Buzzi Unicem

Interim financial information as of

June 30, 2010

Buzzi Unicem S.p.A.
Registered Office in Casale Monferrato (AL) - Via Luigi Buzzi 6
Share Capital € 123,636,658.80
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INTERIM MANAGEMENT REPORT

The international economic scenario showed the first signs of improvement during the second quarter (2Q10). Trade intensified and several sectors of the economy benefited from an upturn in investments, indicating greater confidence in the approach of a new cycle of economic growth. In Europe, however, positive developments were severely slowed by central governments' high debt exposure, which required sudden implementation of deficit-reduction measures and restrictive budget policies to attenuate the tension triggered in financial markets. The construction sector also featured a generally better trend than in the first quarter of the year (1Q10), when demand was hard hit by adverse weather conditions. Unit sales of cement grew by 8.0% compared with the second quarter of 2009 (2Q09) and made it possible to bridge a substantial part of the gap accumulated in the early part of the year. Stabilization of demand was evident in some market areas, in particular in Luxembourg, Ukraine and Russia. The other countries, although progressing vs. 1Q10, experienced more moderate recovery due to public investments, which are having trouble in getting off to a renewed start, and to still adverse weather conditions in May and June (in Italy, the USA and Poland).
Net sales achieved in the first half (1H10) were down by 8.8%, decreasing from €1,346.0 million to €1,227.2 million (mn), while EBITDA amounted to €189.3 mn vs. €249.0 mn in 1H09 (-24.0%). The decisive factor causing reduction of net sales and, even more so, of margins was the deterioration of selling prices, common to all geographies where the group is active except for Luxembourg and Mexico. Appreciation of emerging countries' currencies had a positive effect on the translation of results into euro (EUR), whereas the average USD exchange rate was similar to that of 1H09. Based on straight-line exchange rates, net sales and EBITDA would have decreased by 10.6% and 26.9% respectively. EBIT thus decreased from €136.8 mn to €73.0 mn (-46.6%), while net profit amounted to €17.0 mn (-69.5%).

Operating and financial performance
In 1H10 the group's unit sales of cement decreased by 4.0% vs. 1H09, reaching a level of 12.1 mn tons. The countries hardest hit by the decline of cement unit sales were the Czech Republic, USA and Mexico, whereas the most significant progress occurred in Luxembourg and Russia. Production of ready-mix concrete (RMC) totaled 6.5 mn cubic meters, down by 3.9% YoY. The decrease in RMC unit sales was more significant in the Czech Republic and in the Netherlands, whereas Germany and Mexico featured a positive trend.

Italy achieved net sales of €308.1 mn (-17.2%) and the USA net sales of €281.4 mn (-13.8%). In both countries the further decline of volume led to intensification of competition between manufacturers with clear repercussions on selling prices. In Central Europe net sales slipped from €332.1 mn to €328.5 mn (-1.1%). Germany featured a certain degree of softness on the price front, while volume remained substantially steady. Total East European net sales amounted to €207.7 mn vs. €219.3 mn in 1H09 (-5.3%), weighed down above all by disappointing Czech Republic performance, only partly counterbalanced by appreciation of local currencies. In Mexico, local-currency net sales decreased, due to lower unit sales than in 1H09, but, thanks to the favorable forex effect, they ended with improvement of 5.8% to €101.7 mn.

Consolidated EBITDA was €189.3 mn vs. €249.0 mn in 1H09 (-24.0%), which, however, had benefited from non-recurring income of €31.6 mn. Net of this amount, 1H10 EBITDA decreased by €28.1 mn (-12.9%). Foreign-exchange fluctuations had a positive impact of €7.4 mn, while there was also a slightly positive effect from the change in the scope of consolidation (€2.0 million). Based on like-for-like exchange rates and consolidation scope, EBITDA would have decreased by 27.6%. Notwithstanding deterioration of results, operating margins remained at satisfactory levels in Mexico, Russia, Poland and the Czech Republic.

In markets where capacity utilization was sufficiently high, per-unit production costs remained stable vs. 1H09 or were lower. During the period, however, the trend deteriorated due to recent increases in fuel purchase prices. The greatest benefits were experienced in Italy, Luxembourg, Czech Republic and Mexico. Conversely, in the United States of America the reduction of fuel cost was almost entirely absorbed by electricity increases. Russia continues to be the geographical area hardest hit by the increase in the price of energy factors, headed by fuel, while in other European countries the variable-cost trend has remained substantially stable.

After depreciation, amortization and impairment charges of €116.2 mn (€112.3 mn in 1H09), EBIT amounted to €73.0 mn (€136.8 mn at June 2009). Profit before tax was €26.3 mn vs. €80.3 mn in 1H09 (-67.3%), after net finance expense of €49.9 mn (€59.4 mn in 1H09) and a contribution from equity-accounted associates in line with that of 1H09. Net profit for the period, affected by a less favorable average tax rate, decreased from €55.6 mn to €17.0 mn (-69.5%), of which €5.1 mn attributable to owners of the company (€40.6 mn in 1H09).

1H10 cash flow decreased to €133.2 mn as compared with €167.9 mn in 1H09. Net debt as at 30 June 2010 amounted to €1,262.8 mn vs. €1,209.3 mn as at 31 December 2009 (€+53.5 mn). In 1H10 the Group paid out dividends totaling €28.6 mn, of which €20.8 mn by the parent company, and undertook capital expenditures totaling €167.7 mn. Investments in property, plant and equipment relating to production-capacity expansion projects totaled €96.2 mn, of which €23.0 mn for expansion of the Suchoi Log factory (Russia), and €18.0 mn for the new green-field line in Apazápan (Mexico). In addition, in Ukraine work was completed to switch fuel from natural gas to coal, with increases in fixed assets of €24.1 mn. Investments in non-current financial assets were minor.

The following table shows the assets and liabilities forming our net financial position, distinguishing them by their degree of liquidity:

(millions of euro)

	30.06.2010	*31.12.2009*
Cash and short-term financial assets		
- Cash and cash equivalents	487.7	697.0
- Derivative financial instruments	8.1	0.8
- Other current financial assets	7.4	8.6
Short-term financial liabilities:		
- Current portion of long-term debt	(158.1)	(354.7)
- Short-term debt	(1.7)	(7.8)
- Derivative financial instruments	(5.8)	(14.6)
- Other current financial liabilities	(59.0)	(42.8)
Net short-term cash	**278.6**	**286.5**
Long-term financial assets:		
- Derivative financial instruments	17.1	0.2
- Other non-current financial assets	19.0	15.9
Long-term financial liabilities:		
- Long-term debt	(1,560.2)	(1,448.7)
- Derivative financial instruments	(11.8)	(58.6)
- Other non-current financial liabilities	(5.5)	(4.6)
Net debt	**(1,262.8)**	**(1,209.3)**

As at 30 June 2010, shareholders' equity, including minority interest, amounted to €3,038.9 mn vs. €2,712.4 mn as at 31 December 2009, with a consequent debt/equity ratio of 0.42 (0.45 at the end of 2009).

Italy

During 1Q10 GDP grew by 0.5% QoQ and by 0.6% YoY. The positive developments of the Italian economy were confirmed by industrial output, which grew by 4.9% in the first five months of the year and by 7.3% in May alone. The latest macroeconomic forecasts confirm full-year GDP growth of 0.9%, thus indicating slight but important inversion of the economic trend, after the major downturn occurring in 2009. The construction sector, however, will probably experience further deterioration (-4.8%), concluding the negative cycle initiated in 2007. New buildings, in both the residential and non-residential segments, continue to feature the greatest investment difficulties, while infrastructure allocations – also down – are not such as to be able to counterbalance the reduction of demand characterizing building activity. Residential refurbishment and maintenance is instead the only segment expected to grow in 2010 (+1.7%).

Our unit sales of cement and clinker, including export volume, decreased by 4.0% vs. 1H09. Despite the upturn of 13.1% in 2Q10, cement demand remained weak and at levels tangibly lower than Italy's production capacity. Due to particularly marked fragmentation, the sector's production set-up was not capable of implementing the structural reforms needed to balance supply in relation to the new levels of demand. The most punitive impact therefore hit selling prices (-18.5%), which further accentuated the downward trend that had started in 2H09 and reached absolute levels at period-end that were not remunerative. Volume and price trends generated net sales for cement of €186.9 mn, down by 23.7% (vs. €244.8 mn in 2009). Energy costs featured an upward trend during 1H10 after a particularly favorable start to the year. Fuel and electricity costs nevertheless still remained at lower levels than in 1H09, thus partly underpinning profitability. During the period the company achieved other operating income of €28.0 mn from the sale of CO_2 emission rights estimated to be surplus based on expected production volume. Including this income, cement's EBITDA rose from €30.9 mn to €43.0 mn (+39.0%).

Below we show the performance highlights of the cement companies active in Italy, before intersegment eliminations:

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		186.9	244.8
EBITDA		43.0	30.9
% of sales		*23.0*	*12.6*
Capital expenditures		7.7	22.2
Headcount end of period	(no.)	1,348	1,446

The RMC (ready-mix concrete) segment experienced a unit-sales decrease of 7.0%, while prices decreased by 3.7%. The segment's net sales therefore stopped at a level of €169.6 mn (-9.9%), down from €188.3 mn in 1H09. EBITDA moved into negative ground at -€3.4 mn vs. a positive result of €1.9 mn in 1H09. Operating results were negatively affected by €4.6 mn of write-downs of trade receivables in 1H10 (€4.1 mn in 1H09). Considerable effort was dedicated to restructuring of production facilities and of the on-the-ground organization, which will make it possible to reduce overhead costs and better address the expected decrease of production. The launch of the "H2NO project" – designed to combat the scourge of water added to mixes at building sites – was promising and confirmed Unical's position as leader in technology and product innovation.

Below we summarize the performance highlights of the RMC and natural aggregates companies active in Italy, before intersegment eliminations:

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		169.6	188.3
EBITDA		(3.4)	1.9
% of sales		*(2.0)*	*1.0*
Capital expenditures		3.0	6.8
Headcount end of period	(no.)	586	613

Germany

German GDP returned to growth in the early months of 2010 (+1.7%) and this trend seems to have been confirmed also in 2Q10. Germany has in fact been the first beneficiary of the revival of foreign trade, especially towards newly industrialized economies. Similarly, internal demand, although traditionally less decisive for German economic growth, showed renewed vitality following improvements on the employment front. The industrial output index, which declined continuously throughout 2009, therefore returned to positive ground starting in January, hitting a maximum in April (+13.7%). The construction sector, however, is still penalized by industry's cutting of investments, which are expected to remain lower than those of the previous year for the whole of 2010 (-2.3%). Conversely, residential building – as regards both new housing and maintenance of existing buildings – is showing moderate progress. In addition, public spending on infrastructures will continue during the year (+2.8%), with this mainly dedicated to the expansion and revamping of the road and rail networks envisaged by the economic stimulus plans.

In 1H10 cement business achieved unit sales up by 0.3% vs. 1H09, with prices featuring slight contraction (-2.4%). Despite an initial part of the year still heavily negative – mostly because of adverse weather conditions – 2Q10 showed good development of cement demand. The RMC segment featured production up by 7.5% and prices down by 6.0%. Total net sales thus slipped from €247.1 mn to €242.2 mn (-2.0%). During the period other operating income of €4.7 mn was generated by the sale of CO_2 emission rights estimated to be surplus based on expected production volume. EBITDA decreased from €62.6 mn to €32.3 mn – but 1H09 had benefited from non-recurring income of €37.4 mn. Net of this amount, EBITDA in 1H10 ended with growth of 28.2% YoY.

The following table shows Germany's contribution to group business:

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		242.2	247.1
EBITDA reported		32.3	62.6
EBITDA recurring		32.3	25.2
% of sales		*13.3*	*10.2*
Capital expenditures		11.7	18.8
Headcount end of period	(no.)	1,656	1,626

Luxembourg

Notwithstanding the difficulties relating to the public debt of other Eurozone countries, the local economy has immediately benefited from stabilization of the international economic environment. In effect, in this first part of 2010 the financial sector has made significant progress, such as to enable the Luxembourg economy to achieve a good full-year rate of GDP growth (+3%), albeit still below the last decade's average.

In 1H10 our business made attractive progress. Unit sales of cement and clinker, inclusive of intercompany transfers, grew by 13.2% with slightly improving average per-unit revenues. Partial substitution of sales of clinker with cement – thanks to start-up of the new finish mill at the Esch-sur-Alzette factory – made it possible to improve exports to neighboring countries, optimizing the sales mix. Net sales thus rose to €45.4 mn, growing by 14.5% vs. 1H09 (€39.7 mn). Due to an increase in maintenance costs, not repeatable in the second half of the year (2H10), EBITDA remained stable at €5.6 mn. EBITDA margin therefore decreased from 14.2% to 12.4%.

Below we show Luxembourg's contribution to group business:

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		45.4	39.7
EBITDA		5.6	5.6
% of sales		*12.4*	*14.2*
Capital expenditures		4.9	18.8
Headcount end of period	(no.)	147	150

The Netherlands

The Dutch economy is slowly recovering from the recessionary phase characterizing the country since the second half of 2008 and throughout 2009. GDP is expected to grow by 1.5% in 2010, driven not only by public investments but also by private expenditure and export (+8.2% in 1Q10). During 2010 the construction sector will continue to be weakened by the reduction of investments (-8.0%). More specifically, within the economic stimulus plan fewer resources will be dedicated to infrastructures than in 2009 (-1.1%), while private investments for residential and industrial building will not stabilize earlier than 2011-2012.

Our unit sales of RMC stopped at a level of 0.42 mn cubic meters, down by 10.7% YoY, with net sales of €52.0 mn (vs. €54.9 mn in 1H09). EBITDA decreased from €0.9 mn to €0.6 mn, with EBITDA margin decreasing to 1.2% (vs. 1.7% in 1H09).

The following table shows the Netherlands' contribution to group business:

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		52.0	54.9
EBITDA		0.6	0.9
% of sales		*1.2*	*1.7*
Capital expenditures		1.0	1.2
Headcount end of period	(no.)	293	307

Czech Republic and Slovakia

In 1Q10 the Czech Republic's GDP grew by 1.1% vs. 1Q09. The country nevertheless still has various difficulties, so much so that unemployment continues to increase and industrial output remains very distant from the levels preceding the 2009 recession. In the period January-May the construction sector featured contraction of 14.3% YoY, while building activity relating to new housing decreased by 17.9%. Industrial building – the real growth driver until 2006 – will probably be the hardest hit segment in 2010 (-23%). Because of this and despite the support of public infrastructure investments (+3%), our sector will remain at very depressed levels of activity until 2011.

Unit sales of cement decreased by 25.6% vs. 1H09 and average selling prices in local currency also decreased (-6.8%). The RMC market was similarly hit, with volume down by 20.5% and prices slipping by 3.2%. Total net sales, despite a certain benefit from strengthening of the koruna, decreased from €80.2 mn to €63.8 mn (-20.4%), while EBITDA stopped at a level of €11.7 mn vs. €18.7 mn in 1H09 (-37.4%). EBITDA margin, although decreasing from 23.4% to 18.4%, remained at satisfactory levels, above all thanks to lower fuel costs (-42%).

Below we show the contribution of the Czech Republic and Slovakia to group business:

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		63.8	80.2
EBITDA		11.7	18.7
% of sales		*18.4*	*23.4*
Capital expenditures		2.3	3.5
Headcount end of period	(no.)	909	931

Poland

In 1Q10 Poland's rate of growth over 2009 had already accelerated. Estimates of full-year GDP growth converge around 3%, the best rate in the European Union. The biggest driver is undoubtedly internal demand (+2.3%), which together with the increase of net exports has stimulated growth of industrial output. For most of 1H10 the construction sector was less than brilliant, firstly because of the harsh winter, which in January and February severely limited construction activities. Later on, in May, Southern Poland was hit by terrible floods. Although on the one hand this will make major reconstruction work necessary, for the time being it has slowed down works in the areas hardest hit. Significant progress of investments is nevertheless expected in the second part of the year (2H10), above all thanks to European funds for infrastructures, all-important for Poland's development. In 2010 public investments will grow by about 24%, while the commercial and residential segments will remain respectively stable and slightly positive (+2.4%).

In 1H10 unit sales of cement slipped slightly vs. 1H09 (-1.7%), as did RMC production (-3.5%). In both sectors, the volume decrease had an adverse effect on selling prices, down by 8.1% and 13.3% respectively. Net sales in EUR stopped at a level of €56.0 mn, substantially stable vs. €56.7 mn in 1H09 (-1.1%), primarily thanks to zloty appreciation (+10.6%). The downturn of volume and prices eroded profitability (with margin down from 31.3% in 1H09 to 22.7% in 1H10) and EBITDA therefore decreased from €17.7 mn to €12.7 mn (-28.2%).

Below we show Poland's contribution to group business:

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		56.0	56.7
EBITDA		12.7	17.7
% of sales		*22.7*	*31.3*
Capital expenditures		1.2	9.3
Headcount end of period	(no.)	417	420

Ukraine

The outcome of the last elections has significantly changed Ukraine's political executive and the attitude towards the country's main international partners, headed by Russia. In April the two countries signed an agreement to reduce the price of natural gas, thus putting an end to most of the diplomatic tensions of previous months. After a 2009 that was extremely tough for the Ukrainian economy (-15.1%), 2010 is expected to feature a first inversion of trend and a return to GDP growth (+4.5%), mainly via exports. During 1H10 the international agencies upgraded the country's rating. In addition, agreement was reached with the International Monetary Fund making it possible to reinstate the co-operation interrupted at the end of 2009 and release the funds originally set aside to support the economy for an amount of USD 14.9 billion.

1Q10 featured an extremely cold winter and adverse weather conditions – but 2Q10 showed considerable recovery of deliveries to customers (+31.0%). Given this, in 1H10 unit sales of cement increased by 4.4% in a scenario of slack prices (-7.5% in local currency). Net sales decreased from €33.5 mn to €32.4 mn (-3.4%) while EBITDA progressed from -€9.2 mn to -€7.2 mn. Margins were still jeopardized due to production costs, and in particular to energy factor costs, which remained extremely high throughout 1H10. Operating losses, however, were lower than in 1H09 thanks to completion, towards the end of the period, of the project to switch fuel from natural gas to coal. Given this, as from 2H10 it will be possible to restore our Ukrainian business to profitability.

The following table shows Ukraine's contribution to group business:

(millions of euro)

		1st Half 2010	1st Half 2009
Net sales		32.4	33.5
EBITDA		(7.2)	(9.2)
% of sales		*(22.1)*	*(27.5)*
Capital expenditures		33.8	24.7
Headcount end of period	(no.)	1,670	1,734

Russia

The Russian economy entered a phase of stabilization already in the second half of 2009, while the start of 2010 points to a good GDP growth outlook for 2010 (+4.3%) and for 2011 (+4.1%). In effect, in the wake of the financial crisis the central authorities acted fast to restore sufficient liquidity to the markets and facilitate access to credit. In addition, there was massive direct fiscal stimulus for industry - and policies to support income and consumer spending were not lacking either, headed by measures to curb inflation (6% forecast for 2010). The executive still has to start a series of reforms to aid business activity which would permit greater entry of capital into the country, in such a way as to build the foundations for sustainable long-term growth.

Unit sales achieved by the Suchoi Log cement factory, which were negative in 1Q10 because of adverse weather conditions, featured strongly positively performance in 2Q10 (+34.1%). In 1H10 unit sales progressed by 14.4% vs. 1H09 – but notwithstanding this, prices in local currency continued to decline (-15.9%). This deterioration was also due to some changes in sales mix, with the price of grey cement under greater pressure than that of special cements for the oil industry. Net sales rose from €49.5 mn to €55.7 mn (+12.3%), whereas EBITDA decreased by 12.4% from €21.1 mn in 1H09 to €18.5 mn in 1H10. Ruble appreciation (+9.5%) had a significant effect on translation of results into EUR. Net of the forex effect, the changes would have been +1.7% YoY and -20.7% YoY respectively. The Russian business confirmed a good level of profitability (33.2%), albeit lower than in 1H09 (42.5%) due to the drop in prices in parallel with the increase of production costs (fuel +27%). Work on construction of the new production line at the Suchoi Log factory is now complete. The official inauguration took place at the beginning of August and the new plant – featuring modern dry-process technology – will be in the ideal situation of full capacity utilization right from the time of start-up.

Below we show Russia's contribution to group business:

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		55.7	49.5
EBITDA		18.5	21.1
% of sales		*33.2*	*42.5*
Capital expenditures		42.5	31.8
Headcount end of period	(no.)	1,247	1,438

United States of America

The USA returned to GDP growth in 1Q10 (+2.7%). Key positive items were the marked progress of private expenditure (+3.0%) and of exports (+11.3%). Economic growth was also pursued by increasing federal spending and investments (+1.2%). Local governments' expenditure has in fact decreased tangibly (-3.8%) due to the budget difficulties faced by individual States. The building industry showed moderate improvement during 1H10, although certainly less evident than that of other industry sectors, such as healthcare, automotive and indeed the financial segment. Industrial and commercial building projects remain limited, mainly because of companies' difficulties in accessing credit. Despite month-on-month growth, infrastructure spending is still mainly directed towards maintenance work on the road network and therefore continues to have only a relative impact on the cement industry. In the second part of the year the ARRA (American Recovery and Reinvestment Act) funds for new projects are estimated to increase, as is the spending capacity of public entities (as up to the end of June only 37% of allocations had been spent). For most of 1H10 residential demand benefited from the tax credit provided for the purchase of new homes – but in May, when this incentive expired, sales of new homes hit a new negative record (-18.3%).

In this environment, unit sales of cement decreased by 10.8% and RMC output slipped by 0.5%. The winter was particularly harsh - and even during the spring and at the beginning of the summer weather conditions in some regional markets where we are active were less than favorable for building activity. Cement selling prices in local currency decreased by 8.6% as a consequence of still slack demand and prolonged underutilization of production capacity. Net sales totaled \$373.9 mn, down by 14.1% vs. \$435.2 mn in 1H09. EBITDA amounted to \$46.6 mn (-42.1% vs. \$80.5 mn). Foreign exchange had little material effect so that in EUR net sales decreased from €326.7 mn to €281.4 mn (-13.8%) and EBITDA decreased by €25.3 mn from €60.4 mn to €35.1 mn (-41.9%). The decrease of volume and, even more so, of prices had a major impact on recurring EBITDA margin, which slumped from 20.3% to 12.5%.

The following table shows the USA's contribution to group business:

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		281.4	326.7
EBITDA reported		35.1	60.4
EBITDA recurring		35.1	66.2
% of sales		*12.5*	*20.3*
Capital expenditures		13.8	49.2
Headcount end of period	(no.)	2,378	2,490

Mexico

Mexican economic recovery started to intensify during 1H10. It is therefore believed that GDP will achieve growth of around 4% in 2010 and 4.5% in 2011. The policies implemented in the last 10 years, including reduction of public debt, curbing of inflation and free fluctuation of the peso, were key in terms of overcoming the 2009 crisis. Building-related activities slowed down in 1H10. Infrastructure investments, which had been particularly major in 1H09, were less intensive and this had a negative effect on the construction sector and on demand for cement.

In this scenario, unit sales of cement by the associate company Corporación Moctezuma decreased by 6.1%, whereas RMC output grew by 10.1% thanks to the favorable market trend in the capital (Distrito Federal). Local-currency cement prices remained stead (+0.9%) while those of RMC were just slightly lower than in 1H09 (-1.7%). Local-currency net sales and EBITDA both decreased, i.e. by 3.4% and by 5.2% respectively. Results translated into EUR benefited from appreciation of the Mexican peso: net sales rose from €96.1 mn to €101.7 mn (+5.8%) and EBITDA rose from €37.6 mn to €39.0 mn (+3.9%). EBITDA margin on net sales was 38.4% vs. 39.1% in 1H09 due to higher overhead and maintenance costs. The project underway for construction of the new cement factory in Apazápan required capital expenditures of €18.0 mn.

Below we show 100% data for Corporación Moctezuma, of which our group's share is 50%.

(millions of euro)

		1st Half 2010	*1st Half 2009*
Net sales		203.4	192.1
EBITDA		78.1	75.1
% of sales		*38.4*	*39.1*
Capital expenditures		37.1	30.7
Headcount end of period	(no.)	1,079	1,045

Algeria
Algeria's economic scenario remains favorable, virtually immune to the turmoil of the international crisis. During the last decade the Algerian government has pursued a strategy of supporting growth via an imposing public investment program (over USD 200 billion). The new plan for 2010-2014, totally financed by oil and gas income and without resorting to foreign debt, envisages investments of about USD 286 billion to complete projects initiated in previous years and for new basic-infrastructure initiatives, as well as support for industry and agriculture and improvement of the population's standard of living. Thanks to growth of the construction sector, and in particular of the infrastructures and residential segments, cement demand features continuous increase. The results of the economy as a whole, although satisfactory, are lower than expected given the massive resources mobilized. Today the government's economic policy is still strongly protectionist, also providing little incentive for private enterprise initiatives. In effect, notwithstanding protests from the European Union and from several countries, including Italy, the measure introduced during 2009 remains in force. This measure prevents foreign investors from acquiring majority interests in Algerian companies and has substantially blocked all foreign investments in the country.

Despite the numerous expansion initiatives underway, the Algerian cement industry is still suffering from undercapacity. In 2010 use will therefore once again be made of imported cement – over 1 mn tons – to meet domestic demand, estimated to total around 20 mn tons (+10% vs. 2009 and +25% vs. 2008). The investments made in the associate factories of Hadjar Soud and Sour El Ghozlane and intensification of training have made it possible to obtain manufacturing and business results never before achieved by either of the two companies. Preliminary 100% data as up to the end of June show net sales of €41.7 mn and EBITDA of €21.6 mn, with growth of 18.0% and 50.8% respectively vs. 1H09.

Risk management and description of main risks
The companies – the parent company and subsidiaries - included in the scope of risk assessment are as follows:
- Buzzi Unicem SpA (parent company)
- Unicalcestruzzi SpA
- Dyckerhoff AG and its subsidiaries
- Buzzi Unicem USA Inc. and its subsidiaries
- Alamo Cement Company and its subsidiaries.

Risks are assessed considering their likelihood of occurrence and their impact on group assets, in accordance with certain standards, and considering their respective relevance and importance.
Overall, compared with status in the 2009 annual financial report, total risks – after application of real mitigation measures - have decreased, mainly because of updating of items relating to the purchasing and trading processes. Translation of risks into EUR is the main reason for the countertendency found in the USA, for which the overall increase

is due to USD appreciation. Risks relating to possible fines by antitrust authorities and those relating to fines following tax audits have decreased. In the USA, quite apart from the unfavorable impact of the EUR/USD exchange rate, risks have increased regarding both possible lawsuits for occupational injuries and the higher amounts payable for employee health insurance. Following the mitigation actions already implemented or planned, residual risks amount to a very limited fraction of shareholders' equity.

Related-party transactions

Information on related-party transactions is presented in Note 41 to half-yearly condensed financial statements as at 30 June 2010.

Outlook

The first half of FY2010 was still tough due to continuation of slack demand, general decline of selling prices, low capacity utilization in the Group's main markets and unsettled weather conditions for most of the period. During the second quarter, however, we experienced a certain inversion of the trend, thanks both to recouping of undelivered volume and to signs of improvement of the economic environment. We think that gradual recovery of construction investments will continue in the second half, growing in intensity above all in the geographical areas hardest hit, such as Russia, Ukraine and the USA. We do not expect significant improvements as regards the level of prices, recovery of which will take place only with higher capacity utilization involving all players in each market. The trend of production costs gives some cause for concern, in particular the constant rise of fuels. In conclusion, since there is still considerable uncertainty as to the magnitude and speed of recovery, we believe that, at consolidated level, FY2010 will remain difficult and will end with recurring EBITDA down by around 15% YoY.

Casale Monferrato, 10 August 2010

On behalf of the Board of Directors

Alessandro BUZZI
Chairman

CONSOLIDATED BALANCE SHEET

		(thousands of euro)	
	Note	Jun 30, 2010	Dec 31, 2009
ASSETS			
Non-current assets			
Goodwill	6	567,960	565,655
Other intangible assets	6	13,519	14,113
Property, plant and equipment	7	3,801,200	3,411,174
Investment property	8	15,211	14,834
Investments in associates	9	234,807	227,167
Available-for-sale financial assets	10	5,918	6,108
Deferred income tax assets		57,328	44,997
Defined benefit plan assets		51,157	46,782
Derivative financial instruments	11	17,057	250
Other non-current assets	12	71,920	81,793
		4,836,077	**4,412,873**
Current assets			
Inventories	13	408,247	387,061
Trade receivables	14	562,834	436,245
Other receivables	15	138,712	124,513
Available-for-sale financial assets	10	11	1,024
Derivative financial instruments	11	8,087	782
Cash and cash equivalents	16	487,705	696,965
		1,605,596	**1,646,590**
Assets held for sale	17	16,000	–
Total Assets		**6,457,673**	**6,059,463**

	Note	Jun 30, 2010	Dec 31, 2009
		(thousands of euro)	
EQUITY			
Capital and reserves attributable to owners of the company			
Share capital	18	123,637	123,637
Share premium		458,696	458,696
Other reserves	19	334,878	10,604
Retained earnings		1,883,780	1,910,690
Treasury shares		(6,985)	(7,671)
		2,794,006	**2,495,956**
Minority interest	20	244,928	216,418
Total Equity		**3,038,934**	**2,712,374**
LIABILITIES			
Non-current liabilities			
Long-term debt	21	1,560,227	1,448,713
Derivative financial instruments	11	11,763	58,552
Employee benefits	22	327,662	314,754
Provisions for liabilities and charges	23	143,093	137,014
Deferred income tax liabilities		530,068	462,285
Other non-current liabilities	24	15,990	15,350
		2,588,803	**2,436,668**
Current liabilities			
Current portion of long-term debt	21	158,066	354,655
Short-term debt	21	1,677	7,789
Derivative financial instruments	11	5,838	14,604
Trade payables	25	323,625	265,667
Income tax payables		57,452	40,681
Provisions for liabilities and charges	23	47,410	49,460
Other payables	26	235,868	177,565
		829,936	**910,421**
Total Liabilities		**3,418,739**	**3,347,089**
Total Equity and Liabilities		**6,457,673**	**6,059,463**

CONSOLIDATED INCOME STATEMENT

	Note	(thousands of euro)	
		Jan-Jun 2010	Jan-Jun 2009
Net sales	27	**1,227,229**	**1,346,045**
Changes in inventories of finished goods and work in progress		(20,767)	(9,459)
Other operating income	28	64,003	67,949
Raw materials, supplies and consumables	29	(524,879)	(564,413)
Services	30	(308,251)	(329,388)
Staff costs	31	(212,300)	(214,007)
Other operating expenses	32	(35,757)	(47,713)
Operating cash flow (EBITDA)		**189,278**	**249,014**
Depreciation, amortization and impairment charges	33	(116,231)	(112,261)
Operating profit (EBIT)		**73,047**	**136,753**
Gains on disposal of investments		110	1
Finance revenues	34	123,489	50,212
Finance costs	34	(173,401)	(109,617)
Equity in earnings of associates		3,049	2,966
Profit before tax		**26,294**	**80,315**
Income tax expense	36	(9,317)	(24,711)
Profit for the period		**16,977**	**55,604**
Attributable to:			
Owners of the company		5,138	40,623
Minority interest		11,839	14,981

		(euro)	
Earnings per share	37		
basic			
- ordinary		0.02	0.19
- savings		0.04	0.22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of euro)

	Jan-Jun 2010	Jan-Jun 2009
Profit for the period	**16,977**	**55,604**
Currency translation differences	356,793	(40,994)
Changes from adoption of IAS 32 for partnerships	–	(267)
Other comprehensive income for the period, net of tax	**356,793**	**(41,261)**
Total comprehensive income for the period	**373,770**	**14,343**
Attributable to:		
Owners of the company	330,042	1,485
Minority interest	43,728	12,858

CONSOLIDATED CASH FLOW STATEMENT

(thousands of euro)

	Note	Jan-Jun 2010	Jan-Jun 2009
Cash flows from operating activities			
Profit for the period		16,977	55,604
Depreciation, amortization and impairment charges	33	116,231	112,261
Equity in earnings of associates	9	(3,049)	(2,966)
Gains on disposal of fixed assets		(2,447)	(758)
Deferred income taxes		(13,971)	(10,679)
Employee share grants expense	31	288	282
Other non-cash movements		433	2,346
Net change in provisions and employee benefits	22, 23	(5,872)	(30,442)
Changes in operating assets and liabilities		6,888	(79,614)
Net cash provided by operating activities		**115,478**	**46,034**
Cash flows from investing activities			
Purchase of intangible assets	6	(714)	(395)
Purchase of property, plant and equipment	7, 8	(162,989)	(196,803)
Purchase of equity investments	9, 10	(4,040)	(4,472)
Proceeds from sale of property, plant and equipment		6,160	4,841
Proceeds from sale of equity investments		756	15
Capital grants received		317	778
Dividends received from associates	9	4,422	3,090
Changes in available-for-sale financial assets		1,013	(1)
Changes in financial receivables		15,660	(29,156)
Net cash used in investing activities		**(139,415)**	**(222,103)**
Cash flows from financing activities			
Proceeds from long-term debt	21	161,462	59,647
Principal payments on long-term debt	21	(363,754)	(134,226)
Net change in short-term debt		(6,287)	116,392
Changes in financial payables		(16,050)	53,978
Dividends paid to owners of the company	38	(20,826)	(74,862)
Dividends paid to minority interest		(7,800)	(17,387)
Net cash provided by financing activities		**(253,255)**	**3,542**
Increase (decrease) in cash and cash equivalents		**(277,192)**	**(172,527)**
Cash and cash equivalents at beginning of period		**696,965**	**578,694**
Increase (decrease) in cash and cash equivalents		(277,192)	(172,527)
Translation differences		67,894	(9,792)
Change in scope of consolidation		38	1,443
Cash and cash equivalents at end of period	16	**487,705**	**397,818**
Supplemental cash flow information			
Interest paid		44,599	39,756
Interest received		11,645	25,496
Income tax paid		19,740	27,734

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(thousands of euro)

	Attributable to owners of the company							
	Share capital	*Share premium*	*Other reserves*	*Retained earnings*	*Treasury shares*	*Total*	*Minority interest*	*Total Equity*
Balance as of January 1, 2009	**123,637**	**458,696**	**71,568**	**1,847,756**	**(8,286)**	**2,493,371**	**212,085**	**2,705,456**
Profit for the period	–	–	–	**40,623**	–	**40,623**	**14,981**	**55,604**
Other comprehensive income for the period, net of tax	–	–	(38,889)	(249)	–	(39,138)	(2,123)	(41,261)
Total comprehensive income for the period	–	–	**(38,889)**	**40,374**	–	**1,485**	**12,858**	**14,343**
Shares granted to employees	–	–	–	–	615	**615**	–	**615**
Dividends paid	–	–	–	(74,862)	–	**(74,862)**	(17,387)	**(92,249)**
Buyout of minorities	–	–	–	(184)	–	**(184)**	(908)	**(1,092)**
Other changes	–	–	4,482	(4,715)	–	**(233)**	(18)	**(251)**
Balance as of June 30, 2009	**123,637**	**458,696**	**37,161**	**1,808,369**	**(7,671)**	**2,420,192**	**206,630**	**2,626,822**
Balance as of 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 period	–	–	–	**5,138**	–	**5,138**	**11,839**	**16,977**
Other comprehensive income for the period, net of tax	–	–	324,904	–	–	324,904	31,889	356,793
Total comprehensive income for the period	–	–	**324,904**	**5,138**	–	**330,042**	**43,728**	**373,770**
Shares granted to employees	–	–	–	–	686	**686**	–	**686**
Dividends resolved	–	–	–	(37,926)	–	**(37,926)**	(7,800)	**(45,726)**
Buyout of minorities	–	–	–	5,578	–	**5,578**	(7,394)	**(1,816)**
Other changes	–	–	(630)	300	–	**(330)**	(24)	**(354)**
Balance as of June 30, 2010	**123,637**	**458,696**	**334,878**	**1,883,780**	**(6,985)**	**2,794,006**	**244,928**	**3,038,934**

NOTES TO THE INTERIM FINANCIAL INFORMATION

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. This interim financial information was approved for issue by the board of directors on 10 August 2010.

2. Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2010 have been prepared in accordance with art. 154 ter of Legislative Decree 58/1998 and drawn up in compliance with International Financial Reporting Standards (IFRS), according to the provisions of IAS 34 Interim Financial Reporting. They should be read in conjunction with the annual financial statements for the year ended 31 December 2009.

The preparation of the interim financial statements in conformity with IFRS requires the use of estimates and assumptions 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 for the period. By definition, the actual results seldom equal the estimated results. Estimates are periodically reviewed according to management’s best knowledge of the business; in case in the future these assumptions should significantly differ from the actual circumstances, they would be modified accordingly in the relevant period in which they change.

The items presented in these financial statements have been slightly adjusted and integrated compared with those previously published, to give a better representation of the financial position and economic performance at 30 June 2009. Moreover at year-end 2009 the final accounting for the business combination Barrett Holding, Inc. was determined, assigning the fair values to assets, liabilities or contingent liabilities. The impact on net profit and equity at June 2009 would have been equal to €238 thousand and €225 thousand respectively. In the notes to the single related items of the income statement we have reported the impact of such changes which were not recognized since they are not material for comparative purposes.

3. Accounting policies

Except as described below, the principles applied are consistent with the recognition and evaluation criteria used in the preparation of the annual financial statements as of 31 December 2009, to which reference is made for additional information.

Some valuation procedures, especially the assessment of fixed assets impairment, if any, are generally carried out in full only during annual report preparation, when all necessary information is available, unless there is an indication of impairment that requires an immediate impairment test. Similarly, the actuarial evaluations on employee benefits are usually only carried out during annual report preparation.

Income tax expense is recognized based upon the best estimate of the weighted average tax rate expected for the full financial year.

The following standards and amendments are mandatory for the first time beginning 1 January 2010.

- IFRS 3 (revised), Business combinations. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The adoption of the revised standard has had no impact on the interim financial statements presented herein.
- IAS 27 (revised) Consolidated and separate financial statements. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit and loss. There has been no impact of IAS 27 (revised) on the current period, as none of the minority interests has a deficit balance. There have been no transactions whereby an interest in an entity is retained after the loss of control of that entity. Transactions with minority interests were already treated by the group under the criteria introduced by the revised standard.
- IFRS 8 (amendment) Operating segments, as part of the 2009 annual improvements program. The amendment requires an entity to report a measure of total assets for each reportable segment if such amount is regularly provided to the chief operating decision-maker. Previously, the disclosure of total assets for each segment was required even if that condition was not met. The adoption of the amendment only has resulted in different disclosures; there has been no impact on earnings per share.

The following standards, amendments and interpretations are mandatory for the first time effective from 1 January 2010, but they are not relevant for the group and/or have had no impact on the interim financial statements presented herein.

- IFRS 5 (amendment) Non-current assets held-for-sale and discontinued operations.
- Amendments to IFRS as part of the annual improvements program to standards called *Improvements to IFRSs 2009*.
- Amendments to IAS 28 Investments in associates, to IAS 31 Interests in joint ventures and to IAS 21 The effects of changes in foreign exchange rates, arising from IAS 27 revised.
- IFRIC 17 Distribution of non-cash assets to owners.
- IFRIC 18 Transfer of assets from customers.
- IFRS 2 (amendment) Share-based payment.

The following standards, amendments and interpretations have been issued but are not effective for the financial year starting 1 January 2010 and have not been early adopted.

- IAS 32 (amendment) Financial instruments: presentation (effective from 1 January 2011). The amendment clarifies the accounting for rights issues offered for a fixed amount of foreign currency. Current practice requires such issues to be accounted for as derivative liabilities. However, the amendment states that, under certain conditions, such rights issues should be classified as equity regardless of the currency in which the exercise price is denominated.
- IFRIC 14 (amendment) IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction (effective from 1 January 2011). Without the amendments, in some circumstances entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. At the date of this report the interpretation has not yet been endorsed by the European Union.
- IFRIC 19 Extinguishing financial liabilities with equity instruments (effective from 1 January 2011). The interpretation addresses the accounting by an entity that renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. At the date of this report the interpretation has not yet been endorsed by the European Union.
- IFRS 9 Financial instruments (effective from 1 January 2013). This standard is part of the IASB's wider project to replace IAS 39 Financial instruments: recognition and measurement by the end of 2010. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's 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. At the date of this report the European Union has not yet endorsed the new standard.

- IAS 24 (revised) Related party disclosures (effective from 1 January 2011). The revised standard simplifies the disclosure requirements for government-related entities; it also simplifies the definition of a related party, clarifies its intended meaning and eliminates a number of inconsistencies. At the date of this report the European Union has not yet endorsed the revised principle.

On 6 May 2010, the IASB issued *Improvements to IFRSs* – a collection of amendments to seven IFRS – as its latest set of annual improvements to its standards. The revised versions introduced by this publication have not yet been endorsed by the European Union at the date of this financial report.

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

	Period ended			Average	
Euro 1 =	*30 June 2010*	*31 December 2009*	*30 June 2009*	*1H 2010*	*1H 2009*
US Dollar	1.2271	1.4406	1.4134	1.3284	1.3321
Mexican Peso	15.7363	18.9223	18.5537	16.8287	18.4334
Czech Koruna	25.6910	26.4730	25.8820	25.7341	27.1518
Ukrainian Hryvnia	9.7204	11.5642	10.9183	10.5925	10.5014
Russian Ruble	38.2820	43.1540	43.8810	39.9227	44.1030
Polish Zloty	4.1470	4.1045	4.4520	4.0026	4.4748
Hungarian Florint	286.0000	270.4200	271.5500	271.6390	289.9908
Algerian Dinar	91.9383	104.1720	103.3640	97.6077	96.6156

4. Scope of consolidation

In the first half 2010 the ownership interest in OAO Sukholozhskcement was increased by 3.27%, on the basis of agreements previously entered into.

The ownership interest in the associate Sievert AG & Co. KG has been reclassified to the item Assets held for sale, following the agreement to swap the equity stake with the ready-mix concrete operations belonging to the same entity (sibobeton group). The partnership redesign provided for by the agreement will be effective as from July 2010.

The above mentioned scope changes are not, overall, material for comparative purposes. The major effects due to scope changes are however highlighted in the course of these notes.

5. Segment information

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

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

The executive directors assess the performance of the reportable operating segments based, as main reference, on a measure of operating profit. Net finance costs and income tax expense are not included in the result for each operating segment that is reviewed by the executive directors. The measurement of segment profit or loss 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*
Six months ended 30 June 2010							
Net sales	304,970	328,457	207,733	281,423	101,693	2,953	1,227,229
Intersegment revenue	(103)	(4)	–	–	–	107	–
Revenue from external customers	304,867	328,791	207,733	281,423	101,693	3,060	1,227,567
Operating profit	14,829	12,374	19,789	(4,088)	32,992	(2,849)	73,047

thousands of euro	*Italy*	*Central Europe*	*Eastern Europe*	*USA*	*Mexico*	*Unallocated items and adjustments*	*Total*
Six months ended 30 June 2009							
Net sales	373,623	332,056	219,333	326,652	96,070	(1,689)	1,346,045
Intersegment revenue	(108)	(1)	–	–	–	109	–
Revenue from external customers	373,515	332,055	219,333	326,652	96,070	(1,580)	1,346,045
Operating profit	3,238	43,682	32,921	25,315	32,001	(404)	136,753

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

6. Goodwill and Other intangible assets

thousands of euro	*Goodwill*	*Other intangible assets* Industrial patents, licenses and similar rights	*Assets in progress and advances*	*Other*	*Total*
Net book amount at 1 January 2010	565,655	9,423	–	4,690	14,113
Six months ended 30 June 2010					
Translation differences	4,574	461	–	703	1,164
Amortization and impairment charges	(2,238)	(2,634)	–	(394)	(3,028)
Additions	–	345	8	362	715
Change in scope of consolidation	–	44	–	–	44
Reclassifications	(31)	524	(5)	(8)	511
Net book amount at 30 June 2010	**567,960**	**8,163**	**3**	**5,353**	**13,519**

At 30 June 2010, the item industrial patents, licenses and similar rights is made up of mining rights (€2,200 thousand), industrial patents (€747 thousand), application software for plant and office automation (€2,720 thousand), industrial licenses (€1,111 thousand).
Amortization and impairment charges include the impairment loss of the Thorcem Srl patent for an amount of €1,421 thousand.

Goodwill and impairment test
Goodwill at 30 June 2010 amounts to €567,960 thousand and is broken-down as follows:

- €465,149 thousand refer to Dyckerhoff, thereof €325,256 thousand allocated to the segment Eastern Europe and the remaining €139,893 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;
- €15,450 thousand refer to the ready-mix concrete and aggregates sector in Italy;
- €36,440 thousand refer to the cement sector of Alamo Cement Company, thereof €29,455 emerging from the acquisition of Dorsett Brothers in 2008 and South-Tex Concrete in 2007;
- €2,118 thousand refer to the ready-mix concrete sector in the United States of America (Dorsett Brothers).

During the period an impairment charge against goodwill was recognized in a specific geographic area of the ready-mix concrete in Italy (€1,358 thousand) and in Manfredonia (FG) cement plant, in Italy as well (€880 thousand).

7. Property, plant and equipment

thousands of euro	*Land and buildings*	*Plant and machinery*	*Industrial and commercial equipment*	*Assets in progress and advances*	*Other*	*Total*
At 1 January 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**
Six months ended 30 June 2010						
Opening net book amount	1,549,614	1,266,810	139,289	420,511	34,950	3,411,174
Translation differences	194,471	93,801	18,604	48,713	4,730	360,319
Additions	1,875	7,435	2,333	124,581	639	136,863
Change in scope of consolidation	3,190	234	599	267	(764)	3,526
Disposals and other	(1,631)	(28)	(828)	(23)	(94)	(2,604)
Depreciation and impairment charges	(18,434)	(73,282)	(16,069)	—	(3,124)	(110,909)
Reclassifications	4,308	40,424	2,549	(44,815)	365	2,831
Closing net book amount	**1,733,393**	**1,335,394**	**146,477**	**549,234**	**36,702**	**3,801,200**
At 30 June 2010						
Cost/deemed cost	2,558,396	3,950,973	431,191	549,234	119,575	7,609,369
Accumulated depreciation	(825,003)	(2,615,579)	(284,714)	—	(82,873)	(3,808,169)
Net book amount	**1,733,393**	**1,335,394**	**146,477**	**549,234**	**36,702**	**3,801,200**

Additions of €136,863 thousand in the period are shortly described in the management report, to which reference is made. In the cash flow statement, capital expenditures are reported according to the actual outflows (€162,989 thousand).

Positive translation differences of €360,319 thousand mainly reflect the strengthening in the exchange rate of the US dollar and of the other currencies used for conversion of the foreign financial statements versus the euro. In 2009 the trend in the exchange rate of the dollar and other currencies had given rise to negative translation differences of €32,689 thousand.

To be remarked that the production curtailment at the Oglesby plant situated in Illinois continues. Because of the temporary nature of this cessation in production, the company has determined that there is no impairment of this facility's production related assets which have a carrying amount of €161,945 at the end of the period, gross of the related deferred income tax effect (€64,642 thousand).

Real guarantees on assets of consolidated companies are represented by liens on industrial and commercial equipment for the amount of €4,934 thousand at 30 June 2010 (2009: €4,303 thousand).

Rent expenses amounting to €19,370 thousand (2009: €19,938 thousand) relating to the operating lease of property and machinery are included in the income statement among services (note 30).

8. Investment property

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Beginning of period	14,834	15,394
Translation differences	433	(31)
Additions	–	309
Reclassifications	–	169
Disposals and other	(56)	(1,007)
End of period	**15,211**	**14,834**

9. Investments in associates

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Accounted for using the equity method	229,810	222,189
Valued at cost	4,997	4,978
	234,807	**227,167**

The net increase of €7,640 thousand was affected to the extent of €13,927 thousand by 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.

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Beginning of period	227,167	232,701
Translation differences	21,411	(7,711)
Additions	6	3,506
Equity in earnings	3,049	5,895
Dividends received	(4,422)	(6,441)
Disposals and other	(12,404)	(783)
End of period	**234,807**	**227,167**

The item disposals and other encompasses the reclassification of the ownership interest in the associate Sievert AG & Co. KG to the item Assets held for sale. The transfer derives from the agreement reached at the end of 2009, which, through an equity stake swap, provides for Dyckerhoff group to take over ready-mix operations from Sievert group.

10. Available-for-sale financial assets

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

thousands of euro	*Subsidiaries*	*Other*	*Total*
At 1 January 2010	1,773	4,335	6,108
Additions	–	252	252
Write-ups (write-downs)	17	–	17
Disposals and other	(484)	25	(459)
At 30 June 2010	**1,306**	**4,612**	**5,918**

There were no impairment provisions on available-for-sale financial assets (non-current portion) in the first six months of both 2010 and 2009.

The current portion includes short-term or marketable securities, which represent temporary placements of available cash.

11. Derivative financial instruments

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

	30 Jun 2010		*31 Dec 2009*	
thousands of euro	*Assets*	*Liabilities*	*Assets*	*Liabilities*
Non- current				
Non designated as hedges	17,057	11,763	250	58,552
	17,057	**11,763**	**250**	**58,552**
Current				
Non designated as hedges	8,087	138	782	7,704
Options and commitments	–	5,700	–	6,900
	8,087	**5,838**	**782**	**14,604**

During the first six months of 2010 the changes in fair value of the derivative financial instruments recognized in the income statement are positive for €79,666 thousand.

12. Other non-current assets

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Receivables from associates	7,395	7,421
Tax receivables	6,807	24,319
Advances to suppliers	7,173	7,173
Receivables from personnel	1,803	1,843
Loans to customers	5,124	2,476
Guarantee deposits	21,910	18,616
Other	21,708	19,945
	71,920	**81,793**

The decrease in tax receivables is mainly due to the assignment without recourse of the corporate tax credit in Germany, which otherwise would have been cashed-in over a period of 10 years starting from 2008.
The item advances to suppliers is a down-payment for construction of buildings on the former industrial site of Piacenza, in partly already sold to developers.
The item other includes for the most part loans to outside parties, which are adequately secured.

13. Inventories

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Raw materials, supplies and consumables	273,307	243,249
Work in progress	66,562	72,974
Finished goods and merchandise	65,752	67,579
Advances	2,626	3,259
	408,247	**387,061**

The amount booked at the end of June is net of an allowance for obsolescence of €23,768 thousand (€22,935 thousands at 31 December 2009).

14. Trade receivables

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Trade receivables	585,967	458,027
Less: Provision for receivables impairment	(40,604)	(37,261)
Trade receivables, net	**545,363**	**420,766**
Other trade receivables:		
- From unconsolidated subsidiaries	386	377
- From associates	17,076	15,081
- From parent companies	9	21
	562,834	**436,245**

The increase of €124,597 thousand in trade receivables from customers is attributable to the appreciation of the major foreign currencies against the euro, the business seasonability and to a greater average number of days before cash collection.

15. Other receivables

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Tax receivables	85,238	84,285
Receivables from social security institutions	2,097	509
Receivables from unconsolidated subsidiaries and associates	5,214	4,015
Receivables from suppliers	11,230	8,047
Receivables from personnel	1,957	1,078
Receivables from sale of equity investments	—	1,062
Accrued income and prepaid expenses	17,774	9,649
Other	15,202	15,868
	138,712	**124,513**

Tax receivables include income tax payments in advance and the debit balance of periodic value added tax when money is to be returned.
Receivables from unconsolidated subsidiaries and associates are in the nature of short-term loans.
The increase in the item accrued income and prepaid expenses is mainly due to prepaid expenses on insurance policies.

16. Cash and cash equivalents

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Cash at banks and in hand	391,954	519,394
Short-term deposits	95,751	177,571
	487,705	**696,965**

Foreign operating companies hold about 53% of the balance of €487,705 thousand. Short-term deposits and securities earn interest at about 0.8% on average (0.8% in 2009): yield in euro is around 0.4%, in US dollar 0.4%, in Mexican peso 3.8% and in other currencies 4.3%. The average maturity of such deposits and securities is lower than 60 days.

17. Assets held for sale

The amount relates to the investment in Sievert AG & Co. KG, classified as assets held for sales following the agreement described in note 9. The measurement at fair value of the associate brought about a €3,600 thousand write-up.

18. Share capital

At 30 June 2010 the share capital of Buzzi Unicem SpA is as follows:

number of shares	*30 Jun 2010*	*31 Dec 2009*
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

The reconciliation of the number of shares outstanding during the first six months of 2010 is the following:

number of shares	*Ordinary*	*Savings*	*Total*
At 1 January 2010			
Shares issued	165,349,149	40,711,949	206,061,098
Less: Treasury shares	(500,000)	(257,180)	(757,180)
Shares outstanding	**164,849,149**	**40,454,769**	**205,303,918**
Six months ended 30 June			
Employee share grant scheme	–	53,780	53,780
Closing shares outstanding	**164,849,149**	**40,508,549**	**205,357,698**
At 30 June 2010			
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**

In June 2010, no. 53,780 savings shares out of treasury, with a fair value of €288 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).

19. Other reserves

The caption encompasses several items, which are listed and described here below:

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Translation differences	(135,608)	(460,512)
Revaluation reserves	88,286	88,286
Merger surplus	247,530	247,530
Other	134,670	135,300
	334,878	**10,604**

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 €324,904 thousand is the result of four separate effects: an increase of €30,006 thousand due to the strengthening of the Mexican peso, an increase of €231,721 thousand due to the strengthening of the US dollar, an increase of €49,246 thousand due to the strengthening of the Eastern European currencies and an increase of €13,931 thousand due to the strengthening of the Algerian dinar.

20. Minority interest

The balance as of 30 June 2010 refers to Dyckerhoff AG and subsidiaries (€109,535 thousand), RC Lonestar Inc. (€44,974 thousand) and Corporación Moctezuma, SAB de CV (€90,074 thousand). Buzzi Unicem jointly controls Corporación Moctezuma together with Cementos Molins (Spain); the company is consolidated under the proportional method at 50%, but the actual economic interest attributable to owners of the company is about 33%.

21. Debt and borrowings

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Long-term debt		
Senior notes and bonds	906,932	745,753
Mezzanine loan	226,833	223,361
Finance lease obligations	858	1,085
Secured term loans	1,694	1,849
Unsecured term loans	423,910	476,665
	1,560,227	**1,448,713**
Current portion of long-term debt		
Senior notes and bonds	79,971	272,015
Mezzanine loan	–	6,117
Finance lease obligations	514	485
Secured term loans	881	778
Unsecured term loans	76,700	75,260
	158,066	**354,655**
Short-term debt		
Banks overdrafts and borrowings	1,677	7,789
	1,677	**7,789**

Senior Notes and Bonds

The change in the period is due to issue of new bonds for €161,462 thousand, to principal repayment for €304,648 thousand and to foreign exchange effect for €111,667.

At the beginning of April 2010, the subsidiary RC Lonestar Inc. completed in the USPP market a new issue of Senior Unsecured Notes for a nominal amount of $200 million. The notes are structured in two tranches:

- a first tranche of $170 million, with 5-year average life and final maturity on 1 April, 2016 at the fixed annual rate of 4.90% payable semi-annually;
- a second tranche of $30 million with bullet repayment on 1 April, 2016, at a floating annual rate equal to 3-month Libor plus 245 basis points payable quarterly.

This bond is carried at amortized cost, for a total amount of €161,462 thousand, corresponding to an effective yield rate of 5.02% for the tranche at fixed rate and of 2.88%

for the tranche at floating rate. As for the previous financial USPP notes, also this new issue is guaranteed by Buzzi Unicem SpA and requires compliance with covenants.

In June 2010 four interest rate swap contracts were entered into for nominal €280 million aimed at partially swapping the interest rate of "Buzzi Unicem €350,000,000, 5.125% Notes Due 2016" from fixed to floating in the period 2010 – 2013.

Term loans and other borrowings
In the first half 2010 no new borrowings were obtained and principal payments on long-term debt amounted to €52,989 thousand.

In respect of interest rate and currency the gross indebtedness at 30 June 2010 is roughly split as follows (after hedging): 40% floating and 60% fix; 11% denominated in dollar and 89% in euro and euro-zone currencies.

22. Employee benefits

The obligations for employee benefits are analyzed as follows:

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
By category		
Post-employment benefits		
- Pension plans	171,408	171,697
- Healthcare plans	116,463	101,310
- Employee severance indemnities	28,012	30,473
- Other	118	92
Other long-term benefits	11,661	11,182
	327,662	**314,754**
By geographical area		
Italy	28,923	31,384
Germany, Luxembourg, Netherlands	179,819	181,379
USA, Mexico	118,920	101,991
	327,662	**314,754**

The defined benefit plan assets separately recognized in the balance sheet pertain to the USA geographical area (€51,157 thousand).

23. Provisions for liabilities and charges

thousands of euro	*Environmental risks and restoration*	*Antitrust*	*Legal claims tax risks*	*Other risks*	*Total*
At 1 January 2010	48,111	50,057	71,835	16,471	186,474
Additional provisions	336	–	1,772	1,059	3,167
Discount unwinding	(294)	339	–	227	272
Unused amounts released	(199)	–	(20)	(91)	(310)
Used during the period	(601)	–	(5,504)	(1,727)	(7,832)
Translation differences	2,526	(138)	4,941	488	7,817
Reclassifications	100	–	–	(100)	–
Changes in scope of consolidation	868	–	3	44	915
At 30 June 2010	**50,847**	**50,258**	**73,027**	**16,371**	**190,503**

Analysis of total provisions

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Non-current	143,093	137,014
Current	47,410	49,460
	190,503	**186,474**

24. Other non-current liabilities

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Purchase of equity investments	5,461	4,575
Minority interest in partnerships	1,961	2,080
Payables to personnel	2,777	2,757
Other	5,791	5,938
	15,990	**15,350**

Some third parties and managers have an obligation to sell their minority interest (20.0%) in the subsidiary OAO Sukholozhskcement. The liability for purchase of equity investments recognizes the present value of this obligation, spread over the years 2011-2017.

25. Trade payables

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Trade payables	310,050	261,764
Other trade payables:		
- To unconsolidated subsidiaries	157	37
- To associates	2,808	3,865
- To parent companies	10,610	1
	323,625	**265,667**

To be remarked that in the period assignments without recourse of receivables pertaining to consolidated subsidiaries were effected for €23,038 thousand, €10,610 thousand of which assigned to the parent company. Trade payables to parent companies refer to the intra group receivables assigned to the parent company.

26. Other payables

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Advances	5,771	5,243
Purchase of equity investments	35,295	30,400
Payables to social security institutions	19,050	15,938
Payables to personnel	47,638	41,882
Payables to customers	8,183	6,875
Accrued expenses and deferred income	33,633	21,667
Other	86,298	55,560
	235,868	**177,565**

Payables for purchase of equity investments include mainly the second tranche for the purchase of the 100% interest in Dorsett Brothers Concrete Supply, which is due on 30 November 2010.

The increase in accrued expenses and deferred income is due to the interest expense on the bond “Buzzi Unicem €350,000,000, 5.125% Notes Due 2016”, payable annually (€10,025 thousand).

The heading other consists of sundry elements, among which dividend payables to parent companies for €17,100 thousand and the credit balance of periodic value added tax for €13,890 thousand (€4,635 thousand in 2009).

27. Net sales

Net sales breakdown is as follows:

thousands of euro	*1H - 2010*	*1H – 2009*
Cement and clinker	746,102	830,403
Ready-mix concrete and aggregates	469,898	503,614
Related activities	11,229	12,028
	1,227,229	**1,346,045**

The 8.8% decrease is due to overall favorable currency effects for 1.7%, to unfavorable trading trends for 10.6% and to additions in the scope of consolidation for 0.1%.

28. Other operating income

thousands of euro	*1H - 2010*	*1H – 2009*
Recovery of expenses	3,559	2,999
Indemnity for damages	1,344	227
Revenues from leased properties	4,486	6,297
Gains on disposal of property, plant and equipment	2,918	1,399
Capital grants	349	304
Release of provisions	318	38,178
Internal work capitalized	3,171	4,022
Sale of emission rights	32,668	1,033
Other	15,190	13,490
	64,003	**67,949**

In 2009 the caption release of provisions included non-recurring income for €37,371 thousand represented by a partial release of the antitrust provision recorded by the subsidiary Dyckerhoff, following the final reduction of the fine decided by the Higher Regional court of Düsseldorf.

29. Raw materials, supplies and consumables

thousands of euro	*1H - 2010*	*1H – 2009*
Raw materials and merchandise	256,052	285,234
Semifinished goods	41,469	51,296
Supplies and consumables	31,034	30,019
Electricity	89,422	94,445
Fuels	92,426	87,899
Emission rights	—	521
Other goods	14,476	14,999
	524,879	**564,413**

30. Services

thousands of euro	*1H - 2010*	*1H – 2009*
Transportation	158,626	160,223
Maintenance and contractual services	56,454	61,309
Insurance	7,784	8,614
Legal and professional consultancy	10,067	11,332
Operating leases of property and machinery	19,370	19,938
Travel	2,937	3,377
Sales commissions	1,449	1,355
Other	51,564	63,240
	308,251	**329,388**

31. Staff costs

thousands of euro	*1H - 2010*	*1H – 2009*
Salaries and wages	156,436	157,124
Social security contributions and defined contribution plans	45,122	45,128
Employee severance indemnities and defined benefit plans	9,399	10,415
Other long-term benefits	402	319
Shares granted to employees	289	282
Other	652	739
	212,300	**214,007**

The impact of the final accounting of the business combination Barrett Holding, Inc. on the item social security contributions and defined contribution plans is equal to €102 thousand in the first half 2009.

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

number	*1H – 2010*	*1H – 2009*
White collars and executives	4,241	4,355
Blue collars and supervisors	6,968	7,428
	11,209	**11,783**

32. Other operating expenses

thousands of euro	*1H - 2010*	*1H – 2009*
Write-down of receivables	9,433	13,426
Provisions for liabilities and charges	1,144	9,069
Association dues	4,721	4,744
Indirect taxes and duties	10,907	13,714
Losses on disposal of property, plant and equipment	581	641
Other	8,971	6,119
	35,757	**47,713**

The impact of the final accounting of the business combination Barrett Holding, Inc. on the item other is equal to €73 thousand in the first half 2009.
The decrease in write-down of receivables refer to Eastern Europe, an area for which in 2009 sizeable write-downs were made due to the financial crisis.

33. Depreciation, amortization and impairment charges

thousand of euro	*1H - 2010*	*1H – 2009*
Amortization of intangible assets	1,607	1,601
Depreciation of property, plant and equipment	109,806	103,282
Impairment losses of non-current assets	4,818	7,378
	116,231	**112,261**

The impairment losses relate to the ready-mix concrete business in Italy (plant and goodwill for a total of €2,131 thousand) and to the goodwill of Manfredonia (FG) cement plant, in Italy as well (€880 thousand). Moreover the item includes impairment loss of the Thorcem patent for €1,421 thousand, which is matched by a release of deferred tax assets for €446 thousand.

In the previous year the impairment losses for the most part related to the goodwill of the Piedmont geographical area in the ready mix concrete business in Italy (€1,236 thousand) and of the Travesio (PN) cement plant, in Italy as well (€3,617 thousand).

The impact of the final accounting of the business combination Barrett Holding, Inc. on property, plant and equipment is equal to €111 thousand in the first half 2009.

34. Net finance costs

thousand of euro	*1H - 2010*	*1H – 2009*
Finance revenues		
Interest income on liquid assets	2,795	7,531
Interest income on interest rate swap contracts	2,548	4,221
Expected return on plan assets of employee benefits	7,597	7,610
Changes in the fair value of derivative instruments	85,295	3,120
Foreign exchange gains	14,453	22,424
Dividend income	1,718	1,948
Other	9,083	3,358
	123,489	**50,212**
Finance costs		
Interest expense on bank borrowings	(12,055)	(9,683)
Interest expense on senior notes and bonds	(34,132)	(27,516)
Interest expense on mezzanine loan	(7,817)	(7,257)
Interest expense on employee benefits	(14,081)	(15,351)
Interest expense on interest rate swap contracts	(48)	(232)
Changes in the fair value of derivative instruments	(5,629)	(19,715)
Discount unwinding on liabilities	(5,330)	(3,497)
Foreign exchange losses	(91,411)	(21,558)
Other	(2,898)	(4,808)
	(173,401)	**(109,617)**
Net finance costs	**(49,912)**	**(59,405)**

Other finance revenues includes the write-up for €3,600 thousand of the ownership interest in the associate Sievert AG & Co. KG, transferred among Assets held for sale and consequently booked at fair value.

35. Equity in earnings of associates

The caption includes the share of profit (loss) of associates accounted for under the equity method, net of dividends received and possible write-downs. The net results of the major companies are positive and contribute as follows:

thousand of euro	*1H - 2010*	*1H – 2009*
Société des Ciments de Sour El Ghozlane EPE SpA	963	186
Société des Ciments de Hadjar Soud EPE SpA	807	(116)
Laterlite SpA	583	948
Kosmos Cement Company	539	129
Bétons Feidt SA	424	450
S. Paolo Scrl	206	196
Siefic Calcestruzzi Srl	199	(185)
Eljo Holding BV	186	356

Losses come mainly from the write-down of Cementi Moccia SpA for €1,308 thousand.

36. Income tax expense

thousands of euro	*1H - 2010*	*1H – 2009*
Current tax	22,343	33,870
Deferred tax	(13,300)	(8,740)
Tax relating to prior periods	274	(419)
	9,317	**24,711**

The weighted average tax rate of the period is 35% (31% in 2009).
The impact of the final accounting of the business combination Barrett Holding, Inc. on current tax amounts to €117 thousand in the first half 2009.

37. Earnings per share

		1H - 2010	*1H - 2009*
Net profit attributable to owners of the company	*euro thousands*	5,138	40,623
- attributable to savings shares	*euro thousands*	1,792	8,777
- attributable to ordinary shares	*euro thousands*	3,346	31,846
Average number of ordinary shares outstanding		164,849,149	164,849,149
Average number of savings shares outstanding		40,463,732	40,414,523
Basic earnings per ordinary share	*euro*	0.02	0.19
Basic earnings per savings share	*euro*	0.04	0.22

No dilutive potential shares exist and thus basic and diluted earnings per share are equivalent.

38. Dividends

The dividends resolved in 2010 were equal to €37,926 thousand (€0.18 per ordinary share and €0.204 per savings share), of which €20,826 thousand were paid out. In 2009 the dividends resolved and paid out amounted to €74,862 thousand (€0.360 per ordinary share and €0.384 per savings share).

39. Commitments

thousands of euro	*30 Jun 2010*	*31 Dec 2009*
Guarantees granted	18,631	18,889
Guarantees received	13,037	13,234
Other commitments and guarantees	100,367	145,682

40. Legal claims and contingencies

In the first half of the year no new contingencies have arisen which could have an unfavorable material impact on the group's financial condition. As for the other legal claims and contingencies set forth in the last annual report, we highlight the following developments.
As regards the two notices of assessment on the year 2000 related to the deductibility of the antitrust fines inflicted to the group by the European authority, the amount previously set aside in the financial statements (€1 million) was reduced to approx €0.3 million, following the payment of the tax-assessment bills received. On 1 March 2010 the company filed an appeal with the Court of last resort.
As regards the measures adopted for the clean-up of the depth of the Augusta (SR) roadstead, no new circumstances have arisen that could lead to change the comments reported in the last annual report and which had previously brought the company to prudentially set aside a provision for €2.0 million for possible environmental works required by the public authorities.
Also unchanged is the situation concerning the €11 million fine inflicted by the Italian antitrust authority to the subsidiary Unical SpA for alleged anti-competitive practices in the Milan market. In fact, as of now, the Authority has not yet reassessed the fine taking into account the outcome of the Council of State's judgment. The original fine has been fully provided for in the financial statements.
As regards the request for information procedure addressed by the European Commission – DG Competition ("the Commission") to Buzzi Unicem, we inform that the requests lasted till April. 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 is the lawsuit filed before the Düsseldorf Court by a Belgian company against Dyckerhoff and five other competitors for damages to customers arising from an alleged cartel agreements. In April 2009 the claim for damages was declared admissible by the

Court of last resort in Karlsruhe and it will now proceed on the merits before the Düsseldorf Court .
We confirm moreover that appeal has been proposed against the decision of the Polish Cartel Office which inflicted monetary sanctions to 6 cement producers, including the subsidiary Dyckerhoff Polska that was fined €15 million. The fine has been fully provided for in the financial statements.
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 (primarily products used for sandblasting) which were sold or distributed by our subsidiary until 1985. At present a few lawsuits and claims also exist regarding asbestos-containing materials. The plaintiffs allege that the use of such materials caused work-related injuries, including silicosis, lung cancer and other conditions. Estimating the costs associated with silica-related and asbestos-related claims involves many uncertainties that affect the amount and timing of any losses; mere exposure to claims does not necessarily indicate that liabilities have been incurred by LSI. Currently, LSI cannot estimate the likely range of losses associated with silica-related or asbestos-related claims, due to uncertainties involving, among other things, demographic data, LSI's past sale or distribution of these materials within certain geographic areas or to certain industry groups, the products that may be identified or theories that may be asserted against LSI in future litigation, the number of claims that may be filed in the future, settlement costs associated with those claims (which vary widely depending upon claimants' exposure histories and alleged injuries as well as by the jurisdictions in which claims are filed), trends in jury verdicts, and many other risk factors. Furthermore, specifically with respect to silica-related claims, there have been a number of federal and state tort reform efforts, and certain courts have been scrutinizing the medical bases of silica related claims more carefully (resulting in the dismissal of many more claims), making predictions about future liability extremely difficult. LSI maintained product liability and comprehensive general liability insurance coverage for most of the time that it sold or distributed silica-containing and asbestos-containing materials and believes that it has significant insurance coverage for these liabilities.
As for the lawsuit Liberty Mutual filed in Connecticut state court against LSI and 35 other insurance carriers, who also provided various levels of insurance coverage to LSI, a final settlement was concluded on 17 September. Liberty Mutual dismissed all of its claims against all parties with prejudice; as a further result of the settlement reached, the participating insurance carriers are providing a substantial portion of the costs of indemnity and defense for silica-related and asbestos-related claims filed against LSI and/or its subsidiaries.
Due to the nature and number of claims asserted in the silica and asbestos actions, it is actually difficult to predict the timing and ultimate outcome of the pending legal proceedings. However a provision is included in the consolidated financial statements.

41. Related-party transactions

Buzzi Unicem SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 57.7% of the voting rights.

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

During the first six months of 2010 Buzzi Unicem SpA assigned trade receivables for €10,610 thousand to the parent Presa SpA at market conditions, with proceeds of €10,603 thousand.

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

thousands of euro	*1H - 2010*	*1H - 2009*
Sales of goods and services:		
- associates and unconsolidated subsidiaries	37,489	41,954
- parent companies	12	661
- joint ventures	771	130
- other related parties	81	18
Purchase of goods and services:		
- associates and unconsolidated subsidiaries	10,412	12,295
- parent companies	—	130
- joint ventures	3,444	2,916
- other related parties	6,035	5,721
Finance revenues:		
- associates and unconsolidated subsidiaries	14	171
- joint ventures	16	—
Finance costs:		
- associates and unconsolidated subsidiaries	1	3
- parent companies	—	17
Trade receivables:		
- associates and unconsolidated subsidiaries	19,246	16,868
- parent companies	9	685
- joint ventures	495	20
- other related parties	28	60
Loans receivable:		
- associates and unconsolidated subsidiaries	9,646	10,106
- joint ventures	185	280
Other receivables:		
- associates and unconsolidated subsidiaries	905	—
- parent companies	22,620	22,493
Trade payables:		
- associates and unconsolidated subsidiaries	453	2,586
- parent companies	10,610	—
- joint ventures	2,402	2,213
- other related parties	3,104	4,019
Loans payables:		
- associates and unconsolidated subsidiaries	—	1
- parent companies	—	5
Other payables:		
- associates and unconsolidated subsidiaries	3,313	3,425
- parent companies	17,120	—

42. Events occurring after the reporting period

At the end of July, following the approval of the Federal Cartel Office and the entry in the Commercial Register, the agreement reached at the end of 2009 with the Sievert Group was finalized. Consequently Dyckerhoff took over from Sievert the ownership of a total of 30 batching plants located in Lower Saxony, North Rhine-Westphalia and in northern Saxony-Anhalt. In 2009, the plants, with an headcount of approx 130 units, produced 600,000 cubic meters of ready-mix concrete and reported net sales of around €50 million.

Casale Monferrato, 10 August 2010

For the Board of Directors
The Chairman
Alessandro BUZZI

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

Companies consolidated on a line-by-line basis						
Name	*Registered office*		*Share capital*	*Ownership interest held by*	*% of ownership*	*% of voting rights*
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	
Parmacementi S.p.A.	Casale Monferrato (AL)	EUR	8,000,000	Buzzi Unicem S.p.A.	100.00	
Escalcementi S.r.l.	Casale Monferrato (AL)	EUR	10,610,000	Buzzi Unicem S.p.A.	100.00	
Buzzi Unicem 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.	81.16	73.79
				Buzzi Unicem Investimenti S.r.l.	12.12	24.19
Buzzi Unicem Algérie E.u.r.l.	Annaba DZ	DZD	3,000,000	Buzzi Unicem S.p.A.	100.00	
Beton Biella S.r.l.	Casale Monferrato (AL)	EUR	52,000	Unical S.p.A.	100.00	
La Rinascita Calcestruzzi S.p.A.	Casale Monferrato (AL)	EUR	2,476,800	Unical S.p.A.	80.00	
Buzzi Unicem International S.à r.l.	Luxembourg LU	EUR	37,529,900	Buzzi Unicem Investimenti S.r.l.	100.00	
Béton du Ried S.A.	Krautergersheim FR	EUR	500,000	Dyckerhoff AG	100.00	
Deuna Zement GmbH	Deuna DE	EUR	5,113,000	Dyckerhoff AG	100.00	
Dycura Versicherungs-Vermittlungs-GmbH	Wiesbaden DE	EUR	25,600	Dyckerhoff AG	100.00	
Dyckerhoff Beteiligungsverwaltung GmbH	Wiesbaden DE	EUR	26,000	Dyckerhoff AG	100.00	
Tubag GmbH	Kruft DE	EUR	3,835,000	Dyckerhoff AG	100.00	
Dyckerhoff Beton GmbH & Co. KG	Wiesbaden DE	EUR	17,800,000	Dyckerhoff AG	100.00	
GfBB Gesellschaft für Beton- und Baustoffüberwachung mbH & Co. KG	Flörsheim DE	EUR	40,000	Dyckerhoff AG	100.00	
Dyckerhoff Luxembourg S.A.	Esch-sur-Alzette LU	EUR	10,000,000	Dyckerhoff AG	100.00	
Dyckerhoff Basal Nederland B.V.	Nieuwegein NL	EUR	18,002	Dyckerhoff AG	100.00	
Dyckerhoff Polska Sp. z o.o.	Sitkówka-Nowiny PL	PLN	70,000,000	Dyckerhoff AG	100.00	
Cement Hranice a.s.	Hranice CZ	CZK	510,219,300	Dyckerhoff AG	100.00	
ZAPA beton a.s.	Praha CZ	CZK	300,200,000	Dyckerhoff AG	100.00	
TOB Dyckerhoff Ukraina	Kyiv UA	UAH	230,943,447	Dyckerhoff AG	100.00	
PAT Volyn - Cement	Zdolbuniv UA	UAH	1,402,422	Dyckerhoff AG	98.44	
				TOB Dyckerhoff Ukraina	0.79	
PAT YUGcement	Olshanske UA	UAH	6,237,414	Dyckerhoff AG	99.15	
				TOB Dyckerhoff Ukraina	0.07	
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	76.32	
				OOO Dyckerhoff Suchoi Log obshestvo po sbitu tamponashnich zementow	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.	51.50	
				Dyckerhoff AG	48.50	
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	
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	Nordhausen DE	EUR	100,000	Dyckerhoff Beton GmbH & Co. KG	95.00	
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR	306,900	Dyckerhoff Beton GmbH & Co. KG	66.67	
Beton Union Rhein-Ahr GmbH & Co. KG	Remagen- Kripp DE	EUR	511,300	Dyckerhoff Beton GmbH & Co. KG	65.00	
Frisch-Beton Aegidienberg GmbH & Co. KG	Bad Honnef-Aegidienberg DE	EUR	385,000	Dyckerhoff Beton GmbH & Co. KG	62.50	
Nordenhamer Transportbeton GmbH & Co. KG	Nordenham DE	EUR	322,114	Dyckerhoff Beton GmbH & Co. KG	51.59	
Dyckerhoff Transportbeton Hamburg GmbH	Wiesbaden DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	51.00	
Dyckerhoff Kieswerk Trebur GmbH	Trebur-Geinsheim DE	EUR	125,000	Dyckerhoff Beton GmbH & Co. KG	51.00	
Cimalux S.A.	Esch-sur-Alzette LU	EUR	29,900,000	Dyckerhoff Luxembourg S.A.	98.44	
Dyckerhoff Basal Toeslagstoffen B.V.	Nieuwegein NL	EUR	20,050	Dyckerhoff Basal Nederland B.V.	100.00	
Dyckerhoff Basal Betonmortel B.V.	Nieuwegein NL	EUR	18,004	Dyckerhoff Basal Nederland B.V.	100.00	
ZAPA beton SK s.r.o.	Bratislava SK	EUR	8,597,225	ZAPA beton a.s.	100.00	
Piskovny Hradek a.s.	Hradek nad Nisou CZ	CZK	12,000,000	ZAPA beton a.s.	100.00	
Beton Union Plzen s.r.o.	Plzen CZ	CZK	31,600,000	ZAPA beton a.s.	71.20	
TOB Dyckerhoff Transport Ukraina	Kyiv UA	UAH	51,721,476	TOB Dyckerhoff Ukraina	100.00	

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

Companies consolidated on a line-by-line basis *(continued)*

Name	*Registered office*		*Share capital*	*Ownership interest held by*	*% of ownership*	*% of voting rights*
ZAO Akmel	Akbulak RU	RUB	1,600,000	OOO Russkiy Cement	51.00	
				Dyckerhoff AG	49.00	
OOO CemTrans	Suchoi Log RU	RUB	10,000	OAO Sukholozhskcement	100.00	
OOO Sukholozhskcemremont	Suchoi Log RU	RUB	10,000	OAO Sukholozhskcement	100.00	
OOO Omsk Cement	Omsk RU	RUB	10,000,000	OAO Sukholozhskcement	74.90	
Alamo Cement Company II, Ltd.	San Antonio US	USD	n/a	Alamo Cement Company	100.00	
Alamo Concrete Products, Ltd.	San Antonio US	USD	n/a	Alamo Cement Company	100.00	
Alamo Transit Company II, Ltd.	San Antonio US	USD	n/a	Alamo Cement Company	100.00	
Buzzi Unicem USA (Midwest) Inc.	Wilmington US	USD	1	RC Lonestar Inc.	100.00	
Lone Star Industries, Inc.	Wilmington US	USD	28	RC Lonestar Inc.	100.00	
River Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
River Cement Sales Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
Signal Mountain Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
Heartland Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00	
Heartland Cement Sales Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00	
Hercules Cement Holding Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00	
Hercules Cement Company LP	Bethlehem US	USD	n/a	RC Lonestar Inc.	99.00	
				Hercules Cement Holding Company	1.00	
Buzzi Unicem USA Inc.	Wilmington US	USD	10	RC Lonestar Inc.	100.00	
Glens Falls Cement Company, Inc.	New York US	USD	500	RC Lonestar Inc.	100.00	
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Wernhausen DE	EUR	512,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55	
Cimalux Société Immobilière S.à r.l.	Esch-sur-Alzette LU	EUR	24,789	Cimalux S.A.	100.00	
Bouwmaterialenhandel Jonker B.V.	Nieuwegein NL	EUR	22,689	Dyckerhoff Basal Toeslagstoffen B.V.	100.00	
Basal Toeslagstoffen Maastricht B.V.	Nieuwegein NL	EUR	27,000	Dyckerhoff Basal Toeslagstoffen B.V.	100.00	
BSN Beton Service Nederland B.V.	Franeker NL	EUR	113,445	Dyckerhoff Basal Betonmortel B.V.	100.00	
Eemland Beton B.V.	Eemnes NL	EUR	226,890	Dyckerhoff Basal Betonmortel B.V.	100.00	
Megamix Friesland B.V.	Heerenveen NL	EUR	27,226	Dyckerhoff Basal Betonmortel B.V.	100.00	
Megamix Maastricht B.V.	Maastricht NL	EUR	91,000	Dyckerhoff Basal Betonmortel B.V.	100.00	
Megamix Midden Nederland B.V.	Almere NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	100.00	
Megamix Noord-Holland B.V.	Delft NL	EUR	158,823	Dyckerhoff Basal Betonmortel B.V.	100.00	
Friesland Beton Heerenveen B.V.	Heerenveen NL	EUR	34,487	Dyckerhoff Basal Betonmortel B.V.	80.26	
Betonmortel Centrale Groningen (B.C.G.) B.V.	Groningen NL	EUR	42,474	Dyckerhoff Basal Betonmortel B.V.	66.03	
Wolst Beheer B.V.	Dordrecht NL	EUR	45,378	Dyckerhoff Basal Betonmortel B.V.	60.00	
SONDA s.r.o.	Most pri Bratislave SK	EUR	6,639	ZAPA beton SK s.r.o.	100.00	
ZAPA beton Hungaria k.f.t.	Zsujita HU	HUF	88,000,000	ZAPA beton SK s.r.o.	100.00	
PAT Kyivcement	Kyiv UA	UAH	277,536	TOB Dyckerhoff Transport Ukraina	79.73	
				TOB Dyckerhoff Ukraina	13.33	
				PAT Volyn - Cement	0.01	
				PAT YUGcement	0.01	
Dorsett Brothers Concrete Supply Inc.	Pasadena US	USD	500	Alamo Cement Company II, Ltd.	100.00	
Buzzi Unicem Ready Mix, L.L.C.	Knoxville US	USD	n/a	Buzzi Unicem USA (Midwest) Inc.	100.00	
RED-E-MIX, L.L.C.	Troy US	USD	n/a	Buzzi Unicem USA (Midwest) Inc.	100.00	
RED-E-MIX Transportation, L.L.C.	Highland US	USD	n/a	Buzzi Unicem USA (Midwest) Inc.	100.00	
Lone Star Hawaii, Inc.	Wilmington US	USD	100	Lone Star Industries, Inc.	100.00	
Lone Star Properties, Inc.	Wilmington US	USD	100	Lone Star Industries, Inc.	100.00	
Utah Portland Quarries, Inc.	Salt Lake City US	USD	378,900	Lone Star Industries, Inc.	100.00	
Rosebud Holdings, Inc.	Wilmington US	USD	100	Lone Star Industries, Inc.	100.00	
Compañia Cubana de Cemento Portland, S.A.	Havana CU	CUP	100	Lone Star Industries, Inc.	100.00	
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	
Wolst Megamix B.V.	Dordrecht NL	EUR	18,151	Wolst Beheer B.V.	100.00	
Wolst Mortel B.V.	Dordrecht NL	EUR	204,201	Wolst Beheer B.V.	100.00	
Wolst Transport B.V.	Dordrecht NL	EUR	45,378	Wolst Beheer B.V.	100.00	
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	

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

Companies consolidated by the proportional method

Name	*Registered office*		*Share capital*	*Ownership interest held by*	*% of ownership*	*% of voting rights*
Addiment Italia S.r.l.	Casale Monferrato (AL)	EUR	10,400	Buzzi Unicem S.p.A.	50.00	
Thorcem S.r.l.	Casale Monferrato (AL)	EUR	100,000	Buzzi Unicem S.p.A.	50.00	
Fresit B.V.	Amsterdam NL	EUR	6,795,000	Buzzi Unicem International S.à r.l.	50.00	
Lichtner- Dyckerhoff Beton GmbH & Co. KG	Berlin DE	EUR	200,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Westerwald-Beton GmbH & Co. KG	Westerburg DE	EUR	282,233	Dyckerhoff Beton GmbH & Co. KG	50.00	
ARGE Betonversorgung Osterbergtunnel GbR	Nordhausen DE	EUR	n/a	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	50.00	
Corporación Moctezuma, S.A.B. de C.V.	Mexico MX	MXN	171,376,652	Presa International B.V.	7.58	
				Fresit B.V.	51.51	
Cementos Moctezuma, S.A. de C.V.	Mexico MX	MXN	3,146,003	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Cementos Portland Moctezuma, S.A. de C.V.	Emiliano Zapata MX	MXN	3,287,739	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Agregados y Concretos, S.A. de C.V.	Mexico MX	MXN	10,929,252	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Comercio, S.A. de C.V.	Emiliano Zapata MX	MXN	10,775,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Moctezuma Industrial, S.A. de C.V.	Emiliano Zapata MX	MXN	1,029,589,650	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Servicios Corporativos Moctezuma, S.A. de C.V.	Emiliano Zapata MX	MXN	11,040,000	Corporación Moctezuma, S.A.B. de C.V.	100.00	
Latinoamericana de Concretos, S.A. de C.V.	Mexico MX	MXN	7,321,821	Corporación Moctezuma, S.A.B. de C.V.	98.00	
				Cementos Portland Moctezuma, S.A. de C.V.	2.00	
Arrendadora de Equipos de Transporte, S.A. de C.V.	Emiliano Zapata MX	MXN	5,300,000	Corporación Moctezuma, S.A.B. de C.V.	98.00	
				Cementos Portland Moctezuma, S.A. de C.V.	2.00	
Inmobiliaria Lacosa, S.A. de C.V.	Mexico MX	MXN	50,068,500	Corporación Moctezuma, S.A.B. de C.V.	98.00	
				Cementos Portland Moctezuma, S.A. de C.V.	2.00	
Grupo Impulsor Industrial, S.A. de C.V.	Emiliano Zapata MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V.	98.00	
				Cementos Moctezuma, S.A. de C.V.	2.00	
Materiales Pétreos Moctezuma S.A. de C.V.	Mexico MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V.	98.00	
				Latinoamericana de Concretos, S.A. de C.V.	2.00	
Cementos Moctezuma de San Luis, S.A. de C.V.	Mexico MX	MXN	660,780	Corporación Moctezuma, S.A.B. de C.V.	99.85	
				Inmobiliaria Lacosa, S.A. de C.V.	0.15	
Cementos Moctezuma de Veracruz, S.A. de C.V.	Mexico MX	MXN	50,000	Corporación Moctezuma, S.A.B. de C.V.	98.00	
				Inmobiliaria Lacosa, S.A. de C.V.	2.00	
Latinoamericana de Concretos de San Luis, S.A. de C.V.	Mexico MX	MXN	15,676,550	Latinoamericana de Concretos, S.A. de C.V.	60.00	
Concretos Moctezuma de Xalapa, S.A. de C.V.	Xalapa MX	MXN	10,000,000	Latinoamericana de Concretos, S.A. de C.V.	60.00	
Concretos Moctezuma de Torreón, S.A. de C.V.	Mexico MX	MXN	14,612,489	Latinoamericana de Concretos, S.A. de C.V.	55.00	
Maquinaria y Canteras del Centro, S.A. de C.V.	Mexico MX	MXN	5,225,000	Latinoamericana de Concretos, S.A. de C.V.	51.00	
Concretos Moctezuma de Durango, S.A. de C.V.	Mexico MX	MXN	100,000	Latinoamericana de Concretos, S.A. de C.V.	51.00	

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

Companies valued by the equity method

Name	*Registered office*		*Share capital*	*Ownership interest held by*	*% of ownership*	*% of voting rights*
Cementi Moccia S.p.A.	Napoli	EUR	7,398,300	Buzzi Unicem S.p.A.	50.00	
Premix S.p.A.	Melilli (SR)	EUR	3,483,000	Buzzi Unicem S.p.A.	40.00	
Ciments de Balears, S.A.	Palma de Mallorca ES	EUR	306,510	Buzzi Unicem S.p.A.	35.00	
Laterlite S.p.A.	Solignano (PR)	EUR	25,000,000	Buzzi Unicem S.p.A.	33.33	
Société des Ciments de Sour El Ghozlane EPE S.p.A.	Sour El Ghozlane DZ	DZD	1,900,000,000	Buzzi Unicem S.p.A.	35.00	
Société des Ciments de Hadjar Soud EPE S.p.A.	Azzaba DZ	DZD	1,550,000,000	Buzzi Unicem S.p.A.	35.00	
Siefic Calcestruzzi S.r.l.	Isernia	EUR	5,080,000	Unical S.p.A.	50.00	
Albenga Calcestruzzi S.r.l.	Albenga (SV)	EUR	100,700	Unical S.p.A.	50.00	
E.L.M.A. S.r.l.	Sinalunga (SI)	EUR	15,000	Unical S.p.A.	50.00	
S. Paolo S.c.r.l.	Calenzano (FI)	EUR	50,000	Unical S.p.A.	50.00	
S.A.F.I. S.r.l.	Mezzana Bigli (PV)	EUR	332,010	Unical S.p.A.	33.33	
Edilcave S.r.l.	Villarfocchiardo (TO)	EUR	72,800	Unical S.p.A.	30.00	
Calcestruzzi Faure S.r.l.	Salbertrand (TO)	EUR	53,560	Unical S.p.A.	24.00	
NCD Nederlandse Cement Deelnemingsmaatschappij B.V.	Nieuwegein NL	EUR	82,750	Dyckerhoff AG	63.12	
NCH Nederlandse Cement Handelmaatschappij B.V. i.L.	Nieuwegein NL	EUR	1,361,341	Dyckerhoff AG	38.40	
sibobeton Osnabrück GmbH & Co. KG	Osnabrück DE	EUR	5,368,565	Dyckerhoff AG	23.25	
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	34.00	
TRAMIRA - Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden- Dankersen DE	EUR	1,000,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
sibobeton Hannover GmbH & Co. KG	Osnabrück DE	EUR	1,000,000	Dyckerhoff Beton GmbH & Co. KG	40.00	
Transass S.A.	Schifflange LU	EUR	50,000	Cimalux S.A.	41.00	
S.A. des Bétons Frais	Schifflange LU	EUR	1,250,000	Cimalux S.A.	41.00	
Cobéton S.A.	Differdange LU	EUR	100,000	Cimalux S.A.	33.32	
Bétons Feidt S.A.	Luxembourg LU	EUR	2,500,000	Cimalux S.A.	30.00	
De Cup N.V.	Lanaken BE	EUR	757,000	Dyckerhoff Basal Toeslagstoffen B.V.	50.00	
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	
Houston Cement Company LP	Houston US	USD	n/a	Alamo Cement Company II, Ltd.	20.00	
Kosmos Cement Company	Louisville US	USD	n/a	Lone Star Industries, Inc.	25.00	
Baggerbedrijf De Bonkelaar B.V.	Nijmegen NL	EUR	20,000	Basal Toeslagstoffen Maastricht B.V.	50.00	
Roprivest N.V.	Grimbergen BE	EUR	105,522	Basal Toeslagstoffen Maastricht B.V.	50.00	
Société Anonyme Belge de Graviers et Sables	Zellik BE	EUR	247,894	Basal Toeslagstoffen Maastricht B.V.	49.80	
Grondmaatschappij De Maasoever B.V.	Wessem NL	EUR	47,647	Basal Toeslagstoffen Maastricht B.V.	33.33	
Cooperatie Megamix B.A.	Almere NL	EUR	80,000	Megamix Midden Nederland B.V.	12.50	
				Wolst Megamix B.V.	12.50	
				Megamix Friesland B.V.	6.25	
				Megamix Maastricht B.V.	6.25	
				Megamix Noord-Holland B.V.	6.25	

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

Other investments in subsidiaries and associated companies

Name	*Registered office*		*Share capital*	*Ownership interest held by*	*% of ownership*	*% of voting rights*
Serenergy S.r.l.	Milano	EUR	25,500	Buzzi Unicem S.p.A.	50.00	
Cementi e Calci di Santa Marinella S.r.l.	Bergamo	EUR	10,000	Buzzi Unicem S.p.A.	33.33	
San Martino S.c.r.l. i.L.	Casale Monferrato (AL)	EUR	10,000	Unical S.p.A.	75.00	
Cave di Carpenosa S.r.l.	Molini di Triora (IM)	EUR	100,000	Unical S.p.A.	33.50	
Calcestruzzi Bell'Italia S.r.l. i.L.	Montanaso Lombardo (LO)	EUR	12,000	Unical S.p.A.	25.00	
GfBB Gesellschaft für Beton- und Baustoffüberwachung Verwaltungs mbH	Flörsheim DE	EUR	25,600	Dyckerhoff AG	100.00	
Dyckerhoff Beton Verwaltungs- GmbH	Wiesbaden DE	EUR	46,100	Dyckerhoff AG	100.00	
Lieferbeton Odenwald Verwaltungs- GmbH	Griesheim DE	EUR	25,000	Dyckerhoff AG	100.00	
Basal Belgie BVBA	Antwerp BE	EUR	5,262,975	Dyckerhoff AG	99.95	
				Dyckerhoff Basal Toeslagstoffen B.V.	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	
Franz Köster GmbH & Co. KG	Warstein DE	EUR	357,904	Dyckerhoff AG	24.90	
Köster/Dyckerhoff Vermögensverwaltungs GmbH	Warstein DE	EUR	25,000	Dyckerhoff AG	24.90	
Köster Verwaltungs GmbH	Warstein DE	EUR	25,565	Dyckerhoff AG	24.80	
Ostfriesische Transport- Beton GmbH	Emden DE	EUR	25,565	Dyckerhoff AG	24.80	
Warsteiner Kalksteinmehl GmbH & Co. KG	Warstein DE	EUR	51,129	Dyckerhoff Beteiligungsverwaltung GmbH	50.00	
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	34.00	
Dyckerhoff Beton Beteiligungen- Verwaltungs- GmbH	Wiesbaden DE	EUR	26,100	Dyckerhoff Beton GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Rhein-Main-Taunus Verwaltungs- GmbH	Flörsheim DE	EUR	25,600	Dyckerhoff Beton GmbH & Co. KG	100.00	
Beton Union Rhein-Ahr GmbH	Remagen-Kripp DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	65.00	
Frisch-Beton Aegidienberg GmbH	Bad Honnef-Aegidienberg DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	62.50	
Nordenhamer Transportbeton GmbH	Nordenham DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	56.60	
Westerwald-Beton GmbH	Westerburg DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	50.00	
Lichtner- Dyckerhoff Beton Verwaltungs- GmbH	Berlin DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Transportbeton Kall GmbH	Kall DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	50.00	
sibobeton Enger GmbH & Co. KG	Enger DE	EUR	306,775	Dyckerhoff Beton GmbH & Co. KG	50.00	
sibobeton Enger GmbH	Enger DE	EUR	30,678	Dyckerhoff Beton GmbH & Co. KG	50.00	
Beton Union Ruhr-Lenne GmbH & Co. KG	Iserlohn DE	EUR	664,679	Dyckerhoff Beton GmbH & Co. KG	50.00	
Beton Union Ruhr-Lenne Verwaltungs- GmbH	Iserlohn DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	50.00	
Transportbeton- und Mörtelwerk Bochum GmbH & Co. KG i.L.	Bochum DE	EUR	562,421	Dyckerhoff Beton GmbH & Co. KG	50.00	
MKB Mörteldienst Köln-Bonn GmbH & Co. KG	Köln DE	EUR	192,400	Dyckerhoff Beton GmbH & Co. KG	49.12	
Transportbeton Kall GmbH & Co. KG	Kall DE	EUR	133,000	Dyckerhoff Beton GmbH & Co. KG	46.15	
sibobeton Hannover Beteiligungsgesellschaft mbH	Osnabrück DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	40.00	
Sievert AG & Co. KG	Osnabrück DE	EUR	25,232,254	Dyckerhoff Beton GmbH & Co. KG	34.75	
Sievert Holding AG	Osnabrück DE	EUR	255,646	Dyckerhoff Beton GmbH & Co. KG	34.76	
Transbeton GmbH & Co. KG	Löhne DE	EUR	591,565	Dyckerhoff Beton GmbH & Co. KG	34.49	
Niemeier Beton GmbH & Co. KG	Diepholz DE	EUR	766,938	Dyckerhoff Beton GmbH & Co. KG	33.33	
Niemeier Beton GmbH	Sulingen DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	33.20	
Gravières et Sablières Karl EPPLE S.n.c.	Seltz FR	EUR	180,000	Dyckerhoff Beton GmbH & Co. KG	25.00	
ZAPA UNISTAV s.r.o.	Brno CZ	CZK	20,000,000	ZAPA beton a.s.	50.00	
EKO ZAPA beton a.s.	Praha CZ	CZK	1,008,000	ZAPA beton a.s.	50.00	
LLC "MAGISTRALBUD"	Odessa UA	UAH	220,500	TOB Dyckerhoff Ukraina	100.00	
Dyckerhoff Transportbeton Thüringen Verwaltungs- GmbH	Nordhausen DE	EUR	25,565	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Schmalkalden Verwaltungsgesellschaft ml	Schwabhausen DE	EUR	25,600	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.58	
Beton Union Hunsrück Verwaltungsgesellschaft mbH	Kastellaun DE	EUR	25,565	Beton Union Rhein-Ahr GmbH & Co. KG	100.00	
Fertigbeton Kumm GmbH	Neuwied DE	EUR	153,388	Beton Union Rhein-Ahr GmbH & Co. KG	40.00	
Basal Toeslagstoffen Noord B.V.	Nieuwegein NL	EUR	18,000	Dyckerhoff Basal Toeslagstoffen B.V.	100.00	
Dyckerhoff Basal Deutschland GmbH	Bad Bentheim DE	EUR	25,565	Dyckerhoff Basal Toeslagstoffen B.V.	100.00	
WWB - Service+Logistik Verwaltungs- GmbH	Westerburg DE	EUR	25,565	Westerwald-Beton GmbH & Co. KG	100.00	
WWB - Service+Logistik GmbH & Co. KG	Westerburg DE	EUR	100,000	Westerwald-Beton GmbH & Co. KG	100.00	

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

LIST OF EQUITY INVESTMENTS IN UNQUOTED COMPANIES BETWEEN 10% AND 20%

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	650,000	Buzzi Unicem S.p.A.	10.00	
Romana Calcestruzzi S.p.A.	Roma	EUR	2,597,312	Unical S.p.A.	16.66	
Fratelli Bianchi fu Michele & C. S.p.A.	Roma	EUR	486,606	Unical S.p.A.	16.66	
Cava degli Olmi S.r.l.	Carignano (TO)	EUR	1,000,000	Unical S.p.A.	12.00	
Forschungs- und Entwicklungs- und Marketinggesellschaft der Leichtbetonindustrie mbH	Neuwied DE	EUR	30,000	Dyckerhoff AG	19.40	
Ostfriesische Transport- Beton GmbH & Co. KG	Emden DE	EUR	1,300,000	Dyckerhoff AG	19.13	
i4 Transportation GmbH & Co. KG	Mannheim DE	EUR	1,000,000	Dyckerhoff AG	19.00	
i4 Transportation Verwaltungs GmbH	Mannheim DE	EUR	25,000	Dyckerhoff AG	19.00	
Sibobeton Kurhessen/ Leinetal GmbH & Co. KG	Baunatal DE	EUR	4,601,627	Dyckerhoff AG	14.66	
Beton Marketing West GmbH	Beckum DE	EUR	90,000	Dyckerhoff AG	11.11	
Kompetenzzentrum Leichtbeton GmbH	Neuwied DE	EUR	38,700	Dyckerhoff AG	11.11	
SAFA Saarfilterasche-Vertriebs-GmbH & Co. KG	Baden-Baden DE	EUR	1,100,000	Dyckerhoff AG	10.00	
Saarfilterasche-Vertriebs-GmbH	Baden-Baden DE	EUR	55,000	Dyckerhoff AG	10.00	
Beton Marketing Ost Gesellschaft für Bauberatung und Marktförderung mbH	Berlin-Zehlendorf DE	EUR	72,000	Deuna Zement GmbH	16.67	
SILEX Grundstücksvermietungsgesellschaft mbH Objekt Eduard Dyckerhoff OHG	Düsseldorf DE	EUR	10,226	Dyckerhoff Beteiligungsverwaltung GmbH	94.00	15.00
Rheinkalk Lengerich GmbH	Wülfrath DE	EUR	400,000	Dyckerhoff Beteiligungsverwaltung GmbH	10.00	
Betonlogistik Rhein-Ruhr GmbH & Co.KG	Neuss DE	EUR	10,000	Dyckerhoff Beton GmbH & Co. KG	19.00	
Beton Union Rhein-Ruhr Verwaltungs- GmbH	Essen DE	EUR	30,000	Dyckerhoff Beton GmbH & Co. KG	19.00	
V.O.F. "Bouwdok Barendrecht"	Barendrecht NL	EUR	n/a	Dyckerhoff Basal Betonmortel B.V.	17.92	
Total Management Systems B.V.	Gouda NL	EUR	18,151	Dyckerhoff Basal Betonmortel B.V.	17.50	
Eemshaven Betoncentrale V.O.F.	Groningen NL	EUR	n/a	Betonmortel Centrale Groningen (B.C.G.) B.V.	16.17	
HSL Noord-Brabant 5-A V.O.F. i.L.	Alphen aan den Rijn NL	EUR	n/a	Wolst Mortel B.V.	20.00	
HSL Noord-Brabant 5-B V.O.F. i.L.	Oosterhout NL	EUR	n/a	Wolst Mortel B.V.	20.00	

CERTIFICATION OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81 TER OF CONSOB REGULATION NO 11971 OF 14 MAY 1999 AS AMENDED

The undersigned Pietro Buzzi, as Chief Executive Finance, and Silvio Picca, as Manager responsible for preparing Buzzi Unicem's financial reports, hereby certify, having also taken into consideration 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 the interim condensed consolidated financial statements during the first six months of 2010:

- are adequate with respect to the company structure and
- have been effectively applied.

The undersigned also certify that:

a) the half-yearly condensed 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 amounts documented in the books and the accounting records;
   - provide a fair 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 interim management report contains reference to the important events which occurred during the first six months of the current financial year and their impact on the condensed financial statements as well as a description of the major risks and uncertainties for the remaining six months of the year along with information on the material related party transactions.

Casale Monferrato, 10 August 2010

Chief Executive Finance	Manager responsible for preparing financial reports
Pietro Buzzi	**Silvio Picca**

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

AUDITORS' REVIEW REPORT ON THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2010

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

1. We have reviewed the half-year condensed consolidated financial statements, consisting of the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and the related notes to the interim financial information as of June 30, 2010 of Buzzi Unicem S.p.A. and its subsidiaries (the "Buzzi Unicem Group"). These half-year condensed consolidated financial statements prepared in conformity with the International Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union, are the responsibility of Buzzi Unicem S.p.A.'s Directors. Our responsibility is to issue a report on these half-year condensed consolidated financial statements based on our review.

2. We conducted our review in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-year interim financial statements under Resolution n° 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the half-year condensed consolidated financial statements, assessing whether accounting policies have been consistently applied and making enquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and substantive verification procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike our report on the year-end consolidated financial statements, we do not express an audit opinion on the half-year condensed consolidated financial statements.

   With regard to the comparative figures related to the year ended December 31, 2009 and to the six-month period ended June 30, 2009, presented in the half-year condensed consolidated financial statements, reference should be made to our auditors' report dated April 2, 2010 and our auditor's review report dated August 13, 2009.

3. Based on our review, nothing has come to our attention that causes us to believe that the half-year condensed consolidated financial statements of the Buzzi Unicem Group as of June 30, 2010 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
August 12, 2010

This report has been translated into the English language solely for the convenience of international readers.