Buzzi Unicem

The Value of Knowledge

ANNUAL REPORT 2011

CONTENTS

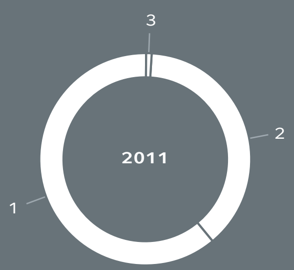
Buzzi Unicem is an international multiregional, “heavy-side“ group, focused on cement, ready-mix concrete and aggregates. The company’s dedicated management has a long-term view of the business and commitment towards a sustainable development, supported by high quality and environmentally friendly assets.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

VISION

Key Figures

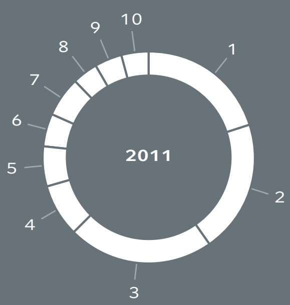
		2005	2006	2007	2008	2009	2010	2011
Cement sales	t/000	32,245	33,320	34,067	32,093	25,548	26,570	28,216
Concrete sales	cm/000	15,649	16,542	17,096	16,996	13,893	14,379	15,066
Aggregate sales	t/000	7,794	9,442	14,050	12,280	10,031	10,651	12,399
Sales revenue	€ m	2,951.4	3,205.0	3,496.1	3,520.2	2,671.8	2,648.4	2,787.4
Capital expenditures	€ m	243.1	254.0	527.4	853.3	389.9	268.2	156.6
Headcount at year end	no.	11,805	11,054	11,520	11,845	11,269	11,316	10,956

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	20
2	USA	20
3	Germany	22
4	Mexico	8
5	Czech Republic and Slovakia	6
6	Poland	5
7	Russia	6
8	Netherlands	4
9	Luxembourg	4
10	Ukraine	4

Sales Revenue
(in million of EUR)

2005	2,951.4
2006	3,205.0
2007	3,496.1
2008	3,520.2
2009	2,671.8
2010	2,648.4
2011	2,787.4

Capital expenditures
(in million of EUR)

2005	243.1
2006	254.0
2007	527.4
2008	853.3
2009	389.9
2010	268.2
2011	156.6

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	8	3	39
of which grinding	no.	3	2	1	–	–	–	–	–	–	–	6
Cement capacity	Mio t/yr	10.8	7.2	1.4	–	1.6	1.1	3.0	3.6	9.5	6.3	44.5
Ready-mix batch plants	no.	160	129	–	16	30	82	6	–	78	57	558
Aggregate quarries	no.	14	3	–	2	–	10	–	–	6	2	37
Terminals and deposits	no.	6	–	–	–	1	–	3	–	31	–	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 %

Dear Shareholders,

The economic crisis confronting us throughout 2009, 2010 and 2011 continues unabated today, and its outcome is uncertain. In 2009 it was predicted that the crisis would last 3 years, but that has unfortunately turned out to be overly optimistic for our industry.

As a result, we also expect profits, especially for Italy and the USA, to be unsatisfactory for this year, with sales volumes similar to those recorded in 2011. Due to the idle production capacities, in those countries we are unable to exploit economies of scale in order to offset the inflationary trend that the industry has incurred in recent years, particularly with regard to energy and raw-materials costs.

The situation improves in all the areas ranging from Luxembourg to Russia, including Germany, the Czech Republic, Poland and Ukraine. Business in Mexico is essentially stable and trending slightly upwards. Since 2011 our Mexican associate, Corporación Moctezuma, has been operating 3 very modern, highly efficient cement plants in the states of Morelos, San Luis Potosi and Veracruz.

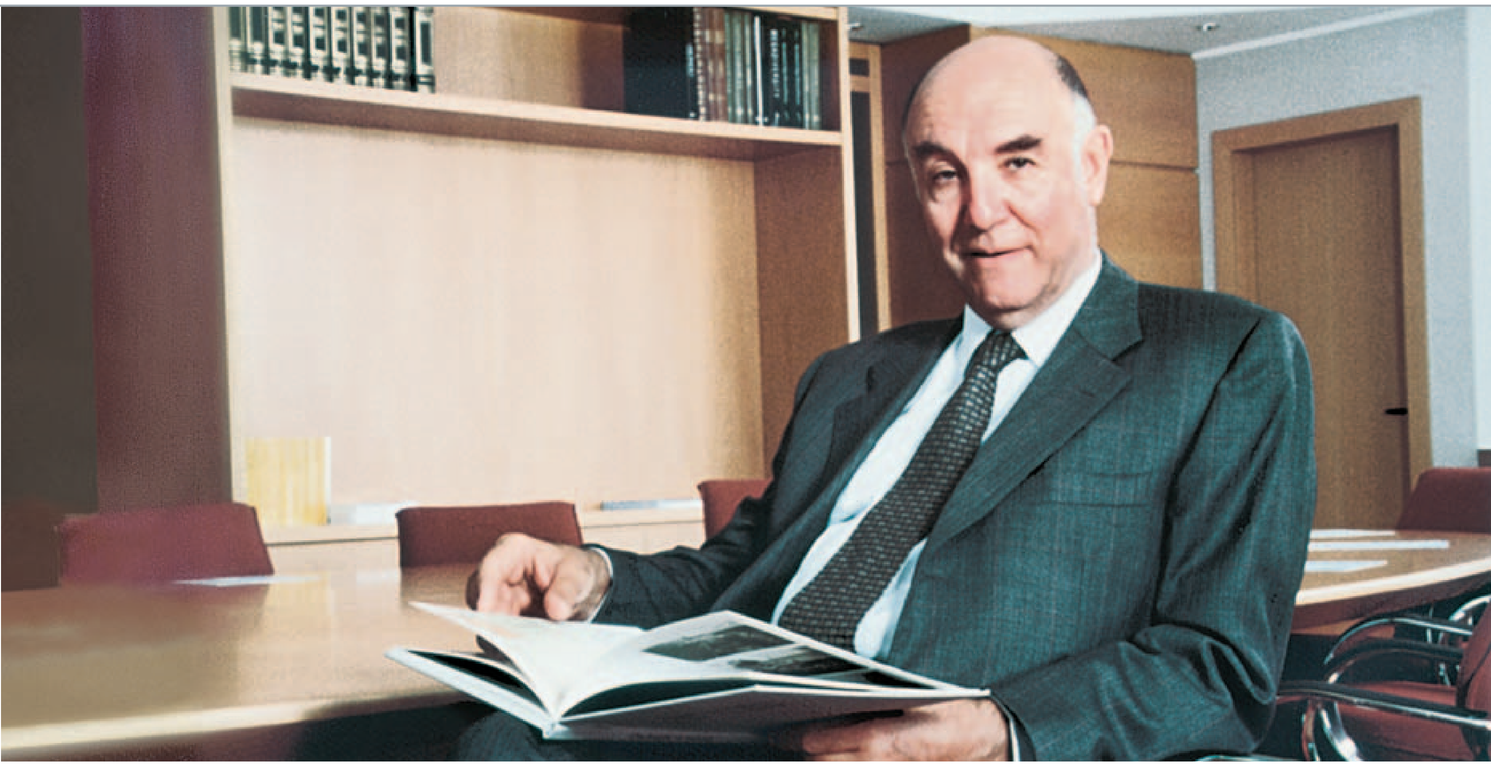
We are particularly pleased that the significant investments we have recently made are beginning to pay off robustly. These include boosting grinding capacity in Luxembourg, providing additional dry-processing capacity in Russia and converting from gas to coal at plants in Ukraine, which are particularly sensitive to a change of fuel because they employ wet process technology.

Although investments in our industry always require time to take hold and gain market acceptance, we are already beginning to see different expected figures. I can state that the objectives set in the important capital investment program undertaken in 2007–2010 are on target.

One exception to this, unfortunately, is the U.S., where we made a major investment for a new line in Selma (Mississippi) designed to produce 7000 tons per day. Due to weak market conditions, the line is still far from reaching sufficient capacity utilization and profitability.

Instead, the production level and profitability of the two associated plants in Algeria – Hadjar Soud and Sour el Gozlane – are good and progressing. Here we have operated with a management contract for the last four years. Our work has been appreciated, but the human and administrative difficulties, created by the State as majority shareholder, do not allow us to set the growth policy and the passage to control status which were and are at the base of such investment.

In this difficult and prolonged phase of consolidation and rationalization of the sector there is no room for internal growth with own capital. Therefore our commitment continues and intensifies to produce, beginning with urban (RSU) and industrial waste (RSI), an alternative fuel which may largely replace ’petcoke‘ or coal, thus releasing our major energy source from the value fluctuations of the traditional fossil fuels.



The project consists in bio-stabilizing the (RSU), reducing the chlorine content and grinding it finely with special disintegrating mills. The progress made last year, both in ultrafine grinding and combustion in cement plants, is promising; now it is necessary to make the process reliable for 7–8000 hours/year runs, to allow its continuous operation at sites such as cement plants and thermoelectric plants.

We believe that 2012 will be another particularly difficult crisis year; nevertheless the belief has spread that the construction industry is the safest and most efficient generator of the urgently needed employment growth, and this could be the driver to take our business – in 2013 – back to acceptable levels.

The commitment of our managers and associates has been high and so is the collective awareness of the difficulties that the company is experiencing. I would like to personally thank everyone for what they do, hoping for a change in momentum and prospects, which today seems more achievable.

ALESSANDRO BUZZI
CHAIRMAN

Group Profile

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Board of Directors

ALESSANDRO BUZZI

CHAIRMAN

Born in 1933. Director since 1999.
He has built up years of outstanding experience in the industry, developing special knowledge of cement technology applications. For many years he was President of the Italian Cement Association (AITEC), Senior Vice President of UNI (the Italian standards organization) and President of Cembureau (the 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.
After joining Buzzi Cementi in 1990, he played various management roles, first in the ready-mix concrete segment and then in the marketing & sales function of the cement segment. In 2002 he became Chief Operating Officer of Cement Italy operations. For several years he was Vice Chairman of AITEC (the Italian Cement Association). Since 2004 he has been a member of Dyckerhoff AG's Board of Management. In 2006 he was appointed Chief Executive Operations.

ENRICO BUZZI

VICE CHAIRMAN

Born in 1938. Director since 1999.
He has held various senior management positions in Buzzi Cementi, mainly relating to production management, strategic procurement, development of new industrial projects in Italy and Mexico and including the Chief Operating Officer role of the Italian ready-mix concrete operations. He has been a member of Dyckerhoff AG's Supervisory Board since October 2001 and Chairman of Corporación Moctezuma SAB from 2006 to 2010.

WOLFGANG BAUER

EXECUTIVE DIRECTOR

Born in 1959. Executive Director since 2008.
He started his professional career in the KPMG auditing company, where he remained for 15 years, rising to the rank of partner. In 2000 he joined Dyckerhoff AG as a member of the Board of Management, of which he was appointed Chairman in 2004. In that capacity he is responsible for the Central Europe and Eastern Europe divisions.

VERONICA BUZZI

VICE CHAIRMAN

Born in 1971. Director since 2011.
Graduated in Business and Finance at Turin University. From 1996 to 1997 she was an auditor at Arthur Andersen & Co. From 1998 to 2001 she worked at McKinsey & Co., in the Financial Institutions and Corporate Finance division. She also gained experience in Buzzi Unicem from 2001 to 2002, in the Investor Relations and Financial Planning department. Mother of 4, since 2011 she has co-operated with Dynamo Camp Onlus.

PAOLO BURLANDO

NON-EXECUTIVE DIRECTOR

Born in 1962. Director since 2008.
Since 1997 he has practiced in a partnership as a chartered professional accountant, specializing in extraordinary corporate finance operations He is also a statutory auditor of Gruppo Mutui Online SpA, YARPA Investimenti SGR SpA, Laterlite SpA and other smaller companies. From 1987 to 1997 he had various professional experiences as a private equity analyst and management consultant.

PIETRO BUZZI

CHIEF EXECUTIVE FINANCE

Born in 1961. Director since 2000.
After a few experiences outside the company, he joined Buzzi Cementi in 1989 first as Controller and then with growing operating responsibilities within the finance, administration and information system functions.
He became CFO of Buzzi Unicem in 1999, then being appointed Chief Executive Finance in 2006. He has been a member of Dyckerhoff AG's Supervisory Board since May 2007. He is director of Banco Popolare.

ALDO FUMAGALLI ROMARIO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Born in 1958. Director since 2011.
Chairman and Chief Executive Officer of the SOL Group, Chairman of Credito Artigiano and Director of Credito Valtellinese. Chairman of the Sustainable Development Commission with a permanent seat in the Presiding Committee, Board of Governors and Confindustria Council. Chairman of IOMA and member of the Board of Governors of the ASPEN Institute. He was Chairman of Assogastecnici and Chairman of Confindustria Young Entrepreneurs from 1990 to 1994.

YORK DYCKERHOFF

INDEPENDENT NON-EXECUTIVE DIRECTOR

Born in 1963. Director since 2008.
Currently managing his own company Dyckerhoff International. 2006 – 2009: Managing Partner of Komrowski Maritime GmbH of Hamburg. A significant international career in MAN Ferrostaal: 1990 – 1994 as Project Manager in Germany, 1994 – 2000 as General Manager of Ferrostaal Bolivia, 2000 – 2004 as General Manager of Ferrostaal Argentina 2004 – 2006: as Area Manager for South America. From 2010 Director of United Food Technologies AG.

MARCO WEIGMANN

NON-EXECUTIVE DIRECTOR

Born in 1940. Director since 1999.
He is a senior partner of the law firm Tosetto, Weigmann & Associates. Formerly a member of the National and International Arbitration Chamber of Milan, he is now a member of the Piedmont Arbitration Chamber. He holds directorships in: Reale Mutua di Assicurazioni, Italiana Assicurazioni SpA, Reale Immobili SpA, Banca Reale SpA, Sella Holding Banca SpA, Auchan Italia SpA and Pernigotti SpA.

ESTER FAIA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Born in 1973. Director since 2012.
Graduated in Economics at Bocconi, she received a Ph. D. at New York University. Ordinary professor at Goethe University of Frankfurt, senior fellow of the Center for Financial Studies and research professor at the Kiel Institute. Author of numerous publications in international academic journals. She also held posts in various central banks, research centers (such as Cepremap , Paris, and the Globalization Center of the Dallas Fed) and foreign universities.

GIANFELICE ROCCA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Born in 1948. Director since 2003.
Chairman of the Techint Group. Chairman of Humanitas medical institute in Milan. Director of Tenaris SA, Ternium SA, Allianz SpA, Brembo SpA and Istituto Italiano di Tecnologia. Vice Chairman of Confindustria with responsibility for Education. Member of the Trilateral Commission, of the European Advisory Board of Harvard Business School, of the Advisory Board of the Allianz Group and of the Executive Committee of the Aspen Institute.

MAURIZIO SELLA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Born in 1942. Director since 1999.
Chairman of Banca Sella Holding SpA (Banca Sella group), of Banca Sella SpA and of Banca Patrimoni Sella & C. Past Chairman (1998 – 2006) of ABI (the Italian Banking Association) of which he is an Executive Committee member. Director of Assonime (the association of Italian joint-stock companies) since 2003 and director of Alleanza Toro since 2009. He was formerly chairman of SIA (Società Interbancaria per l'Automazione, 1988 – 1999) and of the European Banking Federation (1998 – 2004).

Board of 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, 2011

Italy

		2011	2010	11/10 var %
Cement sales	t/000	5,799	6,480	–10.5
Concrete sales	cm/000	4,106	4,638	–11.5
Aggregate sales	t/000	2,503	2,884	–13.2
Sales revenue	€m	568.1	614.2	–7.5
Capital expenditures	€m	22.4	30.8	–27.3
Headcount at year end	no.	1,887	1,963	–3.9

NUMBERS & FACTS

Cement production capacity 10.8 million tons, 14 plants, 6 terminals/deposits, 160 ready-mix concrete plants, 14 aggregate quarries.

Germany

		2011	2010	11/10 var %
Cement sales	t/000	5,409	4,797	12.8
Concrete sales	mc/000	4,043	3,170	27.5
Aggregate sales	t/000	649	467	39.0
Sales revenue	€m	636.6	548.5	16.1
Capital expenditures	€m	29.0	26.6	9.0
Headcount at year end	no.	1,822	1,756	3.8

NUMBERS & FACTS

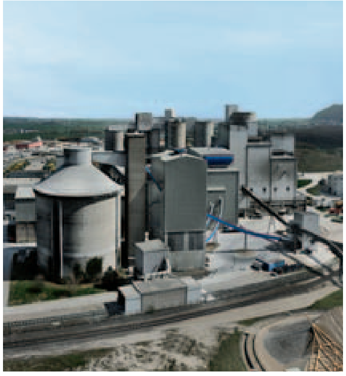
Cement production capacity 7.2 million tons, 7 plants, 129 ready-mix concrete plants, 3 aggregate quarry.

Luxembourg

		2011	2010	11/10 var %
Cement sales	t/000	1,319	1,079	22.2
Sales revenue	€m	112.8	92.3	22.2
Capital expenditures	€m	2.2	8.0	–72.5
Headcount at year end	no.	157	156	0.6

NUMBERS & FACTS

Cement production capacity 1.4 million tons, 2 plants.



Netherlands

		2011	2010	11/10 var %
Concrete sales	cm/000	947	914	3.6
Aggregate sales	t/000	3,290	3,737	−12.0
Sales revenue	€m	109.7	113.2	−3.0
Capital expenditures	€m	2.3	2.2	4.5
Headcount at year end	no.	287	287	–

NUMBERS & FACTS

16 ready-mix concrete plants, 2 aggregate quarries.

Poland

		2011	2010	11/10 var %
Cement sales	t/000	1,614	1,497	7.8
Concrete sales	cm/000	1,020	871	17.1
Sales revenue	€m	144.0	129.3	11.4
Capital expenditures	€m	2.2	2.3	−4.3
Headcount at year end	no.	389	411	−5.4

NUMBERS & FACTS

Cement production capacity 1.6 million tons, 1 plant, 1 terminal, 30 ready-mix concrete plants.

Czech Republic and Slovakia

		2011	2010	11/10 var %
Cement sales	t/000	959	760	26.2
Concrete sales	cm/000	1,715	1,529	12.2
Aggregate sales	t/000	1,575	1,530	2.9
Sales revenue	€m	172.0	159.4	7.8
Capital expenditures	€m	3.0	5.2	−42.3
Headcount at year end	no.	871	908	−4.1

NUMBERS & FACTS

Cement production capacity 1.1 million tons, 1 plant, 82 ready-mix concrete plants, 10 aggregate quarries.

Ukraine

		2011	2010	11/10 var %
Cement sales	t/000	1,902	1,534	24.0
Concrete sales	cm/000	166	135	23.0
Sales revenue	€m	112.5	81.5	37.9
Capital expenditures	€m	14.4	46.2	–68.8
Headcount at year end	no.	1,617	1,653	–2.2

NUMBERS & FACTS

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

Russia

		2011	2010	11/10 var %
Cement sales	t/000	2,434	1,820	33.7
Sales revenue	€m	175.5	124.1	41.4
Capital expenditures	€m	36.8	76.2	–51.7
Headcount at year end	no.	1,049	1,190	–11.8

NUMBERS & FACTS

Cement production capacity 3.6 million tons, 1 plant.

USA

		2011	2010	11/10 var %
Cement sales	t/000	6,177	6,275	–1.6
Concrete sales	cm/000	2,192	2,222	–1.4
Aggregate sales	t/000	4,267	1,758	142.7
Sales revenue	$m	776.6	796.6	–2.5
Capital expenditures	$m	33.6	46.9	–28.4
Headcount at year end	no.	2,290	2,410	–5.0

NUMBERS & FACTS

Cement production capacity 9.5 million tons, 8 plants, 31 terminals, 77 ready-mix concrete plants, 6 aggregate quarries.

Mexico[1]

		2011	2010	11/10 var %
Cement sales	t/000	5,570	4,904	13.6
Concrete sales	mc/000	1,752	1,800	–2.7
Aggregate sales	t/000	230	550	–58.1
Sales revenue	$m	662.3	565.8	17.1
Capital expenditures	$m	56.3	102.0	–44.8
Headcount at year end	no.	1,174	1,164	0.9

NUMBERS & FACTS

Cement production capacity 6.3 million tons, 3 plants, 57 ready-mix concrete plants, 2 aggregate quarry.

[1] figures at 100 %

The value of knowledge

1 **GROWTH**

Personal and professional growth

النمو

Innovation and staff training

2 **DIVERSITY**

Growth and integration between East and West

РІЗНОМАНІТНІСТЬ

Cultural diversity: an important resource for the group

3 **TRANSFER**

Creation of value by sharing of knowledge, experience and corporate identity

PŘENOS

Corporate identity and individual creativity

CADOLA, ITALY

Crescita

INNOVATION AND STAFF TRAINING

Since 2008 Buzzi Unicem has acquired a 35 % stake of two Algerian companies, owning the cement plants of Hadjar Soud (located about 30 Km from Annaba) and of Sour El Ghozlane (located about 130 Km south of Algiers). Thanks to the transfer of expertise, we promoted the on site staff training, enhancing its know-how.

HADJAR SOUD, ALGERIA

النمو

PERSONAL AND PROFESSIONAL GROWTH

The technical knowledge picked up at the Cadola plant, located in the Bellunese Alps, often represents a significant growth step to manage complex production facilities, both in Italy and abroad.

THE NORTH AFRICAN ENVIRONMENT. MISSION: TURNING DIFFERENCES INTO CONVERGENCES.

After the USA, Mexico and Italy… comes Algeria, where deep cultural gaps and a host of bureaucratic obstacles exist.

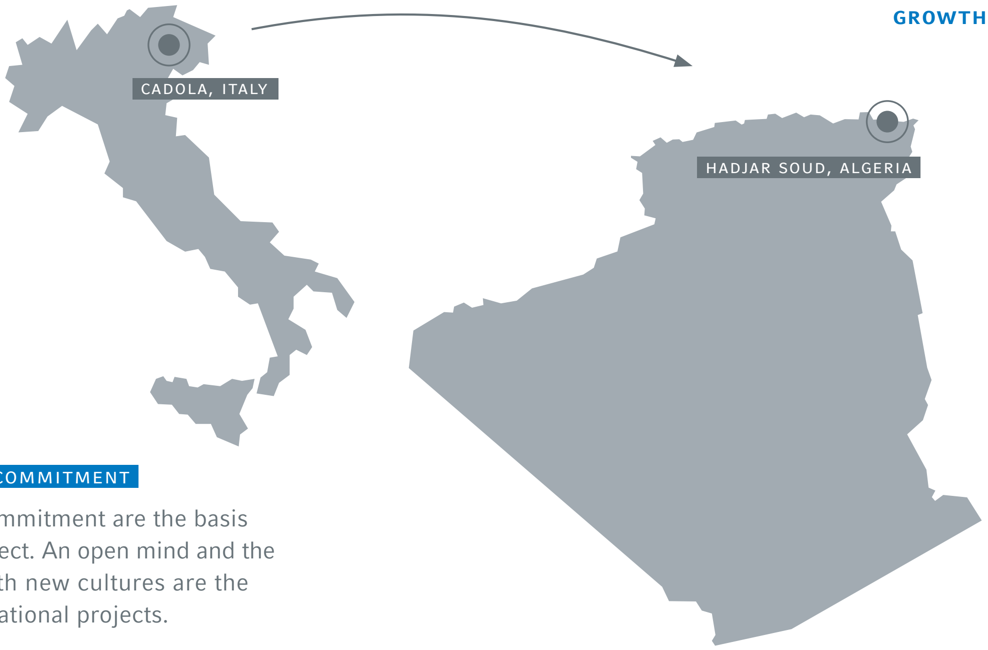
My working route within Buzzi Unicem began as production manager at the Vernasca (Italy) plant. In that period I was also able to play a role in commissioning the plants at Chattanooga (USA) and Cerritos (Mexico), taking the opportunity to further my technological knowledge about cement production.

Afterwards I assumed the management of the plants in Cadola and Travesio. These activities have allowed me to use the knowledge gained in the technological field and especially to develop ever greater skills in the overall management of the production unit.

In the last four years I have participated in the “Algeria project”, initially dealing as technical director to then follow the general management of the company in Hadjar Soud. The experience in North Africa was complex for various reasons related to communication, not only for the language but also for the different culture. By this I mean, in addition to a working environment regulated by questionable “habits” at times, which did not stimulate the staff to reach the set goals, also the legislative procedures different from our own and very difficult to deal with due to a complicated bureaucracy that often disrupted operations.

The Algerian situation also highlighted the poor knowledge of technology and application of innovative materials and solutions that improve the efficiency and reliability of the already active plants. The know-how gained in the past allowed me to apply alternative solutions, also in management terms, to enhance productivity. On site staff training was of fundamental importance. It involved the transfer of skills by encouraging learning, providing information, developing the awareness of existing problems and acting on the organization. Concerning the managerial aspect, the plant management experience proved to be very useful, even though for some matters the arrangement was completely different due to highly binding procedures and laws. This last aspect slowed down the full application of the best organizational solutions and technologies, affecting the operating results of the plants.

GROWTH



DETERMINATION AND COMMITMENT

Determination and commitment are the basis of each and every project. An open mind and the ability to interface with new cultures are the foundations for international projects.

ANDREA ORIGHI,
CEMENT OPERATIONS OF ITALY,
CASALE MONFERRATO

Andrea Orighi joined Buzzi Unicem in 1996 at the plant in Vernasca. Following the management of the Cadola facility he gained significant experience abroad. Algeria was his last international project.

GUIDONIA, ITALY

Diversity

CULTURAL DIVERSITY: AN IMPORTANT RESOURCE FOR THE GROUP

Thanks to the construction of the new coal mill, the Volyn-Cement plant in Ukraine was modernized while improving efficiency. Employees of different nationalities cooperated successfully on this project.

VOLYN, UKRAINE

Різноманітність

GROWTH AND INTEGRATION BETWEEN EAST AND WEST

The Guidonia plant is one of the 11 plants of Buzzi Unicem in Italy. The continuous improvement of the cement plants is fundamental for the business: for this reason technical skills are often required inside the group.

"SO FAR, SO NEAR ..." THE POTENTIAL OF RECIPROCAL KNOWLEDGE.

Being aware of differences becomes an essential stimulus to have productive discussions.

"You live in Kiev? Goodness it is cold up there in Russia!"

This is the sentence which my wife Valentina and I heard very often, since in 2009 I took over the position of Country Manager Dyckerhoff Ukraine. It is interesting how these few words, geographically inaccurate, summarize the cultural distance that I have been dealing with for three years now. In Italy we know very little of ex-soviet countries. At school we study the October Revolution and the Cold War, but we ignore the deep cultural and social differences between the Caucasus and the Baltic republics, just like between Ukraine and Russia. Ironically, this lack of knowledge is reciprocal: with the numerous difficulties which afflict our tottering EU, it is surprisingly comforting to hear us being referred to by our Ukrainian colleagues as "you Europeans", whether Italian, like me, German or British.

It is natural to wonder whether it is possible to successfully work together. I am sure that it is possible but not without understanding and overcoming the cultural barriers that divide us. At the beginning, language poses the most insurmountable obstacle. However, even more difficult obstacles are soon meet, which concern different approaches to project management and a behavior we find sometimes too formal. Though at the same time, extremely positive characteristics emerge, which we Europeans should consider: the vast professional availability and flexibility, high average education as well as a strong attachment with the company and among colleagues.

An important test of integration between East and West is represented by the numerous projects that we are carrying out in Ukraine with the contribution of our central services: in particular, the reorganization linked to the implementation of SAP, the investment for the use of alternative fuels in Volyn and the OHSAS certification, aiming to ensure that our local workers receive the same standards of safety in the workplace as in force in Europe. Indeed I am convinced that the key for success lies in our differences: the mutual knowledge of our different cultures to extract their best features.

DIVERSITY

CHALLENGES AND OPPORTUNITIES

Being involved in international projects means a real challenge but also a huge opportunity. Cultural diversity requires the close sharing of visions, ideas, skills and potential, which is able to generate a new force.

PAOLO ZELANO,
COUNTRY MANAGER
UKRAINE, KIEV

Paolo Zelano gained a significant international experience prior to joining Buzzi Unicem. He acquired significant know-how on production technology and business organization in the cement industry.

RATHEIM, GERMANY

Transfer

CORPORATE IDENTITY AND INDIVIDUAL CREATIVITY

The concrete plant in Mladá Boleslav, like all the 62 plants in ZAPA beton, was “rethought” by the Czech architect Jan Rada. Rada’s work moves away from the group’s corporate identity providing the plants with a strong creative mark.

MLADÁ BOLESLAV, CZECH REPUBLIC

Přenos

CREATION OF VALUE BY SHARING OF KNOWLEDGE, EXPERIENCE AND CORPORATE IDENTITY

Dyckerhoff has 129 active ready-mix concrete plants in Germany, among which the new plant in Ratheim stands out. The internal sharing of technical knowledge assists employees in exchanging ideas and solutions, both locally and internationally.

A TRIP TO DRAW CLOSER, CONNECT AND INTEGRATE SKILLS AND RELATIONS.

The expertise acquired in the field becomes a precious trait d'union between German and Czech operations.

I was transferred from Dyckerhoff in the Czech Republic to the associate ZAPA beton, taking the role of Chief Operating Officer with the associated responsibilities linked to operations, the continuous adjustment of the relations networks to company standards as well as organizational improvement and simplification. In this context, I preside over the area managers body of the batching plants, the same position I held in Germany where I gained in-depth industry knowledge.

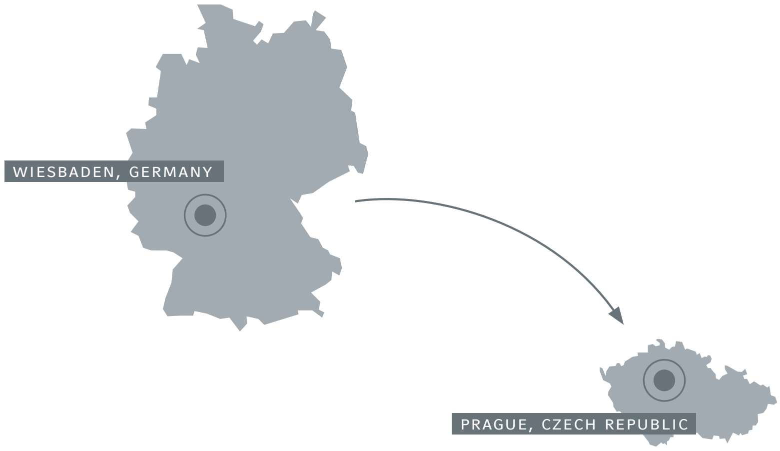
The principles that regulate the concrete industry in the Czech Republic are the same; nevertheless, here it seems the concept of "service and assistance" is given a higher priority: actually we are able to deliver to our customers 24/7, with construction sites active on Sundays too.

My arrival in ZAPA beton represents for Dyckerhoff an opportunity to create a direct link with the organizational structures and the corporate reporting network, just as with all the technical resources already made available, through which we will significantly improve communication and transparency.

Thanks to its multiform and peculiar corporate identity, ZAPA beton already boasts its own exclusive sales range within Dyckerhoff: with the aim of protecting this specific identity and ensuring a consistent corporate culture, at this juncture I play the role of intermediary and spokesperson of the corporate identity to draw the company even closer to the group.

Working abroad requires intercultural understanding, tolerance, the ability to adapt and, above all, openness and willingness … requirements which also my family must follow.

And it is also thanks to the support of my loved ones, despite the many initial difficulties and the mentality shift connected to the culture, that I feel I have successfully integrated.



TRANSFER OF COMMON VALUES

Our people often behave as “ambassadors of the corporate culture” and transmit the company values to the new working place, ensuring uniform participation in the group’s identity.

DANIEL PIEZONKA,
COO, ZAPA BETON, PRAGUE

Daniel Piezonka has more than 20 years of experience in the ready-mix concrete industry. In Germany he was Regional Head, managing numerous batching plants. Currently he is the Chief Operating Officer of the ready-mix concrete division in the Czech Republic.

Review of operations

The sizeable increase of demand in emerging Countries and Central Europe more than offset the shrinking of results in Italy and the United States of America and allowed for an improvement of profitability. Production efficiency and competitiveness were boosted by the start up of the recent special projects. Careful cash flow management brought about a meaningful reduction of net debt.

CONTENTS

Shares and Shareholders

The ordinary and savings shares of Buzzi Unicem SpA have been listed on the Borsa Italiana (the Milan Stock Exchange) since September 1999. As at 31 December 2011 the market capitalization amounted to € 1,254 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 shares	Savings shares	Ordinary shares	Savings shares
Annual period of reference	**Number**	**Number**	**€ m**	**€ m**
2005	85,769,049	28,311,046	1,045.5	252.9
2006	100,899,098	32,479,343	1,850.5	398.8
2007	168,024,567	21,128,085	3,635.8	319.3
2008	217,560,057	31,688,570	3,194.2	321.5
2009	278,784,704	53,467,061	2,960.0	308.9
2010	365,608,536	31,748,299	3,277.7	171.9
2011	303,044,199	20,525,035	2,546.1	96.4

Price trend of Buzzi Unicem shares

(Base: January 2005 = 100)

Main shareholders
as at 31 December 2011

	Ordinary shares	% of total share capital	% of ordinary share capital
Presa SpA (Buzzi family)	79,200,000	38.44	47.90
Fimedi SpA (Buzzi family)	17,750,000	8.61	10.73
UBS AG [1]	4,842,536	2.35	2.93
Platinum Investment Management Limited	3,344,212	1.62	2.02

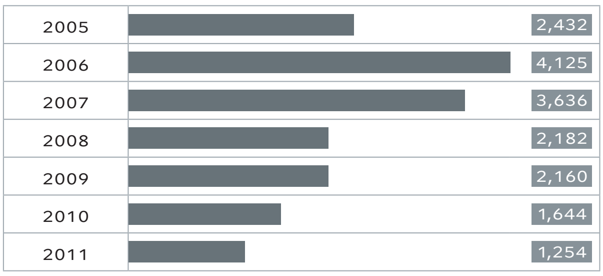
[1] of which 4,769,311 shares in the capacity of lender without voting rights.

A total of 41,218,622 ordinary shares, corresponding to 24.93% of the voting capital, are held by foreign investors.

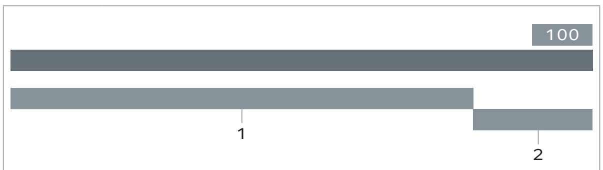
Distribution of shareholdings
as at 31 December 2011 (ordinary shares)

	No. of shareholders	in %	No. of shares	in %
1–1,000	13,524	81.04	4,315,024	2.61
1,001–10,000	2,638	15.81	7,595,584	4.59
10,001–100,000	416	2.49	14,038,427	8.49
100,001–	110	0.66	139,400,114	84.31

Market capitalization
as at 31 December (€ mn)



Capital structure
as at 31 December 2011 (in numbers/in %)



1	No. of ordinary shares (165,349,149)	80.2
2	No. of savings shares (40,711,949)	19.8

Key per-share data

	2005	2006	2007	2008	2009	2010	2011
euro							
Basic EPS (ordinary)	1.31	1.77	2.23	1.92	0.67	(0.31)	0.12
Diluted EPS (ordinary)	1.26	1.71	2.23	1.92	0.67	(0.31)	0.12
Cash flow per share	2.67	3.14	3.64	3.39	1.90	1.68	1.44
Shareholders' equity per share	9.67	10.63	10.95	12.14	12.16	12.48	13.81
Price/earnings ratio	10.1x	12.1x	8.5x	6.0x	16.8x	n/a	56.3x
Price at year-end							
ordinary shares	13.16	21.45	18.93	11.58	11.28	8.62	6.75
savings shares	9.17	14.56	12.51	6.57	7.24	5.36	3.37
Dividend per share [1]							
ordinary shares	0.32	0.40	0.42	0.36	0.18	–	0.05
savings shares	0.34	0.42	0.44	0.38	0.20	0.03	0.05
Yield							
ordinary shares	2.4 %	1.9 %	2.2 %	3.1 %	1.6 %	–	0.7 %
savings shares	3.8 %	2.9 %	3.5 %	5.8 %	2.8 %	0.6 %	1.5 %

[1] 2011: proposed to shareholders at the Annual General Meeting

Performance indicators

	2011	2010	2009
in %			
EBITDA margin [1]	15.4	14.6	20.3
Return on Sales (ROS)	6.7	0.0	12.1
Return on Equity (ROE) [2]	1.9	(1.5)	6.3
Return on Capital Employed (ROCE) [3]	3.7	0.0	6.3
Debt/equity ratio	0.40	0.45	0.45

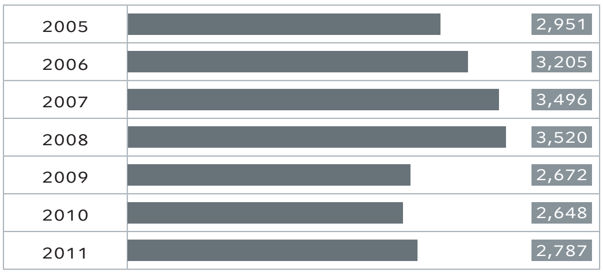
[1] Ratio between EBITDA and sales; it expresses the result of a company's typical business operations.
[2] Ratio between net profit and shareholders' equity; it expresses the latter's profitability.
[3] Ratio between operating profit (EBIT) and the difference between Total Assets and Current Liabilities. It indicates the efficiency and profitability of a company's invested capital.

Business review

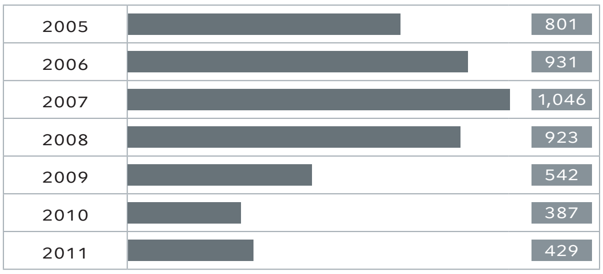
In 2011 the main emerging markets maintained high growth rates, while more mature economies have not yet started a sufficiently solid recovery. Particularly in the euro zone, from the second half of 2011 the sovereign debt crisis worsened, causing concerns as to the effects of the consolidation of public accounts and the growing difficulties in disbursing credit to the economy by the banking industry, which led to a cooling in production. Everyone hopes that the economic weakening is short lived, but there is the risk that, due to the restrictive budget policies and the new financial tensions, the weakness may extend over time. In the United States, starting from the fourth quarter, employment market conditions started to improve, although it remains to be seen whether this is a real economic recovery. Inflation pressures referring to the energy factors relaxed, especially in the mature economies. Investments in construction, which the demand for cement and concrete depends on in the areas where the group operates, showed a notable expansive trend in Eastern Europe and an improvement above expectations was confirmed in Central Europe; on the other hand, the industry was still penalized by the persisting weakness in residential building in the United States and the difficult economic situation Italy is experiencing, having basically entered into recession.

In 2011 the group sold 28.2 million tons of cement (+6.2 % vs. 2010) and 15.1 million cubic meters of ready-mix concrete (+4.8 %). Consolidated net sales increased by 5.2 % to € 2,787.4 million against € 2,648.4 million in 2010. The changes in consolidation scope determined an increase of € 25.9 million in net sales, while foreign exchange effect had a negative impact of € 44.8 million. Based on like-for-like conditions, 2011 net sales would have increased by 6.0 % over 2010 ones. EBITDA grew by 11.0 %, going from € 387.0 to € 429.4 million. The figure reported in 2011 benefited from € 7.1 million of non-recurring income, while in the previous year EBITDA was penalized by € 11.2 million of non-recurring charges. After amortization, depreciation and impairment charges of € 243.5 million, EBIT reached € 185.9 million vs. € 0.3 million in 2010, when an impairment on fixed assets equaling € 163.9 million had heavily influenced the operating profitability. Net finance costs decreased from € 103.6 million to € 99.8 million; consequently the profit before tax amounted to € 84.3 million vs. a loss of € 102.1 million in 2010. After income taxes for € 30.2 million (positive taxation equal to € 60.6 million in the previous year), the income statement for 2011 closed with a net profit of € 54.1 million, of which € 26.4 million attributable to owners of the company.

Turnover
(millions of euro)



EBITDA
(millions of euro)



Net debt at the end of 2011 amounted to € 1,143.1 million, down from € 1,266.9 million as at 31 December 2010, after having made industrial investments for € 156.6 million and distributed dividends for € 15.8 million. Compared with 2010 year-end, debt/equity ratio dropped to 0.40.

In the various markets of presence, 2011 was characterized by highly differentiated operating conditions. In Italy, the weakening of internal demand and the effect on available income of the public finance corrective measures contributed to worsening consumer spending and investments, especially from the third quarter onwards. The economies of Central Europe, structurally more solid, maintained the benefits deriving from the dynamism of the foreign trade and the mild climate that characterized the first and last quarter of the year. Eastern Europe witnessed a double-digit growth in deliveries, a sign that the output of the construction industry is returning to pre-crisis levels (2007–2008). In the United States, demand linked to residential building did not show signs of recovery; non-residential building continued to suffer from the reduction in private investments, and public investments in infrastructure were limited due to the high levels of debt in many States of the union. Finally in Mexico, where the country's growth rate remained positive and consistent, important civil engineering projects provided suitable support to construction investments.

Operating and financial performance

In 2011, consolidated sales of cement amounted to 28.2 million tons, +6.2 % YoY. The improvement in volumes was driven, in the following order, by Russia, the Czech Republic, Ukraine, Luxembourg, Mexico, Germany and Poland. The United States recorded a business level slightly lower than in 2010, while in Italy a notable drop in demand took place (–10.5 %). Ready-mix concrete sales reached 15.1 million cubic meters (+4.8 %). In Germany the strong increase in production was also determined by the change in the consolidation scope as a consequence of SIBO group acquisition. Volumes grew in double figures in Ukraine, Poland and the Czech Republic, while Italy continued to suffer; in the other countries production was similar to that of 2010.

Consolidated net sales increased by 5.2 %, from € 2,648.4 to € 2,787.4 million; changes in scope had a positive effect of € 25.9 million, while the foreign exchange effect was negative for € 44.8 million; based on like-for-like conditions, net sales would have increased by 6.0 %.

In Italy, with the deterioration of the economic scenario, from the second half domestic demand weakened considerably, leading to a notable drop in sales volumes of cement and clinker. Exports declined too, due to the excess of production capacity characterizing the Mediterranean basin. Consequently, despite a good rise in selling prices compared to the very depressed ones in the previous year, net sales decreased from € 614.2 to € 568.1 million, down by 7.5 %.

In Central European countries sales grew at satisfactory levels, also thanks to mild climate in the fourth quarter. In a situation of slightly declining prices, net sales rose from € 728.5 to € 826.7 million, up by 13.5 % (it would have been +9.9 % at constant scope). Germany increased net sales by 16.0 % (from € 548.5 to € 636.6 million, of which € 25.9 million refer to the change in scope) and Luxembourg by 22.2 % (from € 92.3 million to € 112.8 million). In the Netherlands, our business in the concrete and aggregate industry reported net sales of € 109.7 million, down from € 113.2 million in 2010, mainly due to weak prices.

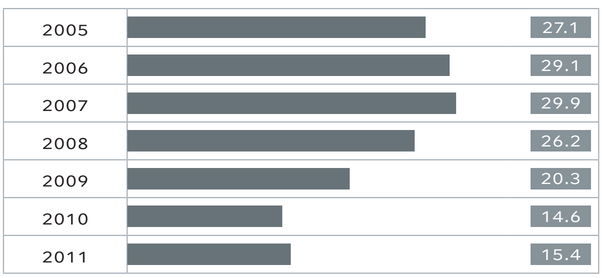
In Eastern European markets net sales improved significantly in Russia (+41.4 %), thanks to the outstanding performance of shipments in a favorable price environment. Likewise in Ukraine the satisfactory trend in volumes and prices allowed to improve net sales by 37.9 %, despite a certain weakening in the local currency. Business in Poland continued with the full utilization of the production capacity during the summer, in a virtually stable prices situation. Net sales grew by 11.4 % over the previous year; nevertheless, at constant foreign exchange, the increase would have been of 14.9 %. Sales performance in the Czech Republic and Slovakia was negatively affected by an economic context where austerity measures prevail, despite some export opportunities to bordering countries; due to the effect of favorable volumes and decreasing prices combined with the appreciation of the local currency, net sales grew by 7.8 %. Overall net sales from Eastern Europe grew from € 492.7 million to € 598.3 million; foreign exchange effect in the area had a negative impact of € 9.1 million.

In the United States, demand for building materials remained practically unchanged from the previous year but a further drop in prices negatively affected net sales development even more. The reduction of turnover in euro (from € 600.9 million to € 557.9 million, –7.2 %) was attributable for € 27.9 million to unfavorable foreign exchange effect. Based on like-for-like conditions, net sales would have decreased by 2.5 %.

Mexico confirmed a positive and consistent growth rate. Net sales in local currency grew by 15.2 %, while in euro, due to peso devaluation, they improved by 11.5 % from € 213.4 million in 2010 to € 237.9 million in 2011.

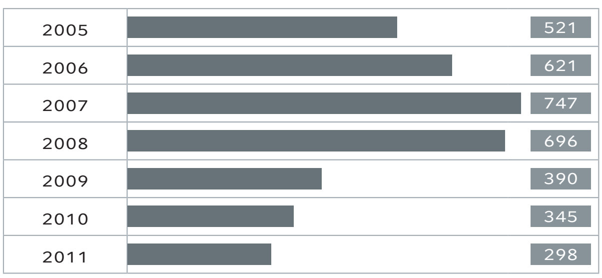
EBITDA increased from € 387.0 million to € 429.4 million, + 11.0 % YoY. Changes in the consolidation scope were positive for € 3.3 million; the negative foreign exchange impact equaled € 7.8 million. The 2011 figure includes non-recurring income for € 7.1 million, referring to the gain from the disposal of an investment property in Luxembourg, while the 2010 one included non-recurring costs mostly deriving from the write-down of the Oglesby plant (Illinois). Excluding non-recurring items, EBITDA grew from € 398.3 million to € 422.3 million (+ 6.0 %), with a 15.2 % margin on net sales (15.0 % in 2010). Profitability benefited from the recovered volumes and the strengthening of the prices in Eastern Europe, remaining stable at interesting levels also in the less dynamic countries (the Czech Republic and Poland). In Central Europe and in Mexico the improvement was consequent to the volume effect and concerned absolute values rather than the EBITDA/net sales ratio. In the United States, due to an additional drop in prices, accompanied by the underutilization of production capacity and a certain pressure on the cost side, profitability probably reached the minimum point of

EBITDA margin [1]
(in %)



[1] EBITDA/Net sales

Cash Flow [1]
(millions of euro)



[1] Profit for year + depreciation, amortization and impairment charges

the cycle. The volumes effect was very unfavorable in Italy, where the good recovery in sales prices could not offset the rise in unit production costs, due to both the increase in energy factors and capacity underutilization. Interesting signs of improvement in production efficiency were seen in the countries where major investment projects had recently been completed. In Ukraine, after two very difficult years, EBITDA returned to be positive; Russia showed the highest profitability within the group.

Amortization and depreciation amounted to € 243.5 million vs. € 386.7 million in the previous year. The 2010 figure included impairment losses on property, plant and equipment located at the Oglesby plant (Illinois), totaling € 163.9 million. EBIT reached € 185.9 million compared to € 0.3 million in 2010. Net finance costs decreased to € 99.8 million from € 103.6 million in the previous year. The favorable change was attributable to the positive balance resulting from fluctuation of exchange gains/losses and derivative instruments, in addition to a certain decrease in net debt during the period. Capital gains from the disposal of equity investments accounted for € 1.2 million, while equity in earnings of associates, which showed a loss of € 3.0 million, was particularly affected by the poor performance of our associated companies in the United States. Due to the above factors, profit before tax stood at € 84.3 million vs. a loss of € 102.1 million in 2010. After income taxes for € 30.2 million, corresponding to a tax rate of about 36 %, the income statement for 2011 closed with a profit of € 54.1 million vs. a loss of € 41.4 million in 2010. The result attributable to owners of the company went from a loss of € 63.5 million in 2010 to a profit of € 26.4 million in 2011.
Cash flow for 2011, gross of the positive and/or negative non-recurring items, equaled € 297.6 million vs. € 345.3 million in 2010. The group's net debt as at 31 December 2011 stood at € 1,143.1 million, down € 123.9 million vs. € 1,266.9 million at 2010 year-end. In 2011, the group distributed dividends for € 15.8 million, of which € 1.2 million by the parent company Buzzi Unicem SpA, and paid industrial investments for a total of € 156.6 million, of which € 60.3 million relating to expansion or other special projects.

The main industrial investments made in Italy concerned the installation of dosing systems for the new reducing agent of hexavalent chromium, restoration of the civil structures in Guidonia (RM) and Augusta (SR), acquisition of new quarries at the cement plant in Guidonia (RM), the construction of a new main stack at the cement plant in Travesio (PN), the purchase of a special mill for the transformation of urban waste into fuel; in addition, the new IT maintenance management system was started up. In Germany capital expenditures particularly regarded works to increase the use of alternative fuels and the improvement of the energy efficiency in the white cement production in Amönebourg. In Russia, the capital allocated to the completion of the expansion project at Suchoi Log and the new terminal and mixing plant in Omsk equaled € 20.7 million. Finally, last payments were made referring to the greenfield cement plant in Apazapan, Mexico (€ 24.3 million) and to the replacement of fuel from natural gas to coal in Ukraine (€ 9.1 million).

The assets and liabilities forming the net financial position, broken down by their degree of liquidity, are reported in the following table:

Net financial position

	Dec. 31, 2011	Dec. 31, 2010
millions of euro		
Cash and short-term financial assets:		
Cash and cash equivalents	592,0	396,5
Derivative financial instruments	4,2	1,9
Other current financial receivables	7,8	8,1
Short-term financial liabilities:		
Current portion of long-term debt	(402,4)	(175,7)
Short-term debt	(78,6)	(2,2)
Derivative financial instruments	(0,2)	(1,3)
Other current financial liabilities	(14,6)	(15,5)
Net short-term cash	**108,2**	**211,8**
Long-term financial assets:		
Derivative financial instruments	1,7	2,6
Other non-current financial receivables	12,6	10,2
Long-term financial liabilities:		
Long-term debt	(1.247,9)	(1.458,8)
Derivative financial instruments	(13,8)	(29,0)
Other non-current financial liabilities	(3,9)	(3,7)
Net debt	**(1.143,1)**	**(1.266,9)**

As at 31 December 2011 shareholders' equity, including non-controlling interests, reached €2,844.8 million vs. €2,803.7 million at 2010 year-end; therefore the debt/equity ratio dropped to 0.40 from 0.45 in the previous year.

Italy

TRADING CONDITIONS CEMENT BUSINESS

Volumes	−10.5 %
Prices	8.4 %
Mkt share	16 %

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

Cement

millions of euro	2011	2010	11/10
Net sales	351.4	367.7	−16.3 %
EBITDA reported	20.8	32.2	−11.5 %
% on net sales	5.9	8.8	
Capital expenditures	17.9	24.0	−25.4 %
Headcount end of period no.	1,335	1,394	−4.2 %

Before intersegment eliminations.

Ready-mix concrete

millions of euro	2011	2010	11/10
Net sales	299.9	338.6	−38.7 %
EBITDA reported	−12.0	−1.6	−10.5 %
% on net sales	−4.0	−0.5	
Capital expenditures	4.5	6.1	−26.2 %
Headcount end of period no.	552	569	−3.0 %

Before intersegment eliminations.

Italy

The Italian economic situation, particularly starting from the second half of 2011, was heavily affected by the worsening sovereign debt crisis and the effect on the available income of the public finance austerity measures. Already in the third quarter GDP, which felt the effects of the weak internal demand in terms of both consumption and investments, recorded the first decline from the beginning of 2010; then in fall the economic situation deteriorated. In the fourth quarter, industrial output suffered the most consistent drop since spring 2009 and consumer prices were affected by the rise in indirect taxation, while the pressures deriving from internal demand and imported raw materials eased. The slowdown in industrial activity influenced the operating profitability of companies and reduced cash flow. In addition, companies' liquidity was constrained by the tensions in financial markets and the increased difficulty to access bank loans. Italian exports of goods and services continued to increase, even though as from October growth rate slowed. Consumer confidence worsened while consumption reflected the pessimism on employment prospects and the rising fiscal pressure. In this economic context, GDP growth during 2011 rested on a modest 0.4 %, industrial output was down 1.7 %, unemployment increased to 8.9 %, the consumer price index rose by 2.8 %. The public debt/GDP ratio further worsened, reaching 120.1 %.

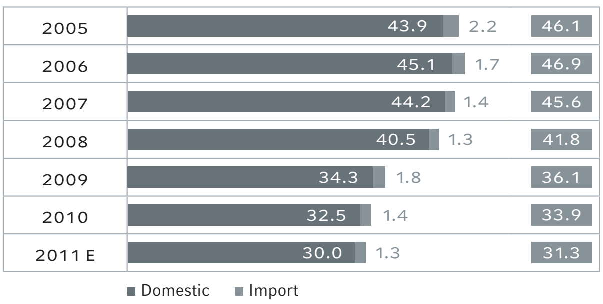
After a first half of the year when the fall in construction industry demand seemed to stop and weak but comforting signs of improvement were being seen, since July, with the intensification of financial tension on public debt, the troubled deficit containment measures and the slacking off in international trade, a sharp slowdown took place. Investments in construction worsened overall by more than 2 % over the previous year. Compared to the peak of the last expansion cycle, new residential building dropped by more than 45 %. The administrative framework to expand residential buildings did not start. The non-residential segment, which also had showed some positive signs in the service and industrial segment, has now an unsold portion that is starting to cause concerns. Among the few favorable indications, noteworthy is the strong growth of investments in the sector of renewable energy sources, stimulated by a questionable incentive scheme. In the segment of public infrastructures, the resource scarcity affected the medium-small work plans and caused additional delays in large infrastructure projects.

The estimates of the Italian cement industry association (Aitec) show that domestic cement deliveries decreased by 3.4 % YoY. Therefore, the persisting crisis in the construction market led to a decline in consumption for the fifth consecutive year. Our sales of hydraulic binders and clinkers, exports included, decreased by 10.5 %. Sales policy focused mainly on improving prices; the recovery obtained was notable (+8.4 % on the previous year) but this effort must continue in the future to align the intrinsic value of our product with the market one. This volume – price combination led to a 4.4 % reduction in cement sales revenue, from € 367.7 million to € 351.4 million. During the year, the company sold CO_2 emission rights assigned to it and surplus to requirements because of the modest output, thus realizing € 13.5 million of other operating revenues (€ 31.0 million in 2010). Unit production costs increased by about 6 %, largely due to the tension in the fuel market. Furthermore, from the second half of 2011 a turnabout occurred in the purchase cost of petcoke, our main fuel, which showed a downward trend from the peaks reached in the middle of the year. Profitability was penalized by the capacity underutilization, the price level still far from the European average, the inflation of energy factors and lower revenues from the sale of CO_2 emission rights. Despite particularly careful management and savings in fixed costs, EBITDA ended at € 20.8 million vs. € 32.2 million in 2010 equal to only 5.9 % of net sales.

Capital expenditures continued to be focused on improving technological and environmental efficiency and the safety of the production plants. In particular, dosing systems were installed in all plants for a new reducing agent of the hexavalent chromium, able to obtain important environmental improvements and economies of scale (totaling €1.9 million). At the plants in Guidonia (RM) and Cadola (BL) some important projects concerned the extension of the raw material reserves and the opening of new quarries (totaling € 0.7 million). Still in Guidonia (RM), the pavement of the coal storage was completed and the electronics of the raw mill modernized (totaling € 1.2 million). The new maintenance management IT system, whose benefits in terms of efficiency and effectiveness are already expected from 2012, required an investment of € 0.8 million.

The ready-mix concrete segment recorded a production drop of 11.5 % compared to 2010. Sales prices were slightly up (+0.7 %), also thanks to the initiatives following the H_2NO project, through which Unical ensures that concrete is delivered to job sites with the suitable consistence for its use, without any need for harmful additions of water, which jeopardize its properties. This new way of designing and developing our concretes, supplemented by a company organization able to implement an integrated system of control of workability also during delivery in the mixer truck until pouring, together with a new service of specialized technical assistance at the site, is consolidating Unical's leadership position for quality and service in the Italian market. Net sales decreased from € 338.6 million to € 299.9 million, down by 11.4 %. Weak sales volumes, which imply a higher incidence of fixed costs, and significant difficulties in collecting trade receivables, which caused notable impairment of the same, heavily affected profitability. EBITDA unfortunately registered a loss of € 12.0 million (equally negative for € 1.6 million in 2010). In the fourth quarter it was decided to initiate a restructuring plan to contain costs, which, inter alia, envisages the closure of some plants and the centralization of the sales areas.

Italy – Cement Consumption
(million tons)



Germany

Germany's GDP grew by 3.0 % YoY. The country's economy continued to expand after the crisis, still taking advantage of the foreign trade dynamism and the positive impulse of domestic demand. Quickly rising private consumption and companies' investments characterized the year's favorable situation. In any case, economic activities felt, from the second half of the year, the slowdown of international trade, especially towards China, and the financial turmoil that hit the euro zone, connected to the sovereign debt crisis. These negative factors might have even greater effects on growth in 2012.

The construction industry, which already in the second half of 2010 had began to recover, during the year recorded a growth of 5.4 %, benefiting from the expansive economic phase of the country and the particularly good weather conditions in the winter periods. The residential market, driven by investments to renovate and refurbish existing buildings, further increased the strength already shown in the previous year, reporting a progress of 5.9 % from 2010. For the non-residential segment, previously stagnant, the positive change reached 6.6 %. Only the growth rate in public works investments recorded a slowdown (+0.8 % vs. +2.8 % in 2010).

Our cement deliveries had an impressive development from a year earlier (+12.8 %), in a price environment unfortunately still soft (–1.5 % the average level). The ready-mix concrete segment registered a 27.5 % growth, 11.5 % thereof due to the change in the consolidation scope (acquisition of the SIBO group from July 2010), while prices were virtually stable (–0.5 %). Thus overall net sales increased from € 548.5 million to € 636.6 million, up by 16.0 % (based on like-for-like conditions, they would have increased by 11.3 %). EBITDA was up 18.3 % to € 90.3 million vs. € 76.3 million

Germany

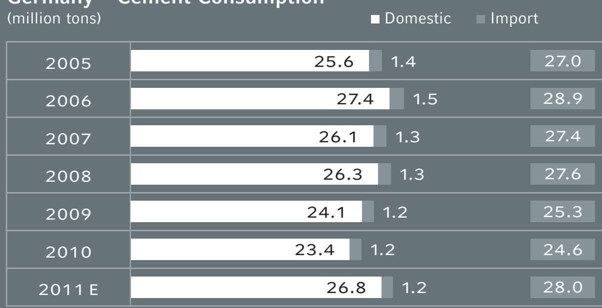
TRADING CONDITIONS CEMENT BUSINESS

Volumes	12.8 %
Prices	– 1.5 %
Mkt share	14 %

Cement plants
Grinding plants
Ready-mix concrete plants

millions of euro		2011	2010	11/10
Net sales		636.6	548.5	16.0 %
EBITDA reported		90.3	76.3	18.3 %
% on net sales		14.2	13.9	
Capital expenditures		29.0	26.6	9.2 %
Headcount end of period	no.	1,822	1,756	3.8 %

Germany – Cement Consumption
(million tons)



in 2010. Other operating revenues included the sale of CO_2 emission rights for a total of € 2.6 million (€ 6.0 million in 2010).

Capital expenditures in property, plant and equipment were equal to € 29.0 million; among the most significant ones are the modernization of the kiln for the production of white cement at the Amönebourg plant for € 2.5 million, the chlorine by-pass at the plants in Geseke for € 1.3 million, Göllheim for € 2.3 million and Deuna for € 0.5 million.

Luxembourg

TRADING CONDITIONS CEMENT BUSINESS

Volumes	22.3 %
Prices	– 1.8 %
Mkt share	NA

Cement plants
Grinding plants

millions of euro	2011	2010	11/10
Net sales	112.8	92.3	22.2 %
EBITDA reported	33.4	16.4	104.3 %
EBITDA recurring	26.4	16.4	61.0 %
% on net sales	23.4	17.8	
Capital expenditures	2.2	8.0	– 72.5 %
Headcount end of period no.	157	156	0.6 %

Luxembourg

The year ended with GDP up by 2.0 %, lower than the growth obtained the previous year. Exports of goods and services continued their positive trend (up by more than 4 %). The country enjoys a stable economy and shows a constant vitality, taking advantage of the developments of the Great Region, i.e. the bordering area consisting also of the nearby territories of Germany, France and Belgium.

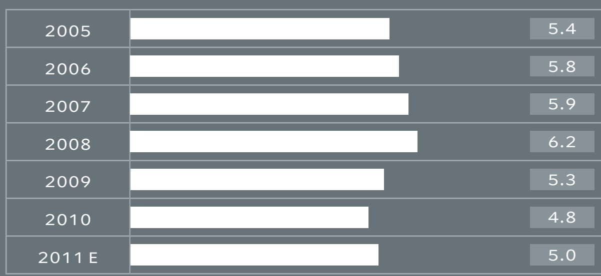
In 2011 no important changes took place in the local building market, while the demand coming from exports sustained our level of activity. Sales of hydraulic binders and clinkers, including shipments abroad, were up 22.3 %, against a slight drop in average unit revenues (– 1.8 %). Net sales equaled € 112.8 million vs. € 92.3 million in the previous year (+ 22.2 %), and EBITDA more than doubled coming in at € 33.4 million (€ 16.4 million in 2010). The sharp increase in the results is influenced by the sale of the CO_2 emission rights estimated in excess for € 5.7 million (€ 0.4 million in 2010) and other non-recurring revenues equal to € 7.1 million, consisting of a capital gain on the disposal of investment property.

The total capital expenditures made in 2011 equaled € 2.2 million of which € 0.5 million still refer to the project for expansion of the clinker grinding capacity in Esch-sur-Alzette.

Netherlands

millions of euro		2011	2010	11/10
Net sales		109.7	113.2	–3.0 %
EBITDA reported		1.6	0.6	169.0 %
% on net sales		1.4	0.5	
Capital expenditures		2.3	2.2	4.5 %
Headcount end of period	no.	287	287	–

Netherlands – Cement Consumption
(million tons)



The Netherlands

The Netherlands' economy continued its slow recovery, with GDP growing by 1.5 %. Being mostly connected to the world economic performance, the country's financial situation in the second half was affected by the general slowdown and the sovereign debt crisis in Southern Europe. The moderate growth was driven by exports and the recovery of investments. Private consumption was weak and public spending started to record a contraction, due to the fiscal consolidation underway. The country's economic prospects indicate a progressive exit from the 2008–2009 crisis, when its prosperity reached a record low.

Spending in private investments showed a strong recovery, also bolstered by positive data relating to employment. After two consecutive years of recession, investments in construction recorded a 3.7 % increase.

Sales of ready-mix concrete stood at 0.9 million metric cubes (+3.6 % vs. 2010). Net sales equaled € 109.7 million, down by 3.0 % (€ 113.2 million in 2010) due to weak price level (–3.0 %). EBITDA reached € 1.6 million, against € 0.6 million in 2010, when the income statement was impacted by restructuring charges for € 1.5 million.

Poland

TRADING CONDITIONS CEMENT BUSINESS

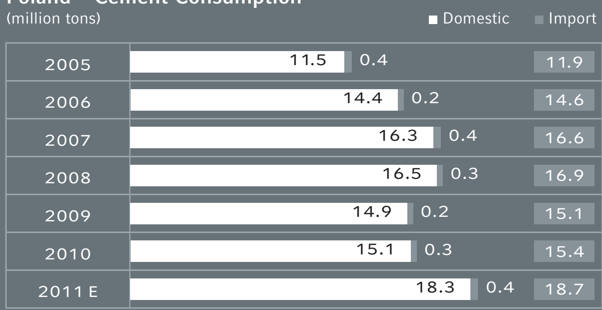
Volumes	7.8 %
Prices*	0.8 %
Mkt share	9 %

* in local currency

- Cement plants
- Terminals
- Ready-mix concrete plants

millions of euro		2011	2010	11/10
Net sales		144.0	129.3	11.4 %
EBITDA reported		36.9	33.4	10.5 %
% on net sales		25.6	25.8	
Capital expenditures		2.2	2.3	–4.3%
Headcount end of period	no.	389	411	–5.4%

Poland – Cement Consumption
(million tons)



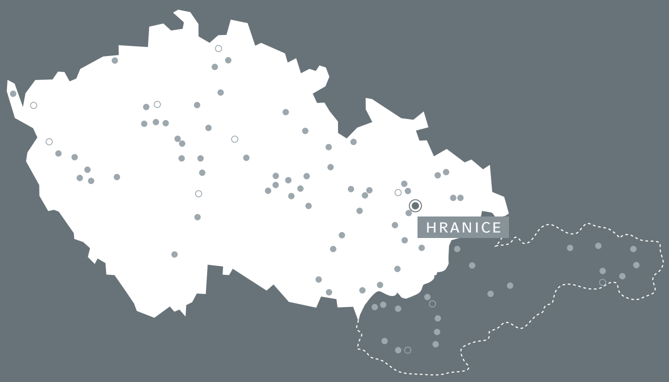
Poland

Driven by the German trade and domestic demand, with satisfactory household spending, GDP featured renewed acceleration and increased by 4.0 %. The country, with its 38 million inhabitants, is the most populated among those that have recently entered the EU and shows an economic and social dynamism highly focused on reaching the Union standards, even though the time is not yet right to join the single currency, due to the excessive public deficit. EU membership has in any case allowed the country to be the main beneficiary of the cohesion funds. The growth in internal consumption, investments, employment and the level of real salaries are tangible signs of a recovered Polish confidence in the economic prospects of their country. In order to eliminate the unbalances in public accounts, various measures have been implemented aiming to act on the spending side. Furthermore, the privatization of state businesses continues to be successful, often implemented through stock market listings, with the aim of reducing public involvement in the economy.

Poland's and Ukraine's hosting of the next European soccer championship and the consequent creation of the necessary infrastructure works gave the construction industry an additional push which, together with the good performance of the residential and commercial segments, resulted in an increase in investments equal to 12.9 %.

The quantities of cement sold by our production unit increased by 7.8 %, with a high capacity utilization, while those of ready-mix concrete improved by 17.2 %. Cement average prices in local currency remained virtually unchanged (+0.8 %) given that in the country still unused capacity exists, while ready-mix concrete ones, after having plunged in 2010, rose by 10.2 %. Such

Czech Republic and Slovakia



TRADING CONDITIONS CEMENT BUSINESS

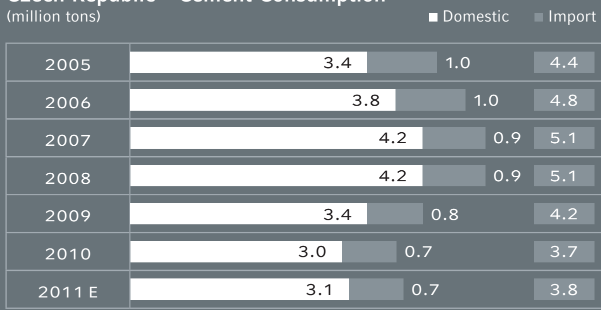
Volumes	26.2 %
Prices*	– 11.5 %
Mkt share	16 %

* in local currency

Cement plants
Ready-mix concrete plants

	2011	2010	11/10
millions of euro			
Net sales	172.0	159.4	7.8 %
EBITDA reported	35.2	32.8	7.4 %
% on net sales	20.5	20.6	
Capital expenditures	3.0	5.2	– 42.3 %
Headcount end of period no.	871	908	– 4.1 %

Czech Republic – Cement Consumption
(million tons)



market dynamics led to an increase in net sales of 11.4 % at € 144.0 million (€ 129.3 million in 2010). The devaluation of the zloty negatively influenced net sales: at constant exchange rate, they would have increased by 14.9 % from 2010. EBITDA reached € 36.9 million vs. € 33.4 million in 2010 (+ 10.5 %). Other operating revenues include € 1.5 million (€ 0.4 million in 2010) from the sale of CO_2 emission rights estimated in excess.

Czech Republic and Slovakia

In 2011 the economy of the Czech Republic was affected by the slowdown taking place in the euro zone markets. As the country is heavily export-oriented, the manufacturing output, particularly in the metalworking and automotive sectors, decelerated compared to the positive performance of the previous year; GDP recorded a growth of 1.8 %, lower than in 2010. The planned adoption of the euro will not take place until the parameters set by the EU are satisfied. Investments were affected by the limitations in public spending. The Czech koruna strengthened against the euro by 2.7 % thanks to the solidity of the banking system and the stable economic context. Slovakia's economy grew by 3.3 % in 2011, less than in 2010 when a progress of + 4.2 % was posted.

The construction industry, whose slowing down begun in 2008 had worsened in 2010, unfortunately confirmed its persisting difficulties, dropping by about 6 %.

Cement consumption in the country remained almost unchanged, at about 3.8 million tons. Nevertheless our group managed to increase sales by 26.2 %, taking advantage of its vertical integration and by increasing exports to Poland and other neighboring nations. Average prices, expressed in local currency, suffered from the competitive pressure from nearby Slovakia and felt the higher distribution costs (–11.5 %). The ready-mix concrete sector, which also includes Slovakia, recorded an overall positive trend, with sales up by 11.9 % and prices dropping by 3.9 %. Total net sales equaled € 172.0 million, +7.8 % from the previous year (€ 159.4 million). EBITDA reached € 35.2 million vs. € 32.8 million in 2010. EBITDA margin remained substantially stable, from 20.6 % of the previous year to 20.5 % in 2011. Among operating costs, we note the favorable trend in fuels and the increase in electricity (+7 %). The revaluation of the Czech koruna had a positive impact on the translation of the results into euro; net of foreign exchange effect, net sales and EBITDA would have grown respectively by 5.2 % and 4.2 %. Other operating revenues include € 0.5 million (€ 0.3 million in 2010) from the sale of the CO_2 emission rights estimated in excess.

Capital expenditures made in 2011 equaled € 3.0 million, attributable to extraordinary maintenance and, in the ready-mix concrete sector, the purchase of production units in Slovakia.

Ukraine

The country's economic recovery which had started in 2010, continued at good levels also in 2011 (GDP +4.2 %, only slightly lower than in the previous year). Manufacturing output increased more than 7 % vs. +11 % in 2010, and concerned the majority of sectors, with particular intensity in chemicals, petrochemicals and machinery manufacturing industry. Upward pressure continued on price level, fed by the increase in social spending and the trend of energy. Inflation reached 4.7 %, down versus more than 9 % in the previous year, but the growth in real salaries was 8.5 %. During the year, sovereign debt in local currency rose by more than 9 %. The discussion on the signing of the protocol of association between Ukraine and the EU, set for the end of 2011, is still underway. The local currency devalued by 5.4 %. In 2011, like in the previous year, exports grew, but at a lower rate compared to imports and the trade balance remained negative. Although the main rating agencies recently reviewed the country's level of risk, margins of uncertainty on the stability of the recovery persist.

The construction market grew by 11.1 % from a year earlier. Cement consumption in the country increased to 10.2 million tons. Our sales volumes of cement and ready-mix concrete developed considerably, closing with an increase of 24.0 % and 22.6 % respectively. The average sales prices in local currency, driven by the high demand, maintained a constant positive trend confirming an increase of 16.8 % for cement and 12.7 % for concrete. Net sales equaled € 112.5 million, up by 37.9 % vs. € 81.5 million in 2010, despite the weakening of the local currency; at constant foreign exchange rate, the increase in net sales would have been of 45.4 %. EBITDA was positive by € 6.9 million, against a negative value of € 10.5 million in 2010. The result benefits, in addition to the improvement in revenues, also from

Ukraine

TRADING CONDITIONS CEMENT BUSINESS

Volumes	24.0 %
Prices*	16.8 %
Mkt share	18 %

* in local currency

- Cement plants
- Terminals
- Ready-mix concrete plants

millions of euro		2011	2010	11/10
Net sales		112.5	81.5	37.9 %
EBITDA reported		6.9	– 10.5	166.1 %
% on net sales		6.2	–	
Capital expenditures		14.4	46.2	– 68.8 %
Headcount end of period	no.	1,617	1,653	– 2.2 %

Ukraine – Cement Consumption
(million tons)

the upgraded production efficiency, thanks to the fine-tuning of the new equipment to use coal in place of natural gas in both production sites.

The main capital expenditures made in the year concerned the completion of the systems to use coal as the main fuel (€ 9.2 million) and a new separator of the cement mill at the plant in Rivne.

Russia

TRADING CONDITIONS CEMENT BUSINESS

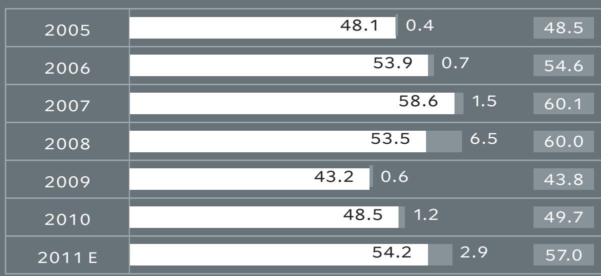
Volumes	33.7 %
Prices*	6.6 %
Mkt share	4 %

* in local currency

Cement plants

		2011	2010	11/10
millions of euro				
Net sales		175.5	124.1	41.4 %
EBITDA reported		65.7	39.7	65.7 %
% on net sales		37.4	32.0	
Capital expenditures		36.8	76.2	–51.7 %
Headcount end of period	no.	1,049	1,190	–11.8 %

Russia – Cement Consumption
(million tons)



Russia

The country's recovery, which had begun in 2010, continued with greater intensity in 2011. GDP was up by 4.2 %, better than the 4.0 % achieved in the previous year, with industrial output continuously expanding. The main contribution to growth came from internal demand, with a contained inflation, also thanks to the postponed increase in administered prices from January to the middle of the year. Public spending, fed by consistent earnings from the export of crude oil and gas, supported the additional aggregate demand. The climate in the country is positive, as confirmed by consumption rebound. At the end of 2011 the country's Central Bank adopted measures to limit volatility of rates in the interbanking market and provisions aiming to increase the foreign exchange flexibility.

The construction industry benefited from the favorable economic situation and progressed by 4.8 %, resuming acceleration from the previous year's sluggishness. Cement consumption in the country consequently registered a considerable positive change, reaching 57 million tons (49.7 million tons in 2010).

As for Buzzi Unicem, in the year cement sales were very buoyant (+33.7 %). Sales prices in local currency began to strengthen only in the second part of the year and closed with an increase of 6.6 % compared to the 2010 average. Net sales rose from € 124.1 million to € 175.5 million (+41.4 %). Net of foreign exchange negative effect (–1.5 %), the increase would have been of 43.6 %. In addition to the favorable trend in volumes and prices, results benefited from the efficiencies deriving from the new dry-process production line, and thus EBITDA improved significantly from € 39.7 million in 2010 to € 65.7 million (+65.7 %). Expressed in local currency EBITDA grew by 68.3 %. EBITDA margin, which improved from 32.0 % to 37.4 %, represented the excellence level in the group.

As regards capital expenditures, the completion and commissioning of the production capacity expansion project at Suchoi Log required additional € 15.2 million. The construction of a distribution terminal and mixing plant in Omsk required investments for € 5.5 million, while the Akbulak project (new cement plant near the border with Kazakhstan, delayed indefinitely), required outflows of € 8.9 million, based on the commitments previously assumed.

United States of America

TRADING CONDITIONS CEMENT BUSINESS

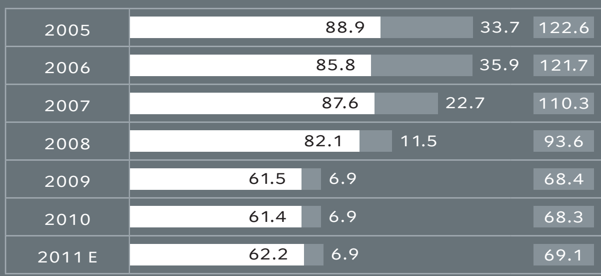
Volumes	−1.6 %
Prices*	−5.3 %
Mkt share	9 %

* in local currency

Cement plant
Ready-mix concrete plants

	2011	2010	11/10
millions of euro			
Net sales	557.9	600.9	−7.2 %
EBITDA reported	66.6	88.7	−24.9 %
EBITDA recurring	66.6	100.0	−33.3 %
% on net sales	11.9	16.6	
Capital expenditures	24.1	35.3	−31.7 %
Headcount end of period no.	2,290	2,410	−5.0 %

USA – Cement Consumption
(million tons)



United States of America

After a slow performance in the first half of the year, economic activities recorded a recovery in the third quarter and gradually gathered speed from the fourth quarter of 2011. GDP increased by 1.7 %, down compared to the previous year's growth. The progress of the last two quarters of the year indicates an annual growth close to 3 %, due to improved labor market conditions, consumer spending and change in private inventories. Alongside the increase in personal income available in real terms, worth mentioning are a certain weakness in net exports and shrinkage in public spending. The Federal Reserve continued its expansionary monetary policy to generate the liquidity necessary to assure proper operation of financial markets and access to credit by businesses and consumers. For the fifth year in a row, investments in construction recorded a downfall (−3.7 % vs. 2010). The residential sector remained at the depressed levels of 2010 and the non-residential sector confirmed the serious crisis by ending the year with a further reduction of 9.4 %. With the ending of the stimulus plan launched by the administration, public and infrastructural works recorded a 6.5 % drop.

In the context described above, cement consumption in the country remained stationary at 2009 and 2010 levels, ending at 69.1 million tons (68.5 million tons in 2010). Sales volumes generated by the group were slightly lower (−1.6 %), and also the output of ready-mix concrete stagnated (−1.3 %). The weak demand continued to affect cement sales prices in local currency (−5.3 %), while those of ready-mix concrete had a more favorable trend (+1.9 %). Total net sales stood at €557.9 million (−7.2 %). The depreciation of the dollar (−5.0 % during the year) had an unfavorable impact of €27.9 million on net sales. Prolonged capacity underutilization, the increases in fuel and distribution made it impossible to improve per-unit manufacturing costs. EBITDA decreased from € 88.7 million to € 66.6 million (–24.9 %), with an EBITDA margin of 11.9 % (16.6 % in 2010).

The main capital expenditures made in the period concerned the progress of the projects for the renewal of the finish mills at Maryneal, TX (€ 5.3 million), and Stockertown, PA (€ 0.7 million).

Mexico

TRADING CONDITIONS CEMENT BUSINESS

Volumes	13.6 %
Prices*	5.9 %
Mkt share	12 %

* in local currency

Cement plant
Ready-mix concrete plants

Mexico – Cement Consumption
(million tons)

		2011	2010	11/10
millions of euro				
Net sales		475.9	426.8	11.5 %
EBITDA reported		164.8	154.4	6.8 %
% on net sales		34.6	36.2	
Capital expenditures		40.4	76.3	–47.1 %
Headcount end of period	no.	1,174	1,164	0.9 %

figures at 100 %

Mexico

After the good economic performance recorded in 2010, in 2011 the country maintained a consistent GDP growth of around 4 %. The economic situation is closely linked to that of the United States, which represents the main trading partner and the greatest foreign investor. Trade with the United States, an inflation rate under control and the limited exposure of the country's financial system to global tensions contributed to the growth development. The industrial system is characterized by the strong presence of large manufacturing companies with state-of-the-art technology, mostly funded by foreign capital, a notable number of small and medium enterprises, still weak to face international markets, and an informal economy which however grows at sustained rates. Remittances from expatriate Mexicans constitute the second source of foreign currency for the country, after oil sales and followed by foreign investments and tourism. The local currency normally moves in line with the dollar, although in September it suffered a sudden devaluation, which was gradually adjusted in the first few months of 2012.

The construction industry underpinned, inter alia, by some important public projects to build and upgrade infrastructures and for residential building, confirmed its driving role. Grey cement consumption increased again from 33.9 to about 35 million tons.

The associate Corporación Moctezuma, thanks to the contribution of the new production site at Apazapan in the state of Veracruz, ended the year with sales volumes up by 13.6 % and prices up by 5.9 %. Net sales and EBITDA in local currency featured an increase of 15.2 % and 10.3 % respectively. The devaluation of the peso (–3.3 %) penalized the translation of the results in euro: net sales increased by 11.5 % YoY, rising (as regards the group's 50 % share) from € 213.4 million to € 237.9 million, with EBITDA improving by 6.8 % to € 82.4 million (€ 77.2 million in 2010). The EBITDA margin did not confirm the previous year's levels (36.2 % in 2010 vs. 34.6 % in 2011) due to an unfavorable variance of production costs caused by energy factors' inflation, but equally remained at a level of excellence.

In 2011 we incurred the last capital expenditures for the new production plant in Apazapan, equal to € 12.1 million, for our 50 % proportionate share.

Algeria

Algerian cement consumption remained practically unchanged compared to the previous year at about 19 million tons. Despite the coming on stream of the new line belonging to the only private player (Lafarge), the supply of cement was lower than market requirements. The suspension of cement imports by public companies and the negligible volumes limits imposed on private manufacturers did not allow, as in the previous years, to make up for the shortage, causing serious delays in the execution of the infrastructural and residential works envisaged in the government investment plan 2010–2014.

The contract for the management of the two associates expired at the end of January 2012 and Buzzi Unicem did not exercise the option for the renewal at unchanged conditions but promptly illustrated to the Algerian Ministry of Industry the contractual terms under which it would be willing to immediately resume the management of the companies. The proposal was received favorably at a political level; however, we are still waiting for the public counterpart to translate it into formal administrative deeds.

In 2011 the operating and economic results of the two companies associated with Buzzi Unicem continued to be satisfactory, confirming the commitment, determination and skills of our technicians to optimize production plants and train personnel. The Hadjar Soud cement factory increased output both of clinker (+3.5 %) and of cement, exceeding for the first time the threshold of one million tons a year (+8.5 %); in Sour El Ghozlane the results of the previous years were confirmed, reaching the clinker annual nominal capacity of 0.9 million tons and increasing the production of cement by 13.7 %.

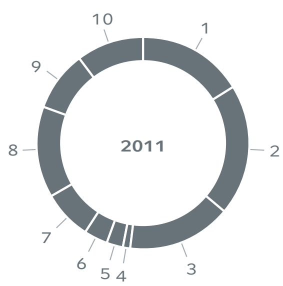
As regards 100 % of the business in which we have an equity interest and the separate financial statements of the two companies, 2011 had a very satisfactory outcome due to both outstanding operating results and the increase in cement sales price starting from June, with net sales equal to €96.3 million (+28.7 %) and EBITDA of €40.0 million (+37 %).

Human Resources

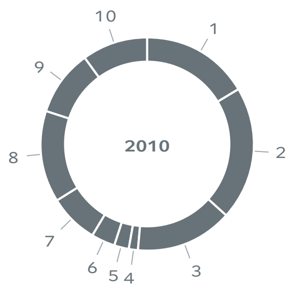
In 2011 Human Resources management and development in Buzzi Unicem focused on the most suitable instruments to fight the crisis, especially in Italy and the United States. The procedures continued to reduce working hours with use, in Italy, of the subsidized ordinary and extraordinary temporary lay-off system and, in the United States, of support funds that are similar but managed by each of the States. The difficult negotiation of the collective labor agreements continued for employees at Selma, MO and the contract for the employees at the plant in Chattanooga, TN was renewed, expiring in 2016: reaching this agreement, despite the limited availability of resources and the simultaneous need to reduce hours due to a lack of activity, is a success worth underlining. Also in Italy the expiring corporate contract was extended without trade union conflict.

Training programs were completed and new projects launched: the biggest effort was related to the improvement of technical know-how and conduct regarding on-the-job safety. The "2011 Objective Safety" program involved 1,687 employees, for a total of 6,278 training hours provided. Two important innovative projects were also started: TSV, focusing on improving the organization and effectiveness of procurement and purchasing and INFOR, to review the organization of maintenance activities at plants.

Headcount by region at year end



1	Italy	1,887
2	United States of America	2,290
3	Germany	1,822
4	Luxembourg	157
5	Netherlands	287
6	Poland	389
7	Czech Republic and Slovakia	871
8	Ukraine	1,617
9	Russia	1,049
10	Mexico (100 %)	1,174



1	Italy	1,963
2	United States of America	2,410
3	Germany	1,756
4	Luxembourg	156
5	Netherlands	287
6	Poland	411
7	Czech Republic and Slovakia	908
8	Ukraine	1,653
9	Russia	1,190
10	Mexico (100 %)	1,164

Enclosed temporary layoffs

In Dyckerhoff, the "Zukunft Personal" initiative continued, focusing on a communication system among blue collars, white collars and managers, with the aim of knowing the interdependencies between work and the single life conditions, and identify possible tools, if any, for an overall improvement. "Fight the routine" is an initiative that supports the normal planning of courses on safety in the workplace: having noticed the overwhelming percentage of behavioral reasons behind accidents, employees are taught useful methods to combat voltage drops and reduced attention levels while working.

New young potential high-fliers were hired as part of the normal turnover, thus making it possible to replace retiring employees with key functions through internal personnel suitably trained and possessing the required corporate experience. Worth underlining is the good outcome of some rotations which took place at the beginning of 2011 in plant and production management: all people who were demanded greater commitment positively met expectations.

During 2011 the following headcount changes were recorded: in Russia (–11.8 %) especially due to the deconsolidation of a maintenance company with a headcount of 97 units at the end of 2010, United States (–5 %) and Italy (–4 %) due to disposals of businesses and slowdown of turnovers, Germany (+3.8 %) mostly due to the change in the scope of consolidation.

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 nanoscience and nanotechnology, in which the construction industry too is showing great interest.

Sustainable Development continues to be one of the main guidelines for our R&D activities. New materials and new processes with lower environmental impact – capable of reducing greenhouse gas emissions and/or of curbing consumption of natural resources and fossil fuels – are the challenges facing us in the immediate future. The main objective of our research work becomes the study of binders with performance comparable to those typical of a Portland cement, but featuring lower intrinsic energy. There are nevertheless multiple aspects at stake: the emission of CO_2 associated to the production cycle is not the only parameter to be considered in implementing innovative construction materials; also the useful life and durability over time must be investigated, just as the economic feasibility and potential impact of the innovation on the market.

In 2011 special attention was paid to the study of the durability of sulfur-aluminate cements (innovative hydraulic binder for which Buzzi Unicem is the leading producer in Italy and the United States) as well as new blended cements, with an ever greater portion of portland clinker being replaced by the so-called "supplementary cementitious materials" (SCMS: selected alternative materials of mineral origin and / or by-products of industrial processes), with the aim of determining the compositional limits that meet the strict durability criteria.

Research in the "multifunctionality" of concrete material led to another innovation: cement and concrete must no longer be seen merely as building materials for structural support, rather they can incorporate innovative properties that contribute to improving the quality of the environment and society. A typical example of the multifunctionality concept lies in the concrete surfaces featuring "measurable photocatalytic properties", able to offer benefits such as self-cleaning of the surfaces and the photo-chemical degradation of environmental pollutants. Research continues, passing from a laboratory scale to testing on a real scale, with the study and monitoring of the effective environmental benefits.

In 2010 Buzzi Unicem joined the Network of Research and Development of the Piedmont Region, consisting of so-called "Poles of Innovation", i. e. groups of companies, research organizations and a managing body that work in synergy with the purpose of making high added value infrastructures and services available. As part of this initiative, currently underway is the Ma2Re project (Materials and items for building with reduced incorporated energy – http://www.ma2re.it), which Buzzi Unicem is the coordinator of, co-financed by the Piedmont Region.

Concerning Unical, an excellent level of implementation was reached for the development activity connected to the "H_2NO project". The many innovations introduced, including a completely renewed price list in terms of form and substance compared to those of the past, have been well received by our clients. The new recipe design and control procedures are now used in all the batching plants and we expect to continue the recipe optimization activities and concrete features control by widening the range of concrete performance in its fresh state to the customers. At the end of 2011 the installa-tion of a pilot system to study the optimal pre-mixing conditions of the cement-water-admixtures system was completed at the central laboratory. Finally, testing of innovative sensors continued for the control of fresh concrete consistence in the mixer truck.

Buzzi Unicem is represented in all the main national and international bodies concerned with standards, regulations, and certification. The Research & Development Division is responsible for all R&D projects and for the co-ordination of the three central laboratories of Guidonia, Trino (Buzzi Unicem) and Wiesbaden (Dyckerhoff).

Ecology, environment and safety

Buzzi Unicem is firmly convinced that protecting the environment and the common social values must be considered a primary challenge to ensure concrete participation in the creation of a "sustainable future". Despite the difficulties encountered in connection with last years' global crisis, the group continues to pursue the optimum balance between economic growth, eco-efficiency, productivity, quality, technological research and social responsibility, through the application of the regulations in force and the environmental technologies, also beyond the set limits, committing a great deal of technical and financial resources.

The protection of ecosystems has meant the continuous technological adaptation of the plants to promptly apply the Best Available Techniques in the cement industry, with an ever more reliable monitoring of emissions from clinker burning kilns and the progressive reduction in the emissions of nitrogen and sulphur oxides and the substances responsible for climate change, with the rationalized use of natural non-renewable resources associated with the increase in the recovery of waste as material and/or alternative fuels as well as through the sustainable management of extraction activities, oriented towards landscape recovery and biodiversity, and the search for more eco-efficient "products". In this context, worth highlighting are the coming on stream of the new greenfield cement plant in Apazapan (Veracruz-Mexico), fitted with a modern burning line of 3300 t/g clinker, the Joliet terminal (Illinois), with "dome" type cement deposit and river connection, the coal mills in Rivne and Nikolajev (Ukraine), the attainment of 51 % of heat substitution in German kilns, with 68 % in Geseke and finally, the awarding for the second consecutive year of the prize Energy Star® by the Environmental Protection Agency (EPA) and the Department of Energy (DOE) in the USA to the cement plants in Selma (Missouri), Maryneal (Texas) and Chattanooga (Tennessee) for their excellent energy performance.

Obviously, Buzzi Unicem pays the utmost attention to the pillar of social responsibility, as an unquestionable paradigm of values based on the continuous protection of the health and safety of its employees and contract labor by planning upgrading technical interventions and actions aimed at preventing accidents, and working on leadership, awareness and sharing. The results of this commitment are confirmed also in 2011 by an injure rate and performance indicators that have reach an excellent level among the companies in the entire cement sector.

To confirm and consolidate this positive trend, the company intends to continue its ambitious project regarding safety and the environment, the distribution and valorization of the excellence and eco-compatibility of its processes and products, correlated to the achievement of high performance, the effectiveness of the prevention and protection measures adopted and the technical and economic efforts, through suitable information instruments and the voluntary adoption of innovative managerial instruments and certification schemes, together with annual reporting through the "Sustainability Report".

In 2011, in addition to obtaining the environmental certification for the production unit in Sorbolo (PR), in line with the requirements of standard EN ISO 14001, the group continued to pay special attention to the environmental issues associated to its "core business", i.e. cement and concrete, promoting LCA (Life Cycle Assessment) studies and the consequent availability of EPD (Environmental Product Declaration) for cements and the

LEED (Leadership in Energy and Environmental Design) sustainability certification for concrete; these certifications allow to characterize the performance and the distribution of suitable knowledge on the technologies and the experience applied or applicable to the materials of primary importance in the design and creation of road and rail infrastructure and in the building field.
In a period of foreseeable profound behavioral and ideological transformations, it is our priority to demonstrate to the civil society that our processes and products are able to ensure, without any negative environmental incidence, a significant saving of natural resources through the use of non polluting alternative sources, together with the maximum social responsibility and continuous commitment towards sustainable development, in a tangible and consistent way over time.

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 identifying contingencies that might hit the companies, managing risk within certain limits, and therefore of providing reasonable assurance of achieving corporate objectives. As part of the internal control 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 are assessed considering their likelihood of occurrence and their impact in euro on group income, in accordance with certain standards, and considering their respective relevance and importance. The risk assessments performed by group central units and divisions are recorded in a single central database. The categories of risk analyzed are those concerning production, financial, legal, and tax risks underlying all 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 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 2011 there was a downward trend in operating risks after real mitigation measures, without considering the impact of any mitigations relating to accounting and/or provisions. The amount expected in fact decreased in 9 of the 16 categories considered.

Risks on technical investments were on the decrease, due to the sale to third parties of equipment and machinery that originally had been purchased for the production capacity expansion projects. Also eliminated was the risk of interruption referring to the increase of production capacity for white cement, since we were able to cancel the project without penalties by the suppliers.

In Italy the risk of losing the capital invested in financial institutions increased due to the downgraded rating of banks and the worsening of the international financial crisis. Instead the risks concerning intercompany receivables are lower, due to the reduction of the balances and the probability of occurrence. In the United States the risk has increased on defined benefit pension plans; these are exposed to market risks and management investment decisions; the related probability of occurrence has also risen from medium to high.

There is a theoretical risk of breach of covenants on financial debt in dollars, with a consequent need to amend the agreements.

The risk relating to the refinancing rate applicable to new loans has increased after the company’s rating was downgraded at the end of September.

The currency risks related to the payment of invoices in dollars on coal purchases remain constant. Instead the risks of possible foreign exchange losses on un-hedged currency positions, in particular towards Russia, Ukraine and Poland, have decreased.

The risk concerning Human Resources has generally decreased; particularly in the United States a reduction in costs for employee healthcare insurance was recorded, while the risk for compensation for accidents in the workplace is slightly up.

The risk estimates concerning the EU Antitrust proceedings are stable. A new risk emerged in the Netherlands regarding claims related to the cultivation of quarries for aggregates, against which provisions were set aside. In the United States, the risk of claims on product quality and for legal actions by employees against the company is down.

Regarding logistics, the risk of insufficient availability of tipping railway carriages for the transport of cement in Russia has decreased, thanks to the investments made and the possibility to increase road transportation.

In Italy there was a sharp decline in the risk of increase in the reference price for the purchase of fossil fuel. On the other hand, in Russia and Ukraine there is a growing risk of increase in the prices to purchase gas and coal. The risk of adverse outcome of the tax audits in Italy by the Tax Revenue Service in 2011, after containment actions, was considered remote. New tax risks emerged after the audits conducted in Ukraine in 2010–2011, with possible subsequent appeal in case of claim rebuttal by the local agency, and equally tax risks have increased relating to the VAT dispute on purchases of natural gas.

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

Related-party transactions

The transactions carried out with related parties, including intercompany transactions, do not qualify as atypical or unusual. These transactions are concluded at market terms, for the nature of the goods and services rendered.

Information on transactions with related parties is provided in note 48 of these consolidated financial statements.

Outlook

In the countries where the group operates, particularly during the first half of 2011 a good recovery in sales volumes was recorded in the emerging economies and Central Europe, whereas in the United States and especially in Italy the demand for construction materials was weak. Especially good weather conditions both in the first and fourth quarter contributed to consolidating the market improvement. A turnabout in the trading conditions for our industry has indeed occurred, but only in some geographic areas, while others, particularly important for the group, appear to require a longer time. In the short-term, visibility is limited and obstructed by the slowdown of the economic growth in Europe, which has still not completely overcome the recent financial tensions and the sovereign debt crisis.

In the first few months of the year good shipments were achieved in the United States, where the climate was mild. On the other hand, in Central and Eastern Europe the exceptional cold weather practically blocked building activity during February; in Italy, in addition to the intense cold wave in February, the strike by the truck drivers in January and the country's entry into economic recession made the situation worse. The real trends in demand may be better assessed at the end of the first half of the year, when the seasonal effect will have eased off.

In Italy, sales prices should stabilize at a higher level compared with the 2011 exit values, but we expect weak demand, since the country is in a very difficult economic situation, in which the private sector tends to delay investment decisions and the resumption of public infrastructural works has to face the very strict public spending constraints. Therefore operating results will continue to be disappointing. In addition to price trend, the positive notes regard fuel prices, which should undergo a favorable change compared with the 2011 peak, and the cost reductions implemented through new measures for continuous improvement.

In Central Europe markets, volumes should remain stable at the high levels attained in 2011 and average prices should be not lower than in the previous year. Taking into account some degree of inflation on the costs front, operating profitability is likely to remain similar to that of the year just closed.

In Eastern Europe, we expect Polish activities to continue their positive trend, underpinned by the completion of the infrastructure works for the European soccer championship and by an economy not free from risks but however among the most promising in the EU. In the Czech Republic, construction investments are not likely to pick up, but our operations (cement and ready-mix concrete) are very competitive and good synergy opportunities exist with Poland's southern regions. In the short-term vision, for the current year Russia and Ukraine should report volumes and prices still on the rise. However these countries feature a quite penalizing cost trend, especially where only one supplier exists (electric power, fuels) or increases are set by law (minimum wage). Overall, we expect from these two markets a greater contribution than in the previous year.

In the United States, the most reliable researches on the construction industry postpone to 2013 the bounce-back of demand from the present rock-bottom. Much depends on the creation of new jobs in the country and hence from the trend of unemployment rate in the forthcoming months. The opportunities for price improvement are promising, starting from the second quarter. If the market, as it is likely, accepts the producers' announced increases, it should be possible to adequately offset an inflation on main costs in the range of 4/5 %

and obtain from this geographic area a contribution not lower than in the previous year.

In Mexico, the construction sector should benefit from the stimulus given to public works by the federal and state government, in view of the presidential election that will be held in July 2012. An improvement in our volumes might be achieved in line with demand development. Prices should remain remunerative and, on the cost front, remarkable savings are expected, thanks to the decrease of petcoke purchasing price.

Based on the above considerations, which show emerging economies well set to achieve a further progress in profitability, a stable situation in Central Europe, some opportunities for an earlier recovery in the United States and on-going difficulties in Italy, we can state that at consolidated level the next financial year should close with operating results similar to those of 2011.

Financial information year 2011

CONTENTS

Consolidated Balance Sheet

	Note	Dec. 31, 2011	Dec. 31, 2010
thousands of euro			
Assets			
Non-current assets			
Goodwill	7	588,607	586,180
Other intangible assets	7	10,245	11,282
Property, plant and equipment	8	3,334,646	3,477,712
Investment property	9	21,209	19,093
Investments in associates	10	207,893	216,505
Available-for-sale financial assets	11	5,243	5,524
Deferred income tax assets	27	44,469	40,082
Defined benefit plan assets	25	41,894	41,882
Derivative financial instruments	12	1,698	2,630
Other non-current assets	13	60,350	69,000
		4,316,254	**4,469,890**
Current assets			
Inventories	14	404,480	394,760
Trade receivables	15	487,412	451,025
Other receivables	16	107,050	138,010
Available-for-sale financial assets	11	11	11
Derivative financial instruments	12	4,216	1,859
Cash and cash equivalents	17	592,028	396,459
		1,595,197	**1,382,124**
Assets held for sale	18	17,421	3,250
Total Assets		**5,928,872**	**5,855,264**

	Note	Dec. 31, 2011	Dec. 31, 2010
thousands of euro			
Equity			
Equity attributable to owners of the company			
Share capital	19	123,637	123,637
Share premium	20	458,696	458,696
Other reserves	21	164,945	157,499
Retained earnings	22	1,875,981	1,828,581
Treasury shares		(6,180)	(6,986)
		2,617,079	**2,561,427**
Non-controlling interest	23	227,724	242,252
Total Equity		**2,844,803**	**2,803,679**
Liabilities			
Non-current liabilities			
Long-term debt	24	1,247,855	1,458,850
Derivative financial instruments	12	13,837	28,991
Employee benefits	25	315,791	318,002
Provisions for liabilities and charges	26	121,123	119,531
Deferred income tax liabilities	27	427,152	442,291
Other non-current liabilities	28	15,400	18,278
		2,141,158	**2,385,943**
Current liabilities			
Current portion of long-term debt	24	402,413	175,718
Short-term debt	24	78,560	2,198
Derivative financial instruments	12	151	1,317
Trade payables	29	263,597	278,576
Income tax payables	30	19,723	15,857
Provisions for liabilities and charges	26	42,365	52,352
Other payables	31	136,102	139,624
		942,911	**665,642**
Total Liabilities		**3,084,069**	**3,051,585**
Total Equity and Liabilities		**5,928,872**	**5,855,264**

Consolidated Income Statement

	Note	2011	2010
thousands of euro			
Net sales	32	**2,787,385**	**2,648,442**
Changes in inventories of finished goods and work in progress		3,645	(9,496)
Other operating income	33	100,305	108,091
Raw materials, supplies and consumables	34	(1,246,303)	(1,175,320)
Services	35	(704,356)	(669,596)
Staff costs	36	(432,187)	(437,811)
Other operating expenses	37	(79,085)	(77,286)
Operating cash flow (EBITDA)		**429,404**	**387,024**
Depreciation, amortization and impairment charges	38	(243,498)	(386,706)
Operating profit (EBIT)		**185,906**	**318**
Gains on disposal of investments	39	1,172	597
Finance revenues	40	73,600	106,508
Finance costs	40	(173,394)	(210,123)
Equity in earnings of associates	41	(2,999)	641
Profit before tax		**84,285**	**(102,059)**
Income tax expense	42	(30,178)	60,646
Profit for the year		**54,107**	**(41,413)**
Attributable to:			
Owners of the company		26,408	(63,463)
Non-controlling interest		27,699	22,050
euro			
Earnings per share	43		
ordinary		0.12	(0.31)
savings		0.15	(0.29)

Consolidated Statement of Comprehensive Income

	2011	2010
thousands of euro		
Profit for the year	**54,107**	**(41,413)**
Currency translation differences	1,365	180,495
Income taxes relating to components of other comprehensive income	(1,178)	–
Other comprehensive income for the year, net of tax	**187**	**180,495**
Total comprehensive income for the year	**54,294**	**139,082**
Attributable to:		
Owners of the company	34,513	97,900
Non-controlling interest	19,781	41,182

Consolidated Statement of Cash Flows

	Note	2011	2010
thousands of euro			
Cash flows from operating activities			
Cash generated from operations	44	381,996	380,284
Interest paid		(91,847)	(99,029)
Income tax paid		(41,903)	(44,971)
Net cash generated from operating activities		**248,246**	**236,284**
Cash flows from investing activities			
Purchase of intangible assets	7	(1,214)	(1,416)
Purchase of property, plant and equipment	8	(147,797)	(269,346)
Acquisition of subsidiaries, net of cash acquired		(2,213)	3,395
Purchase of other equity investments	10	(55)	(857)
Proceeds from sale of property, plant and equipment		49,797	15,055
Proceeds from sale of equity investments		3,946	2,783
Capital grants received		38	296
Changes in available-for-sale financial assets	11	–	1,013
Changes in financial receivables		(16,520)	3,803
Dividends received from associates	10, 40	8,054	12,235
Interest received		15,446	18,235
Net cash used in investing activities		**(90,518)**	**(214,804)**
Cash flows from financing activities			
Proceeds from long-term debt	24	172,521	146,109
Repayments of long-term debt	24	(182,197)	(384,183)
Net change in short-term debt	24	76,320	(15,540)
Changes in financial payables		(9,729)	(51,021)
Changes in ownership interests without loss of control		(5,301)	(3,660)
Dividens paid to owners of the company	45	(1,215)	(37,926)
Dividends paid to non-controlling interest		(14,569)	(8,333)
Net cash generated (used) in financing activities		**35,830**	**(354,554)**
Increase (decrease) in cash and cash equivalents		**193,558**	**(333,074)**
Cash and cash equivalents at beginning of year		**396,459**	**696,965**
Translation differences		2,354	32,568
Change in scope of consolidation		(343)	–
Cash and cash equivalents at end of year	17	**592,028**	**396,459**

Consolidated Statement of Changes in Equity

	Attributable to owners of the company						Non-con-trolling interest	Total Equity
	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total		
thousands of euro								
Balance at January 1, 2010	**123,637**	**458,696**	**10,604**	**1,910,690**	**(7,671)**	**2,495,956**	**216,418**	**2,712,374**
Profit for the year	**–**	**–**	**–**	**(63,463)**	**–**	**(63,463)**	**22,050**	**(41,413)**
Other comprehensive income for the year, net of tax	–	–	161,363	–	–	161,363	19,132	180,495
Total comprehensive income for the year	**–**	**–**	**161,363**	**(63,463)**	**–**	**97,900**	**41,182**	**139,082**
Shares granted to employees	–	–	–	–	685	685	–	685
Dividends paid	–	–	–	(37,926)	–	(37,926)	(8,333)	(46,259)
Acquisition of non-controlling interest	–	–	–	4,915	–	4,915	(7,259)	(2,344)
Non-controlling interest arising on acquisition of subsidiaries	–	–	–	–	–	–	128	128
Other changes	–	–	(14,468)	14,365	–	(103)	116	13
Balance at December 31, 2010	**123,637**	**458,696**	**157,499**	**1,828,581**	**(6,986)**	**2,561,427**	**242,252**	**2,803,679**
Profit of the year	**–**	**–**	**–**	**26,408**	**–**	**26,408**	**27,699**	**54,107**
Other comprehensive income for the year, net of tax	–	–	8,105	–	–	8,105	(7,918)	187
Total comprehensive income for the year	**–**	**–**	**8,105**	**26,408**	**–**	**34,513**	**19,781**	**54,294**
Shares granted to employees	–	–	–	–	806	806	–	806
Dividends paid	–	–	–	(1,215)	–	(1,215)	(14,569)	(15,784)
Acquisition of non-controlling interest	–	–	–	21,894	–	21,894	(24,447)	(2,553)
Non-controlling interest arising on acquisition of subsidiaries	–	–	–	–	–	–	2,031	2,031
Other changes	–	–	(659)	313	–	(346)	2,676	2,330
Balance at December 31, 2011	**123,637**	**458,696**	**164,945**	**1,875,981**	**(6,180)**	**2,617,079**	**227,724**	**2,844,803**

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 30 March 2012.

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 basis. 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 statement of cash flows 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, in particular those on the face of the statement of cash flows, 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 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 operating 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 2011

- IAS 24 (revised) Related party disclosures. 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. IAS 24 (revised) has had no significant impact on the current period; only the disclosure of related-party transactions was improved to include subsidiaries of associates and of joint ventures.
- IAS 34 Interim financial reporting, as part of the 2010 annual improvements program. By using a series of examples certain clarifications are provided concerning the additional disclosures that must be presented in interim financial reports. The adoption of the amendment only resulted in amendments to note disclosures published in the half-yearly financial report at 30 June 2011, with 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 2011, but they are not relevant for the group and/or have had no impact on the consolidated financial statements presented herein.

- Amendments to IFRS as part of the annual improvements program to standards called Improvements to IFRSS 2010.
- IAS 32 (amendment) Financial instruments: presentation.

- IFRIC 14 (amendment) Prepayments of a minimum funding requirements.
- IFRIC 19 Extinguishing financial liabilities with equity instruments.

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

- IFRS 9 Financial instruments (effective from 1 January 2015). This standard is part of the IASB's wider project to replace IAS 39 Financial instruments: recognition and measurement. 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 business 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. In October 2010 the IASB issued requirements on the accounting for financial liabilities that complete the classification and measurement phase of the IASB's project to replace IAS 39. In December 2011 the IASB published amendments to IFRS 9 and IFRS 7 Mandatory effective date and transition disclosures, which defer the mandatory effective date from 1 January 2013 to 1 January 2015; early adoption is still permitted. IFRS 9 is likely to affect the group's accounting for its financial assets.
- IFRS 7 (amendment) Financial instruments: disclosures (effective from 1 January 2012). The amendments will allow users of financial statements to improve their understanding on transfer of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transaction are undertaken at the end of a reporting period.
- IAS 12 (amendment) Income taxes, deferred tax: recovery of underlying assets (effective from 1 January 2012). The amendments provide a practical approach for measuring deferred tax when the asset is measured using the fair value model in IAS 40 Investment property, by introducing a presumption that recovery of the carrying amount will normally be through sale.
- IAS 27 (revised) Separate financial statements (effective from 1 January 2013). The revised standard contains only accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity presents separate financial statements.
- IAS 28 (revised) Investments in associates and joint ventures (effective from 1 January 2013). The revised standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.
- IFRS 10 Consolidated financial statements (effective from 1 January 2013) replaces parts of IAS 27 Consolidated and separate financial statements and SIC 12 Consolidation – special purpose entities. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be

included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- IFRS 11 Joint arrangements (effective from 1 January 2013), supersedes IAS 31 Interests in joint ventures and SIC 13 Jointly controlled entities – non monetary contributions by venturers. The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities: the equity method, removing the option to account for jointly controlled entities using proportionate consolidation.
- IFRS 12 Disclosure of interests in other entities (effective from 1 January 2013). It is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- IFRS 13 Fair value measurement (effective from 1 January 2013). It will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS.
- IAS 1 (amendment) Presentation of financial statements (effective from 1 January 2013). It requires to group together items within other comprehensive income (OCI) that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.
- IAS 19 (revised) Employee benefits (effective from 1 January 2013). The amendment eliminates an option to defer the recognition of actuarial gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation. The amendment streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, mandating all remeasurement impacts to be recognized in other comprehensive income (OCI), thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations. Moreover it enhances the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.
- IFRIC 20 Stripping costs in the production phase of a surface mine (effective from 1 January 2013). The Interpretation defines stripping costs (the process of removing waste materials to gain access to mineral ore deposits) and the relevant accounting treatment. The interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.
- IAS 32 (amendment) Financial instruments: presentation, offsetting financial assets and financial liabilities (effective from 1 January 2014). The amendment addresses inconsistencies in current practice when applying the offsetting criteria provided by the standard. It clarifies the criterion that an entity 'currently has a legally enforceable right to set-off' and 'that intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously'.

- IFRS 7 (amendment) Disclosures, offsetting financial assets and financial liabilities (effective from 1 January 2013). It amends the required disclosures to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognized financial assets and recognized financial liabilities, on the entity's financial position.

With the exception of IFRS 7 (amendment) Financial instruments: disclosures (effective from 1 January 2012), these standards and amendments have not yet been endorsed for application in the European Union.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50 % of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Intercompany receivables and payables, costs and revenues are eliminated. Significant profits and losses resulting 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.

Changes in ownership interests in subsidiaries
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity as long as control continues to exist.

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to the income statement.

Non-controlling interests in fully consolidated partnerships are included with the line item Other non-current liabilities.

Joint ventures
Material 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 of 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 increased or decreased at each reporting date to reflect the investor's share of the associate's net profit or loss, less any dividends received. The investment in associates includes goodwill identified on acquisition.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the entire carrying amount of the investment is tested for impairment as a single asset, that is goodwill is not tested separately. Accounting policies of associates have been adjusted where necessary to ensure consistency with those adopted by the group.

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 other comprehensive income until the assets are sold or are impaired, when the accumulated fair value adjustments previously recognized in other comprehensive income 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 other comprehensive income.

The translation of financial statements denominated 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 other comprehensive income. The difference that arises from converting the balance sheet and the income statement at different exchange rates is also booked to other comprehensive income. 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	
	2011	2010	2011	2010
euro 1 =				
Currency				
US Dollar	1.2939	1.3362	1.3920	1.3257
Mexican Peso	18.0512	16.5475	17.2877	16.7373
Czech Koruna	25.7870	25.0610	24.5898	25.2840
Ukrainian Hryvnia	10.3692	10.6254	11.1067	10.5386
Russian Ruble	41.7650	40.8200	40.8846	40.2629
Polish Zloty	4.4580	3.9750	4.1206	3.9947
Hungarian Forint	314.5800	277.9500	279.3726	275.4805
Algerian Dinar	97.4660	99.2612	101.5190	98.0911

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 consideration transferred over the group's interest in the fair value of the net identifiable assets acquired and the fair value of the non-controlling interest in the acquiree. 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 licenses 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 (quarries) 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 other comprehensive income, 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 are amounts due from customers for goods sold or services performed in the ordinary course of business. They are recognized at fair value, less provision for impairment. 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.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized at fair value.

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 owners 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 owners of the company.

2.16 Debt and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently carried 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, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill and 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 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 legal entities 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.

2.19 Share-based payment
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.

2.20 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; the amount can be estimated reliably.

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.

2.21 Revenue recognition

The group 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.

2.22 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.

2.23 Finance 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 qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets and, therefore, are capitalized until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.24 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 periodic rate on the financial 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.

2.25 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:

	2011	2010
thousands of euro		
Euro	(128,532)	(146,626)
US Dollar	(124,965)	(42,437)
Czech Koruna	2,095	5,623
Russian Ruble	1,204	1,200
Polish Zloty	1,851	65

At 31 December 2011, 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 € 2,247 thousand higher/lower (2010: € 6,578 thousand lower/higher), while equity would have been € 12,783 thousand lower/higher (2010: € 11,829 thousand lower/higher).

Profit is especially sensitive to movement in euro/US dollar, in euro/Russian Ruble 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 less than 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 invested 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 2011 and 2010, 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 a increase of € 2,969 thousand (2010: decrease of € 124 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 € 1,448 thousand (2010: increase of € 2,012 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 2011, if interest rates on euro-denominated financial assets and financial liabilities had been 1 % higher with all other variables held constant, profit before tax for the year would have been € 1,561 thousand higher (2010: € 1,406 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 € 1,376 thousand lower (2010: € 2,067 thousand higher). These fluctuations are mainly a result of financial debt that is denominated in euro at the parent company level, more than offset by cash and equivalents euro denominated across the group. At 31 December 2011, if interest rates on cash and equivalents denominated in US dollars at that date had been 1 % higher with all other variables held constant, profit before tax for the year would have been € 780 thousand higher (2010: € 850 thousand higher), mainly as a result of higher interest income on such liquid assets; 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 € 431 thousand higher (2010: € 239 thousand higher).

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 2011, the group's long term strategy, which was unchanged from 2010, was to maintain a gearing ratio below 40 %, to aim at a Net debt/EBITDA ratio of about 2 times and to regain as soon as possible its investment grade credit rating (currently BB+).

The ratios at 31 December 2011 and 2010 were as follows:

thousands of euro	2011	2010
Net debt	1,143,069	1,266,934
Equity	2,844,803	2,803,679
Total Capital	3,987,872	4,070,613
Gearing	**29 %**	**31 %**
Net debt	1,143,069	1,266,934
Operating cash flow (EBITDA)	429,404	387,024
Net debt/EBITDA	**2.66**	**3.27**

The change in the two ratios during 2011 resulted primarily from an improvement in the generation of operating cash flow, which, however, continued to suffer from the difficult trading conditions faced in some of our major markets, and the close monitoring of capital expenditures, which in the period were directed almost exclusively to maintenance and compliance projects.

3.3 Fair value estimation

Hereunder an analysis of financial instruments that are measured in the balance sheet at fair value, 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 presents the assets and liabilities that are measured at fair value at 31 December 2011:

thousands of euro	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments (non-current)	–	1,698	–	1,698
Derivative financial instruments (current)	–	4,216	–	4,216
Available-for-sale financial assets (current)	–	11	–	11
Total Assets	**–**	**5,925**	**–**	**5,925**
Liabilities				
Derivative financial instruments (non-current)	–	(13,837)	–	(13,837)
Derivative financial instruments (current)	–	(151)	–	(151)
Total Liabilities	**–**	**(13,988)**	**–**	**(13,988)**

The following table presents the assets and liabilities that are measured at fair value at 31 December 2010:

thousands of euro	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments (non-current)	–	2,630	–	2,630
Derivative financial instruments (current)	–	1,859	–	1,859
Available-for-sale financial assets (current)	–	11	–	11
Total Assets	**–**	**4,500**	**–**	**4,500**
Liabilities				
Derivative financial instruments (non-current)	–	(28,991)	–	(28,991)
Derivative financial instruments (current)	–	(1,317)	–	(1,317)
Total Liabilities	**–**	**(30,308)**	–	**(30,308)**

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 of trade receivables, less provision for impairment, and of trade 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 2011 and 2010 there were no transfers among different levels of fair value measurement. At the balance sheet date the group doesn’t own any financial instruments included in level 3.

The following table presents the changes in level 3 instruments for the year ended 31 December 2010:

	Derivative financial instruments (current)
thousands of euro	
At 1 January	(6,900)
Settlement	6,900
At 31 December	–

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 and for the year ended 31 December 2011 include the company and 121 consolidated subsidiaries. The total number of consolidated subsidiaries decreased by 10 compared with that at the end of the previous year. Excluded from consolidation are 22 subsidiaries that are either dormant or immaterial. Some mergers occurred during the year, within the group, 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 2011:

- purchase of an additional 26 % interest in Gravières et Sablières Karl EPPLE Snc, a company operating in the business of natural aggregates, and line-by-line consolidation of the former associate effective from 30 June 2011;
- purchase of the residual 50 % interest, not yet owned by Buzzi Unicem, in Beton Union Ruhr-Lenne GmbH & Co. KG and following merger with the fully owned subsidiary Dyckerhoff Beton GmbH & Co. KG;

- purchase of a 100 % ownership interest in Kieswerke Oppermann GmbH, a company operating in the business of natural aggregates, and following merger with the fully owned subsidiary Kieswerk Leubingen GmbH;

The associate Siefic Calcestruzzi Srl, classified as assets held for sale at 31 December 2010, was disposed of.

The above mentioned scope changes are not, overall, material for comparative purposes. However, the disclosures provided in the course of these notes point out the relevant impacts following the changes in the consolidation area.

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 of each operating segment reviewed by the executive directors. The measurement of segment profit or loss and of capital expenditures by segment is consistent with that of the financial statements.

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

thousands of euro	Italy	Central Europe	Eastern Europe	USA	Mexico	Unallocated items and adjustments	Total
2011							
Segment revenue	562,365	828,567	598,322	557,926	237,928	2,277	2,787,385
Intersegment revenue	(1,284)	(1,919)	–	–	–	3,203	–
Revenue from external customers	561,081	826,648	598,322	557,926	237,928	5,480	2,787,385
Operating cash flow	8,915	125,362	144,679	66,649	82,164	1,635	429,404
Depreciation	(44,705)	(53,751)	(43,903)	(74,074)	(16,296)	675	(232,054)
Impairment charges	(684)	(1,441)	(9,034)	(67)	(59)	(193)	(11,478)
Write-ups	–	–	–	34	–	–	34
Operating profit	(36,474)	70,170	91,742	(7,458)	65,809	2,117	185,906
Equity in earnings	(2,760)	633	310	(1,182)	–	–	(2,999)
Purchase of intangible and tangible assets	23,718	25,747	44,322	25,633	19,358	218	138,996
Purchase of equity investments	618	7,685	87	–	–	333	8,723

thousands of euro	Italy	Central Europe	Eastern Europe	USA	Mexico	Unallocated items and adjustments	Total
2010							
Segment revenue	608,040	729,645	492,686	600,940	213,403	3,728	2,648,442
Intersegment revenue	(1,205)	(1,183)	–	–	–	2,388	–
Revenue from external customers	606,835	728,462	492,686	600,940	213,403	6,116	2,648,442
Operating cash flow	32,117	93,289	95,306	88,723	78,082	(493)	387,024
Depreciation	(49,655)	(53,647)	(31,711)	(78,077)	(12,644)	2,930	(222,804)
Impairment charges	(3,161)	(1,130)	(1,106)	(157,373)	–	(2,367)	(165,137)
Write-ups	1,235	–	–	–	–	–	1,235
Operating profit	(19,464)	38,512	62,489	(146,727)	65,438	70	318
Equity in earnings	(1,415)	1,833	–	223	–	–	641
Purchase of intangible and tangible assets	25,541	33,616	129,519	29,785	38,380	1,230	258,071
Purchase of equity investments	1,063	4,839	378	–	–	–	6,280

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
2011							
Cement	262,399	421,546	409,004	386,753	185,186	4,225	1,669,113
Concrete and aggregates	299,344	405,102	189,318	171,173	52,742	593	1,118,272
							2,787,385

thousands of euro	Italy	Central Europe	Eastern Europe	USA	Mexico	Unallocated items and adjustments	Total
2010							
Cement	269,495	383,846	327,711	420,858	160,307	4,886	1,567,103
Concrete and aggregates	337,340	344,616	164,975	180,082	53,095	1,231	1,081,339
							2,648,442

The group is domiciled in Italy. The result of its revenue from external customers in Italy is € 550,702 thousand (2010: € 592,306 thousand) and the total of revenue from external customers from other countries is € 2,236,683 thousand (2010: € 2,056,136 thousand).

The total of non-current assets other than financial instruments, deferred tax assets, defined benefit plan assets (there are no rights arising under insurance contracts) located in Italy is € 660,102 thousand (2010: € 684,223 thousand) and the total of such non-current assets located in other countries is € 3,562,849 thousand (2010: € 3,695,548 thousand).

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 2010	565,655	9,423	–	4,690	14,113
Year ended 31 December 2010					
Translation differences	2,336	262	–	394	656
Amortization and impairment charges	(4,184)	(4,767)	–	(3,488)	(8,255)
Additions	–	1,119	–	291	1,410
Change in scope of consolidation	22,684	(623)	–	3,253	2,630
Reclassifications	(28)	724	5	–	729
Disposals and other	(283)	(1)	–	–	(1)
Net book amount at 31 December 2010	**586,180**	**6,137**	**5**	**5,140**	**11,282**
Year ended 31 December 2011					
Translation differences	32	(35)	–	(116)	(151)
Amortization and impairment charges	–	(3,046)	–	(457)	(3,503)
Additions	–	885	–	287	1,172
Change in scope of consolidation	1,898	203	–	151	354
Reclassifications	497	1,252	4	–	1,256
Disposals and other	–	–	–	(165)	(165)
Net book amount at 31 December 2011	**588,607**	**5,396**	**9**	**4,840**	**10,245**

At 31 December 2011, the item industrial patents, licenses and similar rights is made up of application software for plant and office automation (€ 2,563 thousand), mining rights (€ 1,557 thousand), industrial patents (€ 606 thousand), industrial licenses (€ 70 thousand).

The increase in goodwill stems from first-time consolidation of Gravières et Sablières Karl EPPLE Snc, for an amount of € 1,808 thousand (note 49).

Goodwill and impairment test

Goodwill at 31 December 2011 amounts to € 588,607 thousand and is broken-down as follows:

- € 489,210 thousand refer to Dyckerhoff, thereof € 324,657 thousand allocated to the segment Eastern Europe and the remaining € 164,553 thousand to Central Europe;
- € 48,803 thousand resulting mostly from the merger with Unicem SpA in 1999 and consequently attributable to the sector cement Italy;
- € 15,664 thousand refer to the ready-mix concrete and aggregates sector in Italy;

- € 34,930 thousand refer to the cement sector of Alamo Cement Company, thereof € 27,934 thousand emerging from the acquisition of Dorsett Brothers in 2008 and South-Tex Concrete in 2007;

For the purpose of impairment testing, the cash generating units ("CGUs") to which goodwill has been allocated are consistent with management's strategic vision and have been identified by country of operations, considering in a combined way the performance of cement and ready-mix concrete, since the two businesses, vertically integrated, are strictly interdependent. An exception is made for the United States of America and Italy. In particular:

- in Italy, considering both the corporate structure (two separate legal entities) and the business organization, two CGUs (cement and ready-mix concrete) have been identified;
- the group operates in the US market through two subsidiaries: Alamo Cement and Buzzi Unicem USA, which can be considered independent CGUs, as they serve different geographical markets in the country, with a distinct distribution network and a separate management of operations. Moreover, within Alamo Cement, not only the company as a whole but also two additional CGUs were tested: Dorsett Brothers (ready-mix concrete) and Alamo Cement Company (cement and concrete).

Inside Dyckerhoff, the CGUs correspond to Germany, Luxembourg, Netherlands, Czech Republic/Slovakia, Poland, Ukraine and Russia.

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 at 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 5-year plans approved by the board of directors. 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 lasting global financial crisis and the changed economic and market conditions, the management has adapted the risk of the countries of Buzzi Unicem's operations on the basis of the recent sector studies, adjusting similarly the average discount rates. The cash flow used is net of theoretical income tax, changes in working capital and capital expenditures.

- **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). Such parameters are reflected on the (g) factor, which has been determined for each market as follows:

in %	ITA	GER	NED	CZE	POL	UKR	LUX	RUS	USA
g	0.90	1.60	1.70	3.20	3.50	4.40	0.80	4.10	1.93

- **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	NED	CZE	POL	UKR	LUX	RUS	USA
WACC	8.09	6.29	6.47	7.81	8.01	18.84	6.29	13.01	6.12

As an additional methodology, to check the market consistency of the value deriving from the approach based on the discounted cash flows estimate, for some CGUs the relevant fair value has been determined using market multiples of production capacity (EV/ton; EV/m^3) and profitability (EV/EBITDA). Different multiples have been applied depending on the CGU being valued, identifying each time the basket deemed more comparable for geographical area and type/size of transaction. In some cases, the value has encompassed also the fair value of the owned raw material reserves.

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 goodwill. Ukraine reports a value in use lower than its carrying amount, but the fair value determined using market multiples is greater than the latter.

Finally, based on the recent macro-economic developments and the uncertainties about the future growth prospects, a sensitivity analysis was 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) and net operating cash flow.

The analysis highlights that, in some combinations of WACC increase and operating cash flows decrease, for some CGUS a negative difference arises between the value in use and the carrying amount at the balance sheet date. The most critical CGU has come out to be cement Italy sector, for which a 13 % cash flow decrease (at constant WACC) or a 0.21 % WACC increase (at constant cash flows) would remove the remaining headroom in the impairment calculation. However, also for such CGU, the fair value estimated by applying the market multiples is greater than its carrying amount.

In all other cases, no particular problems arose: only in the event of a significant cash flow decrease and a concurrent increase of WACC by some percentage points, the recoverable amount would come out lower than the carrying amount at the balance sheet date.

We can assert that the sensitivity analysis performed has confirmed that no material impairments exist and consequently we have deemed it not necessary to proceed with impairment charges on goodwill.

8. Property, plant and equipment

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Assets in progress and advances	Other	Total
thousands of euro						
At 1 January 2010						
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**
Year ended 31 December 2010						
Opening net book amount	1,549,614	1,266,810	139,289	420,511	34,950	3,411,174
Translation differences	92,784	50,320	11,070	24,246	2,308	180,728
Additions	34,513	70,648	9,267	139,974	2,024	256,426
Change in scope of consolidation	6,602	13,279	2,634	143	91	22,749
Disposals and other	(4,990)	(3,391)	(3,599)	(778)	(5,508)	(18,266)
Depreciation and impairment charges	(171,094)	(163,690)	(31,396)	(1,749)	(6,206)	(374,135)
Reclassifications	83,844	123,082	51,107	(260,796)	1,799	(964)
Closing net book amount	**1,591,273**	**1,357,058**	**178,372**	**321,551**	**29,458**	**3,477,712**
Year ended 31 December 2010						
Cost/deemed cost	2,416,345	4,005,894	460,947	321,551	111,739	7,316,476
Accumulated depreciation	(825,072)	(2,648,836)	(282,575)	–	(82,281)	(3,838,764)
Net book amount	**1,591,273**	**1,357,058**	**178,372**	**321,551**	**29,458**	**3,477,712**
Year ended 31 December 2011						
Opening net book amount	1,591,273	1,357,058	178,372	321,551	29,458	3,477,712
Translation differences	21,965	(3,127)	(6,544)	(475)	279	12,098
Additions	12,996	42,467	13,079	66,331	2,868	137,741
Change in scope of consolidation	4,746	4,291	624	(1,030)	(17)	8,614
Disposals and other	(3,164)	(2,910)	(1,302)	(46,737)	(1,514)	(55,627)
Depreciation and impairment charges	(40,869)	(151,859)	(32,499)	(8,327)	(5,997)	(239,551)
Reclassifications	46,570	110,071	17,449	(182,419)	1,988	(6,341)
Closing net book amount	**1,633,517**	**1,355,991**	**169,179**	**148,894**	**27,065**	**3,334,646**
At 31 December 2011						
Cost/deemed cost	2,514,771	4,135,097	477,342	148,894	111,900	7,388,004
Accumulated depreciation	(881,254)	(2,779,106)	(308,163)	–	(84,835)	(4,053,358)
Net book amount	**1,633,517**	**1,355,991**	**169,179**	**148,894**	**27,065**	**3,334,646**

Additions of €137,741 thousand in 2011 are shortly described in the review of operations, to which reference is made. In the cash flow statement and in the review of operations, capital expenditures are reported according to the actual outflows (€147,797 thousand). The change in scope is mainly driven by the first-time consolidation of Gravières et Sablières Karl EPPLE Snc. The change in scope in the year 2010 was mainly attributable to the first-time consolidation of SIBO group.

Positive translation differences of € 12,098 thousand, principally reflect strength in the exchange rate of the US dollar and weakness of the other currencies used for translation of the foreign financial statements versus the euro. In 2010, the trend in the exchange rates of the dollar and other currencies had given rise to positive translation differences of € 180,728 thousand.

Real guarantees on assets of consolidated companies are represented by liens on industrial and commercial equipment for the amount of € 1,481 thousand at 31 December 2011 (2010: € 3,152 thousand).

Disposal and other includes an amount of € 48,408 thousand relating to plant and machinery reclassified from fixed assets to assets held for sale.

Rent expenses amounting to € 37,878 thousand (2010: € 40,711 thousand) relating to the operating lease of property and machinery are included in the income statement among services (note 35).

At the end of 2010 in the USA we resolved to write down the book value of property, plant and equipment located at the Oglesby, IL cement plant and consisting of the facility's production related assets (clinker and cement). The facility continues to operate as a distribution terminal and the market is served by optimizing the utilization of the company's Indiana (Greencastle) and Missouri (Selma, Cape Girardeau) plants, with no impact on the ability to attend to customers and on revenues from operating activities. The impairment charge amounted to € 150,850 thousand, gross of the related deferred income tax effect (€ 61,165 thousand).

During 2009, 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, with the same 15-year maturity for an amount of € 71,826 thousand at 31 December 2011. 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 for $1. Should Buzzi Unicem USA not exercise the option, it shall be obliged to pay 125 % of the personal property taxes that would normally apply. The plan provides for 50 % abatement of personal property taxes for approximately 15 years. 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. The carrying amount at the balance sheet date is € 61,714 thousand.

9. Investment property

The line item amounts to €21,209 thousand and shows an increase of €2,116 thousand versus last year. It is accounted for using the cost model, with its fair value being well above the carrying amount at the balance sheet date.

	2011	2010
thousands of euro		
At 1 January	19,093	14,834
Translation differences	(68)	253
Additions	687	235
Reclassifications	3,050	1,042
Change in scope of consolidation	–	3,434
Disposals and other	(1,553)	(705)
At 31 December	**21,209**	**19,093**

10. Investments in associates

	2011	2010
thousands of euro		
Accounted for using the equity method	207,148	211,128
Valued at cost	745	5,377
	207,893	**216,505**

The net decrease of €8,612 thousand was affected to the extent of €6,088 thousand by the changes in scope of consolidation, that have involved the line-by-line consolidation of Gravières et Sablières Karl EPPLE Snc, Beton Union Ruhr-Lenne GmbH & Co. KG, Kieswerke Oppermann (all entities previously accounted for using the equity method).

The 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 were positive for €1,901 thousand.

	2011	2010
thousands of euro		
At 1 January	216,505	227,167
Translation differences	3,168	8,522
Additions	2,265	838
Equity in earnings	(2,999)	641
Dividends received	(5,485)	(7,041)
Disposals and other	(5,561)	(13,622)
At 31 December	**207,893**	**216,505**

The full book value of the main investments in associates has been tested for impairment. Management 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. In some cases, the assessment has encompassed the fair value of property owned by the associates. 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, except for the investment in Société des Ciments de Hadjar Soud EPE SpA, for which the recoverable amount obtained by the expected cash flows method is lower than the book value. Although the fair value estimated using market multiples is greater than the carrying amount, we have anyway proceeded to recognize an impairment loss of € 6,743 thousand. The write-down reflects the particular operating condition of the investment, that is the expiry of the management contract. It also allows to align the carrying amount of the investment to the recoverable amount obtained by the discounted cash flows method.

Based on the recent macro-economic developments and the uncertainties about the future growth prospects, a sensitivity analysis was performed on the recoverable amount of the investments, 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) and net operating cash flow. The outcome of the analysis highlights that some investments are sensitive to changes in the above assumptions. However, also for such investments, the fair value estimated by applying the market multiples is greater than their carrying amount.

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

	Registered office	Book value	% of ownership direct	% of ownership indirect
thousands of euro				
Société des Ciments de Hadjar Soud EPE SpA	Azzaba DZ	53,000	35.0	
Société des Ciments de Sour El Ghozlane EPE SpA	Sour El Ghozlane DZ	53,841	35.0	
Kosmos Cement Company	Louisville US	33,308		25.0
quick-mix Holding GmbH & Co. KG	Osnabrück DE	16,567		40.0
Laterlite S.p.A.	Solignano IT	14,282	33.3	
Houston Cement Company LP	Houston US	8,569		20.0
Bétons Feidt S. A.	Luxembourg LU	7,411		30.0
Cementi Moccia S.p.A.	Napoli IT	4,782	50.0	
S. A. des Bétons Frais	Schifflange LU	1,768		41.0
Premix S.p.A.	Melilli IT	1,691	40.0	
Cave di Carpenosa S.r.l.	Molini di Triora IT	1,272		33.5
E.L.M.A. S.r.l.	Sinalunga IT	1,164		50.0
Transass S. A.	Schifflange LU	1,069		41.0
S. Paolo S.c.r.l.	Calenzano IT	1,068		50.0
Ciments de Balears, S. A.	Palma de Mallorca ES	1,039	35.0	
Normensand GmbH	Beckum DE	872		38.0
ZAPA UNISTAV s.r.o.	Brno CZ	823		50.0
Eljo Holding B.V.	Zuidbroek NL	614		50.0
Albenga Calcestruzzi S.r.l.	Albenga IT	543		50.0
Van Zanten Holding B.V.	Zuidbroek NL	541		25.0
TRAMIRA – Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden-Dankersen DE	533		50.0
Niemeier Beton GmbH & Co. KG	Diepholz DE	383		33.3
WWB – Service + Logistik GmbH & Co. KG	Westerburg DE	369		100.0
Betoncentrale Haringman B.V.	Goes NL	341		50.0
EKO ZAPA beton, a.s.	Praha CZ	313		50.0
Other < 250,000 euro		1,730		
		207,893		

In spite of the majority voting interest (63.1 %), Buzzi Unicem does not have control of NCD Nederlandse Cement Deelnemingsmaatschappij BV (in liquidation), 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. The corresponding balance is included in other < 250,000 euro.

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

	Assets	Liabilities	Net sales	Net profit
thousands of euro				
2011				
Société des Ciments de Hadjar Soud EPE SpA	170,886	19,457	46,312	(9,764)
Société des Ciments de Sour El Ghozlane EPE SpA	172,817	18,987	49,988	5,536
Kosmos Cement Company	144,910	12,802	63,612	(4,737)
quick mix Holding GmbH & Co. KG	121,000	75,200	211,700	5,300
Houston Cement Company LP	58,828	1,367	35,412	4
Laterlite SpA	80,289	38,152	65,592	4,114
S. A. des Béton Frais	12,811	8,500	26,300	(1,600)
Cementi Moccia SpA	44,900	27,464	19,738	(6,341)

	Assets	Liabilities	Net sales	Net profit
thousands of euro				
2010				
Société des Ciments de Hadjar Soud EPE SpA	182,478	23,197	37,314	(1,902)
Société des Ciments de Sour El Ghozlane EPE SpA	166,729	20,234	37,503	(1,150)
Kosmos Cement Company	145,364	11,416	74,113	737
quick mix Holding GmbH & Co. KG	116,500	78,200	102,500	3,000
Houston Cement Company LP	62,866	1,990	36,073	1,549
Laterlite SpA	81,318	40,797	67,991	4,350
Bétons Feidt S. A.	41,519	16,392	65,912	1,650
Cementi Moccia SpA	36,433	12,657	16,194	(6,254)

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 2011	1,399	4,125	5,524
Additions	–	553	553
Write-ups (write-downs)	–	(1,262)	(1,262)
Disposals and other	(19)	447	428
At 31 December 2011	**1,380**	**3,863**	**5,243**

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.

Following the impairment test results, the equity investment of 16.7 % in Romana Calcestruzzi SpA has been written down for an amount of € 1,200 thousand. There were no impairment provisions on available-for-sale financial assets (non-current portion) in 2010.

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.

	2011		2010	
	Assets	Liabilities	Assets	Liabilities
thousands of euro				
Non-current				
Not designated as hedges	1,698	13,837	2,630	28,991
	1,698	**13,837**	**2,630**	**28,991**
Current				
Not designated as hedges	4,216	151	1,859	1,317
	4,216	**151**	**1,859**	**1,317**

The liabilities include a 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 € 7,423 thousand at 31 December 2011 (€ 21,911 thousand at closing 2010) and the assets a positive value of € 4,647 thousand (€ 4,364 thousand at closing 2010).

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

	2011		2010	
	Notional	Fair value	Notional	Fair value
thousands of euro				
Interest rate swaps	495,000	(5,413)	490,000	(8,397)
Currency swaps	2,434	266	5,608	125
Cross currency swaps	185,486	(6,981)	275,408	(19,033)
Forward foreign exchange	146,843	4,205	180,362	1,486
Interest rate options	–	–	5,000	–
Commodity swaps	4,561	(151)	–	–
Takeover commitments (put writer)	2,659	–	2,611	–
Sale commitments (call writer)	1,394	–	1,390	–
Takeover options (call)	5,757	–	9,742	–

The fair value of the takeover or sale commitments and options is equal to zero, hence without effect on the financial position.

At end of year, takeover commitments include a put option on 25 % of the subsidiary Dyckerhoff Transportbeton Hamburg GmbH, exercisable by 31 October 2014, at a strike price of € 1,837 thousand; a put option with Anacon Beteiligungs GmbH to purchase land for € 350 thousand by 31 December 2014; different put options to purchase transportation equipment for € 472 thousand. Sale commitments include three call options to sell land for a total of € 1,394 thousand. Takeover options include a call on the remaining 49 % share of Gravières et Sablières Karl EPPLE Snc, with a strike price of € 3,920 thousand; the option is exercisable up to 1 January 2014. They also include a call agreement (corresponding to the above mentioned put agreement) on 25 % of the subsidiary Dyckerhoff Transportbeton Hamburg GmbH, exercisable by 31 October 2014, always at a strike price of € 1,837 thousand. This option has been recognized within other payables (non-current).

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

During 2011, the changes in the fair value of derivative financial instruments recognized in the income statement are positive for € 19,566 thousand (2010: € 41,684 thousand positive).

13. Other non-current assets

thousands of euro	2011	2010
Receivables from associates	4,364	3,447
Tax receivables	12,481	20,357
Advances to suppliers	8,249	7,173
Receivables from personnel	1,485	1,724
Loans to customers	4,556	7,727
Guarantee deposits	19,051	20,223
Other	10,164	8,349
	60,350	**69,000**

The receivables from associates are made up mainly of interest-bearing loans granted to quick-mix Holding GmbH & Co. KG (€ 3,259 thousand).

The decrease in tax receivables stems from two different effects: a decrease for the sale without recourse of the assets related to the last corporate tax credit in Germany booked in December 2010, which otherwise would have been cashed-in over a period of 6 years starting from September 2011 (€ 15,988 thousand); an increase for the reclassification from current to non-current of tax refunds in the United States (€ 11,039 thousand).

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.

Receivables from personnel include loans to employees equal to € 1,229 thousand (2010: € 1,502 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 for an amount of € 2,443 thousand.

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

	2011	2010
thousands of euro		
Raw materials, supplies and consumables	257,689	254,389
Work in progress	73,512	71,205
Job-orders in process	1,277	–
Finished goods and merchandise	67,679	67,028
Advances	2,258	2,138
Emission rights	2,065	–
	404,480	**394,760**

Increases and decreases of the various categories depend on the trend in production and sales, on the price of the factors employed, 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 €36,577 thousand (2010: €27,920 thousand).

15. Trade receivables

	2011	2010
thousands of euro		
Trade receivables	509,818	466,864
Less: Provision for receivables impairment	(37,226)	(37,754)
Trade receivables, net	**472,592**	**429,110**
Other trade receivables:		
From unconsolidated subsidiaries	341	392
From associates	14,458	21,503
From parent companies	21	20
	487,412	**451,025**

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. The increase in such item is mainly attributable to lengthening of average collection period and to strengthening of the US dollar. The group has discounted trade receivables without recourse having due dates beyond 31 December 2011 amounting to €9,917 thousand.

At the balance sheet date, trade receivables that are past due but not impaired amount to €217,429 thousand (€163,670 thousand in 2010).

The ageing analysis of these trade receivables is as follows:

	2011	2010
thousands of euro		
Past due up to 2 months	168,385	119,277
Past due between 2 and 6 months	31,190	28,489
Past due over 6 months	17,854	15,904
	217,429	**163,670**

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

	2011	2010
thousands of euro		
Euro	298,497	266,162
US Dollar	75,637	71,194
Russian Ruble	6,487	6,102
Mexican Peso	46,088	42,392
Other currencies	45,883	43,260
	472,592	**429,110**

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

	2011	2010
thousands of euro		
At 1 January	37,754	37,261
Translation differences	(568)	1,254
Provision for impairment	17,622	17,898
Receivables written off as uncollectible	(12,974)	(13,885)
Unused amounts reversed and other	(4,608)	(4,774)
At 31 December	**37,226**	**37,754**

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

	2011	2010
thousands of euro		
Tax receivables	62,473	90,292
Receivables from social security institutions	518	577
Receivables from unconsolidated subsidiaries and associates	3,295	5,218
Loans to customers	3,151	2,030
Receivables from suppliers	9,081	9,950
Receivables from personnel	1,627	1,609
Receivables from sale of equity investments	319	–
Accrued income and prepaid expenses	12,457	9,401
Other	14,129	18,933
	107,050	**138,010**

Tax receivables include income tax payments in advance and the debit balance of periodic value added tax when money is to be returned. The decrease is mainly due to the reduction of VAT receivables in Russia and Ukraine, to the sale without recourse of the assets related to the last corporate tax credit in Germany, to the reclassification from current to non-current of some withholdings and tax refunds in the United States (note 13).

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

Loans to customers represent the current portion of loans granted by Buzzi Unicem USA to some major accounts (note 13).

Receivables from suppliers include mainly advances on procurement of gas, electricity and other services.

Accrued income totals € 1,319 thousand (2010: € 1,166 thousand) and is made up primarily of interest income on marketable securities and time deposits. Prepaid expenses amount to € 11,138 thousand (2010: € 8,235 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.

17. Cash and cash equivalents

thousands of euro	2011	2010
Cash at banks and in hand	463,008	252,183
Short-term deposits	129,020	144,276
	592,028	**396,459**

Foreign operating companies hold about 89 % of the balance of € 592,028 thousand (70 % in 2010). At the closing date, short-term deposits and securities earn interest at about 1.3 % on average (1.0 % in 2010): yield in euro is around 1.1 %, in dollar 0.1 %, in Mexican peso 4.1 % and in other currencies 4.7 %. 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:

thousands of euro	2011	2010
Euro	359,928	169,838
US Dollar	152,028	164,619
Mexican Peso	35,136	33,268
Russian Ruble	5,708	6,597
Other currencies	39,228	22,137
	592,028	**396,459**

18. Assets held for sale

The amount relates for € 16,513 thousand to the residual fair value of equipment and machinery that originally had been purchased to expand production capacity in Russia and in Ukraine. Since these capital projects have been postponed indefinitely in time, management decided to put up the equipment for sale. The assets sold were reclassified from fixed assets and their measurement at fair value less costs to sell involved a value adjustment equal to € 8,241 thousand. The balance also includes a piece of land on sale in the United States for an amount of € 908 thousand.

At year-end 2010 the amount related to the fair value of the associate Siefic Calcestruzzi Srl, following the disposal on 31 January 2011 (€ 1,750 thousand) and other equipment always sold in January 2011.

19. Share capital

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

	2011	2010
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 2011 is the following:

	Ordinary	Savings	Total
number of shares			
At 1 January 2011			
Shares issued	165,349,149	40,711,949	206,061,098
Less: Treasury shares	(500,000)	(203,400)	(703,400)
Shares outstanding	**164,849,149**	**40,508,549**	**205,357,698**
Year ended 31 December 2011			
Employee share grant scheme	–	63,245	63,245
Closing shares outstanding	**164,849,149**	**40,571,794**	**205,420,943**
At 31 December 2011			
Shares issued	165,349,149	40,711,949	206,061,098
Less: Treasury shares	(500,000)	(140,155)	(640,155)
Shares outstanding	**164,849,149**	**40,571,794**	**205,420,943**

In June 2011, no. 63,425 savings shares out of treasury, with a fair value of € 319 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 as at 31 December 2011 and it is unchanged versus last year.

21. Other reserves

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

	2011	2010
thousands of euro		
Translation differences	(291,044)	(299,149)
Revaluation reserves	88,286	88,286
Merger surplus	247,530	247,530
Other	120,173	120,832
	164,945	**157,499**

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 favorable variance of € 8,105 thousand is the result of four separate effects: an increase of € 43,095 thousand due to the strengthening of the US dollar, a decrease of € 15,368 thousand due to the weakening of the Mexican peso, a decrease of € 21,523 thousand due to the weakening of the Eastern European currencies and an increase of € 1,901 due to the strengthening 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 non-controlling interest were carried out after acquisition of control. Specifically, the purchase of an additional 10.9 % interest in OAO Sukholozhskcement, which brought to an increase in retained earnings equal to € 22,877 thousand.

23. Non-controlling interest

The balance as at 31 December 2011 refers to Dyckerhoff AG and subsidiaries (€ 98,660 thousand), RC Lonestar Inc. (€ 39,558 thousand), Corporación Moctezuma, SAB de CV (€ 89,154 thousand) and La Rinascita Calcestruzzi SpA (€ 322 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	2011	2010
Long-term debt		
Senior notes and bonds	803,567	848,391
Mezzanine loan	–	230,145
Finance lease obligations	2,165	2,505
Secured term loans	699	1,234
Unsecured term loans	441,424	376,575
	1,247,855	**1,458,850**
Current portion of long-term debt		
Senior notes and bonds	61,730	73,274
Mezzanine loan	235,820	150
Finance lease obligations	1,062	1,080
Secured term loans	595	728
Unsecured term loans	103,206	100,486
	402,413	**175,718**
Short-term debt		
Bank overdrafts and borrowings	78,560	2,198
	78,560	**2,198**

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	2011	2010
6 months or less	211,634	116,046
6–12 months	269,339	61,869
1–5 years	1,190,066	952,705
Over 5 years	57,789	506,146
	1,728,828	**1,636,766**

Senior Notes and Bonds

The change is mainly due to principal repayments for € 75,961 thousand and to foreign exchange effect for € 17,908 thousand.

Senior notes and bonds include the so-called Eurobond "Buzzi Unicem € 350,000,000 5.125 % Notes due 2016". 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, corresponding to an effective interest rate of 5.32 %. This fund-raising operation is backed by interest rate swap contracts for nominal € 200 million, aimed at partially swapping the interest rate from fixed to floating in the period 2010–2013. The income statement 2011 is penalized by net finance costs associated with those interest rate swap contracts to the extent of € 380 thousand (in 2010, net finance revenues of € 965 thousand).

The other senior notes and bonds relate primarily to Senior Unsecured Notes placed privately in the US market (USPP). The issuer is our subsidiary RC Lonestar, Inc. Buzzi Unicem SpA guarantees the obligations of the issuer. These fund-raising operations are partially backed by interest rate swaps, cross currency swaps and forward foreign exchange contracts entered into by Buzzi Unicem SpA. The income statement 2011 benefits from net finance revenues associated with interest rate swap contracts to the extent of € 2,118 (in 2010, net finance revenues of € 5,274 thousand).

The Senior Unsecured Notes privately placed in the US market (USPP) 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 EBITDA not exceeding 3 times. In November 2010 the company entered into an agreement with the USPP investors, by which the ratio of consolidated net debt to EBITDA was changed as follows: 3.4 times from September 2010 to September 2011, 3.25 times from December 2011 to June 2012 and again 3 times from September 2012 onward. The agreement also provides for an increase in the interest rate, which can fluctuate from 15 up to a maximum of 150 basis points, thereof 125 basis points applicable only in case the corporate rating should be lower than "investment grade" category. This occurrence happened in September 2011 when Buzzi Unicem's rating was revised downward from investment grade to BB+ (stable outlook). At the balance sheet date, such contractual covenants are all complied with.

The following table summarizes the main terms of bond issues outstanding at 31 December 2011:

Issue	Outstanding amount	Maturity	Coupon	Notes
Buzzi Unicem SpA Eurobond December 2009	€ m 347.1	2016	5.125 %	Interest rate swap on € m 200 from fix 1.62 % to floating Euribor 6M, until 2013
RC Lonestar, Inc. Senior Notes May 2002 Series B	$ m 160.0	2012–2013	6.92 % [1]	FX forward on principal
RC Lonestar, Inc. Senior Notes May 2002 Series C	$ m 35.0	2017	7.12 % [1]	FX forward on principal
RC Lonestar, Inc. Senior Notes September 2003 Series A	$ m 170.0	2014–2016	5.08 % [1]	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 % [1]	Cross currency swap on principal and coupons
RC Lonestar, Inc. Senior Notes September 2003 Series B	€ m 30.0	2013	5.05 % [1]	
RC Lonestar, Inc. Senior Notes April 2010 Series A	$ m 170.0	2014–2016	4.90 % [1]	
RC Lonestar, Inc. Senior Notes April 2010 Series B	$ m 30.0	2016		Floating rate Libor 3M +2.45 % [1]

[1] a 125 basis points step-up to the coupon is currently being applied

Mezzanine loan

It is the subordinated loan granted by the Dyckerhoff family to Dyckerhoff AG. The loan matures on 15 December 2012, 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. In January 2012 an early repayment has been made for € 7,435 thousand, the company does not expect other material repayments till the final maturity of the loan. The liability increases as a whole due to the 2.5 % interest accrual, calculated according to the effective interest method.

Term loans and other borrowings

During 2011 new borrowings were obtained for € 251,081 thousand and principal payments on long-term debt amounted to € 108,476 thousand.

In July 2009 the subsidiary Dyckerhoff AG issued a "Schuldscheindarlehen" loan of € 175 million, with maturity on 29 July 2013. The loan was structured in two tranches, one of € 138 million at floating rate and one of € 37 million at fixed rate. In July 2011 Dyckerhoff AG proposed the subscribers of the floating rate tranche to swap their position with a new "Schuldscheindarlehen" due on 29 July 2015. Most lenders accepted this proposal, and in some cases increased their engagement. Once the swap or purchase offer was concluded, the floating rate tranche totals € 185 million.

In November 2011 the subsidiary Dyckerhoff AG issued a new "Schuldscheindarlehen" loan of € 100 million. The loan is structured in five tranches, three of which at fixed rate and two at floating rate, due in 2014, 2015 and 2017.

During 2011 the following new committed facilities were issued:

- bilateral facility of € 200,000 thousand, with final maturity on 30 June 2016 and concomitant redemption of the revolving facility entered into with the same bank in 2007 for € 250,000 thousand and outstanding for a residual amount of € 100,000 thousand;
- syndicated line of credit for an amount of € 300,000 thousand, with final maturity on 28 June 2016, in replacement of the syndicated credit facility subscribed in 2008 for an amount of € 280,000 thousand, falling due in July 2011;
- bilateral facility of € 50,000 thousand entered into by the subsidiary Dyckerhoff AG, with final maturity on 15 December 2012, in replacement of the credit facility of € 40,000 thousand, entered into with the same bank in November 2009.

As at 31 December 2011 the group had undrawn committed facilities expiring after 2011 of € 711,373 thousand (2010: € 736,028 thousand), thereof € 404,150 thousand at floating rate available to the company and the remaining € 307,223 thousand to Dyckerhoff AG, always at floating rate.

In respect of interest rate and currency, the gross indebtedness at 31 December 2011 is roughly split as follows (after hedging): 38 % floating and 62 % fix; 28 % denominated in dollar and 72 % 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 € 150,000 thousand (2010: fair value greater than carrying amount by about € 155,000 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:

	2011	2010
thousands of euro		
By category		
Post-employment benefits:		
Pension plans	171,310	173,405
Healthcare plans	109,886	107,133
Employee severance indemnities	25,480	27,671
Other	155	123
Other long-term benefits	8,960	9,670
	315,791	**318,002**
By geographical area		
Italy	26,396	28,584
Germany, Luxembourg, Netherlands	175,857	179,906
USA, Mexico	113,538	109,512
	315,791	**318,002**

The defined benefit plan assets separately recognized in the balance sheet pertain to the USA geographical area (€ 41,984 thousand).

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

	Pension plans		Healthcare plans		Employee severance indemnities		Other	
	2011	2010	2011	2010	2011	2010	2011	2010
thousands of euro								
Present value of funded obligations	438,498	413,074	–	–	–	–	–	–
Less: Fair value of plan assets	(229,780)	(216,494)	–	–	–	–	–	–
	208,718	**196,580**	**–**	**–**	**–**	**–**	**–**	**–**
Present value of unfunded obligations	18,602	18,912	102,825	100,918	22,252	26,142	174	123
Unrecognized actuarial gains (losses)	(97,904)	(83,969)	7,061	6,215	3,228	1,529	(19)	–
Unrecognized past service cost	–	–	–	–	–	–	–	–
Defined benefit plan assets	41,894	41,882	–	–	–	–	–	–
Liability in the balance sheet	**171,310**	**173,405**	**109,886**	**107,133**	**25,480**	**27,671**	**155**	**123**

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

	Pension plans		Healthcare plans		Employee severance indemnities		Other	
	2011	2010	2011	2010	2011	2010	2011	2010
thousands of euro								
At 1 January	431,986	388,474	100,918	91,915	26,142	30,239	123	92
Interest cost	21,786	22,771	4,656	5,342	1,186	1,193	7	–
Past service cost	241	–	–	–	–	–	–	–
Current service cost	6,523	7,926	1,639	1,619	(1)	57	12	107
Actuarial losses (gains)	15,534	24,717	(1,248)	2,967	(549)	(377)	(20)	–
Employee contributions	71	72	759	582	–	–	–	–
Benefits paid	(29,449)	(29,785)	(6,949)	(8,088)	(3,386)	(4,046)	–	(89)
Translation differences	7,923	14,500	3,051	6,663	–	–	(10)	13
Change in scope of consolidation	33	2,976	–	–	–	–	–	–
Other changes	2,452	335	(1)	(82)	(1,140)	(924)	62	–
At 31 December	**457,100**	**431,986**	**102,825**	**100,918**	**22,252**	**26,142**	**174**	**123**

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

	Pension plans	
	2011	2010
thousands of euro		
At 1 January	216,494	196,041
Expected return on plan assets	14,493	15,221
Actuarial gains (losses)	(895)	7,394
Translation differences	7,018	12,441
Employer contributions	7,964	2,466
Employee contributions	71	72
Benefits paid	(16,358)	(15,965)
Other changes	993	(1,176)
At 31 December	**229,780**	**216,494**

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

	Pension plans		Healthcare plans		Employee severance indemnities		Other	
	2011	2010	2011	2010	2011	2010	2011	2010
thousands of euro								
Current service cost	6,523	7,926	1,639	1,619	(1)	57	25	107
Interest cost	21,786	22,771	4,656	5,342	1,186	1,193	7	–
Expected return on plan assets	(14,493)	(15,221)	–	–	–	–	–	–
Net actuarial losses recognized	5,294	5,946	(641)	(942)	–	–	1	–
Past service cost	(92)	1,868	–	–	–	–	24	–
Gains on curtailments	128	133	–	–	–	–	–	–
Other	1,429	1,290	–	–	–	–	–	–
	20,575	**24,713**	**5,654**	**6,019**	**1,185**	**1,250**	**57**	**107**

Of the total charge, € 14,379 thousand are included in staff costs (2010: € 17,974 thousand) and € 13,092 thousand in net finance costs (2010: € 14,115 thousand).

The actual return on plan assets was € 13,598 thousand negative (2010: negative for € 22,615 thousand).

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:

				2011				2010
	Italy	EU	USA	Mexico	Italy	EU	USA	Mexico
in %								
Discount rate	5.8	5.1	4.8	7.5	4.8	5.3	5.3	7.9
Expected return on plan assets	–	4.0	7.5	7.5	–	4.5	7.5	7.9
Future compensation increase	3.3	2.5	4.0	5.5	3.3	2.5	4.0	5.5
Future pension increase	2.0	2.0	3.0	–	2.0	2.0	3.0	–
Healthcare cost trend	–	2.0	7.5	–	–	2.0	8.0	–

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

Plan assets are comprised as follows:

		Germany		USA
	2011	2010	2011	2010
in %				
Equity instruments issued by third parties	37.2	17.4	46.4	51.2
Debt instruments issued by third parties	42.0	79.4	51.1	46.2
Other	20.8	3.2	2.5	2.6

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	518	(456)
Effect on the defined benefit obligation	5,565	(4,869)

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 2011 and at the end of the four previous years are as follows:

	2011	2010	2009	2008	2007
thousands of euro					
Present value of funded obligations:					
Pension plans	457,100	431,986	388,474	409,833	403,894
Healthcare plans	102,825	100,918	91,915	92,203	94,299
Employee severance indemnities	22,252	26,142	30,239	32,028	34,995
Other	174	123	92	102	104
Fair value of plan assets:					
Pension plans	229,780	216,494	196,041	206,756	242,300
Surplus (deficit) in the plan:					
Pension plans	(227,320)	(215,492)	(192,433)	(203,077)	(161,594)
Healthcare plans	(102,825)	(100,918)	(91,915)	(92,203)	(94,299)
Employee severance indemnities	(22,252)	(26,142)	(30,239)	(32,028)	(34,995)
Other	(174)	(123)	(92)	(102)	(104)
Experience adjustments on plan assets	(851)	10,855	11,166	(57,736)	(8,216)
Experience adjustments on plan liabilities	4,576	(1,008)	4,443	6,771	2,848

26. Provisions for liabilities and charges

	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
thousands of euro					
At 1 January 2011	55,340	51,938	48,858	15,747	171,883
Additional provisions	4,492	–	2,257	6,367	13,116
Discount unwinding	(1,393)	802	948	245	602
Unused amounts released	(469)	–	(1,001)	(636)	(2,106)
Used during the year	(2,646)	–	(15,780)	(3,960)	(22,386)
Translation differences	371	(1,636)	100	79	(1,086)
Reclassifications	–	–	–	2,136	2,136
Change in scope of consolidation	1,205	–	–	124	1,329
At 31 December 2011	**56,900**	**51,104**	**35,382**	**20,102**	**163,488**

Total provisions can be analyzed as follows:

	2011	2010
thousands of euro		
Non-current	121,123	119,531
Current	42,365	52,352
	163,488	**171,883**

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 fulfillment of related requirements concerning quarries, safety, health and environment. Additional provisions for environmental risks refer for € 1,000 thousand to the possible costs for the clean-up of the ground and roadstead at the Augusta (SR) plant site (note 47).

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.

The provision for tax risks amounts to € 32,120 thousand and reflects liabilities that are considered probable as a result of tax audits and adjustments to tax returns. Uses include an amount of € 14,154 referred to the settlement of some disputes with tax authorities in Germany.

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 € 4,915 thousand for restructuring costs and workers compensation claims not covered by insurance for € 1,855 thousand. Additional provisions include € 2,065 thousand corresponding to emission rights reported in inventories and € 1,771 thousand for restructuring costs.

27. Deferred income tax

Net deferred tax liability as at 31 December 2011 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:

	2011	2010
thousands of euro		
Deferred income tax assets:		
To be recovered after more than 12 months	(186,263)	(141,010)
To be recovered within 12 months	(22,571)	(34,036)
	(208,834)	**(175,046)**
Deferred income tax liabilities:		
To be recovered after more than 12 months	581,130	571,217
To be recovered within 12 months	10,387	6,038
	591,517	**577,255**
Net deferred income tax liabilities	**382,683**	**402,209**

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

	2011	2010
thousands of euro		
Deferred income tax assets related to:		
Provisions for liabilities and charges	(20,154)	(18,493)
Trade receivables	(5,295)	(5,653)
Employee benefits	(34,008)	(32,264)
Long-term debt	(15,993)	(10,204)
Derivative financial instruments	(8,897)	(11,318)
Property, plant and equipment	(12,393)	(16,846)
Inventories	(6,329)	(7,747)
Tax loss carryforwards (theoretical benefit)	(327,331)	(298,931)
Other	(12,753)	(7,334)
Total deferred income tax assets	**(443,153)**	**(408,790)**
Valuation allowances	234,319	233,744
Net deferred income tax assets	**(208,834)**	**(175,046)**
Deferred income tax liabilities related to:		
Accelerated depreciation	154,524	138,735
Employee benefits	(151)	345
Property, plant and equipment	406,670	418,840
Inventories	6,958	6,073
Gains on disposal of fixed assets	106	289
Financial assets	10,680	8,244
Other	12,730	4,729
Total deferred income tax liabilities	**591,517**	**577,255**
Net deferred income tax liabilities	**382,683**	**402,209**

The deferred tax liability related to property, plant and equipment refers mainly to the positive differential that in 1999, year of the acquisition, Dyckerhoff AG 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:

	2011	2010
thousands of euro		
At 1 January	402,209	417,288
Income statement charge (credit)	(29,423)	(51,307)
Translation differences	7,886	33,177
Change in scope of consolidation	2,011	3,051
At 31 December	**382,683**	**402,209**

28. Other non-current liabilities

	2011	2010
thousands of euro		
Purchase of equity investments	3,906	3,687
Non-controlling interest in partnerships	5,433	6,287
Payables to personnel	471	2,763
Other	5,590	5,541
	15,400	**18,278**

Some third parties and managers have an obligation to sell their minority interest in the subsidiary OAO Sukholozhskcement. The liability for purchase of equity investments recognizes the present value of this obligation, spread over the years 2013–2017.

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

29. Trade payables

	2011	2010
thousands of euro		
Trade payables	259,341	275,157
Other trade payables:		
To unconsolidated subsidiaries	45	13
To associates	4,211	3,406
	263,597	**278,576**

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	2011	2010
Advances	7,751	8,130
Purchase of equity investments	–	3,086
Payables to social security institutions	17,462	18,303
Payables to personnel	47,824	47,528
Payables to customers	9,368	8,327
Accrued expenses and deferred income	23,118	21,474
Other	30,579	32,776
	136,102	**139,624**

The decrease in purchase of equity investments stems from the payment of the cash consideration to acquire 10,9 % of OAO Sukholozhskcement.

The item other consists of sundry elements, among which the credit balance of periodic valued added tax for € 7,368 thousand (2010: € 5,117 thousand).

32. Net sales

Net sales breakdown is as follows:

thousands of euro	2011	2010
Cement and clinker	1,698,333	1,599,964
Ready-mix concrete and aggregates	1,069,225	1,027,150
Related activities	19,827	21,328
	2,787,385	**2,648,442**

The 5.2 % increase compared to year 2010 is due to favorable market trends for 6.0 %, to additions in the scope of consolidation for 0.9 % and to unfavorable currency effects for 1.7 %. 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.

thousands of euro	2011	2010
Recovery of expenses	8,280	7,901
Indemnity for damages	2,449	5,221
Revenue from leased properties	9,583	9,721
Gains on disposals of property, plant and equipment	9,727	4,303
Capital grants	737	727
Release of provisions	2,293	2,675
Internal work capitalized	4,927	8,167
Sale of emission rights	29,328	38,124
Other	32,981	31,252
	100,305	**108,091**

The caption gains on disposals of property, plant and equipment includes € 7,076 thousand non-recurring income, related to the sale of a commercial building classified as investment property.

34. Raw materials, supplies and consumables

thousands of euro	2011	2010
Raw materials, supplies and consumables	616,250	599,378
Semifinished goods	19,171	18,783
Finished goods and merchandise	75,648	92,376
Electricity	219,440	202,147
Fuels	275,756	229,570
Emission rights	5,486	–
Other goods	34,552	33,066
	1,246,303	**1,175,320**

35. Services

thousands of euro	2011	2010
Transportation	407,301	352,254
Maintenance and contractual services	119,441	113,156
Insurance	13,825	14,685
Legal and professional consultancy	20,116	23,392
Operating leases of property and machinery	37,878	40,711
Travel	6,718	6,593
Sales commissions	3,206	3,146
Other	95,871	115,659
	704,356	**669,596**

36. Staff costs

	2011	2010
thousands of euro		
Salaries and wages	323,850	319,604
Social security contributions and defined contribution plans	88,220	91,587
Employee severance indemnities and defined benefit plans	14,154	16,970
Other long-term benefits	1,844	3,296
Shares granted to employees	319	289
Other	3,800	6,065
	432,187	**437,811**

The increase due to the change in scope of consolidation amounts to €2,800 thousand.

In 2011 other costs include restructuring expenses of €2,099 thousand (2010: €3,953 thousand) related primarily to the cement and concrete sector in Italy.

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

	2011	2010
number		
White collar and executives	4,253	4,270
Blue collar and supervisors	6,836	7,102
	11,089	**11,372**

37. Other operating expenses

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

	2011	2010
thousands of euro		
Write-down of receivables	18,403	18,970
Provisions for liabilities and charges	10,998	11,446
Association dues	5,759	8,824
Indirect taxes and duties	25,458	21,554
Losses on disposal of property, plant and equipment	4,968	2,147
Other	13,499	14,345
	79,085	**77,286**

The provision for environmental restoration (quarries) accrued during the year is €3,222 thousand (2010: €6,838 thousand).

38. Depreciation, amortization and impairment charges

	2011	2010
thousands of euro		
Amortization of intangible assets	3,504	3,727
Depreciation of property, plant and equipment	228,551	219,077
Impairment losses of non-current assets	11,443	163,902
	243,498	**386,706**

The impairment losses of property, plant and equipment include those recognized on assets transferred to held for sale, for an amount of € 8,241 thousand. The caption includes also the impairment losses on assets related to the ready-mix concrete business (Italy and Germany) for € 1,905 thousand and losses on assets damaged by fire for € 800 thousand (Poland and Russia).

In 2010 the impairment losses for the most part referred to the mothballing of Oglesby, IL cement plant (€ 150,850 thousand), to goodwill and other intangible assets related to the acquisition of Dorsett Brothers in 2008 (€ 6,523 thousand), to plant and goodwill of the ready-mix concrete business in Italy (€ 2,539 thousand), to plant and goodwill of the cement business in Italy (€ 1,581 thousand).

39. Gains on disposal of investments

This line item consists of non-recurring income arising principally from the sale of the ownership interest in Transbeton GmbH & Co. KG and Fertigbeton Kumm GmbH.

40. Finance revenues and Finance costs

	2011	2010
thousands of euro		
Finance revenues		
Interest income on liquid assets	6,487	5,364
Interest income on interest rate swap contracts	2,118	5,274
Expected return on plan assets of employee benefits	14,429	15,221
Changes in the fair value of derivative instruments	25,943	48,469
Foreign exchange gains	18,919	15,773
Dividend income	2,569	5,194
Other	3,135	11,213
	73,600	**106,508**
Finance costs		
Interest expense on bank borrowings	(28,525)	(25,262)
Interest expense on senior notes and bonds	(50,918)	(61,237)
Interest expense on mezzanine loan	(14,362)	(15,626)
Interest expense on employee benefits	(27,521)	(29,336)
Interest expense on interest rate swap contracts	(2,101)	(73)
Changes in the fair value of derivative instruments	(6,377)	(6,785)
Discount unwinding on liabilities	26	1,694
Foreign exchange losses	(34,124)	(57,670)
Other	(9,492)	(15,828)
	(173,394)	**(210,123)**
Net finance costs	**(99,794)**	**(103,615)**

Net finance costs decrease versus the previous year is due to the positive balance resulting from fluctuation of exchange gains/losses and derivative instruments, in addition to a certain decrease in net debt during the period.

41. Equity in earnings of associates

The line item includes the share of profit (loss) of associates accounted for under the equity method and possible write-downs. The net results of the major companies contribute as follows:

	2011	2010
thousands of euro		
Laterite SpA	1,369	925
Serenergy Srl	119	745
Premix SpA	229	208
Bétons Feidt SA	23	889
S. Paolo Scrl	(104)	371
Eljo Holding BV	216	245
Kosmos Cement Company	(1,184)	184
Normensand GmbH	246	197
Cementi Moccia SpA	(3,034)	(2,640)
Société des Ciments de Hadjar Soud EPE SpA	(3,417)	(666)
Société des Ciments de Sour El Ghozlane EPE SpA	1,937	(403)
ZAPA UNISTAV s.r.o.	720	–
Other minor investments	(119)	586
	(2,999)	**641**

42. Income tax expense

	2011	2010
thousands of euro		
Current tax	61,685	35,488
Deferred tax	(29,423)	(51,307)
Tax relating to prior years	(2,084)	(44,827)
	30,178	**(60,646)**

The increase in current tax is ascribable essentially to a higher taxable income produced in some geographical areas of activity.

Deferred tax in 2011 refers basically to the fiscal losses of companies operating in Italy and the United States. In 2010 deferred tax was favorably influenced by the tax effect relating to the write-down of Oglesby, IL plant equal to €61,165 thousand and unfavorably influenced by the review of the assets associated with tax loss carryforwards in Germany, equal to €21,718 thousand.

Tax relating to prior years includes income or charges resulting from the settlement, or probable settlement, with tax authorities of the claims that arose during tax audits.
In 2010 it was influenced by two major non-recurring items: the release of provisions for statute of limitation closing (€22,777 thousand) and the recognition of an additional income tax receivable in Germany, finally collectable (€29,466 thousand).

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:

	2011	2010
thousands of euro		
Profit before tax	84,285	(102,059)
Italian income tax rate (IRES)	27.50 %	27.50 %
Theoretical income tax expense	**23,178**	**(28,066)**
Tax effect of permanent differences	3,866	7,866
Tax relating to prior years	(2,084)	(44,827)
Effect of difference between Italian and foreign tax rates	(7,684)	(23,833)
Effect of a rate change on deferred income tax	1,034	4,492
Use of tax losses for which no deferred income tax assets was recognized	(13)	(133)
Adjustments to deferred income tax	6,076	19,677
Withholding tax on foreign dividends	348	156
Italian regional income tax on production activities (IRAP)	1,973	2,890
Other differences	3,484	1,132
Income tax expense	**30,178**	**(60,646)**

The weighted average tax rate for the year is about 36 %. In the previous year the positive taxation derived from both deferred tax assets recognized against the negative taxable income and by tax income relating to prior years, as above described.

43. Earnings per share

Basic

Basic earnings per share is calculated, per each class of shares, by dividing net profit attributable to equity owners 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.

		2011	2010
Net profit attributable to owners of the company	euro thousand	26,408	(63,463)
attributable to savings shares	euro thousand	20,414	(11,733)
attributable to ordinary shares	euro thousand	5,994	(51,730)
Average number of ordinary shares outstanding	no.	164,849,149	164,849,149
Average number of savings shares outstanding	no.	40,545,442	40,486,141
Basic earnings per ordinary share	euro	0.12	(0.31)
Basic earnings per savings share	euro	0.15	(0.29)

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume conversion of all dilutive potential shares. Since no outstanding financial instruments with such features exist, basic and diluted earnings per share are equivalent in both periods.

44. Cash generated from operations

	2011	2010
thousands of euro		
Profit before tax	**84,285**	**(102,059)**
Adjustments for:		
Depreciation, amortization and impairment charges	243,498	386,706
Equity in earnings of associates	2,999	(641)
Gains on disposal of fixed assets	(9,395)	(3,532)
Employee share grants expense	319	289
Net change in provisions and employee benefits	(16,707)	(11,371)
Net finance costs	99,794	103,615
Other non-cash movements	504	4,300
Changes in operating assets and liabilities	(23,300)	2,977
Cash generated from operations	**381,996**	**380,284**

The following table contains the reconciliation of 2010 cash generated from operations according to the new format adopted in 2011:

	2010 restated	2010
thousands of euro		
Profit before tax	**(102,059)**	**(102,059)**
Adjustments for:		
Depreciation, amortization and impairment charges	386,706	386,706
Equity in earnings of associates	(641)	(641)
Gains on disposal of fixed assets	(3,532)	(3,532)
Employee share grants expense	289	289
Net change in provisions and employee benefits	(11,371)	1,375
Net finance costs	103,615	70,458
Other non-cash movements	4,300	12,219
Changes in operating assets and liabilities	2,977	11,710
Cash generated from operations	**380,284**	**376,525**

The amendment allows to reconcile the caption net finance costs with the corresponding item in the income statement; the non-cash items included in net finance costs have affected the net change in provisions and employee benefits and the changes in operating assets and liabilities.

The reconciliation of the 2010 cash flow statement on the basis of the new method adopted in 2011 is the following.

	2010 restated	2010
thousands of euro		
Cash flows from operating activities		
Cash generated from operations	380,284	376,525
Interest paid	(99,029)	(106,366)
Income tax paid	(44,971)	(44,971)
Net cash generated from operating activities	**236,284**	**225,188**
Cash flows from investing activities		
Purchase of intangible assets	(1,416)	(1,416)
Purchase of property, plant and equipment	(269,346)	(269,346)
Acquisition of subsidiaries, net of cash acquired	3,395	3,395
Purchase of other equity investments	(857)	(857)
Proceeds from sale of property, plant and equipment	15,055	15,055
Proceeds from sale of equity investments	2,783	2,783
Capital grants received	296	296
Changes in available-for-sale financial assets	1,013	1,013
Changes in financial receivables	3,803	3,839
Dividends received from associates	12,235	12,235
Interest received	18,235	15,807
Net cash used in investing activities	**(214,804)**	**(217,196)**
Cash flows from financing activities		
Proceeds from long-term debt	146,109	146,109
Repayments of long-term debt	(384,183)	(384,183)
Net change in short-term debt	(15,540)	(15,540)
Changes in financial payables	(51,021)	(37,502)
Changes in ownership interests without loss of control	(3,660)	(3,660)
Dividends paid to owners of the company	(37,926)	(37,926)
Dividends paid to non-controlling interest	(8,333)	(8,333)
Net cash generated (used) in financing activities	**(354,554)**	**(341,035)**
Increase (decrease) in cash and cash equivalents	**(333,074)**	**(333,043)**
Cash and cash equivalents at beginning of year	**696,965**	**696,965**
Translation differences	32,568	32,537
Change in scope of consolidation	–	–
Cash and cash equivalents at end of year	**396,459**	**396,459**

The captions changes in financial payables and changes in financial receivables have been adjusted eliminating the non-cash items. Interest paid/received includes now other financial expenses (basically fees) and other cashed in financial income.

45. Dividends

The dividends paid in 2011 and 2010 were € 1,215 thousand (€ 0.03 per savings share only) and € 37,926 thousand (€ 0.180 per ordinary share and € 0.204 per savings share). As for the year ended 31 December 2011, the board of directors will propose to the Annual General Meeting of 11 May 2012 to distribute out of reserves available a dividend of € 0.05 per ordinary share and per savings share. Therefore expected dividend distribution amounts to a total of € 10,271 thousand. These financial statements do not reflect this dividend payable.

46. Commitments

thousands of euro	2011	2010
Guarantees granted	16,002	12,702
Guarantees received	21,838	22,639
Other commitments and guarantees	55,192	60,358

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 € 38,318 thousand (2010: € 43,061 thousand). It can essentially be traced back to the expansion of production capacity in Russia (€ 5,717 thousand), to the modernization of the finished grinding department at Maryneal, TX in the United States (€ 13,401 thousand), to various projects in Germany (€ 2,838 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:

	2011	2010
thousands of euro		
No later than 1 year	18,565	18,115
Later than 1 year and no later than 5 years	44,649	46,291
Later than 5 years	20,938	13,253
	84,152	**77,659**

47. 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 Provincial 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 2010, the relevant provision was used up, following the total 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 filed an appeal with the Supreme Court against the verdict of the Regional Tax Court of Turin on 1 March 2010. To date the appeal has not been discussed yet.

Moreover, on 2 March 2011 Buzzi Unicem received from the Italian Revenue Service a notice of assessment requesting the payment of an additional registration fee and related sanctions and interests, for a total amount of €1.7 million, referring to the purchase in February 2008 of the 100% ownership interest in Cementi Cairo Srl. This tax claim stems from the fact that the financial administration has requalified the transaction from purchase of an equity interest in purchase of a line of business. The Provincial Tax Court of Turin, after having granted the suspension of the tax collection, rejected the appeal. Deeming that defense elements and de jure and de facto sound grounds exist, on 19 December 2011 the company filed an appeal with the Regional Tax Court against the above judgment, with related petition for suspension of tax collection. To date the appeal has not been discussed yet. However the company has prudentially set aside a provision equal to the full amount of the notice of assessment.

Moreover, on 13 June 2011 the subsidiary Unical received from the Italian Revenue Service a notice of assessment requesting the payment of an additional registration fee and related interests, for a total amount of €0.4 million, of which €0.2 million pertaining to Unical, referring to the purchase in October 2008 of the 100% ownership interest in Calcestruzzi Nord Ovest Srl. This tax claim stems from the fact that the financial administration has requalified the transaction from purchase of an equity interest in purchase of a line of business. The whole amount of the notice of assessment has been paid, with an outlay of €0.2 million at the expense of Unical. However the company filed an appeal with the Provincial Tax Court. To date the appeal has not been discussed yet.

In the last months of 2011 the company underwent a tax audit by the Revenue Service; the audit concerned income tax and value added tax of the year 2008 and was subsequently extended to the years 2006, 2007 and 2009. The minutes of the assessment notified on 1 December 2011 contain a single remark on the fair market value of the intra-group interest expense in each of the fiscal years from 2006 through 2009. The higher taxable income notified for all the years from 2006 to 2009 amounts to €14.5 million approx. On 30 January 2012, the company sent to the Revenue Service the defense memorial as provided by the taxpayers' bill of rights. To date the company has not received any notice of assessment yet. The company's advisors deem that defense elements are well-grounded and sound and the losing risk is remote; consequently the company has not set aside any provision in the financial statements.

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. The final hearing on the merits is scheduled on 9 May 2012. Within additional appeals against the action and the proceedings relating to the cleanup of the Priolo Site of National Interest, 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. However, 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. To be remarked that, being the above proceedings before the TAR of Sicily still pending, the European Court of Justice has answered the interpretative questions raised by the TAR of Sicily, ruling on the principles of attribution of pollution costs, which principles tend to be favorable and can be applied also to the company. In view of the final discussion of the appeals held in public hearing on 21 July 2011, the company filed memorials to emphasize its distinctive condition, different from that of the other companies involved in the safety and remediation works of the Augusta roadstead, due to the lack, on the company's site, of the polluting substances identified in the roadstead. The TAR of Sicily – Catania division – in the public hearing of 21 July 2011, granting the motion made by some plaintiffs, resolved to postpone the discussion of the united appeals to the hearing of 23 February 2012, scheduling on that date also the hearing for the discussion of other appeals. In that hearing, after discussion before the judges, the lawsuits were retained for decision. Consequently we are now awaiting the TAR judgment. In January 2012 the company was notified the notice that proceedings were commencing of expropriation for public purposes of the area needed to carry out the works, as provided by the final cleanup project, concerning the safety and remediation of the land areas and the underneath aquifer pertaining to the company. Said project provides for the realization of a hydraulic barrier system, which would be based also on Buzzi Unicem estate, intended to embank the alleged downflow to the sea of the polluting substances that, according to the project, would be going from the company's land areas towards the roadstead. The company had already submitted its remarks during the proceedings for the project approval and, later on, in March 2012 it impugned the project and the approving proceedings before the TAR of Lazio (Rome). Finally the company has started a technical confrontation with the Ministry for Environment in order to evaluate the feasibility, fairness and sustainability of an out-of-court settlement, which however would imply the acceptance of the Plan Agreement, which to date the company has not chosen to do, and against which indeed it is still appealing. Awaiting the development of the above proceedings, the company prudentially maintains in the books the relevant provision of €3.0 million.

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, on 7 July 2009 before the Council of State the appeal filed by the company was 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 in 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 concrete), cement-based products and other raw materials used in the respective production cycles (fly ash, slag, sand, gravel). Buzzi Unicem and the group's concerned companies provided the required data to the best of their knowledge and available information. Subsequently, in December 2010, the European Commission sent Buzzi Unicem a letter informing about its decision to initiate proceedings aimed to ascertain the existence of anticompetitive practices in the European Economic Area (EEA), and also, possibly through restrictions to imports toward EEA, in the market for cement and other related products. As specifically stated in the letter, the opening of the proceedings does not mean that the Commission has any conclusive proof on the alleged violations but only that it intends to address the issue as a priority. The requests by the Commission lasted till April 2011. Buzzi Unicem answered all the requests and impugned the last one notified on 1 April 2011 deeming it groundless and in any case disproportionate. 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.

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 by the Court of last resort in Karlsruhe and will now proceed on the merits before the Düsseldorf Court. Based on the hearing initially scheduled in May 2011 and then postponed to March 2012, a final decision is expected on 20 July 2012. The risk for possible claims for damages arising from such proceedings has been fully provided for in the financial statements.

Furthermore we confirm that the final decision of the Polish Cartel Office, which inflicted a monetary penalty to six cement producers, including the subsidiary Dyckerhoff Polska that has been fined € 15 million, has been appealed. The hearing date has not been decided yet. The fine has been fully provided for in the financial statements.

In Ukraine there is pending litigation concerning claims filed by the Ukrainian Revenue Office that relate to value added tax and the deductibility of operating expenses for production plants. The total amount of the claim is approximately € 15 million. Since the claims by the Revenue Office seem to be not covered by applicable Ukrainian legislation, cash outflows are considered to be unlikely. Provisions were therefore not made.

In the United States of America, numerous lawsuits and claims exists that have been filed against Lone Star Industries, Inc. (LSI) regarding silica-containing materials or asbestos containing materials sold or distributed by the company or its subsidiaries which were used primarily in construction and other industries. The plaintiffs allege that the use of such materials caused work-related injuries. LSI maintained product liability and comprehensive general liability insurance coverage, to the extent available, for most of the time that it sold or distributed silica-containing and asbestos-containing materials. Further, between 2009 and 2010, LSI and its major insurance carriers entered into settlement agreements that define the parties responsibilities and cost shares for these liabilities until 2019. Estimating the costs associated with silica-related and asbestos-related claims involves many uncertainties that may affect the amount and timing of the losses. The Company however maintains a provision for amounts not expected to be covered by insurance.

48. Related-party transactions

Buzzi Unicem SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 58.6 % 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, consists 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:

	2011	in % of reported balance	2010	in % of reported balance
thousands of euro				
Sales of goods and services:	46,675	1.6	70,489	2.6
Associates and unconsolidated subsidiaries	42,518		65,756	
Joint ventures	3,865		4,221	
Parent companies	17		17	
Other related parties	275		495	
Purchases of goods and services:	26,496	1.3	38,337	2.0
Associates and unconsolidated subsidiaries	14,010		17,849	
Joint ventures	6,208		6,480	
Other related parties	6,278		14,008	
Internal works capitalized:	343	7.0	2,187	26.8
Associates and unconsolidated subsidiaries	–		978	
Joint ventures	123		–	
Other related parties	220		1,209	
Finance revenues:	296	0.4	442	0.4
Associates and unconsolidated subsidiaries	279		374	
Joint ventures	2		40	
Other related parties	15		28	
Finance costs:	12	0.0	17	0.0
Associates and unconsolidated subsidiaries	5		5	
Parent companies	–		7	
Other related parties	7		5	
Trade receivables:	17,370	3.6	25,212	5.6
Associates and unconsolidated subsidiaries	16,935		24,059	
Joint ventures	352		987	
Parent companies	21		20	
Other related parties	62		146	
Loans receivable:	7,070	34.4	8,119	36.5
Associates and unconsolidated subsidiaries	6,770		7,944	
Joint ventures	300		175	
Other receivables:	21,128	12.6	21,260	10.3
Associates and unconsolidated subsidiaries	251		316	
Parent companies	20,877		20,944	
Cash and cash equivalents:	473	0.1	14,047	3.5
Other related parties	473		14,047	
Trade payables:	4,750	1.8	8,203	2.9
Associates and unconsolidated subsidiaries	2,235		2,218	
Joint ventures	2,485		2,138	
Other related parties	30		3,847	
Other payables:	1,138	0.8	927	0.6
Associates and unconsolidated subsidiaries	1,119		927	
Other related parties	19		–	
Guarantees granted:	13,937	19.6	1,937	2.7
Associates and unconsolidated subsidiaries	13,937		1,937	

Key management includes directors of the company (executive and non-executive), statutory auditors and 7 other senior executives. The compensation paid or payable to key management for employee services, not included in the previous table, is shown below:

thousands of euro	2011	2010
Salaries and other short-term employee benefits	4,159	4,354
Post-employment benefits	1,005	959
Other long-term benefits	–	–
Termination benefits	55	–
Share-based payments	70	63
	5,289	**5,376**

49. Business combinations

On 14 June 2011 the company acquired 26 % of the share capital of **Gravières et Sablières Karl EPPLE Snc**, thus obtaining control. The company, which operates in the natural aggregates business in France, was formerly classified as associate. This business combination generates goodwill because the total consideration includes the amount paid to ensure sand and gravel supplies at competitive prices for the ready-mix concrete sector in areas served by Dyckerhoff Beton. None of the goodwill recognized is expected to be deductible for income tax purposes.

The considerations paid, the amount of the assets acquired and liabilities assumed as at the acquisition date, as well as the fair value of the non-controlling interest, are as follows:

	Amount
thousands of euro	
Cash	2,000
Equity instruments	–
Total consideration transferred	**2,000**
Fair value of equity interest held before the business combination	1,923
Total consideration	**3,923**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Other intangible assets	346
Property, plant and equipment	7,073
Equity investments	26
Inventories	134
Trade and other receivables	356
Cash and cash equivalents	352
Provisions and employee benefits	(250)
Deferred income tax liabilities	(1,790)
Trade and other payables	(2,101)
Total identifiable net assets	**4,146**
Non-controlling interest	**(2,031)**
Goodwill	**1,808**
	3,923
Acquisition-related costs	30

In January 2011, 100 % of the share capital of **Kieswerke Opperman GmbH** was acquired. The company, which operates in the natural aggregates business in Germany, was successively merged into Kieswerk Leubingen GmbH. The positive difference between net assets and purchase consideration was recognized in profit or loss under other operating income.

The consideration paid, the amount of the assets acquired and liabilities assumed as at the acquisition date are as follows.

	Amount
thousands of euro	
Cash	325
Equity instruments	–
Total consideration transferred	**325**
Barter transaction	963
Total consideration	**1,288**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Other intangible assets	15
Property, plant and equipment	1,922
Deferred tax assets	8
Inventories	84
Trade and other receivables	13
Cash and cash equivalents	1
Provisions and employee benefits	(272)
Trade and other payables	(356)
Total identifiable net assets	**1,415**
Negative goodwill (through profit and loss)	**(127)**
	1,288
Acquisition-related costs	–

On 23 February 2011 the company acquired 50 % of the share capital not yet held in **Beton Union Ruhr-Lenne GmbH & Co KG**, a firm operating in the concrete business in Germany. The company has been successively merged with Dyckerhoff Beton GmbH & Co. KG. The positive difference between net assets and purchase consideration was recognized in profit or loss under other operating income.

The consideration paid, the amount of the assets purchased and the liabilities assumed as at the acquisition date are as follows:

	Amount
thousands of euro	
Cash	223
Equity instruments	–
Total consideration transferred	**223**
Fair value of equity interest held before the business combination	223
Total consideration	**446**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	415
Inventories	22
Trade and other receivables	21
Cash and cash equivalents	316
Long-term debt	(34)
Provisions and employee benefits	(35)
Deferred income tax liabilities	(42)
Trade and other payables	(118)
Total identifiable net assets	**545**
Negative goodwill (through profit and loss)	**(99)**
	446
Acquisition-related costs	–

Should all the three business combinations above reported have occurred on 1 January 2011, the consolidated net sales would have amounted to €2,789,604 thousand and net profit to €54,028 thousand.

50. Events after the balance sheet date

In February 2012, representatives from the Dutch antitrust authorities and the German Federal Cartel Office searched the business premises of the subsidiary Dyckerhoff Basal in the Netherlands, and the subsidiary SIBO in Germany, as part of a preliminary investigation started by the Dutch antitrust authorities. The companies supplied all requested information, files and data. At this early stage, results of the investigation are not available yet. However, from our point of view they will have no material impact on the group's earnings and financial condition.

As far as the trading outlook is concerned, reference is made to the appropriate chapter of the review of operations.

Casale Monferrato, 30 March 2012

On behalf of the Board of 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.	81.21 12.12	73.79 24.19
Buzzi Unicem Algérie E.u.r.l.	Annaba DZ	DZD	3,000,000	Buzzi Unicem 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.S.	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	3,836,000	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	
PAT YUGcement	Olshanske UA	UAH	6,237,414	Dyckerhoff AG TOB Dyckerhoff Ukraina	99.15 0.12	
PAT Volyn-Cement	Zdolbuniv UA	UAH	1,402,422	Dyckerhoff AG TOB Dyckerhoff Ukraina	98.44 0.16	
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	87.22 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	
RC Lonestar Inc.	Wilmington US	USD	10	Buzzi Unicem International S.à r.l. Dyckerhoff AG	51.50 48.50	
sibobeton Osnabrück GmbH & Co. KG	Osnabrück DE	EUR	5,368,565	Dyckerhoff Beton GmbH & Co. KG Dyckerhoff AG	63.52 23.25	
Kieswerk Leubingen GmbH	Erfurt DE	EUR	100,000	Dyckerhoff Beton GmbH & Co. KG	100.00	
Mörtelwerk Colonia GmbH	Köln DE	EUR	153,388	Dyckerhoff Beton GmbH & Co. KG	100.00	
prüftechnik ptg Gesellschaft zur Beton- und Baustellenüberwachung mbH	Osnabrück DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00	
sibobeton Hannover GmbH & Co. KG	Osnabrück DE	EUR	1,000,000	Dyckerhoff Beton GmbH & Co. KG	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 (follows)					
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	Erfurt DE	EUR 100,000	Dyckerhoff Beton GmbH & Co. KG	95.00	
sibobeton Wilhelmshaven GmbH & Co. KG	Wilhelmshaven DE	EUR 920,325	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	78.16 14.56	
Dyckerhoff Transportbeton Hamburg GmbH	Wiesbaden DE	EUR 25,000	Dyckerhoff Beton GmbH & Co. KG	75.00	
sibobeton Epe/Burgsteinfurt Vermögensverwaltungsgesellschaft GbR	Osnabrück DE	EUR n/a	Dyckerhoff Beton GmbH & Co. KG	69.40	
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	
Nordenhamer Transportbeton GmbH & Co. KG	Nordenham DE	EUR 322,114	Dyckerhoff Beton GmbH & Co. KG	51.59	
Dyckerhoff Kieswerk Trebur GmbH	Trebur-Geinsheim DE	EUR 125,000	Dyckerhoff Beton GmbH & Co. KG	51.00	
Gravières et Sablières Karl EPPLE S.n.c.	Seltz FR	EUR 180,000	Dyckerhoff Beton GmbH & Co. KG	51.00	
sibobeton Enger GmbH & Co. KG	Enger DE	EUR 306,775	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	50.00 50.00	
sibobeton Ems GmbH & Co. KG	Lingen DE	EUR 2,300,813	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG sibobeton Epe/Burgsteinfurt Vermögensverwaltungs-gesellschaft GbR	47.92 19.51 5.80	
Ostfriesische Transport-Beton GmbH & Co. KG	Emden DE	EUR 1,300,000	Dyckerhoff Beton GmbH & Co. KG sibobeton Ems GmbH & Co. KG Dyckerhoff AG sibobeton Wilhelmshaven GmbH & Co. KG	26.00 24.20 19.13 10.67	
Cimalux S.A.	Esch-sur-Alzette LU	EUR 29,900,000	Dyckerhoff Luxembourg S.A.	98.45	
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 11,859,396	ZAPA beton a.s. Cement Hranice a.s.	99.97 0.03	
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 20,000,000	OAO Sukholozhskcement	100.00	
OOO Omsk Cement	Omsk RU	RUB 519,617,530	OAO Sukholozhskcement	74.90	
Alamo Concrete Products Company	San Antonio US	USD 1	Alamo Cement Company	100.00	
Alamo Transit Company	San Antonio US	USD 1	Alamo Cement Company	100.00	
Dorsett Brothers Concrete Supply Inc.	Pasadena US	USD 500	Alamo Cement Company	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 owner-ship	% of voting rights
Companies consolidated on a line-by-line basis (follows)						
Buzzi Unicem USA Inc.	Wilmington US	USD	10	RC Lonestar Inc.	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	
Glens Falls Cement Company, Inc.	New York US	USD	500	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	
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Erfurt DE	EUR	512,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55	
BTG Beton-Transport-Gesellschaft mbH	Osnabrück DE	EUR	500,000	sibobeton Osnabrück GmbH & Co. KG	100.00	
SIBO-Gruppe GmbH & Co. KG	Osnabrück DE	EUR	1,148,341	sibobeton Osnabrück GmbH & Co. KG sibobeton Ems GmbH & Co. KG Dyckerhoff Beton GmbH & Co. KG sibobeton Wilhelmshaven GmbH & Co. KG sibobeton Enger GmbH & Co. KG	50.24 21.53 16.75 8.61 2.87	
sibobeton Papenburg GmbH & Co. KG	Osnabrück DE	EUR	300,000	sibobeton Ems GmbH & Co. KG	52.00	
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	
Wolst Transport B.V.	Dordrecht NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	100.00	
Friesland Beton Heerenveen B.V.	Heerenveen NL	EUR	34,487	Dyckerhoff Basal Betonmortel B.V.	80.26	
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 HUNGÁRIA k.f.t.	Zsujta HU	HUF	88,000,000	ZAPA beton SK s.r.o.	100.00	
PAT Kyivcement	Kyiv UA	UAH	277,536	TOB Dyckerhoff Transport Ukraina TOB Dyckerhoff Ukraina PAT Volyn-Cement PAT YUGcement	79.73 13.45 0.01 0.01	
Buzzi Unicem Ready Mix, L.L.C.	Knoxville US	USD	n/a	Buzzi Unicem USA (Midwest) 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 (follows)						
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	
Transports Mariel, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00	
Harex Nederland B.V.	Nieuwegein NL	EUR	18,151	Bouwmaterialenhandel Jonker B.V.	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	
Frisch-Beton Aegidienberg GmbH & Co. KG	Bad Honnef-Aegidienberg DE	EUR	385,000	Westerwald-Beton GmbH & Co. KG	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	
Fresit B.V.	Amsterdam NL	EUR	6,795,000	Buzzi Unicem International S.à r.l.	50.00	
Westerwald-Beton GmbH & Co. KG	Westerburg DE	EUR	300,000	Dyckerhoff Beton GmbH & Co. KG	52.00	
Lichtner-Dyckerhoff Beton GmbH & Co. KG	Berlin DE	EUR	200,000	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	1,126,508,086	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Cementos Portland Moctezuma, S.A. de C.V.	Emiliano Zapata MX	MXN	50,000	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	
Lacosa Concretos, S.A. de C.V.	Emiliano Zapata MX	MXN	11,040,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Proyectos Terra Moctezuma, S.A. de C.V.	Jiutepec MX	MXN	3,237,739	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Concretos, S.A. de C.V.	Mexico MX	MXN	12,621,821	Corporación Moctezuma, S.A.B. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98.00 2.00	
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	

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 (follows)					
Grupo Impulsor Industrial, S.A. de C.V.	Emiliano Zapata MX	MXN 760,780	Corporación Moctezuma, S.A.B. de C.V. Inmobiliaria Lacosa, S.A. de C.V. Cementos Moctezuma, S.A. de C.V.	99.61 0.26 0.13	
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	
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 del Pacifico S.A. de C.V.	Mexico MX	MXN 100,000	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	
Concretos Moctezuma de Jalisco 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	
Serenergy S.r.l.	Milano	EUR 25,500	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 22,500,000	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	
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. i.L.	Nieuwegein NL	EUR 82,750	Dyckerhoff AG	63.12	
Warsteiner Kalksteinmehl GmbH & Co. KG	Warstein DE	EUR 51,129	Dyckerhoff Beteiligungsverwaltung GmbH	50.00	
Normensand GmbH	Beckum DE	EUR 1,000,000	Dyckerhoff Beteiligungsverwaltung GmbH	38.02	
quick-mix Holding GmbH & Co. KG	Osnabrück DE	EUR 3,000,000	Tubag GmbH	40.00	
TRAMIRA Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden-Dankersen DE	EUR 1,000,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Houston Cement Company LP	Houston US	USD n/a	Alamo Cement Company	20.00	

List of companies included in the consolidated financial statements and of equity investments
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Name	Registered office	Share capital		Ownership interest held by	% of ownership	% of voting rights
Companies valued by the equity method (follows)						
Niemeier Beton GmbH & Co. KG	Diepholz DE	EUR	766,938	Dyckerhoff Beton GmbH & Co. KG	33.33	
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	
OOO Sukholozhskcemremont	Suchoi Log RU	RUB	10,000	OAO Sukholozhskcement	49.00	
Hotfilter Pumpendienst GmbH & Co. KG	Nordhorn DE	EUR	100,000	sibobeton Osnabrück GmbH & Co. KG sibobeton Ems GmbH & Co. KG	25.00 25.00	
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	
Ravenswaarden B.V.	Lochem NL	EUR	18,000	Dyckerhoff Basal Toeslagstoffen B.V.	50.00	
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	
V.O.F. "Bouwdok Barendrecht"	Barendrecht NL	EUR	n/a	Dyckerhoff Basal Betonmortel B.V.	22.65	
EURO BETON, s.r.o.	Bratislava SK	EUR	6,972	ZAPA beton SK s.r.o.	33.33	
Kosmos Cement Company	Louisville US	USD	n/a	Lone Star Industries, Inc.	25.00	
Aranykavics k.f.t.	Budapest HU	HUF	11,500,000	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	
Cooperatie Megamix B.A.	Almere NL	EUR	80,000	Megamix Friesland B.V. Megamix Maastricht B.V.	37.50 6.25	
Other investments in subsidiaries and associates						
San Martino S.c.r.l. i.L.	Casale Monferrato (AL)	EUR	10,000	Unical S.p.A.	75.00	
Siefic Calcestruzzi S.r.l.	Isernia	EUR	5,080,000	Unical S.p.A.	–	50.00
Cave di Carpenosa S.r.l.	Molini di Triora (IM)	EUR	100,000	Unical S.p.A.	33.50	
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	

List of companies included in the consolidated financial statements and of equity investments
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Name	Registered office		Share capital	Ownership interest held by	% of owner-ship	% of voting rights
Other investments in subsidiaries and associates (follows)						
Basal Belgie BVBA	Antwerp BE	EUR	5,262,975	Dyckerhoff AG Dyckerhoff Basal Toeslagstoffen B.V.	99.95 0.05	
Hausgesellschaft des Vereins deutscher Zementwerke mbH	Düsseldorf DE	EUR	51,129	Dyckerhoff AG	32.20	
Projektgesellschaft Warstein-Kallenhardt Kalkstein mbH	Warstein DE	EUR	25,200	Dyckerhoff AG	25.00	
Köster/Dyckerhoff Vermögensverwaltungs GmbH	Warstein DE	EUR	25,000	Dyckerhoff AG	24.90	
Köster/Dyckerhoff Grundstücksverwaltungs GmbH & Co. KG	Warstein DE	EUR	10,000	Dyckerhoff AG	24.90	
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH	Warstein DE	EUR	25,600	Dyckerhoff Beteiligungsverwaltung GmbH	50.00	
Bildungs-Zentrum-Deuna Gemeinnützige GmbH	Deuna DE	EUR	25,565	Dyckerhoff Beteiligungsverwaltung GmbH	50.00	
quick-mix Holding Beteiligungsgesellschaft mbH	Osnabrück DE	EUR	25,000	Tubag GmbH	40.00	
sibobeton Hannover Beteiligungsgesellschaft mbH	Osnabrück DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00	
sibo Beteiligungs-Verwaltungsgesellschaft mbH	Osnabrück DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	100.00	
sibobeton Ems Beteiligungsgesellschaft mbH	Lingen DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	100.00	
sibobeton Osnabrück Beteiligungsgesellschaft mbH	Osnabrück DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	100.00	
sibobeton Wilhelmshaven GmbH	Wilhelmshaven DE	EUR	25,565	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	
SIBO-Gruppe Verwaltungsgesellschaft mbH	Osnabrück DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG sibobeton Ems GmbH & Co. KG sibobeton Wilhelmshaven GmbH & Co. KG	64.80 22.00 9.40 3.80	
Nordenhamer Transportbeton GmbH	Nordenham DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	56.60	
sibobeton Enger GmbH	Enger DE	EUR	30,678	Dyckerhoff Beton GmbH & Co. KG sibobeton Osnabrück GmbH & Co. KG	50.00 50.00	
Westerwald-Beton Verwaltungs GmbH	Westerburg DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	50.00	
Lichtner-Dyckerhoff Beton Niedersachsen Verwaltungs- GmbH	Berlin DE	EUR	26,000	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	
ARGE Betonsteinwerk Riegelsberg GbR	Riegelsberg DE	EUR	n/a	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 (follows)					
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	
Niemeier Beton GmbH	Sulingen DE	EUR 25,565	Dyckerhoff Beton GmbH & Co. KG	33.20	
LLC "MAGISTRALBUD"	Odessa UA	UAH 250,000	TOB Dyckerhoff Ukraina	100.00	
Hotfilter Pumpendienst Beteiligungsgesellschaft mbH	Nordhorn DE	EUR 25,000	sibobeton Osnabrück GmbH & Co. KG sibobeton Ems GmbH & Co. KG	25.00 25.00	
Dammer Betonwerk GmbH	Damme DE	EUR 25,850	sibobeton Osnabrück GmbH & Co. KG	20.12	
sibobeton Papenburg Beteiligungsgesellschaft mbH	Papenburg DE	EUR 25,000	sibobeton Ems GmbH & Co. KG	52.00	
Ostfriesische Transport-Beton GmbH	Emden DE	EUR 25,565	sibobeton Ems GmbH & Co. KG sibobeton Wilhelmshaven GmbH & Co. KG Dyckerhoff AG	45.20 30.00 24.80	
Dyckerhoff Transportbeton Thüringen Verwaltungs GmbH	Nordhausen DE	EUR 25,565	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Schmalkalden Verwaltungs GmbH	Erfurt DE	EUR 25,600	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.58	
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	
Frisch-Beton Aegidienberg GmbH	Bad Honnef-Aegidienberg DE	EUR 25,565	Westerwald-Beton GmbH & Co. KG	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	
Iserlohner-Beton-Zentrale GmbH i.L.	Iserlohn DE	EUR 25,565	SIBO-Gruppe GmbH & Co. KG	25.00	
Iserlohner-Beton-Zentrale GmbH & Co. KG i.L.	Iserlohn DE	EUR 325,182	SIBO-Gruppe GmbH & Co. KG	24.69	
Liefergemeinschaft Transportbeton JadeWeserPort GbR	Wilhelmshaven DE	EUR n/a	sibobeton Papenburg GmbH & Co. KG	50.00	

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 ownership	% of voting rights
Associazione Sportiva Junior Libertas Pallacanestro S.p.A.	Casale Monferrato (AL)	EUR	500,000	Buzzi Unicem S.p.A.	10.00	
Romana Calcestruzzi S.p.A.	Roma	EUR	4,597,312	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	
SCANDO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Osnabrück KG	Düsseldorf DE	EUR	10,256	Dyckerhoff AG	100.00	15.00
Forschungs- und Entwicklungs- und Marketinggesellschaft der Leichtbetonindustrie mbH	Neuwied DE	EUR	30,000	Dyckerhoff AG	19.40	
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 für Betonherstellung	Baunatal DE	EUR	4,601,627	Dyckerhoff AG	14.66	
SAFA GmbH & Co. KG	Baden-Baden DE	EUR	1,100,000	Dyckerhoff AG	13.50	
SAFA Verwaltungsgesellschaft mbH	Baden-Baden DE	EUR	56,000	Dyckerhoff AG	13.50	
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	
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 Beteiligungsverwaltung GmbH	94.00	15.00
BLR Betonlogistik Rhein-Ruhr GmbH & Co. KG	Köln DE	EUR	10,000	Dyckerhoff Beton GmbH & Co. KG	19.00	
BLR Betonlogistik Rhein-Ruhr Verwaltungs GmbH	Köln DE	EUR	30,000	Dyckerhoff Beton GmbH & Co. KG	19.00	
Dammer Betonwerk GmbH & Co. KG	Damme DE	EUR	165,350	sibobeton Osnabrück GmbH & Co. KG	19.99	
HSL Noord-Brabant 5-A V.O.F. i.L.	Alphen aan den Rijn NL	EUR	n/a	Dyckerhoff Basal Betonmortel B.V.	20.00	
HSL Noord-Brabant 5-B V.O.F. i.L.	Oosterhout NL	EUR	n/a	Dyckerhoff Basal Betonmortel B.V.	20.00	
Eemshaven Betoncentrale V.O.F.	Groningen NL	EUR	n/a	Betonmortel Centrale Groningen (B.C.G.) B.V.	16.17	

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 2011 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 2011
Audit	Deloitte & Touche S.p.A.	Parent – Buzzi Unicem S.p.A.	230
	Deloitte & Touche S.p.A.	Subsidiaries	103
	Deloitte network	Subsidiaries	1,475
Attestation	Deloitte & Touche S.p.A.	Parent – Buzzi Unicem S.p.A. [1]	17
	Deloitte & Touche S.p.A.	Subsidiaries [2]	2
	Deloitte network	Parent – Buzzi Unicem S.p.A. [3]	35
	Deloitte network	Subsidiaries [4]	150
Total			**2,012**

[1] Audit procedures agreed on the annual financial information the company must provide to the subscribers of the secured senior notes (in compliance with covenants) and for statements for income tax purpose;
[2] Statements for income tax purposes;
[3] 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;
[4] Certifications required under German law, Ukraine law, Luxembourg law and the Czech Republic law.

Certification of the consolidated financial statements pursuant to article 154-bis of legislative decree 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 2011:
  _ 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, 30 March 2012

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

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AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N. 39 OF JANUARY 27, 2010

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, 2011, which comprise the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow 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 n. 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 are presented for comparative purposes, reference should be made to our auditors' report issued on April 8, 2011.

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, 2011, 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 n. 38/2005.

4. The Directors of Buzzi Unicem S.p.A. are responsible for the preparation of the review of 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 of operations and of the information reported in compliance with art. 123- bis of Italian Legislative Decree n.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 n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the review of operations and the information reported in compliance with art. 123- bis of Italian Legislative Decree n.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, 2011.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
April 3, 2012

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Buzzi Unicem S.p.A.
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Share Capital: € 123,636,658.80
Company Register of Alessandria no. 00930290044

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