Cementir

Cementir: Board of Directors approves results at 30 September 2007

- **Revenues: EUR 856.1 million, +10.5%**
- **EBITDA: EUR 207.8 million, +11%**
- **EBIT: EUR 154.4 million, +12.6%**
- **Profit before taxes: EUR 157.6 million, +29.9%**

Rome, 8 November 2007 – The Board of Directors, chaired by Francesco Caltagirone Jr., today approved Cementir's results for the first nine months of 2007.

Financial highlights

(millions of euros)	**January-September 2007**	**January-September 2006**	**% change**
Revenues	856.1	774.4	+10.5%
EBITDA	207.8	187.1	+11.0%
EBIT	154.4	137.2	+12.6%
Profit before taxes	157.6	121.3	+29.9%

Sales volumes

(thousands)	**January-September 2007**	**January-September 2006**	**% change**
Grey and white cement (metric tons)	8,237	7,495	+9.9%
Ready-mixed concrete (m^3)	3,447	3,215	+7.2%
Aggregates (metric tons)	2,581	2,053	+25.7%

Group employees

	30.09.2007	**31.12.2006**
Number of employees	3,890	3,745

The Cementir group's performance improved in the first nine months of the year, in line with forecasts, despite a negative trend in energy and transportation costs. The gradual increase in **revenues** by 10.5% (EUR 856.1 million compared with EUR 774.4 million for the first nine months of 2006), **EBITDA** by 11% (EUR 207.8 million compared with EUR 187.1 million a year previously) and **EBIT** by 12.6% (EUR 154.4 million compared with EUR 137.2 million for the same period of 2006), was made possible by good performance in sales and increased plant efficiency. The geographical diversification policy and the acquisition strategy (over EUR 1.1 billion over 5 year) are paying off in terms of the asset value created and the results achieved.

One of the Group's strengths during this current phase of economic uncertainty is its low exposure to struggling markets, such as the United States and the Italian ready-mixed concrete markets. In fact, the impact of these markets on total revenues is less than 4%.

As to the **geographic distribution of revenues,** sales in Europe increased by 9.2% to EUR 605.1 million (EUR 544 million at 30 September 2006), in Asia by 23.9% to EUR 205.5 million (EUR 165.9 million the previous year) and in North Africa by 4.1% to EUR 17.8 million (EUR 17.1 million in 2006). Specifically, the Scandinavian market experienced slight growth and the Turkish market continued to expand, while the Italian market showed further signs of a slow-down.

Profit before taxes rose 29.9% (EUR 157.6 million compared with EUR 121.3 million in 2006) due to positive industrial performance and the impact of the result of financial operations, which despite higher average debt and an interest rate increase in the Eurozone compared with the year-earlier period, improved by EUR 19 million. It should be noted that the result of financial operations is not due to extraordinary operations.

Performance in the 3rd quarter of 2007

Financial highlights

(millions of euros)	**3rd quarter 2007**	**3rd quarter 2006**	**% change**
Revenues	306.4	270.1	+13.5%
EBITDA	83.5	68.8	+21.4%
EBIT	65.7	53.3	+23.3%
Profit before taxes	68.3	55.9	+21.9%

The results for the 3rd quarter of 2007 were also positive thanks especially to the recovery of plant efficiency. Revenues came to EUR 306.4 million (+13.5%) compared with EUR 270.1 million for the 3rd quarter of 2006, EBITDA amounted to EUR 83.5 million (+21.4%) compared with EUR 68.8 million for the same period of 2006, and EBIT totaled EUR 65.7 million (+23.3%) compared with EUR 53.3 million for the 3rd quarter of 2006. EBITDA/revenues ratio improved by almost two percentage points, rising from 25.4% to 27.2%. This was possible due to:

- the start-up during the quarter of the oven in Arquata Scrivia (Italy) which has made complete self-sufficiency in procuring clinker possible;
- the 50% improvement in the clinker production capacity of the Elazig (Turkey) plant due to expansion completed in the first half of the year;
- elimination of the export tax on white cement from Egypt (about USD 12 per metric ton).

As planned, in the 3rd quarter work continued on expanding the white cement factory in Egypt and is expected to be completed at the end of 2008. Work also continued on doubling the production capacity of the grey cement plant in Edirne (Turkey), which is expected to be completed in the first half of 2008.

Finally, at 30 September, an agreement was entered into to acquire a controlling stake (70%) in a white cement crushing center near Ho Chi Minh City in Vietnam for an initial investment of USD 2.6 million.

Net financial position

The net financial position improved during the quarter by EUR 48.4 million, from a net debt of EUR 439.7 to EUR 391.3 million at 30 September 2007, due to the completion of most investments in the first half of the year. The net financial position at 30 September 2007 is better than forecast in the budget.

Cementir

Outlook

The good results achieved to date make it possible to forecast improved performance for the year as a whole, in line with expectations.

Despite conflicting signs from some markets, it is believed that the objectives for 2009 set out in the business plan are still reachable, based on the fact that in 2008 the Group will increase its manufacturing base, as planned, by 10% of its total cement production in emerging countries alone (Egypt and Turkey). Since the current negative macroeconomic scenario makes a prediction of the extent and duration of the current slow-down rather difficult, especially in certain geographic areas, caution is nevertheless required.

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The Board of Directors also approved the corporate reorganization plan to make the management model reflect the international scale achieved over the last few years. This will be done by transferring Cementir's industrial unit, which only includes the Group's Italian businesses, to a wholly-controlled company, thus separating the direction and control functions from the purely operating ones.

Mr. 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 press release corresponds with the results contained in company documents, books and accounting records.

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Performance in the first nine months and in the 3rd quarter 2007

Results

(EUR '000)	Jan–Sept 2007	Jan–Sept 2006	Δ %	3rd Quarter 2007	3rd Quarter 2006	Δ %
NET REVENUES FROM SALES AND SERVICES	**856,089**	**774,389**	**10.55**	**306,441**	**270,083**	**13.46**
OTHER REVENUES	12,423	10,387	19.60	4,034	-	-
RAW MATERIAL COSTS	(333,993)	(299,689)	11.45	(115,986)	(96,558)	20.12
COSTS OF SERVICES	(196,741)	(179,337)	9.70	(68,843)	(61,954)	11.12
PERSONNEL COSTS	(121,158)	(107,994)	12.19	(39,922)	(39,191)	1.87
OTHER OPERATING COSTS	(8,844)	(10,650)	-16.96	(2,242)	(3,583)	-37.43
EBITDA	**207,776**	**187,106**	**11.05**	**83,482**	**68,797**	**21.35**
EBITDA/REVENUES %	*24.27%*	*24.16%*		*27.24%*	*25.47%*	
DEPRECIATION, AMORTISATION AND PROVISIONS	(53,329)	(49,927)	6.81	(17,733)	(15,469)	14.64
EBIT	**154,447**	**137,179**	**12.59**	**65,749**	**53,328**	**23.29**
EBIT/REVENUES %	*18.04%*	*17.71%*		*21.46%*	*19.75%*	
FINANCIAL INCOME (EXPENSE)	**3,112**	**(15,923)**		**2,519**	**2,663**	
PROFIT BEFORE TAX	**157,559**	**121,256**	**29.94**	**68,268**	**55,991**	**21.93**

Sales volumes

('000)	Jan–Sept 2007	Jan–Sept 2006	Δ %	3rd Quarter 2007	3rd Quarter 2006	Δ %
GREY AND WHITE CEMENT (metric tons)	8,237	7,495	9.89	2,953	2,698	9.45
READY-MIXED CONCRETE (m^3)	3,447	3,215	7.20	1,148	1,064	7.89
AGGREGATES (metric tons)	2,581	2,053	25.74	912	730	24.99

Group employees

	09/30/2007	12/31/2006
NUMBER OF EMPLOYEES	3,890	3,745

Net financial position

Table D

(EUR '000)	09/30/2007	06/30/2007	12/31/2006
CASH AND CASH EQUIVALENTS	56,170	33,528	32,084
NON CURRRENT FINANCIAL LIABILITIES	(200,423)	(209,398)	(174,317)
CURRENT FINANCIAL LIABILITIES	(247,059)	(263,785)	(295,307)
NET FINANCIAL POSITION	**(391,312)**	**(439,655)**	**(437,540)**