

Cementir Holding: Board of Directors approves results for 2010

Revenues: EUR 842.3 million (EUR 822.5 million at 31 December 2009)

EBITDA: EUR 108.9 million (EUR 135.5 million at 31 December 2009)

Group net profit: EUR 9.3 million (EUR 29.8 million at 31 December 2009)

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

Rome, 8 March 2011 – The Board of Directors of Cementir Holding SpA, chaired by Francesco Caltagirone Jr., examined and approved the draft financial statements for the year ended 31 December 2010.

Financial highlights

(millions of euros)	January December 2010	January December 2009	% change
Revenues	842.3	822.5	2.4%
EBITDA	108.9	135.5	-19.6%
EBIT	22.5	52.1	-56.8%
Profit before taxes	25.9	48.0	-46.1%
Group net profit	9.3	29.8	-68.7%

Net financial position

(millions of euros)	31 December 2010	31 December 2009
Net financial position	(336.1)	(381.3)

Sales volumes

(thousands)	January December 2010	January December 2009	% change
Grey and white cement (metric tons)	10,013	9,641	3.9%
Ready-mixed concrete (m3)	3,185	3,074	3.6%
Aggregates (metric tons)	3,605	4,079	-11.6%

Group employees

	31 December 2010	31 December 2009
Number of employees	3,289	3,439

Cementir Holding's results for 2010, while reflecting the recession that has affected the world economic system, show signs of a gradual reversal as a result of improving conditions in all the Group's primary geographical markets, except for Italy, which continues to suffer from the considerable difficulties facing the construction industry.

The negative performance of the Italian subsidiary and the increase in energy costs over the last year have obviously had an impact on operational profitability.

Therefore, the Group has taken steps to boost production efficiency and has shown that it can continue to generate consistent cash flows, which has had a positive impact on its indebtedness.

The Board of Directors has resolved to propose to the Shareholders' Meeting on 18 April at first calling, and 5 May at second calling that it approve the distribution of a dividend of EUR 0.06 per share. The Board suggests that on 23 May be authorized as the ex-dividend date, with payment to be made on 26 May.

Performance in 2010

Revenues came to EUR 842.3 million, up 2.4% from the previous year, thanks to an increase in the amount of ready-mix concrete and cement sold, with prices holding stable or dropping. Over the year, market demand has varied widely. During the first quarter, revenues fell by 16.4% due to lower volumes across all the Group's primary geographical markets, except for Egypt. By contrast, over the three subsequent quarters, there was a gradual recovery in demand in Scandinavian Countries and Turkey, which in addition to good performance in Egypt and the Far East, partially offset the growing weakness in the Italian market.

Rising fuel prices had an impact on **operating costs**, which grew by 7.8% compared with 2009. The cost of raw materials increased by 12.4% due to the greater quantities of product manufactured in response to recovering market demand, and as a result of higher unit prices for raw materials, especially fuels.

EBITDA came to EUR 108.9 million (EUR 135.5 million in 2009). While the quantities of ready-mix cement and concrete sold rose, this figure reflects the poor performance of the Italian subsidiary and the increase in energy costs reported over the last year.

Financial management yielded a positive EUR 3.4 million (EUR -4.1 million in 2009) leaving debt of EUR 336.1 million at the end of the period. This figure benefited from the effectiveness of existing foreign exchange and commodity hedges, low interest rates and the narrow intermediation margins paid to banks thanks to the Group's high credit rating, earned as reward for its ability to maintain a sound capital and financial structure. Specifically, the net gearing ratio (ratio of net financial position to shareholders' equity) went from 35.8% in 2009 to 29.1 % in 2010 thanks in part to the improvement in the net financial position.

Profit before tax came to EUR 25.9 million (EUR 48 million in 2009).

The **Group net profit** amounted to EUR 9.3 million (EUR 29.8 million in 2009).

The **net financial position** at 31 December 2010, came to a negative EUR 336.1 million, an EUR 45.2 million improvement compared with 31 December 2009. This figure confirms that the Group is able to generate consistent cash flows despite a depressed market.

This figure is even more impressive considering that, during the year, the Group paid dividends of EUR 9.5 million and made a tax payment related to past years (2004 and after) following the reaching of a settlement with tax authorities for EUR 7.7 million.

Outlook

The macroeconomic scenario in 2010 was marked by signs of recovery in demand, dropping or stable prices and rising production costs, a situation that will continue into 2011.

With regard to the performance of the Egyptian subsidiary and to the energy cost trend it's impossible to give an adequate outlook by now.

Therefore, we expect the results for 2011 to be similar to those for 2010.

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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 statement 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.

Media Relations
Tel. +39 06 45412365
Fax +39 06 45412300
ufficiostampa@cementirholding.it

Investor Relations
Tel. +39 06 32493227
Fax +39 06 32493277
invrel@cementirholding.it



Consolidated statement of financial position

(EUR '000)	31 December 2010	31 December 2009
ASSETS		
Intangible assets	494,678	469,876
Property, plant and equipment	876,176	906,542
Investment property	98,577	27,950
Equity investments measured using equity method	16,868	18,939
Other equity investments	6,519	6,467
Non-current financial assets	527	455
Deferred tax assets	34,130	20,630
Other non-current assets	1,886	1,671
TOTAL NON-CURRENT ASSETS	1,529,361	1,452,530
Inventories	143,837	134,167
Trade receivables	150,899	145,672
Current financial assets	1,510	1,745
Current tax assets	6,078	6,360
Other current assets	18,939	16,327
Cash and cash equivalents	100,019	61,732
TOTAL CURRENT ASSETS	421,282	366,003
TOTAL ASSETS	1,950,643	1,818,533
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	159,120	159,120
Share premium reserve	35,710	35,710
Other reserves	872,967	777,809
Group net profit	9,344	29,842
GROUP SHAREHOLDERS' EQUITY	1,077,141	1,002,481
Net profit of minority interest	8,255	4,501
Minority interest reserves	71,216	59,269
MINORITY INTEREST SHAREHOLDERS' EQUITY	79,471	63,770
TOTAL SHAREHOLDERS' EQUITY	1,156,612	1,066,251
Employee benefit provisions	18,695	17,055
Non-current provisions	15,234	17,409
Non-current financial liabilities	223,898	265,719
Deferred tax liabilities	98,944	89,370
Other non current liabilities	4,188	3,360
TOTAL NON-CURRENT LIABILITIES	360,959	392,913
Current provisions	1,648	3,799
Trade payables	167,344	133,976
Current financial liabilities	213,763	179,051
Liabilities current taxes	6,043	4,100
Other current liabilities	44,274	38,443
TOTAL CURRENT LIABILITIES	433,072	359,369
TOTAL LIABILITIES	794,031	752,282
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,950,643	1,818,533



Consolidated income statement

(EUR '000)	2010	2009
REVENUES	842,260	822,473
Change in inventories	2,595	520
Increases for internal work	4,862	5,681
Other operating revenues	15,794	8,469
TOTAL OPERATING REVENUES	865,511	837,143
Raw material costs	(400,071)	(355,999)
Personnel costs	(145,267)	(147,918)
Other operating costs	(211,243)	(197,735)
TOTAL OPERATING COSTS	(756,581)	(701,652)
EBITDA	108,930	135,491
Depreciation, amortisation, impairment losses and provisions	(86,409)	(83,354)
EBIT	22,521	52,137
Net result on equity investments measured using equity method	2,112	1,245
Net financial result	1,272	(5,351)
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD	3,384	(4,106)
PROFIT BEFORE TAX	25,905	48,031
Income taxes	8,306	(13,688)
NET PROFIT (LOSS) FOR THE PERIOD	17,599	34,343
Attributable to:		
MINORITY INTERESTS	8,255	4,501
GROUP	9,344	29,842



Statement of financial position

(EUR)	31 December 2010	31 December 2009
ASSETS		
Intangible assets	565,938	747.926
Property, plant and equipment	66,776	52.529
Investment property	23,000,000	23.000.000
Equity investments in subsidiaries	438,917,296	437.397.347
Other equity investments	6,325,000	3.781.895
Non-current financial assets	106,035	90.385
Deferred tax assets	9,538,197	1.314.904
TOTAL NON-CURRENT ASSETS	478,519,242	466.384.986
Trade receivables	13,285,372	13.803.615
<i>Trade receivables third parties</i>	356,955	55.281
<i>Trade receivables related parties</i>	12,928,417	13.748.334
Current financial assets	370,590,576	374.128.705
<i>Current financial assets third parties</i>	559,518	627.647
<i>Current financial assets related parties</i>	370,031,058	373.501.058
Current tax assets	2,233,110	2.454.366
Other current assets	2,112,202	1.494.674
<i>Other current assets third parties</i>	2,111,986	548.918
<i>Other current assets related parties</i>	216	945.756
Cash and cash equivalents	8,363,715	9.894.545
TOTAL CURRENT ASSETS	396,584,975	401.775.905
TOTAL ASSETS	875,104,217	868.160.891
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	159,120,000	159.120.000
Share premium reserve	35,710,275	35.710.275
Other reserves	387,957,718	400.666.301
Net profit (loss)	(12,718,123)	(1.606.438)
TOTAL SHAREHOLDERS' EQUITY	570,069,870	593.890.138
Employee benefit provisions	482,036	472.950
Non-current provisions	600,000	3.362.155
Non-current financial liabilities	123,449,300	131.983.858
Deferred tax liabilities	4,657,976	4.807.058
Other non current liabilities	2,654,206	-
TOTAL NON-CURRENT LIABILITIES	131,843,518	140.626.021
Trade payables	2,500,964	918.669
<i>Trade payables third parties</i>	1,445,027	893.388
<i>Trade payables related parties</i>	1,055,937	25.281
Current financial liabilities	158,041,779	129.335.923
<i>Current financial liabilities third parties</i>	45,423,637	23.709.672
<i>Current financial liabilities related parties</i>	112,618,142	105.626.251
Liabilities current taxes	1,516,689	1.860.832
Other current liabilities	11,131,397	1.529.308
<i>Other current liabilities third parties</i>	1,144,952	1.183.519
<i>Other current liabilities related parties</i>	9,986,445	345.789
TOTAL CURRENT LIABILITIES	173,190,829	133.644.732
TOTAL LIABILITIES	305,034,347	274.270.753
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	875,104,217	868.160.891



Income statement

(EUR)	2010	2009
REVENUES	11,494,029	11,099,217
<i>Revenues related parties</i>	11,494,029	11,099,217
Other operating revenues	1,254,643	1,151,966
<i>Other revenues third parties</i>	433,542	310,120
<i>Other revenues related parties</i>	821,101	841,846
TOTAL OPERATING REVENUES	12,748,672	12,251,183
Personnel costs	(5,902,708)	(4,979,482)
Other operating costs	(7,531,794)	(5,542,767)
<i>Other operating costs third parties</i>	(6,751,828)	(4,962,775)
<i>Other operating costs related parties</i>	(779,966)	(579,992)
TOTAL OPERATING COSTS	(13,434,502)	(10,522,249)
EBITDA	(685,830)	1,728,934
Depreciation, amortisation, impairment losses and provisions	(315,038)	(345,956)
EBIT	(1,000,868)	1,382,978
Financial income	5,606,398	4,925,122
<i>Financial income third parties</i>	5,559,541	4,902,854
<i>Financial income related parties</i>	46,857	22,268
Financial expense	(8,188,611)	(8,162,039)
<i>Financial expense third parties</i>	(6,461,351)	(5,422,108)
<i>Financial expense related parties</i>	(1,727,260)	(2,739,931)
NET RESULT ON FINANCIAL ITEMS	(2,582,213)	(3,236,917)
PROFIT BEFORE TAX	(3,583,081)	(1,853,939)
Income taxes	(9,135,042)	247,501
NET PROFIT FOR THE YEAR	(12,718,123)	(1,606,438)