



Results for the first six months of 2011

- **CONSOLIDATED REVENUES:** 2,042.2 million euros (-1.8%)
- **RECURRING EBITDA:** 386.4 million euros (-12.8%)
- **NET CONSOLIDATED GROUP PROFIT:**
232.2 million euros as against 166.9 million euros at 30 June 2010
- **NET FINANCIAL DEBT:**
1,193.4 million euros as against 1,411.6 million euros at 31 December 2010
- **INTERIM DIVIDEND:** 1.50 euro per share payable on August 17, 2011

Paris, 29 July 2011 - At a meeting on July 27, 2011 chaired by Yves René Nanot, the Board of Directors of Ciments Français (Italcementi Group) examined and approved the consolidated accounts as of June 30, 2011.

SIGNIFICANT EVENTS

On March 25, 2011 the Group sold Set Group Holding to the Turkish conglomerate Limak Holding. Pursuant to IFRS 5, gains and losses on the disposal of these assets are presented in one line "Profit (loss) from discontinued operations" in the income statement. Data for the first six months of 2010 has been restated likewise.

During the reporting period, the Group's percentage of interest in Afyon Cimento decreased from 76.5% to 51.0%. The opportunity to sell the remaining interest in this company is currently being assessed.

RESULTS FOR THE PERIOD

During the **first six-month period of 2011**, the Group's business activity remained stable compared with the year-earlier period mostly because of the sound results posted in the first quarter supported by particularly favorable weather conditions.

Most of the industrialized countries faced a still difficult economic situation, whereas major Asian countries and Morocco reported significant business growth. In Egypt, operations slowed down considerably although results at the end of June remained strongly positive. Cement demand on the Egyptian market decreased due to the political crisis. This together with the commissioning of new production capacities created pressure on prices. Overall, the price uptrend in the second quarter, particularly in India and Thailand, managed to partly mitigate the increase in variable costs.

Group **sales volumes** in the **first six months of 2011** remained relatively stable (-0.7%) for **cement & clinker** at 21.9 million tonnes. They decreased slightly (-4.2%) in **aggregates** at 18.4 million tonnes but improved (+4.4%) in **ready mix concrete** at 5.0 million m³.

In **cement and clinker**, sales volumes increased in India (+16.3%), France/Belgium (+10.8%), Thailand (+6.6%) and Morocco (+6.0%). Volumes dropped in Greece (-26.1%), Bulgaria (-25.0%) and Egypt (-14.1%). Volumes remained fairly steady in the other countries.

In **aggregates**, sales volumes increased in North America and France/Belgium; they declined in Greece, Spain and Morocco.

In **ready mix concrete**, sales volumes improved in France/Belgium, Morocco and Thailand, but fell in Kazakhstan, Greece, Spain and Egypt.

Consolidated **revenues** for the six-month period amounted to 2,042.2 million euros, down 1.8% on H1 2010 due to a negative exchange effect (-2.5%) mainly related to the depreciation of the Egyptian pound. Revenues net of the exchange effect were up 0.8%. They increased in India (+47.5%), Thailand (+19.1%), France/Belgium (+9.5%) and Morocco (+4.6%). Aside from Egypt (-20.3%), revenues decreased in Greece (-35.8%), Spain (-10.2%) and North America (-2.1%).

Recurring EBITDA amounted to 386.4 million euros, down 12.8% primarily due to higher energy costs and an unfavorable exchange effect. **EBIT** totaled 205.0 million euros, down 22.2%.

After recognition of 13.8 million euros in net interest expense (inclusive of gains on disposal of equity investments) as against 32.4 million euros in 2010 (including the impact of the US private placements buyback), **net consolidated Group profit** totaled 232.2 million euros (including the impact of the sale of Set Group Holding for 109.1 million euros) as against 166.9 million euros in the first six months of 2010. The **share of profit attributable to equity owners of Group parent** amounted to 193.0 million euros compared with 103.0 million euros in the first six months of 2010.

Investments in industrial and financial fixed assets over the first six months of 2011 amounted to 170.8 million euros as against 202.8 million euros in the first six months of 2010. They increased mainly in France/Belgium but declined in North America, Morocco and India, following the commissioning of the new lines of production.

As of June 30, 2011 **net financial debt** was down 218.1 million euros (-15.5%) at 1,193.4 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 and the subsequent reduction of 281.4 million euros in net financial debt.

Total equity amounted to 4,129.9 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 28.9% as against 33.1% as of December 31, 2010.

INTERIM DIVIDEND

In view of the net profit for the first six-month period and the financial strength of the Group, the Board of Directors has decided the payment of an interim dividend of 1.50 euro per share. Dividend will be paid on August 17, 2011 with August 12, 2011 as ex-dividend date.

OUTLOOK

The improvement in Group business activity in emerging countries (essentially Morocco, India and Thailand) together with the stabilization of both prices and volumes in most of the mature countries should continue during the second half of the year, albeit in a difficult market environment.

However, because of the deterioration of the Egyptian market performance so far included in our forecasts, operating results for the second half of the year should be in line with the performance of the first half. The still substantial uncertainty characterizing the political and market framework in Egypt remains a risk factor hard to measure.

SECOND QUARTER OF 2011

Sales volumes were down in all three lines of business in the second quarter: -4.0% in cement & clinker at 11.6 million tonnes, -11.8% in aggregates at 9.8 million tonnes and -3.4% in ready mix concrete at 2.6 million m³.

Quarterly trend	Q2			Q1		
	2011	2010*	Change	2011	2010*	Change
Revenues	1,069.6	1,170.1	-8.6%	972.6	908.8	+7.0%
Recurring EBITDA	239.7	299.2	-19.9%	146.6	143.8	+2.0%
<i>% revenues</i>	22.4%	25.6%		15.1%	15.8%	
EBITDA	239.4	298.2	-19.7%	146.1	143.9	+1.5%
<i>% revenues</i>	22.4%	25.5%		15.0%	15.8%	
EBIT	148.2	202.3	-26.7%	56.8	61.2	-7.1%
<i>% revenues</i>	13.9%	17.3%		5.8%	6.7%	
Net profit from continuing operations - Group share	77.5	109.5	-29.3%	6.4	5.6	+14.1%
<i>% revenues</i>	7.2%	9.4%		0.7%	0.6%	
Profit (loss) from discontinued operations	0.0	(5.3)		109.1	(6.7)	ns
Net consolidated Group profit	90.1	138.8	-35.1%	142.1	28.1	ns
<i>% revenues</i>	8.4%	11.9%		14.6%	3.1%	
Net financial debt (end of period)	1,193.4	1,589.4		1,138.4	1,503.0	

* IFRS 5 restated following sale of Turkish assets (excluding Afyon)

ns: not significant

BUSINESS TREND FOR THE FIRST SIX MONTHS OF 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	5.3	+6.2	+6.2	16.7	-3.9	-3.9	3.2	+9.4	+9.4
North America	1.8	+1.6	+1.6	0.6	+30.1	+30.1	0.3	-10.6	-10.6
Emerging Europe, North Africa & Middle East	8.4	-8.9	-8.9	0.9	-22.3	-22.8	1.2	-2.7	-2.7
Asia	5.8	+7.1	+7.1	0.1	+0.8	+0.8	0.4	+2.2	+2.2
Cement/clinker trading	1.3	-38.0	-38.0	-	-	-	ns	-	-
Eliminations	(0.8)	-	-	-	-	-	-	-	-
Total	21.9	-0.7	-0.7	18.4	-4.2	-4.2	5.0	+4.4	+4.4

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

FINANCIAL PERFORMANCE FOR THE FIRST SIX MONTHS OF 2011

Breakdown by business segment

Revenues (M€)	H1 2011	H1 2010*	% changes vs. 2010 Historical basis	% changes vs. 2010 Comparable basis & exchange rates
Cement & clinker	1,383.7	1,460.6	-5.3%	-1.8%
Aggregates / RMC	550.5	529.9	+3.9%	+4.9%
Others	108.0	88.5	+22.0%	+17.4%
Total	2,042.2	2,078.9	-1.8%	+0.8%

* IFRS 5 restated following sale of Turkish assets (excluding Afyon)

Breakdown by geographical segment

Western Europe

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
France/ Belgium	844.3	771.2	156.9	167.5	156.4	167.1	107.5	116.5
Spain	83.6	93.1	11.0	18.1	11.0	18.3	1.4	8.5
Other country*	23.8	37.0	0.4	9.0	0.6	9.1	(1.7)	6.9
Intra-zone eliminations	(12.0)	(10.6)	-	-	-	-	-	-
Total	939.7	890.7	168.3	194.6	168.0	194.5	107.1	131.9

* Greece

North America

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
Total	171.9	185.8	(9.4)	(5.4)	(9.7)	(6.5)	(42.1)	(41.3)

Emerging Europe, North Africa & Middle East

(M€)	Revenues ⁽²⁾		Recurring EBITDA ⁽²⁾		EBITDA ⁽²⁾		EBIT ⁽²⁾	
	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
Egypt	313.9	445.4	86.8	134.4	86.4	134.4	54.3	96.9
Morocco	180.5	174.4	78.2	66.6	78.2	66.9	61.3	57.2
Other countries ⁽¹⁾	60.1	64.3	20.2	15.5	20.4	15.6	9.3	8.3
Intra-zone eliminations	(0.2)	-	-	-	-	-	-	-
Total	554.3	684.2	185.2	216.5	184.9	216.9	124.9	162.3

(1) Bulgaria, Turkey (Afyon), Kuwait

(2) IFRS 5 restated in 2010 following sale of Turkish assets (excluding Afyon)

Asia

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
Thailand	104.0	86.0	16.7	7.3	16.7	7.2	6.1	(3.3)
India	116.7	82.3	33.8	19.4	33.8	19.4	24.4	10.6
Other countries*	41.3	44.5	2.7	7.5	2.7	7.4	(1.9)	2.5
Total	262.0	212.8	53.1	34.1	53.2	34.0	28.7	9.9

* China & Kazakhstan

Cement/clinker trading

(M€)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
Total	91.3	128.6	6.1	11.2	6.1	11.2	4.5	9.9

Group total

(M€)	Revenues ⁽²⁾		Recurring EBITDA ⁽²⁾		EBITDA ⁽²⁾		EBIT ⁽²⁾	
	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
Others & eliminations ⁽¹⁾	23.0	(23.2)	(17.0)	(8.1)	(17.0)	(8.1)	(18.0)	(9.2)
Group Total	2,042.2	2,078.9	386.4	443.0	385.5	442.1	205.0	263.5

(1) Others: fuel trading, headquarters & holding companies

(2) IFRS 5 restated in 2010 following sale of Turkish assets (excluding Afyon)

The results for the first half of 2011 of Italcementi and Ciments Français will be illustrated during a **Conference Call on Friday July 29, 2011 at 3:30 pm**. The presentation will be broadcast in audio streaming on the italcementigroup.com and cimfra.com websites.

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

Appendices

Income statement

Ciments Français Group

(in millions of euros)

	30 June 2011		30 June 2010*		2011/2010 % change
	Amounts	%	Amounts	%	
Revenues	2,042.2	100.0	2,078.9	100.0	-1.8%
Other revenues	6.0		7.3		
Change in inventories	(27.3)		(24.4)		
Internal work capitalized	3.1		8.4		
Goods and utilities expense	(821.2)		(814.0)		
Service expense	(474.8)		(457.2)		
Personnel expense	(315.8)		(310.1)		
Other operating income (expense)	(25.8)		(46.0)		
Recurring EBITDA	386.4	18.9%	443.0	21.3%	-12.8%
Gains (losses) on assets disposal	(0.1)		-		
Other income (expense)	(0.8)		(0.9)		
EBITDA	385.5	18.9%	442.1	21.3%	-12.8%
Amortization and depreciation	(175.8)		(178.0)		
Impairment losses	(4.7)		(0.6)		
EBIT	205.0	10.0%	263.5	12.7%	-22.2%
Finance income	40.7		19.8		
Finance costs	(46.0)		(62.1)		
Gains (losses) on exchange rates and changes in fair value of derivatives	(8.4)		9.8		
Finance income (costs), net	(13.8)		(32.4)		
Share of profit of associates	6.9		8.2		
Profit before tax	198.1	9.7%	239.3	11.5%	-17.2%
Tax	(75.1)		(60.3)		
Profit from continuing operations	123.1	6.0%	179.0	8.6%	-31.2%
Attributable to:					
- Owners of Group parent	83.9		115.1		
- Non-controlling interests	39.2		63.8		
Profit from discontinued operations	109.1		(12.1)		
Attributable to:					
- Owners of Group parent	109.1		(12.1)		
- Non-controlling interests	-		-		
NET PROFIT	232.2		166.9		
EARNINGS PER SHARE (in euros)					
Continuing and discontinued operations					
- Basic earnings	5.33		2.85		
- Diluted earnings	5.33		2.84		
Continuing operations					
- Basic earnings	2.32		3.18		
- Diluted earnings	2.31		3.18		

Financial position	30 June 2011	31 December 2010	30 June 2010
Net financial debt	1,193.4	1,411.6	1,589.4
Total equity	4,129.9	4,268.0	4,327.6

* IFRS 5 restated following sale of Turkish assets (excluding Afyon)

Ciments Français Group

Statement of change in net financial debt

<i>(in millions of euros)</i>	30 June 2011	30 June 2010*
Cash flow from operating activities	270.2	390.1
Change in working capital requirement	(96.9)	23.1
Total cash flow from operating activities	173.3	413.2
Investments in PPE and intangible assets	(170.8)	(202.8)
Cash flow from operating activities net of capital expenditure	2.5	210.4
Equity investments	-	(5.4)
Disinvestments	41.2	9.3
Dividends paid	(186.9)	(169.6)
Net cash flows from discontinued operations	281.4	(0.1)
Change in foreign exchange and others	(79.9)	(71.6)
Change in net financial debt	218.1	(27.1)

* IFRS 5 restated following sale of Turkish assets (excluding Afyon)