

Cementir Holding: Board of Directors approves results at 31 March 2008

Revenues: EUR 245 million (+3.2%)
EBITDA: EUR 38.7 million (-13.2%)

Rome, 8 May 2008 – The Board of Directors, chaired by Francesco Caltagirone Jr., today approved Cementir Holding's results for the first quarter of 2008.

Financial highlights

(millions of euros)	1st Quarter 2008	1st Quarter 2007	% change
Revenues	245	237.3	+3.2%
EBITDA	38.7	44.6	-13.2%
EBIT	20.3	27.5	-26.2%

Sales volumes

(thousands)	1st Quarter 2008	1st Quarter 2007	% change
Grey and white cement (metric tons)	2,211	2,199	+0.5%
Ready-mixed concrete (m3)	989	1,040	-4.9%
Aggregates (metric tons)	833	733	+13.6%

Group employees

	31-03-2008	31-12-2007
Number of employees	3,976	3,882

Cementir Holding closed the first quarter of 2008 with operating results in line with forecasts. The increase in **revenues** is of 3.2% (EUR 245 million, compared with EUR 237.4 million in the first quarter of 2007). The decline in **EBITDA** (from EUR 44.6 million in the first three months of 2007 to EUR 38.7 million in the same period this year) is a consequence of the following factors: the stop in activity at the Edirne plant in Turkey owing to expansion works that were completed at the end of April; the stagnation in the ready-mixed concrete market; energy costs, which rose sharply, thereby squeezing margins for the entire industrial sector; and finally the unfavourable weather conditions in Scandinavian area compared with the same period of the previous year.

Profit before taxes went from EUR 26 million in the first quarter of 2007 to EUR 3.8 million in the first quarter of this year, reflecting developments in financial operations, which posted net financial expense of EUR 16.5 million, including EUR 5 million in interest on the debt (more than EUR 447 million at the end of March). In addition, in accordance with international accounting standards, financial debt was adjusted at end-of-period exchange rates, which generated a significant financial charge that did not, however, involve any cash outlay. The charge was largely attributable to the depreciation of the Turkish lira.

The **net financial position** showed net debt of EUR 447 million, compared with EUR 364.8 million at 31 December 2007 and EUR 448 million at 31 March 2007. The figure reflects strategic investments for the expansion of production capacity now under way, the acquisition of the Danish company Kudsk & Dahl and recurrent maintenance of plants. Net of extraordinary operations, the net financial position improved with respect to budget.

The quarter was marked by the transfer of the Group's Italian operations to Cementir Italia, thereby adjusting the management model to better reflect the international dimension acquired in recent years. The name of the Company was then changed from "Cementir – Cementerie del Tirreno SpA" to "**Cementir Holding SpA**" and approval was given for the grant of 1,225,000 options to key managers. On 3 March, the Group, through its Unicon subsidiary, also acquired 100% of the Danish company Kudsk & Dahl for EUR 21 million, strengthening its position in Scandinavia. Finally, authorisation was obtained for the construction of a new white cement plant in China, near the Group's existing facility, with an annual capacity of 600 thousand metric tons. The total investment is estimated at about EUR 60 million, with construction to be completed by the end of 2009.

A reorganisation of the Scandinavian activities was begun during the quarter, the effects of which will be seen in the 2009 financial statements. The measures are expected to generate structural savings of about EUR 15 million per year.

Despite the deterioration in margins compared with the previous year, performance in the first quarter was in line with budget projections, which see 2008 as a year of consolidation and stable results. Work continues with the strategic investments to expand production capacity, primarily in the fastest growing countries (Egypt, Turkey and China). The current macroeconomic environment is still affected by difficulties that make it especially difficult to forecast the extent and duration of the uncertainty that world markets are experiencing.

The Board of Directors reappointed Oprandino Arrivabene as the manager responsible for preparing the Company's financial reports for 2008 and also approved the Compliance Model and appointed the Supervisory Body pursuant to Legislative Decree 231/2001.

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Oprandino Arrivabene, as the manager responsible for preparing the Company's financial reports, 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 that contained in company documents, books and accounting records.

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Results

(EUR '000)	Q1, 2008	Q1, 2007	Δ %
REVENUES	245,096	237,389	3.25%
Change in inventories	14,092	5,941	
Other operating revenues	2,874	3,088	
TOTAL OPERATING REVENUES	262,062	246,418	6.35%
Raw material costs	(112,604)	(99,283)	13.42%
Costs of services	(63,676)	(56,732)	12.24%
Personnel costs	(42,645)	(41,832)	1.94%
Other operating costs	(4,389)	(3,891)	12.80%
TOTAL OPERATING COSTS	(223,314)	(201,738)	10.70%
EBITDA	38,748	44,680	-13.28%
<i>EBITDA Margin %</i>	<i>15.81%</i>	<i>18.82%</i>	
Depreciation, Amortisation and Provisions	(18,409)	(17,097)	7.67%
EBIT	20,339	27,583	-26.26%
<i>EBIT Margin %</i>	<i>8.30%</i>	<i>11.62%</i>	
FINANCIAL INCOME (EXPENSE)	(16,500)	(1,558)	
PROFIT BEFORE TAXE	3,839	26,025	-85.25%

Sales volumes

('000)	Q1, 2008	Q1, 2007	Δ %
Grey and white cement (metric tons)	2,211	2,199	0.56%
Ready-mixed concrete (m ³)	989	1,040	-4.92%
Aggregates (metric tons)	833	733	13.64%

Group employees

	31-03-2008	31-12-2007
Number of employees	3,976	3,882



Net financial position

(EUR '000)	31-03-2008	31-12-2007	31-03-2007
Cash and cash equivalents	21,507	65,253	21,945
Non-current financial liabilities	(198,677)	(197,556)	(169,268)
Current financial liabilities	(269,895)	(232,545)	(301,068)
NET FINANCIAL POSITION	(447,065)	(364,848)	(448,391)