

## Cementir: Board of Directors approves results for the first nine months of 2006

- Revenues: Euro 774.3 million, +21.6%
- Ebitda: Euro 187.3 million, +31.1%
- Ebit: Euro 137.4 million, +41.6%
- Pre-tax profit: Euro 121.7 million, +31.6%

Rome, November 9, 2006 - Cementir Board of Directors, chaired by Francesco Caltagirone jr, today approved the 2006 third quarter results.

### Financial highlights (millions of Euro) – First nine months

	January - September 2006	January - September 2005	Change
Revenues	774.3	636.7	+21.62
Ebitda	187.3	142.9	+31.1
Ebit	137.4	97	+41.6
Pre-tax profit	121.7	92.4	+31.6

<i>Ebitda/Revenues %</i>	<i>24.2%</i>	<i>22.4%</i>
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Cementir results grew in the first nine months and are in the upper range of our forecasts, in spite of increases in energy and transport costs. **Revenues grew** by 21.6% to Euro 774 million, compared to Euro 636 million in the first nine months of 2005, **Ebitda** grew by 31% to Euro 187.3 million (Euro 142.9 million in the same period of the previous year) and **Ebit** grew by 41.6% to Euro 137.4 million compared to Euro 97 million in the same period of 2005. Those results were achieved thanks to constant benchmarking within the Group across countries, markets and products. The policy of geographic diversification and the strategic acquisitions of over Euro 1.1 billion in five years have been successful, both in value creation, and in the results achieved so far. Combined with the growth in sales, there has been a constant increase in operating margins, driving the **margin** (Ebitda/sales) to 24.2% in the first nine months of the year.

**Pre-tax profit** amounted to Euro 121.7 million, an increase of 31.6% compared to Euro 92.4 million in the same period of the previous year.

The geographical breakdown of turnover in the first nine months of the year saw an increase of 14.3% in Europe to Euro 554 million (Euro 484.9 million in the first

nine months of 2005), an increase of 57.7% in Asia to Euro 165.9 million (Euro 105.2 million in the previous year), growth of 30.8% in North and Central America to Euro 37.4 million (Euro 28.6 million in 2005) and a small decrease in North Africa of 5% with revenues of Euro 17 million compared to Euro 18 million in the first nine months of 2005. In particular, in Europe the improvement derives from a good performance in the Scandinavian and Italian markets. The strong performance in Asia is mainly due to good trading in Turkey as well as the first time inclusion of the Edirne factory. Main contributors to North and Central America performance were both good trading in the US and the first time inclusion of Vianini Pipe. Cementir Group's geographic and product diversification allows to minimize country specific risks and to keep a more balanced margin and cash flow profile.

The consolidated sales by product can be broken down as follows: Euro 486.8 million sales of white and grey cement (Euro 406.8 million in the first nine months of 2005) and Euro 287.6 million sales of ready mix concrete (Euro 229.9 million in 2005).

Results at constant perimeter, excluding Vianini Pipe, 4K-Beton and the Cimentas factory at Edirne were the following: Revenues of Euro 714.1 million (+12.6%) compared to Euro 633.8 million in the first nine months of 2005; Ebitda of Euro 170 million (+19.3%) compared to Euro 142.4 million in the same period of the previous year. There was also an improvement in margins at constant perimeter (Ebitda/Revenues): from 22.4% in the first nine months of 2005 to 23.8%.

### Results in the third quarter of 2006

#### Financial highlights (millions of Euro)

	Third Quarter 2006	Third Quarter 2005	Change
Revenues	270	234,3	+15,3
Ebitda	68,8	60,8	+13,2
Ebit	53,3	45,8	+16,3
Pre-tax profit	56	44,1	+26,8

The third quarter of 2006 recorded revenues of Euro 270 million (+15.3% compared to Euro 234.3 million in the third quarter of 2005), an Ebitda of Euro

68.8 million (+13.2% compared to Euro 60.8 million in the third quarter of 2005) and an Ebit of Euro 53.3 million (+16.3% compared to Euro 45.8 million in the third quarter of 2005). In particular, the third quarter was impacted by the depreciation of the Turkish Lira and by the technical disruptions at Izmir and Edirne plants which were subsequently resolved. The quarter ended with another acquisition, continuing the strategic international expansion which commenced in 2001: on September 21st, 2006, the Group completed the acquisition of the Turkish cement company Elazig Cimento for USD 122 million including debt. With this acquisition Cementir Group reaches a total annual capacity in Turkey of approximately 5 million tonnes, becoming the third largest operator in the country, with four factories, all located in strategic areas with high growth potential.

### **Net debt position**

Net debt position was Euro 484.2 million compared to Euro 428.6 million at June 30th, 2006. The debt position takes into account the acquisition of the Turkish cement company Elazig Cimento for USD 122 million, equal to Euro 96 million at the exchange rate at the close of the quarter. The net financial position as of September 30th, 2006 was, excluding this acquisition, better than budgeted.

### **Outlook**

The Cementir Group believes that some of the objectives in the 2006/2008 three-year plan can be achieved in the current year. The strong operational performance underpins and reinforces Cementir Group confidence in securing further investment opportunities, where favourable conditions may develop.

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## Performance in the first nine months and in the 3<sup>rd</sup> quarter 2006

**Table A**

<i>(Euro thousands)</i>	<b>Jan-Sept 2006</b>	<b>Jan-Sept 2005</b>	<b>Δ %</b>	<b>3<sup>rd</sup> Quarter 2006</b>	<b>3<sup>rd</sup> Quarter 2005</b>	<b>Δ %</b>
<b>NET REVENUES FROM SALES AND SERVICES</b>	<b>774,389</b>	<b>636,724</b>	<b>21.62</b>	<b>270,083</b>	<b>234,346</b>	<b>15.25</b>
OTHER REVENUES	10,387	8,425	23.29	-	3,672	-100.00
RAW MATERIAL COSTS	(299,689)	(243,621)	23.01	(96,558)	(87,693)	10.11
SERVICES COSTS	(179,337)	(159,560)	12.39	(61,954)	(55,697)	11.23
PERSONNEL COSTS	(107,714)	(87,894)	22.55	(39,205)	(29,710)	31.96
TOTAL OTHER OPERATING COSTS	(10,650)	(11,142)	-4.42	(3,583)	(4,139)	-13.43
<b>EBITDA</b>	<b>187,386</b>	<b>142,932</b>	<b>31.10</b>	<b>68,783</b>	<b>60,779</b>	<b>13.17</b>
<i>EBITDA/SALES %</i>	<i>24.20</i>	<i>22.45</i>		<i>25.47</i>	<i>25.94</i>	
AMORTISATION, DEPRECIATION AND PROVISIONS	(49,927)	(45,882)	8.82	(15,469)	(14,940)	3.54
<b>EBIT</b>	<b>137,459</b>	<b>97,050</b>	<b>41.64</b>	<b>53,314</b>	<b>45,839</b>	<b>16.31</b>
<i>EBIT/SALES %</i>	<i>17.75</i>	<i>15.24</i>		<i>19.74</i>	<i>19.56</i>	
<b>FINANCIAL RESULTS</b>	<b>(15,753)</b>	<b>(4,577)</b>		<b>2,707</b>	<b>(1,688)</b>	
<b>PROFIT BEFORE TAX</b>	<b>121,706</b>	<b>92,473</b>	<b>31.61</b>	<b>56,021</b>	<b>44,151</b>	<b>26.89</b>

### Sale volumes

<i>(thousands)</i>	<b>Jan-Sept 2006</b>	<b>Jan-Sept 2005</b>	<b>Δ %</b>	<b>3<sup>rd</sup> Quarter 2006</b>	<b>3<sup>rd</sup> Quarter 2005</b>	<b>Δ %</b>
GREY AND WHITE CEMENT (tons)	7,430	6,878	8.02	2,675	2,322	15.23
READY MIXED CONCRETE (m <sup>3</sup> )	3,166	2,812	12.59	1,048	1,009	3.82

## Net financial position

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**Table D**

<i>(Euro thousands)</i>	<b>09/30/2006</b>	<b>06/30/2006</b>	<b>12/31/2005</b>
CASH AND CASH EQUIVALENTS	166,486	127,202	129,969
FINANCIAL LIABILITIES NON CURRENT	(289,849)	(243,811)	(252,085)
FINANCIAL LIABILITIES CURRENT	(360,817)	(312,022)	(281,423)
<b>NET FINANCIAL POSITION</b>	<b>(484,180)</b>	<b>(428,631)</b>	<b>(403,539)</b>