

Cementir Holding: Board of Directors approves results at 30 September 2010

Revenues: EUR 630.9 million (EUR 629.9 million at 30 September 2009)

EBITDA: EUR 84.4 million (EUR 100.1 million at 30 September 2009)

Profit before taxes: EUR 27.7 million (EUR 38.1 million at 30 September 2009)

Rome, 5 November 2010 – The Board of Directors of Cementir Holding, chaired by Francesco Caltagirone Jr., approved the Company's results for the first nine months of 2010.

Financial highlights

(millions of euros)	January September 2010	January September 2009	Δ%	3 rd quarter 2010	3 rd quarter 2009	Δ%
Revenues	630.9	629.9	0.15	231.1	210.8	9.6
EBITDA	84.4	100.1	-15.7	34.2	42	-18.6
EBIT	20.0	39.6	-49.5	12.8	21.9	-41.6
Profit before taxes	27.7	38.1	-27.4	14.1	21.3	-33.7

Net financial position

(millions of euros)	30-09-2010	30-06-2010	31-12-2009	30-09-2009
Net financial position	(357)	(382.9)	(381.3)	(406.6)

Sales volumes

('000)	January September 2010	January September 2009	Δ%	3 rd quarter 2010	3 rd quarter 2009	Δ%
Grey and white cement (metric tons)	7,565	7,302	3.6	2,675	2,431	10
Ready-mixed concrete (m ³)	2,344	2,282	2.7	846	740	14.3
Aggregates (metric tons)	2,717	3,006	-9.6	970	1,072	-9.5

Group employees

	30-09-2010	31-12-2009	30-09-2009
Number of employees	3,293	3,439	3,509

Cementir Holding ended the first nine months of 2010 with results that reflected, on the one hand, the recovery in demand in certain geographical areas in which the Group operates, and on the other, the increase in operating costs due mainly to the rising costs of raw materials.

Revenues amounted to EUR 630,9 million at 30 September 2010, essentially in line with the figure for the corresponding period of 2009 (EUR 629.9 million), thanks to a gradual recovery in sales seen over the last three quarters. More specifically, while revenues dropped by 16.4% in the first quarter of the year (year-on-year comparison), there was an increase (again year-on-year) of 5% in the second quarter and 9.6% in the third quarter. This was caused by the recovery in demand in Scandinavia and Turkey, in addition to good performance in Egypt and the Far East.

Operating costs rose by 3%, compared with the figure reported at 30 September 2009, due to higher production volumes, as well as the increase in the costs of raw materials, which was only partially offset by the reduction in personnel costs.

EBITDA came to EUR 84.4 million (EUR 100.1 million at 30 September 2009). This decline as compared with the same period of 2009, despite the improvement in the sale of cement and concrete is only due to the negative trend, in the last nine months, of the Italian subsidiary which has accumulated a delay of approximately EUR 20 million compared to budget.

Financial management yielded a positive EUR 7.7 million (EUR –1.5 million at 30 September 2009), leaving debt of EUR 357 million at the end of the period. This figure benefited from the effectiveness of existing foreign exchange and commodity hedges, low interest rates and the narrow intermediation margins paid to banks thanks to the Group's high credit rating, earned as reward for its ability to maintain a solid capital and financial structure.

Profit before tax amounted to EUR 27.7 million (EUR 38.1 million at 30 September 2009).

The **net financial position** at 30 September 2010 showed net debt of EUR 357 million, an improvement of about EUR 24.3 million compared with 31 December 2009. Considering that the Group paid dividends of EUR 9.5 million and made a lump-sum tax payment of around EUR 7.3 million related to past years, this figure confirms that the Group is able to generate consistent cash flows despite a depressed market.

Finally, over the last twelve months, the net financial position improved by around EUR 50 million.

Performance in the third quarter of 2010

In the third quarter of 2010, Revenues came to EUR 231.1 million (EUR 210.8 million in the third quarter of 2009) for an increase of 9.7%. This was due to the increase in volumes of cement and ready-mixed concrete sold across all of the geographical areas in which the Group operates, except for Italy, where demand remains weak and competition over prices has led to a 21% drop in revenues.

EBITDA for the third quarter of 2010 fell by EUR 7.8 million compared with the same period of 2009 due mainly to the negative trend of Cementir Italia.

The profit before taxes for the third quarter of 2010 came to EUR 14.1 million (EUR 21.3 million at 30 September 2009).

Significant events

The subsidiary Betontir is in the process of purchasing 14 factories for the manufacture and sale of ready-mixed concrete from the Italcementi Group. This acquisition will boost the Group's presence in the Italian ready-mixed concrete market and will allow a greater vertical integration with cement manufacturing.

In Italy, 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. In August, the regional council of Puglia approved a grant of up to EUR 20 million.

With regard to the waste management business, first begun in Turkey with the 2009 acquisition of Sureko AS (the Turkish leader in the treatment of industrial waste and the production of alternative fuels) by the subsidiary Cimentas, in July the first integrated waste management, recycling and disposal centre in the country was inaugurated in Kula, in the Aegean region.

Finally, the Group is continuing to study ways to double production capacity in Malaysia.

Outlook

The results at 30 September 2010 confirm the signs of recovery in demand seen during the previous quarter; they still remain lower than expected in terms of operating profitability due mainly to the negative trend of the Italian subsidiary and rising energy costs.

It seems that this scenario will continue into the fourth quarter.

Amendment of the bylaws to comply with legal requirements

The Board of Directors approved several amendments to the bylaws to bring them into compliance with Legislative Decree 27 of 27 January 2010 concerning the exercise of certain rights by shareholders of listed companies. Specifically, the changes relate to: the way Shareholders' meetings are called, procedures and deadlines for submitting lists for the appointment of Company bodies, and the procedures and deadlines for taking part in and appointing proxies for Shareholders' Meetings, with the introduction of the option of electronic notification of the proxy with reference to the notice calling the Meeting for details.

As soon as it is filed with the Business Registry, the amended bylaws will be published on the Company's Internet site: (www.cementirholding.it/investor_relations/corporate_governance).

Finally, the Board of Directors, having received the favourable opinion of the Internal Control Committee (comprised solely of independent directors), approved the new procedure for transactions with related parties, modified to bring it in line with Consob Regulation no. 17221 of 12 March 2010, as amended.

The new procedure will be published by 1 December 2010 on the Company's website (www.cementirholding.it/investor_relations/corporate_governance) and will take effect from 1 January 2011, except for those provisions relating to the transparency of the most significant transactions, which will apply starting from 1 December 2010.

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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.



Results

(EUR '000)	Jan-Sep 2010	Jan-Sep 2009	Δ %	3 rd Quarter 2010	3 rd Quarter 2009	Δ %
REVENUES	630,905	629,976	0.15%	231,131	210,801	9.64%
Change in inventories	(9,203)	(7,887)		1,839	1,110	
Other revenues ¹	9,150	8,357		2,249	2,458	
TOTAL OPERATING REVENUES	630,852	630,446	0.06%	235,219	214,369	9.73%
Raw material costs	(292,727)	(273,178)	7.16%	(112,450)	(85,693)	31.22%
Personnel costs	(104,973)	(112,236)	-6.47%	(35,269)	(32,343)	9.05%
Other operating costs	(148,780)	(144,883)	2.69%	(53,266)	(54,297)	-1.90%
TOTAL OPERATING COSTS	(546,480)	(530,297)	3.05%	(200,985)	(172,333)	16.63%
EBITDA	84,372	100,149	-15.75%	34,234	42,036	-18.56%
<i>EBITDA Margin %</i>	<i>13.37%</i>	<i>15.90%</i>		<i>14.81%</i>	<i>19.94%</i>	
Depreciation. Amortisation and Provisions	(64,370)	(60,542)	6.32%	(21,457)	(20,163)	6.42%
EBIT	20,002	39,607	-49.50%	12,777	21,873	-41.59%
<i>EBIT Margin %</i>	<i>3.17%</i>	<i>6.29%</i>		<i>5.53%</i>	<i>10.38%</i>	
FINANCIAL INCOME (EXPENSE)	7,672	(1,461)		1,348	(580)	
PROFIT BEFORE TAX	27,674	38,146	-27.45%	14,125	21,293	-33.66%
<i>PROFIT BEFORE TAX Margin %</i>	<i>4.39%</i>	<i>6.06%</i>		<i>6.11%</i>	<i>10.10%</i>	

¹ "Other revenues" includes the items of the income statements "Increases for internal work" and "Other operating revenues".

Sales volumes

('000)	Jan-Sep 2010	Jan-Sep 2009	Δ %	3 rd Quarter 2010	3 rd Quarter 2009	Δ %
Grey and white cement (metric tons)	7,565	7,302	3.60%	2,675	2,431	10.05%
Ready-mixed concrete (m ³)	2,344	2,282	2.72%	846	740	14.32%
Aggregates (metric tons)	2,717	3,006	-9.61%	970	1,072	-9.51%

Group employees

	30-09-2010	31-12-2009	30-09-2009
Number of employees	3,293	3,439	3,509

Net financial position

(EUR '000)	30-09-2010	30-06-2010	31-12-2009	30-09-2009
Cash and cash equivalents	92,921	93,462	63,477	63,919
Non-current financial liabilities	(259,275)	(255,558)	(265,719)	(262,928)
Current financial liabilities	(190,671)	(220,813)	(179,051)	(207,585)
NET FINANCIAL POSITION	(357,025)	(382,909)	(381,293)	(406,594)