



## RESULTS FOR THE FIRST QUARTER OF 2010

- **CONSOLIDATED REVENUES:** 930.2 million euros (-9.4%)
- **RECURRING EBITDA:** 140.1 million euros (-26.3%)
- **EBIT:** 54.8 million euros (-44.1%)
- **NET CONSOLIDATED GROUP PROFIT:** 28.1 million euros (-48.3%)
- **SHARE OF PROFIT ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT:** -1.1 million euros (25.7 millions at Q1 2009)
- **NET FINANCIAL DEBT IMPROVED BY ABOUT 60 MILLION EUROS**
- **WORKING CAPITAL REQUIREMENT DOWN 94 MILLION EUROS**

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**Paris, 7 May 2010** - At a meeting on May 5 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, 2010.

Against a difficult economic background, the first quarter of 2010 was characterized by very bad weather conditions in Western Europe and North America.

In Q1, Group **sales volumes** declined in cement and clinker at 10.3 million tonnes (-4.8%), in aggregates at 8.1 million tonnes (-11.0%) and in ready mix concrete at 2.4 million m<sup>3</sup> (-7.2% and -4.2% on a historical basis). Cement and clinker volumes were down in all the industrialized countries. In emerging countries, while volumes dropped in Bulgaria and China, they remained stable in Egypt and increased in Morocco, Turkey and India. They improved in the trading activity.

Lower sales volumes and a globally unfavorable trend in prices weighed on Q1 consolidated **revenues**, which were down 9.4% on Q1 2009 at 930.2 million euros, after recognition of a negative exchange effect (-1.3%) and a positive consolidation scope effect (+0.2%). On a comparable basis, revenues dropped by 8.3%; the decrease was particularly marked in the industrialized countries.

The impact of market conditions on results related to slumping volumes in some countries (France/Belgium, Spain, Bulgaria and China) or declining prices (particularly in India and Bulgaria). These effects were mitigated in part by the positive contribution from the continuing efforts made by the Group towards productivity and fixed cost-containment. **Recurring EBITDA** totaled 140.1 million euros (-26.3%) with **EBIT** down 44.1% at 54.8 million euros.

After recognition of 22.1 million euros in net interest expense (as against 21.9 million euros in 2009), including the cost for early repurchase of US private placements (net cost of 16.6 million euros), **net consolidated Group profit** totaled 28.1 million euros (-48.3%) with the share attributable to equity owners of Group parent amounting to -1.1 million euros (compared with +25.7 million euros in Q1 2009).

Total Group **investments in industrial and financial fixed assets** over the first three months of 2010 totaled 74.8 million euros as against 133.4 million euros in Q1 2009. They mainly related to the completion work of the new plants in Morocco, India and North America, initiated over the last years.

As of 31 March 2010, **net financial debt** amounted to 1,503.0 million euros as against 1,562.3 million euros as of December 31, 2009. The decrease in indebtedness can be explained in part by a further decrease in working capital requirements.

At the beginning of March, Ciments Français made a repurchase offer to all holders of its 2002 and 2006 US Private Placement Notes. The offer closed on April 14, 2010 with the repurchase of 100% of the Notes issued in 2006 and 92% of the Notes issued in 2002.

The transaction was re-financed via Italcementi loans, which will extend by another year the average duration of the debt. The more favorable interest rates of the loans will offset the cost of early repurchase of the US private placements.

**Total equity** totaled 4,109.2 million euros as against 3,896.5 million at the end of December 2009 and the **debt to equity ratio** (net financial debt/total equity) was 36.6% as against 40.1% as of 31 December 2009.

**Outlook:**

The uncertainty related to the international economic development remains very high. Signs of a moderate recovery in industrialized countries at the end of the quarter, together with the continuing upward business trend in most of the emerging countries seem to indicate that market conditions will remain difficult yet better than at the beginning of the year.

Despite the positive contribution deriving from efforts to improve productivity and contain costs, operating results for the rest of the year should reflect those difficult market conditions.

## BUSINESS TREND FOR Q1 2010

### SALES VOLUMES BY BUSINESS SEGMENT AND BY GEOGRAPHIC AREA

| Sales and internal transfers <sup>(1)</sup> | Cement & clinker<br>(millions of tonnes) |                   |             | Aggregates<br>(millions of tonnes) |                   |              | Ready mix concrete<br>(millions of m <sup>3</sup> ) |                   |             |
|---|--|-------------------|-------------|------------------------------------|-------------------|--------------|---|-------------------|-------------|
|   | 2010                                     | % change vs. 2009 |             | 2010                               | % change vs. 2009 |              | 2009  | % change vs. 2008 |             |
|   |  | A                 | B           |                                    | A                 | B            |   | A                 | B           |
| Western Europe                              | 2.2                                      | -11.2             | -11.2       | 7.4                                | -11.4             | -11.4        | 1.3   | -10.2             | -11.6       |
| North America                               | 0.6                                      | -11.8             | -11.8       | 0.2                                | +104.4            | +49.5        | 0.1   | -15.0             | -18.6       |
| Emerging Europe, North Africa & Middle East | 4.8                                      | -2.7              | -2.7        | 0.5                                | -10.3             | -10.3        | 0.9   | +6.0              | +0.3        |
| Asia  | 2.5                                      | -2.1              | -2.1        | ns                                 | -                 | -            | 0.2   | +5.6              | +0.2        |
| Cement/clinker trading                      | 1.2                                      | +64.3             | +64.3       | -                                  | -                 | -            | ns  | -                 | -           |
| Eliminations                                | (1.0)                                    |                   |             | -                                  | -                 | -            | -   | -                 | -           |
| <b>TOTAL</b>                                | <b>10.3</b>                              | <b>-4.8</b>       | <b>-4.8</b> | <b>8.1</b>                         | <b>-10.7</b>      | <b>-11.0</b> | <b>2.4</b>  | <b>-4.2</b>       | <b>-7.2</b> |

Western Europe: France, Belgium, Spain & Greece

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

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

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

## ECONOMIC TREND FOR Q1 2010

### BREAKDOWN BY BUSINESS SEGMENT

| Revenues by activity<br>(M€) | Q1 2010      | Q1 2009        | % changes vs. 2009 | % changes vs. 2009* |
|------------------------------|--------------|----------------|--------------------|---------------------|
| Cement & clinker             | 651.2        | 717.2          | -9.2 %             | -7.3 %              |
| Aggregates / RMC             | 234.8        | 259.9          | -9.7 %             | -10.6 %             |
| Others                       | 44.2         | 49.3           | -10.2 %            | -10.6 %             |
| <b>TOTAL</b>                 | <b>930.2</b> | <b>1 026.4</b> | <b>-9.4 %</b>      | <b>-8.3 %</b>       |

\* At comparable consolidation scope and exchange rates

## BREAKDOWN BY GEOGRAPHIC AREA

### Western Europe

| (M€)                    | Revenues     |              | Recurring EBITDA |             | EBITDA      |             | EBIT        |             |
|-------------------------|--------------|--------------|------------------|-------------|-------------|-------------|-------------|-------------|
|                         | Q1 2010      | Q1 2009      | Q1 2010          | Q1 2009     | Q1 2010     | Q1 2009     | Q1 2010     | Q1 2009     |
| France/Belgium          | 325.9        | 359.7        | 42.5             | 53.8        | 42.6        | 53.4        | 19.3        | 29.0        |
| Spain                   | 44.3         | 56.7         | 8.8              | 7.3         | 9.0         | 7.3         | 5.3         | 1.2         |
| Other segment*          | 17.3         | 19.2         | 3.9              | 3.1         | 3.9         | 3.1         | 2.8         | 2.0         |
| Intra-zone eliminations | (4.4)        | (3.5)        | -                | -           | -           | -           | -           | -           |
| <b>TOTAL</b>            | <b>383.2</b> | <b>432.0</b> | <b>55.2</b>      | <b>64.2</b> | <b>55.5</b> | <b>63.8</b> | <b>27.4</b> | <b>32.2</b> |

\* Greece

### North America

| (M€)         | Revenues    |             | Recurring EBITDA |              | EBITDA        |              | EBIT          |               |
|--------------|-------------|-------------|------------------|--------------|---------------|--------------|---------------|---------------|
|              | Q1 2010     | Q1 2009     | Q1 2010          | Q1 2009      | Q1 2010       | Q1 2009      | Q1 2010       | Q1 2009       |
| <b>TOTAL</b> | <b>61.6</b> | <b>74.5</b> | <b>(17.2)</b>    | <b>(9.2)</b> | <b>(17.2)</b> | <b>(9.5)</b> | <b>(33.8)</b> | <b>(21.1)</b> |

### Emerging Europe, North Africa & Middle East

| (M€)            | Revenues     |              | Recurring EBITDA |              | EBITDA      |              | EBIT        |             |
|-----------------|--------------|--------------|------------------|--------------|-------------|--------------|-------------|-------------|
|                 | Q1 2010      | Q1 2009      | Q1 2010          | Q1 2009      | Q1 2010     | Q1 2009      | Q1 2010     | Q1 2009     |
| Egypt           | 213.7        | 218.1        | 61.8             | 74.4         | 61.8        | 74.4         | 44.1        | 53.8        |
| Morocco         | 80.8         | 80.4         | 31.0             | 30.4         | 31.0        | 30.4         | 26.4        | 25.8        |
| Other segments* | 46.6         | 60.2         | (0.8)            | 5.1          | (0.4)       | 5.1          | (7.1)       | (1.9)       |
| <b>TOTAL</b>    | <b>341.1</b> | <b>358.7</b> | <b>92.0</b>      | <b>109.8</b> | <b>92.4</b> | <b>109.8</b> | <b>63.4</b> | <b>77.7</b> |

\* Bulgaria, Turkey, Kuwait & Libya

### Asia

| (M€)            | Revenues    |              | Recurring EBITDA |             | EBITDA      |             | EBIT       |             |
|-----------------|-------------|--------------|------------------|-------------|-------------|-------------|------------|-------------|
|                 | Q1 2010     | Q1 2009      | Q1 2010          | Q1 2009     | Q1 2010     | Q1 2009     | Q1 2010    | Q1 2009     |
| Thailand        | 41.6        | 43.4         | 6.0              | 7.3         | 5.7         | 3.4         | 0.8        | (2.2)       |
| India           | 39.5        | 49.4         | 8.0              | 20.3        | 8.0         | 20.4        | 4.4        | 17.0        |
| Other segments* | 14.0        | 15.1         | 0.4              | (0.9)       | 0.4         | (0.9)       | (1.9)      | (2.9)       |
| <b>TOTAL</b>    | <b>95.0</b> | <b>107.9</b> | <b>14.4</b>      | <b>26.7</b> | <b>14.1</b> | <b>22.9</b> | <b>3.3</b> | <b>11.9</b> |

\* China & Kazakhstan

### Trading and Others

| (M€)         | Revenues    |             | Recurring EBITDA |            | EBITDA     |            | EBIT       |            |
|--------------|-------------|-------------|------------------|------------|------------|------------|------------|------------|
|              | Q1 2010     | Q1 2009     | Q1 2010          | Q1 2009    | Q1 2010    | Q1 2009    | Q1 2010    | Q1 2009    |
| <b>TOTAL</b> | <b>64.7</b> | <b>49.1</b> | <b>3.0</b>       | <b>2.6</b> | <b>3.0</b> | <b>2.6</b> | <b>2.4</b> | <b>2.0</b> |

### Group Total

| (M€)                   | Revenues     |                | Recurring EBITDA |              | EBITDA       |              | EBIT        |             |
|------------------------|--------------|----------------|------------------|--------------|--------------|--------------|-------------|-------------|
|                        | Q1 2010      | Q1 2009        | Q1 2010          | Q1 2009      | Q1 2010      | Q1 2009      | Q1 2010     | Q1 2009     |
| Others & eliminations* | (15.3)       | 4.0            | (7.3)            | (4.0)        | (7.3)        | (4.0)        | (7.9)       | (4.5)       |
| <b>TOTAL</b>           | <b>930.2</b> | <b>1 026.4</b> | <b>140.1</b>     | <b>190.1</b> | <b>140.6</b> | <b>185.6</b> | <b>54.8</b> | <b>98.2</b> |

\* Others: Fuel trading, headquarters & holding companies

The results for the first quarter of 2010 of Italcementi and Ciments Français will be illustrated during a **Conference Call on Friday 7 May 2010** at 3:30 p.m. The presentation will be broadcast in web streaming on the [italcementigroup.com](http://italcementigroup.com) and [cimfra.com](http://cimfra.com) websites

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ON THE INTERNET: [www.cimfra.com](http://www.cimfra.com) & [www.italcementigroup.com](http://www.italcementigroup.com)

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## Appendix

| <b>Ciments Français Group</b>   |                |          |                |          |                 |
|---|----------------|----------|----------------|----------|-----------------|
| <b>Income statement</b><br><i>(M€)</i>                                    | <b>Q1 2010</b> | <b>%</b> | <b>Q1 2009</b> | <b>%</b> | <b>% change</b> |
| <b>Revenues</b>   | <b>930.2</b>   | 100%     | <b>1 026.4</b> | 100%     | -9.4%           |
| Other revenues  | 3.9            |          | 4.3            |          |                 |
| Change in inventories   | (1.9)          |          | (7.2)          |          |                 |
| Internal work capitalized   | 4.3            |          | 4.1            |          |                 |
| Goods and utilities expense   | (388.6)        |          | (405.6)        |          |                 |
| Service expense   | (217.6)        |          | (232.3)        |          |                 |
| Employee expense  | (156.1)        |          | (161.1)        |          |                 |
| Other operating income (expense)  | (34.0)         |          | (38.6)         |          |                 |
| <b>Recurring EBITDA</b>   | <b>140.1</b>   | 15.1%    | <b>190.1</b>   | 18.5%    | -26.3%          |
| Other income (expense)  | 0.5            |          | (4.5)          |          |                 |
| <b>EBITDA</b>   | <b>140.6</b>   | 15.1%    | <b>185.6</b>   | 18.1%    | -24.2%          |
| Amortization and depreciation   | (85.8)         |          | (87.4)         |          |                 |
| Impairment  | -              |          | -              |          |                 |
| <b>EBIT</b>   | <b>54.8</b>    | 5.9%     | <b>98.2</b>    | 9.6%     | -44.1%          |
| Finance income  | 11.0           |          | 6.3            |          |                 |
| Finance costs   | (36.5)         |          | (25.8)         |          |                 |
| Gains (losses) on exchange rates and changes in fair value of derivatives | 3.4            |          | (2.4)          |          |                 |
| <b>Finance income (costs)</b>   | <b>(22.1)</b>  |          | <b>(21.9)</b>  |          |                 |
| Share of results of associates  | 2.3            |          | 1.2            |          |                 |
| <b>Profit before tax</b>  | <b>35.0</b>    | 3.8%     | <b>77.5</b>    | 7.6%     | -54.8%          |
| Tax   | (6.9)          |          | (23.2)         |          |                 |
| <b>Net consolidated Group profit</b>                                      | <b>28.1</b>    | 3.0%     | <b>54.3</b>    | 5.3%     | -48.3%          |
| Share attributable to equity holders of parent                            | (1.1)          |          | 25.7           |          |                 |
| Share attributable to non-controlling interests (minority interests)      | 29.2           |          | 28.6           |          |                 |

| <b>Financial position</b><br><i>(M€)</i> | <b>31 March 2010</b> | <b>31 December 2009</b> | <b>31 March 2009</b> |
|--|----------------------|-------------------------|----------------------|
| <b>Net financial debt</b>                | <b>1,503.0</b>       | 1,562.3                 | 1,716.9              |
| <b>Total equity</b>                      | <b>4,109.2</b>       | 3,896.5                 | 3,837.3              |