



The Board of Directors examines results as of September 30, 2008

CIMENTS FRANÇAIS

- **CONSOLIDATED REVENUES:** 3,637 million euros (+2.5%)
- **EBITDA - RECURRING:** 812 million euros (-14.4%)
- **EBIT:** 563 million euros (-19.6%)
- **GROUP NET PROFIT:** 366 million euros (-17.1%)
- **NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT:** 287 million euros (-21.2%)

Paris, November 7, 2008 - At a meeting on November 4, 2008 chaired by Yves René Nanot, the Board of Directors of Ciments Français (Italcementi Group), examined and approved the unaudited consolidated accounts as of September 30, 2008.

As the closing of the Share Purchase Agreement entered into with OJSC Holding Company Sibirskiy Cement for the sale by Ciments Français of the Set Group operations in Turkey did not take place by the deadline provided in the agreement, Ciments Français exercised its right to terminate the said agreement on October 21, 2008. The Turkish operations are no longer classified as held-for-sale, and their results have been reclassified and included in income from continuing operations for the periods presented.

In the third quarter, the Group reported slightly lower sales volumes in all three lines of business.

Over the first nine months of the year, Group cement and clinker sales volumes were stable at 39.2 million tonnes at historic consolidation scope, in an environment characterized by a strongly decreasing business activity in North America and Spain. The increase in domestic sales in the main emerging countries limited volumes available for export resulting in a significant decrease in trading sales.

Ready-mixed concrete sales added up to 10.8 million m³, a 1.4% increase at historic consolidation scope; aggregates sales were down 3.8% at 36.9 million tonnes, due to the significant drop reported in Spain.

Revenues increased by 2.5% at 3,637 million euros, thanks to a sound trend in sales prices in all the countries, except North America and Turkey.

Despite the positive price effect, operating results grew weaker because of the negative exchange impact and the increase in operating costs (particularly energy, logistics and raw materials).

Recurring EBITDA amounted to 812 million euros (-14.4%) and **EBIT** to 563 million euros, i.e. a 19.6% decrease compared with 2007.

During the first nine-month period, the Group reported a **net profit** of 366 million euros, down 17.1%. The share attributable to equity holders of the parent amounted to 287 million euros (-21.2%).

At the end of September, total **investments in industrial and financial fixed assets** stood at 427 million euros (identical to those of the end of September 2007), of which two thirds intended to improve the efficiency of the production tool.

As of September 30, 2008 **net financial debt** added up to 1,623 million euros with total **equity** at 3,762 million euros. The **debt to equity ratio** was 43.1% against 48.8% as of June 30, 2008.

Outlook:

Because of the crisis hitting the finance sector, the uncertainty weighing on the economic trend and the fear of repercussions on all industrial activities prevail.

Over the last few months, the drop in activity in developed countries accelerated. The results reported at the beginning of the year in most of the emerging countries are also slowing down. The sound trend in sales prices failed to contain the increase in operating costs (particularly energy).

Actions carried out enabled fixed costs to be stabilized and, during the second half-year, should slow down the erosion of operating results.

Considering the results of the first nine months together with economic prospects, and barring any unforeseen events, operating results for the whole year should be lower than those of 2007, in line with the trend in results for the first nine months.

Besides, the Board of Directors has taken notice of the AFEP/MEDEF recommendations of October 6, 2008 relating to the compensation of directors of listed companies.

After deliberations, the Board unanimously adheres to these recommendations that update the AFEP/MEDEF code on corporate governance published in October 2003 and supplemented in January 2007. This code is used as reference by Ciments Français and mentioned in the Chairman's report on the functioning of the Board of Directors and on internal control procedures as from this current fiscal year.

*The results for the third quarter of 2008 of Italcementi and Ciments Français will be illustrated **today at 3:30 p.m. (CET)** during a Conference Call. The presentation will be broadcast in audio streaming on the italcementigroup.com and cimfra.com websites.*

THIRD QUARTER

Sales and internal transfers ⁽¹⁾	Cement & clinker <i>(millions of tonnes)</i>			Aggregates <i>(millions of tonnes)</i>			Ready-mixed concrete <i>(millions of m³)</i>		
	2008	% change vs. 2007		2008	% change vs. 2007		2008	% change vs. 2007	
		A	B		A	B		A	B
Western Europe	3.0	-0.2	-0.2	10.9	-4.1	-4.1	1.8	-7.0	-7.0
North America	1.6	-12.1	-12.1	0.2	ns	- 8.2	0.3	1.5	-12.3
Eastern Europe & Southern Med rim	5.1	-6.9	-6.9	0.7	0.9	0.9	1.2	-6.8	-6.8
Asia	3.2	12.3	12.3	0.2	20.2	20.2	0.2	-7.0	-7.0
Cement & clinker trading	1.7	-5.2	-10.3				0.1		
Eliminations	-1.2								
Total	13.4	-0.9	-1.4	11.9	-2.7	-3.5	3.6	-4.0	-7.3

Western Europe: France, Belgium, Spain, Greece

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

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

Asia: Thailand, India, Kazakhstan, China

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

A: at historic consolidation scope

B: at comparable consolidation scope

ns: not significant

In Q3, sales volumes were down in all three business lines.

In the cement business, the decrease reported on the domestic markets in some countries (essentially North America, Spain, Egypt and Turkey) was only partly offset by the sound activity in some emerging countries (mainly India, Thailand, China and Morocco).

In the aggregates sector, at comparable consolidation scope, sales volumes were penalized by lower demand in France and Spain. In ready-mixed concrete, the increase in Egypt and Morocco was not sufficient to offset the declining demand reported in Spain, North America, Turkey and Thailand.

Q3 revenues increased by 2.6% at 1,246.8 million euros thanks to a positive price effect. EBITDA was down 17.0% at 282.1 million euros, penalized by the sharp rise in operating costs (raw materials and energy costs), an unfavorable country mix and a negative exchange effect.

BUSINESS TREND

YEAR-TO-DATE

Sales and internal transfers ⁽¹⁾	Cement & clinker <i>(millions of tonnes)</i>			Aggregates <i>(millions of tonnes)</i>			Ready mixed concrete <i>(millions of m³)</i>		
	2008	% change vs. 2007		2008	% change vs. 2007		2008	% change vs. 2007	
		A	B		A	B		A	B
Western Europe	9.2	-2.1	-2.1	33.9	-5.1	-5.1	5.7	-6.7	-6.5
North America	4.2	-13.1	-13.1	0.3	n.s.	4.6	0.8	20.7	-7.3
Eastern Europe & Southern Med rim	15.6	-2.8	-2.8	2.1	5.7	5.7	3.5	11.6	3.1
Asia	8.7	9.3	1.5	0.6	18.2	18.2	0.7	-6.5	-6.5
Cement & clinker trading	4.4	-7.1	-13.5				0.1		
Eliminations	(2.9)								
Total	39.2	0.1	-2.0	36.9	-3.8	-4.2	10.8	1.4	-3.6

Western Europe: France, Belgium, Spain, Greece

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

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

Asia: Thailand, India, Kazakhstan, China

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

A: at historic consolidation scope

B : at comparable consolidation scope

ns: not significant

Over the first nine months, at comparable consolidation scope, cement and clinker Group sales volumes decreased due to the slackening of the business activity in developed countries and Turkey. In some emerging countries, the increase in domestic sales (essentially Egypt, Morocco and India) resulted in a saturation of the industrial facilities.

In the aggregates sector, at comparable consolidation scope, sales volumes were down because of the sharp decrease in business activity in Spain, the slight drop in France and despite significantly growing Greek and Moroccan markets.

In the ready-mixed concrete sector, at comparable consolidation scope, sales volumes declined, the increase reported in Egypt and Morocco failing to offset the drop reported in the developed countries (mainly Spain and Greece)

WESTERN EUROPE (France, Belgium, Spain, Greece)

In **France**, Q3 domestic cement consumption was slightly down. Group sales volumes were in line with the market trend. Year-to-date sales volumes declined against 2007 penalized by the February strikes and the saturation of our production capacities in the first half of the year. In all business activities, global revenues were up, price rises offsetting the drop in volumes. Compared with 2007, at the end of September, and despite a positive third quarter, operating results decreased, penalized by the sharp rise in operating costs (mainly energy and raw materials).

In **Belgium**, Q3 Group sales volumes increased in all three businesses and revenues were up, benefiting from the upward price trend.

Over the first nine months, revenues increased compared with 2007. Operating results were penalized by the rise in operating costs (energy).

In **Spain**, the decrease in cement and construction materials' demand intensified in the third quarter, due to the crisis of the residential sector, particularly in Andalusia. Against this backdrop, Group domestic cement sales volumes receded, this decline also hitting construction materials.

Overall, over the first nine months, the slackening of the business economy resulted in a decrease in operating results, which nonetheless benefited from lower operating costs, thanks to the efficiency of the new Malaga production line.

In **Greece**, in the third quarter as well as in the entire first nine-month period, in a significantly slackening market, Group global cement sales volumes increased compared with the same period in 2007, thanks to exports.

Operating results were down in all business activities, the performance in the third quarter and the sound trend in domestic prices failing to fully offset the increase in production costs.

NORTH AMERICA (USA, Canada, Puerto Rico)

In an economic environment severely hit by an unprecedented financial crisis, in the third quarter as in the first half of the year, Group cement sales volumes were down.

In the ready-mixed concrete sector, volumes sold over the first nine months increased further to the acquisitions made in 2007 and 2008.

For all business activities, operating results fell strongly compared with 2007, both over the quarter and for the first nine months of 2008.

EASTERN EUROPE & SOUTHERN MED RIM (Egypt, Morocco, Bulgaria, Turkey)

In **Egypt**, the first nine months were characterized by a significant increase in cement demand on the domestic market. Yet, due to the saturation of our production capacities, the rise in our sales volumes was lower than the market growth.

In the ready-mixed concrete sector, the new acquired companies allowed the Group to benefit from the very buoyant activity of the construction sector.

In all business lines, for the first nine-month period, the uptrend in both volumes and prices enabled a slight increase in operating results despite the rise in some operating costs and a negative exchange effect.

In **Morocco**, the activity of the construction sector still remained very sustained with an increasing domestic cement market and despite a growth not as fast in the third quarter.

Group sales volumes in the third quarter increased at a somewhat less sustained pace than that of the market, because of the saturation of our production capacities.

Q3 operating results were up on 2007, because higher volumes and prices succeeded in offsetting the increase in operating costs.

Over the first nine-month period, they dropped compared with 2007, mainly due to the rise in fuel costs and clinker purchases outside the Group.

In **Bulgaria**, the cement market was still booming, supported by infrastructure projects. However, our presence more confined to the coast region where construction works are

forbidden during the tourist season, limited our increase to a lesser level than that of the market.

The sound price trend enabled an increase in revenues as well as in operating results.

In **Turkey**, the market was penalized by the weakness of the national economy and particularly the financial uncertainty, which resulted in a decrease in private property investments and a slowdown in public infrastructure programs. This market environment together with the increasing production capacities of the Turkish cement industry have resulted in lower sales prices and a negative impact on Group revenues. The rise in energy costs and the negative price effect have cut operating results compared with the good performance of the previous year.

ASIA (Thailand, India, China, Kazakhstan)

In **Thailand**, in a still very unstable political environment, domestic cement demand continued to deteriorate, mainly due to delays in infrastructure projects and slow down in private investments. Q3 Group cement sales volumes decreased, offset by higher exports realized with tighter margins.

Overall, operating results for both the quarter and the first nine-month period dropped compared with those of the previous year, penalized by the rise in some operating costs and the negative exchange effect.

In **India**, Group domestic cement sales volumes strongly increased, in a still fast-growing economy with favorable effects on the construction industry.

Q3 operating results were slightly down, despite growing volumes, due to the sharp rise in energy costs and the steep depreciation of the rupee. For the first nine months of 2008, they were up, thanks to the sound business activity and the positive trend in sales prices.

In **China**, Q3 Group sales volumes strongly increased against 2007.

Year-to-date operating results reported a loss due to the strong rise in energy costs and bad weather conditions in the first quarter.

In **Kazakhstan**, the deterioration of the market reported in the first half of the year intensified. Besides, the interruption of our business activity in the first quarter of 2008 following the temporary suspension of the operating permits resulted in a decrease in our production over the first nine months of 2008, with a significant impact on operating results. This decrease was however lightened by an upsurge in our sales prices.

CEMENT/CLINKER TRADING

The business activity in the third quarter, as well as in the first nine months of the year, decreased, still penalized by the insufficient availability of cement and clinker resulting from the strong growth of the Mediterranean rim domestic markets.

Over the first nine-month period, operating results increased due to the consolidation scope effect (acquisition of a new cement terminal in Kuwait in the third quarter of 2007) more than offsetting the reduction in sales volumes and the negative exchange effect.

Q3 BUSINESS TREND BY GEOGRAPHIC AREA

<i>(millions of euros)</i>	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q3 2008	% change vs. Q3 2007	Q3 2008	% change vs. Q3 2007	Q3 2008	% change vs. Q3 2007	Q3 2008	% change vs. Q3 2007
Western Europe	527.4	1.6	123.5	-1.0	123.6	-2.1	91.7	-3.4
North America	150.5	-18.8	25.3	-48.9	25.1	-49.3	15.2	-59.7
Eastern Europe & Southern Med rim	353.9	7.8	105.5	-10.5	101.8	-14.2	74.5	-16.7
Asia	122.8	2.2	29.3	-26.9	28.8	-27.3	18.6	-35.4
Cement & clinker trading	94.5	4.9	4.9	-18.3	5.0	-16.7	3.3	-41.1
Others & eliminations	-2.3		-2.3		-2.2		-2.9	
Total	1,246.8	2.6	286.2	-15.3	282.1	-17.0	200.4	-21.5

Western Europe: France, Belgium, Spain, Greece

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

Others: Fuel trading, headquarters and holding companies.

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

Asia: Thailand, India, Kazakhstan, China

Revenues for the quarter increased by 2.6% compared with the same period of 2007, at 1,246.8 million euros, thanks to the positive trend in sales prices and the sound business activity in the Mediterranean rim countries.

Recurring EBITDA at 286.2 million euros was down 15.3% on 2007, penalized by a sharp rise in operating costs, mostly related to ever-increasing energy costs over the quarter, and the cost of some raw materials.

EBIT for the quarter decreased by 21.5% compared with the same period in 2007, standing at 200.4 million euros, after recognition of depreciations.

YEAR-TO-DATE BUSINESS TREND BY GEOGRAPHIC AREA

<i>(millions of euros)</i>	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q3 2008	% change vs. Q3 2007	Q3 2008	% change vs. Q3 2007	Q3 2008	% change vs. Q3 2007	Q3 2008	% change vs. Q3 2007
Western Europe	1,648.9	0.5	368.6	-7.4	371.6	-7.1	275.9	-9.8
North America	378.7	-19.7	48.0	-52.4	48.7	-51.6	16.2	-75.4
Eastern Europe & Southern Med rim	1,014.0	9.5	306.6	-9.2	303.7	-10.4	218.3	-13.1
Asia	338.0	1.3	85.6	-17.3	85.4	-16.8	54.7	-24.8
Cement & clinker trading	260.0	1.3	18.4	18.7	18.4	18.8	15.2	6.3
Others & eliminations	-2.8		-15.6		-15.4		-17.1	
Total	3,636.8	2.5	811.6	-14.4	812.4	-14.5	563.2	-19.6

Western Europe: France, Belgium, Spain, Greece

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

Others: Fuel trading, headquarters and holding companies.

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

Asia: Thailand, India, Kazakhstan, China

Year-to-date consolidated **Group net profit** dropped by 17.1% at 365.6 million euros. The share attributable to equity holders of the parent amounted to 286.8 million euros (-21.2%), while the share attributable to minorities (mainly Egypt and Morocco) rose by 2.1% at 78.8 million euros.

At the end of September, total **investments in industrial and financial fixed assets** stood at 427 million euros (identical to those of the end of September 2007), of which two thirds intended to improve the efficiency of the production tool.

As of September 30, 2008 **net financial debt** amounted to 1,622.7 million euros, an increase of 109.3 million euros on December 31, 2007.

Total equity at 3,761.5 million euros was up 87.8 million euros against December 31, 2007.

Due to lower debt and higher equity, the **debt to equity ratio** (net financial debt/total equity) was 43.1% against 48.8% as of June 30, 2008.

OUTLOOK

Because of the crisis hitting the finance sector, the uncertainty weighing on the economic trend and the fear of repercussions on all industrial activities prevail.

Over the last few months, the drop in activity in developed countries accelerated. The good results reported at the beginning of the year in most of the emerging countries are also slowing down. The sound trend in sales prices failed to contain the increase in operating costs (particularly energy).

Actions carried out enabled fixed costs to be stabilized and, during the second half-year, operating results to reduce their erosion.

Considering the results of the first nine months together with economic prospects, and barring any unforeseen events, operating results for the whole year should be lower than those of 2007, in line with the trend in results for the first nine months.

ON THE INTERNET: www.cimfra.com & www.italcementigroup.com

**Ciments Français
Media Relations
Tel: + 33 (0)1 42 91 76 87**

**Ciments Français
Investor Relations
Tel: +33 (0)1 42 91 76 76**

Appendix

Ciments Français Group					
Income statement <i>(millions of euros)</i>	Q3 2008	%	Q3 2007	%	% change
Revenues	1,246.8	100.0	1,214.9	100.0	2.6
Other revenues	6.6		6.3		
Change in inventories	10.6		10.7		
Internal work capitalized	5.4		3.9		
Goods and utilities expense	(557.9)		(457.0)		
Service expense	(233.9)		(257.7)		
Employee expense	(152.4)		(156.1)		
Other operating income (expense)	(39.0)		(27.0)		
Recurring EBITDA	286.2	23.0	338.0	27.8	-15.3
Other income (expense)	(4.1)		1.8		
EBITDA	282.1	22.6	339.8	28.0	-17.0
Amortization and depreciation	(81.7)		(84.2)		
Impairment			(0.2)		
EBIT	200.4	16.1	255.4	21.0	-21.5
Finance income	7.9		5.9		
Finance costs	(33.7)		(31.0)		
Gains (losses) on exchange rates and changes in fair value of derivatives	2.3		(3.1)		
Finance income (costs)	(23.5)		(28.2)		-16.7
Share of results of associates	5.2		4.4		
Profit before tax	182.1	14.6	231.6	19.1	-21.4
Tax	(50.6)		(79.8)		
Net consolidated Group profit	131.5	10.5	151.8	12.5	-13.4
Net profit attributable to equity holders of the parent	109.2		125.0		-12.6
Net profit attributable to minority interests	22.3		26.8		-16.5

Ciments Français Group					
Income statement <i>(millions of euros)</i>	30 September 2008	%	30 September 2007	%	% change
Revenues	3,636.8	100.0	3,548.0	100.0	2.5
Other revenues	23.5		26.5		
Change in inventories	8.4		9.9		
Internal work capitalized	12.7		7.7		
Goods and utilities expense	(1,476.3)		(1,275.9)		
Service expense	(814.4)		(813.6)		
Employee expense	(473.3)		(474.4)		
Other operating income (expense)	(105.8)		(80.4)		
Recurring EBITDA	811.6	22.3	947.8	26.7	-14.4
Other income (expense)	0.8		2.7		
EBITDA	812.4	22.3	950.5	26.8	-14.5
Amortization and depreciation	(249.2)		(249.6)		
Impairment			(0.6)		
EBIT	563.2	15.5	700.3	19.7	-19.6
Finance income	20.8		22.9		
Finance costs	(95.8)		(92.6)		
Gains (losses) on exchange rates and changes in fair value of derivatives	(1.2)		(3.8)		
Finance income (costs)	(76.2)		(73.5)		3.7
Share of results of associates	17.8		8.5		
Profit before tax	504.8	13.9	635.3	17.9	-20.5
Tax	(139.2)		(194.0)		
Net consolidated Group profit	365.6	10.1	441.3	12.4	-17.1
Net profit attributable to equity holders of the parent	286.8		364.1		-21.2
Net profit attributable to minority interests	78.8		77.2		2.1

Financial position <i>(millions of euros)</i>	30 September 2008	30 June 2008*	31 December 2007	30 September 2007
Net financial debt	1,622.7	1,691.7	1,513.4	1,532.1
Total equity	3,761.5	3,463.5	3,673.7	3,630.2

*Restated after Turkish reclassification.