



The Board of Directors examines results at March 31, 2009

ITALCEMENTI GROUP

- **CONSOLIDATED REVENUES:** 1,201.2 MILLION EURO (-11.%)
- **RECURRING EBITDA:** 188.9 MILLION EURO (-27.0%)
- **EBIT:** 64.6 MILLION EURO (-57.3%)
- **NET PROFIT:** 20.1 MILLION EURO (-75.6%)
- **GROUP NET PROFIT:** -12.7 MILLION EURO (38.7 MILLION EURO)
- **POSITIVE OPINION ON THE CIMENTS FRANCAIS DECISION TO DISTRIBUTE AN EXTRAORDINARY DIVIDEND CONDITIONAL UPON APPROVAL OF THE MERGER PROJECT**

Bergamo, May 6, 2009 – *The Italcementi S.p.A. Board of Directors examined and approved the consolidated quarterly report for the year to March 31, 2009.*

To permit comparison with the first quarter of 2008, the 2008 figures have been restated for compliance with the IAS 1 (Presentation of Financial Statements) and IAS 23 (Borrowing Costs) accounting standards in effect as from 2009, and with operations in Turkey, previously classified as available for sale in compliance with IFRS 5 but in the event not sold, consolidated on a line-by-line basis.

In the first quarter of the year, performance was seriously affected by the negative international situation and the repercussions for operations of a particularly harsh winter in Europe, which caused a further slowdown in activities in the construction sector. Moreover, the year-earlier period to which the YoY first-quarter comparison refers was not affected by the economic decline that would subsequently have a severe impact on business trends.

In March, however, the situation rallied slightly, mitigating in part the negative trend of the first two months.

The Group reported a significant general reduction in sales volumes in the three core businesses in the industrialized nations, whereas in the emerging countries healthy performance in Egypt, Morocco and China counterbalanced the weakness of the other markets, notably Turkey and Thailand. Despite the overall decrease in sales volumes, a positive sales price trend on some markets where the Group operates counterbalanced the impact of higher variable costs. Operating results also benefited from the containment of fixed costs as a result of the Group's restructuring and efficiency programs.

*For the first quarter of 2009, the Group reported **sales volumes** of 12.9 million metric tons in cement and clinker (-12.8% from the year-earlier period), 9.1 million metric tons for aggregates (-23.9%) and 2.5 million cubic meters for ready mixed concrete (-23.4%). With the reduction in sales volumes – caused by the general slowdown on the world construction materials market, with isolated exceptions in some emerging countries – **consolidated revenues** amounted to 1,201.2 million euro, a decrease of 11.1% from the first quarter of 2008, with the largest reductions in absolute values reported in Italy and France. The decrease arose from slower business performance (-13.4%) offset by a*

positive exchange-rate effect (+2.4%), while the consolidation effect was immaterial (-0.1%). Operating results reflected the negative impact of sales volume trends and an increase in variable costs, in part due to consumption of fuel stocks procured at the high prices of the previous months: **recurring EBITDA** for the year to March 31, 2009, was 188.9 million euro (-27%), while **EBIT** was 64.6 million euro (-57.3%). The measures introduced as from 2008 to contain fixed costs (down by approximately 4.5% from the year-earlier period) produced significant results in all countries, confirming the turnaround that emerged in the fourth quarter of 2008.

Contrasting a downturn in results that was particularly severe on the mature markets, growth was reported in some emerging countries (Morocco, India and Egypt). For the first quarter of 2009, the Group reported a **net profit** of 20.1 million euro (82.2 million euro in the year-earlier period), with a **net loss attributable to equity holders of the parent** of 12.7 million euro (net profit of 38.7 million euro).

The **investment programs** for the Group's four strategic projects (in India, Morocco, USA and Italy) continued in the first three months as part of the drive to improve industrial organization and operating efficiency. First-quarter capital expenditure totaled 171.4 million euro (156.2 million euro in the first quarter of 2008).

At March 31, 2009, **net debt** stood at 2,689.5 million euro and **shareholders' equity** was 4,651.8 million euro. The **gearing ratio** (net debt/shareholders' equity) was 57.8% (58.0% at December 31, 2008).

Outlook

The uncertain international economic outlook makes it difficult to draw up a full-year forecast at this time. Given the current situation in the countries where the Group operates, second-quarter performance is expected to be in line with the first quarter, reflecting reduced sales volumes, relatively stable sales prices and the impact of use of fuel stocks procured at the previously higher prices.

The corrective measures already introduced to lower break-even and the decrease in energy costs suggest a less difficult second half if sales prices remain steady and the expected decline in volumes becomes less negative, considering the lower profile of the second half of 2008 and the impact of the first benefits of government measures to support the economy.

The Board of Directors was also informed of the latest developments in the plan for the **merger of Italcementi and Ciments Français** and expressed a positive opinion on the decision of the Ciments Français Board of Directors to distribute an extraordinary dividend of 4 euro per share to company shareholders, conditional upon execution of the merger.

Italcementi Group results at March 31, 2009, will be illustrated during a **Conference Call** to be held tomorrow, May 7, at 15.30 hours C.E.T.

The presentation will also be available on an audio conferencing and webstreaming link on the website www.italcementigroup.com

BUSINESS PERFORMANCE IN THE QUARTER TO MARCH 31, 2009

The sharp fall in 2009 first-quarter sales with respect to the year-earlier period was largely the result of performance in the first two months of the year, which also suffered from exceptionally poor meteorological conditions in a number of European countries. Although performance continued to decline in March, the trend was slower than in January and February.

In **cement and clinker**, the reduction in sales volumes arose mainly in the mature countries and in Trading. The decrease was significantly smaller in the emerging markets as a whole, although trends varied widely from country to country. Whereas Turkey, Thailand and Bulgaria reported significant slowdowns, Egypt and Morocco made positive progress, and the decline was contained in India.

In **aggregates and ready mixed concrete**, the decline was more severe than in cement, reflecting a general reduction in sales volumes on all markets, albeit at different rates.

Sales and internal transfers (1)	Cement and clinker (millions of metric tons)			Aggregates (millions of metric tons)			Ready mixed concrete (millions of m ³)		
	Q1 2009	% change vs. Q1 2008		Q1 2009	% change vs. Q1 2008		Q1 2009	% change vs. Q1 2008	
		A	B		A	B		A	B
Central Western Europe	4.6	(21.9)	(21.9)	8.3	(24.9)	(24.9)	1.4	(26.8)	(26.8)
North America	0.7	(29.2)	(29.2)	0.1	27.5		0.1	(6.6)	(17.8)
Eastern Europe and S. Med Rim	4.8	(1.9)	(1.9)	0.6	(12.4)	(9.5)	0.8	(26.8)	(26.8)
Asia	2.6	(5.0)	(5.0)	0.1	(26.8)	(26.8)	0.2	(27.1)	(27.1)
Trading	0.8	(39.2)	(39.2)				0.1		
Eliminations	(0.5)	n.s.	n.s.						
Total	12.9	(12.8)	(12.8)	9.1	(23.9)	(23.9)	2.5	(23.4)	(25.7)

Central Western Europe: Italy, France, Belgium, Spain, Greece **North America:** U.S.A., Canada, Puerto Rico
Eastern Europe and Southern Med Rim: Egypt, Morocco, Bulgaria, Turkey **Asia:** Thailand, India, Kazakhstan, China

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

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

In **Italy**, which saw a severe decline in cement demand, Group sales dropped sharply. Sales prices were lower than in the first quarter of 2008, but higher than at the end of last year, in line with the increase in variable costs. Operating results suffered from the revenue decline, but benefited from significant containment of fixed costs.

In **France**, Group cement sales fell, although performance was somewhat better than on the market as a whole and prices were slightly higher compared with the year-earlier period. Similar trends were reported in ready mixed concrete and aggregates. Overall, the fall in sales volumes pushed down operating results, despite containment of fixed costs.

In **Belgium** the Group's overall sales slackened, both in cement and in aggregates and ready mixed concrete, despite steady domestic cement sales volumes. First-quarter

revenues decreased, since the limited rise in prices was unable to make up for the decline in volumes. Operating results improved, benefiting from containment of fixed costs.

In **Spain**, small signs of a recovery in public works were visible, but demand continued to fall heavily, although Group cement sales declined at a slower rate than the market. Overall, revenues and operating results were down on 2008.

In **Greece**, as demand slackened, the decrease in sales led to a downturn in Group revenues and operating results, mitigated only in part by a positive sales price effect.

NORTH AMERICA (USA, Canada, Puerto Rico)

Operating in a serious economic crisis, the construction sector experienced a decline with respect to the first quarter of 2008 caused by the strong slowdown in the residential sector.

Cement volumes for the Group, which, like other competitors, temporarily closed some of its production facilities, fell in parallel with demand. The action taken to contain costs helped the Group limit to some extent the impact of lower sales volumes on operating results.

EASTERN EUROPE AND SOUTHERN MED RIM (Egypt, Morocco, Bulgaria, Turkey)

In **Egypt** the market continued to make significant progress; the Group boosted its cement sales volumes, although growth was slower than for the sector as a whole due to full absorption of production capacity. The healthy cement sales price trend was an additional factor generating revenue growth. In ready mixed concrete, sales volumes declined as work was completed at a number of major building sites, but performance was assisted by the positive sales price trend. Group overall revenues improved, although this was not reflected in operating results, assisted in translation into euro by the appreciation of the local currency, due to the increase in costs for raw materials and energy.

In **Morocco** cement demand slackened slightly from the peaks recorded in the first half of 2008. Group revenues improved, however, thanks to positive volume and price effects. Operating results also increased, despite higher costs for energy and raw materials.

In **Bulgaria** the residential market showed signs of slowing, while the government infrastructure construction programs had still to produce benefits. The Group reported lower domestic sales volumes, which, despite a positive sales price trend, led to a reduction in operating results.

In **Turkey** demand continued to slacken on the cement market, leading to a significant fall in Group cement and ready mixed concrete sales, although sales prices rose in the ready mixed concrete sector. Significant containment of fixed costs as a result of re-organizations in the cement and ready mixed concrete sectors kept operating results substantially stable.

ASIA (Thailand, India, China, Kazakhstan)

In **Thailand**, where economic and political conditions remained critical, after completing a restructuring involving stoppages at a number of plants, the Group reported a slowdown in cement and ready mixed concrete sales volumes, together with a negative price trend. Operating results, affected by non-recurring restructuring costs, were down on the first quarter of 2008, despite savings on fixed costs.

In **India** demand supported by government investment more than made up for the slowdown in the residential and commercial sectors. Group sales fully absorbed production capacity and were slightly down on the year-earlier period, which benefited

from clinker purchases from third parties. Operating results made healthy progress thanks to a favorable price-cost ratio.

In **China** Group cement and clinker sales volumes increased, driven in part by demand backed by government investment in infrastructures. Volume growth was accompanied by a positive price trend, generating a strong improvement in revenues and progress in operating results.

Demand fell heavily in **Kazakhstan**, where the Group limited operations while it implemented a major extraordinary maintenance program.

CEMENT/CLINKER TRADING

The first quarter of 2009 saw a significant reduction in cement and clinker sales volumes due to the worsening economic situation. The decrease in volumes and margins produced a fall in revenues and operating results.

ECONOMIC PERFORMANCE

Revenues, at 1,201.2 million euro, were down by 11.1% from the first quarter of 2008 due to the sharp decline in business operations (-13.4%), mitigated only in part by the positive exchange-rate effect (+2.4%) and an immaterial consolidation effect (-0.1%).

Revenues increased in the emerging countries, notably in Eastern Europe and Southern Med Rim, where strong growth in Egypt and Morocco more than made up for the sharp decline in Turkey and Bulgaria. Nevertheless, this positive trend counterbalanced only in part the heavy fall reported in Central Western Europe, North America and Trading. At constant size and exchange rates, the largest reductions, in absolute values, were reported in Italy and France, while the highest negative growth rates were in Spain and North America.

The positive exchange-rate effect arose mainly as a result of the appreciation of the Egyptian pound and the US dollar against the euro.

Revenues by line of business (in millions of euro)	Q1 2009	Q1 2008	% change	% change (*)
Cement and clinker	877	963	-8.9	-12.0
RMC/Aggregates	260	321	-19.0	-22.4
Other	64	68	-5.0	9.3
Total	1,201	1,351	-11.1	-13.4

(*) at constant size and exchange rates

In some countries, the revenue decline was accompanied by an extension in actual terms of payment as a consequence of the crisis, leading to the introduction of wider measures to contain collection times.

The significant fall in operating results stemmed chiefly from the reduction in sales volumes described above, particularly in the mature countries. The fact that sales prices remained at satisfactory levels almost everywhere counterbalanced the YoY increase in

variable costs, which was particularly notable in January and February, in part due to use of fuel stocks procured at the high average prices of 2008.

The measures introduced as from 2008 to contain fixed costs (down by approximately 4.5% from the year-earlier period) produced significant results in all countries, confirming the turnaround that emerged in the fourth quarter of 2008.

In connection with these measures, during the first quarter Italy and Thailand reported non-recurring expense (12.3 million euro) for re-organizations to boost industrial efficiency.

Recurring EBITDA (188.9 million euro) and **EBITDA** (177.4 million euro) fell by 27.0 % and 31.6% respectively, while **EBIT** (64.6 million euro) was 57.3% down on the first quarter of 2008.

Operating results were negatively affected by performance in Central Western Europe, North America and Trading, whereas a strong positive contribution came from the emerging countries, notably Morocco, India and Egypt; Egypt in particular was assisted, in the first quarter, by a significant positive exchange-rate effect.

The Group continued its strategic **investment programs** for the new lines in Martinsburg in the USA, Yerraguntla in India, Ait Baha in Morocco and Matera in Italy. Capital expenditure for the quarter totaled 171.4 million euro, up from 156.2 million euro in the year-earlier period.

Profit before tax, at 36.9 million euro (116.8 million euro in the year-earlier period), reflected the fall in operating results discussed above, but benefited from a reduction in net finance costs, which decreased from 35.5 million euro (Q1 2008) to 29.0 million euro in the quarter under review. This reduction, accompanied by positive exchange-rate differences balancing out negative foreign-exchange derivatives, arose from a number of factors, including the effect of the general fall in interest rates on sources of funds, income from equity investments, interest-rate derivatives and, in part, capitalization of finance costs (under the new IAS 23).

The decline in operating results generated **income tax expense** of 16.8 million euro, a significant decrease (-51.5%) from the first quarter of 2008; **net profit for the period** was 20.1 million euro (82.2 million euro in the first quarter of 2008).

The increased weight of positive results at companies with significant minority interests (the Egyptian companies in particular) and the losses reported by companies with low or zero minority interests generated a **Group net loss** of 12.7 million euro (Group net profit of 38.7 million euro in the first quarter of 2008); the **result attributable to minority interests** remained positive (32.8 million euro, from 43.6 million euro in the year-earlier period).

Revenues and operating results (in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2009	% change vs Q1 2008	Q1 2009	% change vs Q1 2008	Q1 2009	% change vs Q1 2008	Q1 2009	% change vs Q1 2008
Central Western Europe	644.0	(21.8)	63.2	(49.5)	60.5	(52.0)	4.0	(94.3)
North America	74.4	(14.4)	(9.2)	n.s.	(9.5)	n.s.	(21.1)	97.6*
Eastern Europe and Southern Med Rim	348.0	15.1	110.5	8.4	110.4	8.3	79.0	8.9
Asia	107.9	1.3	26.7	1.3	22.9	(12.6)	11.9	(24.9)
Cement/clinker trading	57.8	(29.8)	2.0	(73.4)	2.0	(73.4)	0.6	(91.0)
Other and eliminations	(30.9)	n.s.	(4.2)	n.s.	(8.9)	n.s.	(9.9)	n.s.
Total	1,201.2	(11.1)	188.9	(27.0)	177.4	(31.6)	64.6	(57.3)

Central Western Europe: Italy, France, Belgium, Spain, Greece **North America:** U.S.A., Canada, Puerto Rico
Eastern Europe and Southern Med Rim: Egypt, Morocco, Bulgaria, Turkey **Asia:** Thailand, India, Kazakhstan, China
Other: Fuel trading, head office and holding.

* increase in negative EBIT already reported in the year-earlier period

n.s. not significant

In compliance with the revised version of IAS 1, the Group has decided to present its comprehensive income results using two schedules. The first schedule reflects traditional income statement components and the net result for the period, while the 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 loss on available-for-sale financial assets and financial derivatives, translation gains and losses.

In the first quarter of 2009, the components of other comprehensive income showed a positive balance of 7.7 million euro (a negative balance of 274.4 million euro in the year-earlier period, largely arising from translation gains and losses). Considering these components and the above-mentioned net profit for the period, total comprehensive income for the first quarter of 2009 was 27.8 million euro (-20.6 million euro attributable to the Group and 48.4 million euro attributable to minorities). This compares with total comprehensive income of -192.2 million euro in the first quarter of 2008 (-150.8 million euro attributable to the Group and -41.4 million euro attributable to minorities).

Net debt at March 31, 2009, was 2,689.5 million euro, a small increase (10.2 million euro) from December 31, 2008 (2,679.3 million euro).

The increase arose mainly from first-quarter cash flows for investing activities (179.0 million euro, of which capital expenditure for 171.4 million euro and investments in non-current financial assets for 7.6 million euro) and other outflows for 49.3 million euro (including approximately 34 million euro for interest-rate derivatives), which were not covered in full by cash flows from operating activities (215.5 million euro).

At March 31, 2009, the Calcestruzzi subgroup had an intercompany current account debit balance of 181.7 million euro in respect of Italcementi S.p.A. (175.4 million euro at December 31, 2008). The amount in question has been classified as a current financial

asset in the Italcementi S.p.A. separate financial statements and consequently included in computation of Group net debt, which decreased by an identical amount. Group total shareholders' equity at March 31, 2009, was 4,651.8 million euro. The gearing ratio (net debt/consolidated shareholders' equity) at March 31, 2009, was 57.8% (58.0% at December 31, 2008).

OUTLOOK

The uncertain international economic outlook makes it difficult to draw up a full-year forecast at this time. Given the current situation in the countries where the Group operates, second-quarter performance is expected to be in line with the first quarter, reflecting reduced sales volumes, relatively stable sales prices and the impact of use of fuel stocks procured at the previously higher prices.

The corrective measures already introduced to lower break-even and the decrease in energy costs suggest a less difficult second half if sales prices remain steady and the expected decline in volumes becomes less negative, considering the lower profile of the second half of 2008 and the impact of the first benefits of government measures to support the economy.

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.

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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. Italcementi is included in the Dow Jones Sustainable Index World, the benchmark index for leading sustainability-driven companies worldwide.



To permit comparison with the first quarter of 2008, the 2008 figures have been restated for compliance with IAS 1 (Presentation of Financial Statements) and IAS 23 (Borrowing Costs) and with operations in Turkey, previously classified as available for sale in compliance with IFRS 5 but in the event not sold, consolidated on a line-by-line basis.

Italcementi Group					
Consolidated income statement (in thousands of euro)	Q1 2009		Q1 2008 re-stated		% change
		%		%	
Revenues	1,201,209	100.0	1,351,118	100.0	-11.1
Other revenues	18,577		12,026		
Change in inventories	(16,871)		13,204		
Internal work capitalized	8,971		6,358		
Goods and utilities expenses	(474,442)		(546,488)		
Services expenses	(267,255)		(306,915)		
Employee expenses	(232,298)		(233,895)		
Other operating income (expense)	(49,005)		(36,754)		
Recurring EBITDA	188,886	15.7	258,654	19.1	-27.0
Net capital gains on sale of fixed assets	747		5,009		
Non-recurring employee expenses	(12,340)		(4,340)		
Other non-recurring income (expense)	88		130		
EBITDA	177,381	14.8	259,453	19.2	-31.6
Amortization and depreciation	(112,795)		(107,927)		
Impairment variations	-		(102)		
EBIT	64,586	5.4	151,424	11.2	-57.3
Finance income	8,854		9,457		
Finance costs	(35,598)		(41,911)		
Net exch.-rate differences and derivatives	(2,230)		(3,022)		
Share of results of associates	1,242		826		
Profit before tax	36,854	3.1	116,774	8.6	-68.4
Income tax expense	(16,758)		(34,562)		
Net profit for the period	20,096	1.7	82,212	6.1	-75.6
Attributable to:					
Equity holders of the parent	(12,670)		38,657		
Minority interests	32,766		43,555		

Italcementi Group					
Consolidated statement of comprehensive income (in thousands of euro)	Q1 2009		Q1 2008 re-stated		% change
		%		%	
Net profit for the period	20,096	1.7	82,212	6.1	-75.6
Fair value adjustments to:					
Available-for-sale financial assets	(10,735)		(48,526)		
Derivative financial instruments	(23,268)		(6,119)		
Translation differences	41,595		(220,054)		
Tax relating to components of other comprehensive income	148		304		
Components of other comprehensive income	7,740		(274,395)		
Total comprehensive income	27,836	2.3	(192,183)	-14.2	114.5
Attributable to:					
Equity holders of the parent	(20,550)		(150,825)		86.4
Minorities	48,386		(41,358)		217.0

Italcementi Group				
Financial position (in thousands of euro)	March 31, 2009	December 31, 2008	Change	
			Δ	%
Cash, cash equivalents and current financial assets	(643,721)	(592,945)	(50,776)	8.6
Short-term financing	582,210	611,876	(29,666)	-4.8
Medium/long-term financial assets	(52,513)	(64,000)	11,487	-17.9
Medium/long-term financing	2,803,474	2,724,386	79,088	2.9
Total net debt	2,689,450	2,679,317	10,133	0.4
	March 31, 2009	December 31, 2008 re-stated		
Total shareholders' equity	4,651,845	4,621,637	30,208	0.7