CEMENTERIE DEL TIRRENO SPA

Half-year report
at 30 June 2007

Board of Directors
10 September 2007

Cementerie del Tirreno SpA

Registered office Corso di Francia, 200 - 00191 Rome - Italy
Share capital EUR 159,120,000 fully paid-in
Tax number 00725950638 – **VAT number** 02158501003
Rome Company Resister 160,498

Contents

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 Auditors

Chairman	Claudio Bianchi
Standing members	Giampiero Tasco
	Carlo Schiavone

Indipendent Auditors	PriceWaterhouseCoopers SpA

1 Member of the Executive Committee

Directors' report on operations

The consolidated financial statements of Cementir group at 30 June 2007 have been prepared in accordance with CONSOB Regulation no. 11971/1999, as amended by Resolution no. 14990/2005 and subsequent measures.

Results

(EUR '000)	January - June 2007	January - June 2006	Δ %
NET REVENUES FROM SALES AND SERVICES	**549,648**	**504,244**	9.00%
OTHER REVENUES	8,389	10,449	-19.71%
RAW MATERIAL COSTS	(218,007)	(203,131)	7.32%
COSTS OF SERVICES	(127,898)	(117,383)	8.96%
PERSONNEL COSTS	(81,236)	(68,803)	18.07%
OTHER OPERATING COSTS	(6,602)	(7,067)	-6.58%
EBITDA	**124,294**	**118,309**	5.06%
EBITDA/REVENUES %	*22.61%*	*23.46%*	
DEPRECIATION, AMORTISATION AND PROVISIONS	(35,596)	(34,458)	3.30%
EBIT	**88,698**	**83,851**	5.78%
EBIT/REVENUES %	*16.14%*	*16.63%*	
FINANCIAL INCOME (EXPENSE)	**593**	**(18,586)**	
PROFIT BEFORE TAX	**89,291**	**65,265**	36.81%
INCOME TAXES	(20,702)	(10,478)	
NET PROFIT FOR THE PERIOD	**68,589**	**54,787**	25.19%
MINORITY INTERESTS	**5,150**	**3,760**	
GROUP NET PROFIT	**63,439**	**51,027**	24.32%

In the first half of 2007, net revenues from sales and services amounted to EUR 549.6 million (+9% compared with EUR 504.2 million in the first half of 2006). EBITDA came to EUR 124.3 million (+5% compared with EUR 118.3 million in the first half of 2006), while EBIT amounted to EUR 88.7 million (5.8% compared with EUR 83.9 million in the first half of 2006). Profit before tax reached EUR 89.2 (+36.8% compared with EUR 65.2 million in the first half of 2006), while net profit for the Group amounted to EUR 63.4 million (+24.3% compared with EUR 51 million in the first half of 2006).

The increase in net revenues reflects the solid performance of the leading markets in which the Group operates, with the sole exception of Italy, where the market slowed down with respect to the first half of 2006. Total sales increased by more than EUR 45 million, posting significant growth in both the Scandinavian and Turkish markets.

Despite the increases in absolute terms, EBITDA and EBIT in the first half of the year actually narrowed slightly from the first half of 2006 as a percentage of revenues, due primarily to the continuing rise in energy costs. Operations in Italy were affected by a decline in revenues that was not offset by a proportionate decrease in production costs, causing operating profitability to decline with respect to the previous year both in absolute terms and as a percentage of revenues.

Profit before taxes and net profit for the Group increased significantly thanks to the result of financial operations, which despite increased debt compared with the year-earlier period improved by about EUR 19 million with respect to 30 June 2006.

As regards financial operations, the result in the first half of the year was due primarily to favourable developments in the exchange rate of the Turkish lira and the weakness of the US dollar, the currency in which part of the debt is denominated.

Directors' report and significant events

Developments in the first half of this year have confirmed the trends seen in recent years, with Group net profit meeting forecasts, while 2007 promises to be another year of growth and development.

Income figures are all higher, and investment plans are being implemented as scheduled. Both the revamping activities for the Arquata Scrivia kiln in Italy and the activities to expand clinker production capacity at the Elazig facilities in Turkey have been completed. The kiln at the Arquata Scrivia facilities began operating in July and will presumably make a significant contribution to reducing operating costs in Italy in the second half of the year.

In addition to running ordinary and extraordinary operations, Group management has remained alert to any new investment opportunities that should arise. In recent years, following the jump in its size, Cementir has gained greater visibility, and, in addition to its extensive geographic coverage, which has enhanced market analysis and monitoring capacities, the company is now invited to participate in all of the tenders organised by industry players for the sale of assets.

During the first half of the year, no other significant events occurred that would require specific mention. The Group has continued to consolidate existing activities, with the integration of the most recent acquisition, the Turkish company Elazig, for which, as mentioned previously, work on upgrading its plant has been completed, as was the implementation of the SAP platform for Aalborg Portland in Denmark.

Treasury shares

At 30 June 2007, the Group does not hold any treasury shares.

At 30 June 2007, the group parent Cementir and its subsidiaries did not hold, either directly or indirectly, shares or quotas in parent companies, nor did they purchase or sell such shares or quotas during the year.

Transactions with related parties

Within the Cementir group, transactions with related parties concerned:

- the parent company Caltagirone SpA and its subsidiaries;
- associated companies;
- other related parties.

The most significant transactions with related parties are reported in note 29.

Subsequent events

No events of particular note have occurred since the close of the first half of the year.

Outlook

The good results achieved to date make it possible to forecast improved performance for the year as a whole. The spread and persistence of the uncertainty linked to developments in the US real estate market point to greater prudence in the future.

Reconciliation of shareholder's equity and net profit of the group parent and the corresponding consolidated financial statements at 30 June 2007

(EUR '000)	**Net profit 1st half 2007**	**Shareholders' equity 30 June 2007**
Cementir SpA	**7,394**	**620,102**
Higher gains on sales and contributions		(1,170)
Amortisation of the Cimentas goodwill at 31 December 2003		(13,842)
IAS/IFRS effects on subsidiaries at 31 December 2004		(9,893)
Changes in reserves		(3,904)
Effect of the consolidation of subsidiaries	53,763	347,204
Net result of equity investments measured using equity method	2,282	12,315
Other changes	-	(4,365)
Total Group	**63,439**	**946,447**
Total Minority interests	**5,150**	**44,205**
Cementir group	**68,589**	**990,652**

Consolidated financial statements

Consolidated balance sheet

(EUR '000)	Notes	30 June 2007	31 December 2006
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	1	472,302	457,547
Property, plant and equipment	2	844,544	804,933
Investment property	3	23,000	23,000
Equity investments measured using equity method	4	23,457	22,747
Other equity investments	5	2,556	2,778
Non-current financial assets	6	541	431
Deferred tax assets	19	18,676	26,399
Other non-current assets		322	288
TOTAL NON-CURRENT ASSETS		**1,385,398**	**1,338,123**
CURRENT ASSETS			
Inventories	7	105,048	103,937
Trade receivables	8	239,144	195,233
Current financial assets	9	3,317	858
Current tax assets		2,326	2,458
Other current assets	10	12,197	14,353
Cash and cash equivalents	11	30,211	31,226
TOTAL CURRENT ASSETS		**392,243**	**348,065**
TOTAL ASSETS		**1,777,641**	**1,686,188**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	12	159,120	159,120
Share premium reserve	12	35,710	35,710
Other reserves	12	688,178	570,800
Group net profit (loss)	12	63,439	114,074
GROUP SHAREHOLDERS' EQUITY		**946,447**	**879,704**
Minority interests net profit	12	5,150	8,735
Minority interests reserves	12	39,055	33,028
MINORITY INTERESTS SHAREHOLDERS' EQUITY		**44,205**	**41,763**
TOTAL SHAREHOLDERS' EQUITY		**990,652**	**921,467**
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefit provisions	13	17,632	17,143
Non-current provisions	14	9,388	12,330
Non-current financial liabilities	16	209,398	174,317
Deferred tax liabilities	19	70,688	67,664
TOTAL NON-CURRENT LIABILITIES		**307,106**	**271,454**
CURRENT LIABILITIES			
Current provisions	14	54	54
Trade payables	15	170,724	152,116
Current financial liabilities	16	263,785	295,307
Current tax liabilities	17	8,977	7,725
Other current liabilities	18	36,343	38,065
TOTAL CURRENT LIABILITIES		**479,883**	**493,267**
TOTAL LIABILITIES		**786,989**	**764,721**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,777,641**	**1,686,188**

Consolidated income statement

(EUR '000)	Notes	1st half 2007	1st half 2006
REVENUES	**20**	**553,374**	**504,150**
Change in inventories		(3,726)	94
Increases for internal work		2,942	978
Other operating revenues	**21**	5,447	9,374
TOTAL OPERATING REVENUES		**558,037**	**514,596**
Raw material costs	**22**	(218,007)	(203,131)
Personnel costs	**23**	(81,236)	(68,803)
Other operating costs	**24**	(134,500)	(124,353)
TOTAL OPERATING COSTS		**(433,743)**	**(396,287)**
EBITDA		**124,294**	**118,309**
Depreciation, amortisation, impairment losses and provisions	**25**	(35,596)	(34,458)
EBIT		**88,698**	**83,851**
Net result on equity investments measured using equity method	**26**	2,282	2,891
Net financial result	**26**	(1,689)	(21,477)
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD		**593**	**(18,586)**
PROFIT BEFORE TAX		**89,291**	**65,265**
Income taxes	**27**	(20,702)	(10,478)
NET PROFIT FOR THE PERIOD		**68,589**	**54,787**
Minority interests		5,150	3,760
GROUP NET PROFIT	**28**	**63,439**	**51,027**

Statement of changes in consolidated shareholders' equity

(EUR '000)	Share capital	Share premium reserve	Legal reserve	Other reserves			Group net profit (loss)	Group shareholders' equity	Minority interests net profit (loss)	Minority interests reserve	Minority interests shareholders' equity	Total shareholders' equity
				Treasury shares reserve	Translation reserve	Other reserve						
Shareholder's equity at January 1, 2006	**159,120**	**22,710**	**31,825**	**13,000**	**(13,754)**	**511,756**	**109,397**	**834,054**	**6,347**	**29,406**	**35,753**	**869,807**
New accounting treatment of actuarial gains/losses on severance benefits (TFR)						132	(132)	-			-	-
Shareholder's equity at January 1, 2006 *restated*	**159,120**	**22,710**	**31,825**	**13,000**	**(13,754)**	**511,888**	**109,265**	**834,054**	**6,347**	**29,406**	**35,753**	**869,807**
Allocation of 2005 net profit						109,265	(109,265)	-	(6,347)	6,347	-	-
Dividend distribution 2005						(13,525)		(13,525)			-	(13,525)
Changes in share premium reserve		13,000		(13,000)				-			-	-
Intangible assets					(31,591)			(31,591)			-	(31,591)
Change in translation reserve					(22,481)			(22,481)		(2,470)	(2,470)	(24,951)
Change in other reserve						(1,119)		(1,119)		(255)	(255)	(1,374)
New accounting treatment of actuarial gains/losses on severance benefits (TFR)						292		292			-	292
Net profit for the period							114,074	114,074	8,735		8,735	122,809
Shareholder's equity at December 31, 2006 *restated*	**159,120**	**35,710**	**31,825**	**-**	**(67,826)**	**606,801**	**114,074**	**879,704**	**8,735**	**33,028**	**41,763**	**921,467**
Allocation of 2006 net profit						114,074	(114,074)	-	(8,735)	8,735	-	-
Dividend distribution 2006						(15,912)		(15,912)		(2,075)	(2,075)	(17,987)
Intangible assets					10,253			10,253			-	10,253
Change in translation reserve					10,077			10,077			-	10,077
Change in other reserve						(816)		(816)		(569)	(569)	(1,385)
New accounting treatment of actuarial gains/losses on severance benefits (TFR)						(298)		(298)		(64)	(64)	(362)
Net profit for the period							63,439	63,439	5,150		5,150	68,589
Shareholder's equity at June 30, 2007	**159,120**	**35,710**	**31,825**	**-**	**(47,496)**	**703,849**	**63,439**	**946,447**	**5,150**	**39,055**	**44,205**	**990,652**

Statement of income and expense recognised in shareholders' equity

(EUR '000)	**1st half 2007**	**1st half 2006**
Actuarial gains (loss) from TFR	(516)	420
Tax recognised in shareholders' equity	154	(139)
Income (expense) recognised directly in shareholders' equity	**(362)**	**281**
Net profit (loss) for the period	**68,589**	**54,787**
TOTAL INCOME (EXPENSE) RECOGNISED FOR THE PERIOD	**68,227**	**55,068**
Attributable to:		
Group	63,141	51,308
Minority interests	5,086	3,760

Consolidated cash flow statement

(EUR '000)	30 June 2007	31 December 2006
Net profit for the period	**68,589**	**123,101**
Depreciation and amortisation	34,868	63,462
(Revaluations) and writedowns	52	390
Net result on equity investment measured using equity method	(2,282)	(5,654)
Net financial result	1,689	18,536
(Gains) Losses on disposal	(1,328)	(3,332)
Income taxes	20,702	45,807
Change in employee benefit provisions	127	846
Change in current and non-current provisions	(2,942)	(459)
Operating cash flow before change in working capital	**119,475**	**242,697**
(Increase) Decrease inventories	(1,111)	(8,526)
(Increase) Decrease trade receivables	(44,029)	(27,233)
Increase (Decrease) trade payables	8,957	17,889
Change in current and non-current assets and liabilities	402	1,017
Change in deferred and current income taxes	252	11,346
Operating cash flow	**83,946**	**237,190**
Dividends received	1,270	-
Interest received	2,169	4,358
Interest paid	(10,710)	(21,643)
Other income (expense) received (paid)	58	(2,497)
Income taxes paid	(8,823)	(36,707)
Cash flow from operating activities (A)	**67,910**	**180,701**
Investment intangible assets	(5,232)	(16,073)
Investment tangible assets	(53,310)	(216,496)
Investment equity investments and non-current securities	-	-
Divestment intangible assets	133	18
Divestment tangible assets	2,723	15,461
Divestment equity investments and non-current securities	-	14,449
Other changes in investing activities	(23,203)	56,269
Cash flow from investing activities (B)	**(78,889)**	**(146,372)**
Change in non-current financial assets and liabilities	40,227	(81,376)
Change in current financial assets and liabilities	(32,959)	105,755
Dividends distributed	(17,987)	(13,525)
Other changes in shareholder's equity	20,330	(54,072)
Cash flow from financing activities (C)	**9,611**	**(43,218)**
Effect of exchange rate differences on cash and cash equivalents (D)	**352**	**(1,635)**
Net change in cash and cash equivalents (A+B+C+D)	**(1,016)**	**(10,524)**
Cash and cash equivalents at the beginning of the period	**31,226**	**41,750**
Cash and cash equivalents at the end of the period	**30,210**	**31,226**

Notes

General information

Cementir SpA (Parent company), a company limited by shares with registered offices in Italy – Corso di Francia 200, Rome – and its subsidiaries constitute the "Cementir group", which operates internationally principally in the ready-mixed and cement sectors.

Shareholders with holdings of more than 2% of share capital at 30 June 2007, as indicated in the shareholder register, notices received pursuant to Article 120 of Legislative Decree 58 of 24 February 1998 and other available information are:

1) Calt 2004 Srl no. 47,860,813 shares (30.078%);
2) Lav 2004 Srl no. 40,543,880 shares (25.480%);
3) Caltagirone Francesco Jr. no. 4,889,244 shares (3.073%);
4) Pantheon 2000 SpA no. 4,466,928 shares (2.807%);
5) JP Morgan Asset Management Limited (UK) no. 3,199,932 shares (2.011%).

Compliance with the International Accounting Standards (IFRS/IAS)

The consolidated financial statements for the six months ended 30 June 2007 of Cementir group have been drawn up in compliance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Commission through 30 June 2007. In particular, they have been prepared in compliance with IAS 34 concerning the preparation of interim financial reports. These financial statements may not include all of the information required for the annual financial statements and must therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2006.

Basis of presentation

The consolidated financial statements at 30 June 2007 are presented in euros and the amounts are reported in thousands, unless otherwise indicated. The consolidated financial statements consist of the balance sheet, the income statement, the statement of changes in shareholders' equity, the statement of income and expense recognised in shareholders' equity, the cash flow statement and these notes. The basis of presentation of the Group financial statements is as follows:

- current and non-current assets and current and non-current liabilities are presented separately in the balance sheet;
- the income statement items are classified by the nature of the expense;
- the statement of changes in shareholders' equity has been drawn up based on changes in equity;

- the cash flow statement is presented using the indirect method.

The accounting principles and criteria applied in these financial statements are in line with those adopted for the consolidated financial statements for the year ended 31 December 2006 except for the treatment of actuarial gains and losses in respect of employee benefit provisions, which is described in the accounting policies and in the section “New treatment of actuarial gains and losses in respect of employee benefit provisions (TFR)”.

Consolidation policies

Scope of consolidation

A list of the subsidiaries included in the scope of consolidation and associated companies is provided in Annex 1 to these notes.

Subsidiaries

The scope of consolidation includes the group parent Cementir SpA and the companies in which it exercises direct or indirect control. Control is exercised either on the basis of directly or indirectly holding a majority of voting rights, or through the exercise of a dominant influence, expressed as the power to determine, including indirectly based on contractual or legal agreements, the financial and operating policies of the company and thus obtaining the related benefits, regardless of the actual holding in the company. The existence of potential exercisable voting rights at the balance sheet date is considered in determining control.
Subsidiaries are consolidated from the date on which control is acquired until the moment this control ceases. The interim financial statements used for consolidation purposes have been prepared at 30 June, i.e. the balance sheet date for the consolidated accounts, and are normally those prepared and approved by the board of directors of the individual companies, adjusted where necessary in order to harmonise them with accounting policies of the group parent.

Associates

Associated companies, i.e. companies over which the Group exercises a significant influence but does not control, and joint ventures, in which financial and operating policies are determined jointly with other shareholders, are accounted for using the equity method, i.e. at the carrying amount initially recognised at cost, subsequently increased or decreased to recognise the share of the net profits and losses of the associate or joint venture. Profits and losses pertaining to the Group are recognised in the consolidated income statement as from the date when the significant influence begins and until the date when it ceases.
Where the loss pertaining to the Group exceeds the carrying amount of the investment, the value is written down to zero and, where the Group has a legal or constructive commitment

to perform the obligations of the company or cover its losses, the excess is recognised as a liability.

Consolidation procedures

Assets and liabilities, and income and expenses, of the companies consolidated on a line-by-line basis are fully included in the consolidated financial statements.

Business combinations in which the control of an entity is acquired are recognised using the purchase method, where the assets and liabilities acquired are initially measured at their fair value at the acquisition date. Any positive difference between the purchase cost and the fair value of the assets and liabilities acquired is allocated to "Goodwill", while any negative difference is recognised in the income statement. The acquisition cost is based on the fair value at the purchase date of assets acquired, liabilities assumed and capital instruments issued, plus any other incidental expenses.

The shares of equity and of the result for the year pertaining to minority interests are reported in specific accounts in the balance sheet and income statement.

All intercompany balances and transactions, including any unrealised gains with third parties, are eliminated net of the related tax effects, if significant.

Unrealised gains and losses with third parties, generated by transactions with associated companies, pertaining to the Group are eliminated. Unrealised losses are eliminated except when they represent an impairment loss.

Accounting policies

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, under the control of the company and capable of generating future economic benefits. They are recognised at cost, including any direct incidental expenses necessary to render the asset available for use.

The useful life is determined for each intangible asset upon initial recognition. Intangible assets for which, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which they will generate cash flows for the Group are considered to have indefinite useful lives. Estimates of the useful lives are reviewed on an annual basis and any changes, where necessary, are applied prospectively.

Intangible assets are derecognised when the assets are sold or when no expected future benefits are expected from their use. Any loss or gain (calculated as the difference between the sale price and the carrying amount) is recognised in the income statement in the year in which they are derecognised.

Intangible assets with finite useful lives are recognised net of the relative accumulated amortisation and any impairment determined in accordance with the procedures described below. Amortisation begins when the asset is available for use and is recognised on a systematic basis in relation to the residual possibility of use and thus over the useful life of the asset. Amortisation is calculated from the moment the asset becomes available for use and for the period of its use in the year.

Intangible assets with indefinite useful lives are intangible assets for which, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which they will generate cash flows for the Group. Intangible assets with indefinite useful lives are initially recognised at purchase cost, determined in the same manner as for intangible assets with finite useful lives, and are not amortised. They are subject to testing for impairment annually, or more frequently if specific events indicate they may have incurred an impairment loss, as well as to determine if past losses may be recovered in accordance with the procedures described for goodwill below. Impairment losses are reversed if the reasons for the writedown no longer obtain.

In the case of the acquisition of subsidiaries or associates, the identifiable assets, liabilities and contingent liabilities acquired are recognised at fair value at the date of acquisition. Any positive difference between the acquisition cost and the Group's share of the fair value of these assets and liabilities are classified as goodwill and recognised as an intangible asset. Any negative difference (negative goodwill) is taken to the income statement at the date of acquisition.

After initial recognition goodwill is not amortised but is subject to testing for impairment annually, or more frequently if specific events indicate the possibility it may have incurred an impairment loss. Writedowns may not be reversed in a subsequent period.

Property, plant and equipment

Property, plant and equipment is recognised at cost, including any directly allocable incidental expenses necessary to prepare the asset for the use for which it was acquired, increased by the fair value of the estimated cost for the disposal of the asset where the company has an obligation to do so.

Costs incurred for the maintenance and repairs of an ordinary and/or cyclical nature are charged directly to the income statement in the year in which they are incurred. Costs relating to the expansion, modernisation or improvement of owned or leased property, plant and equipment are only capitalised when they satisfy the requirements for separate classification as an asset or part of an asset in accordance with the component approach.

Property, plant and equipment is recognised net of accumulated depreciation and any impairment. Depreciation is calculated on a straight line basis over the estimated useful life of the asset, reviewed on an annual basis and any changes, where necessary, are applied prospectively.

The estimated useful lives of property, plant and equipment are as follows:

	Useful lives of property, plant and equipment
Quarries	Excavated/to be excavated
Production plant	10-20 years
Other plant (non-production):	
- Industrial buildings	18-20 years
- Light constructions	10 years
- Generic or other specific plant	8 years
- Other equipment	4 years
- Transport vehicles	5 years
- Office machinery and equipment	5 years

It should be noted that the above intervals, which indicate the minimum and maximum depreciation periods, reflect the presence of components with different useful lives in the same category of assets.

Land, both unbuilt and that appurtenant to civil and industrial buildings, is not depreciated as it has an unlimited useful life.

When the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, depreciation is recognised separately for each part of the asset, applying the component approach.

At the moment of sale or when no future economic benefits are expected from use, the asset is derecognised and any loss or gain (calculated as the difference between the disposal value and the net carrying amount) is recognised in the income statement in the year of derecognizing.

Investment property

Investment property is measured at market value and is not depreciated. Changes in value are recognised in the income statement.

Impairment

At each period end, the carrying amount of property, plant and equipment and intangible assets is reviewed in the light of events or changes which indicate that the carrying amount may not be recoverable. If such evidence is found, the recoverable value must be determined and, where the carrying amount exceeds the recoverable value, the assets are written down to reflect their recoverable value. The recoverable value of goodwill and other intangible assets with indefinite lives, however, is estimated at each balance sheet date or where there is a change in circumstances or specific events occur that would require an impairment test.

The recoverable value of property, plant and equipment and intangible assets is the higher between the fair value less costs to sell and its value in use, where the value in use refers to the present value of estimated future cash flows from the asset or, for assets that do not generate clearly independent cash flows, of the group of assets that comprise the cash-generating unit to which the asset belongs.

In determining value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the asset.

An impairment loss is recognised in the income statement when the carrying amount of the asset, or of the cash-generating unit to which it is allocated, is greater than the recoverable amount. Where the reasons for a writedown of property, plant and equipment and intangible assets other than goodwill no longer obtain, the carrying amount of the asset is restored through the income statement, up to the value at which the asset would have been carried if no writedown had taken place and depreciation or amortisation had been recognised.

Where the impairment loss determined by the test is greater than the value of the asset allocated to the cash-generating unit to which belongs, the residual amount is allocated to the assets included in the cash-generating unit in proportion to their carrying amount. The minimum limit of such allocation is the greater of:

- the fair value of the asset less costs to sell;
- the value in use of the asset, as defined above;
- zero.

Impairment losses are recognised in the income statement under the depreciation, amortisation and impairment losses.

Inventories

Raw materials and semi-finished and finished products are measured at the lower of cost and market value. Purchase cost is calculated using the FIFO method.

Financial instruments

Financial assets

At initial recognition, financial assets are classified under one of the following categories and measured as follows:

- *financial assets at fair value through profit or loss:* this category (equity investments in other companies) includes financial assets acquired principally for sale in the short term, those designated at fair value through profit or loss at the acquisition date, and derivative instruments. The fair value of financial instruments listed on active markets is determined as the related market price at the balance sheet date. In the absence of an active market, the fair value is determined on the basis of prices provided by external operators and utilising valuation models principally based on objective financial variables, as well as taking into account prices in recent transactions and the prices of similar financial instruments. Changes in the fair value of instruments in this category are recognised in the income statement. Where the fair value cannot be determined reliably, the cost value is maintained, adjusted for any impairment losses. Such impairment losses may not be reversed. Financial instruments in this category are classified as short term if they are “held for trading” or if it is expected that they will be sold within 12 months from the balance sheet date. Derivatives are treated as assets if the fair value is positive and as liabilities if the fair value is negative. The Group nets the positive and negative fair values of transactions with the same counterparty where such netting is permitted contractually;

- *Loans and receivables:* this category, which main regard trade receivables, includes non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are classified as current assets (when the due date falls within normal commercial terms) except for amounts due beyond 12 months from the balance sheet date, which are classified as non-current assets. These assets are measured at amortised cost using the effective interest rate method (identified as their nominal value). Where there is evidence of impairment, the asset is written down to the present value of the expected future cash flows. The impairment losses are recognised in the income statement. Where, in subsequent periods, the reasons for the writedown no longer obtain, the value of the assets is restored up to the value they would have had under the application of amortised cost where no writedown had been recognised.

Financial assets are derecognised when the right to receive the cash flows from the instrument expires and the Group has transferred substantially all the risks and rewards relating to the instrument and the related control.

Financial liabilities

Financial liabilities include loans, trade payables and other commitments, and are measured at amortised cost using the effective interest rate method. When there is a change in the expected cash flows and it is possible to estimate them reliably, the value of the loans is recalculated to reflect this change based on the new present value of the expected cash flows and the initial internal rate of return.

Financial liabilities are classified under current liabilities, except where the Group has an unconditional right to defer their payment for at least 12 months from the balance sheet date.

Financial liabilities are derecognised when they are extinguished and the Group has transferred all the risks and rewards relating to the instrument.

Financial derivatives

The Group uses financial derivatives, such as forward foreign exchange contracts and foreign exchange options, to hedge the risks of exchange rate fluctuations.

These derivatives are measured and recognised at fair value. Transactions that satisfy the requirements for hedge accounting are classified as hedging operations, while all other operations, including those used to manage risk, are designated as trading operations. Accordingly, owing to the absence (at the subscription date) of some of the formal requirements established by the IFRS, the changes in the fair value relating to these derivative transactions are recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents include bank deposits and cash on hand, i.e. assets that are available on demand or at very short notice, certain in nature and have no collection costs.

Shareholders' equity

Share capital

Share capital is represented by the subscribed and paid-in capital of the group parent. The costs strictly related to the issue of new shares are classified, net of any deferred fiscal effect, in a separate reserve as a reduction of equity.

Employee benefits

The liability in respect of employee benefits paid at or subsequent to termination of the employment relations under defined-benefit plans, net of any plan assets, is determined on the basis of actuarial assumptions estimating the amount of future benefits that employees have accrued at the balance sheet date. The liability is recognised on an accruals basis over the period in which the entitlement matures.

Defined-benefit plans also include the portion of severance benefits due to employees pursuant to Article 2120 of the Italian Civil Code (*Trattamento di Fine Rapporto - TFR*) accrued as of 31 December 2006. Following the reform of the supplementary pension system, as from 1 January 2007 new TFR accruals must be paid into a supplementary pension fund or into a specific treasury fund established by the National Social Security Institute (INPS) if employees elect this option. Accordingly, the Group's[1] liability for defined benefits in respect of employees regards accruals to 31 December 2006 only.

The accounting treatment adopted by the Group[1] as from 1 January 2007 – discussed below – reflects the prevailing interpretation of the new legislation and is consistent with the accounting treatment recommended by the competent professional bodies. More specifically:

- TFR contributions accruing as from 1 January 2007 are considered elements of a defined contribution plan, even when employees have elected to pay them into the INPS treasury fund. These contributions, which are calculated on the basis of Civil Code rules and are

[1] For its Italian companies

not subject to actuarial measurement, therefore represent expenses recognised under personnel costs;

- conversely, the employee benefit entitlement accrued at 31 December 2006 continues to represent the liability accumulated by the company in respect of defined benefit plans. This liability will not be increased by further accruals. Accordingly, unlike previous periods, the actuarial calculation performed to determine the balance at 30 June 2007 did not include the component reflecting future wage growth. The difference with respect to the previous value produced by the new calculation represents a curtailment governed by paragraph 109 of IAS 19 and, consequently, is recognised as a negative component of income under personnel costs.

The present value of the Group's liability is determined by independent actuaries using the projected unit credit method. Under this method, the liability is projected into the future to determine the probable amount to be paid when the employment relationship is terminated and then discounted to take account of the passage of time prior to actual payment. The calculation takes account of severance benefits accrued for past service and is based on actuarial assumptions concerning, primarily, interest rates, which reflect the market yield of securities issued by leading companies with maturities consistent with the expected maturity of the obligation,[2] and employee turnover.

As the Group is not liable for TFR accruing after 31 December 2006, the actuarial calculation does not take account of future wage growth.

Actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of the Group's commitments at the end of the period, generated by changes in the actuarial assumptions used previous (described above) are recognised directly in equity.

Provisions

Provisions are recognised in respect of certain or probable costs or liabilities whose amount or timing could not be determined at period-end. Provisions are recognised when, at the balance sheet date, the Group has a legal or constructive obligation deriving from a past event and it is probable that an outflow of resources will be required to meet the obligation and this outflow can be estimated. When the financial effect of the passage of time is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted. Increases in the provision caused by the passage of time are recognised as financial expenses. If the liability refers to property, plant and equipment (such as dismantling and site reclamation), it is posted against the asset to which it refers. The charge is taken to the income statement through the depreciation of the underlying asset.

[2] Discounting was performed on the basis of the IRS yield curve corresponding to the observation period (50 years).

Grants

Grants from public or private-sector entities are recognised at fair value where it is reasonably certain that the conditions for their receipt will be met.

Grants for the acquisition or production of non-current assets (capital grants) are recognised either directly as reductions in the value of the asset or under other liabilities and taken to the income statement over the useful life of the asset.

Operating grants are recognised in full in the income statement at the time the conditions for their recognition are met.

Revenues

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Group and that their amount can be determined reliably. Revenues are measured at the fair value of the amount received net of value added tax, discounts, allowances and returns.

In particular, revenues from the sale of goods are recognised when the significant risks and rewards of ownership are transferred to the purchaser. Revenues for services are recognised at the time the services are delivered, in proportion to the stage of completion.

Financial income and expense

Financial income and expense are recognised on an accruals basis and calculated with reference to the interest accrued on the net value of the underlying asset or liability using the effective interest rate. The effective interest rate is the rate at which all inward and outward flows in respect of a given transaction are financially equivalent.

Dividends

Dividends are recognised on the date on which shareholders obtain title to payment, which normally corresponds to date of the shareholders' meeting approving their payment. Dividend distributions are carried as a liability in the period in which the shareholders' meeting approves them.

Income taxes

Current income taxes for the period are determined on the basis of estimated taxable income in compliance with current legislation.

Deferred tax assets and liabilities are recognised on the basis of temporary differences between the amounts reported in the consolidated balance sheet and the amounts reported for tax purposes, using the tax rates that are expected to be in force in the financial period in which the deferred assets or liabilities will be reversed.

Deferred tax assets are recognised when it is probable that they will be recovered, i.e. when future taxable income is expected to be sufficient for the asset to be recovered. The probability of recovery is reviewed at the end of each period.
Current and deferred tax items are recognised in the income statement except for those relating to items recognised directly in equity, in which case the tax effect is also recognised in equity. Current and deferred tax items are offset where the income tax is levied by the same tax authority, the Group is legally entitled to offset and the net balance is expected to be settled.
Other taxes not relating to income, such as property taxes, are recognised as operating costs.

Earnings per share

(i) Basic: the value of basic earnings per share is obtained by dividing the Group's net profit by the weighted average number of ordinary shares in circulation during the year, excluding treasury stock.
(ii) Diluted: the value of diluted earnings per share is obtained by dividing the Group's net profit by the weighted average number of ordinary shares in circulation during the financial year, excluding treasury stock. In order to calculate the diluted value, the weighted average number of shares in circulation is increased by assuming that all potential shares with a dilutive effect are converted. Diluted earnings per share are not calculated in the event of a loss, because this would increase the per-share result.

Translation of foreign currency items

The functional currency of subsidiaries located in euro-area countries is the euro. The functional currency of subsidiaries outside the euro-area is the relevant local currency. The presentation currency of the consolidated financial statements of the Cementir Group is the euro.

Foreign currency transactions

All transactions in non-euro currencies are recognised at the exchange rate prevailing on the transaction date.
Monetary assets and liabilities in denominated in currencies other than the functional currency are translated at the exchange rate prevailing at the close of the period. Any negative or positive differences between the amounts translated at the exchange rate for the period and the original value amounts are taken to the income statement.
Non-monetary items denominated in currencies other than the euro and carried at historical cost are translated using the exchange rate prevailing on the date the transaction was originally recognised

Non-monetary items carried at fair value are translated at the rate prevailing on the date the fair value was originally determined.

Translation of financial statements of foreign companies

The financial statements of consolidated companies operating outside the euro area are translated into euros by applying the end-period exchange rate for balance sheet items and the average exchange rate for the period for income statement items.

Differences arising from the adjustment of initial shareholders' equity to current end-period exchange rates and differences arising from the use of different methods for translating the net result for the period are recognised in equity under a specific reserve.

Upon disposal of a foreign operation, the cumulative translation differences deferred in the relevant reserve are recognised in the income statement.

Pursuant to the requirements of IFRS 1, the cumulative translation differences at the date of first-time adoption of IFRS are reclassified as "retained earnings" in equity and do not, therefore, give rise to recognition in the income statement if the foreign operation is later divested.

Use of estimates

The preparation of the consolidated financial statements requires management to use accounting methods and principles that, in certain cases, are based on difficult and subjective assessments and estimates that are derived from historical experience and reasonable and realistic assumptions made in the light of the related circumstances. The use of such estimates and assumptions influences the values reported in the financial statements, such as the balance sheet, income statement and cash flow statement, as well as in the accompanying disclosures. The final values of items for which estimates and assumptions have been made may differ from those stated in the financial statements owing to the uncertainty that accompanies the assumptions and circumstances underpinning the estimates.

Significant accounting policies

The following accounting policies and items require more extensive use of subjective judgement on the part of management, with the result that changes in the circumstances underlying the assumptions can have a material impact on the consolidated financial statements of the Group:

- *intangibles assets with indefinite useful lives;*
- *writedowns of non-current assets;*
- *depreciation and amortisation:* depreciation and amortisation is a significant expense for the Group. Property, plant and equipment is depreciated on a systematic basis over the

useful life of the asset. The useful life of Group assets is determined by management at the time the assets are acquired. This assessment is based on historical experience with similar assets, market conditions and expectations for future developments, such as technological progress, that might affect the useful life of the asset. For this reason, the effective economic life of an asset may differ from its estimated useful life. The Group periodically reviews technological progress and changes in the industry as well as costs associated with reclamation and the resale value of assets to update the residual useful life of the asset. This periodic review can lead to changes in the depreciation period and, consequently, in depreciation charges in future periods. The estimates and assumptions are reviewed periodically and the effects of changes are recognised in the income statement.

New treatment of actuarial gains and losses in respect of employee benefit provisions (TFR)

On 8 November 2005, Regulation (EC) 1910/2005 endorsed the amendments to IAS 19, the accounting standard governing employee benefits. With the changes, as from the 2006 financial year, the IASB introduced the option of directly recognising actuarial gains and losses from the calculation of liabilities for post-employment benefits in shareholders' equity.

Until 31 December 2006 the Group recognised all actuarial gains and losses emerging from the calculation of the liability in respect of TFR in the income statement. It now feels that the adoption of the option envisaged in the amendment to IAS 19 provides a more reliable view of the Group's performance and financial position, as it reduces the risk of fluctuations in Group results as a result of changes in factors external to operating activities.

The effects of the adoption of the amendment have therefore been determined retrospectively, as envisaged under IAS 8 - Accounting policies, changes in accounting estimates and errors, and the comparative figures in the half-year financial statements at 30 June 2006 and the annual financial statements at 31 December 2006 have been restated.

The impact of this change on the Group's retained earnings is reflected in the statement of changes in shareholders' equity, as well as the statement of income and expense recognised in shareholders' equity.

Risk management

The Group is exposed to foreign exchange and interest rate risks in its operations. Financial derivatives are used to reduce these risks. The company is also exposed, albeit not to a significant extent, to credit risk, as described in the following paragraph.

Credit risk

The Group's operating procedures provide for the control of credit risk by restricting the sale of products and/or services only to customers with sufficient standing and guarantees. Credit risk is also mitigated by the fact that the Group is not exposed to concentration risk among individual positions, as it has a large number of customers and widely distributed revenues.

Exchange rate risk

As it operates at the international level, the Group is structurally exposed to the exchange rate risk inherent in the cash flows generated by operating activities and financing denominated in foreign currencies. The principal cash flow exposure regard the purchase of solid fuel and clinker in US dollars and exports of cement and clinker in US dollars. The Group also has exposures in British pounds, Polish zlotys and Icelandic kronas in respect of exports to those countries. The chief exposures from financing denominated in currencies other than the functional currency are in Turkey, and are denominated in US dollars and euros. To cover its exposures, the Group calculates the natural hedging effect of cash flows, and hedges the remaining exposure by means of forward foreign exchange transactions, as well as foreign exchange call and put options. The Group's derivatives transactions are conducted for hedging purposes.

Interest rate risk

As the Group has a net debtor position, it is exposed to the risk of fluctuations in interest rates. Most of financing matures in the next three years and bears floating rates, in view of the projected cash flows of the companies. The risk of interest rate fluctuations is held to be small thanks both the short maturity of the Group's debts and to the fact that the Group's borrowing is almost exclusively in euros, Danish krone and US dollars, all of which have very flat short-term yield curves. The risk associated with structured transactions, the value of which is marginal, is managed by setting targets for dividing such operations into fixed and floating rate transactions.

Segment information

The primary basis of the Group's reporting is by geographical segment, while the secondary basis is by business segment.

The countries in which the Group operates and which represent the primary basis of reporting are: Italy, Denmark, other Scandinavian countries (Norway, Sweden and Iceland), Turkey, Egypt, the Far east (Malaysia and China) and the rest of the world (Luxembourg, Spain, Portugal, Poland, Russia and the United States). The Group's management and organisational structures essentially reflect these geographical segments.

The secondary basis of reporting are the following business segments:

- activities connected with the production and sale of cement/clinker;
- activities connected with construction materials: ready-mixed concrete and aggregates;
- other activities: transport, cement pipes, alternative fuel and fuel distribution.

Operations are organized and run by country and by type of activity. The geographical segments comprises the fixed assets of the individual companies operating in the zones listed above. The cement/clinker business segment provides some of its manufacturing capacity to the ready-mixed concrete segment.

Transactions between the segments involving the exchange of goods and services are conducted on normal market terms and conditions.

Primary basis: geographical segment

The table below reports revenues and results by geographical segment for the period ended 30 June 2007:

(EUR '000)	**Revenues**	*Inter-segment revenues*	*Net revenues contribution*	**Segment result (EBITDA)**	**Result of equity investment measured using equity method**
Denmark	201,431	9,149	192,282	44,449	-
Turkey	119,808	-	119,808	34,713	-
Italy	113,686	1,001	112,685	22,761	42
Other scandinavian countries	96,071	-	96,071	14,217	208
Egypt	15,252	244	15,008	5,265	-
Far east	10,382	-	10,382	2,005	-
Rest of world	11,833	32	11,801	884	2,032
(adjustments to exclude trade between countries)	(10,426)	(10,426)	-	-	-
Total	**558,037**	**-**	**558,037**	**124,294**	**2,282**

The table below reports revenues and income by geographical segment for the period ended 30 June 2006:

(EUR '000)	**Revenues**	*Inter-segment revenues*	*Net revenues contribution*	**Segment result (EBITDA)**	**Result of equity investment measured using equity method**
Denmark	178,430	6,036	172,394	36,833	(374)
Turkey	107,133	796	106,337	29,710	-
Italy	122,284	1,527	120,757	31,611	-
Other scandinavian countries	79,914	-	79,914	11,551	249
Egypt	14,052	-	14,052	5,995	-
Far east	9,633	-	9,633	1,655	-
Rest of world	11,509	-	11,509	954	3,016
(adjustments to exclude trade between countries)	(8,359)	(8,359)	-	-	-
Total	**514,596**	**-**	**514,596**	**118,309**	**2,891**

The table below reports other data by geographical segment at 30 June 2007:

(EUR '000)	**Segment assets**	**Segment liabilities**	**Investments in property, plant and equipment and intangible assets**	**Amortisation, depreciation, impairment losses and provisions**
Denmark	557,574	213,801	18,172	12,977
Turkey	566,365	152,068	17,980	9,775
Italy	377,889	332,713	16,702	6,822
Other scandinavian countries	129,959	52,235	4,347	3,557
Egypt	59,557	24,563	6,629	957
Far east	41,082	8,128	347	959
Rest of world	45,215	3,481	3,848	549
Total	**1,777,641**	**786,989**	**68,025**	**35,596**

The table below reports other data by geographical segment at 31 December 2006 and 30 June 2006:

(EUR '000)	**31 December 2006**		**30 June 2006**	
	Segment assets	**Segment liabilities**	**Investments in property, plant and equipment and intangible assets**	**Amortisation, depreciation, impairment losses and provisions**
Denmark	539,875	214,270	24,554	11,969
Turkey	522,550	150,400	3,194	8,877
Italy	367,706	316,675	9,745	7,504
Other scandinavian countries	118,901	46,463	4,808	3,654
Egypt	54,345	24,427	865	1,016
Far east	42,013	8,761	584	974
Rest of world	40,798	3,725	5,482	464
Total	**1,686,188**	**764,721**	**49,232**	**34,458**

Secondary basis: business segment

The table below reports data by business segment at 30 June 2007:

(EUR '000)	Segment assets	Revenues	Investments in property, plant and equipment and intangible assets
Cement	1,485,596	336,553	58,489
Ready-mixed concrete and aggregates	257,322	206,833	9,245
Other activities	34,723	14,651	291
Total	**1,777,641**	**558,037**	**68,025**

The table below reports data by business segment at 31 December 2006 and 30 June 2006:

(EUR '000)	31 December 2006	30 June 2006	
	Segment assets	Revenues	Investments in property, plant and equipment and intangible assets
Cement	1,414,313	311,834	38,875
Ready-mixed concrete and aggregates	239,025	183,527	10,127
Other activities	32,850	19,235	230
Total	**1,686,188**	**514,596**	**49,232**

The table below reports revenues from sales to external customers for each geographical segment at 30 June 2007:

(EUR '000)	Denmark	Turkey	Italy	Other scandinavian countries	Egypt	Far east	Rest of world	Total
Revenues by geographic location of customer	145,788	105,584	114,855	98,614	10,492	14,668	63,373	**553,374**

Transactions with related parties

Information about transactions with related parties is provided in the report on operations.

Transactions with directors, members of the Board of Auditors and managers of Group companies

During the year, no loans were made to directors, members of the Board of Auditors and managers with strategic responsibilities, and at 30 June 2007 the Group had no receivables in respect of loans to such persons.

Notes to the half-year financial statements

1) Intangible assets

Intangible assets amounted to EUR 472,302 thousand (EUR 457,547 thousand at 31 December 2006) and include assets with finite useful lives totalling EUR 13,100 thousand (EUR 9,465 thousand at 31 December 2006) and assets with indefinite useful lives totalling EUR 459,202 thousand (EUR 448,082 thousand at 31 December 2006).

Intangible assets with finite useful lives

At 30 June 2007 intangible assets with finite useful lives amounted to EUR 13,100 thousand (EUR 9,465 thousand at 31 December 2006). Specifically, they include concession rights for Danish companies operating in the cement sector consisting mainly of quarry concessions. Other intangible assets refer to the costs incurred for the purchase and implementation of the SAP R3 information system. Amortisation is calculated in the account on the basis of the estimated useful life of the assets.

(EUR '000)	Development costs	Concession rights	Other assets	Assets under development and advances	Total
Gross value at 1 January 2006	**131**	**5,836**	**7,800**	**807**	**14,574**
Increases	-	1,300	537	2,703	4,540
Decreases	-	-	-	-	-
Changes in scope of consolidation	9	1,772	(2,770)	(182)	(1,171)
Translation differences	(2)	(331)	(326)	1	(658)
Reclassifications	-	-	46	(18)	28
Gross value at 31 December 2006	**138**	**8,577**	**5,287**	**3,311**	**17,313**
Amortisation at 1 January 2006	**96**	**3,835**	**4,514**	**-**	**8,445**
Amortisation	22	511	388	-	921
Changes in scope of consolidation	5	324	(1,610)	-	(1,281)
Translation differences	(1)	(66)	(170)	-	(237)
Amortisation at 31 December 2006	**122**	**4,604**	**3,122**	**-**	**7,848**
Net value at 31 December 2006	**16**	**3,973**	**2,165**	**3,311**	**9,465**

(EUR '000)	Development costs	Concession rights	Other assets	Assets under development and advances	Total
Gross value at 1 January 2007	**138**	**8,577**	**5,287**	**3,311**	**17,313**
Increases	-	4,175	190	-	4,365
Decreases	-	-	-	-	-
Changes in scope of consolidation	-	-	1	-	1
Translation differences	-	(28)	85	3	60
Reclassifications	-	2,777	(633)	(2,780)	(636)
Gross value at 30 June 2007	**138**	**15,501**	**4,930**	**534**	**21,103**
Amortisation at 1 January 2007	**122**	**4,604**	**3,122**	**-**	**7,848**
Amortisation	9	509	229	-	747
Changes in scope of consolidation	-	-	-	-	-
Translation differences	-	(6)	53	-	47
Reclassifications	-	-	(639)	-	(639)
Amortisation at 30 June 2007	**131**	**5,107**	**2,765**	**-**	**8,003**
Net value at 30 June 2007	**7**	**10,394**	**2,165**	**534**	**13,100**

Intangible assets with indefinite useful lives

Intangible assets with an indefinite useful life are regularly tested for impairment.

At 30 June 2007, the item amounted to EUR 459,202 thousand (EUR 448,082 thousand at 31 December 2006) and included goodwill arising on consolidation following the acquisition of the Cimentas and Aalborg Portland groups. The increase mainly reflects translation differences on the goodwill in respect of Cimentas caused by the appreciation of the Turkish lira against the euro.

	30 June 2007			31 December 2006		
(EUR '000)	**Turkey (Cimentas group)**	**Denmark (AalborgUnicon group)**	**Total**	**Turkey (Cimentas group)**	**Denmark (AalborgUnicon group)**	**Total**
Carrying amount at start of period	**189,616**	**258,466**	**448,082**	**213,473**	**255,245**	**468,718**
Increases	-	108	**108**	-	4,736	4,736
Decreases	-	-	**-**	-	-	**-**
Writedowns	-	-	**-**	-	(849)	(849)
Changes in scope of consolidation	759	-	**759**	7,068	-	7,068
Translation differences	9,642	611	**10,253**	(30,925)	(666)	(31,591)
Carrying amount at end of period	**200,017**	**259,185**	**459,202**	**189,616**	**258,466**	**448,082**

2) Property, plant and equipment

At 30 June 2007 property, plant and equipment amounted to EUR 844,544 thousand (EUR 804,933 thousand at 31 December 2006).

The table below provides the necessary information on the components of the item:

(EUR '000)	**Land and buildings**	**Quarries**	**Plant and equipment**	**Other assets**	**Assets under construction and advances**	**Total**
Gross value at 1 January 2006	**359,102**	**12,543**	**1,005,031**	**66,091**	**13,587**	**1,456,354**
Increases	7,073	12	26,487	9,769	55,748	99,089
Decreases	(3,663)	(1)	(6,673)	(4,479)	(39)	(14,855)
Changes in scope of consolidation	42,474	(2,015)	42,441	10,137	5,806	98,843
Translation differences	(22,950)	26	(55,508)	(5,335)	(1,222)	(84,989)
Reclassifications	3,498	4,686	9,568	662	(18,442)	(28)
Gross value at 31 December 2006	**385,534**	**15,251**	**1,021,346**	**76,845**	**55,438**	**1,554,414**
Depreciation at 1 January 2006	**177,624**	**2,525**	**533,001**	**47,222**	**-**	**760,372**
Depreciation	9,280	106	46,909	6,245	-	62,540
Decreases	(2,911)	(1)	(5,503)	(3,830)	-	(12,245)
Changes in scope of consolidation	(7,543)	1,126	(3,438)	(5,389)	-	(15,244)
Translation differences	(9,197)	2	(32,503)	(4,244)	-	(45,942)
Reclassifications	-	-	-	-	-	-
Depreciation at 31 December 2006	**167,253**	**3,758**	**538,466**	**40,004**	**-**	**749,481**
Net value at 31 December 2006	**218,281**	**11,493**	**482,880**	**36,841**	**55,438**	**804,933**

(EUR '000)	Land and buildings	Quarries	Plant and equipment	Other assets	Assets under construction and advances	Total
Gross value at 1 January 2007	**385,534**	**15,251**	**1,021,346**	**76,845**	**55,438**	**1,554,414**
Increases	5,409	-	8,622	5,056	43,467	62,554
Decreases	(1,058)	-	(2,466)	(2,388)	(296)	(6,208)
Changes in scope of consolidation		-	149	(24)	113	238
Translation differences	7,175	(6)	17,142	1,585	285	26,181
Reclassifications	14,571	2,500	12,196	943	(30,210)	-
Gross value at 30 June 2007	**411,631**	**17,745**	**1,056,989**	**82,017**	**68,797**	**1,637,179**
Depreciation at 1 January 2007	**167,253**	**3,758**	**538,466**	**40,004**	**-**	**749,481**
Depreciation	4,834	71	24,950	4,268	-	34,123
Decreases	(890)	-	(1,753)	(2,170)	-	(4,813)
Changes in scope of consolidation	-	-	103	(31)	-	72
Translation differences	2,610	(1)	9,971	1,192	-	13,772
Reclassifications	(110)	110	(410)	410	-	-
Depreciation at 30 June 2007	**173,697**	**3,938**	**571,327**	**43,673**	**-**	**792,635**
Net value at 30 June 2007	**237,934**	**13,807**	**485,662**	**38,344**	**68,797**	**844,544**

The useful lives of assets adopted by the Group are reported in the related section of accounting policies.

3) Investment property

Investment property amounted to EUR 23,000 thousand and is reported at fair value. The item shows no change with respect to the previous year. The entire value of investment property is pledged as collateral for a bank loan.

4) Equity investments measured using the equity method

The item consists of the share of equity investments in associated companies, which are accounted for using the equity method.

The table below provides an overview of the financial highlights of associated companies:

(EUR '000)

Company	Currency	Registered office	Assets	Liabilities	Revenues	Net profit (loss) for period	% holding
31 December 2006							
Speedybeton SpA	EUR	Pomezia–RM (Italy)	14,364	7,831	19,380	80	30
Leigh White Cement Company *joint venture*	USD	Allentown (USA)	59,869	10,189	129,853	23,227	24.5
Aalborg Siam White Cement Pte Ltd	SGD	Singapore (Singapore)	-	-	-	(74)	50
Secil Unicon SGPS Lda *)	EUR	Lisbon (Portugal)	7,090	13	-	(1,817)	50
Sola Betong AS	NOK	Risavika (Norway)	6,172	2,637	12,762	1,616	33.3
Storsand Sandtak AS	NOK	Saette (Norway)	950	430	896	132	50
EKOL Unicon Spzoo	PLN	Gdansk (Poland)	7,657	2,837	12,579	1,335	49
Skancon A/S*	DKK	Hinnerup (Denmark)	-	-	4,864	(748)	50
			96,102	**23,937**	**180,334**	**23,751**	
30 June 2007							
Speedybeton SpA	EUR	Pomezia–RM (Italy)	14,631	7,958	9,793	140	30
Leigh White Cement Company *joint venture*	USD	Allentown (USA)	60,312	8,920	60,996	9,040	24.5
Aalborg Siam White Cement Pte Ltd	SGD	Singapore (Singapore)	-	-	-	-	50
Secil Unicon SGPS Lda *)	EUR	Lisbon (Portugal)	6,596	13	-	(494)	50
Sola Betong AS	NOK	Risavika (Norway)	8,680	4,463	7,998	553	33.3
Storsand Sandtak AS	NOK	Saette (Norway)	976	391	371	48	50
EKOL Unicon Spzoo	PLN	Gdansk (Poland)	7,857	3,082	5,558	(123)	49
			99,052	**24,827**	**84,716**	**9,164**	

* The results for Skancon refer to the first quarter of 2006, before the acquisition of the remaining 50% of share capital.

The carrying amount of the investments and Cementir SpA's pro-rata share of the net result are reported in the table below:

(EUR '000)	Carrying amount		Pro-rata share of net result	
	30 June 2007	**31 December 2006**	**1st half 2007**	**1st half 2006**
Speedybeton SpA	2,002	1,998	42	-
Leigh White Cement Company *joint venture*	14,682	13,998	2,215	3,024
Aalborg Siam White Cement Pte Ltd	-	-	-	(4)
Secil Unicon SGPS Lda	1,951	2,198	(247)	(208)
Sola Betong AS	2,032	1,775	184	191
Storsand Sandtak AS	450	417	24	58
EKOL Unicon Spzoo	2,340	2,361	(60)	204
Skancon A/S	-	-	-	(374)
Total	**23,457**	**22,747**	**2,158**	**2,891**

5) Other equity investments

Other equity investments totalled EUR 2,556 thousand (EUR 2,778 thousand at 31 December 2006) and comprise the Group's equity stake in the Toscocem Consortium (in liquidation) in the amount of 15 thousand, which remain unchanged with respect to the previous year, and equity investments in unlisted companies in the amount of EUR 2,541 thousand (EUR 2,763 thousand at 31 December 2006) as shown below:

(EUR '000)	Cemencal SpA	Sipac SpA (in liquidation)	Cimentas Egitim (Foundation)	Ataer AS	Others	Total
Value at 1° January 2006	**2,400**	**77**	**62**	**9**	**-**	**2,548**
Increases						-
Decreases						-
Changes in scope of consolidation					225	225
Translation differences			(9)	(1)		(10)
Value at 31 December 2006	**2,400**	**77**	**53**	**8**	**225**	**2,763**
Valore at 1° January 2007	**2,400**	**77**	**53**	**8**	**225**	**2,763**
Increases						-
Decreases						-
Changes in scope of consolidation					(225)	(225)
Translation differences			3			3
Value at 30 June 2007	**2,400**	**77**	**56**	**8**	**-**	**2,541**

6) Non-current financial assets

The item amounted to EUR 541 thousand (EUR 431 thousand at 31 December 2006), and is mainly made up of receivables in respect of security deposits falling due less than five years.

7) Inventories

The table below provides a breakdown of the item:

(EUR '000)	30 June 2007	31 December 2006
Raw materials, ancillary materials and consumables	68,273	64,109
Semi-finished products	16,888	17,523
Finished products	17,841	20,613
Advances	2,046	1,692
Total inventories	**105,048**	**103,937**

8) Trade receivables

Trade receivables totalled EUR 239,144 thousand (EUR 195,233 thousand at 31 December 2006), and are composed of the following elements:

(EUR '000)	30 June 2007	31 December 2006
Trade receivables	244,225	200,615
Provision for doubtful debts	(5,081)	(5,382)
Total trade receivables	**239,144**	**195,233**

Trade receivables originate in commercial transactions for the sale of goods and services and non entail a significant concentration of credit risk. The carrying amount of the trade receivables approximates their fair value.

9) Current financial assets

Current financial assets came to EUR 3,317 thousand (EUR 858 thousand at 31 December 2006) and consists of highly liquid securities.

10) Other current assets

Other current assets, totalling EUR 12,197 thousand (EUR 14,353 thousand at 31 December 2006), comprise non-commercial items, and break down as follows:

(EUR '000)	30 June 2007	31 December 2006
VAT receivables	1,827	3,396
Receivables from employees	283	630
Other receivables	10,087	10,327
Total other current assets	**12,197**	**14,353**

Other receivables are mainly composed of accrued income and prepaid expenses.

11) Cash and cash equivalents

The item amounts to a EUR 30,211 thousand (EUR 31,226 thousand at 31 December 2006), and consists of the Group's liquid assets, which are generally invested in short-term investments, breaks down as follow:

(EUR '000)	30 June 2007	31 December 2006
Bank and postal deposit	29,822	30,920
Cash on hand	389	306
Total cash and cash equivalents	**30,211**	**31,226**

12) Shareholders' equity

Group shareholders' equity

A schedule reconciling the group parent's shareholders' equity and net profit at 30 June 2007 and the corresponding consolidated figures is provided in the report on operations.

Share capital

Share capital is fully paid in and consists of 159,120,000 ordinary shares with a nominal value of EUR 1 each. The item shows no change with respect to the previous financial year.

Translation reserve

At 30 June 2007, the translation reserve showed a negative balance of EUR 47,496 thousand and broke down as follows:

(EUR '000)	30 June 2007	31 December 2006	Change
Turkey (Turkish lira)	(46,148)	(65,553)	19,405
United States (US Dollar)	(2,669)	(1,799)	(870)
Egypt (Egyptian pound)	(951)	(490)	(461)
Poland (Zloty)	129	99	30
Other countries	2,143	(83)	2,226
Total translation reserve	**(47,496)**	**(67,826)**	**20,330**

Minority interests shareholders' equity

At 30 June 2007, minority interests in shareholders' equity was EUR 44,205 thousand (EUR 41,763 thousand at 31 December 2006). At the end of the first half of 2007, net income totalled EUR 5,150 thousand (EUR 3,760 thousand at in the first half of 2006).

13) Employee benefit provisions

The Group accrues provisions for employees and employee severance benefits.

Following the reform of the supplementary pension system, as from 1 January 2007 new TFR accruals must be paid into a supplementary pension fund or into a specific treasury fund established by the National Social Security Institute (INPS) if employees elect this option.

TFR accruals up to 31 December 2006 remain with the company.

The assumptions used in determining the plan are summarised in the following table:

	30 June 2007	31 December 2006
Discount rate	4.3%-4.1%-5.7%	3.8%-4%-5.7%
Annual wage increase	1.9%-3%	1.9%-3%-4%
Annual accretion of TFR	2.8%	2.8%

The amounts reported in the balance sheet were calculated as follows:

(EUR '000)	30 June 2007	31 December 2006
Nominal value of the provision	23,776	22,925
Discounting adjustment	(6,144)	(5,782)
Total provision for employees	**17,632**	**17,143**

Changes were as follows:

(EUR '000)	30 June 2007	31 December 2006
Net liability at start of period	**17,143**	**16,296**
Curtailment	359	-
Current service cost	681	2,048
Interest cost	316	565
Net actuarial (gain)/loss	516	(221)
Change in scope of consolidation	-	1,210
Translation differences	20	(363)
Other changes	-	(108)
(Benefits paid)	(1,403)	(2,284)
Net liability at end of period	**17,632**	**17,143**

14) Provisions

Non-current and current provisions amounted to a EUR 9,388 thousand (EUR 12,330 thousand at 31 December 2006) and EUR 54 thousand (EUR 54 thousand at 31 December 2006) respectively and were composed as follows:

(EUR '000)	Quarry restructuring provision	Litigation provision	Other provisions	Total provisions	Non-current provisions	Current provisions
Value at 1 January 2006	**2,080**	**1,516**	**9,247**	**12,843**	**11,608**	**1,235**
Accruals			2,634	2,634		
Utilisations			(1,484)	(1,484)		
Decreases			(265)	(265)		
Translation differences			(279)	(179)		
Other changes			(1,065)	(1,065)		
Value at 31 December 2006	**2,080**	**1,516**	**8,788**	**12,384**	**12,330**	**54**
Value at 1 January 2007	**2,080**	**1,516**	**8,788**	**12,384**	**12,330**	**54**
Accruals	-	-	676	676		
Utilisations	-	(45)	(2,940)	(2,985)		
Decreases	-	-	(734)	(734)		
Translation differences	-	-	101	101		
Value at 30 June 2007	**2,080**	**1,471**	**5,891**	**9,442**	**9,388**	**54**

The quarry restructuring provision is recognised to cover the costs of the cleaning and maintenance of quarries used for the excavation of raw materials to be completed before the expiry of the concessions.

15) Trade payables

The value of trade payables approximates their fair value. They break down as follows:

(EUR '000)	30 June 2007	31 December 2006
Payables to suppliers	169,646	149,551
Payables to related parties	157	1,037
Advances	921	1,528
Total trade payables	**170,724**	**152,116**

16) Financial liabilities

Non-current and current financial liabilities are summarised below:

(EUR '000)	30 June 2007	31 December 2006
Bank payables	150,608	111,651
Other lenders	58,790	62,666
Non-current financial liabilities	**209,398**	**174,317**
Bank payables	241,079	270,027
Short-term portion of non-current financial liabilities	13,717	16,607
Other financial payables	8,581	8,461
Fair value of hedging derivatives	408	212
Current financial liabilities	**263,785**	**295,307**
Total financial liabilities	**473,183**	**469,624**

Net financial position

(EUR '000)	30 June 2007	31 December 2006
Cash	389	306
Other liquid assets	29,822	30,920
Cash and cash equivalent	*30,211*	*31,226*
Current financial assets	*3,317*	*858*
Current bank payables	(246,994)	(278,832)
Other current financial payables	(16,791)	(16,475)
Current financial liabilities	*(263,785)*	*(295,307)*
Net current financial liabilities	**(230,257)**	**(263,223)**
Non-current financial liabilities	**(209,398)**	**(174,317)**
Net financial position	**(439,655)**	**(437,540)**

Net financial liabilities in respect of related parties amounts to 1.3% of the net financial liabilities of the Group, and refers to the residual debt due to Vianini Industria SpA for the acquisition of Vianini Pipe Inc., a US company.

17) Current tax liabilities

Current tax liabilities total EUR 8,977 thousand (EUR 7,725 thousand at 31 December 2006) and are valued with reference to the estimated tax liability for the period.

18) Other current liabilities

(EUR '000)	30 June 2007	31 December 2006
Payables to employees	13,630	16,494
Payables to social security institutions	3,612	2,937
Payables to related parties	148	113
Other payables	18,953	18,521
Total other current liabilities	**36,343**	**38,065**

19) Deferred tax assets and liabilities

Deferred tax items are calculated on temporary differences between taxable income and the income reported in the financial statement. Deferred tax liabilities amount to EUR 70,688 thousand (EUR 67,664 thousand at 31 December 2006), and deferred tax assets to EUR 18,676 thousand (EUR 26,399 thousand at 31 December 2006). They break down as follows:

(EUR '000)	1 January 2007	Accrual net of utilisation in income statement	Net increase in shareholders' equity	Changes in scope of consolidation	30 June 2007
Deferred tax liabilities					
Differences in depreciation	37,594	(102)	882	2,241	40,615
Differences in amortisation	5,862	1,511	342	-	7,715
Plant revaluation	12,931	(862)	-	-	12,069
Capital gains	1,734	(867)	-	-	867
Other	9,543	24	(145)	-	9,422
Total deferred tax liabilities	**67,664**	**(296)**	**1,079**	**2,241**	**70,688**
Deferred tax assets					
Tax losses carried forward	12,204	(3,796)	42	-	8,450
Provisions	3,544	(14)	18	-	3,548
Writedowns of equity investments	3,868	(3,835)	-	-	33
Other	6,783	(2,413)	42	2,233	6,645
Total deferred tax assets	**26,399**	**(10,058)**	**102**	**2,233**	**18,676**

20) Revenues

(EUR '000)	1st half 2007	1st half 2006
Product sales	539,607	488,145
Services	13,767	16,005
Total revenues from sales and services	**553,374**	**504,150**

21) Other operating revenues

(EUR '000)	1st half 2007	1st half 2006
Rental and similar income	898	1,407
Capital gains	1,391	1,517
Release of provisions	734	1,949
Insurance payments	-	2,360
Other income and revenues	2,424	2,141
Total other operating revenues	**5,447**	**9,374**

22) Raw material costs

(EUR '000)	1st half 2007	1st half 2006
Raw materials and semi-finished products	93,219	99,186
Fuel	51,710	38,678
Electricity	40,907	33,649
Finished products	3,839	4,267
Other materials	31,546	31,559
Change in inventories of raw materials, consumable and products	(3,214)	(4,208)
Total raw materials costs	**218,007**	**203,131**

23) Personnel costs

(EUR '000)	1st half 2007	1st half 2006
Salaries and wages	67,258	56,828
Social security contributions	9,119	7,851
Curtailment	359	-
Other costs	4,500	4,124
Total personnel costs	**81,236**	**68,803**

Group employees break down as follows:

	30 June 2007	31 December 2006
Executives	63	60
Middle management and office staff	1,756	1,666
Workers	2,050	2,019
Total	**3,869**	**3,745**

At 30 June 2007 the group parent Cementir and the Italian subsidiaries had 603 employees at the end of the period (581 at 31 December 2006), while the Cimentas group had 1,212 (1,153 at 31 December 2006), the Aalborg group had 1,034 (1,048 at 31 December 2006) and the Unicon group had 1,020 (963 at 31 December 2006).

24) Other operating costs

(EUR '000)	1st half 2007	1st half 2006
Transport	59,152	56,737
Services and maintenance	37,843	32,511
Consulting	3,005	2,562
Insurance	2,608	2,248
Other services	20,055	16,206
Rental and similar costs	4,435	4,774
Indirect taxes	4,144	4,114
Other operating charges	3,258	5,201
Total operating costs	**134,500**	**124,353**

25) Depreciation, amortisation, impairment losses and provisions

(EUR '000)	1st half 2007	1st half 2006
Amortisation	746	467
Depreciation	34,122	31,326
Provisions	676	2,175
Impairment losses	52	490
Total depreciation, amortisation, impairment losses and provisions	**35,596**	**34,458**

26) Net result on financial items and equity investments measured using equity method

The result of the first half of 2007, which was a negative EUR 593 thousand (EUR 18,586 thousand in the first half of2006), regards the result of companies measured using the equity method and the net result of financial operations. It breaks down as follows:

(EUR '000)	1st half 2007	1st half 2006
Profits from equity investments measured using equity method	2,589	3,473
Losses from equity investments measured using equity method	(307)	(582)
Net result from equity investments measured using equity method	**2,282**	**2,891**
Interest and financial income	3,539	2,585
Interest expense	(12,407)	(10,788)
Other financial income and expense	(462)	(665)
Total financial income and expense	*(9,330)*	*(8,868)*
Net exchange rate differences	*7,641*	*(13,531)*
Net result of divestment of equity investments	-	4,091
Writedowns of equity investments	-	(3,169)
Total revaluations / writedowns	-	*922*
Net financial result	**(1,689)**	**(21,477)**
Net result on financial items and equity investments measured using equity method	**593**	**(18,586)**

As regards net exchange rate differences, they are mainly related to the revaluation of the Turkish lira against the US dollar.

27) Income taxes

Income taxes amounted to EUR 20,702 thousand (a negative EUR 10,478 thousand for the first half of 2006) and are composed of current taxes of EUR 10,940 thousand and net deferred taxes of EUR 9,762 thousand.

28) Earnings per share

Earnings per share are calculated by dividing the Group net result for the period by the weighed average number of ordinary shares outstanding in the period.

	1st half 2007	1st half 2006
Group net profit (EUR '000)	63,439	51,027
Weighted average number of ordinary shares outstanding ('000)	159,120	159,120
Basic earnings per share	**0.40**	**0.32**

Diluted earnings per share are the same as basic earnings per share as Cementir SpA has only issued ordinary shares.

29) Transactions with related parties

Transactions with related arties involved:

- the parent company Caltagirone SpA and its subsidiaries;
- associated companies;
- other related parties.

Transactions entered into by Group companies with related parties generally form part of normal operations and are settled on market terms and conditions. No unusual or atypical transactions were carried out.

The companies of the Cementir group also enter into transactions with companies belonging to the Caltagirone group and with companies under common control. All transactions with related parties are carried out on normal market terms and conditions.

At 30 June 2007, Unicon had a financial liability of 6,000 thousand, already reported at 31 December 2006, in respect of the residual amount due to Vianini Industria (a joint venture) for the acquisition of 99.9% of Vianini Pipe Inc.,a US company. As reported at 31 December 2006, the contract for the acquisition provides for payment in instalments until July2008, with interest charged at normal market rates.

The main financial relationships are reported in the following table:

(EUR '000)	30 June 2007		1st half 2007		31 December 2006		1st half 2006	
	Receivable	Payable	Revenues	Costs	Receivable	Payable	Revenues	Costs
Parent company	-	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-	-
Companies under common control	-	6,000	-	165	-	6,000	50	163
Total	**-**	**6,000**	**-**	**165**	**-**	**6,000**	**50**	**163**

The main commercial and other relationships are reported below:

(EUR '000)	30 June 2007		1st half 2007		31 December 2006		1st half 2006	
	Receivable	Payable	Revenues	Costs	Receivable	Payable	Revenues	Costs
Parent company	**-**	-	-	-	-	918	-	-
Subsidiaries	**-**	-	-	-	-	-	-	-
Associates	4,917	-	8,361	-	2,983	4	6,391	-
Companies under common control	676	304	606	879	1,531	228	1,002	822
Total	**5,593**	**304**	**8,967**	**879**	**4,514**	**1,150**	**7,393**	**822**

Revenues from associated companies regard the sale of finished and semi-finished products (cement and clinker) carried out on normal market terms and conditions. As regards commercial transactions with companies under common control, the Cementir group has long sold cement to the companies of the Caltagirone group. More specifically, in the first half of 2007, it sold a total of 6,947 metric tons of cement (respectively 6,270 to Vianini Lavori and 677 to Vianini Industria) on market terms and conditions. Costs incurred in respect of commercial transactions with the parent company and companies under common control comprise sundry services, including rental income and expense.

The Chairman
of the Board of Directors

Annexes

Annex 1

List of companies included in the scope of consolidation:

Company	Registered office	Year end
Cementir SpA – *Group parent*	Rome (Italy)	31/12/2007
Aalborg Cement Company Inc.	Dover (USA)	31/12/2007
Aalborg Portland A/S	Aalborg (Denmark)	31/12/2007
Aalborg Portland Island EHF	Kopavogur (Iceland)	31/12/2007
Aalborg Portland Polska Spzoo	Warszawa (Poland)	31/12/2007
Aalborg Portland US Inc	Dover (USA)	31/12/2007
Aalborg Portland White A/S	Aalborg (Denmark)	31/12/2007
Aalborg Portland White China A/S	Aalborg (Denmark)	31/12/2007
Aalborg Resources Sdn Bhd	Perak (Malaysia)	31/12/2007
Aalborg White (Philippines) Inc. (A)	Manila (Philippines)	31/12/2007
Aalborg White Anqing Co Ltd	Anqing (China)	31/12/2007
Aalborg White Asia Sdn Bhd	Perak (Malaysia)	31/12/2007
Aalborg White Cement Pty Ltd	Sydney (Australia)	31/12/2007
Aalborg White Italia Srl	Rome (Italy)	31/12/2007
Aalborg White OOO	St. Petersburg (Russia)	31/12/2007
AB Sydsten	Malmö (Sweden)	31/12/2007
AGAB Syd AB	Malmö (Sweden)	31/12/2007
Alfacem Srl	Rome (Italy)	31/12/2007
Bakircay AS	Izmir (Turkey)	31/12/2007
Betontir SpA	Rome (Italy)	31/10/2007
Cem 2004 Srl	Rome (Italy)	31/12/2007
Cementir Delta SpA	Rome (Italy)	31/12/2007
Cementir Espana SL	Madrid (Spain)	31/12/2007
CemMiljo A/S	Aalborg (Denmark)	31/12/2007
Cimbeton AS	Izmir (Turkey)	31/12/2007
Cimentas AS	Izmir (Turkey)	31/12/2007
Destek AS	Izmir (Turkey)	31/12/2007
Ekblads Betong AB	Jönköping (Sweden)	31/12/2007
Elazig Cimento	Elazig (Turkey)	31/12/2007
Everts Betongpumpning AB	Halmstad (Sweden)	31/12/2007
Forserumsten HB	Växjö (Sweden)	31/12/2007
4K Beton A/S	Copenaghen (Denmark)	31/12/2007
Gaetano Cacciatore Inc.	Somerville N.J.(USA)	31/12/2007
Globocem SL	Madrid (Spain)	31/12/2007
Illion Cimento Ltd	Soma (Turkey)	31/12/2007
Intercem SA	Luxembourg (Luxembourg)	30/11/2007

(A) In liquidation
(B) Liquidated, awaiting cancellation
(C) Merger instrument awaiting registration

Annex 1 (*continued*)

Company	Registered office	Year end
JEPA Grus og Container	Malmö (Sweden)	31/12/2007
Kars Cimento AS	Kars (Turkey)	31/12/2007
Kobenhavns Betonfabrik A/S (C)	Roskilde (Denmark)	31/12/2007
SCI Marketing & Services Sdn Bhd. (A)	Perak (Malaysia)	31/12/2007
Sinai White Portland Cement Co. SAE	Cairo (Egypt)	31/12/2007
Skancon A/S (B)	Copenaghen (Denmark)	31/12/2007
Skane Grus AB	Malmö (Sweden)	31/12/2007
Skim Coat Industries Sdn Bhd (A)	Perak (Malaysia)	31/12/2007
Sydsten Helsingborg AB	Helsingborg (Sweden)	31/12/2007
Unicon A/S	Roskilde (Denmark)	31/12/2007
Unicon AS	Sandvika (Norway)	31/12/2007
Vianini Pipe Inc.	Somerville (USA)	31/12/2007
Yapitek AS	Izmir (Turkey)	31/12/2007

List of the associated companies measured using the equity method:

Company	Registered office	Year end
EKOL Unicon Spzoo	Gdansk (Poland)	31/12/2007
Leigh White Cement Company - *joint venture*	Allentown (USA)	31/12/2007
Secil Unicon SGPS Lda	Lisbon (Portugal)	31/12/2007
Sola Betong AS	Risavika (Norway)	31/12/2007
Speedybeton SpA	Pomezia - RM (Italy)	31/12/2007
Storsand Sandtak AS	Saetre (Norway)	31/12/2007

(A) In liquidation
(B) Liquidated, awaiting cancellation
(C) Merger instrument awaiting registration

Annex 2

List of significant equity investments at 30 June 2007 pursuant to Art.120 of Legislative Decree 58 of 24.02.1998
(pursuant to Art.126 of CONSOB Regulation 11971 of 14 May 1999)

Company	Registered office	Share capital	Currency	Type of holding % Direct	Type of holding % Indirect	% holding	% Held by Group companies
Cementir SpA	Rome (I)	159.120.000	EUR				Group parent
Aalborg Cement Company Inc.	Dover (USA)	1.000	USD		100	100	Aalborg Portland US Inc.
Aalborg Portland A/S	Aalborg (DK)	300.000.000	DKK		75	75	Cementir Espana SL
					25	25	Globocem SL
Aalborg Portland Island EHF	Kopavogur (IS)	303.000.000	ISK		100	100	Aalborg Portland A/S
Aalborg Portland Polska Spzoo	Warszawa (PL)	100.000	PLN		100	100	Aalborg Portland A/S
Aalborg Portland US Inc	Dover (USA)	1.000	USD		100	100	Aalborg Portland A/S
Aalborg Portland White A/S	Aalborg (DK)	50.000.000	DKK		100	100	Aalborg Portland A/S
Aalborg Portland White China A/S	Aalborg (DK)	9.500.000	DKK		100	100	Aalborg Portland White A/S
Aalborg Resources Sdn Bhd	Perak (MAL)	2.543.972	MYR		100	100	Aalborg White Asia Sdn Bhd
Aalborg Siam White Cement Pte Ltd (B)	Singapore (SGP)	500.000	USD		50	50	Aalborg White Asia Sdn Bhd
Aalborg White Anqing Co Ltd	Anqing (VR)	51.336.543	CNY		100	100	Aalborg Portland White China A/S
Aalborg White Asia Sdn Bhd	Perak (MAL)	95.400.000	MYR		70	70	Aalborg Portland White A/S
Aalborg White Cement Pty Ltd	Sydney (AUS)	1.000	AUD		100	100	Aalborg White Asia Sdn Bhd
Aalborg White Italia Srl	Rome (I)	10.000	EUR		82	82	Aalborg Portland White A/S
Aalborg White OOO	St. Petersburg (RUS)	21.000.000	RUB		100	100	Aalborg Portland White A/S
Aalborg White (Philippines) Inc. (A)	Manila (RP)	10.000.000	PHP		100	100	Aalborg White Asia Sdn Bhd
AB Sydsten	Malmö (S)	15.000.000	SEK		50	50	Kobenhavns Betonfabrik A/S
AGAB Syd AB	Malmö (S)	120.000	SEK		50	50	AB Sysden
Alfacem Srl	Rome (I)	1.010.000	EUR		99,01	99,01	Cimentas AS
				0,99		0,99	Cementir SpA
Bakircay AS	Izmir (TR)	420.000	TRY		97,86	97,86	Kars Cimento AS
					2,14	2,14	Yapitek AS
Calcestruzzi Inerti Srl	Civita Castellana (I)	10.000	EUR		50	50	Betontir SpA
Betontir SpA	Rome (I)	104.000	EUR	99,88		99,88	Cementir SpA
Cem 2004 Srl	Rome (I)	10.000	EUR	99,99		99,99	Cementir SpA
					0,01	0,01	Cementir Delta SpA
Cemencal SpA	Bergamo (I)	12.660.000	EUR	15		15	Betontir SpA
Cementir Delta SpA	Rome (I)	38.218.040	EUR	99,99		99,99	Cementir SpA
Cementir Espana SL	Madrid (E)	3.007	EUR		100	100	Cementir Delta SpA
CemMiljo A/S	Aalborg (DK)	1.090.950	DKK		100	100	Aalborg Portland A/S
Cimbeton AS	Izmir (TR)	1.770.000	TRY		84,68	84,68	Cimentas AS
					0,06	0,06	Yapitek AS
Cimentas AS	Izmir (TR)	36.540.000	TRY		67,23	67,23	Intercem SA
				29,38		29,38	Cementir SpA
					0,12	0,12	Cimbeton AS

(A) In liquidation
(B) Liquidated, awaiting cancellation
(C) Merger instrument awaiting registration

Annex 2 *(continued)*

Company	Registered office	Share capital	Currency	Type of holding % Direct	% Indirect	% holding	% Held by Group companies
Destek AS	Izmir (TR)	50.000	TRY		99,93	99,93	Cimentas AS
					0,02	0,02	Cimbeton AS
					0,02	0,02	Yapitek AS
					0,02	0,02	Bakircay AS
					0,01	0,01	Cimentas Foundation
Ekblads Betong AB	Jönköping (S)	500.000	SEK		75	75	AB Sysden
EKOL Unicon Spzoo	Gdansk (PL)	1.000.000	PLN		49	49	Unicon A/S
Elazig Cimento AS	Elazig (TR)	46.000.000	TRY		93,55	93,55	Kars Cimento AS
					6,17	6,17	Cimentas AS
					0,27	0,27	Bakircay AS
Everts Betongpumpning AB	Halmstad (S)	100.000	SEK		51	51	AB Sysden
Forserumsten HB	Växjö (S)	1.800.000	SEK		50	50	AB Sysden
4K Beton A/S	Copenaghen (DK)	100.000.000	DKK		100	100	Unicon A/S
Gaetano Cacciatore Inc.	Somerville N.J.(USA)	4.000.000	USD		100	100	Aalborg Cement Company Inc
Globocem SL	Madrid (E)	3.007	EUR		100	100	Alfacem Srl
Illion Cimento Ltd	Soma (Turkey)	300.000	TRY		99,99	99,99	Cimbeton AS
					0,01	0,01	Bakircay AS
Intercem SA	Luxemburg (L)	100.000	EUR	99		99	Cementir SpA
					1	1	Betontir SpA
JEPA Grus og Container	Malmö (S)	100.000	SEK		100	100	Skane Grus AB
Kars Cimento AS	Kars (TR)	3.000.000	TRY		58,38	58,38	Cimentas AS
					39,81	39,81	Alfacem Srl
Kobenhavns Betonfabrik A/S [(C)]	Roskilde (DK)	2.000.000	DKK		100	100	Unicon A/S
Leigh White Cement Company *Joint venture*	Allentown (USA)	-	USD		24,5	24,5	Aalborg Cement Company Inc
SCI Marketing & Services Sdn Bhd. [(A)]	Perak (MAL)	40.002	MYR		100	100	Aalborg White Asia Sdn Bhd
Secil Unicon SGPS Lda	Lisbon (P)	4.987.980	EUR		50	50	Unicon A/S
Secil Prebetão SA	Montijo (P)	2.750.000	EUR		85	85	Secil Unicon SGPS Lda
Sinai White Portland Cement Co. SAE	Cairo (ET)	170.000.000	EGP		57,14	57,14	Aalborg Portland White A/S
Skancon A/S [(B)]	Copenaghen (DK)	7.500.000	DKK		100	100	Unicon A/S
Skane Grus AB	Malmö (S)	1.000.000	SEK		60	60	AB Sysden
Skim Coat Industries Sdn Bhd [(A)]	Perak (MAL)	480.002	MYR		100	100	Aalborg White Asia Sdn Bhd
Sola Betong AS	Risavika (N)	9.000.000	NOK		33,3	33,3	Unicon AS
Speedybeton SpA	Pomezia - RM (I)	300.000	EUR	30		30	Betontir SpA
Storsand Sandtak AS	Saetre (N)	105.000	NOK		50	50	Unicon A/S
Sydsten Helsingborg AB	Helsingborg (S)	100.000	SEK		75	75	AB Sysden
Unicon A/S	Roskilde (DK)	150.000.000	DKK		100	100	Aalborg Portland A/S
Unicon AS	Sandvika (N)	13.289.100	NOK		100	100	Unicon A/S
Vianini Pipe Inc.	Somerville N.J.(USA)	4.483.396	USD		99,99	99,99	Unicon AS
Yapitek AS	Izmir (TR)	50.000	TRY		98,75	98,75	Cimentas AS
					1,25	1,25	Cimbeton AS

(A) In liquidation
(B) Liquidated, awaiting cancellation
(C) Merger instrument awaiting registration

Cementir SpA

Financial statements of Cementir SpA

Balance sheet

(EUR '000)	30 June 2007	31 December 2006
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	442	355
Property, plant and equipments	206,320	196,652
Investment property	23,000	23,000
Equity investments measured using equity method	-	-
Other equity investments	249,364	254,244
Non-current financial assets	210	308
Deferred tax assets	11,707	17,797
Other non-current assets	-	-
TOTAL NON-CURRENT ASSETS	**491,043**	**492,356**
CURRENT ASSETS		
Inventories	27,263	30,584
Trade receivables:	91,327	87,023
- third parties	*87,836*	*81,905*
- related parties	*3,491*	*5,118*
Current equity investments and securities	-	-
Current financial assets:	294,319	289,030
- third parties	*1,168*	*858*
- related parties	*293,151*	*288,172*
Current tax assets	96	626
Other current assets	911	732
Cash and cash equivalents	4,762	664
TOTAL CURRENT ASSETS	**418,678**	**408,659**
TOTAL ASSETS	**909,721**	**901,015**
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	159,120	159,120
Share premium reserve	35,710	35,710
Other reserves	417,878	413,190
Net profit (loss)	7,394	20,913
TOTAL SHAREHOLDERS' EQUITY	**620,102**	**628,933**
LIABILITIES		
LIABILITIES NON-CURRENT		
Employee benefit provisions	7,421	7,321
Non-current provisions	2,267	2,267
Non-current financial liabilities	73,094	77,318
Deferred tax liabilities	14,807	16,508
Other non-current liabilities	-	-
TOTAL LIABILITIES NON-CURRENT	**97,589**	**103,414**
LIABILITIES CURRENT		
Current provisions	-	-
Trade payables:	74,147	71,694
- third parties	*73,837*	*70,375*
- related parties	*310*	*1,319*
Current financial liabilities:	109,956	86,948
- third parties	*106,182*	*86,948*
- related parties	*3,774*	*-*
Current tax liabilities	125	2,166
Other current liabilities	7,802	7,860
TOTAL LIABILITIES CURRENT	**192,030**	**168,668**
TOTAL LIABILITIES	**289,619**	**272,082**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**909,721**	**901,015**

Income statement

(EUR '000)	1st half 2007	1st half 2006
REVENUES	**115,673**	**120,410**
- third parties	*113,393*	*117,324*
- related parties	*2,280*	*3,086*
Change in inventories	(4,893)	(597)
Increases for internal work	223	23
Other operating revenues:	839	391
- third parties	*530*	*148*
- related parties	*309*	*243*
TOTAL OPERATING REVENUES	**111,842**	**120,227**
Raw material costs:	(49,710)	(49,022)
- third parties	(49,710)	*(48,363)*
- related parties	-	*(659)*
Personnel costs	(14,474)	(13,209)
Other operating costs	(24,784)	(26,369)
- third parties	*(23,905)*	*(26,225)*
- related parties	*(879)*	*(144)*
TOTAL OPERTING COSTS	**(88,968)**	**(88,600)**
EBITDA	**22,874**	**31,627**
Depreciation, amortisation, impairment losses and provisions	(6,781)	(7,456)
EBIT	**16,093**	**24,171**
Net result on equity investments measured using equity method	-	-
Net financial result:	(2,408)	(1,610)
- third parties	*(3,013)*	*(1,697)*
- related parties	*605*	*87*
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD	**(2,408)**	**(1,610)**
PROFIT BEFORE TAX	**13,685**	**22,561**
Income taxes	(6,291)	(9,335)
NET PROFIT FOR THE PERIOD	**7,394**	**13,226**

Statement of changes in shareholders' equity

(EUR '000)	Share capital	Share premium reserve	Other reserves								Retained earnings	Profit (loss) for the period	Total shareholders' equity
			Legal reserve	Reserve for purchase of treasury stock	Revaluation reserve	Reserve for grant	Reserve Art. 15 L.67/88	Reserve L.349/95	Other reserves (FTA)	Reserve TFR IAS19			
Shareholders' equity at 1 January 2006	**159,120**	**22,710**	**31,824**	**13,000**	**97,733**	**13,207**	**138**	**19**	**98,888**	**-**	**161,289**	**23,233**	**621,161**
New accounting treatment of actuarial gains/loss on severance benefits (TFR)									*(46)*	*185*		*(139)*	-
Shareholders' equity at 1 January 2006 *restated*	**159,120**	**22,710**	**31,824**	**13,000**	**97,733**	**13,207**	**138**	**19**	**98,842**	**185**	**161,289**	**23,094**	**621,161**
Allocation of 2005 net profit:													-
-Dividend distribution											*(4,923)*	*(8,602)*	***(13,525)***
-Purchase of treasury share		*13,000*		*(13,000)*									**-**
Other IFRS effects											14,492	(14,492)	**-**
Grant collection								6					**6**
New accounting treatment of actuarial gains/loss on severance benefits (TFR)										378			**378**
Net profit for the period											-	20,913	**20,913**
Shareholders' equity at 31 December 2006 *restated*	**159,120**	**35,710**	**31,824**	**-**	**97,733**	**13,207**	**138**	**25**	**98,842**	**563**	**170,858**	**20,913**	**628,933**
Allocation of 2005 net profit:													**-**
-Dividend distribution												(15,912)	**(15,912)**
-Retained earnings											5,001	(5,001)	**-**
New accounting treatment of actuarial gains/loss on severance benefits (TFR)										(313)			**(313)**
Net profit for the period												7,394	**7,394**
Shareholders' equity at 30 June 2007	**159,120**	**35,710**	**31,824**	**-**	**97,733**	**13,207**	**138**	**25**	**98,842**	**250**	**175,859**	**7,394**	**620,102**

Statement of income and expense recognised in shareholders' equity

(EUR '000)	1st half 2007	1st half 2006
Actuarial gains (loss) from TFR	(467)	420
Tax recognised in shareholders' equity	154	(139)
Income (expense) recognised directly in shareholders' equity	**(313)**	**281**
Net profit (loss) for the period	**7,394**	**13,226**
TOTAL INCOME (EXPENSE) RECOGNISED FOR THE PERIOD	**7,081**	**13,507**

Cash flow statement

(EUR '000)	30 June 2007	31 December 2006
Net profit for the period	**7,394**	**20,913**
Depreciation and amortisation	6,781	12,281
- amortisation	*77*	*121*
- depreciation	*6,704*	*12,160*
(Revaluations) and writedowns	-	25
Net financial result	2,408	4,721
- with third parties	*3,013*	*4,678*
- with related parties	*(605)*	*43*
(Gains) Losses on disposal	(637)	(287)
Income taxes	6,291	21,472
Change in employment benefit provisions	(213)	51
Change in current and non-current provisions	-	(2,000)
Operating cash flow before change in working capital	**22,024**	**56,176**
(Increase) Decrease inventories	3,321	(1,615)
(Increase) Decrease trade receivables with third parties	(5,932)	(9,543)
(Increase) Decrease trade receivables with related parties	1,628	(167)
Increase (Decrease) trade payables with third parties	(6,020)	10,862
Increase (Decrease) trade payables with related parties	(1,009)	1,163
Change in current and non-current assets and liabilities	(237)	549
Change in deferred and current income taxes	364	(814)
Operating cash flow	**14,139**	**57,611**
Dividends received	-	158
Interest received	129	1,516
Interest paid	(1,934)	(6,920)
Income taxes paid	(3,777)	(16,016)
Cash flow from operating activities (A)	**8,557**	**36,349**
Investment intangible assets	(165)	(172)
Investment tangible assets	(7,030)	(25,954)
Investment equity investments and non-current securities	-	(43,909)
Divestment intangible assets	-	-
Divestment tangible assets	160	609
Divestment equity investments and non-current securities	5,500	-
Other changes in investing activities	-	19
Cash flow from investing activities (B)	**(1,535)**	**(69,407)**
Change in non-current financial assets and liabilities	(4,125)	31,269
Change in current financial assets and liabilities with third parties	18,325	(41,667)
Change in current financial assets and liabilities with related parties	(1,219)	49,977
Dividends distributed	(15,905)	(13,519)
Other changes in shareholder's equity	-	7
Cash flow from financing activities (C)	**(2,924)**	**26,067**
Net change in cash and cash equivalents (A+B+C)	**4,098**	**(6,991)**
Cash and cash equivalents at the beginning of the period	**664**	**7,655**
Cash and cash equivalents at the end of the period	**4,762**	**664**

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