cementirholding

Annual Report 2008 62nd Financial Year

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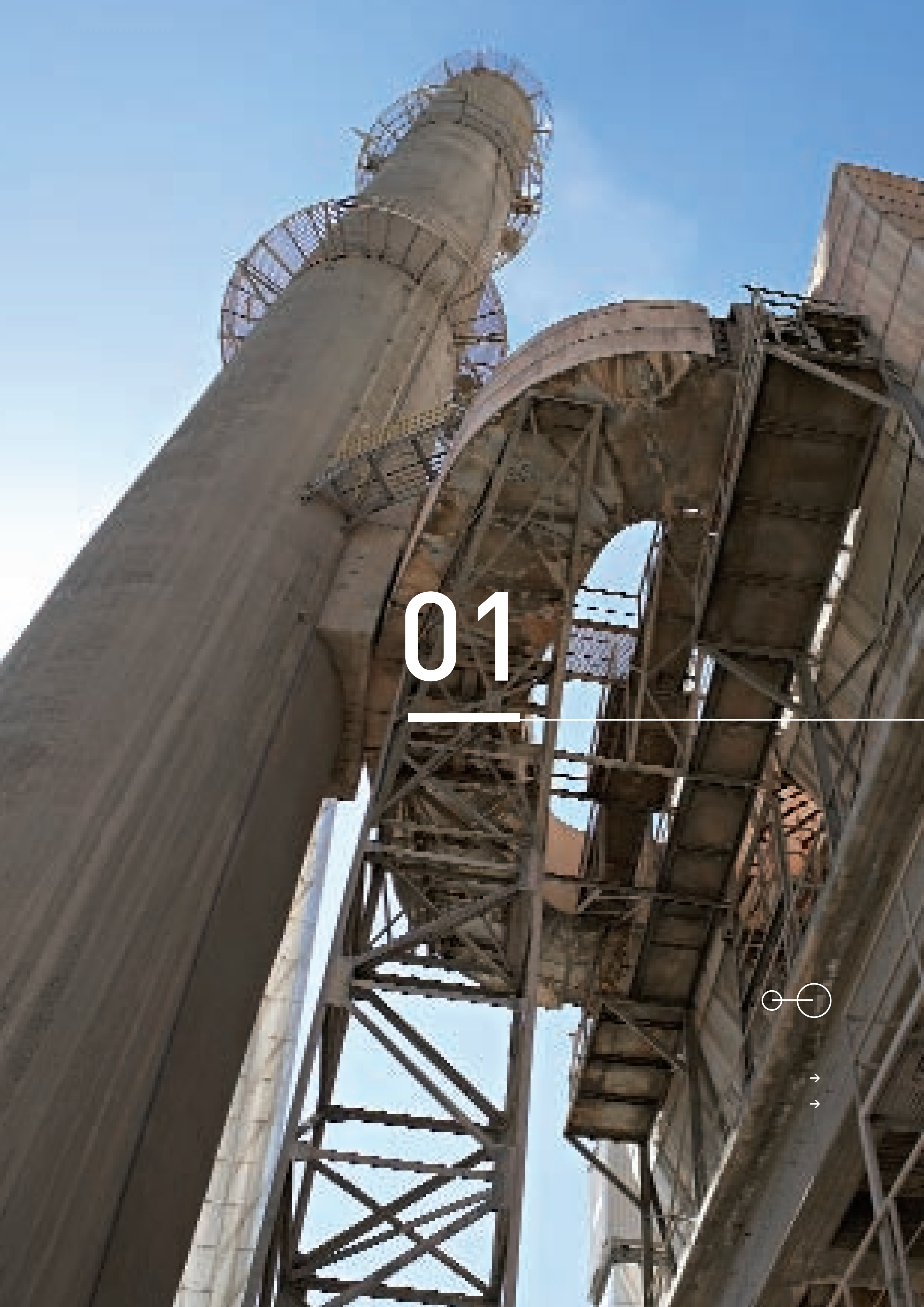
← Aalborg plant (Denmark)



01

GENERAL INFORMATION

← Izmir plant (Turkey)

LETTER FROM THE CHAIRMAN

Dear Shareholders,

With 2008 we close our sixty-second year, but we also close an era. For more than ten years the cement industry has benefited from rising volumes and prices driven by the rapid expansion of the real estate market. We have witness spasmodic attempts to grow in the emerging countries through acquisitions carried out at very high multiples compared with expected returns, largely financed with debt.

→ Francesco Caltagirone Jr.
Chairman

Surplus liquidity, fostered by low real interest rates and boosted by financial engineering, helped fuel the excesses and distortions whose consequences we are paying today. Our prudent use of leverage was in fact the target of criticism in the past. Today, however, Cementir Holding, having made our last major acquisition in 2004, can boast one of the soundest balance sheets in the industry: the net financial debtor position is equal to 40% of shareholders' equity and two times EBITDA at 31 December 2008. This solid foundation, as well the knowledge that we had already launched a restructuring effort in March last year, allows us to tackle the crisis from a position of relative strength, probably to emerge from it more rapidly than many of our competitors and to seize opportunities for expansion at more reasonable prices.
Nevertheless, no one can lower their guard: we must continue to achieve greater efficiency and build momentum in order to become even stronger and more competitive than before. This is why we began an investment programme in 2007 that envisages spending more than EUR 200 million by the end of 2009 to expand our annual capacity by some 2 million metric tons of cement in China, Egypt and Turkey. We are also investing in new technologies that will enable us to make more efficient use of raw materials and alternative fuels, as well as enhancing the efficiency of the manufacturing process.

Our strategy remains that of creating value for our shareholders through the pursuit of balanced growth, driven by the daily search for efficiency, the optimisation of cash flow and earnings, investment in technology and human resources. Between 2002 and 2008, this approach increased revenues, EBITDA and EBIT at a compound annual rate of 25.2%, 16.3% and 16.9% respectively and enabled Cementir Holding stock to outperform the benchmark indices.

It is therefore with great satisfaction that I submit these results to you for your approval: we are preparing to face the challenges of the coming months with the enthusiasm and determination that have always distinguished our efforts, committed to emerging from these turbulent times even stronger than ever.

Francesco Caltagirone Jr.
Chairman of the Board of Directors

→ Spoleto plant (Italy)

NOTICE OF SHAREHOLDERS' MEETING

The shareholders are hereby called to the Ordinary Shareholders' Meeting to be held at the Company's registered office in Rome at Corso di Francia, 200, on 21 April 2009 at 12:00 noon at first calling, and, if necessary, on 22 April 2009 at the same place at 6:00 p.m. at second calling, to vote upon the following:

Agenda

1. Presentation of the statutory financial statements at 31 December 2008, accompanied by the reports of the Board of Directors, the Board of Auditors and the independent auditors, and the proposal for the distribution of dividends, with approval of the related and consequent resolutions; presentation of the Cementir Holding Group's consolidated financial statements at 31 December 2008 and accompanying reports, with approval of the related and consequent resolutions;

2. Appointment of the Board of Directors for the period 2009-2011 after determining the number of Board members and their remuneration, with approval of the related and consequent resolutions.

Participation in Shareholders' Meeting

Pursuant to the provisions of law and the bylaws, shareholders with voting rights who have deposited the certification or the notices provided for in the second paragraph of Article 2370 of the Civil Code at the registered office of the Company no later than two days before the date of the Shareholders' Meeting may participate in the Meeting.

Appointment of Board of Directors

The Board of Directors shall be appointed in accordance with the applicable regulations and in line with the provisions of Article 5 of the bylaws. In particular, all shareholders with voting rights representing at least 2% of share capital may submit, no later than fifteen days before the date of the Shareholders' Meeting at first calling, slates of candidates accompanied by the information required pursuant to Article 5 of the bylaws and Article 144-octies of the Issuers Regulation.

Documentation

The documentation related to the items on the agenda will be available at the Company's registered office and at the offices of Borsa Italiana S.p.A. as specified by the provisions of applicable law. The shareholders are entitled to request a copy. The documentation will also be available on the website www.cementirholding.it

Given the composition of the Company's shareholders, the Shareholders' Meeting is expected to be validly convened on 21 April 2009 at first calling to resolve the agenda items.

Rome, 20 March 2009

Francesco Caltagirone Jr.
Chairman of the Board of Directors

DIRECTORS, OFFICERS AND AUDITORS

HONORARY CHAIRMAN
Luciano Leone

Board of Directors

CHAIRMAN
Francesco Caltagirone Jr. (1)

VICE CHAIRMAN
Carlo Carlevaris (2)

DIRECTORS
Pasquale Alcini
Alessandro Caltagirone
Azzurra Caltagirone
Edoardo Caltagirone
Saverio Caltagirone
Flavio Cattaneo
Mario Ciliberto
Massimo Confortini (2)
Fabio Corsico
Mario Delfini (1-2)
Alfio Marchini
Walter Montevecchi
Riccardo Nicolini (1)

Board of Auditors

CHAIRMAN
Claudio Bianchi

STANDING MEMBERS
Giampiero Tasco
Carlo Schiavone

Manager responsible for financial reports

Oprandino Arrivabene

Independent Auditors

PriceWaterhouseCoopers SpA

1 Member of the Executive Committee
2 Member of the Internal Control Committee and the Remuneration Committee

GROUP PROFILE

Cementir Holding, with plants in **14 countries**, a capacity of more than **14 million** metric tons of cement per year, **4 million** cubic metres of ready-mixed concrete and **4.5 million** metric tons of aggregates sold in 2008, is one of the world's leading manufacturers of construction materials.

The Group is the world leader in the production of white cement. It is the leading producer of grey cement in Denmark, the second in Scandinavia, the number three producer in Turkey and number four in Italy, as well as the leader in the production of ready-mixed concrete in Scandinavia.

In 2008 Cementir Holding generated consolidated revenues of more than **EUR 1 billion,** EBITDA of **EUR 209 million** and EBIT of **EUR 128 million**. At 31 December 2008 the Group had **3,847 employees**.

The company is controlled by the Caltagirone group and is listed on the Italian Stock Exchange.

← Edirne plant (Turkey)

INTERNATIONAL PRESENCE

DENMARK
Grey cement production capacity: **2,100,000 t**
White cement production capacity: **850,000 t**
Cement plants: **1 (7 kilns)**
Sales of ready-mixed concrete: **1.4 million cubic metres**
Sales of aggregates: **0.9 million metric tons**
Ready-mixed concrete plants: **45**
Distribution centres: **9**

NORWAY
Sales of ready-mixed concrete: **0.9 million cubic metres**
Ready-mixed concrete plants: **33**

SWEDEN
Sales of ready-mixed concrete: **0.2 million cubic metres**
Sales of aggregates: **3.6 million metric tons**
Ready-mixed concrete plants: **12**

TURKEY
Grey cement production capacity: **5,400,000 t**
Cement plants: **4**
Sales of ready-mixed concrete: **1.4 million cubic metres**
Ready-mixed concrete plants: **14**

ITALY
Grey cement production capacity: **4,300,000 t**
Cement plants: **4**
Sales of ready-mixed concrete: **80,000 cubic metres**
Ready-mixed concrete plants: **6**
Distribution centres: **3**

EGYPT
White cement production capacity: **1,100,000 t**
Cement plants: **1**

USA
White cement production capacity: **260,000 t**
Cement plants: **2** (In JV at 24.50% with Heidelberg and Cemex)
Cement product plants: **1**
Distribution centres: **1**

MALAYSIA
White cement production capacity: **200,000 t**
Cement plants: **1**

CHINA
White cement production capacity: **100,000 t**
Cement plants: **1**

PORTUGAL
Cement product plants: **5** (In JV at 50% with Secil)

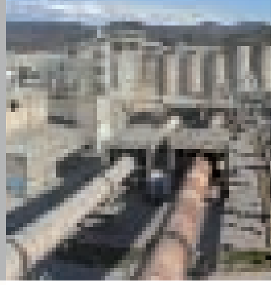
ICELAND
Distribution centres: **2**

POLAND
Distribution centres: **1**

NETHERLANDS
Distribution centres: **1**

GERMANY
Distribution centres: **1**

Arquata plant
ITALY



Ipoh plant
MALAYSIA

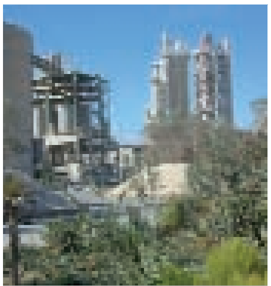
Spoleto plant
ITALY

Aalborg plant
DENMARK

Taranto plant
ITALY

Maddaloni plant
ITALY

Edirne plant
TURKEY



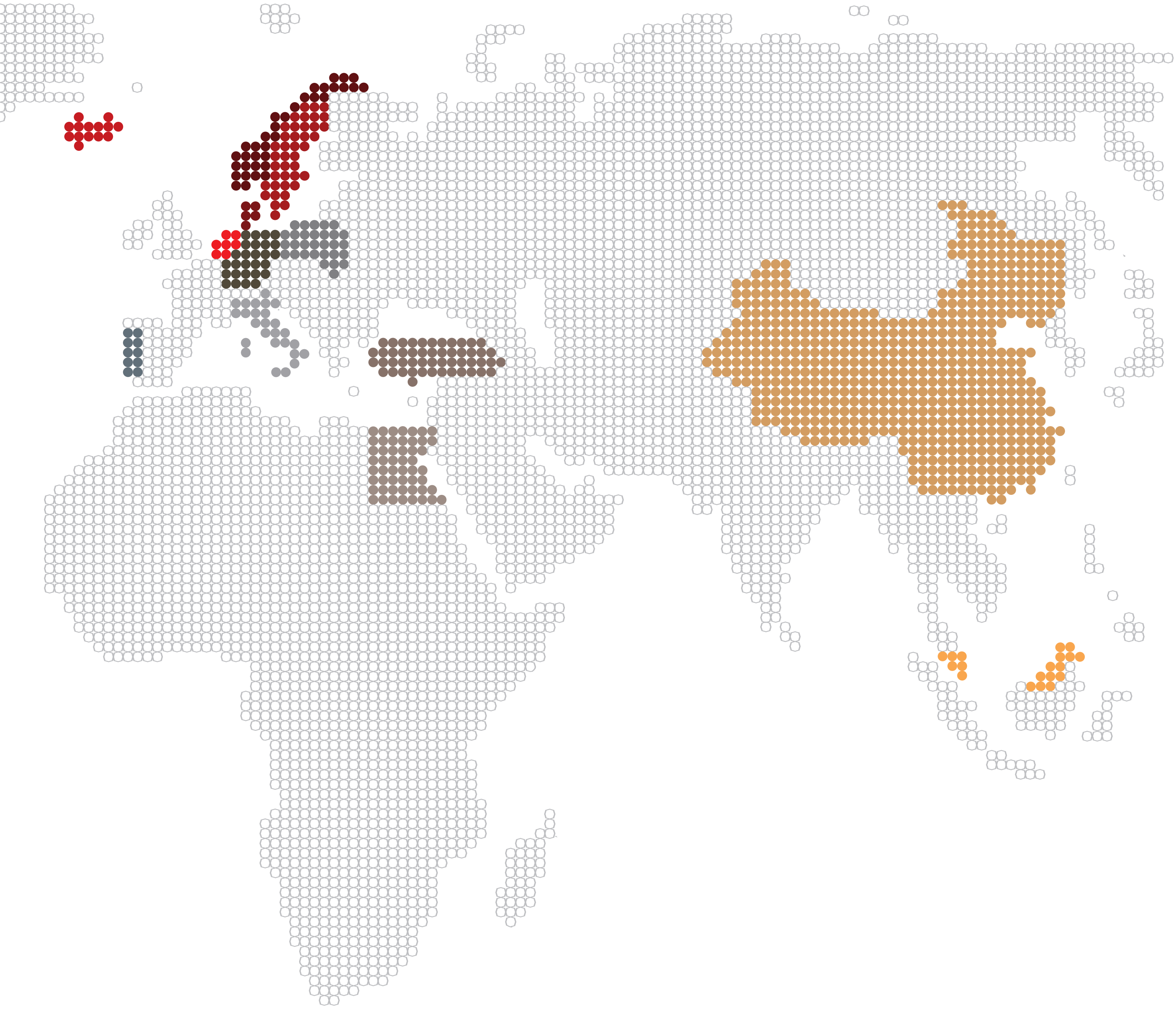
El-Hosna plant
EGYPT

Kars plant
TURKEY

Izmir plant
TURKEY

Anqing plant
CHINA

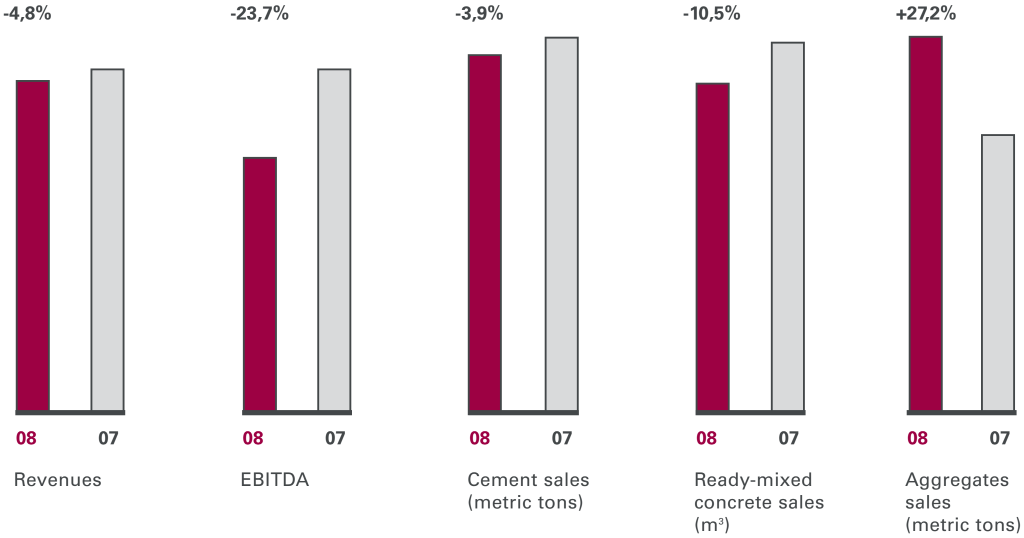
INTERNATIONAL PRESENCE



Cementir Holding in figures

Grey cement production capacity: **11.8 million metric tons**
White cement production capacity: **2.3 million metric tons**
Sales of ready-mixed concrete: **4 million cubic metres**
Sales of aggregates: **4.5 million metric tons**
Cement plants: **14**
Ready-mixed concrete plants: **110**
Distribution centres: **18**
Cement product plants: **6**

MAIN PERFORMANCE AND FINANCIAL DATA



Consolidated results

(EUR ´000)	2008	2007	Change %
Revenues	1,092,186	1,147,085	-4.8%
Change in inventories	9,664	5,053	
Other operating revenues *	15,137	14,875	
Total operating revenues	1,116,987	1,167,013	-4.3%
Raw material costs	(465,497)	(462,116)	
Costs of services	(258,844)	(251,077)	
Personnel costs	(172,019)	(161,961)	
Other operating costs	(11,400)	(17,748)	
EBITDA	209,227	274,111	-23.7%
Depreciation, amortisation and provisions	(81,085)	(76,797)	
EBIT	128,142	197,314	-35.1%
Financial income (expense)	(35,934)	2,113	
Profit before tax	92,208	199,427	-53.8%
Income taxes	(18,730)	(47,655)	
Net profit for the period	73,478	151,772	-51.6%
Minority interests	8,205	11,373	
Group net profit	65,273	140,399	-53.5%

* Other operating revenues includes the income statement items "Increases for internal work" and "Other operating revenues"

← Edirne plant (Turkey)

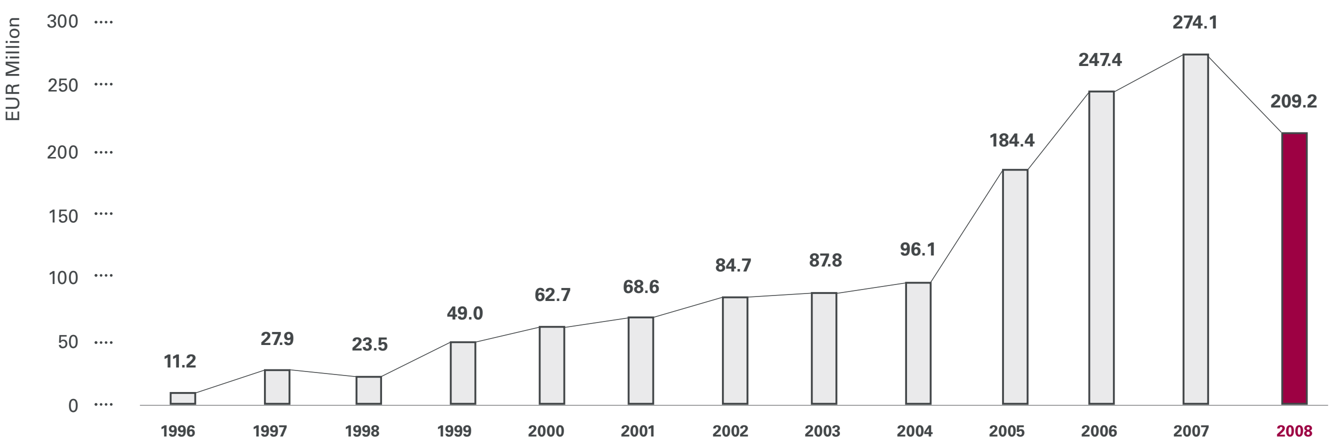
Summary 2001-2008

(EUR '000)	2001	2002	2003	2004	2005	2006	2007	2008
Revenues	224,521	283,006	292,031	391,264	857,780	1,049,661	1,147,085	1,092,186
EBITDA	68,625	84,717	87,774	96,145	184,431	247,330	274,111	209,227
EBITDA/Revenues	30.57%	29.93%	30.06%	24.57%	21.50%	23.56%	23.90%	19.16%
EBIT	48,640	50,124	52,859	59,676	119,249	180,844	197,314	128,142
EBIT/Revenues	21.66%	17.71%	18.10%	15.25%	13.90%	17.23%	17.20%	11.73%
Profit before tax	66,295	60,510	39,885	92,269	114,951	168,430	199,427	92,208
Investments in acquisitions	254,049	-	-	600,024	152,246	112,467	4,010	22,200
Net financial positions	(5,832)	76,783	112,730	(298,649)	(403,539)	(437,540)	(364,848)	(416,432)
Number of employees at 31 Dec.	1,681	1,274	1,233	3,071	3,126	3,745	3,882	3,847

Sales volumes

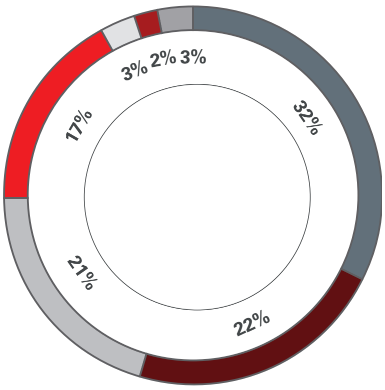
('000)	2001	2002	2003	2004	2005	2006	2007	2008
Grey and white cement (metric tons)	3,498	5,074	5,444	6,198	8,979	10,235	10,882	10,461
Ready-mixed concrete (m3)	285	923	951	1,538	3,902	4,326	4,533	4,056
Aggregates (metric tons)	-	-	-	518	3,105	2,931	3,567	4,539

EBITDA performance (1996-2008)

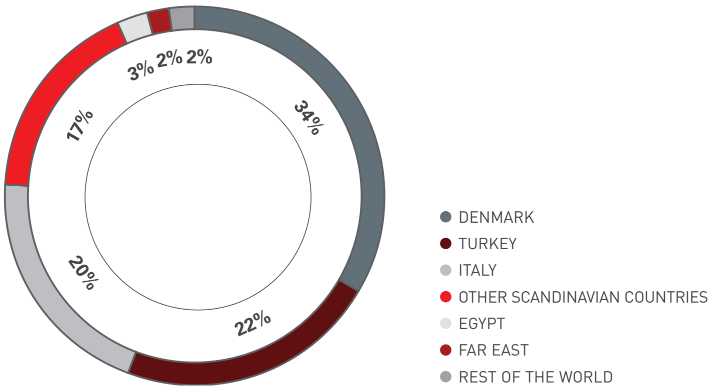


→ San Giorgio Jonico plant (Taranto-Italy)

REVENUES BY GEOGRAPHICAL AREA



% Revenues by geographical area
(2008)

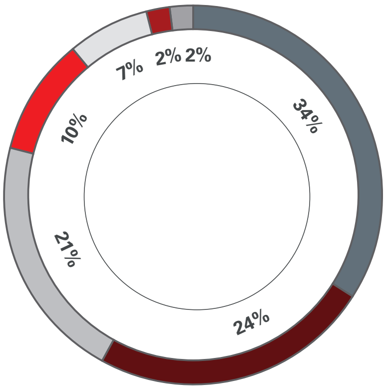


% Revenues by geographical area
(2007)

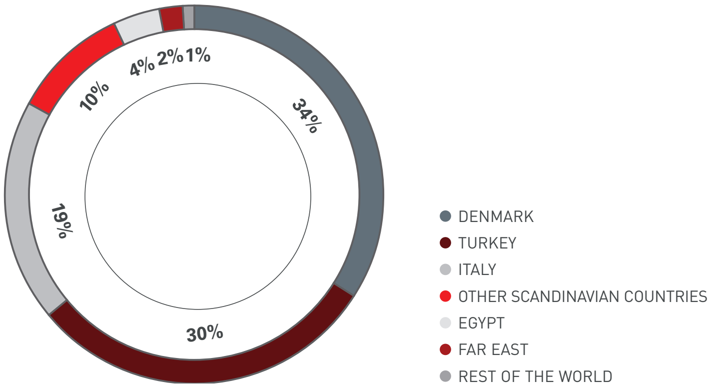
(EUR '000)	2008	2007	% change
Denmark	356,867	389,836	-8.5%
Turkey	248,945	260,129	-4.3%
Italy	233,944	236,257	-1.0%
Other Scandinavian countries	187,086	203,083	-7.9%
Egypt	34,913	30,612	14.1%
Far East	23,628	21,693	8.9%
Rest of world	31,604	25,403	24.4%
Total	1,116,987	1,167,013	-4.3%

← Kars plant (Turkey)

EBITDA BY GEOGRAPHICAL AREA



% EBITDA by geographical area
(2008)

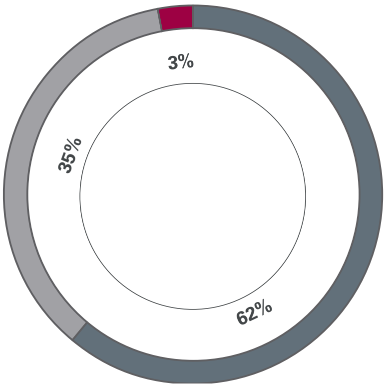


% EBITDA by geographical area
(2007)

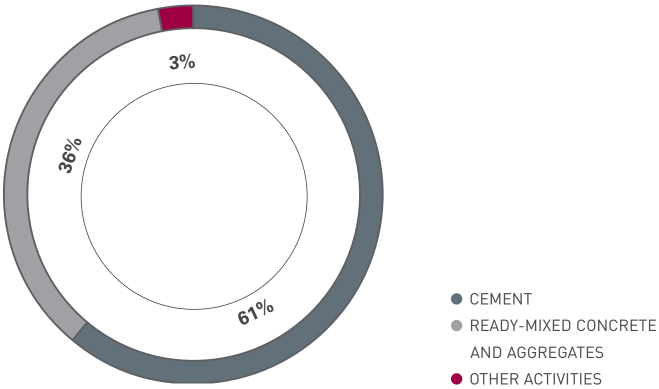
(EUR '000)	2008	2007	% change
Denmark	71,533	92,432	-22.6%
Turkey	49,994	83,484	-40.1%
Italy	43,278	51,199	-15.5%
Other Scandinavian countries	21,508	28,221	-23.8%
Egypt	13,878	11,731	18.3%
Far East	4,227	4,428	-4.5%
Rest of world	4,809	2,616	83.8%
Total	209,227	274,111	-23.7%

← Ipoh plant (Malaysia)

REVENUES BY BUSINESS SEGMENT



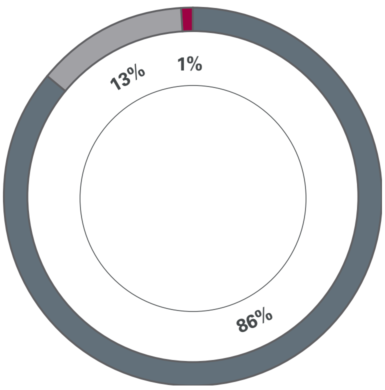
% Revenues by business segment **(2008)**



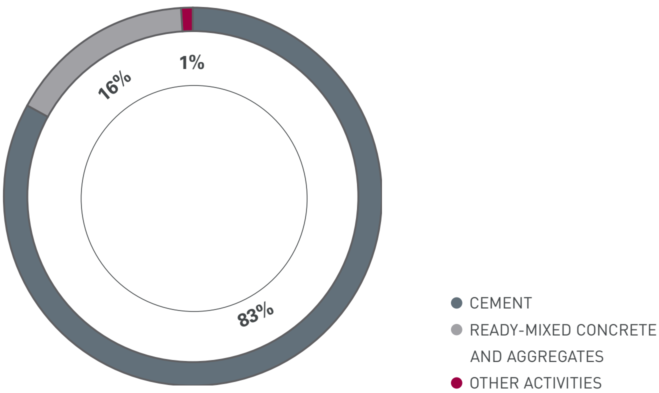
% Revenues by business segment **(2007)**

(EUR '000)	2008	2007	% change
Cement	692,520	716,677	-3.4%
Ready-mixed concrete and aggregates	389,621	419,986	-7.2%
Other activities	34,846	30,350	14.8%
Total	1,116,987	1,167,013	-4.3%

EBITDA BY BUSINESS SEGMENT



% EBITDA by business segment **(2008)**



% EBITDA by business segment **(2007)**

(EUR '000)	2008	2007	% change
Cement	178,323	225,894	-21.1%
Ready-mixed concrete and aggregates	27,786	44,940	-38.2%
Other activities	3,118	3,277	-4.9%
Total	209,227	274,111	-23.7%

→ Helguvik cement distribution centre (Iceland)

CEMENTIR HOLDING ON THE STOCK MARKET

Share capital

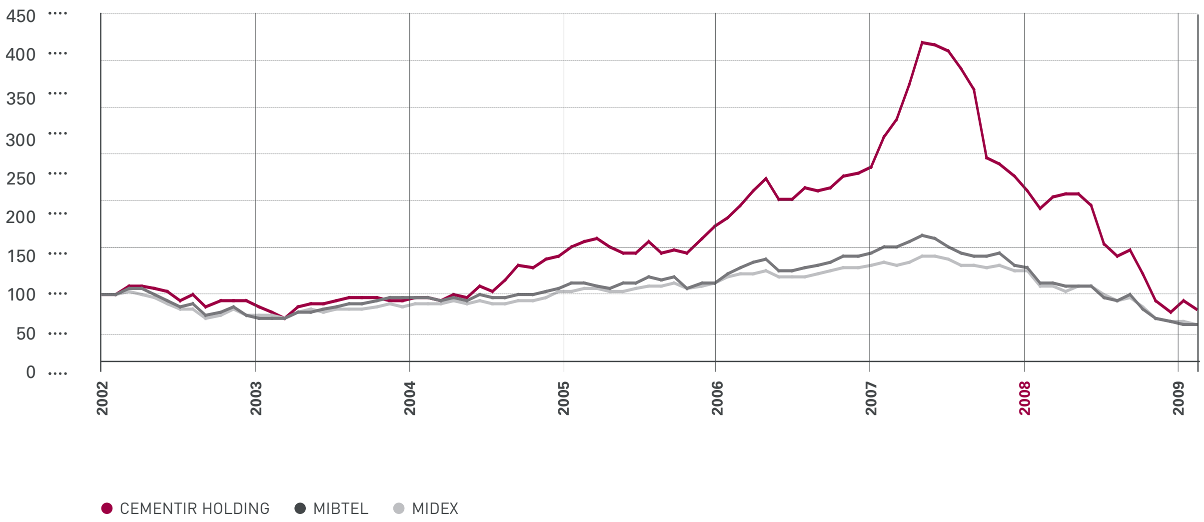
At 31 December 2008, Cementir Holding SpA had share capital of EUR 159,120,000 represented by 159,120,000 ordinary shares with a par value of EUR 1 each.

Dividend

(Nominal in EUR/Cents)	2001	2002	2003	2004	2005	2006	2007	2008
Dividend per share	6	6	6	7	8.5	10	12	8

Developments in Cementir Holding stock price and the Mibtel and Midex indices

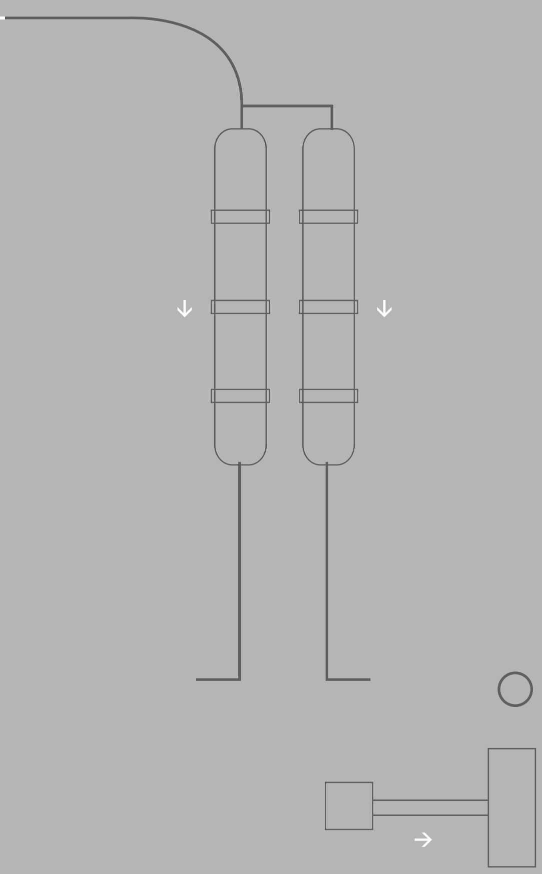
(Base December 2002=100)



Aalborg plant (Denmark)

02

REPORT ON OPERATIONS FOR THE CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS



Edirne plant (Turkey)

GROUP PERFORMANCE

The consolidated financial statements of Cementir group at 31 December 2008 have been prepared in accordance with CONSOB Regulation no. 11971/1999 as amended.

Results

(EUR '000)	Jan-Dec 2008	Jan-Dec 2007	Change %
Revenues from sales and services	1,092,186	1,147,085	-4.8%
Change in inventories	9,664	5,053	91.3%
Other revenues*	15,137	14,875	1.8%
Total operating revenues	1,116,987	1,167,013	-4.3%
Raw material costs	(465,497)	(462,116)	0.7%
Cost of services	(258,844)	(251,077)	3.1%
Personnel costs	(172,019)	(161,961)	6.2%
Other operating costs	(11,400)	(17,748)	-35.8%
EBITDA	209,227	274,111	-23.7%
EBITDA Margin %	19.16%	23.90%	
Depreciation, amortisation, impairment losses and provisions	(81,085)	(76,797)	5.6%
EBIT	128,142	197,314	-35.1%
EBIT Margin %	11.73%	17.20%	
Financial income (expense)	(35,934)	2,113	
Profit before tax	92,208	199,427	-53.8%
PROFIT BEFORE TAX Margin %	8.44%	17.39%	
Income taxes	(18,730)	(47,655)	
Net profit (loss) for the period	73,478	151,772	-51.6%
Net profit attributable to minority interests	8,205	11,373	-27.9%
Group net profit	65,273	140,399	-53.5%

* Other operating revenues includes the income statement items "Increases for internal work" and "Other operating revenues"

In 2008, revenues from sales and services amounted to EUR 1,092.2 million (-4.8% compared with EUR 1,147.1 million in 2007), EBITDA came to EUR 209.2 million (-23.7% compared with EUR 274.1 million in 2007), while EBIT amounted to EUR 128.1 million (-35.1% compared with EUR 197.3 million the previous year) and Group net profit reached EUR 65.3 million (-53.5% compared with EUR 140.4 million in 2007).

In 2008, revenues from sales and services performed unevenly, ranging from 5.9% growth in the first half of the year to a 13.7% drop in the second half, compared with the same period of 2007. The international financial system began to show signs of unprecedented weakness in September 2008 and the expected deterioration in the global economy led to a sudden drop in demand, pushing the leading industrialised nations toward a recession.

The drop in revenues was not matched by a proportional decline in operating costs. Specifically, the average price of oil – an essential component of profitability in the cement industry – was roughly USD 97 per barrel in 2008, 34% higher than the 2007 average price (USD 72.5 per barrel) despite the fact that the official price began to fall steeply in July.
EBITDA and EBIT therefore reflect both the drop in demand and the rise in energy and transportation costs.
Profit before taxes came to EUR 92.2 million (-53.8% compared with EUR 199.4 million in 2007). This was due in part to the impact of financial management, which came to a negative EUR 35.9 million, mainly as a result of exchange rate differences (EUR 25.2 million), of which EUR 23 million was unrealised, arising from the depreciation of several of the foreign currencies used in countries where the Group operates against the euro.

Directors' report and significant events

The year 2008 witnessed a series of events that unforeseeably altered general market conditions. In the span of just a few short months, the world's economy shifted from a scenario of rising inflation due mainly to the increase in oil and raw material prices, to one of crisis that rapidly spread to all the industrialised nations as a result of the serious problems facing the international financial system generated by the collapse in "subprime" lending in the United States and the failure of Lehman Brothers. Oil prices plummeted from USD 150 per barrel in July 2008 to USD 40 per barrel in December 2008, as a result of lower projected demand by industrialised economies and the risk of a sudden halt in the growth of emerging economies. Additionally, the European Central Bank abruptly changed its monetary policy. In early July, it raised its reference interest rate by 0.25 percentage points to 4.25% in order to combat inflation, but in December 2008, it implemented three consecutive rate cuts, reducing the reference rate to 2.5%, in order to stem the decline in confidence in the financial markets.
In terms of exchange rates, between January and July 2008, the Group's reporting currency, the euro, appreciated against the U.S. dollar, hitting a high of USD 1.60. Thereafter it remained stable at around USD 1.50 through September. Once the financial crisis arrived, the euro began to gradually depreciate against the dollar, reaching an average exchange rate of USD 1.35 by December 2008.
The sudden shifts in the leading macroeconomic variables generated unexpected uncertainties in the markets in which the Group operates, accentuating the slowdown in the world economy, apparent even at the end of 2007, with an immediate impact on this year's income statement.
However, the Group companies quickly took steps to address those variables that they could through their operating systems, continuing to structurally reduce operating costs starting in the spring of last year.
Action has focused on reducing fixed costs in view of expectations of lower demand. The consequent benefits will begin to emerge as from the second quarter of this year.
Meanwhile, under the three-year business plan, the expansion of the white cement plant in Egypt was completed in 2008, as was work to increase production capacity at the grey cement plant in Edirne in Turkey. Construction also began on the new white cement plant in China, near the Group's existing facility, with an annual capacity of 600,000 metric tons. The total investment is estimated at about EUR 60 million, with construction scheduled to be completed in the first quarter of 2010.

Indicators of financial results

The following table reports the most significant indicators used to provide a snapshot of the Cementir Holding group's performance.

Income statement indicators	2008	2007	Composition
Return on equity	7.07%	13.98%	Net profit(loss)/shareholders' equity
Return on capital employed	8.80%	13.60%	EBIT/(shareholders' equity + Net financial position)

Balance sheet indicators	2008	2007	Composition
Equity ratio	57.77%	59.40%	Shareholders' equity/total assets
Net gearing ratio	40.08%	33.60%	Net financial position/shareholders' equity

Although return on equity (ROE) and return on capital employed (ROCE) fell compared with 2007, they reveal that the Group still achieved good profitability in 2008.
Specifically, ROE, which represents the financial return on the investment made by the Company's shareholders, remained steady at around 5 percentage points above the average yield for a low-risk investment.
ROCE, which represents the return generated by operating activities for all resources invested in the Company, whether the Company's own resources or that of third parties, is both higher than ROE and the average cost of money borrowed.
The balance sheet indicators shown in the table reveal the Group's financial soundness as a result of the careful acquisition and dividend distribution policy implemented in recent years. Specifically, the net gearing ratio reveals a degree of financial leveraging that is sustainable even during the difficult international economic and financial environment in which the Group will find itself operating in 2009.

Risk management

The Cementir Holding group is exposed to a variety of financial risks in its operations, specifically credit risk, liquidity risk and market risk.
At 31 December 2008, the Group's maximum exposure to credit risk of EUR 169.7 million is represented by the carrying value of receivables from customers recognised in its balance sheet. While theoretically significant, this credit risk is mitigated by the careful assessment procedures used in granting credit to individual customers and by the fact that it is not excessively exposed to concentration risk.
The liquidity risk to which the Group is exposed regards the availability of financial resources and access to the credit market and markets for financial instruments in general. The Group manages this risk by continually monitoring cash flows, funding requirements and the liquidity of the Group companies with a view to ensuring effective and efficient management of financial resources.

Market risk mainly regards the risk of changes in exchange rates and interest rates.
As they operate at the international level, the Group companies are structurally exposed to the exchange rate risk associated with the cash flows generated by operating activities and financing denominated in foreign currencies. Specifically, the cement sector is exposed to exchange rate risk on both the revenue (for exports) and cost (for the purchase of solid fuels in U.S. dollars) sides, while the concrete sector is less exposed since revenues and costs are denominated in local currencies. To cover its exposures, the Group calculates the natural hedging effect of cash flows and financing, and hedges the remaining exposure by means of forward foreign exchange transactions, as well as foreign exchange call and put options.
In addition, the Group, having a net debtor position of EUR 416.4 million at 31 December 2008, 99% of which bears floating interest rates, is exposed to interest rate risk. However, this risk is deemed to be small since the Group's borrowing is almost exclusively in euros and U.S. dollars, both of which have fairly steady yield curves, in part due to the policies being adopted by the central banks during this period of severe contraction of the global economy.

Research and development

The Group primarily engages in research and development at Cementir Italia facilities in Spoleto (Perugia) and Aalborg Portland facilities in Aalborg (Denmark).
Cementir Italia's research centre focuses on researching and studying cements and ready-mix concretes and testing the products, raw materials and fuels used in the manufacturing process.
The Aalborg Portland research centre carries out research aimed at optimising process efficiency and cement quality in manufacturing plants, addressing environmental issues and developing the market for its products.
The Group is currently focusing its attention on developing innovative processes and products that reduce CO_2 emissions in the cement manufacturing cycle. As part of this effort, for some years now fossil fuels have increasingly been replaced by a neutral biological fuel to reduce CO_2 emissions.
CemMiljo, a subsidiary of the Aalborg Portland group engaged in the manufacture of alternative fuels, cooperates closely with the research centre. It uses industrial and residential waste as its raw material. The fuel that CemMiljo produces is used in place of coal and pet coke to feed the clinker kilns at the Aalborg facility.
In addition, in cooperation with university science departments, the Aalborg centre has been working on documenting the positive environmental properties of cement, such as its ability to absorb CO_2 and to conserve heat for energy saving purposes.
The studies into colouring cement conducted by the research centre have also made it possible to use white cement in the construction of major infrastructure projects, as the research has demonstrated that the original exterior appearance of the cement does not deteriorate over time.

Information on the environment and human resources

The Cementir Holding group seeks sustainable development through its commitment to continual improvement of its financial, environmental and corporate performance. The investment decisions it made in 2008 were geared towards using the best technologies for combining financial growth with long-term goals, such as controlling electricity consumption, increasing the use of alternative fuels in manufacturing, reducing greenhouse gas emissions and protecting the health and safety of workers.
As to greenhouse gas emissions, in 2008 carbon dioxide (CO_2) emissions by Cementir Holding group facilities, resulting from the use of fossil fuels, amounted to 7.5 million metric tons (7.8 million metric tons in 2007). The 2008 average of 0.72 grams per metric ton of cement equivalent (g/TCE), is substantially in line with that of 2007 (0.71 g/TCE). Nitrogen oxide (NO_x) emissions, also by-products of the combustion process, amounted to 1.57 kilograms per metric ton of cement produces (Kg/t TCE), down 15% from 2007 (1.85 Kg/t TCE), thanks to the Group's continuing efforts to adopt systems that cut down on the emission of nitrogen oxides into the air using ammonia gas.
The Group has also adopted environmental management systems that have been certified as meeting the ISO 14001 standard. This standard-the obtaining of which is voluntary-sets out the requirements for an effective environmental management system. In 2008, six of the Group's facilities received certification (one more than in 2007).
Protecting the health and safety of its workers is one of the Group's primary objectives. The methods adopted to improve their performance include continuing training on health and safety issues, as well as in the technical skills needed to use machinery properly and steady investment in safety devices and machinery in order to maintain a high technical standard. Investment in health, safety and the environment came to EUR 7.5 million in 2008. Between 2005 and 2008, EUR 32.5 million was invested. As a result of these measures, the severity rate for workplace accidents fell from 0.44 in 2006 to 0.41 in 2008.
In the pursuit of the highest standards possible, the Cementir Holding group has adopted occupational health and safety management systems that comply with OHSAS 18001. In 2008, four facilities received this certification.
The Group's commitment to sustainable development is described in more detail in its Environmental Report, the second edition of which was published in 2008.

GROUP PARENT PERFORMANCE

The following table sets out the highlights of Cementir Holding SpA's performance at 31 December 2008:

Results

(EUR '000)	Jan-Dec **2008**
Revenues from sales and services	**9,030**
Other revenues	966
Personnel costs	(4,602)
Other operating costs	(7,110)
Ebitda	**(1,716)**
Depreciation, amortisation, impairment losses and provisions	(307)
Ebit	**(2,023)**
Financial income (expense)	**(5,746)**
Profit before tax	**(7,769)**
Income taxes	2,285
Net profit (loss) for the period	**(5,484)**

On 1 January 2008 the transfer of Cementir Holding SpA's Italian operations to its subsidiary Cementir Italia Srl took effect. This operation, which was part of a reorganization plan to implement a management model that better reflects the multinational dimension acquired in recent years, makes it impossible to directly compare the figures contained in the 2008 financial statements with those of 2007. Therefore, the 2007 figures are not reported in the preceding table.

Revenues from sales and services relate to services performed for subsidiaries and royalties received for the use of the Cementir Holding SpA trademark by subsidiaries. Revenues from services refer to the entire year, while those from royalties only refer to the last seven months of 2008, as the related contracts have only been in effect since June 2008. By contrast, costs relate to the entire year.
For a more detailed analysis of the income statement and balance sheet figures, please refer to the notes to the financial statements of Cementir Holding SpA.

Performance of the main subsidiaries

Aalborg Portland group

The Aalborg Portland group, which manufactures and sells white and grey cement, reported net revenues of EUR 296.2 million in 2008 (-0.8% from the EUR 298.7 million reported in 2007), EBITDA of EUR 82.7 million (-13.6% from EUR 95.7 million in 2007) and EBIT of EUR 57.7 million (-18.7% from EUR 70.9 million in 2007).
The Aalborg Portland group ended 2008 with revenues substantially in line with those of 2007, thereby holding its market position in the areas in which it operators despite the impact that the financial crisis has had in its home market (Denmark) and its most important export markets (USA and the United Kingdom).

Unicon group

The Unicon group, which mainly manufactures and sells ready-mixed concrete, reported net revenues of EUR 331.8 million in 2008 (-9.0% from the EUR 364.8 million reported in 2007), EBITDA of EUR 30.6 million (-29.3% from EUR 43.2 million in 2007) and EBIT of EUR 14.6 million (-48.8% from EUR 28.5 million in 2007).
The decline in revenues from the previous year is related to the contraction of the residential building market and reduced construction in the primary countries in which the group operates (Denmark, Norway and Sweden).

Cimentas group

The Cimentas group, which manufactures and sells cement and ready-mixed concrete, reported net revenues of EUR 248.9 million in 2008 (-3.7% from the EUR 258.4 million reported in 2007), EBITDA of EUR 51.5 million (-38.3% from EUR 83.4 million in 2007) and EBIT of EUR 30.1 million (-52.2% from EUR 63.1 million in 2007).
These results were due to shrinking demand in the group's home market and its primary export market (Russia), which have been particularly hard hit by the international financial crisis.

Cementir Italia group

The Cementir Italia group, which manufactures and sells cement and ready-mixed concrete, reported net revenues of EUR 224.9 million in 2008 (-2.3% from the EUR 230.2 million reported in 2007), EBITDA of EUR 46.1 million (-11.0% from EUR 51.8 million in 2007) and EBIT of EUR 27.7 million (-20.4% from EUR 34.8 million in 2007).
In Italy, the downside of the decade-long expansion cycle continued in the construction sector, a process that began in 2007, leading to a 2.3% decline in net revenues compared with the previous year. All geographical areas of the country were affected by the slowdown, which largely involved the residential segment, the driving force behind the growth in the sector. The non-residential market was more stable, whereas the public works segment suffered a further decline. The increase in energy costs over 2007 also caused a more drastic reduction in EBITDA and EBIT.

Indicators of financial results

Cementir Holding SpA does not engage in operational activities, therefore income statement indicators are of little value in summarising the Company's performance.
With regard to balance sheet indicators, however, the equity ratio reveals that the Company's capital structure is sound, as shown in the table below.

Balance sheet indicators	2008	2007	Composition
Equity ratio	83.34%	68.69%	Shareholders' equity/Total assets

Financial risk management

Cementir Holding SpA is exposed to a variety of financial risks in its operations, specifically credit risk, liquidity risk and market risk.
At 31 December 2008, Cementir Holding SpA's exposure to credit risk is not significant since the Company's receivables are for rather limited amounts and are mainly from its subsidiaries for which it provides services.
Cementir Holding SpA's exposure to liquidity risk is also not significant given its net creditor position of EUR 180.1 million at 31 December 2008. It manages this risk by carefully controlling cash flows and funding requirements and it has sufficient lines of credit to meet any unplanned needs.
Market risk mainly regards the risk of changes in exchange rates and interest rates.
As the parent company of a multinational group, Cementir Holding SpA is exposed to exchange rate risk since it may have foreign currency borrowings and/or deposits. The Company constantly monitors these risks in order to understand their potential impact in advance and to take appropriate steps to mitigate them.
Finally, since the Cementir Holding SpA has borrowed funds from banks bearing floating interest rates, it is exposed to interest rate risk. However, this risk is deemed to be small since its borrowings at present are exclusively in euros, which have a very flat short-term yield curve, and because it benefits from interest on a number of these borrowings.

Transactions with related parties

As regards related parties, as defined by IAS 24, no atypical or unusual transactions were conducted. All financial and commercial transactions were carried out under market terms and conditions.
For a detailed analysis of transactions with all related parties, as required by CONSOB Resolution no. 15519 of 27 July 2006, please see Note 31 to the consolidated financial statements and Note 28 to the statutory financial statements.

Treasury shares

At 31 December 2008, the group parent and its subsidiaries did not hold, either directly or indirectly, shares or quotas in parent companies, nor did they purchase or sell such shares or quotas during the year.

Corporate Governance

Introduction

During the year, Cementir Holding SpA continued to improve its corporate governance system, taking due account of the corporate reorganisation that was only completed in the first few months of 2008.
Although the Company has not formally adopted the Corporate Governance Code for Listed Companies drafted by the Corporate Governance Committee of Borsa Italiana SpA in March 2006, it has continued to adapt its corporate governance system to ensure that it remains substantially in line with the Code.
In this regard, we report that during the year the Board of Directors of Cementir Holding SpA authorised: i) the reappointment for 2008 of the manager responsible for preparing the Company's financial reports pursuant to Article 16 of its bylaws and Article 154-bis of the Consolidated Law on Financial Intermediation and the approval of the rules governing the manager's activity; ii) the adoption of the Organisation and Control Model and the Code of Ethics pursuant to Legislative Decree 231/2001; and iii) the approval of the "Related party transactions", "Management of confidential and inside information", "Management of corporate affairs" and "Financial statements and periodic documents" procedures, which formalised the practices already adopted by the Group.
For a more detailed description of Cementir Holding SpA's corporate governance system and its ownership structure, as required by Art. 123-bis of Legislative Decree 58 of 24 February 1998 (Consolidated Law on Financial Intermediation), please refer to the "Corporate Governance Report", consultable on the Company's website www.cementirholding.it, in the Corporate Governance sub-section of the Investor Relations section, prepared in accordance with the instructions and recommendations issued by Borsa Italiana SpA.

Organisation and Control Model ex Legislative Decree 231/2001

After a careful analysis of the potential criminal risks attached to the Company's business activities following the transfer of its Italian operations to Cementir Italia Srl, on 8 May 2008, the Board of Directors of Cementir Holding SpA approved the Organisation and Control Model pursuant to Legislative Decree 231/2001, national best practices and the instructions of Confindustria.
In particular, Cementir Holding SpA has adopted a Code of Ethics containing a series of "corporate ethical" standards to be observed by its corporate bodies, employees and external associates in carrying out the Company's activities. The Board of Directors also appointed a Supervisory Body, comprised of the Internal Audit unit and an outside expert. Its duty is to continually update and monitor application of and compliance with the model.

← Aalborg plant (Denmark)

Direction and coordination

Cementir Holding SpA is not subject to the direction and coordination of other companies since it acts entirely autonomously in setting its own general policies and operational guidelines. Specifically, only the Board of Directors of Cementir Holding SpA has the power to examine and approve strategic, business and financial plans as well as the suitability of its organisational, administrative and accounting structure.
Therefore, the conditions stated in Art. 37 of CONSOB Regulation no. 16191/2007 on markets are not present.

Protection of personal information pursuant to Legislative Decree 196/2003

Pursuant to paragraph 26 of the Technical specifications concerning minimum security measures, annex B of Legislative Decree 196/2003, the security policy document prepared pursuant to Art. 34 g) and paragraph 19 of annex B of the decree was updated in March 2009.

Shareholdings held by Directors, the Chief Operating Officer and Members of the Board of Auditors

(Disclosure pursuant to Art. 79 of CONSOB Regulation no. 11971/1999)

First and last name	Company held	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
Francesco Caltagirone Jr.	Cementir Holding SpA	5,654,636	813,038	-	6,467,674
Edoardo Caltagirone	Cementir Holding SpA	286,000	-	-	286,000
Alessandro Caltagirone	Cementir Holding SpA	3,121,404	30,000	-	3,151,404
Azzurra Caltagirone	Cementir Holding SpA	2,291,796	-	-	2,291,796
Mario Ciliberto	Cementir Holding SpA	59,000	11,000	-	70,000
Riccardo Nicolini	Cementir Holding SpA	15,000	55,000	15,000	55,000
Carlo Schiavone	Cementir Holding SpA	5,000	-	-	5,000

Subsequent events

No events of particular note have occurred since the close of the year.

Outlook

Under current market conditions, characterised by large and frequent swings in the main macroeconomic variables, it is very difficult to provide a reliable forecast of developments in operations for the coming year. The effects of the crisis will be felt into 2009, in an environment characterised by fear of a prolonged slowdown in the global economy and by shrinking demand in the Group's major markets. The continuing decline in the prices of oil and other raw materials should, in any case, at least partially offset the drop in demand. Management will increasingly focus on finding ways to maximize operating efficiency by closely monitoring costs and exploiting all possible synergies within the Group. Therefore, given the timing mismatch between costs and revenues, since energy costs are falling much more slowly than are prices and sales, the Group will be impacted most by the crisis in the first half of the year, before recouping significant ground in the second half.

Proposed allocation of net loss

The Board of Directors recommends that the Shareholders' Meeting:

- approve the Board's report on operations for 2008, the balance sheet, the income statement and the notes to the financial statements for the year ended 31 December 2008;
- cover the loss for the period of EUR 5,484,097 by drawing upon retained earnings;
- distribute a dividend to shareholders in the total amount of EUR 12,729,600, equal to EUR 0.08 per ordinary share, drawing on the corresponding portion of retained earnings for this purpose.

RECONCILIATION OF SHAREHOLDER'S EQUITY AND NET PROFIT OF THE GROUP PARENT AND THE CORRESPONDING CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

(EUR '000)	Profit (loss) 2008	Shareholders' equity 31 December 2008
Cementir Holding SpA	(5,484)	608,010
Higher gains on sales and transfers		(1,170)
Amortisation of the Cimentas goodwill at 31 December 2003		(13,842)
IAS/IFRS effects on subsidiaries at 31 December 2004		(9,893)
Change in reserves		(96,591)
Effect of the consolidation of subsidiaries	68,122	474,587
Associates valued using the equity method	2,635	17,337
Other changes		1,558
Total Group	65,273	979,996
Total Minority interests	8,205	59,127
Cementir Holding group	73,478	1,039,123

Rome, 19 March 2009

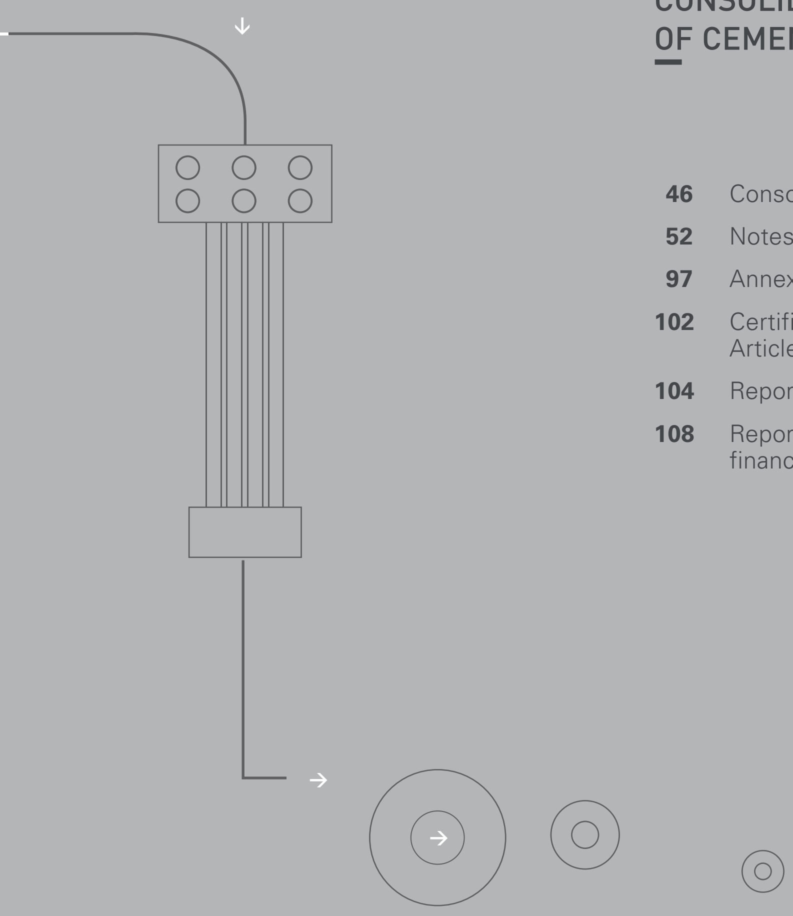
Chairman of the Board of Directors

Francesco Caltagirone Jr.

← Maddaloni plant (Italy)

03

CONSOLIDATED FINANCIAL STATEMENTS OF CEMENTIR HOLDING SPA



Aalborg plant (Denmark)

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

(EUR '000)	Notes	31 December 2008	31 December 2007
ASSETS			
Intangible assets	1	442,589	479,804
Property, plant and equipment	2	909,534	871,791
Investment property	3	27,950	27,950
Equity investments measured using equity method	4	20,338	21,693
Other equity investments	5	2,580	2,558
Non-current financial assets		234	445
Deferred tax assets	18	17,249	12,583
Other non-current assets		813	258
TOTAL NON-CURRENT ASSETS		1,421,287	1,417,082
Inventories	6	147,493	117,114
Trade receivables	7	169,654	208,110
Current financial assets	8	3,262	5,742
Current tax assets		2,540	3,571
Other current assets	9	16,139	16,970
Cash and cash equivalents	10	38,377	59,511
TOTAL CURRENT ASSETS		377,465	411,018
TOTAL ASSETS		1,798,752	1,828,100
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		35,710	35,710
Other reserves		719,893	698,141
Group net profit		65,273	140,399
Group shareholders' equity	11	979,996	1,033,370
Minority interests net profit		8,205	11,373
Minority interests reserves		50,922	41,186
Minority interests shareholders' equity	11	59,127	52,559
TOTAL SHAREHOLDERS' EQUITY		1,039,123	1,085,929
Employee benefit provisions	12	16,090	18,498
Non-current provisions	13	12,480	9,300
Non-current financial liabilities	15	206,586	197,553
Deferred tax liabilities	18	81,279	78,275
TOTAL NON-CURRENT LIABILITIES		316,435	303,626
Current provisions	13	2,460	2,901
Trade payables	14	147,614	155,462
Current financial liabilities	15	251,485	232,548
Current tax liabilities	16	7,273	6,787
Other current liabilities	17	34,362	40,847
TOTAL CURRENT LIABILITIES		443,194	438,545
TOTAL LIABILITIES		759,629	742,171
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,798,752	1,828,100

Information on transactions with related parties is provided in the notes to the consolidated financial statements pursuant to CONSOB Resolution no. 15519 of 27 July 2006.

Consolidated income statement

(EUR '000)	Notes	2008	2007
REVENUES	19	1,092,186	1,147,085
Change in inventories		9,664	5,053
Increases for internal work		4,997	4,688
Other operating revenues	20	10,140	10,187
TOTAL OPERATING REVENUES		1,116,987	1,167,013
Raw material costs	21	(465,310)	(462,116)
Personnel costs	22	(172,019)	(161,961)
Other operating costs	23	(270,431)	(268,825)
TOTAL OPERATING COSTS		(907,760)	(892,902)
EBITDA		209,227	274,111
Depreciation, amortisation, impairment losses and provisions	24	(81,085)	(76,797)
EBIT		128,142	97,314
Net result on equity investments measured using equity method		2,635	4,669
Net financial result		(38,569)	(2,556)
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD	25	(35,934)	2,113
PROFIT BEFORE TAX		92,208	199,427
Income taxes	26	(18,730)	(47,655)
NET PROFIT (LOSS) FOR THE PERIOD		73,478	151,772
Attributable to:			
MINORITY INTERESTS		8,205	11,373
GROUP		65,273	140,399

(EUR)			
BASIC EARNINGS PER ORDINARY SHARE	27	0.41	0.88

Information on transactions with related parties is provided in the notes to the consolidated financial statements pursuant to CONSOB Resolution no. 15519 of 27 July 2006.

Statement of changes in consolidated shareholders' equity

(EUR '000)	Share capital	Share premium reserve	Other reserves: Legal reserve	Other reserves: Treasury shares reserve	Other reserves: Traslate reserve
Shareholders' equity at January 1, 2006	159,120	22,710	31,825	13,000	(13,754)
New accounting treatment of actuarial gains /losses on severance benefits (TFR)					
Shareholders' equity at January 1, 2006 restated	159,120	22,710	31,825	13,000	(13,754)
Allocation of 2005 net profit					
Dividend distribution 2005					
Changes in share premium reserve		13,000		(13,000)	
Intangible assets					(31,591)
New accounting treatment of actuarial gains /losses on severance benefits (TFR)					
Change in translation reserve					(22,481)
Change in other reserves					
Net profit (loss) for the period					
Shareholders' equity at December 31, 2006 restated	159,120	35,710	31,825	-	(67,826)
Allocation of 2006 net profit					
Dividend distribution 2006					
Property, plant and equipment					
Intangible assets					16,660
Financial instruments					
Actuarial gains /losses on severance benefits (TFR)					
Change in translation reserve					11,071
Change in other reserves					
Net profit (loss) for the period					
Shareholders' equity at December 31, 2007	159,120	35,710	31,825	-	(40,095)
Allocation of 2007 net profit					
Dividend distribution 2007					
Intangible assets					(48,116)
Financial instruments					
Actuarial gains /losses on severance benefits (TFR)					
Change in translation reserve					(51,972)
Change in other reserves					
Net profit (loss) for the period					
Shareholders' equity at December 31, 2008	159,120	35,710	31,825	-	(140,183)

Other reserve	Group net profit (loss)	Group shareholder's equity	Minority interests net profit (loss)	Minority interests reserves	Minority interests shareholder's equity	Total shareholder's equity
511,756	109,397	834,054	6,347	29,406	35,753	869,807
132	(132)	-			-	-
511,888	109,265	834,054	6,347	29,406	35,753	869,807
109,265	(109,265)	-	(6,347)	6,347	-	-
(13,525)		(13,525)			-	(13,525)
		-			-	-
		(31,591)			-	(31,591)
292		292			-	292
		(22,481)		(2,470)	(2,470)	(24,951)
(1,119)		(1,119)		(255)	(255)	(1,374)
	114,074	114,074	8,735		8,735	122,809
606,801	114,074	879,704	8,735	33,028	41,763	921,467
114,074	(114,074)	-	(8,735)	8,735	-	-
(15,912)		(15,912)		(2,100)	(2,100)	(18,012)
3,123		3,123			-	3,123
		16,660			-	16,660
(366)		(366)		(1)	(1)	(367)
(457)		(457)		(92)	(92)	(549)
		11,071			-	11,071
(852)		(852)		1,616	1,616	764
	140,399	140,399	11,373		11,373	151,772
706,411	140,399	1,033,370	11,373	41,186	52,559	1,085,929
140,399	(140,399)	-	(11,373)	11,373	-	-
(20,000)		(20,000)		(1,724)	(1,724)	(21,724)
		(48,116)				(48,116)
366		366		3	3	369
(288)		(288)		(42)	(42)	(330)
		(51,972)				(51,972)
1,363		1,363		126	126	1,489
	65,273	65,273	8,205		8,205	73,478
828,251	65,273	979,996	8,205	50,922	59,127	1,039,123

Statement of income and expense recognised in shareholders' equity

(EUR '000)	2008	2007
Change in classification of property, plant and equipment	-	4,660
Actuarial gains (losses) on severance benefits (TFR)	(406)	(778)
Financial instruments	488	(492)
Tax recognised in shareholders' equity	(4)	(1,183)
Income (expense) recognised directly in shareholders' equity	78	2,207
NET PROFIT (LOSS) FOR THE PERIOD	73,478	151,772
TOTAL INCOME (EXPENSE) RECOGNISED FOR THE PERIOD	73,556	153,979
Attributable to:		
GROUP	65,393	142,699
MINORITY INTERESTS	8,163	11,280

Consolidated cash flow statement

(EUR '000)	31 December 2008	31 December 2007
Net profit (loss) for the period	73,478	151,772
Depreciation and amortisation	77,684	72,548
(Revaluations) and writedowns	2,353	1,190
Net result on equity investment measured using equity method	(2,635)	(4,669)
Net financial result	38,568	3,083
(Gains) Losses on disposals	(1,720)	(2,841)
Income taxes	18,730	47,654
Change in employee benefit provisions	(2,408)	1,356
Change in current and non-current provisions	2,739	(183)
Operating cash flow before change in working capital	206,789	269,910
(Increase) Decrease in inventories	(30,379)	(13,177)
(Increase) Decrease in trade receivables	35,970	(14,132)
Increase (Decrease) in trade payables	(8,373)	2,269
Change in current and non-current assets and liabilities	(6,208)	196
Change in deferred and current income taxes	(5,453)	5,071
Operating cash flow	192,346	250,137
Dividends received	4,396	4,381
Interest received	5,245	6,755
Interest paid	(24,383)	(22,684)
Other income (expense) received (paid)	6,706	(3,027)
Income taxes paid	(13,422)	(30,349)
CASH FLOW FROM OPERATING ACTIVITIES (A)	170,888	205,213
Investments in intangible assets	(13,364)	(5,778)
Investments in property, plant and equipment	(164,633)	(125,317)
Investments in equity investments and non-current securities	(35)	(3,059)
Divestments of property, plant and equipment	3,231	5,357
Divestments of equity investments and non-current securities	-	527
Other changes in investing activities	6,281	(4,690)
CASH FLOW FROM INVESTING ACTIVITIES (B)	(168,520)	(132,960)
Change in non-current financial assets and liabilities	7,354	21,760
Change in current financial assets and liabilities	(3,530)	(47,288)
Dividends distributed	(21,321)	(18,454)
Other changes in shareholders' equity	-	(827)
CASH FLOW FROM FINANCING ACTIVITIES (C)	(17,497)	(44,809)
EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS (D)	(6,005)	841
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(21.134)	28.285
Cash and cash equivalents at the beginning of the period	59,511	31,226
Cash and cash equivalents at the end of the period	38,377	59,511

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information

Cementir Holding SpA[1] (group parent), a company limited by shares with registered offices in Italy - Corso di Francia 200, Rome - and its subsidiaries constitute the "Cementir Holding group" (hereinafter "the Group"), which operates internationally principally in the ready-mixed concrete and cement sectors.

Shareholders with holdings of more than 2% of share capital at 31 December 2008, as indicated in the shareholder register, based on notices received pursuant to Article 120 of Legislative Decree 58 of 24 February 1998 and other available information are:

1) Calt 2004 Srl no.47,860,813 shares (30.078%);
2) Lav 2004 Srl no.40,543,880 shares (25.480%);
3) Pantheon 2000 SpA no.4,466,928 shares (2.807%);
4) Chupas 2007 Srl no.3,783,042 shares (2.377%).

The consolidated financial statements at 31 December 2008 of the Cementir Holding group were approved on 19 March 2009 by the Board of Directors, which authorized the disclosure of the main information reported therein.

Compliance with the international accounting standards (IFRS/IAS)

The consolidated financial statements have been drawn up in compliance with the international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission through 31 December 2008.

As used here, the IFRSs comprise all International Financial Reporting Standards (IFRSs), all International Accounting Standards (IASs) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

1 Cementir Holding SpA (formerly Cementir - Cementir del Tirreno SpA) changed its name at the Extraordinary Shareholders' Meeting of 15 January 2008.

Newly-issued accounting standards and interpretations

No new accounting standards nor interpretations came into force in 2008, nor were amendments made to existing accounting standards and interpretations that had a significant impact on the consolidated financial statements. In accordance with IAS 8 – Accounting policies, changes in accounting estimates and errors, this section describes new standards and interpretations, or changes made to existing standards and interpretations that have not yet come into effect or that have not yet been endorsed by the EU, that could be applied by the Group in the future in its consolidated financial statements.

IFRS 8 – Operating segments
Endorsed by the European Commission in November 2007, IFRS 8 sets out the requirements for disclosing information in an entity's annual financial statements. An amendment to IAS 14 – Segment Reporting requires that the entity disclose the same information in its interim financial statements. Under IFRS 8, an entity must identify its operating segments based on those used for internal operational reporting purposes, must regularly review this identification for the purposes of allocating resources to different segments and of analysing performance. It also sets out the requirements for disclosing information on its products and services, the geographical areas in which it operates and its major customers. IFRS 8 replaces IAS 14 and is in effect for periods beginning 1 January 2009.

IFRS 3 – Business combinations and IAS 27 – Consolidated and separate financial statements
The IASB published a new revised version of IFRS 3 and a number of amendments to IAS 27 on 10 January 2008. The major changes concern the recognition of acquisitions achieved in stages, the recognition of transaction costs, the calculation of goodwill (option for the application of the full goodwill method, which involves recognition of even the portion of goodwill attributable to minority shareholders), the recognition of the acquisition of further shares in a subsidiary or the sale of the portion of the subsidiary of which it retains control. The amended standards will come into effect for periods beginning after 1 July 2009 (therefore, starting from 1 January 2010 for the Group), following endorsement by the European Commission, which is pending.

IAS 1 – Presentation of financial statements
The IASB published a new revised version of IAS 1 on 6 September 2007 in order to improve the quality and the comparability of information contained in the financial statements, as part of the convergence between IFRS and US GAAP. The standards that were changed relate to the reintroduction of the requirement of including the statement of change in shareholders' equity among the other financial statements, even for entities that take actuarial gains and losses to equity (as the Group does), as well as to the need to represent all income and expenses for the period in a comprehensive manner, whether taken to profit or loss or to equity. In order to achieve this objective, entities are permitted to prepare a more comprehensive income statement or a separate statement. The standard will come into effect on 1 January 2009, although entities may apply it before that date.

IAS 23 – Borrowing costs

The IASB amended IAS 23 in 2007. The main change involves the elimination of the option for immediately recognising in the income statement borrowing costs relating to assets that require a substantial period of time to be readied for use or sale. Therefore, these costs must be included in the cost of the assets themselves since they are directly attributable to the acquisition, construction or production of an asset thereby justifying capitalisation. The standard will come into effect on 1 January 2009, but may be applied before that date.
The criteria currently followed by the Group are consistent with the changes introduced, therefore the entry into force of the standard will have no impact.

IAS 39 – Financial instruments and IFRS 7 – Financial instruments: disclosures

On 31 July 2008 the IASB published a revised version of IAS 39 in order to clarify which risks may be hedged and what portions of fair value or cash flow may be hedged. It also clarified that the intrinsic value of an option acquired as an instrument to hedge a financial component may not be perfectly effective since this intrinsic value reflects the hedge of just a portion of the risks. The revised standard will come into effect for periods beginning after 1 July 2009 (therefore, starting from 2010 for the Group), but it has not yet been endorsed by the European Commission. Moreover, on 13 October 2008 the IASB amended IAS 39 and IFRS 7, expanding, in certain circumstances, the possibility of reclassifying a number of financial assets. Specifically, the amendment removes some restrictions on reclassifying financial instruments held by the entity from the fair value through profit or loss and available for sale categories (measured at fair value) to categories of instruments held to maturity and receivables and loans (measured using the amortized cost method). The amendment was endorsed by the European Commission on 15 October 2008. Finally, on 5 March 2009, the IASB amended IFRS 7, establishing a three-level hierarchy for making fair value measurements of financial instruments. Each level corresponds to a different measurement method. Companies are required to make disclosures on the reliability of each measurement as well as on the liquidity risk associated with financial liabilities (derivatives or otherwise, based on a maturity analysis) and on how they are managed. The amendment will enter into effect as from the financial statements for the year starting 1 January 2009. However, no comparative disclosure is required for the first year of application. The amendment has not yet been endorsed by the European Commission.

The Group is assessing the possible impact of the future application of all the newly issued standards and interpretations as well as revisions of and amendments to existing standards, apart from what was stated above concerning the changes made to IAS 23.

Basis of presentation

The consolidated financial statements at 31 December 2008 are presented in euros and the amounts are reported in thousands, unless otherwise indicated. The consolidated financial statements consist of the balance sheet, the income statement, the statement of changes in shareholders' equity, the statement of income and expense recognised in shareholders' equity, the cash flow statement and these notes.

The basis of presentation of the Group financial statements is as follows:

- current and non-current assets and current and non-current liabilities are presented separately in the balance sheet;
- income statement items are classified by the nature of the expense;
- the statement of changes in shareholders' equity has been drawn up based on changes in equity;
- the cash flow statement is presented using the indirect method.

The accounting principles and criteria applied in these financial statements are in line with those adopted for the consolidated financial statements for the year ended 31 December 2007.

Consolidation policies

Scope of consolidation

A list of the subsidiaries included in the scope of consolidation and associated companies is provided in Annex 1 to these notes, while a list of significant equity investments, in application of Article 126 of CONSOB Resolution no. 11971 dated 14 May 1999 is provided in Annex 2.

Subsidiaries

The scope of consolidation includes the group parent Cementir Holding SpA and the companies in which it exercises direct or indirect control. Control is exercised either by directly or indirectly holding a majority of voting rights, or through the exercise of a dominant influence, expressed as the power to determine, including indirectly on the basis of contractual or legal agreements, the financial and operating policies of the company and thus obtaining the related benefits, regardless of the actual holding in the company. The existence of potential exercisable voting rights at the balance sheet date is considered in determining control.

Subsidiaries are consolidated from the date on which control is acquired until the moment this control ceases. The financial statements used for consolidation purposes have been prepared at 31 December, i.e. the balance sheet date for the consolidated accounts, and are normally those prepared and approved by the board of directors of the individual companies, adjusted where necessary in order to harmonise them with accounting policies of the group parent.

Consolidation procedures

Subsidiaries are consolidated on a line-by-line basis. The consolidation criteria adopted are as follows:

- assets and liabilities, and income and expenses, of fully consolidated entities are included on a line-by-line basis. The shares of equity and of the result for the year pertaining to minority interests are reported in specific accounts in the balance sheet and income statement;
- business combinations in which the control of an entity is acquired are recognised using the purchase method. The acquisition cost is represented by the fair value at the purchase date of assets acquired, liabilities assumed and capital instruments issued, plus any other directly attributable incidental expenses. The assets, liabilities and contingent liabilities acquired and assumed are measured at their fair value at the acquisition date. Any positive difference between the acquisition cost and the fair value of the assets and liabilities acquired and assumed is recognised under intangible assets as goodwill, while any negative difference is recognised in the income statement as income;
- all intercompany balances and transactions, including any unrealised gains with third parties, are eliminated net of the related tax effects, where the latter are significant. Unrealised losses are not eliminated where the transaction shows evidence of an impairment loss on the transferred asset;
- gains or losses on the disposal of investments in consolidated companies are taken to the income statement in an amount equal to the difference between the sale price and the corresponding fraction of consolidated shareholders' equity sold.

Associates

Associated companies are companies over which the Group exercises a significant influence, which is assumed to exist when the equity investment represents between 20% and 50% of voting rights. Entities under joint control are governed by a contractual agreement between the shareholders that establishes the control of the company's economic activity.

Equity investments in associates and joint ventures are accounted for using the equity method and initially recognised at cost. The equity method is applied as follows:

- the carrying amount of the equity investments is aligned with shareholders' equity and includes the excess value allocated to the assets and liabilities and any goodwill identified at the time of the acquisition;
- profits and losses pertaining to the Group are recognised in the consolidated income statement as from the date when the significant influence begins and until the date when it ceases; where as a result of losses the company accounted for using the equity method has negative shareholders' equity, the carrying amount of the investment is written down to zero and, where the Group has undertaken to perform the legal or constructive obligations of the company or cover its losses, the excess is recognised in a specific provision; changes in the assets and liabilities of companies accounted for using the equity method that are not taken to the income statement are recognised directly through adjustments to equity reserves;
- material unrealised gains and losses on transactions between the group parent/subsidiaries and the company accounted for using the equity method are eliminated on the basis of the value of the Group's share in the investee; unrealised losses are eliminated, except where they represent impairment losses.

Accounting policies

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, under the control of the company and capable of generating future economic benefits. They are recognised at cost, including any direct incidental expenses necessary to render the asset available for use.

The useful life is determined for each intangible asset upon initial recognition. Intangible assets for which, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which they will generate cash flows for the Group are considered to have indefinite useful lives. Estimates of the useful lives are reviewed on an annual basis and any changes, where necessary, are applied prospectively.

Intangible assets are derecognised when the assets are sold or when no expected future benefits are expected from their use. Any loss or gain (calculated as the difference between the sale price and the carrying amount) is recognised in the income statement in the year in which they are derecognised.

Intangible assets with finite useful lives are recognised net of the relative accumulated amortisation and any impairment determined in accordance with the procedures described below. Amortisation begins when the asset is available for use and is recognised on a systematic basis in relation to the residual possibility of use and thus over the useful life of the asset. Amortisation is calculated from the moment the asset becomes available for use and for the period of its use in the year.

Intangible assets with indefinite useful lives are intangible assets for which, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which they will generate cash flows for the Group. Intangible assets with indefinite useful lives are initially recognised at purchase cost, determined in the same manner as for intangible assets with finite useful lives, and are not amortised. They are subject to testing for impairment annually, or more frequently if specific events indicate they may have incurred an impairment loss, as well as to determine if past losses may be recovered in accordance with the procedures described for goodwill below. Impairment losses are reversed if the reasons for the writedown no longer obtain.

In the case of the acquisition of subsidiaries or associates, the identifiable assets, liabilities and contingent liabilities acquired and assumed are recognised at fair value at the date of acquisition. Any positive difference between the acquisition cost and the Group's share of the fair value of these assets and liabilities are classified as goodwill and recognised as an intangible asset. Any negative difference (negative goodwill) is taken to the income statement at the date of acquisition.

After initial recognition goodwill is not amortised but is subject to testing for impairment annually, or more frequently if specific events indicate the possibility it may have incurred an impairment loss. Writedowns may not be reversed in a subsequent period.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Property, plant and equipment

Property, plant and equipment is recognised at purchase or production cost, including any directly allocable incidental expenses necessary to prepare the asset for the use for which it was acquired, increased by the fair value of the estimated cost for the disposal of the asset where the company has an obligation to do so.
Financial expenses that are directly attributable to the purchase, construction or manufacture of an asset are capitalised as part of the asset's cost until the asset is ready for its intended use or for sale.
Costs incurred for the maintenance and repairs of an ordinary and/or cyclical nature are charged directly to the income statement in the year in which they are incurred. Costs relating to the expansion, modernisation or improvement of owned or leased property, plant and equipment are only capitalised when they satisfy the requirements for separate classification as an asset or part of an asset in accordance with the component approach.
Property, plant and equipment is recognised net of accumulated depreciation and any impairment. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, reviewed on an annual basis and any changes, where necessary, are applied prospectively.
The estimated useful lives of property, plant and equipment are as follows:

	Useful lives of property, plant and equipment
Quarries	Excavated/to be excavated
Production plant	10-20 years
Other plant (non-production):	
- Industrial buildings	18-20 years
- Light constructions	10 years
- Generic or other specific plants	8 years
- Other equipment	4 years
- Transport vehicles	5 years
- Office machinery and equipment	5 years

It should be noted that the above intervals, which indicate the minimum and maximum depreciation periods, reflect the presence of components with different useful lives in the same category of assets.
Land, both unbuilt and that appurtenant to civil and industrial buildings, is not depreciated as it has an unlimited useful life.
When the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, depreciation is recognised separately for each part of the asset, applying the component approach.
At the moment of sale or when no future economic benefits are expected from use, the asset is derecognised and any loss or gain (calculated as the difference between the disposal value and the net carrying amount) is recognised in the income statement in the year of derecognition.

← Izmir plant (Turkey)

Investment property

Investment property, held to earn rental income or capital gains, is measured at fair value and is not depreciated. Changes in value are recognised in the income statement.

Impairment

At each period end, the carrying amount of property, plant and equipment and intangible assets is reviewed in the light of events or changes which indicate that the carrying amount may not be recoverable. If such evidence is found, the recoverable value must be determined and, where the carrying amount exceeds the recoverable value, the assets are written down to reflect their recoverable value. The recoverable value of goodwill and other intangible assets with indefinite lives, however, is estimated at each balance sheet date or when there is a change in circumstances or specific events occur that would require an impairment test.

The recoverable value of property, plant and equipment and intangible assets is the higher between the fair value less costs to sell and its value in use, where the value in use refers to the present value of estimated future cash flows from the asset or, for assets that do not generate clearly independent cash flows, of the group of assets that comprise the cash-generating unit to which the asset belongs.

In determining value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the asset.

An impairment loss is recognised in the income statement when the carrying amount of the asset, or of the cash-generating unit to which it is allocated, is greater than the recoverable amount. Where the reasons for a writedown of property, plant and equipment and intangible assets other than goodwill no longer obtain, the carrying amount of the asset is restored through the income statement, up to the value at which the asset would have been carried if no writedown had taken place and depreciation or amortisation had been recognised.

Where the impairment loss determined by the test is greater than the value of the asset allocated to the cash-generating unit to which belongs, the residual amount is allocated to the assets included in the cash-generating unit in proportion to their carrying amount. The minimum limit of such allocation is the greater of:

- the fair value of the asset less costs to sell;
- the value in use of the asset, as defined above;
- zero.

Impairment losses are recognised in the income statement under depreciation, amortisation and impairment losses.

Inventories

Raw materials and semi-finished and finished products are measured at the lower of cost and market value. Purchase cost is calculated using the FIFO method.

Financial assets

At initial recognition, financial assets are classified under one of the following categories and measured as follows:

- financial assets at fair value through profit or loss: this category (equity investments in other companies) includes financial assets acquired principally for sale in the short term, those designated at fair value through profit or loss at the acquisition date, and derivative instruments. The fair value of financial instruments listed on active markets is determined as the related market price at the balance sheet date. In the absence of an active market, the fair value is determined on the basis of prices provided by external operators and utilising valuation models principally based on objective financial variables, as well as taking into account prices in recent transactions and the prices of similar financial instruments. Changes in the fair value of instruments in this category are recognised in the income statement. Where the fair value cannot be determined reliably, the cost value is maintained, adjusted for any impairment losses. Such impairment losses may not be reversed. Financial instruments in this category are classified as current assets or liabilities if they are "held for trading" or if it is expected that they will be sold within 12 months from the balance sheet date. Derivatives are treated as assets if the fair value is positive and as liabilities if the fair value is negative. The Group nets the positive and negative fair values of transactions with the same counterparty where such netting is permitted contractually;
- Loans and receivables: this category, which main regard trade receivables, includes non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are classified as current assets (when the due date falls within normal commercial terms) except for amounts due beyond 12 months from the balance sheet date, which are classified as non-current assets. These assets are measured at amortised cost using the effective interest rate method (identified as their nominal value). Where there is evidence of impairment, the asset is written down to the present value of the expected future cash flows. The impairment losses are recognised in the income statement. Where, in subsequent periods, the reasons for the writedown no longer obtain, the value of the assets is restored up to the value they would have had under the application of amortised cost where no writedown had been recognised.

  Financial assets are derecognised when the right to receive the cash flows from the instrument expires and the Group has transferred substantially all the risks and rewards relating to the instrument and the related control.

Financial liabilities

Financial liabilities include loans, trade payables and other payment obligations and are initially recognised at fair value, net of directly attributable incidental expenses, and subsequently measured at amortised cost using the effective interest rate method. When there is a change in the expected cash flows and it is possible to estimate them reliably, the value of the loans

is recalculated to reflect this change based on the new present value of the expected cash flows and the initial internal rate of return.
Financial liabilities are classified under current liabilities, except where the Group has an unconditional right to defer their payment for at least 12 months from the balance sheet date.
Financial liabilities are derecognised when they are extinguished and the Group has transferred all the risks and rewards relating to the instrument.

Financial derivatives

The Group uses financial derivatives, such as forward foreign exchange contracts and foreign exchange options, to hedge the risks of exchange rate fluctuations, and CO2 emissions futures contracts. These derivatives are measured and recognised at fair value.
Transactions that satisfy the requirements for hedge accounting are classified as hedging operations, while all other operations, including those used to manage risk, are designated as trading operations. Accordingly, owing to the absence (at the subscription date) of some of the formal requirements established by the IFRS, the changes in the fair value relating to these derivative transactions are recognised in the income statement.
For derivatives that qualify for hedge accounting, subsequent changes in fair value are accounted for as follows.
For each financial derivative qualifying for hedge accounting, the relationship between the hedging instrument and the hedged item is documented, including the risk management objectives, the hedging strategy and the methods used to verify the effectiveness of the hedge. The effectiveness of each hedge is verified at the inception of each derivative and over the life of the position. Generally, a hedge is considered highly effective if at both inception and over the life of the derivative the changes in fair value (fair value hedges) or expected cash flows (cash flow hedge) of the hedged item are substantially offset by changes in the fair value of the hedging instrument.
In the case of fair value hedges of assets and liabilities, both changes in the fair value of the hedging instrument and that of the hedged item are recognised in profit or loss.
In the case of cash flow hedges (hedging the risk of potential changes in cash flows originated by the future performance of contractual obligations at the balance sheet date), the effective portion of changes in the fair value of the derivative instrument registered subsequent to initial recognition is recognised under equity reserves. When the economic effects of the hedged item materialize, the reserve is reversed to the operating components of the income statement. If the hedge is not entirely effective, the ineffective portion of the change in the fair value of the hedging instrument is immediately recognised in profit or loss. If, during the life of a derivative instrument, the expected cash flows hedged by the instrument are no longer considered highly likely to materialize, the portion of reserves associated with that instrument is immediately reversed to the income statement. Conversely, where the derivative is sold or no longer qualifies as an effective hedge, the portion of reserves representing the changes in the fair value of the instrument recognised up to that time is maintained as a component of equity and reversed to the income statement as described above, in concomitance with the materialization of the economic effects of the original hedged transaction.

Cash and cash equivalents

Cash and cash equivalents are recognised at fair value and include bank deposits and cash on hand, i.e. assets that are available on demand or at short notice, certain in nature and have no collection costs.

Employee benefits

The liability in respect of employee benefits paid at or subsequent to termination of the employment relations under defined-benefit plans, net of any plan assets, is determined on the basis of actuarial assumptions estimating the amount of future benefits that employees have accrued at the balance sheet date. The liability is recognised on an accruals basis over the period in which the entitlement matures.

Defined-benefit plans also include the portion of severance benefits due to employees pursuant to Article 2120 of the Italian Civil Code (Trattamento di Fine Rapporto-TFR) accrued as of 31 December 2006. Following the reform of the supplementary pension system, as from 1 January 2007 new TFR accruals must be paid into a supplementary pension fund or into a specific treasury fund established by the National Social Security Institute (INPS) if employees elect this option. Accordingly, the Group's[2] liability for defined benefits in respect of employees regards accruals to 31 December 2006 only.

The accounting treatment adopted by the Group[2] as from 1 January 2007 – discussed below – reflects the prevailing interpretation of the new legislation and is consistent with the accounting treatment recommended by the competent professional bodies. More specifically, TFR contributions accruing as from 1 January 2007 are considered elements of a defined contribution plan, even when employees have elected to pay them into the INPS treasury fund. These contributions, which are calculated on the basis of Civil Code rules and are not subject to actuarial measurement, therefore represent expenses recognised under personnel costs.

Conversely, the employee benefit entitlement accrued at 31 December 2006 continues to represent the liability accumulated by the company in respect of defined benefit plans. This liability will not be increased by further accruals. Accordingly, unlike previous periods, the actuarial calculation performed to determine the balance at 31 December 2008 did not include the component reflecting future wage growth. The difference with respect to the previous value produced by the new calculation represents a curtailment governed by paragraph 109 of IAS 19 and, consequently, is recognised as a negative component of income under personnel costs. The present value of the Group's liability is determined by independent actuaries using the projected unit credit method. Under this method, the liability is projected into the future to determine the probable amount to be paid when the employment relationship is terminated and then discounted to take account of the passage of time prior to actual payment. The calculation takes account of severance benefits accrued for past service and is based on actuarial assumptions concerning, primarily, interest rates, which reflect the market yield of securities issued by leading companies with maturities consistent with the expected maturity

2 For its Italian companies.

of the obligation[3] , and employee turnover. As the Group is not liable for TFR accruing after 31 December 2006, the actuarial calculation does not take account of future wage growth.
Actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of the Group's commitments at the end of the period, generated by changes in the actuarial assumptions used previous (described above) are recognised directly in equity.

Stock incentive plan

The Group approved a stock incentive plan (stock options) targeted at directors with specific duties and managers holding strategic positions within the Parent Company and/or its subsidiaries. Under IFRS 2 – Share-based payments, this plan represents a component of the beneficiaries' compensation. Therefore, the cost is represented by the fair value of the stock options at the grant date, calculated using financial measurement techniques, taking market conditions into account, and recognised in the income statement on a pro-rata basis over the period during which the incentive accrues, with a balancing entry in shareholders' equity.

Provisions

Provisions are recognised in respect of certain or probable costs or liabilities whose amount or timing could not be determined at period-end.
Provisions are recognised when, at the balance sheet date, the Group has a legal or constructive obligation deriving from a past event and it is probable that an outflow of resources will be required to meet the obligation and this outflow can be estimated. When the financial effect of the passage of time is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted. Increases in the provision caused by the passage of time are recognised as financial expenses. If the liability refers to property, plant and equipment (such as dismantling and site reclamation), it is posted against the asset to which it refers. The charge is taken to the income statement through the depreciation of the underlying asset.

Grants

Grants from public or private-sector entities are recognised at fair value where it is reasonably certain that the conditions for their receipt will be met.
Grants for the acquisition or production of non-current assets (capital grants) are recognised either directly as reductions in the value of the asset or under other liabilities and taken to the income statement over the useful life of the asset.
Operating grants are recognised in full in the income statement at the time the conditions for their recognition are met.

3 Discounting was performed on the basis of the IRS yield curve corresponding to the observation period (50 years).

Revenues

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Group and that their amount can be determined reliably. Revenues are measured at the fair value of the amount received net of value added tax, discounts, allowances and returns.
In particular, revenues from the sale of goods are recognised when the significant risks and rewards of ownership are transferred to the purchaser. Revenues for services are recognised at the time the services are delivered, in proportion to the amount of services completed with respect to total services still to be delivered.

Financial Income and expense

Financial income and expense are recognised on an accruals basis and calculated with reference to the interest accrued on the net value of the underlying asset or liability using the effective interest rate. The effective interest rate is the rate at which all inward and outward flows in respect of a given transaction are financially equivalent. As regards capitalised financial expense, please see the discussion under the policies adopted for property, plant and equipment.

Dividends

Dividends are recognised on the date on which shareholders obtain title to payment, which normally corresponds to date of the shareholders' meeting approving their payment. Dividend distributions are carried as a liability in the period in which the shareholders' meeting approves them.

Income taxes

Current income taxes for the period are determined on the basis of estimated taxable income in compliance with current legislation.
Deferred tax assets and liabilities are recognised on the basis of temporary differences between the amounts reported in the consolidated balance sheet and the amounts reported for tax purposes, with the exception of goodwill, using the tax rates that are expected to be in force in the financial period in which the deferred assets or liabilities will be reversed.
Deferred tax assets are recognised when it is probable that they will be recovered, i.e. when future taxable income is expected to be sufficient for the asset to be recovered. The probability of recovery is reviewed at the end of each period.
Current and deferred tax items are recognised in the income statement except for those relating to items recognised directly in equity, in which case the tax effect is also recognised in equity. Current and deferred tax items are offset where the income tax is levied by the same tax authority, the Group is legally entitled to offset and the net balance is expected to be settled.
Other taxes not relating to income, such as property taxes, are recognised as operating costs.

Earnings per share

(i) Basic: the value of basic earnings per share is obtained by dividing the Group's net profit by the weighted average number of ordinary shares in circulation during the year, excluding treasury stock.

(ii) Diluted: the value of diluted earnings per share is obtained by dividing the Group's net profit by the weighted average number of ordinary shares in circulation during the financial year, excluding treasury stock. In order to calculate the diluted value, the weighted average number of shares in circulation is increased by assuming that all potential shares with a dilutive effect are converted. Diluted earnings per share are not calculated in the event of a loss, because this would improve the per-share result.

Foreign currencies transactions

All transactions in non-euro currencies are recognised at the exchange rate prevailing on the transaction date.

Monetary assets and liabilities denominated in currencies other than the functional currency are translated at the exchange rate prevailing at the close of the period. Any negative or positive differences between the amounts translated at the exchange rate for the period and the original value amounts are taken to the income statement.

Non-monetary items denominated in currencies other than the euro and carried at historical cost are translated using the exchange rate prevailing on the date the transaction was originally recognised.

Non-monetary items carried at fair value are translated at the rate prevailing on the date the fair value was originally determined.

Translation of financial statements of foreign companies

The financial statements of subsidiaries and associates are prepared in the functional currency of the economy in which they operate.

The financial statements of companies operating outside the euro area are translated into euros by applying the end-period exchange rate for balance sheet items and the average exchange rate for the period for income statement items. Differences arising from the adjustment of initial shareholders' equity to current end-period exchange rates and differences arising from the use of different methods for translating the net result for the period are recognised in equity under a specific reserve.

Upon disposal of a foreign operation, the cumulative translation differences deferred in the relevant reserve are recognised in the income statement.

Pursuant to the requirements of IFRS 1, the cumulative translation differences at the date of first-time adoption of IFRS are reclassified as "retained earnings" in equity and do not, therefore, give rise to recognition in the income statement if the foreign operation is later divested.

Use of estimates

The preparation of the consolidated financial statements requires management to use accounting methods and principles that, in certain cases, are based on difficult and subjective assessments and estimates that are derived from historical experience and reasonable and realistic assumptions made in the light of the related circumstances. The use of such estimates and assumptions influences the values reported in the financial statements, such as the balance sheet, income statement and cash flow statement, as well as in the accompanying disclosures. The final values of items for which estimates and assumptions have been made may differ from those stated in the financial statements owing to the uncertainty that accompanies the assumptions and circumstances underpinning the estimates.

Significant accounting policies

The following accounting policies and items require more extensive use of subjective judgements on the part of management, with the result that changes in the circumstances underlying the assumptions can have a material impact on the consolidated financial statements of the Group:

- intangible assets with indefinite useful lives: goodwill undergoes annual testing for impairment, to be recognised through profit or loss. In particular, the impairment test involves allocating the goodwill to the cash generating units and subsequently determining their fair value. If the fair value of the net capital employed is lower than the carrying amount of the cash generating units, the goodwill allocated is written down. The allocation of the goodwill of the cash generating units and the determination of the fair value of the latter involves the use of estimates based on factors that can change over time, with potentially significant effects on the assessments made by management;

- writedowns of non-current assets: in accordance with the accounting policies adopted by the Group, property, plant and equipment and intangible assets with finite useful lives undergo impairment testing, which is recognised by means of a writedown where there is evidence that suggests it will be difficult to recover the net carrying amount through use of the asset. The verification of such evidence requires management to make subjective judgements based on information available within the Group and from the market, as well as experience. In addition, where a potential impairment loss is found, the Group calculates the loss using appropriate valuation techniques. The correct identification of the factors indicating a potential impairment loss and the estimates made to calculate the size of the impairment depend on factors that can change over time, affecting the assessments and estimates made by management;

- depreciation and amortisation: depreciation and amortisation is a significant expense for the Group. Property, plant and equipment is depreciated on a systematic basis over the useful life of the asset. The useful life of Group assets is determined by management at the time the assets are acquired. This assessment is based on historical experience with similar assets, market conditions and expectations for future developments, such as technological progress, that might affect the useful life of the asset. For this reason, the effective economic life of an asset may differ from its estimated useful life. The Group periodically reviews technological progress and changes in the industry as well as costs associated with reclamation and the resale value of assets to update the residual useful life of the asset. This periodic review can lead to changes in the depreciation period and, consequently, in depreciation charges in future periods. The estimates and assumptions are reviewed periodically and the effects of changes are recognised in the income statement.

Risk management

The Group is exposed to a variety of financial risks in its operations. More specifically, these include:

Credit risk

The credit risk faced by the Group is not particularly significant, because although the Group operates in a variety of geographical markets credit risk is mitigated by the fact that the Group is not excessively exposed to concentration risk. In addition, operating procedures provide for the control of credit risk by restricting the sale of products and/or services only to customers with sufficient standing and guarantees.
Receivables are recognised net of any writedowns in respect of the risk of default by the counterparty, which is determined on the basis of available information on the solvency of the customer.
As regards bank deposits and derivatives operations, the Group operates on an ongoing basis with leading counterparties of high standing, thereby limiting the associated credit risk.

Liquidity risk

Liquidity risk regards the availability of financial resources and access to the credit market and markets for financial instruments in general.
More specifically, cash flows, funding requirements and the liquidity of the Group companies are monitored and managed with a view to ensuring effective and efficient management of financial resources.
The Group meets its needs for investment activities, management of working capital and debt repayment through the cash flow generated on an ongoing basis by operations as well as the use of credit lines available to the Group.
Given the current state of the financial markets, the Group has taken steps to maintain an adequate ability to generate cash flow through operations. In light of the Group's financial soundness, any unplanned financial requirements will be handled using the Group's credit.

Market risks

Market risks mainly regard the risk of changes in exchange rates and interest rates, as the Group operates at the international level in different currency areas and uses financial instruments to hedge the related risks.
The Group constantly monitors the financial risks to which it is exposed so as to assess their potential impact in advance and takes appropriate action to mitigate that impact. Financial derivatives are one of the tools used to do this.

Exchange rate risk

As they operate at the international level, the Group companies are structurally exposed to the exchange rate risk inherent in the cash flows generated by operating activities and financing denominated in foreign currencies.
The Group's operating activities are exposed to exchange rate risk to differing extents: the cement sector is exposed on both the revenue side, for exports, and the cost side, for purchases of solid fuels in U.S. dollars, while the ready-mixed concrete sector is less exposed, as revenues and costs are denominated in local currency. To cover its exposures, the Group

calculates the natural hedging effect of cash flows and financing, and hedges the remaining exposure by means of forward foreign exchange transactions, as well as foreign exchange call and put options. The Group's derivatives transactions are conducted for hedging purposes.
The Group's presentation currency is the euro. This generates exchange rate risk in respect of the translation of the financial statements of the consolidated subsidiaries located in countries outside the euro area (with the exception of Denmark, whose currency is stable against the euro). The income statements of those companies are translated into euros at the average exchange rate for the period, meaning that changes in exchange rates can have an impact on the resulting euro amount. As envisaged in the accounting standards adopted by the Group, the effects of exchange rate fluctuations on the value of assets and liabilities are recognised directly in equity, under the "translation reserve" (Note 11).

Interest rate risk
As the Group has a net debtor position, it is exposed to the risk of fluctuations in interest rates. However, this risk is deemed to be small since the Group's borrowing is almost exclusively in euros and U.S. dollars, both of which have fairly steady yield curves, in part due to the policies being adopted by the central banks during this period of severe contraction of the global economy.
The operational and financial policies of the Group are also designed to minimize the impact of these risks on the Group's financial performance.

Segment information
The primary basis of the Group's reporting is by geographical segment, while the secondary basis is by business segment.
The countries in which the Group operates and which represent the primary basis of reporting are: Italy, Denmark, other Scandinavian countries (Norway, Sweden and Iceland), Turkey, Egypt, the Far East (Malaysia and China) and the rest of the world (Luxembourg, Spain, Portugal, Poland, Russia and the United States). The Group's management and organisational structures essentially reflect these geographical segments.
The secondary basis of reporting are the following business segments:
- activities connected with the production and sale of cement/clinker;
- activities connected with construction materials: ready-mixed concrete and aggregates;
- other activities: transport, cement pipes, alternative fuel and fuel distribution.

Operations are organized and run by country and by type of activity. The geographical segments comprise the fixed assets of the individual companies operating in the zones listed above. The cement/clinker business segment provides some of its manufacturing capacity to the ready-mixed concrete segment.
Transactions between the segments involving the exchange of goods and services are conducted on normal market terms and conditions.

Primary basis: geographical segments

The table below reports revenues and results by geographical segment for the period ended 31 December 2008:

(EUR '000)	Operating revenues	Inter-segment revenues	Net operating revenues contribution	Segment result (EBITDA)	Result of equity investment measured using equity method
Denmark	377,233	20,366	356,867	71,533	-
Turkey	248,945	-	248,945	49,994	-
Italy	240,913	6,969	233,944	43,278	(294)
Other Scandinavian countries	187,086	-	187,086	21,508	409
Egypt	37,688	2,775	34,913	13,878	-
Far East	23,628	-	23,628	4,227	-
Rest of world	32,139	535	31,604	4,809	2,520
(adjustments to exclude trade between countries)	(30.645)	(30.645)	-	-	-
Total	**1,116,987**	-	**1,116,987**	**209,227**	**2,635**

The table below reports revenues and income by geographical segment for the period ended 31 December 2007:

(EUR '000)	Operating revenues	Inter-segment revenues	Net operating revenues contribution	Segment result (EBITDA)	Result of equity investment measured using equity method
Denmark	409,971	20,135	389,836	92,432	-
Turkey	260,129	-	260,129	83,484	-
Italy	238,626	2,369	236,257	51,199	52
Other Scandinavian countries	203,083	-	203,083	28,221	610
Egypt	31,998	1,386	30,612	11,731	-
Far East	21,693	-	21,693	4,428	-
Rest of world	25,841	438	25,403	2,616	4,007
(adjustments to exclude trade between countries)	(24,328)	(24,328)	-	-	-
Total	**1,167,013**	-	**1,167,013**	**274,111**	**4,669**

The table below reports other data by geographical segment at 31 December 2008:

(EUR '000)	Segment assets	Segment liabilities	[4]Investments in property, plant and equipment and intangible assets	Depreciation, amortisation, impairment losses and provisions
Denmark	557,899	181,042	44,002	27,934
Turkey	502,739	140,990	40,495	21,381
Italy	413,072	341,658	26,891	18,777
Other Scandinavian countries	102,060	36,549	14,002	8,104
Egypt	115,233	42,506	42,009	1,936
Far East	64,369	13,856	22,676	1,879
Rest of world	43,380	3,028	932	1,074
Total	**1,798,752**	**759,629**	**191,007**	**81,085**

4 Investments carried out during the year

The table below reports other data by geographical segment at 31 December 2007:

(EUR '000)	Segment assets	Segment liabilities	[4]Investments in property, plant and equipment and intangible assets	Depreciation, amortisation, impairment losses and provisions
Denmark	540,986	180,417	29,841	26,738
Turkey	601,105	148,509	34,769	20,371
Italy	406,855	330,021	30,371	17,001
Other Scandinavian countries	124,624	47,761	11,212	7,819
Egypt	72,003	25,055	22,786	1,875
Far East	39,539	7,507	1,345	1,881
Rest of world	42,988	2,901	4,270	1,112
Total	1,828,100	742,171	134,594	76,797

Secondary basis: business segment

The table below reports data by business segment at 31 December 2008:

(EUR '000)	Segment assets	Operating revenues	[4]Investments in property, plant and equipment and intangible assets
Cement	1,482,691	692,520	139,066
Ready-mixed concrete and aggregates	241,105	389,621	49,235
Other activities	74,956	34,846	2,706
Total	1,798,752	1,116,987	191,007

The table below reports data by business segment at 31 December 2007:

(EUR '000)	Segment assets	Operating revenues	[4]Investments in property, plant and equipment and intangible assets
Cement	1,542,551	716,677	111,242
Ready-mixed concrete and aggregates	243,800	419,986	20,232
Other activities	41,749	30,350	3,120
Total	1,828,100	1,167,013	134,594

The table below reports revenues from sales to external customers for each geographical segment at 31 December 2008:

(EUR '000)	Denmark	Italy	Other Scandinavian countries	Turkey	Egypt	Far East	Rest of world	Total
Revenues by geographical location of customer	279,768	231,769	193,461	189,356	15,494	30,360	151,978	1,092,186

Notes to the financial statements

1) Intangible assets

Intangible assets amounted to EUR 442,589 thousand (EUR 479,804 thousand at 31 December 2007) and include assets with finite useful lives totalling EUR 13,841 thousand (EUR 13,905 thousand at 31 December 2007) and assets with indefinite useful lives totalling EUR 428,748 (EUR 465,899 thousand at 31 December 2007).

Intangible assets with finite useful lives

At 31 December 2008 intangible assets with finite useful lives amounted to EUR 13,841 thousand (EUR 13,905 thousand at 31 December 2007). Concession rights and licenses mainly regard quarry concessions and software licenses related to the implementation of the SAP R/3 information system. Amortisation is calculated in the account on the basis of the estimated useful life of the assets.

(EUR '000)	Development costs	Concession rights and licenses	Other assets	Assets under development and advances	Total
Gross value at 1 January 2008	**138**	**16,425**	**8,080**	**46**	**24,689**
Increases	440	523	515	330	1,808
Decreases	-	-	-	-	-
Changes in scope of consolidation	-	-	-	-	-
Other changes	(5)	-	(3)	-	(8)
Translation differences	(25)	232	(737)	-	(530)
Reclassifications	-	118	218	21	357
Gross value at 31 December 2008	**548**	**17,298**	**8,073**	**397**	**26,316**
Amortisation at 1 January 2008	**138**	**5,471**	**5,175**	**-**	**10,784**
Amortisation	88	1,332	681	-	2,101
Changes in scope of consolidation	-	-	-	-	-
Other changes	(5)	-	(2)	-	(7)
Translation differences	(25)	31	(409)	-	(403)
Reclassifications	-	-	-	-	-
Amortisation at 31 December 2008	**196**	**6,834**	**5,445**	**-**	**12,475**
Net value at 31 December 2008	**352**	**10,464**	**2,628**	**397**	**13,841**

(EUR '000)	Development costs	Concession rights and licenses	Other assets	Assets under development and advances	Total
Gross value at 1 January 2007	138	8,577	5,287	3,311	17,313
Increases	-	5,480	252	46	5,778
Decreases	-	-	-	-	-
Changes in scope of consolidation	-	-	755	-	755
Translation differences	-	(196)	26	3	(167)
Reclassifications	-	2,564	1,760	(3,314)	1,010
Gross value at 31 December 2007	138	16,425	8,080	46	24,689
Amortisation at 1 January 2007	122	4,604	3,122	-	7,848
Amortisation	16	1,300	605	-	1,921
Changes in scope of consolidation	-	-	(21)	-	(21)
Translation differences	-	(36)	10	-	(26)
Reclassifications	-	(397)	1,459	-	1,062
Amortisation at 31 December 2007	138	5,471	5,175	-	10,784
Net value at 31 December 2007	-	10,954	2,905	46	13,905

Intangible assets with indefinite useful lives

Intangible assets with an indefinite useful life are regularly tested for impairment.

At 31 December 2008, the item amounted to EUR 428,748 thousand (EUR 465,899 thousand at 31 December 2007) and included goodwill arising on consolidation following the acquisition of the Cimentas and Aalborg Portland groups. The decrease mainly reflects translation differences on the goodwill in respect of Cimentas caused by depreciation of the Turkish lira against the euro.

			31.12.2008			31.12.2007
(EUR '000)	Turkey (Cimentas group)	Denmark (Aalborg Portland group)	Total	Turkey (Cimentas group)	Denmark (Aalborg Portland group)	Total
Carrying amount at start of period	206,611	259,288	465,899	189,616	258,466	448,082
Increases	-	-	-	-	-	-
Decreases	-	(215)	(215)	-	-	-
Writedowns	-	-	-	-	-	-
Changes in scope of consolidation	-	11,244	11,244	777	225	1,002
Translation differences	(42,384)	(5,647)	(48,031)	16,218	442	16,660
Reclassifications	-	(149)	(149)	-	155	155
Carrying amount at end of period	164,227	264,521	428,748	206,611	259,288	465,899

As it had done in previous periods, the Group tested assets for impairment at the two cash generating units (CGU) to which goodwill had been allocated.

The impairment test on goodwill was performed by comparing the carrying value with the value-in-use of the CGU, calculated by applying the discounted cash flow (DCF) method to cash flows projected over the next three years (2009-2011) for each CGU. Projected cash flows were estimated based on projections for the 2009 budget and for the subsequent two years (2010-2011), while final values were arrived at by applying a constant growth rate.
The discount rate used to calculate the present value of the expected cash flows was determined for each CGU on the basis of the weighted average cost of capital (WACC). The key assumptions used in determining value-in-use were as follows:

(EUR '000)	31.12.2008		31.12.2007	
	Turkey (Cimentas group)	Denmark (Aalborg Portland group)	Turkey (Cimentas group)	Denmark (Aalborg Portland group)
Growth rate for final values	2%	2%	2%	2%
Discount rate	8.6%	6.1%	9.3%	8%

The impairment tests found no reduction of shareholders' equity at 31 December 2008 or of net profit for the year 2008.
The above parameters were applied to estimates and projections calculated based on past experience and expectations concerning development of the markets in which the Group operates. The demand trend during the last part of 2008, along with the pessimistic outlook for 2009, led management to reconsider the expected growth rate of revenues and margins included in forecasts made in past years as a precaution.
The Group regularly monitors facts and events connected with changes in the current economic environment that could give rise to impairment losses.

2) Property, plant and equipment

At 31 December 2008 property, plant and equipment amounted to EUR 909,534 thousand (EUR 871,791 thousand at 31 December 2007). The table below provides the required supplementary information on the components of the item:

(EUR '000)	Land and buildings	Quarries	Plant and equipment	Other assets	Assets under construction and advances	Total
Gross value at 1 January 2008	**402,874**	**18,875**	**1,114,925**	**82,836**	**63,050**	**1,682,560**
Increases	8,737	4,728	27,244	5,426	118,891	165,026
Decreases	(134)	-	(6,820)	(3,124)	(10)	(10,088)
Changes in scope of consolidation	2,946	-	14,575	1,615	-	19,136
Translation differences	(36,427)	(828)	(93,300)	(8,361)	946	(137,970)
Reclassifications	11,780	2,758	51,281	1,553	(65,316)	2,056
Gross value at 31 December 2008	**389,776**	**25,533**	**1,107,905**	**79,945**	**117,561**	**1,720,720**
Depreciation at 1 January 2008	**168,645**	**4,884**	**591,793**	**45,447**	**-**	**810,769**
Depreciation	10,045	276	57,091	8,170	-	75,582
Decreases	-	-	(5,821)	(2,757)	-	(8,578)
Changes in scope of consolidation	507	-	5,701	-	-	6,208
Translation differences	(12,751)	(149)	(54,241)	(5,908)	-	(73,049)
Reclassifications	(115)	115	258	(3)	-	255
Depreciation at 31 December 2008	**166,331**	**5,126**	**594,781**	**44,949**	**-**	**811,187**
Net value at 31 December 2008	**223,445**	**20,407**	**513,124**	**34,996**	**117,561**	**909,533**

(EUR '000)	Land and buildings	Quarries	Plant and equipment	Other assets	Assets under construction and advances	Total
Gross value at 1 January 2007	385,534	15,251	1,021,346	76,845	55,438	1,554,414
Increases	7,509	-	20,855	8,146	89,819	126,329
Decreases	(11,357)	-	(21,081)	(3,317)	(452)	(36,207)
Changes in scope of consolidation	(144)	476	(1,989)	(22)	116	(1,563)
Translation differences	9,380	(57)	23,134	2,331	(784)	34,004
Reclassifications	11,952	3,205	72,660	(1,147)	(81,087)	5,583
Gross value at 31 December 2007	402,874	18,875	1,114,925	82,836	63,050	1,682,560
Depreciation at 1 January 2007	167,253	3,758	538,466	40,004	-	749,481
Depreciation	9,747	180	52,685	8,016	-	70,628
Decreases	(10,669)	-	(19,405)	(2,801)	-	(32,875)
Changes in scope of consolidation	(174)	-	(1,113)	(20)	-	(1,307)
Translation differences	3,544	(22)	14,285	1,842	-	19,649
Reclassifications	(1,056)	968	6,875	(1,594)	-	5,193
Depreciation at 31 December 2007	168,645	4,884	591,793	45,447	-	810,769
Net value at 31 December 2007	234,229	13,991	523,132	37,389	63,050	871,791

The useful lives of assets adopted by the Group are reported in the related section of the accounting policies. The net carrying amount of property, plant and equipment pledged as collateral for bank loans amounted to EUR 152.9 million at 31 December 2008 (EUR 156.1 million at 31 December 2007). The value of contractual commitments to purchase property, plant and equipment at 31 December 2008 amounted to EUR 37.2 million (EUR 52.4 million at 31 December 2007).

In 2008 financial expense of EUR 2.5 million was capitalised (about EUR 1 million in 2007). The interest rates on the capitalised financial expense were between 3%-7% in 2008 (about 6%-10% in 2007).

3) Investment property

Investment property amounted to EUR 27,950 thousand, in line with the previous year, and is reported at fair value, as determined by independent appraisers.

Of the total value, EUR 23 million is pledged as collateral for a bank loan with an outstanding amount at 31 December 2008 of EUR 14 million.

4) Equity investments measured using the equity method

The item consists of the share of equity investments in associated companies, which are accounted for using the equity method.

The following table reports the carrying amount of the equity investments and Cementir Holdings SpA's pro-rata share of the net result:

(EUR '000)	Carrying amount 31.12.2008	31.12.2007	Pro-rata share of net result 2008	2007
Speedybeton SpA	1,714	2,012	(294)	52
Leigh White Cement Company *Joint Venture*	13,243	13,082	2,302	4,144
Secil Unicon SGPS Lda	1,132	1,589	(453)	(609)
Sola Betong AS	1,248	1,784	492	565
Storsand Sandtak AS	262	475	(83)	45
EKOL Unicon Spzoo	2,739	2,751	671	472
Equity investments measure using the equity method	**20,338**	**21,693**	**2,635**	**4,669**

The table below provides an overview of the financial highlights of associated companies:

Company (EUR '000)	Currency	Registered office	Assets	Liabilities	Revenues	Net profit (loss) for period	% holding
31 December 2008							
Speedybeton SpA	EURO	Pomezia–RM (Italy)	13,247	7,535	18,985	(980)	29.97%
Leigh White Cement Company *Joint Venture*	USD	Allentown, PA (USA)	62,761	15,818	100,724	9,371	24.50%
Secil Unicon SGPS Lda	EURO	Lisbon (Portugal)	4,981	32	-	(904)	50%
Sola Betong AS	NOK	Risvika (Norway)	6,555	4,156	12,493	1,475	33%
Storsand Sandtak AS	NOK	Saette (Norway)	603	187	472	(198)	50%
EKOL Unicon Spzoo	PLN	Gdansk (Poland)	9,246	3,667	21,544	1,614	49%
Total			**97,393**	**31,395**	**154,218**	**10,378**	
31 December 2007							
Speedybeton SpA	EUR	Pomezia–RM (Italy)	13,427	6,723	18,035	172	29.97%
Leigh White Cement Company *Joint Venture*	USD	Allentown (USA)	54,722	8,153	113,648	16,914	24.5%
Secil Unicon SGPS Lda	EUR	Lisbon (Portugal)	5,883	24	-	(1,218)	50%
Sola Betong AS	NOK	Risvika (Norway)	8,127	4,654	16,869	1,718	33%
Storsand Sandtak AS	NOK	Saette (Norway)	1,171	545	766	90	50%
EKOL Unicon Spzoo	PLN	Gdansk (Poland)	8,957	3,343	14,303	963	49%
Total			**92,287**	**23,442**	**163,621**	**18,639**	

5) Other equity investments

Other equity investments totalled EUR 2,580 thousand (EUR 2,558 thousand at 31 December 2007) and comprise the Group's equity stake in the Toscocem Consortium (in liquidation) in the amount of EUR 15 thousand, which remains unchanged with respect to the previous year, and equity investments in unlisted companies in the amount of EUR 2,565 thousand (EUR 2,543 thousand at 31 December 2007) as shown below:

(EUR '000)	Cemencal SpA	Sipac SpA (in liquidation)	Cimentas Egitim (foundation)	Ataer AS	Others	Total
Value at 1 January 2008	2,400	77	57	9	-	2,543
Increases					35	35
Decreases						-
Changes in scope of consolidation						-
Translation differences			(11)	(2)		(13)
Value at 31 December 2008	2,400	77	46	7	35	2,565
Value at 1 January 2007	2,400	77	53	8	225	2,763
Increases						-
Decreases						-
Changes in scope of consolidation					(225)	(225)
Translation differences			4	1		5
Value at 31 December 2007	2,400	77	57	9	-	2,543

6) Inventories

The table below provides a breakdown of inventories, whose carrying amount approximates their fair value:

(EUR '000)	31.12.2008	31.12.2007
Raw materials, ancillary materials and consumables	96,693	71,847
Semi-finished products	25,088	22,642
Finished products	24,947	20,957
Advances	765	1,668
Inventories	**147,493**	**117,114**

7) Trade receivables

Trade receivables totalled EUR 169,654 thousand (EUR 208,110 thousand at 31 December 2007), and are composed of the following elements:

(EUR '000)	31.12.2008	31.12.2007
Customer receivables	171,850	212,227
Impairment	(6,975)	(6,196)
Net customer receivables	164,875	206,031
Advances to suppliers	441	291
Receivables due from related parties	4,338	1,788
Trade receivables	**169,654**	**208,110**


unicon

The carrying amount of the trade receivables approximates their fair value. Trade receivables originate in commercial transactions for the sale of goods and services and do not entail a significant concentration of credit risk. Customer receivables fall due as follows:

(EUR '000)	31.12.2008	31.12.2007
Customer receivables not past due	124,321	146,460
Customer receivables past due:	47,529	65,767
0-30 days	*16,451*	*36,409*
30-60 days	*10,186*	*15,753*
60-90 days	*3,992*	*6,241*
More than 90 days	*16,900*	*7,364*
Total customer receivables	171,850	212,227
Impairment	(6,975)	(6,196)
Net customer receivables	**164,875**	**206,031**

8) Current financial assets

Current financial assets amounted to EUR 3,262 thousand (EUR 5,742 thousand at 31 December 2007) and break down as follows:

(EUR '000)	31.12.2008	31.12.2007
Derivatives	1,538	3,037
Accrued income	1,143	1,190
Prepaid expenses	217	252
Financial receivables due from third parties	364	1,263
Current financial assets	**3,262**	**5,742**

9) Other current assets

Other current assets, totalling EUR 16,139 thousand (EUR 16,970 thousand at 31 December 2007), comprise non-commercial items, and break down as follows:

(EUR '000)	31.12.2008	31.12.2007
VAT receivables	2,821	2,466
Receivables from employees	426	561
Accrued income	1,863	2,278
Prepaid expenses	4,474	2,709
Other receivables	6,555	8,956
Other current assets	**16,139**	**16,970**

← Aarhus plant (Denmark

10) Cash and cash equivalent

The item amounts to a EUR 38,377 thousand (EUR 59,511 thousand at 31 December 2007), and consists of the Group's liquidity, which is generally invested in short-term financial transactions. It breaks down as follows:

(EUR '000)	31.12.2008	31.12.2007
Bank and postal deposits	38,118	56,783
Cash and cash equivalents on hand	259	2,728
Cash and cash equivalents	**38,377**	**59,511**

11) Shareholders' equity

Group shareholders' equity

A schedule reconciling the group parent's shareholders' equity and net profit at 31 December 2008 and the corresponding consolidated figures is provided in the report on operations.

Share capital

Share capital is fully paid in and consists of 159,120,000 ordinary shares with a nominal value of EUR 1.00 each. The item shows no change with respect to the previous financial year.

Translation reserve

At 31 December 2008, the translation reserve showed a negative balance of EUR 140,183 thousand and broke down as follows:

(EUR '000)	31.12.2008	31.12.2007	Change
Turkey (Turkish lira – TRY)	(125,238)	(32,808)	(92,430)
United States (U.S. dollar – USD)	(4,437)	(5,312)	875
Egypt (Egyptian pound – EGP)	(809)	(2,262)	1,453
Iceland (Icelandic krona – ISK)	(3,209)	(274)	(2,935)
Norway (Norwegian krone – NOK)	(4,801)	1,839	(6,640)
Sweden (Swedish krona – SEK)	(1,744)	(254)	(1,490)
Other countries	55	(1.024)	1.079
Total translation reserve	**(140,183)**	**(40,095)**	**(100,088)**

Minority interests shareholders' equity

At 31 December 2008, minority interests in shareholders' equity was EUR 59,127 thousand (EUR 52,559 thousand at 31 December 2007). In 2008, net income totalled EUR 8,205 thousand (EUR 11,373 thousand in 2007).

Stock incentive plans (stock options)

Cementir Holding approved a stock incentive plan (stock options) affecting 27 strategic managers (beneficiaries) of Group companies.

Specifically, on 11 February 2008, the Board of Directors granted the first instalment of 1,225,000 options and set the exercise price as follows:

Position held	Date of shareholders resolution	Date of granting by the Board of Directors	Description of instrument	No. of financial instruments underlying the options granted	Exercise price	Expiration of option
Members of Board of Directors (4)	15-01-2008	11-02-2008	Options on Cementir Holding SpA shares	910,000	EUR7	11-02-2013
Managers with strategic responsibilities (23)	15-01-2008	11-02-2008	Options on Cementir Holding SpA shares	315,000	EUR 7	11-02-2013
Total				1,225,000		

With regard to the terms and methods for subscribing and exercising options, it should be noted that:

(i) options were subscribed through delivery of the letter granting the options, along with the approved Rules, both duly signed to indicate acceptance, by each Beneficiary by 31 March 2008;

(ii) the options must be exercised by the Beneficiaries in one or more instalments, but in any case in an amount for each instalment of not less than 2,500 options granted to each. The options must be exercised within the time period indicated in the letter granting the options, but not before 11 February 2011 nor after 11 February 2013. The options must be exercised in the manner provided in paragraph 6 of the Rules.

Finally, under the Rules, in order to exercise the options, the Beneficiaries: (i) must, at the time of exercise, continue to be managers or directors, provided they are employees, of the Company and/or its subsidiaries; and (ii) must meet certain targets within their respective sub-groups.

The exercise price of the options was set at EUR 7.00, higher than EUR 5.50, the arithmetic mean of the official prices for the Company' stock reported on the Electronic Share Market organized and run by Borsa Italiana SpA in the month preceding the grant date (the "reference price"). The exercise price is set in this manner to increase of the value of the company, a primary goal of the incentive plan.

Considering that the exercise price is higher than the reference price indicating the market value of the shares on the grant date, and given the conditions to be met to exercise the options, we believe that the options, measured by applying appropriate financial methodologies, express non-significant values.

12) Employee benefit provisions

The Group accrues provisions for employees and employee severance benefits. Employee severance benefits (TFR) are an unfunded, fully provisioned liability in respect of benefits paid to employees at the time of or subsequent to the termination of the employment relationship. The liability is considered a defined-benefit plan and is therefore calculated using actuarial methods.

The assumptions used in determining the plan are summarised in the following table:

(%)	31.12.2008	31.12.2007
Discount rate	4%-4.4%-6%	4%-4.5%-5.7%
Expected yield of plan assets	6%	5%
Annual wage increase	2%-4%	2%-5%
Annual accretion of TFR	3.75%	3.45%

The amounts reported in the balance sheet were calculated as follows:

(EUR '000)	31.12.2008	31.12.2007
Nominal value of the provision	23,255	25,894
Discounting adjustment	(7,165)	(7,396)
Total provision for employees	**16,090**	**18,498**

Changes were as follows:

(EUR '000)	31.12.2008	31.12.2007
Net liability at start of period	**18,498**	**17,143**
Curtailment	-	359
Current service cost	1,027	1,385
Interest cost	784	846
Net actuarial (gain)/loss	448	778
Change in scope of consolidation	-	-
Translation differences	(2,034)	193
Other changes	134	97
(Benefits paid)	(2,767)	(2,303)
Net liability at end of period	**16,090**	**18,498**

13) Provisions

Non-current and current provisions amounted to EUR 12,480 thousand (EUR 9,300 thousand at 31 December 2007) and EUR 2,460 thousand (EUR 2,901 thousand at 31 December 2007) respectively and broke down as follows:

(EUR '000)	Quarry restructuring provision	Litigation provision	Other provisions	Total provisions
Value at 1 January 2007	**2,080**	**1,516**	**8,788**	**12,384**
Accruals	67	2,000	991	3,058
Utilisations	(26)	(1,482)	(1,949)	(3,457)
Decreases	-	(14)	(297)	(311)
Translation differences	5,011	1,839	(6,488)	362
Other changes	(37)	106	96	165
Value at 31 December 2007	**7,095**	**3,965**	**1,141**	**12,201**
of which:				
Non-current provisions	7,095	2,000	206	9,301
Current provisions	-	1,965	935	2,900
Value at 1 January 2008	**7,095**	**3,965**	**1,141**	**12,201**
Accruals	-	1,030	18	1,048
Utilisations	-	(666)	-	(666)
Decreases	(11)	(2,213)	-	(2,224)
Change in scope of consolidation	4,910	(7)	816	5,719
Translation differences	(768)	(249)	(121)	(1,138)
Value at 31 December 2008	**11,226**	**1,860**	**1,854**	**14,940**
of which:				
Non-current provisions	11,226	1,030	224	12,480
Current provisions	-	830	1,630	2,460

The quarry restructuring provision is recognised to cover the costs of the cleaning and maintenance of quarries used for the excavation of raw materials to be completed before the expiry of the concessions.

14) Trade payables

The value of trade payables approximates their fair value. They break down as follows:

(EUR '000)	31.12.2008	31.12.2007
Payables to suppliers	146,045	154,122
Payables to related parties	285	340
Advances	1,284	1,000
Trade payables	**147,614**	**155,462**

15) Financial liabilities

Non-current and current financial liabilities are summarised below:

(EUR '000)	31.12.2008	31.12.2007
Bank borrowings	158,951	142,684
Other lenders	47,635	54,869
Non-current financial liabilities	**206,586**	**197,553**
Bank borrowings	236,617	213,415
Short-term portion of non-current financial liabilities	9,995	11,641
Financial payables to related parties	3	3,000
Other financial payables	3,203	2,864
Fair value of hedging derivatives	1,667	1,628
Current financial liabilities	**251,485**	**232,548**
Total financial liabilities	**458,071**	**430,101**

The Group's exposure, broken down by maturity, is as follows:

(EUR '000)	31.12.2008	31.12.2007
Within 3 months	72,185	40,341
3 months to 1 year	179,300	192,207
1 to 2 years	29,309	83,570
2 to 5 years	145,636	65,077
More than 5 years	31,641	48,906
Total financial liabilities	**458,071**	**430,101**

The carrying amount and fair value of non-current financial liabilities are as follows:

(EUR '000)	**Carrying amount**		***Fair value***	
	31.12.2008	**31.12.2007**	**2008**	**2007**
Floating-rate liabilities	205,364	194,119	208,161	192,728
Fixed-rate liabilities	1,222	3,434	1,916	3,434
Non-current financial liabilities	**206,586**	**197,553**	**210,077**	**196,162**

The carrying amount of current financial liabilities is a reasonable approximation of their fair value.

Net financial position

(EUR '000)	31.12.2008	31.12.2007
Cash	259	2,728
Other liquid assets	*38,118*	*56,783*
Cash and cash equivalents	*38,377*	*59,511*
Current financial assets	3,262	5,742
Current bank borrowings	(238,810)	(217,254)
Other current financial payables	(12,675)	(15,294)
Current financial liabilities	*(251,485)*	*(232,548)*
Net current financial liabilities	(209,846)	(167,295)
Non-current financial liabilities	(206,586)	(197,553)
Net financial position	(416,432)	(364,848)

16) Current tax liabilities

Current tax liabilities total EUR 7,273 thousand (EUR 6,787 thousand at 31 December 2007) and regard the tax liability for the period net of prepayments.

17) Other current liabilities

(EUR '000)	31.12.2008	31.12.2007
DPayables to employees	16,658	18,019
Payables to social security institutions	3,885	3,683
Payables to related parties	-	3
Deferred income	37	424
Accrued expenses	2,192	4,194
Other payables	11,591	14,524
Other current liabilities	34,363	40,847

18) Deferred tax assets and liabilities

Deferred tax items are calculated on temporary differences between taxable income and the income reported in the financial statements. Deferred tax liabilities amounted to EUR 81,279 thousand (EUR 78,275 thousand at 31 December 2007), and deferred tax assets to EUR 17,249 thousand (EUR 12,583 thousand at 31 December 2007). They break down as follows:

(EUR '000)	01.01.2008	Accrual net of utilisation recognised in income statement	Increases net of decreases recognised in equity	31.12.2008
Differences in depreciation	42,179	2,474	(2,769)	41,884
Differences in amortisation	9,575	2,906	(2,313)	10,168
Plant revaluation	11,416	(22)	12	11,406
Capital gains	742	(742)	-	-
Other	14,363	1,756	1,702	17,821
Deferred tax liabilities	78,275	6,372	(3,368)	81,279
Tax losses carried forward	7,413	5,664	(1,790)	11,287
Provisions	3,359	512	(1,351)	2,520
Writedowns of equity investments	-	-	-	-
Other	1,811	(2,142)	3,773	3,442
Deferred tax assets	12,583	4,034	632	17,249

(EUR '000)	01.01.2007	Accrual net of utilisation recognised in income statement	Increases net of decreases recognised in equity	31.12.2007
Differences in depreciation	37,594	6,043	(1,458)	42,179
Differences in amortisation	5,862	3,092	621	9,575
Plant revaluation	12,931	(755)	(760)	11,416
Capital gains	1,734	(992)	-	742
Other	9,543	(3,786)	8,606	14,363
Deferred tax liabilities	67,664	3,602	7,009	78,275
Tax losses carried forward	12,204	(10,005)	5,214	7,413
Provisions	3,544	(216)	31	3,359
Writedowns of equity investments	3,868	(3,868)	-	-
Other	6,783	(3,617)	(1,355)	1,811
Deferred tax assets	26,399	(17,706)	3,890	12,583

19) Revenues

(EUR '000)	2008	2007
Product sales	1,035,099	1,087,187
Product sales – related parties	10,000	15,916
Services	47,087	43,982
Revenues	1,092,186	1,147,085

20) Other operating revenues

(EUR '000)	2008	2007
Rental and similar income	1,399	1,096
Rental and similar income – related parties	831	632
Capital gains	3,446	4,668
Release of provisions	2,224	311
Insurance payments	-	579
Other income and revenues	2,240	2,901
Other operating revenues	**10,140**	**10,187**

21) Raw material costs

(EUR '000)	2008	2007
Raw materials and semi-finished products	160,492	171,977
Fuel	148,239	111,477
Electricity	85,342	85,131
Finished products	43,259	42,675
Other materials	58,612	57,474
Change in inventories of raw materials, consumable and products	(30,634)	(6,618)
Raw materials costs	**465,310**	**462,116**

22) Personnel costs

(EUR '000)	2008	2007
Salaries and wages	140,689	131,677
Social security contributions	23,224	21,990
Curtailment	-	359
Other costs	8,106	7,935
Personnel costs	**172,019**	**161,961**

Group employees break down as follows:

	2008	2007	Average 2008	Average 2007
Executives	54	51	53	61
Middle management and office staff	1,793	1,902	1,913	1,776
Workers	2,000	1,929	1,975	2,016
Total	**3,847**	**3,882**	**3,941**	**3,853**

At 31 December 2008 the group parent Cementir Holding and the Italian subsidiaries employed 598 people (587 at 31 December 2007), while the Cimentas group employed 1,204 people (1,209 at 31 December 2007), the Aalborg Portland group employed 982 people (1,057 at 31 December 2007) and the Unicon group employed 1,063 people (1,029 at 31 December 2007).

23) Other operating costs

(EUR '000)	2008	2007
Transport	112,667	119,797
Services and maintenance	77,908	72,612
Consulting	8,781	7,244
Insurance	6,119	6,172
Other services	39,497	36,599
Other sundry services from related parties	425	1,073
Rental and similar costs	13,525	7,581
Indirect taxes	20	6,686
Other operating charges	11,489	11,061
Other operating costs	**270,431**	**268,825**

24) Depreciation, amortisation, impairment losses and provisions

(EUR '000)	2008	2007
Amortisation	2,101	1,921
Depreciation	75,583	70,628
Provisions	1,048	3,058
Impairment losses	2,353	1,190
Depreciation, amortisation, impairment losses and provisions	**81,085**	**76,797**

25) Net result on financial items and equity investments measured using equity method

The result for 2008, which was a negative EUR 35,934 thousand (a positive EUR 2,113 thousand in 2007), regards the result of companies measured using the equity method and the net result of financial operations. It breaks down as follows:

(EUR '000)	2008	2007
Profits from equity investments measured using equity method	3,465	5,278
Losses from equity investments measured using equity method	(830)	(609)
Net result from equity investments measured using equity method	**2,635**	**4,669**
Interest and financial income	3,847	3,639
Interest subsidies	2,524	2,638
Interest expense	(23,357)	(22,847)
Other financial expense	(12,428)	(1,247)
Total financial income and expense	*(29,414)*	*(17,817)*
Derivative financial instruments	*16,083*	*2,737*
Gains (losses) on foreign exchange differences	*(25,238)*	*11,996*
Net result of divestment of equity investments	-	528
Total income (expense) on equity investments	-	*528*
Net financial result	**(38,569)**	**(2,556)**
Net result on financial items and equity investments measured using equity method	**(35,934)**	**2,113**

As regards net exchange rate differences, they are mainly related to the depreciation of the Turkish lira against the U.S. dollar.

26) Income taxes

(EUR '000)	2008	2007
Current taxes	16,392	26,347
Deferred taxes	2,338	21,308
Income taxes	**18,730**	**47,655**

The difference between the theoretical tax liability and the effective tax liability is analysed below:

(EUR '000)	2008	2007
Theoretical tax liability	**16,946**	**50,291**
Increased permanent differences	2,847	2,316
Decreased permanent differences	(1,869)	(2,270)
Consolidated tax mechanisms	(1,708)	(2,254)
Other changes	813	(3,645)
Effective IRAP liability	1,701	3,217
Tax liability for the period	**18,730**	**47,665**

27) Earnings per share

Earnings per share are calculated by dividing the Group net result for the period by the weighted average number of ordinary shares outstanding in the period.

(EUR)	2008	2007
Group net profit (EUR '000)	65,273	140,399
Weighted average number of ordinary shares outstanding ('000)	159,120	159,120
Basic earnings per share	**0.41**	**0.88**

Diluted earnings per share are the same as basic earnings per share as Cementir Holding SpA has only issued ordinary shares.

Capital management

Dividends are distributed in the light of existing capital resources and the financial resources necessary for the continuing expansion of the Group.

28) Acquisitions and divestments

Acquisitions in 2008

Through its Danish subsidiaries, the Group consolidated its presence in Scandinavia, through the following acquisitions:

Company	Main business	Acquisition date	Percentage acquired	Cost (EUR millions)
Kudsk & Dahl A/S (Denmark)	Ready-mixed concrete and aggregates	04.03.2008	100 %	16.3
Ferdigbetong Anlegg AS (Norway)	Ready-mixed concrete	01.04.2008	100 %	0.9
Rjukan Ferdigbetong AS (Norway)	Ready-mixed concrete	01.04.2008	100 %	
Everts Betongpump & Entreprenad AB (Sweden) *acquired minority interests*	Calcestruzzo	01.02.2008	22.5%	0.3
Total				17.5

	(EUR '000)
Fair value of net assets acquired	6,251
Goodwill	11,244
Price paid for acquisitions	**17,495**
Cash and cash equivalents of acquired companies	(10)
Net cash flow from acquisitions	**17,485**

Acquisitions in 2007

The Turkish group acquired 99.99% of Ilion, which operates in the production of fly ash in Turkey, for USD 1.15 million. The acquisition was accounted for in accordance with IFRS 3 – Business combinations, with the recognition of goodwill in the amount of EUR 777 thousand. The Danish group acquired the Swedish company Varberg Bjørkholm Grus AB in order to strengthen the Group's position in the supply of aggregates for its own production of ready-mixed concrete. The assets acquired, which were measured at fair value, regard land for gravel pits in the amount of about EUR 0.5 million and quarry rights in the amount of about EUR 0.3 million. In addition, it acquired minority stakes in minor Swedish companies operating in the ready-mixed concrete and aggregates sector, as well as the remainder of Aalborg Portland White China A/S, owner of the Group's white cement activities in China. The goodwill generated in the acquisitions came to EUR 223 thousand.

Company	Main business	Acquisition date	Percentage acquired	Cost (EUR millions)
Varberg Bjørkholm Grus AB (Sweden)	Aggregates	01.10.2007	100%	0.4
Ekblads Betong AB (Sweden)	Ready-mixed concrete	01.07.2007	25%	0.5
Sydsten Helsingborg AB (Sweden)	Ready-mixed concrete	01.07.2007	25%	0.3
Aalborg Portland White China A/S (Denmark)	Parent of white cement operations in China	02.04.2007	30%	1.9
Ilion Cimento Ltd (Turkey)	Fly ash	03.05.2007	99.99%	0.9
Total				4.0

← Aalborg plant (Denmark)

Divestments in 2007

On 1 August 2007, the Danish group sold the Swedish company HB Forserum Sten, which operates in the aggregates sector, for EUR 0.6 million.

29) Disclosures on financial risks

Credit risk

The maximum credit risk exposure for the Group at 31 December 2008 is represented by the carrying amount of receivables.
In view of the rapid collection times in the industry and the assessment procedures used in granting credit to individual customers, the percentage of receivables in litigation is very small. Where collection difficulties arise with individual positions, supply is halted and credit recovery actions are initiated.
Assessment of the recoverability of outstanding receivables takes account of any enforceable guarantees and the opinions of the legal counsel charged with credit recovery. All receivables on which a loss is probable as at the balance sheet date are written down to reflect partial or total default.
For more information on trade and other receivables, please see Notes 7 and 9.

Liquidity risk

The Group has sufficient credit lines to meet any unplanned requirements.
A breakdown of financial liabilities by maturity is given in Note 15 on financial liabilities.

Market risks

The following information is provided to enable an assessment of the nature and extent of financial risks at the balance sheet date.

Exchange rate risk

The Group is exposed to risks associated with changes in exchange rates, which can impact performance and the value of shareholders' equity.
As regards the main impact of the consolidation of the foreign companies, if the exchanges rates of TRY, NOK, SEK, USD, CNY, MYR and EGP had been an average of 10% lower than the actual exchange rate, the translation of shareholders equity would have resulted in a reduction of EUR 33.4 million or about 3.21% of consolidated shareholders' equity at 31 December 2008 (a reduction of EUR 38.9 million or about 3.6% at 31 December 2007). The exchange rate risk in respect of the consolidation of the other foreign companies is negligible.
The Group's primary exposure to exchange rate risk regards the operating result generated by sales and purchases in TRY, DKK, USD, GBP, NOK and SEK. A 10% depreciation in all of these currencies (with the exception of DKK) would have reduced EBITDA by EUR 8 million (EUR 14.1 million in 2007).
At 31 December 2008, the risks associated with the Group's main foreign currency receivables and payables regarded TRY, DKK, NOK, SEK and USD. The potential impact of an average 10%

depreciation of those currencies, with the exception of DKK, would have been positive in the amount of about EUR 2.6 million (about EUR 2.2 million at 31 December 2007). The impact in the event of an analogous appreciation would have been negative in a corresponding amount.

Interest rate risk
The Group is exposed to changes in interest rates. The net consolidated financial position at 31 December 2008 showed a net debtor position of EUR 416.4 million; 99% of the exposure is floating rate and 1% is fixed rate. The net consolidated financial position at 31 December 2007 showed a net debtor position of EUR 364.8 million, of which 98% was floating rate and 2% was fixed rate.
As regards the floating rate on loans and cash and cash equivalents, an annual increase of 1% in interest rates in all currencies in which the debt is denominated would reduce income before taxes by EUR 3.8 million (EUR 3.9 million in 2007) and shareholders' equity by EUR 2.9 million (EUR 2.9 million at 31 December 2007). An analogous decrease in interest rates would have a corresponding positive impact.

30) Transactions with related parties

Transactions with related parties involved:
- the parent company Caltagirone SpA and its subsidiaries;
- associated companies;
- other related parties.

Transactions entered into by Group companies with related parties generally form part of normal operations and are settled on market terms and conditions. No unusual or atypical transactions were carried out.
The companies of the Cementir Holding group also enter into transactions with companies belonging to the Caltagirone group and with companies under common control.
All transactions with related parties are carried out on normal market terms and conditions.

The following tables show the figures:

31.12.2008 (EUR '000)	Parent company	Subsidiaries	Associates	Companies under common control	Total	Total item in financial statements	% impact on item in financial statements
Balance sheet transactions							
Trade receivables	-	-	2,036	2,302	**4,338**	169,654	2.6%
Current financial assets	-	-	364	-	**364**	3,262	11.2%
Trade payables	-	-	-	285	**285**	147,614	0.2%
Current financial liabilities	-	-	-	3	**3**	251,485	-
Income statement transactions							
Revenues	-	-	7,549	2,467	**10,016**	1,092,186	0.9%
Other operating revenues	-	-	-	831	**831**	10,140	8.2%
Other operating costs	-	-	-	1,780	**1,780**	270,431	0.7%
Net financial result	-	-	-	77	**77**	38,569	0.2%

31.12.2007 (EUR '000)	Parent company	Subsidiaries	Associates	Companies under common control	Total	Total item in financial statements	% impact on item in financial statements
Balance sheet transactions							
Trade receivables	-	-	514	1,274	**1,788**	208,110	0.9%
Current financial assets	64	-	160	119	**343**	155,462	0.2%
Trade payables	-	-	-	3,000	**3,000**	232,548	1.3%
Current financial liabilities							
Income statement transactions							
Revenues	-	-	14,865	1,051	15,916	1,147,085	1.4%
Other operating revenues	-	-	-	632	632	10,187	6.2%
Other operating costs	652	-	-	1,766	2,418	268,825	0.9%
Net financial result	-	-	-	245	245	2,556	9.6%

Revenues from associated companies regard the sale of finished and semi-finished products (cement and clinker) carried out on normal market terms and conditions. As regards commercial transactions with companies under common control, the Cementir Holding group has long sold cement to the companies of the Caltagirone group. More specifically, in 2008, it sold a total of 31,816 metric tons of cement (14,850 in 2007), of which 13,157 (11,992 in 2007) to Vianini Lavori and 18,816 (2,858 in 2007) to Vianini Industria, on market terms and conditions. Revenues and costs in respect of commercial transactions with the parent company and companies under common control comprise sundry services, including rental income and expense.

Transactions with directors, members of the Board of Auditors and managers of Group companies

During the year, no loans were granted to directors, members of the Board of Auditors or managers with strategic responsibilities and at 31 December 2008 the Group had no receivables in respect of loans granted to them.

ANNEXES

Annex 1
List of companies included in the scope of consolidation:

Company name	Registered office	Closing date for period
Cementir Holding SpA[A] - Group parent	Rome (Italy)	31/12/2008
Aalborg Cement Company Inc.	Dover (USA)	31/12/2008
Aalborg Portland A/S	Aalborg (Denmark)	31/12/2008
Aalborg Portland Islandì EHF	Kopavogur (Iceland)	31/12/2008
Aalborg Portland Polska Spzoo	Warsaw (Poland)	31/12/2008
Aalborg Portland US Inc	Dover (USA)	31/12/2008
Aalborg Resources Sdn Bhd	Perak (Malaysia)	31/12/2008
Aalborg White Anqing Co Ltd	Anqing (China)	31/12/2008
Aalborg White Asia Sdn Bhd	Perak (Malaysia)	31/12/2008
Aalborg White Cement Pty Ltd	Sydney (Australia)	31/12/2008
Aalborg White Italia Srl	Rome (Italy)	31/12/2008
Aalborg White OOO LLC	St. Petersburg (Russia)	31/12/2008
AB Sydsten	Malmö (Sweden)	31/12/2008
AGAB Syd AB	Malmö (Sweden)	31/12/2008
Alfacem Srl	Rome (Italy)	31/12/2008
Bakircay AS	Izmir (Turkey)	31/12/2008
Betontir SpA	Rome (Italy)	31/12/2008
Cementir Delta SpA	Rome (Italy)	31/12/2008
Cementir Espana SL	Madrid (Spain)	31/12/2008
Cementir Italia Srl	Rome (Italy)	31/12/2008
CemMiljo A/S	Aalborg (Denmark)	31/12/2008
Cimbeton AS	Izmir (Turkey)	31/12/2008
Cimentas AS	Izmir (Turkey)	31/12/2008
Destek AS	Izmir (Turkey)	31/12/2008
Elazig Cimento AS	Elazig (Turkey)	31/12/2008
Everts Betongpump & Entreprenad AB	Halmstad (Sweden)	31/12/2008
4K Beton A/S	Copenhagen (Denmark)	31/12/2008
Gaetano Cacciatore Inc.	Somerville, NJ (USA)	31/12/2008
Globocem SL	Madrid (Spain)	31/12/2008
Ilion Cimento Ltd	Soma (Turkey)	31/12/2008
Intercem SA	Luxembourg (Luxembourg)	30/11/2008
Italian Cement Company (Cemit) LLC	Krasnodar (Russia)	31/12/2008
Kars Cimento AS	Kars (Turkey)	31/12/2008
Kudsk & Dahl A/S	Vojens (Denmark)	31/12/2008

A Cementir Holding SpA (formerly Cementir – Cementerie del Tirreno SpA) changed its name at the Extraordinary Shareholders' Meeting of 15 January 2008

Annex1

Company name	Registered office	Closing date for period
SCI Marketing & Services Sdn Bhd[B]	Perak (Malaysia)	31/12/2008
Sinai White Portland Cement Co. SAE	Cairo (Egypt)	31/12/2008
Skane Grus AB	Malmö (Sweden)	31/12/2008
Skim Coat Industries Sdn Bhd [B]	Perak (Malaysia)	31/12/2008
Unicon A/S	Roskilde (Denmark)	31/12/2008
Unicon AS	Sandvika (Norway)	31/12/2008
Vianini Pipe Inc.	Somerville, NJ (USA)	31/12/2008
Yapitek AS	Izmir (Turkey)	31/12/2008

List of associates measured using the equity method:

Company name	Registered office	Closing date for period
EKOL Unicon Spzoo	Gdansk (Poland)	31/12/2008
Leigh White Cement Company - J.V.	Allentown, PA (USA)	31/12/2008
Secil Unicon SGPS Lda	Lisbon (Portugal)	31/12/2008
Sola Beton AS	Risavika (Norway)	31/12/2008
Speedybeton SpA	Pomezia - RM (Italy)	31/12/2008
Storsand Sandtak AS	Saetre (Norway)	31/12/2008

B In liquidation

Annex 2

List of significant equity investments at 31 December 2008 pursuant to Art. 120 of Legislative Decree 58 of 24 February 1998 (published in accordance with Art. 126 of CONSOB Resolution no. 11971 of 14 May 1999)

Company name	Registered office	Share capital	Currency	Type of holding % direct	Type of holding % indirect	% holding	Held through
Cementir Holding SpA [A]	Rome (ITA)	159,120,000	EURO				Parent Company
Aalborg Cement Company Inc.	Dover (USA)	1,000	USD		100	100	Aalborg Portland US Inc.
Aalborg Portland A/S	Aalborg (DEN)	300,000,000	DKK		75	75	Cementir Espana SL
					25	25	Globocem SL
Aalborg Portland Islandì EHF	Kopavogur (ISL)	303,000,000	ISK		100	100	Aalborg Portland A/S
Aalborg Portland Polska Spzoo	Warsaw (POL)	100,000	PLN		100	100	Aalborg Portland A/S
Aalborg Portland US Inc	Dover (USA)	1,000	USD		100	100	Aalborg Portland A/S
Aalborg Resources Sdn Bhd	Perak (MYS)	2,543,972	MYR		100	100	Aalborg White Asia Sdn Bhd
Aalborg White Anqing Co Ltd	Anqing (CHN)	160,364,000	CNY		100	100	Aalborg Portland A/S
Aalborg White Asia Sdn Bhd	Perak (MYS)	95,400,000	MYR		70	70	Aalborg Portland A/S
Aalborg White Cement Pty Ltd	Sydney (AUS)	1,000	AUD		100	100	Aalborg White Asia Sdn Bhd
Aalborg White Italia Srl	Rome (ITA)	10,000	EURO		82	82	Aalborg Portland A/S
Aalborg White OOO LLC	St. Petersburg (RUS)	21,000,000	RUB		100	100	Aalborg Portland A/S
AB Sydsten	Malmö (SWE)	15,000,000	SEK		50	50	Unicon A/S
AGAB Syd AB	Malmö (SWE)	500,000	SEK		50	50	AB Sysdten
Alfacem Srl	Rome (ITA)	1,010,000	EURO		99.01	99.01	Cimentas AS
				0.99		0.99	Cementir Holding SpA
Bakircay AS	Izmir (TUR)	420,000	TRY		97.86	97.86	Kars Cimento AS
					2.14	2.14	Yapitek AS
Betontir SpA	Rome (ITA)	104,000	EURO	99.88		99.88	Cementir Italia Srl
Cemencal SpA	Bergamo (ITA)	12,660,000	EURO		15	15	Betontir SpA
Cementir Delta SpA	Rome (ITA)	38,218,040	EURO	99.99		99.99	Cementir Holding SpA
Cementir Espana SL	Madrid (ESP)	3,007	EURO		100	100	Cementir Delta SpA
Cementir Italia Srl	Rome (ITA)	10,000	EURO	99.99		99.99	Cementir Holding SpA
					0.01	0.01	Cementir Delta SpA
CemMiljo A/S	Aalborg (DEN)	1,090,950	DKK		100	100	Aalborg Portland A/S
Cimbeton AS	Izmir (TUR)	1,770,000	TRY		84.68	84.68	Cimentas AS
					0.06	0.06	Yapitek AS
Cimentas AS	Izmir (TUR)	75,749,968	TRY		67.23	67.23	Intercem SA
				29.38		29.38	Cementir Holding SpA
					0.12	0.12	Cimbeton AS
					0.43	0.43	Kars Cimento AS

A Cementir Holding SpA (formerly Cementir – Cementerie del Tirreno SpA) changed its name at the Extraordinary Shareholders' Meeting of 15 January 2008

Annex 2

Company name	Registered office	Share capital	Currency	Type of holding % direct	% indirect	% holding	Held through
Destek AS	Izmir (TUR)	50,000	TRY		99.93	99.93	Cimentas AS
					0.02	0.02	Cimbeton AS
					0.02	0.02	Yapitek AS
					0.02	0.02	Bakircay AS
					0.01	0.01	Cimentas Foundation
EKOL Unicon Spzoo	Gdansk (POL)	1,000,000	PLN		49	49	Unicon A/S
Elazig Cimento AS	Elazig (TUR)	46,000,000	TRY		93.55	93.55	Kars Cimento AS
					6.17	6.17	Cimentas AS
					0.27	0.27	Bakircay AS
Everts Betongpump & Entreprenad AB	Halmstad (SWE)	100,000	SEK		73.5	73.5	AB Sysdten
4K Beton A/S	Copenhagen (DEN)	1,000,000	DKK		100	100	Unicon A/S
Gaetano Cacciatore Inc.	Somerville, NJ (USA)	1	USD		100	100	Aalborg Cement Company Inc
Globocem S.L.	Madrid (ESP)	3,007	EURO		100	100	Alfacem Srl
Ilion Cimento Ltd.	Soma (TUR)	300,000	TRY		99.99	99.99	Cimbeton AS
					0.01	0.01	Bakircay AS
Intercem SA	Luxembourg (LUX)	100,000	EURO	99		99	Cementir Holding SpA
					1	1	Betontir SpA
Italian Cement Company (Cemit) LLC	Krasnodar (RUS)	3,000,000	RUB		100	100	Cimentas AS
Kars Cimento AS	Kars (TUR)	3,000,000	TRY		58.38	58.38	Cimentas AS
					39.81	39.81	Alfacem Srl
Kudsk & Dahl A/S	Vojens (DEN)	10,000,000	DKK		100	100	Unicon A/S
Leigh White Cement Company -J.V.	Allentown, PA (USA)	-	USD		24.5	24.5	Aalborg Cement Company Inc
SCI Marketing & Services Sdn Bhd. [B]	Perak (MYS)	40,002	MYR		100	100	Aalborg White Asia Sdn Bhd
Secil Unicon SGPS Lda	Lisbon (POR)	4,987,980	EURO		50	50	Unicon A/S
Secil Prebetão SA	Montijo (POR)	2,750,000	EURO		79.60	79.60	Secil Unicon SGPS Lda
Sinai White Portland Cement Co. SAE	Cairo (EGY)	260,000,000	EGP		57.14	57.14	Aalborg Portland A/S
Skane Grus AB	Malmö (SWE)	1,000,000	SEK		60	60	AB Sysdten
Skim Coat Industries Sdn Bhd [B]	Perak (MYS)	480,002	MYR		100	100	Aalborg White Asia Sdn Bhd
Sola Beton AS	Risvika (NOR)	9,000,000	NOK		33.33	33.33	Unicon AS

B In liquidation

Annex 2

Company name	Registered office	Share capital	Currency	Type of holding % direct	% indirect	% holding	Held through
Speedybeton SpA	Pomezia - RM (ITA)	300,000	EURO		30	30	Betontir SpA
Storsand Sandtak AS	Saetre (NOR)	105,000	NOK		50	50	Unicon A/S
Unicon A/S	Copenhagen (DEN)	150,000,000	DKK		100	100	Aalborg Portland A/S
Unicon AS	Sandvika (NOR)	13,289,100	NOK		100	100	Unicon A/S
Vianini Pipe Inc.	Somerville, NJ (USA)	4,483,396	USD		99.99	99.99	Aalborg Portland US A/S
Yapitek AS	Izmir (TUR)	50,000	TRY		98.75	98.75	Cimentas AS
					1.25	1.25	Cimbeton AS

Rome, 19 March 2009

Chairman of the Board of Directors

Francesco Caltagirone Jr.

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED

1. The undersigned Francesco Caltagirone Jr., Chairman of the Board of Directors, and Oprandino Arrivabene, manager responsible for preparing Cementir Holding SpA's financial reports, hereby certify, having also taken into consideration the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:
- the appropriateness of the financial reports with respect to the Company structure and;
- the effective adoption of the administrative and accounting procedures for the preparation of the consolidated financial statements for the period ended 31 December 2008.

2. No material issues emerged in this regard.

3. In addition, we certify that:

3.1 the consolidated financial statements:
a) have been prepared in compliance with the international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, as well as the measures issued in implementation of Legislative Decree 38/2005;
b) correspond to the information in the books and other accounting records;
c) provide a true and fair representation of the performance and financial position of the issuer and the companies included in the scope of consolidation;

3.2 the report on operations contains a discussion of the major events that occurred in the year and their impact on the consolidated financial statements, together with a description of the main risks and uncertainties to be faced.

Rome, 19 March 2009

Chairman of the Board of Directors

Francesco Caltagirone Jr.

Manager responsible for preparing
Cementir Holding SpA's financial reports
Oprandino Arrivabene

→ Aalborg plant (Denmark)

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING PURSUANT TO ART. 153 OF LEGISLATIVE DECREE 58/98 AND ART. 2429(3) OF THE CIVIL CODE

Dear Shareholders,

During the year ended 31 December 2008, we performed the supervisory functions required by the law, particularly Legislative Decree 58 of 24 February 1998, in accordance with the standards recommended by the Italian Associations of Accountants and Bookkeepers.
Pursuant to the instructions contained in the Communication of 6 April 2001, amended by Communication no. DEM/3021582 of 4 April 2003 and Communication no. DEM/6031329 of 7 April 2006, all issued by CONSOB, we report the following:

– we monitored compliance with the law and the bylaws;
– we received from the directors information on operations and on the most financially significant transactions carried out by Cementir and its subsidiaries during the year. Based on the information provided to us, we can reasonably conclude that these operations comply with the law and the bylaws and that they were not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Shareholders' Meeting or otherwise prejudicial to the integrity of the Company's assets. Based on information reported to the Board of Directors, no director engaged in a transaction that posed a potential conflict of interest. Specifically, as described in the Directors' Report on Operations, the Group consolidated its position in northern European markets. Through its Danish subsidiaries, the Group acquired:
    - 100% of Kudsk & Dahl A/S (Denmark);
    - 100% of Ferdigbetong Anlegg AS (Norway);
    - 100% of Rjukan Ferdigbetong AS (Norway);
    - 22.5% of Everts Betongpump & Entreprenad AB (Sweden);
– in addition, the Board of Directors was kept informed about transactions carried out by directors granted specific powers;
– we acquired information and monitored, within the scope of our responsibility, the adequacy of the Company's organizational structure, compliance with the principles of sound administration and the adequacy of the instructions issued by Cementir Holding to its subsidiaries pursuant to Article 114(2) of Legislative Decree 58/98, gathering information from the relevant department heads;
– we examined and monitored the appropriateness of the internal control system, as well as the administrative and accounting system and its reliability in representing operational events accurately. For this purpose, we regularly met with the Manager responsible for the preparation of the company's financial reports, provided by Art. 16 of the bylaws, and with the head of the Internal Auditing unit. No significant concerns arose during the course of these meeting;

- we examined and obtained information on organizational and procedural activities relating to Legislative Decree 231/2001. During the year, the Company approved the Organization and Control Model pursuant to Legislative Decree 231/2001 and has adopted a Code of Ethics. The Board of Directors also appointed a Supervisory Body, comprised of the head of the Internal Auditing unit and an outside expert. The Chairman of the Board of Statutory Auditors attended the three meetings of the Supervisory Body held in 2008;
- we monitored implementation of the Corporate Governance Code for listed companies introduced by Borsa Italiana S.p.A. in March 2006 and have concluded that the corporate governance model adopted by the Company complies with the Code;
- pursuant to Art. 150 (2) of Legislative Decree 58/98, we met regularly with the independent auditors, PriceWaterhouseCoopers S.p.A., to exchange information and opinions. No significant information or situations were found that would require mention in this report;
- we did not discover any atypical or unusual transactions with Group companies, third parties or related parties, as "related parties" are defined in CONSOB Recommendation no. 2064231 of 30 September 2002. In the notes to the financial statements, the directors provide exhaustive information on those transactions, reporting that all transactions with subsidiaries, associates, the controlling shareholder (Caltagirone S.p.A.), whether of a financial or commercial nature, took place in the ordinary course of business under normal market terms and conditions;
- we verified that no complaints pursuant to Article 2408 of the Civil Code or reports of any kind were filed, nor did we encounter any omissions, irregularities or other censurable facts needing to be reported either to regulatory authorities or in this report during the course of our supervisory activity;
- during the year no transactions were carried out between directors, managers with strategic functions, statutory auditors and the Company or its subsidiaries;
- concerning the results of the financial statements for the year ended 31 December 2008, we met with representatives of PricewaterhouseCoopers S.p.A. to thoroughly review the accounting standards and the most important items contained in the document. There is nothing significant to report;
- we also verified, through meetings with the head of Administration, Finance and Control, Mr. Arrivabene, the completeness of the information contained in the Report on Operations. We reached the conclusion that the Report on Operations complies with the law and the relevant accounting standards. PricewaterhouseCoopers was also obviously involved in the discussion, particularly concerning the consistency of the Report on Operations with the related financial statements;
- the accounting firms was engaged to perform the following for 2008:
  - audit (EUR 56 thousand);
  - environmental report (EUR 39 thousand).

As part of our supervisory activities, the Board of Statutory Auditors met six times, including via tele-conferencing. We attended five meetings of the Board of Directors and the Chairman took part in three out of the four Internal Control Committee meetings and two out of the three Remuneration Committee meetings held during the year. The Executive Committee never met. The Board of Statutory Auditors attended the Ordinary Shareholders’ Meeting to approve the financial statements for the year ended 31 December 2007.

Based on the activity carried out during the year, we have found no reason to oppose your approval of the financial statements of Cementir Holding S.p.A. for the period ended 31 December 2008 and the accompanying Report on Operations. We also agree with the directors’ proposal to cover the EUR 5,484,097 loss using retained earnings and to distribute dividends amounting to EUR 12,729,600 also out of retained earnings.

We have attached to this report the list required by Art. 144-quinquiesdecies containing the positions held by each member of the Board of Statutory Auditors in accordance with CONSOB Resolution no. 15915 of 3 May 2007.

Rome, 3 April 2009

The Board of Statutory Auditors

Chairman	**Standing Auditor**	**Standing Auditor**
Prof. Claudio Bianchi	Dott. Carlo Schiavone	Avv. Giampiero Tasco

List of positions held by each member of the Board of Statutory Auditors in accordance with CONSOB Resolution no. 15915 of 3 May 2007.

1. First and last name: CLAUDIO BIANCHI
2. Company name: CEMENTIR HOLDING S.p.A.
3. Position: CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS
4. End of term of office: Shareholders' Meeting to approve the financial statements at 31/12/2010
5. Number of positions held with issuer: 2
6. Number of total positions held: 14

1. First and last name: CARLO SCHIAVONE
2. Company name: CEMENTIR HOLDING S.p.A.
3. Position: STANDING AUDITOR
4. End of term of office: Shareholders' Meeting to approve the financial statements at 31/12/2010
5. Number of positions held with issuer: 4
6. Number of total positions held: 30

1. First and last name: GIAMPIERO TASCO
2. Company name: CEMENTIR HOLDING S.p.A.
3. Position: STANDING AUDITOR
4. End of term of office: Shareholders' Meeting to approve the financial statements at 31/12/2010
5. Number of positions held with issuer: 3
6. Number of total positions held: 33

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LEGISLATIVE DECREE NO. 58 DATED 24 FEBRUARY 1998

To the Shareholders of
Cementir Holding SpA

1 We have audited the consolidated financial statements of Cementir Holding SpA and its subsidiaries (Cementir Holding Group) as of 31 December 2008, which comprise the balance sheet, the income statement, the statement of changes in equity, the cash flow statement, the statement of recognised income and expenses and related notes. The directors of Cementir Holding SpA are responsible for the preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our audit opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 1 April 2008.

3 In our opinion, the consolidated financial statements of Cementir Holding SpA as of 31 December 2008 comply with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005; accordingly, they have been drawn up clearly and give a true and fair view of the financial position, results of operations, changes in equity and cash flows of the Cementir Holding Group for the period then ended.

4 The directors of Cementir Holding SpA are responsible for the preparation of the report on operations in accordance with applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of Legislative Decree No. 58/98. For this purpose, we have performed the procedures required under Auditing Standard no. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the report on operations is consistent with the consolidated financial statements of Cementir Holding SpA as of 31 December 2008.

Rome, 6 April 2009

PricewaterhouseCoopers SpA

Signed by

Massimo Grifantini
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation. The financial statements referred to in this report have not been translated.

(2)

04

STATUTORY FINANCIAL STATEMENTS OF CEMENTIR HOLDING SPA

Edirne plant (Turkey)

FINANCIAL STATEMENTS

Balance sheet

(EUR)	Notes	31 December 2008	31 December2007
ASSETS			
Intangible assets	1	662,695	406,975
Property, plant and equipment	2	88,746	210,071,011
Investment property	3	23,000,000	23,000,000
Equity investments	4	392,365,472	249,364,190
Non-current financial assets	5	90,385	128,929
Deferred tax assets	19	1,527,254	6,316,310
TOTAL NON-CURRENT ASSETS		417,734,552	489,287,415
Inventories		-	29,882,427
Trade receivables	6	10,427,082	93,910,518
- Trade receivables third parties		22,903	89,058,010
- Trade receivables related parties	28	10,404,179	4,852,508
Current financial assets	7	283,611,056	299,259,522
- Current financial assets third parties		710,346	760,147
- Current financial assets related parties	28	282,900,710	298,499,375
Current tax assets	8	1,267,443	918,775
Other current assets	9	7,188,599	716,131
- Other current assets third parties		1,027,208	716,131
- Other current assets related parties	28	6,161,391	-
Cash and cash equivalents	10	9,313,633	6,968,038
TOTAL CURRENT ASSETS		311,807,813	431,655,411
TOTAL ASSETS		729,542,365	920,942,826
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	11	159,120,000	159,120,000
Share premium reserve	12	35,710,275	35,710,275
Other reserves	13	418,663,730	418,419,910
Net profit (loss) for the period		(5,484,097)	19,360,788
TOTAL SHAREHOLDERS’ EQUITY		608,009,908	632,610,973
Employee benefit provisions	14	357,045	6,957,546
Non-current provisions		-	4,285,761
Non-current financial liabilities	16	60,890,543	68,864,949
Deferred tax liabilities	19	4,740,975	14,675,679
TOTAL NON-CURRENT LIABILITIES		65,988,563	94,783,935
Trade payables	15	1,123,725	70,703,182
- Trade payables third parties		618,492	70,487,653
- Trade payables related parties	28	505,233	215,529
Current financial liabilities	16	51,979,958	115,531,275
- Current financial liabilities third parties		23,346,842	108,155,063
- Current financial liabilities related parties	28	28,633,116	7,376,212
Current tax liabilities	17	880,885	-
Other current liabilities	18	1,559,326	7,313,461
- Other current liabilities third parties		613,441	6,991,231
- Other current liabilities related parties	28	945,885	322,230
TOTAL CURRENT LIABILITIES		55,543,894	193,547,918
TOTAL LIABILITIES		121,532,457	288,331,853
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES		729,542,365	920,942,826

Income statement

(EUR)	Notes	2008	2007
REVENUES	20	9,030,024	232,613,900
- Revenues third parties		1,723	222,558,736
- Revenues related parties	28	9,028,301	10,055,164
Change in inventories		-	(2,586,082)
Increase for internal work		-	362,064
Other operating revenues	21	966,060	7,218,905
- Other revenues third parties		134,801	1,926,715
- Other revenues related parties	28	831,259	5,292,190
Total operating revenues		9,996,084	237,608,787
Raw material costs		-	(100,196,482)
- Raw material costs third parties		-	(100,196,482)
Personnel costs	22	(4,602,337)	(29,762,800)
Other operating costs	23	(7,109,650)	(51,074,121)
- Other operating costs third parties		(6,518,648)	(48,654,928)
- Other operating costs related parties	28	(591,002)	(2,419,193)
Total operating costs		(11,711,987)	(181,033,403)
EBITDA		(1,715,903)	56,575,384
Depreciation, amortisation, impairment losses and provisions	24	(307,250)	(16,924,330)
EBIT		(2,023,153)	39,651,054
Financial income	25	15,322,181	3,715,213
- Third parties		14,979,878	3,091,771
- Related parties	28	342,303	623,442
Financial expense	25	(21,068,480)	(11,129,005)
- Third parties		(19,969,467)	(10,998,149)
- Related parties	28	(1,099,013)	(130,856)
NET RESULT ON FINANCIAL ITEMS		(5,746,299)	(7,413,792)
PROFIT (LOSS) BEFORE TAX		(7,769,452)	32,237,262
Income taxes	26	2,285,355	(12,876,474)
NET PROFIT (LOSS) FOR THE PERIOD		(5,484,097)	19,360,788

Statement of changes in shareholders' equity

(EUR '000)	Share capital	Share premium reserve	Legal reserve	Revaluation reserve
Shareholder's equity at 31 December 2006	159,120	35,710	31,824	97,733
Allocation of 2006 net profit:				
- Dividend distribution				
- Retained earnings				
New accounting treatment of actuarial gains /losses on				
Collection of grants				
Net profit (loss) for the period				
Shareholders' equity at 31 December 2007	159,120	35,710	31,824	97,733
Allocation of 2007 net profit:				
-Dividend distribution				
-Retained earnings				
Reclassifications				90,634
Actuarial gains /losses on severance benefits (TFR)				
Net profit (loss) for the period				
Shareholders' equity at 31 December 2008	159,120	35,710	31,824	188,367

Other reserves							
Grant reserve	Reserve art. 15 Law 67/88	Reserve Law 349/95	Other reserves (FTA)	Severance benefit reserve IAS19	**Retained earnings**	**Net profit (loss) for the period**	**Total shareholders' equity**
13,207	138	25	98,842	563	170,858	20,913	628,933
					-		
						(15,912)	(15,912)
					5,001	(5,001)	-
				213			213
		16					16
						19,361	19,361
13,207	138	41	98,842	776	175,859	19,361	632,611
		-					
						(19,095)	(19,095)
					266	(266)	-
			(93,672)	(560)	3,628		-
				(22)			(22)
						(5,484)	(5,484)
13,207	138	41	5,170	164	179,753	(5,484)	608,010

Statement of income and expense recognised in shareholders' equity

(EUR '000)	2008	2007
Actuarial gains (loss) on severance benefits (TFR)	(31)	257
Tax recognised in shareholders' equity	9	(44)
Income (expense) recognised directly in shareholders' equity	**(22)**	**213**
NET PROFIT (LOSS) FOR THE PERIOD	(5,484)	19,361
TOTAL INCOME (EXPENSE) RECOGNISED FOR THE PERIOD	(5,506)	19,574

Cash flow statement

(EUR '000)	2008	2007
Net profit (loss) for the period	**(5,484)**	**19,361**
Depreciation and amortisation	307	14,913
Net financial result:	5,747	7,414
- third parties	(4,990)	(7,906)
- related parties	(757)	493
(Gains) Losses on disposal – third parties	-	108
(Gains) Losses on disposal – related parties	-	(5,281)
Income taxes	(2,285)	12,876
Change in employee benefit provisions	131	(364)
Change in current and non-current provisions	-	2,019
Operating cash flow before change in working capital	**(1,584)**	**51,047**
(Increase) Decrease inventories	-	701
(Increase) Decrease trade receivables – third parties	168	(7,153)
(Increase) Decrease trade receivables – related parties	(7,932)	266
Increase (Decrease) trade payables – third parties	(85)	113
Increase (Decrease) trade payables – related parties	406	(1,104)
Change in current and non-current assets and liabilities	(7,851)	(852)
Change in deferred and current income taxes	5,362	396
Operating cash flow	**(11,516)**	**43,414**
Dividends received	732	-
Interest received	1,587	2,917
Interest paid	(5,124)	(7,501)
Collections (payments) other financial income/expense	1,175	-
Income taxes paid	(424)	(6,082)
CASH FLOW FROM OPERATING ACTIVITIES (A)	(13,570)	32,748
Investments in intangible assets	(517)	(218)
Investments in property, plant and equipment	(13)	(28,764)
Divestments of property, plant and equipment	-	5,146
Divestments of equity investments and non-current securities	-	5,504
CASH FLOW FROM INVESTING ACTIVITIES (B)	(530)	(18,332))
VChange in non-current financial assets and liabilities	(9,929)	(8,273)
Change in current financial assets and liabilities – third parties	5,151	18,592
Change in current financial assets and liabilities – related parties	40,881	(2,753)
Dividends distributed	(19,094)	(15,906)
Other changes in shareholder's equity	(23)	229
CASH FLOW FROM FINANCING ACTIVITIES (C)	16,986	(8,111)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	2,886	6,304
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,424	664
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9,314	6,968

NOTES TO THE FINANCIAL STATEMENTS

General information

Cementir Holding SpA is a company limited by shares with registered offices in Corso di Francia 200, Rome.
Shareholders with holdings of more than 2% of share capital at 31 December 2008 , as indicated in the shareholder register and notices received pursuant to Article 120 of Legislative Decree 58 of 24 February 1998 are:

1) Calt 2004 Srl no. 47,860,813 shares (30.078%)
2) Lav 2004 Srl no. 40,543,880 shares (25.480%)
3) Pantheon 2000 SpA no. 4,466,928 shares (2.807%)
4) Chupas 2007 Srl no. 3,783,042 shares (2.377%)

The financial statements at 31 December 2008 of Cementir Holding SpA were approved on 19 March 2009 by the Board of Directors, which authorized the disclosure of the main information reported therein.

Regulatory framework

Following the enactment of Regulation (EC) no. 1606 of July 2002 and in relation to the provisions of Legislative Decree 38/2005 and the Issuers Regulation no. 11971/1999, as amended by CONSOB Resolution no. 14990 of 14 April 2005, as from 2006 companies issuing financial instruments on regulated markets must draw up the parent company's financial statements in compliance with international financial reporting standards. Therefore, as from 1 January 2006 Cementir Holding SpA has adopted international accounting standards (International Accounting Standards - IAS or International Financial Reporting Standards - IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) endorsed by the European Commission, hereafter "IFRSs", with the transition date to the IFRSs of 1 January 2005.
National legislation implementing the Fourth Council Directive is applied, where compatible, with companies that prepare financial statements in accordance with the IFRSs. Accordingly, the financial statements are prepared in accordance with the provisions of the Civil Code and the corresponding provisions of the Consolidated Law on Financial Intermediation for listed companies with regard to the directors' report on operations (Article 2428 of the Civil Code), auditing (Article 2409-bis of the Civil Code) and publication of the financial statements (Article 2435 of the Civil Code).
The financial statements and the related notes also include the details and additional disclosures required by articles 2424, 2425 and 2427 of the Civil Code as they are not in conflict with the requirements of the IFRSs.

Compliance with the international accounting standards (IFRS/IAS)

The financial statements of Cementir Holding SpA have been drawn up in compliance with the international accounting standards (IAS/IFRS) endorsed by the European Commission through 31 December 2008.
As used here, the IFRSs comprise all International Financial Reporting Standards (IFRSs), all International Accounting Standards (IASs) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

Newly-issued accounting standards and interpretations

No new accounting standards nor interpretations came into force in 2008, nor were amendments made to existing accounting standards and interpretations that had a significant impact on the statutory financial statements. In accordance with IAS 8 – Accounting policies, changes in accounting estimates and errors, this section describes new standards and interpretations, or changes made to existing standards and interpretations that have not yet come into effect or that have not yet been endorsed by the EU, that could be applied by the Company in the future in its statutory financial statements.

IFRS 8 – Operating segments
Endorsed by the European Commission in November 2007, IFRS 8 sets out the requirements for disclosing information in an entity's annual financial statements. An amendment to IAS 14 – Segment Reporting requires that the entity disclose the same information in its interim financial statements. Under IFRS 8, an entity must identify its operating segments based on those used for internal operational reporting purposes, must regularly review this identification for the purposes of allocating resources to different segments and of analysing performance. It also sets out the requirements for disclosing information on its products and services, the geographical areas in which it operates and its major customers. IFRS 8 replaces IAS 14 and is in effect for periods beginning 1 January 2009.

IFRS 3 – Business combinations and IAS 27 – Consolidated and separate financial statements
The IASB published a new revised version of IFRS 3 and a number of amendments to IAS 27 on 10 January 2008. The major changes concern the recognition of acquisitions achieved in stages, the recognition of transaction costs, the calculation of goodwill (option for the application of the full goodwill method, which involves recognition of even the portion of goodwill attributable to minority shareholders), the recognition of the acquisition of further shares in a subsidiary or the sale of the portion of the subsidiary of which it retains control. The amended standards will come into effect for periods beginning after 1 July 2009 (therefore, starting from 1 January 2010 for the Company), following endorsement by the European Commission, which is pending.

IAS 1 – Presentation of financial statements
The IASB published a new revised version of IAS 1 on 6 September 2007 in order to improve the quality and the comparability of information contained in the financial statements, as part of the convergence between IFRS and US GAAP. The standards that were changed relate to

the reintroduction of the requirement of including the statement of change in shareholders' equity among the other financial statements, even for entities that take actuarial gains and losses to equity (as the Company does), as well as to the need to represent all income and expenses for the period in a comprehensive manner, whether taken to profit or loss or to equity. In order to achieve this objective, entities are permitted to prepare a more comprehensive income statement or a separate statement. The standard will come into effect on 1 January 2009, although entities may apply it before that date.

IAS 23 – Borrowing costs
The IASB amended IAS 23 in 2007. The main change involves the elimination of the option for immediately recognising in the income statement borrowing costs relating to assets that require a substantial period of time to be readied for use or sale. Therefore, these costs must be included in the cost of the assets themselves since they are directly attributable to the acquisition, construction or production of an asset thereby justifying capitalization. The standard will come into effect on 1 January 2009, but may be applied before that date. The criteria currently followed by the Company are consistent with the changes introduced, therefore the entry into force of the standard will have no impact.

IAS 39 – Financial instruments and IFRS 7 – Financial instruments: disclosures
On 31 July 2008 the IASB published a revised version of IAS 39 in order to clarify which risks may be hedged and what portions of fair value or cash flow may be hedged. It also clarified that the intrinsic value of an option acquired as an instrument to hedge a financial component may not be perfectly effective since this intrinsic value reflects the hedge of just a portion of the risks. The revised standard will come into effect for periods beginning after 1 July 2009 (therefore, starting from 2010 for the Company), but it has not yet been endorsed by the European Commission. Moreover, on 13 October 2008 the IASB amended IAS 39 and IFRS 7, expanding, in certain circumstances, the possibility of reclassifying a number of financial assets. Specifically, the amendment removes some restrictions on reclassifying financial instruments held by the entity from the fair value through profit or loss and available for sale categories (measured at fair value) to categories of instruments held to maturity and receivables and loans (measured using the amortized cost method).The amendment was endorsed by the European Commission on 15 October 2008. Finally, on 5 March 2009, the IASB amended IFRS 7, establishing a three-level hierarchy for making fair value measurements of financial instruments. Each level corresponds to a different measurement method. Companies are required to make disclosures on the reliability of each measurement as well as on the liquidity risk associated with financial liabilities (derivatives or otherwise, based on a maturity analysis) and on how they are managed. The amendment will enter into effect as from the financial statements for the year starting 1 January 2009. However, no comparative disclosure is required for the first year of application. The amendment has not yet been endorsed by the European Commission.

The Company is assessing the possible impact of the future application of all the newly issued standards and interpretations as well as revisions of and amendments to existing standards, apart from what was stated above concerning the changes made to IAS 23.

Basis of presentation

The financial statements at 31 December 2008 are presented in euros. The financial statements consist of the balance sheet, the income statement, the statement of changes in shareholders' equity, the statement of income and expense recognised in shareholders' equity, the cash flow statement and these notes.
The financial statements were prepared on a going-concern basis since the directors, having assessed the risks and uncertainties to which the Company is exposed, reasonably expect the Company to continue operations for the foreseeable future.
On 1 January 2008, in accordance with the Shareholders' Meeting resolution of 20 December 2007, the transfer of the operations of Cementir – Cementerie del Tirreno SpA to its subsidiary Cementir Italia Srl took effect. The transaction value was set at EUR 143,197 thousand, as described in the appraisal prepared by Deloitte Financial Advisory Srl on 30 September 2007, and was completed at EUR 156,485 thousand at 31 December 2007, generating a difference upon transfer of EUR 13,288 thousand, duly financed by Cementir Italia Srl in 2008. Since this is a transaction between companies under common control, IFRS 3 need not be applied. The transfer was made by applying the principle of continuity of the values based on which the assets and liabilities are transferred on the basis of the book value (accounting) without recognising the effects in profit or loss.
This operation, which was part of a reorganization plan to implement a management model that better reflects the multinational dimension acquired in recent years, makes it impossible to directly compare the figures contained in the 2008 financial statements with those of 2007. In order to make a homogenous comparison of these figures possible, the tables drawn from balance sheet figures contain a column that shows the adjusted amounts for 2007 in order to take account of the amounts that were "Transferred" to Cementir Italia Srl, while the tables drawn from income statement figures to not indicate changes compared with the previous period as the data compared is not significant.
The statement of changes in shareholders' equity, the statement of income and expense recognised in shareholders' equity, the cash flow statement and these notes are expressed in thousands of euros.
As regards presentation of the financial statements, the balance sheet adopts a current/non-current structure, while income statement items are classified by the nature of the expense and the cash flow statement is presented using the indirect method.

Accounting policies

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, under the control of the company and capable of generating future economic benefits. They are recognised at cost, including any direct incidental expenses necessary to render the asset available for use.
The useful life is determined for each intangible asset upon initial recognition. Intangible assets for which, based on an analysis of all the relevant factors, there is no foreseeable limit

to the period over which they will generate cash flows for the Group are considered to have indefinite useful lives. Estimates of the useful lives are reviewed on an annual basis and any changes, where necessary, are applied prospectively. Intangible assets are derecognised when the assets are sold or when no expected future benefits are expected from their use. Any loss or gain (calculated as the difference between the sale price and the carrying amount) is recognised in the income statement in the year in which they are derecognised.
Intangible assets with finite useful lives are recognised net of the relative accumulated amortisation and any impairment determined in accordance with the procedures described below. Amortisation begins when the asset is available for use and is recognised on a systematic basis in relation to the residual possibility of use and thus over the useful life of the asset.

Property, plant and equipment

Property, plant and equipment is recognised at purchase or production cost, including any directly allocable incidental expenses necessary to prepare the asset for the use for which it was acquired, increased by the fair value of the estimated cost for the disposal of the asset where the company has an obligation to do so.
Financial expenses that are directly attributable to the purchase, construction or manufacture of an asset are capitalized as part of the asset’s cost until the asset is ready for its intended use or for sale.
Costs incurred for maintenance and repairs of an ordinary and/or cyclical nature are charged directly to the income statement in the year in which they are incurred. Costs relating to the expansion, modernisation or improvement of owned or leased property, plant and equipment are only capitalised when they satisfy the requirements for separate classification as an asset or part of an asset in accordance with the component approach.
Property, plant and equipment is recognised net of accumulated depreciation and any impairment. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, reviewed on an annual basis and any changes, where necessary, are applied prospectively.
The estimated useful lives of property, plant and equipment are as follows:

	Useful lives of property, plant and equipment
- Sundry equipment	5 years
- Office machinery and equipment	5 years

When the asset to be depreciated is composed of separately identifiable elements whose useful lives differ significantly from the other parts of the asset, depreciation is recognised separately for each part of the asset, applying the component approach.
At the moment of sale or when no future economic benefits are expected from use, the asset is derecognised and any loss or gain (calculated as the difference between the disposal value and the net carrying amount) is recognised in the income statement in the year of derecognition.

Investment property

Investment property, held to earn rental income or capital gains, is measured at fair value and is not depreciated. Changes in value are recognised in the income statement.

Investments in subsidiaries and associates

Subsidiaries are companies in which Cementir Holding SpA has the power to determine, directly or indirectly, the financial and operating policies of the entity so as to obtain the benefits of its activities.

Associated companies are companies in which Cementir SpA exercises a significant influence but does not exercise control or joint control of financial and operating policies. Such equity investments are recognised at cost adjusted for any impairment losses.

Impairment

At each period end, the carrying amount of property, plant and equipment and intangible assets is reviewed in the light of events or changes which indicate that the carrying amount may not be recoverable. If such evidence is found, the recoverable value is determined and, where the carrying amount exceeds the recoverable value, the assets are written down to reflect their recoverable value. The recoverable value of goodwill and other intangible assets with indefinite lives, however, is estimated at each balance sheet date or when there is a change in circumstances or specific events occur that would require an impairment test.

The recoverable value of property, plant and equipment and intangible assets is the greater of the fair value less costs to sell and its value in use.

In determining value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the asset. For assets that do not generate clearly independent cash flows, realizable value is determined in relation to the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement under depreciation, amortisation and impairment losses.

Financial assets

At initial recognition, financial assets are classified under one of the following categories and measured as follows:

- financial assets at fair value through profit or loss: this category (equity investments in other companies) includes financial assets acquired principally for sale in the short term, those designated at fair value through profit or loss at the acquisition date, and derivative instruments. The fair value of financial instruments listed on active markets is determined as the related market price at the balance sheet date. In the absence of an active market, the fair value is determined on the basis of prices provided by external operators and utilising valuation models principally based on objective financial variables, as well as taking into account prices in recent transactions and the prices of similar financial instruments. Changes in the fair value of instruments in this category are recognised in the income statement. Where the fair value cannot be determined reliably, the cost value is maintained, adjusted for any impairment losses. Such impairment losses may not be reversed. Financial instruments in this category are classified as current assets or liabilities if they are "held for trading" or if it is expected that they will be sold within 12 months from the balance sheet date. Derivatives are treated as assets if the fair value is positive and as liabilities if the fair value is negative. The Group nets the positive and negative fair values of transactions with the same counterparty where such netting is permitted contractually;

- loans and receivables: this category, which main regard trade receivables, includes non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are classified as current assets (when the due date falls within normal commercial terms) except for amounts due beyond 12 months from the balance sheet date, which are classified as non-current assets. These assets are measured at amortised cost using the effective interest rate method (identified as their nominal value). Where there is evidence of impairment, the asset is written down to the present value of the expected future cash flows. The impairment losses are recognised in the income statement. Where, in subsequent periods, the reasons for the writedown no longer obtain, the value of the assets is restored up to the value they would have had under the application of amortised cost where no writedown had been recognised.

  Financial assets are derecognised when the right to receive the cash flows from the instrument expires and the Company has transferred substantially all the risks and rewards relating to the instrument and the related control.

Financial liabilities

Financial liabilities include loans, trade payables and other payment obligations are initially recognized at fair value, net of directly attributable incidental expenses, and subsequently measured at amortised cost using the effective interest rate method. When there is a change in the expected cash flows and it is possible to estimate them reliably, the value of the loans is recalculated to reflect this change based on the new present value of the expected cash flows and the initial internal rate of return.

Financial liabilities are classified under current liabilities, except where the Company has an unconditional right to defer their payment for at least 12 months from the balance sheet date.

Financial liabilities are derecognised when they are extinguished and the Company has transferred all the risks and rewards relating to the instrument.

Financial derivatives

The Group uses financial derivatives, such as forward foreign exchange contracts and foreign exchange options, to hedge the risks of exchange rate fluctuations, and CO2 emissions futures contracts. These derivatives are measured and recognised at fair value. Transactions, even if used to manage risk, are designated as trading operations owing to the absence (at the subscription date) of some of the formal requirements established by the IFRS. Therefore, the changes in the fair value relating to these derivative transactions are recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents are recognized at fair value and include bank deposits and cash on hand, i.e. assets that are available on demand or at short notice, certain in nature and have no collection costs.

→ Anqing plant (China)

Employee benefits

The liability in respect of employee benefits paid at or subsequent to termination of the employment relations under defined-benefit plans, net of any plan assets, is determined on the basis of actuarial assumptions estimating the amount of future benefits that employees have accrued at the balance sheet date. The liability is recognised on an accruals basis over the period in which the entitlement matures.

Defined-benefit plans also include the portion of severance benefits due to employees pursuant to Article 2120 of the Italian Civil Code (Trattamento di Fine Rapporto - TFR) accrued as of 31 December 2006. Following the reform of the supplementary pension system, as from 1 January 2007 new TFR accruals must be paid into a supplementary pension fund or into a specific treasury fund established by the National Social Security Institute (INPS) if employees elect this option. Accordingly, the Company's liability for defined benefits in respect of employees regards accruals to 31 December 2006 only.

The accounting treatment adopted by the Company as from 1 January 2007 – discussed below – reflects the new legislation and is consistent with the accounting treatment recommended by the competent professional bodies. More specifically:

- TFR contributions accruing as from 1 January 2007 are considered elements of a defined contribution plan, even when employees have elected to pay them into the INPS treasury fund. These contributions, which are calculated on the basis of Civil Code rules and are not subject to actuarial measurement, therefore represent expenses recognised under personnel costs;
- conversely, the employee benefit entitlement accrued at 31 December 2006 continues to represent the liability accumulated by the company in respect of defined benefit plans. This liability will not be increased by further accruals. Accordingly, unlike previous periods, the actuarial calculation performed to determine the balance at 31 December 2008 did not include the component reflecting future wage growth.

The present value of the Company's liability is determined by independent actuaries using the projected unit credit method. Under this method, the liability is projected into the future to determine the probable amount to be paid when the employment relationship is terminated and then discounted to take account of the passage of time prior to actual payment. The calculation takes account of severance benefitsaccrued for past service and is based on actuarial assumptions concerning, primarily, interest rates, which reflect the market yield of securities issued by leading companies with maturities consistent with the expected maturity of the obligation[1], and employee turnover.

1 Discounting was performed on the basis of the IRS yield curve corresponding to the observation period (50 years).

As the Company is not liable for TFR accruing after 31 December 2006, the actuarial calculation does not take account of future wage growth. Actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of the Company's commitments at the end of the period, generated by changes in the actuarial assumptions used previous (described above) are recognised directly in equity, excluding the related tax effect, and no longer through profit or loss.

Revenues

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Company and that their amount can be determined reliably. Revenues are measured net of discounts, allowances and returns.
Revenues for services are recognised at the time the services are delivered on a state of completion basis.

Transactions in non-euro currencies

All transactions in non-euro currencies are recognised at the exchange rate prevailing on the transaction date.
Monetary assets and liabilities in denominated in currencies other than the functional currency are subsequently adjusted at the exchange rate prevailing at the close of the period. Any negative or positive differences between the amounts translated at the exchange rate for the period and the original value amounts are taken to the income statement. Any net gain resulting from the translation of receivables and payables at the end of the period is recognised in a specific undistributable reserve until the gain is realised.

Financial income and expense

Financial income and expense are recognised on an accruals basis and calculated with reference to the interest accrued on the net value of the underlying asset or liability using the effective interest rate. As regards capitalized financial expense, please see the discussion under the policies adopted for property, plant and equipment.

Dividends

Dividends are recognised on the date on which shareholders obtain title to payment.

Income taxes

Current income taxes for the period are determined on the basis of estimated taxable income in compliance with current legislation.
Deferred tax assets and liabilities are recognised on the basis of temporary differences between the amounts reported in the financial statements and the amounts reported for tax purposes, using the tax rates in force at the balance sheet date.
Deferred tax assets are recognised when it is probable that they will be recovered, i.e. when future taxable income is expected to be sufficient for the asset to be recovered.
The probability of recovery is reviewed at the end of each period.

Use of estimates

The preparation of the financial statements requires management to use accounting methods and principles that, in certain cases, are based on difficult and subjective assessments and estimates that are derived from historical experience and reasonable and realistic assumptions made in the light of the related circumstances. The use of such estimates and assumptions influences the values reported in the financial statements, such as the balance sheet, income statement and cash flow statement, as well as in the accompanying disclosures. The final values of items for which estimates and assumptions have been made may differ from those stated in the financial statements owing to the uncertainty that accompanies the assumptions and circumstances underpinning the estimates.

The following accounting policies and items require more extensive use of subjective judgements on the part of management, with the result that changes in the circumstances underlying the assumptions could have a material impact on the financial statements of the Company:

- Measurement of non-current assets;
- Deferred tax assets and liabilities;

The estimates and assumptions are reviewed periodically and the effects of changes are recognised in the income statement, if they involve that period only. In the event they involve both the current and future periods, the change is recognised in the period in which the revision occurs and in the relative future periods.

Risk management

The Company is exposed to a financial risks in its operations. Further information is provided in Note 27.

Notes to the 2008 financial statements

1) Intangible assets

Intangible assets amounted to EUR 663 thousand (EUR 407 thousand at 31 December 2007) and are entirely accounted for by intangible assets with a finite useful life in respect of costs incurred for the acquisition and implementation of the SAP/R3 information system. Amortisation is calculated in the account on the basis of the estimated useful life of the asset.

(EUR '000)	Other assets	Assets under development and advances	Total
Gross value at 1 January 2008	2,060	-	2,060
Increases	516	-	516
Gross value at 31 December 2008	2,576	-	2,576
Amortisation at 1 January 2008	1,653	-	1,653
Increases	260	-	260
Amortisation at 31 December 2008	1,913	-	1,913
Net value at 31 December 2008	663	-	663
Gross value at 1 January 2007	1,833	9	1,842
Increases	218	-	218
Reclassifications	9	(9)	-
Gross value at 31 December 2007	2,060	-	2,0600
Amortisation at 1 January 2007	1,487	-	1,487
Increases	166	-	166
Amortisation at 31 December 2007	1,653	-	1,653
Net value at 31 December 2007	407	-	407

2) Property, plant and equipment

At 31 December 2008 property, plant and equipment amounted to EUR 89 thousand (EUR 210,071 thousand at 31 December 2007). The table below provides the required supplementary information on the components of the item:

(EUR '000)	Land and buildings	Quarries	Plant and equipment	Industrial and commercial	Other assets	Assets under construction and advances	Total
Gross value at 1 January 2008	47,942	11,281	232,097	2,730	3,563	7,954	305,567
Increases	-	-	-	-	13	-	13
Transfers	(47,942)	(11,281)	(232,097)	(2,730)	(3,119)	(7,954)	(305,123)
Decreases	-	-	-	-	-		
Reclassifications	-	-	-	-	-		
Gross value at 31 December 2008	-	-	-	-	457	-	457
Depreciation at 1 January 2008	20,002	3,062	68,707	1,401	2,324	-	95,496
Increases	-	-	-	-	47	-	47
Transfers	(20,002)	(3,062)	(68,707)	(1,401)	(2,003)	-	(95,175)
Decreases	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Depreciation at 31 December 2008	-	-	-	-	368	-	368
Net value at 31 December 2008	-	-	-	-	89	-	89
Net value at 1 January 2007	54,359	9,046	209,024	2,479	3,543	23,594	302,045
Increases	-	-	-	-	-	28,764	28,764
Decreases	(8,698)	-	(16,138)	(93)	(214)	(134)	(25,277)
Reclassifications	2,281	2,235	39,211	344	234	(44,270)	35
Gross value at 31 December 2007	47,942	11,281	232,097	2,730	3,563	7,954	305,567
Depreciation at 1 January 2007	26,922	2,904	71,878	1,365	2,324	-	105,393
Increases	1,452	158	12,803	127	206	-	14,746
Decreases	(8,408)	-	(15,974)	(91)	(206)	-	(24,679)
Reclassifications	36	-	-	-	-	-	36
Depreciation at 31 December 2007	20,002	3,062	68,707	1,401	2,324	-	95,496
Net value at 31 December 2007	27,940	8,219	163,390	1,328	1,239	7,954	210,071

The item "other assets" consists primarily of electronic equipment and servers used in data processing.

3) Investment property

Investment property amounted to EUR 23,000 thousand and reflects the fair value, as determined by independent appraisers, of the property in Torrespaccata (Rome). It is unchanged with respect to the previous year. The entire value of the property is pledged as collateral for medium and long-term bank debt with an outstanding amount at 31 December 2008, including discounting, of EUR 14,048 thousand.

4) Equity investments

Equity investments came to EUR 392,365 thousand (EUR 249,364 thousand at 31 December 2007) and breaks down as follows:

(EUR '000)	Registered office	% holding	Carrying amount at 31.12.2008	% holding	Carrying amount at 31.12.2007
Cimentas AS	Izmir (Turkey)	29.38%	90,367	19.00%	90,367
Intercem SA	Luxembourg	99.00%	120,354	99.00%	120,354
Alfacem Srl	Rome	0.99%	220	0.99%	220
Cementir Delta SpA	Rome	99.99%	38,217	99.99%	38,217
Cementir Italia Srl	Rome	99.99%	143,207	99.99%	10
Equity investments			**392,365**		**249,168**

The EUR 143,197 thousand increase is the result of the transfer by Cementir Holding SpA of its operations to Cementir Italia Srl leading to a higher carrying value for the equity investment in Cementir Italia Srl.The carrying value of the other equity investments remained the same as in 2007 since no permanent losses in value were recognised during the year.
All the equity investments are in unlisted companies, with the exception of Cimentas AS, which is listed on the Istanbul Stock Exchange.

5) Non-current financial assets

The item amounted to EUR 90 thousand (EUR 129 thousand at 31 December 2007), and is made up of receivables in respect of security deposits falling due in less than five years.

6) Trade receivables

Trade receivables totalled EUR 10,427 thousand (EUR 93,911 thousand at 31 December 2007), and are composed of the following elements:

(EUR '000)	31.12.2008	Adjusted 2007 values	Values transferred at 01.01.2008	31.12.2007
		(a-b)	(b)	(a)
Customer receivables	23	-	(92,160)	92,160
Impairment		-	3,101	(3,101)
Receivables due from subsidiaries	9,756	2,473	(709)	3,182
Receivables due from associates	-	-	(396)	396
Receivables due from other Group companies	648	193	(1,082)	1,274
Trade receivables	**10,427**	**2,666**	**(91,246)**	**93,911**

The carrying amount of trade receivables approximates their fair value. The deadlines for payment of receivables from customers are as follows:

(EUR '000)	31.12.2008	Adjusted 2007 values	Values transferred at 01.01.2008	31.12.2007
		(a-b)	(b)	(a)
Customer receivables not past due	23	-	(85,328)	85,328
Customer receivables past due:	-	-	(6,832)	6,832
0-30 days	-	-	*(6)*	*6*
30-60 days	-	-	*(3,188)*	*3,188*
60-90 days	-	-	*(1,475)*	*1,475*
More than 90 days	-	-	*(2,162)*	*2,162*
Total customer receivables	**23**	-	**(92,160)**	**92,160**
Impairment	-	-	*3,101*	*(3,101)*
Net customer receivables	**23**	-	**(89,059)**	**89,059**

Receivables from subsidiaries refer to consulting services provided by employees of Cementir Holding SpA to its subsidiaries and royalties for the use of the Cementir Holding SpA trademark by its subsidiaries.
For an analysis of receivables due from subsidiaries, associates and other Group companies, please see Note 28 concerning transactions with related parties.

7) Current financial assets

Current financial assets came to EUR 283,611 thousand (EUR 299,260 thousand at 31 December 2007) and comprise financial receivables due from subsidiaries and associates, consisting of interest-bearing demand loans (3-month Euribor +1 point), in the amount of EUR 282,901 thousand (see Note 28 for details) and EUR 710 thousand in respect of accrued income for the state interest rate subsidy from Simest SpA on loans from various banks.

8) Current tax assets

Current tax receivables amounted to EUR 1,267 thousand (EUR 919 thousand at 31 December 2007) and are mainly composed of IRAP advance payments, net of taxes accruing for 2008.

9) Other current assets

Other current assets came to EUR 7,188 thousand (EUR 716 thousand at 31 December 2007) and broke down as follows:

(EUR '000)	31.12.2008	Adjusted 2007 values	Values transferred at 01.01.2008	31.12.2007
		(a-b)	(b)	(a)
Advances to suppliers	-	-	(95)	95
Consolidated Group VAT	864	-	-	-
Receivables from subsidiaries (tax consolidation mechanism)	6,161	-	-	-
Receivables from employees	1	-	(35)	35
Other receivables	159	320	-	320
Prepaid general expenses	3	266	-	266
Other current assets	**7,188**	**586**	**(130)**	**716**

10) Cash and cash equivalents

The item amounted to EUR 9,313 thousand (EUR 6,968 thousand at 31 December 2007) and consists of the Company's liquidity. It breaks down as follows:

(EUR '000)	31.12.2008	Adjusted 2007 values	Values transferred at 01.01.2008	31.12.2007
		(a-b)	(b)	(a)
Bank and postal deposits	9,311	6,428	(519)	6,947
Cash and cash equivalents on hand	2	-	(21)	21
Cash and cash equivalents	**9,313**	**6,428**	**(540)**	**6,968**

11) Shareholders' equity

At 31 December 2008, the share capital consisted of 159,120,000 fully paid-in ordinary shares with a par value of EUR 1.00 each.

12) Share premium reserve

At 31 December 2008 the item came to EUR 35,710 thousand, unchanged with respect to 31 December 2007.

13) Other reserves

Other reserves totalled EUR 418,663 thousand (EUR 418,420 thousand at 31 December 2007) and include:

(EUR '000)	31.12.2008	31.12.2007
Revaluation reserve	188,367	97,732
Legal reserve	31,824	31,824
Other reserves	29,614	13,387
Other IAS reserves	5,217	98,888
Reserve for carrying amount adjustments - Law 266/05	-	16,228
Retained earnings	163,641	160,361
Other reserves	**418,663**	**418,420**

Other IAS reserves break down as follows:

(EUR '000)	31.12.2008	31.12.2007
Revaluation reserve - Law 266/05	-	90,635
Fair value reserves	5,109	6,991
FIFO inventory adjustments reserves	-	2,396
Quarry restoration and dismantling reserves	-	(1,305)
Severance benefit actuarial measurement reserves	47	47
Cyclical maintenance reserves	-	63
Financial debt discounting reserves	61	61
Total other IAS reserves	**5,217**	**98,888**

The changes from the previous year are attributable to the transfer of Cementir Holding SpA's operations to Cementir Italia Srl This transfer led to the elimination of a large portion of the assets recognised among the IAS reserves.

Analysis of shareholders' equity

The nature and possibilities for use and distribution of the components of shareholders' equity are shown in the following table:

Natura/Descrizione (EUR '000)	Amount	Possible uses	Amount available	Summary of uses in the three previous years: Coverage of losses	Other
Share capital	**159,120**				
Share premium reserve	35,710	A,B,C	35,710		
Revaluation reserve - Law 342/2000 2000 and 2003	97.732	A,B,C	97.732		
Revaluation reserve - Law 266/05	90.635	A,B,C	90.635		
Legal reserve	31.824	B	31.824		
Reserve for carrying amount adjustments -Law 266/05	16.228	A,B,C	16.228		
Capital grants reserve	13.207	A,B	13.207		
Reserve - Art.15 Law 67 of 11/3/88	138	A,B	138		
Reserve - Law 349/95	41	A,B	41		
Other IAS reserves	5.217				
Retained earnings	163.395	A,B,C	163.395		21.056
Retained earnings/losses carried forward IFRS	246				
Total	**613,493**		**448,910**		**21.056**
Not distributable			**45,210**		
Distributable			**403,700**		

Key: A: capital increase B: coverage of losses C: distribution to shareholders

Reserves that would form part of taxable income in the event of their distribution totalled EUR 323,170 thousand.

The non-distributable portion is composed of the legal reserve, the capital grants reserve, the Reserve - Art.15 Law 67 of 11/3/88 and the Reserve - Law 349/95.

Dividends

On 19 March 2009, the Board of Directors proposed the distribution of a dividend to shareholders in the total amount of EUR 12,730 thousand, equal to EUR 0.08 per ordinary share.

During the year, the 2007 dividend was distributed in the amount of EUR 0.12 per ordinary share, for a total amount of EUR 19,094 thousand.

Stock incentive plans (stock options)

Cementir Holding approved a stock incentive plan (stock options) affecting 27 strategic managers (beneficiaries) of Group companies.

Specifically, on 11 February 2008, the Board of Directors granted the first instalment of 1,225,000 options and set the exercise price as follows:

Position held	Date of shareholders resolution	Date of granting by the Board of Directors	Description of instrument	No. of financial instruments underlying the options granted	Exercise price	Expiration of option
Members of Board of Directors (4)	15-01-2008	11-02-2008	Options on Cementir Holding SpA shares	910,000	EUR 7	11-02-2013
Managers with strategic responsibilities (23)	15-01-2008	11-02-2008	Options on Cementir Holding SpA shares	315,000	EUR 7	11-02-2013
Total				1,225,000		

With regard to the terms and methods for subscribing and exercising options, it should be noted that:

(i) options were subscribed through delivery of the letter granting the options, along with the approved Rules, both duly signed to indicate acceptance, by each Beneficiary by 31 March 2008;

(ii) the options must be exercised by the Beneficiaries in one or more instalments, but in any case in an amount for each instalment of not less than 2,500 options granted to each. The options must be exercised within the time period indicated in the letter granting the options, but not before 11 February 2011 nor after 11 February 2013. The options must be exercised in the manner provided in paragraph 6 of the Rules.

Finally, under the Rules, in order to exercise the options, the Beneficiaries: (i) must, at the time of exercise, continue to be managers or directors, provided they are employees, of the Company and/or its subsidiaries; and (ii) certain targets within their respective sub-groups.

The exercise price of the options was set at EUR 7.00, higher than EUR 5.50, the arithmetic mean of the official prices for the Company' stock reported on the Electronic Share Market organized and run by Borsa Italiana SpA in the month preceding the grant date (the "reference price"). The exercise price is set in this manner to increase of the value of the company, a primary goal of the incentive plan.

Considering that the exercise price is higher than the reference price indicating the market value of the shares on the grant date, and given the conditions to be met to exercise the options, we believe that the options, measured by applying appropriate financial methodologies, express non-significant values.

14) Employee benefit provisions

The provision for employee benefits, equal to EUR 357 thousand (EUR 6,957 thousand at 31 December 2007) represents an estimate of the liability, calculated using actuarial techniques, in respect of the amount due to employees at the time the employment relationship terminates. As from 1 January 2007, the Finance Act and related implementing legislation introduced significant changes in the rules governing severance benefits (Trattamento di Fine Rapporto - TFR), one of which allows employees to choose how to invest the accruing benefit. In particular, new accruals can be paid into a supplementary pension scheme or left with the company (in this case, the latter must pay TFR contributions to a treasury fund established by the National Social Security Institute (INPS)).
The change in the law effectively transformed the TFR system from a defined-benefit plan into a defined-contribution plan.

The actuarial assumptions used are summarised in the following table:

	31.12.2008
Discount rate	4.59%
Annual wage increase	2.10%
Annual accretion of TFR	3.75%

Changes were as follows:

(EUR '000)	31.12.2008
Net liability at start of period	**6,958**
Transfers at 1 January 2008	(6,732)
Current service cost	148
Interest cost	18
Net actuarial (gain)/loss recognised during the period	31
(Benefits paid)	(66)
Net liability at end of period	**357**

15) Trade payables

The value of trade payables, which approximates their fair value, amounted to EUR 1,123 thousand (EUR 70,703 thousand in 2007). They break down as follows:

(EUR '000)	31.12.2008	Adjusted 2007 values	Values transferred at 01.01.2008	31.12.2007
		(a-b)	(b)	(a)
Payables to suppliers	618	703	(69,900)	70,603
Payables to related parties	505	100	-	100
Trade payables	**1,123**	**803**	**(69,900)**	**70,703**

For an analysis of payables due to subsidiaries, associates and parent companies, see Note 28 on transactions with related parties.

16) Financial liabilities

The following table provides the disclosure of non-current and current financial liabilities:

(EUR '000)	31.12.2008	Adjusted 2007 values	Values transferred at 01.01.2008	31.12.2007
		(a-b)	(b)	(a)
Bank borrowings	13,341	14,001	-	14,001
Other lenders	47,549	54,864	-	54,864
Non-current financial liabilities	**60,890**	**68,865**	**-**	**68,865**
Bank borrowings	11,614	-	(96,945)	96,945
Short-term portion of non-current financial liabilities – banks	674	651	- -	651
Short-term portion of non-current financial liabilities – other lenders	7,802	7,802	-	7,802
Financial payables to related parties	28,633	7,376	-	7,376
Fair value of hedging derivatives	1,667	141	(995)	1,136
Other financial payables	1,590	1,582	(39)	1,621
Current financial liabilities	**51,980**	**17,552**	**(97,979)**	**115,531**
Total financial liabilities	**112,869**	**86,417**	**(97,979)**	**184,396**

Bank borrowings, amounting to EUR 13,341 thousand, entirely regard the floating-rate mortgage loan (Euribor/360 6 months+0.75) from Banca Intesa SpA for the property at Torrespaccata maturing in 2024.

Financing from other lenders , amounting to EUR 47,549 thousand, regards:

a) a floating-rate loan (Euribor/360 6 months+0.70), granted in 2002 by five financial institutions led by MCC SpA maturing in 2010;

b) a floating-rate loan (Euribor/360 6 months+0.50), granted in 2006 by MCC SpA and Banca Intesa SpA maturing in 2014.

These loans, recognised under "other lenders", benefits from a fixed interest payment, granted by Simest to companies that invest in non-EU countries.

At 31 December 2008, the Torrespaccata property in Rome is subject to a mortgage of EUR 14,047 thousand as collateral for the loan granted by Banca Intesa SpA. Guarantees given to third parties at 31 December 2008 amounted to EUR 135,848 thousand and mainly consist of guarantees given to MCC SpA for EUR 71,855 thousand (USD 100,000 thousand) for a loan granted to the Turkish subsidiary Cimentas AS and the guarantee for EUR 44,000 thousand in favour of Banca Intesa for a loan granted to the subsidiary Alfacem Srl, and the guarantee for EUR 19,041 thousand (USD 26,500 thousand) in favour of Banca Intesa for a loan granted to the Turkish subsidiary Cimentas AS. Loans expressed in U.S. dollars were translated into euros at the prevailing exchange rate on 31 December 2008 of EUR/USD 1.3917.

Financial payables to related parties relate to interest-bearing loans, entered into under normal market terms and conditions, received by Cementir Espana SL for EUR 15,158 thousand and by Cementir Italia Srl for EUR 13,475 thousand to meet temporary funding requirements.

Other financial payables, amounting to EUR 1,590 thousand, relate primarily to the portion of interest accrued on non-current loans.

The Company's exposure, broken down by maturity, is as follows:

(EUR '000)	31.12.2008	31.12.2007
Within 3 months	24,872	6,466
-To third parties	*18,772*	*6,466*
-To related parties	*6,100*	*-*
3 months to 1 year	27,107	109,065
-To third parties	*4,574*	*101,689*
-To related parties	*22,533*	*7,376*
1 to 2 years	16,213	8,380
2 to 5 years	26,237	33,581
More than 5 years	18,440	26,904
Total financial liabilities	**112,869**	**184,396**

The carrying amount of both current and non-current financial liabilities is equal to their fair value.

Net financial position

The following provides a breakdown of the net financial position as recommended in CONSOB Communication no. 6064293 of 28 July 2006.

(EUR '000)	31.12.2008
A. Cash	3
B. Other liquid assets	9,311
C. Securities held for trading	-
D. Cash and cash equivalents (A+B+C)	**9,314**
E. Current financial receivables	**283,610**
F. Current bank borrowings	12,288
G. Current portion of non-current liabilities	7,802
H. Other current financial payables	31,890
I. Current financial liabilities (F+G+H)	**51,980**
J. Net current financial liabilities (I-E-D)	**(240,944)**
K. Non-current bank borrowings	60,890
L. Bonds in issue	-
M. Other non-current liabilities	-
N. Non-current financial liabilities (K+L+M)	**60,890**
O. Net financial position (J+N)	**(180,054)**

17) Current tax liabilities

At 31 December 2008 the item had a balance of EUR 881 thousand and related to allocations made for taxes for 2008.

18) Other current liabilities

(EUR '000)	31.12.2008	Adjusted 2007 values	Values transferred at 01.01.2008	31.12.2007
		(a-b)	(b)	(a)
Payables to employees	220	382	(2,784)	3,166
Payables to social security institutions	235	118	(1,430)	1,548
Other payables	136	606	(435)	1,041
Other payables to subsidiaries (VAT-tax consolidation mechanism)	946	877	-	877
Accrued expenses	22	10	(349)	359
Other current liabilities	**1,559**	**1,993**	**(4,998)**	**6,991**

The item "accrued expenses" is comprised solely of the portion of the leasing fee owed on the Torrespaccata premises attributable to the subsequent year.

19) Deferred tax assets and liabilities

(EUR '000)	31.12.2007	Transfer of operations	Accrual net of utilisation recognised in income statement	Increases net of decreases recognised in equity	31.12.2008
Tax losses carried forward	2,947	-	(2,947)	-	-
Provisions	1,625	(1,625)	-	-	-
Writedowns of equity investments	-	-	-	-	-
Other	1,744	(274)	57	-	1,527
Deferred tax assets	**6,316**	**(1,899)**	**(2,890)**	**-**	**1,527**
Divestment of property, plant and equipment	742	-	(742)	-	-
Cyclical maintenance	47	(47)	-	-	-
Employee benefit provision	203	(132)	-	(9)	62
Inventories	2,006	(2,006)	-	-	-
Diff. FV/tax value property, plant and equipment	11,416	(6,719)	(18)	-	4,679
Other	262	(262)	-	-	-
Deferred tax liabilities	**14,676**	**(9,166)**	**(760)**	**(9)**	**4,741**

Deferred tax items are calculated on temporary differences between taxable income and the income reported in the financial statements.
The balance at 31 December 2008 of deferred tax assets (EUR 1,527 thousand) is composed of IRES credits in the amount of EUR 1,348 thousand and IRAP credits of EUR 179 thousand. The assets are expected to be recovered in subsequent years within the statutory time limits. The balance at 31 December 2008 of deferred tax liabilities (EUR 4,740 thousand) is composed of IRES liabilities in the amount of EUR 4,106 thousand and IRAP liabilities of EUR 635 thousand.

In 2006, the tax authorities completed an audit for the 2004 tax period regarding direct income taxes and VAT. The major issues essentially regarded the deductibility in a single year, rather than in equal instalments, of outlays to cover losses at Intercem SA and the non-deductibility of the antitrust penalty imposed by the European Commission. The audit report was analysed by independent tax experts, who were generally optimistic that any assessment resulting from the audit could be appealed successfully. For merely precautionary purposes, during previous years, deferred tax assets of EUR 4,034 thousand were reversed to take account of the audit report.

20) Revenues

(EUR '000)	2008	2007
Product sales	-	223,699
Services	9,028	8,915
Sundry revenues	2	-
Revenues	9,030	232,614

Revenues from sales for royalties (EUR 4,928 thousand) and services (EUR 4,100 thousand) reported in 2008 are attributable to the brand management fee from other Group subsidiaries and management services provided to these companies. For an analysis of revenues from transactions with subsidiaries, associates and other Group companies, see Note 28 on transactions with related parties.

21) Other operating revenues

(EUR '000)	2008	2007
Rental and similar income	927	856
Capital gains	-	4,757
Other income and revenues	39	1,605
Other operating revenues	966	7,218

Rental income mainly regards payments under the lease contract for the property at Torrespaccata, Rome.

22) Personnel costs

(EUR '000)	2008	2007
Salaries and wages	3,541	20,680
Social security contributions	757	6,885
Curtailment	-	469
Other costs	304	1,729
Personnel costs	4,602	29,763

Other costs regard expenses for employees such as additional indemnities and insurance. The average workforce in 2008 came to:

	2008	2007
Executives	13	22
Middle management and office staff	12	239
Workers	-	334
Total	25	595

23) Other operating costs

(EUR '000)	2008	2007
Transport	-	21,638
Services and maintenance	-	13,492
Consulting	1,082	603
Remuneration of Board of Directors	4,136	5,169
Fees paid to independent auditor	106	54
Other services	340	4,870
Other operating charges	1,446	5,248
Other operating costs	**7,110**	**51,074**

Other services include, among other things, the rental fee for the Corso Francia premises (EUR 450 thousand), property management costs for the Torrespaccata premises (EUR 178 thousand) and compensation paid to the statutory auditors (EUR 128 thousand).
Total operating costs also include transactions with related parties. See Note 28 for further details.

24) Depreciation, amortisation, impairment losses and provisions

(EUR '000)	2008	2007
Amortisation	260	166
Depreciation	47	14,747
Provisions	-	(8)
Impairment losses	-	2,019
Depreciation, amortisation, impairment losses and provisions	**307**	**16,924**

25) Financial income and expense

Net financial expense came to EUR 5,746 thousand. The item breaks down as follows:

(EUR '000)	2008	2007
Gain on divestment of equity investments	-	626
Dividends from associates	732	-
Interest income	488	73
Interest subsidies - Simest	1,564	1,745
Other financial income	12,538	1,271
Total financial income	**15,322**	**3,715**
Interest expense	(6,517)	(7,455)
Other financial expense	(14,551)	(3,674)
Total financial expense	**(21,068)**	**(11,129)**
Net financial result	**(5,746)**	**(7,414)**

Dividends from other companies amounted to EUR 732 thousand and were received on the 3,000,000 shares of Italcementi SpA purchased and sold in 2008. This transaction generated a loss of EUR 10.7 million.

"Other financial income" came to EUR 12,538 thousand and is comprised mainly of gains realised on derivative financial instruments, largely emissions futures contracts.
Financial operations also include transactions with related parties. See Note 28 for further details.

26) Income taxes

The income tax asset for the year amounted to EUR 2,285 thousand (a liability of EUR 12,876 thousand in 2007) and breaks down as follows:

(EUR '000)	**2008**	**2007**
Current taxes	4,415	(3,272)
Deferred tax assets	(2,890)	(11,481)
Deferred tax liabilities	760	1,877
Income taxes	**2,285**	**(12,876)**

The reconciliation between the theoretical tax liability and the effective tax liability reported in the income statement is analysed below:

(EUR '000)	**2008**	**2007**
Theoretical tax liability	**2,136**	**(10,638)**
Increased permanent differences	(1,560)	(1,617)
Decreased permanent differences	132	961
Consolidated tax mechanisms	1,283	1,959
Other changes	251	(324)
Effective IRAP liability	43	(3,217)
Tax liability for the period	**2,285**	**(12,876)**

27) Risk management and disclosures on financial risks

The Company is exposed to a variety of financial risks in its operations, specifically:

Credit risk

Cementir Holding SpA's exposure to credit risk is not significant since the Company, as a pure holding company, does not engage in operating activities and its commercial transactions are largely carried out with subsidiaries and associates for which the risk of insolvency is virtually nil. Refer to Note 6 for information on trade receivables from third parties, including details on portions past due, the relative impairments and those not yet due.
As regards bank deposits and derivatives operations, the Company operates on an ongoing basis with leading counterparties of high standing, thereby limiting the associated credit risk.

Liquidity risk

Liquidity risk regards the availability of financial resources and access to the credit market and financial instruments in general.
The Company manages this risk by continually monitoring cash flows, funding requirements and liquidity with a view to ensuring effective and efficient management of financial resources. The Company has sufficient credit lines to meet any unplanned requirements.
A breakdown of financial liabilities by maturity is given in Note 16.

Market risks

Market risk mainly regards the risk of changes in exchange rates and interest rates.

Exchange rate risk

As the parent company of a multinational group, Cementir Holding SpA is exposed to exchange rate risk since it may have foreign currency borrowings and/or deposits. The Company constantly monitors these risks in order to understand their potential impact in advance and to take appropriate steps to mitigate them.

Interest rate risk

Since Cementir Holding SpA has borrowed funds from banks bearing floating interest rates, it is exposed to interest rate risk. However, this risk is deemed to be small since its borrowings at present are exclusively in euros, which have a very flat short-term yield curve, and because it benefits from interest on a number of these borrowings.
The net financial position at 31 December 2008 showed a net creditor position of EUR 180.1 million (EUR 292.9 million in current financial receivables and other liquidity, EUR 52 million in short-term financial liabilities and EUR 60.8 million in medium/long-term financial liabilities); the entire exposure is floating rate.
The net financial position at 31 December 2007 showed a net creditor position of EUR 121.5 million (EUR 306.2 million in current financial receivables and other liquidity, EUR 115.9 million in short-term financial liabilities and EUR 68.9 million in medium/long-term financial liabilities); the entire exposure was floating rate.
As regards the floating rate on the short and long-term exposure, an annual increase of 1% in

interest rates, all other variables being equal, would reduce income before taxes by EUR 567 thousand (1.75 million in 2007) and shareholders' equity by EUR 386 thousand (EUR 1.17 million at 31 December 2007). An analogous decrease in interest rates would have a corresponding positive impact.

28) Transactions with related parties

Transactions entered into by the Company with related parties form part of normal operations and are carried out under normal market terms and conditions. No unusual or atypical transactions were carried out.
The companies of the Cementir Group also enter into transactions with companies belonging to the Caltagirone Group and with companies under common control. All transactions with related parties are carried out under normal market terms and conditions. Transactions with related parties involved:

- the parent company Caltagirone SpA and companies subject to its control;
- associated companies;
- other related parties.

As required by CONSOB Communication no. 6064293 of 28 July 2006, below is a summary of the commercial and financial transactions and the relative impact:

Commercial and financial transactions

(EUR '000)	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other payables	Balance
Betontir SpA	-	-	-	-	-	(235)	(235)
Cementir Delta SpA	-	213,341	-	-	-	(37)	213,304
Intercem SA	-	68,644	-	-	-	-	68,644
Cimentas AS	2,134	-	-	(2)	-	-	2,132
Alfacem Srl	-	916	-	-	-	(468)	448
Cementir Espana SL	-	-	-	-	(15,158)	-	(15,158)
Aalborg Portland A/S	4,966	-	-	-	-	-	4,966
UNICON A/S	141	-	-	-	-	-	141
Cementir Italia Srl	2,515	-	6,161	(475)	(13,475)	(206)	(5,480)
Vianini Lavori SpA	-	-	-	(25)	-	-	(25)
Piemme SpA	-	-	-	(3)	-	-	(3)
B2Win SpA	648	-	-	-	-	-	648
Total	10,404	282,901	6,161	(505)	(28,633)	(946)	269,382
Total for item in the financial statements	10,427	283,611	7,189	(1,124)	(51,980)	(1,599)	
% impact on the item in the financial statements	99.78%	99.75%	85.71%	44.96%	55.08%	59.14%	

Revenues and costs

(EUR '000)	Operating revenues	Financial income	Other revenues	Operating costs	Financial expense	Other costs	Balance
Caltagirone SpA	-	-	-	(80)	-	-	(80)
Cimentas AS	2,006	-	-	-	-	-	2,006
Alfacem Srl	-	64	-	-	-	-	64
Aalborg Portland A/S	4,962	-	-	-	-	-	4,962
Cementir Italia Srl	2,061	278	-	(450)	(538)	-	1,351
Cementir Espana SL	-	-	-	-	(561)	-	(561)
Vianini Lavori SpA	-	-	-	(42)	-	-	(42)
Piemme SpA	-	-	-	(19)	-	-	(19)
B2Win SpA	831	-	-	-	-	-	831
Total	9,860	342	-	(591)	(1,099)	-	8,512
Total for item in the financial statements	9,996	15,322	-	7,110	(21,068)	-	
% impact on the item in the financial statements	98.63%	2.23%	-	8.31%	5.22%	-	

Revenues from Cimentas AS, Aalborg Portland A/S, and Cementir Italia Srl relate to brand royalty fees and management fees.
Revenues from B2Win SpA regard building rentals (Torrespaccata office buildings).
Costs attributable to Vianini Lavori SpA relate to re-charges for services. Costs attributable to parent companies and companies subject to common control relate to sundry services.
During the year, the Company incurred expenses for the rental of the premises on Corso di Francia, the Company's headquarters, paid to the subsidiary Cementir Italia Srl.

Compensation paid to the directors and statutory auditors of Cementir Holding SpA for performing their duties, including for the other companies included within the scope of consolidation, is as follows:

(EUR '000)	2008	2007
Directors	6,828	7,706
Statutory auditors	182	147
Total compensation	7,010	7,853

Remuneration of directors, the chief operating officer and members of the board of auditors (EUR '000)
(Pursuant to Art. 78 of CONSOB Regulation no. 11971/1999)

A Name	B Position	C Period for which position was held	D Expiry of term	(1) Remuneration for position held in the reporting company	(2) Non-monetary benefits	(3) Bonus and other incentives	(4) Altri remuneration
Francesco Caltagirone Jr.	Chairman Board of Directors	Full year	2008	60		4,082	
Carlo Carlevaris	Deputy Chairman	Full year	2008	4			
Alessandro Caltagirone	Director	Full year	2008	3			
Azzurra Caltagirone	Director	Full year	2008	2			
Edoardo Caltagirone	Director	Full year	2008				
Flavio Cattaneo	Director	Full year	2008	4			
Mario Ciliberto	Director	Full year	2008	3			1,708
Fabio Corsico	Director	Full year	2008	5			
Mario Delfini	Director	Full year	2008	5			
Pasquale Alcini	Director	Full year	2008	3			
Riccardo Nicolini	Director	Full year	2008	5			716
Walter Montevecchi	Director	Full year	2008				151
Saverio Caltagirone	Director	Full year	2008	5			66
Massimo Confortini	Director	Full year	2008	4			45
Alfio Marchini	Director	Full year	2008	1			
Claudio Bianchi	Chairman Board of Auditors	Full year	2010	41			15
Gianpiero Tasco	Standing auditor	Full year	2010	41			10
Carlo Schiavone	Standing auditor	Full year	2010	41			34

1-2-3-4) - Remuneration is reported net of VAT and social security contributions (autonomous pension funds and INPS general pension fund)

Fees of independent auditors

In 2008 fees paid by the Company and the Group to the independent auditors, including related entities, amounted to about EUR 539 thousand, of which EUR 415 thousand for auditing services and EUR 124 thousand for other services.

Rome, 19 March 2009

Chairman of the Board of Directors

Francesco Caltagirone Jr.

CERTIFICATION OF THE FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED

1. The undersigned Francesco Caltagirone Jr., Chairman of the Board of Directors, and Oprandino Arrivabene, manager responsible for preparing Cementir Holding SpA's financial reports, hereby certify, having also taken into consideration the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:
- the appropriateness of the financial reports with respect to the Company structure and;
- the effective adoption of the administrative and accounting procedures for the preparation of the financial statements for the period ended 31 December 2008.

2. No material issues emerged in this regard.

3. In addition, we certify that:

3.1 the financial statements:
a) have been prepared in compliance with the international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, as well as the measures issued in implementation of Legislative Decree 38/2005;
b) correspond to the information in the books and other accounting records;
c) provide a true and fair representation of the performance and financial position of the issuer;

3.2 the report on operations contains a discussion of the major events that occurred in the year and their impact on the financial statements, together with a description of the main risks and uncertainties to be faced.

Rome, 19 March 2009

Chairman of the Board of Directors

Francesco Caltagirone Jr.

Manager responsible for preparing
Cementir Holding S.p.A.'s financial reports
Oprandino Arrivabene

→ Malatya plant (Turkey)

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE NO. 58 DATED 24 FEBRUARY 1998

To the Shareholders of
Cementir Holding SpA

1 We have audited the financial statements of Cementir Holding SpA as of 31 December 2008, which comprise the balance sheet, the income statement, the statement of changes in equity, the cash flow statement, the statement of recognised income and expenses and related notes. The directors of Cementir Holding SpA are responsible for the preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our audit opinion.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 1 April 2008.

3 In our opinion, the consolidated financial statements of Cementir Holding SpA as of 31 December 2008 comply with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005; accordingly, they have been drawn up clearly and give a true and fair view of the financial position, results of operations, changes in equity and cash flows of Cementir Holding SpA for the period then ended.

4 The directors of Cementir Holding SpA are responsible for the preparation of the report on operations in accordance with applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of Legislative Decree No. 58/98. For this purpose, we have performed the procedures required under Auditing Standard no. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the report on operations is consistent with the financial statements of Cementir Holding SpA as of 31 December 2008.

Rome, 6 April 2009

PricewaterhouseCoopers SpA

Signed by

Massimo Grifantini
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation. The financial statements referred to in this report have not been translated.

Repertorio n. 184637
Rogito n. 63814

MINUTES OF ORDINARY SHAREHOLDERS' MEETING

ITALIAN REPUBLIC

Two thousand nine, twenty-first of April.
21/04/2009
in Rome, Corso di Francia 200 at 12:10.

At the request of "CEMENTIR HOLDING SpA" with registered office in Rome (RM), Corso di Francia 200, tax ID and registration number with the Rome Company Register 00725950638, share capital of EUR 159,120,000.00, R.E.A. No.160498, I, Maurizio Misurale, Notary in Rome, with offices in Via in Lucina 17, entered in the Register of the Unified Notorial Districts of Rome, Velletri and Civitavecchia, took the minutes of the Ordinary Shareholders' Meeting of the above Company convened for this place and time at first calling, to discuss and resolve the following
AGENDA
1. Presentation of the statutory financial statements at 31 December 2008, accompanied by the reports of the Board of Directors, the Board of Auditors and the Independent Auditors; with the proposal for the dividend distribution.
Approval of the related and consequent resolutions.
Presentation of the consolidated financial statements of the Cementir Holding group at 31 December 2008 and accompanying reports.
With approval of the related and consequent resolutions;
2. Appointment of the Board of Directors for the period 2009, 2010 and 2011, after determining the number of Board members and their remuneration.
Approval of the related and consequent resolutions;
Present at the Meeting is Francesco CALTAGIRONE, born in Rome on 29 October 1968 and domiciled for the position, at the registered office in Rome Corso di Francia 200, Chairman of the Board of Directors, of whose identify I am certain.
The chairmanship of the Meeting, pursuant to Art. 13 of the bylaws, is held by the Chairman of the Board of Directors of the Company Francesco CALTAGIRONE, who notifies the Meeting that the functions of Secretary shall be performed by myself.
The Chairman then ascertains and informs the Meeting that:
- the Meeting was convened at first calling by way of publication of notice on 20 March 2009 in the daily newspapers Il Sole 24 Ore and Il Messaggero;
- the Company has received no request to amend the agenda pursuant to Art. 126-bis of Legislative Decree 58/1998, as amended by Law 262 of 28 December 2005 (the "Savings Law");
- all the related documentation pursuant to the agenda has been made available to the attendees, together with the second edition of the Group Environmental Report, which will be published on the Company's website.
- attending for the Board of Directors, in addition to its Chairman, are the Directors Carlo CARLEVARIS, Riccardo NICOLINI, Alessandro CALTAGIRONE, Saverio CALTAGIRONE, Mario DELFINI, Massimo CONFORTINI and Flavio CATTANEO; justification was provided for the absence of the Directors Azzurra CALTAGIRONE, Edoardo CALTAGIRONE, Mario CILIBERTO, Fabio CORSICO, Alfio MARCHINI, Walter MONTEVECCHI and Pasquale ALCINI;
- attending for the Board of Auditors are Claudio BIANCHI, Chairman, and Giampiero TASCO and Carlo SCHIAVONE, Standing Auditors;
- also present is the manager responsible for preparing the Company's financial reports Oprandino ARRIVABENE and the Honorary Chairman Luciano LEONE;
- the requirements concerning the notification to CONSOB in accordance with applicable laws and regulations have been duly satisfied and reads the list of shareholders attending, in person or by proxy, indicating the number of shares and noting that the proxies are in order pursuant to Art. 2372 of the Italian Civil Code.

The Chairman declares that:
- No.43 shareholders with 98,639,520 shares are attending by proxy and 4 shareholders with 61,000 shares are attending in person, out of a total of 159,120,000 ordinary shares with a par value of EUR 1.00 (one) with voting rights; the total number of shares held by shareholders attending in person or by proxy is equal to 98,700,521, as recorded in the attendance sheet of the Board of Directors and the Board of Auditors and that of the shareholders, which are attached to these minutes under annexes "A" and "B";
- the participants had been asked to notify any lack of entitlement to vote pursuant to articles 120, 121 and 122 of Legislative Decree 58 of 24 February 1998 as amended.
The Chairman also declares that:
- he was not aware of and had received no notification of the existence of shareholders' agreements pursuant to Art. 122 of Legislative Decree 58/98 concerning the exercise of the rights attaching to the shares or the transfer of such shares;
- share capital amounts to EUR 159,120,000.00 (one hundred and fifty-nine million one hundred and twenty thousand ordinary shares) with a par value of EUR 1.00 each;
- the Company does not hold treasury shares;
- the number of shareholders at the most recent count amounted to 6,897;
- shareholders with more than 2% (two per cent) of share capital, as indicated in the shareholders' register, notifications received pursuant ot Art. 120 of Legislative Decree 58 of 24 February 1998 and other available information are at today's date:

1) Francesco Gaetano CALTAGIRONE with held:	No.99,346,707 shares	equal to 62.435%;
- directly	No. 1,327,560 shares	equal to 0.834%;
- indirectly through the companies:		
CALT 2004 S.r.l.	No. 47,860,813 shares	equal to 30.078%;
LAV 2004 S.r.l.	No. 40,543,880 shares	equal to 25.480%;
PANTHEON 2000 S.p.A.	No. 4,466,928 shares	equal to 2.807%;
VIANINI INDUSTRIA S.p.A.	No. 2,614,300 shares	equal to 1.643%;
CALTAGIRONE S.p.A.	No. 2,533,226 shares	equal to 1.592%;
2) Francesco CALTAGIRONE	No. 6,527,278 shares	equal to 4.102%;
- directly	No. 2,684,632 shares	equal to 1.687%;
- indirectly through the company:		
CHUPAS 2007 S.r.l .	No. 3,842,646 shares	equal to 2.415%.

the shares were deposited by the deadlines and in compliance with the provisions of the bylaws and applicable laws and regulations;
- attached to these minutes in annexes "C-D-E-F-G-H" are the following documents:
- the Report on Operations (Statutory and Consolidated Financial Statements);
- the Statutory Financial Statements (including the certification of the financial statements pursuant to Art. 81-ter of CONSOB Regulation No.11971/99 as amended);
- the report of the independent auditors (Statutory Financial Statements);
- the report of the control body;
- the Consolidated Financial Statements (including the certification of the financial statements pursuant to Art. 81-ter of CONSOB Regulation No.11971/99 as amended)
- the report of the independent auditors (Consolidated Financial Statements)
- on 6 April 2009 the Directors' report concerning the items of the agenda of this Meeting was submitted to CONSOB and Borsa Italiana and on the same date it was made available to the public at the Company's registered office and on its website;
- in compliance with CONSOB communication No.DAC/RM/96003558 of 18 April 1996 I disclose that the auditing firm PriceWaterHouseCoopers SpA employed a total of 573 hours (respectively 317 for the statutory financial statements and 256 hours for the consolidated financial statements) to audit and certify the statutory and consolidated financial statements for a fee of EUR 46,697.00 (respectively EUR 18,678.60 and EUR 28,017.90);
- in attendance are financial analysts and representatives of the press, also in implementation of CONSOB recommendations, in the persons of:

- Francesco CARBONE for ANSA;
- Gerardo GRAZIOLA for RADIOCOR;
- Luca CIFFONI for IL MESSAGGERO;
- the following students from the Faculty of Economics of the University of Rome "La Sapienza" also requested permission to attend the Meeting: Alessio ALIMANDI, Gabriele CARRARINI, Marilisa MARIGGIOLI and Sara MAZZEI.

The Chairman asks if the participants in the Meeting have any objections to the presence of these persons.
No objection is raised.
The Chairman also informs the Meeting that the personal information collected during registration and in accreditation for the purposes of participating in the proceedings of the Meeting will be used exclusively for the purpose of holding the meeting and keeping the minutes.
The Chairman ascertains and notes that the Meeting has been duly convened and may discuss and resolve the items of the Agenda.
Before addressing the items on the Agenda, the Chairman discusses the most significant aspects of developments in the operations of the CEMENTIR HOLDING Group in 2008.
The Chairman takes the floor and starts to comment on the main annual report items, highlighting that after nine years of consecutive growth the fiscal year just ended was the first one in which the Group didn't improve its results compared with the year before. In particular, the profitability decline was due to a time difference between costs and revenues, which started from the second half of 2008; price and volumes declined rapidly, whereas energy costs declined at a lower pace due to different price dynamics of the underlying commodities.
With regards to future prospects, the Chairman notes that the macroeconomic backdrop remains very challenging, therefore any forecast has to be postponed to the end of the first half, as today there is no evidence of any sound and long term recovery.
The Chairman, though, highlights that there are some certainties for the immediate future: with regards mainly the cost cutting effort that all Group subsidiaries are undertaking in order to adjust the Company's fixed cost structure to a lower level of demand. In particular, the Group is about to complete an important restructuring plan in Scandinavia, encompassing both personnel reductions and production rationalisation, which should yield annual cost savings of around euro 30-35 million, once completed.
The Chairman continues underlying that that further cost savings will be possible thanks to the current sharp reduction of energy costs, which should bear its impact form the second half of current fiscal year. The Chairman points out that a further certainty for the Group is the circumstance that our Company has not followed the general debt "hangover" in order to pursue growth at any cost.
The Chairman explains how the company in the last few years has privileged organic growth to acquisitions, limiting its investments to capacity increases; for such aim construction began on the new white cement plant in China, scheduled to be completed in the first quarter of 2010, with an annual capacity of 600.000 metric tons at an estimated cost of EUR 60 million.
With reference to the macroeconomic backdrop, the Chairman adds that in the last 10 years worldwide markets have benefited from a sort of "financial doping" with the consequence that if a medium - long term rebound were to occur, it would not be of the same magnitude of the recent past. The Chairman further highlights that he does not believe in short to medium term favourable economic conditions.
Finally, the Chairman states that, in light of the current global crisis, trading for the rest of 2009 is very difficult to assess; nevertheless the Group does not rule out future external growth thanks to the Group's modest indebtedness than its main competitors which provides enough flexibility to pick up potential opportunities if overleveraged companies would be obliged to sell attractive assets.
At the end of his speech, the Chairman asks if there are any questions from the audience.
Mr. Tito POPULIN , holder of No.10.000 shares and No.17.000 shares by proxy, takes the floor. He expresses his opinion on current global crisis stating that it is also a consequence of psychological factors because liquidity exists but it is not made readily available; he notes that the Group financial and operating results improved, from September to December 2008 and asks the underlying reasons.
The Chairman answers that the operating and financial results improve thanks to hedging, strategies and working capital restructuring measures, as well as the sale of some financial stakes.
Mr. Populin asks if the Scandinavian restructuring and cost cutting plan may impact on the Group production capacity.

The Chairman replies that such plan is consistent with current market demand and potential future production shutdowns will be temporary and proportionate to the extent of the demand slump.
Mr. Populin asks if the demand contraction is also impacting white cement as it is considered more of a luxury product. The Chairman answers affirmatively, underlying that white cement , being mainly exported into the USA, has been severely affected by the recession in the United States.
Mr. Populin continues asking if the Italian Government current initiatives ("Piano Casa" and public works investment program) in the process of being approved may be an opportunity to increase Group revenues.
The Chairman answers that current initiatives undertaken by governments to solve the macroeconomic crisis cannot fill the gap between products demand and supply and does not expect major benefits.
With regards to current Italian government initiatives, their impact on cement demand is relatively small with respect to the overall size of such plans. On the contrary, as recent events in Abruzzo have shown, the Italian Government should rather try to improve manufacturing standards in ready-mixed concrete production, intensify quality controls and impose checks on the cement content in ready-mix concrete. The impacts on cement demand of such measures would certainly be greater than the effect of the above mentioned plans and could really produce a beneficial impact on the entire sector and on our Company, too.
Mr. Populin asks if a further cost reductions are expected. The Chairman answers that the only certainties are represented by: energy cost reduction, provided that the underlying commodity stays at current price levels, and by fixed costs reduction, which is already being tackled.
Mr. Populin asks about financial risks.
The Chairman answers that financial risks may lay on the increasing difficulty of cashing credits as well as in interest rates increases, although the company has already implemented credit monitoring procedures and the Group has limited financial leverage compared to its main competitors and management believes such risks to be under control.
Mr. Populin asks to be updated on current research and development projects .
The Chairman answers that main R&D projects are focusing on alternative energy use in cement production and explains that the Danish subsidiary has already implemented a project to reduce traditional energy sources to 50% of company needs by using alternative energy. Similar projects are being implemented in Turkey whereas in Italy, unfortunately, the delay in alternative fuels use is mainly attributable to local authorities inertia in giving out permits and therefore is outside our Company's responsibility.
Mr. Populin finally asks clarifications with regards to the fact that the company, originally part of the Star segment of the Italian Stock Exchange, is now part of the Standard segment, with penalizes shareholders because of shorter trading sessions.
The Chairman answers that one of the next Company objectives is precisely to ask permission to re-join the Star segment and to this extent, in the renewal of the Board of Directors, we have taken into consideration the need of having at least 4 independent board members as required by the "Codice di Autodisciplina".
The Chairman asks if there are other questions from the audience.
Mr. Gianmaria FIORENTINI, holder of No. 1 share, takes the floor. He asks why the cement plant of Cagnano Materno, owned by Sacci is still operational. The Chairman turns over to Mr. Riccardo Nicolini, who, as board member and Chairman of the operating subsidiary Cementir Italia Srl is the most informed person to answer to such question. Mr. Nicolini answers that the plant has been shutdown due to the recent earthquake.
The shareholder asks if the Pescara cement plant is still running. Mr. Nicolini answers that such plant, which has been acquired by Sacci from Lafarge, is operational. Mr. Fiorentini draws the conclusion that it will be difficult to supply the areas impacted by the earthquake due to transport costs and the long distances from the plants.
Mr. Nicolini, expressing his condolences for the earthquake victims, points out that, to the contrary, those areas could be easily reached by our Group thanks to the Maddaloni and Spoleto plants, with the additional advantage of being able to supply two different kinds of cement products.
Mr. Fiorentini, points out that the responsibilities of earthquake victims is attributable to the Italian public works tendering system. He continues asking whether the stake in Italcementi had been sold.

The Chairman answers affirmatively. He further explains that the stake - slightly greater than 2%, of which Cementir Holding's share was 1,7%- had been put together with the idea of allocating some financial resources to the industrial sector in which Cementir Holding operates in; the choice of disposing of such stake is due to cash optimisation in the face of a very harsh economic crisis.
Mr. Fiorentini continues expressing some doubts over the EUR 4,08 million salary paid to the Chairman, asking if such sum was in line with other managers in the sector and if he considered it appropriate for his contribution to the Company.
The Chairman answers that, firstly, any comparison with managers of other companies was incoherent and that it was not up to him to judge his pay package as appropriate and deserved or not. The only certainty is that his pay package is based on Group financial parameters (in particular cash flow generation) set by the company relevant bodies and therefore current remuneration is the result of the Group growth in the last 13 years. In this respect, the Chairman highlights that such growth, is essentially based on his intuition; in fact when Cementir Holding was acquired, the main shareholder's industrial competences in the cement sector were close to zero.
The Chairman, thus, claiming his complete autonomy from the Company's main shareholder, reaffirms that the growth of the Company has been the consequence of his entrepreneurial vision, implemented by the Company management. The Chairman furthermore, notes that in the last few years the development of the Company has been supported mainly by cash generation, without any share issuance and therefore without asking for shareholders support. Lastly, the Chairman adds that a considerable portion of his package has been reinvested in the company's shares as a demonstration that his interests are aligned with all other shareholders.
Mr. Fiorentini says that, in his opinion the big effort on the part of the Chairman in reality should be attributed to the fact that the Chairman owns a significant stake in the company.
With the completion of the answer, the Chairman asks if there are further questions from the audience. As no further questions are raised, he moves on to examine the first item on the agenda, "Presentation of the statutory financial statements at 31 December 2008, accompanied by the reports of the Board of Directors, the Board of Auditors and the Independent Auditors; the proposed dividend distribution. Approval of the related and consequent resolutions".
Asks and obtains the floor Mr. Giancarlo NUNE', representing by proxy the shareholder "PANTHEON 2000 SpA" holder of 4,466,928 who asks that the reading of the financial statements and the related reports be omitted, restricting the reading only to the parts regarding the proposed allocation of the results for the year. The proposal of the representative of the above shareholder is put to a vote and is approved unanimously.
The Chairman then reads the concluding part of the report of the Board of Directors concerning the allocation of the results for the year, as follows:
"The Board of Directors recommends that the Shareholders' Meeting:
- approve the Board's report on operations for 2008, the balance sheet, the income statement and the notes to the financial statements for the year ended 31 December 2008;
- cover the loss for the period of EUR 5,484,097 by drawing upon retained earnings;
- distribute a dividend to shareholders in the total amount of EUR 12,729,600.00, equal to EUR 0.08 per ordinary share, drawing on the corresponding portion of retained earnings for this purpose;
Than Mr. Marco RAVAIOLI takes the floor, representing by proxy the shareholders "CALT 2004 S.R.L" holder of 47,860,813 shares, "CALTAGIRONE S.P.A." holder of 2,533,226 shares, "LAV 2004 S.r.l.", holder of 40,543,880 shares, recommends to approve the statutory financial statements, the notes to the financial statements and the results destination proposal formulated by the Board of Directors, as well as the explanatory report of the Board of Directors concerning the fact that the dividend of EUR 0.08 per ordinary share, gross of withholding tax, will be paid as from 21 May 2009, with an ex-dividend date of 18 May 2009.
The Chairman asks if the Chairman of the Board of Auditors has any comments on the financial statements.
The Chairman of the Board of Auditors says that he has no additional comments other than those contained in the report accepted as having been read and expresses the recommendation of the Board of Auditors, stating that he was available for any necessary clarifications.
The Chairman, taking cognisance of the absence of other comments, asks the shareholders to vote

on the proposal made by Mr. Ravaioli.
The Shareholders' Meeting of CEMENTIR HOLDING SpA, having acknowledged the Directors' report on operations and the report of the Board of Auditors, and in view of the financial statements for the year ended 31 December 2008, with the nay vote of Massimo Massaroni representing the following shareholders:
ROGERSCASEY TARGET SOLUTIONS LLC.
RL MANAGER OF MANAGERS FD ICVCEUROPEAN EQUITY FUND
SEMPRA ENERGY PENSION MASTER TRUST
ING BEWAAR MAATSCHAPPIJ 1 BV
WISDOM TREE EUROPE SMALLCAP DIVIDEND FUND
WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND
WISDOMTREE INTL BASIC MATERIAL SE FD
CHIFLEY FINANCIAL SERVICES LIMITED ATF CHIFLEY WHOLESALE FUND
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM
STATE STREET BANK AND TRUST COMP. INV. FUNDS TAEXEMPT RETIREMENT PLANS
STATE STREET BANK AND TRUST COMP. INV. FUNDS TAEXEMPT RETIREMENT PLANS
STREETTRACKS MSCI EUROPE SMALL CAPSM
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM
MSCI EAFE SMALL CAP PROVISIONAL INDEX SECURITIES COM. TRUST FUND
GMO INTERNATIONAL SMALL COMPANIES FUND
FORD MOTOR COMPANY DEFINED BENEFIT
J. SAINSBURY COMMON INVESTMENT FUND
SAN FRANCISCO CITY & COUN.RET. SYSTEM
WHEELS COMMON INVESTMENT FUND
LANDROVER PENSION SCHEME
FORD MOTOR COMPANY OF CANADA, LIMITED MASTER TRUST
FORD UAW HOLDING LLC
COLLEGE RETIREMENT EQUITIES FUND
for a total of 725,881 shares and with the abstention of Massimo Massaroni representing the shareholder "HEALTHACARE EMPLOYEES PENSION TR" for No.8,178 shares, by majority
resolves
to approve the Directors' report on operations for the year 2008, the financial statements and the notes to the financial statements for the year ended 31 December 2008 as well as the results destination proposal and the payment of the dividend as specified above.
The Chairman takes the floor once again and, as regards the second item on the agenda, "Appointment of the Board of Directors for the period 2009, 2010 and 2011, after determining the number of the Board members and their remuneration", states:
"Shareholders,
with the approval of the financial statements for 2008, the term of the current Board of Directors has come to an end. The Shareholders' Meeting is therefore invited to appoint a new Board of Directors in accordance with the provisions of Article 5 of the Bylaws. In this regard, the Board of Directors is elected on the basis of slates, as specified below.
Article 5 of the Company bylaws establishes that the Board of Directors shall consist of no less than five and no more than fifteen members whose remuneration shall be determined by the Shareholders' Meeting. Board members can be re-appointed.
With regards to the number of the Board members, as already mentioned in the Report of The Board of Directors Agenda of today's AGM, it is proposed to keep the current number of 15 (fifteen) board members, as such number appears to be adequate for a proper functioning of the Board, apt to provide a diversified participation to the internal committees and sufficient to guarantee the continuity with current situation.
The Chairman asks the shareholders to cast their vote on such proposal.
The Assembly, acknowledging what has been said, with the nay vote of Mr. Massimo Massaroni representing the following shareholders:
ROGERSCASEY TARGET SOLUTIONS LLC.

RL MANAGER OF MANAGERS FD ICVCEUROPEAN EQUITY FUND
SEMPRA ENERGY PENSION MASTER TRUST
ING BEWAAR MAATSCHAPPIJ 1 BV
WISDOM TREE EUROPE SMALLCAP DIVIDEND FUND
WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND
WISDOMTREE INTL BASIC MATERIAL SE FD
CHIFLEY FINANCIAL SERVICES LIMITED ATF CHIFLEY WHOLESALE FUND
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM
STATE STREET BANK AND TRUST COMP. INV. FUNDS TAEXEMPT RETIREMENT PLANS
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STREETTRACKS MSCI EUROPE SMALL CAPSM
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM
MSCI EAFE SMALL CAP PROVISIONAL INDEX SECURITIES COM. TRUST FUND
GMO INTERNATIONAL SMALL COMPANIES FUND
FORD MOTOR COMPANY DEFINED BENEFIT
J. SAINSBURY COMMON INVESTMENT FUND
SAN FRANCISCO CITY & COUN.RET. SYSTEM
WHEELS COMMON INVESTMENT FUND
LANDROVER PENSION SCHEME
FORD MOTOR COMPANY OF CANADA, LIMITED MASTER TRUST
FORD UAW HOLDING LLC
FSS TRUSTEE CORPORATION
STATE OF INDIANA PUBLIC EMPLOYEES` RETIREMENT FUND
FONDS DE RESERVE POUR LES RETRAITES FRR
CGMI AS AGENT FOR THE 32 CAPITAL MASTER FUND SPC LTD-EUROPE SMALL CAP (BGI) C/O WALKERS SPV LTD
AXA WORLD FUNDS
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
WORLD EX-US SMALL CAP PLUS FUND
BARCLAYS GLOBAL INVESTORS, NA INV.FUND FOR EMP.B.TRUSTS
BARCLAYS GLOBAL INVESTORS, NA INV.FUND FOR EMP.B.TRUSTS
BARCLAYS GLOBAL INVESTORS, NA INV.FUND FOR EMP.B.TRUSTS
BARCLAYS GLOBAL INVESTORS, NA INV.FUND FOR EMP.B.TRUSTS
GLOBAL MARKET INSIGHT FUNDS B
EURO EX-UK ALPHA TILTS FUNDS B
BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND
for a total of 1,529,495 shares and with the abstention of Massimo Massaroni representing the shareholder "HEALTHACARE EMPLOYEES PENSION TR" for No.8,178 shares, and "COLLEGE RETIREMENT EQUITIES FUND" for No.10,000 shares, by majority

resolves

to approve the above stated proposal, set the number of Board Directors to 15 (fifteen).

The Chairman takes the floor reminding the Assembly that the election of the Board is based on slates presented by the Shareholders representing at least two percent of the share capital or other threshold set by law. The slates had to be submitted to the Company at least fifteen days before the date of the Assembly called in its first meeting.

The Chairman therefore, acknowledges that before such deadline only one slate has been presented, composed of 15 (fifteen) members, submitted by the shareholder Calt 2004 S.r.l, who owns 30,08% of the share capital of the Company.

Of such circumstance the Company has informed the market, pursuant to art, 144-octies of CONSOB Regulation n.11971/99 as amended on the 9th of April 2009.

Such list, includes all the relevant information on the presenting shareholders, with the indication of their overall participation in the share capital of the Company, the resumes of each component of the slate and an individual declaration which states: the absence of ineligibility or incompatibility causes,

the independence under the current law, where applicable, and acceptance of their responsibility.
The Chairman points out that from the declarations received, Mr. Flavio Cattaneo, Mr. Massimo Confortini, Mr. Alfio Marchini and Mr. Enrico Vitali can be considered as independent, pursuant to current legislation.
The Chairman reminds that as only one slate has been submitted, all candidates therein will be appointed according to the ordinary law majority.
At this point the Chairman, according to the Company bylaws and to current legislation, proposes to appoint the Board Members for the period 2009-2011 and hence up to the approval of the annual report as of 31 December 2011, by appointing all the members of the only slate available, submitted by Calt 2004 S.r.l. and reads the composition asking shareholders to vote.
The Assembly, acknowledging all of the above, with the nay vote of Mr. Massimo Massaroni representing the following shareholders:
ROGERSCASEY TARGET SOLUTIONS LLC.
RL MANAGER OF MANAGERS FD ICVCEUROPEAN EQUITY FUND
SEMPRA ENERGY PENSION MASTER TRUST
ING BEWAAR MAATSCHAPPIJ 1 BV
WISDOM TREE EUROPE SMALLCAP DIVIDEND FUND
WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND
WISDOMTREE INTL BASIC MATERIAL SE FD
CHIFLEY FINANCIAL SERVICES LIMITED ATF CHIFLEY WHOLESALE FUND
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM
STATE STREET BANK AND TRUST COMP. INV. FUNDS TAEXEMPT RETIREMENT PLANS
STATE STREET BANK AND TRUST COMP. INV. FUNDS TAEXEMPT RETIREMENT PLANS
STREETTRACKS MSCI EUROPE SMALL CAPSM
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM
MSCI EAFE SMALL CAP PROVISIONAL INDEX SECURITIES COM. TRUST FUND
GMO INTERNATIONAL SMALL COMPANIES FUND
FORD MOTOR COMPANY DEFINED BENEFIT
J. SAINSBURY COMMON INVESTMENT FUND
SAN FRANCISCO CITY & COUN.RET. SYSTEM
WHEELS COMMON INVESTMENT FUND
LANDROVER PENSION SCHEME
FORD MOTOR COMPANY OF CANADA, LIMITED MASTER TRUST
FORD UAW HOLDING LLC
FSS TRUSTEE CORPORATION
STATE OF INDIANA PUBLIC EMPLOYEES` RETIREMENT FUND
FONDS DE RESERVE POUR LES RETRAITES FRR
CGMI AS AGENT FOR THE 32 CAPITAL MASTER FUND SPC LTD-EUROPE SMALL CAP (BGI) C/O WALKERS SPV LTD
AXA WORLD FUNDS
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
WORLD EX-US SMALL CAP PLUS FUND
BARCLAYS GLOBAL INVESTORS, NA INV.FUND FOR EMP.B.TRUSTS
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GLOBAL MARKET INSIGHT FUNDS B
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BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND
for a total of 1,529,495 shares and with the abstention of Massimo Massaroni representing the shareholder "HEALTHACARE EMPLOYEES PENSION TR" for No.8,178 shares, and "COLLEGE RETIREMENT EQUITIES FUND" for No.10,000 shares, by majority

resolves

- to appoint as members of the Board of Directors for 2009, 2010 and 2011, until approval of the financial statements at 31 December 2011, the following persons:
- CALTAGIRONE Francesco, born in Rome (RM) on 29 October 1968, resident in Rome (RM), Via del Corso n. 509, Tax ID CLTFNC68R29H501B;
- CALTAGIRONE Edoardo, born in Rome (RM) on 12 April 1944, resident in Rome (RM), Viale Parioli n. 117, Tax ID CLTDRD44D12H501M;
- CALTAGIRONE Alessandro, born in Rome (RM) on 27 December 1969, resident in Rome (RM), via Cuboni n. 4, Tax ID CLTLSN69T27H501N;
- CALTAGIRONE Azzurra, born in Rome (RM) on 10 March 1973, resident in Rome (RM), Via Panama n. 16, Tax ID CLTZRR73C50H501B;
- CALTAGIRONE Saverio, born in Rome (RM) on 3 March 1971, resident in Rome (RM), piazza de' Ricci n. 129, Tax ID CLTSVR71C03H501V;
- CARLEVARIS Carlo, born in Naples (NA) on 5 August 1931, resident in Rome (RM), Via Ferdinando Liuzzi n. 25, Tax ID CRLCRL31M05F839E;
- CATTANEO Flavio, born in Rho (MI) on 27 June 1963, resident in Rome (RM), Via Tibullo n. 10, Tax ID CTTFLV 63H27H264T;
- CILIBERTO Mario, born in Crotone (KR) on 6 mMay 1946, resident in Rome (RM), Via Cavalier d'Arpino n. 5/A, Tax ID CLBMRA 46E06D122H;
- CONFORTINI Massimo, born in Avezzano (AQ) on 16 February 1954, resident in Rome (RM), Viale di Villa Massimo n. 13, Tax ID CNFMSM54B16A515X;
- CORSICO Fabio, born in Turin (TO) on 20 October 1973, resident in Chieri (TO), Via degli Olmi n. 19, Tax ID CRSFBA73R20L219E;
- DELFINI Mario, born in Rome (RM) on 19 April 1940, resident in Rome (RM), Via San Tarcisio n. 116, Tax ID DLF MRA 40D19 H501F;
- MARCHINI Alfio, born in Rome (RM) on 1 April 1965, resident in Rome (RM), Via Frattina n. 89, Tax ID MRCLFA65D01H501H;
- MONTEVECCHI Walter, born in Faenza (RA) il 28 September 1945, resident in Rome (RM), Via DELLA LUPA n. 22, Tax ID MNTWTR45P28D458Q;
- NICOLINI Riccardo, born in Rome (RM) on 26 August 1968, resident in Rome (RM), Via Archimede n. 141/A, Tax ID NCLRCR68M26H501N;
- VITALI Enrico, born in Milan (MI) on 31 March 1961, resident in Milan (MI), Via G. Revere n. 15, Tax ID VTLNRC61C31F205Z.
- all domiciled for such role at the Company headquarters, in Rome Corso di Francia, 200.

Mr. Gianmario Fiorentini, owner of 1 share takes the floor. He asks to know, during the last three years, how many Board meeting Mr. Edoardo Caltagirone attended, given that he as beœœen reappointed for the next mandate.

He enquires whether Mr. Caltagirone has ever attended one Board meeting. The Chairman answers that, although he could not give a precise answer as to how many meetings Mr. Caltagirone attended, he did participate to some meetings.

As long as there are no other requirements, Mr. Fiorentini, leaves the Assembly at 13,20.

The Chairman takes the floor to inform the Assembly that it has to resolve on remuneration of the Board.

Mr. Marco Ravaioli asks and obtains the floor, representing Calt 2004 S.r.l., and proposes to give EUR 1.000,00 for each Board Meeting each Board Member attends.

The Chairman asks if there are further proposals on the subject and then asks the shareholders to cast their vote.

The Assembly, with the nay vote of Mr. Massimo Massaroni representing the following shareholders:

ROGERSCASEY TARGET SOLUTIONS LLC.
RL MANAGER OF MANAGERS FD ICVCEUROPEAN EQUITY FUND
SEMPRA ENERGY PENSION MASTER TRUST
ING BEWAAR MAATSCHAPPIJ 1 BV
WISDOM TREE EUROPE SMALLCAP DIVIDEND FUND
WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND

WISDOMTREE INTL BASIC MATERIAL SE FD
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STREETTRACKS MSCI EUROPE SMALL CAPSM
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GMO INTERNATIONAL SMALL COMPANIES FUND
FORD MOTOR COMPANY DEFINED BENEFIT
J. SAINSBURY COMMON INVESTMENT FUND
SAN FRANCISCO CITY & COUN.RET. SYSTEM
WHEELS COMMON INVESTMENT FUND
LANDROVER PENSION SCHEME
FORD MOTOR COMPANY OF CANADA, LIMITED MASTER TRUST
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FSS TRUSTEE CORPORATION
STATE OF INDIANA PUBLIC EMPLOYEES` RETIREMENT FUND
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BARCLAYS GLOBAL INVESTORS, NA INV.FUND FOR EMP.B.TRUSTS
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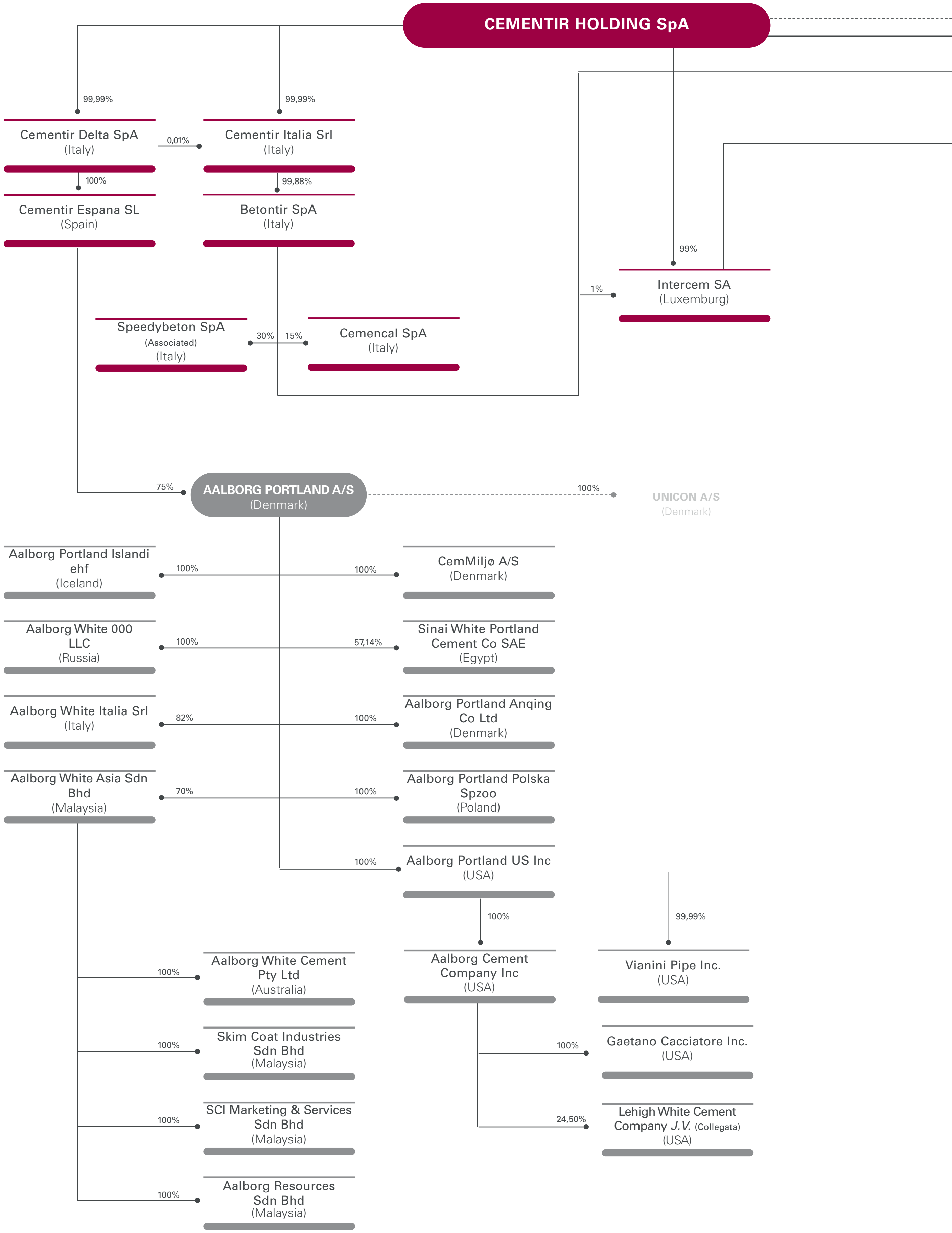
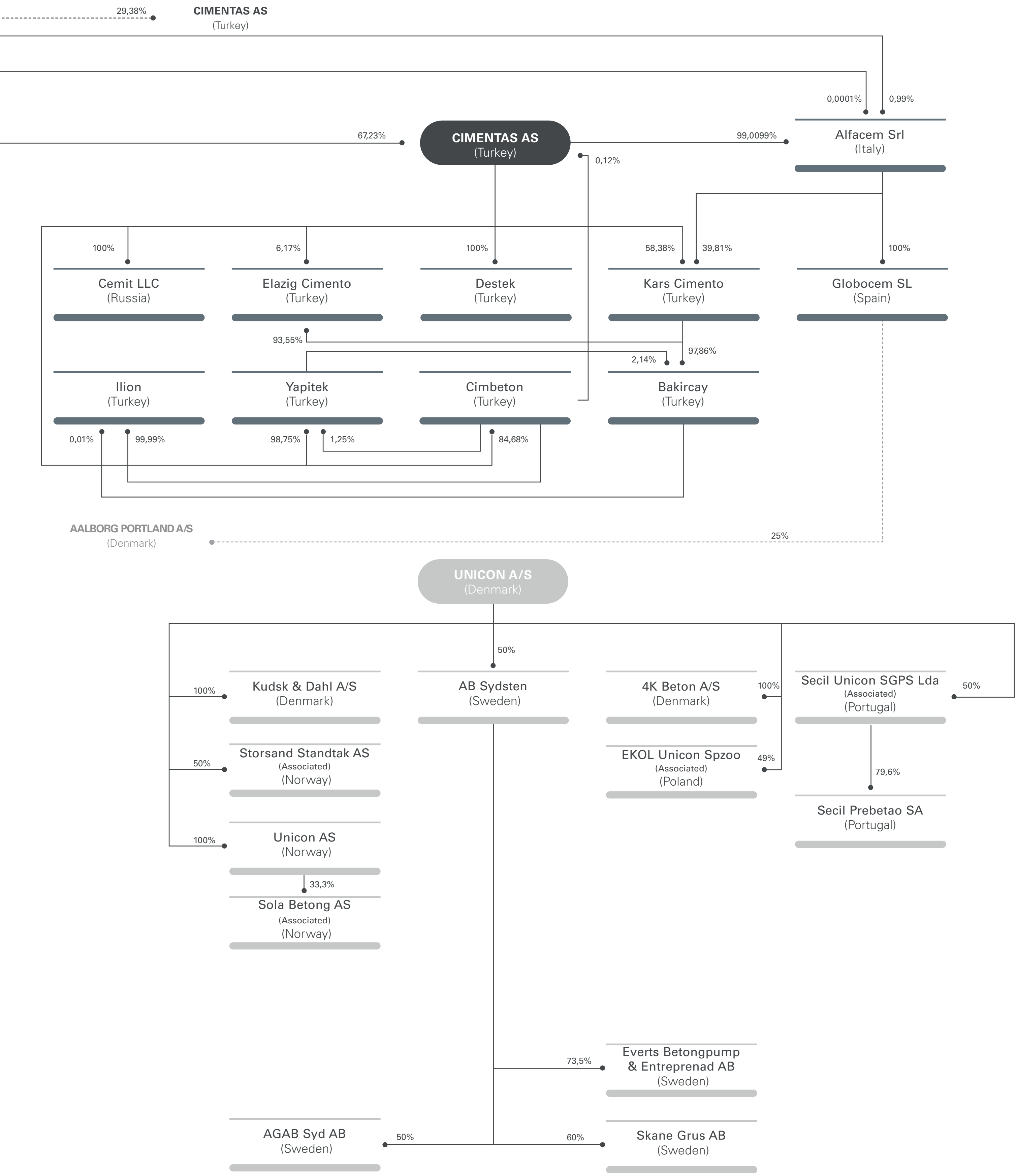
resolves
- to approve the proposal of the shareholder CALT 2004 S.r.l..
As there are no other items to be resolved and as no one asks to address the Meeting, the Meeting is concluded at 13.30.
I am exempted from reading the annexes as their content is already known. Upon my request, I, Notary, received this instrument, written in part by a person known to me and part by my hand and read by me who declare that it is in conformity with his intention.
It occupies thirty-four pages to here of nine sheets.

Francesco CALTAGIRONE [Signed]
Maurizio MISURALE, Notary [Signed]


CEMENTIR HOLDING SpA
99,99%
Cementir Delta SpA
(Italy)
0,01%
99,99%
Cementir Italia Srl
(Italy)
100%
Cementir Espana SL
(Spain)
99,88%
Betontir SpA
(Italy)
99%
Intercem SA
(Luxemburg)
1%
Speedybeton SpA
(Associated)
(Italy)
30%
15%
Cemencal SpA
(Italy)
75%
AALBORG PORTLAND A/S
(Denmark)
100%
UNICON A/S
(Denmark)
Aalborg Portland Islandi ehf
(Iceland)
100%
100%
CemMiljø A/S
(Denmark)
Aalborg White 000 LLC
(Russia)
100%
57,14%
Sinai White Portland Cement Co SAE
(Egypt)
Aalborg White Italia Srl
(Italy)
82%
100%
Aalborg Portland Anqing Co Ltd
(Denmark)
Aalborg White Asia Sdn Bhd
(Malaysia)
70%
100%
Aalborg Portland Polska Spzoo
(Poland)
100%
Aalborg Portland US Inc
(USA)
100%
99,99%
Aalborg Cement Company Inc
(USA)
Vianini Pipe Inc.
(USA)
100%
Aalborg White Cement Pty Ltd
(Australia)
100%
Skim Coat Industries Sdn Bhd
(Malaysia)
100%
SCI Marketing & Services Sdn Bhd
(Malaysia)
100%
Aalborg Resources Sdn Bhd
(Malaysia)
100%
Gaetano Cacciatore Inc.
(USA)
24,50%
Lehigh White Cement Company J.V. (Collegata)
(USA)


29,38%
CIMENTAS AS
(Turkey)
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99,0099%
Alfacem Srl
(Italy)
0,12%
100%
Cemit LLC
(Russia)
6,17%
Elazig Cimento
(Turkey)
100%
Destek
(Turkey)
58,38%
39,81%
Kars Cimento
(Turkey)
100%
Globocem SL
(Spain)
93,55%
97,86%
2,14%
Ilion
(Turkey)
Yapitek
(Turkey)
Cimbeton
(Turkey)
Bakircay
(Turkey)
0,01%
99,99%
98,75%
1,25%
84,68%
AALBORG PORTLAND A/S
(Denmark)
25%
UNICON A/S
(Denmark)
50%
100%
Kudsk & Dahl A/S
(Denmark)
AB Sydsten
(Sweden)
4K Beton A/S
(Denmark)
100%
Secil Unicon SGPS Lda
(Associated)
(Portugal)
50%
50%
Storsand Standtak AS
(Associated)
(Norway)
EKOL Unicon Spzoo
(Associated)
(Poland)
49%
79,6%
Secil Prebetao SA
(Portugal)
100%
Unicon AS
(Norway)
33,3%
Sola Betong AS
(Associated)
(Norway)
73,5%
Everts Betongpump
& Entreprenad AB
(Sweden)
AGAB Syd AB
(Sweden)
50%
60%
Skane Grus AB
(Sweden)

cementirholding

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Share Capital EUR 159,120,000 Tax Number 00725950638

Main brands of Cementir Holding group

aalborgportland CEMENTIR HOLDING
unicon CEMENTIR HOLDING
cementiritalia CEMENTIR HOLDING
çimentaş CEMENTIR HOLDING
cimbeton CEMENTIR HOLDING
betontir CEMENTIR HOLDING

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