Interim report

as of September 30, 2009

Buzzi Unicem S.p.A.
Registered Office: Casale Monferrato (AL) – Via Luigi Buzzi 6
Capital stock € 123,636,658.80
Chamber of Commerce of Alessandria no. 00930290044

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Interim management review

The market trend in the summer months of 2009 continued to show dynamics similar to those of the first half of the year. At group's level cement and ready-mix concrete demand stabilized around the volumes reached in the second quarter, despite some improvements in Central and Eastern Europe countries. Consequently Buzzi Unicem volumes remained weak and at much lower levels than in 2008, with a clear impact on the economic results.

The different segments of the construction industry are still penalized by the international economic trends: especially non-residential building continues to suffer from the conspicuous investment reductions carried out by most firms while the residential sector, after months of depressed activity, shows no clear signs of improvement. Similarly public infrastructure investments included in the stimulus packages launched by central governments have yet to have any significant impact due to the delays in decision-making and funds allocation procedures, but mainly to the actual national budget difficulties (especially in Italy and the United States) with growing constraints on spending power.

In the first nine months of the year, cement and clinker volumes at 19.7 million tons were down 20.6% from the same period a year earlier. Volumes scenario continued to show a contraction in all countries of operations, apart from Mexico, and more impressively so in Ukraine, Poland, the Czech Republic and the United States. Ready-mix concrete volumes totaled 10.5 million cubic meters, down 18.9% from 9M-08 due to a general volumes decline in all areas, and especially in Central and Eastern Europe countries and in Italy.

Cement selling prices continued to show a favorable dynamics in Germany, Luxembourg and, in local currency, in the Czech Republic and Mexico. A negative trend was recorded again in Italy, the United States, Ukraine and Russia, as a consequence of demand weakness, while Poland situation remained virtually stable. Ready-mix concrete pricing trend was positive in Central Europe and Mexico, negative in Eastern Europe and stable in Italy and the United States. Production costs related to energy factors, which were very high in the first part of the year, in the third quarter showed a reduction in Italy, Mexico and the United States, with a positive impact on profitability; in the same period the cost deflation trend was less marked in Germany as well as in Eastern Europe countries, which remained strongly penalized versus the previous year.

Consolidated net sales decreased by 23.8% from €2,724.7 million to €2,075.8 million and Ebitda stood at €426.3 million, down €305.1 million (-41.7%). Net of non-recurring items Ebitda would have come in at €394.6 million (down €329.9 million vs. 2008, -45.5%). Thus recurring Ebitda to sales margin contracted from 26.6% to 19.0%. Foreign exchange fluctuations accounted for a decrease of €52.0 million in net sales and €13.5 million in Ebitda, due to the weakness of the Eastern European and

Mexican currencies. As for the US dollar, currency effect was still favorable, despite a higher depreciation in the third quarter. Changes in the scope of consolidation had a slight positive impact on the two figures, i.e. €55.7 million and €4.5 million respectively. Like-for-like net sales and Ebitda would have decreased by 23.8% and 40.4% respectively.

After depreciation, amortization and impairment charges of €165.5 million (€160.7 million in 9M-08), Ebit amounted to €260.8 million (€570.8 million in 2008). Net finance expense increased from €52.6 to €77.7 million, mainly due to the reduction in interest income and to hedging derivatives valuation; stable was the contribution from equity-accounted associates (+0.5%). Profit before tax thus stood at €193.3 million versus €530.9 million at September 2008 (-63.6%). The income statement for the period, although benefiting from a more favorable average tax rate, closed with net profit down by 60.7% to €142.6 million (€362.9 million in 2008), of which €117.3 million attributable to owners of the company (vs. €295.1 million in 9M-08).

Ebitda breakdown by geographical area is as follows:

	Year to date		*3rd quarter*	
EBITDA	Sep-09	Sep-08	Jul-Sep 09	Jul-Sep 08
Italy	59.9	121.3	26.3	31.6
United States	105.8	141.2	45.4	68.2
Mexico	56.2	63.3	18.7	21.8
Germany	97.2	76.5	34.6	29.5
Luxembourg	10.3	12.9	4.7	5.3
Netherlands	1.3	4.7	0.3	0.5
Czech Republic	37.3	57.2	18.5	24.3
Poland	32.8	56.1	15.1	24.6
Ukraine	(8.1)	57.2	1.1	21.5
Russia	33.7	141.1	12.6	54.4
Total consolidated	**426.3**	**731.5**	**177.3**	**281.7**

Cash flow was equal to €308.1 million (€523.6 million at September 2008). Net debt as of September 30, 2009 amounted to €1,198.3 million, up €138.6 million over year-end 2008. In the first nine months, the group invested a total of €268.3 million in property, plant and equipment, €163.7 million thereof for the capacity expansion projects of Selma (USA), Suchoi Log (Russia), Esch-sur-Alzette (Luxembourg) and Apazapan (Mexico). Equity investments totaled €5.3 million.
As of September 30, 2009, total equity, inclusive of minority interest, stood at €2,646.9 million versus €2,705.5 million as of December 31, 2008. Consequently debt/equity ratio was equal to 0.45 (0.39 at 2008 year-end).

Italy
The GDP contraction recorded in the first and second quarter of 2009 (-6.0%) slowed down in the third quarter, which showed some early signs of recovery in economic activity (+1% from the previous period). However the intensity of the recovery remains quite low and discontinuous: the progress on the industrial production front was not followed by a strengthening of domestic demand and exports, mainly to extra-EU countries. Similarly, the construction market did not feature a very favorable development due to the underlying fundamentals, employment and access to credit, which are still highly critical. Moreover the reduction in tax revenues (-3.2%) and the worsening of public accounts restrained infrastructure spending and demand stimuli. Consequently the cement market, albeit slightly in progress, continued to be penalized, posting a consumption decrease of nearly 17% at the end of September.

Our sales volume of cement and clinker, including export, decreased by 16.9%; selling prices remained at a lower level than in 2008 due to a weak demand and a strong competition. Ready-mix concrete sales posted a 15.8% decrease with stable prices (+0.4%). The costs of energy factors showed a downward trend in the period, bringing benefit finally in the third quarter compared with the same period a year earlier.
Overall, net sales in Italy came in at €540.4 million, down 17.9% versus €658.6 million in 9M-08. Ebitda stood at €59.9 million versus €121.3 million in 2008 (-50.6%). Since in the previous year Ebitda benefited from €7.0 million extraordinary income, recurring Ebitda to sales margin has decreased to 11.1% versus 17.3% in 2008.

Central Europe
Germany continues to be one of the countries hardest hit by the international crisis, because of its strong exposure to foreign trade (-20.5% in the second quarter) and the weakness of domestic demand. Although the recent approval of tax cuts could revitalize economic activity (consumer spending and investments) in the forthcoming months, the GDP estimates for 2009 remain very penalizing (-5.1%). The construction market in the latest months showed some signs of improvement despite the cuts in investments carried out by most firms, which negatively impacted industrial and commercial building.

In Germany, after a very unfavorable beginning of the year, also due to harsh weather conditions, during the first nine months cement sales contracted by 14.7% while ready-mix concrete sector recorded a volumes decrease of 23.0%. Average unit revenues improved by around 8% for cement and 9% for ready-mix concrete. Overall net sales stood at €401.3 million versus €459.5 million in 9M-08 and Ebitda increased by 26.9%, from €76.5 million to €97.2 million. However, net of non recurring items (gains for €37.4 million) Ebitda to sales margin would have declined by 21.9%.

In Luxembourg cement volumes sold showed a negative trend (-13.2%), but prices confirmed their buoyancy (+6.2%). Overall net sales decreased from €69.4 million to €62.1 million (-10.5%) and Ebitda was lower than in the previous year, declining from €12.9 million to €10.3 million (-20.4%).

In the Netherlands, volumes sold reached 0.68 million cubic meters of ready-mix concrete (-20.7% versus 9M-08), with net sales at €84.0 million (-18.8%) and Ebitda at a much lower level than in 2008 (from €4.7 million to €1.3 million).

Eastern Europe

Eastern Europe countries continue to move at a quite different speed. While Russia and Ukraine show no signs of resilience, the Czech Republic and Poland in the third quarter, progressively improved their performance. In the latter country, especially, thanks to EU funds for infrastructures, volumes sold declined by 9.0%. In the Czech Republic , which features a less diversified economy and narrow government intervention margins, sales contracted by about 20%. Our operations in Ukraine, hit by the economic and political stalemate ongoing since the end of 2008, closed the third quarter with sale volumes plunging by nearly 49%, although in slight improvement over June 2009. Russia showed a very negative trend, recording a sales decline of 39%, which does not allow to foresee sizeable improvements before 2010.

Cement average selling prices in local currency improved slightly in the Czech Republic (+1.2%), were virtually stable in Poland (-0.2%) and declined in Ukraine and Russia by 4.8% and 30.1% respectively. Ready-mix concrete output in the area contracted by 31.4% due to trading difficulties in the Czech Republic and especially in Ukraine, without prices making up for. The above volumes and prices trend led to a decline of 50.1% in overall net sales, from €736.2 million to €367.4 million; similarly the Ebitda realized in the area shrunk by 69.3%, from €311.5 million in 2008 to €95.7 million in 2009. The local currencies devaluation (zloty 27.8%, Czech koruna 7.3%, hryvnia 45.9%, ruble 21.2%) strongly penalized the translation of the results into euro (-€79.9 million for net sales, -€15.2 million for Ebitda).

United States of America

The macroeconomic indicators point to a gradual stabilization of the economy in the country, but it is difficult to foresee an actual recovery despite a GDP growth of 3.5% in the third quarter (as compared with the previous period). Industrial investments especially continue to hamper growth; cuts in companies’ capital spending reflect on commercial building, which is the most penalized segment in the construction industry; also residential building remains weak, despite some early signs of resilience. Finally, infrastructure spending via the stimulus plans has not reflected on cement demand yet and the first clear signs of relief are not likely to be seen before the second half of 2010.

In this scenario, in the first nine months, the domestic market posted a demand contraction of 27.3%. Group's cement volumes sold were down 23.2% while ready-mix concrete sales decreased only by 4.0% thanks to the wider scope of consolidation. Cement selling prices in local currency declined by 4.2%. Overall net sales totaled €494.0 million versus €554.5 million (-10.9%) and Ebitda was down 25.0% from €141.2 million to €105.8 million, favored by fuel prices reduction. Excluding negative non-recurring items for €5.6 million, Ebitda would have stood at €111.4 million (-21.0%) Foreign exchange positively impacted the two figures for €50.9 million and €10.9 million respectively.

Mexico (50% consolidation)
The Mexican economy remained weak also in the third quarter of 2009, so much so that full year estimates point to a GDP decrease of about 7%. In the first six months of the year, the construction sector benefited from the stimuli deriving from infrastructure investments, but in the third quarter building activities slowed down considerably.

Corporación Moctezuma's cement volumes increased by 3.0%, with average selling prices in local currency up 4.3%. Conversely ready-mix concrete sales were down 5.7%, with prices on the rise (+5.3%). Net sales and operating results, which in local currency posted an improvement from the previous year, translated into euro showed a negative trend, due to Mexican peso depreciation (-16.3%). Consequently, net sales decreased by 9.1% (from €154.7 million to €140.7 million) and Ebitda was down 11.2% (from €63.3 million to €56.2 million). Production costs related to energy factors started benefiting from the deflationary trend occurred in the third quarter, buoying up profitability.

Outlook
In Italy sales volumes are expected to fall by around 15-16%, while prices will continue to remain under pressure or even further decline. Benefits on the cost front will only partially offset the expected decrease in profitability.
Germany will close the year with a volume slowdown similar to that recorded in the first nine months; prices should stabilize at the attained levels also in the last part of the year.
Poland and the Czech Republic in the last quarter might disclose some margin for improvement. Conversely Russia and Ukraine do not show any clear possibility of recovery: cement demand will continue to be very depressed, with a decrease in volumes sold of over 30% and 40% respectively.
In the United States no significant turnabout is likely in any of the construction segments and our sales volumes are expected to fall by over

20%. The utilization rate of the production capacity in the sector is going downward, which increases prices volatility.
In Mexico full year expectations are for stable or slightly growing volumes, in a similar pricing environment; results however will be penalized by peso devaluation.
Overall, we deem that in the last part of the year trading conditions in our markets of operation will continue to be difficult without real prospects for recovery. Consequently, at consolidated level, for the full year 2009 we confirm the indications set forth in the first half interim report, i.e. that the group will close the year with a recurring Ebitda lower by around 40% over 2008. However, also thanks to the cost saving actions implemented by the company, Ebitda to sales margin will remain equal to about 20%.

Casale Monferrato, November 11, 2009

for the Board of Directors
Alessandro Buzzi
(Chairman)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(thousands of euro)		
	Sep 30, 2009	Jun 30, 2009	Dec 31, 2008
ASSETS			
Non-current assets			
Goodwill	568,062	568,702	576,104
Other intangible assets	14,584	15,393	15,130
Property, plant and equipment	3,291,813	3,331,830	3,222,193
Investment property	14,463	14,558	15,394
Investment in associates	223,367	228,643	232,701
Available-for-sale financial assets	7,262	7,318	65,731
Deferred income tax assets	55,090	51,904	44,057
Defined benefits plan assets	47,718	44,266	48,826
Derivative financial instruments	905	1,555	6,314
Other non-current assets	87,057	84,675	89,033
	4,310,321	**4,348,844**	**4,315,483**
Current assets			
Inventories	361,963	367,926	382,623
Trade receivables	519,970	557,649	511,281
Other receivables	122,823	141,402	132,595
Available-for-sale financial assets	10	3	2
Derivative financial instruments	62	430	2,782
Cash and cash-equivalents	571,767	397,817	578,694
	1,576,595	**1,465,227**	**1,607,977**
Assets held for sale	—	33,223	30,267
Total Assets	**5,886,916**	**5,847,294**	**5,953,727**

	(thousands of euro)		
	Sep 30, 2009	Jun 30, 2009	Dec 31, 2008
EQUITY			
Capital and reserves attributable to owners of the company			
Share capital	123,637	123,637	123,637
Share premium	458,696	458,696	458,696
Other reserves	(20,010)	37,161	71,568
Retained earnings	1,881,612	1,808,369	1,847,756
Treasury shares	(7,671)	(7,671)	(8,286)
	2,436,264	**2,420,192**	**2,493,371**
Minority interest	210,671	206,630	212,085
Total Equity	**2,646,935**	**2,626,822**	**2,705,456**
LIABILITIES			
Non-current liabilities			
Long-term debt	1,245,521	991,924	1,394,665
Derivative financial instruments	65,514	50,483	34,921
Employee benefits	312,808	318,157	322,490
Provisions for liabilities and charges	142,424	212,880	244,678
Deferred income tax liabilities	456,555	473,911	475,062
Other non-current liabilities	42,058	42,412	43,430
	2,264,880	**2,089,767**	**2,515,246**
Current liabilities			
Current portion of long-term debt	381,390	461,756	141,580
Short-term debt	32,271	143,495	10,039
Derivative financial instruments	19,483	20,497	26,474
Trade payables	247,786	272,986	310,429
Income tax payables	61,177	61,890	63,171
Other payables	232,994	165,012	154,843
	975,101	**1,125,636**	**706,536**
Liabilities held for sale	—	5,069	26,489
Total Liabilities	**3,239,981**	**3,220,472**	**3,248,271**
Total Equity and Liabilities	**5,886,916**	**5,847,294**	**5,953,727**

CONSOLIDATED INCOME STATEMENT

(thousands of euro)

	July - September		January - September	
	2009	2008	2009	2008
Net sales	**729,759**	**984,977**	**2,075,804**	**2,724,733**
Changes in inventories of finished goods and work in process	(12,045)	(6,253)	(21,504)	(16,188)
Other operating income	14,558	16,580	82,507	57,531
Raw materials, supplies and comsumables	(276,805)	(378,798)	(840,697)	(1,071,949)
Services	(163,097)	(198,305)	(492,485)	(581,630)
Staff costs	(100,187)	(110,149)	(314,194)	(316,292)
Other operating expenses	(14,856)	(26,391)	(63,090)	(64,715)
Operating cash flow (EBITDA)	**177,327**	**281,661**	**426,341**	**731,490**
Depreciation, amortization and impairment charges	(53,246)	(52,326)	(165,507)	(160,675)
Operating profit (EBIT)	**124,081**	**229,335**	**260,834**	**570,815**
Gains on disposal of investments	4,660	158	4,661	7,221
Net finance costs	(18,278)	(18,181)	(77,683)	(52,601)
Equity in earnings of associates	2,539	2,065	5,505	5,479
Profit before tax	**113,002**	**213,377**	**193,317**	**530,914**
Income tax expense	(26,027)	(61,411)	(50,738)	(167,976)
Profit for the period	**86,975**	**151,966**	**142,579**	**362,938**
Attributable to:				
Owners of the company	76,658	126,398	117,281	295,069
Minority interest	10,317	25,568	25,298	67,869

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(thousands of euro)			
	July - September		January -September	
	2009	2008	2009	2008
Profit for the period	**86,975**	**151,966**	**142,579**	**362,938**
Currency translation differences	(66,089)	135,753	(107,083)	70,204
Valuation by the equity methods of associates previously carried at fair value (puttable instruments)	(1,735)	—	(2,002)	—
Income tax relating to components of other comprehensive income	—	—	—	—
Other comprehensive income for the period, net of tax	**(67,824)**	**135,753**	**(109,085)**	**70,204**
Total comprehensive income for the period	**19,151**	**287,719**	**33,494**	**433,142**
Attributable to				
Owners of the company	14,878	252,162	16,363	358,668
Minority interest	4,273	35,557	17,131	74,474

CONSOLIDATED NET FINANCIAL POSITION

(thousands of euro)

	Sep 30, 2009	*Jun 30, 2009*	*Dec 31, 2008*
Cash and short-term financial assets:			
Cash and cash-equivalents	571,767	397,820	578,694
Derivative financial instruments	62	430	2,782
Other current financial receivables	9,398	10,869	9,882
Assets held for sale	—	715	151
Short-term financial liabilities:			
Current portion of long-term debt	(381,390)	(461,756)	(141,312)
Bank overdrafts and borrowing	(22,271)	(144,048)	(10,039)
Other current financial liabilities	(34,124)	(11,736)	(16,523)
Derivative financial instruments	(19,483)	(20,497)	(26,474)
Liabilities held for sale	—	(497)	(17,665)
Net short-term cash (debt)	**123,959**	**(228,700)**	**379,496**
Long-term financial assets:			
Derivative financial instruments	905	1,555	6,314
Other non-current financial receivables	19,494	18,128	16,982
Long-term financial liabilities:			
Long-term debt	(1,245,521)	(991,924)	(1,394,665)
Derivative financial instruments	(65,514)	(50,483)	(34,921)
Other non-current financial liabilities	(31,669)	(32,393)	(32,944)
Net debt	**(1,198,346)**	**(1,283,817)**	**(1,059,738)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This interim report for the nine months ended 30 September 2009 has been drawn up in compliance with art. 154 ter of Legislative Decree 58/1998. It has been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission, and the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2008, to which please refer for additional information.

The preparation of the interim report requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the closing date and the reported amounts of revenues and expenses for the period. 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 relevant period in which they change. Income tax expense is recognized based upon the best estimate of the weighted average tax rate expected for the full financial year.

The items of the consolidated income statement and statement of financial position at 30 September 2009 are consistent with the previous year or the current year's corresponding ones, which are reported for comparison.

The changes occurred in the scope of consolidation during the nine months of 2009 do not alter, overall, in a material way the comparability with the previous period. They mainly refer to:

- purchase of a 100% ownership interest in "Megamix" operations, active in the ready-to-use mortars business in the Netherlands and line-by-line consolidation of the newly acquired subsidiary effective from 1 January 2009; the concern Megamix consists of 4 fully owned subsidiaries;
- disposal of the 100% interest in Dranaco NV and Dragage Mosan International SA, companies operating in the aggregates business in Belgium and consequent deconsolidation of the respective holding Basal Belgie BVBA;
- disposal of the 100% interest in Oriónidas SAU, a Spanish company operating in cement trading, and consequent deconsolidation of the same.

Starting from the second quarter of 2009 full consolidation began, effective retroactively from 1 January 2009, of the subsidiaries Parmacementi SpA and Escalcementi Srl, acquired in early December 2008. In the financial statements for the year ended 31 December 2008 these investments had been temporarily carried at cost, waiting to complete the process aimed at acquiring all information necessary for a comprehensive preparation of the notes at such date. On first time consolidation, the figures of the financial statements reported for comparative purposes have not been restated. On 1 July 2009 the 100% subsidiary Calcestruzzi Nord Ovest Srl was merged by incorporation into Unical SpA. The company had been consolidated line by line already in the first half of the year.

For the outlook please refer to the section "Interim management review". Transactions with related parties were carried out at market conditions.

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Equity attributable to owners of the company is down €57.5 million from 31 December 2008. The change is mainly the result of three separate effects: an increase due to profit for the period (€117.3 million), a decrease associated with the negative changes in translation differences following the weakening of the dollar against the euro (€99.1 million) and the dividends paid out by the parent company equal to €74.3 million.

The provisions for liabilities and charges post a decrease of €102.2 million versus the beginning of the year, mainly due to the following movements: use of the antitrust provision for €91.3 million, of which €37.4 million released to the income statement and €53.9 million transferred to other payables; setting aside of €5.3 million for Liberty Mutual (USA) legal claim and use of this provision for €9.2 million, following the final settlement occurred in the month of September; use of the provision for tax claims for €2.5 million.

The decrease of 23.8% in net sales compared to the same period of 2008 is due to unfavorable trading conditions for 24%, to unfavorable currency effect for 1.9% and to additions in the scope of consolidation for 2.0%. The breakdown of net sales by line of business and geographical area is the following:

thousand of euro	*Italy*	*Central Europe*	*Eastern Europe*	*USA*	*Mexico*	*Unallocated items and adjustments*	*Total*
Nine months ended 30 September 2009							
Net sales	537,069	533,560	368,311	493,470	140,661	2,733	2,075,804
Intersegment revenues	(149)	(1)	–	–	–	150	–
Revenues from external customers	536,920	533,559	368,311	493,470	140,661	2,883	2,075,804
Operating profit	17,087	70,274	72,580	52,566	47,760	2,394	262,661
Segment assets	1,212,102	1,022,668	815,763	2,177,260	261,569	397,554	5,886,916

thousand of euro	*Italy*	*Central Europe*	*Eastern Europe*	*USA*	*Mexico*	*Unallocated items and adjustments*	*Total*
Nine months ended 30 September 2008							
Net sales	654,761	620,840	736,220	554,778	154,680	3,454	2,724,733
Intersegment revenues	(114)	(7)	–	–	–	121	–
Revenues from external customers	654,647	620,833	736,220	554,778	154,680	3,575	2,724,733
Operating profit	85,634	57,278	287,674	86,594	51,885	1,750	570,815
Segment assets	1,208,920	930,921	932,509	2,132,593	349,925	357,015	5,911,883

The sale of the 100% interest in Oriónidas SAU and of the 33.3% stake in St. Gen Ready-Mix LLC generated a gain of €4.7 million which has been separately reported in the income statement for the period.

* * *

The manager responsible for preparing the company’s financial reports, Silvio Picca, 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.