



Ciments Français

Italcementi Group

The Board of Directors examines the results as of September 30, 2007

CIMENTS FRANCAIS

- **CONSOLIDATED REVENUES:** 3,548 MILLION EUROS (+8.0%)
- **RECURRING GROSS OPERATING PROFIT:** 948 MILLION EUROS (+0.7%)
- **OPERATING PROFIT:** 700 MILLION EUROS (-1.1%)
- **NET PROFIT:** 441 MILLION EUROS (-7.0%)
- **GROUP NET PROFIT:** 364 MILLION EUROS (-7.2%)

Paris, November 7, 2007 – At a meeting on November 5, 2007 chaired by Yves René Nanot, the Board of Directors of Ciments Français (Italcementi Group) examined and approved the company's unaudited consolidated accounts as of September 30, 2007.

The most significant changes in consolidation scope, in relation with acquisitions, realized in 2007, occurred in the ready-mixed concrete segment, with the acquisition of Decom (Egypt) during the third quarter and Cambridge and Arrow (North America) in the first half, and in the cement segment with the purchase of Fuping Cement Ltd. (China) during the third quarter.

On a like-for-like basis, third-quarter sales volumes compared to the same period in 2006 remained stable in the cement and clinker lines of business, with 13.6 million tonnes (+0.9%), as well as in ready-mixed concrete with 3.7 million m³ (-0.5%), while aggregates dipped down to 12.3 million tonnes (-4.6%).

Third-quarter results were up compared with second-quarter figures; based on a comparable scope of consolidation over the 9-month period, this has helped to maintain cement and aggregates sales at a stable level, and to push up ready-mixed concrete volumes. In the cement segment, strong performance in the Eastern Europe and Southern Med Rim area offset the decline on the US market.

Quarterly revenues rose by 7.7%, driven by a continued strong rise in prices across all countries. Over the 9-month period, as changes in the consolidation scope offset the negative exchange-rate effect, revenues increased by 8% to 3,548 million euros (+7.1% excluding changes in the consolidation scope and exchange rates).

Recurring gross operating profit for the quarter was stable at 338 million euros (+0.3% against 2006), the effect of rising prices having been dampened by an increase in certain operating costs (raw materials, energy, logistics and employee expenses). As at the end of September, it stood at 948 million euros (+0.7%, or +2.8% based on a comparable rate of exchange).

Operating profit was stable over the quarter at 255 million euros. Over the first 9 months of the year, it amounted to 700 million euros, slightly down with respect to 2006 (-1.1%) owing to higher amortization and depreciation.

At 152 million euros, **net profit** for the quarter was down 12%, mainly as a result of non-recurring tax provisions. For the 9-month period, it stood at 441 million euros, showing a loss of 7%. **Net profit attributable to equity holders of the parent** was 364 million euros (-7.2%). Over the first 9 months of the year, the Group's industrial and financial investments totaled 427 million euros. Furthermore, Ciments Français SA continued ahead with its share buyback program (845,354 shares) for a total of 125.6 million euros.

Consequently, **net financial debt** as of September 30 stood at 1,532 million euros, against 1,477 million euros as of December 31, 2006.

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

Equity rose to 3,630 million euros, as compared to 3,488 million euros at the end of December, 2006. On September 30, 2007, Ciments Français SA owned 2.94% of its share capital.

Outlook – The various factors which had already generated certain turbulences in the previous period, such as the real estate market crisis in the United States, the soaring of oil prices and the constant plummeting of the dollar have contributed to make the global environment a little more uncertain. Particularly, in the United States, the current recession in the private residential market is confirmed. On the other markets where the Group operates, the trends observed until now should not undergo major variations. Emerging countries continue to show a robust growth, except Thailand. The last quarter performances should therefore not show significant variations as compared to the first 9 months, except for unforeseen events and major consequences of weather conditions. In such an environment, the Group maintains its objective of stable operating results. The non-recurring negative effect of previously acknowledged tax litigation will impact the net profit.

The 2007 third-quarter results for Italcementi and Ciments Français will be illustrated during a **Conference Call** on Wednesday, **November 7**, at 15:30. The presentation may be followed via telephone or a web streaming link on the italcementigroup.com and cimfra.com sites.

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SALES VOLUMES TREND

Over the **third quarter**, on a like-for-like basis, sales against 2006 were stable across the Group in the cement segment, with 13.6 million tonnes (+ 0.9%), as well as in ready-mixed concrete with 3.7 million m³ (-0.5%), while sales of aggregates slid down to 12.3 million tonnes (-4.6%).

Over all of 2007, and based on a comparable consolidation scope, sales remained stable in cement (39.2 million tonnes) and aggregates (38.4 million tonnes), while they grew by 2.5% in the ready-mixed concrete segment (10.6 million m³).

THIRD QUARTER

Sales volumes and internal transfers (1)	Cement and clinker (millions of tonnes)			Aggregates (millions of tonnes)			Ready mixed concrete (millions of m ³)		
	Q3 2007	% change vs. Q3 2006		Q3 2007	% change vs. Q3 2006		Q3 2007	% change vs. Q3 2006	
		A	B		A	B		A	B
Western Europe	3.0	-0.9	-0.9	11.3	-4.6	-4.6	1.9	-0.9	-0.7
North America	1.9	-5.2	-5.2	0.1	ns		0.3	ns	+6.2
Eastern Europe and Southern Med Rim	5.5	+2.9	+2.9	0.7	-10.5	-11.0	1.3	+28.5	-0.3
Asia	2.9	+11.3	-0.6	0.2	-46.4	+10.5	0.2	-7.7	-7.7
Trading	1.8	+14.9	+14.9						
Eliminations	-1.5								
Total	13.6	+3.3	+0.9	12.3	-5.8	-4.6	3.7	+15.7	-0.5

Western Europe: France, Belgium, Spain, Greece

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

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

Asia: Thailand, India, Kazakhstan, China

(1) amounts refer to the fully consolidated companies and to companies consolidated using the proportional consolidation method, up to the Group's share.

A: Historical – B: At comparable consolidation scope ns: non significant

Over the third quarter, based on a comparable consolidation scope, the Group recorded a downturn in cement sales in mature countries; however volumes picked up slightly in the Mediterranean Rim countries (Egypt and Morocco), while the trading business posted good performance. Overall, sales increased as against the second quarter.

Sales of ready-mixed concrete remained stable, while results for aggregates dipped.

FIRST NINE MONTHS

Sales volumes and internal transfers (1)	Cement and clinker (millions of tonnes)			Aggregates (millions of tonnes)			Ready mixed concrete (millions of m ³)		
	2007	% change vs. 2006		2007	% change vs. 2006		2007	% change vs. 2006	
		A	B		A	B		A	B
Western Europe	9.5	0.0	0.0	35.7	-0.2	-0.2	6.1	+1.7	+1.8
North America	4.8	-10.5	-10.5	0.2	+26.1	+26.1	0.6	ns	+2.5
Eastern Europe and South Med Rim	16.1	+5.5	+5.5	2.0	-3.5	-7.0	3.2	+28.6	+6.3
Asia	8.0	+13.4	-0.9	0.5	+57.2	+21.3	0.7	-7.3	-7.3
Trading	4.8	-4.7	-4.7						
Eliminations	-3.9								
Total	39.2	+2.7	0.0	38.4	+0.2	-0.3	10.6	+13.3	+2.5

Western Europe: France, Belgium, Spain, Greece

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

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

Asia: Thailand, India, Kazakhstan, China

(1) amounts refer to the fully consolidated companies and to companies consolidated using the proportional consolidation method, up to the Group's share.

A: Historical – B: At comparable consolidation scope ns: non significant

Group cement sales over the first nine months of the year were stable, as the significant decrease in sales in North America was offset by good performance in the Eastern Europe and Southern Med Rim countries. Aggregates sales were stable, while ready-mixed concrete volumes were slightly higher (mainly in Egypt and Morocco).

BUSINESS TREND

THIRD QUARTER

(in millions of euros)	Revenues		Recurring GOP		GOP		Operating profit	
	Q3 2007	% change vs. Q3 2006	Q3 2007	% change vs. Q3 2006	Q3 2007	% change vs. Q3 2006	Q3 2007	% change vs. Q3 2006
Western Europe	519.4	+5.3	124.8	-2.6	126.3	-1.3	94.8	-4.3
North America	185.2	+1.7	49.5	+6.4	49.5	+7.4	37.7	+7.7
Eastern Europe and Southern Med Rim	328.2	+10.3	117.9	-6.6	118.6	-6.2	89.4	-7.6
Asia	120.2	+17.9	40.2	+28.0	39.7	+26.4	28.9	+31.4
Trading cement	90.4	+12.0	6.0	+36.8	6.0	+36.4	5.7	+39.0
Others & eliminations	-28.5		-0.5		-0.4		-1.2	
Total	1,214.9	+7.7	337.9	+0.3	339.7	+0.8	255.3	-0.6

Western Europe: France, Belgium, Spain, Greece

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

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

Asia: Thailand, India, Kazakhstan, China

Quarterly **revenues** were up by 7.7% against the same period in 2006. This increase stems from stable volumes combined with an overall increase in sales prices. In the ready-mixed concrete segment, growth was mainly achieved through acquisitions made in Egypt since October 2006, and in North America during the first quarter of 2007.

In absolute terms, the highest contributors to the increase in revenues were Eastern Europe and Southern Med Rim and Asia.

Operating costs during the quarter continued to rise, most notably owing to higher fuel and logistics costs, as well as purchases of third-party cement and clinker in order to meet strong demand in a number of countries.

Recurring gross operating profit, which reached 338 million euros, was stable against the same period in 2006 (+0.3%) with increased prices making up for higher variable costs.

Operating profit was also stable at 255 million euros, while **net profit for the period** stood at 152 million euros, a decrease of 12% mostly attributable to non-recurring tax provisions.

Net profit attributable to equity holders of the parent company stood at 125 million euros (-13%).

FIRST NINE MONTHS

(in millions of euros)	Revenues		Recurring GOP		GOP		Operating profit	
	Q3 2007	% change vs. Q3 2006	Q3 2007	% change vs. Q3 2006	Q3 2007	% change vs. Q3 2006	Q3 2007	% change vs. Q3 2006
Western Europe	1,640.4	7.5	397.9	3.5	400.1	3.6	305.8	1.4
North America	471.8	-6.8	100.7	-15.7	100.6	-15.5	65.7	-22.2
Eastern Europe and Southern Med Rim	925.8	11.2	337.6	-2.4	339.1	-2.0	251.2	-2.7
Asia	333.6	25.4	103.5	34.3	102.7	33.6	72.7	38.4
Trading cement	256.8	5.7	15.5	17.1	15.5	17.5	14.3	16.5
Others & eliminations	-80.4		-7.4		-7.4			
Total	3,548.0	8.0	947.8	0.7	950.5	0.9	700.3	-1.1

Western Europe: France, Belgium, Spain, Greece

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

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

Asia: Thailand, India, Kazakhstan, China

Over the first nine months of the year, the Group saw its revenues increase by 8% to 3,548 million euros, of which 7.1% from higher sales, negative exchange rates globally offsetting the positive effects from changes in the consolidation scope.

With sales remaining strong and prices increasing overall, recurring gross operating profit stayed on the same level as compared to 2006, at 948 million euros; **gross operating profit** stood at 950 million euros and **operating profit** at 700 million euros.

The Group posted a **net profit** of 441 million euros, down 7% mostly attributable to non-recurring tax effects (negative in 2007 and positive in 2006) ; **net profit attributable to equity holders of the parent** reached 364 million euros (-7.2%).

As of September 30, 2007, sale of trade receivables amounted to 115 million euros and financial and industrial investments to 427 million euros (including 213 million euros for the improvement of industrial facilities and 214 million euros for external growth and vertical integration efforts). Besides, Ciments Français SA also continued its share buyback program (845,354 shares) for 125.6 million euros. Consequently, taking into account the cash flow generated over the period, the Group's net financial debt as of September 30, 2007 amounted to 1,532 million euros, up 55 million euros against December 31, 2006. The Group's **net debt to equity ratio** remained stable as against the end of 2006, at 42%.

OUTLOOK – The various factors which had already generated certain turbulences in the previous period, such as the real estate market crisis in the United States, the soaring of oil prices and the constant plummeting of the dollar have contributed to make the global environment a little more uncertain. Particularly, in the United States, the current recession in the private residential market is confirmed. On the other markets where the Group operates, the trends observed until now should not undergo major variations. Emerging countries continue to show a robust growth, except Thailand. The last quarter performances should therefore not show significant variations as compared to the first 9 months, except for unforeseen events and major consequences of weather conditions. In such an environment, the Group maintains its objective of stable operating results. The non-recurring negative effect of previously acknowledged tax litigation will impact the net profit.

TREND BY COUNTRY

WESTERN EUROPE (France, Belgium, Spain, Greece)

In **France**, Group third-quarter cement sales were buoyed by a market which remains favorable. Higher sales, combined with a significant increase in prices since the beginning of the year, helped to raise operating results over the first nine months. The aggregates and ready-mixed concrete segments also enjoyed increased sales volumes and prices.

In **Belgium**, where the market suffered from the impact of imports, the Group's cement and clinker sales volumes dipped during the third quarter.

For the 2007 period overall, operating results rose due to higher prices and good results in the aggregates segment and despite an increase in variable costs (clinker purchases).

In **Spain**, the market has been posting a downturn since the second quarter of 2007, and the Group cement sales dipped during the third quarter.

In the ready-mixed concrete segment, third-quarter volumes were down, although as at the end of September they were slightly higher than compared to 2006. A significant drop in sales was recorded in the aggregates business over the third quarter.

In **Greece**, the market slowed down compared to last year's high levels. Despite price rises in all three segments, lower volumes combined with an increase in certain operating costs (fuel) led to a fall in operating results.

NORTH AMERICA (USA, Canada, Puerto Rico)

In a much weakened private residential market, Group cement and clinker sales declined against 2006. Cement consumption forecasts for 2007 and 2008 were revised downwards in the wake of the property market's crisis. Against this background, Group's sales volumes did not decrease as much in the third quarter as in the first six-month period.

Third-quarter revenues (in local currency) were pushed upwards by higher prices and changes in the consolidation scope; operating profit benefiting from a good price control was also up compared to the same period in 2006.

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

In **Egypt**, the market continued to develop favorably, buoyed by the residential and tourism sectors; Group sales were in line with market trends.

The acquisition of DECOM, which was consolidated starting from July 1, 2007, has allowed the Group to strengthen its presence in the ready-mixed concrete segment.

Despite the increase in sales volumes and prices, operating results were strongly penalized by the significant rise in production costs (most particularly energy and employee expenses), as well as by a negative foreign exchange effect.

In **Morocco**, Group cement/clinker and ready-mixed concrete sales were driven by sustained market growth. On the aggregates segment, following a stable first half as compared to 2006, sales slowed down during the third quarter.

The increase in revenues over the period was not enough to offset rising operating costs (notably fuel costs and clinker purchases). Over the nine first months, operating profit still increased compared to 2006.

In **Bulgaria**, the healthy growth experienced by the infrastructure (power plants) and residential sectors persisted into the third quarter, albeit at a less sustained pace than during the first half.

Strong local demand resulted in lower cement exports and helped to lift prices, thus pushing operating results upwards; this rise was partially limited by the increase in certain operating costs (sharp rise in pet coke prices).

In **Turkey**, where the market is slowing down compared to the beginning of fiscal 2007, the Group cement and clinker sales were stable over the third quarter, and were actually higher over the first nine months of the year as against 2006.

Sales of ready-mixed concrete fell short of 2006 levels (both for the quarter and the first nine months).

Across all segments, and despite a rise in prices, significantly higher operating costs (fuel and raw materials) led to a deterioration of operating results.

ASIA (Thailand, India, Kazakhstan, China)

Thailand's political context is still unstable in the run-up to general elections planned for the end of the year; Group cement sales on the local market dropped during the third quarter, although export sales partially offset the drop. Third-quarter average sales prices have been decreasing under competitive pressure.

Against this backdrop, recurring gross operating profit for the quarter was stable in euro terms.

In **India**, third-quarter cement sales declined slightly as a result of adverse weather conditions and saturated production capacity, but were nevertheless above 2006 figures for the first nine-month period.

Results for the quarter were up substantially due to favorable price trends.

In **Kazakhstan**, third-quarter figures confirmed that the construction and cement markets are growing briskly, and the Group's sales volumes in cement rose above 2006 levels. Following on from the first quarter, higher sales and rising prices contributed to improving third-quarter operating results, in spite of the increase in certain operating costs (energy and maintenance).

In **China**, following the acquisition by the Group of 100% of its shares at the end of June, Fuping Cement was fully consolidated starting from July 1, 2007. The company, which employs over 300 people, owns a quarry and operates a modern dry-process facility which began operations in June 2006 and boasts an annual capacity of 1.7 tonnes of clinker. Over the quarter, Fuping Cement sold 311,000 tonnes of cement and clinker, generating revenues of 6.3 million euros and a recurring gross operating profit of 1.0 million euros.

CEMENT TRADING

Following a turndown during the first half of the year, increased sales to third parties pushed up sales volumes of cement and clinker over the third quarter by 14.9% against 2006. The shortage of products experienced within the Group was more than made up for by purchases from third parties, most notably in the Middle East.

APPENDIX

Ciments Français Group					
Income statement (in millions of euros)	Q3 2007	%	Q3 2006	%	% change
Revenues	1,214.9	100.0	1,128.2	100.0	7.7
Other revenues	6.2		3.2		
Change in inventories	10.7		7.4		
Internal work capitalized	3.9		2.4		
Goods and utilities expense	(457.0)		(403.9)		
Services expense	(257.7)		(231.9)		
Employee expense	(156.1)		(143.3)		
Other operating income (expense)	(27.0)		(25.2)		
Recurring gross operating profit	337.9	27.8	336.9	29.9	0.3
Other income (expense)	1.8		0.2		
Gross operating profit	339.7	28.0	337.1	29.9	0.8
Amortization and depreciation	(84.2)		(80.0)		
Impairment	(0.2)		(0.3)		
Operating profit	255.3	21.0	256.8	22.8	-0.6
Finance income	5.9		6.6		
Finance costs	(30.9)		(29.0)		
Gains (losses) on exchange rates and changes in fair value of derivative instruments	(3.2)		0.0		
Finance income (costs)	(28.2)	-2.3	(22.4)		25.9
Share of results of associates	4.5		3.5		
Profit before tax	231.6	19.1	237.9	21.1	-2.6
Income tax expense	(79.8)		(65.1)		
Net profit for the period:	151.8	12.5	172.8	15.4	-12.2
Attributable to: Equity holders of the parent	125.0		143.4		
Minority interests	26.7		29.4		

Ciments Français Group

Income statement (in millions of euros)	As of September 30, 2007	%	As of September 30, 2006	%	% change
Revenues	3,548.0	100.0	3,285.2	100.0	8.0
Other revenues	26.5		14.3		
Change in inventories	9.9		(16.7)		
Internal work capitalized	7.7		6.7		
Goods and utilities expense	(1,275.9)		(1,131.0)		
Services expense	(813.6)		(701.7)		
Employee expense	(474.4)		(440.5)		
Other operating income (expense)	(80.4)		(75.5)		
Recurring gross operating profit	947.8	26.7	940.8	28.6	0.7
Other income (expense)	2.7		1.4		
Gross operating profit	950.5	26.8	942.2	28.7	0.9
Amortization and depreciation	(249.6)		(233.9)		
Impairment	(0.6)		(0.1)		
Operating profit	700.3	19.7	708.2	21.6	-1.1
Finance income	22.9		23.2		
Finance costs	(92.6)		(89.4)		
Gains (losses) on exchange rates and changes in fair value of derivative instruments	(3.8)		(5.5)		
Finance income (costs)	(73.5)	-2.1	(71.7)		2.5
Share of results of associates	8.5		6.6		
Profit before tax	635.3	17.9	643.1	19.6	-1.2
Income tax expense	(194.0)		(168.7)		
Net profit for the period:	441.3	12.4	474.4	14.5	-7.0
Attributable to: Equity holders of the	364.0		392.3		
Minority interests	77.2		82.1		

Financial position (in millions of euros)	30 September 2007	30 June 2007	31 December 2006	30 December 2006
Net financial debt	1,532.1	1,552.1	1,477.1	1,600.4
Total shareholders' equity	3,630.2	3,640.2	3,487.7	3,406.4