INTERIM FINANCIAL REPORT

31 MARCH 2013

cementirholding
GRUPPO CALTAGIRONE

Cementir Holding SpA
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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*

Interim financial report at 31 March 2013

Performance in the first quarter 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 three months of 2013, with comparative figures for the corresponding period of 2012:

Results

(Euro '000)	1st Quarter 2013	1st Quarter 2012	Change %
REVENUE FROM SALES AND SERVICES	**194,750**	**195,381**	**-0.3%**
Change in inventories	6,487	9,150	
Other revenue [1]	3,300	4,020	
TOTAL OPERATING REVENUE	**204,537**	**208,551**	**-1.9%**
Raw materials costs	(99,999)	(99,789)	0.2%
Personnel costs	(39,187)	(38,836)	0.9%
Other operating costs	(56,159)	(57,356)	-2.1%
TOTAL OPERATING COSTS	**(195,345)**	**(195,981)**	**-0.3%**
EBITDA	**9,192**	**12,570**	**-26.9%**
EBITDA Margin %	*4.72%*	*6.43%*	
Amortisation, depreciation, impairment losses and provisions	(21,645)	(20,549)	
EBIT	**(12,453)**	**(7,979)**	**-56.1%**
EBIT Margin %	*-6.39%*	*-4.08%*	
FINANCIAL INCOME (EXPENSE)	**(1,227)**	**(3,389)**	
PROFIT (LOSS) BEFORE TAXES	**(13,680)**	**(11,368)**	**-20.3%**
Profit (loss) before taxes Margin %	*-7,02%*	*-5,82%*	

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

Sales volumes

('000)	1st Quarter 2013	1st Quarter 2012	Change %
Grey and white cement (metric tons)	1,878	1,892	-0.7%
Ready-mixed concrete (m^3)	795	823	-3.4%
Aggregates (metric tons)	475	719	-33.9%

Group employees

	31-03-2013	31-12-2012	31-03-2012
Number of employees	3,286	3,311	3,224

In the first quarter of 2013, revenue from sales and services came to around EUR 194.7 million (EUR 195.4 million in the first quarter of 2012), EBITDA came to EUR 9.2 million (EUR 12.6 million in the first quarter of 2012), EBIT came to negative EUR 12.4 million (negative 8.0 million in the first quarter of 2012) and the loss before taxes amounted to EUR 13.7 million (loss of EUR 11.4 million for the same period of 2012).

Revenue from sales and services in the first quarter of 2013 were in line with the same period of the previous year, with performance varying by geographical area: the decline in revenue in Scandinavia and in Italy was partially offset by an increase in Turkey and the Far East, while Egypt remained at the same level as in the first quarter of 2012. More specifically, unfavourable weather conditions in Scandinavia, particularly in March, with the lowest temperatures reported in the last 25 years, caused a temporary paralysis in the construction sector and a decline in volumes of cement (-20%) and ready-mixed concrete (-12%) sold, which produced a decrease of about EUR 9 million in revenue. However, we believe that this drop in sales will be recouped in the coming months as the weather improves. By contrast, in Italy the decline in revenue of about EUR 3.6 million compared with the first quarter of 2012 was the result of a further contraction in demand, with sales of cement (-15%) and ready-mixed concrete (-28%) down due to the continuing structural crisis, which has affected the public infrastructures sector and the private construction industry.

In Turkey, revenue rose by around EUR 6 million over the first quarter of 2012 thanks to the increase in volumes of cement (+15%) and ready-mixed concrete (+11%) sold compared with the same period of the previous year on both the domestic and export markets, with prices remaining stable. In the Far East, revenue grew by EUR 1.3 million due to good performance in China, where volumes rose by 13% compared with the first quarter of 2012, partially offset by the decline in revenue reported in Malaysia as a result of the postponement of certain cement exports to Australia.

Finally, in Egypt, revenue from sales were essentially in line with the first quarter of 2012, with a different combination of markets and prices: in the domestic market, despite political instability, sales volumes more than doubled, but prices fell by around 7%; by contrast, in the export markets, sales volumes fell by around 30% while prices rose substantially.

Operating costs came to EUR 195.3 million, in line with the first quarter of 2012, as a consequence of a slight increase in raw materials costs (+0.2%) and personnel costs (+0.9%) and a decrease in other operating costs (-2.1% compared with the first quarter of 2012). Specifically, raw materials costs, amounting to EUR 100.0 million (EUR 99.8 million in the first quarter of 2012), reflected the increase in electricity prices in Denmark, Turkey and Italy, which was offset by efficiencies achieved in the costs of procuring other raw materials, particularly fuels. Other operating costs, amounting to EUR 56.2 million, fell by EUR 1.2 million compared with the first quarter of 2012 as a result of optimisation efforts involving the main industrial fixed costs.

EBITDA came to EUR 9.2 million (EUR 12.6 million in the first quarter of 2012), a decrease of 26.9%, mainly caused by the lower contribution of the Scandinavian countries, the delay in bringing activities in the Turkish waste business into full operation and also the change in inventories.

Financial management yielded a negative EUR 1.2 million, an improvement over the same period of the previous year (a negative EUR 3.4 million in the first quarter of 2012), thanks to greater stability in the financial markets, which led to a gradual reduction in the average borrowing costs and a positive measurement of derivative financial instruments used to hedge commodity prices and interest rates.

Financial highlights

(Euro '000)	31-03-2013	31-12-2012	31-03-2012
Net capital employed	1,509,547	1,487,152	1,490,805
Total equity [2]	1,108,440	1,114,123	1,080,843
Net financial debt	401,107	373,029	409,962

[2] Total equity at 31 March 2013 and in 2012 do not include income taxes for the period.

Net financial debt came to EUR 401.1 million at 31 March 2013, increasing by EUR 28.1 million compared with 31 December 2012, mainly due to changes in working capital and annual plant maintenance, which is usually performed in the early part of the year. The performance was nevertheless better than in the first quarter of 2012, when net financial debt rose by EUR 52.4 million.

Directors' report and significant events

Despite particularly adverse weather conditions in Scandinavia and Italy, the results posted for the first quarter of 2013 were essentially in line with management's expectations, with the exception of Italy, where there was a further decline in market demand.

Given the current economic scenario, marked by positive performance in Turkey, Egypt and the Far East, we expect Scandinavia and the waste management sector to make a greater contribution as the year continues. However, we do not expect a turnaround in the Italian market. Nevertheless, we can confirm that we are on track to meet our financial and performance targets for 2013.

With regard to the business plan, in the first quarter of 2013 the activities required to fully implement the strategic agreement made in 2012 with the Adelaide Brighton Limited group continued. The agreement calls for the expansion of the production capacity for the Malaysian white cement clinker and the resulting increase in sales in the Australian market.

A project is also under way to increase profitability, which should lead to savings of about EUR 30 million starting from 2014. The targets and timetable will be explained in more detail when the Board of Directors meets to approve the results for the half-year financial report at 30 June 2013.

Rome, 9 May 2013
The Chairman of the Board of Directors
/s/ Francesco Caltagirone Jr.

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