CALTAGIRONE GROUP

Consolidated Quarterly Report as of March 31st, 2007

Board of Directors
May 9th, 2007

Cementerie del Tirreno SpA

Registered office Corso di Francia, 200 - 00191 Rome - Italy
Share capital Euro 159,120,000 fully paid-in
Tax number 00725950638 - **VAT number** 02158501003
Company's Register Office Rome No. 160,498

Directors, officers and auditors

Board of Directors

Honorary Chairman		Luciano Leone
Chairman	1	Francesco Caltagirone Jr.
Vice Chairman		Carlo Carlevaris
Chief Executive Officer and General Manager	1	Riccardo Nicolini
Directors		Pasquale Alcini
		Edoardo Caltagirone
		Saverio Caltagirone
		Azzurra Caltagirone
		Alessandro Caltagirone
		Mario Ciliberto
	1	Mario Delfini
		Alfio Marchini
		Walter Montevecchi

Board of Statutory Auditors

Chairman	Claudio Bianchi
Standing Members	Giampiero Tasco
	Carlo Schiavone

Independent Auditors PriceWaterhouseCoopers SpA

1 Member of the Executive Committee

Board Directors Quarterly Report on Operations at March 31st, 2007

1. Performance in the 1st quarter of 2007

The present quarterly report is drawn up in compliance with International Financial Reporting Standards (IAS/IFRS) and presented in accordance with attachment 3D, article 82 of CONSOB Regulation No. 11971/1999 and subsequent amendments.

Table A

(Euro thousands)	Q1 2007	Q1 2006	Change %
NET REVENUES FROM SALES AND SERVICES	**243,330**	**217,243**	**12.01**
OTHER REVENUES	3,088	5,306	-41.80
RAW MATERIALS COSTS	(99,283)	(97,006)	2.35
SERVICES COSTS	(56,732)	(54,275)	4.53
PERSONNEL COSTS	(41,479)	(31,571)	31.38
OTHER OPERATING COSTS	(3,891)	(3,688)	5.50
EBITDA	**45,033**	**36,009**	**25.06**
EBITDA/REVENUES %	*18.51*	*16.58*	
AMORTISATION, DEPRECIATION AND PROVISIONS	(17,097)	(16,030)	6.66
EBIT	**27,936**	**19,979**	**39.83**
EBIT/REVENUES %	*11.48*	*9.20*	
FINANCIAL RESULT	**(1,523)**	**(4,933)**	
PROFIT BEFORE TAX	**26,413**	**15,046**	**75.55**

Sales volumes

(thousands)	Q1 2007	Q1 2006	Change %
GREY AND WHITE CEMENT (tons)	2,199	2,040	7.78
READY MIXED CONCRETE (cubic meters)	1,040	885	17.58
AGGREGATES (cubic meters)	733	496	47.78

Group employees

	31.03.2007	31.12.2006
NUMBERS OF EMPLOYEES	3,837	3,745

First quarter 2007 recorded revenues of Euro 243.3 million (+12% compared to Euro 217.2 million in the first quarter of 2006), an EBITDA of Euro 45 million (+25% compared to Euro 36 million in the first quarter of 2006), an EBIT of Euro 27.9 million (+40% compared to Euro 20 million in the first quarter of 2006) and a profit before income taxes of Euro 26.4 million (+76% compared to Euro 15 million in the first quarter of 2006).

EBITDA and EBIT margin on sales improved by approximately two percentage points compared to the first quarter of 2006.

Revenue growth is due to the good sales performance in all of the regions in which the group operates, with the exception of Italy which recorded a small decrease compared to the first quarter of the previous year; turnover, in fact, increased by approximately Euro 26 million with significant growth in the Scandinavian and Turkish markets.

EBITDA in the quarter reflects further efficiency gains, in line with those achieved in 2006 and in spite of the persistent increase in energy costs, due to the continual efforts to improve margins, to the good performance of the construction sector in Scandinavia, in addition to favourable weather conditions, especially in Northern Europe.

The above considerations are even more evident at EBIT level, which increased by 40% compared to the first quarter of 2006, given a constant level of depreciation and provisions.

The profit before taxes in the quarter improved by 76% compared to the same period in the previous year, which also benefited from the good financial management result.

2. Revenues breakdown by geographic area

Table B

(Euro millions)	Q1 2007	Q1 2006	Change %
EUROPE	177.3	155.4	14.1
ASIA	53.3	46.7	14.1
NORTH/CENTRAL AMERICA	7.9	11.7	-32.5
NORTH AFRICA	4.8	3.4	41.2
GROUP REVENUES	**243.3**	**217.2**	**12.0**

The table above shows Group revenues breakdown by geographic area in the first quarter of 2007, compared to the same period in 2006.

Revenues grew in all regions, with the exception of North and Central America, which has a limited impact on total revenues. The best performance in Europe compared to the first quarter of 2006 was in the Scandinavian market, while in Asia the best results were in Turkey and Malaysia.

Cementir Group's geographic and product diversification allows to minimise country-specific risks and allows for a greater equilibrium both in terms of margins and cash flow.

The Group's presence in emerging countries also favours the consolidation of a stronger market position in an expanding phase of the economic cycle.

3. Revenues breakdown by product

Table C

(Euro millions)	Q1 2007	Q1 2006	Change %
GREY AND WHITE CEMENT	146.4	139.0	5.3
READY MIXED CONCRETE	96.9	78.2	23.9
GROUP REVENUES	**243.3**	**217.2**	**12.0**

The table above shows Group revenues breakdown by product: In the first quarter of 2007, cement represented 60% of the sales and ready mixed concrete 40%.

Turnover is slightly in favour of ready mixed concrete compared to the first quarter of 2006, mainly due to the contribution of the Danish company 4K-Beton, which joined the Group on 1st March 2006, especially in terms of commercial synergies achieved with Unicon; also noteworthy is the good performance of the Turkish company Cimbeton compared to the first quarter of 2006, also operating in the ready-mix concrete sector.

Net revenues increased by 12% compared to the same period in 2006: the value of the cement sold increased by 5%, while that of ready mixed concrete increased by 24%.

4. Net financial position

Table D

(Euro thousands)	**31/03/2007**	**31/12/2006**	**31/03/2006**
CASH AND CASH EQUIVALENTS	21,945	32,084	34,089
FINANCIAL LIABILITIES NON CURRENT	(169,268)	(174,317)	(161,236)
FINANCIAL LIABILITIES CURRENT	(301,068)	(295,307)	(297,821)
NET FINANCIAL POSITION	**(448,391)**	**(437,540)**	**(424,968)**

The net financial position at 31st March 2007 was a debt position of Euro 448.4 million compared to Euro 437.5 million at 31st December 2006. The financial position, an increase in the debt of Euro 10.9 million, includes investments made in the quarter of approximately Euro 35 million.

The Net Financial position as of 31st March 2007 was, however, better than budgeted.

5. Directors' Report and subsequent events

Growth continued in 2007 – with growth in the first quarter in revenues of 12%, in EBITDA of 25%, in EBIT of 40% and in the profit before taxes of 76%.
These results were possible thanks to the good performances of the markets in which the Group operates, but are also attributable to the work on combining common know-how within the companies recently acquired.
The objectives set in the 2006/2008 industrial plan were reached two years ahead of plan, thanks to the contribution of the positive economic climate, and therefore a new industrial plan was developed, presented in March to the financial community, which sets out the principal objectives for the 2007/2009 three-year period with turnover in 2009 of over Euro 1.2 billion and EBITDA above Euro 300 million. These targets are the result of further growth to be undertaken aimed at both internal growth, through investments in plant to increase production capacity, and improvement in margins, including through greater use of the potential synergies between Group companies. In particular, among the objectives in the industrial plan are the start-up of the activities to increase capacity in Egypt, from the current 410,000 tonnes annually to 1.1 million, work on the plant at Elazig in Turkey to double the plant's capacity, from 700,000 tonnes annually to 1.3 million, and the completion of the revamping of the furnace at Arquata Scrivia in Italy, which is expected to be operational in the second half of the year, and the increase in the production capacity of the clinker at Elazig in Turkey.
Although the three-year industrial plan was targeted at internal growth, the strong operational performance and the expansion in recent years underpin and reinforce Cementir Group confidence of securing further investment opportunities, where favourable conditions may develop. The level of the Group debt permits the evaluation of further acquisitions in geographic areas which may be of interest.
In relation to the normal operations, the integration activities and exchange of information continued, while the implementation of the SAP information platform was completed for Aalborg Portland in Denmark.
No significant events occurred after the end of the first quarter.

In relation to the performance for the current year, where economic conditions remain favourable, the Group expects to continue the improvement in sales and margins compared to 2006.

Rome, May 9th, 2007

For the Board of Directors
the Chairman

200, corso di Francia - 00191 Roma - Italia
Tel. +39 06 324931
www.cementir.it

Brand principali del Gruppo Cementir