Cementerie del Tirreno S.p.A.

First-Half Report of the Board of Directors on operations as of June 30, 2005

Board of Directors
12th September 2005

C E M E N T I R

CEMENTERIE DEL TIRRENO S.p.A.

Rome Head Office

200 Corso di Francia

Share Capital: Euro 159.120.000 entirely paid up
Registered with the Court of Rome under #2311/51
Rome Chamber of Commerce #160498
Tax Code #00725950638 - VAT #02158501003

SUMMARY

CONSOLIDATED REPORT OF MANAGEMENT FOR THE FIRST HALF OF 2005

The Cementir Group's worth and profit-and-loss situations for the first half are summarized and compared with those at 30 June 2004 and at 31 December 2004, in the tables that follow:

	Thousands of Euro			%		
COMPANY STATEMENT	**30/6/2005**	**31/12/2004**	**30/6/2004**	**30/6/2005**	**31/12/2004**	**30/6/2004**
FIXED ASSETS	**909,114**	**884,932**	**317,787**	**65.98**	**72.26**	**45.90**
NET INTANGIBLE FIXED ASSETS	364,768	361,956	110,714	26.47	29.55	15.99
NET TANGIBLE FIXED ASSETS	518,083	500,012	195,015	37.60	40.83	28.17
NET FINANCIAL FIXED ASSETS	26,263	22,964	12,058	1.91	1.88	1.74
LIQUID ASSETS	**468,800**	**339,775**	**374,468**	**34.02**	**27.74**	**54.10**
CLOSING INVENTORIES	78,339	73,777	31,809	5.68	6.02	4.60
AMOUNTS OWED BY CUSTOMERS	180,029	139,341	89,128	13.07	11.38	12.88
OTHER SHORT-TERM RECEIVABLES	66,865	66,683	59,195	4.85	5.44	8.55
IMMEDIATE LIQUIDITY	143,567	59,974	194,336	10.42	4.90	28.07
TOTAL ASSETS	**1,377,914**	**1,224,707**	**692,255**	**100.00**	**100.00**	**100.00**
CAPITAL AND RESERVES	**656,309**	**613,895**	**511,325**	**47.41**	**50.13**	**73.86**
SHARE CAPITAL	159,120	159,120	159,120	11.55	12.99	22.99
RESERVES	466,321	375,992	344,172	33.84	30.70	49.72
PROFIT/LOSS FOR FISCAL YEAR	27,868	78,783	15,148	2.02	6.43	2.18
OWN SHARES	0	0	(7,115)	0	0	(1.03)
BORROWED CAPITAL	**28,899**	**27,950**	**6,139**	**2.10**	**2.28**	**0.89**
MEDIUM/LONG-TERM LIABILITIES	**190,130**	**116,069**	**59,692**	**13.79**	**9.48**	**8.62**
SEVERANCE AND SIMILAR FUNDS	10,915	10,412	9,974	0.79	0.85	1.44
MEDIUM/LONG-TERM FINANCIAL DEBTS	169,661	105,657	49,718	12.31	8.63	7.18
OTHER MEDIUM/LONG-TERM DEBTS	9,554	-	-	0.69	0.00	0.00
SHORT-TERM LIABILITIES	**505,576**	**466,793**	**115,099**	**36.70**	**38.11**	**16.63**
SHORT-TERM FINANCIAL DEBTS	297,034	247,676	33,002	21.56	20.22	4.77
PAYABLES TO SUPPLIERS	125,375	119,793	64,998	9.10	9.78	9.39
OTHER SHORT-TERM DEBTS	83,167	99,324	17,099	6.04	8.11	2.47
TOTAL LIABILITIES	**1,377,914**	**1,224,707**	**692,255**	**100.00**	**100.00**	**100.00**

PROFIT AND LOSS ACCOUNTS	Thousands of Euro 30/06/2005	31/12/2004	30/06/2004	Δ % 30/06/05-30/06/04
NET SALES	**402,925**	**395,108**	**151,075**	**166.71**
CONSUMPTION FOR FISCAL YEAR	(156,080)	(159,402)	(64,111)	143.45
EXTERNAL COSTS	(103,867)	(84,037)	(31,552)	229.19
CAPITALIZED COSTS	611	900	182	235.71
VALUE ADDED	**143,589**	**152,569**	**55,594**	**158.28**
VALUE ADDED INVOICED %	*35.64*	***38.61***	*36.80*	
LABOR COSTS	(58,197)	(47,668)	(16,325)	256.49
OTHER REVENUE	4,000	3,270	885	351.98
OTHER COSTS	(1,529)	(1,069)	(377)	305.57
INDIRECT TAXES	(5,099)	(3,220)	(1,074)	374.77
GROSS OPERATING MARGIN	**82,764**	**103,882**	**38,703**	**113.84**
GROSS OPERATING MARGIN INVOICED %	*20.54*	*27.11*	*25.62*	
AMMORTIZATIONS AND RESERVES	(33,383)	(39,683)	(14,015)	138.19
OPERATING REVENUE	**49,381**	**64,199**	**24,688**	**100.02**
OPERATING REVENUE INVOICED %	*12.26*	*16.25*	*16.34*	
FINANCIAL REVENUE	5,830	55,963	9,552	(38.97)
FINANCIAL EXPENSES	(8,323)	(8,109)	(3,937)	111.63
NET FINANCIAL INCOME (CHARGE)	**(2,493)**	**47,854**	**5,615**	**(144.40)**
GROSS OUTCOME	**46,888**	**112,053**	**30,303**	**54.73**
SPECIAL-MANAGEMENT BALANCE	(232)	(2,453)	(636)	(63.52)
OUTCOME BEFORE TAXES	**46,656**	**109,618**	**29,667**	**57.27**
TAXES OF FISCAL YEAR	(11,625)	(7,389)	(4,698)	147.45
DEFERRED AND PREPAID TAXES	(4,372)	(23,156)	(9,634)	(54.62)
NET OUTCOME INCLUDING 3rd-PARTY PORTION	**30,659**	**79,073**	**15,335**	99.93
THIRD-PARTY (PROFIT) LOSS	(2,791)	(290)	(187)	1,392.51
NET OUTCOME OF GROUP	**27,868**	**78,783**	**15,148**	83.97
NUMBER OF EMPLOYEES	**3,173**	**3,071**	**1,281**	

The progressive values to 30 June 2005 are representative of the current dimension of the Group. For clarity, inasmuch as the data cannot be compared with those relating to the same period of the preceding fiscal year, the main economic data to 30 June are reported by constant perimeter; that is, excluding the acquisition of Aalborg Portland and Unicon. We recall that, as required by the regulations in force, the proforma values to 30 June 2004 were provided subsequent to the acquisition.

Economic progress

	Italy-Turkey 1st quarter 2005	Italy-Turkey 1st quarter 2004	Aalborg-Unicon 1st quarter 2005	Total 1st quarter 2005
Net Sales	158,994	151,075	243,931	402,925
Value Added	51,733	55,594	91,856	143,589
Gross Operating Margin.	33,028	39,777	49,736	82,764
Operating Revenue	16,490	24,688	32,891	49,381

The net sales in the first six months amounted to 402.9 million Euro (151.1 to 30 June 2004), the added value totaled 143.6 million Euro (55.6 to 30 June 2004), the gross operating margin reached 82.8 million Euro (38.7 to 30 June 2004) and the operating revenue was 49.4 million Euro (24.7 to 30 June 2004).

The revenue before taxes reached 46.7 million Euro (30.3 to 30 June 2004) and the net revenue of the Group amounted to 27.9 million Euro (15.1 to 30 June 2004).

The newly acquired Danish Aalborg Portland and Unicon operated normally in the six-month period, in line with what had been scheduled. The Aalborg Portland Group in particular, which produces and sells gray and white cement, compared with a net progressive invoiced amount to 30 June of 123.6 million Euro (68.5 million Euro in the second six-month period), achieved a gross operating margin of 34.4 million Euro (23.3 million Euro in the second six-month period). These values are in line with budget forecasts. The Unicon Group, active in the concrete sector, closed the six-month period with a net invoiced amount of 120.4 million Euro (73.3 million Euro in the second six-month period) and a gross operating margin of 16.5 million Euro (13.2 million Euro in the second six-month period), thereby confirming improvement in both value of production and operating margin with respect to budget data, in confirmation of the progression begun as early as the first quarter.

Without considering the variations occurring in the consolidation area, the net invoiced amount of the six-month period amounted to 159.0 million Euro (151.1 to 30 June 2004), the gross operating margin attained 33.0 million Euro (39.8 to 30 June 2004) and operating revenue was 16.5 million Euro (24.7 to 30 June 2004).

The increase in invoiced amount could be traced largely to sales in Turkey, which rose strongly compared to the same period of the preceding fiscal year. The Italian market, which began the year with difficulty, due also to adverse weather conditions, has shown signs of recovery and the sales forecast to year-end indicate a recovery of the budgeted volumes. Similarly, with respect to the margins, Turkey has grown in profitability, in both absolute terms and percentage incidence on the invoiced amount, whereas Italy has been hindered by increases in the six months in the costs of energy, raw materials and transport as a consequence of the pressures on the same as recorded on an international level.

The Group's personnel went from 1,281 employees to 30 June 2004 to 3,173 employees to 30 June 2005 (1,863 employees in the Danish companies, 745 employees in Cimentas, 565 employees in the Cementir holding company and in the other Italian subsidiaries), of which 65 directors, 1,428 managers, office and intermediate employees, and 1,680 laborers.

Financial situation

The net financial position at the end of the six-month period is negative in the amount of 329.5 million Euro, as opposed to 298.6 million Euro at 31 December 2004. This data item reflects the positive flows deriving from the activities, net of the dividends paid in the six-month period in consideration, for 11.1 million Euro, to payment of the balance of the acquisition operation of the Danish companies for 34.2 million Euro (including the balance of the acqujisition price and of the expenses connected with the operation itself) and to the payments made for investments and maintenance.

For a better evaluation of the variations occurring in the net financial position, one must bear in mind that in the first part of the year it is traditional to carry out more maintenace to installations.

It is to be considered, finally, that the Danish companies, given the dynamics of the activities and of the sales typical of the market of reference, produce the major part of net positive cash flows in the second half of the year.

In confirmation of the above, we must note that the net financial position at 30 June turns out better than foreseen for the same at the time of planning the Group's flows to the end of 2004.

Reports with subsidiary, associated, and controlling firms and firms subject to the control of the last and with other related firms

In compliance with CONSOB communication #98015375 of 27/02/1998, in what follows we provide information concerning the relationships with the aforesaid firms.

The Group-worth report as at 30 June 2005 with associated companies refers to short-term commercial receivables with regard to the USA associate Leigh White Cement Company for 2,827 thousand Euro e to Speedybeton for 333 thousand Euro.

During the course of the fiscal period being examined the 'Holding company' has received dividends for 239 thousand Euro from Speedybeton S.p.A.

Relations begun with companies subjected to the audit of the shareholder of reference (Caltagirone S.p.A.), habitual and traditional customers of the Cementir 'holding' company, are proceding normally. More particularly, Vianini Lavori S.p.A. and Vianini Industria S.p.A. have purchased at market prices 10,194 e 1,782 tonnes of cement in the first six-month period of 2005 (4,891 tonnes in the first six-month period of 2004).

In the first six-month period of 2005 the 'Holding company' has benefitted, in addition, from the revenue from building rentals by the associated B2Win S.r.l. for 187 thousand Euro.

On 30 June 2005 the Danish subsidiary Unicon SA acquired from the associated Vianini Industria S.p.A. the USA company Vianini Pipe, Inc. for a net payment of 9.8 million Euro.

Significant facts relative to the six-month period

2005 is an important year in Cementir's internationalization process, begun in 2001 with the acquisition of Cimentas and continued with success with the Danish companies.

At the end of the first six-month period the jump in dimension is evident: the invoiced amount compared with the same period in 2004 has in fact increased by 166%, the gross operating margin by 114%.

The operations of the acquired companies fully confirm expectations, and the integration activities are proceeding in accord with development plans. In particolar, the implementation of a common technological platform (SAP) is under way, plans for the optimization of production and technological standards have been begun, and the exchange of research information aimed at the study of new types of cement and the utilization of alternative fuels, a field in which Aalborg Portland is in the vanguard, is proceeding apace.

To be mentioned in addition to the development of the integration activities is a series of initiatives brought into being in the six-month period through the Danish companies whose target is rationalization, an improvement in margins and taking further advantage of market opportunities.

Unicon in particular, has formalized an agreement for the constitution of a company to which to outsource transport activities; Unicon will participate to 50% in the capital of the new company, the remaining 50% will be held by a Danish entrepreneur specialized precisely in transport. The operation calls for the confirment by Unicon of approximately 180 vehicles and 220 transport workers. It will make it possible to benefit, not only from the collaboration of a partner having specific skills, but also from considerable economies of scale and from a better utilization of vehicles.

Aalborg Portland, on the other hand, is completing the formalities for the constitution of a company in Russia, with head office in St Petersburg, for the marketing of white cement produced in Aalborg's own establishment. The initiative will make it possible to reinforce the development of the Group in a country characterized in recent years by a consistent economic growth, reflected also in the construction of residential housing, commercial and office buildings.

Finally, on 30 June the Group, through the Danish subsidiary Unicon, acquired the USA company Vianini Pipe, Inc., with head office in New Jersey, active in the production of cement products. The acquisition enables the Group to reinforce its own presence in the United States where it is already working through other subsidiaries. The USA market at the moment is of strong interest in view of the results being achieved in the same by the subsidiaries and associates active in the production and sale of white cement.

Vianini Pipe, in 2004, attained an invoiced amount of 17.7 million US$ and a net profit of 2.2 million US$.

Own shares and/or shares or portions of controling companies

As at 30 June 2005, the ‘Holding company’ holds no “own shares”.

At 30 June 2005, the ‘Holding company’ and its subsidiaries possess, neither directly nor indirectly, no shares or portions of the controling companies, nor have they during the course of the year bought or sold shares or portions of the controling companies.

Information concerning the adoption of the International Financial Reporting Standard [IFRS] for the 2005 fiscal year

On the basis of what is contemplated in articles 82 and 82bis of Consob Regulation #11971/1999, as amended by resolution #14990 of 14 April 2005, Cementir S.p.A. has availed itself of the right to report the six-month situation at 30 June according to the principles dictated for the annual reports of the preceding fiscal year and on the basis of the criteria indicated in Appendix 3D of the Regulations themselves. A reconciliation of the final balances reported in the accounting schedules, determined using the compilation criteria utilized for the balance of the preceding fiscal year, with respect to the value of the same assumed by applying the international accounting standards (IFRS) and the reconciliations contemplated in paragraphs 39 and 40 of IFRS principle 1 (first adoption of the IFRS), are therefore appended to this six-monthly report.

Subsequent events and outlookfor the evolution of management

The activities of the Group’s companies are proceeding normally and show no events of particular significance occurring after the closure of the second six-month period.

Relative to the course of management in the continuation of operation, with reference to the main geographic areas in which the Group operates, we believe that we can confirm the budget’s goals in the Danish market and, after viewing the performance achieved in the concrete sector by Unicon in the six-month period, we can do better than expected. in the Turkish market, which continues to show signs of growth, Cimentas also in the quarter just closed has increased its invoiced amount and related margins, thereby decisively heading in the direction of exceeding the budget’s goals. We believe that the Italian market which, as already explained in the report presented after the closing of the first quarter, began the year with some difficulty, may make up in the second six-month period for the delay accumulated in the first six months.

The Chairman
of the Board of Directors

COMPANY STATEMENTS AND PROFIT-AND-LOSS ACCOUNTS TO 30/06/2005, 31/12/2004 AND 30/06/2004

CEMENTIR GROUP

CONSOLIDATED COMPANY STATEMENT
(in thousands of Euro)

ASSETS

	30/06/2005		31/12/2004		30/06/2004	
	Partial	Total	Partial	Total	Partial	Total
A) SUMS RECEIVABLE FROM SH'HOLDERS		**0**		**0**		**0**
B) FIXED ASSETS						
I. Intangible						
1. Plant and enlargement costs		70		85		22
2. Concessions, licences and trade marks		2,059		1,997		0
3. Start up		9		24		38
4. Other fixed assets		1,663		1,156		232
5. Immobilizations in course and down payments		2,855		929		0
6. Differences from consolidation		358,111		357,765		110,422
Total intangible fixed assets		**364,767**		**361,956**		**110,714**
II. Tangible						
1. Lands and buildings		174,378		168,942		91,748
2. Plants and machinery		310,945		307,704		91,937
3. Industrial and commercial equipment		502		525		525
4. Other assets		11,060		11,780		4,039
5. Immobilizations in course and down payments		21,198		11,061		6,766
Total tangible fixed assets		**518,083**		**500,012**		**195,015**
III. Financial						
1. Partecipations in:		25,484		22,272		11,678
a) associated companies	22,922		19,717		2,193	
b) other companies	2,562		2,555		9,485	
2. Receivables:		723		619		380
a) from others	723		619		380	
3. Other bills		56		73		
4. Own shares		0		0		7,115
Total financial fixed assets		**26,263**		**22,964**		**19,173**
TOTAL B) FIXED ASSETS		**909,113**		**884,932**		**324,902**
C) CIRCULATING ASSETS						
I. Inventories						
1. Additional raw materials and shop supplies		48,830		45,064		19,749
2. Semi-finished products		11,889		12,610		5,744
3. Finished products and merchandise		15,409		14,576		5,806
4. Down payments		2,211		1,527		510
Total inventories		**78,339**		**73,777**		**31,809**
II. Receivables						
1. From customers		180,029		137,847		89,128
a)payable in next fiscal year	178,808		134,979		89,128	
b)payable in subsequent fiscal years	1,221		2,868		0	
2. From associated & other companies (1)		3,160		2,730		373
4 Bis. Tax credits (1)		8,345		6,132		1,847
4 Ter. Prepaid taxes (1)		42,910		47,641		53,571
5. From others		7,320		7,277		1,010
a)payable in next fiscal year	7,172		7,231		1,010	
b)payable in subsequent fiscal years	148		46		0	
Total Receivables		**241,764**		**201,627**		**145,929**
III. Financial assets not constituting fixed assets		**0**		**1,706**		**3,060**
IV. Available liquidity						
1. Bank and Post Office deposits		143,343		57,843		190,902
2. Cash and securities on hand		224		425		374
Total available liquidity		**143,567**		**58,268**		**191,276**
TOTAL C) CIRCULATING ASSETS		**463,670**		**335,378**		**372,074**
D) ACCRUED INCOME & PREPAID EXPENSES		5,131		2,903		2,394
TOTAL ASSETS (A+B+C+D)		**1,377,914**		**1,223,213**		**699,370**

(1) All payable within the next fiscal year

CEMENTIR GROUP

CONSOLIDATED COMPANY STATEMENT
(in thousands of Euro)

LIABILITIES

	30/06/2005		31/12/2004		30/06/2004	
	Partial	Total	Partial	Total	Partial	Total
A) NET COMPANY WORTH						
I. Capital		159,120		159,120		159,120
II. Reserve from share price over par		22,710		15,052		15,052
III. Reserve from reevalutation		0		0		0
IV. Legal reserve		31,824		7,859		7,859
V. Reserve for own shares in portfolio						7,115
VI. Statutory reserves						
VII. Other reserves		250,252		353,081		314,146
a) Fund contrib. in capital account	13,207		13,207		13,207	
b) Fund Art.15 Law 113/88 #67	138		138		138	
c) Badwill reserve	24,744		25,855		0	
d) Special reserve					0	
e) Reserve for purchase of own shares	13,000		13,000		5,885	
f) Reserve Law 349/95 Art.11	13		13		9	
g) Other reserves	199,150		300,868		294,907	
VIII. Profits brought forward		161,535		0		0
IX. Profit of the fiscal year		27,868		78,783		15,148
TOTAL HOLDING-COMPANY PORTION		**653,309**		**613,895**		**518,440**
Third-party portion:						
I. Capital, reserves & outcomes brought forward		26,108		27,660		5,952
II. Profit of the period		2,791		290		187
TOTAL THIRD-PARTY PORTIONS		**28,899**		**27,950**		**6,139**
TOTAL A) NET COMPANY WORTH		**682,208**		**641,845**		**524,579**
B) FUNDS FOR RISKS AND EXPENSES						
1. For taxes		30,086		22,856		2,505
2. Other funds		11,498		12,453		539
TOTAL B) FUNDS RISKS AND EXPENSES		**41,584**		**35,309**		**3,044**
C) SEVERANCE PAY		**10,915**		**10,412**		**9,974**
D) AMOUNTS OWED						
1. Payables to companies for financing (1)		6,403		5,290		0
2. Payables to banks		427,687		314,325		43,712
a)Due within next fiscal year	293,133		247,676		33,002	
b)Due in subsequent fiscal years	134,554		66,649		10,710	
3. Payables to other financiers		39,008		39,008		39,008
a)Due within next fiscal year	3,901					
b)Due in subsequent fiscal years	35,107		39,008		39,008	
4. Down payments (1)		446		208		208
5. Payables to suppliers (1)		125,375		119,793		64,998
6. Payables to associated companies (1)		0		60		0
7. Taxes owed (1)		10,281		10,856		4,882
8. Payables to social-insurance and social-security bodies (1)		1,475		1,870		1,287
9. Other payables (1)		29,446		40,834		4,964
TOTAL D) PAYABLES		**640,121**		**532,244**		**159,059**
E) ACCRUED EXPENSES AND DEFERRED INCOME		**3,086**		**3,403**		**2,714**
TOTAL LIABILITIES (A+B+C+D+E)		**1,377,914**		**1,223,213**		**699,370**

(1) All due within the next fiscal year

CEMENTIR GROUP

CONSOLIDATED PROFIT-AND-LOSS ACCOUNT
(in thousands of Euro)

	30/06/2005		31/12/2004		30/06/2004	
	Partial	Total	Partial	Total	Partial	Total
A) VALUE OF PRODUCTION						
1.Revenue of sales and services		406,926		391,255		154,075
2. Inventory variations in production in course and semi-finished and finished products		(4,001)		3,854		(3,000)
3. Variations in work under way on order						0
4. Increase in fixed assets for inhouse work		611		900		182
5. Other proceeds and profits		4,000		3,269		885
TOTAL A) VALUE OF PRODUCTION		**407,536**		**399,278**		**152,142**
B) PRODUCTION COSTS						
6. For raw and additional shop supplies and merchandise		(158,499)		(157,389)		(64,555)
7. For services		(100,179)		(82,350)		(31,297)
8. For utilization of third-party assets		(3,688)		(1,687)		(255)
9. For personnel		(58,198)		(47,958)		(16,592)
a) salaries and wages	(47,668)		(35,601)		(11,405)	
b) social expenses	(6,057)		(7,965)		(3,532)	
c) severance payments	(1,112)		(1,756)		(908)	
d) other costs	(3,361)		(2,636)		(747)	
10. Depreciations and write-offs		(32,942)		(39,030)		(13,946)
a) depreciation in immatierial fixed assets	(3,601)		(6,985)		(3,259)	
b) depreciation in tangible fixed assets	(28,820)		(30,702)		(10,252)	
c) Write-offs of active circulating receivables	(521)		(1,343)		(435)	
11. Variation in inventories of raw, additional shop supplies and merchandise		2,419		(2,013)		445
12. Reserves against risks		(442)		(299)		(70)
13. Other reserves				(355)		0
14. Various management expenses		(6,626)		(5,314)		(1,560)
TOTAL B) PRODUCTION COSTS		**(358,155)**		**(336,395)**		**(127,830)**
Difference between values and production costs (A-B)		**49,381**		**62,883**		**24,312**
C) FINANCIAL PROFITS AND EXPENSES						
15. Profits from participations		0		45,527		1,080
a) other companies	0		1,080		1,080	
b) gains on sales of participaqtions	0		44,447			
16. Other financial profits		2,024		6,320		3,341
a) from securities included in fixed assets that do not constitute participations			41			
b) various profits from the foregoing: from others	2,024		6,279		3,341	
17. Interest and other financial expenses		(8,303)		(8,107)		(2,679)
a) to others	(8,303)		(8,032)		(2,679)	
b) loss on sales of participations			(75)			
17 bis. Profits and Losses on exchange		919		3,074		3,873
TOTAL C) FINANCIAL PROFITS AND EXPENSES		**(5,360)**		**46,814**		**5,615**
D) RECTIF. OF VALUE OF FINANC. ASSETS						
18. Revaluations: of partecipations		2,887		1,041		0
19. Devaluations : of partecipations		(19)		(2)		0
TOTAL D) RECTIF. VALUE OF FINANC. ASSETS		**2,868**		**1,039**		**0**
E) EXTRAORDINARY PROFITS AND EXPENSES						
20. Profits		141		11,519		229
a) gains from alienations	57		10,685		38	
b) other profits	84		834		191	
21. Expenses		(374)		(12,637)		(489)
a) losses from alienations	(10)		(242)		(2)	
b) other expenses	(364)		(12,395)		(487)	
TOTAL E) EXTRAORD. PROFITS & EXPENSES		**(233)**		**(1,118)**		**(260)**
OUTCOME BEFORE TAXES		**46,656**		**109,618**		**29,667**
22. Taxes on revenue from fiscal year		(15,997)		(30,545)		(14,332)
a) taxes for fiscal year	(11,625)		(7,389)		(4,698)	
b) deferred taxes	2,726		(6,174)		(103)	
c) prepaid taxes	(7,098)		(16,982)		(9,531)	
OUTCOME FISC. YEAR INCL. 3RD-PARTY PORTION		**30,659**		**79,073**		**15,335**
LOSS (PROFIT) OF THIRD PARTIES		**(2,791)**		**(290)**		**(187)**
GROUP'S PROFIT		**27,868**		**78,783**		**15,148**

EXPLANATORY AND INTEGRATIVE NOTES CONSOLIDATED TO 30 JUNE 2005

INTEGRATIVE NOTE ON THE SIX-MONTH SITUATION TO 30 JUNE 2005

STRUCTURE AND CONTENT

The consolidated situation to 30 June 2005 has been compiled in compliance with the regulations of the Civil Code and is constituted by the company statement, by the profit-and-loss account and by this integrative note that provides the information required by the provisions of law and by CONSOB communications on the matter of the consolidated balance sheet.

Complementary information deemed necessary to give a true and correct representation has been provided in addition even though not required by specific provisions of law.

The data are expressed in thousands of Euro.

AREA OF CONSOLIDATION

The consolidated situation comprises the balance sheets of the Cementir ‘holding’ company and of the following Italian and foreign subsidiaries:

Company	Head Office	Fiscal year’s balance sheet Closure date	Share capital (€ 000)	% ownership
Cementir Delta S.p.A.	Rome	31/12/2004	38,218	99,9
Intercem S.A.	Luxemburg	30/11/2004	100	100
Alfacem S.r.l.	Rome	31/12/2004	1,010	100
Calcestruzzi Picciolini S.p.A.	Rome	31/10/2004	104	99,9
Cem 2004 S.r.l.	Rome	31/10/2005	10	100
Globocem S.L.	Madrid	31/12/2004	3	100
Cementir Espana S.L.	Madrid	31/12/2004	340,003	100
Cimentas	Izmir (Turkey)	31/12/2004	19,452	97,10
Cimbeton	Izmir (Turkey)	31/12/2004	1,093	82,28
Kars Cimento	Kars (Turkey)	31/12/2004	618	97,10
Bakircay	Izmir (Turkey)	31/12/2004	259	97,10
Yapitek	Izmir (Turkey)	31/12/2004	31	96,92
Destek	Izmir (Turkey)	31/12/2004	31	97,08
Aalborg Portland A/S	Aalborg (Denmark)	31/12/2004	40,260	100
Aalborg Portland Island HF	Kopavogur (Iceland)	31/12/2004	3,850	100
CemMiljo A/S	Aalborg (Denmark)	31/12/2004	146	80
Aalborg Portland Polska Spzoo	Warszawa (Poland)	31/12/2004	25	100
Aalborg Portland US Inc	Dover (USA)	31/12/2004	1	100
Aalborg Cement Company Inc	Dover (USA)	31/12/2004	1	100
Gaetano Cacciatore Inc.	New York (USA)	31/12/2004	-	100
Aalborg Portland White A/S	Aalborg (Denmark)	31/12/2004	537	100
Sinai White Portland Cement Company	Giza (Egypt)	31/12/2004	16,456	45,8 (*)
Aalborg Portland White China A/S	Aalborg (Denmark)	31/12/2004	1,275	70

Aalborg White Anqing Co Ltd	Anqing (China)	31/12/2004	2,888	70
Aalborg White Asia Sdn Bhd	Perak (Malaysia)	31/12/2004	18,403	70
Aalborg White Inc.	Manila (Philippines)	31/12/2004	130	70
Aalborg White Cement Pty Ltd	Sydney (Australia)	31/12/2004	1	70
Skim Coat Industries Sdn Bhd	Perak (Malaysia)	31/12/2004	93	70
SCI Marketing & Services Sdn Bhd.	Perak (Malaysia)	31/12/2004	8	70
Aalborg Resources Sdn Bhd	Perak (Malaysia)	31/12/2004	491	70
Unicon A/S	Roskilde (Denmark)	31/12/2004	20,131	100
Unicon AS	Sandvika (Norway)	31/12/2004	1,610	100
A/S Kobenhavns Betonfabrik	Roskilde (Denmark)	31/12/2004	269	100
AB Sydsten	Malmö (Sweden)	31/12/2004	1,660	50
Ekblads Betong AB	Jönköping (Sweden)	31/12/2004	55	37,5 (**)
HB Forserumsten	Växjö (Sweden)	31/12/2004	200	25 (**)
AB Sydsten Helsingborg	Helsingborg (Sweden)	31/12/2004	11	37,5 (**)
AGAB Syd AB	Malmö (Sweden)	31/12/2004	13	25 (**)
Everts Betongpumpning AB	Halmstad (Sweden)	31/12/2004	11	25,5 (**)
Skane Grus AB	Malmö (Sweden)	31/12/2004	111	30 (**)
JEPA Grus & Container AB	Malmö (Sweden)	31/12/2004	11	50
Unicon Spzoo	Warsaw (Poland)	31/12/2004	2,444	100
Polish Gravel Industry Spzoo	Warsaw (Poland)	31/12/2004	2,054	100
Vianini Pipe Inc.	New Jersey (USA)	31/12/2004	3,708	99,99 (***)

(*) consolidated on the basis of voting agreements with a minority (11.2%) shareholder

(**) percentages composed by consolidation of subsidiary companies controlled by AB Sydsten consolidated integrally to 50%

(***) consolidated effective 30 June 2005

We should note first that the area of consolidation has changed considerably following the acquisition of the Danish firms Aalborg Portland A/S and Unicon A/S, and that account must be taken of the consequences to that effect on the comparison of the data for the two periods. In any case, whenever significant, the data indicating the effects of variation of the consolidation area have been provided.

SCHEDULES APPENDED TO THE SIX-MONTH SITUATION

This integrative note also contains the following schedules:

- Consolidated financial report.
- Schedule of the variations in the consolidated net-company-worth accounts
- Schedule of the variations in intangible and tangible fixed assets.

On the basis of what is contemplated in articles 82 and 82 bis of Consob Regulation #11971/1999, as amended by resolution #14990 of 14 April 2005, we append to this six-month situation a reconciliation of the final balances reported in the accounting schedules, determined using the compilation criteria utilized for the balance sheet for the preceding fiscal year, with respect to the assumed value of the same, by applying the international accounting (IFRS) standards as contemplated in paragraphs 39 and 40 of IFRS principle 1.

Consolidation criteria

The consolidated situation has been compiled on the basis of the situations prepared for civil-law purposes by the individual companies included in the area of consolidation.

For the subsidiaries that close their fiscal year on dates other than that of the ‘Holding company’, a suitable accounting situation has been compiled coherent with the same’s six-month report.

The consolidation method is that of global integration.

The accounting value of the consolidated participations is eliminated against the relevant net company worth; any difference from consolidation that remains after attribution of specific assets and liabilities on the basis of net company worth to the values current on the date of the subsidiary’s acquisition, is amortized in relation to the future profitability of the consolidated companies.

Portions held by third parties, with regard to minority shareholders, are recorded under their pertinent heads of net company worth and of the consolidated profit-and-loss account..

Debit and credit entries, of costs and revenue, as well as the economic reflections relative to inter-company operations, have been eliminated from the net-company-worth statement and from the consolidated profit-and-loss account.

Dividends distributed within the Group have been removed from the consolidated profit-and-loss account.

EVALUATION CRITERIA

The most significant evaluation criteria adopted for the compilation of the consolidated six-monthly situation, in line with those of the preceding fiscal year, are the following:

Immaterial fixed assets

Immaterial fixed assets are those recorded at cost and reflect the remainder of the expenses of plurennial utility.

The amortization is calculated in the account at constant rates, and has been determined on the basis of the economic utility forecast.

Plant and expansion expenses are recorded after prior consent of the boards of auditors of the individual companies included in the area of consolitation.

A consolidation difference emerges following the elimination of the accounting value of the participations acquired, consolidated against the relevant net company worth at values current on the date of acquisition; said difference is amortized in relation to the future profitability of the consolidated companies.

Material fixed assets and amortization funds

Such fixed assets are shown in the balance sheet at their acquisition value at construction cost, including accessory expenses of direct allocation, and adjusted in compliance with the laws that allowed the revaluation.

The amortizations, reclassified in reduction of the matierial fixed assets, have been systematically calculated on the basis of economic-technical rates detailed in the note of comment on fixed assets, are deemed representative of the estimated useful lifetime of the profit sources.

The land on which the industrial buildings of the establishments stand has been amortized using the same rates as those of the buildings.

In the case in which, independently of amortizations already accounted for, a lasting loss of value results, the fixed asset is correspondingly devalued; if in successive fiscal years the conditions of the devaluation are absent, the original value is reinstated, net of the amortizations pertaining to the period.

Financial fixed assets

- Participations

Participations in non-consolidated companies in which the Group exerts a significant influence are evaluated by the net-company-worth method. Other participations are evaluated at acquisition cost or that of subscription, reduced for lasting losses in value.

The original value is reinstated in subsequent fiscal years if the reasons no longer subsist for the devaluation made.

Inventories

Warehouse inventories are evaluated at the lesser of cost and market value. The costing system adopted is that of the LIFO method for yearly periods and is determined as follows:

- <u>Raw materials, various materials and those specific to consumption</u>: at purchase cost inclusive of accessory expenses;
- <u>Finished and semi-finished products</u>: at purchase and/or production cost inclusive of materials, energy, labor and all the other costs, direct and indirect, of manufacture, including amortization of production plants.

Receivables

Receivables from customers are recorded in the balance sheet at the presumed value at time of payment.

Available liquidity

Available liquidity at closure of the fiscal year has been evaluated at nominal value.

Accrued income and prepaid expenses

Accrued income and prepaid expenses are determined by making reference to the time component, so as to reflect in the balance sheet the portion of costs and revenue pertaining to several periods.

Risks-and-costs funds

Risks-and-costs funds are allocated to cover losses or debts whose existence is certain or probable for which, however, the amount or the date of record cannot be determined at closure of the period.

The allocations made reflect the best possible estimate on the basis of the data available.

Employee severance payment

This complies with the regulations in force and refers to the liabilities maturing in favor of employees on the closure date of the period, considered singly. The allocation is subject to indexed revaluation.

Payables

Payables are recorded at their nominal value.

Recognition of revenue

Revenue from the sale of products are recognized at the moment of ownership transfer, which usually coincides with the time of shipment.

Contributions

Contributions to the plant account collected through 1997 are recorded in a net-company-worth reserve for the purpose in partial tax suspension.

Those made subsequent to that date are recorded in accounting, independently of collection, among deferred incomes and accredited in the profit-and-loss account of the period with the same amortization rate applied to the profit sources with respect to which the same contributions have been recognized. The part of the contributions recorded in the fiscal year related to ammortizations of the profit sources already reported in preceding fiscal years, is recorded among extraordinary revenue.

Taxes on fiscal year's revenue

These are recorded on the basis of the estimate of taxable revenue in compliance with the provisions in force taking into account entitlement to tax credits.

Also recorded are deferred taxes and/or prepaid taxes on the temporary differences between balance-sheet results and taxable revenues for the fiscal year of every company in the Group and, whenever applicable, rectifications of consolidation. Provisions have not been made for taxes on reserves for which taxes are in abeyance or for profits of subsidiaries carried forward, noted at the time and within the limits of the taxation foreseen.

Criteria of conversion of the entries in currencies other than the Euro

The receivables and payables that are not fixed assets, originally expressed in currencies other than the Euro, have been converted at the rate of exchange for cash on the date of the fiscal year's closure.

Exchange differences are recorded in the profit-and-loss account. If at year-end a net profit has been made from the conversions of receivables and payables in currency other that the Euro, the same will be allocated to a reserve for the purpose that cannot be distributed before such profit is realized.

There no longer being any consolidated company operating in countries with high inflation, no redimensioning as governed by international accounting principle (IAS) #29, of company-worth and profit-and-loss concerning non-monetary entries has been undertaken.

Derogations pursuant to Clause 4 of Article 2423

We point out, as well, that no exceptional cases requiring derogations of legal regulations pursuant to Clause 4 of Article 2423 of the Civil Code have arisen.

CONSOLIDATED COMPANY-WORTH STATEMENT

COMMENT ON THE MAIN ASSET ENTRIES

FIXED ASSETS

Total fixed assets amounted to 909,113 thousand Euro (884,932 thousand Euro). It was constituted by the following groupings.

(in thousands of Euro)

	30/06/2005	**31/12/2004**	**Variations**
Intangible	364,767	361,956	2,811
Tangible	518,083	500,012	18,071
Financial	26,263	22,964	3,299
	909,113	**884,932**	**24,181**

INTANGIBLE FIXED ASSETS

These fixed assets, amounting to 364,767 thousand Euro, were constituted, for 215,736 thousand Euro, by the consolidation difference calculated on the acquisition of the Danish company Aalborg Portland A/S, effected on 29 October 2004 for a total price approximately equivalent to 340.4 million Euro, in addition to the net debt of the acquired company.

We point out that, beginning with the 2005 fiscal year, Regulation 1606/2002 of the European Union calls for the introduction of the IAS/IFRS standards for the consolidated accounts of quoted companies. Therefore, on the basis of the aforesaid standards, the higher price paid with respect to the corresponding value of the acquired company's net worth "Goodwill" will no longer be subject to annual amortization, but rather to an audit on the recovery of the assets recorded in the balance sheet "Impairment test" through expected cash flows. In consideration of this, as was done for the last two months of 2004, no amortization has been noted in the period.

On the other hand, with regard to the consolidation difference calculated on the acquisition of the Danish company Unicon A/S, referral is made to the section on Net Company Worth.

Immatierial fixed assets include, in addition, for 104,050 thousand Euro, the residual of the consolidation difference arising subsequent to the acquisition of the Cimentas Group in the last months of 2001.

In consideration of the real and potential market position of the Cimentas Group, of the first results already obtained from the activity of reorganization and of optimization put into place after the acquisition, as well as of the capacity to produce revenue and cash flows in the future by the companies and considering the quality of the products being offered, of the capacity of the company to consolidate and to develop such a quality level and the demand, whose concrete future development lines make possible medium-long-term planning, the amortization profile outlined at the time for said consolidation difference has been confirmed at 20 years.

Obviously, for what was said earlier, also in such a case, beginning with the fiscal year in course, the higher price paid with respect to the corresponding net company worth of the acquired companies will no longer be subject to annual amortization, but rather to an audit of the recoverability of assets through expected cash flows.

The other intangible fixed assets reflect the residual to amortize of plant and expansion costs (70 thousand Euro), concessions, licences and trademarks (2,059 thousand Euro) concerning the Danish companies operating in the cement sector principally for concessions on the utilization of cables, as well as various costs of plurennial utility (1,663 thousand Euro); these last comprise, for 621 thousand Euro, the residual costs of the acqisition and implementation of the information system (SAP R3) Cementir 'holding' and the subsidiaries in Turkey and for 1,320 thousand Euro interventions made on third-party assets.

The amortization is calculated on account and is determined on the basis of the prevision of utility five years into the future.

The reader is referred to the appended schedule for the analysis of the movement of intangible fixed assets.

TANGIBLE FIXED ASSETS

On 30 June 2005 the gross tangible fixed assets of the Group amount to 1,450,286 thousand Euro and are amortized for 932,203 thousand Euro; the net value is therefore equal to 518,083 thousand Euro. For more complete information, we provide here a summary of the technical fixed assets and of the related amortization funds.

(in thousands of Euro)

Balance-sheet items	Gross values	Amortization funds	Net values
Lands and buildings	377,508	203,130	174,378
Plants, machinery and equipment	995,988	685,043	310,945
Industrial and commercial equipment	5,966	5,464	502
Other assets	49,626	38,566	11,060
Immobilizations in course and down payments	21,198	0	21,198
	1,450,286	**932,203**	**518,083**

The historic values of the fixed assets comprise previous revaluations made on the values of the Cementir ‘holding’ company – almost completely amortized and detailed as follows:

(in thousands of Euro)

	LAW 576/75	LAW 72/83	LAW 413/91	TOTAL
Lands and civil buildings	0	114	84	198
Lands and industrial buildings	2,904	11,351	13,185	27,440
Plants, machinery and equipment	6,773	30,029	4,028	40830
Other assets	6	55	0	61
Total	**9,683**	**41,549**	**17,297**	**68,529**

For the analysis of fixed-asset movements referral is made to the appended schedule.

The matierial fixed assets are burdened in total by mortgages for approximately 25 million Euro issued by Cementir ‘holding’ in guarantee of medium and long-term debts, whose residual amortization amounts to approximately 16.2 million Euro.

The upward variation of 18,071 thousand Euro with respect to 31 December 2004 is determined as follows:

(in thousands of Euro)

Investments of six-month period - cement sector	19,525
Investments of six-month period - concrete sector	3,540
Consolidation perimeter variation	2,698
Fiscal year’s amortization portion	(28,820)
Redetermination of net tangible fixed-asset value of Cimentas Group, Aalborg and Unicon by effect of the change	21,337
Net value of profit sources sold to third parties or demolished	(209)
	18,071

As far as the Group’s investments are concerned, maintenance activities have been carried on with particular care and attention to ensure the functioning of the cement-production plants located in Italy, Denmark, Turkey, Egypt, Malaysia, China and United States and concrete production located in Denmark, Norway, Sweden, Poland, Italy and Turkey.

The variation of the consolidation perimeter concerns the contribution of technical fixed assets by effect of the acquisition of the American company Vanini Pipe, Inc. That operation was carried out by the Danish subsidiary Unicon S.A., which acquired 99.9% of the capital of Vianini Pipe, Inc. from the associate Vianini Industria S.p.A. in June 2005.

The amortization was calculated using the annual economico-technical rates determined at the time, for which a process of analysis and study is in course.

The rates applied are reported here:

Buildings	2%-3%-4%-5%
Buildings intended for industry and quarry	4%-5,5%-8%
Light constructions and operating machinery	10%
Generic and specific plants	12,5%
Furnaces and their appurtenances	15,5%
Various quarry equipment and conveyances	25%-30%
Automobiles and transport vehicles	20%-25%
Office furniture and machines	12%-18%-20%
Ships	9%

FINANCIAL FIXED ASSETS

This item is represented by:

(in thousands of Euro)

	to 30/06/2005	**to 31/12/2004**	**Variations**
Participations in:			
- associated companies	22,922	19,717	3,205
- other companies	2,562	2,555	7
TOTAL PARTICIPATIONS	**25,484**	**22,272**	**3,212**
Receivables:			
- from others	723	619	104
Other securities	56	73	(17)
	26,263	**22,964**	**3,299**

The value of the participations, evaluated in compliance with the terms of accounting standards, corresponds in total to 25,484 thousand Euro and breaks down as follows:

Company	Head office	Share capital		% ownership	Value of load (€/000)
Participations in associated companies:					
Speedybeton S.p.A.	Pomezia (Rome)	€	300,000	30	2,303
Lehigh White Cement Company joint venture	Allentown (USA)		N/A	24.5	14,121
Aalborg Siam White Cement Pte Ltd	Singapore	USD	500,000	50	90
Secil Unicon SGPS Lda	Lisbon	€	4,987,980	50	3,236
Sola Betong AS	Risavika (Norway)	NOK	9,000,000	33.3	1,403
Storsand Sandtak AS	Saetre (Norway)	NOK	105,000	50	318
EKOL Unicon Spzoo	Gdansk (Poland)	PLN	1,000,000	49	1,451
					22,922
Other companies:					
- Cemencal S.p.A.	Rome	€	12,660,000	15	2,400
- Sipac S.p.A.(in liquidation)	Milan	€	1,033	7.5	77
- Consorzio Toscocem (in liquidation)	Rome	€	31	50	16
- Cimentas Egitim (Foundation)	Izmir	TRL	30,000,000	94.35	63
- Ataer A.S.	Izmir	TRL	5,500,000	0.00048	6
					€/000 2,562
				Total	**€/000 25,484**

Variations occurring in the six-month period concern:

(in thousands of Euro)

Increases:

- Effect of evaluation on net company worth:

Speedybeton S.p.A.	239
Lehigh White Cement Company	3,000
EKOL Unicon Spzoo	59
Secil Unicon SGPS Lda	61
Cimentas Egitim (Foundation)	7
Total increases	**3,366**

Decreases:

- Effect of evaluation on net company worth:

Sola Betong AS	(145)
Aalborg Siam White Cement Pte Ltd	(5)
Storsand Sandtak AS	(4)
Total decreases	**(154)**
Total variations	**3,212**

CIRCULATING ASSETS

The total of circulating assets goes from 335,378 thousand Euro to 463,909 thousand Euro and comprises the following classes of securities:

(in thousands of Euro)

	to 30/06/2005	to 31/12/2004	Variations
- Inventories	78,339	73,777	4,562
- Receivables	241,764	201,627	40,137
- Non-immobilized assets	0	1,706	(1,706)
- Available liquidity	143,567	58,268	85,299
	463,670	**335,378**	**128,292**

INVENTORIES

Inventories, amounted in total to 78,339 thousand Euro. They consisted of the following entries:

(in thousands of Euro)

	to 30/06/2005	to 31/12/2004	Variation
Raw, additional and shop supplies	48,830	45,064	3,766
Semi-finished products	11,889	12,610	(721)
Finished products	15,409	14,576	833
Down payments	2,211	1,527	684
	78,339	**73,777**	**4,562**

Should the same be evaluated by adopting a cost system that approximates the values current on the date of the six-month report, they would turn out higher by 5.6 million Euro than the value recorded in the balance sheet (4.4 million Euro to 31 December 2004).

RECEIVABLES

Receivables totaled 241,764 thousand Euro. They consist of the following entries:

(in thousands of Euro)

	to 30/06/2005	to 31/12/2004	Residual variation
From customers	180,029	137,847	42,182
From associated companies	3,160	2,730	430
Tax credits	8,345	6,132	2,213
Prepaid taxes	42,910	47,641	(4,731)
From others	7,320	7,277	43
	241,764	**201,627**	**40,137**

Receivables “from customers”, originating from commercial transactions for the sales of goods and services, are recorded at their nominal value traced to that of presumible realization by the constitution of a special devaluation fund equal to 8,408 thousand Euro, determined by considering receivables in dispute and the generic risk of unrecoverability.

In particular, in the course of the first half of 2005, the movement of devaluation funds was as follows:

	(in thousands of Euro)
Balance to 31.12.2004	**8,695**
Availment for the fiscal year	(808)
Allocation to reserves in the six-month period	521

Balance to 30.06.2005	**8,408**

The receivables devaluation fund consists primarily of provisions regarding the receivables of a subsidiary with head office in Poland, operating in the concrete sector.

The distribution of the commercial receivables by geographic area is the following:

	%
Italy	40.7
Scandinavia (except Denmark)	18.4
Denmark	13.8
Turkey	11.6
Other countries	15.5
	100.0

Receivables "from associated companies" refer to short-term commercial receivables involving the USA associated company Leigh White Cement Company for 2,827 thousand Euro for the sale of white cement and Speedybeton for 333 thousand Euro.

"Tax credits", equaling 8,345 thousand Euro, are broken down as follows:

	(in thousands of Euro)
Credit with Treasury as downpayments on income tax	8,017
Credits with Treasury from withholding tax	75
Credits with Treasury for VAT	17
Other tax credits	*236*
	8,345

"Prepaid taxes", for 42,910 thousand Euro, are calculated on the temporary differences between taxable income and balance-sheet outcome. The credit comes mainly from Cementir 'holding' and from Italian subsidiaries (39,380) and break down thus:

(in thousands of Euro)

	Taxable Revenue	**Prepaid taxes for IRES at 33%**	**Prepaid taxes for IRAP at 4.25%**	**Total Prepaid taxes**
1. Devaluation of Participations	42,062	13,880	0	13,880
2. Taxed funds	3,952	1,305	166	1,471
3. Representation costs	64	21	3	24
4. Revenue losses	58,801	19,404	0	19,404
5. Other taxed funds not sobject to IRAP	1,553	512	0	512
6. Revaluation reversal	10,977	3,622	467	4,089
	117,409	**38,744**	**636**	**39,380**

Residual prepaid taxes derive from the Danish companies acquired for 1,726 thousand Euro and concern essentially tax credits on revenue losses carried forward; the companies of the Cimentas Group bring receivables for 1,804 thousand Euro of which 1,289 thousand Euro for taxes on taxed funds and 515 thousand Euro for tax incentives granted on investments.

The "other receivables", equal to 7,320 thousand Euro, are constituted by entries of a non-commercial nature.

The composition of the item is the following:

(in thousands of Euro)

Receivables from public and social-security institutes	
for environmental & energy taxes and Customs duties	2,763
Receivables for advances to suppliers	1,076
Other receivables	*3,481*
	7,320

AVAILABLE LIQUIDITY

This item, amounting to 143,567 thousand Euro (58,268 thousand Euro to 31 December 2004), is constituted by the Group's liquidity and is generally invested in term-type financial operations.

ACCRUED INCOME AND PREPAID EXPENSES

The item "accrued income and prepaid expenses", equal to 5,131 thousand Euro, is constituted by accrued income for 874 thousand Euro, of which 502 thousand Euro regarding the ascertainment of the national contribution on the interest account of the SIMEST company taken from finances granted to Cementir by a pool of banks headed by Mediocredito Centrale S.p.A.

Prepaid expenses, equal to 4,257 thousand Euro, concern mainly prepaid expenses calculated on insurance premiums paid in advance (2,072 thousand Euro).

COMMENT ON THE MAIN LIABILITY ITEMS

GROUP'S NET WORTH

The Group's net worth is comprised by:

(in thousands of Euro)

	to 30/06/2005	to 31/12/2004	Variations
Share capital	159,120	159,120	-
Reserve from over-par share prices	22,710	15,052	7,658
Legal reserve	31,824	7,859	23,965
Reserve for own shares in portfolio	-	-	-
Special reserve	-	-	-
Reserve for purchase of own shares	13,000	13,000	-
Consolidation reserve	24,744	25,855	(1,111)
Other reserves	212,508	314,226	(101,718)
Profits carried forward	161,535	-	161,535
Profits for fiscal period	27,868	78,783	(50,915)
	653,309	**613,895**	**39,414**

The "share capital" is that of Cementir 'holding' and consists of 159,120,000 ordinary shares of 1 Euro par value.

As instructed by the shareholders meeting of 14 April 2005, part of the profit has been allocated to the increase of the "Reserve for over-par share price" (7,658 thousand Euro), part to increase the "Legal reserve" (23,965 thousand Euro).

In compliance with a resolution of the same meeting, the sale and acquisition of own shares was authorized pursuant to Article 2357 Civil Code, to a maximum amount of 13 million Euro.

As for the “Reserve for own shares in portfolio” and the “Reserve for purchase of own shares”, we point out that these reserves are available as long as there is ownership of shares and/or the term granted for further acquisitions expires (12 months from the resolution of 14 April 2005).

The consolidation reserve, amounting to 24,744 thousand Euro, arose subsequent to the acquisition of the Danish company Unicon A/S, effected on 29 October 2004 for a total price equivalent to 31.7 million Euro, in addition to the net debt of the acquired company.

Funds have not been set aside with regard to reserves in abeyance and profits carried forward of the subsidiaries which, in case of availment, will be subject to taxation inasmuch as, under current conditions, no operations that might entail taxation are foreseen..

We append a schedule showing the variations occurring in the first half of 2005 by single balance-sheet item.

THIRD-PARTY NET WORTH

To 30 June 2005, it amounts to 28,899 thousand Euro and includes the profit of the fiscal period for 2,791 thousand Euro.

The third-party net worth refers essentially to the portions of third parties in subsidiaries in Egypt and in Sweden held respectively by Aalborg Portland and Unicon.

RISKS-AND-COSTS FUNDS

This item comprises the funds constituted to deal with certain risks and future expenses. It does not constitute a rectification or corrective entry of values recorded under assets.

It is constituted by:

(in thousands of Euro)

	to 30/06/2005	**to 31/12/2004**	**Variation**
For taxes	30,086	22,856	7,230
Other funds:			
- various	11,498	12,453	(955)
	41,584	**35,309**	**6,275**

The Fund for taxes, for 30,086 thousand Euro, deemed adequate for the foreseeable fiscal burden, comprises the provisions for deferred fiscal liabilities.

In detail for Gruppo Italia they have been calculated thus:

(in thousands of Euro)

	Taxable Revenue	**Deferred taxes for IRES at 33%**	**Deferred taxes for IRAP at 4.25%**	**Total Prepaid taxes**
1. Profit from tangible disinvestments	7,364	2,430	313	**2,743**
2. Prepaid residual amortizations	21,225	7,004	902	**7,906**
	28,589	9,434	1,215	**10,649**

The subsidiary group, Aalborg, Unicon and Cimentas is detailed as follows:

(in thousands of Euro)

	Taxable revenue	Deferred taxes Average rate 28%
1. Matierial and intangible fixed assets	24,786	6,940
2. Risks-and-costs funds	10,632	2,977
3. Current assets and liabilities	21,475	6,013
Total	**56,893**	**15,930**

The fund for taxes of Gruppo Italia was completed by allocating the equivalent of 535 thousand Euro for IRAP and, for the groups with head office abroad by allocating the equivalent of 2,972 thousand Euro for current income taxes.

The item "various" lists the following risks-and-expenses funds:

	(in thousands of Euro)
Employee pension fund	4,396
Quarry restructuring and land reclamation fund	2,636
Contentious-competition fund	2,036
Contentious-supplier fund	1,128
Contentious-customer fund	*454*
Contentious-employee fund	425
Cyclic-maintenance fund	*174*
Indemnity fund for cessation of agency relations	157
Other funds	*92*
	11,498

The pension fund is allocated mainly in the Swedish (3,708 thousand Euro) and Norwegian (522 thousand Euro) subsidiaries, operating in the concrete sector, on the basis of social-security regulations in force.

Also the quarry restructuring fund is allocated principally to the Swedish subsidiaries (1,717 thousand Euro) operating in the concrete sector and to the Danish Aalborg Portland (754 thousand Euro), in relation to interventions of cleaning and maintenance of the quarries from which raw materials are extracted, to be effected on the basis of the environmental regulations in force prior to the expiry of the utilization concession.

The contentious-competition fund, on the other hand, has been allocated in the leader of the subsidiaries Cimentas and Cimbeton in Turkey with regard to an enquiry in course by the local Competition Watchdog Authority, to date still at a preliminary stage.

The contentious-supplier fund has been set aside in the subsidiary in Egypt operating in the cement sector and concerns a dispute with a supplier regarding compensation for technical services rendered, including financial expenses and exchange effects.

The contentious-customer fund in its entirety concerns the concrete sector, mainly regarding the Norwegian subsidiary.

The contenious-employee fund, on the other hand, is written into the account for litigation regarding an accident on the job occurring at an ex-subsidiary of the Unicon Group with head office in Spain.

The cyclic-maintenance fund was constituted with respect to the maintenance and overhaul of the ship owned by Cementir 'holding'.

Sums with respect to current controversies, mostly of an environmental nature, considering the uncertainties of their outcome, should not, for that matter, result in significant expense to the Group.

EMPLOYEE SEVERANCE PAYMENT

The fund, equivalent to 10,915 thousand Euro (10,412 thousand Euro to 31 December 2004), represents the amount allocated by the single consolidated companies for severance payments made pursuant to Article. 2120 Civil Code and to the local regulations in force in Turkey.

In particular, in the course of the six-month period, movements in the fund were as follows:

	(in thousands of Euro)
Balance to 31.12.2004	**10,412**
Availment of the fiscal year	(609)
Provisions in the fiscal period	1,112
Balance to 30.06.2005	**10,915**

The Group's workforce to 30 June 2005 consists of 3,173 persons (3,071 persons to 31 December 2004), of which 65 directors, 1,428 managers, office and intermediate employees, and 1,680 laborers.

The contribution of Cementir 'holding' and of the other Italian subsidiaries in terms of personnel at the end of the period sums to 565 persons, that of the Cimentas Group sums to 745, that of the Aalborg Group sums to 1,012. whereas that of the Unicon Group sums to 851.

PAYABLES

The individual items that form this grouping are the following:

(in thousands of Euro)

	to 30/06/2005	to 31/12/2004	Variation
Payables to shareholders for financing	6,403	5,290	1,113
To banks	427,687	314,325	113,362
- of which due within the next fiscal period	*293,133*	*247,676*	*45,457*
- of which due in subsequent fiscal periods	*134,554*	*66,649*	*67,905*
From other financiers	39,008	39,008	-
Down payments	446	208	238
To suppliers	125,375	119,793	5,582
Payables from associated companies	-	60	(60)
Taxes owed	10,281	10,856	(575)
Payables to social-security and –insurance institutions	1,475	1,870	(395)
Other payables	29,446	40,834	(11,388)
	640,121	**532,244**	**107,877**

"Payables to shareholders for financing" refers to financing granted to the Egyptian subsidiary Sinai White Portland Cement by minority shareholders and are detailed as follows:

(In thousands of Euro)

FINANCIER	TYPE OF FINANCING	
IFU – Danish Industrialization Fund for Developing Countries	Subordinated loan USD 4.9%	3,710
IFU – Danish Industrialization Fund for Developing Countries	Shareholder loan USD 7%	565
ASEC – Arabian Swiss Engineering Company	*Loan EGP 14.2%*	*768*
Other minority shareholders (including ASEC)	*Shareholder loan EGP 13%*	*1,360*
		6,403

To 30 June 2005, IFU was an 11.2% shareholder of the Egyptian subsidiary, ASEC held 13%, whereas the other minority shareholders hold shares equivalent to 30.1%.

As regards "payables to banks due within the next fiscal period", we point out that these refer, to the extent of 187 million Euro, to "revolving multicurrency" financing granted equally by Danske Bank and Nordea Bank to the subsidiaries in Denmark and, to approximately 87 million Euro, to payables on the short term of the 'Holding' with respect to the financial system.

On the other hand, as far as concerns "payables to banks due in subsequent fiscal periods", they refer essentially to the following positions, including the portion due within the next fiscal period:

(in thousands of Euro)

Merryl Lynch Turkey	Financing 9% due 2013	84,858
National Bank of Egypt	Loan 13.4% - due 2010	20,103
Nykredit	Mortgage 4.7% - due 2011	18,976
Banca Intesa	*Mortgage at variable interest – due 2024*	*16,235*
Malayan Bank	Loan 5.55% - due 2006	*523*
		140,695

We point out in addition, the amount due within five years amounts to 41,408 thousand Euro; thus a residual of 14,429 thousand Euro remains with due dates beyond five years.

"Payables from other financiers" refer to a financement at a facilitated rate granted to the Cementir 'holding' in July 2002 by five different financial institutions (leading bank MCC S.p.A.); this financement falls within the category of those granted to firms that make investments in developing countries. The amount granted is equivalent to approximately 39 million Euro, the term is 7 years at a variable rate; the portion due within five years is 35,107 thousand Euro.

"Payables to suppliers", equvalent to 125,375 thousand Euro, all due within the next fiscal period, record an increase of 5,582 thousand Euro.

The distribution of commercial payables by geographic area is the following:

	%
Italy	49,8
Denmark	21,8
Scandinavia (except Denmark)	11,6
Turkey	9,8
Other foreign countries	7,0
	100,0

The item "taxes owed", equivalent to 10,281 thousand Euro, lists sums owed to the Treasury for income-tax deductions from employees and free-lance help, in addition to VAT owed.

In detail, the item includes:

	(in thousands of Euro)
• Owed to Treasury for VAT	6,383
• Deductions from employee pays and compensations	2,250
• Owed for tax amnesty (Amnesty ex Law 27/2003)	289
• Other payables	1,359
	10,281

"Payables to social-security and -insurance", amounting to 1,475 thousand Euro, refer in particular to amounts owed INPS, INAIL and other social-security institutes for contributions by the Group or deductions on behalf of employees, all due within the next fiscal period.

"Other payables", for 29,446 thousand Euro, are constituted by entries not strictly comercial in nature. In detail they concern:

	(in thousands of Euro)
Debt with Vianini Industria S.p.A.	12,000
Employees for charges to pay and provisions for vacations not taken and contributions relative to them	11,073
Remuneration for corporate bodies	346
Security deposits	333
Payables to agents	199
Other payables	5,495
	29,446

The debt with Vianini Industria S.p.A. concerns the price to pay to the selling company by the Danish subsidiary Unicon A/S, for the acquisition of the American company Vianini Pipe, Inc., established in June 2005; the sum to be paid was agreed to be 3 million Euro by 30 settembre 2005 and the remaining 9 million Euro in three annual instalments of 3 million Euro each, due 1st July 2006, 1st July 2007 and 1st July 2008.

ACCRUED EXPENSES AND DEFERRED INCOMES

The Item “accrued expenses and deferred incomes”, equivalent to 3,086 thousand Euro, is constituted by deferred incomes for 1,455 thousand Euro; the latter represent in particular the portions of the contributions due Cementir ‘holding’ to 30 June 2005 with respect to revenue sources not yet amortized.

Accrued expenses (1,631 thousand Euro) concern financial expenses incurred during the fiscal period for 738 thousand Euro.

PROFIT-AND-LOSS ACCOUNT

VALUE OF PRODUCTION

The “value of production” of the first half of 2005, amounting to 407,536 thousand Euro (152,142 thousand Euro in the first half of 2004), lists all the revenue derived from operating the companies forming part of the Group and that do not have a financial or extraordinary nature.

The individual items forming the grouping are the following:

(in thousands of Euro)

	1st half 2005	**1st half 2004**	**Aalborg – Unicon (6 mos)**	**Variation**
Revenue from sales and services	406,926	154,075	244,432	8,419
Variations in inventories of semi-finished and finished products	(4,001)	(3,000)	(502)	(499)
Increase in fixed assets from inhouse work	611	182	541	(112)
Other proceeds and profits	4,000	885	3,283	(168)
	407,536	**152,142**	**247,754**	**7,640**

The item “revenue from sales and services” equivalent to 406,926 thousand Euro, lists revenue from the characteristic management of the Group.

Contained within the sum of those proceeds are sales in the concrete sector for 144.4 million Euro and revenue for 6.9 million Euro referrable to a consolidated Turkish company that carries on diversified activities in the field of catering, fuel distribution and real estate and is therefore not strictly in line with the characteristic operations of the Cementir Group.

The distribution of the revenue by geographic area is as follows:

	%
Europe	76.6
Asia	16.3
North/Central America	4.1
North Africa	3.0
	100.0

As regards the revenue from sales on Italian territory, given the location of the Group’s plants, they involve almost the entire national territory.

PRODUCTION COSTS

This amount is constituted by all the costs sustained in relation to the production achieved in the fiscal period, with exclusion of costs having a financial or ordinary nature.

It includes the following items:

(in thousands of Euro)

	1st half 2005	**1st half 2004**	**Aalborg – Unicon (6 mos)**	**Variation**
Costs for raw, additional and consumption mats.	158,499	64,555	85,304	8,640
Costs for services	100,179	31,297	66,702	2,180
Costs for use of third-party property	3,688	255	2,693	740
Personnel costs	58,198	16,592	39,243	2,363
Amortizations and devaluations	32,942	13,946	17,651	1,345
Variations in inventories of raw, additional and shop supplies	(2,419)	(445)	(2,083)	109
Provisions against risks	442	70	369	3
Various operating expenses	6,626	1,560	4,983	83
	358,155	**127,830**	**214,862**	**15,463**

In particular, the costs for “raw, additional and shop supplies”, “services” e “use of third-party property”, amount to a total of 262,366 thousand Euro. They include the costs sustained during the fiscal period with regard to normal production or commercial activities of the consolidated companies, as well as those for technical, commercial, administrative consultations, and those for transport for the delivery at destination of the products sold.

As for compensations to directors and auditors, we point out that the overall cost amounts to 1,187 thousand Euro, of which 1,138 thousand Euro for Board members and 49 thousand Euro for the Board of Auditors.

With regard to “personnel costs”, amounting to 58,198 thousand Euro, it represents the cost sustained by the Group for wages and salaries paid (47,668 thousand Euro), for legal social-security costs borne by the consolidated companies (6,057 thousand Euro), for allocation to the severance-pay fund (1,112 thousand Euro) and for other expenses comprising additional indemnities, liberal grants, contributions for cultural and recreational activities and insurance costs directly concerning employees (3,361 thousand Euro).

The average workforce in the 1st half of 2005 consisted of 3,122 persons, of which 64 directors, 1,413 managers, office and intermediate workers, and 1,645 laborers.

The item “amortizations and devaluations” equal to 32,942 thousand Euro (13,946 thousand Euro in the balance sheet for the 1st half of 2004), breaks down as follows:

(in thousands of Euro)

	1st half 2005	**1st half 2004**	**Aalborg – Unicon (6 mos)**	**Variation**
Intangible fixed assets	3,601	3,259	318	24
Tangible fixed assets	28,820	10,252	17,205	1,363
Devaluation of receivables among circulating assets	521	435	129	(43)
	32,942	**13,946**	**17,652**	**1,344**

The amorization of the “intangible fixed assets” (3,601 thousand Euro) includes, for 3,186 thousand Euro, the amortization of the consolidation difference determined subsequent to the acquisition of the Cimentas Group corresponding to approximately 127,450 thousand Euro. The amortization of said difference has been calculated on the basis of a 20-year period.

The amortization of “tangible fixed assets”, equal to 28,820 thousand Euro, represents the ordinary amortization effected during the fiscal period by applying the economic-technical portions coinciding with the legal maxima reduced to 50% for assets falling within the fiscal year.

“Devaluation of the receivables included under circulating assets” (521 thousand Euro), corresponds to the expense deemed appropriate to adjust the fund to the presumed losses regarding receivables from customers.

“Provisions against risks”, equal to 442 thousand Euro, concern, for 73 thousand Euro, the expense of cyclic maintenance of the ship owned by Cementir ‘holding’ for 369 thousand Euro, provisions for disputes with customers of the Norwegian and Danish subsidiaries operating in the concrete sector.

“Various operating expenses”, amount to 6,626 thousand Euro, including among others, concession fees, local taxes and levies, representation costs, emoluments for Directors and Auditors, expenditures such as associational contributions and liberal grants to third parites.

Also included in indirect taxes and levies are municipal taxes on buildings (ICI), for 354 thousand Euro, taxes on lands and buildings with regard to companies with head office in Turkey and Denmark for 661 thousand Euro, environmental taxes and levies for 993 thousand Euro and other administrative and indirect taxes for 2,663 thousand Euro.

FINANCIAL REVENUE AND EXPENSES

This item, net and negative, amounts to 5,360 thousand Euro and includes:

(in thousands of Euro)

	1st half 2005	**1st half 2004**	**Aalborg – Unicon (6 mos)**	**Variation**
Revenue from participations	0	1,080	0	(1,080)
Other financial revenue	2,024	3,341	465	(1,782)
Interest and other financial costs	(8,303)	(2,679)	(5,991)	367
Profits and losses on exchange	919	3,873	1,641	(4,595)
	(5,360)	**5,615**	**(3,885)**	**(7,090)**

The item “other financial revenue” includes mostly interest collected from banks as matured on the available liquidity for 974 thousand Euro and the national contribution toward interest granted by the company SIMEST taken from the financing granted to Cementir holding by a pool of banks headed by Mediocredito Centrale S.p.A. (577 thousand Euro).

As far as concerns the item “interest and other financial costs”, this comprises essentially interest on medium and long-term loans from banks to finance contracts of the companies of the Group and interest owed on overdrafts 7,534 thousand Euro).

In the item “profits and losses on exchange”, which shows a net positive value of 919 thousand Euro, there are profits for 6,219 thousand Euro and losses from exchange adjustments for 5,300 thousand Euro; the adjustment was made on the basis of the exchange rates current at the end of the period and accounted for under this item as contemplated by document O.I.C.1.

As regards the distribution of the profits on exchange operations between the "realized" part and the "evaluative" part, the former amounts to 5,802 thousand Euro, while the latter amounts to 417 thousand Euro; losses sustained, on the other hand, amount to5,300 thousand Euro. Losses from evaluation of exchange operations of the end of the period have not occurred.

VALUE RECTIFICATION OF FINANCIAL ACTIVITIES

In total, the net item is in the black for 2,868 thousand Euro.

The revaluation of the participations in associated companies evaluated using the net-company-worth method (2,887 thousand Euro), can be ascribed to Speedybeton S.p.A., for 239 thousand Euro, to Lehigh White Cement headed by the Aalborg Group for 2,289 thousand Euro, and to other associated companies headed by the Unicon Group for 359 thousand Euro.

EXTRAORDINARY REVENUE AND EXPENSES

"Extraordinary revenue and expenses" include all the revenue and expenses whose cause is extraneous to the firm's ordinary activity.

In total, the item shows a negative balance of 233 thousand Euro derived from the difference between revenue (141 thousand Euro) and expenses (374 thousand Euro).

INCOME TAXES

The net total amount turns out negative for 15,997 thousand Euro.

In particular, the taxes of the fiscal period include the allocation for current income taxes (11,625 thousand Euro).

The item "prepaid taxes" includes mostly the returns from deferred taxes allocated in relation to the fiscal deductibility of the amortizations calculated on the revaluation amounts ex. Law 342/2000.

The Chairman
of the Board of Directors

SCHEDULE OF VARIATIONS IN THE CONSOLIDATED NET COMPANY WORTH STATEMENTS AND OTHER ATTACHED SCHEDULES

SCHEDULE OF VARIATIONS IN THE NET CONSOLIDATED COMPANY WORTH ACCOUNTS TO 30 JUNE 2005

(in thousands of Euro)

Description	**Share capital**	**Over-par price reserve**	**Legal reserve**	**Reserve for purchase of own shares**	**Consolidation reserve**	**Other reserves**	**Profit of fiscal period**	**Total net worth**
Balances to 31 December 2004	**159,120**	**15,052**	**7,859**	**13,000**	**25,855**	**314,226**	**78,783**	**613,895**
Profit assignation 2004								
- to other reserves						78,783	(78,783)	**0**
Dividend distribution - profit 2004						(11,138)		**(11,138)**
Reclassifications		7,658	23,965			(31,623)		**0**
Consolidation reserve decrease to acquire Unicon					(1,111)			**(1,111)**
Net worth redetermination effect Cimentas and other consolidated companies. by effect of exchange						23,795		**23,795**
Outcome of period							**27,868**	**27,868**
Balances to 30 June 2005	**159,120**	**22,710**	**31,824**	**13,000**	**24,744**	**374,043**	**27,868**	**653,309**

CEMENTIR GROUP

SCHEDULE OF VARIATIONS IN THE NET CONSOLIDATED COMPANY WORTH ACCOUNTS TO 31 DECEMBER 2004
(in thousands of Euro)

Description	Share capital	Over-par price reserve	Legal reserve	Special reserve	Reserve for own shares in portfolio	Reserve for purchase of own shares	Consolidation reserve	Other reserves	Profit of fiscal period	Total net worth
Balances to 31 December 2003	**159,120**	**22,711**	**7,859**	**1,737**	**7,115**	**5,885**		**240,417**	**60,243**	**505,087**
Profit assignation 2003										
- a other reserves								60,243	(60,243)	**0**
Dividend distribution - profit 2003		(7,659)		(1,737)						**(9,396)**
Sale of own shares					(7,115)	7,115				**0**
Constitution of consolidation reserve to acquire Unicon							25,855			**25,855**
Net worth redetermination effect Cimentas (IAS 29), net of Euro/Turkish Lira exchange effect								13,566		**13,566**
Outcome of fiscal period									**78,783**	**78,783**
Balances to 31 December 2004	**159,120**	**15,052**	**7,859**	**0**	**0**	**13,000**	**25,855**	**314,226**	**78,783**	**613,895**

CEMENTIR GROUP

CONSOLIDATED IMMATERIAL FIXED ASSETS
(in thousands of Euro)

Description	**Residual value to 31/12/2004**	**Increases for investments**	**Increases for investments**	**Reclassifications and variations by effect of exchange**	**Residual value to 30/06/2005**
Plant and expansion costs	85	-	(18)	3	70
Concessions, licences and trademarks	1,997	3	(212)	271	2,059
Goodwill	24	-	(15)	-	9
Other Immatierial fixed assets	1,156	518	(156)	145	1,663
Immobilizations in course and down payments	929	634	(14)	1,306	2,855
Consolidation difference	357,765	2,019	(3,186)	1,513	358,111
Balance-sheet total	**361,956**	**3,174**	**(3,601)**	**3,238**	**364,767**

CEMENTIR GROUP

TANGIBLE FIXED ASSETS AND RELATIVE CONSOLIDATED AMORTIZATION FUNDS

(in thousands of Euro)

	Historic cost						Amortization fund						
Description	**to 31/12/2004**	**Increases for change in consolidation area**	**Investments**	**Divestments**	**Reclassifications and variations by effect of exchange**	**to 30/6/2005**	**to 31/12/2004**	**Increases for change in consolidation area**	**Allocations to reserves in fiscal period**	**Divestment profits**	**Reclassifications and variations by effect of exchange**	**to 30/6/2005**	**Residual value to 30/6/2005**
Lands and buildings	360,190	-	927	(70)	16,461	377,508	191,248	-	5,106	-	6,776	203,130	174,378
Plants and machinery	947,774	20,288	5,961	(1,004)	22,969	995,988	640,070	17,590	21,336	(938)	6,985	685,043	310,945
Industrial and commercial equipment	5,585	-	60	(22)	343	5,966	5,060	-	113	(22)	313	5,464	502
Other assets	45,632	-	934	(512)	3,572	49,626	33,852	-	2,265	(439)	2,888	38,566	11,060
Immobilizations in course and down payments	11,061	-	15,183	-	(5,046)	21,198	-	-	-	-		0	21,198
Balance-sheet Total	**1,370,242**	**20,288**	**23,065**	**(1,608)**	**38,299**	**1,450,286**	**870,230**	**17,590**	**28,820**	**(1,399)**	**16,962**	**932,203**	**518,083**

CONSOLIDATED FINANCIAL REPORT FOR FISCAL PERIOD ENDING 30 JUNE 2005

(in thousands of Euro)

	30/06/2005	2004
A. INITIAL SHORT-TERM NET MONETARY AVAILABILITY	**(298,649)**	**112,730**
B. CASH FLOW FROM ACTIVITIES OF THE FISCAL PERIOD		
Profit of fiscal period	27,868	78,783
Amortizations	32,421	37,687
Net variation of risks-and-costs funds	6,275	12,658
Net variation of the severance-pay fund	503	766
Net (gains) losses from monetization of financial and tangible fixed assets	(335)	(54,918)
(Increase) decrease in warehouse Inventories	(999)	(2,327)
(Increase) decrease of commercial receivables	(38,463)	6,502
(Increase) decrease of other receivables	3,644	17,166
Increase (decrease) in commercial payables	4,996	11,105
Increase (decrease) in other payables	(12,180)	(27,445)
Other variations in circulating capital	(2,545)	(758)
	21,185	**79,219**
C. CASH FLOW FROM ACTIVITIES OF INVESTMENT IN FIXED ASSETS		
Investments in fixed assets:		
- goodwill adjustment for acquisition of Aalborg Portland	(1,551)	(214,185)
- badwill adjustment for acquisition of Unicon	(1,111)	25,855
- intangible	(1,623)	(1,166)
- tangible	(23,065)	(24,172)
Cash conversion value of tangible fixed assets	544	21,996
Cash conversion value of financial fixed assets	-	59,281
Other variations of financial fixed assets	(3,299)	392
	(30,105)	**(131,999)**
D. CASH FLOW FROM FINANCIAL ACTIVITIES		
Increase in third-party net worth	949	22,183
Exchange effect on net worth and on fixed assets	(780)	6,651
	169	**28,834**
E. DISTRIBUTION OF DIVIDENDS	**(11,138)**	**(9,396)**
F. EFFECT OF CONSOLIDATION-AREA VARIATION		
Increase in immatierial fixed assets	-	(40,634)
Increase in matierial fixed assets	(2,698)	(318,077)
Increase in financial fixed assets	-	(17,033)
Increase in warehouse inventories	(3,563)	(38,185)
Increase in receivables	(5,318)	(103,754)
Increase in payables in liability funds	586	139,646
	(10,993)	(378,037)
G. CASH FLOW OF THE PERIOD (B+C+D+E+F)	**(30,882)**	**(411,379)**
H. FINAL SHORT-TERM NET LIQUIDITY (A+G)	**(329,531)**	**(298,649)**

CEMENTIR S.P.A.

COMPANY WORTH STATEMENTS AND PROFIT-AND-LOSS ACCOUNTS TO 30/06/2005, 31/12/2004 AND 30/06/2004

CEMENTIR S.p.A.

COMPANY WORTH STATEMENT

(expressed in Euro)

ASSETS

	30/06/2005		31/12/2004		30/06/2004	
	Partial	Total	Partial	Total	Partial	Total
A) RECEIVABLES FROM SHAREHOLDERS OF PAYMENTS DUE		**0**		**0**		**0**
B) FIXED ASSETS						
I. Intangible						
1. Other fixed assets		248,202		165,513		0
2. Immobilizations in course and down payments		1,320,024		755,127		100,218
Total immaterial fixed assets		**1,568,226**		**920,640**		**100,218**
II. Tangible						
1. Lands and buildings		25,035,007		25,792,245		32,580,545
2. Plants and machinery		50,263,971		62,616,588		76,409,531
3. Industrial and commercial equipment		253,709		282,001		145,895
4. Other assets		528,420		472,748		212,321
5. Immobilizations in course and down payments		6,644,785		4,949,668		5,939,945
Total tangible fixed assets		**82,725,892**		**94,113,250**		**115,288,237**
III. Financial						
1. Participations in:		210,334,468		210,334,468		66,667,212
a) subsidiaries	205,362,073		205,362,073		56,780,816	
b) associated companies	2,478,993		2,478,993		2,478,993	
c) other companies	2,493,402		2,493,402		7,407,403	
2. Receivables:		363,062		319,688		368,094
a) from others	363,062		319,688		368,094	
3. Own shares		0		0		7,114,736
Total financial fixed assets		**210,697,530**		**210,654,156**		**74,150,042**
TOTAL B) FIXED ASSETS		**294,991,648**		**305,688,046**		**189,538,497**
C) CIRCULATING ASSETS						
I. Inventories						
1. Additional raw materials and shop supplies		13,073,669		13,651,931		13,219,184
2. Semi-finished products		1,916,569		4,371,079		2,593,486
3. Finished products and goods		4,033,279		6,221,911		5,175,991
Total Inventories		**19,023,517**		**24,244,921**		**20,988,661**
II. Receivables (1)						
1. From customers		72,878,389		69,993,704		73,003,489
2. From subsidiaries		302,653,101		300,770,289		94,244,157
3. From associated companies and others		333,274		352,698		372,716
4 Bis. Tax credits		1,932,157		2,481,065		960,162
4 Ter. Prepaid taxes		34,994,253		34,872,408		31,909,777
5. From others		186,330		161,407		253,575
Total Receivables		**412,977,504**		**408,631,571**		**200,743,876**
III. Non-fixed-asset financial activities		0		0		0
Total non-fixed-asset financial activities		**0**		**0**		**0**
IV. Available liquidity						
1. Bank and Post-Office deposits		4,028,125		1,621,939		56,507,448
2. Cash and securities on hand		86,967		169,395		321,588
Total Available liquidity		**4,115,092**		**1,791,334**		**56,829,036**
TOTAL C) CIRCULATING ASSETS		**436,116,113**		**434,667,826**		**278,561,573**
D) ACCRUED INCOME AND PREPAID EXPENSES		**1,113,161**		**1,024,762**		**1,498,529**
TOTAL ASSETS (A+B+C+D)		**732,220,922**		**741,380,634**		**469,598,599**

. (1) All due within the next fiscal period

CEMENTIR S.p.A.

COMPANY WORTH STATEMENT

(expressed in Euro)

LIABILITIES

	30/06/2005		31/12/2004		30/06/2004	
	Partial	Total	Partial	Total	Partial	Total
A) NET COMPANY WORTH						
I. Capital		159,120,000		159,120,000		159,120,000
II. Reserve from over-par share prices		22,710,275		15,052,270		15,052,270
III. Reserve from revaluation		97,732,271		97,732,271		97,732,271
IV. Legal reserve		31,824,000		7,858,617		7,858,617
V. Reserve for own shares in portfolio		0		0		7,114,736
VI. Statutory reserves		0		0		0
VII. Other reserves		26,357,945		26,357,945		19,239,010
a) Fund contributions to capital account	13,206,921		13,206,921		13,206,921	
b) Fund Article15 Law 113/88 #67	138,375		138,375		138,375	
c) Reserve for purchase of own shares	13,000,000		13,000,000		5,885,264	
d) Reservs Law 349/95 Art.11	12,649		12,649		8,450	
VIII. Profits carried forward		161,535,287		0		0
IX. Outcome of fiscal period		1,734,714		204,297,075		6,482,103
TOTAL A) NET COMPANY WORTH		**501,014,492**		**510,418,178**		**312,599,007**
B) RISKS-AND-COSTS FUNDS						
1. For taxes, also deferred		11,166,195		11,420,287		1,133,191
2. Other funds		330,493		257,354		539,173
TOTAL B) FUNDS FOR RISKS AND EXPENSES		**11,496,688**		**11,677,641**		**1,672,364**
C) SEVERANCE PAYMENTS		**7,743,374**		**7,624,215**		**7,370,050**
D) PAYABLES						
1. Payables to banks		102,439,922		98,289,933		43,572,883
a)due within next fiscal period	86,803,850		82,351,993		32,862,729	
b)due in subsequent fiscal periods	15,636,072		15,937,940		10,710,154	
2. Payables from other financiers		39,007,780		39,007,780		39,007,780
a)due within next fiscal period	3,900,778		0		0	
b)due in subsequent fiscal periods	35,107,002		39,007,780		39,007,780	
3. Payables to suppliers (1)		61,536,817		59,422,042		55,333,015
4. Payables to subsidiaries (1)		1,046,759		6,210,005		1,345,422
5. Taxes owed (1)		2,261,678		1,273,997		2,552,089
6. Payables to insurance and social-security institutions (1)		1,032,120		1,201,437		895,218
7. Other payables (1)		2,653,786		3,893,135		2,667,521
TOTAL D) PAYABLES		**209,978,862**		**209,298,329**		**145,373,928**
E) ACCRUAED EXPENSES AND DEFERRED INCOME		**1,987,506**		**2,362,271**		**2,583,250**
TOTAL LIABILITIES (A+B+C+D+E)		**732,220,922**		**741,380,634**		**469,598,599**

. (1) All due within the next fiscal period

CEMENTIR S.p.A.

PROFIT-AND-LOSS ACCOUNT

(expressed in Euro)

	30/06/2005		31/12/2004		30/06/2004	
	Partial	Total	Partial	Total	Partial	Total
A) VALUE OF PRODUCTION						
1.Revenue from sales and services		96,973,442		203,875,029		100,730,641
2. Variation in inventories products in production semi-finished and finished products		(4,643,142)		1,365,063		(1,458,450)
3. Variations in projects in course on order				0		0
4. Increase in fixed assets from inhouse work		70,010		517,049		181,024
5. Other proceeds and profits		356,593		778,964		794,882
TOTAL A) VALUE OF PRODUCTION		**92,756,903**		**206,536,105**		**100,248,097**
B) PRODUCTION COSTS						
6. For raw, additional and shop supplies and goods		(40,769,207)		(78,822,087)		(38,662,052)
7. For services		(23,123,284)		(40,044,976)		(20,947,928)
8. For use of third-party property		(759,255)		(424,886)		(93,874)
9. For personnel		(12,412,428)		(22,569,248)		(11,100,531)
a) salaries and wages	(8,623,979)		(15,355,234)		(7,394,076)	
b) social costs	(2,943,935)		(5,586,415)		(2,744,670)	
c) severance payments	(633,931)		(1,098,895)		(538,289)	
d) other costs	(210,583)		(528,704)		(423,496)	
10. Amortizations and devaluations		(16,688,975)		(57,583,340)		(19,797,370)
a) amortization of intangible fixed assets	(37,525)		(53,010)		(16,305)	
b) amortization of tangible fixed assets	(16,271,450)		(57,164,611)		(19,401,465)	
c) Devaluation of receivable circulating assets	(380,000)		(365,719)		(379,600)	
11. Variation in inventories of raw, additional and shop supplies and goods		(578,262)		731,329		298,582
12. Provisions against risks		(73,263)		(153,129)		(69,534)
13. Other provisions		0		0		0
14. Various operating expenses		(1,288,326)		(3,121,260)		(1,220,256)
TOTAL B) PRODUCTION COSTS		**(95,693,000)**		**(201,987,597)**		**(91,592,963)**
Difference in values and production costs (A-B)		**(2,936,097)**		**4,548,508**		**8,655,134**
C) FINANCIAL REVENUE AND EXPENSES						
15. Revenue from participations:		5,543,048		34,949,658		2,412,794
a) subsidiaries	5,303,648		1,321,999		1,332,794	
b) associated companies	239,400		117,000		0	
c) other companies	0		1,080,000		1,080,000	
d) gain on sales of participations	0		32,430,659		0	
16. Other financial revenue		592,052		2,100,794		1,157,796
a) revenue different from preceding	592,052		2,100,794		1,157,796	
17. Interest and other financial costs		(1,961,538)		(3,056,341)		(1,292,335)
a) to banks and credit institutions	(1,785,671)		(2,548,212)		(1,048,730)	
b) to subsidiaries	(19,653)		(22,311)		0	
c) other expenses	(156,214)		(416,457)		(243,605)	
d) losses on surrender of participations	0		(69,361)		0	
17 bis. Profits and losses on exchange		310,558		190,900		499,499
TOTAL C) FINANCIAL REVENUE & EXPENSES		**4,484,120**		**34,185,011**		**2,777,754**
D) RECTIF. OF VALUE OF FINANC. ASSETS						
18. Revaluations		0		0		0
19. Devaluations		0		0		0
TOTAL D) RECTIF. VAL. FINANC. ASSETS		**0**		**0**		**0**
E) EXTRAORDINARY REVENUE AND EXPENSES						
20. Revenue		25,024		180,160,587		167,092
a) gains from alienations	10,700		10,478,922		13,416	
b) other revenue	14,324		169,681,665		153,676	
21. Expenses		(214,270)		(10,468,526)		(447,491)
a) losses from alienations	0		(3,502)		(1,024)	
b) other expenses	(214,270)		(10,465,024)		(446,467)	
TOTAL E) EXTRAORDINARY REVENUE & EXPENSES		**(189,246)**		**169,692,061**		**(280,399)**
OUTCOME BEFORE TAXES		**1,358,777**		**208,425,580**		**11,152,489**
22. Income taxes of the fiscal period		375,937		(4,128,505)		(4,670,386)
a) taxes in fiscal period	(516,830)		291,517		(839,952)	
b) deferred taxes	770,922		(3,409,952)		142,267	
c) prepaid taxes	121,845		(1,010,070)		(3,972,701)	
23. Outcome of fiscal period		**1,734,714**		**204,297,075**		**6,482,103**

CIMENTAS GROUP

COMPANY WORTH STATEMENT
(expressed in thousands of Euro)

ASSETS

	30/6/2005		31/12/2004		30/6/2004	
	Partial	Total	Partial	Total	Partial	Total
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS DUE		**0**		**0**		**0**
B) FIXED ASSETS						
I. Intangible						
1. Costs of plant and expansion		2				16
3. Other fixed assets		501		111		131
Total immaterial fixed assets		**503**		**111**		**147**
II. Tangible						
1. Lands and buildings		59,674		53,269		54,801
2. Plants and machinery		57,919		55,131		56,049
3. Industrial and commercial equipment		233		226		246
4. Other assets		4,437		4,157		3,636
5. immocilizations in course and down payments		4,506		1,294		479
Total material fixed assets		**126,769**		**114,077**		**115,211**
III. Financial						
1. Participations in:		85,066		61		59
associated companies	85,003					
other companies	63		61		59	
Total financial fixed assets		**85,066**		**61**		**59**
TOTAL B) FIXED ASSETS		**212,338**		**114,249**		**115,417**
C) CIRCULATING ASSETS						
I. Inventories						
1. Additional raw materials and shop supplies		9,748		7,736		6,424
2. Semi-finished products		3,702		2,549		3,150
3. Finished products and goods		978		553		630
4. Down payments		54		96		510
Total Inventories		**14,482**		**10,934**		**10,714**
II. Receivables (1)						
1. From customers		21,898		14,080		14,218
2. From holding companies		1,062		955		1,345
4 Bis. Tax credits		430		542		37
4 Ter. Prepaid taxes		1,804		1,343		1,340
5. From others		1,448		574		694
Total Receivables		**26,642**		**17,494**		**17,634**
III. Non-fixed-asset financial activities		0		1,706		3,060
Total non-fixed-asset financial activities		**0**		**1,706**		**3,060**
IV. Available liquidity						
1. Bank and Post-Office deposits		23,478		19,021		14,659
2. Cash and securities on hand		30		39		31
Total Available liquidity		**23,508**		**19,060**		**14,690**
TOTAL C) CIRCULATING ASSETS		**64,632**		**49,194**		**46,098**
D) ACCRUED INCOME AND PREPAID EXPENSES		**812**		**176**		**850**
TOTAL ASSETS (A+B+C+D)		**277,782**		**163,619**		**162,365**

(1) All due within the next fiscal period

CIMENTAS GROUP

COMPANY WORTH STATEMENT
(expressed in thousands of Euro)

LIABILITIES

	30/6/2005		31/12/2004		30/6/2004	
	Partial	Total	Partial	Total	Partial	Total
A) NET COMPANY WORTH						
I. Share capital		19,452		17,155		17,449
II. Reserve from over-par share prices		29,775		26,260		25,371
III. Reserve from revaluation		12,392		10,929		9,685
IV. Legal reserve		0		0		0
V. Reserve for own shares in portfolio		0		0		0
VI. Statutory reserves		0		0		0
VII. Other reserves		0		0		0
VIII. Profits (losses) carried forward		98,763		85,821		82,952
IX. Profit (loss) of the fiscal period		7,342		4,830		2,261
TOTAL A) GROUP'S NET WORTH		**167,724**		**144,995**		**137,718**
Third-party portion:						
I. Capital, reserves and outcomes carried forward		2,444		1,920		1,862
II. Profit (loss) of the fiscal period		96		228		119
TOTAL THIRD-PARTY PORTION		**2,540**		**2,148**		**1,981**
TOTAL A) GROUP'S NET WORTH		**170,264**		**147,143**		**139,699**
B) RISKS-AND-COSTS FUNDS						
1.For taxes		2,397		128		213
2.Other funds		2,036		1,796		
TOTAL B) RISKS-AND-COSTS FUNDS		**4,433**		**1,924**		**213**
C) SEVERANCE PAYMENTS		**2,993**		**2,620**		**2,446**
D) PAYABLES (1)						
1. Payables to banks		85,154				139
2. Down payments		69		69		208
3. Payables to suppliers		12,294		7,823		8,908
4. Payables to controling companies		625		776		7,333
5. Taxes owed		623		2,027		2,323
6. Payables to social-insurance and social- security institutions		358		418		370
7. Other payables		946		699		600
TOTAL D) PAYABLES		**100,069**		**11,812**		**19,881**
E) ACCRUED EXPENSES AND DEFERRED INCOME		**23**		**120**		**126**
TOTAL LIABILITIES (A+B+C+D+E)		**277,782**		**163,619**		**162,365**

(1) All due within the next fiscal period

CIMENTAS GROUP

PROFIT-AND-LOSS ACCOUNT
(expressed in thousands of Euro)

	30/6/2005		31/12/2004		30/6/2004	
	Partial	Total	Partial	Total	Partial	Total
A) VALUE OF PRODUCTION						
1.Revenue from sales and services		67,075		122,089		56,040
2. Variation in inventories of products in production, semi-finished and finished products		1,143		(2,398)		(1,541)
3. Variations in work under way on order		0		0		0
4. Increase in fixed assets from inhouse work		0		216		1
5. Other proceeds and profits		359		241		87
TOTAL A) VALUE OF PRODUCTION		**68,577**		**120,148**		**54,587**
B) PRODUCTION COSTS						
6. For raw, additional, shop supplies and goods		(32,932)		(59,843)		(28,387)
7. For services		(11,861)		(22,593)		(10,802)
8. For use of third-party property		(231)		(362)		(156)
9. For personnel		(6,323)		(11,442)		(5,261)
a) salaries and wages	(4,713)		(8,492)		(3,855)	
b) social costs	(879)		(1,534)		(725)	
c) severance payments	(466)		(635)		(359)	
d) other costs	(265)		(781)		(322)	
10. Amortizations and devaluations		(5,978)		(13,907)		(5,209)
a) amortization of immatierial fixed assets	(45)		(94)		(41)	
b) amortization of matierial fixed assets	(5,933)		(13,756)		(5,124)	
c) devaluation of receivables in circulating assets			(57)		(44)	
11. Variation in inventories raw, additional and shop supplies and goods		917		1,228		137
12. Provisions against risks		0		0		0
13. Other provisions		0		0		0
14. Various operating expensese		(328)		(653)		(305)
TOTAL B) PRODUCTION COSTS		**(56,736)**		**(107,572)**		**(49,983)**
Difference in values and production costs (A-B)		**11,841**		**12,576**		**4,604**
C) FINANCIAL REVENUE AND EXPENSES						
15. Revenue from participations:		0		0		0
16. Other financial revenue		951		1,844		1,037
17. Interest and other financial costs		(358)		(2,771)		(1,380)
17 bis. Profits and losses on exchange		(1,028)		934		1,039
TOTAL C) FINANCIAL REVENUE & EXPENSES		**(435)**		**7**		**696**
D) RECTIFICATION OF VALUE OF FINANCIAL ACTIVITIES						
18. Revaluations		0		0		0
19. Devaluations		0		0		0
TOTAL D) RECTIFICATION OF VALUE OF FINANCIAL ACTIVITIES		**0**		**0**		**0**
E) EXTRAORDINARY REVENUE AND EXPENSES						
20. Revenue		112		365		61
21. Expenses		(159)		(2,159)		(32)
TOTAL E) EXTRAORDINARY REVENUE & EXPENSES		**(47)**		**(1,794)**		**29**
OUTCOME BEFORE TAXES		**11,359**		**10,789**		**5,329**
22. Income taxes of the fiscal period		(3,921)		(5,731)		(2,949)
a) taxes in fiscal period	(3,844)		(5,486)		(2,702)	
b) deferred taxes	(77)		(513)		(247)	
c) prepaid taxes			268		0	
OUTCOME OF FISCAL PERIOD INCLUDING THE THIRD-PARTY PORTION		**7,438**		**5,058**		**2,380**
(Profit) loss in fiscal period of third parties		(96)		(228)		(119)
OUTCOME OF GROUP'S FISCAL PERIOD		**7,342**		**4,830**		**2,261**

AALBORG PORTLAND GROUP

COMPANY WORTH STATEMENT
(expressed in thousands of Euro)

ASSETS

	30/6/2005		31/12/2004	
	Partial	Total	Partial	Total
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS DUE		**0**		**0**
B) FIXED ASSETS				
I. Intangible				
1. Concessions, licences and trademarks		2,059		1,997
2. Other fixed assets		913		877
3. Immobilizations in course and down payments		1,535		175
4. Consolidation difference		7,284		6,372
Total intangible fixed assets		**11,791**		**9,421**
II. Tangible				
1. Lands and buildings		69,477		68,899
2. Plants and machinery		169,136		168,799
3. Other assets		785		785
4, Immobilizations in course and down payments		8,767		3,557
Total tangible fixed assets		**248,165**		**242,040**
III. Financial				
1. Participations in:		75,598		67,746
a) subsidiaries	61,388		56,529	
b) associated companies	14,210		11,217	
2. Receivables:				
from others		357		291
3. Other securities				
Total financial fixed assets		**75,955**		**68,037**
TOTAL B) FIXED ASSETS		**335,911**		**319,498**
C) CIRCULATING ASSETS				
I. Inventories				
1. Additional raw materials and shop supplies		22,162		20,412
2. Semi-finished products		6,236		5,689
3. Finished products and goods		5,558		5,680
4. Down payments		2,157		1,431
Total inventories		**36,113**		**33,212**
II. Receivables				
1. From customers		33,531		18,563
a)due within next fiscal period	32,310		15,700	
b)due in subsequent fiscal periods	1,221		2,863	
2. From subsidiaries (1)		482		
3. From associated companies (1)		2,827		2,377
4 Bis. Tax credits (1)		5,971		2,825
4 Ter. Prepaid taxes (1)		815		733
5. From others (1)		3,370		4,850
Total Receivables		**46,996**		**29,348**
III. Non-fixed-asset financial activities				
Total non-fixed-asset financial activities		**0**		**0**
IV. Available liquidity				
1. Bank and Post-Office deposits		15,742		18,936
2. Cash and securities on hand		67		93
Total available liquidity		**15,809**		**19,029**
TOTAL C) CIRCULATING ASSETS		**98,918**		**81,589**
D) ACCRUED EXPENSES AND DEFERRED INCOME		**1,356**		**1,702**
TOTAL ASSETS (A+B+C+D)		**436,185**		**402,789**

(1) All due within the next fiscal period

AALBORG PORTLAND GROUP

COMPANY WORTH STATEMENT
(expressed in thousands of Euro)

LIABILITIES

	30/6/2005		31/12/2004	
	Partial	Total	Partial	Total
A) NET COMPANY WORTH				
I. Share capital		40,260		40,329
II. Reserve from over-par share prices				
III. Reserve from revaluation				
IV. Legal reserve				
V. Reserve for own shares in portfolio				
VI. Deposit toward increase in share capital				3,548
VII. Other reserves		115,805		107,970
VIII. Profits (losses) carried forward				
IX. Profit (loss) of the fiscal period		20,595		2,490
TOTAL A) NET COMPANY WORTH		**176,660**		**154,337**
Third-party portion:				
I. Capital, reserves and outcomes carried forward		17,132		13,618
II. Profit (loss) of the fiscal period		1,527		(251)
TOTAL THIRD-PARTY PORTION		**18,659**		**13,367**
TOTAL A) NET COMPANY WORTH		**195,319**		**167,704**
B) RISKS-AND-COSTS FUNDS				
1.For taxes		27,644		24,140
2.Other funds		2,048		2,237
TOTAL B) FUNDS FOR RISKS AND EXPENSES		**29,692**		**26,377**
C) SEVERANCE PAYMENTS				
D) PAYABLES				
1. Payables to banks		162,644		139,005
a)due within next fiscal period	128,584		100,240	
b)due in subsequent fiscal periods	34,060		38,765	
2. Down payments (1)		374		95
3. Payables to shareholders for financing (1)		6,400		5,287
4. Payables to suppliers (1)		27,369		28,405
5. Payables from associated companies (1)				60
6. Payables to holding companies (1)		3,359		30,690
7. Taxes owed (1)		2,949		3,909
8. Payables to social-insurance and social-security institutions (1)		60		222
9. Other payables (1)		7,000		123
TOTAL D) PAYABLES		**210,155**		**207,796**
E) ACCRUED EXPENSES AND DEFERRED INCOME		**1,019**		**912**
TOTAL LIABILITIES (A+B+C+D+E)		**436,185**		**402,789**

(1) All due within the next fiscal period

PROFIT-AND-LOSS ACCOUNT
(expressed in thousands of Euro)

	30/6/2005	
	Partial	Total
A) VALUE OF PRODUCTION		
1. Revenue from sales and services		130,997
2. Variation in inventories of products in production, semi-finished and finished products		(502)
3. Variations in work under way on order		
4. Increase in fixed assets from inhouse work		541
5. Other proceeds and profits		1,757
TOTAL A) VALUE OF PRODUCTION		**132,793**
B) PRODUCTION COSTS		
6. For raw, additional, shop supplies and goods		(41,732)
7. For services		(35,860)
8. For use of third-party property		(1,601)
9. For personnel		(19,103)
a) salaries and wages	(18,040)	
b) social costs	(113)	
c) other costs	(950)	
10. Amortizations and devaluations		(11,195)
a) amortization immatierial fixed assets	(301)	
b) amortization matierial fixed assets	(10,894)	
11. Variation of inventories of raw materials, Subsidiaries, consumables and goods		2,083
12. Provisions against risks		
13. Other provisions		
14. Various operating expensese		(2,188)
TOTAL B) PRODUCTION COSTS		**(109,596)**
Difference between values and production costs (A-B)		**23,197**
C) FINANCIAL REVENUE AND EXPENSES		
15. Revenue from participations		0
16. Other financial revenue		295
17. Interest and other financial costs		(4,534)
17 bis. Profits and losses on exchange		1,613
TOTAL C) FINANCIAL REVENUE & EXPENSES		**(2,626)**
D) RECTIFICATION OF VALUE OF FINANCIAL ACTIVITIES		
18. Revaluations		9,502
19. Devaluations		(9)
TOTAL D) RECTIFICATION OF VALUE OF FINANCIAL ACTIVITIES		**9,493**
E) EXTRAORDINARY REVENUE AND EXPENSES		
20. Revenue		0
21. Expenses		0
TOTAL E) EXTRAORDINARY REVENUE & EXPENSES		**0**
OUTCOME BEFORE TAXES		**30,064**
22. Income taxes for the fiscal period		(7,942)
a) taxes in fiscal period	(10,066)	
a) deferred taxes	2,124	
b) prepaid taxes	0	
OUTCOME OF FISCAL PERIOD INCLUDING THE THIRD-PARTY PORTION		**22,122**
(Profit) loss in fiscal period of third parties		(1,527)
OUTCOME OF FISCAL PERIOD OF THE GROUP		**20,595**

UNICON GROUP

COMPANY WORTH STATEMENT
(expressed in thousands of Euro)

ASSETS

	TO 30/6/2005		TO 31/12/2004	
	Partial	Total	Partial	Total
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS DUE		**0**		**0**
B) FIXED ASSETS				
I. Intangible				
1. Costs of plant and expansion		43		59
2. Difference from consolidation		31,041		29,972
Total Immatierial fixed assets		**31,084**		**30,031**
II. Tangible				
1. Lands and buildings		19,290		20,064
2. Plants and machinery		48,534		46,692
3. Other assets		5,293		6,344
4. Immobilizations in course and down payments		933		915
Total matierial fixed assets		**74,050**		**74,015**
III. Financial				
1. Participations in:		6,409		6,436
a) associated companies	6,409		6,436	
2. Receivables:		0		0
3. Other securities		56		73
Total financial fixed assets		**6,465**		**6,509**
TOTAL B) FIXED ASSETS		**111,599**		**110,555**
C) CIRCULATING ASSETS				
I. Inventories				
1. Additional raw materials and shop supplies		3,744		3,157
2. Semi-finished products		35		
3. Finished products and goods		4,937		2,229
Total Inventories		**8,716**		**5,386**
II. Receivables (1)				
1. From customers		49,602		33,425
4 Bis. Tax credits				34
4 Ter. Prepaid taxes		19,598		22,694
5. From others		2,295		1,933
Total Receivables		**71,495**		**58,086**
III. Non-fixed-asset financial activities				
Total non-fixed-asset financial activities		**0**		**0**
IV. Available liquidity				
1. Bank and Post-Office deposits		14,097		15,307
2. Cash and securities on hand		0		40
Total available liquidity		**14,097**		**15,347**
TOTAL C) CIRCULATING ASSETS		**94,308**		**78,819**
D) ACCRUED INCOME AND PREPAID EXPENSES		**1,847**		**0**
TOTAL ASSETS (A+B+C+D)		**207,754**		**189,374**

(1) All due within the next fiscal period

COMPANY WORTH STATEMENT
(expressed in thousands of Euro)

LIABILITIES

	TO 30/6/2005		TO 31/12/2004	
	Partial	Total	Partial	Total
A) NET COMPANY WORTH				
I. Share capital		20,130		20,165
II. Reserve from over-par share prices		5,771		5,781
III. Reserve from revaluation		664		705
IV. Legal reserve		0		0
V. Reserve for own shares in portfolio		0		0
VI. Statutory reserves		0		0
VII. Other reserves		31,294		29,617
VIII. Profit (loss) carried forward		0		0
IX. Profit November - December 2004		3,599		336
TOTAL A) NET COMPANY WORTH		**61,458**		**56,604**
Third-party portion:				
I. Capital, reserves and outcomes carried forward		6,083		7,890
II. Profit (loss) of the fiscal period		1,101		167
TOTAL THIRD-PARTY PORTION		**7,184**		**8,057**
TOTAL A) NET COMPANY WORTH		**68,642**		**64,661**
B) RISKS-AND-COSTS FUNDS				
1.For taxes		7,576		7,916
2.Other funds		7,084		8,162
TOTAL B) FUNDS FOR RISKS AND EXPENSES		**14,660**		**16,078**
C) SEVERANCE PAYMENTS		**0**		**0**
D) PAYABLES				
1. Payables to banks		77,449		77,031
a)due within next fiscal period	77,449		65,084	
b)due in subsequent fiscal periods	0		11,947	
2. Down payments (1)		2		44
3. Payables to holding companies (1)		482		35
4. Payables to suppliers (1)		23,288		19,895
5. Taxes owed (1)		4,435		3,635
6. Other payables (1)		18,744		7,995
TOTAL D) PAYABLES		**124,400**		**108,635**
E) ACCRUED INCOME AND PREPAID EXPENSES		**52**		**0**
TOTAL LIABILITIES (A+B+C+D+E)		**207,754**		**189,374**

(1) All due within the next fiscal period

PROFIT-AND-LOSS ACCOUNT
(expressed in thousands of Euro)

	TO 30/6/2005	
	Partial	Total
A) VALUE OF PRODUCTION		
1.Revenue from sales and services		120,372
2. Variation in inventories of products in production and semi-finished and finished products		
3. Variations in work under way on order		
4. Increase in fixed assets from inhouse work		
5. Other revenue and profits		1,526
TOTAL A) VALUE OF PRODUCTION		**121,898**
B) PRODUCTION COSTS		
6. Per raw, additional, shop supplies and goods		(50,509)
7. For services		(30,843)
8. For use of third-party property		(1,092)
9. For personnel		(20,140)
a) salaries and wages	(16,144)	
b) social costs	(2,060)	
c) other costs	(1,936)	
10. Amortizations and devaluations		(6,457)
a) amortization immatierial fixed assets	(17)	
b) amortization matierial fixed assets	(6,311)	
c) devaluation receivables in circulating assets	(129)	
11. Variation in inventories of raw, additional, consumption materials and goods		
12. Provisions against risks		(369)
13. Other provisions		
14. Various operating expensese		(2,793)
TOTAL B) PRODUCTION COSTS		**(112,203)**
Difference in values and production costs (A-B)		**9,695**
C) FINANCIAL REVENUE AND EXPENSES		
15. Revenue from participations:		0
16. Other financial revenue		170
17. Interest and other financial costs		(1,458)
17 bis. Profits and losses on exchange		28
TOTAL C) FINANCIAL REVENUE & EXPENSES		**(1,260)**
D) RECTIFICATION OF VALUE OF FINANCIAL ACTIVITIES		
18. Revaluations		359
19. Devaluations		(10)
TOTAL D) RECTIFICATION OF VALUE OF FINANCIAL ACTIVITIES		**349**
E) EXTRAORDINARY REVENUE AND EXPENSES		
20. Revenue		0
21. Expenses		0
TOTAL E) EXTRAORDINARY REVENUE & EXPENSES		**0**
OUTCOME BEFORE TAXES		**8,784**
22. Income taxes for the fiscal period		(4,084)
a) taxes in fiscal period	(795)	
a) deferred taxes	(92)	
b) prepaid taxes	(3,197)	
OUTCOME OF FISCAL PERIOD INCLUDING THIRD-PARTY PORTION		**4,700**
(Profit) loss in fiscal period of third parties		(1,101)
OUTCOME OF FISCAL PERIOD		**3,599**

APPENDIX PURSUANT TO ART. 82-BIS, LETTER B) 1E 2 CONSOB REGULATION #11971/1999

Transition to international accounting standards (IFRS)

Index

Premise

Subsequent to the coming into force of European Regulation #1606 of July 2002, the Cementir Group adopted, beginning 1st January 2005, the International Accounting Standards (hereafter also IAS/IFRS) and will therefore submit the first complete consolidated balance sheet to 31 December 2005 compiled in compliance with IAS/IFRS.

As permitted by Article 81 bis of Issuer Regulation #11971/1999 adopted by Consob with Resolution #14990 of 14 April 2005, the Group is submitting the six-month report to 30 June 2005 in compliance with the standards utilized in the balance sheet for the fiscal period and in the consolidated balance sheet with reference to the fiscal period closed at 31 December 2004.

As required by IFRS 1 – First Adoption of the International Financial Reporting Standards and by said Article 81 bis – for the purpose of illustrating how the shift to the international accounting standards will influence the company-worth and financial situation and the result of the Group's profit-and-loss account, the following schedules are provided in this Appendix:

- Tracing back to IFRS of the Group-worth statement consolidated at 1st January 2004 (transition date) and to 31 December 2004 (closure date of the last consolidated balance sheet compiled in accord with Italian accounting standards)
- Tracing back to IFRS of the consolidated profit-and-loss account of the consolidated balance sheet consolidated 2004
- Comments on the foregoing schedules
- Reconciliation schedule of net Group-worth at 1st January 2004 and at 31 December 2004 in line with the previous accounting standards with the net Group worth at the same date surveyed pursuant to the IFRS
- Reconciliation schedule of the economic outcome of the 2004 fiscal year determined on the basis of the preceding accounting standards with the economic outcome deriving from the application of the IFRS for the same period

In the preparation of said schedules, the values of the company-worth statement consolidated at 1st January 2004 and at 31 December 2004 and those of the profit-and-loss account consolidated at 31 December 2004 according to Italian accounting standards have been opportunely reclassified to reflect the new balance-sheet outline that the Group has decided to adopt.

We point out that this appendix has been compiled for the transition so as to prepare the consolidated 2005 balance sheet in compliance with the IFRS approved by the European Commission; in compliance with IFRS standards. It therefore includes all the schedules, the comparative information and the explanatory notes that would be necessary for a complete representation of the corporate-and-financial-worth situation and of the consolidated economic outcome of the Cementir Group.

We point out, in addition, that the schedules have been prepared in compliance with the IAS/IFRS currently in force. Nonetheless, these standards might not coincide with those in force at 31 December 2005 by effect of both new orientations of the European Commission as to their approval, and the issuance of new standards or interpretations by the bodies having jurisdiction, for which the anticipated application will be allowed. So that the data submitted could undergo changes for purposes of their utilization as comparative data of the first complete consolidated balance sheet compiled in compliance with the IFRS.

The most significant consolidation principles and evaluation criteria that have been utilized in the compilation of the reconciliation schedules are reported below.

Consolidation principles

Subsidiaries

The consolidation area comprises Capogruppo Cementir S.p.A. and the companies on which it, directly or indirectly, exercises control by means of majority voting rights.

The subsidiaries have been consolidated beginning from the date on which such control was assumed until the moment in which that control ceases to exist.

Inactive subsidiaries or those that, after elimination or upsets, generate an insigificant turnover inasmuch as their incidence on the Group's consolidated balance sheet is insubstantial, have not been included in the consolidated balance sheet.

Associated companies

The associated companies, or the companies in which the Group exercises considerable influence, but not control or joint control, on the financial and operating policies, are evaluated using the net-company-worth method. Their profits and losses of pertinence to the Group are recorded in the consolidated profit-and-loss account on the date on which the considerable influence began until the date on which it ceases.

In the case in which the loss of pertinence to the Group exceeds the value of the participation, the value of the participation is set to zero and, should the participating company be committed to fulfilling legal or implicit obligations of the firm object of the participation or in any case cover the losses, the eventual surplus is placed into a fund for the purpose.

Consolidation procedures

The assets and the liabilities, the expenses and the revenue of the companies consolidated by the global-integration method are integrally taken over in the consolidated balance sheet; the accounting value of the participations is eliminated against the corresponding fraction of net company worth of the firms object of the participation and attribuating to the individual elements of the corporate assets and liabilities their current value on the date control was acquired. The eventual difference deriving from such elimination is recorded at the asset item "goodwill", if positive, or attributed to the profit-and-loss account if negative.

The portions of the net company worth and of the profit to which minority shareholders are entitled are recorded under heads for the purpose in the Group-worth statement and in the profit-and-loss account.

All in-Group balances and transactions, including eventual unrealized profits deriving from the relations maintained among the companies of the Group, are eliminated at the net value of the theoretical fiscal effect, if significant.

Unrealized profits and losses with associated companies are eliminated for the part pertaining to the Group. Unrealized losses are eliminated except for the case in which they may be representative of lasting losses.

Conversion of entries into foreign currency

The functional currency and that of the Group's presentation is the euro. All transactions in currency other than the euro are recorded at the rate of exchange in being on the date of the operation. Monetary assets and liabilities quoted in currency other than the euro are subsequently adjusted at the rate of exchange in being on the date of closure of the

period in question. The difference, positive or negative, between the values converted at exchange rates of the period and the original rates are assigned to the profit-and-loss account.
Non-monetary assets and liabilities quoted in foreign exchange and recorded at historic cost are converted utilizing the rate of exchange in force on the date the operation was initially recorded.
Non-monetary assets and liabilities recorded at fair value are converted utilizing the rate of exchange on the date such value was determined.
The balance sheets of consolidated companies operating in countries not included in the euro area are converted to euro by applying the items of the company-worth statement at the rate of exchange in being on the closure date of the reference period and the items in the profit-and-loss account at the average exchange rates of the reference period. Any differences in the exchange rate are recorded directly in net company worth and are shown separately in a reserve for this purpose.
At the moment of alienation of a foreign economic entity, the accumulated exchange differences reported in the net company worth in a reserve for the purpose will be shown in the profit-and-loss account.

Evaluation criteria

Intangible assets with a finite lifetime
Intangible assets are recorded at cost, inclusive of accessory costs of direct attribution necessary to make the assets available for use.
Intangible assets having a finite useful lifetime are shown net of their accumulated amortizations and of eventual losses in value according to the modalities described below. The amortization is calculated in constant portions on the basis of the asset's estimated lifetime, which is reexamined annually and any changes, where necessary, are made and an overview of the application provided.
At the moment of sale or when expected future economic benefits from the use of an intangible asset do not subsist, it is eliminated from the balance sheet and eventual loss or profit (calculated as the difference between alienation value and load value) is recorded in the profit-and-loss account in the year of said elimination.

Goodwill
In the case of the acquisition of subsidiaries and associated companies, the assets, liabilities and the potential liabilities acquired and identifiable are recorded at their current value (fair value) on the date of acquisition. The positive difference between acquisition of the ownership portion of the Group and the current value of such assets and liablities is classified as goodwill and written into the balance sheet as an intangible asset. Any negative difference ("negative goodwill"), instead, is recorded in the profit-and-loss account at the moment of acquisition.
After the initial posting, goodwill is not amortized, but audited annually or oftener, in the manner described below, if specific events indicate the possibility of having suffered a loss in value to determine the existence of eventual lasting reductions in value. Devaluations are not the object of the restoration of value.
At the time of first adopting the IFRS, the Group chose not to apply *IFRS 3, Aggregations of companies,* retroactively to the acqusition of firms taking place prior to 1st January 2004. Consequently, the goodwill generated on acquisitions previous to the date of transition to the IFRS has been maintained at the preceding value determined according to Italian accounting standards, after first verifying and recording eventual losses in value.

Other intangible assets of indefinite lifetime

Intangible assets having an indefinite lifetime are the assets for which, on the basis of an analysis of all the significant factors, there is no foreseable limit to the period in which we expect them to generate cash flows as revenue for the Group.

Intangible assets having an indefinite lifetime are initially recorded at acqauisition cost, determined according to the same modalities indicated for intangible assets, but are not subsequently amortized. The recoverability of their value is verified by adopting the same criteria as those for goodwill. Such devaluations are restored should the reasons that motivated them cease to subsist.

Immovables, plants and machinery

Tangible assets are recorded at cost, inclusive of any accessory costs directly attributable and necessary to put the assets in operation for the use for which they were acquired, increased, in the presence of current obligations, by the current value of the cost estimated for their dismantlement and removal. Should significant parts of such tangible assets have different useful lifetimes, such components are recorded separately. The lands, whether free of constructions or annexed to civil and industrial buidlings, are not amortized inasmush as they are elements having an unlimited lifetime.

Tangible assets are shown net of their accumulated amortizations and of eventual losses in value determined on the basis of the modalities described below. Amortization is calculated at constant rates on the basis of the asset's estimated lifetime of usefulness to the company, which is reexamined annually and, any changes as and when necessary are made with perspectival application.

At the moment of sale or when the expected future economic benefits from the use of a tangible asset no longer subsist, it is eliminated from the balance sheet and any loss or profit (calculated as the difference between the alienation and the load value) is recorded in the profit-and-loss account in the year of said elimination.

Real-estate investments

Properties held for the purpose of earning rental revenue have been evaluated at current market value and have not been subjected to amortization; variations in value are attributed to the profit-and-loss account.

Losses of value

At each closure date of the period of reference the book value of tangible and intangible assets is subjected to audit to ascertain the existence of events or changes in situation that indicate that the load value may not be recovered. If there is an indication of this sort we proceed with the determination of their recoverable value and, should the load value exceed the recoverable value, the assets are devalued to reflect their recoverable value. The recoverable value of goodwill and that of other intangible assets having an indefinite lifetime is, instead, estimated at every date of reference or, in any case, every time changed circumstances or specific events require it.

The recoverable value of tangible and intangible assets is represented by the greater between net current value of sales cost and the value of their usefulness.

In defining the value of their usefulness, the expected future financial flows are brought up to date using a before-tax discount rate that reflects the current market estimate referred to the cost of the money related to the time and to the specific risks of the asset. For an asset that does not generate amply independent financial flows, the break-up value is determined in relation to the unit generating the financial flows to which such asset belongs. Value losses are computed in the profit-and-loss account among costs for amortizations and devaluations.

Inventories

Inventories of raw materials, semi-finished and finished products are evaluated at the lesser between cost and the presumible net break-up value. The cost of acquisition is determined by the FIFO method.

Financial instruments

Participations in other companies

Participations in subsidiaries excluded from the consolidation area and in other companies are evaluated at *fair value* with attribution of any profits or losses directly to the profit-and-loss account. When the *fair value* cannot be reliably determined, such participations are evaluated at rectified cost by reductions in value, whose effect is acknowledged in the profit-and-loss account. Reductions in value recorded are not the object of value recovery.

Commercial receivables

Commercial receivables, whose expiry falls within normal financial terms, are not updated but are recorded at the amortized cost using the method of effective interest rate (identified by their nominal value) net of eventual value reductions. The reductions are determined on the basis of the current value of expected future cash flows.

Available liquidity and equivalent securities

Available liquidity and equivalent securities comprise bank deposits and cash on hand; that is, such securities as possess the requirements of availability on demand or on very short notice, of positive outcome and of the absence of expenses in their collection.

For purposes of the consolidated financial report, available liquidities are shown net of bank overdrafts on the closure date of the period.

Financial liabilities and commercial debts

Financial liabilities and commercial debts are initially recorded at *fair value* net of directly attributable transaction costs. Subsequently, they are evaluated using the criterion of amortized cost utilizing the method of original effective interest rate

Own shares

Own shares are recorded in reduction of the net worth. The original cost of own shares and the revenue deriving from any subsequent sales are recorded as movements in net worth.

Employee benefits

Liabilities relating to employee benefits paid at the time of, or subsequent to, cessation of the working relationship and related to the established benefit program (severance payment), net of eventual assets at the service of the plan, is determined on the basis of actuarial hypotheses by estimating the amount of the future benefits that employees have matured at the date of reference. The liability is recorded as being charged over the maturation period of the entitlement. The evaluation of the liability is effected by independent actuaries.

Risks-and-costs funds

Risks-and-costs funds concern costs and expenses of a given nature and the certainty or probability that, on the closure date of the period, their amount or date of advent is vague.

Allocations to risks-and-costs funds are recorded when, on the date of reference, a legal or implicit obligation exists derving from a past event and a disbursement of resources is probable to satisfy the obligation, and the amount of such disbursement may be estimated. When the financial effect of the time is significant and payment dates of the obligations can be reliably estimated, the allocation is the object of updating, the increase in the allocation due to the passing of time is recorded as a financial burden. If the liability concerns tangible assets (e.g., dismantlement and site restorations), the fund is recorded in set-off to the asset to which it refers. Recording of the expense in the profit-and-loss account occurs by the process of amortization of the tangible fixed asset to which that expense refers.

Contributions

Contributions, whether from public entities or private third parties, are recorded at *fair value* when there is reasonable certainty that they will be received and that the conditions of obtaioning them will be satisfied.

Contributions received against specific expenses are recorded among the other liabilities and credited to the profit-and-loss account with the systematic criterion over the same period in which the costs to which they are related mature.

Contributions received against specific assets whose value is recorded among the fixed assets are entered either as a direct reduction of the fixed assets themselves or among the other liabilities credited to the profit-and-loss account in relation to the period of amortization of the assets to which they refer.

Contributions in the account of the fiscal period are recorded integrally in the profit-and-loss account at the moment in which the conditions of their recording are met.

Revenue

Proceeds are recorded in the measure in which it is probable that economic benefits will flow to the Group and that their amount can be reliably determined. Proceeds are recorded net of discounts, rebates and returned goods.

In particular, revenue from sales of assets are recorded when the significant risks and benefits of the ownership of the assets are transferred to the buyer.

Revenue from services rendered is recorded when the services are rendered, with reference to the activity's state of completion.

Interest

Financial revenue and expenses are recorded under appropriate items on the basis of interest matured on the net value of the relevant financial assets and liabilities utilizing the effective rate of interest.

Dividends

Proceeds are recorded when the right of sharholders to receive the payment has been established.

Taxes

Current income taxes of the period are determined on the basis of an estimate of taxable income and in compliance with the regulations in force.

Deferred and prepaid income taxes are calculated on the temporary differences between the company-worth values recorded in the consolidated six-monthly report and the corresponding values acknowledged for taxation purposes by applying the tax rate in force on the date of reference.

Entry under assets of prepaid taxes is effected when their recovery is probable; that is, when sufficient taxable income may become available in the future to recover the credit.

The recoverability of credit for prepaid taxes is reexamined at every period's closure.

First application of the IFRS

The adoption of the international accounting standards was effected according the the regulations contained in IFRS 1 – First adoption of the International Financial Reporting Standards.
The main options provided by IFRS 1, utilized in the compilation of the opening Group-worth statement, are the following:

- Aggregations of firms: the Group has **not** applied IFRS 3 retroactively with respect to the operations of aggregation of firms occurring prior to the date of transition to the IFRS;
- Evaluation of buildings, plants and machinery and of intangible assets at their fair value on the date of transition or, alternatively, at revalued cost as values substitutive of the cost: The Group **has** recorded some profit sources at the fair value on the date of transition to the IFRS.

Consolidated IAS/IFRS Group-worth statement at 1st January 2004

There follow the schedules of the Group-worth statement at 1st January 2004, which show:

- The values according to Italian accounting standards reclassified in line with the IAS/IFRS outlines;
- Rectifications to adjust to the IAS/IFRS standards.

Group-worth statement at 1st January 2004

(in thousands of Euro)

ASSETS	Italian accounting standards IAS-reclassified	IAS/IFRS rectifications	IAS/IFRS	Notes
NON-CURRENT ASSETS				
Intangible assets with finite lifetime	222	(28)	194	
Goodwill & other intangible assets w/ indefinite life	113,660	-	113,660	
Buildings, plants and machinery	192,074	129,844	321,918	**1**
Real-estate investments	-	23,000	23,000	**2**
Participations evaluated at net company worth	2,193	-	2,193	
Participations and other non-current securities	16,596	31,277	47,873	**3**
Non-current financial assets	420	-	420	
Prepaid taxes	63,067	785	63,852	**4**
TOTAL NON-CURRENT ASSETS	**388,232**	**184,878**	**573,110**	
CURRENT ASSETS				
Inventories	33,265	3,087	36,352	**5**
Commercial receivables	80,886	-	80,886	
Credit with Treasury	611	-	611	
Other current assets	1,910	(389)	1,521	
Available liquidity and equivalent securities	189,535	-	189,535	
Assets to be sold	-	-	-	
TOTAL CURRENT ASSETS	**306,207**	**2,698**	**308,905**	
TOTAL ASSETS	**694,439**	**187,576**	**882,015**	

Group-worth statement at 1st January 2004

(in thousands of Euro)

LIABILITIES AND NET GROUP WORTH	Italian accounting standards IAS-reclassified	IAS/IFRS rectifications	IAS/IFRS	Notes
NET GROUP WORTH				
Share capital	159,120	-	159,120	
Own shares	-	(7,115)	(7,115)	
Over-par price reserve	22,711	-	22,711	
Other reserves	263,013	122,098	385,111	
Outcomes of preceding fiscal periods	-	-	-	
Profit (loss) of period	60,243	-	60,243	
Net worth of the Group	**505,087**	**114,983**	**620,070**	
Net Group worth of third-party shareholders	5,767	(1)	5,766	
TOTAL NET WORTH	**510,854**	**114,982**	**625,836**	
LIABILITIES AND NON-CURRENT FUNDS				
Employee fund	9,646	(61)	9,585	
Other non-current funds	492	1,753	2,245	**6**
Non-current financial liabilities	50,191	(479)	49,712	
Other non-current liabilities	1,983	-	1,983	
Deferred taxes owed	454	71,381	71,835	**7**
TOTAL LIABILITIES AND NON-CURRENT FUNDS	**62,766**	**72,594**	**135,360**	
CURRENT LIABILITIES AND FUNDS				
Commercial payables	61,647	-	61,647	
Current financial liabilities	26,614	-	26,614	
Amounts owed the Treasury	15,510	-	15,510	
Other current liabilities	17,048	-	17,048	
Liabilities to be sold	-	-	-	
TOTAL CURRENT LIABILITIES AND FUNDS	**120,819**	**-**	**120,819**	
TOTAL LIABILITIES	**183,585**	**72,594**	**256,179**	
TOTAL LIABILITIES AND NET GROUP WORTH	**694,439**	**187,576**	**882,015**	

Commentary on main IAS/IFRS rectifications made
To items of the Group-worth statement to 1st January 2004

Brief notes as commentary on the rectifications made to the Group-worth statement to 1st January 2004 follow.

The effects of such rectifications, net of the applicable fiscal effects on the net Group worth are shown in the reconciliation schedule on page 22.

1) Buildings, plants and machinery

This item is greater in total by an amount equal to 129,844 thousand Euro by effect mainly of the following rectifications:

- Entry at fair value to 1st January 2004 of the buildings and plants (+145,062 thousand Euro) as initial cost on the basis of technical expertise carried out by an independent expert;

- The load value of the Torrespaccata building (-16,160 thousand Euro), property of Cementir S.p.A., because held as an investment, has been reclassified in the corresponding real-estate investments entry, where it is evaluated at fair value;

- Capitalization of the dismantleing and restoration expenses of production sites (+612 thousand Euro) and contextual allocation to an expense fund for the purpose under liabilities in the Group-worth statement.

2) Real-estate investments

This item is greater by a total amount equal to 23,000 thousand Euro following the recording of the Torrespaccata building at fair value. It had previously been recorded under buildings, plants and machinery.

3) Participations and other non-current securities

This item is greater by 31,277 thousand Euro by effect of the following rectifications:

- **Participations in other companies** (+38,392 thousand Euro): according to IFRS, participations in other companies must always be evaluated at their fair value, provided it can be reliably determined. The market value at 31 December 2003 of the participations in the company Caltagirone Editore S.p.A. and Torreblanca del Sol Sa lead to increases of 32,119 thousand Euro and 6,273 thousand Euro, respectively;

- **Own shares** (-7,115 thousand Euro): own shares, previously recorded under financial fixed assets, have been reclassified as a direct reduction of the net Group worth as required by the IFRS.

4) Prepaid taxes

This item is greater by an amount equal to 785 thousand Euro following the fiscal credit effects on the rectification entries.

5) Inventories

The item is greater by an amount equal to 3,087 thousand Euro after determination of the value of the inventories according to the FIFO method.

6) *Other non-current funds*

The item is greater by a total amount equal to 1,753 thousand Euro by effect of recording the dismantling and restoration expense fund (+2,080 thousand Euro) and of the reversal (-327 thousand Euro) of some funds for lack of the characteristics required by the IFRS standards.

7) *Deferred taxes owed*

This item is greater by a total amount equal to 71,381 thousand Euro mainly by the fiscal effects (+58,226 thousand Euro), where applicable, on the rectification entries made and, in compliance with what is required by the IFRS, to the Deferred taxes (+13,155 thousand Euro) fund generated in previous fiscal periods following the revaluation of non-monetary entries according to IAS 29.

Group-worth statement consolidated to 31 December 2004.
Profit-and-loss account IAS/IFRS consolidated to 31 December 2004

Given below are the schedules of the Group-worth statement and profit-and-loss account at 31 December 2004, which show:

- The values according to Italian accounting principles reclassified according to IAS/IFRS outlines;
- The rectification for adjustment to IAS/IFRS standards.

Group-worth statement to 31 December 2004

(in thousands of Euro)

ASSETS	Italian accounting standards IAS-reclassified	IAS/IFRS rectifications	IAS/IFRS	Notes
NON-CURRENT ASSETS				
Intangible assets with finite lifetime	4,167	(85)	4,082	
Goodwill and other intangible assets w/ indefinite life	357,789	5,020	362,809	**1**
Buildings, plants and machinery	500,012	118,058	618,070	**2**
Real-estate investments	-	23,000	23,000	**3**
Participations evaluated at net company worth	19,717	-	19,717	**4**
Participations and other non-current securities	2,628	-	2,628	
Non-current financial assets	619	-	619	
Prepaid taxes	47,641	797	48,438	**5**
TOTAL NON-CURRENT ASSETS	**932,573**	**146,790**	**1,079,363**	
CURRENT ASSETS				
Inventories	73,777	5,967	79,744	**6**
Commercial receivables	140,577	-	140,577	
Credit with Treasury	6,132	-	6,132	
Other current assets	10,180	(334)	9,846	
Other current financial assets	1,706	-	1,706	
Available liquidity and equivalent securities	58,268	-	58,268	
Assets to be sold	-	-	-	
TOTAL CURRENT ASSETS	**290,640**	**5,633**	**296,273**	
TOTAL ASSETS	**1,223,213**	**152,423**	**1,375,636**	

Group-worth statement at 31 December 2004

(in thousands of Euro)

LIABILITIES AND NET COMPANY WORTH	Italian accounting standards IAS-reclassified	IAS/IFRS rectifications	IAS/IFRS	Notes
NET GROUP WORTH				
Share capital	159,120	-	159,120	
Over-par price reserve	15,052	-	15,052	
Own shares	-	-	-	
Other reserves	360,940	94,619	455,559	
Outcomes of preceding fiscal periods	-	-	-	
Profit (loss) of period	78,783	(11,045)	67,738	
Net worth of the Group	**613,895**	**83,574**	**697,469**	
Net Group worth of third-party shareholders	27,950	(1)	27,949	
TOTAL NET WORTH	**641,845**	**83,573**	**725,418**	
NON-CURRENT LIABILITIES AND FUNDS				
Employee fund	10,412	(70)	10,342	
Other non-current funds	12,453	2,948	15,401	**7**
Non-current financial liabilities	105,657	(424)	105,233	
Other non-current financial liabilities	-	-	-	
Other non-current liabilities	1,770	-	1,770	
Deferred taxes owed	22,856	66,396	89,252	**8**
TOTAL NON-CURRENT LIABILITIES & FUNDS	**153,148**	**68,850**	**221,998**	
CURRENT LIABILITIES AND FUNDS				
Commercial payables	120,061	-	120,061	
Current financial liabilities	247,676	-	247,676	
Amounts owed the Treasury	10,856	-	10,856	
Other current liabilities	49,627	-	49,627	
Liabilities to be sold	-	-	-	
TOTAL CURRENT LIABILITIES AND FUNDS	**428,220**	-	**428,220**	
TOTAL LIABILITIES	**581,368**	**68,850**	**650,218**	
TOTAL LIABILITIES AND NET GROUP WORTH	**1,223,213**	**152,423**	**1,375,636**	

Profit-and-loss account to 31 December 2004

(in thousands of Euro)

PROFIT-AND-LOSS ACCOUNT	Italian accounting standards IAS-reclassified	IAS/IFRS rectifications	IAS/IFRS	Notes
Revenue from sales and services	391,255	-	391,255	
Variation in inventories of products in production, semi-finished and finished products	3,854	-	3,854	
Increases for in-house work	900	-	900	
Other revenue from operation	14,787	(9,816)	4,971	**9**
TOTAL REVENUE FROM OPERATION	**410,796**	**(9,816)**	**400,980**	
Costs of raw materials	(159,402)	2,710	(156,692)	**10**
Personnel costs	(47,958)	9	(47,949)	
Other operating costs	(103,985)	(119)	(104,104)	
TOTAL OPERATING COSTS	**(311,345)**	**2,600**	**(308,745)**	
GROSS OPERATING MARGIN	**99,451**	**(7,216)**	**92,235**	
Amortizations, devaluations and allocations	(37,687)	4,873	(32,814)	**11**
OUTCOME OF OPERATION	**61,764**	**(2,343)**	**59,421**	
Net outcome of the fair evaluation of participations	-	-	-	
Net outcome of the financial management	47,854	(14,986)	32,868	**12**
BEFORE-TAX INCOME	**109,618**	**(17,329)**	**92,289**	
Taxes	(30,545)	6,284	(24,261)	
OUTCOME OF CONTINUING ACTIVITIES	**79,073**	**(11,045)**	**68,028**	
OUTCOME OF TRANSFERRED OR CEASED ACTIVITIES	-	-	-	
OUTCOME OF FISCAL PERIOD	**79,073**	**(11,045)**	**68,028**	
OUTCOME OF THIRD PARTIES	**(290)**	-	**(290)**	
INCOME OF GROUP	**78,783**	**(11,045)**	**67,738**	

Commentary on the main IAS/IFRS rectifications made to the items of the Group-worth statement an profit-and-loss account at 31 December 2004

Brief notes are provided here in commentary on the rectifications made to the Group-worth statement and profit-and-loss account at 31 December 2004.

The effects of such rectifications, net of the applicable fiscal effects on net worth, are shown in the reconciliation schedule on page 22.

1) Goodwill & other intangible assets with indefinite life

According to the IFRS, goodwill intangible assets with indefinite lifetime must not be amortized, but subjected annually to audits to determine the existence of eventual lasting value reductions. The item is greater by an amount equal to 5,020 thousand Euro after the reversal of the amortizations calculated in 2004 on the consolidation differences.

2) Buildings, plants and machinery

The item is greater in total by an amount equal to 118,058 thousand Euro by effect mainly of the following rectifications:

- Recording at fair value of the buildings and plants amounts in total to 135,000 thousand Euro;
- The value of the Torrespaccata building (-16,160 thousand Euro), property of Cementir S.p.A., because held as an investment, has been reclassified at fair value in the corresponding item, real-estate investments;
- Redetermination of the amortizations regarding complex assets, or assets composed of components of significant value with different useful lifetimes (-1,704 thousand Euro);
- Capitalization of the dismantling and restoration expenses of production sites (+612 thousand Euro) and contextual allocation to an expenses fund under liabilities of the Group-worth statement.

3) Real-estate investments

The item is greater by a total amount equal to 23,000 thousand Euro following the recording at fair value of the Torrespaccata building, previously entered at the item, Buildings, plants and machinery.

4) Participations and other non-current securities

This item, equal to zero, shows a decrease by effect of the sales recorded in the course of 2004, of the participations in the companies, Caltagirone Editore S.p.A. and Torreblanca del Sol Sa, the object, as indicated earlier, of entry at fair value into the opening balance sheet to 1st January 2004 (date of transition to the IFRS).

5) Prepaid taxes

This item is greater by an amount equal to 797 thousand Euro after the credit effects on the rectification records.

6) Inventories

The item is greater by an amount equal to 5,967 thousand Euro after the determination of the value of the inventory according to the FIFO method.

7) Other non-current funds

The item is greater by a net total amount of 2,948 thousand Euro by effect of recording the dismantling and restoration expense fund and of the reversal of some funds for lack of the characteristics required by the IFRS standards.

8) Deferred taxes owed

This item is greater by the total amount of 66,396 thousand Euro mainly by fiscal effects (+54,828 thousand Euro), where applicable, on the rectification records and, incompliance with the requirements of the IFRS, to the deferred taxes fund (+11,568 thousand Euro) generated in previous fiscal periods following the revaluation of the non-monetary entries according to IAS 29.

9) Other operational revenue

This item has undergone a decrease of 9,816 thousand Euro mainly with respoect to the elimination of the gain recorded in the consolidated balance sheet on the building on Corso di Francia sold during 2004 and subject, as indicated earlier, to being recorded at fair value into the opening balance sheet at 1st January 2004 (date of transition to the IFRS).

10) Costs of raw materials

The item has undergone a decrease of 2,710 thousand Euro mainly by recording of the cost of the inventories determined by adopting the FIFO method.

11) Amortizations

This item has decreased by a net amount equal to 4,873 thousand Euro mostly through the greater amortization calculated on the building on Corso di Francia, recorded at fair value at 1st January 2004 (+246 thousand Euro), through the greater amortizations determined by effect of the so-called "component analysis" (+1,704 thousand Euro) and through the elimination of the amortizations on goodwill and the intangible assets with indefinite lifetime (-6,812 thousand Euro).

12) Net outcome deriving from financial management

The item has decreased to the net total sum of 14,986 thousand euro by effect mainly of the following rectifications:

- Recording of the consolidation reserve (+25,855 thousand Euro) arising following the acquisition of the Danish company, Unicon A/S, previously recorded under net Group worth;

- Elimination of the gain (-36,270 thousand Euro) recorded in the consolidated balance sheet for participations in the companies, Caltagirone Editore S.p.A. and Torreblanca del Sol Sa sold during 2004 and subject, as indicated earlier, of recording at fair value in the opening balance sheet at 1st January 2004 (date of transition to the IFRS);

- Entry of the loss (-2,122 thousand Euro) generated, according to international accounting standards, on participations in the companies, Caltagirone Editore S.p.A. and Torreblanca del Sol Sa following the recording at fair value;

- Elimination of the gain generated (-2,423 thousand Euro) from the sale of own shares.

13) Taxes

The entry has decreased by a total net amount equal to 6,284 thousand Euro following the positive and negative fiscal effects (+3,410 thousand Euro), where applicable, on the recording of rectifications effected and, as indicated earlier, in compliance with the terms of IAS 29, to the Deferred taxes fund (+2,874 thousand Euro) generated in the 2004 fiscal period.

Schedule of reconciliation of net Group worth e of the profit-and-loss account

(in thousands of Euro)	Notes	Net company worth 01 January 2004 *Group and third parties*	Net company worth 31 December 2004 *Group and third parties*	Profit-and-loss account 2004 *Group and third parties*
Italian accounting principles		**510,854**	**641,845**	**79,073**
Rectifications:				
Goodwill and other assets of indefinite life	a	-	5,020	32,667
Buildings, plants and machinery, real-estate investments	b	152,844	141,058	(11,786)
Financial instruments	c	31,277	-	(40,815)
Inventories	d	3,087	5,967	2,880
Other non-current funds	e	(1,753)	(2,948)	(227)
Other rectifications	f	123	75	(48)
Fiscal effects of the rectifications	g	(70,596)	(65,599)	6,284
Total rectifications net of fiscal effect		**114,982**	**83,573**	**(11,045)**
IAS/IFRS		**625,836**	**725,418**	**68,028**

a) Goodwill and other assets of indefinite lifetime

According to the IFRS, goodwill and consolidation differences are no longer subject to a process of amortization, but subjected periodically to an evaluation process to identify eventual losses in value (*Impairment test*).

The new evaluation criterion leads to a positive effect on the 2004 profit-and-loss account equal to 32,667 thousand Euro, and on net Group worth at 31 December 2004 of approximately 5,020 thousand Euro.

b) Buildings, plants and machinery, real-estate investments

The IFRS allow, subsequent to the initial cost recording, the evaluation of such assets at cost or at their fair value.

By exercising the option foreseen in the IFRS1, the buildings, plants and machinery and a building for non-instrumental use have been recorded at fair value on the date of transition to the IFRS.

The IFRS also foresee that in the presence of complex assets, or assets composed of components of significant value with differing useful lifetimes, different amortization rates must be used. For such assets, previously recorded and amortized under a single category according to Italian accounting principles, we have proceeded with the identification of the single components having different useful lifetimes and with the redetermination of their amoritizations.

The effect of such rectifications on net Group worth at 1st January 2004 and at 31 December 2004 is equal to approximately 152,844 thousand Euro e 141,058 thousand Euro, respectively.

The effect on the profit-and-loss account of the 2004 balance sheet is negative for 11,786 thousand euro inasmuch as the building recorded at fair value at 1st January 2004 (date of transition to the IFRS) was sold during the course of the year; we have therefore proceeded with a diminution of the gain realized and recorded on the basis of Italian accounting principles.

c) Financial instruments

According to the IFRS, participations in other companies evaluated at fair value with attribution to the profit-and-loss account are recorded at market value with attribution of any profits or losses directly to the profit-and-loss account. Own shares are recorded with a direct reduction of the net company worth as are any profits or losses.
The effect of such rectifications on the net Group worth at 1st January 2004 is approximately equal to 31,277 thousand euro and on the profit-and-loss account of the 2004 balance sheet it is negative for 40,815 thousand euro inasmuch as the participations recorded at fair value at 1st January 2004 were sold during the course of the year; we have proceeded to reduce the loss realized and recorded on the basis of the Italian accounting principles.

d) Inventories

According to the IFRS, the cost of inventories must be determined using the FIFO method or the weighted-average method; the application of the LIFO method is no longer contemplated. We have proceeded to determine inventory value by adopting the LIFO method *with a positive effect on net Group worth at 1st January 2004 and at 31 December 2004 approximately equal, respectively, to 3,087 thousand euro and 5,967 thousand euro.*

e) Other non-current funds

The IFRS require that the risks-and-costs funds be recorded only when a binding past event subsists and the firm has no realistic alternative to meeting the obligation.
Moreover, the IFRS require that the costs of dismantling and restoring production sites, to be borne within the term of the production activity, be recorded at their current value as a component of the initial cost of the profit sources. The corresponding liability is recorded, in the period within which it arises, in a liability fund to offset the tangible assets to which it is associated, whereas the attribution to the profit-and-loss account of capitalized expense occurs during the useful lifetime of the related tangible assets through the amortization process of the same.
The effect of such rectifications on net Group worth at 1st January 2004 and at 31 December 2004 is approximately equal to 1,753 thousand euro and 2,948 thousand euro, respectively.

f) Other rectifications

On the whole, the other rectifications determine a positive impact in an insignificant amount and concern mainly the updating of financial debts, of the reversal of plant-and-expansion costs, inasmuch as their capitalization is no longer allowed by the IFRS and the actuarial calculation of severance payments.

g) Fiscal effect

The amount concerns the fiscal effect determined, where applicable, in relation to the rectifications made and, in compliance with the requirements of the IFRS, as indicated earlier, to the deferred-taxes fund generated in previous fiscal periods following the revaluation of the non-monetary entries in accord with IAS 29.

Effects on the financial report to 31 December 2004

The reconciliation schedule of the consolidated financial report is not submitted because the effects deriving from the application of the IAS/ IFRS accounting standards have had no significant impact.

Auditing activities on the reconciliations required by IFRS 1

Reconciliations to the IFRS of Group-worth balances to 1 January 2004 and to 31 December 2004, as well as that of the economic balances of fiscal 2004, accompanied by their notes, have been subjected to an accounting audit. The auditing company, PriceWaterhouseCoopers S.p.A., has completed its activity and their report is published contextually to this document.

IAS/IFRS reconciliation schedule of the Outcome and of the Net Group worth at 30 June 2005

Premise

The consolidated six-month report of the Cementir Group to 30 June 2005 has been compiled applying the Evaluation criteria contemplated in the Italian accounting principles.
As required by IFRS 1, schedules are provided here on the reconciliation between the outcome and the net Group worth at 30 June 2005 according to Italian accounting principles and those redetermined on the basis of the IFRS, accompanied by their notes of commentary.

At the time of adopting the international accounting standards, the Cementir Group has applied the terms of IFRS 1 – First adoption of the International Financial Reporting Standards, availing itself of the following options in the compilation of the opening Group-worth statement:

- Aggregations of firms: the Group has **not** applied IFRS 3 retroactively to the operations of aggregation of the companies occurring prior to the date of transition to the IFRS;
- Evaluation of the buildings, plants and machinery and of intangible assets at their fair value or, alternatively, to the revalued cost in substitution of the cost: the Group **has** recorded some profit sources at their fair value at the date of transition to the IFRS;

Referral is made to the Appendix regarding the “Transition to the international accounting standards” for a detailed analysis of the nature of the impacts from the adoption of the IFRS.

Reconciliation schedule of the Outcome and of the Net Group worth

(in thousands of Euro)	Notes	Net Group worth 30 June 2005 *Group and third parties*	Outcome 30 June 2005 *Group and third parties*
Italian accounting principles		**682,208**	**30,659**
Rectifications:			
Goodwill and other assets of indefinite life	a	7,095	2,075
Buildings, plants and machinery, real-estate investments	b	140,241	(817)
Financial instruments	c	713	713
Inventories	d	5,576	(391)
Other non-current funds	e	(2,875)	73
Other rectifications	f	87	12
Fiscal effects of the rectifications	g	(64,268)	1,331
Total rectifications net of fiscal effect		**86,569**	**2,996**
IAS/IFRS		**768,777**	**33,655**

a) Goodwill and other assets of indefinite lifetime

According to the IFRS, the goodwill and the consolidation differences are no longer subject to an amortization process, but subjected periodically to an evaluation process so as to identify any losses in value (*Impairment test*).

The new evaluation criterion brings with it a positive effect on the outcome to 30 June 2005, equal to 2,075 thousand Euro, and on net Group worth at 30 June 2005 approximately equal to 7,095 thousand Euro.

b) Buildings, plants and machinery, real-estate investments

The IFRS require, in addition, that in the presence of complex assets or of assets made up of components of significant value with differing useful lifetimes, different amortization rates be utilized. For such assets, previously recorded and amortized within a single category according to Italian accounting principles, we have proceeded to identify the single components having differing useful lifetimes and to redetermine their amortizations.

The new amortization criterion brings with it a negative effect on the outcome to 30 June 2005, equal to 817 thousand Euro, and a positive effect on the net Group worth at 30 June 2005 approximately equal to 140,241 thousand Euro.

c) Financial instruments

The group holds financial derivatives for the purpose of covering its exposure to exchange rates. Nevertheless, as a consequence of the missed presence on the subscription date of a number of the formal requirements of the IFRS, the variations in the fair value concerning such operations in derivatives, are recorded in the profit-and-loss account. *The effect of the evaluation at market value of such instruments has led to an overall positive effect on the outcome and on the net Group worth at 30 June 2005 approximately equal to 713 thousand euro.*

d) Inventories

The value of the inventories adopting the FIFO method has determined a *negative effect on the outcome at 30 June 2005 approximately equal to 391 thousand euro and a positive effect on the net Group worth at 30 June 2005 equal to approximately 5,576 thousand euro.*

e) Other non-current funds

The IFRS require that the risks-and-costs funds be recorded only when a binding past event subsists and the company has no realistic alternative to meeting the obligation.

Moreover, the IFRS require that the expenses of dismantling and restoration, to be sustained within the term of the production activity, be recorded at their current value as a component of the profit source's initial cost. The corresponding liability is recorded, in the period in which it arises, in a liability fund to offset the tangible assets to which it is associated, whereas the attribution to the profit-and-loss account of the capitalized expense occurs during the useful lifetime of the tangible assets through the amortization process of the same.

The effect of such rectifications on the outcome leads to an overall positive effect on the outcome to 30 June 2005 approximately equal to 73 thousand Euro, and a negative effect on the net Group worth at 30 June 2005 approximately equal to 2,875 thousand euro.

f) Other rectifications

On the whole, the other rectifications determine a negative impact, in an irrelevant amount and concern mainly the updating of financial debts and the reversal of plant and expansion costs, because capitalization is no longer allowed by the IFRS and the actuarial calculation of severance payments.

g) Fiscal effect

This amount refers to the fiscal effect determined, where applicable, in relation to the rectifications made and, in compliance with the terms of the IFRS, as indicated earlier, to the deferred-taxes fund generated in previous fiscal periods following the revaluation of non-monetary entries in accord with IAS 29.

The Chairman
of the Board of Directors