



**Cementir**  
**Cementerie del Tirreno S.p.A.**

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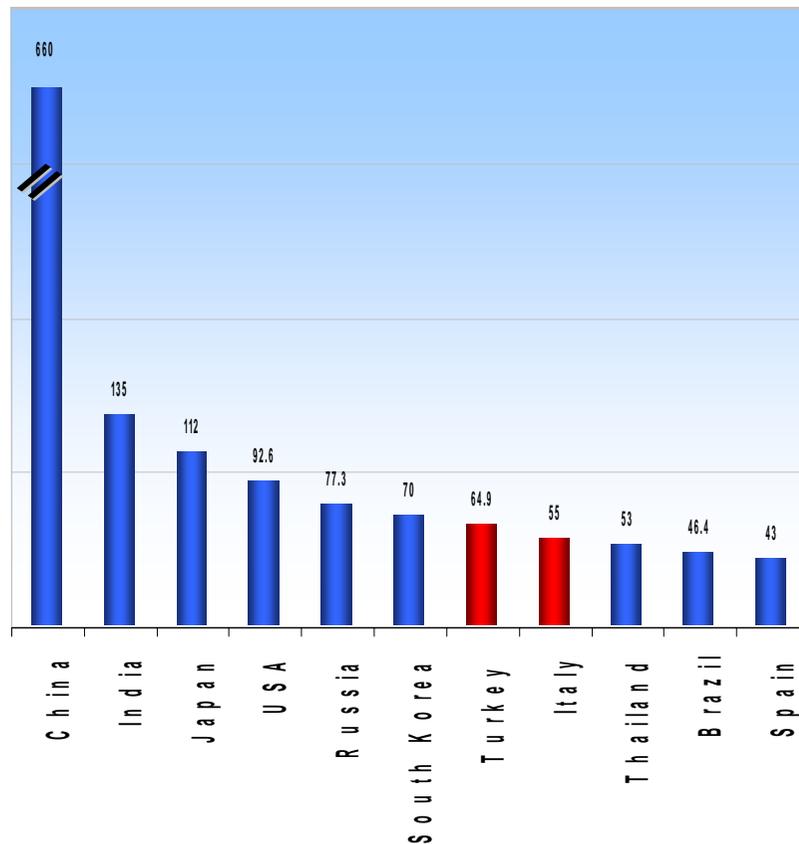
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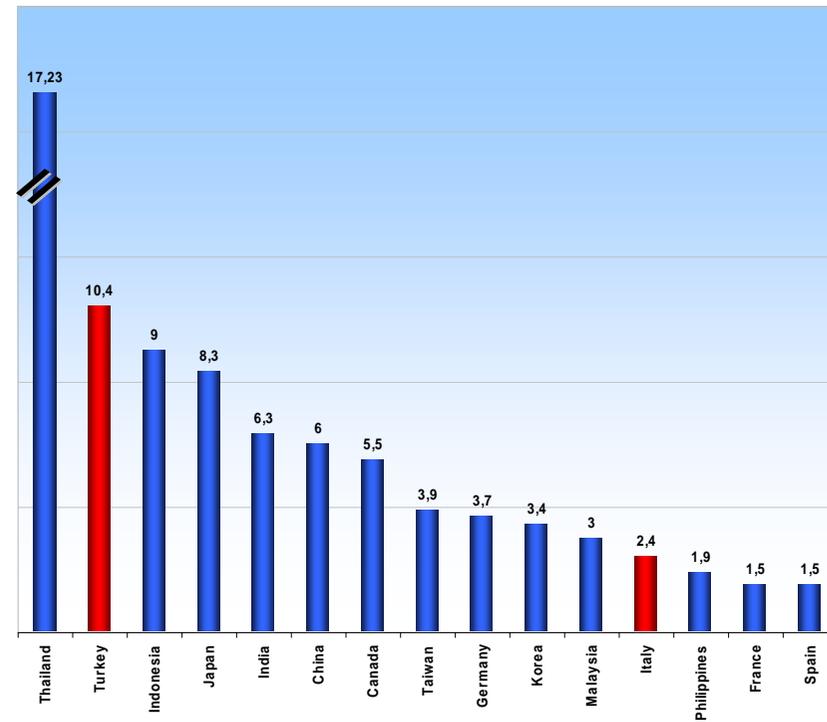
# Worldwide overview

Turkey and Italy are the 7th and 8th world wide markets, respectively

WORLD MAJOR CEMENT PRODUCERS (capacity in M.Tons, 2002)

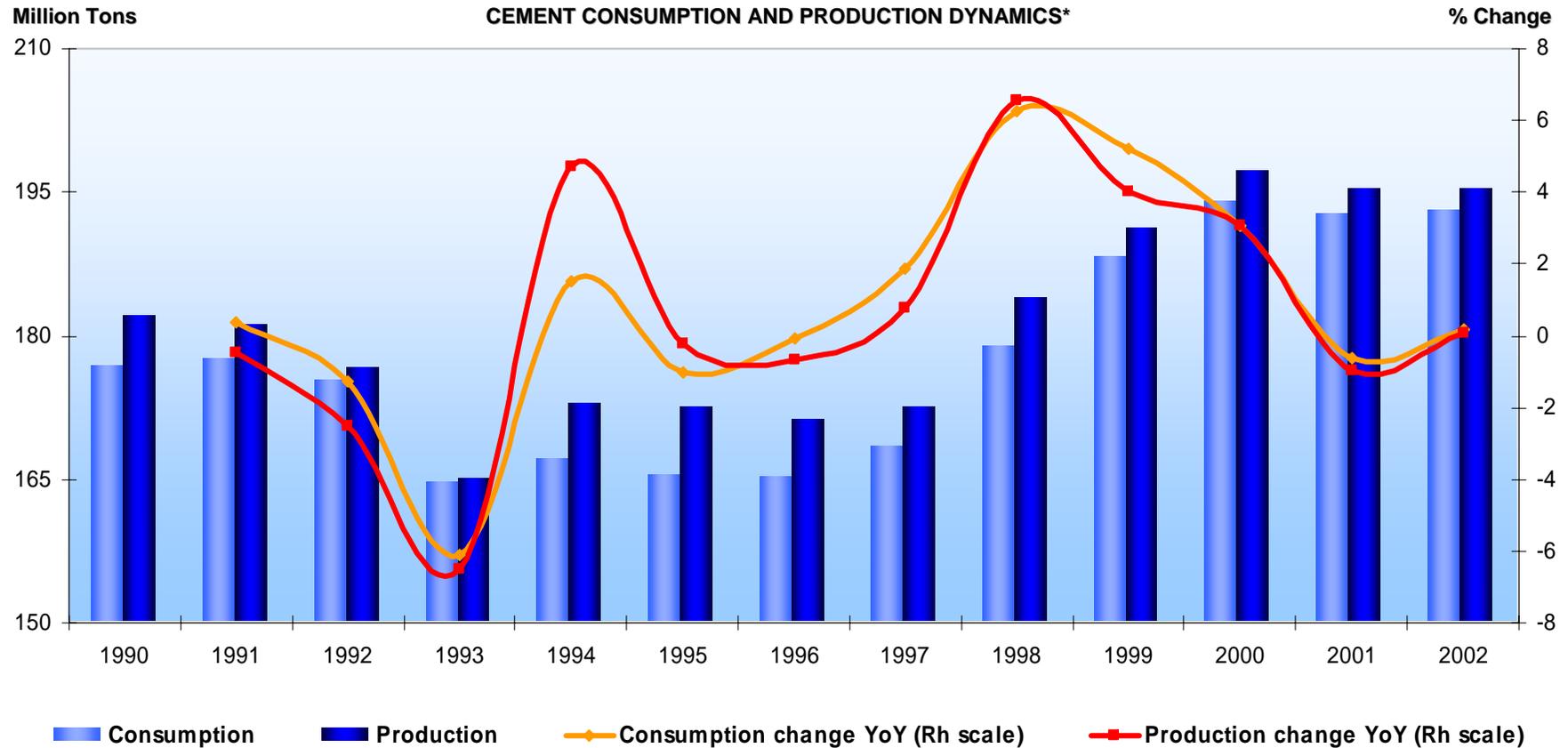


LEADING CEMENT EXPORTING COUNTRIES (M.Tons, 2002) \*



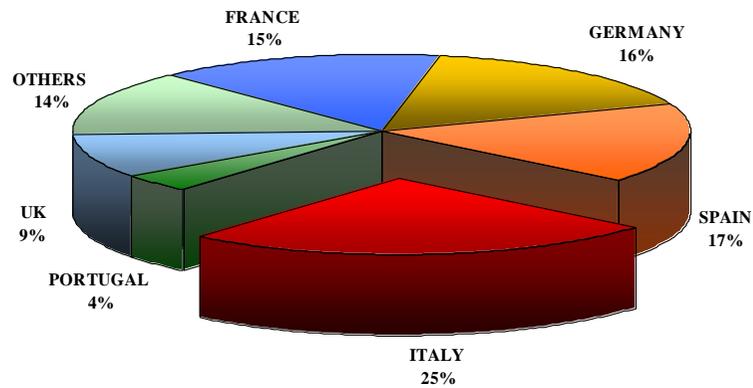
# European Union overview

From the 1993 cyclical low of 165 million tons, the market grew to 192 million tons in 2002



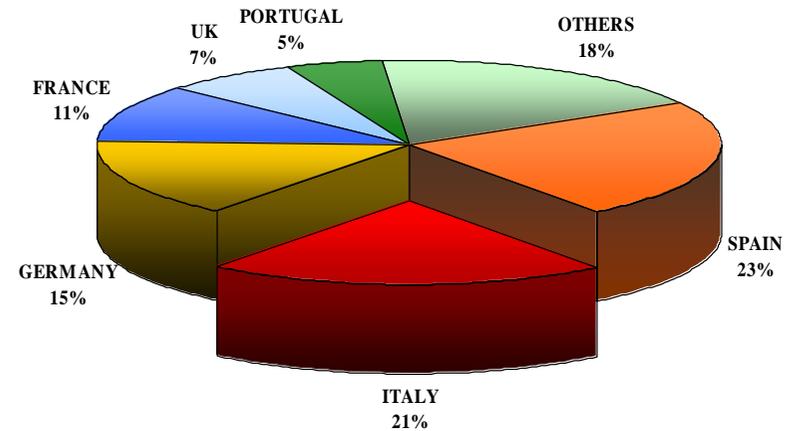
# European Union overview

CEMENT CONSUMPTION BREAKDOWN 1990 \*



\* Source: International Cement Review (Global Cement Report n. 5)

CEMENT CONSUMPTION BREAKDOWN 2002 \*



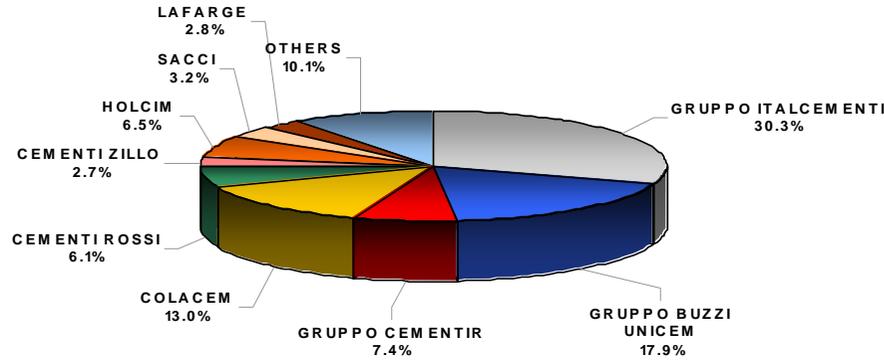
\* Source: International Cement Review (Global Cement Report n. 5)

## CEMENT CONSUMPTION BETWEEN 1990 AND 2002

- The cement industry in Western Europe is mature
- Only Spain, amongst large countries, increased its share of consumption
- Italy was the second largest market in Western Europe in 2002

# Italian industry overview: market share breakdown by region

Cementir has 7.4% market share in Italy and 20% share in the South



## TOP 3 PLAYERS PER MACROREGION \*

### NORTH WEST

	ITALCEMENTI	26-28%
	MERONE (HOLCIM ITALIA)	23-25%
	GRUPPO BUZZI UNICEM	18-19%

### NORTH EST

	ITALCEMENTI	26-28%
	CEMENTI ROSSI	16-18%
	GRUPPO BUZZI UNICEM	13-14%

### CENTER

	ITALCEMENTI	20-22%
	COLACEM	16-18%
	CEMENTIR	12-13%

### ISLANDS

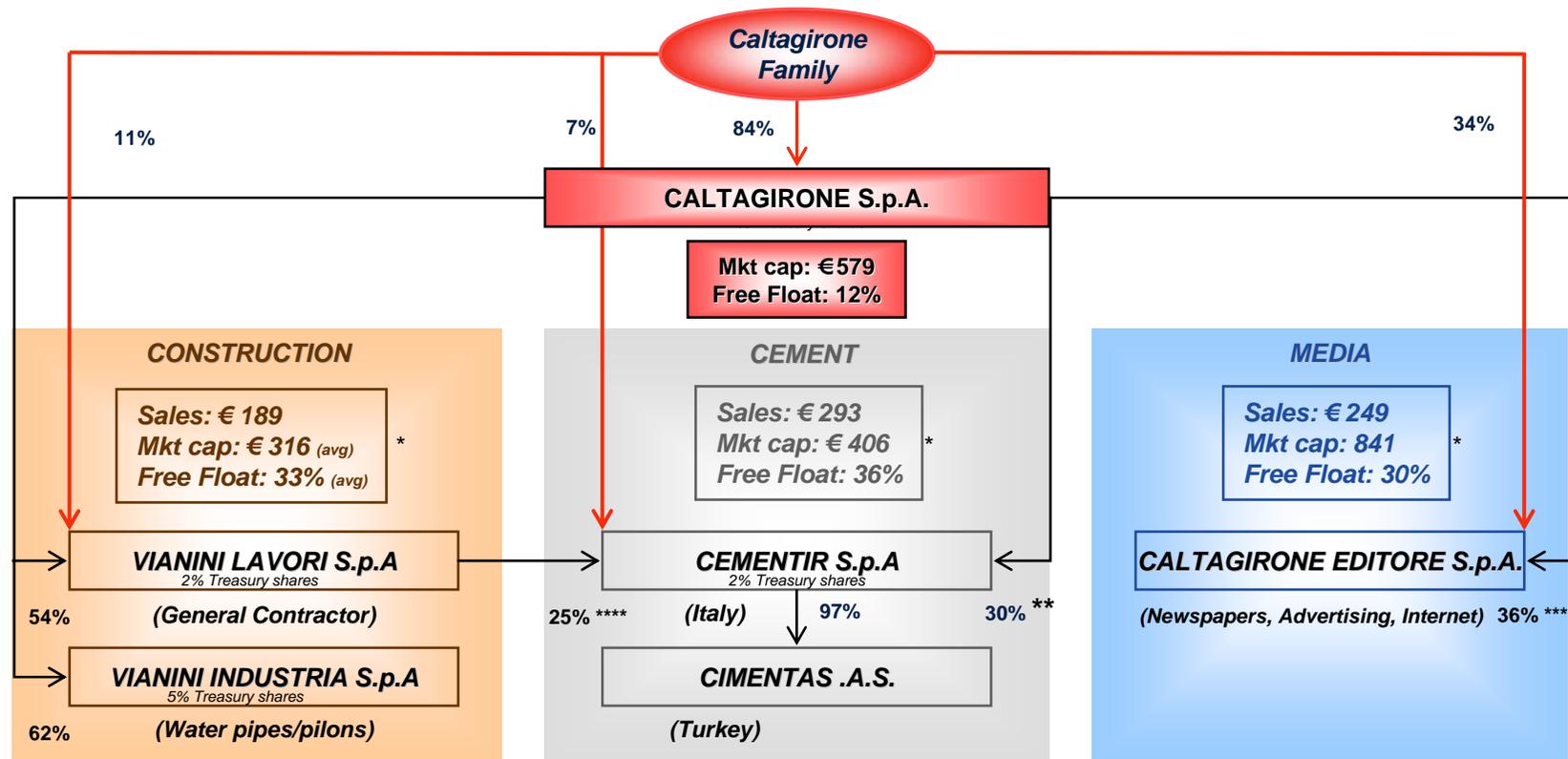
	ITALCEMENTI	30-40%
	GRUPPO BUZZI UNICEM	28-32%
	COLACEM	20-24%

### SOUTH

	ITALCEMENTI	34-35%
	CEMENTIR	20-21%
	COLACEM	13-15%

## Company overview: shareholders structure

- Caltagirone group is a family-controlled industrial concern operating mainly in Italy
- The group structure is based on 3 different businesses: Construction & Real Estate, Cement, Media



# Company overview: strategy

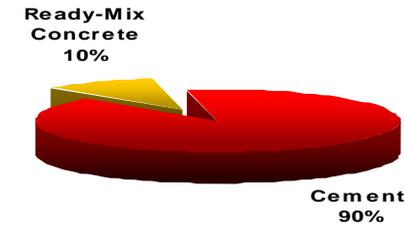
## Progressive Dividend policy



## Pursuing growth in attractive new markets



## Strong focus on core business (cement)



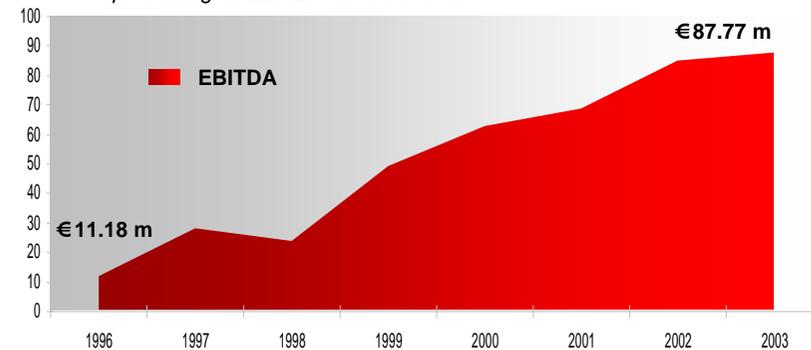
## Focus on long-term value creation

Share price CAGR of 12.7% since 1996



## Ongoing commitment to cost efficiency

EBITDA has increased from € 11 m (1996) to € 88 m (2003), representing an EBITDA CAGR of 34.5%



# Company overview: Italy

Cementir is the 4th largest cement producer in Italy

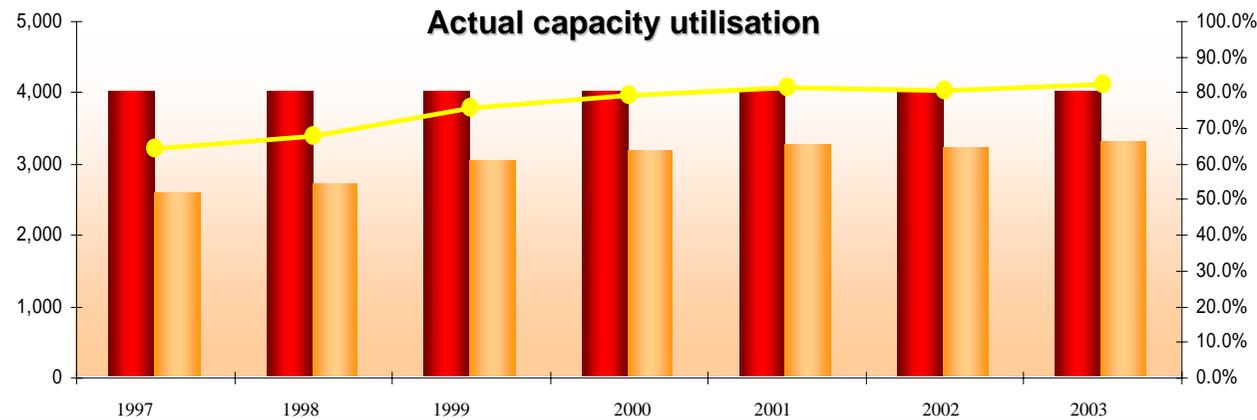
● CEMENT PLANTS	KILNS	CEMENT MILLS	NOMINAL CAPACITY
Arquata Scrivia (North of Italy)	2 *	4	800.000 tons
Spoletto (Central Italy)	2	3	650.000 tons
Maddaloni (South of Italy)	2 *	2	1.350.000 tons
Taranto (South of Italy)	3 *	6	1.500.000 tons
<b>TOTAL</b>	<b>9</b>	<b>15</b>	<b>4.300.000 tons</b>

\* one temporary stopped

● CONCRETE PLANTS	N° OF PLANTS	PRODUCTION CAPACITY
Central/South of Italy	3	350.000 m3/year



- Cement Plants
- Concrete Plants
- Head office
- Distribution Centers



# Company overview: Turkey

Cimentas is the 7th largest cement producer in Turkey

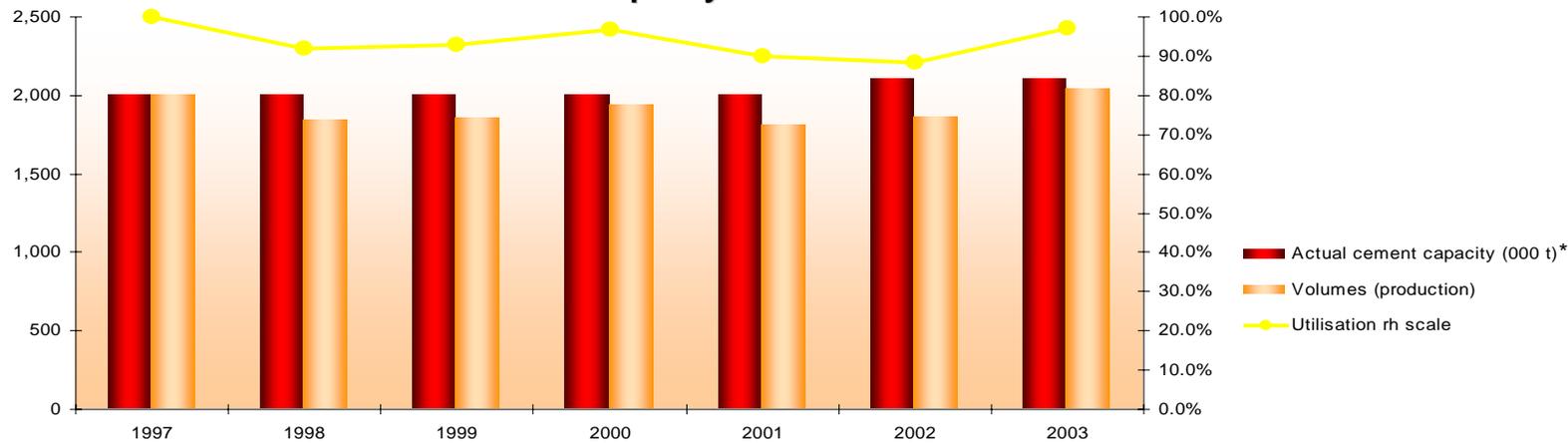
● CEMENT PLANTS	KILNS	CEMENT MILLS	NOMINAL CAPACITY
Izmir (West of Turkey)	2	4	2.100.000 tons
Kars (East of Turkey)	1	2	600.000 tons
<b>TOTAL</b>	<b>3</b>	<b>6</b>	<b>2.700.000 tons</b>

● CONCRETE PLANTS	N° OF PLANTS	PRODUCTION CAPACITY
Aegean region (West of Turkey)	14	1.900.000 m3/year



- Cement Plants
- Concrete Plants
- Head office

Actual capacity utilisation

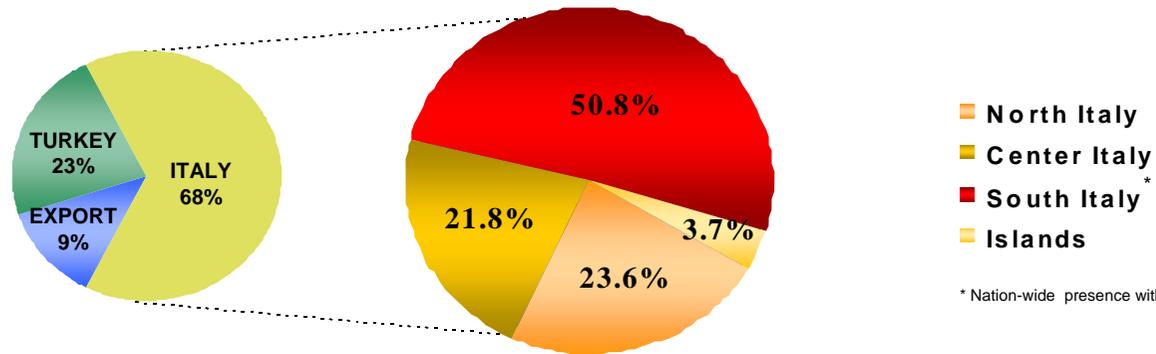


# Company overview: sales

## SALES BREAKDOWN

TOTAL SALES (FY 03)

ITALIAN SALES (FY 03)

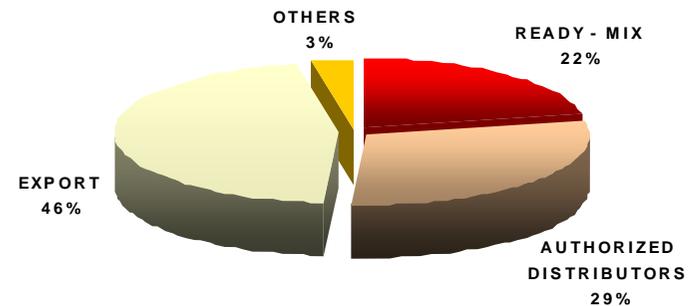
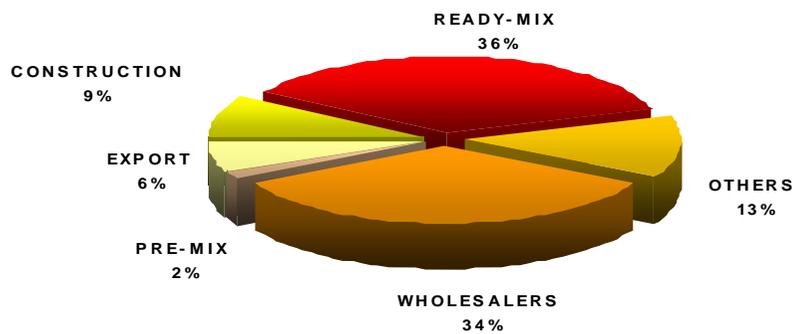


\* Nation-wide presence with a bias on Southern Italy

## SALES BY DESTINATION

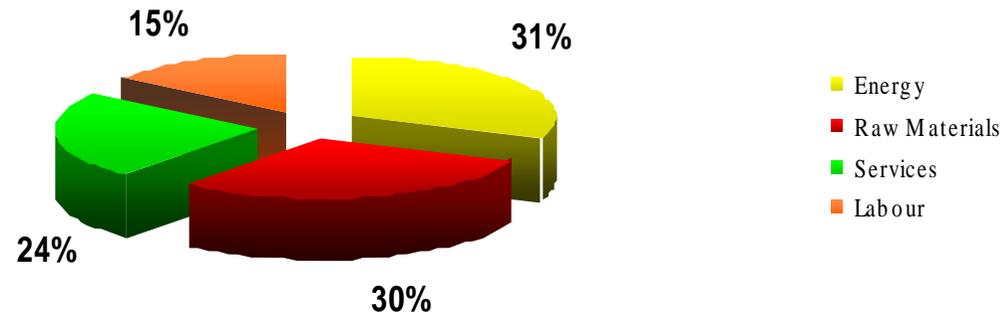
ITALY

TURKEY



# Company overview: operating costs

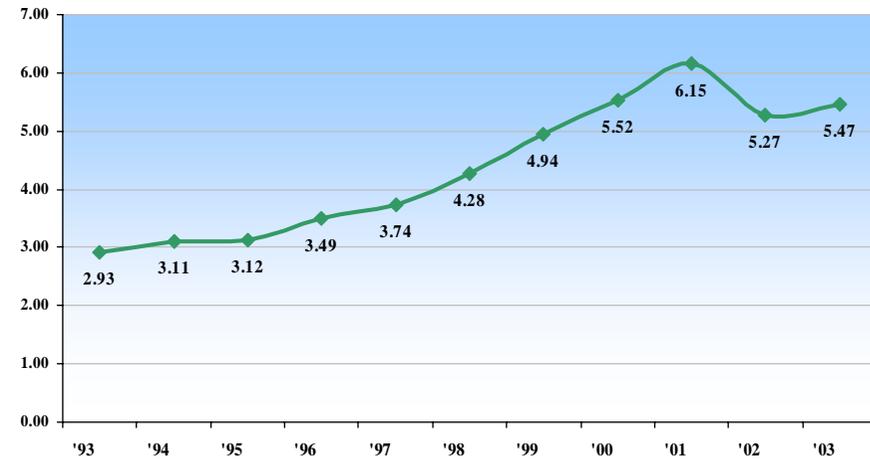
OPERATING COSTS SPLIT (FY 2003)



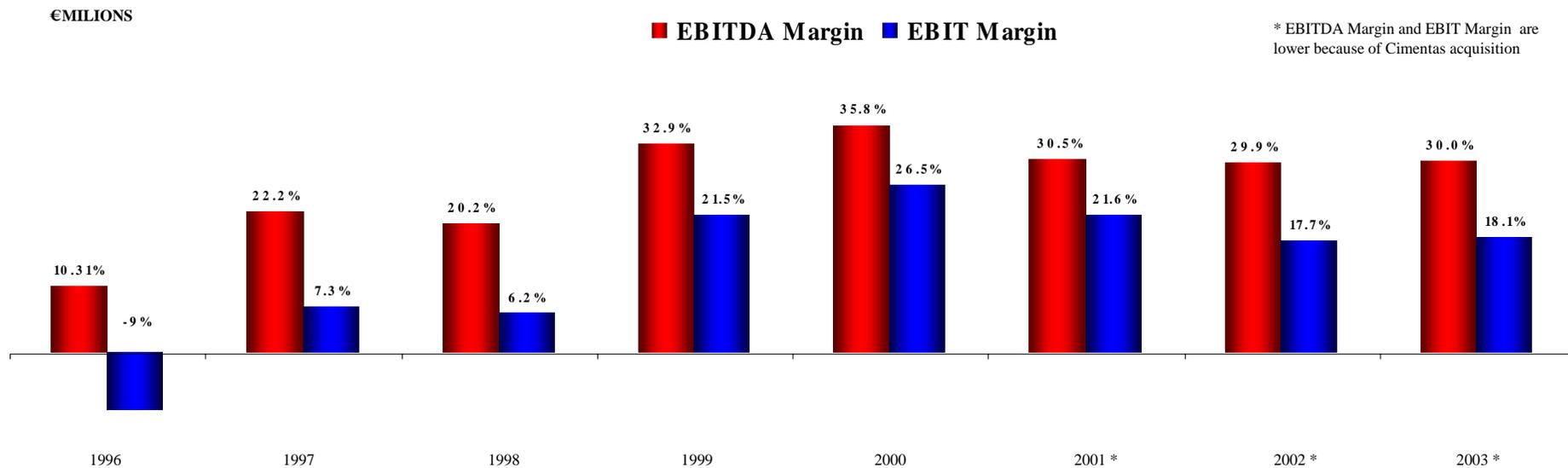
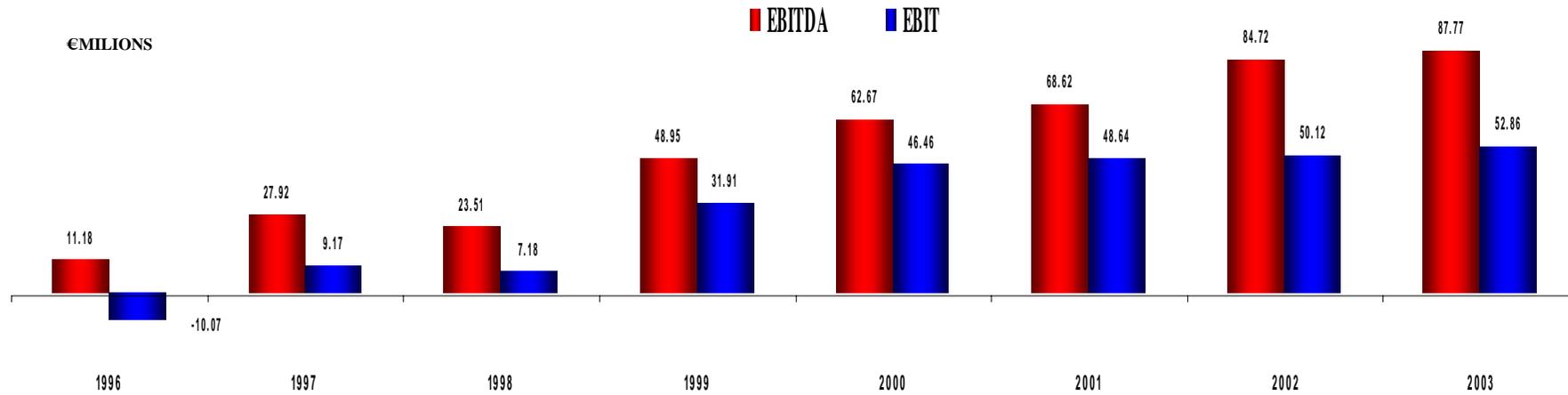
Personnel Costs/Sales %



Production (tons.) /Personnel



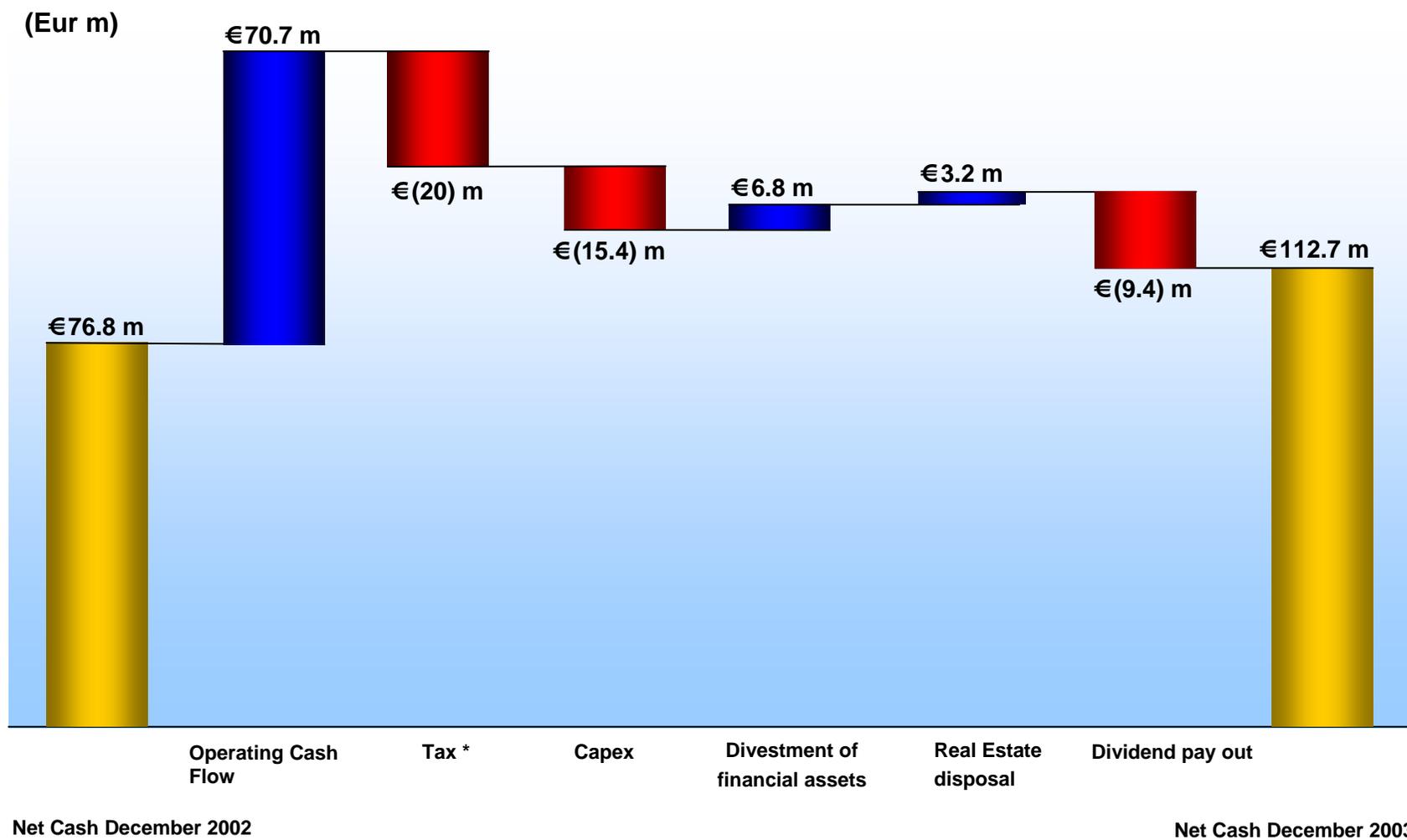
## Company overview: profitability growth



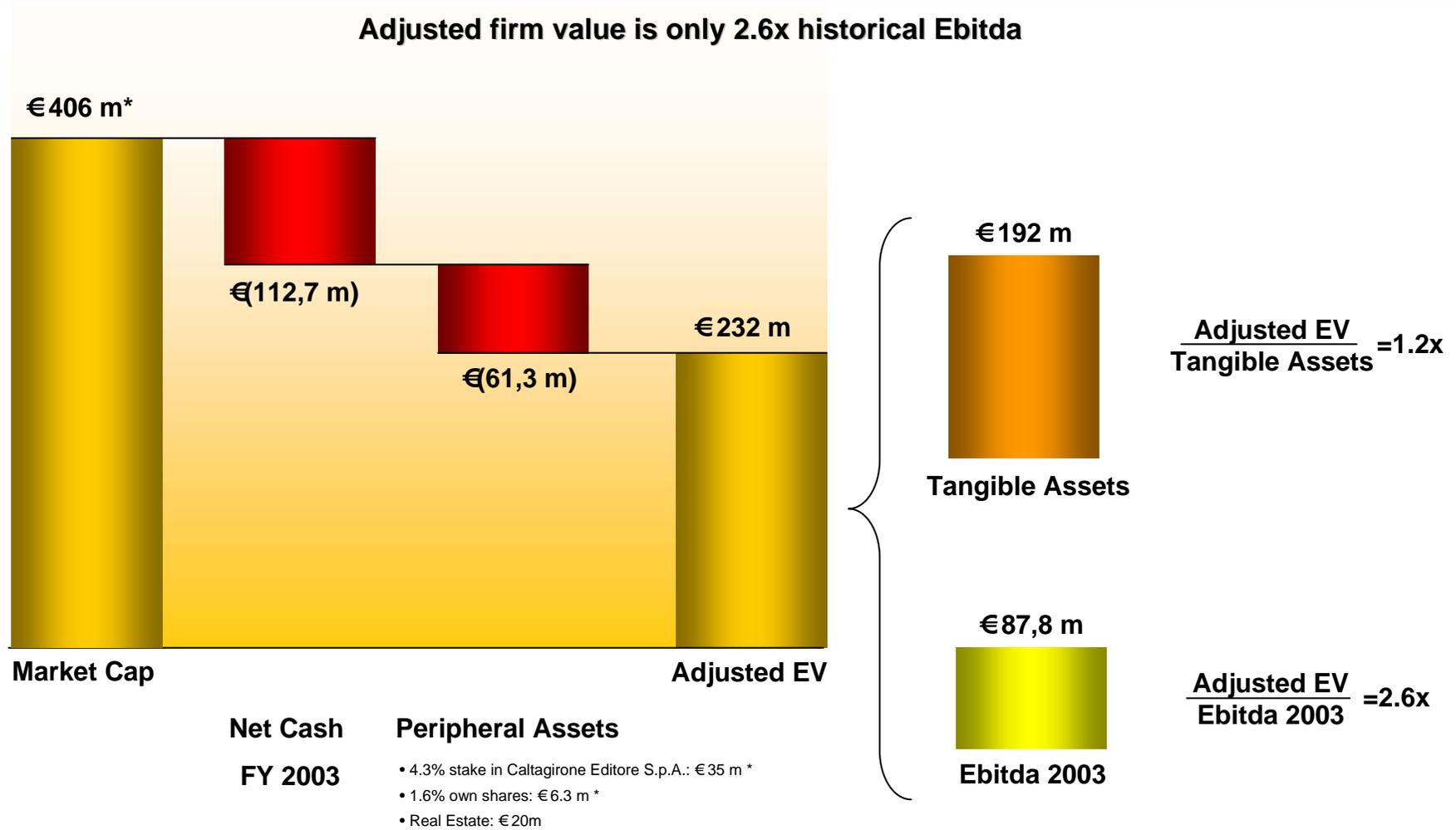
## Financials: FY 2003 and 2002

(EUR/000)	2003	2002	YoY	
Revenues	292,603	283,029	3.4%	
Operating costs	(173,787)	(166,200)	4.6%	
<b>Value added</b>	<b>118,816</b>	<b>116,829</b>	1.7%	
Labour cost	(31,042)	(32,112)	-3.3%	
<b>EBITDA</b>	<b>87,774</b>	<b>84,717</b>	3.6%	
<b>EBITDA Margin</b>	<b>30.00%</b>	<b>29.93%</b>		
Depreciation	(28,882)	(28,517)	1.3%	
Other (costs) / revenues	(6,034)	(6,076)	-0.7%	
<b>EBIT</b>	<b>52,858</b>	<b>50,124</b>	5.5%	
<b>EBIT Margin</b>	<b>18.06%</b>	<b>17.71%</b>		
Financial (loss) profit	2,264	16,634 *	-86.4%	→ * Includes exceptional currency gains related to a loan (completely reimbursed).
Extraordinary (loss) profit	(15,237) **	(6,248) ***	143.9%	→ ** In 2003, exceptional charges of €6.8 m refer to tax amnesty (D.L. n. 282/2002 and L. 27/2003) which Cementir S.p.A took advantage of. The figure also includes the antitrust fine imposed by the European Commission (€8 m).
<b>Income before tax</b>	<b>39,885</b>	<b>60,510</b>	-34.1%	→ *** Includes exceptional loss related to sale of Cimentas non core assets.
Taxes	20,477 ****	(15,906)		→ **** Deferred tax assets due to revaluation and devaluation calculated for fiscal purposes.
<b>Net income before minorities</b>	<b>60,362</b>	<b>44,604</b>	35.3%	
Minorities	(119)	704		
<b>Net income</b>	<b>60,243</b>	<b>45,308</b>	33.0%	

# Financials: strong cash flow



# Financials: market multiples

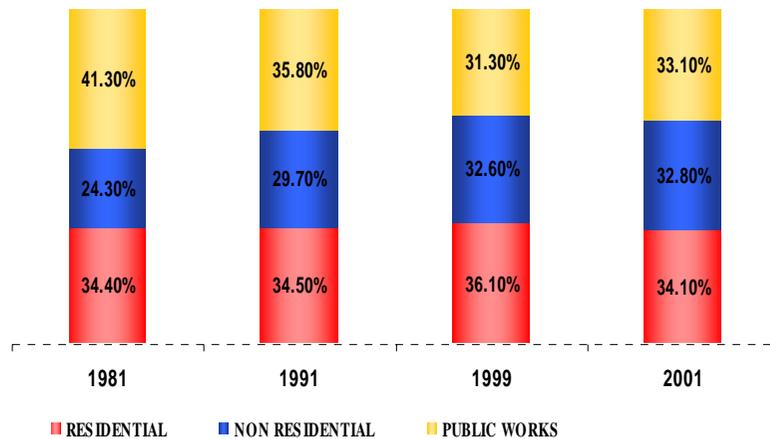


\* As of April, 2004.

# Outlook: Italy

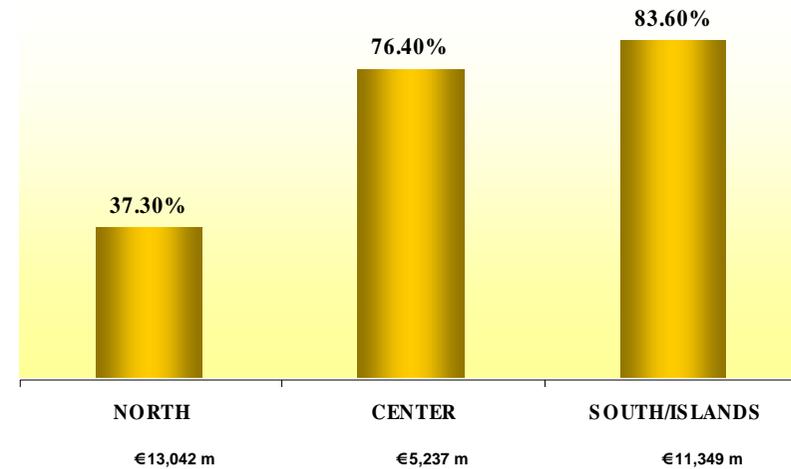
- The return of public spending, as envisaged by the Government, should boost cement consumption, especially in Southern Italy.

**BREAKDOWN OF CEMENT CONSUMPTION**



Source: Cofiri 2002

**GROWTH OF PUBLIC EXPENDITURE BY GEOGRAPHY**



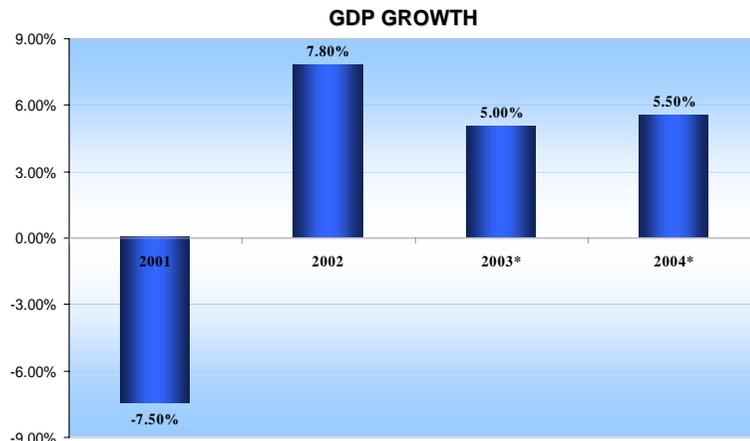
In the first 10 months of 2003, projects related to total public spending have increased by 63,3% from the comparable period of last year \*.

\* Source: "Il Sole 24 Ore" December 5th, 2003

- The European Union has included 4 Italian projects in the list of priority infrastructure investment (Torino-Lione railway, Genova-Milano-Gottardo railway, harbour infrastructure improvement, bridge over Messina channel).
- Volumes are expected to grow. Cement prices to remain stable/slightly decreasing, still below European average.

## Outlook: Turkey

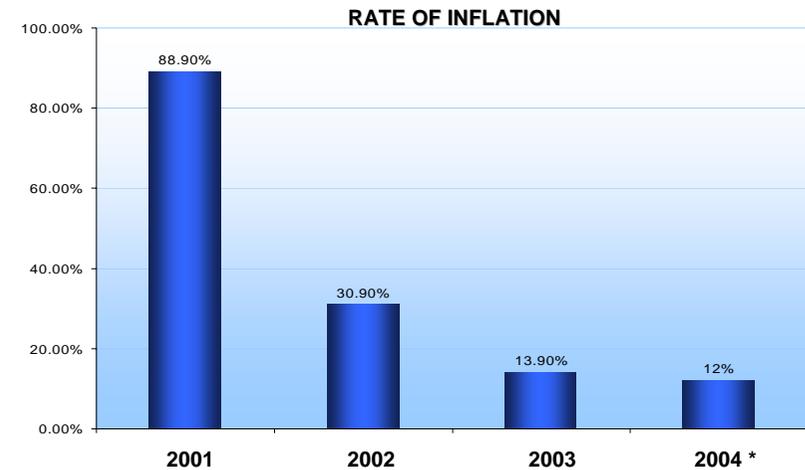
- Favourable economic growth prospects



Source: European Central Bank

\* Expected

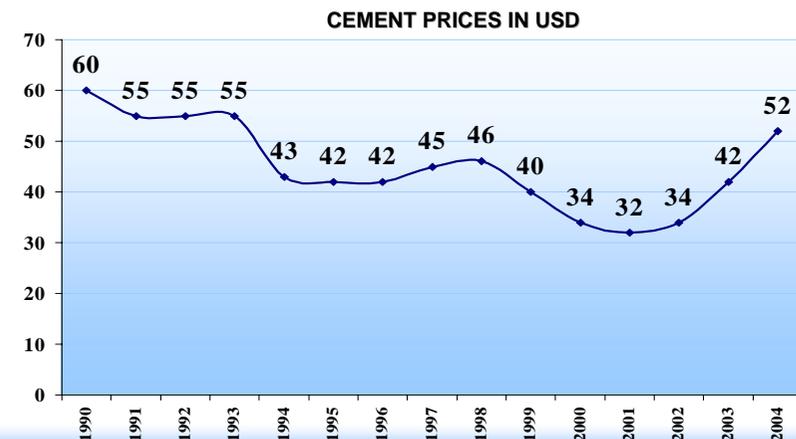
- Rate of inflation decreased in the last 3 years



\* Governmental budget

- Favourable demographics: 40% of population is less than 25 years old, current population is 70 million, expected to rise to 100 million in 2020
- Huge backlog of infrastructure projects which should gather pace as soon as the country economic backdrop stabilizes
- Cement volumes are expected to grow in 2004

- Prices are increasing



**For further information**

**[www.cementir.it](http://www.cementir.it)**

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