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Cementir Holding: Board of Directors approves results at 30 September 2009

Revenues: EUR 630 million (EUR 860 million at 30 September 2008)
EBITDA: EUR 100 million (EUR 173 million at 30 September 2008)
Profit before taxes: EUR 38 million (EUR 102 million at 30 September 2008)

Roma, 5 November 2009 – The Board of Directors, chaired by Francesco Caltagirone Jr., approved Cementir's results for the first nine months of 2009.

Financial highlights

(millions of euros)	January September 2009	January September 2008	% change
Revenues	630	860	-26.8%
EBITDA	100	173	-42.2%
EBIT	40	115	-65.7%
Profit before tax	**38**	102	-62.6%

Net financial position

(millions of euros)	30-09-2009	30-06-2009	31-12-2008	30-09-2008
NFP	(406.6)	(418.3)	(416.4)	(471.4)

Sales volumes

(thousands)	January September 2009	January September 2008	% change
Grey and white cement (metric tons)	7,302	8,115	-10.0%
Ready-mixed concrete (m^3)	2,282	3,133	-27.2%
Aggregates (metric tons)	3,006	3,314	-9.3%

Group employees

	30-09-2009	31-12-2008	30-09-2008
Number of employees	3,509	3,847	3,921

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Cementir Holding closed the first nine months of 2009 with performance essentially in line with that posted in the first half of the year.
The adverse economic climate that has affected the main geographical areas in which the Group operates has yet show to any significant sign of improvement. The negative effects of these conditions have been only partially offset by the low prices of commodities.
In this economic environment, the Group focused on measures to enhance operational efficiency by containing operating and contingent costs, which has helped recoup profitability.

Specifically, **revenues** from sales amounted to EUR 630 million (EUR 860 million at 30 September 2008). This result is a consequence of the severe crisis under way in the major geographical areas in which the Group operates (the Scandinavian countries, Turkey and Italy). In these markets, the contraction in the real estate market has led to a substantial reduction in sales volumes and consequently generated strong price competition.

In response to the drop in revenues, the Group has take steps to sharply reduce **operating costs**, which decreased by a total of about 25% compared with 30 September 2008. In particular, the cost of raw materials fell by 25.9% thanks to the decline in energy and transportation costs associated with lower oil prices, as well as to the contraction in volumes. Despite the non-recurring reorganisation charge of EUR 4.9 million, personnel costs declined by EUR 16 million compared with 30 September 2008, thanks to the continuation of the corporate reorganisation begun last year. Other operating costs fell by 31.5% as a result of the constant efficiency gains achieved in manufacturing processes.

The containment of operating costs only partially offset the impact of lower revenues on **EBITDA**, which totalled EUR 100 million (EUR 173 million al 30 September 2008). Nevertheless, the cost reduction measures did limit the loss of operating profitability, as indicated by the ratio of EBITDA to revenues, which went from 20.1% in the first nine months of 2008 to 15.9% at 30 September 2009. The effectiveness of the cost-cutting strategy is demonstrated by the improvement in the ratio over the course of this year (11.7% at 31 March 2009, 13.9% at 30 June 2009 and 15.9% at 30 September 2009), reflecting the upward trend in profitability. In the third quarter, the EBITDA/Revenues ratio rose even further, to 19.9%, virtually in line with that registered in the third quarter of 2008 (20.4%).

Financial management yielded a negative EUR 1.5 million (EUR -13.3 million at 30 September 2008), leaving debt of EUR 406.6 million at the end of the period. This result reflects the effectiveness of foreign exchange and commodity hedges and the careful and efficient management of the debt and the related financial expense.

In the first nine months, Cementir continued work to increase production capacity in China with the construction of the new white cement plant near the Group's existing facility, with an annual capacity of 600 thousand metric tons. Construction is scheduled to be completed between the end of 2009 and start of 2010 and will involve an overall investment of EUR 60 million.

The **net financial position** at 30 September 2009 showed net debt of EUR 406.6 million, an improvement of about EUR 9.8 million compared with 31 December 2008. This result should be viewed as particularly positive given the current problems in the market, ongoing investments (increasing capacity in China) and investments completed at the end of 2008 but that required financial outlays in the first few months of 2009, as well as the distribution of dividends. The net financial position has improved by about EUR 64.8 million over the last 12 months, evidence of the Group's ability to generate substantial cash flows while continuing with scheduled investments even during a period of unpredictable changes in market conditions.

Performance in the third quarter of 2009

Financial highlights

(millions of euros)	3rd Quarter 2009	3rd Quarter 2008	% change
Revenues	211	285	-26.0%
EBITDA	42	58	-27.8%
EBIT	22	38	-42.9%
Profit before tax	21	39	-46.1%

In the third quarter of 2009, revenues from sales amounted to EUR 211 million (EUR 285 million in the third quarter of 2008), down 26% on the year-earlier period. The result, which is essentially in line with the decline registered in the first half of the year, was a consequence of the persistent weakness of demand for cement and ready-mixed concrete in the Group's main markets. The cost of raw materials and personnel continued to fall steadily over the course of the year: in the third quarter the cost of raw materials fell by 31.2% and personnel costs by 21.3% compared with the year-earlier period. The expected benefits of the fall in energy and transportation costs and of the reduction in the Group's workforce as a result of restructuring are beginning to emerge.

Outlook

The continuation of the economic crisis in the main geographical areas in which Cementir Holding operates means that demand is likely to remain weak and uncertain in the coming months.

In this environment, the Group will continue to counter the fall in revenues by focusing on its traditional markets and increasing exports to new markets. Efforts to improve operational efficiency through measures to contain structural and contingent costs will also continue.

In the final part of the year, performance is expected to be in line with the results achieved in the first nine months, with the continuation of the improvement in profitability that emerged in the second and third quarters of the year.

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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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