



The Board of Directors examines results as of March 31, 2008

**CIMENTS FRANÇAIS**

- **CONSOLIDATED REVENUES:** 1,050 million euros (+4.2%)
- **EBITDA - RECURRING:** 234 million euros (+2.9%)
- **EBIT:** 159 million euros (+5.8%)
- **NET CONSOLIDATED GROUP PROFIT:** 94 million euros (+6.6%)
- **NET PROFIT FROM CONTINUING OPERATIONS:** 98 million euros (+16.1%)
- **NET PROFIT FROM CONTINUING OPERATIONS, GROUP SHARE:**  
67 million euros (+7.5%)
- **INVESTMENTS:** 117 million euros

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*Paris, May 7, 2008 - At a meeting on May 5, 2008 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, 2008. The first quarter is typically affected by the seasonal nature of business activity and as such is not very representative of full-year trends.*

**Striking facts:**

*Changes in consolidation scope regarding the most significant acquisitions made in 2008 and 2007 related to the full consolidation of Fuping Cement (China, July 2007) and Hilal Cement (Kuwait, September 2007) in cement, of Cambridge (Canada, March 2007), Arrow (USA, April 2007), Decom (Egypt, July 2007), and Crider & Shockey (USA, March 2008) in ready-mixed concrete.*

*At the end of March 2008, Ciments Français signed a sale agreement with Sibirskiy Cement (Russia) regarding the disposal of its operations in Turkey for a consideration of 600 million euros, of which 400 millions in cash and 200 millions in Sibirskiy Cement shares. Pursuant to IFRS 5, the profit and loss from operations currently being disposed of is presented in the caption "Results of discontinued operations" and data for Q1 2007 is restated according to the same method.*

**Results for the period:**

*Compared with an exceptional Q1 2007, in terms of business activity as well as weather conditions, Group **sales volumes** during the first three months of 2008 were stable for cement and up 4.5% for ready-mixed concrete.*

*On a comparable basis, sales declined, down to 11.3 million tonnes (-2.1%) for cement and clinker, 12.0 million tonnes (-5.2%) for aggregates and 2.8 million m<sup>3</sup> (-3.2%) for ready-mixed concrete.*

***Revenues** for the quarter were up 4.2% on Q1 2007. This increase resulted from the sound price trend - mainly in the cement business - in all the countries with the exception*

of North America and the new acquisitions made in ready-mixed concrete (USA, Egypt) and trading (Kuwait), and despite a negative foreign exchange effect.

**Recurring EBITDA** for the quarter amounted to 234 million euros (+2.9%), the dynamic price trend combined with fixed costs control contributed to widely make up for the increase in some operating costs (fuels, electricity and raw materials in particular), the drop in volumes and a negative foreign exchange effect.

For the three months **EBIT** increased by 5.8% vs. Q1 2007 at 159 million euros.

**Net consolidated Group profit** totaled 94 million euros, up by 6.6% on Q1 2007, after recognition in the income statement of the Turkish assets currently being disposed of (negative result of 4.8 million euros for the quarter).

**Net profit from continuing operations**, which benefited from lower tax rates in Spain and Morocco, rose by 16.1% at 98 million euros. The part attributable to equity holders of the parent amounted to 67 million euros (+7.5%), whereas the part attributable to minority interests (Egypt, Morocco and Thailand) increased by 40.2% at 31 million euros.

Overall Group **industrial and equity investments** over the first three months of 2008 added up to 117 million euros.

Considering cash flows from operating activities and the 50 million euro cash down payment received against the project of disposal of assets in Turkey, **net financial debt** amounted to 1,479 million euros as of March 31, 2008, down by 35 million euros as against December 31, 2007.

**Total equity** amounted to 3,526 million euros vs. 3,674 million euros at the end of December 2007, after recognition of negative translation adjustments for 217 million euros.

The **debt to equity ratio** (net financial debt/total equity) remains stable at 42%.

#### **Outlook:**

As mentioned on publication of our results for 2007, construction markets recorded a more or less significant decreasing cement demand in the first three months in some mature countries (with the exception of France) as well as in some emerging countries (particularly Thailand and Kazakhstan). Yet, business activity still strongly increases in the other emerging markets, the most important ones for the Group. This trend should be confirmed over the rest of the year.

Considering the satisfactory results of the first quarter and actions taken to improve industrial efficacy and control fixed costs, and despite risks of pressure on energy costs, the Group still expects operating results for 2008 to at least reach the previous year's level.

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The results for the first quarter of 2008 of Italcementi and Ciments Français will be illustrated during a **Conference Call on Wednesday, May 7, 2008** at 4 p.m. The presentation will be broadcast in web streaming on the [italcementigroup.com](http://italcementigroup.com) and [cimfra.com](http://cimfra.com) websites

Items presented below do not include data from operations currently being disposed of (Turkey).

### **FIRST QUARTER BUSINESS TREND**

	<b>Q1 2008</b>	<b>Q1 2007</b>	<b>% change 2008/2007</b>
<b>Revenues</b>	1,050.0	1,008.1	+ 4.2 %
<b>EBITDA - recurring</b>	234.4	227.8	+ 2.9 %
<i>% revenues</i>	22.3	22.6	
<b>EBITDA</b>	238.5	228.3	+ 4.5 %
<i>% revenues</i>	22.7	22.6	
<b>EBIT</b>	158.6	149.9	+ 5.8 %
<i>% revenues</i>	15.1	14.9	
<b>Group net profit</b>	67.1	62.4	+ 7.5 %
<i>% revenues</i>	6.4	6.2	

During the first three months of 2008, on a **historical basis**, the Group reported sales volumes stable for cement and clinker with 11.3 million tonnes (+0.2%), higher for ready-mixed concrete with 2.8 million m<sup>3</sup> (+4.5%) and lower for aggregates with 12 million tonnes (-5.2%), compared with Q1 2007.

On a **comparable basis**, Group cement and clinker sales volumes slowed down in mature countries (particularly North America and Spain), increased in the Med Rim countries (Egypt and Morocco) and overall rose steadily in Asia, compared with Q1 2007. Sales volumes were down in the other business segments.

### ***WESTERN EUROPE (France, Belgium, Spain, Greece)***

In **France**, in an ever-growing market, Group sales volumes on the domestic market were down, penalized by strike actions in February. Revenues were up thanks to price increases which offset the drop in volumes; on the other hand, the rise in operating costs, particularly energy and raw materials, together with the additional costs related to clinker purchases outside the Group resulted in a decline in recurring EBITDA.

Construction materials reported higher sales volumes combined with an increase in sales prices, generating a strong growth in operating results.

In **Belgium**, CCB cement sales volumes were slightly down. Sales volumes were up in construction materials.

Revenues increased thanks to higher sales prices in all three businesses. This increase nonetheless failed to offset the rise in some operating expenses, mainly fuels and raw materials.

In **Spain**, in a further decreasing market since Q2 2007, Group cement sales volumes declined.

Aggregates and ready-mixed concrete sectors reported significantly lower sales volumes, primarily because of the weakness of the construction market, in particular in the southern part of the country, and more marginally because of the bad weather conditions in March 2008.

Overall, revenues receded but the positive price trend and costs control (especially with the new Malaga production line) enabled operating results to match those of Q1 2007.

In **Greece**, against a negative background mainly related to the decreasing activity in the residential sector, the sharp rise in cement exports helped offset the drop in domestic sales.

The aggregates sector reported a slight increase. Ready-mixed concrete suffered a setback, because of the weakness of the residential sector and the strike of the power suppliers, which penalized the activity in March 2008.

Overall, operating results were on the decline, the positive trend in sales prices failing to fully offset the negative volume effect and growing fuels costs.

### ***NORTH AMERICA (USA, Canada, Puerto Rico)***

Against a strongly unfavorable economic backdrop, where the growth of the public works sector failed to make up for the declining residential and non residential sectors, Group cement sales volumes dropped with globally stable sales prices.

In the ready-mixed concrete sector, the increase in business activity could be explained by the consolidation of the acquisitions realized at the end of Q1 2007 (Cambridge and Arrow) and in March 2008 (Crider & Shockey).

Against this very disturbed backdrop, operating results sharply declined in all businesses, compared with the same period in 2007.

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

In **Egypt**, in a buoyant market, Group domestic cement sales volumes increased and cement and clinker exports declined sharply.

The ready-mixed concrete sector took advantage from the sound activity of the RMB group and from the consolidation in the second half of 2007 of Decom.

Operating results grew benefiting from a significant increase in sales prices and despite higher energy costs and a negative foreign exchange effect.

In **Morocco**, in an ever thriving construction market, Group domestic cement and aggregates sales volumes increased, whereas ready-mixed concrete volumes remained stable.

Globally, the good results in terms of volumes and prices were offset by the increase in raw materials (in particular clinker purchases) and fuels cost.

In **Bulgaria**, cement consumption grew further under the combined effect of the very dynamic residential sector and the increasing number of infrastructure projects since Bulgaria joined the European Union on January 1, 2008.

Despite this favorable scenario, Group domestic cement sales volumes were comparable with those of the year-earlier period due to the bad weather conditions in January.

Overall, the price increase favored by a growing demand for cement more than offset the rise in some production costs (fuels and electricity).

## ***ASIA (Thailand, India, China, Kazakhstan)***

In **Thailand**, where the political situation remains unstable, domestic cement demand declined because of delays in the government economic recovery plan and the postponement of major infrastructure projects.

Against this backdrop, the decrease in Group cement domestic sales volumes was offset by growing exports generating smaller margins.

Overall, the increase in sales prices was unable to compensate for the rise in some production costs (particularly fuels) and an adverse foreign exchange effect.

In **India**, where both the economy and the construction sectors were on a rising trend, Group domestic sales volumes increased. Strong demand enabled significant price increases.

This particularly favorable dynamics contributed to absorb the sharp increase in operating costs and the negative foreign exchange effect.

In **China**, which the Group entered in 2007, cement and clinker volumes sold during the first three months were below budget, penalized by the bad weather conditions in the month of January, while sales prices increased, with the Group reporting EBITDA breakeven.

In **Kazakhstan**, operations suspended by local authorities in December 2007 froze the activity in the first three months. In order to reduce expenses, some of the employees were laid off temporarily. Operations resumed at the beginning of April 2008 after an agreement was signed with the administrative authorities.

## ***CEMENT/CLINKER TRADING***

Operating results strongly increased because of improved margins and changes in consolidation scope (purchase of a new cement terminal in Kuwait in Q3 2007) which widely made up for the decrease in volumes and the negative foreign exchange effect.

## FIRST QUARTER ECONOMIC TREND BY GEOGRAPHIC AREA

(in millions of euros)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2008	% change vs. Q1 2007	Q1 2008	% change vs. Q1 2007	Q1 2008	% change vs. Q1 2007	Q1 2008	% change vs. Q1 2007
Western Europe	535	1.1%	100	-4.5%	104	-0.9%	72	-2.5%
North America	87	-12.1%	0	-88.9%	0	-88.9%	(11)	37.4%
Eastern Europe & Southern Med Rim	258	15.9%	104	17.3%	104	16.9%	79	24.3%
Asia	106	1.3%	26	-18.4%	26	-18.4%	16	-29.5%
Trading	74	0.8%	6	80.0%	7	79.1%	6	78.7%
Others and eliminations	(10)		(2)		(2)		(3)	
<b>Total</b>	<b>1,050</b>	<b>4.2%</b>	<b>234</b>	<b>2.9%</b>	<b>239</b>	<b>4.5%</b>	<b>159</b>	<b>5.8%</b>

**Western Europe:** France, Belgium, Spain, Greece

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

**Others:** Fuel trading, headquarters and holding company.

NB: Pursuant to IFRS 5, data has been restated, taking account of the disposal of Turkish activities.

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

**Asia:** Thailand, India, China, Kazakhstan

During the first three months, the Group reported a 4.2% increase in **revenues** at 1,050 million euros as against the first quarter of 2007. This increase mainly related to the positive price trend - mainly in the cement business - in all the countries with the exception of North America and the acquisitions made in ready-mixed concrete (USA, Egypt) and trading (Kuwait), and despite a negative foreign exchange effect.

The sharp increase in business activity in the Mediterranean rim countries was partly neutralized by the decline reported in the United States.

In the ready-mixed concrete segment, the growth in business activity related to the acquisitions made in 2007 and 2008 in the United States, Egypt and Kuwait.

**Recurring EBITDA** at 234 million euros increased compared with the same period in 2007 (+2.9%), the favorable price effects widely offsetting the rising variable costs, lower volumes and foreign exchange effect.

**EBIT** grew by 5.8% at 159 million euros, after recognition of depreciation allowances for 80 million euros.

**Net consolidated Group profit** totaled 94 million euros, up by 6.6% on Q1 2007, after recognition in the income statement of the Turkish assets currently being disposed of (negative result of 4.8 million euros for the quarter).

**Net profit from continuing operations**, which benefited from lower tax rates in Spain and Morocco increased by 16.1% at 98.4 million euros. The part attributable to equity holders of the parent amounted to 67 million euros (+7.5%), whereas the part attributable

to minority interests (Egypt, Morocco and Thailand) increased by 40.2% at 31 million euros.

Overall Group **industrial and equity investments** over the first three months of 2008 added up to 117 million euros.

Considering cash flows from operating activities and the cash down payment received against the project of disposal of assets in Turkey, **net financial debt** amounted to 1,479 million euros as of March 31, 2008, down by 35 million euros as against December 31, 2007.

**Total equity** amounted to 3,526 million euros vs. 3,674 million euros at the end of December 2007, after recognition of negative translation adjustments for 217 million euros (mainly US dollar, Egyptian pound, new Turkish lira and Thai baht).

The **debt to equity ratio** (net financial debt/total equity) remained stable at 42%.

## **OUTLOOK**

As mentioned on publication of our results for 2007, construction markets recorded a more or less significant decreasing cement demand in the first three months in some mature countries (with the exception of France) as well as in some emerging countries (particularly Thailand and Kazakhstan). Yet, business activity still strongly increases in the other emerging markets, the most important ones for the Group. This trend should be confirmed over the rest of the year.

Considering the satisfactory results of the first quarter and actions taken to improve industrial efficacy and control fixed costs, and despite risks of pressure on energy costs, the Group still expects operating results for 2008 to at least reach the previous year's level

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**Appendix**

<b>Ciments Français Group</b>					
<b>Income statement</b> (in millions of euros)	<b>Q1</b>	<b>%</b>	<b>Q1</b>	<b>%</b>	<b>%</b>
	<b>2008</b>		<b>2007</b>		<b>change</b>
<b>Revenues</b>	<b>1,050.0</b>	100.0	<b>1,008.1</b>	100.0	4.2%
Other revenues	6.4		4.8		
Change in inventories	6.4		0.2		
Internal work capitalized	2.7		2.2		
Goods and utilities expense	(404.5)		(362.8)		
Service expense	(250.7)		(254.2)		
Employee expense	(150.5)		(149.6)		
Other operating income (expense)	(25.4)		(20.9)		
<b>Recurring EBITDA</b>	<b>234.4</b>	22.3%	<b>227.8</b>	22.6%	2.9%
Other income (expense)	4.1		0.5		
<b>EBITDA</b>	<b>238.5</b>	22.7%	<b>228.3</b>	22.6%	4.5%
Amortization and depreciation	(79.8)		(78.4)		
Impairment	(0.1)		0.0		
<b>EBIT</b>	<b>158.6</b>	15.1%	<b>149.9</b>	14.9%	5.8%
Finance income	4.6		6.4		
Finance costs	(29.3)		(34.7)		
Gains (losses) on exchange rates and changes in fair value of derivatives	(2.5)		1.6		
<b>Finance income (costs)</b>	<b>(27.2)</b>		<b>(26.7)</b>		1.9%
Share of results of associates	0.7		(0.4)		
<b>Profit before tax</b>	<b>132.1</b>	12.6%	<b>122.8</b>	12.2%	7.6%
Income tax expense	(33.7)		(38.0)		
<b>Net profit from continuing operations</b>	<b>98.4</b>	9.4%	<b>84.8</b>	8.4%	16.1%
Profit (loss) from discontinued operations	(4.8)		3.0		
<b>Net consolidated Group profit</b>	<b>93.6</b>	8.9%	<b>87.8</b>	8.7%	6.6%
Net profit from continuing operations - Group share	67.1		62.4		7.5%
Net profit from continuing operations - Third parties' share	31.4		22.4		40.2%
Net profit (loss) from discontinued operations - Group share	(5.1)		2.8		
Net profit from discontinued operations - Third parties' share	0.3		0.2		

<b>Financial position</b> (in millions of euros)	<b>31 March 2008</b>	<b>31 December 2007</b>	<b>31 March 2007</b>
<b>Net financial debt</b>	1,478.7	1,513.4	1,352.3
<b>Total shareholders' equity</b>	3,525.6	3,673.7	3,571.0