

CIMENTS FRANÇAIS

Tour Ariane
5 Place de la Pyramide – Quartier Villon
92800 PUTEAUX
RCS NANTERRE B 599 800 885 00478
Share capital of: **€145,322,308**
consisting of 36,330,577 shares at €4 each

QUARTERLY FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2009

FINANCIAL HIGHLIGHTS

- **CONSOLIDATED REVENUES:** 3,236 million euros (-11.0%)
- **RECURRING EBITDA:** 721 million euros (-11.2%)
- **EBIT:** 436 million euros (-22.6%)
- **NET CONSOLIDATED GROUP PROFIT:** 293 million euros (-20.3%)
- **CHANGE IN THE MANAGEMENT STRUCTURE OF THE COMPANY:** dissociation in the functions of Chairman and Chief Executive Officer

At a meeting held on November 4, 2009 chaired by Yves René Nanot, the Board of Directors of Ciments Français (Italcementi Group), examined and approved the unaudited consolidated accounts as of September 30, 2009.

During the first nine months of this fiscal year, the Group sales volumes were down in all three business lines: -10.6% in cement and clinker (35.1 million tonnes), -19.7% in aggregates (29.6 million tonnes) and -21.6% for ready-mix concrete (8.4 million m³). This decrease was particularly noted in mature markets where, the deterioration partly subsided in the last three months. Overall the downturn in sales volumes during Q3 followed the same trend than in H1. Unit prices have increased during the first nine months of 2009 as compared with 2008, but this upturn decreased in Q3.

Consolidated revenues amounted to 3,236 million euros, down 11.0% reflecting the decline in activities (-14.2%), partly mitigated by the positive exchange rate (+2.0%) and consolidation effects (+1.2%). Revenues increased in “Eastern Europe and Southern Med rim” thanks to a significant increase in Egypt and a moderate one in Morocco, and in spite of a marked decrease in Turkey and Bulgaria. However, all Western European countries, North America and Trading underwent a serious decrease. The downturn in revenues has been less visible in Asia due to an increase in China and Kazakhstan offsetting the decrease of Thailand and India where overcapacities have appeared. Revenues decrease (-14.8%) in Q3 is stronger than in H1 (-9.0%).

In the first nine months, **recurring EBITDA** amounts to 720.9 million euros (-11.2%). The controlled decrease is due to a significant reduction of operating expenses. Savings generated by the lower fuel costs have materialized mainly in Q3 and the Group continued to benefit from the measures initiated at the end of the previous fiscal year to contain fixed costs and boost production efficiency.

EBIT amounted to 435.8 million euros, down 22.6 % compared with 2008, taking into account non recurring net expenditures amounting to 5 million euros, and recognition of impairment losses – mainly in Thailand - reaching 20.4 million euros.

Net finance costs decreased by 18.1% compared with the same period of 2008, mainly due to the decrease in interest rates. Income taxes were down by 32.4%.

In the first nine months of this fiscal year, the Group reported a **consolidated net profit** of 293.2 million euros, down 20.3%. The share attributable to equity holders of the parent totaled 212.5 million euros (-26.5%).

At the end of September, **investments in industrial and financial fixed assets** totaled 471.0 million euros (+9.3% against end of September 2008).

Net financial debt as of 30 September 2009 amounted to 1,659.5 million euros against **1,858.5 million euros as of 30 June 2009 and total equity was 3,791.4 million euros**. The **gearing ratio** was 43.8% against 50.1% as of 30 June 2009.

Besides, the Board of Directors of the Group decided to modify the managing method of the Group and **to dissociate the functions of Chairman and those of Chief Executive Officer** as of January 1st, 2010.

The Board confirmed Mr. **Yves René Nanot** as Chairman of the Board of Directors as of January 1st, 2010 and nominated Mr **Giovanni Ferrario** as Chief Executive Officer (presently President/Chief Operating Officer). On the proposal from the latter, Mr. **Jean-Paul Méric** is appointed Chief Operating Officer (presently Executive Vice President) from the same date.

Yves René Nanot, 72, “Arts et Métiers” engineer and Chairman and Chief Executive Officer of Ciments Français since 1993. He led the Ciments Français re-structuring in the early 1990s and the company’s international re-positioning that, after 1997, enabled the Italcementi Group to put its international operations on a footing geared to strong expansion in the emerging countries offering the best growth potential. During this long period he was involved in the Paris and Bergamo management organization projects, contributing to the formation of a strong, close-knit and competent team.

Yves René Nanot has been a member of the Italcementi Board of Directors since 1993 and a member of the Executive Committee since 1998.

BUSINESS TREND

THIRD QUARTER

Sales and internal transfers ⁽¹⁾	Cement & clinker (millions of tonnes)			Aggregates (millions of tonnes)			Ready-mixed concrete (millions of m ³)		
	2009	% change vs. 2008		2009	% change vs. 2008		2009	% change vs. 2008	
		A	B		A	B		A	B
Western Europe	2.6	-12.5	-12.5	8.7	-20.3	-20.3	1.5	-16.0	-17.7
North America	1.2	-24.0	-24.0	0.2	+24.0	+24.7	0.2	-25.5	-27.3
Eastern Europe & Southern Med rim	4.9	-5.5	-5.5	0.7	-6.3	-6.0	0.9	-25.1	-25.1
Asia	2.7	-15.6	-15.6	0.1	-39.7	-39.7	0.2	-36.2	-36.2
Cement & clinker trading	1.2	-26.7	-26.7		-	-	0.1	+25.6	-11.2
Eliminations	(0.6)	-	-		-	-	-	-	-
Total	12.0	-10.9	-10.9	9.7	-19.1	-19.1	2.9	-19.8	-21.8

Western Europe: France, Belgium, Spain, Greece

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

Eastern Europe & Southern Med rim: Egypt, Morocco, Bulgaria, Turkey

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

FIRST NINE MONTHS, CUMULATIVE FIGURES

Sales and internal transfers ⁽¹⁾	Cement & clinker (millions of tonnes)			Aggregates (millions of tonnes)			Ready mixed concrete (millions of m ³)		
	2009	% change vs. 2008		2009	% change vs. 2008		2009	% change vs. 2008	
		A	B		A	B		A	B
Western Europe	7.9	-14.0	-14.0	26.9	-20.6	-20.6	4.6	-20.2	-21.6
North America	3.0	-26.9	-26.9	0.4	+29.8	+14.3	0.6	-23.3	-26.7
Eastern Europe & Southern Med rim	14.8	-5.4	-5.4	1.9	-8.2	-6.4	2.5	-27.3	-27.3
Asia	7.9	-8.9	-8.9	0.4	-36.4	-36.4	0.4	-35.5	-35.5
Cement & clinker trading	3.1	-31.1	-31.1		-	-	0.3	+184.4	+9.7
Eliminations	(1.6)	-	-		-	-	-	-	-
Total	35.1	-10.6	-10.6	29.6	-19.7	-19.7	8.4	-21.6	-23.8

Western Europe: France, Belgium, Spain, Greece

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

Eastern Europe & Southern Med rim: Egypt, Morocco, Bulgaria, Turkey

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

REVENUES TREND

THIRD QUARTER

Revenues	Q3 2009	Q3 2008	Change 2009/2008	
	(M€)		(M€)	%
France/Belgium	376.2	432.4	(56.1)	-13,0%
Spain	60.2	74.9	(14.7)	-19,6%
Greece	20.6	25.0	(4.3)	-17,3%
Intra-areas eliminations	(3.5)	(4.9)	1.4	-29,1%
Western Europe	453.6	527.3	(73.7)	-14,0%
North America	122.1	150.5	(28.3)	-18,8%
Egypt	184.6	167.2	17.4	10,4%
Morocco	76.4	79.7	(3.3)	-4,1%
Bulgaria	24.0	44.8	(20.7)	-46,3%
Turkey	38.8	62.3	(23.5)	-37,7%
Intra-areas eliminations	0.0	0.0	0.0	-
Eastern Europe and Southern Med rim	323.8	353.9	(30.1)	-8,5%
Thailand	41.9	52.7	(10.8)	-20,5%
India	40.6	48.2	(7.7)	-15,9%
China	10.4	9.8	0.6	5,7%
Kazakhstan	12.3	12.0	0.3	2,7%
Intra-areas eliminations	0.0	0.0	0.0	-
Asia	105.2	122.8	(17.6)	-14,3%
Tradig ciment/clinker, Koweit	69.9	94.6	(24.7)	-26,1%
Other ⁽¹⁾	53.8	96.8	(43.0)	-44,4%
Inter-areas eliminations	(66.2)	(98.9)	32.7	-33,0%
TOTAL GROUP	1,062.2	1,246.9	(184.8)	-14,8%

(1) Other = fuel trading + headquarters

FIRST NINE MONTHS, CUMULATIVE FIGURES

Revenues (M€)	Q3 2009	Q2 2009	Q1 2009	Q3 cumu- lative 2009	Q3 2008	Q2 2008	Q1 2008	Q3 cumu- lative 2008	Change Q3 cumulative 2009/2008	
France/Belgium	376.2	436.1	359.7	1,172.0	432.4	487.3	433.7	1,353.4	(181.4)	-13.4%
Spain	60.2	58.2	56.7	175.1	74.9	79.9	81.8	236.5	(61.5)	-26.0%
Greece	20.6	21.2	19.2	61.0	25.0	23.7	23.7	72.3	(11.3)	-15.7%
Intra-areas eliminations	(3.5)	(3.3)	(3.5)	(10.2)	(4.9)	(4.2)	(4.4)	(13.4)	3.2	-23.6%
Western Europe	453.6	512.2	432.0	1,397.8	527.3	586.7	534.9	1,648.9	(251.0)	-15.2%
North America	122.1	115.3	74.5	312.0	150.5	141.3	87.0	378.7	(66.7)	-17.6%
Egypt	184.6	199.6	218.1	602.2	167.2	157.3	154.5	479.0	123.2	25.7%
Morocco	76.4	86.2	80.4	243.0	79.7	85.0	69.9	234.6	8.5	3.6%
Bulgaria	24.0	33.5	26.7	84.3	44.8	48.8	33.2	126.7	(42.4)	-33.5%
Turkey	38.8	38.0	22.8	99.6	62.3	67.1	44.7	174.2	(74.6)	-42.8%
Intra-areas eliminations	0.0	(0.3)	0.0	(0.3)	0.0	(0.4)	0.0	(0.4)	0.2	-40.9%
Eastern Europe and Southern Med rim	323.8	357.0	348.0	1,028.8	353.9	357.7	302.4	1,014.0	14.8	1.5%
Thailand	41.9	35.6	43.4	121.0	52.7	44.4	57.1	154.2	(33.3)	-21.6%
India	40.6	45.8	49.4	135.8	48.2	48.8	45.7	142.8	(7.0)	-4.9%
China	10.4	12.1	11.7	34.2	9.8	7.0	3.6	20.5	13.7	66.9%
Kazakhstan	12.3	10.2	3.3	25.8	12.0	8.4	0.0	20.5	5.3	25.9%
Intra-areas eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Asia	105.2	103.6	107.9	316.7	122.8	108.7	106.6	338.0	(21.3)	-6.3%
Trading cement and clinker, Koweit	69.9	66.8	57.7	194.4	94.6	91.5	74.0	260.0	(65.6)	-25.2%
Other ⁽¹⁾	53.8	52.1	64.0	169.9	96.8	99.6	73.0	269.4	(99.5)	-36.9%
Inter-areas eliminations	(66.2)	(59.7)	(57.8)	(183.6)	(98.9)	(89.9)	(83.2)	(272.1)	88.5	-32.5%
TOTAL GROUP	1,062.2	1,147.4	1,026.4	3,236.0	1,246.9	1,295.5	1,094.5	3,636.9	(400.9)	-11.0%

(1) Other = fuel trading + headquarters

OUTLOOK

In the last quarter, the general trend for consolidated sales volumes remain down, with a slight price erosion, the effect of which is partly offset by the continuation of efforts to reduce costs and boost production efficiency.

This should lead to a decrease in the operating profit as compared with last year, following the trend of the first nine months.

Reversely, the operational cash flow and the lower need in working capital will be used to finance the large amount required for industrial and strategic investments to be launched at the beginning of 2010, without worsening the end of year net debt, as compared with that of the end of Q3.

Appendix

Ciments Français Group Year-to-date Income Statement

<i>(millions of euros)</i>	30 September 2009		30 September 2008 *		% change
	Amounts	%	Amounts	%	
Revenues	3,236.0	100.0	3,636.9	100.0	-11.0
Other revenues	12.7		23.5		
Change in inventories	(41.3)		8.4		
Internal work capitalized	12.7		12.7		
Goods and utilities expense	(1,202.2)		(1,476.3)		
Service expense	(709.4)		(814.4)		
Employee expense	(476.4)		(473.4)		
Other operating income (expense)	(111.2)		(105.8)		
Recurring EBITDA	720.9	22.3	811.6	22.3	-11.2
Other income	3.5		4.7		
Other expense	(8.5)		(3.9)		
EBITDA	715.9	22.1	812.4	22.3	-11.9
Amortization and depreciation	(260.0)		(249.2)		
Impairment	(20.1)		0.0		
EBIT	435.8	13.5	563.2	15.5	-22.6
Finance income	17.7		20.8		
Finance costs	(70.1)		(91.7)		
Gains (losses) on exchange rates and changes in fair value of derivatives	(6.7)		(1.2)		
Finance income (costs)	(59.1)		(72.1)		-18.1
Share of results of associates	11.7		17.8		
Profit before tax	388.4	12.0	508.9	14.0	-23.7
Tax	(95.2)		(140.9)		
Net consolidated Group profit	293.2	9.1	368.0	10.1	-20.3
- Attributable to equity holders of Group parent	212.5	6.6	289.3	7.9	-26.5
- Attributable to non-controlling interests (minority interests)	80.7	2.5	78.7	2.2	2.4

* IFRS 5 & IAS 23 revised restated.

Ciments Français Group Year-to-date Consolidated Statement of Comprehensive Income

<i>(millions of euros)</i>	30 September 2009	30 September 2008	2009/2008 change
	Amounts	Amounts	%
Net profit for the period	293.2	368.0	-20.3
Fair value adjustments to:			
▪ Available-for-sale financial assets	13.5	(119.8)	
▪ Derivative financial instruments	(29.9)	3.9	
Currency translation derivatives	(94.9)	(18.2)	
Income tax relating to other components of comprehensive income	9.9	13.6	
Other components of comprehensive income	(101.4)	(120.5)	-15.9
Total comprehensive income for the period	191.8	247.5	
Attributable to:			
- Equity holders of Group parent	142.6	159.0	
- Non-controlling interests (minority interests)	49.2	88.5	

Financial position

<i>(millions of euros)</i>	30 September 2009	30 June 2009	31 December 2008	30 September 2008*
Net financial debt	1,659.5	1,858.5	1,721.8	1,622.7
Total equity	3,791.4	3,709.4	3,757.3	3,766.1

* IAS 23 revised restated.