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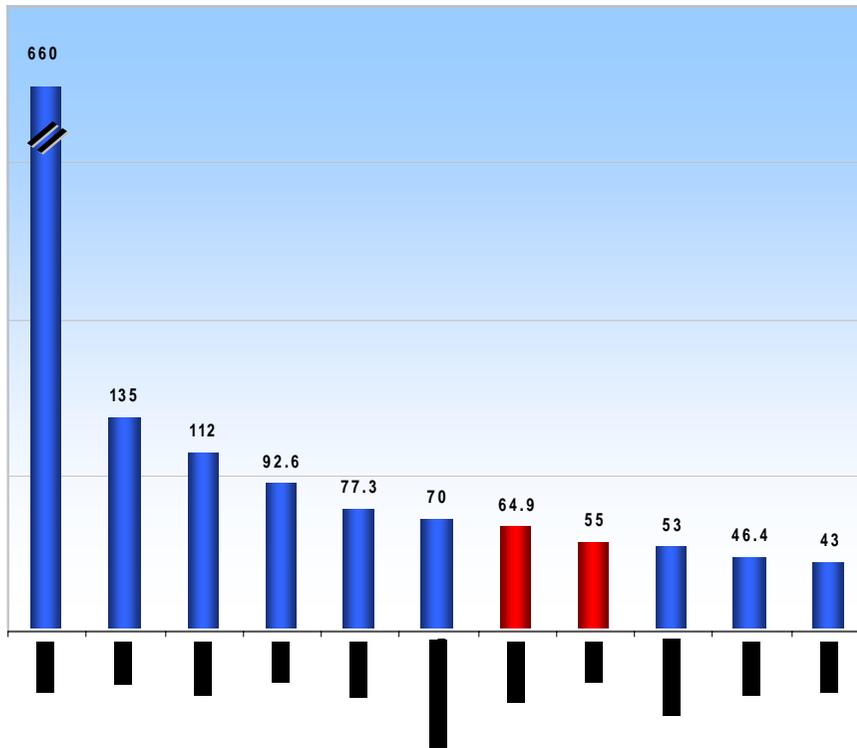
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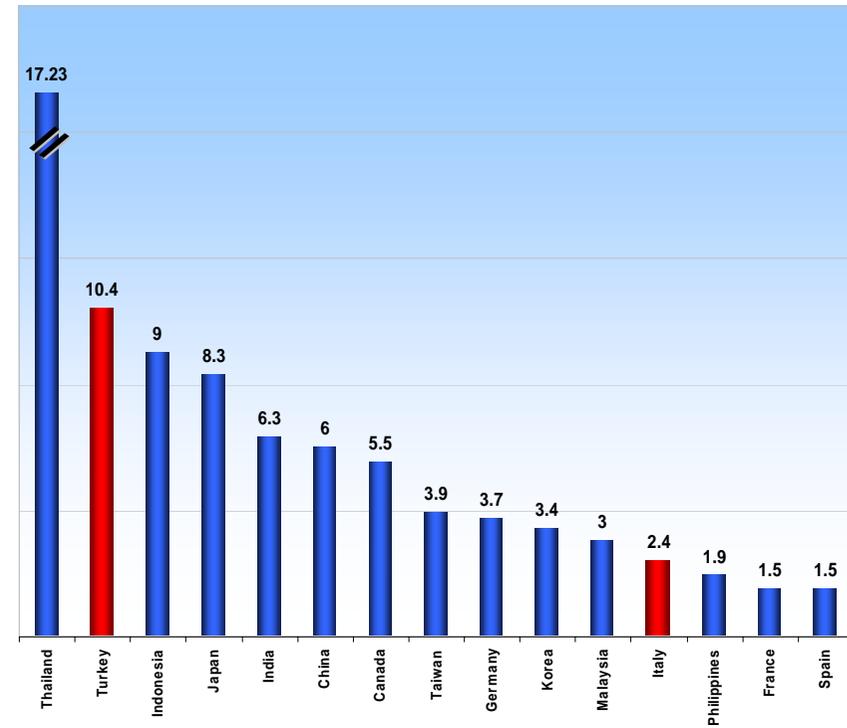
# Worldwide overview

Turkey and Italy are the 7th and 8th worldwide markets

WORLD MAJOR CEMENT PRODUCERS (capacity in M.Tons, 2002)



LEADING CEMENT EXPORTING COUNTRIES (M.Tons, 2002) \*

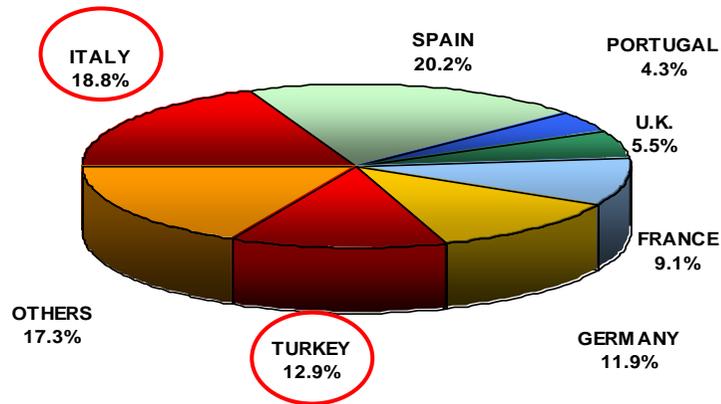


\* Source: AITEC 2002

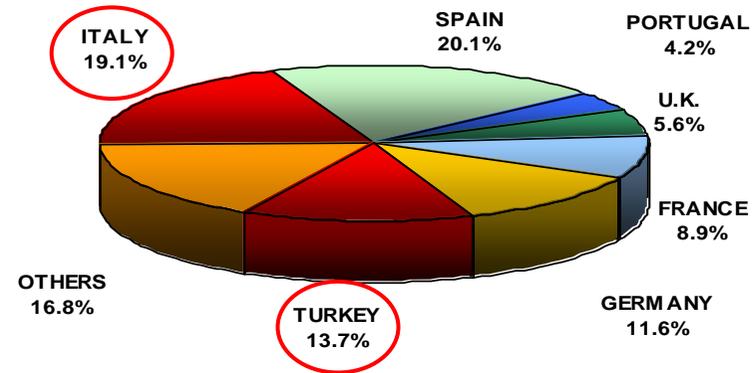
# Western Europe overview

## CEMENT CONSUMPTION BREAKDOWN IN WESTERN EUROPE\*

CEMENT CONSUMPTION BREAKDOWN 2003 \*\*



CEMENT CONSUMPTION BREAKDOWN OUTLOOK 2004 \*\*



## CEMENT CONSUMPTION IN 2004

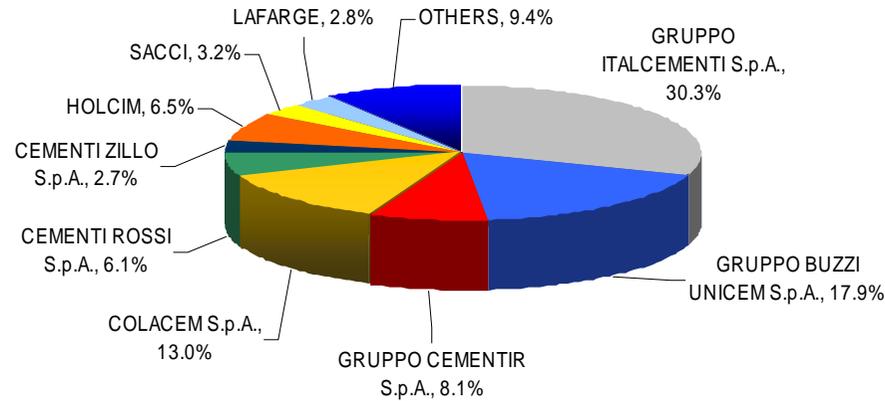
- Cement consumption in Western Europe is expected to remain flat or slightly declining
- In Italy volumes should keep growing at around 2%
- In Turkey consumption is expected to grow by 6%

\* See "Appendix" for European overview

\*\* Source: Cembureau, JP Morgan estimates 2003

# Italian industry overview: market share breakdown by region

**Cementir market share is 8.1% on a national basis and 20% share in the South**



## TOP 3 PLAYERS PER MACROREGION \*

### NORTH WEST

	ITALCEMENTI	26-28%
	MERONE (HOLCIM ITALIA)	23-25%
	GRUPPO BUZZI UNICEM	18-19%

### NORTH EST

	ITALCEMENTI	26-28%
	CEMENTI ROSSI	16-18%
	GRUPPO BUZZI UNICEM	13-14%

### CENTER

	ITALCEMENTI	20-22%
	COLACEM	16-18%
	CEMENTIR	12-13%

### ISLANDS

	ITALCEMENTI	30-40%
	GRUPPO BUZZI UNICEM	28-32%
	COLACEM	20-24%

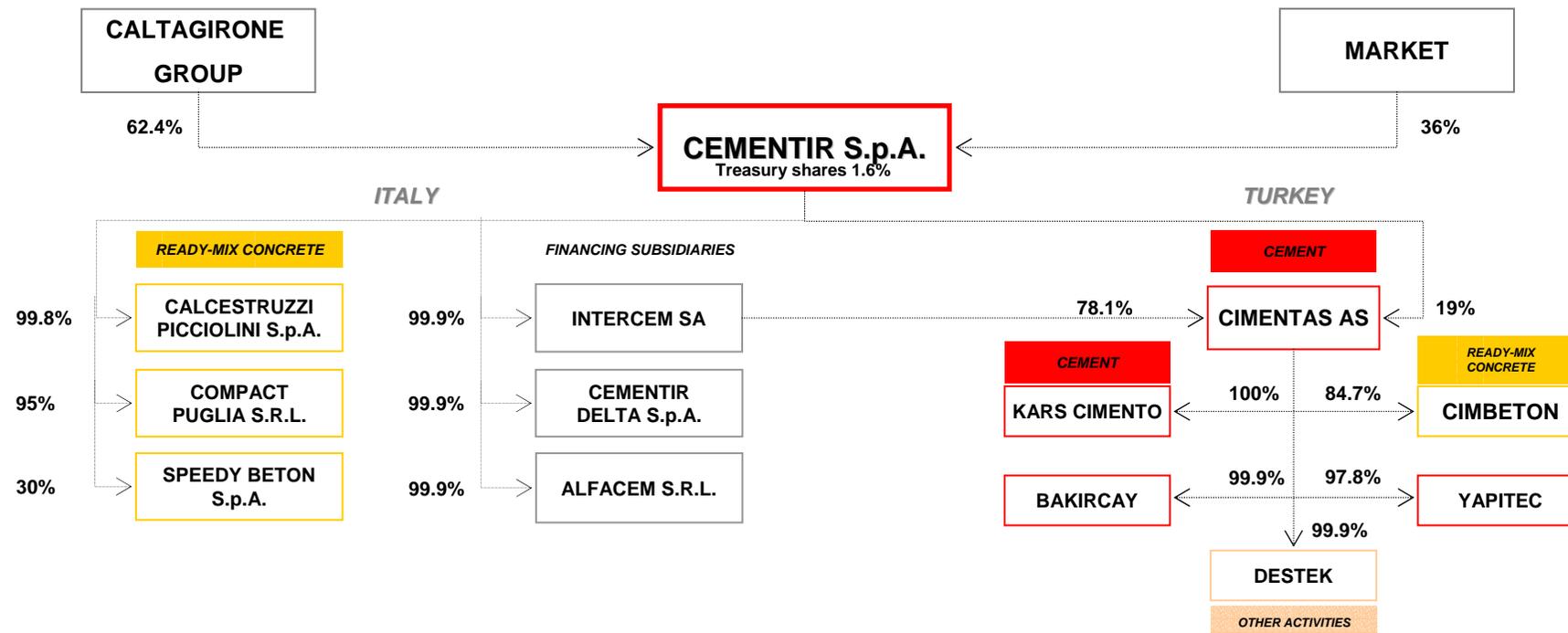
### SOUTH

	ITALCEMENTI	34-35%
	CEMENTIR	20-21%
	COLACEM	13-15%

\* Data 2004

## Company overview: Group structure

- Being present both in Italy and Turkey, Cementir is the 2nd exporting company in the Mediterranean basin
- Cementir operates in the cement business with a total nominal capacity of 7.000.000 tons and in the concrete business with a total capacity of 2.550.000 cubic meters
- Cementir products can be found in port and hydraulic-works, dams, nuclear power plants and water purification plants, roads, bridges and tunnels, airports and railways, silos, electric power plants, and industrial installations.



\* See "Appendix" for more details on the Caltagirone Group

# Company Overview: brief history

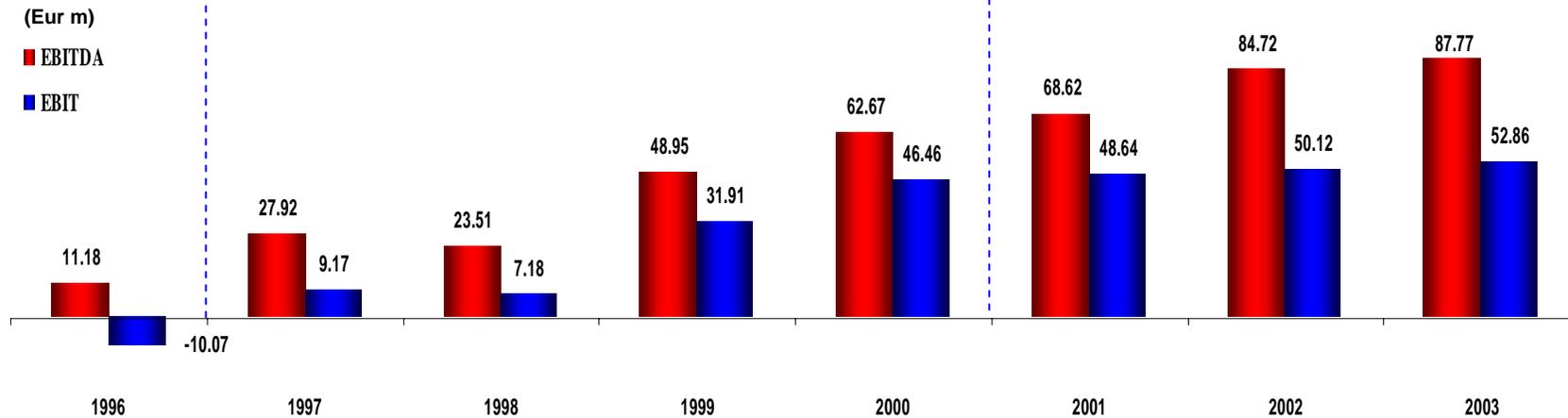


In 1992 Cementir was acquired by the Caltagirone Group from I.R.I.

## Facts

- Francesco Caltagirone starts managing the Company
- Restructuring process and ongoing commitment to reach cost efficiencies.
- In 2001, Cementir was listed on the STAR segment of the Italian Stock Exchange. Companies listed in the STAR segment must have specific requirements of transparency, corporate governance and free float.
- In September 2001 Cementir Spa has acquired the control of Çimentas A.S. listed on the Istanbul Stock Exchange (acquisition price USD 227 m).

## Results



# Company overview: Italy

Cementir is the 4th largest cement producer in Italy

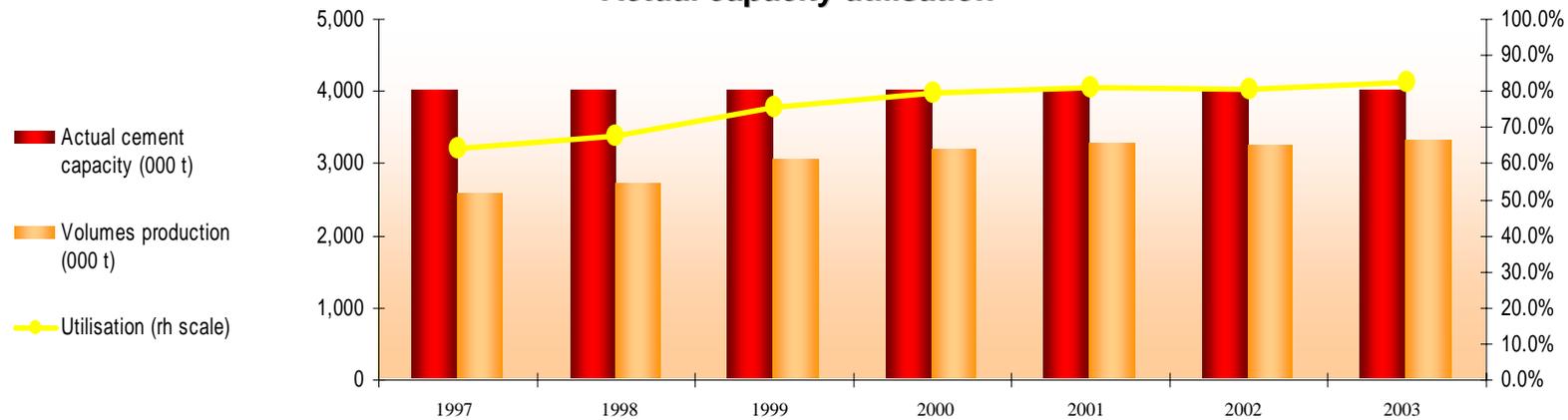
● CEMENT PLANTS	KILNS	CEMENT MILLS	NOMINAL CAPACITY
Arquata Scrivia (North of Italy)	2 *	4	800.000 tons
Spoletto (Central Italy)	2	3	650.000 tons
Maddaloni (South of Italy)	2 *	2	1.350.000 tons
Taranto (South of Italy)	3 *	6	1.500.000 tons
<b>TOTAL</b>	<b>9</b>	<b>15</b>	<b>4.300.000 tons</b>

● CONCRETE PLANTS	N° OF PLANTS	PRODUCTION CAPACITY
Central/South of Italy	3	350.000 m3/year



Actual capacity utilisation



\* One temporary stopped

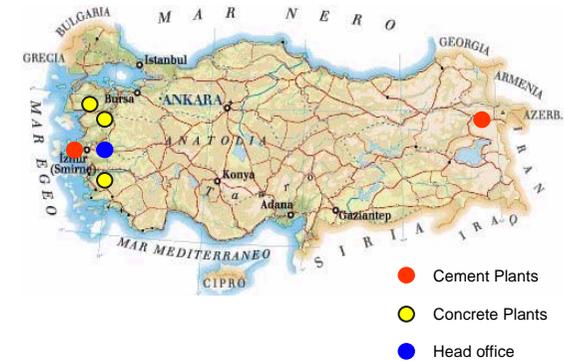
# Company overview: Turkey

Cimentas is the 7th largest cement producer in Turkey

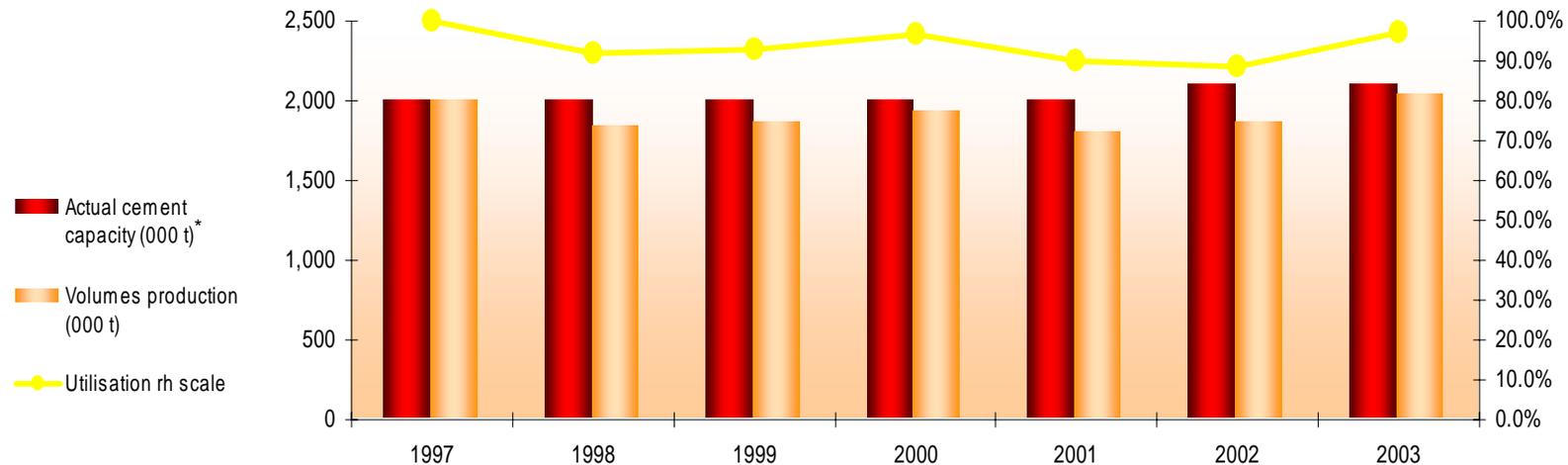
● CEMENT PLANTS	KILNS	CEMENT MILLS	NOMINAL CAPACITY
Izmir (West of Turkey)	2	4	2.100.000 tons
Kars (East of Turkey)	1	2	600.000 tons
<b>TOTAL</b>	<b>3</b>	<b>6</b>	<b>2.700.000 tons</b>

● CONCRETE PLANTS	N° OF PLANTS	PRODUCTION CAPACITY
Aegean region (West of Turkey)	15	2.200.000 m3/year



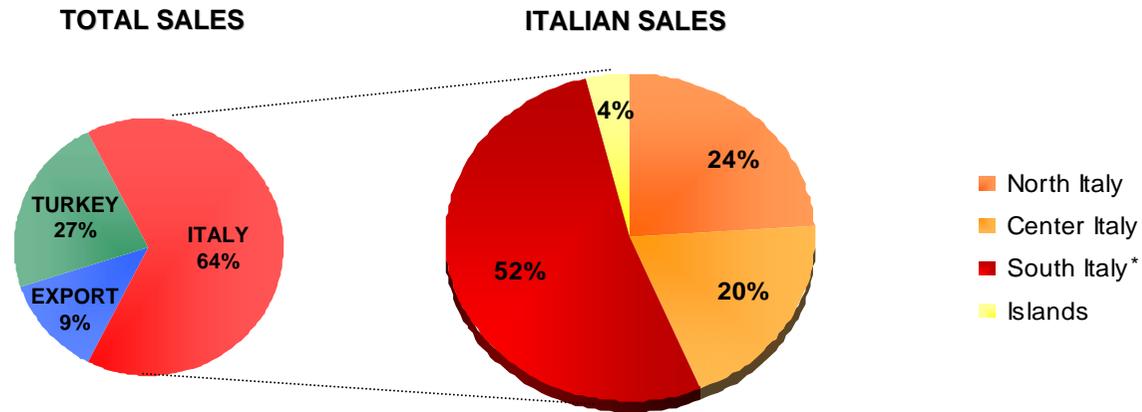
Actual capacity utilisation



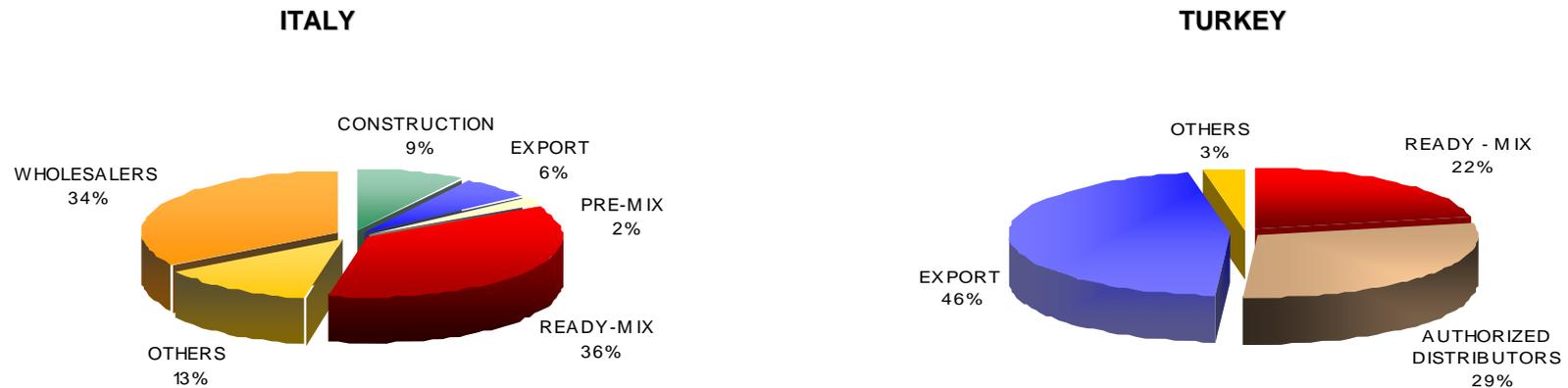
\* Cement capacity from clinker produced internally, seasonally adjusted

# Company overview: sales breakdown

## BY GEOGRAPHIC AREA



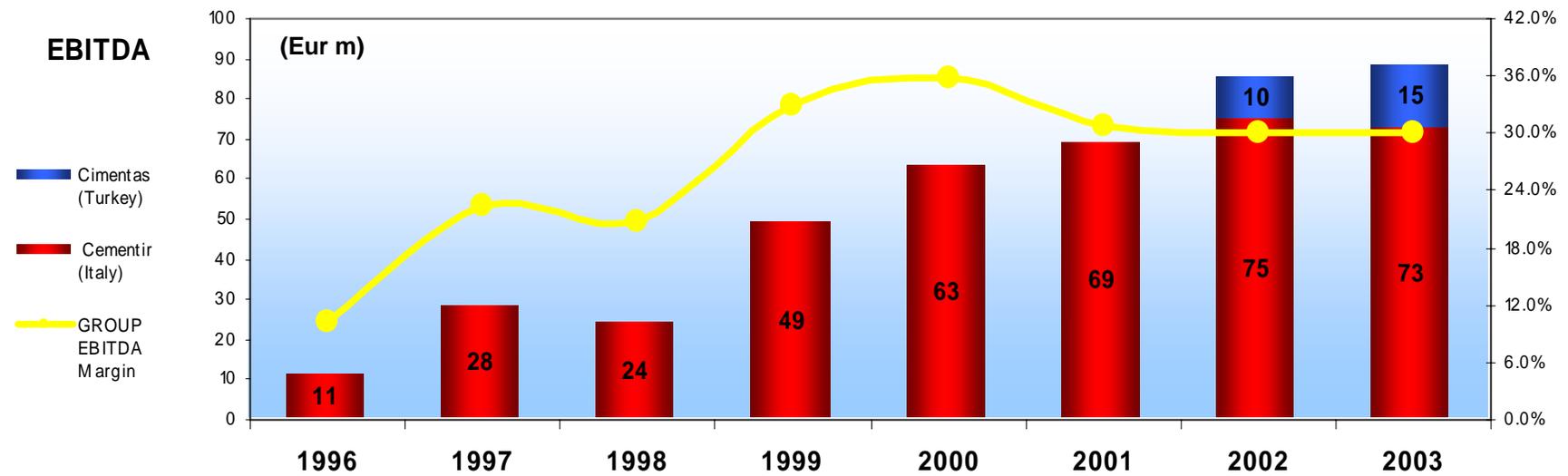
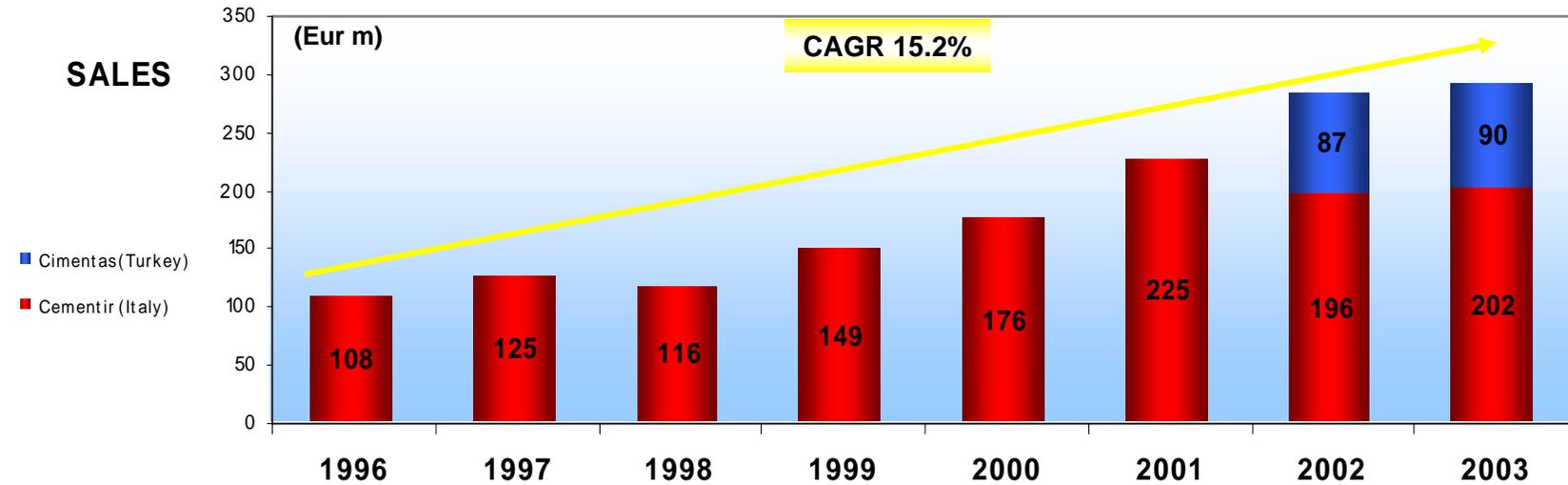
## SALES BY DESTINATION



Data: March 2004

\* Nation-wide presence with a bias on Southern Italy

# Company overview: sales and profitability growth



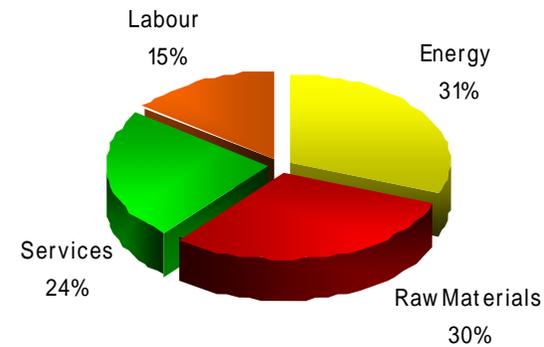
# Company overview: operating costs

## Commitment to reach cost efficiencies



Strong productivity growth over the last 10 years despite some headwind from recent energy and raw material cost increase

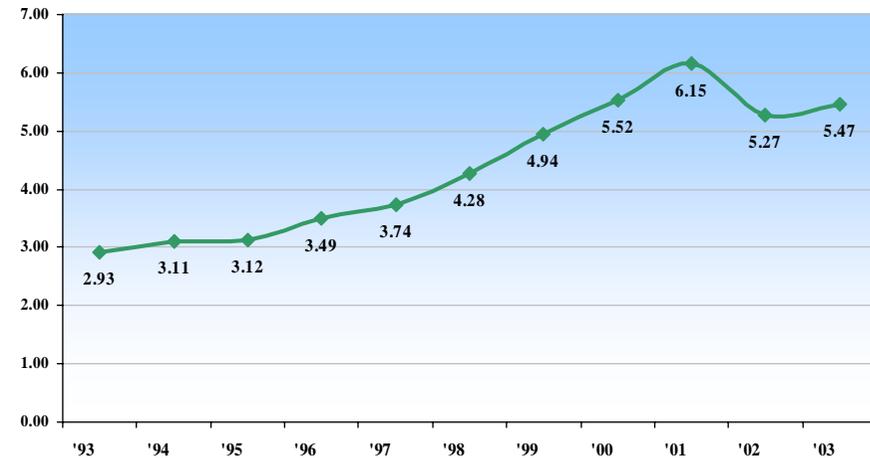
## Operating cost split (2003)



## Personnel Costs / Sales %



## Production (Tons / Personnel)



## Financials: Full Year 2003 and 2002

(EUR/000)	2003	2002	YoY	
Revenues	292,603	283,029	3.4%	 Italian operations posted sales of €202 m, up by €6.3 m; Cimentas (Turkey) posted sales of €90.6 m, up by €3.3 m. Net Sales include €29.6 million from ready mix concrete business (€25.6 m in 2002).
Operating costs	(173,787)	(166,200)	4.6%	
<b>Value added</b>	<b>118,816</b>	<b>116,829</b>	1.7%	
Labour cost	(31,042)	(32,112)	-3.3%	
<b>EBITDA</b>	<b>87,774</b>	<b>84,717</b>	3.6%	 Ebitda from Italian operation slightly decreased by €2 m to €72.6 m mainly because of higher energy costs and raw materials. Ebitda from Turkish operations was up by 50% to €15.1 m.
<b>EBITDA Margin</b>	<b>30.00%</b>	<b>29.93%</b>		
Depreciation	(28,882)	(28,517)	1.3%	
Other (costs) / revenues	(6,034)	(6,076)	-0.7%	
<b>EBIT</b>	<b>52,858</b>	<b>50,124</b>	5.5%	
<b>EBIT Margin</b>	<b>18.06%</b>	<b>17.71%</b>		
Financial (loss) profit	2,264	16,634 *	-86.4%	 * Includes exceptional currency gains related to a loan (completely reimbursed).
Extraordinary (loss) profit	(15,237) **	(6,248) ***	143.9%	 ** In 2003, exceptional charges of €6.8 m refer to tax amnesty (D.L. n. 282/2002 and L. 27/2003) which Cementir took advantage of. The figure also includes the antitrust fine imposed by the European Commission (€8 m).
<b>Income before tax</b>	<b>39,885</b>	<b>60,510</b>	-34.1%	 *** Includes exceptional loss related to sale of Cimentas non core assets.
Taxes	20,477 ****	(15,906)		 **** Deferred tax assets due to revaluation and devaluation calculated for fiscal purposes.
<b>Net income before minorities</b>	<b>60,362</b>	<b>44,604</b>	35.3%	
Minorities	(119)	704		
<b>Net income</b>	<b>60,243</b>	<b>45,308</b>	33.0%	

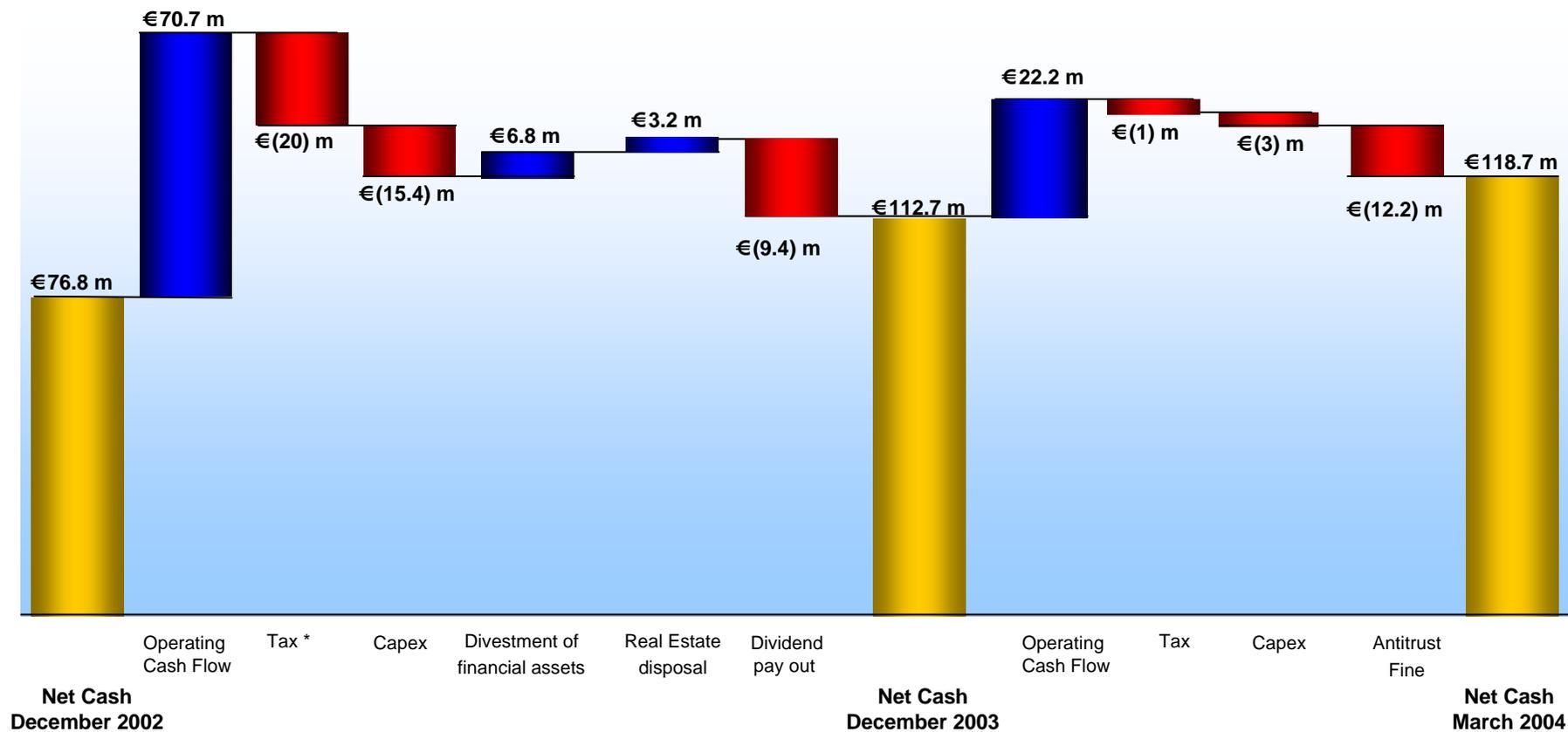
## Financials: Q1 2004 and 2003

(EUR/000)	Q1 2004	Q1 2003	YoY	
Revenues	71,357	62,745	13.7%	➔ Italian operations posted sales of €45.4m, up by 2.7%; Cimentas (Turkey) posted sales of €26m, up by 40%. Net Sales include €9.2 million from ready mix concrete business (€5.5m in Q1 2003).
Operating costs	(46,730)	(38,682)	20.8%	➔ The increase in operating costs is due to energy and raw material price hikes over the period.
<b>Value added</b>	<b>24,627</b>	<b>24,063</b>	2.3%	
Labour cost	(8,603)	(7,859)	9.5%	➔ The increase is due to a higher number of employees (from 1209 to 1.270).
Other (costs) / revenues	54	0		
<b>EBITDA</b>	<b>16,078</b>	<b>16,204</b>	-0.8%	➔ Certain items such as board members and auditors remuneration have been reclassified above the EBITDA level. At constant perimeter, EBITDA would have registered an increase of 2.5%.
<b>EBITDA Margin</b>	<b>22.53%</b>	<b>29.93%</b>		
Depreciation	(6,849)	(6,667)		
Non-income taxes	(413)	0		
Other (costs) / revenues	0	(1,725)		➔ In Q1 2004 other costs/ revenues have been reclassified in non-income taxes and in other costs/revenues above the EBITDA line.
<b>EBIT</b>	<b>8,816</b>	<b>7,812</b>	12.9%	
<b>EBIT Margin</b>	<b>12.35%</b>	<b>17.71%</b>		
Financial (loss) profit	2,096	(10)		➔ Interest income is higher due to currency gains and higher cash pile.
Extraordinary (loss) profit	35	(850)		➔ In Q1 2003, exceptionals were mainly €1.2 m of legal proceedings between Cimentas and the local government.
<b>Income before tax</b>	<b>10,947</b>	<b>6,952</b>	57.5%	

## Financials: strong cash flow

Free cash flow generation is expected to grow strongly over the next few years thanks to:

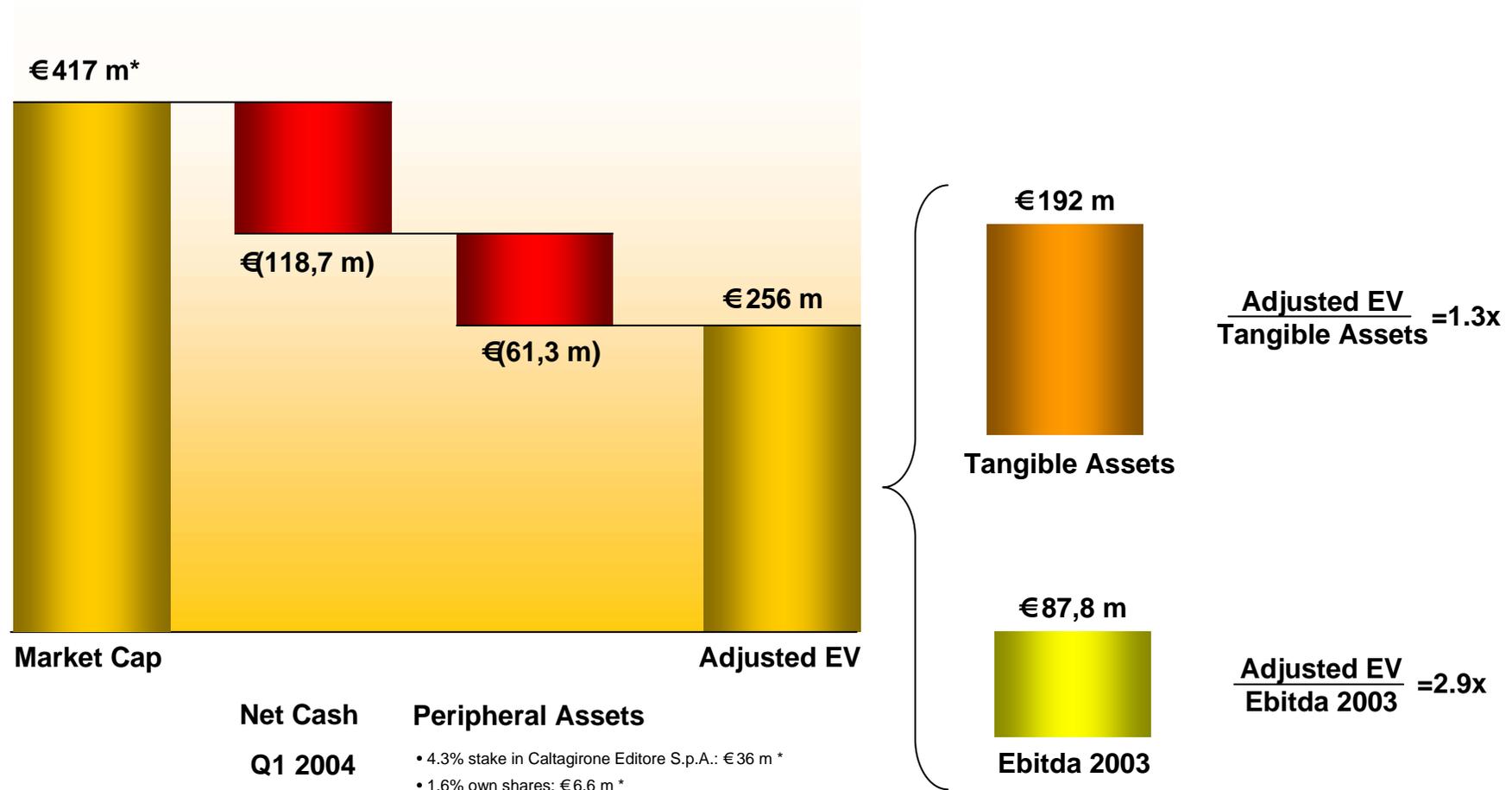
- lower corporate tax rate
- stable results from Italy
- strong profit growth from Turkey



\* Group tax rate in the next 4 years is expected to be lower than 20% due to tax devaluation of Cimentas investment shares

# Financials: market multiples

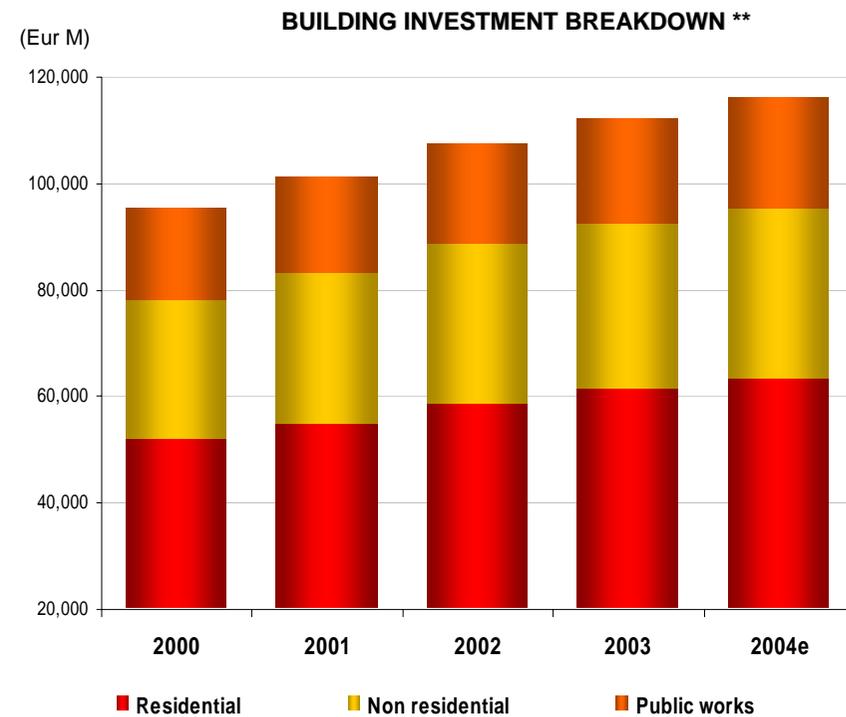
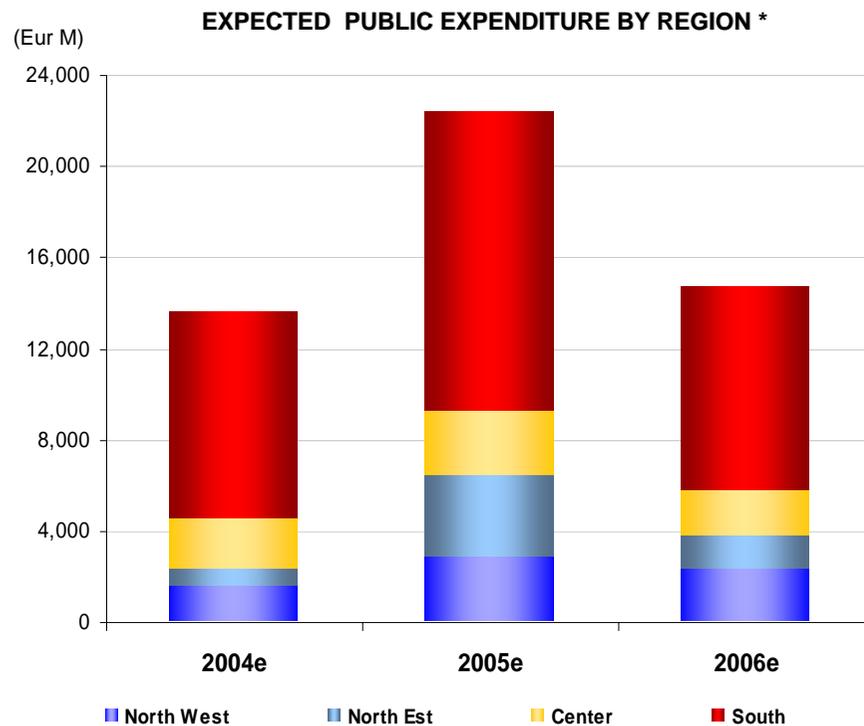
Adjusted firm value is only 2.9x historical Ebitda



\* As of April, 2004

## Outlook: Italy

- The return of public spending, as envisaged by the Government, should boost cement consumption, especially in Southern Italy
- The European Union has included 4 Italian projects in the list of priority infrastructure investment (Torino-Lione and Genova Milano-Gottardo railways, harbour infrastructure improvements, bridge over the Messina Channel)
- Volumes are expected to grow by 2%. Cement prices to remain stable or slightly decreasing, still below European average



\* Source: Documento di programmazione economica e finanziaria 2004-2007

\*\* Source: Ance, Istat December 2003

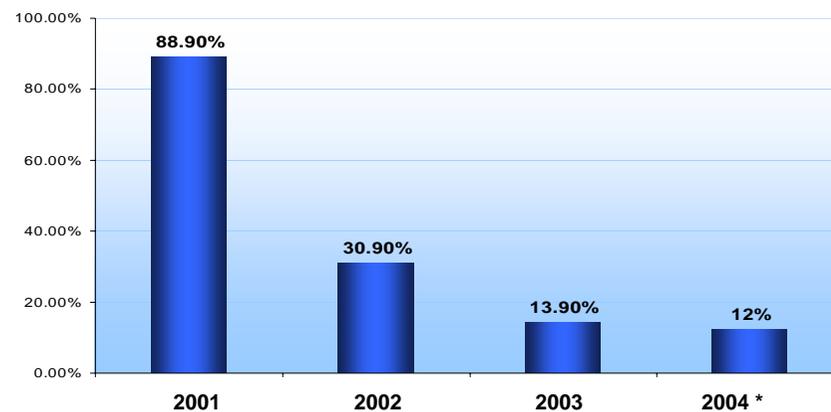
# Outlook: Turkey

## Favourable economic growth prospects

- EBITDA in Turkey is expected to grow by 40% at constant exchange rates
- Favourable demographics: 40% of population is less than 25 years old, current population is 70 million, expected to rise to 100 million in 2020
- Huge backlog of infrastructure projects which should gather pace as soon as the country economic backdrop stabilizes
- Rate of inflation is has been decreasing over the last few years
- Cement prices bottomed out at US \$ 32/ton and have been rising ever since

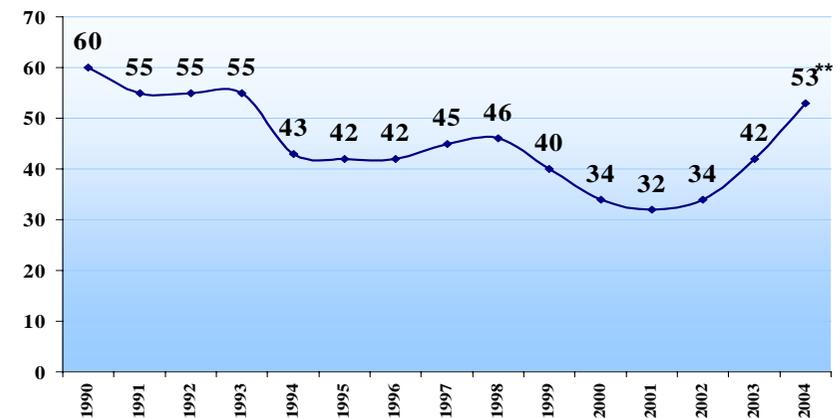
**RATE OF INFLATION**

Rate of inflation decreased in the last 3 years



**CEMENT PRICES IN USD**

Prices are increasing

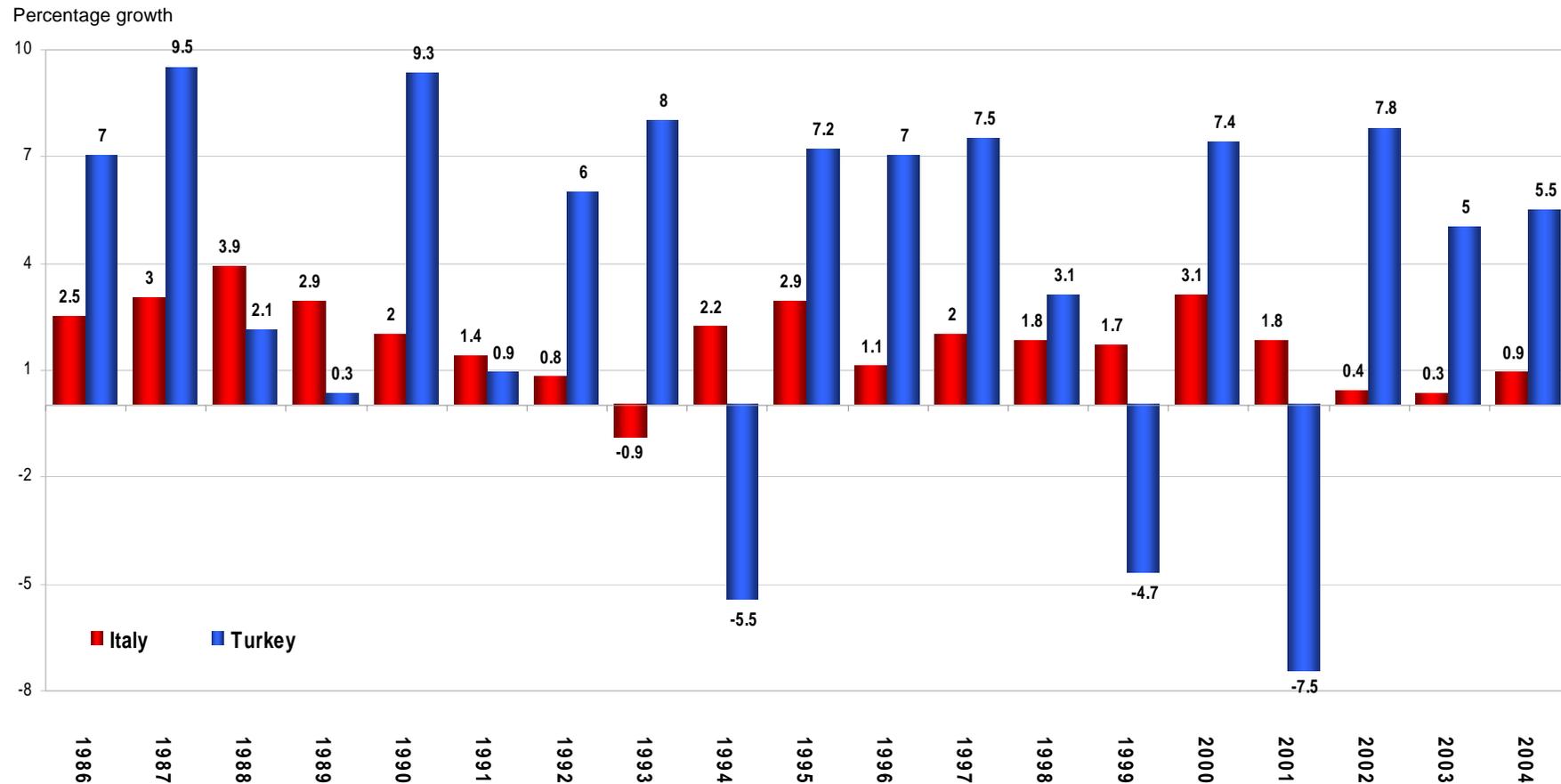


\* Governmental budget

\*\* As of April 2004

## Outlook: Italian and Turkish real GDP growth rates

Turkey offers a much stronger demand growth outlook than Italy



\* Source: Organisation for Economic Co-operation and Development (OECD, June 2003).

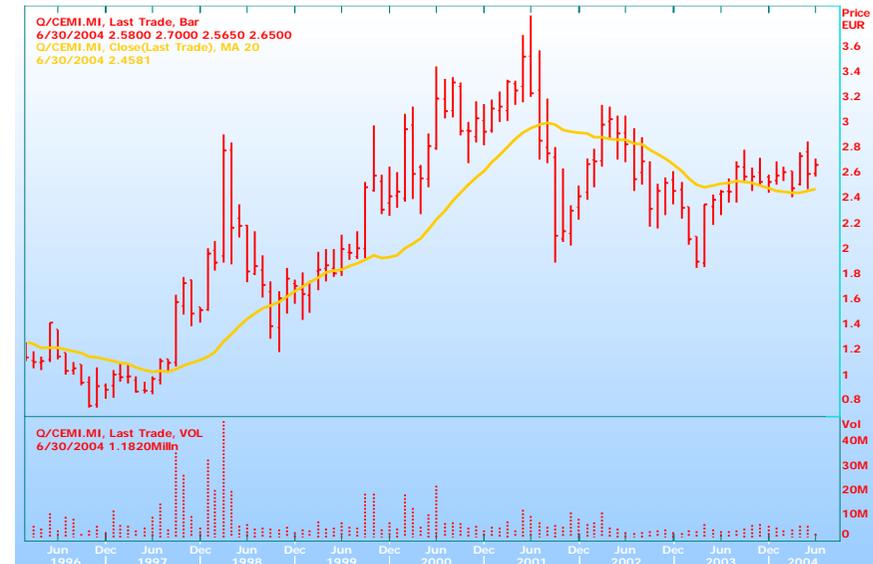
## Growth prospects

- Pursuing growth in attractive new markets in the Mediterranean basin.
- Constant search for acquisitions in order to double production capacity in the near future.



Today Cementir operates in Italy and Turkey

## Long-term value creation

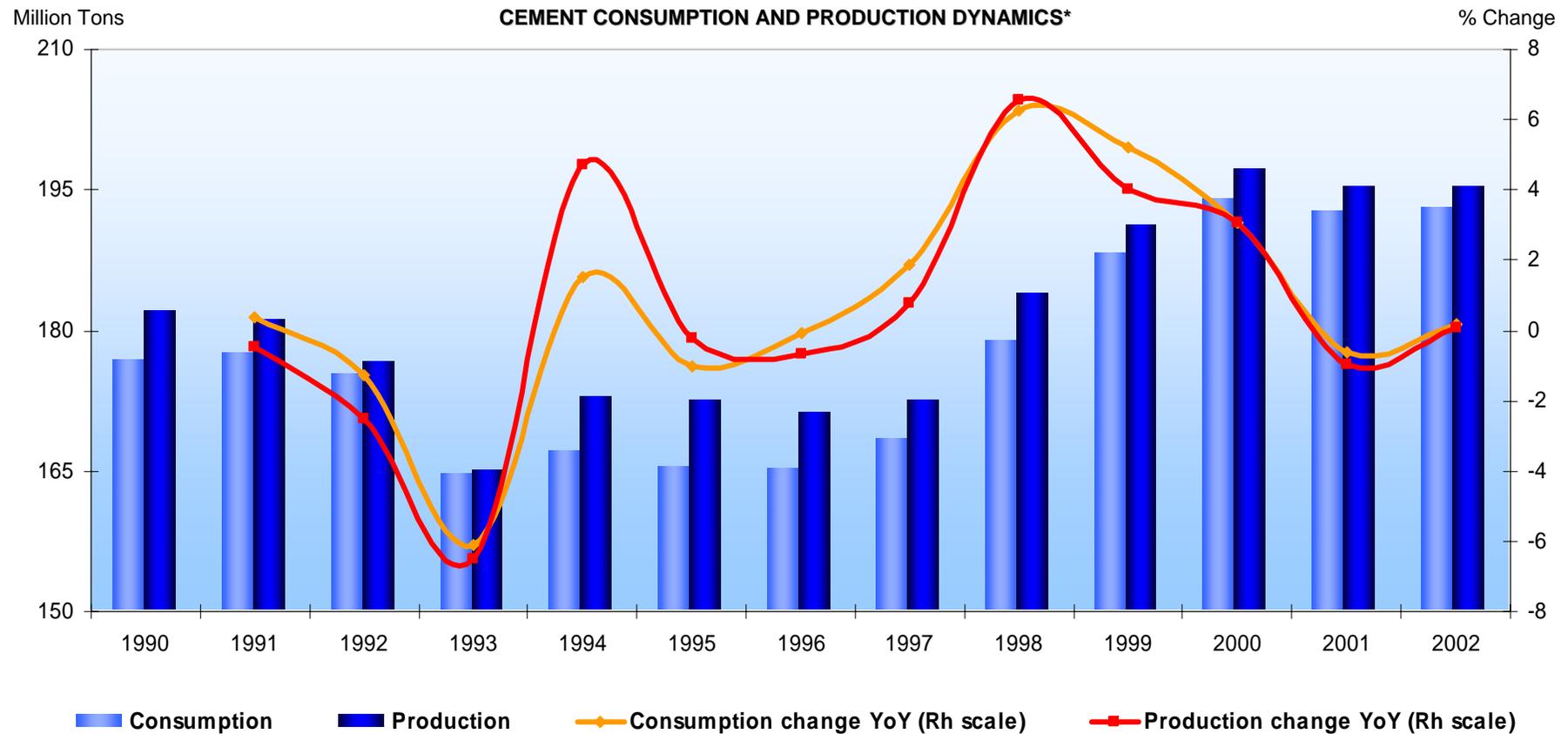


- Share price CAGR of 12.7% since 1996
- Solid financial structure

## Appendix

## European Union overview

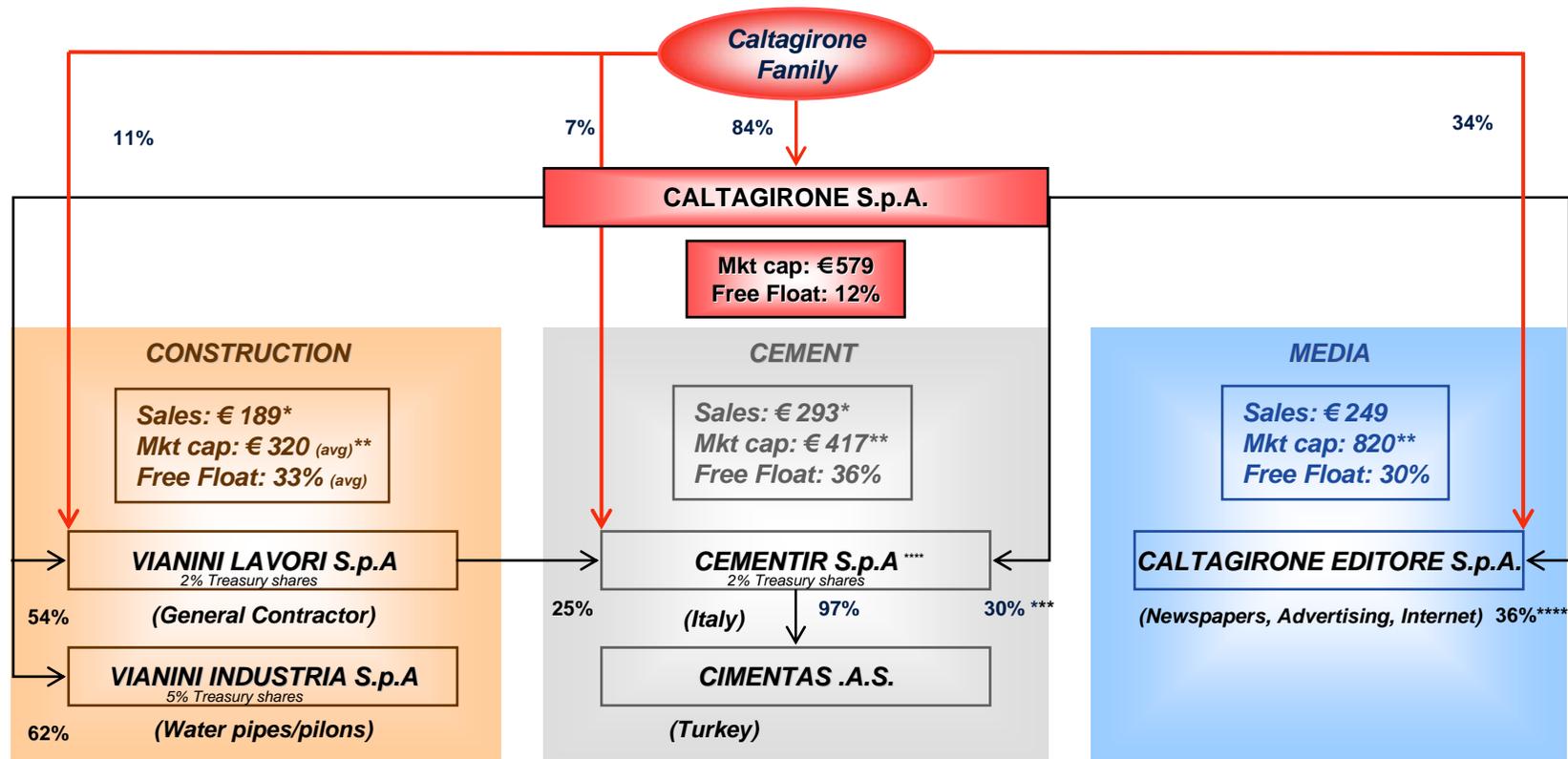
From the 1993 cyclical low of 165 million tons, the market grew to 192 million tons in 2002



\* Source: International Cement Review (Global Cement Report No. 5)

## Caltagirone Group structure

- Caltagirone group is a family-controlled industrial concern operating mainly in Italy
- The group structure is based on 3 different businesses: Construction & Real Estate, Cement, Media



\* 2003 Data; \*\* As of May 2004

\*\*\* Includes 30% stake held by Mantegna '87 Srl, 100% controlled by Caltagirone S.p.A.

\*\*\*\* 11% stake held by Mantegna '87 Srl, 100% controlled by Caltagirone S.p.A.

\*\*\*\*\* See "Appendix" for details on Cementir Group structure

**For further information**

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