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CALTAGIRONE GROUP

Cementir Holding: Board of Directors approves results for first half of 2010

Revenues: EUR 398.4 million (EUR 419.1 million at 30 June 2009)
EBITDA: EUR 50.1 million (EUR 58.1 million at 30 June 2009)
Net profit: EUR 301 thousand (EUR 9.5 million at 30 June 2009)
EBIT for second quarter 2010: EUR 18.2 million (+16.3% over second quarter of 2009)

Rome, 26 July 2010 – The Board of Directors of Cementir Holding, chaired by Francesco Caltagirone Jr., today approved Cementir Holding's results for the first half of 2010.

Financial highlights

(millions of euros)	1st Half 2010	1st Half 2009	% change	2nd Quarter 2010	2nd Quarter 2009	% change
Revenues	398.4	419.1	-4.9	240.7	230.5	4.4
EBITDA	50.1	58.1	-13.7	40.5	36	12.7
EBIT	7.2	17.7	-59.3	18.2	15.7	16.3
Profit before taxes	13.5	16.8	- 19.6	24.4	16.4	48.6
Group net profit	0.3	9.5	-96.8			

Net financial position

(millions of euros)	30-06-2010	31-12-2009	30-06-2009
Net financial position	(382.9)	(381.3)	(418.3)

Sales volumes

(thousands)	1st Half 2010	1st Half 2009	% change	2nd Quarter 2010	2nd Quarter 2009	% change
Grey and white cement (metric tons)	4,890	4,871	0.4	2,924	2,752	6.2
Ready-mixed concrete (m3)	1,498	1,542	-2.8	917	818	12.1
Aggregates (metric tons)	1,747	1,934	-9.7	1,252	1,100	13.8

The positive performance in the second quarter of the year, driven by an upturn in consumption in the Scandinavian countries and in Turkey, made it possible to recover much of the losses reported in the first quarter of the year, leading Cementir Holding to end the first half of 2010 with results in line with management's expectations.

Revenues amounted to EUR 398.4 million at 30 June 2010 (EUR 419.2 million for the same period of 2009). This figure reflects the rather uneven market performance seen during the first six months of the year. While revenues dropped by 16.4% in the first quarter of the year (year-on-year comparison) due to a decline in volumes across all the Group's major geographical markets, with the exception of Egypt, in the second quarter there was an increase (again year-on-year) of 4.5% thanks to the recovery in demand in Scandinavia and Turkey, in addition to good performance in Egypt and the Far East.

Operating costs fell by 3.3%, compared with the figure reported at 30 June 2009, due to the reduction in the costs of raw materials and the effects of the corporate reorganisation currently under way.

EBITDA came to EUR 50.1 million (EUR 58.1 million at 30 June 2009). There has, however, been a gradual improvement in profitability and industrial efficiency as shown by the 12.7% increase in EBITDA in the second quarter 2010, compared with the same period of 2009.

Financial management yielded a positive EUR 6.3 million (EUR –0.9 million at 30 June 2009), leaving debt of EUR 382.9 million at the end of the period. This figure, benefiting from low interest rates and the effectiveness of existing foreign exchange and commodity hedges, confirms Group's ability to manage its debt and related borrowing costs during this period of crisis.

Profit before tax amounted to EUR 13.5 million (EUR 16.8 million at 30 June 2009).
By contrast the profit for the period, before minorities interest, came to EUR 4.8 million (EUR 11.7 million at 30 June 2009) due to a one-off tax expense of EUR 7.3 million.

Net financial position showed a net debt of EUR 382.9 million at 31 June 2010, essentially in line with the figure reported at 31 December 2009. This is a particularly positive result considering the annual maintenance of plants, usually carried out during the first few months of the year, the outstanding payments relating to the expansion of production capacity in China, where work was completed between the end of 2009 and early 2010, and the distribution of dividends and the aforementioned one-off payment of taxes for previous years.

The net financial position over the last 12 months improved by around EUR 35.4 million, confirming the Group's ability to generate cash flows while maintaining its planned investments, despite the fact that a series of events unforeseeably changed general market conditions during this period.

Performance in the second quarter of 2010

In the second quarter of the year, revenues rose by 4.4% over the same period of 2009. This represents a significant reversal of the decline seen over seven straight quarters and marks an improvement in the conditions in all the Group's major geographical markets, with the exception of Italy, where the problems faced by the construction industry persist.

EBITDA rose by EUR 4.5 million over the second quarter of 2009, with a ratio of EBITDA to revenues of 16.8% (15.6% in the second quarter of 2009). This shows how, thanks to actions taken by management to adjust overhead costs to new expected revenue flows, the slight recovery in demand has had an immediate impact on profitability.

Significant events

Work continues on studying the project to completely overhaul the Taranto factory, which would require an investment of around EUR 150 million over 3 years. The project aims to improve the factory's industrial efficiency and reduce its environmental impact in terms of energy consumption and lower emissions.

With regard to the waste management business in Turkey, in July the first integrated waste management, recycling and disposal centre in the country was inaugurated in Kula, in the Aegean region.

The Group is considering a project to double its production capacity in Malaysia.

Outlook

The positive signs seen over the last few months, after almost two years of constant declines in revenues, may mark the start of a slow, gradual recovery. It seems that certain markets have already reached the bottom of the deep recession that began in 2008. The situation for Italy is, however, rather different; the sector is right now experiencing the very peak of the crisis, volumes and prices still decreasing, partly because the residential building market entered the recessionary period about six months behind the other European markets, and because this decline was not quickly offset by the start of significant public works projects.

That is why, despite the good results achieved in the second quarter of 2010, given the present economic scenario, we cannot predict that there will be a sustained growth in demand over the next few months. However, it invites to a cautious optimism of a moderate upturn in consumption in most of the Group's geograhical markets, making it possible to achieve results for the year in line with budget expectations and similar to the results of 2009.

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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.

The consolidated statement of financial position and consolidated income statement are attached in order to provide investors with additional information on the performance and financial position of the Group. The half-year financial report is currently being examined by the Board of Auditors and the independent auditors within the scope of their responsibilities.

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Consolidated Statement of Financial Position

(EUR '000)	30 June 2010	31 December 2009	30 June 2009
ASSETS			
Intangible assets	502,306	469,876	445,267
Property, plant and equipment	941,309	906,542	908,649
Investment property	27,950	27,950	27,950
Equity investments measured using equity method	19,937	18,939	19,538
Other equity investments	8,338	6,467	5,793
Non-current financial assets	482	455	234
Deferred tax assets	30,970	20,630	19,780
Other non-current assets	2,096	1,671	863
TOTAL NON–CURRENT ASSETS	**1,533,388**	**1,452,530**	**1,428,074**
Inventories	128,792	134,167	126,278
Trade receivables	183,572	145,672	179,106
Current financial assets	2,384	1,745	2,701
Current tax assets	5,604	6,360	6,455
Other current assets	13,409	16,327	14,512
Cash and cash equivalents	91,078	61,732	108,532
TOTAL CURRENT ASSETS	**424,839**	**366,003**	**437,584**
TOTAL ASSETS	**1,958,227**	**1,818,533**	**1,865,658**
SHAREHOLDERS' EQUITY AND LIABILITIES			
	159,120	159,120	159,120
Share capital	35,710	35,710	35,710
Share premium reserve	863,443	777,809	770,921
Other reserves	301	29,842	9,500
Group net profit	**1,058,574**	**1,002,481**	**975,251**
GROUP SHAREHOLDERS' EQUITY	4,523	4,501	2,176
Net profit of minority interest	73,178	59,269	57,627
Minority interest reserves	**77,701**	**63,770**	**59,803**
MINORITY INTEREST SHAREHOLDERS' EQUITY	**1,136,275**	**1,066,251**	**1,035,054**
Employee benefit provisions	18,148	17,055	16,488
Non-current provisions	11,412	17,409	12,021
Non-current financial liabilities	255,558	265,719	208,076
Deferred tax liabilities	99,216	89,370	84,366
Other non current liabilities	1,668	3,360	-
TOTAL NON-CURRENT LIABILITIES	**386,002**	**392,913**	**320,951**
Current provisions	6,596	3,799	1,337
Trade payables	151,490	133,976	134,034
Current financial liabilities	220,813	179,051	321,433
Liabilities current taxes	7,575	4,100	4,634
Other current liabilities	49,476	38,443	48,215
TOTAL CURRENT LIABILITIES	**435,950**	**359,369**	**509,653**
TOTAL LIABILITIES	**821,952**	**752,282**	**830,604**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,958,227**	**1,818,533**	**1,865,658**

Consolidated Income Statement

(EUR '000)	1st half 2010	1st half 2009
REVENUES	**398,446**	**419,175**
Change in inventories	(11,042)	(8,997)
Increases for internal work	2,791	3,247
Other operating revenues	6,219	2,652
TOTAL OPERATING REVENUES	**396,414**	**416,077**
Raw material costs	(181,058)	(187,485)
Personnel costs	(69,704)	(79,893)
Other operating costs	(95,514)	(90,586)
TOTAL OPERATING COSTS	**(346,276)**	**(357,964)**
EBITDA	**50,138**	**58,113**
Depreciation, amortisation, impairment losses and provisions	(42,913)	(40,379)
EBIT	**7,225**	**17,734**
Net result on equity investments measured using equity method	575	149
Net financial result	5,749	(1,030)
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD	**6,324**	**(881)**
PROFIT BEFORE TAX	**13,549**	**16,853**
Income taxes	(8,725)	(5,177)
NET PROFIT (LOSS) FOR THE PERIOD	**4,824**	**11,676**
Attributable to:		
MINORITY INTERESTS	4,523	2,176
GROUP	301	9,500