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2007
MILANO

2007 – 2009 Industrial Plan

Milan, March 1st 2007

Cementir

GRUPPO CALTAGIRONE

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March the 1st 2007



- **2006 Annual Results: comparison with '06 - '08 industrial plan**

- **Cementir Group**

- GROUP OVERVIEW: CEMENTIR TODAY
- SUCCESSFUL EXPANSION FROM LOCAL TO GLOBAL PLAYER
- SHAREHOLDER VALUE CREATION
- CEMENTIR VS INTERNATIONAL PEERS
- COUNTRIES OF OPERATION

- Italy
- Turkey
- Denmark
- Scandinavia
- Global leadership in white cement

- **2007 – 2009 Industrial Plan**

- **Main cost challenges**

- **Conclusions**

- **Appendix**

- MAIN SHAREHOLDERS
- THE CALTAGIRONE GROUP
- STOCK COVERAGE

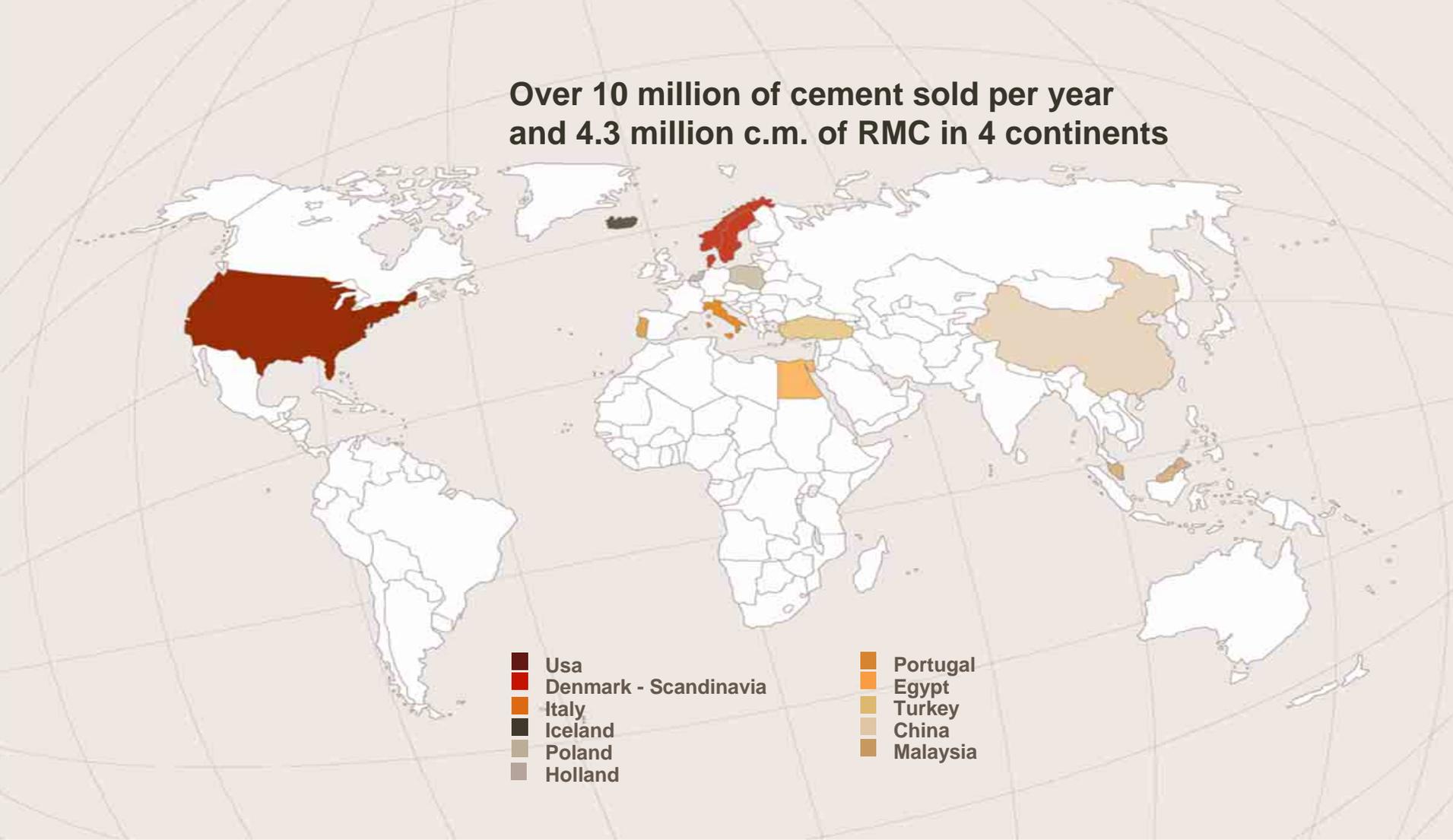
Revenues and Ebitda targets met 2 years ahead of plan

2008 Targets	
Revenues	> Euro 1 Bn
Ebitda	250 M



(Euro 000)	Jan - Dec 2006	Jan - Dec 2005	Δ %
Revenues	1,053,343	857,389	22.8
Other Revenues	14,049	16,671	-15.7
Raw Material	(411,834)	(333,431)	23.5
Services	(243,424)	(220,141)	10.6
Labour costs	(148,218)	(120,979)	22.5
Other operating costs	(16,549)	(15,078)	9.8
Ebitda	247,367	184,431	34.1
<i>Ebitda/ Revenues %</i>	23.5%	21.5%	
D&A	(66,486)	(65,182)	2.0
Ebit	180,881	119,249	51.7
<i>Ebit / Revenues %</i>	17.2%	13.9%	
Financial Results	(11,973)	(4,298)	
Pre-tax Results	168,908	114,951	46.9
Net profit	114,366	109,397	4.5

Over 10 million of cement sold per year
and 4.3 million c.m. of RMC in 4 continents



Group overview: Cementir today (cont.)

Cement capacity: over 13 million tons p.a.

DENMARK – SCANDINAVIA

Grey cement production capacity: 2,100,000 t
White cement production capacity: 850,000 t
Cement plants: 1 (7 kilns)
RMC sales: 2,800,000 m3
RMC plants: 85
Aggregates sales: 2,900,000 m3
Terminals: 10

TURKEY

Grey cement production capacity: 4,800,000 t
Cement plants: 4
RMC sales: 1,500,000 m3
RMC plants: 15

ITALY

Grey cement production capacity: 4,300,000 t
Cement plants: 4
RMC sales: 60,000 m3
RMC plants: 3
Terminals: 3

EGYPT

White cement production capacity: 410,000 t
Cement plants: 1

USA

White cement production capacity: 260,000 t
Cement plants: 2 *
Cement products: 1 plant **
Terminals: 1

MALAYSIA

White cement production capacity: 200,000 t
Cement plants: 1

CHINA

White cement production capacity: 100,000 t
Cement plants: 1

PORTUGAL ***

Cement products: 5 plants

ICELAND

Terminals: 2

POLAND

Terminals: 1

HOLLAND

Terminals: 1

* In JV with Heidelberg and Cemex (Cementir holds a 24,5% stake)
** Vianini Pipe Inc
*** JV with Secil

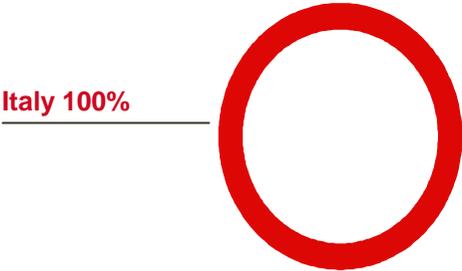


Successful expansion from local to global player

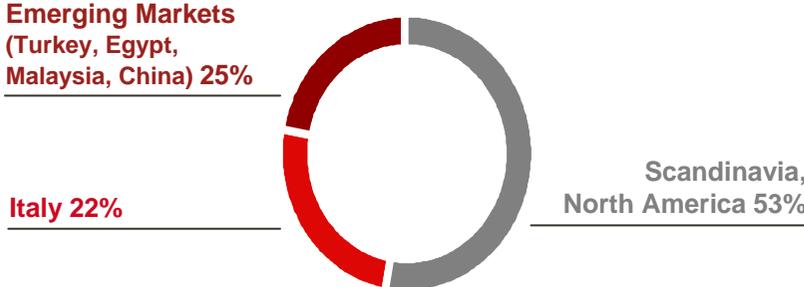
From 2001 Cementir invested €1.1 billion to increase diversification

Around 80% of sales from abroad

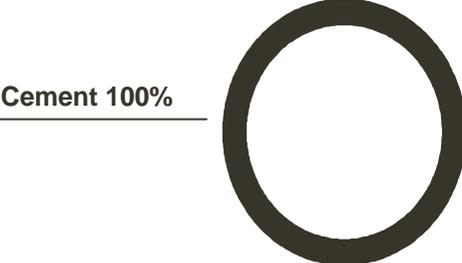
2001 Sales by geography



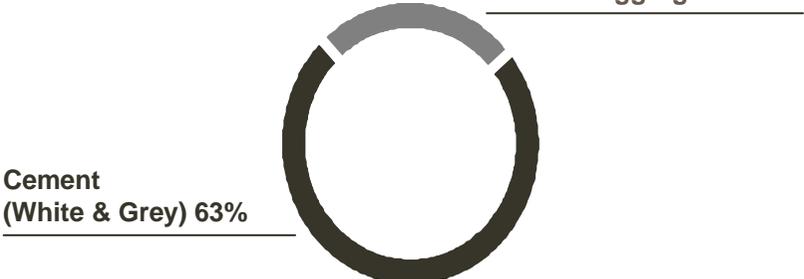
2006 Sales by geography



2001 Sales by product



2006 Sales by product

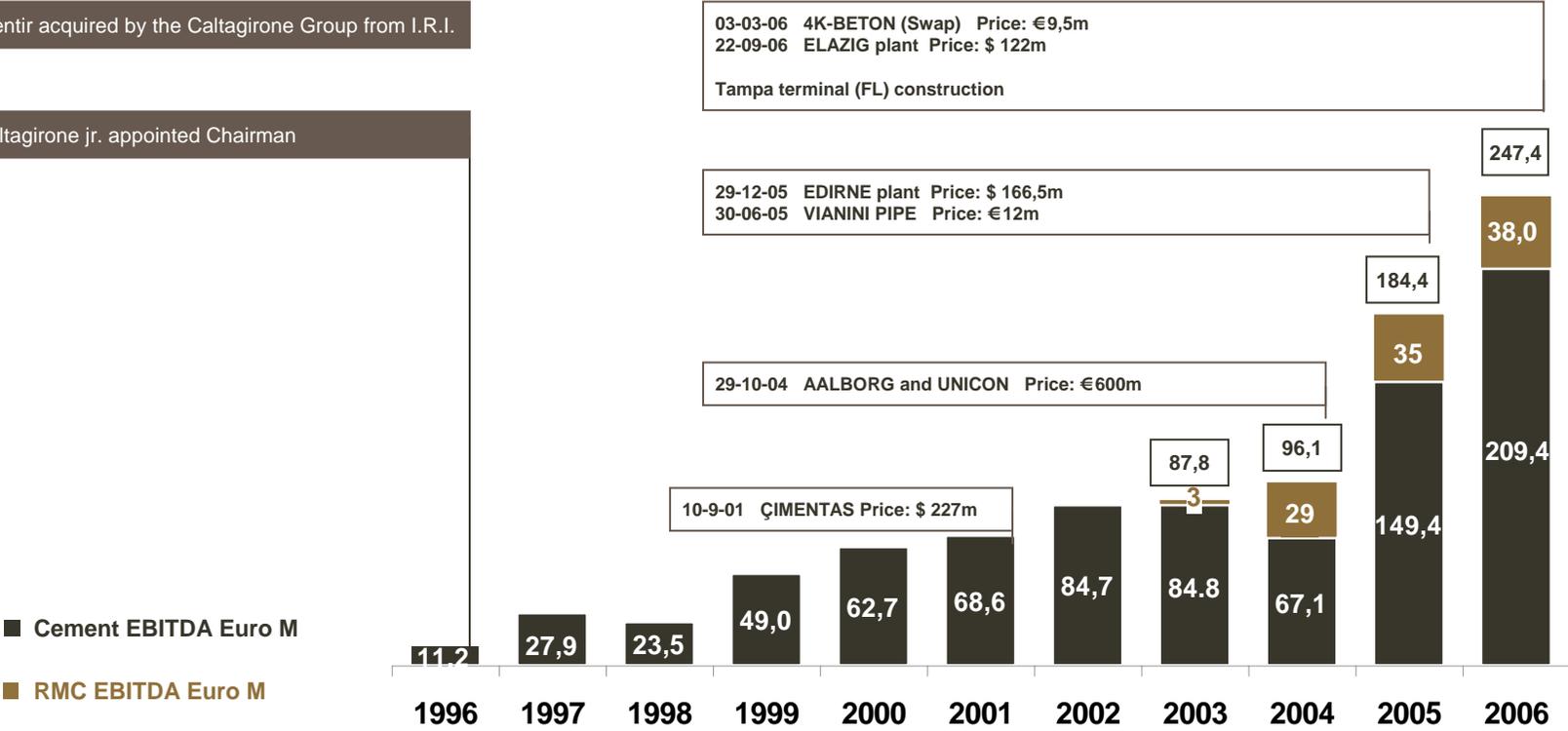


Shareholders value creation

36.3% Ebitda cagr from '96 to '06 via organic and external growth, entirely financed by cash flow & debt

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

1996 F.Caltagirone jr. appointed Chairman



March the 1st 2007



Shareholders value creation

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Financial highlights							
(Euro thousands)	2001	2002	2003	2004	2005	2006	6 year- multiple
Revenues	224,761	283,029	292,603	395,118	857,389	1,053,343	4.7 x
EBITDA	68,625	84,717	87,774	96,145	184,431	247,367	3.6 x
EBITDA /Revenues %	30.53	29.93	30.00	24.33	21.51	23.48	
EBIT	48,640	50,124	52,859	59,676	119,249	180,881	3.7 x
Net profit	43,708	45,308	60,243	67,615	109,397	114,366	2.6 x
Net financial position	(5,832)	76,783	112,730	(298,649)	(403,539)	(437,540)	-
							Total
Acquisitions	254,049	-	-	600,024	152,246	112,467	1,118,786
Employees as of December the 31st	1,681	1,274	1,233	3,071	3,126	3,745	

Dividends							
	2001	2002	2003	2004	2005	2006*	6 year- multiple
Dividend per share (Euro cents)	6	6	6	7	8,5	10	1.7 x

*forecast

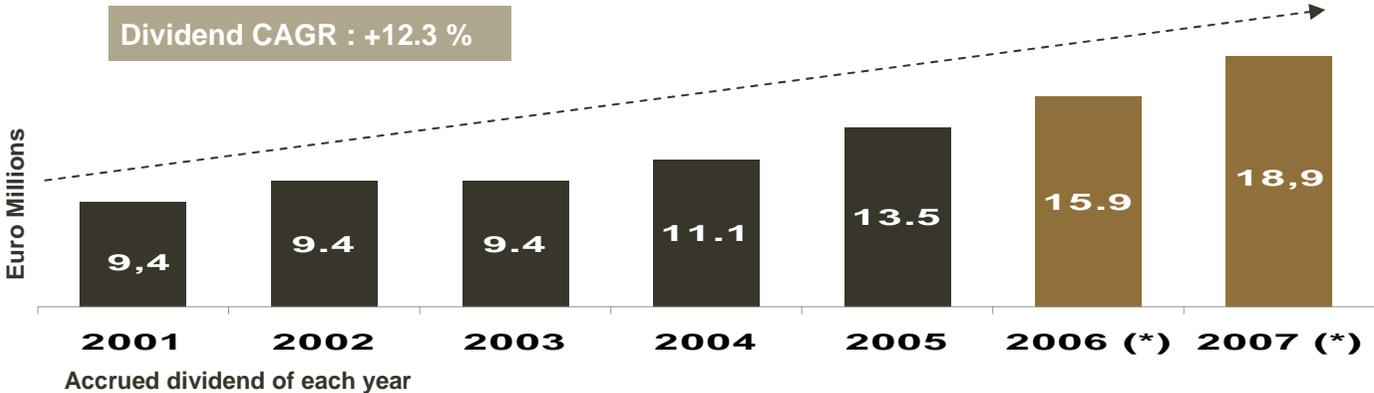
Quantities sold							
(thousands)	2001	2002	2003	2004	2005	2006	6 year- multiple
Grey and white cement (tons)	3,498	5,074	5,444	6,198	8,979	10,235	2.9 x
Ready-mix concrete (c.m.)	285	923	951	1,538	3,902	4,326	15.2 x
Aggregates (c.m.)	-	-	-	518	3,105	2,931	na



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Objective: progressive dividend policy assuming stable results



Stock up +700% from 1997 and +225% since Aalborg acquisition



* Company estimates which can be modified



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Despite a higher average growth rate, Cementir trades at lower multiples than peers.

Discount is around 15% on EV/Ebitda and over 20% on P/E

2006 Data (Euro Millions)	Mkt cap	Revenue **	Ebitda**	Net profit**	EV / Ebitda	P / E
CEMENTIR	1.393	1.053	247,4	n/a	7,4	13,1***
CEMENTOS PORTLAND	3.285	1.414	473	185,7	7,2	17,7
CIMPOR	4.381	1.626	538,5	265,5	9,9	16,5
TITAN CEMENT	3.592	1.561	477,9	275,5	8,3	13,0
VICAT	3.976	2.003	503	255	8,7	15,6
AVERAGE					8,5	15,7

* Homogeneous sample selected on the basis of: geographic exposure, market capitalization, main shareholders, product mix

** Source: Bloomberg and, if not available, Cementir estimates

*** P/E estimate based on 06 Pre-tax profit by applying an average tax rate to pretax. This figure is estimated and it does NOT represent an earnings guidance for 06

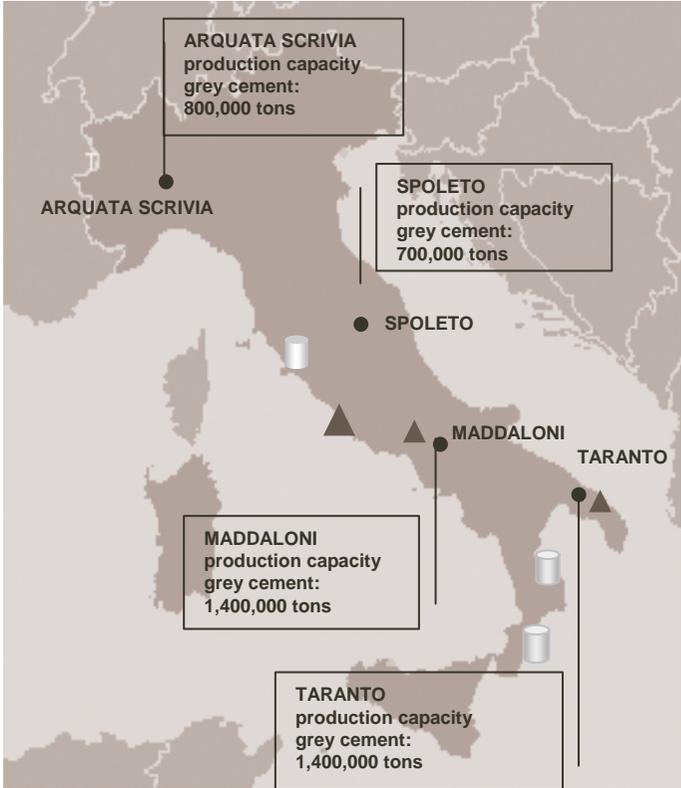


March the 1st 2007



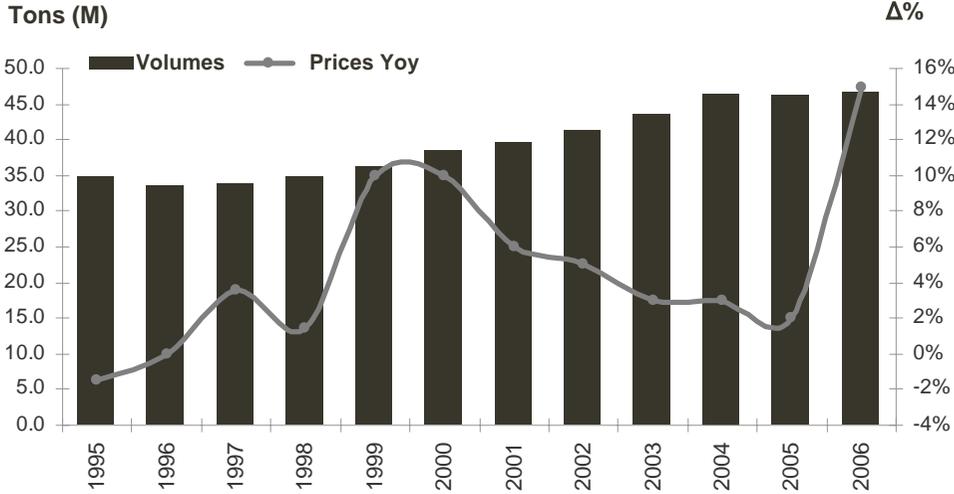
Cementir is the 4th largest cement producer

Production plants



● Cement plants (4) Total capacity: 4,3 m t
▲ RMC plants (3) Total sales: 0.06 m c.m.
☐ Terminals (3)

Domestic cement volumes and price change *



- In 2006 margins increased strongly thanks to price recovery
- In 2007 results will probably stabilize

* Source: Aitec and Cementir estimates

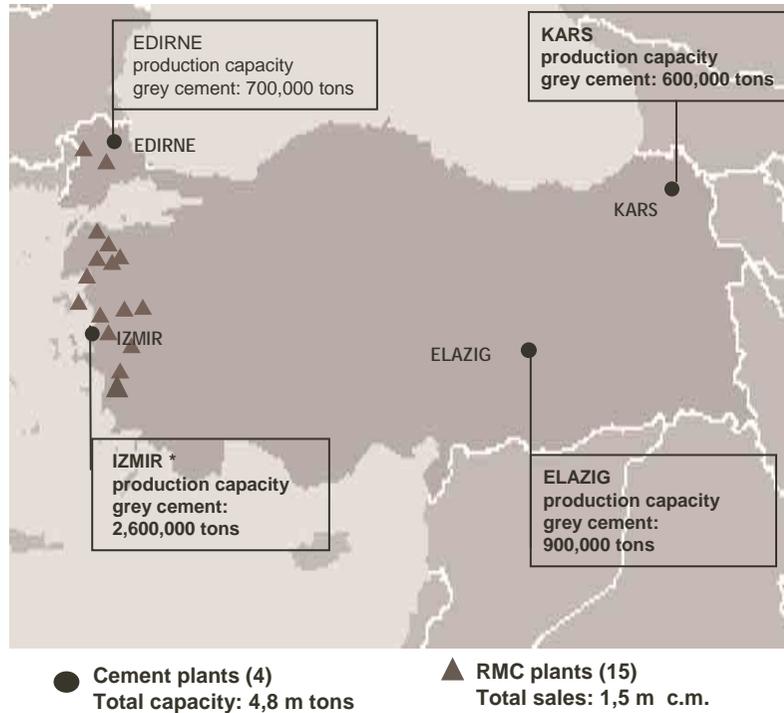


March the 1st 2007

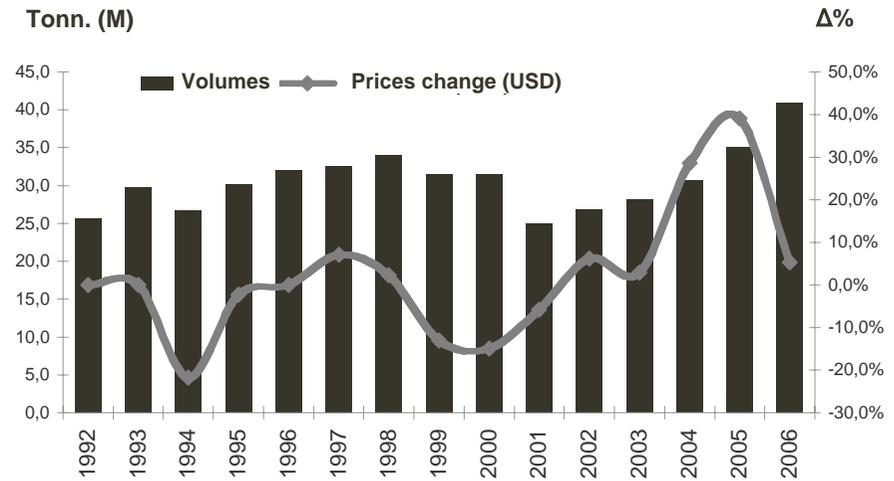


Cementir is the 3rd largest cement producer

Production plants



Domestic cement volumes and price change **



- Cementir continues to bet on this fast-growing country
- Over 500 million USD investment over the last 5 years
- Around 5 million tons of cement capacity p.a.; presence in all major regions

* Izmir capacity includes 500,000 tons of capacity expansion in 2005 at total cost of € 14 m

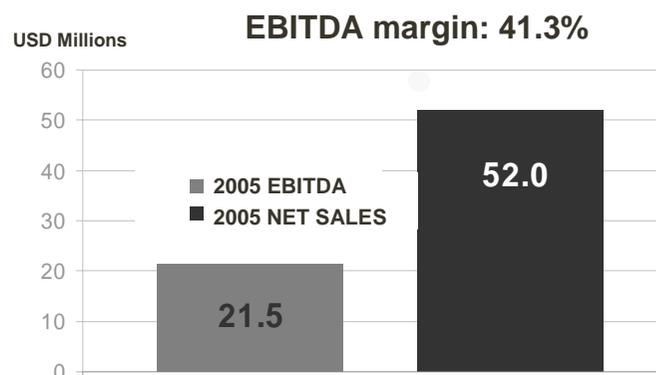
** Source: Turkish Cement Manufacturers' Association and company estimates

Cementir reached around 5 million tons of cement capacity p.a. by acquiring Elazig Cimento in 2006 *

Main features of Elazig deal

- Deal value: USD 122 millions
- Production capacity: 900,000 tons per annum
- One production plant with a state of the art kiln located in Eastern Anatolia
- 2005 Net Sales: USD 52 million
- 2005 EBITDA: USD 21,5 million
- Employees: around 200 people

The highest profitability in the group



- Investments(USD m)	226.9	+	16.8	+	166.5	+	122	=	532.2
- Cement Capacity (mt/pa)	2.7	+	0.5	+	0.7	+	0.9	=	4.8

* Deal closed on September 22nd 2006

Aalborg Portland Group is the only domestic producer

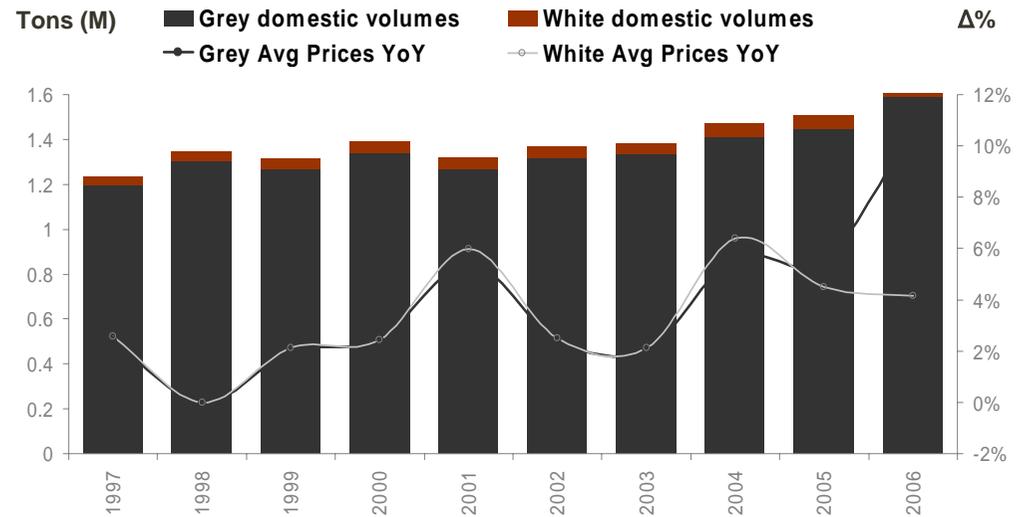
Production plants



● White cement plants
Total capacity: 0,85 m t

▲ Grey cement plants
Total capacity: 2,1 m t

Volumes and cement price change *

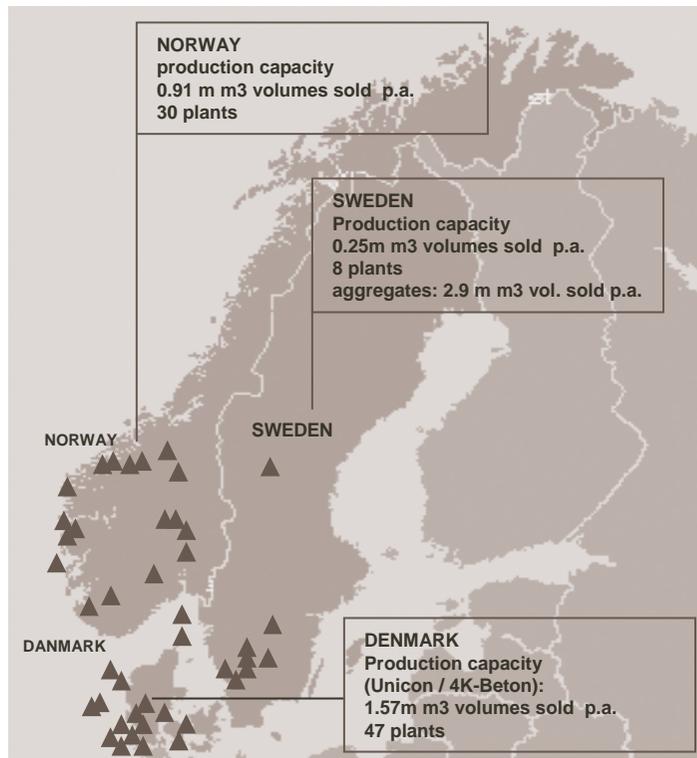


- In 2006 revenue and price increases positively impacted results of grey and white cement
- 2007 is expected to be another year of growth

* Source: Cementir estimates

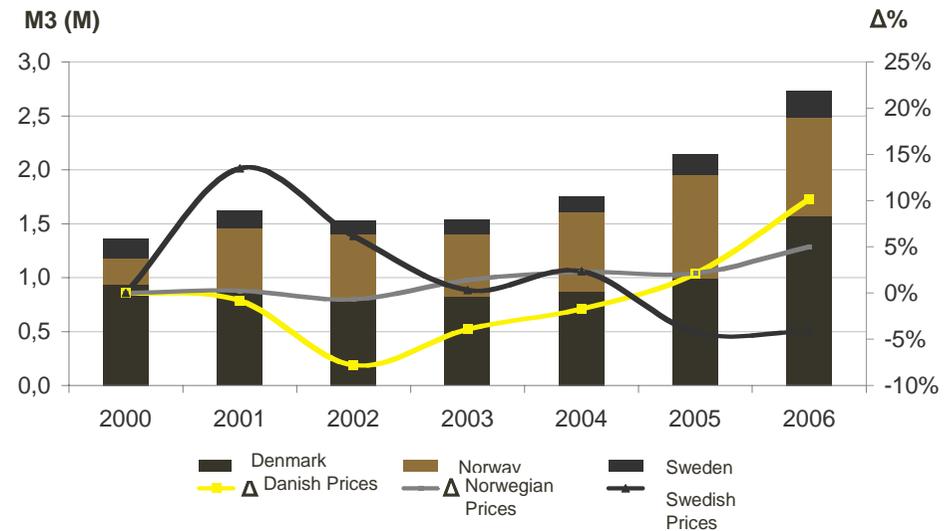
Unicon is the # 1 Scandinavian producer

Production plants



▲ RMC Plants; total volumes sold in '06: 2.8m c.m.

Volumes and RMC price change **

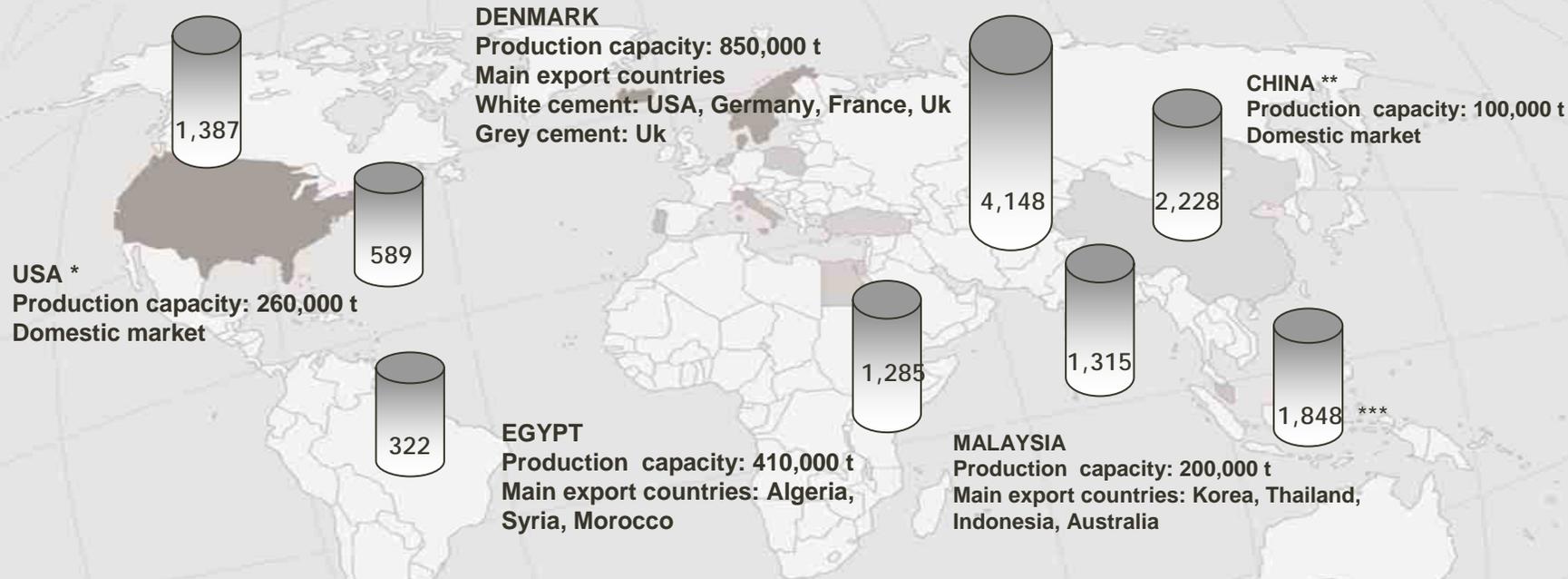


- In Denmark 4K-Beton integration continued; Unicon strengthened its market leadership
- Trading still favorable, with moderately growing revenues and prices in all regions

* 50:50 JV con Skanska;

** Source: Cementir estimates

#1 worldwide with 14% market share and 1.82 m tons of capacity



Consumption

* In JV with Heidelberg and Cemex
 ** Through Aalborg White Anqing of which Cementir owns 70%.
 *** Includes South-East Asia and Australia

- White cement is a niche product sold globally, with higher barriers to entry than grey cement
- Global white cement demand has grown around 5-6% annually in the last 10 years
- White cement capacity tends to be inland, less subject to imports and raw materials scarcity limits new capacity additions
- White cement is used mainly for decoration and RMI work; hence demand is less cyclical than grey cement

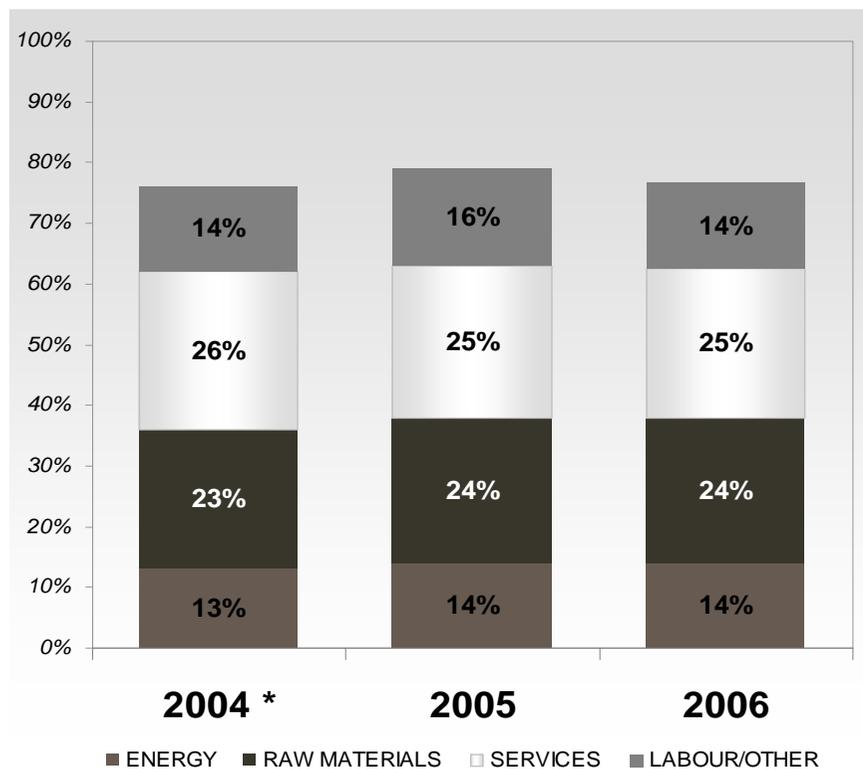
Source: Cementir estimates

Parameter	Objective	Comments
SALES	€1,2 billion	<ul style="list-style-type: none"> - Based on the assumption of a stable macroeconomic scenario, the Group expects to continue increasing volumes in the main markets - With growing demand, it is possible to put through selective price increases and to reach revenue synergies by selling white cement where the Group has already a commercial presence
EBITDA	over €300 million	<ul style="list-style-type: none"> - Margins are expected to increase by 2% thanks to tight cost control, more efficient distribution and better product mix - New SAP platform will improve business efficiency
PRODUCTION CAPACITY	10% increase	<p>Group targets are:</p> <ul style="list-style-type: none"> - Triple white cement capacity in Egypt from 0,4m to 1,1m tonnes pa, strengthening global leadership with the objective of 20% market share (December 2008) - Double cement capacity at Edirne (Turkey) from 0,7m to 1,3m tonnes pa (June 2008) - Cement sales: 12 m tonnes pa - RMC sales: 5 m cubic meters pa

Parameter	Objective	Comments
NET DEBT	~ €100 million	<p>At constant perimeter, the objective is to reduce net debt from € 437m to €100m by the end of 2009</p> <p>Intense investment program:</p> <ul style="list-style-type: none"> - revamping of Arquata plant (June 2007) and readymix concrete footprint enlargement in Italy - 70% increase in white cement capacity to 2.1 m tonnes p.a. and investment in Turkey <p>Total investments to increase capacity: around €140 millions</p>
OPPORTUNITIES	<p>Organic growth is cheaper than external growth, especially at current market multiples</p> <p>Current borrowing capacity allows Cementir to look at further M&A opportunities</p> <p>Strengthening our competitive position especially in white cement is necessary for further growth</p>	
CHALLENGES	<p>Macroeconomic changes or raw materials prices fluctuations (i.e. oil price)</p> <p>Turkish Lira devaluation</p> <p>Change in competitive forces in the Group's main markets</p>	

Operating costs relative weight declined despite raw materials and fuel costs increase

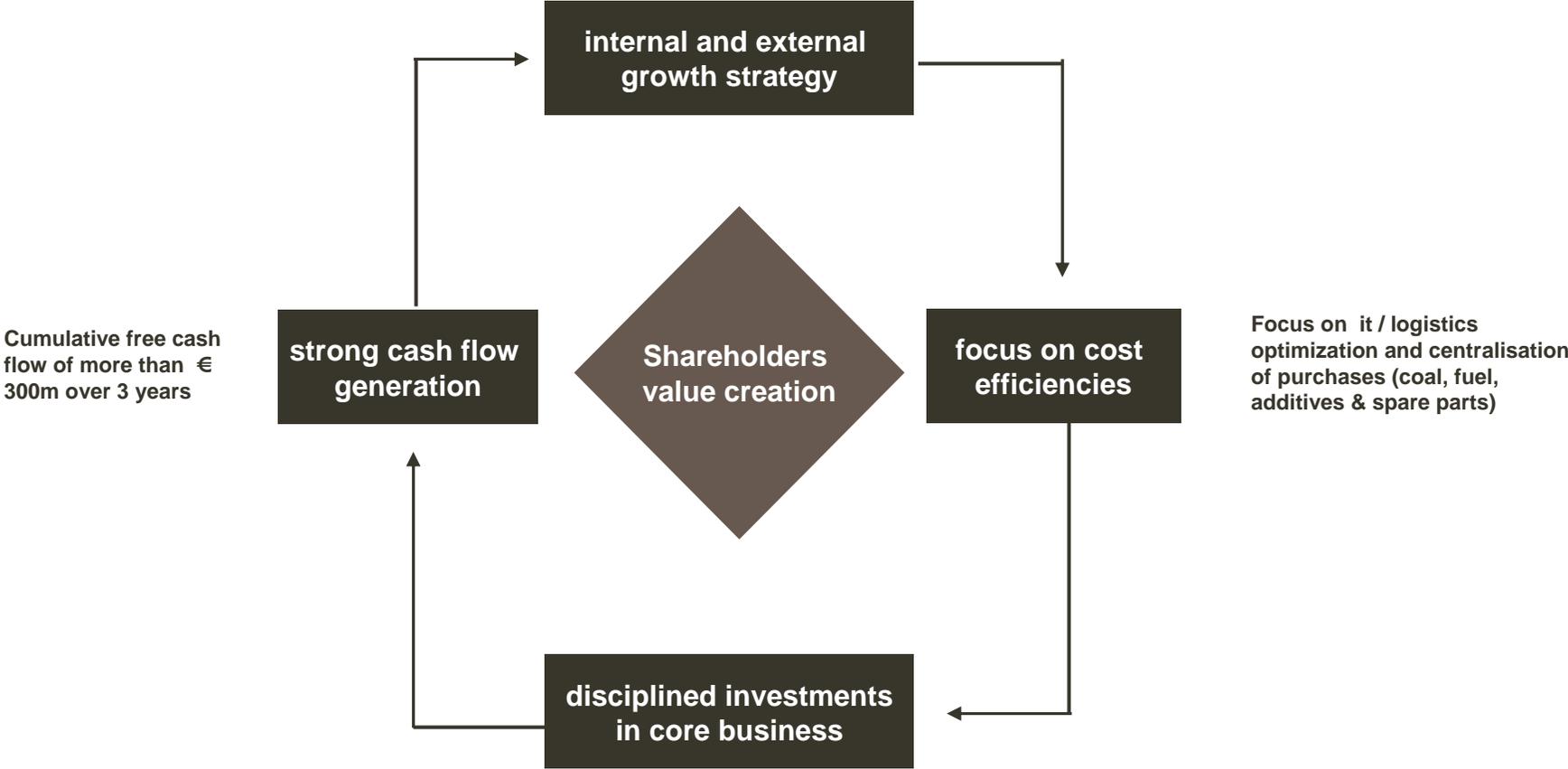
Cash costs / Sales



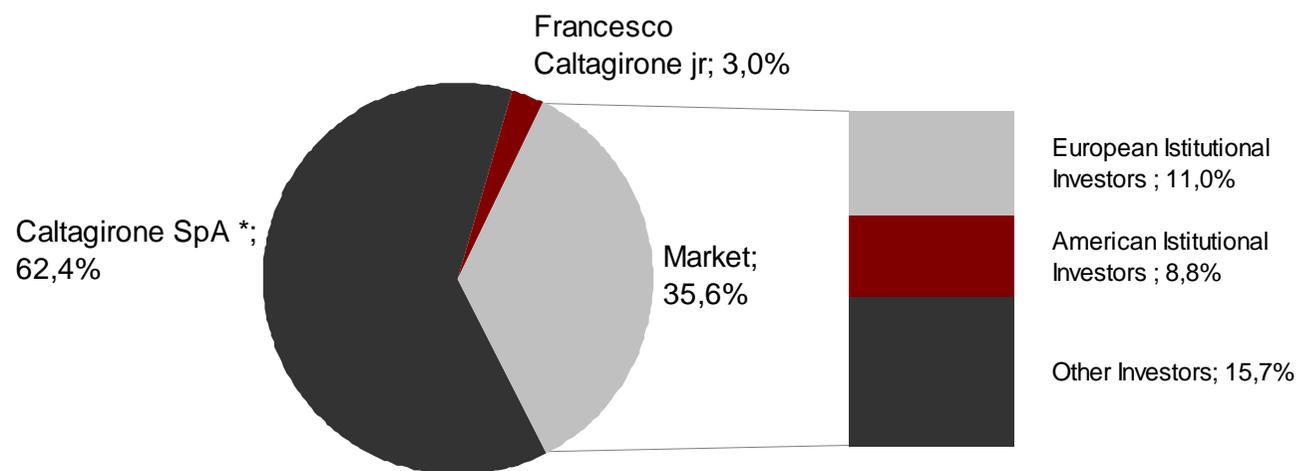
- Raw materials and energy costs increased in 2004-2005, fully offsetting Aalborg Portland acquisition synergies
- In 2006 the combined effect of operating leverage and tight cost control improved overall profitability
- If the average oil price stays at current levels, energy relative weight should begin to decline in the second part of 2007
- The Group is short around 100.000 tons of CO2. The continuous focus on alternative fuels allows Aalborg P. to cover ~20% of fuel costs by using renewable sources

* Pro-forma data

Main Objective: value creation



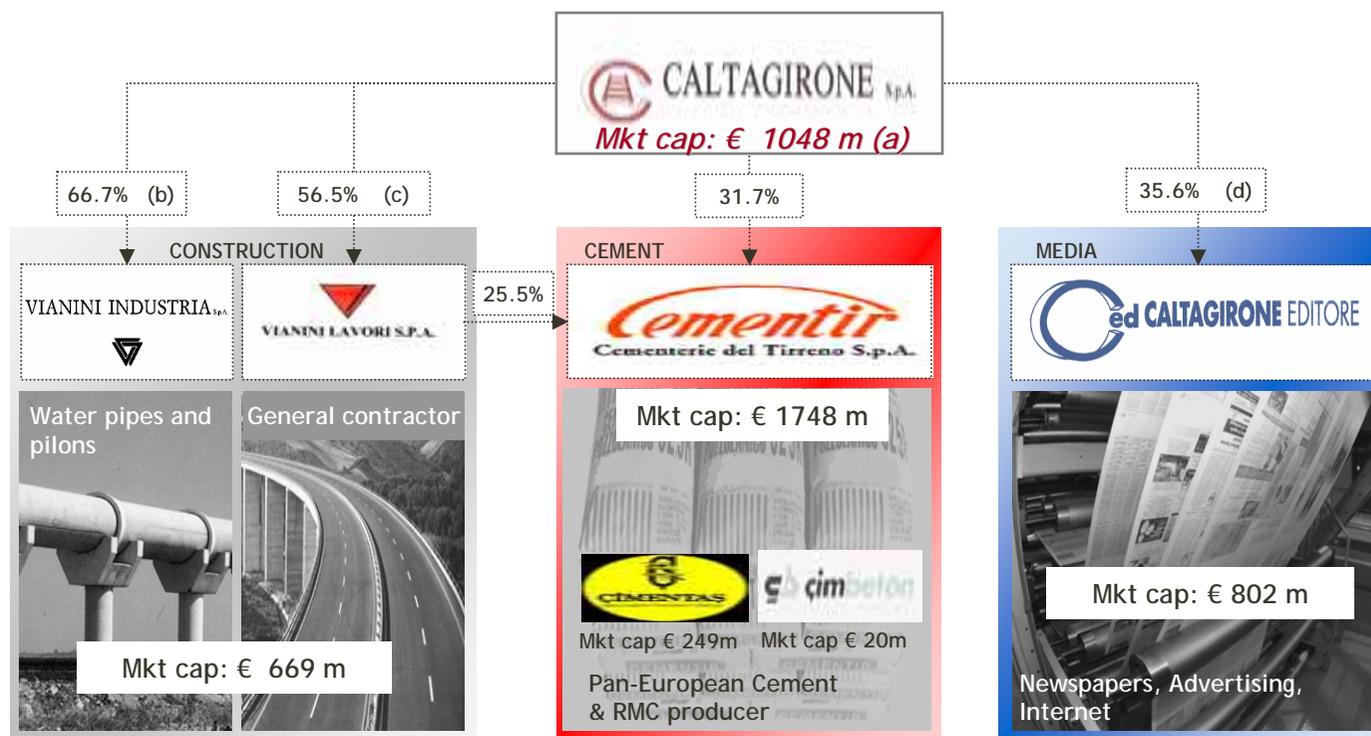
Main shareholders



Fonte: Consob data as of January the 19th 2007 and Cementir estimates

* Caltagirone SpA shareholding also includes stakes held directly or indirectly by other companies of the Caltagirone Group

- The Caltagirone SpA Group is a family-controlled industrial concern with aggregated '06 sales over €1.6 bn
- The Group holds financial investments in several quoted companies
- The structure is the following:



(a) Mkt cap is based on prices at 10-05-07

(b) Of which 54.1% directly and 12.6% through Capitolium Spa (100% controlled company)

(c) Of which 50.0% directly and 6.4% through Capitolium Spa. Other companies of the Group own another 7.7%

(d) Through Edigolfo spa. The Caltagirone Family owns directly and/or indirectly another 32% of Caltagirone Editore SpA

Brokerage house	Analyst	Rating	Web site
UBS Warburg	Eric Schneider	Neutral	ww.ubs.com
ABAX Bank	Gabriele Parini	Market perform	www.abaxbank.com
ACTINVEST	Pasquale Gioia	Buy	www.actinvest.com
CAZENOVE	Fernando Delgado	Outperform	www.cazenove.com
CENTROSIM	Simona Pedrazzini	Neutral	www.centrosim.it
CHEUVREUX	Marco Cristofori	Outperform	www.caicheuvreux.com
EUROMOBILIARE	Giuseppe Mapelli	Reduce	www.bancaeuromobiliare.it
INTERMONTE	Paolo Mosole	Buy	www.intermonte.it
MEDIOBANCA	Gabriele Rossi	Neutral	www.mediobanca.it