



CHINA ACM

CHINA ADVANCED CONSTRUCTION MATERIALS GROUP, INC.



Investor Presentation

May 2011

(NASDAQ: CADC)

Safe Harbor Statement

This presentation contains "forward-looking statements" within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including changes from anticipated levels of sales, future national or regional economic and competitive and regulatory conditions, changes in relationships with customers, access to capital, difficulties in developing and marketing new products, marketing existing products, customer acceptance of existing and new products, and other factors. Additional Information regarding risks can be found in the Company's Annual Report on Form 10K filed with the SEC. Accordingly, although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company has no obligation to update the forward-looking information contained in this presentation.



China ACM – At a Glance

- Leading provider of eco-friendly, patented, high performance concrete and technical services
- Well-established relationships and reputation with China's largest contractors and developers
- Track record of success on high-profile High Speed Rail (HSR) and other technically complex infrastructure projects
- Proprietary products and technology certified by highest ranking government and industry associations
- Eight-year track record of sales and earnings growth



Equity Snapshot - NASDAQ: CADC

Price (as of 5/13/11)	\$2.36
Shares Outstanding (fully diluted)	18.4MM
Average Volume (3 Mo)	75,955
Market Capitalization	\$43.4MM
P/E Ratio (LTM Adjusted Earnings)	2.6x
Price to Book Value	0.6x
Cash and Short Term Investments (as of 3/31/11)	\$ 15.4MM
Total Debt (as of 3/31/11)	\$ 14.5MM
Revenue (LTM as of 3/31/11)	\$119.5MM
Adjusted EBITDA (LTM as of 3/31/11)**	\$23.7MM
Adjusted Net Income (LTM as of 3/31/11)*	\$16.6MM

* Adjusted Net Income = Net Income + Change in Fair Value of Warrant Expense + Non cash Stock Compensation Expense.

**See appendix for reconciliation of Non GAAP financial measures



Ready-Mix Concrete (RMC)

- Fastest growing segment of China's concrete industry showing 27% growth over last 10 years and expected to continue
- Produced in a centralized batching plant, to a requested formula and specification, delivered by truck mounted transit mixers and pumped into precast moulds by us at the work site.
- Benefits of RMC versus on-site concrete:
 - Higher quality material produced more efficiently
 - Reduced waste of basic materials
 - Lower noise and dust pollution at the site
 - Incorporates eco-friendly materials

	Developed Countries	China
Ready Mix	80%	40%
Onsite	20%	60%

} *Ready-mix is growing as a % of overall market in China*

Cement is a commodity; concrete is a value-added product



Primary Business Segments

- Concrete Sales – Ready-mix concrete (RMC) production
- Manufacturing Services – RMC engineering
- Technical Services – third party RMC production management and other (mixer rentals and cooperative marketing)

China ACM LTM 3/31/11 Revenue
Total: \$119.5 million



Concrete Sales Segment – RMC Production

- Produces RMC at four fixed concrete plants spread around Beijing
 - One company-owned plant
 - 119 transit mixers and 18 pump trucks
 - Q4'10 +40 mixers / +5 pump trucks
 - Three leased plants
 - Access to additional 55 transit mixers and 3 pump trucks
 - Maximum annual capacity of four million cubic meters
 - Deliverable in a 25 km radius
- China ACM supplies raw materials
- Contract Backlog as of 3/31/11 - \$60 million



77% of LTM revenue – gross margin 10.8%



Manufacturing Services Segment- RMC Engineering

- 25 portable plants supporting high speed railway projects in 10 provinces
 - Built at project location does not require local government approval under national license
 - Can be dismantled and moved to new sites in less than a few weeks - \$100,000+ redeployment
 - Currently Deployed on High Speed Rail
- Operating capacity of 2.5 million cubic meters
 - Maximum annual operating capacity of 6.0 mn cu.m.
- Each plant cost \$2.5 - \$3.0 million
 - \$1,700,000 average annual revenue
 - 4-year payback period
 - 10+ year useful life
- Contract Backlog as of 3/31/11 - \$26 million



19% of LTM revenue – gross margin 31.7%



Proven Track Record – Manufacturing Services

- Beijing-Tianjin High Speed Rail
- Wuhan-Guangzhou High Speed Rail
- Xian-Zhengzhou High Speed Rail



Technical Services Segment- Third Party RMC Production Management

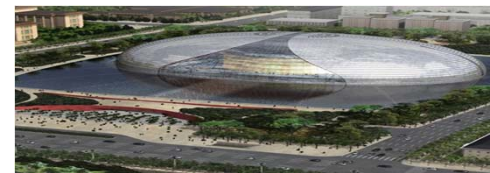
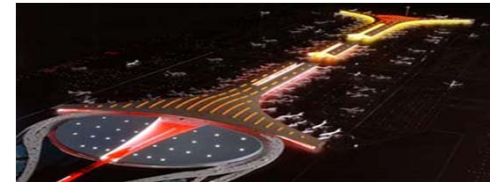
- China ACM operates two technical service plants owned by third parties
 - 1 in Shanxi province
 - 1 in Sichuan province
- Provides technical service to areas with no portable presence located more than 25km from plants
- China ACM receives percentage of contractors' profits based on cost savings generated
- Highly profitable

4% of LTM revenue – gross margin 90.6%



Proven Track Record – Technical Services

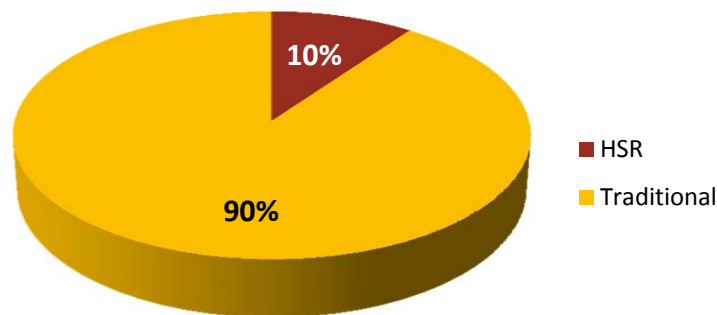
- Beijing International Airport
- Olympic Stadium Birds' Nest
- National Centre for Performing Arts
- National Swimming Centre Water Cube
- Olympic Green Convention Centre



Large and Growing Infrastructure Market

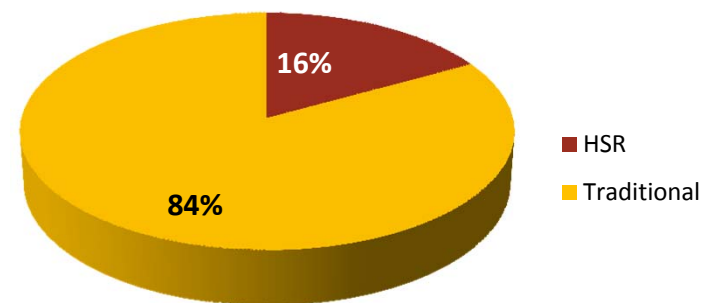
- China's economic growth and accelerating urbanization is driving demand for infrastructure investments
- Nationwide infrastructure spending is estimated to be \$112 billion in 2011, up 12% from 2010 levels
- Railway infrastructure investment is expected to be \$41 billion in 2011, up 21% from 2010 levels
- China's high speed rail network is expected to more than double in the next five years, representing approximately 9,000 KM of additional mileage

2010 Est. Rail Network of 73,000 KM



2010 Est. HSR Network 7,000 km

2015 Est. Total Rail Network of 100,000 KM



2015 Est. HSR Network 16,000 km



Competitive Landscape: Rationalization

- Industry dominated by large SOE conglomerates
 - Jiangong Shangong Center – SOE
 - Jingo Group Concrete – SOE
 - Zhuzong Shangong Center – SOE
 - Zhonghang Konggang Concrete – SOE
- Remaining market is highly fragmented and ripe for consolidation; only a few companies have scale and capital to compete
 - 2,400 companies; 80% produce less than 300,000 cubic meters
 - China ACM is one of only three publicly-traded RMC companies
 - Cement industry consolidation based on quality and pricing power, resulting in increased cement prices and proportionate price increases for high quality concrete manufacturers



The China ACM Advantage

- Patented, high performance concrete and technical engineering expertise to win work on most complex design projects
- Government and industry certifications meet highest product quality standards (IP-Based Certified Hi-Tech Enterprise)
 - 100 year product duration vs. 50 year standard
 - 6% VAT exempt and 15% high-tech corporate income tax benefit
- Patented products and technology (Resistant to Salt Water)
- Eco-friendly materials address proliferation of green standards
- Geographical and topographical technical engineering expertise
- Scale and geographic presence to serve customers (Not over reliant on just 1 or 2 projects)
- Well positioned in strong, home market of Beijing
- Industry consolidation

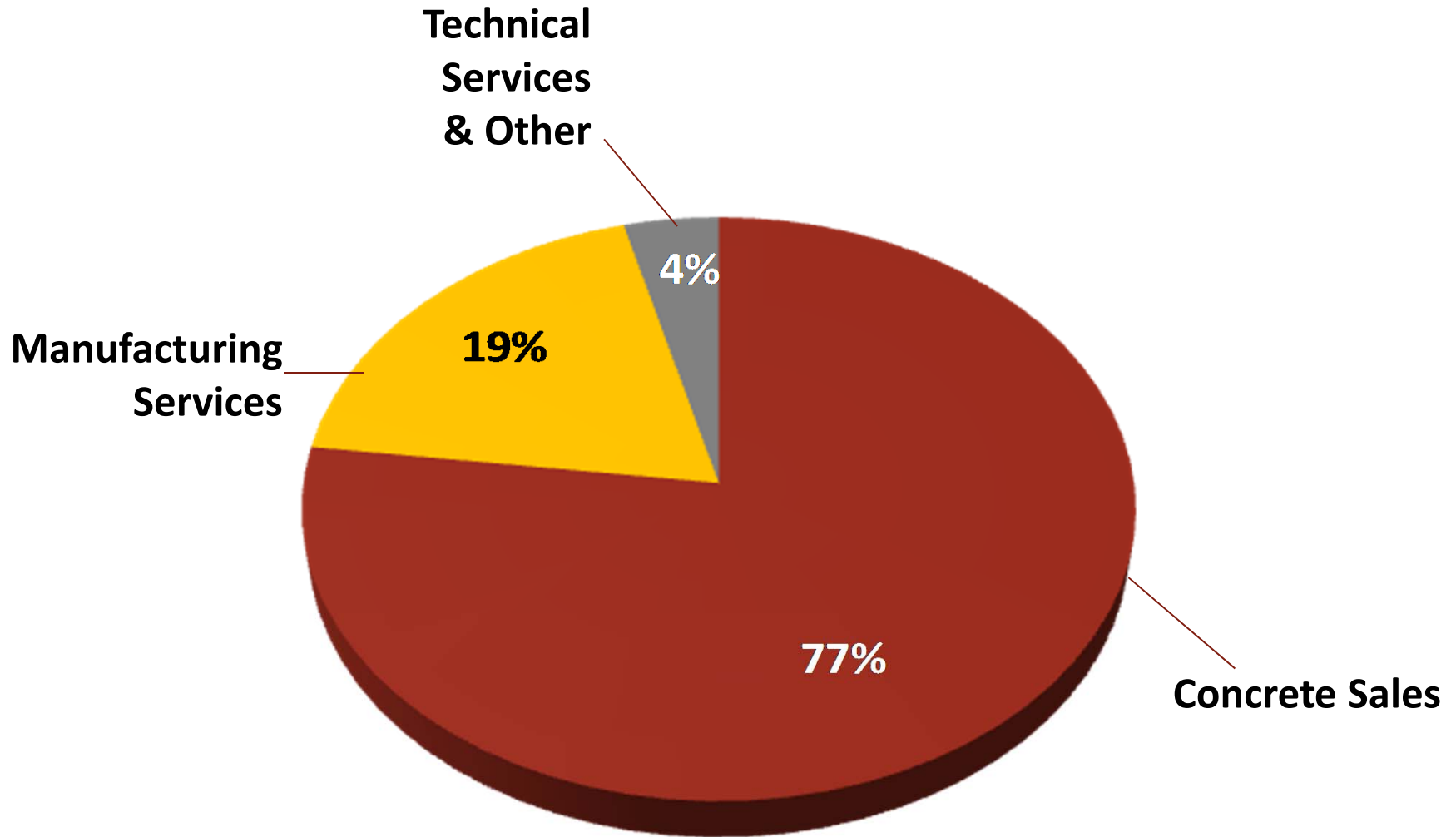


Eco-Friendly: Lowering Cost & Emissions

- Concrete mixture incorporates blends and additives which are less harmful to the environment than cement
- Increasing government mandates for “Green” RMC
- 1 of 10 certified by Ministry of Environmental Protection
- High-quality and customized “Green” concrete RMC uses over 30% recyclable materials
- Advanced proprietary chemical composite engineering required to produce 100 year RMC using recycled materials
- Portable production sites outside of city centers reduce pollution in China’s most populated urban areas
- 6% VAT exempt

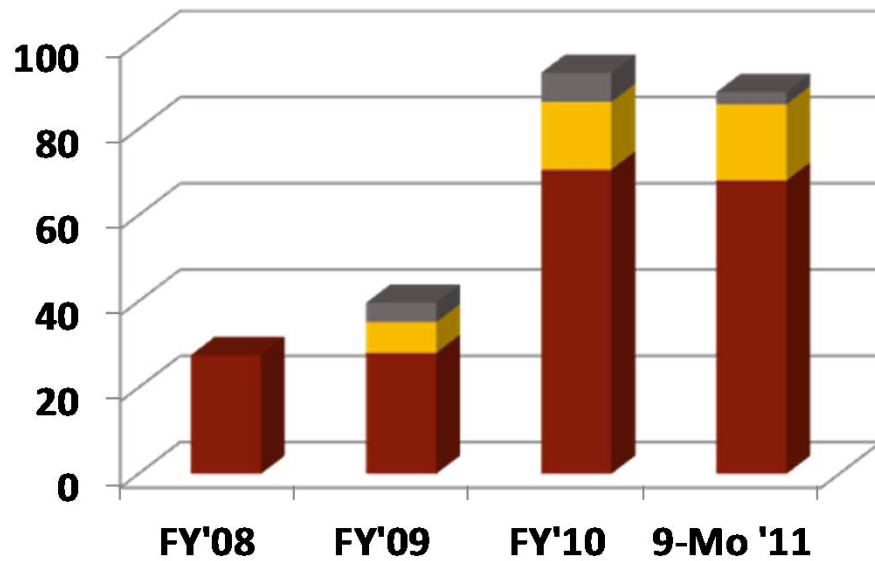


Business Mix – LTM March 31, 2011



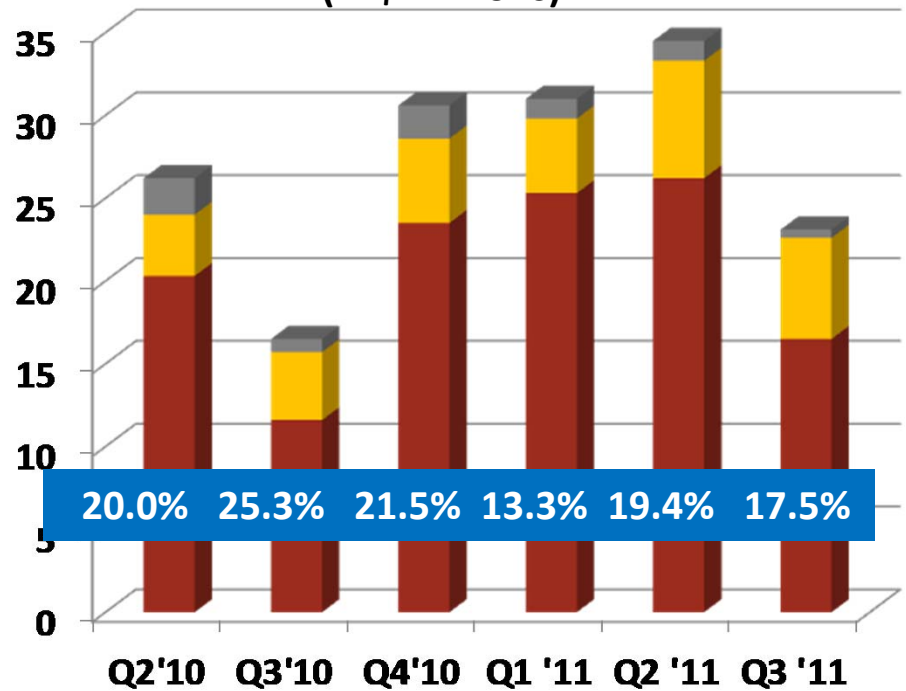
Growing Mix of Higher Margin Business

Total Revenue (in \$ millions)



Technical Services
 Manufacturing Services
 Concrete Sales

Quarterly Revenue and Gross Margins* (in \$ millions)



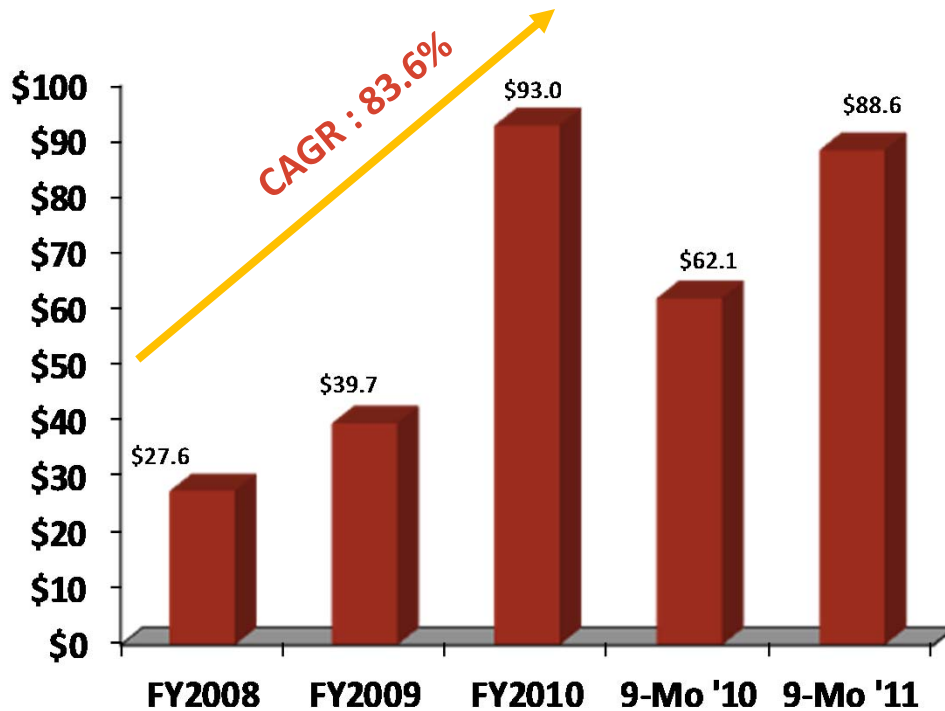
* Blended Average Margin – Estimated to be 3-4 times the industry average



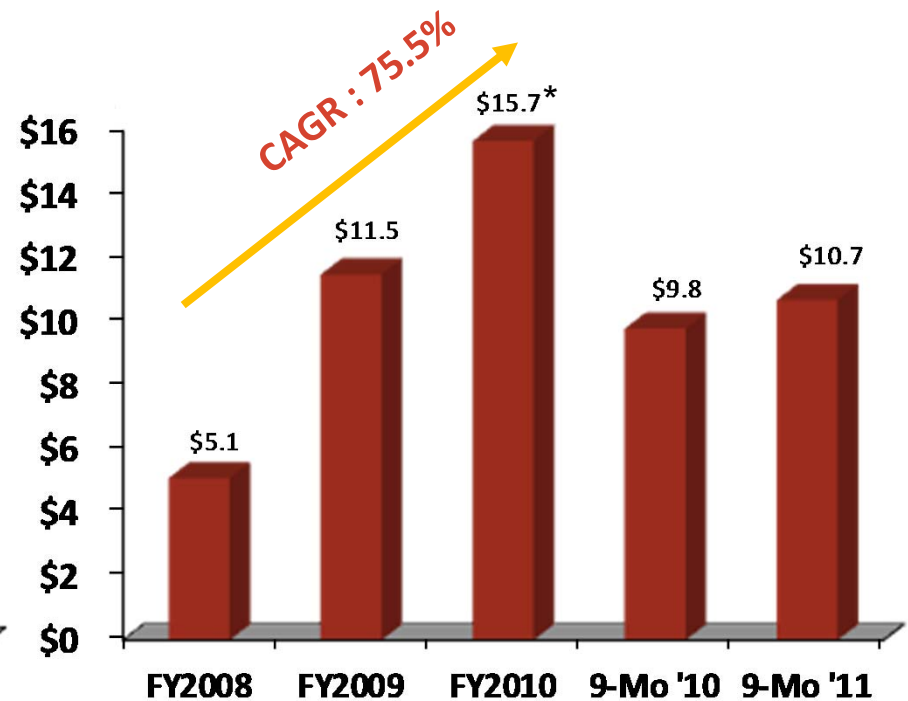
Revenue Growth

Net Income Growth

FY June 30 (in millions)



9 mo. '11 revenue grew by 43% from 9 mo. '10



9 mo. '11 Adjusted Non-GAAP net income grew by 9% from 9 mo. '10

Adjusted Net Income = Net Income + Change in Fair Value of Warrant Expense + Non Cash Stock Compensation Expense



Q3'11 Results

	Q3'10 Actuals	Q3'11 Actuals	YOY Change %
•Manufacturing services revenue	\$4.1 million	\$6.1 million	+51%
•Concrete sales revenue	\$11.6 million	\$16.5 million	+43%
•Technical services revenue	\$0.6 million	\$0.5million	-20%
Total revenue	\$16.5 million	\$23.1 million	+41%
Adjusted net income available to common shareholders	\$3.0 million	\$2.4 million	-19%
Adjusted EPS available to common shareholders	\$0.20	\$0.13	-35%

Poised for Sustained Profitable Growth

- Revenue Growth Initiatives: **Grow Scale**
 - Expand relationships with SOE contractors
 - Leverage IP to win outsourcing
 - Profit from excellent position in Beijing home market, which is strengthening
 - Capitalize on industry rationalization to acquire/lease undervalued assets and build market share
- Margin Expansion Initiatives: **Grow Services**
 - Drive higher margin business mix, vertical integration and increased capacity utilization
 - Leverage scale advantages – contract win rate, product pricing and operating efficiencies



Solid Balance Sheet

(in millions)	<u>June 2009</u>	<u>June 2010</u>	<u>March 2011</u>
Cash	\$3.6	\$3.3	\$3.4
Short Term Investments	0	0	12.1
Total Current Assets	25.3	45.8	96.3
Plant & Equipment, Net	22.1	26.5	28.8
Total Assets	56.3	85.6	133.5
Total Debt	5.3	0.0	14.5
Total Current Liabilities	20.0	21.5	56.2
Warrant Liabilities	-	2.9	2.4
Total Liabilities	20.0	24.4	58.5
Redeemable Preferred Stock	6.2	0.0	0.0
Total Shareholder's Equity	30.0	61.2	74.9



Strong Management Team

Xianfu Han, Chairman & Chief Executive Officer

- 25+ years of management experience in the building materials industry
- Former Vice Chairman of the Beijing Concrete Association
- Contributor to several regulations and directives of Chinese government

Weili He, Vice Chairman & Chief Operating Officer

- Current Vice Chairman of the Beijing Concrete Association
- Board seats at a number of construction materials companies
- Extensive concrete engineering experience in China and Japan

Jeremy Goodwin, President, CFO & Director

- Co-founded 3G Capital Partners, previously with ING Baring Capital Partners HKG
- Experience Advising Building Material Companies in China
- Fluent in written and spoken Mandarin Chinese and French

Senior management participated in drafting national standards for concrete in China



Corporate Governance - Best Practices

■ Independent Board

Denis Slavich, Director

- Expertise in engineering, management and finance
- Former CEO of Bechtel Group and KMR Power

Sean Wang, Director

- Currently CFO and Director of Rongsheng Heavy Industries (HKSE \$2B IPO)
- Previously held the positions of Executive Director and CFO of SOHO China Ltd., COO at Hurray Holdings and COO and acting CFO at Opta Corporation

Tao Jin, Director

- Senior Partner with Beijing law firm Jincheng TongDa & Neal
- Previously held positions as a Partner with Jun He Law Offices and as a Legal Counsel with J.P. Morgan
- Received his J.D. from Columbia University and admitted to both the New York and American Bar Association
- Fluent in both English and Mandarin

Larry Goldman, Director

- Former partner at Livingston, Wachtell & Co., a New York-based CPA firm
- Previously served as CFO for two US listed public companies; currently serves as Audit Committee Chairman for two Nasdaq listed Chinese companies

Jing Liu, Director

- Board member of Southwest Securities
- Senior manager of investment banking firm China Jianyin Investment Limited and China Construction Bank

■ Top Tier Auditor and Legal Firms

- Friedman LLP
- Pillsbury Winthrop Shaw Pittman LLP



Investment Highlights

- Infrastructure pure play capitalizing on China's trillion dollar infrastructure spend
- Premium quality/eco-friendly products and track record of success on high profile projects position China ACM for sustained growth
- Leading position in large, highly fragmented concrete industry with significant barriers to entry
- Well positioned to benefit from consolidation trends
- Solid balance sheet
- Strong management team and corporate governance-focused Board



Contact Information



CHINA ACM
CHINA ADVANCED CONSTRUCTION MATERIALS GROUP, INC.

Company	Legal Counsel	Auditor	Investor Relations
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APPENDIX



CHINA ACM

CHINA ADVANCED CONSTRUCTION MATERIALS GROUP, INC.



Reconciliation of Non-GAAP Financial Measures

	Fiscal Year Ended 6/30/2010	Nine Mos. Ended 3/31/2011	Nine Mos. Ended 3/31/2010	LTM Ended 3/31/2011
Net Income - GAAP	13,006,395	10,102,926	5,813,944	17,295,377
Subtract Dividends and Accretion on Redeemable Preferred Stock	(955,557)	0	(869,234)	(86,323)
Add back (subtract) Change in Fair Value of Warrant Expense	2,488,959	(167,777)	4,389,947	(2,068,765)
Add back Stock-based Compensation Expense	595,888	765,538	483,789	877,637
Add back Accretion of Discount on Redeemable Preferred Stock	567,580	0	0	567,580
Adjusted Net Income available to Common Shareholders - non-GAAP	15,703,265	10,700,687	9,818,446	16,585,506



Reconciliation of Non-GAAP Financial Measures

	Fiscal Year Ended 6/30/2010	Nine Mos. Ended 3/31/2011	Nine Mos. Ended 3/31/2010	LTM Ended 3/31/2011
Net Income - GAAP	13,006,395	10,102,926	5,813,944	17,295,377
Add back Provision for Income Taxes	3,174,551	2,269,890	1,952,633	3,491,808
Add back Interest Expense	23,834	450,196	23,765	450,265
Add back Change in Fair Value of Warrant Expense	2,488,959	(167,777)	4,389,947	(2,068,765)
Subtract Realized Gain from Sale of Securities	(27,079)	0	(27,008)	(71)
Add back Depreciation & Amortization	2,924,616	2,813,308	2,112,510	3,625,414
Add back Stock-based Compensation Expense	595,888	765,538	483,789	877,637
Adjusted EBITDA	22,187,164	16,234,081	14,749,580	23,671,665



Use of Non-GAAP Financial Measures

The Company makes reference to non-GAAP financial measures. Management believes that investors may find it useful to review our financial results that exclude the non-cash expenses of change in fair value of warrants and management owned options as a result of the adoption of a Financial Accounting Standards Board's ("FASB") ASC 815 (EITF 07-05) accounting standard effective from January 1, 2010.

Management believes that these non-GAAP financial measures are useful to investors in that they provide supplemental information to possibly better understand the underlying business trends and operating performance of the Company. The Company uses these non-GAAP financial measures to evaluate operating performance. However, non-GAAP financial measures should not be considered as an alternative to net income or any other performance measures derived in accordance with GAAP.



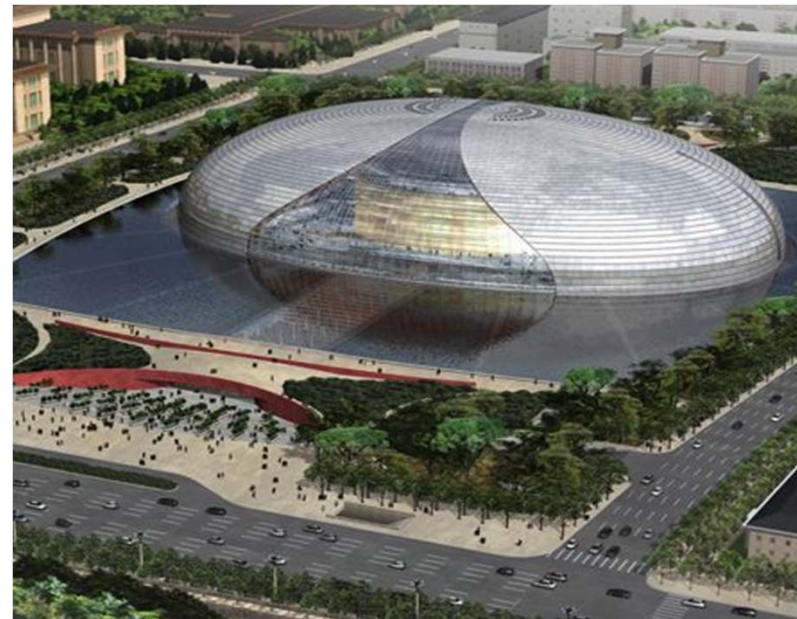
Project – New US Embassy Site in Beijing

- The largest overseas U.S. embassy office building in the world
- Construction period: 2004 – 2008
- Technical standards set by the U.S.
- Concrete Volume: 40,000 Cubic Meters
- China-ACM: exclusive provider for all concrete and technology



Project - National Centre for Performing Arts (Completed)

- **One of 10 Wonders Rising on the Skyline of the New China**
- The egg-shaped futuristic building near the Forbidden City in Beijing
- Designed by French architect Paul Andreu
- Three large halls -- a 2,416-seat opera house, a 2,017-seat concert hall and a 1,040-seat theater. Construction lasted from December 2001 to September 2007
- Costs RMB3.1 Billion (about \$424 million).
- Concrete Volume 350,000 Cubic Meters
- ACM Shipment 50,000 Cubic Meters



Project - China Central Television Headquarters (In Progress)

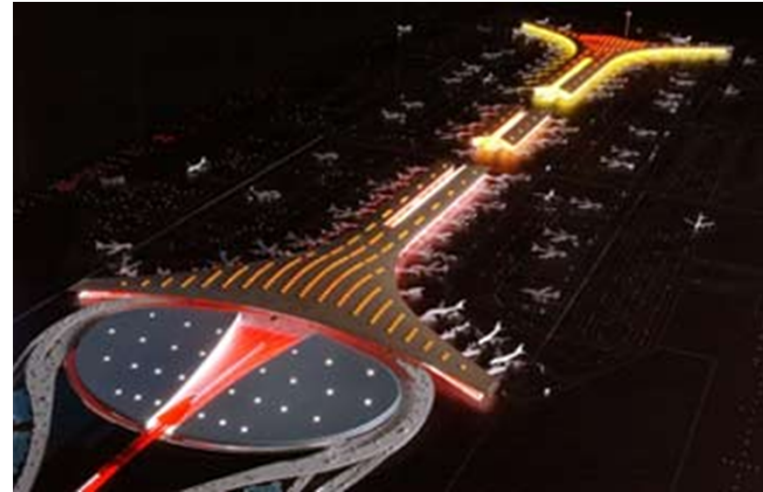
- **One of 10 Wonders Rising on the Skyline of the New China**
- Occupies 550,000 square meters and comprises 2 buildings of 230 meters
- Designed by Holland architect Rem Koolhaas
- Houses the news, broadcasting, studios and program production facilities, a hotel, a visitor's center, a large public theatre, exhibition spaces and a Media Park.
- Construction launched in September 2004
- Costs RMB5 Billion (about \$684 million).
- Concrete Volume 120,000 Cubic Meters
- ACM Shipment 95,000 Cubic Meters



Project - Beijing International Airport

- **One of 10 Wonders Rising on the Skyline of the New China**
- The ninth world's busiest airport with its terminal covering more than 1 million square meters
- Designed by UK's Foster & Partners
- The expansion phase costs RMB250 million (about \$34million)

- Provision of technical services



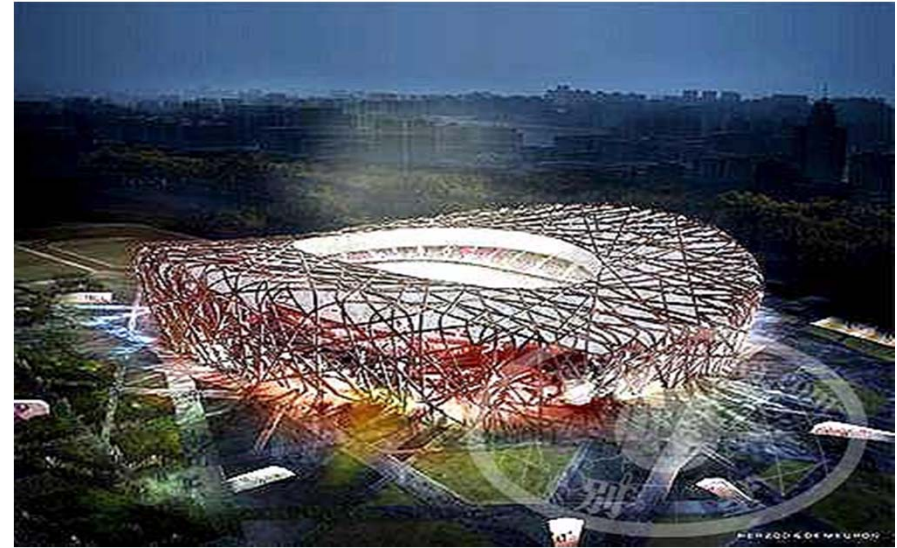
Project - National Swimming Centre Water Cube

- **One of 10 Wonders Rising on the Skyline of the New China**
- Designed by Arup, PTW, and CSCEC
- Exterior made from panels of lightweight form of Teflon that transforms building into an energy-efficient greenhouse-like environment
- Construction launched in December 2003
- Costs RMB1.0 Billion (about \$136 million)
- Provision of technical services



Project - Olympic Stadium Birds' Nest

- **One of 10 Wonders Rising on the Skyline of the New China**
- Designed by Swiss architect Herzog & de Meuron
- To seat as many as 100,000 spectators during Beijing 2008 Summer Olympics
- Construction launched in December 2003
- Costs RMB3.5 Billion (about \$479 million).
- Provision of technical services



Project - Finance District Block F2 Development

- Commercial complex comprising 2 office towers, a shopping plaza, a hotel and service apartments on Jin Rong (Finance) Street
- Designed by Skidmore, Owings & Merrill (SOM), San Francisco
- Concrete Volume 100,000 Cubic Meters
- ACM Shipment 100,000 Cubic Meters



Project - Olympic Green Convention Centre

- A national convention centre located in the Olympic Green covering an area of 270,000 square meters
- Designed by UK based RMJM
- Construction lasted from March 2005 to July 2007
- Costs RMB891 Million (about \$122 million).
- Concrete Volume 150,000 Cubic Meters
- ACM Shipment 80,000 Cubic Meters



Project - Beijing South Railway Station

- The largest railway station in Asia
- Construction will last from 2007 to 2010
- Costs RMB6.3 Billion (about USD863 million)
- Concrete Volume 500,000 Cubic Meters
- ACM Shipment 400,000 Cubic Meters



Rapid Railway Expansion

