



## The Board of Directors examines results for the year 2009

### CIMENTS FRANÇAIS

- **CONSOLIDATED REVENUES:** 4,215.4 million euros (-11.7%)
- **RECURRING GROSS OPERATING PROFIT:** 908.8 million euros (-11.0%)
- **OPERATING PROFIT:** 506.4 million euros (-16.6%)
- **NET PROFIT:** 337.3 million euros (-4.2%)
- **GROUP NET PROFIT (attributable to equity holders of the parent):** 234.3 million euros (-11.9%)
- **INVESTMENTS:** 643.5 million euros
- **NET FINANCIAL DEBT:** 1,562.3 million euros as of December 31, 2009
- **CIMENTS FRANÇAIS SA NET PROFIT:** 128.4 million euros
- **PROPOSED DIVIDEND:** 3 euros per share, payable as from May 5, 2010 (identical to the dividend paid in 2008)

**Paris, March 5, 2010** – At a meeting held on March 3 and chaired by Yves René Nanot, the Board of Directors of Ciments Français (Italcementi Group) examined and approved the statutory accounts and the consolidated financial statements for the year 2009.

In 2009, in a deteriorated global economic environment, Group sales volumes declined significantly in all three lines of business, but with a slower contraction in the fourth quarter. The decrease was most marked in Western Europe and North America, while Group sales volumes improved versus 2008 in some emerging countries.

The fall in volumes resulted in lower revenues and results, despite the steadiness in average sales prices. However, the cost-containment program adopted by the Group at the beginning of the crisis enabled the income ratio for 2009 to remain stable compared with 2008. The maintenance of operating cash flow and above all the reduction in working capital contributed to reduce the net financial debt by 159 million euros.

Actions carried out to strengthen industrial efficiency produced significant savings in terms of variable and fixed costs, equivalent to 170 million euros for 2009. In 2010, those measures together with cost monitoring should result in additional savings, although not as significant as in 2009.

Full-year sales volumes were down 8.9% on a comparable basis (-8.7% on a historical basis) at 46.5 million tonnes for cement and clinker. They decreased by 17.8% at 39.1 million tonnes for granulates, and by 21.5% (-19.2% on a historical basis) at 11.2 million cubic meters for ready mix concrete.

Cement sales volumes declined in all industrialized countries (particularly France, Spain and North America). The trend was more contrasted in the emerging countries: sales volumes were up in Egypt, China and Kazakhstan compared with 2008; in Morocco, they were in line with those of the year-earlier period.

**Consolidated revenues** for 2009 amounted to 4,215.4 million euros, down 11.7% on 2008 (-13.4% at comparable consolidation scope and exchange rates), despite steady sales prices. Revenues made healthy progress in some emerging countries, like Egypt, Morocco and China.

Operating results were affected by the significant volume effect but benefited from the uptrend in average sales prices, which slowed down in the second half of the year. Overall, operating cost management programs contributed to increase the recurring EBITDA/revenues ratio from 21.4% in 2008 to 21.6% in 2009.

**Recurring EBITDA** totaled 908.8 million euros (-11.0%). **EBIT** at 506.4 million euros (-16.6%) was weighted down by the depreciation of industrial assets primarily located in Thailand.

**Finance costs** amounted to -73.7 million euros as against -123.7 million euros in 2008 due to the decrease in interest expense on net financial debt, the rise in capitalized borrowing costs and the recognition in 2008 of other non-recurring net finance costs. The decrease in interest expense on net financial debt resulted from lower interest rates and from changes in the financing structure.

**Net profit**, after tax and finance costs, amounted to 337.3 million euros, down 4.2%. **Net profit attributable to equity holders of the parent** was down 11.9% at 234.3 million euros (266.0 million euros in 2008), after recognition of the share of profit attributable to minority interests, mainly in Egypt and Morocco.

In 2009, **industrial and financial investments** totaled 643.5 million euros as against 693.1 million euros in 2008; they mainly focused on revamping and expanding production facilities in North America (Martinsburg), Morocco (Ait Baha) and India (Yerraguntla).

Thanks to a rigorous management of cash flows, particularly the decrease in working capital, **net financial debt** as of December 31, 2009 dropped by 159.5 million euros at 1,562.3 million euros.

**Total equity** was up 139.2 million euros at 3,896.5 million euros and the **gearing ratio** (net debt/shareholders' equity) was 40.1% (45.8% at the end of 2008).

**The net profit of Ciments Français SA** for 2009 amounted to 128.4 million euros (171.4 million euros in 2008).

It will be proposed to the General Meeting convened on April 13, 2010 the payment of a net **dividend** of 3 euros per share as from May 5, 2010 (identical to the dividend paid in 2008).

## **Q4 2009**

The fourth quarter was impacted by lower sales volumes than in 2008 for all business segments. This decrease was however not as sharp as those in the first three quarters of 2009. Cement sales improved in emerging countries, with the exception of Bulgaria and Turkey.

Q4 **revenues** were down at 979.4 million euros, i.e. -13.9% on Q4 2008. Revenues improved in Egypt, Morocco and China. **Recurring EBITDA** penalized by declining volumes and sales prices decreased as against 2008 at 187.9 million euros. Its percentage on revenues was stable.

Quarterly trend	Q4 2009	Q3 2009	Q2 2009	Q1 2009
<b>Revenues</b> Change in % vs. 2008	<b>979.4</b> -13.9	<b>1,062.2</b> -14.8	<b>1,147.4</b> -11.4	<b>1,026.4</b> -6.2
<b>Recurring EBITDA</b> Variation % vs. 2008 <i>% on revenues</i>	<b>187.9</b> -10.3 19.2	<b>259.0</b> -9.5 24.4	<b>271.8</b> -7.3 23.7	<b>190.1</b> -18.1 18.5
<b>EBITDA*</b> Variation % vs. 2008 <i>% on revenues</i>	<b>181.3</b> -1.4 18.5	<b>255.6</b> -9.4 24.1	<b>274.7</b> -6.6 23.9	<b>185.6</b> -21.4 18.1
<b>EBIT</b> Variation % vs. 2008 <i>% on revenues</i>	<b>70.6</b> +61.8 7.2	<b>170.8</b> -14.8 16.1	<b>166.8</b> -20.6 14.5	<b>98.2</b> -35.6 9.6
<b>Group net profit</b> <i>% on revenues</i>	<b>21.8</b> 2.2	<b>98.8</b> 9.3	<b>88.0</b> 7.7	<b>25.7</b> 2.5
<b>Net financial debt</b> (end of period)	<b>1,562.3</b>	<b>1,659.5</b>	<b>1,858.5</b>	<b>1,716.9</b>

\* Vs. recurring EBITDA, including other non-recurring operating income (expense).

## **BUSINESS TREND FOR 2009**

### **Western Europe**

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT		Capital expenditure	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008*
France/ Belgium	1,529.7	1,749.1	334.1	379.5	338.2	382.4	232.5	279.1	65.3	102.2
Spain	226.9	299.7	42.2	67.9	43.0	67.3	16.9	43.4	12.2	19.7
Greece	83.3	97.4	21.1	27.7	21.1	27.7	16.7	23.4	5.3	6.0
Intra-zone eliminations	(14.0)	(16.8)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,825.9</b>	<b>2,129.4</b>	<b>397.3</b>	<b>475.0</b>	<b>402.3</b>	<b>477.4</b>	<b>266.1</b>	<b>345.8</b>	<b>82.8</b>	<b>127.8</b>

### **North America**

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT		Capital expenditure	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008*
<b>Total</b>	<b>401.6</b>	<b>500.7</b>	<b>12.4</b>	<b>55.4</b>	<b>2.2</b>	<b>53.1</b>	<b>(55.7)</b>	<b>8.2</b>	<b>216.0</b>	<b>197.6</b>

### **Eastern Europe & Southern Med Rim**

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT		Capital expenditure	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008*
Egypt	793.0	664.5	262.2	239.5	261.5	216.2	183.2	142.2	30.5	32.5
Morocco	320.3	309.4	132.2	95.3	132.2	95.4	109.2	73.9	156.4	84.9
Bulgaria	100.1	170.2	26.0	57.4	26.0	57.4	16.1	44.5	29.2	18.0
Turkey	132.2	215.2	(6.1)	3.0	(6.2)	2.9	(20.9)	(29.0)	8.8	19.3
Intra-zone eliminations	(0.6)	(0.4)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,345.0</b>	<b>1,358.9</b>	<b>414.3</b>	<b>395.2</b>	<b>413.5</b>	<b>371.8</b>	<b>287.7</b>	<b>231.6</b>	<b>224.9</b>	<b>154.7</b>

### **Asia**

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT		Capital expenditure	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008*
Thailand	160.8	199.6	22.2	36.2	15.9	36.1	(25.6)	5.3	5.7	9.0
India	171.8	188.2	60.6	64.4	60.5	63.5	47.0	49.8	50.8	83.1
China	46.8	32.3	8.8	(0.6)	8.7	(0.6)	4.6	(18.9)	2.7	2.4
Kazakhstan	32.3	29.5	3.8	5.0	3.8	4.7	0.3	1.7	4.9	16.3
Intra-zone eliminations	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>411.7</b>	<b>449.5</b>	<b>95.4</b>	<b>105.1</b>	<b>88.8</b>	<b>103.8</b>	<b>26.2</b>	<b>38.0</b>	<b>64.0</b>	<b>110.9</b>

### **Cement/clinker trading**

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT		Capital expenditure	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008*
<b>Total</b>	<b>253.0</b>	<b>323.6</b>	<b>15.5</b>	<b>15.4</b>	<b>15.5</b>	<b>15.4</b>	<b>9.4</b>	<b>11.0</b>	<b>3.0</b>	<b>2.9</b>

### **Total Group**

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT		Capital expenditure	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008*
Inter-zone eliminations and others **	(21.8)	12.6	(26.1)	(25.1)	(25.1)	(25.1)	(27.4)	(27.6)	2.2	2.5
<b>Total</b>	<b>4,215.4</b>	<b>4,774.8</b>	<b>908.8</b>	<b>1,021.0</b>	<b>897.2</b>	<b>996.4</b>	<b>506.4</b>	<b>606.9</b>	<b>592.9</b>	<b>596.4</b>

\* IAS 23 revised restated.

\*\* Headquarters, holding companies and fuel trading.

## **OUTLOOK**

In 2009, in a very uncertain environment, the Group largely met the targets it had set itself, despite a strong decrease in sales volumes.

In 2010, the Group expects to benefit from the continuation of the efforts towards productivity and fixed-cost-containment initiated in 2008, and from the first positive effects from the start-up of new industrial facilities. On the other hand, the globally negative trend in market factors -- volumes and sales prices -- as well as the likely rise in the price of fuels should weigh down on income.

The efforts of the last two years will enable the Group to be in a position to benefit from the effects of the economic recovery as soon as its first signs will appear.

*The statutory auditors have performed their audit on the consolidated financial statements. Their certification letter ("lettre de fin de travaux") is currently being drawn up.*

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The results of Italcementi and Ciments Français for the year 2009 will be illustrated during an analysts meeting to be held in Milan on **Monday, March 8, 2010 at 3:30 pm**.

This presentation may be followed via audio conference or a webstreaming link on [www.italcementigroup.com](http://www.italcementigroup.com) & [www.cimfra.com](http://www.cimfra.com).

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## **DISCLAIMER**

*This release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding the Company's results or any other performance indicator, but rather trends or targets, as the case may be. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its Internet website ([www.cimfra.com](http://www.cimfra.com)). These statements do not reflect future performance of the Company, which may materially differ. The Company does not undertake to provide updates of these statements.*

## Appendix

CIMENTS FRANÇAIS GROUP					
INCOME STATEMENT (in millions of euros)	2009	%	2008 *	%	% change
<b>Revenues</b>	<b>4,215.4</b>	<b>100.0</b>	<b>4,774.8</b>	<b>100.0</b>	<b>-11.7%</b>
Other revenues	16.4		32.2		
Change in inventories	(44.4)		49.4		
Internal work capitalized	18.7		15.8		
Goods and utilities expense	(1,566.4)		(1,921.1)		
Service expense	(951.1)		(1,129.1)		
Employee expense	(634.6)		(644.4)		
Other operating income (expense)	(145.2)		(156.6)		
<b>Recurring EBITDA</b>	<b>908.8</b>	<b>21.6</b>	<b>1,021.0</b>	<b>21.4</b>	<b>-11.0%</b>
Other income	4.5		1.6		
Other expense	(16.0)		(26.2)		
<b>EBITDA</b>	<b>897.2</b>	<b>21.3</b>	<b>996.4</b>	<b>20.9</b>	<b>-10.0%</b>
Amortization and depreciation	(357.5)		(348.9)		
Impairment	(33.3)		(40.6)		
<b>EBIT</b>	<b>506.4</b>	<b>12.0</b>	<b>606.9</b>	<b>12.7</b>	<b>-16.6%</b>
Finance income	24.7		76.3		
Finance costs	(90.8)		(120.5)		
Impairment of financial assets	-		(79.2)		
Gains (losses) on exchange rates and changes in fair value of derivatives	(7.6)		(0.4)		
<b>Finance income (costs)</b>	<b>(73.7)</b>	<b>-1.7</b>	<b>(123.7)</b>	<b>-2.6</b>	<b>-40.4%</b>
Share of results of associates	16.5		23.4		
<b>Profit before tax</b>	<b>449.2</b>	<b>10.7</b>	<b>506.6</b>	<b>10.6</b>	<b>-11.3%</b>
Tax expense	(111.8)		(154.5)		
<b>Net profit</b>	<b>337.3</b>	<b>8.0</b>	<b>352.1</b>	<b>7.4</b>	<b>-4.2%</b>
Equity holders of Group parent	234.3		266.0		
Non-controlling interests	103.0		86.0		
Basic earnings per share (in euros)	6.39		7.18		
Diluted earnings per share (in euros)	6.39		7.16		

\* IAS 23 revised restated.

CIMENTIS FRANÇAIS GROUP			
CONSOLIDATED BALANCE SHEET <i>(in millions of euros)</i>	31 December 2009	31 December 2008*	% change
<b>Non-current assets</b>			
Property, plant & equipment	3,666.5	3,522.2	
Investment property	17.0	7.1	
Goodwill	1,514.8	1,504.9	
Intangible assets	67.8	71.8	
Investments in associates	199.2	188.1	
Other investments	78.4	50.0	
Deferred tax assets	17.6	21.6	
Other non-current assets	67.2	102.3	
<b>Non-current assets</b>	<b>5,628.5</b>	<b>5,468.0</b>	<b>+2.9%</b>
<b>Current assets</b>			
Inventories	547.8	698.7	
Trade receivables	572.0	723.5	
Other current assets	192.9	239.7	
Income tax assets	68.6	50.3	
Investments and financial receivables	0.8	0.0	
Cash and cash equivalents	497.2	324.1	
<b>Current assets</b>	<b>1,879.2</b>	<b>2,036.2</b>	<b>-7.7%</b>
<b>Total assets</b>	<b>7,507.7</b>	<b>7,504.2</b>	<b>-</b>
<b>Equity and liabilities</b>			
Share capital	145.4	147.0	
Reserves	922.9	940.9	
Treasury shares	(8.5)	(36.3)	
Retained earnings	2,056.1	1,960.7	
<b>Shareholders' equity</b>	<b>3,115.9</b>	<b>3,012.3</b>	<b>+3.4%</b>
Minority interest	780.6	745.0	
<b>Total equity</b>	<b>3,896.5</b>	<b>3,757.3</b>	<b>+3.7%</b>
<b>Non-current liabilities</b>			
Interest-bearing loans	1,726.5	1,655.9	
Employee benefit liabilities	121.7	117.4	
Provisions	164.6	202.0	
Deferred tax liabilities	251.8	253.0	
Payables and other non-current liabilities	45.2	32.3	
<b>Total non-current liabilities</b>	<b>2,309.8</b>	<b>2,260.6</b>	<b>+2.2%</b>
<b>Current liabilities</b>			
Bank overdrafts and short-term borrowings	173.5	195.5	
Interest-bearing loans and borrowings (current portion)	128.3	230.3	
Trade payables	438.0	552.4	
Provisions	3.4	2.0	
Income tax liabilities	62.9	58.4	
Other current liabilities	495.3	447.7	
<b>Current liabilities</b>	<b>1,301.4</b>	<b>1,486.3</b>	<b>-12.4%</b>
<b>Total equity and liabilities</b>	<b>7,507.7</b>	<b>7,504.2</b>	<b>-</b>

\* IAS 23 revised restated.