

Cementir Holding: Board of Directors approves results at 31 March 2009

Revenues: EUR 188.7 million (EUR 245.1 million at 31 March 2008)

EBITDA: EUR 22.2 million (EUR 38.7 million at 31 March 2008)

Authorisation to seek listing on Star segment of Italian Stock Exchange (Borsa Italiana)

Rome, 7 May 2009 – The Board of Directors, chaired by Francesco Caltagirone Jr., today approved Cementir Holding's results for the first quarter of 2009.

Financial highlights

(millions of euros)	1 st Quarter 2009	1 st Quarter 2008	% change
Revenues	188.7	245.1	-23%
EBITDA	22.2	38.7	-42.7%
EBIT	2.0	20.3	-89.9%
Profit before taxes	0.4	3.8	-89.6%

Sales volumes

(thousands)	1 st Quarter 2009	1 st Quarter 2008	% change
Grey and white cement (metric tons)	2,119	2,219	-4.5%
Ready-mixed concrete (m ³)	724	989	-26.7%
Aggregates (metric tons)	834	833	+0.12%

Group employees

	31-03-2009	31-12-2008
Number of employees	3,609	3,847

Cementir Holding closed the first quarter of 2009 with operating results in line with management forecasts. **Revenues** came to EUR 188.7 million (EUR 245.1 million in the first quarter of 2008), **EBITDA** to EUR 22.2 million (EUR 38.7 million in the first quarter of 2008), while **EBIT** was EUR 2 million (EUR 20.3 million in the first quarter of 2008). The efficiency loss with respect to the first quarter of 2008 was due to the timing mismatch between costs and revenues, since energy costs fell more slowly than prices and sales, and to the drop in demand across all markets in which the Group

operates. It should be noted that in the first quarter production is lower than during the rest of the year due to stoppages at plants for regular maintenance. In addition, weather conditions were particularly unfavourable.

Financial management yielded a negative EUR 1.6 million (EUR –16.5 million at 31 March 2008), including about EUR 6 million in unrealised exchange rate losses.

As a result, **profit before taxes** amounted to EUR 398 thousand, compared with EUR 3.8 million in the first quarter of 2008.

The **net financial position** showed net debt of EUR 425.9 million, compared with EUR 416.4 million at 31 December 2008 and EUR 447.1 million at 31 March 2008. The figure reflects ongoing investments and recurrent maintenance of plants.

Overall, performance in the first quarter of 2009 was characterized by shrinking demand in all the Group's major geographical markets. This drop was partially offset by the decline in the prices of energy and other raw materials. For this reason the Group has continued to implement measures to contain structural and contingent costs. At the structural level, costs have been limited through the planned corporate reorganisation initiatives to reduce fixed costs, while the contingent response to cyclical conditions has involved temporary plant stoppages and a reduction in the quantity of cement produced in order to lower production costs and to avoid tying up working capital.

In 2009, Cementir Holding is continuing work to increase production capacity in China by building the new white cement plant near the Group's existing facility, with an annual capacity of 600 thousand metric tons. Construction will be completed in the first half of 2010.

Given the current macroeconomic environment, it remains very difficult to provide a reliable forecast for the rest of the year. However, the Group is expected to recoup profitability during the second half of the year, thanks above all to the reflection of the full impact of declining energy prices in the income statement and the emergence of the benefits of the cost-containment measures undertaken. At the moment, apart from the forecast cost savings, there are no signs of any recovery in demand in our main markets.

The Board of Directors reappointed Francesco Caltagirone Jr. as Chairman and Carlo Carlevaris as Vice Chairman. After verifying that directors Flavio Cattaneo, Massimo Confortini, Alfio Marchini and Enrico Vitali satisfy the criteria for independence under existing law and the Corporate Governance Code for listed companies, Massimo Confortini was appointed Lead Independent Director.

The Board also appointed the following committees under its Corporate Governance rules:

- Executive Committee: Francesco Caltagirone Jr. (Chairman), Mario Ciliberto e Riccardo Nicolini;
- Internal Control Committee: Massimo Confortini (Chairman), Flavio Cattaneo ed Enrico Vitali;
- Remuneration Committee: Massimo Confortini (Chairman), Mario Delfini ed Enrico Vitali.

The Board of Directors reappointed the Company's CFO Oprandino Arrivabene as the manager responsible for preparing the Company's financial reports for 2009 and named Mario Venezia (Chairman) and Francesco Paolucci to the Supervisory Body pursuant to Legislative Decree 231/2001 for the 2009-2011 period.

Finally, the Board of Directors voted to ask Borsa Italiana S.p.A. to switch the Company's stock from the Standard segment to the Star segment of the Stock Exchange.

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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.



Results

(EUR '000)	1 st Quarter 2009	1 st Quarter 2008	Δ %
REVENUES	188,677	245,096	-23.02%
Change in inventories	2,322	14,092	
Other revenues ¹	3,299	2,874	
TOTAL OPERATING REVENUES	194,298	262,062	-25.86%
Raw material costs	(90,223)	(112,604)	-19.88%
Personnel costs	(41,704)	(42,645)	-2.21%
Other operating costs	(40,178)	(68,065)	-40.97%
TOTAL OPERATING COSTS	(172,105)	(223,314)	-22.93%
EBITDA	22,193	38,748	-42.72%
<i>EBITDA Margin %</i>	<i>11.76%</i>	<i>15.81%</i>	
Depreciation, Amortisation and Provisions	(20,147)	(18,409)	
EBIT	2,046	20,339	-89.94%
<i>EBIT Margin %</i>	<i>1.08%</i>	<i>8.30%</i>	
FINANCIAL INCOME (EXPENSE)	(1,648)	(16,500)	
PROFIT BEFORE TAX	398	3,839	-89.63%
<i>PROFIT BEFORE TAX Margin %</i>	<i>0.21%</i>	<i>1.57%</i>	

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

Sales volumes

('000)	1 st Quarter 2009	1 st Quarter 2008	Δ %
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Net financial position

(EUR '000)	31-03-2009	31-12-2008	31-03-2008
Cash and cash equivalents	40,224	41,639	21,507
Non-current financial liabilities	(204,685)	(206,586)	(198,677)
Current financial liabilities	(261,499)	(251,485)	(269,895)
NET FINANCIAL POSITION	(425,960)	(416,432)	(447,065)