

VIII Small and Mid Caps Conference

Milan - November 30th, 2010

Executive summary

▪ Volumes

- Relevant improvement continued in Q3: cement volume increased by 10.7%
- Italy +24.2% in Q3, also due to export and clinker
- Positive growth proceeded in Central Europe, especially in Luxembourg
- Eastern Europe: strong rebound in Russia, Poland and Ukraine, moderate recovery in Czech Republic
- Mexico is recovering, though below previous year

▪ Prices

- Positive development in Luxembourg and Mexico only
- Further decline in Italy: -28.9% in Q3; few plants above cash cost
- US stable on H1 level; worsening scenario in Poland and Czech Republic

▪ Foreign Exchange

- Strengthening of dollar and emerging countries currencies provide positive contribution to results

▪ Costs

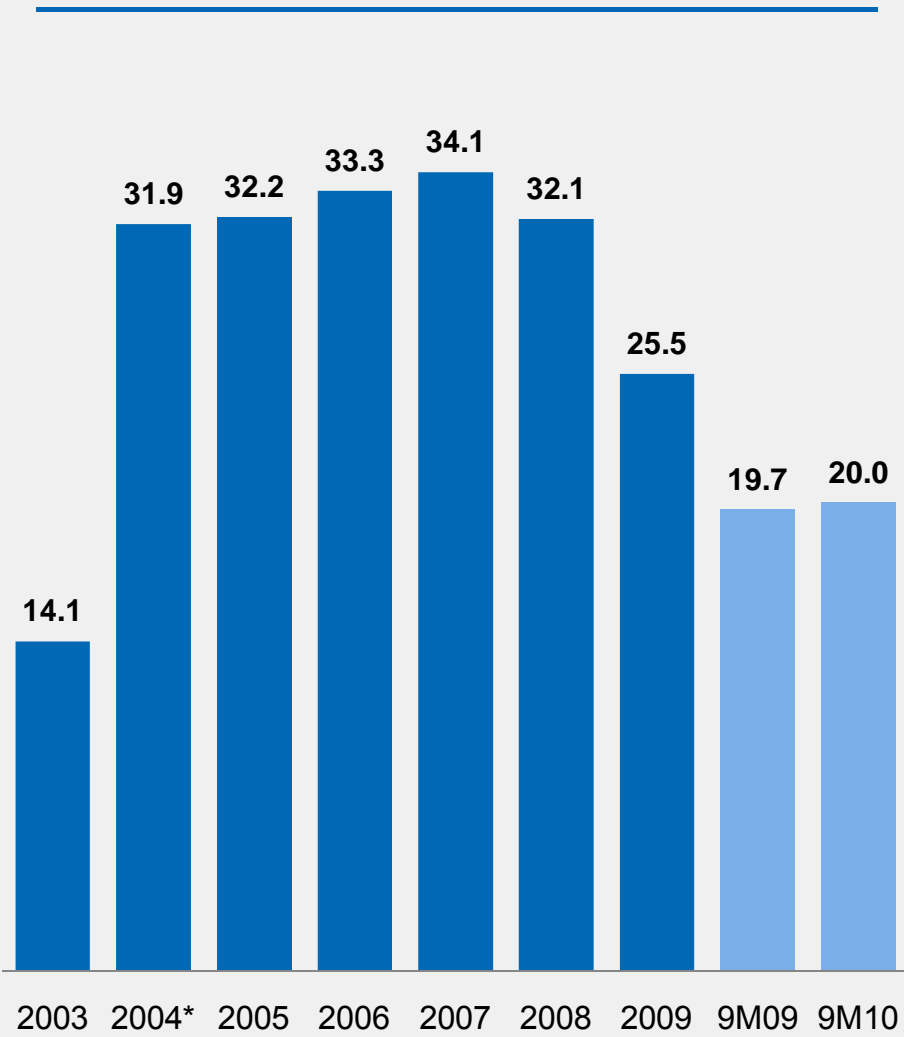
- Basically under control, but fuel costs negative trend rose during the quarter

▪ Results

- Revenues at €m 1,999.5 (€m 2,075.8 in 3Q 09) mainly due to Italy and US
- EBITDA at €m 326.4 (-23.4%) and Net Profit at €m 80.2 (-62.4%)
- Net financial position at €m 1,280.3 (Leverage at 2.90)

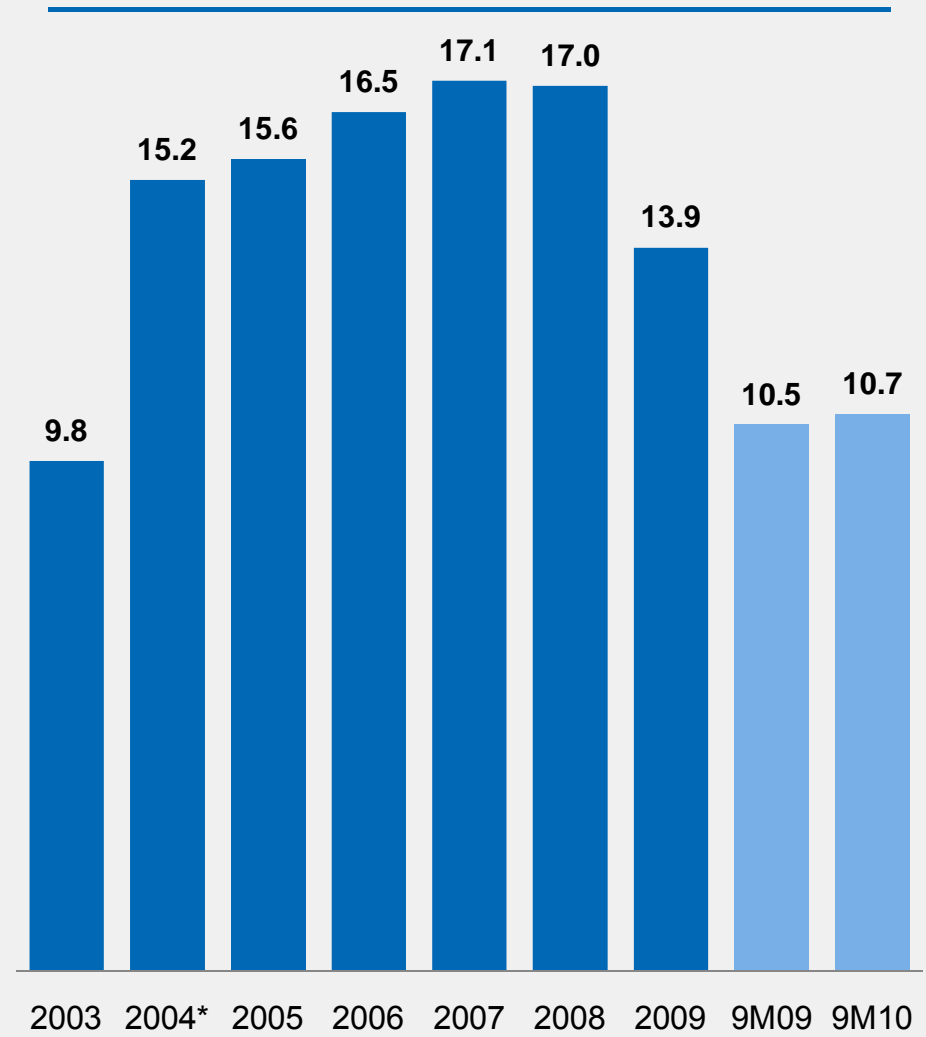
Volumes

Cement (m ton)

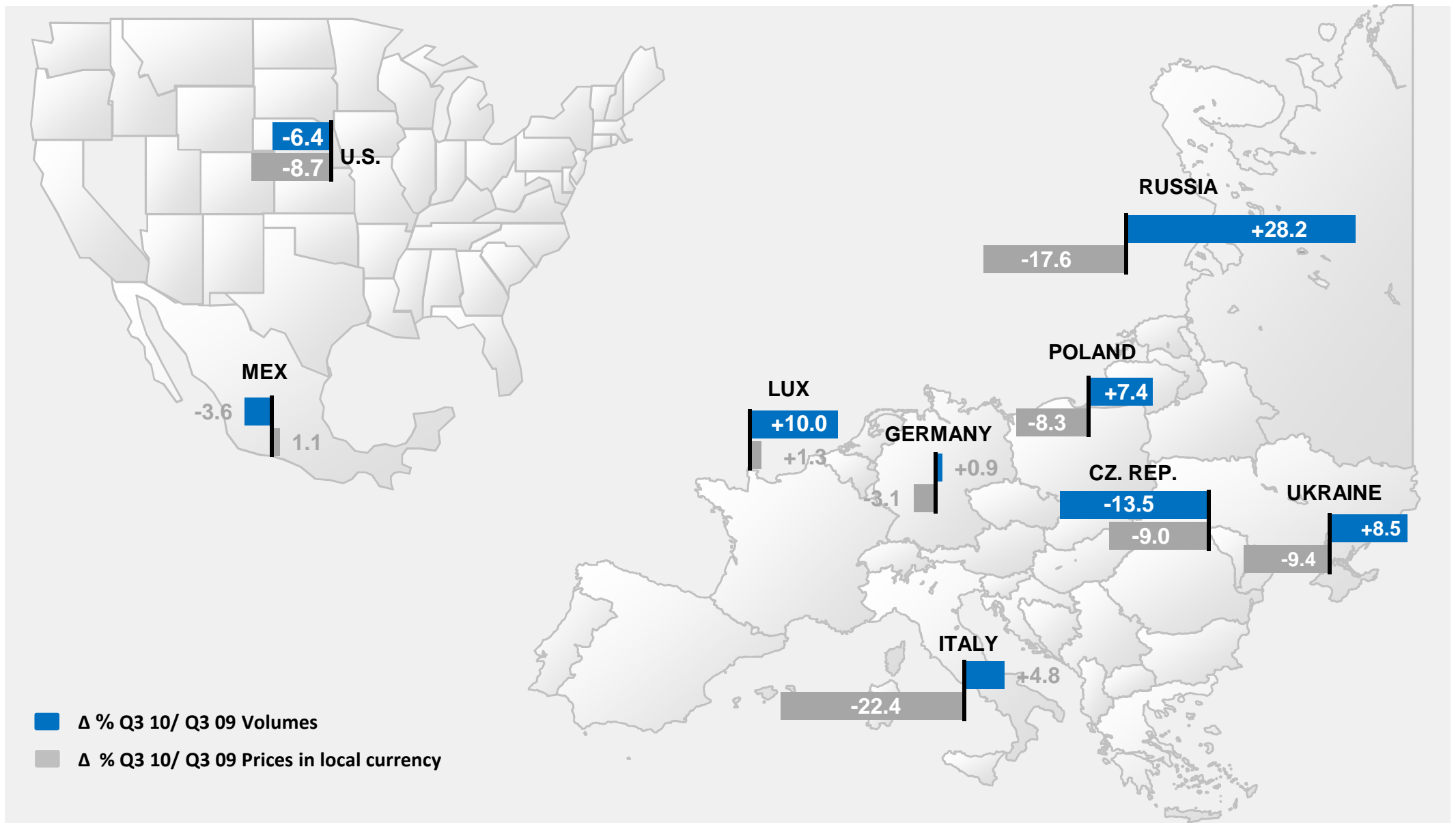


* First time consolidation of Dyckerhoff

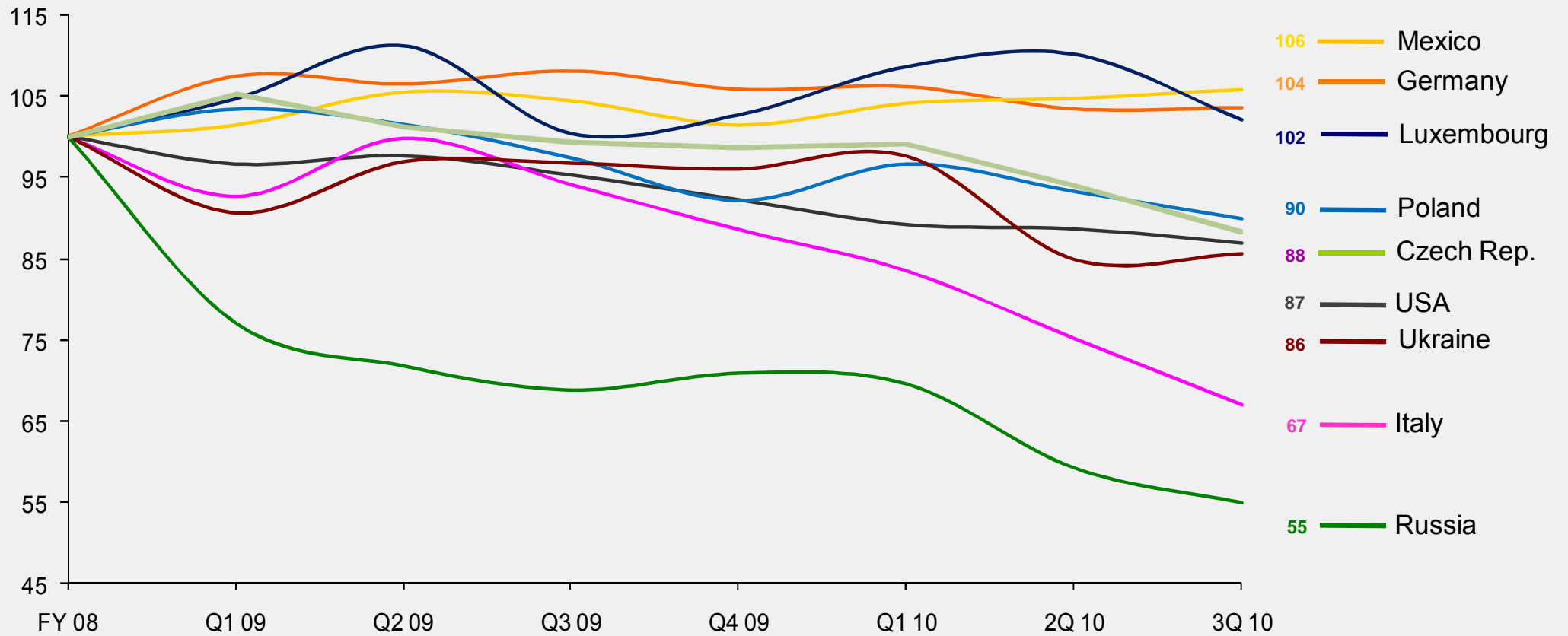
Ready-mix concrete (m m3)



Cement volumes and prices



Cement prices by country



In local currency

FX changes

	9M 10	9M 09	Δ
EUR 1 =	avg	avg	%
USD	1.32	1.37	+3.6
MXN	16.73	18.61	+10.1
CZK	25.47	26.63	+4.4
PLN	4.00	4.38	+8.7
UAH	10.46	10.85	+3.6
RUB	39.79	44.33	+10.2

Net sales by country

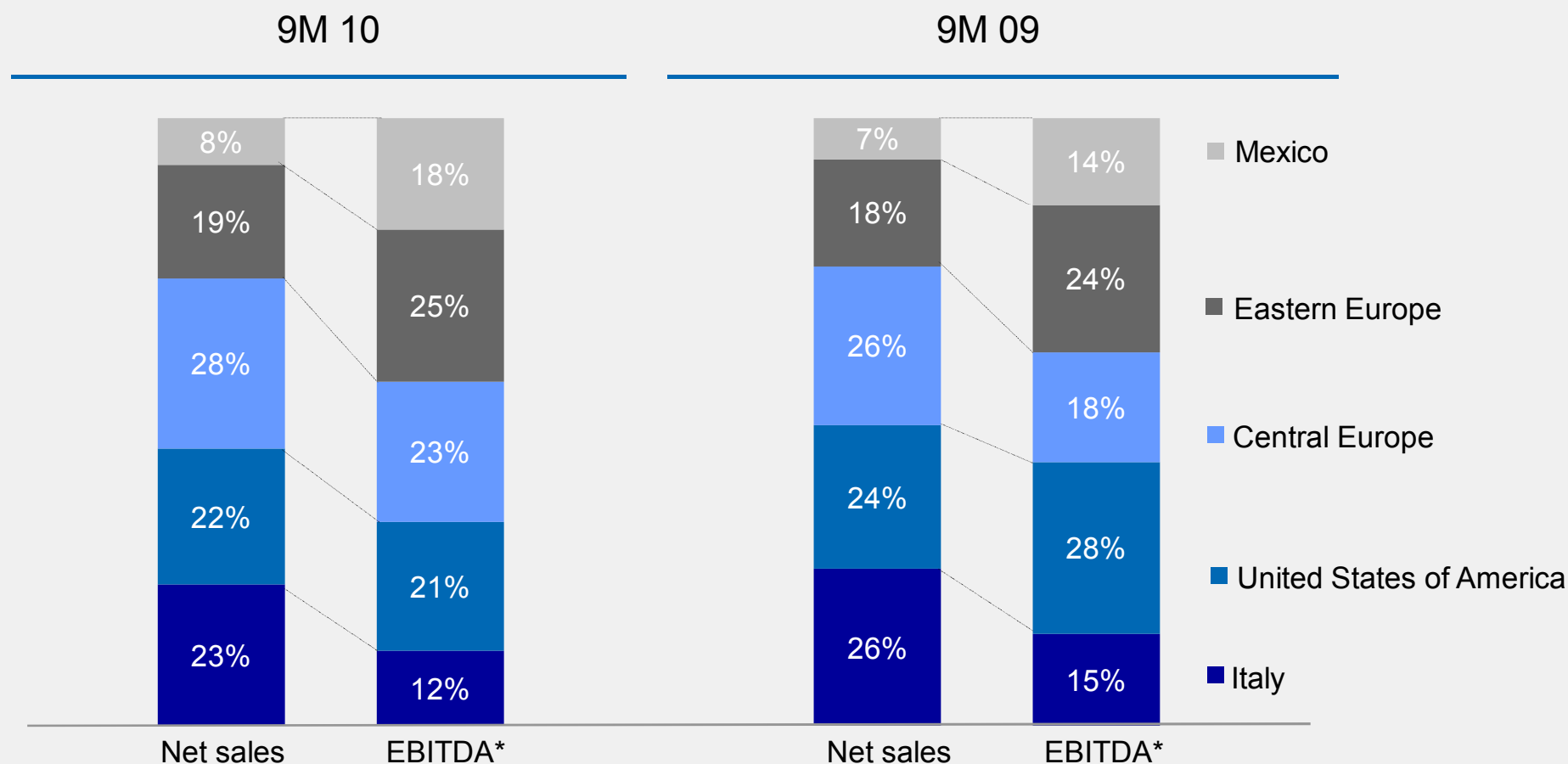
	9M 10	9M 09	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
Italy	469.2	540.4	(71.2)	-13.2	-	-	-13.2
United States of America	452.1	494.0	(41.9)	-8.5	16.2	-	-11.8
Germany	412.9	401.3	11.6	+2.9	-	17.4	-1.4
Luxembourg	69.8	62.1	7.8	+12.5	-	-	+12.5
Netherlands	83.0	84.0	(1.0)	-1.2	-	2.5	-4.2
Czech Republic/Slovakia	120.8	137.4	(16.6)	-12.1	4.6	-	-15.4
Poland	100.7	95.3	5.5	+5.7	8.7	-	-3.4
Ukraine	61.2	59.0	2.1	+3.6	2.2	-	-
Russia	93.7	77.2	16.5	+21.3	9.6	-	+8.9
Mexico	155.6	140.7	14.9	+10.6	15.8	-	-0.6
<i>Eliminations</i>	(19.4)	(15.5)					
Total	1,999.5	2,075.8	(76.3)	-3.7	57.0	19.9	-7.38

EBITDA by country

	9M 10	9M 09	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
Italy	40.3	59.9	(19.6)	-32.7	-	-	-32.7
United States of America	69.3	105.8	(36.5)	-34.5	2.5	-	-36.8
recurring	69.3	111.4	(42.1)	-37.8	2.5	-	-40.0
Germany	63.4	97.2	(33.8)	-34.7	-	1.2	-36.0
recurring	63.4	59.8	3.6	+6.1	-	1.2	+4.1
Luxembourg	12.0	10.3	1.7	+16.6	-	-	+16.6
Netherlands	0.0	1.3	(1.3)	-99.8	-	-0.1	-90.0
Czech Republic/Slovakia	27.0	37.3	(10.3)	-27.6	1.3	-	-31.1
Poland	27.6	32.8	(5.2)	-15.8	2.4	-	-23.1
Ukraine	-5.0	-8.1	3.0	37.5	0.2	-	-39.9
Russia	32.1	33.7	(1.6)	-4.7	3.3	-	-14.4
Mexico	59.7	56.2	3.5	+6.1	6.0	-	-4.6
Total	326.4	426.3	(99.9)	-23.4	15.3	1.1	-27.3
recurring	326.4	394.6	(68.2)	-17.3	15.3	1.1	-21.4

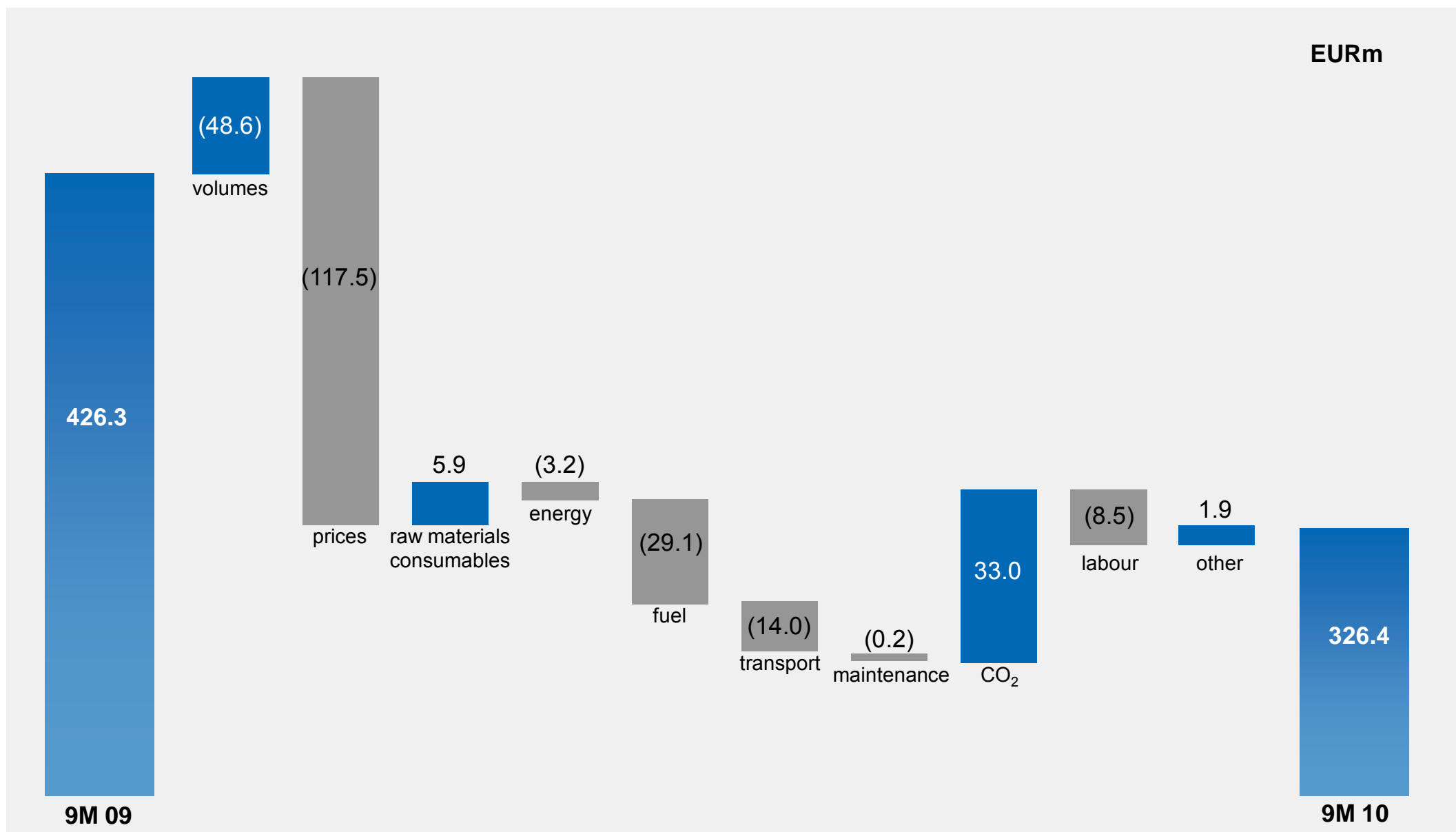
Net sales and EBITDA development

- Italy performance mainly due to CO₂ sales (€m 29.5)
- US still suffering from lower EBITDA margins (from 21.4% to 15.4%)
- Increased profitability in Germany (from 14.9% to 15.4%)



* recurring

EBITDA Variance Analysis



Consolidated Income Statement

	9M 10	9M 09	Δ	Δ
EURm			abs	%
Net Sales	1,999.5	2,075.8	(76.3)	-3.7
Operating cash flow (EBITDA)	326.4	426.3	(99.9)	-23.4
of which, non recurring	0.0	31.7		
<i>% of sales (recurring)</i>	<i>16.3%</i>	<i>19.0%</i>		
Depreciation and amortization	(171.6)	(165.5)	(6.1)	
Operating profit (EBIT)	154.8	260.8	(106.0)	-40.6
<i>% of sales</i>	<i>7.7%</i>	<i>12.6%</i>		
Net finance cost	(72.1)	(77.7)	5.6	
Equity earnings	4.8	5.5	(0.7)	
Profit before tax	87.7	193.3	(105.6)	- 54.6
Income tax expense	(7.5)	(50.7)	43.2	
Net profit	80.2	142.6	(62.4)	-43.8
Minorities	(20.6)	(25.3)	4.7	
Consolidated net profit	59.6	117.3	(57.7)	-49.2
Cash flow⁽¹⁾	251.8	308.1	(56.3)	-18.3

(1) Net Profit + Depreciation and amortization

Consolidated Cash Flow Statement

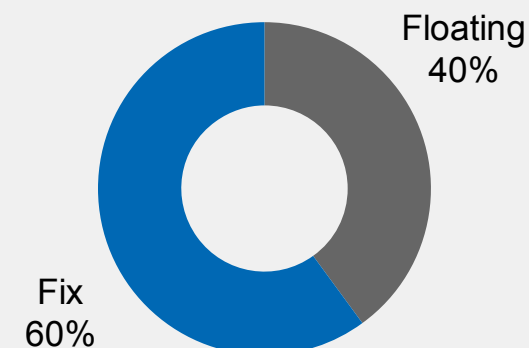
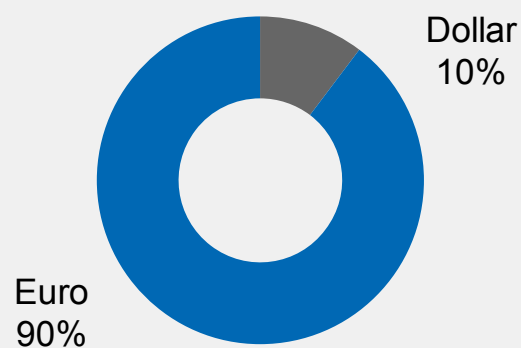
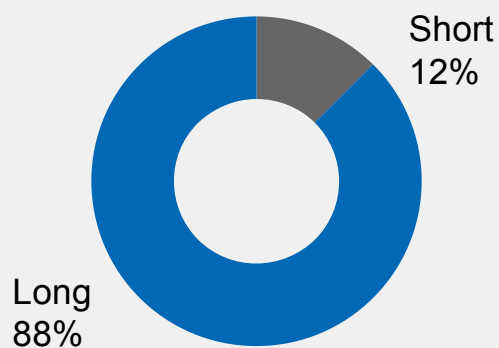
EURm	9M 10	9M 09	2009
Cash flow ⁽¹⁾	251.8	308.1	390.1
<i>% of sales</i>	12.6	14.8	14.6
Changes in working capital	0.8	(52.2)	(4.4)
Equity earnings	(4.8)	(5.5)	(5.9)
Other non-cash items ⁽²⁾	(49.3)	(67.1)	(121.4)
Net cash by operating activities	198.5	183.2	258.5
<i>% of sales</i>	9.9	8.8	9.7
Capital expenditures	(207.9)	(268.3)	(383.9)
Equity investments	(3.7)	(5.3)	(6.1)
Dividends paid	(46.0)	(92.3)	(96.2)
Dividends from associates	8.2	6.1	6.4
Disposal of fixed assets and investments	8.8	12.0	19.1
Translation differences	(10.0)	10.0	36.5
Other	(18.9)	16.0	16.1
Change in net debt	(71.0)	(138.6)	(149.5)
Net financial position (end of period)	(1,280.3)	(1,198.3)	(1,209.3)

(1) Net Profit + amortization & depreciation (2) Capital gains, change in deferred tax, provisions, share based payments

Net Financial Position

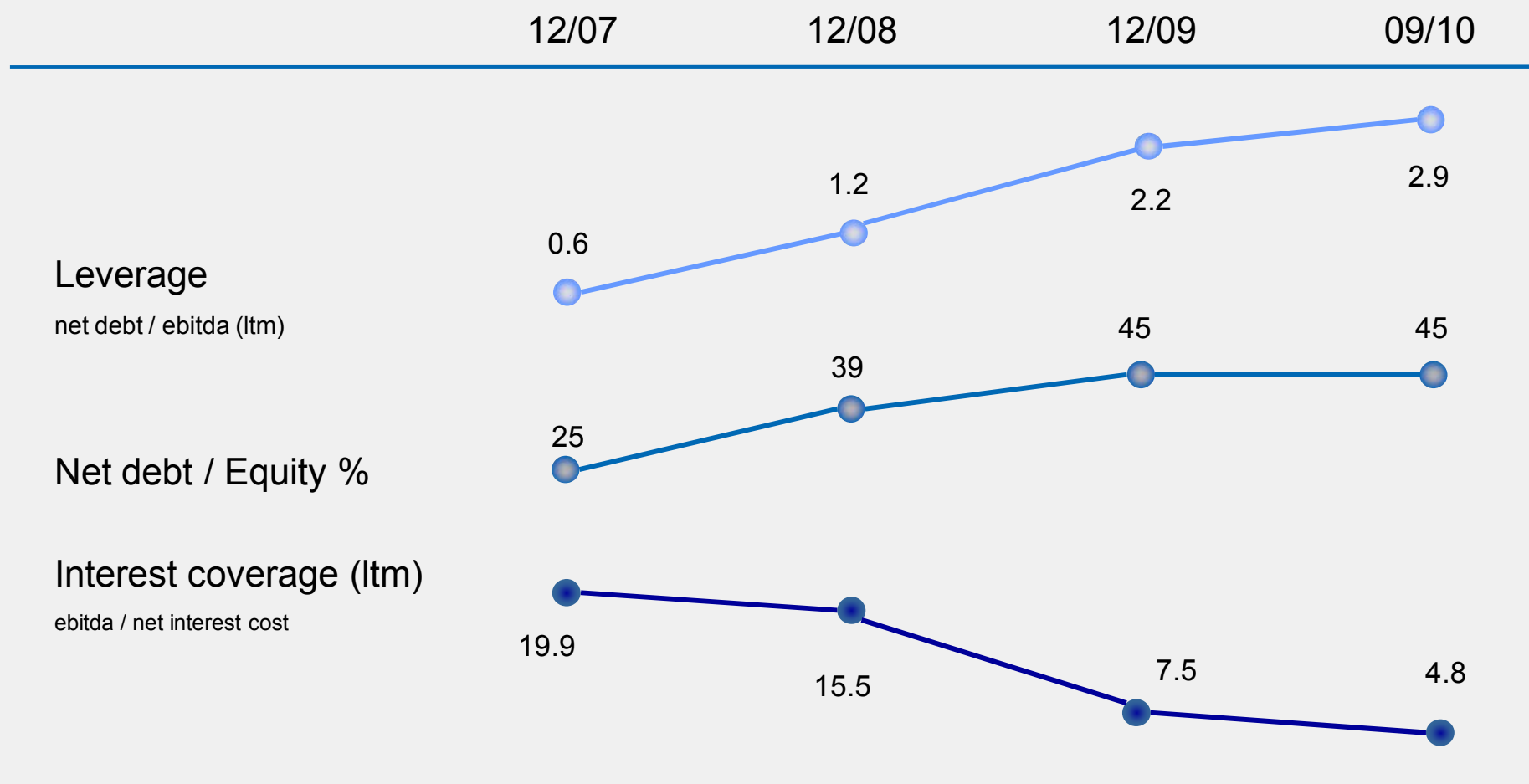
	Sep 10	Dec 09	Δ	Sep 09
EURm			abs	
Cash and othe financial assets	459.0	706.3	(247.3)	581.2
Short-term debt	(217.7)	(419.9)	202.2	(457.3)
Net short-term cash	241.3	286.5	(45.1)	124.0
Long-term financial assets	8.6	16.1	(7.6)	20.4
Long-term debt	(1,530.2)	(1,511.8)	(18.3)	(1,342.7)
Net debt	(1,280.3)	(1,209.3)	(71.0)	(1,198.3)

Gross debt breakdown (€m 1,747.9)






























Financial condition

- Weakening of financial ratios' performance due to declining economic results and sizable capex commitment
- Improvement since 2011 thanks to full completion of expansion projects



Expected trading in 2011

		Δ Volume	Δ Price
	Italy		
	United States of America		
	Germany		
	Luxembourg		
	Czech Republic		
	Poland		
	Ukraine		
	Russia		
	Mexico		

Note: Prices in local currency