Quarterly Report as of

September 30, 2007

Buzzi Unicem S.p.A.
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Capital stock € 123,403,145.40
Chamber of Commerce of Alessandria no. 00930290044

CONTENTS

REVIEW OF OPERATIONS

Operating and financial results

In the first nine months of 2007 the construction market remained sustained in Italy and weak in the United States, although less remarkably than in the previous quarters. Eastern Europe markets confirmed a strong performance, which more than offset the profitability downturn recorded in Italy and the United States. In Germany the residential market slowed down compared with the first part of the year but economic prospects remain overall favorable. Due to a negative exchange rate effect, Mexico contribution was virtually unchanged, despite the improvement of the results expressed in local currency.

Cement sales total 25.9 million tons, +4.3% over 9M 06. The increase is attributable to the favorable performance reported in all markets of operation apart from the United States. Especially in Eastern Europe countries and Mexico volumes sold benefited from quite favorable trading conditions.
Ready-mix concrete sales at 12.7 million cubic meters are up 4.5%, thanks mainly to the Czech Republic, Ukraine and Poland contribution, as well as to a robust production growth in Mexico.
Cement average selling prices improve everywhere but in Mexico, with some countries posting sizeable hikes. This dynamics was dictated non only by the favorable market situation but also by the high inflation of operating costs, especially fuels, energy and logistics in a broad sense.

Net sales come in at €2,618.4 million versus €2,378.4 million (+10.1%); changes in scope positively impact for €83.1 million while foreign exchange negatively accounts for about €75 million. Like for like, net sales would have increased by 9.8%.
Ebitda at €719.1 million (€1.1 million thereof non-recurring income) improves by over €37 million (+5.5%) versus 9M 06. Changes in the scope of consolidation positively account for €5.3 million while foreign exchange negatively impacts for €27.1 million. To be remarked that at September 2006 non-recurring items totaled €22.4 million, consequently net of non-recurring items in both 9M 07 and 9M 06 Ebitda would have increased by €58.5 million (+8.9%). Recurring Ebitda to sales margin thus slightly decreases from 27.7% in 2006 to 27.4%. Ebit improvement at €574.3 million (+7.7%) is favored by lower amortization and depreciation (€144.8 million versus €148.6 million in 9M 06). Net finance costs decrease by €20.6 million, mainly thanks to lower interest expense and foreign exchange gains. Equity in earnings of associates amounts to €11.0 million compared with a €4.1 million loss in 2006. As a result, profit before tax goes from €480.3 million to €557.1 million; the average tax rate is still at around 36% and thus the net profit attributable to equity holders of the company comes in at €299.5 million, up 17.4% versus €255.0 million in the previous year.

Ebitda breakdown by geographical area is as follows:

	Year to date		*3 Quarter*	
	Jan-Sep 07	Jan-Sep 06	Jul-Sep 07	Jul-Sep 06
Italy	153.5	173.6	55.1	57.2
United States of America	224.7	238.8	90.8	86.3
Mexico	71.8	72.7	24.9	24.2
Germany	61.5	57.0	25.9	23.8
Luxembourg	14.2	14.6	5.3	6.2
Netherlands	4.9	—	0.8	—
Czech Republic	55.3	47.5	23.6	20.4
Poland	40.3	26.1	16.9	14.3
Ukraine	43.4	11.0	20.1	6.8
Russia	49.5	40.6	26.3	22.6
Total	**719.1**	**681.9**	**289.6**	**261.7**

Cash flow amounts to €499.9 million (€454.0 million in 9M 06). Net debt as of September 30, 2007 stands at €692.3 million, up €83.3 million versus year-end 2006. In the first nine months of the year the group invested €420.7 million, €101.1million thereof for capacity expansion projects, and paid out dividends for €99.3 million. Foreign exchange fluctuations negatively impact cash and equivalents for €22.0 million. Total equity, inclusive of minority interest, stands at €2,389.6 million, versus €2,425.4 million as of December 31, 2006. Consequently debt/equity ratio at September 30, 2006 is equal to 0.29 compared with 0.25 at 2006 year-end.

Italy

Cement and clinker volumes, exports included, are up 1.7%; the increase is due to the carried over effect of the very brilliant beginning of the year, which allows to maintain a positive change up to the end of September. In the third quarter the demand slowdown is confirmed, due to the weakening of residential market and to the gradual completion of some public works, without adequate new starts to keep up volumes. Prices are slightly better, absolutely not enough however to offset the sizeable cost increases.

Ready-mix concrete volumes are more negatively affected by the demand decline, recording a 8.9% slowdown also due to a downsize in scope.

Overall net sales in Italy amount to €730.4 million, down 2.1% over 9M 06, while Ebitda decreases by 11.6%, from €173.6 million to €153.5 million.

Central Europe
In the third quarter, also Germany highlights a conspicuous decline in cement demand, mainly in the residential market. However, considering the export volumes to the neighbouring countries, sales show a 6.8% growth compared with the previous year with average prices increasing by about 7%. Ready-mix concrete volumes remain at the same level as in 9M 06, with much better pricing.
Net sales in Germany increase from €354.5 million to €383.5 million, up 8.2%. At constant scope a 14.1% increase would have been posted. Ebitda at €61.5 million, increases by 7.9% versus €57.0 million in 2006. Excluding non-recurring items in both 9M 07 and 9M 06, Ebitda would have improved by 34.0%.

In Luxembourg the market confirms the positive trend of the first part of the year, with sale volumes up 29.3% and a consequent price upward adjustment of about 5%.
Net sales come in at €71.5 million (€58.4 million in 9M 06), up 22.3% and Ebitda stands at €14.2 million (€14.6 million in 2006); net of non-recurring items (gain from Eurobeton disposal in 2006 and impending loss on disposal of an equity investment in 2007) the change is positive for €6.3 million (+57.8%).

In the Netherlands**,** where the new subsidiary Basal is active in the business of ready-mix concrete and aggregates, volumes skim 0.7 million cubic meters of ready-mix concrete, with net sales at €101.0 million. Ebitda stands at €4.9 million.

Eastern Europe
The Eastern Europe markets confirm their growing trend, although at a slower pace than in the first half of the year. In Poland and Ukraine cement sales increase by 10.8% and 16.2% respectively; in the Czech Republic volumes are more sustained, resulting in a 28.0% surge, partly represented by exports to ready-mix concrete captive customers in Poland.
In Russia the construction sector continues its dynamic development but with only a little increase in tons sold (+1.8%), the plant having attained full capacity.
Average selling prices in local currency improve in all countries and specifically: they show a moderate recovery in the Czech Republic (+4.4%), a significant progress in Poland (+18.9%) and a very strong rise in Russia (+54.0%) and especially in Ukraine (+72.4%).
Ready-mix concrete volumes are up 16.0%, driven by the Czech Republic and Ukraine, with selling prices in general improvement.
Due to such volume/sale price dynamics, net sales increase by 44.9% from €367.5 million to €532.6 million; foreign exchange effect is favorable in Poland and the Czech Republic, unfavorable in Russia and Ukraine. Ebitda increases by 50.6% from €125.1 million to €188.4 million; the

improvement is attributable mainly to Ukraine and Poland. As of September 30, 2007 the expense booked for the dismantling and transportation of the used machinery for the capacity expansion project in Russia amounts to €28.1 million.

United States of America
Volumes decline is less marked than in the first half of the year, mainly because in the second part of 2006 the housing sector had already showed very clear signs of slump. Cement sales decline by 4.8%, with some geographical areas still showing an upward trend (i.e. Texas). The weak demand did only occasionally have a negative impact on prices, which confirm a 5.5% improvement.
Ready-mix concrete volumes are down 5.9%, with quite higher unit prices. Net sales come in at €646.3 million versus €707.9 million in 2006 (-8.7%) and Ebitda stands at €224.7 million, down 5.9% (€238.8 million in 2006). Excluding the unfavorable foreign exchange effect due to the weak dollar, net sales would have declined by only 1.3% and Ebitda would have improved by 1.6%.

Mexico (50% consolidation)
The construction industry maintained the first half's favourable trend, with growing cement consumption. Corporación Moctezuma cement sales are up around 17%, but prices in local currency continue to show some weakness (-2.6%), being influenced by a gradual change in sales mix from bagged to bulk cement and distribution at a greater distance.
Ready-mix concrete volumes increase by 10.6%, with prices in line with 9M 06.
Net sales stand at €160,6 million, up 7.7% over 2006. The currency effect accounts for a decrease of about €14 million. As a consequence of flat prices, a weak Mexican peso and higher costs (especially fuels and logistics) Ebitda decreases by 1.2% (€71.8 million versus €72.7 million in 9M 06).

Outlook for operations
In Italy volumes are expected to slow down from the record levels hit in the previous years and the adverse price/cost dynamics is likely to bring to an unfavorable development of profitability as compared with 2006.
In Germany the expected decline in domestic demand should be offset by strong exports; consequently for the whole 2007 we feel confident that operating results will be better than in the previous year.
In Luxembourg and the Netherlands the positive trend of our industrial activities is expected to continue also in the last quarter.
In Eastern Europe markets (the Czech Republic, Poland, Ukraine, Russia) the outlook for volumes and prices continues to be overall very positive and profits for the full year should remarkably improve.

In the United States the slowdown in residential construction strongly impacts cement demand and the general economy. However since up to now the lower quantities sold have been mainly absorbed by cuts in imports and pricing has remained fairly strong, results in local currency are likely to come out in line with those of the previous year.
In Mexico volumes will keep at a high level thus favoring an increase in Ebit in local currency; profitability however will probably be penalized by the difficulty for prices to keep up with the sector inflation and by the fluctuation of the Mexican peso against the euro.
Consequently, in such a scenario, for the full year 2007 we can confirm our expectations of operating results and net profit improved versus the ones posted in 2006.

Casale Monferrato, November 13, 2007

for the Board of Directors
Franco Buzzi
(Vice-Chairman)

CONSOLIDATED BALANCE SHEET

	(in thousands of euro)		
	30.09.2007	30.06.2007	31.12.2006
ASSETS			
Non-current assets			
Goodwill	544.393	540.502	540.350
Other intangible assets	19.506	19.937	5.765
Property, plant and equipment	2.832.921	2.875.676	2.876.099
Investment property	13.076	13.271	13.997
Investment in associates	138.849	143.531	157.111
Available-for-sale financial assets	29.726	22.884	5.223
Deferred income tax assets	51.357	60.927	61.443
Defined benefit plan assets	41.817	43.745	45.570
Derivative financial instruments	293	379	192
Other non-current assets	91.057	93.550	104.036
	3.762.995	**3.814.402**	**3.809.786**
Current assets			
Inventories	298.448	303.616	290.839
Trade receivables	605.844	638.051	549.610
Other receivables	81.488	89.329	67.628
Derivative financial instruments	2.111	1.427	848
Available-for-sale financial assets	146.606	201.546	192.570
Cash and cash equivalents	606.044	468.586	514.798
	1.740.541	**1.702.555**	**1.616.293**
Total Assets	**5.503.536**	**5.516.957**	**5.426.079**

	30.09.2007	30.06.2007	31.12.2006
	(in thousands of euro)		
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	123.403	123.402	123.209
Share premium	455.033	455.016	452.885
Other reserves	186.512	262.973	305.160
Retained earnings	1.380.445	1.243.419	1.221.430
Treasury shares	(6.100)	(3.269)	(3.269)
	2.139.293	**2.081.541**	**2.099.415**
Minority interest	**250.270**	**241.397**	**325.966**
Total Equity	**2.389.563**	**2.322.938**	**2.425.381**
LIABILITIES			
Non-current liabilities			
Long-term debt	1.142.195	1.151.735	1.140.098
Derivative financial instruments	5.000	5.000	5.000
Employee benefits	329.111	336.208	365.552
Provisions for liabilities and charges	242.601	255.467	242.752
Deferred income tax liabilities	470.416	493.391	505.354
Other non-current liabilities	11.179	11.253	12.689
	2.200.502	**2.253.054**	**2.271.445**
Current liabilities			
Current portion of long-term debt	132.223	135.909	35.318
Bank overdrafts and borrowings	24.670	28.929	52.991
Trade payables	317.414	324.975	311.298
Income tax payables	138.255	168.018	120.476
Derivative financial instruments	101.695	88.762	78.330
Other payables	199.214	194.372	130.840
	913.471	**940.965**	**729.253**
Total Liabilities	**3.113.973**	**3.194.019**	**3.000.698**
Total Equity and Liabilities	**5.503.536**	**5.516.957**	**5.426.079**

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	July-September 2007	July-September 2006	January-September 2007	January-September 2006
Net sales	**942.611**	**859.847**	**2.618.376**	**2.378.444**
Changes in inventories of finished goods and works in progress	(6.944)	598	(307)	(9.178)
Other operating income	14.387	19.191	46.140	76.579
Gains on disposal of investments	59	—	758	9.778
Raw materials, supplies and consumables	344.821	323.219	1.012.744	907.479
Services	202.602	171.429	564.597	500.307
Staff costs	99.496	93.305	309.373	291.179
Other operating expenses	13.616	29.978	59.199	74.773
Operating cash flow (EBITDA)	**289.578**	**261.705**	**719.054**	**681.885**
Depreciation, amortization and impairment charges	45.769	50.089	144.792	148.620
Operating profit (EBIT)	**243.809**	**211.616**	**574.262**	**533.265**
Net finance costs	1.467	(4.293)	(28.187)	(48.803)
Equity in earning of associates	4.159	5.095	10.997	(4.145)
Profit before tax	**249.435**	**212.418**	**557.072**	**480.317**
Income tax expense	(88.850)	(82.218)	(201.923)	(174.967)
Net profit	**160.585**	**130.200**	**355.149**	**305.350**
Attributable to:				
Equity holders of the Company	135.753	108.279	299.501	255.015
Minority interest	24.832	21.921	55.648	50.335

CONSOLIDATED NET FINANCIAL POSITION

(in thousands of euro)

	30.09.2007	*30.06.2007*	*31.12.2006*
Cash, banks and marketable securities:			
– Cash and cash equivalents	606.044	468.586	514.798
– Available-for-sale financial assets	146.606	201.546	192.570
– Derivative financial instruments	2.111	1.427	848
Short-term debt:			
– Current portion of long-term debt	(132.223)	(135.909)	(35.318)
– Bank overdrafts and borrowings	(24.670)	(28.929)	(52.991)
– Financing from parent companies	(20.229)	(30.096)	-
– Derivative financial instruments	(101.695)	(88.762)	(78.330)
– Accrued interest expense	(23.479)	(13.056)	(8.988)
Net short-term cash	**452.465**	**374.807**	**532.589**
Long-term financial assets:			
– Derivative financial instruments	293	379	192
– Other non-current financial receivables	2.178	4.398	3.365
Long-term borrowings:			
– Long-term debt	(1.142.195)	(1.151.735)	(1.140.098)
– Derivative financial instruments	(5.000)	(5.000)	(5.000)
Net debt	**(692.259)**	**(777.151)**	**(608.952)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as of September 30, 2007 have been prepared in accordance with the international accounting standards (IFRS) issued by the IASB and endorsed by the European Union, as required by Consob Regulation no. 11971 of May 14, 1999 as amended. They are consistent with the booking and valuation criteria adopted in the drawing-up of the financial statements as of December 31, 2006 to which please refer for additional information. The contents of this report meet the principles set forth in Annex 3D to Consob Regulation no. 11971.

The preparation of the interim financial report requires the formulation by the management of some estimates and assumptions which could impact revenues, costs, assets and liabilities, as well as contingent assets and liabilities at the balance sheet date. In case in the future these estimates and assumptions, based on the best valuation of the management, should significantly differ from the actual circumstances, they would be modified accordingly in the year in which they change.

The figures of the consolidated income statement and balance sheet at September 30, 2007 are comparable with the previous year's corresponding ones, which are reported for comparison.

In the first nine months of the year 2007, the changes occurred in the group's scope of consolidation are not material for comparative purposes. They mainly relate to the consolidation line-by-line effective from 1 January 2007 of the new 100% subsidiary Dyckerhoff Basal Nederland B.V., active in the business of ready-mix concrete and aggregates in the Netherlands.

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

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Equity attributable to the equity holders of the company is up €39.9 million over December 31, 2006, after dividends paid out by the parent company for €83.0 million. The additional change is mainly the result of three separate effects: an increase due to net profit for the period (€299.5 million), a decrease due to the application of the economic entity model to the partial buyout of Dyckerhoff's minorities (€63,0 million) and a decrease associated with the negative changes in translation differences following the strengthening of the euro against the dollar (€114.6 million).

In the first nine months of the year 2007 net sales come in at €2618.4 million. The 10.1% increase compared to 9M 06 is due to favorable trading environment for 9.8%, to unfavorable currency effect for 3.2% and to favorable changes in the scope of consolidation for 3.5%.

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

(in thousands of euro)

	Cement and clinker	*Ready-mix & aggregates*	*Related activities*	*Total*
Italy	349,009	377,911	3,354	730,275
Central Europe	305,793	242,809	–	548,602
Eastern Europe	360,610	171,995	–	532,605
United States of America	538,583	97,974	9,741	646,298
Mexico	123,060	37,537	–	160,596
	1,677,055	**928,226**	**13,095**	**2,618,376**

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