Cementir Holding: Board of Directors approves results for first half of 2012, showing the come-back to the net profit

Revenues: EUR 462.5 million (EUR 450.9 million at 30 June 2011)
EBITDA: EUR 55.9 million (EUR 47.6 million at 30 June 2011)
Net profit: EUR 1.8 million (loss of EUR 8.7 million at 30 June 2011)

Rome, 25 July 2012 – The Board of Directors of Cementir Holding, chaired by Francesco Caltagirone Jr., today approved Cementir Holding's results for the first half of 2012.

Financial Highlights

(millions of euros)	1st half 2012	1st half 2011	Δ%	2nd Quarter 2012	2nd Quarter 2011	Δ%
Revenues	462.5	450.9	2.6	267.1	262.3	1.8
EBITDA	55.9	47.6	17.5	43.4	39.1	10.8
EBIT	13.2	5.6	136.1	21.1	17.9	18.3
Profit before tax	4.9	-1.9	349.3	16.2	0.4	n.a.
Group net profit	1.8	-8.7				

Net Financial Position

(millions of euros)	30-06-2012	31-03-2012	31-12-2011
Net Financial Position	(406.0)	(410.0)	(357.5)

Sales Volumes

('000)	1st half 2012	1st half 2011	Δ%	2nd Quarter 2012	2nd Quarter 2011	Δ%
Grey and white cement (metric tons)	4,675	5,220	-10.4	2,783	3,097	-10.1
Ready-mix concrete (m^3)	1,759	1,895	-7.2	935	1,048	-10.8
Aggregates (metric tons)	1,790	1,867	-4.1	1,072	1,188	-9.8

Group Employees

	30-06-2012	31-12-2011	30-6-2011
Number of employees	3,265	3,200	3,322

Cementir Holding ended the first half of 2012 with results that confirm the positive trend seen in the first quarter of the year and a significant improvement over the first half of 2011. Business continued to perform well in Scandinavia, the Far East and Egypt, which offset the difficulties reported in Turkey and Italy.

Revenues stood at EUR 462.5 million, up by 2.6% compared to the same period in 2011, despite the comprehensive decrease in the amount of cement and concrete sold. The rise in revenues reported in Scandinavia, the Far East and Egypt offset the fall in Turkish and Italian markets brought on by unfavourable weather conditions at the beginning of the year and by the continuing crisis in the construction industry in Italy. In particular, in Scandinavia the rise in volumes and prices both in cement and ready-mix concrete sector, reported for domestic markets and exports resulted in an increase in revenues amounting to about EUR 13 million compared to the first half of 2011. In the Far East, the plant in China was fully operational, which led to a considerable rise in volumes and a slight increase in prices: revenues rose by about EUR 5 million. In Egypt, revenues rose by about EUR 4 million over the first half of 2011 as a result of the increase in white cement exports. This more than compensated for the fall in demand on the domestic market, which is still undergoing significant socio-political hardship.

Operating costs rose to EUR 415 million, which is a 3.6% increase over the first half of 2011, mainly due to rising transport and logistics costs. After several quarters of rising costs for raw materials there was a reversal in this trend.

EBITDA rose to EUR 55.9 million, which is a 17.5% increase over the figure reported at 30 June 2011. **EBIT** stood at EUR 13.2 million, which is also a considerable increase over the first half of 2011 (EUR 5.6 million).

The **result of financial management** was negative EUR 8.3 million (negative EUR 7.5 million at 30 June 2011), and represents an expenditure in line with market conditions against a debt of EUR 406 million at the end of the period.

The **profit before tax** and **profit for the period,** amounting to EUR 4.9 and 4.4 million respectively, mark a significant reversal of the trend compared to figures at 30 June 2011 (a loss of EUR 1.9 million before tax and loss of EUR 5.5 million for the period).

Net profit for the Group amounted to EUR 1.8 million (loss of EUR 8.7 million at 30 June 2011).

The **net financial position** showed a net debt of EUR 406 million, a EUR 48 million increase compared to 31 December 2011. This is mainly due to changes in working capital, annual plant maintenance, investments made in the Turkish waste management segment, and, lastly, due to distribution of dividends in the month of May for a total of EUR 6.5 million. It should be pointed out that in the second quarter of 2012 the net financial position improved by about EUR 4 million.

Performance in the second quarter of 2012

In the second quarter of 2012 revenues rose by 1.8% over the second quarter of 2011, which confirms the positive signs already seen in the first quarter of the year, especially in Scandinavia, the Far East and Egypt. EBITDA and EBIT improved by 10.8% and 18.3% compared to the same period in 2011. The result of financial management, is negative for EUR 4.9 million. The comparison with the result of the same period last year (EUR -17.5 million) is influenced by the extremely negative performance of certain derivative instruments used for hedging in the second quarter of 2011.

Significant events

The last authorisation needed to revamp the plant in Taranto (Italy) was obtained in the month of May. In the segment of waste management and development of renewable energy, where the Turkish subsidiary Recydia A.S. operates, operations continued in relation to the 25-year agreement for the management and treatment of approximately 700,000 tons per year of solid urban waste in Istanbul.

Outlook

The good result reported in Scandinavia and the Far East in the first half of the year should be confirmed in the second half as well, together with a recovery in demand in the Turkish market. It is still difficult to produce forecasts for the Egyptian market considering the exceptional changes taking place in the country. In any case, there are no factors that would indicate a reversal in the positive trend reported in the first half of the year. In Italy there are still no signs of a steady recovery in demand. It’s expected that the investments in waste management will start giving their benefits from the forth quarter.

Significant events after end of six-month period

In the month of July, the group completed its acquisition of NWM Holdings Limited (NWMH) through the Turkish subsidiary Recydia A.S. The group operates in the collection, treatment, recycling and disposal of urban and industrial waste in the county of Lancashire and in the areas of Manchester and Liverpool (England). The price paid to acquire 100% of shares amounted to GBP 8.6 million. The operation is the first step in the promising English market of waste management, and it confirms Cementir Holding's commitment in the segment of waste treatment and renewable energy.

Additionally, in the month of July, as part of the Group's equity investments reorganisation, Cementir Holding SpA transferred a share package amounting to 25% of share capital in the Turkish subsidiary Cimentas A.S. to the Danish subsidiary Alborg Portland A/S wholly owned by Cementir Holding SpA.

Lastly, again in the month of July, a Framework Agreement between the subsidiary Cementir Italia and union organisations was signed for a company reorganisation plan. Details on the agreement will be provided by the end of this financial year.

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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 press release corresponds with that contained in company documents, books and accounting records.

The consolidated statement of financial position and consolidated income statement are attached in order to provide investors with additional information on the performance and financial position of the Group. The half-year financial report is currently being examined by the Board of Auditors and the independent auditors under the scope of their responsibilities.

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Consolidated statement of financial position

(EUR '000)	30 June 2012	31 December 2011
ASSETS		
Intangible assets with finite useful lives	47,376	46,392
Intangible assets with indefinite useful lives	443,207	431,225
Property, plant and equipment	832,024	815,310
Investment property	98,262	93,740
Equity investments measured using equity method	17,054	15,956
Equity investments available for sale	6,929	8,148
Non-current financial assets	922	1,620
Deferred tax assets	55,873	48,015
Other non-current assets	3,225	3,070
TOTAL NON–CURRENT ASSETS	**1,504,872**	**1,463,476**
Inventories	149,289	144,287
Trade receivables	226,228	188,771
Current financial assets	3,097	1,888
Current tax assets	6,093	3,681
Other current assets	18,200	14,691
Cash and cash equivalents	86,671	91,651
TOTAL CURRENT ASSETS	**489,578**	**444,969**
TOTAL ASSETS	**1,994,450**	**1,908,445**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	159,120	159,120
Share premium reserve	35,710	35,710
Other reserves	837,212	806,707
Net profit (loss)	1,801	3,025
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**1,033,843**	**1,004,562**
Non-controlling interests reserves	75,851	71,506
Net profit (loss) of non-controlling interests	2,636	6,813
NON-CONTROLLING INTERESTS EQUITY	**78,487**	**78,319**
TOTAL EQUITY	**1,112,330**	**1,082,881**
Employee benefit provisions	18,292	17,344
Non-current provisions	16,739	15,552
Non-current financial liabilities	231,487	153,164
Deferred tax liabilities	98,236	96,599
Other non-current liabilities	1,127	1,469
TOTAL NON-CURRENT LIABILITIES	**365,881**	**284,128**
Current provisions	2,338	2,862
Trade payables	177,427	182,935
Current financial liabilities	264,309	297,909
Current tax liabilities	12,225	6,009
Other current liabilities	59,940	51,721
TOTAL CURRENT LIABILITIES	**516,239**	**541,436**
TOTAL LIABILITIES	**882,120**	**825,564**
TOTAL EQUITY AND LIABILITIES	**1,994,450**	**1,908,445**

Consolidated income statement

(EUR '000)	1st half 2012	1st half 2011
REVENUES	**462,474**	**450,913**
Change in inventories	1,388	(8,157)
Increases for internal work	2,606	2,489
Other operating revenues	4,435	2,709
TOTAL OPERATING REVENUES	**470,903**	**447,954**
Raw material costs	(213,857)	(215,182)
Personnel costs	(78,176)	(77,281)
Other operating costs	(122,932)	(107,886)
TOTAL OPERATING COSTS	**(414,965)**	**(400,349)**
EBITDA	**55,938**	**47,605**
Amortisations and depreciation	(41,449)	(41,687)
Provisions	-	-
Impairment losses	(1,332)	(345)
Total Depreciation, amortisation, impairment losses and provisions	(42,781)	(42,032)
EBIT	**13,157**	**5,573**
Net result on equity investments measured using equity method	939	511
Net financial result	(9,232)	(8,035)
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD	**(8,293)**	**(7,524)**
PROFIT BEFORE TAX	**4,864**	**(1,951)**
Income taxes	(427)	(3,596)
PROFIT FROM CONTINUING OPERATIOS	**4,437**	**(5,547)**
NET PROFIT (LOSS) FOR THE PERIOD	**4,437**	**(5,547)**
Attributable to:		
NON-CONTROLLING INTERESTS	2,636	3,110
OWNERS OF THE PARENT	**1,801**	**(8,657)**