



**Cementir**  
**Cementerie del Tirreno S.p.A.**

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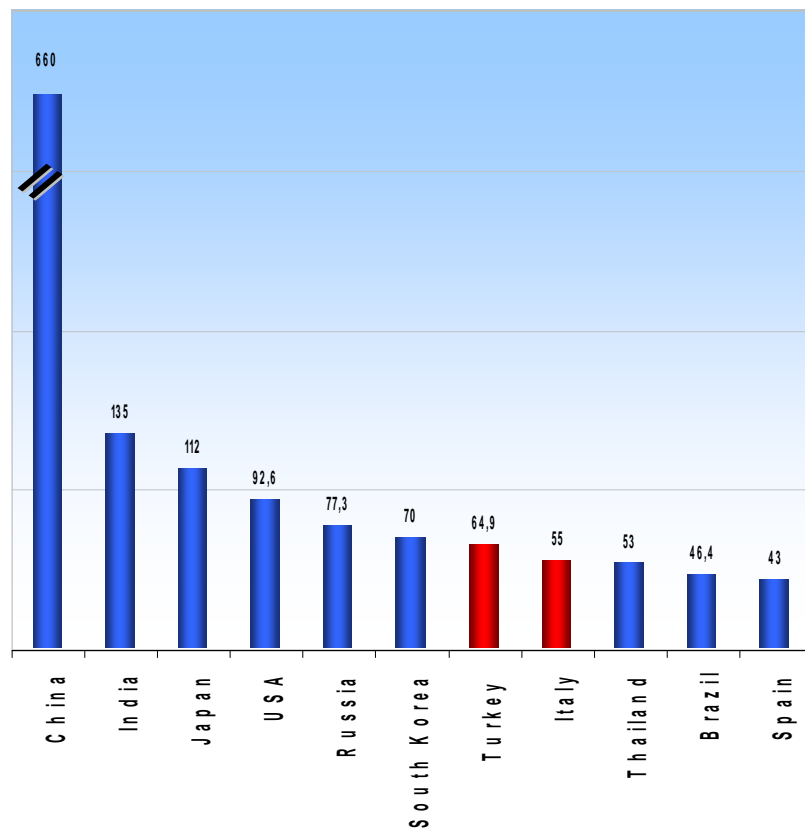
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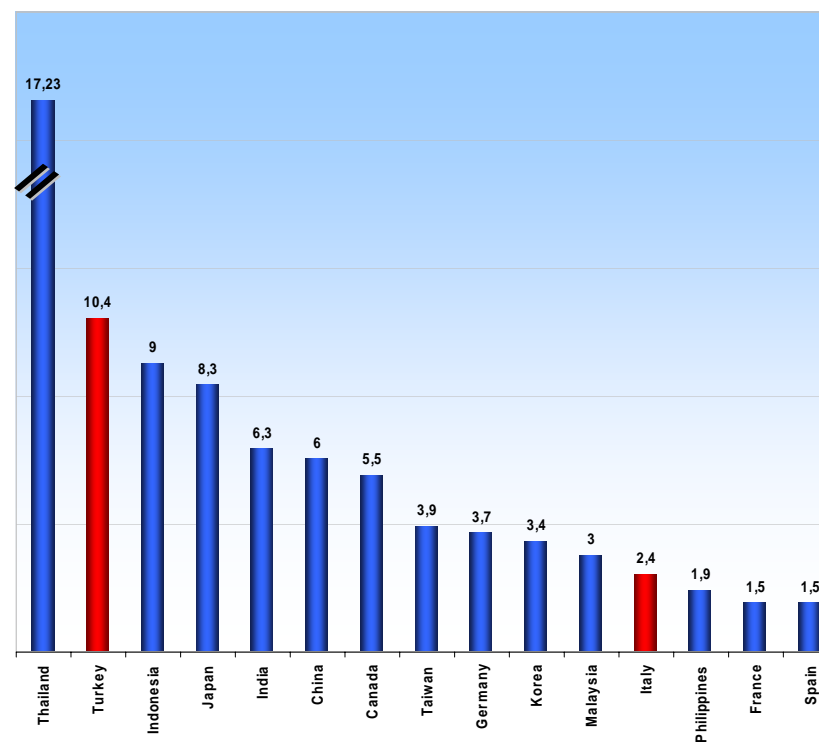
# World wide overview

Turkey and Italy are the 7th and 8th world wide markets, respectively

WORLD MAJOR CEMENT PRODUCERS (capacity in M.Tons, 2002)

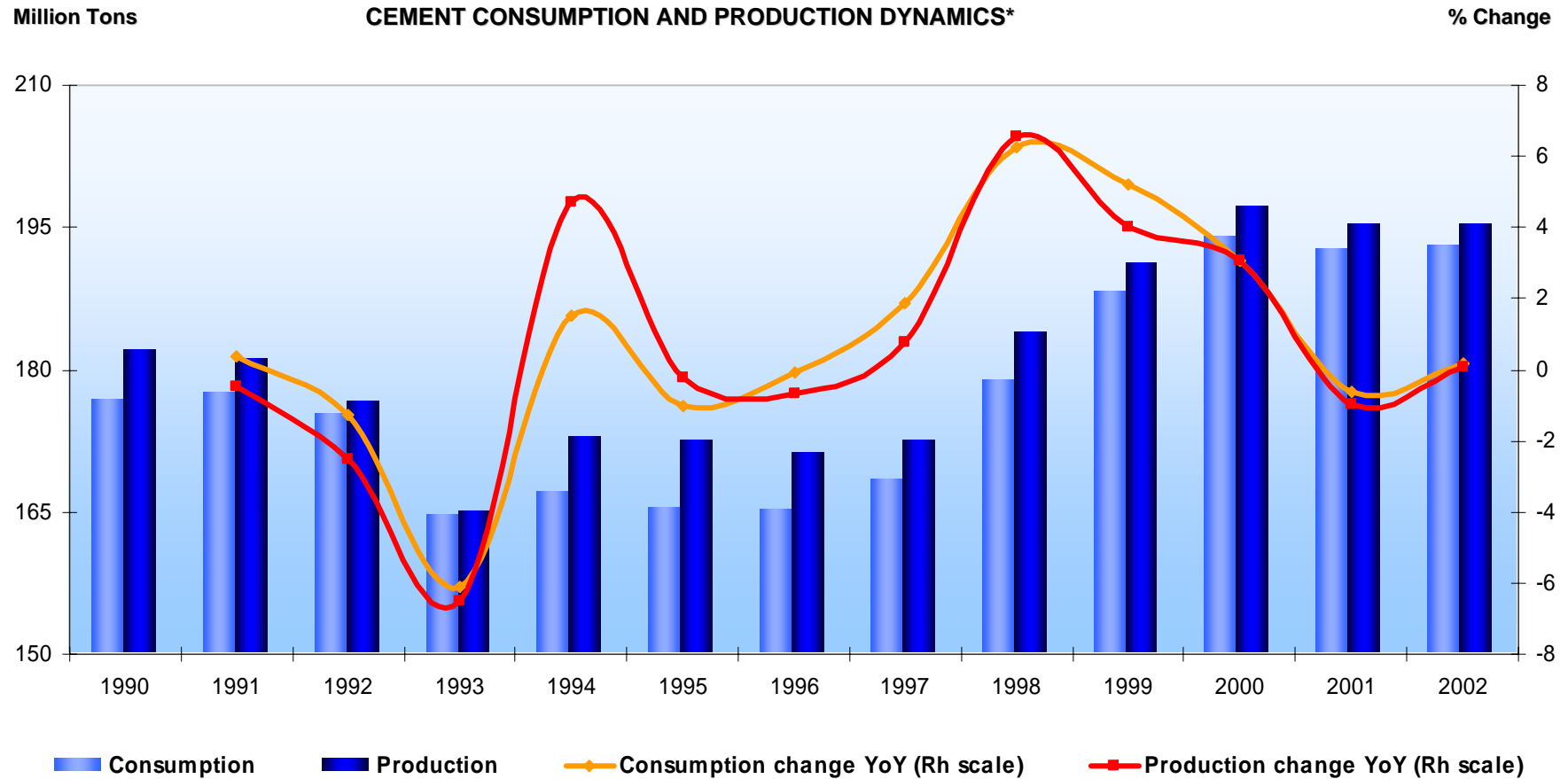


LEADING CEMENT EXPORTING COUNTRIES (M.Tons, 2002) \*



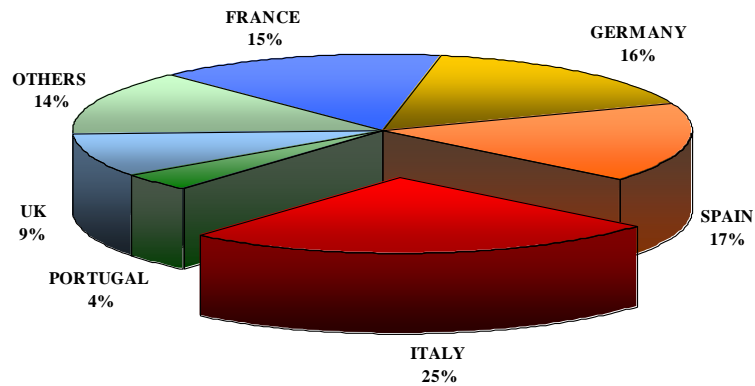
# European Union overview

From the 1993 cyclical low of 165 million tons, the market grew to 192 million tons in 2002



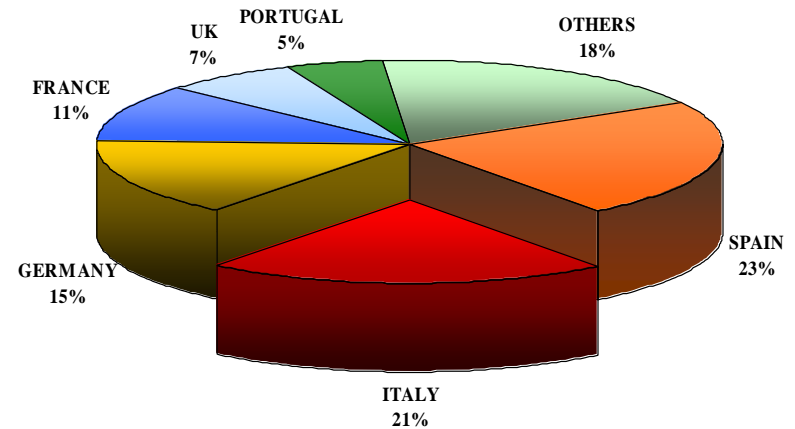
# European Union overview

CEMENT CONSUMPTION BREAKDOWN 1990 \*



\* Source: International Cement Review (Global Cement Report n. 5)

CEMENT CONSUMPTION BREAKDOWN 2002 \*



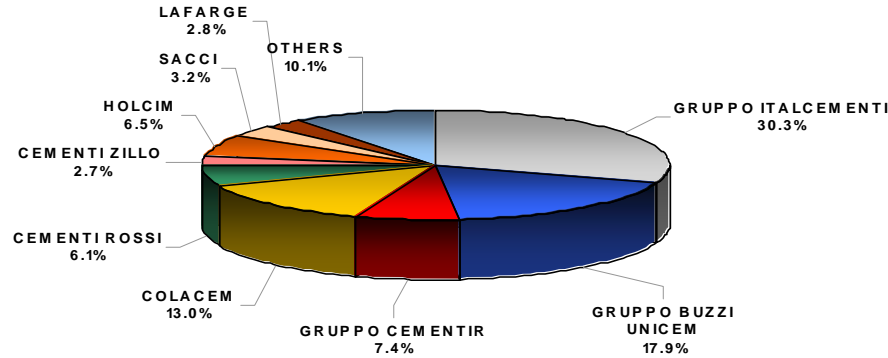
\* Source: International Cement Review (Global Cement Report n. 5)

## CEMENT CONSUMPTION BETWEEN 1990 AND 2002

- The cement industry in Western Europe is mature
- Only Spain, amongst large countries, increased its share of consumption
- Italy was the second largest market in Western Europe in 2002

# Italian Industry overview: market share breakdown by region

**Cementir has 7.4% market share in Italy and 20% share in the South**



### TOP 3 PLAYERS PER MACROREGION \*

#### NORTH WEST

	● ITALCEMENTI	26-28%
	● MERONE (HOLCIM ITALIA)	23-25%
	● GRUPPO BUZZI UNICEM	18-19%

#### NORTH EST

	● ITALCEMENTI	26-28%
	● CEMENTI ROSSI	16-18%
	● GRUPPO BUZZI UNICEM	13-14%

#### CENTER

	● ITALCEMENTI	20-22%
	● COLACEM	16-18%
	● CEMENTIR	12-13%

#### ISLANDS

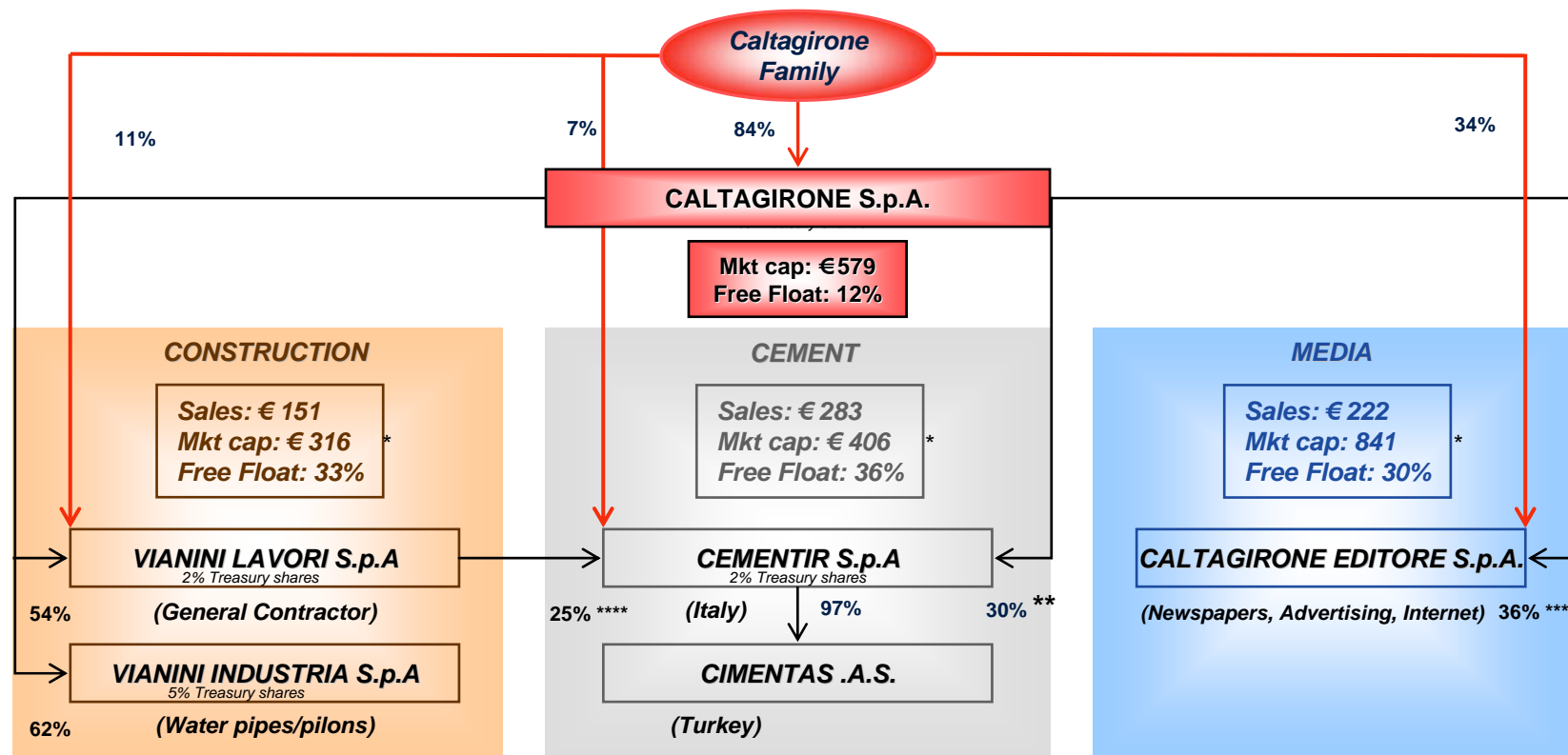
	● ITALCEMENTI	30-40%
	● GRUPPO BUZZI UNICEM	28-32%
	● COLACEM	20-24%

#### SOUTH

	● ITALCEMENTI	34-35%
	● CEMENTIR	20-21%
	● COLACEM	13-15%

# Company Overview: Shareholder Structure

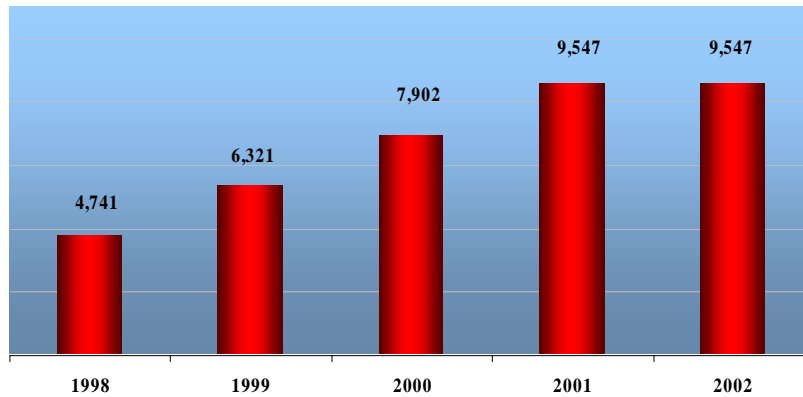
- Caltagirone group is a family-controlled industrial concern operating mainly in Italy
- The group structure is based on 3 different businesses: construction/real estate, cement, media



# Company overview: Strategy

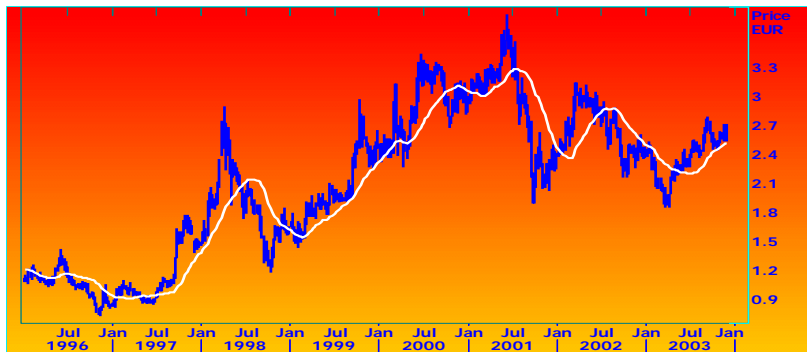
## Progressive Dividend policy

Dividends Paid to Shareholders - Euro (000)



## Focus on long-term value creation

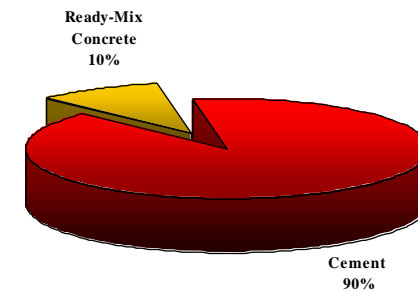
Share price CAGR of 12.3% since 1996



## Pursuing growth in attractive new markets

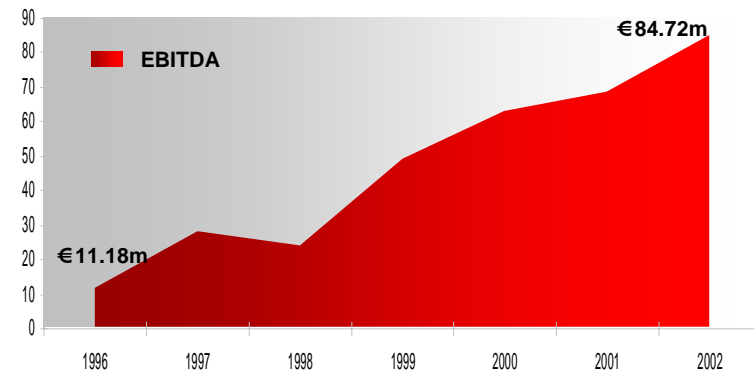


## Strong focus on core business (cement)



## Ongoing commitment to cost efficiency

EBITDA has increased from € 11 m (1996) to € 84 m (2002), representing an EBITDA CAGR of 32.78%





# Company overview: Italy

**Cementir is the 4th largest cement producer in Italy**

● CEMENT PLANTS	KILNS	CEMENT MILLS	NOMINAL CAPACITY
Arquata Scrivia (North of Italy)	2 *	4	850.000 tons
Spoletto (Central Italy)	2	3	850.000 tons
Maddaloni (South of Italy)	2 *	2	1.500.000 tons
Taranto (South of Italy)	3 *	6	1.500.000 tons
<b>TOTAL</b>	<b>9</b>	<b>15</b>	<b>4.700.000 tons</b>

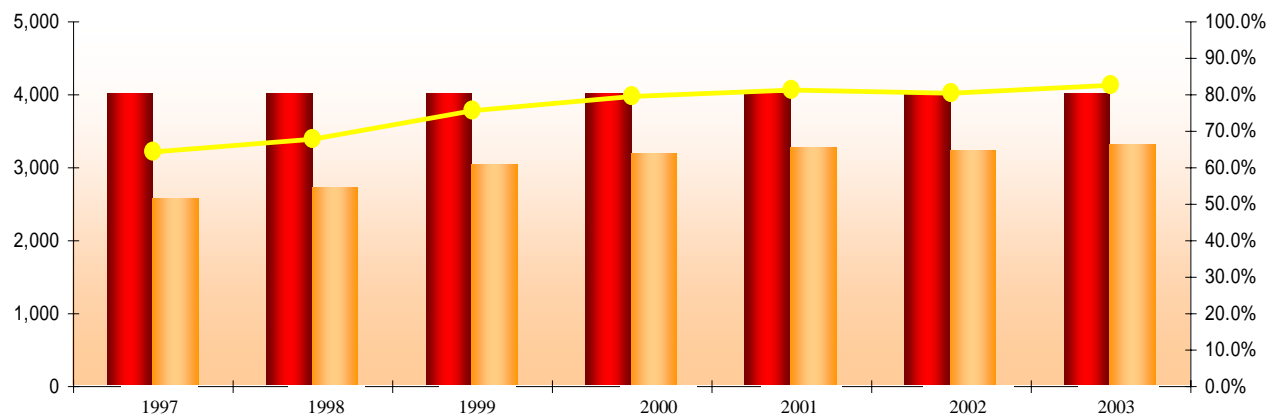
\* one temporary stopped

● CONCRETE PLANTS	N° OF PLANTS	PRODUCTION CAPACITY
Central/South of Italy	3	350.000 m3/year



- Cement Plants
- Concrete Plants
- Head office
- Distribution Centers

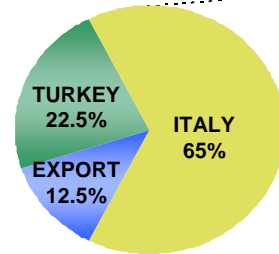
## Actual capacity utilisation



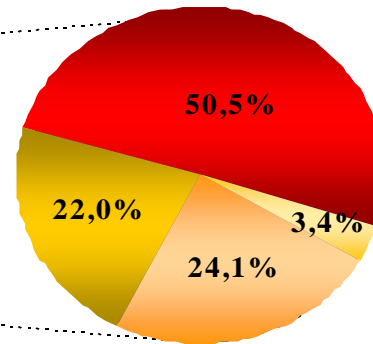
# Company overview

## SALES BREAKDOWN

TOTAL SALES (9m 03)



ITALIAN SALES (9m 03)

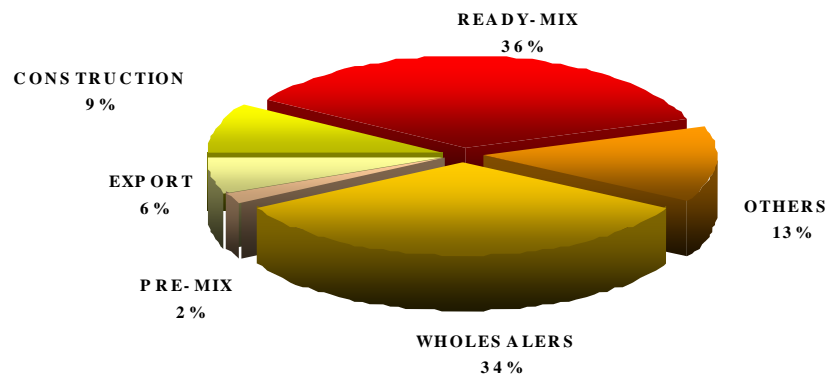


- North Italy
- Center Italy
- South Italy\*
- Islands

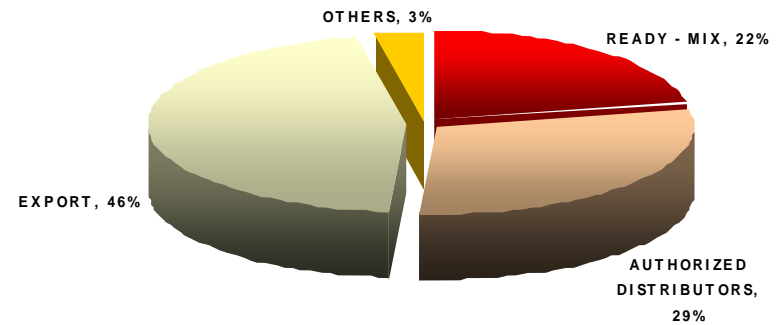
\* Nation-wide presence with a bias on Southern Italy

## SALES BY DESTINATION

ITALY



TURKEY



# Company overview: Turkey

Cimentas is the 7th largest cement producer in Turkey

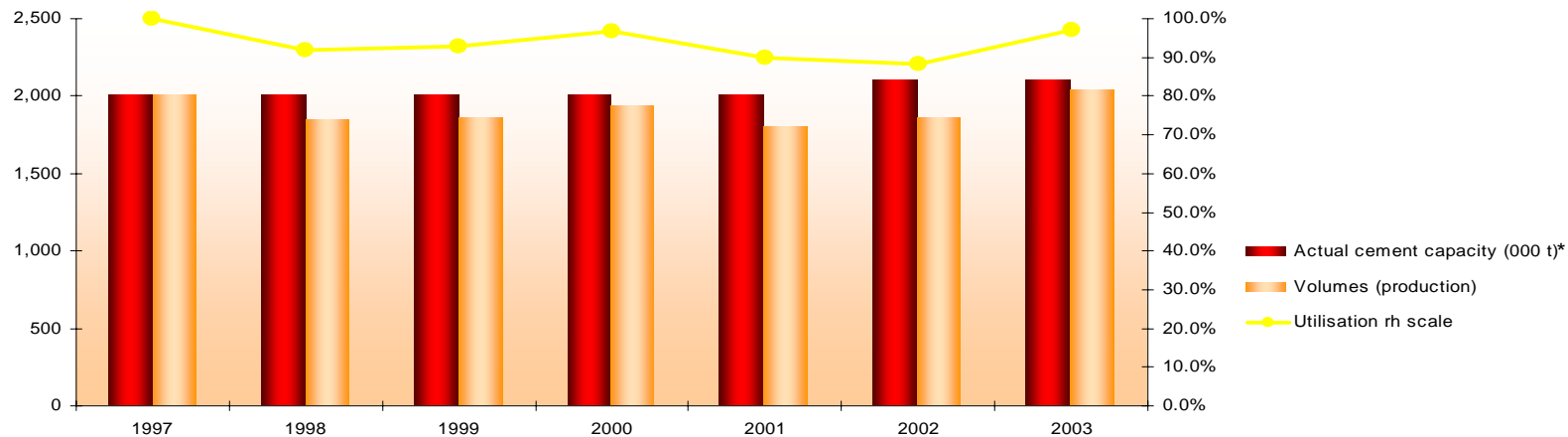
● CEMENT PLANTS	KILNS	CEMENT MILLS	NOMINAL CAPACITY
Izmir (West of Turkey)	2	4	2.100.000 tons
Kars (East of Turkey)	1	2	600.000 tons
<b>TOTAL</b>	<b>3</b>	<b>6</b>	<b>2.700.000 tons</b>

● CONCRETE PLANTS	N° OF PLANTS	PRODUCTION CAPACITY
Aegean region (West of Turkey)	14	1.900.000 m3/year



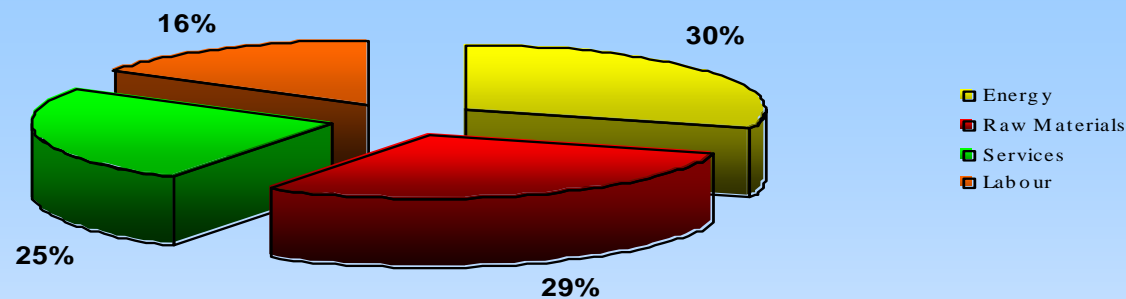
- Cement Plants
- Concrete Plants
- Head office

## Actual capacity utilisation

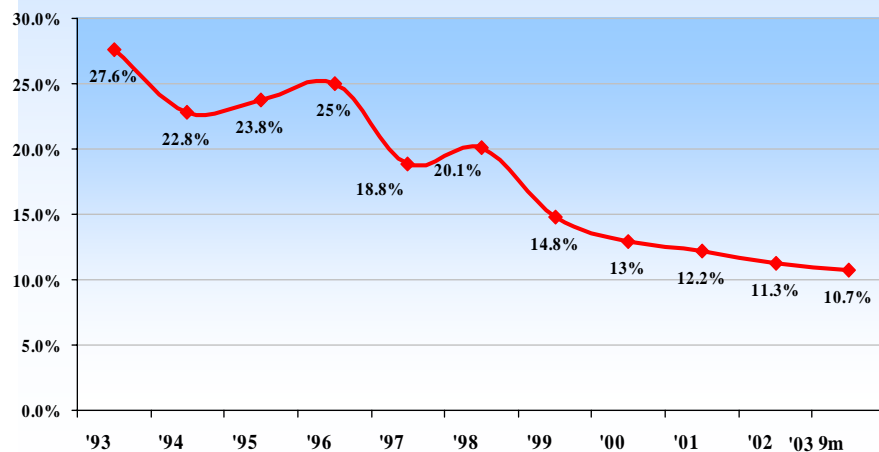


# Company overview: Operating Costs

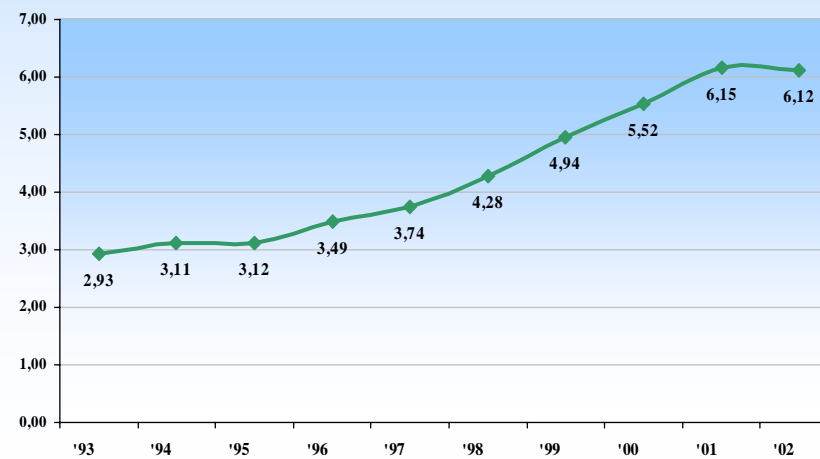
Operating Costs Split (9m 2003)



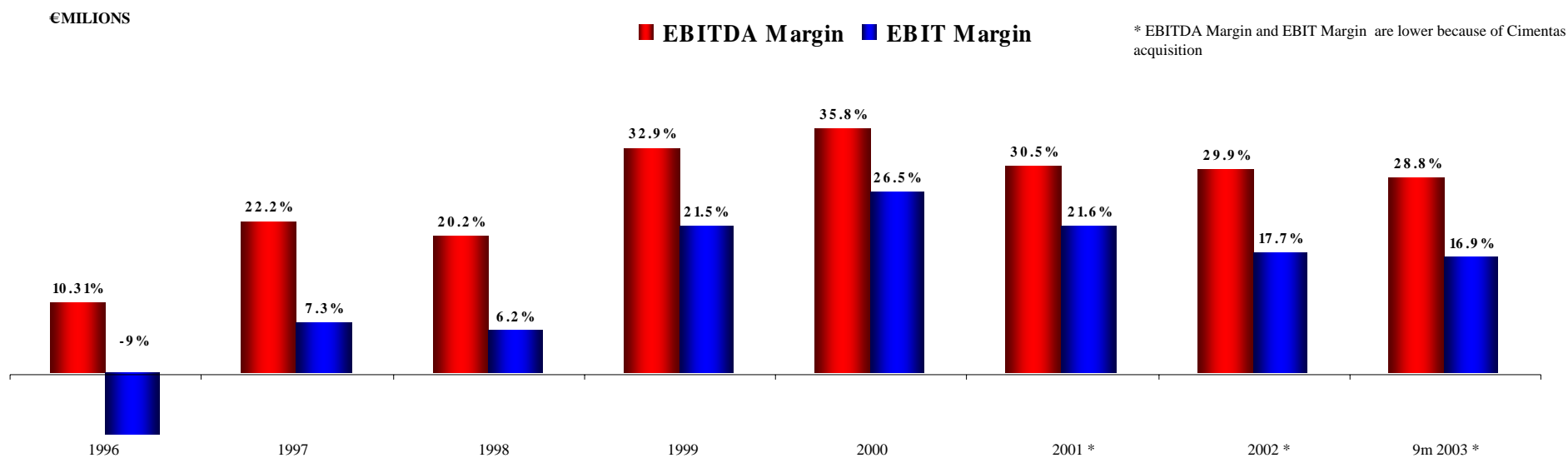
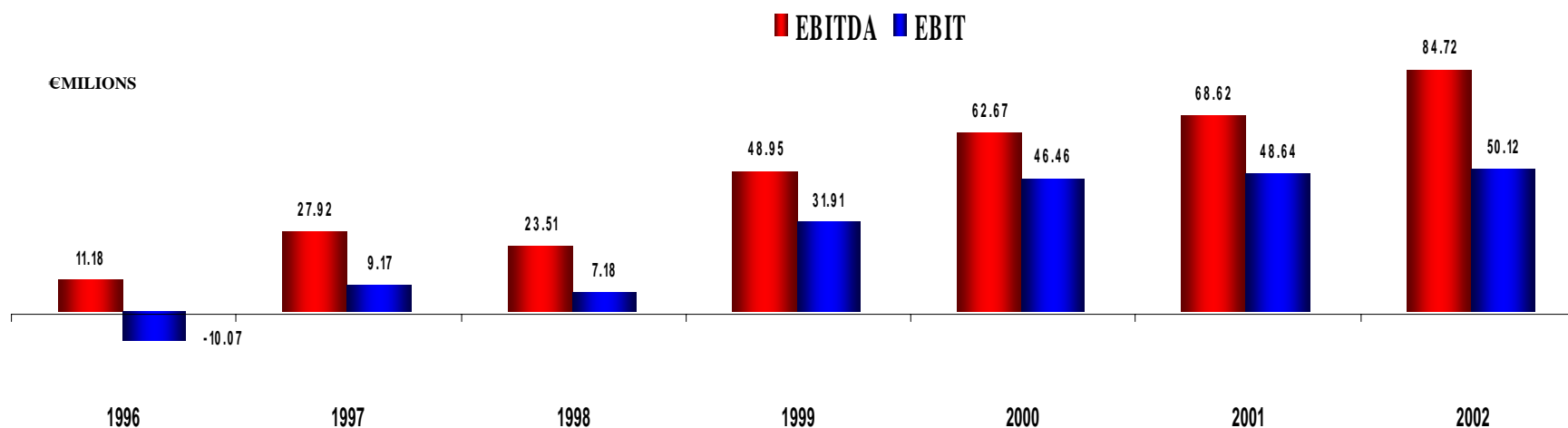
Personnel Costs/Sales %



Production (tons.) /Personnel

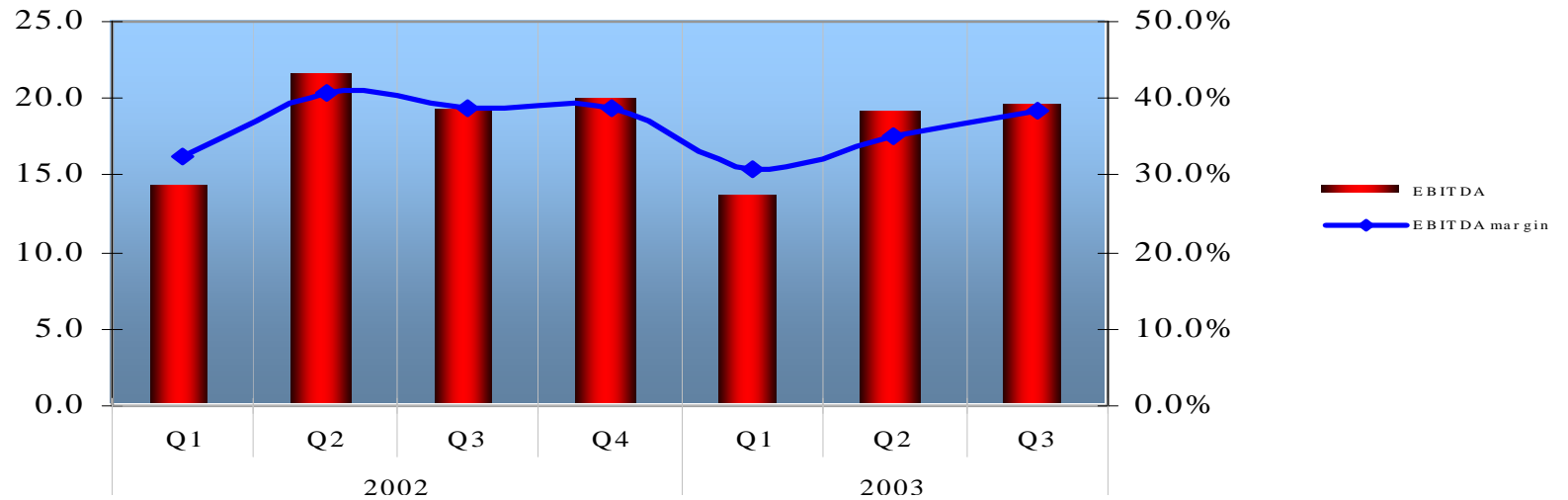


# Company overview: Profitability growth

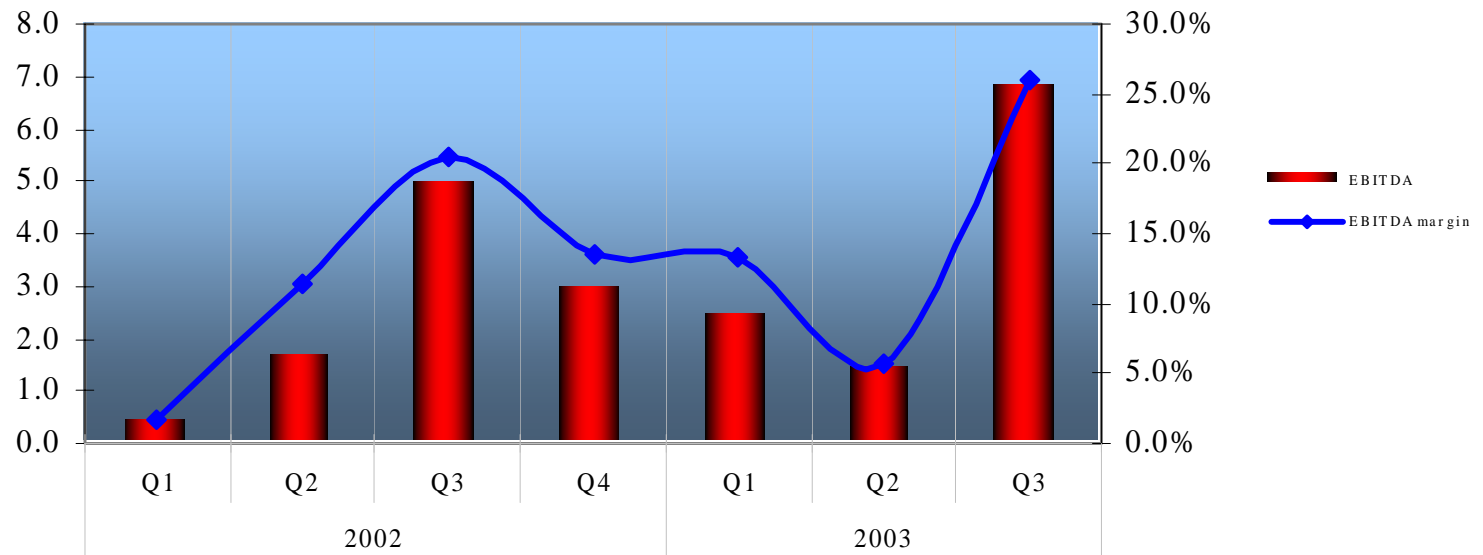


# Company overview: profitability ratios (Qs 02-03)

**ITALY**



**TURKEY**



## Financials: FY 2002 and 9M 2003

(EUR/000)	9M 2003	9M 2002	YoY	Y 2002	Y 2001****	YoY
Revenues	219,149	210,291	4.2%	283,029	224,761	25.9%
Operating costs	132,560	123,966	6.9%	(166,200)	(128,749)	29.1%
<b>Value added</b>	<b>86,589</b>	<b>86,325</b>	<b>0.3%</b>	<b>116,829</b>	<b>96,012</b>	<b>21.7%</b>
Labour cost	(23,582)	(24,348)	-3.1%	(32,112)	(27,387)	17.3%
<b>EBITDA</b>	<b>63,007</b>	<b>61,977</b>	<b>1.7%</b>	<b>84,717</b>	<b>68,625</b>	<b>23.4%</b>
<b>EBITDA Margin</b>	<b>28.75%</b>	<b>29.47%</b>		<b>29.93%</b>	<b>30.53%</b>	
Depreciation	(21,907)	(21,877)	0.1%	(28,517)	(17,601)	62.0%
Other (costs) / revenues	(4,046)	(3,918)	3.3%	(6,076)	(2,384)	154.9%
<b>EBIT</b>	<b>37,054</b>	<b>36,182</b>	<b>2.4%</b>	<b>50,124</b>	<b>48,640</b>	<b>3.1%</b>
<b>EBIT Margin</b>	<b>16.90%</b>	<b>17.20%</b>		<b>17.71%</b>	<b>17.19%</b>	
Financial (loss) profit	776	16,980 **		16,634	17,442	
Extraordinary (loss) profit	(6,683) *	(6,632) ***		(6,248)	213	
<b>Income before tax</b>	<b>31,147</b>	<b>46,530</b>	<b>-33.1%</b>	<b>60,510</b>	<b>66,295</b>	<b>-8.7%</b>

\* For the nine months to September 2003, exceptional charges of €6.8 millions refer to tax amnesty (D.L. n. 282/2002 and L. 27/2003) which Cementir S.p.A took advantage of.

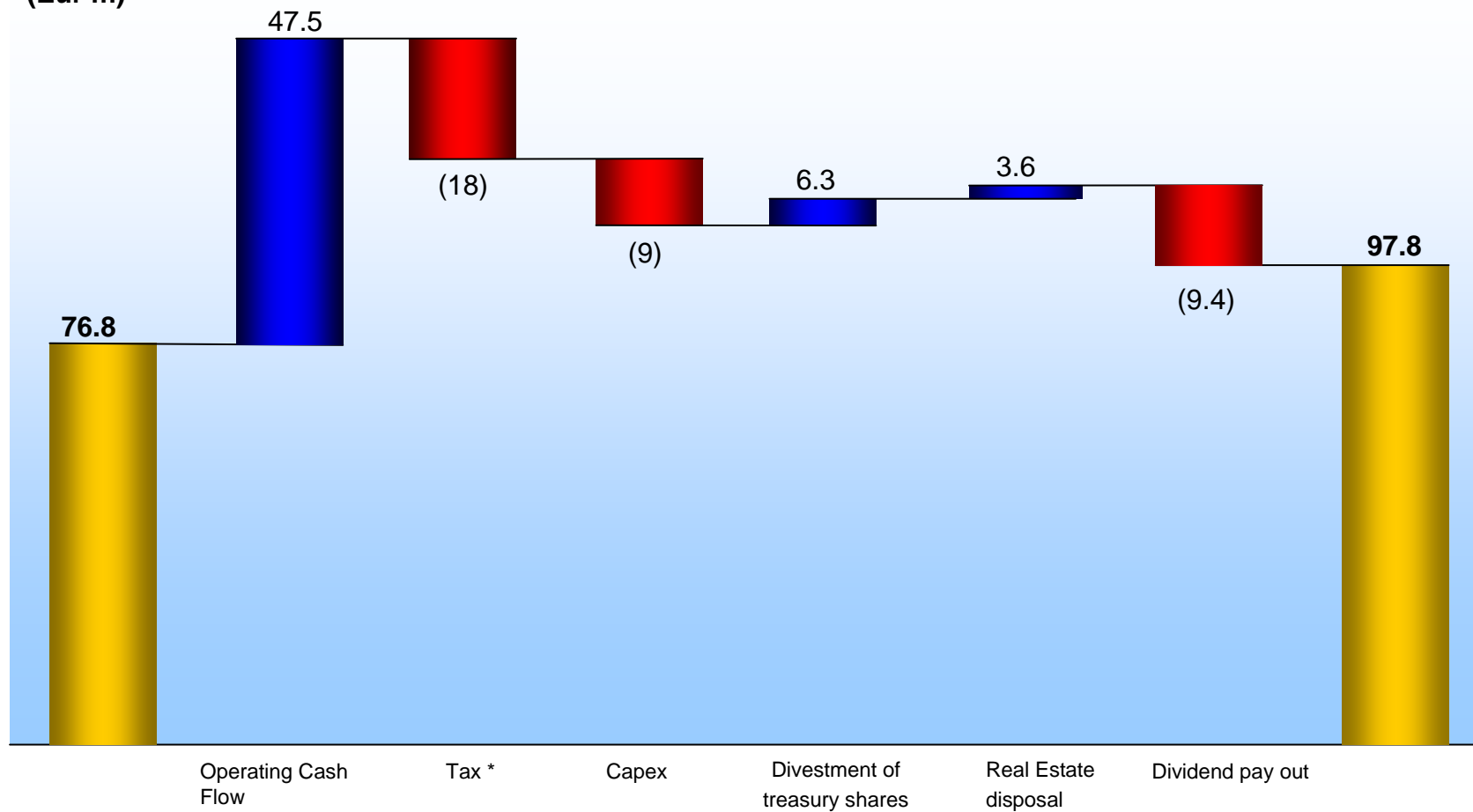
\*\* Includes exceptional currency gains related to a loan (completely reimbursed).

\*\*\* Includes exceptional loss related to sale of Cimentas non core assets.

\*\*\*\* Cimentas income statement is consolidated for only 3 months.

# Financials: Strong cash flow

(Eur m)



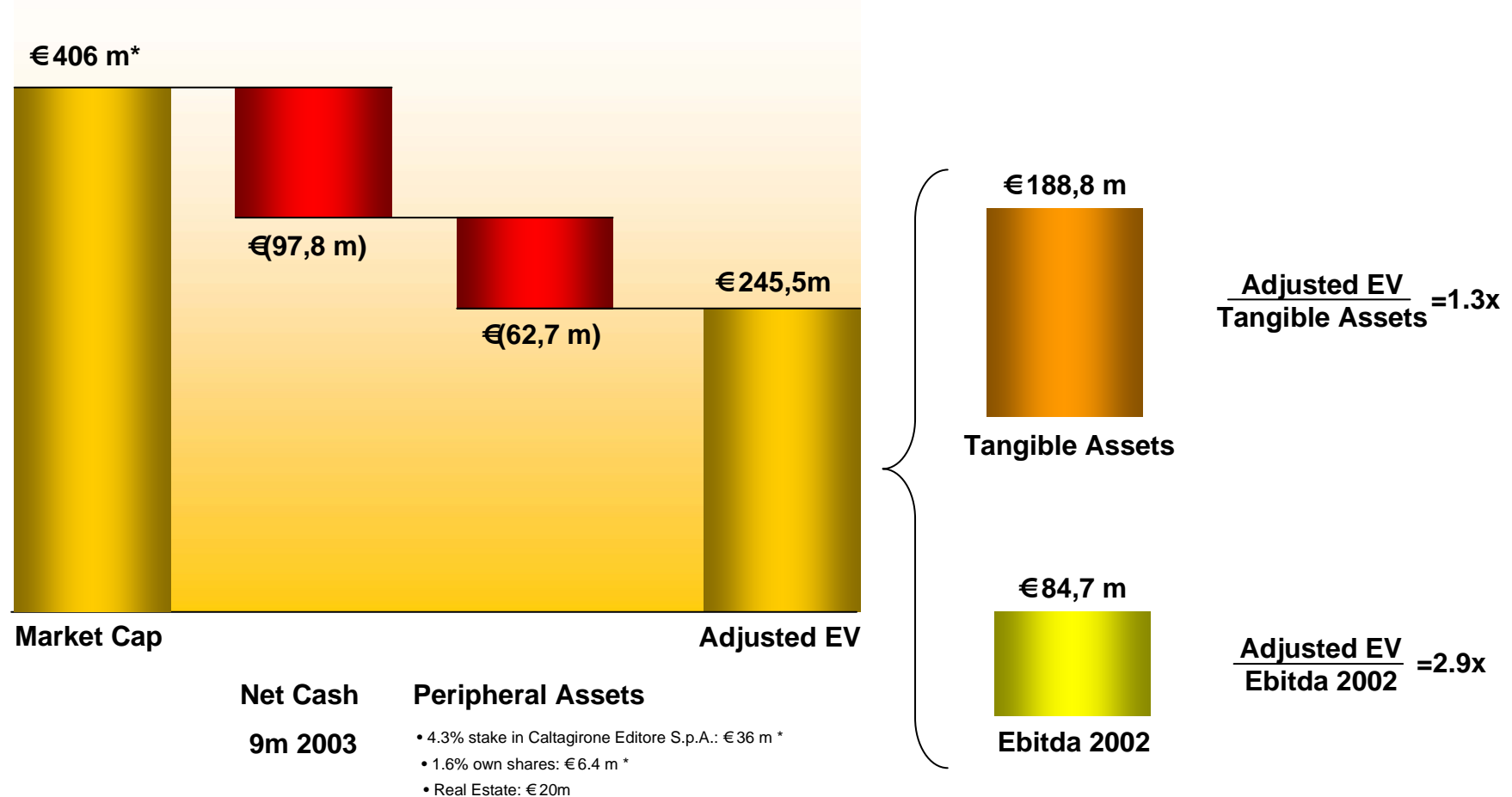
Net Cash December 2002

Net Cash September 2003



# Financials:Market multiples

Adjusted firm value is only 2.9x historical Ebitda.

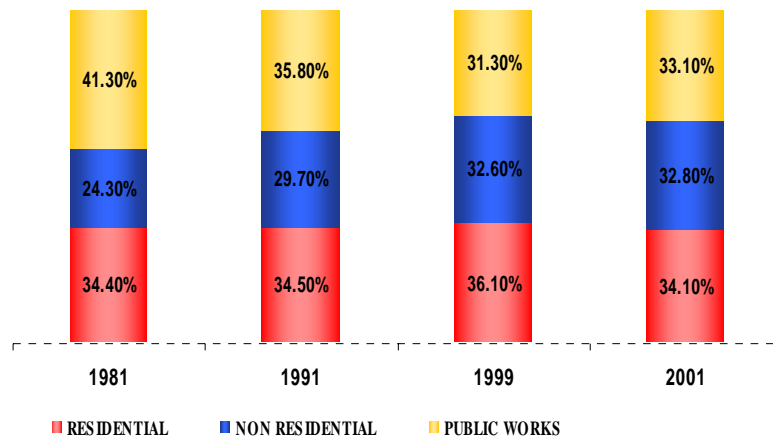


\* As of December 11, 2003.

# Outlook: Italy

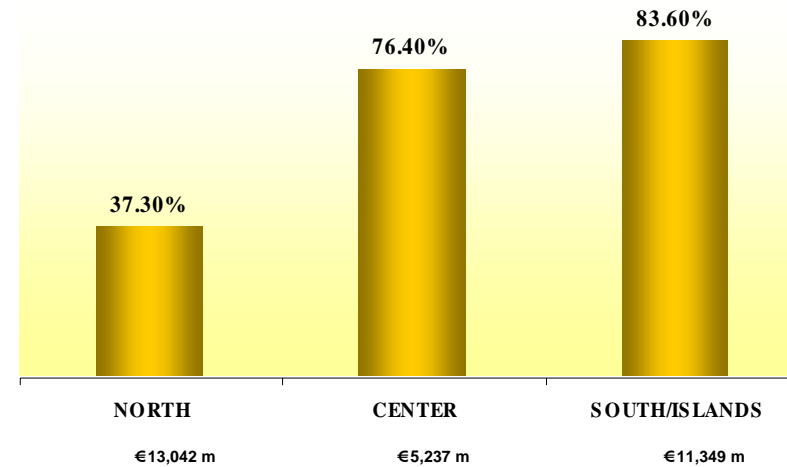
- The return of public spending, as envisaged by the Government, should boost cement consumption, especially in Southern Italy.

**BREAKDOWN OF CEMENT CONSUMPTION**



Source: Cofiri 2002

**GROWTH OF PUBLIC EXPENDITURE BY GEOGRAPHY**



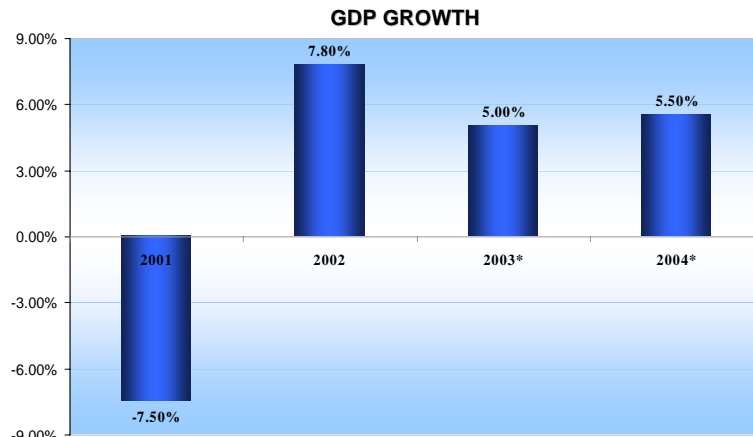
In the first 10 months of 2003, projects related to total public spending have increased by 63,3% from the comparable period of last year \*.

\* Source: "Il Sole 24 Ore" December 5th, 2003

- The European Union has included 4 Italian projects in the list of priority infrastructure investment (Torino-Lione railway, Genova-Milano-Gottardo railway, harbour infrastructure improvement, bridge over Messina channel).
- Volumes are expected to grow. Cement prices to remain stable/slightly decreasing, still below European average.

# Outlook: Turkey

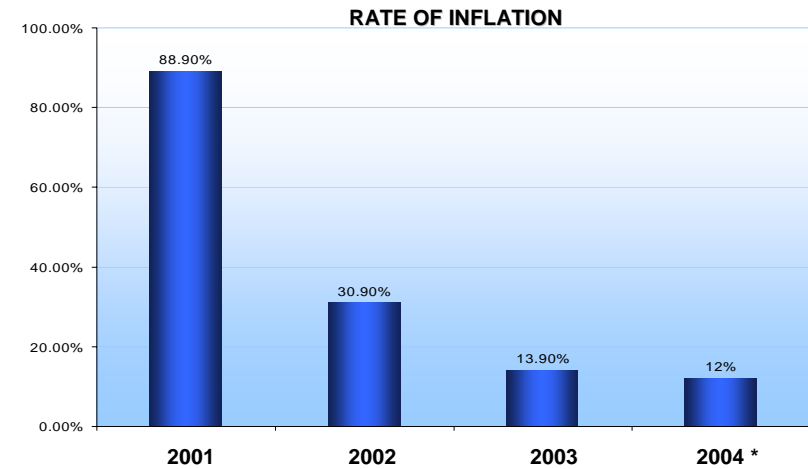
- Favourable economic growth prospects



Source: European Central Bank

\* Expected

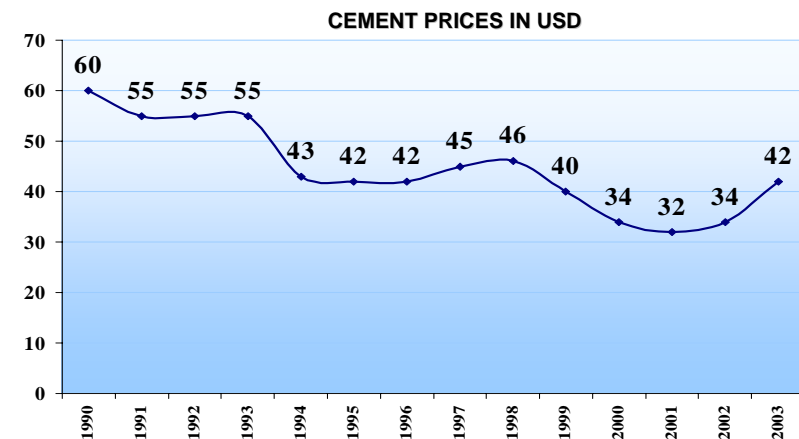
- Rate of inflation decreased in the last 3 years



\* Governmental budget

- Favourable demographics: 40% of population is less than 25 years old, current population is 70 million, expected to rise to 100 million in 2020
- Huge backlog of infrastructure projects which should gather pace as soon as the country economic backdrop stabilizes
- Cement volumes are expected to grow in 2004

- Prices are increasing



**For further information**

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**[www.cementir.it](http://www.cementir.it)**

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