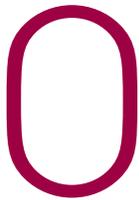


ENVIRONMENTAL REPORT 2007





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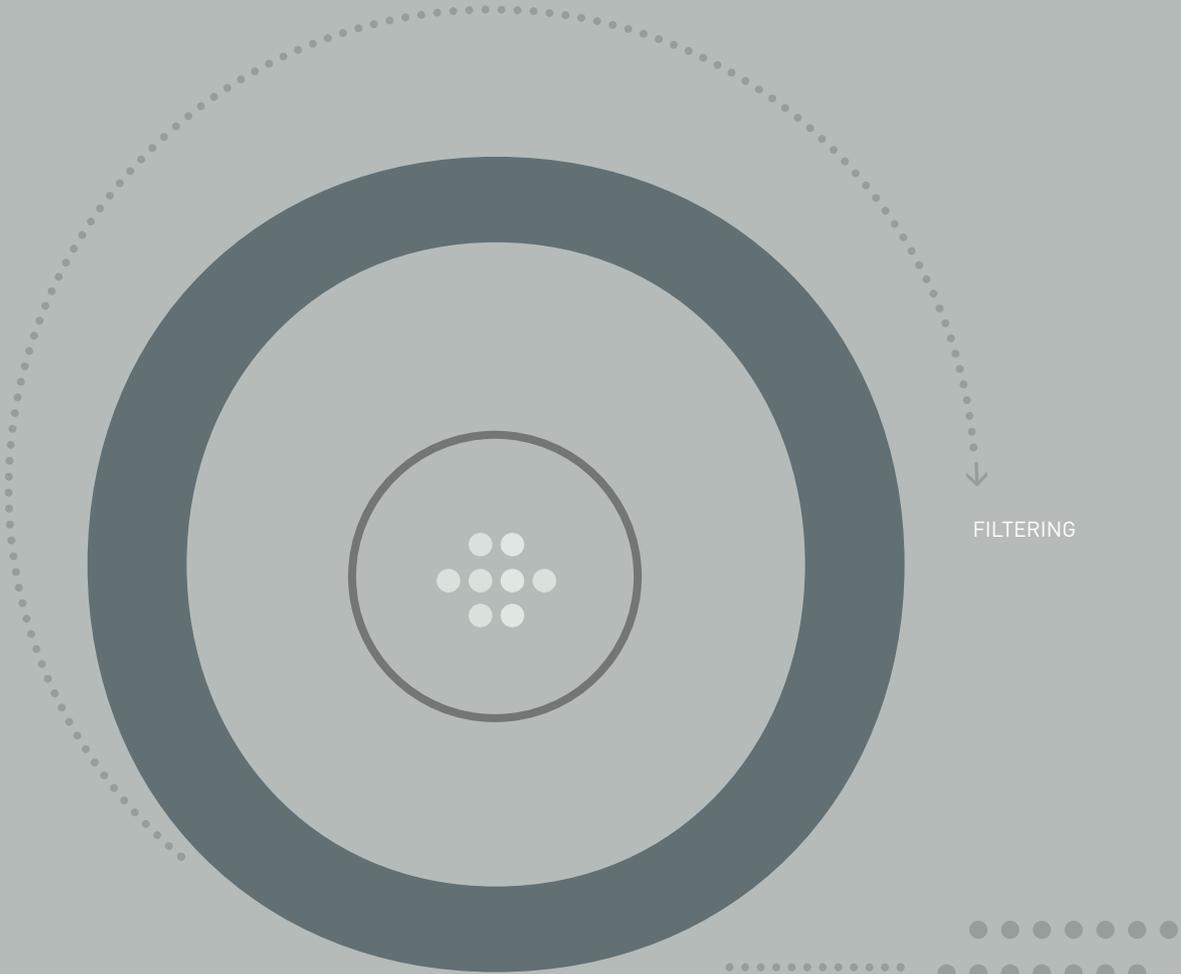
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FILTERING

RECYCLED DUSTS



RENEWABLE RAW MATERIALS

01



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LETTER FROM THE CHAIRMAN

Cementir Holding is publishing its first Environmental Report this year, offering a comprehensive view of the Group's commitment to conducting its business in a responsible manner that respects individuals and the territory in which it operates.

As emphasised in our vision, **“The Cementir Group seeks to achieve sustainable development by continuously improving its financial, environmental and social performance”**.

A proactive process

The Group's commitment is not merely limited to complying with local environmental regulations. It is a proactive process that focuses on the environment, people and the territory. In emerging economies, Cementir Holding operates in compliance with the environmental, health and safety standards of the more developed countries, providing a level of protection over and above that required by local legislation. In the advanced economies, the Group operates as part of an integrated system serving local communities. For example, we are making increasing use of fuels derived from waste and alternative raw materials in our production processes and are recovering part of the heat generated to provide local heating, thereby avoiding atmospheric emissions.

An investment in the future

The Group's investment policy focuses on using the most advanced technologies in order to combine growth with reducing the environmental impact of our activities, boosting energy efficiency, reducing greenhouse gas emissions, restoring quarries and ensuring the health and safety of people.

A competitive advantage

In a sector like the cement industry, which makes intensive use of raw materials and energy, any improvement in environmental performance creates economic benefits because it increases efficiency and reduces direct and indirect costs. The Group's commitment to sustainability is therefore also an investment in the future, one that will yield substantial benefits not only for the environment but also in terms of competitiveness in the global market.

The Environmental Report is therefore an important tool for communicating our strategies. It is part of our commitment to transparency with all our stakeholders who are directly or indirectly involved or affected by our operations and want to learn about and assess the actions, performance and achievements of the Company.

Chairman

Francesco Caltagirone Jr.

CEMENTIR GROUP AT GLANCE

Cementir Holding is an international group that produces grey cement, white cement, ready-mix and aggregates and concrete products. The Company is listed on the Italian Stock Exchange and is controlled by the Caltagirone Group.

The Cementir Group is a cement and ready mix producer with facilities in **Italy, Turkey, Denmark, Egypt, Malaysia, China** and the **United States**, and cement distribution centres in **Denmark, Italy, USA, Iceland, Poland, the Netherlands** and **Germany**.



From left:

Spoletto plant (Italy), Aalborg plant (Denmark), Edirne plant (Turkey), Hedehusene plant (Denmark), Tampa cement distribution centre (Florida, USA), Ipoh plant (Malaysia)

ITALY

Grey cement production capacity: 4,300,000 t
 Cement plants: 4
 Ready-mixed concrete plants: 4
 Distribution centres: 3

DENMARK

Grey cement production capacity: 2,100,000 t
 White cement production capacity: 850,000 t
 Cement plants: 1 (7 klins)
 Ready-mixed concrete plants: 44
 Distribution centres: 9

TURKEY

Grey cement production capacity: 4,800,000 t
 Cement plants: 4
 Ready-mixed concrete plants: 15

OTHER EUROPEAN COUNTRIES AND THE MEDITERRANEAN AREA *

White cement production capacity: 410,000 t
 Cement plants: 1
 Ready-mixed concrete plants: 44
 Concrete products plants: 5 (50% in joint venture with Secil)
 Distribution centres: 5

USA

White cement production capacity: 260,000 t
 Cement plants: 2 (24,5% in joint venture with Heidelberg and Cemex)
 Concrete products plants: 1
 Distribution centres: 1

ASIA**

White cement production capacity: 300,000 t
 Cement plants: 2
 Grinding plants: 1

(*)
 Egypt, Iceland, the Netherlands, Poland, Portugal, Sweden and Germany
 (**)
 China, Malaysia and Vietnam





HIGHLIGHTS

Cementir Holding Group

Indicators	2007	2006	2005	Unit of measurement
Grey and white cement produced	10,882	10,235	8,979	Metric tonnes/thousands
Ready-mix concrete sold	4,533	4,326	3,902	m3/thousands
Revenues	1,152	1,053	857	EUR/millions
Net profit	140	114	109	EUR/millions
Capital expenditure on property, plant and equipment and intangible assets	135	233	258	EUR/millions
Workforce	3,882	3,745	3,126	Number

Cement production facilities in Italy, Denmark and Turkey

Health, Safety and Environment (HSE)	2007	2006	2005	Unit of measurement
Workforce	1,943	1,904	1,481	Number
Frequency rate	30.3	23.3	29.1	
Severity rate	0.38	0.42	0.46	
Fatal accidents	0	0	0	Number
Hours of HSE training per employee	4.3	3.3	4.7	Hours/employee
HSE investment	9.9	5.9	9.3	Euro/millions
CO2 emissions per metric tonnes of cement manufactured	0.67	0.71	0.72	metric tonnes/tonnes
Alternative raw materials	5.06	5.20	5.23	%
Electricity consumed	4,403	4,191	3,426	TJ
Direct energy consumed (fuels)	35,313	33,377	27,266	TJ
hereof from alternative sources	4.44	4.61	6.76	%
ISO 14001 certifications	5	5	5	Number
OHSAS 18001 certifications	4	3	2	Number



Elazig plant (Turkey)

APPROACH TO SUSTAINABLE DEVELOPMENT

Cementir Holding seeks to achieve sustainable development by continually improving its financial, environmental and social performance.

Guidelines

Cementir Holding is committed to achieving financial, social and environmental development by:

- complying with applicable legislation and official regulatory standards;
- respecting human resources by ensuring a healthy, safe workplace;
- promoting and adopting clean technologies;
- reducing the environmental impact of individual products;
- developing eco-sustainable products;
- setting improvement targets ;
- involving and continually training employees to achieve targets;
- increasing transparency and promoting a dialogue with stakeholders, customers, employees, governmental bodies, suppliers, local communities and shareholders.

To achieve the goals stated in the above guidelines, Cementir Holding is committed to:

- developing, constructing and maintaining an environmental management system in all the Group's manufacturing plants to achieve its goals;
- sharing its sustainable development policy, objectives and action plans by publishing an Environmental Sustainability Report;
- formulating and using environmental key performance indicators as guidelines for achieving targets set;
- improving the environmental performance of plants through:
 - controlling and reducing all types of emissions;
 - controlling energy consumption;
 - engaging in technological research focusing on the use of alternative fuels in manufacturing, thus reducing the consumption of natural raw materials;
 - controlling and reducing water use and waste;
 - controlling noise emissions;
 - preventing and responding to emergencies that have an environmental impact preventing accidents and injuries through workplace studies and verification, health and safety surveys and action plans.



From left:

Chalk quarry Aalborg (Denmark), Aalborg plant (Denmark), Izmir plant (Turkey)

INTRODUCTION

By publishing this Environmental Report, the Cementir Group seeks to provide a clear, transparent and immediately usable overview of its activities and its performance in 2007. The document is addressed to its primary institutional counterparties and other stakeholders that directly or indirectly interact with the Group.

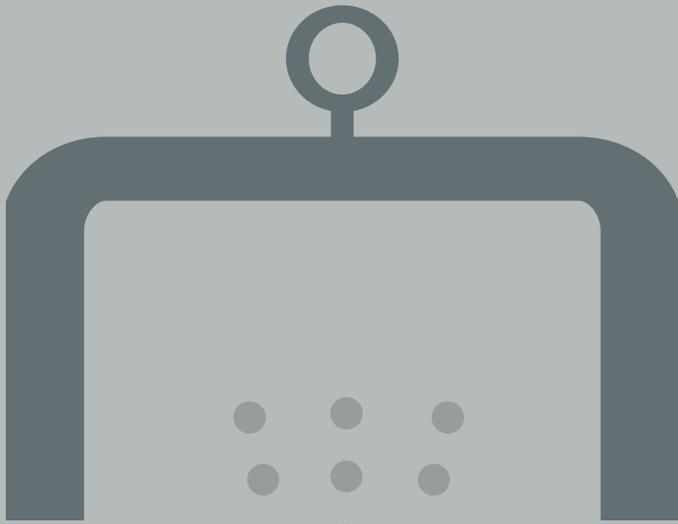
The report is divided into three parts:

Introduction to the Group: contains a profile of the Group, and its institutional and organizational structure.

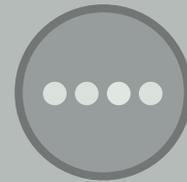
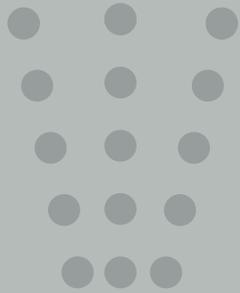
Environmental performance: this section contains the assessment of the primary environmental impact of the activities carried out as well as the precise measurement of the main performance indicators for all the cement production facilities in Italy, Turkey and Denmark, and the description of special initiatives in the environmental field by some of the group companies.

Annexes: details on the environmental indicators by plant.





WATER TREATMENT



TREATED WATER



RAIN WATERS

02



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DIRECTORS AND OFFICERS AT 31 DECEMBER 2007

Board of Directors

CHAIRMAN

Francesco Caltagirone Jr. (1)

VICE CHAIRMAN

Carlo Carlevaris (2)

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

Riccardo Nicolini (1-3)

DIRECTORS

Pasquale Alcini
 Edoardo Caltagirone
 Saverio Caltagirone
 Azzurra Caltagirone
 Alessandro Caltagirone
 Mario Ciliberto
 Massimo Confortini (2-4)
 Mario Delfini (1-2)
 Alfio Marchini
 Walter Montevecchi

Board of Auditors

CHAIRMAN

Claudio Bianchi

STANDING MEMBERS

Giampiero Tasco
 Carlo Schiavone

Manager responsible for financial reports

Oprandino Arrivabene

1
Member of the Executive Committee

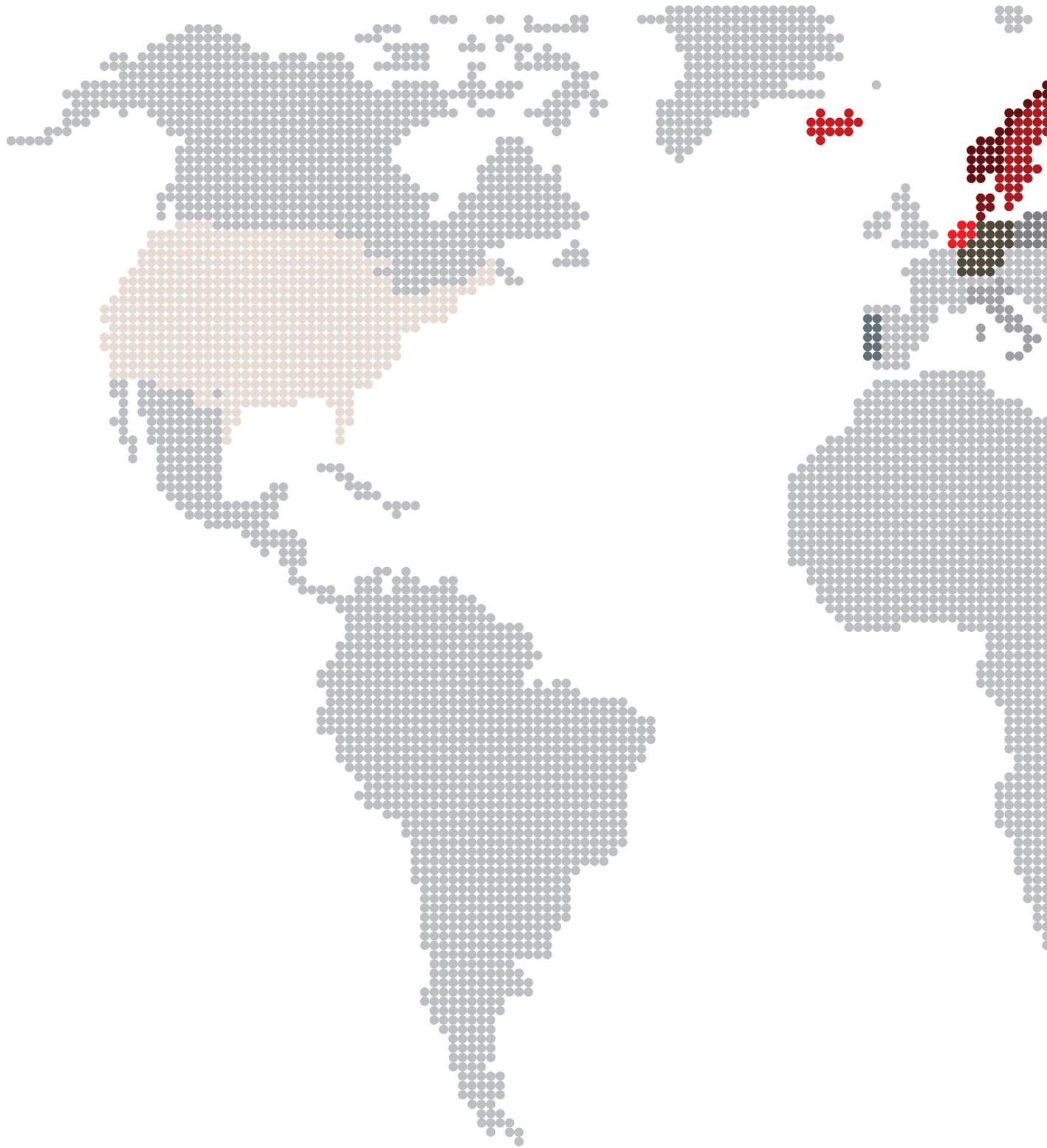
2
Member of the Internal Control Committee and the Remuneration Committee

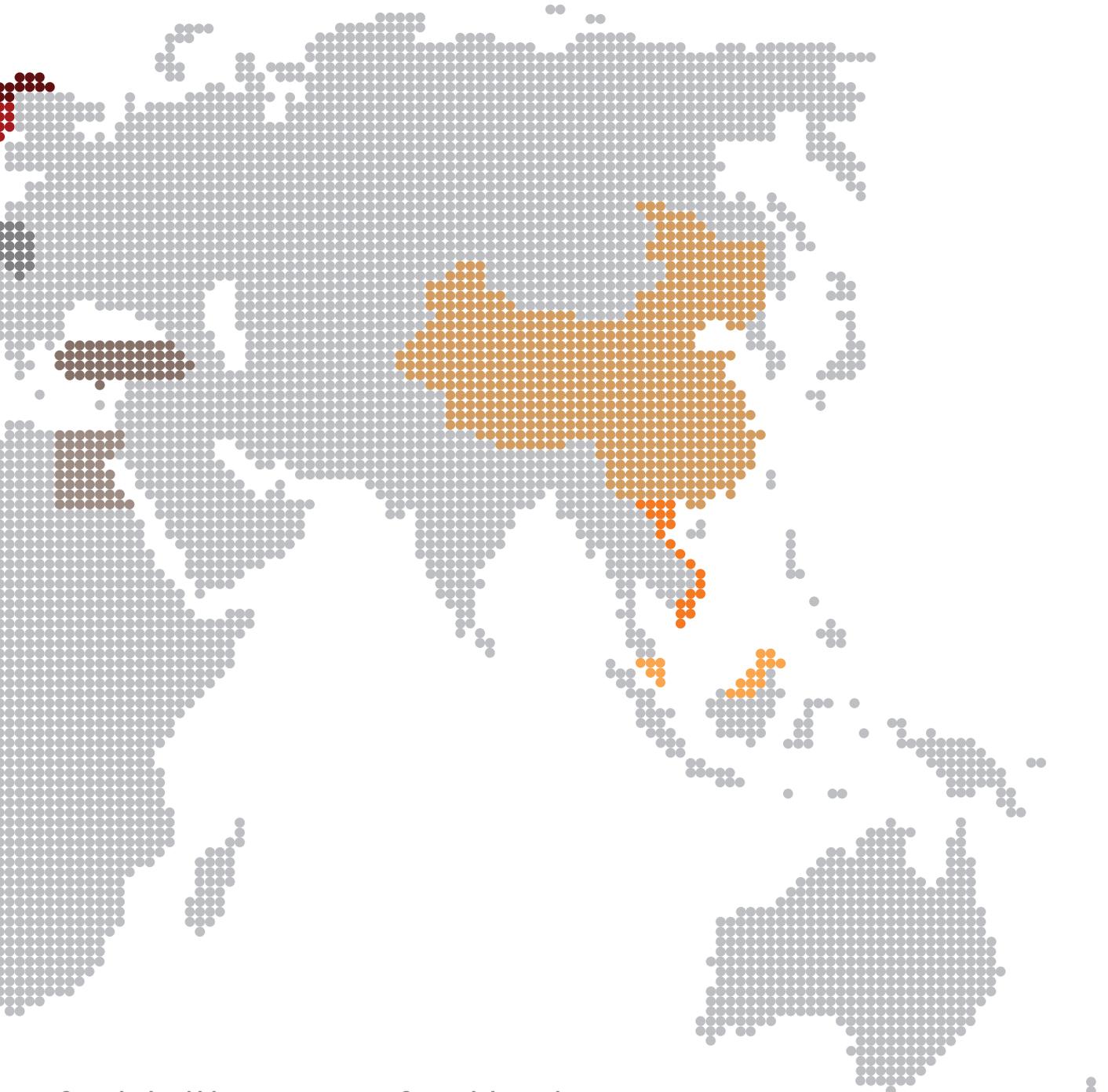
3
On 21 December 2007 Mr. Nicolini resigned as Chief Executive Officer and General Manager, effective as of 1 January 2008

4
Appointed to the Board on 3 December 2007 in replacement of Luciano Leone, who resigned on 9 November 2007

THE CEMENTIR GROUP

Cementir Holding manufactures and distributes grey and white cement, aggregates, ready-mixed concrete and concrete products in over **70** countries worldwide. With operations in **15** countries and a workforce of over **3,800** employees, Cementir Holding is a world leader in white cement with a market share of around **14%**. It is the sole producer of cement in Denmark, the second-largest cement producer in Scandinavia, the third-largest producer in Turkey and the fourth in Italy. It is the leading ready-mix producer in Scandinavia with a market share of around **35%**.





**Countries in which
Cemertir operates**

- USA
- DENMARK
- NORWAY
- SWEDEN
- ICELAND
- POLAND
- HOLLAND
- ITALIA
- GERMANY
- PORTUGAL
- TURKEY
- EGYPT
- MALAYSIA
- CHINA
- VIETNAM

Cemertir in numbers

Production capacity for grey cement: 9.3 metric tonnes /millions
 Production capacity for white cement: 1.6 metric tonnes /millions
 Ready-mix concrete sales: 4.5 cubic meter/millions
 Aggregate sales: 3.6 mt
 Cement plants: 14
 Ready-mixed concrete plants: 107
 Distribution centres: 18
 Grinding plants: 1
 Plants manufacturing concrete products: 6

→ COUNTRIES IN WHICH CEMENTIR HOLDING OPERATES

70

Countries of commercial presence

15

Plants

3882

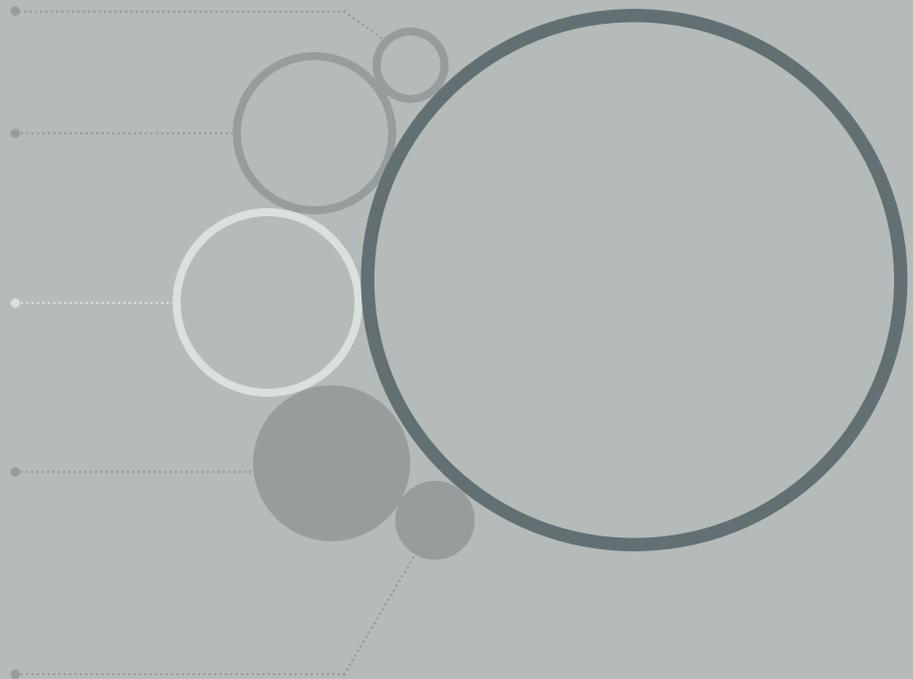
Workforce

14%

Market share of white cement production

35%

Market share of Ready-mix production in Scandinavia





GOVERNANCE

The corporate governance structure adopted by the Group is based on the recommendations and standards indicated in the document “Codice di Autodisciplina della Borsa Italiana delle Società Quotate” which the Company has complied with

The Board of Directors

The Board of Directors of Cementir Holding S.p.A. has been appointed by the shareholders on 20/04/2006 and supplemented by resolution of the shareholders on 15/01/2008 for a term of three years (2006-2008), which shall expire on the date of the Shareholders’ Meeting called to approve the financial statements as of 31/12/2008

The Board of Directors is currently composed by fifteen members, of which the majority is non executive, four are independent directors and one is an honorary chairman with no casting vote. The Chairman of the Board is vested with all powers of ordinary and extraordinary administration, with the exception of those that, by law or the Company’s bylaws, are reserved for the shareholders and for the Board of Directors; in the event of Chairman absence or other impediment the Vice Chairman exercises such powers.

The Board of Auditors

The Board of Auditors monitors compliance with the law and the Company’s bylaws, as well as compliance with the principles of sound administration in carrying out the Company’s business and verifies the adequacy of the Company’s organization, its system of internal controls, and its system of administration and accounting.

The Board of Auditors consists of three standing auditors and three alternate auditors elected on the basis of slates submitted by shareholders all with prescribed requisite for independence and honourability and with high and specific professional skill.

Other boards of committees

Other Boards of Committees are: the Executive Committee, the Internal Control Committee and the remuneration Committee.

The **Executive Committee**, composed of Chairman and two non-executive directors, has all powers exercised by the Board of Directors, except those exclusively attributed to the Board itself by law or the Company bylaws.

The **Internal Control Committee** is composed of three directors, two of whom are independent and is responsible for:

- assisting the Board in carrying out its assigned duties regarding internal controls;
- evaluating, in conjunction with the manager responsible for the Company's financial reports and with the independent auditors, the correct application of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements;
- formulating, at the request of the Board, opinions on specific aspects regarding the identification of the principle risks facing the Company and the planning, implementation and management of the internal control system;
- examining the work plan prepared by those responsible for internal controls as well as the periodic reports they prepare;
- evaluating the work plan prepared for the audit and the findings stated in the report and in any recommendation letter;
- supervising the effectiveness of the audit process;
- reporting to the Board at least every six months, on the occasion of the approval of the annual and half-year financial statements, regarding activities performed and the adequacy of the internal control system.

The **Remuneration Committee**, composed by a majority of independent Directors makes proposal to the Board of Directors for the remuneration of the executive directors and/or those covering specific roles including through the use of instruments for incentives related to the economic results of the company and/or the reaching of specific objectives which may include stock option plans. They also make proposals, on the indications of the executive directors, for the determination of the criteria for the remuneration of the senior management of the company, while maintaining responsibility for the definition and remuneration of senior management.

Internal Control System

The Group's internal control system is the collection of rules, procedures and organizational structures established to ensure the sound management of the Company in a manner consistent with its objectives by way of the appropriate identification, measurement and management of major risks.

The guidelines for the internal control system were delegated to the head of internal controls, who implemented a system to identify, measure, manage and monitor the main risks facing the Issuer and its subsidiaries. Cementir Holding governance model provides for an Internal Auditing function and the manager responsible for the Company's financial reports appointed by the Board.

The Internal Audit function is responsible for verifying that the system of internal control is always appropriate, fully operational and functional. The head of internal controls reports to the Chairman, and as such is not responsible for any operational areas or the subordinate of any head of an operational area. On a quarterly basis, the head of internal controls presents a report to the Internal Control Committee and the Board of Auditors on risk management and compliance with plans to contain risks, and an evaluation of the suitability of the internal control system.

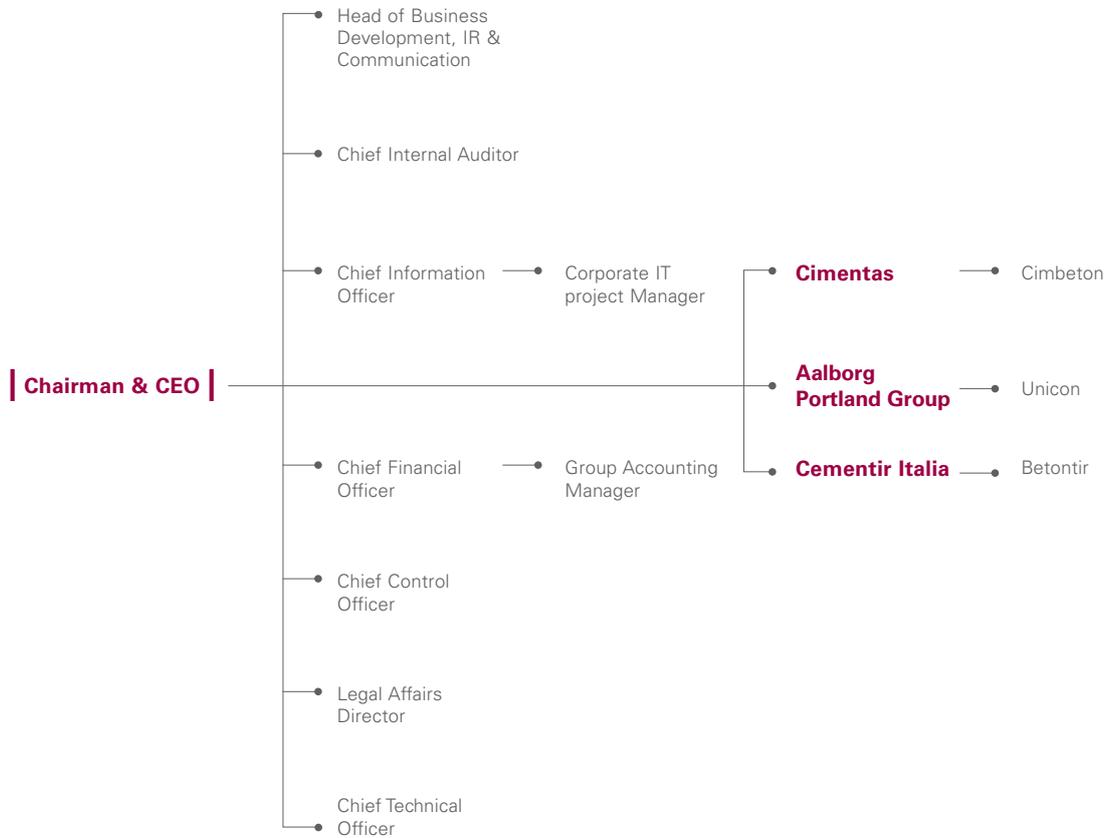
The Board granted to the Manager Responsible for the Company's financial reports the powers necessary to perform his duties pursuant to points 2 and 3 of Article 154-bis of the Consolidated Law.

Organization

In 2008, as a result of the international dimension achieved by the Group, a corporate reorganization was undertaken with the creation of a holding company, Cementir Holding S.p.A., which wholly owns three operating subsidiaries: Cementir Italia (Italy), Aalborg Portland (Denmark) and Cimentas (Turkey).

The parent company, Cementir Holding S.p.A., exercises strategic directions and coordination for the Group. The new organizational and professional structure based on the size and operational structure of the Group was implemented by precisely identifying key positions in the organization, their duties and the specific responsibilities assigned.

The new Group structure at 15 January 2008

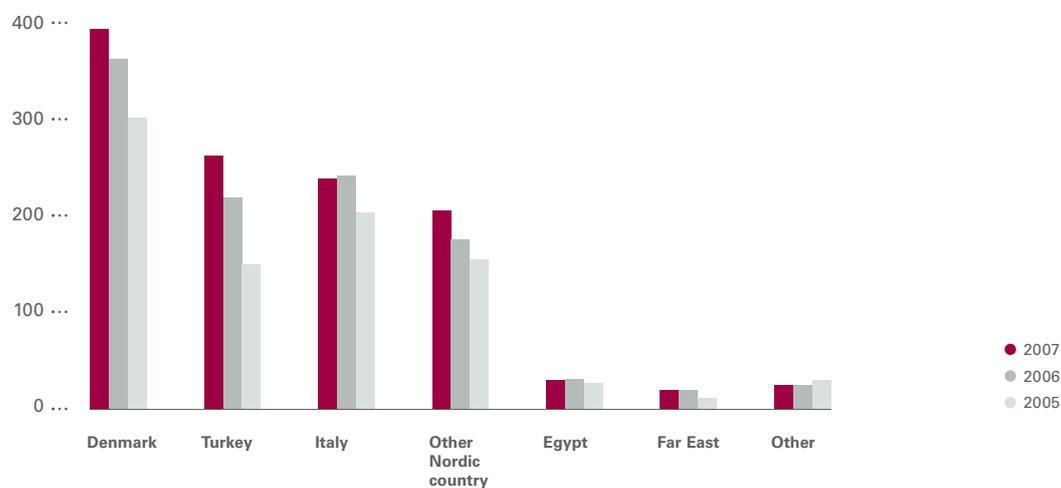




ACTIVITIES IN 2007

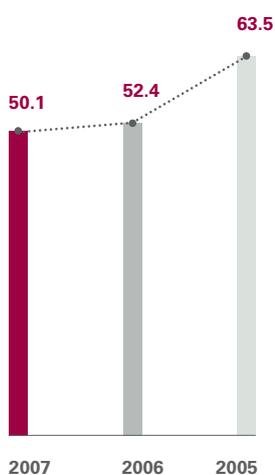
Cementir Holding ended 2007 with a Group net profit of EUR 140.4 million, compared to EUR 114.1 million in 2006 (+23.1%). This represents the ninth consecutive year of growth for the Group. Revenues have increased by 9.4%, going from EUR 1.05 billion in 2006 to EUR 1.15 billion in 2007; the gross operative margin, increased by 10.8%, was of EUR 274.1 million (it was EUR 247.3 million on December, 31st 2006). Finally, the operative revenue has increased by 9.1% in 2007, going up to EUR 197.3 million against EUR 180.3 million in 2006. Notwithstanding the persistent rise in energy and transport costs, the Group has achieved an improvement of its performance through an increase in sales and a greater efficiency of the plants, particularly in Scandinavia and Turkey.

Revenues by geographical production area



(Euro/thousand)	2007	2006	2005
Denmark	389,836	358,586	298,026
Turkey	260,129	217,159	148,573
Italy	236,257	239,139	201,970
Other Nordic country	203,083	174,937	153,989
Egypt	30,612	31,424	27,730
Far East	21,693	20,669	12,930
Other	25,403	25,478	30,842
Total	1,167,013	1,067,392	874,060

Research, development and innovation



Alternative fuels processed by CemMiljø (tonnes/millions)

The Group primarily engages in research and development at Cementir Holding facilities in Spoleto (Perugia) and Aalborg Portland facilities in Aalborg. Cementir Holding's research centre focuses on researching and studying cements and ready-mixed concrete and testing the products, raw materials and fuels used in the manufacturing process. We are currently focusing our attention on:

- Process and innovative product development aimed at reducing CO₂ emissions in the cement and clinker production cycles
- Study of the positive environmental properties of cement, such as the capacity to absorb CO₂ and preserve heat for energy saving purposes.

Aalborg Portland's research and development centre seeks to increase the use of alternative fuels and rawmaterials, CemMiljø, which is an Aalborg Portland subsidiary, produces alternative fuels using industrial waste as its raw materials. The produced fuel is used in place of coal and pet coke to feed the kilns at the Aalborg facility.

2007-2009 Business Plan

Since 2001, Cementir Holding has pursued a strategy of geographical diversification, with investments of more than EUR 1.1 billion. The most important acquisitions were:

- 1 Cimantas AS (cement and ready-mixed concrete) in Turkey in 2001;
- 2 Aalborg Portland A/S (white and grey cement) and Unicon AS (ready-mix concrete) in Denmark in 2004;
- 3 the Edirne cement plant in Turkey and 4K Beton (ready-mixed concrete) in Denmark in 2005;
- 4 the Elazig Cimento cement plant in Turkey in 2006;
- 5 Kudsk & Dahl (aggregates and ready-mixed concrete) in Denmark in 2008.

As a result of these acquisitions and growth in the individual regions, Cementir Holding has grown from a local company to an international player that generates less than 20% of its operating profit in Italy and has operations world-wide.

The strategy for the future is to combine both organic and external growth, striking an appropriate balance between business in mature markets and in emerging markets, while maintaining an adequate return on capital employed.

In the 2007-2009 Business Plan, the management outlined an organic growth path aimed at expanding cement production capacity by about 10% in emerging markets (Turkey and Egypt), primarily in the white cement business where the Group seeks to maintain its world leadership position by increasing its market share to 20%. The Group plans to invest additionally EUR 140 million over the next 3 years to achieve these objectives.

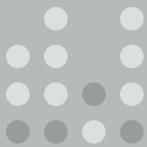
Main objectives of the 2007-2009 business plan

	2007 (consolidated)	Objectives
Revenues (EUR/millions)	1,152	1,200
EBITDA (EUR/millions)	274	300
Net debt (EUR/millions)	437	100
Cement production capacity (t/millions)	13.00	+10%
Ready-mixed concrete sales (m3/millions)	4.50	+10%

The Group's objective is to continue to increase sales volumes in its primary markets in response to rising demand, focusing on sales of white cement in markets where the Group presently operates. It also plans to increase profitability significantly by carefully controlling costs and implementing more efficient distribution. The new SAP platform will permit greater operating efficiency. In terms of production, the investment plan will produce a significant expansion in cement production capacity in Turkey and Egypt and increase sales of ready-mixed concrete.



SELECTIVE
REDUCTION



POLLUTING GASES



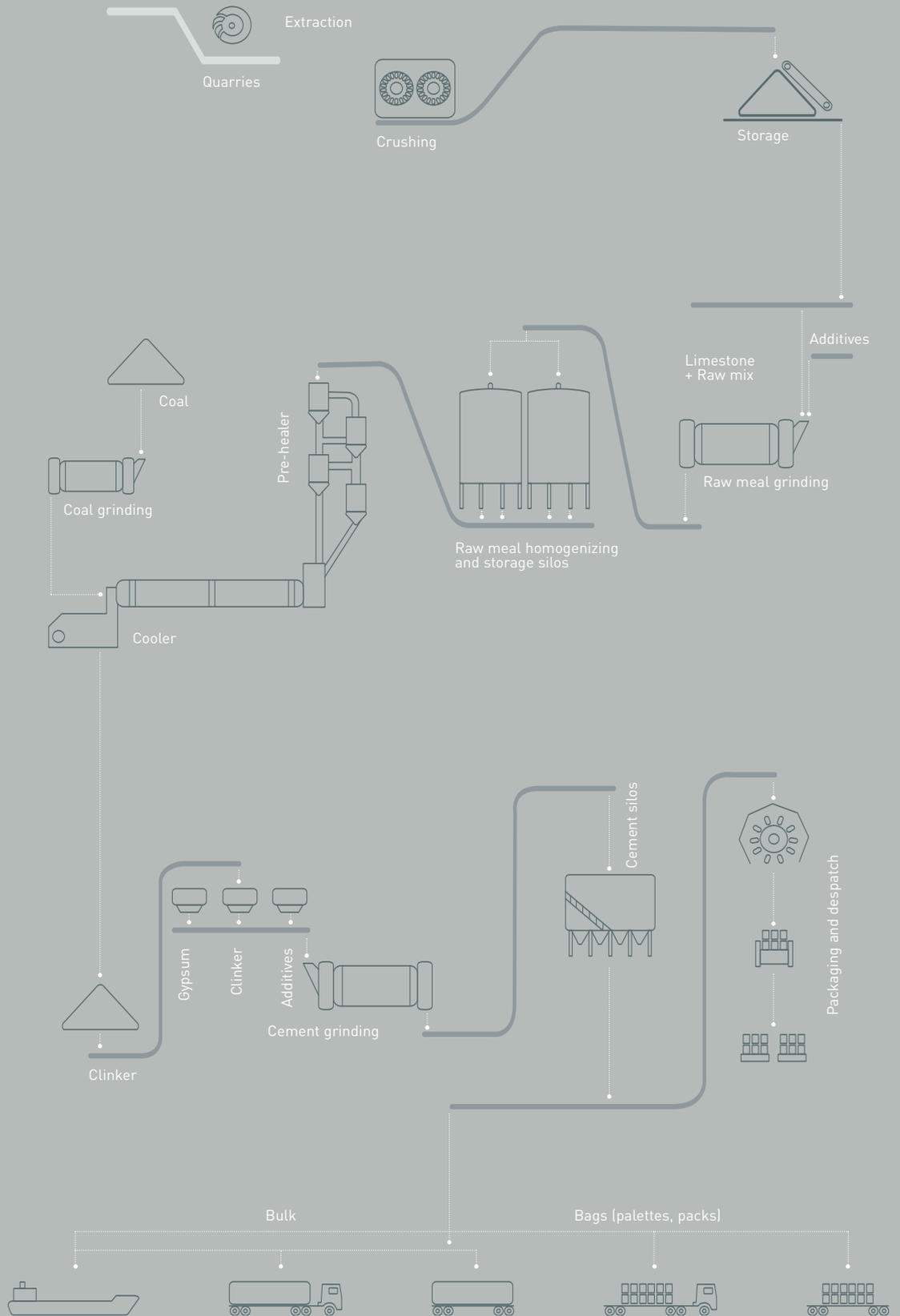
DECREASE OF
GREEN HOUSE EFFECT

03



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THE CEMENT PRODUCTION CYCLE AND ENVIRONMENTAL IMPACT

Cement is made from natural raw materials (limestone, chalk and clay) extracted from natural quarries.

The raw materials, precisely measured and mixed with other materials, are ground prior to heating. The grinding process yields a raw meal. The raw meal is heated in a special kiln generally fed with fossil fuels to produce clinker, a primary component of cement. Once cooled, the clinker is ground and mixed with chalk and other additives (e.g. slag, fly ash) that differ based on the type of cement. The activities performed during the various stages have a significant environmental impact, largely concerning the following aspects.

Natural resources. The raw materials used in the production cycle, such as limestone, chalk and clay, are essentially natural and non-renewable quarried materials. Within this context, attention has been given to all the environmental aspects related to containing the impact on the ecosystem, restoring and recovering areas involved and using non-natural raw materials.

Energy resources. Considerable energy is required to manufacture cement due to the high temperatures to which kilns must be heated (1500 °C), the electricity needed to grind the product and the quantity of material used.

Air emissions. These are linked primarily to the gases tied to the combustion process and the decarbonisation of the raw materials such as carbon dioxide, sulfur dioxide, and nitrogen oxides. The burning and grinding process also generates dust emission.

Waste. The cement manufacturing process does not create waste. The only waste products are generated by ancillary activities, such as maintenance, storage and office activities.

Noise emissions. Noise emissions are associated with certain manufacturing stages such as grinding.

Water supply and waste water. The production process requires limited quantities of water, essentially connected with controlling the temperature of the gases from the kilns and cooling machinery.

Transport. The methods used to transport raw materials and finished products are another point to consider in assessing the associated environmental impact.



Reporting data

The Cementir Group considers respect for the environment to be a key value in its operations. Thus, complying with environmental protection laws in all the countries in which it operates, it determines its strategic choices with a view to satisfying the principles of sustainable development and promoting awareness of environmental protection among its managers, employees and other associates. The 2007 Environmental Report is the result of a multi-step process carried out by Cementir Holding through a Steering Committee and a working group coordinated by the Internal Audit department of the Group parent.

The Steering Committee, representing the main components of the Group, identified significant environmental concerns for the sector and for the company, the informational structure to be used and the scope of reporting. The working group collected data from each plant. Environmental data is reported by sending a reporting package to the plants included within the scope of reporting.

KEY Performance indicators

In order to enable a composite, uniform and comparable assessment of the Group's environmental performance in terms of emissions and consumption, key performance indicators relating to production have been used.

Production is reported in metric tons of cement equivalent, an indicator linked to the production of clinker by a plant that is based on clinker production and the plant's average clinker/cement ratio. This indicator was selected in consideration of the fact that the production of clinker, the primary component of cements, is the one with the greatest environmental impact.

The following charts show the 2007 data for each plant and the consolidated data for 2006 and 2005. The detailed data for each plant is included in the annexes in the final portion of the report.

Scope of reference

The data used to calculate environmental performance refers to all the cement manufacturing plants in:

Italy: Maddaloni, Arquata, Spoleto, Taranto

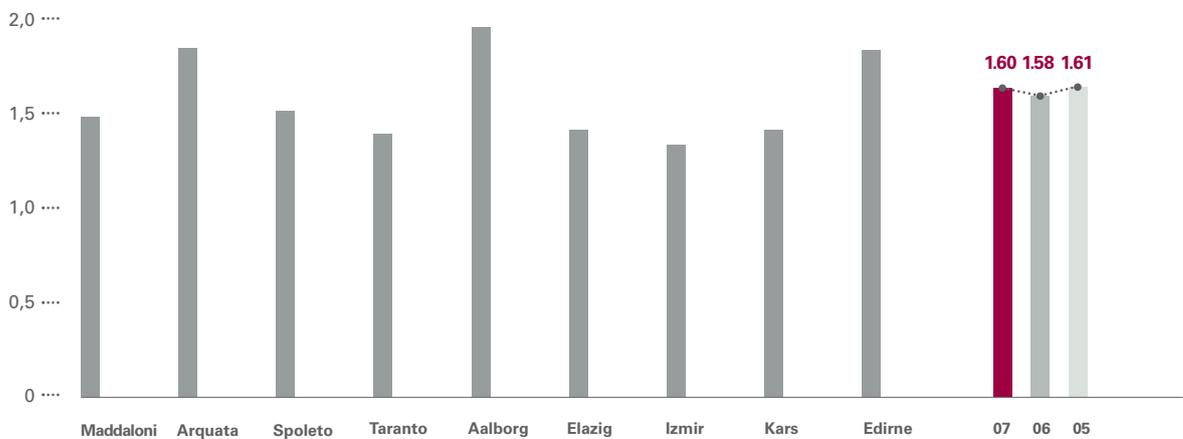
Denmark: Aalborg (7 kilns)

Turkey: Elazig, Izmir, Kars, Edirne

The output of these plants represents about 92% of the total Group cement output for 2007.

Natural resources

5%
Alternative Raw materials
used in 2007



Raw material consumption per metric ton of cement manufactured (t/t TCE)

The cement manufacturing process starts with the extraction of raw materials from the quarries. These are mainly natural raw materials such as limestone, chalk, marl and clay which, once extracted, are used in the production process. They are primarily used in two stages. They are initially mixed to create the meal or slurry (first stage) for producing the clinker. Once clinker is made, the raw materials are added to the clinker in the cement mills (second stage) to produce the different types of cement. In 2007, the Cementir Group’s plants used a total of about 15 million metric tons of raw materials to manufacture cement.

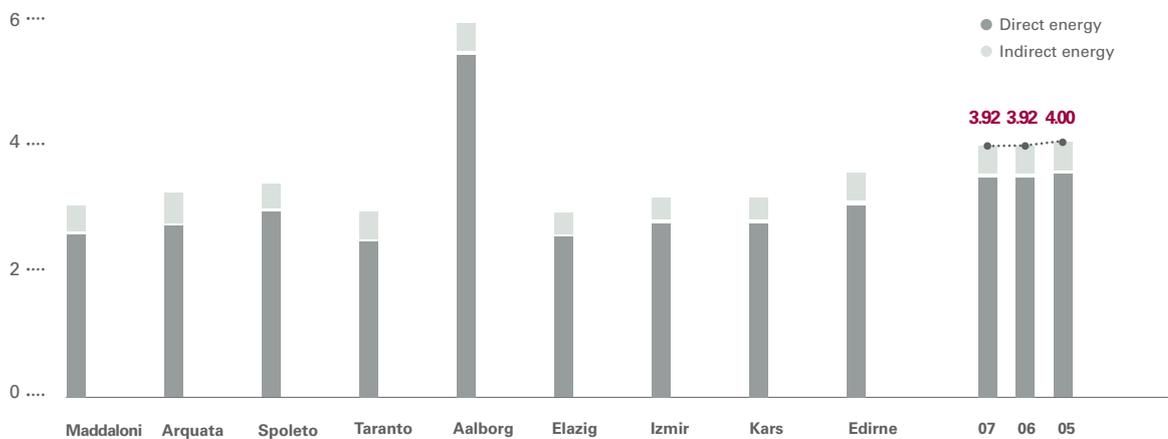
In order to contain or reduce the consumption of non-renewable raw materials, the Cementir Group promotes the use of alternative raw materials (thus called since they are not extracted from quarries but rather derive from other production processes), for example foundry sand and blast furnace slag. In 2007, Cementir Group plants replaced 5% of the natural raw materials with alternative raw materials. In particular, alternative raw materials made up 11.8% of the total raw materials used at the Aalborg plant.

Another strategy implemented by the Cementir Group to reduce the use of non-renewable raw materials is the internal recycling of materials, such as, for example, the dust captured by filters, which are reused in the production process as raw materials. In 2007, the Group’s plants reused about 800,000 metric tons of internally recovered materials through internal recycling.

Energy resources

4.4%

Energy produced with alternative fuels in 2007



Energy used per metric ton of cement manufactured (G/J t TCE)

The cement production process consumes considerable energy during the various processing stages. The energy used in the cement manufacturing plants is either produced directly using fuels, mainly to start up and operate the kilns (1500 °C) and to operate the burners or heaters needed to increase efficiency and optimize the manufacturing process (for example, to dry raw materials and fuels), or purchased in the form of electricity, mainly to operate the mills for grinding the raw materials, the clinker and fuels. The energy produced within the plant is called “direct energy”; while purchased energy is called “indirect energy”. In 2007, the Cementir Group’s facilities used 35,313 TJ of direct energy and 4,403 TJ of indirect energy. The energy consumption performance index reveals that the ratio of energy used per metric ton of cement remained constant over the three-year period.

The direct energy needed to manufacture cement is traditionally produced by using fossil sources (combustible oil, pet coke, coal, methane).

Due to wet and semi-dry process based on wet raw materials (chalk) the energy consumption to produce white and grey cement is rather high. The Cementir Group, in compliance with the permits issued by local authorities and the applicable legislation of the countries in which it operates, promotes the use of alternative fuels in place of traditional fossil fuels. In 2007, alternative fuels used by Cementir Group plants to generate direct energy included: tires, animal meat and bone meal and

fats, used oil, contaminated textile waste and CemMiljø fuel.

In 2007, 4.44% of the Cementir Group's direct energy came from alternative fuels. The Aalborg plant produced 9.6% (1,528 TJ) of its direct energy using alternative fuels. Of the alternative fuels used by the Aalborg plant, CemMiljø fuel, a homogeneous combustible that can be burned directly in the kiln, played a special role. This fuel is produced by a Danish company of the same name (of which Aalborg Portland, controlled by Cementir Holding, owns 100%) from processed non-hazardous industrial waste (see the section "Research, development and innovation").

In Aalborg the heat recovery plant gains heat from the exhaust gases to be delivered to Aalborg town. 0.6 GJ /tonne heat is recovered corresponding to 30,000 households.



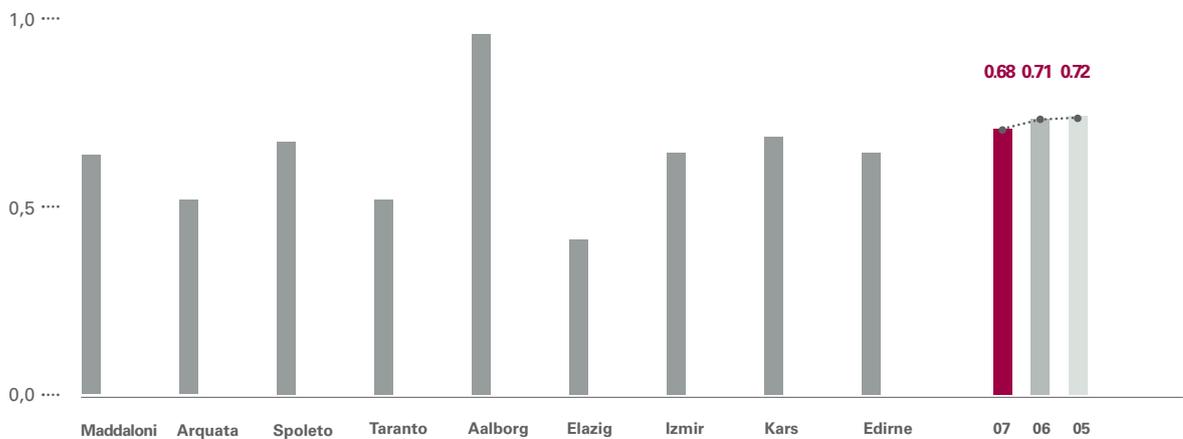
Carbon dioxide is one of the greenhouse gases (GHG) blamed for climate change. GHG emissions are governed by the Kyoto Protocol, approved under the Framework Convention on Climate Change in 1997, which establishes the commitments of the signatory nations to combat climate change attributable to the emission of greenhouse gases. Starting in 2005, the European Union, through the Emissions Trading Scheme (EU-ETS), moved up implementation of the Kyoto Protocol by three years by regulating carbon dioxide emissions through a cap and trade mechanism that allocates emission credits and allows participants to buy credits from others (or to obtain them using flexible mechanisms). Cementir Holding facilities in the EU (in Italy and Denmark) participate in Emissions Trading Scheme.



Air emissions

-5.6%

Reduction of CO2 emission index 2006-2007



CO2 emissions per metric ton of cement manufactured (t/tTCE)

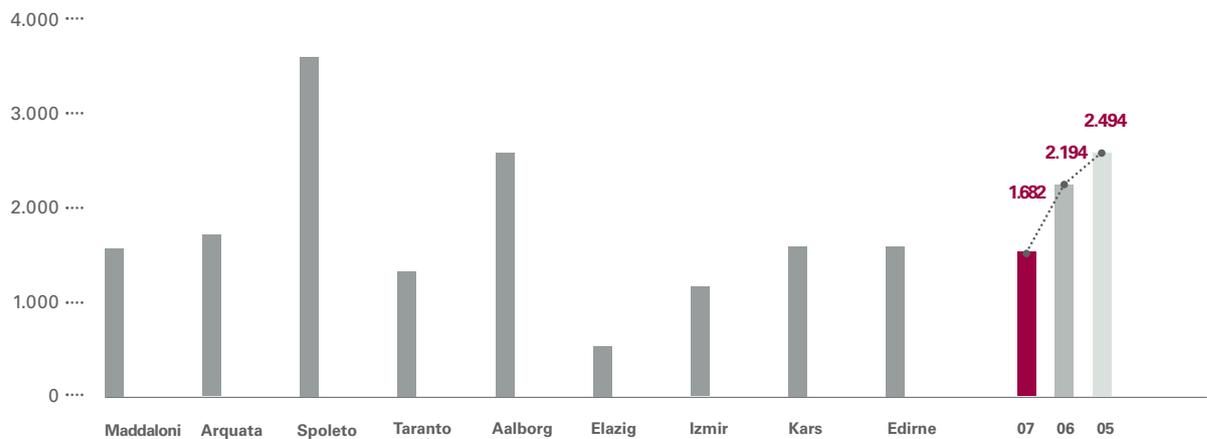
The cement manufacturing process generates atmospheric emissions, mainly carbon dioxide, dust and nitrogen and sulfur oxides. These emissions are channelled and filtered using special filters prior to being released into the atmosphere.

Carbon dioxide emissions in the cement manufacturing process are generated during the heating and precalcination of raw materials and the burning of fossil fuels.

Carbon dioxide emissions by Cementir Group plants in 2007 totalled 6.927 million metric tons, leading to an emission per metric tonne of cement ratio of 0.68, a 5.6% drop from the 2005 ratio (0.72 t/t TCE).

-23%

Reduction of NOx emission
Index 2006-2007



NOx emissions per metric ton of cement manufactured (g/t TCE)

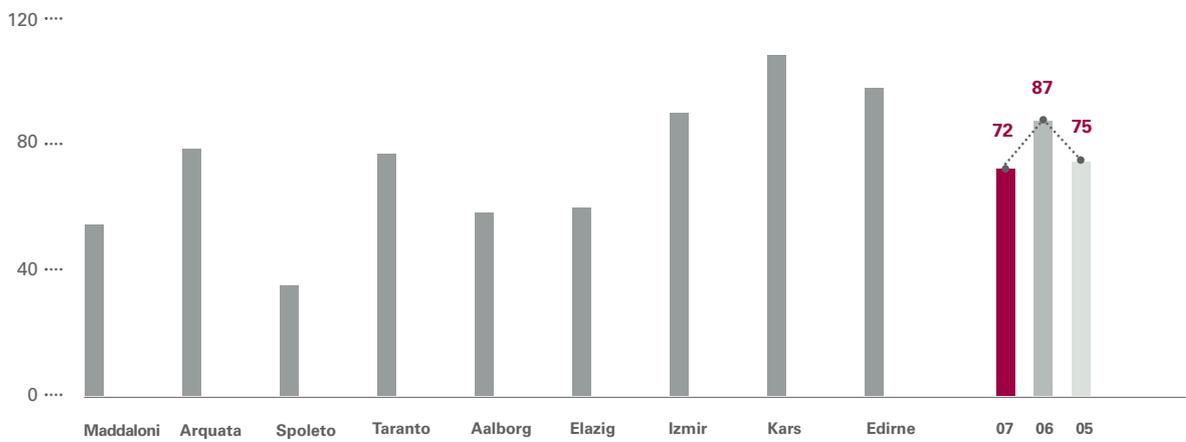
Emissions of nitrogen oxides (NOx) are linked to combustion, in particular the types of fuel used. In 2007, the NOx emissions of Cementir Group facilities came to 17,028 metric tonnes, equal to an emission per metric tonne of cement rate (g/t TCE) of 1.682, a 23% decrease from 2006 (2.264 g/t TCE). This reduction was made possible thanks to the efforts undertaken by the Group through the use of SNCR (Selective Non Catalytic Reduction) systems that limit air emissions of nitrogen oxide by adding ammonia water to the gas.

Emissions of sulfur dioxides (SO2) are linked to the presence of sulfur in the fuels and raw materials used. In 2007, the SO2 emissions of the Cementir Group facilities¹ amounted to 2,673 tonnes, equal to an emission per metric tonne of cement rate (g/t TCE) of 485, an 11% drop from 2006 (544 g/t TCE).

¹ Sox data are referred to the following plants: Arquata, Spoleto, Taranto, Aalborg and Elazig.

-19%

Reduction Dust emission
Index 2006-2007



Dust emission per metric of cement manufactured (g/t TCE)

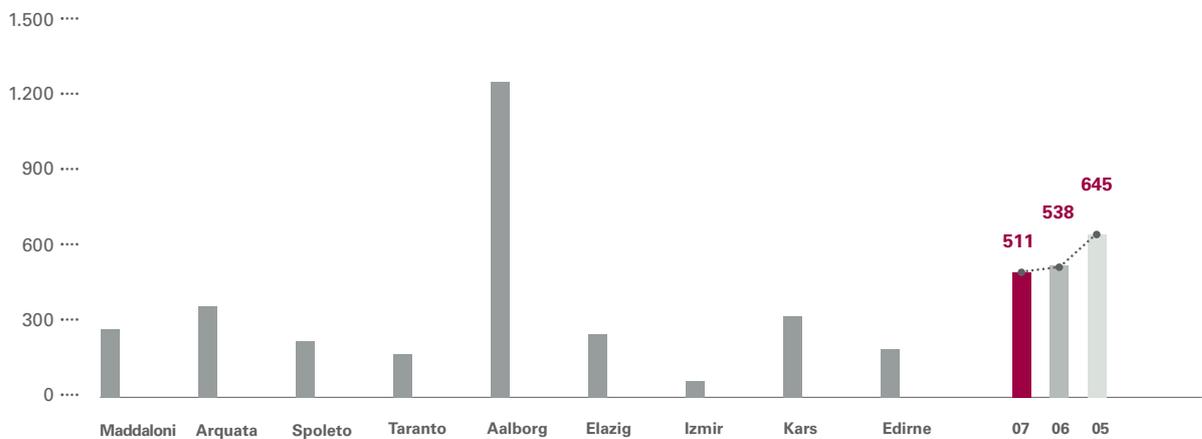
In 2007, dust emissions by Cementir Group facilities reached 730 metric tonnes. This figure is 15% lower than the total emissions recorded in 2006. Dust emissions per metric ton of cement also fell, from 89 (g/t TCE) to 75 (g/t TCE).



Water supply and waste water

-5%

Reduction of Water Consumption
Index 2006-2007



Water consumption per metric ton of cement manufactured (l/t TCE)

The impact of the cement manufacturing process on water supplies is largely tied to consumption since the production of waste water is not significant either in terms of quantity or concentration of pollutants.

In the dry cement production process, water is used primarily to cool the circuits and to control the temperature of kiln gases. In the wet and semi-dry process, water content is greater and water is vaporized during production. This is the case for all the 7 kilns located at the Aalborg plant, which is the reason for the high water consumption, as can be seen in the accompanying chart.

In 2007, the Cementir Group facilities used a total of 5.17 million cubic meters of water. The Group's commitment to use water supplies more efficiently by implementing industrial water and rainwater recovery plants resulted in a 20.8% decline in water consumption between 2005 and 2007, causing average consumption per metric ton of cement produced to decline from 645 (l/t TCE) to 511 (l/t TCE). This result was achieved by increasing the internal recycling of process water, from 4,106 thousand cubic meters in 2005 to 4,443 cubic meters in 2007.

Transport

Production at a cement manufacturing plant involves many transport activities:

- within the plant to move materials (using conveyer belts);
- outside the facility, for incoming materials and fuels and outgoing products.

Due to the distances covered and the related environmental impact (emissions and traffic created), outgoing transport is particularly important. It can be conducted using a variety of means of transport such as: trucks, trains, ships and conveyer belts. The choice of transport method used is primarily affected by the location of the facility and the infrastructure available in the surrounding area.

In 2007, the inbound transport of materials and the outbound transport of products was mainly conducted using trucks and — for the Aalborg, Taranto and Izmir facilities only — ships, thanks to the existence of the required infrastructure.

With regard to incoming materials:

- 73% arrived via trucks;
- 5% arrived via ship;
- 22% arrived via the conveyer belt that connects the quarry with the plant (this movement of material is treated as external transport).

Products exiting Cementir Group facilities are transported by trucks (71%) and ships (29%).

Waste

The cement manufacturing process does not produce waste, although ancillary activities, such as maintenance, storage and office activities do.

Waste produced at Cementir Group facilities is managed in accordance with the applicable laws in the countries in which the Group operates. Emphasis is placed on reusing and recovering materials.

The total waste produced by the Cementir Group's plants in 2007 came to 62,975 metric tons, of which 25% was recycled.

Noise emissions

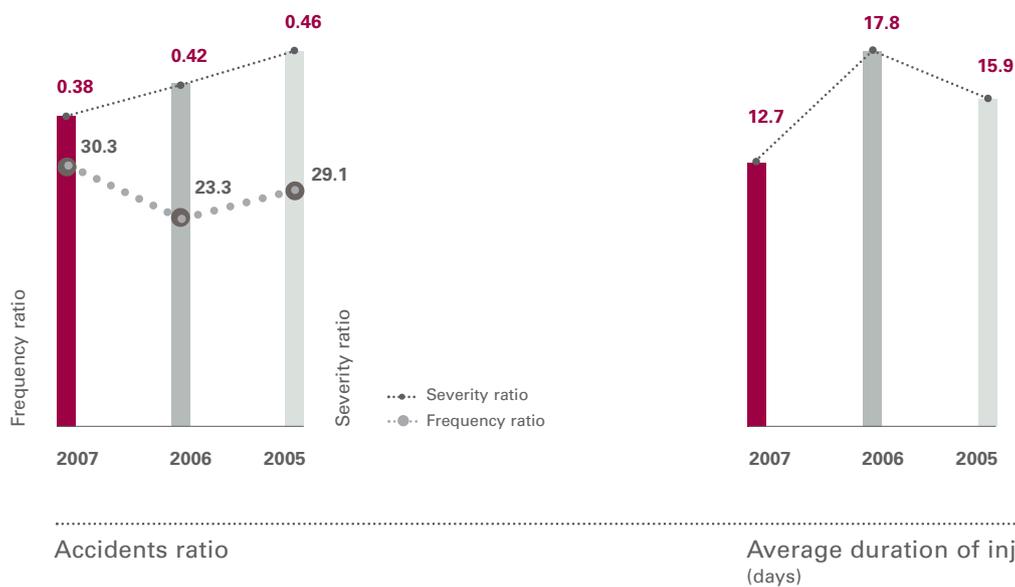
The cement manufacturing process generates noise emissions during various stages, especially in moving and grinding the raw materials and fuels.

Despite the fact that the plants are located in industrial areas, thus limiting possible disturbances to the public, the Cementir Group regularly samples the noise generated by the manufacturing process in order to ensure compliance with applicable laws and to abate noise levels. The containment of noise emissions seeks to reduce the impact on surrounding buildings and to provide a better working environment for Group employees.

Health and safety

-28%

Reduction in the Average Duration of Injuries 2006-2007



Respect for the health and safety of employees represents one of the primary objectives of the company. The Group uses the following tools to improve its performance:

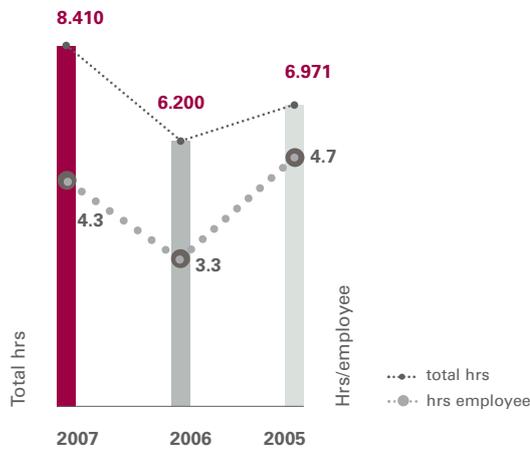
- ongoing training on specific health and safety issues and on the proper use of machinery (see the section "Training");
- investment in and expenditure on safety devices (individual and facility-wide) and machinery to maintain a high level of technology (see the section "HSE investment");
- adoption of worker health and safety management systems (see the section "Certifications").

Through training, investment and the adoption of management systems, the severity ratio for Cementir Group plants fell from 0.46 in 2005 to 0.38 in 2007, while the frequency ratio increased from 29.1 to 30.3 in the same period.

These changes mean that there was an increase in the total number of workplace accidents but the severity of the accidents was lower, as shown by the average duration of injuries which fell from 15.9 days in 2005 to 12.7 days in 2007.

Moreover, it is to be pointed out that within the cement manufacturing plants of the Group no fatal accidents have occurred in the last three years.

Training



HSE training

One of the keys to the Cementir Group's continual improvement of its HSE performance is training on environmental, health and safety issues. Training programmes are targeted at all Group employees and are adjusted to address specific needs based on the duties of each employee in different HSE areas. In 2007, the number of HSE training hours conducted by the Cementir Group came to 8,410, for an average of 4.3 hours per employee. Both figures are higher than those for 2006.

Certifications

The Cementir Group is active in adopting environmental management systems certified as compliant with ISO 14001 and worker health and safety management systems certified as compliant with OHSAS 18001 at its facilities in order to continually improve environmental performance and to achieve high levels of workplace safety and protection.

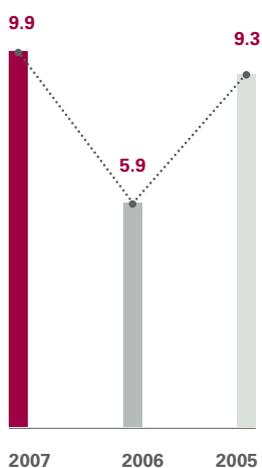
	ISO 14001	OHSAS 18001
Maddaloni	X	
Arquata Scrivia		
Spoletto		
Taranto	X	
Aalborg	X	X

	ISO 14001	OHSAS 18001
Elazig		X
Izmir	X	X
Kars	X	X
Edirne		

HSE Investments

25

Million euros of HSE investments
in the three year period



HSE Investments (EUR/Millions)

The Cementir Group's commitment to Health, Safety and the Environment (HSE) is shown by its financial and managerial efforts to:

- reduce the environmental impact of its manufacturing activities;
- ensure workplace safety;
- guarantee worker health.

HSE investment by the Cementir Group in 2007 amounted to EUR 9.9 million. HSE investment for the 2005-2007 periods reached EUR 25 million, representing 20% of total investments by Cementir Group facilities over the three-year period.

The main environmental investments in 2007 concerned the revamping of the water treatment system used at the Taranto facility and the adoption of the SNCR system to reduce NOx emissions at the Aalborg plant.



LOCAL COMMUNITIES AND INSTITUTIONS

The Group's geographical structure, spanning 15 countries with a workforce of over 3,800, makes Cementir Holding a "multi-local" group. This structure is also reflected in the development of relations with local communities and institutions. In fact, in their daily operations, the individual companies have engaged in specific communication and dialogue activities with communities and public institutions. Despite these activities are conducted at the local level, they nevertheless aim at pursuing the basic principles of complying with the law and respecting sustainable development enshrined in the Group's code of ethics and sustainability guidelines.

In 2007, the Group was involved in a variety of local level projects. The following table illustrates the primary areas of action, with a number of examples.

●	Investment and spending on local infrastructure to mitigate the environmental impact of its activities
●	Construction of the Via Spoletina municipal junction
●	Donations and sponsorships
●	Işikkent Education Campus financed by Çimentas education and Health Foundation
●	European Company Sports Games Aalborg 2007
●	Artus basket – Cementir Maddaloni
●	2007 Betonart Mimarlık Yaz Okulu - Edirne
●	Participation in associations
●	T.Ç.M.B.(The Turkish Cement Association) environment committee
●	Cembureau (The European Cement Association)
●	AITEC (The Italian Cement Association)
●	Communication with stakeholders
●	Plant visits (customers, public authorities, universities, schools) publication of local environmental reports
●	Aalborg Enviromental Report 2006



FUTURE OBJECTIVES

The primary Group HSE performance objectives over the next three years are:

to reduce specific emissions

to contain energy consumption

to increase the use of alternative
fuels in manufacturing

to reduce water use and discharge

to improve accident ratios,
especially frequency ratios



From left:

Elazig plant (Turkey), Aalborg plant (Denmark), Helguvik cement distribution centre (Iceland)

The main areas for improving the monitoring and communicating of the Group's environmental performance will include:

the development of a series of Group improvement targets

the extension of the scope of reporting by geographical and business area

the expansion and refinement of environmental indicators



📁 ANNEXES

Plant environmental profiles

→ TURKEY
Edirne Kars Elazig Izmir

→ DENMARK
Aalborg

→ ITALY
Maddaloni Taranto Arquata Scrivia Spoleto

Edirne (Turkey)

		2007	2006	2005*
Production				
Cement	Tonnes	772,738	671,100	
Clinker	Tonnes	604,350	497,476	
Energy				
Conventional fuel	GJ	2,351,476	2,005,940	
Alternative fuel	GJ	2,786	0	
Electricity purchased from third parties	GJ	368,682	306,736	
Raw material				
Natural raw materials	Tonnes	1,411,052	1,037,361	
Alternative raw materials	Tonnes	0	0	
CO2 emissions				
	Tonnes	485,744	543,848	
Waste produced				
	Tonnes	7,417	1,015	
Water catchment**				
	m3	164,364	164,364	
Health and safety				
Accidents	n.	4	4	
Accidental deaths	n.	0	0	
Worked hours				
	Hours	339,510	287,304	
Workforce				
	n.	161	148	

*
The acquisition of the
plant was completed at
the end of 2005.

**
Estimate

→ Edirne plant



Kars (Turkey)

		2007	2006	2005
Production				
Cement	Tonnes	478,444	441,311	418,145
Clinker	Tonnes	350,156	330,250	326,479
Energy				
Conventional fuel	GJ	1,251,329	1,200,078	1,197,128
Alternative fuel	GJ	23,563	825	0
Electricity purchased from third parties	GJ	199,031	190,719	186,498
Raw material				
Natural raw materials	Tonnes	668,947	629,410	607,196
Alternative raw materials	Tonnes	0	0	0
CO2 emissions	Tonnes	321,220	321,421	NA
Waste produced	Tonnes	3,737	2,186	NA
Water catchment*	m3	157,242	149,358	149,358
Health and safety				
Accidents	n.	9	1	0
Accidental deaths	n.	0	0	0
Worked hours	Hours	365,576	336,598	310,544
Workforce	n.	180	166	153

* Estimate

→ Kars plant



Elazig (Turkey)

		2007	2006	2005*
Production				
Cement	Tonnes	673,174	753,851	
Clinker	Tonnes	538,488	634,833	
Energy				
Conventional fuel	GJ	1,708,715	2,283,146	
Alternative fuel	GJ	-	-	
Electricity purchased from third parties	GJ	275,721	274,800	
Raw material				
Natural raw materials	Tonnes	939,710	1,115,380	
Alternative raw materials	Tonnes	-	-	
CO2 emissions	Tonnes	276,413	328,301	
Waste produced**	Tonnes	7	8	
Water catchment	m3	180,530	110,540	
Health and safety				
Accidents	n.	10	7	
Accidental deaths	n.	-	-	
Worked hours	Hours	487,950	487,063	
Workforce	n.	218	212	

*
The acquisition of the
plant was completed in
September 2006.

**
Estimate

→ Elazig plant



Izmir (Turkey)

		2007	2006	2005
Production				
Cement	Tonnes	2,206,435	2,137,002	1,988,600
Clinker	Tonnes	1,823,500	1,795,800	1,630,000
Energy				
Conventional fuel	GJ	6,044,807	5,282,021	4,619,428
Alternative fuel	GJ	12,779	4,288	5,084
Electricity purchased from third parties	GJ	863,531	778,922	672,357
Raw material				
Natural raw materials	Tonnes	2,828,613	2,505,952	2,122,754
Alternative raw materials	Tonnes	90,569	74,399	71,326
CO2 emissions	Tonnes	1,390,406	1,308,953	1,109,198
Waste produced	Tonnes	6,534	7,039	8,458
Water catchment	m3	189,200	180,200	165,000
Health and safety				
Accidents	n.	11	10	10
Accidental deaths	n.	0	0	0
Worked hours	Hours	758,907	735,313	673,116
Workforce	n.	357	340	307



Izmir plant

Aalborg (Denmark)

		2007	2006	2005
Production				
Cement	Tonnes	2,946,294	2,842,282	2,706,371
Clinker	Tonnes	2,706,047	2,632,112	2,520,788
Energy				
Conventional fuel	GJ	14.352.467	13.697.795	12.518.182
Alternative fuel	GJ	1.527.559	1.533.328	1.838.367
Electricity purchased from third parties	GJ	1.349.725	1.326.128	1.280.271
Raw material				
Conventional fuel	GJ	14,352,467	13,697,795	12,518,182
Alternative fuel	GJ	1,527,559	1,533,328	1,838,367
Electricity purchased from third parties	GJ	1,349,725	1,326,128	1,280,271
CO2 emissions	Tonnes	2,764,907	2,695,400	2,565,970
Waste produced	Tonnes	41,411	40,561	34,894
Water catchment	m3	3,706,023	3,553,005	3,321,353
Health and safety				
Accidents	n.	41	18	23
Accidental deaths	n.	0	0	0
Worked hours	Hours	1,074,637	1,127,460	1,093,995
Workforce	n.	578	587	577



Aalborg plant

Maddaloni (Italy)

		2007	2006	2005
Production				
Cement	Tonnes	1,161,448	1,203,346	1,157,642
Clinker	Tonnes	830,351	880,131	843,210
Energy				
Conventional fuel	GJ	2,975,115	3,254,128	3,063,572
Alternative fuel	GJ	0	0	0
Electricity purchased from third parties	GJ	474,487	489,583	472,270
Raw material				
Natural raw materials	Tonnes	1,676,029	1,732,155	1,709,072
Alternative raw materials	Tonnes	13,789	6,771	1,640
CO2 emissions	Tonnes	713,698	763,149	728,444
Waste produced	Tonnes	692	389	573
Water catchment	m3	327,537	479,725	433,240
Health and safety				
Accidents	n.	12	10	21
Accidental deaths	n.	0	0	0
Worked hours	Hours	267,266	293,834	301,312
Workforce	n.	143	149	150



Maddaloni plant



Taranto (Italy)

		2007	2006	2005
Production				
Cement	Tonnes	917,467	899,813	850,913
Clinker	Tonnes	491,193	468,386	458,220
Energy				
Conventional fuel	GJ	2,280,530	2,145,411	2,133,008
Alternative fuel	GJ	-	-	-
Electricity purchased from third parties	GJ	408,733	407,426	408,226
Raw material				
Natural raw materials	Tonnes	1,239,047	1,184,304	1,140,347
Alternative raw materials	Tonnes	19,466	20,773	15,635
CO2 emissions	Tonnes	462,711	463,125	436,378
Waste produced	Tonnes	984	1,327	534
Water catchment	m3	164,500	232,995	472,064
Health and safety				
Accidents	n.	16	20	14
Accidental deaths	n.	-	-	0
Worked hours	Hours	212,699	211,252	209,727
Workforce	n.	115	118	111



Taranto plant

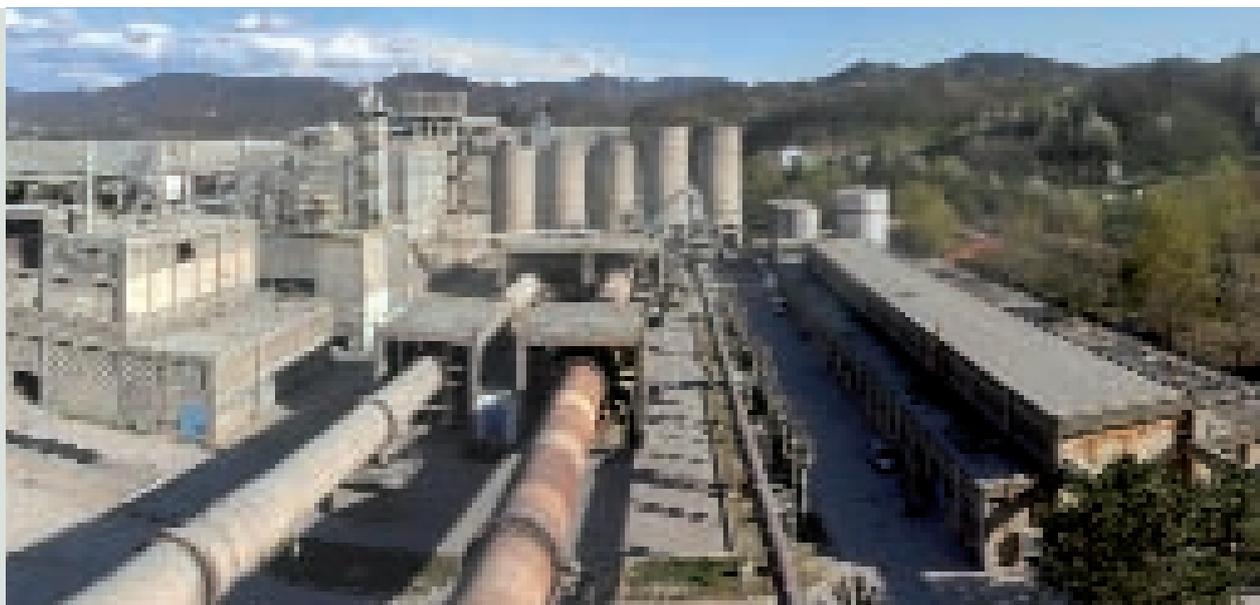


Arquata Scrivia (Italy)

		2007*	2006	2005*
Production				
Cement	Tonnes	639,188	696,751	686,260
Clinker	Tonnes	173,140	0	0
Energy				
Conventional fuel	GJ	878,217	111,346	120,026
Alternative fuel	GJ			
Electricity purchased from third parties	GJ	175,691	137,015	136,555
Raw material				
Natural raw materials	Tonnes	598,149	336,551	300,586
Alternative raw materials	Tonnes	2,517	0	0
ECO2 emissions				
	Tonnes	77,899	0	0
Waste produced				
	Tonnes	5,605	6,615	125
Water catchment				
	m3	120,992	54,227	117,988
Health and safety				
Accidents	n.	5	3	3
Accidental deaths	n.	0	0	0
Worked hours	Hours	143,573	116,058	114,710
Workforce	n.	78	60	58

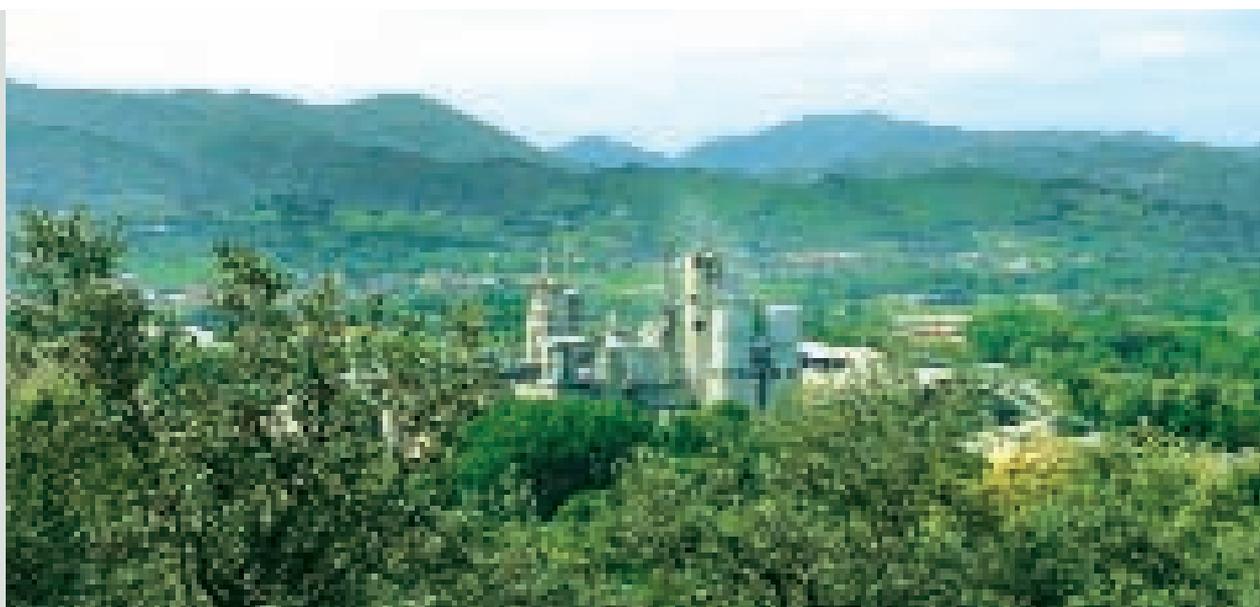
* The revamping of the plant was completed in September 2007. Until that date, the plant was run as a crushing centre, receiving clinker from other Group plants. This is why certain environmental performance indicators were calculated starting from 2007 (CO2 emissions from last quarter 2007)

→ Arquata Scrivia plant



Spoletto (Italy)

		2007	2006	2005
Production				
Cement	Tons	659,299	645,714	627,078
Clinker	Tons	491,136	472,987	458,228
Energy				
Conventional fuel	GJ	1,903,866	1,858,918	1,771,191
Alternative fuel	GJ			
Electricity purchased from third parties	GJ	287,694	279,216	279,817
Raw material				
Natural raw materials	Tons	962,390	933,684	896,689
Alternative raw materials	Tons	18,557	16,340	16,382
CO2 emissions	Tons	434,302	421,792	403,407
Waste produced	Tons	335	519	473
Water withdrawal	m3	163,300	228,975	291,694
Health and safety				
Accidents	n.	9	16	14
Accidental deaths	n.	0	0	0
Worked hours	Hours	213,553	221,556	218,922
Workforce	n.	113	124	125





GLOSSARY

Technical terminology

Cement equivalent (TCE - Total Cement Equivalent)

An indicator of the production of clinker by plant. It is calculated based on the clinker produced and the average clinker/cement ratio for the year.

CO₂

Carbon dioxide.

Direct energy

Internally produced energy.

Indirect energy

Energy acquired from external sources.

g/ tTCE

Grams per metric ton of cement equivalent.

Joule

A unit of measurement of energy (one joule is the work required to exert a force of one newton for one meter). A gigajoule (GJ) is equal to 1*10⁹ joules, while a terajoule (TJ) is equal to 1*10¹² joules.

Frequency rate*

The rate used to indicate the frequency of accidents. The numerator is the number of accidents during the year and the denominator is the number of hours worked during that year. In order to make the result more understandable, the ratio is multiplied by one million. The index yields the number of accidents per one million hours worked.

Severity rate*

The rate used to calculate the damage caused by accidents (i.e. the severity of the consequences of workplace accidents). The numerator is the number of work days lost due to accidents and the denominator is the number of hours worked during that year. In order to make the result more understandable, the ratio is multiplied by one thousand.

Accident*

An unforeseen event that occurs during work causing permanent and/or temporary physical or mental harm or that causes the death of the worker.

ISO 14001

A voluntary international standard that establishes the requirements for an effective environmental management system.

l/t

Litres per metric ton.

m³

Cubic meter.

NO

Nitric oxide.

NO2

Nitrogen dioxide.

NOX

Nitrogen oxides (NO and NO2)

OHSAS 18001

The international standard that sets the requirements for developing an occupational health and safety system ("OHSAS" stands for Occupational Health and Safety Assessment Series).

SO2

Sulphur dioxide.

*

In calculating the accident rate contained in the 2007 Environmental Report:
- only injuries lasting more than one day are considered (excluding that on which accident occurred);
- excluding accidents en route





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Group Companies



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Preben Andreasen - Aalborg Portland Antonio Del Balzo - Cementir Italia
Francesco Paolucci - Cementir Holding Galip Tekiner - Cimentas

Concept and design: Vafir