

# Pan-European Building & Infrastructure Conference

London – 9 October 2012

# First Half Highlights

## ▪ Volumes

- Slight decrease in Q2 (-1.5%) and for the whole (cement -2.6%, ready-mix -11.0%)
- Italy affected by strong recessionary environment: -23.0% decline in H1 (-22.1% in Q2)
- USA: recovery signs confirmed in Q2 (+15.7%)
- Central Europe improving, but still below previous year (-5.5% in Q2)
- Eastern Europe: fair increase in Q2 (+3.9%) due to good improvement in Russia and Ukraine (+16.1%) offset by weak results in Poland and Czech Republic (-14.1%)
- Mexico: persisting sales increase (+8.8% in Q2)

## ▪ Prices

- Q2: Positive development in USA, Ukraine and Mexico
- April price increase sticking in USA
- YTD June 2012 above FY11 in all markets, only exception is Poland (flat)

## ▪ Foreign Exchange

- Mixed impact, but stronger dollar, ruble and hryvnia

## ▪ Costs

- Cheaper petcoke helping fuel costs; electrical power moving laterally

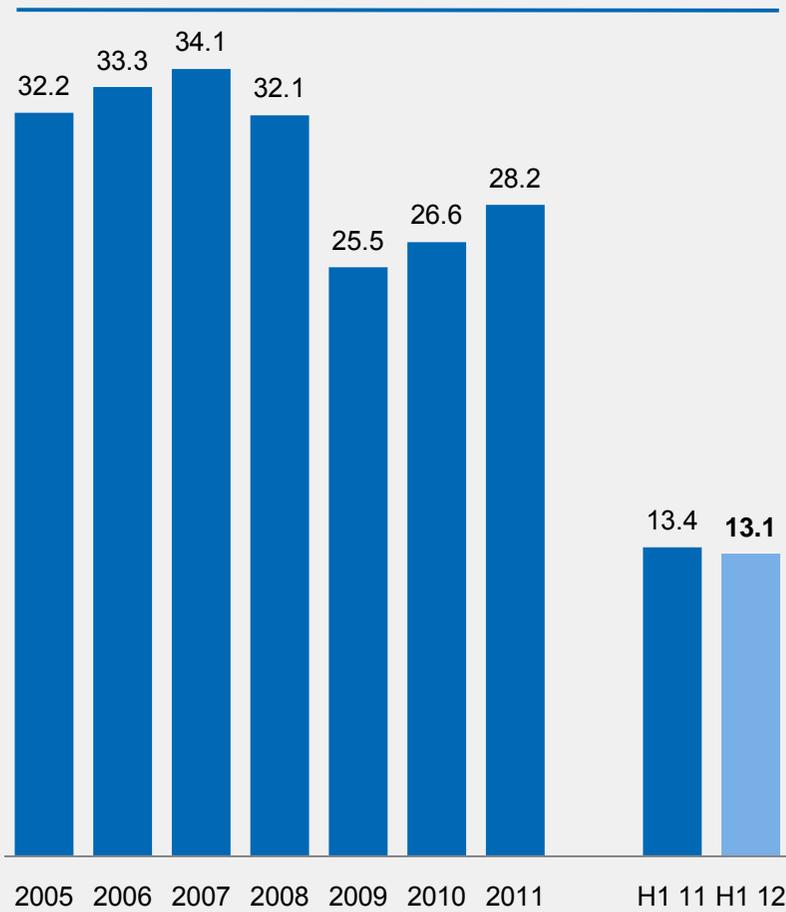
## ▪ Results

- Revenues at €m 1,350.9 versus €m 1,339.4 in H1 11 (+0.9%)
- EBITDA at €m 197.2 (+7.7%) and Net Profit at €m 18.1 (+52.2%)

# Volumes

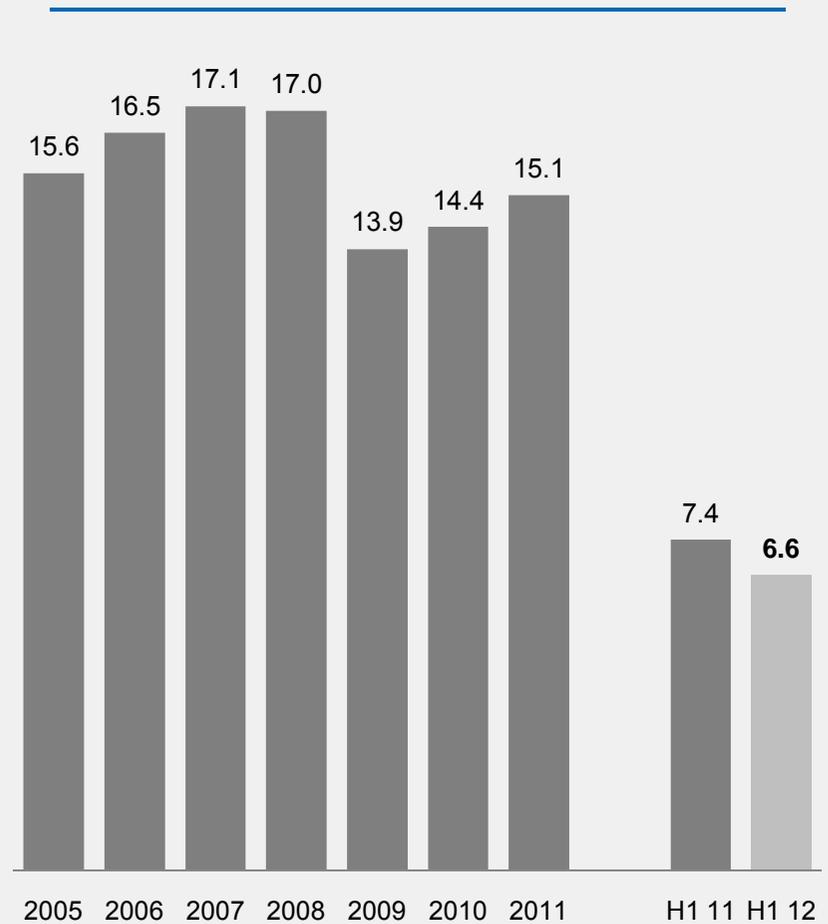
## Cement

(m ton)



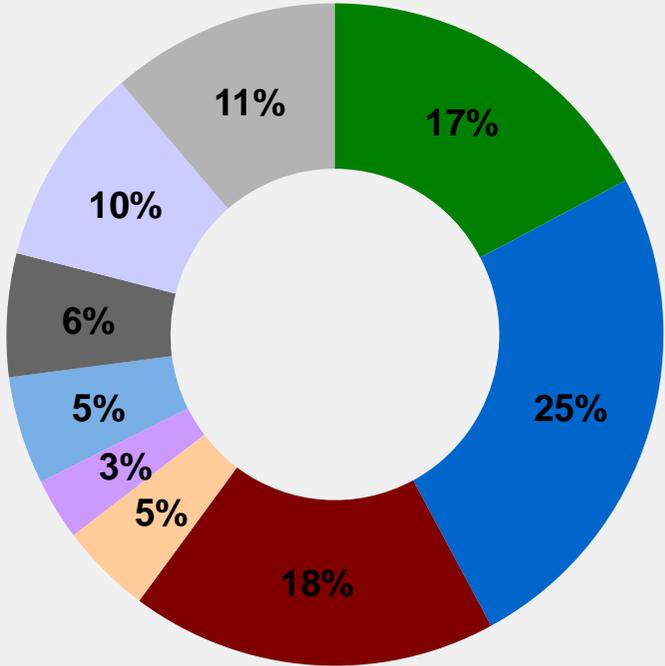
## Ready-mix concrete

(m m3)

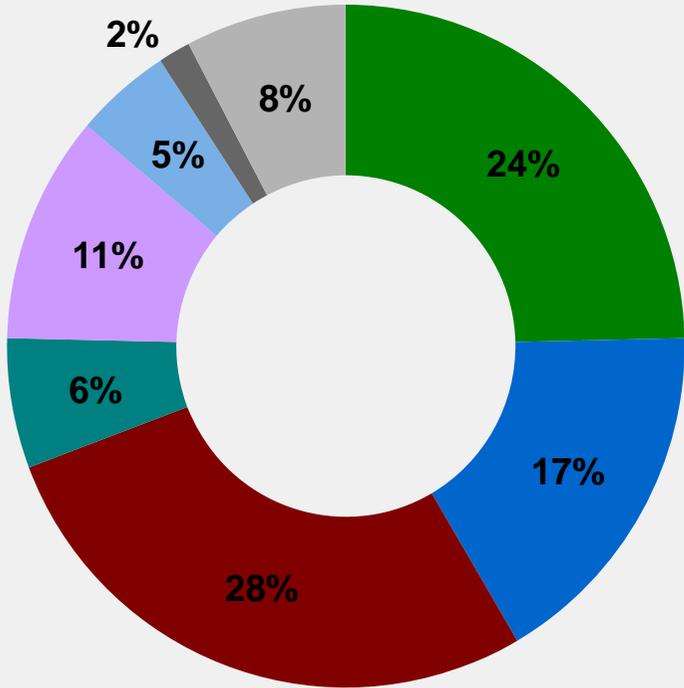


# Breakdown of volumes by country

## Cement

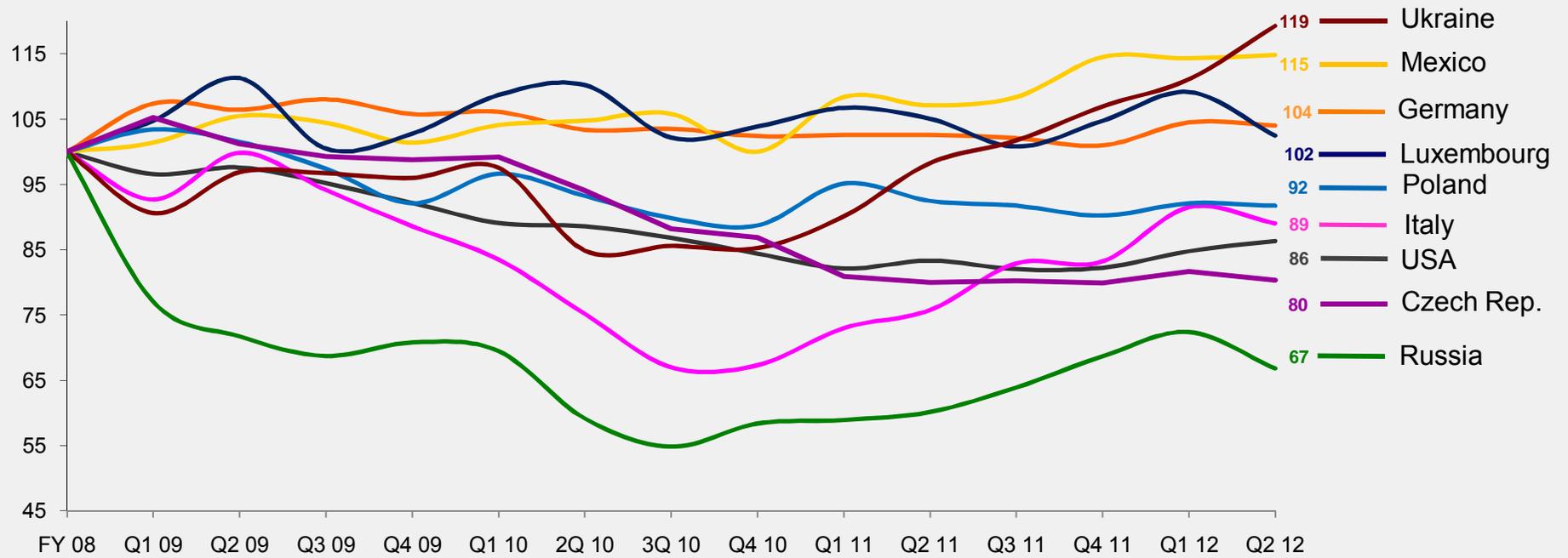


## Ready-mix concrete



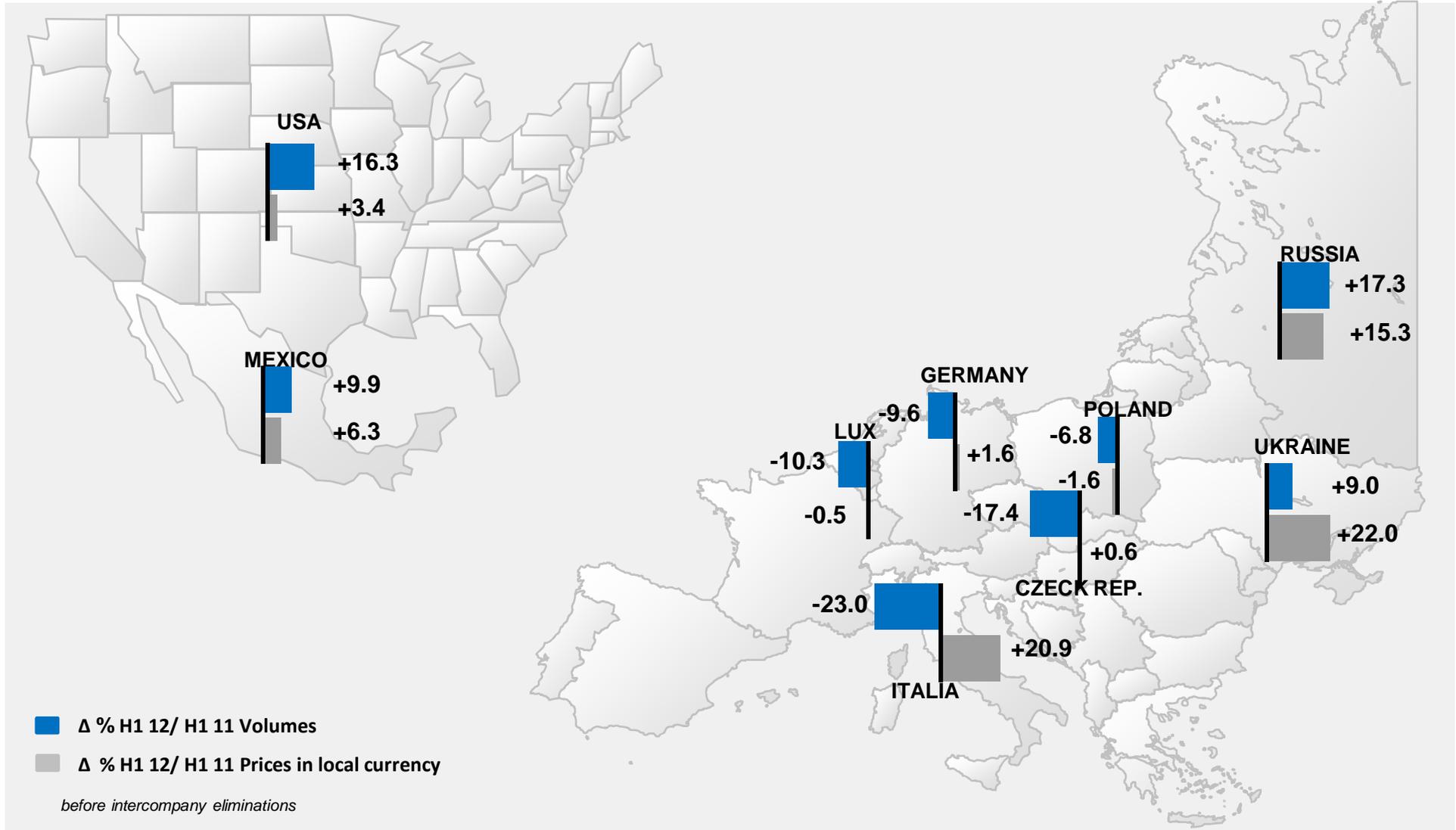
- Italy
- USA
- Germany
- Luxembourg
- Czech Rep.
- Poland
- Ukraine
- Russia
- Mexico
- Netherlands

# Cement prices by country



In local currency; full year 2008 = 100

# Cement volumes and prices



## FX changes

EUR 1 =		H1 12	H1 11	Δ
		avg	avg	%
	USD	1.30	1.40	+7.6
	MXN	17.19	16.69	-3.0
	CZK	25.17	24.35	-3.4
	PLN	4.25	3.95	-7.4
	UAH	10.40	11.18	+6.9
	RUB	39.71	40.14	+1.1

## Net sales by country

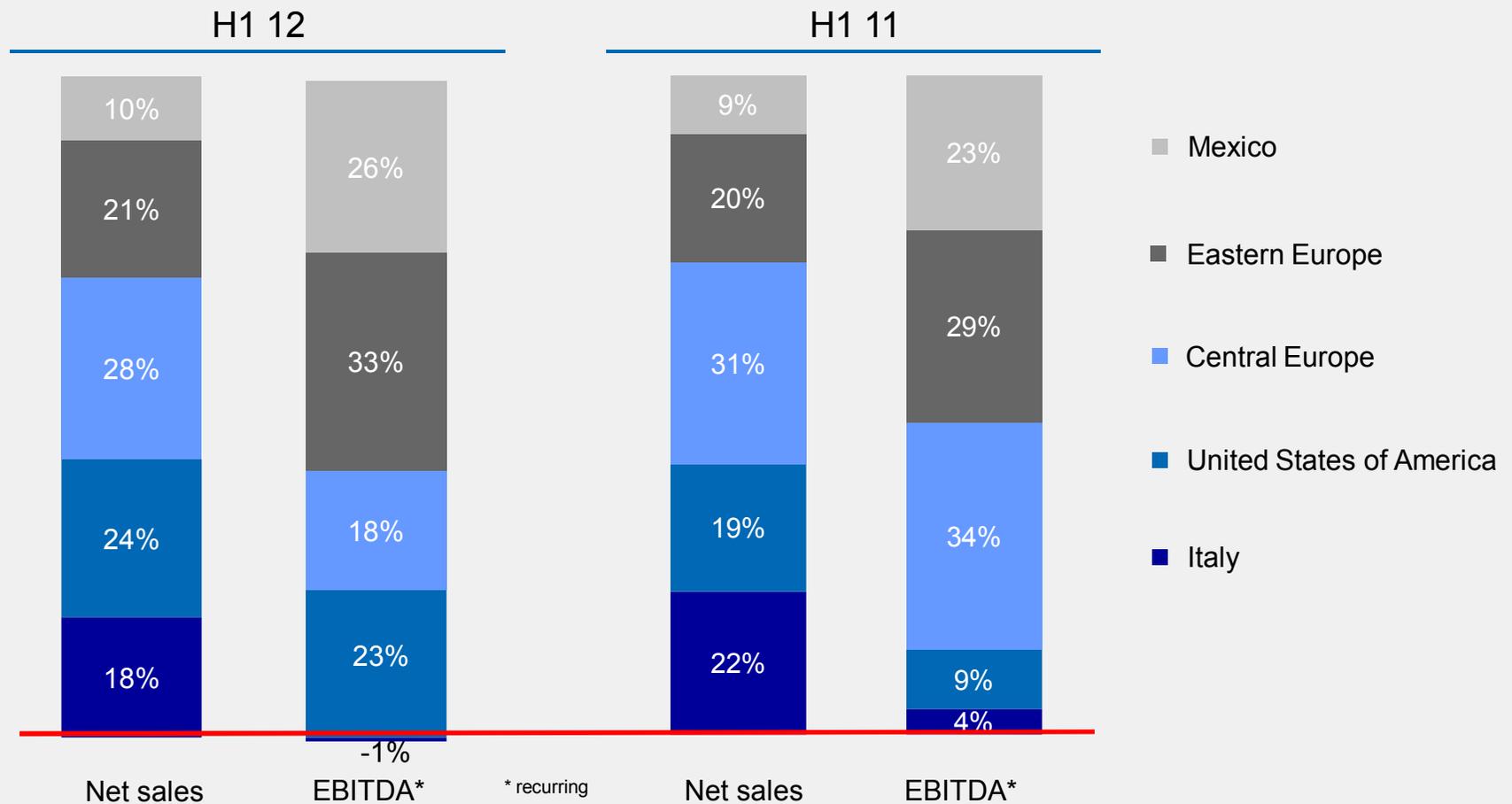
EURm	H1 12	H1 11	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
 Italy	245.7	290.2	(44.5)	-15.3	-	-	-15.3
 USA	323.1	258.9	64.2	24.8	24.6	-	+15.3
 Germany	286.0	308.3	(22.3)	-7.2	-	3.9	-8.5
 Luxembourg	54.0	60.4	(6.4)	-10.5	-	-	-10.5
 Netherlands	47.0	58.1	(11.1)	-19.1	-	-	-19.1
 Czech Rep/Slovakia	64.1	80.3	(16.2)	-20.2	(2.0)	-	-17.7
 Poland	53.1	65.6	(12.5)	-19.0	(3.9)	-	-13.0
 Ukraine	60.8	42.4	18.4	+43.3	4.2	-	+33.4
 Russia	105.4	75.1	30.2	+40.2	1.1	0,1	+38.6
 Mexico	131.6	118.3	13.3	+11.2	(3.9)	-	+14.5
<i>Eliminations</i>	(19.9)	(18.4)	(1.5)				
<b>Total</b>	<b>1,350.9</b>	<b>1,339.4</b>	<b>11.5</b>	<b>+0.9</b>	<b>20.1</b>	<b>4.0</b>	<b>-0.9</b>

## EBITDA by country

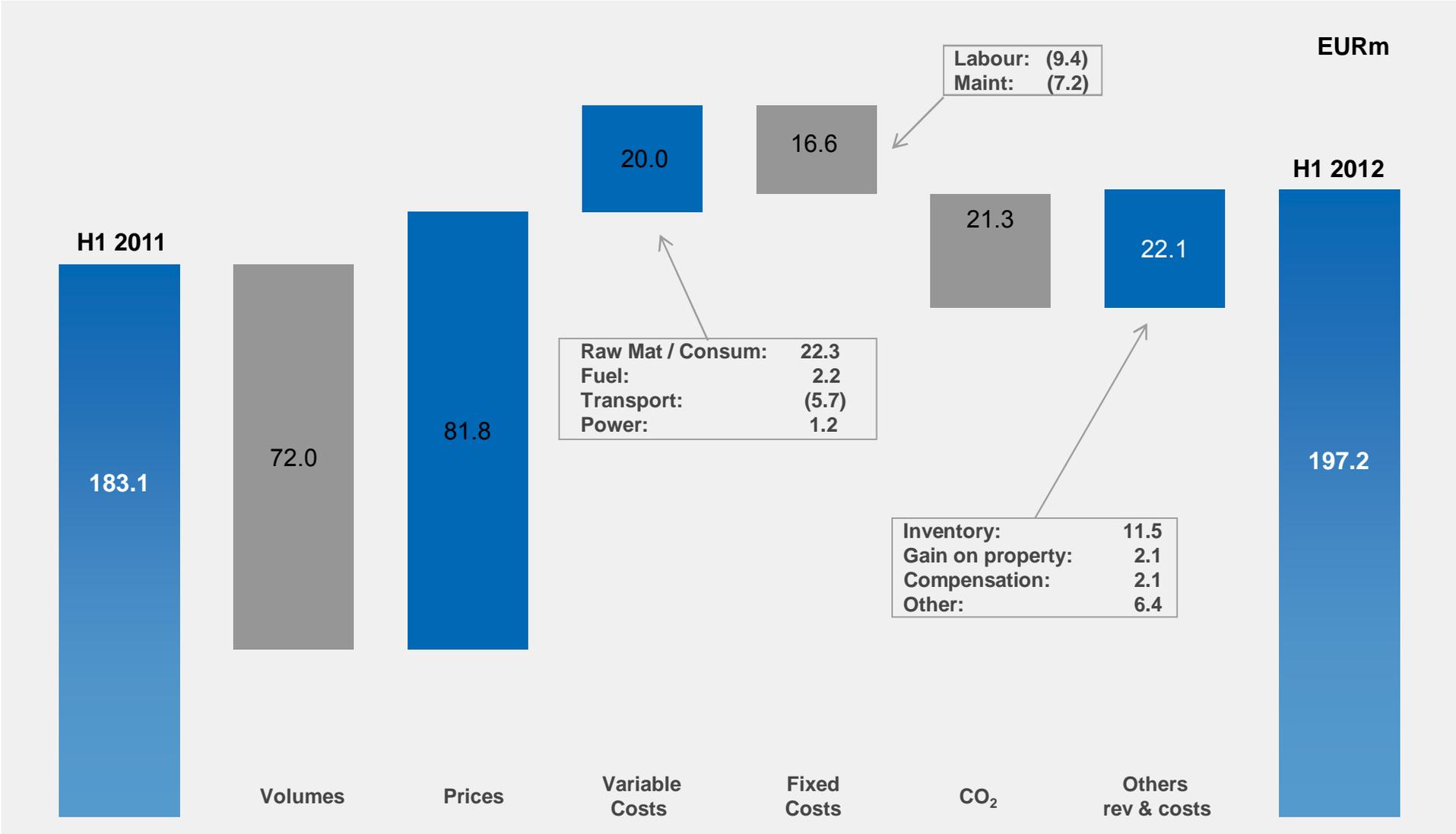
EURm	H1 12	H1 11	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
 Italy	(1.3)	6.9	(8.2)	>100	-	-	>100
 USA	50.7	15.8	34.9	>100	3.9	-	>100
recurring	43.0	15.8	27.2	>100	3.3	-	>100
 Germany	30.1	44.5	(14.4)	-32.4	-	0.2	-32.9
 Luxembourg	6.2	21.3	(15.1)	-70.8	-	-	-70.8
recurring	6.2	14.2	(8.0)	-56.3	-	-	-56.3
 Netherlands	(1.7)	1.8	(3.5)	>100	-	-	>100
 Czech Rep/Slovakia	7.9	15.0	(7.1)	-47.3	(0.4)	-	-44.9
 Poland	9.9	15.0	(5.2)	-34.4	(0.9)	-	-28.7
 Ukraine	4.4	1.0	3.5	>100	0.4	-	>100
 Russia	41.2	20.5	20.7	>100	0.5	-	+98.0
 Mexico	49.8	41.4	8.4	+20.2	(1.5)	0.1	+23.8
<b>Total</b>	<b>197.2</b>	<b>183.1</b>	<b>14.0</b>	<b>+7.7</b>	<b>2.0</b>	<b>0.3</b>	<b>6.4</b>
recurring	189.5	176.1	13.4	+7.6	1.4	0.3	6.6

# Net sales and EBITDA development

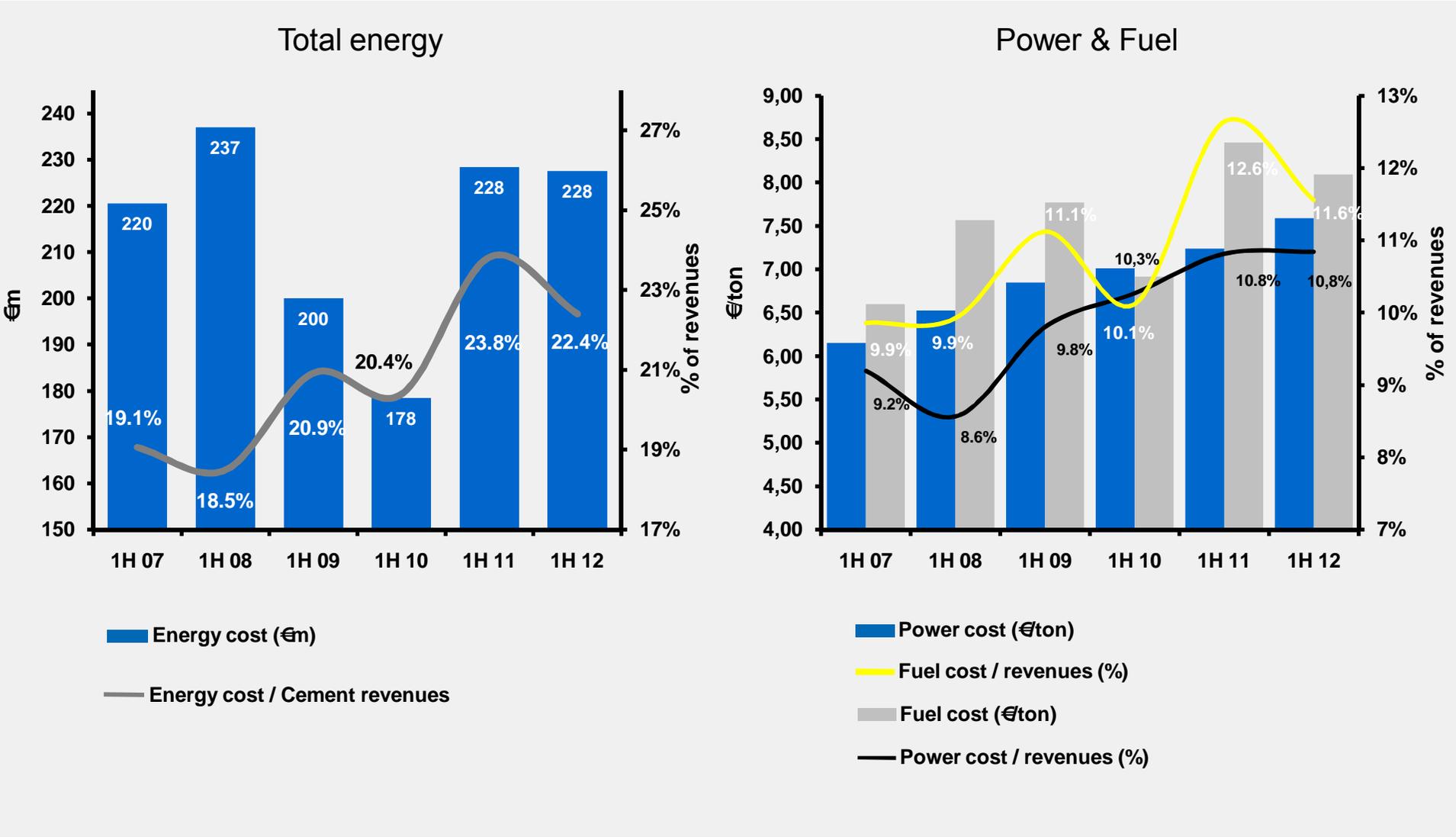
- Increasing contribution from emerging markets, from 53% to 59% of EBITDA in H1 12 vs H1 11
- Italian contribution negative for the first time



# EBITDA variance analysis



# Energy costs impact



# Consolidated Income Statement

EURm	H1 12	H1 11	Δ	Δ
			abs	%
<b>Net Sales</b>	<b>1,350.9</b>	<b>1,339.4</b>	<b>11.5</b>	<b>+0.9</b>
<b>Operating cash flow (EBITDA)</b>	<b>197.2</b>	<b>183.1</b>	<b>14.0</b>	<b>+7.7</b>
of which, non recurring	7.7	7.1	0.6	
% of sales (recurring)	14.0%	13.7%		
Depreciation and amortization	(113.2)	(120.7)	7.5	
<b>Operating profit (EBIT)</b>	<b>84.0</b>	<b>62.5</b>	<b>21.5</b>	<b>+34.4</b>
% of sales	6.2%	4.7%		
Net finance cost	(62.2)	(46.0)	(16.2)	
Equity earnings	0.2	(0.3)	0.5	
<b>Profit before tax</b>	<b>22.0</b>	<b>16.1</b>	<b>5.9</b>	<b>+36.3</b>
Income tax expense	(3.9)	(4.2)	0.4	
<b>Net profit</b>	<b>18.1</b>	<b>11.9</b>	<b>6.2</b>	<b>+52.2</b>
Minorities	(14.8)	(12.2)	(2.6)	
<b>Consolidated net profit</b>	<b>3.3</b>	<b>(0.3)</b>	<b>3.6</b>	
<b>Cash flow <sup>(1)</sup></b>	<b>131.3</b>	<b>132.6</b>	<b>(1.3)</b>	<b>-0.9</b>

(1) Net Profit + amortization & depreciation

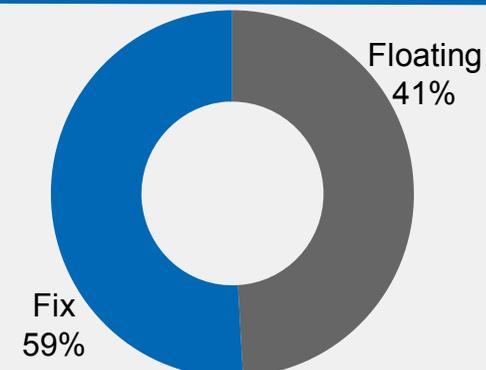
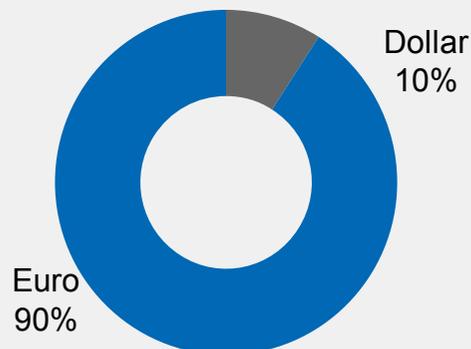
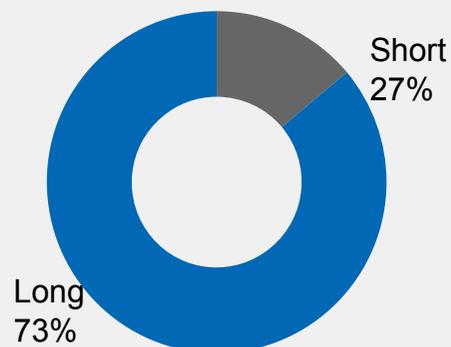
# Consolidated Cash Flow Statement

EURm	H1 12	H1 11	2011
<b>Cash generated from operations</b>	<b>128.4</b>	<b>132.9</b>	<b>382.0</b>
% of sales	9.5%	9.9%	13.7%
Interest paid	(41.5)	(37.7)	(91.8)
Income tax paid	(17.8)	(11.1)	(41.9)
<b>Net cash by operating activities</b>	<b>69.1</b>	<b>84.1</b>	<b>248.2</b>
% of sales	5.1%	6.3%	8.9%
Capital expenditures	(68.6)	(75.2)	(149.0)
Equity investments	(3.8)	(2.2)	(7.6)
Dividends paid	(28.8)	(15.4)	(15.8)
Dividends from associates	1.6	4.2	8.1
Disposal of fixed assets and investments	18.6	15.3	53.7
Translation differences and derivatives	(0.3)	(35.1)	(14.1)
Other	4.8	26.0	0.4
<b>Change in net debt</b>	<b>(16.5)</b>	<b>1.7</b>	<b>123.9</b>
<b>Net financial position (end of period)</b>	<b>(1,159.6)</b>	<b>(1,265.3)</b>	<b>(1,143.1)</b>

# Net Financial Position

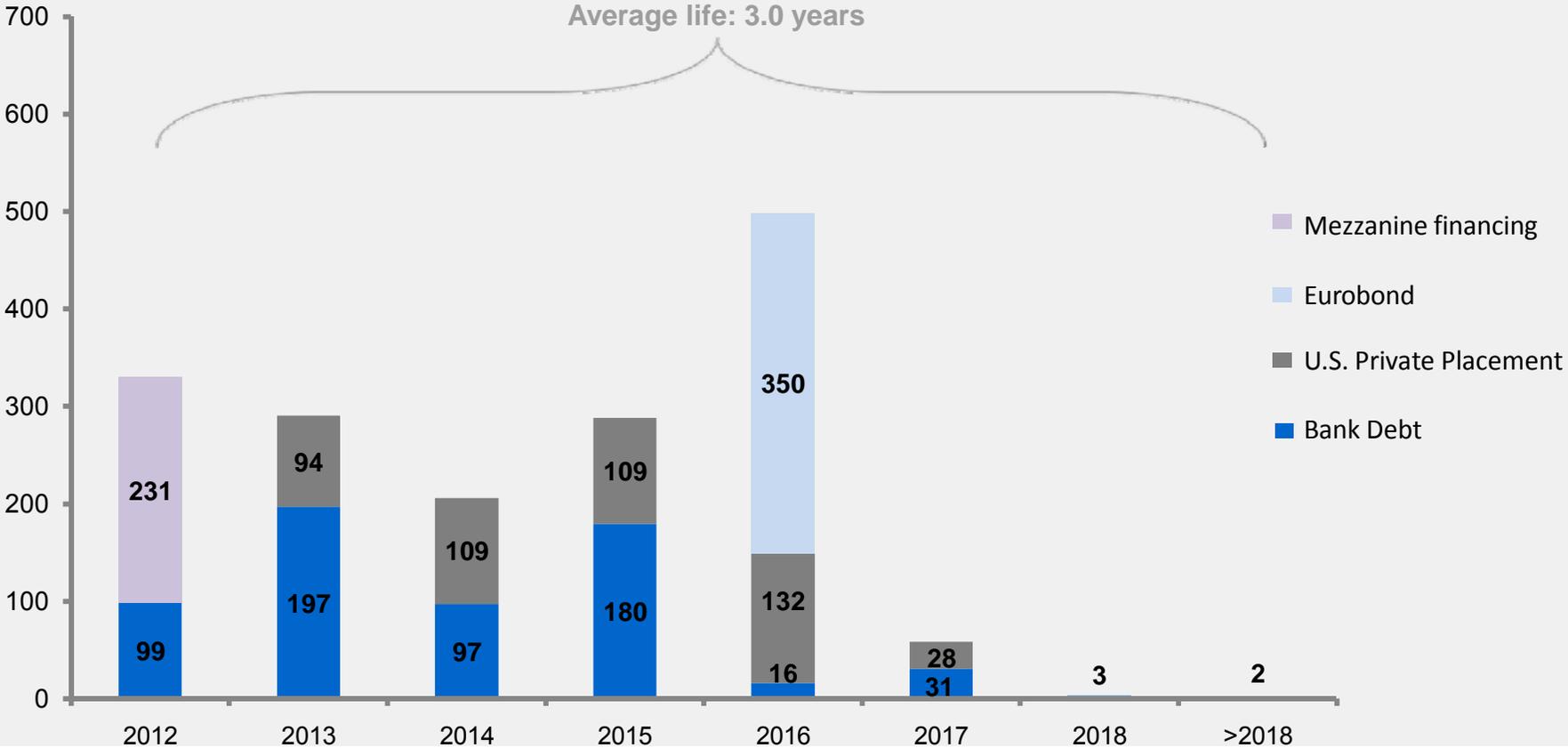
	Jun 12	Dec 11	Δ	Jun 11
<b>EURm</b>			abs	
Cash and other financial assets	544.0	604.0	(60.0)	313.9
Short-term debt	(457.8)	(495.8)	37.9	(221.6)
<b>Net short-term cash</b>	<b>86.2</b>	<b>108.2</b>	<b>(22.0)</b>	<b>92.3</b>
Long-term financial assets	18.0	14.3	3.7	12.4
Long-term debt	(1,263.9)	(1,265.6)	1.8	(1,370.0)
<b>Net debt</b>	<b>(1,159.6)</b>	<b>(1,143.1)</b>	<b>(16.5)</b>	<b>(1,265.3)</b>

Gross debt breakdown (€m 1,721.6)



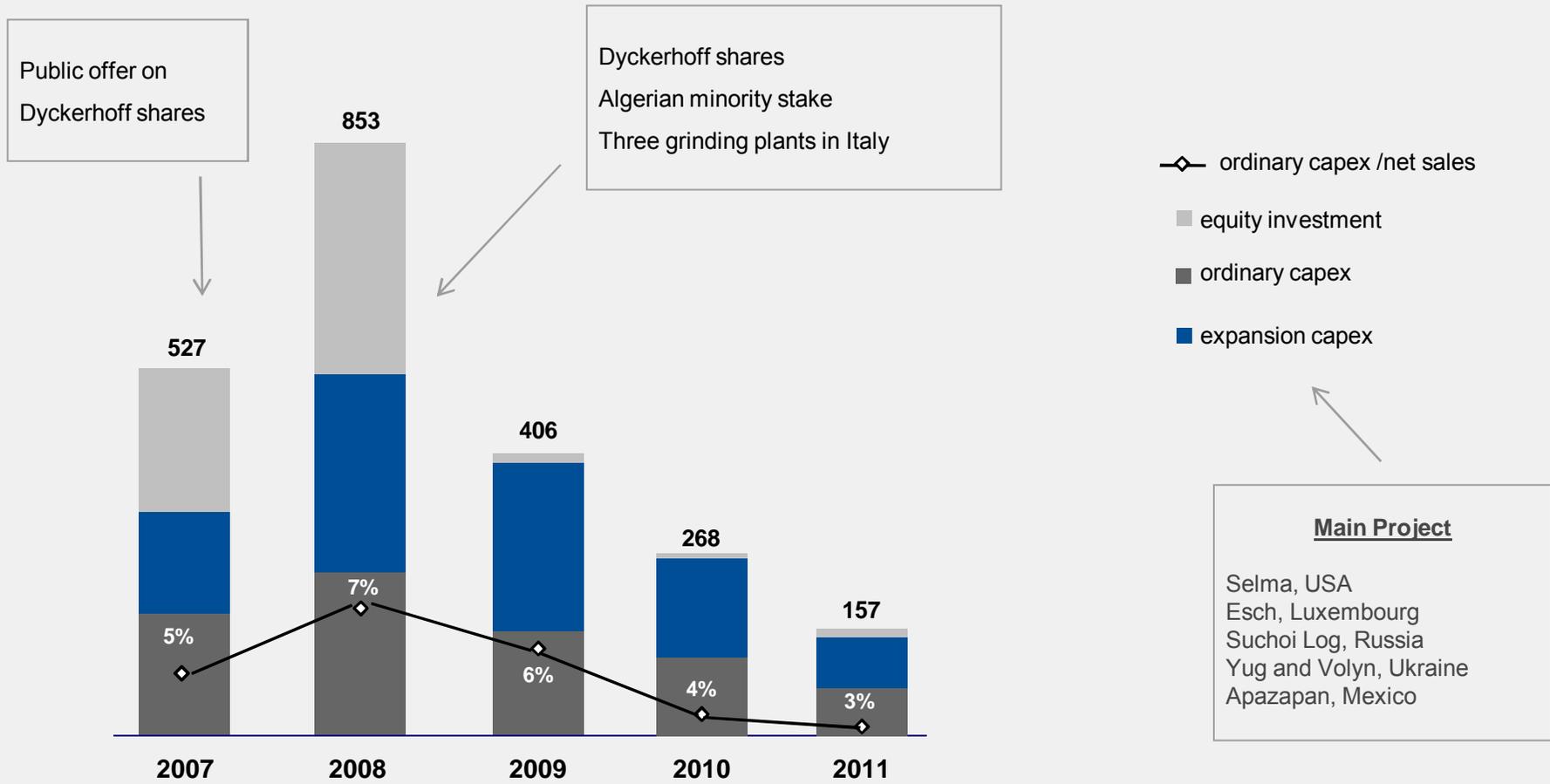
# Debt maturity profile

- Cash already available at Dyckerhoff for full repayment of mezzanine loan
- Bank debt and financing stood at €m 1,677 at June 2012
- As at June 2012 available €m 814.8 of undrawn committed facilities (€m 511.4 for Buzzi Unicem, €m 303.4 for Dyckerhoff)



# Industrial capex

Total capex of €m 2,211 in the period 2007-2011, of which €m 902 for expansion projects



# Expected trading in 2012

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

Note: Prices in local currency

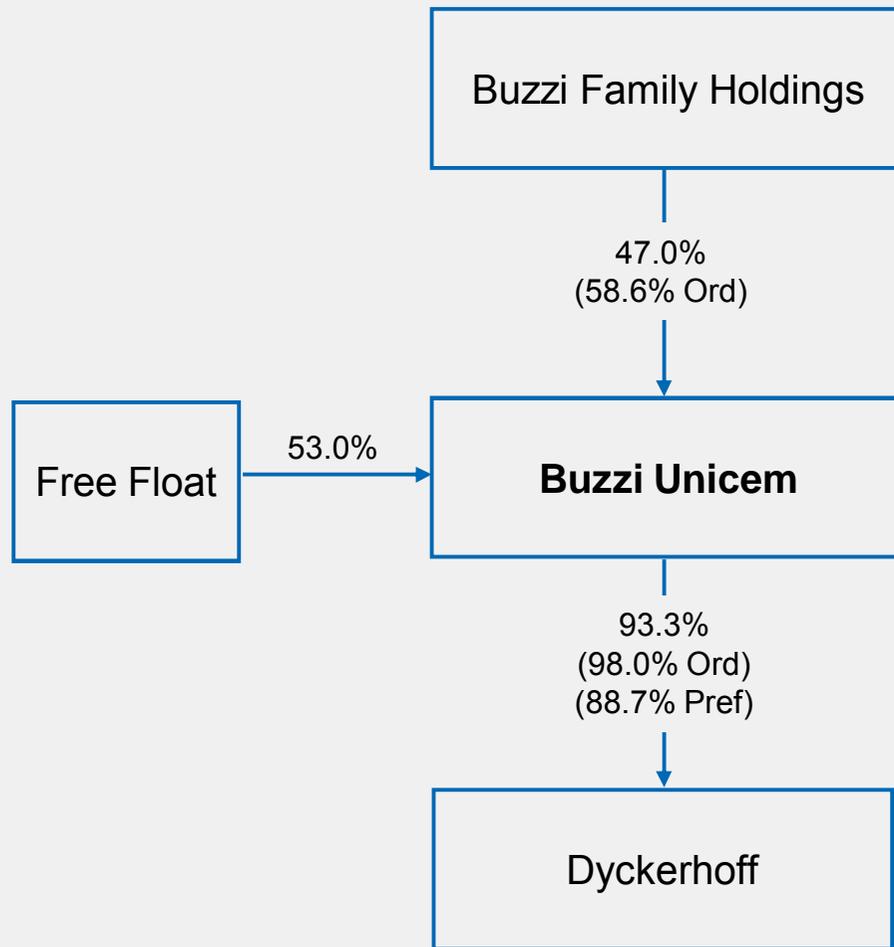
# Appendix

## Buzzi Unicem at a Glance

- International multi-regional, “heavy-side” group, focused on cement, ready-mix and aggregates
- Dedicated management with a long-term vision of the business
- Highly efficient, low cost producer with strong and stable cash flows
- Successful geographic diversification with leading positions in attractive markets
  - Italy (# 2 cement producer, 16% market share), US (# 5 cement producer, 9% market share), Mexico (# 4 cement producer, 12% market share), Germany (# 2 cement producer, 14% market share)
  - Significant positions in Luxembourg, The Netherlands, Poland, Czech Republic, Slovakia, Russia and Ukraine, as well as entry point in Algeria
- High quality and environmentally friendly assets
- Leading product and service offering
- Conservative financial profile and balanced growth strategy

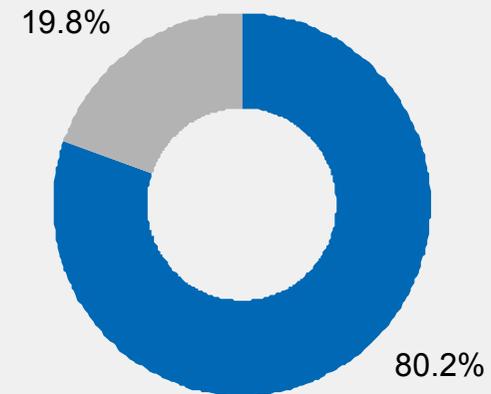
***“Value creation through lasting, experienced know-how and operating efficiency”***

# Ownership structure

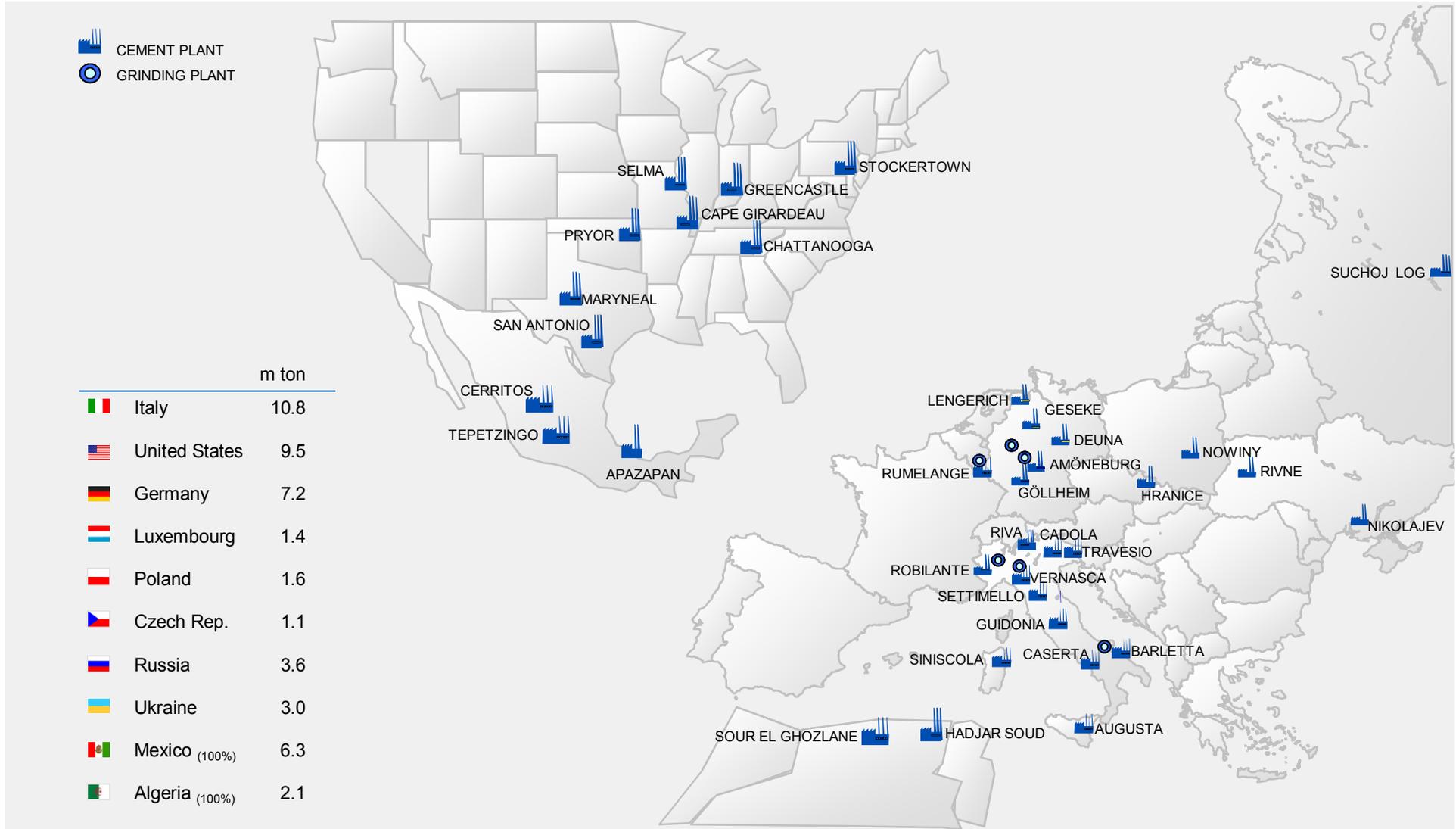


As at 30 April 2012

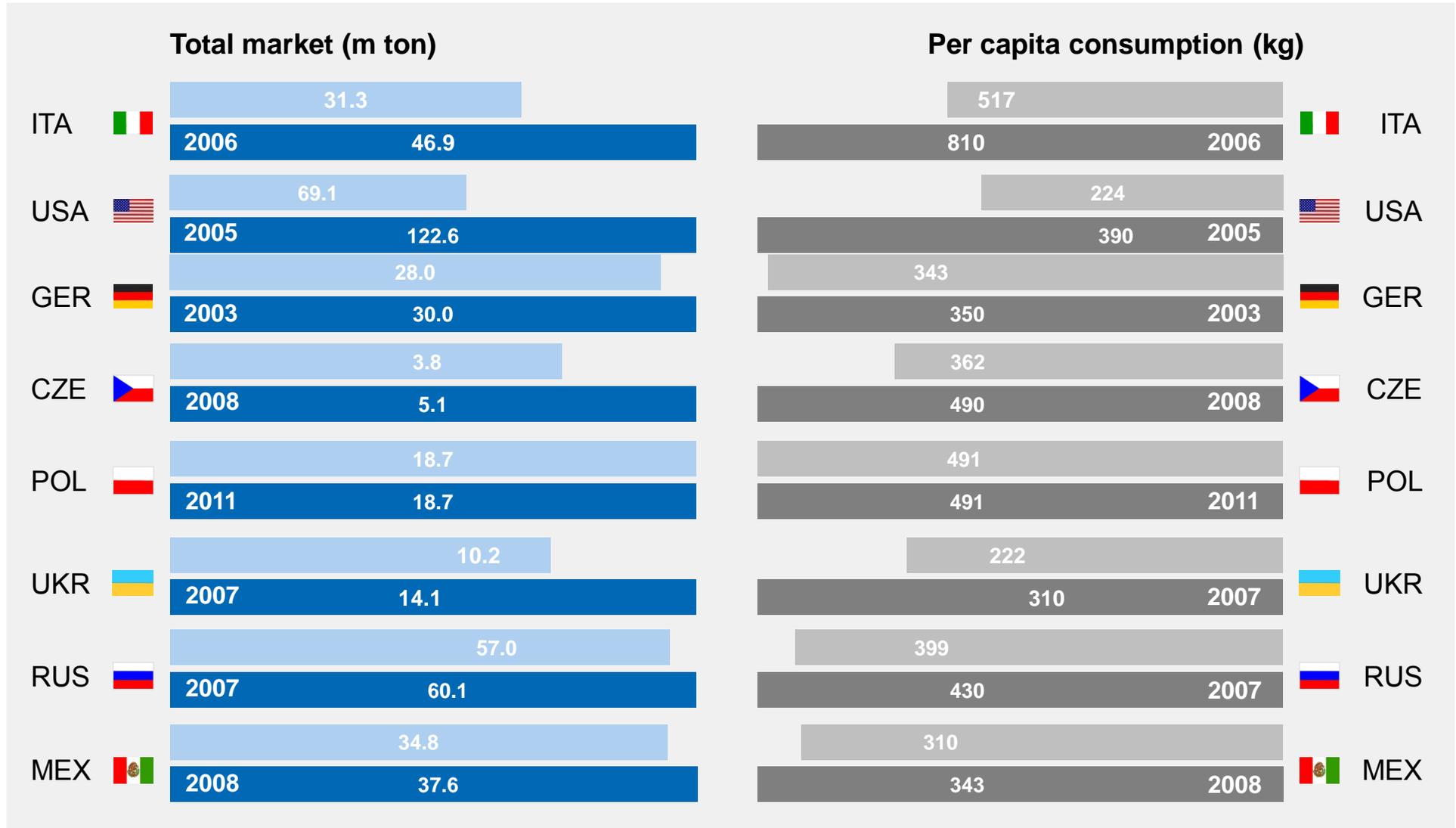
Share capital	
■ Ordinary	165,349,149
■ Savings	40,711,949
<b>Total shares</b>	<b>206,061,098</b>



# Cement plants location and capacity

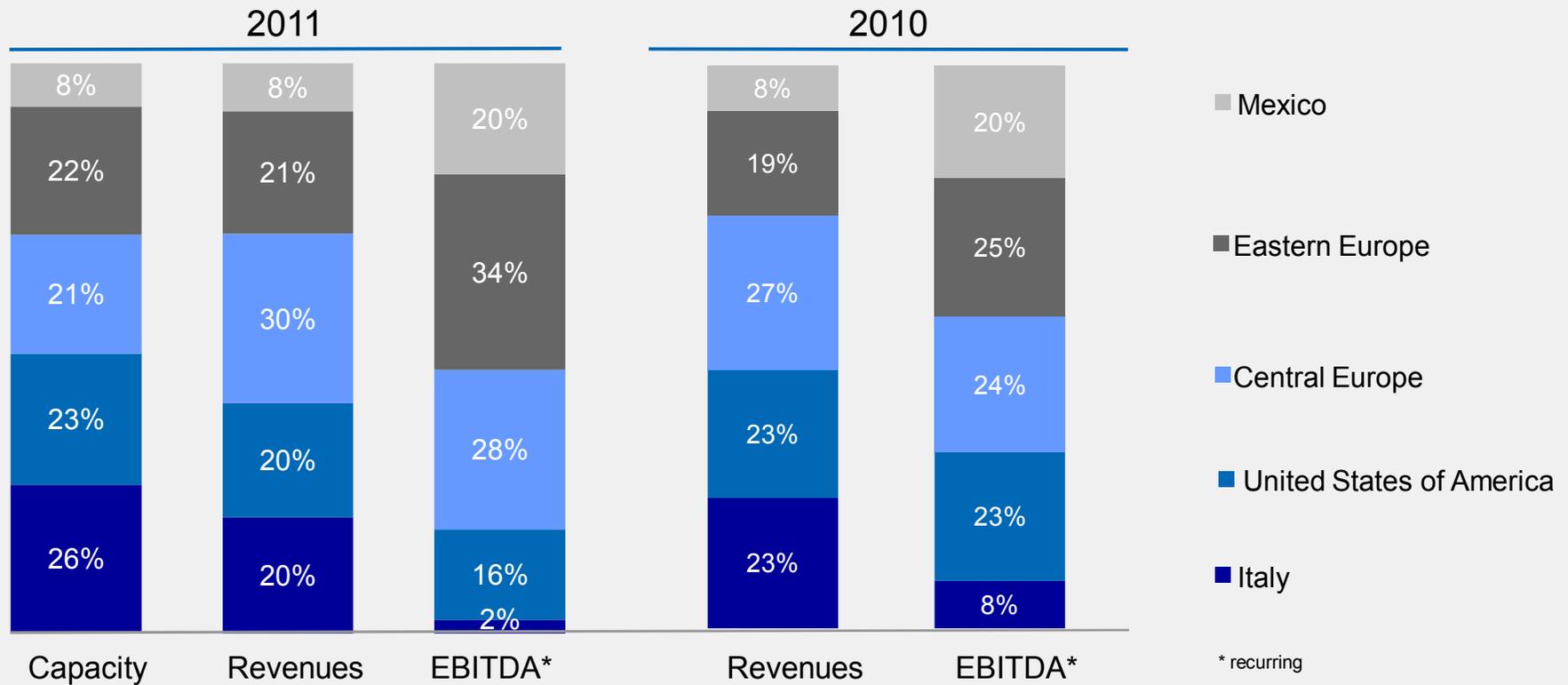


## 2011 Consumption vs. Peak (2003-2011)



# Net sales and EBITDA development

- Lower contribution from USA and negative in Italy (net of CO<sub>2</sub> sales)
- Emerging countries reaffirm above average EBITDA contribution



## Historical EBITDA evolution by country

		EURm	2006	2007	2008	2009	2010	2011
	Italy	EBITDA	235.8	206.4	143.4	92.7	32.5	10.3
		margin	23.5%	21.5%	16.9%	13.1%	5.3%	1.8%
	Germany	EBITDA	91.2	138.9	102.7	116.3	76.3	90.3
		margin	19.0%	27.0%	17.3%	22.0%	13.9%	14.2%
	Luxembourg	EBITDA	25.0	21.5	17.4	14.1	16.4	33.4
		margin	29.9%	23.5%	19.5%	17.0%	17.7%	29.6%
	Netherlands	EBITDA	-	8.1	7.2	4.5	0.6	1.6
		margin	-	5.8%	5.4%	4.0%	0.5%	1.4%
	Czech Rep.	EBITDA	61.8	70.3	73.2	44.2	32.8	32.5
		margin	33.9%	32.6%	28.1%	25.2%	20.5%	20.5%
	Poland	EBITDA	33.5	52.1	70.0	31.2	33.4	36.9
		margin	30.4%	36.5%	38.1%	25.7%	25.8%	26.6%
	Ukraine	EBITDA	15.3	58.1	49.9	-4.5	-10.5	6.9
		margin	14.2%	32.4%	23.8%	-6.0%	-12.8%	6.2%
	Russia	EBITDA	53.2	94.7	173.2	42.1	39.7	65.7
		margin	42.9%	47.9%	64.8%	42.6%	32.0%	37.4%
	USA	EBITDA	322.5	304.1	205.8	131.3	88.7	66.6
		margin	34.9%	35.7%	27.4%	21.4%	14.8%	11.9%
	Mexico	EBITDA	92.8	91.9	79.9	69.9	77.2	82.4
		margin	47.1%	43.4%	38.9%	38.7%	36.2%	34.6%
Group	EBITDA	931.1	1046.3	922.7	541.7	387.0	429.4	
	margin	29.1%	29.9%	26.2%	20.3%	14.6%	15.4%	