



BOARD OF DIRECTORS EXAMINES CONSOLIDATED RESULTS AT DECEMBER 31, 2008

ITALCEMENTI GROUP

- **CONSOLIDATED REVENUES:** 5,775.6 MILLION EURO (-3.8%)
- **RECURRING EBITDA:** 1,113.1 MILLION EURO (-20.7%)
- **EBIT:** 607.3 MILLION EURO (-36.6%)
- **TOTAL NET PROFIT:** 272.2 MILLION EURO (-55.6%)
- **GROUP NET PROFIT:** 138.8 MILLION EURO (-67.3%)
- **NET DEBT:** 2,679.3 MILLION EURO AT DECEMBER 31, 2008 (2,418.2 MILLION EURO AT THE END OF 2007)

ITALCEMENTI S.p.A.

- **NET PROFIT** 34.5 MILLION EURO (-64.3%)
- **PROPOSED DIVIDEND:** 0.18 EURO PER ORDINARY SHARE (0.36 EURO IN 2007) AND 0.21 EURO PER SAVINGS SHARE (0.39 EURO) PAYABLE AS FROM MAY 21, 2009

Bergamo, March 6, 2009 – *At a meeting today, the Italcementi Board of Directors examined and approved the annual financial report as at and for the year to December 31, 2008.*

The continuing economic and financial crisis, whose duration and severity is without precedent in recent decades, was the cause of a significant decline in sales volumes in the Group's three lines of business, especially in the fourth quarter when sales were further hindered by meteorological conditions less favorable than those of the year-earlier fourth quarter.

The worsening performance of the fourth quarter of 2008 therefore undermined results for the full year.

In 2008 Italcementi Group reported sales of 62.6 million metric tons of cement and clinker (-3.1% arising from the sharp downturn in the industrialized countries, while performance in the emerging countries was substantially stable). Sales totaled 47.6 million metric tons in aggregates (-15.5%, with particularly notable reductions in Spain and France) and 13.9 million cubic meters in ready mixed concrete, a decrease of 32.5%; the decreases would have been 6.5% and 6% respectively at constant size (deconsolidation of Calcestruzzi operations).

Italcementi Group 2008 consolidated revenues amounted to 5,775.6 million euro, a contained decrease of 3.8% produced by the reduction in the scope of consolidation and the exchange-rate effect (at constant size and exchange rates, consolidated revenues

improved by 1.7%); the sales price trend for the year remained generally positive, with the exception of North America and Turkey.

Operating results were affected by the large cost increases for energy and raw materials, whereas the fixed-cost reduction plan introduced toward the end of the year has so far had only a marginal impact. The benefits of the measures on fixed costs will emerge with greater force during 2009, combined, in the last part of the year, with the improvements arising from the start-up of new facilities and the implementation of a production and logistics re-organization plan in Italy.

The consolidated financial statements for the year ended December 31, 2008, reflect recurring EBITDA of 1,113.1 million euro (-20.7%); EBIT was 607.3 million euro, down by 36.6% after impairment variations rose from -1.2 to -44.7 million euro.

The Group also reported a particularly significant increase in finance costs, chiefly due to the effects of the market crisis, which led to a rise in borrowing costs. These effects were counterbalanced in part by recognition of non-recurring finance income in 2008 in connection with the fact that the sale of operations in Turkey did not take place.

Adjustments to financial asset values also had a particularly significant impact (approximately 125 million euro, and not present in 2007).

Profit before tax was 420.7 million euro (851.9 million euro in 2007) and net profit for the period was 272.2 million euro (612.5 million euro). Group net profit was 138.8 million euro (423.9 million euro in 2007), while minority interests were 133.4 million euro (188.6 million euro).

Group net debt at the end of December 2008 was 2,679.3 million euro, while shareholders' equity was 4,615.0 million euro. The gearing ratio (net debt / shareholders' equity) was 58.1% (50.8% at the end of 2007). The Group's financial situation was recently reviewed by the rating agencies: also in light of the preliminary plan for the upstream merger of Ciments Français into and with Italcementi discussed by the companies' respective Boards of Directors on February 16, the agencies confirmed their ratings for Italcementi (BBB for Standard and Poor's and Baa2 for Moody's), which rank among the best standings for global players in the worldwide construction materials industry.

With regard to the project for the upstream merger of Ciments Français into and with Italcementi already examined on a preliminary basis by the Board of Directors on February 16, the courts of Bergamo and Nanterre have appointed independent advisors to determine the share swap ratio. The advisors will present their reports within the next few weeks.

Outlook – In a global economic and financial scenario that remains highly critical and changeable, no estimate can be regarded as certain. Investment in the construction sector in the industrialized countries where the Group operates is expected to be considerably lower than last year's levels. Toward the end of 2009, a possible partial recovery will be triggered by government anti-cyclical infrastructure investment programs in North America and the main European countries. Meanwhile, in the emerging economies, cement consumption may continue to grow, albeit at slower rates, with the exceptions of Turkey and Thailand, where further reductions in demand are forecast.

Given the great uncertainty affecting all economic variables, the Group's short-term action aims to lower variable unit costs and fixed costs, contain working capital and reduce capital expenditure. Completion of the strategic investments for the new production lines in India, the USA, Morocco and Italy will remain a priority.

Diversification of sources of funding and adequate liquidity reserves will enable the Group to maintain a solid equilibrium in its balance sheet and financial structure in 2009.

The **Parent Company Italcementi S.p.A.** reported revenues of 991.3 million euro for 2008, a reduction of 2.8% from 2007. **Recurring EBITDA** was 76.1 million euro (139.8 million euro), while **net profit for the year** was 34.5 million euro (96.5 million euro). The Board of Directors will ask the Shareholders' Meeting (in Bergamo, on April 17 and 20 on first and second call respectively) to approve distribution of a **dividend** of 0.18 euro per ordinary share (0.36 euro for FY 2007) and 0.21 euro per savings share (0.39 euro). The dividend payment date will be May 21, 2009 (coupon tear-off on May 18, 2009).

The Italcementi Group 2008 results will be illustrated during an Analyst Meeting to be held in Paris on Monday, March 9, at 15.30 hours C.E.T.
The presentation will also be available on an audio conference link and on a webstreaming link on the www.italcementigroup.com site

FOURTH QUARTER 2008

At constant size, Group sales **volumes** in the fourth quarter, when meteorological conditions were particularly unfavorable in Central-Western Europe, showed an overall decrease in all lines of business compared with the year-earlier period. In the **cement and clinker** business, there was a sharp decline in sales volumes in North America, Central Western Europe, Asia and Trading. Southern Europe and Southern Med Rim on the other hand reported a small improvement thanks to healthy performance in Morocco, which more than counterbalanced the contained reduction on the other markets.

The significant downturn in Central Western Europe (France-Belgium, Spain) affected Group performance in the **aggregates** and **ready mixed concrete** businesses.

Nevertheless, Greece made good progress in both sectors, as did Egypt in ready mixed concrete; performance was substantially stable in Morocco.

Quarterly results (in millions of euro)	Full Year 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Revenues	5,775.6	1,356.2	1,493.3	1,574.9	1,351.1
% change vs. 2007	(3.8)	(2.3)	(3.0)	(4.8)	(4.7)
Recurring EBITDA	1,113.1	207.1	312.7	334.6	258.7
% change vs. 2007	(20.7)	(30.6)	(18.9)	(23.5)	(8.5)
% of revenues	19.3	15.3	20.9	21.2	19.1
EBITDA	1,102.9	201.0	306.8	335.6	259.5
% change vs. 2007	(21.5)	(30.3)	(21.3)	(24.2)	(8.8)
% of revenues	19.1	14.8	20.5	21.3	19.2
Amortization and depreciation	(450.9)	(126.8)	(107.1)	(109.0)	(107.9)
Impairment variation	(44.7)	(44.7)		0.1	(0.1)
EBIT	607.3	29.5	199.8	226.6	151.4
% change vs. 2007	(36.6)	(82.8)	(28.2)	(31.7)	(14.0)
% of revenues	10.5	2.2	13.4	14.4	11.2
Finance income and costs	(86.7)	22.1	(36.8)	(35.1)	(36.9)
Adjustments to financial asset values	(124.9)	(98.3)	(11.4)	(15.2)	
Share of results of associates	25.1	6.4	5.6	12.3	0.8
Net profit for the period	272.2	(53.0)	106.5	137.3	81.3
% of revenues	4.7	(3.9)	7.1	8.7	6.0

In the fourth quarter, the slowdown in volumes pushed **revenues** down to 1,356.2 million euro (-2.3% YoY). The decrease was contained by performance in some emerging countries (Egypt, Morocco and Bulgaria) and by the globally positive sales price trend. A sharp reduction was reported in North America, Central Western Europe and Trading. **Recurring EBITDA** was 207.1 million euro, down 30.6% from the year-earlier period. The result reflected lower sales volumes and the negative dynamic in operating expenses, whose impact was offset only in part by the start of the downturn in energy costs and the positive sales price trend.

EBIT was 29.5 million euro (-82.8%), after an increase in amortization and depreciation (+10.6 million euro, or 9.2%) and, above all, write-downs of 44.7 million euro on fixed assets, arising mainly from impairment losses in Turkey, China and Thailand, compared with negligible amounts in the fourth quarter of 2007 (0.6 million euro).

BUSINESS PERFORMANCE IN 2008

Group 2008 sales **volumes** were down in all lines of business at constant size, with a particularly significant reduction in the fourth quarter.

In **cement and clinker**, the sales volumes decline arose largely in the industrialized countries (especially Italy, Spain and North America) and in Trading. In the emerging countries, domestic cement sales were substantially stable as a result of improvements in Bulgaria, Morocco, Egypt, India and China offset by decreases in Turkey, Thailand and Kazakhstan.

Sales volumes and internal transfers (1)	Cement and clinker (millions of metric tons)			Aggregates (millions of metric tons)			Ready mixed concrete (millions of m ³)		
	2008	% change vs. 2007		2008	% change vs. 2007		2008	% change vs. 2007	
		A	B		A	B		A	B
Central Western Europe	24.0	(7.3)	(6.7)	43.7	(16.9)	(7.0)	7.4	(49.3)	(8.9)
North America	5.3	(14.7)	(14.7)	0.5	64.2	2.8	1.0	17.5	(7.9)
Eastern Europe and Southern Med Rim	20.6	(2.1)	(2.1)	2.6	(3.3)	(3.3)	4.4	7.1	0.7
Asia	11.3	4.4	(1.1)	0.7	7.8	7.8	0.8	(11.3)	(11.3)
Trading	5.5	(10.4)	(15.3)	-	-	-	0.2	-	-
Eliminations	(4.0)	n.s.	n.s.	-	-	-	-	-	-
Total	62.6	(3.1)	(4.3)	47.6	(15.5)	(6.5)	13.9	(32.5)	(6.0)

Central Western Europe: Italy, France, Belgium, Spain, Greece **North America:** U.S.A., Canada, Puerto Rico

Eastern Europe and Southern Med Rim: Bulgaria, Egypt, Morocco, Turkey **Asia:** Thailand, India, Kazakhstan, China

(1) amounts refer to companies consolidated on a line-by-line basis and, pro-quota, to companies consolidated on a proportionate basis; A: Historic– B: At constant size; n.s.: not significant

Sales volumes in **aggregates** were affected by the heavy decline in Spain, a more contained reduction in France and positive performance on the other markets (notably Belgium, Greece and Morocco).

In **ready mixed concrete** the slowdown in Central Western Europe reflected a fall in overall volumes, despite healthy performance in Egypt and Morocco.

The larger reduction reported on an historic basis in aggregates and ready mixed concrete reflects the impact of deconsolidation of the Calcestruzzi S.p.A. group, which was consolidated until September 30, 2007. This effect was compensated in part by the ready mixed concrete acquisitions in North America and Egypt.

CENTRAL WESTERN EUROPE (Italy, France, Belgium, Spain, Greece)

In **Italy**, Group sales were affected by the sharp fall in cement consumption, although in the second half demand for cement was stronger than the industry trend as a whole. Total

revenues were substantially stable compared with 2007, thanks to the positive sales price effect, which in part countered the fall in volumes.

Higher operating expenses, expense for the re-organization of the Group's Italian production operations and the downturn in volumes produced a decrease in operating results.

In **France**, where the market experienced a slight slackening in the second half with a strong downturn in the fourth quarter, Group cement sales volumes declined, also as a result of strikes in February. The sales price trend buffered the decrease in volumes and produced a small improvement in revenues. In the ready mixed concrete and aggregates sectors too, volumes decreased while revenues per unit were stable.

Operating results as a whole fell, due to the sharp rise in costs, notably for energy and raw materials.

In **Belgium**, demand rose slightly and Group cement sales volumes increased. Combined with price stability, this generated an improvement in revenues. Group ready mixed concrete sales volumes fell as a result of the downturn in the fourth quarter, while aggregates volumes increased. Overall, despite the revenue improvement, operating results were down on 2007, due to higher costs.

In **Spain**, the crisis in the residential sector that began in 2007 was exacerbated by competitive pressures which, in southern Spain in particular, pushed down prices. As a result, sales volumes fell in the three Group businesses. This downturn and the rise in energy costs cut operating results, while the start-up of the new line in Malaga reduced the need for external purchases of cement and clinker.

In **Greece**, where the market slackened, Group cement sales volumes remained steady at the levels of 2007. Operating results as a whole were down on 2007, however, since the positive sales price trend did not fully offset the rise in operating expenses.

NORTH AMERICA (USA, Canada, Puerto Rico)

In an unfavorable economic climate, the construction sector experienced a further decline, with demand for public works and private non-residential building unable to counterbalance the slump in private residential construction.

Group cement sales volumes for the year decreased with respect to 2007. The acquisitions in the first quarters of 2007 and 2008 enabled the ready mixed concrete sector to post a strong improvement in sales volumes, although profitability was limited.

Falling demand and the rise in energy costs produced a significant decrease in operating results compared with 2007.

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

In **Egypt** the market continued to report strong growth; Group sales volumes increased, if at a slower rate than the industry, as a result of full saturation of production capacity. The positive sales price trend in cement was an additional factor boosting revenues. Ready mixed concrete sales volumes also made strong progress.

Overall, the rise in sales volumes and revenues per unit generated an improvement in operating results, despite a sharp increase in energy costs and a negative exchange-rate effect.

In **Morocco** the domestic cement market continued to grow, buoyed by demand in the construction sector, despite a slight slowdown in the fourth quarter. Group cement sales volumes rose at a slightly slower rate than the market, with full use of production capacity. The construction materials sector also reported a small improvement.

Although revenues increased, operating results were down on 2007 due to the strong rise in fuel prices and larger clinker purchases outside the Group.

In **Bulgaria**, where the market grew at a steady rate, the Group reported an improvement in cement sales volumes on the domestic market, but a significant fall in exports.

The rise in volumes and sales prices drove a healthy improvement in revenues, while higher operating expenses limited growth in operating results.

In **Turkey**, demand for cement was significantly down on 2007. The market entry of new production capacity tightened pressures on sales prices. As conditions deteriorated compared with 2007, EBIT fell heavily, reflecting the impact of higher operating expenses and impairment losses on ready mixed concrete assets.

ASIA (Thailand, India, China, Kazakhstan)

In **Thailand**, continuing political instability led to postponement of infrastructure works and a slowdown in private investment. On a shrinking market, the Group reported a fall in domestic cement sales volumes, offset in part by higher exports, where margins are smaller.

As a whole, revenues in local currency were stable, while operating results decreased, under the impact of higher energy costs.

In **India**, the economic climate favored the construction sector, despite a slight slackening in the second half of the year. Group domestic cement sales improved, with significant increases in prices. Operating results in local currency were up on 2007, despite the sharp rise in prices for fuel and raw materials.

In **China**, after a first quarter adversely affected by poor meteorological conditions but assisted by growing demand, Group cement and clinker sales volumes increased. Despite the positive trend in volumes and prices, the sharp increase in fuel prices produced a small loss at EBITDA level, while EBIT reflected the impact of impairment losses.

In **Kazakhstan**, market demand dropped heavily and the Group reported a significant fall in cement sales, caused in part by the temporary suspension of quarrying licenses. The positive trend in sales prices generated a small improvement in operating results.

CEMENT/CLINKER TRADING

Cement and clinker sales volumes decreased in 2008, with a particularly sharp reduction in the fourth quarter as economic conditions worsened. Despite a positive consolidation effect (consolidation of a terminal in Kuwait in the third quarter of 2007), the fall in sales volumes and prices produced a downturn in revenues and operating results.

FINANCIAL PERFORMANCE

Group **revenues** for financial year 2008 totaled 5,775.6 million euro. The 3.8% decrease with respect to 2007 arose from a negative consolidation effect (-3.6%) and a negative exchange-rate effect (-1.9%), while business performance was a positive contributing factor (+1.7%). At constant size and exchange rates, revenue growth was assisted by the emerging countries as a whole (especially Egypt and, to a lesser extent, India, Morocco and Bulgaria), whose performance more than offset the sharp downturn in the industrialized countries (North America, Spain, Italy), Turkey and Kazakhstan.

Revenues by business (in millions of euro)	2008	2007	% change	% change (*)
Cement and clinker	4,131.2	4,000.3	3.3	1.9
RMC/Aggregates	1,334.0	1,736.4	(23.2)	(0.2)
Other	310.4	264.3	17.4	12.4
Total	5,775.6	6,000.9	(3.8)	1.7

(*) at constant size and exchange rates

Recurring EBITDA, at 1,113.1 million euro, fell by 20.7% from 2007. **EBITDA** was 1,102.9 million euro, a reduction of 21.5%.

After a slight increase in amortization and depreciation compared with 2007 (from 445.9 million euro to 450.9 million euro) and a sharp rise in impairment variations (from -1.2 million euro to -44.7 million euro), **EBIT** decreased by 36.6% to 607.3 million euro.

Finance costs, net of finance income, decreased from 119.4 to 86.7 million euro (-27.3%). This included final recognition of the advance of 50 million euro received in March 2008 in connection with the sale of operations in Turkey, which subsequently did not take place.

Excluding this non-recurring income item, net finance costs increased by 17.4 million euro. Net interest expense on net debt rose by 20 million euro.

The share of results of associates was 25.1 million euro, a significant increase on 2007 (13.3 million euro) driven by improved results and the inclusion of the Moroccan associate, Asment, previously valued at cost.

Negative adjustments to financial asset values, an item absent in 2007, amounted to -124.9 million euro. They related to Goltas (-75.6 million euro), Calcestruzzi (-42.0 million euro), Bursa (-3.4 million euro). They also included a negative adjustment to RCS Media Group (in Italy, -3.9 million euro), written down on the basis of a specific analysis and subsequently treated as an associate.

Revenues and operating results (in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	2008	% change vs. 2007	2008	% change vs. 2007	2008	% change vs. 2007	2008	% change vs. 2007
Central Western Europe	3,331.4	(9.2)	564.9	(20.4)	581.3	(19.8)	344.0	(30.6)
North America	500.4	(17.4)	55.5	(56.5)	53.2	(58.2)	8.3	(89.7)
Eastern Europe and Southern Med Rim	1,358.9	11.6	395.2	(9.2)	371.8	(11.6)	231.5	(21.8)
Asia	449.5	1.2	105.1	(15.5)	103.8	(15.8)	38.0	(53.5)
Cement/clinker trading	370.8	1.7	18.1	(11.5)	18.3	(15.9)	13.5	(31.2)
Others and eliminations	(235.4)	n.s.	(25.6)	n.s.	(25.5)	n.s.	(28.0)	n.s.
Total	5,775.6	(3.8)	1,113.1	(20.7)	1,102.9	(21.5)	607.3	(36.6)

n.s.: not significant

Profit before tax was 420.8 million euro, a decrease of 50.6% from 2007 (851.9 million euro). Income tax expense, at 148.5 million euro, was down 38.0% from 2007 (239.4 million euro), although the incidence of income tax expense with respect to profit before tax net of the share of results of associates was higher (37.50%, compared with 28.5% in 2007).

Net profit attributable to the Group amounted to 138.8 million euro, a decrease of 67.3% from 2007 (423.9 million euro), while **minority interests** decreased by 29.3%, from 188.6 million euro to 133.4 million euro.

Investments in fixed assets in 2008 amounted to 980.5 million euro, a figure in line with the particularly high investment level of 2007 (999.0 million euro). Industrial expenditure totaled 698.2 million euro (529.7 million euro in 2007) and focused on strengthening and re-organizing Group production operations, primarily in North America, the European Union (France-Belgium, Italy), India and Morocco.

Investments in workplace health, safety and environment accounted for 19.0% of the total, a decrease from 2007 (24%) due to the higher proportion of investments classified as "Strategic" (Martinsburg, Yerraguntla, Ait Baha); strategic investments themselves involve significant environmental and safety improvements, considered only in part in the previous percentage.

Investments in financial assets totaled 252.9 million euro (457.5 million euro in 2007).

They referred mainly to Ciments Français share buy-backs (67.0 million euro), acquisition of a grinding center in Ravenna (55.0 million euro), acquisition of the Bares Elektrik Uretim company in Turkey by Italgem (41.7 million euro).

Net debt at December 31, 2008, was 2,679.3 million euro, compared with 2,418.2 million euro at December 31, 2007.

The significant outflows for the year's investments and dividends paid (171.5 million euro) were the main factor, counterbalanced only in part by cash flows from operating activities (634.9 million euro) and the 50.0 million euro compensation received in connection with the agreement for the sale of operations in Turkey, which subsequently did not take place. Compared with 2007, 2008 benefited from an improvement of 114.9 million euro in cash flows from operating activities, as a result of the reduction in working capital following no-recourse factoring of trade receivables.

Total shareholders' equity at December 31, 2008, was 4,615.0 million euro, down by 145.5 million euro from December 31, 2007 (4,760.5 million euro).

At December 31, 2008, no changes had taken place in treasury shares compared with the situation at the end of December 2007. Italcementi S.p.A. held 3,793,029 ordinary treasury shares (representing 2.14% of ordinary share capital) servicing stock option plans, and 105,500 savings treasury shares (0.1% of savings share capital).

The **gearing ratio** (net debt/consolidated equity) was 58.1% at December 31, 2008 (50.8% at December 31, 2007).

ITALCEMENTI S.p.A.

The parent company Italcementi S.p.A. posted **revenues** of 991.3 million euro for 2008, a reduction of 2.8% on 2007 (1,019.9 million euro) arising essentially from a decrease in sales volumes offset only in part by higher sales prices. **Recurring EBITDA**, at 76.1 million euro, fell by 45.6% from 2007 (139.8 million euro).

The reduction was generated by the negative sales volume effect and significant increases in production costs, primarily energy. Increases were particularly high for electricity and traditional fuels, a trend counterbalanced to a modest extent by the positive contribution from alternative fuels. The increase in sales prices, though substantial, did not absorb the rise in production costs. Among fixed costs, direct and indirect employee expenses increased. The production and logistics re-organization involved closure of two minor grinding centers and 4 distribution centers, enabling the company to offset in part increases in fixed costs; the full benefits of the re-organization will be felt in the coming years. A mobility procedure was introduced to mitigate the impact of the closures on employees.

EBITDA was 77.9 million euro, down by 48.5% from 2007. The reduction arose in part from non-recurring expenses of 5.4 million euro for the re-organization.

After **amortization and depreciation** of 84.0 million euro, up from 2007 (+5.6%), the parent company posted an **EBIT** loss of 6.2 million euro.

Net finance income was 90.1 million euro (49.8 million euro in 2007), benefiting from dividends of 114.9 million euro (76.8 million euro in 2007) and a capital gain of 13.3 million euro on the sale of the shareholding in Intercom S.r.l. to Interbulk Trading S.A.. **Profit before tax**, at 26.9 million euro, reflected the impact of **adjustments to financial asset values** of 57.0 million euro (absent in 2007) after write-downs on the equity investments in Calcestruzzi S.p.A., Nuova Sacelit S.r.l. and RCS Mediagroup.

After **income tax income** of 7.6 million euro (expense of 24.9 million euro in 2007), the parent company posted a **net profit** for 2008 of 34.5 million euro (96.5 million euro in 2007).

Italcementi S.p.A. **shareholders' equity** decreased by 174.8 million euro from December 31, 2007, to 1,951.6 million euro at December 31, 2008.

Net debt, at 829.4 million euro, increased by 55.8 million euro from December 31, 2007 .

The Italcementi S.p.A. Board of Directors will ask the **Shareholders' Meeting** called for April 17 and 20, 2009, on first and second call respectively, to approve distribution of a **dividend** of 0.18 euro to ordinary shares (0.36 euro for FY 2007) and 0.21 euro to savings shares (0.39 euro). The dividend payment date will be May 21, 2009, with coupon tear-off on May 18, 2009.

OUTLOOK

In a global economic and financial scenario that remains highly critical and changeable, no estimate can be regarded as certain. Investment in the construction sector in the industrialized countries where the Group operates is expected to be considerably lower than last year's levels. Toward the end of 2009, a possible partial recovery will be triggered by government anti-cyclical infrastructure investment programs in North America and the main European countries.

Meanwhile, in the emerging economies, cement consumption may continue to grow, albeit at slower rates, with the exceptions of Turkey and Thailand, where further reductions in demand are forecast.

Given the great uncertainty affecting all economic variables, the Group's short-term action aims to lower variable unit costs and fixed costs, contain working capital and reduce

capital expenditure. Completion of the strategic investments for the new production lines in India, the USA, Morocco and Italy will remain a priority. Diversification of sources of funding and adequate liquidity reserves will enable the Group to maintain a solid equilibrium in its balance sheet and financial structure in 2009.

DEBENTURE ISSUES AND MATURITIES

The Italcementi Group issued no debentures during the 12 months preceding December 31, 2008. Issues due to mature in the 18 months after December 31, 2008, total 209.3 million euro: on July 10, 2009, debentures for 159.3 million euro (under the original EMTN program for 350 million euro issued by the subsidiary Ciments Français on July 10, 2002, and due in 2009) and on March 3, 2010, the 50 million euro Ciments Français International issue.

MERGER PROJECT

With regard to the project for the upstream merger of Ciments Français into and with Italcementi already examined on a preliminary basis by the Board of Directors on February 16, the courts of Bergamo and Nanterre have appointed independent advisors to determine the share swap ratio. The advisors will present their reports within the next few weeks.

The Board of Directors also decided to present the following proposals at the forthcoming Shareholders' Meeting:

- 1) renewal of the authorization to buy back and dispose of treasury shares for a period of 18 months as from the date of the shareholders' resolution. Shares may be bought back for the following purposes:
 - to hold treasury shares;
 - to be sold to employees and/or directors in connection with stock option plans reserved for employees and/or directors;
 - for medium/long-term investment plans;
 - to intervene, in compliance with current regulations, directly or through intermediaries, in order to limit anomalous variations in share prices and to regularize trends in trading and share prices in response to momentary distortions arising from excessive volatility or low trading liquidity;
 - to build a treasury stock portfolio to service extraordinary financial transactions or for other purposes deemed to be in the financial, business and/or strategic interests of the company;
 - to offer shareholders an additional instrument to monetarize their investments.

Under the proposal, the per-share purchase price shall not be more than 15% above or below the average reference price on the same regulated market in the three trading sessions prior to each transaction; the overall amount paid by the company for buy-backs shall not exceed 250 million euro; the overall nominal value of the maximum number of bought back ordinary and/or treasury shares, including treasury shares already held as of

today by the parent company and by the subsidiaries, shall not exceed one tenth of the share capital.

Furthermore:

- buy-backs shall normally be conducted in a manner that ensures equitable treatment of shareholders and does not allow offers to purchase to be directly matched with pre-determined offers to sell, or, taking account of the various possible objectives, in any other manner allowed under current laws and regulations governing the stock market on which the transaction is performed;
- the shares shall be disposed of in any manner deemed suitable to achieve the objectives pursued, directly or through intermediaries, in compliance with current applicable national and community laws and regulations;
- share buy-backs and sale transactions shall be performed in compliance with applicable laws and, specifically, with laws and regulations governing the stock market on which the transaction is performed;

As of today, the parent company holds 3,793,029 ordinary treasury shares and 105,500 savings treasury shares, representing respectively 2.14% of ordinary share capital and 0.1% of treasury share capital.

- 2) the renewal of the Board of Statutory Auditors pursuant to the By-Laws and the Voluntary Code of Conduct.

The Board of Directors ascertained that the directors Alberto Bombassei, Alberto Clò, Federico Falck, Pietro Ferrero, Karl Janjóri, Emma Marcegaglia, Ettore Rossi, Attilio Rota, Carlo Secchi and Emilio Zanetti possess the requisites of independence envisaged by the company's Voluntary Code of Conduct.

The manager in charge of preparing the company's financial reports, Carlo Bianchini, declares, pursuant to paragraph 2 article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting entries

ITALCEMENTI GROUP ON INTERNET: www.italcementigroup.com

**Italcementi
Media Relations
Tel. (39) 02.29024.212**

**Italcementi
Investor Relations
Tel. (39) 035.396.750/829/866**

*The Italcementi Group 2008 financial statements will be illustrated during the **Analyst Meeting** to be held in Paris on Monday, March 9, at 15.30 hours C.E.T.
The presentation will also be available on an audio conference link and a webstreaming link on the www.italcementigroup.com site.*



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 62 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.



Attachments: pre-audit income statements and balance sheets

Page 12

Italcementi Group					
Income Statement (in thousands of euro)	2008	%	2007	%	% change
Revenues	5,775,557	100.0	6,000,939	100.0	-3.8
Other revenues	60,216		83,370		
Change in inventories	59,906		57,595		
Internal work capitalized	52,560		40,996		
Goods and utilities expenses	(2,363,059)		(2,258,751)		
Services expenses	(1,326,986)		(1,418,389)		
Employee expenses	(938,884)		(953,170)		
Other operating income (expense)	(206,179)		(148,647)		
Recurring EBITDA	1,113,131	19.3	1,403,943	23.4	-20.7
Net capital gains on sale of fixed assets	24,247		16,013		
Non-recurring employee expenses	(27,537)		(15,391)		
Other non-recurring income (expense)	(6,964)		508		
EBITDA	1,102,877	19.1	1,405,073	23.4	-21.5
Amortization and depreciation	(450,873)		(445,878)		
Impairment variation	(44,712)		(1,205)		
EBIT	607,292	10.5	957,990	16.0	-36.6
Finance income	102,848		53,050		
Finance costs	(188,173)		(164,466)		
Net exch.rate differences and derivatives	(1,397)		(7,937)		
Adjustments to financial asset values	(124,892)		-		
Share of results of associates	25,078		13,303		
Profit before tax	420,756	7.3	851,940	14.2	-50.6
Income tax expense	(148,522)		(239,398)		
Net profit for the period	272,234	4.7	612,542	10.2	-55.6
Attributable to:					
Equity holders of the parent	138,814	2.4	423,895	7.1	-67.3
Minority interests	133,420	2.3	188,647	3.1	-29.3
Earnings per share					
- Basic					
savings shares	€0.517		€1.537		
ordinary shares	€0.487		€1.507		
- Diluted					
savings shares	€0.517		€1.535		
ordinary shares	€0.487		€1.505		

Italcementi Group			
Balance Sheet (in thousands of euro)	12/31/2008	12/31/2007	Change
Non-current assets			
Property plant and equipment	4,258,114	4,121,607	136,507
Investment property	24,022	22,779	1,243
Goodwill	1,956,717	1,928,642	28,075
Intangible assets	122,618	66,750	55,868
Investments in associates	218,884	143,071	75,813
Other equity investments	266,252	439,126	(172,874)
Deferred tax assets	39,488	33,681	5,807
Other non-current assets	114,893	82,449	32,444
Total non-current assets	7,000,988	6,838,105	162,883
Current assets			
Inventories	941,256	843,168	98,088
Trade receivables	1,103,531	1,349,081	(245,550)
Other current assets	313,451	272,431	41,020
Income tax assets	52,591	23,211	29,380
Equity investments and financial receivables	210,691	76,222	134,469
Cash and cash equivalents	363,864	374,086	(10,222)
Total current assets	2,985,384	2,938,199	47,185
Total assets	9,986,372	9,776,304	210,068
Shareholders' equity			
Share capital	282,549	282,549	-
Reserves	358,791	557,605	(198,814)
Treasury shares	(58,690)	(58,690)	-
Retained earnings	2,742,126	2,698,031	44,095
Group shareholders' equity	3,324,776	3,479,495	(154,719)
Minority interests	1,290,197	1,281,035	9,162
Total shareholders' equity	4,614,973	4,760,530	(145,557)
Non-current liabilities			
Interest-bearing loans and long-term borrowings	2,684,198	2,213,398	470,800
Employee benefit liabilities	166,395	188,545	(22,150)
Non-current provisions	266,250	258,460	7,790
Deferred tax liabilities	278,383	316,750	(38,367)
Other non-current liabilities	42,908	46,368	(3,460)
Total non-current liabilities	3,438,134	3,023,521	414,613
Current liabilities			
Bank overdrafts and short-term borrowings	368,083	430,103	(62,020)
Interest-bearing loans and short-term borrowings	233,398	210,783	22,615
Trade payables	697,907	764,420	(66,513)
Current provisions	1,967	3,120	(1,153)
Income tax liabilities	62,334	37,143	25,191
Other current liabilities	569,576	546,684	22,892
Total current liabilities	1,933,265	1,992,253	(58,988)
Total liabilities	5,371,399	5,015,774	355,625
Total shareholders' equity and liabilities	9,986,372	9,776,304	210,068

Italcementi S.p.A.					
Income Statement (in thousands of euro)	2008	%	2007	%	% change
Revenues	991,257,392	100.	1,019,870,590	100.0	- 2.8
Other revenues	32,531,756		33,288,496		
Change in inventories	15,149,413		11,330,976		
Goods and utilities expenses	(518,693,562)		(493,614,846)		
Services expenses	(226,996,182)		(229,039,053)		
Employee expenses	(197,244,584)		(186,067,807)		
Other operating income (expense)	(19,941,922)		(15,933,616)		
Recurring EBITDA	76,062,311	7.7	139,834,740	13.7	- 45.6
Net capital gains on sale of fixed assets	8,661,703		10,735,104		
Other non-recurring income (expense)	(6,859,983)		603,361		
EBITDA	77,864,031	7.9	151,173,205	14.8	- 48.5
Amortization and depreciation	(84,049,250)		(79,594,547)		
Impairment variation	-		-		
EBIT	(6,185,219)	-0.6	71,578,658	7.0	- 108.6
Finance income	151,517,241		91,125,578		
Finance costs	(59,201,950)		(39,336,058)		
Adjustments to financial asset values	(57,011,481)		-		
Net exch.rate differences and derivatives	(2,254,434)		(1,945,305)		
Profit before tax	26,864,157	2.7	121,422,873	11.9	- 77.9
Income tax expense	7,642,985		(24,892,745)		
Net profit for the period	34,507,142	3.5	96,530,128	9.5	- 64.3

Italcementi S.p.A.			
Balance Sheet (in thousands of euro)	12/31/2008	12/31/2007	Change
Non-current assets			
Property plant and equipment	592,452,804	592,971,086	(518,282)
Investment property	16,959,889	14,994,553	1,965,336
Intangible assets	6,958,230	10,734,628	(3,776,398)
Investments in subsidiaries and associates	1,799,401,192	1,811,173,031	(11,771,839)
Other equity investments	87,712,383	220,521,860	(132,809,477)
Other non-current assets	5,528,307	12,839,055	(7,310,748)
Total non-current assets	2,509,012,805	2,663,234,213	(154,221,408)
Current assets			
Inventories	207,761,090	188,442,013	19,319,077
Trade receivables	328,159,903	353,984,376	(25,824,473)
Other current assets	48,477,104	39,288,470	9,188,634
Income tax assets	201,969	2,954,609	(2,752,640)
Equity investments and financial receivables	411,796,857	212,172,257	199,624,600
Cash and cash equivalents	315,995	461,478	(145,483)
Total current assets	996,712,918	797,303,203	199,409,715
Total assets	3,505,725,723	3,460,537,416	45,188,307
Shareholders' equity			
Share capital	282,548,942	282,548,942	-
Reserves	365,771,710	471,567,842	(105,796,132)
Treasury shares	(58,689,585)	(58,689,585)	-
Retained earnings	1,361,933,632	1,430,900,416	(68,966,784)
	1,951,564,699	2,126,327,615	(174,762,916)
Non-current liabilities			
Interest-bearing loans and long-term borrowings	1,023,180,735	767,177,547	256,003,188
Employee benefit liabilities	33,012,175	39,589,724	(6,577,549)
Non-current provisions	24,394,275	21,575,109	2,819,166
Deferred tax liabilities	16,807,092	35,611,237	(18,804,145)
Other non-current liabilities	10,545,964	458,034	10,087,930
Total non-current liabilities	1,107,940,241	864,411,651	243,528,590
Current liabilities			
Bank overdrafts and short-term borrowings	164,348,147	182,257,546	(17,909,399)
Interest-bearing loans and short-term borrowings	48,674,212	46,431,211	2,243,001
Trade payables	166,728,835	175,566,128	(8,837,293)
Income tax liabilities	1,461,674	-	1,461,674
Other current liabilities	65,007,915	65,543,265	(535,350)
Total current liabilities	446,220,783	469,798,150	(23,577,367)
Total liabilities	1,554,161,024	1,334,209,801	219,951,223
Total shareholders' equity and liabilities	3,505,725,723	3,460,537,416	45,188,307