CEMENTIR GROUP

2005 FIRST QUARTER REPORT
AS OF MARCH 31ST 2005

Board of Directors

Honorary Chairman	Luciano Leone
Chairman	Francesco Caltagirone
Deputy Chairman	Carlo Carlevaris
Managing Director	Riccardo Nicolini
Directors	Pasquale Alcini Edoardo Caltagirone Saverio Caltagirone Mario Ciliberto Mario Delfini Alfio Marchini Walter Montevecchi

Board of Auditors

Chairman	Claudio Bianchi
Auditors	Giampiero Tasco Carlo Schiavone

Board of Directors Review on

2005 First Quarter Profit & Loss Account

1. 2005 First Quarter Results

Table A

(Euro 000)	**1° Q 2005**	**1° Q 2004**	D **%**
NET SALES	**171.709**	**71.357**	**140,63**
RAW MATERIALS	(68.122)	(32.275)	111,07
EXTERNAL SERVICES	(47.682)	(14.480)	229,29
CAPITALIZED COSTS	347	25	1.288,00
GROSS PROFIT	**56.252**	**24.627**	**128,42**
GROSS MARGIN	*32,76*	*34,51*	
LABOUR COSTS	(28.371)	(8.603)	229,78
OTHER REVENUES	1.295	361	258,69
OTHER COSTS	(941)	(307)	206,51
INDIRECT TAXES[a]	(2.385)	(413)	477,48
EBITDA	**25.850**	**15.665**	**65,02**
EBITDA MARGIN	*15,05*	*21,95*	
D&A	(16.167)	(6.849)	136,04
EBIT	**9.683**	**8.816**	**9,83**
EBIT MARGIN	*5,64*	*12,35*	
FINANCIAL RESULT	**(2.236)**	**2.096**	**(206,67)**
PROFIT BEFORE TAXES AND EXTRAORDINAY ITEMS	**7.447**	**10.912**	**(31,75)**
EXTRAORDINARY ITEMS	(162)	35	(563,39)
PROFIT BEFORE TAXES	**7.285**	**10.947**	**(33,45)**

Cementir Group first quarter 2005 figures for the first time include three months results of Aalborg Portland and Unicon, whose figures were included only for two months in the fourth quarter 2004.

[a] From 2005 "indirect taxes" are included above the Ebitda line; 2004 figures are adjusted accordingly and therefore are comparable.

Q1 2005 figures, despite being not directly comparable with the same period of last year, reflect the size of the enlarged Cementir Group.

In order to provide a more transparent picture of Group performance, quarterly figures at constant perimeter are also provided.

For the quarter ended on March 31st 2005, results were as follows: Net Sales reached €171,7m (€71,4m in Q1 2004), Gross Profit €56,3m (€24,6m in Q1 2004), Ebitda 25,9m (€15,7m in Q1 2004), Ebit €9,7m (€8,8m in Q1 2004). For Q1 2005 Aalborg Portland and Unicon results were broadly in line with budgeted figures. Aalborg Portland Group, producer of grey and white cement, reported results in line with 2004 budget. Net Sales reached €55,1m, Ebitda €11,1m. Unicon Group, operating in the ready mix business, reported better than budgeted volumes as well as profitability: Net Sales reached €47,1 m, Ebitda €3,2m. Both for Aalborg Portland and Unicon, the first three months of the year are the weakest quarter due to unfavourable weather conditions.

2. 2005 First Quarter Results at constant perimeter

Table B

(Euro 000)	**1° Q 2005[b]**	**1° Q 2004**	D **%**
NET SALES	**69.419**	**71.357**	**(2,72)**
RAW MATERIALS	(32.266)	(32.275)	(0,03)
EXTERNAL SERVICES	(15.989)	(14.480)	10,42
CAPITALIZED COSTS	63	25	152,00
GROSS PROFIT	**21.227**	**24.627**	**(13,81)**
GROSS MARGIN	*30,58*	*34,51*	
LABOUR COSTS	(9.282)	(8.603)	7,89
OTHER REVENUES	436	361	20,78
OTHER COSTS	(335)	(307)	9,12
EBITDA	**12.046**	**16.078**	**(25,08)**
EBITDA MARGIN	*17,35*	*22,53*	
D&A	(7.282)	(6.849)	6,32
NON INCOME TAXES	(481)	(413)	16,46
EBIT	**4.283**	**8.816**	**(51,42)**
EBIT MARGIN	*6,17*	*12,35*	

[b] 2005 figures do not include Aalborg Portland and Unicon results and are therefore comparable with 2004 figures .

At constant perimeter, in the first quarter of 2005 Group Net Sales slightly decreased to €69,4m (€71,4 in Q1 2004) due to weaker Italian sales; the decrease was offset by the positive performance of Turkish operations.

Italian Net Sales suffered from very unfavourable weather conditions which negatively affected the whole industry.

On the contrary, sales increase in Turkey was due to good trading conditions.

Group Ebitda reached €12,1m (16,1 in Q1 2004). The decline in Ebitda was mainly due to lower volumes in Italian operations, only partially offset by sales increase in Turkey. As mentioned, Italian operations suffered, both in volumes and sales, from exceptional bad weather conditions which negatively effected the domestic market. Moreover, we highlight the constant increase in raw materials, energy and transportation costs already started in 2004.

Group Ebit reached €4,3m (€8,8m in Q1 2004).

3. Divisional performance - Net Sales

Table C

(Euro 000)	1° Q 2005	1° Q 2004	D %
EUROPE	130,0	49,4	163,16
ASIA	28,8	22,0	30,91
NORTHERN/CENTRAL AMERICA	7,3	0	n/a
NORTH AFRICA	5,6	0	n/a
GROUP SALES	**171,7**	**71,4**	**140,48**

The wider geographical base allows the Group to reduce cyclical country risk and to reach more stable margins and financial returns.

4. Divisional breakdown - Net Sales

Table D

(Euro 000)	1° Q 2005	1° Q 2004	D %
GREY & WHITE CEMENT	110,2	62,2	77,17
RMC	61,5	9,2	568,48
GROUP NET SALES	**171,7**	**71,4**	**140,48**

5. Group Net Financial Position

Table E

(Euro 000)	**31/03/2005**	**31/12/2004**	**31/03/2004**
NET CASH	53.067	59.974	188.692
LONG TERM DEBT	(90.798)	(105.657)	(50.191)
SHORT TERM DEBT	(293.261)	(252.966)	(19.785)
NET FINANCIAL POSITION	**(330.992)**	**(298.649)**	**118.716**

From € 298,6m net debt on December 31st 2004, Group net debt reached €330,9m on March 31st 2005. The increase was due to €34,2m price adjustment reflecting retained earnings for the first 10 months of 2004 still owed to Aalborg Portland and Unicon former shareholders. The charge also includes costs and fees related to the acquisition.

In the first three months of the year, Group Net Financial Position was affected by seasonal slowdown due to bad weather conditions and ordinary maintenance shutdown.

6. Board Members comments and main events occurred after March 31st 2005

Cementir Group first quarter 2005 figures for the first time include three months results of Aalborg Portland and Unicon, which transformed Cementir into a much larger and geographically diversified player.

The integration process continues as planned. Group management is focused on integrating Group operations in order to better understand markets and pursue synergies.

Business continued as usual after the end of the first quarter.

With reference to the main operations we expect the Danish market to meet budgeted figures and, taking into account Unicon positive results, in the first quarter of 2005 in the ready-mix business could perform better than budget. The Turkish market is still growing therefore, taking into account Cimentas margin improvement, we expect good performance in 2005. As mentioned, the Italian operations, which started the year with a decline mainly due to bad climate and unfavourable cost dynamics, seems to be slightly improving and we therefore expect the second half of the year to partially offset the somewhat weak start.

Rome, March 12th 2005

On behalf of the Board of Directors,
the Chairman