CEMENTIR GROUP

CONSOLIDATED QUARTERLY REPORT

AS AT SEPTEMBER 30, 2005

Board of Directors

Honorary chairman	Luciano Leone
Chairman	Francesco Caltagirone
Vice Chairman	Carlo Carlevaris
Managing Director and General Director	Riccardo Nicolini
Directors	Pasquale Alcini Edoardo Caltagirone Saverio Caltagirone Mario Ciliberto Mario Delfini Alfio Marchini Walter Montevecchi

Board of Statutory Auditors

Chairman	Claudio Bianchi
Statutory Auditors	Giampiero Tasco Carlo Schiavone

Board of Directors Quarterly Report on Operations
at September 30, 2005

1. Performance in the first nine months and in the 3rd quarter 2005

In accordance with Consob Regulation No. 11971/1999, as amended by resolution No. 14990/2005, the present quarterly report was prepared adopting international accounting standards (IFRS), therefore the accounting and consolidation principles present differences compared to the past. For comparative purposes, the data of the previous year were re-elaborated using the same accounting standards (IFRS) and, where necessary, classified in accordance with the criteria adopted as at September 30, 2005.

Table A

(Euro thousands)	Jan-Sep 2005	Jan-Sep 2004	Δ %	3rd Q 2005	3rd Q 2004	Δ %
NET REVENUES FROM SALES AND SERVICES	**636,724**	**232,940**	**173.34**	**234,346**	**81,979**	**185.86**
OTHER REVENUES	8,425	2,298	266.62	3,672	1,074	241.90
RAW MATERIAL COSTS	(243,621)	(96,206)	153.23	(87,693)	(32,012)	173.94
SERVICE COSTS	(159,560)	(46,888)	240.30	(55,697)	(15,336)	263.18
LABOUR COSTS	(87,894)	(24,628)	256.89	(29,710)	(8,036)	269.71
OTHER OPERATING COSTS	(11,142)	(2,768)	302.53	(4,139)	(719)	475.66
EBITDA	**142,932**	**64,748**	**120.75**	**60,779**	**26,950**	**125.53**
EBITDA/SALES %	*22.45*	*27.80*		*25.94*	*32.87*	
AMORTISATION, DEPRECIATION & PROVSIONS	(45,882)	(18,153)	152.75	(14,940)	(5,941)	151.47
EBIT	**97,050**	**46,595**	**108.28**	**45,839**	**21,009**	**118.19**
EBIT/SALES %	*15.24*	*20.00*		*19.56*	*25.63*	
FINANCIAL RESULT	**(4,577)**	**6,234**		**(1,688)**	**548**	
PRE-TAX RESULT	**92,473**	**52,829**	**75.04**	**44,151**	**21,557**	**104.81**

As 2005 is the first year since the acquisition of the Danish companies Aalborg Portland and Unicon, the results are not comparable with those relating to the same periods in the previous year. Therefore the year- to-date data to September 30 and for the third quarter are also shown with parity of consolidation area.

The net revenues from sales and services in the first nine months amounted to Euro 636.7 million (Euro 232.9 million at September 30, 2004), the Ebitda was Euro 142.9 million (Euro 64.7 million at September 30, 2004) and the Ebit was Euro 97.1 million (Euro 46.6 million at September 30, 2004).

In relation to the quarter the net revenues from sales and services amounted to Euro 234.3 million (Euro 82.0 million in the third quarter of 2004), the Ebitda was Euro 60.8 million (Euro 26.9 million in the third quarter of 2004) and the Ebit was Euro 45.8 million (Euro 21.0 million in the third quarter of 2004).

The newly acquired Danish companies Aalborg Portland and Unicon in the nine months operated regularly, in line with that programmed. In particular the Aalborg Portland Group, operating in the production and sale of grey and white cement, recorded turnover to September 30, 2005 of Euro 192.8 million (Euro 69.2 million in the third quarter) and an Ebitda of Euro 58.2 million (Euro 23.8 million in the third quarter). The Unicon Group, operating in the ready-mix sector, ended the first nine months with a turnover of Euro 192.3 million (Euro 71.9 million in the third quarter) and an Ebitda of Euro 28.0 million (Euro 11.5 million in the third quarter). The performance of the activities in the Danish companies in the third quarter confirmed the performance in the first half of the year. In the ready-mix sector the budget profitability objectives have already been achieved; in the cement sector the results were in line or slightly better than the budget.

2. Performance in the first nine months and 3rd quarter 2005 on parity of consolidation area

Table B

(Euro thousands)	Jan-Sep 2005 §	Jan-Sep 2004	Δ %	3rd Q 2005 §	3rd Q 2004	Δ %
NET REVENUES FROM SALES AND SERVICES	**253,284**	**232,940**	**8.73**	**94,837**	**81,979**	**15.68**
OTHER OPERATING REVENUES	1,454	2,298	(36.73)	525	1,074	(51.12)
RAW MATERIAL COSTS	(112,693)	(96,206)	17.14	(39,986)	(32,012)	24.91
SERVICE COSTS	(54,040)	(46,888)	15.25	(19,572)	(15,336)	27.62
LABOUR COSTS	(27,912)	(24,628)	13.33	(8,971)	(8,036)	11.64
OTHER OPERATING COSTS	(3,319)	(2,768)	19.91	(1,299)	(719)	80.67
EBITDA	**56,774**	**64,748**	**(12.32)**	**25,534**	**26,950**	**(5.25)**
EBITDA/SALES %	*22.42*	*27.80*		*26.92*	*32.87*	
AMORTISATION, DEPRECIATION & PROVISIONS	(19,662)	(18,153)	8.31	(6,741)	(5,941)	13.47
EBIT	**37,112**	**46,595**	**(20.35)**	**18,793**	**21,009**	**(10.55)**
EBIT/SALES %	*14.65*	*20.00*		*19.82*	*25.63*	
FINANCIAL RESULT	**(1,493)**	**6,234**		**(685)**	**548**	
PRE-TAX RESULT	**35,619**	**52,829**	**(32.58)**	**18,108**	**21,557**	**(16.00)**

At parity of consolidation area, the net revenues from sales and services in the nine months amounted to Euro 253.3 million (Euro 232.9 million at September 30, 2004), the Ebitda amounted to Euro 56.8 million (Euro 64.7 million at September 30, 2004) and the Ebit was Euro 37.1 million (Euro 46.6 million at September 30, 2004).

The increase in the sales is due to the good performance in Turkey, that recorded an important increase compared to the same period in the previous year. In relation to the margins, Turkey saw an increase in profitability both in absolute and percentage terms on turnover, while Italy in the nine month period incurred increases for energy, raw materials and transport costs, as a consequence of international tensions.

In relation to the third quarter at parity of consolidation area, the net revenues from sales and services amounted to Euro 94.8 million (Euro 82.0 million in the third quarter of 2004), the Ebitda amounted to Euro 25.5 million (Euro 26.9 million in the third quarter of 2004) and the Ebit was Euro 18.8 million (Euro 21.0 million in the third quarter of 2004).

§ The 2005 figures do not consolidate the results of Aalborg Portland and Unicon

The third quarter, compared to the same period in 2004, recorded a significant increase in turnover, again relating to Turkey. Italy recorded results in recovery compared to the first half of the year. In relation to the results, although the Ebitda in the quarter was slightly lower than in the corresponding period of 2004, it should be noted the recovery, compared to the beginning of the year, of profit levels close to the previous year; this is due to the continual improvement in the performance of the activities in Turkey and a progressive recovery in Italy, which at the current moment continues to suffer, compared to 2004, the loss of efficiency following the significant increases in the various costs.

3. Geographic breakdown of net turnover

Table C

(Euro millions)	Jan-Sep 2005	Jan-Sep 2004	Δ %	3rd Q 2005	3rd Q 2004	Δ %
EUROPE	484.9	154.0	214.87	177.0	54.7	223.58
ASIA	105.2	78.9	33.33	39.3	27.3	43.96
NORTH/CENTRAL AMERICA	28.6	0	n/a	12.3	0	n/a
NORTH AFRICA	18.0	0	n/a	5.7	0	n/a
GROUP SALES	**636.7**	**232.9**	**173.38**	**234.3**	**82.0**	**185.73**

The above table indicates the percentage of the Group Sales by geographic area, in relation to both the nine month and three month period.

The geographic and production diversification that the Cementir Group has reached, permits a reduction in risks related to individual countries and allows for a greater equilibrium both in terms of margins and cash flow.

The presence in emerging companies also permits a consolidation of its market position in an expanding phase of the economic cycle.

4. Net turnover by type of product

Table D

(Euro millions)	Jan-Sep 2005	Jan-Sep 2004	Δ %	3rd Q 2005	3rd Q 2004	Δ %
GREY & WITE CEMENT	406.8	204.9	98.54	155.7	72.9	113.58
READY-MIX	229.9	28.0	721.07	78.6	9.1	763.74
GROUP NET SALES	**636.7**	**232.9**	**173.38**	**234.3**	**82.0**	**185.73**

The above table shows the breakdown of Group sales by product: at September 30, 2005 cement represented 63.9% of the sales and ready mix 36.1%.

5. Net financial position

Table E

(Euro thousands)	30/09/2005	30/06/2005	31/12/2004
CASH & BANKS	146,544	143,568	59,974
MEDIUM/LONG-TERM FINANCIAL PAYABLES	(170,537)	(169,661)	(105,657)
SHORT-TERM FINANCIAL PAYABLES	(268,722)	(303,436)	(252,966)
NET FINANCIAL POSITION	**(294,810)**	**(329,529)**	**(298,649)**

The net financial position at the end of the third quarter was a debt position of Euro 294.8 million, compared to Euro 329.5 million at June 30, 2005. The net debt, an improvement of 34.7 million compared to the end of the previous quarter, reflects the cash flow deriving from operating activities, net of payments made for investments and maintenance. The positive balance is even more significant when considered that the debt was consolidated in the quarter relating to the acquisition of Vianini Pipe Inc. for Euro 12 million.

The reduction of the net financial debt in the quarter was largely attributed to the Danish companies that, given the type of activities and the typical sales cycle in their markets, produce the largest part of cash flow in the second half of the year.

Comparing the actual financial position at September 30 with the budgeted cash flow at the end of 2004, the cash flow is well above budget.

6. Director's Report and subsequent events

The year 2005 represents the most important year in the internationalisation process of Cementir which began in 2001 with the acquisition of Cimentas and continued in 2004 with the Danish companies.

At the end of the third quarter the results are more than representative of the dimensional increase in size: the turnover compared to the same period in 2004 has increased by 173% and the Ebitda by 121%.

The performance of the companies acquired are fully confirming the expectations and the integration activities, such as the implementation of SAP in Denmark, the exchange of information on research studies for new types of cement and the commitment to alternative fuel, are continuing in accordance with the development plans.

Among the important events in the quarter, noteworthy is the subscription, through Aalborg Portland, to the Danish Carbon Fund created for the purpose to make investments in order to reduce CO2 emissions in developing countries; the fund was created by the Danish Foreign Ministry, by the Environmental Protection Agency and by private energy companies and is managed and administrated by the World Bank. The investment of Aalborg Portland is approximately Euro 5 million and will have approximately 900 thousand shares with a distribution for a period of 8 years, until 2013, at an average unitary price between 25 and 30% (currently approximately Euro 5.5) of the current market value.

Among the most important events after the end of the quarter, noteworthy is the awarding, to Cimentas, of an international tender for the acquisition of the cement factory at Edirne, located in the European part of Turkey, on the border with Bulgaria and Greece. The operation has a value of USD 166.5 million and represents another important step in the internationalisation process which commenced in 2001. The operation is subject to the authorisation from the Antitrust Authority that should give its opinion by the first half of December. The Group, with this new acquisition, will reach approximately 4 million tonnes of annual production capacity in Turkey.

After September 30 the activities of the companies are continuing normally and there are no other significant events.

In relation to the performance for the final quarter of the year, with reference to the principal geographic areas in which the Group operates, it is considered that the results in the Danish market can be above budget, also given the performance realised by Unicon in the ready-mix sector. On the Turkish market, which continues to provide signs of growth, Cimentas continues to increase its margins, aiming decisively above budget and for a 2006 which will consolidate the activities of the factory being acquired. The Italian market, which had suffered in the first half of the year, began a recovery in the third quarter that is expected to continue in the final months of the year.

Rome, November 10, 2005

For the Board of Directors

The Chairman