

CIMENTS FRANÇAIS
Tour Ariane
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RCS NANTERRE B 599 800 885 00478 – APE 741 J
Share capital: **€145,129,040**
consisting of 36,282,260 shares of € 4

QUARTERLY FINANCIAL INFORMATION AS OF MARCH 31, 2011

FINANCIAL HIGHLIGHTS

- **CONSOLIDATED REVENUES:** 972.6 million euros (+7.0%)
- **RECURRING EBITDA:** 146.6 million euros (+2.0%)
- **EBIT:** 56.8 million euros (-7.1%)
- **NET CONSOLIDATED GROUP PROFIT:** 142.1 million euros
- **NET FINANCIAL DEBT:** 1,138.4 million euros (-19.3%)

SIGNIFICANT EVENTS FOR THE QUARTER

Traditionally, the first quarter is influenced by the seasonal character of the business activity and is therefore not representative of the trend for the whole year.

On March 25, 2011 Ciments Français (Italcementi Group) completed the sale announced on February 25, 2011 of Set Group Holding and its subsidiaries to Limak Holding. The sale concluded for a total amount of 290 million euros on a cash and debt-free basis resulted in 109.1 million euros in gains recognized under “profit from discontinued operations”

Pursuant to IFRS 5, the profit and loss from sold operations is presented in the caption “Profit (loss) from discontinued operations” and data for Q1 2010 is restated according to the same method.

FINANCIAL STATEMENTS AS OF MARCH 31, 2011

At a meeting on May 3 chaired by Yves René Nanot, the Board of Directors of Ciments Français (Italcementi Group), examined and approved the unaudited consolidated accounts as of March 31, 2011.

Ciments Français Group

Income statement

(in millions of euros)

	31 March 2011		31 March 2010		2011/2010 % change
	Amounts	%	Amounts	%	
Revenues	972.6	100%	908.8	100%	7.0%
Other revenues	2.8		3.8		
Change in inventories	(28.1)		(4.6)		
Internal work capitalized	1.1		4.3		
Goods and utilities expense	(395.0)		(371.2)		
Service expense	(238.4)		(212.3)		
Employee expense	(154.9)		(151.0)		
Other operating income (expense)	(13.4)		(33.8)		
Recurring EBITDA	146.6	15.1%	143.8	15.8%	2.0%
Gains (losses) on assets disposal	(0.1)		0.1		
Other income (expense)	(0.4)		-		
EBITDA	146.1	15.0%	143.9	15.8%	1.5%
Amortization and depreciation	(88.8)		(82.7)		
Impairment	(0.4)		-		
EBIT	56.8	5.8%	61.2	6.7%	-7.1%
Finance income	22.3		10.9		
Finance costs	(25.1)		(36.1)		
Gains (losses) on exchange rates and changes in fair value of derivatives	(4.7)		3.3		
Finance income (costs)	(7.5)		(21.9)		
Share of profit of associates	1.5		2.3		
Profit before tax	50.8	5.2%	41.6	4.6%	22.1%
Tax	(17.9)		(6.8)		
Profit from continuing operations	32.9	3.4%	34.8	3.8%	-5.4%
Net profit (loss) from discontinued operations	109.1		(6.7)		
Net consolidated Group Profit	142.1		28.1		
Net profit (loss) from continuing operations attributable to owners of Group parent	6.4		5.6		
Net profit (loss) from continuing operations attributable to non-controlling interests	26.5		29.2		
Net profit (loss) from discontinued operations attributable to owners of Group parent	109.1		(6.7)		
Net profit (loss) from discontinued operations attributable to non-controlling interests	-		-		
Financial position	31 March 2011		31 December 2010	31 March 2010	
Net financial debt	1,138.4		1,411.6	1,503.0	
Total equity	4,212.1		4,268.0	4,109.2	

The improved pace in the construction sector activity in the **first quarter** was supported by much more favorable weather conditions than in Q1 2010 in Europe and North America. Most of the emerging countries still enjoyed dynamic growth, particularly in Asia, while Egypt suffered from a temporary suspension of business activity due to the political crisis.

Group **sales volumes** increased in all three business segments: +3.2% for cement and clinker at 10.3 million tonnes, + 6.1% for aggregates at 8.6 million tonnes and +14.4% for ready mix concrete at 2.4 million m³.

In **cement and clinker**, sales volumes increased in France/Belgium (+21.9%), India (+24.5%), Thailand (+9.1%), North America (+6.8%) and Morocco (+5.5%). Volumes dropped in Egypt (-13.0%) and Spain (-7.5%).

In **aggregates**, sales volumes increased in North America (+26.5%) and France/Belgium (+17.0%); they declined in Morocco (-5.6%) and Thailand (-3.5%).

In **ready mix concrete**, sales volumes grew in France/Belgium (+31.2%), Morocco (+20.3%) and Thailand (+16.0%) but fell in Spain (-20.4%) and Egypt (-14.0%).

Q1 consolidated **revenues** at 972.6 million euros (+7.0% compared with the year-earlier period) increased in India (+53.3%), Thailand (+30.4%), France/Belgium (+20.5%), Morocco (+5.1%) and North America (+3.7%). They decreased in Egypt (-21.6%) and Spain (-12.4%).

Recurring EBITDA amounted to 146.6 million euros, a minor increase (+2.0%) primarily due to higher energy costs despite a favorable effect from the sale of CO₂ emission rights (5.8 million euros) and lower taxes on raw materials in Egypt. **EBIT** was down 7.1% at 56.8 million euros mainly because of an increase in amortization and depreciation related to the commissioning of new plants.

After recognition of 7.5 million euros in net interest expense (as against 21.9 million euros in 2010, which included the impact of the US private placements buyback), **net consolidated Group profit** totaled 142.1 million euros (including the impact of the sale of Set Group Holding for 109.1 million euros) as against 28.1 million euros in Q1 2010. The **share of profit attributable to equity owners of Group parent** amounted to 115.5 million euros compared with -1.1 million euros in Q1 2010.

Investments in industrial and financial fixed assets over the first three months of 2011 amounted to 50.8 million euros (primarily in France/Belgium) as against 74.5 million euros in Q1 2010. Their decrease resulted from the completion of the new Greenfield plants in Morocco and India.

As of March 31, 2011 **net financial debt** was down 273.1 million euros (-19.3%) at 1,138.4 million euros as against 1,411.6 million euros as of December 31, 2010. The decrease resulted essentially from the sale of Set Group Holding, with a net reduction of 281.4 million euros in net financial debt.

Total equity amounted to 4,212.1 million euros as against 4,268.0 million at the end of December 2010. The **debt to equity ratio** (net financial debt/total equity) was 27.0% as against 33.1% as of 31 December 2010.

OUTLOOK

The Group's performance for 2011 should reflect the positive trends reported in India, Thailand and Morocco, thus offsetting the drop in Egypt considering the country's political situation. In Western countries, the demand for major projects is expected to continue to suffer from public deficits, mitigating the first signs of recovery emerging in the early months of the year, particularly in France.

The sales pricing policy will seek to compensate for the continued increase in energy costs and inflation.

In this context, following the cost containing programs implemented over the last three years, the Group's financial strength appears further enhanced by the actions already carried out or forthcoming towards productivity and monetization of non-strategic assets.

On this basis, the Group was able to face difficult economic conditions. The Group will continue to develop its existing operations while watching for external growth opportunities.

BUSINESS TREND FOR Q1 2011

Sales volumes by geographical segment and by business segment

Sales and internal transfers ⁽¹⁾	Cement & clinker <i>(millions of tonnes)</i>			Aggregates <i>(millions of tonnes)</i>			Ready mix concrete <i>(millions of m³)</i>		
	2011	% change vs. 2010		2011	% change vs. 2010		2011	% change vs. 2010	
		A	B		A	B		A	B
Western Europe	2.5	+14.1	+14.1	7.8	+6.4	+6.4	1.5	+20.9	+20.9
North America	0.6	+6.8	+6.8	0.2	+26.5	+26.5	0.1	+0.7	+0.7
Emerging Europe, North Africa & Middle East	4.0	-8.2	-8.2	0.5	-5.0	-5.0	0.6	+3.3	+3.3
Asia	2.9	+14.9	+14.9	0.1	-3.5	-3.5	0.2	+12.5	+12.5
Cement/clinker trading	0.6	-53.9	-53.9	-	-	-	ns	-	-
Eliminations	(0.3)	-	-	-	-	-	-	-	-
Total	10.3	+3.2	+3.2	8.6	+6.1	+6.1	2.4	+14.4	+14.4

Western Europe: France, Belgium, Spain & Greece

North America: U.S.A., Canada & Puerto Rico

Emerging Europe, North Africa & Middle East: Egypt, Morocco, Bulgaria, Turkey (Afyon) & Kuwait

Asia: Thailand, India, China & Kazakhstan

(1) Amounts given relate to fully consolidated companies and companies consolidated using the proportionate consolidation method up to Group share.

A: at historical consolidation scope

B: at comparable consolidation scope

ns: not significant

ECONOMIC TREND FOR Q1 2011

Breakdown by business segment

Revenues (M€)	Q1 2011	Q1 2010	% changes vs. 2010 Historical basis	% changes vs. 2010 Comparable basis & exchange rates
Cement & clinker	656.4	637.9	2.9%	3.2%
Aggregates / RMC	259.4	227.0	14.3%	14.2%
Others	56.9	43.8	29.8%	22.0%
Total	972.6	908.8	7.0%	6.8%

Breakdown by geographical segment

Western Europe

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
France/ Belgium	392.8	325.9	53.8	42.5	53.3	42.6	29.4	19.3
Spain	38.8	44.3	3.0	8.8	3.0	9.0	(1.8)	5.3
Other country*	12.2	17.3	0.3	3.9	0.3	3.9	(0.9)	2.8
Eliminations intra-zone	(4.8)	(4.4)	-	-	-	-	-	-
Total	438.9	383.2	57.0	55.2	56.6	55.5	26.7	27.4

* Greece

North America

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
Total	63.9	61.6	(22.0)	(17.2)	(22.3)	(17.2)	(38.9)	(33.8)

Emerging Europe, North Africa & Middle East

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
Egypt	167.6	213.7	50.9	61.8	50.9	61.8	34.3	44.1
Morocco	84.9	80.8	36.6	31.0	36.6	31.0	28.2	26.4
Other countries*	25.1	25.1	6.6	2.9	6.7	2.9	3.1	(0.8)
Total	277.6	319.5	94.1	95.7	94.2	95.7	65.6	69.8

* Bulgaria, Turkey (Afyon), Kuwait

Asia

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
Thailand	54.2	41.6	10.1	6.0	10.1	5.7	4.7	0.8
India	60.5	39.5	15.5	8.0	15.5	8.0	10.7	4.4
Other countries*	15.6	14.0	(0.8)	0.4	(0.8)	0.4	(3.2)	(1.9)
Total	130.3	95.0	24.8	14.4	24.8	14.1	12.2	3.3

* Chine & Kazakhstan

Cement/clinker trading

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
Total	41.3	64.7	2.8	3.0	2.8	3.0	1.9	2.4

Group total

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
Others & eliminations*	20.6	(15.2)	(10.1)	(7.3)	(10.1)	(7.3)	(10.7)	(7.9)
Group Total	972.6	908.8	146.6	143.8	146.1	143.9	56.8	61.2

* Others: fuel trading, headquarters & holding companies