

## Cementir Holding: Board of Directors approves results at 30 September 2008

**Revenues: EUR 860 million (EUR 859 million at 30 September 2007)**

**EBITDA: EUR 173 million (EUR 208 million at 30 September 2007)**

**Profit before tax: EUR 102 million (EUR 158 million at 30 September 2007)**

**Rome, 5 November 2008** – The Board of Directors, chaired by Francesco Caltagirone Jr., today approved Cementir Holding's results for the first nine months of 2008.

### Financial highlights

(millions of euros)	January-September 2008	January-September 2007	% change
Revenues	860	859	+0.1%
EBITDA	173	208	-16.6%
EBIT	115	154	-25.3%
Profit before taxes	102	158	-35.3%

### Sales volumes

(thousands)	January-September 2008	January-September 2007	% change
Grey and white cement (metric tons)	8,072	8,237	-2%
Ready-mixed concrete (m <sup>3</sup> )	3,133	3,447	-9.1%
Aggregates (metric tons)	3,314	2,581	+28.4%

### Group employees

	30-09-2008	30-09-2007
Number of employees	3,921	3,890

The slowdown in the global economy, already evident at the start of 2008, grew more marked in the third quarter as a result of the sharpening of the international financial crisis, which generated unexpected uncertainty in the main markets in which the Cementir Holding Group operates, with an immediate impact on performance.

In the main geographic areas in which the Group is present, in the first nine months of the year sales volumes diminished by between 5% and 8%.

Owing to differences in the speed of response of the various markets, the Group's geographical diversification enabled it to maintain a balance despite the deceleration in world economic activity that would not have been possible if operations were concentrated in a single area.

The companies of the Group have taken swift action to adjust all the operational variables over which they exercise control, continuing to introduce structural cost reductions.

The Danish group has already implemented the first phase of a broad reorganisation that will generate structural economies on the order of EUR 15 million per year. Meanwhile, the Turkish and Italian groups have accelerated their projects to use alternative fuels in the manufacturing process, while internal studies are being conducted to find ways to contain fixed and variable costs. The overall impact on Group performance of all of the above actions will total some EUR 30 million, with the initial benefits emerging in the second half of 2009 and the full effects coming on line in 2010.

During the first nine months the expansion of the white cement plant in Egypt continued. Work also began on the construction of the new white cement plant in China, while in April work to increase grey cement capacity at the Edirne plant in Turkey was finished.

The net financial position at 30 September 2008 showed net debt of EUR 471 million, an improvement of about EUR 11 million in the quarter (EUR 482 million at 30 June 2008). The increase in net debt with respect to the previous year (EUR 391 million at 30 September 2007 and EUR 365 million at 31 December 2007) is attributable to strategic investments to increase capacity (the plants at Edirne in Turkey and the Sinai in Egypt), the acquisition of the Danish company Kudsk & Dahl in March and the financial investment in ordinary Italcementi shares.

### Developments in the third quarter of 2008

#### Financial highlights

(millions of euros)	3rd quarter 2008	3rd quarter 2008	% change
Revenues	285	306	-6.9%
EBITDA	58	83	-30.2%
EBIT	38	66	-41.7%
Profit before taxes	39	68	-42.2%

The impact of the crisis was even greater in the quarter, as performance was simultaneously affected by the fall in demand, with the consequent decline in volumes and sales prices, and the increase in energy and transportation costs. Oil prices, a key factor in determining the sector's profitability, reached unprecedented levels, approaching USD 150 a barrel in July. The fact that oil prices in recent days have been nearly 60% below that level, standing at about USD 65 a barrel, is a clear indicator of the volatility of markets. The pattern of energy costs traditionally diverges from that in sales prices. As a result, performance in the third quarter reflects this mismatch between costs and revenues attributable to falling prices and sales combined with record-high energy costs.

The Group's income statement will therefore probably continue to reflect these adverse cost-revenue developments until the first half of 2009.

If the recent decline in the cost of fuels persist, gradual efficiency gains could be achieved as from the second half of next year.

The performance of financial operations showed net financial income of about EUR 1.2 million despite the size of the debt and the volatility of exchange rates engendered by the turbulence on the financial markets.

### **Outlook**

Cementir Holding has not carried out major acquisitions in the last few years, preferring to focus on organic growth through investments in expanding production capacity. This strategy has prevented the accumulation of debt levels that would be difficult to sustain today.

The Group's financial soundness is an important competitive advantage, one that will enable operations to continue as planned.

Under current market conditions, characterised by large and frequent swings in the main macroeconomic variables, it is very difficult to provide a reliable forecast of developments in operations in the fourth quarter of 2008. With the economic environment continuing to be affected by fears of a prolonged slowdown and by a financial crisis that will continue to have an impact in the coming months, results in the final part of 2008 are expected to underperform forecasts in all business sectors.

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*Oprandino Arrivabene, as the manager responsible for preparing the Company's financial reports, certifies, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds with that contained in company documents, books and accounting records.*

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