

Cementir Holding: Board of Directors approves results for 2009

Revenues: EUR 822.5 million (EUR 1,092.2 million at 31 December 2008)

EBITDA: EUR 135.5 million (EUR 209.2 million at 31 December 2008)

Group net profit: EUR 29.8 million (EUR 65.3 million at 31 December 2008)

Proposed dividend: EUR 0.06 per share (EUR 0.08 for previous year)

Rome, 18 March 2010 – The Board of Directors of Cementir Holding SpA, chaired by Francesco Caltagirone Jr., has examined and approved the draft financial statements for the year ended 31 December 2009.

Financial highlights

(millions of euros)	January-December 2009	January-December 2008	change %
Revenues	822.5	1,092.2	-24.7%
EBITDA	135.5	209.2	-35.2%
EBIT	52.1	128.1	-59.3%
Profit before taxes	48.0	92.2	-47.9%
Group net profit	29.8	65.3	-54.3%

Net financial position

(millions of euros)	31 December 2009	31 December 2008
Net financial position	(381.3)	(416.4)

Sales volumes

(thousands)	January-December 2009	January-December 2008	change %
Grey and white cement (metric tons)	9,641	10,461	-7.8%
Ready-mixed concrete (m ³)	3,074	4,056	-24.2%
Aggregates (metric tons)	4,079	4,539	-10.1%

Group employees

	31 December 2009	31 December 2008
Number of employees	3,439	3,847

Cementir Holding's results for 2009 reflect the recession that has affected the world economic system. The construction industry was among the worst hit, with constant weakening in demand as a result of the contraction of the real estate market.

Given this situation, the Group has been focusing on containing structural costs through actions aimed at scaling back overhead costs and improving production efficiency.

With regard to the business plan, work was completed in late 2009 on expanding production capacity in China, where a new white cement plant was built with an annual capacity of 600 thousand metric tons per year.

The Board of Directors has resolved to propose to the Shareholders' Meeting on 19 April at first calling, and 21 April at second calling that it approve the distribution of a dividend of EUR 0.06 per share. The Board suggests that 24 May be authorised as the ex-dividend date, with payment to be made on 27 May.

The Board of Directors has also resolved to call an Extraordinary Shareholders' Meeting on the same dates (19 April in first calling, 21 April in second calling) to approve the proposed amendment of Art. 10 of the Company's bylaws pursuant to Art. 2365(2) of the Italian Civil Code.

Performance in 2009

Revenues came to EUR 822.5 million, down 24.7% from the previous year due to the reduction in volumes across all sectors (cement, concrete and aggregates). This decline was more marked in the industrial countries, where the Group has a larger presence. However, sales volumes rose in Egypt, where the Group significantly increased its production capacity last year.

The drop in revenues was offset by the containment of **operating costs**, which fell by a total of 22.7% compared with 31 December 2008. Specifically, raw material costs fell 23.5% as a result of the decline in energy and transport costs and reduced output. Despite the non-recurring reorganisation charge of EUR 6.2 million, personnel costs fell by 14% following the continuation of the corporate reorganisation begun the previous year. Other operating costs fell by 26.8% as a result of management's constant search for efficiency along the entire production process.

EBITDA came to EUR 135.5 million (EUR 209.2 million at 31 December 2008). Although the containment of operating costs only partially offset the impact of lower revenues on EBITDA, it proved crucial for limiting the loss of operating profitability. The effectiveness of the actions taken is shown in the gradual improvement in the ratio of EBITDA to revenues, which fell from 19.2% in 2008 to 16.5% in 2009.

Financial management yielded a negative EUR 4.1 million (EUR -35.9 million in 2008), leaving debt of EUR 381.3 million at the end of the period. This result reflects the effectiveness of foreign exchange and commodity hedges, and the careful, efficient management of the debt and the related borrowing costs.

Profit before tax came to EUR 48 million (EUR 92.2 million at 31 December 2008).

The **Group net profit** amounted to EUR 29.8 million (EUR 65.3 million at 31 December 2008).

The **net financial position** at 31 December 2009 came to a negative EUR 381.3 million, a EUR 35 million improvement over 31 December 2008.

This figure is even more impressive considering that the Group continued to pursue planned extraordinary investments amounting to about EUR 38 million (mainly completing plants in China and Egypt) and distributed dividends of EUR 12.7 million.

Outlook

The current economic climate leads us to expect that 2010 will bring with it continued uncertainty, therefore the Group will continue to pursue its goal of improving operational efficiency by consolidating its presence in its key markets and containing production costs. In this context, we expect performance in 2010 to be substantially in line with that in 2009, unless there is a further deterioration in the already difficult general economic situation in light of rising unemployment, an excessive increase in the sovereign debt of developing countries, the state of the credit system and an unexpected resurgence of energy costs.

Unfavourable weather conditions in early 2010, particularly in Scandinavia and Italy have had a heavy impact on the results for first two months, which will be lower than for the same period of 2009.

As regards the business plan, the completion of the new plant in China marks the end of the planned extraordinary investments. In 2010, the Group will carry out a reorganisation aimed at improving efficiency and productivity.

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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.

Attached are the statements of financial position and income statement taken from the statutory and consolidated financial statements. They are provided to offer the reader a more thorough understanding of the performance and financial position of the Company and of the entire Group. The Board of Auditors and the independent auditors are currently reviewing the draft financial statements.

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Consolidated statement of financial position

(EUR '000)	31 December 2009	31 December 2008
ASSETS		
Intangible assets	469,876	442,589
Property, plant and equipment	906,542	909,534
Investment property	27,950	27,950
Equity investments measured using equity method	18,939	20,338
Other equity investments	6,467	2,580
Non-current financial assets	455	234
Deferred tax assets	20,630	17,249
Other non-current assets	1,671	813
TOTAL NON-CURRENT ASSETS	1,452,530	1,421,287
Inventories	134,167	147,493
Trade receivables	145,672	169,654
Current financial assets	1,745	3,262
Current tax assets	6,360	2,540
Other current assets	16,327	16,139
Cash and cash equivalents	61,732	38,377
TOTAL CURRENT ASSETS	366,003	377,465
TOTAL ASSETS	1,818,533	1,798,752
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	159,120	159,120
Share premium reserve	35,710	35,710
Other reserves	777,809	719,893
Group net profit	29,842	65,273
GROUP SHAREHOLDERS' EQUITY	1,002,481	979,996
Net profit of minority interest	4,501	8,205
Minority interest reserves	59,269	50,922
MINORITY INTEREST SHAREHOLDERS' EQUITY	63,770	59,127
TOTAL SHAREHOLDERS' EQUITY	1,066,251	1,039,123
Employee benefit provisions	17,055	16,090
Non-current provisions	17,409	12,480
Non-current financial liabilities	265,719	206,586
Deferred tax liabilities	89,370	81,279
Other non current liabilities	3,360	
TOTAL NON-CURRENT LIABILITIES	392,913	316,435
Current provisions	3,799	2,460
Trade payables	133,976	147,614
Current financial liabilities	179,051	251,485
Liabilities current taxes	4,100	7,273
Other current liabilities	38,443	34,362
TOTAL CURRENT LIABILITIES	359,369	443,194
TOTAL LIABILITIES	752,282	759,629
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,818,533	1,798,752



Consolidated income statement

(EUR '000)	2009	2008
REVENUES	822,473	1,092,186
Change in inventories	520	9,664
Increases for internal work	5,681	4,997
Other operating revenues	8,469	10,140
TOTAL OPERATING REVENUES	837,143	1,116,987
Raw material costs	(355,999)	(465,310)
Personnel costs	(147,918)	(172,019)
Other operating costs	(197,735)	(270,431)
TOTAL OPERATING COSTS	(701,652)	(907,760)
EBITDA	135,491	209,227
Depreciation, amortisation, impairment losses and provisions	(83,354)	(81,085)
EBIT	52,137	128,142
Net result on equity investments measured using equity method	1,245	2,635
Net financial result	(5,351)	(38,569)
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD	(4,106)	(35,934)
PROFIT BEFORE TAX	48,031	92,208
Income taxes	(13,688)	(18,730)
NET PROFIT (LOSS) FOR THE PERIOD	34,343	73,478
Attributable to:		
MINORITY INTERESTS	4,501	8,205
GROUP	29,842	65,273



Statement of financial position

(EUR)	31 December 2009	31 December 2008
ASSETS		
Intangible assets	747,926	662,695
Property, plant and equipment	52,529	88,746
Investment property	23,000,000	23,000,000
Equity investments in subsidiaries	437,397,347	392,365,472
Other equity investments	3,781,895	-
Non-current financial assets	90,385	90,385
Deferred tax assets	1,314,904	1,527,254
TOTAL NON-CURRENT ASSETS	466,384,986	417,734,552
Trade receivables	13,803,615	10,427,082
<i>Trade receivables third parties</i>	55,281	22,903
<i>Trade receivables related parties</i>	13,748,334	10,404,179
Current financial assets	374,128,705	283,611,056
<i>Current financial assets third parties</i>	627,647	710,346
<i>Current financial assets related parties</i>	373,501,058	282,900,710
Current tax assets	2,454,366	1,267,443
Other current assets	1,494,674	7,188,599
<i>Other current assets third parties</i>	548,918	1,027,208
<i>Other current assets related parties</i>	945,756	6,161,391
Cash and cash equivalents	9,894,545	9,313,633
TOTAL CURRENT ASSETS	401,775,905	311,807,813
TOTAL ASSETS	868,160,891	729,542,365
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	159,120,000	159,120,000
Share premium reserve	35,710,275	35,710,275
Other reserves	400,666,301	418,663,730
Net profit (loss)	(1,606,438)	(5,484,097)
TOTAL SHAREHOLDERS' EQUITY	593,890,138	608,009,908
Employee benefit provisions	472,950	357,045
Non-current provisions	3,362,155	-
Non-current financial liabilities	131,983,858	60,890,543
Deferred tax liabilities	4,807,058	4,740,975
TOTAL NON-CURRENT LIABILITIES	140,626,021	65,988,563
Trade payables	918,669	1,123,725
<i>Trade payables third parties</i>	893,388	618,492
<i>Trade payables related parties</i>	25,281	505,233
Current financial liabilities	129,335,923	51,979,958
<i>Current financial liabilities third parties</i>	23,709,672	23,346,842
<i>Current financial liabilities related parties</i>	105,626,251	28,633,116
Liabilities current taxes	1,860,832	880,885
Other current liabilities	1,529,308	1,559,326
<i>Other current liabilities third parties</i>	1,183,519	613,441
<i>Other current liabilities related parties</i>	345,789	945,885
TOTAL CURRENT LIABILITIES	133,644,732	55,543,894
TOTAL LIABILITIES	274,270,753	121,532,457
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	868,160,891	729,542,365



Income statement

(EUR)	2009	2008
REVENUES	11,099,217	9,030,024
<i>Revenues third parties</i>	-	1,723
<i>Revenues related parties</i>	11,099,217	9,028,301
Other operating revenues	1,151,966	966,060
<i>Other revenues third parties</i>	310,120	134,801
<i>Other revenues related parties</i>	841,846	831,259
TOTAL OPERATING REVENUES	12,251,183	9,996,084
Personnel costs	(4,979,482)	(4,602,337)
Other operating costs	(5,542,767)	(7,109,650)
<i>Other operating costs third parties</i>	(4,962,775)	(6,518,648)
<i>Other operating costs related parties</i>	(579,992)	(591,002)
TOTAL OPERATING COSTS	(10,522,249)	(11,711,987)
EBITDA	1,728,934	(1,715,903)
Depreciation, amortisation, impairment losses and provisions	(345,956)	(307,250)
EBIT	1,382,978	(2,023,153)
Financial income	4,925,122	15,322,181
<i>Financial income third parties</i>	4,902,854	14,979,878
<i>Financial income related parties</i>	22,268	342,303
Financial expense	(8,162,039)	(21,068,480)
<i>Financial expense third parties</i>	(5,422,108)	(19,969,467)
<i>Financial expense related parties</i>	(2,739,931)	(1,099,013)
NET RESULT ON FINANCIAL ITEMS	(3,236,917)	(5,746,299)
PROFIT BEFORE TAX	(1,853,939)	(7,769,452)
Income taxes	247,501	2,285,355
NET PROFIT FOR THE YEAR	(1,606,438)	(5,484,097)