

## CEMENTIR PRESS RELEASE

### CEMENTIR EXPANDS INTERNATIONALLY: ACQUISITION OF CEMENT AND READYMIX CONCRETE ACTIVITIES OF DANISH GROUP FLS A/S

Rome, August 12<sup>th</sup> 2004. Cementir SpA acquires 100% of the share capital of Aalborg Portland A/S and Unicon A/S, the cement and ready-mix concrete businesses of Danish holding FLS Industries A/S.

#### Transaction Details

- Cementir SpA acquires 100% of both companies for an Enterprise Value of DKK 4.252 millions, equivalent to € 572 millions
- Cementir will assume about DKK 1.587 millions of net debt, equivalent to € 213 millions
- Price will be paid in cash from internal resources for about € 200 millions and bank debt for the remainder
- Consideration, based on financial statements as of December 31<sup>st</sup> 2003, will be subject to final adjustment at closing which is expected by the end of the fourth quarter 2004
- Closing of the transaction is subject to approval by the relevant Authorities

#### AALBORG PORTLAND A/S and UNICON A/S main features

##### Aalborg Portland A/S

- Worldwide leading producer of white cement
- The only grey cement producer in Denmark
- Significant raw materials supply
- Competitive, high quality production plants in Denmark, Egypt, Malaysia, USA
- 2003 financial highlights:
  - Sales: € 202.4 m
  - Ebitda: € 68.9 m
  - Ebit: € 48.1 m
  - Cement capacity: 3.5 m tons per annum
  - Employees: 900

*(Source FLS Annual Report; financials based on exchange rate Euro / DKK of 7.44 as of 31/12/03).*

##### Unicon A/S

- The only Pan-Nordic ready mix producer

- Market leader in Denmark and Norway
- Production plants in Denmark, Sweden, Norway, Poland
- 2003 financial highlights:  
Sales: € 179,1 m  
Ebitda: € 27.3 m  
Ebit: € 12.2 m  
Ready mix concrete sales: 1.9 m cubic meters  
Employees: 750

*(Source FLS Annual Report; financials based on exchange rate Euro / DKK of 7.44 as of 31/12/03).*

## **Acquisition Rationale**

The transaction will enable Cementir to transform itself into a significant Pan-European, vertically integrated player and will provide an excellent geographical fit and platform for growth. The acquired companies have leading positions in their local markets and brand names which will complement those of Cementir providing the following benefits:

- Worldwide leadership in the fast-growing market of white cement
- Diversified geographical presence in Europe, North Africa, Turkey, Asia and USA
- Revenue increase of 130% and Ebitda increase of 110% (based on 2003 data)

## **Enlarged group highlights**

- Sales: € 674 m
- Ebitda: € 184 m
- Ebit: € 113 m
- Cement capacity: 11.1 m tons
- Ready mix concrete sales: 3 m cubic meters per annum
- Employess: about 3.000

*(Pro-forma financials 2003 based on exchange rate Euro / DKK of 7.44 as of 31/12/03)*

## **Conclusions**

With the acquisition of Aalborg Portland A/S and Unicon A/S, Cementir complements its strong Mediterranean bias with Northern European and overseas presence (exports to 70 countries worldwide).

Cementir believes that the transaction is shareholders value enhancing and offers a unique opportunity for further growth.

Cementir was advised on this transaction by Citigroup Global Markets Limited

“With this deal– said Francesco Caltagirone jr. – Cementir increases its cement capacity to 11,1m tons and becomes one of the most prominent players in Europe. After Cimentas acquisition in Turkey in 2001 we further increase our international exposure. The managerial talent and strong technological platform of Aalborg and Unicon will provide us not only with a wider footprint but also with a platform for further growth. The acquisition of the two Danish companies enhances shareholders value and our competitive position”.

Cementir has been advised by Citigroup Global Limited

### **Cementir Highlights**

Managed by Francesco Caltagirone Jr., Cementir is the fourth cement producer in Italy and is listed in the Star segment of the Italian Stock Exchange. In 2001, Cementir became the second exporting company in the Mediterranean basin with the acquisition of Cimentas (Turkish cement company).

- Total cement capacity (Italy and Turkey): 7.6 million tons;
- Total ready mix capacity: 2,5 millions cubic meters.

Cementir has about 8% market share in Italy. In 2001 Cementir acquired the control of Çimentas A.S. listed on the Istanbul Stock Exchange. Cimentas is the seventh Turkish cement producer with approx. 720 employees, cement capacity 2,7 million tons and ready mix capacity 2,2 million cubic meters. Cement plants are located in Izmir (production capacity: 2.1million tons) and on the Aegean coast and in the oriental region of Turkey (production capacity: 600.000 tons). Cimbeton, Cimentas’ subsidiary, is the ready mix producer and is listed in the Istanbul Stock Exchange.

Cementir financial highlights (2003):

- Revenues: € 292,6 m
- Ebitda: increased by 3.6% to € 87,7 m
- Ebit: increased by 5.5% to € 52.9 m
- Net Profit: increased by 33% to € 60.2 m
- Dividend per share: € 0,06
- Net Financial Position: € 112,7 m

For additional information please visit Cementir web site at [www.cementir.it](http://www.cementir.it)

### **FLS Industries A/S**

FLS is a Danish industrial group listed on the Copenhagen Stock Exchange. In addition to its activities within building materials, FLS’ engineering division is the world-leading producer of turnkey cement plants for the cement and mineral industry (FLS Smidth). FLS decided to dispose of its building materials activities in order to focus on its engineering business.

For additional information please visit FLS web site at [www.flsindustries.com](http://www.flsindustries.com)

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