	510,219,300	Dyckerhoff AG	100.00	
ZAPA beton a.s.	Praha CZ	CZK	300,200,000	Dyckerhoff AG	100.00	
TOB Dyckerhoff Ukraina	Kyiv UA	UAH	230,943,447	Dyckerhoff AG	100.00	
VAT Volyn – Cement	Zdolbuniv UA	UAH	1,402,422	Dyckerhoff AG	98.44	
VAT YUGcement	Olshanske UA	UAH	6,237,414	Dyckerhoff AG TOB Dyckerhoff Ukraina	99.15 0.02	
OOO Russkiy Cement	Ekaterinburg RU	RUB	350,000	Dyckerhoff AG	100.00	
OOO Dyckerhoff Suchoi Log obshestvo po sbitu tamponashnich zementow	Suchoi Log RU	RUB	4,100,000	Dyckerhoff AG	95.00	
OAO Sukholozhskcement	Suchoi Log RU	RUB	30,625,900	Dyckerhoff AG OOO Dyckerhoff Suchoi Log obshestvo po sbitu tamponashnich zementow	73.06 0.41	
Presa International B.V.	Amsterdam NL	EUR	4,000,000	Buzzi Unicem International S.à r.l.	100.00	
Alamo Cement Company	San Antonio US	USD	200,000	Buzzi Unicem International S.à r.l.	100.00	

List of companies included in the consolidated financial statements and of equity investments
continued

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Companies consolidated on a line-by-line basis (continued)						
RC Lonestar Inc.	Wilmington US	USD	10	Buzzi Unicem International S.à r.l. Dyckerhoff AG	51.50 48.50	
Mörtelwerk Colonia GmbH	Köln DE	EUR	153,388	Dyckerhoff Beton GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	Nordhausen DE	EUR	100,000	Dyckerhoff Beton GmbH & Co. KG	95.00	
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR	306,900	Dyckerhoff Beton GmbH & Co. KG	66.67	
Beton Union Rhein-Ahr GmbH & Co. KG	Remagen-Kripp DE	EUR	511,300	Dyckerhoff Beton GmbH & Co. KG	65.00	
Frisch-Beton Aegidienberg GmbH & Co. KG	Bad Honnef-Aegidienberg DE	EUR	385,000	Dyckerhoff Beton GmbH & Co. KG	62.50	
Nordenhamer Transportbeton GmbH & Co. KG	Nordenham DE	EUR	322,114	Dyckerhoff Beton GmbH & Co. KG	51.59	
Dyckerhoff Transportbeton Hamburg GmbH	Wiesbaden DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	51.00	
Dyckerhoff Kieswerk Trebur GmbH	Trebur-Geinsheim DE	EUR	125,000	Dyckerhoff Beton GmbH & Co. KG	51.00	
CIMALUX S.A.	Esch-sur-Alzette LU	EUR	29,900,000	Dyckerhoff Luxembourg S.A.	98.44	
Dyckerhoff Basal Toeslagstoffen B.V.	Nieuwegein NL	EUR	20,050	Dyckerhoff Basal Nederland B.V.	100.00	
Dyckerhoff Basal Betonmortel B.V.	Nieuwegein NL	EUR	18,004	Dyckerhoff Basal Nederland B.V.	100.00	
ZAPA beton SK s.r.o.	Bratislava SK	EUR	8,597,225	ZAPA beton a.s.	100.00	
Piskovny Hradek a.s.	Hradek nad Nisou CZ	CZK	12,000,000	ZAPA beton a.s.	100.00	
Beton Union Plzen s.r.o.	Plzen CZ	CZK	31,600,000	ZAPA beton a.s.	71.20	
TOB Dyckerhoff Transport Ukraina	Kyiv UA	UAH	51,721,476	TOB Dyckerhoff Ukraina	100.00	
ZAO Akmel	Akbulak RU	RUB	1,600,000	OOO Russkiy Cement Dyckerhoff AG	51.00 49.00	
OOO CemTrans	Suchoi Log RU	RUB	10,000	OAO Sukholozhskcement	100.00	
OOO Sukholozhskcemremont	Suchoi Log RU	RUB	10,000	OAO Sukholozhskcement	100.00	
OOO Omsk Cement	Omsk RU	RUB	10,000,000	OAO Sukholozhskcement	74.90	
Alamo Cement Company II, Ltd.	San Antonio US	USD	n/a	Alamo Cement Company	100.00	
Alamo Concrete Products, Ltd.	San Antonio US	USD	n/a	Alamo Cement Company	100.00	
Alamo Transit Company II, Ltd.	San Antonio US	USD	n/a	Alamo Cement Company	100.00	
Buzzi Unicem USA (Midwest) Inc.	Wilmington US	USD	1	RC Lonestar Inc.	100.00	
Lone Star Industries, Inc.	Wilmington US	USD	28	RC Lonestar Inc.	100.00	
River Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
River Cement Sales Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
Signal Mountain Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
Heartland Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
Heartland Cement Sales Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00	
Hercules Cement Holding Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00	
Hercules Cement Company LP	Bethlehem US	USD	n/a	RC Lonestar Inc. Hercules Cement Holding Company	99.00 1.00	
Buzzi Unicem USA Inc.	Wilmington US	USD	10	RC Lonestar Inc.	100.00	
Glens Falls Cement Company, Inc.	New York US	USD	500	RC Lonestar Inc.	100.00	

List of companies included in the consolidated financial statements and of equity investments
continued

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Companies consolidated on a line-by-line basis (continued)						
Rapid Beton Nord-Thüringen GmbH	Nordhausen DE	EUR	25,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Schwabhausen DE	EUR	512,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55	
CIMALUX Société Immobilière S.à r.l.	Esch-sur-Alzette LU	EUR	24,789	CIMALUX S.A.	100.00	
Bouwmaterialenhandel Jonker B.V.	Nieuwegein NL	EUR	22,689	Dyckerhoff Basal Toeslagstoffen B.V.	100.00	
Basal Toeslagstoffen Maastricht B.V.	Nieuwegein NL	EUR	27,000	Dyckerhoff Basal Toeslagstoffen B.V.	100.00	
BSN Beton Service Nederland B.V.	Franeker NL	EUR	113,445	Dyckerhoff Basal Betonmortel B.V.	100.00	
Megamix Friesland B.V.	Heerenveen NL	EUR	27,226	Dyckerhoff Basal Betonmortel B.V.	100.00	
Megamix Maastricht B.V.	Maastricht NL	EUR	91,000	Dyckerhoff Basal Betonmortel B.V.	100.00	
Megamix Midden Nederland B.V.	Almere NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	100.00	
Megamix Noord-Holland B.V.	Delft NL	EUR	158,823	Dyckerhoff Basal Betonmortel B.V.	100.00	
Friesland Beton Heerenveen B.V.	Heerenveen NL	EUR	34,487	Dyckerhoff Basal Betonmortel B.V.	80.26	
Eemland Beton B.V.	Eemnes NL	EUR	226,890	Dyckerhoff Basal Betonmortel B.V.	66.60	
Wolst Beheer B.V.	Dordrecht NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	60.00	
Betonmortel Centrale Groningen (B.C.G.) B.V.	Groningen NL	EUR	42,474	Dyckerhoff Basal Betonmortel B.V.	66.03	
SONDA s.r.o.	Most pri Bratislave SK	EUR	6,639	ZAPA beton SK s.r.o.	100.00	
ZAPA beton Hungaria k.f.t.	Zsujita HU	HUF	88,000,000	ZAPA beton SK s.r.o.	100.00	
VAT Kyivcement	Kyiv UA	UAH	277,536	TOB Dyckerhoff Transport Ukraina TOB Dyckerhoff Ukraina VAT Volyn – Cement VAT YUGcement	79.73 13.29 0.01 0.01	
Dorsett Brothers Concrete Supply Inc.	Pasadena US	USD	500	Alamo Cement Company II, Ltd.	100.00	
Buzzi Unicem Ready Mix, L.L.C.	Knoxville US	USD	n/a	Buzzi Unicem USA (Midwest) Inc.	100.00	
RED-E-MIX, L.L.C.	Troy US	USD	n/a	Buzzi Unicem USA (Midwest) Inc.	100.00	
RED-E-MIX Transportation, L.L.C.	Highland US	USD	n/a	Buzzi Unicem USA (Midwest) Inc.	100.00	
Lone Star Hawaii, Inc.	Wilmington US	USD	100	Lone Star Industries, Inc.	100.00	
Lone Star Properties, Inc.	Wilmington US	USD	100	Lone Star Industries, Inc.	100.00	
Utah Portland Quarries, Inc.	Salt Lake City US	USD	378,900	Lone Star Industries, Inc.	100.00	
Rosebud Holdings, Inc.	Wilmington US	USD	100	Lone Star Industries, Inc.	100.00	
Compañia Cubana de Cemento Portland, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00	

List of companies included in the consolidated financial statements and of equity investments
continued

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Companies consolidated on a line-by-line basis (continued)						
Transports Mariel, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00	
Lone Star Hawaii Cement Corporation	Honolulu US	USD	100	Lone Star Hawaii, Inc.	100.00	
KCOR Corporation	Wilmington US	USD	1,956	Rosebud Holdings, Inc.	100.00	
Rosebud Real Properties, Inc.	Wilmington US	USD	100	Rosebud Holdings, Inc.	100.00	
Proyectos Industries de Jaruco, S.A.	Havana CU	CUP	186,700	Compañia Cubana de Cemento Portland, S.A.	100.00	
Harex Nederland B.V.	Nieuwegein NL	EUR	18,151	Bouwmaterialenhandel Jonker B.V.	100.00	
Wolst Megamix B.V.	Dordrecht NL	EUR	18,151	Wolst Beheer B.V.	100.00	
Wolst Mortel B.V.	Dordrecht NL	EUR	204,201	Wolst Beheer B.V.	100.00	
Wolst Transport B.V.	Dordrecht NL	EUR	45,378	Wolst Beheer B.V.	100.00	
Companies consolidated by the proportionate method						
Addiment Italia S.r.l.	Casale Monferrato (AL)	EUR	10,400	Buzzi Unicem S.p.A.	50.00	
Thorcem S.r.l.	Casale Monferrato (AL)	EUR	100,000	Buzzi Unicem S.p.A.	50.00	
Fresit B.V.	Amsterdam NL	EUR	6,795,000	Buzzi Unicem International S.à r.l.	50.00	
Lichtner-Dyckerhoff Beton GmbH & Co. KG	Berlin DE	EUR	200,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Westerwald-Beton GmbH & Co. KG	Westerburg DE	EUR	282,233	Dyckerhoff Beton GmbH & Co. KG	50.00	
ARGE Betonversorgung Osterbergtunnel GbR	Nordhausen DE	EUR	n/a	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	50.00	
Corporación Moctezuma, S.A.B. de C.V.	Mexico MX	MXN	171,376,652	Presa International B.V. Fresit B.V.	7.58 51.51	
Cementos Moctezuma, S.A. de C.V.	Mexico MX	MXN	3,146,003	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Cementos Portland Moctezuma, S.A. de C.V.	Emiliano Zapata MX	MXN	3,287,739	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Agregados y Concretos, S.A. de C.V.	Mexico MX	MXN	10,929,252	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Comercio, S.A. de C.V.	Emiliano Zapata MX	MXN	10,775,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Moctezuma Industrial, S.A. de C.V.	Emiliano Zapata MX	MXN	1,029,589,650	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Servicios Corporativos Moctezuma, S.A. de C.V.	Emiliano Zapata MX	MXN	11,040,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Concretos, S.A. de C.V.	Mexico MX	MXN	7,321,821	Corporación Moctezuma, S.A.B. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98.00 2.00	
Arrendadora de Equipos de Transporte, S.A. de C.V.	Emiliano Zapata MX	MXN	5,300,000	Corporación Moctezuma, S.A.B. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98.00 2.00	

List of companies included in the consolidated financial statements and of equity investments
continued

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Companies consolidated by the proportionate method (continued)						
Inmobiliaria Lacosa, S.A. de C.V.	Mexico MX	MXN	50,068,500	Corporación Moctezuma, S.A.B. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98.00 2.00	
Grupo Impulsor Industrial, S.A. de C.V.	Emiliano Zapata MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V. Cementos Moctezuma, S.A. de C.V.	98.00 2.00	
Materiales Pétreos Moctezuma, S.A. de C.V.	Mexico MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V. Latinoamericana de Concretos, S.A. de C.V.	98.00 2.00	
Cementos Moctezuma de San Luis, S.A. de C.V.	Mexico MX	MXN	660,780	Corporación Moctezuma, S.A.B. de C.V. Inmobiliaria Lacosa, S.A. de C.V.	99.85 0.15	
Cementos Moctezuma de Veracruz, S.A. de C.V.	Mexico MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V. Inmobiliaria Lacosa, S.A. de C.V.	98.00 2.00	
Latinoamericana de Concretos de San Luis, S.A. de C.V.	Mexico MX	MXN	15,676,550	Latinoamericana de Concretos, S.A. de C.V.	60.00	
Concretos Moctezuma de Xalapa, S.A. de C.V.	Xalapa MX	MXN	10,000,000	Latinoamericana de Concretos, S.A. de C.V.	60.00	
Concretos Moctezuma de Torreón, S.A. de C.V.	Mexico MX	MXN	14,612,489	Latinoamericana de Concretos, S.A. de C.V.	55.00	
Maquinaria y Canteras del Centro, S.A. de C.V.	Mexico MX	MXN	5,225,000	Latinoamericana de Concretos, S.A. de C.V.	51.00	
Concretos Moctezuma de Durango, S.A. de C.V.	Mexico MX	MXN	100,000	Latinoamericana de Concretos, S.A. de C.V.	51.00	
Companies valued by the equity method						
Cementi Moccia S.p.A.	Napoli	EUR	7,398,300	Buzzi Unicem S.p.A.	50.00	
Premix S.p.A.	Melilli (SR)	EUR	3,483,000	Buzzi Unicem S.p.A.	40.00	
Ciments de Balears, S.A.	Palma de Mallorca ES	EUR	306,510	Buzzi Unicem S.p.A.	35.00	
Laterlite S.p.A.	Solignano (PR)	EUR	25,000,000	Buzzi Unicem S.p.A.	33.33	
Société des Ciments de Sour El Ghozlane EPE S.p.A.	Sour El Ghozlane DZ	DZD	1,900,000,000	Buzzi Unicem S.p.A.	35.00	
Société des Ciments de Hadjar Soud EPE S.p.A.	Azzaba DZ	DZD	1,550,000,000	Buzzi Unicem S.p.A.	35.00	
Siefic Calcestruzzi S.r.l.	Isernia	EUR	5,080,000	Unical S.p.A.	50.00	
Albenga Calcestruzzi S.r.l.	Albenga (SV)	EUR	100,700	Unical S.p.A.	50.00	
E.L.M.A. S.r.l.	Sinalunga (SI)	EUR	15,000	Unical S.p.A.	50.00	
S. Paolo S.c.r.l.	Calenzano (FI)	EUR	50,000	Unical S.p.A.	50.00	
S.A.F.I. S.r.l.	Mezzana Bigli (PV)	EUR	332,010	Unical S.p.A.	33.33	
Edilcave S.r.l.	Villarfocchiardo (TO)	EUR	72,800	Unical S.p.A.	30.00	
Calcestruzzi Faure S.r.l.	Salbertrand (TO)	EUR	53,560	Unical S.p.A.	24.00	
NCD Nederlandse Cement Deelnemingsmaatschappij B.V.	Nieuwegein NL	EUR	82,750	Dyckerhoff AG	63.12	
NCH Nederlandse Cement Handelmaatschappij B.V. i.L.	Nieuwegein NL	EUR	1,361,341	Dyckerhoff AG	38.40	
sibobeton Osnabrück GmbH & Co. KG	Osnabrück DE	EUR	5,368,565	Dyckerhoff AG	23.25	

List of companies included in the consolidated financial statements and of equity investments
continued

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Companies valued by the equity method (continued)						
Normensand GmbH	Beckum DE	EUR	1,000,000	Dyckerhoff Beteiligungs-verwaltung GmbH	38.02	
quick-mix Holding GmbH & Co. KG	Osnabrück DE	EUR	3,000,000	Tubag GmbH	34.00	
TRAMIRA – Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden-Dankersen DE	EUR	1,000,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
sibobeton Hannover GmbH & Co. KG	Osnabrück DE	EUR	1,000,000	Dyckerhoff Beton GmbH & Co. KG	40.00	
Sievert AG & Co. KG	Osnabrück DE	EUR	25,232,254	Dyckerhoff Beton GmbH & Co. KG	34.75	
Transass S.A.	Schifflange LU	EUR	50,000	CIMALUX S.A.	41.00	
S.A. des Bétons Frais	Schifflange LU	EUR	1,250,000	CIMALUX S.A.	41.00	
Cobéton S.A.	Differdange LU	EUR	100,000	CIMALUX S.A.	33.32	
Bétons Feidt S.A.	Luxembourg LU	EUR	2,500,000	CIMALUX S.A.	30.00	
De Cup N.V.	Lanaken BE	EUR	757,000	Dyckerhoff Basal Toeslagstoffen B.V.	49.98	
Betoncentrale Haringman B.V.	Goes NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	50.00	
B.V. Betonmortel Centrale Leeuwarden (B.C.L.)	Leeuwarden NL	EUR	10,891	Dyckerhoff Basal Betonmortel B.V.	50.00	
Eljo Holding B.V.	Zuidbroek NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	50.00	
Megamix-Amsterdam B.V.	Gouda NL	EUR	81,680	Dyckerhoff Basal Betonmortel B.V.	50.00	
Megamix-Randstad B.V.	Gouda NL	EUR	90,756	Dyckerhoff Basal Betonmortel B.V.	33.30	
Van Zanten Holding B.V.	Zuidbroek NL	EUR	18,151	Dyckerhoff Basal Betonmortel B.V.	25.00	
Baggerbedrijf De Bonkelaar B.V.	Nijmegen NL	EUR	20,000	Basal Toeslagstoffen Maastricht B.V.	50.00	
Roprivest N.V.	Grimbergen BE	EUR	105,522	Basal Toeslagstoffen Maastricht B.V.	50.00	
Société Anonyme Belge de Graviers et Sables	Zellik BE	EUR	247,894	Basal Toeslagstoffen Maastricht B.V.	49.80	
Grondmaatschappij De Maasoever B.V.	Wessem NL	EUR	47,647	Basal Toeslagstoffen Maastricht B.V.	33.33	
Cooperatie Megamix B.A.	Almere NL	EUR	80,000	Megamix Midden Nederland B.V. Wolst Megamix B.V. Megamix Friesland B.V. Megamix Maastricht B.V. Megamix Noord-Holland B.V.	12.50 12.50 6.25 6.25 6.25	
Houston Cement Company LP	Houston US	USD	n/a	Alamo Cement Company II, Ltd.	20.00	
Kosmos Cement Company	Louisville US	USD	n/a	Lone Star Industries, Inc.	25.00	

List of companies included in the consolidated financial statements and of equity investments
continued

Name	Registered office		Share capital	Ownership interest held by	% of owner-ship	% of voting rights
Other investments in subsidiaries and associates						
Serenergy S.r.l.	Milano	EUR	25,500	Buzzi Unicem S.p.A.	50.00	
Cementi e Calci di Santa Marinella S.r.l.	Bergamo	EUR	10,000	Buzzi Unicem S.p.A.	33.33	
San Martino S.c.r.l. i.L.	Casale Monferrato (AL)	EUR	10,000	Unical S.p.A.	75.00	
Cave di Carpenosa S.r.l.	Molini di Triora (IM)	EUR	100,000	Unical S.p.A.	33.50	
Calcestruzzi Bell'Italia S.r.l. i.L.	Montanaso Lombardo (LO)	EUR	12,000	Unical S.p.A.	25.00	
GfBB Gesellschaft für Beton- und Baustoffüberwachung Verwaltungs mbH	Flörsheim DE	EUR	25,600	Dyckerhoff AG	100.00	
Dyckerhoff Beton Verwaltungs-GmbH	Wiesbaden DE	EUR	46,100	Dyckerhoff AG	100.00	
Lieferbeton Odenwald Verwaltungs-GmbH	Griesheim DE	EUR	25,000	Dyckerhoff AG	100.00	
Basal Belgie BVBA	Antwerp BE	EUR	5,900,000	Dyckerhoff AG Basal Toeslagstoffen B.V.	99.95 0.05	
Projektgesellschaft Warstein-Kallenhardt-Kalkstein mbH	Warstein DE	EUR	25,200	Dyckerhoff AG	33.33	
Hausgesellschaft des Vereins Deutscher Zementwerke mbH	Düsseldorf DE	EUR	51,129	Dyckerhoff AG	32.20	
Franz Köster GmbH & Co. KG	Warstein DE	EUR	357,904	Dyckerhoff AG	24.90	
Köster Verwaltungs GmbH	Warstein DE	EUR	25,565	Dyckerhoff AG	24.80	
Ostfriesische Transport-Beton GmbH	Emden DE	EUR	25,565	Dyckerhoff AG	24.80	
Warsteiner Kalksteinmehl GmbH & Co. KG	Warstein DE	EUR	51,129	Dyckerhoff Beteiligungs-verwaltung GmbH	50.00	
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH	Warstein DE	EUR	25,600	Dyckerhoff Beteiligungs-verwaltung GmbH	50.00	
Bildungs-Zentrum-Deuna Gemeinnützige GmbH	Deuna DE	EUR	25,565	Dyckerhoff Beteiligungs-verwaltung GmbH	50.00	
quick-mix Holding Beteiligungsgesell-schaft mbH	Osnabrück DE	EUR	25,000	Tubag GmbH	34.00	
Dyckerhoff Beton Beteiligungen-Verwaltungs-GmbH	Wiesbaden DE	EUR	26,100	Dyckerhoff Beton GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Rhein-Main-Taunus Verwaltungs GmbH	Flörsheim DE	EUR	25,600	Dyckerhoff Beton GmbH & Co. KG	100.00	
Beton Union Rhein-Ruhr Verwaltungs GmbH	Essen DE	EUR	30,000	Dyckerhoff Beton GmbH & Co. KG	100.00	
Beton Union Rhein-Ahr GmbH	Remagen-Kripp DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	65.00	
Frisch-Beton Aegidienberg GmbH	Bad Honnef-Aegidienberg DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	62.50	
Nordenhamer Transportbeton GmbH	Elsfleth DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	56.60	
Westerwald-Beton GmbH	Westerburg DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	50.00	
Lichtner-Dyckerhoff Beton Verwaltungs-GmbH	Berlin DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Transportbeton Kall GmbH	Kall DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	50.00	
sibobeton Enger GmbH & Co. KG	Enger DE	EUR	306,775	Dyckerhoff Beton GmbH & Co. KG	50.00	
sibobeton Enger GmbH	Enger DE	EUR	30,678	Dyckerhoff Beton GmbH & Co. KG	50.00	

List of companies included in the consolidated financial statements and of equity investments
continued

Name	Registered office		Share capital	Ownership interest held by	% of ownership	% of voting rights
Other investments in subsidiaries and associates (continued)						
Beton Union Ruhr-Lenne GmbH & Co. KG	Iserlohn DE	EUR	664,679	Dyckerhoff Beton GmbH & Co. KG	50.00	
Beton Union Ruhr-Lenne Verwaltungs-GmbH	Iserlohn DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Transportbeton- und Mörtelwerk Bochum GmbH & Co. KG i.L.	Bochum DE	EUR	562,421	Dyckerhoff Beton GmbH & Co. KG	50.00	
MKB Mörteldienst Köln-Bonn GmbH & Co. KG	Köln DE	EUR	192,400	Dyckerhoff Beton GmbH & Co. KG	49.12	
Transportbeton Kall GmbH & Co. KG	Kall DE	EUR	133,000	Dyckerhoff Beton GmbH & Co. KG	46.15	
sibobeton Hannover Beteiligungsgesellschaft mbH	Osnabrück DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	40.00	
Sievert Holding AG	Osnabrück DE	EUR	255,646	Dyckerhoff Beton GmbH & Co. KG	34.76	
Transbeton GmbH & Co. KG	Löhne DE	EUR	591,565	Dyckerhoff Beton GmbH & Co. KG	34.49	
Niemeier Beton GmbH & Co. KG	Diepholz DE	EUR	766,938	Dyckerhoff Beton GmbH & Co. KG	33.33	
Niemeier Beton GmbH	Sulingen DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	33.20	
Gravières et Sablières Karl EPPLE S.n.c.	Seltz FR	EUR	180,000	Dyckerhoff Beton GmbH & Co. KG	25.00	
ZAPA UNISTAV, s.r.o.	Brno CZ	CZK	20,000,000	ZAPA beton a.s.	50.00	
EKO ZAPA beton, a.s.	Praha CZ	CZK	1,008,000	ZAPA beton a.s.	50.00	
LLC "MAGISTRALBUD"	Odessa UA	UAH	220,500	TOB Dyckerhoff Ukraina	100.00	
OOO OSK Sosnoviy Bor	Sucholoschskij Raion RU	RUB	10,000	OAO Sukholozhskcement	49.00	
Dyckerhoff Transportbeton Thüringen Verwaltungs-GmbH	Nordhausen DE	EUR	25,565	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Schmalkalden Verwaltungsgesellschaft mbH	Schwabhausen DE	EUR	25,600	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.58	
Beton Union Hunsrück Verwaltungsgesellschaft mbH	Kastellaun DE	EUR	25,565	Beton Union Rhein-Ahr GmbH & Co. KG	100.00	
Fertigbeton Kumm GmbH	Neuwied DE	EUR	153,388	Beton Union Rhein-Ahr GmbH & Co. KG	40.00	
Basal Toeslagstoffen Noord B.V.	Nieuwegein NL	EUR	18,000	Dyckerhoff Basal Toeslagstoffen B.V.	100.00	
Dyckerhoff Basal Deutschland GmbH	Bad Bentheim DE	EUR	25,565	Dyckerhoff Basal Toeslagstoffen B.V.	100.00	
WWB – Service + Logistik Verwaltungs-GmbH	Westerburg DE	EUR	25,565	Westerwald-Beton GmbH & Co. KG	100.00	
WWB – Service + Logistik GmbH & Co. KG	Westerburg DE	EUR	100,000	Westerwald-Beton GmbH & Co. KG	100.00	

List of equity investments in unlisted companies between 10 % and 20 %
(CONSOB resolution no. 11971 article 125 and 126)

Name	Registered office		Share capital	Ownership interest held by	% of owner-ship	% of voting rights
Ipse S.r.l.	Settimo Torinese (TO)	EUR	52,000	Buzzi Unicem S.p.A.	11.00	
Associazione Sportiva Junior Libertas Pallacanestro S.p.A.	Casale Monferrato (AL)	EUR	650,000	Buzzi Unicem S.p.A.	10.00	
Romana Calcestruzzi S.p.A.	Roma	EUR	2,597,312	Unical S.p.A.	16.66	
Fratelli Bianchi fu Michele & C. S.p.A.	Roma	EUR	486,606	Unical S.p.A.	16.66	
Cava degli Olmi S.r.l.	Carignano (TO)	EUR	1,000,000	Unical S.p.A.	12.00	
Forschungs- und Entwicklungs- und Marketinggesellschaft der Leichtbetonindustrie mbH	Neuwied DE	EUR	30,000	Dyckerhoff AG	19.40	
Ostfriesische Transport-Beton GmbH & Co. KG	Emden DE	EUR	1,300,000	Dyckerhoff AG	19.13	
i4 Transportation GmbH & Co. KG	Mannheim DE	EUR	1,000,000	Dyckerhoff AG	19.00	
i4 Transportation Verwaltungs GmbH	Mannheim DE	EUR	25,000	Dyckerhoff AG	19.00	
Sibobeton Kurhessen / Leinetal GmbH & Co. KG	Baunatal DE	EUR	4,601,627	Dyckerhoff AG	14.66	
Beton Marketing West GmbH	Beckum DE	EUR	90,000	Dyckerhoff AG	11.11	
Kompetenzzentrum Leichtbeton GmbH	Neuwied DE	EUR	38,700	Dyckerhoff AG	11.11	
SAFA Saarfilterasche-Vertriebs-GmbH & Co. KG	Baden-Baden DE	EUR	1,100,000	Dyckerhoff AG	10.00	
Saarfilterasche-Vertriebs-GmbH	Baden-Baden DE	EUR	55,000	Dyckerhoff AG	10.00	
Beton Marketing Ost Gesellschaft für Bauberatung und Marktförderung mbH	Berlin-Zehlendorf DE	EUR	72,000	Deuna Zement GmbH	16.67	
SILEX Grundstücksvermietungs-gesellschaft mbH Objekt Eduard Dyckerhoff OHG	Düsseldorf DE	EUR	10,226	Dyckerhoff Beteiligungs-verwaltung GmbH	94.00	15.00
Rheinkalk Lengerich GmbH	Wülfrath DE	EUR	400,000	Dyckerhoff Beteiligungs-verwaltung GmbH	10.00	
V.O.F. "Bouwdok Barendrecht"	Barendrecht NL	EUR	n/a	Dyckerhoff Basal Betonmortel B.V.	17.92	
Total Management Systems B.V.	Gouda NL	EUR	18,151	Dyckerhoff Basal Betonmortel B.V.	17.50	
Eemshaven Betoncentrale V.O.F.	Groningen NL	EUR	n/a	Betonmortel Centrale Groningen (B.C.G.) B.V.	16.17	
HSL Noord-Brabant 5-A V.O.F. i.L.	Alphen aan den Rijn NL	EUR	n/a	Wolst Mortel B.V.	20.00	
HSL Noord-Brabant 5-A V.O.F. i.L.	Oosterhout NL	EUR	n/a	Wolst Mortel B.V.	20.00	

Information required under article 149-duodecies of the CONSOB Regulation for listed companies

The following table, prepared in accordance with article 149-duodecies of the CONSOB Regulation no. 11971/99, reports the amount of fees charged in 2009 for audit and audit related services provided by the same audit firm and by entities that are part of its network.

thousands of euro	Service provider	Service recipient	Fees charged in 2009
Audit	Deloitte & Touche S.p.A.	Parent – Buzzi Unicem S.p.A.	221
	Deloitte & Touche S.p.A.	Subsidiaries	100
	Deloitte network	Subsidiaries	1,397
Attestation	Deloitte & Touche S.p.A.	Parent – Buzzi Unicem S.p.A. [1]	82
	Deloitte & Touche S.p.A.	Subsidiaries	–
	Deloitte network	Parent – Buzzi Unicem S.p.A. [2]	35
	Deloitte network	Subsidiaries [3]	45
Other services	Deloitte network	Parent – Buzzi Unicem S.p.A. [4]	4
	Deloitte network	Subsidiaries [5]	4
Total			**1,888**

[1] Auditing procedures agreed on the annual financial information the company must provide to the subscribers of the secured senior notes (in compliance with covenants) and professional services rendered for comfort letters in the context of the bond issue;
[2] Agreed upon procedures on the annual financial information of the Algerian associates Société des Ciments de Sour El Ghozlane and Société des Ciments de Hadjar Soud;
[3] Certifications required under German law and the Czech Republic law;
[4] Services rendered to the associate Ciments de Balears S.A.;
[5] Tax and other services

Certification of the consolidated financial statements pursuant to article 154-bis of Legislative Decree D.LGS. 58/98

- The undersigned Pietro Buzzi, as Chief Executive Finance, and Silvio Picca, as Manager responsible for preparing Buzzi Unicem's financial reports, hereby certify, pursuant to the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, that the administrative and accounting procedures for the preparation of consolidated financial statements during the year 2009:
  _ are adequate with respect to the company structure and
  _ have been effectively applied.

- The undersigned also certify that:
  a) the consolidated financial statements
    _ have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel dated 19 July 2002;
    _ correspond to the results documented in the books and the accounting records;
    _ provide a true and correct representation of the financial conditions, results of operations and cash flows of the issuer and of the entities included in the scope of consolidation.
  b) the management report includes a reliable operating and financial review as well as the situation of the issuer and of the entities included in the scope of consolidation, together with a description of the major risks and uncertainties to which they are exposed.

Casale Monferrato, 23 March 2010

Chief Executive Finance	Manager responsible for preparing financial reports
PIETRO BUZZI	SILVIO PICCA

Deloitte.

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AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

**To the Shareholders of
BUZZI UNICEM S.p.A.**

1. We have audited the consolidated financial statements of Buzzi Unicem S.p.A. and its subsidiaries (the "Buzzi Unicem Group") as of and for the year ended December 31, 2009, which comprise the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the related notes to the consolidated financial statements. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, whose data presented for comparative purposes have been reclassified to take account of the change in presentation of financial statements introduced by IAS 1, reference should be made to our auditors' report issued on April 6, 2009.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Buzzi Unicem Group as of December 31, 2009, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/2005.

4. The Directors of Buzzi Unicem S.p.A. are responsible for the preparation of the review on operations and the report on corporate governance and ownership structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the review on operations and of the information reported in compliance with art. 123 - bis of Italian Legislative Decree no. 58/1998, paragraph 1, letter c), d), f), l), m) and paragraph 2, letter b) in the report on corporate governance and ownership structure, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard no. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the review on operations and the information reported in compliance with art. 123 - bis of Italian Legislative Decree no. 58/1998, paragraph 1, letter c), d), f), l), m) and paragraph 2, letter b) included in the report on corporate governance and ownership structure are consistent with the consolidated financial statements of the Buzzi Unicem Group as of December 31, 2009.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
April 2, 2010

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Buzzi Unicem S.p.A.
Registered office in Casale Monferrato (AL) – Via Luigi Buzzi, 6
Share Capital: € 123,636,658.80
Company Register of Alessandria no. 00930290044

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