Quarterly report as of

March 31, 2008

Buzzi Unicem S.p.A.
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Capital stock € 123,636,658.80
Chamber of Commerce of Alessandria no. 00930290044

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REVIEW OF OPERATIONS

In our sector, especially in the market areas having a continental climate, the first quarter of the year is often influenced by seasonability. Compared with 1Q07 which was favored by a very mild weather, the first quarter of 2008 had fewer working days also due to Easter holidays falling this year in the month of March.

In the first three months of 2008 the construction market was sustained in Central Europe countries; Eastern Europe markets reported high sales volumes, driven by trading conditions. The slowdown of the economy was confirmed in Italy and the United States of America where the enduring weakness of housing demand had combined with the harsh weather, which negatively affected sales. The Mexican market trend was in line with the previous year's one, probably influenced by the US economy uncertainty as well as by the delay in the kick off of some infrastructure works.

Group cement volumes at 6.8 million tons are down 4.5%. Ready-mix concrete volumes reach 3.7 million cubic meters, +3.1% over 1Q07, thanks also to the first-time inclusion in the scope of consolidation of Basal operations in the Netherlands and of the lines of business acquired in the second half of 2007 in the United States.
Cement selling prices in local currency show almost everywhere a favorable dynamics with outstanding changes in Russia, Ukraine and Poland. Conversely in the United States unit average revenues are in line with the previous year's ones. Also in the ready-mix sector, unit prices generally improve.

Consolidated net sales increase by 8.5% from €696.3 million to €755.3 million and Ebitda by €28.0 million to €158.7 million (+21.4%). Net of non-recurring items, Ebitda would have improved by €21.6 million (+16.6%). Recurring Ebitda to sales margin improves from 18.7% to 20.1%. Changes in the scope of consolidation increase net sales by €38.2 million and Ebitda by €1.0 million. Foreign exchange negatively impacts the two figures for €29.5 million and €8.0 million respectively. Like-for-like, net sales and Ebitda would have increased by 7.1% and 26.8% respectively. After amortization and depreciation for €49.3 million (€49.1 million in 1Q07) Ebit increases to €109.3 million (€81.6 million in 2007). Production costs trend continues to be very penalizing and more negative than initially foreseen, especially for fuels and electric power. Finance costs slightly decrease over 1Q07, from €9.9 million to €8.5 million. As a result, profit before taxes goes from €73.0 million to €101.8 million and net profit comes in at € 73.4 million (€50.3 million at March 2007), €56.5 million thereof attributable to the equity holders of the company and €16.9 million to minority interest.

Ebitda breakdown by geographical area is as follows:

milioni euro	1Q 08	1Q 07	Change absolute
Italy	29.3	40.9	-11.6
United States of America	22.9	33.7	-10.8
Mexico	20.3	22.9	-2.6
Germany	9.9	3.3	6.6
Luxembourg	6.5	2.1	4.4
Netherlands	1.0	–	1.0
Czech Republic	9.5	7.3	2.2
Poland	9.8	5.3	4.5
Ukraine	13.2	7.0	6.2
Russia	36.3	8.1	28.2
Total	**158.7**	**130.7**	**28.1**

Cash flow amounts to €122.7 million (€99.4 million in 2007). As of March 31, 2008 net debt stands at €805.5 million, +€184.3 million versus 2007 year-end; the change is mainly due to the outflow for the acquisition of the 35% stake in two Algerian cement plants and the purchase of the grinding terminal in Cairo (Savona, Italy) for €110.0 million and €41.0 million respectively. In the first three months of the year the group invested €102.3 million in property, plant and equipment versus €65.1 million in 1Q07.
As of March 31, 2008, total equity, inclusive of minorities, stands at €2,471.7 million versus €2,513.4 million as of December 31, 2007. Consequently debt/equity ratio is equal to 0.33 (0.25 at 2007 year-end).

Italy
In the first three months cement and clinker volumes, exports included, are down 20.0%. The construction market continues to show a slowdown trend, also penalized by persisting rains in March and fewer working days compared with 1Q07. To recover some of the cost inflation which in recent years constantly eroded income margins, a rigorous pricing policy was implemented. Also ready-mix concrete sales suffer from the market slowdown, posting a 19.6% decrease with slightly higher prices (+4.9%).
Overall, net sales in Italy come in at €204.9 million, down 12.7% versus €234.7 million in 1Q07. Ebitda stands at €29.3 million (€40.9 million in 2007, -28.4%), with a decline of Ebitda to sales margin from 17.4% to 14.3%.

Central Europe
In Germany, cement sales are up 5.3%, thanks to a moderate growth of the market and to exports mainly to the Netherlands. In the ready-mix concrete sector, volumes are slightly down (-2.3%). Both cement and ready-mix concrete average unit revenues have improved.
Net sales in Germany stand at €117.6 million versus €99.5 million in 1Q07. Ebitda increases from €3.3 million in 2007 to €9.9 million.

In Luxembourg cement volumes, before intercompany trading, show a slightly negative trend (-2.8%), with prices up 5.4%. Overall net sales decrease 5.5%, from €20.7 million to €19.5 million, only due to the change in the scope of consolidation, net of which they would have increased by 8.9%. Ebitda improves from €2.1 million to €6.5 million. However not factoring in the €7.1 million non-recurring gain from the disposal of the 20.1% stake in Eurobeton, Ebitda would have been virtually nil, as a result also of the concentration in the period of extraordinary maintenance activities.

In the Netherlands, first quarter volumes exceed 250,000 cubic meters of ready-mix concrete, with net sales at €32.0 million. Ebitda stands at €1.0 million.

Eastern Europe
Poland and Ukraine post the strongest progress in cement sales in absolute terms, with an increase of 39.1% and 16.1% respectively. Volumes are sustained also in the Czech Republic, with an improvement of 32.7% partly represented by intercompany sales to Poland, net of which they would have increased by 28.1%. In Russia the construction sector continues to boost thanks to commercial investments and residential building. Tons sold have slightly decreased (-5.0%) due to a seasonability effect which will be recovered during the year.
Average selling prices in local currency improve in all countries and specifically: they show a moderate recovery in the Czech Republic (+4.7%), a significant progress in Poland (+19.4%) and a very strong rise in Ukraine (+50.6%) and especially in Russia (+116.6%). To be reminded that such a rise in prices is mainly due to a carried over effect of the increases occurred during 2007.
Ready-mix concrete volumes are up 22.1%, with all our countries of operations faring well and selling prices generally improving, especially in Ukraine and Poland.

Due to such volume/sale price dynamics, net sales increase by 61.3% from €115.4 million to €186.1 million; foreign exchange effect is favorable in Poland and the Czech Republic, unfavorable in Russia and Ukraine, with an overall negative balance of €2.0 million. Ebitda increases from €27.8 million to €68.8 million; the improvement is attributable mainly to Russia, however also Ukraine and Poland show a strong growth. As of March 31, 2008 the expense booked for the assembly of used machinery for the capacity expansion project in Russia amounts to €4.0 million.

United States of America
In the first three months, group cement sales are down 9.0%. Volume decline is less marked than in the overall market thanks to the positive performance of Texan operations. Slowdown in residential construction continues without commercial and public building making up for. Very adverse weather conditions amplify the negative scenario of the period. Despite a growing competition in some areas, average unit prices remain stable at 1Q07 level. Ready-mix concrete volumes increase by 16.3% thanks to a wider scope of consolidation which includes the newly acquired batching plants in Texas, Missouri and Tennessee.

Overall net sales come in at €149.5 million versus €175.6 million (-14.9%) and Ebitda is down 32.1% from €33.7 million to €22.9 million. Excluding the negative effects linked to dollar weakness, the two figures would have decreased by 2.6% and 22.3% respectively.

Mexico (50% consolidation)
Moctezuma's cement sales increase by 1.2% with average selling prices in local currency improving by some percentage points. Ready-mix concrete sales are up 8.4%, with prices in line with the previous year's ones. Net sales and Ebitda translated into euro show a negative trend: net sales decrease by 4.9% (from €51.2 million to €48.7 million) and Ebitda is down 11.5% (from €22.9 million to €20.3 million), mainly due to a negative translation effect and a growing cost inflation. At constant rate the two figures would have come in at +6.7% and -0.7% respectively.

Outlook for operations
The first quarter closes with a contrasting scenario for sales volumes and the results posted must be considered as poorly representative of the full year trend, due to seasonability impact. However we may reasonably expect that trading conditions in some mature markets, such as Italy and the United States, will remain much weaker than in 2007.

Moreover we believe that at the end of the year the gap in results between mature and emerging markets will be narrower than in the first quarter, since the positive and/or negative changes in volumes, prices and results will become milder, although in the presence of a double-speed trend and a much more favorable tendency in the Eastern Europe countries.
Consequently, we feel confident that the financial year 2008 will close with recurring operating results similar to the very satisfactory ones posted in 2007.

Casale Monferrato, May 13, 2008

for the Board of Directors
Alessandro Buzzi
(Chairman)

CONSOLIDATED BALANCE SHEET

	(thousands of euro)	
	31.03.2008	31.12.2007
ASSETS		
Non-current assets		
Goodwill	555.991	550.369
Other intangible assets	9.388	9.715
Property, plant and equipment	2.828.149	2.837.601
Investment property	13.383	13.483
Investments in associates	234.772	130.083
Available-for-sale financial assets	7.639	12.382
Deferred income tax assets	41.962	40.460
Defined benefits plan assets	36.692	39.572
Derivative financial instruments	–	287
Other non-current assets	93.608	94.034
	3.821.584	**3.727.986**
Current assets		
Inventories	328.360	319.671
Trade receivables	536.812	534.981
Other receivables	151.463	138.421
Derivative financial instruments	4.285	2.985
Available-for-sale financial assets	13	14
Cash and cash equivalents	654.696	760.672
	1.675.629	**1.756.744**
Total Assets	**5.497.213**	**5.484.730**

	31.03.2008	31.12.2007
	(thousands of euro)	
EQUITY		
Capital and reserves attributable to equity holders of the company		
Share capital	123.637	123.532
Share premium	458.696	457.059
Other reserves	17.075	110.150
Retained earnings	1.612.316	1.561.249
Treasury shares	(7.222)	(6.100)
	2.204.502	**2.245.890**
Minority interest	**267.153**	**267.537**
Total Equity	**2.471.655**	**2.513.427**
LIABILITIES		
Non-current liabilities		
Long-term debt	1.214.835	1.140.368
Employee benefits	311.986	322.734
Provisions for liabilities and charges	232.099	230.031
Deferred income tax liabilities	425.838	451.491
Other non-current liabilities	10.521	10.907
	2.195.279	**2.155.531**
Current liabilities		
Current portion of long-term debt	49.397	107.024
Banks overdrafts and borrowings	39.383	7.716
Trade payables	316.823	318.212
Income tax payables	102.864	108.462
Derivative financial instruments	139.996	112.278
Other payables	181.816	162.080
	830.279	**815.772**
Total Liabilities	**3.025.558**	**2.971.303**
Total Equity and Liabilities	**5.497.213**	**5.484.730**

CONSOLIDATED INCOME STATEMENT

	(thousands of euro)	
	January - March	
	2008	2007
Net sales	**755.283**	**696.342**
Changes in inventories of finished goods and work in progress	422	2.885
Other operating income	17.200	10.931
Gains (losses) on disposal of investments	7.063	—
Raw materials, supplies and consumables	(318.977)	(296.056)
Services	(178.139)	(167.156)
Staff costs	(101.988)	(96.664)
Other operating expenses	(22.202)	(19.606)
Operating cash flow (EBITDA)	**158.662**	**130.676**
Depreciation, amortization and impairment charges	(49.315)	(49.061)
Operating profit (EBIT)	**109.347**	**81.615**
Net finance costs	(8.513)	(9.920)
Equity in earnings of associates	967	1.295
Profit before tax	**101.801**	**72.990**
Income tax expense	(28.394)	(22.697)
Net profit	**73.407**	**50.293**
Attibutable to		
Equity holders of the company	56.540	40.732
Minority interest	16.867	9.561

CONSOLIDATED NET FINANCIAL POSITION

(thousands of euro)

	31.03.2008	31.12.2007
Cash, banks and marketable securities:		
Cash and cash equivalents	654.696	760.672
Available-for-sale financial assets	13	14
Derivative financial instruments	4.285	2.985
Other current financial receivables	754	40
Short-term debt:		
Current portion of long-term debt	(49.397)	(107.024)
Bank overdrafts and borrowings	(39.383)	(7.716)
Amounts payable to parent companies	_	(10.119)
Derivative financial instruments	(139.996)	(112.278)
Accrued interest expense	(23.465)	(9.770)
Net short-term cash	**407.507**	**516.804**
Long-term financial assets:		
Derivative financial instruments	_	287
Other non-current financial receivables	1.792	2.049
Long-term borrowings:		
Long-term debt	(1.214.835)	(1.140.368)
Net debt	**(805.536)**	**(621.228)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This interim financial report for the three months ended 31 March 2008 has been prepared in compliance with art. 154 ter of Legislative Decreee 58/1998 and Consob Regulation no. 11971, as amended. It also conforms with the requirements of the International Financial Reporting Standards (IFRS), issued by the IASB and endorsed by the European Union, and the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2007, to which please refer for additional information.

The preparation of the interim financial report requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, of revenues and expenses and the disclosure of contingent assets and liabilities at the closing date. In case in the future such estimates and assumptions, based on the best knowledge of the management, should significantly differ from the actual circumstances, they would be modified accordingly in the period in which they change. Income tax expense is recognized based upon the weighted average tax rate expected for the full financial year.

The items of the income statement and balance sheet at 31 March 2008 are consistent with the previous year's corresponding ones, which are reported for comparison.

The changes occurred in the scope of consolidation in the first quarter of 2008 are not material for comparative purposes. They mainly relate to the consolidation line-by-line of the new 100% subsidiary Dyckerhoff Basal Nederland, active in the business of ready-mix concrete and aggregates in the Netherlands, and to the disposal of our 20.1% associate investment in Eurobeton Holding, a group based in Luxembourg operating in the sector of concrete products. The 35% interest acquired at the beginning of 2008 in the share capital of the Algerian companies Société des Ciments de Hadjar Soud and Société des Ciments de Sour El Ghozlane was booked at cost and will be valued by the equity method during the second quarter of 2008, upon completion of the process aimed at acquiring regular accounting information consistent with the principles adopted by the group.

For the full year outlook please refer to the specific section within the "Review of operations". Transactions with related parties were carried out at market conditions.

* * *

Equity attributable to the equity holders of the company is down €41.4 million over 31 December 2007. The change is mainly the result of three separate effects: an increase due to net profit for the period (€56.5 million), a decrease due to the application of the economic entity model to the partial buyout of

Dyckerhoff's minorities (€3.8 million) and a decrease associated with the negative changes in translation differences following the strengthening of the euro against the dollar (€93.1 million).

The 8.5% increase in net sales compared to the same period of 2007 is due to favorable trading conditions for 7.2%, to unfavorable currency effects for 4.2% and to additions in the scope of consolidation for 5.5%. The breakdown of net sales by line of business and geographical area is the following:

The breakdown of net sales by line of business and geographical area is the following:

(thousands of euro)

	Cement and clinker	*Ready-mix & aggregates*	*Related activities*	*Total*
Italy	97.178	106.504	1.219	204.901
Central Europe	88.572	76.524	–	165.096
Eastern Europe	131.013	56.143	–	187.156
United States of America	114.958	31.576	2.939	149.473
Mexico	37.692	10.965	–	48.657
	469.413	**281.712**	**4.158**	**755.283**

The sale of the 20.1% stake in Eurobeton Holding generated a €7.1 million gain that was separately reported in the income statement of the period.

* * *

The manager responsible for preparing the company's financial information, Aldo Arri, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this interim report corresponds to the document results, books and accounting records.

Casale Monferrato, May 13, 2008

For the Board of Directors
Alessandro Buzzi
(Chairman)