

BUZZI UNICEM

**A n n u a l R e p o r t 2 0 0 4**

**BUZZI UNICEM S.p.A.**

Registered office in Casale Monferrato (AL) - Via Luigi Buzzi, 6

Capital Stock: euro 118,168,678.80

Company Register of Alessandria no. 00930290044

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La presente pubblicazione costituisce una sintesi degli elementi più significativi contenuti nel bilancio 2004.

La versione completa ed ufficiale dello stesso, redatta in lingua italiana, è disponibile presso la sede sociale e sul sito [www.buzziunicem.it](http://www.buzziunicem.it)

Le richieste possono essere inoltrate anche via e-mail a: [info@buzziunicem.it](mailto:info@buzziunicem.it)

*This annual report is a summary of the most significant contents included in the financial statements for the year ended December 31, 2004.*

*The complete and binding Italian version is available from the company's registered office and at [www.buzziunicem.it](http://www.buzziunicem.it)*

*Requests can be addressed also by e-mail to: [info@buzziunicem.it](mailto:info@buzziunicem.it)*

## **CARICHE SOCIALI\*** **DIRECTORS AND STATUTORY AUDITORS\***

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### Consiglio di Amministrazione *Board of Directors*

Alessandro Buzzi	Presidente ed Amministratore Delegato <i>Chairman and Chief Executive Officer</i>
Enrico Buzzi	Vice Presidente <i>Deputy Chairman</i>
Franco Buzzi	Vice Presidente <i>Deputy Chairman</i>
Gianfranco Barzaghini	Consigliere e Direttore Generale <i>Director and General Manager</i>
Michele Buzzi	Consigliere <i>Director</i>
Pietro Buzzi	Consigliere <i>Director</i>
Onorato Castellino	Consigliere <i>Director</i>
Alvaro Di Stefano	Consigliere <i>Director</i>
Klaus Dyckerhoff	Consigliere <i>Director</i>
Jürgen Lose	Consigliere <i>Director</i>
Gianfelice Rocca	Consigliere <i>Director</i>
Maurizio Sella	Consigliere <i>Director</i>
Marco Weigmann	Consigliere <i>Director</i>

### Collegio Sindacale *Statutory Auditors' Committee*

Mario Pia	Presidente <i>Chairman</i>
Paolo Burlando	Sindaco Effettivo <i>Member</i>
Giorgio Giorgi	Sindaco Effettivo <i>Member</i>
Franco Barolo	Sindaco Supplente <i>Alternate</i>
Roberto D'Amico	Sindaco Supplente <i>Alternate</i>

\* Dopo l'assemblea annuale degli azionisti

\* After the annual general meeting of shareholders

# PROFILO DEL GRUPPO

## GROUP PROFILE

### Chi siamo

*About us*

**Gruppo multi-regionale internazionale, focalizzato su cemento, calcestruzzo e aggregati naturali**

*International multi-regional, heavy-side group, focused on cement, ready-mix concrete and aggregates*

**Visione a lungo termine dell'impresa, management dedicato**

*Long-term view of the business and dedicated management*

**Strutture produttive di alta qualità, ecologicamente compatibili**

*High quality and environmentally friendly assets*

**Creazione di valore grazie a profondo e sperimentato know-how, efficienza operativa**

*Value creation through lasting, experienced know-how and operating efficiency*

### Principali società operative

*Main Operating Companies*

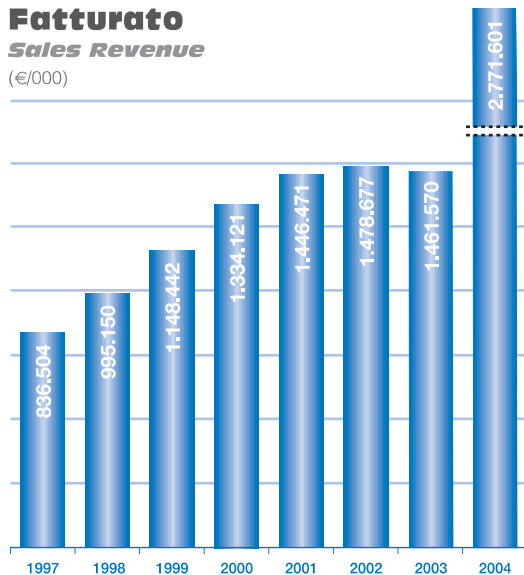


## Principali dati economico finanziari

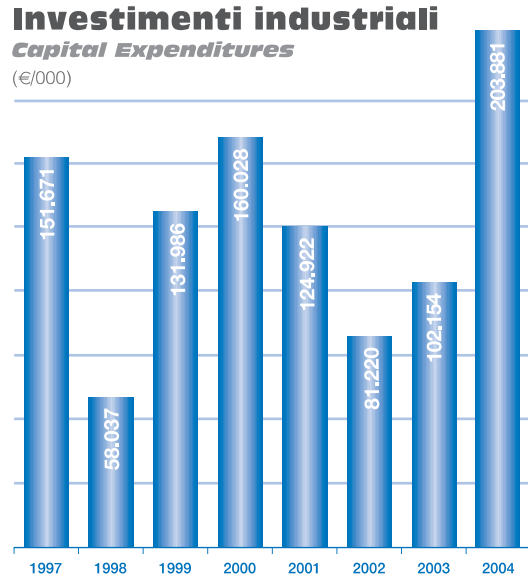
### Key Figures

		1997 <sup>(1)</sup>	1998 <sup>(1)</sup>	1999	2000	2001	2002	2003	2004 <sup>(2)</sup>
Vendite di cemento <i>Cement sales</i>	t/000	11.285	11.725	12.036	12.607	13.131	13.662	14.196	31.936
Vendite di calcestruzzo <i>Concrete sales</i>	mc/000	3.788	7.052	7.743	8.186	8.585	8.948	9.850	15.241
Vendite di aggregati <i>Aggregate sales</i>	t/000	4.000	5.099	5.811	6.560	5.909	5.427	5.939	7.873
Fatturato <i>Sales revenue</i>	€/000	836.504	995.150	1.148.442	1.334.121	1.446.471	1.478.677	1.461.570	2.771.601
Investimenti industriali <i>Capital expenditures</i>	€/000	151.671	58.037	131.986	160.028	124.922	81.220	102.154	203.881
Addetti a fine esercizio <i>Headcount at year end</i>	nr	4.163	4.092	3.927	3.842	3.869	3.797	3.828	11.841

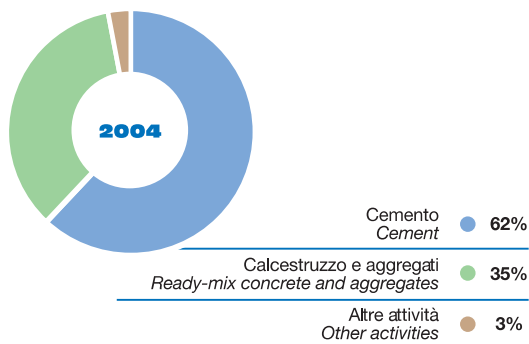
### Fatturato *Sales Revenue* (€/000)



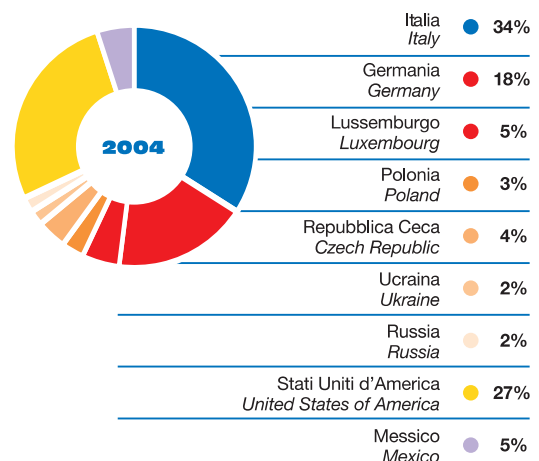
### Investimenti industriali *Capital Expenditures* (€/000)



### Fatturato per settore di attività<sup>(3)</sup> *Sales Revenue by Line of Business*



### Fatturato per area geografica *Sales Revenue by Region*



(1) Dati aggregati pro forma / Combined pro forma figures

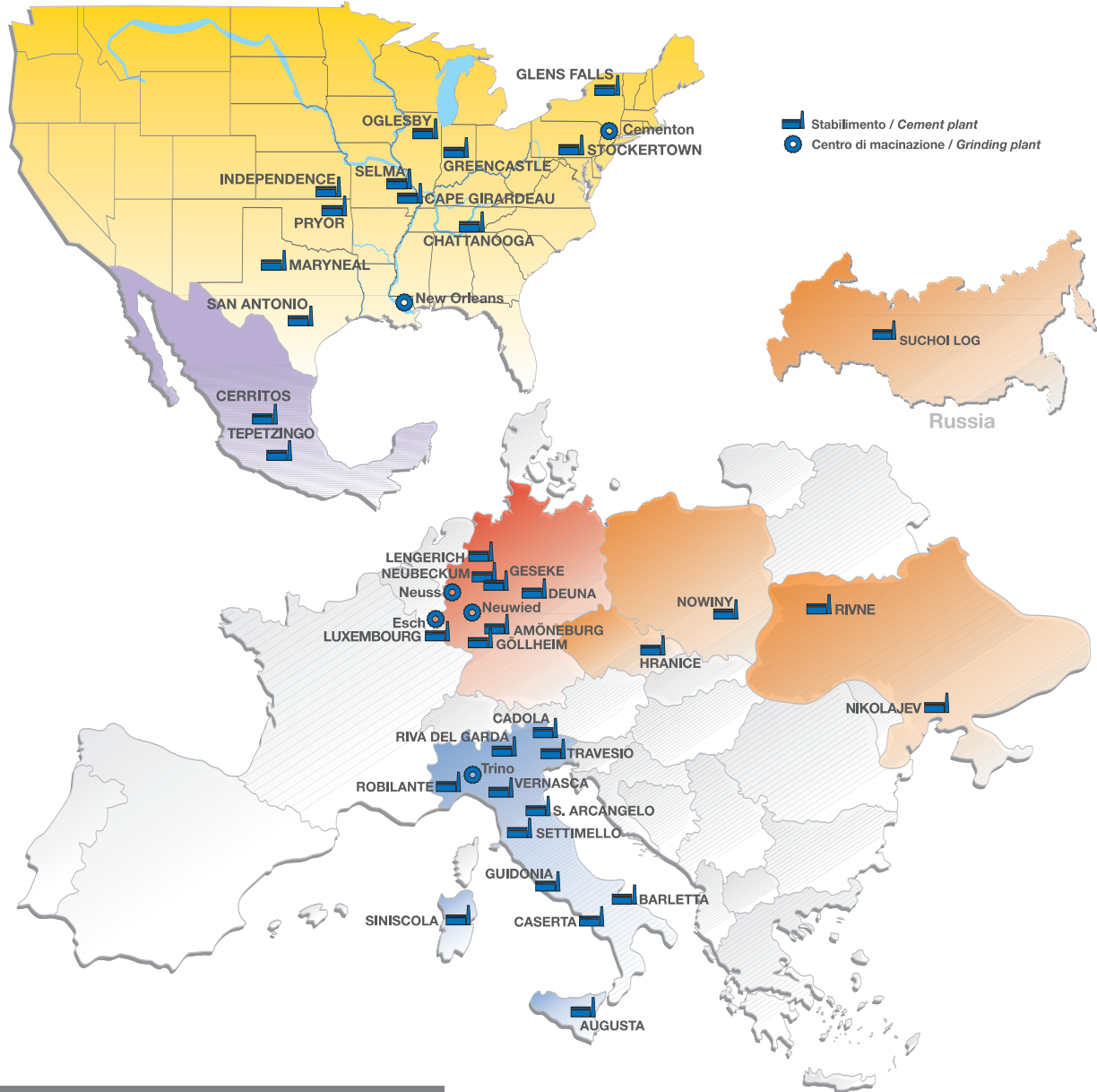
(2) Primo consolidamento integrale Dyckerhoff / First time consolidation of Dyckerhoff

(3) Prima delle elisioni tra settori di attività / Before eliminations among lines of business

## Dove siamo

### Cement Plants Location

Situazione al 31/12/2004 - As of December 31, 2004



## Struttura operativa

### Operating Structure

		ITALIA	GERMANIA	LUSSEMBURGO	POLONIA	REP. Ceca	UCRAINA	RUSSIA	STATI UNITI D'AMERICA	MESSICO	TOTALE
Stabilimenti / Cement plants	nr	13	8	2	1	1	2	1	13	2	43
di cui macinazione / of which grinding		1	2	1					2		6
Capacità produttiva cemento	mio t/anno	9,5	7,7	0,8	1,4	1,2	3,3	2,4	10,2	4,0	40,5
Cement capacity	mio t/yr										
Impianti di produzione calcestruzzo	nr	176	109	-	31	72	2	-	50	31	471
Ready-mix concrete plants											
Cave di estrazione aggregati naturali	nr	24	-	-	-	7	-	-	3	1	35
Aggregate quarries											
Depositi e terminali di distribuzione	nr	8	-	-	3	-	1	-	27	-	39
Terminals											



## ITALIA

### Italy



Capacità produttiva 9.500.000 ton di cemento, 13 stabilimenti, 8 depositi e terminali, 176 impianti di produzione calcestruzzo, 24 cave di estrazione aggregati naturali.  
*Production capacity 9.500.000 tons of cement, 13 plants, 8 terminals, 176 ready-mix concrete plants, 24 aggregate quarries.*

		2004	2003	04/03 (in %)
Vendite di cemento <i>Cement sales</i>	t/000	8.641	8.194	5,5
Vendite di calcestruzzo <i>Concrete sales</i>	mc/000	7.817	7.908	-1,2
Vendite di aggregati <i>Aggregate sales</i>	t/000	4.845	4.283	13,1
Fatturato <i>Sales revenue</i>	€/000	965.846	938.296	2,9
Investimenti industriali <i>Capital expenditures</i>	€/000	65.669	44.718	46,9
Addetti a fine esercizio <i>Headcount at year end</i>	nr	2.175	2.223	-2,2

## GERMANIA

### Germany



Capacità produttiva 7.700.000 ton di cemento, 8 stabilimenti, 109 impianti di produzione calcestruzzo.  
*Production capacity 7.700.000 tons of cement, 8 plants, 109 ready-mix concrete plants.*

		2004	2003	04/03 (in %)
Vendite di cemento <i>Cement sales</i>	t/000	5.575	6.135	-9,1
Vendite di calcestruzzo <i>Concrete sales</i>	mc/000	2.947	2.912	1,2
Fatturato <i>Sales revenue</i>	€/000	501.941	535.878	-6,3
Investimenti industriali <i>Capital expenditures</i>	€/000	26.432	57.153	-53,8
Addetti a fine esercizio <i>Headcount at year end</i>	nr	2.016	2.406	-16,2

## LUSSEMBURGO

### Luxembourg



Capacità produttiva 800.000 ton di cemento, 2 stabilimenti.  
*Production capacity 800.000 tons of cement, 2 plants.*

		2004	2003	04/03 (in %)
Vendite di cemento <i>Cement sales</i>	t/000	719	695	3,5
Fatturato <i>Sales revenue</i>	€/000	135.714	123.618	9,8
Investimenti industriali <i>Capital expenditures</i>	€/000	6.985	6.626	5,4
Addetti a fine esercizio <i>Headcount at year end</i>	nr	634	608	4,3

## POLONIA

Poland



Capacità produttiva 1.400.000 ton di cemento, 1 stabilimento, 3 depositi e terminali, 31 impianti di produzione calcestruzzo.  
*Production capacity 1.400.000 tons of cement, 1 plant, 3 terminals, 31 ready-mix concrete plants.*

		2004	2003	04/03 (in %)
Vendite di cemento <i>Cement sales</i>	t/000	1.162	1.213	-4,2
Vendite di calcestruzzo <i>Concrete sales</i>	mc/000	666	544	22,6
Fatturato <i>Sales revenue</i>	€/000	70.891	71.991	-1,5
Investimenti industriali <i>Capital expenditures</i>	€/000	6.618	4.307	53,7
Addetti a fine esercizio <i>Headcount at year end</i>	nr	409	420	-2,6

## REPUBBLICA CECA

Czech Republic



Capacità produttiva 1.200.000 ton di cemento, 1 stabilimento, 72 impianti di produzione calcestruzzo, 7 cave di estrazione aggregati naturali.  
*Production capacity 1.200.000 tons of cement, 1 plant, 72 ready-mix concrete plants, 7 aggregate quarries.*

		2004	2003	04/03 (in %)
Vendite di cemento <i>Cement sales</i>	t/000	760	743	2,2
Vendite di calcestruzzo <i>Concrete sales</i>	mc/000	1.468	1.230	19,3
Vendite di aggregati <i>Aggregate sales</i>	t/000	556	301	84,9
Fatturato <i>Sales revenue</i>	€/000	117.105	105.461	11,0
Investimenti industriali <i>Capital expenditures</i>	€/000	7.724	10.059	-23,2
Addetti a fine esercizio <i>Headcount at year end</i>	nr	758	678	11,8

## UCRAINA

Ukraine



Capacità produttiva 3.300.000 ton di cemento, 2 stabilimenti, 1 terminale, 2 impianti di produzione calcestruzzo.  
*Production capacity 3.300.000 tons of cement, 2 plants, 1 terminal, 2 ready-mix concrete plants.*

		2004	2003	04/03 (in %)
Vendite di cemento <i>Cement sales</i>	t/000	1.636	1.442	13,5
Vendite di calcestruzzo <i>Concrete sales</i>	mc/000	127		
Fatturato <i>Sales revenue</i>	€/000	46.441	33.519	38,6
Investimenti industriali <i>Capital expenditures</i>	€/000	6.383	2.318	
Addetti a fine esercizio <i>Headcount at year end</i>	nr	1.596	1.536	3,9

## RUSSIA

*Russia*



Capacità produttiva 2.400.000 ton di cemento, 1 stabilimento.  
*Production capacity 2.400.000 tons of cement, 1 plant.*

		2004	2003	04/03 (in %)
Vendite di cemento <i>Cement sales</i>	t/000	2.000	1.944	2,9
Fatturato <i>Sales revenue</i>	€/000	62.534	49.061	27,5
Investimenti industriali <i>Capital expenditures</i>	€/000	3.464	4.087	-15,2
Addetti a fine esercizio <i>Headcount at year end</i>	nr	1.556	1.549	0,5

## STATI UNITI D'AMERICA

*United States of America*



Capacità produttiva 10.200.000 ton di cemento, 13 stabilimenti, 27 depositi e terminali, 50 impianti di produzione calcestruzzo, 3 cave di estrazione aggregati naturali.  
*Production capacity 10.200.000 tons of cement, 13 plants, 27 terminals, 50 ready-mix concrete plants, 3 aggregate quarries.*

		2004	2003	04/03 (in %)
Vendite di cemento <i>Cement sales</i>	t/000	9.977	10.026	-0,5
Vendite di calcestruzzo <i>Concrete sales</i>	mc/000	1.616	1.656	-2,4
Vendite di aggregati <i>Aggregate sales</i>	t/000	2.472	2.217	11,5
Fatturato <i>Sales revenue</i>	\$/000	917.195	881.483	4,1
Investimenti industriali <i>Capital expenditures</i>	\$/000	66.206	51.121	29,5
Addetti a fine esercizio <i>Headcount at year end</i>	nr	2.261	2.239	1,0

## MESSICO

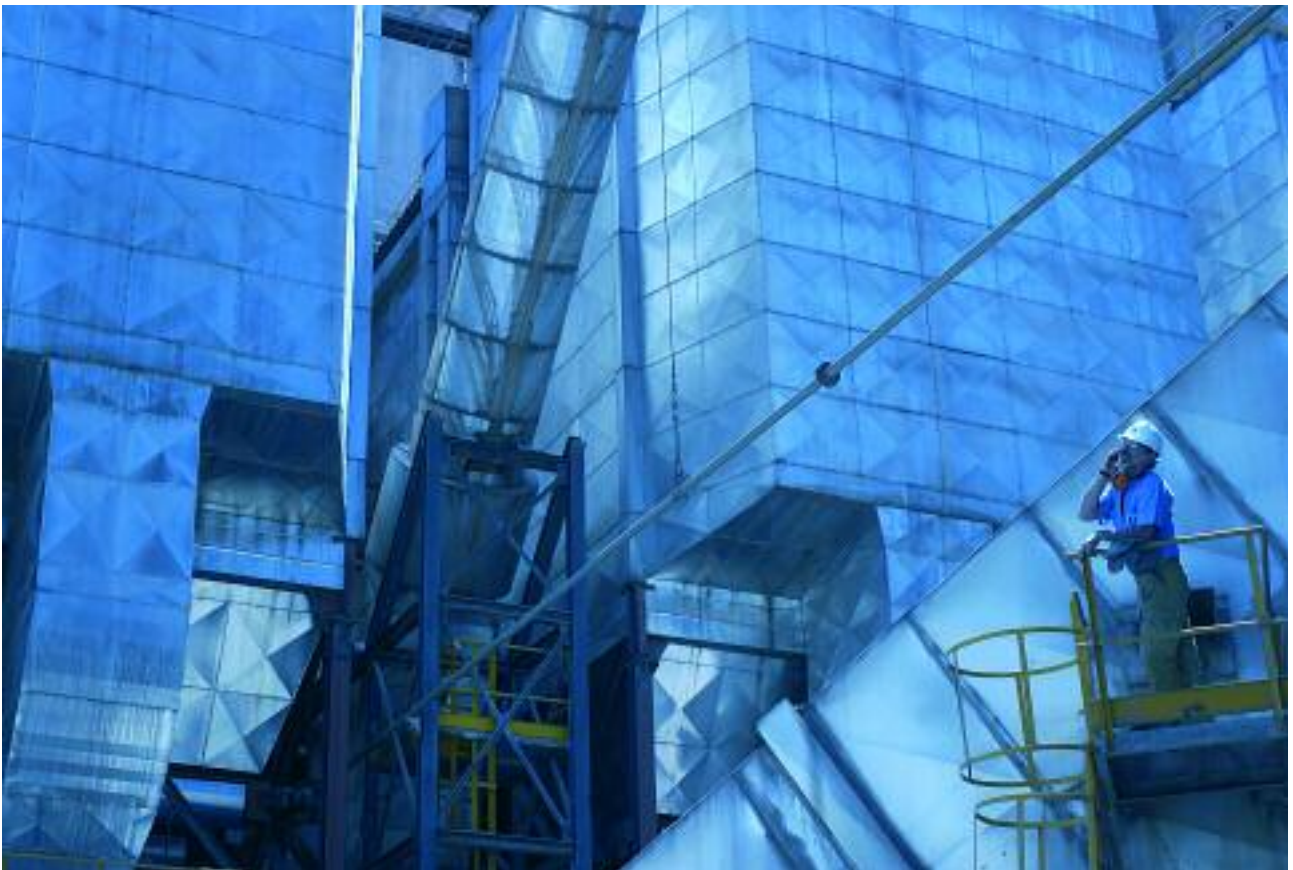
*Mexico*



Capacità produttiva 4.000.000 ton di cemento, 2 stabilimenti, 31 impianti di produzione calcestruzzo, 1 cava di estrazione aggregati naturali.  
*Production capacity 4.000.000 tons of cement, 2 plants, 31 ready-mix concrete plants, 1 aggregate quarry.*

		2004	2003	04/03 (in %)
Vendite di cemento <i>Cement sales</i>	t/000	2.931	2.496	17,4
Vendite di calcestruzzo <i>Concrete sales</i>	mc/000	1.200	1.014	18,3
Fatturato <i>Sales revenue</i>	\$/000	334.690	292.004	14,6
Investimenti industriali <i>Capital expenditures</i>	\$/000	84.159	92.069	-8,6
Addetti a fine esercizio <i>Headcount at year end</i>	nr	871	734	18,7

Robilante, Italia: particolare dell'elettrofiltro  
*Robilante, Italy: view of the electrostatic precipitator*





## RELAZIONE SULLA GESTIONE REVIEW OF OPERATIONS

Signori Azionisti,

il 2004 è stato un anno di grande importanza per Buzzi Unicem, che nel mese di gennaio ha oltrepassato la soglia del 50% del capitale ordinario Dyckerhoff, acquisendone il controllo dopo un percorso in più tappe iniziato nel giugno 2001. Il presente documento di bilancio, in cui Dyckerhoff è consolidata integralmente, rappresenta per la prima volta un intero anno di attività del nuovo gruppo, una realtà ora presente in 9 paesi, con 41 cementerie, una capacità produttiva di cemento di circa 38 milioni di tonnellate annue e oltre 11.800 dipendenti.

Nell'anno appena trascorso, le vendite di cemento sono ammontate a 31,9 milioni di tonnellate, in linea con quelle del 2003 pro forma; al netto delle variazioni di perimetro intervenute in ambito Dyckerhoff, le vendite sono in aumento dell'1,8%. Il progresso è attribuibile soprattutto ad Italia, Messico ed Est Europa. Negli Stati Uniti i volumi sono stati analoghi all'esercizio precedente, mentre in Germania il mercato si è confermato debole.

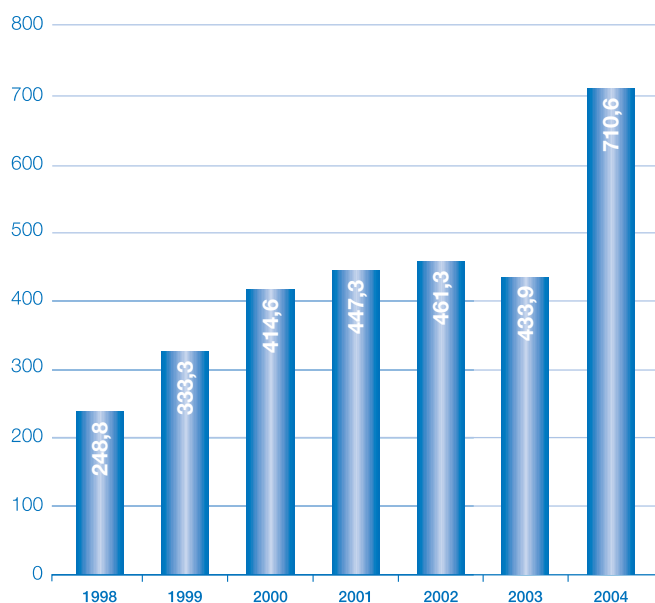
Shareholders,

2004 was an extremely important year for Buzzi Unicem. In January the group gained control of Dyckerhoff after acquiring more than 50% of its voting capital, in several steps of a journey that began in June 2001. These financial statements, fully incorporating Dyckerhoff, are the first representation of a full year of operations for the new group, currently present in 9 countries, with 41 cement plants, a cement production capacity of approximately 38 million tons and more than 11,800 workers.

During the year that has just ended, cement sales totaled 31.9 million tons, in line with the pro forma sales for 2003. Net of the perimeter changes relating to Dyckerhoff, sales are up by 1.8%. This progress is mainly due to Italy, Mexico and Eastern Europe. In the United States, volumes were similar to the previous year, while the German market proved to be weak.

### Margine operativo lordo EBITDA (Operating Cash Flow)

(milioni di euro / millions of euro)



Le vendite di calcestruzzo preconfezionato sono aumentate del 3,3%, a 15,2 milioni di metri cubi, grazie agli ottimi risultati conseguiti in Messico, Polonia e Repubblica Ceca; in lieve diminuzione le vendite in Italia e negli Stati Uniti.

Il fatturato consolidato si è attestato a 2.771,6 milioni di euro, contro 2.781,9 milioni del pro forma 2003 (-0,4%); l'effetto cambio ha determinato una riduzione del fatturato di 101,3 milioni di euro, in gran parte relativa all'area dollaro, mentre le variazioni di perimetro hanno influito negativamente per 82,6 milioni di euro. Non considerando tali effetti, l'incremento del fatturato sarebbe stato del 6,4%, grazie ai progressi realizzati in Italia, Stati Uniti, Messico ed Est Europa.

Il margine operativo lordo ha raggiunto i 710,6 milioni, +4,5% rispetto ai 680,1 milioni del pro forma 2003; il progresso è essenzialmente ascrivibile ai miglioramenti in Germania (+35,5 milioni), Lussemburgo (+17,5 milioni) e Europa Orientale (+18,4 milioni). Il deprezzamento del dollaro e del peso messicano ha ridimensionato il contributo degli Stati Uniti e del Messico: complessivamente, la riduzione del margine operativo lordo dovuta all'effetto cambio è stata di 33,7 milioni. Al lordo dell'effetto cambio e delle variazioni di perimetro nella controllata Dyckerhoff (-18,6 milioni), il margine operativo lordo sarebbe aumentato del 12,5%. Il rapporto tra margine operativo lordo e fatturato è aumentato dal 24,4% del pro forma 2003 al 25,6% del 2004; analizzandone l'andamento per mercati, si nota una sostanziale stabilità in Italia, Stati Uniti e Messico ed un miglioramento in Germania, Lussemburgo ed Est Europa (in particolare Ucraina e Repubblica Ceca).

Gli ammortamenti delle immobilizzazioni tecniche si sono attestati a 199,3 milioni di euro (210,2 il pro forma 2003); gli ammortamenti delle immobilizzazioni immateriali, pari a 58,3 milioni, sono per 20,4 milioni relativi all'avviamento di Dyckerhoff.

Gli oneri finanziari si sono attestati a 126,5 milioni, contro i 98,5 milioni del pro forma 2003. La componente strettamente riferita all'indebitamento finanziario è stabile a 100,9 milioni (101,2 milioni nel 2003); nel prossimo e nei seguenti esercizi è attesa una riduzione, grazie al rimborso di alcuni finanziamenti contratti nel passato il cui costo è oggi particolarmente elevato. Le rettifiche nette di valore sono pari a 5,6 milioni, valore analogo al pro forma 2003; tra le svalutazioni, si segnala quella riferita a Cementi Moccia (NA) per 5,8 milioni di euro.

*Sales of ready-mix concrete increased by 3.3%, to 15.2 million cubic meters, thanks to the excellent results achieved in Mexico, Poland and the Czech Republic; sales in Italy and the US were slightly down.*

*Consolidated net sales registered at 2,771.6 million, against the euro 2,781.9 million on the 2003 pro forma (-0.4%); the foreign exchange impact led to a decrease in sales of 101.3 million, largely concerning the dollar, while perimeter changes had a negative impact of 82.6 million. Without considering these effects, sales would have increased by 6.4% thanks to the progress made in Italy, the United States, Mexico and Eastern Europe.*

*Ebitda reached 710.6 million, up by 4.5% compared to the 680.1 million on the 2003 pro forma; this progress is essentially due to improvements in Germany (+35.5 million), Luxembourg (+17.5 million) and Eastern Europe (+18.4 million). The drop in value of the dollar and the Mexican peso resized the contribution of the United States and Mexico: overall, the reduction in Ebitda due to the foreign exchange impact was 33.7 million. Gross of the foreign exchange impact and the perimeter scope changes within Dyckerhoff (-18.6 million), Ebitda would have increased by 12.5%.*

*The Ebitda to sales margin improved from 24.4% in the 2003 pro forma to 25.6% in 2004; analyzing the market trends, by and large stability was seen in Italy, the United States and Mexico and improvements in Germany, Luxembourg and Eastern Europe (especially in the Ukraine and the Czech Republic).*

*Depreciation of property, plant and equipment was recorded at 199.3 million (210.2 on the 2003 pro forma); amortization of intangible assets, totaling 58.3 million, related to the Dyckerhoff goodwill for 20.4 million.*

*Net financial expenses stood at 126.5 million, against the 98.5 million on the 2003 pro forma. The portion referring only to indebtedness was stable at 100.9 million (101.2 million in 2003); we expect to see a reduction next year and in years to come, thanks to the repayment of loans taken out in the past which now have a particularly high cost to service.*

*Adjustments to financial assets amount to 5.6 million, similar to the 2003 pro forma; notable write-downs include that of Cementi Moccia (NA), of 5.8 million.*

I proventi straordinari netti sono ammontati a 89,6 milioni di euro, di cui 82,9 milioni rivenienti da modifiche nei principi contabili italiani, che hanno imposto il rilascio del fondo utili differiti su cambi. Tra le componenti negative si ricorda il prudentiale accantonamento di 11,0 milioni di euro a seguito della sanzione comminata nel mese di agosto dall'Autorità Antitrust ad Unical, per presunte irregolarità nel settore del calcestruzzo. Nel conto economico pro forma 2003, i proventi straordinari ammontavano a 188,7 milioni, riconducibili essenzialmente a cessioni di attività realizzate da Dyckerhoff.

Dopo imposte sul reddito per 132,9 milioni ed interessi di minoranza pari a 38,8 milioni, il 2004 si è chiuso con un utile netto consolidato di 238,7 milioni di euro, contro i 159,3 milioni del pro forma 2003.

*Net extraordinary income totaled 89.6 million, of which 82.9 million came from changes in Italian accounting principles, which forced release of deferred exchange gains. Among the expenses we highlight the prudential allocation of 11 million following the fine from the Antitrust Authority against Unical incurred in August, for presumed irregularities in the concrete sector. In the pro forma income statement for 2003, extraordinary income totaled 188.7 million, largely due to the sale of assets by Dyckerhoff.*

*After income taxes of 132.9 million and minority interests of 38.8 million, 2004 closed with a consolidated net income of 238.7 million, versus 159.3 million of the 2003 pro forma.*

Robilante, Italia: deposito materie prime  
*Robilante, Italy: raw material storage*



Conto economico consolidato sintetico  
Summary Consolidated Income Statement

	(milioni di euro / millions of euro)		
	2004	2003 <i>pro forma</i>	2003
<b>Ricavi netti</b> <b>Net revenues</b>	<b>2.771,6</b>	<b>2.781,9</b>	<b>1.461,6</b>
Consumi, costi operativi e servizi <i>Materials, operating costs and services</i>	(1.665,4)	(1.663,6)	(861,6)
<b>Valore aggiunto</b> <b>Value added</b>	<b>1.106,2</b>	<b>1.118,3</b>	<b>600,0</b>
Costo del lavoro <i>Labor costs</i>	(395,6)	(438,1)	(166,1)
<b>Margine operativo lordo</b> <b>EBITDA (operating cash flow)</b>	<b>710,6</b>	<b>680,1</b>	<b>433,9</b>
Ammortamenti <i>Depreciation and amortization</i>	(257,6)	(273,5)	(114,1)
<b>Risultato operativo</b> <b>Operating income</b>	<b>453,0</b>	<b>406,6</b>	<b>319,8</b>
Proventi (oneri) finanziari <i>Financial income (expenses)</i>	(126,5)	(98,5)	(21,0)
Rettifiche di valore <i>Adjustments to financial assets</i>	(5,6)	(5,5)	(9,0)
Proventi (oneri) straordinari <i>Extraordinary income (expenses)</i>	89,6	188,7	3,4
<b>Risultato ante imposte</b> <b>Income before taxes</b>	<b>410,5</b>	<b>491,2</b>	<b>293,2</b>
Imposte sul reddito <i>Income taxes</i>	(132,9)	(130,1)	(114,1)
<b>Utile netto del periodo</b> <b>Combined net income</b>	<b>277,6</b>	<b>361,1</b>	<b>179,1</b>
Quota terzi <i>Minority interests</i>	(38,9)	(201,9)	(19,8)
<b>Utile netto del gruppo</b> <b>Consolidated net income</b>	<b>238,7</b>	<b>159,3</b>	<b>159,3</b>
<b>Cash flow</b> (utile + ammortamenti) <b>Cash flow</b> (combined net income + depreciation)	<b>535,1</b>	<b>634,6</b>	<b>312,4</b>



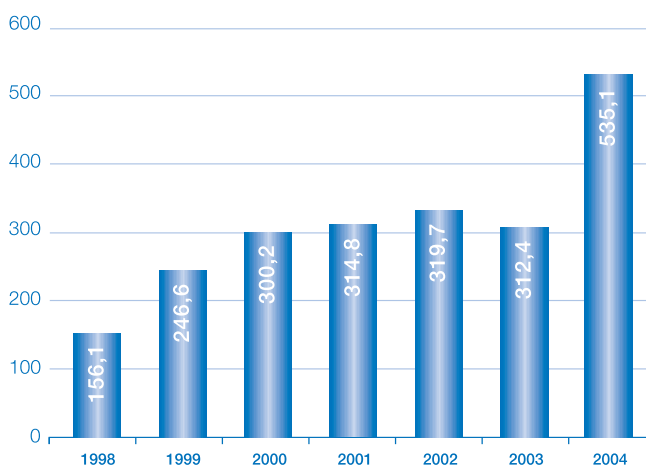
Nel 2004, il gruppo ha investito 315,1 milioni di euro, di cui 111,2 milioni per l'aumento della quota nel capitale ordinario di Dyckerhoff dal 49,6% di fine 2003 al 67,0% di fine 2004. Circa 15 milioni di euro complessivi sono stati spesi per salire dal 90% al 100% del capitale di Cementi Riva (TN), poi fusa in Buzzi Unicem SpA, e dal 30% al 50% del capitale di Cementi Moccia (NA). In Messico, l'ultimazione della prima linea di produzione di Cerritos e l'avvio della costruzione della seconda linea hanno richiesto, per il 50% di pertinenza del gruppo, circa 21 milioni di euro. Tra gli altri investimenti industriali di particolare rilevanza, si segnalano in Italia l'installazione del mulino Horomill a Trino (VC) e l'ampliamento dell'area di coltivazione della cava di Monfranco, presso Robilante (CN). Negli Stati Uniti, si ricordano l'ammodernamento della torre di preriscaldamento a San Antonio (TX), l'introduzione di un nuovo sistema di macinazione e dosaggio del polverino per i forni di Selma (MO), il bypass alkali di Greencastle (IN). In Ucraina, per assecondare la rapida crescita del mercato, è stato avviato un progetto di modernizzazione di alcune linee di produzione.

*In 2004, the group invested 315.1 million, of which 111.2 million represented an increase in the share of Dyckerhoff's voting capital from 49.6% at the end of 2003 to 67.0% at the end of 2004. A total of approximately 15 million was paid out to fund an increase from 90% to 100% of the ownership interest in Cementi Riva (TN), then merged into Buzzi Unicem SpA, and from 30% to 50% of the ownership interest in Cementi Moccia (NA). In Mexico, completion of the first production line at Cerritos and beginning of construction of the second line required approximately 21 million (50% share).*

*Among the other significant capital expenditures, worth mentioning is the installation of the Horomill at Trino (VC) and the expansion of the cultivation area at the Monfranco quarry, near Robilante (CN). In the United States, we would mention the modernization of the preheating tower at San Antonio (TX), the introduction of the new coal grinding and feeding system for the kilns at Selma (MO), and the alkali bypass at Greencastle (IN). To deal with the rapid market growth in the Ukraine, a project was set up to modernize those production lines.*

## **Autofinanziamento Cash Flow**

(milioni di euro / millions of euro)



Stato patrimoniale consolidato sintetico  
Summary Consolidated Balance Sheet

	(milioni di euro / millions of euro)		
	31.12.2004	31.12.2003 <i>pro forma</i>	31.12.2003
Immobilizzazioni materiali ed immateriali nette <i>Property, plant, equipment and intangible fixed assets, net</i>	3.291,6	3.582,1	869,4
Immobilizzazioni finanziarie <i>Financial fixed assets</i>	207,6	226,3	959,4
Capitale d'esercizio <i>Working capital</i>	431,6	477,9	276,3
<b>Capitale investito netto</b> <b><i>Net invested capital</i></b>	<b>3.930,8</b>	<b>4.286,3</b>	<b>2.105,1</b>
Patrimonio netto <i>Stockholders' equity</i>	2.072,4	1.896,4	1.435,7
di cui, quota terzi <i>of which, minority interests</i>	366,0	539,5	79,1
Fondi rischi ed oneri <i>Provisions for risks and charges</i>	1.016,1	1.198,4	263,1
Posizione finanziaria netta <i>Net financial position</i>	842,3	1.191,5	406,3
<b>Totale copertura</b> <b><i>Total financing</i></b>	<b>3.930,8</b>	<b>4.286,3</b>	<b>2.105,1</b>

L'indebitamento finanziario netto si è attestato a 842,3 milioni di euro, in diminuzione di 349,2 milioni rispetto ai 1.191,5 pro forma al 31 dicembre 2003. Si ricorda che nell'esercizio appena concluso il gruppo, oltre ad aver speso investimenti tecnici e finanziari per complessivi 315,1 milioni di euro, ha distribuito dividendi per 55,4 milioni di euro. Alla riduzione dell'indebitamento finanziario netto ha contribuito per 203,8 milioni l'aumento di capitale lanciato nel mese di giugno, mentre il beneficio derivante dalla svalutazione del dollaro è quantificabile in circa 41 milioni di euro. Infine, si ricorda che nell'esercizio 2004 sono stati incassati circa 118 milioni di euro riferiti a disinvestimenti effettuati da Dyckerhoff nel 2003.

Il patrimonio netto, inclusa la componente di terzi, è salito a 2.072,4 milioni di euro, contro i 1.896,4 milioni del pro forma al 31 dicembre 2003, cosicché il rapporto indebitamento finanziario/patrimonio netto è diminuito a 0,41 (0,63 il pro forma); includendo gli impegni per 418,5 milioni rivenienti dall'opzione put su azioni Dyckerhoff detenuta da IMI Finance Luxembourg SA, tale rapporto si situa a 0,61 (0,91 il pro forma).

*Net debt registered at 842.3 million, down by 349.2 compared to the 1,191.5 on the pro forma as at December 31, 2003. We point out that in the year just ended, apart from having disbursed a total of 315.1 million in capital expenditures and financial investments, the group also distributed dividends of 55.4 million. A contribution of 203.8 million was made to the decrease in net debt by the capital increase launched in June, while the benefit deriving from depreciation of the dollar can be quantified at around 41 million. Lastly, it should be remembered that during 2004, approximately 118 million were collected, referring to disposals made by Dyckerhoff in 2003.*

*Stockholders' equity, including the minority interests, rose to 2,072.4 million, against the 1,896.4 million on the pro forma as at December 31, 2003, as the debt equity ratio decreased to 0.41 (0.63 on the pro forma); including the commitments of 418.5 million originating from the put option on Dyckerhoff shares held by IMI Finance Luxembourg SA, this ratio comes in at 0.61 (0.91 on the pro forma).*

Le componenti attive e passive della posizione finanziaria netta, suddivise per grado di liquidità, sono riportate nella tabella seguente:

*The assets and liabilities of the net financial position, divided by degree of liquidity, are shown in the table below:*

	(milioni di euro / millions of euro)		
	31.12.2004	31.12.2003 <i>pro forma</i>	31.12.2003
Disponibilità ed attività finanziarie a breve <i>Cash, banks and marketable securities</i>	885,7	658,7	333,2
Debiti finanziari a breve <i>Short-term debt</i>	(245,8)	(330,6)	(62,4)
<b>Disponibilità netta a breve</b> <b><i>Net short-term cash</i></b>	<b>639,9</b>	<b>328,1</b>	<b>270,8</b>
Attività finanziarie a medio e lungo termine <i>Long-term assets</i>	4,8	21,9	21,9
Debiti finanziari a medio e lungo termine <i>Long-term debt</i>	(1.487,0)	(1.541,5)	(699,0)
<b>Posizione finanziaria netta</b> <b><i>Net financial position (net debt)</i></b>	<b>(842,3)</b>	<b>(1.191,5)</b>	<b>(406,3)</b>

Nel mese di dicembre 2004 era atteso l'esercizio, da parte di IMI Finance Luxembourg SA, dell'opzione put su 5 milioni di azioni ordinarie Dyckerhoff (24,2% del capitale ordinario), con un prezzo di esercizio di 418,5 milioni di euro; la scadenza della connessa linea di credito sindacata, organizzata nel giugno 2001 per il finanziamento dell'acquisizione Dyckerhoff, era prevista per il dicembre 2005. In vista di tali cruciali eventi, il gruppo ha per tempo realizzato un'ottimizzazione della propria struttura finanziaria, in tre passi successivi.

*In December 2004 IMI Finance Luxembourg SA was expected to exercise the put option on 5 million ordinary Dyckerhoff shares (24.2% of voting capital), with a strike price of 418.5 million; the maturity for the related syndicated facility, set up in June 2001 to finance the Dyckerhoff acquisition, had been scheduled for December 2005. In view of these crucial events, the group optimized in advance its financial structure, in three successive stages.*

Innanzitutto, il 28 giugno u.s., la capogruppo Buzzi Unicem SpA ha deliberato un aumento di capitale a pagamento, da realizzarsi emettendo fino a 24,2 milioni di azioni ordinarie al prezzo di 8,50 euro ciascuna, aventi godimento 1.1.2004. Le azioni sono state offerte in opzione a tutti gli azionisti ordinari e di risparmio Buzzi Unicem ed ai possessori del prestito obbligazionario "Buzzi Unicem 4% 2003-2008 convertibile".

*First of all, on 28 June last, the parent company Buzzi Unicem SpA resolved for a capital increase to be carried out by issuing up to 24.2 million ordinary shares at a price of 8.50 each, with dividend entitlement to start on 1.1.2004. The shares were offered under option to all Buzzi Unicem's ordinary and savings shareholders and holders of the convertible bond "Buzzi Unicem 4% 2003-2008".*

Agli aventi diritto sono state offerte 2 nuove azioni ordinarie ogni 15 azioni ordinarie e/o di risparmio e/o obbligazioni convertibili possedute. Il controvalore complessivo dell'offerta è stato di circa 206 milioni di euro. L'operazione si è conclusa con pieno successo nell'agosto scorso; come annunciato contestualmente al lancio dell'operazione, l'azionista di controllo ha sottoscritto integralmente la quota di propria spettanza, pari a 86,5 milioni di euro.

Il passo successivo, nel mese di settembre, è stato la stipula con SanPaolo IMI di una nuova linea di credito bancaria "corporate", senza garanzie, per un importo pari a 300 milioni di euro.

Infine, in ottobre, Buzzi Unicem, per il tramite della propria controllata al 100% Alamo Cement Company, ha completato con successo il collocamento privato presso investitori istituzionali sul mercato nord-americano – US Private Placement - di una nuova emissione di Senior Unsecured Notes per 153 milioni di dollari e 15 milioni di euro.

Il prestito è strutturato in tre tranches come segue:

- una prima tranche dell'importo di 25 milioni di dollari, con scadenza e rimborso in unica soluzione al 20 ottobre 2007, al tasso annuo fisso del 4,41%;
- una seconda tranche dell'importo di 15 milioni di euro, con scadenza e rimborso in unica soluzione al 20 ottobre 2009 e facoltà di rimborso anticipato dal 20 aprile 2006, ad un tasso annuo variabile pari all'Euribor a 6 mesi maggiorato di 70 punti base;
- una terza tranche dell'importo di 128 milioni di dollari, con scadenza finale al 20 ottobre 2011 e rimborso in rate annuali costanti in linea capitale a decorrere dal 20 ottobre 2005 e sino al 20 ottobre 2011, al tasso annuo fisso del 4,90%.

Le disponibilità rivenienti dalle due operazioni di finanziamento, unitamente ai fondi derivanti dall'aumento di capitale, sono state utilizzate per la chiusura della linea di credito sindacata organizzata per il finanziamento dell'acquisizione Dyckerhoff nel giugno 2001. Queste medesime fonti di finanziamento sono state inoltre destinate al pagamento dei 418,5 milioni di euro relativi all'opzione put detenuta da IMI Finance Luxembourg SA.

Come atteso, IMI Finance Luxembourg SA ha comunicato l'esercizio dell'opzione il 28 dicembre 2004.

*Those entitled were offered 2 new ordinary shares for every 15 ordinary and/or savings shares and/or convertible bonds held. The offer's overall amount was approximately 206 million. The transaction was successfully completed last August. As announced at the time the transaction was launched, the controlling shareholder fully subscribed its own quota, amounting to 86.5 million.*

*The next step, in September, was to take out a new corporate credit line with SanPaolo IMI, unsecured, for 300 million.*

*Finally, in October, Buzzi Unicem, via its 100% subsidiary Alamo Cement Company, successfully completed the US Private Placement of a new issuing of Senior Unsecured Notes for 153 million dollar and 15 million euro.*

*The loan is structured in three tranches as follows:*

- a first tranche of the amount of 25 million dollar, with bullet repayment on 20 October 2007, at the fixed annual rate of 4.41%;*
- a second tranche of 15 million, with bullet repayment on 20 October 2009 and an early redemption option from 20 April 2006, at a floating annual rate equal to 6 month Euribor increased by 70 basis points;*
- a third tranche of 128 million dollar, with a final maturity on 20 October 2011 and annual amortizing principal payments starting from 20 October 2005 up to 20 October 2011, at the fixed annual rate of 4.90%.*

*The liquidity from the two financing transactions, together with the funds deriving from the capital increase, was used to close the syndicated facility set up to finance the Dyckerhoff acquisition in June 2001. These same sources of finance were also allocated to pay 418.5 million associated with the put option held by IMI Finance Luxembourg SA.*

*As expected, IMI Finance Luxembourg SA gave notice to exercise the option on 28 December 2004.*



Robilante, Italia: autocisterna al carico dello sfuso  
*Robilante, Italy: loading bulk cement from silos*

Nel 2004 il prodotto interno lordo dell'Italia è cresciuto dell'1,0% valore ben inferiore al 2,0% della zona euro ed al 4,4% degli Stati Uniti; anche per la scarsa dinamicità dell'economia, il tasso di inflazione si è fermato al 2,2%, migliore risultato degli ultimi cinque anni.

Il nostro paese è stato penalizzato da una scarsa performance della produzione industriale, in particolare del comparto automobilistico. Gli investimenti in costruzioni sono invece risultati in crescita per il sesto anno consecutivo, confermandosi fattore chiave di sostegno e sviluppo per l'economia e l'occupazione. Ne è derivato un ulteriore incremento della domanda di cemento, la cui produzione nello scorso esercizio si è attestata al valore record di 45,5 milioni di tonnellate; la crescita, generalizzata sul territorio nazionale, è stata particolarmente vivace nelle regioni meridionali e nelle isole. A fronte di una bilancia commerciale sostanzialmente in pareggio (export per 2 milioni di tonnellate, import per 2,1), il consumo di cemento si è attestato a 45,6 milioni di tonnellate, +5,1% rispetto al 2003. Non si può non menzionare l'ulteriore aumento delle importazioni di clinker da trasformare in prodotto finito, attestatesi a circa 2,7 milioni di tonnellate. Tale fenomeno, non più tardi di quattro anni or sono, era limitato a circa mezzo milione di tonnellate.

Le vendite di **cemento** sono aumentate del 5,5% rispetto al 2003, con una performance particolarmente soddisfacente in Centro Italia e nelle Isole. La buona domanda di cemento si è riflessa solo parzialmente sui prezzi di vendita medi dell'anno, il cui miglioramento è stato limitato dalle forti dinamiche concorrenziali: l'aumento verificatosi nel periodo estivo è stato sostanzialmente riassorbito nell'ultimo quadrimestre, cosicché il progresso dei ricavi medi unitari è risultato contenuto.

*In 2004 Italy's GDP grew by 1.0%, a value much lower than the 2.0% for the Euro zone and the 4.4% for the US. Due also to the lack of drive in the economy, the inflation rate held firm at 2.2%, the best result of the past five years.*

*Our country has been penalized by a lack of performance in industrial production, in the automotive industry in particular. Investments in construction, on the other hand, are up for the sixth year running, representing a key factor in support and development for the economy and employment. This has resulted in an additional increase in the demand for cement, with production last year coming in at the record value of 45.5 million tons; the growth, generalized across the country, was particularly strong in the South and Islands. In view of a largely balanced trade balance (exports of 2 million tons, imports of 2.1), cement consumption registered at about 45.6 million tons, up by 5.1% compared to 2003. We cannot fail to mention the further increase in clinker imports to be transformed into finished products, which registered at around 2.7 million tons. This phenomenon, as recently as four years ago, was only around 0.5 million tons.*

**Cement** sales increased by 5.5% compared to 2003, with a particularly encouraging performance in central Italy and the Islands. The positive demand for cement was only partially reflected in the year's average sales prices, whose improvement was curbed by the strong competition: the increase during the summer months was largely reabsorbed in the last four months of the year, so that the progress of unit prices was limited.

Cemento Italia  
Cement Operations in Italy





Grazie anche ad una riduzione delle esportazioni e delle vendite di clinker a favore delle vendite domestiche di prodotto finito, il fatturato del settore cemento si è attestato a 571,0 milioni di euro, dai 526,0 milioni del 2003 (+8,6%). Il margine operativo lordo è aumentato dai 203 milioni di euro del 2003 ai 215,4 milioni del 2004 (+6,5%); la diminuzione dell'incidenza sul fatturato, passata dal 38,5% al 37,7% è ascrivibile all'ulteriore significativo aumento dei costi di produzione (elettricità, combustibili e materiali di manutenzione).

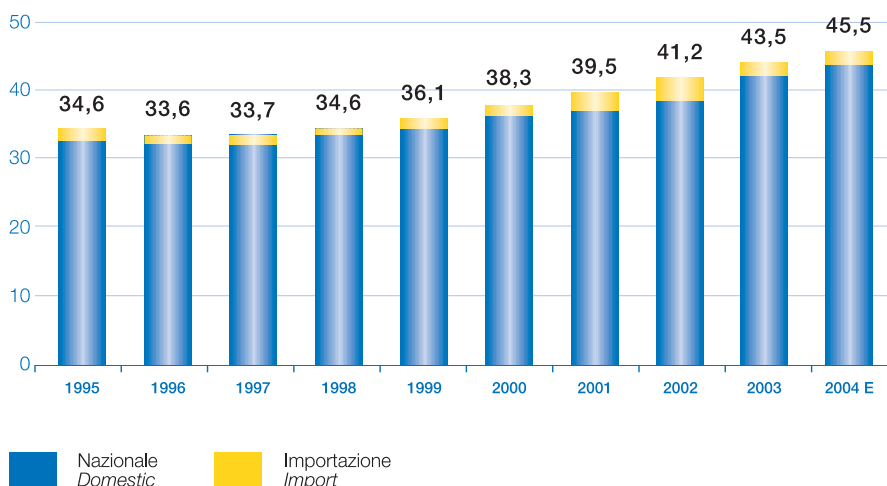
Anche nel 2004, gli investimenti sono stati finalizzati al mantenimento della qualità degli impianti ed alla ricerca di un continuo miglioramento del livello di efficienza. Tra questi ultimi, ricordiamo l'installazione del mulino Horomill a Trino (VC), l'ampliamento dell'area di coltivazione della cava di Monfranco presso Robilante (CN), l'ammodernamento degli impianti di macinazione ad Augusta (SR) e del sistema di raffreddamento del clinker di Vernasca (PC). Informiamo inoltre che nel mese di dicembre le cave di proprietà della collegata Cementi Moccia sono state oggetto di un blocco amministrativo dell'attività di estrazione, che ha portato alla fermata della produzione di clinker; alla mancata produzione si è fatto fronte con l'acquisto del semilavorato sul mercato. Prudenzialmente, in sede di redazione del bilancio, il valore di carico della partecipazione in Cementi Moccia è stato svalutato per 5,8 milioni di euro.

*Also thanks to a reduction in exports and sales of clinker in favor of domestic sales of finished product, revenues in the cement sector were 571.0 million, against 526.0 million in 2003 (+8.6%). Ebitda increased from 203 million for 2003 to 215.4 million in 2004 (+6.5%); the reduced margin on sales, going from 38.5% to 37.7%, is attributable to the further significant increase in production costs (electricity, fuel and maintenance materials).*

*In 2004, investments were once again aimed at maintaining the quality of plants and at fulfilling the objective of continuous improvement in efficiency. These improvements include the installation of the Horomill at Trino (VC), expansion of the cultivation area of the Monfranco quarry at Robilante (CN), modernization of the grinding department at Augusta (SR) and the clinker cooling system at Vernasca (PC). We would also highlight that in December, an administrative block on extraction was placed on the quarries owned by the affiliate Cementi Moccia. This led to the production of clinker being stopped and the lack of production was dealt with by purchasing the semi-finished products on the market. Prudentially, when the financial statements were drawn up, the book value of the investment in Cementi Moccia had been written down by 5.8 million.*

## Consumo di cemento in Italia Cement Consumption in Italy

(milioni di ton / million tons)







Calcestruzzo Italia  
 Ready-mix Concrete Operations in Italy



Confermando l'andamento evidenziato durante l'anno, le vendite di **calcestruzzo preconfezionato** sono diminuite dell'1,2%, con un progresso dei prezzi di un paio di punti percentuali. Il lieve decremento delle vendite è essenzialmente ascrivibile ad un minor contributo di alcuni grandi lavori nel Nord Italia, in particolare la tratta ferroviaria ad Alta velocità Torino-Novara, ormai in avanzata fase di realizzazione. Unical e società controllate hanno fornito calcestruzzo preconfezionato a varie altre opere infrastrutturali di primaria importanza, tra cui le linee ferroviarie ad alta velocità Milano-Bologna e Bologna-Firenze, la variante di valico autostradale nel tratto appenninico della Bologna-Firenze, il grande raccordo anulare di Roma. In dicembre 2004 Unical ha sottoscritto con il consorzio alta velocità Torino-Milano il contratto di fornitura calcestruzzo relativo alla tratta Novara-Milano.

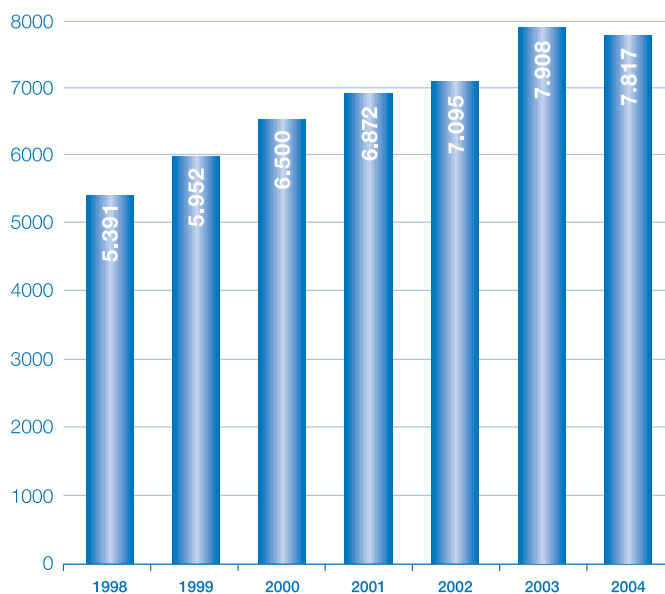
Il fatturato di settore è aumentato dell'1,9% a 537,3 milioni di euro (527,4 milioni nel 2003), mentre il margine operativo lordo è diminuito di 8,8 milioni, attestandosi a 46,2 milioni. Il rapporto tra le due grandezze è stato dell'8,6%, inferiore all'eccellente 10,4% del 2003. La diminuzione della redditività è in parte dovuta ad un meno favorevole mix geografico delle forniture, essendo aumentato il peso di alcune aree a minore redditività a discapito di altre a maggiore contribuzione; come si è accennato, è declinato altresì il volume di attività correlato ad alcune commesse ad elevato valore aggiunto.

*Confirming the trend highlighted during the year, sales of **ready-mix concrete** decreased by 1.2%, with a price advance of a couple of percentage points. The slight decrease in sales is largely due to a reduced contribution by certain large-scale works in Northern Italy, in particular the high-speed railway link between Turin and Novara, now in the advanced stages of construction. Unical and subsidiaries supplied ready-mix concrete to various other top level infrastructure works, including the high speed Milan-Bologna and Bologna-Florence railway legs, the alternative highway route on the Appenine section of the Bologna-Florence motorway and the loop around Rome. In December 2004, Unical signed the contract to supply concrete to the high speed Turin-Milan consortium, for the Novara-Milano prosecution.*

*Sales revenue increased by 1.9% to 537.3 million (527.4 million in 2003), while the Ebitda was down by 8.8 million, registering at 46.2 million. The ratio between the two values was 8.6%, smaller than the excellent 10.4% of 2003. The decrease in profitability is partly due to a less favorable regional mix of supplies, as the weight of certain less profitable areas has increased, to the prejudice of other areas with a greater contribution. As mentioned, the volume of operations relating to certain orders with high added value also declined.*

### Vendite di calcestruzzo in Italia Ready-mix Concrete Sales in Italy

(m<sup>3</sup>/000)



È continuata l'attenta politica di manutenzione degli impianti e di acquisizione selettiva di unità produttive, tra cui si segnalano Mervel Beton (RM) e Vielle Calcestruzzi (VA). È stata inoltre realizzata una nuova sede a Sesto Fiorentino (FI) per la controllata Betonval, operatore di grande rilevanza in Toscana.

*The careful policy of plant maintenance and selective acquisition of production units, including Mervel Beton (RM) and Vielle Calcestruzzi (VA), continued. A new office building was also set up at Sesto Fiorentino (FI) for the subsidiary Betonval, a leading Tuscan company.*

Si riassumono di seguito i dati di sintesi delle società del settore calcestruzzo preconfezionato ed aggregati naturali operanti in Italia, prima delle eliminazioni tra settori di attività:

*The following is a summary of the key data for the ready-mix concrete and aggregates sector in Italy, before eliminations between lines of business:*

	(milioni di euro / millions of euro)	
	2004	2003
Ricavi netti <i>Net sales</i>	537,3	527,4
Margine operativo lordo <i>EBITDA</i>	46,2	55,0
% sui ricavi netti <i>% of sales</i>	8,6	10,4
Investimenti industriali <i>Capital expenditures</i>	11,4	7,8
Addetti a fine esercizio <i>Headcount at year end</i>	684	713
	(numero/number)	

Nell'esercizio appena trascorso, la collegata Laterlite SpA, leader nella produzione di **argilla espansa**, ha realizzato un fatturato di 56,1 milioni di euro (contro i 50,2 milioni del 2003) ed un margine operativo lordo di 10,9 milioni (7,8 milioni nel 2003).

*In the year just ended, the affiliate Laterlite SpA, leader in the production of **expanded clay**, achieved sales of euro 56.1 million (against 50.2 million in 2003) and an Ebitda of 10.9 million (7.8 million in 2003).*

Il 2004 è stato un anno positivo per Addiment Italia, joint venture paritetica con il gruppo svizzero Sika, attiva nella **chimica per l'edilizia**: la società ha venduto 31.600 tonnellate (32.300 nel 2003), realizzando un fatturato di 15,6 milioni di euro (+12,2%) ed un margine operativo lordo di 2,5 milioni di euro (2,1 milioni nel 2003). Il miglioramento dei risultati, nonostante la lieve contrazione dei volumi, deriva dalla ricomposizione del portafoglio prodotti verso additivi acrilici a maggior valore aggiunto.

*2004 was a positive year for Addiment Italia, a joint venture with the Swiss group Sika, dealing with **construction chemicals**: the company sold 31,600 tons (32,300 in 2003), achieving sales revenue of 15.6 million (+12.2%) and an Ebitda of 2.5 million (2.1 million in 2003). The improved economic performance, despite the slight reduction in volumes, is the result of a restructuring of the product mix in favor of acrylic admixtures with greater added value.*



Robilante, Italia: il nuovo svincolo di accesso allo stabilimento  
*Robilante, Italy: a new roundabout leads to the entrance*



# Dopo sette anni Unical cambia organizzazione

## *After seven years Unical changes its structure*

L'organizzazione per Divisioni territoriali, Centro Nord e Centro Sud - nata nel '98 al tempo della fusione con 'Calcestruzzi Torino S.r.l.' e dell'acquisizione di parte della 'Calcestruzzi S.p.A.' - è stata fondamentale per superare le diverse anime di provenienza del nostro personale. La 'Unicalcestruzzi S.p.A.' di inizio '98 comprendeva, infatti, uomini, impianti e sistemi di gestione provenienti dalla Buzzi, dalla 'Unicalcestruzzi', dalla 'Calcestruzzi S.p.A.', dalla 'Cemencal', dalla 'Betonval' e anche da qualche piccola realtà locale. Ricordiamo ormai come "storia passata" i primi mesi del '98, quando lo sforzo organizzativo fu teso a poter spedire, bollettare e fatturare nei tempi previsti dalla legge più che a soddisfare tutte le richieste dei clienti. In un solo mese i Servizi Amministrativi e i Sistemi Informativi dovettero far funzionare

tutte le dissimili organizzazioni, partendo appunto da impianti con PC, software e... uomini con differenti abitudini. Dopo sette anni di lavoro comune, e di progressi tecnici e tecnologici, si sono create le condizioni culturali e i sistemi logistici affinché tutto il settore del calcestruzzo realizzasse un'identità unica. Nell'ambito di uno dei riesami periodici previsti dal Sistema di Qualità aziendale, è stato evidenziato e condiviso che la funzione della Qualità poteva avere un forte potere unificante se fosse stata impiegata come principale strumento operativo di miglioramento dell'attività gestionale. Seguendo questa impostazione, si è convenuto sull'opportunità di trasformare la Qualità non più in un'altra cosa da fare, non più in un sistema per creare nuove figure o nuove funzioni (o per amministrare

un'azienda parallela a quella esistente ma con norme e organigrammi differenti) bensì nel modo in cui l'azienda lavora e nel mezzo attraverso cui, periodicamente, controlla il rispetto delle previsioni e programma le azioni correttive necessarie. La Qualità, quindi, quale strumento per uniformare i comportamenti e fornire alla Direzione Operativa una visione globale delle azioni svolte dalle Aree.

Altro spunto fondamentale è stato quello di affermare una scelta importante e innovativa: 'Unical' vuole cercare redditività non solo nella gestione più efficiente della produzione ordinaria ma nello sviluppo di nuovi prodotti e applicazioni. Tutto ciò è strettamente legato alla capacità di comprendere le necessità dei clienti e di proporre nuove soluzioni: l'esempio oggi più eclatante è SCC Unical.





Ulteriore cardine su cui concentrare le energie sono i Grandi Lavori che hanno assunto, negli ultimi anni, un'importanza sempre maggiore e si stanno sviluppando come mercato parallelo, con regole discordanti dal mercato di tutti i giorni. Le infrastrutture rappresentano un settore di attività destinato ad assumere un peso sempre maggiore fra le destinazioni finali del calcestruzzo; richiedono un impegno quotidiano di promozione e sviluppo, sin dalla fase delle gare di appalto, e un rapporto di fidelizzazione con le maggiori imprese. Il prezzo rimarrà tra le discriminanti principali per ottenere le forniture ma sarà fondamentale anche il rapporto personale, la presenza in sede di gara, l'assistenza, ad esempio, nella stesura dei capitolati e della gestione del credito. Perciò si è deciso di lavorare per Processi, individuandone tre fondamentali: Qualità e Grandi Lavori, Produzione e Sviluppo Applicazioni, Tecnologia e Ricerca.

Le Aree regionali dipenderanno direttamente dalla Direzione Operativa che garantirà omogeneità di comportamenti sul mercato, per il Credito, la gestione del Personale e dello Sviluppo. La Direzione Operativa sarà affiancata dal Controllo di Gestione e Crediti per le materie di Budgeting, Reporting, Controllo Credito e Gestione del contenzioso.

### **Le direttrici delle nuove Direzioni**

Lo spirito da cui nasce la nuova Direzione Qualità è semplice ma la sfida è grande e altrettanto importante: la voglia di miglioramento e un'occasione per lavorare meglio, con più entusiasmo e coinvolgimento, con metodi e mezzi migliori. Di significato analogo, la decisione di concentrare nella stessa Direzione la gestione diretta dei Grandi Lavori, con tutti gli impianti di betonaggio dedicati (l'Alta velocità Bologna-Firenze, Torino-Milano, Milano-Bologna, la Variante di Valico, i nuovi trafori, ecc...), ampliando il servizio di appoggio alle Aree regionali, quando detti lavori richiedono il sostegno anche degli impianti di Area. Le imprese maggiori hanno necessità di un interlocutore unico, a prescindere dalla localizzazione geografica in cui si svolge il cantiere, e con l'organizzazione per Divisioni territoriali non era facilmente attuabile.

Alla Direzione Produzione e Sviluppo Applicazioni faranno capo tutte le attività, svolte centralmente o in Area, che riguardino

i mezzi per fabbricare e applicare i nostri prodotti e con particolare attenzione alla crescita dei prodotti speciali, vero tratto distintivo e autentica sfida per il futuro. All'interno di essa si possono individuare quattro principali settori di attività: Impianti ed organizzazione di produzione, Gestione degli investimenti produttivi, Acquisti, Sviluppo applicazioni. Per adattarsi alle diverse esigenze e realtà produttive - e poter ampliare la gamma di calcestruzzi realizzabili - è necessario l'aggiornamento e la sperimentazione di nuove attrezzature e la verifica dei relativi costi. La scelta di eventuali modifiche ai mezzi di produzione e trasporto coinvolge anche il Servizio Tecnologico per la definizione delle caratteristiche dei calcestruzzi nonché la Direzione Qualità per le procedure operative. Si relazioneranno con la Direzione Produzione e Sviluppo Applicazioni tutte le attività che coinvolgono problematiche ambientali e di sicurezza, sia per le nuove realizzazioni che per l'ordinaria gestione degli impianti esistenti.

La Direzione opera, inoltre, partendo dall'analisi economica di redditività degli investimenti proposti dalle Aree, attraverso la redazione del progetto e della previsione di spesa, delle specifiche per l'acquisto dei materiali, la scelta delle imprese esecutrici, fino alla realizzazione completa delle opere e la consegna alle Aree. La rispondenza dei costi e dei risultati alle previsioni viene

eseguita in fase di avviamento degli impianti. In questo contesto assume particolare rilevanza la Funzione Acquisti: la prima area di azione è legata agli Investimenti, con le trattative e la formalizzazione dei relativi contratti, compresa la verifica della corretta esecuzione degli stessi.

La seconda area di azione riguarda la definizione delle Convenzioni, su richiesta delle Aree, per i fornitori di materie prime e materiali di consumo.

La terza area riguarda i Contratti di Appalto di Trasporto e Pompaggio, inclusi gli accordi stipulati da Unical a favore dei trasportatori terzi (leasing, assicurazioni, ecc...).

La promozione e lo Sviluppo delle Applicazioni si esercita anche attraverso un maggior collegamento con Buzzi Unicem (soprattutto per quanto riguarda i cementi speciali), con i fornitori di additivi e gli altri attori del mondo delle opere in calcestruzzo (fornitori di casseri, pavimentisti, ecc...). Ovviamente tutto ciò richiede una grande opera di formazione interna e di promozione esterna, in associazione con la Direzione Qualità, e, per lo studio dei prodotti, uno stretto collegamento con il Servizio Tecnologico.

Le Aree saranno il canale attraverso il quale si evidenzieranno le opportunità e si diffonderanno le nostre proposte, in particolare attraverso l'opera dei capimpianto venditori e di tutti coloro che si occuperanno di promozione del prodotto.



La Direzione Tecnologie e Ricerca opera invece su due piani. Da una parte, lo sviluppo delle ricette e l'assistenza alle Aree in materia di definizione e controllo del prodotto, dall'altra la ricerca applicata ai prodotti, da portare avanti in collaborazione con la Direzione Produzione e Sviluppo Applicazioni. Punto fondamentale, comunque, è lo stretto collegamento con Buzzi Unicem, onde confrontare i dati, conoscere al meglio la nostra principale materia prima e le sue potenzialità, definire gli standard di utilizzo e scambiare esperienze con i produttori di additivi. Per meglio svolgere il suo ruolo, il Tecnologico ha messo in cantiere la creazione di un nuovo laboratorio di ricerca presso lo stabilimento di Settimello (Firenze) che, collegato ai laboratori già esistenti di Guidonia (Roma) e Trino (Vercelli), permetterà di sviluppare al meglio le potenzialità di ricerca e del nostro settore.

Una rinnovata voglia di 'provare' e 'mettersi alla prova' guida tutti coloro che sono coinvolti in questa nuova organizzazione: il tempo e i risultati diranno se riusciremo ad ottenere i miglioramenti auspicati. La sfida è aperta... a noi 'mettere' le competenze e la volontà per vincerla!

**F**ounded in 1998 at the time of the merger with 'Calcestruzzi Torino S.r.l.' and the acquisition of part of 'Calcestruzzi S.p.A.', Unical was previously organized into two territorial Divisions in order to absorb the personnel that came from the various entities. At the beginning of 1998, 'Unicalcestruzzi S.p.A.' was in fact composed of people, plants and management systems that came from Buzzi, 'Unicalcestruzzi', 'Calcestruzzi S.p.A.', 'Cemencal', 'Betonval' plus a few small local organizations. We now think of the first few months of 1998 as "past history", when our organizational efforts were more directed toward being able to ship, document and invoice customers within the deadlines required by law, rather than meet our customer requirements.

Within a single month, the Administrative and Information Systems Departments had to make sure that all the different organizations worked together, including systems with PCs, software and... human resources, all of whom had different habits. After seven years of collaboration and technical and technological progress, the

*cultural conditions and logistical systems were finally in place to allow the entire concrete sector to assume a single identity. During one of the periodic reviews required by the corporate Quality System, it was pointed out and the opinion shared that the Quality function could serve as a unifying force if it were used as the main operational tool for improving management activities. Following this line of thinking, it was agreed to take this opportunity to transform the Quality Department not as another thing to do or as a system for creating new positions or functions (or for managing a company parallel to the existing one but with different standards and structures), but rather in the way in which the company works and the means by which it manages requirements and schedules the necessary corrective actions.*

*The Quality Department, therefore, was to serve as a tool to standardize behaviors and provide the Operations Department with a global view of the actions performed by the Divisions. Another basic opportunity presented itself when Unical made an important and innovative decision to be profitable not only by managing standard production as efficiently as possible but also by developing new products and applications, all of which is strictly tied to the ability to understand the needs of customers and offer new solutions, the most striking example of which is SCC Unical.*

*Another cornerstone where we have focused our energies is the Large Projects area, which has played a much bigger role over the years*

*and is growing as a parallel market with different standards than the regular market. The infrastructure market is a business sector that will provide significant opportunities for the use of concrete, and requires daily promotional and development efforts right from the competitive bidding phase and the need to establish loyal relationships with the major companies. Price is one of the determining factors in winning bids, but personal relationships, being present during the bidding process, and providing assistance to write the specifications and manage credit, for example, also come into play. This is why we decided to work by Process and identified the following three major processes: Quality and Large Projects, Production and Application Development, Technology and Research. The Divisions will report directly to the Operations Department, which will ensure consistency in the marketplace in issues that involve credit, human resources and development. The Operations Department will be supported by the Finance and Administration Department for matters that involve Budgeting, Reporting, Credit Management and Legal Affairs.*

### **The Guiding Principles of the New Departments**

The spirit with which the new Quality Department came into being is simple but the challenge it set forth is as daunting as it is important: the desire for improvement is an opportunity to work better, with more enthusiasm and involvement, and with better methods and means. Equally





important is the decision to place all the direct management activities of Large Projects within the same Department, which includes all the dedicated concrete systems (the high-speed Bologna-Florence, Turin-Milan, Milan-Bologna lines, the Valico alternative route, the new tunnels, etc.), and extend the support services to the regional Divisions when these projects also require support from the Divisional plants. Major companies need a single contact regardless of the geographic location of the worksite and this was not always easy to achieve when the company was structured into regional Divisions.

The Production and Application Development Department is responsible for all the activities performed either at the corporate or divisional level that involve the production and application means of our products, and in particular the growth of special products, a distinctive feature of ours and one that poses real challenges for the future. There are four main areas of activity: Production Systems and Organization, Production Investment Management, Purchasing, Application Development.

To adapt to the different production requirements and contexts - and also to expand our range of concrete - we need to update and test new equipment and verify the associated costs. The decision to modify the means of production and transport also involves the Technology Department to define the properties of the concretes as well as the Quality Department for the operating procedures.

Activities that involve environmental and safety issues are worked in conjunction with the Production and Application Development Department, both for new projects as well as the regular management of existing systems. The tasks of the Department start with a financial analysis of the profitability of the investments proposed by the Divisions and include drafting the project and projecting the expenses, writing the specifications for purchasing the materials, selecting the contractors, completing the work and delivering it to the Divisions. Ensuring that the costs and results meet the projections is performed during start up of the systems. The Purchasing Department plays an important role within this context. The first action area involves Investments, with the negotiation and formalization of the contracts and verifying that they have been correctly executed.

The second action area involves defining the Agreements requested by the Divisions for the suppliers of raw materials and goods. The third action area involves the Transport and Pumping Subcontracts, including third party agreements drawn up by Unical (leasing, insurance, etc.).

Marketing and Applications Development activities are performed by collaborating with Buzzi Unicem (especially for special cements), additive suppliers and all the other players involved in the concrete sector (suppliers of forms, floor layers, etc.). Obviously, all this

requires a large amount of training effort within the company and marketing effort outside it, in conjunction with the Quality Department and in tight collaboration with the Technology Department for product research activities.

The Divisions will serve as the channel through which we will seek our opportunities and issue our offerings, particularly through the efforts of the plant managers, sales representatives and anyone else involved in promoting the products. The Technology and Research Department works on two different levels by not only developing recipes and providing assistance to other areas to define and control the product, but also researching the products for additional development in conjunction with the Production and Applications Development Department. A very important aspect is the tight collaboration with Buzzi Unicem so that we can compare data, be as familiar as possible with our main raw material and its potential, define application standards and exchange information with the manufacturers of additives.

The Technology Department has built a new research laboratory at the Settimello (Florence) plant which, connected to the existing laboratories of Guidonia (Rome) and Trino (Vercelli), will allow us to optimize our research possibilities and knowledge of the concrete sector. A renewed desire to "try" and "test" drives everyone involved in this new organization: time and results will tell whether we will succeed in obtaining the anticipated improvements.

The challenge has been set... it is now up to us to apply the skills and the desire to win!



## Germania Germany

Dopo una stagnazione di tre anni, nel 2004 il prodotto interno lordo è aumentato dell'1,6%; si è trattato tuttavia di una ripresa debole, sostenuta esclusivamente dalle esportazioni, non sufficiente a riportare entro i limiti di Maastricht il rapporto deficit/Pil. È perdurata la crisi dei consumi, con le vendite al dettaglio al minimo degli ultimi 10 anni; gli sforzi per ridurre il peso del *welfare state* ed introdurre maggiore flessibilità non si sono ancora tradotti in benefici concreti per l'occupazione, nuovamente in calo.

Pur restando la Germania il paese dell'Europa occidentale con i più elevati investimenti in costruzioni in valori assoluti (circa 200 miliardi di euro), il trend permane negativo: nel 2004, essi sono diminuiti infatti del 2,5%. Tutti i comparti hanno subito una contrazione, particolarmente marcata per le costruzioni pubbliche e quelle commerciali/industriali.

A parità di perimetro di consolidamento, le vendite Dyckerhoff sono diminuite del 4,8%; ciononostante, grazie al recupero dei prezzi medi di vendita dai minimi del 2003, il fatturato, sempre a perimetro costante, è aumentato del 7,0% a 501,9 milioni di euro rispetto al corrispondente valore del precedente esercizio (469,1 milioni). Il miglioramento dei prezzi e l'entrata a regime del piano di ristrutturazione "Dyckerhoff 21" si sono tradotti in un aumento di 47,9 milioni del margine operativo lordo a perimetro omogeneo, da 5,5 a 53,4 milioni; l'incidenza sul fatturato è aumentata al 10,6%.

*After a stagnant three years, GDP increased by 1.6% in 2004. However, recovery has been weak, fueled exclusively by exports and it is was not enough to bring the deficit/GDP ratio within Maastricht limits.*

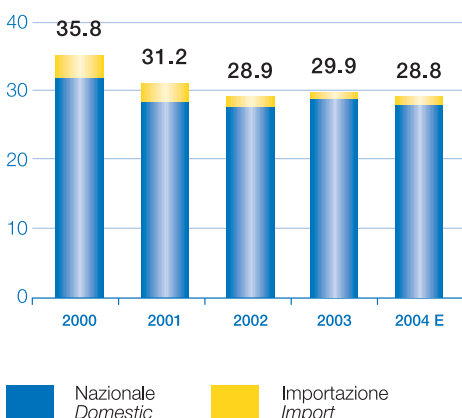
*The crisis in consumer spending has continued, with retail sales at a 10-year low; efforts to reduce the burden of the welfare state and introduce greater flexibility have not yet translated into jobs, with employment down once again.*

*Although Germany continues to have the highest level of construction investments in Western Europe in absolute terms (approximately 200 billion), the trend remains negative. In 2004, investments actually decreased by 2.5%. All sectors felt the effects, but particularly the public, commercial and industrial construction.*

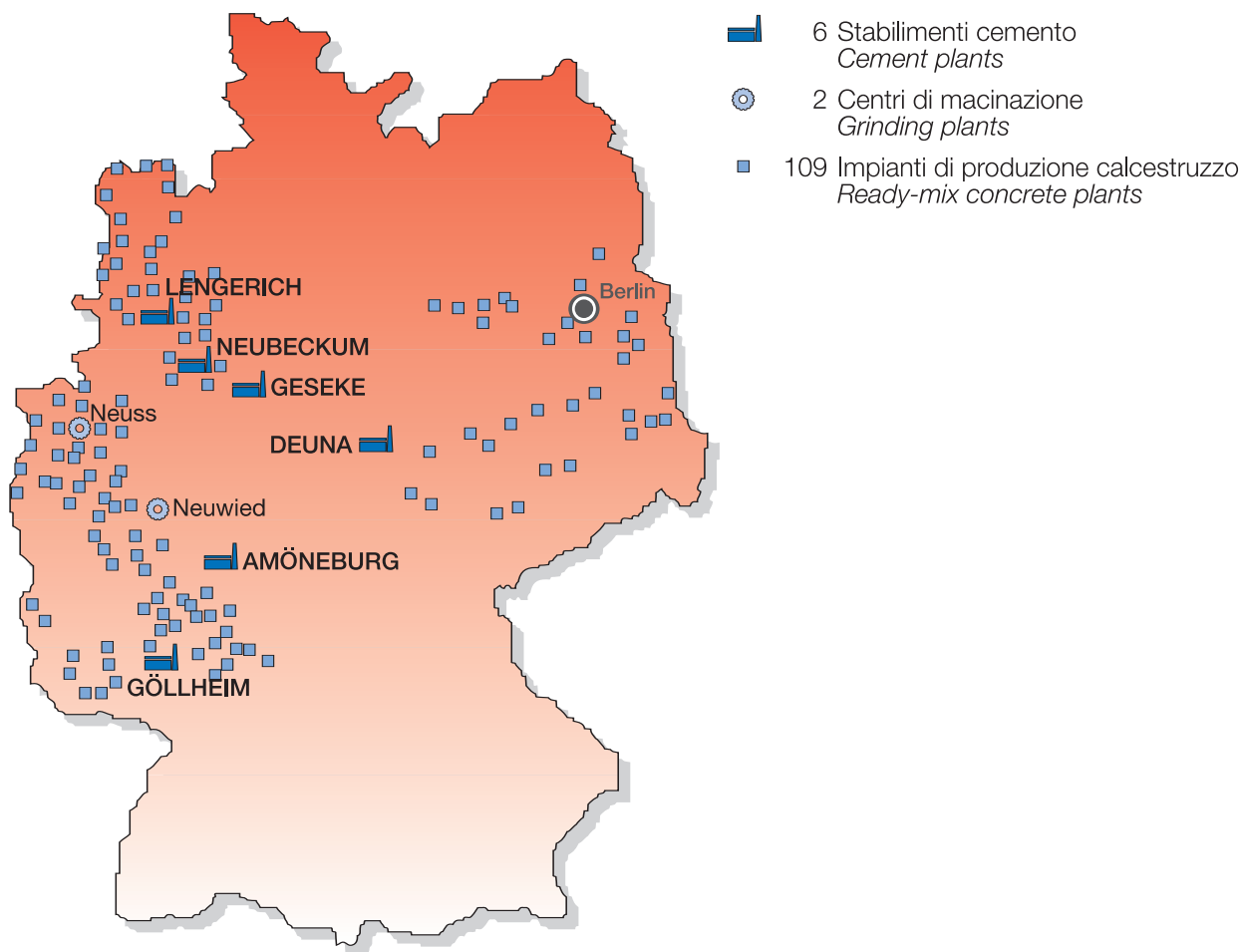
*With the same scope of consolidation, Dyckerhoff sales volume fell by 4.8%. However, thanks to the recovery of average sale prices from the 2003 minimums, sales revenue, again at the same scope of consolidation, increased by 7.0% to 501.9 million compared to the corresponding value for the previous year (469.1 million). The improvement in prices and the fact that the "Dyckerhoff 21" restructuring plan became fully operational resulted in an increase in Ebitda of 47.9 million at same scope of consolidation, up from 5.5 to 53.4 million; the Ebitda to sales ratio increased to 10.6%.*

### Consumo di cemento in Germania Cement Consumption in Germany

(milioni di ton / million tons)



Attività in Germania  
*Operations in Germany*



Tra gli investimenti realizzati in Germania, si segnalano il bypass del forno ad Amöneburg (Assia), ancora in corso di ultimazione, e la predisposizione delle strutture tecniche necessarie per aumentare ulteriormente l'utilizzo di combustibili alternativi nella cementeria di Deuna (Turingia).

*Significant capital expenditure made in Germany include the kiln bypass at Amöneburg (Hessen), still being completed, and preparation of the facilities necessary to further expand the use of alternative fuels at the Duena cement plant (Thüringen).*

Si riporta qui di seguito il contributo della Germania alle attività del gruppo; per omogeneità di confronto, i dati relativi al 2003 sono rettificati per tener conto della cessione del 50% di Anneliese Zement e del deconsolidamento di alcune attività non strategiche, che hanno determinato una riduzione del fatturato di 66,8 milioni e del margine operativo lordo di 12,4 milioni.

*The following shows Germany's contribution to group operations. To make a consistent comparison, the 2003 figures have been adjusted to take into account the sale of 50% of Anneliese Zement and the deconsolidation of certain non-strategic assets, which have led to a reduction in sales of 66.8 million and in Ebitda of 12.4 million.*

		(milioni di euro / millions of euro)	
		2004	2003 <i>pro forma</i>
Ricavi netti <i>Net sales</i>		501,9	469,1
Margine operativo lordo <i>EBITDA</i>		53,4	5,5
% sui ricavi netti <i>% of sales</i>		10,6	1,2
Investimenti industriali <i>Capital expenditures</i>		28,0	57,1
Addetti a fine esercizio <i>Headcount at year end*</i>	(numero/number)	2.016	2.406

\* inclusi i servizi centrali / *including central services*

Geseke, Germania: la cementeria e la cava  
*Geseke, Germany: cement plant and quarry*





# I.T.G. un anno dopo

## *I.T.G. one year later*

I.T.G., International Technical Group, ha da poco compiuto un anno. Il gruppo è nato alla fine del 2002, nell'ambito del processo di sviluppo di Buzzi Unicem a seguito dell'acquisizione della società Dyckerhoff. È costituito, in rappresentanza delle due società, da quattro persone che, attualmente, oltre allo scrivente (Paolo Bianchi), sono Herbert Reckziegel (Direttore Servizio Tecnico Centrale), Volker Sonnabend (Coordinamento Tecnico - Stati Uniti d'America e Europa dell'Est) e Luigi Buzzi (Tecnologie di Processo e Coordinamento R&D) e ha come obiettivo principale quello di favorire la diffusione di esperienze e soluzioni innovative in tutto il Gruppo. La realtà è che Buzzi Unicem, oggi, è un gruppo industriale internazionale che opera nel settore della produzione del cemento ed è presente in svariate aree del mondo, caratterizzate da tecnologie, mercati e culture diverse.

In questo scenario, l'I.T.G. vuole essere un riferimento, un punto d'incontro di istanze e problemi provenienti da oltre 40 cementerie, distribuite in tre continenti e con una capacità produttiva complessiva di circa 40 milioni di tonnellate/anno di cemento.

I.T.G. non gestisce alcuna struttura: i suoi

punti di forza sono la capacità, la professionalità e l'impegno di tutto il personale che opera negli stabilimenti, l'esperienza tecnologica degli Uffici Tecnici delle sedi di Casale Monferrato (AI) e Wiesbaden, oltre ai due Centri di Ricerca e Sviluppo di Guidonia (Roma) e Wiesbaden stessa.

Il gruppo I.T.G. si riunisce, presso sedi che cambiano di volta in volta tra i vari stabilimenti del Gruppo, 3-4 volte l'anno, allo scopo di discutere un'agenda di temi che vengono portati all'attenzione ad ogni incontro, e mantiene un contatto continuo con i responsabili tecnici delle due società onde assicurare una disponibilità immediata e condivisa delle informazioni.

In questo primo anno, si è iniziato a rivolgere l'attenzione a temi che oggi rappresentano maggiormente una sfida per il settore cemento e ai quali, in futuro, dovrà essere dedicato maggiore impegno, quali:

- la competitività, attraverso il contenimento dei costi di produzione ed il confronto di indicatori di produttività (vedasi l'impiego del personale, i consumi energetici, l'affidabilità e la manutenzione delle macchine);
- l'uso di risorse alternative, che presenta sia un risvolto economico che ambientale, individuando soluzioni impiantistiche che



consentono la valorizzazione di waste secondo le migliori tecnologie disponibili;

- la salvaguardia dell'ambiente, che riduce l'impatto dell'attività produttiva attraverso l'installazione di presidi più efficienti e di tecnologie più avanzate di contenimento dei potenziali inquinanti.

- la modernizzazione degli impianti, attraverso la selezione delle proposte secondo priorità ed in accordo alle linee guida dei piani di investimento.

Un primo risultato di questo modo di lavorare insieme e di voler essere "un'unica squadra", è stata la pubblicazione a febbraio 2004 di un "documento interno" - forse troppo ambiziosamente chiamato "Technews" - nel quale sono state raccolte le esperienze e le soluzioni adottate in diverse unità produttive per risolvere i problemi, migliorare le prestazioni e assicurare maggiore affidabilità agli impianti. L'obiettivo di questo organo di informazione "fra tecnici" è condividere velocemente esperienze realizzate in aree anche lontane, coinvolgendo più persone e rendendo visibile la competenza ed il know-how del personale del gruppo. Si vorrebbero descrivere interventi anche semplici che, però, hanno risolto situazioni di difficoltà operativa.

In futuro si cercherà di incoraggiare una maggiore partecipazione per contribuire alla redazione del documento con frequenza semestrale, onde agevolare il trasferimento di conoscenze tecnologiche e contribuire alla formazione di un patrimonio di know-how e all'impiego delle best practices, che avranno un ruolo chiave nello sviluppo del Gruppo.

*industrial group that operates in the cement production sector and is present in various areas of the world, characterized by different technologies, markets and cultures. In this scenario, the I.T.G. strives to be a reference, a common ground of needs and problems coming from more than 40 cement plants, distributed over three continents and with a total cement production capacity of approximately 40 million tons/year.*

*The I.T.G. does not run any facility: its strong points are the ability, professionalism and commitment of all the personnel that operate in the plants, the technological experience of the Engineering Departments of the Casale Monferrato (AI) and Wiesbaden offices, in addition to the two Research and Development Centers in Guidonia (Rome) and Wiesbaden.*

*The I.T.G. group meets 3-4 times a year, at venues that change each time among the various plants of the Group, for the purpose of discussing an agenda of themes that are highlighted at each meeting, and it maintains continuous contact with the technology managers of the two companies so as to ensure an immediate availability and sharing of the information. During this first year the Group began to turn its attention to themes that today best represent a challenge for the cement sector and to which, in the future, a greater commitment should be dedicated, such as:*

- the competitiveness, through the containment of production costs and the comparison of productive indicators (use of personnel, power consumption, reliability and maintenance of the machines);
- the use of alternative resources, which

*presents both economic as well as environmental implications, identifying plant-engineering solutions that enable the valorization of waste with the best technologies available;*

- the protection of the environment, which reduces the impact of the productive activity by means of the installation of more effective defenses and more advanced technologies for the containment of potential pollutants;

- the modernization of the plants, through the selection of the proposals according to priority and in concordance with the guidelines of the investment plans.

*A first result of this method of working together and striving to be "a single team" was the publication in February 2004 of an "internal document" - perhaps over-ambitiously called "Technews" - consisting in a collection of the experiences and solutions adopted in different production units to solve problems, improve performances and ensure greater reliability of the plants. The objective of this body of information "between engineers" is to quickly share the experiences realized even in distant areas, involving more people and making visible the ability and know-how of the personnel of the group. Even simple projects could be described that, however, resolved situations of operational difficulty.*

*In the future a greater participation will be encouraged in contributing to the compilation of this semi-annual document, so as to facilitate the transfer of technological knowledge and contribute to the formation of a wealth of know-how and the use of the best practices that will have a key role in the development of the Group.*

**T**he I.T.G., International Technical Group, has recently celebrated its first anniversary. The group emerged at the end of 2002, in the ambit of the expansion process of Buzzi Unicem following the acquisition of the Dyckerhoff Company. It is composed, on behalf of the two companies, of four persons that are currently, in addition to the author (Paolo Bianchi), Herbert Reckziegel (Technical Central Department Manager), Volker Sonnabend (Technical Coordination - USA and Eastern Europe) and Luigi Buzzi (Process Technology and R&D Coordination), and it has as its principal objective that of aiding the diffusion of experiences and innovative solutions throughout the Group. The reality is that Buzzi Unicem, today, is an international



## Lussemburgo Luxembourg

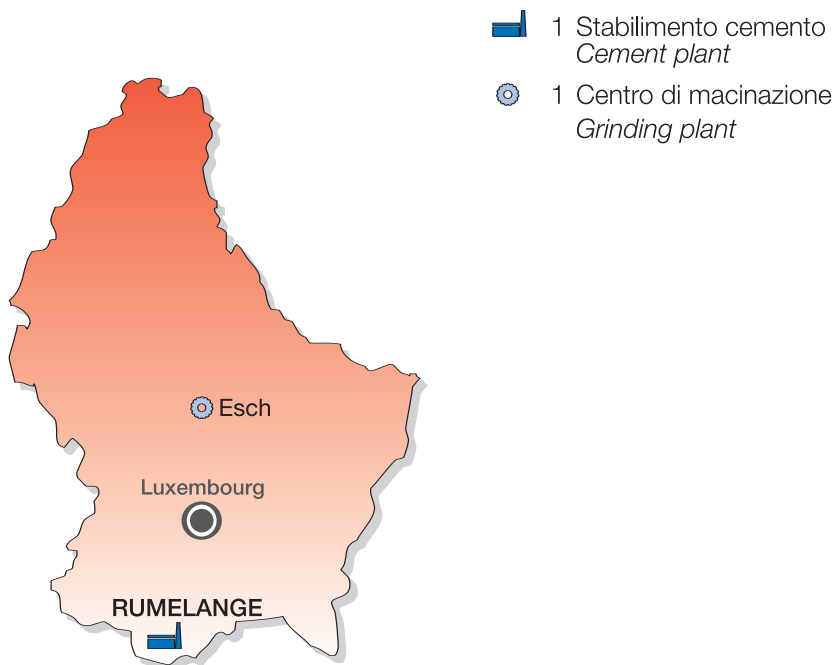
L'economia del Lussemburgo ha confermato nel 2004 il proprio momento positivo, con un aumento del prodotto interno lordo del 4,2%; il settore delle costruzioni si è mantenuto su livelli analoghi allo scorso anno.

Le vendite di cemento in uscita dal paese sono aumentate del 3,5%, con un rallentamento nel quarto trimestre per rinvio di importanti progetti di costruzione. La stabilità dei prezzi ed il positivo sviluppo nella vendita di prodotti in calcestruzzo hanno permesso di conseguire un aumento del fatturato da 123,6 a 135,7 milioni di euro (+9,8%) e del margine operativo lordo da 8,8 milioni a 26,3 milioni; quest'ultimo include tuttavia componenti non ricorrenti per 5,3 milioni. È significativamente migliorata la redditività, con il rapporto margine operativo lordo/fatturato salito al 19,4%, ovvero 15,4% senza includere le componenti straordinarie (7,1% nel 2003).

*In 2004, Luxembourg's economy confirmed its positive momentum, with an increase in GDP of 4.2%. The building sector maintained last year's levels.*

*Cement sales leaving the country increased by 3.5%, slowing down in the fourth quarter due to the delay of large construction projects. Price stability and the positive trend in sales of concrete products meant that sales revenue increased from 123.6 to 135.7 million (up by 9.8%), and Ebitda increased by 8.8 million to 26.3 million. This last figure, however, includes one-off elements of 5.3 million. Profitability improved considerably, with the Ebitda/sales ratio up to 19.4%, which would be 15.4% if extraordinary items were not included (7.1% in 2003).*

### Attività in Lussemburgo Operations in Luxembourg





Si riportano di seguito i dati di sintesi delle società operanti in Lussemburgo:

*The following shows the key data for Luxembourg based companies:*

	(milioni di euro / millions of euro)	
	2004	2003
Ricavi netti <i>Net sales</i>	135,7	123,6
Margine operativo lordo <i>EBITDA</i>	26,3	8,8
% sui ricavi netti <i>% of sales</i>	19,4	7,1
Investimenti industriali <i>Capital expenditures</i>	7,0	6,6
Addetti a fine esercizio <i>Headcount at year end</i>	634	608

Rumelange, Lussemburgo: l'impianto di cottura visto dall'alto  
*Rumelange, Luxembourg: view from the top of the clinker plant*



## Polonia Poland

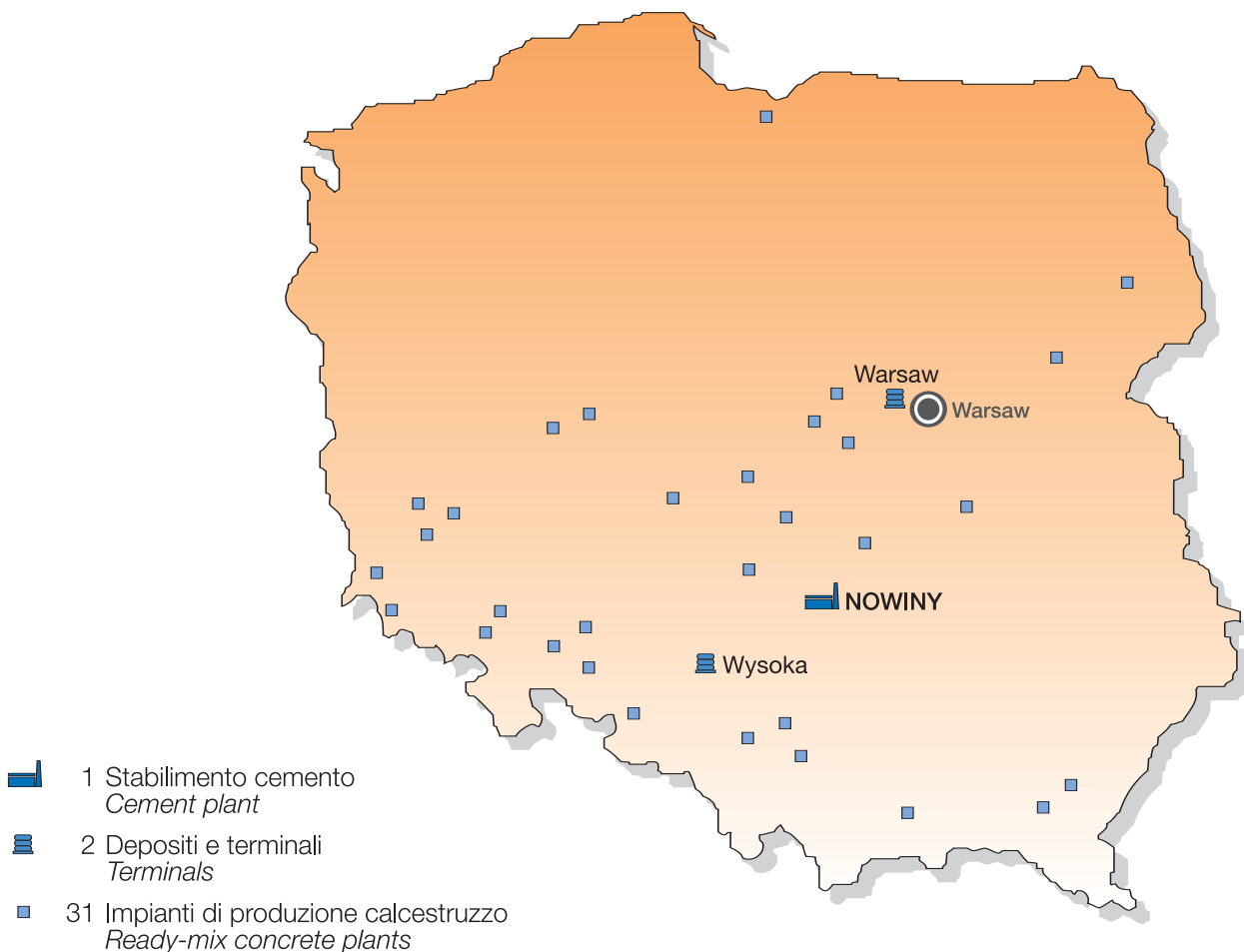
Nel 2004 la Polonia è entrata a far parte dell'Unione Europea, viatico per l'ingresso nella moneta unica; alla crescita economica (il prodotto interno lordo è aumentato del 5,7%) si è abbinata una diminuzione delle pressioni inflazionistiche ed un sensibile apprezzamento dello zloty, che rimane comunque al di sotto dei valori di due anni or sono.

Nel corso dell'anno, la domanda di cemento è stata influenzata dall'aumento al 22% dell'IVA sui materiali da costruzione, con decorrenza 1 maggio; al boom nei primi quattro mesi è seguita una prevedibile contrazione del consumo in quelli successivi, pur restando il saldo netto positivo.

*In 2004, Poland entered the European Union, a passport for access to the single currency. Economic growth (GDP increased by 5.7%) went hand in hand with a reduction in inflationary pressures and a significant appreciation of the zloty, which remains nevertheless below the values of two years ago.*

*During the year, the demand for cement was influenced by the increase of VAT on building materials to 22%, with effect from May 1. The boom of the first four months was followed by a predictable reduction in consumption in the months that followed, although the net balance remained positive.*

### Attività in Polonia Operations in Poland



Le vendite di cemento sono diminuite del 4,2%, con prezzi in lieve diminuzione; la contrazione delle quantità vendute, in controtendenza rispetto all'andamento complessivo del mercato, consegue grazie all'adozione di una politica commerciale più orientata al mantenimento di ricavi unitari soddisfacenti piuttosto che alla crescita dei volumi. Anche grazie all'incremento delle vendite di calcestruzzo preconfezionato, dell'ordine del 20%, il fatturato in valuta locale è aumentato dell'1,3%; in euro, il fatturato è invece diminuito dell'1,5% a 70,9 milioni (72,0 nel 2003). Il margine operativo lordo è aumentato da 17,0 milioni a 18,9 milioni di euro, +11,3%, raggiungendo un'incidenza sul fatturato del 26,6% (23,6% nel 2003).

La cementeria polacca di Nowiny è stata oggetto nel recente passato di un completo rinnovamento e non necessita di particolari investimenti se non l'ordinaria manutenzione; per ridurre ulteriormente il già basso impatto ambientale, è stato installato un nuovo impianto di trattamento dei gas da combustione.

*Cement sales fell by 4.2%, with slightly lower prices; the reduction in the quantities sold, against the trend of the overall market picture, was a result of the adoption of a sales policy which is oriented towards maintaining more satisfactory unit revenues, rather than volume growth. Due partly to the increase in sales of ready-mix concrete, about +20%, sales revenue in local currency increased by 1.3%. However, in euro, sales fell by 1.5% to 70.9 million (72.0 in 2003). Ebitda increased from 17.0 million to 18.9 million, up by 11.3%, registering a margin on sales of 26.6% (23.6% in 2003).*

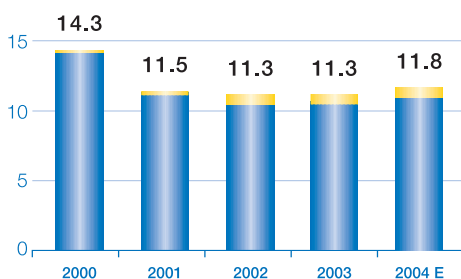
*The Polish cement plant at Nowiny has undergone complete renovation works in the recent past and only requires maintenance capital expenditures. To improve its environmental performance still further, a new combustion gas treatment system was installed.*

Si riportano di seguito i dati di sintesi delle società operanti in Polonia:  
*The following shows the key data for companies based in Poland:*

	(milioni di euro / millions of euro)	
	2004	2003
Ricavi netti <i>Net sales</i>	70,9	72,0
Margine operativo lordo <i>EBITDA</i>	18,9	17,0
% sui ricavi netti <i>% of sales</i>	26,6	23,6
Investimenti industriali <i>Capital expenditures</i>	6,6	4,3
Addetti a fine esercizio <i>Headcount at year end</i>	(numero/number) 409	420

### Consumo di cemento in Polonia **Cement Consumption in Poland**

(milioni di ton / million tons)



## Repubblica Ceca Czech Republic

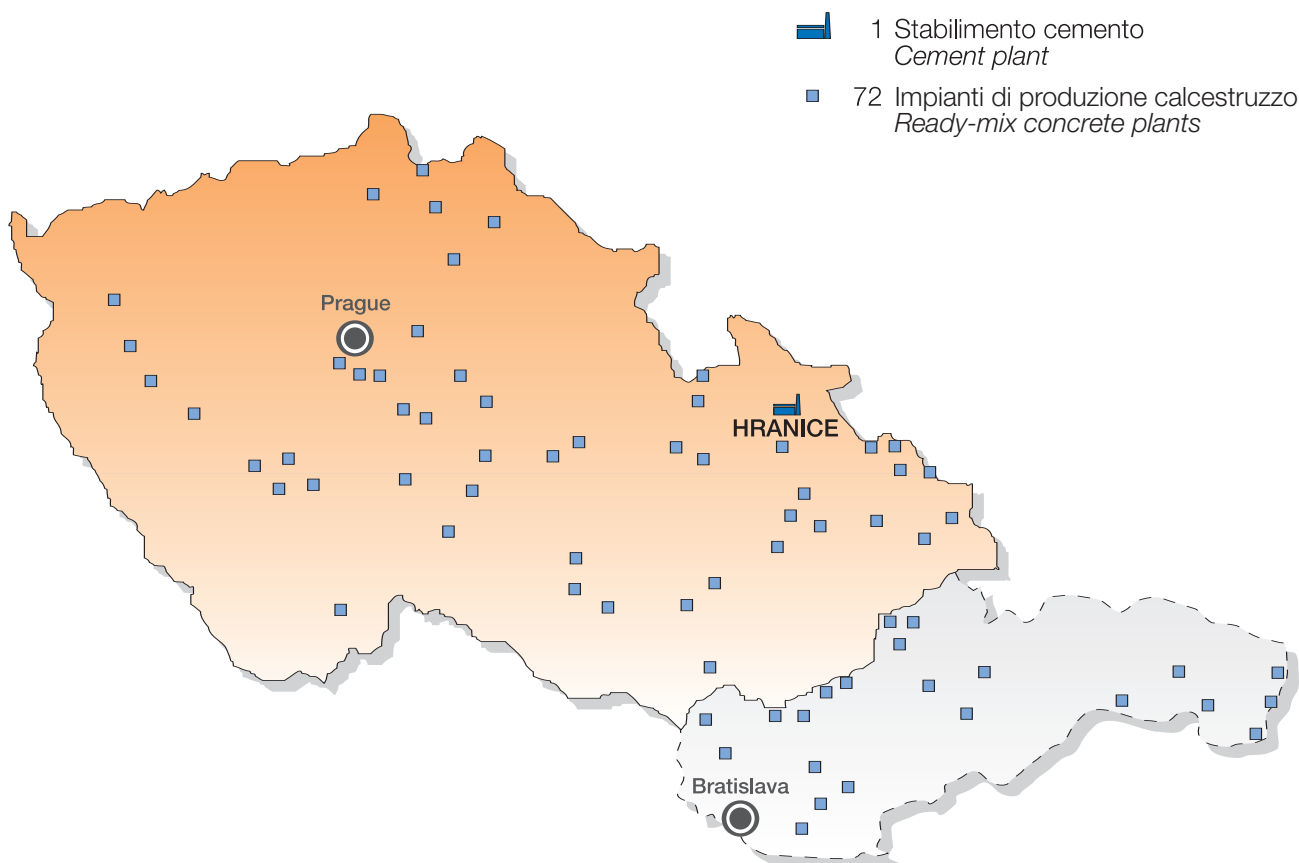
Anche la Repubblica Ceca è tra i paesi che nel 2004 sono entrati nell'Unione Europea; come per la Polonia, le già favorevoli prospettive di crescita e stabilizzazione del paese ne risultano rafforzate. Nell'anno appena concluso, alla crescita del prodotto interno lordo, dell'ordine del 3,5%, si è abbinata una rimarchevole stabilità della corona ceca nei confronti dell'euro; nonostante il buon contesto macroeconomico, le attese riforme del sistema pensionistico e sanitario non si sono ancora concretizzate.

Gli investimenti in costruzioni sono aumentati dell'8,5%, spingendo il consumo di cemento a 4,3 milioni di tonnellate e quello di calcestruzzo preconfezionato a 6,5 milioni di metri cubi.

*The Czech Republic was also one of the new members that joined the European Union in 2004; as with Poland, its prospects for growth and stabilization, already favorable, were reinforced as a result. In the year just ended, the growth in GDP of around 3.5% was combined with a remarkable stability of the Czech koruna against the euro. Despite the positive macroeconomic situation, the expected reforms in the pension and healthcare system have not yet materialized.*

*Investments in construction increased by 8.5%, pushing up cement consumption to 4.3 million tons and consumption of ready-mix concrete to 6.5 million cubic meters.*

### Attività in Repubblica Ceca Operations in Czech Republic



Le vendite di cemento del gruppo sono in progresso del 2,2%, mentre i prezzi sono diminuiti di qualche punto percentuale, a causa dell'alto livello di concorrenza tra gli operatori. Si è confermata la fase di accentuata crescita nel settore del calcestruzzo preconfezionato, le cui vendite sono aumentate del 19,3%, con prezzi stabili. Il fatturato realizzato nel paese si è pertanto attestato a 117,1 milioni di euro, +11,0% rispetto ai 105,5 milioni del 2003, mentre il margine operativo lordo è aumentato a 37,0 milioni, con un progresso del 33,5% dai 27,7 milioni dello scorso esercizio. E' apprezzabile il miglioramento della redditività caratteristica, con il rapporto margine operativo lordo/fatturato in ascesa dal 26,3% al 31,6%.

Nella cementeria di Hranice, situata nella parte orientale del Paese nei pressi del confine slovacco, già molto competitiva nei costi di produzione, è stato installato un impianto di abbattimento delle polveri di raffreddamento del clinker.

*Our cement sales were up by 2.2%, while prices decreased by a few percentage points due to the high level of competition between players. The period of marked growth in the ready-mix concrete industry was confirmed and volume increased by 19.3% with prices remaining stable.*

*Domestic sales thus registered at 117.1 million, up by 11.0% compared to 105.5 million in 2003, while Ebitda increased to 37.0 million, advancing by 33.5% from the 27.7 million of last year. There was an appreciable improvement in operating profitability, with the Ebitda/sales ratio rising from 26.3% to 31.6%.*

*At the Hranice plant, in the East of the country near the border with Slovakia, already very competitive in terms of production costs, a system to reduce dust from clinker cooling was installed.*

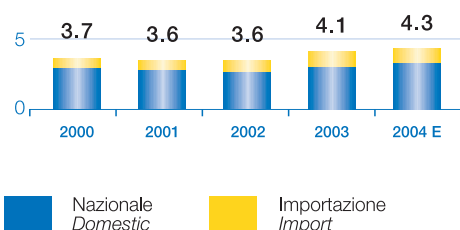
Si riporta di seguito il contributo della Repubblica Ceca alle attività del gruppo:

*The following shows the contribution of the Czech Republic to the group's operations:*

	(milioni di euro / millions of euro)	
	2004	2003
Ricavi netti <i>Net sales</i>	117,1	105,5
Margine operativo lordo <i>EBITDA</i>	37,0	27,7
% sui ricavi netti <i>% of sales</i>	31,6	26,3
Investimenti industriali <i>Capital expenditures</i>	7,7	10,1
Addetti a fine esercizio <i>Headcount at year end</i>	758	678

### Consumo di cemento in Repubblica Ceca *Cement Consumption in Czech Republic*

(milioni di ton / million tons)



## Ucraina Ukraine

Le note vicende elettorali del paese non hanno interferito con lo sviluppo economico, che con un aumento del prodotto interno lordo del 12%, è stato il più significativo d'Europa. La dinamica degli investimenti nel settore delle costruzioni si è confermata molto favorevole (+17%), determinando un aumento del consumo di cemento a 9,2 milioni di tonnellate; altrettanto significativo è stato il miglioramento dei prezzi in valuta locale. Le vendite di cemento sono aumentate del 13,5%, mentre l'andamento dei volumi di calcestruzzo preconfezionato, settore ancora in fase embrionale, è stato incoraggiante.

L'andamento prezzi/volumi ha determinato un sensibile incremento del fatturato, da 33,5 a 46,4 milioni di euro (+38,6%), e soprattutto il raggiungimento di un margine operativo lordo ampiamente positivo (nel 2003 il margine operativo era nullo).

*The well-known election events in the country did not interfere with economic growth: the actual increase in GDP of 12% was the largest in Europe. The dynamics of investments in the building industry proved to be very favorable (+17%), causing an increase in cement consumption to 9.2 million tons. Equally significant was the improvement of prices in local currency. Cement sales increased by 13.5% while the trend in production of ready-mix concrete, still in its very early stages, was encouraging.*

*The price/volume trend led to a significant increase in turnover, from 33.5 to 46.4 million (+38.6%), and especially the achievement of a clearly positive Ebitda (which was nil in 2003).*

### Attività in Ucraina Operations in Ukraine



Come annunciato, allo scopo di assecondare la rapida crescita del mercato, in Ucraina è stato avviato un progetto di modernizzazione di alcune linee di produzione; in particolare, importanti interventi sono stati realizzati sul forno 5 dell'impianto di Volyn (nei pressi di Rivne) e sul forno 2 di Yugcement (Nikolajev, nelle vicinanze del Mar Nero). Tali interventi si protrarranno anche nell'esercizio in corso.

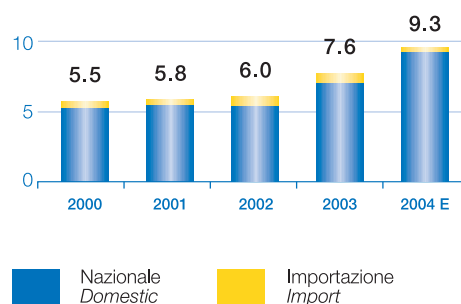
*As mentioned, in order to deal with the rapid growth in the market, plans to modernize certain production lines were implemented. In particular, significant improvements to kiln n. 5 were carried out at Volyn (near Rivne), and to kiln n. 2 at Yugcement (Nikolajev, near the Black Sea). These capital projects will also continue over the coming year.*

Si riporta di seguito il contributo dell'Ucraina alle attività del gruppo:  
*The following shows the Ukraine's contribution to group operations:*

	(milioni di euro / millions of euro)	
	2004	2003
Ricavi netti <i>Net sales</i>	46,4	33,5
Margine operativo lordo <i>EBITDA</i>	4,2	-
% sui ricavi netti <i>% of sales</i>	9,0	-
Investimenti industriali <i>Capital expenditures</i>	6,4	2,3
Addetti a fine esercizio <i>Headcount at year end</i>	1.596	1.536

### Consumo di cemento in Ucraina *Cement Consumption in Ukraine*

(milioni di ton / million tons)





# Più cemento a Volyncement

## *More cement to Volyncement*

**A**ll'epoca dell'investimento in Ucraina il consumo interno di cemento era sceso dalle circa 20 milioni di tonnellate annue dei dieci anni precedenti a 4,5 Mt. Il 95% delle vendite di cemento, però, erano in realtà baratti in cambio di combustibile, energia, trasporti e parti di ricambio. D'altra parte, gli investimenti per la manutenzione degli impianti erano pressoché nulli.

Da allora, la situazione è sensibilmente cambiata in meglio. Nel 2004 il consumo interno sarà di 9,5 Mt e Dyckerhoff venderà all'incirca 1,7 Mt di cemento.

Il baratto è stato sostituito dalle vendite in contanti, i prezzi stanno salendo e i produttori occidentali, che ne hanno riconosciuto il potenziale, hanno acquisito il

60% della capacità produttiva interna. Così, negli ultimi anni, la Dyckerhoff ha riattivato la capacità produttiva, in risposta alla richiesta di maggiori volumi di vendita, ed ora le necessarie modifiche impiantistiche sono diventate progetti su larga scala. In Ucraina la maggior parte del cemento è prodotta con forni a via umida che impiegano gas come combustibile; è in esercizio attualmente un solo forno a via secca con preriscaldatore. A Volyn sono stati installati sette forni a via umida e, dopo la ristrutturazione del forno 5, attualmente sono operativi cinque forni. Il forno 5, prima macinava senza esser stato sottoposto a nessuna vera manutenzione e, quando ha definitivamente smesso di funzionare circa 6 anni fa, due anelli e sei rulli e circa 40 metri del mantello risultavano irrimediabilmente danneggiati. Si è dovuto ricostruire il raffreddatore del clinker, è stato installato il condotto di collegamento al filtro elettrostatico del forno e anche la zona delle catene (ovvero il sistema di recupero del calore) all'ingresso del forno è stata totalmente ridisegnata e sostituita. Sono state effettuate ulteriori migliorie tecniche minori. Un particolare, che si trova spesso in Europa orientale sui forni di diametro maggiore, è costituito dagli anelli di rotolamento pieni e saldati sull'estremità più calda del forno.

Anche a Volyn i forni sono equipaggiati con questi anelli e due di essi sono stati sostituiti durante le fasi di ristrutturazione. L'illustrazione 1 mostra l'anello – ottenuto mediante fusione e lavorato in due metà – durante la fase di saldatura del mantello del forno alle mensole di appoggio dell'anello stesso.

La saldatura sul posto e il trattamento termico per eliminare le tensioni sono operazioni che devono essere eseguite con grande attenzione. Sembra proprio, però, che gli anelli – anche se può sembrar strano agli occhi di un occidentale – funzionino egregiamente.





**A**t the time of the Dyckerhoff investment, Ukraine's domestic cement consumption had fallen to about 4.5 Mtpa, from a level of about 20 Mtpa, ten years earlier. 95% of cement "sales" were carried out through barter deals for fuel, energy, transport and spare parts, and little or no money had been spent on maintaining the plants. Since that time, the situation has changed radically for the better. Domestic consumption will be about 9.5 Mtpa in 2004 and Dyckerhoff will sell over 1.7 Mtpa of cement. Barter deals were replaced by cash deals, prices are increasing and western producers, having recognized the potential, have acquired 60% of the domestic cement capacity. During the last few years, Dyckerhoff has

refurbished production capacity as needed to meet the rising sales volumes, and now these refurbishments have become large projects. In Ukraine, most cement is produced by the wet process and with gas fired kilns; there is only one preheater type dry kiln in Ukraine. In Volyn there are 7 wet process kilns installed, and after the refurbishment of No. 5 kiln, five kilns are now in operation. The kiln had been operated without any real maintenance, and when it finally ceased to operate some 6 years ago, two tyres and six rollers were damaged beyond repair, and some 40 m of kiln shell needed to be replaced. The cooler was extensively rebuilt, ductwork to connect to a kiln precipitator was installed, and the chain system (heat exchange system) at the kiln entry was totally redesi-

gned and replaced. Other "minor" technical improvements were also carried out. A feature frequently found on larger diameter kilns in Eastern Europe are solid, welded tyres at the hotter end of the kiln. The Volyn kilns have these solid welded tyres, and two were replaced as part of the refurbishment. The sketch 1 shows the tyre, which is cast and machined in two halves, with the kiln shell being welded to the "ears" of the tyre. This on-site welding and heat treatment to relieve stresses needs great care, but the tyres, although strange to western eyes, do seem to operate well.



## Russia Russia

Nel 2004 l'economia russa è cresciuta del 7,0%, trascinata dalle ottime performance del settore energetico; l'anno è stato favorevole anche per l'industria delle costruzioni e di riflesso per il consumo di cemento. Data la vastità del paese, si rilevano ampi differenziali di crescita tra le varie regioni.

Le vendite di cemento dell'unità Suchoi Log, che opera nella regione di Jekaterinburg ad est degli Urali, sono progredite del 2,9%. Grazie al buon miglioramento dei ricavi unitari, il fatturato in valuta locale è aumentato del 30,8% ed il margine operativo lordo del 28,1%. In euro, le due grandezze si sono attestate a 62,5 milioni (+27,5%) e 15,4 milioni (+24,9%) rispettivamente. Il rapporto tra margine operativo lordo e fatturato è stato pari al 24,6%, appena inferiore al 25,1% del 2003, che aveva beneficiato di alcune componenti una tantum per 2,6 milioni di euro.

*In 2004, the Russian economy grew by 7.0%, led by the excellent performance in the energy sector. It was also a good year for the construction industry, and, as a result, for cement consumption. Given the country's vast size, there are significant differences in growth between regions.*

*Sales of cement at the Suchoi Log unit, operating in the region of Yekaterinburg, east of the Urals, advanced by 2.9%. Thanks to the nice improvement in unit price, sales revenue in local currency increased by 30.8% and Ebitda by 28.1%. In euro, the two values registered at 62.5 million (+27.5%) and 15.4 million (+24.9%) respectively. The Ebitda /sales ratio amounted to 24.6%, just under the 25.1% for 2003, which had benefited from several one-off elements amounting to 2.6 million.*

### Attività in Russia Operations in Russia

 1 Stabilimento cemento  
Cement plant

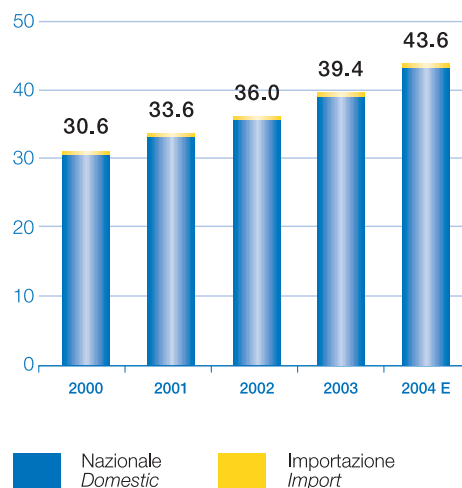


Si riportano di seguito i dati di sintesi delle società operanti in Russia:  
*The following shows the key data for the companies operating in Russia:*

		(milioni di euro / millions of euro)	
		2004	2003
Ricavi netti <i>Net sales</i>		62,5	49,1
Margine operativo lordo <i>EBITDA</i>		15,4	12,3
% sui ricavi netti <i>% of sales</i>		24,6	25,1
Investimenti industriali <i>Capital expenditures</i>		3,5	4,1
Addetti a fine esercizio <i>Headcount at year end</i>	(numero/number)	1.556	1.549

### Consumo di cemento in Russia *Cement Consumption in Russia*

(milioni di ton / million tons)



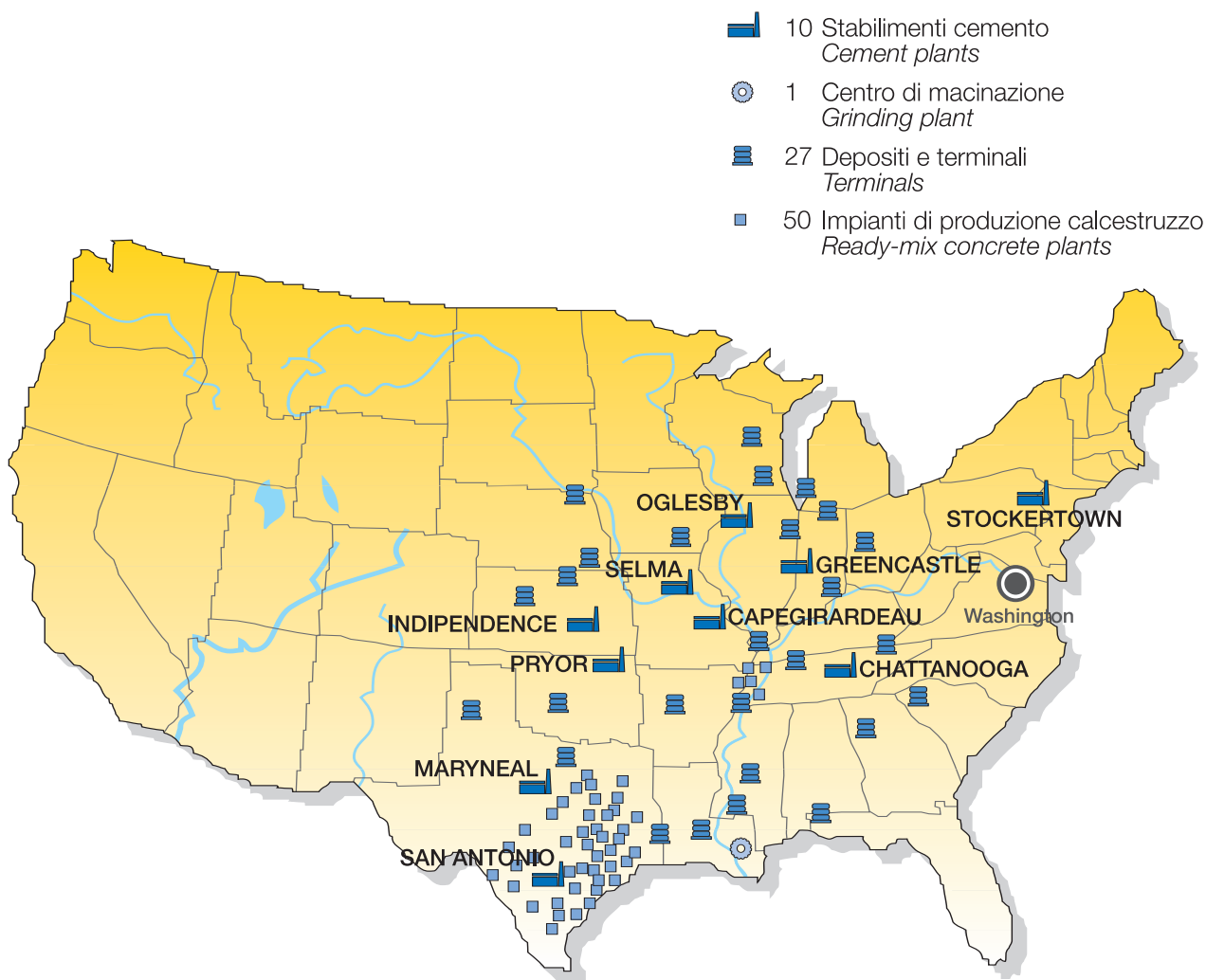
## Stati Uniti d'America United States of America

Nel 2004 l'economia americana è stata caratterizzata da una robusta ripresa, riflessa in una crescita del prodotto interno lordo del 4,4%, la più elevata dal 1999, e nella creazione di oltre 2 milioni di posti di lavoro. Nonostante il dollaro si sia ulteriormente svalutato del 10% nei confronti dell'euro, il disavanzo commerciale ha raggiunto livelli record. La forza dell'economia ha indotto le autorità di politica monetaria ad un graduale aumento del costo del denaro fino all'attuale 2,5%. Nell'esercizio appena concluso, il consumo di cemento è aumentato del 6,6%, attestandosi a 114,6 milioni di tonnellate; tale variazione è la sintesi di dinamiche molto differenziate a livello di singoli Stati.

*In 2004, the American economy was marked by a strong recovery, reflected in a growth of GDP of 4.4%, the highest since 1999, and the creation of over 2 million jobs. Although the dollar declined by a further 10% against the euro, the trade deficit reached record levels. The strength of the economy led the monetary policy authorities to gradually increase the cost of money to the current 2.5%.*

*In the year just ended, cement consumption increased by 6.6%, registering at 114.6 million tons. This change is the combination of very different trends for individual states.*

### Attività negli Stati Uniti d'America Operations in the United States of America



La domanda è stata molto forte negli Stati del Sud Ovest, del Sud Est ed in quelli della costa Ovest; nelle regioni centrali, ove la presenza di Buzzi Unicem è significativa, il consumo di cemento è invece risultato stabile o in lieve diminuzione.

La generalizzata forza della domanda ed alcuni fattori esterni quali l'aumento dei noli, la svalutazione del dollaro ed una minore disponibilità di prodotto a livello internazionale hanno ridotto l'economicità delle importazioni, creando condizioni favorevoli ad un recupero dei prezzi, necessario per compensare gli aumenti dei combustibili e dei costi di manutenzione.

Il 2004 è stato il primo anno di operatività per Buzzi Unicem USA, come si ricorderà costituita il 1° gennaio 2004 a seguito della fusione tra le attività di RC Cement (già facenti parte del gruppo Buzzi Unicem) e Lone Star Industries (fino al 2003 controllata da Dyckerhoff). Dopo la fase di studio iniziale, il processo di integrazione è proseguito con rapidità e si è concretizzato in significative razionalizzazioni delle spese generali, amministrative e di quelle per il personale; il network distributivo è stato efficacemente integrato, con ulteriori risparmi nei costi di logistica.

*Demand was very strong in the Southwest, Southeast, and West Coast states. In the central states, where Buzzi Unicem has a large presence, cement consumption was stable or slightly down.*

*The overall strength of demand and certain external factors such as the increase in marine freight, devaluation of the dollar and lesser product availability at international level, reduced the cost-effectiveness of imports, creating favorable conditions for a price recovery, necessary to offset the increases in fuel and maintenance costs.*

*2004 was the first year of operations for Buzzi Unicem USA, which as you will remember was set up on 1 January 2004 following the merger between RC Cement (already part of the Buzzi Unicem group) and Lone Star Industries (a Dyckerhoff subsidiary until 2003). After the initial study phase, the integration process got along quickly, resulting in rationalization of general, administrative and staff overheads; the distribution network was effectively unified, with further savings on logistics costs.*

Getto di calcestruzzo Alamo Concrete alla base aerea militare Randolph, presso San Antonio, TX  
*Pouring Alamo concrete at Randolph air Force Base in San Antonio, TX*





In Texas, la controllata Alamo Cement ha realizzato nella prima parte dell'anno un importante intervento per potenziare la torre di preriscaldamento e migliorare l'impianto di filtrazione del forno; l'intervento era programmato ed ha comportato l'arresto del forno per 35 giorni, consentendo di migliorare l'efficienza ed aumentare lievemente la capacità produttiva.

Le vendite di cemento realizzate negli Stati Uniti dalle controllate Buzzi Unicem USA ed Alamo Cement sono in linea con il pro forma 2003 (-0,5%); i volumi sono stati influenzati da una dinamica della domanda meno favorevole della media in alcuni dei mercati chiave di Buzzi Unicem USA (in particolare Midwest) ed in Texas. Nell'ultimo trimestre, le avverse condizioni meteorologiche e le conseguenze dell'uragano che in settembre ha colpito la cementeria di Stockertown (PA) hanno limitato il potenziale di crescita.

Nella seconda parte dell'esercizio si è concretizzato un apprezzabile miglioramento dei prezzi di vendita, in aumento di alcuni punti percentuali.

Le vendite di calcestruzzo preconfezionato sono diminuite del 2,4%, ugualmente con prezzi in contenuto miglioramento.

Per la dinamica descritta, il fatturato delle controllate statunitensi è aumentato da 881,5 milioni di dollari del pro forma 2003 a 917,2 milioni del 2004 (+4,1%); in euro, tale grandezza è invece diminuita del 5,4%, a causa di un effetto cambio negativo per 73,5 milioni di euro.

*In the early part of the year, the Texas subsidiary Alamo Cement carried out important improvement works to the pre-heating tower and the kiln dedusting system. The works were scheduled and involved shutting down the kiln for 35 days, enabling efficiency improvements and slightly increasing capacity.*

*Cement sales in the United States by the subsidiaries Buzzi Unicem USA and Alamo Cement are in line with the 2003 pro forma (-0.5%). Volumes were affected by a less favorable demand in some of Buzzi Unicem USA's key markets (the Midwest in particular) and in Texas. In the last quarter, bad weather conditions and the consequences of hurricane Ivan hitting the plant at Stockertown (PA) limited growth potential.*

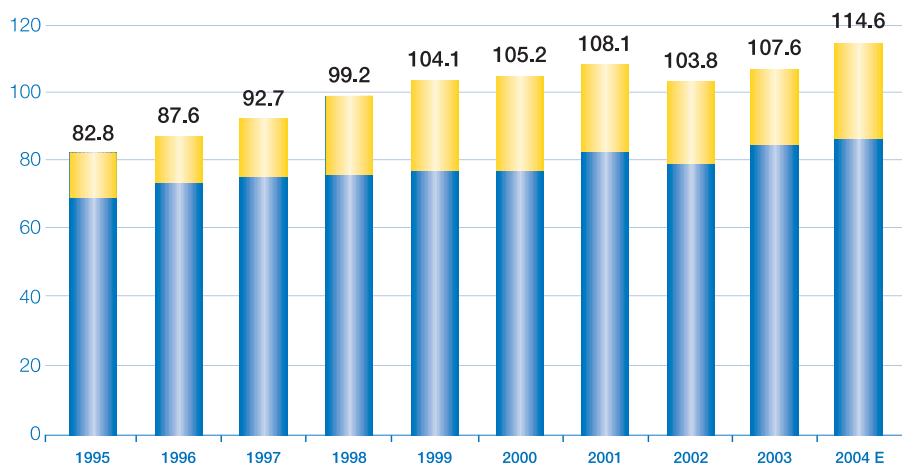
*In the second half of the year, there was a noticeable improvement in prices, up by several percentage points.*

*Sales of ready-mix concrete fell by 2.4%, along with prices which showed limited improvements.*

*Due to the dynamics mentioned, sales revenue for US subsidiaries increased from 881.5 million dollar on the 2003 pro forma to 917.2 million dollar in 2004 (+4.1%). This value in euro, however, decreased by 5.4% due to a negative foreign exchange impact of 73.5 million.*

## Consumo di cemento in USA Cement Consumption in the USA

(milioni di ton / million tons)



Il margine operativo lordo si è attestato a 285,3 milioni di dollari, contro i 305,9 milioni del pro forma 2003; quest'ultimo valore includeva componenti non ripetibili per 27,6 milioni di dollari, connessi al rilascio di accantonamenti su rischi ambientali e legali. Al netto di tali elementi, il margine operativo lordo in dollari è in aumento del 2,6%. Buono il livello di redditività: il rapporto tra margine operativo lordo e fatturato si è attestato al 31,1% nel 2004, contro il 34,7% del 2003 (31,5% al netto dei citati proventi non ripetibili).

Tra gli investimenti più significativi, oltre all'accennato ammodernamento della torre, Alamo Cement ha potenziato l'impianto di filtrazione del forno ed ampliato il parco di autobetoniere. Per quanto riguarda Buzzi Unicem USA, si segnala l'introduzione di un nuovo sistema di macinazione e dosaggio del polverino per i forni di Selma (MO), il bypass alkali di Greencastle (IN), il raffreddatore del clinker di Pryor (OK), l'ampliamento delle riserve di materia prima a Cape Girardeu (MO). Oltre 5 milioni di dollari sono stati necessari per il ripristino dei danni provocati dall'uragano Ivan alla cementeria di Stockertown e per la realizzazione di opere di difesa dalle esondazioni dell'adiacente fiume Missouri.

*Ebitda came in at 285.3 million dollar, against 305.9 million dollar in 2003 pro forma, which included non recurring items amounting to 27.6 million dollar, relating to the release of provisions for environmental and legal risks. Net of these elements, Ebitda in dollars was up by 2.6%. Profitability was good: the Ebitda/sales ratio registered at 31.1% in 2004, against 34.7% in 2003 (31.5% net of the above-mentioned non recurring income).*

*The most significant capital projects, apart from the tower modernization just mentioned, included works by Alamo Cement to improve the kiln dedusting system and extend the fleet of mixer trucks. As far as Buzzi Unicem USA is concerned, a key investment was the introduction of a new coal grinding and feeding system for the Selma (MO) kilns, the alkali bypass installation at Greencastle (IN), the clinker cooler at Pryor (OK), and the expansion of raw material reserves at Cape Girardeu (MO). More than 5 million dollar were required to repair the damage caused by hurricane Ivan to the Stockertown cement plant and to carry out flood defense works for the nearby Missouri river.*

Si riporta qui di seguito il contributo degli Stati Uniti alle attività del gruppo; sono rappresentati anche i dati pro forma 2003, ricostruiti per tenere conto del consolidamento integrale Dyckerhoff, allora ancora consolidata con il metodo del patrimonio netto:

*The following are key figures for the companies operating in the United States; for comparative information 2003 pro forma figures are also reported with Dyckerhoff's consolidation on a line by line basis, meanwhile during 2003 Dyckerhoff's was still valued by the equity method:*

		(milioni di euro / millions of euro)	
	2004	2003 <i>pro forma</i>	2003
Ricavi netti <i>Net sales</i>	737,4	779,2	394,5
Margine operativo lordo <i>EBITDA</i>	229,4	270,4	114,1
% sui ricavi netti <i>% of sales</i>	31,1	34,7	28,9
Investimenti industriali <i>Capital expenditures</i>	48,6	40,5	20,9
Addetti a fine esercizio <i>Headcount at year end</i>	2.261	2.239	1.246
	(numero/number)		

Nel mese di novembre Glens Falls Cement Co. e Lehigh Cement Co. hanno sottoscritto una lettera di intenti che prevede la vendita della quota (50%) posseduta da Glens Falls Cement Co. in Glens Falls Lehigh Cement Co. al partner paritetico Lehigh Cement Co., ad un prezzo dell'ordine di 50 milioni di dollari. Glens Falls Cement Co. è una controllata totalitaria di Buzzi Unicem USA. Il trasferimento è avvenuto ad inizio 2005. Glens Falls Lehigh Cement Co. è una *joint venture* 50%-50%, costituita nel 1999 da Dyckerhoff e Heidelberg Cement. La sua struttura operativa comprende la cementeria di Glens Falls (NY), lo stabilimento di macinazione di Greene County (NY), un terminale di importazione a Providence (RI) e due terminali di distribuzione a Wilmington (MA) e Syracuse (NY).

La cessione consentirà di focalizzare la strategia di sviluppo di Buzzi Unicem USA sulle attività a controllo totalitario, contribuendo altresì al finanziamento di progetti di ampliamento della capacità produttiva. Tra essi, il più importante è costituito dal totale rinnovo della cementeria di Selma (MO), per la quale è prevista la sostituzione delle attuali due linee di produzione (risalenti alla fine degli anni '60) con una nuova linea, incentrata su un forno con precalcinatore a sei stadi. La capacità produttiva passerebbe da 1,3 milioni di tonnellate annue di clinker a 2,3 milioni, con un livello di efficienza nettamente superiore e addirittura una riduzione dell'impatto ambientale. Il processo di autorizzazione presso le competenti autorità è in fase avanzata e dovrebbe concludersi entro la prima parte dell'anno in corso; l'investimento previsto è dell'ordine dei 250 milioni di dollari.

*In November, Glens Falls Cement Co. and Lehigh Cement Co. signed a letter of intent, for the planned sale of the 50% share owned by Glens Falls Cement Co. in Glens Falls Lehigh Cement Co. to the joint partner Lehigh Cement Co., for a price of around 50 million dollar. Glens Falls Cement Co. is wholly owned by Buzzi Unicem USA. The transfer took place at the beginning of 2005. Glens Falls Lehigh Cement Co. is a 50%-50% joint venture set up in 1999 by Dyckerhoff and Heidelberg Cement. Its operating structure includes the Glens Falls cement plant (NY), the grinding plant at Greene County (NY), an import terminal at Providence (RI) and two distribution terminals at Wilmington (MA) and Syracuse (NY).*

*This sale will enable Buzzi Unicem USA to focus its development strategy on wholly owned operations, also contributing to the financing of plans to expand production capacity. The most important of these is the complete renovation of the cement plant at Selma (MO), where it is planned to replace the two production lines currently in use (dating back to the end of the 1960s) with a new line, centered around a kiln with a six-stage precaliner. Production capacity would go from 1.3 million tons of clinker per year to 2.3 million, with markedly higher efficiency levels and a reduced impact on the environment. Much progress has been made in terms of receiving permit from the relevant authorities and this should be achieved by the first half of this year. The planned investment is around 250 million dollar.*

# Uno più uno = più di due

## *One plus One = more than two*

**L**a nuova organizzazione Il nuovo marchio unico 'Buzzi Unicem USA' è stato lanciato sul mercato all'inizio del 2004 ed è stato immediatamente ben accettato. La sollecita pianificazione e gli sforzi di tutto il personale dedicato alla vendita ed alla distribuzione, hanno permesso di effettuare un avvicendamento senza creare il minimo problema ai clienti. Tutto ciò anche se l'azienda ha fatto un balzo dimensionale gigantesco: da 640 a più di 1.600 dipendenti, da un bilancio annuale di circa 250 milioni di dollari a quasi 700 milioni, da 4 cementerie e 10 terminali a 10 cementerie e 29 terminali. Eravamo comunque determinati a non permettere che il cambio di dimensioni modificasse la nostra cultura e creasse una pesante burocrazia, per cui ci siamo organizzati in modo da mantenere una struttura snella. Così abbiamo messo a frutto le capacità manageriali di entrambe le aziende,

mantenendo i dirigenti chiave nella loro posizione decisionale, già vicina a clienti e interessi aziendali. Tutte le funzioni centrali sono state trasferite nel nostro quartiere di Bethlehem (Pennsylvania), conservando gli uffici di Indianapolis (Indiana) in metà dello spazio precedentemente occupato dagli uffici della 'Lone Star Industries'.

Mentre quest'ultima era un'azienda di vecchia data, che ha commercializzato il marchio 'Lone Star' fin dagli inizi del '900, la 'RC Cement' era una società relativamente recente, formata ex novo negli anni '80 tramite acquisizioni e che commercializzava quattro marchi diversi (River, Hercules, Signal Mountain e Heartland Cement).

### **Il sistema distributivo**

Una delle opportunità più interessanti derivante dalla fusione è stata quella di poter integrare e ottimizzare due sistemi

di distribuzione complessi e che si sovrapponevano. La nuova compagnia vende e distribuisce circa 9,3 milioni di tonnellate di cemento e loppe in un'area che copre circa 23 stati nel Midwest e nella parte orientale degli Stati Uniti, tramite 29 terminali di cemento strategicamente dislocati. Circa il 50% del cemento venduto viene distribuito attraverso la rete di terminali ed il rimanente 50% è consegnato ai nostri clienti direttamente dalla cementeria tramite automezzi.

La maggior parte del cemento viene fatta arrivare ai terminali via fiume, utilizzando una flotta di 31 chiatte pneumatiche a scarico automatico e di chiatte con tramogge coperte, oppure via ferrovia, con un totale di 1037 vagoni ferroviari dedicati, di cui circa l'85% in leasing ed il restante 15% di proprietà della società. Nelle aree centrali e meridionali del Midwest la percentuale distribuita attraverso la rete di terminali è notevolmente più alta poiché le cementerie River e Cape Girardeau vendono approssimativamente il 90% del cemento prodotto attraverso i terminali ed anche tutto il cemento d'importazione viene distribuito attraverso i terminali.

Durante il primo anno della nuova società ci siamo concentrati sull'ottimizzazione della movimentazione del cemento dagli impianti ai terminali, processo più che opportuno, dato che il Gruppo spendeva più di 33 milioni di dollari l'anno per trasportare il cemento ai terminali.

La prima mossa, ed anche la più ovvia, è stata quella di destinare il cemento prodotto dalla River ai mercati del nord del Midwest (cioè S. Louis) e utilizzare la produzione di Cape Girardeau verso sud, lungo il Mississippi, nella parte meridionale del nostra area di mercato. Tutto questo ha ottimizzato il numero dei rimorchiatori utilizzati per trainare le chiatte, accorciato i tempi del ciclo di trasporto impianto-terminali e ridotto i costi combustibile per i rimorchiatori. Ad un approccio superficiale, quest'operazione potrebbe sembrare



semplice ma in realtà vuol dire che molti clienti hanno dovuto cambiare cemento e relative miscele. Inoltre, negli ultimi quarant'anni, i venditori della River Cement si sono adoperati per convincere i clienti di Memphis e Nashville a non impiegare il cemento di Cape Girardeau ma piuttosto quello della River: ora, invece, si ritrovano a doverli convincere a usare proprio quel cemento che avevano screditato in tutti questi anni. Alla fine del secondo trimestre 2004 avevamo raggiunto l'obiettivo prefissatoci ed ottimizzato il trasporto di cemento dagli impianti ai terminali con una perdita minima di clientela.

L'altro obiettivo nel campo della distribuzione era l'ottimizzazione dei terminali stessi. Come prima operazione abbiamo chiuso il terminale di Gardner (Kansas) e abbiamo iniziato a rifornire i nostri clienti dal terminale di Bonner Spring, sempre nel Kansas, che era gestito dalla 'Lone Star'. Nelle città in cui la nuova società si ritrovava terminali doppi (S. Louis, Memphis e Nashville), abbiamo ridotto il personale e posto entrambi i terminali della stessa città sotto un'unica direzione ma non ne abbiamo chiuso nessuno, in quanto dotati di grandi capacità di stoccaggio necessarie

per servire i mercati. Infine, abbiamo ottimizzato la capacità di scarico chiatte riposizionando nei terminali molti scaricatori pneumatici già montati a riva: i terminali possono così essere serviti a costi più bassi da chiatte-tramoggia noleggiate che richiedono questo tipo di scaricatori. Al completamento del primo anno di operatività della nuova joint venture, ho il piacere di annunciare che la nostra integrazione è stata completata con successo, anche se non mancano le opportunità per una ulteriore ottimizzazione: intanto, abbiamo gettato le basi per una futura forte 'Buzzi Unicem USA'.

**A new organization** Our new single brand Buzzi Unicem USA was introduced to our markets in early 2004 and the acceptance was immediate. The early planning and dedicated efforts of our sales and distribution personnel made this change seamless to our customers. Overnight our U.S. company had taken a quantum leap in size from 640 employees to more than 1,600, from revenues approaching \$250 million/year to revenues approaching \$700 million and from 4 cement

plants and 10 terminals to 10 cement plants and twenty-nine terminals.

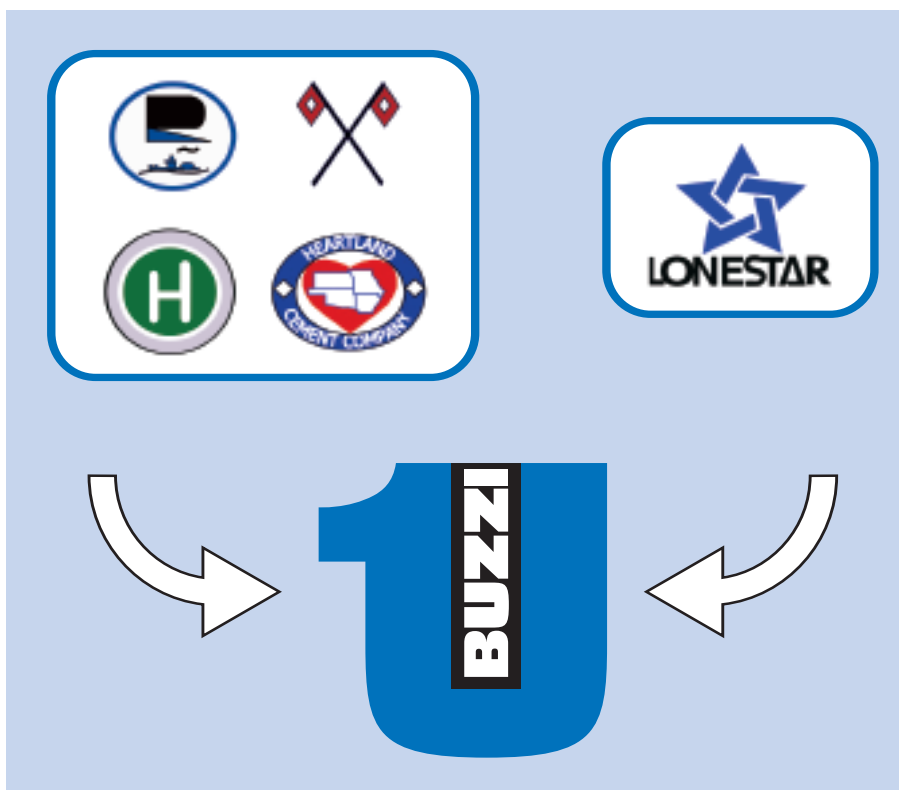
We were determined not to let this new size change our culture and create a large bureaucracy, so we organized accordingly to maintain our lean structure.

We organized the company to take advantage of management skills from both companies and to maintain key managers in decision-making positions which were close to our customers and our plants. All corporate functions were moved to our headquarters in Bethlehem, PA and we maintained the offices at Indianapolis, IN in one half of the space previously occupied by the 'Lone Star' corporate offices.

While 'Lone Star' had been an old line company marketing the 'Lone Star' brand since the early 1900's, 'RC Cement' was a relatively new company built from bolt on acquisitions in the 1980's. 'RC Cement', therefore, marketed four separate brands (River, Hercules, Signal Mountain and Heartland Cement).

#### The distribution system

One of the most exciting opportunities brought by the merger was the chance to both integrate and optimize two complex and overlapping distribution systems. The new company sells and distributes approximately 9.3 million tons of cement and slag over a vast geographic area which covers 23 states in the midwest and eastern part of the United States. In order to accomplish this, the company has 29 strategically located cement terminals through which cement is distributed. The majority of our cement is brought to these terminals either by our captive barge fleet consisting of 31 pneumatic self-unloading barges and covered hopper barges or by our captive railcar fleet of 1,037 railcars. Approximately 85% of the railcars are leased and 15% are owned by the company. Approximately 50% of our cement is distributed through our terminal network and the other 50% is shipped directly from our plants to customers by truck. In the central and southern portions of the midwest the percent distributed through our terminal network is substantially higher since the River and Cape Girardeau plants sell approximately 90% of their produced cement through terminals and all imported cement is distributed through our terminals. During the first year of our new merged







company, we focused on optimizing the movements of cement from our plants to our terminals. This was appropriate since our combined group was spending over \$33 million per year to move cement to our terminals. The first and most obvious change was to keep the cement produced in our River plant in the northern portion of our Midwest markets (i.e., St. Louis); using the Cape Girardeau production further down the Mississippi in the southern portions of our market. This would optimize the number of tugboats used to pull barges, shorten the turnaround times from plants to terminal and reduce diesel fuel costs of the tugboats. While on the surface this would seem an easy task, it meant that many customers had to switch the cements they were using and do new mix designs. In addition, for the past forty years the 'River Cement' sales people have been convincing our customers in Memphis and Nashville not to use Cape Girardeau cement but rather use our River plant product. They now had to convince them to use the very cement they had been selling against all those years. By the end of the second quarter, we had accomplished our objective and optimized the transport of cement from our plants to our

terminals with minimal loss of customers. The next area of focus in our distribution network was the optimization of the terminals themselves. We first closed our Gardner, Kansas terminal and began servicing our customers from the Bonner Springs, Kansas terminal that 'Lone Star' had operated. In the cities where the new company had duplicate terminal operations (St. Louis, Memphis and Nashville), we reduced headcount and placed both terminals in each city under the supervision of a single manager. We could not close any of these terminals as all had large cement storage capabilities which are needed to serve the markets. Finally, we optimized our barge unloading capabilities by relocating several of our shore mounted pneumatic barge unloaders to terminals which could be served more cost-effectively by leased hopper barges which required these unloaders. Having just completed our first year of operation of the new joint venture, I am pleased to report that our integration has been successful. There is always more to do and opportunities for further optimization are still ahead of us. We have, however, set the stage and built the foundation for a strong future at 'Buzzi Unicem USA'.



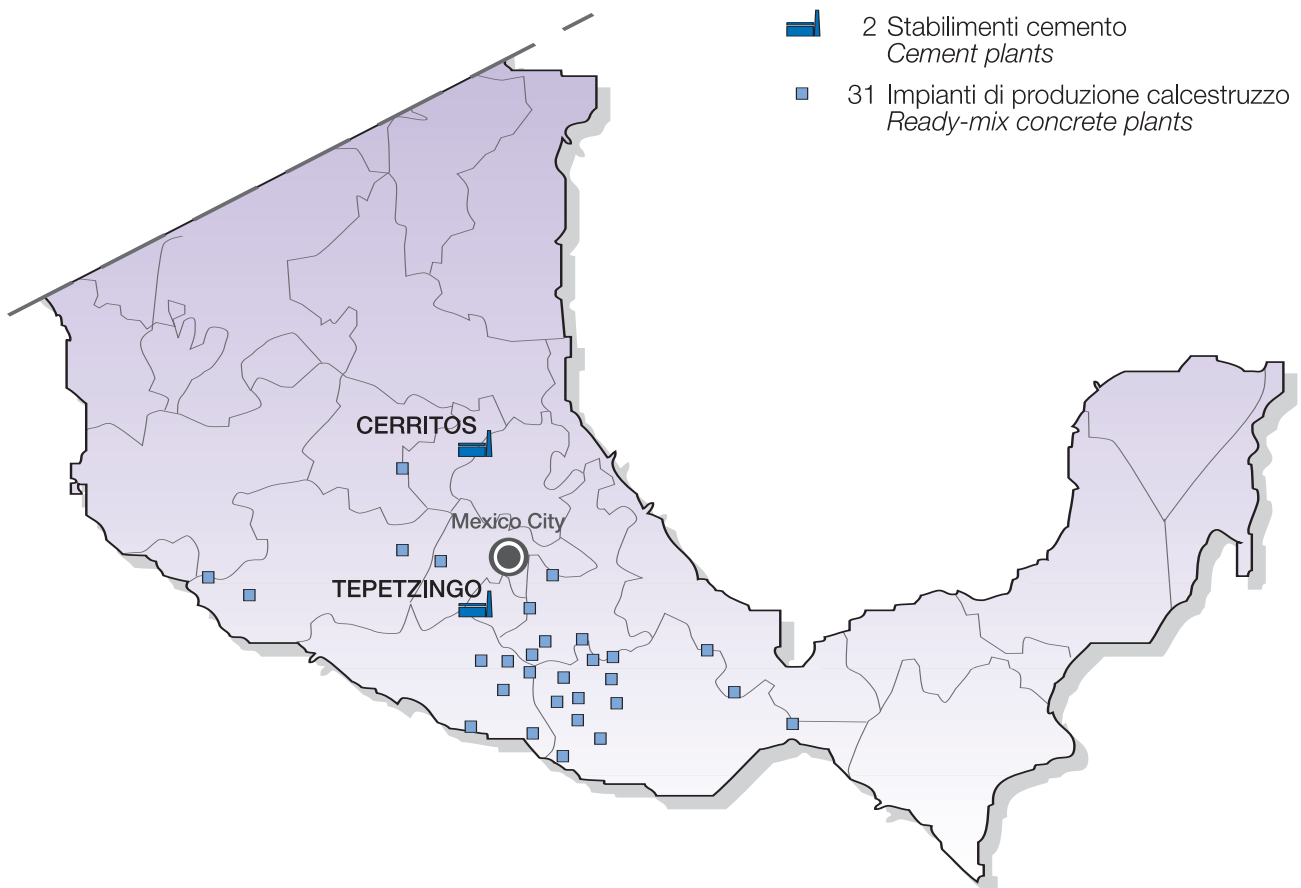
## Messico Mexico

Nel 2004, il prodotto interno lordo del Messico è aumentato del 4,4%, beneficiando della crescita della vicina economia statunitense; il miglioramento del quadro macroeconomico, pur in assenza delle necessarie riforme fiscali e sociali, è stato riconosciuto dalla qualità del debito estero in valuta, ora classificato nell'area *investment grade* dalle principali agenzie di *rating*. Il tasso di inflazione si è attestato al 5,2%.

L'industria delle costruzioni ha confermato di essere tra i principali motori dello sviluppo del Paese: nel 2004, gli investimenti di settore hanno fatto segnare un +5,5%, sostenendo un aumento del consumo di cemento a 32 milioni di tonnellate. Il consumo di calcestruzzo, in rapida ascesa, è stimato dell'ordine di 16,5 milioni di metri cubi (+12%).

*In 2004, Mexico's GDP increased by 4.4%, benefiting from the growth of the nearby US economy. The improvement in the macroeconomic scenario, despite the lack of necessary tax and social reforms, can be seen from the quality of its foreign currency debt, now classified as investment grade by the main rating agencies. The rate of inflation was recorded at 5.2%. The construction industry established itself as one of the main engines behind the country's development. In 2004, industry investments recorded an increase of 5.5%, supporting a rise in cement consumption to 32 million tons. Concrete consumption, rapidly moving up, is estimated at around 16.5 million cubic meters (+12%).*

### Attività in Messico Operations in Mexico



Nello scorso mese di maggio è entrata in funzione la nuova cementeria di Cerritos, nello stato di San Luis Potosí, con una capacità produttiva di 1,25 milioni di tonnellate. Grazie alla qualità della progettazione e dei gruppi di lavoro impegnati nella gestione dell'avviamento, l'impianto ha raggiunto senza difficoltà un regime di marcia soddisfacente. Con l'altra cementeria di Tepetzingo, a Sud della capitale Città del Messico, ed il centro di macinazione di Jiutepec, la capacità totale installata è ora superiore a 4 milioni di tonnellate annue e fa di Corporación Moctezuma il quarto produttore del paese.

Il percorso di crescita avviato alla fine degli anni '90 sta proseguendo: sempre a Cerritos, è iniziata la costruzione di una seconda linea di produzione, che entro la prima metà del 2006 andrà ad affiancare quella appena avviata, raddoppiandone la capacità.

Il contributo della cementeria di Cerritos ha consentito di cogliere al meglio le opportunità offerte dall'aumento della domanda: l'incremento delle vendite di cemento è stato infatti del 17,4%, con prezzi stabili in valuta locale. Anche le vendite di calcestruzzo preconfezionato sono superiori di oltre il 15% al corrispondente valore del 2003.

Il fatturato della collegata Corporación Moctezuma si è attestato a 269,7 milioni di euro, +4,2% ed il margine operativo lordo a 126,7 milioni, +2,8%; in valuta locale, l'incremento delle due grandezze è stato rispettivamente del 19,8% e 18,2%.

Pure in Messico i costi di produzione hanno subito un aumento, particolarmente marcato nel caso del combustibile ed ancora di più dell'energia elettrica; il livello di redditività, sempre eccellente, è stato anche influenzato dall'ampliamento delle attività nel settore del calcestruzzo preconfezionato e dai costi relativi all'avviamento di Cerritos. Pertanto, il rapporto tra margine operativo lordo e fatturato è diminuito dal 47,7% del 2003 al 47,1% del 2004.

Nell'anno appena trascorso, Corporación Moctezuma ha investito oltre 60 milioni di euro, di cui 22,1 milioni per terminare la realizzazione della prima linea a Cerritos e 19,5 milioni per la fase iniziale della costruzione della seconda linea. Le altre iniziative principali hanno riguardato l'installazione di 4 nuovi impianti di betonaggio e l'acquisto di 10 autobetonpompe, funzionali all'ulteriore sviluppo nel settore del calcestruzzo preconfezionato. A Tepetzingo infine, è stata completata l'installazione della macinazione petcoke, il cui utilizzo come combustibile principale dal mese di novembre consentirà di ridurre i costi di produzione.

*Last May the new cement plant at Cerritos, in the state of San Luis Potosí, began operating with a production capacity of 1.25 million tons. Thanks to the quality of the design and the working groups responsible for managing the start-up, the plant easily achieved satisfactory running levels. With the other cement plant at Tepetzingo, south of Mexico City, and the grinding center at Jiutepec, total installed capacity now exceeds 4 million tons/year, making Corporación Moctezuma the country's fourth largest producer. The growth which began at the end of the 1990s is continuing. Construction of a second production line has begun at Cerritos, which will operate alongside the one just set up, doubling its capacity, by the end of the first half of 2006.*

*The contribution of the Cerritos plant has meant that the opportunities presented by the increase in demand could be seized to the full. Cement sales actually increased by 17.4%, with stable prices in local currency. Sales of ready-mix concrete also grew by 15% compared to the corresponding 2003 value. Sales revenue for the affiliate Corporación Moctezuma was recorded at 269.7 million (+4.2%), and Ebitda at 126.7 million, up by 2.8%. In local currency, the increase in the two values was 19.8% and 18.2% respectively.*

*Production costs also increased in Mexico, especially for fuel and even more so electrical power. Profitability, always excellent, was also influenced by the expansion of operations into the ready-mix concrete sector and by start-up costs of Cerritos. The Ebitda/sales ratio therefore fell from 47.7% for 2003 to 47.1% in 2004.*

*In the year just ended, Corporación Moctezuma invested more than 60 million, of which 22.1 million were used to complete construction of the first line at Cerritos, and 19.5 million for the initial construction stage of the second line. Other main initiatives concerned the installation of 4 new ready-mix batching plants and the purchase of 10 mixer trucks, to deal with the further development in the ready-mix concrete sector. Finally, at Tepetzingo, the petcoke grinding equipment was set up. Use of petcoke as the main fuel from November onwards will reduce production costs.*

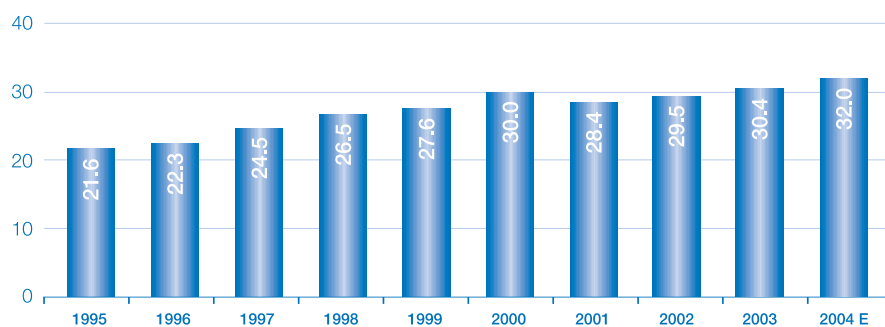
Si riportano di seguito i dati consolidati di Corporación Moctezuma, dei quali al nostro gruppo spetta una quota pari al 50%:

*The following shows the consolidated figures of Corporación Moctezuma, of which 50% pertains to our group:*

	(milioni di euro / millions of euro)	
	2004	2003
Ricavi netti <i>Net sales</i>	269,7	258,1
Margine operativo lordo <i>EBITDA</i>	126,7	123,2
% sui ricavi netti <i>% of sales</i>	47,1	47,7
Investimenti industriali <i>Capital expenditures</i>	61,8	71,5
Addetti a fine esercizio <i>Headcount at year end</i>	(numero/number)	734

### **Consumo di cemento in Messico** **Cement Consumption in Mexico**

(milioni di ton / million tons)



## **Risorse Umane** **Human Resources**

Il consolidamento delle attività facenti capo alla controllata Dyckerhoff si riflette anche sul numero dei lavoratori dipendenti del gruppo, la cui consistenza a fine esercizio era pari a oltre 11.800 unità, contro le circa 3.800 di fine dicembre 2003.

Nel corso del 2004 si sono realizzati alcuni importanti programmi formativi; particolare interesse ha suscitato il modulo destinato ai giovani di alto potenziale e già in possesso di qualche anno di anzianità aziendale.

I piani di crescita professionale devono infatti essere accompagnati dall'attenzione alla personalità complessiva del dipendente, al fine di sollecitarne il coinvolgimento e aumentarne le motivazioni.

Continuano gli sforzi alla ricerca della migliore efficienza: accanto agli interventi di riorganizzazione, si sono intensificati gli sforzi per valorizzare il personale più qualificato già occupato nei cantieri per la realizzazione di grandi lavori ora in fase di completamento, con l'obiettivo di salvaguardare le migliori risorse.

Nel settore calcestruzzo Italia è stato varato, con decorrenza 1 gennaio 2005, il nuovo assetto organizzativo, che unifica la responsabilità di produzione e vendita nella Direzione Operativa alla quale riferiscono anche due nuove strutture: Direzione Qualità e Grandi Lavori, Direzione Produzione e Sviluppo Applicazioni. Ciò consentirà di rispondere più efficacemente alle esigenze correlate alla realizzazione delle grandi opere infrastrutturali e di dare maggiore impulso allo studio di nuove applicazioni e metodologie produttive.

Sono iniziati gli incontri con i rappresentanti sindacali per la costituzione del Comitato Aziendale Europeo (EWC) previsto dalle normative UE.

Dall'autunno del 2004 hanno preso il via le trattative per il rinnovo del contratto integrativo aziendale nel settore Cemento Italia (premio di risultato); le richieste di miglioramenti economici sono molto elevate e ciò rischia di rendere il negoziato più complesso.

*Consolidation of operations which belong to Dyckerhoff was also reflected in the number of group employees, which totaled about 11,800 at year end, versus 3,800 approx. at the end of 2003.*

*During 2004, several important training programs were set up. The course aimed at promising young workers who have already been with the company for a few years was found highly stimulating.*

*Professional development programs must be accompanied by attention paid to the employee's personality as a whole, to encourage involvement and raise motivation.*

*The commitment to improve efficiency continues: along with reorganization measures, efforts to promote the best qualified staff already employed on the large construction sites now being completed have intensified, with the aim of keeping the best human resources.*

*With respect to Italian ready-mix concrete operations, a new organizational structure was launched on January 1, 2005. This brings together production and sales management under the Operations function, to which two new functions also belong: Quality and Large-scale Works, Production and Applications Development. This will allow a better response to the needs of large-scale infrastructure works and will give further impulse to the study of new applications and production methods.*

*Meetings with trade union representatives have begun, to form the European Works Council (EWC) envisaged by EU legislation.*

*Since autumn 2004, negotiations have been underway for renewal of the complementary corporate agreement in the Italian cement sector (performance related pay); the demands for economic improvements are very high and this threatens to complicate negotiations.*



Al 31 dicembre 2004 l'organico Buzzi Unicem è composto da 11.841 unità, così dettagliate per area geografica:  
*As at December 31, 2004, Buzzi Unicem's workforce numbers 11,841 units, broken down by country as follows:*

	(numero addetti / headcount)	
	2004	2003 <i>pro forma</i>
Italia <i>Italy</i>	2.175	2.223
Germania <i>Germany</i>	2.016	2.406
Lussemburgo <i>Luxembourg</i>	634	608
Polonia <i>Poland</i>	409	420
Repubblica Ceca <i>Czech Republic</i>	758	678
Ucraina <i>Ukraine</i>	1.596	1.536
Russia <i>Russia</i>	1.556	1.549
Stati Uniti d'America <i>United States of America</i>	2.261	2.239
Messico (50%) <i>Mexico (50%)</i>	436	367
<b>Totale</b> <b>Total</b>	<b>11.841</b>	<b>12.026</b>



Robilante, Italia: manutenzione straordinaria dei silos cemento  
*Robilante, Italy: maintenance works to cement silos*

## **Attività di ricerca e sviluppo** **Research and Development**

Buzzi Unicem, come tradizione dalle origini, dedica particolare attenzione ai controlli di qualità nonché alla ricerca applicata alle specifiche produzioni, e conduce ricerca e sperimentazione su ingegneria di processo e su nuovi prodotti.

La società è rappresentata in tutti i principali organismi, nazionali e sovranazionali, che si occupano di normativa e certificazione. Inoltre siamo particolarmente attivi nella produzione, non solo sperimentale, di prodotti speciali, utilizzabili nell'industria della costruzione, ad integrazione e sostegno delle nostre produzioni principali.

In particolare le nostre strutture di ricerca, rappresentate dai tre laboratori centrali di Guidonia, Trino e Wiesbaden (Dyckerhoff), che operano ormai in piena integrazione, hanno lavorato alla messa a punto ed ottimizzazione di nuove ricette di cementi a minor contenuto di clinker, per il rispetto dei vincoli all'emissione di anidride carbonica imposti dal protocollo di Kyoto.

Importante anche l'impegno per far fronte al limite di 2 parti per milione di Cromo esavalente solubile nei cementi, recentemente introdotto dalla Direttiva Europea 2003/53/CE. Grazie, in particolare, alla specifica esperienza del laboratorio di Wiesbaden, la nostra società ha risposto tempestivamente, proponendo una soluzione innovativa che ci pone all'avanguardia del settore, sia per la maggiore durata garantita dell'azione riducente, sia per l'assenza di ogni influenza sulle caratteristiche all'impiego del cemento così additivato.

Proseguono infine le attività di ricerca rivolte a sperimentazione e messa a punto di nuovi leganti e nuove tecniche di analisi e di automazione del controllo di produzione: sono state attivate allo scopo alcune collaborazioni con importanti Università italiane ed estere. Per quanto riguarda i cementi comuni secondo UNI EN 197/1 ed il sistema qualità aziendale, tutti i nostri cementi possiedono il marchio CE e Buzzi Unicem, in tutti i suoi stabilimenti italiani, ha ottenuto il rinnovo della certificazione volontaria secondo la nuova versione delle norme di sistema qualità UNI EN ISO 9001:2000, nota anche come "Vision 2000".

*Ever since it was established, Buzzi Unicem pays by tradition special attention to quality controls, as well as to applied research for cement manufacturing; it also carries out research and testing on process engineering and new products.*

*The company has a presence in all the main national and international bodies dealing with regulations and certification. We are also particularly active in the manufacture of special products – not only on experimental basis – which can be used in the construction industry, adding to and backing up our main catalogue.*

*In particular, our research centers, which are the three central laboratories of Guidonia, Trino and Wiesbaden (Dyckerhoff), now fully integrated, have been working on developing and optimizing new cement formulas with a reduced clinker content, to comply with the restrictions on CO<sub>2</sub> emissions imposed by the Kyoto protocol.*

*The commitment towards dealing with the limit of 2 parts per million of Chromium 6 in cements, recently introduced by the European Directive 2003/53/EC, is also significant. With particular merit to the specific experience of the Wiesbaden laboratory, our company has responded promptly by offering an innovative solution putting us at the cutting edge of the sector, both in terms of the greater endurance provided by the reducing action and due to the lack of all effects on the placing features of cement treated this way.*

*Finally, research activities aimed at experimenting and developing new binders and techniques for analysis and production control automation are also continuing. In this regard several joint projects with Italian and foreign universities have been set up. With regard to common cements according to UNI EN 197/1 and the company's quality system, all our cements have the CE mark and all Buzzi Unicem plants in Italy have obtained renewal of the voluntary certification according to the new version of the quality standards UNI EN ISO 9001:2000, also known as "Vision 2000".*

## **Rapporti con parti correlate** **Related Party Transactions**

I principali rapporti intercorsi durante l'esercizio 2004 con le imprese controllate non incluse nell'area di consolidamento e le collegate sono stati:

- vendita di prodotti finiti a Cementi Moccia SpA, Laterlite SpA, Ciments de Balears SA, Premix SpA, Orionidas SA ed alle altre numerose collegate operanti nel settore del calcestruzzo preconfezionato;
- prestazione, su richiesta, di servizi di assistenza tecnica e progettuale a Cementi Moccia SpA;
- interessi attivi su finanziamenti concessi a Siefic Calcestruzzi Srl, Premix SpA ed altre collegate minori.

I rapporti economici con la controllante Fimedi SpA e le imprese sottoposte al controllo di quest'ultima si possono riassumere in prestazioni di servizi di assistenza amministrativa, fiscale, societaria ed elaborazione dati, forniti da Buzzi Unicem SpA ad alcune imprese sottoposte al controllo di Fimedi SpA per importi scarsamente significativi. Inoltre Buzzi Unicem SpA ed alcune sue controllate partecipano all'istituto del consolidato fiscale nazionale, con Fimedi SpA nel ruolo di soggetto consolidante.

I rapporti con altre parti correlate riguardano un finanziamento fruttifero di 0,6 milioni di dollari concesso da Alamo Cement Company ad Alamo Garden, Inc., società posseduta dagli azionisti della controllante Fimedi SpA.

Tutte le operazioni qui descritte sono regolate a condizioni di mercato; nell'ambito dei rapporti con parti correlate non risultano operazioni che si configurino come anomale oppure inusuali.

*The main transactions during 2004 with subsidiaries not included in the scope of consolidation and affiliates were:*

- sale of finished products to Cementi Moccia SpA, Laterlite SpA, Ciments de Balears SA, Premix SpA, Orionidas SA and several other affiliates operating in the ready-mix concrete business;*
- supply, on request, of technical support and engineering services to Cementi Moccia SpA;*
- interest income on loans granted to Siefic Calcestruzzi Srl, Premix SpA and other minor affiliates.*

*Dealings with the parent company Fimedi SpA and its subsidiaries can be summed up as the provision of administrative, legal, tax, information technology services supplied by Buzzi Unicem SpA to some of the companies controlled by Fimedi SpA for negligible amounts. In addition, Buzzi Unicem SpA and some of its subsidiaries are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA acting as the parent.*

*Transactions with other related parties concern an interest-bearing loan of 0.6 million dollar granted by Alamo Cement Company to Alamo Garden, Inc., a company owned by the shareholders of the parent company Fimedi SpA.*

*All operations described herein are carried out at market conditions. As far as transactions with related parties are concerned, there are no dealings which would appear as anomalous or unusual.*

## **Ecologia, ambiente e sicurezza** **Ecology, Environment and Safety**

Proseguendo nel percorso delineato nella "Politica Ambiente e Sicurezza" del 2001, nell'esercizio appena trascorso è stato conseguito un ulteriore miglioramento degli indicatori ambientali, quali la riduzione del consumo di risorse naturali, la minimizzazione della produzione di rifiuti e dei fattori di emissione, l'incremento delle fonti energetiche alternative ai combustibili fossili, nonché la riduzione del numero e della frequenza degli infortuni.

Il cammino verso un sistema di gestione integrata dell'ambiente e della sicurezza, in conformità ai requisiti delle norme internazionali UNI EN ISO 14001 e OHSAS 18001 (Occupational Health and Safety Assessment Series), si è tradotto nel conseguimento della certificazione integrata per la cementeria di Cadola (BL) e la centrale di betonaggio di Monsummano (PT).

Nel 2004, Buzzi Unicem ha partecipato ad un'iniziativa per la definizione e sperimentazione di un sistema EPD (Environmental Product Declaration), che ha avuto Italia e Svezia quali Paesi pilota. Uno dei progetti ha riguardato la dichiarazione ambientale del prodotto cemento, attraverso l'identificazione e la quantificazione dei profili ambientali dei cementi *from cradle to gate*, mediante lo studio Life Cycle Assessment. I risultati dell'analisi del ciclo di vita, suddivisi nelle varie categorie d'impatto e riferiti ad una tonnellata di cemento, sono sintetizzati, in forma tabellare e grafica, nella specifica EPD, validata dallo Swedish Environmental Council e disponibile sul sito [www.environdec.com](http://www.environdec.com). Il rilascio nel dicembre 2004 della certificazione, prima in Europa, rappresenta sicuramente un lusinghiero riconoscimento della proattività aziendale.

Partendo dagli aspetti legati alla tutela dell'ambiente, il focus aziendale si è allargato al più ampio concetto di sostenibilità della *triple bottom line*, economica, sociale ed ambientale; lo sforzo di comunicazione delle attività in questo ambito ha portato alla pubblicazione nel 2004 del primo Bilancio di Sostenibilità, strumento cardine per offrire informazioni oggettive e confrontabili sull'attività del gruppo e la sua attenzione verso tutti i portatori di interesse.

*Continuing the route mapped out by the 2001 "Environment and Safety Policy", the year just ended saw further improvements in environmental indicators, such as the reduction in consumption of natural resources, the minimizing of waste production and emissions, the increase of alternative energy sources and the reduction of the number and frequency of accidents.*

*The path towards an integrated environmental and safety system, complying with the requirements of international standards UNI EN ISO 14001 and OHSAS 18001 (Occupational Health and Safety Assessment Series), has resulted in the award of the integrated certification for the cement plant at Cadola (BL) and the ready-mix plant at Monsummano (PT).*

*In 2004, Buzzi Unicem took part in an initiative to define and experiment an EPD system (Environmental Product Declaration), piloted in Italy and Sweden. One of the projects involved the environmental declaration of cement, through the identification and quantification of environmental cement profiles from cradle to gate, using the Life Cycle Assessment method. The results of the life cycle assessment, divided into various impact categories and referring to one ton of cement, are summarized in tables and diagrams in the EPD specifications, validated by the Swedish Environmental Council and available on the website [www.environdec.com](http://www.environdec.com). The issuing of the certificate in December 2004 – the first in Europe – is certainly a rewarding acknowledgement of the company's proactive stance.*

*Beginning with aspects related to environmental protection, the company's focus has expanded to include the broader concept of sustainability of the triple bottom line, economic, social and environmental. The effort to communicate the steps accomplished in this field led to the publication in 2004 of the first Sustainability Report, a key tool offering objective and comparable information on the group's operations and care towards all stakeholders.*



## **Vertenze in corso** ***Pending Disputes***

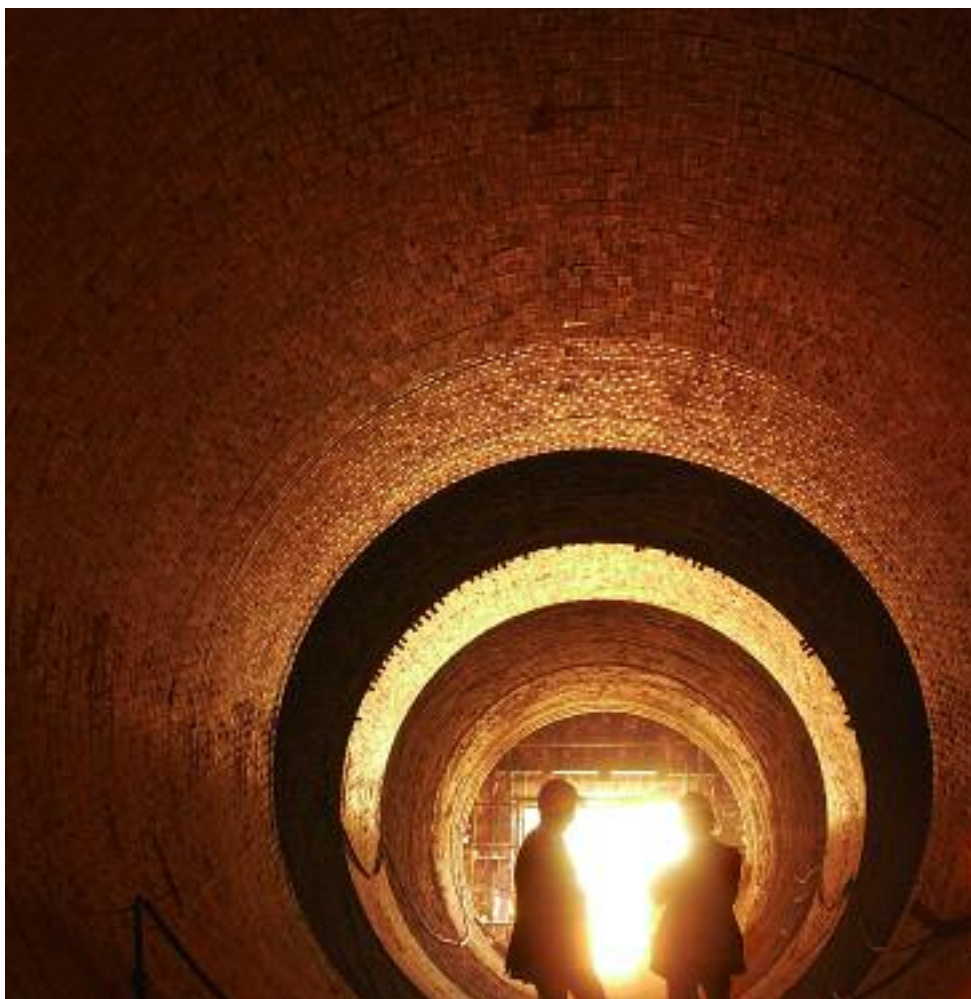
Nel mese di luglio, alcuni azionisti di minoranza della Dyckerhoff AG hanno intentato un'azione legale contro la società tedesca, chiedendo l'annullamento di decisioni assunte dall'assemblea del 12 maggio u.s. In particolare, essi richiedono l'annullamento della delibera di fusione tra RC Cement e Lone Star Industries, che in data 1 gennaio 2004 ha dato vita a Buzzi Unicem USA, e dell'autorizzazione all'acquisto di azioni proprie.

Dyckerhoff ha adottato tutte le misure necessarie per opporsi a tali richieste, ritenute pretestuose e prive di fondamento. Un primo successo nella vertenza è stato ottenuto il 9 marzo 2005, quando il tribunale di Wiesbaden ha respinto in primo grado il ricorso.

*In July, certain minority shareholders of Dyckerhoff AG brought a case against the German company, demanding the annulment of resolutions taken by the meeting last May 12. They specifically request the annulment of the resolution for merger between RC Cement and Lone Star Industries, which gave rise to Buzzi Unicem USA on 1 January 2004, and of the authorization to purchase treasury stock.*

*Dyckerhoff took all necessary steps to oppose these demands, considered to be unfounded and pretextuous. An initial success in the dispute was obtained on 9 March 2005, when the Wiesbaden court rejected the petition at the first instance.*

Lavori di manutenzione all'interno del forno  
*Maintenance underway inside kiln*





Il 9 agosto 2004, l'Autorità Garante della Concorrenza e del Mercato ha comunicato ad Unical SpA la propria decisione di chiusura del procedimento avviato in data 3 aprile 2003 nei confronti di 11 produttori di calcestruzzo preconfezionato. Nella sua decisione l'Autorità ha ritenuto che tali produttori abbiano posto in essere tra la fine del 1999 e il 2002 un'intesa lesiva della concorrenza nell'ambito del calcestruzzo riguardante la provincia di Milano ed alcuni comuni limitrofi. L'Autorità ha pertanto sanzionato i partecipanti alla suddetta intesa; in particolare la sanzione posta a carico di Unical è stata di 11 milioni di euro. Unical ritiene non fondati gli addebiti contestati dall'Autorità, ai quali si considera estranea, ed ha impugnato la decisione avanti il TAR del Lazio.

Inoltre Buzzi Unicem, avendo rilevato dal provvedimento dell'Autorità che la sanzione inflitta ad Unical è stata determinata sulla base del fatturato consolidato di gruppo nonché dei presunti vantaggi derivanti dall'integrazione verticale, ha a sua volta impugnato la decisione dell'Autorità in quanto questa non le è mai stata notificata, violando pertanto i suoi diritti di difesa. La discussione dei ricorsi è avvenuta in data 16 marzo 2005. Si è in attesa di conoscere la relativa sentenza. In caso di esito negativo o non soddisfacente è percorribile il ricorso al Consiglio di Stato.

Non ci sono novità riguardanti la sanzione irrogata a Dyckerhoff ad inizio 2003 dall'Autorità Antitrust tedesca, nell'ambito di una più ampia indagine sulla locale industria del cemento. La multa risulta interamente accantonata in bilancio e la decisione è stata impugnata.

*On 9 August 2004, the Italian Antitrust Authority informed Unical SpA of its decision to close the proceedings which began on 3 April 2003 with regard to 11 manufacturers of ready-mix concrete. In its decision, the Authority considered that these manufacturers had set up an agreement which was damaging competition in the Milan concrete market, and certain outlying towns, between the end of 1999 and 2002. The Authority therefore fined the members of this agreement: specifically, the penalty to be borne by Unical was 11 million. Unical considers the arguments raised by the Authority to be unfounded and not applicable to it, and opposed the decision before the Regional Administrative Court of Lazio.*

*Buzzi Unicem, having observed from the Authority's ruling that the penalty inflicted on Unical was determined on the basis of the group's consolidated sales revenue, as well as the presumed benefits deriving from vertical integration, in turn opposed the Authority's decision, as it had never been notified resulting in a breach of its defense rights.*

*The appeals were heard on 16 March 2005 and the sentence is awaited. If it is negative or not satisfactory, an appeal may be made to the Council of State.*

*There is no news about the fine inflicted on Dyckerhoff in early 2003 by the German Antitrust Authority, in the context of wider investigations into the local cement industry. The fine has been fully provided for in the financial statements and the decision has been appealed.*

## **Fatti di rilievo avvenuti dopo la chiusura dell'esercizio** ***Significant Subsequent Events after Closing of the Financial Year***

Il 31 gennaio 2005 è avvenuto il trasferimento ed il pagamento di n. 5.000.000 azioni ordinarie Dyckerhoff oggetto dell'opzione *put* detenuta da IMI Finance Luxembourg SA. Di conseguenza Buzzi Unicem detiene ora, direttamente e indirettamente, il 91,20% delle azioni ordinarie Dyckerhoff AG ed il 76,73% del capitale totale comprensivo delle azioni privilegiate.

Il 16 febbraio 2005 è entrato in vigore nell'Unione Europea il protocollo di Kyoto, come comunemente viene identificata l'intesa ONU firmata a Kyoto nel 1997, avente ad oggetto la riduzione delle emissioni artificiali di anidride carbonica. All'Italia è stato assegnato un obiettivo di riduzione del 6,5% rispetto ai livelli del 1990, da realizzarsi entro il 2010-2012. L'efficacia del provvedimento è seriamente minata dalla mancata adesione di alcuni tra i più grandi paesi, sia industrializzati che in via di sviluppo: non aderiscono infatti al protocollo Stati Uniti, Cina e India, solo per citare i principali produttori di anidride carbonica. Senza addentrarsi in valutazioni di merito, si rileva come ancora oggi il quadro normativo e regolamentare non sia adeguatamente definito, con evidenti conseguenze in termini di pianificazione della produzione. Inoltre, la mancata adesione al protocollo dei paesi del Mediterraneo e dell'area balcanica, che abitualmente si propongono come esportatori di cemento e clinker verso l'Unione Europea, rischia di creare una distorsione competitiva a danno dei paesi aderenti, che devono sostenere costi aggiuntivi per adeguarsi al protocollo. È auspicabile il varo di provvedimenti in grado di annullare o perlomeno attenuare tale distorsione.

Sempre ad inizio anno, è entrata in vigore nell'Unione Europea una direttiva volta a diminuire il contenuto di Cromo esavalente nel cemento; il rispetto di tale normativa ha comportato l'effettuazione di investimenti *ad hoc* e determina altresì un aumento dei costi di produzione unitari.

*On 31 January 2005, the transfer and payment of 5,000,000 ordinary Dyckerhoff shares subject to the put option held by IMI Finance Luxembourg SA took place. As a result, Buzzi Unicem now holds, directly and indirectly, 91.20% of ordinary Dyckerhoff AG shares and 76.73% of the total capital including preferred shares.*

*On 16 February 2005, the Kyoto protocol, as the UN agreement signed in Kyoto in 1997 is commonly known, came into force in the European Union, with the aim of reducing artificial carbon dioxide emissions. Italy has been set a reduction target of 6.5% compared to 1990 levels, to be achieved by 2010-2012. The effectiveness of the measure is seriously threatened by the failure of some of the largest countries, both industrialized and emerging, to join. Indeed, the United States, China and India have not joined the protocol, and these are only the main producers of carbon dioxide. Without entering upon the subject, it can be seen how the legislative and regulatory framework has not yet been adequately defined, which has obvious consequences in terms of production planning. In addition, the failure of Mediterranean and Balkan countries, regular exporters of cement and clinker to the European Union, to join the protocol, threatens to create competitive distortion which is damaging for member countries, that have to bear additional costs to adapt to the protocol. We can only hope for the launch of measures to cancel out or at least ward off the effects of this distortion.*

*Always at the beginning of the year, a directive aimed at reducing the Chromium 6 content of cement was introduced in the European Union. Compliance with this legislation involved carrying out ad hoc capital projects and also leads to an increase in unitary production costs.*

## **Evoluzione prevedibile della gestione** ***Outlook for Operations***

In Italia, prevediamo che il mercato delle costruzioni si mantenga a livelli elevati. L'edilizia residenziale sarà sostenuta dagli interventi di riqualificazione abitativa, che ancora usufruiscono di agevolazioni fiscali, mentre la realizzazione di nuove abitazioni beneficia di un costo del denaro favorevole. Gli investimenti del settore pubblico saranno influenzati dalle decisioni circa il mantenimento del tetto del 2% alla variazione della spesa; tuttavia nonostante gli ostacoli amministrativi e burocratici, la realizzazione delle grandi opere infrastrutturali dovrebbe fornire un tangibile contributo alla domanda di cemento. I costi di produzione ancora una volta risentiranno dell'aumento dell'elettricità e soprattutto dei combustibili, che difficilmente potrà essere recuperato attraverso il miglioramento dei ricavi unitari. Ulteriori aggravii derivano dall'adeguamento alla direttiva per la riduzione del contenuto di Cromo esavalente di cui si è detto in precedenza; pertanto, i risultati operativi subiranno probabilmente una contrazione.

*In Italy, we predict that the construction industry will maintain high levels of activity. Residential building will be supported by renovation works, which still enjoy tax incentives, while the construction of new buildings benefits from the low cost of money. Public sector investments will be influenced by the decisions concerning maintenance of the 2% ceiling on cost variance. However, despite administrative and bureaucratic obstacles, the construction of large-scale infrastructure works should provide a tangible contribution to the demand for cement. Production costs will once again suffer from the increase in electricity and especially in fuel, which will be hard to recover from improvements in unit prices. An additional burden is associated with the Chromium 6 reduction as per the EU directive mentioned above; therefore operating results will probably decrease.*

Scorcio della cementeria di Robilante, Italia  
*A glimpse of the Robilante cement plant, Italy*



Negli Stati Uniti, gli investimenti in costruzioni sono attesi in crescita: la moderata contrazione della spesa nel settore residenziale dovrebbe essere più che compensata dalla ripresa sia nel settore commerciale che negli investimenti infrastrutturali. È in avanzata fase di approvazione il nuovo programma federale SAFETEA, che dovrebbe destinare circa 300 miliardi di dollari in sei anni alla realizzazione di opere infrastrutturali strategiche. Il consumo di cemento, pertanto, dovrebbe confermarsi su livelli perlomeno analoghi a quelli già elevati dello scorso esercizio. La forza della domanda di cemento ed il persistere di alcuni fattori esterni sfavorevoli alle importazioni, quali l'aumento dei noli, la svalutazione del dollaro ed una minore disponibilità di prodotto a livello internazionale, dovrebbero mantenere condizioni favorevoli ad un recupero dei prezzi, necessario per compensare gli aumenti dei costi di produzione. I risultati operativi delle controllate statunitensi, espressi in dollari, sono attesi in sensibile miglioramento.

In Germania, anche nel 2005 il mercato delle costruzioni è atteso in contrazione, soprattutto a causa della diminuzione degli investimenti del settore pubblico. Molto probabilmente il consumo di cemento diminuirà di alcuni punti percentuali. Il processo di recupero dei prezzi, ancora ampiamente inferiori a quelli degli altri paesi dell'Europa occidentale, dovrebbe peraltro continuare, traducendosi in una crescita dei risultati operativi.

In Messico, la campagna elettorale in vista delle elezioni presidenziali del 2006 caratterizzerà fortemente l'anno in corso, rimandando certamente la realizzazione delle auspiccate riforme economiche. Anche ipotizzando una lieve flessione della spesa pubblica destinata ad opere infrastrutturali, gli investimenti in costruzioni private traineranno la domanda di cemento. Grazie al crescente contributo della nuova cementeria di Cerritos, abbiamo fiducia in un ulteriore progresso dei risultati operativi, espressi in valuta locale.

L'ingresso nell'Unione Europea migliora le prospettive macroeconomiche della Polonia, in particolare nel settore delle costruzioni; principali *driver* della crescita saranno la realizzazione di nuove vie di comunicazione e l'aumento dei fondi infrastrutturali. L'effetto negativo sulla domanda di cemento dovuto all'incremento dell'IVA sarà riassorbito, consentendo al consumo di aumentare ancora nell'anno in corso. Anche grazie ad un favorevole *trend* nei prezzi di vendita, i risultati operativi dovrebbero essere superiori in valuta locale.

*In the United States, construction investments are expected to rise: the limited decline in the residential sector should be more than offset by the recovery in both commercial and infrastructure spending. The federal program SAFETEA is well on the way to being approved, and this should provide approximately 300 billion dollar over six years for the construction of strategic infrastructures. Cement demand should therefore establish itself at a level which is at least similar to the already high consumption of last year. The strength of demand for cement and the persistence of certain external factors which are detrimental to imports, such as the increase in marine freights, the weakening of the dollar and a reduced product availability on the international market, should mean that conditions remain favorable for price recovery, necessary to compensate for increases in production costs. Operating results for US subsidiaries, expressed in dollars, are expected to improve considerably.*

*In Germany, a shrinkage in the construction industry is also expected for 2005, mainly due to the decrease in public sector investments. It is highly likely that cement consumption will fall by some percentage points. The process of recovery in prices, still much lower than in other Western European countries, should nevertheless continue, translating into growth of operating results.*

*In Mexico, the electoral campaign in the run-up to the 2006 presidential elections will be a prominent feature of this year, certainly delaying the implementation of the hoped-for economic reforms. Even in the case of a slight dip in public infrastructure works, investments in private buildings will lead the demand for cement. Thanks to the growing contribution of the new Cerritos plant, we are confident in further progress of operating results, expressed in local currency.*

*Entry into the European Union has improved the macroeconomic prospects for Poland, in the construction industry in particular. The main drivers for growth will be the building of new road systems and the increase in funds for infrastructure. The negative effect on the demand for cement due to VAT increases will be reabsorbed, enabling consumption to likely increase further this year. Thanks to a favorable trend in sales prices, operating results should be higher in local currency.*

Analoghe considerazioni valgono per lo scenario macroeconomico della Repubblica Ceca, in cui lo sviluppo delle costruzioni dovrebbe tradursi in un progresso del consumo di cemento; più incerta l'evoluzione dei prezzi, per l'accesa competizione tra i vari operatori. Complessivamente i risultati operativi realizzati nel paese, in valuta locale, sono attesi in linea con il 2004.

L'economia in Russia, grazie al quadro di stabilità politica ed all'ulteriore rafforzamento dei prezzi del greggio e del gas naturale, è vista nuovamente in progresso. Le prospettive per il consumo di cemento sono anch'esse positive; la dinamicità della domanda dovrebbe riflettersi favorevolmente sui prezzi di vendita, traducendosi in un nuovo miglioramento dei risultati operativi in valuta locale.

In Ucraina, le prospettive del settore delle costruzioni si confermano molto favorevoli, grazie ad un elevato tasso di crescita dell'economia ed alla necessità di investimenti nell'edilizia residenziale e nelle infrastrutture. La prevedibile maggiore apertura verso l'Occidente conseguente alla stabilizzazione sul piano politico determinerà un'accelerazione degli investimenti diretti esteri e rafforzerà il quadro macroeconomico complessivo. Si prevede una evoluzione assai positiva dei risultati operativi espressi in valuta locale.

Complessivamente, in un quadro di stabilità dei tassi di cambio, la probabile minore redditività delle attività italiane dovrebbe essere compensata da migliori risultati nelle altre aree geografiche. A livello consolidato, i risultati operativi sono pertanto attesi su livelli analoghi a quelli del 2004.

*Similar considerations apply to the macroeconomic situation in the Czech Republic, where construction development should result in rising cement demand. The trend in prices is less certain, due to the heated competition between operators. Overall, the operating results achieved in the country, in local currency, are expected to be in line with 2004.*

*The Russian economy, thanks to the framework of political stability and further reinforcements to the price of crude oil and natural gas, is once again on the upside. Prospects for cement consumption are also positive. The dynamic demand should have a favorable effect on sales prices, translating into new improvements of operating results in local currency.*

*In the Ukraine, prospects for the construction sector appear extremely encouraging, thanks to a high rate of economic growth and the need for investments in residential building and infrastructures. The predictable, increased opening up towards the West world, as a result of political stabilization, will cause an acceleration in foreign direct investment, strengthening the overall macroeconomic picture. A very positive trend of operating results in local currency is forecast.*

*Overall, in a framework of stable exchange rates, the probable reduced profitability of Italian operations should be compensated by improved results in other regions. At a consolidated level, operating results are therefore expected to be similar to those of 2004.*

Nastro trasportatore di ricambio  
*Spare conveyor belt*





## **Azioni proprie** **Treasury Shares**

A fine anno la capogruppo Buzzi Unicem SpA possedeva n. 1.977.000 azioni proprie ordinarie, corrispondenti all'1,01% del capitale.

Nessuna delle imprese controllate possiede azioni della controllante.

*At year end, the parent company Buzzi Unicem SpA held in treasury 1,977,000 ordinary shares, corresponding to 1.01% of capital.*

*None of the subsidiaries hold any of the parent company's shares.*

Pallets personalizzati per il trasporto del cemento in sacco  
*Bagged cement is delivered on personalized pallets*



## **Transizione ai principi contabili internazionali** **Transition to International Accounting Standards**

In relazione all'introduzione dei principi contabili internazionali, a decorrere dal secondo semestre 2004 Buzzi Unicem ha iniziato l'attività preparatoria volta a redigere un bilancio consolidato di apertura per l'esercizio 2004 conforme ai principi IAS/IFRS. Occorre premettere che l'adozione dei nuovi principi è agevolata dal fatto che una parte rilevante del gruppo (Dyckerhoff AG e società controllate) presenta già da alcuni esercizi un bilancio consolidato secondo IAS/IFRS. Il gruppo di lavoro interno, specificatamente costituito, ha tenuto numerosi incontri di analisi ed approfondimento in materia, con l'assistenza della società di revisione incaricata. Sulla base del lavoro svolto, riteniamo che l'impatto derivante dalla prima e successive applicazioni dei principi contabili internazionali interesserà principalmente le seguenti poste:

- Immobilizzazioni immateriali: in particolare le voci Avviamento e Differenza da consolidamento, che non saranno più sottoposte ad ammortamento ma a verifica annuale per eventuale perdita permanente di valore
- Trattamento di fine rapporto: avvalendosi di un attuario indipendente dovrà essere ricalcolata la posizione debitoria verso il personale addetto secondo le modalità previste dal principio IAS 19
- Strumenti derivati: pur non essendo presenti in misura rilevante si prevede, per alcuni di questi, di utilizzare il metodo *hedge accounting* previsto dal principio IAS 39
- Aggregazioni di imprese: sono state riesaminate le aggregazioni alla luce dei principi IAS 22/IFRS 3 ed è in corso di definizione l'effetto sul patrimonio netto alla data di transizione.

L'insieme delle altre aree di bilancio interessate non evidenzia impatti significativi sul patrimonio netto di transizione e sui risultati d'esercizio. Sono tuttora in corso gli approfondimenti operativi sui singoli principi per poi procedere rapidamente alla quantificazione dei saldi iniziali ed alla stesura delle note informative. Sono già stati impostati a livello di sistemi informatici e di soggetto giuridico gli ambienti ove accogliere la contabilità tenuta secondo i principi IAS/IFRS. Si ritiene che il processo di transizione possa essere completato in tempo utile per consentire di predisporre la relazione semestrale al 30 giugno 2005.

*In view of the introduction of International Accounting Standards for consolidated financial statements, as from the second half of 2004 Buzzi Unicem has begun preliminary activities in order to draw up a 2004 opening consolidated balance sheet in compliance with IAS/IFRS. To be noted that the adoption of the new standards is eased since a great part of the group (i.e. Dyckerhoff AG and its subsidiaries), for some years has prepared consolidated financial statements in accordance with IAS/IFRS. The internal working team, specially formed, held several meetings on the matter, assisted by the appointed auditors. Based on the work already done we can assume that the main items affected by the adoption of International Accounting Standards will be:*

- Intangible fixed assets: Goodwill and Differential arising from consolidation will not be amortized but tested annually for impairment*
- Severance indemnities: using an independent actuary, the debt position towards each employee shall be recounted in compliance with IAS 19*
- Derivatives instruments: although of minor entity, for some of them, the hedge accounting method will be applied in compliance with IAS 39*
- Business combinations: combinations have been re-examined on the basis of IAS 22/IFRS 3 and the impact on stockholders' equity at the date of transition is being assessed.*

*The whole of the other areas affected show no major impacts on transition stockholders' equity and economic results. Each standard and the relevant impact is now being analyzed in order to quickly allow the quantification of beginning balances and the drawing up of the notes.*

*The necessary adjustments are being made to the information and management system and the transition process is expected to be completed in time for the presentation of the interim results as of June 30, 2005.*

Robilante, Italia: sequenza di una volata in cava calcare  
*Robilante, Italy: blast round at the limestone quarry*



# **Consolidated Financial Statements**



# CONSOLIDATED BALANCE SHEET

## ASSETS

(in thousands of euro)

	Dec. 31, 2004	Dec. 31, 2003
<b>A) RECEIVABLES FROM STOCKHOLDERS FOR SUBSCRIBED CAPITAL UNPAID</b>	–	–
<b>B) FIXED ASSETS</b>		
<b>I Intangible fixed assets:</b>		
1) Formation and expansion costs	1,777	1,770
2) Research, development and advertising expenses	13	–
3) Industrial patents and intellectual property rights	1,342	1,513
4) Concessions, licenses, trademarks and similar rights	937	381
5) Goodwill	59,313	66,611
6) Assets in progress and advances	46	64
7) Differential arising from consolidation	432,953	13,290
8) Others	4,247	4,830
<b>Total</b>	<b>500,028</b>	<b>88,459</b>
<b>II Property, plant and equipment:</b>		
1) Land and buildings	1,412,804	225,716
2) Plant and machinery	1,195,163	448,663
3) Industrial and commercial equipment	85,579	21,104
4) Other assets	16,056	6,706
5) Assets in progress and advances	81,927	78,700
<b>Total</b>	<b>2,791,529</b>	<b>780,889</b>
<b>III Financial fixed assets:</b>		
1) Equity investments in:	155,386	932,776
a) unconsolidated subsidiaries	2,597	447
b) associated companies	148,309	928,700
c) parent companies	–	–
d) other companies	4,480	3,629
2) Receivables:	52,222	11,101
a) from unconsolidated subsidiaries	1,501	51
b) from associated companies	2,322	2,729
- due within 12 months	878	155
- due beyond 12 months	1,444	2,574
c) from parent companies	–	–
d) from others	48,399	8,321
- due within 12 months	19,443	1,485
- due beyond 12 months	28,956	6,836
3) Other securities	25	15,522
4) Treasury stock	–	–
<b>Total</b>	<b>207,633</b>	<b>959,399</b>
<b>Total fixed assets (B)</b>	<b>3,499,190</b>	<b>1,828,747</b>



(in thousands of euro)

**C) CURRENT ASSETS****I Inventories:**

1) Raw materials, supplies and consumables	152,985	78,854
2) Work in progress and semi-finished products	51,734	19,464
3) Contract work in progress	–	–
4) Finished products and goods for resale	56,974	19,851
5) Advances to suppliers	3,025	864

**Total****264,718****119,033****II Receivables:**

1) Trade receivables	458,283	337,525
- due within 12 months	458,279	337,357
- due beyond 12 months	4	168
2) From unconsolidated subsidiaries	1,570	911
3) From associated companies	20,391	7,679
- due within 12 months	14,783	7,679
- due beyond 12 months	5,608	–
4) From parent companies	5	5
4-bis) Tax receivables	41,941	14,023
- due within 12 months	40,647	14,023
- due beyond 12 months	1,294	–
4-ter) Deferred tax assets	55,945	20,917
- due within 12 months	1,059	5,876
- due beyond 12 months	54,886	15,041
5) From others	115,219	12,605
- due within 12 months	44,976	8,176
- due beyond 12 months	70,243	4,429

**Total****693,354****393,665****III Financial assets not held as fixed assets:**

1) Equity investments in unconsolidated subsidiaries	–	–
2) Equity investments in associated companies	–	–
3) Equity investments in parent companies	–	–
4) Other equity investments	–	–
5) Treasury stock (nominal value euro 1,186,200)	17,140	15,833
6) Other securities	148,095	124,739

**Total****165,235****140,572****IV Cash and cash equivalents:**

1) Bank and post office deposits	734,046	205,321
2) Checks	69	42
3) Cash on hand	362	97

**Total****734,477****205,460****Total current assets (C)****1,857,784****858,730****D) ACCRUED REVENUES AND PREPAID EXPENSES****11,903****4,204****TOTAL ASSETS****5,368,877****2,691,681**

## LIABILITIES AND STOCKHOLDERS' EQUITY

(in thousands of euro)

	Dec. 31, 2004	Dec. 31, 2003
<b>A) STOCKHOLDERS' EQUITY</b>		
I Capital stock	117,490	102,821
II Paid-in capital	365,081	173,017
III Revaluation reserves	85,520	85,520
IV Legal reserve	16,945	12,897
V Statutory reserves	–	–
VI Reserve for treasury stock	17,140	15,833
VII Other reserves:	100,086	166,624
1) Consolidation reserve	2,314	2,313
2) Translation differences	(226,909)	(150,834)
3) Reserve for gains on contributions ex law 904/77	25,913	25,913
4) Reserve for purchase of treasury stock	49,824	25,023
5) Reserve for capital grants	29,426	29,412
6) Reserve for gains ex law 169/83	9,916	9,916
7) Reserve for issuing of shares art. 2349 Civil Code	600	91
8) Reserve ex legislative decree 124/93	37	20
9) Restricted reserve ex law 488/92 and law 388/00	25,633	22,170
10) Merger surplus	183,332	202,600
VIII Retained earnings (losses)	765,445	640,533
IX Consolidated net income (loss)	238,708	159,283
<b>Total stockholders' equity of the group</b>	<b>1,706,415</b>	<b>1,356,528</b>
X Minority interests	365,981	79,134
<b>Total stockholders' equity (A)</b>	<b>2,072,396</b>	<b>1,435,662</b>
<b>B) PROVISIONS FOR RISKS AND CHARGES</b>		
1) Pensions and similar obligations	323,970	11,568
2) Taxation, also deferred	423,410	75,469
3) Others	228,427	136,208
<b>Total provisions for risks and charges (B)</b>	<b>975,807</b>	<b>223,245</b>
<b>C) EMPLOYEE SEVERANCE INDEMNITIES</b>	<b>40,306</b>	<b>39,913</b>

(in thousands of euro)

	Dec. 31, 2004	Dec. 31, 2003
<b>D) PAYABLES</b>		
1) Bonds	1,003,812	592,942
- due within 12 months	118,042	-
- due beyond 12 months	885,770	592,942
2) Convertible bonds	100,102	100,917
- due within 12 months	-	-
- due beyond 12 months	100,102	100,917
3) Borrowings from shareholders	-	-
4) Borrowings from banks	326,379	59,901
- due within 12 months	107,585	55,100
- due beyond 12 months	218,794	4,801
5) Other providers of finance	285,375	541
- due within 12 months	3,025	168
- due beyond 12 months	282,350	373
6) Advances	5,609	667
- due within 12 months	5,029	667
- due beyond 12 months	580	-
7) Trade payables	263,374	178,645
8) Notes payable	232	-
9) Payables to unconsolidated subsidiaries	1,262	-
10) Payables to associated companies	5,582	2,402
11) Payables to parent companies	46,614	-
12) Taxes payable	87,343	18,826
13) Payables to social security institutions	10,957	6,000
- due within 12 months	10,953	5,986
- due beyond 12 months	4	14
14) Other payables	121,533	15,986
- due within 12 months	102,073	14,567
- due beyond 12 months	19,460	1,419
<b>Total Payables (D)</b>	<b>2,258,174</b>	<b>976,827</b>
<b>E) ACCRUED EXPENSES AND DEFERRED REVENUES</b>	<b>22,194</b>	<b>16,034</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>5,368,877</b>	<b>2,691,681</b>
<b>MEMORANDUM ACCOUNTS</b>		
Guarantees given	30,561	31,877
Guarantees received	24,851	439,206
Other memorandum accounts	486,907	8,273
<b>Total memorandum accounts</b>	<b>542,319</b>	<b>479,356</b>

# CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	2004	2003
<b>A) VALUE OF PRODUCTION</b>		
1) Revenues from sales and services	2,771,598	1,461,570
2) Changes in inventories of work in progress, semi-finished and finished products	9,862	(4,335)
3) Changes in contract work in progress	–	–
4) Additions to internally produced fixed assets	1,789	707
5) Other revenues and income	78,036	15,654
<b>Total value of production</b>	<b>2,861,285</b>	<b>1,473,596</b>
<b>B) COSTS OF PRODUCTION</b>		
6) Raw materials, supplies, consumables and goods for resale	1,071,288	535,138
7) Services	568,722	294,209
8) Use of third party assets	30,563	15,239
9) Labour costs:	395,584	166,120
a) salaries and wages	306,344	121,114
b) social security contributions	77,698	38,205
c) employee severance indemnities	5,149	5,191
d) pensions and similar obligations	876	640
e) other costs	5,517	970
10) Amortization, depreciation and writedowns:	276,593	124,008
a) amortization of intangible fixed assets	58,328	31,862
b) depreciation of property, plant and equipment	199,314	82,300
c) other adjustments to fixed assets	3,079	1,840
d) writedown of receivables under current assets and liquid funds	15,872	8,006
11) Changes in inventories of raw materials, supplies, consumables and goods for resale	(11,599)	(5,946)
12) Provisions for risks	2,303	380
13) Other provisions	4,920	2,110
14) Other expenses	69,960	22,559
<b>Total costs of production</b>	<b>2,408,334</b>	<b>1,153,817</b>
<b>DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)</b>	<b>452,951</b>	<b>319,779</b>
<b>C) FINANCIAL INCOME AND EXPENSES</b>		
15) Income from equity investments:	1,499	27
a) dividends from unconsolidated subsidiaries	548	–
b) dividends from associated companies	794	–
c) dividends from other companies	152	27
d) other income from equity investments	5	–

(in thousands of euro)

	2004	2003
16) Other financial income:	38,866	18,499
a) from receivables under fixed assets:	984	370
- from unconsolidated subsidiaries	54	-
- from associated companies	98	167
- from parent companies	-	-
- from others	832	203
b) from securities under fixed assets other than equity investments	-	1,796
c) from securities under current assets other than equity investments	3,051	3,798
d) other income:	34,831	12,535
- from unconsolidated subsidiaries	4	-
- from associated companies	355	-
- from parent companies	-	-
- from others	34,472	12,535
17) Interest and other financial expenses:	169,182	52,580
a) unconsolidated subsidiaries	31	-
b) associated companies	60	-
c) parent companies	-	99
d) others	169,091	52,481
17-bis) Exchange gains and losses	2,331	13,072
<b>Total financial income and expenses (15+16-17+17-bis)</b>	<b>(126,486)</b>	<b>(20,982)</b>
<b>D) ADJUSTMENTS TO FINANCIAL ASSETS</b>		
18) Revaluations:	8,700	4,831
a) of equity investments	8,694	1,472
b) of financial fixed assets other than equity investments	4	6
c) of securities under current assets other than equity investments	2	3,353
19) Writedowns:	14,316	13,834
a) of equity investments	14,164	13,682
b) of financial fixed assets other than equity investments	152	152
c) of securities under current assets other than equity investments	-	-
<b>Total adjustments (18-19)</b>	<b>(5,616)</b>	<b>(9,003)</b>
<b>E) EXTRAORDINARY INCOME AND EXPENSES</b>		
20) Income:	142,384	4,141
a) gains on disposals	17,219	74
c) other extraordinary income	125,165	4,067
21) Expenses:	52,762	757
a) losses on disposals	6	29
b) prior years taxes	31	405
c) other extraordinary expenses	52,725	323
<b>Total extraordinary income and expenses (20-21)</b>	<b>89,622</b>	<b>3,384</b>
<b>INCOME BEFORE TAXES (A-B+C+D+E)</b>	<b>410,471</b>	<b>293,178</b>
22) Income taxes	(132,921)	(114,110)
<b>23) COMBINED NET INCOME (LOSS)</b>	<b>277,550</b>	<b>179,068</b>
24) Minority interests	(38,842)	(19,785)
<b>CONSOLIDATED NET INCOME (LOSS)</b>	<b>238,708</b>	<b>159,283</b>





Robilante, Italia: il forno di cottura n. 3  
*Robilante, Italy: kiln 3 in operation*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## Form and content

The consolidated financial statements have been prepared in accordance with article 25 and following of Italian Legislative Decree 127/91. They include the statutory financial statements of Buzzi Unicem SpA and of the subsidiaries in which Buzzi Unicem SpA directly or indirectly holds more than 50% of the capital stock or in which it has enough votes to exercise a dominant influence in the general meeting. The scope of consolidation does not include those subsidiaries in which the parent company's rights are seriously and permanently restricted, nor those whose shares or quotas are held exclusively with a view to selling them in the future. Subsidiaries in winding up and those companies with immaterial assets, both from an investment point of view and in terms of their net equity and results, are also excluded from the scope of consolidation. The main companies in which the group, directly or indirectly, exercises joint control with other stockholders are consolidated under the proportional method. Unconsolidated subsidiaries and associated companies in which the direct or indirect holding is between 20% and 50% are normally carried at equity.

The financial statements used in the consolidation are those prepared or approved as of December 31, 2004 by the boards of the individual companies. These financial statements have been adjusted, where necessary, to bring them into line with group accounting principles. The adjustments to the individual financial statements made to eliminate items of a purely fiscal nature or to align them with group accounting principles, as well as other consolidation adjustments, take into account the related deferred tax effect, where appropriate. The closing date and the reference period for the consolidated financial statements coincide with those of the statutory financial statements of the parent company and its subsidiaries.

The 2004 balance sheet and income statement are not comparable with those of the prior year, since a significant change in the scope of consolidation has taken place following the first consolidation on a line-by-line basis of Dyckerhoff AG. To facilitate comparison, pro forma consolidated accounts have been drawn up for the year 2003, which includes Dyckerhoff AG on a line-by-line basis; the summary schedules are attached to these notes hereinafter. The financial statements layout includes the changes and integrations introduced by the reform of business law. Where necessary, comparability of content entails restatement of the prior year amounts.

The main changes to the group structure during 2004 are summarized below:

- Buzzi Unicem SpA carried out the following operations: purchase of a further 17.4% of ordinary capital in Dyckerhoff AG, which was accounted for the first time on a line-by-line basis together with its subsidiaries; purchase of the remaining 10% of Cementi Riva Srl and subsequent merger of the same company; acquisition of a further 20% in Cementi Moccia SpA; merger of Uniserv Srl into Buzzi Unicem SpA; purchase of 68% of Orionidas SA, a company based in Spain.
- Buzzi Unicem Investimenti Srl (formerly Alfacementi Srl) carried out the following operation: acquisition of 100% of the German company Buzzi Unicem Deutschland GmbH.
- Unical SpA carried out the following operations: purchase of the remaining 43% of Vielle Calcestruzzi Srl and subsequent merger of the same company.

Further, on 1<sup>st</sup> January 2004, a merger was carried out between the US operations of Buzzi Unicem owned by the 100% subsidiary RC Cement Holding and all of Dyckerhoff's US subsidiaries, with the incorporation of RC Lonestar Inc., in which Buzzi Unicem holds a 51.5% interest and Dyckerhoff the remaining 48.5% stake.

## Consolidation principles

Subsidiaries have been consolidated under the full consolidation method, completely consolidating all assets, liabilities, costs and revenues, regardless of the percentage of ownership. The portion of stockholders' equity and of the result for the year pertaining to minority shareholders are shown separately in the consolidated balance sheet and income statement under the caption *Minority interests*. The main consolidation principles are:

- The carrying value of consolidated equity investments is eliminated against the related portion of stockholders' equity. Credit differentials arising from this elimination are booked to the *Consolidation reserve*. Debit differentials are allocated, where possible, to the assets or liabilities to which the higher value refers; any residual portion represents goodwill, which is booked to *Differential arising from consolidation*.
- Intercompany receivables and payables, costs and revenues are eliminated. Significant profits and losses deriving from transactions between consolidated companies and not yet realized with third parties are also eliminated.
- Dividends distributed within the group are eliminated from the consolidated income statement.

The proportional consolidation method, used for the main companies that are jointly controlled together with other shareholders, entails the inclusion of assets, liabilities and income statement results in proportion to the percentage of ownership held.

The valuation by the equity method, used for unconsolidated subsidiaries and associated companies in which the group has a significant influence, entails carrying the investment at the corresponding interest of the underlying stockholders' equity, after deducting dividends and making the adjustments required by generally accepted accounting principles for consolidated financial statements.

The translation of financial statements in foreign currencies is done using the current rate method. Such method entails translating assets and liabilities at the exchange rates ruling at the end of the year and converting income statement figures at the average exchange rate for the year. Stockholders' equity is translated at the historical exchange rate ruling at the date of acquisition. The exchange difference arising using a different exchange rate than the one used the previous year is attributed to *Translation differences* under stockholders' equity. The difference that arises on converting the balance sheet and the income statement at different exchange rates is also booked to *Translation differences*. The exchange rates used for translation are the following:

(euro)				
Currency	<i>Exchange rate as of Dec. 31, 2004</i>	<i>Average exchange rate for 2004</i>	<i>Exchange rate as of Dec. 31, 2003</i>	<i>Average exchange rate for 2003</i>
US Dollar	1.3621	1.2439	1.2630	1.1312
Mexican Peso	15.2204	14.0333	14.1613	12.2098
Danish Kroner	7.4388	7.4399	7.4450	7.4307
Czeck Koruna	30.4640	31.8911	-	-
Slovakian Koruna	38.7450	40.0218	-	-
Ukrainian Hryvnia	7.2348	6.6196	-	-
Russian Ruble	37.9010	35.8084	-	-
Polish Zloty	4.0845	4.5268	-	-
Hungarian Forint	245.9700	251.6560	-	-

## Accounting policies

To improve the true and fair representation of the group's economic results and financial position, the consolidated financial statements are prepared applying different accounting policies from those used in the statutory financial statements of Buzzi Unicem SpA, without any changes from the previous year, except for the amendments to valuation criteria introduced by the reform of business law. The accounting principles are in line with the changes and integrations comprised in the OIC 1 document. Assets and liabilities are valued on a substantially consistent basis. Certain items in the financial statements of foreign operating companies have deliberately not been aligned to group accounting policies, as this better achieves a true and fair view.

### Intangible fixed assets

Intangible fixed assets are booked at purchase or production cost, including ancillary charges, and amortized on a straight-line basis over their estimated useful life. The capitalization of individual cost categories is economically justified by the future benefit they will bring. Their book value is shown net of accumulated amortization, which is generally calculated over 5 years. The useful life of *Goodwill* and *Differential arising from consolidation* has been set at 5, 10 or 20 years, depending on the distinctive features of the sector in which the companies operate and the estimated payback period of the investments concerned. With respect to group companies that have already adopted the IAS/IFRS international accounting standards, the useful life of *Goodwill* and *Differential arising from consolidation* is indefinite and the recoverable amount of such assets is estimated annually for possible recognition of an impairment loss. Mining licenses for the quarrying of natural aggregates are amortized in proportion to the volume extracted. Accessory charges incurred for securing medium long term financing are amortized over the duration of debt, starting with the closing date.

Assets whose value at the balance sheet date is permanently lower than their book value are shown at this lower value. If the reasons for a permanent writedown no longer apply, the original value is reinstated within the limits of prior writedowns and, in any case, only to the extent that it has effectively recovered economic value.

### Property, plant and equipment

Property, plant and equipment are booked at the purchase or production cost, including overheads, restated in some instances according to laws on monetary revaluation or as part of consolidation or merger operations, allocating indirect acquisition costs to the related assets. Production cost includes a reasonably attributable portion of the direct and indirect costs incurred before the asset entered into service. The cost of certain tangible fixed assets, especially new production lines, may include the interest expense on specific loans obtained during their construction.

Leased assets are booked to the assets side of the balance sheet at the lower of market or net present value of future contractual lease payments. This accounting treatment is in line with IAS 17.

Ordinary maintenance and repairs are expensed in the year they are incurred. Maintenance costs entailing a genuine improvement in terms of productivity, useful life or value are capitalized and added to the carrying amount of the assets concerned.

Property, plant and equipment are depreciated systematically each year over their estimated residual useful life. Land on which natural aggregates for concrete are quarried is depleted in proportion to the volume of material extracted during the year. The value shown in the financial statements is net of accumulated depreciation and adjustments.

Assets whose value at the balance sheet date is permanently lower than their book value are shown at this lower value. If the reasons for a permanent writedown no longer apply, the original value is reinstated within the limits of prior writedowns and, in any case, only to the extent that it has effectively recovered economic value.

## Financial fixed assets

*Equity investments* in unconsolidated subsidiaries and associated companies are generally valued by the equity method. Other equity investments are carried at purchase or subscription cost. In the event that the stockholders' equity of investments appearing in the financial statements suffers a permanent loss in value or the stock prices of listed companies are permanently lower than the carrying value, the cost is written down accordingly. The original value is reinstated in subsequent years, if the reasons for such writedowns no longer apply.

*Receivables* are recorded at their estimated realizable value.

*Other securities* are valued at acquisition cost, which includes overheads. This value is written down in the event of permanent losses. If the reasons for a permanent writedown no longer apply, the original value is reinstated within the limits of prior writedowns and, in any case, only to the extent that it has effectively recovered economic value.

## Inventories

Inventories are valued at the lower of purchase or production cost and market. Cost is generally determined on an average basis for the period.

## Receivables and payables

Receivables are booked at their estimated realizable value, being the difference between their nominal value and the value of the allowance for doubtful accounts. The reserve covers generic collection risks, calculated on all receivables and on the basis of past experience and the level of solvency of debtors or classes of debtors, as well as individual doubtful accounts.

*Payables* are recorded at their nominal value.

Receivables and payables denominated in foreign currency are translated into euro at the exchange rate ruling at the end of the year. Positive and/or negative differences between the amounts translated at the year end exchange rate and those recorded at the time of the transaction are booked to the income statement, together with exchange differences realized during the year. Application of this new principle also to long-term receivables and payables denominated in foreign currency involved a release to the income statement of the deferred exchange gains booked in the 2003 balance sheet. Any balance sheet effects from derivatives to hedge the exchange risk on long-term debt denominated in foreign currency are booked to *Other providers of finance* or *Receivables* within fixed assets.

## Financial assets not held as fixed assets

*Equity investments*, *Treasury stock* and *Other securities* not held as fixed assets are carried at the lower of cost or realizable value, based on market trends at the end of the year. Their original value is reinstated in subsequent years, if the reasons for writedowns no longer apply. *Other securities* are valued taking into account issue discounts accrued during the holding period.

## Provisions for risks and charges

*Provisions for risks and charges* are recorded to cover specific losses or liabilities whose existence is certain or likely, but whose timing or amount is not yet known at the balance sheet date. The provision reflects the best possible estimate based on available information.



## Employee severance indemnities

The amount of this liability is adjusted each year in compliance with current laws and labor contracts. It represents a certain obligation, even if not yet payable, which has accrued up to the end of the year to the benefit of the employees of the Italian companies, net of advances paid.

## Accruals and deferrals

Accruals and deferrals are made up of expenses and revenues common to two or more financial years, the amount of which varies exclusively over time.

## Capital grants

The capital grants received up to the end of 1999 were booked to stockholders' equity under *Other reserves*, net of taxes. As from 2000, they are recorded within *Other revenues and income* and accrued to future years by being included in deferred revenues. The income statement therefore reflects the portion related to the depreciation of property, plant and equipment to which they refer.

## Revenues and costs

Revenues and costs are recorded in the financial statements on an accrual basis, notwithstanding their collection or payment date. Dividends from equity investments that are not consolidated are recognized as revenue following the resolution adopted by the owned firm to distribute net income or possibly retained earnings.

## Income taxes

The estimated amount of taxes for the year, calculated in accordance with current law, is credited to *Taxes payable*, net of advances, withholdings and tax credits. The tax rates applied vary according to the nationality and fiscal situation of each consolidated company. The Italian companies that are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA acting as the parent, credit their estimated income tax expense to *Payables to parent companies*.

The *Taxation, also deferred* provision includes deferred taxes on the timing differences between the pretax and taxable income of the individual companies included in the consolidation, the deferred taxes caused by consolidation adjustments and an estimate of the tax charges likely to arise on open years or matters in dispute. The tax effect of timing differences that lead to *Deferred tax assets* is recorded only if there is a reasonable chance that they will be recovered.

## Comments on items in the consolidated balance sheet

(in thousands of euro)

### FIXED ASSETS

#### Intangible fixed assets

*Formation and expansion costs* comprise notary fees, taxes and duties and other expenses relating to deeds concerning the legal and corporate expansion of the group, such as capital stock increases, mergers and acquisition of business units.

*Research, development and advertising expenses* solely comprises research costs.

*Industrial patents and intellectual property rights* mainly include expenses incurred for the purchase of application software for plant and office automation.

The caption *Concessions, licenses, trademarks and similar rights* comprises euro 897 thousand of mining licenses, euro 37 thousand of industrial licenses and euro 3 thousand of trademarks mainly owned by the parent company.

*Goodwill* shown in the balance sheet refers for euro 41,668 thousand to Unicem SpA, merged in 1999. The balance also includes an amount of euro 9,081 thousand which is the cost incurred for the acquisition of firms operating in the concrete and natural aggregates sector in Italy and euro 8,564 thousand related to companies operating in Germany and Eastern Europe.

*Differential arising from consolidation* of euro 432,953 thousand consists of the positive differences arising on first time consolidation of the main subsidiaries. The surpluses recorded in the accounts refer to Dyckerhoff AG (euro 344,681 thousand), Betonval SpA (euro 4,566 thousand), Cement Hranice a.s. (euro 36,129 thousand), ZAPA Beton a.s. (euro 5,630 thousand), Cementownia Nowiny Sp. z.o.o. (euro 22,781 thousand), VAT Volyn (euro 10,758 thousand), VAT Yugcement (euro 5,437 thousand) and other minor companies, mainly German (euro 2,971 thousand).

The caption *Others* is chiefly made up of ancillary charges related to long term debt (euro 3,221 thousand) in addition to leasehold improvements and other deferred charges.

The following table shows details of changes during the year:

	Net value as of Dec. 31, 2003	Additions and revaluations	Amortization	Transfers and reclassifications	Translation differences	Disposals and others	Net value as of Dec. 31, 2004
Formation and expansion costs	1,770	1,104	(1,210)	(14)	(35)	(437)	1,777
Research, development and advertising expenses	–	16	(3)	–	–	–	13
Industrial patents and intellectual property rights	1,513	509	(729)	60	(8)	(4)	1,342
Concessions, licenses, trademarks and similar rights	381	1,102	(370)	–	10	(185)	937
Goodwill	66,611	10,496	(18,225)	–	932	(501)	59,313
Assets in progress and advances	64	9	–	4	–	(30)	46
Differential arising from consolidation	13,290	454,745	(34,946)	–	–	(136)	432,953
Others	4,830	2,331	(2,844)	–	(69)	–	4,247
<b>Total</b>	<b>88,459</b>	<b>470,312</b>	<b>(58,328)</b>	<b>50</b>	<b>(829)</b>	<b>(1,294)</b>	<b>500,028</b>

The effect arising from changes in the scope of consolidation, that is comprised in the *Additions and revaluations* column, amounts to euro 101,014 thousand.

## Property, plant and equipment

The amount shown in the financial statements comes from the gross value of euro 5,698,816 thousand less accumulated depreciation of euro 2,907,287 thousand (euro 2,045,083 thousand and euro 1,264,194 thousand respectively as of December 31, 2003). Increases and decreases in the gross value refer to normal business investments and disposals of fixed assets during the year. The net book value of euro 2,791,529 thousand increases by euro 2,010,640 thousand with respect to the prior year. For a brief description of the additions, please refer to the review of operations.

The following table shows details of changes during the year.

	<i>Net value as of Dec. 31, 2003</i>	<i>Additions and revaluations</i>	<i>Depreciation</i>	<i>Transfers and reclassifications</i>	<i>Translation differences</i>	<i>Disposals and others</i>	<i>Net value as of Dec. 31, 2004</i>	<i>Accumulated depreciation as of Dec. 31, 2004</i>
Land and buildings	225,716	1,208,118	(39,948)	24,577	(1,707)	(3,952)	<b>1,412,804</b>	(595,168)
Plant and machinery	448,663	832,670	(134,293)	57,050	(233)	(8,694)	<b>1,195,163</b>	(2,058,405)
Industrial and commercial equipment	21,104	53,877	(17,494)	31,664	(2,144)	(1,428)	<b>85,579</b>	(170,313)
Other assets	6,706	15,638	(7,579)	1,384	163	(256)	<b>16,056</b>	(83,401)
Assets in progress and advances	78,700	115,623	-	(114,725)	2,329	-	<b>81,927</b>	-
<b>Total</b>	<b>780,889</b>	<b>2,225,926</b>	<b>(199,314)</b>	<b>(50)</b>	<b>(1,592)</b>	<b>(14,330)</b>	<b>2,791,529</b>	<b>(2,907,287)</b>

Amounts shown in the column *Transfers and reclassifications* mainly refer to the completion of capital expenditures projects, which were in progress at the end of the prior financial year. The effect due to changes in the scope of consolidation, that is comprised in the *Additions and revaluations* column, amounts to euro 2,044,141 thousand. The merger of Cementi Riva Srl gave rise to a positive differential of euro 4,208 thousand, entirely allocated to the caption *Plant and machinery*.

## Financial fixed assets

In detail, *Equity investments* are the following:

	Book value	% of stockholding	
		direct	indirect
<b>Unconsolidated subsidiaries:</b>			
Orionidas, S.A.	682	68.0	
Dyckerhoff Transportbeton Chemnitz GmbH & Co. KG	387		100.0
MTB Beton Union GmbH & Co. KG	377		100.0
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	90		90.0
Maintal-Mörtel KG	78		66.7
Other companies < 50,000 euro	983		
<b>Total unconsolidated subsidiaries</b>	<b>2,597</b>		
<b>Associated companies:</b>			
NCD Nederlandse Cement Deelnemingsmaatschappij B.V.	40,591		38.0
Kosmos Cement Company	33,257		25.0
quick-mix Holding GmbH & Co. KG	13,443		34.0
Sievert AG & Co.	13,234		32.5
Cementi Moccia S.p.A.	9,859	50.0	
Laterlite S.p.A.	8,878	30.0	
Bétons Feidt S.A.	5,337		30.0
Siefic Calcestruzzi S.r.l.	2,214		50.0
S.A. des Bétons Frais	2,096		41.0
Technobeton S.r.l.	1,999	45.0	
Sibobeton Osnabrück GmbH & Co. KG	1,832		23.3
NCH Nederlandse Cement Handelmaatschappij B.V.	1,596		38.4
Tricosal Beton-Chemie GmbH & Co. KG i.L.	1,299		50.0
E.L.M.A. S.r.l.	1,266		50.0
Cave Alto Santerno S.r.l.	1,005		49.0
Piskovny Hradek a.s.	963		45.6
Premix S.p.A.	926	40.0	
Kieswerk E. Kiebert GmbH	724		26.0
Ciments de Balears, S.A.	562	35.0	
Normensand GmbH	560		38.0
TRAMIRA – Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	549		48.7
BBG-Betonbau Beteiligungs GmbH	490		34.3
Transass S.A.	440		41.0
Transportbeton- und Mörtelwerk Bochum GmbH & Co. KG	416		50.0
Cobéton S.A.	394		33.3
Niemeier Beton GmbH & Co. KG	361		33.3
Transportbeton und Betonstein-Werk Herten GmbH & Co. KG	350		40.0
Beton Union Ruhr-Lenne GmbH & Co. KG	332		50.0
EKO ZAPA beton, a.s.	265		50.0
André Frères et Broos S.A.	262		30.0
Other companies < 250,000 euro	2,809		
<b>Total associated companies</b>	<b>148,309</b>		
<b>Other companies</b>	<b>4,480</b>		
<b>Total</b>	<b>155,386</b>		

The breakdown by consolidation method is the following:

	Value as of Dec. 31, 2004	Value as of Dec. 31, 2003
Investments valued by the equity method	148,212	928,925
Investments valued at cost	7,174	3,851
<b>Total</b>	<b>155,386</b>	<b>932,776</b>

Compared to the prior year, the investments valued at equity decreased substantially following the change in consolidation method of Dyckerhoff A.G.

The following table shows details of changes to *Equity investments* during the year:

	Value as of Dec. 31, 2003	Valuation at equity	Purchases and subscriptions	Writedowns	Disposals and others	Value as of Dec. 31, 2004
Unconsolidated subsidiaries	447	–	933	(385)	1,602	<b>2,597</b>
Associated companies	928,700	5,745	11,718	(8,708)	(789,146)	<b>148,309</b>
Other companies	3,629	–	332	(680)	1,199	<b>4,480</b>
<b>Total</b>	<b>932,776</b>	<b>5,745</b>	<b>12,983</b>	<b>(9,773)</b>	<b>(786,345)</b>	<b>155,386</b>

Purchases of associated companies is made up of the 20% stake in Cementi Moccia SpA for euro 9,957 thousand and other minor corporations in the German concrete sector. The writedowns of associated companies refer to Cementi Moccia SpA for euro 5,840 thousand. The effect arising from changes in the scope of consolidation (euro 143,300 thousand) and to the elimination of the investment in Dyckerhoff AG following the first time consolidation (euro 906,359 thousand) are comprised in the column *Disposals and others*.

*Receivables from unconsolidated subsidiaries* consist of interest bearing loans granted to Orionidas SA (euro 680 thousand) and Beton Union Herne GmbH (euro 800 thousand).

*Receivables from associated companies* are made up of, inter alia, interest-bearing loans granted to Siefic Calcestruzzi Srl (euro 594 thousand), Nova Beton Srl (euro 155 thousand), Albenga Calcestruzzi Srl (euro 80 thousand), Premix SpA (euro 723 thousand), Arlon Béton SA (euro 170 thousand), Kieswerk E Kiebert GmbH (euro 600 thousand).

*Receivables from others* total euro 48,399 thousand compared with euro 8,321 thousand at the end of last year. The increase of euro 40,078 thousand arises for euro 46,132 thousand from the changes in the scope of consolidation. The caption includes euro 2,708 thousand of receivables from tax authorities including accrued interest; euro 1,965 thousand of loans to personnel, euro 19,212 thousand of loans granted to third parties, of which euro 1,950 thousand to the affiliate E.ON Italia Produzione SpA; euro 18,192 thousand of various long term receivables originating from Lone Star Industries; euro 2,254 thousand of receivables from insurance companies for policies in favor of employees; euro 1,962 thousand of receivables for severance indemnity tax advances as per Law 140/97; euro 630 thousand of guarantee deposits receivable; other receivables for euro 1,476 thousand.

*Other securities*, represented by Lone Star Industries bonds at the end of 2003, are immaterial since that company is now fully consolidated.

## CURRENT ASSETS

### Inventories

The amount of euro 264,718 thousand shows an increase of euro 145,685 thousand against the prior year. The effect arising from the change in structure amounts to euro 135,051 thousand. Increases and decreases in the various categories involve normal movements in materials and finished goods, in line with the trend in production and sales, as well as changes in exchange rates used for the translation of foreign financial statements. The item *Inventories* is recorded net of allowance for obsolescence of euro 11,368 thousand.

### Receivables

*Trade receivables* amount to euro 458,283 thousand, net of allowance for doubtful accounts of euro 31,112 thousand, and increase by euro 120,758 thousand against the previous year, of which euro 96,935 thousand arising from changes in the scope of consolidation. The increase is attributable, on the one hand, to the normal trend in operating flows; on the other, to differences on translation of foreign financial statements.

*Receivables from unconsolidated subsidiaries* amount to euro 1,570 thousand, arising from normal and regular business transactions entered into with Orionidas, SA up to euro 1,494 thousand.

*Receivables from associated companies* amount to euro 20,391 thousand, arising from normal and regular business transactions entered into with affiliated firms, mainly in the ready-mix concrete sector. Of the euro 12,712 thousand increase, euro 11,818 thousand arises from the change in the scope of consolidation.

The caption *Tax receivables*, introduced in the financial statements by the reform of business law, consists solely of receivables from tax authorities. Comparability with 2003 is achieved through a restatement of the prior year balance.

*Deferred tax assets*, introduced by the reform of business law, includes pre-paid or deferred taxes reasonably recoverable in the next years. The balance is made up of euro 52,654 thousand at Dyckerhoff and euro 3,291 thousand at Buzzi Unicem. Again, the 2003 financial statements have been restated to facilitate comparison.

*Receivables from others* total euro 115,219 thousand, with an increase of euro 102,614 thousand compared to 2003, of which euro 235,766 thousand for changes in the scope of consolidation. They include receivables arising from the sale of equity investments by Dyckerhoff for euro 71,687 thousand, from personnel for euro 1,053 thousand, from social security institutions for euro 187 thousand, from suppliers for euro 17,399 thousand (including a down payment of euro 11,669 thousand for construction of buildings on the Piacenza former industrial site, in part already sold to developers), loans to third parties for euro 4,697 thousand and other receivables for euro 20,196 thousand. Loans to third parties include those granted by Buzzi Unicem USA to some major clients; they bear interest at market rates, are adequately secured and are performing regularly.

### Financial assets not held as fixed assets

At year-end, the parent company Buzzi Unicem SpA holds in treasury 1,977,000 ordinary shares equal to 1.01% of the capital stock. At the time of the rights issue in August, option rights were exercised on 1,725,000 ordinary shares in treasury, with subscription to 230,000 new shares for a total countervalue of euro 1,955 thousand.

*Other securities* are made up of cash invested in marketable securities, bonds and shares of mutual funds with a large market, issued by institutions with high credit ratings. They are chiefly held by the American and Mexican operating companies.



## Cash and cash equivalents

These total euro 734,477 thousand, with an increase of euro 529,017 thousand compared to December 31, 2003. The effect of the change to the scope of consolidation is equivalent to euro 249,665 thousand. They include checking accounts and time deposits and are evenly distributed among Italian and foreign operating companies. Cash and equivalents amounting to euro 418,500 thousand were used at the end of January 2005 for the purchase of 5,000,000 ordinary shares of Dyckerhoff AG.

## ACCRUED REVENUES AND PREPAID EXPENSES

*Accrued revenues* amount to euro 2,296 thousand and are made up of euro 2,240 thousand of interest income on marketable securities and time deposits. As of December 31, 2003 accrued revenues totaled euro 992 thousand.

*Prepaid expenses* amount to euro 9,607 thousand relating to operating expenses pertaining to the following year. As of December 31, 2003 prepaid expenses totaled euro 3,212 thousand.

## STOCKHOLDERS' EQUITY

The table below summarizes changes in stockholders' equity of the group during the financial year ended on December 31, 2004:

	Capital stock	Paid-in capital	Revaluation reserves	Legal reserve	Reserve for treasury stock	Other reserves	Retained earnings	Consolidated net income	Total
<b>Balance as of December 31, 2003</b>	102,821	173,017	85,520	12,897	15,833	166,624	640,533	159,283	1,356,528
Allocation of 2003 net income:									
- dividends	-	-	-	-	-	-	-	(46,780)	(46,780)
- to reserves	-	-	-	4,048	-	3,930	104,525	(112,503)	-
Differences on traslation of foreign financial statements	-	-	-	-	-	(64,683)	-	-	(64,683)
Capital stock increase	14,529	191,297	-	-	-	-	-	-	205,826
Other movements	140	767	-	-	1,307	(5,785)	20,387	-	16,816
Net income for 2004	-	-	-	-	-	-	-	238,708	238,708
<b>Balance as of December 31, 2004</b>	117,490	365,081	85,520	16,945	17,140	100,086	765,445	238,708	1,706,415

## Capital stock

The capital stock, wholly paid-in, is made up of 155,390,097 ordinary shares and 40,425,834 savings shares, with a par value of euro 0.60 each. The increase of euro 14,669 thousand was the result of the following transactions: rights issue of euro 14,529 thousand par value by way of issuance of 24,214,836 ordinary shares; issuance of 151,803 savings shares involving the withdrawal from the *Reserve for issuing of shares art. 2349 Civil Code* for euro 91 thousand; issuance of 81,550 ordinary shares via conversion of 81,550 bonds of the "Buzzi Unicem 4% 2003-2008 convertible" loan for euro 49 thousand.

## Paid-in capital

This amounts to euro 365,081 thousand, a rise of euro 192,064 thousand vis-à-vis December 31, 2003. The caption includes the excess over par value following primarily the effected capital increase and, to a lesser extent, the conversion of the aforementioned "Buzzi Unicem 4% 2003-2008 convertible" bonds.

## Revaluation reserves

These are special reserves originated by specific laws, as follows:

– Reserve ex law 1952 and previous years	713
– Reserve ex law 72/83	28,208
– Reserve ex law 413/91	31,277
– Reserve ex law 342/00	25,322

There were no changes to these reserves during the year.

## Legal reserve

This amounts to euro 16,945 thousand, with an increase of euro 4,048 thousand due to the partial allocation of 2003 net income according to the shareholders' resolution of April 30, 2004. Current business law and the bylaws foresee a maximum limit of 20% of capital stock.

## Reserve for treasury stock

This amount corresponds to the value of treasury stock in portfolio at the year-end, shown under current assets.

## Other reserves

The *Consolidation reserve* has a balance of euro 2,313 thousand, without change from the previous year. This reserve includes negative differences that arose from the first line-by-line consolidation and/or first valuation by the equity method.

The *Translation differences* consist of the exchange differences that were generated starting from the first time consolidation of financial statements denominated in foreign currencies. The balance continues to be negative, with a change from euro 150,834 thousand to euro 226,909 thousand. The change is due to the extent of euro 64,683 thousand to the strengthening of the euro compared to other currencies of the consolidated group, and of euro 11,392 thousand to the change in the scope of consolidation (prior year differences booked in the Dyckerhoff financial statements).

The *Reserve for purchase of treasury stock* has decreased by euro 26,863 thousand following the resolution adopted on April 30, 2004, and increased by euro 52,000 thousand as a result of the same resolution. The total amount used for the purchase of treasury stock was euro 336 thousand. The algebraic sum of these movements has led to an increase of euro 24,801 thousand over the amount recorded in year 2003.

The merger by amalgamation of Uniserv Srl, gave rise to a *Merger surplus* of euro 6,840 thousand. Other increases and decreases to this reserve were due to resolutions authorizing the company to purchase treasury stock and to transactions carried out by the company involving treasury stock during the course of the year under review.

## Retained earnings (losses)

The balance of euro 765,445 thousand increases by euro 124,912 thousand on the previous year. It includes the corresponding item from the statutory financial statements of Buzzi Unicem SpA, changes in stockholders' equity of consolidated companies pertaining to the parent company that took place after the first consolidation and the revaluation reserves accrued by the Mexican companies that used inflation accounting up to the year 2001.

The following table shows the reconciliation between the statutory financial statements of Buzzi Unicem SpA and the consolidated financial statements:

	<i>Stockholders' equity</i>	<i>Net income for the year</i>
<b>Buzzi Unicem SpA financial statements</b>	<b>1,239,791</b>	<b>263,748</b>
Income (losses) of consolidated companies	196,480	196,480
Adjustments to bring the financial statements of consolidated companies into line with group accounting policies	98,420	(84,532)
Differences resulting from the translation of foreign currency financial statements	(226,909)	-
Adjustment to the value of investments carried on an equity basis	9,982	898
Surplus of stockholders' equity of consolidated companies compared with their carrying value	754,632	25,947
Elimination of dividends distributed by consolidated companies	-	(124,991)
Minority interests	(365,981)	(38,842)
<b>Consolidated financial statements</b>	<b>1,706,415</b>	<b>238,708</b>

## Minority interests

This reflects the portion of stockholders' equity pertaining to minority interests in consolidated companies. The balance as of December 31, 2004 is due for euro 16,280 thousand to Betonval SpA, euro 156,901 thousand to RC Lonestar Inc., euro 124,134 thousand to Dyckerhoff AG and its subsidiaries, euro 68,666 thousand to Corporación Moctezuma, SA de CV. The latter corresponds to 16.7% of the stockholders' equity of Corporación Moctezuma, 50% consolidated under the proportional method, of which Buzzi Unicem holds the 66.7% majority interest jointly with the Spanish partner.

## PROVISIONS FOR RISKS AND CHARGES

### Pensions and similar obligations

This caption includes euro 323,915 thousand for funds existing in the financial statements of foreign companies which cover the liability to personnel in respect of pensions and other welfare-related benefits, to be paid after termination of employment. It also includes euro 55 thousand for indemnities on termination of agency agreements. The substantial change to the scope of consolidation had an impact of euro 302,630 thousand and concerns Germany, Luxembourg and the United States of America, according to the agreements in force in the respective countries and on the basis of actuarial calculations.

## Taxation, also deferred

This provision includes euro 400,296 thousand of deferred taxes, net of deferred tax assets, which have been offset where possible with reference to the individual companies being consolidated. The estimated liability for probable taxes on open years or matters under dispute totals euro 23,114 thousand. The reported increase is attributable to the new scope of consolidation for euro 367,293 thousand. Primarily this amount refers to deferred taxes recorded in Lone Star Industries financial statements, corresponding to the positive differential that in 1999, year of the acquisition, Dyckerhoff allocated to the Lone Star reserves of raw materials.

## Others

Other provisions consist of antitrust fines (euro 114,395 thousand), environmental risks and quarry restoration (euro 50,666 thousand), legal risks related to equity investment disposals (euro 32,170 thousand), miscellaneous contractual and trade risks (euro 31,196 thousand). The total effect of the changes in the scope of consolidation amounted to euro 199,025 thousand.

Following changes to the valuation criteria introduced by the reform of business law, the deferred exchange gains, which totaled euro 123,705 thousand as at December 31, 2003, were entirely released to the income statement.

## EMPLOYEE SEVERANCE INDEMNITIES

The net increase of euro 393 thousand is determined by the following movements:

	<i>Value as of Dec. 31, 2003</i>	<i>Indemnities accrued</i>	<i>Indemnities paid</i>	<i>Other movements</i>	<i>Value as of Dec. 31, 2004</i>
Employee severance indemnities	39,913	5,149	(4,669)	(87)	<b>40,306</b>

## PAYABLES

### Bonds

The amount which appears in the financial statements relates to the following:

- Senior Unsecured Notes of euro 330,372 thousand placed privately during 2002 in the US market (USPP) to the order of US dollar 450 million. The deal is structured into three tranches of 175, 240 and 35 million respectively, with a maturity of 7 years average, 10 years average and 15 years bullet and fixed coupons of 6.60%, 6.92% and 7.12%. This fund-raising operation is partly backed by interest rate swaps designed to switch the coupons maturing during the period 2002-2010 from fixed to floating. The exchange rate risk associated with this financing is currently hedged for US dollar 350 million via forward contracts. The hedging covers only the principal, not the coupon payments and was closed at an average euro/dollar exchange rate of 1.25 versus 0.94 at the time the loan facility was entered into. The negative market value of the derivative contracts at year end is booked to *Other providers of finance*. The 2004 income statement benefited to the extent of euro 4,054 thousand of financial income resulting from the interest rate swap contract.

- Senior Unsecured Notes of euro 206,199 thousand placed privately during 2003 in the US market (USPP) for US dollar 240 million and euro 30 million. The duration thereof is 12 and 10 years respectively, with fixed coupons of 5.08% and 5.05%. With regard to the tranche expressed in dollars, Buzzi Unicem hedged the exchange rate risk for the entire amount via cross currency swap contracts. The negative market value of the derivative contracts at year end is booked to *Other providers of finance*. This fund-raising operation is partly backed by interest rate swaps, designed to switch the coupons from fixed to floating for the entire duration of the loan. The 2004 income statement benefited to the extent of euro 1,714 thousand of financial income resulting from the interest rate swap contracts.
- Senior Unsecured Notes of euro 127,327 thousand placed privately on 20 October 2004 in the US market (USPP) to the order of US dollar 153 million and euro 15 million. The deal is structured into three tranches of US dollar 128 million, US dollar 25 million and euro 15 million respectively, with a maturity of 4 years average, 3 years bullet and 5 years, fixed coupons of 4.90% and 4.41% (dollar tranches), floating coupons for the euro tranche. With regard to the tranches expressed in dollars, Buzzi Unicem hedged the exchange rate risk for the entire amount via cross currency swap contracts. The negative market value of the derivative contracts at year end is booked to *Other providers of finance*. This fund-raising operation is partly backed by interest rate swaps, designed to switch the coupons from fixed to floating for the entire duration of the loan. The 2004 income statement benefited to the extent of euro 355 thousand of financial income resulting from the interest rate swap contracts.
- Notes of euro 104,617 thousand, corresponding to US dollar 142 million, issued by Lone Star Industries Inc., with a fixed rate of 8.85% and maturity in June 2005.
- Notes of euro 235,297 thousand, corresponding to US dollar 320 million, issued by Lone Star Industries Inc., with a fixed rate of 9.25% and maturity in June 2010.

### Convertible bonds

This caption includes a bond issue denominated "Buzzi Unicem 4% 2003-2008 convertible", bearing a fixed interest and closed at the beginning of 2003 for an original amount of euro 101,073 thousand. The conversion option can be exercised at any time, at a ratio of one ordinary share to one bond or a strike of euro 10 per share. The euro 971 thousand decline vis-à-vis the issue value is due to conversions made during 2003 and 2004.

### Borrowings from banks

This caption is made up of secured loans for euro 6,588 thousand, unsecured loans for euro 317,270 thousand, bank overdrafts for euro 2,521 thousand, other short-term loans and items to be settled. During 2004, borrowings from banks of euro 249,038 thousand were repaid, while new borrowings were obtained for euro 271,525 thousand. The balance increased by euro 266,478 thousand, due for euro 245,417 thousand to changes in the scope of consolidation.

Real guarantees on assets of consolidated companies are represented by mortgages and liens on property, plant and equipment. The euro 1.4 billion syndicated loan arranged by SanPaolo IMI to cover financing requirements arising from the Dyckerhoff deal was entirely repaid in the fourth quarter. On 8 September 2004, a new bilateral loan agreement was entered into with SanPaolo IMI for an amount of euro 300 million, at floating interest rate and maturity of 5 years. At the end of the year, utilization of this corporate facility amounted to euro 76 million.

The table below summarizes the information about interest rates on long-term debt, including the current portion:

	<i>Value as of Dec. 31, 2004</i>	<i>Value as of Dec. 31, 2003</i>
Lower than 5.5%	165,996	54,782
From 5.5% to 7%	157,496	566
From 7% to 10%	366	916
<b>Total</b>	<b>323,858</b>	<b>56,264</b>

### Other providers of finance

The most significant amount under this caption is included in the financial statements of the subsidiary Dyckerhoff AG and refers to the subordinated "mezzanine" loan granted by the Dyckerhoff family. The loan matures in 2012 and carries a fixed coupon of 4.5% p.a. plus an additional 2.5% p.a. simple interest payable in a lump sum at maturity. The lenders have the option to call the loan in 2008. The "mezzanine" loan balance at 31 December 2004 is euro 208,915 thousand, including accrued interest.

The caption also includes the negative market value of the hedging derivatives against foreign exchange risk associated with dollar denominated long term debt (forward, cross currency swap), for a total of euro 73,311 thousand.

The remaining euro 3,149 thousand refers to the net present value of capital lease obligations for the purchase of fixed assets.

The increase of euro 284,834 thousand is due to the change in the scope of consolidation for euro 206,805 thousand, debt repayments for euro 2,097 thousand, new debts for euro 80,238 thousand (including the above-mentioned hedging derivatives) and translation gains for euro 112 thousand.

### Trade payables

They amount to euro 263,374 thousand, with an increase of euro 84,729 thousand, and reflect liabilities to suppliers of goods and services at the end of the year. The increase is due to changes in the scope of consolidation for euro 58,888 thousand and positive market trends, partially offset by changes in exchange rates used for the translation of foreign financial statements.

### Payables to unconsolidated subsidiaries

The item includes financial payables for euro 1,233 thousand and trade payables for euro 29 thousand.

### Payables to associated companies

They include financial payables for euro 3,284 thousand and payables arising from normal and regular business transactions for euro 2,298 thousand.

### Payables to parent companies

These include for the first time, income taxes owed to the parent Fimedi SpA by certain companies that are members of the controlled group of corporations for domestic income tax purposes.



## Taxes payable

The caption comprises value added tax payable (euro 524 thousand), withholding taxes payable (euro 2,498 thousand), income taxes and other dues (euro 84,321 thousand). The change in the scope of consolidation has had an impact of euro 86,012 thousand on this item.

## Payables to social security institutions

The caption does not require further explanation about its content. The balance increased by euro 4,597 thousand compared to the prior year chiefly due to the entrance of Dyckerhoff AG and subsidiaries into the consolidation area.

## Other payables

These amount to euro 121,533 and include, among others, payables to personnel (euro 62,975 thousand), to customers (euro 8,791 thousand), payables arising from the valuation of financial instruments at Dyckerhoff in accordance with IAS 39 (euro 18,630 thousand). The change to the scope of consolidation had an impact of euro 130,670 thousand on this caption.

## **ACCRUED EXPENSES AND DEFERRED REVENUES**

*Accrued expenses* total euro 15,067 thousand; they refer to interest expense on loans and bonds for euro 12,185 thousand and other costs pertaining to the year for euro 2,882 thousand. As of December 31, 2003, accrued expenses totaled euro 9,611 thousand.

*Deferred revenues* amounting to euro 7,127 thousand relate to financial and operating income pertaining to 2004 and/or subsequent years. They also include a deferred capital gain of euro 3,876 thousand booked by Alamo Cement Company. As of December 31, 2003 deferred revenues totaled euro 6,424 thousand.

## **MEMORANDUM ACCOUNTS**

*Guarantees given* include commitments toward banks in favor of investee companies. *Guarantees received* include bank and insurance guarantees in favor of various entities, the public administration, etc. *Other memorandum accounts* encompass cash equivalents in the amount of euro 418,500 thousand pledged in favor of IMI Investments SA and IMI Finance Luxembourg SA, with respect to the put option soon to be executed on 5,000,000 Dyckerhoff AG shares. In addition, *Other memorandum accounts* consist in third party assets in the hands of the company (euro 50,291 thousand), our assets in the hands of third parties, risk of default on discounted bills, lease installments, etc.

The commitments of American and Mexican subsidiaries not shown in the balance sheet are not such as to prejudice the valuation of the net assets and financial position in the consolidated financial statements taken as a whole.

## Comments on items in the consolidated income statement

(in thousands of euro)

### VALUE OF PRODUCTION

#### Revenues from sales and services

They amount to euro 2,771,598 thousand, net of premiums and discounts granted to customers. The 89.6% increase compared to year 2003 is due to unfavorable currency effects for -3.5%, favorable market trends for 3.9% and significant changes in the scope of consolidation for 89.2%.

The breakdown by sector and geographical area is the following:

	<i>Cement and clinker</i>	<i>Concrete and aggregates</i>	<i>Related activities</i>	<i>Total</i>
Italy	424,927	537,338	2,821	<b>965,086</b>
United States of America	627,010	99,067	11,275	<b>737,351</b>
Mexico	95,491	39,043	–	<b>134,534</b>
Western Europe	381,481	256,174	–	<b>637,655</b>
Central Eastern Europe	186,763	110,208	–	<b>296,972</b>
<b>Total</b>	<b>1,715,672</b>	<b>1,041,830</b>	<b>14,096</b>	<b>2,771,598</b>

#### Other revenues and income

This caption includes: revenue from leased properties (euro 5,580 thousand), gains on disposals of fixed assets (euro 5,154 thousand), insurance claims (euro 1,053 thousand), capital grants associated with the depreciation of assets to which they refer (euro 395 thousand), recoveries of expenses from third parties (euro 10,790 thousand), release of provisions for risks (euro 19,620 thousand), out-of-period revenues and other income for the residual amount.

### COSTS OF PRODUCTION

#### Raw materials, supplies, consumables and goods for resale

The total of euro 1,071,288 thousand is made up of the purchase of raw materials and finished products (euro 573,253 thousand), supplies and consumables (euro 145,938 thousand), power (euro 169,681 thousand), fuel (euro 157,571 thousand) and other goods used in production, selling and administration for euro 24,843 thousand.

#### Services

The amount of euro 568,722 thousand includes: maintenance on tangible fixed assets, transportation, factory overhead, consultancy, professional fees, emoluments of corporate bodies, personnel services, commercial services, bank and insurance services, general and administrative services.

## Use of third party assets

Total costs incurred amount to euro 30,563 thousand. The main categories of expenses listed in this caption are: rent payable for land and buildings, quarry concessions, operating leases of vehicles and office automation equipment.

## Labor costs

The format of the income statement gives full disclosure about labor costs. The average number of employees working in fully consolidated companies split by category is the following:

	2004	2003
White collar and executives	3,954	1,483
Blue collar and supervisors	7,254	1,983
<b>Total</b>	<b>11,208</b>	<b>3,466</b>

The average number of employees working in companies consolidated under the proportional method, split by category and in proportion to the percentage of ownership is the following:

	2004	2003
White collar and executives	290	161
Blue collar and supervisors	351	183
<b>Total</b>	<b>641</b>	<b>344</b>

The significant increase in average number of employees is due to the Dyckerhoff group consolidation, whose contribution amounts to 8,274 employees (full and proportional). Like for like average employees would decrease by 235 units.

## Amortization, depreciation and writedowns

The income statement format foresees four sub-captions which provide sufficient detail.

The item *other adjustments to fixed assets* relates to tangible assets for euro 2,623 thousand, in particular equipment and land used for the quarrying of natural aggregates, and to intangible fixed assets for the remainder.

The *writedowns of receivables under current assets and liquid funds* consist of provisions to the allowance for doubtful accounts and direct writedowns.

## Other provisions

These mainly include further additions to quarry restoration and environmental reclamation.

## Other expenses

This caption includes indirect taxes and duties (euro 16,448 thousand), memberships in industry organizations (euro 8,812 thousand), losses on disposal of fixed assets (euro 1,948 thousand), as well as payments for damages, out-of-period expenses, costs relating to real estate properties and other costs and charges for the balance.

## FINANCIAL INCOME AND EXPENSES

### Income from equity investments

This refers to dividends received from investments that are not consolidated and valued at cost.

### Other financial income

Income from *receivables under fixed assets* refers mainly to interest revenue on loans to third parties and on amounts due from tax authorities.

Income from *securities under current assets other than equity investments* relates to the short-term investment of cash in marketable securities and other financial instruments.

*Other income* consists of interest revenue on accounts receivable from banks for euro 11,009 thousand, on interest rate swap contracts for euro 6,123 thousand, on repurchase agreements for euro 1,105 thousand, gains on valuations at fair value of derivative contracts for euro 10,231 thousand, as well as other interest income and revenues for the residual amount.

### Interest and other financial expenses

Financial expenses *others* include interest expense on bonds (euro 88,681 thousand), on the “mezzanine” loan (euro 14,222 thousand), on borrowings from banks (euro 15,206 thousand), losses on valuations at fair value of derivatives contracts (euro 7,595 thousand), commissions on guarantees and commitment fees on lines of credit (euro 4,019 thousand), financial charges on foreign pension funds (euro 31,192 thousand), other bank and financial charges for the residual amount.

### Exchange gains and losses

The caption was introduced this year following the reform of business law. It has a positive balance that amounts to euro 2,331 thousand, consisting of euro 41,331 thousand for foreign exchange gains and euro 39,000 thousand for foreign exchange losses.

## ADJUSTMENTS TO FINANCIAL ASSETS

### Revaluations

The revaluations of *equity investments* represent earnings of investments carried on an equity basis.

### Writedowns

Writedowns of *equity investments* mainly reflect losses on investments valued by the equity method, of which euro 5,840 thousand refer to Cementi Moccia SpA, euro 4,868 thousand to NCD Nederlandse Cement Deelnemingsmaatschappij BV, euro 2,027 thousand to S.A. Carrières de Leffe.

## EXTRAORDINARY INCOME AND EXPENSES

### Income

*Gains on disposals* derive from the sale of non-industrial properties. The amount refers for euro 13,236 thousand to gains realized on the sale of a former industrial site in Piacenza.

*Other extraordinary income* includes a recognition of euro 123,705 thousand in respect of the above-mentioned deferred exchange gains, euro 1,173 thousand in respect of tax refunds and various extraordinary income for the remainder.

### Expenses

*Other extraordinary expenses* includes for euro 11,000 thousand a provision for the antitrust fine imposed on the subsidiary Unical SpA and taxes on foreign exchange gains booked to extraordinary income for euro 40,823 thousand.

### Income taxes

Income taxes amount to euro 132,921 thousand, net of euro 2,609 thousand for deferred tax assets.

## Maturity of receivables and payables

(in thousands of euro)

The expected maturities of receivables outstanding at the balance sheet date are the following:

	<i>Within 1 year</i>	<i>Beyond 1 year and within 5 years</i>	<i>Beyond 5 years</i>	<i>Total as of Dec. 31, 2004</i>
<b>B) Fixed assets</b>				
2) Receivables	20,321	31,901	-	52,222
<b>C) Current assets</b>				
II Receivables				
1) trade receivables	458,279	4	-	458,283
2) from unconsolidated subsidiaries	1,570	-	-	1,570
3) from associated companies	14,783	5,608	-	20,391
4) from parent companies	5	-	-	5
4-bis) tax receivables	40,647	1,294	-	41,941
4-ter) deferred tax assets	1,059	54,886	-	55,945
5) from others	44,976	70,243	-	115,219
<b>Total</b>	<b>581,640</b>	<b>163,936</b>	<b>-</b>	<b>745,576</b>

The expected maturities of payables at the balance sheet date are as follows:

	<i>Within 1 year</i>	<i>Beyond 1 year and within 5 years</i>	<i>Beyond 5 years</i>	<i>Total as of Dec. 31, 2004</i>
<b>D) Payables</b>				
1) Bonds	118,042	87,053	798,717	<b>1,003,812</b>
2) Convertible bonds	–	100,102	–	<b>100,102</b>
4) Borrowings from banks	107,585	218,794	–	<b>326,379</b>
5) Other providers of finance	3,025	282,350	–	<b>285,375</b>
6) Advances	5,029	580	–	<b>5,609</b>
7) Trade payables	263,374	–	–	<b>263,374</b>
8) Notes payable	232	–	–	<b>232</b>
9) Payables to unconsolidated subsidiaries	1,262	–	–	<b>1,262</b>
10) Payables to associated companies	5,582	–	–	<b>5,582</b>
11) Payables to parent companies	46,614	–	–	<b>46,614</b>
12) Taxes payable	87,343	–	–	<b>87,343</b>
13) Payables to social security institutions	10,953	4	–	<b>10,957</b>
14) Other payables	102,073	19,460	–	<b>121,533</b>
<b>Total</b>	<b>751,114</b>	<b>708,343</b>	<b>798,717</b>	<b>2,258,174</b>

## Financial expenses allocated to assets

During the year no financial expenses were capitalized on assets of the consolidated balance sheet.

## Emoluments to corporate bodies

Fees to Directors and Statutory Auditors for carrying out their duties also in other consolidated companies are illustrated in the notes to Buzzi Unicem SpA's statutory financial statements in accordance with CONSOB's resolution no. 11971 dated 14 May 1999, as amended.

*The consolidated statement of cash flows, the list of companies included in the consolidated financial statements (article 38 and 39 of Italian Legislative Decree 127/91), the list of equity investments in unquoted companies in which the group ownership is between 10% and 20% (article 125 and 126 of CONSOB's resolution no. 11971) and the 2003 summarized pro forma financial statements that include Dyckerhoff AG on a line-by-line basis are attached to these notes.*

These consolidated financial statements agree with the accounting records as adjusted for consolidation entries.



## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euro)

	2004	2003
<b>A) Cash and cash equivalents at beginning of year</b>	<b>205,460</b>	<b>147,908</b>
<b>B) Cash provided (used) by operating activities</b>		
Combined net income	277,550	179,068
Amortization and depreciation	257,642	114,162
Writedowns of fixed assets	8,595	10,843
Gains on disposal of fixed assets	(20,431)	(2,395)
Net change in provisions for risks and charges	(156,088)	57,856
Net change employee severance indemnities	393	129
Changes in working capital:	100,626	(16,215)
• Inventories	(10,634)	12,980
• Trade receivables	(23,823)	(11,530)
• Other current assets	116,058	3,684
• Trade payables	25,841	4,222
• Other current liabilities	(36,995)	(4,924)
• Taxes payable	30,179	(20,647)
<b>Total B)</b>	<b>468,287</b>	<b>343,448</b>
<b>C) Cash provided (used) by investing activities</b>		
Investments in fixed assets:	(315,794)	(134,583)
• Intangibles	(3,333)	(3,602)
• Property, plant and equipment	(177,009)	(99,355)
• Equity investments	(135,452)	(31,626)
Proceeds from sale of fixed assets	30,793	9,388
Proceeds from sale of equity investments	10,285	1,340
Changes in financial receivables and payables	(31,420)	(27,368)
Changes in other securities	67,775	23,481
<b>Total C)</b>	<b>(238,361)</b>	<b>(127,742)</b>
<b>D) Cash provided (used) by financing activities</b>		
New long-term debt and bonds	413,496	410,660
Principal payments on bonds	(261,500)	(129,114)
Principal payments on long-term debt	(249,038)	(274,199)
Net change in short-term bank borrowings	(1,426)	(1,071)
Capital grants	-	390
Capital stock increase	205,827	-
Dividends paid	(55,415)	(40,143)
<b>Total D)</b>	<b>51,944</b>	<b>(33,477)</b>
<b>E) Changes in scope of consolidation and translation differences</b>	<b>247,147</b>	<b>(124,677)</b>
Cash and equivalents of Dyckerhoff and subsidiaries	249,665	-
Translation differences and others	(2,518)	(124,677)
<b>F) Increase (decrease) in cash and cash equivalents (B+C+D+E)</b>	<b>529,017</b>	<b>57,552</b>
<b>G) Cash and cash equivalents at end of year (A+F)</b>	<b>734,477</b>	<b>205,460</b>

## List of companies included in the consolidated financial statements and of equity investments

Companies consolidated on a line-by-line basis

Name	Registered office	Capital stock	Ownership interest held by	% of ownership	% of voting rights
Buzzi Unicem S.p.A.	Casale Monferrato (AL)	EUR 117,489,559			
Unical S.p.A.	Casale Monferrato (AL)	EUR 200,000,000	Buzzi Unicem S.p.A.	100.00	
Buzzi Unicem Investimenti S.r.l.	Casale Monferrato (AL)	EUR 10,000	Buzzi Unicem S.p.A.	100.00	
Finpresa S.A.	Luxembourg LU	EUR 22,000,000	Buzzi Unicem S.p.A.	100.00	
RC Cement International A.p.S.	Copenhagen DK	DKK 200,000	Buzzi Unicem S.p.A.	100.00	
Buzzi Unicem International S.à r.l.	Luxembourg LU	EUR 12,500	Buzzi Unicem S.p.A.	100.00	
Dyckerhoff AG	Wiesbaden DE	EUR 105,639,816	Buzzi Unicem S.p.A.	64.61	67.01
La Rinascita Calcestruzzi S.p.A.	Casale Monferrato (AL)	EUR 2,476,800	Unical S.p.A.	80.00	
Betonval S.p.A.	Sesto Fiorentino (FI)	EUR 12,500,000	Unical S.p.A.	70.00	
Simco S.r.l.	Casale Monferrato (AL)	EUR 104,000	Unical S.p.A.	44.10	
San Martino S.c.r.l.	Casale Monferrato (AL)	EUR 100,000	Unical S.p.A. Betonval S.p.A.	51.00 24.00	
Buzzi Unicem Deutschland GmbH	Frankfurt am Main DE	EUR 26,000	Buzzi Unicem Investimenti S.r.l.	100.00	
Presa International B.V.	Utrecht NL	EUR 4,000,000	Finpresa S.A.	100.00	
Alamo Cement Company	San Antonio US	USD 200,000	Finpresa S.A.	100.00	
RC Lonestar, Inc.	Wilmington US	USD 10	RC Cement International A.p.S. Dyckerhoff AG	51.50 48.50	
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 Ausbauprodukte GmbH	Wiesbaden DE	EUR 36,000,000	Dyckerhoff AG	100.00	
Dyckerhoff Beteiligungsverwaltung GmbH	Wiesbaden DE	EUR 26,000	Dyckerhoff AG	100.00	
Dyckerhoff Weiss Marketing - und Vertriebs GmbH & Co. KG	Wiesbaden DE	EUR 153,388	Dyckerhoff AG	100.00	
Dyckerhoff Engineering GmbH	Wiesbaden DE	EUR 300,200	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Südhessen GmbH & Co. KG	Griesheim DE	EUR 710,000	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Mainz GmbH & Co. KG	Flörsheim DE	EUR 540,000	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Taunus GmbH & Co. KG	Brechen DE	EUR 452,000	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Trier Mosel GmbH & Co. KG	Trier DE	EUR 511,300	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Elbe - Spree GmbH & Co. KG	Berlin DE	EUR 4,000,000	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Sachsen - Lausitz GmbH	Dresden DE	EUR 1,500,000	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Sachsen - Thüringen GmbH & Co. KG	Mülsen DE	EUR 1,000,000	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Rhein - Main GmbH & Co. KG	Flörsheim DE	EUR 767,000	Dyckerhoff AG	100.00	
Dyckerhoff Beton Beteiligungsverwaltung GmbH & Co. KG	Wiesbaden DE	EUR 100,000	Dyckerhoff AG	100.00	
Dyckerhoff Fertigbeton Saar GmbH & Co. KG	Saarbrücken DE	EUR 511,300	Dyckerhoff AG	100.00	
Main-Beton GmbH & Co. KG	Frankfurt am Main DE	EUR 613,550	Dyckerhoff AG	100.00	
RTB Rechnungswesen Transportbeton GmbH	Frankfurt am Main DE	EUR 53,686	Dyckerhoff AG	100.00	
KOMTEK Gesellschaft für Telematik mbH	Frankfurt am Main DE	EUR 250,000	Dyckerhoff AG	100.00	
Mörtelwerk Colonia GmbH	Köln DE	EUR 153,388	Dyckerhoff AG	100.00	
Beton Union GmbH & Co. KG	Wiesbaden DE	EUR 8,691,962	Dyckerhoff AG	99.55	
TBG Kinzigbeton GmbH & Co. KG	Wächtersbach DE	EUR 237,812	Dyckerhoff AG	75.59	
Dyckerhoff Transportbeton Frankfurt GmbH & Co. KG	Frankfurt am Main DE	EUR 4,575,000	Dyckerhoff AG	51.00	
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Wernshausen DE	EUR 512,000	Dyckerhoff AG	51.00	
Dyckerhoff Luxembourg S.A.	Luxembourg LU	EUR 6,135,365	Dyckerhoff AG	100.00	
Ciments Luxembourgeois S.A.	Esch-sur-Alzette LU	EUR 25,000,000	Dyckerhoff AG	95.48	
Intermoselle S.A.	Rumelange LU	EUR 4,770,000	Dyckerhoff AG Ciments Luxembourgeois S.A.	50.00 50.00	
Cementownia Nowiny Sp. z o.o.	Sitkowka-Nowiny PL	PLN 70,651,500	Dyckerhoff AG	100.00	
Dyckerhoff Beton Polska Sp. z o.o.	Sitkowka-Nowiny PL	PLN 116,815,000	Dyckerhoff AG Cementownia Nowiny Sp. z o.o.	81.59 18.41	
Cement Hranice a.s.	Hranice CZ	CZK 510,219,300	Dyckerhoff AG	98.27	
ZAPA beton a.s.	Praha CZ	CZK 300,200,000	Dyckerhoff AG	100.00	
TOB Dyckerhoff Ukraina	Kyiv UA	UAH 150,737,476	Dyckerhoff AG Dyckerhoff Beton Polska Sp. z o.o.	96.58 3.42	
VAT Volyn	Zdolbuniv UA	UAH 1,402,422	Dyckerhoff AG	94.7	
VAT Yucement	Olshanske UA	UAH 3,188,529	Dyckerhoff AG	90.00	
VAT Kyivcement	Kyiv UA	UAH 277,536	Dyckerhoff AG TOB Dyckerhoff Ukraina	76.00 0.58	

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

Name	Registered office	Capital stock	Ownership interest held by	% of ownership	% of voting rights
OOO Dyckerhoff Suchoi Log obshestvo po sbitu tamponashnich zementow	Suchoi Log RU	RUB 4,100,000	Dyckerhoff AG	95.00	
OA0 Sucholoshskzement	Suchoi Log RU	RUB 30,625,900	Dyckerhoff AG OOO Dyckerhoff Suchoi Log obshestvo po sbitu tamponashnich zementow	65.99 1.43	
Alamo Cement Holding Company	Wilmington US	USD 1	Alamo Cement Company	100.00	
Alamo Cement Management Company	Wilmington US	USD 1	Alamo Cement Company	100.00	
Buzzi USA, Inc.	Wilmington US	USD 1	RC Lonestar, Inc.	100.00	
Unicement Handelsgesellschaft mbH	Berlin DE	EUR 255,646	Deuna Zement GmbH	100.00	
Dyckerhoff Betonprodukte GmbH	Wiesbaden DE	EUR 25,564,594	Dyckerhoff Beteiligungsverwaltung GmbH	100.00	
Tagbag GmbH	Kruft DE	EUR 3,835,000	Dyckerhoff Engineering GmbH	100.00	
Testconsult Ingenieurgesellschaft für Bauwerksprüfung mbH & Co. KG	Wiesbaden DE	EUR 25,565	Dyckerhoff Engineering GmbH	100.00	
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR 306,900	Dyckerhoff Transportbeton Südhessen GmbH & Co. KG	66.67	
Nordenhamer Transportbeton GmbH & Co. KG	Elsfleth DE	EUR 322,114	Dyckerhoff Beton Beteiligungsverwaltung GmbH & Co. KG	51.59	
Beton Union Rhein-Ruhr GmbH & Co. KG	Essen DE	EUR 530,000	Beton Union GmbH & Co. KG	100.00	
Beton Union Radevormwald GmbH & Co. KG	Radevormwald DE	EUR 173,839	Beton Union GmbH & Co. KG	100.00	
Beton Union West GmbH & Co. KG	Mönchengladbach DE	EUR 1,023,000	Beton Union GmbH & Co. KG	100.00	
Dyckerhoff Beton Service GmbH & Co. KG	Leverkusen DE	EUR 77,435	Beton Union GmbH & Co. KG	100.00	
Beton Union Köln - Bonn GmbH & Co. KG	Köln DE	EUR 3,000,000	Beton Union GmbH & Co. KG	100.00	
Beton Union Rhein - Ahr GmbH & Co. KG	Remagen DE	EUR 511,300	Beton Union GmbH & Co. KG	65.00	
Frisch-Beton Aegidienberg GmbH & Co. KG	Bad Honnef - Aegidienberg DE	EUR 385,000	Beton Union GmbH & Co. KG	62.50	
Transportbeton Gelnhausen GmbH	Gelnhausen DE	EUR 130,379	TBG Kinzigbeton GmbH & Co. KG	54.00	
Matériaux S.A.	Luxembourg LU	EUR 3,720,000	Ciments Luxembourgeois S.A. Eurimex S.A.	99.98 0.02	
Eurobeton S.A.	Luxembourg LU	EUR 17,886,385	Ciments Luxembourgeois S.A.	100.00	
Nowiny - Administracja Nieruchomosci Sp. z o.o.	Sitkowa - Nowiny PL	PLN 8,436,450	Cementownia Nowiny Sp. z o.o.	100.00	
Cemos Ostrava a.s.	Ostrava CZ	CZK 342,941,000	Cement Hranice a.s.	95.91	
VIA-VODA spol. s.r.o.	Hurba Voda - lom CZ	CZK 1,000,000	ZAPA beton a.s.	100.00	
ZAPA beton SK s.r.o.	Bratislava SK	SKK 159,000,000	ZAPA beton a.s.	100.00	
Bohemia Beton Union Decin s.r.o.	Decin CZ	CZK 30,000,000	ZAPA beton a.s.	94.74	
Beton Union Pizen s.r.o.	Pizen CZ	CZK 31,600,000	ZAPA beton a.s.	71.20	
D.P. PO Primorskij	Olshanske UA	UAH 165,558	VAT Yucement	100.00	
Longhorn Cement Company	San Antonio US	USD 101,000	Alamo Cement Holding Company	100.00	
Alamo Cement Trucking Company	San Antonio US	USD 10	Alamo Cement Holding Company	100.00	
Alamo Cement Company II, Ltd.	San Antonio US	USD n/a	Alamo Cement Holding Company Alamo Cement Management Company	99.00 1.00	
Alamo Concrete Products, Ltd.	San Antonio US	USD n/a	Alamo Cement Holding Company Alamo Cement Management Company	99.00 1.00	
Alamo Transit Company II, Ltd.	San Antonio US	USD n/a	Alamo Cement Holding Company Alamo Cement Management Company	99.00 1.00	
Buzzi Unicem USA (Midwest), Inc.	Wilmington US	USD 1	Buzzi USA, Inc.	100.00	
Lone Star Industries, Inc.	Wilmington US	USD 28	Buzzi USA, Inc.	100.00	
River Cement Company	Wilmington US	USD 100	Buzzi USA, Inc.	100.00	
Buzzi Unicem USA (Mid-Atlantic), Inc.	Wilmington US	USD 1	Buzzi USA, Inc.	100.00	
Signal Mountain Cement Company	Wilmington US	USD 100	Buzzi USA, Inc.	100.00	
Heartland Cement Company	Wilmington US	USD 100	Buzzi USA, Inc.	100.00	
Heartland Cement Sales Company	Wilmington US	USD 10	Buzzi USA, Inc.	100.00	
Buzzi Unicem USA, Inc.	Wilmington US	USD 10	Buzzi USA, Inc.	100.00	
Glens Falls Cement Company, Inc.	New York US	USD 500	Buzzi USA, Inc.	100.00	
Rhebau Rheinische Beton- und Bauindustrie GmbH & Co. KG	Dormagen DE	EUR 1,840,651	Dyckerhoff Betonprodukte GmbH	90.00	
Marbrerie Jacquemart S.à r.l.	Luxembourg LU	EUR 619,734	Matériaux S.A.	100.00	
Granite Stone Business International S.à r.l.	Luxembourg LU	EUR 12,500	Matériaux S.A.	100.00	
Eurimex S.A.	Luxembourg LU	EUR 205,000	Matériaux S.A. Ciments Luxembourgeois S.A.	99.94 0.06	
Eurobeton International S.A.S.	Steinbourg FR	EUR 20,008,934	Eurobeton S.A.	100.00	
S.A. des Chaux de Contern	Contern LU	EUR 2,974,722	Eurobeton S.A. Eurimex S.A.	99.64 0.14	
Préalor S.A.	Hagondange FR	EUR 612,000	Eurobeton S.A.	80.00	
Collot Produits TP S.A.	Bar-le-Duc FR	EUR 702,000	Eurobeton S.A.	66.00	
ZAPA beton Hungaria k.f.t.	Zsujita HU	HUF 88,000,000	ZAPA beton SK s.r.o.	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	
NYTR Corporation	Wilmington US	USD 100	Lone Star Industries, Inc.	100.00	
Lone Star Cement, Inc.	West Trenton US	USD 10,809	Lone Star Industries, Inc.	99.97	100.00
San-Vel Concrete Corporation	Topeka US	USD 500	Lone Star Industries, Inc.	100.00	

Name	Registered office	Capital stock	Ownership interest held by	% of ownership	% of voting rights
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	
Construction Aggregates Limited	Halifax CA	USD 1	Lone Star Industries, Inc.	100.00	
Compañía Cubana de Cemento Portland, S.A.	Havana CU	CUP 100	Lone Star Industries, Inc.	100.00	
Transports Mariel, S.A.	Havana CU	CUP 10	Lone Star Industries, Inc.	100.00	
River Cement Sales Company	Wilmington US	USD 10	River Cement Company	100.00	
Hercules Cement Sales Company	Wilmington US	USD 100	Buzzi Unicem USA (Mid-Atlantic), Inc.	100.00	
Hercules Cement Holding Company	Wilmington US	USD 100	Buzzi Unicem USA (Mid-Atlantic), Inc.	100.00	
Hercules Cement Company LP	Bethlehem US	USD n/a	Buzzi Unicem USA (Mid-Atlantic), Inc. Hercules Cement Holding Company	99.00 1.00	
Klein Agglomérés S.A.S.	Hagondange FR	EUR 81,130	Eurobeton International S.A.S.	100.00	
Heinrich & Bock S.A.S.	Steinbourg FR	EUR 3,201,430	Eurobeton International S.A.S.	100.00	
Tubaggio S.A.S.	Dannemarie-sur-Crête FR	EUR 72,000	Eurobeton International S.A.S.	100.00	
Justin Dreyer S.A.S.	Rixheim FR	EUR 46,000	Eurobeton International S.A.S.	100.00	
Préfârhin S.A.S.	Steinbourg FR	EUR 40,000	Eurobeton International S.A.S.	74.00	
Tetris S.A.	Contern LU	EUR 2,000,000	S.A. des Chaux de Contern	70.25	
Lone Star Hawaii Cement Corporation	Honolulu US	USD 100	Lone Star Hawaii, Inc.	100.00	
G.M. Stewart Lumber Company, Inc.	Minneapolis US	USD 100	Lone Star Properties, Inc.	100.00	
Cornell Steamboat Company	New York US	USD 100	NYTR Corporation	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	
Rosebud General Corporation	Wilmington US	USD 100	Rosebud Holdings, Inc.	100.00	
Proyectos Industrias de Jaruco, S.A.	Havana CU	CUP 186,700	Compañía Cubana de Cemento Portland, S.A.	100.00	
HCC Holding, Inc.	Wilmington US	USD 1	Hercules Cement Company LP	100.00	

**Companies consolidated by the proportional method**

Name	Registered office	Capital stock	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	
Fresit B.V.	Amsterdam NL	EUR 6,795,000	Finpresa S.A.	50.00	
Westerwald - Beton GmbH & Co. KG	Westerburg DE	EUR 282,233	Dyckerhoff AG	50.00	
Corporación Moctezuma, S.A. de C.V.	Mexico MX	MXN 171,376,652	Presa International B.V. Fresit B.V.	7.58 51.51	
Betonbau Holding GmbH	Waghäusel DE	EUR 141,000	Dyckerhoff Betonprodukte GmbH	45.75	
Cementos Portland Moctezuma, S.A. de C.V.	Emiliano Zapata MX	MXN 3,287,765	Corporación Moctezuma, S.A. de C.V.	100.00	
Cementos Moctezuma, S.A. de C.V.	Mexico MX	MXN 2,500,002	Corporación Moctezuma, S.A. 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. de C.V.	100.00	
Latinoamericana de Comercio, S.A. de C.V.	Emiliano Zapata MX	MXN 10,775,200	Corporación Moctezuma, S.A. de C.V.	100.00	
Moctezuma Industrial, S.A. de C.V.	Emiliano Zapata MX	MXN 29,589,650	Corporación Moctezuma, S.A. de C.V.	100.00	
Latinoamericana de Concretos, S.A. de C.V.	Mexico MX	MXN 7,321,821	Corporación Moctezuma, S.A. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98.00 2.00	
Arrendadora de Equipos de Transporte, S.A. de C.V.	Emiliano Zapata MX	MXN 5,300,000	Corporación Moctezuma, S.A. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98.00 2.00	
Inmobiliaria Lacosa, S.A. de C.V.	Mexico MX	MXN 50,068,500	Corporación Moctezuma, S.A. de C.V. Cementos Portland Moctezuma, S.A. de C.V.	98.00 2.00	
Grupo Impulsor Industrial, S.A. de C.V.	Emiliano Zapata MX	MXN 50,000	Corporación Moctezuma, S.A. de C.V. Cementos Moctezuma, S.A. de C.V.	98.00 2.00	
Cementos Moctezuma de San Luis, S.A. de C.V.	Mexico MX	MXN 50,000	Corporación Moctezuma, S.A. de C.V. Inmobiliaria Lacosa, S.A. de C.V.	98.00 2.00	
Moctezuma Capital, S.A. de C.V.	Mexico MX	MXN 50,000	Corporación Moctezuma, S.A. de C.V. Inmobiliaria Lacosa, S.A. de C.V.	98.00 2.00	
Servicios Corporativos Moctezuma, S.A. de C.V.	Emiliano Zapata MX	MXN 40,200	Corporación Moctezuma, S.A. de C.V. Cementos Portland Moctezuma, S.A. de C.V. Inmobiliaria Lacosa, S.A. de C.V. Latinoamericana de Agregados y Concretos, S.A. de C.V. Concretos Moctezuma de Torreón, S.A. de C.V.	97.51 0.99 0.50 0.50 0.50	

**Companies consolidated by the proportional method** (continued)

Name	Registered office	Capital stock	Ownership interest held by	% of ownership	% of voting rights
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 Torreón, S.A. de C.V.	Mexico MX	MXN 100	Latinoamericana de Concretos, S.A. de C.V.	55.00	
Glens Falls Lehigh Cement Company	Glens Falls US	USD n/a	Glens Falls Cement Company, Inc.	50.00	
Betonbau GmbH & Co. KG	Waghäusel DE	EUR 750,000	Betonbau Holding GmbH	43.01	
			Dyckerhoff Betonprodukte GmbH	6.00	
Betonbau GmbH, Bockenem	Bockenem DE	EUR 1,022,584	Betonbau GmbH & Co. KG	49.00	
Betonbau GmbH, Ingolstadt	Ingolstadt DE	EUR 1,022,584	Betonbau GmbH & Co. KG	49.00	
Betonbau GmbH, Schkeuditz	Schkeuditz DE	EUR 1,533,876	Betonbau GmbH & Co. KG	49.00	

**Companies valued by the equity method**

Name	Registered office	Capital stock	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	
Technobeton S.r.l.	Riva del Garda (TN)	EUR 512,200	Buzzi Unicem S.p.A.	45.00	
Premix S.p.A.	Melilli (SR)	EUR 2,580,000	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.	30.00	
Sofinvest S.r.l. (in liquidazione)	Milano	EUR 26,000	Unical S.p.A.	100.00	
Betongenova S.r.l. (in liquidazione)	Genova	EUR 10,400	Unical S.p.A.	54.88	
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	
S.A.F.I. S.r.l.	Mezzana Bigli (PV)	EUR 332,010	Unical S.p.A.	33.33	
Betonfer S.r.l.	Torino	EUR 46,800	Unical S.p.A.	33.33	
Nova Beton S.r.l.	S. Maurizio Canavese (TO)	EUR 46,800	Unical S.p.A.	30.00	
Edilcave S.r.l.	Villarfocchiaro (TO)	EUR 72,800	Unical S.p.A.	30.00	
Calcestruzzi Bell'Italia S.r.l.	Montanaso Lombardo (LO)	EUR 40,000	Unical S.p.A.	25.00	
Calcestruzzi Faure S.r.l.	Salbertrand (TO)	EUR 53,560	Unical S.p.A.	24.00	
Beton Biella S.r.l.	Biella	EUR 52,000	Unical S.p.A.	20.00	
DSB Baustoffsysteme GmbH	Vils AT	EUR 146,000	Dyckerhoff AG	50.00	
Westerwald-Beton GmbH	Westerburg DE	EUR 25,565	Dyckerhoff AG	50.00	
NCH Nederlandse Cement Handelsmaatschappij B.V.	Nieuwegein NL	EUR 1,361,341	Dyckerhoff AG	38.40	
NCD Nederlandse Cement	Nieuwegein NL	EUR 75,100,626	Dyckerhoff AG	37.98	
Deelnemingsmaatschappij B.V.					
Projektgesellschaft Warstein-Kallenhardt Kalkstein mbH	Warstein DE	EUR 25,200	Dyckerhoff AG	33.33	
Niemeier Beton GmbH & Co. KG	Diepholz DE	EUR 766,938	Dyckerhoff AG	33.33	
Niemeier Beton GmbH	Diepholz DE	EUR 25,565	Dyckerhoff AG	33.20	
Sievert AG & Co.	Osnabrück DE	EUR 27,021,775	Dyckerhoff AG	32.45	
Sievert Holding AG	Osnabrück DE	EUR 255,646	Dyckerhoff AG	32.46	
Hausgesellschaft des Vereines Deutscher Zementwerke mbH	Düsseldorf DE	EUR 51,129	Dyckerhoff AG	31.90	
Franz Köster GmbH & Co. KG	Warstein DE	EUR 357,904	Dyckerhoff AG	24.90	
Köster Verwaltungs GmbH	Warstein DE	EUR 25,565	Dyckerhoff AG	24.90	
Ostfriesische Transport- Beton GmbH	Emden DE	EUR 25,565	Dyckerhoff AG	24.80	
Sibobeton Osnabrück GmbH & Co. KG	Osnabrück DE	EUR 5,368,565	Dyckerhoff AG	23.25	
Vereinigte Transportwerke Nordtrans GmbH & Co. KG	Delmenhorst DE	EUR 225,224	Dyckerhoff AG	20.60	
			Nordenhamer Transportbeton GmbH & Co. KG	7.38	
S. Paolo S.c.r.l.	Sesto Fiorentino (FI)	EUR 50,000	Betonval S.p.A.	50.00	
E.L.M.A. S.r.l.	Sinalunga (SI)	EUR 15,000	Betonval S.p.A.	50.00	
Cave Alto Santerno S.r.l.	Sesto Fiorentino (FI)	EUR 250,000	Betonval S.p.A.	49.00	
Consorzio CO.ES. S.r.l.	Vezzano Ligure (SP)	EUR 46,800	Betonval S.p.A.	44.05	
Warsteiner Kalksteinmehl GmbH & Co. KG	Warstein DE	EUR 51,129	Dyckerhoff Beteiligungsverwaltung GmbH	50.00	
Bildungs-Zentrum-Deuna Gemeinnützige GmbH	Deuna DE	EUR 25,565	Dyckerhoff Beteiligungsverwaltung GmbH	50.00	
Normensand GmbH	Beckum DE	EUR 1,000,000	Dyckerhoff Beteiligungsverwaltung GmbH	38.02	
Süddeutscher Zementverband Heidelberg GmbH i.L.	Heidelberg DE	EUR 62,503	Dyckerhoff Beteiligungsverwaltung GmbH	21.44	
Tricosal Beton-Chemie GmbH & Co. KG i.L.	Lügde DE	EUR 2,600,000	Dyckerhoff Engineering GmbH	50.00	
Tricosal Beton-Chemie Verwaltungs- GmbH i.L.	Lügde DE	EUR 26,000	Dyckerhoff Engineering GmbH	50.00	
Kieswerk E. Kiebert GmbH	Tebur-Geinsheim DE	EUR 125,000	Dyckerhoff Transportbeton Südhessen GmbH & Co. KG	26.00	
Transportbeton Kall GmbH	Kall DE	EUR 25,565	Dyckerhoff Transportbeton Trier Mosel GmbH & Co. KG	50.00	

Name	Registered office	Capital stock	Ownership interest held by	% of ownership	% of voting rights
Transportbeton Kall GmbH & Co. KG	Kall DE	EUR 133,000	Dyckerhoff Transportbeton Trier Mosel GmbH & Co. KG	46.20	
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH	Warstein DE	EUR 25,565	Dyckerhoff Beton Beteiligungsverwaltung GmbH & Co. KG	50.00	
TBM Transportbeton Mittelbaden GmbH & Co. KG	Offenburg DE	EUR 205,000	Dyckerhoff Beton Beteiligungsverwaltung GmbH & Co. KG	50.00	
Transportbeton Mittelbaden GmbH	Offenburg DE	EUR 26,000	Dyckerhoff Beton Beteiligungsverwaltung GmbH & Co. KG	50.00	
CHEMEGRA chemische und mechanische Granulatverarbeitung GmbH & Co. KG	Dillingen DE	EUR 307,000	Dyckerhoff Fertigbeton Saar GmbH & Co. KG	20.00	
Geschäftsführungsgesellschaft CHEMEGRA chemische und mechanische Granulatverarbeitung mbH	Dillingen DE	EUR 25,750	Dyckerhoff Fertigbeton Saar GmbH & Co. KG	20.00	
Lieferbeton Vordertaunus KG i.L.	Frankfurt am Main DE	EUR 204,517	Main-Beton GmbH & Co. KG	45.00	
Lieferbeton Vordertaunus GmbH i.L.	Frankfurt am Main DE	EUR 25,565	Main-Beton GmbH & Co. KG	45.00	
Beton Union Ruhr-Lenne GmbH & Co. KG	Iserlohn DE	EUR 664,679	Beton Union GmbH & Co. KG	50.00	
Beton Union Ruhr-Lenne Verwaltungs- GmbH	Iserlohn DE	EUR 26,000	Beton Union GmbH & Co. KG	50.00	
Transportbeton - und Mörtelwerk Bochum GmbH & Co. KG	Bochum DE	EUR 562,421	Beton Union GmbH & Co. KG	50.00	
Sibobeton Enger GmbH & Co. KG	Enger DE	EUR 306,775	Beton Union GmbH & Co. KG	50.00	
Sibobeton Enger GmbH	Enger DE	EUR 30,678	Beton Union GmbH & Co. KG	50.00	
TRAMIRA - Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden DE	EUR 1,040,479	Beton Union GmbH & Co. KG	48.65	
TRAMIRA - Transportbetonwerk Minden-Ravensberg GmbH	Minden DE	EUR 29,808	Beton Union GmbH & Co. KG	47.51	
Transportbeton und Betonstein Werk Herten GmbH & Co. KG	Herten DE	EUR 561,654	Beton Union GmbH & Co. KG	40.00	
Transportbeton und Betonstein-Werk Herten GmbH	Herten DE	EUR 30,678	Beton Union GmbH & Co. KG	40.00	
Transbeton GmbH & Co. KG	Löhne DE	EUR 643,205	Beton Union GmbH & Co. KG	27.58	
Transportbeton Wissen Verwaltungsgesellschaft mbH	Wissen DE	EUR 25,565	Westerwald-Beton GmbH & Co. KG	50.00	
S.A. Carrières de Leffe	Bruxelles BE	EUR 900,000	Ciments Luxembourgeois S.A.	50.00	
ZAPA UNISTAV, s.r.o.	Brno CZ	CZK 200,000	ZAPA beton a.s.	50.00	
EKO ZAPA beton, a.s.	Praha CZ	CZK 1,008,000	ZAPA beton a.s.	50.00	
Piskovny Hradek a.s.	Hradek nad Nisou CZ	CZK 12,000,000	ZAPA beton a.s.	45.60	
OOO Gesundheits- und Sportfördernde Einrichtung "Sosnovii Bor"	Sverdlovsh RU	RUB 10,000	OAO Sucholoshskzement	49.00	
quick-mix Holding GmbH & Co. KG	Osnabrück DE	EUR 3,000,000	Tubag GmbH	34.00	
quick-mix Holding Beteiligungsgesellschaft mbH	Osnabrück DE	EUR 25,000	Tubag GmbH	34.00	
MKB Mörteldienst Köln-Bonn GmbH & Co. KG	Köln DE	EUR 183,000	Beton Union Köln-Bonn GmbH & Co. KG	51.63	
MKB Mörteldienst Köln-Bonn Verwaltungsgesellschaft mbH	Köln DE	EUR 25,000	Beton Union Köln-Bonn GmbH & Co. KG	38.00	
Beton Union Hunsrück GmbH & Co. KG	Kastellaun DE	EUR 255,646	Beton Union Rhein-Ahr GmbH & Co. KG	50.00	
Beton Union Hunsrück Verwaltungsgesellschaft mbH	Kastellaun DE	EUR 25,565	Beton Union Rhein-Ahr GmbH & Co. KG	50.00	
Transass S.A.	Schiffange LU	EUR 50,000	Matériaux S.A.	41.00	
S.A. des Bétons Frais	Schiffange LU	EUR 1,250,000	Matériaux S.A.	41.00	
Arlon Béton S.A.	Arlon BE	EUR 492,000	Matériaux S.A.	40.00	
Transco S.A.	Esch-sur-Alzette LU	EUR 1,000,000	Matériaux S.A.	35.00	
Cobéton S.A.	Sanem LU	EUR 1,000,000	Matériaux S.A.	33.34	
Bétons Feidt S.A.	Luxembourg LU	EUR 2,500,000	Matériaux S.A.	30.00	
André Frères et Broos S.A.	Saint Mard BE	EUR 655,147	Matériaux S.A.	30.00	
Tubag-Mixolith S.A.	Contern LU	EUR 500,000	Matériaux S.A.	25.00	
Kosmos Cement Company	Louisville US	USD n/a	Lone Star Industries, Inc.	25.00	
Cemstra Grabkammersysteme GmbH & Co. KG	Ennigerloh DE	EUR 208,000	Rhebau Rheinische Beton- und Bauindustrie GmbH & Co. KG	25.00	
Betonbau CS s.r.o.	Praha CZ	CZK 100,000	Betonbau Holding GmbH	47.75	
Metalit S.à r.l.	Mirambeau FR	EUR 304,898	Betonbau Holding GmbH	45.75	
BBG-Betonbau Beteiligungs GmbH	Waghäusel DE	EUR 1,533,876	Betonbau Holding GmbH	34.31	
Entreprise Val Béton Moulé de l'Est S.à r.l.	Gandrage FR	EUR 52,000	Klein Agglomérés S.A.S.	25.00	
Betonbau Verwaltungs GmbH	Waghäusel DE	EUR 25,000	Betonbau GmbH & Co. KG	49.00	



**Other investments in subsidiaries and associated companies**

Name	Registered office	Capital stock	Ownership interest held by	% of ownership	% of voting rights
Orionidas, S.A.	Valencia ES	EUR 1,000,000	Buzzi Unicem S.p.A.	68.00	
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	
Hafenbetonwerk Trier GmbH i.L.	Trier DE	EUR 3,579,043	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Südhessen Verwaltungs- GmbH	Griesheim DE	EUR 25,000	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Mainz Verwaltungsgesellschaft mbH	Flörsheim DE	EUR 26,100	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Taurus Verwaltungsgesellschaft mbH	Brechen DE	EUR 25,600	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Trier Mosel Verwaltungs- GmbH	Trier DE	EUR 25,600	Dyckerhoff AG	100.00	
Dyckerhoff Fertigbeton Saar Verwaltungsgesellschaft mbH	Saarbrücken DE	EUR 25,600	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Elbe-Spree Verwaltungs- GmbH	Berlin DE	EUR 25,565	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Rhein Main Verwaltungs- GmbH	Flörsheim DE	EUR 25,600	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Chemnitz GmbH & Co. KG	Chemnitz DE	EUR 420,000	Dyckerhoff AG	100.00	
Dyckerhoff Transportbeton Chemnitz Verwaltungsgesellschaft mbH	Chemnitz DE	EUR 25,565	Dyckerhoff AG	100.00	
Dyckerhoff Beton Verwaltungs- GmbH	Wiesbaden DE	EUR 26,100	Dyckerhoff AG	100.00	
Dyckerhoff Weiss Marketing und Vertrieb Verwaltungs- GmbH	Wiesbaden DE	EUR 25,565	Dyckerhoff AG	100.00	
Main-Beton Verwaltungsgesellschaft mbH	Frankfurt am Main DE	EUR 25,565	Dyckerhoff AG	100.00	
Hansa Vermögensverwaltung Die Sechste GmbH	Wiesbaden DE	EUR 25,565	Dyckerhoff AG	100.00	
KYV Zement Holding Verwaltungs- GmbH	Wiesbaden DE	EUR 25,565	Dyckerhoff AG	100.00	
Beton Union GmbH	Köln DE	EUR 46,016	Dyckerhoff AG	98.89	
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	Nordhausen DE	EUR 100,000	Dyckerhoff AG	90.00	
Kinzigbeton GmbH	Wächtersbach DE	EUR 29,502	Dyckerhoff AG	75.56	
Dyckerhoff Transportbeton Schmalkalden Verwaltungsgesellschaft mbH	Wernshausen DE	EUR 25,600	Dyckerhoff AG	51.17	
Hansa Vermögensverwaltung Die Dritte GmbH	Mülsen St. Jakob DE	EUR 25,565	Dyckerhoff Beteiligungsverwaltung GmbH	100.00	
Testconsult Verwaltungs- GmbH	Wiesbaden DE	EUR 25,565	Dyckerhoff Engineering GmbH	100.00	
Nordenhamer Transportbeton GmbH	Elsfleth DE	EUR 25,565	Dyckerhoff Beton Beteiligungsverwaltung GmbH & Co. KG	56.60	
Beton Union Radevormwald Verwaltungsgesellschaft mbH	Radevormwald DE	EUR 25,565	Beton Union GmbH & Co. KG	100.00	
Beton Union Mönchengladbach Verwaltungsgesellschaft mbH	Mönchengladbach DE	EUR 25,600	Beton Union GmbH & Co. KG	100.00	
Beton Union Köln-Bonn Verwaltungs- GmbH	Köln DE	EUR 25,600	Beton Union GmbH & Co. KG	100.00	
Beton Union Rhein-Ruhr Verwaltungs- GmbH	Essen DE	EUR 30,000	Beton Union GmbH & Co. KG	100.00	
MTB Beton Union GmbH & Co. KG	Dortmund DE	EUR 511,292	Beton Union GmbH & Co. KG	100.00	
MTB Beton Union GmbH	Hagen DE	EUR 25,565	Beton Union GmbH & Co. KG	100.00	
Hansa Vermögensverwaltung Die Siebte GmbH	Wiesbaden DE	EUR 25,565	Beton Union GmbH & Co. KG	100.00	
Hansa Vermögensverwaltung Die Achte GmbH	Wiesbaden DE	EUR 25,565	Beton Union GmbH & Co. KG	100.00	
Hansa Vermögensverwaltung Die Neunte GmbH	Wiesbaden DE	EUR 51,129	Beton Union GmbH & Co. KG	100.00	
Beton Union Eifel GmbH	Köln DE	EUR 25,565	Beton Union GmbH & Co. KG	100.00	
Beton Union Rhein-Ahr GmbH	Remagen DE	EUR 26,000	Beton Union GmbH & Co. KG	65.00	
Frisch-Beton Aegidienberg GmbH	Bad Honnef-Aegidienberg DE	EUR 25,565	Beton Union GmbH & Co. KG	62.50	
Maintal-Mörtel KG	Frankfurt am Main DE	EUR 153,450	Main-Beton GmbH & Co. KG	66.67	
Maintal-Mörtel Verwaltungsgesellschaft mbH	Frankfurt am Main DE	EUR 25,565	Main-Beton GmbH & Co. KG Main-Beton GmbH & Co. KG	66.60 20.00	
GfBB Gesellschaft für Beton und Baustoffüberwachung mbH i.L.	Frankfurt am Main DE	EUR 34,768	Dyckerhoff Transportbeton Südhessen GmbH & Co. KG Dyckerhoff Transportbeton Mainz GmbH & Co. KG Dyckerhoff Transportbeton Rhein-Main GmbH & Co. KG TBG Kinzigbeton GmbH & Co. KG	20.00 20.00 20.00 20.00	
Dyckerhoff Transportbeton Sachsen-Thüringen Verwaltungs- GmbH	Mülsen DE	EUR 25,700	Dyckerhoff Transportbeton Sachsen-Thüringen GmbH & Co. KG	100.00	
Dyckerhoff Transportbeton Frankfurt Verwaltungsgesellschaft mbH	Frankfurt am Main DE	EUR 25,000	Dyckerhoff Transportbeton Frankfurt GmbH & Co.	100.00	
Zementwerk Saar GmbH i.L.	Völklingen DE	EUR 511,292	Ciments Luxembourgeois S.A.	100.00	

Name	Registered office	Capital stock	Ownership interest held by	% of ownership	% of voting rights
D.P. Komunservice i.L.	Olshanske UA	UAH 872,606	VAT Yucement	100.00	
D.P. Cemtorhservice I.L.	Olshanske UA	UAH 97,816	VAT Yucement	100.00	
D.P. Remontservice I.L.	Olshanske UA	UAH n/a	VAT Yucement	100.00	
Rhebau Rheinische Beton-und Bauindustrie Beteiligungsgesellschaft mbH	Dormagen DE	EUR 26,076	Dyckerhoff Betonprodukte GmbH	90.00	
Beton Union Technik Verwaltungs- und Beteiligungsgesellschaft mbH	Köln DE	EUR 25,565	Dyckerhoff Beton Service GmbH & Co. KG	100.00	
Beton Union Herne GmbH	Herne DE	EUR 25,565	Beton Union Köln-Bonn GmbH & Co. KG	100.00	
PD Betonpumpendienst Verwaltungsgesellschaft mbH	Köln DE	EUR 25,565	Beton Union Köln-Bonn GmbH & Co. KG	100.00	
Bonner Bauspezial Verwaltungsgesellschaft mbH	Köln DE	EUR 25,565	Beton Union Köln-Bonn GmbH & Co. KG	100.00	

## List of equity investments in unquoted companies between 10% and 20%

Name	Registered office	Capital stock	Ownership interest held by	% of ownership	% of voting rights
Ipse S.r.l.	Settimo Torinese (TO)	EUR 52,000	Buzzi Unicem S.p.A.	11.00	
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	
bb- Transportbeton Verwaltungsgesellschaft mbH i.L.	Hanau DE	EUR 25,565	Dyckerhoff AG	17.00	
Sibobeton Kurhessen/Leintal GmbH & Co.KG für Betonherstellung	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	
Betonwerke Fidgor GmbH & Co. KG	Willhelmshaven DE	EUR 310,000	Dyckerhoff AG	10.00	
Betonwerke Fidgor GmbH	Willhelmshaven DE	EUR 26,000	Dyckerhoff AG	10.00	
SAFA Saarfiterasche-Vertriebs- GmbH & Co. KG	Baden-Baden DE	EUR 1,086,495	Dyckerhoff AG	10.00	
Saarfiterasche-Vertriebs- GmbH	Baden-Baden DE	EUR 55,000	Dyckerhoff AG	10.00	
Beton Marketing Ost GmbH	Berlin DE	EUR 72,000	Deuna Zement GmbH	16.67	
SILEX Grundstücksvermietungsgesellschaft mbH					
Objekt Eduard Dyckerhoff OHG	Düsseldorf DE	EUR 10,226	Dyckerhoff Ausbauprodukte GmbH	94.00	15.00
Zementvertrieb Berlin Verwaltungs- GmbH	Ennigerloh DE	EUR 30,678	Dyckerhoff Beteiligungsverwaltung GmbH	11.67	
Kalkwerk Lengerich GmbH	Lengerich DE	EUR 400,000	Dyckerhoff Beteiligungsverwaltung GmbH	10.00	
Kruffer Bimsabbau GmbH	Kruft DE	EUR 782,277	Tubag GmbH	18.94	

## SUMMARY FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET

	(millions of euro)	
	31.12.2004	31.12.2003 <i>pro forma</i>
Trade receivables	458.3	434.5
Inventories	264.7	254.1
Trade payables	(263.4)	(237.5)
<b>Working capital</b>	<b>459.6</b>	<b>451.0</b>
Intangible fixed assets	500.0	541.9
Property, plant and equipment	2,791.5	3,040.2
Financial fixed assets	207.7	226.3
<b>Fixed assets</b>	<b>3,499.2</b>	<b>3,808.4</b>
Employee severance indemnities	(40.3)	(39.9)
Provisions for risks and charges	(986.8)	(1,158.5)
Other assets/liabilities	(17.0)	26.9
<b>Net invested capital</b>	<b>2,914.7</b>	<b>3,087.9</b>
Net Financial position	(842.3)	(1,191.5)
<b>Total stockholder's equity</b>	<b>2,072.4</b>	<b>1,896.4</b>
Stockholder's equity of the group	1,706.4	1,356.5

## CONSOLIDATED INCOME STATEMENT

(millions of euro)

	2004	2003 <i>pro forma</i>
<b>Net revenues</b>	<b>2,771.6</b>	<b>2,781.9</b>
Materials, operating costs and services	(1,665.4)	(1,663.6)
Labor costs	(395.6)	(438.1)
<b>EBITDA (Operating cash flow)</b>	<b>710.6</b>	<b>680.1</b>
<i>% of sales</i>	25,6%	24,4%
Depreciation and amortization	(257.6)	(273.5)
<b>Operating income</b>	<b>453.0</b>	<b>406.6</b>
<i>% of sales</i>	16,3%	14,6%
Financial income (expenses)	(126.5)	(98.5)
Adjustments to financial assets	(5.6)	(5.5)
Extraordinary income (expenses)	89.6	188.7
<b>Income before taxes</b>	<b>410.5</b>	<b>491.2</b>
Income taxes	(132.9)	(130.1)
<b>Combined net income</b>	<b>277.6</b>	<b>361.1</b>
<i>% of sales</i>	10,0%	13,0%

The pro forma consolidated financial statements have been drawn up under Italian GAAP

**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW  
DECREE No. 58, DATED 24 FEBRUARY 1998**

To the shareholders of  
BUZZI UNICEM SpA  
Casale Monferrato (AL)

- 1 We have audited the consolidated financial statements of BUZZI UNICEM SpA as of 31 December 2004. These consolidated financial statements are the responsibility of BUZZI UNICEM SpA's directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. These standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 8 April 2004.

- 3 In our opinion, the consolidated financial statements of BUZZI UNICEM SpA as at 31 December 2004 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the consolidated financial position and consolidated result of operations of the Company.
- 4 Without qualifying our opinion, we wish to emphasise that the holding company, as a consequence of the changes introduced by the reform of company law and in accordance with item 8 bis of article 2426 of the Civil Code, recorded within extraordinary items in the income statement the

balance of exchange gains originating from the translation at the rates ruling on 31 December 2003 of long-term foreign currency payables, as reported in the financial statements for the prior period within provisions for risks and charges, on the line 'Provision for deferred exchange gains' for an amount of euro 123.7 million. The related taxes were recorded as extraordinary expenses for an amount of euro 40.8 million. The impact of this change in accounting principle on the net equity and the result of operations was equal to the difference of the above values.

Milan, 12 April 2005

PricewaterhouseCoopers SpA

*Signed by*

Roberto Pirola  
(Partner)

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

## SHARES AND SHAREHOLDERS

Since September 1999 the ordinary and savings shares of Buzzi Unicem SpA are traded in Italy on the Borsa Italiana system (Reuters BZU.MI). Stock market capitalization at year end was euro 1,979 million.

As of April 30, 2005 the capital stock is made up of 156,521,964 ordinary shares and 40,425,834 savings shares, both with par value of 0.60 euro. Each ordinary share has one vote. Savings shares, which do not have voting rights, may be registered at stockholders' preference.

### Trading in Buzzi Unicem shares\*

Period	number		millions of euro	
	Ordinary	Savings	Ordinary	Savings
Year 2000	42,154,500	62,314,500	389.6	301.9
Year 2001	78,364,744	11,301,071	730.0	71.6
Year 2002	51,043,944	1,605,164	406.3	11.5
Year 2003	84,170,106	19,078,125	638.8	115.0
Year 2004	74,527,636	39,594,779	766.0	261.6
Jan - Apr 2005	26,810,969	14,383,244	322.0	130.6

Source: Borsa Italiana

\* Non adjusted data for conversion and new issue of savings shares

### Performance of the Buzzi Unicem shares

(base September 1999 = 100)



### Distribution of shareholding

	No. of shareholders	%	No. of shares	%
1 - 1,000	9,592	79.17	6,319,136	4.04
1,001 - 10,000	2,213	18.27	8,652,183	5.53
10,001 - 100,000	228	1.88	9,973,716	6.37
100,001 -	82	0.68	131,576,929	84.06

Source: Shareholders' Register completed with additional information available to the company, as of April 30, 2005.



## Main shareholders

	Ordinary	Savings	% of ownership	% of voting rights
Fimedi SpA*	15,200,000	–	7.72	9.71
Presa SpA*	71,300,000	–	36.20	45.55
Fidelity Investments	9,788,710	–	4.97	6.25

Source: Shareholders' Register completed with additional information available to the company, as of April 30, 2005.

\* Holding companies Buzzi's family

In total 38,541,693 of the ordinary shares representing 24.62% of the voting rights were owned by foreign investors.

## Highlights per share

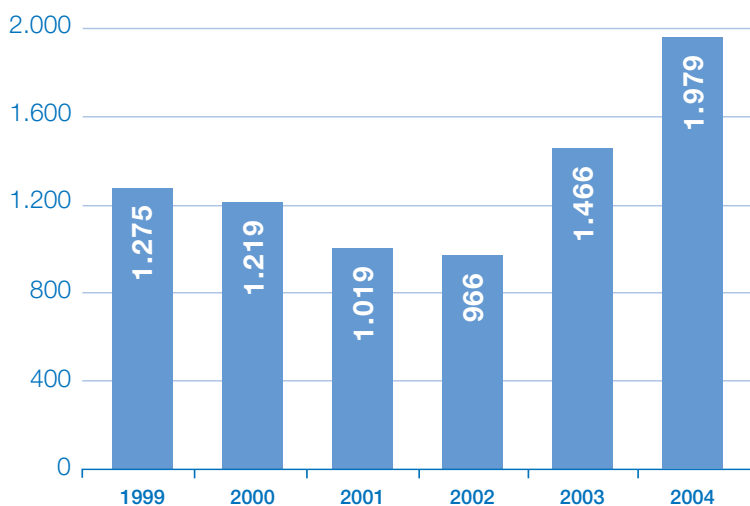
(euro)

	1999	2000	2001	2002	2003	2004
Earnings per share	0.82	1.05	1.14	0.92	1.06	1.31
Cash flow per share	1.69	1.96	2.24	2.28	2.07	2.45
Stockholders' equity per share	4.78	6.03	7.94	7.59	7.92	8.71
Dividend per share						
- ordinary	0.150	0.200	0.230	0.250	0.270	0.290
- savings	0.180	0.224	0.254	0.274	0.294	0.314
Yield						
- ordinary	1.4%	2.2%	3.1%	3.7%	2.9%	2.7%
- savings	3.9%	4.0%	4.4%	4.5%	4.9%	4.2%
Share price at year end						
- ordinary	10.68	9.08	7.43	6.68	9.32	10.78
- savings	4.64	5.59	5.76	6.06	6.04	7.51
Price/Earnings ratio	13.10	8.65	6.50	7.29	8.82	8.20
Price/Cash flow ratio	6.31	4.62	3.32	2.94	4.50	4.39

## Market capitalization

at December 31

(millions of euro)



Robilante, Italia: attività serale in cava scisto; sullo sfondo lo stabilimento  
*Robilante, Italy: intense evening at the clay quarry; cement plant in the background*





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