



Cementir: BoD approves the results for the fourth quarter of 2005

- Revenues at Euro 857 million, +117%
- EBITDA at Euro 184 million, +92%
- EBIT at Euro 119 million, +100%
- In the last four years investment of Euro 1 billion

Rome, February 14, 2006 - The Board of Directors of Cementir, chaired by Francesco Caltagirone jr., today examined and approved the results for the fourth quarter of 2005.

Principal consolidated results for 2005 (millions of Euro)

	January - December 2005	January - December 2004**	Change
Revenues	857.4	395.1	+117 %
Ebitda	184.4	96.1	+91.83 %
Ebit	119.2	59.7	+99.83 %

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

Significant events

- Acquisition of the factory at Edirne, Turkey (December 2005)
- Agreement with the Mexican multinational Cemex for the acquisition of 4k-Beton in Denmark and the simultaneous sale of two companies with headquarters in Poland (awaiting approval by Antitrust authorities)
- Acquisition of the American company Vianini Pipe Inc. (June 2005)
- Increase in the productive capacity in the factory at Izmir, Turkey (December 2005)
- The incorporation of a company in Russia for the sale of white cement (August 2005)

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 debt/equity 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.

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 net **revenues** of 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 **Ebit** amounting to Euro 119.2 million (Euro 59.7 million in 2004).

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 in the fourth quarter 2005

All results increased in the final quarter of 2005. The net **revenues** from sales and services amounted to Euro 220.7 million compared to Euro 162.2 million in the same period in the previous year (+36%); the **Ebitda** was Euro 41.5 million compared to Euro 31.4 million in 2004 (+32%) and the **Ebit** was Euro 22.2 million compared to Euro 13.1 million in the fourth quarter of the previous year (+70%). It should be noted that the amounts for the fourth quarter of 2004 only include the results of Aalborg Portland and Unicon for November and December.

Performance for 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 **Ebit** 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.

Performance for fourth quarter of 2005 at parity of consolidation area

With regard to the final three months of 2005, excluding the results of Aalborg Portland and Unicon, an increase in net **revenues** of sales and services of 6.8% was recorded (Euro 93.4 million in 2005 compared to Euro 87.4 million in the same period in 2004); a strong increase in both the **Ebitda**, which recorded an increase of +19.5%, equal to Euro 21.2 million (Euro 17.7 million in the fourth quarter 2004) and the **Ebit**, with an increase of +70.3%, amounting to Euro 11.1 million (Euro 6.5 million in the fourth quarter of 2004), were recorded.

Net financial position

The net **financial position** was a debt position of Euro 403.5 million, compared to Euro 294.8 million at September 30, 2005. This figure takes into account the acquisition in December of the factory at Edirne in Turkey for a total value of USD 166.5 million. The net cash flow in the quarter, excluding the Turkish acquisition, was therefore a positive amount of Euro 32 million.

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Performance in the 12 months and in the 4th quarter 2005

Table A

<i>(Euro thousands)</i>	Jan- Dec 2005	Jan- Dec 2004	Δ %	4th Q 2005	4th Q 2004	Δ %
NET REVENUES FROM SALES AND SERVICES	857,389	395,118	117.00	220,665	162,178	36,06
OTHER REVENUES	16,671	6,130	171.96	8,246	3,832	115,19
RAW MATERIAL COSTS	(333,431)	(156,705)	112.78	(89,810)	(60,499)	48,45
SERVICES	(220,141)	(84,216)	161.40	(60,581)	(37,328)	62,29
LABOUR COSTS	(120,979)	(47,950)	152.30	(33,085)	(23,322)	41,86
OTHER OPERATING COSTS	(15,078)	(16,232)	(7.11)	(3,936)	(13,464)	(70,77)
EBITDA	184,431	96,145	91.83	41,499	31,397	32,18
<i>EBITDA/SALES %</i>	<i>21.51</i>	<i>24.33</i>		<i>18.81</i>	<i>19.36</i>	
AMORTISATION, DEPRECIATION & PROVSIONS	(65,182)	(36,469)	78.73	(19,300)	(18,316)	5,37
EBIT	119,249	59,676	99.83	22,199	13,081	69,70
<i>EBIT/SALES %</i>	<i>13.91</i>	<i>15.10</i>		<i>10.06</i>	<i>8.07</i>	
FINANCIAL RESULT	(4,298)	32,593		279	26,359	
PRE-TAX RESULT	114,951	92,269	24.58	22,478	39,440	43,01

Performance in the 12 months and in the 4th quarter 2005 at parity of consolidation area

Table B

<i>(Euro thousands)</i>	Jan- Dec 2005	Jan- Dec 2004	Δ %	4th Q 2005	4th Q 2004	Δ %
NET REVENUES FROM SALES AND SERVICES	346,690	320,380	8,21	93,406	87,440	6,82
OTHER REVENUES	3,853	3,722	3,52	2,399	1,424	68,47
RAW MATERIAL COSTS	(155,763)	(129,515)	20,27	(43,070)	(33,309)	29,30
SERVICES	(73,417)	(62,969)	16,59	(19,377)	(16,081)	20,50
LABOUR COSTS	(39,535)	(34,471)	14,69	(11,623)	(9,843)	18,08
OTHER OPERATING COSTS	(3,877)	(14,673)	(73,58)	(558)	(11,905)	(95,31)
EBITDA	77,951	82,474	(5,48)	21,177	17,726	19,47
<i>EBITDA/SALES %</i>	<i>22.48</i>	<i>25.74</i>		<i>22.67</i>	<i>20.27</i>	
AMORTISATION, DEPRECIATION & PROVISIONS	(29,710)	(29,345)	1,24	(10,048)	(11,192)	(10,22)
EBIT	48,241	53,129	(9,20)	11,129	6,534	70,32
<i>EBIT/SALES %</i>	<i>13.91</i>	<i>16.58</i>		<i>11.91</i>	<i>7.47</i>	
FINANCIAL RESULT	55	34,592		1,548	28,358	
PRE-TAX RESULT	48,296	87,721	(44,94)	12,677	34,892	(63,67)

Net financial position

Table C

<i>(Euro thousands)</i>	31/12/2005	30/09/2005	31/12/2004
CASH AT BANK AND ON HAND	129,969	146,544	59,974
MEDIUM/LONG-TERM FINANCIAL PAYABLES	(252,085)	(170,537)	(105,657)
SHORT-TERM FINANCIAL PAYABLES	(281,423)	(270,817)	(252,966)
NET FINANCIAL POSITION	(403,539)	(294,810)	(298,649)