INTERIM FINANCIAL REPORT

31 MARCH 2010

cementir holding

GRUPPO CALTAGIRONE

Directors, officers and auditors

Board of Directors

Chairman
Francesco Caltagirone Jr. [1]

Vice Chairman
Carlo Carlevaris

Directors
Alessandro Caltagirone
Azzurra Caltagirone
Edoardo Caltagirone
Saverio Caltagirone
Flavio Cattaneo [2]
Mario Ciliberto [1]
Massimo Confortini [2-3-4]
Fabio Corsico
Mario Delfini [3]
Alfio Marchini
Walter Montevecchi
Riccardo Nicolini [1]
Enrico Vitali [2-3]

Board of Auditors

Chairman
Claudio Bianchi

Standing members
Giampiero Tasco
Carlo Schiavone

Manager responsible for financial reports

Oprandino Arrivabene

Indipendent Auditors

PriceWaterhouseCoopers SpA

[1] Member of the Executive Committee
[2] Member of the Internal Control
[3] Member of the Remuneration Committee
[4] Lead Indipendent Director

Interim financial report at 31 March 2010

Performance in the 1st quarter of 2010

This interim financial report of the Cementir Holding Group has been prepared in accordance with international accounting standards (IAS/IFRS) endorsed by the European Union pursuant to Regulation (EC) no.1606/2002, as well as with Art. 154-ter (Financial reporting) of Legislative Decree 58/1998, as amended.

The following table reports performance for the first quarter of 2010, with comparative figures for the corresponding period:

Results

(EUR '000)	1st Quarter 2010	1st Quarter 2009	% change
REVENUES FROM SALES AND SERVICES	**157,701**	**188,677**	**-16.4%**
Change in inventories	-1,708	2,322	
Other revenues [1]	4,681	3,299	
TOTAL OPERATING REVENUES	**160.674**	**194,298**	**-17.3%**
Raw material costs	(77,901)	(90,223)	-13.7%
Personnel costs	(34,118)	(41,704)	-18.2%
Other operating costs	(38,991)	(40,178)	-2.9%
TOTAL OPERATING COSTS	**(151,010)**	**(172,105)**	**-12.3%**
EBITDA	**9,664**	**22,193**	**-56.4%**
EBITDA Margin %	*6.13%*	*11.76%*	
Depreciation, amortisation and provisions	(20,681)	(20,147)	
EBIT	**(11,017)**	**2,046**	
EBIT Margin %	*-6.99%*	*1.08%*	
FINANCIAL INCOME (EXPENSE)	**113**	**(1,648)**	
PROFIT BEFORE TAX	**(10,904)**	**398**	
PROFIT BEFORE TAX/REVENUES %	*-6.91%*	*0.21%*	

[1] Other revenues" includes the income statement items "Increases for internal work" and "Other operating revenues".

Sales volumes

('000)	1st Quarter 2010	1st Quarter 2009	% change
Grey and white cement (metric tons)	1,966	2,119	-7.2%
Ready-mix concrete (m^3)	581	724	-19.7%
Aggregates (metric tons)	495	834	-40.6%

Group employees

	31-03-2010	31-03-2009
Number of employees	3,365	3,609

In the first quarter of 2010 revenues from sales and services reached EUR 157.7 million (EUR 188.7 million at 31 March 2009), while EBITDA came to EUR 9.7 million (EUR 22.2 million at 31 March 2009). EBIT amounted to EUR -11.0 million (EUR 2.0 million at 31 March 2009) and the loss before tax totalled a negative EUR 10.9 million (profit of EUR 0.4 million at 31 March 2009).

The decrease in operating revenues (-17.3% compared with 2009) is the result of the exceptionally severe winter in Europe, as well as the continued weakness of demand that affected all the leading industrialised economies, causing a decline in sales volumes across all business sectors.

Business dropped in all the Group's major geographical markets (the Scandinavian countries, Turkey and Italy), with the exception of Egypt, which saw a considerable rise in revenues thanks to the recent increase in production capacity in that area.

Given this scenario, the Group continued to seek to scale back its fixed costs in relation to its lower revenues. Operating costs, which amounted to EUR 151.0 million, fell by 12.3% from the first quarter of 2009 due to lower quantities manufactured and the benefits of the corporate reorganisation carried out over the last two years, which led to a change in the number of Group employees from 4,006 in mid-2008 to 3,365 currently.

EBITDA and EBIT (EUR 9.7 million and EUR -11.0 million, respectively) experienced a considerable decline compared with the first quarter of 2009, mainly due to the drop in quantities sold. Given the reduction in production and sales volumes, there was an increase in the impact of indirect costs with a consequent loss in efficiency. Additionally, the plants underwent routine maintenance during the first few months of the year, leading to long work stoppages and lower levels of productivity, which had the effect of accentuating the efficiency losses in the face of reduced sales volumes.

Financial management yielded a positive EUR 0.1 million (negative EUR 1.6 million at 31 March 2009), leaving debt of EUR 386.2 million at the end of the period. This result, benefiting from low interest rates and the effectiveness of existing hedges, reflects the successfulness of the financial strategies undertaken during this time of crisis.

Net financial position

(EUR '000)	31-03-2010	31-12-2009	31-03-2009
Cash and cash equivalents	60,387	63,477	40,224
Non-current financial liabilities	(248,202)	(265,719)	(204,685)
Current financial liabilities	(198,417)	(179,051)	(261,499)
NET FINANCIAL POSITION	**(386,232)**	**(381,293)**	**(425,960)**

The net financial position at 31 March 2010 showed a net debt of EUR 386.2 million, with a deterioration of EUR 4.9 million compared with 31 December 2009, which mainly reflects annual maintenance of plants, usually carried out during the first few months of the year, and the outstanding payments relating to the expansion of production capacity in China, where work was completed between the end of 2009 and early 2010. However, the figure for 31 March 2010 is better than budget.

Directors' report and significant events

The results for the first quarter of 2010 were below expectations due to the unfavourable weather conditions affecting the main geographical areas in which the Group operates, as well as the severe economic depression, where the difficulties affecting the construction sector have been made worse by the crisis in residential building and the lack of new major public works projects.

However, volumes of sales of cement and ready-mixed concrete rose in April, bringing production and sales figures in line with budget projections.

Currently, we see no signs of a turnaround in demand in the coming months, given the uncertainty in the financial markets due to the excessive sovereign debt of certain European countries. However, the developments in April lead us to believe that performance in 2010 will be in line with budget projections, and thus similar to 2009.

As regards the business plan, the Group is currently considering plans to completely overhaul the Taranto factory. The project, which will require an investment of about EUR 150 million over 3 years, aims to improve industrial efficiency as well as lessen the environmental impact of operations in terms of energy consumption and atmospheric emissions. The final decision is expected by the summer.

In the area of waste management in Turkey, begun in 2009 with the acquisition of Sureko AS, the leader in Turkey in industrial waste treatment and the production of alternative fuels, by the subsidiary Cimentas, the Group plans to promote this business even further by investing about EUR 50 million over the next 2 years.

The direct and indirect benefits of this project are estimated to be around EUR 20 million per year, at a constant exchange rate, by 2012.
Finally, plans are being considered to double production capacity in Malaysia.

Rome, 10 May 2010

The Chairman of the Board of Directors
/s/ Francesco Caltagirone Jr.

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Oprandino Arrivabene, as the manager responsible for the preparation of company accounting documentation, certifies, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this document corresponds with the results contained in company documents, books and accounting records.

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