



The Board of Directors examines results for the year 2007

CIMENTS FRANÇAIS

- **CONSOLIDATED REVENUES:** 4,685 million euros (+6.9%)
- **RECURRING GROSS OPERATING PROFIT:** 1,209 million euros (-0.4%)
- **OPERATING PROFIT:** 853 million euros (-2.1%)
- **NET PROFIT:** 564 million euros (-4.4%)
- **GROUP NET PROFIT:** 466 million euros (-7.3%)
- **INVESTMENTS:** 587 million euros
- **NET FINANCIAL DEBT:** 1,513 million euros as of December 31, 2007 (+36 million euros compared with the end of 2006)
- **CIMENTS FRANÇAIS SA:** NET PROFIT of 138.5 million euros
- **PROPOSED DIVIDEND:** 2.50 euros per share, payable as of May 5, 2008 (against 2.28 euros for the year 2006)

Paris, March 7, 2008 – At a meeting on March 4 chaired by Yves René Nanot, the Board of Directors of Ciments Français (Italcementi Group), examined and approved the statutory and the consolidated accounts for the year 2007.

In 2007, the Group reported an increase in revenues, thanks to slightly growing sales volumes and a positive trend in sales prices. Following a record year in 2006, gross operating profit for 2007 remained steady despite the strong deterioration in business activity in the United States and the increase in some operating costs, particularly energy and logistics.

During the 2007 financial year, on a historical basis, sales volumes rose for cement and clinker at 51.7 million tonnes (+2.4%) and ready-mixed concrete at 14.1 million m³ (+10.7%). Aggregates decreased slightly at 50.7 million tonnes (-1.0%) primarily due to the temporary closing of a site in Spain.

Ciments Français consolidated **revenues** added up to 4,685 million euros, a 6.9% growth against 2006.

Despite a lower fourth quarter, **recurring gross operating profit** remained stable at 1,209 million euros (-0.4%), thanks to the price effect that offset the increase in operating costs, and a scope impact neutralized by a negative exchange rate effect.

Operating profit, after recognition of clearly increasing amortization and depreciation costs compared with 2006 due to growing capital expenditure made over the previous years, amounted to 853 million euros (-2.1%)

Net profit, after finance costs and tax, totaled 564 million euros, down by 4.4% because of non-recurring impacts in tax expense.

Group net profit (attributable to equity holders of the parent) amounted to 466 million euros, down by 7.3% compared with 2006 with the share of third parties increasing by 11.7%.

2007 was also characterized by significant **financial and industrial investments** (622 million euros). Financial investments allowed the Group to enter the cement segment both in China and Kuwait and to strengthen its presence in the ready-mixed concrete segment in North America.

Capital expenditure enabled the strengthening of production tool efficiency with the revamping and development of the cement plants in the United States, Morocco, India and Spain.

Thanks to stable cash flows from operating activity and despite strong investments related to the above-mentioned major projects, significant share buyback program and payment of dividends, **net financial debt** increased by 36 million euros only, from 1,477 million euros up to 1,513 million euros. Equity grew by 186 million euros at 3,674 million euros and **gearing ratio** (net debt/shareholders' equity) was 41.2% against 42.4% at the end of 2006.

Ciments Français SA net profit for 2007 amounted to 138.5 million euros (337.2 million euros in 2006). A dividend of 2.50 euros per share (against 2.28 euros for the year 2006) will be proposed to the next General Meeting to be held on April 14, 2008, to be payable as of May 5, 2008.

2007 was the fifth year running of economic growth with a rate higher than that of the world economy long-term trend. The financial crisis of the second half of the year had a significant impact on the dynamism of mature countries. Construction markets, already marked by the reversal of the trend in residential activity in the United States as early as the spring of 2006, have shown isolated signs of slowdown in other mature countries, while still strongly increasing in emerging countries.

Faced with a more uncertain economic environment, management has further intensified its plan to reduce fixed costs and implemented a new industrial efficiency program for its cement plants.

With about 2/3 of its industrial capacity in emerging countries and despite the occasional weakening of some mature markets, the Group expects at least to maintain its operating results in 2008.

FOURTH QUARTER 2007 – The fourth quarter was strongly impacted by a drop in volumes in mature countries as well as some emerging ones resulting in a decrease in recurring gross operating profit of 12 million euros (-4.4%).

The favorable price trend contributed to offset the sharp rise in operating costs, particularly fuels, electricity and raw materials.

Quarterly trend	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Revenues	1,137.2	1,214.9	1,275.6	1,057.5
% change vs. 2006	3.8	7.7	5.0	12.3
Recurring gross operating profit	261.2	338.0	375.1	234.8
% change vs. 2006	-4.5	0.3	-1.2	4.8
% of revenues	23.0	27.8	29.4	22.2
Gross operating profit*	244.8	339.8	375.4	235.4
% change vs. 2006	-0.3	0.8	-1.4	4.9
% of revenues	21.5	28.0	29.4	22.3
Operating profit	153.1	255.4	291.5	153.4
% change vs. 2006	-6.1	-0.6	-3.8	3.5
% of revenues	13.5	21.0	22.9	14.5
Group net profit	101.9	125.0	173.8	65.2
% of revenues	9.0	10.3	13.6	6.2
Net financial debt (at period end)	1,513.4	1,532.1	1,552.2	1,352.3

* compared with recurring gross operating profit, other operating income and expense of a non-recurring nature included

BUSINESS TREND

During 2007, on a historical basis, sales volumes increased for cement and clinker at 51.7 million euros (+2.4%) and ready-mixed concrete at 14.1 million euros (+10.7%). As for aggregates, they reported a slight decrease at 50.7 million tonnes (-1.0%), primarily due to the temporary closing of a site in Spain.

WESTERN EUROPE (France, Belgium, Spain, Greece)

In **France**, in a still growing market, Ciments Calcia reported increasing sales volumes. The positive price trend resulted in rising operating results, slightly improving compared with 2006, despite higher costs. This sound business activity contributed to the increase in aggregates sales. Ready-mixed concrete sales volumes remained stable accompanied by a price uptrend that enabled the company to offset the rise in operating costs.

In **Belgium**, in a market still much exposed to the increasing weight of imports the Compagnie des Ciments Belges (CCB) reported slightly lower sales on the national cement market, nevertheless benefiting from a positive trend in prices. Despite a fierce competitive market, ready-mixed concrete sales volumes were a little higher.

In a steady market, Group cement sales volumes in **Spain** decreased significantly. In the ready-mixed concrete segment, mildly higher sales volumes came along with an improvement in sales prices. Thanks to the rise in sales prices and despite the upsurge in energy cost, operating results improved.

In **Greece**, business activity decreased significantly in all three segments in comparison with the record results of the previous year. Despite price increases, operating results were lower against 2006.

NORTH AMERICA (United States, Canada, Puerto Rico)

Against an adverse economic environment, the construction sector reported a decrease in activity because of the collapse of the private residential sector that was only partially offset by the private non residential and public works sectors.

Group cement sales volumes - receding over the entire year compared with 2006 - reflected this trend. The decrease in operating results essentially resulted from the poor performance in the first quarter, price increases having offset the rise in operating charges.

EASTERN EUROPE AND SOUTHERN MEDITERRANEAN (Egypt, Morocco, Bulgaria, Turkey)

In **Egypt**, the cement market confirmed its positive development, fueled by the residential sector activity as well as investments in tourist infrastructures. Group domestic sales were consistent with market evolution, sustained by a favorable price trend. These elements were not sufficient to fully offset the increase in production costs, particularly electricity and fuels. The acquisition of Decom at the beginning of the second half enabled the Group to strengthen its presence in the ready-mixed concrete segment.

In **Morocco**, the growing consumption of 2006 continued in 2007, backed by the strong activity in the construction sector. Against this background, revenues increased strongly in all businesses, with a positive price trend.

Recurring gross operating profit was stable against 2006, penalized both by the strong price increase in fuels and growing clinker purchases outside the Group to meet the strong market demand.

In **Bulgaria**, 2007 confirmed the sound economic growth in all construction sectors with a significantly higher demand for cement compared with 2006. Group cement sales volumes increased. Favorable market conditions resulted in a price uptrend.

Operating results rose despite the increase in some operating costs, in particular fuels.

In **Turkey**, Group domestic cement sales volumes were consistent with market trend with increasing sales prices.

In the ready-mixed concrete segment, penalized by fierce competition, sales volumes decreased slightly. Operating results suffered from the sharp rise in operating costs (essentially raw materials and fuels).

ASIA (Thailand, India, China, Kazakhstan)

In **Thailand**, 2007 was marked by political uncertainties which slowed down the country's economy, causing a decrease in cement consumption.

Cement and clinker sales volumes dropped slightly. The decrease recorded on the domestic market was partially offset by higher exports. Average sales prices dropped on the domestic market because of strong competition.

Against this negative background worsened by the increase in some operating costs, operating results declined against 2006. This decrease was however partially offset by a positive exchange effect.

In **India**, cement consumption was still on the rise. This positive economic environment enabled a sound growth in Group sales volumes even resulting in a saturation of production capacities. Such favorable market conditions resulted in significant price increases.

In view of these elements and of the widening of the consolidation scope, full integration of Zuari Cement since June 1, 2006, operating results were clearly higher than those of 2006.

In **China**, which the Group entered through the acquisition of Fuping Cement Company in July 2007, the economic environment benefited from a very favorable trend, thanks to the very sustained development of the Shaanxi province, where the Group operates, which exceeded that of China as a whole.

Kazakhstan reported a strong growth in both its construction market and its cement consumption despite the sudden slowdown in the last quarter due to the troubled financial scenario triggered by the American crisis. Against this background, Group cement sales volumes increased compared with the previous year with significantly higher average sales prices.

This sustained activity together with price rises resulted in a steep increase in operating results, in spite of the rise in some operating costs (mainly electricity and maintenance).

CEMENT/CLINKER TRADING

The strong growth in Med Rim domestic markets resulted in a decrease in volumes available for exports. New sources of supply were identified in East Asia to meet demand. Overall, cement and clinker sales volumes increased. Higher sales prices contributed to offset the rise in logistic costs.

FINANCIAL PERFORMANCE

In 2007, Ciments Français reported **consolidated revenues** of 4,685 million euros (+6.9% against 2006), this growth being backed by a positive trend in sales prices in all the countries, with the exception of North America and Greece.

Revenues by activity (in millions of euros)	2007	2006	% change vs. 2006	% change vs. 2006 ⁽¹⁾
Cement & clinker	3,150	3,024	+4.2	+5.2
Aggregates / RMC	1,307	1,171	+11.6	+5.3
Other	228	186	+22.9	+26.4
Total	4,685	4,381	+6.9	+6.1

(1) At comparable consolidation scope and exchange rates

Despite the persistent negative trend in operating costs (essentially energy, raw materials and transport), **recurring gross operating profit** was stable against 2006 at 1,209 million euros.

Operating profit, after recognition of clearly increasing amortization and depreciation costs (341 million euros) compared with 2006 (316 million euros) following significant capital expenditure over the previous years, amounted to 853 million euros (-2.1%)

(in millions of euros)	Revenues		Recurring GOP		GOP		Operating profit	
	2007	% change vs. 2006	2007	% change vs. 2006	2007	% change vs. 2006	2007	% change vs. 2006
Western Europe	2,170.1	6.0	516.9	3.1	519.2	2.7	394.9	1.9
North America	605.7	(8.2)	127.6	(18.5)	127.2	(18.3)	80.2	(27.3)
Eastern Europe & Southern Med Rim	1,217.4	10.1	435.3	1.6	420.8	5.5	296.1	4.1
Asia	444.2	23.0	124.3	22.0	123.2	21.2	81.8	21.9
Cement/clinker trading	337.2	9.0	18.1	3.1	18.1	3.5	16.2	(0.8)
Eliminations & others (1)	(89.4)		(13.1)		(13.1)		(15.8)	
Total	4,685.2	6.9	1,209.1	(0.4)	1,195.4	0.6	853.4	(2.1)

Western Europe: France, Belgium, Spain, Greece

North America: United States, Canada, Puerto Rico

Eastern Europe & Southern Med Rim: Egypt, Morocco, Bulgaria, Turkey

Asia: Thailand, India, China, Kazakhstan

(1) Including headquarter and holding companies

Finance costs, net were stable (93 million euros in 2006 against 94 million euros in 2006).

Net profit amounted to 564 million euros (-4.4%) after recognition of higher tax expenses (209 million euros) compared with prior year due to non-recurring tax impacts. **Group net profit** (attributable to equity holders of the parent) amounted to 466 million euros, down by 7.3%, while minority's share increased by 11.7% at 98 million euros.

Cash flows from operating activity amounted to 832 million euros against 878 million euros in 2006 (excluding change in working capital and sold receivables effect).

Investments for 2007 totaled 622 million euros. Capital expenditure amounting to 403 million euros (328 million euros in 2006) mainly related to the United States, Morocco, India and Spain. Financial investments added up to 219 million euros (220 million euros in 2006) and mainly related to the acquisitions of Cambridge and Arrow in the United States, Fuping Cement in China and Hilal in Kuwait, as well as a further stake in Suez Cement and its subsidiaries.

As of December 31, 2007, **net financial debt** amounted to 1,513 million euros against 1,477 million euros as of December 31, 2006.

At year-end, **equity** amounted to 3,674 million euros (+186 million euros). The **debt to equity ratio** (net financial debt/total equity) was 41.2% as of December 31, 2007 (42.4% as of December 31, 2006).

PARENT COMPANY'S RESULTS – Ciments Français SA net profit amounted to 138.5 million euros as of December 31, 2007 against 337.2 million euros in 2006.

DIVIDEND – A dividend of 2.50 euros (against 2.28 euros for the year 2006), payable as of May 5, 2008, will be proposed to the General Meeting to be held on April 14, 2008.

OUTLOOK – 2007 was the fifth year running of economic growth with a rate higher than that of the world economy long-term trend. The financial crisis of the second half of the year had a significant impact on the dynamism of mature countries. Construction markets, already marked by the reversal of the trend in residential activity in the United States as early as the spring of 2006, have shown isolated signs of slowdown in other mature countries, while still strongly increasing in emerging countries.

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CIMENTS FRANÇAIS GROUP					
INCOME STATEMENT (millions of euros)	2007	%	2006	%	% change
Revenues	4,685.2	100.0	4,380.9	100.0	6.9
Other revenues	39.5		22.7		
Change in inventories	42.4		(4.0)		
Internal work capitalized	12.4		11.5		
Goods and utilities expense	(1,723.6)		(1,508.8)		
Service expense	(1,098.5)		(990.5)		
Employee expense	(642.3)		(604.7)		
Other operating income (expense)	(106.0)		(92.9)		
Recurring gross operating profit	1,209.1	25.8	1,214.2	27.7	-0.4
Other income (expense)	(13.7)		(26.4)		
Gross operating profit	1,195.4	25.5	1,187.8	27.1	0.6
Amortization and depreciation	(340.8)		(316.1)		
Impairment	(1.2)		(0.4)		
Operating profit	853.4	18.2	871.3	19.9	-2.1
Finance income	36.2		29.0		
Finance costs	(123.8)		(117.9)		
Gains (losses) on exchange rates and changes in fair value of derivatives	(5.5)		(5.1)		
Finance income (costs)	(93.1)		(94.0)		
Share of results of associates	12.4		11.4		
Profit before tax	772.7	16.5	788.7	18.0	-2.0
Income tax expense	(209.1)		(198.9)		
Net profit	563.6	12.0	589.8	13.5	-4.4
Equity holders of the parent	465.9		502.3		
Minority interests	97.7		87.5		
Basic earnings per share (in euros)	12.31		13.20		
Diluted earnings per share (in euros)	12.22		13.09		

CIMENTS FRANÇAIS GROUP			
CONSOLIDATED BALANCE SHEET (millions of euros)	12/31/2007	12/31/2006	% change
Non-current assets			
Property, plant & equipment	3,261.1	3,162.0	
Investment property	7.8	7.3	
Goodwill	1,475.0	1,415.9	
Intangible assets	50.9	30.9	
Investments in associates	130.5	114.8	
Other investments	196.3	163.3	
Deferred tax assets	19.5	19.7	
Other non-current assets	63.6	75.6	
Non-current assets	5,204.7	4,989.5	+ 4.3%
Current assets			
Inventories	587.3	481.7	
Trade receivables	752.8	858.9	
Other current assets	213.7	191.6	
Income tax assets	18.2	12.4	
Investments and financial receivables	0.1	0.1	
cash and cash equivalents	358.9	306.1	
Current assets	1,931.0	1,850.8	+ 4,3 %
Total assets	7,135.7	6,840.3	+ 4.3%
Equity and liabilities			
Share capital	150.7	153.4	
Reserves	1,054.6	1,065.0	
Treasury shares	(95.0)	(44.6)	
Retained earnings	1,871.5	1,596.4	
Shareholders' equity	2,981.8	2,770.2	+ 7.6%
Minority interest	691.9	717.5	
Total equity	3,673.7	3,487.7	+ 5.3 %
Non-current liabilities			
Interest-bearing loans	1,442.4	1,521.3	
Employee benefit liabilities	119.4	119.8	
Provisions	191.0	216.1	
Deferred tax liabilities	268.8	275.2	
Payables and other non-current liabilities	45.9	20.0	
Total non-current liabilities	2,067.5	2,152.4	- 3.9 %
Current liabilities			
Bank overdrafts and short-term borrowings	204.8	86.3	
Interest-bearing loans and borrowings (current portion)	198.2	169.7	
Trade payables	529.8	517.5	
Provisions	3.1	1.3	
Income tax liabilities	37.8	65.8	
Other current liabilities	420.8	359.6	
Current liabilities	1,394.5	1,200.2	+ 16.2 %
Total equity and liabilities	7,135.7	6,840.3	+ 4.3 %