

Cementir Holding: Board of Directors approves results for 2008

Revenues: EUR 1.09 billion (EUR 1.15 billion at 31 December 2007)

EBITDA: EUR 209 million (EUR 274 million at 31 December 2007)

Net Group profit: EUR 65 million (EUR 140 million at 31 December 2007)

Proposed dividend: EUR: 0.08 per share (EUR 0.12 in 2007)

Rome, 19 March 2009 – The Board of Directors, chaired by Francesco Caltagirone Jr., today examined and approved Cementir's results for the year ended 31 December 2008.

Financial highlights

(millions of euros)	January-December 2008	January-December 2007	% Change
Revenues	1,092.2	1,147.1	-4.8%
EBITDA	209.2	274.1	-23.7%
EBIT	128.1	197.3	-35.1%
Profit before taxes	92.2	199.4	-53.8%
Net Group profit	65.3	140.4	-53.5%

Net financial position

(thousand of euros)	31 December 2008	30 September 2008	31 December 2007
NFP	(416,432)	(471,442)	(364,848)

Sales volumes

(thousands)	January-December 2008	January-December 2007	% Change
Grey and white cement (metric tons)	10,461	10,882	-3.9%
Ready-mixed concrete (m ³)	4,056	4,553	-10.5%
Aggregates (metric tons)	4,539	3,567	+27.2%

Group employees

	31 December 2008	31 December 2007
Number of employees	3,847	3,882

Last year was marked by a series of events that radically altered general market conditions. The sudden shift in the leading macroeconomic variables generated uncertainty in the markets in which the Group operates, accentuating the slowdown in the world economy with an immediate impact on results. However, the Group companies have been taking active steps to structurally reduce operating costs since the spring of last year.

Capital expenditure has focused on reducing fixed costs in view of expectations of lower demand. The consequent benefits will begin to emerge as from the second quarter of this year. Meanwhile, under the three-year business plan, work continued with the completion of the expansion of the white cement plant in Egypt, the project to increase production capacity at the grey cement plant in Edirne in Turkey and the beginning of construction of the new white cement plant in China, with an annual capacity of 600,000 metric tons. The project is scheduled for completion in the first quarter of 2010.

The Board of Directors has voted to recommend that the Shareholders' Meeting (first calling on 21 April 2009 and second calling on 22 April 2009) authorise the distribution of a dividend in the amount of EUR 0,08 per share. The dividend will be declared on 18 May 2009 and distributed on 21 May 2009.

Performance in 2008

Revenues from sales fell by 4.8% due to the drop in demand in all the major geographical markets in which the Group operates. More specifically, revenues followed an unstable trend, rising 5.9% in the first half of the year before falling 13.7% in the second half. The slowdown in the world economy, already apparent at the start of the year, became more marked in the third quarter as the effects of the international financial crisis fed through to the real economy.

EBITDA and **EBIT** fell by 23.7% and 35.1%, respectively, from 2007, due to the mismatch between costs and revenues which arose mainly in the second half of 2008. Prices and volumes sold dropped sharply, while energy costs fell more slowly due to the lag in the decline in the costs of the raw materials to which they are linked.

Profit before taxes rose from EUR 199.4 million in 2007 to EUR 92.2 million in 2008. This was due in part to the impact of financial management, which came to a negative EUR 35.9 million mainly as a result of unrealised exchange rate differences (EUR 23 million) emerging following adjustment to year-end exchange rates. The **net Group profit** amounted to EUR 65.3 million, compared with EUR 140.4 million in 2007.

Net financial position

The net financial position at 31 December 2008 showed net debt of EUR 416 million (EUR 365 million at 31 December 2007), less than two times EBITDA. The increase in net debt is mainly attributable to strategic investments made in 2008 to expand production capacity (at the plants at Edirne in Turkey and the Sinai in Egypt) and to the acquisition of the Danish company Kudsk & Dahl in March, net of positive cash flows from operations.

Outlook for 2009

The continued uncertainty about the current macroeconomic environment has prompted greater caution, making it more difficult to provide a reliable forecast for future developments. Therefore, given the timing mismatch between costs and revenues, since energy prices are falling much more slowly than prices and sales, the Group will be impacted most by the crisis in the first half of the year, before recouping significant ground in the second half.

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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.

The consolidated and individual balance sheets and income statements are attached in order to provide investors with additional information on the performance and financial position of the Company and the Group. The financial report is currently being examined by the Board of Auditors and the independent auditors within the scope of their responsibilities.



Consolidated Balance Sheet

(EUR '000)	31 December 2008	31 December 2007
ASSETS		
Intangible assets	442,589	479,804
Property, plant and equipment	909,534	871,791
Investment property	27,950	27,950
Equity investments measured using equity method	20,338	21,693
Other equity investments	2,580	2,558
Non-current financial assets	234	445
Deferred tax assets	17,249	12,583
Other non-current assets	813	258
TOTAL NON-CURRENT ASSETS	1,421,287	1,417,082
Inventories	147,493	117,114
Trade receivables	169,654	208,110
Current financial assets	3,262	5,742
Current tax assets	2,540	3,571
Other current assets	16,139	16,970
Cash and cash equivalents	38,377	59,511
TOTAL CURRENT ASSETS	377,465	411,018
TOTAL ASSETS	1,798,752	1,828,100
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	159,120	159,120
Share premium reserve	35,710	35,710
Other reserves	719,893	698,141
Group net profit	65,273	140,399
GROUP SHAREHOLDERS' EQUITY	979,996	1,033,370
Net profit of minority interest	8,205	11,373
Minority interest reserves	50,922	41,186
MINORITY INTEREST SHAREHOLDERS' EQUITY	59,127	52,559
TOTAL SHAREHOLDERS' EQUITY	1,039,123	1,085,929
Employee benefit provisions	16,090	18,498
Non-current provisions	12,480	9,300
Non-current financial liabilities	206,586	197,553
Deferred tax liabilities	81,279	78,275
TOTAL NON-CURRENT LIABILITIES	316,435	303,626
Current provisions	2,460	2,901
Trade payables	147,614	155,462
Current financial liabilities	251,485	232,548
Liabilities current taxes	7,273	6,787
Other current liabilities	34,362	40,847
TOTAL CURRENT LIABILITIES	443,194	438,545
TOTAL LIABILITIES	759,629	742,171
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,798,752	1,828,100



Consolidated Income Statement

(EUR '000)	2008	2007
REVENUES	1,092,186	1,147,085
Change in inventories	9,664	5,053
Increases for internal work	4,997	4,688
Other operating revenues	10,140	10,187
TOTAL OPERATING REVENUES	1,116,987	1,167,013
Raw material costs	(465,310)	(462,116)
Personnel costs	(172,019)	(161,961)
Other operating costs	(270,431)	(268,825)
TOTAL OPERATING COSTS	(907,760)	(892,902)
EBITDA	209,227	274,111
Depreciation, amortisation, impairment losses and provisions	(81,085)	(76,797)
EBIT	128,142	197,314
Net result on equity investments measured using equity method	2,635	4,669
Net financial result	(38,569)	(2,556)
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD	(35,934)	2,113
PROFIT BEFORE TAX	92,208	199,427
Income taxes	(18,730)	(47,655)
NET PROFIT FOR THE YEAR	73,478	151,772
Net profit of minority interest	8,205	11,373
GROUP NET PROFIT	65,273	140,399



Balance Sheet

(EUR)	31 December 2008	31 Decembre 2007
ASSETS		
Intangible assets	662,695	406,975
Property, plant and equipment	88,746	210,071,011
Investment property	23,000,000	23,000,000
Other equity investments	392,365,472	249,364,190
Non-current financial assets	90,385	128,929
Deferred tax assets	1,527,254	6,316,310
TOTAL NON-CURRENT ASSETS	417,734,552	489,287,415
Inventories	-	29,882,427
Trade receivables	10,427,082	93,910,518
<i>Trade receivables thirds parties</i>	22,903	89,058,010
<i>Trade receivables related parties</i>	10,404,179	4,852,508
Current financial assets	283,611,056	299,259,522
<i>Current financial assets thirds parties</i>	710,346	760,147
<i>Current financial assets related parties</i>	282,900,710	298,499,375
Current tax assets	1,267,443	918,775
Other current assets	7,188,599	716,131
Cash and cash equivalents	9,313,633	6,968,038
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TOTALE ATTIVITA'	729,542,365	920,942,826
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	159,120,000	159,120,000
Share premium reserve	35,710,275	35,710,275
Other reserves	418,663,730	418,419,910
Net profit (loss)	(5,484,097)	19,360,788
TOTAL SHAREHOLDERS' EQUITY	608,009,908	632,610,973
Employee benefit provisions	357,045	6,957,546
Non-current provisions	-	4,285,761
Non-current financial liabilities	60,890,543	68,864,949
Deferred tax liabilities	4,740,975	14,675,679
TOTAL NON-CURRENT LIABILITIES	65,988,563	94,783,935
Trade payables	1,123,725	70,703,182
<i>Trade payables thirds parties</i>	618,492	70,487,653
<i>Trade payables related parties</i>	505,233	215,529
Current financial liabilities	51,979,958	115,531,275
<i>Current financial liabilities thirds parties</i>	23,346,842	108,155,063
<i>Current financial liabilities related parties</i>	28,633,116	7,376,212
Liabilities current taxes	880,885	-
Other current liabilities	1,559,326	6,991,231
TOTAL CURRENT LIABILITIES	55,543,894	193,547,918
TOTAL LIABILITIES	121,532,457	288,331,853
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	729,542,365	920,942,826



Income Statement

(EUR)	2008	2007
REVENUES	9,030,024	232,613,900
<i>Revenues third parties</i>	1,723	222,558,736
<i>Revenues related parties</i>	9,028,301	10,055,164
Change in inventories	-	(2,586,082)
Increase for internal work	-	362,064
Other operating revenues	966,060	7,218,905
<i>Other revenues third parties</i>	134,801	1,926,715
<i>Other revenues related parties</i>	831,259	5,292,190
TOTAL OPERATING REVENUES	9,996,084	237,608,787
Raw material costs	-	(100,196,482)
<i>Raw material costs third parties</i>	-	(100,196,482)
Personnel costs	(4,602,337)	(29,762,800)
Other operating costs	(7,109,650)	(51,074,121)
<i>Other operating costs third parties</i>	(6,518,648)	(48,654,928)
<i>Other operating costs related parties</i>	(591,002)	(2,419,193)
TOTAL OPERATING COSTS	(11,711,987)	(181,033,403)
EBITDA	(1,715,903)	56,575,384
Depreciation, amortisation, impairment losses and provisions	(307,250)	(16,924,330)
EBIT	(2,023,153)	39,651,054
Financial income	15,322,181	3,715,213
<i>Financial income third parties</i>	14,979,878	3,091,771
<i>Financial income related parties</i>	342,303	623,442
Financial expense	(21,068,480)	(11,129,005)
<i>Financial expense third parties</i>	(19,969,467)	(10,998,149)
<i>Financial expense related parties</i>	(1,099,013)	(130,856)
NET RESULT ON FINANCIAL ITEMS	(5,746,299)	(7,413,792)
PROFIT BEFORE TAX	(7,769,452)	32,237,262
Income taxes	2,285,355	(12,876,474)
NET PROFIT FOR THE YEAR	(5,484,097)	19,360,788