INTERIM FINANCIAL REPORT

30 SEPTEMBER 2011

cementirholding
CALTAGIRONE GROUP

Directors, officiers and auditors

Board of Directors

Chairman

Francesco Caltagirone Jr. [1]

Vice Chairman

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
Federico Malorni

Manager responsible for financial reports

Oprandino Arrivabene

Independent auditors

PriceWaterhouseCoopers SpA

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

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Interim financial report at 30 September 2011

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 2011, with comparative figures for the corresponding periods of 2010:

Results

(EUR '000)	Jan-Sep 2011	Jan-Sep 2010	Δ %	3rd quarter 2011	3rd quarter 2010	Δ %
REVENUES FROM SALES AND SERVICES	**696,643**	**630,905**	**10.42%**	**245,730**	**231,131**	**6.32%**
Change in inventories	(6,299)	(9,203)		1,858	1,839	
Other revenues*	6,810	9,150		1,612	2,249	
TOTAL OPERATING REVENUES	**697,154**	**630,852**	**10.51%**	**249,200**	**235,219**	**5.94%**
Raw material costs	(329,336)	(292,727)	12.51%	(114,154)	(112,450)	1.52%
Personnel costs	(113,247)	(104,973)	7.88%	(35,966)	(35,269)	1.98%
Other operating costs	(162,892)	(148,780)	9.49%	(55,006)	(53,266)	3.27%
TOTAL OPERATING COSTS	**(605,475)**	**(546,480)**	**10.80%**	**(205,126)**	**(200,985)**	**2.06%**
EBITDA	**91,679**	**84,372**	**8.66%**	**44,074**	**34,234**	**28.74%**
EBITDA Margin %	*13.16%*	*13.37%*		*17.94%*	*14.81%*	
Depreciation, amortisation, impairment losses and provisions	(62,428)	(64,370)	-3.02%	(20,396)	(21,457)	-4.94%
EBIT	**29,251**	**20,002**	**46.24%**	**23,678**	**12,777**	**85.32%**
EBIT Margin %	*4.20%*	*3.17%*		*9.64%*	*5.53%*	
FINANCIAL INCOME (EXPENSE)	**(22,644)**	**7,672**		**(15,120)**	**1,348**	
PROFIT BEFORE TAX	**6,607**	**27,674**	**-76.13%**	**8,558**	**14,125**	**-39.41%**
PROFIT BEFORE TAX Margin %	*0.95%*	*4.39%*		*3.48%*	*6.11%*	

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

Sales volumes

('000)	Jan-Sep 2011	Jan-Sep 2010	Δ %	3rd quarter 2011	3rd quarter 2010	Δ %
Grey and white cement (metric tons)	7,917	7,565	4.65%	2,697	2,675	0.83%
Ready-mix concrete (m^3)	2,861	2,344	22.05%	966	846	14.16%
Aggregates (metric tons)	2,785	2,717	2.51%	918	970	-5.33%

Group employees

	30-09-2011	31-12-2010	30-09-2010
Number of employees	3,243	3,289	3,293

During the first nine months of the year, revenues from sales and services amounted to EUR 696.6 million (EUR 630.9 million at 30 September 2010), while EBITDA came to EUR 91.7 million (EUR 84.4 million at 30 September 2010), EBIT amounted to EUR 29.3 million (EUR 20.0 million at 30 September 2010) and profit before tax totalled EUR 6.6 million (EUR 27.7 million at 30 September 2010).

Revenues at 30 September 2011 were up 10.4% over the same period of 2010, thanks to the strong performance achieved in Scandinavia, Turkey and the Far East. More specifically, in Scandinavia and Turkey volumes rose across all business sectors (cement, ready-mix concrete and aggregates), with prices remaining stable or rising slightly. The Far East also contributed to the growth in revenues through rising manufacturing capacity in China as a result of work completed towards the end of 2009, with operations fully up and running since the second half of 2010. In Italy, revenues for the first nine months were slightly higher than for the same period of 2010 thanks to the performance registered in the third quarter of 2011. This marked a reversal of the decline seen over the last several quarters, although it does not yet signal a solid market recovery. In Egypt, revenues fell steeply as compared with 2010 due to the slow normalization of that country's economy following the social and political unrest experienced early in the year.

The increase in operating costs (+10.8% compared with 30 September 2010) is mainly attributable to higher fuel and energy costs driven by rising oil prices, which increased by an average of around 45% compared with the first nine months of 2010. These price developments, together with the larger quantities produced in response to growing market demand, led to 12.5% increase in raw material costs as compared with 30 September 2010, and a 9.5% increase in other operating costs, including transport and logistics.

EBITDA came to EUR 91.7 million, an 8.7% improvement on 30 September 2010 (EUR 84.4 million) as a result of the strong recovery reported in the third quarter of 2011 (up 28.7% compared with the third quarter of 2010), which offset the performance posted in the first six months of the year (down 5.1% compared with the first half of 2010). The EBITDA margin on sales amounted to 13.2% (13.4% at 30 September 2010), marking an improvement in operating efficiency compared with the 10.6% posted at 30 June 2011.

Financial management yielded a negative EUR 22.6 million (a positive EUR 7.7 million at 30 September 2010), reflecting developments in the financial markets, which were buffeted by concerns over the excessive sovereign debt of a number of Western countries, triggering steep falls in the values of derivative financial instruments used to hedge commodity, exchange rate and interest rate risks. However, around half of this EUR 22.6 million was due to unrealised financial expense that was recognised as a result of losses on exchange rate differences (mainly the Turkish lira) and to the mark-to-market measurement of financial instruments used for hedging purposes.

An analysis of the figures for the third quarter of 2011 shows revenues from sales and services of EUR 245.7 million (EUR 231.1 million in the third quarter of 2010), while EBITDA amounted to EUR 44.1 million (EUR 34.2 million in the third quarter of 2010). EBIT came to EUR 23.7 million (EUR 12.8 million in the third quarter of 2010) and profit before tax totalled to EUR 8.6 million (EUR 14.1 million in the third quarter of 2010).

The EUR 14.6 million increase in revenues in the third quarter was due to an increase in volumes of ready-mix concrete sold across all of the geographical areas in which the Group operates (up 14.2% compared with the third quarter of 2010), with strong demand for cement in Scandinavia and higher prices in Italy.

Operating costs grew by EUR 4.2 million compared with the third quarter of 2010, going from EUR 200.9 million in 2010 to EUR 205.1 million in 2011. However, operating costs have been gradually declining over the course of the year: during the first quarter, operating costs rose by 22.6%, in the second quarter by 10.2% and in the third by 2.1%.

As a result of these developments, EBITDA for the third quarter amounted to EUR 44.1 million, up 28.7% on the same period of 2010, and operating efficiency improved, with the EBITDA margin on sales amounting to 17.9%, compared with the 14.8% reported for the third quarter of 2010.

Financial management yielded a negative EUR 15.1 million, reflecting the tensions in the financial markets, particularly in the third quarter, which had a direct impact on the values of financial derivatives used to hedge commodity, exchange rate and interest rate risks.

Net financial position

(Euro '000)	30-09-2011	30-06-2011	31-12-2010	30-09-2010
Cash and cash equivalents[♦]	90,796	95,228	101,529	92,921
Non-current financial liabilities	(197,938)	(204,306)	(223,898)	(259,275)
Current financial liabilities	(266,607)	(258,042)	(213,763)	(190,671)
NET FINANCIAL POSITION	**(373,749)**	**(367,120)**	**(336,132)**	**(357,025)**

The net financial position at 30 September 2011 showed net debt of EUR 373.7 million, an increase of EUR 37.6 million compared with 31 December 2010, mainly due to changes in working capital. In the first nine months of 2011, revenues rose by over EUR 65 million as compared with 30 September 2010, leading to a temporary use of cash to finance the ordinary mismatch between receipts and payments. The increase in net debt also reflects the investments in Turkey's waste management sector, the distribution of dividends of EUR 9.5 million and the one off tax payment of about EUR 5.5 million related to prior years.

Directors' report and significant events

The results posted for the third quarter of 2011 in the Group's main geographical markets are in line with management's expectations. Scandinavia, Turkey and the Far East continued to post the good performance seen in the first six months, with the consolidation of the market recovery, while Italy is showing signs of gradual reversing in trend compared with recent years, despite the uncertainty surrounding country's political and economic environment.

We expect this environment to continue in the final part of the year, so that the Group's results should essentially be in line with budget expectations

Significant events during the period include the signing by Cementir Holding, acting through its Turkish subsidiary Recydia, which operates in the waste management and renewable energy sector, of a 25-year contract to handle and treat around 700,000 metric tons of Istanbul's municipal solid waste per year, equal to 14% of that city's total solid municipal waste.

Rome, 7 November 2011
The Chairman of the Board of Directors
/s/ Francesco Caltagirone Jr.

[♦] "Cash and cash equivalents" includes the consolidated statement of financial position items "Cash and cash equivalents" and "Current financial assets".

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Oprandino Arrivabene, 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.