

Cementir Holding: Board of Directors approves results for 2011

Revenues: EUR 933 million (EUR 842.3 million at 31 December 2010)

EBITDA: EUR 124.2 million (EUR 108.9 million at 31 December 2010)

Group net profit: EUR 3 million (EUR 9.3 million at 31 December 2010)

Proposed dividend: EUR 0.04 per share (EUR 0.06 for previous year)

Rome, 8 March 2012 – The Board of Directors of Cementir Holding SpA, chaired by Francesco Caltagirone Jr., examined and approved the draft financial statements for the year ended 31 December 2011.

Financial highlights

(millions of euros)	January December 2011	January December 2010	Δ%
Revenues	933.0	842.3	10.8%
EBITDA	124.2	108.9	14.0%
EBIT	36.2	22.5	60.8%
Profit before taxes	15.6	25.9	-39.8%
Group net profit	3.0	9.3	-67.6%

Net financial position

(millions of euros)	31-12-2011	31-12-2010
Net financial position	(357.5)	(336.1)

Sales volumes

('000)	January December 2011	January December 2010	Δ%
Grey and white cement (metric tons)	10,468	10,013	4.5%
Ready-mixed concrete (m ³)	3,843	3,185	20.7%
Aggregates (metric tons)	3,834	3,605	6.3%

Group employees

	31-12-2011	31-12-2010
Number of employees	3,200	3,289

Cementir Holding's results for 2011 reflect a recovery in demand in almost all of the Group's geographical markets, accompanied by stable or slightly higher prices and greater production costs, mainly driven by rising oil prices. Thanks to these developments, EBITDA began rise again after three years of gradual decline.

The Board of Directors has resolved to propose to the Shareholders' Meeting on 18 April at first calling, and 7 May at second calling, that it approve the distribution of a dividend of EUR 0.04 per share. The Board suggests that 21 May be authorized as the ex-dividend date, with payment to be made on 24 May.

Performance in 2011

Revenues came to EUR 933 million, up 10.8% from the previous year, thanks to an increase in volumes across all business sectors. However, the increase in revenues varied by geographical area. Robust growth in demand in Scandinavia, along with a moderate increase in prices for cement and ready-mixed concrete, generated a 18.5% increase in revenues. In Turkey, strong growth in demand for ready-mixed concrete, accompanied by slightly higher prices, and a small upturn in the cement market with essentially stable prices produced a 16.8% increase in revenues. In the Far East, revenues rose by 31%, thanks mainly to the expansion in manufacturing capacity in China, completed at the end of 2009 and fully up and running in the second half of 2010. In Italy, despite only a modest increase in volumes and prices, revenues rose by 15.3%, thanks in part to the change in the scope of consolidation of the ready-mixed concrete segment following the acquisition of 14 plants at the end of 2010 by the subsidiary Betontir. Egypt is the only market where there was a decline in revenues (19%), due to the economic slowdown caused by the social and political unrest that marked 2011.

Rising oil prices impacted developments in **operating costs**, which rose by 9.6% compared with 31 December 2010. More specifically, the cost of raw materials increased by 12.2%, both as a result of larger quantities produced in response to growing demand and higher unit prices for the materials themselves.

EBITDA came to EUR 124.2 million, up 14% compared with 2010, marking the reversal of a three-year downward trend.

Financial management yielded a negative EUR 20.6 million (a positive EUR 3.4 million in 2010) and reflects the extraordinary declines in the value of the financial derivatives used to hedge interest rate, exchange rate and commodity price risks in 2011, due to the extreme volatility of the financial markets. Nevertheless, around EUR 11 million was represented by unrealised financial expense that was recognised as a result of foreign exchange losses, mainly in respect of the Turkish lira, and mark-to-market measurements of financial instruments used for hedging purposes.

Profit before tax for the period amounted to EUR 15.6 million (EUR 25.9 million at 31 December 2010).

Group net profit came to EUR 3 million (EUR 9.3 million at 31 December 2010).

The **net financial position** showed net debt of EUR 357.5 million at 31 December 2011, an increase of EUR 21.4 million compared with 31 December 2010, due to investments in Turkey's waste management sector, to the distribution of dividends of EUR 9.5 million and to a one-off tax payment of around EUR 5.5 million related to prior years. However, it should be noted that the net financial position improved by EUR 16.2 million in the fourth quarter of 2011, indicating a gradual decline in financing needs associated with developments in working capital as a result of higher turnover compared with the previous year.

Significant events

During the period, Cementir Holding signed a 25-year contract to handle and treat around 700,000 metric tons of Istanbul's municipal solid waste per year through its Turkish subsidiary Recydia, which operates in the waste management and renewable energy sector. This accounts for 14% of Istanbul's solid urban waste.

In Italy, refurbishment of the Taranto plant is moving forward, with the study completed and the execution phase beginning. The project seeks to improve the plant's industrial efficiency and mitigate its environmental impact by reducing energy consumption and atmospheric emissions.

Outlook

In view of the slow but steady improvement in the financial crisis that has characterized the last few years, we expect the economy to improve in all the Group's geographical markets in 2012, with growth in revenues and profitability compared with 2011. Problems could be encountered in Italy due to further contraction in the construction industry as a result of cuts in government spending currently being implemented, and in Egypt where the political and economic climate is still uncertain.

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

Attached are the statement of financial position and income statement from the statutory and consolidated financial statements. They are provided to offer investors additional information on the performance and financial position of the Company and the Group. The Board of Auditors and the independent auditors are currently reviewing the draft financial statements within the scope of their respective responsibilities.

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Consolidated statement of financial position

(EUR '000)	31 December 2011	31 December 2010
ASSETS		
Intangible assets	477,617	494,678
Property, plant and equipment	815,310	876,176
Investment property	93,740	98,577
Equity investments measured using equity method	15,956	16,868
Equity investments available for sale	8,148	6,519
Non-current financial assets	1,620	527
Deferred tax assets	48,015	34,130
Other non-current assets	3,070	1,886
TOTAL NON-CURRENT ASSETS	1,463,476	1,529,361
Inventories	144,287	143,837
Trade receivables	188,771	150,974
Current financial assets	1,888	1,510
Current tax assets	3,681	6,078
Other current assets	14,691	18,939
Cash and cash equivalents	91,651	100,019
TOTAL CURRENT ASSETS	444,969	421,357
TOTAL ASSETS	1,908,445	1,950,718
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	159,120	159,120
Share premium reserve	35,710	35,710
Other reserves	806,707	872,967
Group net profit (loss)	3,025	9,344
GROUP SHAREHOLDERS' EQUITY	1,004,562	1,077,141
Net profit (loss) of non-controlling interests	6,813	8,255
Non-controlling interests reserves	71,506	71,216
NON-CONTROLLING INTERESTS SHAREHOLDERS' EQUITY	78,319	79,471
TOTAL SHAREHOLDERS' EQUITY	1,082,881	1,156,612
Employee benefit provisions	17,344	18,695
Non-current provisions	15,552	15,234
Non-current financial liabilities	153,164	223,898
Deferred tax liabilities	96,599	98,944
Other non-current liabilities	1,469	4,188
TOTAL NON-CURRENT LIABILITIES	284,128	360,959
Current provisions	2,862	1,648
Trade payables	182,935	167,419
Current financial liabilities	297,909	213,763
Current tax liabilities	6,009	6,043
Other current liabilities	51,721	44,274
TOTAL CURRENT LIABILITIES	541,436	433,147
TOTAL LIABILITIES	825,564	794,106
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,908,445	1,950,718



Consolidated income statement

(EUR '000)	2011	2010
REVENUES	933,014	842,260
Change in inventories	4,289	2,595
Increases for internal work	4,036	4,862
Other operating revenues	12,354	15,869
TOTAL OPERATING REVENUES	953,693	865,586
Raw material costs	(448,968)	(400,071)
Personnel costs	(154,459)	(145,267)
Other operating costs	(226,075)	(211,318)
TOTAL OPERATING COSTS	(829,502)	(756,656)
EBITDA	124,191	108,930
Depreciation, amortisation, impairment losses and provisions	(87,985)	(86,409)
EBIT	36,206	22,521
Net result on equity investments measured using equity method	2,000	2,112
Net financial result	(22,602)	1,272
NET RESULT ON FINANCIAL ITEMS AND EQUITY INVESTMENTS MEASURED USING EQUITY METHOD	(20,602)	3,384
PROFIT BEFORE TAX	15,604	25,905
Income taxes	(5,766)	(8,306)
NET PROFIT (LOSS) FOR THE PERIOD	9,838	17,599
Attributable to:		
NON-CONTROLLING INTERESTS	6,813	8,255
GROUP	3,025	9,344



Statement of financial position

(EUR)	31 December 2011	31 December 2010
ASSETS		
Intangible assets	658,564	565,938
Property, plant and equipment	83,101	66,776
Investment property	23,000,000	23,000,000
Equity investments in subsidiaries	779,439,058	438,917,296
Equity investments available for sale	7,962,826	6,325,000
Non-current financial assets	105,968	106,035
Deferred tax assets	23,887,864	9,538,197
TOTAL NON-CURRENT ASSETS	835,137,381	478,519,242
Trade receivables	5,153,612	13,285,372
<i>Trade receivables third parties</i>	117,002	356,955
<i>Trade receivables related parties</i>	5,036,610	12,928,417
Current financial assets	6,215,764	370,590,576
<i>Current financial assets third parties</i>	803,336	559,518
<i>Current financial assets related parties</i>	5,412,428	370,031,058
Current tax assets	2,091,773	2,233,110
Other current assets	1,957,549	2,112,202
<i>Other current assets third parties</i>	691,644	2,111,986
<i>Other current assets related parties</i>	1,265,905	216
Cash and cash equivalents	5,376,605	8,363,715
<i>Cash and cash equivalents third parties</i>	3,036,732	3,219,532
<i>Cash and cash equivalents related parties</i>	2,339,873	5,144,183
TOTAL CURRENT ASSETS	20,795,303	396,584,975
TOTAL ASSETS	855,932,684	875,104,217
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	159,120,000	159,120,000
Share premium reserve	35,710,275	35,710,275
Other reserves	462,182,534	387,957,718
Net profit (loss)	(20,175,215)	(12,718,123)
TOTAL SHAREHOLDERS' EQUITY	636,837,594	570,069,870
Employee benefit provisions	325,154	482,036
Non-current provisions	600,000	600,000
Non-current financial liabilities	71,715,245	123,449,300
<i>Non-current financial liabilities third parties</i>	26,926,182	78,702,425
<i>Non-current financial liabilities related parties</i>	44,789,063	44,746,875
Deferred tax liabilities	4,640,513	4,657,976
Other non-current liabilities	1,128,053	2,654,206
TOTAL NON-CURRENT LIABILITIES	48,408,965	131,843,518
Trade payables	2,097,407	2,500,964
<i>Trade payables third parties</i>	1,257,392	1,445,027
<i>Trade payables related parties</i>	840,015	1,055,937
Current financial liabilities	118,350,064	158,041,779
<i>Current financial liabilities third parties</i>	105,652,136	45,423,637
<i>Current financial liabilities related parties</i>	12,697,928	112,618,142
Liabilities current taxes	1,516,689	1,516,689
Other current liabilities	18,721,965	11,131,397
<i>Other current liabilities third parties</i>	2,628,931	1,144,952
<i>Other current liabilities related parties</i>	16,093,034	9,986,445
TOTAL CURRENT LIABILITIES	140,686,125	173,190,829
TOTAL LIABILITIES	219,095,090	305,034,347
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	855,932,684	875,104,217



Income statement

(EUR)	2011	2010
REVENUES	12,181,242	11,494,029
<i>Revenues related parties</i>	12,181,242	11,494,029
Other operating revenues	1,232,913	1,254,643
<i>Other revenues third parties</i>	462,542	433,542
<i>Other revenues related parties</i>	770,371	821,101
TOTAL OPERATING REVENUES	13,414,155	12,748,672
Personnel costs	(9,134,729)	(5,902,708)
<i>Personnel costs third parties</i>	(8,826,927)	-
<i>Personnel costs related parties</i>	(307,802)	-
Other operating costs	(6,008,924)	(7,531,794)
<i>Other operating costs third parties</i>	(5,386,195)	(6,751,828)
<i>Other operating costs related parties</i>	(622,729)	(779,966)
TOTAL OPERATING COSTS	(15,143,653)	(13,434,502)
EBITDA	(1,729,498)	(685,830)
Depreciation, amortisation, impairment losses and provisions	(353,745)	(315,038)
EBIT	(2,083,243)	(1,000,868)
Financial income	3,017,366	5,606,398
<i>Financial income third parties</i>	2,985,587	5,533,832
<i>Financial income related parties</i>	31,779	72,566
Financial expense	(28,164,621)	(8,188,611)
<i>Financial expense third parties</i>	(26,181,572)	(5,426,361)
<i>Financial expense related parties</i>	(1,983,049)	(2,762,250)
NET RESULT ON FINANCIAL ITEMS	(25,147,255)	(2,582,213)
PROFIT BEFORE TAX	(27,230,499)	(3,583,081)
Income taxes	7,055,284	(9,135,042)
NET PROFIT (LOSS) FOR THE PERIOD	(20,175,215)	(12,718,123)