INTERIM FINANCIAL REPORT

31 MARCH 2011

cementirholding
GRUPPO CALTAGIRONE

Cementir Holding SpA
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VAT reg. no. 02158501003 Rome Chamber of Commerce REA 160.498
Share capital EUR 159,120,000
Tax no. 00725950638

Directors, officers and auditors

Board of Directors

Chairman
Francesco Caltagirone Jr. [1]

Vice Chairman
Carlo Carlevaris

Directors
Alessandro Caltagirone
Azzurra Caltagirone
Edoardo Caltagirone
Saverio Caltagirone
Flavio Cattaneo [2]
Mario Ciliberto [1]
Massimo Confortini [2-3-4]
Fabio Corsico
Mario Delfini [3]
Alfio Marchini
Walter Montevecchi
Riccardo Nicolini [1]
Enrico Vitali [2-3]

Board of Auditors

Chairman
Claudio Bianchi

Standing members
Giampiero Tasco
Federico Malorni

Manager responsible for financial reports

Oprandino Arrivabene

Indipendent Auditors

PriceWaterhouseCoopers SpA

[1] Member of the Executive Committee
[2] Member of the Internal Control
[3] Member of the Remuneration Committee
[4] Lead Indipendent Director

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Interim financial report at 31 March 2011

Performance in the 1st quarter of 2011

This interim financial report of the Cementir Holding Group has been prepared in accordance with international accounting standards (IAS/IFRS) endorsed by the European Union pursuant to Regulation (EC) no.1606/2002, as well as with Art. 154-ter (Financial reporting) of Legislative Decree 58/1998, as amended.

The following table reports performance for the first quarter of 2011, with comparative figures for the corresponding period of 2010:

Results

(EUR '000)	1st Quarter 2011	1st Quarter 2010	Δ %
REVENUES	**188,561**	**157,701**	**19.6%**
Change in inventories	2,322	(1,708)	
Other revenues [1]	2,688	4,681	
TOTAL OPERATING REVENUES	**193,571**	**160,674**	**20.5%**
Raw material costs	(98,928)	(77,901)	27.0%
Personnel costs	(38,066)	(34,118)	11.6%
Other operating costs	(48,098)	(38,991)	23.4%
TOTAL OPERATING COSTS	**(185,092)**	**(151,010)**	**22.6%**
EBITDA	**8,479**	**9,664**	**-12.3%**
EBITDA Margin %	*4.50%*	*6.13%*	
Depreciation, Amortisation and Provisions	(20,775)	(20,681)	
EBIT	**(12,296)**	**(11,017)**	**-11.6%**
EBIT Margin %	*-6.52%*	*-6.99%*	
FINANCIAL INCOME (EXPENSE)	**9,947**	**113**	
PROFIT BEFORE TAX	**(2,349)**	**(10,904)**	**78.5%**
PROFIT BEFORE TAX Margin %	*-1.25%*	*-6.91%*	

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

Sales volumes

('000)	1st Quarter 2011	1st Quarter 2010	Δ %
Grey and white cement (metric tons)	2,123	1,966	8.0%
Ready-mixed concrete (m^3)	847	581	45.8%
Aggregates (metric tons)	679	495	37.2%

Group employees

	31-03-2011	31-03-2010
Number of employees	3,287	3,365

In the first quarter of 2011, revenues from sales and services reached EUR 188.6 million (EUR 157.7 million at 31 March 2010), while EBITDA came to EUR 8.5 million (EUR 9.7 million at 31 March 2010). EBIT amounted to EUR -12.3 million (EUR -11.0 million at 31 March 2010) and the loss before tax totaled EUR 2.3 million (loss of EUR 10.9 million at 31 March 2010).

The increase in revenues (+19.6% over 2010) is attributable to the good performance reported in Scandinavia, Turkey and the Far East, which more that offset the persistent weakness in the Italian market (8.0% decline in revenues compared with the first quarter of 2010) and the unexpected problems encountered in Egypt as a result of the social and political upheaval in that country. More specifically, volumes rose across all business sectors (cement, ready-mix concrete and aggregates), with prices remaining stable or in some cases even increasing slightly, in Scandinavia and Turkey. The increase in revenues in the Far East is mainly attributable to higher production capacity in China due to the expansion completed in 2009 but not fully exploited in the first quarter of 2010.

Operating costs rose by 22.6% from EUR 151.0 million in the first quarter of 2010 to EUR 185.1 million at 31 March 2011, due primarily to higher fuel costs. In fact, the cost of raw materials, amounting to EUR 98.9 million, rose 27.0% from 31 March 2010, as a result of higher quantities manufactured in response to the recovery in demand and to the increase in the average price of oil (from about USD 76 per barrel in the first quarter of 2010 to USD 106 per barrel in the same period of 2011).

The increase in energy costs also led to rising transport and logistics costs, reflected in the higher other operating costs reported (+23.4% over 31 March 2010).

EBITDA and EBIT (EUR 8.5 million and EUR -12.3 million, respectively) showed a slight decline in profitability compared with the first quarter of 2010 (EUR 9.7 million and EUR -11 million at 31 March 2010), due largely to the negative results reported in Italy and to the slowdown in operations in Egypt. Specifically, the Italian market did not show the same signs of recovery seen in the other geographic regions in which the Group operates and this, along with rising energy costs, led to a further decline in industrial profitability. The Egyptian market felt the impact of the social crisis that erupted early this year, leading to temporary stoppages in operations, which obviously had an impact on the results for the first quarter of 2011.

Financial management yielded a positive EUR 9.9 million (EUR 0.1 million at 31 March 2010), leaving debt of EUR 359.2 million at the end of the period. This result is mainly attributable to the measurement of interest rate, foreign exchange and commodity hedges. Financial management also benefited from low interest rates and the narrow spreads paid to banks thanks to the Group's high credit rating, earned as reward for its ability to maintain a sound capital and financial structure.

Net financial position

(EUR '000)	31-03-2011	31-12-2010	31-03-2010
Cash and cash equivalents	96,101	101,529	60,387
Non-current financial liabilities	(209,375)	(223,898)	(248,202)
Current financial liabilities	(245,950)	(213,763)	(198,417)
NET FINANCIAL POSITION	**(359,224)**	**(336,132)**	**(386,232)**

The net financial position showed a net debt of EUR 359.2 million at 31 March 2011. The deterioration of EUR 23 million from 31 December 2010 mainly reflects changes in working capital, annual maintenance of plants, usually carried out during the first few months of the year, and investments in the waste management sector in Turkey.

Directors' report and significant events

The results reported for the first quarter of 2011 are basically in line with management's expectations, based on a moderate recovery in demand in certain markets, such as Turkey and Scandinavia, on the continuing weakness of the Italian market and on the gradual rise in energy costs, made worse by the social and political problems affecting a number of the major oil-producing nations.

We expect that demand will continue to vary by region and that production costs will rise across all areas throughout the year.

During the first quarter of 2011, Cementir Holding, through its Turkish subsidiary Recydia, which operates in the waste management and renewable energy sector, signed a 25-year contract to handle and treat around 700,000 metric tons of Istanbul's municipal solid waste per year; this accounts for 14% of that city's solid urban waste.

Rome, 9 May 2011
The Chairman of the Board of Directors
/s/ Francesco Caltagirone Jr.

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Oprandino Arrivabene, as the manager responsible for the preparation of company accounting documentation, certifies, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this report corresponds with the results contained in company documents, books and accounting records.