



BOARD OF DIRECTORS EXAMINES CONSOLIDATED RESULTS AT SEPTEMBER 30, 2009

ITALCEMENTI GROUP

- **CONSOLIDATED REVENUES:** 3,847.5 MILLION EURO (4,419.4 MILLION EURO)
- **RECURRING EBITDA:** 787.7 MILLION EURO (906 MILLION EURO)
- **EBIT:** 405.2 MILLION EURO (577.8 MILLION EURO)
- **TOTAL NET PROFIT:** 221.4 MILLION EURO (328 MILLION EURO)
- **GROUP NET PROFIT:** 103.5 MILLION EURO (197.8 MILLION EURO)
- **INDUSTRIAL CAPITAL EXPENDITURE:** UP FROM 446 MILLION EURO TO 500.2 MILLION EURO
- **NET DEBT:** 2,553.6 MILLION EURO AT SEPTEMBER 30, 2009 (IMPROVEMENT OF 125.7 MILLION EURO FROM DECEMBER 31, 2008)
- **OUTLOOK:** AFTER A CONTINUING DOWNWARD TREND IN SALES AND LOWER PRICES IN SOME COUNTRIES, 2009 FULL-YEAR OPERATING RESULTS WILL BE DOWN OVERALL ON 2008, CONFIRMING THE TREND REPORTED OVER THE FIRST NINE MONTHS THANKS TO THE MEASURES TAKEN TO CONTAIN COSTS.

Bergamo, November 6, 2009 – *At a meeting today, the Italcementi Board of Directors examined and approved the consolidated quarterly report as at September 30, 2009, which reflects a total net profit of 221.4 million euro for the nine months.*

*During the **third quarter of 2009**, the signs of a recovery shown by some macroeconomic indicators were of only very marginal interest to the construction sector. Under these conditions, Group sales volumes were down on the year-earlier period in all the core businesses. **Revenues** at 1,261.7 million euro (1,493.3 million euro in Q3 2008) were penalized by the slide in sales and, to a lesser extent, by a negative price effect, and decreased at a rate in line with the first half of the year. **Recurring EBITDA** (290.3 million euro) and **EBIT** (167.3 million euro) reflected a smaller reduction than in the first six months, benefiting from the notable fall in variable costs (relating to fuel) and in fixed costs. As in the first half of the year, action continued to contain fixed costs and to recover industrial efficiency. **Total net profit** amounted to 94.1 million euro, compared with 107.6 million euro in the third quarter of 2008.*

*In the first **nine months**, sales totaled 42.2 million metric tons in the cement and clinker sector (-12.7%), 29.7 million metric tons in aggregates (-19.7%) and 8.4 million cubic meters for ready mixed concrete (-21.6%). The reduction in volumes was accompanied by a decrease in prices in some countries, although the overall average price at the end of the period was higher than that of the previous period.*

Sales volumes and internal transfers (1)	Cement and clinker (millions of metric tons)			Aggregates (millions of metric tons)			Ready mixed concrete (millions of m ³)		
	2009	% change vs. 2008		2009	% change vs. 2008		2009	% change vs. 2008	
		A	B		A	B		A	B
Central Western Europe	15.3	(17.2)	(17.2)	26.9	(20.6)	(20.6)	4.6	(20.2)	(21.6)
North America	3.0	(26.9)	(26.9)	0.4	29.8	14.3	0.6	(23.3)	(26.7)
Eastern Europe and Southern Med Rim	14.8	(5.4)	(5.4)	1.9	(8.2)	(6.4)	2.5	(27.3)	(27.3)
Asia	7.9	(8.9)	(8.9)	0.4	(36.4)	(36.4)	0.4	(35.5)	(35.5)
Trading	3.1	(31.1)	(31.1)				0.3	>100	9.7
Eliminations	(2.0)	n.s.	n.s.						
Total	42.2	(12.7)	(12.7)	29.7	(19.7)	(19.7)	8.4	(21.6)	(23.8)

The Group reported **consolidated revenues** of 3,847.5 million euro, down from 4,419.4 million euro in the year-earlier period. The largest decreases were in Central Western Europe and North America, while the downturn was more contained in Asia; conversely, revenues improved in the Southern Med Rim, thanks to progress in Egypt and Morocco. Although operating results were down, they reflected a recovery driven by the reduced incidence of variable costs (due in particular to lower fuel prices) and the effect of the measures introduced to contain fixed costs. In this context, looking at profit margins, the third-quarter improvement enabled the Group to confirm at September 30 the trend that had already emerged at the end of the first half.

Revenues and operating results (in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	2009	% change vs 2008	2009	% change vs 2008	2009	% change vs 2008	2009	% change vs 2008
Central Western Europe	2,110.6	(18.3)	381.0	(17.3)	378.4	(17.5)	195.4	(32.3)
North America	311.8	(17.7)	9.1	(81.1)	4.5	(90.8)	(28.2)	n.s.
Eastern Europe and Southern Med Rim	1,028.8	1.5	318.1	3.7	318.2	4.8	226.3	3.6
Asia	316.7	(6.3)	81.1	(5.4)	76.8	(10.1)	25.6	(53.1)
Cement/clinker trading	194.4	(34.1)	11.7	(44.2)	11.7	(44.6)	7.1	(59.9)
Others and eliminations	(114.8)	n.s.	(13.3)	n.s.	(18.4)	n.s.	(21.0)	n.s.
Total	3,847.5	(12.9)	787.7	(13.1)	771.2	(14.5)	405.2	(29.9)

n.s.: not significant

In absolute values, for the first 9 months the Group reported **recurring EBITDA** of 787.7 million euro (906 million euro); the reduction arose largely in Western Europe and North America, offset only in part by the progress in the Southern Med Rim countries, while performance slowed in Asia, due chiefly to the Thai market. **EBIT** was 405.2 million euro (577.8 million euro) and included the impact of material **impairment losses** on some industrial assets (impairment losses at September 30, 2008, were virtually zero). **Profit before tax** was 310.2 million euro (465.8 million euro), while **total net profit for the period** was 221.4 million euro (328 million euro). **Group net profit**, at 103.5 million euro (197.8 million euro).

At the end of September 2009, **net debt** was 2,553.6 million euro, a decrease of 125.7 million euro from December 31, 2008 (2,679.3 million euro).

Despite slacker business levels compared with 2008, cash flows from operations showed a significant improvement with respect to the year-earlier period. This was due in particular to containment of working capital, achieved through a series of specific measures. As a result, the Group improved its net financial position, despite high **industrial capital expenditure** (500.2 million euro) mainly to raise Group industrial efficiency. During the third quarter work continued to complete the strategic investments in North America (Martinsburg), Morocco (Ait Baha), India (Yerraguntla) and Italy (Matera).

Outlook – According to our estimates, in the fourth quarter of the year the general performance in consolidated sales will continue to be slower, although the overall trend will be less negative than in the first nine months. Specifically, the negative trend in the mature countries is expected to ease in part due to the slowdown reported last year, while the positive mood in demand in some of the emerging countries will continue.

In a number of markets, the signs of a downturn in sales prices that emerged in the third quarter of 2009 will be confirmed. Both effects will be counterbalanced in part by the measures taken to cut operating expenses and boost efficiency.

Under these conditions, operating results for full-year 2009 will, as a whole, be down on 2008, in line with the trend reported in the first nine months.

At the same time, cash flow from operations and the reduction in working capital will enable the Group to finance the investment peak in strategic industrial plants, due to go into operation over the coming months, without significant changes in net debt.

The Board was informed that the Board of Directors of Ciments Français had decided to separate the posts of **Chairman and Chief Executive Officer**, beginning in 2010. As from January 1, 2010, **Yves René Nanot** will retain the position of Chairman, **Giovanni Ferrario** (currently President at CF and Chief Operating Officer at Italcementi) will become Chief Executive Officer and **Jean-Paul Méric** (formerly Executive Vice President) will take the position of President.

Yves René Nanot, 72, an engineer, joined the Group in 1993. He led the Ciments Français re-structuring in the early 1990s and the company's international re-positioning that, after 1997, enabled the Italcementi Group to put its international operations on a footing geared to strong expansion in the emerging countries offering the best growth potential. During this lengthy period he was involved in the Paris and Bergamo management organization projects, contributing to the formation of a strong, close-knit and competent team.

Yves René Nanot has been a member of the Italcementi Board of Directors since 1993 and a member of the Executive Committee since 1998.

Italcementi Group results at September 30, 2009, will be illustrated during a **Conference Call** to be held on Monday November 9 at 15:30 hours C.E.T.

The presentation will also be available on an audio conference link and on a webstreaming link on the www.italcementigroup.com site.

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Disclaimer

This press release, and in particular the section entitled "Outlook", contains forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: continued volatility and further deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation (in each case, in Italy or abroad), and many other factors, most of which are beyond the Group's control.



Italcementi Group is the fifth largest cement producer in the world. The Group companies combine the expertise, know how and cultures of 22 countries in 4 Continents, boasting an industrial network of 63 cement plants, 13 grinding centres, 5 terminals, 614 concrete batching units and 125 aggregates quarries. In 2008 Italcementi Group had sales amounting to almost 6 billion Euro.

THIRD QUARTER 2009

Group sales volumes in the third quarter of 2009 were down on the year-earlier third quarter, reflecting a trend not substantially dissimilar to that of the first half of the year at aggregate level and within the individual businesses.

Third-quarter performance

Sales volumes and internal transfers (1)	Cement and clinker (millions of metric tons)			Aggregates (millions of metric tons)			Ready mixed concrete (millions of m ³)		
	2009	% change vs. 2008		2009	% change vs. 2008		2009	% change vs. 2008	
		A	B		A	B		A	B
Central Western Europe	5.1	(14.6)	(14.6)	8.7	(20.3)	(20.3)	1.5	(16.0)	(17.7)
North America	1.2	(24.0)	(24.0)	0.2	24.0	24.7	0.2	(25.5)	(27.3)
Eastern Europe and Southern Med Rim	4.9	(5.5)	(5.5)	0.7	(6.3)	(6.0)	0.9	(25.1)	(25.1)
Asia	2.7	(15.6)	(15.6)	0.1	(39.7)	(39.7)	0.1	(36.2)	(36.2)
Trading	1.2	(26.7)	(26.7)	-	-	-	0.1	25.6	(11.2)
Eliminations	(0.8)	n.s.	n.s.	-	-	-	-	-	-
Total	14.4	(12.5)	(12.5)	9.7	(19.1)	(19.1)	2.8	(20.1)	(21.8)

Central Western Europe: Italy, France, Belgium, Spain, Greece **North America:** U.S.A., Canada, Puerto Rico

Eastern Europe and Southern Med Rim: Bulgaria, Egypt, Morocco, Turkey **Asia:** Thailand, India, Kazakhstan, China

(1) amounts refer to companies consolidated on a line-by-line basis and, pro-quota, to companies consolidated on a proportionate basis; A: Historic – B: At constant size; n.s.: not significant

In cement and clinker, the most significant decreases were reported in Central Western Europe, North America and Trading, although at slightly slower rates than those of the first half. Among emerging markets, performance was positive in Egypt and Kazakhstan, and slowed in the other countries, notably Bulgaria, Thailand (despite the rise in domestic sales volumes), Turkey and China.

Sales volumes in aggregates were affected by the sharp decline throughout Central Western Europe, where the majority of Group sales are concentrated. Volumes increased in North America, although absolute values remained low.

The slowdown in sales volumes of ready mixed concrete was evident in all areas, and more severe than the decline in the cement sector due to the larger drop in demand on Group markets. In absolute values, the most significant changes were in France, Turkey, Spain and Egypt.

Quarterly results (in millions of euro)	Q3 2009	Q2 2009	Q1 2009
Revenues	1,261.7	1,384.6	1,201.2
% change vs. 2008	(15.5)	(12.1)	(11.1)
Recurring EBITDA	290.3	308.5	188.9
% change vs. 2008	(7.2)	(7.8)	(27.0)
% of revenues	23.0	22.3	15.7
EBITDA	283.0	310.8	177.4
% change vs. 2008	(7.8)	(7.4)	(31.6)
% of revenues	22.4	22.4	14.8
EBIT	167.3	173.3	64.6
% change vs. 2008	(16.2)	(23.5)	(57.3)
% of revenues	13.3	12.5	5.4
Net profit for the period	94.1	107.2	20.1
% of revenues	7.5	7.7	1.7

2009 third-quarter **revenues**, at 1,261.7 million euro, were down 15.5%, reflecting the fall in sales volumes and, to a lesser extent, the negative price effect.

Revenues decreased in all macro-areas, with the most significant reduction in absolute terms reported in Central Western Europe. Looking at individual countries, progress was reported in Egypt and, to a significantly smaller extent given the values in question, in China and Kazakhstan.

Although the percentage decrease in revenues was larger in the third quarter than in the first half, thanks to the significant reduction in operating expenses the decrease in **third-quarter operating results** was smaller than in the first half of the year. Variable costs benefited from the fall in fuel prices in the previous months. The positive trend in fixed costs continued, linked to the re-organization programs already introduced in 2008.

With respect to the third quarter of 2008, **recurring EBITDA** decreased by 7.2% and **EBIT** decreased by 16.2%.

BUSINESS PERFORMANCE IN THE YEAR TO SEPTEMBER 30, 2009

Group sales volumes in the period January-September 2009 decreased with respect to the year-earlier period, continuing the trend of the first half of the year.

In cement and clinker, the fall in sales volumes arose principally on markets in the mature countries, notably Italy, North America and France, and in Trading operations. In the emerging countries, performance declined overall, but at a slower rate, with trends varying from country to country: growth in Egypt, Kazakhstan and China, a slight downturn in Morocco (due to a negative third quarter) and a reduction in the other countries.

In aggregates, the comments on performance in the third quarter apply. At constant size, sales volumes were affected above all by the strong decline in Central Western Europe (France and Spain in particular), offset by an improvement in North America.

In ready mixed concrete, the third-quarter analysis also applies to the nine months, with the largest volume decreases in France, Turkey, Spain and Egypt.

Year to September 30

Sales volumes and internal transfers (1)	Cement and clinker (millions of metric tons)			Aggregates (millions of metric tons)			Ready mixed concrete (millions of m ³)		
	2009	% change vs. 2008		2009	% change vs. 2008		2009	% change vs. 2008	
		A	B		A	B		A	B
Central Western Europe	15.3	(17.2)	(17.2)	26.9	(20.6)	(20.6)	4.6	(20.2)	(21.6)
North America	3.0	(26.9)	(26.9)	0.4	29.8	14.3	0.6	(23.3)	(26.7)
Eastern Europe and Southern Med Rim	14.8	(5.4)	(5.4)	1.9	(8.2)	(6.4)	2.5	(27.3)	(27.3)
Asia	7.9	(8.9)	(8.9)	0.4	(36.4)	(36.4)	0.4	(35.5)	(35.5)
Trading	3.1	(31.1)	(31.1)				0.3	>100	9.7
Eliminations	(2.0)	n.s.	n.s.						
Total	42.2	(12.7)	(12.7)	29.7	(19.7)	(19.7)	8.4	(21.6)	(23.8)

Central Western Europe: Italy, France, Belgium, Spain, Greece **North America:** U.S.A., Canada, Puerto Rico

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A: Historic – B: At constant size; n.s.: not significant

CENTRAL WESTERN EUROPE (Italy, France, Belgium, Spain, Greece)

In **Italy**, according to our estimates, cement consumption dropped sharply in the year to the end of September 2009 with respect to the year-earlier period. This was due to the worsening economic situation, which led to a severe decline in activities in all segments of the construction industry and in all geographical areas. In the third quarter, the slowdown eased, but demand remained at significantly lower levels compared with the previous year. Consequently, expectation of a sharp fall in consumption for full-year 2009 compared with 2008 is confirmed.

Looking at trading, there was a notable increase in cement imports.

Our **cement and clinker** sales volumes fell by 16.8% in the third quarter of 2009 from the year-earlier period, and by 20.4% for the year to the end of September, reflecting a more negative dynamic than the market, in part due to the measures taken on the basis of stringent business risk assessment criteria. Competition on the market led to a decrease in sales prices in the third quarter, a trend that had already emerged at the end of the second quarter.

Revenues for the year to the end of September 2009 were significantly lower than those of the year-earlier period, a result determined by the fall in volumes and, to a lesser extent, by the negative price trend.

These negative effects were also at the root of the heavy decline in recurring EBITDA for the year to the end of September 2009. Nevertheless, an improvement was reported in recurring EBITDA for the third quarter compared with the year-earlier period, since the negative sales volume and price effects were more than offset by the recovery in industrial efficiency and the reduction in fixed and variable costs.

The third quarter also benefited from the continuing production and logistics restructuring, with temporary plant stoppages, a block on turnover and use of social welfare mechanisms (state subsidized lay-off). The Bergamo site introduced a mobility procedure to reduce personnel, with retirement incentives to limit social impact. For this operation and the previously announced permanent closure of two grinding centers, the Group provided non-recurring expense of 6.9 million euro.

Looking at the revamping of the Matera cement plant (daily clinker capacity of 2,200 metric tons), installation work proceeded as planned in the various sections: a significant part of the revamping has already been completed and work is moving ahead on schedule, with the line start-up planned for the first quarter of 2010.

In **France**, the building and public works sector was particularly badly affected by the general economic slowdown, with cement demand in the third quarter falling by an estimated 15.2%, not significantly different from the first-half trend (-17.9%), which was also hit by adverse meteorological conditions. The reduction in demand at the end of September was 17.0%.

After recovering market share during the first half, Group **cement** volumes were substantially in line with the market trend, showing a 15.7% YoY decline in the third quarter (-15.8% for the year to the end of September).

The sluggish performance of the construction sector also penalized sales of **ready mixed concrete** and **aggregates**, both in the third quarter (-17.3% for ready mixed concrete; -19.7% for aggregates), and for the nine months (-20.3% for ready mixed concrete; -20.5% for aggregates).

Sales prices increased in the cement and aggregates sectors.

In ready mixed concrete, the positive price dynamic weakened in the third quarter as the on-going slump in demand intensified competitive pressures.

Overall, the fall in volumes in the third quarter of 2009 generated a reduction in revenues in line with the first-half trend. Operating results dropped accordingly, but at a slower rate than in the first half, thanks to the containment of fixed and variable costs.

For the year to the end of September, revenues were down by 14.2% and recurring EBITDA decreased by 11.4%. The sharp reduction in volumes was counterbalanced to a large extent by the rise in prices and the positive impact of measures designed to contain variable and fixed costs.

In **Belgium**, the fall in cement consumption continued in the third quarter (estimated at 8.6%), although the slowdown eased with respect to the first half of the year. For the nine months, cement demand fell by an estimated 11.8% from the year-earlier period, while Group sales volumes improved slightly.

Overall **cement and clinker** sales volumes at Compagnie des Ciments Belges, including intragroup flows to France, were down at the end of September: the growth in the Benelux countries failed to counter the decline on the French market.

The fall in sales of **ready mixed concrete** and **aggregates** in Benelux slowed in the third quarter compared with the first half of the year.

For the third quarter and the nine months, the reduction in volumes led to a decrease in revenues, while operating results improved thanks to savings on operating expenses.

In **Spain** the sharp fall in cement demand continued in the third quarter, due to the crisis in the residential sector, although the decline was slower than in the first half (an estimated reduction of 36.7% for the nine months).

Looking at the individual markets, the Basque Country reported a milder decline than Andalusia given the particular significance in Andalusia of residential building, a segment badly hit by the economic crisis.

In these conditions, Group domestic **cement** sales volumes fell by 6.7% in the third quarter and by 15.7% for the year to the end of September, outperforming the market. The crisis in the construction sector had a severe impact on demand for aggregates and ready mixed concrete, which were sharply down on the previous year.

Group **ready mixed concrete** sales volumes decreased by 25.4% in the third quarter and 32.5% for the year to the end of September; in **aggregates** the decline was 25.1% in the third quarter and 24.7% for the nine months.

In connection with this performance, measures were taken to re-organize the network of ready mixed concrete plants in southern Spain.

Overall, the sharp decline in volumes with average prices below those of 2008 led to a decrease in revenues and operating results for the third quarter, with strikes in the Basque Country as an additional adverse factor.

Given this trend, initiatives were introduced for the re-organization of the network of ready mixed concrete plants in southern Spain.

For the year to the end of September both revenues and operating results were sharply down on the year-earlier period, due to the sharp negative volume effect. The negative impact of prices was counterbalanced by savings on fixed costs and lower operating expense.

In **Greece**, cement consumption declined in line with the first-half trend, with a reduction for the nine months estimated at approximately 23%. Overall, Group **cement and clinker**

sales were down 15.7% for the nine months to the end of September (-8.8% in the third quarter, which benefited from higher exports).

The difficult market situation had a negative impact on sales volumes in **ready mixed concrete** (-18.9% for the year to the end of September) and **aggregates** (-22.8% for the nine months).

Operating results were down due to the severe negative volume effect, despite significant containment of fixed costs in all three businesses and the sharp reduction in variable costs in the cement sector.

NORTH AMERICA (USA, CANADA, PUERTO RICO)

Signs of a recovery began to emerge in the third quarter of 2009, although the economic climate remained weak.

The latest available data (August 2009) show a slowdown of 11.6% in the construction industry compared with 2008, due in particular to the decline in the residential sector and, to a lesser extent, the non-residential private sector.

Cement consumption on the Group market, on the other hand, did not change significantly with respect to the negative trend of the first half, falling in the third quarter by 23.8% from the year-earlier period and in the nine months by 24.8%.

The latest estimates from the Portland Cement Association indicate that, after slackening by 15.1% in 2008 from 2007, US cement demand will again slow by 26.6% in 2009 (and should be followed by growth in the second half of 2010).

The continuous drop in consumption drove US cement producers, including our subsidiary, to close or temporarily halt operations at less efficient production units.

In this negative context, our domestic **cement** volumes decreased by 24.0% in the third quarter YoY, and by 26.9% for the year to the end of September.

Average cement sales prices were steady compared with 2008, in both the third quarter and the nine months.

The crisis in the construction sector also affected Group **ready mixed concrete** sales, where volumes at constant size fell by 27.3% in the third quarter and 26.7% for the year to the end of September compared with the year-earlier periods. Average prices were down on 2008.

In the third quarter the decline in sales volumes was the main factor in the revenue decrease, while the fall in operating results was offset in part by sizeable savings on operating expenses. This was the result of the industrial, logistics and structural efficiency-raising program introduced throughout the production and distribution network of the US subsidiaries.

For the year to the end of September the severe fall in volumes led to a reduction in revenues and operating results, despite the fact that operating results benefited from a significant decrease in fixed costs.

The new production line at the Martinsburg cement plant, with a daily clinker production capacity of 5,000 metric tons, will start up by the end of this year.

EASTERN EUROPE AND SOUTHERN MED RIM (EGYPT, MOROCCO, BULGARIA, TURKEY)

In **Egypt**, stimulated by the residential sector and tourism, cement consumption in the third quarter of 2009 increased by an estimated 28.0% (+26.1% since the beginning of the

year, with consumption reaching 36.1 million euro in the nine months), with significant growth in sales prices.

To satisfy growing local demand and brake the rise in sales prices, the Government introduced a ban on grey cement and clinker exports from July 16, 2009, to October 2010. Group domestic **cement** sales volumes (+6.3% in the third quarter and +6.4% for the year to the end of September, in line with the first half) underperformed the market growth trend, due to saturation of production capacity.

Sales volumes for **ready mixed concrete** decreased by 38.0% in the quarter (-26.5% for the year to September 30) due to completion of major building projects, with sales prices showing a significant increase.

Overall, revenues made a significant improvement largely thanks to the important sales price effect, although this partially offset a notable rise in operating expenses due to the increase in production costs following reviews of tariffs and excise duties.

Operating results benefited from a significant positive exchange-rate effect when translated into euro.

In **Morocco**, after a slight increase in the first half of the year (+1.0%), cement demand fell in the third quarter by 2.5% from the year-earlier period, so that values by the end of September were practically unchanged with respect to the year-earlier nine months.

The fastest growing segments were private building and state infrastructure investments, while a decline was reported in private property investments in social building (in part after the reduction in tax benefits) and in investment in tourist infrastructures.

Group **cement** sales volumes decreased YoY, by 6.3% in the third quarter and 1.4% in the year to the end of September.

Sales volumes also fell for **ready mixed concrete** (-14.4% in the third quarter; -14.6% for the year to the end of September) and aggregates (-6.0% in the third quarter; -6.4% for the year to the end of September).

In the third quarter, despite the fall in revenues in local currency due to lower volumes, operating results continued to improve, thanks above all to lower procurement costs. For the nine months, after a small increase in revenues (+1.9% in local currency; the negative impact of sales volumes in the three business areas was more than offset by the positive price effect), operating results made significant progress (+34.0% for recurring EBITDA in local currency) largely due to the reduction in operating expense as a result of better industrial performance.

Commissioning operations continued on the Ait Baha plant during the period (daily clinker production capacity 5,000 metric tons): the first cement grinder will begin operations by the end of this month (November).

In **Bulgaria**, the global crisis continued to have a severe impact on the construction industry in the third quarter, with a sharp downturn in the residential segment and delays in the start-up of major infrastructure investments. The market was also characterized by cement imports from Turkey, which currently account for approximately 15% of local consumption, which nonetheless dropped still further during the third quarter.

In this difficult context, Group overall **cement and clinker** sales volumes fell by 46.6% in the third quarter and 38.9% for the year to the end of September. Prices began to show signs of weakening in the quarter, although for the nine months they remained at a slightly higher average level.

Operating results were badly affected by the decline in volumes, dropping significantly in the third quarter and the nine months.

In **Turkey**, the recession throughout the economy that began in the fourth quarter of 2008 continued in the third quarter. This difficult situation led a sharp depreciation of the local currency against the euro.

In a market where demand fell by approximately 10% over the nine months, the Group reported a drop in **cement** sales volumes of 26.7% (-23.9% overall, including exports), together with a significant decrease in sales prices. The decrease in volumes was also due to the reduction in consumption in the Ankara region.

Ready mixed concrete sales volumes also dropped significantly (-20% in the third quarter and -33.4% in the nine months), with a reduction in sales prices. Overall, operating results declined heavily compared with 2008.

ASIA (THAILAND, INDIA, CHINA, KAZAKHSTAN)

In **Thailand**, despite continuing political uncertainty and the world financial crisis, in the third quarter the economy and the construction industry in particular benefited from the government stimulus package; cement consumption rose by an estimated 6.2% but was down in the nine months (-4.9%) compared with the year-earlier period.

In the first half of the year, the Group completed the restructuring plan providing for use of the Takli and Cha-am as grinding centers and clinker production at the Pukrang plant.

In this context, Group domestic **cement** sales volumes increased by 12.4% in the third quarter (-5.1% for the year to the end of September). Total cement and clinker sales decreased, however, by 19.5% in the third quarter (-17.9% to the end of September) due to the continuing weakness of exports, especially exports to Cambodia, hit by a severe economic crisis.

Ready mixed concrete sales dropped by 36.2% in the third quarter (-35.5% for the year to the end of September). Sales, arising almost exclusively from plants in the Bangkok area, should benefit from the forthcoming effects of the stimulus package.

Average cement sales prices on the domestic market fell in the third quarter and for the year to the end of September compared with the year-earlier periods, but showed signs of a recovery with respect to the lows recorded in June.

Operating results for the quarter and the nine months were down compared with 2008, largely due to the sharp fall in revenues (volume and price effect) and the rise in the cost of electricity and fuel. The company restructuring plan generated non-recurring expense in the first half of the year, but enabled the Group to achieve significant long-term structural savings in operating expenses at the level of fixed costs (maintenance, personnel).

In **India**, the economy continued to grow, if at a slower rate than in previous years due to the financial crisis. The construction industry benefited from government investments in infrastructures in the period preceding the April elections, which more than offset the slowdown in the residential and commercial sectors.

Nevertheless, the growth in demand slowed in the third quarter in some markets, and competitive pressures tightened with the entry of new production capacity.

Group domestic cement sales fell by 14.5% during the third quarter and by 10.8% during the nine months. Total **cement and clinker** sales declined by 10.3% for the year to the end of September 2009.

After a first half with average levels above 2008, cement sales prices began to be affected by increasing competitive pressures and a downturn began in September.

Operating results for the third quarter decreased with respect to the year-earlier period, largely due to the fall in volumes and the devaluation of the rupee against the euro, which the reduction in fuel costs counterbalanced only in part; for the nine months, operating results improved thanks to the positive impact of prices and operating expenses. During the third quarter work neared completion on the new kiln line (5,500 metric tons/day) at the Yerraguntla plant, which should begin operations between the end of this year and early 2010.

In **Kazakhstan**, the construction industry reported a remarkable turnaround back to pre-crisis levels in the third quarter of 2009, thanks to important government initiatives (hospitals, schools, motorways) and the recovery in the residential segment. Although consumption was still down in the nine months (-12.1%), the third quarter is thought to have gained 17.0%.

Group **cement** sales volumes made significant progress even in the first half of the year, due to the lengthy stoppage in operations in the year-earlier first half, and increased by 31.0% in the third quarter and 58.8% in the year to the end of September.

Operating results were assisted by the strong rise in volumes but adversely affected by the sharp reduction in sales prices; nevertheless they improved in the third quarter.

In **China**, economic growth continued in the third quarter, although at a slower pace than in 2008.

The rise in cement consumption on the Group market (Shaanxi province in central China) was supported largely by government investments in infrastructure, which more than counterbalanced the slowdown in the residential and commercial segments.

Group **cement and clinker** sales volumes rose by 10.5% for the year to the end of September, despite the decrease in the third quarter due to the temporary suspension of production.

Operating results made healthy progress in the third quarter, despite the decline in sales volumes, largely thanks to the level of sales prices and the reduction in coal costs. For the year to the end of September results improved, reflecting the rise in revenues (volumes and prices) and the positive exchange-rate effect.

CEMENT AND CLINKER TRADING

Intragroup and third-party **cement and clinker** sales volumes decreased by 26.7% in the third quarter of 2009 (-31.1% for the year to the end of September).

The fall in volumes in the quarter arose largely on intragroup sales, as a result of the slump in demand and increased competitive pressures, while our terminals, specifically Albania, Mauritania and Kuwait (thanks to exports to Iraq), reported an overall increase of 17.7% in sales volumes (+3.7% for the year to the end of September).

Operating results fell in the third quarter and in the year to the end of September due to the reduction in sales volumes and margins.

FINANCIAL PERFORMANCE

Revenues for the year to September 30, 2009, amounted to 3,847.5 million euro, a decrease of 12.9% from the year-earlier period arising from the sharp contraction in business performance (-14.4%), offset in part by the positive exchange-rate effect (+1.6%); the consolidation effect was immaterial (-0.1%). Revenues improved in Eastern Europe and Southern Med Rim, reflecting strong growth in Egypt, a small increase in Morocco and a significant downturn in the other countries in the area (Turkey and Bulgaria).

A sharp decline was reported in Central Western Europe, with reductions in all countries, North America and Trading. The slowdown was less marked in Asia, where the healthy progress achieved by China and Kazakhstan mitigated the revenue decreases in Thailand and India.

The positive exchange-rate effect arose largely from the appreciation of the Egyptian pound and the US dollar against the euro, which amply made up for the depreciation of the Turkish lira and the rupee.

Revenues by business (in millions of euro)	September 30 2009	September 30 2008	% change
Cement and clinker	2,806.2	3,159.7	(11.2)
RMC / Aggregates	846.9	1,029.4	(17.7)
Other	194.4	230.3	(15.6)
Total	3,847.5	4,419.4	(12.9)

Operating results were affected by the significant decline in sales volumes. Nevertheless, this trend was mitigated in part by a positive price effect and the reduction in operating expenses, achieved in particular through action to boost industrial efficiency and the measures taken since 2008 to contain fixed costs, whose impact, estimated at approximately 76.0 million euro excluding the exchange-rate effect, was significant. These measures were introduced in most countries, notably Italy, North America, France and Spain.

Recurring EBITDA (787.7 million euro) fell by 13.1%, largely due to the sharp drop in Central Western Europe and North America, offset only in part by the positive contribution of Eastern Europe and Southern Med Rim; Asia's contribution was down overall, as a result of the uncertain climate on the Thai market.

EBIT, at 405.2 million euro, decreased by 29.9%, reflecting the impact of net non-recurring expense of 16.5 million euro and impairment losses posted on industrial assets (29.4 million euro) after tests indicated the need to shorten the economic life of some production plants.

Year to September 30

Revenues and operating results (in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	2009	% change vs 2008	2009	% change vs 2008	2009	% change vs 2008	2009	% change vs 2008
Central Western Europe	2,110.6	(18.3)	381.0	(17.3)	378.4	(17.5)	195.4	(32.3)
North America	311.8	(17.7)	9.1	(81.1)	4.5	(90.8)	(28.2)	n.s
Eastern Europe and Southern Med Rim	1,028.8	1.5	318.1	3.7	318.2	4.8	226.3	3.6
Asia	316.7	(6.3)	81.1	(5.4)	76.8	(10.1)	25.6	(53.1)
Cement/clinker trading	194.4	(34.1)	11.7	(44.2)	11.7	(44.6)	7.1	(59.9)
Others and eliminations	(114.8)	n.s.	(13.3)	n.s.	(18.4)	n.s.	(21.0)	n.s.
Total	3,847.5	(12.9)	787.7	(13.1)	771.2	(14.5)	405.2	(29.9)

n.s.: not significant

Finance costs, net of finance income, were 81.4 million euro, down 21.8% from the year-earlier period (104.1 million euro), computed using the same criteria; the difference was largely due to the decrease in net interest expense on net debt (from 94.7 to 80.4 million euro, mainly as a result of the reduction in interest rates) and the increase in capitalized finance costs on the main investment projects following the introduction of IAS 23 (from 4.7 to 12.7 million euro).

The share of results of associates decreased from 18.7 to 9.8 million euro. As noted in the half-year report at June 30, 2009, this reflected the downturn in results at Vassiliko (Cyprus) and Ciment Quebec (Canada), despite the improvement reported by Asment (Morocco).

Profit before tax for the year to September 30, 2009, was 310.2 million euro (-33.4% from 2008), a decrease arising largely from trends in operating results.

In parallel, income tax expense dropped significantly (-35.5%), due in part to the greater weight of the results of countries with lower tax charges and to tax income (deferred tax assets) in some mature countries.

Net profit for the first nine months was 221.4 million euro, down 32.5% from the year-earlier period. As in the first half of the year, the decrease in net profit at companies with low or no minority interests and the greater weight of the results of companies with significant minority interests (specifically the Egyptian companies) produced a larger reduction in **net profit attributable to the Group** (-47.7%, from 197.8 million euro to 103.5 million euro) and a smaller decrease in net profit attributable to minority interests (-9.5%, from 130.2 to 117.9 million euro).

As already explained in the previous 2009 interim reports, in compliance with the revised version of IAS 1, the Group has decided to present its comprehensive income results by showing in one schedule traditional income statement components and the net result for

the period. A second schedule, beginning with the net result for the period, presents other components of comprehensive income previously reflected only in the statement of movements in consolidated shareholders' equity: fair value gains and losses on available-for-sale financial assets and financial derivatives, translation gains and losses.

In the period January 1 – September 30, 2009, the components of other comprehensive income showed a negative balance of 80.5 million euro (a negative balance of 194.4 million euro in the year-earlier period) arising from: translation losses of 97.4 million euro (losses of 15.6 million euro in 2008), fair value gains on available-for-sale financial assets of 46.6 million euro, fair value losses on derivative financial instruments of 38.9 million euro and a related tax income effect of 9.2 million euro. Considering these components and the above-mentioned net profit for the period, total comprehensive income for the period January 1 – September 30, 2009, was positive at 140.9 million euro (a total of 65.8 million euro attributable to the Group and a total of 75.0 million euro attributable to minorities). This compares with positive total comprehensive income of 133.6 million euro in the year-earlier period (19.1 million euro attributable to the Group and 114.5 million euro attributable to minorities).

Net debt at September 30, 2009, stood at 2,553.6 million euro, down 125.7 million euro from December 31, 2008 (2,679.3 million euro) and 231.2 million euro from June 30, 2009 (2,784.8 million euro).

Despite slacker business levels compared with 2008, cash flows from operations showed a significant improvement with respect to the year-earlier period. This was due in particular to containment of working capital, achieved through a series of specific measures. As a result, the Group improved its net financial position, despite high **investments in fixed assets** (totaling 576.1 million euro) mainly to raise Group industrial efficiency. During the third quarter work continued to complete the strategic investments in North America (Martinsburg), Morocco (Ait Baha), India (Yerraguntla) and Italy (Matera).

Total shareholders' equity at September 30, 2009, was 4,644.8 million euro.

The **gearing ratio** (net debt/consolidated shareholders' equity) was 55.0% at September 30, 2009 (60.8% at June 30, 2009, and 58.0% at December 31, 2008).

OUTLOOK – According to our estimates, in the fourth quarter of the year the general performance in consolidated sales will continue to be slower, although the overall trend will be less negative than in the first nine months. Specifically, the negative trend in the mature countries is expected to ease in part due to the slowdown reported last year, while the positive mood in demand in some of the emerging countries will continue.

In a number of markets, the signs of a downturn in sales prices that emerged in the third quarter of 2009 will be confirmed. Both effects will be counterbalanced in part by the measures taken to cut operating expenses and boost efficiency.

Under these conditions, operating results for full-year 2009 will, as a whole, be down on 2008, in line with the trend reported in the first nine months.

At the same time, cash flow from operations and the reduction in working capital will enable the Group to finance the investment peak in strategic industrial plants, due to go into operation over the coming months, without significant changes in net debt.

The manager in charge of preparing the company's financial reports, Carlo Bianchini, declares, pursuant to paragraph 2 article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting entries.

Attachments: income statement data and selected balance sheet amounts

To permit comparison with 2009, the 2008 figures have been restated for compliance with IAS 1 (Presentation of Financial Statements) and IAS 23 (Borrowing Costs)

Italcementi Group					
Income Statement (in thousands of euro)	Q3 2009	%	Q3 2008	%	% change
Revenues	1,261,736	100.0	1,493,331	100.0	-15.5
Other revenues	5,559		11,802		
Change in inventories	4,248		11,806		
Internal work capitalized	11,638		16,894		
Goods and utilities expenses	(460,844)		(669,605)		
Services expenses	(277,352)		(280,330)		
Employee expenses	(215,386)		(217,907)		
Other operating income (expense)	(39,275)		(53,254)		
Recurring EBITDA	290,324	23.0	312,737	20.9	-7.2
Net capital gains on sale of fixed assets	9,968		43		
Non-rec. employee exp. for re-orgz	(11,702)		-		
Other non-recurring income (expense)	(5,615)		(5,960)		
EBITDA	282,975	22.4	306,820	20.5	-7.8
Amortization and depreciation	(110,511)		(107,072)		
Impairment variations	(5,131)		6		
EBIT	167,333	13.3	199,754	13.4	-16.2
Finance income	7,797		12,373		
Finance costs	(31,820)		(48,133)		
Net exch.rate differences and derivatives	(977)		730		
Adjustments to financial asset values	(23,395)		(11,368)		
Share of results of associates	6,303		5,601		
Profit before tax	125,241	9.9	158,957	10.6	-21.2
Income tax expense	(31,162)		(51,364)		
Net profit for the period	94,079	7.5	107,593	7.2	-12.6
Attributable to:					
Equity holders of the parent	48,412	3.8	66,802	4.5	-27.5
Minority interests	45,667	3.6	40,791	2.7	12.0

Italcementi Group					
Income Statement (in thousands of euro)	September 30, 2009		September 30, 2008		% change
		%		%	
Revenues	3,847,507	100.0	4,419,387	100.0	-12.9
Other revenues	28,078		39,950		
Change in inventories	(66,365)		10,845		
Internal work capitalized	34,070		32,398		
Goods and utilities expenses	(1,430,120)		(1,806,262)		
Services expenses	(836,756)		(956,737)		
Employee expenses	(679,550)		(694,466)		
Other operating income (expense)	(109,157)		(139,122)		
Recurring EBITDA	787,707	20.5	905,993	20.5	-13.1
Net capital gains on sale of fixed assets	14,700		5,740		
Non-rec. employee exp. for re-orgz	(24,550)		(4,340)		
Other non-recurring income (expense)	(6,675)		(5,521)		
EBITDA	771,182	20.0	901,872	20.4	-14.5
Amortization and depreciation	(336,590)		(324,043)		
Impairment variations	(29,361)		(8)		
EBIT	405,231	10.5	577,821	13.1	-29.9
Finance income	23,917		36,719		
Finance costs	(98,466)		(135,081)		
Net exch.rate differences and derivatives	(6,870)		(5,760)		
Adjustments to financial asset values	(23,395)		(26,603)		
Share of results of associates	9,777		18,690		
Profit before tax	310,194	8.1	465,786	10.5	-33.4
Income tax expense	(88,826)		(137,759)		
Net profit for the period	221,368	5.8	328,027	7.4	-32.5
Attributable to:					
Equity holders of the parent	103,489	2.7	197,823	4.5	-47.7
Minority interests	117,879	3.1	130,204	2.9	-9.5

Italcementi Group					
Consolidated statement of comprehensive income (in thousands of euro)	September 30, 2009	%	September 30, 2008	%	% change
Net profit for the period	221,368	5.8	328,027	7.4	-32.5
Fair value adjustments to:					
Available-for-sale financial assets	46,545		(198,718)		
Derivative financial instruments	(38,881)		2,168		
Translation differences	(97,398)		(15,611)		
Tax relating to components of other comprehensive income	9,242		17,782		
Components of other comprehensive income	(80,492)		(194,379)		
Total comprehensive income	140,876	3.7%	133,648	3.0%	5.4
Attributable to:					
Equity holders of the parent	65,848		19,117		
Minorities	75,028		114,531		

Italcementi Group					
Financial Position (in thousands of euro)	September 30, 2009	June 30, 2009	December 31, 2008	Change 09.30.09-12.31.08 Δ %	
Cash, cash equivalents and current financial assets	(709,774)	(614,499)	(592,945)	(116,829)	19.7
Short-term financing	369,984	524,479	611,876	(241,892)	-39.5
Medium/long-term financial assets	(42,945)	(38,270)	(64,000)	21,055	-32.9
Medium/long-term financing	2,936,328	2,913,080	2,724,386	211,942	7.8
Total net debt	2,553,593	2,784,790	2,679,317	(125,724)	-4.7
Total shareholders' equity	4,644,833	4,579,922	4,621,631	23,202	0.5