



Cementir: The Board of Directors approve the results for 2005

- Net profits at Euro 109.4 million (+62%).
- Sales at Euro 857 million (+117%).
- Ebitda of Euro 184 million, +92%
- Dividend increase: Euro 0.085 per share, +21%

Rome, March 17, 2006 - The Board of Directors of Cementir, chaired by Francesco Caltagirone jr., reviewed and approved the draft annual accounts for the year ended December 31, 2005.

Principal consolidated results (millions of Euro)

	2005	2004**	Changes
Group net profit	109.4	67.6	+62 %
Net Sales	857.4	395.1	+117 %
Ebitda	184.4	96.1	+91.83%

**includes the results of Aalborg Portland and Unicon for just 2 months

Cementir ended 2005 in growth with a group **net profit** of Euro 109.4 million, **net sales** of Euro 857.4 million and an **Ebitda** of Euro 184.4 million.

The growth of Cementir is principally due to the internationalisation strategy. The Italian market, which up to 2001 accounted for 100% of turnover, now accounts for approximately 20%. The Group has invested Euro 1 billion in the past four years in acquisitions abroad, maintaining a strong financial position and balance sheet: the net equity to debt ratio, at December 31, 2005, was lower than 0.5. The performance of the companies acquired has fully confirmed expectations, making Cementir a global player with a worldwide leadership position in the white cement market. The results for 2005 have confirmed an increase in margins and provides for the forecast of a positive performance also in 2006 for both sales and margins.

The Board of Directors resolved to propose to the Annual Shareholders' Meeting, called for April 20, 2006 in first convocation and May 15 in second convocation, the distribution of a **dividend** of Euro 0.085 per share, an increase of 21% compared to the previous year. The dividend coupon is proposed for May 29, 2006 with the payment date of June 1, 2006.

Performance of 2005

The year 2005 was one of growth for Cementir, which consolidated the internationalisation process started in 2001. The performance in the year saw an increase in the group **net profit** of 62% at Euro 109.4 million (Euro 67.6 million in 2004); an increase in net **revenues** from sales and services of 117% at Euro 857.4 million (Euro 395.1 million in 2004); the **Ebitda** increased by 92%: Euro 184.4 million compared to Euro 96.1 million in the previous year. A significant increase of 100% in the **operating result** amounting to Euro 119.2 million (Euro 59.7 million in 2004). In relation to the net profit, the income statement benefited from deferred tax income equal to Euro 30.5 million thanks to the revaluation of plant made by Cementir S.p.A., in accordance with the provisions of law 266/2005. The net **financial position** was a debt of Euro 403.5 million, compared to a debt of Euro 298.6 million at December 31, 2004. At the end of 2005 the number of employees was 3,126.

In particular, the geographical breakdown of turnover reported an increase of 139% in Europe (Euro 644.1 million in 2005 compared to Euro 269.2 million in 2004); of 34% in Asia (Euro 150.3 million in 2005 compared to Euro 111.9 million in 2004); of 223% in North and Central America (Euro 35.5 million in 2005 compared to Euro 11 million in 2004) and of 817% in North Africa (Euro 27.5 million in 2005 compared to Euro 3 million in 2004). The sales in 2005 by product can be broken down as follows: Euro 539.6 million sales of white and grey cement (+70%) and Euro 317.8 million sales of concrete (+312%).

Performance of 2005 at parity of consolidation areas

Excluding the results of Aalborg Portland and Unicon, companies acquired by Cementir in October 2004, net **revenues** from sales and services for 2005 amounted to Euro 346.7 million (Euro 320.4 million at December 31, 2004), the **Ebitda** amounted to Euro 78 million (Euro 82.5 million at December 31, 2004) and the **operating result** was Euro 48.2 million (Euro 53.1 million at December 31, 2004). The increase in sales is due to the good performance in Turkey that has continued to record growth compared to the previous year.

Attached are the balance sheets and income statements of the parent company and consolidated providing greater information in relation to the financial position and performance of the Company and of the entire Group. The draft financial statements are currently being examined by the independent audit firm and by the Board of Statutory Auditors.

Media Relations
Chiara Raiola
Tel. +39 06 45412211
Fax +39 06 45412250

Investor Relations
Tel. +39 06 45412213
Fax +39 06 45412288
invrel@cementir.it

www.cementir.it

CEMENTIR GROUP

CONSOLIDATED BALANCE SHEET			
(Euro thousands)	December 31, 2005	December 31, 2004	Changes
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	474,847	366,890	107,957
Property, plant and equipment	695,982	618,069	77,913
Investment property	23,000	23,000	-
Equity investments valued at equity method	25,267	19,716	5,551
Other equity investments	2,563	2,555	8
Non-current financial assets	379	611	(232)
Deferred tax assets	40,496	49,046	(8,550)
Other non-current assets	133	119	14
TOTAL NON-CURRENT ASSETS	1,262,667	1,080,006	182,661
CURRENT ASSETS			
Inventories	95,410	79,744	15,666
Trade receivables	168,047	140,683	27,364
Equity investments and current securities	-	1,706	(1,706)
Current financial assets	87,926	2,216	85,710
Current tax assets	6,379	5,073	1,306
Other current assets	8,393	8,501	(108)
Cash and cash equivalents	41,750	58,269	(16,519)
TOTAL CURRENT ASSETS	407,905	296,191	111,714
TOTAL ASSETS	1,670,572	1,376,197	294,375
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	159,120	159,120	-
Share premium reserve	22,710	15,052	7,658
Other Reserves	542,827	456,063	86,764
Group net profit (loss)	109,397	67,616	41,781
GROUP SHAREHOLDERS' EQUITY	834,054	697,851	136,203
Net profit (loss) of minority interests	6,347	375	5,972
Minority interest reserves	29,406	27,226	2,180
MINORITY INTERESTS SHAREHOLDERS' EQUITY	35,753	27,601	8,152
TOTAL SHAREHOLDERS' EQUITY	869,807	725,452	144,355
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits provisions	16,296	14,818	1,478
Non current provisions	11,608	10,220	1,388
Non-current financial liabilities	252,085	105,131	146,954
Deferred tax liabilities	68,015	89,880	(21,865)
Other non-current liabilities	-	1,771	(1,771)
TOTAL NON-CURRENT LIABILITIES	348,004	221,820	126,184
CURRENT LIABILITIES			
Current provisions	1,235	704	531
Trade payables	134,226	120,061	14,165
Current financial liabilities	281,423	254,442	26,981
Liabilities current taxes	4,946	4,941	5
Other current liabilities	30,931	48,777	(17,846)
TOTAL CURRENT LIABILITIES	452,761	428,925	23,836
TOTAL LIABILITIES	800,765	650,745	150,020
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,670,572	1,376,197	294,375

CEMENTIR GROUP

CONSOLIDATED INCOME STATEMENT					
(Euro thousands)	2005		2004		Change
		%		%	%
REVENUES	857,780	100.0	391,264	100.0	119.2
Change in inventories	(391)		3,854		
Increases for internal work	1,495		900		
Other operating revenues	15,176		5,230		
TOTAL OPERATING REVENUES	874,060		401,248		117.8
Raw material costs	(333,431)		(156,705)		
Personnel costs	(120,979)		(47,950)		
Other operating costs	(235,219)		(100,448)		
TOTAL OPERATING COSTS	(689,629)		(305,103)		126.0
EBITDA	184,431	21.5	96,145	25.0	91.8
Amortisation, depreciation, write-downs and provisions	(65,182)		(36,469)		
EBIT	119,249	13.9	59,676	15.0	99.8
Net result of equity investments valued at equity method	5,545		1,041		
Net result of financial costs	(9,843)		31,552		
NET RESULT OF FINANCIAL COSTS AND EQUITY INVESTMENTS VALUED AT EQUITY METHOD	(4,298)		32,593		
PROFIT BEFORE TAX	114,951	13.4	92,269	24.0	24.6
Income taxes	793		(24,278)		
NET PROFIT (LOSS) FOR THE YEAR	115,744	13.5	67,991	17.0	70.2
Net profit (loss) of minority interests	6,347		375		
GROUP NET PROFIT (LOSS)	109,397	12.8	67,616	17.3	61.8

CEMENTIR S.p.A.
BALANCE SHEET
(amounts in Euro)
ASSETS

	AS AT 31/12/2005		AL 31/12/2004	
	Sub-total	Total	Sub-total	Total
A) UNPAID SHARE CAPITAL		0		0
B) FIXED ASSETS				
I. Intangible assets				
1. Other intangible assets		379,976		165,513
2. Assets in progress and payments on account		1,835,579		755,127
Total intangible assets		2,215,555		920,640
II. Tangible assets				
1. Land and buildings		24,137,700		25,792,245
2. Plant and machinery		142,450,765		62,616,588
3. Commercial and industrial equipment		236,360		282,001
4. Other assets		490,189		472,748
5. Assets in progress and payments on account		6,975,360		4,949,668
Total tangible fixed assets		174,290,374		94,113,250
III. Financial assets				
1. Equity investments in:		210,334,468		210,334,468
a) subsidiary companies	205,362,073		205,362,073	
b) associated companies	2,478,993		2,478,993	
c) other companies	2,493,402		2,493,402	
2. Receivables:		309,110		319,688
a) from others	309,110		319,688	
3. Treasury reserves		0		0
Total financial fixed assets		210,643,578		210,654,156
TOTAL B) FIXED ASSETS		387,149,507		305,688,046
C) CURRENT ASSETS				
I. Inventory				
1. Raw materials, supplies and con. stores		13,570,445		13,651,931
2. Semi-finished		3,363,461		4,371,079
3. Finished products and goods for resale		5,048,104		6,221,911
Total inventory		21,982,010		24,244,921
II. Receivables (1)				
1. Customers		73,634,141		69,993,704
2. Subsidiary companies		343,936,927		300,770,289
3. Associated and other companies		495,280		352,698
4 Bis. Tax receivables		346,693		2,481,065
4 Ter. Deferred tax assets		66,494,060		34,872,408
5. Others		208,212		161,407
Total Receivables		485,115,313		408,631,571
III. Current financial assets		0		0
Total current financial assets		0		0
IV. Cash and cash equivalent				
1. Bank and postal deposits		7,637,254		1,621,939
2. Cash and cash equivalent		17,480		169,395
Total cash in banks and on hand		7,654,734		1,791,334
TOTAL C) CURRENT ASSETS		514,752,057		434,667,826
D) PREPAYMENTS AND ACC. INCOME		949,651		1,024,762
TOTAL ASSETS (A+B+C+D)		902,851,215		741,380,634

CEMENTIR S.p.A.
BALANCE SHEET
(amounts in Euro)
LIABILITIES

	AS AT 31/12/2005		AS AT 31/12/2004	
	Sub-total	Total	Sub-total	Total
A) SHAREHOLDERS' EQUITY				
I. Share capital		159,120,000		159,120,000
II. Share premium reserve		22,710,275		15,052,270
III. Revaluation reserve		188,367,244		97,732,271
IV. Legal reserve		31,824,000		7,858,617
V. Reserve for treasury shares held		0		0
VI. Statutory reserves		0		0
VII. Other reserves		26,363,921		26,357,945
a) Capital grants	13,206,921		13,206,921	
b) Reserve art. 15 Law 113/88 no. 67	138,375		138,375	
c) Reserve for the acquisition of treasury shares	13,000,000		13,000,000	
d) Reserve Law 349/95 Art.11	18,625		12,649	
VIII. Retained earnings		161,535,287		0
IX. Net result for the year		32,643,410		204,297,075
TOTAL A) SHAREHOLDERS' EQUITY		622,564,137		510,418,178
B) PROVISIONS FOR RISKS AND CHARGES				
1. For taxation, including deferred taxes		10,651,464		11,420,287
2. Other provisions		2,417,857		257,354
TOTAL B) PROVISIONS FOR RISKS AND CHARGES		13,069,321		11,677,641
C) EMPLOYEE LEAVING INDEMNITY		7,925,635		7,624,215
D) PAYABLES				
1. Payables to bank		134,533,072		98,289,933
a) due within one year	119,203,999		82,351,993	
b) due beyond one year	15,329,073		15,937,940	
2. Payables to other lenders		39,007,780		39,007,780
a) due within one year	7,801,556		0	
b) due beyond one year	31,206,224		39,007,780	
3. Trade payables (1)		59,599,194		59,422,042
4. Subsidiaries (1)		3,609,651		6,210,005
5. Tax payables (1)		16,239,265		1,273,997
6. Social security institutions (1)		1,280,124		1,201,437
7. Other payables (1)		3,008,912		3,893,135
TOTAL D) PAYABLES		257,277,998		209,298,329
E) ACCRUALS AND DEFERRED INCOME		2,014,124		2,362,271
TOTAL LIABILITIES (A+B+C+D+E)		902,851,215		741,380,634

INCOME STATEMENT
(amounts in Euro)

	YEAR 2005		YEAR 2004	
	Sub-total	Total	Sub-total	Total
A) VALUE OF PRODUCTION				
1. Revenues from sales and services		198,579,408		203,875,029
2. Changes in inventory of products in course of prod. semi finished and finished		(2,181,425)		1,365,063
3. Change in contract work in progress		0		0
4. Increase in fixed assets constructed internally		87,135		517,049
5. Other income and revenues		718,784		778,964
TOTAL A) VALUE OF PRODUCTION		197,203,902		206,536,105
B) COSTS OF PRODUCTION				
6. Raw materials, consumables and supplies		(87,024,194)		(78,822,087)
7. Cost of services		(46,374,968)		(40,044,976)
8. Rents, leases and similar		(1,532,617)		(424,886)
9. Personnel costs		(25,844,978)		(22,569,248)
a) salaries and wages	(18,057,968)		(15,355,234)	
b) social security contributions	(6,060,380)		(5,586,415)	
c) employee leaving indemnity	(1,294,792)		(1,098,895)	
d) other costs	(431,838)		(528,704)	
10. Amortisation, depreciation and provisions		(32,901,813)		(57,583,340)
a) amortisation of intangible fixed assets	(117,375)		(53,010)	
b) depreciation of tangible fixed assets	(32,400,060)		(57,164,611)	
c) write-down in current assets	(384,378)		(365,719)	
11. Change in inventory of raw materials, ancillaries and consumables		(81,486)		731,329
12. Provision for risks		(2,160,627)		(153,129)
13. Other provisions		0		0
14. Other operating charges		(2,198,381)		(3,121,260)
TOTAL B) COSTS OF PRODUCTION		(198,119,064)		(201,987,597)
<i>Difference between the value and cost of production A-B</i>		(915,162)		4,548,508
C) FINANCIAL INCOME AND CHARGES				
15. Income from equity investments:		5,543,048		34,949,658
a) subsidiary companies	5,303,648		1,321,999	
b) associated companies	239,400		117,000	
c) other companies	0		1,080,000	
d) gains on sale of equity holdings	0		32,430,659	
16. Other financial income		1,245,162		2,100,794
a) other income than above	1,245,162		2,100,794	
17. Interest and other financial charges		(3,971,260)		(3,056,341)
a) banks and financial institutions	(3,601,144)		(2,548,212)	
b) subsidiaries	(30,190)		(22,311)	
c) other charges	(339,926)		(416,457)	
b) losses on sales of equity holdings	0		(69,361)	
17 bis. Exchange gains and losses		2,200,027		190,900
TOTAL C) FINANCIAL INCOME AND CHARGES		5,016,977		34,185,011
D) ADJUSTMENT OF FINANCIAL ASSET VALUES				
18. Revaluations		0		0
19. Write-downs		0		0
TOTAL D) ADJUSTMENT OF FINANCIAL ASSET VALUES		0		0
E) EXTRAORDINARY INCOME AND CHARGES				
20. Income		242,192		180,160,587
a) gains on disposals	2,533		10,478,922	
b) other income	239,659		169,681,665	
21. Charges		(677,538)		(10,468,526)
a) losses on asset sales	0		(3,502)	
b) other charges	(677,538)		(10,465,024)	
TOTAL E) EXTRAORDINARY INCOME AND CHARGES		(435,346)		169,692,061
PRE-TAX RESULT		3,666,469		208,425,580
22. Income tax		28,976,941		(4,128,505)
a) current income tax	(3,413,534)		291,517	
b) deferred tax charge	768,823		(3,409,952)	
c) deferred tax income	31,621,652		(1,010,070)	
23. Net profit for the year		32,643,410		204,297,075