

ITALCEMENTI-CIMENTS FRANÇAIS JOINT PRESS RELEASE

Bergamo/Paris, June 27, 2009 – Italcementi and Ciments Français announced, after their respective Boards of Directors meetings held on June 26, that the conditions they had set for their planned merger have not been met.

The requests presented by the group of U.S. institutional investors who hold notes issued by Ciments Français in 2002 and 2006, for a total amount of USD 500 million, were indeed deemed excessive and unacceptable by the two companies, and not consistent with the purpose of the merger.

Accordingly, the proposed merger was abandoned.

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Italcementi Group is the fifth largest cement producer in the world. The Group companies combine the expertise, know how and cultures of 22 countries in 4 Continents, boasting an industrial network of 63 cement plants, 13 grinding centres, 5 terminals, 614 concrete batching units and 125 aggregates quarries. In 2008 Italcementi Group had sales amounting to almost 6 billion Euro. Italcementi is included in the Dow Jones Sustainable Index World, the benchmark index for leading sustainability-driven companies worldwide.





Statement by Carlo Pesenti, Chief Executive of Italcementi

A short-term financial choice prevailed over the long-term vision of an international industrial group that is a leading world player in the sector. The differing interpretation of a clause in an agreement signed by Ciments Français with American institutional investors has not permitted us to reach the goal of the merger; despite the comforting opinion of the American legal advisors, we have preferred not to enter into litigation with the American note holders since a transaction as complex as a cross-border merger needs to be carried out following a tight schedule which allows little time for lengthy disputes. We were not renegotiating a loan – the group has no need to do so -, but we had intended to reconcile the diverging understanding of a contractual clause. In this regard, we expected mutual responsibility; responsibility and a sharing of the project that we found in the rest of the Italian and international financial and banking institutions. However, discussions with some American note holders were drawn out and tiring; each of our proposals to find a solution economically compatible with the aims of the merger was met with continual counter-offers day after day, in an attempt to gain an immediate, and ever greater, financial advantage. The positive interest expressed by the majority of holders of the notes issued in 2002 and a large part of the 25 holders of the 2006 issue was not sufficient to reach the final majority required for a global agreement. The merger calendar provided no further time for negotiation. Along with our legal advisors, we will assess any action that needs to be taken in due course.

Among the large international groups, Italcementi and Ciments Français have the highest debt rating in the cement sector, evidence of a strong financial and economic position. It therefore appeared unacceptable and unjustified to meet requests that were not in line with our rating and solidity. To have agreed to such requests would have damaged Italcementi's shareholders, discriminated against the other creditors and gone totally against the goals of the merger, which aimed to preserve our resources in order to overcome the crisis and seek to grow with confidence.

The merger, as has always been clearly stated to the market, did not envisage significant immediate economic benefits, but aimed to create a more agile and effective organizational structure. This remains the goal that we will pursue by means of various alternative projects and programs to create further efficiencies in the management and operational structure.

Unfortunately the note holders attitude was not sufficiently farsighted. At the same time, I appreciate the close attention paid to the project by the French and Italian market authorities and institutions, to whom my thanks go for their promptness and in-depth examination, which allowed the project, that is innovative for the European financial markets, to develop. The merger between Italcementi and Ciments Français would have been the first cross-border transaction between Italy and France based on recent EC regulations. The dedication and commitment of our management and consultants, as well

as the support of the Group's banking partners, have been extraordinary and the final result has not been achieved only as a result of the unjustifiable claims of a small minority. We look to the future, confident that Italcementi Group will continue to be a leading world player in the construction materials sector.

Bergamo, June 27 2009