INTERIM FINANCIAL REPORT
30 SEPTEMBER 2013

cementir holding
GRUPPO CALTAGIRONE

Cementir Holding SpA
200, corso di Francia 00191 Rome, Italy
T +39 06 324931 **cementirholding.it**

VAT reg. no. 02158501003 Rome Chamber of Commerce REA 160.498
Share capital EUR 159,120,000
Tax no. 00725950638

Company Officers

Board of Directors for the period 2012 – 2014	*Chairman*	Francesco Caltagirone Jr.
	Deputy President	Carlo Carlevaris *(independent)*
	Directors	Alessandro Caltagirone
		Azzurra Caltagirone
		Edoardo Caltagirone
		Saverio Caltagirone
		Flavio Cattaneo *(independent)*
		Mario Ciliberto
		Paolo Di Benedetto* *(independent)*
		Fabio Corsico
		Mario Delfini
		Alfio Marchini *(independent)*
		Riccardo Nicolini
Executive Committee	*Chairman*	Francesco Caltagirone Jr.
	Components	Mario Delfini
		Riccardo Nicolini
Control and Risks Committee	*Chairman*	Paolo Di Benedetto* *(independent)*
	Components	Flavio Cattaneo *(independent)*
		Alfio Marchini *(independent)*
Appointment and Remuneration Committee	*Chairman*	Paolo Di Benedetto* *(independent)*
	Components	Mario Delfini
		Flavio Cattaneo *(independent)*
Board of Statutory Auditors for the period 2011 – 2013	*Chairman*	Claudio Bianchi
	Auditors	Giampiero Tasco *(standing)*
		Federico Malorni *(standing)*
		Vincenzo Sportelli (*alternate*)
		Maria Assunta Coluccia (*alternate*)
		Patrizia Amoretti (*alternate*)
Manager responsible for financial reporting	Massimo Sala	
Independent Auditors for the period 2012 – 2020	KPMG SpA	

* *Lead Independent Director*

BLANK PAGE

Interim financial report at 30 September 2013

The interim financial report of the Cementir Holding group has been prepared in accordance with the international accounting standards (IAS/IFRS) endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002, as well as with Art. 154-ter (Financial reporting) of Legislative Decree 58/1998, as amended.
The following table reports performance for the first nine months and third quarter of 2013, with comparative figures for the corresponding periods of 2012:

Group performance

(EUR '000)	Jan-Sept 2013	Jan-Sept 2012	Change %	3rd Quarter 2013	3rd Quarter 2012	Change %
REVENUE FROM SALES AND SERVICES	**741,362**	**730,945**	**1.4%**	**268,944**	**268,471**	**0.2%**
Change in inventories	(2,959)	199		(1,482)	(1,189)	
Other revenue[1]	8,455	8,863		2,325	1,822	
TOTAL OPERATING REVENUE	**746,858**	**740,007**	**0.9%**	**269,787**	**269,104**	**0.2%**
Raw materials costs	(327,838)	(336,801)	-2.7%	(112,315)	(122,944)	-8.6%
Personnel costs	(116,080)	(116,985)	-0.8%	(37,668)	(38,809)	-2.9%
Other operating costs	(186,919)	(191,360)	-2.3%	(65,790)	(68,428)	-3.9%
TOTAL OPERATING COSTS	**(630,837)**	**(645,146)**	**-2.2%**	**(215,773)**	**(230,181)**	**-6.3%**
EBITDA	**116,021**	**94,861**	**22.3%**	**54,014**	**38,923**	**38.8%**
EBITDA Margin%	*15.65%*	*12.98%*		*20.08%*	*14.50%*	
Amortisation, depreciation, impairment losses and provisions	(65,313)	(64,240)	1.7%	(21,039)	(21,459)	-1.9%
EBIT	**50,708**	**30,621**	**65.6%**	**32,975**	**17,464**	**88.8%**
EBIT Margin %	*6.84%*	*4.19%*		*12.26%*	*6.50%*	
FINANCIAL INCOME (EXPENSE)	**(11,040)**	**(13,951)**		**(8,642)**	**(5,658)**	
PROFIT BEFORE TAXES	**39,668**	**16,670**	**137.9%**	**24,333**	**11,806**	**106.1%**
PROFIT BEFORE TAXES Margin %	*5.35%*	*2.28%*		*9.05%*	*4.40%*	

[1] "Other revenue" includes the income statement captions "Increase for internal work" and "Other operating revenue"

Sales volumes

('000)	Jan-Sept 2013	Jan-Sept 2012	Change %	3rd Quarter 2013	3rd Quarter 2012	Change %
Grey and white cement (metric tons)	7,306	7,350	-0.6%	2,703	2,676	1.0%
Ready-mixed concrete (m^3)	2,751	2,637	4.3%	965	879	9.8%
Aggregates (metric tons)	2,309	2,703	-14.6%	895	913	-1.9%

Group employees

	30-09-2013	31-12-2012	30-09-2012
Number of employees	3,165	3,311	3,385

During the first nine months of 2013, revenue from sales and services amounted to EUR 741.4 million (EUR 730.9 million at 30 September 2012), while EBITDA came to EUR 116.0 million (EUR 94.9 million at 30 September 2012), EBIT amounted to EUR 50.7 million (EUR 30.6 million at 30 September 2012) and profit before taxes totalled EUR 39.7 million (EUR 16.7 million at 30 September 2012).

Revenue from sales and services rose by 1.4% compared with 30 September 2012 thanks to the positive results achieved in Scandinavia, Turkey and the Far East, which offset the smaller contribution of Egypt and the persistent weakness in Italy. More specifically, in Scandinavia revenue rose by about EUR 12 million compared with the same period of the previous year thanks to the excellent performance of sales of ready-mixed concrete in Norway and Sweden (+9% in both countries), with sales prices rising. In Turkey, revenue in the local currency increased by more than 10% compared with the first nine months of 2012, due both to the rise in quantities of cement and ready-mixed concrete sold (+6.6% and +11.5%) and higher sales prices. However, the depreciation of the Turkish lira during the year limited the increase in revenue in euros to 5%. In the Far East, revenue increased by about EUR 4 million compared with the first nine months of 2012, the result of the strong performance of sales of white cement in China and Malaysia, which increased by 14% and 13%, respectively, in their domestic markets, with sales prices unchanged or up slightly.

In Egypt, revenue in the local currency was essentially in line with 2012, with contrasting developments in the domestic market and export markets: internal demand rose compared with the first nine months of 2012, sparking an increase in volumes and sales prices, while exports to foreign markets fell substantially, although sales prices rose. At the same time, the political and social instability afflicting the country caused a sharp depreciation of the Egyptian lira, which has lost more than 10% of its value against the euro this year, causing revenue in euros from Egyptian operations to decline by 9%.

In Italy, the construction industry still shows no signs of recovery: the volume of cement sold contracted by 14% and revenue by about EUR 17 million compared with the first nine months of 2012.

Operating costs fell by 2.2% overall, going from EUR 645.1 million in the first nine months of 2012 to EUR 630.8 million in the same period this year, thanks to the decline in the cost of raw materials and other operating costs. More specifically, raw materials costs fell by about EUR 9 million, thanks to major savings on fuel purchases, which offset the increase in electricity costs in Denmark, Turkey and Italy. Other operating costs decreased by EUR 4.5 million compared with the first nine months of 2012 following management actions to improve industrial efficiency and optimize fixed costs.

EBITDA and EBIT, which respectively amounted to EUR 116.0 and EUR 50.7 million, improved appreciably compared with the first nine months of 2012 (EUR 94.9 and EUR 30.6 million), with industrial profitability improving by 2.7 percentage points: the EBITDA margin rose from 13.0% in the first nine months of 2012 to 15.7%.

Financial expense amounted to EUR 11.0 million, an improvement of EUR 2.9 million compared with the previous year (EUR 13.9 million) due to the positive measurement of financial instruments used to hedge commodity prices and interest rates, which offset the unrealized exchange rate losses recognized, mainly attributable to the depreciation of the Turkish lira.

An analysis of the figures for the third quarter of 2012 shows revenue from sales and services of EUR 268.9 million (EUR 268.5 million in the third quarter of 2012), while EBITDA amounted to EUR 54.0 million (EUR 38.9 million in the third quarter of 2012 EBIT came to EUR 33.0 million (EUR 17.5 million in the third quarter of 2012) and profit before taxes totalled EUR 24.3 million (EUR 11.8 million in the third quarter of 2012).

In the third quarter of 2013, revenue from sales and services was unchanged from the same period of the previous year, as the good performance in Scandinavia (+10.5%), driven by the acceleration of work on the new metro line in Copenhagen, and of the Far East (+3.6%), thanks to the continuing expansion of the construction industry and infrastructure projects in China, was offset by the persistent weakness of the Italian market (with a decline of 20.3% in revenue compared with the third quarter of 2012) and the contraction in internal demand in Egypt, which caused revenue in the local currency to fall by about 5% in the quarter. In Turkey, revenue in euros in the third quarter of 2013 was in line with the same period of 2012, as the expansion in sales of cement and ready-mixed concrete in the domestic market (+6.1% and +9.6%, respectively, compared with the third quarter of 2012), which caused revenue in the local currency to rise significantly, was entirely offset by the depreciation of the Turkish lira against the euro, losing about 9% of its value in the third quarter of 2013.

Operating costs totalled EUR 215.8 million, down about EUR 14.4 million compared with the third quarter of 2012, reflecting the positive effects of management's organizational initiatives: raw materials costs fell by 8.6% thanks to efficiency gains that reduced consumption at manufacturing facilities and a careful centralized purchasing policy, which offset the impact of inflation on the prices of fuels and electricity.

Personnel costs diminished by 2.9%, benefiting from the corporate reorganization measures implemented in recent years. Other operating costs decreased by 3.8% as a result of the constant optimization of all costs.
With revenue unchanged, the containment of operating costs produced a substantial increase in EBITDA and EBIT in the third quarter of 2013, which amounted to EUR 54.0 million and EUR 33.0 million, up 38.8% and 88.8% compared with the same period of the previous year. In addition, the EBITDA margin came to 20.0%, a level of profitability not reached since 2008.
Financial expense totalled EUR 8.6 million (EUR 5.7 million in the third quarter of 2012), reflecting about EUR 5.5 million in unrealized financial expense recognized in respect of exchange rate losses, mainly against the Turkish lira.

Financial highlights

(EUR '000)	30-09-2013	30-06-2013	31-12-2012	30-09-2012
Net capital employed	1,434,593*	1,476,614	1,487,152	1,531,956*
Total equity	1,063,961*	1,078,028	1,114,123	1,122,514*
Net financial debt [2]	370,632	398,586	373,029	409,442

* Total equity at 30 September 2013 and 2012 does not include income taxes for the period.

Net financial debt at 30 September 2013 amounted to EUR 370.6 million, an improvement of EUR 2.4 million compared with 31 December 2012 attributable to the positive cash flow generated by operations net of annual maintenance of plants and industrial investments in the amount of about EUR 44.4 million and the payment of dividends totalling EUR 6.5 million. Note that in the third quarter of 2013, the Group's net financial debt improved by about EUR 28 million, largely due to positive developments in working capital.

[2] Net financial debt is calculated in accordance with Consob Communication no. DEM/6064293 of 28 July 2006.

Directors' report

Significant events in the first nine months

The first nine months of 2013 closed with performance and the financial results in line with management's expectations. The good performance in Scandinavia, Turkey and the Far East, only partially offset by continuing difficulties in the Italian market and the uncertainties in Egypt, underscores the value of our broad geographical diversification in protecting against fluctuations in individual markets.

In Italy the industry has a considerable amount of excess installed production capacity: after six consecutive years of contraction, cement sales in the domestic market have fallen by more than half compared with consumption levels prior to the crisis. In this environment, the Group has continued efforts to reduce operating costs and boost profitability. These measures have included the signing, in September at the Ministry of Labour and Social Security, of a new corporate reorganization agreement for the Cementir Italia subsidiary, which provides for the transformation of the Arquata and Taranto plants into grinding facilities accompanied by streamlining of the headquarters, commercial and distribution units. The agreement, which involves 144 employees, envisages an innovative process for professional retraining, transfers to other entities, facilitated outplacements and self-entrepreneurship initiatives, which should reduce the number of unemployed to a minimum. As regards the transition-to-retirement agreement reached in 2012, which provided for the placement of 70 employees in the scheme, more than half of scheduled layoffs have already been completed, with the rest to take place by the end of December 2013. In the first nine months of the year, staff in all areas of Cementir Italia (manufacturing plants, sales offices, distribution centres and headquarters) were involved in the wage supplementation system, affecting an average of 30 people per month.

With regard to waste management activities in Turkey, in the first nine months of 2013 we identified the investments to be made to complete the municipal waste treatment plant in Istanbul. Plant performance is expected to be optimized during the first quarter of 2014. According to the plan already provided for at the time of the acquisition, investments in the Neales Waste Management subsidiary in England were begun in the third quarter of 2013 for the construction of a waste treatment plant for the recovery of the recycle fraction and the minimisation of the use of landfills.

In September, as part of the reorganization of Group shareholdings, Cementir Holding SpA transferred an interest of 46% in the Turkish subsidiary Cimentas A.S. to the Danish group Aalborg Portland A/S, which is wholly owned by Cementir Holding SpA. Following the transfer, Aalborg Portland group holds 71% of the Cimentas group.

In addition, during the third quarter of 2013, the Danish subsidiary Aalborg Portland A/S was granted a 15-year loan of EUR 150 million from a leading Scandinavian bank that will produce a significant improvement in the Group's financial structure, reducing the average interest rate on the debt, lengthening its average maturity and increasing access to short-term credit.

In the first nine months of the year, the Group companies determined the actions, tools and timetables for achieving a significant recovery in profitability in 2013 and 2014, focusing on increasing the efficiency both of industrial areas and of commercial and staff units. The Group's is seeking to achieve a reduction of about EUR 30 million in operating costs in 2014.

Outlook

In the fourth quarter of 2013, we do not expect any significant changes in developments compared with the first nine months of the year. The positive trends in operations in Scandinavia, Turkey, China, Malaysia and the United States are expected to continue, as are the continuing uncertainties and challenges in Egypt and Italy.

The Group expects to achieve the economic performance and financial targets for the full year 2013, i.e. revenue in excess of EUR 1 billion, EBITDA of more than EUR 150 million and net financial debt of less than EUR 350 million.

Rome, 7 November 2013
The Chairman of the Board of Directors
/s/ Francesco Caltagirone Jr.

* * *

Massimo Sala, as the manager responsible for preparing the Company’s financial reports, certifies, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this report corresponds with that contained in company documents, books and accounting records.