

Cementir Holding: Board of Directors approves results at 31 March 2010

- **Revenues: EUR 157.7 million (EUR 188.7 million at 31 March 2009)**
- **EBITDA: EUR 9.7 million (EUR 22.2 million at 31 March 2009)**
- **Loss before tax: negative EUR 10.9 million (EUR 0.4 million profit at 31 March 2009)**

Rome, 10 May 2010 – The Board of Directors of Cementir Holding, chaired by Francesco Caltagirone Jr., today approved Cementir Holding's results for the first quarter of 2010.

Financial highlights

(millions of euros)	1st Quarter 2010	1st Quarter 2009	% change
Revenues	157.7	188.7	-16.4%
EBITDA	9.7	22.2	-56.4%
EBIT	-11.0	2.0	
Profit before taxes	-10.9	0.4	

Sales volumes

('000)	1st Quarter 2010	1st Quarter 2009	% change
Grey and white cement (metric tons)	1,966	2,119	-7.2%
Ready-mix concrete (m ³)	581	724	-19.7%
Aggregates (metric tons)	495	834	-40.6%

Group employees

	31-03-2010	31-03-2009
Number of employees	3,365	3,609

Cementir Holding ended the first quarter of 2010 with results that reflected the unfavourable weather conditions affecting the main geographical areas in which the Group operates, as well as the persistent severe depression in the global economy that has heavily affected the construction and public works sectors.

Revenues amounted to EUR 157.7 million (EUR 188.7 million at 31 March 2009), **EBITDA** came to EUR 9.7 million (EUR 22.2 million at 31 March 2009) and **EBIT** to EUR -11 million (EUR 2 million at 31 March 2009). The decrease in revenues is the result of the exceptionally severe winter in Europe, as well as the continued weakness of demand that affected all the leading industrialised economies, causing a decline in sales volumes across all sectors of production. Business dropped in all the Group's major geographical markets (the Scandinavian countries, Turkey and Italy), with the exception of Egypt, which saw a considerable rise in revenues thanks to the recent increase in production capacity in that area.

Given this scenario, the Group continued to seek to scale back its costs. Thanks to these actions, operating costs fell by 12.3% compared with the first quarter of 2009, in part due to lower quantities manufactured and the benefits of the corporate reorganisation carried out over of the last two year.

Financial management yielded a positive EUR 0.1 million (negative EUR 1.6 million at 31 March 2009), benefiting from low interest rates and the effectiveness of existing hedges.

The **loss before tax** was a negative EUR 10.9 million (profit of EUR 0.4 million at 31 March 2009).

The **net financial position** showed a net debt of EUR 386.2 million, compared with EUR 381.3 million at 31 December 2009. The deterioration mainly reflects annual maintenance of plants, usually carried out during the first few months of the year, and the outstanding payments relating to the expansion of production capacity in China, where work was completed between the end of 2009 and early 2010.

The Board of Directors reappointed the Company's CFO Oprandino Arrivabene as the manager responsible for preparing the Company's financial reports for 2010.

Outlook

There is still a high degree of uncertainty about what will happen with the international economy. The recovery of sales in the cement and ready-mixed concrete sectors seen in April leads us to expect that outlook will be less negative than that experienced in the first quarter of 2010. However, this highly uncertain international economic scenario leads us to believe that the operating results for the rest of the year will reflect these difficult market conditions.

We expect to make a decision about the project to completely overhaul the Taranto factory, which would require an investment of around EUR 150 million over 3 years, by the summer.

We will provide further support for the waste management business in Turkey by investing about EUR 50 million over the next 2 years in a move that will produce direct and indirect benefits estimated to be around EUR 20 million per year, at a constant exchange rate, by 2012.

Finally, plans are being considered to double production capacity in Malaysia.

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Oprandino Arrivabene, as the manager responsible for the preparation of company accounting documentation, 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 the results contained in company documents, books and accounting records.

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