cementirholding
CALTAGIRONE GROUP

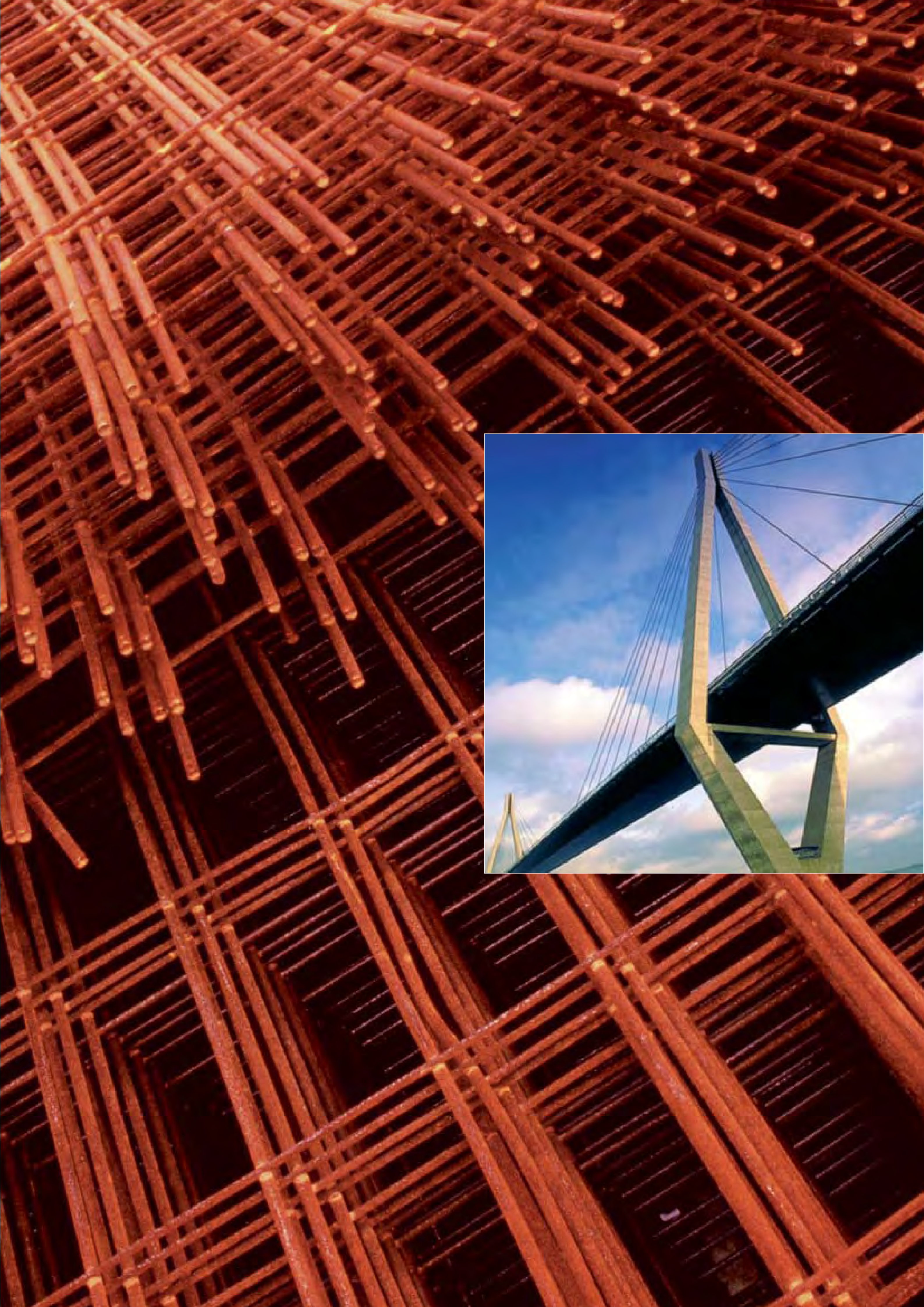
ANNUAL REPORT 2009
63rd FINANCIAL YEAR

cementir holding
CALTAGIRONE GROUP

ANNUAL REPORT 2009
63rd FINANCIAL YEAR

CONTENTS

Izmir plant (Turkey)



1

GENERAL INFORMATION

Dear Shareholders,

The Company's results for our sixty-third year declined with respect to the previous year in response to an international economic climate in which the construction and building materials industry was among the hardest hit by one of the most severe recessions in recent decades.

This rather protracted phase of stagnation in consumer spending and investment was caused by excessive financial leverage and the burden of public debt that governments had to incur to stave off the threat of a system-wide depression. Add to this the increasing selectiveness shown by banks in extending loans to businesses driven by their need to increase their supervisory capital, and it is quite difficult to expect significant signs of a short-term reversal of this trend.

We must prepare ourselves to face this enduring economic weakness by focusing on becoming more efficient, strengthening our value chain and concentrating on our strengths. In 2009 alone, we achieved cost savings of around EUR 30 million before restructuring costs. While thanks to our remarkably strong cash flows from operations, Cementir Holding is today only modestly financially leveraged compared with the rest of the sector and is in the position of facing the current crisis more serenely than many of our competitors.

While on the occasion of the release of our 2007 financial statements, I warned that the long cycle of expansion was coming to an end, this time I would like to emphasize instead that I remain firmly convinced that our Company is capable of growing in strength during such a difficult time and can find the resources needed to tackle the next stage of development with increased momentum. We must always look ahead, to the opportunities waiting to be seized, secure in the knowledge that the ambitious road we have travelled in just a few years has made us the top white cement producer in the world, giving us leading positions in Scandinavia, Turkey and Italy, as well as allowing us to establish promising operational platforms in emerging nations, such as China, Egypt and southeast Asia. We have just completed an important series of investments in new plants in Turkey, Egypt and China, where we are seeking to expand in the coming years, and in doing so continuing to create value for our shareholders.

I believe that each of us must confront this difficult phase with determination and enthusiasm, aiming for those growth targets that have always set our Company apart from the others.

Francesco Caltagirone Jr.
Chairman of the Board of Directors

Aalborg plant (Denmark)

NOTICE OF ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The shareholders are hereby called to the Ordinary and Extraordinary Shareholders' Meeting to be held at the Company's registered office in Rome at Corso di Francia, 200, on 19 April 2010 at 12:00 p.m. at first calling, and, if necessary, on 21 April 2010 at the same time and place at second calling, to vote upon the following:

Agenda

Ordinary business
Presentation of the statutory financial statements at 31 December 2009, accompanied by the reports of the Board of Directors, the Board of Auditors and the independent auditors, and the proposed distribution of dividends. Approval of the related and consequent resolutions. Presentation of the Cementir Group's consolidated financial statements at 31 December 2009 and accompanying reports, with approval of the related and consequent resolutions.
Extraordinary business
Amendment proposal of Art. 10 of the Company's bylaws pursuant to Art. 2365(2) of the Italian Civil Code. Approval of the related and consequent resolutions.

Participation in the 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 Art. 2370(2) of the Italian 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.
The Company's share capital is represented by 159,120,000 ordinary shares with a par value of 1.00 euro each. Each share gives the shareholder one vote.
Shareholders with voting rights may be represented by means of a written proxy, except as limited by the bylaws or applicable law. A written proxy may be granted using the proxy form included with the notice provided to shareholders by the financial intermediary charged with maintaining the records of their position.

Items to be added to the agenda at the request of the shareholders

Pursuant to Art. 126-bis of Legislative Decree 58/98, shareholders who represent at least 2.5% of the share capital with voting rights may send a request, within 5 days of publication of this notice, indicating items they would like added to the Meeting agenda. Items added to the agenda will be announced in the same manner required for publication of the notice of shareholders' meeting at least 10 days prior to the date set for the Meeting. Additions cannot be made for items that the Shareholder's Meeting is called upon to decide pursuant to the law or that are proposed by the Directors based on a project or a report they have prepared.

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 SpA as specified by the provisions of applicable law and regulations. The shareholders are entitled to request a copy. The documentation will also be available on the website www.cementirholding.it.
In view of the composition of the Company's shareholders, the Shareholders' Meeting may meet and resolve the agenda on 19 April 2010 at first calling.

Rome, 18 March 2010

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 PRESIDENT
Carlo Carlevaris

DIRECTORS
Alessandro Caltagirone
Azzurra Caltagirone
Edoardo Caltagirone
Saverio Caltagirone
Flavio Cattaneo[2]
Mario Ciliberto[1]
Massimo Confortini[2-3-4]
Fabio Corsico
Mario Delfini[3]
Alfio Marchini
Walter Montevecchi
Riccardo Nicolini[1]
Enrico Vitali[2-3]

Board of Auditors

CHAIRMAN
Claudio Bianchi

STANDING MEMBERS
Giampiero Tasco
Carlo Schiavone

Manager responsible for financial reports
Oprandino Arrivabene

Indipendent Auditors
PriceWaterhouseCoopers SpA

[1] Member of the Executive Committee
[2] Member of the Internal Control Committee
[3] Member of the Remuneration Committee
[4] Lead Indipendent Director

Cementir Holding, with plants in 13 countries, a capacity of more than 14 million metric tons of cement per year, 3.1 million cubic metres of ready-mixed concrete and 4.1 million metric tons of aggregates sold in 2009, 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.

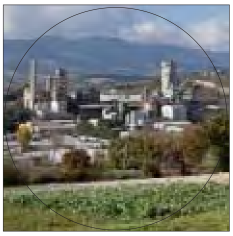
In 2009 Cementir Holding generated consolidated revenues of EUR 822 million, EBITDA of EUR 135 million and EBIT of EUR 52 million. On December 31st 2009 the Group employed 3,439 people.

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

14

Cement plants

14.7

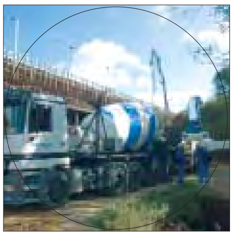


Cement production capacity (m/tons)

4.1

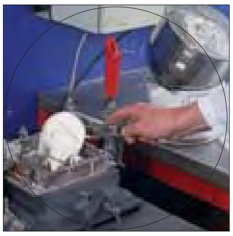
Aggregate sales (m/tons)

102



Ready-mixed concrete plants

2



Research centres

3.439

Workforce

Al Arish plant (Egypt)

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 aggregates: 900,000 m^3
Sales of aggregates: 700,000 t
Ready-mixed concrete plants: 44
Distribution centres: 9

NORWAY
Sales of ready-mixed concrete: 700,000 m^3
Ready-mixed concrete plants: 28

SWEDEN
Sales of ready-mixed concrete: 200,000 m^3
Sales of aggregates: 3,400,000 t
Ready-mixed concrete plants: 10

TURKEY
Grey cement production capacity: 5,400,000 t
Cement plants: 4
Sales of ready-mixed concrete: 1,200,000 m^3
Ready-mixed concrete plants: 14

ITALY
Grey cement production capacity: 4,300,000 t
Cement plants: 4
Sales of ready-mixed concrete: 120,000 m^3
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: 500,000 t
Cement plants: 1

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

ICELAND
Distribution centres: 1

POLAND
Distribution centres: 1

NETHERLANDS
Distribution centres: 1

NETHERLANDS

SWEDEN

USA

ICELAND

DENMARK

MALAYSIA

ITALY

EGYPT

TURKEY

TURKEY

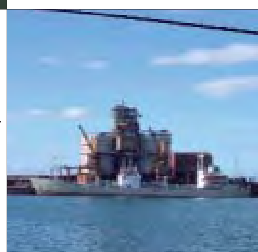
PORTUGAL

CHINA

DENMARK

NORWAY

ITALY



Cementir Holding in figures

Grey cement production capacity:
11.8 millions metric tons

White cement production capacity:
2.9 millions metric tons

Sales of ready-mixed concrete:
3.1 millions cubic metres

Sales of aggregates:
4.1 millions metric tons

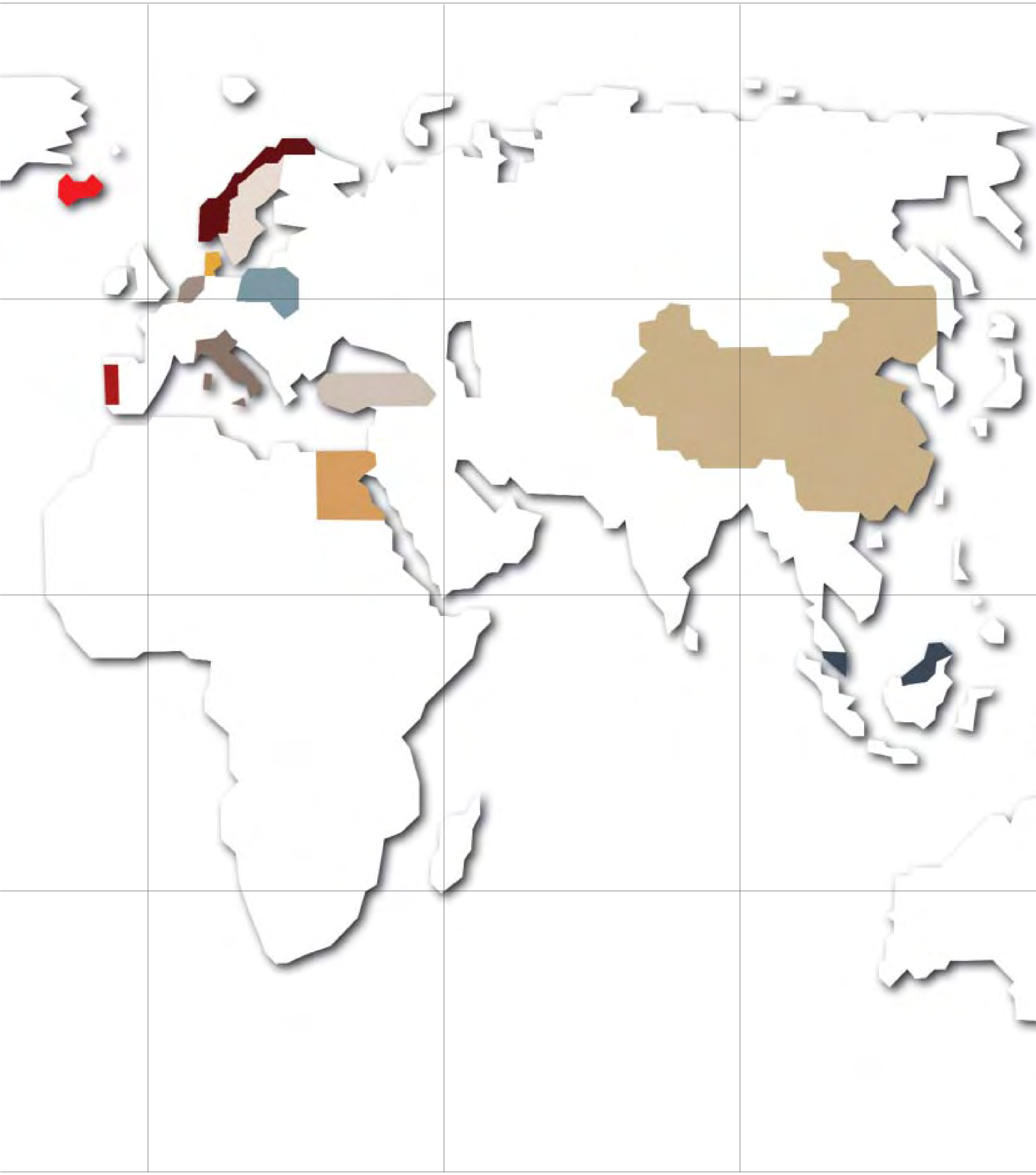
Cement plants:
14

Ready-mixed concrete plants:
102

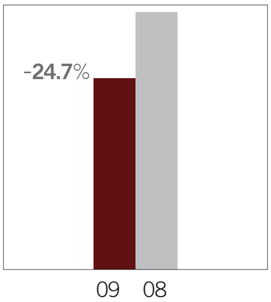
Distribution centres:
16

Cement product plants:
6

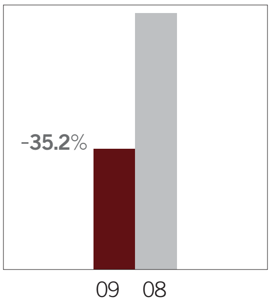
- USA
- DENMARK
- NORWAY
- SWEDEN
- ICELAND
- POLAND
- NETHERLANDS
- ITALY
- PORTUGAL
- TURKEY
- EGYPT
- MALAYSIA
- CHINA



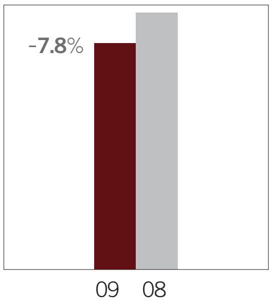
MAIN PERFORMANCE AND FINANCIAL DATA



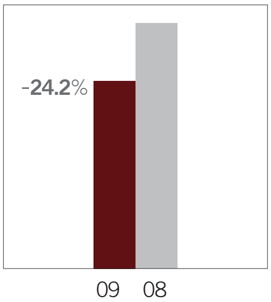
Revenues



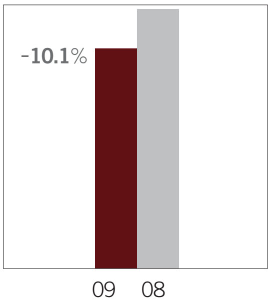
EBITDA



Cement sales (million tons)



Ready-mixed concrete sales (m^3)



Aggregates sales (million tons)

Consolidated results

[EUR '000]	2009	2008	Change %
Revenues from sales and services	**822,473**	**1,092,186**	**-24.7%**
Change in inventories	520	9,664	
Other revenues*	14,150	15,137	
Total operating revenues	**837,143**	**1,116,987**	**-25.0%**
Raw material costs	(355,999)	(465,497)	
Personnel costs	(147,918)	(172,019)	
Other operating costs	(197,735)	(270,244)	
Total operating costs	**(701,652)**	**(907,760)**	**-22.7%**
EBITDA	**135,491**	**209,227**	**-35.2%**
EBITDA Margin %	*16.47%*	*19.16%*	
Depreciation, amortisation, impairment losses and provisions	(83,354)	(81,085)	
EBIT	**52,137**	**128,142**	**-59.3%**
EBIT Margin %	*6.34%*	*11.73%*	
Financial income (expense)	**(4,106)**	**(35,934)**	
Profit before tax	**48,031**	**92,208**	**-47.9%**
Profit Before Tax Margin %	*5.84%*	*8.44%*	
Income taxes	(13,688)	(18,730)	
Net profit (loss) for the period	**34,343**	**73,478**	**-53.2%**
Net profit attributable to minority interests	4,501	8,205	
Group net profit	**29,842**	**65,273**	**-54.3%**

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

Summary

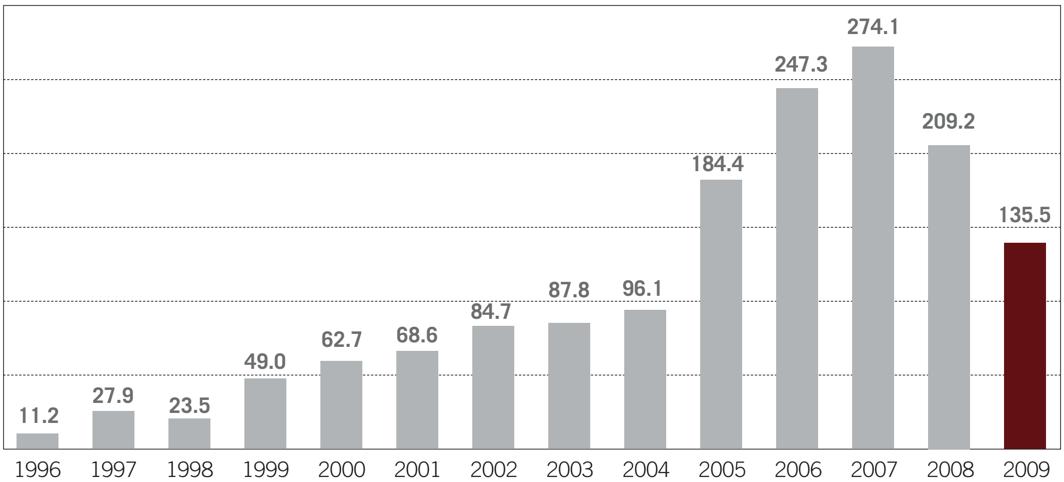
[EUR '000]	2002	2003	2004	2005	2006	2007	2008	2009
Sales	283,006	292,031	391,264	857,780	1,049,661	1,147,085	1,092,186	822,473
EBITDA	84,717	87,774	96,145	184,431	247,330	274,111	209,227	135,491
EBITDA Margin	*29.93%*	*30.06%*	*24.57%*	*21.50%*	*23.56%*	*23.90%*	*19.16%*	*16.47%*
EBIT	50,124	52,859	59,676	119,249	180,844	197,314	128,142	52,137
EBIT Margin	*17.71%*	*18.10%*	*15.25%*	*13.90%*	*17.23%*	*17.20%*	*11.73%*	*6.34%*
Profit before tax	60,510	39,885	92,269	114,951	168,430	199,427	92,208	48,031
Group net profit	45,308	60,243	67,615	109,397	114,074	140,399	65,273	29,842
Acquisitions	-	-	600,024	152,246	112,467	4,010	22,200	10,750
Net financial position	76,783	112,730	(298,649)	(403,539)	(437,540)	(364,848)	(416,432)	(381,293)
Employees number as of Dec, 31	1,274	1,233	3,071	3,126	3,745	3,882	3,847	3,439

Sales volumes

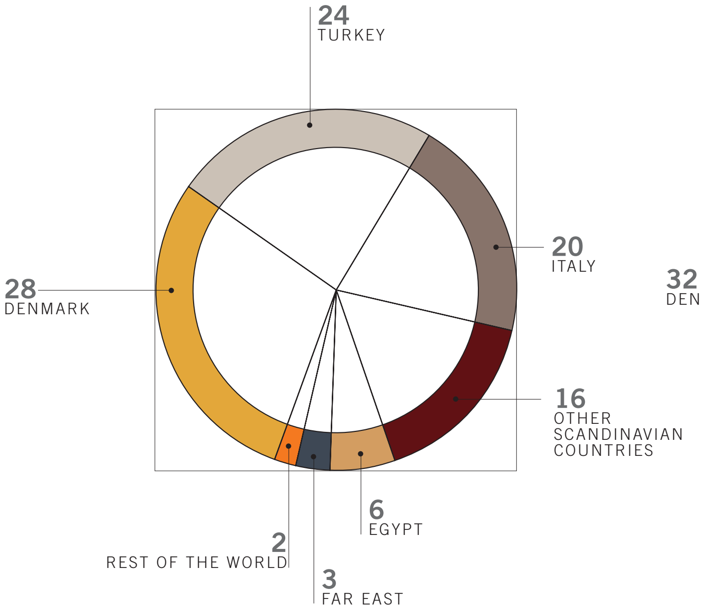
In thousands	2002	2003	2004	2005	2006	2007	2008	2009
Grey and white cement (t)	5,074	5,444	6,198	8,979	10,235	10,882	10,461	9,641
Ready-mix concrete (m^3)	923	951	1,538	3,902	4,326	4,533	4,056	3,074
Aggregates (t)	-	-	518	3,105	2,931	3,567	4,539	4,079

EBITDA performance 1996/2009

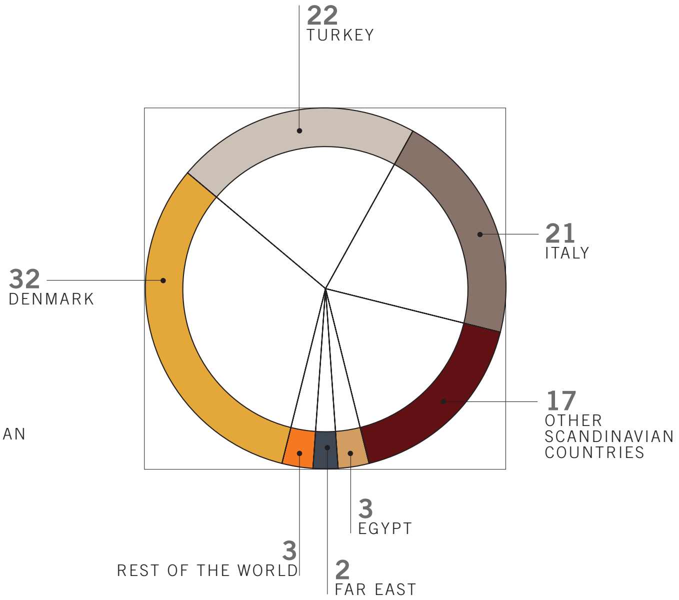
EUR million



Revenues by geographical area



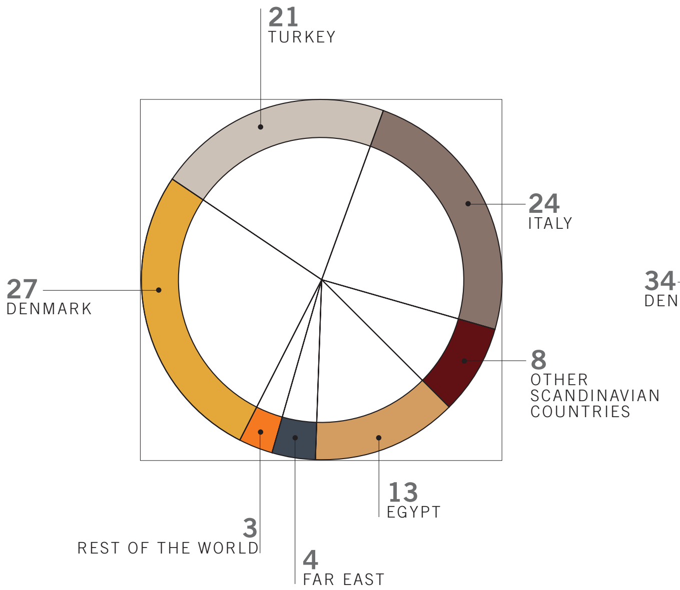
% Revenues by geographical area (2009)



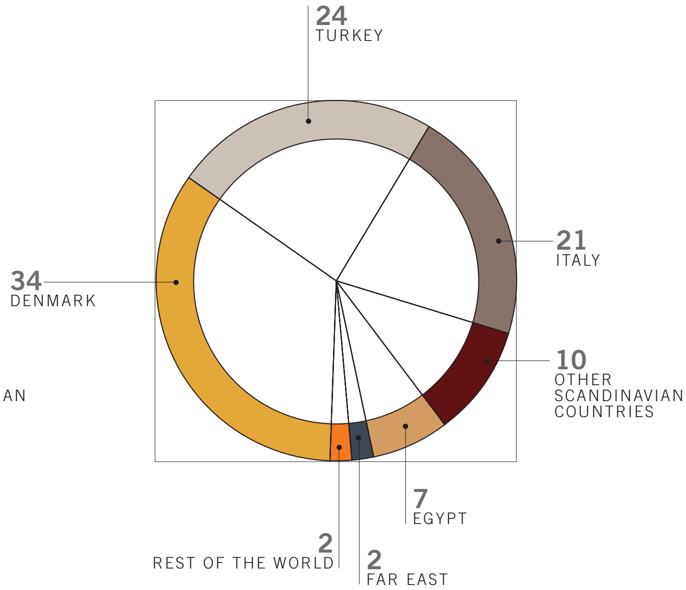
% Revenues by geographical area (2008)

[EUR '000]	2009	2008	Change %
Denmark	233,910	356,867	-34.5%
Turkey	203,961	248,945	-18.1%
Italy	170,800	233,944	-27.0%
Other Scandinavian countries	131,950	187,086	-29.5%
Egypt	51,519	34,913	47.6%
Far East	24,986	23,628	5.7%
Rest of world	20,017	31,604	-36.7%
Total	**837,143**	**1,116,987**	**-25.1%**

EBITDA by geographical area



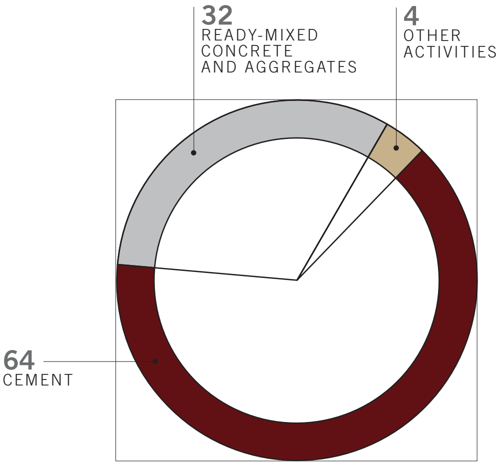
% EBITDA by geographical area (2009)



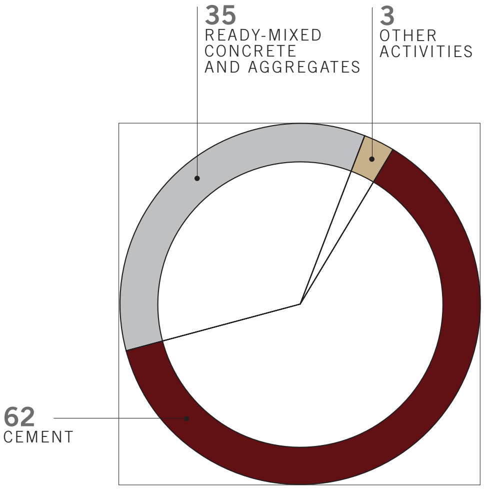
% EBITDA by geographical area (2008)

[EUR '000]	2009	2008	Change %
Denmark	36,897	71,533	-48.4%
Turkey	28,769	49,994	-42.5%
Italy	32,832	43,278	-24.1%
Other Scandinavian countries	10,579	21,508	-50.8%
Egypt	17,076	13,878	23.0%
Far East	4,955	4,227	17.2%
Rest of world	4,383	4,809	-8.9%
Total	**135,491**	**209,227**	**-35.2%**

Revenues by business segment



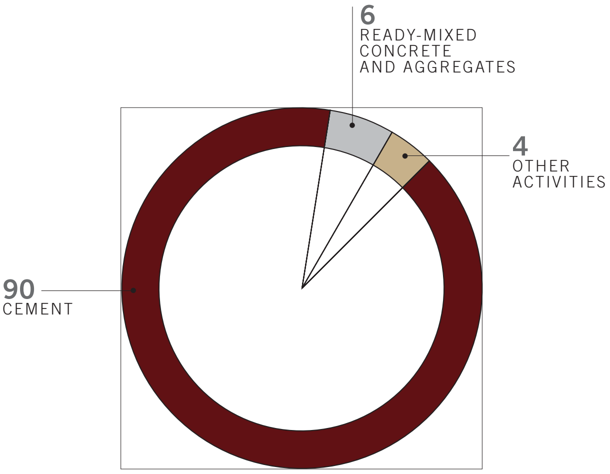
% Revenues by business segment (2009)



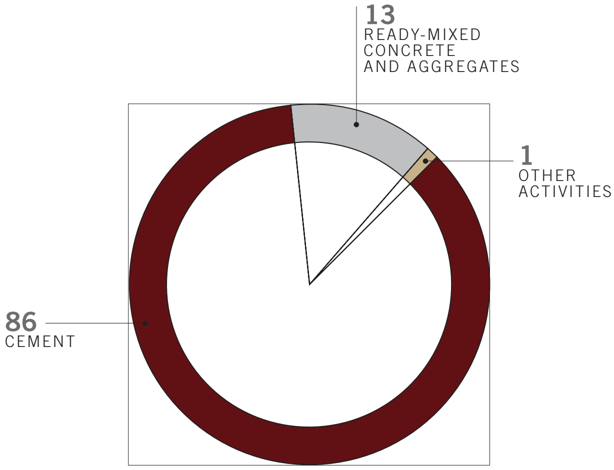
% Revenues by business segment (2008)

[EUR '000]	2009	2008	Change %
Grey and white cement	537,747	692,520	-22.3%
Ready-mixed concrete and aggregates	269,076	389,621	-30.9%
Other activities	30,320	34,846	-13.0%
Total	**837,143**	**1,116,987**	**-25.1%**

EBITDA by business segment



% EBITDA by business segment (2009)



% EBITDA by business segment (2008)

[EUR '000]	2009	2008	Change %
Grey and white cement	122,375	178,323	-31.4%
Ready-mixed concrete and aggregates	7,685	27,786	-72.3%
Other activities	5,431	3,118	74.2%
Total	**135,491**	**209,227**	**-35.2%**

CEMENTIR HOLDING ON THE STOCK MARKET

Share capital

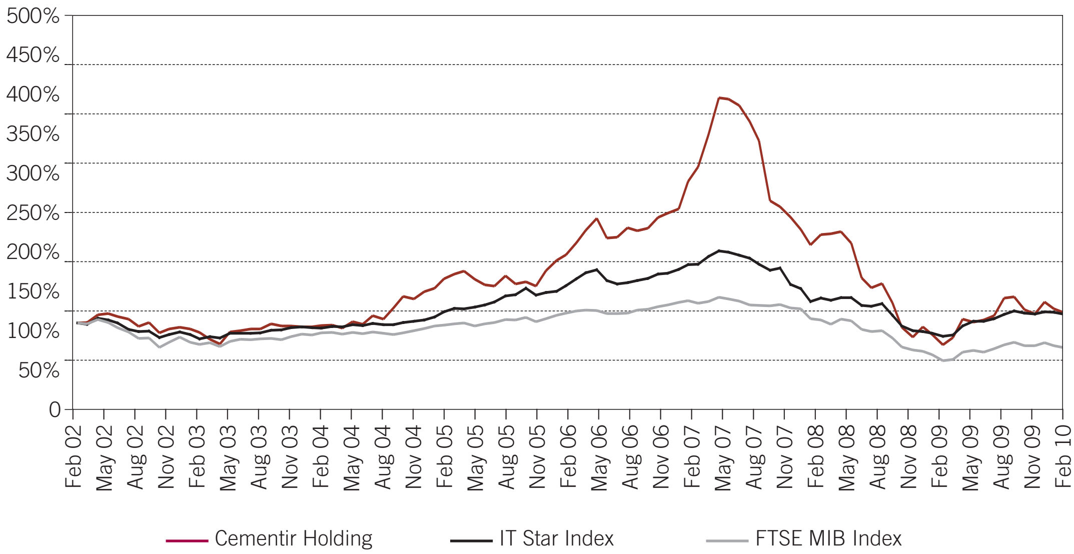
On December 31st 2009, Cementir Holding SpA had share capital of EUR 159,120,000 represented by 159,120,000 ordinary shares with a par value of EUR 1 each.

Dividend

[Nominal in EUR/Cents]	2002	2003	2004	2005	2006	2007	2008	2009
Dividend per share	6	6	7	8,5	10	12	8	6

Developments in Cementir Holding stock price and the IT Star Index and FTSE MIB Index

[basis January 2002=100]



Aalborg plant (Denmark)

2

REPORT ON OPERATIONS FOR THE CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS

GROUP PERFORMANCE

The consolidated financial statements of the Cementir group at 31 December 2009 have been prepared in accordance with CONSOB Regulation no. 11971/1999 as amended.

Results

[EUR '000]	Jan-Dec 2009	Jan-Dec 2008	Change %
REVENUES FROM SALES AND SERVICES	**822,473**	**1,092,186**	**-24.7%**
Change in inventories	520	9,664	-94.6%
Other revenues*	14,150	15,137	-6.5%
TOTAL OPERATING REVENUES	**837,143**	**1,116,987**	**-25.0%**
Raw material costs	(355,999)	(465,497)	-23.5%
Personnel costs	(147,918)	(172,019)	-14.0%
Other operating costs	(197,735)	(270,244)	-26.8%
TOTAL OPERATING COSTS	**(701,652)**	**(907,760)**	**-22.7%**
EBITDA	**135,491**	**209,227**	**-35.2%**
EBITDA Margin %	*16.47%*	*19.16%*	
Depreciation, amortisation, impairment losses and provisions	(83,354)	(81,085)	2.8%
EBIT	**52,137**	**128,142**	**-59.3%**
EBIT Margin %	*6.34%*	*11.73%*	
FINANCIAL INCOME (EXPENSE)	**(4,106)**	**(35,934)**	**88.6%**
PROFIT BEFORE TAX	**48,031**	**92,208**	**-47.9%**
PROFIT BEFORE TAX Margin %	*5.84%*	*8.44%*	
Income taxes	(13,688)	(18,730)	26.9%
NET PROFIT (LOSS) FOR THE PERIOD	**34,343**	**73,478**	**-53.2%**
NET PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	4,501	8,205	-45.1%
GROUP NET PROFIT	**29,842**	**65,273**	**-54.3%**

* Other revenues" includes the items of the income statements "Increases for internal work" and "Other operating revenues".

In 2009, revenues from sales and services amounted to EUR 822.5 million (-24.7% compared with EUR 1,092.2 million in 2008), EBITDA came to EUR 135.5 million (-35.2% compared with EUR 209.2 million in 2008), while EBIT amounted to EUR 52.1 million (-59.3% compared with EUR 128.1 million the previous year) and Group net profit was EUR 29.8 million (-54.3% compared with EUR 65.3 million in 2008).

The construction industry in 2009 was characterized by ongoing weakness in demand, due mainly to the contraction of the real estate market, which led to a decline in sales volumes in all industry segments (cement, concrete and aggregates) and a consequent reduction in revenues (-24.7% from 31 December 2008). This drop was more marked in the industrial countries, where the Group has a greater presence, whereas sales volumes rose in Egypt, where the Group significantly increased its production capacity last year.

In this environment, strategy was aimed at containing operating costs, which declined by a total of 22.7% from 31 December 2008.

In particular, the cost of materials went from EUR 465.5 million in 2008 to EUR 356.0 million in 2009 (-23.5%), due both to the decline in quantities produced and the reduction in energy and transport costs, as oil prices fell.
Despite the non-recurring reorganisation charge of about EUR 6.2 million, personnel costs declined by EUR 24.1 million compared with 2008, thanks to the continuation of the corporate reorganisation begun last year, which led to a reduction in the number of Group employees from 4,006 in mid-2008 to the current 3,439.
The decrease in other operating costs (down 26.8% compared with 31 December 2008) is the result of management's constant search for efficiency along the entire production process, achieved by taking a variety of actions, including rationalising the distribution process, temporary plant stoppages and close monitoring of maintenance costs.
These cost reduction efforts only partially offset the impact of the decline in revenues on EBITDA, which went from EUR 209.2 million in 2008 to EUR 135.5 million last year, but such efforts were indispensable in limiting the loss of industrial profitability. While the EBITDA margin on sales fell from the 19.2% of 2008 to 16.5% in 2009, the effectiveness of the actions taken was reflected in the progressive improvement in the margin over the course of the year (from 11.7% in the first quarter to 16.5% for the full year), reflecting a recovery in profitability.
Financial management yielded a negative EUR 4.1 million (EUR -35.9 million in 2008), leaving debt of EUR 381.3 million at the end of the period. This result reflects the effectiveness of foreign exchange and commodity hedges, and the capacity to manage the debt and the related borrowing costs at a time of crisis.

Directors' report

Significant events

The actions undertaken by the main political and financial institutions led to the gradual stabilisation during the year in a number of key macroeconomic variables, such as the price of oil, the euro-dollar exchange rate and the level of interbank interest rates. However, the end to the worst of the financial crisis was not reflected in an analogous improvement in the real economy, which continues to have excess capacity in various industries and faces uncertain market demand. In particular, the construction industry experienced further a slowdown compared with 2008, both as a result of the continuing crisis in the residential construction segment, which was heightened by a tightening in lending conditions, as well as the delays in the launch of the public works announced on numerous occasions by the governments of the countries in which the Group operates.
In an economic environment marked by rising uncertainty about future demand in the leading industrial countries, the Group has focused on containing operating overheads through company restructuring aimed at lowering fixed costs in line with the declining revenues, as well as at increasing the efficiency of production.
As regards developments in the business plan, work was completed in late 2009 on expanding production capacity in China, where a new white cement plant was built with an annual capacity of 600 thousand metric tons near the Group's existing facility.

Outlook

After a year of weak market demand, decisive signs of a recovery have yet to emerge, leaving the outlook for 2010 equally uncertain. During the year, the Group will continue to pursue its goal of improving operational efficiency by consolidating its presence in its key markets, increasing exports

to new markets and containing production costs. In this context, we expect performance in 2010 to be substantially in line with that in 2009, unless there is a further deterioration in the already difficult general economic situation in light of rising unemployment, an excessive increase in the sovereign debt of developing countries and the state of the credit system in relation to any exit strategies adopted.
As regards the business plan, the completion of the new plant in China marks the end of the planned extraordinary investments. In 2010, the Group will carry out a reorganisation aimed at improving efficiency and profitability.

Indicators of financial results

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

PERFORMANCE INDICATORS	2009	2008	COMPOSITION
Return on equity	3,22%	7,07%	Net profit(loss)/shareholders' equity
Return on capital employed	3,60%	8,80%	EBIT/(shareholders' equity+Net financial position)
FINANCIAL POSITION INDICATORS	**2009**	**2008**	**COMPOSITION**
Equity ratio	58,63%	57,77%	Shareholders' equity/total assets
Net Gearing Ratio	35,76%	40,08%	Net financial position/shareholders' equity

The performance indicators at 31 December 2009 reflect the decline in profitability as a result of the contraction in operations. Nevertheless, both indicators are well above the average return on a low-risk investment.
The financial position indicators provide a view of the Group's financial soundness. Specifically, the net gearing ratio went from 40.08% in 2008 to 35.76% in 2009, thanks to the roughly EUR 35.1 million improvement in the net financial position. It represents a level of financial leverage that is easily sustainable, underscoring the ability of the Group to generate cash flows even in the midst of extremely critical market conditions.

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 2009, the Group's maximum exposure to credit risk of EUR 145.7 million is represented by the carrying value of receivables from customers. 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 expected cash flows and the consequent timing of debt reduction, the liquidity and any funding requirements of the subsidiaries with a view to identifying the most appropriate structures for more 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 ready-mixed 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 381.3 million at 31 December 2009, 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 US dollars, neither of which have very steep yield curves. Based on an overall assessment of the level of expected interest rates and the timing of debt reduction in relation to forecast cash flows, interest rate swaps are used to partially hedge the risk.

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 CO2 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 CO2 emissions. CemMiljo, a subsidiary of the Aalborg Portland group, engages in the acquisition of non-hazardous industrial waste that is used to replace coal and petcoke as fuel for clinker kilns at the Aalborg facilities. 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 CO2 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 2009 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 2009 carbon dioxide (CO_2) emissions by Cementir Holding group facilities, resulting from the use of fossil fuels, amounted to 6.6 million metric tons (7.5 million metric tons in 2008). The 2009 average of 0.68 grams per metric ton of cement equivalent (g/TCE), is about 5% less than in 2008 (0.72g/TCE). Emissions of sulphur dioxide (SO_2), which are associated with the presence of sulphur in the fuels employed, amounted to 243 grammes per metric ton of cement equivalent (g/TCE), down about 15% from the level registered in 2008 (284 g/TCE).
The Group has also adopted environmental management systems that have been certified as meeting the ISO 14001 standard. This voluntary standard sets out the requirements for an effective environmental management system. In 2009, six of the Group's facilities were certified under the standard (unchanged on 2008).
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 8.2 million in 2009. Between 2007 and 2009, EUR 25 million was invested. As a result of these measures, the frequency rate for workplace accidents fell from 32.2 in 2007 to 19.8 in 2009.
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 2009, four facilities received this certification.
The Group's commitment to sustainable development is described in more detail in its Environmental Report, the third edition of which was published in 2009.

GROUP PARENT PERFORMANCE

The following table sets out the highlights of Cementir Holding SpA's performance at 31 December 2009:

Results

[EUR '000]	Jan-Dec 2009	Jan-Dec 2008	Change %
REVENUES FROM SALES AND SERVICES	**11,099**	**9,030**	**22.9%**
Other revenues	1,152	966	19.3%
Personnel costs	(4,979)	(4,602)	8.2%
Other operating costs	(5,543)	(7,110)	-22.0%
EBITDA	**1,729**	**(1,716)**	**200.1%**
Depreciation, amortisation, impairment losses and provisions	(346)	(307)	12.7%
EBIT	**1,383**	**(2,023)**	**168.4%**
FINANCIAL INCOME (EXPENSE)	**(3,237)**	**(5,746)**	**43.7%**
PROFIT BEFORE TAX	**(1,854)**	**(7,769)**	**76.1%**
Income taxes	248	2,285	-89.1%
NET PROFIT (LOSS) FOR THE PERIOD	**(1,606)**	**(5,484)**	**70.7%**

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. The increase for the year is essentially attributable to revenues for royalties, which in 2009 were calculated for the entire year, whereas in 2008 they regarded the final seven months of the year only.
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 216.4 million in 2009 (EUR 293.3 million in 2008), EBITDA of EUR 61.5 million (EUR 82.7 million in 2008) and EBIT of EUR 34.0 million (EUR 57.7 million in 2008).
The decline in revenues and operating margins with respect to 2008 is due to the contraction in the residential building and construction market in the group's main market (Denmark) and its main export markets (the United States and the United Kingdom).

Unicon group

The Unicon group, which mainly manufactures and sells ready-mixed concrete, reported revenues of EUR 228.3 million in 2009 (EUR 331.8 million in 2008), EBITDA of EUR 10.3 million (EUR 30.6 million in 2008) and negative EBIT of EUR 6.4 million (a positive EUR 14.6 million in 2008).
In 2009, the slowdown in the construction market in Denmark, Norway and Sweden, the Unicon group's main area of operations, that began in the second half of 2008 worsened, causing a decline in revenues that was only partly offset by a substantial reduction in operating costs.

Cimentas group

The Cimentas group, which manufactures and sells cement and ready-mixed concrete, reported revenues of EUR 205.8 million in 2009 (EUR 246.5 million in 2008), EBITDA of EUR 28.7 million (EUR 51.5 million in 2008) and EBIT of EUR 8.7 million (EUR 30.1 million in 2008).
The performance reflects the contraction in demand and fierce price competition in Turkey, which the Cimentas group sought to counter by increasing exports where possible.

Cementir Italia group

The Cementir Italia group, which manufactures and sells cement and ready-mixed concrete, reported revenues of EUR 169.9 million in 2009 (EUR 220.6 million in 2008), EBITDA of EUR 31.3 million (EUR 45.3 million in 2008) and EBIT of EUR 12.5 million (EUR 26.8 million in 2008).
The difficulties in the Italian construction market increased in 2009, as the expected decline in residential construction, the main driver of growth in the sector up to 2007, was not replaced by greater investment in public works, which continue to be delayed by incredibly slow implementation procedures.

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 financial position indicators, the equity ratio reported in the following table, which declined mainly as a result of the distribution of dividends in 2009, underscores the strength of the Company's capital structure.

FINANCIAL POSITION INDICATORS	2009	2008	COMPOSITION
Equity ratio	68.41%	83.34%	Shareholders' equity/total assets

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 2009, Cementir Holding SpA's exposure to credit risk was not significant since the Company's receivables are for limited amounts and are mainly due from its subsidiaries for services provided.
Cementir Holding SpA's exposure to liquidity risk is also not significant given its positive net financial position of EUR 122.7 million at 31 December 2009. 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.
Cementir Holding SpA has a small direct exposure to exchange rate risk since it may have foreign currency borrowings and/or deposits. The Company constantly monitors these risks in order to assess 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 rate subsidies on a number of these borrowings. Based on an overall assessment of the level of expected interest rates and the timing of debt reduction in relation to forecast cash flows, interest rate swaps are used to partially hedge the risk.

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 2009, 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 adapt its corporate governance system to the principles of the Corporate Governance Code for Listed Companies drafted by the Corporate Governance Committee of Borsa Italiana SpA in March 2006.
Specifically, on 21 April 2009, the Shareholders' Meeting appointed the Company's Board of Directors to a further three-year term (2009-2011). On 7 May 2009, the Board confirmed Francesco Caltagirone Jr. as Chairman and ascertained that the directors Flavio Cattaneo, Alfio Marchini, Enrico Vitali and Massimo Confortini satisfied the criteria for independence in accordance with existing regulations and the Corporate Governance Code.
During that meeting, the Board also appointed the Executive Committee, the Internal Control Committee and the Remuneration Committee.
Oprandino Arrivabene, the Company's CFO, was confirmed as the manager responsible for preparing the Company's financial reports for 2009.
Finally, it should be noted that the Company's ordinary shares were once again admitted for trading on the STAR segment of Borsa Italiana SpA starting 21 May 2009.
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", available 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.

Compliance Model pursuant to Legislative Decree 231/2001

After a careful analysis of the potential risks of criminal conduct attached to the Company's business activities, on 8 May 2008, the Board of Directors of Cementir Holding SpA approved the Compliance Model in line with the principles set out in 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.
On 7 May 2009 the Board also reappointed the Supervisory Body, first elected on 8 May 2008, to a further three-year term. The Supervisory Body is responsible for continually updating the model and ensuring implementation and compliance.

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 do not hold.

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 2010.

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	6,467,674	59,604	-	6,527,278
Edoardo Caltagirone	Cementir Holding SpA	286,000	-	-	286,000
Alessandro Caltagirone	Cementir Holding SpA	3,151,404	-	-	3,151,404
Azzurra Caltagirone	Cementir Holding SpA	2,291,796	-	-	2,291,796
Mario Ciliberto	Cementir Holding SpA	70,000	7,000	-	77,000
Riccardo Nicolini	Cementir Holding SpA	55,000	12,500	35,000	32,500
Carlo Schiavone	Cementir Holding SpA	5,000	-	-	5,000

Subsequent events

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

Proposed allocation of net loss

The Board of Directors recommends that the Shareholders’ Meeting:

- approve the Board’s report on operations for 2009, the statement of financial position, the income statement and the notes to the financial statements for the year ended 31 December 2009;
- cover the loss for the period of EUR 1,606,438 by drawing upon retained earnings;
- distribute a dividend to shareholders in the total amount of EUR 9,547,200, equal to EUR 0.06 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 2009

[EUR '000]	Profit (loss) for 2009	Shareholders' equity at 31 Dicembre 2009
Cementir Holding SpA	**(1,606)**	**(593,890)**
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		(90,205)
Effect of the consolidation of subsidiaries	30,203	504,790
Associates measured using the equity method	1,245	18,582
Other changes		329
Total Group	**29,842**	**1,002,481**
Total Minority interests	**4,501**	**63,770**
Cementir Holding group	**34,343**	**1,066,251**

Elazig plant (Turkey)

3

CONSOLIDATED FINANCIAL STATEMENTS OF CEMENTIR HOLDING SPA

Consolidated statement of financial position*

[EUR '000]	Notes	31 December 2009	31 December 2008
ASSETS			
Intangible assets	1	469,876	442,589
Property, plant and equipment	2	906,542	909,534
Investment property	3	27,950	27,950
Equity investments measured using equity method	4	18,939	20,338
Other equity investments	5	6,467	2,580
Non-current financial assets		455	234
Deferred tax assets	18	20,630	17,249
Other non-current assets		1,671	813
TOTAL NON–CURRENT ASSETS		**1,452,530**	**1,421,287**
Inventories	6	134,167	147,493
Trade receivables	7	145,672	169,654
Current financial assets	8	1,745	3,262
Current tax assets		6,360	2,540
Other current assets	9	16,327	16,139
Cash and cash equivalents	10	61,732	38,377
TOTAL CURRENT ASSETS		**366,003**	**377,465**
TOTAL ASSETS		**1,818,533**	**1,798,752**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		35,710	35,710
Other reserves		777,809	719,893
Group net profit		29,842	65,273
Group shareholders' equity	**11**	**1,002,481**	**979,996**
Net profit of minority interest		4,501	8,205
Minority interest reserves		59,269	50,922
Minority interest shareholders' equity	**11**	**63,770**	**59,127**
TOTAL SHAREHOLDERS' EQUITY		**1,066,251**	**1,039,123**
Employee benefit provisions	12	17,055	16,090
Non-current provisions	13	17,409	12,480
Non-current financial liabilities	15	265,719	206,586
Deferred tax liabilities	18	89,370	81,279
Other non current liabilities		3,360	-
TOTAL NON-CURRENT LIABILITIES		**392,913**	**316,435**
Current provisions	13	3,799	2,460
Trade payables	14	133,976	147,614
Current financial liabilities	15	179,051	251,485
Liabilities current taxes	16	4,100	7,273
Other current liabilities	17	38,443	34,362
TOTAL CURRENT LIABILITIES		**359,369**	**443,194**
TOTAL LIABILITIES		**752,282**	**759,629**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,818,533**	**1,798,752**

*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	2009	2008
REVENUES	**19**	**822,473**	**1,092,186**
Change in inventories		520	9,664
Increases for internal work		5,681	4,997
Other operating revenues	20	8,469	10.140
TOTAL OPERATING REVENUES		**837,143**	**1,116,987**
Raw material costs	21	(355,999)	(465,310)
Personnel costs	22	(147,918)	(172,019)
Other operating costs	23	(197,735)	(270,431)
TOTAL OPERATING COSTS		**(701,652)**	**(907,760)**
EBITDA		**135,491**	**209,227**
Depreciation, amortisation, Impairment losses and provisions	24	(83,354)	(81,085)
EBIT		**52,137**	**128,142**
Net result on equity investments measured using equity method		1,245	2,635
Net financial result		(5,351)	(38,569)
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD	**25**	**(4,106)**	**(35,934)**
PROFIT BEFORE TAX		**48,031**	**92,208**
Income taxes	**26**	**(13,688)**	**(18,730)**
NET PROFIT (LOSS) FOR THE PERIOD		**34,343**	**73,478**
Attributable to:			
MINORITY INTERESTS		4,501	8,205
GROUP		29,842	65,273

[EUR]			
BASIC EARNINGS PER ORDINARY SHARE	**27**	**00.19**	**00.41**
DILUTED EARNINGS PER ORDINARY SHARE	**27**	**00.19**	**00.41**

Statement of comprehensive income

[EUR '000]	2009	2008
NET PROFIT (LOSS) FOR THE PERIOD	**34,343**	**73,478**
Other components of comprehensive income:		
Exchange rate differences arising from the translation of foreign undertakings	7,244	(103,093)
Financial instruments	207	491
Actuarial gains (losses) on severance benefits (TFR)	(647)	(448)
Tax recognised in shareholders' equity	75	(4)
Total other components of comprehensive income	**6,879**	**(103,054)**
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**41,222**	**(29,576)**
Attributable to:		
GROUP	35,904	(34,737)
MINORITY INTERESTS	5,318	5,161

Statement of changes in consolidated shareholders' equity

[EUR '000]	Share capital	Other reserves		
		Share premium reserve	Legal reserve	Translation reserve
Shareholders' equity at 1 January 2008	**159,120**	**35,710**	**31,825**	**(40,095)**
Allocation of 2007 net profit				
Dividend distribution 2007				
Total transactions with shareholders	-	-	-	-
Change in translation reserve				**(100,088)**
Actuarial gains (losses)				
Financial instruments				
Total other components of comprehensive income	-	-	-	**(100,088)**
Change in other reserves				
Total other changes				
Net profit (loss) for the period				
Shareholders' equity at 31 December 2008	**159,120**	**35,710**	**31,825**	**(140,183)**
Shareholders' equity at 1 January 2009	**159,120**	**35,710**	**31,825**	**(140,183)**
Allocation of 2008 net profit				
Dividend distribution 2008				
Total transactions with shareholders	-	-	-	-
Change in translation reserve				6,386
Actuarial gains (losses)				
Financial instruments				
Total other components of comprehensive income	-	-	-	**6,386**
Change in other reserves				
Total other changes	-	-	-	-
Net profit (loss) for the period				
Shareholders' equity al 31 December 2009	**159,120**	**35,710**	**31,825**	**(133,797)**

	Other reserves	Group net profit (loss)	Group shareholders' equity	Minority interests net profit (loss)	Minority interests reserves	Minority interests shareholders' equity	Total shareholders equity
	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)
	120,399	**(140,399)**	**(20,000)**	**(11,373)**	**9,649**	**(1,724)**	**(21,724)**
			(100,088)		**(3,005)**	**(3,005)**	**(103,093)**
	(288)		(288)		(42)	(42)	(330)
	366		366		3	3	369
	78	**-**	**(100,010)**	**-**	**(3,044)**	**(3,044)**	**(103,054)**
	1,363		1,363		3,131	3,131	4,494
	1,363		**1,363**		**3,131**	**3,131**	**4,494**
		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**
	828,251	**65,273**	**979,996**	**8,205**	**50,922**	**59,127**	**1,039,123**
	65,273	(65,273)	-	(8,205)	8,205	-	-
	(12,730)		(12,730)		(1,457)	(1,457)	(14,187)
	52,543	**(65,273)**	**(12,730)**	**(8,205)**	**6,748**	**(1,457)**	**(14,187)**
			6,386		858	858	7,244
	(474)		(474)		(41)	(41)	(515)
	150		150				150
	(324)	**-**	**6,018**	**-**	**817**	**817**	**6,879**
	(689)		(689)		782	782	93
	(689)	**-**	**(689)**		**782**	**782**	**93**
		29,842	29,842	4,501		4,501	34,343
	879,781	**29,842**	**1,002,481**	**4,501**	**59,269**	**63,770**	**1,066,251**

Consolidated cash flow statement

[EUR '000]	31 December 2009	31 December 2008
Net profit (loss) for the period	**34,343**	**73,478**
Depreciation and amortisation	81,169	77,684
(Revaluations) and writedowns	739	2,353
Net result on equity investment measured using equity method	(1,245)	(2,635)
Net financial result	5,459	38,568
(Gains) Losses on disposals	(577)	(1,720)
Income taxes	13,688	18,730
Change in employee benefit provisions	1,056	(2,408)
Change in current and non-current provisions	2,905	2,739
Operating cash flow before change in working capital	**137,537**	**206,789**
(Increase) Decrease in inventories	13,326	(30,379)
(Increase) Decrease in trade receivables	23,243	35,970
Increase (Decrease) in trade payables	(8,630)	(8,373)
Change in current and non-current assets and liabilities	6,079	(6,208)
Change in deferred and current income taxes	1,259	(5,453)
Operating cash flow	**172,814**	**192,346**
Dividends received	2,834	4,396
Interest received	4,756	5,245
Interest paid	(12,900)	(24,383)
Other income (expense) received (paid)	1,482	6,706
Income taxes paid	(13,950)	(13,422)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**155,036**	**170,888**
Investments in intangible assets	(14,404)	(13,364)
Investments in property, plant and equipment	(82,615)	(164,633)
Investments in equity investments and non-current securities	(16,986)	(35)
Divestments of property, plant and equipment	296	-
Divestments of property, plant and equipment	1,687	3,231
Divestments of equity investments and non-current securities	13,415	-
Other changes in investing activities	(9,162)	6,281
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(107,769)**	**(168,520)**
Change in non-current financial assets and liabilities	58,509	7,354
Change in current financial assets and liabilities	(69,589)	(3,530)
Dividends distributed	(14,187)	(21,321)
Other changes in shareholders' equity	726	-
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(24,541)**	**(17,497)**
EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS (D)	**628**	**(6,005)**
Net change in cash and cash equivalents (A+B+C+D)	**23,354**	**(21,134)**
Cash and cash equivalents at the beginning of the period	**38,377**	**59,511**
Cash and cash equivalents at the end of the period	**61,731**	**38,377**

Al Arish plant (Egypt)

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 2009, 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:

- Calt 2004 Srl - 47,860,813 shares (30.078%)
- Lav 2004 Srl - 40,543,880 shares (25.480%)
- Pantheon 2000 SpA - 4,466,928 shares (2.807%)
- Chupas 2007 Srl - 3,842,646 shares (2.415%)

The consolidated financial statements at 31 December 2009 of the Cementir Holding group were approved on 18 March 2010 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 2009.
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).
As from 1 January 2009, a series of amendments were made to certain international accounting standards, none of which had a material impact on the consolidated financial statements. The main changes are as follows:

- **IAS 1 Presentation of financial statements (2007 revised version):** in addition to introducing new names for some financial statements, the standard requires companies to present in either a single statement (called the "statement of comprehensive income) or in two separate statements (the separate income statement and the statement of comprehensive income) the items that comprise the profit or loss for the period and the expenses and income taken to equity for transactions other than those with owners. With regard to the statement of comprehensive income, the Group has elected to present two separate statements and restate the comparative figures for 2008 based on these new statements.
- **IAS 23 Borrowing costs (2007 revised version):** 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 criteria followed by the Group were already consistent with the changes introduced, therefore the entry into force of the standard will have no impact.

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

- **IFRS 8 – Operating segments:** endorsed by the European Commission in November 2007, this standard requires disclosure be made in relation to the Group's operating segments, eliminating the need to determine the Group's primary and secondary reporting segments. Adoption of this change has no impact on the Group's financial position or performance. The Group has determined that its operating segments are the same as those used in the past under IAS 14 - Segment Reporting, specifically, operating activities organised and managed by country. Additional information pertaining to each segment is reported in the notes.
- **Amendment to IFRS 7- Financial instruments:** disclosures, primarily issued to expand the level of disclosure concerning fair value measurement and information on liquidity risk, the effects of which are presented in the notes to the financial statements.

Newly-issued accounting standards and interpretations not adopted early by the Group

As required by IAS 8 - Accounting policies, changes in accounting estimates and errors, the following list reports standards, interpretations or updates endorsed in 2009 that will take effect as from 2010:

- Revised IAS 27 "Consolidated and separate financial statements"
- Revised IFRS 3 "Business combinations"
- IFRIC 12 "Service concession arrangements"
- IFRIC 15 "Agreements for the construction of real estate"
- IFRIC 16 "Hedges of a net investment in a foreign operation"
- IFRIC 17 "Distributions of non-cash assets to owners"
- IFRIC 18 "Transfers of assets from customers".

In addition, the following will take effect as from 2011:

- Amendment to IAS 32 "Classification of rights issues"
- Amendment to IAS 39 "Eligible hedged items".

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.

Basis of presentation

The consolidated financial statements at 31 December 2009 are presented in euros and the amounts are reported in thousands, unless otherwise indicated. The consolidated financial statements consist of the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes 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 statement of financial position;
- 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 2008.

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.

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 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. Quarries are depreciated on the basis of the ratio of quantities extracted in the period to quantities that can be excavated over the period in which the quarry is worked (excavated/to be excavated criterion). In the presence of a specific obligation, a provision for the environmental restoration of sites is recognised under liabilities.
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.

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 available for sale:** financial assets available for sale are non-derivative financial instruments explicitly designated in this category and are carried under non-current assets unless management intends to sell them within 12 months of the reporting date. Such assets are measured at fair value and any measurement gains or losses are recognised in equity through the statement of comprehensive income; they are taken to profit or loss only when the financial asset is actually sold or, in the case of cumulative negative changes, when it is determined that the loss already recognised in equity cannot be recovered in the future. When there is an impairment loss, such loss is taken to profit or loss if it has persisted for more than 30 months or is greater than 30% of the carrying amount. 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. 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 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 to hedge exchange rate risk, interest rate risk and price risk.
All financial derivatives are measured and recognised at fair value, as established by IAS 39.
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 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 2009 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

[2] For its Italian companies.

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 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 payment, 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.
In the presence of an obligation to dismantle plant and restore sites (e.g. quarries), a specific provision is established, with accruals determined on the basis of the asset involved.
As regards greenhouse gas (CO_2) emissions allowances, a specific provision is recognised where emissions exceed the allowances assigned.

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 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, 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 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.
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 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.
Based on an overall assessment of the level of expected interest rates and the timing of debt reduction in relation to forecast cash flows, interest rate swaps are used to partially hedge the risk.
The operational and financial policies of the Group are also designed to minimize the impact of these risks on the Group's financial performance.

Disclosure by operating segment

In accordance with IFRS 8, the Group has identified its operating segments by referring to the internal reporting system that the group parent periodically adopts with regard to the management and organisational structure of the Group.

Specifically, the operating segments organised and managed by geographical area 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 geographical segments comprise the fixed assets of the individual companies operating in the zones listed above. Transactions between the segments involving the exchange of goods and services are conducted on normal market terms and conditions.

The table below reports the results by operating segment for the period ended 31 December 2009:

[EUR '000]	Denmark	Turkey	Italy	Other Scandinavian countries	Egypt	Far East	Rest of world	Items not allocated and adjustments	GROUP CEMENTIR HOLDING
Operating revenues	**249,526**	**203,961**	**179,388**	**132,912**	**53,585**	**24,986**	**20,499**	**(27,714)**	**837,143**
Inter-segment revenues	(15,616)	-	(8,588)	(962)	(2,066)	-	(482)	27,714	-
Operating revenues contribution	233,910	203,961	170,800	131,950	51,519	24,986	20,017	-	837,143
Segment result (EBITDA)	**36,897**	**28,769**	**32,832**	**10,579**	**17,076**	**4,955**	**4,383**	**-**	**135,491**
Depreciation and amortisation, impairment losses and provisions	(28,656)	(20,070)	(19,163)	(8,043)	(4,319)	(1,883)	(1,220)	-	(83,354)
EBIT	**8,241**	**8,699**	**13,669**	**2,536**	**12,757**	**3,072**	**3,163**	**-**	**52,137**
Net financial result	-	-	-	-	-	-	-	(5,351)	(5,351)
Net result on equity investments measured using equity method	-	-	(169)	72	-	-	1,342	-	1,245
Profit before tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**48,031**
Income taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(13,688)**	**(13,688)**
Net profit (loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**34,343**

The table below reports the results by operating segment for the period ended 31 December 2008:

[EUR '000]	Denmark	Turkey	Italy	Other Scandinavian countries	Egypt	Far East	Rest of world	Items not allocated and adjustments	GROUP CEMENTIR HOLDING
Operating revenues	**377,233**	**248,945**	**240,913**	**187,086**	**37,688**	**23,628**	**32,139**	**(30,645)**	**1,116,987**
Inter-segment revenues	(20,366)	-	(6,969)		(2,775)	-	(535)	30,645	-
Operating revenues contribution	356,867	248,945	233,944	187,086	34,913	23,628	31,604	-	1,116,987
Segment result (EBITDA)	**71,533**	**49,994**	**43,278**	**21,508**	**13,878**	**4,227**	**4,809**	**-**	**209,227**
Depreciation and amortisation, impairment losses and provisions	(27,934)	(21,381)	(18,777)	(8,104)	(1,936)	(1,879)	(1,074)	-	(81,085)
EBIT	**43,599**	**28,613**	**24,501**	**13,404**	**11,942**	**2,348**	**3,735**	**-**	**128,142**
Net financial result	-	-	-	-	-	-	-	(38,569)	(38,569)
Net result on equity investments measured using equity method		-	(294)	409	-	-	2,520	-	2,635
Profit before tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**92,208**
Income taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(18,730)**	**(18,730)**
Net profit (loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**73,478**

The table below reports other data by geographical segment at 31 December 2009:

[EUR '000]	Segment assets	Segment liabilities	Investments inproperty, plant and equipment and intangible assets*
Denmark	524,300	118,928	16,494
Turkey	525,073	112,100	24,075
Italy	404,657	385,815	17,444
Other Scandinavian countries	107,184	50,574	5,824
Egypt	121,232	42,136	5,244
Far East	87,700	37,151	25,454
Rest of world	46,715	5,578	3,849
Total	**1,816,861**	**752,282**	**98,384**

*Investments carried out during the year.

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

[EUR '000]	Segment assets	Segment liabilities	Investments inproperty, plant and equipment and intangible assets*
Denmark	557,899	181,042	44,002
Turkey	502,739	140,990	40,495
Italy	413,072	341,658	26,891
Other Scandinavian countries	102,060	36,549	14,002
Egypt	115,233	42,506	42,009
Far East	64,369	13,856	22,676
Rest of world	43,380	3,028	932
Total	**1,798,752**	**759,629**	**191,007**

*Investments carried out during the year.

The table below reports revenues from sales to external customers for each geographical segment at 31 December 2009:

[EUR '000]	Denmark	Italy	Other Scandinavian countries	Turkey	Egypt	Far East	Rest of world	Total
Revenues by geographical location of customer	180,198	187,550	133,980	139,435	21,603	38,013	121,694	**822,473**

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 consolidated financial statements

1) Intangible assets

Intangible assets amounted to EUR 469,876 thousand (EUR 442,589 thousand at 31 December 2008) and include assets with finite useful lives totalling EUR 25,936 thousand (EUR 13,841 thousand at 31 December 2008) and assets with indefinite useful lives totalling EUR 443,940 (EUR 428,748 thousand at 31 December 2008).

Intangible assets with finite useful lives

At 31 December 2009 intangible assets with finite useful lives amounted to EUR 25,936 thousand (EUR 13,841 thousand at 31 December 2008). 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 licenses and brands	Other assets	Assets under development and advances	Total
Gross value at 1 January 2009	**548**	**17,298**	**8,073**	**397**	**26,316**
Increases	306	3,463	1,021	5,742	10,532
Decreases	-	(54)	(378)	-	(432)
Changes in scope of consolidation	-	-	-	-	-
Other changes	-	-	-	-	-
Translation differences	20	(42)	103	6	87
Reclassifications	-	4,148	165	94	4,407
Gross value at 31 December 2009	**874**	**24,813**	**8,984**	**6,239**	**40,910**
Amortisation at 1 January 2009	**196**	**6,834**	**5,445**	**-**	**12,475**
Amortisation	149	1,741	663	-	2,553
Decreases	-	(54)	(82)	-	(136)
Changes in scope of consolidation	-	-	-	-	-
Other changes	-	-	-	-	-
Translation differences	20	(1)	63	-	82
Reclassifications	-	-	-	-	-
Amortisation at 31 December 2009	**365**	**8,520**	**6,089**	**-**	**14,974**
Net value at 31 December 2009	**509**	**16,293**	**2,895**	**6,239**	**25,936**

[EUR '000]	Development costs	Concession rights licenses and brands	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**

Intangible assets with indefinite useful lives

Intangible assets with an indefinite useful life are regularly tested for impairment.
At 31 December 2009, the item amounted to EUR 443,940 thousand (EUR 428,748 thousand at 31 December 2008) 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.

[EUR '000]	31.12.2009			31.12.2008		
	Turkey (Cimentas Group)	Denmark (Aalborg Portland Group)	Total	Turkey (Cimentas Group)	Denmark (Aalborg Portland Group)	Total
Carrying amount at start of period	**164,227**	**264,521**	**428,748**	**206,611**	**259,288**	**465,899**
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	(215)	(215)
Writedowns	-	-	-	-	-	-
Changes in scope of consolidation	10,202	-	10,202	-	11,244	11,244
Translation differences	371	4,619	4,990	(42,384)	(5,647)	(48,031)
Reclassifications	-	-	-	-	(149)	(149)
Carrying amount at end of period	**174,800**	**269,140**	**443,940**	**164,227**	**264,521**	**428,748**

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 (2010-2012) for each CGU. Projected cash flows were estimated based on projections for the 2010 budget and for the subsequent two years (2011-2012), 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:

Value in %	31.12.2009		31.12.2008	
	Turkey (Cimentas Group)	Denmark (Aalborg Portland Group)	Turkey (Cimentas Group)	Denmark (Aalborg Portland Group)
Growth rate for terminal value	2%	2%	2%	2%
Discount rate	6.6%	6.3%	8.6%	6.1%

Moreover, applying a perpetual growth rate equal to 0% would not give rise to any writedown of the goodwill recognised in respect of each CGU.
The impairment tests found no reduction of shareholders' equity at 31 December 2009 or of net profit for 2009.
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 all of 2009, along with the pessimistic outlook for 2010, 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 2009 property, plant and equipment amounted to EUR 906,542 thousand (EUR 909,534 thousand at 31 December 2008). 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 2009	**389,776**	**25,533**	**1,107,905**	**79,945**	**117,561**	**1,720,720**
Increases	2,739	1,790	14,477	1,680	55,834	76,520
Decreases	(26)	(82)	(1,560)	(4,382)	(7)	(6,057)
Changes in scope of consolidation	203	-	220	200	687	1,310
Translation differences	1,195	152	9,161	1,315	(667)	11,156
Reclassifications	21,842	203	72,127	413	(99,316)	(4,731)
Gross value at 31 December 2009	**415,729**	**27,596**	**1,202,330**	**79,171**	**74,092**	**1,798,918**
Depreciation at 1 January 2009	**166,331**	**5,126**	**594,781**	**44,949**	**-**	**811,187**
Depreciation	11,073	536	59,604	7,412	-	78,625
Decreases	(12)	-	(1,174)	(3,939)	-	(5,125)
Changes in scope of consolidation			23	15	-	38
Translation differences	526	65	6,551	534	-	7,676
Reclassifications			5	(30)	-	(25)
Depreciation at 31 December 2009	**177,918**	**5,727**	**659,790**	**48,941**	**-**	**892,376**
Net value at 31 December 2009	**237,811**	**21,869**	**542,540**	**30,230**	**74,092**	**906,542**

[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**

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 is pledged for EUR 142.8 million at 31 December 2009 (EUR 152.9 million at 31 December 2008), as collateral for bank loans with an outstanding amount at 31 December 2009 of EUR 2.3 million (EUR 3.8 million at 31 December 2008). The value of contractual commitments to purchase property, plant and equipment at 31 December 2009 amounted to EUR 7 million (EUR 37.2 million at 31 December 2008). In 2009 financial expense of EUR 0.5 million was capitalised (about EUR 2.5 million in 2008). The interest rates on the capitalised financial expense were between 1%-2% in 2009 (about 3%-7% in 2008).

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 2009, including discounting, of EUR 13,4 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 Holding SpA's pro-rata share of the net result:

[EUR '000]	Carrying amount		Pro-rata share of net result	
	31.12.2009	31.12.2008	2009	2008
Speedybeton SpA	1,544	1,714	(169)	(294)
Leigh White Cement Company Joint Venture	11,696	13,243	1,030	2,302
Secil Unicon SGPS Lda	980	1,132	(151)	(453)
Sola Betong AS	1,471	1,248	113	492
Storsand Sandtak AS	268	262	(41)	(83)
ECOL Unicon Spzoo	2,980	2,739	463	671
Equity investments measured using the equity method	**18,939**	**20,338**	**1,245**	**2,635**

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
31.12.2009							
Speedybeton SpA	EUR	Pomezia–RM (Italy)	13,545	8,367	17,861	(534)	29.97%
Leigh White Cement Company *Joint Venture*	USD	Allentown (USA)	52,418	11,673	65,340	4,202	24.50%
Secil Unicon SGPS Lda	EUR	Lisbon (Portugal)	5,420	774	-	(304)	50%
Sola Betong AS	NOK	Risvika (Norway)	6,954	4,302	9,959	343	33.3%
Storsand Sandtak AS	NOK	Saette (Norway)	616	160	409	(78)	50%
ECOL Unicon Spzoo	PLN	Gdansk (Poland)	8,843	2,763	17,492	905	49%
Total			**87,796**	**28,039**	**111,062**	**4,534**	

Company [EUR '000]	Currency	Registered office	Assets	Liabilities	Revenues	Net profit/(loss) for period	% holding
31.12.2008							
Speedybeton SpA	EUR	Pomezia–RM (Italy)	13,247	7,535	18,985	(980)	29.97%
Leigh White Cement Company *Joint Venture*	USD	Allentown (USA)	62,761	15,818	100,724	9,371	24.50%
Secil Unicon SGPS Lda	EUR	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%
ECOL Unicon Spzoo	PLN	Gdansk (Poland)	9,246	3,667	21,544	1,614	49%
Total			**97,393**	**31,395**	**154,218**	**10,378**	

5) Other equity investments

[EUR '000]	31.12.2009	31.12.2008
Other equity investments *start of period*	**2,580**	**2,400**
Increases	16,986	35
Decreases	(13,306)	-
Change in fair value	207	-
Translation differences	-	(13)
Other equity investments	**6,467**	**2,580**

The equity investments in other companies, classified as available for sale, at 31 December 2009 are as follows:

[EUR '000]	Number of shares	% holding of capital employed	31.12.2009
Equity investments in listed companies			
Italcementi Spa	394,976	0.2230%	3,782
Equity investments in unlisted companies			
Cemencal SpA			2,400
Consorzio Valle Caudina			140
Sipac SpA (in liquidation)			77
Consorzio Toscocem (in liquidation)			15
Others			53
Equity investments in other companies			**6,467**

There is no evidence of impairment for the above equity investments. The fair value of listed companies is based on the official stock exchange price on the last business day of the accounting period.

6) Inventories

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

[EUR '000]	31.12.2009	31.12.2008
Raw materials, ancillary materials and consumables	82,571	96,693
Semi-finished products	26,933	25,088
Finished products	23,343	24,947
Advances	1,320	765
Inventories	**134,167**	**147,493**

7) Trade receivables

Trade receivables totalled EUR 145,672 thousand (EUR 169,654 thousand at 31 December 2008), and are composed of the following elements:

[EUR '000]	31.12.2009	31.12.2008
Customer receivables	148,800	171,850
Impairment	(5,830)	(6,975)
Net customer receivables	**142,970**	**164,875**
Advances to suppliers	214	441
Receivables due from related parties	2,488	4,338
Trade receivables	**145,672**	**169,654**

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]	31.12.2009	31.12.2008
Customer receivables not past due	108,811	124,321
Customer receivables past due:	39,989	47,529
0-30 days	*11,576*	*16,451*
30-60 days	*6,318*	*10,186*
60-90 days	*2,241*	*3,992*
More than 90 days	*19,854*	*16,900*
Total customer receivables	148,800	171,850
Impairment	(5,830)	(6,975)
Net customer receivables	**142,970**	**164,875**

8) Current financial assets

[EUR '000]	31.12.2009	31.12.2008
Fair value of derivatives	142	1,538
Accrued income	1,060	1,143
Prepaid expenses	181	217
Financial receivables due from related parties	362	364
Current financial assets	**1,745**	**3,262**

9) Other current assets

Other current assets, totalling EUR 16,327 thousand (EUR 16,139 thousand at 31 December 2008), comprise non-commercial items, and break down as follows:

[EUR '000]	31.12.2009	31.12.2008
VAT receivables	2,145	2,821
Receivables from employees	354	426
Accrued income	2,720	1,863
Prepaid expenses	2,985	4,474
Other receivables	8,123	6,555
Other current assets	**16,327**	**16,139**

10) Cash and cash equivalents

The item amounts to a EUR 61,732 thousand (EUR 38,377 thousand at 31 December 2008), and consists of the Group's liquidity, which is generally invested in short-term financial transactions. It breaks down as follows:

[EUR '000]	31.12.2009	31.12.2008
Bank and postal deposits	61,533	38,118
Cash and cash equivalents on hand	199	259
Cash and cash equivalents	**61,732**	**38,377**

11) Shareholders' equity

Group shareholders' equity

A schedule reconciling the group parent's shareholders' equity and net profit at 31 December 2009 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 2009, the translation reserve showed a negative balance of EUR 133,840 thousand and broke down as follows:

[EUR '000]	31.12.2009	31.12.2008	Change
Turkey (Turkish lira – TRY)	(123,705)	(125,238)	1,533
United States (U.S. dollar – USD)	(4,846)	(4,437)	(409)
Egypt (Egyptian pound – EGP)	(1,428)	(809)	(619)
Iceland (Icelandic krona – ISK)	(3,415)	(3,209)	(206)
Norway (Norwegian krone – NOK)	394	(4,801)	5,195
Sweden (Swedish krona – SEK)	(1,011)	(1,744)	733
Other countries	215	55	160
Total translation reserve	**(133,797)**	**(140,183)**	**6,386**

Minority interests shareholders' equity

At 31 December 2009, minority interests in shareholders' equity came to EUR 63,770 thousand (EUR 59,127 thousand at 31 December 2008). In 2009, net income totalled EUR 4,502 thousand (EUR 8,205 thousand in 2008).

Stock incentive plans (stock options)

Cementir Holding approved a stock incentive plan (stock options) involving 25 beneficiaries of Group companies at 31 December 2009.

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 theBoard of Directors	Description of instrument	No. of financial instruments underlying the options granted	Exercise price	Expiration of option
Members of Board of Directors (n. 4)	15-01-2008	11-02-2008	Options on Cementir Holding SpA shares	910,000	EUR 7.00	11-02-2013
Managers (n. 21)	15-01-2008	11-02-2008	Options on Cementir Holding SpA shares	275,000	EUR 7.00	11-02-2013
Total				**1,185,000**		

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 may 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:

Value in %	31.12.2009	31.12.2008
Discount rate	2.9%-4%-6%	4%-4.4%-6%
Expected yield of plan assets	6%	6%
Annual wage increase	2%-4%	2%-4%
Annual accretion of TFR	3.4%	3.75%

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

[EUR '000]	31.12.2009	31.12.2008
Nominal value of the provision	24,840	23,255
Discounting adjustment	(7,785)	(7,165)
Total provision for employees	**17,055**	**16,090**

Changes were as follows:

[EUR '000]	31.12.2009	31.12.2008
Net liability at start of period	**16,090**	**18,498**
Current service cost	1,446	1,027
Interest cost	727	784
Net actuarial (gain)/loss	647	448
Changes in scope of consolidation	2	-
Translation differences	579	(2,034)
Other changes	268	134
(Benefits paid)	(2,168)	(2,767)
Net liability at end of period	**17,055**	**16,090**

Izmir plant (Turkey)

13) Provisions

Non-current and current provisions amounted to EUR 17,409 thousand (EUR 12,480 thousand at 31 December 2008) and EUR 3,799 thousand (EUR 2,460 thousand at 31 December 2008) respectively and broke down as follows:

[EUR '000]	Quarry restructuring	Litigation provision	Other provisions	Total provisions
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)
Changes 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
Value at 1 January 2009	**11,226**	**1,860**	**1,854**	**14,940**
Accruals	-	-	5,137	5,137
Utilisations	(58)	(405)	(596)	(1,059)
Decreases	-	-	-	-
Changes in scope of consolidation	1,771	-	164	1,935
Translation differences	120	-	135	255
Value at 31 December 2009	**13,059**	**1,455**	**6,694**	**21,208**
of which:				
Non-current provisions	13,059	1,030	3,320	17,409
Current provisions	-	425	3,374	3,799

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]	31.12.2009	31.12.2008
Payables to suppliers	131,995	146,045
Payables to related parties	168	285
Advances	1,813	1,284
Trade payables	**133,976**	**147,614**

15) Financial liabilities

Non-current and current financial liabilities are summarised below:

[EUR '000]	31.12.2009	31.12.2008
Bank borrowings	233,940	158,951
Other lenders	31,779	47,635
Non-current financial liabilities	**265,719**	**206,586**
Bank borrowings	155,358	236,617
Short-term portion of non-current financial liabilities	21,847	9,995
Financial payables to related parties	3	3
Other financial payables	1,361	3,203
Fair value of derivatives	482	1,667
Current financial liabilities	**179,051**	**251,485**
Total financial liabilities	**444,770**	**458,071**

The carrying amount of non current and current financial liabilities is a reasonable approximation of their fair value. About 40% of these financial liabilities provide for compliance with financial thresholds that had not been exceeded as of 31 December 2009.
The Group's exposure, broken down by maturity, is as follows:

[EUR '000]	31.12.2009	31.12.2008
Within 3 months	43,612	72,185
3 months to 1 year	135,439	179,300
1 to 2 years	79,581	29,309
2 to 5 years	145,348	145,636
More than 5 years	40,790	31,641
Total financial liabilities	**444,770**	**458,071**

[EUR '000]	31.12.2009	31.12.2008
Floating-rate liabilities	442,619	453,468
Fixed-rate liabilities	2,151	4,603
Financial liabilities	**444,770**	**458,071**

As recommended in CONSOB Communication No.6064293 of 28 July 2006, the consolidated net financial positions is provided here below:

[EUR '000]	31.12.2009	31.12.2008
Cash	199	259
Other liquid assets	61,533	38,118
Cash and cash equivalents	*61,732*	*38,377*
Current financial assets	*1,745*	*3,262*
Current bank borrowings	(161,404)	(238,810)
Other current financial payables	(17,647)	(12,675)
Current financial liabilities	*(179,051)*	*(251,485)*
Net current financial liabilities	(115,574)	(209,846)
Non-current financial liabilities	(265,719)	(206,586)
Net financial position	**(381,293)**	**(416,432)**

16) Current tax liabilities

Current tax liabilities total EUR 4,100 thousand (EUR 7,273 thousand at 31 December 2008) and regard the tax liability for the period net of prepayments.

17) Other current liabilities

[EUR '000]	31.12.2009	31.12.2008
Payables to employees	15,702	16,658
Payables to social security institutions	4,066	3,885
Payables to related parties	-	-
Deferred income	98	37
Accrued expenses	3,875	2,192
Other payables	14,702	11,591
Other current liabilities	**38,443**	**34,363**

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 89,370 thousand (EUR 81,279 thousand at 31 December 2008), and deferred tax assets to EUR 20.630 thousand (EUR 17,249 thousand at 31 December 2008). They break down as follows:

[EUR '000]	01.01.2009	Accrual net of utilisation recognised in income statement	Increases net of decreases recognised in equity	31.12.2009
Differences in depreciation	41,884	1,046	657	43,587
Differences in amortisation	10,168	-	-	10,168
Plant revaluation	11,406	679	343	12,428
Capital gains	-	-	-	-
Other	17,821	5,276	90	23,187
Deferred tax liabilities	**81,279**	**7,001**	**1,090**	**89,370**
Tax losses carried forward	11,287	6,160	286	17,733
Provisions	2,520	356	21	2,897
Writedowns of equity investments	-	-	-	-
Other	3,442	(3,442)	-	-
Deferred tax assets	**17,249**	**3,074**	**307**	**20,630**

[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**

19) Revenues

[EUR '000]	2009	2008
Product sales	769,510	1,035,099
Product sales – related parties	15,050	10,000
Services	37,913	47,087
Revenues	**822,473**	**1,092,186**

20) Other operating revenues

[EUR '000]	2009	2008
Rental and similar income	1,565	1,399
Rental and similar income – related parties	842	831
Capital gains	1,117	3,446
Release of provisions	32	2,224
Insurance payments	490	-
Other income and revenues	4,423	2,240
Other operating revenues	**8,469**	**10,140**

21) Raw material costs

[EUR '000]	2009	2008
Raw materials and semi-finished products	114,359	160,492
Fuel	82,838	148,239
Electricity	72,731	85,342
Finished products	25,936	43,259
Other materials	45,622	58,612
Change in inventories of raw materials, consumable and products	14,513	(30,634)
Raw material costs	**355,999**	**465,310**

22) Personnel costs

[EUR '000]	2009	2008
Salaries and wages	120,454	140,689
Social security contributions	20,417	23,224
Other costs	7,047	8,106
Personnel costs	**147,918**	**172,019**

Group employees break down as follows:

	2009	2008	Average 2009	Average 2008
Executives	65	54	60	53
Middle management and office staff	1,583	1,793	1,622	1,913
Workers	1,791	2,000	1,889	1,975
Total	**3,439**	**3,847**	**3,571**	**3,941**

At 31 December 2009 the group parent Cementir Holding and the Italian subsidiaries employed 570 people (598 at 31 December 2008), while the Cimentas group employed 1,220 people (1,204 at 31

December 2008), the Aalborg Portland group employed 814 people (982 at 31 December 2008) and the Unicon group employed 835 people (1,063 at 31 December 2008).

23) Other operating costs

[EUR '000]	2009	2008
Transport	84,803	112,667
Services and maintenance	54,525	77,908
Consulting	6,098	8,781
Insurance	5,582	6,119
Other services from related parties	116	425
Rental and similar costs	13,328	13,525
Other operating costs	33,283	51,006
Other operating costs	**197,735**	**270,431**

Other operating costs include EUR 1.5 million in research costs, in line with 2008.

24) Depreciation, amortisation, impairment losses and provisions

[EUR '000]	2009	2008
Amortisation	2,553	2,101
Depreciation	78,617	75,583
Provisions	1,445	1,048
Impairment losses	739	2,353
Depreciation, amortisation, impairment losses and provisions	**83,354**	**81,085**

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

The result for 2009, which was a negative EUR 4,106 thousand (a negative EUR 35,934 thousand in 2008), regards the result of companies measured using the equity method and the net result of financial operations. It breaks down as follows:

[EUR '000]	2009	2008
Profits from equity investments measured using equity method	1,607	3,465
Losses from equity investments measured using equity method	(362)	(830)
Net result from equity investments measured using equity method	**1,245**	**2,635**
Interest and financial income	3,643	3,847
Interest subsidies	2,305	2,524
Interest expense	(11,334)	(23,357)
Other financial expense	(2,831)	(12,428)
Total financial income and expense	*(8,217)*	*(29,414)*
Derivative financial instruments	*1,629*	*16,083*
Gains (losses) on foreign exchange differences	*1,237*	*(25,238)*
Net financial result	**(5,351)**	**(38,569)**
Net result on financial items and equity investments measured using equity method	**(4,106)**	**(35,934)**

26) Income taxes

[EUR '000]	2009	2008
Current taxes	9,961	16,392
Deferred taxes	3,727	2,338
Tax liability for the period	**13,688**	**18,730**

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

[EUR '000]	2009	2008
Theoretical tax liability	16,160	16,946
Increased permanent differences	2,334	2,847
Decreased permanent differences	(5,640)	(1,869)
Consolidated tax mechanisms	(1,647)	(1,708)
Other changes	466	813
Effective IRAP liability	2,016	1,701
Tax liability for the period	**13,688**	**18,730**

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]	2009	2008
Group net profit (EUR '000)	29,842	65,273
Weighted average number of ordinary shares outstanding ('000)	159,120	159,120
Basic earnings per share	**0.19**	**0.41**

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 2009

On 1 September 2009, acting through the Cimentas group, 70% of the Turkish company Sureko was acquired. The company operates in the waste management sector. The acquisition was accounted for in accordance with IFRS 3 – Business combinations, with the recognition of goodwill in the amount of EUR 10 million.

The fair value of the assets acquired and liabilities assumed, the calculation of goodwill and the cash flow generated by the investment are reported below:

[EUR '000]	Fair value at 1.09.2009
Price paid for acquisition	4,400
Other liabilities	6,350
Net cash flow from acquisition	**10,750**
Net assets acquired	
Cash and cash equivalents	23
Trade receivables	125
Property, plant and equipment	905
Other assets	85
Financial liabilities	(35)
Trade payables	(257)
Payables to related parties	(240)
Other liabilities	(58)
Total fair value of net assets acquired	**548**
Goodwill (note 1)	**10,202**
Price paid for acquisition	**10,750**

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) Rjukan Ferdigbetong AS (Norway)	Ready-mixed concrete Ready-mixed concrete	01.04.2008 01.04.2008	100 % 100 %	0.9
Everts Betongpump & Entreprenad AB (Sweden) *acquired minority interests*	Ready-mixed concrete	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**

29) Disclosures on financial risks

Credit risk

The maximum credit risk exposure for the Group at 31 December 2009 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 52.4 million or about 4.9% of consolidated shareholders' equity at 31 December 2009 (a reduction of EUR 33.4 million or about 3.21% at 31 December 2008). 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 7.5 million (EUR 8 million in 2008).

At 31 December 2009, 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 million (about EUR 2.6 million at 31 December 2008). 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 2009 showed a net debtor position of EUR 381.3 million (a negative EUR 416.4 million at 31 December 2008); 99% of the exposure is floating rate and 1% is fixed rate, in line with the previous year.

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 4 million (EUR 3.8 million in 2008) and shareholders' equity by EUR 3 million (EUR 2.9 million at 31 December 2008). An analogous decrease in interest rates would have a corresponding positive impact.

30) Hierarchy of fair value inputs under IFRS 7

With regard to financial instruments measured at fair value, IFRS 7 requires that such instruments be classified on the basis of a hierarchy of inputs used to determine that fair value. The following levels are used:

- Level 1: determination of fair value on the basis of quoted prices on active markets for the class of assets or liabilities being measured;
- Level 2: determination of fair value on the basis of inputs other than quoted prices in Level 1 that can be observed directly (prices) or indirectly (derivatives on prices) in the market; this category includes instruments that are not sufficiently liquid or that do not have a binding market price on a continuous basis;
- Level 3: determination of fair value on the basis of valuation models whose inputs are not based on observable market data.

The following table sets out the hierarchy for assets and liabilities measured at fair value:

[EUR '000]	Note	Level 1	Level 2	Level 3	Total
31 December 2009					
Equity investments measured at fair value	5	3,782			3,782
Current financial assets	8		142		142
Total assets		**3,782**	**142**		**3,924**
Current financial liabilities	15		(482)		(482)
Total liabilities			**(482)**		**(482)**

In 2009 there were no transfers among the various levels and there was no change in Level 3.

31) Transactions with related parties

Transactions with related parties involved:

- the parent company Caltagirone SpA and companies under its control;
- 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:

[EUR '000]	Parent company	Subsidiaries	Associates	Companies under common control	Total related parties	Total item in financial statements	% impact on item in financial statements
31 December 2009							
Balance sheet transactions							
Trade receivables			243	2,245	**2,488**	145,672	1.7%
Current financial assets			362		**362**	1,745	20.7%
Trade payables				168	**168**	133,976	0.1%
Current financial liabilities				3	**3**	179,051	-
Income statement transactions							
Revenues			5,705	1,836	**7,541**	822,473	0.9%
Other operating revenues				842	**842**	8,469	9.9%
Other operating costs	43			1,470	**1,513**	197,735	0.8%
Net financial result				10	**10**	5,351	0.2%

[EUR '000]	Parent company	Subsidiaries	Associates	Companies under common control	Total related parties	Total item in financial statements	% impact on item in financial statements
31 December 2008							
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%

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 Group has long sold cement to the companies of the Caltagirone Group.
In particular, in 2009, it sold a total of 20,806 metric tons of cement to Vianini Industria (in 2008, sales came to 31,816 tons, of which 18,659 to Vianini Industria and 13,157 to Vianini Lavori), 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 2009 the Group had no receivables in respect of loans granted to them.

Ipoh plant (Malaysia)

ANNEX 1

List of companies included in the scope of consolidation as of 31 December 2009:

Company name	Registered office	Closing date for period
Cementir Holding SpA – Group Parent	Rome (Italy)	31/12/2009
Aalborg Cement Company Inc.	Dover (USA)	31/12/2009
Aalborg Portland A/S	Aalborg (Denmark)	31/12/2009
Aalborg Portland Islandì EHF	Kopavogur (Iceland)	31/12/2009
Aalborg Portland Polska Spzoo	Warszawa (Poland)	31/12/2009
Aalborg Portland US Inc	Dover (USA)	31/12/2009
Aalborg Resources Sdn Bhd	Perak (Malaysia)	31/12/2009
Aalborg White Anqing Co Ltd	Anqing (China)	31/12/2009
Aalborg Portland Malaysia Sdn Bhd	Perak (Malaysia)	31/12/2009
Aalborg Portland (Australia) Pty Ltd	Sydney (Australia)	31/12/2009
Aalborg White Italia Srl [A]	Rome (Italy)	31/12/2009
Aalborg Portland OOO LLC	S. Petersburg (Russia)	31/12/2009
AB Sydsten	Malmö (Sweden)	31/12/2009
AGAB Syd Aktiebolag	Malmö (Sweden)	31/12/2009
Alfacem Srl	Roma (Italy)	31/12/2009
Bakircay AS	Izmir (Turkey)	31/12/2009
Betontir SpA	Rome (Italy)	31/12/2009
Cementir Delta SpA	Rome (Italy)	31/12/2009
Cementir Espana SL	Madrid (Spain)	31/12/2009
Cementir Italia Srl	Roma (Italy)	31/12/2009
CemMiljo A/S	Aalborg (Denmark)	31/12/2009
Cimbeton AS	Izmir (Turkey)	31/12/2009
Cimentas AS	Izmir (Turkey)	31/12/2009
Destek AS	Izmir (Turkey)	31/12/2009
Elazig Cimento AS	Elazig (Turkey)	31/12/2009
Everts Betongpump & Entreprenad AB	Halmstad (Sweden)	31/12/2009
4K Beton A/S[A]	Copenaghen (Denmark)	31/12/2009
Gaetano Cacciatore LLC	Somerville N.J.(USA)	31/12/2009
Globocem SL	Madrid (Spain)	31/12/2009
Ilion Cimento Ltd	Soma (Turkey)	31/12/2009
Intercem SpA	Roma (Italy)	30/11/2009
Italian Cement Company LLC (Cemit)	Krasnodar (Russia)	31/12/2009
Kars Cimento AS	Kars (Turkey)	31/12/2009
Kudsk & Dahl A/S	Vojens (Denmark)	31/12/2009
Recydia AS	Izmir (Turkey)	31/12/2009
Sinai White Portland Cement Co. SAE	Cairo (Egypt)	31/12/2009
Skane Grus AB	Malmö (Sweden)	31/12/2009
Sureko AS	Izmir (Turkey)	31/12/2009
Unicon A/S	Roskilde (Denmark)	31/12/2009
Unicon AS	Sandvika (Norway)	31/12/2009
Vianini Pipe Inc.	Somerville (USA)	31/12/2009
Yapitek AS	Izmir (Turkey)	31/12/2009

[A] In liquidation

Tor Pagnotta plant (Rome-Italy)

List of associated measured using the equity method as of 31 December 2009:

Company name	Registered office	Closing date for period
ECOL Unicon Spzoo	Gdansk (Poland)	31/12/2009
Lehigh White Cement Company - J.V.	Allentown (USA)	31/12/2009
Secil Unicon SGPS Lda	Lisbona (Portugal)	31/12/2009
Sola Betong AS	Risavika (Norway)	31/12/2009
Speedybeton SpA	Pomezia - RM (Italy)	31/12/2009
Storsand Sandtak AS	Saetre (Norway)	31/12/2009

ANNEX 2

List of significant equity investments at 31 December 2009 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	% Indirect	% Holding	Held through
Cementir Holding SpA	Rome (I)	159,120,000	EURO				Capogruppo
Aalborg Cement Company Inc.	Dover (USA)	1,000	USD		100	100	Aalborg Portland US Inc.
Aalborg Portland A/S	Aalborg (DK)	300,000,000	DKK		75	75	Cementir Espana SL
					25	25	Globocem SL
Aalborg Portland Islandì EHF	Kopavogur (IS)	303,000,000	ISK		100	100	Aalborg Portland A/S
Aalborg Portland Polska Spzoo	Warszawa (PL)	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 (MAL)	2,543,972	MYR		100	100	Aalborg Portland Malaysia Sdn Bhd
Aalborg White Anqing Co Ltd	Anqing (VR)	265,200,000	CNY		100	100	Aalborg Portland A/S
Aalborg Portland Malaysia Sdn Bhd	Perak (MAL)	95,400,000	MYR		70	70	Aalborg Portland A/S
Aalborg Portland (Australia) Pty Ltd	Sydney (AUS)	1,000	AUD		100	100	Aalborg Portland Malaysia Sdn Bhd
Aalborg White Italia Srl [A]	Rome (I)	10,000	EURO		82	82	Aalborg Portland A/S
Aalborg Portland OOO LLC	St. Petersburg (RUS)	14,700,000	RUB		100	100	Aalborg Portland A/S
AB Sydsten	Malmö (S)	15,000,000	SEK		50	50	Unicon A/S
AGAB Syd Aktiebolag	Malmö (S)	500,000	SEK		50	50	AB Sydsten
Alfacem Srl	Rome (I)	1,010,000	EURO		99.01	99.01	Cementir Delta SpA
				0.99		0.99	Cementir Holding SpA
Bakircay AS	Izmir (TR)	420,000	TRY		97.86	97.86	Kars Cimento AS
					2.14	2.14	Yapitek AS
Betontir SpA	Rome (I)	104,000	EURO		99.89	99.89	Cementir Italia Srl
Cemencal SpA	Bergamo (I)	12,660,000	EURO		15	15	Betontir SpA
Cementir Delta SpA	Rome (I)	38,218,040	EURO	99.99		99.99	Cementir Holding SpA
Cementir Espana SL	Madrid (E)	3,007	EURO		100	100	Cementir Delta SpA
Cementir Italia Srl	Rome (I)	40,000,000	EURO	99.99		99.99	Cementir Holding SpA
					0.01	0.01	Cementir Delta SpA
CemMiljo A/S	Aalborg (DK)	1,090,950	DKK		100	100	Aalborg Portland A/S
Cimbeton AS	Izmir (TR)	1,770,000	TRY		84.68	84.68	Cimentas AS
					0.06	0.06	Yapitek AS

continue

Company name	Registered office	Share capital	Currency	Type of holding % Direct	% Indirect	% Holding	Held through
Cimentas AS	Izmir (TR)	87,112,463	TRY		58.46	58.46	Intercem SA
				37.59		37.59	Cementir Holding SpA
					0.12	0.12	Cimbeton AS
					0.96	0.96	Kars Cimento AS
Destek AS	Izmir (TR)	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
ECOL Unicon Spzoo	Gdansk (PL)	1,000,000	PLN		49	49	Unicon A/S
Elazig Cimento AS	Elazig (TR)	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 (S)	100,000	SEK		73.5	73.5	AB Sydsten
4K Beton A/S[A]	Copenaghen (DK)	1,000,000	DKK		100	100	Unicon A/S
Gaetano Cacciatore LLC	Somerville N.J. (USA)	1	USD		100	100	Aalborg Cement Company Inc
Globocem S.L.	Madrid (E)	3,007	EURO		100	100	Alfacem Srl
Ilion Cimento Ltd.	Soma (TR)	300,000	TRY		99.99	99.99	Cimbeton AS
					0.01	0.01	Bakircay AS
Intercem SpA	Roma (I)	120,000	EURO	99.17		99.17	Cementir Holding SpA
					0.83	0.83	Betontir SpA
Italian Cement Company LLC (Cemit)	Krasnodar (RUS)	3,000,000	RUB		100	100	Cimentas AS
Kars Cimento AS	Kars (TR)	3,000,000	TRY		58.38	58.38	Cimentas AS
					39.81	39.81	Alfacem Srl
Kudsk & Dahl A/S	Vojens (DK)	10,000,000	DKK		100	100	Unicon A/S
Lehigh White Cement Company -J.V.	Allentown (USA)	-	USD		24.5	24.5	Aalborg Cement Company Inc
Recydia AS	Izmir (TR)	5,500,000	TRY		99.64	99.64	Cimentas AS
					0.18	0.18	Yapitek AS
					0.15	0.15	Bakircay
Secil Unicon SGPS Lda	Lisbona (P)	4,987,980	EURO		50	50	Unicon A/S
Secil Prebetão SA	Montijo (P)	3,454,775	EURO		79.60	79.60	Secil Unicon SGPS Lda
Sinai White Portland Cement Co. SAE	Cairo (ET)	350,000,000	EGP		57.14	57.14	Aalborg Portland A/S
Skane Grus AB	Malmö (S)	1,000,000	SEK		60	60	AB Sydsten
Sola Betong AS	Risvika (N)	9,000,000	NOK		33.33	33.33	Unicon AS
Speedybeton SpA	Pomezia - RM (I)	300,000	EURO		30	30	Betontir SpA
Storsand Sandtak AS	Saetre (N)	105,000	NOK		50	50	Unicon A/S
Sureko AS	Izmir (TR)	1,000,000	TRY		69.90	69.90	Recydia AS
					0.10	0.10	Bakircay AS
Unicon A/S	Copenaghen (DK)	150,000,000	DKK		100	100	Aalborg Portland A/S
Unicon AS	Sandvika (N)	13,289,100	NOK		100	100	Unicon A/S
Vianini Pipe Inc.	Somerville N.J. (USA)	4,483,396	USD		99.99	99.99	Aalborg Portland US Inc.
Yapitek AS	Izmir (TR)	50,000	TRY		98.75	98.75	Cimentas AS
					1.25	1.25	Cimbeton AS

[A] In liquidation

Rome, 18 March 2010

Francesco Caltagirone Jr.
Chairman of the Board of Directors

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 2009.

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, 18 March 2010

Francesco Caltagirone Jr.
Chairman of the Board of Directors

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

REPORT OF THE BOARD OF 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 2009 we continued to perform the supervisory functions required by the law, particularly Legislative Decree 58 of 24 February 1998, taking due account of the standards recommended by the National Councils of the Italian accounting profession. The independent auditing function continued to be performed by PriceWaterhouseCoopers SpA, with whom we maintained constant contacts, as discussed more specifically below.

As regards our activities during the year, 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;
- we note in particular that the management guidelines issued by the parent company to the subsidiaries enabled the Group to weather the persistent recession, with effective attention being paid to reorganisation initiatives and market presence;
- we acquired information and monitored, within the scope of our duties, the adequacy of the Company's organizational structure, compliance with the principles of sound administration and the appropriateness 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 preparing the company's financial reports, provided for by Art. 16 of the bylaws, and with the head of the Internal Auditing unit. No significant concerns arose during the course of these meetings;
- we examined and obtained information on organizational and procedural activities relating to Legislative Decree 231/2001. The Chairman of the Board of Auditors attended the six meetings of the Supervisory Body held in 2009, reporting on their proceedings to the other members of the Board of Auditors;
- we monitored implementation of the Corporate Governance Code for listed companies, taking account of the various updates and adjustments involved, and can conclude that the corporate governance model adopted by the Company complies with the Code. We report that the Internal Control Committee, which met four times, examined organisational and control issues in detail, reporting periodically to the Board of Directors and making recommendations to enhance the effectiveness of corporate controls. The Committee invited the Chairman of the Board of Auditors to attend all of the meetings and took account of the suggestions offered by the latter in a fruitful exchange of views. The Chairman of the Board of Auditors also participated in the meeting held by the independent directors and that of the Remuneration Committee, reporting on their proceedings to the other members of the Board of Auditors;
- pursuant to Art. 150 (2) of Legislative Decree 58/98, we met regularly with the independent auditors, PriceWaterhouseCoopers SpA, to exchange information and opinions. No significant information or circumstances 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, taking due account of the definition of the latter set out in CONSOB Recommendation no. 17221 of 12 March 2010. In the notes to the financial statements, the directors provide information on those transactions, reporting that all transactions with subsidiaries, associates, the controlling shareholder (Caltagirone SpA), 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 control bodies or in this report during the course of our supervisory activity;
- as regards the results reported in the financial statements for the year ended 31 December 2009, we held specific meetings with representatives of PricewaterhouseCoopers SpA to review, within the scope of our respective duties, the accounting policies 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;
- in 2009 the accounting firm was engaged to perform the following;
  - auditing of the separate financial statements (EUR 18,681.11);
  - auditing of the consolidated financial statements (EUR 28,021.67).

As part of our supervisory activities, the Board of Auditors met five times, including via tele-conferencing. We attended four meetings of the Board of Directors and attended the Ordinary Shareholders' Meeting to approve the financial statements for the year ended 31 December 2008.
Based on the activity carried out during the year, we find no grounds to oppose approval of the financial statements of Cementir Holding SpA for the period ended 31 December 2009 and the accompanying Report on Operations. We also concur with the directors' proposal to cover the EUR 1,606,438 loss using retained earnings and to distribute a dividend of EUR 0.06 per share, for a total of EUR 9,547,200, again drawing on retained earnings.
We attach the list of positions held by each member of the Board of Auditors in accordance with CONSOB Resolution no. 15915 of 3 May 2007.
The Board of Auditors also examined the consolidated financial statements and acknowledges the unqualified opinion issued by PriceWaterhouseCoopers SpA.

Rome, 2 April 2010

THE BOARD OF AUDITORS

Claudio Bianchi
Chairman

Carlo Schiavone
Standing auditor

Giampiero Tasco
Standing auditor

ATTACHMENT TO THE REPORT OF THE BOARD OF AUDITORS PURSUANT TO ART. 144 QUINQUIESDECIES OF THE IMPLEMENTING REGULATION FOR LEGISLATIVE DECREE 58/1998

List of positions held by each member of the Board of Auditors as of the date of issue of its report in accordance with CONSOB Resolution no. 15915 of 3 May 2007.

Claudio Bianchi (Chairman of the Board of Auditors)

	Company	Position	End of term
1	API "anonima petroli italiana" SpA	Chairman Board of Auditors	Financial statements at 31/12/2010
2	BANCA ANTONVENETA SpA	Standing auditor	Financial statements at 31/12/2010
3	B2win SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
4	CALTAGIRONE SpA (listed)	Standing auditor	Financial statements at 31/12/2010
5	Cementir Holding SpA (listed)	Chairman Board of Auditors	Financial statements at 31/12/2010
6	Cementir Italia Srl	Chairman Board of Auditors	Financial statements at 31/12/2010
7	E-Care SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
8	Fabrica Immobiliare SGR SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
9	Grandi Stazioni SpA	Standing auditor	Financial statements at 31/12/2009
10	GS-Carrefour SpA	Chairman Board of Auditors	Financial statements at 31/12/2010
11	Il Gazzettino SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
12	Maccarese SpA	Chairman Board of Auditors	Financial statements at 31/12/2010
13	Sammontana Finanziaria Srl	Director	Financial statements at 31/12/2010

Total number of positions: 13
Number of positions with issuers: 2

Carlo Schiavone (Standing auditor)

	Company	Position	End of term
1	Alfacem Srl	Chairman Board of Auditors	Financial statements at 31/12/2010
2	Apifin Srl	Standing auditor	Financial statements at 31/12/2011
3	Api Real Estate Srl	Standing auditor	Financial statements at 31/12/2011
4	Betontir SpA	Chairman Board of Auditors	Financial statements at 31/12/2010
5	Caltagirone SpA (listed)	Standing auditor	Financial statements at 31/12/2010
6	Caltagirone Editore SpA (listed)	Standing auditor	Financial statements at 31/12/2011
7	Capitolium SpA	Chairman Board of Auditors	Financial statements at 31/12/2010
8	Cementir Holding SpA (listed)	Standing auditor	Financial statements at 31/12/2010
9	Cementir Delta SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
10	Cementir Italia Srl	Standing auditor	Financial statements at 31/12/2009
11	Co.e.m. SpA	Standing auditor	Financial statements at 31/12/2009
12	Echetlo Srl	Standing auditor	Financial statements at 31/12/2010
13	Energia SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
14	Energy Production Industry Company Srl	Standing auditor	Financial statements at 31/12/2011
15	Festival SpA	Standing auditor	Financial statements at 31/12/2011
16	Finanziaria Italia 2005 SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
17	Finbra Real Estate Srl	Chairman Board of Auditors	Financial statements at 31/12/2011
18	Fincal SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
19	INTERCEM SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
20	I.R.E.P. SpA	Chairman Board of Auditors	Financial statements at 31/12/2010
21	Mantegna 87 Srl	Chairman Board of Auditors	Financial statements at 31/12/2009
22	MPS Immobiliare SpA	Standing auditor	Until Shareholders' Meeting of 16/04/2010
23	Pantheon 2000 SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
24	Parco di Roma SpA	Chairman Board of Auditors	Financial statements at 31/12/2010
25	Se.pro. Srl	Standing auditor	Financial statements at 31/12/2010
26	S.I.M.E. SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
27	Società per Azioni Iniziative Imm. Provera e Carrassi "IPC" SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
28	Società per Azioni Ingg. Provera e Carrassi Impresa di Costruzioni SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
29	Società per Azioni Immobiliare Guido D'Arezzo	Chairman Board of Auditors	Financial statements at 31/12/2011
30	So.co.ge.im. SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
31	Unione Generale Imm.re SpA	Chairman Board of Auditors	Financial statements at 31/12/2010
32	S.A.R.I. SpA	Managing Director	Financial statements at 30/11/2011
33	Victoria Felix Srl	Managing Director	Until revocation

Total number of positions: 33
Number of positions with issuers: 3

Giampiero Tasco (Standing auditor)

	Company	Position	End of term
1	Caltagirone SpA (listed)	Chairman Board of Auditors	Financial statements at 31/12/2010
2	Cementir Holding SpA (listed)	Standing auditor	Financial statements at 31/12/2010
3	Cementir Italia SRL	Standing auditor	Financial statements at 31/12/2009
4	Silvano Toti SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
5	Il Messaggero SpA	Standing auditor	Financial statements at 31/12/2009
6	Sansedoni Spa	Chairman Board of Auditors	Financial statements at 31/12/2011
7	Edilizia Commerciale SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
8	2C Costruzioni Civili Srl	Chairman Board of Auditors	Financial statements at 31/12/2009
9	Edilprime SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
10	Rosa Di Maggio SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
11	Dione SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
12	Consorzio Vulcano	Chairman Board of Auditors	Financial statements at 31/12/2008
13	Caltahotel SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
14	DRAGONCELLO VII Srl	Chairman Board of Auditors	Financial statements at 31/12/2011
15	Dragoncello VIII Srl	Chairman Board of Auditors	Financial statements at 31/12/2011
16	Dragoncello IX Srl	Chairman Board of Auditors	Financial statements at 31/12/2011
17	Sidis Vision SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
18	Tifone SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
19	Consorzio Caltacity Due	Chairman Board of Auditors	Financial statements at 31/12/2009
20	Roma Television Communication Srl	Director	Until revocation
21	Dae Costruzioni Spa	Chairman Board of Auditors	Financial statements at 31/12/2006
22	Fornace Aurelia I SpA	Chairman Board of Auditors	Financial statements at 31/12/2009
23	Sunfin Srl	Chairman Board of Auditors	Financial statements at 31/12/2009
24	Eurofin Srl	Chairman Board of Auditors	Financial statements at 31/12/2009
25	Toti Invest unip. Srl	Chairman Board of Auditors	Financial statements at 31/12/2009
26	Pallacanestro Virtus Srl	Chairman Board of Auditors	Financial statements at 30/06/2010
27	Partecipazioni Editoriali Srl	Chairman Board of Auditors	Financial statements at 31/12/2011
28	BE.IM. SpA	Chairman Board of Auditors	Financial statements at 31/12/2011
29	Costiero Gas Livorno SpA	Standing auditor	Financial statements at 31/12/2011
30	ENI ADFIN SpA	Standing auditor	Financial statements at 31/12/2011
31	Cat Holding SpA	Chairman Board of Auditors	Financial statements at 31/12/2011

Total number of positions: 31
Number of positions with issuers: 2

Malatya plant (Turkey)

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 2009, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and related explanatory 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, the amounts of which are presented for comparative purposes and have been reclassified to reflect the changes to the financial statement presentation introduced by IAS 1, reference is made to our report dated 6 April 2009.

3 In our opinion, the consolidated financial statements of the Cementir Holding Group as of 31 December 2009 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 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 and the report on corporate governance and shareholding structure, published in section “Investor Relations” of the Internet site of Cementir Holding SpA, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information provided in compliance with paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of article 123-bis of Legislative Decree 58/98 presented in the report on corporate governance and shareholding structure, with the financial statements, as required by law. 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 and the information provided in compliance with paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of article 123-bis of Legislative Decree 58/98 presented in the report on corporate governance and shareholding structure are consistent with the consolidated financial statements of Cementir Holding SpA as of 31 December 2009.

Rome, 2 April 2010

PricewaterhouseCoopers SpA

Signed by

Luciano Festa
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation.

(2)

4

STATUTORY FINANCIAL STATEMENTS OF CEMENTIR HOLDING SPA

Statement of financial position

[EUR]	Notes	31 December 2009	31 December 2008
ASSETS			
Intangible assets	1	747,926	662,695
Property, plant and equipment	2	52,529	88,746
Investment property	3	23,000,000	23,000,000
Equity investments in subsidiaries	4	437,397,347	392,365,472
Other equity investments	5	3,781,895	-
Non-current financial assets	6	90.385	90.385
Deferred tax assets	21	1,314,904	1,527,254
TOTAL NON-CURRENT ASSETS		**466,384,986**	**417,734,552**
Trade receivables	7	13,803,615	10,427,082
- Trade receivables third parties		*55,281*	*22,903*
- Trade receivables related parties	*31*	*13,748,334*	*10,404,179*
Current financial assets	8	374,128,705	283,611,056
- Current financial assets third parties		*627,647*	*710,346*
- Current financial assets related parties	*31*	*373,501,058*	*282,900,710*
Current tax assets	9	2,454,366	1,267,443
Other current assets	10	1,494,674	7,188,599
- Other current assets third parties		*548,918*	*1,027,208*
- Other current assets related parties	*31*	*945,756*	*6,161,391*
Cash and cash equivalents	11	9,894,545	9,313,633
TOTAL CURRENT ASSETS		**401,775,905**	**311,807,813**
TOTAL ASSETS		**868,160,891**	**729,542,365**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	12	159,120,000	159,120,000
Share premium reserve	13	35,710,275	35,710,275
Other reserves	14	400,666,301	418,663,730
Net profit (loss)		(1,606,438)	(5,484,097)
TOTAL SHAREHOLDERS' EQUITY		**593,890,138**	**608,009,908**
Employee benefit provisions	15	472,950	357,045
Non-current provisions	16	3,362,155	-
Non-current financial liabilities	18	131,983,858	60,890,543
Deferred tax liabilities	21	4,807,058	4,740,975
TOTAL NON-CURRENT LIABILITIES		**140,626,021**	**65,988,563**
Trade payables	17	918,669	1,123,725
- Trade payables third parties		*893,388*	*618,.492*
- Trade payables related parties	*31*	*25,281*	*505,233*
Current financial liabilities	18	129,335,923	51,979,958
- Current financial liabilities third parties		*23,709,672*	*23,346,842*
- Current financial liabilities related parties	*31*	*105,626,251*	*28,633,116*
Current tax liabilities	19	1,860,832	880,885
Other current liabilities	20	1,529,308	1,559,326
- Other current liabilities third parties		*1,183,519*	*613,441*
- Other current liabilities related parties	*31*	*345,789*	*945,885*
TOTAL CURRENT LIABILITIES		**133,644,732**	**55,543,894**
TOTAL LIABILITIES		**274,270,753**	**121,532,457**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**868,160,891**	**729,542,365**

Income statement

[EUR]	Note	2009	2008
REVENUES	**22**	**11,099,217**	**9,030,024**
- Revenues third parties		0	1,723
- Revenues related parties	31	11,099,217	9,028,301
Other operating revenues	23	1,151,966	966,060
- Other revenues third parties		310,120	134,801
- Other revenues related parties	31	841,846	831,259
TOTAL OPERATING REVENUES		**12,251,183**	**9,996,084**
Personnel costs	24	(4,979,482)	(4,602,337)
Other operating costs	25	(5,542,767)	(7,109,650)
- Other operating costs third parties		(4,962,775)	(6,518,648)
- Other operating costs related parties	31	(579,992)	(591,002)
TOTAL OPERATING COSTS		**(10,522,249)**	**(11,711,987)**
EBITDA		**1,728,934**	**(1,715,903)**
Depreciation, amortisation, impairment losses and provisions	26	(345,956)	(307,250)
EBIT		**1,382,978**	**(2,023,153)**
Financial income	27	4,925,122	15,322,181
- Financial income third parties		4,902,854	14,979,878
- Financial income related parties	31	22,268	342,303
Financial expense	27	(8,162,039)	(21,068,480)
- Financial expense third parties		(5,422,108)	(19,969,467)
- Financial expense related parties	31	(2,739,931)	(1,099,013)
NET RESULT ON FINANCIAL ITEMS		**(3,236,917)**	**(5,746,299)**
PROFIT BEFORE TAX		**(1,853,939)**	**(7,769,452)**
Income taxes	28	247,501	2,285,355
NET PROFIT (LOSS) FOR THE YEAR		**(1,606,438)**	**(5,484,097)**

Statement of comprehensive income

[EUR '000]	2009	2008
NET PROFIT (LOSS) FOR THE PERIOD	**(1,606)**	**(5,484)**
Other components of comprehensive income:		
Financial instruments	207	-
Actuarial gains (losses) on severance benefits (TFR)	91	(31)
Tax recognised in shareholders' equity	(82)	9
Total other components of comprehensive income	**216**	**(22)**
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**(1,390)**	**(5,506)**

Statement of changes in shareholders' equity

[EUR '000]

	Share capital	Share premium reserve	Revaluation reserve	Legal reserve
Shareholders' equity at 1 January 2008	**159,120**	**35,710**	**97,733**	**31,824**
Allocation of 2007 net profit	-	-	-	-
Dividend distribution 2007	-	-	-	-
Total transactions with shareholders	**-**	**-**	**-**	**-**
Actuarial gains /losses on severance benefits (TFR)	-	-	-	-
Total other components of comprehensive income	**-**	**-**	**-**	**-**
Reclassifications	-	-	90,634	-
Total other changes	**-**	**-**	**90,634**	**-**
Net profit (loss) for the period	**-**	**-**	**-**	**-**
Shareholders' equity at 31 December 2008	**159,120**	**35,710**	**97,733**	**31,824**
Shareholders' equity at 1 January 2009	**159,120**	**35,710**	**97,733**	**31,824**
Allocation of 2008 net profit	-	-	-	-
Dividend distribution 2008	-	-	-	-
Total transactions with shareholders	**-**	**-**	**-**	**-**
Actuarial gains /losses on severance benefits (TFR)	-	-	-	-
Change in AFS instruments	-	-	-	-
Total other components of comprehensive income	**-**	**-**	**-**	**-**
Reclassifications	-	-	-	-
Total other changes	**-**	**-**	**-**	**-**
Net profit (loss) for the period	**-**	**-**	**-**	**-**
Shareholders' equity at 31 December 2009	**159,120**	**35,710**	**97,733**	**31,824**

Other reserves: Grant reserve	Reserve Art. 15 Law 67/88	Reserve Law 349/95	Other reserves IAS	Severance benefit reserve IAS 19	Retained earnings	Net profit/(loss) for the year	Total shareholders' equity
13,207	**138**	**41**	**98,842**	**776**	**175,859**	**19,361**	**632,611**
-	-	-	-	-	266	(266)	-
-	-	-	-	-	-	(19,095)	(19,095)
-	**-**	**-**	**-**	**-**	**266**	**(19,361)**	**(19,095)**
-	-	-	-	(22)	-	-	(22)
-	**-**	**-**	**-**	**(22)**	**-**	**-**	**(22)**
-	-	-	(93,672)	(590)	3,628	-	-
-	**-**	**-**	**(93,672)**	**(590)**	**3,628**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**(5,484)**	**(5,484)**
13,207	**138**	**41**	**98,842**	**754**	**176,125**	**(5,484)**	**608,010**
13,207	**138**	**41**	**98,842**	**754**	**176,125**	**(5,484)**	**608,010**
-	-	-	-	-	(5,484)	5,484	-
-	-	-	-	-	(12,730)	-	(12,730)
-	**-**	**-**	**-**	**-**	**(18,214)**	**5,484**	**(12,730)**
-	-	-	-	66	-	-	66
-	-	-	150	-	-	-	150
-	**-**	**-**	**150**	**66**	**-**	**-**	**216**
16,228	-	-	-	(117)	(16,111)	-	-
16,228	**-**	**-**	**-**	**(117)**	**(16,111)**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**(1,606)**	**(1,606)**
29,435	**138**	**41**	**98,992**	**703**	**141,800**	**(1,606)**	**593,890**

Cash flow statement

[EUR '000]	31 December 2009	31 December 2008
Net profit (loss) for the period	**(1,606)**	**(5,484)**
Depreciation and amortisation	346	307
Net financial result:	3,238	5,747
- third parties	*(519)*	*(4,990)*
- related parties	*(2,719)*	*(757)*
Income taxes	(249)	(2,285)
Change in employee benefit provisions	207	131
Operating cash flow before change in working capital	**1,936**	**(1,584)**
(Increase) Decrease trade receivables – third parties	(32)	168
(Increase) Decrease trade receivables – related parties	(3,344)	(7,932)
Increase (Decrease) trade payables – third parties	(116)	(85)
Increase (Decrease) trade payables – related parties	(480)	406
Change in current and non-current assets and liabilities	5,664	(7,851)
Change in deferred and current income taxes	5,475	5,362
Operating cash flow	**9,103**	**(11,516)**
Dividends received	71	732
Interest received	981	1,587
Interest paid	(2,823)	(5,124)
Collections (payments) other financial income/expense	27	1,175
Income taxes paid	(1,876)	(424)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**5,483**	**(13,570)**
Investments in intangible assets	-	(517)
Investments in property, plant and equipment	(3)	(13)
Equity investments	(61,912)	-
Divestments of equity investments and non-current securities	13,401	-
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(48,514)**	**(530)**
Change in non-current financial assets and liabilities	71,093	(9,929)
Change in current financial assets and liabilities – third parties	1.574	5,151
Change in current financial assets and liabilities – related parties	(16,325)	40,881
Dividends distributed	(12,730)	(19,094)
Other changes in shareholder's equity	-	(23)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**43,612**	**16,986**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	**581**	**2,886**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**9,314**	**6,424**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**9,895**	**9,314**

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 2009 , as indicated in the shareholder register and notices received pursuant to Article 120 of Legislative Decree 58 of 24 February 1998 are:

- Calt 2004 Srl - 47,860,813 shares (30.078%)
- Lav 2004 Srl - 40,543,880 shares (25.480%)
- Pantheon 2000 SpA - 4,466,928 shares (2.807%)
- Chupas 2007 Srl - 3,842,646 shares (2.415%).

The financial statements at 31 December 2009 of Cementir Holding SpA were approved on 18 March 2010 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 2009.
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).
As from 1 January 2009, a series of amendments were made to certain international accounting standards,

none of which had a material impact on the financial statements. The main changes are as follows:

- **IAS 1 – Presentation of financial statements (2007 revised version):** in addition to introducing new names for some financial statements, the standard requires companies to present in either a single statement (called the "statement of comprehensive income) or in two separate statements (the separate income statement and the statement of comprehensive income) the items that comprise the profit or loss for the period and the expenses and income taken to equity for transactions other than those with owners. With regard to the statement of comprehensive income, the Company has elected to present two separate statements and restate the comparative figures for 2008 based on these new statements.
- **IAS 23 – Borrowing costs (2007 revised version):** 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 criteria followed by the Company were already consistent with the changes introduced, therefore the entry into force of the standard will have no impact.
- **IFRS 8 – Operating segments:** endorsed by the European Commission in November 2007, this standard requires disclosure be made in relation to the Company's operating segments, eliminating the need to determine the Company's primary and secondary reporting segments. Adoption of this change has no impact on the Company's financial position or performance. The Company has determined that its operating segments are the same as those used in the past under IAS 14 - Segment Reporting, specifically, operating activities organised and managed by country. Additional information pertaining to each segment is reported in the notes.
- **Amendment to IFRS 7– Financial instruments:** disclosures, primarily issued to expand the level of disclosure concerning fair value measurement and information on liquidity risk, the effects of which are presented in the notes to the financial statements.

Newly-issued accounting standards and interpretations not adopted early by the Company

As required by IAS 8 - Accounting policies, changes in accounting estimates and errors, the following list reports standards, interpretations or updates endorsed in 2009 that will take effect as from 2010:

- Revised IAS 27 "Consolidated and separate financial statements"
- Revised IFRS 3 "Business combinations"
- IFRIC 12 "Service concession arrangements"
- IFRIC 15 "Agreements for the construction of real estate"
- IFRIC 16 "Hedges of a net investment in a foreign operation"
- IFRIC 17 "Distributions of non-cash assets to owners"
- IFRIC 18 "Transfers of assets from customers".

In addition, the following will take effect as from 2011:

- Amendment to IAS 32 "Classification of rights issues"
- Amendment to IAS 39 "Eligible hedged items".

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.

Basis of presentation

The financial statements at 31 December 2009 are presented in euros. The financial statements consist of the statement of financial position, the income statement, the statement of changes in shareholders' equity, the statement of comprehensive income, 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.
The statement of changes in shareholders' equity, the statement of comprehensive income, 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 Company 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 Holding 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 available for sale:** financial assets available for sale are non-derivative financial instruments explicitly designated in this category and are carried under non-current assets unless management intends to sell them within 12 months of the reporting date. Such assets are measured at fair value and any measurement gains or losses are recognised in equity through the statement of comprehensive income; they are taken to profit or loss only when the financial asset is actually sold or, in the case of cumulative negative changes, when it is determined that the loss already recognised in equity cannot be recovered in the future. When there is an impairment loss, such loss

is taken to profit or loss if it has persisted for more than 30 months or is greater than 30% of the carrying amount.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. 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 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 Company uses financial derivatives, such as forward foreign exchange contracts and foreign exchange options, to hedge the risks of exchange rate fluctuations, and CO_2 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.

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 2009 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 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 of the 0 and employee turnover.

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.

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 Company 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.

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.

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

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 likely to be in force at the date the differences reverse.
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 29.

Notes to the Financial Statements

1) Intangible assets

Intangible assets amounted to EUR 748 thousand (EUR 663 thousand at 31 December 2008) and are entirely accounted for costs incurred for the acquisition and implementation of the SAP/R3 and Hyperion 9 information systems. Amortisation is calculated in the account on the basis of the estimated useful life of the asset.

[EUR '000]	Other assets	Total
Gross value at 1 January 2009	**2,576**	**2,576**
Increases	392	392
Reclassifications	-	-
Gross value at 31 December 2009	**2,968**	**2,968**
Amortisation at 1 January 2009	**1,913**	**1,913**
Increases	307	307
Amortisation at 31 December 2009	**2,220**	**2,220**
Net value at 31 December 2009	**748**	**748**
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**

2) Property, plant and equipment

At 31 December 2009 property, plant and equipment amounted to EUR 53 thousand (EUR 89 thousand at 31 December 2008). 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 2009	**-**	**-**	**-**	**-**	**457**	**-**	**457**
Increases	-	-	-	-	3	-	3
Decreases	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Gross value at 31 December 2009	**-**	**-**	**-**	**-**	**460**	**-**	**460**
Depreciation at 1 January 2009	**-**	**-**	**-**	**-**	**368**	**-**	**368**
Increases	-	-	-	-	39	-	39
Decreases	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Depreciation at 31 December 2009	**-**	**-**	**-**	**-**	**407**	**-**	**407**
Net value at 31 December 2009	**-**	**-**	**-**	**-**	**53**	**-**	**53**

continue

[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
Contribution	(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
Contribution	(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**

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 2009, including discounting, of EUR 13,375 thousand.

4) Equity investments in subsidiaries

Equity investments in subsidiaries came to EUR 437,396 thousand (EUR 392,365 thousand at 31 December 2008) and break down as follows:

[EUR '000]	Registered office	% holding	Carrying amount at 31.12.2009	% holding	Carrying amount al 31.12.2008
Cimentas AS	Izmir (Turkey)	37.59%	135,398	29.38%	90,367
Intercem SA	Rome	99.17%	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%	143,207
Equity investments			**437,396**		**392,365**

The increase of EUR 45,031 thousand on 2008 is attributable to the capital increase carried out by Cimentas AS 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) Other equity investments

"Other equity investments" amounted to EUR 3,782 thousand ,represented by 394,976 shares of Italcementi Spa, classified as financial assets available for sale. Changes in the year were as follows:

[EUR '000]	31.12.2009	31.12.2008
Other equity investments *start of period*	-	-
Increases	16,881	-
Decreases	(13,306)	-
Change in fair value	207	-
Other equity investments	**3,782**	**-**

There is no evidence of impairment for the above equity investments.

6) Non-current financial assets

The item amounted to EUR 90 thousand, unchanged on 31 December 2008), and is made up of receivables in respect of security deposits falling due in less than five years.

7) Trade receivables

Trade receivables totalled EUR 13,804 thousand (EUR 10,427 thousand at 31 December 2008), and are composed of the following elements:

[EUR '000]	31.12.2009	31.12.2008
Customer receivables	55	23
Impairment	-	-
Receivables due from subsidiaries	12,804	9,756
Receivables due from other Group companies	945	648
Trade receivables	**13,804**	**10,427**

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

[EUR '000]	31.12.2009	31.12.2008
Customer receivables not past due	55	23
Customer receivables past due	-	-
Total customer receivables	**55**	**23**
Impairment	-	-
Trade receivables	**55**	**23**

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 31 concerning transactions with related parties.

8) Current financial assets

Current financial assets came to EUR 374,129 thousand (EUR 283,611 thousand at 31 December 2008) and comprise financial receivables due from subsidiaries and associates, consisting of interest-bearing demand loans (3-month Euribor + 1.5%) in the amount of EUR 373,501 thousand (see Note 31 for details) and EUR 628 thousand in respect of accrued income for the state interest rate subsidy from Simest SpA on loans from various banks.

9) Current tax assets

Current tax assets amounted to EUR 2,454 thousand (EUR 1,267 thousand at 31 December 2008) and are mainly composed of IRES credits and IRAP advance payments.

10) Other current assets

Other current assets came to EUR 1,495 thousand (EUR 7,188 thousand at 31 December 2008) and broke down as follows:

[EUR '000]	31.12.2009	31.12.2008
Consolidated Group VAT	252	864
Receivables from subsidiaries (tax consolidation mechanism)	694	6,161
Receivables from employees	1	1
Other receivables	531	159
Prepaid general expenses	17	3
Other current assets	**1,495**	**7,188**

11) Cash and cash equivalents

The item amounted to EUR 9,895 thousand (EUR 9,313 thousand at 31 December 2008) and consists of the Company's liquidity. It breaks down as follows:

[EUR '000]	31.12.2009	31.12.2008
Bank and postal deposits	9,891	9,311
Cash and cash equivalents on hand	4	2
Cash and cash equivalents	**9,895**	**9,313**

12) Share capital

At 31 December 2009, share capital amounted to EUR 159,120,000 represented by 159,120,000 fully paid-in ordinary shares with a par value of EUR 1.00 each.

13) Share premium reserve

At 31 December 2009 the item came to EUR 35,710 thousand, unchanged with respect to 31 December 2008.

14) Other reserves

Other reserves totalled EUR 400,666 thousand (EUR 418,663 thousand at 31 December 2008) and include:

[EUR '000]	31.12.2009	31.12.2008
Revaluation reserve	188,367	188,367
Legal reserve	31,824	31,824
Other reserves	29,614	29,614
Other IAS reserves	5,433	5,217
Retained earnings	145,428	163,641
Other reserves	**400,666**	**418,663**

Other IAS reserves break down as follows:

[EUR '000]	31.12.2009	31.12.2008
Fair value reserves - property, plant and equipment	5,109	5,109
Fair value reserves - equity investments	150	-
Financial debt discounting reserves	61	61
Severance benefit actuarial measurement reserves	113	47
Total other IAS reserves	**5,433**	**5,217**

Analysis of shareholders' equity

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

[EUR '000]				Summary of uses in the three previous years	
	Amount	Possible uses	Amount available	coverage of losses	other
Share capital	**159,120**				
Share premium reserve	35,710	A,B,C	35,710		
Revaluation reserve	97,732	A,B,C	97,732		
Law 342/2000 -2000 and 2003 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	5,433				
Retained earnings	145,182	A,B,C	145,182	5,484	12,774
Retained earnings/losses carried forward IFRS	246				
Total	**436,376**		**430,697**	**5,484**	**12,774**
Not distributable			**45,210**		
Distributable			**385,487**		

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 323,159 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 18 March 2010, the Board of Directors proposed the distribution of a dividend to shareholders in the total amount of EUR 0.06 per ordinary share, equal to EUR 9,547 thousand.
During the year, the 2008 dividend was distributed in the amount of EUR 0.08 per ordinary share, for a total amount of EUR 12,730 thousand.

Stock incentive plans (stock options)

Cementir Holding approved a stock incentive plan (stock options) affecting 25 Beneficiaries of Group companies at 31 December 2009.
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 theBoard of Directors	Description of instrument	No. of financial instruments underlying the options granted	Exercise price	Expiration of option
Members of Board of Directors (n. 4)	15-01-2008	11-02-2008	Options on Cementir Holding SpA shares	910,000	EUR 7.00	11-02-2013
Managers (n. 21)	15-01-2008	11-02-2008	Options on Cementir Holding SpA shares	275,000	EUR 7.00	11-02-2013
Total				**1,185,000**		

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;
(i) 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.

15) Employee benefit provisions

The provision for employee benefits, equal to EUR 473 thousand (EUR 357 thousand at 31 December 2008) 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:

Value in %	31.12.2009	31.12.2008
Discount rate	3.77%	4.59%
Annual wage increase	2.10%	2.10%
Annual accretion of TFR	**3.07%**	**3.75%**

Changes were as follows:

[EUR '000]	31.12.2009	31.12.2008
Net liability at start of period	**357**	**6,958**
Transfers at 1 January 2008	-	(6,732)
Current service cost	332	148
Interest cost	13	18
Net actuarial (gain)/loss recognised during the period	(91)	31
(Benefits paid)	(138)	(66)
Net liability at end of period	**473**	**357**

16) Provisions

The item came to EUR 3,362 thousand. It represents the provisions accrued in the year in consideration of the tax audit conducted by the Revenue Agency completed in 2006 concerning direct taxes and VAT for 2004. 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. In 2009, the Company received an assessment from the Revenue Agency in respect of the audit and immediately submitted a request for settlement. Pending conclusion of the settlement procedure, the exposure associated with the dispute has been quantified, on the basis of currently available information, in the amount of EUR 3,362 thousand.

17) Trade payables

The value of trade payables, which approximates their fair value, amounted to EUR 919 thousand (EUR 1,123 thousand in 2008). They break down as follows:

[EUR '000]	31.12.2009	31.12.2008
Payables to suppliers	894	618
Payables to related parties	25	505
Trade payables	**919**	**1,123**

For an analysis of payables due to subsidiaries, associates and parent companies, see Note 31 on transactions with related parties.

18) Financial liabilities

Non-current and current financial liabilities are summarised below:

[EUR '000]	31.12.2009	31.12.2008
Bank borrowings	100,236	13,341
Other lenders	31,748	47,549
Non-current financial liabilities	**131,984**	**60,890**
Bank borrowings	5,993	11,614
Short-term portion of non-current financial liabilities – banks	697	674
Short-term portion of non-current financial liabilities – other lenders	15,802	7,802
Financial payables to related parties	105,626	28,633
Fair value of derivatives	382	1,667
Other financial payables	836	1,590
Current financial liabilities	**129,336**	**51,980**
Total financial liabilities	**261,320**	**112,869**

Non-current bank borrowings, equal to EUR 100,236 thousand, regard the floating-rate mortgage loan (6-month Euribor + 0.75%) from Banca Intesa SpA for the acquisition of the property at Torrespaccata maturing in 2024, the floating-rate loan (1-month Euribor + 1.25%) from Unicredit SpA maturing in 2012 and the floating-rate loan (6-month Euribor 6 + 1.25%) from Monte dei Paschi di Siena SpA maturing in 2017. The latter loan benefits from a fixed interest subsidy granted by Simest to companies that invest in non-EU countries.

Borrowings from other lenders amounted to EUR 31,748 thousand and are entirely accounted for by a floating-rate loan (6-month Euribor + 0.50%) granted in July 2006 by MCC SpA and Banca Intesa SpA maturing in 2014. This loan benefits from a fixed interest payment subsidy granted by Simest to companies that invest in non-EU countries.

About 50% of the financial liabilities provide for compliance with financial thresholds that had not been exceeded as of 31 December 2009.

As at 31 December 2009, the Torrespaccata property in Rome is encumbered by a mortgage of EUR 13,375 thousand as collateral for the loan granted by Banca Intesa SpA. Guarantees given to third parties at 31 December 2009 amounted to EUR 92,938 thousand and mainly consist of guarantees given to MCC SpA for EUR 30,543 thousand (USD 44,000 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 18,395 thousand (USD 26,500 thousand) in favour of Banca Intesa for a loan granted to the Turkish subsidiary Cimentas AS. Loans expressed in US dollars were translated into euros at the prevailing exchange rate on 31 December 2009 of EUR/USD 1.4406.
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 104,749 thousand and by Cementir Italia Srl for EUR 241 thousand to meet temporary funding requirements. The item also comprises payables in respect of interest accrued on loans granted by Cementir Italia Srl to Cementir Holding SpA in the amount of EUR 636 thousand .
Other financial payables, amounting to EUR 836 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]	31.12.2009	31.12.2008
Within 3 months	15,374	24,872
-To third parties	*14,497*	*18,772*
-To related parties	*877*	*6,100*
3 months to 1 year	113,961	27,107
-To third parties	*9,212*	*4,574*
-To related parties	*104,749*	*22,533*
1 to 2 years	8,349	16,213
2 to 5 years	87,278	26,237
More than 5 years	36,358	18,440
Total financial liabilities	**261,320**	**112,869**

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]	31.12.2009
A. Cash	3
B. Other liquid assets	9,891
C. Securities held for trading	-
D. Cash and cash equivalents (A+B+C)	**9,894**
E. Current financial receivables	**374,129**
F. Current bank borrowings	6,690
G. Current portion of non-current liabilities	15,802
H. Other current financial payables	106,844
I. Current financial liabilities (F+G+H)	**129,336**
J. Net current financial liabilities (I-E-D)	**(254,687)**
K. Non-current bank borrowings	131,984
L. Bonds in issue	-
M. Other non-current liabilities	-
N. Non-current financial liabilities (K+L+M)	**131,984**
O. Net financial position (J+N)	**(122,703)**

19) Current tax liabilities

At 31 December 2009 the item had a balance of EUR 1,861 thousand and related to allocations made for taxes for 2009, net of advance payments made during the year.

20) Other current liabilities

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

[EUR '000]	31.12.2009	31.12.2008
Payables to employees	320	220
Payables to social security institutions	229	235
Other payables	604	136
Other payables to subsidiaries (VAT - tax consolidation mechanism)	346	946
Deferred income	30	22
Other current liabilities	**1,529**	**1,559**

21) Deferred tax assets and liabilities

[EUR '000]	31.12.2008	Accrual net of utilisation recognised in income statement	Increases net of decreases recognised in	31.12.2009
Other	1,527	(212)	-	1,315
Deferred tax assets	**1,527**	**(212)**	**-**	**1,315**
Diff. FV/tax value property, plant and equipment	4,679	(16)	-	4,663
Employee benefit provision	62	-	25	87
Other	-	-	57	57
Deferred tax liabilities	**4,741**	**(16)**	**82**	**4,807**

Deferred tax items are calculated by applying the current tax rate to temporary differences between taxable income and the income reported in the financial statements.
The balance at 31 December 2009 of deferred tax assets (EUR 1,315 thousand) is composed of IRES credits in the amount of EUR 1,136 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 2009 of deferred tax liabilities (EUR 4,807 thousand) is composed of IRES liabilities in the amount of EUR 4,185 thousand and IRAP liabilities of EUR 622 thousand.

22) Revenues

[EUR '000]	2009	2008
Services	11,099	9,028
Sundry revenues	-	2
Revenues	**11,099**	**9,030**

Revenues from services include EUR 4,400 thousand in respect of management services performed for subsidiaries and EUR 6,699 thousand in respect of royalties for the use of the Cementir Holding brand by the subsidiaries. For an analysis of receivables due from subsidiaries, associates and other Group companies, please see Note 31 concerning transactions with related parties.

23) Other operating revenues

[EUR '000]	2009	2008
Building rental	1,152	927
Other income and revenues	-	39
Other operating revenues	**1,152**	**966**

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

24) Personnel costs

[EUR '000]	2009	2008
Salaries and wages	3,799	3,541
Social security contributions	858	757
Other costs	322	304
Personnel costs	**4,979**	**4,602**

Other costs regard expenses for employees such as additional indemnities and insurance. The workforce at 31 December 2009 came to:

	2009	2008
Executives	14	13
Middle management and office staff	12	12
Total	**26**	**25**

25) Other operating costs

[EUR '000]	2009	2008
Consulting	572	1,082
Remuneration of Board of Directors	3,187	4,136
Fees paid to independent auditor	57	106
Other services	328	340
Other operating charges	1,399	1,446
Other operating costs	**5,543**	**7,110**

Other operating costs include, among other things, the rental fee for the Corso Francia premises (EUR 466 thousand), property management costs for the Torrespaccata premises (EUR 245 thousand) and compensation paid to the statutory auditors (EUR 150 thousand).
Total operating costs also include transactions with related parties. See Note 31 for further details.

26) Depreciation, amortisation, impairment losses and provisions

[EUR '000]	2009	2008
Amortisation	307	260
Depreciation	39	47
Depreciation, amortisation, impairment losses and provisions	**346**	**307**

27) Financial income and expense

Net financial expense came to EUR 3,237 thousand. The item breaks down as follows:

[EUR '000]	2009	2008
Gain on divestment of equity investments	96	-
Dividends from associates	71	732
Interest income	66	488
Interest subsidies - Simest	1,345	1,564
Other financial income	3,347	12,538
Total financial income	**4,925**	**15,322**
Interest expense	(5,432)	(6,517)
Other financial expense	(2,730)	(14,551)
Total financial expense	**(8,162)**	**(21,068)**
Net financial result	**(3,237)**	**(5,746)**

Dividends from other companies amounted to EUR 71 thousand and were received on the shares of Italcementi SpA purchased and sold in 2009. This transaction generated a gain of EUR 96 thousand. "Other financial income" came to EUR 3,347 thousand and is comprised mainly of gains realised on derivative financial instruments, largely options and forward currency transactions.
Financial operations also include transactions with related parties. See Note 31 for further details.

28) Income taxes

The income tax asset for the year amounted to EUR 248 thousand (EUR 2,285 thousand in 2008) and breaks down as follows:

[EUR '000]	2009	2008
Current taxes	444	4,415
Deferred tax assets	(212)	(2,890)
Deferred tax liabilities	16	760
Total	**248**	**2,285**

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

[EUR '000]	2009	2008
Theoretical tax liability	510	2,136
Increased permanent differences	(1,316)	(1,560)
Decreased permanent differences	250	132
Consolidated tax mechanisms	1,074	1,283
Other changes	(37)	251
Effective IRAP liability	(233)	43
Tax for the period	**248**	**2,285**

29) 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 7 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 18.

Market risks

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

Exchange rate risk

Cementir Holding SpA has a limited direct exposure to exchange rate risk since it may have foreign currency borrowings and/or deposits. The Company constantly monitors these risks in order to assess 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 subsidies on a number of these borrowings. Based on an overall assessment of the level of expected interest rates and the timing of debt reduction in relation to forecast cash flows, interest rate swaps are used to partially hedge the risk.
The net financial position at 31 December 2009 showed a net creditor position of EUR 122.7 million (EUR 384 million in current financial receivables and other liquidity, EUR 129.3 million in short-term financial liabilities and EUR 132 million in medium/long-term financial liabilities); the entire exposure was floating rate.
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.
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 1.7 million (EUR 567 thousand in 2008) and shareholders' equity by EUR 1.1 million (EUR 386 thousand at 31 December 2008). An analogous decrease in interest rates would have a corresponding positive impact.

30) Hierarchy of fair value inputs under IFRS 7

With regard to financial instruments measured at fair value, IFRS 7 requires that such instruments be classified on the basis of a hierarchy of inputs used to determine that fair value. The following levels are used:

- Level 1: determination of fair value on the basis of quoted prices on active markets for the class of assets or liabilities being measured;
- Level 2: determination of fair value on the basis of inputs other than quoted prices in Level 1 that can be observed directly (prices) or indirectly (derivatives on prices) in the market; this category includes instruments that are not sufficiently liquid or that do not have a binding market price on a continuous basis;
- Level 3: determination of fair value on the basis of valuation models whose inputs are not based on observable market data.

The following table sets out the hierarchy for assets and liabilities measured at fair value:

[EUR '000]	Note	Level 1	Level 2	Level 3	Total
Equity investments measured at fair value	5	207	-	-	207
Total assets		**207**	**-**	**-**	**207**
Current financial liabilities	15	-	(382)	-	(382)
Total liabilities		**-**	**(382)**	**-**	**(382)**

In 2009 there were no transfers among the various levels and there was no change in Level 3.

31) Transactions with related parties

Transactions entered into by the Company 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 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 under 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	-	-	-	-	-	(186)	(186)
Cementir Delta SpA	-	298,335	-	-	-	(18)	298,317
Intercem SpA	-	68,644	-	-	-	-	68,644
Cimentas AS	2,922	-	-	(8)	-	-	2,914
Alfacem Srl	-	22	-	-	(241)	(118)	(337)
Cementir Espana SL	-	-	-	-	(104,749)	-	(104,749)
Aalborg Portland A/S	7,852	-	-	-	-	-	7,852
Aalborg White Italia Srl	-	-	-	-	-	(24)	(24)
Cementir Italia Srl	2,030	6,500	946	-	(636)	-	8,840
Vianini Lavori SpA	-	-	-	(13)	-	-	(13)
Piemme SpA	-	-	-	(4)	-	-	(4)
B2Win SpA	944	-	-	-	-	-	944
TOTAL	**13,748**	**373,501**	**946**	**(25)**	**(105,626)**	**(346)**	**282,198**
Total for item in the financial statements	**13,804**	**374,129**	**1,495**	**(919)**	**(129,336)**	**(1,529)**	
% impact on the item in the financial	**99.59%**	**99.83%**	**63.28%**	**2.72%**	**81.67%**	**22.63%**	

Revenues and costs

[EUR '000]	Operating receivables	Financial receivables	Other receivables	Operating costs	Financial expense	Other costs	Balance
Caltagirone SpA	-	-	-	(43)	-	-	(43)
Cimentas AS	3,136	-	-	-	-	-	3,136
Alfacem Srl	-	22	-	-	(1)	-	21
Aalborg Portland A/S	5,452	-	-	-	-	-	5,452
Cementir Italia Srl	2,511	-	-	(466)	(636)	-	1,410
Cementir Espana SL	-	-	-	-	(2,103)	-	(2,103)
Vianini Lavori SpA	-	-	-	(52)	-	-	(52)
Piemme SpA	-	-	-	(19)	-	-	(19)
B2Win SpA	842	-	-	-	-	-	842
TOTAL	**11,941**	**22**	**-**	**(580)**	**(2,740)**	**-**	**8,643**
Total for item in the financial statements	**12,251**	**4,925**	**-**	**(5,543)**	**(8,162)**	**-**	
% impact on the item in the financial statements	**97.47%**	**0.45%**	**-**	**10.46%**	**33.57%**	**-**	

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]	2009	2008
Directors	5,318	6,828
Statutory auditors	203	182
Total compensation	**5,521**	**7,010**

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 First and last 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) Bonuses and other incentives	(4) Other remune-ration
Francesco Caltagirone Jr.	Chairman of the Board of Directors.	Full year	2011	3,000			60
Carlo Carlevaris	Deputy Chairman	Full year	2011	4			
Alessandro Caltagirone	Director	Full year	2011	1			
Azzurra Caltagirone	Director	Full year	2011	3			
Edoardo Caltagirone	Director	Full year	2011				
Flavio Cattaneo	Director	Full year	2011	12			
Mario Ciliberto	Director	Full year	2011	4			1,208
Fabio Corsico	Director	Full year	2011	2			
Mario Delfini	Director	Full year	2011	14			
Riccardo Nicolini	Director	Full year	2011	3			726
Walter Montevecchi	Director	Full year	2011				151
Saverio Caltagirone	Director	Full year	2011	4			53
Massimo Confortini	Director	Full year	2011	49			
Alfio Marchini	Director	Full year	2011	3			
Enrico Vitali	Director	Full year	2011	22			
Claudio Bianchi	Chairman Board of Auditors	Full year	2010	62			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 2009 fees paid by the Company and the Group to the independent auditors, including related entities, amounted to about EUR 441 thousand, of which EUR 370 thousand for auditing services and EUR 71 thousand for other services.

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 2009.

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, 18 March 2010

Francesco Caltagirone Jr.	**Oprandino Arrivabene**
Chairman of the Board of Directors	Manager responsible for preparing Cementir Holding SpA's financial reports

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 financial statements of Cementir Holding SpA as of 31 December 2009, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and related explanatory 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, the amounts of which are presented for comparative purposes and have been reclassified to reflect the changes to the financial statement presentation introduced by IAS 1, reference is made to our report dated 6 April 2009.

3 In our opinion, the financial statements of Cementir Holding SpA as of 31 December 2009 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 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 and the report on corporate governance and shareholding structure, published in section "Investor Relations" of the Internet site of Cementir Holding SpA, in accordance with the applicable

laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information provided in compliance with paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of article 123-bis of Legislative Decree 58/98 presented in the report on corporate governance and shareholding structure, with the financial statements, as required by law. 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 and the information provided in compliance with paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of article 123-bis of Legislative Decree 58/98 presented in the report on corporate governance and shareholding structure are consistent with the financial statements of Cementir Holding SpA as of 31 December 2009.

Rome, 2 April 2010

PricewaterhouseCoopers SpA

Signed by

Luciano Festa
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation.

(2)

Repertorio N. 186733
Rogito N. 64972

MINUTES OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING
ITALIAN REPUBLIC

Two thousand ten, nineteen of April.
19/04/2010
in Rome, Corso di Francia 200 at 12:00.

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
ORDINARY BUSINESS
Presentation of the statutory financial statements at 31 December 2009, accompanied by the reports of the Board of Directors, the Board of Auditors and the Independent Auditors; with the proposed dividend distribution. Approval of the related and consequent resolutions.
Presentation of the consolidated financial statements of the Cementir Holding group at 31 December 2009 and accompanying reports.
With approval of the related and consequent resolutions;
EXTRAORDINARY BUSINESS
Proposal to amend Article 10 of the Company's bylaws pursuant to Article 2365(2) of the Civil Code. 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 19 March 2010 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 third 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, Saverio CALTAGIRONE;
- justification was provided for the absence of the Directors Edoardo CALTAGIRONE, Alessandro CALTAGIRONE, Azzurra CALTAGIRONE, Mario CILIBERTO, Flavio CATTANEO, Fabio CORSICO, Massimo CONFORTINI, Mario DELFINI, Alfio MARCHINI, Walter MONTEVECCHI and Enrico VITALI;
- 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;

Al Arish plant (Egypt)

- 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.45 shareholders with 103.974.024 shares are attending by proxy and 3 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 104.035.024 (equal to 65,38% of the share capital), 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 7.158;
- 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	No.102,981,707 shares	equal to 64.720%;
held:		
- directly	No.1,327,560 shares	equal to 0.834%;
- indirectly through the companies:		
CALT 2004 Srl	No.47,860,813 shares	equal to 30.078%;
LAV 2004 Srl	No.40,543,880 shares	equal to 25.480%;
PANTHEON 2000 SpA	No.4,466,928 shares	equal to 2.807%;
VIANINI INDUSTRIA SpA	No.2,614,300 shares	equal to 1.643%;
CALTAGIRONE SpA	No.2,533,226 shares	equal to 1.592%;
GAMMA Srl	No.3,635,000 shares	equal to 2.284%;
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 Srl	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 19 March 2010 the Directors' report concerning the items of the agenda of this Meeting was submitted to CONSOB;
- on 2 April 2010 the above Directors' report concerning the items of the agenda of this Meeting was submitted also to Borsa Italiana and 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 601 hours (respectively 329 for the statutory financial statements and 272 hours for the consolidated financial statements) to audit and certify the statutory and consolidated financial statements for a fee of EUR 46,702,78 (respectively EUR 18,681.11 and EUR 28,021.67);
- in attendance are financial analysts and representatives of the press, also in implementation of CONSOB recommendations.

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 2009 and the first few months of 2010.
First of all, the year ended with a decline in the Company's results compared with the previous year due to international economic developments that have hit the construction and building materials industry rather harshly. Revenues fell roughly 25% (from EUR 1.092 billion at 31 December 2008 to EUR 822.5 million at 31 December 2009) and EBITDA fell from around EUR 209 million to EUR 135 million.
Given this situation, the Group enacted a strategy to contain its operating costs resulting in a total reduction of 22.7% compared with 31 December 2008.
Specifically, personnel costs were cut by EUR 24.1 million compared with 2008 due to the corporate reorganization begun the prior year in Scandinavia that continued throughout 2009. The Chairman therefore reports that the Group is in the process of developing a more extensive reorganization plan that will remap the Group and its subsidiaries in order to take advantage of new opportunities and to maintain Group's profitability and competitiveness at a high level. More specifically, once this work is completed, the Group will be structured around three macro-areas: the Baltics-Scandinavia, the Mediterranean, the Far East and the USA. The goal is to improve factory management and sales. The Chairman then tells the shareholders that the Company plans to continue cutting costs, hoping to achieve at least another EUR 30 million in savings over the next two years, acting mainly in Turkey and Scandinavia.
As far as Italy is concerned, the Chairman states that the Group is currently considering plans to completely overhaul the Taranto factory, which dates to the early 1960s, with a decision expected by the summer. The project, which will require an investment of about EUR 150 million over 3 years, aims to improve industrial efficiency as well as lessen the environmental impact of operations in terms of energy consumption and atmospheric emissions. In addition, he noted that after the overhaul of the factory, to the Group should derive benefits of between EUR 10 – 12 million.
The Chairman explains efforts being made in the area of waste management in Turkey, begun with the acquisition of Sureko AS, the leader in Turkey in industrial waste treatment and the production of alternative fuels, by the subsidiary Cimentas. The Group plans to push this even further by investing about EUR 50 million over the next 2 years; the direct and indirect benefits of this are estimated to be around EUR 20 million per year, at a constant exchange rate, by 2012.

As to international operations, he states that work was completed at the end of 2009 on increasing productive capacity in China and more than doubling it in Egypt, while a project is being considered that would double productive capacity in Malaysia.
The Chairman then goes on to explain the results of financial management, which yielded a negative EUR 4.1 million, leaving a debt of EUR 381.3 million at year-end. This reflects the sound financial management that has, over the last several years, produced the resources for supporting the Group's industrial expansion.
As to the current year's performance, the Chairman emphasizes that the first quarter of 2010 fell below expectations, although there were signs of recovery in April and that performance has realigned with forecasts that suggest that 2010 should be in line with 2009.
Given this situation, the goal is to improve efficiency, strengthen the Group's value chain and focus on the Group's strong points. He ends by emphasizing how in 2009 the Group was already able to achieve about EUR 30 million in savings before restructuring costs. Thanks to its remarkably strong cash flow from operations, Cementir Holding is today modestly financially leveraged compared with the rest of the sector and is in the position of facing the current crisis more serenely than many of its competitors.
Having concluded his speech, the Chairman asks whether there are any questions.
Shareholder Tito POPULIN, who holds 10,000 shares of his own and represents a further 6,000 shares by proxy, asks the Chairman for further clarification concerning: the increase in the number of Group managers, the likelihood of considering Turkey an emerging nation, the elimination of competitors in Italy as a result of the crisis, further information on the investment in the Taranto factory.
The Chairman responds by first addressing the issue of the investment in the Taranto factory, explaining that it's among the Group's most strategic sites in Italy since it is the only one with a dock directly on the port, it is located next to the ILVA facility that produces the slag needed by the Taranto factory to manufacture cement and is located in an area rich with limestone mines. Moreover, making the investment today carries certain financial and timing advantages since, as most of the potential suppliers for the factory are facing a crisis due to shrinking demand, it is possible to obtain more favorable terms.
As to the matter of the Group's competitors, the Chairman says that there are no signs of a rationalization occurring in the sector, emphasizing how the issue is a rather complex one given that it also involves the lending policies of the banking sector which are affected by factors that are sometimes difficult to understand.
With regard to the number of managers, the Chairman reports that the Company engaged a leading consulting firm to conduct an appraisal of 2/3rds of the Group's managers to evaluate their skills as they relate to the Group's current and future business and that the reorganization discussed earlier also addressed this matter.
Shareholder Populin therefore asks for more accurate projections on the performance by the foreign companies.
The Chairman, responding to the question concerning the possibility of treating Turkey as an emerging nation, states that right now in Turkey there is an interest rate reduction policy being enacted that should have a positive impact on the demand for mortgages by private parties, and therefore, there is the potential for rising demand in the residential construction market. As to Malaysia, the Chairman is optimistic since the factory is currently operating at 100% productive capacity. He is, however, less optimistic about the Egyptian market, since the local government is enacting an aggressive licensing policy for cement factories, which could presumably lead to surplus in supply over the next three years.
Shareholder Populin then asks for confirmation concerning the scale of the Company's real estate investments. The Chairman confirms that the Company holds only one investment property, the building located on the Torre Spaccata site, in addition to its continued ownership of the former production site in Bagnoli.

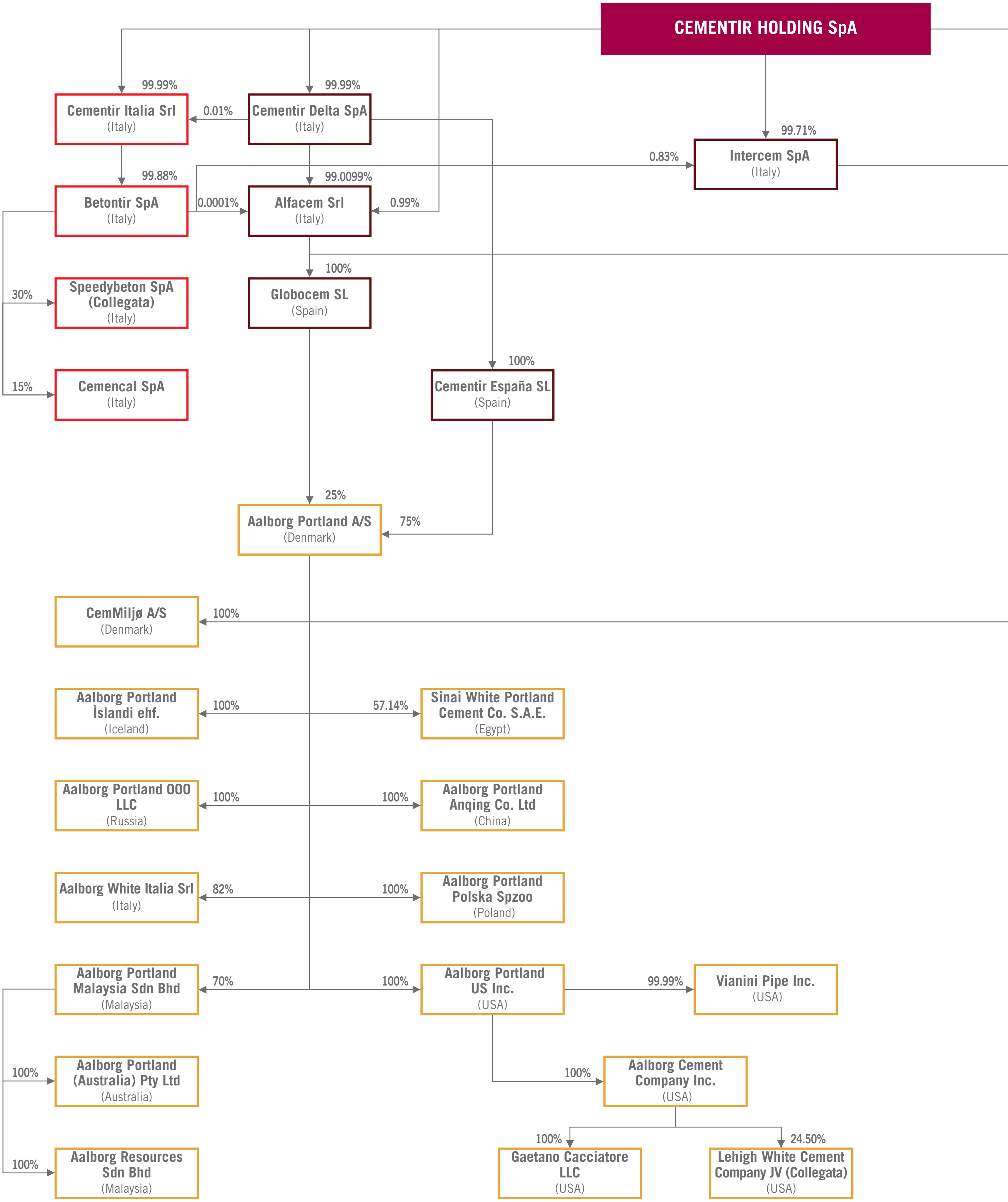
Shareholder Populin notes that the Company still holds shares of Italcementi and asks the Chairman to comment on the new kind of transparent cement that Italcementi recently launched on the market.
The Chairman has no particular comments concerning the innovative product mentioned by shareholder Populin as he lacks knowledge about the technology, although he notes that the innovation on which the Cementir Group is focusing is not so much aimed at finding a new "environmentally-friendly" cement as it is about improving the production of its current plants in order to reduce their environmental impact.
Shareholder Populin asks whether the kiln at Arquata Scrivia, close to Alessandria, has been placed into operation and whether it could have an impact on pollution in the province monitored by the regional environmental agency.
The Chairman clarifies that the kiln, which underwent an extensive overhaul, was placed into operation in 2007 and, as a result of the overhaul, there has been a reduction in pollutants.
Finally, shareholder Populin asks for information on the performance of the company Vianini Pipe. The Chairman answers that while it has been hit by the crisis that has been especially hard in the USA, its EBITDA is positive.
Shareholder Populin having finished his questioning, the Chairman concludes his remarks by explaining to those present that the Company is publishing the third edition of its Environmental Report, which sprang from the need to bring the Group into compliance with the standards adopted by its leading international competitors, to raise the visibility of investments that the Group has made to limit its environmental impact, to improve occupational safety, to explain social initiatives carried out in regions where the Group has factories, and finally to adopt common operating procedures, with respect for the environment, for all the countries in which the Group operates.
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 2009, 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. Marco RAVAIOLI, representing by proxy the shareholders "CALT 2004 Srl" holder of 47.860.813 shares, "LAV 2004 Srl". holder of 40.543.800 shares, "CALTAGIRONE SpA" holder of 2.533.226 shares, Cav. Lav. Francesco Gaetano CALTAGIRONE holder of 1.327.560 shares, 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 result of the year. The proposal of the representative of the above shareholder is put to a vote and, verified the absence of nay vote and abstention, it is approved unanimously.
The Chairman then reads the concluding part of the report of the Board of Directors concerning the allocation of the result of the year, as follows:
"The Board of Directors recommends that the Shareholders' Meeting:
- approve the Board's report on operations for 2009, the balance sheet, the income statement and the notes to the financial statements for the year ended 31 December 2009;
- cover the loss for the period of EUR 1.606.438 by drawing upon retained earnings;
- distribute a dividend to shareholders in the total amount of EUR 9.547.200 equal to EUR 0.06 per ordinary share, drawing on the corresponding portion of retained earnings for this purpose;

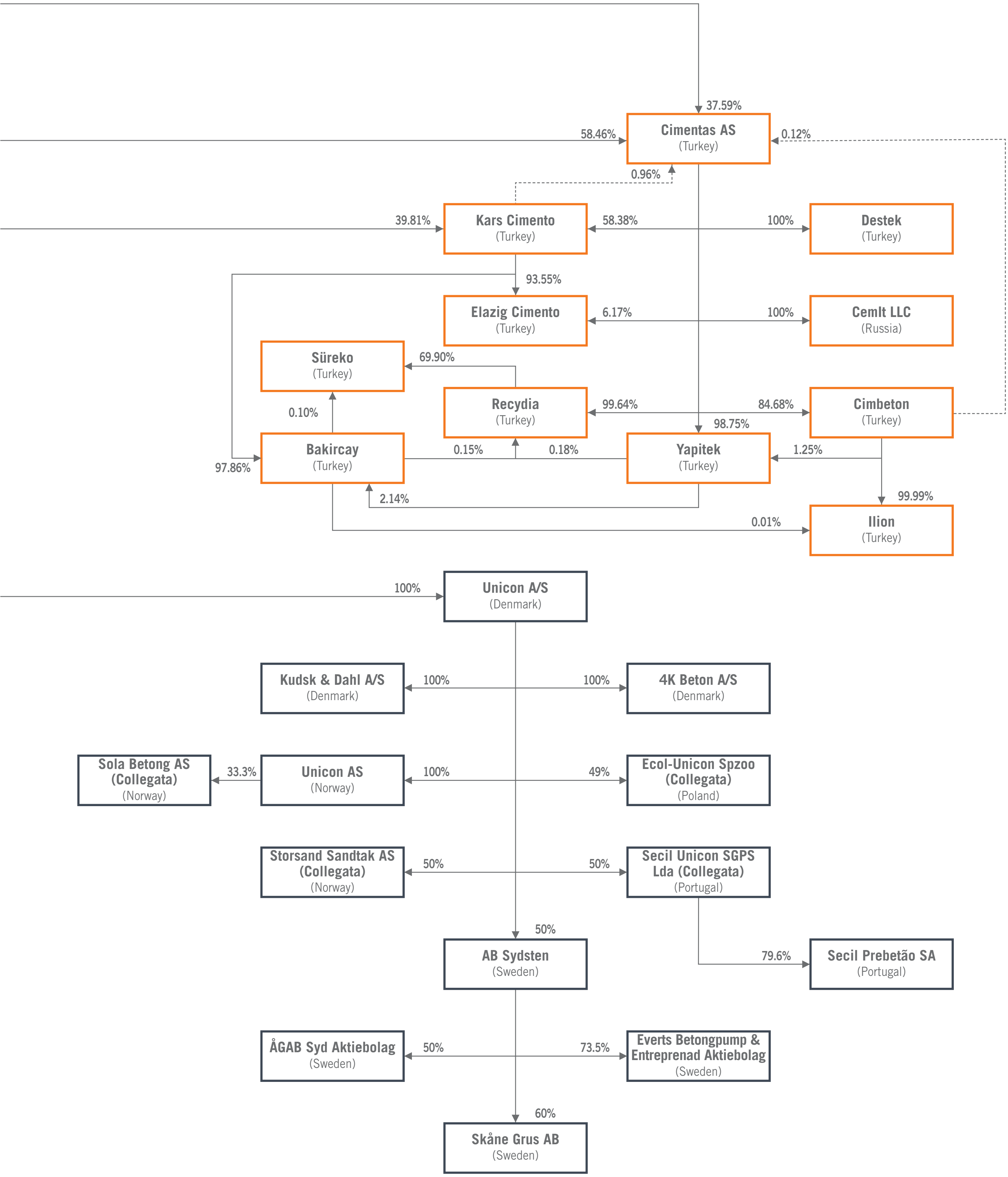
The Chairman asks if there are further questions from the audience.
Than Mr. Marco RAVAIOLI takes the floor and, representing by proxy the above mentioned shareholders, recommends to approve the statutory financial statements, the notes to the financial statements and the results destination proposal 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 0.06 per ordinary share, gross of withholding tax, will be paid as from 27 May 2010, with an ex-dividend date of 24 May 2010.

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 2009, unanimously,
RESOLVES
to approve the Directors' report on operations for the year 2009, the financial statements and the notes to the financial statements for the year ended 31 December 2009 as well as the results destination proposal and the payment of the dividend as specified above.
Having concluded the discussion of the item on the agenda of the Ordinary Shareholders' Meeting, Chairman moves on to examine the item on the agenda of the Extraordinary Shareholders' Meeting "Proposal to amend Article 10 of the Company's bylaws pursuant to Article 2365(2) of the Civil Code. Approval of the related and consequent resolution", and reads the Board of Directors proposal:
"Dear Shareholders,
The proposed amendment, as detailed in the annex to the Report of the directors on the agenda of the ordinary and extraordinary Shareholders' Meeting, involves authorizing the Board of Directors, pursuant to Article 2365(2) of the Civil Code, to amend the Company's bylaws whenever and wherever necessary to bring said bylaws into compliance with mandatory regulatory changes. The Board of Directors believes that amending Article 10 in this way will make adapting the Company's bylaws in response to regulatory changes easier and quicker, also in light of the mandatory changes imposed by Legislative Decree 27 of 27 January 2010 on listed issuers.
Therefore, we suggest that you approve the proposed amendment to the bylaws of Cementir Holding SpA as explained, and authorize the Board of Directors via its Chairman to perform all necessary acts and undertake the required formalities, including reporting the changes to the Register of Companies".
On the above proposal, Chairman points out that the Board of Directors deem that making the proposed amendments to the bylaws will not trigger the right of withdrawal by the shareholders of the Company, as the conditions provided by Article 2437 of the Civil Code have not been satisfied.
The Chairman asks if there are questions from the audience and taking cognisance of the absence of other comments, asks the shareholders to vote on the above described proposal.
The Extraordinary Shareholders' Meeting, verified the absence of nay vote and abstention, unanimously,
RESOLVES
1. to fully approve the proposal as above described, inserting a new paragraph in the Article 10 of the Company's bylaws, hereinafter reported in bold together with the entire Article 10 as amended:
"ARTICLE 10
Within the scope of the Company's corporate purpose, the Board shall have full power to decide and carry out all of acts of ordinary and extraordinary administration, except those reserved to the Shareholders' Meetings by law or these bylaws.
Accordingly, the Board shall also make decisions on the purchase and sale of real estate, on investments in other businesses or companies incorporated or being incorporated, including through contribution, on any transaction involving the public debt, Cassa Depositi e Prestiti, banks, credit institutions and any other public or private entity, on the creation, subrogation, postponement, cancellation or waiver of mortgages, on any kind of registration or recordation, on

legal actions, including those involving quashing or reversal, and on preliminary agreements or settlements.
The Board may delegate its powers, in whole or in part, to the Chairman and other Directors, or to persons who are not members of the Board, determining the contents, limits and method of exercising such powers in accordance with Article 2381 of the Civil Code. It may also appoint a Managing Director, determining the duties and remuneration of the position.
The Board may appoint an Executive Committee from among its members, conferring duties and powers within the limits provided for by Article 2381 of the Civil Code.
The Board may establish one or more special technical and administrative committees, which may include persons who are not members of the Board, determining any remuneration of their members.
The Board may also appoint a General Manager, and one or more Managers and Legal Representatives.
The Board of Directors may also decide, in accordance with Article 2365(2) of the Civil Code, on the following matters:
- mergers in the cases envisaged by Articles 2505 and 2505-bis of the Civil Code;
- the opening, relocation and closing of secondary offices;
- the reduction of share capital in the case of withdrawal by shareholders;
- the adjustment of the bylaws to bring them into compliance with the law and regulations.
The Chairman (or, in his absence or impediment, the Vice Chairman, if one has been appointed) shall be the legal and contractual representative of the Company in respect of any judicial or administrative authority and third parties and shall have the power to legally sign on behalf of the company.
Agency and signature powers may be granted by the Board of Directors to one or more Directors and to persons who are not members of the Board, determining the contents, limits and methods of exercising such powers in accordance with applicable law.
Directors shall inform the other Directors and the Board of Auditors of transactions in which they have an interest either on their own behalf or on behalf of third parties.
The delegated bodies shall report to the Board of Directors and the Board of Auditors on at least a quarterly basis on their activities and on transactions with a significant financial impact carried out by the Company and its subsidiaries.
Such reports shall normally be made at Board meetings on at least on a quarterly basis. Reports shall also be made to the Chairman of the Board of Auditors outside of Board meetings by one of the legal representatives.
Reports made outside of Board meetings to the Chairman of the Board of Auditors shall be made in writing".
The Bylaws as amended is attached to these minutes in annex "L".
As there are no other items to be resolved and as no one asks to address the Meeting, the Meeting is concluded at 13.05.
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 twenty two pages to here of six sheets
Francesco CALTAGIRONE [Signed]
Maurizio MISURALE, Notary [Signed]

GROUP STRUCTURE





37.59%
58.46%
Cimentas AS
(Turkey)
0.12%
0.96%
39.81%
Kars Cimento
(Turkey)
58.38%
100%
Destek
(Turkey)
93.55%
Elazig Cimento
(Turkey)
6.17%
100%
CemIt LLC
(Russia)
Süreko
(Turkey)
69.90%
Recydia
(Turkey)
99.64%
84.68%
Cimbeton
(Turkey)
0.10%
98.75%
97.86%
Bakircay
(Turkey)
0.15%
0.18%
Yapitek
(Turkey)
1.25%
2.14%
99.99%
0.01%
Ilion
(Turkey)
100%
Unicon A/S
(Denmark)
Kudsk & Dahl A/S
(Denmark)
100%
100%
4K Beton A/S
(Denmark)
Sola Betong AS
(Collegata)
(Norway)
33.3%
Unicon AS
(Norway)
100%
49%
Ecol-Unicon Spzoo
(Collegata)
(Poland)
Storsand Sandtak AS
(Collegata)
(Norway)
50%
50%
Secil Unicon SGPS
Lda (Collegata)
(Portugal)
50%
AB Sydsten
(Sweden)
79.6%
Secil Prebetão SA
(Portugal)
ÅGAB Syd Aktiebolag
(Sweden)
50%
73.5%
Everts Betongpump &
Entreprenad Aktiebolag
(Sweden)
60%
Skåne Grus AB
(Sweden)

PRC Creative | www.prcsrl.com

cementirholding
CALTAGIRONE GROUP

200, corso di Francia - 00191 Rome - Italy
Tel. +39 06 324931
VAT Number 02158501003 REA C.C.I.A.A. Roma 160.498
Share Capital Eur 159,120,000
Tax Number 00725950638

www.cementirholding.it